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PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, FIRST SESSION

SENATE—*Friday, March 27, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray.

Almighty God, Sovereign Lord of all, Thy word declares . . . there is no authority except from God, and those that exist have been instituted by God.—Romans 3: 1 (R.S.V.).

Grant that Thy servants remember that they are here by divine appointment and accountable to Thee in their work.

Give them Thy wisdom as they wrestle with complex issues—clarity in debate—courage of conviction as they vote. Keep them from compromise which sacrifices principle. Lead them to justice and compassionate decisions. May Thy grace guide their deliberations and Thy blessing crown their efforts

In the name of Him who is the light of the world. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. Mr. President, is there an order to proceed to the consideration of Senate Concurrent Resolution 9 in the course of today's deliberations?

The PRESIDENT pro tempore. That is automatic.

Mr. BAKER. I thank the Chair. At what time?

The PRESIDENT pro tempore. Not later than 10 o'clock.

Mr. BAKER. I thank the Chair once more.

Mr. President, it is my understanding that certain of our colleagues are in meetings this morning and those meetings are not likely to conclude until at or just before 10 o'clock. It is my intention, then, to yield first to the distinguished Senator from Alaska (Mr. STEVENS) from the time allocated to me under the standing order, and then to yield to the distinguished assistant minority leader, the Senator from California (Mr. CRANSTON), a portion of my time under the standing order as may remain.

ORDER FOR RECOGNITION OF THE MINORITY LEADER TODAY AND FOR A PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of my standing order time, there be an order for the distinguished minority leader to reserve his time until a later point in this day, and that we may proceed to routine morning business not to extend beyond the hour of 10 o'clock, in which Senators may speak without prejudice to the rights of the distinguished minority leader under the standing order.

The PRESIDING OFFICER (Mr. D'AMATO). Without objection, it is so ordered.

Mr. BAKER. I yield to the distinguished minority leader.

EVANGELINE ATWOOD, AN OUTSTANDING ALASKAN

Mr. STEVENS. Mr. President, this evening in Anchorage, Alaskans will honor Evangeline Atwood, this year's recipient of the annual Alaskan of the Year Award.

My wife, Catherine, and I had intended to be in Anchorage to join with those honoring Mrs. Atwood, but the schedule in the Senate on the budget resolution has prevented us from returning to Anchorage. Evangeline is one of my State's most outstanding civic and cultural leaders, a noted author, and Alaska historian.

She was in the forefront of those Alaskans who worked so diligently to see the territory of Alaska become a State. In those days, Alaska still suffered from the Seward's Folly mentality dating from the 1870's. Most people living outside Alaska thought we all lived in igloos and were a bunch of rowdy backwoodsmen searching for the "mother lode." Through the efforts of dedicated Alaskans like Evangeline Atwood, that image has changed.

She was a prime mover of the Alaska Statehood Commission—an organization of Alaskans who contributed their time and resources toward the statehood battle. In 1950, she edited a significant publication which aroused interest in Alaska's cause, entitled "83 years of Neglect: Alaska's Struggle for Self Government." This publication detailed how the Federal Government had avoided its responsibility to the territory of Alaska.

During our long statehood battle, whenever visiting foreign or national dignitaries came to town, Evangeline and her husband graciously opened their home to the visitors. Her knowledge of national politics, as well as territorial politics, helped convince many of the visiting U.S. Senators and Congressmen that Alaska was indeed ready for statehood.

During the State's constitutional convention, Evangeline Atwood was very active working with the delegates—urging them to draft a progressive, flexible document that would survive many years without change, just as our National Constitution has. As one of the delegates told me, Evangeline kept admonishing them not to be shortsighted but look to the future, because today had already passed.

The daughter of Presbyterian missionaries, Evangeline was born in Sitka, Alaska and has lived in Yakutat, Juneau, and Anchorage. She earned a BA degree in sociology from the University of Washington and a graduate degree in social science administration from the University of Chicago. After working as a social caseworker in the lower 48, she returned to Alaska, where she worked as a newspaper reporter.

This background prepared her for the number of historical books on Alaska she has since authored. She once said she began writing historical books because she heard the stories Alaskans were telling about past events and recognized, as those stories were retold, they got farther away from the truth.

Setting out to document facts and events objectively, Evangeline produced a number of excellent works, including a history of the city of Anchorage, a "Who's Who in Alaskan Politics," the story of the colonization of the Matanuska Valley, Alaska's rich farming area, and a definitive biography of Judge James Wickersham, who served for 12 years as the territory of Alaska's delegate to Congress.

Evangeline served on Alaska's Technical Review Board for Historic Preservation and the Alaska Historical Commission, and was the inspiration for the Cook Inlet Historical Society. At the

initial meeting of that group, Evangeline got about 175 people to turn out. Members started collecting Alaskan artifacts, which were intially displayed on the balcony of the Anchorage Library. As the collection grew, the members obtained a couple of showcases and moved the display to the basement of the City Hall Annex. Eventually, that collection became the inspiration of the Anchorage Fine Arts and Historical Museum. In recognition of her contributions in documenting Alaskana, she was named "Historian of the Year" in 1975 by the Alaska Press Club's Hall of Fame. In 1967, Evangeline received an honorary doctorate from the University of Alaska, Fairbanks.

Perhaps the most significant contribution Evangeline has made to our community and our State is her continuous role as a catalyst and prime mover for change and progress. She was the founder of the League of Women Voters in Anchorage and the Alaska World Affairs Council. She has served as president and State director of the Alaska Federation of Woman's Clubs and president of the Anchorage Woman's Club. Evangeline organized the local Parent-Teacher Association and participated in the formation of the Anchorage Opera Association and the Anchorage Community Theater.

When I think of Evangeline Atwood, I cannot help but recall the beautiful log home that the Atwoods had along Cook Inlet prior to the 1964 earthquake. That house was one of the many losses we suffered as a result of that earthquake, when it was destroyed.

Following that, the Atwoods built the Marilaine, which is probably the most impressive home in Alaska. In both of these homes, we have been privileged to be guests at meetings and in discussion groups and social events where, literally, the future of Alaska has been shaped. An evening at the Atwoods always involves discussions with people interested in and concerned about bettering Alaska's future.

Mr. President, Evangeline Atwood and her husband, Bob Atwood, have lived in Anchorage since 1935. They are the parents of two daughters, Marilyn and Elaine. Bob is the editor and publisher of the State's largest newspaper, the Anchorage Times. In 1967, Bob was the first person to receive the Alaskan of the Year Award in recognition of the outstanding contribution that he has made to the growth of our State. Over the years, the award has gone to distinguished Alaskan government and business leaders, artists, publishers, and aviators who have been recognized for their accomplishments.

This year Alaskans are again honoring another great Alaskan, Evangeline Atwood, who, throughout her life, has cared for and acted on behalf of her State and its people.

ERRONEOUS NEWS REPORTING OF SENATOR ROBERT C. BYRD'S VOTE

Mr. ROBERT C. BYRD. Mr. President, for the record, I am told that NBC last evening, in its reporting the news, stated that I, ROBERT C. BYRD of West Virginia, voted with the Republicans in opposing the restoration of certain cuts to veterans' health care services.

The record shows that I did not vote with the Republicans, and I wish that NBC would retract that statement and correct it. I do not want that misinformation going out to the State of West Virginia.

The record will show that I did not vote against restoration of cuts, and I believe that NBC, in its fairness, will make that correction.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I yield back the remainder of the leader's time, and I ask that the Senate now go into a period of routine morning business, pursuant to the previous order.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consider routine morning business, not to extend beyond 10 a.m.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EL SALVADOR POLICY

Mr. CRANSTON. Mr. President, a number of people, I among them, were disturbed by press reports a couple of days ago that indicated the remarks made by Acting Assistant Secretary John A. Bushnell, of the State Department, could indicate a view that anyone opposing our supplying weapons to El Salvador is somehow allied with the Communists and part of a Communist conspiracy.

That would be a dangerous and unpleasant slur, if that was an administration position, on many people whose motives are totally patriotic but who have differences of opinion over what we are presently doing in El Salvador.

Therefore, I wrote to Secretary of State Alexander M. Haig, Jr., asking for clarification of this matter, and pointing out the dangers of any such policy that would be interpreted by many—and if it was the policy it would be the fair interpretation—of going back to the days of McCarthyism.

I received a very satisfactory explanation from the State Department making plain that that was not the intent of Mr. Bushnell, that it was not the intent of the State Department.

The letter closes by saying:

I would hope that these clarifications eliminate any interpretation of "international McCarthyism." Neither Mr. Bushnell nor anyone else in the Department would impugn the motives of those who in good faith oppose our policies.

Mr. President. I ask unanimous consent that my correspondence with the State Department and their reply be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 25, 1981.

DEAR AL: A number of people—I among them—were greatly perturbed by the inferences that could be drawn from remarks reportedly made by Acting-Assistant Secretary John A. Bushnell before the House Subcommittee on Inter-American Affairs Monday. He is quoted as having said that protests against U.S. policy in El Salvador were the work of a "well-orchestrated effort" by a "worldwide communist network".

As you know, I basically support our El Salvador policy, at least to this point. And I do not doubt that communists, in the Soviet Union, Cuba, and elsewhere, are trying openly and covertly to provoke criticism of the U.S.

But to suggest—as Mr. Bushnell was widely interpreted as suggesting—that anyone opposing our supplying weapons to El Salvador is somehow allied with the communists is an unfair slur on the motives and the reputations of many people who have an honest difference of opinion with us.

More dangerous yet, fears have been expressed to me that Mr. Bushnell's remarks could be interpreted as signaling the rise of a new form of international McCarthyism under which all criticism of U.S. policy is to be branded as communist-inspired. And that this hunt for communists overseas might spill over into another witch hunt for domestic communists, such as we sadly experienced in the Red-baiting days of the late Senator Joseph McCarthy.

Earlier today, a member of my staff phoned Mr. Bushnell seeking clarification of his remarks. His response was helpful to my understanding of what he meant.

But I believe this matter is of such overriding importance, Al, involving as it does a widespread perception of the intentions of your Department if not the Administration as a whole, that only a full public statement can help allay the understandable concerns that exist.

I plan to make this letter public, after it has been delivered to you.

While asking you to clarify your Department's policy in view of Mr. Bushnell's statement, I want to clarify my own position on the Administration's El Salvador policy. My present support for that policy is based upon the assumption that we are doing our utmost to encourage land reforms and other reforms in El Salvador, and, while I accept the present level of military advisors now there or scheduled to go there, I would oppose sending any additional military personnel to that country.

Thank you for your attention to this matter, and my continued wishes for your success in a very demanding—and vital—post.

Cordially,

ALAN CRANSTON.

DEPARTMENT OF STATE,
Washington, D.C., March 26, 1981.

Hon. ALAN CRANSTON,
U.S. Senate.

DEAR SENATOR CRANSTON: Secretary Haig is very pleased that you are supporting the Administration's policy on El Salvador. The Government in El Salvador continues to press ahead with its major program of socio-economic reforms, especially the land reform. The limiting factors are the availability of technical resources and shortage of funding. We are helping with these problems, but there are also limits on what we can do. The Government expects to distribute between 15,000 and 30,000 titles this year. More than a thousand have already been provided to former tenant farmers.

We currently have no plans to increase the number of U.S. military trainers and technical personnel in El Salvador. We must, of course, retain flexibility should there be a change in the situation.

We regret that some confusion seems to have arisen in the press treatment of an exchange between Congressman Gejdenson and Acting Assistant Secretary Bushnell. We do not yet have the official transcript but the exchange was along the following lines.

The Congressman asked if Mr. Bushnell believed the demonstrations in Latin America against our embassies indicated problems inherent in our Salvadoran policies.

Mr. Bushnell replied that he did not see such demonstrations as a sign of problems. He said many of these demonstrations are organized and promoted by a worldwide communist network which has given a very high priority to opposing U.S. policies concerning El Salvador. If anything, it was encouraging that the size of the crowds the far left has been able to organize in most Latin countries has been quite small.

There was a follow-up question on how we knew the communists were doing this orchestration. Mr. Bushnell replied that he could not go into that issue in depth in open session. He called attention to the emphasis given Salvadoran matters in the communist press and by radio broadcasts from Cuba and the Soviet Union to Latin America.

Mr. Bushnell went on to point out that these radio broadcasts claim that the U.S. has up to a thousand troops in El Salvador and they claim these forces are engaged in combat against Salvadorans. Mr. Bushnell said some people probably joined demonstrations in Latin America because of opposition not to what we are really doing in El Salvador, but to what the communist radio claims we are doing.

Because of partial quotation in some press reports, there may be an impression that Mr. Bushnell was dealing with the reasons for demonstration or even other forms of opposition within the United States. It should be quite clear that he was referring only to Latin America and that he was talking only about demonstrations. Also, I would add that no one should take his remarks to mean that every individual participating in every demonstration was either a communist or misinformed. This exchange dealt in generalities with the situation in Latin America.

The Department's press spokesman has clarified this issue in response to press questions. I would hope that these clarifications eliminate any interpretation of "international McCarthyism." Neither Mr. Bushnell nor anyone else in the Department would impugn the motives of those who in good faith oppose our policies.

Thanks for your letter.

Yours sincerely,

RICHARD FAIRBANKS,
Assistant Secretary
for Congressional Relations.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJUSTMENT OF PRICE SUPPORT ON MILK

Mr. BAKER. Mr. President, I ask unanimous consent, notwithstanding the provisions of the order previously entered, that it now be in order to ask the Chair to lay before the Senate a message from the House.

Without objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 509) entitled "An Act to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually", do pass with the following amendment:

Strike out all after the enacting clause, and insert: "That section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is further amended by deleting subsection (d).".

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ZORINSKY. Mr. President, the Senate is being asked to approve the clean milk support bill as passed by the House and so strenuously desired by the majority leadership in the Senate.

While I voted in support of S. 509 to withhold the April 1 semiannual adjustment of dairy support levels, I had hoped that my amendment to deal with the embargo would have been approved and included in the final legislation.

In place of my amendment, the Senate accepted a toothless sense of the Senate resolution, but even this resolution has been dropped from the final dairy support bill. I described the resolution as being a sham and voted present rather than lend any credence to it.

While I am disappointed at the rejection of my amendment, I am more convinced than ever that it represents a sound approach to deal with the embargo. It gives the President a variety of options, and it does not tie his hands. My amendment does encourage the President to make a decision and let our producers know what he plans to do.

Because of my strong convictions on this matter, I introduced my amendment as a bill, S. 802, on March 25. Senator HELMS has offered to support and work for this legislation, and I am hoping that he and others will help move this legislation forward.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Senate Concurrent Resolution 9, which the clerk will state by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 9) revising the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

Mr. BAKER. Mr. President, will the Senator yield to me for a brief moment for a unanimous-consent request?

Mr. DOMENICI. I am happy to yield.

Mr. BAKER. Mr. President, a number of Senators on both sides of the aisle, are necessarily absent from the Chamber, and will be until 11:30, in order to attend the funeral services of a distinguished American. I ask unanimous consent that any votes that may be ordered this morning prior to 11:30 occur beginning at 11:30 a.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Senator for yielding.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader for making that request to protect our colleagues on this side of the aisle.

Mr. DOMENICI. Mr. President, I would like to just take a moment to talk with the distinguished minority floor manager. We have been operating, as he knows, under a voluntary arrangement where we take one amendment on his side and one on our side. There have been three on the Democrat side. So, obviously, it is our turn.

We need just a couple of moments. Our amendment will be offered by Senator HELMS. I do not know how much time he will want to take. If that is satisfactory, we will proceed with him.

Mr. HOLLINGS. Certainly, that is perfectly agreeable.

UP AMENDMENT NO. 22

Mr. HELMS. Mr. President, I have an amendment at the desk that I call up and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 22.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, lines 7 through 10 insert the following: Strike: "$3,462,000,000 in budget authority and $3,400,000,000 in outlays for fiscal year 1982; and $4,210,000,000 in budget authority and $4,161,000,000 in outlays for fiscal year 1983." and insert in lieu thereof: "$3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; and $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983."

On page 8, line 8 through 11, insert the following: Strike: "$150,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1982 and $196,000,000 in budget authority and $167,000,000 in outlays for fiscal year 1983." and insert in lieu thereof: "$1,050,000,000 in budget authority and

$301,000,000 in outlays for fiscal year 1982 and $600,000,000 in budget authority and $367,000,000 in outlays for fiscal year 1983."

Mr. HELMS. Mr. President, this amendment is a very simple amendment, even though it involves rather hefty arithmetic. It does the following: It cuts $900 million in budget authority and $200 million in outlays in fiscal year 1982 from programs under the jurisdiction of the Committee on Foreign Relations. That is to say, foreign aid.

Also, for fiscal year 1982, it adds $200 million in budget authority and $200 million in outlays for programs under the Agriculture Committee jurisdiction.

Mr. President, as the distinguished occupant of the chair knows, I am chairman of the Committee on Agriculture and I am a member of the Committee on Foreign Relations.

At this point, Mr. President, I ask unanimous consent that the distinguished Senator from Kansas (Mr. DOLE) be listed as a principal cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, this amendment will permit restoration of $200 million for school lunches or other nutritional purposes or programs. In addition, I believe that $100 million of funds now identified for Public Law 480, foreign food assistance, can be shifted by the Committee on Agriculture to domestic nutrition programs. This will permit funding of nutrition programs at a level $300 million higher than proposed by the President.

Mr. President, I think this is a reasonable change and I think it is desirable. I believe it will help assure many of those who feel that the President may have cut nutrition programs a little too deeply. I do not happen fully to share that apprehension, but I do want to relieve the apprehensions, as much as possible, of those who are concerned.

Further, the amendment would increase reconciliation totals for the Foreign Relations Committee by $404 million in budget authority and $200 million in outlays in fiscal year 1983. In addition, as I said earlier, the Committee on Agriculture, Nutrition, and Forestry, will consider reductions in Public Law 480 concessional food sales.

Mr. President, the Foreign Relations Committee totals that are being reduced include an inflation allowance of 12 percent. This amendment would remove any allowance for inflation in foreign aid programs.

Because many foreign aid programs spend very slowly in the first years, in order to save $200 million in outlays, almost $1 billion in budget authority must be cut. Some, but not all, of this reduction may have to come from security assistance programs.

Mr. President, the distinguished Senator from Kansas is on his way to the floor. Pending his arrival, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask the chairman of the Committee on Agriculture, under the rules amendments and the Budget Act, I assume that this quorum call is coming out of the time of the proponent of the amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I thank the Chair.

I suggest the absence of a quorum.

Mr. HELMS. Will the Senator withhold that?

Mr. DOMENICI. Of course.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I suggest the absence of a quorum, with the time charged equally to both sides.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I have to object to that.

Mr. HELMS. That is fine. We shall just sit tight, then. The time obviously will be divided equally without a quorum call.

The PRESIDING OFFICER. If nobody yields time, the time is charged equally to both sides on the amendment.

Mr. ROBERT C. BYRD. Mr. President, what did the Chair just say?

The PRESIDING OFFICER. If neither side yields time, time is charged equally against both sides on the amendment.

Mr. ROBERT C. BYRD. Mr. President, what is wrong with the mover of the amendment yielding time from his amendment?

The PRESIDING OFFICER. Either side may yield time on the amendment. If neither side yields time, the time is charged equally.

Mr. ROBERT C. BYRD. This side did not ask for a quorum.

The PRESIDING OFFICER. There is no quorum. Time will be charged equally to both sides.

Who yields time?

If neither side yields time, time runs equally against each side on the amendment.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. The distinguished Senator from Michigan wants to talk in opposition, on our time.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. I thank the Senator from South Carolina for yielding.

I want to direct my comments to the Senator from North Carolina, who was just on the floor and who has offered the amendment. I think he may have stepped into the cloakroom. I want to make sure he has an opportunity to hear what I am about to say, because it is directed at his amendment.

Mr. DOLE. We will try to retrieve him. Is the Senator for the amendment?

Mr. RIEGLE. I want to ask a question or two about the amendment. I am not sure I understand it.

I must say that I am surprised to see that the first chairman—the very first chairman—to come to the floor of the Senate during this budget debate to ask for more spending room for his committee is the Senator from North Carolina. The reason I am surprised is that I have heard a number of speeches by him over a long period of time about the need to cut Federal spending. So it is an ironic note that the first chairman—the very first Republican chairman on the floor—to reduce the cuts for his committee is the chairman from North Carolina.

He is here. I am delighted to see him on the floor.

Those of us who serve on the Budget Committee know that we cannot earmark line items within these individual budgets. We are approving overall spending totals by committee.

So, while the chairman may come in today and offer a particular justification for increasing the size of his committee's budget, there is absolutely no way that he or anybody else can guarantee how that money will be spent.

As a matter of fact, the money can be spent on tobacco sudsidies; it can be spent on anything at all under the jurisdiction of that commmittee.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. RIEGLE. I will be happy to yield in just a moment.

Mr. HELMS. The Senator is talking about tobacco sudsidies.

Mr. RIEGLE. I know the Senator does not feel that there are tobacco subsidies, and we have a disagreement on that.

My point is this: We do not earmark money by specific programs by action we take either in the Budget Committee or on the Senate floor.

So if the Senator from North Carolina is successful and if he gets some extra money to spend in his committee there is absolutely no way for us to know today how that money will be spent. I hope it would be spent on school lunches, but there is no guarantee that that is what it will be spent on. The Senator from North Carolina, like all the rest of us, has one vote.

But it is significant, I think, and ironic that the Senator whom I have heard speak about reducing Federal budgets as much as anyone around here should come on the floor today asking to increase his budget and take the money from some other committee. We are all going to vote to reduce the budget, we are all going to vote that way; we voted that way unanimously in the Budget Committee.

I wish I knew for a fact that adoption of this amendment would go to help provide school lunches or to support other activities of that committee that are urgent and important to people in need across the entire country. But there is

no way we can have that assurance today.

We can hear from the Senator as to how he would propose to spend that money, but he knows better than anyone else in this Chamber that once he enlarges that pot of money in his committee it can be spent any way that committee decides to spend it, because there is very wide flexibility.

He asked me to yield for a question and I am happy to do it.

Mr. HELMS. I do not believe I will ask the Senator to yield for a question. I will take the floor in my own right because I do not want him interrupting me.

If the Senator wishes me to yield, I make this observation: I never heard a finer political statement in my life, and I congratulate him.

Mr. RIEGLE. Coming from the Senator, that is high praise.

Mr. HELMS. I appreciate that.

Mr. RIEGLE. I wish to make it clear that we have worked here together for a long time and I think we have enjoyed a good personal relationship. I think we do now and I trust we will after this debate. We can have our differences of opinion as we do and that does not have to affect personal relationships.

But I am struck by it. As I have gone through this budget process in the Budget Committee we have seen cut after cut after cut that impacts very heavily on my region of the country, impacts on my State of Michigan. As a matter of fact, I do not think there is a single State of the 50 States that is asked to take a larger measure of sacrifice with respect to the cumulative effect of the cuts than my own State of Michigan. We are starting out today with an unemployment rate in my State of 14.2 percent and that unemployment is partly caused by the huge financial drain that Federal tax and spending policies have inflicted on States in my region, the Northeast.

There is no guarantee that the extra money that the Senator has asked for in his committee will make its way into a program that will spread benefits evenly across the 50 States.

I read with great interest the news reports of remarks the Senator made the other day, in a meeting with the tobacco farmers down in his State. He was telling them that there is no tobacco subsidy. There are others of us who have a different view of that.

I just hope that if the Senate should vote to provide more money for that committee, that the committee will apply the funds to programs that are going to benefit all the people of the country. Only time will tell if that is the case. This is an interesting moment and one that should not pass unnoticed.

I yield the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I am intrigued that my friend from Michigan professes to see what he described as an irony, inasmuch as what I am proposing is merely to take some money out of foreign aid and designate it for transitional purposes in connection with the school lunch program.

I am surprised that the Senator from Michigan apparently is opposed to that. I wonder what the reaction of his school children and their parents back in Michigan is going to be.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. HELMS. I did not interrupt the Senator and I know he will forebear. I want to address his comments in just a minute.

Mr. ROBERT C. BYRD. Mr. President, let us have order in the galleries also. I beg the Senator's pardon. He is entitled to attention and the rules, of course, prohibit any demonstrations with support or approval from the galleries and it is the Chair's responsibility to maintain that order.

The PRESIDING OFFICER. The Senator will suspend.

The Senator is correct and the galleries will not make any demonstration. They are guests of the Senate.

The Senator from North Carolina.

Mr. HELMS. I thank the Senator from West Virginia and I thank the Chair.

Mr. President, I recall my former colleague, the distinguished Senator from North Carolina, Mr. Sam J. Ervin, Jr., once having said he had never voted for a dime for foreign aid. He said that he might vote for foreign aid some year down the line but he could not imagine when that time would ever arrive.

But that is apropos only to explaining my surprise at comments made by the distinguished Senator from Michigan. Surely, he knows what the amendment is all about. It does not increase Federal spending. It merely adjusts our priorities a bit. It is taking some money which otherwise would go to foreign countries and applying a small part of it for school lunches for American schoolchildren, I fail to see what is so ironic about that. It makes sense to me.

I am just surprised that my friend from Michigan implies that there may be some intellectual dishonesty here. I do not believe that he could have any reason for surmising that the Senator from North Carolina would not do what he says he will do. I do not think that he doubts for 1 minute what the Agriculture Committee will do, the legislative history of this amendment being what it is. I am surprised at his comments, but I want him to know I feel no ill will toward him.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. HELMS. Yes, but I will have to yield on the time of the other side.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I ask for recognition.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. HOLLINGS. He has his own on the amendment, certainly.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, when we listen to the good Senator from North Carolina argue that his amendment will restore some $200 million for the school lunch program, it is important that we recognize that it was his administration which recommended a $1.6 billion reduction in the school lunch program. Fourteen and a half million children will not get school lunches under the administration program.

So before we start this debate and all pledge support for school lunch programs for children, whether in Michigan, Massachusetts, North Carolina, or in any other part of the country, let us point out from the beginning that the administration initiated the $1.6 billion cut in school lunch and nutrition programs. On this side of the aisle, we have proposed to restore $800 million for these programs: $400 million for the school lunch programs and $400 million for child nutrition programs.

The Senator from North Carolina wants to talk about his support for school lunches and for feeding children. Let us not be mistaken about what his amendment really does. It takes away the crust of bread from starving children in Africa or in Southeast Asia under the pretense that we will teach the dictators and the totalitarian regimes over there a lesson and feed the good American kids back here at home. That is hogwash. This is absolutely hogwash. And the Senator from North Carolina understands it, and we understand it here, and the American people are going to understand it certainly before this debate is over with.

The Senate should be prepared to vote up or down on school lunches, to vote "yea" or "nay." If the American people want to label Senators who vote for those programs as "big spenders" let us be prepared to take that particular challenge, that particular risk, and that particular responsibility.

But let us not delude the American people into thinking that because you support the Helms amendment you are cutting out foreign aid to wicked nations and feeding hungry people here. Let us stand up and be counted on that issue. Let the Senator from North Carolina permit the Senator from Tennessee, who is prepared to offer this amendment right now, to call the roll.

But before we vote, I believe it is important to state my belief that the Senator from North Carolina does not have the right and legitimacy to say that he is restoring the food lunch program for hungry Americans. The fact of the matter is the administration has substantially reduced the benefits of this program for any family whose income exceeds the $11,000, and has eliminated

all benefits for families who make more than $16,000. About 14.5 million children will be affected. Under the Reagan administration proposal we are going to have two lines of children in school lunchrooms. One line will be the poor kids and the other will be the kids of working people.

With the doubling of the cost of the school lunch program because of the administration cuts, there may not be any cafeterias at all. So these kids may start off brown bagging it, which is not as healthy, as any nutritionist in this country understands.

This whole school lunch program began back in 1946 after World War II. The Selective Service found that many individuals who were drafted into the Armed Forces suffered from malnutrition. For the first time we in the United States realized that there were millions of young Americans who were hungry and malnourished. People did not understand it. These school lunch programs were initially adopted for national security interests.

The Field Foundation found, in its initial study on food and nutrition in this country, that many children were suffering severe adverse health implications because of poor nutrition. Then after we initiated nutrition programs for young children, the Field Foundation produced a second study which found a 40-percent reduction of infant mortality in many of the inner cities and rural communities of this country, and a significant difference in the whole quality of health and quality of life for millions of children in this country.

The programs that produced these amazing results were the school lunch program, the child nutrition program, and the food stamp program for children.

All that we are talking about today is 40 cents per meal for children in the schools of this country. This administration has cut that money out and the Helms amendment is not putting it back in.

I say to the Senator from North Carolina that we will give him an opportunity later in this budget debate to vote on some real amendments from this side of the aisle which will put more money back into these important programs.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER (Mr. GRASSLEY). The Chair recognizes the majority leader.

Mr. BAKER. Mr. President, will the distinguished manager of the amendment yield 2 minutes to me?

Mr. DOLE. Mr. President, I have been authorized to yield 2 minutes to the Senator from Tennessee.

Mr. BAKER. Mr. President, more than any of the debate I have heard so far, the statement by the distinguished Senator from Massachusetts displays the difference between the minority's point of view on the state of this Nation's economy and the majority's point of view.

I believe the poor of this country would be cruelly used by any effort to try to restore to this budget full funding for programs that have failed. I believe that the proposal by the Senator from North Carolina——

Mr. KENNEDY. Will the Senator yield?

Mr. BAKER (continuing). Provides for what should be provided by a human and compassionate country, that is food for those who cannot feed themselves, and at the same time, it does not provide public funds, in this time of economic distress, to those who should not have them—to the children of the rich and the middle-income families of this country.

Mr. KENNEDY. Will the Senator yield?

Mr. BAKER. The argument of the Senator from Massachusetts shows the very essence of the difference in our points of view. The amendment that the Senator from Massachusetts refers to would really give us a chance to add to the measure before us. I am sure everyone will note it will do just that: It will add, but it will not take away anything.

Mr. President, the responsibility of this side, of the majority in the Senate, in my view, is to make sure that when we add to programs, we take away someplace else, because be have to get our economy under control.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. KENNEDY. Mr. President, will the Senator yield a few minutes? Will the Senator yield 3 minutes?

Mr. HOLLINGS. Yes.

Mr. HELMS. Mr. President, the Senator from Kansas has the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Will the Senators suspend for a minute?

The Chair recognizes the Senator from Kansas.

Mr. DOLE. Mr. President, I ask the Senator from North Carolina if he would yield to me.

Mr. HELMS. I yield to the Senator from Kansas.

Mr. KENNEDY. Mr. President, the Senator from Tennessee has referred to the Senator from Massachusetts.

Mr. DOLE. Mr. President, I am going to refer to the Senator from Massachusetts, also.

Mr. KENNEDY. Mr. President, I should be entitled to respond to the Senator's charge to the Senator from Massachusetts.

Mr. DOLE. Mr. President, regular order.

Mr. HELMS. Mr. President, who has the floor?

The PRESIDING OFFICER. Does the Senator from North Carolina yield?

Mr. HELMS. I yield to the Senator from Kansas.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. METZENBAUM. Mr. President, I object. Under the rules of the Senate, no one Senator may yield the floor to other Senators.

Mr. HELMS. Mr. President, I yielded time.

Mr. METZENBAUM. The Senator was asked to yield. The Chair ruled that the Senator yielded to the Senator from Kansas and the rule of the Senate does not permit one Senator to yield to another.

The PRESIDING OFFICER. Under a time limitation, that is precisely the way the floor is allocated.

The Senator from North Carolina yielded to the Senator from Kansas, which he has a right to do.

Mr. HELMS. I thank the Chair.

Mr. DOLE. Mr. President, this is pretty exciting this early in the morning. I am glad I happen to be in town. [Laughter.]

I would say that I think I have some credibility insofar as nutrition programs are concerned. Maybe it is the fact that it is not that anyone disagrees with what we are doing, but it is who offers the amendment.

I want to say—not in defense of Senator HELMS; he does not need any defense—that I think this indicates our concern, that the child nutrition programs have been cut too deeply. Nutrition is one area in which we think there should be an adjustment. I commend the distinguished chairman of the Agriculture Committee for initiating this effort.

As a cosponsor of this amendment, and as chairman of the Nutrition Subcommittee, I hope that I can assure the Senator from Massachusetts and the Senator from Michigan—if, in fact, they want assurance, which I doubt—that this money will go for nutrition.

Now, I would just say, in a general way, that we are hearing the same, tired liberal voices who have gotten us into this spending mess in the first place, telling us we ought to do this and we ought to do that. We have listened to that tune for the past 20 years, and we are in the position we are today because of it.

I do not question their motives. I just question their philosophy and whether this is the way we need to go at this time in America.

I have been accused of being very liberal in the food stamp area. Some have suggested that this is because they eat things we raise in Kansas. I have never really understood that argument, because not very many people in Kansas support the food stamp program.

But I do suggest that we have made gains in the food stamp program, and have made reforms in the food stamp program. We have made gains in the school lunch program and in the WIC program, and this has always been on a bipartisan basis. I hope we are not sowing the seeds of destruction in that bipartisan support here today.

I believe the Senator from North Carolina. I believe in the amendment. I have cosponsored the amendment. It is approximately what many on the other side have agreed or suggested we ought to put back into nutrition: $300 million.

Now, if you do not want to take it out of foreign aid, if you want to give it overseas instead of to the people in this country, then you vote against the amendment. But if you want to help the children in your schools in Michigan and Massachusetts and Kansas, then you vote for the amendment.

I believe there is enough in foreign aid. We are not going to do violence to the foreign aid program or the Public Law 480 program. I suggest that we are not going to do any harm by making some cuts in some of these programs.

I hope the Senator from Kansas has had some influence on the administration at the outset in trying to temper the cuts in the food stamp program. We were successful in that. As chairman of the Nutrition Subcommittee, working with Senator LEAHY and Senator HELMS and others on that subcommittee and on the full committee, I believe that we can work out a program that will be acceptable. However, at the same time, we recognize that, as the distinguished majority leader said, we are in a time of economic crisis, and we need to make some changes.

Mr. President, the proposed changes in the child nutrition program will concentrate immediate resources where they are most needed; 10.3 million children from poor families will continue to receive fully subsidized school lunches and 3 million will also benefit from a fully subsidized breakfast in school. An additional 1.8 million will continue to receive reduced-price lunches and/or breakfasts. I do not see anything wrong with that. That is the way it should be. This is what we are making certain of. This is why we need the other $300 million in the so-called transition package to make certain we can carry out that pledge.

So I rise in support of the amendment proposed by my colleague from North Carolina, along with the Senator from Kansas, to restore $300 million—not the $200 million referred to by the Senator from Massachusetts—in child nutrition programs.

As many in the Senate are aware, I think I have demonstrated over the years my concern for child nutrition programs, in particular, the school lunch program. I hope that we can adopt this amendment.

I, frankly, have said that we have cut too deeply in the nutrition programs. They were forced, as the Senator from Massachusetts correctly stated, to absorb a cut of $1.6 billion, and that is a cut of about 40 percent. This seems to me to be a bit inequitable, in that most programs are being cut back anywhere from 10 percent to 25 percent. Now we are restoring $300 million. I think we are going in the right direction.

Since its beginning in 1964, the national school lunch program has demonstrated its effectiveness and gathered universal support from communities across the country. Here in Congress, it has always had strong bipartisan support, because it is a program that stands on its own merits and has not been subject to the fraud and abuse image that plagues certain other Federal nutrition programs.

Mr. President, although I am generally supportive of the President's economic package, I do have some reservations concerning the magnitude of cuts in the child nutrition programs. I think the least we can do is put a little money back into this very worthwhile area, and there may be some other area in the wide spectrum of possibilities that we may be able to take money out of to compensate for this minimal restoration.

IMPACT OF CUTS ON PARTICIPATION

Mr. President, the reason I deviate from the President's proposals on this particular point is that I sincerely believe that good nutrition for our children is one of the best investments this country can make in its future well-being. We are all becoming increasingly aware of the inextricable link between nutrition and good health. Undermining the viability of the school lunch program would make it impossible for schools to run these programs like a business.

Eliminating the subsidy to paying students will have drastic consequences in school districts back home. Middle-income students are not necessarily wealthy, and families with more than one child will find it difficult to pay a dollar or more per child for a lunch. Multiply this by 5 and then by the number of weeks in the school year, and the drain on a middle-income family is substantial. At certain income levels, the tax cut will not even balance out this added expenditure.

Middle-income families will send their children off to school with a bag lunch or else they will end up going to a fast food place to buy their lunches. This will result in a significant percentage of paying students dropping out of the program, and schools will finally decide that it is no longer cost-effective to run the Federal program. Schools in Kansas, for example, will be forced to conduct a program for the sake of about 30 percent or less free and reduced price category students, and they will simply make a determination not to comply with all the Federal redtape in order to preserve a program for a minority of low-income students. What will then happen is that these students will no longer have the opportunity to participate in the school lunch program because this program will no longer be offered in many schools. I think this is a matter of grave concern.

SEGREGATION OF LUNCHROOM

There are currently 27 million children receiving a school lunch each day in some 94,000 schools across the country. Of these 27 million children, about 37 percent fall into the free category, and about 8 percent receive reduced price lunches. "Paying" students comprise about 55 percent of total participation and now pay about 60 to 75 cents per lunch.

If the reduction in Federal subsidies is passed on to the student, the cost of the school lunch for paying students will almost double, and for reduced price students this will nearly triple. Currently students in this category pay an average of 20 cents per lunch. Participation is likely to drop about 30 percent in many schools and this percentage could reach as high as 50 percent in some schools, causing entire schools to drop out of the school lunch program.

What we are left with is a situation that looks like this: If schools drop out of the program, the poor will no longer be able to receive free or reduced price lunches, because the school lunch program as we know it will have disappeared. If schools stay in the program, the middle-class student will find other alternatives to eating in the lunchroom and will abandon the premises, thereby segregating the poor students from the rest. As we all know, this is not the way the school lunch program was designed.

IMPORTANCE OF FEEDING CHILDREN

Just about everybody recognizes the need for good nutritional input in children to help them develop sound minds and bodies. There is no question but that children who suffer from hunger demonstrate poor performance in the classroom. If we deny children of poor families a chance to learn under optimum circumstances, we are taking away from them the foundation that will enable them to get ahead for the rest of their lives.

Mr. President, I cannot emphasize enough the importance of good nutritional input in children of all ages and all income levels. Since the early part of the sixties, we have been firmly committed to eliminating hunger and malnutrition in our population and I think that extensive cuts in the area of child nutrition would cause us to step backward on the path to progress that we have taken.

Mr. President, I am also concerned about the overall economy—about a fiscal crisis, or near crisis, in this country. I believe many of the parents and many of those who administer the food service program in this country, as well as the food stamp program, and even those who are recipients of the food stamp program understand—and I hope the majority understand—that our first responsibility is trying to restore the economy in this country.

Do we want 17-percent interest rates? Do we want double-digit inflation? Do we want high unemployment? Do we want more regulation?

One reason the food stamp program is so costly and one reason the school lunch program is so costly is because of inflation.

How are we going to end it if we do not

cut spending? How will we reduce spending if we do not look at every program? There are spending reductions in some 300 programs in the Reagan economic package.

I would say to my friends on the other side of the aisle with whom I hope to work over the next few weeks that we should fashion constructive changes in the nutrition programs, whether school lunch, food stamps, or WIC. The WIC money was restored to a great extent by the Budget Committee, which was a motion I supported. Let us work together in a bipartisan effort and try to address the real problems of nutrition.

There is plenty of time for politics. We all understand that. Let us not play politics with American schoolchildren. We tried it yesterday with the veterans and it failed. It will not work with the schoolchildren. Most parents understand the need to address the economy of this country.

The bottom line is if you want to restore $300 million without doing violence to the numbers worked out in the Budget Committee, you have an opportunity.

I again congratulate my colleague from North Carolina for initiating this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. A total of 13 minutes.

Mr. HOLLINGS. I want to yield 3 or 4 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, let me respond to the Senator from Tennessee, who challenged my earlier point. The administration claims that the school lunch program which it fashioned would take care of the really needy, but not take care of middle-income families or wealthy kids. I think it is important to point out for the record that the administration's program terminates school lunches for families with $11,000 income—that is the cutoff point. If you earn more than $11,000, you start losing any kind of benefits for your children in the public school system. All benefits are terminated when you have an income of more than $16,000.

Those are the ones that will be excluded from this program. Those are the sons and daughters of the "rich."

Mr. President, I hope that we will have the opportunity today to vote for the $300 million increase. If the parliamentary situation permits us to divide the amendment and just vote on the increase, I intend to do so.

I want to make a final point here, Mr. President. I think it is a sad day indeed when we pit the poorest starving people in Africa, Asia, India, and Southeast Asia—where there are about a billion on the verge of starvation—and when we pit the 15,600,000 children under 5 who die every year from hunger, disease, and malnutrition against American children. And to justify this travesty, we use the pious answer that we are going to protect the budget.

If that is what the cost of fighting inflation is, it is unacceptable. It is unacceptable. It is unacceptable for this Nation and this Congress, if that is the only area we can find to tighten the belt.

We should make no mistake about what this amendment does.

This amendment takes the small amount of resources that we are providing today to the hungriest children in the world and says, in a self-righteous way, that we are going to restore at least some part to hungry children here in this country. We are pitting needy children in one part of the world against the needy children here and doing it under the sanctimonious banner that this tradeoff is what the budget process is all about.

That approach, I think, is a travesty in terms of what this country is about and what this Nation's priorities are about.

If the Senator from Tennessee thinks this is a tired old liberal program, let me just say that this happens to be a young Democrat who is proud to have been associated with it, just as the Senator from Kansas and the Senator from Illinois, both Republicans, have been associated with it. This program has been a bipartisan effort over the years.

Sure there have been some abuses, and sure there has been some need for perfecting it. But let us see whether the Members of this body want to vote yea or nay on that particular program, and also, if necessary, vote on the question of whether we are prepared to take back the funding for feeding hungry children throughout the world.

At an appropriate time, which, as I understand, is at the time the time expires on the amendment, I will ask for a division.

Mr. President, I ask for a division.

The PRESIDING OFFICER. The amendment is subject to division and is divided.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on each.

The PRESIDING OFFICER. The yeas and nays have already been ordered and, therefore, will attach to both divisions.

Mr. HOLLINGS. I yield the few minutes remaining to the Senator from Ohio.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. METZENBAUM. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from South Carolina has 2 minutes and 40 seconds.

Mr. METZENBAUM. Mr. President, I think when the Senator from Tennessee indicated that this was the difference between the majority and the minority, he was hitting the nail on the head. The majority party has determined in its mind that somehow you can solve the economic problems of this Nation by taking it out on the backs of the poor and middle-class Americans. This is exactly that kind of program.

What has occurred? We are going to cut back on food stamp programs, we are going to cut back on lunch programs, we are going to cut back on nutrition programs, and then we are going to solve the whole problem picking up $900 million out of the foreign aid. That just does not make sense, and it indicates the continued illogical thinking of the members of the majority party.

How come the members of the majority party do not look at commodity straddles where they can pick up $1.3 billion? How come the members of the majority party do not look at industrial revenue bonds that are used to build tennis clubs, racketball clubs, McDonald hamburger restaurant places, and so many others? How come they do not look to the fact that the treatment of timber as a capital gain item is totally distinguishable from the manner in which farmers are treated generally, treated as a capital gain, costing the Treasury $650 million? How come they do not look at island possessions that cost about $400 million, and the fact that they are tax exempt?

But, no, the majority party is not willing to look at any programs that might affect those of the affluent in this Nation. They only want to do it, as far as they are concerned, on foreign aid programs that have to do with poor children and hungry mouths throughout the world and try to do something by putting back some money for the poor kids of this country.

I say that these two votes are very significant. This spells out for the people of America the difference between a nation that is committed to its people and a nation that rolls over and is totally indifferent to the human concerns which are involved in this program.

I have said it before and I repeat it again, this vote today indicates whether the majority party is indeed cruel and whether they are inhumane, whether or not the majority party is prepared to take it out on little kids, out of their mouths, but, instead, take it out of the mouths of children who are overseas. What kind of concern, what kind of a crass attitude, is that? I think this is a very clear indication of what the majority party stands for and I hope it will indicate what the minority party stands for as well.

The PRESIDING OFFICER. All time of the Senator from South Carolina has expired. Who yields time?

Mr. DOLE. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. DOLE. Mr. President, we are talking about taking about $300 million from programs that, as I understand it, next year are in excess of $11 billion. We will not do violence to Public Law 480 or to foreign aid. I do not know of anything in this amendment that says we are going to take food out of the mouths of those who need it in Africa or some other coun-

try. People get up and make these statements and the press writes them down like they are facts. I have not seen evidence of that. I think we ought to be doing more in some of those countries, and I am certain the Senator from Ohio agrees. We have not done it in either administration. But the fact remains that we are now going to vote very quickly on the amendment itself.

I would just pledge to my colleagues—and I am not certain I can make a statement for the Senator from North Carolina but I can make it for myself—that, as chairman of the Nutrition Subcommittee which has jurisdiction over the school lunch, food stamp, and WIC programs, I will see that this money will be used to help in those areas. I will be working with the distinguished Senator from Vermont and others on the subcommittee and the full committee.

I am just simply saying that I think we have some credibility. If there was some intent by this amendment to play games, to take money away from children, I would not be a party to it. But the bottom line is that if you want to take $300 million out of $11 billion in programs (some of which are good, and considering that we still have to face economic realities), then this is an opportunity.

Mr. LONG. Will the Senator yield?

Mr. DOLE. I yield to the Senator from Louisiana.

Mr. LONG. Since reference has been made to the famine in East Africa, which is a real problem, and keeping in mind that in those areas where reference was made, we are not talking about a balanced diet but we are talking about trying to sustain life, itself, can the Senator assure us that insofar as he has influence in this matter, this amendment would not work out to deny food, calories, something to sustain life, for the children in those areas? I think that is the concern of some Senators.

Mr. DOLE. That is correct. We will be coming in with a supplemental in some of those areas. We do have jurisdiction in the Agriculture Committee over the Public Law 480 program.

Mr. President, how much time remains?

The PRESIDING OFFICER. Four minutes, 37 seconds.

Mr. LEAHY. Will the Senator yield?

Mr. DOLE. Does the Senator have a question?

Mr. LEAHY. It is more of a statement on what the Senator from Kansas said.

Mr. DOLE. I will yield on that basis.

Mr. LEAHY. I want to emphasize how necessary it is to restore some money in these feeding programs, Mr. President. This is really a drop in the bucket. I would just leave each Senator with one thought, and I will be speaking more on this as we go along: With the cuts that are being made in the school lunch program, it almost guarantees that in any rural area in this country school lunch will be a thing of the past if these cuts are not restored. The baseline will be so low that in any rural area they will be gone. I hope each Senator who has a rural constituency will realize that.

Mr. DOLE. I agree that this is a real concern. This is the very reason we are moving $300 million more into the area of nutrition. It is the same reason that I think some on the other side would have offered the amendment. The Senator has put his finger on a major concern and one which we should address in the Nutrition Subcommittee.

I might add that we did not have an opportunity to say that one of the leaders of this effort during the past decade has been the distinguished Senator from South Carolina (Mr. HOLLINGS), and I congratulate him for his efforts in the area of nutrition programs.

Mr. HUDDLESTON. Will the Senator yield?

Mr. DOMENICI. Will the Senator yield?

Mr. DOLE. Mr. President, I yield the remainder of my time to the Senator from New Mexico.

Mr. DOMENICI. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOMENICI. Mr. President, I yield to the distinguished Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I am deeply concerned with the recommendation of the Budget Committee in relation to feeding programs for children. In my view, the savings recommendations go too far. They would jeopardize the viability of the national school lunch program, an integral link in meeting the nutritional requirements of our children.

The budget resolution before us recommends large savings in many areas of the budget, and I support most of these recommendations. I also believe that we can attain significant savings in nutrition programs without endangering the health and well-being of needy children. However, I cannot support proposals which, in the long run, will lead to no savings at all.

If we shortchange our children now by reducing the assistance that is vital to their proper growth and development, the dollar and human costs we will incur for years to come will dwarf the momentary budget savings.

I am heartened by the Budget Committee's decision to restore full funding for the WIC program. In this program, as in the child nutrition programs, the President's proposal would have seriously undermined the effectiveness of a very successful program. I believe that the same good judgment exercised by the Budget Committee in relation to WIC should be exercised by the Senate in relation to other programs that feed children.

In my own State of Kentucky, it is estimated that the Budget Committee's child nutrition recommendations would cut Federal assistance by $25.5 million or 41 percent. They would likely result in the average price of school lunches rising to over $1, thus pricing many children out of the program. With 55 percent of all Kentucky participants falling in the paid category, it is entirely possible that some schools will have to drop out of the national school lunch program because of declining participation. This could mean the end of subsidized lunches altogether for many poor children throughout the State.

In Campbell County, Ky., it is estimated that 90 percent of all paying students would drop out of the school lunch program rather than pay $1.20 or $1.25 for a lunch.

Unless we intend to put an end to the national school lunch program as we know it, we cannot let the Budget Committee recommendations stand. And, it is not as if we are letting child nutrition programs completely off the hook.

Just last year, we enacted several hundred million dollars in child nutrition savings. Now, we are moving again to cut back these programs before we have had a chance to examine the effect of what we did last year. Even if this amendment passes, the budget resolution would still contemplate $1 billion or more in child nutrition savings. This constitutes about 25 percent of the total Federal dollars in these programs, which would be a significantly deeper cut than the President has proposed for most other areas of the budget.

In summary, Mr. President, we must act today to put more money in the budget to feed children. The Budget Committee recommendations are so severe that we would have no choice but to hurt needy children. The final decisions as to how deep the reductions should be and where they should occur are properly left to the Agriculture Committee. Support for division one of this amendment means that we favor making our job less difficult. While this amendment does not go as far as I would like, it is a step in the right direction.

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER. Two minutes, 38 seconds.

Mr. DOMENICI. Mr. President, I hope everyone knows that the most recent foreign assistance budget for fiscal year 1980 was $8.6 billion. Included in that is food for those very poor that Senator KENNEDY has addressed. We obviously cannot solve that problem everywhere.

But it is not a pittance. There was $8.6 billion in budget authority last year. The President's request for 1982 is $10 billion, not a pittance, either. It is an increase of over $1 billion.

We do not know whether the Senate or the House is going to go along with the President's request.

The second point: We do not handle the detailed programs, but all of those that sent concerns to the Budget Committee about the school lunch program—not the WIC program, which was put back in, which the ranking minority Senator is so concerned with and understands. That is back. The principal con-

cern with the cut was not that we were going to deny food to poor people. It was that when we cut at $11 billion and then partially subsidize it up to $15 billion, what would happen is that, maybe, those parents with $14,000 income, with two children, or 11.9 percent would give them a brown bag instead of letting them buy. So we were concerned that there be transition money for those districts that had trouble because of too low a population to maintain a cafeteria.

That is why we asked someone to find a way, without doing any violence to the budget, to add some money for this transition, so that the Secretary of Agriculture could go out into America. If he found and if Congress authorized him to in the new legislation, he could carry those that had a marketplace problem because of the diminution in users—not because children of a $15,600 income family—two children is what we used—are going to starve, but because the additional subsidy they have to pay might cause them not to use the program.

So these principal food agencies that were concerned said, "We need some transition time to see who is right, or whether the cafeteria is going to be in trouble or not."

That is the issue, Mr. President, not whether the children are going to go hungry: Will the cafeterias be able to remain in business during this transition?

The PRESIDING OFFICER. The time on the amendment has expired. Who yields time?

Mr. RIEGLE. A parliamentary inquiry, Mr. President.

Mr. DOMENICI. I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, there are currently 27 million childern receiving a school lunch each day in some 94,000 schools. These 27 million students fall into three categories:

First, free lunch students have incomes below 125 percent of poverty and make up 37 percent of the 27 million students. They pay nothing for their lunches.

Second, reduced-price lunch students with incomes between 125 percent and 195 percent of poverty comprise 8 percent of the 27 million students. They pay no more than 20 cents per lunch.

Third, "paying" students have incomes above 195 percent of poverty and make up 55 percent of the 27 million students. They pay about 60 cents to 75 cents per lunch.

The Reagan administration has proposed and the Budget Committee has endorsed cuts in school lunch and other child nutrition programs of $1.6 billion in fiscal year 1982. The administration has proposed to eliminate Federal subsidies for nonpoor students and lower the subsidy for reduced-price students.

If the full cost of the cut is passed on to the child, this will result in almost doubling of the cost of a lunch for paying students and the possible tripling of the price paid for reduced-price lunches. This would result in:

Fewer paying children participating in the school lunch program. School administrators estimate that about 6 million paying students will drop out as a result of price increases.

When paying student participation drops many school lunch programs will become uneconomical. This happens because much of the cost of meal preparation is fixed and schools require a high volume of meals to spread their overhead costs.

When a school lunch program becomes uneconomical, a school can respond in one of two ways:

First, drop out of the school lunch program. This would deny access to free and reduced-price meals to needy children. The CBO roughly estimates between 5 percent and 10 percent of the schools will drop out, though school lunch administrators estimate that in some States the percentage may be as high as 40 to 50 percent.

Second, stay in the school lunch program but offer alternative meals to attract more paying students. This would result in the de facto segregation of the school lunchroom—dividing the poor from the nonpoor. We must not offer a poor child a lunch at the price of his own self-respect.

RELATIONSHIP TO PRESIDENT REAGAN'S TAX CUT

Mr. President, for persons who are receiving reduced-price lunches, this increase will effectively cancel the benefit of the administration's proposed tax cut. In 1982, a family of four with two children and earning $12,000 a year would benefit by about $96 from the tax cut, yet they would end up paying about $167 more for their children's school lunches. President Reagan's economic plan is going to leave this family $71 worse off.

Mr. RIEGLE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Who yields time? Senator DOMENICI.

Mr. RIEGLE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Who yields time?

Will the Senator from South Carolina yield time?

Mr. HOLLINGS. Yes, I will.

Mr. RIEGLE. I thank the Senator for yielding for a parliamentary inquiry. I want to understand where we are before this vote starts.

Am I correct in understanding that the amendment has been divided and there will be two votes, not one vote? Is that correct?

The PRESIDING OFFICER. The Senator from Michigan is correct.

Mr. RIEGLE. Am I further correct in understanding that, in the school lunch program, the Senator from North Carolina is proposing to add $200 million and not $300 million?

The PRESIDING OFFICER. The Chair cannot interpret amendments.

Mr. RIEGLE. The Chair can certainly tell me what the dollar amount is. Is the dollar amount increased by $200 million?

The PRESIDING OFFICER. The Chair cannot interpret amendments, I say to the Senator from Michigan.

Mr. LEAHY. Will the Senator from South Carolina yield me 30 seconds on the point that the Senator from Michigan raised?

Mr. HOLLINGS. I am delighted to yield 30 seconds, because it is a difference in budget authority and obligation.

Mr. LEAHY. Mr. President, I say to my colleagues that it appears to me that what we are doing is transferring $200 million—not $300 million, but $200 million from foreign assistance and potentially $100 million from Public Law 480 within the agricultural function, which is an entirely different issue. I mentioned that so that my colleagues will understand that passage of this may only be guaranteeing $200 million into the school lunch program, not $300 million.

The PRESIDING OFFICER. The Senator from Vermont will suspend. The hour of 11:30 having arrived——

Mr. RIEGLE. A parliamentary inquiry, Mr. President. I ask if the Senator from South Carolina will yield on that same question.

What is the division, Mr. President?

The PRESIDING OFFICER. It will take unanimous consent to postpone the vote.

Mr. HOLLINGS. I ask unanimous consent that the Chair be granted permission to tell us what the division is.

The PRESIDING OFFICER. The question is on division 1, the Agriculture, Nutrition, and Forestry Committee. The yeas and nays have been ordered.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the vote be delayed 1 minute until we pin this matter down.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. RIEGLE. I thank my colleagues.

It is my understanding that the school lunch program is being cut by $1,568,000,000, and what is being proposed here is to add back $200 million, which means that the reduction that we shall be voting on in the school lunch program here is over $1.3 billion. That is what we are talking about.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. METZENBAUM. Mr. President, a point of order. The time has expired.

Mr. DOMENICI. Mr. President, the time has not expired. The unanimous-consent request that the majority leader made this morning was that no votes occur prior to 11:30.

The PRESIDING OFFICER. The Chair advises that was not the request. The vote was scheduled at 11:30.

Mr. DOMENICI. Mr. President, I had committed to Senator MATHIAS, who could not be here any sooner. I had intended to yield time off the resolution, but I cannot. I ask unanimous consent that I——

Mr. BAKER. Mr. President.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. BAKER. If the Chair will permit me, I did that as an accommodation to Senators this morning.

I ask unanimous consent that the

order be changed to permit the Senator from New Mexico to proceed on his time on the resolution for not more than 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, could the distinguished majority leader also provide in his request for some equal time over here?

Mr. BAKER. Yes, Mr. President; I ask for 10 minutes, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I yield 3 minutes to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I rise to oppose this amendment. I feel that it is a blow at national security. We have already made very serious reductions in the programs under the jurisdiction of the Committee on Foreign Relations. I ask unanimous consent that a table showing these reductions be printed in the RECORD at this time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MAJOR INTERNATIONAL AFFAIRS PROGRAMS UNDER SENATE FOREIGN RELATIONS COMMITTEE JURISDICTION COMPARISONS OF FISCAL YEAR 1981 LEVELS AND CARTER AND REAGAN FISCAL YEAR 1982 BUDGETS—BUDGET AUTHORITY

[In millions of dollars]

Activity	1981	Proposed Carter 1982	Proposed Reagan 1982	Changes fiscal year 1981 to Reagan 1982	Changes Carter 1982 to Reagan 1982
Bilateral development assistance AID	1,702	2,392	1,907	+205	−486
Refugee assistance	469	611	568	+99	−43
Peace Corps	106	122	95	−11	−27
International Development Association	560	1,080	850	+290	−230
Multilateral development banks (less IDA)	484	1,334	629	+145	−705
International Fund for Agricultural Development		85	45	NA	−40
Voluntary contributions for international organizations and programs	262	248	215	−47	−33
Assessed contributions to international organizations	460	655	495	+35	−160
Administration of foreign affairs	995	1,281	1,247	+252	−34
Commodity agreements	88	239	120	+32	−119
International Communications Agency	472	593	562	+121	−31
Board for International Broadcasting	100	94	98	−2	+4
Economic support fund	2,153	2,450	[1] 2,600	+447	+150
Grant military assistance	110	31	138	+28	+101
Military education and training	28	36	48	+20	+12
Foreign military sales credit	500	850	[1] 1,492	+992	+632
FMS program levels [1]	3,116		[1] 4,051		

[1] Does not include probable additional request for a Pakistan program.

Mr. MATHIAS. Mr. President, Secretary Haig recently testified that "As your experience in these areas"——

Mr. DOMENICI. If the Senator will yield, Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senator from New Mexico is correct. The Senate is not in order. I suggest that those Senators who want to converse do so outside of the Senate Chamber.

The Chair now recognizes the Senator from Maryland.

Mr. MATHIAS. Mr. President, Secretary Haig recently said:

As your experience in these areas has undoubtedly demonstrated, the conduct of foreign policy and the exercise of influence requires many tools. It is the role or purpose of one of these tools, security and development assistance, that is the subject of discussion today.

This is enormously important to the security of the United States of America. It is not clear, and I wish the sponsor of the amendment would tell us exactly where this money will come from. We have already made significant cuts in foreign aid and security and development assistance. I say that it challenges the national security.

Mr. KENNEDY. Mr. President, may we have order? The Senator is entitled to be heard.

The PRESIDING OFFICER. Will the Senator from Maryland suspend? The Senator from Massachusetts is correct. The Senate is not in order. Those Senators desiring to converse should do so outside the Chamber.

The Senator from Maryland may proceed.

Mr. MATHIAS. Mr. President, it challenges national security in several respects. In the first place, we are interdependent today in the world. We depend on many of the developing parts of the world for the minerals that we need to keep our industries, to keep our armed services going. The Senator from Mississippi knows about titanium and cobalt and manganese, chromium, materials that are not available in sufficient supply from territories within our own control. The program that we would cut by these amendments challenges our ability to continue to have secure and stable supplies of those vital substances.

Second, the Senator from Wisconsin is well aware of the position of American banks, having lent large sums of money to the developing world. We recently held hearings in which it was testified by experts on this subject that the developing world may—may, just may—be able to keep afloat on these large sums that are owed to U.S. banks.

But the condition under which they may be able to continue to stay afloat is that the normal sources of credit that have been developed, largely under the leadership of the United States, will be maintained; the various international financial institutions will be sustained. We have commitments.

I yield to the Senator from Rhode Island.

Mr. PELL. I thank my colleague very much.

Mr. President, what we have here is an amendment that bears also on the important subject of our hungry kids at home. They need help. I am all for school lunch programs. There will be other opportunities to vote on it.

This amendment sends the wrong signal around the world as to what our priorities are and what we are doing. I think that to vote on this important amendment on such short notice would be incorrect.

Speaking from the minority side of the Foreign Relations Committee, I strongly oppose this amendment, and I support Senator MATHIAS.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. I thank the Senator from Rhode Island. I agree absolutely with his position.

I believe that if the Senate approves this amendment, it does so at the expense of taking a blow at national security, at our access to the military supplies we need to maintain our Armed Forces, at the risk of weakening the national banking system as well as the global economic system. I hope we will not do it, and I certainly hope we will not do it unless the author of the amendment is prepared to tell us exactly from where these funds would come.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I am prepared to yield back our time.

Mr. DOMENICI. I have a request for 1 minute by Senator HELMS.

The PRESIDING OFFICER. The Senator from New Mexico has only 15 seconds remaining. It will take unanimous consent for more than 15 seconds.

Mr. DOMENICI. I ask unanimous consent that he be permitted to speak for 1 minute.

Mr. HOLLINGS. I yield him one of mine.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. I thank the Senator from New Mexico.

Mr. President, Churchill once said:

There is nothing more satisfying than to be shot at and to be missed.

The Senator from Massachusetts has shot at me, the Senator from Michigan and various others have shot at this amendment, but they have missed.

Let us look at the facts. A $900 million cut in budget authority may be a little difficult, but when the Senate considers the first budget resolution, it will be considering what? A $10 billion request for foreign aid. Surely $900 million, 9 percent, can be saved from the $10 billion foreign aid request.

After all, in fiscal 1980, the Senate

provided $8.6 billion in budget authority, and that included some extra money for the Camp David agreement. Is not $9 billion adequate for foreign aid in fiscal 1982? That is an increase of $5 billion since 1980 for the purposes of foreign aid. If we cannot cut that we cannot cut anything.

The PRESIDING OFFICER. All time has expired.

Mr. RIEGLE and Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina.

Mr. HOLLINGS. Do I have 2 minutes?

The PRESIDING OFFICER. The Senator from South Carolina yielded back his time.

Mr. HOLLINGS. No, I reserved that in order to give him a minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I yield 2 minutes to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. President, the Senator from North Carolina states that he has been shot at and that he has been missed. I feel that he has been shooting at the schoolchildren of America and that he has not missed.

If we lock in this figure, and he knows it, we will be reducing the money available for school lunches in this country by over $1.3 billion. That is the hard fact.

Yes, he is talking about adding back $200 million in the amendment that is at the desk. The amendment offers only $200 million. He sees another way to get another $100 million. That is not in his amendment, as he knows.

Why do we not add back half that amount? Why do we not add back the full amount? If this school lunch program is justified, and I think it is, why do we not keep it whole? The Senator is taking it down by over $1.3 billion. That is what this vote is all about. Yes, we will probably vote to add back $200 million. But let us not try to fool people.

You are going to be taking literally tens of thousands of children in this country off the school lunch program. You cannot avoid that impact if you cut the program by $1.3 billion.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIEGLE. I have great regard for the Senator, and of course I yield.

Mr. DOLE. You have great regard for all of us. [Laughter.]

I suggest that it is $300 million that we propose to restore to child nutrition, and I hope this gives some reassurance to the Senator from Michigan when he votes on the amendment.

Mr. RIEGLE. That helps us somewhat. But that still leaves us $1.2 billion short in terms of adequate funding.

Mr. DOLE. But we are better off now than when we walked in here this morning.

Mr. RIEGLE. I appreciate your saying that on the record, because the public has the right to know that.

Mr. DOMENICI. That is not correct. If you want to give the facts, that is not the correct statement. If your purpose here is to give the facts, that is wrong.

Mr. RIEGLE. In this case, I prefer to believe what I have just been told by the Senator from Kansas.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to division 1. On this question the yeas and nays have been ordered——

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. The Senate will be in order.

Will the majority leader repeat his statement?

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to call the roll.

The legislative clerk continued the call of the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NICKLES). Without objection, it is so ordered.

Mr. BAKER. Mr. President, might I inquire what is the pending business before the Senate?

The PRESIDING OFFICER. The question is on agreeing to division 1.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to division 1 of the amendment of the Senator from North Carolina.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) and the Senator from New Hampshire (Mr. RUDMAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. RUDMAN) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) is necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "yea."

The result was announced—yeas 87, nays 9, as follows:

[Rollcall Vote No. 45 Leg.]

YEAS—87

Abdnor	Ford	Metzenbaum
Andrews	Garn	Mitchell
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nunn
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Pressler
Boschwitz	Hatfield	Pryor
Bradley	Hawkins	Quayle
Bumpers	Heflin	Randolph
Burdick	Heinz	Riegle
Byrd, Robert C.	Helms	Roth
Chafee	Hollings	Sarbanes
Chiles	Huddleston	Sasser
Cohen	Jackson	Schmitt
Cranston	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stafford
DeConcini	Kasten	Stennis
Denton	Kennedy	Stevens
Dixon	Laxalt	Thurmond
Dodd	Leahy	Tower
Dole	Levin	Tsongas
Domenici	Long	Wallop
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
East	Mattingly	Williams
Exon	Melcher	Zorinsky

NAYS—9

Byrd, Harry F., Jr.	Lugar	Proxmire
Hayakawa	McClure	Symms
Humphrey	Nickles	
	Percy	

NOT VOTING—4

Cannon	Inouye	Rudman
Cochran		

So division 1 of Mr. HELMS' amendment (UP No. 22) was agreed to.

The PRESIDING OFFICER (Mr. KASTEN). The question is on agreeing to division 2. The yeas and nays have already been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which division 1 was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The rollcall has already begun.

The legislative clerk resumed and concluded the call of the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) is necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 70, nays 26, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—70

Abdnor	Ford	Murkowski
Andrews	Garn	Nickles
Armstrong	Goldwater	Nunn
Baker	Grassley	Packwood
Baucus	Hatch	Pressler
Bentsen	Hatfield	Proxmire
Boren	Hawkins	Pryor
Boschwitz	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Helms	Riegle
Byrd, Robert C.	Hollings	Roth
Chiles	Huddleston	Rudman
Cohen	Humphrey	Sasser
D'Amato	Jackson	Schmitt
DeConcini	Jepsen	Simpson
Denton	Johnston	Stafford
Dixon	Kassebaum	Stennis
Dole	Kasten	Stevens
Domenici	Laxalt	Symms
Durenberger	Long	Thurmond
Eagleton	Mattingly	Wallop
East	McClure	Warner
Exon	Melcher	Zorinsky
	Mitchell	

NAYS—26

Biden	Hart	Moynihan
Bradley	Hayakawa	Pell
Bumpers	Kennedy	Percy
Chafee	Leahy	Sarbanes
Cranston	Levin	Specter
Danforth	Lugar	Tsongas
Dodd	Mathias	Weicker
Glenn	Matsunaga	Williams
Gorton	Metzenbaum	

NOT VOTING—4

Cannon	Inouye	Tower
Cochran		

So division 2 of Mr. HELMS' amendment (UP No. 22) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 23

(Purpose: To increase savings in programs under the jurisdiction of the Committee on Foreign Relations; to increase appropriations for programs under the jurisdiction of the Committee on Veterans' Affairs)

Mr. HOLLINGS. Mr. President, the distinguished Senator from Oklahoma has an amendment.

Mr. BOREN. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BOREN), for himself and Mr. ZORINSKY, Mr. DECONCINI, Mr. RANDOLPH, Mr. EXON, Mr. HEFLIN, Mr. ROBERT C. BYRD, Mr. CRANSTON, and Mr. PRYOR, proposes an unprinted amendment numbered 23:

On Page 8, line 9, strike out $301,000,000 and insert in lieu thereof $405,0000,000; On Page 11, line 13, strike $375,000,000 and insert in lieu thereof $271,000,000.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Before he begins, the Senate will be in order. Will the Senators in the aisles please clear the aisles?

Mr. BOREN. Mr. President, this amendment is very similar to the amendment just offered by the Senator from North Carolina, which was adopted. This amendment deals with two functions as set forth in the budget resolution.

First, it amends the outlay section of the funds available to the Committee on Foreign Relations, the foreign aid section, in essence, by increasing the cut in foreign aid by $104 million. This would be cumulative with the cut just adopted under the amendment of the Senator from North Carolina. So it would mean that in outlays, we would have trimmed outlays by $304 million in total—if my amendment is adopted as well as the amendment of the Senator from North Carolina which was just adopted by the Senate.

It does not change the budget authority figures, as was amended in the last amendment. The prior amendment reduced the budget authority by $800 million. I am simply reducing the 1982 outlays by an additional $104 million, which is still well within the previous amendment.

Mr. President, I propose that we take the $104 million of additional cuts in outlays for 1982 and use that $104 million to restore that amount to the function delegated to the Senate Committee on Veterans' Affairs. It would be my intent that those funds be used to maintain the current level of services in the veterans' hospitals.

Mr. President, I shall not go back into all of the statistics which were discussed yesterday. I share the concern of those who authored those amendments yesterday. Just as the average distribution level of our veterans has become such that we shall have increasing numbers come to the veterans' hospitals for help and treatment, we are talking about reducing the quality availability of those services. We are talking about putting additional burdens on professional staffs and even cutting back those staffs.

Mr. President, during the last recess, I took the opportunity to visit one of the veterans' hospitals in my home State. It was not only filled to capacity, but also, there were scores of people standing in line at the admittance desk. The staff there had more than they possibly could take care of, no matter how hard they worked. I found them to be extremely dedicated, doing the best job they possibly could with limited resources.

I talked with veteran after veteran who had need for additional treatment. They have had to wait for hours, many times, and have had treatment put off for days when they needed it.

I seriously do not feel that we should make a cut of the magnitude we have made in the President's budget. I understand, at the same time, the need to be fiscally responsible.

Yesterday, I voted for both amendments offered to increase and restore some of the funding back to the functions for veterans' medical care, because at that time I had an intent to offer this amendment to provide cuts elsewhere to make up the difference.

I do believe we have serious economic problems in this country. I applaud the President's effort to cut total spending, to try to reduce the deficit. It is the only way we ever are going to get inflation under control. It is the only way we ever are going to bring down interest rates. So I take the responsibility very seriously.

That is why I have offered an amendment which is balanced. Not only does it provide an add-back to a vital service, the services needed our veterans, the men and women who have served their country in time of need—those who carry wounds today because of the contribution they made to our country—but also, I have been responsible in this amendment by showing where the funds can be picked up.

This country certainly can ill-afford to continue to send more and more money overseas when we are not taking care of our people here at home. How can we go to the veterans of this country, who have fought for it, who have suffered for it, who have received injuries for it, and tell them, "No, we don't have enough money to take care of you here at home, but we do have enough money to send overseas, enough money to send even to regimes in the past that have been very questionable in nature and certainly have been in question as to whether or not they have been true friends of the United States of America"?

If we could just have half of the money back that has been poured down the rathole of waste in foreign aid, paid out to countries that have not proved to be our friends, and just use half of it that has been paid out in the last many years to take care of the pressing needs of our citizens here at home—our senior citizens; our schoolchildren, as we tried to take care of in the last amendment; our veterans, and others—or if we could have half back to apply to reduce the deficit, we would be going a long way toward solving some of the economic and social problems facing this country today.

I point out to my friends on the other side of the aisle—and I hope many of them will join me in supporting this amendment, just as I supported both divisions of the amendment by my friend from North Carolina a moment ago—that the cumulative cuts, if you add together the amendment by Senator HELMS which was just agreed to and this amendment, it will still total a cut of only $304 million in outlays for foreign aid, out of some $12 billion in the program.

I also indicate that that is still far less than the cuts suggested within the administration by Mr. Stockman, according to the press. We all recall that he attempted to cut the foreign aid function even more. Apparently, he was overruled by Mr. Haig and the innercouncils of the Government.

Still, the cumulative cut we are talking about making if both these amendments are agreed to would still be far less than the cut Mr. Stockman said could be made without seriously impairing foreign aid function.

It is my hope that we can meet our responsibility and our commitment to the veterans. I believe we can make this change in foreign aid without unduly harming that program in any way.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. BOREN. I yield to the Senator from West Virginia, and then I will yield to other Senators.

Mr. RANDOLPH. Mr. President, the knowledgeable Senator from Oklahoma

is well reasoned in the presentation of this amendment. I am grateful that he has permitted me to join him as a cosponsor of this effort.

The members of the Veterans' Affairs Committee of the Senate, on which I have the responsibility to serve as a member, have tried very seriously, I believe, to keep so-called partisan politics from surfacing in the committee.

We recognized long ago in the Senate that it was not sufficient to have a Subcommittee on Veterans' Affairs in this body. It was necessary for us to give a proper status to this large segment of the population of our country. So a full committee was created in this body.

During the time that committee has functioned, we have had repeated testimony by Members of this body who have gone into their States and have seen similar conditions that the Senator from Oklahoma has spoken of this afternoon.

We have come to realize, even now, that the veterans of World War II—we must not recall something that would seem to say that people are getting old, because I never want to admit that—but those veterans of World War II are not youngsters any more in the sense of being that they are the most active people in our society. The average age of the World War II vet is 60. So, as the Senator from Oklahoma has said, many of these veterans are calling upon the services of the Veterans' Administration for medical care.

It was my responsibility, on February 13, to visit the VA Medical Center at Martinsburg, W. Va. I could echo and re-echo what the Senator from Oklahoma has said today about his conversations. They are waiting, they are eager, and they are there because they have earned a right to be there.

It is absolutely wrong for us, as Members of the U.S. Senate, for those on Capitol Hill in either body, to think for a moment that it is more important to send aid to countries overseas rather than help our veterans. If you study the record, much of our aid goes to those that are not only unstable countries but also which may be unfriendly countries to the United States of America.

I do not want to wave the flag—that is not my purpose; but I voted in 1978—I voted against foreign aid in the amount of almost $16 billion.

I believe that the priorities in this country are with our own people. I am not oblivious to the fact that we live in a constantly shrinking world, but we must be realistic. We must remember that. That is what the Senator from Oklahoma, who presents this amendment, has done. I commend him, and I hope that his amendment will receive the support of this body.

Mr. BOREN. I thank the Senator from West Virginia very much for his comments. It is an honor to have him as a cosponor on this amendment. He has worked long and hard in the field of veterans' affairs and has done as much as anyone else in this body. I am honored to have him join me in this amendment, as I am honored to be the second generation of my family who has had the pleasure of serving with him in the U.S. Congress.

I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, I congratulate the Senator from Oklahoma for a very carefully crafted and constructed amendment that would achieve the objectives of which we are talking; that is, of trying to do all we can to see that we cut back on the overall spending of our Government and at the same time deciding whether we cut back on veterans' medical care or foreign assistance. It is wrong for us to say to the veterans of this country that we are going back on our commitments and deny them adequate medical care.

The Senator from West Virginia mentioned World War II veterans. But there are also veterans of Korea and Vietnam who will be in need of medical care. To say to them that at this time that we would deny our responsibility to them would be outrageous.

I am very pleased to join the Senator and associate myself with his amendment. I would like to cosponsor it.

I certainly agree with him that we should support the amount of cuts in the aggregate that the President is calling for and do all we can to balance the budget as early as we can. However, that does not mean that we should transfer our responsibility and the price paid by those who have served our country. If we try that kind of action, it will hurt us in our reenlistments, in our volunteers, and it certainly will affect the overall strength of our country.

Mr. BOREN. I thank the Senator from Texas. I will be proud to have him as a cosponsor of the amendment.

Mr. President, I ask unanimous consent that the name of the Senator from Texas (Mr. BENTSEN) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. I also agree with the comment just made by the Senator from Texas. I hope very much that we can keep to the total spending cut figure the President set for us and perhaps even do better and reduce the deficit further. All of us in Congress have the responsibility to join him in trying to write the best possible budget. I believe that 535 people with the kinds of responsibility we have should be able to make some constructive suggestions.

The suggestion that we cut the foreign aid function in order to take care of the pressing needs of our veterans is the kind of constructive exercise in responsibility we need. It is the kind of constructive exercise that still keeps us within the President's total budget cut figures as well.

I yield to the distinguished Senator from California, the assistant minority leader.

Mr. CRANSTON. Mr. President, I thank my friend and colleague very much.

I shall ask about one aspect of the amendment offered by the distinguished Senator. The administration's foreign aid proposal includes a $250 million unallocated contingency fund to promote economic and political stability in unspecified countries. It also provides for $100 million to be used for emergency military assistance projects in unspecified countries. This would be a new and I think unprecedented blank check of a sort that has been resisted by several previous Congresses in the light of requests from several previous administrations.

I question the wisdom of giving just a total blank check to the President to determine where we will become involved with military aid and so forth without Congress having a voice in that. It is my assumption that the $104 million that the Senator is proposing be added to the budget for aiding veterans in their medical care could be offset by money in accordance with the Senator's amendment taken from that $350 million fund.

Of course, the basic decision would be made by the Foreign Relations Committee, the Appropriations Committee, the full Senate, and the full Congress. But I ask this question: Am I correct in my assumption that this $1.4 million could come as I think it should come from that $350 million fund, thereby reducing it by $1.4 million?

Mr. BOREN. The Senator from California is certainly correct. That fund is under the jurisdiction of the Committee on Foreign Relations and that committee certainly would have it within its purview to decide to make those cuts out of an area. As the Senator has said, we cannot write by the nature of the parliamentary process the rules and procedures under which we are operating. We cannot in this budget resolution specify what funds under the Committee on Foreign Relations would be cut. But there are a broad range of programs. Military aid to nonmilitary aid, multilateral, bilateral and the discretionary fund referred to by the Senator from California, which totals all the various funds put together more than $350 million which could be expended at the absolute discretion of the President and which could take the form of military aid and which could be done if this proposal passes as it has been requested without coming back to Congress for additional authorizations.

I understand and I have had several Senators talk to me who said they intended to vote for my amendment, who said that when the specifics of the foreign aid proposal come to the floor that they intend to try to make cuts in that specific area to take care of this amendment. There may be others who support me in all candor who may feel the cuts should come elsewhere. I think the Senator from California would certainly be justified in saying that that is an area which could bear the cuts and I am sure that he will very ably bring that matter to the attention of the Senate when we do bring the specific bill out.

I say that it has been said here that we could, for example, be taking good away from victims of natural disasters in other countries and so on. I think that every Member of this body has enough confidence in the Foreign Relations Committee, and I certainly do, that when they decide what kind of foreign aid to cut, where to make those cuts, whether

to make it, which area to make it in. I certainly have confidence that they are not going to cut back those programs first which are of most vital necessity to keep people from starving who have been the victims of natural disasters, for example. I am certain that the committee will want to look at the functions suggested by the Senator from California and probably others. But that is certainly one function it could come from.

Mr. CRANSTON. I thank the Senator.

I am glad that he concurs with my assumption that the money could come from that contingency fund.

Mr. BOREN. I certainly do.

Mr. CRANSTON. As a member of the Foreign Relations Committee I will endeavor to the best of my ability to make sure that it does come from that source.

I might also seek to reduce the funds still further. On that basis I will support the amendment. It is very, very important to get that $1.4 million to insure that we do not have a disastrous decline in medical care for veterans for all the reasons that I outlined yesterday when I offered an amendment to restore the $1.4 million. I am glad the Senator is making another effort to do that.

I ask unanimous consent that my name be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. BOREN. Let me ask the Chair how much time remains to this side?

The PRESIDING OFFICER. There are 10 minutes and 40 seconds remaining.

Mr. BOREN. I yield 2 minutes.

Mr. RIEGLE. I also commend the Senator from Oklahoma for the initiative.

We tried yesterday on two occasions to restore the funds in this function so that we could adequately meet the needs of veterans in the United States. We came close, but we fell short in both instances.

I think the Senator is making an important third initiative. I hope that we can entice some votes from the other side this time. I wish we had the votes to put back all the funds for veterans.

I think that going as far as the Senator is proposing would be enormously helpful. All the veterans organizations in the country feel it. By linking this with reductions elsewhere in the budget, no one can make the argument that this would constitute an overall increase in spending. That is another constructive step.

This does not do everything I would like to see. But I support the Senator with it, and I commend him for the initiative.

Mr. BOREN. I appreciate the comments of the Senator from Michigan.

I say this amendment is offered in a bipartisan spirit. There were arguments raised yesterday against the amount of money that I voted to restore, that the Senator from Michigan voted to restore, because of our concern about the veterans programs. There was opposition even in the lesser figure offered by the Senator from California.

I am offering this amendment with offsetting cuts which would fully take care of the add-on amendments, merely showing that we put the first priority on taking care of those in need at home before we feel we can send money overseas. I offer that in the hope, and it is so close to the amendment just supported strongly on the other side of the aisle, I offer it with the sincere hope it will enable us to get some action and help for the veterans and it will perhaps enable us to do it on a bipartisan basis.

Mrs. KASSEBAUM. Mr. President, I certainly agree with the Senator from Oklahoma in support of adequate and more than adequate health care for our veterans. I think we would all want to make sure that we do not have a deterioration in the best health care that we can possibly provide. But as a member of the Budget Committee I am somewhat concerned with his proposal because it seems to me in a way that really we are trying to do this with mirrors. I do not see how we can just make a change in the outlays without it reflecting in the budget authority even though there is an accumulating effect that you mentioned in savings from the previous vote.

Mr. BOREN. Mr. President, will the Senator yield?

Mrs. KASSEBAUM. I am happy to yield.

Mr. BOREN. I point out that the prior amendment by Senator HELMS cut the budget authority by $900 million and cut outlays by over $200 million. So by this amendment if it is passed we are still very much within the cut of the budget authority which was already enacted by the Senate just a minute ago. We would be cutting budget authority $900 million and outlays by a cumulative total of $304 million.

Mrs. KASSEBAUM. Mr. President, I realize that. But I wish to say to the Senator from Oklahoma the reality of the way that our budget works we have to have some cushion there as the money goes out and that is about the cushion that is needed there. Without a compensating figure in the budget authority I just do not think realistically we can make it work.

Mr. BOREN. I appreciate the comments of the Senator from Kansas. I hope she will investigate a little further and decide that $600 million roughly is enough cushion between authority and outlays and decide to support it.

I say, also, that again I am not even going nearly as far as the Budget Director, Mr. Stockman, wanted to go. He advocated that we cut this function by $3.24 billion over a 3-year period. The cuts which are now in the budget after he apparently lost that battle are $1.7 billion less, and so we are just talking about $300 million difference here.

You take both the Helms amendment and this amendment and I would say that as responsible a person as the Budget Director felt that this could be done, and I would hope we would do it.

I just think it is extremely hard to justify sending the money overseas. I think just as we needed to take care of the school lunch program a minute ago, we have to set priorities, and I just happen to think that the school lunch function, meeting that hot lunch function for the children is more important than the foreign aid function.

I happen to think that taking care of our veterans in the veterans hospitals is more important as well. I hope that the Senator from Kansas will search her conscience and decide to be in agreement with me and will not allow partisan differences to stand in the way of that as we have never allowed them to stand in the way before.

Mrs. KASSEBAUM. Mr. President, I wish to say that I certainly agree with the Senator from Oklahoma in what he is attempting to do. But I also think following on the Senator from California questioning of where this is going to reflect in our foreign aid is a very important question. I have been advised by staff that the only way that this could be done, if the outlays figures would be insignificant cuts for moneys that have already been agreed to in principle to both Egypt and Israel. I think that we are dealing now with cuts in programs where there might already be some agreements that have had a commitment and we might be in efforts to get back into assisting other programs doing damage to commitments we have already made.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield myself time.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I wish to direct a question, or possibly more than one, to the distinguished Senator from Oklahoma (Mr. BOREN). First of all, I would like to join in the amendment.

Mr. BOREN. Mr. President, I would be very honored to have the Senator as a cosponsor.

Mr. President, I ask unanimous consent that the minority leader be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the Senator's amendment would reduce $104 million, is that correct?

Mr. BOREN. Mr. President, it would reduce the Foreign Relations Committee's function by $104 million and add $104 million to the veterans' health function. So the total amount would have no negative effect on the budget.

Mr. ROBERT C. BYRD. Mr. President, I heard the distinguished minority whip refer to the $350 million in the discretionary fund.

Mr. BOREN. Yes; the Senator is correct. There is, within the foreign aid bill, a fund which totals at least $350 million. In fact, it would be somewhat higher, roughly $350 million, in discretionary funds which can be spent by the President for any kind of aid program that he sees fit at his direction, without coming back to the Congress.

Mr. ROBERT C. BYRD. Would this be either military or economic?

Mr. BOREN. It would be either; it could be any kind of aid whatsoever.

Mr. ROBERT C. BYRD. Is this a new fund to be established and that has not been authorized?

Mr. BOREN. As far as I know, this is a new fund that has not been in existence in the past; certainly not of this magnitude.

Mr. ROBERT C. BYRD. Mr. President, Senator CRANSTON referred to it as a discretionary fund. Does this mean the President has total discretion without coming back to the Congress to determine how these moneys should be spent?

Mr. BOREN. Mr. President, the President would have to notify the Speaker of the House and the chairman of the Committee on Foreign Relations of the Senate of his plans to use these funds. But it would not take positive legislative action by the Congress. He could go ahead and utilize the fund at his discretion after making notification.

Mr. ROBERT C. BYRD. So he has a free rein on the fund? All he is required to do is notify the Speaker and certain other Members of both Houses that he intends to spend so much money for such-and-such a purpose. Is that correct?

Mr. BOREN. The minority leader is correct.

Mr. ROBERT C. BYRD. So the Congress would be giving to the President, by virtue of this discretionary fund, carte blanche, to use as he sees fits, $350 million, just so long as he notifies certain Members of the Congress that he intends to spend so much for such-and-such an item. Is that correct?

Mr. BOREN. The Senator is correct. He would have the authority to use these funds as he saw fit and merely have to make a notification.

Mr. ROBERT C. BYRD. So the Congress, by establishing this $350 million discretionary fund, is giving up its prerogative of deciding how much should be spent for what in connection with military aid or economic aid?

Mr. BOREN. He certainly may.

Mr. ROBERT C. BYRD. Well, I do not think much of that.

Let me say that when I heard the distinguished minority whip ask if the $104 million cut could come out of that discretionary fund, I immediately perked up my ears. It interested me that the distinguished author of the amendment replied in the affirmative, that it could come out of that fund.

Mr. BOREN. It is very possible that it could. Of course, as has already been said, procedurally the Committee on Foreign Relations, and later the Senate itself, would take up that specific legislation to make the final decision. But that is certainly one of the areas under the purview of the Committee on Foreign Relations where the cut could be made.

Mr. ROBERT C. BYRD. Of course, the Senator cannot, under the strict Budget Reform Act, lay it out, in this particular measure that is being discussed at this time, specifically that it can come out?

Mr. BOREN. The Senator is correct.

Mr. ROBERT C. BYRD. But, presumably, in carrying out the purposes of the legislation, both the Foreign Relations Committees of the Senate and the House, and the State Department would be largely persuaded, I would assume, by the legislative history that is made by way of committee reports, by way of Senate debate, and so on. Is that correct?

Mr. BOREN. I certainly think that could have an impact.

Mr. ROBERT C. BYRD. Well, that is why I rushed to the floor. When I heard that the $104 million could come out of that proposed discretionary fund, I wanted to be on board. I wanted to be on board with the distinguished Senator from Oklahoma. I want to support that cut and I want, for the purpose of legislative history, to state that it is at least one Senator's viewpoint that it should come out of that proposed discretionary fund, because I think that the House and Senate ought to have a voice in saying where the taxpayers' money should be spent with respect to military and economic aid.

I do not think we should be setting up a discretionary fund for this President or any other President until I hear more about it and can understand better the pros and cons and the argument in that case. I certainly want to withhold my support of such a discretionary fund at this point, at least.

But, as for now, if the amendment carries, I hope that the legislative history would reveal that there is at least this Senator's support for taking it from the proposed discretionary fund. I support the amendment on that basis.

I also want to commend the Senator for what he is doing to add to programs that will assist veterans of this country and that would be directed toward the veterans' health services, which item will be receiving a sharper cut otherwise. I support him on both points.

I want to be sure now, since it is my understanding that this can come out of the discretionary fund, and I have an opportunity to establish at least 1/100th of the portion of the legislative history on this matter, I want to be sure that he has added my name to the amendment on that basis.

Mr. BOREN. The Senator's name has been added on that basis. I think the basis in which he is supporting the amendment has been made clear. It certainly could come out of that fund and that is one of the funds under the jurisdiction of the committee which they could consider and which, I assume, the minority leader will certainly be suggesting when that matter comes up.

Mr. ROBERT C. BYRD. Mr. President, I am pleased again to note that it can come out of that fund. As far as I am concerned, I hope it will come out of that fund.

For that reason, I want to add my name, plus the fact I want to help the veterans.

Mr. BOREN. I am happy to have the Senator from West Virginia, my distinguished leader, as a cosponsor.

At this time, I wish to yield 2 minutes to my colleague from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise in support of the Boren amendment which, as I understand it, would take $104 million from foreign aid and transfer this $104 million to Veterans' Health Services Programs. I only wish it called for more money to come from foreign aid and to be put in our veterans' programs.

I had a group of VFW members from Alabama, American Legion members from Alabama, and DAV members from Alabama come up and explain this cut and what it would do to those veterans who served this country in its time of need.

It is going to have some rather drastic effects. When you cut the personnel in the veterans' hospital, it means you cut the services.

It was explained to me—and I only remember ball park figures—that it could mean as many as 20,000 beds in the veterans' hospitals being given up as a result of the administration's proposed cuts; meaning that those veterans who are in beds may have to give them up.

Mr. President, it does not take much imagination to picture how these drastic cuts might be implemented in our veterans' hospitals and how the foreign aid money might be wasted. You can have a scenario like this: Take the double amputee out of a veterans' hospital bed. Take that bed and convert it to the foreign aid program and then, in turn, send it to Central America. In effect, then, you give that bed to a Nicaraguan Sandinista to enjoy his siesta while he contemplates writing the Marxist manifesto for El Salvador.

So I think there are some consequences here that we ought to be thinking about. I think we have a commitment to our veterans, and I think we ought to live up to it. Foreign aid is a good source to draw it from. I appreciate the Senator from Oklahoma yielding me the time to make my position clear.

Mrs. KASSEBAUM. Mr. President, I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Mr. President, I will oppose the amendment by my friend from Oklahoma. I urge my colleagues to keep in mind that we have just passed an amendment that put the clamps on this discretionary fund that the minority leader spoke about just a moment ago.

As I look at the foreign aid budget which I have before me, and look at the spend-out, I do not know exactly where this discretionary fund is supposed to be. Perhaps the Senator from Oklahoma can show us. It either has to come from the ESF program, the economic support program, or the MAP program, which is a contingency fund which the President has in the event there are conflagrations that arise in one part of the world or another. It is a popular thing to cut foreign aid. It is an easy touch to cut foreign aid.

All of us would like to do our bit for the veterans. As a matter of fact, we are doing it to the tune of $24 billion in this budget. And yet now we hear that cutting less than one-half of 1 percent of the whole budget for the veterans is allegedly going to cause the programs to go down the tube and the veterans will not be properly administered to or treated.

Where in this foreign aid budget is the discretionary fund the Senator referred to?

Mr. BOREN. I will reply to the Senator from Minnesota. Again I want to say that this amendment does not specify where the cut will be made. There are those who support the amendment who want the cut to come out of that particular function. It does not specify. It says only the Committee on Foreign Relations.

In section 614 of the Foreign Assistance Act, this fund is authorized under subsection a, 1, 2, and 3. A further description is given under subsection 5, subparagraph c.

The cut can be made anywhere in the function of those programs before the Foreign Relations Committee. I would just hope that some of these concerns that were expressed a minute ago, when a number on that side of the aisle supported the amendment of the Senator from North Carolina, as I did, will realize this is well below the magnitude of the cuts suggested by Mr. Stockman himself, the Budget Director of this administration.

Mr. BOSCHWITZ. I understand there are no funds appropriated for section 614. I think that to simply say, "Take it out somewhere" is not the right way. The Senator is suggesting cuts of 3 percent of the outlays of foreign affairs for the coming year. This would be on top of an amendment we just passed that will take out approximately 6 percent.

As the Senator knows, we are going to be presented with a series of amendments now that are going to hack away at foreign affairs. It is politically popular to do so.

I am very much in favor of the various programs, whether they be for the veterans or others, but I suggest to the Senator that a cut of $400 million out of a total veterans' budget of $24 billion is not inappropriate. Certainly there must be some discretionary funds in that also. I suggest we retain those cuts rather than to replace them with cuts in the foreign assistance budget, which is $3.5 billion. The foreign assistance budget necessarily gives the President some discretionary funds. I wish the world were not in such disarray so that we could adequately predict for the year ahead and say, "Mr. President, you are not going to need these kinds of funds."

Being a member of the Foreign Relations Committee and listening to witnesses parade up with various needs, all of which are strongly felt, and also recognizing the impact of the cuts that we have already made, the squeezing we have already done, unfortunately I just do not agree that we can cut more.

I say to the Senator from Oklahoma to look within the budget of the Veterans' Administration to see if the $400 million in cuts cannot be offset by other savings. The Veterans' Administration budget is seven times the size of the foreign assistance budget and certainly there is some leeway there. Indeed, to give the President $350 million to meet the problems of the world, problems that no one can possibly now predict, is not too much. And probably $200 million of those $350 million have already been removed as a result of the Helms amendment just passed.

Mr. President, I am going to oppose this amendment.

We voted a couple of times yesterday on the veterans' appropriations and in both instances I voted against those amendments. Not because I do not have feelings or care for the veterans, but we have to have some kind of balance in our budget between the various programs. I will oppose the amendment.

Mr. BOREN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma is recognized. There are 6 minutes and 30 seconds remaining.

Mr. ROBERT C. BYRD. Will the Senator yield for a question?

Mr. BOREN. I yield.

Mr. ROBERT C. BYRD. I just want to be sure that I heard the Senator correctly. Are there no strings attached to this proposed $350 million slush fund that would be created here?

Mr. BOREN. The Senator is correct, except for notification. There are no restrictions.

Mr. ROBERT C. BYRD. So no strings are attached other than notification by the President, this President or any President?

Mr. BOREN. The Senator is correct.

Mr. ROBERT C. BYRD. Just that certain Members of the Congress would be notified after the fact.

Mr. BOREN. The Senator is correct.

Mr. ROBERT C. BYRD. Would the Congress have any opportunity at all, or any means by which it would have a voice?

Mr. BOREN. My understanding is none if the request made by the White House is carried out.

Mr. ROBERT C. BYRD. Mr. President, I want to say again I hope this amendment carries because I would like to see at least $104 million taken out of a slush fund which has no strings attached for the President's use to spend on either military or economic aid.

May I be sure that the Senator did add my name?

Mr. BOREN. The Senator's name has been added.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. BOREN. Let me answer the Senator from Minnesota who said a minute ago that we were going to continue to whittle away the foreign affairs function. I have never stood on this floor and said we should never have military foreign aid. I have never said we should not take care of an emergency situation. I have never said we should not help people who are victims of natural disasters around the world, or not maintain our commitments in the Camp David accord.

All I have said is that we should set priorities within the budget. We have only so many dollars available. I am not suggesting that we spend a dollar more than the President has set. But we have to set priorities. The veterans' function has already been cut, several hundred million dollars. I was in the VA hospital in Oklahoma City myself and I saw the long line of veterans waiting to be helped. I know the beds were filled. I know how understaffed the hospital is already.

The question is this: Would I vote to cut foreign aid to give us any kind of function of Government, any kind of boondoggle of Government? No. Would I vote to cut an unlimited amount under the budget? No.

A minute ago we voted to cut $212 million out of a $12 billion function to give to the schoolchildren for hot lunches in this country. Am I for that? Yes. Mark it down. This Senator thinks the hot lunch for children should have a higher priority than $200 million of foreign aid in a $12 billion budget.

I agree with the distinguished Presiding Officer, the Senator from Kansas, who voted the same way.

The second question is would I increase the cut in the foreign aid budget to $300 million, a total cut of $300 million out of $12 billion, when Mr. Stockman himself wanted to cut far more than that out of it in order that we take care of the schoolchildren with hot lunches and try to put back the professional staff in the hospitals? My answer is yes. Those are my priorities. I have confidence that if I were able to talk one on one with the people of my State I do not think there are 10 people out of 3 million in the State of Oklahoma who would tell me, "Cut the veterans' hospitals more so we can send another $100 million overseas." I do not believe it.

The PRESIDING OFFICER. The Senator from Illinois.

First, who yields time?

Mr. ARMSTRONG. I yield to the Senator from Illinois.

Mr. PERCY. Madam President, I thank the Senator.

To the distinguished Senator from Oklahoma, I would like to make this point: The $350 million he is talking about is budget authority. What we are actually talking about is outlays, and there is a vast difference. The current estimate for the contingency funds is that the fiscal 1982 outlay impact is about $50 million. We have already cut four times that amount in the previous amendment. How can we cut four times the amount and then add another amendment that would take the contingency funds out again. The reductions that are contemplated just do not exist.

Where could it possibly come from? Let us take a look at the foreign aid program. The Senate now has determined a way that it can get its pay increases. We have finally found the formula: Anything you want to do, just take it out of foreign aid. All we are doing is cutting the heart out of a President's program. All we are doing is saying we are going to increase military assistance, but we are not going to support that with diplomacy; it is just military, it is not political power. It is not persuason, it is not any of those things that diplomacy does to bring about the peace of the world. Just take everything out of foreign aid.

Madam President, why not increase

the Senators' salaries and take it out of foreign aid? It ought to be a popular measure all the way around. Senators have finally figured out a way to do it.

That is what we have just done in the food stamp program, a program I have long supported, but I support the integrity of the budget process and I support the President's program. What we are really doing is undercutting the President's authority. We are taking away his leeway and cutting into programs that no Senator, really, if faced up or down on those programs, would vote against.

The Senate just cut $900 million in budget authority and $200 million in outlays. Now we are considering this proposal to cut another $100 million in outlays. Although this looks like a relatively small reduction out of a program of $10 billion, little of this total is discretionary. Let us take a look at where the cuts would have to come.

First, aid to the Middle East. I think most of us support the program of aid to the Middle East. It is the only way to find a basis for peace in the Middle East, and peace in the Middle East is central to our own security in that vital area. If the peace is interrupted, it would cut the lifeline to our own national security in the way of oil supplies as well as our own economic stability.

Another place to consider a reduction is aid to multilateral banks, but the President has already cut as far as possible without violating international agreements. The first year outlays for the banks in fiscal 1982 is less than $100 million. Will the Senate vote up or down on whether or not we shall cut for multilateral banks to the point where the U.S. Government is reneging on agreements that we have already solemnly entered into? The Foreign Relations Committee certainly has not done that and would not do that. I do not think the Senate would when it thinks through the consequences.

Can we cut into State Department operations? These programs cannot be cut significantly without firing personnel who are critical to the protection of American interests abroad. We went through those budgets this morning.

Madam President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PERCY. We went through a markup this morning. Under Secretary of State Kennedy was there. We are asking him to protect our interests abroad. We are asking him to support our personnel overseas. Look at the number of diplomats that have been murdered in the last decade alone—10.

We cannot say, "protect our Americans abroad, do not let them be kidnaped as hostages, but we are going to take all the money away from you to accomplish this task."

Where are we going to get the money to do it? Already the State Department's administration budget has come forward. That budget is cutting personnel, and they have 26 more slots they have promised to cut, and the Department does not know where they are going to come from. But they have undertaken to cut the positions. This morning they could not identify where they are going to come from.

The budget is tight. Are we going to spend all this money for defense all over the world and not have support personnel? Of course not. We cannot cut the State Department operations down.

There are a few major areas left. Are we going to cut bilateral aid, primarily administered by the Agency for International Development? The AID functional development program totals about $1.4 billion, but will result in only about $123 million in outlays in fiscal year 1982. Thus, to save the proposed $100 million in outlays, we would have to virtually eliminate all new AID programs. President Reagan needs these programs as an essential complement to our defense policies.

Are we, for instance, in El Salvador, just going to pour military aid in? Economic aid to El Salvador is a vital aspect of U.S. policy in that region. What are they going to do now, only have military aid down there?

Finally, let us look at possible reductions for refugee aid. We could cut these programs, which total about one-half billion dollars. However, cuts here will compound human misery and reduce a major source of the moral legitimacy which the United States gains in the eyes of the world, especially when contrasted with the Communist countries.

We do not create these humanitarian emergencies. If emergencies exist and people become refugees, the United States, along with all other developed nations on Earth, is going to have to help alleviate their misery. How would we look in the eyes of the world if we have a crisis on our hands, an emergency, and do not have the funds? The President of the United States is just simply saying, the United States does not have the funds?

Finally, let us look at other possible security assistance reductions. This aid goes largely to our NATO allies, such as Turkey, or to other countries facing or recovering from serious turmoil. The administration's request for $350 million for contingencies may be too high and can be used to partly offset the earlier cuts Nonetheless, this is an area where President Reagan needs and wants some discretionary flexibility to respond to new crises.

Madam President, we have given some flexibility to every President. Let us not deprive this President early in his career by having the discretion removed from him.

In short, the cuts already made have substantially reduced the President's ability to implement a strong foreign policy to complement our major spending increases for defense. These proposed cuts will, in my judgment, substantially undermine the value of the increased defense programs which many of us strongly support.

Finally, let me make it clear that I support the domestic nutrition and veterns benefit programs. But I also believe that we must stay within the totals contained in this budget resolution.

Mr. BOSCHWITZ. Will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. BOSCHWITZ. Madam President, I do not want to allow the term "slush fund" to remain unanswered. I concur with the distinguished chairman of the Committee on Foreign Relations. He spoke very feelingly about obligations abroad and at home. But the term "slush fund" is lying out there without having been properly rebutted.

We well know that this Congress does not just appropriate money without having some strings attached. We also know that when we give money in foreign aid or even when we give it by way of a "slush fund," as it has been called, we must comply with the provisions of the Foreign Aid Act. It comes under all of the provisions that we normally put on such moneys as are spent abroad. So it is not a slush fund, it is a fund that the President can use for emergencies that have historically come up, unfortunately, too often around the world. It is a fund that gives him the flexibility to act. It is a fund that is properly in the hands of the Executive, particularly, in my judgment, this Executive. It is not a slush fund.

I yield to the distinguished Senator from Colorado.

Mr. BOREN. Madam President, will the Senator from Colorado allow me just a brief moment before he begins his remarks?

Mr. ARMSTRONG. Madam President, I am under the impression that the Senator from Oklahoma controls time on his side.

The PRESIDING OFFICER. The Senator is correct. The Senator from Oklahoma is recognized.

Mr. BOREN. Madam President, in order to make the amendment completely comply with the last amendment, I have modified my amendment. I ask that the modification be stated.

The PRESIDING OFFICER. The amendment is so modified. The clerk will read the modification.

The legislative clerk read as follows:

On page 8, line 9, strike out "$301,000,000" and insert in lieu thereof "$405,000,000".

On page 11, line 13, strike out "$375,000,000" and insert in lieu thereof "$271,000,000".

On page 2, line 17, strike out "$52,144,000,000" and insert "$52,825,000,000".

On page 2, line 19, strike out "$59,023,000,000" and insert "$59,228,000,000".

Mr. BOREN. Madam President, the modification in no way changes the thrust of the amendment. It just changes it to be fully compatible with the amendment just offered by the Senator from North Carolina and agreed to. It is still removing $304 million from the foreign relations functions and transferring $104 million to the Committee on Veterans' Affairs.

I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BOREN. I thank the Senator from Colorado.

Mr. DOMENICI. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, is there any time remaining on the amendment?

The PRESIDING OFFICER. Yes—7 minutes and 31 seconds for the Senator from New Mexico.

Mr. DOMENICI. And the Senator from Oklahoma has used all his time?

The PRESIDING OFFICER. He has 1 minute and 11 seconds.

Mr. DOMENICI. Does the Senator desire to use his remaining minute?

Mr. BOREN. Only if there is further debate on that side. Otherwise, I will be happy to yield it back and vote at this time.

Mr. DOMENICI. I yield myself 2 minutes.

I say to the Senator that I have handled the amendments to this budget activity a little differently, in that I have let Senators vote up and down. We have not had any tabling motions to speak of, and I very much desire to continue that.

However, in this case, I say to the Senator that it seems to me that we already have basically voted with reference to the veteran's issue.

We voted on two different numbers in terms of add-backs. On the foreign assistance, while we have not addressed it in exactly the form that the Senator from Oklahoma has, we basically have had the debate on taking from foreign assistance to put in another program. That basically passed.

I want the Senator from Oklahoma to have his last minute, but I want him to know that I think this is almost the right kind of thing for the Senate to table. As I indicated, I am not going to do that this afternoon and Monday as we move on this measure, because I believe we should vote up and down. We have gone through most of this issue.

I do not care to debate this matter. I am just telling the Senator my reasoning, and I do not want anyone to think I am going to do it every time. We have voted, and it is the kind of thing that should be tabled, in my opinion.

Does the Senator from Oklahoma have anything to say about that?

Mr. BOREN. I say to the Senator that I hope he will not move to table the amendment. When he discussed it, there was an anguished look on his face, which perhaps reflected a troubled conscience. [Laughter.]

I believe we should vote up and down on this. I do not think it is the same issue. I voted with the Senator from North Carolina (Mr. HELMS) today. I told him ahead of time that I supported the kind of proposal he made to cut foreign aid $200 million and simply put the priority on the schoolchildren for hot lunches. That is responsible. It is not adding to the deficit. It is saying that it is more important to send money overseas or more important to take care of the pressing needs at home.

This is different from yesterday. This is not an add-on without a compensating cut. In fact, in voting yesterday, I intended all along to offer to pay for it by cutting the foreign aid function. This is different, and we should not let partisanship intervene. I do not believe that the fact that this amendment was offered on this side of the aisle should cause my friend to feel that he should have to move to table it.

I point out to him that there have been times when there have been 1, 2, 3, 5, 10 Members on this side of the aisle who never have been afraid to vote with those on the other side of the aisle if they thought it was right.

I ask the distinguished Senator from New Mexico, the chairman, to search his conscience and think of what the people of New Mexico would want him to do.

Mr. DOMENICI. Why did I bring it up? Why did I not do it? [Laughter.]

Mr. BOREN. It was a struggle within your conscience. This is the greatest deliberative body in the world, and I hope the chairman will continue to deliberate and wrestle with his conscience.

Mr. DOMENICI. The Senator's time has expired, but I will give him another minute if he wishes.

Let me assure the Senator that my countenance is not caused by this decision. I am thinking of other things.

If the Senator thinks it would be an affront, I do not want to set the precedent that I am going to move to table anything, as floor manager. We will vote up and down.

It appears to me that this question has been voted on more than once. The Senate knows precisely the issues. We already have made some tough decisions. We already have made a very tough decision on foreign assistance and have done that because we were genuinely concerned about the transition that might be difficult in terms of a major change in the school lunch program.

With that, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Mississippi (Mr. COCHRAN), the Senator from California (Mr. HAYAKAWA), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Arizona (Mr. DECONCINI) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) and the Senator from Nevada (Mr. CANNON) would each vote "yea."

The PRESIDING OFFICER (Mr. RUDMAN). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 44, nays 48, as follows:

[Rollcall Vote No. 47 Leg.]

YEAS—44

Baucus	Ford	Melcher
Bentsen	Glenn	Metzenbaum
Biden	Hart	Mitchell
Boren	Heflin	Nunn
Bradley	Helms	Pell
Bumpers	Hollings	Proxmire
Burdick	Huddleston	Pryor
Byrd, Harry F., Jr.	Humphrey	Randolph
	Jackson	Riegle
Byrd, Robert C.	Johnston	Sarbanes
Chiles	Kennedy	Sasser
Cranston	Leahy	Stennis
Dixon	Levin	Tsongas
Eagleton	Long	Williams
Exon	Matsunaga	Zorinsky

NAYS—48

Abdnor	Gorton	Nickles
Armstrong	Grassley	Packwood
Baker	Hatch	Percy
Boschwitz	Hatfield	Pressler
Chafee	Hawkins	Quayle
Cohen	Heinz	Roth
D'Amato	Jepsen	Rudman
Danforth	Kassebaum	Schmitt
Denton	Kasten	Simpson
Dodd	Laxalt	Stafford
Dole	Lugar	Stevens
Domenici	Mathias	Symms
Durenberger	Mattingly	Thurmond
East	McClure	Wallop
Garn	Moynihan	Warner
Goldwater	Murkowski	Weicker

NOT VOTING—8

Andrews	DeConcini	Specter
Cannon	Hayakawa	Tower
Cochran	Inouye	

So Mr. BOREN's amendment (UP No. 23), as amended, was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. The Senate will please be in order.

Mr. BAKER. Mr. President, will the Senator yield to me for just a moment?

Mr. DOMENICI. I yield to the majority leader.

Mr. BAKER. Mr. President, could we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The majority leader is recognized.

ORDER OF PROCEDURE

Mr. BAKER. I thank the Chair.

Mr. President, it is now 2 o'clock in the afternoon. I hope that we can proceed to consider as many of the remaining amendments to this resolution as possible. It would be my hope, as well, that the Senate will stand in recess this afternoon not later than about 6 o'clock and then go over until Monday.

But, in order to do that, we need to move the matters that must be disposed of still on this resolution as promptly as possible.

I realize we have only been on this not quite 2 days, but I wonder if I could inquire of the distinguished minority leader, the minority manager, and the manager of the bill if they could give us some outlook on the number of amendments remaining and how long it might be reasonably expected to take before we reach some estimate for the time for final passage.

Mr. ROBERT C. BYRD. Mr. President, I am not in a position to state how many amendments remain because I do not

know. There are several amendments, possibly, remaining. I think it may depend on how things go as to what amendments may yet be called up and how many.

So, at the moment, I am unable to respond to the distinguished majority leader by way of giving him a definitive answer.

Mr. BAKER. Mr. President, I thank the minority leader. I hope that later in the day we might be able to take another try in establishing an outlook for the first part of next week, because it is important, I think, as we would all agree, to get some idea of when we can finish this. That will have some bearing, of course, on how late we stay tonight and what time we come in Monday and whether we can finish then or go over to Tuesday.

But I might say that if we do make good progress this afternoon, if we continue to make good progress this afternoon, I would not expect to be in on tomorrow. I would say, as well, that if we have to—I notice the distinguished minority leader chuckling to himself, as well he might, because I have learned from the master in making that statement. But I would say, as well, if we do not finish, if it does not appear likely that we can finish on Monday, that I would expect to ask the Senate to remain in late on Monday, because time will begin to become a very substantial problem.

So I hope later in the day I might engage the minority leader in another colloquy and get another estimate on the outlook. But, for the time being, it does not appear that the Senate will be in on Saturday.

Mr. PERCY. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Mr. President, the Senator from New Mexico has the floor. I will be happy to ask him to yield.

Mr. DOMENICI. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, if we are able to work out a unanimous-consent agreement to go to the immediate consideration of the resolution that we discussed with the majority and minority leaders, the Senator from Illinois would like to advise that we would like to have a rollcall vote on that resolution, subject to the approval of taking it up today.

Mr. BAKER. Mr. President, on my part, if the Senator will yield to me further, I would be happy to set a time certain for a rollcall vote. Indeed, I will support that resolution.

I understand that the minority leader, who was on the floor just a moment ago, may not yet be in a position yet to say what time he would choose. But let me assure the distinguished chairman of the Foreign Relations Committee that as soon as we can arrive at a mutually convenient time, I would be happy to ask unanimous consent to temporarily lay aside this measure and proceed momentarily to the consideration of that resolution.

Mr. PERCY. Mr. President, I thank the majority and minority leader.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. Mr. President, would it be agreeable on my side if the Senate were to vote at, say 3 p.m. today on the resolution regarding Poland?

Mr. MOYNIHAN. Mr. President, will there be an opportunity to comment on the resolution?

Mr. ROBERT C. BYRD. Yes. A certain amount of time could be set aside.

Mr. MOYNIHAN. I would like 5 minutes.

Mr. ROBERT C. BYRD. Could we then have 30 minutes, equally divided, with Mr. MOYNIHAN assured of 5 minutes?

Mr. BAKER. Mr. President, in view of the remarks by the majority leader, I ask unanimous consent that, at 2:30, the Senate temporarily lay aside the measure before it, Senate Concurrent Resolution 9, and proceed immediately to the consideration of a resolution at the desk in respect to Poland; that there be 30 minutes of debate, equally divided, with the assurance that the distinguished Senator from New York will have 5 of those 30 minutes under his control and that the control otherwise will be in the usual form; and that a vote will occur on that resolution—Mr. President, I have just been advised that I have another inquiry in this respect. I withdraw the request for the time being.

Mr. ROBERT C. BYRD. Mr. President, could I get an indication, before I yield the floor, as to who will be calling up the next amendment and what it will contain?

Mr. BAKER. Mr. President, let me yield to the distinguished chairman of the committee to answer the question as to who will be offering the amendment on our side.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, it is Senator DOLE'S amendment. I want somebody to give a brief explanation of it.

The Senator from Kansas, Senator DOLE, will offer an amendment that has to do with periodic interim payments. It has been discussed with the manager on the minority side.

In spite of its being acceptable, I think we will probably need some time on it, perhaps a half an hour or 45 minutes.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I would like now to renew the unanimous-consent request with respect to the resolution on Poland which I had partially stated just previously.

Mr. President, I ask unanimous consent that, at 2:30, the Senate temporarily lay aside Senate Concurrent Resolution 9 and proceed to the consideration of a resolution at the desk to be offered by the distinguished Senator from Illinois (Mr. PERCY); that there be 30 minutes of debate on that resolution, to be equally divided and controlled in the usual form; that 5 minutes of this 15 minutes assigned to the minority be under the control of the distinguished Senator from New York (Mr. MOYNIHAN); that 5 minutes be assigned to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.); and that the vote thereon occur not later than 3 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, it is my understanding that the distinguished Senator from Kansas, Senator DOLE, is ready with an amendment.

The PRESIDING OFFICER. The Senator from Kansas.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The Senate continued with the consideration of the concurrent resolution.

UP AMENDMENT NO. 24

(Purpose: To revise budget goals to reflect a transfer of Medicare payments from fiscal year 1982 to fiscal year 1981)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an unprinted amendment numbered 24.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, lines 13 through 16, strike out "to reduce budget authority by $212,000,000 and outlays by $810,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $8,832,000,000 in fiscal year 1982" and insert in lieu thereof "to reduce budget authority by $212,000,000 and outlays by $295,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $9,354,000,000 in fiscal year 1982".

On page 2, beginning with line 14, strike out all through the semicolon on line 18 and insert in lieu thereof the following: "to reduce budget authority by $14,667,000,000, and outlays by $2,353,000,000, in fiscal year 1981; to reduce budget authority by $2,144,000,000, and outlays by $36,945,000,000, in fiscal year 1982;".

Mr. DOLE. Mr. President, I will say very briefly that the amendment I have just offered would increase spending in fiscal year 1981 by $515 million and decrease spending in fiscal year 1982 by $522 million.

I do not think there is any quarrel with the amendment. I have discussed it with Senator LONG, the ranking Democrat on the Finance Committee, and with the managers of the bill.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. Mr. President, medicare currently offers hospitals two payment procedures. First, there is a procedure under which payments are made to the hospital on the basis of bills which state what covered services have been furnished during the billing period. On the average, there is a 6-week lag between the rendition of a service and the receipt by the hospital of the payment. Only about 10 to 14 days of this lag is attributable to time taken by the medicare intermediary in processing the bill.

Under the alternative procedure, hospitals receive periodic interim payments which are not directly tied to the receipt of bills. On the average, this procedure produces only a 3-week lag between rendition of the service and receipt of payment. Approximately 2,100 hospitals currently use this method of payment.

Last year during the consideration of the budget, a budgetary device was used with respect to this payment methodology, which resulted in a bookkeeping savings in fiscal year 1981. The provision which was agreed to at that time was simply a one-time delay in the medicare periodic interim payment until the next fiscal year.

Under this provision, the hospitals involved would eventually receive their reimbursement, but the cost would be shifted from one budget year to another.

Obviously, this shift does not result in any real savings. What is real is the fact that a number of hospitals would have to borrow funds to cover their cash-flow requirements.

Eventually, the medicare program would recognize as a cost its share of the interest costs on this borrowing, resulting in an actual increase in medicare expenses as a result of this delay.

The amendment that I am offering today would increase spending in fiscal year 1981 by $515 million and decrease spending in 1982 by $522 million. These changes will accommodate the intention of the Senator from Kansas to include in the Finance Committee reconciliation proposals a provision which would repeal the one-time delay in the periodic interim payment.

I might add that this change was requested by the President.

I know of no opposition to the amendment.

I do not see either manager on the floor. I suggest the absence of a quorum.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I yield to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Iowa.

We are perfectly willing to accept the amendment of the Senator from Kansas. We have reviewed it and think it is in order and a good one. We are prepared to accept the amendment. Does the Senator want a vote on it?

Mr. DOLE. No. I might say that the amendment would avoid a 3-week interruption in cash flow to hospitals and the cost that would result when hospitals borrow to compensate for the temporary medicare reimbursement dry spell. CBO estimates that medicare's liability for the interest expense that would result from such borrowings would be about $7 million.

I do not know of any objection to the amendment. I appreciate the statement of the Senator.

Mr. HOLLINGS. I yield back the remainder of our time.

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (UP No. 24) was agreed to.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, on the time for the resolution on our side, I yield 2 or 3 minutes to the distinguished Senator from Texas.

THE SPECIAL TRADE REPRESENTATIVE

Mr. BENTSEN. Mr. President, I know many Members of the Senate had great hopes that the recent visit of the Japanese Foreign Minister might move us closer to a solution of some of the problems troubling United States-Japanese relations, particularly the important question of auto imports.

The visit, unfortunately, produced few answers but did create an important new question: Who is in charge of trade policy in the Reagan administration?

That question is important, Mr. President, not just for now, but for the future. There is always a tendency to focus on the problem of the moment, which today happens to be auto imports from Japan. But there will be other, equally important and urgent trade issues to be addressed in the years to come, and it is absolutely essential that we have a clear and effective policymaking process to deal with them. It is equally important that other nations understand these procedures and know they cannot be circumvented by a quick call to the State Department.

In the wake of Foreign Minister Ito's visit, I wish to take a few moments to address some of the problems that arise when we play hot potato with an important trade issue.

Confronted with the issue of auto imports, administration task forces have met, tempers have flared, the Cabinet has debated, the President has been briefed, Commerce, Transportation, and STR have done battle with Treasury, OMB, and the CEA. The Japanese have come and the Japanese have gone, probably a little confused, but almost certainly relieved at our inability to come to grips with the issue. The only missing element in this scenario is decision.

The all-too-apparent lack of progress on the problem is bad enough, Mr. President, but, in my opinion, that failure is compounded by the fact that the Secretary of State has suddenly, unexpectedly, and inexplicably emerged as our primary negotiator on the most important trade matter pending between the United States and Japan.

Clearly, the crisis has come to rest in the wrong hands, confusing both the Japanese negotiators and those of us who have worked for years to provide some certainty and effectiveness to the formulation of trade policy.

I think trade policy is far too important to be treated as a consolation prize in the crisis management sweepstakes.

As any member of the Senate Finance Committee, Republican or Democrat, can attest, we have labored long and hard to endow the office of the U.S. Trade Representative with the rank, the prestige, and the punch to play the lead role in hammering out trade policy. We went out of our way to insure that the USTR had cabinet rank and the title of Ambassador. The whole purpose of the exercise was make certain that the voice of America's economic and trade interests was heard loud and clear at the highest policymaking levels. We tried, and thought we had succeeded, in drawing a clear distinction between trade policy and the traditional concerns of foreign policy. We sought to make the office of the USTR proof of the fact that the United States can no longer afford the Marshall Plan mentality or unilateral generosity in our dealings with other nations.

It was only a few weeks ago, Mr. President, that members of the Finance Committee turned out en masse to wish Ambassador Brock well and offer our support to him in the effort to guide American trade policy. If memory serves me correctly, the distinguished committee chairman even invited the Ambassador to keep us informed if other agencies trespassed on his turf.

Yet, today, as the administration grapples with its first real test of trade, that turf has been trampled. The issue has been shunted over to the Secretary of State, who has actually negotiated the matter with the Japanese Foreign Minister whose own mandate is less than crystal clear. I was pleased to see that all parties professed their abiding attachment to the principles of free trade.

Mr. President, the fact that USTR has been preempted in trade policy is bad enough; perhaps it is something we should look into during our subcommittee hearings next week. But the fact that the auto import question has been turned over to the tender mercies of the State Department, where it will presumably be

handled gently and diplomatically, is truly incredible.

The trade policy of this country has been distorted by shopworn foreign policy considerations for too long. We have negotiated to win temporary friends or good will, not to demand equal access to vital world markets. We have negotiated fishing agreements in which we have given away twice as many fish as we had—all in the interests of good will. We have used our markets as the carrot in negotiations, but we have consistently been reluctant to use a stick. If we came out on the short end of an economic negotiation, that was all right as long as some overriding foreign policy interest was served.

Mr. President, this country has been running a balance-of-trade deficit on the order of $30 billion a year for the past 3 years. We can no longer afford to make trade policy secondary to foreign policy; we cannot afford to have diplomats negotiating with tough, pragmatic traders. When we go into a negotiation on trade, the economic interests of America must be paramount.

Mr. President, I can recall in the past when we had commercial attachés in our embassies abroad and they were at the lowest end of the pecking order. If you wanted to advance in the Foreign Service, you sure did not take that job, because we did not have the kind of emphasis on trade that we ought to have. When American businessmen went abroad and stopped by the Embassy, they were treated as some kind of a bother. We have just not had a dedication to building exports for our country.

That is why we established a USTR with the authority—indeed the mandate—to go out and negotiate tough, hard-nosed agreements that meet the standard of our economic interests.

The last thing we need is to have the USTR subsumed by the State Department. That is a formula for trade disaster; it is contrary to everything we have been trying to do for years in the Finance Committee.

I want to emphasize, Mr. President, that I have high regard and respect for both Secretary Haig and Ambassador Brock. I wish both of them well. But I also believe they have separate jobs to do, and I would like to see some firm indication that USTR will continue to play the primary role in trade policy.

It may well be that Ambassador Brock has received some assurances in this regard, and if that is the case I welcome them. But the fact remains that, for at least a brief period last week, the Secretary of State was conducting trade negotiations with the Japanese Foreign Minister.

The Finance Committee has gone out of its way to establish that the authority to conduct trade negotiations is vested with USTR, and it is not at all clear to me how Secretary Haig's new prominence in this issue can be reconciled with the role that should rightfully be filled by Ambassador Brock.

These questions are important, Mr. President, and they will remain important until they are answered fully.

The need for clarity and consistency is as apparent in the area of trade as in other, more traditional aspects of foreign policy. To the extent USTR is cut out of the process, that clarity and consistency is lacking now and for the future.

Mr. President, I emphasize again that I have the highest respect for both of these gentlemen, but they ought both to stay in their respective fields.

Mr. DOLE. Will the Senator from Texas yield?

Mr. BENTSEN. I am delighted to yield to the distinguished chairman of the Committee on Finance.

Mr. DOLE. Mr. President, I fully agree with what the Senator has said. I think he made it very clear that the Finance Committee has tried in the past and will in the future try to protect this turf very carefully—not because it is the domain of the Finance Committee but because of our intense interest in trade.

The PRESIDING OFFICER. The Chair now indicates that we have reached the time of 2:30 set for another matter.

Mr. DOLE. May I ask unanimous consent for another minute?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I commend the Senator from Texas for making his statement at this time. It is a critical time. We shall be having Ambassador Brock before the committee. We have had outstanding STR's in the past with Ambassador Askew, Ambassador Strauss, Ambassador Dent, Ambassador Walker, and others. We want that to continue in this administration under the leadership of Ambassador Bill Brock, who is highly qualified. He has the confidence of the Congress. He has the confidence of the Senate Committee on Finance, and we want to work with him in the interest of trade that is in the best interest of this country.

I thank the Senator.

Mr. BENTSEN. Mr. President, I thank the distinguished chairman of the Committee on Finance for his reassurance on that point, and am delighted that we shall have Ambassador Brock back before the committee.

THE SITUATION IN POLAND

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of a resolution to be introduced by the distinguished chairman of the Foreign Relations Committee, the Senator from Illinois.

The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, the sense of the Senate resolution on Poland which I submit now is particularly timely.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 103) relating to the situation in Poland.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. PERCY. Mr. President, the sense of the Senate resolution on Poland that I will introduce now is particularly timely.

Through these long months since last August, we have all watched Poland struggle to develop a mutually responsive relationship between the Polish people and their Government. We have been impressed by the restraint shown by both workers and Government, as both sides have negotiated compromises to a series of economic and political issues.

A week ago, that pattern was broken by an incident of police brutality in breaking up a workers' meeting. Workers and authorities are now negotiating for a satisfactory resolution to the tensions inflamed by this incident. At this juncture, a satisfactory outcome is far from assured. There is reason to be concerned that Polish authorities may be considering the use of force in dealing with continuing differences with the workers. East Germany has officially announced the extension of Warsaw Pact maneuvers in the area of the last several days.

It is thus appropriate that we in the Senate go on record at this crossroads in reaffirmation of Poland's right and ability to settle its problems, both peacefully, without authorized internal force, and on its own, without outside interference. The United States could not be indifferent to either development.

Either development would, in the first instance, destroy American incentives to work with other nations to ease Poland's severe economic difficulties. Beyond that, either development would have grave consequences for the entirety of East-West relations.

Mr. President, I shall offer the following resolution relating to the situation in Poland. I offer it on behalf of myself and Senators BAKER, GOLDWATER, HELMS, LEVIN, DIXON, ZORINSKY, DODD, TOWER, GLENN, HOLLINGS, MOYNIHAN, DURENBERGER, MURKOWSKI, PELL, KENNEDY, STENNIS, NUNN, DENTON, BOSCHWITZ, DOMENICI, and METZENBAUM.

It will be kept at the desk so that others who may wish to cosponsor this resolution may do so.

The resolution reads as follows:

S. RES. 103

Whereas the Polish people are showing responsibility in their attempt to evolve a mutually more responsive relationship between workers and government;

Whereas the Polish people have respected their national institutions and Poland's international relationships and commitments;

Be it resolved, that it is the sense of the U.S. Senate that:

(1) Poland's problems can and should be solved by the Polish people themselves;

(2) any outside intervention in Poland would be in violation of existing international law and solemn commitments, including the United Nations Charter and the Helsinki Final Act;

(3) officially sanctioned internal use of force in Poland would violate the spirit of cooperative negotiation of differences that has prevailed;

(4) the United States could not be in-

different to either development, which could have grave consequences for the entirety of East-West relations;

(b) the United States Senate supports the President in efforts to work with other nations to ease Poland's economic difficulties, providing that repression or foreign intervention do not occur.

Mr. President, many times, through miscalculation, it is possible for a nation to take an action without fully appreciating the consequences of such action. In this case, there is no reason that the consequences that would flow from any outside use of force in Poland should not be well-known.

I had the privilege last November of discussing this issue directly with President Brezhnev, with Foreign Minister Gromyko, with Defense Minister Ustinov, and with every member of the Joint Chiefs of Staff in the Kremlin. The discussion was an impassionate, straightforward statement of the consequences that I felt would follow if there was such use of force.

In the case of Poland, the United States is taking a position, I believe, that is held widely throughout the world. Certainly, if Afghanistan, on the borders of the Soviet Union, could bring a UN resolution of 111 votes to 22 calling for the withdrawal of Soviet troops, which is an overwhelming world response of the world, I believe there would be even stronger feelings about the use of force in Poland.

One Western leader has said that it would change the face of the globe. Certainly, in this regard, the Soviet Union has been fully advised by the Secretary of State, in direct communication with Moscow, and then by the statement made yesterday by the President, after a meeting of the National Security Council.

Nothing we are saying or doing is provocative. We simply are stating the facts of life. If we are to move toward a more stable and sensible world, the use of force in a highly emotional situation such as this could only be looked upon as an act that would not be in the interests of world peace and would be contrary to the professions made for a peaceful world by President Brezhnev at the 26th Congress.

Therefore, I feel that this sense of the Senate expression is a calm, reasoned, carefully worded document that states exactly how we feel and how we stand, and I trust that it will have the unanimous approval and support of my colleagues in the U.S. Senate.

I am happy to yield to the distinguished Senator from Virginia.

Mr. HARRY F BYRD, JR. I thank the Senator from Illinois.

Mr. President, I commend the distinguished chairman of the Committee on Foreign Relations, the Senator from Illinois (Mr. PERCY). for this resolution. I believe it is one that the Senate should consider. It is a fine resolution. I just have a question I should like to put to the distinguished author of the resolution, the chairman of the committee.

Mr. PERCY. I will be happy to respond.

Mr. HARRY F. BYRD, JR. It is in regard to section 5:

The United States Senate supports the President in efforts to work with other nations to ease Poland's economic difficulties.

It goes on to say,

Providing that repression or foreign intervention do not occur.

My question is this: I assume that this does not in any way commit the U.S. Senate to an economic aid program or something of a similar nature. There are many ways the United States could help Poland economically—work with her on trade matters and many different ways—but I assume it does not commit the Senate to a new foreign assistance program in regard to Poland.

Mr. PERCY. No; there is no commitment of any kind. It is just a recognition of the fact that the private sector—private banks in the United States as well as Public Law 480 funds, Commodity Credit Corporation—have extended credits to Poland. Of six nations in the Western World that have extended such credits, credits extended by the United States are in lesser amounts than any of the other five. But it now appears obvious that, whereas servicing the debts was possible last year, it may well not be possible as they become due and payable this year.

Therefore, the question would be this: What do the banks do? What do we do? What do other nations do about that?

The resolution language you refer to is just simply a recognition that the bankers and the governments are conferring about what can be done—probably rescheduling payment dates and terms so that the loans are not in default. Their activities undoubtedly would cease if there were a use of force.

This does not commit us in any way. We could confer, and finally decide not to extend the time but to press for payment. The judgment of the Senator from Illinois is that it would be the better part of prudence to work with them on realistic repayment terms as long as conditions in Poland are tolerable. But if the use of force intervened, the effort and desire of nations and private banks to work with a government, to find a way to resolve these problems, would be undercut.

Mr. HARRY F. BYRD, JR. The Senator from Virginia agrees thoroughly with the able Senator from Illinois.

I felt confident that the resolution did not mean that the Senate was going on record as saying that, at some future time, we might take over the indebtedness to the banks or pay off the indebtedness to the banks. That is not the intent of the resolution.

Mr. PERCY. No such indication.

All it says is that the ongoing negotiations probably would be interrupted if there were a use of force. But there is no commitment as to what the outcome of those negotiations eventually would be.

Mr. HARRY F. BYRD, JR. I thank the distinguished Senator from Illinois, and I commend him on the resolution.

Mr. PERCY. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. I thank the Chair.

Mr. President, I rise in support of the pending resolution of the chairman of the Committee on Foreign Relations, the senior Senator from Illinois.

I think it is a good resolution. It is sensible, it is rational, and I hope it will be noted and observed by the Soviets and by thinking people everywhere.

To my mind, the Polish people have the situation really in their own grasp. They recognize, I believe, that there are three conditions, any one of which would induce Soviet intervention.

The first is withdrawal from the Warsaw Pact. The second is the elimination from power of the Communist Party. The third is a complete breakdown of law and order.

In Hungary you found an attempted withdrawal from the Warsaw Pact; in Czechoslovakia you found the party being taken over. The consequences of both are history. To date, none of these three conditions has occurred in Poland. But the danger is clear. My hope and prayer is that the Polish people will guide events so as to avoid Soviet intervention.

We must note the role of the Catholic Church, which has inspired the reform movement but which is also urging the Polish people to exercise restraint. Church leaders, who are demonstrating an admirable combination of idealism and pragmatism, know what the fate of their communicants would be under any of the three conditions I stated.

This resolution underscores the position of the United States, shows that we will not sit idly by, shows that the cost to the Soviet Union of intervention would be substantial. I hope this resolution will be passed. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. The Senator from Illinois yields 3 minutes or such time as the Senator from Maryland desires.

Mr. MATHIAS. Mr. President, I thank the Senator from Illinois. I want to commend him for having introduced this resolution, and for introducing it in the form in which he has.

I think it is an act of leadership; I would particularly note the positive tone of the resolution. It is not a threatening resolution. It is positive in word and intent.

It points to the value, of a peaceful resolution of the problems with which Poland is confronted at this time. This is an extremely important element, in the way in which we approach the potentially grim fate that could possibly lie ahead for Poland.

The world has been concerned for many months with events in Poland and, unhappily, in the past few days there has been a note of even greater

concern reflected in the media of the entire world. So it is appropriate and timely that the Senate express itself, and I think the Senator from Illinois has captured the proper spirit in his resolution.

The alternative hardly needs to be spelled out because history is so tragically clear about what could happen to the Polish people.

It is now almost two centuries since Catherine the Great, the Empress of Russia, put a puppet king on the throne of Poland. That action was followed by several partitions, and finally by the complete suppression of the Polish state.

The alternative, of course, is the one which the Senator from Illinois has embodied in his resolution. By avoiding any kind of political threat, by resolving the economic, social, and political difficulties that are confronting the Polish people today, there can be a positive resolution to the problems of Poland. It seems to me that that is the approach we should be taking at this time. It is an approach I completely support.

The PRESIDING OFFICER. Who yields time?

Mr. PERCY. Mr. President, I wish to thank my distinguished colleague for his thoughtful comments. He is a valued member of the Senate Committee on Foreign Relations. He gave up a post on the Appropriations Committee to serve on the Committee on Foreign Relations. He serves as our distinguished chairman on the Subcommittee on International Economic Affairs, and I think he is rendering a great service to the United States as well as to the people of Maryland. It is his kind of support for resolutions of this kind that affect the peace of the world. That is why we are happy to have him as a member of that committee.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to express my appreciation, and I think of those of us on this side of the aisle, for the initiative of the distinguished chairman of the Committee on Foreign Relations in bringing this matter forward.

I was initially concerned that an early draft of the resolution did not appear to take as firm a view in this matter as the President did in his statement yesterday.

But the resolution which the distinguished chairman has introduced does use almost identical language to that of the President's with respect to the deep concern we would have with any untoward developments there, and the grave effect that this would have on the whole course of East-West relations. Therefore, I have asked unanimous consent that I be added as one of the cosponsors of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, will the Senator yield for a unanimous-consent request? The distinguished ranking member of the Committee on Foreign Relations, Senator PELL, has asked also to be named as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Then I would add only the gentlest critique, Mr. President, to say that the opening language of the resolution which says:

> Whereas, the Polish people are showing commendable restraint and responsibility in their attempt to evolve a mutually more responsive relationship between workers and government.

I would simply like to say that, in the view of the Senator from New York, it is not for us to tell the Polish workers to be restrained. Their cause is just. It is the Soviet Union that should be restrained, and their cause is unjust.

Unfortunately, the Polish people do not have their fate in their own hands. But faced with a totalitarian government imposed by Soviet bayonets and surrounded by Soviet forces, the constraints on their behavior are clear, but they are imposed upon them. They are not internal, they are not free choices, and it is not for us to commend them for restraint any more than it is to congratulate them for being surrounded by Soviet arms.

I only wished to make that small point. I would have wished the resolution mentioned the Solidarity Organization. In the history of totalitarianism there has never been such an event and I wonder if it were not—Mr. President, I am again informed that the resolution which I was reading had been amended, and the words "commendable restraint" are not there. I think it was commendable excision, and it shows that the chairman, as you would expect, is very close in his sense of what this Chamber thinks and feels, and that is why we admire him so and appreciate his initiatives in this case.

I would only once again say, Mr. President, in conclusion that the emergence of a nonviolent, effective, disciplined labor movement in Poland is the most extraordinary event in the history of totalitarianism, and it is one which this body will watch with the closest attention and the highest of hopes and the deepest of anxieties.

I thank the Chair. Once again may I thank the chairman who has shown his sense of what this Chamber would feel in such matters and anticipated our every more, our every excision.

Mr. PERCY. Mr. President, I thank my distinguished colleague. The same thought occurred to the author of the resolution. It could be interpreted several ways, so it seems best to leave those words out.

I thank my distinguished colleague, and I appreciate very much indeed his cosponsorship.

As a former Ambassador to the United Nations in dealing with a tremendous number of issues, he knows that a miscalculation, the possibility of miscalculation. must be removed. We are not strident. We are simply trying to be in the position of laying it on the line.

I have always felt in dealing with the Soviet Union that they appreciate it when we are straightforward, when they know where we stand, when we do not equivocate. It is easier for them in a sense to be able to take account, in all of the actions they take, a full assessment of what the consequences would be.

I do not think that situation existed before Afghanistan. There was a good deal of uncertainty as to what the world's reaction would have been, and after the fact of the invasion certainly the world's reaction was very strong indeed.

Mr. MOYNIHAN. Mr. President, will the chairman allow me to simply observe that every major disaster in Europe this century has come about because the aggressive authoritarian or totalitarian government may have miscalculated the response of the democracies. The chairman is not more correct, and we are indebted to him.

Mr. PERCY. In this case there can be no possibility of miscalculation.

I am glad to yield to my distinguished friend from Ohio, who has cosponored this resolution.

Mr. GLENN. Mr. President, I thank the Senator very much for yielding to me at this time.

Mr. President, I support this resolution and its timely adoption by the Senate. The increased level of friction between the Polish workers and the Polish Government in recent days at the same time that increased numbers of Soviet/Warsaw Pact troops are in Poland conducting extended exercises raises anew the specter of outside intervention in Poland's internal affairs aimed at putting down the workers movement and undoing the political and economic gains they have united to seek so far. One does not need to explain or reiterate the seriousness with which the United States would view such a development. Of equal concern would be a decision by Polish authorities to abandon attempts to peacefully negotiate their differences with the workers and resort to the use of their own security forces to impose their will.

I would like to add one comment on the question of debt rescheduling.

The United States and other Western governments have indicated a willingness to seek an accommodation with Poland on the issue. And I was very pleased to hear that the administration intends to consult with the Soviet Union on this question. I am most interested in assuring that the Soviets are equally involved in this effort to avoid any possibility that the Poles would continue to repay the Soviet at original rates while deferring payments on debts to the West.

The PRESIDING OFFICER. I would like to remind the Senator from Ohio that the Senate was supposed to vote on this resolution at 3 o'clock. It is now 3 o'clock.

Mr. GLENN. Mr. President, if I could have 1 additional minute.

We do not want to find ourselves and our allies in the position of helping out a Communist nation and find they are using our help to pay off the Soviets. So I hope that is a caveat for any additional help we are giving in this regard.

Mr. PERCY. Mr. President. it is the understanding of the Senator from Illinois that the majority leader would like to speak for a minute or two on this resolution. I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PERCY. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PERCY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JEPSEN). Without objection, it is so ordered.

● Mr. METZENBAUM. Mr. President, I am pleased to join the distinguished majority leader and the chairman of the Committee on Foreign Relations in introducing this expression of support for the brave people of Poland.

The word "gallant" has often been used to describe the Poles. And today, they are once again showing the world what it means to stand tall, brave, and resolute in the face of overwhelming force.

The working people of Poland are not making extravagant demands upon the Communist state.

They have demanded the basic human right of working people everywhere to organize themselves and to elect their own spokesmen to negotiate their grievances and aspirations.

Working people in our own country fought hard to win that right. In some places, even in this country, the fight goes on today.

But in the so-called workers states in the Soviet sphere, the idea of a free union is heresy. How, after all, can there be a free union when the state defines itself as the representative of the working people?

Those claims of the state, whether in Poland, the Soviet Union or the other countries of Eastern Europe, are a travesty. They serve only to perpetuate the power and prerogatives of a narrow, deeply entrenched and truly reactionary party elite.

It is the Poles who have exposed this fraudulent system for what it is.

And it is the Poles whose proud defiance tempts the Soviets to do by force what they cannot accomplish by persuasion or example.

Mr. President, the Polish people do not threaten the mighty Soviet Union.

Nobody in Poland has tried to eliminate the Communist government. The Poles know the realities of military power in their part of the world.

Nobody has suggested that Poland withdraw from the Warsaw Pact or aline itself with the West. Again, the Poles know they do not have that choice today.

Nobody in Poland has suggested that free unions or the free expression of religious faith and national identity be extended to other Communist countries. It is the Soviets and their henchmen in countries like East Germany and Czechoslovakia who fear that the contagion of freedom will spread.

Mr. President, the Soviets in recent months have loudly protested their peaceful intentions.

They have asked for a summit conference, spoken of new initiatives in arms control and East-West trade.

In Poland, we will have a test of their sincerity. And we will see whether the Soviets can live with the inevitable reassertion of nationhood by the Poles and by the other ancient peoples of Eastern Europe.

Mr. President, the message of this resolution is simple.

To the people of Poland, it says, "We admire you, we support you, and we stand with you in your brave struggle to secure your fundamental human rights."

To the Government of Poland, it says that we are prepared to lend a sympathetic ear to proposals to ease Poland's economic difficulties.

And to the Soviet Union, it says that if you want better relations with this country, if you want trade, if you want grain, if you want arms talks, and if you want to avoid a harsh, tough, long-range confrontation with this Nation that will cost you dearly—then keep your hands off Poland.

Let us hope, Mr. President, that the Soviets get this message.

And let us do everything we can to help the people of Poland find Polish solutions to their own problems.●

PEACE AND JUSTICE IN POLAND

● Mr. KENNEDY. Mr. President, I commend the chairman (Mr. PERCY) and wish to cosponsor this resolution on Poland.

The Polish people have undertaken an important course in opening up their society and increasing the freedoms of workers, peasants, and students.

In recent days the dangers of confrontation have increased in Poland. I share the concern expressed here today about efforts of local authorities to repress the historic movement toward trade union and other freedoms.

It is very important for the people and Government of Poland to resolve their own problems without any outside interference. I welcome and support their efforts to this end, as I do the essential mediating role played by the church.

The United States, our allies, and friends must make clear our support for Polish solutions to Polish problems, our strong opposition to military intervention, and our readiness to help Poland resolve the acute economic problems that it faces.

So I support this resolution, Mr. President, and I hope this body will pass it by a decisive vote so as to send a clear signal to the world as to where America stands on this issue.●

● Mr. HAYAKAWA. Mr. President, I would like to join with my colleague, the distinguished Senator from Illinois, in asking for immediate consideration of the resolution on Poland.

Since the strike at the Lenin shipyard in Gdansk last summer, most Americans have been watching the unfolding drama in Poland with bated breath. We are all aware of the courage demonstrated by the Polish people in their pursuit for a voice in domestic economic decisions. And we are aware, too, of the imminent threat to the people and Government of the country posed by the Soviet and Eastern European military presence in the area.

The events of the last 8 months are especially poignant for the 10 million Polish Americans who have emigrated or whose ancestors have emigrated to the United States for political or economic reasons. A military invasion of Poland by the Warsaw Pact forces most certainly will invoke outrage—the magnitude of which has never been heard in Moscow—from all of us but especially the Polish community in the United States.

Mr. President, I am also concerned that Polish authorities may be tempted to use force and repressive measures rather than negotiation to solve the differences between the authorities and the labor unions. The leaders of the Solidarity Movement and the Polish people as well as the Government authorities are to be commended for the restraint they have exhibited the past few months. It is my fervent hope that this spirit of cooperation will continue.

Thank you, Mr. President.●

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Arizona (Mr. DECONCINI) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) and the Senator from Arizona (Mr. DECONCINI) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 48 Leg.]

YEAS—96

Abdnor	Dixon	Hollings
Andrews	Dodd	Huddleston
Armstrong	Dole	Humphrey
Baker	Domenici	Jackson
Baucus	Durenberger	Jepsen
Bentsen	Eagleton	Johnston
Biden	East	Kassebaum
Boren	Exon	Kasten
Boschwitz	Ford	Kennedy
Bradley	Garn	Laxalt
Bumpers	Glenn	Leahy
Burdick	Goldwater	Levin
Byrd, Harry F., Jr.	Gorton	Long
	Grassley	Lugar
Byrd, Robert C.	Hart	Mathias
Chafee	Hatch	Matsunaga
Chiles	Hatfield	Mattingly
Cohen	Hawkins	McClure
Cranston	Hayakawa	Melcher
D'Amato	Heflin	Metzenbaum
Danforth	Heinz	Mitchell
Denton	Helms	Moynihan

Murkowski	Riegle	Symms
Nickles	Roth	Thurmond
Nunn	Rudman	Tower
Packwood	Sarbanes	Tsongas
Pell	Sasser	Wallop
Percy	Schmitt	Warner
Pressler	Simpson	Weicker
Proxmire	Specter	Williams
Pryor	Stafford	Zorinsky
Quayle	Stennis	
Randolph	Stevens	

NOT VOTING—4

Cannon	DeConcini	Inouye
Cochran		

So the resolution (S. Res. 103) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 103), with its preamble, was agreed to, as follows:

S. RES. 103

Whereas the Polish people are showing responsibility in their attempt to evolve a mutually more responsive relationship between workers and government; and

Whereas the Polish people have respected their national institutions and Poland's international relationships and commitments: Now, therefore, be it

Resolved, That it is the sense of the U.S. Senate that:

(1) Poland's problems can and should be solved by the Polish people themselves;

(2) Any outside intervention in Poland would be in violation of existing international law and solemn commitments, including the United Nations Charter and the Helsinki Final Act;

(3) Officially sanctioned internal use of force in Poland would violate the spirit of cooperative negotiation of differences that has prevailed;

(4) The United States could not be indifferent to either development, and could have grave consequences for the entirety of East-West relations; and

(5) The United States Senate supports the President in efforts to work with other nations to ease Poland's economic difficulties, providing that repression or foreign intervention do not occur.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The PRESIDING OFFICER. The Senate will resume consideration of the pending measure.

The Senate continued with consideration of the resolution.

The PRESIDING OFFICER. The Senator from Iowa may proceed.

Since we are back on the resolution, the Chair advises the Senator that it is necessary for Senators to yield time. Who yields time to the Senator from Iowa?

Mr. DOMENICI. Mr. President, I yield as much time as the Senator needs off the resolution.

Mr. GRASSLEY. Mr. President, it would be shortsighted not to consider the effect of budget cuts on the Internal Revenue Service. The IRS is one of the few "profitable" agencies within our vast bureaucracy. Five years ago in 1976, it spent 56 cents to collect $100 of revenue; in 1980 it spent 44 cents to collect the same $100 of revenue. Last year the IRS received 547 million informational documents from the American public. The Service collected $519.4 billion in gross receipts—an increase of over 12.8 percent from 1979.

The overall Reagan budget cut proposals for administrative personnel include a $23 million budget reduction for the IRS this year, moving up to a $84 million reduction in 1982 culminating in a $414 million cut by 1986. Even without these major personnel cuts, the IRS is able to examine fewer and fewer returns. Last year 1.9 million returns were examined in district offices, a decrease of 89,000 from the previous year. Last year revenue agents examined 9 percent fewer returns at taxpayer residences or places of business than in 1979.

With the growing concern on the part of the administration and the Congress about the billions of dollars of lost revenue from unreported income and delinquent accounts, I would submit that any personnel cuts should be carefully considered to be sure any bureaucratic fat is carefully pared. A meat-axe solution to the problem of adequate tax enforcement funding would be very inappropriate if we are truly serious about making revenues meet expenditures. As a member of both the Finance and Budget Committees, this is a problem which greatly concerns me.

Every Member of this body has made painful choices about budget cuts affecting his or her State. To permit revenues to diminish because we have overlooked the possible impact of budget cuts on revenue collection would be a tragic mistake. Such an act would be robbing Peter to pay Paul.

The success of our system of revenue collection rests on voluntary compliance. The payment of taxes is each citizen's responsibility. It is their contribution to the function of our Government. While it is my firm conviction that taxes are too high and that they are a great burden to middle-income taxpayers, such grievances should be addressed at the ballot box and not by open revolt.

According to the Internal Revenue Service and the Department of Justice, grand jury proceedings are underway to indict a group of "ringleaders" who are counseling individuals to claim an inaccurate number of exemptions or establish themselves as a "minister" or a "religion" to claim a better tax status as a charitable organization. Even after some of these individuals are convicted, they persist in counseling a larger number of law-abiding citizens that this sort of tax avoidance is permissible and will go unredressed by the IRS. Obviously, this trend is making serious inroads into the basis of our revenue collection system—voluntary compliance.

Although the IRS has uniform procedures for detecting and examining illegal tax protester documents and activities, case statistics show that the number of illegal protests is increasing. Tax avoiders use a variety of mechanisms to avoid the payment of tax: Family trusts, formation of "churches," filing blank returns, and claiming excessive allowances or exemptions on W–4 forms. To attack the problem of W–4 abuse—claiming an excessive number of exemptions or allowances—new employment tax regulations were promulgated in March 1980 to require an employer to report certain W–4 forms to the IRS. The IRS is pursuing those individuals who file questionable W–4 forms if they fail to file income tax returns for that taxable year.

In the face of continuing abuse, new temporary employment regulations were issued on March 19, 1981. To screen the W–4's and cross-check them with annual income tax returns will take 865 staff-years in fiscal year 1982 according to the IRS. This figure assumes no widespread increase in the tax protest movement—an assumption which is now open to question.

Another major aim of the Reagan economic plan is to collect all debts owed to the U.S. Treasury. In keeping with this goal, 75 percent of the IRS's collection program for fiscal year 1982 will be devoted to collecting delinquent accounts. Despite this increased effort by the IRS, the inventory of delinquent accounts is projected to grow. The IRS estimates that by the end of fiscal year 1982, 2.1 million accounts will still be unpaid. How much money will the Treasury lose on these delinquent accounts? **$6.3 billion.**

New filing requirements under the windfall profit bill will sap more time, resources, and money in administrative and processing costs from the Internal Revenue Service.

I have been one of the severest critics of the IRS for promulgating regulations in contravention of congressional intent and pursuing numerous policy goals outside of their responsibilities as revenue collection agents. Nevertheless, I urge the authorizing and appropriating committees in both Houses to look closely at personnel and budgetary cutbacks for this agency. Our system of voluntary compliance is being seriously undermined by a growing public perception that the IRS audits or examines a shrinking number of taxpayers and that pockets of taxpayers in open revolt will not be disciplined.

As the demands on the Service to catch a growing number of tax revolters and nonfilers, to collect a backlog of delinquent accounts and to process an increasing number of informational documents are growing, their personnel and budgetary allocations are shrinking. Without an effective program of revenue collection, the Reagan economic package will flounder.

Burdensome taxes invite this sort of tax avoidance behavior. When the Reagan tax package is enacted and tax rates are reduced, the incentive to defy the law should decrease.

Without oppressively high rates of taxation, many risky and elaborate tax shelters that are channeling millions of dollars into unproductive economic activity will lose their appeal. This will simplify the administration of the tax law for the IRS and equalize everyone's tax burden.

Until the time this package can be enacted, no individuals should enjoy a great economic benefit by virtue of their lawless acts.

The Reagan program for economic reform requires a stable revenue base for planning purposes, this can only be achieved by a reliable and efficient revenue collection agency. I urge all of the authorizing and appropriating committees to look closely at any cutbacks in the Internal Revenue Service's budget and not compromise these important goals of the new administration by hasty or ill-conceived acts.

I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time does the Senator suggest the absence of a quorum?

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I ask unanimous consent that the distinguished junior Senator from Tennessee be recognized to lay down the next amendment; that there be a time limitation on the amendment of 10 minutes to be equally divided; and following on after the disposition of that amendment of the Senator from Tennessee, that the Senate turn to the consideration of an amendment by the Senator from Michigan (Mr. RIEGLE) dealing with social security benefits; and that 1 hour of debate be reserved on the Riegle amendment on Monday, beginning at 10 o'clock, and ending at 11 o'clock, and that a vote on the Riegle amendment occur at 11 o'clock Monday next.

Mr. ROBERT C. BYRD. Reserving the right to object, will the majority leader change his request to provide that debate, that final debate, on the Riegle amendment end at 11 o'clock and that any votes ordered prior to 1:30 occur beginning at 1:30?

Mr. BAKER. Yes, I will.

Mr. President, I amend the request so that any votes ordered on the Riegle amendment occur—Mr. President, I withdraw that portion of the request dealing with the time to vote on the Riegle amendment. I will have a request in that respect shortly, and I assure the minority leader that it will not be before 1:30.

I renew my request in respect of the other aspect of the agreement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

UP AMENDMENT NO. 25

Mr. SASSER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. SASSER), for himself and others, proposes an unprinted amendment numbered 25.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "$52,825,000,000" in line 17 strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following "$52,644,000,000, and outlays by $36,745,000,000 in fiscal year 1982; and to reduce budget authority by $58,977,000,000 and outlays by $47,444,000,000.".

On page 4, beginning with "$3,243,000,000" in line 7, strike out through "$3,961,000,000" in line 10 and insert in lieu thereof the following: "$3,062,000,000 in budget authority and $3,000,000,000 in outlays for fiscal year 1982; and $3,760,000,000 in budget authority and $3,711,000,000 in fiscal outlays for fiscal year 1984.".

Mr. SASSER. Mr. President, I rise today to offer an amendment to Senate Concurrent Resolution 9 which would restore an additional $200 million to the school lunch program in 1982 and an additional $250 million to the school lunch program in 1983.

This is a modest amendment to add back moneys to the school lunch program since Senate Concurrent Resolution 9—as passed by the Senate Budget Committee—assumes reductions of nearly $3.2 billion in the school lunch program in 1982 and 1983.

I offer this amendment since I believe it travels a middle road between reducing the budget as the President requested, but offering some relief to the school lunch program on which some 27 million children now depend.

We have had a wide variety of estimates of how the President's cuts will affect the school lunch program.

The Congressional Budget Office suggests that about 5 percent of the Nation's schools may leave the school lunch program. The American School Food Service Association, on the other hand, had indicated in a letter to me that the overall proposed cuts may cause the price of a school lunch to double and in some cases to triple.

Consequently, as many as 35,000 schools may cease participation in the program, forcing as many as 10 million school children from the school lunch program—more than a third of the children now in the program. And among these 10 million schoolchildren will be 3 to 4 million needy children who now receive free or reduced price lunches.

Mr. President, the Tennessee School Food Service Association did an analysis of what the impact of these increased school lunch prices would be. The question asked in 29 counties of 71,737 respondents was this: What would you do if school lunches went up to $1.25 for a full-priced lunch or 60 cents to 70 cents for reduced price lunches?

Of those 71,000 who were polled, over 48,000 or 68 percent said they would go the route of bringing a bag lunch to school; 8,928 or 12 percent said they would go ahead and pay the additional price; 8 percent said they would apply for reduced lunches; 12 percent of 8,442 said they would take another approach, some saying there would be no lunches at all.

So what we have, Mr. President, is a situation in which, if the school lunch program is cut as drastically as it was cut in this budget resolution, I feel we are going to see in many school districts the extinction of the hot lunch program and the absence of hot lunches in many of the rural schools altogether.

In that regard, Mr. President, I have received numerous telegrams and letters from food service administrators throughout my State that these school lunch cuts would have a devastating effect on the operation of their school lunch programs.

Now, I fully understand that we have to make significant budget cuts this year, and in 1982 and 1983. That is why the Senate Budget Committee, in its recommendations for 1982 and 1983, cut the overall budget by a considerably greater amount—some $4.8 billion more than contemplated by the President.

But even on our Budget Committee, there was considerable sentiment for lowering the amount of cutbacks for the school lunch program. It was only by a vote of 10 to 9 that my amendment to restore some $400 million to the school lunch program failed in the committee.

So, Mr. President, there is no unanimity in this body that we should make these deep cuts in the school lunch program. The cuts will still be substantial even with the passage of my amendment.

But let us not cut to the bone on the school lunch program or we will find school lunch programs going out of existence all over the country, and all children—poor, middle, and upper income—may be without a hot school lunch program, and this is a development that we cannot afford today.

Now, Mr. President, what this amendment does is relatively simple. It moderates the cuts in the school lunch program. It in no way undercuts the ability of the Senate Agricultural Committee to modify the school lunch program to take out unessential elements in the school lunch program. It simply permits the Senate to go on record in its instruction to the Agricultural Committee by saying "keep the funding cuts for the school lunch program within reason."

Let us be mindful of the fact that if the school lunch program is cut too deeply, then we may be needlessly and wantonly destroying the overall school lunch program—something that I do not believe that any one in this Chamber wishes to do.

It is in that spirit that I offer this amendment which I also offered in the Senate Budget Committee.

Mr. President, I am pleased to say that Senators EAGLETON, EXON, FORD, LEAHY, MITCHELL, RIEGLE, LONG, MOYNIHAN, LEVIN, and BRADLEY have joined in as cosponsors.

Mr. President. I ask to yield 30 seconds to the Senator from New Jersey.

SCHOOL LUNCH FUNDING

Mr. BRADLEY. Mr. President, every parent with a school-aged child today is familiar with the school lunch program and with the ever-present dilemma for

children and their parents created by having a choice: To pack a brown-bag lunch or to eat the hot school lunch on the day in question. This is not a choice most of us had as children; we were brown baggers. And for some today, those low-income families, it is still not a choice—the school lunch provided free or at a reduced price to children from lower income families means good nutritious meals which the home would be financially hard pressed to replicate.

At present, the Federal Government provides subsidies in commodities and cash to school districts that offer free meals to the lowest income students and reduced-price meals to those with family incomes below 185 percent of the poverty line—$15,630 for a family of four. Schools also receive a general subsidy, consisting of commodities and cash, based on the total number of children participating in the meal program, including those from middle- and upper-income families.

The administration proposes to reduce the child nutrition budget by $1.6 billion, a 44-percent cut from these feeding programs. Of particular concern in the school lunch area are two Reagan administration proposals, whose savings are incorporated into the bill that is before us today. The administration would:

Eliminate all Federal subsidies for families of four with incomes above $15,630, thereby doubling the price of lunch for 14.5 million children.

Limit the subsidy to students from families of four with incomes between $11,640 and $15,630, again doubling the price of these subsidized lunches to 1.9 million children.

The administration makes a reasonable argument in favor of these cuts, pointing out that in these times of high taxes and tight Federal budgets the Federal Government should not be subsidizing children from families with moderate and upper incomes.

However, there is a serious flaw in what otherwise appears to be a modest proposal. That is that with the elimination of the general school lunch subsidies, and the consequent doubling of the lunch price to approximately 60 percent of the participants, the exodus of kids from the school lunch program is likely to be severe. The result of the shrinking numbers of kids will be an increase in the per meal cost. what with overhead costs such as facilities and personnel. And a spiral of increasing price and declining numbers of lunches will eventually put some schools out of the business of participating in the school lunch program altogether. for good sound economic reasons. This will certainly happen in my State and I know school officials in many other States have expressed serious concern about the future viability of the program.

At this point I return to the matter of choice and the fact that many of the lowest income families do not have the income to provide their children with the same high-nutrition lunches as are now available through the school lunch program. Yet if the school lunch program closes down, the poor children in attendance who have been receiving free lunches will receive nothing. Those children benefiting from the reduced-price lunches will be similarly out of luck.

The question, then, that I would ask is whether the Reagan administration's proposals may not be a false economy. The appearance of short-term savings at significant long-term costs, both in educational performance, which has been closely linked with good child nutrition, and in long-term health consequences for these kids.

I believe that a more prudent course is possible, a course which will not lead to such large savings in the next year or two, but which will yield a more modest level of savings and yet still keep the school lunch program intact in our communities across the country.

The amendment which has been offered to restore part of the child nutrition funding aims at just such a course of action. We must assure the continued participation of sufficient numbers of children in this valuable nutrition program and we must be sensitive to the economic impact of price increases on children from families now paying for their lunches. Prices will increase, but gradual change, not abrupt dislocation, is the best policy. The amendment which has been offered by Senator SASSER to restore part of the child nutrition funding aims at just such a prudent course of action. I urge the Senate's support of this program.

Mr. SASSER. How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 33 seconds remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield 3 minutes on the resolution to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I think earlier today we made the case for the importance of the school lunch program.

As a cosponsor of this amendment I want to indicate to our colleagues that it is extremely modest. Even if this amendment is adopted, there will still be approximately 11 million children who will not receive school lunches, and experts predict that there will still be thousands, perhaps tens of thousands, of cafeterias forced to close down.

The Senator from Tennessee (Mr. SASSER) has offset spending in other areas to restore these funds for the school lunch program. I want to support the remarks and approach of the Senator from Tennessee. I believe his amendment has given hope to millions of schoolchildren and their parents that we are prepared to meet the nutrition needs of young Americans in our society.

Mr. SASSER. Does the Senator from Maryland wish to speak?

Mr. SARBANES. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. SASSER. I yield.

Mr. SARBANES. Mr. President, I rise in support of this amendment to restore funds to the school lunch program for child nutrition.

The nutrition programs have suffered some of the most severe cuts in the President's budget proposal. The administration has recommended a $1.8 billion cut next year in school lunches and child nutrition, and the special supplemental feeding program for women, infants, and children (WIC). I am strongly opposed to cuts in programs that work to curtail malnutrition in our country, help our citizens escape hunger and prevent serious and costly health problems. Adequate nutrition is a wise investment and essential to the health of our future generations and our Nation.

In the late 1960's, the Field Foundation visited several poor counties in our Nation and discovered, to our amazement, starvation and malnutrition similar to that in underdeveloped countries. When the Foundation returned 10 years later it found less malnutrition and credited the Federal food assistance programs for the improvement.

The objectives of the food assistance programs are to prevent malnutrition and hunger, health problems caused by inadequate nutrition and poverty. The WIC program, in which the President has proposed a 30-percent cut, was authorized by Congress in 1972 to reduce infant mortality and increase the birth weight of infants in order to prevent long-term illnesses such as mental retardation and poor vision. WIC's cost effectiveness and success has been documented by many authorities. An analysis by the U.S. Department of Agriculture shows that infant mortality is reduced when the program is instituted in an area.

A study by Harvard University's School of Public Health concluded that every dollar spent on the program for pregnant mothers saved $3 in hospital costs for their babies. A cut in this program is shortsighted as the eventual costs and suffering will be much greater. I was pleased to learn that the Senate Budget Committee in its deliberations last week on the President's proposed cuts, recommended restoring funds for WIC.

The $1.6 billion cut in the child nutrition program hits the school lunch program the hardest and puts the continuation of the entire program at risk. The administration has recommended that the Federal share per meal be reduced and eliminated for those students now paying reduced and full price for their lunches respectively. A family of four, making $12,000, with two children in school who are receiving reduced price lunches this year will be faced with $165 in additional costs for school lunches next year. This same family will realize $96 in additional tax return under the President's tax proposal.

The State of Maryland has made the school lunch program available in all public schools. If the administration's cuts are approved, Maryland will lose $26 million over the next school year in child nutrition programs. However, Maryland will not only lose financially, but the continued operation of any school lunch program will be in jeopardy. Once lunch prices double and parents decline to provide extra money to purchase lunch at school, there is a very good chance that lunch services will shut down and not be available to any student. Once this happens teaching and learning will become more difficult with the loss of alert, nutritionally sound and healthy students.

Mr. SASSER. Mr. President, I yield back the remainder of my time.

Mr. QUAYLE. Mr. President, I yield to the distinguished Senator from Kansas such time as he may need.

Mr. DOLE. Mr. President, I will just take a minute. The Senator from North Carolina is not here. We made this argument this morning. We have added, in effect, the $300 million back to the school lunch program.

It just seems to me that the parents are also concerned about inflation, high interest rates, unemployment, overregulation, the economy in general, and high taxes.

I hope that this amendment can be defeated. It seems to me, as chairman of the Nutrition Subcommittee, that we can work this out in our committee and in conference with the House.

With the addition of the $300 million restored this morning by the amendment of the Senator from North Carolina, Senator HELMS, no family of $15,000 or less will be affected in the school lunch program. That, in itself, is rather significant.

Mr. President, I yield back the remainder of my time.

Mr. QUAYLE. Mr. President, I yield myself 30 seconds.

Mr. President, the Senator from Tennessee talked about this just being a modest put back in the school lunch program. As the Senator from Kansas said, we have debated this. I would just like to point out that this is a modest reduction from a program that began at $650 million and now is over $3 billion in the last 10 years. In fiscal year 1981 outlays, it will be $3.2 billion, and in fiscal year 1982 outlays, it will be $2.6 billion.

The Helms amendment restored the $300 million add-on this morning. I think we are at the proper mark.

Mr. President, I yield back the remainder of my time.

Mr. SASSER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. LUGAR). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent to be listed as a cosponsor of the Sasser amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, we are debating numbers today, but there are children behind these numbers, children who deserve a chance to be whatever they can, to develop and grow to be contributing citizens in this great country of ours.

The child nutrition programs in this country are like a health assurance policy. They assure us that the schoolchildren in America are getting a balanced lunch at school, that they will be able to learn and play without hunger pangs. The school breakfast program gets children off to a good start every day, and the child care food programs provide essential nutrition for development.

Helping our children grow healthy and strong is in the ultimate national interest—the future of America rests with our children. How can we reduce the nutritional protection that these programs provide?

The President has proposed a massive cut in our child nutrition programs—almost 40 percent. This cut is larger than other programs, and it does not make sense to me. Learning good eating habits early in life, practicing good nutrition, will turn our children into healthy adults. And frankly, this is cost effective. We will save far more in future health-care costs than any limited savings resulting from this nutrition cut. It just does not make sense.

The school lunch program has been a staple of our education system since 1946. It has provided good meals for our school-age children and a stable market for our farmers. The cuts proposed by President Reagan may put this program in jeopardy.

Now, as has been pointed out recently, the school lunch operation runs much like a business—a certain amount of cash flow is necessary to cover the fixed costs of meal preparation and overhead. The effect of the Reagan cuts will be to severely reduce the cash flow to school districts running the lunch programs, thus forcing the schools to either raise prices dramatically for paid students, offer alternative meals to attract more paying students, or drop out of the school lunch program altogether. Given the budget crunch that our schools are already facing, I see little alternative to closing the lunch program down.

If the Reagan cuts are adopted, we will lose students in the program, we will lose schools, and finally, it will be the poorest students who will suffer when their school's lunch program must close down. That is a tragedy that I am sure President Reagan would not want to see, and that the Senate must not allow.

When schools are forced to close their school lunch programs, American farmers will also lose. The school lunch program is an important part of the dairy price support program. In 1979, school lunches used 99 percent of the cheese, 80 percent of the butter, and about 13 percent of the nonfat dry milk distributed by the commodity credit program. The Government purchase and distribution of agricultural commodities is essential to maintaining stable commodity prices. These Reagan slashes will threaten a well established agricultural economic program.

While we may all have our doubts about other budget items that we will be debating today, I cannot imagine anyone not responding to the impact that these massive Reagan cuts will have on child nutrition.

Mr. President, we are talking about a change, not only in the school lunch program, but in the responsibility that we have for our children. All Americans want the best for their youngsters, and as a Nation, we share this goal.

I support this amendment to restore $200 million for our school lunch and other child nutrition programs. Frankly, I believe that, in light of the President's overall cut of $1.6 billion in child nutrition, this $200 million does not go far enough in providing sufficient funds to insure that our schools can continue to serve school lunches.

These nutrition programs are too important to be discarded in a budget cutting frenzy. Our Nation's children are too important. I urge my colleagues to support this effort to keep the school lunch program alive. If this proposal fails, each Senator should remember this day, this issue, when we hear about the first school that must close its lunchroom doors. We have a choice to make today, to respond to President Reagan's concern for the truly needy, the poor children who could be denied a nutritious meal if this amendment fails.

Mr. LEVIN. Mr. President, I ask unanimous consent that I be listed as a cosponsor of the Sasser amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I rise in support of the amendment offered by Senator SASSER to restore $200 million in funding for the national school lunch program. The long commitment of Congress to providing nutrition services to the Nation's schoolchildren in order to eliminate hunger and malnutrition has paid off. We have greatly reduced the number of children whose mental and physical development is stunted by an improper diet.

The administration's proposed cuts in the school lunch program will have a harmful effect upon the progress we have made in this area. First, the elimination of subsidies for all paying children may result in a schism between those children who receive assistance and those who do not.

Two lines will form in the school cafeterias—one for the pay child and one for children who receive assistance. Those who receive subsidies will be stigmatized.

Second, reductions in funding could result in such drastic price increases that many schools will be forced to stop serving meals altogether. Again, the Michigan School Food Service Association has indicated to me that—

> The price increase is expected to drastically reduce participation of paying students. Therefore, it will no longer be economically feasible for most schools in Michigan to operate a school breakfast or lunch program that serves only needy children. As a result, many districts will eliminate all feeding programs.

Mr. President, while I am hesitant to endorse cuts in any area of the school lunch program because I feel so strongly that nutrition dollars are wisely spent, but there is evidence that substantial savings can be made in these programs by reducing special milk in schools which serve lunch, cutting back nutrition education funding until more adequate resources are available, reviewing existing regulatory requirements, and reducing equipment assistance funds, without jeopardizing the heart of the school lunch program. The Sasser amendment would restore $300 million to keep the program going but it would still require the Agriculture Committee to use its best judgment as to where cuts can be made without resulting in a reversal of our

original commitment to protecting the health and well-being of the Nation's schoolchildren.

Mr. BAKER. Mr. President, there will be no further votes on amendments after this vote.

Mr. President, if I could be recognized for 30 more seconds.

Mr. President, I ask unanimous consent that on Monday any votes that are ordered prior to the hour of 2 o'clock be stacked and begin at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee (Mr. SASSER). All time has been yielded back. The yeas and nays have been ordered and the clerk will call the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. ABDNOR), the Senator from Mississippi (Mr. COCHRAN), the Senator from California (Mr. HAYAKAWA), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Arizona (Mr. DECONCINI) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) is absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), and the Senator from Nevada (Mr. CANNON) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 35, nays 54, as follows:

[Rollcall Vote No. 49 Leg.]

YEAS—35

Baucus	Hart	Pell
Biden	Heflin	Pryor
Bradley	Jackson	Randolph
Bumpers	Kennedy	Riegle
Burdick	Leahy	Roth
Byrd, Robert C.	Levin	Sarbanes
Chiles	Long	Sasser
Dodd	Matsunaga	Stennis
Eagleton	Melcher	Tsongas
Exon	Metzenbaum	Weicker
Ford	Mitchell	Williams
Glenn	Moynihan	

NAYS—54

Andrews	Goldwater	Nickles
Armstrong	Gorton	Nunn
Baker	Grassley	Packwood
Bentsen	Hatch	Percy
Boren	Hatfield	Proxmire
Boschwitz	Hawkins	Quayle
Byrd, Harry F., Jr.	Heinz	Rudman
Chafee	Helms	Schmitt
Cohen	Humphrey	Simpson
D'Amato	Jepsen	Specter
Danforth	Johnston	Stafford
Denton	Kassebaum	Stevens
Dixon	Kasten	Symms
Dole	Lavalt	Thurmond
Domenici	Lugar	Tower
Durenberger	Mathias	Wallop
East	Mattingly	Warner
Garn	McClure	
	Murkowski	

NOT VOTING—11

Abdnor	DeConcini	Inouye
Cannon	Hayakawa	Pressler
Cochran	Hollings	Zorinsky
Cranston	Huddleston	

So Mr. SASSER's amendment (UP No. 25) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

The Senator from Michigan has the floor.

Mr. RIEGLE. I thank the Chair.

Mr. President, are there any other of my colleagues on the floor who have a unanimous-consent request? If not I want to start on this amendment, if I may.

The PRESIDING OFFICER. The Senator may proceed.

Mr. RIEGLE. Mr. President, I shall send the amendment to the desk momentarily. I want to make one check on my numbers here, but I will begin to discuss the amendment, if that is appropriate.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. ROBERT C. BYRD. Mr. President, I yield time on behalf of Mr. HOLLINGS from the resolution.

Mr. RIEGLE. Mr. President, let me begin by discussing the effect of this amendment.

This amendment would restore the minimum benefit for current social security recipients. It would not extend that same benefit out into the future to new people who would be coming on social security. This item goes directly to the heart of the integrity of the social security system and the social security safety net.

Mr. KENNEDY. Mr. President, could we have order? The Senator is entitled to be heard. This is an important amendment.

The PRESIDING OFFICER. The Senate will be in order.

Mr. RIEGLE. Mr. President, in the course of the 1980 Presidential campaign there was a good deal of discussion about social security and whether each candidate would protect the integrity of the system and of the benefits that were available to the people covered by social security. All of the candidates running, on both the Republican and the Democratic side, clearly stated their intention to maintain the integrity of that benefit system. In fact, President Reagan was quoted many times, and I repeat the quote here. It has been cited in article after article, to this effect:

> No one dependent upon social security today is going to have the rug pulled out from under him.

That is the quote, Mr. President.

Mr. President, despite the assertions of candidate Reagan, and recent promises of President Reagan that no one dependent upon social security is going to have the rug pulled out from under him, the Reagan administration has sent up the proposal that is before the Senate at this time. And that proposal does pull the rug out from under them. It dismantles part of the safety net that has been talked about so much. It is going to do harm to millions of older people in this country.

It is important to recognize a deeper threat here. It is this, if the Reagan administration succeeds in dismantling this part of the social security system, this part of the social security safety net, then what part is next? Who is next?

Can anyone on social security be safe from further cuts and further dismantling if we allow this class of older citizens to lose their benefits at this time?

What we are talking about is the minimum benefit, the very minimum benefit that a person on social security can receive. I want to cite for my colleagues the ages of the people who would be affected by this cut.

There are 13,678 persons who would be affected who are over the age of 95—over the age of 95.

Between the ages of 90 and 94, across this country, there are 66,396 people who are placed in jeopardy by this cut.

In the age group from 85 to 89, there are 16,552 people.

Ages 80 to 84, there are 284,534 persons.

Of people 75 to 79, there are 410,376.

From ages 70 to 74, there are 508,226.

I could go on down the list, Mr. President, but imagine that. Imagine an administration coming in here, after campaigning with speeches saying that they will protect people on social security, coming in here just weeks after the inauguration to dismantle part of the social security system, to strip away the minimum benefits. And to take funds from people in these age ranges, including almost 14,000 who are over 95 years old in this country. I do not know how to describe a policy like that.

I do not know what the administration expects these folks to do. They are certainly not able to go out and find a job. They may not have other family members they can rely on. The hard medical data show that most people in these age categories tend to have medical problems of one kind or another. Medicine today is expensive. Health services are expensive. Yet, some Senators will vote to come along and strip away the minimum benefit under social security.

Mr. LONG. Will the Senator yield at that point?

Mr. RIEGLE. Yes, I yield to the Senator.

Mr. LONG. Mr. President, is it not true that this amendment takes from these dear old people the commitment that has been made in the printed statutory law of this land since the inception of the program?

Mr. RIEGLE. Yes.

Mr. LONG. If the Government is going to take the view that people cannot rely on the commitments made in the law itself simply because a future Congress might feel that this might be an appropriate area in which to economize, then what does that do to all the others who rely on those commitments. Would not they have cause to fear that, at some point, the Government is going to turn its back on them and simply say that they also will not get what they were

supposed to get—that they also will not get what the law now says they are going to receive?

How can other social security recipients live their day-to-day life with anything other than enormous fear for every new day, when the Government has reneged on its promises to 3 million of their neighbors?

Mr. RIEGLE. I think the Senator is exactly right, Mr. President.

Mr. LONG. Now, it would be a different matter if the Government had taken the commitment lightly—if it had said, "We are going to give you this minimum benefit as long as we can afford it, but if we run into a situation where the Government is in the red and we need to balance the budget, then you don't get it." But that is not the case. Is there anything in the history of the social security law that its commitments would be contingent upon the Government having a balanced budget.

Mr. RIEGLE. I know of none. I know of no case where we have walked away from a group of people who rely on this social security income. We have never done this before. This breaks new ground. I do not think anyone on social security can count on anything in the future if this part of the program is stripped away.

Mr. LONG. These people were told when they paid their tax that they could depend on getting their benefits, were they not?

Mr. RIEGLE. That is right.

Mr. LONG. So they paid a consideration, if we compare it to a contract. The working people said, "Here is what we put up," and the Government said, "When you are old and you cannot work any longer here is what you can take down."

If the Government does not recognize its commitment, what are these old people 85 years old going to do. To cite the extreme case, what are these old souls 90 years old who never did own much to begin with, going to do at this point in life? What about those who are in a nursing home? What are they going to do to make up the income that the Government is reducing?

May I ask the Senator, does this square with the commitment that we are not going to adjust the cost-of-living adjustment? Here is one group of recipients and without reference to their need at all the proposal is that we will just cut their check by an average of something like $50. Does that square with the philosophy that was expressed by no less a person than the President of the United States that we must not tamper with this cost-of-living adjustment for all recipients even if it is to make it more realistic and more correctly adjusted to those people's needs? We must not do that as far as the other recipients are concerned but we can make a big reduction in this little group here. I say little—it is not all that small—it is 3 million people, almost the population of Louisiana.

Mr. RIEGLE. That is right.

Mr. LONG. So one says for these 3 million dear old souls the commitment is different. They did not put up as much taxes as we think they should have put up in years gone by; therefore, they had the best of it in that respect. And so we will cut by $50 the magnificent sum of $122 a month they are getting to live on. How does this square with the philosophy and the argument that we should not consider an adjustment in the cost-of-living provisions?

Mr. RIEGLE. I think the Senator is right. That is a contradiction right on its face. What the administration has done is target the weakest ones. They have taken the ones who have the hardest time getting organized and the hardest time fighting back, and they have decided those are the ones they will take the benefit from. If the American people find out about this, and I realize that it is 20 minutes to 5 on a Friday afternoon, I do not know if we can get the facts out across this country or not over the weekend, but I will tell the Senator this: I think if most people in the country find out what is being done here, to back away from this commitment to these elderly people, they are going to be outraged. They are going to be outraged about it.

Mr. LONG. Mr. President, may I ask the Senator a further question? If some of us would like to help the President, help him show the American people that he wants to aid these aged people and maintain the soundness of the social security system—if we would like to help protect the President's credibility, would we not do him a favor to get him out of this trap by simply saying that a mistake must have been made? Surely, there must have been a mistake somewhere. Let us simply correct it. By doing so, would we not be doing the President a great favor? May I say to the Senator that I have known what it is to be involved in handling welfare legislation, where unfortunately some poor souls get their check cut.

They cannot understand it, even though the reduction results from the complexity of the relationship of the welfare law to the social security law, or something like that.

But would we not be doing the President a great favor in this situation to protect him by taking this part of this proposal out?

Mr. RIEGLE. I think the Senator is exactly right. I do not know whether it is the zealots down at OMB who targeted these poor old people or who it was. I know the Senator is exactly right. If we want to help the President keep his word and keep the pledge he made time and time again all across this country we have to restore this item. If we do not do it the Senator is right, President Reagan will be violating the public pledge that he made.

Mr. LONG. How does this proposal square with the dictum that Mr. Stockman himself has told some of us on these committees, "We are not going to touch this social security net"? How does that square with the administration proposal that we must cut these dear old people by $50? Yes, I am told that some of them may be getting a second pension. I am also told that there are a lot of them who do not have any other pension to turn to.

Mr RIEGLE. That is exactly right. The contradiction, as the Senator points out, is obvious right on its face that the administration is not being honest with people. In fact, if the committee bill stands as it is and we just rip away that part of the safety net from these 3 million people across the country, then that means that the pledge was worthless that was made by the President.

Believe me, not a single person on social security will miss the message in this. If the President's pledge was not something they could depend with regard to the minimum benefits, who can depend on anything? Who is next? Who gets cut off social security next week or next month? There is no way of knowing. But once we start down this road, once we start tossing people off to the side, which is what is being proposed here, I do not think any one on social security is safe from that kind of an approach, and that is the issue.

Mr. LONG. I would like to ask the Senator about the argument that these old people are getting a windfall—that they did not put very much in and, therefore, should not take very much out? If we are going to go by that standard, can the Senator tell me how many of those 30 million that have not been cut up to this point will be affected? Would not many more of those 30 million be cut if they are only entitled to take back out what they put in?

Mr. RIEGLE. A lot of people are going to be hurt severely. That is the problem. The Senator indicated here and, I indicated earlier, the ages of the people involved—I mean if we are going to go pick on someone, if the administration is going to go pick on someone, why pick on someone who is 95 or someone who is 89 years old? This is going to offend the American people when they find out about it, if they find out about it. The problem is that they still have the President's pledge out there saying, "We are not going to hurt anybody on social security," and yet we have a bill right here on the floor that, unless we amend it, is going to hurt 3 million people on social security. That is the bottom line.

Several Senators addressed the Chair.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. RIEGLE. I know the Senator from Massachusetts asked me to yield. So let me yield first to him.

Mr. KENNEDY. Mr. President, just briefly, am I correct in my understanding that there are approximately 3 million recipients of social security who would be involved in this program and that a million of these individuals are individuals with a total income of $3,100?

Mr. RIEGLE. That is what the data indicates.

Mr. KENNEDY. So for 3 million individuals, a million of whom make $3,100 there will be some reduction of their income.

As the Senator from Louisiana pointed out, this is the first time in the history of social security that individuals have been purged from the social security rolls. These individuals are dependent upon neighborhood health centers, which are going to be significantly reduced; are dependent on food stamp programs, which are going to be significantly re-

duced; are beneficiaries of a fuel assistance program, which is going to be significantly reduced; rely on the title XX services program of the Social Security Act, which is going as block grants to the States, and which is going to be significantly reduced. So, the Senator's amendment which I have cosponsored will restore benefits to 3 million of the neediest individuals in our society, the elderly who have complied with the law—in most instances elderly means women in our society—and who are going to see some reduction in their total income at the same time when there are significant cuts in the other supportive programs.

This amendment is particularly compelling when considered against the background of the reduction of these other support programs. We are not only talking about dollars and cents reduction in their income but we are talking about significant reductions in the kind of services which have been effective lifelines to these individuals whether it has been nutrition, health services, legal services or fuel assistance programs.

I wonder whether the Senator from Michigan would agree that the cumulative effect of all these cuts is troublesome, and that the burden in the battle against inflation is really targeted to a very substantial degree against some of our neediest, most elderly individuals, and people who have served this country well?

Mr. RIEGLE. The Senator is exactly right. When you start adding these things up, you have to wonder how much these folks who have been targeted can stand. Many are just barely getting by now, holding body and soul together. Then they are being hit not just from one direction, as the Senator points out, with a reduction of the minimum benefit, but being hit in all these other areas at the same time. I do not understand the motivation behind the administration's proposal.

That was certainly not what candidate Reagan talked about in the course of the campaign. I think if people had understood that this is what they had in mind, you would have seen outrage across this country a long, long time ago.

I think it is obvious that they are testing the waters. If they can come in and pick off this group, who are old and, in many cases, infirm and unable to come here and fight for themselves, who on social security is going to be safe in the future? The answer is no one is going to be safe, no one is going to be safe on social security if they get away with this.

Mr. KENNEDY. Mr. President, will the Senator agree with me that these budget-cutting measures place the burden upon the backs of many of our most elderly citizens, the neediest and the poorest of individuals? This certainly fails to meet the test of fairness in our battle against inflation which has been outlined by the Senator from Michigan, the Senator from Louisiana, and the President? The Senator from Michigan is attempting to restore benefits to those senior citizens who have paid into social security.

Would he not agree with me that unless we do so we are not meeting the President's test which he has established, which is the test of fairness, certainly at least from the minimum social security recipients' point of view?

Mr. RIEGLE. I think the Senator is right, if we were to allow this to stand. What they propose is wrong on its face. It is unfair. We can support a sharing of the burden across our society, and I think everybody is prepared to take a fair share. But how can we support a proposal to single out this group and to target these people? In light of the President's pledges, this proposal not only violates solemn pledges but also puts everybody on social security on notice that they may be next. They may very well be next.

If we start down this road, we will see social security dismantled piece by piece. Apparently, the administration has decided to start out with the ones least able to protect themselves. It really is an outrageous approach.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, I yield to the Senator from Maryland.

Mr. SARBANES. As I understand it, over a million of the people receiving the social security minimum benefit have total incomes of less than $3,100 a year, is that correct?

Mr. RIEGLE. That is my understanding, yes.

Mr. SARBANES. That is $60 a week. I find it incredible that the administration would put forward a program which would have the effect of lowering retirees' income by eliminating this important social security benefit.

It is my understanding that a contention will be made that recipients of the social security minimum benefit can pick up welfare payments of some sort to try to compensate for part of that loss. But the fact remains that people with a total income, over 1 million Americans, of $60 a week will suffer a cut in their income.

Mr. RIEGLE. Well, the Senator is exactly right. The whole purpose of social security was to give people a way to participate in advance so they would not have to go on welfare some day.

Mr. SARBANES. That is absolutely correct. That was the next point I wished to go on to make, and that is the consequence of the elimination of the minimum benefit under the social security program. One consequence will be a drop in the income of people who absolutely cannot afford a drop in income.

The second consequence is it will cause some people who, in effect, have been able to make it on the basis of social security to become welfare recipients.

Mr. RIEGLE. That is exactly correct.

Mr. SARBANES. I thought one of our objectives on a whole range of programs has been to move people off of welfare, not to move people onto welfare, which will be one of the consequences of this cut.

Mr. RIEGLE. The Senator is exactly right. When I try to imagine, say, a person who is 95 years old and may be housebound, I do not even know how they are going to get down to the welfare office because their social security benefit is taken away.

Mr. SARBANES. The other point which the Senator made, which I think is extremely important, is that no one should be fooled or lulled into a sense of false security. If this elimination of a benefit provided under the social security laws is allowed to stand it then constitutes a precedent with respect to taking people off of the social security rolls.

As the Senator has said, it breaks new ground. The millions and millions of Americans, well in excess of 30 million Americans, who are now on the regular social security programs—and this is one of the regular social security programs—have no reason to suppose that the promises and commitments made to them with respect to the obligation that would be made in their retirement years will continue to be fulfilled.

Does the Senator anticipate the possibility that this is but the first onslaught with respect to the benefits paid under the social security program to millions of retired Americans?

Mr. RIEGLE. I think that is exactly the risk. If the administration breaks its promise and gets away with it, I do not think anybody on social security can feel secure in the future. As you say, this is a brand new threat. We have never had to contend with this before. Once the principle is violated, once we start removing people from social security, where does it stop? These people entered the system on the understanding that there would be this kind of protection. I think the Senator is exactly right, about the jeopardy that this poses to every single person who is on social security.

Mr. SARBANES. Or anticipates being on social security.

Mr. RIEGLE. That is exactly right.

Mr. SARBANES. What is at stake here is for the first time the Nation is failing to honor the obligations it has assumed under the social security system.

Mr. RIEGLE. Well, that is exactly right. I think that is why the President, when he was running as a candidate, went to such great pains to assure people that this very thing would not happen. But, here we are only weeks into this administration and it has already happened. The promise has been broken, the steamroller is coming right through the Senate Chamber, and now we are going to start by taking this minimum benefit away from the people whom I have enumerated here.

If the administration gets away with this, if they break their promise and establish this precedent, I think you will see one assault after another on the social security system over the next 4 years. I think that is what we see coming.

Mr. SARBANES. I thank the Senator.

Mr. MATSUNAGA. Mr. President, will the Senator from Michigan yield?

Mr. RIEGLE. Yes, I yield to my colleague.

Mr. MATSUNAGA. I wish to commend the Senator from Michigan for introducing an amendment which definitely ought to be agreed to by the Senate.

I wish to join the Senator from Mich-

igan in trying to help the President keep his campaign pledge that under his budget cut proposals the needy will not suffer. To emphasize that support I ask unanimous consent that I be included as a cosponsor of the Senator's amendment.

Mr. RIEGLE. I thank the Senator, and I am delighted to include him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I have my own statement. I have accommodated some comments by other Members, and I think I will at this time go ahead and make my own statement.

I will be submitting this amendment on behalf of myself, Senator CHILES, Senator LONG, Senator BENTSEN, Senator ROBERT C. BYRD, Senator METZENBAUM, Senator KENNEDY, Senator MITCHELL, Senator MOYNIHAN, Senator WILLIAMS, and now Senator MATSUNAGA, and my colleague, Senator LEVIN.

I am sure before we finally vote on this on Monday we will have others. I hope some from the Republican side. I hope there will be some Senators on that side of the aisle who will decide they want to help the President keep the solemn promise that he made.

The amendment we are proposing would see to it that there would not be a cut in benefits for the current social security recipients who are now receiving the minimum benefit.

Minimum social security benefits are payments based on the minimum primary insurance amount of $122 per month. This is the minimum social security benefit payable to a worker upon retirement at age 65 or upon disability. It is the lowest possible amount on which other monthly benefits, such as wives' and children's benefits, are based. And since 1979, the entry level minimum benefit has been frozen at $122 per month.

The resolution before us would eliminate the minimum social security benefit not only for future retirees, but also for those who are currently receiving it. I do not believe it is fair or wise to cut back on people who are on the program right now—and I hope this is a matter upon which Senators on both sides of the aisle will agree after the debate is concluded. I hope all Senators can agree on this regardless of how they may feel about eliminating the minimum benefit for future retirees.

So I want to stress again that the amendment we are offering here is limited only to those who are currently collecting the minimum benefit.

I might just say parenthetically that my own sympathies would be in retaining this benefit for future people who would come under social security, but we are not attempting to do that here. We are only attempting to maintain the benefits for those who are presently receiving them.

This amendment restores funds only for those already receiving minimum benefits. There are 3 million current minimum benefit recipients.

Those who advocate the elimination of the minimum benefit argue that it will not hurt those in need. But the fact of the matter is that eliminating the minimum benefits will work a very real hardship on a substantial number of our very old and very poor people.

I cited before the statistics on the age of persons who will be affected by this cut.

Mr. President, I ask unanimous consent that those numbers be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Age distribution of aged minimum benefit beneficiaries

Age:	*Number of beneficiaries*
62–64	230,956
65–69	533,118
70–74	508,226
75–79	410,376
80–84	284,534
85–89	167,552
90–94	66,396
95 and over	13,678

Source: Department of Health and Human Services.

Mr. RIEGLE. Mr. President, when the GAO did a recent study on the minimum benefit, it was unable to determine the income status of fully 26 percent of those who are currently receiving the minimum benefit. Many are widows who entered the work force late in their life, after the death of their spouse. Many are poor senior citizens between the ages of 62 and 65 who are not yet old enough to be eligible for supplemental security income and who will be faced with a sudden and unexpected drop in their already inadequate retirement income if the minimum benefit is precipitously eliminated.

We simply do not know enough about who these people are—but it is clearly irresponsible to blindly assume that they can get along financially if the minimum benefit is suddenly ripped away. These people worked and retired under a given set of rules, and they ought to be able to count on not having their benefits reduced now after the fact.

If benefits—after retirement—can be cut like this, I think all social security beneficiaries will have to live in fear that they will be next and that they will have their benefits also attacked at some future date—maybe in weeks; maybe in months; who knows when?

It also should be emphasized that by going back and recalculating the benefits for 3 million current recipients is nothing short of an administrative nightmare. Since the wage history of these beneficiaries go back many years, some as far back as the 1930's, they are not all on the social security computers. This means that the files and recalculations would all have to be worked by hand. Secretary Schweiker recently testified that it would take between 8,000 and 10,000 person years of work to do this computation. That would entail something like $250 million of salaries and expenses alone.

So even if this were to be done, it would be very expensive and it would take a massive bureaucracy just to tackle the job.

But even worse than the cost, dumping this kind of task on the Social Security Administration would create chaos and could very well delay the processing of checks for all social security beneficiaries. I do not think we should do this kind of disservice to our senior citizens at the very moment when we are trying to straighten out the workings of Government itself.

As I have said before, and as I voted in the Budget Committee, I am sympathetic with the need to make substantial reductions in Federal spending. My amendment does not affect the proposed elimination of the minimum benefits for future retirees—although I do not think we ought to be discontinuing it—it deals only with the issue of those who are now receiving the benefit and, in many cases, have come to depend upon it and I think would be in very serious straits if it suddenly were pulled away.

(Mr. GORTON assumed the chair.)

UP AMENDMENT NO. 26

(Subsequently numbered amendment No. 22)

(Purpose: to restore funds for social security minimum benefits)

Mr. RIEGLE. Mr. President, I now send the amendment to the desk and ask that the amendment be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE), for himself, Mr. CHILES, Mr. LONG, Mr. BENTSEN, Mr. ROBERT C. BYRD, Mr. METZENBAUM, Mr. KENNEDY, Mr. MITCHELL, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. TSONGAS, Mr. MATSUNAGA, and Mr. LEVIN, proposes an unprinted amendment numbered 26.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "$52,144,000,000" in line 17, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "$53,625,000,000 and outlays by $36,945,000,000 in fiscal year 1982; to reduce budget authority by $60,128,000,000 and outlays by $47,694,000,000 in fiscal year 1983.".

On page 7, beginning with "$9,354,000,000" in line 16, strike out through "$10,870,000,000" in line 18 and insert in lieu thereof the following: "$8,554,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 and outlays by $9,970,000,000.".

On page 8, beginning with "$4,776,000,000" in line 25, strike out through "$6,388,000,000" on page 9, in line 3 and insert in lieu thereof the following: "$5,576,000,000 in budget authority and $5,490,000,000 in outlays for fiscal year 1982; $7,260,000,000 in budget authority and $7,288,000,000".

Mr. RIEGLE. Mr. President, this amendment would do two things: It would restore the minimum benefit for those persons presently receiving it under social security, and that is a figure of $800 million a year in outlays in fiscal year 1982 and $900 million a year in outlays in 1983.

The second thing it would do is to provide an offsetting reduction. What we

are proposing to spend to keep these people protected under social security we intend to pay for with other savings and economies in the Government. The Governmental Affairs Committee of the Senate would be instructed to report legislation that would require savings of this amount, of $800 million in fiscal year 1982 and $900 million in fiscal year 1983 by a much tighter control of Government travel; by reducing or eliminating filmmaking within the Government; by cutting back on the services and the expenses of consultants; by reducing supplies; and by otherwise scaling back and reducing the cost of other services. These cuts would be applied across all civilian agencies within the Government.

So we are proposing here, by this amendment, two steps: First, to maintain the minimum benefit for those now on social security; and to provide the money by making other economies in the Government that we think make more sense. So that the force of our amendment would not be to raise the cost of this budget by 1 cent.

Mr. SASSER. Mr. President, I want to take this opportunity to announce my strong support for the present amendment to restore funding for the social security minimum benefit for current recipients.

The $122 minimum monthly benefit is important to those retired workers whose lifetime earnings were very low. It is a benefit that is higher than the amount resulting from the regular benefit formula, in recognition of the fact that low-average earnings causes lower benefit levels.

What President Reagan is proposing, however, is that we eliminate the minimum benefit completely, grant supplemental security income payments to those eligible, and recalculate benefits for the 3 million Americans now receiving the minimum benefit.

The Secretary of Health and Human Services, our former colleague Dick Schweiker, estimates that between 8,000 and 10,000 man-years of work would be required to complete the administrative task of recalculating benefits for current recipients. I personally find it surprising that an administration so bent on reducing the cost of the Federal Government to the people would even make such a proposal.

As of January 1, 1980, 50,484 Tennesseans were receiving less than $133 per month—making it seventh in the ranking of States with high percentages of residents relying on low social security benefits. Fourteen percent of all Tennessee beneficiaries now receive a minimum benefit, Mr. President, and I for one believe that persons retired since the 1950's and 1960's should not have their benefits suddenly reduced.

Therefore, I reiterate my support for the Riegle-Long-Chiles amendment. It makes administrative sense. It is fair in its approach. And most importantly, it continues to pay minimum benefits to those who have earned them.

Mr. RIEGLE. Mr. President, I ask unanimous consent that Senator TSONGAS be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, with Senator TSONGAS having been added as a cosponsor, I would like to reserve the remainder of my time. I will leave the floor shortly. I ask that the Senator from Louisiana control the remainder of my time today in my behalf.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I think it is probably better that we conclude the debate on Monday—even though we have not had any on this side—because there are not many people here. Some of those who understand the issue have already spoken.

Mr. President, I wish to indicate to those who were outraged at 11 o'clock and who are still outraged at 10 after 5, and apparently will be outraged at any time we save any money in this body, that we are not going to be denying benefits to those who have earned their social security. The President made that very clear.

In fact, I believe there was a bipartisan effort afoot to change the cost-of-living adjustment, which would have affected 35 or 36 million social security beneficiaries, and the President himself shot that down.

I think it is a gross misrepresentation of the facts to spread rumors on the Senate floor late in the afternoon on Friday that you ought to be in fear if you receive social security benefits, and that you cannot trust this administration. This has nothing to do with the issue before us.

I hope that those who are so eager to discredit the Reagan administration will just give him a little time. He is trying to straighten out a mess that many of them have created over the years with their votes. Much of the Federal spending, many of the regulations, high interest rates and inflation are what we are trying to correct in this administration.

We hope we can do it on a bipartisan basis, and I think we can.

With reference to the minimum benefit, it is controversial, and a very delicate matter. I would be pleased to address the issue at greater length on Monday morning. It is unfortunate that the Senator from Michigan (Mr. RIEGLE) was not at the hearing we had earlier this week, where Mr. Ahart of the General Accounting Office testified. Although the study they did just addressed prospective elimination of minimum benefits, his findings about the income characteristics and work characteristics of minimum beneficiaries, in my view, would support elimination of the entire benefit.

Without going into detail at this time, these are some of the things they found in their study. I am quoting the General Accounting Office, not David Stockman, not the Republican National Committee, not Alexander Haig, or anyone else:

> We found that the minimum benefit provision, which was intended to help the poor, has in recent years mainly benefited retired government workers with pension, and homemakers supported by their spouses' incomes. Ironically, most needy people receive no additional income from the minimum provision because they are already covered by the Supplemental Security Income program, which requires a dollar for dollar offset for other income received.

The Advisory Council on Social Security labeled the minimum benefit a "windfall." The GAO study goes on to say:

> The minimum benefit by its very nature provides an unearned bonus or windfall to people who have had very low lifetime earnings covered by social security. For example, if the worker's benefit as computed by the formula is only $40, he or she would receive the higher minimum benefit of $122.

I do not suggest that this is a lot of money.

But, if these elderly people are poor, they are also eligible for SSI. I heard the Senator from Massachusetts talk about a 95-year-old lady. If that lady is not covered by SSI, she should be.

I would hope on Monday we could focus on the issue and not just cover the waterfront, suggesting to anybody who might be within hearing distance that somehow the President is about to wreck the social security program.

As I said before, it is a very delicate issue. The Senator from Louisiana expressed that view when we were making our recommendations to the Senate Budget Committee. We may want to modify the administration's suggestion in the committee. But I would hope we might continue debate on Monday morning. Therefore, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I want to say something about this subject.

When the Senate meets on Monday, I will have something further to say, but at this point I would like to discuss one other subject which has been discussed previously.

In view of the fact that this is not on the resolution, I ask unanimous consent that I might have 8 minutes to discuss the relationship of the State Department and trade without it counting against the time on the amendment or on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE DEPARTMENT TAKEOVER IN TRADE

Mr. LONG. Mr. President, I am pleased to see that the Senator from Kansas (Mr. DOLE) is on the floor, because I believe he is aware of what I am getting ready to discuss, and I think it is of concern to the chairman of the Finance Committee, just as it is of concern to all Senators who have thought about this matter.

Mr. President, in the last few days, we have heard a good deal about a controversy within the administration on the role of the Secretary of State, but one aspect of this controversy has for the most part received almost no attention. Yet it is the only subject in the controversy where the Congress has explicitly and repeatedly said that the Secretary

of State does not have authority: It is trade negotiations.

Under the Trade Act of 1974, the Office of the U.S. Trade Representative was created in the Executive Office of the President. The U.S. Trade Representative is nominated by the President and confirmed by the Senate. He has the rank of Ambassador Extraordinary and Plenipotentiary.

Moreover, the Finance Committee insisted this should be a Cabinet level job because we did not want the importance of this position to be misunderstood.

This person has statutory authority to negotiate trade agreements on behalf of the United States. This is what the Finance Committee report on the Trade Act said about the condition at that time:

> U.S. trade policy has not been noted for its coherence or consistency. Throughout most of the postwar era, U.S. trade policy has been the orphan of U.S. foreign policy. Too often the Executive has granted trade concessions to accomplish political objectives.

His lead role in trade negotiation was also confirmed in Reorganization Plan No. 3 of 1979.

May I say, Mr. President, the Senate last discussed this matter and the Senate last decided, and the House has concurred, that it is not the privilege of the Secretary of State, speaking for his Department and exercising his powers, to grant trade concessions to other countries. We created the Office of Special Trade Representative because we did not want this to be used as a tool to seek votes in United Nations debates. We did not want the fate of an industry to be decided on a concession that might be made, perhaps, to gain a vote or two when negotiating a treaty on the Law of the Sea, or something of that sort.

Knowing that nations had used their political leverage to obtain concessions which were very adverse to American industries, we were determined that the trade area should be judged on its own merits and that it should be independent of other policy considerations, well knowing that many in the Department of State would be urging that trade concessions demanded by other nations were a small price to pay for world peace or a small price to pay for stability in some area of the world.

Now, in 1974, Mr. President, the Congress changed that situation. We took the State Department out of the lead and put the unbiased Trade Representative in the lead in trade. And, because of the status of the Trade Representative, we were able to attract first-rate individuals to that job, who were in a position to negotiate for us.

What troubles me, Mr. President, is a report that on Monday and Tuesday of this week the present Secretary, Mr. Haig, had rather lengthy meetings with the Foreign Minister of Japan on the subject of trade in automobiles. The automobile question is a trade issue, Mr. President, and if we let it get mixed up in foreign policy, I think the situation in that industry is probably going to be made even worse than it already is. In any event, at the same time, the Secretary testified over on the House side, according to quotations in the newspapers, that the U.S. Trade Representative's role in trade negotiation was to tell the Secretary of State what the domestic industries thought about trade policy.

Mr. President, I helped to write that law and I believe the Senator from Kansas also helped to write that law. We had in mind that the Secretary of State was to tell the Trade Representative what the Secretary of State thought, along with all the other Cabinet officers, but that the Trade Representative was to be the one who was to consider all the views of the other departments, bring them together, take all that into account, and reflect the views of this country.

Yesterday, Mr. President, the New York Times reported—

> The White House has not yet decided who will represent this country in auto talks with the Japanese.

When these reports appeared, the staff of the Finance Committee—both majority and minority, Mr. President, this is a bipartisan policy I am discussing—attempted to find out what the administration's intention was with respect to who led this country's trade negotiations. The staff did not get a completely satisfactory response from the State Department, Mr. President, but eventually, they were advised by the Trade Representative's office that the President had assured Ambassador Bill Brock—who is now the Trade Representative and who was once a Member of the Senate and of the Finance Committee, Mr. President, someone in whom I believe the committee reposes great confidence—the President assured Ambassador Brock that the U.S. Trade Representative would represent the United States in all trade discussions of any kind with other nations. That is the way it should be, Mr. President, but I think that at this point the matter is still a little vague: Secretary Haig's statements are still on the record, and the President's reported conversation with Ambassador Brock is still off the record.

Aside from the clear policy expressed in the law there are two reasons for Members to be concerned about this little-noticed episode. First, it weakens our hand in trade negotiations because it confuses foreign nations greatly. I imagine the Government of Japan, not to speak of other governments, is now confused as to whether the person who speaks for the President on trade issues is the U.S. Trade Representative. For many years now, that issue has been clear to them. This confusion will make negotiations needlessly difficult for some time into the future unless the location of authority is clarified.

Second, it weakens the Trade Representative's ability to do a job that we desperately need done well if this country is to get competitive internationally. There is still much unfinished work to be done in trade. When Ambassador Robert Strauss presented us with the results of the multilateral trade negotiations in 1979—5 years of what has been called the most complicated trade negotiations in history—he said much of those agreements were not worth the paper they were written on if they were not enforced by vigorous diplomatic action by the United States. We have renewal of the multifiber arrangement coming up this year. And we have this automobiles matter. And there are many others, all of them relating to the health of our domestic industries, a subject we are all concerned about as we begin to examine the President's economic recovery plan. If our bureaucrats are fighting over turf when they should be working for us, we will just never get this important work done.

So, I hope the President and the others involved in the administration will examine this situation and clarify that the U.S. Trade Representative is what the law says he is: The sole representative of the United States on trade.

Mr. President, in closing on this subject, may I say that we will never be able to obtain persons of the stature and of the competence of Robert Strauss or William Brock, one a great representative of his Government as a Democrat, the other a Republican—to represent this Nation in its very important trade negotiations if those men are to be spokesmen for the Secretary of State. Men of that caliber, who, the Congress has insisted, must be sought for this job, will not be available if they are to be merely an ambassador speaking through a Secretary of State. If they are to do the job as the Congress intended, and as other Presidents have appointed those men to do, we should have some of the top people in this country.

One previous Special Trade Representative was Mr. Dent, who left the job as Secretary of Commerce to take the job as Special Trade Representative. Men of that caliber will not be available for this job if they are not to be respected as speaking for this Nation in trade and if the State Department is to be permitted, for its international political objectives, to control and to speak for this Nation in the negotiations on trade.

It is for that reason that the Committee on Finance and others in Congress fought very hard to see that the Trade Representative would be a Cabinet-level position and that we would provide it with whatever support it took to see to it that we would obtain some of the most qualified people in America to hold that job and speak for this Nation in trade. I hope that will be understood in due course.

Mr. DOLE. Will the Senator yield?

Mr. LONG. Yes.

Mr. DOLE. Earlier today, the Senator from Texas (Mr. BENTSEN) made a statement pretty much indicating his concern. The Senator from Kansas said at that time that there is a long history that has developed in the Senate Committee on Finance of cooperation with the Special Trade Representative. We have had outstanding men, as the Senator has indicated, like Bob Strauss, Governor Askew from Florida, Mr. Dent, Bill Walker, and now William Brock. I think it is an area we should guard very closely in our committee.

Mr. President, I suggested to Senator

BENTSEN that it should not be necessary, but maybe it is, to send another signal to the administration of our confidence in the Special Trade Representative. Perhaps very soon, Bill Brock will come before our committee and give us a report on how things are progressing. I have been reading with some amazement that it seems that everybody is involved with trade negotiations. So far, anybody in Washington who wants to negotiate on auto imports, apparently, can get into the act.

I hope, based on recent experience and the experience we have had over the years, which is bipartisan, that we want Bill Brock to succeed, we want President Reagan to succeed. We want everyone to succeed. But it seems to me, as it certainly does to the Senator from Louisiana, that this is an area that the Senate Finance Committee should watch very carefully, very closely. We should certainly continue the bipartisan support we have had under the Senator's leadership.

Mr. LONG. Mr. President, this is not the first time that we in Congress have become aware of this problem. At the time that we fought to make this position a Cabinet-level job, the State Department resisted that and there were many in the administration of President Ford. I believe it was at that time, who resisted that. We prevailed. The reason we did was that we wanted to make it clear that the view expressed by Mr. Kissinger as the Secretary of State was not going to be the view of this country.

Mr. President, I respect him as a very effective, powerful Secretary of State, but Mr. Kissinger's view was that all of this was foreign policy. When a Secretary of State has the power to treat it that way, a thing like peace in the Near East, negotiations in the Near East, can become so very important that a Secretary of State is led to think that perhaps if he can make a trade concession—which could be the death of an American industry—that is a price worth paying to achieve peace in the Near East.

It might be that he would give away an American industry and achieve peace in the Near East. But, Mr. President, what is more likely to happen is that he gives away the American industry and does not achieve peace in the Near East, and we find it is not a wise decision.

Mr. President, I was at the Law of the Sea Conference many years ago—not the latest negotiations—and the people in the fisheries industry took me out to dinner one of those evenings. They said, "This Conference must fail. There is no way this Conference can succeed."

I said, "Why?"

They said, "Because in negotiating this Law of the Sea Treaty, our representatives have given away so much of our fish that they have now given away more than 100 percent of the fish; it looks to us as though now, they have given away 200 percent of our fish trying to get an agreement on the limit of the territorial sea."

They said, "When the other countries find out that we have given away more than 100 percent of our fish, this Conference will fail. It will just go up in smoke and nothing will be achieved."

Mr. President, I am not sure that it was for that purpose, but the Conference did fail. There is no doubt that at that particular Conference, the U.S. Government was placing the potential of the United States ability to show the flag above the fate of the American fishing industry.

It is on that type of thing, Mr. President, that we should not let happen in the future. It is the kind of thing that led Congress, the Senate in particular, to insist that the Special Trade Representative would speak for this Nation on trade.

EXPANDED OWNERSHIP—ITS IMPORTANCE TO THE FREE ENTERPRISE SYSTEM

Mr. LONG. Mr. President, the following are remarks which I made on March 16, 1981, to the Government Affairs Committee of the ESOP Association of America:

There is much concern these days about our free enterprise system and about what we can do to make it work better. Today I would like to talk about expanded ownership and about its importance to the survival of this system.

In terms of stock ownership, about one percent of our people own about 50 percent of it. About 6 percent own 80 percent, but the shocking part of it is that about 80 percent of our people don't own any investment at all in productive wealth. That is something that concerns those of us who believe in a strong capitalist system.

Capitalism really needs a broader constituency. It needs more people who regard themselves as capitalists if this system is going to survive and going to grow and to spread around the world—particularly when you look at the alternatives with which we are contending.

All this revitalization and reindustrialization that we are talking about is great and we expect to support it. But the question is, how is that going to react on the ordinary person—the average working man and his family; are they going to feel that this is theirs? A poll indicates that the overwhelming majority of workers do not feel that an increase in productivity does *them* any good. They feel that that is something for the other guy—for the guy who owns the plant.

When you have a company that is broadly owned and where the employees have a substantial share in the stock, as most people here advocate, it is different. They look upon this as being their company, and they have an interest to protect, and they have a motivation that just doesn't exist otherwise. So, if we are going to make a great majority of Americans feel that they are being benefitted by these tax advantages and by these efforts to make big investments in plant and equipment, then we are going to have to find a way to see to it that the rank and file have a chance to own some of it and participate. That's what employee stock ownership plans are all about.

A recent study has indicated that, as far as most Americans are concerned, not only do they own no interest in productive wealth, the greatest asset that they own is the fact that they will someday be empowered to draw either a Social Security payment or a welfare payment from the Government—a transfer payment. Well that is a poor showing for a great country, is it not? It started out offering broad economic opportunity to all of our people.

I am sure that you have seen some of these figures showing a close connection between employee ownership and productivity and profitability, so I will only quote one of them at this point. A 1979 study of 72 companies which had employee stock ownership plans indicated that the sales per employee increased an average of 25 percent in the three years since they established an ESOP. Their total sales rose 72 percent; the total jobs in the company jumped by 37 percent; profits increased by 157 percent; and even Uncle Sam made something out of it because the taxes that they paid the Government increased by an average of 150 percent. That just shows who all benefits when you have a greater interest among the workers in the companies in which they participate.

Now one of the greatest challenges of the 1980s is going to be how we can tap the abilities and skills of an increasingly well-educated work force. How are we going to enlist their enthusiasm and their commitment? Should they be offered a chance to own or simply a chance to work for those who own? Or, worse yet, a chance to work at a make-work job for Government.

This ownership issue is a question of alternatives. We can follow a road that will lead us eventually toward nationalization of many of our basic industries, which I don't think anyone here wants to advocate at this point. Or we could take a second course—one that would lead to more concentrated ownership. I don't think anybody here would say that in a system where about 15 percent of our people own 85 percent of all the net worth, and where the bottom 50 percent owns less than 5 percent of it—I don't think that many of us here would be advocates of a further concentration of wealth in this country. It is a threat to the system itself. And yet non-action to spread ownership is actually a vote for further concentration.

As much as I admire some of the things Mr. Reagan has been speaking out for, if we pass his program without putting something in there to help spread employee stock ownership or something of that sort, we are voting for a further concentration of the already over-concentrated wealth of the Nation. Now, over time, this force of over-concentration, if the Nation is to survive as a capitalist country, would mean that the Government would have to take even more steps at the national level to redistribute income because of the concentration of productive capital.

Taxing some in order to give to others is one way to achieve a more equitable distribution of income, but for this purpose that's a hindsight, remedial approach. And, of course, Government can never return as much as it takes from people because it has the costs of collecting and distributing.

The third course—expanded ownership is the logical choice. It suggests a positive, private property approach to encourage a broader distribution of productive capital in the country and a fuller payout of the earnings that are produced by capital.

This is a bipartisan effort. I am happy to say that statements by President Reagan strongly support this idea of expanded ownership and employee stock ownership. And even the Republican platform, on which the President ran, said that the Republican Party would "help millions of Americans to share in the ownership of the wealth of their Nation."

Now I know that the Secretary of the Treasury and the Undersecretary and the President, and all the rest of them will say, "Look, that's a good idea, a fine idea, we think it's great—you have got the right idea, Senator, and fellows and ladies, it's a great idea; we are all for it, but not on this bill, we'll get another bill later on." Don't you believe it. There is not going to be any other bill any time soon. If we pass a bill for a 30

percent tax cut, or anything like that, if we pass some $50 billion tax cut in this Congress, next time we try to pass some bill that will do something for somebody, if it involves a lot of money, they'll say, "I'm sorry, but the Treasury can't afford it. It would be too big a burden; we've done all we can do." As that song from Oklahoma went, "Everything's up to date in Kansas City, they've gone about as far as they can go."

They'll say, well, "we've gone about as far as we can go; we've done all this now and I'm sorry but we have run out of soap, and there's no more to be had. If anything, we'd like to raise taxes to help get back some of the benefits we gave away already." So it would be too late, and if we are going to do something, it ought to be as part of the bill we have here.

Let me say this about this bill. There is a lot of merit to it, and parts of it that help buy new equipment—big tax advantages which to a large extent is like a payment out of the Treasury to help business to buy new equipment. Fine, that's great and I'm all for that. But while you are doing all this, and that's all great for the workers, and that's great for some of us in this room who were very fortunate—who either inherited something or had very good luck with their investments and that kind of thing, but how about the rank and file?

If you believe in the kind of Government that I believe in, and the kind of system that most of us here believe in, we should not miss this opportunity to put them in on it. And it's not going to be adequate just to say that they'll get their percentage tax cut along with the rest of it. If we proceed on that trend, they are not going to be able to save anything to buy this corporate stock, and the share of America they will own further on down the road will be even less than it is now.

So if we want to encourage interest by the average worker, reduce absenteeism, reduce theft, reduce the losses from poor workmanship, and improve labor-management relations, then we want to see to it that this bill passes. It includes amendments that would guarantee that this new wealth that we are going to create will be spread more evenly among the people of this country than is planned at this moment.

So we would give capitalism a broader constituency and we would help the average family to achieve a capital estate. Those are two big objectives that we want to achieve.

Let me say that there are even more significant things that need to be done. We are trying to prevent socialism and communism from taking over Latin America, from taking over Asia, from taking over Africa. We need a working model of what we would advocate for others throughout this world, and we ought to have it right here to show them what we are doing, not just that some people can get rich because the rank and file are going to say, "That wouldn't be me, we have those people in our country and that doesn't do me any good; they just keep getting richer and we keep getting poorer and we have nothing to show for it." We need to have a working model to show people all over the world how the bountiful, increasing prosperity we have in America spreads out and reaches all the people in all walks of life. And we have the opportunity to do it with this program.

We are going to agree in the Senate Finance Committee, if I am any judge at all, to at least the key provisions, the most significant provisions, of the bill that I am going to introduce to help spread employee stock ownership to a great number of areas where it doesn't exist, or exists but slightly now, and to make it far more meaningful and to help overcome some of the technical difficulties with the program. We'll agree to most of that, and I think we will agree to the part that will be the most expensive which would extend it to those companies that are labor-intensive like J. C. Penney, Sears, and people like that that are labor-intensive rather than capital-intensive.

Extending this tax credit for the employees based on payroll, rather than based on the amount of equipment they buy, that will bring a lot of additional people into it. I'm confident that the Committee will vote for that. I think we'll have good luck in reporting it to the United States Senate, if you will help.

But I need your help. I need the help of everybody here. I need you to talk to your House Members, and talk to your Senate Members. I will give you a copy of this speech if you want it, and I'll give you any kind of information you want, all the help I can give. I'm calling on you to do your part.

If you will just call on these people. One thing that you can do, go in and buttonhole somebody, or talk to your Senator, that helps tremendously. But, in addition to that, if you will talk to the people you associate with; for example, if you have a store or a factory or a plant in somebody's State, call upon that store manager if he believes in this, and most of them do if you are an ESOP company, call on them—not only to write the fellow, to telephone, but if they can't come to Washington, ask for an appointment so when he comes to his home district they're there to wait for him. Meet him at the airplane if they can, or ask where can I meet you. Get in touch with these people, visit with them; say, "Look, don't you think this is important, we think this is very very important." And when they do that, it is going to pick up additional support for us.

I don't have any doubt that we will have a lot of support off of the Republican side of the aisle, a lot of support off the Democratic side of the aisle; I couldn't help but note that Bob Byrd, the Democratic Leader, talking about what the hopes were for the Democrats in the future, made reference to employee stock ownership. That's great. I saw that Senator Hart of Colorado made a statement making reference to that any saying that the Democrats ought to get more active and do something.

We want the Republicans to be involved in this too. They're big believers in free enterprise; they're big believers in private ownership, and they have supported this kind of thing. We don't want this to be just a partisan thing. We want them to go along with us and that's your job, to help them to get interested. I'll do my part, but I can't do it all by myself. I just welcome all the help I can get. What we can achieve along this line, I'm ready to share the credit for with anybody. Let's just get all the help we can and make this thing go.

I know that with your help and with what you can do, and what some of us up here concerned about this can do, we can get momentum behind this movement and we can make this shape the future of America and shape it to the benefit and the good of the people. And, in doing it, we will help the United States to sell what we are advocating all over the whole world, and that is something we are going to have to do if we are going to be able to peaceably win the hearts and minds of people.

Thank you very much.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–118, appoints the Senator from Delaware (Mr. ROTH) to the Japan-United States Friendship Commission.

ORDER FOR RECESS UNTIL MONDAY, MARCH 30, 1981, AT 9:45 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

MURDERED MISSIONARIES IN EL SALVADOR

Mr. KENNEDY. Mr. President, on December 2, 1980, four American Catholic women missionaries were murdered in El Salvador. Their deaths have yet to be adequately investigated, and prosecution of those responsible has yet to be initiated. But this shameful situation has not prevented the apperance of two statements by high officials of the Reagan administration which have added to the distress of the families and religious orders of the murdered church workers.

One is attributed to U.N. Ambassador Jeane Kirkpatrick in the Tampa Tribune of December 25, 1980. Ms. Kirkpatrick is quoted as stating that the churchwomen were political activists. The second, by Secretary of State Alexander Haig, was reported by United Press International on March 18, 1981, and attributes to him remarks before the House Foreign Affairs Committee suggesting that the women may have run a roadolock at the time of their deaths.

Because these statements appear on their face inaccurate, my distinguished colleague Senator PAUL TSONGAS and I have written Secretary Haig to request an explanation of these statements.

Mr. President, I ask that the full text of our letter to Secretary Haig be entered at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 23, 1981.

Hon. ALEXANDER HAIG,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: During a meeting last week with members and representatives of the families of Ita Ford, Maura Clarke, Dorothy Kazel, and Jean Donovan, American Catholic missionaries slain in El Salvador on December 2, 1980, they raised the subject of two statements made by Administration officials which are matters of considerable concern to them. The first is in regard to alleged political activities of the missionaries, and the second their actions on the night on which they were murdered.

With respect to the first, in an interview with Ambassador-designate Jeane Kirkpatrick published in the Tampa Tribune on December 25, 1980, Ambassador-designate Kirkpatrick is quoted as follows: "The nuns were not just nuns. The nuns were also political activists. We ought to be a little more clear about this than we usually are. They were political activists on behalf of the Frente and somebody who is using violence to oppose the Frente killed the nuns."

With respect to the second, United Press International reported, on March 18, 1981, remarks made by yourself before the House Foreign Affairs Committee suggesting that the women may have been shot as their vehicle was running a roadblock, or being perceived to be running a roadblock. We understand that you have explained that your reference to an exchange of gunfire was unintentional.

We request an explanation of these statements, which on their face appear inaccurate and suggestive of activities on the part of these churchwomen which their families and the religious orders to which they belong do not accept.

Sincerely,

PAUL E. TSONGAS,
EDWARD M. KENNEDY

Mr. KENNEDY. Mr. President, earlier this month I had the privilege of addressing the annual meeting of the American Jewish Congress on the domestic and foreign policy priorities facing our Nation.

At this meeting, the congress adopted an eloquent and compelling "Call to Conscience" that rejected "both the practice of selfishness and the politics of despair" and urged a "fellowship of commitment and action" for a "world based on justice and the rule of law."

I commend this statement to my colleagues. It affirms that "government must continue to be an active force for enhancing social justice and human dignity." It stresses that "it is imperative to reassert our commitment to pluralism" in American society. And it supports a strong foreign and defense policy, which includes an effective advocacy of international human rights and an unswerving "commitment to the survival and prosperity of the State of Israel."

Mr. President, I request that the text of the Call to Conscience of the American Jewish Congress be inserted at this point in the RECORD, along with the text of my remarks to the AJC annual meeting last March 8 in New York City.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN JEWISH CONGRESS STATEMENT: A CALL TO CONSCIENCE

"Not Charity, But Justice!"

That is how Rabbi Stephen S. Wise, our founder, defined the core of our commitment.

Throughout our 62 years, American Jewish Congress has worked to enlarge that concept in American life.

We are proud of our history of involvement in the struggle against bigotry and discrimination; for civil liberties and civil rights; for opportunity for the disadvantaged and the deprived. We have defended democratic values against totalitarian threats from left and right.

It is said that we live today in a new era, a time of transition. And indeed, Americans are engaged in a profound rethinking of many long-held policies and the very purpose of government.

We welcome such reflection and debate. A willingness to discard outworn notions and to seek fresh solutions is a source of our national strength.

But it is precisely in a time of questioning that those enduring values for which we stand must be clearly restated and reaffirmed.

DOMESTIC ISSUES

We affirm that government must continue to be an active force for enhancing social justice and human dignity.

There are legitimate questions about excesses in government—of spending and size; of waste, inefficiency and fraud. We therefore welcome the new Administration's commitment to oversight and fiscal responsibility; to discarding what has proven unnecessary and unworkable.

But we reject the idea that government is at the root of all of our ills. We believe that the great social legislation of the last half century—from Social Security to the Voting Rights Act—has made America more just, more humane and more free.

The American Jewish Congress is committed to preserving these gains.

We do not object to the notion that the public sector recede in our economy and that the private sector assume a larger role in solving social problems. Indeed, we welcome some of the Administration's more innovative proposals, such as the creation of free enterprise zones.

However, legitimate efforts to reduce government's growth and to alter the balance between Washington and the States should not be used as a smokescreen to abdicate government's duty to advance the public welfare and defend the public good.

We will hold the Administration to its own proclaimed standard that the truly needy will not be injured and that their essential "safety net" of services and protection will be preserved. We will insist that equity govern this process, and that sacrifices be fairly shared.

We will join with that larger community of conscience—of religious, civil rights, labor, and public interest groups—to press the fight for social justice in America and defend the most vulnerable in our society.

MORAL VIGILANTISM

Out of our own experience, it is imperative to reassert our commitment to pluralism. This deep and unique American notion is threatened now by the activist politics of highly organized, well-financed, single-issue constituencies offering absolute and simplistic solutions to the dilemmas of our time.

We are dismayed to see complex national issues on which honest citizens may disagree transformed into litmus tests of religious purity.

Strident voices—some amplified by vast private television networks and multi-million dollar merchandising—claim God's blessing for their vision and promise a political crusade to remake American society according to their particular moral code. We are fearful of those moral vigilantes whose political agenda consists of a dangerous imposition of government control, in the name of religion, over the classroom, free speech and women's right of choice.

This kind of politics tears at the delicate fabric of accommodation and compromise that holds a pluralist society intact. It debases our public life.

FOREIGN POLICY

In foreign affairs, as in our domestic life, simplistic solutions will not work. Our defenses must be strong enough to defend ourselves and our allies and to act as a deterrent to aggression by tyrants of any political stripe. But increased military strength, alone, is not sufficient to meet the challenges we face.

Over-population, depletion of resources, starvation and nuclear proliferation—the modern Four Horsemen of the Apocalypse—remain America's enemies and the enemies of all who hope to build a more stable, freer world. These problems will not yield to a foreign policy based solely on resisting Soviet expansion. Squalor, abject poverty, exploitation and tyranny are breeding grounds for subversion by forces hostile both to democracy and to the United States.

We are encouraged by the invigorating reassertion of U.S. interests in the U.N. already indicated by the new U.S. Mission to the United Nations. We are gratified by the Administration's announced intention to act decisively against terrorism, both domestic and international. We reject the suggestion, however, that somehow the campaign against terrorism must be at the expense of the campaign for human rights. Advocacy of international human rights must remain a principal objective in the management of our foreign policy.

A demonstrable concern for international human rights—which opposes repression by left-wing governments no less than right-wing governments—will enhance our standing abroad and advance our national interest.

Finally, we reaffirm our commitment to the survival and prosperity of the State of Israel. Any calculation of American foreign policy must recognize that, for the United States, Israel remains a steadfast friend and partner, a bulwark against totalitarian expansion and a strategic asset vital to the survival of the West.

We welcome the Administration's declared support for the Camp David process as the only viable way to peace in the Middle East. In our view, consistency requires that the Administration oppose and reject efforts to undermine that process by the so-called European initiative and by demands by the Arab world for additional offensive weapons that can only encourage the launching of the promised jihad against Israel.

There are those who see our causes and values as in retreat. We do not. We reject both the politics of selfishness and the politics of despair. We reaffirm our faith in our principles and in the abiding decency and compassion of our fellow Americans.

To those who would claim that our hopes for a world based on justice and the rule of law are an impossible dream, we would reply that our survival as a Jewish people is a miracle, too, wrought through the collective energies and the hope, faith and will of Jews down the centuries.

Our hopes for a world of justice and peace can and will be realized. We rededicate ourselves to the fulfillment of that dream. We call on all those who share this dream to join us in a fellowship of commitment and action to make the dream a reality.

ADDRESS OF SENATOR EDWARD M. KENNEDY

It is an honor for me to be here in New York to meet once again with the leadership of the American Jewish Congress.

During the cold winter of last year's campaign, you warmed my heart with the Stephen S. Wise award. I shall never forget so many of you who stood with me, because we had common hopes and commitments for our country. I was thinking of you, and of people like you, when I recalled the poet's words at the convention and said: "What golden friends I had."

We are meeting today in the free synagogue of the founder of the American Jewish Congress, Rabbi Stephen Wise. Today, Rabbi Klein and Rabbi Brickner carry on his noble tradition of speaking with passion and conviction to the great issues of the day. As Rabbi Klein has said of Stephen Wise, "Like . . . a great organ, his mighty voice was raised with prophetic fervor in denunciation of injustice, in defense of peace, in support of Zion."

The American Jewish Congress lives in the spirit of Stephen Wise. Today you are calling upon the nation to uphold the enduring values of liberty and justice, for which this nation has always stood—and for which it must always stand—at home and around the world. I am proud to join you in that call to the conscience of America.

We meet today at a time of deepening doubts over the direction of our country in foreign and domestic policy.

In recent days, we have witnessed decisions by the Administration that call into question the fundamental principles that define our destiny as a free people—principles that have taken years, and sometimes generations, to build. Those principles must not be set aside at the whim of passing political majorities. And certainly they must never be swept aside by those who dare to call themselves the Moral Majority.

We must reaffirm our basic beliefs, as you

have done at this conference, wherever the issue is drawn.

Abroad, we cannot be silent about four ominous decisions of the Reagan Administration—decisions that shadow all our other efforts, and that threaten to undo the painful progress we have made toward building international peace—and rebuilding respect for America among nations of the world.

I believe Ronald Reagan is wrong on El Salvador, wrong on nuclear arms control, wrong on human rights, and wrong on arms sales to Saudi Arabia that will jeopardize the security of Israel.

I oppose the Administration's decision last Friday to sell advanced military equipment, with obvious offensive capability, to a government that has sworn to destroy the state of Israel. An arms race never has, and never will, bring peace to Israel and to the Middle East.

We know that Saudi Arabia is now spending nearly $400 million a year to finance the terrorists of the PLO. We know that Saudi Arabia fiercely opposes the Camp David peace process. We know that Saudi Arabia has sought to prevent a strategic petroleum reserve that can guard America against future oil embargoes.

As I have said many times in the past, America must never barter the freedom and the future of Israel for a barrel of oil.

Israel has been and will be our strongest friend and our surest ally in the Middle East. Israel is not only a strategically vital source of stability in that region. Israel is a beacon of democracy and social justice, shining out over a sea of fear and terror and hatred.

Because we are determined that all the things which Israel represents shall not be put at risk, Senator Biden, Senator Cranston and I will work in Congress for our Senate resolution to halt this new arms sale to Saudi Arabia. I opposed the last arms sale. I oppose this arms sale. And I will oppose any arms sale in the Middle East that endangers the security of Israel.

Second, I disagree with the decision of the Administration to embark on an unconditional military adventure in El Salvador. That adventure is clearly unnecessary—and it is profoundly unwise.

We all oppose the shipment of arms into El Salvador from countries that are the actual or potential adversaries of our own. But we must not let their transgressions tempt us into an escalating commitment that could trap us in a wider war.

We have heard the President say that he has been in office for six weeks, and he has not yet fired a single shot. But we can be sure of one thing: Shots will be fired by American soldiers in El Salvador, and American soldiers will die in El Salvador, if we continue on our present course. That course is not inevitable—and it must not be accepted as inevitable by the American people.

I believe we should halt all American military aid to El Salvador, unless and until three conditions are met. There must be a complete investigation of the brutal murders in recent weeks of three American nuns, a Churchman and two American labor representatives in El Salvador. There must be progress toward a negotiated solution. And there must be effective guarantees against any military coup. American aid must not be misused to maintain the power of a military dictatorship in El Salvador.

We must condemn the violence and the terror from whatever quarter they may come. But we must never give our support to a regime that stands by, while American missionaries are beaten and killed.

Third, I oppose the Administration's foolish and dangerous neglect of arms control. Peace will not come from weakness. But the only finish line of an endless nuclear arms race will be humanity's final war.

Let us pledge together to build our defenses so that we may keep America strong. But let us pledge as well to seek with equal resolve an arms agreement that can advance both our national security and international peace.

Fourth, I reject as fundamentally wrong the Administration's decision to downgrade human rights. We remember the bright promise of John Kennedy's Inaugural Address. He spoke of an America "proud of our ancient heritage and unwilling to witness or permit the slow undoing of human rights to which this nation has always been committed."

In our best days, we have held that standard high. The defining element in the character of America is our unyielding commitment to "the inalienable rights of life, liberty, and the pursuit of happiness."

So we must speak for that cause now, when a new Administration takes power and yields on the commitment to human rights.

Few of us will ever feel the impact in human terms of this flight from the defense of human rights. We will not see the faces pressed against the barred windows of political prisons in Korea or Czechoslovakia, Chile or Guatemala. Most of us will never know the names of the innocents rounded up by dictators no longer restrained by American concern. None of us will hear the gagged pleas for justice of prisoners under torture, who are now told by their keepers that America does not care.

If we abandon them, then we shall abandon part of the soul of our own country.

We must stand with them—from Latin America to Eastern Europe, wherever they hope for our help.

We must stand with the Jewish dissidents in the Soviet Union, so that they shall not learn a new fear in the night.

The American Jewish Congress understands that for every faith, every race, and every people, this is an indivisible issue. When a campesino is murdered in Bolivia, Jews in Argentina are imperiled.

It is not a sign of weakness to proclaim the cause of human rights. Twenty years ago, a President of the United States stood up for human rights, and then stood up against the Soviet Union during the Cuban Missile crisis. Today the President of the United States can stand up for America without sacrificing the ideals for which America must always stand.

America has meant so much to the world because to be American has meant so much to so many here at home. That is why your grandparents and their parents came here from the shtetls of Poland and the Ukraine—and why mine came to Boston from the barren fields and the famine of New Ross and County Wexford. This country was shaped, in large measure, in the reflection of their vision and the realization of their hopes.

The Jewish people have made a unique contribution to our history and this heritage. It was the Jews who first proclaimed liberty as the indispensible condition of humanity. It was the Jews who first recognized the inherent equality and the infinite potential of every human being. And it was the Jews who first set down as an ethical imperative the responsibility of government, and of the rest of us, for the poor, the widow, the orphan, those who hunger and those who are homeless.

We have come far toward that vision of fairness and compassion. Now, in the midst of a turn to the right, we must not take up the fashion of the moment. We must not lose sight of the progress that has been made, or of the work still to be done.

We have made mistakes. But government has also made an indispensable difference. In the outcry and disillusion of the day, let us remember that it was government which set minimum wages and maximum hours, which insured the security of the elderly and the rights of labor, which opposed discrimination and protected the health and safety of consumers. And it is, in fact, government which helped to make our economy prosperous in the past—and which worked to keep the free enterprise system truly free.

We have much to be proud of. And we can also afford to be realistic about the places where government has fallen short. Many of our programs have succeeded; some have not. In other cases, the problem is not that progressive ideas have failed, but that they were never really tried.

In his first report to the nation, President Reagan gave us what he called "Attention Getters", which suggested that Americans were worse-off today than twenty years ago. Surely none of us can believe that. No black person who now has civil rights, no family that has escaped from poverty, no worker who experienced the prosperity of the 1960's, who bought a home and sent his children to college, can possibly believe that.

Let us say to those who criticize so much of what government has done: if there is a dark passage in domestic policy in these two decades, it is not a fatal failure of liberalism, but the damage done by Richard Nixon.

There is a failure today for which we are paying dearly. While the forces of reaction have been marshalling the resources to reeducate the American people, we have been complacent about our own cause. Too often we have neglected to make our own case.

Our opponents have been repeating for years that government itself is the root of all social evils. In 1964, when Ronald Reagan first voiced that view, he spoke for a narrow minority. In the 1980 election, repeating the same time-worn slogans, he commanded a majority of the vote.

Now we must respond. The primary necessity of our situation is also the first obligation of any political party—and that obligation is to stand for something. We cannot defeat the new right by joining in their chorus. Instead, we must speak the truth as we see it.

Government spending is not in fact the whole, or even the major, cause of inflation—and you and I and every respectable economist knows it. Government regulation is not in fact the sole, or even the major, cause of our declining productivity—and you and I and every respectable business man or woman knows it.

We are told, and it is surely correct, that we cannot solve our problems simply by throwing money at them. But that is only a half-truth that is misused to excuse indifference and neglect. So we must insist on the whole truth. We must also say that this nation cannot solve its problems by throwing tax cuts and budget cuts at them.

Certainly, we must trim waste and needless spending from our budget. But that is not all Ronald Reagan is proposing to do. Certainly, we should eliminate unnecessary regulation, and not ask of business a standard which is impossible to meet. But that is not what Ronald Reagan is proposing.

What he is proposing is to eliminate the school loans that send hundreds of thousands of our sons and daughters to college; the school lunches that feed hundreds of thousands of young children every day; the health care programs that have increased the length and raised the quality of our lives.

What the President is suggesting is that we cut back on the safety regulations which have saved thousands of workers from death and serious injury, that we abandon the goal of preserving the environment, and leave instead to our children a land which they cannot call America the Beautiful.

There is nothing surprising about the Reagan proposals—coming from Ronald Reagan. They are, after all, things he has

been talking about for a generation. What is surprising is the support that they have in Congress—and, at least for the moment, across the country.

We will never change the views of Ronald Reagan—but we can change the minds of the American people.

Those of us who call ourselves progressives must adapt our enduring values to changing realities. That is not a novel idea, but an old tradition that reaches from the new freedom of Woodrow Wilson to the New Deal of Franklin Roosevelt to the New Frontier of John Kennedy. In their spirit, we must offer new hope in the 1980's.

It is a challenge we have already taken up. The Reagan Administration did not invent deregulation. In the Senate, I have worked with my colleagues for years to end excessive interference with free competition—and we have already won that issue in the airline and trucking industry.

The Reagan Administration did not invent cost-cutting. In the Senate, I have worked with my colleagues to stop the giveaways for those who already have far more than they need. And as we cut the budget now, let us begin by cutting out the $4.6 billion a year in federal subsidies for the major oil and gas companies.

The Reagan Administration did not invent tax reform. In the Senate, I have worked with my colleagues to provide relief for middle income families and targeted incentives for business investment and productivity. And in the months of debate still to come, we cannot settle for an Administration tax cut that takes the name of tax reform in vain—that would give a tax cut worth twenty times more to the very wealthy than to the average American.

We have a cause to advance. We have a record to be proud of—and despite its shortcomings, I am convinced that it will soon compare very favorably with the record of those who lead us into reaction and retreat.

And I am also convinced that we will continue to be the source of the new initiatives that will matter—the work of reindustrialization, the development of alternative energy, the revival of our cities, and the achievement of full equality for the minority who are not white and the majority who are women.

Always before us must be the ideals our forebears brought with them—the ideals that have made this country both good and great. In a time that tempts many to scramble for their own advantage, we must heed the words of Rabbi Wise, who warned against the danger of pursuing "Justice for ourselves alone, forgetting that justice will be for all or none. The supreme declaration of the Hebrew Bible was and remains, 'Justice, Justice shalt thou pursue,' whether it be easy or hard, whether it be justice for white or black, Jew or Christian."

Next month the Jewish people will celebrate Passover, and you will tell your children again of the freedom from bondage and the flight from Egypt.

Four times in the sacred story of that journey, the pledge of liberty is made to the people of Israel. Four times on Passover, a cup of wine is lifted to commemorate that pledge.

But the Passover ceremony marks far more, for it was during the exodus that Moses received the Torah, and an ark was built to enshrine the word of God. God's gift to the Jewish people was a belief, an ideal you have given to others across the centuries and the ages.

That belief and that ideal are at issue now. The time we are in is not easy. But we have known hard hours before. And I believe from the heart of my convictions that a Passover will come when the cup shall be lifted over a world of freedom—freedom from war, from fear, from want and oppression—freedom for the people of America, and the people of Israel, and of every place on Earth.

It will not come this year, but the hope lives on and some year it shall come true.

To that dream, this year and all the years of our lives, we will raise our cups in faith and in prayer.

U.S. RELATIONS WITH ARGENTINA

Mr. KENNEDY. Mr. President, the recent visit to this country of President-designate Gen. Roberto Viola of Argentina raises serious questions about our relations with the military dictatorship there. In 1977 I joined with Senators ALAN CRANSTON, Hubert Humphrey, and others in offering legislation which ended our military aid to Argentina. In 1981, there remain 15,000 persons "disappeared" after having been abducted by security forces. Nine hundred political prisoners are held without charge, and another 900 political prisoners still remain behind bars. Indeed, immediately before General Viola's visit here, human rights leaders and activists were detained and harassed in Buenos Aires. Two workers were arbitrarily detained, held incommunicado and tortured only days before the Argentine general's arrival.

Responding to General Viola's visit, Senator CRANSTON and I have written to Secretary of State Haig expressing our concern over the human rights situation in Argentina, and calling upon him to raise the question of political prisoners and the thousands of persons "disappeared" in Argentina with President Viola. As our letter states:

Argentine respect for freedom and human rights will make an essential contribution to increased stability and security in our Hemisphere.

Only when there is a restoration of respect for human rights should we contemplate a restoration of a military relationship with the Argentine Government.

Mr. President, I ask that the full text of the letter from Senator CRANSTON and myself to Secretary of State Haig regarding human rights in Argentina be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 19, 1981.

Hon. ALEXANDER M. HAIG, Jr.,
Secretary of State,
Washington, D.C.

DEAR AL: Following your meetings this week with President Viola, we are writing to request that you intervene on behalf of political prisoners and those men, women and children who have "disappeared" in Argentina. Former Secretary of State Vance delivered an earlier list to the Government of Argentina, making clear that there could be no military relations until some accounting was made and prisoners released.

As you know, Senator Hubert Humphrey joined us and other Senators in introducing legislation in 1977 to end all military aid and support to Argentina because of the extremely serious violations of human rights in that country. Since the military coup in 1976, up to 15,000 individuals have been seized by security forces and then "disappeared". Periodically these disappearances continue: just this past week, two more were abducted by Buenos Aires provincial police, held incommunicado, and tortured before being released.

Amnesty International, the Inter-American Commission on Human Rights, the U.N. Human Rights Commission and other international human rights groups have documented extensive use of torture and violations of fundamental human rights; and even today, there are several thousand political prisoners who have been denied due process as well as the right of option to depart their country guaranteed by the Argentine Constitution. We are enclosing a list of particularly pressing humanitarian cases.

We believe there will be significant Congressional and public opposition to U.S. military aid to Argentina until its military junta accounts for the "disappeared", releases political prisoners, and respects the rights of its citizens. You may be aware that each Thursday, mothers of the "disappeared" hold a vigil in Buenos Aires; last week they were arrested by security police. We have met with some of them in the past and found their cases compelling reason for our country to continue to urge disclosure of the facts about their children and their grandchildren. We are making available to your Department all of the cases raised by these mothers with us, some of which are included in the enclosed list.

We hope that you will raise these concerns directly with President Viola and express your own support for these aims, as well as for the return to civilian rule and free elections in that country. To do so will be in the best traditions of our nation, and Argentine respect for freedom and human rights will make an essential contribution to increased stability and security in our hemisphere.

With our thanks, and best personal wishes,

Sincerely,

ALAN CRANSTON.
EDWARD M. KENNEDY.

POLITICAL PRISONERS—ARGENTINA, MARCH 1981

Jorge Albert Taiana—OAS/IACHR case 2353: Detained by Federal Police in Buenos Aires April 5, 1976.

Gustavo Westerkamp—OAS/IACHR case 2127: Arrested October 21, 1975, held without charges or trial.

Raul Hector Cano—OAS/IACHR case 3482: Detained at the disposition of the Executive since May 27, 1976.

Norberto Ignacio Liwsky—OAS/IACHR case 3905: Held at the disposition of the Executive since April 25, 1978.

Monica Maria Candelaria Migone—OAS/IACHR case 2209: Abducted from her parents' home May 14, 1976.

Debora Esther Benshoam: Since kidnap in August, 1977, no charges have been brought against her.

Pablo Klimovsky: Abducted April 20, 1975. Now held at the disposition of the Executive.

Alberto Maximo Schprejer: Abducted January 30, 1976, held without hearing at the disposition of the Executive.

Horacio Rene Matoso: Arrested October 8, 1976, held without charge or trial.

Duilio Blas Aponte: Arrested November 18, 1974. Charged and acquited, now held at the disposition of the Executive. Right of option to emigrate rescinded.

Maria do las Esperanzas Beltramino de Loto: Arrested with her husband September 25, 1976—he is a "disappeared" person, she has been held at the disposition of the Executive, her right of option to emigrate having been rescinded.

Rodolfo Juan Begnardi: Arrested November 9, 1975, held without trial at the disposition of the Executive.

W. H. ANDERSON WRITES ABOUT THE PRESIDENT'S PROGRAMS

Mr. HELMS. Mr. President, those of us who have spent a few years here on the front lines in Washington are not surprised to see various stories appearing in the papers that increasingly por-

tray the President as a villain right out of Dickens for his efforts to put the brakes on Federal spending.

Screams are going up all over the land from individuals and groups who see the day of reckoning approaching. But loud as these protests may be, I think that the voters who gave President Reagan a landslide victory last November are still with him. President Reagan, for all the criticism and skepticism that he is confronting from the pundits and the talk show hosts, is probably the first President I have encountered who had an all encompassing concept of the public or common good. We must understand that to stop inflation is for the public good. To defend the country adequately is for the public good. To reduce the role and scope of government is for the public good.

That is why the public has not lost, and must not lose, faith in the President's programs. As witness to this, Mr. President, I have a letter recently received from Mr. W. H. Anderson, president of Anderson Chevrolet-Oldsmobile of Waynesville, N.C. I think Mr. Anderson has some sound advice for those who may doubt the wisdom of following through on the President's recommendations, and accordingly I ask unanimous consent that the text of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ANDERSON CHEVROLET-OLDSMOBILE,
Waynesville, N.C., March 18, 1981.

Senator JESSE HELMS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HELMS: We implore you with all of the sincerity that we can muster, do not give in to the many special interest groups now saturating our Capitol with their loud and much "ballyhooed" counter offensive to President Reagan's efforts to put common sense back into our government. The coalition of labor unions, the liberals, both in and out of Congress, and the multitudes of "free riders" throughout our country are doing everything within their power to sidetrack the President's spending cut proposals, so that they can later have a good excuse to resist his tax cut package, too. Please, let us all push for passage of his entire package and urge each and everyone of your counterparts to do so as well.

Having been born in the mountains of Western North Carolina about as poor as one can get, as well as completing my education during the days of FDR's administration, the first of the great give-away administrations, I can honestly state that I have owned my own business for over a quarter of a century not because of, but rather in spite of our free spending and wasteful federal bureaucracy So let the liberals, both Democrats and Republicans, tell *me* about how terrible it is to be poor, underprivileged and suppressed because of no handouts and give-away programs from the great humanitarian federal government. My memory is still quite vivid of the years of deprivation, which is more than the majority of those who would tax me and give away every last dollar that I own, can say for themselves.

I would remind all of you in government today that we are generally what we want to be, "every man unto himself." All that I was ever taught by my parents and all that I ever wanted was simply an opportunity to work for myself and my family, free of any obligation to any government because of a hand-out. Every Congress within my adult memory has contributed to a society with little or no initiative and who is looking for "something for nothing" from each and every level of government. We are long overdue for getting our governmental house in order!

However, the most disgraceful acts that have come out of Washington during my lifetime are not those that either aid the poor or contribute to their status quo, but it's those acts which permit our middle income and the wealthy as well to participate in federal subsidies and grants simply for the asking. There are far too many for us to enumerate here but we are confident that you know most of them only too well. These above all deserve every American citizen's immediate action to put them into our disgraceful past.

In closing let me reiterate, for the sake of all Americans, do not be swayed by the self-interest groups but use your influence on every individual you can to get behind the President's total economic package immediately. Congress can act speedily, it has proved that in past years. So, please give us prompt and positive action on the entire program for putting business sense into the federal government. We are depending on you and within you lies our only hope.

May we have your thoughts along the above subject at your early convenience.

Very truly yours,

W. H. ANDERSON,
President.

INTERNATIONAL EXCHANGES AND NATIONAL SECURITY

Mr. SARBANES. Mr. President, last Friday, the distinguished ranking member of the Foreign Relations Committee, Senator PELL, spoke eloquently and persuasively on the value of educational and cultural exchanges in promoting the national interests of the United States. In remarks delivered before the National Council for International Visitors, Senator PELL paid tribute to the remarkable accomplishments of its members, the hundreds of thousands of private citizens who generously contribute their time, energies, and good will to provide hospitality to officially sponsored visitors to our Nation.

These private efforts have been extraordinarily effective in winning friendship and respect for America in the international community. In a time of concern for fiscal restraint on the one hand and our Nation's vigorous participation in international affairs on the other, Senator PELL argues persuasively that both goals would be well served by expanding support for educational and cultural exchange.

I ask unanimous consent that Senator PELL's thoughtful statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTERNATIONAL EXCHANGES AND NATIONAL SECURITY

(Remarks by Senator CLAIBORNE PELL)

President Brooks, Chairman Henrie, ladies and gentlemen: I am honored and pleased to be with you here today, not only because I find myself among good friends, but also because I welcome the opportunity to congratulate you on your important—and I believe inadequately appreciated—contribution to American interests, and indeed to American security. In offering these congratulations, I have in mind both your own efforts and those of the hundreds of thousands of volunteers you represent. Together you constitute a unique force for international understanding.

The United States first entered the international exchange business in a serious way some 35 years ago, at the end of World War II. One impetus came from a young Arkansas senator who, in the aftermath of this century's second global cataclysm, envisioned a world in which constructive cooperation might replace armed conflict among peoples. In drafting his legislative proposal to use war debts and surpluses as a source of funds for international educational exchanges, Bill Fulbright reasoned that if a larger number of the world's people knew and understood people from nations other than their own, "they might," he said, "develop a capacity for empathy, a distaste for killing other men, and in inclination for peace." though seemingly naive, this simple but profound suggestion was eventually to be responsible for what an Oxford don has called "the largest, most significant movement of scholars across the face of the earth since the fall of Constantinople in 1453." Indeed, since 1946, the Fulbright program has enabled some 45,000 Americans to teach and study in other nations, and some 80,000 scholars and leaders from over 100 countries to teach and study in the United States.

A second postwar impetus to American-sponsored educational travel came from a desire to "re-educate" the new leaders then emerging in nations which we had vanquished militarily but which we wished to help rebuild into peaceful and stable prosperity. As an occupying power in both Germany and Japan, the American government undertook to bring to the United States thousands of those citizens who were, or appeared likely to become, principal actors in shaping the new destiny of the defeated powers. The purpose was to expose these men and women to the workings of American democracy, to encourage an appreciation of our system, and perhaps also to stimulate on a personal level some measure of fondness and friendship that might weave naturally into the fabric of our future relations with those nations. Eventually, as time passed, and as its initial stages proved fruitful, the program was broadened to include selected foreign visitors from countries around the world and became the International Visitors program of which the National Council now functions as an intergral part.

Both programs—the Fulbright exchanges and the International Visitors program—thus had a common origin: the American hope that, in a world inclined toward its own destruction, human initiative might intervene among nations to replace ignorance with knowledge and national chauvinism with mutual respect. An American idealist and pragmatist, Thomas Jefferson, had dreamed that, through a broad sharing of ideas and values, the world's scientific and professional communities might some day "form a great fraternity spreading over the whole earth." The Fulbright and International Visitors programs have given practical shape to the pursuit of Jefferson's dream.

Over the postwar period, two trends have affected U.S. sponsorship of academic and visitation programs for foreign citizens; one trend I view neutrally, the other with considerable dismay. The first has been some diversification of sponsorship. Today, the International Communication Agency—ICA—administers the Fulbright and International Visitors programs. In addition, however, AID now offers a well-funded program of graduate schooling as part of its international economic development effort, while the Defense Department provides training on an expansive scale to military personnel from allied and friendly countries.

Meanwhile, numerous government agencies, ranging from the Federal Home Loan Bank Board to the Tennessee Valley Authority, have begun sponsoring foreign visitors—as many of you well know, since these agencies, like the ICA, rely on the voluntary services of member organizations of the National Council. I consider this partial diversification neutral in effect because, although it has clouded and confused the picture somewhat, it has not altered the central role of the Fulbright and International Visitors programs run by ICA. That importance is demonstrated by a single striking fact: today, in governments around the world, some 33 heads of State and some 378 cabinet ministers are alumni of the Fulbright and International Visitors programs.

Unfortunately, the second trend affecting these activities is not neutral: it is the failure in recent years of these programs to keep pace with the need they serve. This failure is not attributable to those of you who implement these programs in the field. Nor is it a failure of Washington bureaucrats, who are now such a fashionable object of scorn. It is instead a failure of vision on the part of recent Presidents and of Congress, who together have not allocated funding to the combined Fulbright/International Visitors program at a level warranted by its contribution to the national interest.

Not coincidentally, the deterioration in funding began some 15 years ago, in concert with the deterioration in judgment which took us into Vietnam. The reductions have been sizable. In 1966, some 9000 persons participated in Fulbright exchanges; this year the program will have only 5500 participants—about 3000 foreigners coming here and about 2500 Americans studying and teaching abroad. Meanwhile, a comparable drop has reduced the International Visitors program, which in the mid-1960's brought to America well above 2000 foreigners annually. This year that ICA program will drop below 1600.

Why has this occurred? The answer is false frugality. Although the current Administration may claim otherwise, Mr. Stockman and his colleagues are not the first to wield the budget-cutter's axe in Washington. And for years, the easiest targets have been those programs—such as Fulbright and International Visitors—which promise only long-term benefits and which have no direct constituency that might be affected by a budget reduction. Potential foreign participants, not yet even selected, hardly comprise such a constituency.

And as for American supporters of these programs, their collective voice has proven relatively weak amidst the facile clamor for a few million dollars in politically convenient cost savings. For several consecutive years, in budget deliberations of the Senate Foreign Relations Committee, I have proposed to reverse the cumulative process of reduction and instead to augment these programs by as much as ten-fold. Regretfully, however, I must confess to little success, at least thus far.

Given this track record and the fact that fiscal retrenchment has now become a national theme, some observers may well find quixotic my intention to continue in the effort to increase these programs. But I shall do so nonetheless. For another theme of our time is the reassertion of American power in the world arena. And while I recognize the crucial role of military strength, it is my conviction that, as we seek to expand American influence, no government activity in any field can be more effective—in terms of the balance of costs against benefits—than the combined Fulbright and International Visitors programs. To focus on military spending alone, as if that were our sole instrument for enhancing American security, is not only a foolish and dangerous distortion. It is also—to put the matter in language this Administration understands—an act of sheer fiscal irresponsibility.

Let us look for a moment at the numbers. In pursuit of enhanced national security, the Reagan Administration has asked that Congress approve, for the next two years, increases in U.S. defense spending of some $53 billion—over and above the military budget planned by the Carter Administration. Meanwhile, it has continued the Fulbright exchanges and International visitors program at previously planned levels of $46 million and $17 million respectively. Simple arithmetic here offers a remarkable truth: that setting aside only 4 percent of the extra defense spending proposed by President Reagan would release funds sufficient to increase the combined Fulbright/International Visitors program by the factor of ten I have suggested. Moreover, on a permanent and continuing basis, such an increase from $65 million to $650 million could be funded by reducing Mr. Reagan's projected annual defense expenditures by only one-fifth of 1 percent.

What we are discussing here is the question of trade-offs among activities all intended to promote American interests. One tangible example makes the issue more valid. At present, the Defense Department is procuring hundreds of F-15, F-16, and F-18 fighter aircraft, a process Mr. Reagan proposes be accelerated. Yet, because each of these aircraft costs as much as the annual International Visitors program at its present level, to accelerate procurement by only one additional fighter per year represents a missed opportunity to double our programming in International Visitors.

Confronted with the challenge to prove by reference to cost-effectiveness that we should make such a trade-off, I must answer that I cannot. For we simply cannot precisely measure what benefits actually accrue to the United States and the world from existing exchanges and visits, or from additional ones. But neither, I am quick to point out, can we calibrate with any greater precision our incremental gain from expanding funds to add a certain weapon to our military arsenal. In terms of our national security, what is the cost-effectiveness of an additional F-15, or a permanently unused missile in a silo, or an extra tank?

Ultimately, the value—and the cost-effectiveness—of weapons and exchanges must be determined not by statistics but by judgment. But as we debate such a judgment, I believe that those favoring an increase in exchanges can bring powerful arguments to bear. For if our quest is for national security, and our arena is the world, we quickly discern four broad and important audiences where large, but relatively inexpensive increases in Fulbright and International Visitors activities would almost surely pay-off.

Commenting just briefly on each, I can begin with our adversaries themselves, the nations of the Warsaw Pact. Can anyone really believe that a doctrinaire Communist who visits the United States returns home as dedicated to his faith? As a former Foreign Service officer who served in Eastern Europe, I have never seen one. Whatever his commitment to Communist rule, any East European or Soviet visitor to the West is bound to be stimulated into some questioning of the status quo in his homeland. While we cannot of course trace direct causation in such matters, it is well worth pointing out that a number of past participants in Fulbright and International Visitors exchanges are now among those energizing the reform movement sweeping through the society of Poland.

A second audience, vast in size, lies in those nations we sometimes call neutral or non-aligned. It is a sad irony indeed that while we talk so much about competing for influence in the Third World, we do so little about it. Meanwhile, the Soviet Union, whose leaders do recognize the geopolitical value of educational exchange, have undertaken a vast program—overall, the Kremlin now budgets some $2 billion a year for overseas cultural and information programs, much of it for education.

And let us not be misled by the appearance that we are competing effectively. To be sure, we have multitudes of foreign students in the United States. But the problem is one of selection. Taking only Africa, which now has 27,000 students here, closer analysis reveals that almost all are studying at their own expense, most of them Nigerians funded by that one country's oil wealth. In fact only 1,800 African students are here on U.S. Government funding. Meanwhile, the Kremlin is hosting, as guests of the Soviet Union, some 24,000 students—carefully selected from all over Africa—who are now learning Russian, and Russian ideas.

Regrettably, this pattern is true elsewhere. On a recent visit to Latin America, I found our U.S. ambassadors there deeply disturbed by our government's failure to capitalize on relatively inexpensive opportunities for educational and cultural exchange. We must recognize once and for all that we cannot favorably influence people simply by shipping them arms. We must come to know them—and they us—and there is no better way than through educational exchange, and also through the warm hospitality so generously and graciously offered by member groups of the National Council.

Regarding the Third World, I offer one final example. Egypt's President Sadat has said that it was years ago, while on an International Visitors trip to the United States, that he came to realize he could "deal with Americans." This alone could justify the entire program.

Still a third important audience for our exchange effort lies in those nations with which we are allied—and sometimes take for granted. Western Europe and Japan are today passing into the hands of what has been called the "successor generation," comprised of men and women for whom the Second World War and its aftermath are not even a living memory. Surely we can take comfort that in both areas democratic values are now deeply ingrained. But we cannot be complacent about the permanency of the ties that bind us. Those bonds were, after all, carefully nurtured by programs such as we are discussing today, and diligent and focused activity must continue if we are to preserve the loyalties we enjoy.

Recently I was visited by our returning U.S. ambassador to Italy, who reported his grave concern about the inadequate resources we devote to competing for influence amidst an Italian population, now one-third Communist, which has little exposure to American literature and ideas but faces steady efforts at what he described as "cultural colonization" by Marxist thought. Yet—under budget pressure—our annual allocation for International Visitors from Italy has dropped from 200 to 30. We can station in Europe all of the nuclear weapons we might wish, but they will avail us little if our mutual allegiance flags.

A fourth and final—and fertile—audience for exchange activities is ourselves. Early in the Seventeenth Century, a time of exploration and expanding horizons, the British philosopher Francis Bacon wrote that "If a man be gracious and courteous to strangers, it shows he is a citizen of the world, and that his heart is no island cut off from other lands, but a continent that joins to them." Today we individually—and our nation as a whole—are citizens of the world, and our support for the Fulbright and International Visitors programs is a direct reflection of

how seriously and wisely we view the obligations and benefits of that citizenship. These programs are not a matter of charity. They are a matter of enlightened participation in an international community from which we could not isolate ourselves even if we wished.

Viewed philosophically, the Fulbright and International Visitors programs serve eminently well the need of mankind for travel and knowledge. But they also meet—and pass with merit—today's important criterion of cost-effectiveness. They enhance our ability to trade with other nations—in ideas as well as goods—and they enhance our wisdom of the world and our stature in it. Indeed, no programs in the entire federal budget can claim a higher return on the dollar in terms of extending American influence and winning American friends.

Mr. Reagan has summoned the nation to overcome the self-doubt and paralysis he believes are the legacy of our disastrous experience in Vietnam. He invokes nostalgia for a time when America held clear sway over all possible adversaries. I am not unsympathetic with this feeling. But, unhappily, no amount of sentiment or military spending can recapture the past, for the world has moved on. There is, however, one aspect of the pre-Vietnam past we could recapture—and here I admit my own nostalgia. It is for a time when the American government could muster the vision and wisdom necessary to provide adequate support for activities—such as the Fulbright exchanges and the International Vistors program—which gain force and effect from simple American self-confidence—which I have and which I believe you share—that if foreign citizens could come to know our land and people better, they would find here something to like if not to love. That is what I call the true projection of American power. And it is this message I ask you to join me in bringing to an American taxpayer who deserves efficient spending in the pursuit of American national security.

TOP BRITISH POLICYMAKERS SUPPORT REPEAL OF CLARK AMENDMENT

Mr. HELMS. Mr. President, I have just been informed that the top foreign affairs policymakers of Britain's Conservative Party have formally supported the repeal of the Clark amendment on Angola. The action was taken by the Foreign Affairs Committee of the Conservative Party on March 23 in a resolution proposed by the chairman of the committee, Mr. Geoffrey Rippon. Mr. Rippon was joined by three other officers of the committee, and by four Privy Councillors, Mr. Hugh Fraser, Mr. Maurice MacMillan, Mr. John Eden, and Mr. Julian Amery.

The motion is now on the calendar of the House of Commons. It deplores the continued presence of Cuban forces in Angola, and welcomes the decision of the U.S. administration to seek the repeal of the Clark amendment.

Mr. President, as my colleagues are aware, the Senator from North Carolina has long sought the repeal of the Clark amendment. The presence of the Clark amendment on the statutes prejudices our policy toward a Marxist regime, supported by Cuban troops, which is faced by a substantial civil war. I think that it is important that our statutes take a neutral stand, instead of singling out a specific policy for a specific country, thereby discouraging freedom fighters working for the liberation of their country from communism.

Mr. President, I congratulate the forceful stand taken by Mr. Rippon and his colleagues. I think that their action shows that we will secure widespread support from our allies for the repeal of the Clark amendment when the facts of the situation are carefully explained.

DEATH CAMPS OF PARAGUAY

Mr. PROXMIRE. Mr. President, recently there was an article in the Washington Post which reported that the Paraguayan Government had implemented their own version of a "final solution." It stated that the Toba-Maskoy Indians of Paraguay, who have always lived a peaceful existence in the jungles of South America, are being systematically exterminated.

What have the Toba-Maskoy Indians done to deserve this fate? Quite simply, they have become an obstacle to economic development in Paraguay. There have been reported genocidal practices perpetuated against the Indians in Paraguay because the Government perceives them as opponents of progress.

One example of these practices reported in the Washington Post, involves the hunting of the Indians by Government officials in the jungle. If the Indians are caught they are either sold or brought to Government reservations. The ones that remain on the reservations experience a sense of helplessness and loss of culture identity.

Literally and figuratively these reservations can be described as cesspools, calculated to cause disease and death. It is reported that perhaps as many as half of the Indians who are kept on these reservations will die within 6 to 8 months, if not sooner.

This horrible situation gives yet another reason to ratify the Genocide Convention as soon as possible. With ratification the United States would have a stronger voice in opposing the Paraguayan Government's horrifying version of a "final solution" and help prevent the extermination of the Toba-Maskoy Indians.

Let us ratify the Genocide Convention now.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. CHAFEE). The nominations will be stated.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of Norman B. Ture, of Virginia, to be Under Secretary of the Treasury.

Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of Norman B. Ture to be Under Secretary of the Treasury.

FAVORABLE COMMITTEE ACTION

On March 20, the Committee on Finance held hearings on Mr. Ture and found him to be eminently qualified by reason of his experience and character to perform the functions of Under Secretary of the Treasury.

Our committee, on March 25, voted unanimously to recommend Senate confirmation of Mr. Ture's nomination.

MR. TURE'S BACKGROUND

Mr. Ture brings to the position of Under Secretary a lifelong interest in tax analysis and a record of many contributions to the professional literature in that field. He has served in Government previously, on the Treasury's tax analysis staff, he has been a professor of economics, and most recently has been president of his own successful consulting firm. Mr. Ture thus combines intellectual preeminence with proven abilities and knowledge in Government and business. All these qualities will assure excellence in the important position he has been nominated to fill.

NEW DUTIES

As Under Secretary Mr. Ture will be responsible both for broad economic analysis and affairs relating to the structure of our tax system. He will be intimately involved in the substantial alterations that we may expect to be proposed for the Tax Code, and his background in Government as well as business thus prepare him especially well for this important position.

REPORT ON INVESTIGATIONS

The Committee on Finance has conducted its own review and has reviewed the results of the investigation by the FBI and the report of the Office of Government Ethics. We are confident there are no potential ethical problems of conflicts of interest.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Beryl Wayne Sprinkel, of Illinois, to be Under Secretary of the Treasury for Monetary Affairs.

Mr. DOLE. Mr. President, the Senator from Kansas urges the confirmation of Beryl Wayne Sprinkel to be Under Secretary of the Treasury for Monetary Affairs.

FAVORABLE COMMITTEE ACTION

On March 20, the Committee on Finance held hearings on Mr. Sprinkel and found him to be eminently qualified by reason of his experience and character to perform the functions of Under Secretary of the Treasury for Monetary Affairs.

Our committee, on March 25, voted unanimously to recommend Senate confirmation of Mr. Sprinkel's nomination.

MR. SPRINKEL'S BACKGROUND

Although Mr. Sprinkel's professional career began in college economics teaching, he became associated with the Harris Trust & Savings Bank in Chicago, Ill., in 1952 and was executive vice presi-

dent and economist prior to his nomination to be Under Secretary for Monetary Affairs. In the last 16 years, his duties have included dealing with international monetary issues, and he has traveled abroad extensively in that time, becoming well acquainted with foreign central banks and treasuries.

NEW RESPONSIBILITIES

As Under Secretary for Monetary Affairs, Dr. Sprinkel will be charged with overall management of the Treasury's debt issues, with the Treasury's relations to other governments and central banks, and with the Treasury's relations with our own Federal Reserve System. His long acquaintance with our banking and monetary system, as well as his extensive contacts abroad, make Dr. Sprinkel ideally suited for his new position.

ROUTINE INVESTIGATIONS COMPLETED

The Committee on Finance has received and reviewed the results of investigations by the FBI and the Office of Government Ethics. The committee has also conducted its own review, and is confident there are no potential ethical problems or conflicts of interest.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that all remaining nominations on the Executive Calendar be considered en bloc and be confirmed en bloc and that the President be immediately notified of such action.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, will the distinguished Senator add to his requests that the motion to reconsider en bloc be laid on the table.

Mr. STEVENS. I thank the Senator, and I add that to my request.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Nominations considered and confirmed en bloc are as follows:)

IN THE AIR FORCE

Lt. Gen. Evan W. Rosencrans, U.S. Air Force (age 54), for appointment to the grade indicated on the retired list pursuant to the provisions of title 10, United States Code, section 8962, to be lieutenant general.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962: Lt. Gen. Charles Robert Myers, [redacted] age 56), Army of the United States (major general, U.S. Army), to be lieutenant general.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows: Maj. Gen. William Ivan Rolya, [redacted] Army of the United States, to be lieutenant general.

IN THE NAVY

The following-named officer of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5780 and 5791: Raymond N. Winkel to be rear admiral.

IN THE MARINE CORPS

The following-named brigadier general of the Marine Corps Reserve for temporary appointment to the grade indicated under the provisions of title 10, United States Code, section 5902: John B. Hirt to be major general.

The following officers of the Marine Corps Reserve for appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5902: Constantine Sangalis, to be brigadier general. William H. Gossell, to be brigadier general.

UNITED NATIONS

Charles M. Lichenstein, of the District of Columbia, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade indicated: Capt. Robert S. Lucas, U.S. Coast Guard, to be rear admiral.

Capt. Kenneth G. Wiman, U.S. Coast Guard, to be rear admiral.

Capt. Edwin H. Daniels, U.S. Coast Guard, to be rear admiral.

Capt. Clyde T. Lusk, Jr., U.S. Coast Guard, to be rear admiral.

Vice Adm. James S. Gracey, U.S. Coast Guard, to be the commander, U.S. Coast Guard Atlantic area with the grade of vice admiral while so serving.

Rear Adm. James P. Stewart, U.S. Coast Guard, to be the commander, U.S. Coast Guard Pacific area with the grade of vice admiral while so serving.

DEPARTMENT OF DEFENSE

Fred Charles Ikle, of Maryland, to be Under Secretary of Defense for Policy, vice Robert W. Komer, resigned.

William H. Taft IV, of Virginia, to be General Counsel of the Department of Defense, vice Togo D. West, Jr., resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, MARINE CORPS, AND COAST GUARD

Air Force nominations beginning Tommie G. Church, to be captain, and ending David F Woolwine, to be lieutenant colonel, which nominations were received by the Senate on February 23, 1981, and which appeared in the CONGRESSIONAL RECORD on February 24, 1981.

Air Force nominations beginning John W. Baxter, to be lieutenant colonel, and ending Douglas B. Neumann, to be lieutenant colonel, which nominations were received by the Senate on March 6, 1981, and which appeared in the CONGRESSIONAL RECORD of March 17, 1981.

Army nominations beginning Phillip G. Abbott, to be colonel, and ending John F. Clary, to be lieutenant colonel, which nominations were received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

Army nominations beginning Howard R. Bixby, to be major, Regular Army and lieutenant colonel, Army of the United States, and ending Michael S. Tucker, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

Army nominations beginning Steven B Acenbrak, to be second lieutenant, and ending Catherine M. Zipoli, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

Navy nominations beginning Thomas E. Digan, to be ensign, and ending Steven G. Detsch, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 24, 1981.

Navy nominations beginning Philip J. Aarons, to be lieutenant, and ending Deborah A. Zanot, to be lieutenant, which nominations were received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

Navy nominations beginning Keith T. Adams, to be lieutenant, and ending Jennifer L. Mustain, to be lieutenant, which nominations were received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

Navy nominations beginning James E. Halwachs, to be lieutenant commander, and ending Larry D. Aasheim, to be ensign, which nominations were received by the Senate March 6, 1981, and which appeared in the CONGRESSIONAL RECORD of March 17, 1981.

Navy nominations beginning Rudolph Abel, Jr., to be captain, and ending Jane E. Sharp, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

Marine Corps nomination of Bonnie H. Bass, to be major, which nomination was received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

Coast Guard nominations beginning Welton H. Jones, Jr., to be captain, and ending Marcus J. Wallace, Jr., to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 5, 1981.

Coast Guard nominations beginning John L. Glen, to be lieutenant commander, and ending Michael P. Farrell, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 5, 1981.

Coast Guard nominations beginning Michael B. Kerr, to be lieutenant, and ending Timothy C. Hess, to be lieutenant, which nominations were received by the Senate January 15, 1981, and which appeared in the CONGRESSIONAL RECORD of January 19, 1981.

Coast Guard nominations beginning Michael G. Barrier, to be lieutenant commander, and ending Edward R. Williams, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 24, 1981.

Coast Guard nominations beginning Robert R. Albright II, to be ensign, and ending James R. Yacobi, Jr., to be lieutenant (junior grade), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 24, 1981.

Coast Guard nominations beginning Wallace F. Kelly, to be commander, and ending Michael T. Bohlman, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 5, 1981.

Coast Guard nominations beginning Carsten L. Henningsen III, to be lieutenant (junior grade), and ending Lewis S. Blankenship, to be lieutenant (junior grade), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the Committee on Governmental Affairs.

(The nomination received today is printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–751. A communication from the Secretary of the Navy, transmitting pursuant to law, notice of the intention of the Department of the Navy to transfer the obsolete destroyer EX-KIDD (ex-DD-661) to the State of Louisiana, Louisiana Naval War Memorial Commission, Baton Rouge, Louisiana; to the Committee on Armed Services.

EC–752. A communication from the Acting Director of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize appropriations for civil defense programs for fiscal years 1982 and 1983, and for other purposes; to the Committee on Armed Services.

EC–753. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a secret report on the Department of Defense Operation and Maintenance (O&M) Appropriations; to the Committee on Armed Services.

EC–754. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "DOD Should Give Better Guidance and Training to Contractors Who Classify National Security Information"; to the Committee on Armed Services.

EC–755. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan guarantee and insurance transactions supported by Eximbank during February 1981; to the Committee on Banking, Housing, and Urban Affairs.

EC–756. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Housing Act to make discretionary the power of the Secretary of Agriculture to provide interest credit subsidy to low and moderate income borrowers, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–757. A communication from the Acting Comptroller General of the United States, transmitting a report and opinion on the financial statements of the National Consumer Cooperative Bank for the fiscal year ending September 30, 1981; to the Committee on Banking, Housing, and Urban Affairs.

EC–758. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) to extend authorizations for appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–759. A communication from the Acting Director of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–760. A communication from the Vice President for Government Affairs of the National Railroad Passenger Corporation, transmitting, pursuant to law, a comprehensive plan for the improvement of all intercity rail passenger service provided in the Amtrak basic plan; to the Committee on Commerce, Science, and Transportation.

EC–761. A communication from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report on sales of refined petroleum products and sales of retail gasoline for December 1980; to the Committee on Energy and Natural Resources.

EC–762. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Energy Conservation Program For Schools and Hospitals Can Be More Effective"; to the Committee on Energy and Natural Resources.

EC–763. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Natural Gas Plan Needed To Provide Greater Protection For High-Priority And Critical Uses"; to the Committee on Energy and Natural Resources.

EC–764. A communication from the Acting Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to require the recovery of certain expenditures of the U.S. Army Corps of Engineers for operation, maintenance, and construction of deep draft channels and ocean and Great Lakes ports of the United States and to authorize such construction in specified circumstances; to the Committee on Environment and Public Works.

EC–765. A communication from the Acting Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to provide for the recovery of capital and operation and maintenance costs assignable to commercial waterway transportation for certain United States Army Corps of Engineers inland waterway projects; to the Committee on Environment and Public Works.

EC–766. A communication from the Secretary of the Interior, transmitting, pursuant to law, the fifth annual report on the Tule elk herds in California; to the Committee on Environment and Public Works.

EC–767. A communication from the Acting Administrator of the United States Environmental Protection Agency, transmitting, pursuant to law, the fourth annual report on the administration of the Toxic Substances Act covering fiscal year 1980; to the Committee on Environment and Public Works.

EC–768. A communication from the Executive Director of the Board for International Broadcasting, transmitting a draft of proposed legislation to amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1981, and to authorize appropriations for fiscal years 1982 and 1983; to the Committee on Foreign Relations.

EC–769. A communication from the Acting Director of the Peace Corps, transmitting a draft of proposed legislation to authorize appropriations for the Peace Corps, and for other purposes; to the Committee on Foreign Relations.

EC–770. A communication from the Chairman of the Foreign Claims Settlement Commission, transmitting, pursuant to law, the annual report of the Commission regarding its compliance with the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–771. A communication from the Secretary of the Postal Rate Commission, transmitting, pursuant to law, the annual report of the Commission on implementation of the Privacy Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–772. A communication from the Acting Inspector General of the Department of Health and Human Services, transmitting, pursuant to law, the quarterly report on the activities of the Office of Inspector General, Department of Health and Human Services for October 1 to December 31, 1980; to the Committee on Governmental Affairs.

EC–773. A communication from the Acting Assistant Secretary of Health and Human Services (Planning and Evaluation), transmitting, pursuant to law, a report on a proposed new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–774. A communication from the Director of the United States Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

EC–775. A communication from the FOIA Officer, Office of the Commissioner, International Boundary and Water Commission, United States and Mexico, transmitting, pursuant to law, the report of the Commission for 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–776. A communication from the Acting Administrator of the Small Business Administration, transmitting, pursuant to law, Volume I of the 1980 Annual Report of the Administration; to the Committee on Small Business.

EC–777. A communication from the Acting Administrator, Small Business Administration, transmitting a draft of proposed legislation to consolidate SBA's present six distinct business loan programs into one; to the Committee on Small Business.

EC–778. A communication from the Acting Administrator of the Veterans' Administration, transmitting, pursuant to law, a report on the utilization of educational entitlements by certain veterans; to the Committee on Veterans' Affairs.

EC–779. A communication from the Acting Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to limit payment of authorized special pay to Veterans' Administration physicians and dentists; to the Committee on Veterans' Affairs.

EC–780. A communication from the Acting Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to revise eligibility requirements for reimbursement of travel expenses for Veterans' Administration health care; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–47. A petition from a citizen of Mount Holly, New Jersey favoring congressional cooperation with the efforts of the Reagan administration to strengthen America's military power; to the Committee on Armed Services.

POM–48. A petition from a citizen of Oliver Springs, Tennessee favoring congressional cooperation with the efforts of the Reagan administration to strengthen Amer-

ica's military power; to the Committee on Armed Services.

POM-49. A petition from a citizen of San Marino, California favoring congressional cooperation with the efforts of the Reagan administration to strengthen America's military power; to the Committee on Armed Services.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NUNN (for himself and Mr. HUDDLESTON):

S. 819. A bill to amend the Internal Revenue Code of 1954 to stimulate investment by increasing the interest and dividend exclusion; to the Committee on Finance.

By Mr. JOHNSTON:

S. 820. A bill to amend title 5 of the United States Code to provide that Federal employees may make an irrevocable assignment of interests in certain life insurance policies; to the Committee on Governmental Affairs.

By Mr. PACKWOOD (for himself, Mr. GOLDWATER, Mr. SCHMITT, and Mr. PRESSLER):

S. 821. To provide for authorization of appropriations for the Federal Communications Commission; to the Committee on Commerce, Science, and Transportation.

By Mr. WILLIAMS:

S. 822. A bill to amend title 18 of the United States Code to make it a Federal crime to vandalize a house of worship or any other religious property; to the Committee on the Judiciary.

By Mr. THURMOND (for himself, Mr. KENNEDY, Mr. HARRY F. BYRD, JR., Mr. HOLLINGS, Mr. WARNER, Mr. HELMS, Mr. HEFLIN, Mr. DENTON and Mr. EAST):

S. 823. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, in fabric, yarn, or fiber, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 824. A bill to authorize the President to establish a program to reduce and order the demand for motor fuel during a severe energy supply interruption; to the Committee on Finance.

By Mr. JEPSEN:

S. 825. A bill to amend the Internal Revenue Code of 1954 to allow the investment tax credit to certain individuals who purchase used section 38 property used for farming purposes from a related party; to the Committee on Finance.

By Mr. STEVENS:

S. 826. A bill to delineate the relationship of the Office of Special Counsel to the Merit Systems Protection Board; to the Committee on Governmental Affairs.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DECONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. BAKER, Mr. BOREN, Mr. DENTON, Mr. HARRY F. BYRD, JR., Mr. DOLE, Mr. COCHRAN, Mr. EAST, Mr. LUGAR, Mr. ARMSTRONG, Mr. GARN, Mr. GRASSLEY, Mr. NICKLES, Mr. MURKOWSKI, Mr. HUMPHREY, Mr. HELMS, Mr. GOLDWATER, Mr. MCCLURE, Mr. PRYOR, Mr. JEPSEN, Mr. KASTEN, Mr. PRESSLER, Mr. ZORINSKY, Mrs. HAWKINS, Mr. MATTINGLY, Mr. WARNER, Mr. EXON, Mr. WALLOP, Mr. QUAYLE, Mr. ABDNOR, Mr. RUDMAN, Mr. SYMMS, Mr. HAYAKAWA, Mr. SCHMITT, Mr. BOSCHWITZ, Mr. DOMENICI, Mr. D'AMATO, Mr. DURENBERGER and Mr. PROXMIRE):

S.J. Res. 58. Joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NUNN (for himself and Mr. HUDDLESTON):

S. 819. A bill to amend the Internal Revenue Code of 1954 to stimulate investment by increasing the interest and dividend exclusion; to the Committee on Finance.

LEGISLATION TO INCREASE THE INTEREST AND DIVIDEND EXCLUSION

Mr. NUNN. Mr. President, the Congress is now carefully reviewing President Reagan's sweeping budget and tax cut package. I agree with the President that reducing excessive Federal spending and revising outdated Federal tax policies must be our highest priority in the months ahead if we are to successfully combat runaway inflation, high interest rates, and overburdensome Federal regulations.

I applaud the President on the direction he has set and the goals which he is attempting to achieve. His proposal to reduce Federal spending by nearly $49 billion in 1982 represents a significant and necessary effort to shift resources from the public sector to the private sector. I support the overall level of budget cuts the President has recommended.

In some areas Congress will no doubt differ with the administration on specific cuts.

In such cases, I believe it is incumbent upon Congress to suggest alternative cuts so that the overall amount of spending reductions the President is seeking is not diminished. We must substantially reduce the growth of Federal spending and the budget deficit. Otherwise, we have no real chance of bringing inflation and high interest rates under control.

I share the President's view that tax rates must be reduced to stimulate the economy, particularly savings and investment. The United States now has among the highest percentage of obsolete plant, the lowest percentage of capital investment, and the lowest growth in productivity and savings of any major industrial nation. Our failure to attack these basic structural economic problems has led to the creation of a self-perpetuating, vicious cycle wherein productivity declines, inflation increases, real income falls, corporate profits erode, investment in productive resources falters, and productivity declines even further.

Mr. President, with the exception of a slight increase last year, the level of savings in the United States has declined every year since 1975. That trend has become a problem of critical national concern. The effects of today's anemic savings rate are clear and obvious—soaring inflation, high interest rates, lagging investment, poor productivity performance, and sluggish economic growth. Increasing savings is the necessary first step to accumulating the capital essential for new home construction and for investment in new plant and equipment which will lead to increased productivity, lower inflation, and sustained real growth.

While Americans have been saving only 4 to 5 percent of their income, other major industralized nations have done much better and our competitive position in the world has declined. The Canadian savings rate is greater than 10 percent. The West Germans save 13 to 15 percent of their income and the Japanese save more than 20 percent of their income. Government incentives to encourage savings in these nations far exceed those in the United States. Canada excludes from taxation the first $2,000 of interest and dividends on a joint return. In West Germany, the first $300 of interest on regular savings is excluded from taxation and there are additional benefits for long-term savings. And in Japan, interest earned on the first $32,000 of savings is exempt from taxation.

The benefits of these savings incentives are clear as our competitors are succeeding where we are failing. The average plant in the United States is 16 to 17 years old, while the equivalent in West Germany is 12 and in Japan less than 10. Investment in the United States hovers at about 10 percent of gross national product compared with 15 percent in Germany and 20 percent in Japan. And as a direct result, U.S. productivity is slipping while that of our competitors is increasing.

The list of victims of America's poor savings record continues to grow. The housing industry, the savings and loan industry, small businesses and farmers are suffering nationwide from runaway inflation and high interest rates. Many small businessmen, automobile dealers, farmers and construction companies are fighting for their very survival.

The lack of savings is having a devastating whipsaw effect on the housing and savings and loan industries. Our Nation's savings and loans are being squeezed by low savings, high interest rates, and mortgages yielding less than current interest being paid by the savings and loan. As a result, funds available for mortgages declined $28 billion from 1978 to 1980—from $99 billion to $71 billion. That in turn is creating a desperate situation in the construction industry.

Mortgage interest rates have risen from the 12-percent level last summer up to 16 percent today, choking off housing construction, killing home sales, forcing tens of thousands of young families out of the housing market, and leaving 750,000 construction workers unemployed.

The situation is just as bad for the automobile industry and small business owners. The automobile industry lost billions of dollars last year and some 1,600 dealers closed their doors with soaring interest rates being a principal cause. Untold numbers of other small business owners and farmers are still reeling from the high interest rates.

Channeling money into productive savings is a key ingredient to lowering interest rates, increasing productivity, lowering inflation and strengthening the economy.

Unless the current climate of "buy now, save later" is turned around, inadequate savings will deprive our economy of the capital necessary for the needed increase in productivity critical to restoring the domestic and international competitiveness of U.S. industries.

The President has recognized the necessity to increase savings and he has proposed a tax cut bill to address the problem. The President's plan would reduce all marginal tax rates by 30 percent over a 36-month period in the hope that this will stimulate new savings flow. While all of us agree that individual taxes are too high and should be reduced, this approach provides no direct incentive for the average middle-income American to save and invest in the resources essential to economic recovery. In my view this approach does not go far enough toward insuring a significant increase in savings, particularly among middle-income taxpayers below the 50-percent marginal tax rate. Do we have a reasonable assurance based on history and commonsense that a middle-income American making $15,000 or $20,000 or $25,000 will take his $200 to $300 tax cut and open a new savings account or invest in securities? I think not, with the current lack of savings incentives.

I agree that we need individual tax reductions over the next few years. We must go beyond what the President has proposed however and lay a foundation for maximizing the benefits of these individual tax cuts—a foundation built upon increased incentives and opportunities for middle-income Americans to save. Rather than a shotgun approach which gambles on hitting the target of increased savings, I suggest a "rifle approach" to encourage increased savings with targeted tax incentives. We must assure that the money injected into the economy through a tax cut shows up as increased savings and investment rather than increased consumption. For if taxpayers consume rather than save, interest rates will once again increase and inflation, already deeply embedded at a 10-percent core rate, will soar once again. As Harvard economist, Martin Feldstein, has said—

> Over a long-term, the real problem is savings and how to stimulate a high rate of savings. Although the administration's emphasis on reducing marginal tax rates is to be applauded, it is unfortunate that a significant portion of the overall tax reduction wasn't devoted specifically to stimulating private saving.

I am introducing today the Savings Incentive Act which addresses that problem by reducing the tax rate on interest and dividends. My bill will assist the Nation in achieving the goals the President has set forth.

Under this bill, the temporary $200 to $400 combined interest and dividend exclusion is made permanent. Further, the bill gives the taxpayer the option of taking that exclusion or excluding 10 percent of dividends and interest from taxation in 1982, whichever is greater. The percentage exclusion would increase to 20 percent in 1983, and 30 percent in 1984. This increasing percentage would thus give savers an incentive to increase their level of savings over a period of years.

Therefore, the net effect of the bill is to gradually reduce the maximum marginal tax rate on interest and dividends from 70 percent to 49 percent. In 1982, the maximum tax on interest and dividends would be reduced by 63 percent in 1983 to 56 percent and in 1984 to 49 percent. Thus by 1984 there would be parity between the tax treatment of earned income and the tax treatment of interest and dividends. Even more importantly my bill will provide a real incentive for middle-income taxpayers to save and invest. Such a targeted incentive is the missing element in the Reagan proposal. Across-the-board reductions in tax rates will encourage savings and investments most significantly for high-income taxpayers. Additional inducements to save, like my bill, are needed, however for middle-income families.

Several other proposals have been introduced in the Senate to target tax cuts to increased savings. Each deserves careful review and I have joined in cosponsoring two of them. First, I have joined Senator CHAFEE and others in introducing S. 243, the Savings and Retirement Income Incentive Act of 1981. This proposal:

> Make permanent the $200 to $400 interest and dividend exclusion.
>
> Allows a $500 to $1,000 interest and dividend tax exclusion for senior citizens (65 years of age and over).
>
> Makes all persons with earned income eligible to establish an Individual Retirement Account (including government and military employees, and workers who are also participants in qualified pension plans.
>
> Increase the maximum tax deductible IRA contribution to $2,000 a year.
>
> Permits a tax deduction up to $2 000 a year to individuals who make voluntary contributions (in excess of any mandatory contributions) to a pension plan in lieu of an IRA.
>
> Allows additional nondeductible contributions up to $2,000 a year; however, interest earned on this amount would be tax-deferred.
>
> Allows account holder the privilege of making 5 withdrawals without penalty up to a total amount of $10,000 if the funds are used for the purchase of a first home or for higher education expenses.

Second, I have joined Senator PENTSEN in introducing S. 701, the Home Mortgage Incentive Act of 1981, which would allow a taxpayer to exclude from gross income any interest on a savings deposit which is used by a financial institution for residential mortgage lending purposes. This legislation if enacted would provide a major boost to the crippled savings and loan industry in our country who provide long-term mortgages. While no exact estimate of revenue loss is available at this time on this bill, the revitalization of the construction industry that would occur would provide hundreds of thousands of jobs and millions of additional tax revenue.

Mr. President, there is no simple answer to creating the environment necessary for stimulating capital formation and increasing productivity. We must however remove the disincentive in our system for savings. We must establish a policy to reward savings. As Economist Eliot Janeway has stated:

> The incentive for investors to invest and savers to save is the same as for electricians and machinists to work—take home pay. If only the tax code could be revised to give genuine long-term investors a partial forgiveness of income tax stocks would suddenly offer savers and investors alike, investment parity.

The Savings Incentive Act I am introducing today is an important step in the right direction. It would benefit savers both large and small and would encourage systematic long-term savings and investment.

I am confident it would help provide the capital needed to reinvigorate our Nation's lackluster investment performance, lower interest rates, and create jobs. My bill, the Chafee and Bentsen bills and other savings incentive proposals which have been introduced all have merit and must be given careful consideration. Obviously, the revenue loss and the ability to generate additional savings by all of these measures must be compared carefully so that the best proposal or a combination of several is adopted.

Increased savings incentives are not the only answer, however. They must be coordinated with other tax cuts all working hand in hand to cure our Nation's economic ills.

There is no question that there must be accelerated and simplified depreciation reform.

In the last 2 years, industry's estimated cost of replacing outmoded plant and equipment shot up by $40 billion to $169 billion. Even after inflation is taken into account, the real replacement cost increased about $20 billion. Since 1978, the percentage of the private sectors plant and equipment more than 10 years old has jumped from 31 percent to 37 percent. That trend must be reversed and accelerated depreciation is the key to its reversal.

Over the decade of the 1980's, industry will need more than $5 trillion to meet its investment needs. Accelerated depreciation is just a start. Further tax changes must also be made to provide that capital. Those changes should include:

A further graduation and reduction of corporate income taxes with particular emphasis on small business rate reductions—the single most important step for keeping money in the hands of companies where it can be used to finance business expansion;

A reduction in the maximum capital gains tax rate—recent evidence prepared by the Treasury Department shows that at least initially, the lowering of the maximum tax on capital gains from just under 50 percent to 28 percent, has had a tremendous effect on unlocking equity for critical business expansion;

A reform of estate tax provisions so that an estate can be passed on tax free to a surviving spouse and up to $600,000 can be passed on tax free to the decedent's children—changes long overdue to aid farmers and small businessmen in maintaining family operations;

Capital gains rollover so that the gains

from the sales of an investment in one small business would not be penalized if invested, within a limited period of time, in another small business;

A change critical for small businesses attempting to retain the capital necessary to operate; and

An increase in permissible accumulated earnings.

Each of these proposals is part of the Omnibus Small Business Capital Formation Act of 1981, a comprehensive measure designed to improve capital formation, capital retention and business continuity which I introduced on February 3, 1981.

In the near future, I will also join Senator RUSSELL LONG in introducing legislation to encourage and expand the concept of employee stock ownership plans to give employees the opportunity to invest in and own a portion of the corporation for which they work.

The pros and cons of all of these provisions must be weighed and compared by the tax-writing committees of the Congress so that the best possible package can be enacted. I recognize that there is duplication among some of these ideas. But we need to provide Congress with a menu of proposals from which it can choose the best combination. Our purpose must be to be as creative as possible to develop the best plan possible.

Mr. President, our economy is at a crossroad and we as policymakers must choose the correct path to take. The time is ripe for tax reform which enlarges American economy rather than simply redistributes pieces of it. I will continue to work with the President and my colleagues in our fight against inflation, high interest rates and lagging productivity.

I ask unanimous consent that the Savings Incentive Act be printed following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled That (a) paragraph (1) of section 116(b) of the Internal Revenue Code of 1954 (relating to maximum dollar amount of interest and dividend exclusion) is amended to read as follows:

"(1) Maximum dollar amount.—

"(A) IN GENERAL.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed the greater of—

"(i) $200 ($400 in the case of a joint return under section 6013), or

"(ii) an amount equal to the product of the sum determined under subsection (a) (for both the individual and spouse in the case of a joint return), multiplied by the applicable percentage.

"(3) APPLICABLE PERCENTAGE.—The applicable percentage shall be determined in accordance with the following table:

"If the taxable year begins in:	The applicable percentage is:
1982	10
1983	20
1984 and thereafter	30.".

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1981.

By Mr. JOHNSTON:

S. 820. A bill to amend title 5 of the United States Code to provide that Federal employees may make an irrevocable assignment of interests in certain life insurance policies; to the Committee on Governmental Affairs.

FEDERAL EMPLOYEES' GROUP LIFE INSURANCE IMPROVEMENT ACT OF 1981

● Mr. JOHNSTON. Mr. President, I am today introducing legislation to amend the Federal employees' group life insurance (FEGLI) law to allow participants in the insurance program which that law authorizes to make an irrevocable assignment of all incidents of ownership in their insurance. This change will give Federal employees insured under the program the same rights with regard to assignability as are generally available to others insured under employer-sponsored group life insurance plans. Under appropriate circumstances, the proceeds of assigned life insurance for the latter may be excluded from the gross estate of an insured decedent for Federal tax purposes, but such rights are not now available for FEGLI participants.

In the 96th Congress, legislation was enacted to expand the FEGLI program with regard to the amount of insurance available to Federal employees. I supported that measure in an attempt to address some of the major disparities between group life insurance policies available to workers in the private and Federal sectors. My bill will eliminate yet another disparity and remove a possible disincentive for highly qualified and skilled individuals to join the Federal civil service.

The recent amendments to the FEGLI law added a new option to the program under which employees will be permitted to purchase large amounts of group life insurance at very attractive group rates. My bill will improve FEGLI program participants' estate planning by permitting them to minimize the tax liability on the proceeds from the policy after the death of the insured, as participants in other employer-sponsored group life insurance plans can now do.

The Office of Personnel Management has been studying the assignability issue, at my request, for over 2 years. I have urged them to recommend legislation to address this inequity. OPM advised that, since this issue involves tax policy, it would first seek definitive guidance from the Department of the Treasury regarding the appropriateness and form of such legislation and, assuming a positive response, would investigate the potential administrative problems involved. However, OPM has failed to either propose legislation or furnish a time frame for this undertaking.

Internal Revenue Service rulings currently hold that assignment of group life insurance is generally effective to prevent inclusion of the insurance death proceeds in the decedent's gross estate for Federal estate tax purposes, subject to three conditions. These conditions include the following: First, applicable State law must permit the assignment of group life insurance; second, the master policy must not prohibit assignment of group life insurance; and third, the insured must irrevocably transfer all right, title, interest, and incidents of ownership, both including but not limited to the right to designate beneficiaries and the privilege of converting to an individual policy of life insurance upon termination of group coverage.

There is now a law in every State to support absolute assignment of group life insurance as a gift. My bill will amend the FEGLI law to permit insured employees to irrevocably assign all interest in the insurance in accordance with regulations prescribed by the Office of Personnel Management.

I urge the appropriate Senate committee to schedule hearings on this important matter so details of such a change can be worked out and discrimination against FEGLI program participants can be eliminated.

Mr. President, I ask unanimous consent for the text of this legislation to be printed in full at the end of my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 820

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8706 of title 5, United States Code, is amended by adding at the end thereof the following new subsection.

"(f) Under regulations prescribed by the Office, each policy purchased under this chapter shall provide that an insured employee may make an irrevocable assignment of the employee's incidents of ownership in the policy.".

(b) The heading for section 8706 of title 5, United States Code, and the item relating to section 8706 in the analysis for chapter 87 of such title are each amended by inserting "; assignment of ownership" after "insurance".

SEC. 2. (a) Except as provided in subsection (b), the amendments made by this Act shall apply to policies purchased after the date of enactment of this Act.

(b) If a company which issued a policy which is in effect on the date of the enactment of this Act agrees, the amendments made by this Act shall apply to such policy.●

By Mr. PACKWOOD (for himself, Mr. GOLDWATER, Mr. SCHMITT, and Mr. PRESSLER):

S. 821. To provide for authorization of appropriations for the Federal Communications Commission; to the Committee on Commerce, Science, and Transportation.

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT OF 1981

● Mr. PACKWOOD. Mr. President, the bill I introduce today is entitled the Federal Communications Commission Authorization Act of 1981. It authorizes appropriations for the Federal Communications Commission (FCC) at $76.9 million each year for fiscal years 1982, 1983, and 1984. It also establishes a statutory fee schedule, assessing charges for services received by communications providers and users, at rates that would

guarantee a return to the Federal Treasury of almost half of the FCC annual budget.

The FCC is permanently authorized by Congress pursuant to the Communications Act of 1934. This statute made permanent a regulatory body, originally conceived as an agency, to plan and carry out reallocation of broadcast stations to permit interference. The agency's permanent status was based upon the need to expertly regulate rapidly expanding broadcast services. Today, the FCC has far-reaching jurisdiction over international and interstate communications by radio, television, wire, and cable. As such, the Commission regulates in the following areas: domestic common carrier, including rural telecommunications; international common carrier; broadcasting, including political broadcasting; cable television, and nonbroadcast services.

The Commerce Committee is presently in the process of proposing comprehensive amendments to the Communications Act of 1934 in a manner consistent with the deregulation already undertaken in the airline, trucking, and railroad industries.

The committee has closely monitored recent actions by the FCC to promote competition and deregulation in the telecommunications industry. While the Commission's actions are generally consistent with congressional intent, the decisions have been subject to lengthy judicial review and subsequent agency revision. That is because these decisions are being made in the context of the 1934 act, which is outmoded to a large degree by recent technological advances. As a result, the services or equipment that should be available to the consumer are delayed or more expensive than they should be. Our committee is moving to assert its necessary policymaking role to insure that FCC efforts to promote competition and deregulation benefit the American people.

This authorization bill will provide the Congress an opportunity for regular and systematic oversight of the activities of the FCC. Through vigorous, systematic oversight, the Congress can insure that the Commission implements the congressional mandate, with substantially reduced costs to the taxpayer. Efficiencies created through deregulation and oversight are reflected in the proposed authorization ceilings, although economies may be achieved beyond those ceilings. For that reason, the FCC may reduce the fees to reflect these efficiencies.

The statutory fee schedule is based solely on the cost of regulation. This is the standard established by the U.S. court of appeals in a series of cases in 1976. (*National Cable Television Association* v. *FCC*, 554 F. 2d 1094 (D.C. Cir. 1976); *Electronic Industries Association* v. *FCC*, 554 F. 2d 1109 (D.C. Cir. 1976); *National Association of Broadcasters* v. *FCC*, 554 F. 2d 1118 (D.C. Cir. 1976); *Capital Cities Communications, Inc.* v. *FCC*, 554 F. 2d 1135 (D.C. Cir. 1976)). We believe that in a time of budgetary caution and spending restraint, it is the responsibility of Congress to seek out ways to ease the Federal monetary load without unduly burdening the American public and the providers and users of communications services. This bill establishes specific fees. We believe the fees are reasonable, and will not unduly burden the providers or users of services, but merely be a sensible way to help defray the cost of regulation.

Passage of this bill will resolve the questions that have been raised concerning the FCC's authority to establish fees, and will put to rest the controversy over radio spectrum use fees.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 821

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(p) There are authorized to be appropriated, to carry out the functions of the Commission, $76,900,000 for the fiscal year ending September 30, 1982, $76,900,000 for the fiscal year ending September 30, 1983, and $76,900,000 for the fiscal year ending September 30, 1984.".

(b) The Communications Act of 1934 is further amended by inserting after Section 5 a new section:

"CHARGES

"SEC. 6. (a) The Commission shall assess charges for the services listed in this subsection at the rates listed or at such modified rates as it shall establish pursuant to the provisions of subsection (b) of this section.

"SCHEDULE OF CHARGES

	Charge
"Private radio services:	
"Service:	
"Public coast stations—new, mods, and renewals	$50
"Operational fixed microwave stations—new, mods, and renewals	50
"Ship licenses—new, mods, and renewals	25
"Aviation radio licenses (including ground stations)—new, mods, and renewals	25
"Land transportation, industrial, public safety and business licenses—new, mods, and renewals	25
"Equipment approval services:	
"Service:	
"Type certification:	
"Computing devices	500
"All others	150
"Type acceptance:	
"Approval of subscription TV systems	1,500
"All others	250
"Type approval:	
"Ship automatic alarm systems	10,000
"Broadcast equipment required to be approved under FCC rules	2,500
"Ship and lifeboat transmitters	2,500
"All others (class I TV devices)	1,000
"Cable television services:	
"Service:	
"CARS construction permit—new and renewals	250
"Petitions for special-relief-waivers	1,000
"Broadcast services:	
"Service:	
"Commercial TV stations—initial construction permit:	
"Application fee	1,000
"Hearing charge	7,500
"Grant fee	3X annual fee
"Commercial radio stations—initial construction permit:	
"Application fee	500
"Hearing charge	3,000
"Grant fee	3X annual fee
"Low power TV stations—initial construction permit:	
"Application fee	500
"Hearing charge	2,500
"Grant fee	500
"Annual fee—commercial TV stations:	
"Top 20 markets	$7,500
"21-40 market	6,750
"41-60 market	6,000
"61-80 market	5,250
"81-100 market	4,500
"101-120 market	3,750
"121-140 market	3,000
"141-160 market	2,250
"161-180 market	1,500
"181-balance	750
"Annual fee—commercial radio stations:	
"Class B and C—FM, greater than 5,000W—AM	1,500
"Class A—FM, 1,000W to 5,000W—AM	500
"Less than 1,000W—AM	150
"Annual fee—low power TV stations	150
"Subscription TV stations—application fee	2,500
"Station assignment and transfer fees:	
"Application fee—TV stations	1,000
"Application fee—radio stations	500
"Hearing charges	5,000
"Common carrier services:	
"Service:	
"Domestic public land mobile radio tation (base, dispatch, control, and repeater stations):	
"Initial construction permit	250
"Renewals	25
"Cellular systems:	
"Initial construction permit	1,000
"Annual fee per mobile unit	$3 per mobile unit
"Rural radio service—central office, interoffice or relay facilities:	
"Initial construction permit	100
"Renewals	25
"Local television or point-to-point microwave radio service—initial construction permit or renewal	150
"International fixed public radio service—public and control stations:	
"Initial construction permit	500
"Renewals	350
"Satellite services:	
"Initial construction permit for a commercial transmit/receive earth station	1,500
"Renewals	500
"Initial construction permit for a receive only earth station	250
"Renewals	50
"Application for authority to construct and launch satellites	2,000
"Application for a satellite license	20,000
"Multipoint distribution service:	
"Initial construction permit	1,500
"Renewals	100
"All section 214 applications	750
"Tariff filings	300

"(b)(1) The Commission may on an annual basis increase or decrease the amounts of the charges established in subsection (a). Increases or decreases shall apply on a pro rata basis to all categories of charges and shall be in the same proportion as the cumulative charges in the Commission's total budget appropriations for the preceding two fiscal years.

"(2) Increases or decreases made pursuant to this subsection shall be adopted as a part of the Commission's rules and regulations.

"(3) Increases or decreases made pursuant to this subsection shall not be subject to judicial review.

"(c) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

"(d) The Commission is authorized to prescribe by regulation an additional charge which may be assessed as a penalty for late payment of charges required by subsection (a). Such penalty shall not exceed 25 percent of the amount of the charge which was late.

"(e)(1) The charges established in this section shall not be applicable to any governmental body.

"(2) The Commission is authorized to waive or delay payment of any fee established in this section if it determines that the public interest would be served by such action.

"(f) Money received from charges established pursuant to this section shall be placed in the general fund of the Treasury to reimburse the United States for amounts appropriated for use by the Commission in carrying out its functions under this Act.

"(g) The authority to collect the charges established under this section shall be con-

current with the authorization of appropriations under subsection (p) of section 4.".●

By Mr. WILLIAMS:

S. 822. A bill to amend title 18 of the United States Code to make it a Federal crime to vandalize a house of worship or any other religious property; to the Committee on the Judiciary.

RELIGIOUS FREEDOM PROTECTION ACT

● Mr. WILLIAMS. Mr. President, I am today introducing legislation that would make it a Federal crime to intimidate any individual or group or to commit any act of vandalism or theft against religious property, when the act is committed with the intent of interfering with the free exercise of religion guaranteed to every citizen by the Constitution.

While this legislation will extend protection to Americans of every religious background, it provides a particularly appropriate response to an alarming upsurge of anti-Semitic threats and violence. The Anti-Defamation League of B'nai B'rith's annual survey of such episodes found a 192-percent increase in reported acts of anti-Semitism in 1980 compared to 1979. This startling increase, from 120 incidents to 377, consisted of firebombings, thefts, and defacements in 29 States and the District of Columbia. With great unhappiness, I must report that New Jersey reported 69 anti-Semitic acts in 1980, the second highest total for any State. These incidents included—

Synagogue windows smashed by rocks;

The desecration of a cemetery and its holocaust memorial;

The burning of an ornamental altar cloth;

The firing of a .22 caliber bullet through the front doors of a temple;

Placement of a pipebomb in the entranceway of a synagogue. Fortunately, the pipebomb was defused before it exploded.

Similar incidents have taken place from coast to coast. In January, seven handwritten Torah scrolls valued at $15,000 each were stolen from one of the oldest synagogues in Brooklyn, N.Y., threatening its continued functioning. And, while most of the anti-Semitic acts appear to be the work of disturbed individuals acting on their own, two members of the neo-Nazi National Socialist American Workers Party were arrested for the December arson of a Los Angeles temple which caused more than $100,000 in damage.

Dr. Melvin Tumin, a Princeton University sociologist who recently chaired a two-day meeting of B'nai B'rith's task force on anti-Semitism, believes that the rising number of such incidents is just the "tip of an iceberg" of "a pervasive and deep-rooted anti-Semitism which has lain dormant for the past 20 or 30 years". Dr. Tumin believes that this dormancy may be ending due to economic distress and social upheaval here and abroad, and has in part been legitimized by anti-Israeli propaganda, and by the United Nations' despicable adoption of the infamous resolution equating Zionism with racism.

Mr. President, I sincerely hope that Dr. Tumin is mistaken in his assessment of the magnitude of anti-Semitic feeling in the United States. In New Jersey, many schools have programs stressing religious tolerance, and anti-Semitic incidents have brought together religious leaders from every spectrum of the community to decry the scourge of bigotry. However, the fact remains that reported acts of arson, vandalism, and defacement nearly tripled in 1980, and that only 3 percent of the perpetrators were apprehended.

Mr. President, the enactment of this legislation would send a clear signal from the Congress that acts of this kind have no place in the United States. The possibility of severe Federal penalties would undoubtedly provide a significant deterrent effect. And, while Federal involvement would not be appropriate in every instance, the availability of Federal investigatory resources for especially damaging desecrations or very reprehensible acts would increase the likelihood that perpetrators would be apprehended.

Mr. President, even when an act of bigotry consists of no more than a spray-painted swastika or the slogan "Juden sterben" on a synagogue entrance, it sets in motion a wave of fear and concern which sweeps through the entire community. It is not possible for the Jewish people to forget that these words and symbols accompanied the systematic murder of 6 million of their brothers and sisters less than 40 years ago. Nor can they overlook that, even today, the survival of the State of Israel requires constant vigilance and defense. Likewise, we in the Congress should not forget that failure to nip the poison weed of religious intolerance early in its blooming can permit the entire garden of our freedoms to be overrun.

I hope that my colleagues will join me in supporting this legislation by which the Federal Government can do its part to weed out the most virulent aspects of anti-Semitism and bigotry.

I ask that the text of this legislation, as well as three articles describing the recent upsurge in anti-Semitism, be printed in the RECORD.

There being no objection, the bill and articles were ordered to be printed in the RECORD, as follows:

S. 822

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Religious Freedom Protection Act".

SEC. 2. Chapter 13 of title 18, United States Code, is amended by adding immediately after section 246 the following new section:

"§ 247. Interference with religious freedom.".

"(a) Whoever, acting with the intent to interfere with the free exercise of religion by any individual or group, intimidates or attempts to intimidate such individual or group, shall be fined not more than $10,000, or imprisoned not more than five years, or both; and if bodily injury results shall be fined not more than $15,000 or imprisoned not more than fifteen years, or both; and, if death results, shall be subject to imprisonment for any term of years or for life.".

"(b) Whoever, acting with the intent to interfere with the free exercise of religion by any individual or group, vandalizes or defaces, sets fire to, tampers with, or in any other way damages or destroys any consecrated cemetery, religious school, house of worship, or any other real property used for religious purposes, or any religious article contained therein, or acting with such intent, takes and carries away any religious article from such cemetery, school, house of worship, or other real property, or attempts to carry out any such prohibited act, shall be fined not more than $10,000, or imprisoned not more than five years, or both; and if bodily injury results shall be fined not more than $15,000 or imprisoned not more than fifteen years, or both; and, if death results, shall be subject to imprisonment for any term of years or for life.

"(c) Whoever enters into a conspiracy to carry out any act prohibited by the preceding subsections shall be fined not more than $10,000 or imprisoned not more than five years."

SEC. 3. The table of sections for chapter 13 of title 18, United States Code, is amended by adding at the end the following item:

"247. Interference with religious freedom.".

SEC. 4. The provisions of section 2 of this Act shall take effect on the date of enactment of this Act.

REAWAKENING IN U.S.

(By Charles Austin)

NEW YORK.—Although youthful vandals who desecrate Jewish cemeteries or scratch swastikas on synagogues may be unaware of the mental anguish caused by their crimes, Jews in this country are worried that a "dormant anti-Semitism deeply entrenched in U.S. institutions" might lie behind the increase in anti-Semitic incidents last year.

The Anti-Defamation League of B'nai B'rith yesterday concluded a two-day meeting involving educators, law enforcement officials, and sociologists to discuss the increase in anti-Semitic acts. Dr. Melvin Tumin of Princeton University said after the consultation that records seem to indicate that the incidents are mainly perpetrated by young people between the ages of 14 and 20.

SHARP RISE IN EPISODES

The ADL reported last month that there were more anti-Semitic acts of vandalism in Bergen County than in any other New Jersey county last year, and more such acts in New Jersey than in any other state except New York.

Nationally, there was a sharp rise in the number of anti-Semitic episodes reported in the United States, the league report showed. A total of 377 episodes were reported in 1980, a significant increase from the 129 reported in 1979.

Dr. Tumin said some vandalism directed against Jews may be the work of young people "acting out their own personal problems."

"But we have to ask why they act them out this way," Dr. Tumin said. "What are they hearing at home?" Participants in the meeting agreed that there may be a widespread anti-Semitism "buried in our institutions." Dr. Tumin reported. It has lain dormant for the past 20 years, he said, but may be stirring in response to a number of domestic and foreign influences.

Some of the incidents may be attributed to what Dr. Tumin called a "misperception of the relationship between U.S. support for Israel and the cost of oil." Other anti-Semitic feelings could be attributed to the plunging economy, which Dr. Tumin said "makes people look for a scapegoat to take the blame."

The Princeton professor also blamed the surfacing of anti-Jewish sentiments on "Arab propaganda and resolutions promulgated by the United Nations equating Zionism with racism."

"It now seems almost fair to go after Jews," he stated at a press conference at

ADL headquarters just opposite the United Nations building in Manhattan

UNAWARE OF IMPACT

Patrick J. Murphy, chief of operations for the New York City Police Department, agreed that young people involved in vandalism against synagogues and Jewish homes seem to be unaware of the impact of their deeds. "They say it was a prank," Murphy stated, "and when they are caught, they can't understand the outrage."

Both Murphy and Tumin were critical of how the courts handled those convicted of anti-Semitic vandalism. "The judges are not severe enough," said Tumin. The Princeton educator also said that sentences requiring those convicted to write essays on the Nazi Holocaust were too gentle. "Anti-Semitic behavior should be deglamorized by making it very costly," he said.

Murphy said the police were helped when political leaders issued a clear denunciation of anti-Semitic activity, no matter how minor, and when prosecutors energetically pursued those accused of anti-Semitic vandalism.

[From the Star-Ledger, Dec. 30, 1980]

ADL REPORT RECORDS 69 ACTS FOR 1980

(By Monica Maske)

New Jersey ranks second highest in the number of anti-Semitic acts of vandalism reported in 1980 according to statistics released yesterday by the Anti-Defamation League (ADL) of B'nai B'rith.

Only New York, with 120 reported episodes in the past 12 months, reported a higher number of such incidents than New Jersey, where 69 acts of vandalism against synagogues, Jewish schools and homes owned by Jews, were committed in 1980.

The ADL's 1980 audit of anti-Semitic "episodes" in all States and the District of Columbia also showed a sharp increase over 1979. Nationally, there were only * * * such acts committed in 1979 while the number recorded for 1980 jumped by 192 percent to 377.

In New Jersey, the number of anti-Semitic incidents in 1980 was nearly double the 38 reported in 1979. New York's 1980 statistics showed an increase of almost five times the 20 reported in 1979.

Nathan Perlmutter, national ADL director, attributed part of the increase to improved reporting procedures from the ADL's 26 regional offices as well as a greater willingness on the part of the victims to report the acts.

However, he added that the ADL faced a "real problem" in deciding whether to release the statistics because "in the past, we've found these actions tend to be imitative, which means somewhere, somehow, someone has read about someone else doing it and gets the idea to do it too."

"The problem," he said, "is do you sweep it under the rug and prevent imitation or do you point out what is happening and in doing so, actually contribute to it?"

"We need to focus public opinion," he stated, even though the attention might give the idea to some people, "because a larger number is appalled and disgusted by this kind of activity. Publicity, hopefully brings about peer disapproval of what is cowardly, anti-Semitic and anti-American because it is not in consonance with any of the standards we uphold in this nation."

While the statistics do not lend themselves to "specific conclusions" about the nature of the increase in anti-Semitic acts in 1980, the ADL national director said, certain factors are clear.

Anti-Semitic vandalism, he said, tends to be committed by teenagers, acting alone or in pairs. It does not appear to be a concerted effort by a "hate group" or have any "conspiratorial" quality.

Perlmutter also said it tends to be an "imitative" act by teenagers who read or hear of such vandalism.

However, because of the marked increase in the number of anti-Semitic incidents in the nation, the ADL has called an emergency task force meeting at its New York headquarters Jan. 6 and 7.

Participants in the task force session will include law enforcement officials, educators, social scientists and ADL staff. Jeffrey Maas, regional director of the ADL in New Jersey, will also attend.

The aim of the meeting is to analyze the incidents, characterize the average perpetrator, examine the causes and motivations for such acts and suggest remedial action which might be taken to stem the increasing tide of acts of violence against Jews and Jewish property.

The 69 acts of anti-Semitic vandalism in New Jersey, which included a fire-bombing attempt on a Yeshiva school bus in Union City in June, occurred primarily in Bergen, Essex and Middlesex counties.

The highest number of such acts, 22, was reported in Bergen County while Essex and Middlesex counties both reported 14 acts. Union County had three, while the remaining 16 episodes were "scattered" throughout the state according to Judith Mandelbaum of the New Jersey ADL.

All the incidents in New Jersey with the exception of the attempted fire-bombing, fell into the category of the painting of graffiti such as swastikas and other vandalism.

Mandelbaum said many such acts of anti-Semitic vandalism occurred during Halloween. But the number reported during that holiday to her office this year was the same as last year, which she attributed to the call by Attorney General John J. Degnan to the county prosecutors to get tough with youthful offenders.

Only seven arrests were made in 1980 for acts of anti-Semitic vandalism in New Jersey, Mandelbaum said. Three juveniles in Monmouth County and four in Wayne were apprehended for painting swastikas on private homes.

She said that most of the anti-Semitic vandalism in New Jersey is the work of "young people" who she added appear to have a "lack of education about what it means to draw a swastika on someone's home."

She pointed out that the ADL actively supports the "Ethnic Terrorism Bill" sponsored by Assemblyman Byron Baer (D-Bergen) which would increase the penalty for such acts of vandalism from a petty misdemeanor to a third or fourth degree crime which would draw the penalty of a $7,500 fine and/or four years in prison.

However, she noted that the bill doesn't affect juveniles, who appear to be committing most of these acts of vandalism.

[From the New York Times, Dec. 30, 1980]

SURVEY FINDS SHARP RISE IN ANTI-SEMITIC INCIDENTS

A considerable increase in reported anti-Semitic incidents took place throughout the United States this year, according to a report yesterday by the Anti-Defamation League of B'nai B'rith. The group said that 377 cases of assaults and vandalism were reported against properties in 1980, and 112 bodily assaults or harassments against individual Jews or institutions.

Nathan Perlmutter, the civic organization's director, said the data "suggest that there is a high quotient of anti-Semitism and anti-Jewish hostility which still exists just beneath the surface of American life."

The study said that nearly all the reported incidents "appear to be the work of hostile individuals acting without organizational direction."

"The findings underscore once again the anti-Semitism and other forms of racial and religious bigotry remain a virulent social disease, Mr. Perlmutter said. "What is called for is greater public concern manifested through strengthened law enforcement, realistic penalties and expanded educational programs."

The league is to convene a task force of law enforcement officials, educators, social scientists and staff members at its New York headquarters, 345 East 48th Street, Jan. 6 and 7 to analyze the incidents as to characteristics of perpetrators, causes, motivations and remedies.

This year's survey of property incidents included 354 incidents classified as "anti-Semitic graffiti, swastikas, vandalisms" along with 10 arsons, two attempted arsons, four fire-bombings, two attempted firebombings and five cemetery desecrations.

Almost 65 percent of the incidents occurred in five Northeastern states—New York, New Jersey, Massachusetts, Rhode Island and Connecticut. Forty-one percent were directed against such Jewish institutions as houses of worship, schools, community centers and cemeteries; 42 percent were aimed at homes or stores owned by Jews, and the rest involved public property.

The new total compared with 129 property incidents reported in last year's annual survey by the Anti-Defamation League. But Mr. Perlmutter said that part of the 1980 increase might have reflected improved procedures introduced this year in collecting and evaluating information. In 1978, 49 property incidents were reported.

This year's 112 reported incidents of bodily assaults and harassment were cited separately, because there was no comparable count in the 1979 survey.

The incidents against property occurred in 29 states and the District of Columbia. The largest number, 120, were reported in New York State, including 69 in New York City and 39 in Nassau and Suffolk counties on Long Island. Last year 26 incidents were reported in the state. New Jersey was second this year with 69 incidents, up from 38 reported in 1979. Then followed Massachusetts, 34, up from 14; California, 27, up from 15, and Michigan, 21, up from four.

In New York City, 29 incidents were reported in Brooklyn, 23 in Queens, six each in Manhattan and the Bronx, and five on Staten Island. Of the statewide total, 73 involved Jewish institutions, 38 were aimed at private property owned by Jews and nine were against public property.

The report said 20 persons, including eight in New York and seven in New Jersey, had been apprehended in 11 of the 377 incidents. Fourteen of the 20 were 17 years old or younger.

Two persons were described by the police as members of the neo-Nazi National Socialist American Workers Party, arrested in Los Angeles on suspicion of arson in a fire Dec. 6 that caused $100,000 damage at a temple.●

By Mr. THURMOND (for himself, Mr. KENNEDY, Mr. HARRY F. BYRD, JR., Mr. HOLLINGS, Mr. WARNER, Mr. HELMS, Mr. HEFLIN, Mr. DENTON, and Mr. EAST):

S. 823. A bill to provide for the payment of losses incurred as a result of the ban on the use of the chemical Tris in apparel, in fabric, yarn, or fiber, and for other purposes; to the Committee on the Judiciary.

LEGISLATION RELATING TO ECONOMIC LOSSES INCURRED BY THE BAN ON TRIS

Mr. THURMOND. Mr. President, today, I am introducing, along with Senators KENNEDY, HARRY F. BYRD, JR., HOLLINGS, WARNER, HELMS, HEFLIN, DENTON, and EAST, a bill to provide for the pay-

ment of losses incurred as a result of the ban on the chemical Tris.

The bill is identical to legislation that was vetoed by President Carter in 1978 and also to S. 521, which passed the Senate on December 20, 1979, but failed to pass in the House. The threat of another veto by President Carter was sufficient to prevent its passage in the other body.

Mr. President, this legislation seeks to correct economic losses sustained by the ban of the chemical flammability retardant Tris imposed by the Consumer Product Safety Commission on April 8, 1977. To understand more fully the predicament caused by this action, a brief account of the history of the Tris ban may be appropriate.

In 1971, the Secretary of Commerce issued mandatory flammability standards for children's sleepwear in sizes 0–6X under the Flammability Fabrics Act. This regulation, FF–3–71, virtually mandated the use of Tris or an acceptable substitute in all polyester, acetate and tri-acetate fabrics. Objections of the textile industry that chemical flame retardants had not been sufficiently tested for safety were not given any significant consideration by the relevant Government agencies. Subsequently, with textile industry approval, Tris was tested for sensitivity and toxicity under generally accepted standards and was found to be safe.

In February 1977, the National Cancer Institute published preliminary, unverified result of tests indicating that when Tris was fed daily in massive doses to cancer-prone rats and mice over extended periods of time, these rats and mice developed cancer. These testing procedures had not been previously applied to nonconsumable articles, such as children's sleepwear. Although there is no direct evidence linking Tris to cancer in humans, based in large part on its very preliminary data, the Consumer Product Safety Commission issued regulations declaring Tris and all fabrics, yarns, and fibers treated with Tris, and all apparel treated with Tris intended for use by children, to be "banned hazardous substances" under the Federal Hazardous Substances Act.

As a result of these discoveries, the CPSC announced on April 7 that it was banning the sale of any children's clothing containing Tris. The ban also included any Tris-treated fabric for sale to consumers for use in children's wearing apparel. Tris-treated children's garments, which had been purchased by consumers and were not yet washed, were also banned.

The ban took effect on Friday, April 8, when notice of that action was published in the Federal Register. The ban means that any of the affected products in Interstate Commerce or introduced into Interstate Commerce are banned and must be repurchased from retailers and distributors by any manufacturer or others who sold them. Consumers who had purchased, but not washed any Tris-treated children's garments or uncut fabric, would also be entitled to a full refund of the purchase price.

Mr. President, the cost to apparel manufacturers of repurchasing all unsold or unwashed children's garments made from fabric containing Tris and disposing of unsold inventories of children's garments made from fabric containing Tris, has been estimated to be over $50 million.

In a statement by the American Apparel Manufacturers Association before the special hearing panel on July 26, 1977, the amount of the loss was stated to be $150 million. The AAMA now believes the actual losses suffered by all children's sleepwear manufacturers to be about $50,000,000. This includes garments, uncut fabric in apparel plants, and the "to-date" indirect costs, such as transportation, administration, and storage. Of course, some smaller additional costs will be incurred as storage costs continue and potential disposal costs appear.

The harm to industry is catastrophic and irreparable. It imposed an immediate obligation upon the apparel manufacturers to repurchase the garments they have sold. It left the entire industry without an adequate recourse or remedy. Some apparel manufacturers face bankruptcy because their losses as a result of the ban could exceed their net worth.

Mr. President, many other firms will suffer severe financial impairment and be forced to lay off employees. This results because the manufacturers involved have acted in good faith to meet the flammability standards mandated by the Federal Government, and it is unfair to require them to bear the brunt of this bureaucratic bungle. It is this mistake, this arbitrary and inequitable decision that has prompted the introduction of this legislation.

This legislation is not a bailout. It is simply legislation to confer jurisdiction on the U.S. Court of Claims to determine the dollar value and render judgment for losses sustained by producers, processors, manufacturers, distributors dealers, and other persons as a result of actions taken by the Federal Government under the Hazardous Substance Act relating to the ban on apparel, fabric, yarn, or fiber containing Tris.

The bill contains a number of limitations on the claims that may be made by those injured by the Tris ban. For example, the court shall consider the following factors in determining the validity of claims under this legislation:

First, the degree to which reasonable alternative to Tris (2,3-dibromopropyl) phosphate existed at the time the Federal Government established the applicable mandatory Federal flammability standard referred to in subsection (a).

Second, whether it would have been feasible, or reasonable, for the claimant to have tested Tris (2,3-dibromopropyl) phosphate for chronic hazards at the time the Federal Government established such flammability standard.

Third, the degree to which the Federal Government, prior to establishing such flammability standard, tested Tris (2, 3-dibromopropyl) phosphate for toxicity or other health hazards, and disseminated the results of these tests.

Fourth, the degree of good faith demonstrated by a claimant in seeking to comply fully with such Federal flammability standard.

Fifth, the extent to which a claimant may have relied in good faith on assurances from suppliers that the products containing Tris (2,3-dibromopropyl) phosphate were safe.

Sixth, the degree to which a claimant acted reasonably in using Tris (2,3-dibromopropyl) phosphate for the time period that such substance was used.

Seventh, the degree to which a claimant, in good faith, complied with actions taken by the United States under the Federal Hazardous Substances Act on April 8, 1977.

Mr. President, as I mentioned earlier in my statement, on November 8, 1978, President Carter vetoed the bill S. 1503, which had passed both the House and Senate. In his veto message on this legislation, the President said:

> S. 1503 would establish an unprecedented and unwise use of taxpayer's funds to indemnify private companies for losses incurred as a result of compliance with a Federal standard.

This objection to S. 1503 by the President was based on the advice given to him by the Department of Justice.

Although the Justice Department did, in fact, advise the President in this case that passage of S. 1503 would set an unwise precedent, the Department of Justice has also indicated in the past with respect to similar legislation that such a precedent would not be set. In the 92d Congress, legislation was introduced that would have authorized the Court of Claims to enter judgments against the United States for persons who had suffered losses resulting from the Food and Drug Administration's ban on cyclamates. However, the Department of Justice supported the cyclamate legislation both before the House Judiciary Subcommittee and the Senate Judiciary Subcommittee that had responsibility for that legislation. Representatives from the Department of Justice stated that the cyclamate situation was an extraordinary one, and that relief was appropriate because the Government had assured producers and users that cyclamates were safe for use.

Despite the Justice Department's support for cyclamate legislation in 1971 and 1972, it had not taken an opposite position in 1978 with respect to the Tris legislation. Since both claims for relief stem from actions by the Federal Government that were relied on by private industry, it is difficult for me to understand why the Justice Department's position changed. I hope that it will change again.

President Carter in his veto message also echoed the Department of Justice's argument that a regulating agency should authorize payments rather than the Court of Claims. The purpose, however, of relying on the Court of Claims is to insure that the party seeking compensation be required to prove his losses before a body that has experience in deciding the legitimacy of claims against the Federal Government. A law which allowed a regulating agency to make payments would probably result in greater,

rather than lesser, expense to the Federal Government.

In summary, Mr. President, the basis for the industry's claim for indemnification rests upon the double-edged aspect of Government regulation. That is, the Department of Commerce on the one hand, required the industry to use a chemical like Tris in sleepwear and, when in good faith the industry did so, the Consumer Product Safety Commission banned the Tris-treated sleepwear. This is just one example of layer of regulation being placed upon layer of regulation, and as the long arm of the "over-regulators" continues to grow, the image of Government as a responsible and responsive unit shrinks even smaller.

The passage of Tris legislation in this Congress is imperative. It is a recognition that private industry has been over-regulated by the Federal Government, and in so doing, has suffered an economic loss that is not its fault.

Mr. President, this legislation will affect a number of apparel and textile industries in my State of South Carolina. It will also affect industries of this kind in a number of States throughout the country. This legislation is long overdue and should be passed promptly in this Congress and signed by the President.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 823

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Court of Claims shall have jurisdiction to hear, determine, and render judgment upon any claim for losses sustained by any producer, manufacturer, distributor, or retailer of children's sleepwear, or by any producer, converter, manufacturer, distributor, or retailer of fabric, yarn, or fiber contained in or intended for use in children's sleepwear, as a result of the actions taken by the United States under the Federal Hazardous Substances Act on April 8, 1977, and thereafter relating to apparel, fabric, yarn, or fiber containing Tris (2,3-dibromopropyl) phosphate: *Provided, however,* That such children's sleepwear and such fabric, yarn, or fiber contained in or intended for use in children's sleepwear was subject to the requirements of or for use in compliance with the mandatory Federal flammability standard FF3–71, or FF5–74, at the time of its manufacture.

(b)(1) In determining the validity of any claim under this Act and the amount of the losses sustained for which such a claim is brought, the court shall consider the following factors:

(A) The degree to which reasonable alternatives to Tris (2,3-dibromopropyl) phosphate existed at the time the Federal Government established the applicable mandatory Federal flammability standard referred to in subsection (a).

(B) Whether it would have been feasible, or reasonable, for the claimant to have tested Tris (2,3-dibromopropyl) phosphate for chronic hazards at the time the Federal Government established such flammability standard.

(C) The degree to which the Federal Government, prior to establishing such flammability standard, tested Tris (2,3-dibromopropyl) phosphate for toxicity, or other health hazards, and disseminated the results of these tests.

(D) The degree of good faith demonstrated by a claimant in seeking to comply fully with such Federal flammability standard.

(E) The extent to which a claimant may have relied in good faith on assurances from suppliers that the products containing Tris (2,3-dibromopropyl) phosphate were safe.

(F) The degree to which a claimant acted reasonably in using Tris (2,3-dibromopropyl) phosphate for the time period that such substance was used.

(G) The degree to which a claimant, in good faith complied with actions taken by the United States under the Federal Hazardous Substances Act on April 8, 1977.

(2) In determining the amount of the losses for which a claim is brought under this Act, the amount of such losses shall not include lost profits, proceeds from distress sales, attorney's fees, or interest on any such loss resulting to any producer, converter, manufacturer, distributor, or retailer of such children's sleepwear, or to any porducer or manufacturer of fabric, yarn, or fiber.

(c)(1) The measure of losses for producers of manufacturers of children's sleepwear shall be the cost of producing goods referred to in paragraphs (1) and (2) of this subsection, held in stock on the date of enactment of this Act, less the fair market value, if any, of such goods and less the amount of any reimbursement received.

(2) In addition to the losses determined under paragraphs (1), (2), and (3) of this subsection, a claimant may also be compensated for reimbursed costs of transportation paid for the return of such sleepwear garments, fabric, yarn, or fiber.

(d) No claim under this Act may be brought as a class action nor may any claim under this Act be brought by two or more parties unless damages are claimed to be jointly recoverable or are disputed among the parties claimant.

(e) Upon payment of any claim under this Act, by court judgment or by settlement, the United States shall be subrogated to the claimant's rights to recover losses or assert a claim against any person or organization relating to the subject matter of the claim paid by the United States. The claimant shall execute and deliver instruments and papers and take whatever steps are necessary to secure such rights in the United States in order to be entitled to the entry of a judgment by the Court and payment under this Act, and the failure of the claimant to perform such acts or take such steps shall constitute cause to deny the entry of such judgment and manufacturing the sleepwear garment plus the cost of the fabric, yarn, or fiber used for such production or manufacture, held in stock on the date of enactment of this Act, less the fair market value, if any, of the sleepwear garment or the fabric, yarn, or fiber. If the sleepwear garment or the fabric, yarn, or fiber has been resold after April 8, 1977, but prior to such date of enactment, then the measure of losses shall be the cost of producing or manufacturing the sleepwear garment plus the cost of the fabric, yarn, or fiber less the proceeds from any such sale.

(3) The measure of losses for producers, converters, or manufacturers of fabric, yarn, or fiber shall be the cost of producing, converting, or manufacturing the fabric, yarn, or fiber plus the cost of the raw materials used for such production, converting, or manufacture, held in stock on the date of enactment of this Act, less the fair market value, if any, of the fabric, yarn, or fiber. If the fabric, yarn, or fiber had been resold after April 8, 1977, but prior to such date of enactment, than the measure of losses shall be the cost of producing, converting, or manufacturing the fabric, yarn, or fiber plus the cost of the raw materials used for such production, converting, or manufacture less the proceeds from any such sale.

(4) The measure of losses for distributors and retailers shall be the distributor's or the retailer's purchase price for payment. The failure of the claimant to perform such acts or to take such steps shall not limit or adversely affect the right of the United States to act as subrogee or assignee to the full extent of its payments under this Act. Any purported limitation on the right of the United States to act as assignee or to become subrogated to the rights of a claimant shall be without any effect, to the extent that the United States has made payments under the Act.

(f) Any claim under this Act shall be barred unless commenced within two years after the date of enactment of this Act.

By Mr. JOHNSTON:

S. 824. A bill to authorize the President to establish a program to reduce and order the demand for motor fuel during a severe energy supply interruption; to the Committee on Finance.

EMERGENCY MOTOR FUEL DEMAND RATIONING ACT OF 1981

● Mr. JOHNSTON. Mr. President, today I am reintroducing legislation I sponsored in the 96th Congress as S. 2570. This bill would give the President an effective alternative to gasoline rationing to deal with truly severe interruptions in U.S. oil imports. Unless we enact legislation addressing this issue in the 97th Congress the President will be without any authority whatever during such interruptions.

The public currently expects that a drastic shortage in oil imports will trigger a Federal program of coupon rationing for gasoline. A standby plan providing the basic outline of a coupon rationing scheme now exists. Last year that plan survived congressional review under the amended procedures enacted in 1979. This standby plan is a rule under the Emergency Petroleum Allocation Act of 1973. Therefore, the authority to make the plan effective will expire on September 30, 1981, when the EPAA expires.

Nearly everyone who has seriously studied the problem of dealing with severe petroleum shortages has concluded that a coupon rationing plan cannot work and, in fact, will dramatically worsen an already very unpleasant situation. Perhaps in recognition of this fact, the 96th Congress refused to adequately fund the preimplementation costs of the coupon rationing plan it approved, and the current administration apparently does not intend to spend any money at all on the plan.

So, even if the authority to implement such a plan existed beyond September 30, 1981, the debate on the desirability of coupon rationing of gasoline remains theoretical and irrelevant. Coupon rationing is not our policy for dealing with severe petroleum shortages. However, no other policy exists to take its place.

The purpose of the bill I am introducing today is to provide a focus for a serious evaluation of workable alternatives to coupon rationing. We cannot be without a policy to deal with the kind of drastic petroleum shortages that are probable as long as the major industrialized nations depend so heavily on oil produced by nations bordering on the Persian Gulf. Severe shortages, in the range of 20 percent or greater, cannot be handled through allocations and gasoline lines.

An alternative policy—in fact, the policy we will adopt by default if we do not legislate this year—would be for the President to do nothing during such a severe disruption. No responsible person believes that this is a viable policy or even a desirable one. The petroleum market and the major oil companies which play such an important role in that market cannot be expected to manage a national emergency. It is unwise and impractical to require private firms to adopt special policies during a national crisis to provide fuel for necessities such as national defense, local police protection, ambulance service, agricultural production, and the rest of the activities within that limited but essential range of basic functions upon which society relies.

We have no choice but to devise an effective standby Federal policy which will restrain petroleum demand while providing for maintenance of these functions during a severe oil supply disruption. I am proposing legislation which can accomplish this without the insurmountable rigidities inherent in coupon rationing and without sacrificing the priniciples of equity the Congress has sought to incorporate in previous rationing plans.

This legislation, the Emergency Motor Fuel Demand Rationing Act of 1981, authorizes the President to restrain motor fuel demand during a severe petroleum supply interruption by imposing a temporary fee on each gallon of fuel sold for a period no longer than is necessary to deal with a specific disruption. All proceeds of this fee would be returned to motor fuel users in a timely manner and in exact proportion to the rights such users would have to receive coupons under the standby coupon rationing plan approved by Congress last year.

The conditions for imposition of the fee would be the same as the conditions the President would have to meet in order to impose upon rationing of motor fuel under existing law. The President would be authorized to set the fee at a level which would restrain motor fuel demand to the extent required by the shortage expected to result from a specific supply interruption. This fee would thus capture any windfall revenue gains which would otherwise result from price increases caused by the shortage.

The proceeds of the fee would be fully rebated. Each user of motor fuel would be entitled to a rebate in an amount directly proportional to the number of rationing coupons that user would have received under the approved motor fuel coupon rationing plan. This rebate could be made through the mail where this is necessary, but, to the maximum extent practicable, refunds would be distributed through the existing income tax and transfer payment system—by reducing income tax withholding, increasing supplemental security income payments and veterans' benefits, and by reduced estimated tax payments by self-employed individuals.

Because the rebate mechanism incorporated in this legislation provides a refund exactly proportional to rights to ration coupons, the benefits to any individual user of the fee rebate plan I am proposing are exactly equivalent to benefits of the coupon rationing plan. From the point of view of equity, a fee with this kind of rebate is indistinguishable from coupon rationing.

However, there is an important fundamental distinction between these two methods for dealing with truly severe petroleum supply interruptions. The one I am proposing will work, and coupon rationing will not. My plan uses a rebate of ordinary money—as opposed to ration coupons. This rebate provides the opportunity for any given user of motor oil to obtain a specified share of available supplies at lower than marginal prices, but avoids the enormous inflexibilities and the crushing administrative burdens which would accompany the creation of a second currency system composed of ration coupons.

The task of distributing and accounting for the new ration coupon currency would rival the effort presently devoted to managing the money supply, but without any of the institutional experience with money we have very painfully acquired over many years of trial, error, and study of economic theory.

The plan I am proposing would use the existing financial mechanisms for interaction between the Federal Government and the economy to provide for the smoothest possible accommodation with a severe petroleum supply interruption through reduced gasoline consumption. No accommodation to a 20-percent petroleum shortfall will be at all pleasant. Enormous costs will come rapidly into existence which cannot be fully cushioned by any system we can devise. But we have an obligation to design the system we do intend to use so that it has a chance to function. Coupon rationing has no such chance. The plan I am proposing does.

Mr. President, it is imperative that the administration and the Congress address the problem of coping with episodic and potentially severe disruptions in our supplies of imported oil. We now have no workable policy at all for these situations. Yet petroleum supply disruptions clearly are not unlikely events. On the contrary, the probability that a truly severe disruption in oil imports will occur sometime during the 1980's is probably close to 1.0. We cannot be unprepared for such an eventuality. We do not have a workable energy emergency contingency plan now, and this is the most important gap in our energy policy. I hope the legislation I am introducing today will assist in beginning the debate needed to close that gap.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 824

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "the Emergency Motor Fuel Demand Rationing Act of 1981".

FINDINGS AND PURPOSE

SEC. 101. (a) The Congress finds that—

(1) it is very likely that a severe energy supply interruption occasioned by a sudden reduction in the availability of imported crude oil and refined petroleum products will occur sometime during the 1980's;

(2) such an interruption could have widespread disruptive effects on commerce among the several States and on the relations between the United States and foreign nations;

(3) in the event of such an interruption the President should have authority to establish an effective program to restrain energy demand and maintain orderly commerce in fuels and energy, in particular commerce in motor fuels;

(4) a standby gasoline and diesel fuel rationing plan, authorized under title II of the Energy Policy and Conservation Act, would provide the President with one method of allocating the supply of motor fuels among end users in the event of such an interruption, but such a plan will involve inevitable and considerable administrative cost and complexity; and

(5) a program delegating specific authority to the President to restrain motor fuel demand during a severe energy supply interruption through use of a motor fuel rationing fee, the proceeds of which are fully returned to end users of motor fuel, can provide an effective, workable, and equitable response to such an interruption while minimizing such administrative cost and complexity.

(b) It is, therefore, the purpose of this Act to—

(1) grant the President the authority during a severe energy supply interruption to establish, subject to appropriate congressional review, an emergency motor fuel rationing fee designed to restrain motor fuel demand to the extent of any shortage resulting from such interruption;

(2) to provide for the return of the proceeds of such a fee to each end user of motor fuel in proportion to the number of end user rights which would be assigned such user under the standby motor fuel rationing contingency plan approved under applicable provisions of the Energy Policy and Conservation Act, as amended (Public Law 94-163).

AMENDMENT TO THE EMERGENCY ENERGY CONSERVATION ACT OF 1979

SEC. 102. (a) The Emergency Energy Conservation Act of 1979 (Public Law 96-102) is amended by adding at the end thereof a new title as follows:

"TITLE IV—STANDBY MOTOR FUEL RATIONING FEE

"SEC. 401. FINDINGS AND PURPOSES.

"(a) FINDINGS.—The Congress finds that the President should have available the option during a severe energy supply interruption to establish, subject to congressional review, a program to restrain domestic demand for motor fuel through the use of a motor fuel rationing fee, the proceeds of which are fully returned to end users of such fuel.

"(b) PURPOSES.—It is the purpose of this title—

"(1) to grant the President standby authority, which may be made effective subject to congressional review, to establish during a severe energy supply interruption, a motor fuel rationing fee at a level which will insure an orderly market in motor fuel and will restrain demand to the extent required by the shortage of such fuel resulting from such interruption; and

"(2) to require that the proceeds of such a fee be returned to end users of motor fuel in proportion to the number of end user rights which would be assigned such user under the standby motor fuel rationing contingency plan approved by Congress under applicable provisions of the Energy Policy and Conservation Act (Public Law 94-163), as amended.

"SEC. 402. DEFINITIONS.

"For purposes of this title—

"(1) the terms 'international energy program', 'motor fuel', 'person', and 'State' have the meaning assigned such terms in title II of this Act.

"(2) the term 'United States' means all of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"(3) 'Secretary' means the Secretary of the Treasury.

"SEC. 403. EMERGENCY MOTOR FUEL RATIONING FEE.

"(a) The President may, in accordance with the provisions of this section, require the payment to the Secretary by each person engaged in the production or importation of motor fuel of an emergency motor fuel rationing fee which shall be levied on each gallon of such fuel produced in the United States or imported into the United States.

"(b)(1)(A) Except to the extent provided under subparagraph (B), the President may put the fee under subsection (a) into effect only if—

"(i) the President has found, in his discretion, that putting such fee into effect is required by a severe energy supply interruption or is necessary to comply with the obligations of the United States under the international energy program;

"(ii) the President has transmitted such finding to the Congress in accordance with section 551 of the Energy Policy and Conservation Act, together with a request to make such fee effective; and

"(iii) neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the procedures specified in such section of such Act.

"(B)(i) The President may make such fee effective without regard to the finding required under subparagraph (A)(i) (and without regard to the requirements of subparagraph (A) (ii) and (iii)) if—

"(I) the President has transmitted to Congress in accordance with section 552 of the Energy Policy and Conservation Act a request to waive such requirements; and

"(II) such request has been approved by a resolution by each House of Congress within 30 days of continuous session of Congress after the date of its transmittal, in accordance with the provisions of such section 552 applicable thereunder to energy conservation contingency plans.

"(ii) Any authority to make such fee effective under clause (i) pursuant to a request under such clause shall terminate on the 60th calendar day after the date on which a resolution approving that request is adopted by the second House to have so approved that request.

"(iii) In applying the provisions of section 552 of the Energy Policy and Conservation Act for purposes of this subparagraph—

"(I) subsections (b), (d)(2)(B), and (d)(7) shall not apply;

"(II) the references to 60 calendar days and 20 calendar days shall be considered to refer to 30 calendar days and 10 calendar days, respectively; and

"(III) the references to any contingency plan shall be considered to refer to a request under this subparagraph.

"(c)(1) The President may, from time to time as he deems necessary, after stating in writing his reasons, adjust the fee under subsection (a) so as to insure that the level of the fee meets the requirements of subsection (d), and may remove the fee under subsection (a) at any time he finds, and states in writing the basis of his finding, that circumstances no longer justify its continuation.

"(2)(A) Unless the President finds, and states in writing the basis for his finding, in the case of a fee in effect under subparagraph (b)(1)(A), that continuing the fee in effect during any calendar quarter which begins more than 45 days after the transmittal to Congress of the finding under such subparagraph is required by a severe energy supply interruption or is necessary to comply with the obligations of the United States under the international energy program, the fee shall cease to be effective beginning the first day of that quarter.

"(B) Unless the President finds, and states in writing the basis for his finding, in the case of a fee in effect under subparagraph (b)(1)(B), that circumstances justify the continuation in effect of the fee during any calendar quarter which begins more than 45 days after first day the fee is effective under such subparagraph, the fee shall cease to be effective beginning the first day of that quarter.

"(3) If the fee under subsection (a) is reduced to zero, is removed or otherwise ceases to be effective under this subsection, the President may not thereafter require payment of such a fee except as provided in subsection (b).

"(d) Any emergency motor fuel rationing fee under subsection (a) shall be set by the President at the level which he determines appropriate based on a weighing of—

"(1) the need to restrain the consumption of motor fuel within the United States—

"(A) to the extent required by the shortage of such fuel reasonably expected to result from a severe energy interruption; or

"(B) to the extent necessary to comply with the obligations of the United States under the international energy program;

"(2) the need to capture and return to end users of motor fuel the portion of the price of such fuel which, in the absence of such fee, would result in revenue in excess of the unavoidable costs of producing or importing such fuel;

"(3) the need to maintain orderly commerce in refined petroleum products in the United States, to iminimize economic disruption and to provide, to the extent practicable, for an equitable distribution of such products among regions of the United States at equitable prices;

"(4) the need to moderate the effect of the consumption of motor fuel in the United States on world petroleum markets and on the price of crude oil and refined petroleum products in such markets; and

"(5) such other factors as the President deems important.

"(e) For purposes of this section:

"(1) The term 'severe energy supply interruption' means a national energy supply shortage which the President determines—

"(A) has resulted or is likely to result in a daily shortfall in the United States of gasoline, diesel fuel, and No. 2 heating oil supplies for a period in excess of 30 days (including reductions as a result of an allocation away from the United States under the international energy program) of an amount equal to 20 percent or more of projected daily demand for such supplies;

"(B) is not manageable under other energy emergency authorities, including any energy conservation contingency plans approved under section 201(b) of the Energy Policy and Conservation Act (42 U.S.C. 6261(b)) and any emergency conservation authority available under title II of this Act;

"(C) is expected to persist for a period of time sufficient to seriously threaten the adequacy of domestic stocks of gasoline, diesel fuel, and No. 2 heating oil; and

"(D) is having or can reasonably be expected to have a major adverse impact on national health or safety or the national economy.

"(2) For purposes of determining the shortfall of supplies under subparagraph (1)(A), the projected daily demand for gasoline, diesel fuel, and No. 2 heating oil supplies shall be the amount of such supplies that were available during any consecutive period of 12 calendar months which the President considers appropriate and which occurred during the 36-calendar-month period which immediately precedes the month in which such finding is made, such amount to be adjusted—

"(A) to take into account, for the period between the base period and the month in which the determination is made, the normal growth in demand for gasoline, diesel fuel, and No. 2 heating oil, as determined by the President on the basis of growth experienced during the 36-month period from which the base period was selected; and

"(B) to take into account seasonal variations in demand for such fuels, as determined by the President.

"(3) The term 'necessary to comply with obligations of the United States under the international energy program' refers to a necessity which the President determines to have impacts comparable to those provided for in paragraph (1) of this subsection.

"SEC. 404. PAYMENT OF FEE.

"(a) Any fee imposed under section 403, with respect to any amount of motor fuel subject to such fee, shall be paid by a producer (or, as the case may be, an importer) of such fuel at such time as the Secretary may prescribe, but not later than 90 days after the date of first sale of such fuel in commerce or the date of its importation, whichever is earlier.

"(b)(1) Any motor fuel held for sale on the effective date of a fee under section 403, shall be subject to the same fee as would apply to such fuel had it been produced or imported on such date.

"(2) Whenever motor fuel subject to a fee under section 403 has been sold by a producer or importer of such fuel before the date on which such fee has been removed (or has ceased to be effective) under section 403(c) and is held for sale, there shall be credited or refunded (without interest) to the producer or importer the amount of the fee, if—

"(A) a claim for such credit or refund is filed with the Secretary on or before the end of the 10-month period beginning with the month following the date on which such fee was removed (or ceased to be effective), based on a request submitted to such producer or importer before the end of the 7-month period beginning on such date by the person who held the fuel with respect to which the credit or refund is claimed, and

"(B) on or before the end of the 10-month period referred to in subparagraph (A), reimbursement has been made to such person by the producer or importer for the reduction in applicable fee on such fuel or written consent has been obtained from such person to allowance of such credit or refund.

No credit or refund under this paragraph shall be allowable with respect to motor fuel held for sale by a producer or importer of motor fuel.

"SEC. 405. EMERGENCY MOTOR FUEL RATIONING TRUST FUND.

"(a) There is established in the Treasury of the United States a trust fund to be known as the Emergency Motor Fuel Rationing Trust Fund (hereinafter referred to as the 'Trust Fund') consisting of such amounts as are appropriated to the Trust Fund under this section.

"(b) There shall be appropriated to the Trust Fund an amount equal to the sum of the amounts received in the Treasury as a result of the fee imposed under section 403 this title less those amounts disbursed directly to persons under subsection 406(b).

"(c) The Secretary shall transfer to the Trust Fund any amount appropriated under this subsection.

"(d) The amounts required to be transferred to the Trust Fund under subsection

(c) shall be transferred at least quarterly from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary in consultation with the Secretary of Agriculture and the Secretary of Health and Human Services to cover disbursements under section 406 (excluding disbursements under subsection 406(b)). Proper adjustment shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

"(e) Amounts in the Trust Fund shall be available only to make the payments provided under section 406 of this title.

"SEC. 406. REBATE OF PROCEEDS OF FEE.

"(a) Each person entitled to assignment of rights, and evidence of such rights, entitling such person to obtain motor fuel in precedence to other persons not similarly entitled under the rationing contingency plan described in section 203 of the Energy Policy and Conservation Act (42 U.S.C. 6263) and approved by Congress under subsection (e) of such section, as amended, shall be entitled to a payment in an amount equal to the product of—

"(1) the number of such rights to which such person should have been entitled had such rationing contingency plan been in effect during the period of effectiveness of the fee under section 403 and

"(2) the value of such fee.

"(b) The Secretary, in consultation with the Secretary of Energy, shall by rule establish procedures whereby, to the maximum extent practicable, classes of person entitled to payments under subsection (a) may receive the payments to which such persons are entitled in the form of a reduction in Federal income tax collected as the source (under section 3402 of the Internal Revenue Code of 1954), reduced declarations (under section 6153 of such code), increased supplemental security income payments under title XVI of the Social Security Act, increased payments under section 415, 521, 541, or 542 of title 38, United States Code (relating to certain veterans' benefits), increased benefits under title III of the Crude Oil Windfall Profits Tax Act of 1980, or other method which the Secretary, with the concurrence of the Secretaries of Energy, Agriculture, and Health and Human Services, shall prescribe.

"(c)(1) There shall be allocated from the Trust Fund to each State monthly from the fee imposed under section 403 an amount that will satisfy the amount required under subsection (a) for persons residing in such State and determined to be necessary to disburse directly to persons residing in such State not compensated under procedures required by subsection (b).

"(2) The Secretary shall adjust the payment to each State to reflect any modifications necessary as a result of any difference between the projected and actual allocation.

"(3) The payment described in subsection (a) shall be made from funds received by each State under subsection (c), under regulations prescribed by the Secretary of the Treasury within 120 days after the date of enactment of this title, to each person residing in such State eligible to receive such a payment to the extent such person is not covered by subsection (b).

"(4) In order to qualify for any payment under section 406 of this title, the State shall establish to the satisfaction of the Secretary that it has a plan to disburse such funds which meets the requirements of this section.

"SEC. 407. PRICE AND ALLOCATION CONTROLS.

"(a) Notwithstanding any other provision of law the President may not make effective any rule, regulation, or order governing the price or allocation of motor fuel for any period during which a fee under section 403 is in effect.

"(b) The prohibition in subsection (a) may be waived by the President in his discretion for a period not to exceed 30 days beginning with the first day on which a fee under section 403 is in effect.".

(b)(1) Title III of the Emergency Energy Conservation Act of 1979 is amended by replacing the word "Act" wherever it appears with the phrase "title I and title II of this Act".

(2) The table of contents of the Emergency Energy Conservation Act of 1979 is amended by adding at the end thereof the following:

"TITLE IV—STANDBY MOTOR FUEL RATIONING FEE

"Sec. 401. Findings and purposes.
"Sec. 402. Definitions.
"Sec. 403. Emergency motor fuel rationing fee.
"Sec. 404. Payment of fee.
"Sec. 405. Emergency Motor Fuel Rationing Trust Fund.
"Sec. 406. Rebate of proceeds of fee.
"Sec. 407. Price and allocation controls.".●

By Mr. JEPSEN:

S. 825. A bill to amend the Internal Revenue Code of 1954 to allow the investment tax credit to certain individuals who purchase used section 38 property used for farming purposes from a related party; to the Committee on Finance.

USE OF THE INVESTMENT TAX CREDIT

● Mr. JEPSEN. Mr. President, today I am introducing legislation to correct a problem in the tax law with regard to use of the investment tax credit when otherwise eligible equipment or property is purchased from a close relative. Section 48(c) of the Internal Revenue Code of 1954 presently reads as follows:

(c) USED SECTION 38 PROPERTY.—

(1) IN GENERAL.—For purposes of this subpart, the term "used section 38 property" means section 38 property acquired by purchase after December 31, 1961, which is not new section 38 property. Property shall not be treated as "used section 38 property" if, after its acquisition by the taxpayer, it is used by a person who used such property before such acquisition (or by a person who bears a relationship described in section 179(d)(2)(A) or (B) to a person who used property before such acquisition).

(2) DOLLAR LIMITATION.—

(A) IN GENERAL.—The cost of used section 38 property taken into account under section 46(c)(1)(B) for any taxable year shall not exceed $100,000. If such cost exceeds $100,000, the taxpayer shall select (at such time and in such manner as the Secretary shall by regulations prescribe) the items to be taken into account, but only to the extent of an aggregate cost of $100,000. Such a selection, once made, may be changed only in the manner, and to the extent, provided by such regulations.

(B) MARRIED INDIVIDUALS.—In the case of a husband or wife who files a separate return, the limitation under subparagraph (A) shall be $50,000 in lieu of $100,000. This subparagraph shall not apply if the spouse of the taxpayer has not used section 38 property which may be taken into account as qualified investment for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

(C) CONTROLLED GROUPS.—In the case of a controlled group, the $100,000 amount specified under subparagraph (A) shall be reduced for each component member of the group by apportioning $100,000 among the components members of such group in accordance with their respective amounts of used section 38 property which may be taken into account.

(D) PARTNERSHIPS.—In the case of a partnership, the limitation contained in subparagraph (A) shall apply with respect to the partnership and with respect to each partner.

(3) DEFINITIONS.—For purposes of this subsection—

(A) PURCHASE.—The term "purchase" has the meaning assigned to such term by section 179(d)(2).

(B) COST.—The cost of used section 38 property does not include so much of the basis of such property as is determined by reference to the adjusted basis of other property held at any time by the person acquiring such property. If property is disposed of (other than by reason of its destruction or damage by fire, storm, shipwreck, or other casualty, or its theft) and used section 38 property similar or related in service or use is acquired as a replacement therefor in a transaction to which the preceding sentence does not apply, the cost of the used section 38 property acquired shall be its basis reduced by the adjusted basis of the property replaced. The cost of used section 38 property shall not be reduced with respect to the adjusted basis of any property disposed of if, by reason of section 47, such disposition involved an increase of tax or a reduction of the unused credit carrybacks or carryovers described in section 43(b).

(C) CONTROLLED GROUP.—The term "controlled group" has the meaning assigned to such term by section 1563(a), except that the phrase "more that 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in section 1563(a)(1).

What this means is that if a son were to purchase used section 38 property from his father he would be unable to claim the investment tax credit, even though such property would otherwise qualify if purchase from a nonrelated party. For purposes of determining which related parties are similarly affected by this restriction, the following persons are considered related:

(1) Members of the immediate family, including husband and wife, ancestors, and lineal descendants, but not including brothers and sisters (whether by whole or half blood);

(2) An individual and a corporation of which more than 50 percent in value of the outstanding stock is owned, directly or indirectly, by or for that individual;

(3) Certain corporations of which more than 50 percent of the value of the outstanding stock of each is owned, directly or indirectly, by the same individual;

(4) A trust fiduciary and a corporation of which more than 50 percent in value of the outstanding stock is owned, directly or indirectly, by or for the trust or by or for the grantor of the trust;

(5) The grantor and fiduciary, and the fiduciary and beneficiary of any trust;

(6) The fiduciaries of two different trusts, and the fiduciary and beneficiary of two different trusts, if the same person is the grantor of both trusts;

(7) Certain educational and charitable organizations and a person who, directly or indirectly, controls such an organization.

(8) A partnership and a partner owning, directly or indirectly, more than 50 percent of the capital interest or profits interest in the partnership;

(9) Two partnerships in which the same

persons own, directly or indirectly, more than 50 percent of the capital interest or profit interest; or

(10) Component members of the same group of controlled corporations (applying a more than 50 percent control test).

The scope of the relationship restrictions is such that the investment tax credit for used section 38 property will be unavailable after some of the most typical farm transactions. For example, credit would not be available for property which a child purchases from a parent or grandparent, since they are related as ancestors and lineal descendants. A challenge to this provision, on the ground that it denied the taxpayer equal protection of the law because the legislative classification excluding related taxpayers from investment credit is not rationally connected with a legitimate governmental interest, was unsuccessful (*Schelling* v. *United States*, 76–2 U.S.T.C.). Furthermore, property may be considered used by a person related to a prior user even though there is an intervening unrelated owner. Thus, credit was denied for property originally owned by an orchard farm corporation and later purchased from a bank which had acquired it at a mortgage foreclosure sale where the purchaser and the purchaser's father owned 90 percent of the farm corporation.

I understand entirely the reason why the law contains such restrictions on purchases of section 38 property by relatives. It was feared that relatives might buy and sell the same property back and forth many times, taking the investment tax credit on each occasion. This is a legitimate concern. But as it now reads, the law is unnecessarily restrictive and causes much difficulty, particularly in agriculture.

Therefore, I propose amending the law to allow the investment credit for one-time sales of the same piece of agricultural property, without regard to the related party restriction. Thus, a son could purchase a tractor from his father and claim the credit, but if the same tractor were resold back to the father the credit would be recaptured. I feel that this amendment would adequately protect against the kind of abuses which led to inclusion of the present restrictions in the law, while serving the purposes of the investment credit and not unnecessarily penalizing families engaged in agriculture.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 825

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 48 of the Internal Revenue Code of 1954 (defining used section 38 property) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RELATED PARTY RULE FOR CERTAIN FARM PROPERTY.—

"(A) IN GENERAL.—In any case in which property used in the trade or business of farming is, after its acquisition by the taxpayer, used in the trade or business of farming by a qualified individual, paragraph (1) shall be applied without regard to the second sentence thereof.

"(B) APPLICATION ONLY TO ONE SALE.—For any particular item of property, subparagraph (A) shall only apply with respect to the first sale of that property to a qualified individual.

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) FARM.—The term 'farm' has the same meaning as such term used in section 2032A(e)(4).

"(ii) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means an individual who is the spouse, ancestor, or lineal descendent of the individual using the property before its acquisition by the taxpayer.

"(D) LIVESTOCK USED FOR BREEDING PURPOSES.—For purpcses of this paragraph, livestock described in subsection (a)(6) shall be treated as property used in the trade or business of farming".

(b) The amendments made by subsection (a) shall apply to property acquired after December 31, 1981.●

By Mr. STEVENS:

S. 826. A bill to delinate the relationship of the Office of Special Counsel to the Merit Systems Protection Board; to the Committee on Governmental Affairs.

RELATIONSHIP BETWEEN THE OFFICES OF SPECIAL COUNSEL AND THE MERIT SYSTEMS PROTECTION BOARD

Mr. STEVENS. Mr. President, since enactment of the Civil Service Reform Act, there has been considerable confusion over the relationship between the Office of Special Counsel and the Merit Systems Protection Board. The confusion became so serious this past year that the Board sued the Special Counsel in Federal District Court requesting certain clarifications in the law.

Shortly after the suit was filed, I voiced my concerns to both the Board and the Special Counsel that a court was an inappropriate forum to resolve such differences. I urged my staff to work with the Board and the Special Counsel to resolve their differences and to draft legislation incorporating an agreement. After an agreement apparently was reached, negotiations broke down, and the agreement which the Senate attached to last year's continuing appropriation bill was dropped in conference.

Today I am introducing again in legislative form the agreement of last year. The bill simply delineates the relationship of the two offices. Mr. President, the Office of Special Counsel remains a battered agency. In fact, the law suit against it is still pending. The Office must be bolstered during this critical transition period. This bill seeks to clarify the law to allow the two agencies responsible for protecting the rights of Federal employees to direct their energies toward the employees rather than against one another.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1204 of Title 5, United States Code, is amended as follows:

(a) There is established within the Merit Systems Protection Board the Office of Special Counsel.

(b) The Special Counsel of such office shall be its chief executive and administrative officer.

(c) The Special Counsel shall be appointed by the President from attorneys, by and with the advice and consent of the Senate, for a term of 5 years. A Special Counsel appointed to fill a vacancy occurring before the end of a term of office of his predecessor serves for the remainder of the term. The Special Counsel may be removed by the President only for inefficiency, neglect of duty, or malfeasance in office.

(d) The relationship of the Office of Special Counsel to the Merit Systems Protection Board shall operate in the following fashion:

(1)(A) The Office shall have sole responsibility in the hiring, firing, training, evaluating and promoting of all office personnel, and all other basic personnel matters. The processing papers shall remain in the Office unless the Office and the Board agree otherwise.

(B) The Office shall promptly supply the Board with information regarding any and all personnel actions which obligate Government funds. The Board shall monitor all Office expenditures and shall immediately notify responsible Office personnel if any budgetary problems arise. Upon such notification, the Office shall promptly take appropriate corrective action.

(2) The Office shall submit to the Board all requests for the purchase or rent of equipment, furniture or space, or contract for services. The Board shall promptly notify the Office when funds for the purchase or rent of such equipment, furniture or space or contract for services have been obligated. The Office shall establish field offices. Authority to secure space for such field offices resides with the Board.

(3)(A) The budget of the Office shall be submitted to the Board for inclusion in the Board's budget request to the Office of Management and Budget (OMB) and Congress. The budget request of the Office shall be a separate line item appropriation. The Office's budget request shall not be substantively modified by the Board. The Board may make technical changes to the Office's budget submission to bring it into conformity with the style of the Board's overall budget package.

(B) If the Board disagrees with a substantive budget request submitted by the Office, the Board and the Office shall discuss the disagreement. If the Office and the Board cannot reach an agreement, the Board may attach an addendum to the Office's budget request to OMB and Congress explaining its disagreement. In such a case, the Office shall have opportunity to justify that particular portion of its request before OMB and Congress.

(4) The Office shall have direct access to Congress at all times. The Office shall coordinate legislative activities with the Board and attempt to avoid duplication of effort. The Office shall provide copies of prepared testimony for the Congress to the Board prior to the submission of such testimony to Congress. The Office shall submit to the Board for approval legislative changes the Office proposes to Congress, except legislative recommendations called for by section 1206(m) of this title.

(5) The Office may have its own public information function. It shall be responsible for disseminating information to the public regarding its existence and functions. Whenever practicable publications shall be submitted to the Board for comment prior to public release. The Office and the Board shall coordinate publications of information covering both the Office and the Board. The Office may use its own letterhead on all stationery and publications, but shall clearly indicate the Office's association with the Board.

By Mr. THURMOND (for himself, Mr. HATCH, Mr. DECONCINI, Mr. SIMPSON, Mr. HEFLIN, Mr. LAXALT, Mr. BAKER, Mr. BOREN, Mr. DENTON, Mr. HARRY F. BYRD, JR., Mr. DOLE, Mr. COCHRAN, Mr. EAST, Mr. LUGAR, Mr. ARMSTRONG, Mr. GARN, Mr. GRASSLEY, Mr. NICKLES, Mr. MURKOWSKI, Mr. HUMPHREY, Mr. HELMS, Mr. GOLDWATER, Mr. MCCLURE, Mr. PRYOR, Mr. JEPSEN, Mr. KASTEN, Mr. PRESSLER, Mr. ZORINSKY, Mrs. HAWKINS, Mr. MATTINGLY, Mr. WARNER, Mr. EXON, Mr. WALLOP, Mr. QUAYLE, Mr. ABDNOR, Mr. RUDMAN, Mr. SYMMS, Mr. HAYAKAWA, Mr. SCHMITT, Mr. BOSCHWITZ, Mr. DOMENICI, Mr. D'AMATO, Mr. DURENBERGER, and Mr. PROXMIRE):

S.J. Res. 58. Joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

PROPOSED CONSTITUTIONAL AMENDMENT RELATING TO NEW FEDERAL FISCAL DECISIONMAKING PROCESSES

Mr. HATCH. Mr. President, following many months of deliberation, the Senate Judiciary Subcommittee on the Constitution last Congress approved Senate Joint Resolution 126, a proposed constitutional amendment to require the adoption of new budgetmaking processes by the Federal Government. During that time, five subcommittee members including Senator DECONCINI, Senator HEFLIN, Senator THURMOND, Senator SIMPSON, and myself consulted with our colleagues outside the subcommittee, economists, political scientists, constitutional scholars, and other interested individuals and organizations. The Senate Balanced Budget Caucus headed by Senator LUGAR, Senator BOREN, and Senator ARMSTRONG provided invaluable assistance to this effort.

The amendment represented a response to the nearly three dozen separate amendments that had been introduced by our colleagues last year and referred to the Constitution Subcommittee. It is also a response to the 30 States that have applied for a consitutional convention on this subject, as well as to the estimated 80 percent of the public who favor a balanced budget requirement for the Federal Government.

While a great deal of emphasis has been placed upon the new mood of budgetary restraint supposedly operating in Washington since the adoption of proposition 13 in California in June of 1978, it is clear to me that this mood is more apparent than real. The budget for fiscal year 1981, billed by its proponents as "lean and austere" would permit spending of more than $660 billion, an increase of approximately 15 percent over fiscal year 1980. This is a growth rate in a majority of the budgets that have been approved during the past. none-too-frugal, decade. Total budget authority would increase by more than 11 percent to $725 billion.

In addition, the deficit in the fiscal year 1981 budget is projected at more than $55 billion, not including an additional $23 billion in new off-budget outlays. This total deficit has been exceeded only twice in the history of our country. The fiscal years 1975–81 have seen the seven largest peacetime deficits in the history of our Nation. Since fiscal year 1970 alone, our National Government has incurred nearly $530 billion in new deficits, more than one-half the total national debt incurred in the history of our republic.

What have been the results of these policies? Have they stimulated or stabilized our economy in the way that the economists assure us they will? The results, in my opinion, are as follows:

Our Nation is suffering from the highest level of inflation in modern times;

Unemployment, which the economists have taught us is inversely related to inflation, has also remained high. Growing levels of inflation have not stimulated demand so that the economy operates at a fuller capacity;

The dollar is at an all-time low among international currencies. There is growing flight from the dollar as a means for transacting business in international markets;

Our national balance-of-payments debit is near a record high. There is growing domestic sentiment for protectionist policies which, in the long run are inevitably damaging to an economy.

Our Nation's productivity ranks last among developed, industrial nations. We save less and we invest less than virtually any other Western nation; and

Taxes continue to grow as a burden upon the American people. Taxes consume nearly 40 percent of the average worker's income.

Perhaps most importantly, the standard of living for the average American has remained stagnant during the past decade. There has been virtually no real growth in median income during this decade, with a majority of American families having less real after-tax spending power at the end of the decade than at its outset.

PREMISES OF THE AMENDMENT

A constitutional amendment is critically necessary at this time to effect a permanent measure of fiscal responsibility by Congress. It is necessary because our root problem is not simply the fact that there are too many Members of this body who do not understand the relationships between their actions and the state of the American economy. Although this number remains high, just as critical is the fact that all of our legislators operate in an institutional environment which encourages deficits, which encourages high levels of spending, and which encourages high levels of taxation. Senate Joint Resolution 126 (S.J. Res. 43 this Congress) is aimed at altering this institutional environment.

Senate Joint Resolution 43 is not designed primarily as an economic amendment: it is primarily an amendment that affects the political and institutional processes by which our Government determines economic policy. It avoids dictating or specifying particular economic results or outcomes.

The major premises of the amendment are twofold: First, it rests upon the assumption that the political and legislative processes ought to be entrusted to make specific economic and fiscal decisions. Second, it rests upon the assumption that the political and legislative processes cannot presently be entrusted to make these decisions in a fair manner because of political biases that exist within our system that favor higher levels of spending and higher levels of taxation.

Senate Joint Resolution 43 seeks to eliminate these biases and establish a more neutral budgetmaking environment. It does not seek to establish alternative biases—biases that I would personally favor—in behalf of reduced levels of spending and taxes. It is the primary objective of the amendment that the product of our budget process—and no specific budget process is written into the Constitution—will more fairly reflect public sentiment on spending and taxing. If, as I believe, public sentiment presently favors lower levels of spending and taxes, that is likely to result under this amendment. It is not likely to result, and has not resulted, under the present system largely because of the strucutral biases that exist within the present system.

What are these biases to which I refer and to which the amendment is addressed? There are three major ones that I would identify.

First, there is an inherent bias in our present economic process in behalf of higher levels of taxation. This results from the interplay of our tax system with either inflation or real economic growth. Because of this phenomenon of tax bracket creep, the Federal Government is insured an ever growing proportion of the national income. In the absence of any congressional action, revenues grow, from year to year, as a percentage of the economy. The public sector grows increasingly large, while the private sector is correspondingly diminished. Congress is required to take affirmative action if revenues are not to increase as a share of the national income.

Second, there is an inherent bias in our present economic process in behalf of higher levels of spending. This bias exists because of the political advantages to be gained from supporting spending programs and the lack of countervailing political advantages—even the political disadvantages—gained from opposing them. Because spending interests tend to be visible, articulate, and intense in focusing their attentions upon individual spending bills that are likely to accrue to their benefit, and because they are able to reward or punish legislators with their electoral support or nonsupport. it is to the advantage of such legislators to be sensitive and responsive to their concerns.

There is normally no similar constituency in opposition to such spending programs. Those who would logically be most concerned about higher levels of expenditures—the taxpayers—are diffused, unorganized, and politically inarticulate. They have no lobbying organizations as do the spending interests. Even if they are able to perceive the

nature of their self-interest on a given piece of legislation, it is virtually impossible for them to focus or any given program with the same intensity and passion of a beneficiary spending group. While such group may stand to gain millions or even billions of dollars for their relatively small constituencies, the individual taxpayer stands to lose nothing more than a few cents or a few dollars apiece on any single program. It is only when these programs are aggregated that the taxpayer begins to feel the impact of such spending.

At the present time, the political advantages gained through support for a particular program are not offset by the political disadvantages which would result from votes to reduce spending for other programs or from votes to increase taxes. The virtually unlimited access to deficit spending and the absence of any effective spending ceiling precludes the former, while the "tax bracket creep" phenomenon avoids the latter.

It is the primary objective of Senate Joint Resolution 43 to insure, for the first time that such political disadvantages inevitably attach to votes to increase spending. Congress would be free to increase spending, but only by voting to cut other spending programs or by voting to increase taxes.

PROVISIONS OF THE AMENDMENT

How does the proposed constitutional amendment seek to dilute these biases? Let me briefly analyze the amendment section by section.

Section 1 of the amendment would establish, as a constitutional norm, that the Government not spend more dollars than it has available. By requiring that Congress adopt a balanced Federal budget at the planning stage of the budget process, it seeks to reestablish the traditional linkage between revenues and expenditures—or what Professors James Buchanan and Richard Wagner have referred to as our "unwritten constitution". Spending dollars would have to be matched by tax dollars. The political cost-benefit equation that is biased toward spending, when deficits are the norm, would no longer prevail.

Under section 1, however, Congress could choose to incur deficits at any time upon a vote of three-fifths of the Members of each House duly chosen and sworn. If such a super-majority is convinced that Congress must run deficit budgets in order to meet emergencies or respond to changing economic circumstances, Congress may deviate from the balanced budget norm that is established by this section. Such a deficit budget, however—and the precise deficit level must be specified—would be adopted by an explicit rollcall vote on a resolution directed solely to establishing a deficit; it cannot be obscured by placing the balanced budget waiver in a popular pork barrel bill of some sort.

The fact also that the waiver vote, particularly if it is to provide for a substantial deficit level, will occur at the planning stage of the budget process insures that it will not be considered in the "emergency" circumstances that normally characterize votes on waiving the statutory debt ceiling. The vote will assume more of an unambiguous character with those inclined toward large deficits supporting the waiver and those not so inclined opposing it; there will be no overhanging threat of Government shutdown or collapse upon the defeat of a given level of deficit, or of any deficit at all.

Upon the establishment of a balanced budget for some fiscal year, Congress would be prohibited from passing and the President would be prohibited from signing bills which would cause the total expenditures for any year to exceed the expenditures specified in the budget for such year. Once an appropriation bill were considered that threatened, in cumulation with earlier appropriation bills, to exceed the expenditure ceiling, Congress would be required to reject the appropriation or approve—by a three-fifths vote—a revised budget.

Section 2 of the amendment states that receipts, as a proportion of the national income—and any aggregate index could be substituted so long as it remained reasonably related to national economic performance—are not to increase from year to year in the absence of specific votes to that effect by a constitutional majority of each House of Congress, and Presidential approval. Absolute levels of revenues could, of course, continue to rise with levels of inflation or real economic growth, but revenues as a proportion of the economy would be restrained.

The bias in our system in behalf of higher taxes would be eliminated. Congress could no longer acquiesce in a tax increase by the simple act of doing nothing. They could no longer reap the political effects of, and dissipate popular tax reduction sentiment by, occasionally approving tax reductions that did nothing but partially compensate for the hidden, automatic, and silent tax increases of "tax bracket creep." The burden would be upon Congress to approve, by an express vote, tax increases, rather than upon them to disapprove tax increases. A more neutral decisionmaking process would be established. Nothing would prevent Congress from approving tax increases, but they would have to be done above-board.

It is important to recognize the critical relationship between sections 1 and 2. Section 1 establishes the general balanced budget norm, while section 2 establishes that the budget will not be established at levels that consume ever higher proportions of the national product in the absence of clear congressional expression. The conjunction of these two sections also establishes what is in effect a spending limitation. In the absence of a congressional decision to increase taxes as a proportion of the national income, the balanced budget requirement of section 1 would operate to insure that spending would similarly remain stable as a proportion of the national income. The result would be a spending limitation, albeit an indirect spending limitation, similar to that contained in an amendment drafted during the last Congress by Senator HEINZ and Senator STONE in conjunction with the National Tax Limitation Committee.

This spending ceiling—indeed any spending ceiling—would have the immensely desirable effect of altering the so-called concentrated benefit—dispersed cost bias in behalf of higher levels of spending that was earlier referred to. The entire psychology of the congressional spending process would be altered. Under the present system, each of the spending interests competes with the taxpayer to raise the total ante in the Federal Treasury. As a result of the "concentrated-benefit" phenomenon, spending interests more often than not prevail. Under a system, however, in which spending ceiling is established, these same spending interests would suddenly be competing with each other in order to insure themselves a certain proportion of a fixed ante in the Federal Treasury. The spending interests would not only have to convince Congress that their pet program merited funding at a certain level, but for the first time, would have to establish, in addition, the priority of their program. A fixed spending ceiling would require that Congress think in terms of budget priorities; an element of competition among the spenders would be introduced into the budgetary process.

Section 3 of the amendment would allow Congress, by a simple majority vote to waive the provisions of section 1 with respect to any single year in which a declaration of war was in effect. This would eliminate the anomaly by which a simple majority could declare war but might find themselves with insufficient funds to pursue the war for want of a three-fifths majority.

Section 4 contains language common to recent constitutional enactments that clarifies that Congress has the authority to enforce the provisions of this amendment by appropriate legislation. Indeed, given the limitations of the constitutional process to provide specific directions and details to Congress on matters within the scope of this amendment, I would expect that enacting legislation would be extremely important in insuring its efficient and effective implementation.

Finally, section 5 specifies the effective date of the amendment: The first day of January of the second calendar year beginning after its ratification.

SUMMARY

Thus, the proposed amendment is a combination balanced budget-tax limitation-spending limitation. It is a balanced budget amendment through the express provisions of section 1. It is a tax limitation amendment through section 2 which prohibits increases in revenues as a proportion of national income without a vote; it is also a tax limitation amendment in the sense that it eliminates the "indirect tax" of deficit spending, a tax that is reflected either in future inflation or future interest costs. Finally, it is a spending limitation as a result of the conjunction of sections 1 and 2.

Yet this is all achieved through an amendment that strikes me as being more in the nature of a constitutional

amendment than many of the more explicit spending and tax reduction amendments. The amendment is succinct, relatively easy to understand, free of essentially arbitrary numbers, and relatively free of arcane economic jargon. Most importantly, its purpose is that of a constitutional amendment—it seeks to perfect our legislative processes so that the democratic will may be more accurately reflected in an area—budget decisionmaking—where such democratic input is most essential. It seeks to do this by ridding the budget process of opportunities for illusion and concealment, and enhancing levels of political accountability. Section 1 addresses the illusion that there is such a thing as a free lunch, that Congress can spend dollars that it does not have without cost. Section 2 addresses the dishonesty of increas ng the tax burden upon the citizenry covertly, and through inaction. As one witness has testified about this amendment, its primary contribution is that it "increases the flow of economic information in the political marketplace."

In passing, I would like to say just a few words about a criticism that has commonly been made against constitutional amendments generally on this subject matter.

It has often been suggested that such amendments can be relatively easily circumvented if desired. This results, we are told, from the fact that no amendment in this area can hope to fully contemplate the variety of fiscal monetary, and regulatory arrangements that can be entered into by the legislative branch. No amendment can be precise enough to define economic terms with sufficient precision to preclude opportunities of circumventing the spirit of an amendment in this area.

In response, I would suggest that most amendments—or statutes—of human contrivance can also be undermined or distorted by human contrivance. Some of us might suggest that this has already occurred with respect to earlier amendments that were probably considered airtight by their drafters. If there is a will to ignore even a constitutional amendment, I have little doubt that an ingenious Congress or administration can probably do this. The value of a constitutional amendment, despite this fact, is that it elevates to constitutional status a broad principle of government—that of fiscal responsibility and accountability. It thereby serves as a permanent beacon by which Congress and the President can—and must—judge their programs and policies.

Congress, it seems to me, is expected always to act in accordance with both the terms of the Constitution and the spirit of the Constitution. While it is not always easy to enforce this responsibility against either Congress or the President, it nevertheless remains their responsibility. It is not simply the judicial branch that has responsibility for interpreting the Constitution; the legislative branch has a concurrent responsibility to do this.

I am frankly uncomfortable with the attitude that we ought not to propose a constitutional amendment because it is capable of circumvention. I am confident that the public will be capable of identifying those Members of the Congress and the Senate who will perpetually be seeking ways to circumvent. If circumvented, it will certainly not be the first constitutional amendment to be circumvented; if circumvented it will still be justified as an exercise in placing in the organic law of our land an enduring and permanent principle of sound and honest economic policy.

Mr. President, more than 175 years ago, our third President, Thomas Jefferson, remarked:

> Of all the perils facing the nation, public debt is the greatest of the dangers to be feared.

I believe that time has proven him to be correct. The experience of civilization since Jefferson's day has also confirmed the direct and intimate relationships between economic stability and political stability. As this Nation approaches the bicentennial of its Constitution, it is critical that that Constitution recognize the growing and fundamental nature of our Nation's economic dilemma.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 58

Resolved by the Senate and House of Representatives of the United States in Congress Assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. The Congress shall adopt for each year a budget, which shall set forth the total receipts and outlays of the United States. No budget in which total outlays exceed total receipts shall be adopted, unless three-fifths of each House of Congress duly sworn and elected approve such budget by a rollcall vote directed solely to that subject. The Congress shall not pass and the President shall not sign any bill which would cause the total outlays for any year to exceed the total expenditures in the budget for such year.

"SEC. 2. The receipts in any year shall not be retained for use of the Treasury in an amount which exceeds as a proportion of the national income, that retained for the prior year, unless a bill directed solely at approving a specific increase in such proportion has been passed by a majority of each House duly sworn and elected and such bill has become law.

"SEC. 3. The Congress may waive the provisions of sections 1 and 2 with respect to any single year in which a declaration of war is in effect.

"SEC. 4. The Congress shall have the power to enforce this article by appropriate legislation.

"SEC. 5. This article shall take effect on the first day of January of the second calendar year beginning after its ratification.".

ADDITIONAL COSPONSORS

S. 259

At the request of Mr. GOLDWATER, the Senator from Florida (Mrs. HAWKINS), and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 259, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older.

S. 267

At the request of Mr. DECONCINI, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 349

At the request of Mr. HART, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 349, a bill to amend title 38, United States Code, to establish certain procedures for the adjudication of claims for benefits under laws administered by the Veterans' Administration; to apply the provisions of section 553 of title 5, United States Code, to rulemaking procedures of the Veterans' Administration; to provide for judicial review of certain final decisions of the Administrator of Veterans' Affairs; to provide for the payment of reasonable fees to attorneys for rendering legal representation to individuals claiming benefits under laws administered by the Veterans' Administration; and for other purposes.

S. 388

At the request of Mr. HATCH, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 388, a bill to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of Revenue Ruling 77–85.

S. 445

At the request of Mr. MITCHELL, the Senator from Alabama (Mr. HEFLIN), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 445, a bill to establish a State set-aside system for propane, middle distillates, motor gasoline, residual fuel oil, and aviation fuels, and for other purposes.

S. 498

At the request of Mr. HART, the Senator from Massachusetts (Mr. KENNEDY), the Senator from Montana (Mr. MELCHER), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 498, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit to homebuilders for the construction of residences incorporating certain solar energy utilization characteristics.

S. 540

At the request of Mr. HUDDLESTON, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 540, a bill to amend the Clean Air Act to provide that the voluntary conversion from oil or gas to an alternate fuel by a stationary source shall be treated in the same man-

ner as a conversion ordered under the Energy Supply and Environmental Coordination Act of 1974 or the Powerplant and Industrial Fuel Use Act of 1978.

S. 541

At the request of Mr. HUDDLESTON, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 541, a bill to amend the Clean Air Act with respect to temporary emergency suspension of implementation plan provisions.

S. 542

At the request of Mr. HUDDLESTON, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 542, a bill to provide that major stationary sources complying with all applicable emission limitations and standards of performance established pursuant to the Clean Air Act shall not be subject to any more stringent limitations or standards for a period of 10 years.

S. 550

At the request of Mr. PACKWOOD, the Senator from South Carolina (Mr. THURMOND) was withdrawn as a cosponsor of S. 550, a bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition.

S. 569

At the request of Mr. JEPSEN, the Senator from North Dakota (Mr. ANDREWS), the Senator from Nevada (Mr. LAXALT), the Senator from Alabama (Mr. HEFLIN), the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. THURMOND), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Kansas (Mrs. KASSEBAUM) were added as cosponsors of S. 569, a bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and water conservation expenditures.

S. 603

At the request of Mr. ZORINSKY, the Senator from New Mexico (Mr. SCHMITT), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Nebraska (Mr. EXON), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 603, a bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders.

S. 613

At the request of Mr. THURMOND, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 613, a bill to amend section 1951 of the United States Code, and for other purposes.

S. 739

At the request of Mr. DURENBERGER, the Senator from Alabama (Mr. HEFLIN) and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 739, a bill to amend the Internal Revenue Code of 1954 to make the investment credit for railroad property refundable.

S. 777

At the request of Mr. TOWER, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 777, a bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes.

AMENDMENTS SUBMITTED FOR PRINTING

CONCURRENT RESOLUTION ON BUDGET RECONCILIATION

AMENDMENT NO. 20

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 9) revising the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

AMENDMENT NO. 21

(Ordered to be printed and to lie on the table.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 9), supra.

AMENDMENT NO. 22

(Ordered to be printed.)

Mr. RIEGLE proposed an amendment to the concurrent resolution (S. Con. Res. 9), supra.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will hold 4 days of hearings from Tuesday, March 31, 1981, to April 3, 1981 to discuss matters relating to the first concurrent budget resolution for fiscal year 1982 in room 6202 of the Dirksen Senate Office Building. Testifying before the committee on Tuesday morning, March 31, 1981 at 10 a.m. will be Casper Weinberger, Secretary of Defense, Gen. David Jones, Chairman of the Joint Chiefs of Staff, and DOD Comptroller, Jack Borsting. At 1:30 that afternoon Dr. Alice Rivlin, Director of the Congressional Budget Office, will present her agency annual report to the committee. At 3 p.m., Milton Socolar, Acting Comptroller General of the U.S. General Accounting Office, will testify.

On Wednesday, April 1, 1981, at 9:30 a.m., the Secretary of the Treasury, Donald Regan, will testify, followed by Mr. Murray Weidenbaum, Chairman of the President's Council of Economic Advisors, at 11 a.m. That afternoon an economic panel consisting of Mr. Alan Reynolds, vice president of the First National Bank of Chicago, Dr. Walter Heller, regents professor of economics at the University of Minnesota, and Dr. Rudy Penner, of the American Enterprise Institute, will present their views to the committee on matters relating to the first concurrent budget resolution for fiscal year 1982.

On Thursday, April 2, 1981, at 10 a.m., a panel consisting of Ms. Peggy Taylor, of the AFL–CIO, Representative WALTER FAUNTROY, chairman of the Congressional Black Caucus, Mr. Jack Carlson, executive vice president and chief economist for the National Association of Realtors, and Mr. Richard Lesher, president of the U.S. Chamber of Commerce, will discuss issues of national priority. That afternoon at 2 p.m. Ms. Marion Wright Edelman, president of the Children's Defense Fund, will appear with two other witnesses, yet to be announced.

On Friday, April 3, 1981, State and local leaders will meet with the Members at 10 a.m. They are: Gov. Richard Snelling, chairman of the National Governors Association, Mayor Richard Hatcher, chairman of the Conference of Mayors, and Mr. Roy Orr, chairman of the National Association of Counties.

The final session of hearings will begin Friday afternoon at 2. Witnesses appearing will be Senators HARRISON WILLIAMS of New Jersey and DENNIS DECONCINI of Arizona and Representative HENRY REUSS, chairman of the Congressional Joint Economic Committee.

For further information, please contact Mr. Bill Stringer of the Budget Committee staff at 224–0538.

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a hearing at 10 a.m. on March 30, 1981. I have scheduled seven bills for the hearing. The seven bills are:

One and two, S. 388, introduced by Senator HATCH and Senator TOWER, and S. 446, introduced by Senator SYMMS and Senator LUGAR, relating to taxation of annuities;

Three, four, and five, S. 464, introduced by Senator DURENBERGER, and S. 500 and S. 501, introduced by Senator MOYNIHAN, relating to the payout requirement applicable to private foundations;

Six, S. 476, introduced by Senator DURENBERGER and Senator BOSCHWITZ, relating to the taxation of private foundations constituting bank holding companies; and

Seven, S. 499 introduced by Senator MOYNIHAN, relating to the taxation of FCC-ordered dispositions of radio stations.

The purpose of this statement is to briefly explain the issues raised by these bills. This may help you chart the progress of tax legislation before the Taxation Subcommittee. It also helps assure greater public awareness of tax amendments coming before a hearing.

ANNUITIES BILLS—S. 388 AND S. 446

S. 388, introduced by Senators HATCH and TOWER, S. 466, introduced by Senators SYMMS and LUGAR, would bar the Internal Revenue Service from enforcing Revenue Ruling 77–85 and Revenue Ruling 80–274 regarding investment annuities and wraparound annuities. The effect of the bills would be to return to Internal Revenue positions issued prior to the two revenue rulings.

PRIVATE FOUNDATIONS PAYOUT REQUIREMENTS, S. 464, S. 500, AND S. 501

S. 464, introduced by Senator DURENBERGER, and S. 500 and S. 501, introduced by Senator MOYNIHAN, change the payout requirement for private foundations.

Under current law, a private foundation is required to distribute currently

for its charitable or other exempt purpose the greater of 5 percent, or the value of its investment assets or net income (code sec. 4942).

S. 464 amends this by deleting the requirement that a private foundation distribute net investment income in excess of 5 percent of its investment assets. S. 501 is identical to this provision in S. 464.

S. 464 also makes three other changes in tax rules applicable to private foundations relating to expenditure responsibility and the definition of disqualified persons.

S. 500, introduced by Senator MOYNIHAN as an alternative to S. 501, would retain the 5-percent payout requirement but reduce the amount of investment income required to be distributed in excess thereof by the amount of income attributable to inflation. As a result, a private foundation would be required to distribute the greater of its inflation-adjusted income or its minimum investment return.

SPECIAL DISTRIBUTION RULE FOR PRIVATE FOUNDATIONS CONSTITUTING BANK HOLDING COMPANIES—S. 476

S. 476, introduced by Senators DURENBERGER and BOSCHWITZ, provides a special valuation rule for purposes of determining the distribution requirement in the case of a private foundation constituting bank holding companies.

The bill would provide a special rule for valuation of securities and bank-related companies for purposes of minimum investment return. The value of such securities would be determined by capitalizing the dividends paid by these banks and bank companies at a rate of 6 percent, that is, by multiplying the dividends by 16⅔.

The principal intended beneficiary of this bill is the Otto Bremer Foundation of Minneapolis, Minn.

ROLLOVER OF GAIN ON FCC-ORDERED DISPOSITION OF BROADCAST PROPERTY

S. 499

S. 499, introduced by Senator MOYNIHAN, amends rules relating to rollover gain on FCC-ordered disposition of broadcast property.

In Revenue Ruling 78–269, the Internal Revenue Service held that gain is not recognized under code sections 171 and 1033 where a corporation divests itself pursuant to an FCC order and certification of stock in a newspaper publishing company, and reinvests in stock of a television broadcasting station. However, in a later "private letter" ruling, the Service held that gain must be recognized for a corporation pursuant to an FCC order and certification, divests itself of a television station and reinvests in newspaper stock. The effect of the bill is to reverse this latter Internal Revenue Service ruling.

The amendments made by the bill would be intended to apply to the FCC-required disposition of television station WWNY in Watertown, N.Y., by Johnson Newspaper Corp., and other similarly situated taxpayers whose disposition proceeds are reinvested in a newspaper.

ADDITIONAL STATEMENTS

AN OPEN LETTER FROM THE ELDERLY OF AMERICA TO PRESIDENT REAGAN

● Mr. GOLDWATER. Mr. President, no group in society feels the brunt of inflation more severely than elderly persons, who are scraping to get by on retirement incomes. Judging by the mail and telephone calls I am getting from older persons, I see a great outpouring of support for President Reagan's economic recovery plan. These sensible people know that if we can succeed in bringing down inflation from double digit rates to a point that is below the rate of growth of the gross national product—which is the aim of the President's program—retired people will benefit tremendously.

At the same time, many older persons rightfully ask just how the President's plan will specifically affect them, and I answer that in my opinion the President has bent over backwards to make this program fair. I know the President is sensitive to the special needs of retired persons and, to offer a case in point, I will mention that the administration has firmly rejected all thoughts of reducing the cost-of-living increases awarded annually to persons receiving social security checks.

It is also my impression that the President's plan will preserve the basic purpose of social security as a pension or annuity earned by workers who have paid into the system during a lifetime of employment.

Mr. President, to give an idea of what older persons are thinking about, I ask that a weekly column for, to, and about Arizona's elderly citizens, written by John Burnham of Tucson, may appear at the close of my statement. This particular column is an open letter to President Reagan, and it has attracted considerable favorable comment from all over my State. I commend this concise, but thoughtful, article to the attention of my colleagues.

The article follows:

COMMONSENSE FOR SENIORS

(By John Burnham)

Dear President Reagan: We are solidly behind you in your effort to cut out waste and unneeded expenditures. Nobody wants to see our nation go bankrupt.

We have seen the multiplicity of public relations people swarming through every department of government, every agency and bureau, often painting those agencies and departments in rosier hues than they sometimes deserve, seeking to justify greater growth and fatter budgets for those agencies.

We have seen so-called research on far-out esoteric subjects which can't possibly ever be of practical use.

We have seen waste and spoilage and graft in foreign aid programs as our nation defies all logic by trying to make people love us by placing them under obligation to us. (Yet every experience of life has proven there is no greater bitterness than that of one placed under an obligation he cannot repay.)

We know about the waste in government travel—billions of dollars last year, plus 400 million dollars spent just to process travel vouchers.

We have seen unjustified subsidies given to private businesses, and a proliferation of laws and rules and regulations to give special aid to those unable to stand on their own commercial feet.

We really hate, Mr. President, to join that growing army of special interest groups mounting a campaign against your efforts, with their battle cry of "Tighten the other fellow's belt, not mine." Yet we find ourself doing so, a little bit uncomfortable at the company we keep as we do so.

Mr. President, the one group of Americans which has borne the brunt of inflation is us elderly. We can't raise prices for we have nothing to sell. We can't strike for a raise because we no longer work. We cannot get a rate increase, as every utility in the land is doing.

We worked our 40 or 50 years in the belief that our little savings were safe. We paid for our homes, educated our children, paid taxes, supported all the institutions of government from the local level up to Washington.

Today our 1940 dollar is—through no fault of our own—worth only a thin dime. We have no way of changing that, for our earning years are over.

So please, Mr. President, lend a compassionate ear and save from your sharp ax those agencies and services which watch over us.

You have assured us that Medicare and Social Security changes will not affect those of us now helped by such service. We hope the same kindly consideration will extend to the Administration on Aging, and the funding for our state and Area Agencies on Aging.

The elderly of America, Mr. President, have been a fiercely independent breed. Now, after their years of earning are over, inflation has made them an endangered species. They have a special need, and are especially deserving. We hope you will look upon them with compassion.●

EXPORT TRADING COMPANIES

● Mr. CHAFEE. Mr. President, when we discuss measures to aid or promote exports, we usually focus on the effect upon business, jobs, and the economy. We have rarely focused on the benefit to consumers. In a recent interview with Consumers for World Trade, Senator JOHN HEINZ observed that beyond providing more jobs, additional exports will reduce our trade deficit and strengthen the dollar. This means that consumers will pay less for those goods we import.

Consumers for World Trade apparently agrees. In testimony before the Senate Banking Subcommittee on International Finance, on legislation to promote the formation of export trading companies, the organization urged passage of the bill. They stated that the legislation would represent "an important signal to our trading partners that the United States is committed to a more open world trade system."

Mr. President, as chairman of the Banking Subcommittee on Consumer Affairs, I am particularly interested in the views of consumers. I ask that the text of the CWT interview with Senator HEINZ be printed in the RECORD.

The text follows:

CWT INTERVIEW WITH SENATOR HEINZ

CWT. Senator Heinz, you've just introduced Export Trading Companies Legislation. Why are export trading companies so important to our economy?

Senator HEINZ. We are faced with a very heavy balance of payments deficit. It has been in the neighborhood of 30 billion dollars a year, for several years. And while the

strengthening of the dollar is good news for us in terms in inflation, it can result in our export problems becoming worse, particularly with respect to manufactured goods. We not only need support for our traditional export activities, such as the Export-Import Bank, but we must recognize that the world around us, in which we are interdependent, has changed dramatically in the last 20 years, and the forms of competition out there demand that we change accordingly. Export trading companies are designed to accommodate that change and take advantage of it in a way we haven't done so far—primarily for our small- and medium-sized manufacturers and providers of services who, up to this point, simply have found the U.S. market a much more attractive place to do business.

CWT. What are the more technical reasons for creating export trading companies?

Senator HEINZ. On the technical side, the reason we need the export trading companies legislation is to deal with two main issues—the ability to provide financial support for export trading companies and the need to have a very clear understanding of the extent which trading companies formed under the Webb-Promerene Act would be subject to antitrust problems. We accommodate the first by permitting banks, under certain circumstances and with appropriate approvals of the bank regulators, to invest in and to be equity owners in trading companies. In this way we believe banks will become actively interested in helping form and finance trading companies. And we have received many indications from banking institutions that they, in fact, intend to do so.

With respect to the antitrust problems that people have found operating under the existing Webb-Pomerene, there are two. First, as Webb-Pomerene was written, it did not include services. But we include services in our expanded definition—not just hard goods as it were. In today's export environment the provision of services is often essential to the export of goods. To draw an artificial line is only to shoot ourselves in the foot.

The other problem with Webb-Pomerene is that it has been difficult for many people using it to get a clear reading from the Justice Department as to when they would or wouldn't be subject to antitrust enforcement and penalties either by the government or to suits that can, under existing law, be brought by third parties with retroactive damages. It is the retroactive damages after you have been doing business for 4 or 5 years that obviously are a cause for great uncertainty.

What our bill does is to streamline the procedures without changing the substance of antitrust law—to continue enforcement of Webb-Pomerene by the Justice Department, but provide that the Commerce Department take the lead in setting up criteria under which the limited antitrust exemption will be granted. We feel that we can get more rapid and more certain certification once we can exempt the trading companies from retroactive penalties, because the Justice Department will know in advance what activities they intend to engage in. If the government does not believe that the trading companies should be engaged in these activities, then certification simply wouldn't be granted. Activities outside those covered by the certificate, of course, would not be immune.

CWT. What is the Administration's position with respect to export trading companies?

Senator HEINZ. They strongly support the bill. Secretary Baldrige of the Commerce Department testified last week on behalf of all the Federal departments—Treasury, Justice, the United States Trade Representative—and indicated the Administration felt this was an extremely important issue and one they would like to see moved through the Senate and the House as quickly as possible. This is in stark contrast, I might add, to the difficulties we had with the previous Administration in getting any point of view whatsoever. The position of the Reagan Administration was taken within three and a half weeks of their taking office. It took us three and a half years to achieve a somewhat comparable result with the Carter Administration.

CWT. Do you think that bank involvement will create the same stumbling block in the House that it did last year?

Senator HEINZ. The Senate has had some advantages, in considering this legislation, over the House. Senator Stevenson and I had held three years of hearings involving export trading companies, specifically, and a variety of issues surrounding our export potential, in general. The legislation was easily moved through the Senate—passed by a vote of 77 to 0. But, until shortly before that time, the House really had not had the opportunity to carefully consider the legislation. A House bill was only introduced in 1980 which gave us a two year advantage in the Senate. It was also referred to three committees on the House side, complicating the procedural situation. We were fortunate in the Senate in that it was referred to only one committee—Banking. It is my feeling that by our moving early in the Senate and passing the legislation as quickly as possible, that the House will have sufficient time during the 97th Congress to hold the necessary hearings, to acquaint themselves with the necessary issues and, hopefully, to come to the same decisions that we have on this side.

CWT. What kinds of support has the legislation received from the private sector?

Senator HEINZ. It seems to have very broad and wide support. We have gotten very good support from the medium-sized and smaller manufacturers. We have gotten support from the people who are now doing international business—the exporters, the freight forwarders, the people who do the financing of exports, including the banks. Of course, this legislation makes special provisions for banks to participate in export trading companies and that is the issue on which people have had to reassure themselves the most.

It is our view that the essential element that makes an export trading company successful is its ability to pay its suppliers cash on normal short-terms and then finance the export which is bought by the importer in a foreign country and then finance the importer until he resells the product. That means that the ability to finance is central to the ability of a trading company to do the job. Banks obviously have a good deal of money for financing and that is why we believe they have to be an integral part of and allowed to participate in trading companies, if we are going to have financially viable trading companies.

CWT. How will American export trading companies compare to those in other parts of the world?

Senator HEINZ. When we look at the rest of the world, it is worth noting that the Japanese trading companies are mammoth enterprises. The Mitsubishi Trading Company, the largest world-wide, is a 60 billion dollar enterprise. And other major trading companies such as Mitsui are all doing 10 or 15 billion dollars worth of business a year. We are talking about the need to have a lot of staying power. What we are proposing is a good deal more modest than what the Japanese or the British have accomplished, but I do believe very effective.

CWT. With respect to your home state of Pennsylvania, what kinds of products would the small- and medium-sized businesses be likely to export?

Senator HEINZ. There is an enormous list of potential items that could be exported. I would imagine synthetic textiles and apparel people would be particular beneficaries of this legislation. And it would be especially good for areas such as Philadelphia, where there are concentrations of textile and apparel people. It would be a mistake, however, to think that only ocean port cities would benefit. Indeed, we have had testimony that many of our inland water ports such as St. Louis will be major beneficaries because of the enormous quantity of goods that move on our inland waterways. We have one of the great inland waterway systems in the world and that means that this will be legislation with truly national benefits.

CWT. How will export trading companies affect the consumer?

Senator HEINZ. I think they would help the consumer in two ways. First, they would create more jobs independent of the Federal government having to create those jobs. That means lower taxes. That means a healthier economy and more opportunities for people. Every billion dollars worth of export creates 40,000 to 50,000 jobs. The second benefit is that we will have a stronger dollar. We'll be able to export more and reduce our trade deficit. That will strengthen the dollar and that means we will be able to buy more cheaply those things that we import.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. METZENBAUM. Mr. President, 63 years ago, on March 25, 1918, the people of Byelorussia declared their freedom from centuries of Russian domination and opened a brief, but a well-remembered, period of national independence.

That anniversary cannot be observed in the Soviet Union today, but in this country, more than a million Americans of Byelorussian ancestry take this occasion to remind the rest of us the despotism under which their friends and relatives in the U.S.S.R. must live.

This weekend, at a major meeting in New York, representatives of the Byelorussian-American community will formally request the Voice of America to include the Byelorussian language programs in its broadcasts to the Soviet Union. I strongly endorse that request.

Mr. President, last August, I had the occasion to address a national meeting of the Byelorussian community that was held in my State of Ohio.

I ask that the text of my remarks on that occasion be printed in the RECORD.

The remarks follow:

BYELORUSSIAN INDEPENDENCE DAY

I am honored that you have asked me to be with you today as you gather from across the United States and Canada to affirm once again your commitment to preserving in this land of freedom the proud and ancient culture you brought to America from the fertile plains and magnificent forests of Byelorussia.

For the Ohioans among you, this meeting marks a special occasion—the thirtieth anniversary of the Byelorussian-American organization in our State. The Ohio organization has my warmest congratulations and all of you have my thanks—thanks on behalf of all Americans for enriching our common culture by bringing to it your own distinctive tradition.

We have come here today to celebrate that tradition. But as we celebrate, we do so in the sad knowledge that in Byelorussia, in the Ukraine, in the Baltic States and in all the places where Soviet power holds sway, no group of free people like this one can come

together to say what they truly want to say and to be what they truly want to be.

And you who are here today know from bitter personal and family experience that the Soviet Government holds in contempt the principles enunciated in the universal declaration of human rights and you know the value of the promises the Soviets made when they signed the 1975 Helsinki Accords.

Those promises are worthless.

The Soviet Government now is just as determined as it ever was to crush dissent.

Anyone who doubts that can ask what has happened to the heroic men and women in the Soviet Union who asked their country to comply with the promises it made at Helsinki.

At Helsinki, the Soviets promised to "promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights." And they agreed to "confirm the right of the individual to know and act upon his rights and duties."

Have the Soviets kept their promises?

Ask Balys Gajauskas, editor of an underground Catholic newspaper in Lithuania.

Gajauskas, a Helsinki monitor, was convicted of a crime called "slandering the Soviet State." He drew fifteen years for that, ten of them to be spent in what the Soviets call a "special regime" prison.

A "special regime" prison in the Soviet Union is very special indeed. The food in such places is especially bad. Living quarters are especially cold and crowded. Medical care and hygienic facilities are especially absent. And the risk to life and health and sanity is especially great.

Ask this man what he thinks of Soviet promises.

Ask Mikhail Kukobaka, a 43-year-old workingman from Byelorussia who has spent a quarter of his life in and out of Soviet prisons and psychiatric hospitals.

What was his crime? Kukobaka wrote an essay about the miserable lives of his fellow working men and women. For that, he was convicted last year in what the Soviets call a court of justice for the crime of slandering the state.

Ask Mikhail Kukobaka what he thinks of Soviet assurances.

And while you're at it, ask religious believers in the Soviet Union what they think of their government's promise at Helsinki to "recognize and respect the freedom of the individual to profess and practice, alone or in community with others, religion or belief in accordance with the dictates of his own conscience."

Ask and you will learn that no religious believer—Christian, Jew and Moslem alike—may be a teacher in the Soviet Union.

No religious believer may be a civil servant or an official in the government.

No religious believer may be assured of access to places of worship or to the services of the clergy.

In the Soviet Union, official permission is required for a priest or a minister or a rabbi to visit the sick. Official permission is required even to comfort the dying. And often in the Soviet Union, official permission is refused.

In Moscow right now, another brave man, Father Gleb Yakunin, is on trial for the crime of saying openly what everyone knows—that the guarantees of religious freedom in the Soviet Constitution aren't worth the paper they're written on.

Father Yakunin, an Orthodox priest, heads a group called the Christian Committee for the Defense of the Rights of Believers. He stands accused of slandering the Soviet State—by telling the simple truth. For that crime, Soviet "justice" threatens him with seven years in jail and another five in internal exile.

That's a high price for speaking the truth.

But there are brave people who are willing to pay it.

Ida Nudel, a Jewish activist, was convicted in 1978 of a crime called "malicious hooliganism."

What did she do?

After waiting seven years for permission to emigrate to Israel, she finally hung a banner out her apartment window. It simply read "Where is my visa?"

Ida Nudel is in Siberia today—serving a 4-year sentence.

She is not the only one. Far from it.

In Poland today, we see the inspiring spectacle of thousands upon thousands of ordinary working people defiantly standing up to their oppressors and saying, "We've had enough."

The Polish workers know what they're up against.

They know that their country is surrounded by overwhelming Soviet forces.

They remember what the Soviets did to the Baltic States in the 1940's, to Hungary in the 1950's and to Czechoslovakia in the 1960's.

The Polish people know what Soviet brute force is doing today in Afghanistan.

But still, the Poles stand up.

Our Government has been very careful so far not to say or do anything that could give the Soviets a pretext to intervene in Poland.

I believe that's a prudent policy—for the Government.

But I also believe that we as the people of this country have the right and the obligation to say "Poland, we respect you, we admire you and we stand with you."

I want to hear American labor speaking out for Poland.

I want to hear it in our churches and our synagogues and in the halls of Congress.

And I want to hear groups like this one—hear them say, "Yes, Poland, you're fighting our fight—and we are with you."

Yes, we must stand by Poland.

And I say to you also that we must stand by the heroes and heroines inside the Soviet Union itself—people like Kukobaka and Gajauskas and Father Yakunin. These are people who have risked everything on behalf of what they know and what is right.

We have given them support in the past. Members of the Senate, myself included, have written time and again to the Soviet leaders to ask that they be treated with fairness and decency. But we have heard nothing in return.

Two years ago in 1978, long before Afghanistan, I urged our Government to withdraw from the 1980 Moscow Olympics to protest Soviet violations of human rights. I supported the boycott—but I wish only that we'd done it earlier.

And I wish we had moved earlier to impose trade sanctions against the Soviet Union. Why should we sell to the Soviets the Western technology they need to modernize their economy?

And if the Soviets want to pour their resources into a vast weapons build-up, then I say let them eat their tanks because they won't have U.S. grain.

And I say let them know that we in America care and care deeply about human rights.

President Carter brought the human rights issue to the forefront of American policy. For that, he deserves great credit.

Nevertheless, I think you ought to know that there are those in our Government who believe that we should back away from the human rights issue. No less a person than Henry Kissinger said as much in recent Senate testimony.

There are those who argue that our support for human rights in the Soviet Union complicates our relationship with that country.

We must realize, these people say, that the Soviets consider this an internal matter.

And we must be aware, they tell us, that the Soviet leaders are very sensitive about our criticism.

Well, I am sorry to hear that the Soviet leaders are sensitive.

I would not want to hurt their feelings.

But I want the Soviets to know that I am sensitive too. And I want them to know that the American people are sensitive.

I am sensitive and I am angry when I hear that people like Mikhail Kukobaka have been confined to mental hospitals and jails. And the American people are angry too.

I am sensitive and I am angry when I hear of the 200,000 Soviet Jews who have been denied the right to emigrate to Israel.

I am sensitive and I am angry when I read that people like Father Yakunin and Viktoras Petkus have been jailed for slandering the Soviet state.

How, I ask you, can these men slander a state whose own actions bring down upon it the scorn and contempt of every civilized person?

If it is a crime in the Soviet Union to make that country look absurd, then let them put the judges in these cases on trial. Let them haul Mr. Brezhnev into the dock. Let them try the secret police, the informers and the communist party officials who are so frightened, so insecure in power that they make their country the laughing stock of the world.

The Soviet Government may suppress individuals. But even the KGB cannot kill the idea of liberty.

And make no mistake about it—the idea of liberty is loose in the Soviet Union today—just as it is loose in Poland and in the other nations of the Soviet empire.

I do not say the major changes are about to take place today or tomorrow.

I do not think that the dissidents are in a position to challenge the might of the Soviet state.

But I do think that the existence of the dissidents demonstrates that there is a deep unease in Soviet society. I think that they represent a desire on the part of millions of people there for a better life for more freedom, for the right to practice religion and to honor a national heritage. I believe that those desires will grow stronger and better organized. And someday, they will be felt at the center of Soviet power.

Because I believe these things, I reject the counsel of those who think that our country should back down on human rights.

I reject the idea that we should stop bothering the Soviet authorities with demands about the liberties guaranteed to their citizens by the Helsinki accords and the universal declaration of human rights.

I believe that we should bother them, as often and as forcefully as we can.

And I believe further that we should continue to bother our own government, to let our leaders know that the American people strongly support them when they take up the cause of human rights.

I pledge to you that I, for one, will never back down on human rights. And I urge you in the strongest terms never to abandon the dream that someday, somehow, the nine million people of Byelorussia will live in freedom.

That is a worthy cause. It is a cause that is in keeping with this country's finest traditions. And it is a cause that will always have my strong support.●

SCIENCE POLICY

● Mr. SCHMITT. Mr. President, Senator MATHIAS has recently given a speech which I believe deserves to be recognized. His leadership and understanding of the issues involved in science research and policy are to be commended. As many

in the scientific community will attest to, politicians have, in the past, not focused on the fundamental need for basic and applied research as the backbone of our current economic system. Senator MATHIAS very aptly describes the need for science research and the need science policy must play in public policy.

Mr. President, I ask that Senator MATHIAS' speech be printed in the RECORD.

The speech follows:

THE FUTURE OF BIOMEDICAL SCIENCES IN THE UNITED STATES

I am honored to have been invited to give the New Brunswick Lecture at this Annual Meeting of the American Society for Microbiology. I welcome the opportunity to speak before this august body of scientists. And I look forward to a frank exchange of views that will enable me and my staff to help you grasp the truly miraculous future that is within the reach of science.

Under any circumstances, I would be proud to stand here but as the senior United States Senator from Maryland, I am especially proud because of the great contributions my fellow Marylanders have made to this Society. Dr. Riley Housewright has just become your Executive Director. Dr. Joe Joseph, Director of Laboratories in Maryland, was recently elected to an eighth term as the Society's Secretary—a position which Dr. Donald Shay of the University of Maryland Dental School handled with distinction for many years. Dr. Rita Colwell, the Director of Maryland's Sea Grant Program, is a convener of several of your scientific sessions. And last, but from my point of view certainly not least, your Congressional Fellow for this year, Dr. Henry Williams, is also a Marylander and he is working on my staff.

So I have many parochial reasons to be proud of this Society and its work. But I have other good reasons as well. They stem from my experience with the type of leadership that you, the members of this Society, have provided to our country and to the entire world in moving us to new frontiers in science. Without your vision, without your dedication and your hard work, without the fruits of your genius, the United States would not lead the world today in biomedical scientific research.

I am equally proud of the unsung heroes and heroines among you who work in clinical and medical laboratories to keep America healthy and of those who ensure the safety of our water and food and our environment. Your invisible hands sustain the quality of all our lives. Yet all too often your work goes unnoticed, unpraised and undersupported.

Occasionally, however, someone has the wit and the wisdom to give proper recognition to the wondrous work of scientists. Columnist George Will, for example, wrote a memorable column on the Most Consequential Event of 1975 which began with a fascinating retrospective glance at what had made news in earlier years as compared to the events that ultimately proved to be truly consequential. In 1932, the biggest news was the election of Franklin Delano Roosevelt. But it was also in 1932 at Cambridge University in England that James Chadwick discovered the neutron which was the key to atomic fission. Chadwick's discovery was not a big newsmaker in 1932; 13 years later it was not only "big news", it was a big noise as well.

Will points out that, "In 1953 the big news events were that Eisenhower became President, an armistice was negotiated in Korea, and Konrad Adenauer was Time magazine's 'man of the year'". But everyone in this audience surely is familiar with another event which took place that year: Watson and Crick published a paper that began, "We wish to suggest a structure for the salt of DNA". Today, we are still reeling from the full significance and consequences of their great discovery.

In 1975 the big news was the fall of Saigon and the near fall of New York, the C.I.A and the FBI. Meanwhile, a team of scientists at Harvard constructed a mammalian gene.

Weighing the historic significance of these leading political events against contemporaneous achievements in the sciences, you cannot fail but agree with George Will that in the long run the impact of the scientific events dwarfs to insignificance the political events which at the time dominated the news.

I was so forcibly struck by the importance of George Will's tribute to science that I made a speech about it in the Senate which was printed in the CONGRESSIONAL RECORD. At that time I did not imagine that one day I would be standing before the largest life sciences association in the country, and would have a chance to express my admiration for you face-to-face—admiration that is shared by members of the Congress and by the American people who, I believe, are increasingly aware of your achievements.

Politicians like to pretend that they are up to any challenge, but trying to find something pithy to say to an organization whose members have claimed more Nobel Prizes in medicine and physiology than any other group is a challenge that would daunt even the most dauntless among us.

What I would like to do today and what I hope will be useful for you is to discuss the future of biomedical research in this country from my perspective on Capitol Hill.

There are two important facts which are crucial to this topic—(1) basic research in this country is 60 percent government funded; and (2) some of the results of that research, such as genetic engineering, have grave and far-reaching implications for our society.

Largely because of these two factors, scientific research has come and, in my view, will continue to come under increasingly close scrutiny by the public. And the corollary to this is that any issue that sparks public reaction, positive or negative, also sparks the involvement of elected officials at various levels of government. As public interest increases, science, in my opinion, will come under greater political influence.

Now I know many of you question why something as seemingly apolitical as science and the work you do should come under political scrutiny. The answer, I think, lies in the public's very proper concern to have a say in where tax dollars go, in how and to what purpose these dollars will be spent and in what results these dollars buy.

Public interest translates into pressure on the elected officials who act on budgets and appropriations—the budget for scientific research included. This is the way our government works and it is not such a bad way. The "pure-minded" scientist who cringes at the thought of his work being thrown into the political arena for scrutiny must come to grips with the realities of today's world.

A recent report of the Office of Technology Assessment underscores this point. It says:

"The public's increasing concern about the effects of science and technology has led to demands for greater participation in decisions on scientific and technological issues. An increasingly educated population skilled at exerting influence over policy makers seems to be a strong trend for the future. The media has played an important role in this development, reporting more and more on breakthroughs in science and technology as well as on accidents, pollution, and the side effects or potential dangers of some technologies. While misunderstanding perhaps, the nature of science as a process, the public is becoming disenchanted by recent accidents and apparent abuses associated with technology."

The inevitable result of all this, as the OTA report concludes, "has been the growing politicization of science and technology". The public is no longer satisfied with phrase making about "public policy"; the public wants to make policy and, indeed, that is the public's right. Scientists and politicians alike stand to gain by paying attention to public concern and to a large extent I think most of us are doing that.

The scientific community obviously can respond successfully to this challenge as witness the way scientific organizations, such as this, have responded to the public policy implications inherent in recombinant DNA.

I'd like to offer some suggestions about two specific ways you should involve yourselves in influencing public policy more actively: first, as participants in the legislative and political process; second, as educators and communicators informing the public about your research, its potential benefits, uses and risks, if there are any.

The point of scientists involving themselves more in the legislative and political system is obvious. This system determines what support will be allocated to research and it devises regulations and policies that affect a range of your activities from the type of research done and the accountability of researchers, as addressed by the infamous OMB circular A-21, to the certification of clinical microbiologists.

As you know, the budget process consists of a long chain of events beginning with the individual federal agencies and ending with the Congress. Your society and other professional associations have done a creditable job of establishing contact in the agencies and keeping track of the budget as it meanders through the Congress. But the counsel of scientists in the field and in the laboratory is also needed, especially when Congress begins its deliberations. When a legislative measure with some scientific or technological aspect comes before a committee on which a Senator or Representative from your district serves, make your representative aware of your interest and your expertise. Ask to testify or, working through your society, offer to provide position papers or other assistance. Being present at the creation is the very best way of influencing what is created.

A good example of what I'm talking about was covered in a recent article in your publication, the "ASM News". It reported that Representative George Brown had been getting "bags of mail" opposing the use of live animals in research, but had received little input from scientists knowledgeable about laboratory animals and the alternatives to using live animals in research and testing. There's a lesson to be learned here.

Without such expert testimony, we in Congress, risk producing legislation that is skewed in one direction or another and you risk allowing a situation to develop that may inhibit your scientific inquiries.

Members of Congress welcome your input. Very few of us are professional scientists. Generally our knowledge of science is in direct proportion to the education and information we receive from government agencies, lobbyists, interest groups and informed constituents such as yourselves.

In recent years special interest groups have burgeoned on the Capitol Hill landscape. They are both aggressive and sophisticated in pressing their suits on Congress on such matters as the environment, nuclear energy and genetic engineering. To provide a counterbalance, where one is lacking, the scientific community must also exert itself to inform, to educate and to communicate with elected officials. This will not only protect your own interest, but also allow those of us in policy-making positions to have

access to the professional knowledge so necessary to sound decision.

You should also involve yourselves in the question of government regulation. Personally, I believe the government should be the regulator of last resort. But I do not question for a moment that government has a very legitimate role to play in the regulatory process under certain circumstances.

That principle was established on November 15, 1777, when the Second Continental Congress, meeting at York, Pennsylvania, adopted the Articles of Confederation which contained provisions later written into our Constitution. Among them was the idea that a federal government is obligated "to promote the general welfare". That idea was included in the Third Article of Confederation but 10 years later the Framers of the Constitution moved it up to the Preamble to underscore its importance.

Looking at the historical development of this concept over the past 200 years, I think it is clear that it has come to mean the federal government is obliged to intervene "to promote the general welfare" of the citizenry when no one else can or will satisfy a perceived need. I'd like to repeat that qualifying phrase, "when nobody else can or will satisfy a perceived need", because it is central to the question of federal regulation.

I think I can explain what's involved here by taking a look at how we have dealt with some of the ethical issues raised by biomedical research. These are difficult problems. Government has an obligation to protect society but, at the same time, we do not want to impose undue limitations on scientific inquiry. To deal with such areas as fetal research, the use of prisoners as guinea pigs, the protection of patients in behavioral research, we have established by legislation a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Reseach.

This Commission, appointed by the President has produced a series of reports, so widely acclaimed for their competence and fairness to both scientist and citizen, that they have effectively set the standards in these fields, and defused some potentially explosive societal bombs. Again, the guidelines for recombinant DNA research put out by NIH have been accepted as fair and reasonable by most scientists and citizen groups. So they have short-circuited what might have been hasty and overly restrictive legislation by the Congress.

Why were these efforts successful? First, it is clear that only the federal government could have tackled these problems. But most importantly, success was almost assured by the willingness of the biomedical community to become involved and to lend the process its energy, its wisdom and its prestige. That is the essential point here.

The question is not whether scientists can regulate themselves and their inquiries in ways that will "promote the general welfare". Obviously, they can. The question is whether they will; whether they are willing to. If they are not, the federal government has a duty to fill the gap. It is really up to you whether or not a gap develops.

Two areas will no doubt be the focus of debate in the future. The first has to do with certain types of genetic research in humans. The experiments which led to the so-called "cloning" of mice have already raised some eyebrows. These experiments have prompted calls for a ban on this type of research in humans.

The other controversial area is in the rapidly developing genetic industry. Massive scale-up operations of industrial processes which make use of genetically-engineered organisms or their products are causing some concern. This concern is directed more toward industry and industrialists than toward science and scientists.

Not unnaturally, the public is apprehensive about the potential for abuse especially where there is strong competition in a developing industry for a new market such as we find with recombinant DNA. It is estimated that there will be a market of more than $3 billion for recombinant DNA products by 1990. That is up from a projected $3.6 million in 1982. Obviously, DNA technology is big business and, while I have high regard for business, the negative effects on our lives caused by some industries cannot be overlooked. The industrial contamination of the James River with kepone is an example which comes immediately to mind.

The second area I mentioned where you should get involved, was that of public education. The public needs education and information in the science area today more than ever before. The National Science Foundation and the Education Department produced a joint report recently that suggests the American public today is on the verge of becoming scientifically illiterate. This is a dangerous situation because it comes at a time when American citizens are becoming more and more involved in the regulatory and policy decisions that set directions for scientific inquiry and technological development. Unless something is done to reverse this trend toward scientific illiteracy, important national decisions on science and technology will be at best uninspired and very likely uninformed.

I am happy that the scientific community has begun to attack the problem of public ignorance of science issues through a number of lay publications which have appeared over the last year or so. But this must be considered only the beginning. Science education is not your responsibility exclusively. Substantial leadership from the federal government too will be necessary to turn this situation around. We'll need help from community leaders and state and local government too to change attitudes on our school curriculum where the declining emphasis on science and mathematics is in marked contrast to other industrialized countries.

And that brings me to the final point that I would like to discuss—the relationship between scientific research and a healthy economy.

A talk of this sort is not the place to go into the nitty-gritty of budget recommendations and budget cuts. But I would be remiss not to mention OMB's recommended cuts in the National Science Foundation budget.

Ronald Reagan comes into office with a clear mandate to do something about the economy. And that mandate quite specifically includes cutting the federal budget.

To come to grips with the hard facts of our economic life and do battle with runaway inflation, soaring interest rates and sagging productivity, will require a determined national effort. It will require sacrifice and belt-tightening from everyone. Every single person in America must be prepared to give up something he or she prizes in order to get something we all need—economic stability.

Basic research, although it tops my personal list of cost-effective programs, is not going to be immune from harm when the budget cuts are made. But, it is up to us, working together, to see that we do not get involved in a budget-cutting exercise that is penny-wise and pound-foolish. Frankly, I think cutting science education and funds for upgrading laboratories is pound-foolish.

We have got to get across the idea both in the Congress and to the American people that this is one area of the budget where cuts should be made delicately and with surgical instruments not by hacking away with a butcher's cleaving knife.

Winston Churchill observed that "Modern science is standing on tiptoe, ready to open the doors of a golden age".

To paraphrase another of Sir Winston's famous sayings: I was not elected to the United States Senate to preside over the slamming of those golden doors in the face of the National Institutes of Health or any of the rest of our brilliant scientific research galaxy.

I want to help science open the doors to that golden age. I count on you to show me how.●

VIETNAM VETERANS' READJUSTMENT BENEFITS

● Mr. HART. Mr. President, last week the Senate Budget Committee voted to restore $25 million in funds to continue a counseling readjustment program for Vietnam veterans. The program which is conducted in veterans' centers in 90 cities across the Nation was begun last year and has the support of the Veterans Affairs Committees in both the House and Senate. The program has provided treatment for more than 55,000 Vietnam veterans who have experienced delayed stressed syndrome and other adjustment problems following their return from service in Vietnam.

On March 20 the Washington Star published an excellent column explaining why the veterans' readjustment centers have been an unqualified success. I ask that the article be printed in the RECORD and I recommend it to my colleagues.

The article follows:

[From the Washington Star, Mar. 20, 1981]

LIONIZED VIET VETS IN THE COLD

(By Marc Leepson)

What's going on here? The Reagan administration budget-cutters are planning to ax the Veterans Administration's readjustment counseling program for Vietnam veterans—the government's only successful program for aiding Vietnam vets. Former VA Administrator Max Cleland testified to the dire need for such a program before Congress 12 years ago. Yet it was not until 1979 that Congress set aside funds to set up storefront Vet Centers in cities across the country.

Nearly everyone—including members of Congress who fought against funding programs such as this—agrees that the Vet Centers are an unqualified success. Last year 50,000 Vietnam veterans and their families came to the centers for counseling. Many had given up on traditional Veterans Administration hospitals, where services are geared more toward the problems of older veterans—primarily from World War II and the Korean War.

UNLIKE THE VA

The Vet Centers are different. Located in city neighborhoods and staffed only by Vietnam vets, the atmosphere is decidedly un-VA-like.

Cleland said there was a "tremendous outpouring" of calls to Vet Centers across the country during the welcoming ceremonies for the former 52 American hostages held by Iran.

"The whole hostage issue triggered a deep emotional response upon the part of the Vietnam veterans," Cleland said in a March 4 National Public Radio interview, "because they didn't get that kind of treatment when they came back. So they were calling up and they were experiencing again some readjustment pain. And now I'm afraid those centers will be lost."

Most Vietnam veterans have adjusted well to life back in the United States. But many

vets—especially those who served in combat—are experiencing varying degrees of psychological problems. Cleland, the first Vietnam vet to head the VA began to establish programs for Vietnam veterans when he took over the agency four years ago. He expanded alcoholism treatment and drug rehabilitation units and instituted outreach programs for disabled vets. Two years ago, Cleland and a congressional caucus of Vietnam vets succeeded in pushing through Congress legislation setting up the Vet Centers on a two-year pilot basis.

OBEYED THE CALL

Vietnam veterans had every reason to believe that President Reagan would continue supporting the program, which was scheduled to come up for congressional review in September. At a White House ceremony awarding the Congressional Medal of Honor to retired Vietnam hero Army Master Sgt. Ray P. Benavidez, Reagan lionized Vietnam vets, calling them, "a group of American fighting men who had obeyed their country's call and fought as bravely and as well as any Americans in our history . . . There has been no thank you for their sacrifice."

It now looks as if the "thank you" Reagan and OMB Director David Stockman have in mind for tens of thousands of Vietnam vets is taking away the one government program that has worked well for them.

The White House wants to cut a total of $900 million from the VA's fiscal 1982 budget. In addition to the Vet Centers two programs for Vietnam vets—Legal Services aid and a job development program—are to be cut.

This year the Vet Centers are budgeted for about $12 million out of a total VA budget of some $22 billion. "It's such a relatively small amount," said Rep. David Bonior, D-Mich., of the congressional Vietnam Veterans Caucus, "and I know that the administration's position has been: 'Well, everyone says that.' But it's such a good program that it would be a tragedy to let it die just when it's in its infancy."

DEEPER FRUSTRATION

Max Cleland pointed out that President Reagan praised Vietnam vets during the presidential campaign and called their war effort "a noble cause." Cancelling the program, Cleland told NPR, "is . . . going to deepen the sense of frustration and sense of alienation on the part of Vietnam veterans. And it's going to look to them as another case of governmental b.s. where politicians say one thing during a campaign but turn right around and do another."

It now appears as if the politicians on Capitol Hill at least will fight to keep the Vet Centers in operation. The Senate Budget Committee March 17 recommended adding $25 million for the Vet Centers program at the same time it proposed slashing billions of dollars for other programs. The House Budget Committee is expected to follow suit. Then it will be up to the two Veterans' Affairs Committees to fund the programs. The President, of course, will still have the final say-so.

It's still not too late for Reagan to drop his opposition, and let Congress know that he is devoted to the "noble cause" of keeping the Vet Centers in operation.●

FABULOUS ACHIEVEMENT BY NEW JERSEY STUDENT, PLAYWRIGHT

● Mr. WILLIAMS. Mr. President, on April 1, those who visit the Kennedy Center will be treated to a wonderful performance of the 1981 winner of the American College Theatre Festival's National Playwriting Award.

It gives me great pleasure, both as a trustee of the Center and the senior Senator from New Jersey, to note that the award-winning production, Going On! was written by a student at William Paterson College in New Jersey, Mr. Glenn Treibitz.

Mr. Treibitz, who lives in Montville, N.J., began his work on Going On! as part of a workshop project in a course taught by Dr. Will B. Grant of William Paterson's Department of Theatre.

Mr. President, a fine artistic achievement by an American playwright is always cause for celebration and even more so when it comes from someone young and someone with such a bright future.

I know that those who attend the performance on April 1 will enjoy Mr. Treibitz bright and lively musical, and I just wanted to take this opportunity to express, on behalf of the Senate, our warmest congratulations to Mr. Treibitz and to his fellow students, performers, and faculty members at William Paterson College's Theatre Department.

I ask that a short summary of "Going On!" be printed in the RECORD.

The summary follows:

GOING ON!

Going On! a new musical produced by the Department of Theatre and Pioneer Players of William Paterson College, directed by Dr. Will B. Grant Jr., Professor of Theatre and written by William Paterson College student, Glenn Treibitz of Montville, New Jersey, has won the National Playwriting Award for 1981 of the American College Theatre Festival.

Going On! began as a workshop project in Dr. Grant's Acting: Realism class. With six students, Joyce Klingenberg, Anne Kenny, Donna Marturano, G. Mark Jenkins, Art Denboske, and John Corcoran, the work was known as College Life and was performed in Hunziker Theatre on April 28, 1980. Positive reception by both students and faculty and administrators lead Glenn to create a full-length work which was designed and staged for the Shea Center for the Performing Arts.

The full-length version opened November 13, 1980 at 8:00 and received a standing ovation at each performance. Regional adjudicators from the American College Theatre Festival, Dr. Violet Katell, Dr. Roger Cornish, Dr. Ted Cooper and Dr. Ramon Delgado, viewed the play on Saturday, November 15 and extended an invitation to the company to perform at the University of Delaware as part of the Region II Festival Competition.

Rehearsing throughout the traditional Christmas vacation to develop the script, the cast, production crew and orchestra of 45 members then traveled to Delaware and performed a matinee performance on Friday, January 9th. Once again, the script and the production received a standing ovation.

In the audience during the Delaware performance were the judges of the National Playwriting Committee: well-known theatre critic Martin Gottfried, scholar and playwright Christian Moe and playwright Corrine Jacker and David Young producing director of the American Theatre College Festival. Their judgement of *Going On!* brings the production to Washington.

The American College Theatre Festival is the most prestigious theatre festival in the United States. The National Playwriting Award honors Mr. Treibitz with a $2500 scholarship, professional representation of his work by both Samuel French Play Service and the William Morris Agency, and membership in the Dramatists Guild.

The American College Theatre Festival also honors William Paterson College by inviting the Pioneer Players/Theatre Department Company, directed by Dr. Grant, to perform the production of *Going On!* at the Terrace Theatre in the John F. Kennedy Center for the Performing Arts on Wednesday, April 1st at 7:30, Thursday, April 2nd at 2:00 and Thursday, April 2nd at 7:30.

Prior to the performance on April 1, 1981, Glenn Treibitz will receive the National Playwriting Award, and Dr. Jay Ludwig, Dean of the School of the Arts and Communication will accept the grand prize on behalf of William Paterson College of N.J. Following the performance, student members will be given medallions for their participation in the production by the AMACO companies who sponsor ACTF.●

BISHOP BURT ON THE ARMS RACE

● Mr. METZENBAUM. Mr. President, I recently came across a press account of an address given by Bishop John Burt, one of Ohio's most distinguished religious leaders, before the annual convention of the Episcopal Diocese of Ohio. Bishop Burt's remarks have special relevance for this period in our Nation's history.

Our Nation's "mortal enemy," Bishop Burt told the delegates "is war—war itself."

That, Mr. President, is a very simple truth—and one that is too easy to forget.

I am one who believes that we must take prudent steps to strengthen our defense posture.

But I also believe that we must not lose sight of what it is we are defending. We must not, in other words, allow our concern about Soviet behavior in the world to distract us from our commitment to build the kind of just, decent America. That is the strongest answer we can give to the Soviet challenge.

I ask that an excerpt from Bishop Burt's address that appeared in the February 14, 1981, edition of the Cleveland Press be printed in the RECORD.

The excerpt follows:

OUR MORTAL ENEMY IS WAR—WAR ITSELF

(The following remarks are excerpted from Bishop John Burt's opening address to the annual convention of the Episcopal Diocese of Ohio last Saturday at Trinity Cathedral.)

A few months back a Canadian editor wrote, "There may be no 1990s for human life on this planet. If the present trend continues, World War III will begin sometime between 1988 and 1998."

Now you and I do not have to share that editor's faith in the computer which produced that calculation in order to be impressed by the statistics he summons.

At the present time, the United States has the power to wipe out the Soviet Union 50 times and the USSR could take care of this nation 25 times over. Moreover, the mutual stockpiles grow by three to five bombs per day.

A few years ago a distinguished American made this comment about the arms race:

"Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed. This world in arms is not spending money alone. It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron."

Do you know what dove said that? What starry-eyed peacenik made that observation? It was General of the Armies Dwight D. Eisenhower.

What has changed most in the last two decades is that great nations can no longer

afford the luxury of enemies. Russia is our toughest adversary but it is not our enemy. Our mortal enemy is war—war itself.

Unless we learn this lesson promptly and thoroughly, thermonuclear war is a certainty. Until we learn that lesson, you and I remain active co-conspirators in plans for the extermination of tens of millions of human beings.

The easiest way for a nation to destroy itself is to make national security the highest value. People are never more insecure than when they become obsessed with their fears at the expense of their dreams—or when the ability to fight becomes more important than the things worth fighting for.

I personally believe it is time for Christians to put their money and their protests where their prayers are. The only world problem the arms race can possibly solve is the population problem and it may just do that—in one fell swoop.

The time for decision on where we stand on the arms race is now for every Christian.●

INTELLIGENCE BLUNDERS

● Mr. SCHMITT. Mr. President, I call the attention of my colleagues to a three-part series which appeared earlier this month in the Norwich, Conn., Bulletin entitled "Intelligence Blunders." The author of the series is William F. Parham, a staff writer for the Bulletin.

The thrust of the articles focuses on CIA estimates of Soviet military spending for the past decade. These estimates have been consistently wrong and have required reestimates after the fact. Each time the original estimates have been far too low in the level of Soviet military expenditures. The implications of these blunders, however, have had far-reaching effects on our military strategy and spending.

During the past 15 years the United States has pursued a policy based on mutual assured destruction (MAD) and unilateral restraint in hopes that the Soviet Union would do likewise. Underestimating Soviet military spending served to reinforce this strategy at a time when the United States should have been rethinking both its defense policy and its relationship with the Soviet Union.

The results of these intelligence blunders have been devastating. The United States has pursued a foreign and defense policy based on unreal assumptions. The bottom line is that our military capability has eroded to the point where we are told that we face a strategic "period of vulnerability" and we lack the ability to effectively counter a Soviet/Warsaw Pact conventional threat in Europe. We are, therefore, forced to play catchup ball which requires major increases in defense spending at a time of economic stress in our country. Had the estimates been accurate during the 1970's, we would have seen the threat sooner; we would have had the opportunity to react sooner.

To be fair, Mr. President, there were many individuals, both in and out of Government, who were warning us throughout the decade about the growing Soviet military threat. We chose not to listen to them and justified our position with the estimates supplied by the intelligence community.

Mr. President, what is disturbing to this Senator is that the realization of these blunders may not result in any changes. The existence of a possible problem surfaced in 1976 after the A team-B team exercise. Yet, we chose not to take any steps to correct the problem at that time. Unless we review the method of collecting data and, more importantly, the quality of the analysis of that data, we shall continue along the same road which we traveled throughout the 1970's.

The articles by Mr. Parham address CIA estimates of Soviet military spending. This, however, is not the only area which has suffered from poor analysis. In the field of energy, intelligence estimates of United States, Soviet, and world energy reserves have been dead wrong. Last year, then CIA Director Stansfield Turner stated before the Senate Energy and Natural Resources Committee that we are reaching the limits of new oilfield discoveries and the technology needed to exploit them. This Senator refuted those assertions on the floor of the Senate at that time.

Estimates of Soviet oil production have also been wrong. We were told by the intelligence community that by the late 1980's the Soviet Union would be a net importer of oil. I seriously doubt that the CIA would want to stand by that statement today.

The estimates of energy resources, Soviet military spending, and other issues are the basis of our foreign and domestic policy decisionmaking both by the administration and the Congress. If that information is faulty, the resulting policy cannot help but be faulty. Attention must be focused on the causes of these intelligence blunders and efforts to correct them must be undertaken immediately. Otherwise, we shall continue down the wrong road until it is too late to salvage our predicament.

Mr. President, I ask that the three articles which appeared in the March 8, 9, and 10 issues of the Norwich Bulletin be printed in the RECORD.

The articles follow:

[From the Norwich (Conn.) Bulletin, March 8, 1981]

INTELLIGENCE BLUNDERS—PART I; THE SECURITY BLANKET THAT FAILED

THE CIA'S BLUNDERS COULD BE COSTLY

(By William F. Parham)

(Today's first installment, "The Security Blanket That Failed," explores the scope of the blunders as seen by a number of experts who have analyzed the reports during both Republican and Democratic Administrations.)

WASHINGTON.—The U.S. government has wasted billions of dollars over the past two decades on inaccurate estimates and forecasts of Soviet military spending and capabilities, according to present and former U.S. intelligence and defense officials.

Ever since the Soviets encouraged the U.S. in the late 1950s to overestimate Soviet deployment and accuracy of intercontinental ballistic missiles (ICBMs) which led to the famous "missile gap," U.S. Presidents and Congresses have reached arms limits agreements with the Soviets and have determined U.S. defense investments on the basis of inaccurate intelligence about what the Soviets were spending on defense and what weapons they were planning to deploy, strategically as well as tactically, The Bulletin has learned.

The inaccurate intelligence has been the subject of often heated debate within the intelligence community since the mid-1960s, with some critics claiming they were forced out of the CIA for questioning the agency's figures. Recently, more ominous questions have been raised about possible explanations for the errors.

Was it simply the result of bureaucratic bungling or stubbornness on the part of those involved, some of the critics ask. Or was it the result of Soviet deception possibly including "moles" or Soviet agents in high positions in the U.S. government?

Whatever the cause, it is beginning to dawn on Capitol Hill and throughout the new Administration that the money wasted on the poor estimates may be only the tip of a very unpleasant iceberg.

An even more significant cost of the U.S. intelligence community's persistently low estimates may be realized in the hundreds of billions of dollars the U.S. may decide to spend during the 1980s on extremely expensive crash programs, such as the MX missile, to prevent the Soviets from gaining an irreversible military advantage, experts say.

If the crash catch-up programs fail over the next decade, says one analyst on Capitol Hill, the ultimate cost of the massive, 20-year U.S. intelligence failure could be "beyond calculation—the paralysis of the West and the victory worldwide of Soviet values by default, all at a time when the inner economic poverty of the Soviet system has never been more readily apparent."

Complicating efforts to put things straight, many of the Central Intelligence Agency's senior intelligence analysts and middle managers responsible for the consistently low Soviet estimates are still in charge of producing them, and still do them in much the same way they used to, The Bulletin has learned.

President Reagan's top appointees to the CIA, William J. Casey, director, and Admiral Bobby Inman, deputy director, expressed their own concerns about the CIA's analytical performance during their recent confirmation hearings.

But a CIA spokesman has told The Bulletin that no major organizational or methodological reforms have yet been undertaken in the section of the agency that analyzes Soviet military spending and weapons programs.

The Bulletin has also learned that:

Current CIA estimates of 1980 Soviet military spending (61 to 66 billion rubles) are probably only half the actual Soviet outlays, which one key expert estimates to be 108 to 126 billion rubles. (The conversion rate for rubles into dollars varies widely according to exactly what is being bought and when, so there is no single accurate conversion rate.)

CIA estimates of Soviet defense spending as a percentage of national production (GNP) for 1980 are 11 percent to 13 percent, while the correct figure is probably 18 percent.

CIA estimates of Soviet outlays for actual weapons purchasing as a percentage of Soviet domestic output of machinery are too low—the proportion is probably well over 50 percent this year, up from 20 percent in the mid-60's and 35 percent in 1970.

The CIA estimates are getting worse instead of better, and unless the CIA changes its methodology for estimating Soviet military spending, the agency is likely to be even further off in five years than it is now.

The CIA was apparently caught unaware by the introduction, refinement or deployment quantity or timing of at least 18 major new Soviet weapons systems and technologies.

Also, analysis of the annual Posture Statements of the various Secretaries of Defense against subsequent developments shows the

CIA was caught by more rapid or extensive development or deployment than it had expected of numerous systems and technologies, including:

A large deployment of Soviet medium bombers in the late 1950s and early 1960s;

A large deployment of medium/intermediate range ballistic missiles (M/IRBMs) in the same period;

The deployment of a second generation of sublaunched ballistic missiles (SLBMs), SS–N–6s, on a fleet of Yankee-class subs in the mid-1960s;

The deployment of multiple independently targetable reentry vehicle (MIRV) warheads on ICBMs;

The development of a third generation of Soviet intercontinental ballistic missiles (ICBMs), the SS–16, SS–17, SS–18 and SS–19 flight-tested in the early 1970s and fitted with MIRVed warheads;

The accuracy of fourth generation MIRVed ICBMs (later modifications of the missiles listed above);

The deployment of multiple independently targetable reentry vehicle (MIRV) warheads on SS–N–18 missiles on Delta-class subs in the late 1970s;

The development and series production in the late 1970s of the advanced, titanium-hulled, deep-diving, nuclear-powered, 48-mile-per-hour Alpha anti-sub submarine;

The massive Soviet Naval emphasis throughout the 1970s and probably through the 1980s on antisubmarine warfare (ASW), especially strategic ASW capability against our strategic ballistic missile submarines (SSBNs), as exemplified most recently by the very extensive ASW equipment aboard their new 23,400-ton Kirov nuclear cruiser which went on sea trials late last year;

The development of the giant new 13,000-ton Oscar anti-ship cruise missile submarine scheduled for sea trials next year and equipped with 24 SS–NX–19 anti-ship cruise missiles with ranges greater than 250 nautical miles;

The deployment of advanced tanks, armored personnel carriers, self-propelled guns, operational-tactical missiles;

The deployment of advanced fighters and fighter-bombers;

The deployment of advanced helicopters;

The deployment of advanced transports;

The deployment with ground forces advanced surface-to-air missiles.

"U.S. intelligence has underestimated Soviet weapons programs far more often than it has overestimated them," says a widely respected Washington consultant and former CIA analyst of Soviet defense spending and programs from 1951 to 1964, William T. Lee.

"And the forecasting record since 1960–1961 seems worse than before, despite the revolution in technical intelligence capabilities over the past two decades and the relative abundance of evidence available from classified and unclassified sources on the Soviet rationale for decisions on weapons acquisitions," Lee says.

Lee told The Bulletin that current CIA estimates of Soviet defense spending for 1980 "are once again off by a factor of two, or nearly so," and should be doubled.

"I tend to think Lee is right on this," says Paul H. Nitze, former Deputy Secretary of Defense under Robert McNamara. "I haven't done original research on this lately, but Lee has been demonstrably right against majority opinion at the agency before. I believe he works at this harder than most and is more knowledgeable," Nitze told The Bulletin.

Lee told The Bulletin that not only are the CIA numbers wrong, but "U.S. intelligence has conspicuously failed to understand Soviet strategic concepts, perceptions and priorities. Soviet M/IRBMs and medium bombers, which are considered by the Soviets just as 'strategic' as ICBMs and heavy bombers, continued to be referred to as 'gray area' and 'peripheral' systems."

"For more than a decade the U.S. has put all of its strategic systems into the hamper of strategic arms limitation talks (SALT) negotiations while allowing the Soviets to withhold about ⅓ of their strategic systems from the bargaining process.

Yale Law School Professor Eugene V. Rostow, Under Secretary of State for Political Affairs for President Lyndon Johnson, called Lee's work in this area "extraordinary—indeed, nearly unbelievable—demonstrating the bias of systematic optimism about Soviet intentions and capabilities that has characterized the American intelligence community for about 20 years."

"Public opinion has viewed our intelligence experts as a group of unreconstructed cold warriors who see Russians under every bed and tend systematically to exaggerate the Soviet threat," Rostow says. "It has been apparent for some time, however, that our problems in this field are quite different."

A former CIA Soviet strategic analyst during the 1971–1977 period concurs with this evaluation. The analyst, David S. Sullivan, told The Bulletin, "Between 1966 and 1979, the Soviet intercontinental ballistic missile force grew to 1,400 from 224 and its sea-launched ballistic missile force to more than 950 from just a handful. At the same time:

"The Soviets introduced two entirely new generations of ICBMs with several variants of each, three new SLBMs, and a new strategic bomber.

"The Soviets during this period matched the U.S. in multiple independently targetable reentry vehicle (MIRV) technology and accuracy.

"They achieved a credible first-strike capability.

"They accelerated a nationwide civil defense program, improved the quantity and quality of their active defense, and incurred estimated dollar costs of at least 2.5 times ours to improve their strategic force.

"But all these facts notwithstanding, a U.S. policymaker relying on the national intelligence estimates between 1965 and 1978 probably would have concluded that the Soviets suffered from hopeless technical inferiority, were for most of the period amassing their forces not to fight and win a war but rather to avoid one through the threat of mutually assured destruction, and had little or no hope of achieving exploitable strategic superiority or a damage limitation credibility," says Sullivan.

Lee adds, "We are about a decade late in realizing that the repeated and systematic underestimates of the intelligence community have had far more serious consequences for U.S. national security than whatever excesses our covert intelligence components may have indulged in."

Former Defense Intelligence Agency Chief Gen. Daniel Graham says, "Between 1975 and 1978 the intelligence community officially disregarded the massive evidence available to it concerning the size, scope and purpose of the Soviet Union's program for building strategic weapons, and repeatedly minimized the importance of what was going on."

Graham, director of the DIA from 1974–76, charges that U.S. intelligence lagged behind some publicly available magazines and other publications with access only to unclassified sources in finally recognizing that "the Soviet Union is indeed trying for the capability to win a nuclear war with minimal damage to itself and is well on the way to achieving such a capability."

"It was even worse than just giving bad information," Graham told The Bulletin. "The CIA stuck to what to many of us seemed unbelievably low estimates of Soviet military spending.

"This gave an excuse to everybody in Washington who did not want to face the real Soviet buildup in weapons deployed," Graham said.

"Everybody could wrap themselves in this security blanket and say, 'the stories of massive Soviet military buildup can't possibly be true because the CIA says the Soviets are only spending 6 or 7 percent of the GNP on defense and their GNP is only half ours, so they couldn't possibly be that much of a threat'," Graham told The Bulletin.

"So these CIA estimates provided the means by which Congressmen and Senators and Administrations could beguile themselves with regard to this immense buildup," Graham said.

CIA forecasting reliability on Soviet military questions during the last few years has been questioned by members of several recent administrations.

Former Defense secretary Donald H. Rumsfeld in 1978 presented testimony before Congress that since 1977, "U.S. intelligence estimates have been found to have again underestimated Soviet efforts, progress and capabilities.

"In the strategic realm," Rumsfeld said, "Soviet ICBM accuracy improvements and MIRVing rates, among other things, have been more rapid and impressive than were officially forecast."

Most recently, President Carter and members of his Administration occasionally expressed confusion and surprise in public about Soviet military capabilities and intentions.

Former Defense Secretary Harold Brown said in his Fiscal Year 1980 and 1981 Posture Statements that the explanation for the Soviets' buildup, far beyond what they need to defend themselves, was not clear.

In the closing days of the Carter Administration, defense officials admitted quietly that several U.S. strategic weapons programs had been allowed to be delayed for several years because of 1977 intelligence underestimates of the rapidity of both Soviet deployment of multiple independently targetable reentry vehicle (MIRV) warheads on their intercontinental missiles, and accuracy improvements to their SS–18 and SS–19 missiles.

"I have to admit that I was quite surprised," former Pentagon Research and Development Chief William J. Perry told the Washington Post in mid-December. New indisputable intelligence on Soviet tests, he said, "gave us a new sense of urgency, told us we were caught short."

After extensive hearings, the House Intelligence Committee alluded in its annual report issued last month to past CIA estimates of Soviet defense spending that had to be doubled to square with the demonstrated facts.

In testimony before that committee, Dr. Steven Rosefielde, University of North Carolina economics professor and a recognized authority on Soviet military spending, concluded that "In my opinion, the Central Intelligence Agency's estimates are highly unreliable.

"They are unreliable in dollars; they are unreliable in rubles," Rosefielde testified. "In my view, the Agency tends to project an image of hard science regarding their estimates. Their estimates have an unacceptable discretionary element in them, a discretionary element which is usually concealed in their published material."

Rosefielde told The Bulletin that the CIA estimated Soviet weapons procurement in 1979 to be 24.2 billion rubles, while his own work showed the Soviets actually spent 55.2 billion rubles on buying weapons for that year.

And five years from now, if the agency doesn't change its methodology, Rosefielde told The Bulletin, "they may only be getting a quarter" of the actual Soviet budget.

"I can't give you a quantitative estimate right now, but I'm sure there is some under-

estimation in the present estimate," says Dr. Albert Wohlstetter, who in 1974 first wrote publicly about systematic CIA underestimates of Soviet defense spending and programs. Formerly with the University of Chicago, Wohlstetter is now with the Hoover Institute at Stamford University in California.

"The essential thing," Wohlstetter told The Bulletin, "is that we have an enormously sophisticated high-technology collection apparatus, but a very defective analytic capability."

The new top intelligence officials installed at CIA by the Reagan Administration confirmed at their confirmation hearings several weeks ago much of what Lee and other critics say, and have admitted they face severe problems in the CIA's analytical operations. The problem is not with the technical collection of intelligence data, or the covert operations of the so-called "black side" Directorate of Operations of CIA, but with the "white side" Directorate of Intelligence where the data collected is analyzed, they agree.

William J. Casey, President Reagan's choice for director of the Central Intelligence Agency, stressed in his confirmation hearings January 13 before the Senate Select Committee on Intelligence that all was not well on the CIA's analytical side:

"In almost every instance in recent years, so-called intelligence failures have been the result of shortcomings in intelligence analysis, and sometimes in policy conclusions," Casey said.

"The necessary relevant information, the facts, were generally available. But frequently, either good analysis or sound conclusions did not follow."

Admiral Bobby Inman, new Deputy CIA Director, agreed at his confirmation hearing February 3 that the problem was with underestimates rather than overestimates of Soviet military programs, and that Casey "has indicated his desire that we share in his number one priority of starting to improve the quality of intelligence available, and particularly the estimative functions."

"We indeed have a building process, I think, particularly in the analytical area," Inman said.

The new chairman of the Senate Select Committee on Intelligence, Sen. Barry Goldwater, agreed with Casey and Inman that analytical shortcomings had caused intelligence failures in recent years.

The CIA doesn't discuss its budget for collection and analysis of Soviet military budget and programs. But collection and analysis costs of CIA estimates of just the Soviet military budget alone are estimated to have totaled between one half billion and one billion dollars over the past 20 years.

In addition, collection and analysis costs of evaluations of specific Soviet military programs and deployments is estimated by The Bulletin to have cost the U.S. considerably more, probably several billion dollars more.

Despite the critics' arguments, CIA spokesmen have maintained the critics are wrong and the agency correct.

"We began making estimates of Soviet defense expenditures during the 1950s," a CIA spokesman testified last September before the House Intelligence Committee.

"Over time, we have continually refined both our data base and our cost-estimating methodologies, and the confidence that we place in the accuracy of our estimates has increased accordingly."

[From the Norwich (Conn.) Bulletin, Mar. 9, 1981]

INTELLIGENCE BLUNDERS—PART II: CRITICS WIN BATTLES BUT NO WARS

HOW THE CIA WAS WRONG 11 YEARS IN A ROW

(By William Parham)

(In this second part of a three-part series on two decades of criticism of the CIA for years of systematic blunders in underestimating Soviet defense spending and weapons plans and deployments, The Bulletin reviews some of the attempts critics made to correct the underestimates and what happened to some of the critics.)

WASHINGTON.—There were unsettling indications as early as the 1960s that something might be wrong with U.S. intelligence estimates of Soviet military spending and weapons development and deployment.

In the late 1950s Soviet Premier Khrushchev and Defense Minister Malinovsky had encouraged the U.S. to overestimate Soviet intercontinental ballistic missile capabilities and deployments.

Then, when incontrovertible technical evidence convinced U.S. analysts that they had badly overestimated Soviet ICBM missile capabilities and deployments and contributed erroneously to the famed "missile gap" that helped elect John Kennedy to the Presidency, many CIA analysis concluded the Soviets tended generally to overstate their deployments and capabilities.

Stung by their errors in overestimating Soviet ICBM capabilities, the analysts began bending over backwards to avoid such overestimates in the future.

But early in the 1960's, a number of experts both inside and outside the agency felt something was again going wrong, and that many analysts were now systematically underestimating Soviet capabilities.

These analysts tried to do something about it. They were rebuffed, ignored, ostracized, or, if they were CIA employees, forced out.

"For 20 years, readily available evidence from published Soviet economic data led me to believe that the CIA was underestimating Soviet defense expenditures in rubles," says William T. Lee, a widely respected Washington consultant who was a CIA analyst of the Soviet economy and military spending from 1951 to 1959 and then an analyst of Soviet military programs until 1964.

"I remember a half-hour confrontation with my boss at CIA one time over this," recalls Lee. "For a long time I had been his favorite analyst, but he kept telling me I was overestimating Soviet defense expenditures.

"I kept asking him where and why I was wrong, in the Soviet sources or in my arithmetic. He couldn't tell me. Finally he said to me, 'Bill I don't know what is wrong in your estimates but they are wrong and I should be fired if I had anybody spend the amount of time on them necessary to find out why they're wrong.' "

"I resigned from the agency in 1964. They wouldn't give me any further promotions because they wanted me to admit that I was wrong about the Soviet weapons procurement estimate and I wouldn't do it," Lee told The Bulletin. "So when a much better offer came along I took it."

"I remember having lunch with one guy several times to talk about these estimates," Lee told The Bulletin. "At every lunch, he would dish out as many excuses as he could think of. Finally he just looked at me, and said, 'This is the way we operate, don't you understand? We may not always be right, but we're never wrong.' "

Lee's lunch partner was John Arthur Paisley, former Deputy Director of CIA's Office of Strategic Research and long-time agency employee. Paisley left the CIA in 1974 to become a private consultant. He worked as a CIA consultant on Soviet strategic capabilities, and was the CIA's contact for the famous "Team B" of outside experts assembled in 1976 by then-CIA Director George Bush to independently assess Soviet arms programs.

On October 1, 1978, a bloated and badly decomposed body identified as Paisley was found floating in Chesapeake Bay, a .9 millimeter gunshot wound behind the left ear and 38 pounds of weighted diver's belts around the waist. The Senate Intelligence Committee's investigation of the incident and Paisley's CIA background was classified, and Paisley's death was officially ruled a suicide.

Two years after Lee left the agency, another analyst was forced out. In July 1986, CIA analyst Ray Robinson says he was forced to resign for refusing to alter his forecasts that the Soviets had a large sub-launched ballistic missile program underway.

Only a few months after Robinson departed, his forecasts were vindicated when the Soviets launched the first of a fleet of 34 Yankee-class nuclear-powered ballistic missile subs carrying 544 SS–N–6 missiles.

Air Force Major General George J. Keegan Jr., chief of Air Force Intelligence from 1971 to 1977, remembers having "extremely sharp differences with the CIA during the 1960s—with their reading of Soviet ideology and intent, their reading of Soviet technical competence, forecasts of Soviet introduction of swept-wing fighters, turbojets, the quality of Soviet metallurgy."

Keegan, who agrees with Lee's judgment that the present CIA estimates of Soviet military spending should be doubled, told The Bulletin the CIA had been wrong in the 1950s but that "in the 1980s the trend accelerated and seemed to be politically motivated."

"Every year, after months of arduous negotiating," Keegan told The Bulletin, "the intelligence community would reach an agreed position on the national intelligence estimate, but then the CIA committee chief would come in the room with a little white slip of paper from the White House or the State Department. He'd reject by fiat the agreements we'd wrought most carefully, saying, 'This is the way its going to be, and the issue is no longer discussable.' "

"The CIA, sitting close to the seat of government policymakers, came to reflect the hopes and aspirations of the policymakers for cooling the rhetoric of the Cold War, for pushing detente, and for giving the Soviets the benefit of the doubt."

Keegan became notorious in the intelligence community for challenging CIA findings and for taking a hard-line view of Soviet actions. During his 6 years as Air Force intelligence chief, both CIA Director William Colby and National Security Advisor/Secretary of State Henry Kissinger tried to get him fired, Keegan told The Bulletin.

The continuing disagreements within the U.S. intelligence community were kept muted, and the public generally remained unaware of them, but, the controversy broke into public print in 1974, when Professor Albert Wohlstetter of the University of Chicago published articles in Strategic Review, "Legends of the Strategic Arms Race," and Foreign Policy, "Is There a Strategic Arms Race?"

Using newly declassified data, Wohlstetter demonstrated in those articles that U.S. intelligence had not only badly underestimated Soviet strategic missile and bomber deployments through the 1960s, but also that the underestimates grew progressively worse at the end of the decade, just as the evidence of the constant Soviet strategic deployment rate was becoming increasingly clear.

"The facts were all very shocking," Wohlstetter told The Bulletin. "It was pretty much like spitting in church. People were used to thinking that we were running the arms race with ourselves, and dragging the Russians along kicking and screaming. It was a big shock and there were lots of attempts at rebuttal. But that gave me a splendid opportunity to respond, and I was able to get more of the classified National Intelligence Estimates data declassified and put out systematically."

Wohlstetter's response to attempts at rebuttal was published in a 1975 article in Foreign Policy. He then summed up unfavor-

able trends in relative U.S. and Soviet military strength in a 1976 article in Survey magazine entitled "Racing Forward or Amoling Back?"

In 1975, the CIA discovered that the Soviets had spent 50 billion rubles for defense in 1970, or twice what the CIA had previously thought. The agency had estimated 24 billion rubles; Lee had independently estimated 43 billion to 49 billion.

"So in 1976, the CIA doubled its 1970 numbers and more than tripled its estimates for (actual 1970 weapons) procurement—but did not change its methodology," Lee says.

In early 1976, when the CIA was about to publish its revised (doubled) numbers, Lee went to the agency, he told The Bulletin, "on my own time, and unsuccessfully pleaded with them, 'Don't put out the new numbers until you find out what's wrong in the methodology; if you do, you'll be wrong again. The 1970 numbers will be jacked up to fit the 1970 facts, but the projected rate of increase will still be wrong and then immediately afterward the numbers will be wrong again—and yet those numbers will be defended to the death'."

"Not only wouldn't they delay, they told me I was telling them that their analysts were fools and traitors," Lee said.

The CIA then discovered that in 1972 the Soviets had actually spent 58 billion rubles on defense. Lee's independent estimate had been 53–60 billion. The CIA estimate had been 48 billion.

In 1976, then-CIA Director Bush brought in the "Team B" of outside experts, to use highly classified CIA data furnished through Paisley and to come up with conclusions on Soviet defense programs independent of CIA's own "Team A."

Team B, drawn from outside academics and former senior intelligence and defense officials, was headed by Dr. Richard E. Pipes of Harvard, formerly director of Harvard's Russian Research Center and now the Russian specialist on President Reagan's National Security Council staff. Other Team B members were: General Daniel Graham, former Defense Intelligence Agency head; Paul Nitze, former Deputy Secretary of Defense and SALT negotiator; Paul Wolfowitz, now head of the State Department's Office of Policy Planning; Thomas W. Wolfe of the RAND Corporation; Professor William Van Cleave of the University of Southern California; and retired Air Force General John Vogt.

Whereas previous national estimates of Soviet programs and aims had concluded the Soviets merely wanted rough parity strategically with the U.S., Team B concluded the Soviets were driving toward superiority over the U.S., which many of the critics had been arguing all along.

Most observers agreed the Team B exercise had been extremely instructive.

One who did not was Dr. Herbert Scoville, former head of the CIA's Office of Scientific Intelligence, who had had a heavy input into CIA analyses of Soviet military technical capabilities in the 1960s, and who in the late 1950s had made a critical but still classified judgment on technical feasibility that provided a technical basis for the initial "missile gap" overestimates of Soviet ICMB capabilities.

Scoville, who retired in the 1960s and who is now president of the Arms Control Association, was keynote speaker recently at an anti-defense-spending activists' seminar in Farmington, Conn. Afterwards he told The Bulletin that CIA estimates of Soviet military spending and capabilities had been as good as could be expected, and that the Team B exercise had been "very damaging."

But others, such as New York Senator Daniel P. Moynihan, reviewed the experiment and concluded otherwise. Moynihan observed that it's only reasonable "to look at how well one institutional arrangement, or line of argument, has predicted and explained recent events."

"In the current case," Moynihan concluded, "it would appear that the National Intelligence Estimates of the past dozen years have, by and large, failed this test."

In 1976, the Congressional Budget Office warned that the Soviet military was in "an unprecedented modernization program", and warned that earlier U.S. estimates of Soviet defense spending "may have been off by nearly 100 percent."

In late 1978, Fred C. Ikle', a former director of the U.S. Arms Control and Disarmament Agency during the early 1970's, wrote in Fortune magazine that "It was a massive intelligence failure in the 1960's that brought about our harmful persistence in unilateral restraint as a policy for inducing Soviet restraint.

"For 11 years in a row," Ikle' said, "the annual U.S. intelligence forecasts underestimated the number of missiles Russia would deploy.

"Whatever else this strange episode tells us, it reflects an almost perverse inability to learn from past mistakes," Ikle' said. "It is to be hoped that our intelligence organizations have since taken steps to be more receptive to new information, even when it contradicts accepted views."

But several months ago, Lee testified before the House Intelligence Committee that the same type of evidence that enabled him to make his correct forecasts for 1970 and 1972 Soviet defense spending, now showed that current CIA estimates are still grossly understated.

"The same evidence, which is as good or better than before, now leads me to conclude that the revised CIA estimates are nearly as much in error as before," Lee said.

"Moreover, the CIA estimates are so stereotyped and predictable that anyone can make them with a miniscule amount of effort."

How could the U.S. government spend so much money on crucial intelligence collecting and analysis but come up with such poor results?

"One of the downsides of the 1970's was that there was a great reluctance from the academic world, from industry, and even from other U.S. institutions to fully cooperate with the U.S. intelligence community," says Admiral Bobby Inman, new deputy CIA director.

"Perhaps it was the hope of a negotiated and ratified Strategic Arms Limitation Talks agreement, a hope that made analysts see things as they hoped they'd be, rather than as they are," says consultant Lee.

"It certainly wasn't the result of political orders from above, but probably it resulted from a particular mindset and atmosphere, self-feeding, that this is what the people above us think, so this is what we think," Lee says.

"Much of it probably has to do with mirror-imaging, thinking that the Soviets do things and think about things the way we do, listening to Soviet rhetoric directed to us instead of listening to what they're telling their own people and their own military, as well as ignoring institutional patterns evident in Soviet weapons systems development."

"There was probably the sincere hope that things would be different," another analyst told The Bulletin. "And a lot of it was probably the intellectual atmosphere in U.S. universities, the feeling there that the Cold War was more our own fault than anyone else's, that whole guilt complex that a generation of us learned."

Inman says there was a generation gap in the intelligence community.

"We have in fact lost across the community a lot of people who came in in the 1940s, who enjoyed the business, and who stayed for a career," Inman says.

He adds that there are "a variety of reasons, pay inversions and others, that have caused large numbers to retire.

"But we indeed have a building process I think, particularly in the analytical area, to give them the time.

"I have a sense that we need to expand the capability for them to be promoted while staying in the same general area, not to require them to move frequently on the managerial jobs in order for them to have a chance to be promoted, but to offer the capability that deep expertise in a country or a geographical area can also offer them the way to move up the promotion ladder," Inman says. "And if we can achieve that, I think we will help in improving the quality of the analytical product."

Former C.A Soviet strategic analyst David Sullivan, now a senior official at the U.S. Arms Control and Disarmament Agency, adds that recurrent problems included "inadequate attention to Soviet decisionmaking and political analysis; inadequate understanding of Soviet doctrine; inadequate appreciation of the possibility, indeed the likelihood, of Soviet deception; and a tendency to 'mirror-image' U.S. strategic posture and doctrine."

Adds another analyst: "Ignorance, incompetence, self-delusion, self-protection by critic-elimination after the errors had been made, and then history-rewriting."

Says an intelligence source: "The hell of it is that when the office heads who felt this way were doing their thing, they were promoting people that thought the same way, did things the same way, and gave the same answers. This was pervasive throughout the system."

"The trouble wasn't with the people who were recruited; it happened to them after they got there," says another observer.

"People learned that if you go along, you'll get along, and if you don't, we'll clobber you," another analyst told The Bulletin. "You either went along with the company line or you got out, and only a couple of guys went out."

A source told The Bulletin, "There was just an elitish attitude, that said, in effect, that they were the only people who were disinterested and without any axes to grind. But the personal axe of their own past errors turned out to be the biggest axe in town."

[From Norwich (Conn.) Bulletin, Mar. 10, 1981]

INTELLIGENCE BLUNDERS—PART III: A CHILLING HYPOTHESIS

DID A RED MOLE CAUSE THE CIA TO BLUNDER?

(By William Parham)

(This is the final part of a Bulletin series on 20 years of CIA underestimates of Soviet military spending, capabilities and plans. Today The Bulletin looks at a hypothesis suggested by a minority of the critics who during the 1960s and 1970s were unable to convince the CIA to correct its estimates.)

WASHINGTON.—Was the failure of the CIA to correctly estimate Soviet military spending and weapons development over the past 20 years purely the result of bureaucratic bungling, or an unfortunate, self-deluding mind-set by the experts, as most critics assume?

Another explanation for the two decades of low CIA estimates of Soviet defense spending and weapons development plans—despite repeated efforts by critics to get the agency to change its methods of analyzing the data—occurs to some people in the intelligence community who take seriously the possibility that the U.S. has been skillfully deceived by Soviet leaders.

"I personally believe that you can't just explain away this 20-year disaster as purely the result of bureaucratic incompetence," one intelligence analyst told the Bulletin.

Dr. William R. Harris of the Rand Corporation has written recently that Soviet Premier Khruschev may have activated a modern "double cross by national technical means" to dupe U.S. analysts into believing

the Soviets would have no reason for extraordinarily large missile deployments.

Photographic data (national technical means) from America's U–2 spyplanes had proved Soviet heavy bomber and missile deployments during the 1950s to be much less than claimed by Soviet leaders.

Thereafter, U.S. analysts were known to be relying increasingly on rapidly developing U.S. technical intelligence collecting abilities, including the interception of radio signals (telemetry) from Soviet missile tests.

"With an understanding of the technical indicators and methods of U.S. estimation of ballistic missile accuracy," Harris told the U.S. Senate Select Committee on Intelligence last year, "the Soviets managed to underrepresent the accuracy of intercontinental ballistic missiles."

Harris suggests that Premier Khruschev and KGB Chairman Shelepin, who had centralized strategic deception planning under a special KGB department. In 1959, may have systematically altered radio signals from Soviet missile tests to convince U.S. intelligence technicians in the 1960s that the accuracy of Soviet missiles was insufficient to threaten U.S. hard-site protected Minutemen and Titan II missiles.

Harris suggests that this ploy caused U.S. analysts to wrongly infer that the Soviets would not deploy large numbers of high-yield counterforce (silo-busting) missiles.

But, some critics worry that Soviet deception efforts may have been assisted by Soviet "moles", or long-term, deep-penetration agents who have been able to assume positions of influence in the U.S. government and U.S. intelligence agencies, and to provide the Soviets with "feedback" on the success of Soviet deception efforts.

To be sure, Soviet agents have in recent decades had remarkable success from time to tie in penetrating other U.S. Allies, governments and intelligence agencies.

Could the Soviet Union's KGB have penetrated CIA's analytical side, the Directorate of Intelligence?

When long-time CIA Soviet expert John Arthur Paisley's body was found in 1978 in the Chesapeake Bay with a bullet hole behind the left ear, authorities ruled his death a suicide.

Shortly afterward, Time magazine reported that a longstanding search for a Soviet "mole" in the CIA had been focused on Paisley's department. A Senate Intelligence Committee report on Paisley's background with the agency and his death remains classified. Authorities ruled publicly that there was no cause for a full-blown counterintelligence investigation.

One Soviet emigré writer who has published widely in the U.S., Lev Navrozov, discounts the mole/penetration theory as being far too crude and obvious:

"If the CIA or any other such expert outfit consisted entirely of Soviet agents it would never have dared tell Congress or the American people in 1974 that the Soviets might well be spending the same proportion of GNP on military purposes as the Americans were.

"Bona fide spies would have been prevented from telling such a fib by the fear of instantly being unmasked as impudent Soviet 'disinformation agents.'"

Navrozov has written that much of the CIA's ignorance of Russia "is spontaneous, rooted in a long-standing unwillingness to understand that Russia is not some exotic primitive tribe, but a vast, mortally dangerous, highly complex civilization, more sophisticated, advanced and rational in some ways than the United States.

"Much of it, however," Navrozov says, "is the result of deliberate self-insulation by the government-academic establishment, guarding its own prerogatives and tending to discriminate against talent or even ordinary knowledge when it comes from outside."

Other Bulletin sources argue that there are a number of well-known motives that could drive U.S. citizens to assist the Soviets, including ideological or monetary motives, or threat of blackmail because of family ties in the Soviet bloc, or even because they've been compromised in Soviet-bloc-photographed sex traps or other potential scandal discovered by the Soviets.

Earlier this year, the Washington Post reported that the KGB apparently tried to compromise an American military attache in the Soviet Union who was being considered for the position of Soviet affairs adviser to Vice President George Bush, a position in which he would have access to top secret information.

The attache, Major James R. Holbrook, was travelling with another U.S. military attache, Army Lt. Col. Thomas A. Spencer, in mid-January in the Soviet Union near the Polish border. Military attaches, who are under constant surveillance by the KGB, travel in pairs for reasons of safety.

Spencer fell ill, possibly from drugs, and became separated from Holbrook, who according to the Post "then became the target of an entrapment attempt that centered on attempts to get compromising photographs of him" at a party in the Soviet city of Rovno.

Holbrook, the Post said, may have been drugged, and was kept isolated by the Soviets for hours. But he reportedly refused to be blackmailed by sexually embarrassing photographs that had been taken of him, refused a Soviet blackmail offer to become a KGB agent, returned to Moscow, told his superiors of the incident, and was immediately flown home to the U.S.

Bulletin sources say hundreds of such Soviet-bloc staged blackmail attempts have been reported by U.S. citizens in the past two decades.

The intended victim is incapacitated with drugs, photographed in embarrassing situations, awakened, confronted with evidence of his unacceptable behavior, and then offered an easy way out—cooperation with the KGB in little favors here and there. Once the agent is hooked, the little favors then become bigger favors.

But there are even more fascinating methods the Soviets have used to try to plant their agents in the U.S. government.

A respected counterintelligence authority in Washington told The Bulletin about an extremely significant but publicly ignored aspect of a recently-cracked espionage case—the long-term, patient, laborious training of carefully selected youngsters of KGB parents.

The youngsters are groomed carefully by the KGB to eventually slip into influential positions in the U.S. government.

The most recent such case publicized was associated with the defection to the U.S. of Soviet KGB Col. Rudolph Albert Herrmann, announced last March by the FBI.

Herrmann, his wife, and his teenaged son had been illegal residents of the U.S. for 11 years, working for the KGB until "doubled" (convinced by FBI counterintelligence to become double agents on behalf of the U.S.).

The operation was discontinued and the family resettled and granted asylum after indications the KGB suspected Herrmann might be cooperating with the U.S.

But unnoticed by the Washington press corps was the information in the FBI press release that the KGB had spent many years already grooming Herrmann's teenage son for future deep-cover KGB service in Washington.

The KGB plan for the son was that he was to enter a prestigious U.S. college, study political science, and then go on to enter U.S. politics or government in Washington.

At the time the case was broken, the son was a student at Georgetown University and was a staff member of the school newspaper.

Before the operation was ended, the Soviets had repeatedly recalled the family to Moscow's KGB Center for retraining and debriefing, most recently in 1977.

Herrmann and his family had been trained by the KGB first in East Germany, then West Germany, then for six years in Canada until in 1968 they illegally entered the U.S. and quickly melted unnoticed into a neighborhood near New York City, where Herrmann, alias "Douglas," obtained work as a free-lance photographer and routinely supplied his KGB handlers, usually officials assigned to the Soviet U.N. mission and the U.N. Secretariat, with information on U.S. public opinion toward U.S.-Soviet trade negotiations, the neutron bomb and detente.

Herrmann's son traveled with him on numerous expeditions, including a trip to Chicago in 1976 to bury containers for another agent to pick up later, a trip to Fayetteville, Tennessee, to set up a series of hiding places, or dead drops, for messages, and was ordered by the KGB to befriend, monitor, and report on visiting Chinese exchange students.

The FBI said the KGB's codename for the son, "ERBE", translated "inheritor," hinted at the KGB's long-term plans for the son.

There are occasionally unconfirmed reports of villages in the Soviet Union where only English is spoken. And there are reliable accounts of the very long-term training in the Soviet Union of carefully chosen youngsters from trusted families for assignments involving infiltration of governments in English-speaking countries.

"Some time ago I met two Radio Moscow broadcasters, Victor Kuprianov and Joe Adamov, who were born and raised somewhere in Russia, and who had never been to the U.S.," a Washington counterintelligence expert told The Bulletin.

"Their accents were so good you'd swear they'd grown up as your next door neighbors.

"During the 1930s," this source continued, "a number of communists in the West left their own countries and went to live in the Soviet Union. Later their kids were trained and sent back to infiltrate their parents' original countries."

Whatever the success the Soviets have had or have not had in planting agents in the U.S. government, there still is a growing consensus in Washington that for the past 20 years, CIA analysts have tended to miss the boat on Soviet defense spending, weapons development and deployment.

Though there is a growing consensus in the Reagan Administration on the problem, a consensus on what needs to be done may take a little longer.

"We must expand and strengthen the analytic core and their support systems," new CIA Deputy Director Admiral Bobby Inman says.

"We need to be able to attract good people and establish a long-term management commitment, improving analysis through career incentives, training, investment in improving data bases, and support, and critical constructive product evaluation."

"To be truly beneficial to consumers," says new CIA Director William J. Casey, "the data collected must be subjected to critical and insightful analysis, conducted by trained, competent professionals with a rich background in the subjects required.

"The issues with which we have to deal require the best analytical capabilities, applied to unclassified as well as classified sources," Casey says.

"The attractiveness of intelligence analysis as a profession, part-time as well as full-time, needs to be increased, and we need to tap the insights of the nation's scholars in the efforts to upgrade the quality of intelligence analysis," Casey says.

"It is unfortunate that the CIA, in effect, has a monopoly on estimating Soviet defense expenditures in the U.S. intelligence commu-

nity," agrees Washington consultant and ex-CIA analyst William T. Lee.

"There is no effective competitive analysis to keep the CIA honest. At the very least," says Lee, "there is a serious need for regular outside critique and reassessment of our estimates."

Casey adds, "We must search for new and better ways to get continuing input from the outside world in order to gather information available inside and outside of government, and to get the best analysis of the full range of views and data available.

"A revival of the President's Foreign Intelligence Advisory Board (discontinued during the Carter Administration) can contribute substantially to this," Casey says.

Finally, most analysts agree that an improved U.S. counterintelligence effort would help to guard against Soviet penetration or compromise of key intelligence and government posts.

"We are really wide open right now as a society," says one Washington counterintelligence expert.

"Our defenses have been severely eroded, and the Soviets have built up 63 years of very successful experience in penetrating their opposition. There's a very good chance that we've suffered very severe damage without knowing it."

Says another intelligence analyst: "Our counterintelligence is desparately undermanned, morale has been down, and nobody seems to care that sometimes it seems like the Soviets can probably exert more pressure in this town than the most powerful domestic lobbying group."

A source familiar with U.S. counter-intelligence efforts adds: "Soviet and Soviet-bloc espionage agents in the U.S. outnumber our guys trying to catch up with them. We simply can't.

"We're outnumbered in our own country to the extent that we can't even monitor Soviet bloc covert action on our own home ground."

Another counterintelligence source told The Bulletin, "There are a lot of opportunities available, and our weaknesses are substantial, but the Soviets aren't always able to exploit them because of our own weaknesses and problems."

"If we make it through, it'll probably be a case of God watching over those who are incapable of watching over themselves."●

NATIONAL RECOGNITION DAY FOR VETERANS OF THE VIETNAM ERA

● Mr. BURDICK. Mr. President, it is important for the American people to recognize the contribution that men and women serving in the Armed Forces during the Vietnam era have made to our country. The contribution is significant not only because the conflict claimed more than 55,000 American lives and left many wounded and permanently disabled, but Americans asked fellow Americans to participate in an unpopular war.

No war has ever been popular with the American people, but regardless of individual positions it has been their tradition to honor those veterans and their families who made tremendous personal sacrifices for our country. This has not been true with Vietnam-era veterans. As a nation not only do we need to recognize those who suffered the most but we must also demonstrate our commitment to them by supporting legislation and programs to meet the unique needs of Vietnam-era veterans.

In an effort to address some of those needs, I have cosponsored a bill to extend eligibility for services at vet centers until September 1983. Current law limits services to those who sign up prior to September of this year, but since many of the 91 centers have been in operation less than 1 year, the majority of Vietnam vets have not even had the opportunity to learn about the centers.

North Dakota has one vet center in Fargo, another will open in Minot if the Federal civilian hiring freeze is lifted by the administration. According to the Veterans' Administration, 11,000 of the 18,000 Vietnam-era veterans from North Dakota served in combat. In North Dakota, as well as elsewhere, vet centers are popular with those who have utilized them. I firmly believe that the services should continue to be available for another 2 years.●

THIS NATION'S AGRICULTURE

● Mr. BURDICK. Mr. President, I would like to take a few minutes today to comment on this Nation's agriculture. It is a marvelous system when you stop to think about it. We have available to us daily an enormous variety of food in huge quantities. No one in this country has an inadequate diet because food does not exist. Hunger and inadequate diets exist for other reasons. But, most of us have the means and the food.

Agriculture is a necessary and formidable force. Farmers this year will spend about $150 billion on production expenses and another $35 billion earned on and off the farm on family living. Farmers will spend $13 billion on farm machinery. They operate more than 4 million tractors and about 3 million trucks. They consume more steel than the automotive industry. They will spend $10 billion on wages and contract labor. Farmers will spend another $10 billion on energy. The production, processing, and distribution of food and fiber accounts for one-fifth of the U.S. gross national product.

Modern agriculture is a huge, unwieldy, and diverse industry—incapable in itself of rapidly adjusting production to market demands. Modern farming is a highly technical and complex business. It is interesting to travel across my State, North Dakota, during the growing season and watch farmers in action and juxtapose that with farmers in Southeast Asia tending rice paddies with the same type of hand-held tool used 400 years earlier, or families in Egypt irrigating small fields with hand pumps exactly like those used centuries ago, or even in modern industrial Germany where some farmers haul hay on ox-drawn carts .

It is a good day for us to think about the sources of our good fortune—both the natural physical features and our farm people.

Mr. President, one of our farm organizations in North Dakota, the North Dakota Farmers Union, has sent me their policy statement. I ask that it be placed in the RECORD.

The policy statement follows:

[Telegram]

NORTH DAKOTA FARMERS UNION,
Jamestown, N. Dak., March 20, 1981.

Senator QUENTIN BURDICK,
U.S. Senate,
Washington, D.C.:

The following policy statement was adopted by the North Dakota Farmers Union Board of Governors (county presidents) at their meeting on Thursday, March 19, during the National Agriculture Day observance:

"Today, March 19, has been set aside through state and national proclamations as "National Agriculture Day" to honor those within agriculture and to give recognition to the contributions of agriculture to this society. The North Dakota Farmers Union joins in this observance.

"The theme of this year's observance is "Agriculture: It's Your Heartbeat, America!"

"While much of the emphasis of today's observance is designed to illustrate the vital role that agriculture has in the state's and the national economy, the day should also be dedicated to discussion of the national food and agricultural policies which will re-establish the family farm system of agriculture as the primary food production system for this nation.

"It is ironic that on this very day set aside to honor and recognize agriculture, the US Senate is considering legislative action which would penalize agriculture for its ability to effectively produce an abundant and reliable supply of food for the American public.

"Today's US Senate review of dairy price support legislation will be an indication of whether National Agriculture Day is merely an exercise in empty promotional rhetoric or if it is a meaningful commitment to the future of agriculture.

"The family farm system of agriculture is truly the "heartbeat of this nation." However, without substantive changes in the direction of national and food agriculture policies, the pulse of the family farm will continue to weaken, National Agriculture Day should mark the day in which the heartbeat is strengthened, rather than the day that the eulogy is performed."

STANLEY M. MOORE,
President.

TRIBUTE TO WES UNSELD

Mr. HUDDLESTON. Mr. President, today I wish to honor a native Kentuckian who has reached the pinnacle of his chosen profession—professional basketball.

From the playgrounds of Louisville, Wes Unseld began a career which saw him lead his high school basketball team to two Kentucky State championships. As a member of the University of Louisville team, Wes led the Cards to postseason tournaments each of his three seasons and was named first-team All America by AP, UPI, and other polls as both a junior and senior.

Voted Most Valuable Player in the league and Rookie of the Year in his first season in the National Basketball Association, Wes has for 13 years been the "heart and soul of the Bullets' franchise" and was instrumental in the Bullets' charge to the NBA championship in 1978.

Not only a leader on the basketball court, Wes has been active in community activities and made a strong commitment to the youth of the Baltimore area.

We applaud Wes for his many out-

standing achievements and wish both him and his wife, Connie, well in his new career as a vice president of the Bullets and the Capital Centre.

I ask that the text of Betty Cuniberti's story about this remarkable gentleman, which appeared in the March 23 Washington Star, be inserted in the RECORD.

The article follows:

TRIBUTE TO WES UNSELD

(By Betty Cuniberti)

At the Newburg community playground on the outskirts of Louisville, Ky., they rolled dice, drank wine and played basketball day and night, lining up cars near the sidelines and turning on the headlights when the sun went down.

The important thing they did there was to keep track.

Over years and years they could give you the exact numbers, the important ones: how many of them stayed on this asphalt fantasy stage, how many of them left, and how many of them left and came back again.

They separated the men from the dreamers.

"Those who didn't make it," said Wes Unseld, "were instrumental in the lives of those who did. I remember when I was there, there were four away, three back and one to go."

Wes Unseld was one to go.

He would never go back to that playground which he says took him from boy to man. But he says if he did, he'd find many of the same people he had played with, edging into their 40s to the clicking of old dice and the taste of too-familiar wine.

Despite peculiar size and limited natural abilities, Wes Unseld separated himself from the dreamers. The man whom Bullets owner Abe Pollin calls "the heart and soul of this team from the first day he set foot on the court" is retiring after 13 years with the Bullets in Baltimore and Washington, walking away on knees that now qualify as the eighth and ninth wonders of the world for continuing to function at all.

In a recent column on Unseld's announced retirement, an orthopedist was quoted as saying that one of those knees is "so ugly inside, you wouldn't want to look." Bill Neil, the Bullets' physical therapist and a longtime friend of Unseld, was asked about that and responded, "Yes, but don't discount his ankles. His ankles are worse."

Neil said that the 35-year-old Unseld faces a life of pain and medication increasing with each decade. The pain has been going on for years but he only first discussed it with his wife, Connie, two weeks ago, and only then because it was finally time for the two of them to talk about Wes' retirement.

Much to his distaste Unseld is being honored left and right. He has been offered a job as vice president of the Bullets and the Capital Centre and an official Wes Unseld Appreciation Night is scheduled for the Bullets' last regular season home game next Sunday.

Never mind the fact that Unseld was the league's rookie of the year, turning the Bullets around from 36 wins and 46 losses in 1968 to 57-25 in 1969. Forget that the Bullets never had a winning season before he arrived, and have had 10 since.

Never mind the fact that Boston Celtics president Red Auerbach calls Unseld "the greatest outlet passer of them all, the only one I would rate better than Russ (Bill Russell)." Never mind that the coach of Auerbach's team, Bill Fitch, says he's "never seen an opponent who's gotten so much out of the tools he was given to work with," and don't listen to Chris Ford, a player on that team, who touches on the most sensitive issue in the National Basketball Association today, that "we need class players like that for the image of the NBA."

Unseld is no doubt aware that he stands out in a league that too often finds its players in headlines for alcohol, drug and sex charges, not to mention bitter salary negotiations for paychecks so big you and I might have to pool fingers to count the commas.

Unseld does not want to hear any of this praise.

At a retirement press conference he grudgingly attended only because Pollin insisted, Unseld glared at reporters in the way only he can, his almost Oriental-looking eyes piercing his audience from their place atop that forbidding, 6-foot-6, 267-pound body. The floor had been opened for questions. Unseld glared, and there were none.

"See," he said aside to Bullets management personnel. "I've got them well trained."

Unseld could be a pain and a half to a reporter seeking an answer to the simplest question. Partly, he refused to cooperate because of an incident his second year in the league when a New York writer somehow mistook him for another player on the court who had punched an opponent. The writer wouldn't believe Unseld when he said he didn't hit anybody. It bothered Unseld. His integrity had been questioned. He never thought of himself as a great player, and he didn't much care what someone said or wrote about that. But integrity was important. It was everything.

But with or without the New York incident, Unseld came to believe in keeping to himself.

"I don't think athletes deserve all the praise and notoriety they get," said Unseld. "There are people who are doing much better things. If people could just keep sports in perspective, it wouldn't be so bad."

Unseld was great in his quietness and quiet in his greatness. While other players whimpered and skipped games with injuries medical science could not detect, Unseld endured needles half a foot long in his peanut-brittle knees and played without complaint. He wanted to retire before this season because of the pain, but he felt obligated to come back because the team, quite frankly, is disintegrating into something awful. And it bothers him even now that he is quitting "at the wrong time. It's easy to quit when your team is not doing well."

The things Unseld has been most reluctant to discuss are the best things. But now he will.

He recalls the day he was sent to Baltimore's Kernan Hospital to be treated for an ailment he described as a cold. He saw children missing limbs, children with burns. "I felt small," the big man said. "You see kids struggling to sit up, and here I was complaining about a cold."

That happened seven years ago. Since then, he has been a steady volunteer in the Kernan Hospital physical therapy department and has become the youngest member of the board of directors.

Neil, the head physical therapist there, says, "I like to call Wes for the problem cases, kids who are tough, mixed up, mean and belligerent. He does a better job on that kid than a high-priced social worker."

Half the proceeds from Wes Unseld Appreciation night will go to Kernan Hospital, by his request. He asked that the other half go to Washington's Children Hospital.

After basketball, and maybe another knee operation, Unseld hopes to return to school for a master's degree in special education. He looked into physical therapy, but says he fears he doesn't have the qualifications to be accepted into a school in the area.

Unseld does not appear at Kernan Hospital as often as he used to, partly because last January, he and Connie bought what was a nursing school building and opened their own day-care developmental center for children. Unseld helps the children learn motor skills, checks their work, built a sandbox, dug up a vegetable garden, used his influence to bring doctors in for eye tests, arranges field trips, and, as Joyce Smith, one of the teachers says, administers "a lot of kissing and hugging."

This is the Unseld the public doesn't see but surely senses. They could tell what kind of man he was by watching what kind of player he was.

People are amazed that Unseld, with virtually no foot speed or jumping ability, played against centers as much as nine inches taller and still distinguished himself. More than anything, Unseld was a unique player. He used his quick hands, awesome strength, timing and intelligence for all they were worth. He excelled most in the least selfish aspect of basketball—passing. He could have scored much more than the 10,000-plus points he will finish with, but he came to a team already laden with scorers so he did the dirty work. He went to the glass and fought for rebounds. He set bruising picks, and foremost in the memory of anyone who saw him, he passed.

The lasting picture is Unseld swatting down a rebound on the defensive board, and in one motion, turning and heaving the ball from overhead 70 feet to a Kevin Loughery or Mike Riordan streaking downcourt for a layup. Loughery and Riordan made their livings off those Unseld passes.

Ultimately it was Unseld who brought the Bullets their 1978 world title and the city of Washington its first sports championship in 36 years. He insured it with two free throws in the final 12 seconds of the final game. He had dreamed for 10 years of celebrating a world title, but when it came, he and Connie went out and got sandwiches, went back to their Seattle hotel room and Unseld collapsed into sleep.

While his accomplishments in basketball mean a great deal to Unseld, he refuses to think of himself as a big man.

His father was a big man.

Because he was so consistent, because he showed no joy on the court, because he never sought publicity and always performed the thankless chores in utter quiet, they call Unseld a punch-the-clock worker.

That is how he thinks of himself. Maybe it is in his blood.

His father, with a sixth-grade education, helped raise his own seven children, two orphaned foster children and, in Unseld's own sad and serious words, his father "killed himself working."

Unseld's father worked the graveyard shift oiling harvesters and by day he worked construction. He was the inspiration. Unseld's mother worked in a school lunchroom. She was the disciplinarian. Unseld recalls being told to take a bath and shooting back, "Jackie Robinson doesn't get told to take a bath."

His mother threw him in the tub head first with his clothes on.

He shared with four brothers a bedroom his father built onto the house.

"We called it the snake pit," said Unseld. "And there were days our sisters would not walk in there."

Though neither parent had been to college, they insisted on it for all their children. Today five of the seven Unseld children have teaching degrees.

"Black people feel college is your only chance," said Unseld. "You don't stand a prayer without it."

Unseld was forced into his first basketball game by a fifth-grade teacher and was so embarrassed at how poorly he played he didn't try it again for four years. Football, he says, was "a manly sport," basketball "a sissy sport."

He came to change his mind. Basketball was going to get him through college. And he

even started to like it, perhaps because he played it a little like football. Today he says what he'll miss about the game is "the bangin'."

Practicing every day after high school meant he missed the only bus home, "so my brother and I walked home six miles," said Unseld, "while the white kids got in their cars and drove home." He attended a predominantly white school, "and it wasn't so bad," said Unseld, "except that for the first time, I started realizing what I didn't have."

Basketball would bring him those things, too. But he didn't know it at the time. The first thing Unseld can remember wanting to be was a cross-country truck driver. That seemed to be the way to see the world.

His parents thought Unseld would become a doctor. He was always bringing home sick and injured animals, all kinds, even snakes, and nursing them to health.

By the time he was a high school senior Unseld had literally hundreds of options. A member of the National Honor Society, Unseld could choose among academic scholarships. But he was also a basketball high school all-American, an honor that opened up even more opportunities. At that time he was the best player ever reared in Louisville, and he could have gone almost anywhere. But he stayed home and attended the University of Louisville, hardly the glamour capital of college basketball.

"My father had had his second heart attack by then," said Unseld. "I really wanted to stay where he could see me play. I was also very much a mama's boy. I still am."

Today it is considered unusually noble if a fine college athlete gets a degree at all. It was important to Unseld not just to obtain his undergraduate degree (history) but also to get it in the normal amount of time, not string it out through summer school or an extra year.

That accomplished, he had to choose between the Kentucky Colonels of the old American Basketball Association and the Baltimore Bullets of the NBA, leagues dueling for college talent with fistfuls of cash. Again his father was the key figure in the decision.

"I wanted to stay home and play for the Colonels," said Unseld. "I don't want to open up a Pandora's box, but the Colonels did some very unscrupulous things. Some unsavory actions on their part caused me to sign with the Bullets.

"They offered my father money if he could convince me to go to the Colonels. It has gone down as my decision, but my father told me, 'I didn't raise fools.' To him, it bordered on selling me. He would not hear of my playing for the Colonels."

So he headed away from home for the first time, alone to Baltimore. He did not employ an agent to negotiate his salary. Instead, he and Pollin agreed to meet, each with a salary figure on a piece of paper. Pollin turned over his piece of paper first. Unseld looked at it and, embarrassed, crumbled his own.

"His figure was higher," Unseld recalled. "A lot higher."

That is the way the negotiations went for 13 years.

During those years, Unseld married a principal's daughter from Louisville, and when the Bullets moved to Washington, the Unselds stayed in Baltimore. Baltimore, says Unseld, "is more like Louisville." Parents of 7-year-old Kimberly and 5-year-old Westley, they have lived in the same house 11 years now. Connie drives a 1973 Volvo. The children attend public schools.

Unseld had enough money to tow the family to a Chevy Chase mansion in a fleet of Cadillacs. He had enough money to buy a farm back in Kentucky for off-season residential splendor. But he stayed in Baltimore, year-round, and plans to remain there after retirement.

What he spent a big chunk of his money on was the Unselds' School.

It began as something of a giant gift to Connie, who five years ago made simultaneous (but then unrelated) discoveries that alarmed her: athletes' wives had "no identity," and child-care facilities in Baltimore were scarce and below what she considered to an acceptable level of quality.

"I had been home with children seven years, and that was not really fulfilling," said Connie. "I went through the whole thing—gained weight, took yoga, karate, did volunteer work."

During this time, she was looking for a day-care center for their daughter and did not find anything she liked.

"She kept complaining about it," said Wes. "So finally I said, 'Stop complaining and do something about it.' She certainly took my advice."

A five-year search for a suitable building ensued and the Unselds finally found one that could meet regulations in the old nursing school. Their aim is high: to provide more than just bab,sitting service. That is why it is called The Unselds' Developmental Center for Children.

As Unseld walks through the school with a reporter, he insists he doesn't do that much around here. He peeks into every doorway.

"Mr. Wes!" the children invariably screech.

"I like your dress, Danielle," Unseld says.

"Michael," says Unseld in another room, "let me see your letters. Did you do this yourself?"

One child, he points out, couldn't dress or feed himself when he came here. Many weren't toilet-trained, but these things were taught, which is almost unheard of in a day-care center. One little girl is moving away soon, Unseld says, and he'd like one of the Star photographer's pictures of the two of them. Another girl just got out of the hospital. He calls each child by name. But of course, he doesn't spend much time here. Only three times a week in the season, every day in the offseason. Connie tells you that. He also knows every teacher, in fact paid for 12 of them to take a first-aid course.

This clearly has become as much his crusade as Connie's.

Will it be enough to offset what he calls the withdraw? He doesn't know. He doesn't feel it yet. He will.

But at least he left the game a legacy. Didn't he?

"I don't feel I've left a legacy," said Unseld, sitting in the office at the school. "I don't think I have a place in basketball history. Whatever I did will be erased. That's the way it should be.

"I never thought I'd leave an indelible mark on the game. Few players play in such a way that they change the game, leave a mark. I'm not one of them."

Then what was it all about? What was he?

"Somebody," said Unseld, "who tried to do the best job he could do every night, realized his best wasn't good enough on a lot of occasions, and stunk up the joint on some occasions."

It may be more of a legacy than he cares to admit.

PROGRAM

Mr. BAKER. Mr. President, I have cleared the request I am about to make with the distinguished minority leader.

Mr. President, I ask unanimous consent that the time for the two leaders on Monday under the standing order be reduced to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, might I inquire if there is an order to resume the consideration of the Riegle amendment on Monday at a time certain?

The PRESIDING OFFICER. Yes, there is.

Mr. BAKER. And a time certain to conclude the consideration of the Riegle amendment?

The PRESIDING OFFICER. One hour of debate will be in order on Monday morning.

Mr. BAKER. Mr. President, as I recall, there is an order to stack votes on Monday until the hour of 2 o'clock. Is that not correct?

The PRESIDING OFFICER. Yes.

Mr. BAKER. Mr. President, as I see the schedule, the Senate will stand in recess until the hour of 9:45 a.m. on Monday. At that time, after the recognition of the two leaders under the standing order, which will be diminished to 5 minutes each, and an adjustment of time until the hour of 10 o'clock, the Senate will resume consideration of the Riegle amendment and debate will continue for 1 hour under the terms and conditions previously ordered. Any votes that may be ordered on this amendment or any other amendment that may be taken up on Monday prior to the hour of 2 o'clock will be stacked until 2 o'clock and will occur back to back at that time.

RECESS UNTIL 9:45 A.M., MONDAY, MARCH 30, 1981

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:45 a.m. Monday, March 30, 1981.

The motion was agreed to; and at 5:41 p.m., the Senate recessed until Monday, March 30, 1981, at 9:45 a.m.

NOMINATION

Executive nomination received by the Senate March 27, 1981:

GENERAL SERVICES ADMINISTRATION

Gerald P. Carmen, of New Hampshire, to be Administrator of General Services, vice Rowland C. Freeman III, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27, 1981:

UNITED NATIONS

Charles M. Lichenstein, of the District of Columbia, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of ambassador.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of rear admiral:

Capt. Robert S. Lucas, USCG.
Capt. Kenneth G. Wiman, USCG.
Capt. Edwin H. Daniels, USCG.
Capt. Clyde T. Lusk, Jr., USCG.

Vice Adm. James S. Gracey, U.S. Coast Guard, to be the Commander, U.S. Coast

Guard Atlantic area with the grade of vice admiral while so serving.

Rear Adm. James P. Stewart, U.S. Coast Guard, to be the commander, U.S. Coast Guard Pacific area with the grade of vice admiral while so serving.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF THE TREASURY

Norman B. Ture, of Virginia, to be Under Secretary of the Treasury.

Beryl Wayne Sprinkel, of Illinois, to be Under Secretary of the Treasury for Monetary Affairs.

IN THE U.S. AIR FORCE

Lt. Gen. Evan W. Rosencrans, U.S. Air Force (age 54), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE U.S. ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Charles Robert Myer [redacted], (age 56), Army of the United States (major general, United States Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. William Ivan Rolya [redacted], Army of the United States.

IN THE NAVY

The following named officer of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5780 and 5791.

To be rear admiral

Raymond N. Winkel

IN THE MARINE CORPS

The following-named brigadier general of the Marine Corps Reserve for temporary appointment to the grade of major general under the provisions of title 10, United States Code, section 5902:

John B. Hirt

The following officers of the Marine Corps Reserve for appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5902:

Constantine Sangalis
William H. Gossell

DEPARTMENT OF DEFENSE

Fred Charles Ikle, of Maryland, to be under Secretary of Defense for Policy.

William H. Taft, IV, of Virginia, to be General Counsel of the Department of Defense.

IN THE AIR FORCE

Air Force nominations beginning Tommie G. Church, to be captain, and ending David F. Woolwine, to be lieutenant colonel, which nominations were received by the Senate on February 23, 1981, and which appeared in the CONGRESSIONAL RECORD on February 24, 1981.

Air Force nominations beginning John W. Baxter, to be lieutenant colonel, and ending Douglas B. Neumann, to be lieutenant colonel, which nominations were received by the Senate on March 6, 1981, and which appeared in the CONGRESSIONAL RECORD of March 17, 1981.

IN THE ARMY

Army nominations beginning Phillip G. Abbott, to be colonel, and ending John F. Clary, to be lieutenant colonel, which nominations were received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

Army nominations beginning Howard R. Bixby, to be major, Regular Army and lieutenant colonel, Army of the United States, and ending Michael S. Tucker, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

Army nominations beginning Steven B. Acenbrak, to be second lieutenant, and ending Catherine M. Zipoli, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

IN THE NAVY

Navy nominations beginning Thomas E. Digan, to be ensign, and ending Steven G. Detsch, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 24, 1981.

Navy nominations beginning Philip J. Aarons, to be lieutenant, and ending Deborah A. Zanot, to be lieutenant, which nominations were received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

Navy nominations beginning Keith T. Adams, to be lieutenant, and ending Jennifer L. Mustain, to be lieutenant, which nominations were received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

Navy nominations beginning James E. Halwachs, to be lieutenant commander, and ending Larry D. Aasheim, to be ensign, which nominations were received by the Senate March 6, 1981, and which appeared in the CONGRESSIONAL RECORD of March 17, 1981.

Navy nominations beginning Rudolph Abel, Jr., to be captain, and ending Jane E. Sharp, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

IN THE MARINE CORPS

Marine Corps nomination of Bonnie H. Bass, to be major, which nomination was received by the Senate March 2, 1981, and which appeared in the CONGRESSIONAL RECORD of March 3, 1981.

IN THE COAST GUARD

Coast Guard nominations beginning Welton H. Jones, Jr., to be captain, and ending Marcus J. Wallace, Jr., to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 5, 1981.

Coast Guard nominations beginning John L. Glen, to be lieutenant commander, and ending Michael P. Farrell, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 5, 1981.

Coast Guard nominations beginning Michael B. Karr, to be lieutenant, and ending Timothy C. Hess, to be lieutenant, which nominations were received by the Senate January 15, 1981, and which appeared in the CONGRESSIONAL RECORD of January 19, 1981.

Coast Guard nominations beginning Michael G. Barrier, to be lieutenant commander, and ending Edward R. Williams, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 24, 1981.

Coast Guard nominations beginning Robert R. Albright II, to be ensign, and ending James R. Yacobi, Jr., to be lieutenant (junior grade), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of February 24, 1981.

Coast Guard nominations beginning Wallace F. Kelley, to be commander, and ending Michael T. Bohlman, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 5, 1981.

Coast Guard nominations beginning Carsten L. Henningsen III, to be lieutenant (junior grade), and ending Lewis S. Blankenship, to be lieutenant (junior grade), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 17, 1981.

HOUSE OF REPRESENTATIVES—*Monday, March 30, 1981*

The House met at 12 o'clock noon.

The Reverend Mr. Charles Mallon, permanent deacon, Holy Family Church, Mitchellville, Md., offered the following prayer:

I love Thee, O Lord, my strength. The Lord is my rock, and my fortress, and my deliverer, my God, my rock, in whom I take refuge, my shield, and the horn of my salvation, my stronghold. I call upon the Lord, who is worthy to be praised, and I am saved from my enemies.—Psalms 18: 1-3.

Father, raise our national awareness to the fact that we are a united country with a common responsibility toward all. Help us to set aside regional and parochial priorities and raise our consciousness to those issues which strike at the fiber of our society.

Father, You sanctioned the formation of our society with the unalienable rights of life, liberty, and the pursuit of happiness. We ask Your continuing blessing on those of us who make this commission a reality. And we ask Your pardon for those of us who enjoy the benefits of our Nation but fail to comprehend Your purpose.

We ask this through Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

TIME FOR THE PRESIDENT TO LET AMERICANS KNOW FACTS ABOUT THE EMBARGO

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, during the Presidential campaign, Mr. Reagan blasted the Soviet grain embargo as unfair and ineffective. Yet on Saturday, March 28, he announced that the embargo would not be lifted.

More important than what he said was what he did not say. He did not say that the continuation of the embargo, coupled with his proposals for dismantling the farm price support system, would decimate farmers by depressing prices while removing the "safety net" represented by the target price and farmer-held reserve systems.

He did not tell Americans that continuation of the embargo will add to our balance-of-trade deficits and severely harm the export expansion program so painfully put in place during the past 3 years.

He did not tell Americans that the embargo forces the American farmer—the most productive sector in our economy—to shoulder the burden of U.S. foreign policy alone.

Mr. Speaker, it is time for the President to let Americans know the facts about the embargo and it is time for the Congress to act to define what our national policy with regard to embargoes of food ought to be.

WASTEFUL MILITARY SPENDING IS NOT THE ANSWER

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, like you and the membership of the House, I believe we must stop inflation and work toward a balanced budget. To do that, I further believe we must reduce interest rates, cut out wasteful spending, and, of course, provide for national defense and increase production. However, a factor which greatly disturbs me is that the benefits from cutbacks in unnecessary or wasteful Federal spending avail little net savings because such large increases are recommended by both national political parties for additional defense spending.

To increase defense spending does not necessarily mean receiving more defense or better defense, but is likely to weaken defense. The wasteful spending in the name of defense, which I know about and hear of, is very frightening because such wasteful spending is highly inflationary and might lead the President and our leaders to believe we are much stronger than we are and to take steps that are dangerous in the extreme.

It is on that basis we asked for an investigation of military procurement practices. What we have learned, to date, seems to confirm my fears. I truly believe we must keep up business activity, increase production, and balance the budget at a high level if we are to meet the interest payments on the present national debt and to meet essential needs of the people.

We must recognize that we must distinguish between productive spending and keep that going while we cut down or cut out wasteful spending. The benefits of cutting out wasteful spending, however, will be neutralized if the same or greater amounts are added to wasteful military spending, which so many seem to think is equivalent to true defense preparedness.

Our concern over these matters is not new. Years ago, the Defense Appropriations Subcommittee requested, and the investigative staff was directed to conduct, a similar investigation into the procurement practices of the Department of Defense. The investigation substantiated our fears that the DOD was spending billions of dollars needlessly and actually endangered real defense. These findings appeared in the hearings before our Committee on Appropriations for 1956.

Without going into the details of the 1956 report, let me say that findings were such that the then Secretary of Defense, Mr. Wilson, said it made him mad and sad to realize the situation existing in his Department. Subsequently, many other investigations have been made with beneficial results.

The investigative staff, under direction, has already developed information on a number of issues. A summary of these findings has been incorporated in a "Briefing Book" which has been provided to each member of the Defense Appropriations Subcommittee and to the Secretary of Defense. This "Briefing Book" shows instances of mismanagement, waste, duplication, and a few areas in which our readiness has been seriously degraded.

Chairman ADDABBO of the Subcommittee on Defense and I wrote the Secretary of Defense on February 4 requesting that the finalization of any new ship and submarine construction contracts be held in abeyance. This action was considered necessary because of a new clause contained in the January 1981 contract with Electric Boat for the construction of another Trident submarine. This new clause permits Electric Boat to procure commercial insurance for defective workmanship, defective material, mismanagement, and delay and disruption. I find it incredible that the contract permits the cost of such insurance as an overhead charge under the contract. I hope that this will be a matter of detailed discussion during the course of hearings before the Defense Subcommittee.

It is reported that an important missile in our inventory is unsafe for use aboard a ship due to radiation hazards. Because of sensitivity to radar, the missile cannot be removed from the ship's magazine and loaded aboard

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

an aircraft lest the missile be inadvertently detonated. This situation has existed for several years, and although the missile's firing circuit could be changed for $2 per missile, no corrective action has been taken.

A very similar situation exists which precludes the loading of a gun on one of our aircraft. The ammunition for the gun was found to be unsafe for use aboard Navy ships since the ships' radar—and even static electricity—could accidentally detonate the rounds. Several thousands of costly handmade rounds were purchased, but they too were found to be unsafe. During a recent important deployment, this particular aircraft operated with empty magazines. This deplorable situation speaks for itself.

There have been several significant and critical reports on the use of professional service contracts—civilians employed to perform technical operations. The criticisms touch on the problem of unsolicited proposals presented in almost half of the contracts, use of sole-source awards in about two-thirds of the cases, and failure to adequately consider available in-house capability, the total extra cost of which has not yet been determined.

In fiscal year 1979, it is estimated that the Department of Defense spent about $1.6 billion on all types of professional service contracts. This seems to be a runaway method of doing business. We expect this trend to be reversed. However, I fear that expenditures in this area may increase as the proposed Department of Defense increases recommended by the President may include such additional unnecessary expenditures.

The highly complex and difficult problem of maintaining weapons systems being procured by our military departments has been a concern for several years, not only from a cost standpoint but upon the dependability in combat. I am sure that this reservation is shared by members of the Defense Subcommittee.

Recently, the number of civilian personnel aboard four aircraft carriers operating with the Atlantic Fleet in the Indian Ocean totaled 131 at a cost of approximately $80,000 per man-year.

The commander of a Navy F-14 fighter wing advised the investigative staff that his unit would experience at least a 50-percent reduction in operational capability without the present level of civilian contractor support.

A high-ranking military official advised the investigative staff that without the "technical mercenaries," the E3A (AWACS) aircraft could not function as a viable airborne warning system—including those in Saudi Arabia.

The Navy's dependence on civilian contractor personnel has increased to such a degree that they are used as logistics support representatives to locate and facilitate the delivery of spare parts within and through the Navy's own supply system.

The last subject I will mention involves what should have been a rather simple procurement action. However, the Army's design and subsequent action to procure a self-contained transportable hospital (MUST) to care for our wounded turned out to be a catastrophic exercise in incompetence.

To date, the Army has lost at least $8.5 million as a consequence of the procurement of defective equipment.

For instance, 207 of 384 multipurpose shelters had to be disposed of at a cost of $2.3 million.

A total of 315 corridor connectors and 355 passageways were delivered and accepted but found to be unusable—this loss was $2.5 million; 44 inflatable shelters were shipped to Europe and, as a result of faulty packing, were found to be full of water after being stored outside. The cost to refurbish the shelters was $109,000.

About 416 inflatable shelters will have to be shipped back from Europe to correct defective fasteners—the cost is estimated at $3.4 million.

We only hope our colleagues will give serious consideration to our concerns and exert all their efforts to assure that a dollar spent for defense buys a dollar's worth of defense, while we try to keep our economy on an even keel at a high level.

MONTANA'S 30-PERCENT SEVERANCE TAX TOO HIGH

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, the U.S. Supreme Court this afternoon hears arguments over the right of a State to charge excessively high severance taxes on minerals sold out of State. Texas and a dozen other States are challenging Montana's 30-percent coal severance tax.

The Western States fear they will lose States rights if they do not prevail, but I would disagree. All Texas and other States are telling Montana is that when you levy a tax on a natural resource, recover your costs, protect your people, manage the resource, but be reasonable about it. When the resource is used in other States, residents of those other States should not have to bear the brunt.

Texas and other States have expressed the State prerogative by charging severance taxes but not to the extreme as our friends in Montana. We are all dependent upon each other. We can have States rights and a unified country at the same time. But high severance taxes—30 percent—can lead to an unfortunate balkanization of the States and this is not in the national interest. So we watch the Supreme Court proceedings with interest.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 30, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, the Clerk received on Friday, March 27, 1981, the following messages from the Secretary of the Senate:

(1) That the Senate agree to the amendment of the House of Representatives to the bill (S. 509) entitled "An Act to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually.".

(2) That the Vice President, pursuant to Public Law 86-380, appointed Mr. Roth and Mr. Durenberger to be members, on the part of the Senate, of the Advisory Commission on Intergovernmental Relations.

(3) That the Vice President, pursuant to Public Law 70-770, appointed Mr. Cochran to be a member, on the part of the Senate, of the Migratory Bird Conservation Commission, in lieu of Mr. Bellmon, retired.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

H.R. 1986, AMENDING SECTION 201 OF AGRICULTURAL ACT OF 1949 LAID ON THE TABLE

The SPEAKER. Without objection, the bill (H.R. 1986) to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually, as passed by the House on March 26, is laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 30, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 10:35 a.m. on Monday, March 30, 1981 and said to contain a message from the President wherein he transmits the Ninth Annual Report on Federal Advisory Committees.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

NINTH ANNUAL REPORT ON FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations:

(For message, see proceedings of the Senate for today, Monday, March 30, 1981.)

PERSONAL EXPLANATION AS TO VOTE ON HOUSE JOINT RESOLUTION 182

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives on Thursday, March 26, 1981, when the House voted on rollcall No. 20, and passed House Joint Resolution 182, to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era." Had I been present, I would have voted "aye."

BARNES OUTLINES POLICY ON EL SALVADOR

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 30 minutes.

Mr. BARNES. Mr. Speaker, since I became chairman of the Subcommittee on Inter-American Affairs 2 months ago, I have spent a great deal of time analyzing the situation in El Salvador. The full Committee on Foreign Affairs has held hearings which covered this issue, including meeting with the Secretary of State in both public and private. The subcommittee has held five extensive hearings devoted in whole or in part to this issue, hearing from the widest possible range of witnesses; and I have personally tried to see everyone I could who is knowledgeable on the issue, in private meetings and in sessions with my colleagues on the subcommittee.

During this time I have specifically refrained from publicly stating or adopting a position with respect to American policy in Salvador, but I have become increasingly concerned about our policy there. As the Congress faces the issue of appropriate levels of assistance for Salvador, I believe that I now have a responsibility to make recommendations based upon the hearings that we have held.

I am now convinced that our policy vastly understates the political and economic dimensions of the Salvadoran conflict, and vastly overstates the international and military aspects of that conflict. I also believe that our policy will undermine the perception that the United States conducts its international relations in a manner consistent with our democratic ideals and our fundamental commitment to human rights.

Our policy separates us from other Western Hemisphere and European democracies, virtually none of whom see the conflict in the same apocalyptic terms that we do, and virtually all of whom are seriously worried about a U.S. policy that is seemingly out of control.

Our policy threatens to reawaken decades-old fears in Latin America about gunboat diplomacy by the United States—and Americans must remember that, historically, people in Central America and the Caribbean have much more experience with American than with Soviet intervention.

Our policy plays straight into the hands of the Soviets, whose intervention in Afghanistan and threat to Poland have not been subjected to the scrutiny they deserve because of our own actions in Salvador and the purposeful effort of the administration to ballyhoo those actions through massive, almost unprecedented, promotion in the media. At a time when the world's attention should be focused directly on Poland and Afghanistan—where the Soviet Union is again displayed as a repressive, totalitarian international force—our policy in Salvador, particularly the presence of American military personnel, has diverted that attention.

Our policy may be starting us down the same slippery slope we have been on once before, when a big propaganda campaign, based on captured documents, was launched to justify the introduction of just a few advisers here, a few Green Berets there, into another nation, until eventually the war in that land became ours to fight—and to lose.

Our policy is leading to the very outcome we are trying to avoid. By giving too little economic assistance, we fail adequately to promote the viability of the economy, and we reduce the capability of the Duarte government to accomplish the reforms necessary to reduce the appeal of the left. By giving too much military assistance, we further escalate the conflict, further polarize the situtation, reduce the incentive of the military to seek a political solution, and we make converts for the left as centrist elements become radicalized.

If we want to nurture the radical left in Salvador and unite the continent against us, the best way is to send in American military personnel, and pour in vast quantities of arms without any conditions on the policy they are supposed to support.

Let us think clearly about what we want in Salvador. I believe that we can all agree—Democrats and Republicans—that we want a stable government that is not hostile to the United States and is not a base for the subversion of other governments in the region. We want a broad based, representative government capable of withstanding the assaults of both the extreme left and the extreme right and of pursuing necessary reforms. We want the Salvadoran people to be able to participate in the development of their own country while living in dignity in a political system that respects basic human rights. if we can achieve those objectives, I suggest to you that we will automatically achieve our objective of reducing the spread of Communist influence in our hemisphere.

The means to achieve those objectives are clear. We must work with our friends in the region—not in isolation from them—to shore up the moderate, civilian components of the Salvadoran Government, to encourage and support reforms, to help the Government clamp down on rightist terrorism, and to foster contacts among democratic forces both inside and outside the Government leading to a political settlement, leading ultimately to the promised elections.

Only in conjunction with these efforts, only with precise conditions, does it make sense to provide limited military support to convince the left that it cannot win power through military means.

Nothing in the policy I propose is contrary to the administration's own stated objectives. Therefore, I would hope and frankly expect that this policy would command broad support in the Congress and among the public.

When the Subcommittee on Inter-American Affairs takes up the administration's economic and military aid request for Salvador next week, I intend to press for the inclusion of the following provisions in the bill.

First, all U.S. military advisers must be removed from Salvador. The symbolism of this military presence is simply too damaging. The few advisers we have there do not do enough good to justify the fact that they let the Soviets off the hook in Afghanistan and Poland. The American military personnel are sitting ducks for any terrorists who wants to exacerbate the situation and further embroil the United States in the conflict. Training, if necessary, can be done out of the country,

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or it can be done by civilians. The military advisers must come out of Salvador.

Second, the military assistance request must be reduced and the aid subjected to stringent restrictions on how it is used and on the purposes for which it is used. We are already providing $35 million worth of military assistance in the current fiscal year. We do not need an additional $26 million on top of that in fiscal year 1982. That is just throwing arms at the problem. Some of these funds should go for economic aid instead.

Any military aid that we do provide must be given only on the condition that there is no military coup, that the Government of El Salvador investigates the murder of representatives of U.S. religious and labor organizations and brings the individuals responsible to justice, and that the Government takes adequate steps to control rightist terrorism, implement land reform, hold free and fair elections, and seek a political settlement.

Third, economic assistance must be given only so long as the civilians remain in the Government and continue to pursue economic reforms. Economic assistance must be structured so as to assure that it reaches those who need it most and helps to solve Salvador's most pressing economic problems.

Mr. Speaker, Congress cannot abdicate its responsibility by simply authorizing large quantities of military aid without restrictions. If we are to provide arms to Salvador, we must work our own will on the amount of that assistance, and we must provide a clear statement of the conditions under which the aid is being supplied. Only in that way will we place the United States unequivocally behind a solution in Salvador which genuinely allows the people of that nation to determine their own future.

Finally, Mr. Speaker, let me say that to suggest—as President Reagan did yesterday in an interview published in the Washington Post—that all critics of American policy in Central America are somehow dupes of an international Communist conspiracy is both absurd and demeaning to our own political process. Our subcommittee has heard testimony from large numbers of expert witnesses, and I reject the President's thesis that those individuals who may have disagreed with his policy in one respect or another have been, as he said, "confused" by "concerted and well-orchestrated * * * propaganda."

Mr. Speaker, the policy I have delineated today will not be easy to carry out. But it can work. It can gain the support of the American people. It can gain the support of our friends and our allies in the Western Hemisphere and around the world. It can gain the respect of our adversaries and refocus international attention on the actions of those who seek to undermine freedom.

Most importantly, Mr. Speaker, this policy can succeed in giving the people of Salvador justifiable hope for economic and political progress. For, as I was recently told by President Duarte, when the people believe that their future, their children's future, will offer lives of dignity, economic opportunity, and political freedom, the left—the Marxists and Communists—will have no appeal. That is what our policy should be all about.

□ 1215

Mr. SEIBERLING. Mr. Speaker, would the gentleman yield?

Mr. BARNES. I will be happy to yield to the distinguished gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I want to commend the gentleman from Maryland for his very thoughtful, careful, and thorough hearings which he has had on this very important subject and to express my personal gratification that, after all of the study that the gentleman has put in on it, his conclusions correspond to my own, as outlined in the RECORD on several occasions. Mine have been based on a much less extensive examination than his, mostly a feel of the subject from reading about it in the newspapers, and from the fact that one of my sons was in El Salvador for 2 years. He was a missionary there, and he came back in 1979. As a result, for the last 4 years I have followed the subject with much more than the ordinary degree of interest.

I agree with the gentleman completely that the emphasis of the Reagan administration on shoving military assistance at the Duarte government well beyond what was even sought by Mr. Duarte is a basic error. I am glad to see that the gentleman from Maryland is putting the full weight of his knowledge and intellect behind a critique of this policy.

Mr. BARNES. I thank the gentleman from Ohio for his comments. I suspect that, because of the gentleman's family association in Central America, he has a better understanding than many of our colleagues who have not had a chance to really review what is going on there. So the gentleman's comments are very helpful and I am grateful for them.

Mr. SEIBERLING. I thank the gentleman.

STATEMENT BY MR. FRENZEL ON PENSION VESTING

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL), is recognized for 5 minutes.

● Mr. FRENZEL. Mr. Speaker, earlier this week I, and Congressmen HOLLAND, PERKINS, ASHBROOK, and ERLENBORN introduced legislation to clarify the vesting requirements under section 1012(a) of the Employee Retirement Income Security Act of 1974 (ERISA). Clarification has become necessary because the Internal Revenue Service has completely disregarded the obvious congressional intent of ERISA.

The IRS, in their proposed regulations, published at 45 FR 24201 and 45 FR 39869 on April 9 and June 12, 1980 respectively, simply invented its own standard, rather than following the congressional mandate. The IRS proposals have generated a large amount of protest over the past year from all segments of the private pension plan community.

It should be pointed out that legislation on this issue should not be necessary. Congress made clear in ERISA that 4-40 vesting should be made an acceptable safe harbor, except in cases where actual abuse was found in accordance with the standard set forth in section 411(d)(1)(A) of the Internal Revenue Code (IRC). Unfortunately, the Internal Revenue Service has twice chosen in the past to ignore, by regulation, congressional intent that 4-40 be considered a safe harbor.

The Treasury Department based all of its actions on one word in the conference committee report on ERISA, and ignored all other indications of congressional intent in this area. The conferees clearly stated their concern in the conference report that the law in this area has been administered on a case-by-case basis, without uniform results in fact situations of a similar nature. As a result, the conferees gave a clear directive to the IRS not to require a vesting schedule more stringent than 4-40, except in cases where actual misuse of a plan occurs in operation.

The IRS regulations ignored the synonymous meaning of the words "misuse" and "abuse," and issued regulations which disregarded 4-40 vesting as a safe harbor and require more stringent vesting for plans, beyond the pattern of abuse situations provided for under section 411(d)(1)(A) of the IRC.

There are two objectionable results of the proposed regulations. First, the regulations, if allowed to go into effect as proposed, including the June 12, 1980, modifications, would totally undermine the expressed congressional desire to achieve a degree of certainty for plan sponsors through the uniform application of the nondiscrimination standards in connection with vesting. In fact, the regulations as amended do not provide a safe harbor for any plan, thus creating the uncertainty attendant with the discretionary administra-

tion by local IRS offices which existed prior to ERISA.

The revenue procedures currently applicable to this area—revenue procedure 75-40 and 76-11—provide at least some measure of certainty by guaranteeing a favorable IRS determination letter to those plans adopting 4-40 vesting. The new regulations would negate even this practice and place nearly one-half million pension plans in jeopardy of losing their tax exempt status on a prospective or even retroactive basis.

Second, the proposed regulations are particularly offensive because the Congress, by means of the conference report, intended to reserve for itself the authority to require more stringent vesting standards in connection with the nondiscrimination rules to the extent that further studies show a need for additional safeguards. During the previous administration, the Treasury Department and the IRS ignored the conference report directive to supply the Congress with information as to patterns of benefit loss under various vesting schedules and, instead, attempted to preempt congressional authority by regulation.

The purpose of our proposed legislation, the text of which follows, is to restore congressional prerogative in setting vesting standards in connection with the nondiscrimination rules under section 411(d)(1) of the IRC. It would codify the result intended by the ERISA conferees that 4-40 vesting be considered a safe harbor, thus preventing plan disqualification except in the event there is found to be a pattern of abuse—see new section 411(d)(1)(B)(iii). It would also codify as safe harbors the present value and cross-section tests contained in the June 12, 1980 revision to the proposed regulations—see new sections 411(d)(1)(B)(i) and 411(d)(1)(B)(ii), respectively.

It is expected that for purposes of new section 411(d)(1)(B)(i) the term "officers" will be defined in accordance with the principles of Revenue Ruling 68-300, 1968-2 C.B. 159, to include only those persons, regardless of title, who perform substantive duties in the nature of top management. Thus, persons who have titles solely for convenience but whose administrative and management duties are nominal, sporatic, or inconsequential, would not be considered officers. By the same token, persons who exercise substantial duties of top management but who do not have corporate titles should be considered officers for the purpose of this test.

It is also expected that new section 411(d)(1)(B)(ii) will be interpreted consistently with the principles of Revenue Ruling 70-200. 1970-1 C.B. 101, Revenue Ruling 74-255, 1974-1 C.B. 93, and Revenue Ruling 74-256, 1974-1 C.B. 94. However, for purposes of this test, only persons who are plan participants should be taken into account and not persons who are properly excluded under section 410 from participation in the plan.

I urge all of my colleagues to join us in supporting this bill, so that a degree of certainty and stability can be returned to our pension plan system.●

INTRODUCING LEGISLATION TO EXTEND THE DEFENSE PRODUCTION ACT OF 1950

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BLANCHARD) is recognized for 5 minutes.

● Mr. BLANCHARD. Mr. Speaker, I am today introducing legislation to extend the Defense Production Act of 1950 for another year.

The Defense Production Act was first enacted as an outgrowth of the lack of a state of preparedness revealed during the Korean war. Its basic reason for being is to equip the President with sufficient standby authority to guarantee that the critical elements of the Nation's industrial base will suffer no interruption or breakdown in case of threats to the Nation's security. In recent years, it has been the practice of the Congress to extend this authority on an annual basis.

Mr. Speaker, I wish to also announce that the House Banking Subcommittee on Economic Stabilization will conduct a hearing on this legislation on April 15 for purposes of taking testimony from various witnesses of the administration.●

RULES OF THE SELECT COMMITTEE ON AGING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 15 minutes.

● Mr. PEPPER. Mr. Speaker, pursuant to the rules of the U.S. House of Representatives, I hereby submit, for the RECORD, the rules of the Select Committee on Aging as adopted and amended at its organizational meeting on February 19, 1981.

RULES OF PROCEDURE

RULE NO. 1

Except where the terms "full committee" and "subcommittee" are specifically referred to, the following rules shall apply to the *Select Committee on Aging* and its subcommittees as well as to the respective chairmen.

The rules of the committee shall be subject to amendment at any time.

[See House Rule XI, 1.]

RULE NO. 2

The regular meetings of the full committee shall be held on the *first Thursday of each month at 2:00 p.m.*, except when the Congress has adjourned or recessed. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee in accordance with the provisions of House Rule XI, 2c (2). Subcommittees shall meet at the call of the subcommittee chairmen.

Every member of the committee or the appropriate subcommittees, unless prevented by unusual circumstances, shall be provided with a memorandum at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) prior to each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for the appearance of any witnesses. The minority staff shall be responsible for providing the same information on witnesses whom the minority staff may request.

[See House Rule XI, 2(b).]

RULE NO. 3

A majority of the members of the full committee and each of the subcommittees shall constitute a quorum of the committee or subcommittee for the purpose of convening meetings, conducting business, and voting on any matter: Provided, That the chairman of the full committee may determine that one-third of the members of the full committee shall constitute a quorum of the full committee at any meeting for such purpose (other than for the reporting of any measure or recommendation, and voting on the authorization of subpoenas and on the closing of hearings and business meetings to the public) if he gives written notice to that effect to the members prior to the meeting. Any committee member present at a committee meeting may make a point of order that a quorum is not present under the conditions set forth above, but a quorum shall be deemed present unless a member objects to the transaction of business because of the lack of a quorum. Two members shall constitute a quorum for taking testimony and receiving evidence. A majority of the members of the committee must approve any report, or any staff study containing policy recommendations, and the chairman is empowered to obtain that approval in any appropriate manner, including by polling members of the committee in writing, provided, that the proposed report or staff study has been available to the members of the committee for at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays). The Chairman, with the consent of the Ranking Minority Member, may waive the 3 calendar day notification requirement. Proxies shall not be used to establish a quorum. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

RULE NO. 4

Every investigative report shall be approved by a majority vote of the committee at a meeting at which at which a quorum is present. Supplemental, minority, or additional views may be filed in accordance with House Rule XI, 2(l)(5). The time allowed for filing such views shall be 3 calendar days (excluding Saturdays, Sundays, and legal holidays) unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views. A proposed report shall not be considered in subcommittee or full committee unless the pro-

posed report has been available to the members of such subcommittee or full committee for at least 3 calendar days (excluding Saturdays, Sundays, and legal holidays) prior to the consideration of such proposed report in subcommittee or full committee. The Chairman, with the consent of the Ranking Minority Member, may waive the 3 calendar day notification requirement. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee prior to the consideration of the proposed report in such subcommittee or full committee.

RULE NO. 5

A member may vote by proxy on any measure or matter before the committee and on any amendment or motion pertaining thereto. A proxy shall be in writing and be signed by the member granting the proxy; it shall show the date and time of day it was signed and the date for which it is given and the member to whom the proxy is given. Each proxy authorization shall state that the member is absent on official business or is otherwise unable to be present, and shall be limited to the date and the specific measure or matter to which it applies; and, unless it states otherwise, it shall apply to any amendments or motions pertaining to that measure or matter.

RULE NO. 6

A rollcall of the members may be had upon the request of any member.

RULE NO. 7

The committee staff shall maintain in the committee offices a complete record of committee actions including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

RULE NO. 8

There shall be *Four* (*4*) subcommittees with appropriate party ratios which shall have assigned or fixed jurisdictions.

[See House Rule XI, 1(a)(2).]

RULE NO. 9

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for the purpose of taking testimony.

RULE NO. 10

Except as otherwise provided by House Rule XI, 5 and 6, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees subject to appropriate approval.

After approval by the majority caucus, the authorization for the creation of new positions shall be approved by a majority vote of the committee, a quorum being present.

RULE NO. 11

Except as otherwise provided by House Rule XI, 5 and 6, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

RULE NO. 12

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least 1 week prior to the commencement of any hearings, unless he determines that there is good cause to begin such hearings at an earlier date. In order that the chairman of the full committee may coordinate the committee facilities and hearing plans, each subcommittee chairman shall notify him of any hearing plans at least 2 weeks in advance of the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall, as far as practicable submit written statements at least 24 hours in advance of their appearance.

A subcommittee holding hearings in the field may investigate matters that are within the committee's jurisdiction, whether or not the matter being investigated falls within the jurisdiction fixed for that subcommittee.

[See House Rule XI, 2(g), 2(j), and XI, 3(f)(2).]

RULE NO. 13

Meetings for the transaction of business and hearings of the committee shall be open to the public unless closed in accordance with Rule XI of the House of Representatives.

[See House Rule XI, 2(g).]

RULE NO. 14

A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, 2(j)(2), each committee member may request up to 5 minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, insofar as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the direction of the chairman.

RULE NO. 15

Investigative hearings shall be conducted according to the procedures in House Rule XI, 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witness.

RULE NO. 16

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

RULE NO. 17

When approved by a majority vote an open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcasts radio broadcasts, and still photography, or by any such methods of coverage, subject to the provisions of House Rule XI, 3. In order to enforce the provisions of said rule or to maintain an acceptable standard of dignity, propriety, and decorum, the chairman may order such alteration, curtailment, or discontinuance of coverage as he determines necessary.

[House Rule XI, 3.]

RULE NO. 18

The chairman of the full committee shall:

(a) make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as appropriate;

(b) submit to the Committee on the Budget views and estimates, as appropriate, required of standing committees by House Rule X, 4(g); and

(c) prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities. After approval by the majority caucus, a majority of the members of the committee must approve the budget, and the chairman of the committee is empowered to obtain that approval in any appropriate manner, including polling members of the committee in writing.●

PERSONAL EXPLANATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, on Thursday, March 26, the House unanimously approved House Joint Resolution 182, designating April 26, 1981, as "National Day of Recognition for Veterans of the Vietnam Era." I am a cosponsor of House Joint Resolution 182. Regrettably, at the time of the vote on passage of the resolution, I was chairing a hearing by the Monopolies and Commercial Law Subcommittee of House Judiciary on the antitrust implications of the Export Trading Company Act. As a courtesy to the witnesses before the subcommittee, I stayed in the chair so that they could finish giving their testimony. Had I been present during the vote on House Joint Resolution 182, I would have voted "Aye."

This day of recognition for Vietnam veterans is long overdue. My record in Congress shows my opposition to the conflict in Vietnam. When I came to Congress in 1970, I was convinced that the way to best take care of our servicemen in Vietnam was to bring them home from that unfortunate conflict. Since the end of the conflict in Vietnam, the special needs of Vietnam veterans have been largely ignored. It appears now that this neglect is ending and that we are, as a nation, at last going to recognize the special courage and sacrifice of those men and women who served, fought, and died in Vietnam.

If there is to be real meaning behind the sentiment expressed in House Joint Resolution 182, however, we are going to have to translate that senti-

ment concretely into legislative programs which administer to the very special needs of the Vietnam veteran. Suicide, alcoholism, unemployment, and drug abuse are all significant problems for Vietnam veterans. In 1979, Congress finally recognized the need for a counseling program tailored to the particular problems associated with service in Vietnam, and enacted a Vietnam veterans' outreach program. These 91 storefront counseling centers have helped thousands of Vietnam veterans since their creation. The outreach center in Akron, Ohio, estimates that it sees 65 veterans a month, two-thirds of whom are suffering from the so-called delayed stress syndrome.

The outreach centers have not yet completed their work. Indeed, as more and more Vietnam veterans recognize that the nightmares and depression they have suffered stems from delayed stress reaction to service in Vietnam, it is likely that demand for the counseling program available at the outreach centers will increase, rather than decline.

Unfortunately, the Reagan administration has decided to save a trivial amount of the Federal budget by not extending the outreach program. I have cosponsored legislation in the House to extend the program for 3 years, and I note with satisfaction that the Senate has refused to comply with the administration's decision to end the program. I trust the House will do the same.

Yet there is more that Congress can do for Vietnam veterans than just extending the authorization of the outreach center program. Vietnam veterans were subjected to particular hazards during their service in Southeast Asia. One of those hazards was the military's use of the defoliant 2,4,5-T, known as agent orange. There is a growing body of evidence suggesting that agent orange exposure may be responsible for birth defects, neurological disorders, cancer, and skin eruptions. Yet the Veterans' Administration rarely, if ever, acknowledges that agent orange exposure is a legitimate reason for granting disability compensation. This shabby treatment flies in the face of the reports which are constantly in the news of Vietnam veterans suffering the agonies of cancer, incapacitating headaches, and skin rashes, and the heartbreak of parenting deformed children. Accordingly, I have cosponsored legislation to create a presumptive disability category for veterans who were exposed to agent orange, and to waive the delimiting date for disability claims filed due to exposure to agent orange.

Whether or not one agreed with the conflict in Vietnam—and I did not—it is abundantly clear that we have a debt to repay to our Vietnam veterans. Passage of House Joint Resolution 182 is a small step in that direction, and I am hopeful that Congress will do what is necessary to follow up on the promise of a national day of recognition for those who served in Vietnam.●

CONTRARY TO REAGAN ASSERTIONS, HUMAN RIGHTS POLICY HAS AIDED UNITED STATES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, on March 3, the Cleveland Plain Dealer reprinted an article from the New York Times by Jennifer Seymore Whitaker, the associate editor of Foreign Affairs magazine. In this article, which was just recently called to my attention, Ms. Whitaker points out that, contrary to the view of the Reagan administration, the Carter human rights initiative made possible significant strategic gains for the United States. She cites the Zimbabwe settlement as a prime example, as well as the role of Nigeria in cooling Angolan support for attacks on pro-Western Zaire.

In Latin America, she points out that there was a parallel transformation which resulted from the demonstrated U.S. opposition to torture, assassination, arbitrary detention, and other evils associated with various repressive regimes and that this caused other Latin American states to support U.S efforts to encourage the installation of centrists in the juntas in Nicaragua and El Salvador. She notes that building Latin American support for a mediated end of violence in El Salvador will require continued demonstrated U.S. opposition to right-wing repression as well as to leftist terrorism.

Ms. Whitaker also notes that in Asia the serious human rights dilemmas of our military allies, South Korea and the Philippines, have yet to be squarely faced. She states that if these continue, the resulting instability may offer ripe opportunities for our adversaries and that a strategy that ignores these prospective vulnerabilities must be called shortsighted.

Ms. Whitaker concludes: "Any projection of U.S. power that does not fully use our human rights arsenal will quickly find its weapons turned against us. No pragmatic policy can ignore this reality."

Mr. Speaker, I am pleased to see such a distinguished expert in foreign affairs, stating, far more eloquently than I, essentially the same point I have made in earlier statements to the House. Her article also serves to reinforce the points made in his address to the House today by the distinguished chairman of the Foreign Affairs Subcommittee on Inter-American Affairs, the gentlemen from Maryland (Mr. BARNES).

I offer Ms. Whitaker's complete article for inclusion in the RECORD immediately following these remarks:

[From the Cleveland Plain Dealer, Mar. 3, 1981]

CONTRARY TO REAGAN ASSERTIONS, HUMAN RIGHTS POLICY HAS AIDED U.S.

(By Jennifer Seymour Whitaker)

Human rights has taken a bum rap.

The policy initiated by Jimmy Carter is now widely viewed as a novel way to beat up on friends while letting adversaries get away with bloody murder. Accordingly, the Reagan administration appears ready to discard this moralistic breast-beating in favor of a new though-minded pragmatism.

Contrary to that view, however, the human rights initiative launched in 1977 actually made possible significant strategic gains for the United States. The Zimbabwe settlement is a prime example.

Early in the Carter administration, the forcible U.S. opposition to white-minority rule in Southern Africa laid the groundwork for a new relationship of close communication and increased understanding with the African frontline states and the liberation movements. This increased trust eventually made possible the successful negotiations for Zimbabwe's independence.

Because all participants in the conflict—not merely the parties inside Rhodesia—were thus brought into the settlement, the war ended. Thus, the Soviet Union, the guerrilla, fighters' main military patron, was cut out of the action.

In effect, the Soviet Union and its Cuban allies were deprived of the cause that had given them entry into the Zimbabwean situation. Despite substantial Soviet expenditures on arms for their side in the struggle, a virtually cost-free series of Western political maneuvers left Moscow with nothing to show for its efforts.

Similarly, if the United States continues to press for an internationally sponsored transfer of power in Namibia, another obvious area of opportunity will also be foreclosed to Soviet and Cuban adventurism.

The transformation of Nigeria into an extermely helpful diplomatic ally should also be counted as a major payoff of the human rights policy in Africa. At issue in this instance is not Nigeria's oil—though at 16 percent of U.S. imports this surely constitutes a real strategic interest.

Rather, what must be counted as a solid plus for the Carter policy is Nigeria's active support for the Western plan on Rhodesia and Nigeria's cooperation with the Western powers during the 1977 conflict involving Angola and Zaire. Although Lagos refused entry to Secretary of State Henry A. Kissinger in 1976, one year later it was deeply involved in British and American-sponsored negotiations on Zimbabwe.

And when that beleaguered ward of Western mining interests, "pro-Western" Zaire came under attack by insurgents pouring across the Angolan border—into Shaba province, Nigeria used its good offices to open communications between Zaire and Cuban-supported Angola.

In Latin America, a parallel transformation in the political climate resulted from the demonstrated U.S. preference for democratic regimes and opposition to the worst evils associated with repression: torture, assassination, arbitrary detention. The discernible shift in Latin America public atti-

tudes about Yankee intentions brought the backing of key governments for U.S. positions.

One example was the support that the United States got from the Andean Pact Foreign Ministers Council when Washington was putting pressure on Ecuador and Bolivia to hold democratic elections. Another was the Organization of American States' endorsement in 1978 for U.S. mediation in Nicaragua that was intended to install a democratic government of the center.

Again, on El Salvador, support by such "neutrals" as Venezuela, Costa Rica and Colombia, for Carter administration efforts to find a center that would hold was made possible by the new political atmosphere. For the Reagan administration, building Latin American support for a mediated end to violence in El Salvador will require demonstrated U.S. opposition to government repression as well as to leftist terrorism.

As in Africa, such regional support is a sine qua non for enduring settlements, giving credibility to professed U.S. intentions to include parties from all across the political spectrum. And broadly based hemispheric backing for U.S. political initiatives creates the most effective pressure against Cuban military involvement.

In Asia, the serious human rights dilemmas of our military allies, South Korea and the Philippines, have yet to be squarely faced. If these continue unresolved, the resulting instability may offer ripe opportunities for our adversaries. However tough-minded in intention, a strategy that ignores these prospective vulnerabilities must be called shortsighted. Any projection of U.S. power that does not fully use our human rights arsenal will quickly find its weapons turned against us. No pragmatic policy can ignore this reality.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. LEE) to revise and extend their remarks and include extraneous material:)

Mr. FRENZEL, for 5 minutes, today.

(The following Members (at the request of Mr. SUNIA) to revise and extend their remarks and include extraneous material:)

Mr. LEHMAN, for 60 minutes, today.

Mr. BLANCHARD, for 5 minutes, today.

Mr. PEPPER, for 15 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEE) and to include extraneous matter:)

Mr. FRENZEL in two instances.

Mr. JOHNSTON.

Mr. GILMAN.

Mr. FINDLEY in two instances.

Mr. MICHEL in four instances.

Mr. ROTH.

Mr. DERWINSKI in two instances.

Mr. JEFFORDS.

Mr. WINN.

(The following Members (at the request of Mr. SUNIA) and to include extraneous matter:)

Mr. FRANK in two instances.

Mr. MAVROULES.

Mr. WILSON.

Mr. ASPIN in two instances.

Ms. MIKULSKI.

Mr. WYDEN in two instances.

Mr. DIXON in 15 instances.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DYSON.

Mr. FORD of Michigan.

Mr. SKELTON.

Mr. BARNES.

Mr. BEDELL.

Mr. CHAPPELL.

Mr. PEPPER.

Mr. HUBBARD.

Mr. STOKES.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 509. An act to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually.

ADJOURNMENT

Mr. BARNES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 28 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 31, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

926. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years; to the Committee on Agriculture.

927. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting the annual report for calendar year 1980 on special pay for duty subject to hostile fire, pursuant to 37 U.S.C. 310; to the Committee on Armed Services.

928. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain chemical agent identification sets at Rocky Mountain Arsenal, Colo., pursuant to section 409(b)(4) of Public Law 91-121; to the Committee on Armed Services.

929. A letter from the Secretary of the Army, transmitting notice of the recent discovery and disposal of a suspected lethal chemical nerve agent munition at Dugway Proving Ground, Utah, pursuant to section 409(b)(4) of Public Law 91-121 and section 506(d) of Public Law 91-441; to the Committee on Armed Services.

930. A letter from the Secretary of the Navy, transmitting notice of the proposed transfer of the obsolete destroyer *Ex-Kidd* (ex-DD-661) to the State of Louisiana, Louisiana Naval War Memorial Commission, Baton Rouge, La., pursuant to 10 U.S.C. 7308; to the Committee on Armed Services.

931. A letter from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting notice of the proposed conversion to contractor performance of the base operations support functions at the Naval Air Facility, Midway Island, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

932. A letter from the Acting Assistant Secretary of the Air Force (Research, Development and Logistics), transmitting notice of the proposed conversion to contractor performance of the commissary shelf-stocking and custodial services function at Fairchild Air Force Base, Wash., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

933. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-12 "To provide, on a temporary basis, a procedure to exempt classes or groups of employees from the residency requirement set forth in the District of Columbia Government Comprehensive Merit Personnel Act of 1978," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

934. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-13, "To authorize the Council of the District of Columbia to adopt an official seal," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

935. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-14, "To order the closing of a portion of a public alley abutting lot 78 (formerly lots 59, 60, 65, and 812) in square 218 bounded by 14th Street NW., K Street NW., 15th Street NW., and I Street NW., and to accept the dedication of land in square 218 for alley purposes (S. O. 80-156) (ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

936. A letter from the chairman, Council of the District of Columbia, transmitting D.C. Act 4-15, "To order the closing of a public alley abutting lots 16, 49, and 54 in square 163, bounded by 18th Street NW., L Street NW., Connecticut Avenue NW., and K Street NW. (S. O. 80-220) (ward 2)," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

937. A letter from the chairman, Federal Council on the Aging, transmitting a report on programs conducted under the Older Americans Act; to the Committee on Education and Labor.

938. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Toxic Substances Control Act for 2 years; to the Committee on Energy and Commerce.

939. A letter from the President and Chief Executive Officer, Communications Satel-

lite Corporation, transmitting the 17th annual report of the Corporation, pursuant to section 404(b) of the Communications Satellite Act of 1962, as amended; to the Committee on Energy and Commerce.

940. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of January 1981, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Energy and Commerce.

941. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense articles sold commercially to Greece (Transmittal No. MC-4-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

942. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense articles sold commercially to Saudi Arabia (Transmittal No. MC-8-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

943. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense articles sold commercially to Korea (Transmittal No. MC-9-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

944. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense articles sold commercially to Israel (Transmittal No. MC-10-81), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

945. A letter from the Acting Director, International Communication Agency, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1982 and 1983 for international communication and educational and cultural exchange programs; to the Committee on Foreign Affairs.

946. A letter from the Secretary of Housing and Urban Development, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

947. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

948. A letter from the Acting Chairman, Securities and Exchange Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

949. A letter from the Acting Assistant Secretary for Health, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

950. A letter from the Acting Chair, Equal Employment Opportunity Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

951. A letter from the Acting Secretary, Federal Trade Commission, transmitting a report on the Commission's activities under the Government in Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

952. A letter from the Acting Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during February 1981, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

953. A letter from the Under Secretary of the Interior, transmitting a statement supporting a previously-submitted draft of proposed legislation to rectify certain discrepancies between the proposed constitution for the Virgin Islands drafted by a Virgin Islands Constitutional Convention and Federal law; to the Committee on Interior and Insular Affairs.

954. A letter from the Acting Commissioner of Patents and Trademarks, Department of Commerce, transmitting the annual report of his office for fiscal year 1980, pursuant to 35 U.S.C. 14; to the Committee on the Judiciary.

955. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

956. A letter from the Under Secretary of the Interior, transmitting a draft of proposed legislation to amend the Marine Mammal Protection Act of 1972 to extend the authorization of appropriations; to the Committee on Merchant Marine and Fisheries.

957. A letter from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend title I of the Marine Protection, Research, and Sanctuaries Act, as amended; to the Committee on Merchant Marine and Fisheries.

958. A letter from the Acting Administrator of General Services, transmitting a report on the building project survey for Bakersfield, Calif., requested by a resolution of the House Committee on Public Works and Transportation to the Committee on Public Works and Transportation.

959. A letter from the Acting Adminstrator, Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstrations for fiscal years 1982 and 1983; to the Committee on Science and Technology.

960. A letter from the Acting Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed reprograming of $60 million of funds appropriated to NASA for fiscal year 1981 to the Space Shuttle program, pursuant to section 4 of Public Law 96-316; to the Committee on Science and Technology.

961. A letter from the Acting Administrator of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Veterans' Affairs.

962. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Trade Act of 1974 to provide for changes in adjustment assistance for workers and for other purposes; to the Committee on Ways and Means.

963. A letter from the Comptroller General of the United States, transmitting a report on the Department of Labor and selected CETA programs vulnerability to fraud and abuse (AFMD-81-46, March 27, 1981); jointly, to the Committees on Government Operations and Education and Labor.

964. A letter from the Comptroller General of the United States, transmitting a report on Federal policies and practices of Outer Continental Shelf lease sales (EMD-81-59, March 26, 1981); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

965. A letter from the Comptroller General of the United States, transmitting a report on problems created by delay of enactment of funding legislation (PAD-81-31, March 3, 1981); jointly, to the Committees on Government Operations, Rules, and Appropriation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLANCHARD (for himself and Mr. MCKINNEY):

H.R. 2903. A bill to extend by 1 year the expiration date of the Defense Production Act of 1950; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COLLINS of Texas:

H.R. 2904. A bill to amend the Public Health Service Act to provide that an employer who includes in an employee health benefits plan a health maintenance organization which meets the requirements of State law shall not be required to include in such plan a federally qualified health maintenance organization; to the Committee on Energy and Commerce.

By Mr. DERWINSKI:

H.R. 2905. A bill to amend section 8118 of title 5, United States Code, to provide for physical examinations with respect to claims for compensation for work injuries, and to provide that continuation to pay under such section shall not begin until the fourth day of disability; to the Committee on Education and Labor.

By Mr. EVANS of Iowa:

H.R. 2906. A bill to amend the Internal Revenue Code of 1954 to clarify the valuation, for estate tax purposes, of farm and other real property when such property is rented by a member of a decedent's family, and for other purposes; to the Committee on Ways and Means.

By Mr. FRANK:

H.R. 2907. A bill to authorize grants under the Safe Drinking Water Act to public water systems to clean and update waterlines for purposes of meeting requirements under such act, and for other purposes; to the Committee on Energy and Commerce.

H.R. 2908. A bill to amend the copyright law to secure the rights of authors of pictorial, graphic, or sculptural works to prevent the distortion, mutilation, or other alteration of such works, and for other purposes; to the Committee on the Judiciary.

H.R. 2909. A bill to provide additional assistance to small business concerns in ac-

quiring procurement information and contracts from the United States; jointly, to the Committees on Government Operations and Small Business.

By Mr. GILMAN:

H.R. 2910. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to permit the Attorney General to use certain proceeds from forfeited property for the purchase of evidence and other information; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. LOTT:

H.R. 2911. A bill to amend the Contract Work Hours and Safety Standards Act and the Walsh-Healey Act to permit employees, to whom such acts apply, to work any combination of hours in a 40-hour workweek; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. PRICE (for himself and Mr. DICKINSON):

H.R. 2912. A bill to authorize appropriations for the acquisition of strategic and critical materials for the national defense stockpile and to authorize the disposal of certain materials currently held in the stockpile; to the Committee on Armed Services.

By Mr. SAWYER:

H.R. 2913. A bill to amend the Internal Revenue Code of 1954 to increase the number of taxable years to which a net operating loss may be carried back; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 2914. A bill to provide temporary authorities to the Secretary of Commerce to facilitate emergency actions to mitigate the impacts of the current drought and promote water conservation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHITTEN:

H.R. 2915. A bill to amend section 3 of the Clayton Act; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

30. The SPEAKER presented a memorial of the Legislature of the State of Nevada, relative to ratification of the California-Nevada Interstate Compact; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LUJAN:

H.R. 2916. A bill for the relief of Los Alamos Developers, Inc.; to the Committee on the Judiciary.

H.R. 2917. A bill for the relief of Mary Concepcion Jugal Narrido and Conchita Jugal Narrido; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 459: Mr. SIMON and Mr. WIRTH.

H.R. 567: Mr. MORRISON.

H.R. 568: Mr. STANGELAND, Mr. JEFFRIES, Mr. HORTON, Mr. GOODLING, Mrs. SCHNEIDER, and Mr. BURGENER.

H.R. 1309: Mr. PICKLE, Mr. MITCHELL of Maryland, and Mr. FORD of Tennessee.

H.R. 1362: Mr. CLAUSEN, Mr. CROCKETT, Mr. DOUGHERTY, Mr. GILMAN, Mr. LAFALCE, Mr. LEE, Mr. MCHUGH, Ms. OAKAR, Mr. OTTINGER, Mr. PANETTA, Mr. STANGELAND, and Mr. UDALL.

H.R. 1504: Mr. FISH, Mr. PEPPER, Mr. GLICKMAN, Mr. MOORHEAD, Mr. EVANS of Georgia, Mr. HENDON, Mr. ERLENBORN, Mr. HUGHES, Mr. HYDE, Mr. ROE, Mr. WINN, Mr. FORSYTHE, and Mr. JOHNSTON.

H.R. 1666: Mr. DAUB and Mr. GARCIA.

H.R. 1863: Mr. ECKART.

H.R. 1864: Mr. MATSUI.

H.R. 2007: Mr. MOLLOHAN.

H.R. 2068: Ms. MIKULSKI, Mr. MARTIN of North Carolina, Mr. STENHOLM, Mrs. BOUQUARD, and Mr. SIMON.

H.R. 2225: Mr. MOTTL.

H.R. 2312: Mr. BADHAM, Mr. BURGENER, Mr. COELHO, and Mr. GOODLING.

H.R. 2393: Mr. CHAPPIE, Mr. PORTER, Mrs. SCHNEIDER, and Mr. WAXMAN.

H.R. 2473: Mr. MATSUI and Mrs. HECKLER.

H.J. Res. 202: Mr. AKAKA, Mr. ALBOSTA, Mr. ALEXANDER, Mr. APPLEGATE, Mr. BADHAM, Mr. BAILEY of Pennsylvania, Mr. BEREUTER, Mr. BIAGGI, Mrs. BOGGS, Mr. BREAUX, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. BUTLER, Mrs. BYRON, Mr. CARNEY, Mr. CHAPPIE, Mr. CLINGER, Mr. COATS, Mr. COLLINS of Texas, Mr. CONYERS, Mr. CORRADA, Mr. DANNEMEYER, Mr. DWYER, Mr. ERTEL, Mr. FLIPPO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FROST, Mr. GOLDWATER, Mr. GRAMM, Mr. GREEN, Mr. GUYER, Mr. HALL of Ohio, Mr. HAMILTON, Mr. HUNTER, Mr. HYDE, Mr. JEFFORDS, Mr. KASTENMEIER, Mr. LAFALCE, Mr. LEATH of Texas, Mr. LOWERY of California, Mr. LUNDINE, Mr. MCCURDY, Mr. MCDADE, Mr. MADIGAN, Ms. MARTIN of Illinois, Mr. MATTOX, Mr. MAVROULES, Mr. MAZZOLI, Mr. MOORHEAD, Mr. MURPHY, Mr. MURTHA, Mr. NEAL, Mr. NELLIGAN, Mr. NICHOLS, Mr. OBEY, Mr. O'BRIEN, Mr. PASHAYAN, Mr. PICKLE, Mr. PORTER, Mr. REGULA, Mr. REUSS, Mr. RINALDO, Mr. RITTER, Mr. ROSE, Mr. ROTH, Mr. ROUSSELOT, Mr. SCHEUER, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SHAMANSKY, Mr. SMITH of New Jersey, Mr. STRATTON, Mr. SYNAR, Mr. TAUZIN, Mr. UDALL, Mr. WALGREN, Mr. WATKINS, Mr. WEBER of Ohio, Mr. WHITEHURST, Mr. WILSON, Mr. WINN, Mr. WIRTH, Mr. WON PAT, Mr. WORTLEY, Mr. WYDEN, Mr. YATES, Mr. YATRON, and Mr. YOUNG of Alaska.

H. Con. Res. 71: Mr. WAXMAN and Mr. BINGHAM.

H. Con. Res. 87: Mr. BROWN of California.

H. Con. Res. 98: Mr. EDGAR, Mr. GARCIA, Mr. GEJDENSON, Mr. KILDEE, and Mr. SHAMANSKY.

H. Res. 65: Mr. CONTE, Mr. FARY, Mr. GRAY, Mr. GREEN, Mr. JEFFORDS, Mr. KILDEE, Mr. MCHUGH, and Mr. MINETA.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

43. By the SPEAKER: Petition of the Hawaii Federation of Chapters, National Association of Retired Federal Employees, Pearl City, Hawaii, relative to permitting the use of higher sulfur-content oil at the Kahe Power Plant; to the Committee on Energy and Commerce.

44. Also, petition of the City Council, New York, N.Y., relative to home health programs; jointly, to the Committees on Energy and Commerce and Ways and Means.

SENATE—*Monday, March 30, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray:

Hear O Israel: The Lord our God is one Lord; and you shall love the Lord your God with all your heart, and with all your soul, and with all your might.—Deuteronomy 6: 4-5 (R.S.V.).

God of Abraham, Isaac, and Jacob, we know instinctively that this commandment is the very foundation of life and order. Our hearts witness to its truth.

We so easily invert our priorities, making position and power and popularity more important than Thee. Forgive us the idolatry which puts things above God—which worships the idols of secularism and humanism.

Help us to see that true humanness is found in the love of God—that Thy command is basic to order and justice and peace.

Lord God, help us to love Thee and serve Thee with all our hearts, and with all our souls, and with all our might; we pray in Thy name and for Thy sake. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I thank the Chair.

I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SCHEDULE RESPECTING BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

Mr. BAKER. Mr. President, on Friday I expressed the hope that we would be able to finish consideration of the pending resolution and the amendments thereto some time the first part of this week.

I do not have any idea how many amendments remain, and I hope that in the course of the day Senators on this side who have amendments will make it known to the leadership so that we can assemble a list of prospective amendments. Then I will be able to confer with my counterpart, the distinguished minority leader, so we can get some estimate of how long this measure will be before the Senate.

I inquire of the Chair how much time has been used of the 50 hours.

The PRESIDENT pro tempore. The Senator from New Mexico (Mr. DOMENICI) has used 281 minutes out of 1,500. The Senator from South Carolina (Mr. HOLLINGS) has used 270 out of his 1,500.

Mr. BAKER. I thank the Chair.

In any event, it appears there is a great superabundance of time remaining on both sides.

I would not anticipate that the Senate would use anywhere near the remaining time, but we need to identify the amendments that remain in order to permit the leadership to decide how late we will stay in session tonight, to explore the possibility of a firm or even a tacit understanding on when we might finish this measure, and, of course, to provide for the scheduling of other business that may come before the Senate.

So I urge Members on this side to let the leadership know if they have amendments, how long they expect to take on those amendments, whether they expect to ask for rollcall votes, and to do so before the hour of noon today.

The cloakroom will receive those messages. That will put me in a position then to confer with the distinguished minority leader on the schedule for the remainder of this day and the days remaining as necessary to complete consideration of this resolution.

Mr. President, might I inquire of the distinguished minority leader at this point if he has any insight into the number of amendments remaining on his side or the prospects of looking toward the completion of action on this resolution?

Mr. ROBERT C. BYRD. Mr. President, listening to the Presiding Officer respond to the inquiry as to how many minutes have been used, it occurs to me that less than 600 minutes have been used out of a total of something like 3,000, which would indicate that to run the 50 hours out at the rate the Senate is going would require a total of 10 days of Senate sessions.

I think, Mr. President, that the Senate ought to complete action on this legislation tomorrow or Wednesday. I would hope to see it complete action tomorrow and I think no later than Wednesday. If Wednesday is required that would be a total of 5 days, which would indicate the Senate would have taken only half or less than half of the total time allotted.

So I will be talking with my colleagues on this side of the aisle to try to ascertain how many amendments will remain to be called up and I will be discussing this with the distinguished majority leader, hopefully, before the day is out.

But I should think that Tuesday or Wednesday ought to see us complete action on this measure.

Mr. BAKER. Mr. President, I thank the minority leader.

I agree that Tuesday or Wednesday are good target dates. We will confer, I am sure, during the course of the day today.

Mr. President, I have no other need for my remaining time under the standing order, if any time does remain. I am happy to yield the remaining time, if any, to the distinguished minority leader or yield it back, as he prefers.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. GORTON). The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

DESIGNATION OF THE SQUARE DANCE AS THE NATIONAL FOLK DANCE OF THE UNITED STATES

Mr. ROBERT C. BYRD. Mr. President, today I am introducing a Senate joint resolution to signify the ebullient spirit of our society. I am calling for the designation of the square dance to be the national folk dance of the United States of America.

Our early settlers worked hard. When the week's work was done, they socialized. When they socialized, they danced. The Puritans danced, and so did the Cavaliers. These colonial caperers were no respecters of persons—high and low took their places in the "longways" and took their turns to swing and dip. George Washington, in the parlors of the 13 colonies, and Daniel Boone in the backwoods huts, understood the square dance, so-called from the adoption of the "squares" popularly danced in France. The square dance evolved in the ballrooms, log cabins, and wagon trains, and with the expansion of our Nation, spread from the mountains of the East to the prairies and the deserts of the West.

Built on a pyramid of folk dances, jigs, minuets, and contras, the square dance spread—ever changing, ever elaborating. Callers began to direct the dancers, their calls becoming familiar tunes—"swing your partner—right and left all around, sashay and promenade"—a strange mixture of French and English, and now Americana.

Every community has its own way of square dancing, and every fiddler his own way of playing the tunes. There is nothing like the square dance elsewhere in the world. Yet, the American square dance is popular today on the European continent, in Asia, in the Orient, Latin America, in every portion of the civilized world. Therefore, I feel this jolly envoy from our great Republic should be honored by my bill to designate the square dance to be the national folk dance of our country.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 59

Whereas square dancing has been a popular tradition in America since early colonial days;

Whereas square dancing has attained a revered status as part of the folklore of this country;

Whereas square dancing is a joyful expression of the vibrant spirit of the people of the United States;

Whereas the American people value the display of etiquette among men and women which is a major element of square dancing;

Whereas square dancing is a traditional form of family recreation which symbolizes a basic strength of this country, namely, the unity of the family;

Whereas square dancing epitomizes democracy because it dissolves arbitrary social distinctions; and

Whereas it is fitting that the square dance be added to the array of symbols of our national character and pride: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the square dance is designated the national folk dance of the United States of America.

FIRST ANNUAL SENATOR ROBERT C. BYRD SCHOLARSHIP TESTIMONIAL DINNER

Mr. ROBERT C. BYRD. Mr. President, on Saturday, March 28, I was honored at the First Annual Senator ROBERT C. BYRD Scholarship Testimonial Dinner, given in Charleston, W. Va., by the March of Dimes Birth Defects Foundation, and the Greater West Virginia Chapter of the March of Dimes.

The National Foundation for Infantile Paralysis was created to fight epidemic polio, and is the only voluntary organization in history to eradicate the disease it was organized to combat. Now, the March of Dimes has turned its attention to the No. 1 child health problem in our Nation—birth defects.

The vital contribution that the March of Dimes is making in providing health education, genetic counseling, and counseling in maternal and infant care should not go unnoticed.

I ask unanimous consent that the text of my remarks on the occasion of the dinner be inserted in the RECORD.

There being no objection, the remarks ordered to be printed in the RECORD are as follows:

MARCH OF DIMES BIRTH DEFECTS FOUNDATION MAN OF THE YEAR AWARD BANQUET

(By U.S. Senator ROBERT C. BYRD)

I thank Senator Randolph for that gracious introduction.

And I thank the greater West Virginia chapter of the March of Dimes birth defects foundation for honoring me with its "Man of the Year award."

You have chosen tonight to pay tribute to me. But perhaps it would be more appropriate this evening for me to pay tribute to you. Together with countless other Americans, your care and concern have already guaranteed a better life for millions. Not only through the March of Dimes, but through your churches and synagogues, your professions and careers, your civic clubs, and dozens of other associations, you contribute daily to a struggle to make our country a healthier and more decent and civil place in which to live.

Some centuries ago, John Donne wrote, "No Man Is an Island, Entire of Itself." Suffering is universal; disease is a common enemy; crime, brutality; want, and tyranny are threats to us all. Yet, too many people seem lost in the "tunnel vision" of their own problems. And too many others seem caught up in a whirl of diversion. They apparently fail to understand that they may have a role to play in resolving the dilemmas that confront mankind everywhere.

But throughout history, it has been true that progress and the improvement of man's lot have usually rested on the shoulders of a few. Wherever justice has adavnced, wherever compassion has triumphed, and enlightenment has spread, one most likely finds that there was some one with more mature vision than most of his neighbors.

Through the March of Dimes, in the memory of most of us here tonight, Americans banded together to deliver the ultimate defeat to the scourge of polio. Decades ago, with the coming of every summer, fathers and mothers suffered the recurring fear that polio might that season visit their homes. Every community shared the heartbreak of seeing the year-by-year increase of the number of little crippled limbs. And the majority of us can probably remember the unmistakable sounds of small braces scraping against concrete floors and sidewalks as the victims of infantile paralysis tried to fight their way back into the stream of normal human life.

But people like you would not surrender. You kept giving and giving. And finally your dedication and patience earned their dividends. The Salk and Sabine vaccines were your rewards.

However, when you won the war against polio, you did not lay down your weapons. You kept your alliances intact. You went after birth defects, congenital disease, and the innumerable hidden flaws that deny rich, full lives to millions. I salute you as you stand tonight at your new posts of duty.

There are lessons in that noble persistence. Innumerable anti-prophets claim that Western civilization is at the end of its tether; that America's greatness is gone and in the past; that the problems facing us in our country and around the world are insurmountable—too overwhelming to solve.

It is not the American tradition to fold up in the face of a challenge. Whether our frontiers are medicine, education, business, politics, economics, government, or the home, Americans—in body and spirit—are pioneers. And I am confident that, in the spirit that defeated polio, we can halt the ravages of inflation, answer our energy crisis, and continue redeeming the ageless promises of the American dream.

But there is another lesson in the example of the March of Dimes. One unique value of our civilization is our belief in the eternal worth of the individual. Too often, we take that principle for granted. We forget that millions live in the grip of political and economic systems that every day deny that truth. The governments of some foreign countries exist, not to promote the well-being of their citizens, but, rather, to insure the survival of those who govern. In such countries, the government does not belong to the citizen; the citizen belongs to the government. And in the long and ruthless histories of those governments, they have snuffed out the lives of thousands with the nonchalance with which you and I might swat so many flies.

But under the American system, the people are served. Because each individual has his or her own worth, you were not content to let some battle alone against polio. You, too, joined in the battle against polio. And you were not content with winning that battle. You are waging the battle against birth defects.

In America, we are not subjects; we are citizens. As citizens, we have responsibilities in our generation—just as our forefathers had in their generations. Civilization is organic. The seeds we plant today will flower tomorrow, and our sons and daughters will enjoy the fruits of our labors the day after that. Our greatest satisfaction may be in knowing that we planted well.

So, I commend you for the seeds you are planting through the March of Dimes Birth Defects Foundation, I again thank you for the honor you have bestowed on me tonight. And for those whom you have helped and will help in the future, I thank you for proving that none of us is an island—that we need not stand alone against the evils that can beset us all. Thank you for lighting candles and not just cursing the darkness.

Mr. ROBERT C. BYRD. Mr. President, I yield such time of my remaining time as he may require to Mr. PROXMIRE.

"THE TESTAMENT"

Mr. PROXMIRE. Mr. President, the ratification of the Genocide Treaty is as timely an issue now as it has been since it was first submitted for ratification by President Truman in 1949.

As an example of this continuing interest, I offer the recent publication of the new novel by Elie Wiesel, "The Testament." Mr. Wiesel's family was a victim of the holocaust. He has a tragic personal knowledge of the crime of genocide. He is already the author of many accounts of the crimes of World War II, including "Night" and "The Gates of the Forest."

"The Testament" is the story of a Russian Jew named Kossover. Kossover is a dedicated Marxist, however, his religion and his profession (he is a poet) cause him to be imprisoned by Stalin's Communist regime. Kossover's plight, while not genocide, is typical of the victims of genocide: His religion is the cause of his persecution. The plot of Wiesel's novel involves the journal that Kossover keeps while he is imprisoned, and how Kossover persuades his guard

to get the journal to Kossover's son after Kossover's death.

The reviewer for the Washington Star, Julian Hartt, found Wiesel's book full of the powerful message of horror and hope. The horror that man is capable of the crime of genocide is complemented by at least one message of hope. At least the survivors of these crimes can leave their testaments to all of us, as Kossover does for his son and, of course, as Wiesel does with all his writings.

There is also a special message for the Senate in "The Testament," and in all Wiesel's writings dealing with the crime of genocide. We have the opportunity to take one step in the direction of worldwide justice. We can note our profound opposition to the crime of genocide, and demonstrate our hope that there will be no new incidents of it to write about. We should take that step and ratify the Genocide Treaty. Clearly, making genocide an international crime is an issue that cannot and will not be forgotten.

Mr. President, I thank the minority leader and I yield the floor.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. BAKER. Mr. President, might I inquire of the minority leader if he has need for the remainder of his time?

Mr. ROBERT C. BYRD. Mr. President, I do not have any further need for my time. I yield it back.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m. this morning, in which Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EASTER RECESS SCHEDULE

Mr. BAKER. Mr. President, while there is a moment to discuss such matters. I would like to invite the attention of the minority leader to the schedule for the recess at Eastertime. As he knows—he and I have had conversations on that subject—it appears that the House of Representatives will not be in session during the week of the 20th of April.

It had been announced previously that the Senate would reconvene on the 21st of April. But, in view of the fact that the House will not be in session, I have taken the liberty of discussing with the Speaker of the House of Representatives and with the minority leader the possibility of extending the recess of the Senate over until the opening of business on the 27th of April.

I anticipate we will have the budget resolution out of the way and the standing and jurisdictional committees of the Senate could find a good use for that week unencumbered by the Senate sessions—no order has been entered yet; no resolution has been drafted nor submitted to that effect.

But I take this opportunity to apprise my friend the minority leader of those negotiations—he is already aware of them; he and I have had extensive conversations, as well—and to let every Member know that this is a possibility, I will have a letter to Members on this side in this respect. If the Easter recess is extended to April 27, that should be in no way interpreted as meaning that during the week of April 20 committees should not continue with their work. Rather, committees should continue consideration of measures before them and make every effort to report bills to the floor of the Senate so that we can meet our deadline for the introduction of authorizing legislation by the 15th of May, so that the Senate will be in a position to deal in an orderly way with the budget resolution and other matters that must come before the Senate this spring.

It would be my hope that the Senate could extend the Easter recess to include the week of April 20, to resume on April 27, but with the clear understanding that this does not apply to the committee work, and that Senators will be expected to be here to participate in committee activities as may be necessary during that week in order to preserve the schedule of the Senate.

I yield to my colleague the minority leader.

Mr. ROBERT C. BYRD. Mr. President, I join in the remarks of the distinguished majority leader in the hope that committees would utilize the time referred to with meetings and possibly preparing legislation for the calendar.

In the light of the fact that the House will not be meeting during the week of April 20, I think it would be appropriate for the Senate, likewise, not to meet, but with the admonition to Senators on both sides of the aisle that the additional time out of session, as far as the floor work is concerned, could be well utilized in the uninterrupted meetings of committees and subcommittees.

So I will carry that message to my colleagues as we discuss the Easter legislative holiday privately and collectively.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, with this colloquy in mind, and with notice to all Senators on this side of the aisle and to Senators on the other side by the statement of the minority leader, I will proceed, as part of the joint leadership, to try to make this firm with the other body as soon as possible.

It will be my full expectation that the Senate would not be in session during the week of the 20th of April, but that committees would meet and function at that time.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The PRESIDING OFFICER. Under the previous order, the hour of 10 o'clock having arrived, the Senate will resume consideration of Senate Concurrent Resolution 9, which the clerk will state by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 9) revising the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983.

The Senate resumed consideration of the concurrent resolution.

AMENDMENT NO. 22

(Purpose: To restore funds for social security minimum benefits)

The PRESIDING OFFICER. The clerk will state the pending amendment, amendment No. 22, offered by the senior Senator from Michigan.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE), for himself, Mr. CHILES, Mr. LONG, Mr. BENTSEN, Mr. ROBERT C. BYRD, Mr. METZENBAUM, Mr. KENNEDY, Mr. MITCHELL, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. TSONGAS, Mr. MATSUNAGA, and Mr. LEVINE, proposes an amendment numbered 22.

The amendment is as follows:

On page 2, beginning with "$52,144,000,000" in line 17, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "$53,625,000,000 and outlays by $36,945,000,000 in fiscal year 1982; to reduce budget authority by $60,128,000,000 and outlays by $47,694,000,000 in fiscal year 1983.".

On page 7, beginning with "$9,354,000,000" in line 16, strike out through "$10,870,000,000" in line 18 and insert in lieu thereof the following: "$8,554,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 and outlays by $9,970,000,000.".

On page 8, beginning with "$4,776,000,000" in line 25, strike out through "$6,388,000,000" on page 9, in line 3 and insert in lieu thereof the following: "$5,576,000,000 in budget authority and $5,490,000,000 in outlays for fiscal year 1982; $7,260,000,000 in budget authority and $7,288,000,000".

The PRESIDING OFFICER. Time for debate on this amendment is limited to 1 hour.

The Senator from Michigan is recognized.

Mr. RIEGLE. I thank the Presiding Officer.

As I understand it, we are now beginning 1 hour of debate on the amendment at the desk, the amendment which would preserve the minimum benefit under social security, and the time is to be evenly divided.

I want to say to my colleagues who are listening, who have a strong interest in this, that I would like to make time available to them during the half hour which I control. I ask that they come to the floor.

Mr. President, I will now take about 4 or 5 minutes to summarize the amendment, and then I will want to reserve the remainder of my time.

This amendment proposes to save the minimum benefit that is now paid under social security. The Reagan administration and the Budget Committee have proposed that the minimum benefit be eliminated.

It is important to understand that that proposal would not only eliminate the minimum benefit for new people coming on social security. It would have an immediate effect on those who presently receive the minimum benefit. They would lose their benefits.

Mr. President, there are 3 million people who now receive the minimum benefit under social security. That benefit is frozen at $122 a month. It is not indexed by inflation.

In looking at those 3 million people, we have found that half of them have incomes below $3,100 a year. I want to stress that to my colleagues. They are people in very modest circumstances, in many cases just managing to scrape by financially.

We learned late on Friday the age profile of people who receive this minimum benefit and who are now threatened with having their benefits reduced under the system. We found that 13,678 of these recipients who will lose this benefit are aged 95 and older.

In the age group from 90 to 94, there are over 66,000 persons who presently receive this minimum benefit who would lose that benefit.

In the age group from 85 to 89, there are 167,552.

In the age group from 80 to 84, there are 284,534.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the other age distributions.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Age distribution of aged minimum benefit beneficiaries

Age:	*Number of beneficiaries*
62–64	230,956
65–69	533,118
70–74	508,226
75–79	410,376
80–84	284,534
85–89	167,552
90–94	66,396
95 and over	13,678

Source: Department of Health and Human Services.

Mr. RIEGLE. The significant fact is that what the Reagan administration has done is to target a group of people on social security who are among the oldest citizens in our country. Many are in poor health, many unable to even think about the task of organizing to come down here and press a case in their behalf to try to maintain this benefit.

This flies right in the face of a solemn campaign promise made by the Reagan administration: No dismantling of social security. Here are 3 million people who face that prospect right now. Many of these elderly people will only have the welfare program for aid.

I do not know how somebody who is 97 years old and in a nursing home is going to get to the welfare office to save these few dollars for the Federal Government. I think it is an outrageous proposition. If the public understands what is being done—that this is a violation of the pledge that the Reagan administration itself made—I think we could turn this around.

The dollar amounts are $800 million for fiscal year 1982 and $900 million for fiscal year 1983. The way we propose to maintain this benefit is by requiring and mandating savings in other parts of the Federal Government. We have enumerated a number of areas where we think those savings could be made: Consultant fees, extravagant Government travel costs, films, things that we know are of low priority.

We further would mandate, with this amendment, that those savings come out of civilian departments—not out of the Defense Department.

So we are mandating an effort to find savings of $800 million in fiscal year 1982 and $900 million in fiscal year 1983, to maintain this minimum social security benefit.

Mr. President, if the administration succeeds in slicing this part of the social security system and dropping these 3 million people overboard, as they are proposing to do here, no one on social security will feel safe in the future. If they establish this precedent today, despite their pledge to the contrary, then who knows who is next?

We know this: There will be other efforts made—if we start down this road—to cut parts of the Social Security System to make budget savings. It is only a matter of time before they come after others. It is sad that the first group they decide to target is the group that is least able to fight back. When I think of the older people in this country, in their eighties or nineties, some even older than one hundred, who are to lose this small but vital benefit in the name of economy, I think it is an absolute outrage.

This administration went up and down the country, saying no, they were not going to hurt anybody on social security. That is just not true. Unless this amendment carries, there will be one more broken promise that we can add to the broken promise to the veterans, the broken promise to the schoolchildren, and everybody else that we have seen affected by this administration's broken promises.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, may I inquire of the distinguished Senator from Michigan—and I say this in all honesty—I do not understand the setoffs that he is talking about. I understand the unearned social security minimum benefit that he would restore as an assumption, but I do not see anything that indicates he can, somewhere else, save the $800 million in the amendment.

Mr. RIEGLE. Let me state the way we see as the best way to accomplish that. As the Senator knows, there is a lot of waste in Government. Waste is something he has spoken about, I have spoken about, and the President has spoken about. We want to get at it and get rid of it. So the amendment would issue an instruction to the Governmental Affairs Committee to identify, across the civilian agencies of the Federal Government, savings that could be made in an amount equal to these benefits, which would be $800 million in 1982 and $900 million in 1983.

We can specifically target for their attention Government travel, Government consultants, films, public relations activities—things that we know are excessive. We think that amount of money can be saved and we think it is better to save it in this form than to save it in terms of eliminating these minimum benefits.

Mr. DOMENICI. Mr. President, I shall reserve any comment on whether or not the amendment as proposed actually has any chance of causing any savings to offset the $800 million. Let me speak for just a minute about the instructions to the Committee on Finance, and I hope everyone understands that when we talk about instructions to a committee, we are talking about an aggregate figure. Certainly, the Committee on Finance does not have to change the unearned social security minimum benefit to comply with the instruction. I do not argue with the distinguished Senator when he says that he wants to get rid of the assumption that it might be changed. I merely want to say that there has been a lot of talk in this body about the entitlement programs.

Most of the entitlement programs come from the Committee on Finance. I am not going to make an argument today—at least not now—on the minimum benefits. I think that, clearly, the President's package justifies the elimination of that.

Let me point out that the Senate Committee on Finance has endorsed full savings in programs within its jurisdiction as recommended by the President. Let me repeat that. The Committee on Finance has met; they have indicated to the Senate Budget Committee, and I think we can, in turn, indicate to the Senate at large, that they fully intend to cause savings by changing laws within their jurisdiction equal to the amount requested by the President. That is the issue here. The issue is not particularly the minimum social security benefit. The issue is that the Finance Committee has said they can find savings equal to those requested by the President.

This is a rare opportunity for the Senate. We have a committee with that kind of jurisdiction saying, "OK, we shall be instructed; tell us, Senate, to go ahead and find the amount of savings that the President asked for." They have voted and said, "We will do it." Then why in the world would we come down here and adopt an amendment that the Senator from Michigan proposes saying, "You do not have to do that much, Senate Finance Committee; we are just going to let you do less."

They have jurisdiction, and I hope not to be trite, with billions of dollars of outlay impact—not hundreds of millions, billions. They have met and said, "OK, we will at least save that much, the

amount requested by the Senate Budget Committee in its instruction here, on the floor."

So, everyone should know that if you take this amendment of the distinguished Senator from Michigan, if you buy the argument that the minimum social security benefit should not be changed and then you take this $800 million out as he requests, all we have done is said to the Finance Committee, "You only have to save $800 million less."

This does not have much to do with what they finally do, but it has a great deal to do with whether or not we are going to come close in this first package to numbers, quantitywise, that can be carried out by appropriate jurisdictional committees that will effect the savings in the President's package.

That is the issue, Mr. President. As I indicated, there have been many recommendations about this minimum social security benefit which came into being long before we had SSI, before we had other programs to take care of the very poor. There are many people that have been thinking for years that this piece of the social security program ought not to be around, that it really is abused as much as it is used.

As to those who are poor and take advantage of it, there are many more people who take advantage of it after they have vested all kinds of other pensions and go out in the private marketplace and work that minimal period of time—indeed, it is a very small amount of time—and thus vest another pension—to wit, a minimal, unearned, social security benefit.

So I hope the Senate does not think this is particularly a vote on that minimal social security benefit.

I repeat: The Finance Committee has told us in a general communication—by telling the Budget Committee, they tell the Senate—"We can indeed make these savings." Do not relieve them of what they voluntarily said they could do. That would be the epitome of a step backward, when we are telling the American people that we are trying to save money. In order to get this budget under control in the out years, do not relieve them of something they have said they willingly can do.

Mr. RIEGLE. Mr. President, I want to try to help my friend from New Mexico, the chairman of the Budget Committee, so that he is not confused.

The ranking Democratic member, Senator LONG, has managed the Finance Committee for many years and is a cosponsor of the amendment. Senator LONG did speak on the floor on Friday night, and I urge the Senator to take a look at his comments.

I think the Senator is mistaken in the notion that we are mandating that the Finance Committee alone come up with these savings. We are not doing that.

Mr. DOMENICI. Who is confused?

Mr. RIEGLE. I will try to explain it and see if it is helpful and clear to the Senator.

We are saying that we want to maintain the minimum social security benefit only for those who presently receive it. We are not trying to maintain the benefit for people who would qualify for it in the future. We only want to make sure that people presently receiving it are not dumped overboard, the very old people I referred to earlier.

To find the savings, we are mandating the Governmental Affairs Committee to look at all civilian activities of the Federal Government, and we have enumerated several where we think savings can be made. I believe the Senator knows that the figures spent there are higher than they need be.

Mr. DOMENICI. Mr. President, will the Senator yield, on my time?

Mr. RIEGLE. I yield.

Mr. DOMENICI. I did not say that. I said you are relieving the Finance Committee of a burden they have welcomed, and you are saying that the Governmental Affairs Committee can find it in fraud and abuse and the like.

I am merely suggesting that, the Finance Committee having voted overwhelmingly that they could make these savings, we should not relieve them of doing it. You are relieving them of that much responsibility to change laws within their jurisdiction.

Mr. RIEGLE. I do not think that is correct.

Mr. DOMENICI. If the Senator will look at the amendment, it says that the Finance Committee will not be required to save the amounts of money the Budget Committee asked them to save, to the extent that you want to put back the assumed savings from the unearned minimal social security. That means they will save less.

The Senator from Michigan, in turn, says the Governmental Affairs Committee, which is not the authorizing committee, has travel expenditures, has the waste he has talked about, has films, within their jurisdiction.

People wonder about the pay of Federal employees and the Postal Service. The Budget Committee already told the Governmental Affairs Committee that it has direct spending jurisdiction over the pay of Federal employees and part of the Postal Service. We have already told them to save $4.7 billion.

There is no way, in an amendment in a reconciliation instruction, you can tell them to save money out of fraud and abuse and waste. You can say, "Governmental Affairs, we would like you to come up with a nice fraud and abuse statute," and it will tell the Senate and all the Government to save money. But there is no way to match that off against the $800 million you are taking away from the Finance Committee. After you look at all the departments, it might save money. But they do not have jurisdiction to pass a law to save money in fraud and abuse, in a way that you can set off in the budget.

I understand the genuine concern of the sponsors with respect to the unearned social security minimum benefit, but I submit to the Senate that we should leave the Finance Committee right where it was when it communicated with us. They said, "We can make the savings you asked us to do." It would be a great day in the Senate if, in the name of helping someone, we said to the Finance Committee, with its capacity to understand the problems of people, "You don't have to do that. We will relieve you of that $800 million."

Mr. President, I yield now to the Senator from Kansas. How much time does the Senator desire?

Mr. DOLE Ten minutes.

Mr. DOMENICI. I yield 10 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, I do not know how many Senators, other than those in the Chamber, are listening to this discussion. Some Senators may be listening to it in their offices, but I know that a number of Members have committee obligations this morning.

In the floor debate, Friday, there was a great deal of rhetoric spewed forth that was not particularly accurate. I want to try to correct some of this misinformation which was spread around on the Senate floor—and I assume some of it may have gotten into the press.

I should add by way of defense of those who gave incorrect information on Friday that the social security programs and their interrelationships are quite complicated. Indeed, much as we have undertaken an attempt to simplify the Internal Revenue Code in the last couple of years, simplification in our social programs might be a good idea.

On Friday the Senator from Michigan laid down an amendment to the budget resolution. That amendment would reduce the savings required to be made by the Finance Committee by $800 million in fiscal year 1982 and $900 million in fiscal year 1983. These expenditure reductions would be offset by nonspecified savings in the Governmental Affairs Committee.

I should preface this attempt to set the record straight on the minimum benefit proposal by saying that what we are really talking about here is committee expenditure reduction targets. There is, I believe, no one in this Chamber who believes that specific legislative changes can be made through a budget resolution. That is the very thing the Senator from New Mexico has just been discussing. Rather, the question we are debating is whether the Finance Committee should be required to find this $800 million reduction in spending or whether another committee should.

The Senator from Kansas does not necessarily endorse every saving assumption that went into the total savings of the Finance Committee. It may well be that we want to modify this or other proposals or that we want to substitute something not considered by the Budget Committee to obtain the $800 million savings from the minimum benefit.

The point is that we are talking here about expenditure reduction targets, not legislation. The Finance Committee is responsible for $375 billion in annual spending. Even after interest on the public debt is subtracted the total is still pretty big. I think we can find a way to make up these savings if the committee does not want to report this proposal.

I want to go into some of the allegations, and I will quote the statements made on Friday.

Allegations were repeatedly made about the number of persons who would be hurt by the minimum benefit proposal.

Senator RIEGLE said:

It [the proposal] is going to do harm to millions of older people in this country.

Senator RIEGLE also said:

We have a bill right here on the floor that, unless we amend it, is going to hurt 3 million people on social security.

Senator LONG said:

The Government has reneged on its promises to 3 million [persons].

Senator RIEGLE finally stated:

I do not know whether it is the zealots down at OMB who targeted these poor old people or who it was.

In fact, there are, as the Senators state, 3 million people eligible for a benefit based on the minimum benefit, but, according to the best estimates of the Department of Health and Human Services, less than 300,000 would be adversely affected by having less total income and by having adequate income.

First, 1 million of the total 3 million are not receiving such a benefit because they are receiving a higher amount from their spouse's earnings record. Of the remaining 2 million, 200,000 would have no reduction because their "formula," or earned, benefit is the same amount, and 1.1 million are now getting SSI or could do so to make up the difference. Of the remaining 700,000 persons, 360,000 are receiving governmental pensions and 40,000 are dependent on the earnings of a nonretired spouse. This leaves only about 300,000 persons who might be adversely affected as to total income and who might have no other income. Many of this group of 300,000, however, may have independent income of a nongovernmental nature or substantial assets.

It is thus just not correct to say that anything like 3 million people will be hurt by this proposal. And certainly the "poor old people" are not targeted. Indeed, they are not really affected.

Another allegation was made with pounding on the table and lots of other noise.

Senator KENNEDY said:

If we start down this road, we will see social security dismantled piece by piece.

Senator RIEGLE said:

If the administration breaks its promise and gets away with it, I do not think anybody on social security can feel secure in the future.

The fact is, of course, that no one is talking about dismantling the social security system. Rather, we are talking about removing one unearned benefit.

In fact, President Reagan as a candidate and now as President has gone out of his way to indicate we are not to touch the social security program as far as earned benefits are concerned.

I might add that one way to preserve the social security program is let us make some of these spending cuts in other programs so we do not have it all eaten up by inflation.

We are in difficulty now with the social security program that we will discuss later. We are all committed to a strong, healthy social security system. The President has not broken his promise, nor have the rest of us.

Another allegation by the distinguished Senator from Maryland, Senator SARBANES:

I thought one of our objectives on a whole range of programs has been to move people off welfare, not to move people onto welfare, which will be one of the consequences of this cut.

The fact is that the minimum benefit bonus is not an earned benefit, thus it is not unlike welfare. Unfortunately, the minimum benefit in many cases provides "welfare" to those who are not needy, and it draws money from the social security trust fund rather than from general revenues like other welfare programs.

Another statement by the distinguished Senator from Maryland, Senator SABRANES:

As I understand it, over a million of the people receiving the social security minimum benefit have total incomes of less than $3,100 a year, is that correct?

Senator RIEGLE said:

That is my understanding, yes.

In fact, it is unclear what the source is for the statement that over a million people who receive the minimum benefit have incomes under $3,100. The GAO report has no such conclusion and officials of the Social Security Administration know of no study that draws such a conclusion. Indeed, they feel the figure is way too high.

Presumably this statement came from the March 26 "Dear Colleague" letter of the proponents of this amendment. That letter states:

While GAO found that 15 percent of people getting minimum benefits are retired Federal employees, over a million of the recipients are elderly or disabled and have incomes below $3,100 a year. That is not the kind of person whose benefits should be cut.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. DOLE. I will yield when I finish my statement. To clarify the record, GAO found a million of those eligible for the minimum benefit are also eligible for SSI. This group could have incomes as high as $9,000 and in any event will not have their benefits reduced because reductions will be offset by SSI.

Another allegation made on Friday by the distinguished Senator from Michigan, Senator RIEGLE:

I know of no case where we have walked away from a group of people who rely on this social security income. We have never done this before. I do not think anyone on social security can count on anything in the future if this part of the program is stripped away.

There are many cases where benefit reductions and eliminations have been made in the past when this seemed necessary so as to eliminate anomalies or to alleviate financial stress on the system. For example, in 1955, persons were removed from the benefit rolls when the retirement test was made applicable to all employment (not merely covered work as had been the case). Also, the original law "guaranteed" every worker the return in benefits of all the employee taxes paid; this was eliminated in 1939. Again last year, benefits were reduced for persons disabled after 1979—even for some who were already disabled and serving out their 5-month waiting period. Senator LONG was the floor manager of that bill, H.R. 3239, which became Public Law 96-265.

Another statement made on the floor by Senator LONG, the distinguished Senator from Louisiana:

And so we will cut by $50 the magnificent sum of $122 a month they are getting to live on.

Senator RIEGLE also said:

And since 1979, the entry level minimum benefit has been frozen at $122 per month.

The fact is that the minimum benefit is not uniformly fixed at $122. Indeed, most minimum benefit recipients receive more than $122 per month, and some get up to $153.10 per month. A person retiring today at age 65 eligible for the minimum benefit would receive $153.10 per month. Even those who receive a minimum benefit of only $122 per month, like those recently qualified for benefits, under the DI program will receive increases in benefit payments when cost of living adjustments are made. After the cost-of-living increase scheduled for July, many minimum beneficiaries will receive about $170 per month.

This Senator does not mean to imply that he feels that $153 is a lot of money. Rather, I merely intend to set the record straight.

The distinguished Senator from Massachusetts, Senator KENNEDY, said on Friday:

So, the Senator's amendment which I have cosponsored will restore benefits to 3 million of the neediest individuals in our society, the elderly who have complied with the law and who are going to see some reduction in their total income.

The fact is that the proposal would by no means result in a loss of income for 3 million persons. About 1.2 million would continue to receive the same amount as before from social security because, although they qualify for the minimum benefit in their own right, they have elected to receive a higher spouse benefit or actually earned a benefit that happens to equal the minimum benefit. Any remainder who are elderly would have a continuing economic net of protection from supplemental security income, which guarantees an income to the aged and disabled of $238 a month for single persons and $357 for married couples.

The PRESIDING OFFICER (Mr. SIMPSON). The 10 minutes yielded to the Senator have expired.

Mr. DOLE. Mr. President, I yield myself 2 additional minutes by unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, any remainder elderly would have a continued income net of protection from SSI.

Indeed, all elderly over age 65 who are poor and who do not have assets over those in the SSI test would not lose one dime of net benefits, because any minimum benefit reduction would be made up by SSI. Instead of 3 million elderly poor being affected, as some have said, the number should be zero. Therefore there was a slight overstatement.

Again Senator RIEGLE said on the floor:

> We have a bill right here on the floor that, unless we amend it, is going to hurt 3 million people on social security.

I just indicated that is not the case and the same argument would apply.

However, it is important to remember the Senate is considering a budget reconciliation resolution, not substantive social security legislation. Thus, the vote on Senator RIEGLE's amendment will have no effect on any group of social security recipients, whether 300,000 or 3 million. All that is at stake is a budgetary savings instruction that will be sent to the Senate Finance Committee. Once the Finance Committee receives this instruction, it will decide how to achieve those savings. Regardless of the outcome of this vote, the Finance Committee may decide to find other ways to make savings rather than changing the minimum benefit. Chairman PICKLE of the House Social Security Subcommittee, for example, has recently unveiled a list of approximately 14 social security savings proposals a number of which could be adopted in lieu of any change in the minimum benefit.

Senator LONG asked:

> What are these old souls 90 years old who never did own much to begin with, going to do at this point in life?

The answer is no one 90 years old who is below the SSI asset and income levels will lose 1 cent because of this proposal. So the answer to Senator LONG's question is that these "old souls" will receive their same total income, but some of it will come from a different source.

In addition, we had all the misinformation disseminated last Friday, there were some implications that may be misleading.

For example, one might infer from Senator RIEGLE's discussion of the high cost of medical care for the elderly that some elderly people will have medical benefits reduced by this proposal to eliminate the minimum benefit. This is not the case. Eligibility for medicare is unaffected by the size of an individual's cash benefit under OASDI. This means that if the minimum benefit were eliminated, anyone already eligible for medicare would remain eligible. An elderly person's out-of-pocket medical expenses will not go up.

Mr. President, let me conclude by saying that there may be good reasons to eliminate the minimum benefit. It tends not to help the poor so much as it adds additional income to those above the poverty line. The GAO study which I quoted on Friday is worthy of brief mention again. So I go back to the GAO study in my final seconds. The GAO stated—

> We found that the minimum benefit provision, which was intended to help the poor, has in recent years mainly benefited retired government workers with pensions, and homemakers supported by their spouses' incomes. Ironically, most needy people receive no additional income from the minimum provision because they are already covered by the Supplemental Security Income program, which require a dollar for dollar offset for other income received.

If there are inequities, truly needy people who are affected, I believe we on the Finance Committee can find a way to minimize their problems.

That is the point I want to make to the Senator from Michigan and others. We are not oblivious to some of the concerns and problems being raised in the Chamber.

I think we have a responsible committee. I believe you will see us dealing with the questions raised by the Senator from Michigan, the Senator from Louisiana, and others, when we get into legislation in the Senate Committee on Finance. But I think it is a cop-out to suggest, that we ought to give it more of the burden to Governmental Affairs. But the point is that the Finance Committee is a responsible body. There are 9 Democrats and 11 Republicans on the committee. We do not all march in lockstep to this President or any other President.

So I say to my friend from Michigan, give us an opportunity to try to work out some of the inequities. We will do what we can and we believe we can accommodate many of the problems raised. We cannot accommodate some of the fictions spread around the floor last week, but we can accommodate some of the real concerns.

I think my time has expired.

Mr. RIEGLE. Mr. President, the fact of the matter is the Reagan administration is taking a meat ax to social security, and once those facts get outside this Chamber and across the country, as they will, you are going to find a real backlash on this issue.

You boil down everything that was just said, and the answer I am hearing coming from the other side of the aisle is "Let us take away the minimum social security benefit and let these old people go on welfare." That is the answer. "They can go down to the welfare office, and they can sign up and we will provide income that way."

I do not think the social security recipients should be forced onto welfare, and that seems to be a basic difference between the two parties.

I yield to the Senator from Arkansas 4 minutes.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIEGLE. I will, but I promised to yield to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I did not this morning come to this Chamber prepared to make a speech. I walked in this Chamber, and I see us playing a classic game of ring-around-the-rosy, because here in this great ornate Chamber, the greatest deliberative body in the world, with all of us making good salaries, without hope of getting an increase this year, but certainly without fear of suffering a decrease, we are talking about taking thousands of social security recipients across this country and cutting them back $122 a month.

Every time we bring this up, Mr. President, we are striking a knife into the hearts of the elderly of this country. We are sending panic waves, literally fear, that we cannot even recognize in this body, that they are suffering today while we perpetuate this debate in the Congress and in the Senate about who has jurisdiction over this matter.

Is this just going to relegate itself to a turf battle? Is this just going to be one of those fights here in the Senate that the people are watching, where they say, "Those politicians up there doing nothing but arguing among themselves," while what we are really talking about doing is taking thousands of people, taking their minimum-income payment, and cutting it off.

I would like to say, Mr. President, we are talking today about a country that is graying—and graying very rapidly; a country today that is 11 percent over the age of 65 years. We are talking about people in some 26,000 nursing homes across this country who are watching this debate today, who are living in mortal fear of what we are about to do.

We are talking about thousands of elderly citizens in this country who today are literally eating out of garbage cans to keep alive.

We are not talking to just food stamp recipients or CETA employees or others who today participate in our welfare programs, who have an option. We are talking about a percentage of our population today who have no option, who have no right to work, who have no other way that they can gain even a subsistence allowance.

I know the Senator from New Mexico, the distinguished chairman of the Budget Committee, stated a few moments ago that he felt there might not be within the jurisdiction of the Governmental Affairs Committee a way to find this additional money or that we can be sure that the money is even there.

I would like to read from the CONGRESSIONAL RECORD of March 24, 1981, where the very distinguished chairman of the Budget Committee introduced legislation on debt collection, and in his own statement he made the remark unequivocally that the "General Accounting Office recently discovered 14,000 audit reports gathering dust that amounted to some $4 billion due and recoverable from contractors, grantees who misspent Government funds."

Those are the words of the Senator from New Mexico who questions the fact that Governmental Affairs may not find this money and the Governmental Affairs Committee certainly has jurisdiction over this matter.

Well, I cannot speak for the entire Governmental Affairs Committee, Mr. President, but I can speak without doubt for one member and say that in about 10 minutes' time, given the proper environment and the willingness to cooperate in this matter and to find this $800 million that we should spend for minimum in-

come for social security recipients, I say without question that the Governmental Affairs Committee can find this money and find this waste.

For example, let me talk specifically about who would be affected by a cut such as this. In December of 1979 the Department of Energy Inspector General issued a report on compensation paid to consulting firms—and I get tired talking about consultants, I know my colleagues get tired hearing me talk about it, but here is one good example—in two firms two top executives were receiving annual salaries of $92,700 and $75,000 respectively, as of June 1979.

The Secretary of the Department of Energy was paid only $66,000 per year during that time. Ninety percent of these consulting firms' efforts were on behalf of the Federal Government and a full 50 percent were for the Department of Energy alone.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PRYOR. May I have 1 additional minute? Why do I not yield back or yield to Senator CHILES, if there is any time?

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Senator be allowed to complete his remarks.

The PRESIDING OFFICER. Without objection.

Mr. RIEGLE. I know the Senators from Florida and Ohio desire recognition. I yield 3 minutes to the Senator from Florida first.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, over the years I have taken the lead in the Budget Committee and on the floor to try to cut back on some of the extra benefits. It was my floor amendment which froze the minimum benefit back in 1977, and I have introduced legislation now in an effort to try to correct the financial condition of the social security system and make it sound. My bill which would cut out the minimum benefit in the future, for people who are not now receiving it, and would phase out the student benefit.

But I think we would be very unwise to cut back on people who now are receiving the minimum benefit. Certainly there are some people, who are double-dipping, receiving this minimum benefit, but there are also many widows who entered the work force late in life, who are getting the minimum.

When GAO did this study they found that they could not determine the status of 26 percent of the recipients. Many of those people were farmers, and they were added to social security in the 1950's, and we do not have a very good record on their wage histories.

I happened to be in one of my more rural counties Saturday making a speech to REA co-op members and there were 5,000 or 6,000 people there, and I was mobbed by people there. Most of those people are farmers, and the greatest concern of the older people who were there, was whether they were going to have their social security checks cut.

I found to my amazement how many of them are receiving the minmum benefit. These are farmers.

They are people who were only put into the system in the fifties, and most of them, I guess, I was talking to, had to be aged 70, 75, or up. We found that a large number of these, over 1 million of them, are over 75.

What in the world are those people going to do? They cannot go back and get a job. Those people, many of them, are not on welfare now. Are we going to consign them to have to go get welfare? Many of them do not get welfare and they do not get food stamps because it is against their pride to do that, and they felt they had the dignity of being able to live out a program they had paid something into, the minimum benefit of the Social Security System.

I think the worst of all things we could do to save the amount of money is to turn on these people. What in the world does the "safety net" mean if you are not going to try to take care of these people over 75, a million of whom are below the poverty level, who have been drawing the minimum benefit?

How in the world under anything we are talking about of cutting waste, cutting fat, cutting those people who can help themselves and putting back to work, how in the world do any of these people fall into this? That is the hardest thing I have been able to try to find out.

I am willing to find some way to cut the money—we have part of the money to cut under fraud and waste. If we cannot cut it here, let us find some other way. I do not know where we need to find it, but for goodness sake I think the worst kind of mistake we could be making as far as anything to deal with fairness, equity, or compassion would be to cut these people off now.

The PRESIDING OFFICER. The Senator has used his 3 minutes.

Mr. CHILES. I hope this body will not go along with this cut, and will adopt our amendment to restore the necessary funds.

The PRESIDING OFFICER. The Senator from Michigan has the floor at the present time.

Mr. RIEGLE. I yield 4 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, the other day Mr. Stockman appeared before our committee and I saw fit to indicate I thought this program of the administration was cruel, inhumane, and unfair, and I know of no better evidence of that than the effort to cut back on the minimum $122 a month for people who have no effective lobby in this Congress. I cannot believe that the milk of human kindness has ceased to run through the hearts, the bodies, and the souls of my colleagues on the other side of the aisle, so how in the world can they break a contract with those persons who have no lobby?

Two hundred and seventy thousand of these people are over 85, 13,678 of them are over 95, 531,000 are over 80, and almost a million, 941,000 are over 75 years of age.

The only argument that has been made is the argument that somehow we are eliminating double dipping. Well, you very courageous men and women of the majority side, if you want to eliminate double dipping, why do you not do it where it really bites—with all of those Government employees and military personnel who are indeed double dipping these days? Then you would be cutting back on some real dollars. But, no, we are going to go pick on the aged. They cannot do very much about it. They have only worked to make this Nation the great Nation that it is. They have only performed the rigors and the toil in the vineyards of the country developing our industrial might.

The President of the United States is now coming forward with a great new program. It is called workfare. Well, according to the morning paper, the workfare program did not work very well out in California and I doubt that it will work in this country. But I think maybe we ought to reverse the words. I think maybe we ought to make it fair to workers, fair to those who have contributed so much to make this Nation as great as it is, who had a contract with their Government that they would get social security if so many dollars were taken out of their pay and out of their employers' pay. That was their money. If it had not gone into the fund, it would have gone to them. It was a part of the labor cost.

This program is wrong. This amendment of the Senator from Michigan and those of us who have joined in cosponsoring it with him, is right. And I only say to those of the majority party: Where is your kindness? Where is your humanity? How can you be so cruel to so many without any real justification?

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I yield 2 minutes to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I oppose the Senator's amendment. He seeks to restore this money by requiring the Governmental Affairs Committee to save $800 million in travel and consultants costs. We are dedicated to attempting to save additional money in those areas but the bulk of that money is not under the control of the Governmental Affairs Committee.

As a matter of fact, the subcommittee that I chair is the committee that would be affected by this. It would be necessary to cut civil service and postal areas and to cut them very deeply. We have already cut $956 million from the postal service and we have cut $500 million in civil service retirement and $3.78 billion from Federal pay.

Now, when you look at the impact of this, it will mean that we are going to be looking at a 30-cent stamp. We are looking at cutting civil service pay, not even able to hold it at the level we have in this bill.

I do not understand the concept men-

tioned by the Senator from Ohio. Certainly, when we talk about human kindness we are talking about some sort of balance between those who are required to bear this burden. The subcommittee I chair is taking 10 percent of the burden of the total cuts in the Federal Government. And this amendment seeks to put on it another $800 million on the people that we are trying to be fair with, those that are working now and those that worked in the Civil Service plus the recipients of U.S. mail.

I urge this be opposed. We have taken the amount that was specified in the President's budget. And I think that the leeway that the Budget Committee has given us is sufficient in order to work this out so that there is a balance in terms of sharing the burdens that all Americans must share right now.

Mr. RIEGLE. Will the Senator yield for a point on my time?

Mr. STEVENS. Yes.

Mr. RIEGLE. I think there is some confusion between civilian agency and civilian service. What our amendment does is require the finding of these savings across all the civilian side of the Government and not Civil Service.

Mr. STEVENS. There is no way you can do that by function in terms of what you are doing. The impact of it will come to our subcommittee and there is no other way in our subcommittee except to put it on Civil Service and on retirees.

What the Senator asks is just not possible. If we can make savings next year, in terms of the actual impact of across-the-board savings through administration, that would be another matter.

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, I yield 2 minutes to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the distinguished Senator from Michigan for yielding to me.

I rise in support—strong support—of this amendment. I honestly do not feel, Mr. President—and I say this in the greatest of respect to the man—that the President of the United States himself, as an individual, recognizes the impact of this decision on thousands and thousands of senior Americans. David Stockman may recognize it, I am not sure. There may be some people down in OMB that recognize it, Mr. President. But I do not think the President of the United States himself recognizes it.

When we are judged by historians 100 or 200 years from now, I do not think they are going to judge us on whether or not we sent a space shuttle up, or sent the first man to the Moon, or whether or not we built the tallest skyscraper or the greatest road system since the Romans or whatever.

I think, Mr. President, they are going to recognize and judge this country on how we treated that portion of our population that could not help themselves. And I am talking about the elderly today, who have no options, who have no redress, and who have no other way to subsist unless they are supported by the taxpayers of this country.

Mr. President, they have supported this country. They have won our battles, they have fought our wars and they have made this country great. And today we cannot turn our backs on them.

I strongly feel that the people of America are not regarding this vote as a frivolous one. I think that this body, if we study closely what Senator RIEGLE, the distinguished Senator from Michigan, is attempting to do, will realize this benefit is not a handout. This is not a frivolous program. This is not a budget buster, Mr. President. This is an offset. We are offsetting $800 million, restoring this money that has been cut out of the budget. We are offsetting it, charging the Governmental Affairs Committee to come forward with the savings that we know are there in fraud, waste, and abuse. I strongly support the amendment. I hope that it will receive favorable consideration.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Before I yield the remainder of our time to the Senator from Delaware, I think at this point we ought to remind the Senator from Arkansas, who talks about the cutting back on social security, that social security expenditures will increase—increase—by $20 billion next year under the Budget Committee recommendations.

The Finance Committee knows that we can save this money. We can save money that has been asked to be saved by the Budget Committee. This may or may not be saved in social security, but saying we are cutting social security is obviously hogwash.

I yield the Senator from Delaware the remainder of the time.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I wish to express my deep concern that the debate on the Senate floor could be causing real concern among the social security beneficiaries. I think it is very important to understand that no one I am aware of is talking about beginning the distmantling of social security benefits.

I think it is important to understand that most of us feel very strongly that the Social Security System is our most important social program.

The benefits provided under the basic old age pension, which the program was originally designed to provide, are the most important source of income for senior citizens. I would fight any proposal which threatens these basic benefits.

I think it is also important to understand that the Finance Committee has not taken any position with respect to the minimum benefit, and that all it is obligated to do is to meet the targets for expenditures and savings that have been set by the Budget Committee. Let me underscore that at this time the Finance Committee, which has jurisdiction over half of the Federal budget, has not determined where to make the savings contained in the reconciliation. Today's vote is not—and I emphasize—is not a vote on the minimum benefit, but spending targets for the Finance Committee.

Mr. President, I am deeply concerned about what is being done to the Governmental Affairs Committee budget target.

I think it is important to recognize that we are already obligated to make savings of $5.2 billion; that this savings was proposed by my committee even though there were some reservations in the committee that we should go this far.

I would like to point out that we are also directed to make savings in appropriations and expenditures from trust funds estimated to be $700 million in budget authority and $1.3 billion in outlays in fiscal year 1982, and $1 billion in budget authority and $2 billion in outlays in fiscal year 1983.

I can assure my friends on the other side of the aisle that the areas that we will be investigating and trying to make substantial savings in include both travel and filmmaking. We hope to have hearings in the very near future. This, as I say, is an area where we do hope that further reductions can be made.

The PRESIDING OFFICER (Mr. RUDMAN). The Chair will advise the Senator from Delaware that his time has expired.

Mr. GRASSLEY. Mr. President, I will yield 2 minutes time to the Senator from Delaware on the concurrent resolution.

Mr. ROTH. I will not require further time.

Mr. RIEGLE. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. Time in opposition on the amendment has expired. The Senator from Michigan has 4 minutes remaining.

Mr. RIEGLE. The Senator from Delaware knows that this Government is wasting billions of dollars. Let us find that waste, fraud and abuse in the budget. The majority party here in the Senate also controls the executive branch and all the other agencies of Government. They have made a pledge to find waste, fraud, and abuse. Go find it. But do not go after the social security recipients, the old, the blind, and the sick, and tell them that they have to go on welfare.

If that is the difference between the parties, then let us really understand what that difference is. I do not know why you have targeted these old people; 14,000 of them are over the age of 95. I think it is an outrageous proposition that your only answer to them is if they need money, let them go on welfare.

I yield 2 minutes to the Senator from Florida.

Mr. CHILES. Mr. President, I have heard so many arguments about the need to make this particular cut to make the social security system sound, I want to say that I introduced, I think, the most comprehensive bill trying to work with the problems of social security in both the short term and long term. I held a series of four hearings at the close of last year as chairman of the Senate Committee on Aging at that time, and listened to all of the Presidential commissions make all of their re-

ports. I recognized then that to take care of the short-term cash flow problems you are going to have to do something more than just allowing borrowing among the trust funds.

To make the necessary savings, I made a proposal that we say in the future we will not pay minimum benefits, and in the future we will begin to phase out student benefits. We can do that over 4 years by not letting new students into the program. Under my bill, we would not cut one single minimum benefit today, but say we are going to do that in the future. The Congressional Budget Office estimates, and all of the other information that I have, show that if we adopt those more moderate proposals we will have sufficient money in the system to take care of the short-term problem if we also allow the trust fund borrowing.

If we can take care of that financial problem without cutting these people off why should we do it? We know that this money comes out of the trust fund—in spite of the fact that we are dealing with a unified budget. The money we are dealing with here comes from the trust fund, it comes out of wages that people have paid into the system. So why in the world should we turn around to have a little mathematical advantage on that unified budget? Why in the world should we turn around and cut this minimum benefit from the people who are now receiving it? It just does not make sense. It is not something that we have to do to protect the system.

I just want to urge people not to do it. I do not care about the politics of it. It is just not fair that we should be doing it and I urge Senators not to do that.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Michigan has 1 minute remaining.

Mr. RIEGLE. I think what is being clearly established today is that the Republican Party is attacking the foundations of the social security system. They are forcing the people off the system who are least able to fend for themselves and to fight back. To eliminate the minimum benefit from the person who gets the least amount of help from social security and to turn around and say that the answer for them is to go on the welfare system is totally unacceptable. I believe elimination of the minimum benefit turns its back on everything that social security has stood for in this country. It violates the President's pledge during the campaign, and it is just another broken promise here on the Senate floor today.

The PRESIDING OFFICER. The Chair advises the Senator from Michigan that time on the amendment has expired. The Chair recognizes the majority leader.

Mr. BAKER. Will the Senator from New Mexico yield 1 minute on the concurrent resolution?

Mr. DOMENICI. I am delighted to yield.

Mr. BAKER. I thank the Chair and the distinguished majority manager of the bill, the chairman of the Budget Committee.

Mr. President, the Riegle amendment would lower the Finance Committee expenditure reduction totals by $800 million in fiscal year 1982 and $900 million in fiscal year 1983. These savings would have to be made up by the Governmental Affairs Committee.

I urge all my colleagues to vote against this amendment. There may be good reasons to eliminate the minimum benefit in the Social Security Act. The Finance Committee has heard testimony that this provision tends to help retired Federal workers and homemakers supported by their spouses' income rather than the poor. The point is that we need not make that decision today. We are not considering substantive legislation. These are budget totals we are asked to vote on today.

The chairman of the Finance Committee has indicated that the committee may well decide against some of the changes recommended by the administration and instead find other means of achieving its budget targets. I am confident that the Finance Committee will act responsibly and compassionately. The Finance Committee is now only in the hearing process on the President's economic package. To the extent that the Finance Committee finds that any of the proposed savings proposals are inequitable, it will find ways of curing that inequity. Thus, I do not think the Riegle amendment is either necessary or wise. Accordingly, I urge all Members to vote to defeat the amendment.

Mr. President, may I finally say I think we ought to keep in mind throughout this debate we are not making program changes here. We are adopting a budget, a budget resolution, and we are instructing the several jurisdictional committees to make the adjustments in those programs that are necessary to accommodate those new lower figures. There is no way any of us can say with a degree of certainty what one of those committees will do under the circumstances.

Mr. RIEGLE. Mr. President, I yield myself time from the concurrent resolution.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. This budget document which is on this floor today contains two things. One is a recommendation by the President of the United States to eliminate the minimum benefit for social security recipients. The Budget Committee, as the chairman knows, adopted the President's recommendation and made a determination we would not include money for that purpose, and the money is not here.

It has been taken out. Unless we put the minimum benefit back in today, let the message go out across this country as to what is happening. I know of no previous case where recipients of social security have had their entire benefits stripped away. I know of cases where it was reduced, but I know of no case like this one.

Let us not start down this road. We have given an offsetting saving. They are against waste, fraud, and abuse. Fine; so are we. Let us go find it. Set those junkyard dogs loose. Let us not go out there and throw these people under the welfare system.

Mr. President, I ask unanimous consent that the Senator from Arkansas (Mr. PRYOR) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I ask for the yeas and nays at an appropriate time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous agreement, the vote will occur at 2 o'clock.

Mr. DOMENICI. Mr. President, I yield 1 minute to the Senator from Kansas on the resolution.

Mr. DOLE. Mr. President, we are trying to get correct information on the record with regard to the statements made by the Senator from Michigan. He is outraged in the morning, he is outraged in the afternoon, he is outraged at night. But the facts are not as stated.

We are not putting people on welfare. We are not taking earned benefits away. I think if we stick to the facts, we may be able to save the economy of this country, saving our economy is important to Michigan, important to Kansas, and important to every other State. We may bring down the high inflation rates, high interest rates, and correct everything else that is wrong with our economy. Let us not get carried away by the rhetoric. Let us try to get facts to the Members, who want the facts by the time they vote.

Mr. DOMENICI. Mr. President, I yield myself 1 minute on the resolution.

I thank the Senator from Kansas for his remarks. I do want to say that I do not think there has been a Senator who has come down here to talk about what is going on that has understood the issues and sensed what is really happening as well as the Senator from Kansas. I appreciate his help.

Let me repeat, Mr. President, this is part of an instruction to the Committee on Finance of the U.S. Senate and its counterpart in the House. The jurisdiction of the Committee on Finance in terms of moneys spent annually is $300 billion. We are suggesting in this instruction that they assume the responsibility set out in the totals that they will have to save. They have told us that they can save that amount of money. No one can tell them precisely how.

I suspect that, in their collective wisdom, they will take care of those that really are going to have a problem under this minimum unearned benefit. To stand here and tell the Senate and speak the way those opposing this instruction are speaking is to imply that the vote today takes away any of the latitude from that committee with $300 billion worth of jurisdiction as to how they will find the $800 million in the entitlement savings for 1982.

I submit, Mr. President, that they are going to do what is right as to the programmatic effect and, equally, they are going to do what is right to begin cutting back the automatic expenditures of this Federal Government, which have had a part of getting this country in the mess that it is in.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. As I understand it, we will now proceed with another amendment, and we shall not vote on any amendments until 2 p.m. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I yield the floor.

Mr. RIEGLE. Mr. President, I yield 2 minutes off the bill to the Senator from Florida.

Mr. CHILES. Mr. President, I want to say that I am delighted to hear the remarks of the distinguished chairman of the Committee on the Budget. It gives me a little bit of hope that maybe something will be done here.

The only thing that we have been operating on is the information that we received in the Budget Committee from the Committee on Finance. That information was that they were going to cut the minimum benefit. We had a long debate in the Budget Committee on that and we discussed that the Finance Committee had reported to the Budget Committee that they were going to make some savings. And where were those savings going to be made? They were going to cut the minimum benefit.

Now, we are hearing, "Who said the Finance Committee would cut the minimum benefit?" The distinguished Senator from Delaware said, "I have never wanted to cut the minimum benefit."

I listened to the distinguished chairman of the Finance Committee now, "Goodness gracious, let us cut the minimum benefit."

Thank goodness, if they are not going to cut the minimum benefit. And if they are not, it is perhaps because they get the message—perhaps they get the message that these old folks need some help. They are hurting.

They cannot get a job. They cannot do anything else. I say thank goodness, that the Finance Committee now says maybe it will not cut the minimum benefit. Maybe what the Finance Committee voted on before did not mean a thing. Thank goodness, we are not going to see a cut in the minimum benefit.

I take it I heard today a pledge from all these people that we are not going to see the present recipients cut. I say thank goodness.

Mr. DOLE. Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield to the Senator from Kansas.

Mr. DOLE. I shall just put in the RECORD the letter we sent to the Budget Committee. I do not think that we even mentioned minimum benefits in that letter. But I have said on many occasions, publicly, privately, and otherwise, that we are going to comply with the aggregate budget saving requests of the Budget Committee. But we understand that the Budget Committee does not have the legislative authority the Finance Committee does. The distinguished Chairman just pointed out the Finance Committee has $300 billion worth of jurisdiction. Actually that figure is closer to $375 billion, he shortchanged us $75 billion there.

Mr. DOMENICI. It goes up fast.

Mr. DOLE. That is probably interest on the debt, which we cannot do much about.

Mr. President, I say to the distinguished Senator from Florida, for whom I have the highest regard, and others on that side, we are going to try to accommodate those who might slip through the safety net otherwise. If we find a case where someone is adversely affected and we do not believe he should be, we shall make some changes. We are not oblivious, nor are we lacking compassion in the Finance Committee; we are just lacking money.

Mr. RIEGLE. Mr. President, I yield myself 2 minutes off the resolution, because there are some facts that we ought to consider here.

The Budget Committee's report in Senate Concurrent Resolution 9, the reconciliation instruction we are considering, was prepared by people on that side of the aisle, who control the committee, control the chairmanship, control the staff, there is an item on page 96, "Reductions in Federal Spending." Here it is: it explains the Budget Committee's recommendation that the Finance Committee achieve savings by eliminating social security minimum benefits.

Those benefits are taken out. And the Members on that side know that. We should not confuse the issue. They know they propose to take those benefits out. As a matter of fact, we tried to restore funds for this purpose in committee.

Mr. President, if you look at page 196 of the report, the vote on that matter is recorded. It was vote No. 31 on a motion by Senator CHILES, of Florida. He moved to restore this money, to maintain this minimum social security benefit. That motion failed on a vote of 10 to 11, and it was a straight party line vote.

The chairman of the Committee on Finance should know that every single member of the Budget Committee from his party on his side voted against retention of the minimum benefit. That pretty clearly defines the course of his party on this issue. They have chosen to cut spending by removing this social security benefit. Funds for this benefit are not in this budget before us today. That is what we are arguing about, we are trying to put the funds back in.

The amendment at the desk will provide room in the budget for this benefit. I welcome the Senator from Delaware and others as cosponsors. This is a way to make sure that money is in the budget.

We are not proposing to raise spending by 1 penny. We want to find enough money by cutting waste, fraud, and abuse areas to maintain this benefit. We are confident that we can.

I have heard the President say many times that he feels he can find those savings. He is running the executive branch of Government. Let us show confidence in his ability to achieve those savings. Let us make it clear we will tighten the budget by removing those unnecessary amounts and not by taking funds away from the people on the bottom rung of the social security ladder. Let us not tell these people that the answer of this Government is, "Go on welfare. Go on the welfare system so we can cut the social security budget. We can no longer afford the social security minimum benefit that helps you pay your food bills and your medical bills. You go on the welfare system."

That is what you are saying here. There can be no mistake about it. That is the answer you propose. It is an outrageous answer.

Mr. MCCLURE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield 2 minutes to the junior Senator from Washington, and I do not have any other requests on this side. This is my last request on this proposal, I say to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. I thank the Senator from New Mexico.

Mr. President, I point out that in spite of all the eloquence on the part of the Senator from Michigan, he is speaking of an unearned social security benefit. He speaks of the proposition that, somehow or other, by bringing social security back to an earned benefit, the way it was designed in the first place, we will be hurting people.

At the same time, however, he agrees to this very idea if we will only defer it a few years and not apply it to the people who are getting that money now.

He uses as an example—among 3 million people who are entitled to this benefit at the present time—15,000 who, somehow or other, may be required to go on welfare, over the age of 90 or 95—one-half of 1 percent of all the beneficiaries of this program, most of whom do not need it all, none of whom have earned it.

I suggest that if we are to meet the problem of inflation which is facing this country today and meet the problems of facing expenditures which are out of control, we can do better than provide a program for one-half of 1 percent of its intended beneficiaries.

Mr. RIEGLE. I yield myself 1 minute on the bill.

Mr. President, I must say, in friendship, to the Senator from Washington that I believe he does not state the issue correctly. We see a major danger from having Congress eliminate benefits which social security recipients have been receiving, on which they have come to rely. Once we start reducing the checks of people because of budgetary restraint, then confidence in the whole system will be shaken. We will spark fear and uncertainty that will spread far beyond those who will be directly affected. If these people had never been promised this benefit, the problem would be different. But the budget proposal here is to reduce the monthly checks of individuals—many of whom are very elderly and all of whom have been prom-

ised that they would be getting this benefit.

I yield 1 minute to the Senator from Texas.

Mr. BENTSEN. Mr. President, I rise today to join Senators RIEGLE, LONG, and CHILES in cosponsoring an amendment to restore funding of the social security minimum benefit for those persons currently receiving that benefit. Adopting this amendment will require $800 million in fiscal year 1982 outlays and $900 million in fiscal year 1985 outlays. I should like to stress that to offset that expenditure, the amendment also calls for a spending reduction by instructing the Government Affairs Committee to report legislation requiring comparable savings in fiscal years 1982 and 1983. These savings will be achieved by placing more stringent controls on governmental travel; by reducing or eliminating government filmmaking; by cutting back on consultant expenses; by reducing the cost of supplies; and by scaling down the costs of other such services. These budgetary cuts are to be applied to all civilian government agencies. In other words, this amendment will retain the minimum social security benefit for those now receiving it without increasing the size of the overall budget.

Mr. President, the proposal to eliminate the minimum benefit is predicated on the findings of a study which does not thoroughly examine the potential efforts of implementing such a change. In fact, we know very little about these 3 million minimum benefit recipients except that they are retired or disabled, most are women, and approximately one-third have annual incomes of less than $3,100.

While it is clear that we have a mandate to reassess the advisability of continuing to fund many Federal programs, Mr. President, great care must be taken to insure that reductions made are just and that we do not place an intolerable burden on those least able to afford it. These individuals—3 million people—entered into a solemn agreement with their Government and retired with the understanding that the terms of their agreement would be honored over time. It would be unconscionable to terminate this benefit for a group of Americans on the basis of the limited information available to us today.

The Senator from Washington was just commenting on what he thought the effect of eliminating this benefit might be. Yet we heard some contradictory information in the Finance Committee. Frankly, we do not have enough information on which to base a sound judgment in this matter. If I am going to err, I am going to err on behalf of those who are receiving that minimum benefit.

I am delighted to see that there is an offsetting savings placed against this expenditure, so that we are not talking about increasing the deficit, and I therefore urge each of my colleagues to join me in support of the pending amendment.

Mr. RIEGLE. We do have an offsetting saving here. We are not increasing the budget.

I ask the chairman of the Finance Committee, is it not true that the Finance Committee debated the minimum benefit and that the Finance Committee voted to recommend the elimination of the benefit in its March 15 report to the Budget Committee? I understand that a vote was taken to save the minimum benefit, but that the proposal was turned down by the Finance Committee. Am I correct in my understanding?

Mr. DOLE. This is all preliminary. We go through these games with the Budget Committee. They send us letters and we send them letters. We put out press releases. Some may speak on the floor.

Mr. RIEGLE. Was there a vote in the committee against the social security minimum benefit?

Mr. DOLE. There was.

Mr. RIEGLE. That is what I thought.

Mr. DOLE. We are still a legislative committee; the Budget Committee is not.

We will be glad to listen to the Senator, whenever he wants to put out another press release and come to our committee.

Mr. RIEGLE. We would like you to be on the record in support of the benefit. If you are for it, please say so. If you are against it, then let the record show that.

I would be delighted to have you say here, right now, that you are not going to eliminate minimum benefit, and I will yield you a minute of my time to do so.

Mr. DOLE. Give me a minute, and I will think about it during the minute.

We could take it out of trade adjustment assistance. That is the same function. That would please the Senator from Michigan.

I suggest that we are a responsible committee. We are not a partisan committee in the sense that we are going to use anything any administration sends to us.

We have heard Senator BENTSEN, a highly regarded member of that committee; and I see Senator BRADLEY, and I think you can count on his support. From time to time, you can count on the support of this Senator. But I have a larger obligation now, and that is to try to help the economy.

I am not going to point any fingers of blame, but we understand our responsibility, and we hope the Senator from Michigan will give us some credit for that. I say it in all seriousness. We are going to have more hearings. We welcome his presence and his testimony, and we will do the best we can to accommodate some way to to save the economy and try to make certain that no one who really should be protected is impacted by this amendment.

Mr. RIEGLE. Mr. President, I appreciate the sentiments of my friend from Kansas. I know him to be a reasonable man on many issues.

However, the record is clear. He knows and I know that the Budget Committee has gone on record in favor of removing the money for these minimum benefits. The Finance Committee has voted to make this reduction. The cut would be in line with the President's recommendation. I feel strongly that the full Senate should go on record in opposition to this cut.

If the Senator is saying, between the lines, that he does not agree with the administration proposal or that the proposal might be altered, it would be good to know. That is what we are voting on today. We are voting on whether we should maintain this benefit. We have provided an offsetting saving. The Senator might not like the saving, but we think it is reasonable.

We feel that we should maintain this benefit, and people will have to decide how they feel about that. There are a lot of elderly people who depend on the minimum benefit, and they are likely to lose it unless we support this amendment today.

Mr. PERCY. Mr. President, after listening to the debate and carefully weighing all the issues involved, I must oppose the amendment offered by Senator RIEGLE. The amendment would restore $800 million to the budget of the Finance Committee by requiring the Governmental Affairs Committee to make an additional savings to offset that amount for the purpose of restoring the social security minimum benefit.

First, Mr. President, let me reiterate what the distinguished chairmen of the Budget and Finance Committees have said here this morning. We are not debating actual program changes today. We are debating which Senate committees will be required to make what savings in the programs within their jurisdictions. The Senate Finance Committee has already agreed to make a certain amount of savings, including this $800 million, in the programs under its jurisdiction.

This does not mean, however, that it is locked into eliminating the minimum benefit by this reconciliation resolution. The distinguished chairman of the Finance Committee, Senator DOLE, has said that if his committee uncovers new information in the coming days that shows the elimination of the minimum benefit will impose an undue hardship on millions of elderly Americans, the committee will still be able to reject repeal of the minimum benefits—even if this amendment is defeated.

Second, Mr. President, the intent of the amendment to cut funds for Government travel, filmmaking, and hiring of consultants by requiring the Governmental Affairs Committee to come up with an additional $800 million in savings will not have that result at all. Those items, for the purposes of this reconciliation resolution, are not within the power of the Governmental Affairs Committee to cut. The only place that additional cuts can be made are in areas where the committee has already made substantial reductions: $900 million in civil service retirement, $976 million from the Postal Service and $37.8 billion in Federal pay.

While I support the goals of cutting Government waste, and have introduced legislation of my own to do so, this amendment will not achieve those goals.

With regard to the minimum social security benefit itself, the findings of independent studies show that those who will be most affected are not the elderly poor. Two prominent studies have recommended that it be eliminated be-

cause for many beneficiaries it represents a "windfall" rather than a very needed supplement to a modest income.

Mr. President, the minimum benefit was originally adopted to provide a minimum amount of monthly income to the elderly poor. For that reason, Congress has sought to protect it through the years by increasing it more rapidly than other social security benefits.

In 1977, the Congress, as part of its action to reform the financing of the social security system, reviewed the minimum benefit and decided to freeze it and phase it out. That decision in part was based on the fact that the minimum benefit from 1940 to 1977 had increased tenfold while other benefits had increased only five times. In addition, Congress found at the time that the minimum benefit was being paid to people who did not, during their working years, rely on their covered earnings as a primary source of support. Thus as a group these beneficiaries were receiving unintentionally high benefits which were intended mostly to help the elderly poor who had little or no other income.

The General Accounting Office in its 1979 study recommended that the minimum benefit be eliminated rather than phased out gradually. The GAO study found the following:

Forty-four percent of sampled beneficiaries received no additional income from the minimum provision because of offsets required in other federal benefits.

Of the remaining 56 percent (who did receive additional income from the minimum benefit), 15 percent received federal pensions averaging $900 per month,

Ten percent depended on working spouses earning an average of at least $13,700 during the first year after the beneficiary began receiving social security, and

Two percent relied on retired spouses with federal pensions averaging $12,500 per year.

The GAO also found that most sampled minimum beneficiaries were part-time or intermittent workers and were never a permanent part of the labor force covered by social security. Nearly half had gaps in employment of 20 years or more and about one-third had not worked in covered employment for 10 years.

Because of marginal work in employment covered by social security, sampled beneficiaries had paid little in social security taxes. For these people, social security was a new source of income upon becoming eligible for the minimum benefit, rather than a replacement of lost covered earnings. GAO found that this group will recover their total contribution of social security taxes, on the average, 6 times faster than people who have contributed the most to the trust fund, and in some cases, as much as 30 times faster.

Most recently, the National Commission on Social Security in its final report urged elimination of the monthly minimum benefit because the extra costs of paying these unearned benefits are borne by workers who pay into the social security system for their entire working careers. The report cited the example of a worker with the minimum required covered employment of 10 years who contributes one one-fourth of what those covered by social security throughout their entire work lives contribute, but receives nearly one-half the total benefits.

It is to rectify this inequity that the elimination of the social security minimum benefit is advocated. No one on this side of the aisle has any intention of denying this benefit to the elderly who need it. Since the enactment of the minimum benefit Congress established a minimum income level through the implementation of the supplemental security income program. For the needy, SSI will make up for the reduction in the social security minimum benefit dollar for dollar.

I feel just as strongly about the needs of older Americans as those on the other side of the aisle. But it is clear from the evidence presented today that the minimum benefit is no longer serving its original purpose and is in fact putting a very serious drain on the resources of the trust fund which pays basic retirement and survivors' benefits to millions of elderly Americans.

Nonetheless, I am reassured by Chairman DOLE'S intention to scrutinize the impact of the repeal of the minimum benefit on the elderly poor and make whatever adjustments are necessary to protect this group when the full Senate is called upon to consider the legislative proposals designed to meet the savings of this reconciliation resolution.

● Mr. MOYNIHAN. Mr. President, I rise as a cosponsor of Senator RIEGLE'S amendment to restore the social security "minimum benefit," and to express my strong support of this effort.

The Social Security Act provides a benefit floor for anyone who qualifies for social security payments—3.1 million older Americans now receive this minimum benefit of $122 per month. The administration proposes to recalculate these benefits on the basis of the recipients' work history. Some beneficiaries receive the minimum payment because it happens to be the benefit for which their work history makes them qualified. But for the majority of recipients, recalculating benefits will mean losing benefits.

Quite simply, this is wrong. It is unconscionable to allow people to retire under a given set of rules, expecting a certain minimum level of provision from their Government, then to change the rules on which they depend. These people cannot return to work in order to qualify for a higher benefit. Indeed, the Federal Government allowed them to retire, to forgo the additional years of work needed to qualify for higher benefits, and promised them a secure income floor. It is this commitment on which the President is asking us to renege.

It is a principle of ours that Government does not break its commitments to the people. It is one thing to propose eliminating the minimum benefit in future years. It is quite another to eliminate the minimum for those now dependent on it. And dependent they are. The administration itself estimates that 26 percent of minimum benefit recipients—more than 800,000 older Americans—will lose some of their social security benefit and seem to have no outside annuity with which to supplement their income. More than a million minimum benefit recipients have incomes below $3,100 per year.

Restoring the minimum benefit will reduce fiscal year 1982 outlay savings by $800 million. It will still, however, allow $1.4 billion of savings in all social security programs and $8 billion in all Finance Committee programs. I cannot claim that $800 million is an insignificant sum. But in comparison to the level of protection the minimum benefit affords older workers, it is a small amount indeed.●

SOCIAL SECURITY MINIMUM BENEFIT

Mr. ROBERT C. BYRD. Mr. President, the debate has begun in earnest on the many complicated questions which affect our current system of social security. There is hardly an American family today that is not touched by social security in some way.

Today, the issue before the Senate is whether to eliminate—without any detailed committee study—the social security minimum benefit through the budget process. The minimum benefit is, in a very real sense, part of what makes our social security system distinct from a private insurance or retirement program. The inadequacy of private retirement plans made it necessary to create a social security system in the first place.

We cannot simply eliminate the minimum benefit on the grounds of cost cutting. We must examine its purpose, determine whether it still serves that purpose and decide whether it is worth the cost.

We must also consider the administrative difficulties involved in eliminating the minimum benefit for current beneficiaries. Health and Human Services Secretary Schweiker recently confirmed this administrative problem.

Since the wage history of many beneficiaries goes back many years, not all are on the social security computers. This means an expensive undertaking to hire new employees to go through files and recalculate benefits. The resulting chaos could very well delay the processing of checks for all social security beneficiaries.

Social security affects the daily lives of 35 million Americans, and, for almost a third of our Nation's elderly, it is their major source of retirement income. With a program as large and complex and costly as social security, there is an inevitable risk that the critical issues do not receive the attention that they merit. It is my hope that there will be more deliberate and careful study of the system. In the meantime, I cannot support the elimination of the minimum benefit and the imposition of human hardships on those beneficiaries who depend on this program.

I reject the notion that has been proffered by the administration that the neediest recipients of the minimum payment should be asked to abandon the social security system and turn to the welfare system.

I support a balanced budget. But I reject the notion that the budget should

be balanced on the backs of the elderly of this country.

Mr. DOMENICI. Mr. President, in order to be consistent with our previous understanding, I yield the floor to Senator McCLURE, who has an amendment; and I will control the time in opposition, since I oppose the amendment.

I yield to him at this time.

UP AMENDMENT NO. 27

(Purpose: To restore funding for the Strategic Petroleum Reserve and for other purposes)

Mr. McCLURE. Mr. President, I send an amendment to the desk by way of a substitute.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 27.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 2, line 21, strike Committee amendment number 9 (subsection 9(b), section 10 and section 11) through page 22, line 13 and insert in lieu thereof the following:

(b) The Committees on Appropriations of the House and Senate shall report not later than June 5, 1981, legislation to reduce previously enacted appropriations by $13,300,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981; by $3,200,000,000 in outlays for fiscal year 1982; and $1,800,000,000 in outlays for fiscal year 1983.

(c) Not later than May 31, 1981, the committees named in subsection (c)(1) through (c)(29) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsections (c)(1) through (c)(29) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1)(A) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $163,000,000 in fiscal year 1931; to reduce the budget authority by $474,000,000 and outlays by $928,000,000 in fiscal year 1982; and to reduce budget authority by $659,000,000 and outlays by $618,000,000 in fiscal year 1983; and

(B) The Senate Committee on Agriculture, Nutrition, and Forestry shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $645,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; and $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; and to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983.

(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $6,146,000,000 in budget authority and $133,000,000 in outlays for fiscal year 1981; $15,460,000,000 in budget authority and $958,000,000 in outlays for fiscal year 1982; and $18,412,000,000 in budget authority and $2,274,000,000 in outlays for fiscal year 1983.

(4)(A) The Senate Committee on Commerce, Science and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1982 and to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1983; and

(B) The Senate Committee on Commerce, Science, and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,558,000,000 in budget authority and $884,000,000 in outlays for fiscal year 1982 and $1,598,000,000 in budget authority and $1,328,000,000 in outlays for fiscal year 1983.

(5) The Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,071,000,000 in budget authority and $106,000,000 in outlays for fiscal year 1981; $714,000,000 in budget authority and $434,000,000 in outlays for fiscal year 1982; $660,000,000 in budget authority and $669,000,000 in outlays for fiscal year 1983.

(6)(A) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982 and to reduce outlays by $900,000,000 in fiscal year 1983; and

(B) The Senate Committee on Environment and Public Works shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $1,935,000,000 in budget authority and $793,000,000 in outlays for fiscal year 1982; and $3,035,000,000 in budget authority and $1,872,000,000 in outlays for fiscal year 1983.

(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $295,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $9,354,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 and outlays by $10,870,000,000 in fiscal year 1983; and

(B) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $93,000,000 in budget authority and $112,000,000 in outlays for fiscal year 1982 and $114,000,000 in budget authority and $132,000,000 in outlays for fiscal year 1983.

(8) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,050,000,000 in budget authority and $301,000,000 in outlays for fiscal year 1982 and $600,000,000, in budget authority and $367,000,000 in outlays for fiscal year 1983.

(9)(A) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982 and to reduce outlays by $414,000,000 in fiscal year 1983; and

(B) The Senate Committee on Governmental Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,776,000,000 in budget authority and $4,690,000,000 in outlays for fiscal year 1982 and $6,360,000,000 in budget authority and $6,388,000,000 in outlays for fiscal year 1983.

(10) The Senate Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to require reduction in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982 and $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983.

(11)(A) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $39,000,000 and outlaws by $49,000,000 in fiscal year 1981; to reduce budget authority by $658,000,000 and outlays by $622,000,000 in fiscal year 1982; and to reduce budget authority by $1,601,000,000 and outlays by $1,495,000,000 in fiscal year 1983; and

(B) The Senate Committee on Labor and Human Resources shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,388,000,000 in budget authority and $414,000,000 in outlays for fiscal year 1981; $10,303,000,000 in budget authority and $7,928,000,000 in outlays for fiscal year 1982; and $12,363,000,000 in budget authority and $10,913,000,000 in outlays for fiscal year 1983.

(12) The Senate Select Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $97,000,000 in budget authority and $67,000,000 in outlays for fiscal year 1981; $526,000,000 in budget authority and $390,000,000 in outlays for fiscal year 1982; and $564,000,000 in budget

authority and $541,000,000 in outlays for fiscal year 1983.

(13)(A) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $14,000,000 and outlays by $14,000,000 in fiscal year 1981; to reduce budget authority by $32,000,000 and outlays by $32,000,000 in fiscal year 1982; and to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1983; and

(B) The Senate Committee on Veterans' Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $414,000,000 in budget authority and $375,000,000 in outlays for fiscal year 1982 and $397,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1983.

HOUSE COMMITTEES

(14)(A) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce outlays by $183,000,000 in fiscal year 1981; to reduce budget authority by $232,000,000 and outlays by $693,000,000 in fiscal year 1982; and to reduce budget authority by $400,000,000 and outlays by $362,000,000 in fiscal year 1983; and

(B) The House Committee on Agriculture shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $645,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,462,000,000 in budget authority and $3,400,000,000 in outlays for fiscal year 1982; and $4,210,000,000 in budget authority and $4,161,000,000 in outlays for fiscal year 1983.

(15) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; and to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983.

(16) The House Committee on Banking, Finance and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $7,146,000,000 in budget authority and $143,000,000 in outlays for fiscal year 1981; $14,139,000,000 in budget authority and $808,000,000 in outlays for fiscal year 1982; and $16,534,000,000 in budget authority and $1,669,000,000 in outlays for fiscal year 1983.

(17) The House Committee on the District of Columbia shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $39,000,000 in budget authority and $40,000,000 in outlays for fiscal year 1982 and $56,000,000 in budget authority and $64,000,000 in outlays for fiscal year 1983.

(18)(A) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $808,000,000 and outlays by $725,000,000 in fiscal year 1982 and to reduce budget authority by $1,681,000,000; and outlays by $1,532,000,000 in fiscal year 1983; and

(B) The House Committee on Education and Labor shall also report changes in laws to modify programs within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,282,000,000 in budget authority and $372,000,000 in outlays for fiscal year 1981; $8,578,000,000 in budget authority and $6,733,000,000 in outlays for fiscal year 1982; and $10,035,000,000 in budget authority and $8,968,000,000 in outlays for fiscal year 1983.

(19)(A) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 41(c)(2)(C) of Public Law 93–344 sufficient to reduce budget authority by $176,000,000 and outlays by $110,000,000 in fiscal year 1981; to reduce budget authority by $695,000,000 and outlays by $1,011,000,000 in fiscal year 1982; and to reduce budget authority by $903,000,000 and outlays by $1,537,000,000 in fiscal year 1983; and

(B) The House Committee on Energy and Commerce shall also report changes in laws to modify programs within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $764,000,000 in budget authority and $19,000,000 in outlays for fiscal year 1981; $1,885,000,000 in budget authority and $1,118,000,000 in outlays for fiscal year 1982; and $2,251,000,000 in budget authority and $1,887,000,000 in outlays for fiscal year 1983.

(20) The House Committee on Foreign Affairs shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $150,000,000 in budget authority and $101,000,000 in outlays for fiscal year 1982 and $196,000,000 in budget authority and $167,000,000 in outlays for fiscal year 1983.

(21) The House Committee on Interior and Insular Affairs shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $331,000,000 in budget authority and $84,000,000 in outlays for fiscal year 1981; $815,000,000 in budget authority and $369,000,000 in outlays for fiscal year 1982; and $796,000,000 in budget authority and $564,000,000 in outlays for fiscal year 1983.

(22) The House Committee on the Judiciary shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982 and $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983.

(23)(A) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $39,000,000 and outlays by $39,000,000 in fiscal year 1981; to reduce budget authority by $242,000,000 and outlays by $242,000,000 in fiscal year 1982; and to reduce budget authority by $479,000,000 and outlays by $479,000,000 in fiscal year 1983; and

(B) The House Committee on Merchant Marine and Fisheries shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $147,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1982 and $60,000,000 in budget authority and $32,000,000 in outlays for fiscal year 1983.

(24)(A) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982 and to reduce outlays by $414,000,000 in fiscal year 1983; and

(B) The House Committee on Post Office and Civil Service shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,737,000,000 in budget authority and $4,650,000,000 in outlays for fiscal year 1982 and $6,304,000,000 in budget authority and $6,324,000,000 in outlays for fiscal year 1983.

(25)(A) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Iaw 93–344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982 and to reduce outlays by $900,000,000 in fiscal year 1983; and

(B) The House Committee on Public Works and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,0000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $6,446,000,000 in budget authority and $1,033,000,000 in outlays for fiscal year 1982; and $5,122,000,000 in budget authority and $2,697,000,000 in outlays for fiscal year 1983.

(26) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $82,000,000 in budget authority and $35,000,000 in outlays for fiscal year 1981; $78,000,000 in budget authority and $39,000,000 in outlays for fiscal year 1982; and $90,000,000 in budget authority and $59,000,000 in outlays for fiscal year 1983.

(27) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $97,000,000 in budget authority and $67,000,000 in outlays for fiscal year 1981; $526,000,000 in budget authority and $390,000,000 in outlays for fiscal year 1982; and $564,000,000 in budget authority and $541,000,000 in outlays for fiscal year 1983.

(28)(A) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in sec-401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $14,000,000 and outlays by $14,000,000 in fiscal year 1981; to reduce budget authority by $32,000,000 and outlays by $32,000,000 in fiscal year 1982; and to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1983; and

(B) The House Committee on Veterans' Affairs shall also report changes in laws

within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $414,000,000 in budget authority and $375,000,000 in outlays for fiscal year 1982 and $397,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1983.

(29)(A) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $36,000,000 and outlays by $710,000,000 in fiscal year 1981, to reduce budget authority by $3,659,000,000 and outlays by $7,861,000,000 in fiscal year 1982; and to reduce budget authority by $3,591,000,000 and outlays by $9,373,000,000 in fiscal year 1983; and

(B) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $978,000,000 in budget authority and $994,000,000 in outlays for fiscal year 1982 and $1,294,000,000 in budegt authority and $1,312,000,000 in outlays for fiscal year 1983.

(30) In addition to the actions required by subsections c(1) through c(29) each Committee of the Senate and House referred to therein shall report changes in laws within their respective jurisdictions sufficient to reduce budget authority by .6 percent for fiscal year 1982 and by .5 percent for fiscal year 1983; and to reduce outlays by .8 percent in fiscal year 1982 and .62 percent in fiscal year 1983; *Provided*, That no such Committee shall reduce budget authority or outlays in function 050.

SEC. 10. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in section 9 (c)(1) through (c)(13) of this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as the resolution is agreed to in the Senate; and

It is the further sense of the Senate that Senate committees should report the legislation required by section 9 of this resolution as agreed to in the Senate, except to the extent that the amounts referred to may be modified in conference with the House of Representatives, by May 31, 1981.

SEC. 11. The Senate Committee on Governmental Affairs should report changes in laws within the jurisdiction of that committee which would reduce the costs to the Government which result from waste, fraud, and abuse. Savings in appropriations and expenditures from trust funds from such statutory changes are estimated to be $700,000,000 in budget authority and $1,300,000,000 in outlays in fiscal year 1982 and $1,000,000,000 in budget authority and $2,000,000,000 in outlays in fiscal year 1983.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. McCLURE. I yield.

Mr. STEVENS. Mr. President, I ask that it be in order to send to the desk an amendment to the committee amendment and that it be reported at this time.

The PRESIDING OFFICER. Is there objection?

Mr. RIEGLE. Reserving the right to object, I did not hear the request.

Mr. BAKER. Mr. President, what request was made? There was no unanimous-consent request made that I know of.

Mr. STEVENS. Yes, there is. I requested that I be permitted to file this amendment. It is an amendment to restore $1.5 billion for SPRO. It is to the committee amendment. This is a substitute for the committee amendment.

I have to return to the committee I have been attending. The Senator from Idaho has an hour on his amendment, and I cannot file my amendment until he has finished.

Mr. BRADLEY. Mr. President, was there a unanimous-consent request propounded as to $1.5 billion?

Mr. STEVENS. That is correct.

Mr. BRADLEY. I object.

The PRESIDING OFFICER. Objection is heard.

The amendment offered by the Senator from Alaska would be in order when the time for debate on the amendment by the Senator from Idaho had expired or the time had been yielded back.

Mr. STEVENS. I sought no special advantage, other than to return to the committee and to let the Senate know that I have an amendment for $1.5 billion. The hour can run, and I will offer it then.

Mr. BRADLEY. Mr. President, will the Senator yield?

Mr. STEVENS. I yield.

Mr. BRADLEY. The Chair has clarified the issue. As I understand the Chair's statement, there would be no effect if the Senator offered his amendment now versus having offered it at the end of the debate on the amendment of the Senator from Idaho.

Mr. STEVENS. That is correct.

Mr. BRADLEY. The first vote then would occur on the amendment of the Senator from Alaska?

Mr. STEVENS. That is right.

Mr. BRADLEY. And it is the intention of the Senator from Idaho to call for the yeas and nays on the underlying amendment?

Mr. McCLURE. Mr. President, it is not my intention to do that, and I shall explain to the Senator from New Jersey what I have in mind which is simply this: The issue of how the strategic petroleum reserve will be funded is a matter of great concern to the Senator from New Jersey and this Senator from Idaho, as it is to others in this body. The amendment which I have offered, which is a substitute for the committee amendment that is now pending, calls for full funding of the strategic petroleum reserve, normally known as SPRO, in fiscal years 1982 and 1983, with offsetting cuts to accommodate that $3 billion addition to the budget figures for each year. The Senator from Alask believes that that is too great an addition and he will offer, rather than that figure, an amendment that will increase the funding by $1.5 billion. Under the parliamentary situation which would then obtain, the vote would first occur on the committee amendment. It is my expectation that, having given the Senate an alternative upon which to vote, if his amendment were adopted, I shall withdraw mine.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. McCLURE. I am happy to yield.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, at the conclusion of the time allocated under the act for the McClure amendment, at the appropriate time the amendment the Senator from Alaska will be offered. The Senator from Alaska and the Senator from Idaho have explained their respective amendments. I ask the Senator to yield simply in order for me to say that I will be opposed on both amendments.

Mr. McCLURE. I thank the Senator, I guess.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, it is my understanding that at the end of the debate period on the underlying amendment any amendment would then be in order, not just the amendment of the Senator from Alaska. Is that correct?

Mr. McCLURE. The Senator is correct.

The PRESIDING OFFICER. Will the Senator from New Jersey please restate his statement and question to the Senator from Idaho?

Mr. BRADLEY. At the end of the period for debate on the amendment of the Senator from Idaho, the floor would be open to amendment by any Senator at that point?

Mr. McCLURE. To the committee amendment, that is correct.

Mr. BRADLEY. To the committee amendment, is that correct?

Mr. McCLURE. That is correct.

The PRESIDING OFFICER. To the amendment addressed by the amendment of the Senator from Idaho, that is correct.

Mr. BRADLEY. But not until all time has expired on the underlying amendment, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLURE. Mr. President, I ask the Chair to indicate that an amendment to the amendment offered by the Senator from Idaho may be in order. My understanding is that there would be an amendment to the committee amendment.

The PRESIDING OFFICER. The Chair did not state that. The amendment to a change in the language proposed by the Senator from Idaho, I believe.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair wishes to consult with the Parliamentarian.

The Chair will state that an amendment to the committee amendment would be in order and an amendment to the McClure amendment, the amendment of the Senator from Idaho, would not be in order since that is a second-degree amendment.

Mr. BRADLEY. Mr. President, I raise the question of the procedure we have been following in this debate where one side offers an amendment and the other

side then offers its amendment. Does not this procedure violate the alternating of amendments, that the Senator's side of the aisle would be offering two amendments as opposed to offering only one amendment and giving the Democratic side an opportunity to offer an amendment?

Mr. STEVENS. Mr. President, this is a common procedure to have a substitute amendment to the committee amendment filed at the same time and considered at the same time. I do not see any reason to go to an amendment from the Senator's side dealing with something else and come back. To my knowledge, no one else has an amendment to SPRO.

Mr. BRADLEY. I have an amendment to SPRO, and it would not deal with this other issue. If we were going to abide by an agreement it is a Republican-Democratic-Republican-Democratic amendment, so I ask: Are we still abiding by that procedure?

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, will the Senator from Idaho yield to me for a moment?

Mr. McCLURE. I am happy to yield.

Mr. BAKER. Mr. President, I made that suggestion that we alternate to the extent that it was possible to do that and we have done that more or less.

I point out to the Senator from New Jersey that the first three amendments were offered in sequence by Democrats.

I do not know of any ironclad requirement that we do it, I am perfectly willing to consider how we proceed on this basis, but the suggestion was a matter of comity and convenience. I hope that this matter which is now pending by the Senator from Idaho would be disposed of and/or at least the time consumed and then the Senator from Alaska would have an opportunity to offer an amendment to the underlying committee amendment in sequence. To interrupt it, it seems to me to be unnecessary and unwise.

But the suggestions that the amendments alternate were made by the distinguished minority leader, and he and I discussed it and we have done that, with some exceptions, since it began, but I think this should be one of those cases, and I reiterate that so far there have been a great number of Democratic amendments, far in excess of the number of Republican amendments that have been offered.

Mr. BRADLEY. Let me ask the distinguished majority leader. By simply saying it is my understanding that when Democrats offered their amendments in sequence there was no Republican desirous at that point of offering an amendment. This is an issue of great concern to me as it is to the chairman of the Energy Committee, and I feel that it would preempt my option of not only abiding by the procedural agreement but of also seeking to fulfill the intent of the distinguished chairman of the Energy Committee in his underlying committee amendment.

Mr. STEVENS. I might say to my good friend, if the Senator will yield to me.

Mr. BRADLEY. I yield.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I ask unanimous consent that this colloquy with respect to procedure be taken off the resolution rather than off the substitute offered by the Senator from Idaho.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. McCLURE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we could forgo any definite setting in concrete the subject of sequential offering of amendments at this point. Perhaps we can work it out. There is something to be said for both sides of the argument here.

Mr. BAKER. If the Senator will yield to me, I think the minority leader is right. I do not think we should get tangled up at this point in trying to resolve this issue. I am perfectly willing to meet with the distinguished Senators from Idaho, Alaska, and New Jersey, and the minority leader, and see what we can work out.

I do not think we need to spend any more time on that issue in the Senate.

The PRESIDING OFFICER. The Chair understands that the Senator from New Jersey has reserved the right to object and continues to do so.

Mr. BRADLEY. That is correct.

Mr. STEVENS. Mr. President, will the Senator yield me a minute?

Mr. DOMENICI. Mr. President, could I yield 1 minute to the Senator from Alaska off the resolution at this point?

Mr. STEVENS. I appreciate the position of the majority and minority leaders. What I said to my friend from New Jersey is that I was at the hearings on this matter now for 6 years on the Appropriations Subcommittee. I served on the Energy Committee also. It has been a matter that the former Senator from Oklahoma and I have been deeply involved in since its inception. So it is not something that I come at lightly. I chaired the hearings the other day, as a matter of fact, dealing with the outside witnesses on SPRO.

It is a very controversial matter, and my amendment is not one that is just thrown in there. It is something that I feel very strongly about. I intend to offer it and I intend to seek the recognition to offer it, as I intended here, as part of the offset really on a package from this side dealing with the question of SPRO. I will seek recognition at the close of the time.

The PRESIDING OFFICER. Objection is heard and the pending question is the amendment by the Senator from Idaho.

Who yields time?

Mr. DOMENICI. Mr. President, will the Senator yield 1 minute to the Senator from New Mexico and take it off the resolution, please?

Mr. McCLURE. Yes.

Mr. DOMENICI. Mr. President, I say to my good friend from New Jersey, as the majority leader designee on this resolution I think we have had a good accommodation. I have not been trying to force any process or procedure. The Senator is correct, for the most part, with three Democratic amendments that came, because there was not any real desire to offer any.

But I can say to the Senator there has been a request that we not push very hard because some Democratic Senators wanted to offer their amendments. I mean I could have insisted on rigidity, too, and found an amendment. There are still three or four pending.

I just say that in the sense that I hope we can accept the minority leader s recommendation and resolve this without us having to break that kind of accommodation that has occurred.

Mr. BRADLEY. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield? I think the arrangement has worked very well thus far. It is true the Democrats have offered amendments when the Republican side of the aisle did not have amendments ready, but I must say also the Republican leader has been very considerate of our needs on this side of the aisle and has proceeded to allow us to lay down an amendment on Friday when it was the Republican's turn. So I think it has worked out very well thus far. I hope we can work out some equally desirable approach that would be mutually satisfying to both sides.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I thank the Chair.

Mr. President, the purpose of the procedure that is being set up here, and is being discussed now, is to allow the Senate to see simultaneously a range of different possibilities to deal with SPRO and choose among them so we can come to a resolution of it in an orderly way rather than having an amendment against which all others are arrayed, without having any before us, and having to vote for or against one without knowing what else was the alternative.

There is no attempt on the part of anyone, so far as I am aware, to freeze anybody else out or to avoid giving a range of options if, indeed, there are others, but let me indicate at the outset that the amendment which I am offering as a substitute for the committee amendment would restore the entire $3 billion, which the Budget Committee assumed would be taken off budget, to support the expenditure for the strategic petroleum reserve.

As you know, this Senate has many times voted to fill the strategic petroleum reserve. The administration has now undertaken to do that and has submitted a budget request for $3.8 billion for that purpose during fiscal 1982.

The Budget Committee, in looking at that $3.8 billion reduced it by $3 billion, leaving slightly over $800 million still in the budget, with the balance to be financed by some off-budget mechanism as yet undefined.

The Senator from Alaska, among others, believes that the budgetary impact of doing that with the offsets is too onerous a burden for the budget to bear.

The amendment which I understand he will offer will be to restore one-half the amount which was cut by the Budget Committee and require the balance to

be put in an off-budget mechanism rather than the entire $3 billion. Thus $1.5 billion would be on budget rather than off budget, as suggested by the Budget Committee, so we have the alternative thus presented. If we believe what has transpired this morning, you have the Budget Committee position of $3 billion taken off budget, financed in some other way, if possible; the amendment to be offered by the Senator from Alaska, which would preserve half of the amendment offered by the Senator from Idaho, which would restore the entire $3 billion.

Mr. President, the strategic petroleum reserve——

Mr. DOMENICI. Mr. President, will the Senator yield for a question at that point?

Mr. McCLURE. I would be happy to yield for a question only.

Mr. DOMENICI. And the time for the question and answer can be taken from the time of the opposition.

Did the Senator say the difference is not only that the Senator's amendment puts the full $3 billion back and the Senator from Alaska's intended amendment would put back $1.5 billion, but there is an additional difference, is there not?

Mr. McCLURE. There is.

Mr. DOMENICI. In that you would then provide for the $3 billion that you put back by cutting other programs or at least instructing the committee to save the full $3 billion through some approach the Senator was going to describe, and the Senator from Alaska would not, is that correct?

Mr. McCLURE. The Senator is correct.

Mr. DOMENICI. The net effect is, if his amendment is agreed to, we have added $1.5 billion to the budget for SPRO. Under the Senator's amendment it would be a wash, $3 billion in but $3 billion cut from committee's instructions on programs.

Mr. McCLURE. The Senator is correct.

Mr. DOMENICI. I thank the Senator.

Mr. McCLURE. Mr. President, the strategic petroleum reserve was created by the Energy Policy and Conservation Act, Public Law 94–163, and signed into law on December 22, 1975. Motivated by concern for national security, the objective of the strategic petroleum reserve is to reduce the United States vulnerability to severe interruptions of petroleum supplies through the acquisition and storage of up to 1 billion barrels of petroleum.

The initial storage target was 500 million barrels by 1982. The Congress subsequently approved the implementation of a Government reserve of 750 million barrels with the decision on the timing and method for the fourth 250-million-barrel increment being deferred.

Last year the Congress in the Energy Security Act directed the President to immediately undertake and continue crude oil acquisition, transportation, and oil injection activities at a minimum rate of 100,000 barrels per day during fiscal year 1981 and beyond.

In recognition of the vital role that the strategic petroleum reserve can serve in providing for our national security former President Carter proposed the requisite fiscal year 1982 appropriations to achieve an average annual fill rate of approximately 230,000 barrels per day. This rate will essentially fill existing reserve capacity by the end of 1982. This objective is now supported by President Reagan despite its on-budget impact. And the Committee on Energy and Natural Resources support President Reagan. In its March 20 report to the Senate Budget Committee, the Energy and Natural Resources Committee stated:

> The committee supports President Reagan's budgetary totals for programs within its jurisdiction as contained in the administration's proposed budget for fiscal year 1982. Further it is the sense of the committee, in the case of funding for the strategic petroleum reserve, that the committee will move expeditiously to consider and report an alternative off-budget funding mechanism. When such an alternative mechanism is developed by the Committee on Energy and Natural Resources, or any other committee, and is enacted into law, we will support an appropriate reduction in authorizations and appropriations for the strategic petroleum reserve.

Thus I am disturbed, and we should all be disturbed, by the proposed budget reconciliation resolution reported from the Budget Committee which recommends cutting $3 billion of the $3.8 billion recommended by President Reagan for the strategic petroleum reserve (SPR). We support the search for private financing mechanisms, but we must support retention of SPR funds until an acceptable mechanism has been identified and implemented.

The Budget Committee seems to support the SPR on both economic and national security grounds. Moreover the Budget Committee does not appear to dispute the fact that the SPR can provide insurance against the economic dislocations, protection against international blackmail, and a source of fuel supplies for the military during wartime mobilization.

On these points we are in agreement. Where we are in disagreement is that an offbudget mechanism to raise the necessary funds to purchase petroleum is already known. Such is not the case. While several funding mechanisms are postulated, none of the private proposals made so far has been subjected to careful examination. The committee is currently conducting such a review. The hearings began this morning in the subcommittee chaired by the Senator from Virginia (Mr. WARNER). But we do not now have a final proposal. For this reason the committee supports the positions I stated, and for this reason I have offered this amendment to retain the funds recommended by President Reagan.

Mr. BAKER. Mr. President, will the Senator from Idaho yield to me for a moment?

Mr. McCLURE. I would be happy to yield to the Senator.

Mr. BAKER. Mr. President, I wish to ask the distinguished Senator from Kansas if she would permit the time we are about to utilize for a brief colloquy with the minority leader to count against the resolution and not against the amendment offered by the Senator from Idaho?

Mrs. KASSEBAUM. Mr. President, I would be glad to do that.

Mr. BAKER. Mr. President, I thank the Senator from Kansas.

Mr. President, a question arose a few moments ago about the sequence in which amendments would be offered. Let me state my understanding of the parliamentary situation of the agreement in respect to the interchange of the alternating opportunities of Republicans and Democrats to offer amendments.

As the matter stands at this time, the substitute amendment of the distinguished Senator from Idaho, which is a complete substitute for committee amendment No. 9, is pending.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. The Senator from Alaska has indicated that, at the expiration of the time allocated under the act for the consideration of this measure, he will send to the desk and offer a perfecting amendment to the underlying amendment, the committee amendment, not to the substitute.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, the point was made by the distinguished Senator from New Jersey, while perhaps not in literal disagreement with the informal arrangement that we had, that he, too, has an amendment to be offered.

Now, I would propose that we handle the matter in this way: That after the expiration of the time for the consideration of the substitute amendment by the Senator from Idaho, that, indeed, the Senator from Alaska offer his perfecting amendment, as he has already indicated that he would, and that, at the expiration of the time for the consideration of that perfecting amendment and after its disposition, since you cannot have two perfecting amendments pending at the same time, the Chair then recognize the distinguished Senator from New Jersey to offer another amendment.

Now, it is my understanding—and I would ask the Chair on this point—that, unlike other legislative matters, under the Budget Act, in consideration of a budget resolution such as we are now undertaking, there is no prohibition against amending the same language or the same number more than once; provided the amendment is mathematically consistent.

The PRESIDING OFFICER. The Senator is correct. An amendment which makes or maintains mathematical consistency is in order, notwithstanding the fact that it amends the figures contained within the amendment.

Mr. BAKER. Or more than one.

The PRESIDING OFFICER. Yes.

Mr. BAKER. And that they have been amended once before.

So, in any event, after the Stevens' perfecting amendment is disposed of, whether Senator STEVENS wins or loses

under that arrangement, the Senator from New Jersey would have the opportunity to offer an amendment that might perhaps deal with the same numbers.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Or would deal with the same subject.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I have one other suggestion on the matter of handling this. This would, indeed, be the case of two Republican amendments—that is to say, the debate on the McClure substitute and the disposition of the Stevens perfecting amendment—before the other side offers an amendment.

So I would suggest that the amendment offered by the Senator from New Jersey not count as an amendment for the purpose of the alternating procedure that we have carried on so far and, indeed, another minority member, another Democratic Senator, will be entitled to call up and offer another amendment in sequence after the Senator from New Jersey.

Mr. President, that would be my suggestion on how we handle this. If it is agreeable to the distinguished minority leader, the Senator from New Jersey, the manager of the bill, and the manager of the substitute amendment, I would propose that we have an understanding that that is the way we will proceed and ask the Chair if they would honor that representation.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. BAKER. Yes.

Mr. McCLURE. Mr. President, as far as the Senator from Idaho is concerned, I understand the parliamentary situation and it is an appropriate way to deal with the question. I have no objection.

Mr. BAKER. I thank the Senator from Idaho.

Mr. ROBERT C. BYRD. Mr. President, if the majority leader will yield, I think it is an eminently fair approach to the matter.

I would like to be sure that I understand—and I am sure I do, because I have discussed it—that the second amendment which may be offered on this side of the aisle, then, would not pertain to the SPRO subject matter.

Mr. BAKER. That is correct.

Mr. ROBERT C. BYRD. We are not being held only to the second amendment that deals with that.

Mr. BAKER. The Senator is correct. I just thought that if there would be two amendments on this side there would be two amendments on that side. The second amendment would not need to deal with SPRO.

Mr. BRADLEY. Mr. President, will the majority leader yield for a question?

Mr. BAKER. Yes.

Mr. BRADLEY. The perfecting amendment would be in order at the point of the disposition of the amendment of the Senator from Alaska.

Mr. BAKER. That is my understanding.

Mr. BRADLEY. That means, since votes are backed up, that the Chair would recognize the Senator from New Jersey at the conclusion of those backed-up votes for the purpose of offering the perfecting amendment to the committee amendment.

Mr. BAKER. If the Senator would permit me, it is my understanding of the arrangement that if the time for the Stevens amendment had expired before the hour of 2 o'clock, when we have ordered votes backed up until that time, that the Senator from New Jersey would be recognized before 2 o'clock in order to call up his amendment, but he could not have a vote on the amendment until after 2 o'clock.

Mr. BRADLEY. Mr. President, the vote would have to occur on the Stevens amendment. As soon as that vote occurred. I would be recognized for the purpose of offering another perfecting amendment.

Mr. BAKER. Mr. President, I think the Senator is right, now that I think about it, because you cannot have two perfecting amendments pending at the same time. It would require the disposition of the Stevens amendment before you could offer a perfecting amendment which, necessarily, then, would mean that there would have to be a vote on the Stevens amendment. So the Senator is correct. That is the way it would operate.

Mr. BRADLEY. It is correct that if the Stevens amendment is the third amendment in a sequence of five amendments, I would be recognized at the point of the vote on the Stevens amendment or after the vote on the fifth amendment in the sequence.

Mr. BAKER. No. The Senator would be recognized, as I understand it—and I am willing to make provision absent an objection to that procedure—at the conclusion of a vote on the Stevens amendment to call up his amendment and that any votes that may occur after that would occur in the normal course of events. The order that we have on stacking votes simply provides that any votes ordered before 2 o'clock will be stacked until 2 o'clock. So the effect of that agreement will expire at 2 o'clock.

Mr. BRADLEY. I think I understand it and I concur in this arrangement.

Mr. BAKER. Mr. President, I thank the Senator. Mr. President, I thank the Senator from Idaho for yielding.

The PRESIDING OFFICER (Mr. SYMMS). Who yields time?

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President. I will take a brief time further to explain what my substitute does and also the situation as I see it developing here on the floor with respect to the strategic petroleum reserve.

First of all, my amendment does have within it an offset. It requires that the $3 billion to be added in the budget figures be offset exactly by a decrease by all of the rest of the authorizing committees on all areas except defense.

Mr. President, I exempted defense from that suggestion because we all know that it is the expectation that defense spending will rise. So I, accepting that as a given, suggest that the first cuts that are necessary to accommodate the $3 billion increase for the strategic petroleum reserve would be offset by that corresponding cut.

Let me read the language, those who are looking at the amendment, since it is drafted as a substitute, may find it difficult to find the offest language because the substitute repeats all the language in the committee amendment.

But, on the next to the last page of the amendment, you will find this language:

> On page 21, after line 9, insert the following new paragraph:
>
> (30) In addition to the actions required by subsections (c)(1) through (c)(29) each committee of the Senate and House referred to therein shall report changes in laws within their respective jurisdictions sufficient to reduce budget authority by 0.6 percent for fiscal year 1982 and by 0.5 percent for fiscal year 1983, and to reduce outlays by 0.8 percent in fiscal year 1982 and 0.62 percent in fiscal year 1983: *Provided* That no such committee shall reduce budget authority or outlays in function 050.

Mr. President, that is the substance of the amendment to find the additional money that was necessary without increasing the total amount set out by the Committee on the Budget. The Senator from Alaska, in the amendment that I understand he will offer, if I understand it correctly, would add $1.5 billion, with no offsetting cuts. It would leave it below the President's mark for the total budget, but would be $1.5 billion higher than the total amount stated for the budget as reported by the Committee on the Budget.

Mr. President, I yield 5 minutes to the Senator from Alaska (Mr. MURKOWSKI).

(Mr. SYMMS assumed the chair.)

Mr. MURKOWSKI. Mr. President, I thank the Senator from Alaska for yielding.

Mr. President, I wish to express my support for this amendment, which would restore the level of budget authority recommended by President Reagan for the strategic petroleum reserve for fiscal year 1982.

Mr. President, this amendment has been made necessary by the Budget Committee's instructions, contained in the reconciliation resolution to the Senate Energy and Natural Resources Committee, to achieve savings of $3,714,000,000 in budget authority in fiscal year 1982. The simple truth is that the Senate Energy Committee cannot meet the savings target set forth in the reconciliation resolution without eliminating almost all funding recommended by President Reagan for filling the strategic petroleum reserve. The Budget Committee itself—as evidenced by reading its report—assumes about a $3 billion reduction from the level recommended by the President for this important program.

Mr. President, the strategic petroleum reserve is perhaps our most important, near-term energy security program. Established by Congress in 1975, after the shock of the 1974 oil embargo, it is designed to provide our country with

emergency oil supplies in case of future oil supply disruptions. It may not be a perfect safeguard, but, Mr. President, it is certainly the best safeguard we now have.

At a time when the Congress is awakening to the need for an enhanced military capacity, it would be foolhardy to undermine the only real program we have to assure the availability of energy supplies necessary to fuel our fundamental military and civilian needs in case of an oil supply disruption.

Mr. President, I was greatly disappointed that the Senate Budget Committee's reconciliation resolution contained instructions to the Senate Energy Committee which will definitely require a drastic reduction—about $3 billion—in budget authority for the strategic petroleum reserve. The argument has been made that all Congress needs to do is to develop an "off-budget" alternative plan to substitute for the present program. It has been further argued that eliminating budget authority for the reserve in fiscal year 1982 will force Congress to adopt some other oil reserve plan which it otherwise might not do.

Mr. President, I for one am not willing to take this very large risk. Several ideas have already been proposed as to a possible substitute for the present program. They may have merit, but they have already caused great controversy and generated much criticism.

Senator WARNER, chairman of the Subcommittee on Energy and Mineral Resources, has already initiated hearings which began today to consider alternatives to the present program. I commend Senator WARNER for this initiative. As a member of this subcommittee, I intend to work with him and other members of the committee and the Senate in efforts to find a better, alternative program. The point is the legislative process to develop an alternative to the present program has just begun. We do not know what plan—if any plan—can be developed and enacted which is preferable to the present strategic petroleum reserve. The fact is that we are very far away indeed from enacting a substitute program to protect the country against an unexpected oil disruption.

Mr. President, we should not destroy the present strategic petroleum reserve program until we have enacted a substitute. Our national security may very well be at stake. I urge the Senate, therefore, to adopt the pending amendment.

Mr. President, I thank the Senator from Idaho for yielding his time.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I yield 10 minutes to the Senator from New Jersey.

Mr. BRADLEY. Mr. President, I support the amendment offered by the Senator from Idaho. In my view, this is clearly the most pressing national security question before the Senate in this reconciliation process. The need for a strategic petroleum reserve is not understood by the American people. It is not an issue that they have focused on. Yet, if we lose 8 to 10 million barrels of oil a day in the Persian Gulf, the American people would look to the leaders of Congress and ask. "Why has not something been done?" So, Mr. President, anticipating that and looking at the general area of the Persian Gulf and the dangers that are there, I cite only one recent press report from last Tuesday's New York Times. It says that the Iranian side in the Iraq-Iran war has said very clearly that they do not intend to seek a solution, to seek a truce, until Iraq withdraws from the occupied territory.

Mr. President, this is clearly, as I have said, the most pressing national defense issue before the country today. It is an issue that would protect this country if the strategic reserve were filled. If we look at the range of probable threats to our national security, most people would say the Soviet Union is the greatest threat. Yet, if we look at the probabilities of that threat materializing, either in the form of a missile exchange or the invasion of North Asia or Central Europe or Western Europe, I think one would say the probability of that Soviet action is not significant. But if we look at the record in the Persian Gulf in the last 6 to 7 years, where there have been three oil-supply interruptions in 7 years, we see nearly a 1-in-2 probability that an oil-supply interruption will occur again in that region of the world in the next 2 or 3 years. If, indeed, an interruption did occur, the United States would not be prepared. Emergency preparedness is the lost child of energy policy in this country today.

For a year and a half, I have been on this floor calling for us to fill the strategic petroleum reserve, calling for serious demand strength measures to be taken, so that we would reduce our dependence on foreign sources of oil and so we would cushion our economy against the increased probability of that oil supply interruption.

We have before us today a decision taken by the chairman of the Committee on Energy which I applaud, a decision which says we should fill the reserve at 230,000 to 300,000 barrels a day and that the elected representatives of the American public should bite the bullet and spend that money. There is no better way to protect our energy future than to stockpile oil. There is no better way to protect our national security than to stockpile oil.

Mr. President, this is not an easy amendment for the Senator from Idaho to offer. It goes contrary to the Budget Committee. The chairman of the Budget Committee serves on the Energy Committee as well. He has been voting on both sides of this issue, which I understand, because it is an issue that generates mixed feeings. Yet, I think that the vote on this issue should clearly be understood as a vote for national security.

The amendment would restore $3 billion. Opponents of the amendment will argue that there are other means to fill the strategic reserve than to spend money on budget. There will be an argument offered that it is better to spend money off the budget, that it is better not to go through this process but to take it off budget and fund it through the bond market.

I cite another article, from the Wall Street Journal of last week, that conveyed "Bond Prices Fall on Treasury Borrowing and Fear of Heavy Corporate Debt Issues." That is what the headline read.

Clearly, Mr. President, if we are going into the bond market to fill the reserve, it would have a same macroeconomic effect as funding in the budget.

Another approach that has been argued is that we issue oil bonds. Today the proponent of that argument, Representative GRAMM, was before the Energy Committee testifying. There are so many problems with the oil bond solution that it is clearly not a direction we should follow, expecting that it will put oil in the reserve in the next 3 to 6 months to a year. There are enormous complications. In fact, if we project what the Office of Strategic Petroleum Reserve says, as they project a rise in the price of oil over the next 10 years, a 9.95-percent increase a year, it is not even a good investment. So I think we cannot take that route.

Another route would be that we have an industrial petroleum reserve. The question of who owns the reserve, who will draw it down, is also fraught with problems.

The final suggestion is that we allow the oil companies to place oil in the reserve and the Government pay them over a 10- or 11-year period. Mr. President, I respect the distinguished Senator from Kansas, who offered that suggestion, but I would state that the oil companies will fight that in the courts and it will prevent the filling of the strategic petroleum reserve precisely at the time when there is a sufficient slack in world markets that we could fill it even above 300,000 barrels a day.

So, Mr. President, there is no easy answer to this question if we do not bite the bullet.

By seeking to say it can be done in the private sector or it can be done off budget, what we are telling the American people is that there is business as usual in the Senate of the United States; that emergency preparedness is not on the front burner; and that we prefer to think about our energy future 10 or 12 years down the road instead of protecting this country against the economic damage and the national security damage that could accrue from an oil supply disruption today in the Persian Gulf.

Mr. President, I will speak specifically to the amendment offered by the Senator from Idaho. In my view, it merits careful attention and support.

I would prefer, of course, that it not cut the budget with offsets in every area but defense. One can make an argument that the strategic petroleum reserve is one of the more effective defense mechanisms we have available to this country, that the reconciliation measure that has come before the Senate has in its parliamentary form no measure dealing with defense. So we cannot cut the defense number because there is no number in reconciliation.

I say to the distinguished chairman and to the Senate that it would be my intent, on the first budget resolution, to make the argument that this is clearly a national defense issue and that the budget for defense should reflect its fair share of this burden of financing the strategic petroleum reserve, just as every other department and every other committee will bear its fair share.

So, Mr. President, I support this amendment because I believe it is consistent with the will of the Senate as expressed last year. I believe it is consistent with the will of this administration, which sent a $3.8 billion funding for the strategic petroleum reserve.

Does anyone believe that if this administration were certain that it could fill the strategic petroleum reserve out of private financing, it would not have done so? It is not my impression that they have been reluctant to cut the budget. Would they have missed this $3 billion opportunity? I seriously doubt it. I argue that the reason they did not cut the budget in the strategic petroleum reserve area is that there are grave reservations as to whether they could get the oil in the reserve if the budget were cut or if it were done off budget or in the private area.

So, Mr. President, I am supporting the amendment because I believe there is no better way we can spend an energy dollar than to stockpile oil in view of the situation in the Persian Gulf and the probability of an oil supply disruption. There is no better way we can spend a dollar in the short term to protect our national security than to have oil in a stockpile that can be drawn out to cushion the effect of that loss of oil on our military, not to mention our economy.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BRADLEY. Mr. President, I strongly support this amendment. It is my intention to fight for a $3 billion figure even if the amendment of the Senator from Alaska is accepted by the Senate, and the agreement provides that.

I ask the chairman if, pending further discussion with him, he would yield the floor back to me for another minute, at which point I would consider asking for the yeas and nays on the underlying amendment.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. I will withhold that judgment for the moment. I will discuss it while an opponent of the measure is speaking.

The PRESIDING OFFICER. Who yields time?

Mr. SCHMITT. I should like to enter into a colloquy with the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, on the time of the resolution.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. QUAYLE). Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, if my distinguished colleague from New Mexico would spend a minute or so, I should like to ask a few questions to try to clarify some of the background and thinking on the issue of the strategic petroleum reserve.

As I recall, the concept first surfaced as a serious concept back around 1974, in the Nixon-Ford administration. At that time, the objective was to create a reserve that could provide about a million barrels a day for about 6 months. As I recall the estimates at that time, they felt it would cost about $6 billion to do that.

Is the Senator's recollection roughly along those lines?

Mr. DOMENICI. I believe the Senator is correct.

Mr. SCHMITT. Has that objective changed? Is that still roughly the objective of the strategic petroleum reserve, should it be funded?

Mr. DOMENICI. Obviously, the part that is no longer operative is the cost. The overall goal is correct.

I am delighted that the Senator is asking these questions, because I should like everyone to know that to this point we have spent about $4 billion. If the proposal of the Senator from Idaho prevails, we will have spent $12 billion by 1933.

Mr. SCHMITT. That is about double the cost when it was first considered by the Nixon-Ford administration in 1974.

At that time, I was director of NASA's energy research and development programs and entered into a discussion with the then Federal Energy Administration as to whether this expenditure of then $6 billion, now $12 billion, really was the most cost-effective way of providing a strategic reserve capacity.

At that time, after considerable study, I concluded that the answer was no; that if you had $6 billion in 1974 to spend, you could create, through some mechanism, so long as the money was available, a productive capacity from normal well production of about a million barrels a day for the duration or the life of a field, which varies, but it can be as much as 20 years, averaged over that period of time.

So it never made much economic sense to this Senator at that time to invest the money in putting holes in the ground to establish a million-barrel-a-day capacity for 6 months when, for roughly the same cost per barrel, you could create even an offshore capacity for producing about the same amount of oil.

It is my understanding that if you had $12 billion today, you probably could do a little better than that in terms of creating an actual productive capacity in the offshore, even with inflation of drilling costs and production costs.

Mr. DOMENICI. I believe the Senator is correct on economics.

I believe there would be an argument that, obviously, this would be totally under the control of the Government. It would be assured. It would be there if you needed it.

The Senator and I are now discussing what could happen in the marketplace in terms of offshore production for the dollars.

Mr. SCHMITT. The point is that in the kind of national emergency we would face when we would want to draw off our strategic petroleum reserves, I find it hard to think that we would not also be able to draw off any inherent productive capacity that existed domestically.

Perhaps the Senator can imagine a few scenarios in which the strategic petroleum reserve might be used as leverage in international situations, but I believe it would be far less of a capable lever than the existence of a domestic productive capacity which, just its very existence, would have an influence on world affairs far beyond anything that $12 billion of oil in the ground, which would only last 6 months at a million barrels a day, would have.

Mr. DOMENICI. The Senator is correct.

Huge investments are being made, onshore and offshore, in an effort to increase capacity, and everyone is counting on that to cut our daily requirements for importing.

The Senator is suggesting that to the extent that $12 billion was invested directly, with the idea of counting that $12 billion as an increase, that would not otherwise be available and it would produce more than the reserve and would be available. I believe the Senator is correct.

Mr. SCHMITT. I am saying that there are indirect ways in which the industry could be encouraged or is being encouraged to expand those levels of resources for exactly that purpose.

I believe it would be important in this context to separate a strategic petroleum reserve from other types of strategic materials reserves. The basic element of distinction is in the quantity you need for that reserve to have any significant influence.

Frankly, I do not believe that 1 million barrels a day for 6 months will have a significant influence on anybody anywhere in the world, in terms of their making a decision as to whether or not to utilize an embargo as an instrument of their foreign policy directed to the United States. The only thing that is going to influence that is if they know we have the inherent productive capacity to last beyond 6 months. If 6 months is all we have, I see no way it can influence the basic foreign policy decisions of this country.

However, when we look at other types of strategic materials that require far less volume to have a multiyear influence on the ability to sustain industrial production, then the strategic reserve makes sense.

However, when you are talking about energy which is required in extraordinary volumes to last for multiyear periods, strategic reserves, or the concept that is being discussed here, do not make any basic philosophical sense.

I am a strong advocate of a new look at our strategic mineral reserves, absent the minerals, as we geologists call them, such as oil and natural gas. But a stra-

tegic reserve for oil and natural gas that will last only 6 months does not make any sense.

What it makes sense to do is to concentrate our energies—legislative, economic, and otherwise—on encouraging and insuring that there is an inherent domestic productive capacity that can provide for our essential energy supplies in any kind of embargo or interdiction situation.

I thank my colleague from New Mexico for his courtesy in answering these questions. I believe that the basic rationale that apparently underlies the Budget Committee's decision to look at the strategic petroleum reserve as cost-effective way of reducing Federal expenditures is extremely well grounded, and I will support him in his efforts in this matter.

Mr. DOMENICI. I thank my colleague.

I yield myself 5 minutes.

Mr. President, I believe the Senator from Idaho (Mr. McCLURE) knows that it is always with reluctance that I oppose amendments or policy proposals that he brings to the Senate. I wish to speak a little about why I think the Senate should reject his proposal of $3 billion put back into the budget and cutting $3 billion in addition to all we have already cut, in terms of instructions to committees.

Everyone should understand that it is two pronged. We have been voting on the floor on issues such as cutting a little out of veterans, a little out of this program or that. The second part of this amendment says that both cuts are not enough, that we have to take six-tenths of 1 percent more across the board, except defense. That is easy enough to understand. Just put your pencil to each of those committee figures, and you will see that in some cases it is a few million dollars and in others it is a few hundred million dollars. That would not bother me if I were absolutely certain that what we have been doing in SPRO and what we are planning to do in the future is right.

I am an advocate of having a reserve. Let me tell the Senate what the McClure amendment would do and why I believe the Budget Committee did not go along with putting the entire Presidential request in.

Everyone should know, also, that if you go along with the Budget Committee you are not going along with the President of the United States on this issue.

First of all, we are talking about 3 years—1981, 1982, and 1983.

There is sufficient money remaining in SPRO funding in the reconciliation instruction to allow a fill rate in 1981 equal to the existing fill capacity of the present places that we intend to store. In other words, we could not put any more in, in 1981 in any event; 168 million barrels is the total fill capacity.

Second, for 1982, the reconciliation assumptions—they do not have to be bought by the committee, they can change and take out of some other energy program—assume they did it; there is $1,047,000,000 in outlays in 1982 for SPRO, sufficient to allow a higher fill rate than 1980.

When combined with a private funding formula, it is obvious that we can be better off than we are now clear through 1982, not tomorrow morning as some would make it appear, not next week, but there is 1½ years for the committees of this Congress, the President of the United States and his Secretary of the Treasury, and financially bright people in this country, to come up with a private sector approach to financing SPRO.

Senator BRADLEY says that if the President thought there was a way would he not have included private sector financing? Let me just say this: Neither his people in the Department of Treasury, nor people in the Department of Energy to this point in time have thought that there is a way. But I am firmly convinced that they really have not taken the broad base of financial talent in this country and asked them how to finance SPRO, whether it is through some changes in the tax laws that would encourage private sector storage in excess of capacity. I am certain they have not asked private financial people, "How can we finance a reserve through the private sector, and then let us find out, after you have told us how, whether the kind of reserve you tell us we will have is adequate or not?"

We have done it backward. We have said, "Can you finance the kind of SPRO we want?" And the kind of SPRO we want is to put oil in the ground. It will be there basically, from the financing standpoint, forever, because we have said you will only take it out in the event of a serious supply interruption, which is a 20-percent shortfall, which might never occur.

Therefore, who can finance that? Who can put money in some kind of futures market? Who can do any of the typical things when you are financing assets that are growing in value that might someday be usable? So it seems to me we have done it backward.

Why do we not get the bright financial people of this country to tell us how it would be financeable, what the conditions imposed on the oil and research are, and then let Congress see if that is not a good reserve?

I yield myself 5 additional minutes.

For instance, what would be wrong if we put oil in 10 years at a time and took a look after 10 years? It would certainly be a reserve equivalent of what we have for the 10 years. That might be financeable and might lend itself to some kind of investment prospect or potential.

In addition, I recall for the Members of the Senate that immediately after the Iranian shortfall, when there was a tremendous pressure in this country to make sure that in particular Eastern America did not run short of fuel oil, the problems immediately after the first Iranian cutoff, not the big embargo, but the next one, when we had run short, the market had plenty of oil in it again. And what happened?

In a period of 2½ months the private sector put in reserve over their normal needs 165 million barrels of petroleum products. When we finish 1981 at the complete maximum fill rate we will have 168 million barrels. Private sector in 2½ months had 165 million more than they needed because they were fearful there might be another shortfall or another cutoff.

We were not even bright enough to get together and say, "How can we encourage them to keep that?" Is there some way we can do like some other countries have done and say, "If you will do that we will make it economically good for you to do it?" We did not. There is authority in the Department of Energy to do it but they have not done it. That authority exists there.

In a nutshell, I can go through the figures and tell Senators what we have and what we do not have. But if we leave the Budget Committee figures alone we have 1½ years to find a solution to the problem. We will have filled at the 1980 rate and indeed we will have filled out the present capacity that we have for strategic petroleum reserves.

I know and I wholeheartedly agree with my friend from Idaho and with the distinguished Senator from New Jersey, who has spent a great deal of time and effort on this, that that might not be enough. I wish we could double the reserves. I wish we could double the amount we are putting in the ground. I wish we had another facility ready right after the ones we have are filled and we had standby right there ready to go.

But the truth of the matter is we do not. There is never going to be any real assurance but obviously we have to proceed. We are not recommending that we not proceed. We are recommending a rather substantial fill for another 1½ years and we still leave over $800 million in 1983 in the event this kind of solution does not reach fruition.

Mr. BRADLEY. Mr. President, will the Senator yield for a comment?

Mr. DOMENICI. I am pleased to yield to the Senator from New Jersey and then I promised the Senator from Kansas I will yield to her.

Mr. BRADLEY. It will be very brief.

The PRESIDING OFFICER. The Senator may proceed.

Mr. BRADLEY. Mr. President, the rationale that the Budget Committee has offered for their action and the rationale that the Senator has offered as an explanation of the Budget Committee's action is what I call the green-eyeshade approach to the strategic petroleum reserve. Sure the American people want to cut the budget. There is no doubt about that. But the American people also expect their Government to protect them against national security threats and economic catastrophe.

The idea you have a sharp pencil out and you write down a cut of $3 billion and you will have $3 billion for something else in the budget is not looking further than the end of your nose if you look at the probability of an oil supply interruption in the next 3 years.

To make the debate on the Senate floor according to the green-eyeshade approach sends the wrong message to our allies where we should be the leader in emergency preparedness, not the one that has to be pushed for demand restraint or for stockpiling.

It sends the wrong message to our allies. It sends the wrong message to our friends in the Middle East who have to recognize that the United States does have a national interest and can express that national interest and can follow policies that protect that national interest.

I think that for the Senate to render a judgment on this issue because you have a sharp pencil out that you are going to save $2.53 billion here and add it somewhere else is not what the American people want. The American people expect this Government to protect their national security and the economic health of our country.

So my only comment to the defense that is offered by the distinguished chairman of the Budget Committee is that I respect him and I know deep down in his heart he is for this program.

I only hope that cooler heads prevail when we come into the first budget resolution because at the time you are spending hundreds of billions of dollars on defense, the most pressing national defense issue remains unanswered if this cut is adopted.

Mr. DOMENICI. Mr. President, how much time does the Senator from Kansas desire?

Mrs. KASSEBAUM. Three minutes.

Mr. DOMENICI. I yield 3 minutes.

Mrs. KASSEBAUM. Mr. President, I would like to say to the distinguished Senator from Idaho, who is so ably leading the Energy Committee, that I would concur with what he has said about the importance of filling the strategic petroleum reserve. As he has eloquently stated, and as has the Senator from New Jersey, I think we all recognize the importance of it to us both for domestic policy and international policy. But I also strongly believe we will never fashion an alternative to direct Government purchase of oil reserves unless budget discipline requires use to do so, and I think, in response to the Senator from New Jersey, the administration, which is now remaining neutral on this issue, would be very pleased to have the initiatives and talents of the Energy Committee directed toward means of filling the petroleum reserve other than direct Government purchase.

I think with all of the ability in that committee I have every confidence it can be done.

This should not be an argument at this time on what means can be found to privately finance the reserve, although I do believe that Senate bill 707, which is my bill, does provide a workable constitutional model from which we can enact and fill a reserve program. But that really is not the debate. I think we do have to decide at this point whether we can expeditiously fashion a workable private financing system, and I strongly believe that we can, and we can do it soon.

I commend the Energy Committee for starting hearings now as to different methods by which we can do this. But unless we stick to the budget discipline, which a majority of the Budget Committee has approved, I do not think we will be able to fashion that mechanism except through the impetus, and given the push, by the Budget Committee.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, how much time does the Senator from the New Mexico have?

The PRESIDING OFFICER. Seven minutes.

Mr. DOMENICI. I would be pleased to yield whatever time the Senator from New Hampshire wishes.

Mr. HUMPHREY. Mr. President, I rise in support of the amendment offered by the Senator from Idaho. I do not believe anyone in these Chambers who is familiar with my past voting record with respect to the Federal budget will deny that I have not been hesitant to support significant cuts in Government spending. However, in considering the Budget Committee's proposal to reduce the administration's budget request for the strategic petroleum reserve by a startling $3 billion, I find that my desire for reductions in Federal spending is overcome by my desire to enhance the national security of our country. For this reason, I, along with 18 other members of the Committee on Energy and Natural Resources, voted to support the President's request for $3.8 bilillon for the strategic petroleum reserve in fiscal year 1982.

The contribution of the strategic petroleum reserve to our national security is well documented. Just 8 days ago, Dr. Alice Rivlin, Director of the Congressional Budget Office, testified before a House subcommittee that although the United States has significantly reduced the rate at which it imports crude oil, we are still very vulnerable to a supply interruption or severe reduction. It was this recognition of our national vulnerability that led to the establishment of the reserve in the first place. Dr. Rivlin testified that in the event of an oil import disruption of 2 million barrels per day, which is the equivalent of approximately 11 percent of our projected oil consumption in the mid-1980's, a reserve of 750 million barrels could avert a loss in our gross national product of approximately 3.6 percent and could avert an increase in unemployment by 1.1 percentage points. In the event of such a disruption, each barrel of oil in the strategic petroleum reserve could mitigate up to $200 in GNP losses.

In her testimony, Dr. Rivlin made perfectly clear her belief that although other policy responses could be used during an oil import disruption—such as rationing or special taxes—no policy would be as effective as the strategic petroleum reserve at minimizing the economic losses resulting from the oil shocks. The Congressional Budget Office is not alone in its assessment of the value of the strategic petroleum reserve. Last year, in its report on the geopolitics of oil, the Committee on Energy and Natural Resources underscored the importance of the reserve by declaring—

> U.S. energy policy should give highest priority to building a domestic petroleum reserve. This belief was reiterated in a report by Harvard's Energy and Security Research Project, which not only emphasized the value of the reserve, but also accurately described the current status of the reserve. "To say that the Strategic Petroleum Reserve is behind schedule," the report states, "is to be guilty of gross understatement."

So that is where we are today. There is widespread agreement on two points: The first point being that the strategic petroleum reserve is of unquestionable value as a means to enhance our national security, and the second point being that we are shamefully behind schedule in developing such a valuable strategic tool. It is in this environment that the Budget Committee has recommended a reduction of $3 billion in funding for the strategic petroleum reserve in the hopes that the Congress will be successful in adopting an alternative method of financing the development of the reserve.

Now there are some strong arguments to be made for pursuing an alternative method of financing. I do not deny that fact. Proposals to issue shares in the strategic petroleum reserve have the advantage of allowing investors to determine if they are willing to assume the risks associated with SPR financing. This would allocate the risk of investing in the reserve in a free-market fashion and would reduce the Federal deficit by attracting private dollars to the project. The risk of investing in the project is described by the CBO as the risk that oil prices will not rise at a rate equal to or greater than the interest rate. If oil prices rise more slowly, then the SPR will not be self financing and its owners will bear a long-term cost. At present, the taxpayers are the owners and therefore the taxpayers assume this risk. By selling SPR shares, the Government would shift the risk to private investors.

Another alternative proposal has been to establish an industrial petroleum reserve. The major advantage to an industrial petroleum reserve is that such a reserve might be more appropriate for smaller supply disruptions—disruptions during which the Government might deem it imprudent to deplete the strategic petroleum reserve. Again, if industry does foot the bill, the Federal deficit is reduced and the accompanying inflationary expectations are mitigated.

Other proposals which utilize various resources of Government such as royalties or revenues from leasing, are not really proposals to go off-budget at all. They reduce direct outlays for the strategic petroleum reserve, but they also reduce revenues flowing into the Treasury.

Some of these proposals have definite advantages to our current method of financing the strategic petroleum reserve which is debt financing. But the point which must be made is that they have their definite disadvantages also. A shares system could lead to attempts to influence the Federal Government's control of the SPR because shareholders would obviously want reserves to be withdrawn when they determine it is at its peak price. Moreover, CBO has cited as the major disadvantage to this method of financing the possibility that the sale of shares might be insufficient to gain the desired level of funding. In such a situation we would be forced to

seek supplemental appropriations by the Congress.

The Congressional Budget Office has also cited serious disadvantages to their industrial petroleum reserve approach. If private companies believe their IPR reserves would be available to them during oil import disruptions, they might be tempted to reduce their conventional inventories. The CBO concluded that such action would seriously reduce the effectiveness of the reserve, and went on to cite other disadvantages to this method of financing.

I think it is clear that we have a situation in which the grass looks greener on the other side of the fence, and, therefore, I think it is important to remind ourselves that each attractive new alternative is not without its drawbacks. They are certainly worth investigating, and the Energy Committee in its report to the Budget Committee has pledged its intention to investigate them. But I am confident that I represent the consensus of the committee when I say that I cannot support a reduction in funding for the strategic petroleum reserve until an alternative proposal has withstood the scrutiny of the committee and has gained the approval of the Congress. Only then, when every possible threat to national security has been addressed, can I support a reduction in funding for the strategic petroleum reserve.

Mr. McCLURE. Mr. President, I have listened to the debate with a great deal of interest.

Let me, in the first instance, indicate that there is an error in the numbers which the Budget Committee staff earlier furnished to me. I understand they have suggested that because we did not take into consideration the way in which the budget treats the public debt and the trust funds, that with no change in the reductions required in outlay reductions, for fiscal year 1983, the figures for budget authority would have to be modified to 1.5 percent for 1982, and 1.4 percent for fiscal year 1983, and the outlay for fiscal 1982 would be increased to 0.7 percent rather than 0.6.

Mr. President, I send a modification to the desk, including the following proviso:

Provided further, That no committee shall be required to reduce budget authority associated with revenue to trust funds: *And provided further,* That no committee shall be required to reduce budget authority nor outlays associated with interest on the public debt.

I send that modification to the desk.

The amendment, as modified, follows:

On page 21 of the committee amendment after line 9, insert the following new paragraph in lieu of the paragraph set forth in unprinted amendment numbered 27:

"(30) In addition to the actions required by subsections c(1) through c(29) each committee of the Senate and House referred to therein shall report changes in laws within their respective jurisdictions sufficient to reduce budget authority by 1.5 percent for fiscal year 1982 and by 1.4 percent for fiscal year 1983; and to reduce outlays by 0.7 percent in fiscal year 1982 and 0.6 percent in fiscal year 1963: *Provided,* That no such committee shall reduce budget authority or outlays in function 050; *Provided further,* That no committee shall be required to reduce budget authority associated with revenues to trust funds: *And provided further,* That no committee shall be required to reduce budget authority nor outlays associated with interest on the public debt.".

Mr. McCLURE. I did not think that changed the thrust of the debate. I think the Senator from New Mexico would agree that those figures are the correct figures.

Mr. DOMENICI. Yes, Senator, if you will yield on my time.

Mr. BRADLEY. Mr. President, will the Senator yield? I did not understand what he was modifying.

Mr. DOMENICI. On my time I just wanted to tell the Senator that the previous percentages we gave him to the extent that our staff was in error we apologize. I think it was a misunderstanding, but I think what the Senator has got now is accurate, and I have no objection to the modification.

Mr. McCLURE. I thank the Senator.

The purpose, of course, in offering the modification at this time is to make certain that no one is misled as to what the effect will be. Because of the way in which trust funds, trust fund moneys, and the national debt are accounted for in handling the account procedure they have a different impact upon the budget authority side than they would have on the outlay side, and it has been to adjust those figures that I made this modification. But the reduction in outlays remains the same for 1982 and 1983, 0.7 percent and 0.62 percent instead of 0.6 percent and 0.62 percent.

Mr. President, I understand what the Senator from Kansas has indicated, but it seems to me the argument he raises simply focuses on which issue do you want the budget process to put the pressure on, put the pressure on the adoption of a substitute method of filling SPRO and, if so, surely the Budget Committee adopted the right strategy. That will have a maximum pressure on finding a substitute way for financing the filling of SPRO. If, on the other hand, you are more concerned about making certain that SPRO is filled, then you should adopt my substitute because that will have the maximum pressure on getting SPRO filled, and it would be those who want to save the money for other purposes who would have the pressure put on them to assist in finding the off-budget mechanism which would then yield the results which the Budget Committee found.

With respect to my friend from New Mexico's saying that indeed that private inventory went up and that that private inventory allowed us to draw down during the period of supply interruption during the turmoil in Iran and the war between Iran and Iraq, he is exactly correct. It worked, and it worked well, and the result was we did not see the price dislocations that many, many people thought would occur.

But let me remind the Senator before this very happy circumstance occurred, when the Shah fell from power, the world went from a 2- to 3-percent surplus of supply to a 2- or 3-percent shortage of supply, and the price of oil doubled overnight.

Had we had a strategic reserve at that time upon which we could draw we would not now be paying the nearly $40 per barrel for oil which we are paying. It would be substantially less than that.

So what would the investment in the insurance policy of a strategic reserve mean to us in terms of our policies in this country?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCLURE. Would the Senator yield me 5 minutes on the resolution?

Mr. DOMENICI. I would be pleased to yield 5 minutes.

Mr. McCLURE. I thank the Senator for yielding that time.

It seems to me we would have saved many times the few billion dollars SPRO will cost.

I do not have any illusions about that cost. I have some concerns about it, as the junior Senator from New Mexico (Mr. SCHMITT) mentioned a while ago. But how much would alternative expenditures yield us? Well, do you cancel your insurance policy because you do some fireproofing in the building? It seems to me we want both. We want to be able to do the alternatives, and we want to have the insurance policy; we want to have the strategic reserve and we want to have the insurance policy of increased inventories in the private sector.

Until we find that magic mechanism which will finance this offbudget, it seems to me the better part of wisdom is to do what the Energy Committee has voted, after looking at this problem in some depth for some time, and to require that SPRO be filled, no ifs, ands, or buts, require that it be filled; provide the money to fill it, and then if we devise that method, which I pledge we will attempt to do, and if we find it, then we can start talking about what the alternatives are.

Mr. President, I yield back the remainder of the time.

Mr. DOMENICI. Mr. President, I would just say to my good friend from Idaho, the Senator has just cited as an example the 186 million barrel reserve over normal storage that the private sector had in place shortly after the Iranian problem settled down, and how salutary that was for our economy.

But I would submit that the present conditions that we impose upon SPRO will not have that kind of salutary effect in the event of a 1 or 2 percent shift in the availability of oil in the world market because, as the Senator knows and as the Senate must know, that oil is in the ground under a substantive law that says it does not come out unless the President declares a national emergency, and that is predicated upon a 20-percent shortfall.

So while the Senator is correct that whatever America could have in reserve will have a good, buttressing effect in this fragile world market in terms of oil, certainly a strategic petroleum reserve with those kinds of conditions is not going to be a buttress for that. It will be the buttress Senator BRADLEY and you and others have spoken of, including

this Senator, in the event of a disaster, a major catastrophe which we have legislatively equated with a shortfall.

In fact, Mr. President, the very conditions upon which we put that oil in the ground, the one I have just described, is one of the reasons you cannot get it financed in the private sector. There is not any way to invest in a futures market or to buy certificates, to hedge on inflation by buying into that reserve, when, as a matter of fact, it can never come out unless there is a Presidential declaration of emergency accompanying a 20-percent shortfall.

That is why the Senator from New Mexico is confident that in the 1½ years that we have, with a very high fill rate, under the Budget Committee's numbers if chosen by the authorizing committees, that we have that time to figure out what kind of criteria does the private sector need from us and do they meet the criteria of a strategic petroleum reserve.

If the Senator from Idaho needs no more time, I will yield back my time. It is my understanding that the Senator from Alaska is now prepared to offer his amendment. Is that correct?

Mr. STEVENS. That is correct.

UP AMENDMENT NO. 28

(Purpose: To restore $1.5 billion in funding for the strategic petroleum reserve and for other purposes)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 28.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 6, line 3, in Section 9 strike paragraph 9(c)(5) and insert in lieu thereof,

"(5)(A) The Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows:

"$2,071,000,000 in budget authority and $106,000,000 in outlays for fiscal year 1981; $2,214,000,000 in budget authority and $2,004,000,000 in outlays for fiscal year 1982; and $3,660,000,000 in budget authority and $3,628,000,000 in outlays for fiscal year 1983;" and

Page 15, line 8, strike all after the semicolon through the semicolon on line 9 and insert in lieu thereof the following: "$3,385,000,000 in budget authority and $2,688,000,000 in outlays for fiscal year 1982;"

On page 2, lines 16 through 18 strike $52,144,000,000 and $36.945,000,000 and insert in lieu thereof "$51,325,000,000" and "$35,545,000,000."

Mr. STEVENS. Mr. President, I request the Parliamentarian to take a look at that amendment to make certain that its form is correct.

I seek to increase the funds in the committee amendment by $1.5 billion. As I stated previously, I have been involved with this program since its inception and I support SPRO.

I also feel that the national security concepts of SPRO are slightly exaggerated at this time. The security situation in the country demands that we marshal all of our funds to procure military supplies and hardware. In that way we can insure our defense readiness and expedite what I call playing "catch up" in many strategic areas as far as the Soviets are concerned.

Further the full funding of SPRO at this time could remove needed petroleum supplies from the market commencing in September. This would tend to force up the price of our petroleum supplies, particularly gasoline, as we go into 1982.

This $1.5 billion would permit the purchase of approximately 110,000 barrels per day on an annual average compared to 230 barrels per day resulting from the administration's proposal.

Were we operating under different circumstances, I would absolutely support Senator MCCLURE's amendment, because I do believe in filling the reserve as quickly as economically possible. I also believe in the approach of the Senator from Kansas (Mrs. KASSEBAUM) in terms of trying to fund the filling of the reserve so it would be off budget. I have done some studies and we have held hearings demonstrating that a number of other nations have, in effect, prepared for energy emergencies by requiring their businesses and their individual government agencies to store a sufficient amount of energy to counter the effects of a supply shortfall.

The real problem though, is the impact of this amendment upon the budget. My amendment would not affect the budget resolution. It is within the limits set by both the committee and by the President, and, therefore, it does not need to address as what Senator MCCLURE's amendment does, the effect of the increase on all of the other committees.

The $1.5 billion will not break the budget resolution, and it is within our goal.

It is possible, incidentally, for us to fill at the rate of 230,000 barrels a day for a period of time under this amendment. The daily rate of fill is not in the amendment. It is the $1.5 billion that would be made available for the program that is in issue.

There are some who argue that more would be saved by quickly securing 230,000 barrels per day. Indeed there might be some savings involved in that plan. I believe that the question of how the money should be spent ought to be looked into by the Appropriations Committee. We ought not to deal with the technical details of the daily rate to fill in the context of a budget resolution. As I indicated, this amendment does not touch upon that issue. It does provide the $1.5 billion that is necessary under my approach to proceed with the program.

I reserve the remainder of my time, Mr. President.

Mr. MURKOWSKI. Mr. President, will the senior Senator from Alaska yield to me?

Mr. STEVENS. I am happy to yield time to my friend and colleague from Alaska. I hope that he understands these unusual circumstances. He has just given his statement in support of full funding. I, too, support that. I just do not think we can afford it right now.

Mr. MURKOWSKI. Mr. President, as I have previously stated, I would prefer that the Senator restore the full $3.8 billion in budget authority for the strategic petroleum reserve recommended by President Reagan.

However, given the efforts we are all making to reduce the Federal budget, I believe now that the amendment offered by my distinguished colleague, Senator STEVENS, is a reasonable compromise and I intend to support it. I thank the Senator.

Mr. STEVENS. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mrs. KASSEBAUM. Mr. President, I yield to the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I would like to direct a question or two to the author of the amendment. I wonder if the Senator from Alaska can tell us what, in his view, will come of the $1.5 billion savings, so-called, which his amendment would generate? I believe I read something in the paper about a move to come up with a billion dollars or two in order that we can restore to our recommendations some of the things which the Budget Committee deleted in following the President's instructions.

Mr. STEVENS. Mr. President, I am pleased to respond to my good friend from New Hampshire. I read the paper, too. There is no connection between my amendment and any other amendment.

As I said, I was part of a hearing the other day on this matter and I have been involved with it in the Interior Appropriations Subcommittee for several years now. I feel the filling should continue. I asked for the amount of money that would permit us to continue at approximately the rate that is being filled right now and that is why I have indicated the $1.5 billion figure.

As far as savings are concerned, I do not think there are savings. We are trying to meet the President at least halfway on this program. When the Budget Committee indicated that it did not support this funding, those of us who supported the program in the past—and I have been one of them—sought to regain a reasonable amount of the lost funding.

This is an alternative to the McClure amendment and not tied into any other package.

Mr. HUMPHREY. I thank the Senator from Alaska for that clarification.

But I would submit, Mr. President, that the temptation is going to be very great for other committees and other patrons of various programs to look at this as $1.5 billion which has been broken and can now be used for other projects.

Mr. STEVENS. Mr. President, I do not see how that could be. I am adding $1.5 billion. My amendment would add a billion dollars and a half to the Senate Budget Committee's resolution. It does not take any away.

I do not understand the Senator's rationale. If I request the Senate to increase it $1.5 billion, where is the savings?

Mr. McCLURE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. McCLURE. It does not seem to me that the substitute which I have offered, or the amendment to the committee amendment offered by the Senator from Alaska, in any way plays to the desires of the people who are trying to develop some package to put some additional spending in any other of the programs. The substitute which I have offered would simply be a wash by adding $3 billion for SPRO and subtracting $3 billion in all the rest of the categories. It would have no effect upon the totals at all but would reduce by 0.6 of 1 percent for fiscal year 1982 and 0.7 of 1 percent for fiscal year 1983 the outlays for all of the rest of the programs except as noted. That would be taken off the amounts that they do have.

The amendment that the Senator from Alaska has offered would simply add $1.5 billion to the budget authority for the SPRO and would, therefore, have gone above the Budget Committee's mark by $1.5 billion, and whatever cushion others are looking at would have been reduced by $1.5 billion, therefore making it more difficult for them to find additional money, I should think.

Mr. HUMPHREY. I thank the Senator from Idaho and the Senator from Alaska for the explanation.

Mrs. KASSEBAUM. Mr. President, I am happy to yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator from Kansas for yielding.

Mr. President, most of the debate we have had on the substitute which I have offered is equally applicable to the amendment offered by the Senator from Alaska. I do not know what we can say in opposition to the amendment of the Senator from Kansas except to say that we have been temporizing with this issue for years. As I noted in my opening remarks, we passed, in 1975, the idea that we are going to have a strategic petroleum reserve. We still do not have it. At various times since then, we have legislated for it. We have always said we are for it, but we have never come up with the money for it.

The Budget Committee, in looking at it this year, said, yes, it is a good idea, we are going to have it, we are going to find some other way to spend for it than out of the budget, however. The Senator from Alaska says, do not find all the money somewhere else, go find $1.5 billion somewhere else.

The Senator from New Mexico, chairman of the Committee on the Budget, indicated that we can keep on filling at the same rate we did in 1980 through 1981 and 1982 with the money out of the Budget Committee but that is the problem, Mr. President. If that is all we do, no more than we did in 1980, the Senate and the Congress as a whole have said repeatedly, that is not good enough.

One of the debates we had with the last administration was that the fill rate was not adequate to meet the needs of the strategic reserve, and we would not have by 1982, or 1983, or 1984, or 1985, or 1986, or 1987, or 1988—not until 1989 would we have a strategic reserve that is minimally sufficient to meet our needs. Mr. President, it does not seem to me that to say that we can temporize with our security requirements is adequate at this time.

I understand what my friend from Alaska is doing. It may well be that that is all the Senate can now do. It may be that the pressure upon other programs is so severe that the Senate will not vote for my substitute. It may be that the pressures for spending and the maintenance for the levels of spending in these other programs is so great that we shall allow the strategic reserve to dangle upon the thread of the opportunity to find some other way to finance it.

The Congressional Budget Office, in testimony before the Subcommittee on Energy and Mineral Resources of the Committee on Energy and Natural Resources, chaired by the distinguished Senator from Virginia (Mr. WARNER), this morning went on record again as saying that these other methods of financing have advantages but they do not look very optimistic; regarding the principal advantage of an on-budget SPRO financing. This is that it is certain. We know when it is going to be accomplished, we know how much of it will be done, and we know our objectives will be met.

If we go to public capitalization, we have no guarantee that the market will buy that approach. Such a funding mechanism has been submitted in legislation in the other body, and the author of that legislation, Representative PHIL GRAMM, was before the same subcommittee this morning, saying, "I know it will work. Well, that is, I believe it will work." And he bases his belief upon the track record that if future oil price increases are as great as past oil price increases, then the people who would invest in SPRO would, indeed, make a good return on their investment. But the whole exercise is to try to guarantee that we do not repeat that in the future. The whole exercise is to make certain that it does not go up that much in the future.

So, will they? Or will they not? I do not know. We are going to explore that. I hope we can find the means by which we can induce private investors to invest in SPRO, off budget. If we cannot, then where do we look? To some kind of a development of an industrial petroleum reserve?

I know the distinguished Senator from Kansas (Mr. DOLE), chairman of the Committee on Finance, is very interested in finding tax mechanisms that would induce businesses to do what we want done here, in terms of building up reserves, but to do it without budgetary impact that is the question before us. There are some great strengths in doing it that way.

Have we developed that yet? No. Have we talked about it? Yes. Have we studied it? Yes. Have we found the answer? No. It is just that difficult.

Do we mandate private contributions to SPRO? There are those who argue that as a matter of fact, we have the right, indeed the urgency, to compel people to do what they do not want to do and require them to invest in a publicly held but privately financed reserve system. As has been earlier pointed out here on the floor, that is subject to its own constitutional, legal, and ethical programs.

So, what are the alternatives, Mr. President? As chairman of the Energy and Natural Resources Committee, it is my responsibility and my pledge that we shall continue to examine these alternatives with a heightened sense of urgency. Whether this substitute that I have offered passes or not, whether the amendment offered by the Senator from Alaska passes or not, we are going to explore the alternatives and we, perhaps, will be able to develop the means by which we can finance the strategic petroleum reserve without having it financed through direct payments from the Federal Treasury.

But I have no illusions about whether it will be easy. If it were easy, it would have have been done. It is not going to be easy. But that does not minimize by 1 minute my determination to embark upon that task. If we can find something that looks promising, we are going to try it. Perhaps that is the answer: We shall try something. We shall see whether it works. But we shall not know until after the fact whether it is going to work. Meantime, the security of the United States will have been diminished to some degree.

How short our memory is around here. In 1973, in the fall of that year, in spite of all the best intelligence of ourselves and our friends, the Israelis, a war broke out. As a result of the unity that was forged by that common conflict, the Arab oil exporters embargoed the United States because of our support from the combatants on the other side of that war. Our fleet operating in that area, trying to protect our own interest, was unable to buy oil from the normal supplies in that area. And our fleet, to protect our interest, was unable to operate for more than 2 weeks. Two weeks to protect our interest means that war had to be over pretty quickly, did it not? Or our interests would have been beyond our capacity to protect.

It seems to me, Mr. President, that if we had looked at that, we would have built with greater urgency those mechanisms which are necessary to make certain it does not happen again.

I shall support increased spending for defense because I think it is essential. But as the Senator from New Jersey has pointed out, there is nothing more essential to our defense than an adequate supply of petroleum to keep our defense forces moving, capable of defending us. We will indeed be voting in the next weeks and months on additional ships for the Navy.

I say now to those members of the Armed Services Committee that I shall support those efforts to make as many of those ships nuclear powered as it is economic to do, with the idea that when we have nuclear powered surface and submarine ships, we do not have to send tankers halfway around the world to resupply them. They can contribute to the solution instead of being part of the problem.

Even if we do that, we still have to have petroleum requirements to keep our fleet moving, to keep our airplanes flying, to keep our tanks and armored personnel carriers moving in the direct military sense, as well as in the ability to keep our civilian economy vibrant and alive and capable of supporting whatever may be necessary.

A 1-year reserve is not a large reserve. A billion barrels in reserve is not a waste of money. It is, at best, only a means by which we minimize the dangers to our country that might come about as the result of hostile action in other areas of the world. Who can say that we were not close to a blockade of the Straits of Hormuz last year, when President Carter threatened to use military force if that happened?

Was he talking just because there was a campaign coming up? I do not believe so. I did not believe it then; I do not believe it now. He was talking because there was a very real possibility that hostilities in that area of the world would get out of hand and that the shipment of oil through the Straits of Hormuz, whether it be from Iraq or Iran, would be viewed by the other combatants as somehow strengthening their capacity to fight the war; therefore, there was a real possibility that one of the two would move to interdict that oil supply and, in so doing, interfere with the supply of oil coming from other of the gulf states that are such an important part of the total energy supply for our friends in Japan and Europe, and to ourselves.

Mr. President, it is not a waste of money nor a usefuless effort to build a strategic reserve. It is absolutely essential to the security of this country.

So, Mr. President, while I understand what the Senator from Alaska is doing, and it may well be that that is the best the Senate can do, it is only a half step, buying us some time.

I hope the Senator from Alaska will agree with me that if his amendment is adopted, it will not be our intention to spread that fill over the entire period of 1981 and fiscal 1982 at an even rate, financed only at slightly better than a 100,000 barrels a day, as we were doing in 1980, or at the 150,000 or 160,000 barrels a day his amendment would permit, but that we would fill it as rapidly as possible.

While the Senator from New Mexico indicates that we will have filled existing storage facilities before the end of 1982, at the funding authorized by the Budget Committee within their assumptions, we are embarked upon building more storage facilities; and if we get those next two units online as is projected we could fill at the rate of 230,000 barrels a day through all of fiscal 1982, and that should be our objective, not a lesser figure.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. McCLURE. I yield.

Mr. STEVENS. The distinguished Senator from Idaho is chairman of the Subcommittee on Appropriations, and there are other items in that portion of the appropriations process that might not be funded in substitute for fully funding SPRO.

It seems to me that there is a possibility that Senator McCLURE, being a member of the subcommittee, might find even more than $1.5 billion before we are finished with this process.

I would not disagree with him about the rate of filling, except that I hope our committee will look into the question of the impact of increasing the 120,000-barrels-a-day drawdown to fill SPRO upon gasoline prices this fall. I still believe there is an economic limit and that we should not cross the line at which we start exacerbating the problem of rising fuel costs.

We are basically in agreement and are trying to accomplish the same end. I believe that if we look at the energy budget and other portions of the budget within the jurisdiction of the Appropriations Subcommittee, we could very well find that, notwithstanding this limitation on the function of the Energy Committee, we can find additional moneys in the appropriation process to allow for filling at a greater rate.

Mr. McCLURE. I say to the Senator from Alaska that, yes, there are other restrictions and opportunities.

The available facilities to fill is one of the restrictions. We have to appropriate money and keep that program online in order to create two new facilities into which this crude oil would be placed when purchased. We still have to do that.

We have other opportunities in which we might find additional money to make certain a facility is available, as well as the money to buy the oil. There are some alternatives, which have been discussed at various times, about the Federal Government putting its own royalty oil in the reserve, rather than going out into the market and buying it.

It has the same effect upon the budget, because it denies the Treasury the income from the sale of that oil; but, at the same time, it reduces the amount it would have to pay to buy it in the open market.

Second, now is a good time. The markets are relatively soft. There is a supply that exceeds demand in the world today, and this is a good time to buy.

I have never believed that we should mandate a fill-fixed rate of so many barrels a day without regard to market conditions. There are times markets are tight and times they are not. The administration should have enough flexibility to deal with that.

The demand for a fill-fixed rate came out in the frustration of the last administration, that they were not doing anything. We had to mandate 100,000 barrels a day in order to get them to do that.

The new commitment President Carter expressed last year, which has been reaffirmed by President Reagan, has been a welcome commitment to filling at the rate of 230,000 barrels a day, but it is not a fixed and rigid amount. It would depend upon market conditions, and I do not believe any of us want to see the consumer market adversely affected unduly.

Again, had we had this kind of reserve when the regime of the Shah of Iran fell and we suddenly went from a 2-percent surplus to a 2- or 3-percent shortage, we would not have seen the price of oil double. It would have increased, but it would not have gone up twice, and the American consumer might have been protected by having his prices protected slightly, by having an adequate fill rate, rather than by having no reserve at all.

Mr. President, I will indicate what my intentions would be. Our parliamentary situation is this: I have offered a substitute for the committee amendment. It includes the restoration of the $3 billion which the Budget Committee has removed. It offsets that $3 billion by a decrease in all the remainder of the programs, save defense, which, as the Senator from New Jersey has mentioned, is not before us in this budget reconciliation.

I have sent to the desk a modification that would carry with it the corrected figures which the Budget Committee has advised me are necessary to effect that result. It would be a 0.7-percent reduction in outlays for 1982 and a 0.6-percent reduction in fiscal 1983. There are slight increases in the original figures so far as budget authority is concerned but not in outlays for those same years.

Mr. President, the Senator from New Jersey has indicated that he wants to have a vote on the $3 billion restoration regardless of what happens to the amendment of the Senator from Alaska. The Senator from Alaska, instead of adding the $3 billion, would add half of that back, but with no offsetting cuts. A vote will occur first on the perfecting amendment to the committee amendment offered by the Senator from Alaska.

The Senator from New Jersey has indicated that he wants a vote on the $3 billion add back. Rather than have the vote occur upon the substitute, it would be my intent that if he does not do so, I would do so, to offer a perfecting amendment to the committee amendment following the vote on the amendment by the Senator from Alaska, so that any vote would occur on my proposal, not on a substitute, but upon a perfecting amendment to the committee amendment.

I can explain in some detail, if anybody wants to know why I would do it that way, rather than voting on the substitute. It has to do with the procedural effects on the remainder of the bill. I announce that that is my intention so that people might be advised before we get to that point. Thereupon, it would be my intention to withdraw the substitute in order to avoid those other consequences, which I do not believe anybody wishes to have happen, in the event it should be adopted.

Mr. STEVENS. Mr. President, my

amendment will permit the continued filling of the strategic petroleum reserve at approximately the rate it is being filled now.

I concur with the statements made by the Senator from Idaho, but, I do not think that this is the time to increase the spending for SPRO. We do need increased spending in other national defense areas. I believe we must support the Budget Committee to the extent possible, consistent with our national security requirements.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. STEVENS. I yield.

Mr. McCLURE. When the Senator says we should continue filling at the present rate, we are talking about using the available money to continue to fill as rapidly as possible, rather than spread it over fiscal 1981 and 1982.

Mr. STEVENS. I leave that up to the committee process. I do not believe we can determine this in the budget resolution. We are just talking total dollars amount.

Mr. McCLURE. I understand that. I am trying to get a feeling on the part of the people here today as to whether we are going to reduce the rate at which we fill or whether we are going to maintain the rate at which we fill while we explore the alternatives that have been suggested for financing, other than direct budgetary expenditures.

Mr. STEVENS. It is my feeling that after the hearings and appropriations process we should mandate continued filling at the maximum daily rate possible consistent with the money available and its impact on consumer pricing. These factors need to be ascertained as a result of our hearings process.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. STEVENS. I do not disagree with the Senator in terms of the rate. I just raise the question of what is the impact going to be on consumer pricing if we accelerate the actual rate. We are not filling it 230 right now.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. STEVENS. I yield.

Mr. McCLURE. I think there is a feeling on the part of some that if the funding is reduced they somehow will be averaged over the total number of days remaining in 1981 and fiscal 1982 and it will be averaged on that daily rate.

The point I am trying to make is that we can fill ahead of that daily rate at the maximum feasible rate until the money ran out and, therefore, increasing our strategic reserve as rapidly as possible, bearing in mind the considerations which the Senator has expressed and in the meantime trying to find the alternative financing method that can pick up at the end of that period of time rather than waiting at the end of fiscal 1982.

Mr. STEVENS. I concur.

Mr. McCLURE. I thank the Senator.

Mr. STEVENS. I do not think that the $1.5 billion is the maximum that we can reasonably allocate under the budget process. It may be that we can bring about savings within the appropriations process that will accelerate that even further.

I do not want to make sure that the Senate understands that this does not mean that we will necessarily come back with a bill from appropriations that will allow only $1.5 billion for this project. We could effect some savings in the Energy Department items and actually bring back a bill from appropriations that would not be subject to a budget point of order.

Mr. President, I know of no one who seeks time on my amendment to support it. I do not believe it is the most sensible approach right now, in view of the problems we face, but under the circumstances, I yield back the remainder of my time.

Mr. McCLURE. Have the yeas and nays been ordered?

Mr, STEVENS. No; I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I yield back the remainder of my time.

The Senator from Kansas has additional time.

Mr. CHAFEE. Mr. President, I ask the Senator from Kansas, does she control the time in opposition?

Mrs. KASSEBAUM. I control the time in opposition.

Mr. CHAFEE. I wonder if she will yield me 3 minutes.

Mrs. KASSEBAUM. I am happy to yield to the Senator from Rhode Island.

Mr. CHAFEE. I thank the Senator.

Mr. President, I rise in opposition to the amendment. As you know, we are working under very tight constraints here where we have come in under the President's budget because of the SPRO. It does not leave us much maneuvering room.

Mr. President. I have an amendment coming up, which I believe has considerable appeal to those here, which would provide add-ons in fiscal year 1982 and outlays of $973 million.

These add-ons deal with low-income energy assistance, health services, elementary and secondary education, weatherization, community development, UDAG, block grants, which in effect would restore the amount that the President originally asked for, and mass transit.

Mr. President, I say to Members here that if this SPRO amendment add-on for $1.5 billion passes that reduces the chances it seems to me for the add-ons that I have proposed, and I personally feel that we can get along without the additions to SPRO, to the strategic petroleum oil reserves, that have been suggested and feel that these items that I have proposed in this package along with my chief cosponsor, Senator HEINZ of Pennsylvania, are more important to the citizens of our country in the fiscal year 1982 and the fiscal year 1983.

So I urge my colleagues to reject the amendment proposed by the senior Senator from Alaska.

I wish to thank the lady Senator from Kansas for allowing me this opportunity.

Mrs. KASSEBAUM. Mr. President, I wish to comment just briefly because we have heard these arguments.

I wish to say to the Senator from Idaho that I am sure that none of us wish to leave the strategic petroleum reserve dangling by a thin thread.

I have great confidence in the Senator as chairman of the Energy Committee that I feel very sure that, indeed, it will not dangle and that he will find a means by which it can be filled by private financing.

In talking to the amendment of the Senator from Alaska, it is really a question of half a loaf and is it any better? Or are we just further putting off what I feel is an important direction to go? It seems to me it really does not satisfy either side of this argument.

The Senator asked if we were focusing our attention in this debate on whether we should find other means by which to fill the reserve or whether we should fill the reserve. I think the focus is already on filling the reserve and that there is agreement to the importance of that.

But I still maintain that if we do not exercise the budget discipline that I feel is necessary to direct us to alternative methods for filling the reserve we will continue to resort to direct Government purchasing. True, other methods have been discussed and have not been found feasible, but neither has there been the incentive to absolutely find the other measures by which it might be possible.

I feel that the Budget Committee has left in enough revenue to provide the transitional funding that is necessary. As has been pointed out, the proposal provides for a fill rate equal to the fill capacity in 1981.

In 1982, $1.047 billion is provided in the Budget Committee proposal which is enough to provide substantial transition funding. It is not enough, I agree, to fill the reserve to capacity that the Senator supports and that I support.

But I do not believe the amendment of the Senator from Alaska just adding half the amount really solves either problem that we wish to address. It does not provide the funding that I think will be necessary to give us the latitude that we need in a substantial strategic petroleum reserve, nor does it address the need for the Energy Committee to exert its full effort in finding alternative methods for funding the reserve.

Is there anyone else wishing to speak in opposition?

Mr. DOLE. Mr. President, if my colleague will yield, I wish to propound some questions to either the Senator or the distinguished Senator from New Mexico, and it does not make any difference, or both, but I am one of those who has been sort of leading the charge, along with the Senator from New Jersey—in fact my staff tells me I made about 19 statements on SPRO on the Senate floor trying to get the last administration to speed up the fill rate and now I am in somewhat of a dilemma. I do not want to do violence to what we are trying to do with reference to the budget process. But can someone advise me if everything is defeated then what is

the status, if the Senator from New Mexico can tell me what happens then?

Mr. DOMENICI. Yes. If Senator STEVENS' fails and Senator MCCLURE's fails, the money left for SPRO in this reconciliation is sufficient to allow the fill rate in 1981 equal to the existing fill capacity, that is, about 168 million barrels in total fill capacity. There will be $1.047 billion left if nothing else, if both amendments fail, in outlays in 1982. That is sufficient to allow an even higher rate of fill than the 1980 fill rate if we combine it with only a meager private sector approach. Certainly some part of this is going to be fillable by the private sector, resulting from some enticement to retain inventories in excess of normal. In addition, when we are all finished with that if Congress did nothing else, there would still be $820 million in 1983 left in these projections.

Mr. DOLE. At what rate? Is that 110,000 or 115,000 barrels?

Mr. DOMENICI. At that very end in 1983, if nothing else happened, that will be between 70,000 and 85,000. But that is the lowest and that would be in 1983. That would be 1½ full years before that occurred during which time we could be looking at alternatives and, as the Senator knows, because he comes to the floor understanding this process, if that happened, we are not stuck in concrete. The worst that could happen is that the Energy Committee would have to change the level of authorization for SPRO and then we would go look, and if it did not come through, and I am confident it will myself, but if it did not, we can come back through this process and change it again. There is not anything around here that is binding forever. We just believe the only way to get off this idea of paying for it dollar for dollar and putting it in the ground under a national law that says you cannot ever take it out unless there is a national emergency, and a 20-percent shortfall is the criteria, is to make some good faith effort, which I am confident the chairman will attempt. But, you really do not have the pressure on to try to find some way to take that valuable asset, which is increasing every year, and avoid putting the taxpayers' dollar in the ground to increase the amount of that oil, which cannot even be used. There is another way to do it. That is what the whole theory is.

Mr. BRADLEY. Mr. President, will the Senator yield?

Mr. DOLE. I just ask one more question.

Mr. DOMENICI. Sure.

Mr. DOLE. There has been a lot of talk about national security, and the way this is designed we will almost have to be in a war before we can use it. It would not have to be an armed conflict but border on that. Has any thought been given to somehow charging this to defense? It seems to me that, in effect, is what it is. Has that been considered by the appropriate committees?

The PRESIDING OFFICER. The time has expired. All the time on the amendment has expired.

Mr. DOMENICI. Mr. President, I yield whatever time I need on the resolution.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I hope that Senator MCCLURE, Senator BRADLEY, Senator DOLE, and four or five other Senators who have had a very, very grave concern in this area, and some House Members who have been concerned, would take the message from the Senate in the event the Budget Committee prevails as a serious opportunity to sit down and explore all avenues, one of which obviously is the one the Senator just suggested.

Here we are, our new President and his Secretary of Defense, as the Senator knows, saying we need to increase our military. I do not think there is any doubt about that. I think the people clearly expect that has to happen. But we have not responded by saying, "What about the strategic petroleum reserve?" Nor have they.

We merely said, continue as they have and let the Department of Energy do this and let them own it when it is finished and let them be the ones who have to allocate it in the event we have this crisis the Senator described.

I think it is a very good time in our international history and in our fiscal history to be realistic about where this money should come from. It is still going to be tax dollars, and we understand that. But it might very well be that they themselves could produce some of the flexibility in terms of its use that is lacking now. Maybe if it were military, it would not have to be in the ground pending the crisis the Senator has spoken of. Maybe in 4 or 5 years they will asssess their needs and assess the world and decide they want to use part of it, all of which would make it far more palatable to those who are very concerned.

We will have $12 billion if the McClure amendment passes; with $3 billion put back in, the President's recommendation, we will have $12 billion authorized to be spent for SPRO at that point in history.

I think you would acknowledge if we are on that course we have barely begun. That certainly is not the reserve of the type that anybody has said we ought to have. This Senator believes the fill rate that is going to be remaining, if these amendments are defeated, is enough to stay on the path; that allowable money, the authorization money, is enough for the appropriators to increase the fill. It will not be there for a long time, but for a year or so, an increased fill rate will be there while we put the pressure on to see what is a better method than doing it this way.

Several Senators addressed the Chair.

Mr. BRADLEY. Mr. President, will the Senator yield? Let me address the Senator's concern about national security because I think it is a real concern and, as I said earlier, budget action reduces outlay by $3 billion in the SPRO, and it is a green-eyeshade approach to national security. It is an attempt to save $13 billion for a short-term budgetary reason.

Let us just try to think this through. If we have a threat to our national security a likely area where this threat might be manifest is the Persian Gulf. If the threat indeed is manifest in the Persian Gulf we will more than likely lose oil supplies. If we lose the oil supplies we will not be able to mobilize our military to the degree that we would if we had oil and, therefore, our effectiveness in defending the Persian Gulf area will be impaired.

The point is that it makes no sense to spend $150 billion for weapons procurement, $184 billion on defense, and not spend $3 billion to buy oil and put it in stockpile. It is as simple as that.

I might point out for my distinguished chairman of the Committee on Finance, because I know he is interested and I know he has been on this floor with me any number of times calling for the fill of SPRO, that this position of defense mobilization but no oil stockpile is precisely the position the Japanese found themselves in at the time of Pearl Harbor.

So I think there are compelling national security reasons to fill this strategic reserve. I think it makes eminent sense to take it from the defense budget. Indeed, it is a defense measure, and it is clearly the most pressing and immediate threat to our national security.

I would also like to address the response of the distinguished chairman of the Budget Committee. How will things be affected if we only partially fund this? Well, one way they will be affected is that purchase of oil for the strategic reserve is long term, 6 months, 9 months, 12 months. You have to know the money is coming before you can buy the oil. If you cut it off, and when Congress sees the message the budget is going to be cut, that will affect that process.

Second, I think the price for the oil is directly related to a steady purchase. If you cut it off and start it again you are going to be buying oil at a much higher price, and more than likely are going into the spot market to buy the oil.

These are not insignificant economic considerations, in addition to the national security considerations I mentioned.

Mr. DOLE. I thank the Senator.

Mr. MCCLURE. Mr. President, will the Senator yield? The Senator from New Mexico has correctly said that filling at the existing fill rate for which there is enough money will fill the existing storage capacity. But what he has not said is that there is a phase 2 to storage capacity that has been authorized, it has been funded, and it is intended to expand that storage capacity. The money made available under the budget resolution would not include the money that is necessary to buy the oil to fill that storage which will be made available during fiscal 1982.

So we should not leave a misperception that the Budget Committee money will fill all of the facilities which will be available during 1982. If we do not find more money, there will be facilities built, available, and ready to be filled but no oil to put in them.

Mr. DOLE. Do I understand that phase 2 will happen in fiscal 1982?

Mr. MCCLURE. It is underway now and it is happening in fiscal 1981 and in fiscal 1982.

Mr. DOLE. I appreciate the comments by all three Senators.

I guess what the Budget Committee is suggesting is that we just sort of postpone this for a while on the assumption that something will happen, and I mean that sincerely, that something, that the administration of the appropriate committee will devise a plan where we can get to the fill rate of 230,000 barrels per day; is that accurate?

Mr. DOMENICI. That is absolutely correct.

Mr. DOLE. You are confident that that will happen?

Mr. DOMENICI. Senator, I am confident that this country should insist that that happen, and there is no way it is going to happen until we decide we are not going to put this many billions of tax dollars into the ground.

If we put the people of this country, the best financial people—this President and his Secretary of the Treasury, with the kind of Americans with financial innovativeness—to work on it, because Congress has said, "We are just not going to do it this way."—I am confident they are going to find a way.

The 230,000 barrels the Senator mentioned, I am not confident that that is going to go into the ground in the way we have done it in the past.

I mean there have been plenty of problems with that, and there are plenty of people who are not so sure it is going to work after you got it in there. I am saying we need a reserve buildup very soon at about that many barrels a day. Whether it comes with increased private sector storage that is projected and that they receive some kind of incentive to do it, along with some kind of a private financing with certificates of deposit or futures so you can also put it into some kind of a reserve of this type, when you combine them the goal ought to be what you described.

I would also say, when the good Senator from New Jersey suggests a scenario where our fleet does not have enough oil at some point because of a temporary interruption, even he is not suggesting that this would be available for that because it is obvious that Congress would have to change all the laws on the books because that will be available in the event of a 20-percent shortfall and a declaration of national emergency.

We produce 8.5 million barrels a day domestically. That is where you would get the oil for that fleet, not out of the salt domes that handle this oil now in the event of a very short interruption.

But it is an economic situation if we have a long term, long interruption we have all been talking about. To mix that with our 8.5 million to see how we can minimize the economic catastrophe we have is what I am talking about.

On the other hand, the military might want a reserve which, I think, we have been discussing here, which could be completely different. It could be the very reserve we are speaking of, but it would be a reserve nonetheless. If the military got into a bind on a temporary basis, they would have more supply than they have been presently buying. They have a pretty good reserve now.

Mr. DOLE. Do I understand the chairman correctly that if the Appropriations Committee decides to speed up the fill rate and, perhaps, in 8 or 9 months at a speeded-up rate it will run out of money, is the Senator prepared, as chairman of the Budget Committee, in a timely fashion to come back to Congress, if we have not worked out some plans, the administration has not worked out some plans, to either through a supplemental appropriation or some legislative appropriation ask for additional money?

Mr. DOMENICI. I am prepared. I do not know precisely what event would occur, I do not know if it is the second concurrent budget resolution in August or September, but the answer to your question is "Yes."

Mr. DOLE. I would be happy to yield the floor.

Mr. BRADLEY. I would like to ask the distinguished chairman of the Budget Committee does that mean the chairman of the Budget Committee would come back to the floor of the Senate and request the extra $1.5 billion to finance the strategic petroleum reserve?

Mr. DOMENICI. I did not say that. Senator DOLE asked me the hypothetical in the event the Appropriations Committee wanted to take the money that is left for the strategic petroleum reserve, absent the new money from the Stevens amendment, absent the new money provided by McClure——

Mr. BRADLEY. The money that is left.

Mr. DOMENICI. The money that is there, can they provide that in a manner that would increase the daily fill, and my answer was yes. But it would certainly run out sooner than the year and a half I have described.

He asked if that occurred and we had not found some private sector, some financial approach, some combination of military, the old idea of SPRO and some private, and we had none of those in place would I be disposed to support continuing the fill, which would mean we would have to add budget authority to the Energy Committee, and my answer was yes.

I did not want to commit to what point in time. At first, it seemed like the second concurrent next year sounded right. I did not want to limit that to that. That is pretty quick, it is a few months away.

Mr. BRADLEY. That assumes what fill rate? You would be willing to come back and ask for increased budget expenditures for the strategic reserve if you used up the money by purchasing the oil at what rate?

Mr. DOMENICI. I am not——

Mr. BRADLEY. Three-hundred thousand barrels as the Senator is on record as suggesting last year?

Mr. DOMENICI. I am not going to say 200,000 or 230,000. I am merely saying that certainly the Appropriations Committee can provide within its jurisdiction for filling faster than it is being filled now, and there would be money for that.

If they want to go to 200,000 I am not going to object. That would be another piece of legislation.

As you know, it probably would be in the appropriations bill. I am not going to object. I do not want it to stretch out so that we are proved right. I think in 8 or 9 months we ought to know that answer to whether or not we can find another mechanism or combination of mechanisms, Senator.

Mr. BRADLEY. Mr. President, let me point out to the Senator from Kansas that this 20-percent number that is being thrown around expires on September 30. That is when the legislation that sets this number expires.

It would be this Senator's hope—and I think it is the hope of many Senators in this body—that we move away from controls and allocations. So we are talking about a 20-percent number that is going to disappear in the air in a puff of smoke in September, particularly if the Senator from New Mexico, the Senator from Idaho, and the Senator from New Jersey have their way about what might replace those controls and allocations.

So I think one should not be locked into a 20-percent number.

The second thing is that the IEA, the International Energy Agency, is now engaged in a discussion as to what should constitute a common draw-down policy. The numbers that are being thrown around there are much, much lower than 20 percent. So I think the Senator should know that.

Mr. KENNEDY. Will the Senator yield?

Mr. BRADLEY. I do not think I have the floor.

The PRESIDING OFFICER. The time is under the control of the Senator from New Mexico.

Mr. DOMENICI. Mr. President, has all the time been used up for the Stevens amendment?

The PRESIDING OFFICER. That is correct.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRADLEY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. McCLURE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. DOMENICI. Mr. President, I yield to the Senator from Idaho.

Mr. McCLURE. Mr. President, under the current parliamentary situation, we have already agreed to vote on one amendment at 2 o'clock, is that correct?

The PRESIDING OFFICER. That is correct. There are two amendments back to back at 2 o'clock.

Mr. McCLURE. What is the second amendment?

The PRESIDING OFFICER. The second amendment is the Stevens amendment. The first amendment is the Riegle amendment.

Mr. McCLURE. Mr. President, if the time on the Stevens amendment has expired—and it has expired—it will then be the second amendment and there is no further amendment pending to be voted upon, is that correct?

The PRESIDING OFFICER. The

McClure amendment is pending, but we will not have a back-to-back vote.

Mr. McCLURE. Mr. President, as I understand it, the agreement entered into is that following the disposal of the Stevens' amendment the Senator from New Jersey would be recognized to offer an amendment. Is that correct?

The PRESIDING OFFICER. That is the agreement.

Mr. McCLURE. And upon disposal of the amendment of the Senator from New Jersey, it would then be in order to offer a further perfecting amendment to the committee amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. BRADLEY. Mr. President, the amendment of the Senator from New Jersey is a perfecting amendment. If that did not succeed, another perfecting amendment would be in order. That is my understanding.

Mr. McCLURE. That is my understanding. As a matter of fact, upon the disposal of any perfecting amendment, another perfecting amendment may be offered.

The PRESIDING OFFICER. The Senator is correct; that is correct whether or not it succeeds.

Mr. McCLURE. Mr. President, a further parliamentary inquiry. In the 8 minutes between now and the time the Riegle amendment is voted on, another perfecting amendment could be offered and be the pending business at the end of that sequence?

The PRESIDING OFFICER. The Stevens amendment has not been set aside. If it had been, that would be true.

Mr. BRADLEY. Mr. President, I did not understand the Chair.

The PRESIDING OFFICER. The Stevens amendment has not yet been laid aside. If it were laid aside, that would be true.

Mr. McCLURE. And unless it is laid aside, it remains the pending amendment until the hour of 2 o'clock?

The PRESIDING OFFICER. The Senator is correct.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I wonder if the distinguished Senator from Idaho would yield for a question. I am just catching up with respect to his offset by trying to reinstitute $3 billion for SPRO, that we are going to make that up with the cuts of six-tenths of a percent from all programs, save and excepting the 050 defense function; is that correct?

Mr. McCLURE. Mr. President, I sent a modification to the desk a little earlier, because the figures provided to me by the Budget Committee had not included in their calculations the effect of the national debt and the social security trust fund. The figures were modified to indicate a reduction in budget authority of 1.5 percent in 1982; 1.4 percent for fiscal year 1983; and outlays would be seven-tenths of 1 percent in 1982 and eight-tenths of 1 percent in 1983, with the proviso that no committee shall be required to reduce budget authority associated with revenues to trust funds; and provided further that no committee shall be required to reduce budget authority nor outlays associated with interest on the public debt.

Mr. HOLLINGS. Am I to understand, then, that social security is not affected?

Mr. McCLURE. The Senator is correct.

Mr. HOLLINGS. I thank the distinguished Senator.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, have the yeas and nays been ordered on the Stevens amendment?

The PRESIDING OFFICER. They have.

Mr. DOMENICI. Mr. President, I am going to suggest the absence of a quorum. I wonder if the distinguished minority manager would agree to charge that equally to both sides.

Mr. HOLLINGS. Yes.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum on those conditions

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HAWKINS). Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 22

The question is on agreeing to amendment No. 22 proposed by the Senator from Michigan (Mr. RIEGLE). The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Arizona (Mr. DECONCINI), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that if present and voting, the Senator from Arkansas (Mr. BUMPERS) and the Senator from Arizona (Mr. DECONCINI) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 55, as follows:

[Rollcall Vote No. 50 Leg.]

YEAS—39

Baucus	Exon	Matsunaga
Bentsen	Ford	Melcher
Biden	Glenn	Metzenbaum
Boren	Hart	Mitchell
Bradley	Heflin	Moynihan
Burdick	Huddleston	Nunn
Byrd, Robert C.	Inouye	Pell
Cannon	Jackson	Pryor
Chiles	Johnston	Randolph
Cranston	Kennedy	Riegle
Dixon	Leahy	Sarbanes
Dodd	Levin	Sasser
Eagleton	Long	Zorinsky

NAYS—55

Abdnor	Grassley	Packwood
Andrews	Hatch	Percy
Armstrong	Hatfield	Proxmire
Baker	Hawkins	Quayle
Boschwitz	Hayakawa	Roth
Byrd, Harry F., Jr.	Heinz	Rudman
Chafee	Helms	Schmitt
Cohen	Hollings	Simpson
D'Amato	Humphrey	Specter
Danforth	Jepsen	Stafford
Denton	Kassebaum	Stennis
Dole	Kasten	Stevens
Domenici	Laxalt	Symms
Durenberger	Lugar	Thurmond
East	Mathias	Tower
Garn	Mattingly	Wallop
Goldwater	McClure	Warner
Gorton	Murkowski	Weicker
	Nickles	

NOT VOTING—6

Bumpers	DeConcini	Tsongas
Cochran	Pressler	Williams

So the amendment (UP No. 22) was rejected.

Mr. DOLE. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 28

The PRESIDING OFFICER. The question is on agreeing to the amendment by the Senator from Alaska (Mr. STEVENS), unprinted amendment No. 28. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Mississippi (Mr. COCHRAN) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Arizona (Mr. DECONCINI), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 23, nays 71, as follows:

[Rollcall Vote No. 51 Leg.]

YEAS—23

Biden	Hayakawa	Moynihan
Bradley	Huddleston	Murkowski
Cannon	Inouye	Pell
Cranston	Jackson	Sarbanes
Dodd	Kennedy	Specter
Durenberger	Leahy	Stevens
Ford	Matsunaga	Zorinsky
Glenn	Metzenbaum	

NAYS—71

Abdnor	Cohen	Hart
Andrews	D'Amato	Hatch
Armstrong	Danforth	Hatfield
Baker	Denton	Hawkins
Baucus	Dixon	Heflin
Bentsen	Dole	Heinz
Boren	Domenici	Helms
Boschwitz	Eagleton	Hollings
Burdick	East	Humphrey
Byrd, Harry F., Jr.	Exon	Jepsen
Byrd, Robert C.	Garn	Johnston
Chafee	Goldwater	Kassebaum
Chiles	Gorton	Kasten
	Grassley	Laxalt

Levin	Packwood	Schmitt
Long	Percy	Simpson
Lugar	Proxmire	Stafford
Mathias	Pryor	Stennis
Mattingly	Quayle	Symms
McClure	Randolph	Thurmond
Melcher	Riegle	Tower
Mitchell	Roth	Wallop
Nickles	Rudman	Warner
Nunn	Sasser	Weicker

NOT VOTING—6

Bumpers	DeConcini	Tsongas
Cochran	Pressler	Williams

So Mr. STEVENS' amendment (UP No. 28) was rejected.

Mr. DOMENICI. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 29

(Subsequently numbered amendment No. 24)

(Purpose: To restore funds for the Strategic Petroleum Reserve)

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. KENNEDY. May we have order, Madam President.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an unprinted amendment numbered 29.

Mr. BRADLEY. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with $52,144,000,000" in line 17, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "$49,825,000,000 and outlays by $33,945,000,000 in fiscal year 1982; and to reduce budget authority by $56,228,000,000 and outlays by $44,694,000,000".

On page 6, beginning with "$3,714,000,000" in line 10, strike out through "$3,628,000,000" in line 13 and insert in lieu thereof the following: "$714,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1982; and $660,000,000 in budget authority and $628,000,000".

Mr. BRADLEY. Madam President, the amendment I have just offered restores the figure of $3 billion to the budget for the strategic petroleum reserve. That brings the number for the strategic petroleum reserve to the number that the Reagan administration proposed in its budget, the number of $3.8 billion.

SENATE SCHEDULE

Mr. ROBERT C. BYRD. Madam President, will the distinguished Senator yield with the understanding that he will not lose his right to the floor? I would like to ask the distinguished majority leader what the schedule will be for the rest of the day and into the remainder of the week.

Mr. BAKER. Madam President, I thank the minority leader, and I thank the Senator from New Jersey for yielding so that we can pursue this subject which began with a colloquy with the minority leader.

Madam President, I would say, in response to the minority leader's question, we have done a canvass on this side of the aisle about the number of amendments remaining, and it would appear that there are three, perhaps four, that would be offered on this side. I do not expect more time than the time allocated for the amendment itself to be utilized, that is to say, I would not expect extensive time to be yielded on the resolution.

I wonder if the minority leader can tell us what he sees in prospect on his side of the aisle before we make a decision on today or tomorrow or thereafter in the matter of trying to finish this resolution?

Mr. ROBERT C. BYRD. Madam President I would venture there may be another dozen amendments on this side of the aisle or there may not be, and the reason I say there may not be——

Mr. BAKER. Do I get a choice? [Laughter.]

Mr. ROBERT C. BYRD. The reason I say there may not be, I understand Mr. CHAFEE may have a package that would be coming along a little later, and in that package are some several items in which we are interested also on this side of the aisle, and depending upon the outcome of that vote, it might not be necessary to call up amendments on this side of the aisle that would be directed to some of the individual items in the package.

I think we can dispose of the amendment by Mr. BRADLEY, and then depending upon whether or not there would still be the vote on the McClure substitute, it would then be our turn on this side of the aisle and rather than call up a package at that time on this side of the aisle we would hope to go with an amendment by Mr. MOYNIHAN that would deal with certain education programs.

Then if Mr. CHAFEE would call up his package amendment, the outcome of that vote might determine whether or not Members on this side of the aisle would be going for individual items within the package and, perhaps, not.

It would seem to me, may I say to the majority leader, in any event we ought to be able to finish the action on this resolution no later than some time on Wednesday. If we ran the full time out, it would go through into the early part of next week, but we have no intention of stringing out the debate and no desire to string out the debate. We are simply hoping to get some votes on a few amendments to keep people in groups from falling through the holes in the President's "safety net," and then we are ready to have a vote up or down on the resolution.

There is no desire to delay, no desire to string it out. I would say to the distinguished majority leader in any event I think we would go no later than on Wednesday, conceivably we could finish tomorrow.

Mr. BAKER. Madam President, I thank the distinguished minority leader.

I assumed the distinguished Senator from Rhode Island (Mr. CHAFEE) intends to offer this amendment during the course of today?

Mr. CHAFEE. It is my intention to follow Senator MOYNIHAN.

Mr. BAKER. I thank the Senator. Of course, we have the Senator from Idaho's substitute and—might I yield to the Senator from Idaho?

Mr. McCLURE. I wanted to address a question to the Senator from Tennessee and the minority leader, too, because I do have a substitute pending that will follow after the Bradley amendment to the committee amendment.

It would be my intention to offer the substance of my substitute as a perfecting amendment in the event the Bradley amendment is not adopted, and have a vote on it rather than upon the substitute in order to preserve greater parliamentary flexibility in the further consideration of this matter.

Mr. ROBERT C. BYRD. Very well. Then after the vote on the McClure amendment there would be a vote on the amendment of Mr. MOYNIHAN because we would prefer Mr. CHAFEE going with his package. We do not rule out the possibility of our offering a package if that package should fail, but a good many of us over here feel like we will support it. So we will go then to Mr. MOYNIHAN and then go to Mr. CHAFEE on the package.

I will say then, Madam President, that we ought to finish no later than on Wednesday even without going late into the evening either today or tomorrow.

Mr. BAKER. Madam President, I thank the distinguished minority leader.

Let me suggest this, to get a better reading on how things are going to go, that we leave intact the suggestion that we might be late tonight. I would like to avoid that, if possible, and as soon as we get a little further along I will address that issue once more.

ASSASSINATION ATTEMPT ON PRESIDENT REAGAN

Mr. BAKER. Madam President, may I take this opportunity to advise the Senate that I have been advised that the President of the United States was the target of a shot fired at him a few moments ago? He was not hit. His press secretary, Mr. James S. Brady, was hit and wounded very seriously. One police officer and, perhaps, one Secret Service man were hit, as well.

The President is well. He was not injured, but apparently there were other injuries.

I have no other detail, but as soon as these details are supplied I will, of course, report them to the Senate.

I thank the Senator for yielding.

Mr. BRADLEY. Madam President, I am going to proceed with my amendment, but I must say that as one Senator

I am in a state of some anxiety about the events the majority leader has just conveyed to the Senate. I hope we will have a chance to reflect upon these events in the next few days, and that we might address ourselves in some way to the underlying sickness that exists in a society where these kinds of events become commonplace.

Not only can they not be tolerated, but there must be a conviction of each individual to see that they are not tolerated within his own experience, that the attitudes that lead to this kind of thing are rejected categorically by all Americans.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued with the consideration of the concurrent resolution.

UP AMENDMENT NO. 29

Mr. BRADLEY. Madam President, let me go on with this amendment in the wake of this news by simply saying that the Senate has recorded itself in the previous vote to reject $1.5 billion for the strategic petroleum reserve. My amendment would place $3 billion for the reserve, bringing it to $3.8 billion, which is the Reagan administration's budget figure.

Now, having seen the vote on a previous amendment, I am not at all optimistic that my amendment will be accepted by the Senate.

But let me say that the failure to accept my amendment, the Reagan administration number, or the amendment of the Senator from Alaska is a green eyeshade approach to national defense.

We are spending $1.85 billion for defense and we cannot find $3 billion to put oil into a reserve.

Mr. President, as the events in the Persian Gulf today attest, the war continues to rage. It could spread and it could lead to a drop in production of several million barrels of oil a day.

The United States is not prepared for that event. We have no cushion to absorb that kind of loss of oil. Our economy would be thrown into a catastrophe.

And to make matters even more poignant for my colleagues who are sensitive to the issues of national defense, the most probable threat is the Soviet Union, one area that the Soviets might move. If the Persian Gulf was cut off, we would not have the oil sufficient to mobilize our economy to continue our military efforts to defend the vital interests of this country.

So, Madam President, there is a clear national security reason for this amendment. There is a clear economic security reason for this amendment. I know that the opponents have suggested that we have alternate means of financing, that we can do it in the private sector or we could do it by Government bonds. But let me assure the Senate that none of these measures are in place today, so that if we fail to authorize moneys for the strategic petroleum reserve and a catastrophe occurs at this moment in the Persian Gulf, we will have no oil flowing into a reserve. If it happens 6 months from now and we are depending on the other mechanisms, we will have no oil flowing into a reserve.

Let me say that this is an amendment of $3 billion. The Budget Committee reported a reconciliation bill that was $2.3 billion under the administration request. Because of the nature of this reconciliation bill, there cannot be defense authorizations cut in the areas of the largest defense expenditures.

So that we are in a position here of talking about the strategic petroleum reserve as a defense issue and unable to make that tradeoff in this bill. What I am arguing is that the $2.3 billion that the Budget Committee came under the Reagan administration be applied to the strategic petroleum reserve and that the $700 million additional could certainly be obtained out of the $185 billion budget authorization that is going to be passing through this body in the first concurrent budget resolution.

Madam President, I would argue as strongly as I can that there is no better way to spend an energy dollar than to buy oil and put it in the reserve. There is no better way to spend dollars for national security, given the present world circumstances, the probability of an oil supply interruption, having had three in the last 7 years, and our continued dependence on oil for our economy and our military efforts.

Madam President, I know that there are other Members on the floor who would like to speak in support of this amendment. I would be pleased to yield to them for that purpose at this time, reserving the remainder of my time under my control.

Mr. JACKSON. Will the Senator yield?

Mr. BRADLEY. I yield to the Senator from Washington for his comments.

Mr. JACKSON. Madam President, the Senate Budget Committee in Senate Concurrent Resolution 9 seeks to instruct the Committee on Energy and Natural Resources to reduce the budget for the strategic petroleum reserve by $3 billion in fiscal year 1982 and by $3 billion in fiscal year 1983. The Committee on Energy and Natural Resources is in essence instructed to find an alternative funding mechanism for financing the SPR. I rise in support of the Bradley amendment to restore the $3 billion for the SPR.

I should say from the start that there is no other item in the energy budget than the SPR from whence $3 billion could be cut, especially in light of the budget slashes that have already been proposed by the administration. SPR funds are almost half of the nondefense portion of the Reagan DOE budget.

Madam President, what is the real issue here?

I do not think the issue is whether the SPR program is functioning properly and is worthy of support. Senator DOMENICI, chairman of the Budget Committee, would no doubt agree that despite early difficulties, the SPR program is now working well. There are 118 million barrels in storage and another 27 million barrels are on order, bringing the total to 145 million barrels either in storage or under contract. Right now the SPR is capable of drawing down at a rate of 1.7 million barrels per day, which is about 36 percent of this Nation's current crude oil imports. We are filling the SPR at an average rate of about 207,000 barrels per day in this fiscal year.

On July 23, 1980, I asked the GAO to report monthly to the Committee on Energy and Natural Resources on the progress of the SPR program in meeting its legislative mandates, particularly as to the rate of filling the SPR. No other energy program has received such scrutiny in our committee. The GAO reports indicate that the program is generally doing well. So that is not the issue here today.

There is also no dispute that a large SPR is an important element of our national security. I do not think Senator DOMENICI would disagree if I said that a large SPR is essential to our national security. The Congress said last year in the conference report on the Energy Security Act:

> The Strategic Petroleum Reserve should be regarded as a national security asset of paramount importance.

In fact, it is difficult to overstate the value of this energy program. Both the Democratic and Republican platforms in the last election singled out the SPR to favor a rapid fill of the reserve. As the former chairman and now ranking minority member of the Committee on Energy and Natural Resources, I have examined all of our Nation's energy programs. As I think of the energy programs that will yield significant benefits to our energy posture in the next decade, a decade that is certain to include continued instability in the Middle East, I can think of no other energy program more important than filling the strategic petroleum reserve.

Next, I think Senator DOMENICI would concede that there is no disagreement over whether the Congress should seek an alternative method of financing the SPR. In its report to the Budget Committee, the Committee on Energy and Natural Resources said:

> Further it is the sense of the Committee, in the case of funding for the Strategic Petroleum Reserve, that the Committee will move expeditiously to consider and report an alternative off-budget funding mechanism. When such an alternative mechanism is developed by the Committee on Energy and Natural Resources, or any other committee, and is enacted into law, we will support an appropriate reduction in authorizations for the Strategic Petroleum Reserve.

The Committee on Energy and Natural Resources is moving rapidly to fulfill this pledge. Hearings on the SPR are already scheduled in the committee.

I certainly would not stand in the way of effective legislation that would require the oil companies to shoulder the burden of filling the SPR, if that is the will of the Senate. I would welcome any other suggestions as to how we can reduce the budget impact of the SPR, as long as we continue to fill the reserve.

So a willingness to find an alternative means of financing the SPR is certainly not the issue.

What is the real issue here today?

The question is simply this. We have a program that all agree is functioning satisfactorily and is essential to our national security. Should the Congress yank the fiscal year 1982 and fiscal year 1983 funds from the SPR with the pious hope that a new and effective financing mechanism will be enacted and implemented before the fiscal year 1981 SPR funds run out? That is the key issue. The answer of course is—that depends on how confident we are about the success of the alternative financing mechanism.

Apparently, the Reagan administration is not so confident about the alternative funding mechanism. The President chose to request full funding for the SPR, even though it is the single most expensive item in the entire DOE budget. The administration's budget books indicate that they are continuing to search for alternative funding mechanisms. We know that the administration, including several agencies, have studied this matter intensely. No proposal has been sent to the Congress.

Last week, the White House congressional liaison told our staff that the White House favored full funding for the SPR, although a half hour later they changed signals and said that they have no position on this amendment. That should tell you how confident they are about the alternative financing mechanisms.

Yet we are asked by the Budget Committee to rely on an unspecified alternative funding mechanism before we have even completed hearings on the issue.

Madam President, I hope the day never comes that other programs deemed essential to the national security are treated so casually. Despite our Nation's economic difficulties, I believe that we can afford to fund programs that are vital to the national security. I believe we can wait until an alternative funding mechanism is proven effective before we slash the budget for the strategic petroleum reserve.

It is obvious, Madam President, that there is a real need to address the issue now before the Senate.

The fact is the President of the United States asked for $3 billion for the strategic petroleum reserve, the acronymic SPRO.

I sponsored this legislation back in 1975. I regret to say that until just recently we have not done very well in implementing that legislation. We still have a long way to go to get 1 billion barrels in the reserve.

Madam President, anyone who has followed the events, as we have in the Energy Committee, over the past 2 years in connection with our investigation on the geopolitics of oil will say categorically and without any reservation, as we did in the report, that the chances of an interruption in the 1980's is for real.

Now, I am not going to engage in magic here, Madam President, because I do not profess to know what is going to happen, but prudence tells me that the best way to be prepared to deal with this problem is in fact to be prepared to deal with this problem. The President understands the need.

Now we are lost in a bookkeeping shuffle here on the floor. I think the worst signal that we could send during these difficult and precarious times is that we are cutting out the money for SPRO, for the strategic petroleum reserve.

Every Member will have to face that issue if we have a cutoff over the period that we face ahead. I believe that it is vital and essential, as an element at least in trying to bring the international pricing of oil under control, that we have something to back it up. And that something needs to be a credible strategic reserve.

I hope, Madam President, that this body will send the right signal—up to now it is the wrong signal—that we are determined to protect our own security and the economic interests of the Western world.

I have no quarrel with those who say, "Well, we will finance SPRO by some other means." I want to take a look at it, obviously.

But Madam President, there is only one requirement, one way or the other, and that is to get on with the business of filling that strategic reserve. It is going well thus far. We finally got it moving again. The worst thing that we can do in this body during these very uncertain times is to send a wrong signal and not let the world know that we are prepared to deal with contingencies, no matter how adverse.

So Madam President, I hope this body will send the right signal and support the Bradley amendment.

Mr. DURENBERGER. Will the Senator yield?

Mr. BRADLEY. I yield 5 minutes to the Senator from Minnesota in support of the amendment.

Mr. DURENBERGER. Madam President, not too long ago, my good friend and distinguished colleague, Senator ARMSTRONG, was asked if there was anything to which he could compare the Senate's expedited schedule on the budget. Senator ARMSTRONG's response was, "Have you ever seen a dinosaur gallop?" I assume he was referring to last year's process.

Frankly, I wish the same analogy could be used for the strategic petroleum reserve. Unfortunately, instead of bringing the petroleum reserve to a gallop, the policies of recent years have driven the reserve to the brink of the same fate suffered by the real-life dinosaurs: that is extinction.

I want to thank Senator STEVENS for his efforts to impress us earlier today for the need for SPR. I want to congratulate the ranking member of the Energy Committee on his eloquent statement on this country's needs and of the President's recognition of that need.

I want to thank and congratulate my colleague from New Jersey for his persistent leadership and efforts to make sure we avoid the fate I was talking about earlier. Through hearings in his committee and by amendment on this floor to various bills, he has aggressively defended this most important part of our energy policy. In the past I have always been with him in his efforts to provide for our national security and today I am once again joining him by supporting his amendment.

Now, the challenge laid down by President Reagan is not merely to cut Federal spending. I am convinced that if it were just that, the support his programs have generated would hardly be the spur that got the dinosaur to gallop.

Instead, his program is designed to curb and then reduce inflation and to redirect many of the policies of the National Government. That is why I have voted—and will continue to vote—to support his efforts.

President Reagan has consistently endorsed a rapid fill rate for the reserve. That is an essential element in reducing energy cost impact on inflation. He did not make any changes in former President Carter's budget proposal in regard to the reserve.

In addition to President Reagan, every energy expert who has advised the Congress has agreed that a rapid fill rate for the strategic petroleum reserves is the most important step that we can take to reduce our dependence on the oil producers of the Middle East. And yet, the history of the reserve is primarily one of failed commitment in the Congress, delay at the Department of Energy, and poor management in the field. Only recently have we in the Senate been able to turn that record around.

The real question before us today—and I am confident that Senator BRADLEY would agree with me—is how do we keep the pressure on the Senate Committee on Energy and Natural Resources to design a program that will assure a rapid fill rate without spending huge sums of money. All of us are looking for the best solution to a critical issue. My vote for the Bradley amendment is not a vote to break the President's budget. It is a vote to support the stated intention of the administration and the Congress to find a practical answer to the problem of filling the petroleum reserve.

The importance of the strategic petroleum reserve cannot be underestimated. Even though Americans have dramatically cut their consumption of imported from about one-half of our daily supply in 1978 to about one-third today, our dependence on uncertain foreign supplies is a potential disaster. Let me remind my colleagues that the gasoline lines and other effects of the oil shortage in 1979 were caused by a shortfall of no more than 5 percent of our supply. If we were to lose one-third of our daily oil needs—the amount we import—the consequences are almost unimaginable.

I know that there are Senators who sincerely believe that it is possible to design a program that would provide for private financing of the reserve. And, if that is possible, we should carefully explore the option in these times when Federal dollars must be devoted to only the most important undertakings. They argue that we should support the Budget Committee recommendations which cut

almost all of the funding for the strategic petroleum reserve in fiscal years 1982 and 1983 and, by doing so, we will create a climate in which the private financing approaches might be seriously considered.

But, I ask these Senators to look at the record on the strategic petroleum reserve. It has been strangled for funds throughout its history. And no private financing scheme has been put in place as yet. I understand that private financing was carefully considered by the panel which originally designed the reserve, but no successful arrangement was found.

Frankly, as I said, I am not convinced that Senator BRADLEY's amendment offers the best solution. It does, however, offer the best hope that we will find the best solution. Senator BRADLEY has held many hearings on the reserve in the Energy Committee and a new round will begin in a subcommittee next week. I hope to participate in those hearings because I have my own ideas on how the fill rate might be maintained at lower cost to the Federal Government.

One idea came to me from the president of the largest independent petroleum pipeline in the Nation. He pointed out that world inventories of crude oil continue to increase with each passing week. This puts increasing pressure on the storage capacity. Storage capacity for each additional barrel gets more and more expensive. In normal markets the oil companies at this point would leave the oil in the ground, rather than pay the very high storage charges. But leaving it in the ground may often mean not having it when it is necessary because of the uncertain production policies of foreign nations.

He suggests that we lease space in the strategic petroleum reserve to the oil companies. We could, in fact, have the oil companies paying the Federal Government to use the capacity of the reserve for oil that they would continue to own. If we combined a low monthly lease rate for the space and a high turnaround charge, we might achieve a very rapid fill rate with some assurance that it would be removed only at the time of a serious shortfall. We could make it a cheap place to keep oil but very expensive to remove it. When budget exigencies are less severe we could buy the oil that had been placed in the reserve and put the American public in charge of its ultimate disposition.

This idea has a great deal of appeal to me. I would like to see the Energy Committee study its detail to see if in fact it can be used to reduce the cost of reserve while preserving its important role in our energy policy. However, I am not willing to abandon the security that a rapid-fill rate provides, in the hope that this idea or some other can take the place of Government purchases. I will be aggressive in assisting the Energy Committee in its examination of every proposal that promises reduced cost for the reserve program.

But, I cannot vote now to abandon a commitment to the reserve which I have in the past worked to secure. I will support the Bradley amendment because by doing so I believe I am supporting the vital effort to find a solution to this critical link in our Nation's energy policy.

Mr. BRADLEY. Madam President, how much time remains on the side of the proponents?

The PRESIDING OFFICER. The Senator has 12 minutes.

Mr. BRADLEY. I yield 5 minutes to the Senator from Massachusetts.

VIOLENCE IN AMERICA

Mr. KENNEDY. Madam President, I am saddened, as I am sure all of the Members of this body are, at the news of the attack on President Reagan. I know all of us are relieved that he has not been hurt, and I think all of us feel a sense of sadness and grief about the wounds inflicted on Mr. Brady. All Americans now pray for his recovery and for the recovery of others who were hurt in the incident.

My family has been touched by violence. Year after year in recent times we have seen violence in this country: My brother John Kennedy and my brother Robert Kennedy, Martin Luther King, Medgar Evers, George Wallace, Al Lowenstein, Vernon Jordan, the attack or the attempted attack on President Ford, and now the attack on President Reagan.

All of us understand that all of these good individuals had a common purpose. That was to make this a better country. All of them were committed to the public interest for the people of this Nation, and for the better good of mankind throughout the world.

Violence and hatred have no place in our society or in our country. They know no partisanship, they know no party, they know no rationality. Nonetheless, we see it continue in our society and in our country.

All of us who care about this country and who care about our fellow citizens bear an important responsibility in whatever way we possibly can to rid this society and to rid this country of the kind of violence and hatred that we have seen.

Violence and hatred are alien to everything that this country is about. It does not bring about a change in policy. It is alien to what is best in our Nation.

With our prayers for those who have been wounded today must go our resolution to rid our society of violence and to commit ourselves to do everything that we possibly can to eliminate hatred and the causes which contribute to hatred in our society.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued with the consideration of the concurrent resolution.

Mr. KENNEDY. Madam President, I am rising in support of the amendment of the Senator from New Jersey.

I believe that protecting our Nation's energy security is a critical element of our national security efforts. Building a strong strategic petroleum reserve is essential to healing our economy, protecting the Nation from future oil cutoffs, and securing our interests in the Middle East.

In the past 8 years no single factor has been more damaging to our economy than the dramatic increase in oil prices caused in large part by the OPEC cartel. Huge rises in oil prices have severely damaged the economies of the Western World. The round of prices set off by the 1979 Iran shutdown wiped out the equivalent of 3 years of economic growth in the OECD nations.

A large strategic petroleum reserve is critical to protecting our economy and making possible renewed economic growth in the West. If a large reserve existed, the price jumps could be prevented by bringing oil from the reserve to the market, and preventing the spot market from driving up oil prices to astronomical levels.

A large strategic petroleum reserve is also critical to protecting our Nation from cutoffs. The experts may debate the most effective methods of achieving emergency reductions in oil demand if there is a cutoff. But all the experts agree—and commonsense makes clear—that pumping oil from a reserve is the most effective immediate protection of all. Every major examination of this issue has concluded that a large reserve—even with its very significant expense—is the most cost-effective energy security program in the Federal Government.

Finally, building a strong strategic petroleum reserve is critical to our position in the Middle East and to the security of our most important ally in that region—Israel. When the reserve is filled, there can be no question about our commitment to protect Israel's security.

I am very concerned that this administration cannot seem to make up its mind about the strategic petroleum reserve. First, it asked for the necessary funds. Then the Budget Committee, which has done the administration's bidding on almost every occasion, removed those funds. When the Senator from New Jersey announced that he was going to offer an amendment to restore the funds that the administration had originally requested, the administration announced that it would not support his amendment.

I hope that these new proposals to fund the strategic reserve will work. But I am not willing to gamble this critical energy security program on unproven schemes.

I believe, we must fill the strategic petroleum reserve without delay. We will not settle for a strategic reserve in name only. There can be no retreat from that commitment.

Mr. DOMENICI. Madam President, I assume no time has been yielded in opposition at this point, is that correct?

The PRESIDING OFFICER (Mrs. KASSEBAUM). The Senator is correct.

Mr. DOMENICI. Madam President, let me just say to the Senate on this issue which is before us, the amendment that the good Senator from New Jersey offers, everyone should understand in addition to returning $3 billion to SPRO does not in any way cut any of the other committee recommendations so that basically we now reach that point if the Senate buys and adopts this amendment. We took a great deal of pride in the fact that we were going to at least come up with as many savings in terms of dollars, quantity, that would at least be equivalent to the President's method. Everyone knows if this method is adopted we will not have done that. We will now

have accomplished less than he. I will get the exact number on how much we have now failed to come up with in savings that are equivalent to the President. I will inform everyone on that.

Basically, without being overly dramatic, this is, in a very real sense, the first amendment that really has a chance of destroying the objective that we had in mind when we produced this resolution.

I know that there are those who will say, what does that matter? Let me say to all my colleagues, no matter what we look at over the next 2 years, if we want to argue with the new macroeconomics, if we want to argue with the new additions to defense, the truth of the matter is that to get where we have to be by 1984, at least the basic part that the President sent us up front must be accomplished. There may be latitude in the next 2 or 3 years to argue about how much is adequate for defense. There may be room to argue about whether the economic assumptions are correct or not, but I can guarantee that we are not going to get where we have to be unless the basic package that the President sent us is at least given an honest chance to get by both bodies.

If this amendment is adopted, we shall be below the President for the first time since we brought this resolution to the floor.

Very simply, Madam President, the Senator from New Mexico has heard all the arguments about the importance of the strategic petroleum reserve. I have been a staunch advocate of our doing as much as we can to put into some kind of reserve oil that would buttress the American economy in the event of a disaster such as a 20-percent shortfall, which is brought about by the activities of other countries or by some kind of activities that prevent the flow of energy in the world markets. But that does not mean that those who want to support the Budget Committee's resolution are without concern. What it says is that if this amendment passes, we shall have put $14 billion at the disposal of a strategic petroleum reserve and that, for 2½ years of that reserve's life, almost 3, it will have plenty of money.

Some Senators said it is going to be strangled. Well, it was not strangled over the years; it was just the Government being unable to decide how to do it. The management of the reserve was in chaos. I submit that, even today, it is not in the best shape.

We shall leave, if the Senate defeats the Bradley amendment, $1,047,000,000 into the 1981 fiscal year for acquisition of oil. We shall have substantial quantities in 1981.

We shall even let the Appropriations and other committees of jurisdiction work their will on that package, on that amount of money. They can expedite the daily fill, but if they do not and they keep it where it is, we have 1½ years at today's fill rate to decide whether there is a better way, an alternative and option to the approach which has not worked.

We knew we ought to have reserves. But we just think that American ingenuity, the American financial community, the American companies, if given an opportunity and if they are told this kind of reserve is not going to be the order of the day unless there is no other way, within a short period of time—not a year and a half, which is what we provided money for—there will be a better way than to continue to invest billions of dollars in the ground when we really do not have to and still have a reserve.

So, Madam President, I hope that all those Senators that voted against the Stevens amendment because it added $1.5 billion that is not necessary will vote again not to put $3 billion back this time.

This one will break our goal. It will break it absolutely. Then we shall have other amendments that will follow it here, on the floor, and there will be little chance that we can leave this floor with the kind of resolution we started with.

I do not want the Senator from New Jersey to think that I am not mindful of his concern. I am. I, too, am concerned. I am just convinced that if we squeeze this committee down, American ingenuity will find an option and we shall have a good, solid reserve, without $14 billion buried in the ground.

Mr. President, I reserve the remainder of my time.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

NINTH ANNUAL REPORT ON FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT—PM 40

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with the provisions of Section 6(c) of the Federal Advisory Committee Act, I am pleased to transmit the Ninth Annual Report on Federal Advisory Committees.

This Report, which was prepared by the General Services Administration, summarizes the activities, status, and changes in the composition of Federal Advisory Committees for calendar year 1980.

On January 22, 1981, I directed all Executive departments and agencies to reduce obligations for advisory committees by five percent for 1981. As part of the annual review of advisory committees, which will begin in April, we will scrutinize the activities and responsibilities of each advisory committee to determine whether it should be renewed or abolished.

RONALD REAGAN.

THE WHITE HOUSE, *March 30, 1981.*

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:40 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 509. An act to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually.

The bill was subsequently signed by the President pro tempore (Mr. THURMOND).

The message also announced that the House has passed the following joint resolutions in which it requests the concurrence of the Senate:

H.J. Res. 84. Joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week".

H.J. Res. 155. Joint resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week".

H.J. Res. 182. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era".

HOUSE BILLS REFERRED

The following joint resolutions were read twice by their titles and referred as indicated:

H.J. Res. 84. Joint resolution designating the week of October 4 through October 10, 1981, as "National Diabetes Week"; to the Committee on the Judiciary.

H.J. Res. 155. Joint resolution to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week"; to the Committee on the Judiciary.

HOUSE JOINT RESOLUTION PLACED ON CALENDAR

The following joint resolution was read twice and placed on the calendar:

H.J. Res 182. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era".

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 30, 1981, he had presented to the President of the United States the following enrolled bill:

S. 509. An act to amend the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-781. A communication from the Acting Administrator of the Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Veterans' Affairs.

EC–782. A communication from the Acting Administrator of the Rural Electrification Administration, transmitting, pursuant to law, notice of an approval of a guaranteed non-REA loan to the Western Farmers Electric Cooperative of Anadarko, Oklahoma; to the Committee on Agriculture, Nutrition, and Forestry.

EC–783. A communication from the Acting Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend the Federal Insecticide, Fungicide, and Rodenticide Act for two years; to the Committee on Agriculture, Nutrition, and Forestry.

EC–784. A communication from the Principal Deputy Assistant Secretary of Defense, Office of the Comptroller, transmitting, pursuant to law, a listing of contract award dates for the period March 15 to June 15, 1981; to the Committee on Armed Services.

EC–785. A communication from the Secretary of the Panama Canal Commission, transmitting a draft of proposed legislation to authorize appropriations for the Commission for fiscal years 1982 and 1983; to the Committee on Armed Services.

EC–786. A communication from the Deputy Assistant Secretary of Defense for Military Personnel Policy, transmitting, pursuant to law, a report on special pay for duty subject to hostile fire; to the Committee on Armed Services.

EC–787. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation entitled "the Department of Defense Authorization Act, 1982; to the Committee on Armed Services.

EC–788. A communication from the Acting General Counsel for the Department of Energy transmitting a draft of proposed legislation to authorize appropriations for conservation, exploration, development, production, sale, and use of naval petroleum reserves and naval oil shale reserves for fiscal year 1982 and fiscal year 1983; to the Committee on Armed Services.

EC–789. A communication from the Acting General Counsel for the Department of Energy, transmitting a draft of proposed legislation to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982 and fiscal year 1983; to the Committee on Armed Services.

EC–790. A communication from the Acting Assistant Secretary of the Air Force, transmitting, pursuant to law, a study with respect to converting the commissary shelf-stocking and custodial services function at Fairchild Air Force Base, Washington and a decision with respect thereto; to the Committee on Armed Services.

EC–791. A communication from the Secretary of the Army, transmitting, pursuant to law, notification that the U.S. Army intends to initiate the disposal of chemical agent identification sets at Rocky Mountain Arsenal, Colorado, on or about 13 April 1981; to the Committee on Armed Services.

EC–792. A communication from the Acting Director of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to authorize appropriations for studies under the National Flood Insurance Act of 1968 for the fiscal years 1982 and 1983; to the Committee on Banking, Housing, and Urban Affairs.

EC–793. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "Federal Budget Concepts And Procedures Can Be Further Strengthened"; to the Committee on the Budget.

EC–794. A communication from the President of the Communications Satellite Corporation, transmitting, pursuant to law, the Seventeenth Annual Report to the President and the Congress on the operations, activities, and accomplishments of the Communications Satellite Corporation; to the Committee on Commerce, Science, and Transportation.

EC–795. A communication from the Under Secretary of the Interior, transmitting a draft of proposed legislation to amend the Marine Mammal Protection Act of 1972 to extend the authorization of appropriations; to the Committee on Commerce, Science, and Transportation.

EC–796. A communication from the Vice President of the National Railroad Passenger Corporation, transmitting, pursuant to law, information concerning the operation of AMTRAK for the month of January, 1981; to the Committee on Commerce, Science, and Transportation.

EC–797. A communication from the Vice President of the National Railroad Passenger Corporation, transmitting, pursuant to law, the National Railroad Passenger Corporation's legislative recommendations; to the Committee on Commerce, Science, and Transportation.

EC–798. A communication from the Under Secretary of the Interior, transmitting a draft of proposed legislation to amend the previously submitted draft constitution for the Virgin Islands; to the Committee on Energy and Natural Resources.

EC–799. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Issues In Leasing Offshore Lands For Oil And Gas Development"; to the Committee on Energy and Natural Resources.

EC–800. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a report on building projects survey for Traverse City and Mount Pleasant, Michigan; to the Committee on Environment and Public Works.

EC–801. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a report on a building project survey for Bakersfield, California; to the Committee on Environment and Public Works.

EC–802. A communication from the Acting Administrator of the United States Environmental Protection Agency, transmitting a draft of proposed legislation to authorize appropriations for environmental research, development, and demonstrations for fiscal years 1982 and 1983; to the Committee on Environment and Public Works.

EC–803. A communication from the Acting Administrator of the United States Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend Title I of the Marine Protection, Research, and Sanctuaries Act, as amended; to the Committee on Environment and Public Works.

EC–804. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on contract activity under section 11 of Public Law 95–601 for fiscal year 1980; to the Committee on Environment and Public Works.

EC–805. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the third annual report on the financial conditions and results of the operation of the Black Lung Disability Act; to the Committee on Finance.

EC–806. A communication from the Acting Director of the International Communication Agency, transmitting a draft of proposed legislation to authorize appropriations for the International Communication Agency for fiscal years 1982 and 1983; to the Committee on Foreign Relations.

EC–807. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on March 10, 1981; to the Committee on Governmental Affairs.

EC–808. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on March 10, 1981; to the Committee on Governmental Affairs.

EC–809. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on March 10, 1981; to the Committee on Governmental Affairs.

EC–810. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, legislation adopted by the Council on March 10, 1981; to the Committee on Governmental Affairs.

EC–811. A communication from the Acting Chairman of the Equal Employment Opportunity Commission, transmitting, pursuant to law, a report on a proposed new system of records for the Commission for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–812. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a list of reports transmitted to the Congress during February 1981; to the Committee on Governmental Affairs.

EC–813. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Funding Gaps Jeopardize Federal Government Operations"; to the Committee on Governmental Affairs.

EC–814. A communication from the Chairwoman of the Merit Systems Protection Board, transmitting, pursuant to law, the annual report on the activities of the Board under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–815. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the annual report on the activities of the Department under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–816. A communication from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report on the activities of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC–817. A communication from the Acting Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the temporary admission of certain aliens under section 212(d)(3) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–818. A communication from the Chairman of the Federal Council on Aging, transmitting, pursuant to law, a report on programs conducted under the 1978 amendments to the Older Americans Act that were directed by the Congress; to the Committee on Labor and Human Resources.

EC–819. A communication from the Director of the National Science Foundation, transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation for fiscal years 1982 and 1983; to the Committee on Labor and Human Resources.

EC–820. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Financial Assistance to Local and State Agencies To Meet Special Educational Needs; and Financial Assistance to Local Educational Agencies for Children with Special Educational Needs. Amendments to Title I, Elementary and Secondary Educa-

tion Act of 1965; to the Committee on Labor and Human Resources.

EC–821. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Weak Internal Controls Make the Department of Labor and Selected CETA Grantees Vulnerable to Fraud, Waste, and Abuse"; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–50. A petition from a citizen of Penn Yan, N.Y., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–51. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on the Budget:

"HOUSE CONCURRENT RESOLUTION No. 3037

"Whereas, inflation is crippling and devastating the economies of both the state of North Dakota and of the United States; and

"Whereas, one of the causes of inflation is deficit spending by the federal government; and

"Whereas, each year during which the federal budget is not balanced results in increasing the national debt; and

"Whereas, fiscal discipline is needed to restore financial responsibility at the national level;

"Now, therefore, be it resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein: That the Forty-seventh Legislative Assembly urges the Congress of the United States to reduce federal spending and balance the federal budget; and

"Be it further resolved, That copies of this resolution be sent to the speaker and clerk of the United States House of Representatives, the president and the secretary of the United States Senate, and each member of the North Dakota Congressional Delegation."

POM–52. A petition from a citizen of Silver Spring, Md., urging fiscal responsibility by the Federal Government; to the Committee on the Budget.

POM–53. A petition from a citizen of Granite City, Ill., favoring action to end the United States hunt for fur seals; to the Committee on Foreign Relations.

POM–54. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary:

"ASSEMBLY JOINT RESOLUTION No. 6

"Whereas, After many years of negotiation, the states of California and Nevada reached final agreement in 1971 on the California-Nevada Interstate Compact; and

"Whereas, In developing the Compact the Joint California-Nevada Interstate Compact Commission met 62 times between 1956 and 1968, and separately the Nevada Compact Commission held 137 meetings and the California Compact Commission held 75 meetings between 1955 and 1972; and

"Whereas Several special committees were formed to consider special problems, including the Joint Truckee River Committee, which met 22 times, the Joint Carson River Committee, which met 31 times, the Joint Walker River Committee, which met 26 times, the Joint Lake Tahoe Committee, which met 16 times, and the Joint Engineering-Legal Committee, which met 10 times; and

"Whereas, Other special committees included those on drafting, definitions and water rights, and committees to consider comments received from federal agencies and to explain the compact to interested persons; and

"Whereas, The Nevada Compact Commission expended $387,000 from the state general fund between 1956 and 1972 and the California Compact Commission was appropriated $857,000 between 1956 and 1969 and spent additional funds to employ consultants; and

"Whereas, Under section 10 of Article I of the Constitution of the United States, and as provided in article 22 of the compact, ratification by the Congress of the United States is required before the compact may become effective; and

"Whereas, Valuable natural resources would be conserved and important agricultural interests would be benefited by congressional ratification; now, therefore, be it

"Resolved by the Assembly and Senate of the State of Nevada, jointly, That the Nevada legislature urges the Congress of the United States to ratify the California-Nevada Interstate Compact; and be it further

"Resolved, That copies of this resolution be immediately transmitted by the legislative counsel to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives, and to all members of the Nevada congressional delegation; and be it further

"Resolved, That this resolution shall become effective upon passage and approval."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DANFORTH (for himself and Mr. EAGLETON):

S. 827. A bill to change the names of a dam and reservoir on the Salt River, Missouri, from the "Clarence Cannon Dam and Reservoir" to the "Clarence Cannon Dam and Mark Twain Lake;" to the Committee on Environment and Public Works.

By Mr. JOHNSTON:

S. 828. A bill to declare and recognize the vital importance of ports and harbors to this country's economy and energy self-sufficiency, and to authorize expeditious construction of essential river and harbor improvements in order to promote domestic commerce and U.S. export capabilities for coal, agricultural commodities, manufactured goods for export, and other commodities; to the Committee on Environment and Public Works.

By Mr. BAUCUS:

S. 829. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in annuities for survivors of tax court judges; to the Committee on Finance.

By Mr. ROBERT C. BYRD:

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DANFORTH (for himself and Mr. EAGLETON):

S. 827. A bill to change the names of a dam and reservoir on the Salt River, Mo., from the "Clarence Cannon Dam and Reservoir" to the "Clarence Cannon Dam and Mark Twain Lake"; to the Committee on Environment and Public Works.

RENAMING THE CLARENCE CANNON DAM AND RESERVOIR

● Mr. DANFORTH. Mr. President, today I am introducing legislation to change the name of the Clarence Cannon Dam and Reservoir, on the Salt River in Missouri, to the Clarence Cannon Dam and Mark Twain Lake.

This change has been sought by the residents of the area, who commonly refer to the dam and lake in those terms already. Additionally, the change is supported by Clarence Cannon's two daughters, his only children.

I am joined in sponsoring this legislation by my colleague from Missouri, who introduced a similar bill in the previous Congress, and I am hopeful that speedy passage will be achieved.●

By Mr. JOHNSTON:

S. 828. A bill to declare and recognize the vital importance of ports and harbors to this country's economy and energy self-sufficiency, and to authorize expeditious construction of essential river and harbor improvements in order to promote domestic commerce and U.S. export capabilities for coal, agricultural commodities, manufactured goods for export, and other commodities; to the Committee on Environment and Public Works.

PORTS AND NAVIGATION IMPROVEMENT ACT OF 1981

● Mr. JOHNSTON. Mr. President, today I send to the desk a bill which I, and several of my colleagues, believe is of vital importance to the economic well-being of our Nation's ports and harbors and our very ability to compete successfully in the world trade arena.

This bill declares and recognizes the vital importance of ports and harbors to this country's economy and national defense, and the world's economy and energy self-sufficiency, and authorizes expeditious construction of essential river and harbor improvements in order to promote domestic commerce and U.S. export capabilities for coal, agricultural commodities, manufactured goods for export, and other commodities.

My good friend and colleague from Virginia, Senator WARNER, also recognizes the urgency of this situation and will himself introduce legislation on this subject in the near future.

This Nation has over 30 percent of the world's proven reserves of coal. As other countries look ever more closely at the United States as a stable and reliable source for coal, our transportation system is the one major area where we lack the ability to provide that reliable source. This bill will provide the impetus to correct that deficiency and will indicate to our trading partners that we are serious in our purpose to upgrade our ports and harbors to handle the ever-increasing foreign demand for United States coal and other commodities.

We must act and act quickly if we are truly serious in our desire to improve our export capability. This bill is the first step.

IMPROVEMENT OF U.S. HARBORS AND WATERWAYS

The United States presently faces a challenge which will assume immense importance to the Nation over the re-

maining decades of this century. Stated most simply, it is comprised of the following elements:

The industrial nations of the world, because of constraints resulting from high cost of petroleum, are moving in many instances to coal-based industrial energy, and doing so at a rate much greater than had been anticipated.

The United States possesses vast supplies of both metallurgical and steam coal, and is the logical and preferred export supplier in the view of many nations, because of its advanced technology, guaranteed supply, and political and economic stability.

Notwithstanding the existence of factors which inherently favor this Nation as a major world supplier, it has failed over recent decades to keep pace with the changing maritime developments of this period—particularly the move to jumbo commodity carriers requiring deep-draft harbors and advanced dockside or in-harbor cargo handling equipment.

This condition will shortly render the United States increasingly noncompetitive with other coalexporting nations unless steps are taken immediately to render key U.S. harbors capable of accommodating large seagoing carriers (from 60,000 to 100,000+ deadweight tons) which transport such products as coal, grain, and other dry commodities important to U.S. commerce.

Although the most visible present manifestation of this problem is the inadequacy of loading facilities (which has caused unprecedented traffic jams in U.S. ports, chiefly by ships waiting to load coal for export markets), this is a temporary problem which the collaboration of industry and local government is effectively solving. The basic problem remains, however—the inability of supercolliers and other jumbo cargo vessels to navigate fully loaded into or out of U.S. seaports. This inability severely penalizes U.S. products carried on such vessels by increasing freight costs per ton to levels which can make the commodity being carried dangerously noncompetitive.

There is underway at present an upgrading program conducted by the Federal agency responsible for maintaining the Nation's harbors and waterways—the U.S. Army Corps of Engineers—designed to identify U.S. harbors in need of upgrading, to provide criteria against which such harbors must qualify, and to provide—upon the satisfaction of such criteria—for the actual dredging and other work required to render the harbors capable of handling the jumbo vessels which today make up a significant portion of international ocean commerce.

This program, designed in a preenergy crisis era and at a time when the United States still enjoyed a virtually "automatic" favorable balance of payments, is not presently capable of meeting essential timetables to permit the United States to recapture and maintain a dominant role in today's highly competitive world trade—not only in coal, but in other basic U.S. export commodities as well.

Legislation to foreshorten the qualification process and accelerate the actual work of deepening channels and harbors critical to U.S. trade, national defense, and balance of payments is pending in the current Congress. It requires rapid and favorable committee consideration, floor action, and executive branch approval and implementation.

The United States is the world's leader. It has—and should—at each point in contemporary history been the leader in developing those technologies and meeting those needs most important to the Nation and to the world community of which it is such a vital part. Today it should move rapidly to assume a position of unquestioned leadership in the modern and efficient production, transportation, handling, and export of a commodity in which it is rich and for which a vast and, as yet, unpredictable level of growth is clearly developing in world demand—coal.

If this country elects to meet this challenge it must, as a first and most vital step, make possible U.S. compatibility with today's generation of jumbo oceangoing vessels, whose economies of scale can help establish a U.S. competitive advantage largely unattainable by other exporting nations.

The resultant trade can and will offset the losses of U.S. exchange occasioned by continuing imports of foreign oil and can bring about conditions in increasing numbers of nations under which such oil imports will be less and less significant. Action of the type proposed herein can demonstrate forcefully and soon that the crisis condition which many nations are experiencing as a result of OPEC oil pricing need not exist—that it can be reversed, and reversed dramatically.

Such reversal is doable. It is doable largely by the United States, if this country so elects. It is doable now—not at some indefinite point in the future. The virtual fate of industrialized society should not lie in the hands of those who are alien to many of its most basic precepts. It should repose in those hands in which it has already attained a level unprecedented in world history—those of the industrialized nations, and principally the United States, which invent, manufacture, and control the technology—and thus the quality of modern life—of our entire planet.

SCOPE OF INTERNATIONAL COAL TRADE

The growth of U.S. exports of coal over the past few years, however significant, is greatly eclipsed by export projection levels for the next two decades. Actual U.S. exports of coal in 1979 totaled 66 million tons. Projections for the year 2000—only two decades from now—vary widely, but range from as low as 200 percent over current levels to upward of 600 percent or more. Responsible estimates of 250 to 400 million tons or more in exports by year 2000 are common, and form the basis for much of the industrial planning occurring in the United States today.

The U.S. capability to produce, both for domestic consumption and for export, virtually unlimited quantities of coal, responsive to whatever levels of demand may arise, derives from this Nation's position as possessor of some 60 percent of the world's known coal reserves—enough coal to last for years present levels of production and export. By way of contrast, the Kingdom of Saudi Arabia possesses some 5 percent of the world's known oil reserves.

Considering the proportions of trade from the standpoint of principal coal importing nations, the world's major coal importing region—Western Europe—is projected to import coal over the coming decades at a high, totally unprecedented level. In 1977, this area—chiefly France, the United Kingdom, Netherlands, and Belgium/Luxembourg—imported 2 million tons.

Estimates projected for the year 2000 anticipate Western European imports of some 333 million tons—an increase of some 900 percent over the 1977 level. Even more dramatic is the increase projected for Japan—121 million tons of such coal imports by year 2000, an increase of more than 6,000 percent.

In 1980, movements of metallurgical coal through U.S. ports were 28 percent above the 1979 level; steam coal exports were up 100 percent over 1979 levels. The latter figure illustrates that development which presents both greatest change, and the greatest challenge, to U.S. producers and exporters of coal. Historically, U.S. coal exports have consisted chiefly of those coals particularly suited to metallurgical use. These have come almost exclusively from the eastern fields, principally those in Appalachia. In recent years, such metallurgical coal exports have chiefly gone to fuel Japan's booming steel industry.

This traditional pattern is changing rapidly. Continuing rises in the cost of bunkering fuel for maritime vessels have made U.S. coal more attractive to Western Europe than that imported from the traditional but more remote exporting countries, such as Australia and South Africa. In consequence, U.S. steam coal—heretofore not a significant item of this country's export trade—is increasingly being imported into Western Europe from U.S. sources. Led by France, the United Kingdom, and the Benelux countries, Western European nations have been responsible for a distinct change in the longstanding U.S. export pattern, and it is expected that steam coal—including that from the expanding U.S. western coalfield production—will continue to grow in importance and ultimately will constitute a major portion of anticipated high U.S. export levels over coming decades.

This will be true, however, only if the United States acts immediately to upgrade its harbors. South Africa, Australia, and Canada, recognizing the possibility of U.S. attainment of coal exporting supremacy because of long-haul economics and other factors which impact their exporting capability, are already engaged in extensive government-instigated and financed programs of harbor upgrading. Completion of these programs will expand significantly the

ability of these coal exporting competitors of the United States to compensate—through economies of scale—for the advantages of proximity to markets held by the United States. To retain a competitive position in the greater part of the world coal trade over the coming two decades, the United States must move swiftly to render its own major coal exporting ports capable of accommodating, at full load levels, the jumbo dry bulk carriers—including, particularly, supercolliers—which today carry an increasingly significant portion of the world's ocean trade in coal.

The urgency with which other coal exporting countries are viewing the task of improving their harbors relates directly to immediate concerns of importing countries. There is a move by major coal importing nations to contract for coal supplies as far into the future as possible, taking advantage of a present abundance of uncommitted production. The largest coal importing country in Western Europe—France—has expressed through both official and commercial spokesman a reluctance to enter into such long-term agreements with U.S. producers until firm assurance is available that those eastern seaboard and gulf coast seaports through which most Europe-bound coal exports clear will be upgraded in the immediate future to accommodate fully-loaded supercolliers and other jumbo bulk dry commodity carriers. In the absence of such assurances, or in a climate in which the determination of the U.S. Government to undertake such necessary upgrading is seen as equivocal, the willingness of major coal importers to enter into substantial contracts for the delivery of American coal becomes highly questionable.

PROJECTED EXPORT LEVELS

Coal shipments abroad by all of the world's exporting nations are expected to total by year 2000 the equivalent of approximately 927 million tons, as follows:

	Tons
United States	350,000,000
Australia	200,000,000
Republic of South Africa	100,000,000
Canada	67,000,000
All other nations	210,000,000
Total	927,000,000

While there is frequently disagreement over the accuracy of any given set of projections, there is general agreement that increase of both production and international traffic in coal will be by a factor of several hundred percent at the very least. More important, there is agreement that present distribution of share of the export market is likely to change markedly among the world's coal exporting nations—partly in response to variations in geographic proximity of exporter to importer, because of fuel costs associated with ocean shipment; and, more significantly even, in favor of those nations most able to ship in jumbo-carrier bulk quantities from ports which can accommodate the drafts of such vessels and which can load them rapidly and economically.

It is not overstatement to say, concerning those nations which move to establish such a capability, that in securing the major share of world coal exports, "no others need apply."

Those nations, such as South Africa, Australia, and Canada, which are moving swiftly to upgrade coal and other dry bulk handling facilities, and of even greater long-term importance, to dredge and otherwise improve those seaports and their access channels most proximate to internal transport systems serving areas of principal coal production, are those nations which in the coming decades will capture and retain the greater part of the expanded world trade in coal. To function as a major world supplier, the United States will be obliged not only to accomplish such dredging and other upgrading itself, but must do so with the utmost speed.

In the face of rapid changes being accomplished already by coal exporting nations in their harbor configurations, it is evident that the present shares of market enjoyed by coal-exporting nations can in no way be assumed or assured. For instance, it is projected that three Commonwealth countries alone—Australia, South Africa, and Canada—together by the year 2000 will export an estimated 367 million tons of coal—a level in excess of Western Europe's projected imports by that date. Similarly, U.S. exports are seen as exceeding levels of the same Western European import projections by year 2000.

The primary significance of these projections is simply that no worldwide shortage of coal is foreseen over coming decades. In consequence, a commodity trade which is already highly competitive will become even more so. A major—indeed, a critical—factor in this Nation's ability to compete successfully will be how rapidly and how effectively it places its key coal exporting harbors into competitive position through upgrading to accommodate jumbo seagoing bulk commodity carriers.

SHIFTING U.S. PRODUCTION PATTERNS

A shift in production patterns within the United States, evident for more than a decade, is likely to alter significantly the economics of coal export. Presently, the bulk of U.S. coal export tonnage moves through the Hampton Roads/Newport News or Baltimore port areas. Proximity to the chief types of coal most commonly exported in the past, most of which has been produced in the Appalachian coal fields served by the Norfolk & Western Railroad and the Chessie System, has made these two port areas a natural outlet for export shipments.

Two developments are changing this pattern. The first is the upsurge in U.S. exports of steam coal, particularly to Western Europe; the second is the growth of Western coalfield production in the United States as a percentage of overall production.

In the 20-year period from 1965 to 1985, the geography of coal production in this country has changed, or is projected to change, as follows:

PERCENTAGE OF TOTAL U.S. PRODUCTION

Year	Eastern U.S. fields (east of Mississippi)	Western U.S. fields (west of Mississippi)
1965 (actual)	95	5
1975 (actual)	83	17
1985 (projected)	60	40

This growth in Western production is expected to have significant impact on the export traffic moving through gulf and west coast ports. With much of such production, as well as that from the Eastern Interior Basin (southern Illinois, western Kentucky) and Appalachia accessible to the complex of navigable waterways which drain the entire midcontinent and are tributary to the Mississippi, increased coal traffic down the Mississippi corridor is a distinct likelihood, and it is probable that the New Orleans and Baton Rouge areas will become significant coal-exporting ports. Similarly, such west coast ports as Long Beach and others presently undergoing the upgrading process will experience an increase in the volume of coal traffic coming from the Western coal fields for shipment chiefly to the Far East.

Notwithstanding these shifts in the geographic distribution of U.S. coal production, their impact on U.S. export trade—potentially of major proportions—will not be felt unless a concerted Federal effort can be mounted to accelerate upgrading of U.S. seaports affected—on the west coast and gulf coast, whose ports will serve as export points for much of this new production, and on the eastern seaboard, already the Nation's principal export funnel and destined for further major increase as foreign imports—particularly in Western Europe—rise to expected levels.

THE SHALLOW PORT PROBLEM

General U.S. neglect of its harbor facilities in recent decades has placed it at a serious disadvantage with respect to operating convenience and economy which world maritime nations find in other countries whose harbor facilities have kept pace with the times. With the decline in American-flag vessels, and the emergence of foreign-flag maritime supremacy over this period, has come a comparable decline in the capability of American seaports to accommodate the new generation of supertankers and supercolliers increasingly common in world shipping.

Whatever its causes, the United States faces a severe problem of obsolescence in the capability of its major seaports to accommodate the current generation of bulk cargo carriers without lightloading or offshore loading required by inadequate harbor depths and/or inadequate loading/unloading facilities.

Today, faced with growing worldwide demand for coal—a commodity which the United States possesses in virtually unlimited supply and faced similary with continuing and growing demand for other bulk commodities—including grain, ores, and petrochemical products in which U.S. preeminence has long been established—the inadequacy of key U.S.

seaports to accommodate the carriers which today provide the chief means of transoceanic shipment of such commodities has become a major impediment to the assumption of a leading U.S. role in their export.

Nowhere is this situation more evident at the moment than in the case of coal. The familiar sight of colliers backed up by the scores or hundreds in the channels approaching the ports of Baltimore or Hampton Roads is a sharp reminder of the condition of desuetude in which U.S. ports today find themselves. Illustrative of the present-day "horror stories" encountered by foreign buyers seeking to purchase U.S. commodities is that of one French coal importer whose ships stood idle for 3 months in the harbor of Hampton Roads, Va., awaiting dockside coal-loading capability.

Another area seriously in need of rapidly accelerated upgrading is the 200-mile-long corridor of the lower Mississippi River embracing the ports of New Orleans and Baton Rouge. Dredging of some 21 miles above the mouth of the river and dredging bars upriver at some nine locations would create, in effect, a 100-mile-long seaport serving not only the constant flow of commodities presently reaching world markets through these ports, but expanded quantities of coal, grains, and other dry bulk commodities whose ocean freight costs in export trade would be greatly lessened by the ability of jumbo dry bulk carriers to load fully in this potentially vast seaport complex.

The lower Mississippi waterway is illustrative of a range of problems caused by past neglect of harbor depth and other necessary waterway maintenance, and serves as a useful case study in examining the plight of east and west coast U.S. ports as well.

Over the past decade—since 1970—the number of large vessels entering the lower Mississippi waterway—those of 60,000 deadweight tons or more—has increased from 23 ships in 1970 to more than 3,000 in 1979. Because such vessels, which fully loaded require drafts of 50 to 60 feet, can neither enter nor leave this major waterway without operating at light-load levels—to permit navigating the 40-foot depths encountered—their economies of scale are essentially lost, and the cost of shipping U.S. commodities to world markets can range as much as $9 or more per ton higher than would be the case if such vessels could operate at optimum depths. The disastrous effect of such a shipping cost differential on the competitive position in world trade of U.S. commodities—whether coal, grain, or other bulk commodities—is readily and appallingly obvious.

HARBOR IMPROVEMENT/UPGRADING

Existing statutory and congressional advisory actions convey to the U.S. Army Corps of Engineers sole responsibility for the maintenance and development of internal navigational waterways of the United States, and additionally provide for their dredging and other upgrading from time to time to meet the needs of commerce and the national defense.

The process of qualification for such dredging or other upgrading involves a "trigger" mechanism under which petitioning seaports, upon the completion of certain requirements, become eligible for Corps of Engineers action to dredge and provide other port development services related directly to the navigable waterways and their physical features and configurations.

At the present time, three U.S. seaports are in a position of advanced qualification for such upgrading by virtue of their progress in the completion of requisite actions—including cost effectiveness determinations, environmental impact assessment, among others. These are the Hampton Roads/Newport News (Norfolk) complex—harbor and channels; the Mobile, Ala., harbor; and the lower Mississippi channel from the gulf to Baton Rouge, La.

The latter area is that which has perhaps proceeded furthest toward qualification, with hearings conducted by the Corps of Engineers in late January 1981 on the project affecting the area, titled "Deep-Water Draft Access to the Ports of New Orleans and Baton Rouge, Louisiana." The proposal to accomplish upgrading of this important trade and shipping corridor was initiated in 1967 by resolutions of the Committees on Public Works of both the U.S. Senate and House of Representatives—an action taken because of the continuing increase in ocean-going commerce through the ports of Baton Rouge and New Orleans and the general world trend toward larger ocean-going ships.

ILLUSTRATIVE DREDGING PROGRAM: NEW ORLEANS-BATON ROUGE CORRIDOR

In the case of proposed dredging of the Mississippi channel between New Orleans and Baton Rouge to 55-foot depth, scheduled steps would be as follows (assuming, for purposes of illustration, mid-1980 startup):

Dates and Steps

July 1980, preliminary submission to Lower Mississippi Valley Division (Corps of Engineers) (LMVD) of Draft Report and Environmental Impact Statement (EIS).

October 1980, Public meeting on draft.

February 1981, Submission of final District Report and EIS to LMVD.

September 1982, Final planning, completion of EIS, final public hearings, and Congressional authorization.

December 1982, Authorization for construction.

December 1983, Preliminary 50-foot channel.

December 1985, Completion of 55-foot channel.

Dredging/upgrading in other port areas, subject to varying circumstances and requirements, would follow essentially the same scheduling approach, although—optimally—the actual time intervals involved would be highly compressed to permit accelerated dredging, particularly in the most vital coal-exporting regions, at a rate rapid enough to permit U.S. exporters to contract for major increments of the growing coal trade before such trade is preempted by exporting nations already possessed of deep-harbor and jumbo-carrier-handling capabilities.

OTHER HARBOR AREAS

In the process of upgrading are additional harbors on the Pacific coast—Long Beach, Puget Sound, and the Columbia River Basin, among others. Seaports on the Gulf of Mexico and Atlantic seaboard which have expressed interest in Corps of Engineers upgrading include Galveston, Lake Charles (La.), Savannah, Charleston, Philadelphia, and New York. As has been the case with Hampton Roads, Mobile, and New Orleans/Baton Rouge, criteria have been established under which other U.S. seaports can trigger advanced qualifications processes established both by statute and the Corps of Engineers, leading to dredging and other upgrading required to bring such harbors to a level of capability adequate to handle jumbo carriers of the world maritime fleet.

Existing criteria for such upgrading, it should be noted, have been in force for a number of recent years and do not necessarily reflect the tempo of national needs in the face of present circumstances and exigencies. While it would be inaccurate to describe the qualifications timetable as "leisurely," it is clearly susceptible of review and revision of time considerations, and legislation is presently before the Congress to accomplish marked acceleration of the total process in order to respond to world needs and to posture the United States favorably in the meeting of those needs.

ECONOMIC BENEFITS

In a national climate of growing fiscal conservatism, the cost benefits of any requested expenditure of Federal funds will be increasingly subject to critical scrutiny. As is indicated below, the cost/benefit ratio of upgrading selected U.S. harbors on an accelerated basis is exceptionally high, and merits both priority and prominence as an example of wise Federal investment. The Federal role in dredging, developing, and otherwise maintaining the Nation's waterways is long established by both statute and tradition. The exercise of such a role in the face of current challenges and opportunities, arising from a greatly expended production and export of U.S. coal, does not constitute Federal intrusion into the private sector but, rather, exemplifies that role which the Federal Government is best equipped to perform—that of facilitator.

The upgrading of key U.S. harbors to accommodate a worldwide return to the use of coal as an industrial energy base, by facilitating greatly expanded U.S. exports of that commodity, entails Federal expenditures already essentially committed. Foreshortening the requirements preliminary to such upgrading in order to accelerate the completion of the dredging work required simply concentrates such expenditures over a shorter time period.

The payback for such expenditures is substantial. The energy independence essential to the long-range security of the United States is brought much closer. The Nation's balance-of-payments deficit, which currently derives chiefly from U.S. oil purchases abroad, is reversed. Employment—both old jobs and new—

is stimulated in mining, transportation, and related industries. New and viable industries are established to accommodate the expanded traffic in coal—blending plants, coal terminals, among others—in many waterway areas serving the chief coal-exporting seaports.

BALANCE OF PAYMENTS

Because of the rapidity with which it occurs, reversal of the Nation's balance-of-payments deficit is likely to be the most dramatic and immediately beneficial payback from accelerated dredging of waterways essential to expanded coal export trade.

For reasons discussed elsewhere in this study, the United States is increasingly viewed by industrialized nations as the preferred long-range source of coal required to accomplish the reconversion of their energy bases from petroleum fuels. This preference will be converted to actual trade supremacy in coal, however, only if this Nation can compete in delivered cost with other coal-exporting nations. The ability of the United States to do so, as has been repeatedly stressed, is contingent on this country's ability to accommodate and fully load at dockside or bargeside those supercolliers comprising a large and growing part of the international coal-carrying fleet. This is something which the United States presently cannot do except in very limited degree.

OTHER PRODUCTS AND COMMODITIES

While coal is the most dramatic exemplar of the benefits which will be realized by upgrading rapidly those U.S. harbors which are already well along in the qualification process, this country's present major export—edible and industrial grains—will receive renewed impetus. Some present U.S. grain exports are already shipped in bulk carriers of 60,000 deadweight tons or greater, even though shipments outgoing from most U.S. ports are lightloaded (well below the rated capacity of such carriers) because of harbor/channel depth limitations.

Rapid dredging of harbors and channels in the major grain-exporting areas through which such traffic chiefly moves would not only permit the fuller loading of such vessels (at reduction in per-ton freight rates of major proportions) but would tend rapidly toward the use of additional such vessels in the grain export trade as the feasibility of doing so became apparent. The competitive advantages this would permit would have significant effect on the volume and direction of the U.S. trade in grain, already the Nation's leading export commodity.

Additional commodities—ores from the northern and western midcontinent, petrochemical products, and others—would similarly benefit in at least two ways from upgraded harbors:

First. Expansion of the internal transportation systems, both rail and barge (particularly in the case of the Mississippi River corridor), would have a carryover effect on other commodities than coal, providing stimulus for the more efficient and economical use of such systems in high-volume configuration to the enhancement of existing trade and, as economic factors warrant, to its expansion.

Second. The same potential for expanded use of jumbo bulk commodity carriers, presently impractical or only marginally so because of light-loading requirements, exists as in the case of coal shipments abroad, with similar advantages of lower per-ton shipping costs and a resultant enhancement of competitiveness of such U.S. commodities.

It is foreseen that the same increased capability to handle jumbo vessels at dockside and at full cargo capacity will impact favorably on many U.S. manufactured products which presently travel via smaller vessels to foreign markets.

COLLATERAL BENEFITS

While it is important to stress the broad national benefits which are realizable from the dredging of key U.S. harbors on a priority basis—stimulation of industry, increased employment, balance of payments, gross national product, among others—it should be borne in mind that benefits accrue in a regional/local sense as well. Individual industries, both large and small, clearly benefit: Mines; granaries; rail, barge, and truck carriers; terminal operators; other providers of support services in the general seaport areas.

Less obvious benefits accrue to these and other providers of services or dealers in products throughout the entire geographic area served by the transportation network feeding the export seaports. This indirect, but very substantial, indirect regional benefit is dramatically illustrated, for example, by the New Orleans-Baton Rouge corridor which, with essentially minimal dredging (9 river crossings and a 21-mile river section downstream) will become, in effect, a 100-mile-long seaport with a minimum 55-foot channel. This corridor seaport, providing a terminus for the commodities and manufactured products of the total American midcontinent, will serve not only two major exporting harbors, but will serve as well a vast complex of high-technology industries—particularly in the petrochemical sector—whose viability to both the region and the Nation will be strongly influenced by access to significantly more cost-effective export facilities.

Perhaps epitomizing the return, both to the region and to the Nation as a whole, realizable from the investment in an accelerated drilling effort, are the cost-effectiveness figures for those areas presently in advanced stages of qualification for near-future dredging.

That for the New Orleans-Baton Rouge corridor is determined to be on the order of 8.5 to 1—a statistic which, of itself, commends the desirability of the activity. In the case of Hampton Roads, cost effectiveness ratio is 6.6 to 1; that for Mobile, the third seaport presently on a fast track for accelerated dredging, is 1.6 to 1.

Such figures emphasize that priority attention to the upgrading of such seaport areas, to facilitate—initially—expanded coal exports, is wise application of Federal funds. The resultant capability of the United States to function competitively in the expanding international coal trade will have impact and pay benefits for decades to come.

The economic benefits of abundant coal supplies, exported in fully loaded jumbo seagoing carriers, marketed at prices which are world competitive, are not alone domestic in nature. Trading partners of the United States—whether industrialized or developing countries—will find it possible, given guaranteed, affordable supplies of coal, to move increasingly toward applications of coal as an energy base which will lessen dependence on high-priced oil from areas of the world traditionally less stable than the industrialized West. Patterns of payment for U.S. coal, particularly from less-developed countries, may be expected to alter, perhaps drastically, the nature and substance of much Third World trade with this country and Western Europe.

NATIONAL SECURITY

As has been demonstrated, the national security will be well served by the rapid advancement toward U.S. energy independence which will result from expanded international use of coal and from this Nation's expanded role as a primary source of world—as well as domestic—supplies. Further contributing to the basic national security objective of a stable, hard-currency economy will be the balance-of-payments impact of a greatly expanded U.S. coal trade.

A further economic benefit of upgrading key U.S. harbors is the piggy back benefit of such dredging operations to the Nation's defense posture. At a time when defense capability has been diminished by the constraints of an ailing economy, service to the national interest by harbor upgrading, already justifiable solely from an economic standpoint, is further enhanced by the beneficial effects of such upgrading on maritime aspects of U.S. defense capability—and will do so without distinct or significant additional cost to the taxpayer.

In effect, the renewed effort to bring U.S. military preparedness to acceptable levels for the exigencies of the times will receive a "no-cost" bonus in the Federal decision to accelerate upgrading of key U.S. harbors against a rationale which, even absent national defense considerations, is clearly highly cost beneficial in nature.●

By Mr. BAUCUS:

S. 829. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in annuities for survivors of Tax Court judges; to the Committee on Finance.

COST-OF-LIVING ADJUSTMENTS IN ANNUITIES OF SURVIVORS OF TAX COURT JUDGES

● Mr. BAUCUS. Mr. President, today I am introducing a bill to correct a very unfair, inequitable situation, that has been overlooked for some time. Fortunately, it is a situation that can easily be rectified.

The widows of Tax Court judges—there currently are six—receive a survivors' annuity, as provided by section 7448 of the Internal Revenue Code. However, through an oversight, neither this

section nor any other section provides for any type of cost-of-living adjustments for these annuities. As a result, the six widows—whose average age is 80—receive annuities that have remained unchanged in amount since the time of their husbands' deaths. In fact, the total annual amount for all six annuities is currently only $77,122.

Widows and other survivors of all other Federal judges receive cost-of-living adjustments to their annuities as provided by Public Laws 94–470 and 94–554. However, because of the somewhat unusual nature of the Tax Court, covered by title 26 (the Internal Revenue Code) rather than title 28, the provisions of these laws do not apply to the survivors of Tax Court judges.

I therefore urge speedy consideration by the Senate of this long overdue legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADJUSTMENT OF ANNUITIES FOR SURVIVORS OF TAX COURT JUDGES FOR INCREASES IN COSTS-OF-LIVING.

(a) IN GENERAL.—Section 7448 of the Internal Revenue Code of 1954 (relating to annuities to surviving spouses and dependent children of judges) is amended by redesignating subsection (s) as subsection (t), and by inserting after subsection (r) the following new subsection:

"(s) INCREASES ATTRIBUTABLE TO INCREASED PAY.—Whenever the salary of a judge under section 7443(c) is increased, each annuity payable from the survivors annuity fund which is based, in whole or in part, upon a deceased judge having rendered some portion of his or her final 18 months of service as a judge of the Tax Court, shall also be increased. The amount of the increase in such an annuity shall be determined by multiplying the amount of the annuity, on the date on which the increase in salary becomes effective, by 3 percent for each 5 percent by which such salary has been increased. In the event that such salary is increased by less than 5 percent, there shall be no increase in such annuity.".

(b) CATCH-UP FOR SURVIVORS ANNUITIES IN PAY STATUS ON DATE OF ENACTMENT.—If an annuity payable under section 7448(h) of the Internal Revenue Code of 1954 (relating to entitlement to annuity) to the surviving spouse of a judge of the United States Tax Court is being paid on the date of the enactment of this Act, then the amount of that annuity shall be adjusted, as of the first day of the first month beginning more than 30 days after such date, to reflect the amount of the annuity which would have been payable if the amendment made by subsection (a) applied with respect to increases in the salary of a judge under section 7443(c) of such Code taking effect after December 31, 1970.

SEC. 2. EFFECTIVE DATE.

The amendment made by subsection (a) of section 1 shall apply with respect to increases in the salary of judges of the United States Tax Court taking effect after the date of the enactment of this Act.

By Mr. ROBERT C. BYRD:

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States.

(The remarks of Mr. ROBERT C. BYRD on this legislation appear earlier in today's RECORD.)

ADDITIONAL COSPONSORS

S. 170

At the request of Mr. MOYNIHAN, the Senator from Alabama (Mr. HEFLIN), the Senator from Oklahoma (Mr. BOREN), and the Senator from New York (Mr. D'AMATO) were added as cosponsors of S. 170, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 321

At the request of Mr. BENTSEN, the Senator from Illinois (Mr. PERCY), the Senator from Iowa (Mr. JEPSEN), the Senator from Nevada (Mr. CANNON), and the Senator from Missouri (Mr. DANFORTH) were added as cosponsors of S. 321, a bill to amend section 265 of the Internal Revenue Code of 1954 with respect to the deduction, by certain financial institutions, of interest paid on deposits of public funds where those deposits are secured by tax-exempt obligations.

S. 443

At the request of Mr. DANFORTH, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 443, a bill to clarify the limits of the authority of the Department of Education.

S. 491

At the request of Mr. GLENN, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 491, a bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and other purposes.

S. 597

At the request of Mr. JEPSEN, the Senator from Wyoming (Mr. SIMPSON), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Alabama (Mr. HEFLIN), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 597, a bill to eliminate the position of elevator operator in the Senate office building.

S. 598

At the request of Mr. JEPSEN, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 598, a bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States.

SENATE JOINT RESOLUTION 30

At the request of Mr. JEPSEN, his name was added as a cosponsor of Senate Joint Resolution 30, joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

SENATE JOINT RESOLUTION 40

At the request of Mr. JEPSEN, his name was aded as a cosponsor of Senate Joint Resolution 40, joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era".

SENATE JOINT RESOLUTION 47

At the request of Mr. WEICKER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of Senate Joint Resolution 47, joint resolution to authorize and request the President to issue a proclamation designating the week beginning May 10, 1981, as "National Small Business Week".

SENATE RESOLUTION 101

At the request of Mr. WEICKER, the Senator from Oklahoma (Mr. NICKLES), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of Senate Resolution 101, resolution to change the status of the Committee on Small Business to that of a standing committee, and for other purposes.

AMENDMENT NO. 22

At the request of Mr. RIEGLE, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of amendment No. 22 proposed to Senate Concurrent Resolution 9, concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

AMENDMENTS SUBMITTED FOR PRINTING

BUDGET RESOLUTION ON RECONCILIATION

AMENDMENT NO. 23

(Ordered to be printed.)

Mr. McCLURE proposed an amendment to the concurrent resolution (S. Con. Res. 9) revising the congressional budget for the U.S. Government for the fiscal year 1981, 1982, and 1983.

AMENDMENT NO. 24

(Ordered to be printed.)

Mr. BRADLEY proposed an amendment to the concurrent resolution (S. Con. Res. 9) supra.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, the Committee on Small Business will hold full committee hearings on April 27 and 28, 1981, on the Small Business Administration's contracting procedures and personnel policies, at 10 a.m., in room 424 of the Russell Senate Office Building. For additional information, contact Marc Smolonsky or Mike Haynes at 224–5175.

ADDITIONAL STATEMENTS

VIETNAM VETERAN COMMEMORATIVE STAMP—SENATE JOINT RESOLUTION 30

● Mr. JEPSEN. Mr. President, recently the American Legion presented its Distinguished Service Medal to the dead and

missing Americans of Vietnam at the Tomb of the Unknowns in Arlington National Cemetery. It is the highest award of this country's largest veterans organization, and the first national recognition of this sort for those who fought in Vietnam. An additional observance was held at the State headquarters of the American Legion in my home State of Iowa.

Recognition of the service and sacrifice of the Vietnam veteran has been far too slow in coming. Divisions over the war have caused Americans to pay far less attention to our Vietnam veterans than we have given to veterans of any other 20th century American war. Many have tried to bury the memory of the Vietnam war so deeply that they have forgotten about the obligations all Americans, regardless of their position on the war, have to the Vietnam veteran. Some 300,000 were wounded in Vietnam, 75,000 were disabled, over 57,000 died, and 2,512 remain unaccounted for today.

Acknowledgment of and thanks for these sacrifices is long overdue. I am proud of the effort made by the American Legion. I am hopeful it will be the first of many to this end I am cosponsoring Senate Joint Resolution 30 to designate April 26, 1981, as National Recognition Day for Veterans of the Vietnam Era. Additionally I am recommending to the U.S. Postal Service that they issue a stamp commemorating this day.

I am supporting a design by former Marine Corps captain and Vietnam veteran Richard Braley of Cedar Rapids, Iowa. The stamp is of yellow background. The top 60 percent of the stamp will contain three vertical red bars. Adjacent to the bars will be a red eagle's head. The significance of the three red bars is threefold: First, the South Vietnamese flag was red and yellow with three red bars placed horizontally. Second, the campaign ribbon given to all who served in Vietnam was yellow with three red vertical bars. Finally, the three bars also represent the feathers of the eagle. The bottom 40 percent of the stamp contains the words "Vietnam Veteran". National Recognition Day—April 26, 1981.

I would like to see this commemorative stamp issued on or immediately prior to Veterans Day next year. I cannot think of a better way for our Postal Service to recognize this holiday or the Vietnam veteran. I think it is an excellent design for a stamp whose issue is long overdue.

I urge my colleagues to support this idea and this design. I further ask that my fellow Senators and my fellow Americans think of whatever small ways they can to help recognize the past efforts of our Vietnam veterans.●

SOIL CONSERVATION IS AN INVESTMENT IN AMERICA'S FUTURE

● Mr. HELMS. Mr. President, much has been said in the past few years about the critical need to insure adequate soil and water conservation systems on our Nation's farm and range lands.

There is an old saying "if man takes care of the land, the land will take care of man."

History reveals this in such examples as the fall from agriculture production of ancient civilizations of northern Africa, the Tigris and Euphrates and even areas of the United States in the early 1930's when we experienced severe erosion through wind erosion in the Great Plains and water erosion in the East.

An early North Carolinian, Hugh Hammond Bennet, became concerned about the severe erosion and primarily through his efforts in 1933 this Nation commissioned a conservation effort that has made great progress toward controlling erosion and increasing agriculture production. Hugh Bennet, the first Chief of the Soil Conservation Service, made great progress and the severely gullied fields of the Southeast and the dust-blowing plains were converted to grass, trees, strip-cropped, and terraced fields.

In recent years, however, increased economic pressures, export demands, reduced Federal expenditures for soil conservation, complacency, et cetera, once again has set this Nation on a course of soil and water degradation.

Soil erosion may decrease the productivity of a soil if it occurs at a rate faster than the topsoil can be replenished by natural processes. This is generally accepted at an average of 5 tons per acre, although some soils can only afford a 2-ton loss.

A soil conservation service inventory conducted in 1977 revealed that from sheet and rill erosion alone 97 million acres of cropland experienced rates of erosion greater than 5 tons per acre per year. This area is equivalent of the total amount of land in Iowa, North Carolina, and Ohio.

Another more dramatic way to put it is that the United States is literally exporting its precious soil, as one leading grain exporting State, Iowa, is losing the equivalent of two bushels of soil for every bushel of corn they produce. Since agriculture exports are vital to this country's balance of trade, our fight against inflation, our effort to feed ourselves and other peoples of the world, the wise use of our soil and water resources is imperative.

Our defense capability is closely interwined and as this administration is striving to rebuild our defense capabilities, the Nation must consider ways to build a stronger soil conservation program to turn the tide from degradation to nondegradation. And I think America is ready for this.

My good friend, Louis Harris, conducted a poll last year for USDA on this question. His survey revealed that 77 percent of the public sees conservation as an area of joint and private responsibility and they support an increased effort in soil conservation programs.

The Agriculture, Nutrition, and Forestry Committee, which I chair, is now holding hearings on the 1981 farm bill.

I expect the committee to take a long hard look at our soil and water conservation efforts, and I can think of no Senator better qualified to chair the subcommittee which oversees this effort than the good Senator from Iowa, ROGER JEPSEN.

As I mentioned earlier, Iowa is experiencing much soil erosion in its large crop-producing efforts.

Senator JEPSEN understands the relationship between production and protection of our agricultural lands resource base. Recently he gave a speech at the Eastern Iowa Tillage Show where he outlined his views on the future of conservation in this country.

My goal is to put vitality back into our conservation efforts by adopting adequate incentives to successfully promote voluntary participation.

I assure the Senator I intend to join him in his efforts.

Mr. President, I ask that the text of Senator JEPSEN's speech at the Eastern Iowa Tillage Show be printed in the RECORD at the conclusion of my remarks.

The text follows:

CONSERVE THE FUTURE NOW

(By Senator ROGER W. JEPSEN)

When the Senate Agriculture Committee held soil and water conservation hearings last summer in Iowa, one of my friends from Waterloo, a farmer by the name of Jim Sage, summed up his feelings about farming this way: "Live as though you are going to die tomorrow," he told me, "and farm as though you are going to farm forever."

Something tells me that a good number of farmers here today share Jim's thoughts. Because the truth is, a farmer has to make an extra effort to conserve his land for future generations. That's why I feel privileged to be here with you today. You are doing something about the future now. You're not waiting for Washington to tell you that you have a problem, and that it's too late to do anything about it.

It's refreshing to come to Iowa and see government employees join together to get some constructive work done. You know what they say about Washington government employees, don't you? You get five Washington bureaucrats together in one room, and they'll come up with six different answers.

Or have you heard the definition of a Washington Bureaucrat? They are people who look for trouble, find it everywhere, diagnose it wrongly, and apply unworkable solutions.

There's no question that the Eastern Iowa Tillage Show is the biggest and the best tillage show in the country. The very first year the show was held, in 1980, about three thousand farmers attended, and I hear that the turnout today is just as strong. The Soil Conservation Service, the A.S.C.S., the Extension Service, the Soil Conservation Districts, and the Iowa Department of Soil Conservation have all been involved in planning "Operation Save Our Soil". They're to be commended for the great job they've done.

More farmers practiced reduced or minimum tillage in 1980 than in years past. This increase was reflected especially in the eastern part of the State, and I am sure that last year's tillage show had a lot to do with it. According to a survey conducted by local S.C.S. offices in Iowa, the number of farmers using the no-till method nearly doubled from 800 in 1979 to nearly one-thousand-five-hundred in 1980. In 1979, 75-thousand

acres were planted by no-till; and in 1980, one-hundred-eleven-thousand acres. However, since the total number of Iowa acres presently devoted to rowcropping is 21-million, we still have a long way to go.

But it's a fact that in nearly every county of Iowa, some acres are tilled by this soil-conserving method. I am firmly convinced that education and practical demonstration—like those seen here at the show today—are the best methods possible to use in showing farmers the value of saving soil, energy, and water quality by the no-till method. In addition, it appears that two-thirds of our Iowa farmers are tilling without the use of the moldboard plow, a strong contrast to only 14 percent ten years ago.

Iowa, as anyone with any interest in soil conservation knows, is setting the example as a leader in innovative programs to help prevent soil erosion. The Iowa farmer puts his money where his mouth is.

Iowans are taking the necessary steps to conserve the future now. In the past two years alone, since FY 1979, Iowa has contributed more funds and services to soil and water conservation districts than any other state in the country. We were the first state to appropriate funds for a statewide soil conservation cost-sharing program, contributing five-million to six-million dollars every year. Iowa has also taken the initiative to set up a wind erosion control incentive program in seven counties, and a conservation tillage demonstration project in eight. And, it's impressive to me that a number of Iowa counties provide cost-share funds to help finance the construction of conservation practices or make funds available for additional technical assistance.

The list doesn't end there. Perhaps, most importantly, Iowa is the only state in the nation which has made the commitment to reduce soil losses to non-depleting levels by the year 2000. Iowa's example shows how goals can be set nationwide to limit soil losses and establish procedures to meet those goals. I am particularly pleased to observe that the Iowa 2000 Soil Laws stress the absolute need for local grassroots control in soil conservation decisions—decisions that affect the fertile source of our food and fiber as well as shape our role as stewards of the land.

There's good reason for Iowa to take the lead in promoting soil conservation. According to the Iowa Five-Year Resource Conservation Plan, soil erosion is rapidly depleting our state's soil resources and polluting our waters. Some 14-million acres of Iowa cropland is eroding nine-point-nine tons of soil for each acre. Altogether, Iowa farmers lose 26-million tons of soil every year.

When Larry Vance, Director of the Iowa Department of Soil Conservation, testified at the Agriculture Committee soil hearings, he put the loss in a context we can all understand—MONEY. He explained it by drawing a picture for us: Nine-point-nine tons of earth—Iowa's average soil loss per acre per year—fill two dump trucks. Since truckloads of soil sell for about 60 dollars a load in Iowa, that means you're losing 120 dollars for every wasted acre. Multiply that figure by 26 million acres lost to soil erosion every year in Iowa, and that means we're losing over three billion dollars just in soil alone. Since Iowa is one of the largest crop-producing states in the U.S.—but the one that loses the most acres of cropland to soil erosion in the United States—Iowa's soil erosion problem has serious national implications.

But there are even more compelling reasons for concern. New statistics are beginning to reveal that the deterioration of agricultural land quality, coupled with loss of land quality, could be so great in the next few years that what once seemed like an almost infinite capacity to produce food and fiber for the world may no longer be possible.

Neil Sampson of the National Association of Conservation Districts reported an interesting fact recently. In 1975, the Council for Agricultural Science and Technology estimated that soil erosion cost about 160 million dollars nationally, including: 83 million dollars to dredge channels and harbors; 50 million dollars for flood plain overwash and reservoir sedimentation; and 25 million dollars for added water treatment costs and system maintenance in municipal and industrial water systems. Furthermore, the report estimated that it would have cost one-point-two billion dollars to replace the plant nutrients lost through soil erosion that year.

As most of you know, in 1977 Congress passed the Resource Conservation Act for two reasons; to collect extensive data on every aspect of our land base, and to use the data gathered to determine the direction of future conservation programs and policies. The Department of Agriculture has spent about three years on this process and will soon propose a general conservation program based on this data as well as public comment. While we are not certain what this program will involve, I am sure it will not be drastically different in philosophy from present U.S.D.A. programs. There may be an option to direct funds to areas with critical erosion. Block grants to the states to run their own conservation programs may also be a probability.

I do know that we can be sure of support from President Reagan and Secretary of Agriculture Block for soil conservation. President Reagan has said, "Stewardship of our soil and water is a national responsibility . . . It's appropriate for the Federal government to help defray the costs of conservation practices which are beyond the means of individual farmers and ranchers . . . Voluntary participation with adequate incentives is essential to effectively conserve soil and water."

The President continued, "We are committed to:

(1) Programs which give vitality to conservation practices;

(2) Expanding Federal funding for research, including conservation research, and

(3) Encouraging appropriate local and state programs, as well as Federal, or a combination of all of these.

"Our Administration", he said, "is committed to adequate funding for conservation programs. But it is not desirable at this time to indicate unqualified support for increases in Federal outlays, except for programs necessary to our defense."

During Senate confirmation hearings for Secretary Block earlier this month, I asked the Secretary about his views on conservation. He began by describing his experience with the state of Illinois' soil and water conservation cost-share program when he was Illinois Secretary of Agriculture. He said he was happy to see states beginning to take a greater interest in soil and water conservation.

"We can farm intensively," he said, "producing as much food as possible if we do it properly—if we take care of our soil." In addition, just before his appointment, the Secretary wrote a paper on national agriculture conservation policy. It is clear that he understands the relationship between protection of our agricultural lands resource base, and production. And better production means more profit.

He added, "Investment in our natural resources is one of the best ways for government to spend money wisely. The interest gained is reflected in healthy economics in lands where those natural resources are abundant. If our natural resource conservation programs are not redirected soon, America will suffer. The program I support helps individual Americans help themselves. It stresses the involvement of local government. We cannot export our topsoil forever," the Secretary concluded. "The nation's strength lies in its soil and its wise development." He knows that we need to conserve the future now through adequate soil conservation programs.

As chairman of the Agriculture Committee's soil conservation subcommittee, my goal is to put vitality back in our conservation efforts by adopting adequate incentives to successfully promote widespread voluntary participation. I have heard many opinions, and I am convinced that these kinds of approaches are what Iowans—indeed most of the nation—want. Nearly 100 people testified at the soil and water conservation hearings I held last summer in Waterloo, Ames, and Fairfield.

In addition, many Iowa food producers have already responded to a questionnaire sent by my office to determine which of several conservation policy options farmers prefer. The support for certain proposals is overwhelming: 95 percent of the questionnaires to date listed soil erosion as a significant problem for Iowa farmers; 71 percent favored an expanded research program to develop more effective soil and water conservation measures; 83 percent, tax credits; 76 percent, a special low-interest loan program to help new or small farmers set up soil and water conservation practices; and 65 percent did not want the Federal Government to tell farmers how to practice soil and water conservation practices on their own lands.

I was glad to see such strong support for conservation research. As many of you know, I strongly favor the location of a soil tilth center at Iowa State University. I testified for two consecutive years on this project and will be introducing legislation to authorize the new Secretary to construct such a facility at Iowa State. The Subcommittee will hold hearings on this and other related proposals later in the 97th Congress.

There are a number of options available to us to help encourage voluntary soil conservation while keeping in mind President Reagan's pledge not to expand our Federal budget. These proposals include:

Establish a critical areas conservation program to accelerate erosion control in areas of the country that have been identified as having serious erosion problems. The soil and land resources data the Department of Agriculture has gathered through the RCA process would be very helpful in this regard.

Authorize the Secretary of Agriculture to offer grants to States and local agencies to carry out soil and water conservation activities. Over the past few years many states and local communities have intensified their interest and investments in soil conservation. Local communities, in my opinion, are better able to measure the needs of local landowners, who are anxious to become involved in conservation programs.

Establish a National Endowment for Soil Conservation patterned after the National Endowment for the Arts. The fund could receive donations, which could use the interest from such contributions to promote soil and water conservation practices.

Authorize the Secretary to make loans available to individuals who want to install approved conservation practices.

Establish a system that would allow farmers who invest their own money in installing and maintaining conservation practices on their lands, to claim Federal tax credits. Tax credits would appeal particularly to absentee landowners who generally have little incentive to prevent erosion. Significantly, such a tax credit program would help avoid an increase in the conservation budget.

I'd like to add that while the tax credit idea has been kicked around a lot lately, no

one seems to have a good idea about how to make such a program work. I propose that we get down to brass tacks and come up with a workable piece of legislation that we intend to pass in the 97th Congress. At my request, a preliminary meeting was held in Washington recently with conservation and tax experts on the economic feasibility of such a tax credit program. This concept has already received support from many individuals and groups, and prospects look promising for its serious consideration.

We also need to determine whether many of the recent predictions concerning the loss of actual productive farmland acreage are correct, because it raises a controversial question: How great is the loss? Will we be unable to meet the demands of the American people and our trade partners? I will be urging the soil conservation subcommittee to help resolve this question.

Another issue involves whether Federal agencies adequately consider how their many projects and land acquisition policies affect our farmland resource base. A General Accounting Office report released last year recommended that Congress review the Federal government's practice of "acquiring as much private land as possible regardless of need, alternative land control methods, and impact on private landowners." I expect the Subcommittee to study this issue in depth and propose solutions that will recommend more state and local control over these decisions.

According to Mark 4:28: "The earth bringeth forth fruit of herself, first the blade, then the ear, after that the full corn in the ear." This was true in Biblical times, it is true today, and it should be true hundreds of years from now. There is, however, an important point to remember. The land the Bible refers to, the land where agriculture first developed at least seven thousand years ago in the fertile valleys between the Tigris and Euphrates Rivers, is fertile no more. I can attest to its ravishment. Last year I visited this land which once held so much promise during a tour of the Middle East. Why are Egypt's lands now so impoverished? The people overgrazed and overused their lands, causing the rivers to fill with silt. The river waters entered the acquifers which were so desperately needed to irrigate the land; they clogged up, and the lands are cracked and spoiled today. We need to learn a lesson from history here. We need to learn that the time to conserve our future is now.

Granted, our technology is more advanced today than it was in the days of ancient Egypt. But even though the United States has the best technology in the world, the best fertilizers, herbicides, and the most modern equipment, the basic and most important ingredient for providing abundant food to feed a hungry world is good soil.

Despite the renewed interest and commitment to soil conservation, quick and easy fixes just aren't available. "Quick Fixes" usually don't solve the problem. And, as Mr. A. J. Hollingsworth of New London, Iowa, wrote to me recently, you can't expect one program to fit the needs of every farmer. He ended his letter with two words: "Good luck," he said.

But we need more than just good luck; by taking positive and preventive action now for soil conservation, we will have a future to leave our children. We all need to work together to take care of the land—farmers, landowners, government officials, research scientists, and taxpayers. And if we take care of the land, the land in turn will take care of us, yieldiing increased production as well as profit.

In the fall of 1979, Pope John Paul the Second expressed this feeling about the reward of being good stewards. It was October, the month of harvest when the land rewards us for our good care. The Pope made his remarks as corn, ready to be picked, waved in abundance in the fields. "Conserve the land well," he urged us, "so that your children's children and generations after them will inherit an even richer land than was entrusted to you."

Iowa farmers don't need to be told this. You know that there is no true production without profit, and no true profit without production. The key, yesterday, today, and tomorrow, is conservation of the land, because it is both our present inheritance and our future promise.●

BIPARTISANSHIP IN AMERICAN FOREIGN POLICY

Mr. MOYNIHAN. Mr. President, there is a tradition of bipartisanship in American foreign policy, and President Reagan, like many of his predecessors, has pledged to observe it. It was a theme of his campaign for office and will, we hope, remain a theme of his administration.

Last month the Coalition for a Democratic Majority, of which I am an honorary cochairman along with Senator JACKSON, observed one of the ceremonies of this bipartisanship. We held a luncheon to honor Jeane Kirkpatrick, one of the founding and most active members of CDM and now, under a Republican administration, U.S. Permanent Representative to the United Nations. Those who attended, and those who spoke, wished to show their pride in her and their conviction that the bipartisanship required for a successful foreign policy could not be better embodied than by her appointment.

The position that Jeane Kirkpatrick holds has several times been filled by men—and, we can at last say, woman—not belonging to the President's party. Thus it was Warren Austin, himself often a delegate to Republican conventions, who represented the United States at the United Nations under President Truman. At the founding of the United Nations, Arthur Vandenberg and Tom Connally sat together on the American delegation. And though a Democrat I served at the United Nations under President Ford.

Such appointments are part of the substance of bipartisanship. But let it be said that Jeane Kirpatrick represents more than merely views and policies that are acceptable to both parties. Rather, in a distinguished academic career, she made it her task to write on, and give life to, the principles that unite our Nation and reflect our distinctive commitment to liberty. She will make this her task as well in the great work that is ahead of her.

Mr. President, at the February 2 luncheon in honor of Jeane Kirpatrick, speeches in her honor were given by Lane Kirkland, president of the AFL–CIO, by Ben Wattenberg, chairman on the CDM, and by Senator JACKSON. I ask that their remarks, as well as those of Ambassador Kirkpatrick herself, appear in the RECORD.

The material follows:

REMARKS OF BEN J. WATTENBERG, FEBRUARY 2, 1981

Welcome on behalf of the Coalition for a Democratic Majority. This is a remarkable occasion for CDM—a moment of mixed pride and irony. Our dilemma can be found in our name: We are still surely a coalition—you will find faces around this room from the Labor Movement, from the academic world, from the professions and the business community—

We are still surely Democrats, as Jeane Kirkpatrick has noted. We've seen some fights within our party, we've lost some, but we're still there fighting. But—just as surely as we are still a Coalition and still Democrats, alas, the election returns have told us that we don't seem to be a Majority any longer.

Strangely enough, it is that latter circumstance that brings us here to honor Dr. Jeane Kirkpatrick and wish her Godspeed in her mission to the tarnished forum of humankind at Turtle Bay.

The bitter-sweet irony of this occasion runs deep—and directly to the core of the problem of the Democratic Party. It is not a secret that Jeane's name was put forth to be an Ambassador in the Carter Administration—in fact, a Presidential Commission recommended her for posts on three continents. Indeed, it would be remarkable if a woman of Jeane's experience, intelligence and eloquence would not have been put forth to serve in a Democratic Administration. What was remarkable was only that while recommended she was never asked to serve. We can only speculate on why that did not happen; we do know, however, that members of CDM were considered something of a problem for the previous Administration. It was said that we were too hard-line. In retrospect a definition emerges—a hard-liner was someone who found out about the Soviets before the President found out about the Soviets.

Because of this attitude, because the most vocal wing of the Democratic Party came to dominate the foreign policy of the Democratic Party, because realists like Jeane Kirkpatrick were not asked to help steer the ship of state, a perception grew in the country that the Democratic Party stood for weakness, vacillation and indecision, or in the immortal words of Jeane's friend Richard Scammon, it was perceived that if the Democratic Party took your dog for a walk around the block, they wouldn't come back with the same animal.

This perception, of course, was contributory to the stunning defeat of Democrats in 1980. It was a strange defeat. On the one hand, it robbed the nation and the world of certain aspects of the legislative leadership of American stalwarts like Scoop Jackson and Pat Moynihan. On the other hand, it was a defeat that brought not only Jeane Kirkpatrick but many other CDM people to the ranks of high foreign policy positions.

How do we deal with this strange set of events?

First. We salute Jeane Kirkpatrick and her CDM colleagues who have gone into this new Administration. We salute the new administration for recognizing and honoring her views. We salute her, and her CDM colleagues going into this Administration as persons of intelligence and wisdom whose efforts, we believe, will make for a stronger America, whose efforts will lead to a world where liberty is more likely to flourish. We know, if not everyone else does, that over the decade of the 1970s it was CDM members and CDM allies who first began the ferment which brought the concern for human rights to center stage—the people are here—Senator Jackson, Senator Moynihan, Lane Kirkland and the AFL–CIO, (and before him George Meany), Max Kampelman Dorothy Fosdick,

Penn Kemble, Josh Muravchik, Tom Kahn, Sonny Dogole, Eliot Abrams, Norman Hill, Austin Ranney, Paul Nitze, Bud Zumwalt, and of course, Jeane Kirkpatrick.

Second. We note that the position that CDM subscribes to—American strength, American internationalism, American championship of human rights—has until the recent past been very much the philosophy of the Democratic Party and a source of much of its strength. We note too that while the new President is no Ronnie-Come-Lately to many of these issues, he presides over a Republican Party, that like our own, has taken some strange and corrosive paths in the foreign policy arena in recent years. Accordingly we offer our brothers and sisters to help make sound American policy but those of us who remain behind do not buy the idea that a sound foreign policy can only flourish in a Republican setting.

And so, third, we rededicate, ourselves to the promotion of those views within the Democratic Party, the institution that presided over their birth. For all its problems, which are many and complicated, for all its recent false starts, we have not given up hope for our Democratic Party, which has in the past been the great engine of change, progress and reform in this country, a party still dedicated to liberty and equity of every race, class and region of this nation, a party still dedicated to freedom at home and abroad.

(There could be worse things than having two parties with a sound foreign policy.)

REMARKS OF LANE KIRKLAND, FEBRUARY 2, 1981

I am delighted to join with CDM in this tribute to our friend Jeane Kirkpatrick, as she embarks on her new assignment.

As to her prospects at the United Nations, we have the highest hopes, grounded in the experiences we have shared with her over the years.

It comes as no surprise to this audience that Jeane has been a good friend of the AFL–CIO, as she has been a friend of all the members of what Pat Moynihan has aptly called "The Liberty Party."

That Party has had few leaders as articulate, thoughtful, and persuasive as she. Jeane will bring more than a touch of class to the American voice at the United Nations. She will bring clarity to the expression of the mood of national self-respect and genuine patriotism which is the natural disposition of most Americans.

Moods can be fleeting and they are no substitute for durable policy. But they can create a public climate for policies which otherwise would not have been possible or credible. Any who doubt this have only to look back on the corrosive effects on American Foreign Policy of the guilt and self-doubt so carefully cultivated by our disillusioned elites in the aftermath of Vietnam.

If that fog is now lifting, Jeane Kirkpatrick's appointment to the United Nations is perfectly timed.

I spoke earlier of the experiences we have shared with Jeane. Those experiences flowed in large measure from our common efforts to challenge a perverse view of the world which too often produced an unnatural separation between the pursuit of democratic ideals, on the one hand, and our national strategic and political interests on the other.

Let me be plain. We have no taste for jingoism, or for the empty flag-waving of those whose Americanism consists of contempt or indifference to the fate of other peoples. But we do strongly assert that the future of human rights and the prospects of economic development depend on the survival and growth of democratic institutions, and that such institutions cannot thrive amidst the erosion of the American position in the world.

The AFL–CIO remains committed to human rights as an integral part of American Foreign Policy. That was the governing principle of our own activities before the last Administration took office, and we stand by it as the new Administration takes office. But we understand better than most that the goal of a human rights policy must be the strengthening of democratic institutions and not their abandonment.

A human rights policy that yields the frontiers of political democracy, or that in effect transfers political territory from the authoritarians to the totalitarians, is an anti-human rights policy. A human rights policy that results in a declining influence for the Western democracies in world affairs is not a human rights policy. A human rights policy whose proponents are indifferent to a strong national defense is not a human rights policy.

So it is in the real world. It will be nice, once again, to have a U.N. Ambassador who inhabits it.

As we in the AFL–CIO gird ourselves for the battles that loom all too clearly on the horizon, this pleasurable occasion reminds us that every cloud has a silver lining, Jeane, your appointment shines especially bright, and we wish you all the best.

REMARKS OF SENATOR HENRY M. JACKSON, FEBRUARY 2, 1981

Ben Wattenberg, Senator Moynihan, Lane Kirkland, Huber Matos, Jeane Kirkpatrick, and all the assembled friends of CDM:

I am convinced that one reason we Democrats lost the election was the Republican success in pre-empting the historic stance of the Democratic Party on issues of defense and foreign policy.

The Republicans struck at the heart of our Party—the tradition of Franklin Roosevelt and Harry Truman—champions of a strong and resolute America, leader of the Free World, proud of its greatness.

Some of us have been sounding these themes over the years, and battling to get them accepted in the councils of government. To its everlasting credit, CDM has been out front in this struggle.

We have held:

That a robust strategic equivalence with the Soviet Union is an essential foundation for an effective American foreign policy, one which will assure our national security and the safety of free nations.

That a policy of détente and accommodation with the Soviets is transformed into a policy of retreat and appeasement when our leaders fail to insist that restraint must be reciprocal, that forbearance must be mutual.

That no SALT II Treaty is preferable to an unsafe one that sanctions the massive buildup of Soviet strategic power, advantages them in critical respects, and contains provisions of great importance that we are unable to adequately verify.

That one of the great coverups of this century is the effort by Western governments, who know better, to muffle the facts about Soviet-bloc support for international terrorism.

That something is wrong with a policy on human rights that finds it convenient to criticize the petty dictatorships, with which the world unhappily abounds, but inconvenient to speak out about the Soviet system that inspires repression around the world.

That Israel, structurally stable, militarily capable, and pro-Western in orientation constitutes an indispensable Western asset in the Middle East.

That the United Nations is out of hand and operating in many ways to undermine our basic national interests.

My friends, we can't blame the Republicans for picking up these themes and walking off with them. They make sense. Moreover, they are central to the future of our nation and its free institutions, and to the destiny of all free peoples.

Too many of our fellow Democrats misjudged the mood of the country. We were told it was out of bounds for good Democrats to sound patriotic. We were told that to call America a great country was passé. Well, the recent vast and tumultuous outpouring of unabashed patriotism should put that myth to final rest. What a chance we Democrats missed! What a reservoir of support we failed to tap! The American people are yearning to have this country great again. They were looking for a leadership that understood.

In the period ahead, CDM should be very busy. We have to watchdog the Republican foreign and defense team. And we have to redouble our efforts to bring the Democratic Party into the 1980's, prepared again to govern the country.

Meanwhile, this is a special celebration today for one of our members who is joining the new Administration—to carry on the battle from the inside.

Over the years, Jeane Kirkpatrick and I have shared many spirited efforts within the Democratic Party. After the recent election, I served with Jeane on President Reagan's Interim Foreign Policy Advisory Board. We aren't supposed to report on what went on behind the closed doors. But I can tell you this: Jeane Kirkpatrick was the star. She proved once again her scholarly grasp of the complexities of foreign policy, her shrewd ability to sort out the key issues, her solid judgment, and her unusual skill in exposition. Jeane Kirkpatrick is equipped and ready to undertake the formidable task of handling American relations with the United Nations. She has my personal pledge of cooperation and my very special blessings.

REMARKS BY AMBASSADOR JEANE J. KIRKPATRICK, FEBRUARY 2, 1981

Ambassador Kirkpatrick. Obviously, this is a very pleasant and thoroughly enjoyable occasion. I don't just like it, I love it. When I hear such praise from men whom I so respect and admire—Senator Jackson, for whom I have repeatedly worked for the office of President, that's my most concrete testimony of what I think of him; Senator Moynihan for whom I would happily work for election as President of the United States; my good friend Lane Kirkland, whose organization I consider myself in total solidarity with and with whom I expect to be working side by side in the future as in the past; Senor Huber Matos who in a very special way, in very much the same way that Aleksandr Solzhenitsyn and certain other genuine and authentic heroes in our time demonstrate that no amount of totalitarian terror can in fact kill the human hope and determination, the avocation and vocation for freedom; and Ben Wattenberg, my good buddy, and Penn Kemble and Max Kampelman—well this is a very nice occasion for me, and I am very happy to be here.

I see all my good friends in the room and I like it a lot, and I want you to know two things about that: One is that your expectation for my performance defines another and very important and for me really definitive dimension of my new responsibilities. These new responsibilities are at best and at their minimum onerous and a bit awesome, and your expectations for me confronted with that office and those responsibilities fill me with fear and trembling and determination. I'll do my best. The second point I want to make it that, pleasant though it is to be here, I understand very well that you are not gathered just to honor me.

I want to assure you that I know better. There is quite another and much more important reason that we, a band of Democrats, are crowded into this particular smoke-

filled room. We have lived in smoke-filled rooms at some points in the past and hopefully we shall in the future—smoke-filled rooms, some would say, are our natural habitat—but the reason I think that we really are here today, is that we have come to celebrate a victory. That victory is, of course, for a perspective on foreign policy; and my appointment, as I understand very well, is a symbol of the victory of that perspective on foreign policy and national security in this country at this time.

Obviously the partisan context of this occasion makes it for most of us bittersweet. Most of us have long been Democrats, we've been real, live, serious Democrats. Perhaps the best way to communicate how serious we've been in our family as Democrats is to tell you a story about one of my sons who, when he came home one day from a Sidwell Friends' transition class, in a classroom with one of Sandy Vanocur's sons, reported at dinner, today we talked about what we are. My husband and I asked, what do you mean "what we are;" and he said, "well you know, Jimmy said that he was a Catholic and Annie said she was a Jew and Tim said he was a Quaker—and I told them we were Democrats." It takes a family of serious Democrats to produce a nursery school response like that.

My situation is also not very different than that of another good friend Aaron Wildavsky, distinguished political scientist and I think freedom fighter, who at a meeting, of all places, of the Reagan Foreign Policy Advisory Council last Spring said to me, "I never even saw a Republican until I was fourteen." So I think you know we have been serious Democrats, and for serious Democrats this is obviously a bitter-sweet occasion. But more even than serious Democrats, I believe that those of us who are here have been serious freedom fighters. And it is, therefore, a kind of political, collective, and partisan as well as personal misfortune that brings us here today—and a kind of collective and personal good fortune as well.

As I look around the room, I think we were all there when a particular kind of new liberalism spread through our party like the plague. In fact we all tried very hard, those of us in CDM, to fight off and stop the spread of that particular plague, to ameliorate its symptoms, and to treat the victims. We know too that we have never been a coalition for a democratic "majority" in the sense that, since we formed, we have not been a majority within the leadership of our party. CDM was in fact formed precisely to meet that particular problem—the problem of having the leadership of our party assumed by some people who thought very differently about a great many things.

We thought and we think today that the kind of plague that swept through our party and which I believe led to massive Democratic defeats in 1972 and in 1980 is one that involves a very peculiar kind of arrogance. It tends to devalue the views and values of ordinary people—ordinary rank and file members of the Democratic Party, members of the AFL–CIO, members of the American nation. It tends to elitism, and to utopianism of a sort that is prepared to trade real goods for symbolic ones.

Most especially, we feel that the plague which swept our party and for a period captured its leadership—not all its leadership but some portions of it—led in turn to a situation that struck me dumb (which is by the way, a hard condition to bring about). I literally hardly knew how to respond to the notion that I and inferentially my colleagues, who have been preaching and insisting on the centrality of human rights in foreign policy, that we should be accused of devaluing human rights in foreign policy is so stunning a notion that I hardly knew how to respond.

Now, after thinking it over with a little help from my friends, Senator Moynihan, Penn Kemble, Ben Wattenberg, and others, I came to realize that it was but one more example of a peculiar kind of orthodoxy and the intolerance associated with it—a certain form of what I would call perverted liberalism in our times which seeks to control politics and reality and reputations and power, most especially and most seriously distributions of power, by way of controlling the symbolic environment.

In the lexicon of this peculiar and intolerant orthodoxy, the woman who supports the legitimacy of mothering may be treated as a non-woman or not really a woman or not really a proponent of rights for women. A Black who supports equal opportunity and opposes quotas may be treated as an oreo—you all remember oreos, black on the outside and white on the inside, not really a Black. Or a labor leader who supports the fundamental success of the American system and the democratic institutions which guarantee collective bargaining and the right of workers to seek their own good according to their own lights may be considered a lackey of capitalism. By the same token, a human rights advocate who does not embrace a particular and particularly abstract notion of human rights becomes no partisan of freedom.

This is a dreadful kind of orthodoxy with which the partisans of unfreedom of our time have plagued the world. Indeed in our age they have sought to remake the standard usage embodied in the Oxford English Dictionary and Webster's International to define freedom and non-freedom; according to this peculiar orthodoxy, whether a nation practices genocide becomes less important than whether a nation signs a particular version of a particular convenant on genocide produced by a particular institution at a particular time. Whether a nation stands for human rights is determined by whether it in fact subscribes to a particular "progressiste" and I insist we have no accurate equivalent in English for that concept—a particular "progressiste" conception of human liberty which associates it with the triumph ultimately of the totalitarians in society after society.

I think everybody here knows that reality in our time has become confused by words. Words are used systematically to confound innocent and unwary people, and freedom has become in our times, more than once, a semantic tool for attacking and undermining free people and free institutions. The fact is that freedom is a precious good which is won by particular people at particular times, protected by very particular and usually very complicated institutions and restraints. I think it is awfully important that we all take the cure of history in thinking about freedom and human rights. And the cure of history is nothing more or less than the cure of reality.

If we take the cure of history, we will discover something about the very essence of freedom and the very essence of human rights. We will discover that the freedom of the American people was based not on the marvelous and inspiring slogans of Thomas Paine but in fact on the careful web of restraint and permission and interests and traditions which was woven by our founding fathers into the Constitution and explained in the Federalist Papers—and rooted, of course, ultimately in our rights as Englishmen. Just as the freedoms of modern France consist and are built not on the slogans of the French Revolution but on the very long, arduous struggles of the French people to give reality to those slogans, a reality that exists in the constitutional structures and in the conventions and the institutions of French society.

With respect to the protection and enhancement of human rights, an aspect of the human condition, one finds that force must reinforce legitimacy. Force in the real world is unfortunately necessary to reinforce freedom; and American power, it seems to me, is quite clearly necessary to protect and expand the frontiers of freedom in our time. I think we all wish that the human condition were not what it is and that human society is not what it is, and that the mode of expanding and operating the power arenas in our time were not what they are.

I can't resist quoting Edmund Burke—I said to my husband today I consider Edmund Burke an 18th century Aristotelian and I consider myself a 20th century Aristotelian—Burke said concerning the French revolution and freedom in France, "I should therefore suspend my congratulations on the liberty of France until I was informed as to how it had been combined with government, with public force, with discipline, with obedience of armies, with the collection and effectiveness of a well distributed revenue, with morality and religion, with solidity and property, with peace and order, with civil and social manners. All these are good things, too. Without them liberty is of no benefit whilst it lasts and is not likely long to continue."

We all know that a great many modern revolutions are made in the name of liberty and that they result in the reality of tyranny. In my hearings at the Senate Foreign Relations Committee, which I took very seriously, I made only one pledge. And my pledge was that I should try very hard, in the tradition of Daniel Patrick Moynihan, to make certain that I understood what the United States acted upon and responded to before we acted upon it and responded to it; that I should try to make very clear that we agreed to nothing or disagreed to nothing until we knew what it meant; and finally that I should try very hard to make certain that nothing we agreed to diminished freedom in the world.

Thank you.

ORDER OF PROCEDURE

Mr. BAKER. Madam President, who has control of the time?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BAKER. Madam President, will the Senator yield to me?

Mr. DOMENICI. Yes.

THE ASSASSINATION ATTEMPT ON PRESIDENT REAGAN

Mr. BAKER. Madam President, I think most people on the floor are as concerned as I am and as anyone is about the condition of those who were involved in the shooting incident at the Washington Hilton. There are now unconfirmed reports—at least I cannot confirm them—that the President himself was shot. I suggest that, in view of those circumstances, we consider going into recess. I have asked Senator BYRD to come to the floor and, as soon as he arrives here, we shall make some further disposition of that.

In the meantime, Madam President, I ask unanimous consent that it may be in order to suggest the absence of a quorum without charging it to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO CALL OF THE CHAIR

Mr. BAKER. Madam President, if the distinguished Senator from New Mexico will continue to yield to me, I might report that I do not have confirmed information that the President was shot. I do have unconfirmed information that that was or may be the case. In view of the gravity of that situation, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 3:17 p.m., recessed subject to the call of the chair; whereupon, at 6:04 p.m. it reconvened when called to order by the President pro tempore (Mr. THURMOND).

REPORT ON THE CONDITION OF THE PRESIDENT OF THE UNITED STATES

Mr. BAKER. Mr. President, I would like to take this opportunity, before we proceed, to report on the condition of the President of the United States.

I have just concluded a conversation with representatives of the White House and with Senator LAXALT, who is at the hospital with Mrs. Reagan.

Senator LAXALT authorized me to report that the President is still in surgery and that he is doing very well; that the surgeons now have found the bullet which penetrated the chest cavity and lodged in his lung; that they expect the surgery to be completed within the hour. The President will then be taken to the intensive care section of the hospital where his recovery is considered to be certain.

He is strong, he has withstood surgery well, and things are proceeding as well as could be expected.

Mr. President, in a similar situation, it was the policy of the former majority leader, Senator Mansfield, to conclude the proceedings of the Senate by a recess in recognition of the gravity of the situation when President Kennedy was shot.

In a few moments I will ask unanimous consent that the Senate stand in recess until tomorrow. But at that time also, I note the majority leader invited the Chaplain to offer a prayer, expressing the wishes of the Senate for the recovery of the President.

Our Chaplain is with the Reagan family at the hospital. I have talked to Dr. Halverson and urged him to remain there. In his absence, in a few moments I would hope that Senator DANFORTH, of Missouri, who is also a clergyman, would offer that prayer.

Before we do, Mr. President, I have to necessarily transact some business. It is my intention that the Senate should resume its regular activities on tomorrow.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW AND TO RESUME CONSIDERATION OF SENATE CONCURRENT RESOLUTION 9

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the prayer to be offered by Senator DANFORTH on behalf of the Members of the Senate for the President's recovery, that of his staff, and those involved in this incident, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow. At that time we will resume consideration of Senate Concurrent Resolution 9. There will be leadership time in accordance with the standing order and following that leadership time we will resum consideration of Senate Concurrent Resolution 9.

The Bradley amendment, No. 29, will be the pending amendment.

It is my hope. Mr. President, that we can complete action on Senate Concurrent Resolution 9 tomorrow, and to further that hope I would urge Senators to consider that we may be late on tomorrow evening.

Mr. President, I am sure I speak for every Member of the Senate when we express our great sorrow at the developments of this day.

Now. Mr. President, I am prepared to yield to the distinguished Senator from Missouri for the purposes I have just stated after the Chair has granted the request that I have put.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Missouri will offer a special prayer.

PRAYERS

Mr. DANFORTH. I ask you to join me in three short prayers, one for the President, one for those who were injured with him, and one for our country.

PRAYER FOR THE PRESIDENT

Let us pray, first for the President of the United States.

O Father of mercies and God of all comfort, our only help in time of need. We humbly beseech Thee to behold, visit and relieve Thy servant the President of the United States. Look upon him with the eyes of Thy mercy. Comfort him with Thy goodness. Restore him to health, and grant that he may grow in faith and strength to Thy glory. Through Jesus Christ our Lord.

PRAYER FOR JIM BRADY, THOMAS DELAHANTY, AND TIM M'CARTHY

Let us pray for Jim Brady, Thomas Delahanty, and Tim McCarthy.

O merciful God, giver of life and health, Bless we pray Thee Thy servants Jim Brady, Thomas Delahanty, and Tim McCarthy and those who minister to them of Thy healing gifts, that they may be restored to health of body and mind through Jesus Christ our Lord.

PRAYER FOR OUR COUNTRY

Let us pray for our country:

O God, merciful and compassionate, who art ever ready to hear the prayers of those who put their trust in Thee; Graciously harken to us who call upon Thee, and grant us Thy help in this our need; through Jesus Christ our Lord.

RECESS UNTIL 9:30 A.M. TOMORROW

The PRESIDENT pro tempore. The Senate now stands in recess.

Thereupon, at 6:10 p.m., the Senate recessed until tomorrow, Tuesday, March 31, 1981, at 9:30 a.m.

EXTENSIONS OF REMARKS

RELIGION AND POLITICS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. MICHEL. Mr. Speaker, Father James V. Schall, S.J., has written an article about religion and politics that is so lucid, so brilliant and so important that it would be an injustice for me to attempt to paraphrase it. What Father Schall says strikes the very heart of the question of El Salvador.

At this point I wish to insert in the RECORD, "Priests as Revolutionaries, Religion as Power Politics" by James V. Schall, the Washington Star, March 27, 1981.

PRIESTS AS REVOLUTIONARIES, RELIGION AS POWER POLITICS

(By James V. Schall)

Those of us who stand more or less within the orbit of America's religions, in my case the Catholic variety, have noticed within the past year or so an intense, promotional flood of documentation—press releases, mimeograph forms, reprints, translations from the Spanish, testimonials, and pleas—urging us to support the present Nicaraguan regime and a "new" one in El Salvador.

Though the causes and quantity of this remarkable outpouring are largely unknown to the general public—I have accumulated about a foot and a half just by myself—it is very available to clergy, nuns, chaplains, university and media types. Anyone can obtain it through the Latin American Bureau of the U.S. Catholic Conference, and certain Protestant or Catholic publications.

The religious option to promote such Central American regimes, however high-sounding, will eventually undermine any serious claim of religion to an independent space in our society which is not totally political. If such efforts are successful in Central America, they will make religion largely responsible for guiding a series of people into totalitarian-type systems.

In an interview, Father Miguel d'Escoto, the clerical foreign minister in Nicaragua, itself a government with more clergy in public office than anywhere this side of Iran, argued:

PRIESTS AND CITIZENS

"It was necessary for any Nicaraguan who was qualified to heed the call of the revolutionary government. Any citizen whatsoever, and a priest is a citizen; he is a citizen before he is a priest . . . It is our hope [the bishops] will not ban the priests' significant function in state institutions."

This is classical Throne and Altar talk in a leftist dialect. Even more, it is the "reduction" of the priest to the citizen, rather than the "elevation" of the citizen to the priesthood.

Michael Novak has pointed out that the churches in the United States have themselves been "discovered" by Marxist and radical movements, which long had held them to be hopelessly reactionary. Ecclesiatical property, platforms, and press are strategically located in this country. If they could be utilized to support certain lines of political action, they would reach masses of people hitherto untouched by radical ideas and, at the same time, provide a privileged political sanctuary difficult to confront under American procedure.

But the churches are not "used" wholly unknowingly. A rapid change of perspective in recent years toward activist religious involvement in politics paved the way. Though not universal, the identification of religious authenticity with conformity to certain political ideologies reflects for many the loss of a sense of the transcendent and, consequently, a loss of what politics might be in the Christian outlook.

El Salvador has become such a controverted area because its "success" as a revolutionary "victory" would legitimate a peculiar understanding of "human rights," itself the main avenue for the contemporary politicizing of religion.

"Human rights" in recent years, as Professor Iredell Jenkins of the University of Alabama wrote in his brilliant Social Policy and the Limits of Law, is the way by which the older and more valid understanding of natural and legal rights has been transformed into statist and absolutist control of the individual person. "Human rights," unfortunately, have both totalitarian and democratic contexts, which are diametrically opposed to each other. That this intellectual undermining of the dignity of the human person be promoted in the name of "human rights," with a dogmatic presumption that "pure socialism" is the only regime under which men can achieve them, is consequently, no accident.

This suggests a serious decline in the quality of religious intelligence in this country, a practical loss by religion of its own autonomous philosophical foundations. Its consequence appears to be the growing inability of many segments of Protestantism and Catholicism to recognize the content and direction of ideological movements in our era.

What is important from a civil point of view, however, is that a religion that presents itself as politicized, by seeming to promote military and political movements in foreign parts, must expect to fall under political rules and norms. A religion acting politically cannot validly claim religious immunity.

So the importance of El Salvador is nothing less than the self-renunciation of the main distinction between religion and politics as a major factor of the public order. Just as Father d'Escoto conceives himself to be a "citizen" before a "priest," so "religion" grasps itself as "political" in its religious expression.

What about "human rights," "oppression of the poor," "opposition to dictators," and justifications of religious intervention in politics? No religious leader wants to be caught being against "human rights" or the poor, even if he knows the ideological usages of such notions.

But religious leaders ought to be sufficiently alert to factual questions of what such noble ideas mean in context. Do they really originate in reasonable or religious sources? Where do they lead in practice?

The disillusioned Nicaraguan leader Alphonso Robelo remarked, "I think the American people and the world in general should know that in Central America in the Carribbean area, there is a struggle going on between totalitarian forces and democratic forces and the future of the Western Hemisphere could right now be solved in that area."

In other words, if it is correct that "human rights" and "aid to the poor" are in practice rooted mainly in a tactic to impose a totalitarian regime in this area, then religion in the United States that supports this risks alienating itself from American interests and appears to become itself an activist missionary countermovement directed rather to the home front. Religion finds itself advocating what goes on in these regimes as a kind of practical idealism.

WHAT RELIGION MUST DO

Contemporary religion is in dire need of discovering the nature of an economy that is based on productivity, not merely statist "redistribution." The Christian advocacy of "socialism" as a means to aid the poor is largely ignorant both of the continual failures of actual socialisms and of the new studies and experiences of democratic capitalism, showing how to aid the poor to aid themselves.

Christians must learn again about the distinction between religion and politics, priest and citizen. Not only would this reestablish religion's testimony as witness to a reality that is not merely political; it would restore our capacity to see politics and economics apart from ideology.

The religious "passion" concerning El Salvador must be seen in the context of religion promoting and justifying ideological power moves. It may constitute the greatest public crisis religion in America has faced. Its essence will be whether the "clergy" will seek to reclaim their "citizenship" in order to promote "human rights" and "aid to the poor"—noble ideas, no doubt—in an ideological setting that can, objectively, only be seen as totalitarian.●

SUBCOMMITTEE ON CRIME TO CONDUCT HEARINGS ON THE OPERATIONS OF THE PRETRIAL SERVICES AGENCIES

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. HUGHES. Mr. Speaker, I wish to inform my colleagues that the Subcommittee on Crime of the House Committee on the Judiciary will hold hearings on March 31 and April 6 to take testimony on the activities of the pretrial services agencies (PSA's).

In 1974, a pilot program of 10 PSA's was established to determine whether the Federal courts could benefit in making bail related decisions by having better information about per-

sons arrested on Federal criminal charges. Results from these 10 districts have shown an increase in the number of defendants released on bail pretrail, thereby saving money by cutting down on unnecessary detention. At the same time, rates of failures to appear and pretrial rearrests have stayed the same, or have decreased.

Along with Judiciary Committee Chairman PETER W. RODINO and my colleague DON EDWARDS, I have introduced H.R. 2841, which would expand the PSA program into all Federal judicial districts. The Judicial Conference of the United States is on record as advocating such an expansion of PSA's.

Consequently, the purpose of the hearings in Washington and New York will be to determine whether the pilot PSA program has worked effectively, and whether it can be improved.

The March 31 hearing will be held at 10 a.m. in room 2237 Rayburn House Office Building. The April 6 hearing will be held at 9 a.m. in the Ceremonial Courtroom of the Federal Courthouse for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, N.Y. The hearing in New York will give the subcommittee the opportunity to hear from those involved with the PSA's on a national level, including representatives of the Judicial Conference, the Administrative Office of the U.S. Courts, as well as, several persons familiar with the operation of the PSA's on the Federal and local levels. The witnesses for the New York hearing will be judges, magistrates, lawyers, and probation and pretrial officers, who have local field experience with the agencies.

All interested persons or organizations wishing to submit testimony for the record of the hearing on H.R. 2841 or desiring further information should address their communications to the Subcommittee on Crime, Committee on the Judiciary, 207E Cannon House Office Building, Washington, D.C. 20515. Telephone: (202) 225-1695.●

FEDERAL ASSISTANCE FOR BUSINESS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. STOKES. Mr. Speaker, since President Reagan unveiled his program for economic recovery last month, this body has been enveloped in an often heated debate over the President's proposals. Serious questions have been raised about the validity of supply-side economics, the wisdom of dramatically increasing the already excessive defense budget and the equity and justice of the proposed budget cuts.

Thus far, we have primarily focused on budget cuts as they relate to social programs. Many Members of Congress share my firm contention that these reductions will have a devastating impact on the millions of Americans who must rely on Federal assistance for subsistence. If these cuts are agreed to, we can expect the incomes of those whose level of existence balances precariously on the margin of poverty to plunge quickly below that margin. And those Americans who currently live at or below the poverty level will plunge to a depth which will in all likelihood preclude them from ever improving the quality of their lives.

Mr. Speaker, I am extremely concerned about the administration's recommendations not only because of the inevitable devastation that will result, but also because these proposals represent an apparent denial of the economic injustice in this country and the extent to which so many Americans must rely on Federal support to subsist. Therefore, I have committed myself to insuring that the health and well-being of millions of Americans is not sacrificed while this administration experiments with economic theories.

Yet, Mr. Speaker, in the course of this ensuing debate, we have focused our attention on Federal assistance only as it pertains to social support services. We have neglected to examine other forms of assistance which this administration intends to expand, rather than limit. In the process of providing business and industry with the capital needed to modernize and engage in more research and development, the Federal Government will offer business a $164.3 billion reduction of tax revenues through 1984. If the use of tax policy to regulate the economy or bring about social change is not a legitimate function of the Government, what purpose do tax exemptions serve?

I would like to bring to the attention of my colleagues an article which appeared in the New York Times, Friday, March 15, 1981. The article, written by Robert Nesson, astutely points out the inherent contradictions in the Reagan proposal to reduce Federal spending for programs which fulfill fundamental human needs while reducing Federal revenues in the form of tax abatement for business and industry.

The text of this article reads as follows:

THE SAME OLD BEGINNING

CONCORD, MASS.—For one moment, while listening to President Reagan's State of the Union Message, I was electrified. He made a statement that, if I heard it correctly, struck at the very heart of our tax system. But since it was the night before my 49th birthday, and my faculties are not what they once were, I thought it possible that I had been mistaken.

The next morning, before anyone could wish me a happy birthday, I rushed to get the newspaper. And, yes, I was right. There it was. "The taxing power of the Government must be used to provide revenues for legitimate Government purposes. It must not be used to regulate the economy or bring about social change."

This, indeed, was the clarion call for a new beginning. Such a limited view of the taxing power was nothing short of a revolutionary change in perspective. And I was prepared to endorse Mr. Reagan on this point with my entire being.

Yet, something nagged at me—a recollection of something else that did not quite fit. So I reread the speech until I finally found what was bothering me.

"The third part of the tax package is aimed directly at providing business and industry with the capital needed to modernize and engage in more research and development. This will involve an increase in depreciation allowance. . . ."

"Why isn't this," I asked myself, "a use of taxing power to regulate the economy?" I was mystified. But not for long. The answer is—this is a use of the taxing power to regulate the economy.

Mr. Reagan was suggesting a revision of depreciation rates that would allow for huge increases in deductions for those investing in plant and equipment. Although he used several words, instead of two, to describe it, he was talking about tax shelters.

Accelerated depreciation, which bears no necessary relationship to an actual decline in value, is the classic way to shelter income from taxation. And whether you call the deductions supply-side incentives, spurs to productivity, or (as some of us still remember) "trickle-down" economics, they have the effect of regulating the economy—in fact, their express purpose is to bring about a specific kind of economic behavior. And the larger the deductions, the more the regulation.

Then, I wondered, was President Reagan being disingenuous? If he was, why wasn't there a hue and cry from some of my favorite liberal congressmen, newspaper columnists, and television commentators? Could it be that there is a grand conspiracy to conceal in vigorous rhetoric what is being done?

I do not like conspiracy theories, and perhaps the way Mr. Reagan, his advisers, and members of Congress see it, no Government monies are being spent by allowing for an acceleration of depreciation. Rather, the private sector, through tax savings, provides the funds necessary to get the "sleeping giant" moving again.

If, however, this accurately describes what is happening, then there is something perplexing about one of the tables produced by the Administration. Under the heading "Depreciation Reform," there is shown a $164.3 billion reduction of tax revenues through 1986. This means that the Government is not going to supply business with $164.3 billion. It is only going to allow business to pay $164.3 billion less in taxes.

But how is this different—except for the mechanics—from raising $164.3 billion in taxes and then giving it back to business? The $164.3 billion is not some phantom figure just floating around somewhere in space. Rather, it is a Government grant—albeit indirect—in real, hard currency.

Why, then, doesn't the Government simply make outright grants to those investing in new plant and equipment?

This approach would certainly go far in simplifying the Internal Revenue Code, probably the most monstrously complicated and complex piece of Federal legislation

ever enacted. Moreover, the Government could direct the funds to those areas of the economy most in need of help.

The proposal, as it now stands, does not discriminate between advanced technological facilities and warehouses to store cosmetics, nor between those industries that are already profitable enough (the oil companies, for example) and those whose survival may depend upon governmental assistance.

It may be that Mr. Reagan has fallen victim to the necessities of modern public relations. How would any of us react to a headline reading: "Reagan Proposes $164.3 Billion Cash Subsidy for Business."

But whatever the reasons and motives underlying Mr. Reagan's plan, isn't it more of the same old wine being poured into the same old bottles? Isn't this the way it has always been done—making economic policy covertly through the use of the tax laws, thereby enabling Congress and the President to do indirectly what they would not dare do directly (and, for that matter, what the business community wouldn't have the temerity to suggest they do directly)?

And, alas, could it be that there has been no new beginning, after all?●

THE SOMALIA REFUGEE CRISIS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. DERWINSKI. Mr. Speaker, something that has concerned me for some time has been the terrible condition of the refugees in Somalia. The size of the problem of the large numbers of people involved, of whom many are children and the intensity of their needs, is of truly crisis proportions. At its midwinter meeting, the Executive Council of the American Federation of Labor & Congress of Industrial Organizations adopted a resolution on the Somalia refugee crisis which I am reprinting below:

SOMALI REFUGEE CRISIS

The United Nations High Commissioner for Refugees estimates that there are more than 3.4 million refugees on the African continent. There are nearly 1.5 million in Somalia alone, and 91 percent of those refugees are women or children under the age of 15. The more than 300,000 children under the age of six in Somali refugee camps suffer the highest mortality rate, primarily due to measles and diarrhea.

There is an urgent need for medicine, vaccines, hospitals, doctors, nurses, food, clothing and shelter for the Somali refugee population.

Despite its extremely limited resources, the Somali government has allocated health and educational personnel, trucks, well-digging equipment, and, most inportantly, food to the refugees. Because Somalia is a net importer of food, the provision of any food supplies to the refugees creates shortages among its own population.

While the United States has been the major source of food for the refugees, there is an urgent need for further refugee assistance, particularly immunization vaccines and other medical supplies. We urge the United States government to increase emergency refugee relief assistance to Somalia.

We applaud the efforts of our affiliates, the American Federation of Teachers and the Graphic Arts International Union, to focus public attention on this crisis.

The AFL-CIO will join this effort to publicize the urgent need for assistance to the refugees in Somalia. We urge our affiliates to provide financial assistance to the private organizations engaged in relief efforts.●

EFFECTS OF OIL IMPORTS ON NATIONAL SECURITY

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. WILSON. Mr. Speaker, I wish to submit to you today the findings of a study by the Department of the Treasury on the effects of oil imports on national security. This comprehensive report concluded in 1979 that our overdependence on ever-more-costly imported oil has a disastrous effect on America's national security.

Unlike the temporary effects we feel during gasoline shortages, when people wait for hours to fill their gas tanks, this national security threat has far graver implications in terms of our defense capabilities. The impression of vunerability created by this Nation's seeming inability to control its increasing dependence on oil imports directly affects our defense and foreign policies. The U.S. reliance on foreign oil is perceived by its industrialized allies, the developing countries, the Soviet bloc, and the oil-exporting countries as a sign of weakness and evidence of a lack of international cooperation. This perception works to the Nation's great disadvantage in terms of our national defense and foreign policy.

I submit the Department of Defense's description of the impact of U.S. dependence on foreign oil:

The threatened impairment of the national security must be assessed not only in terms of domestic capabilities to support national defense needs, but also in terms of international perception. Other countries make decisions on foreign relations and defense matters based upon their perceptions of our strength. The impact of petroleum import dependence on the United States could alter those perceptions significantly causing foreign governments to misjudge U.S. intentions. Such decisions would directly affect the security of the United States.

In the area of foreign policy, the State Department has reported:

It is our view that the current oil import situation impairs our ability to achieve our foreign policy objectives both economic and political. Moreover, the way in which we deal with this situation is widely regarded by other countries as a test of the United States leadership and determination to play a constructive role in international relations.

Certainly, the Nations's current and projected dependence on foreign oil is appreciably greater than when past findings in the 1960's and 1970's determined our dependence threatened national security. The risk of interruption has not been sufficiently lessened, and measures to substantially reduce the impact of interruptions are not yet in place. But they can be. We can and must work now to lessen our dependence on foreign oil and provide energy independence for America.

This is why I stand here in support of the Department of Energy's demonstration plan programs to develop synthetic fuels from domestic natural resources so that we may displace current oil imports. Consider that one synthetic fuels plant producing at commercial size could produce the equivalent of 100,000 barrels of imported oil each day. The $90 billion we spend overseas each year on oil could be spent in our country, at home, to provide jobs and needed public services.

Since the 1950's, our defense agencies have been warning us that our dependence on foreign oil has deleterious effects on national security. It is time we changed that situation and proved we have the national will to produce domestic energy for Americans. Our allies and foes alike must realize that we are not only committed to building sophisticated weaponry be we are equally committed to producing domestic energy that will fuel our jets, tanks, and ships.

I urge my colleagues to support the Department of Energy's demonstration projects for synfuel production by leaving the fiscal year 1981 funding intact and voting for continued funding in fiscal year 1982 and the years to follow.●

ANNUAL REPORT OF THE OFFICE OF TECHNOLOGY ASSESSMENT

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. WINN. Mr. Speaker, in recent weeks the Office of Technology Assessment submitted its report to the Congress. This report summarizes what I consider to be a very productive year. OTA completed 27 studies which addressed some of the most important issues this Congress faces: energy from oil shale and biomass, technological and competitive strength of our steel industry, advanced air transport technologies, ocean thermal energy systems, and coal slurry pipelines, just to name a few.

Admittedly, it is very easy to study an issue without actually accomplishing anything of substance. I submit to you though that this is not the case with the OTA. Last year OTA representatives were requested to testify

before 9 different congressional committees on 17 separate occasions and gave 249 individual briefings and responses to Members of Congress. In addition, according to GPO records, OTA reports are among the bestselling in its category with gross receipts of $250,000 for 1980.

In recent years OTA has experienced some growing pains but this relatively new arm of the Congress has finally become of age. This small group of 130, under the direction of Dr. John Gibbons, is establishing a solid reputation of integrity. I commend their efforts in 1980.●

WILD SHOTS, HALF TRUTHS

HON. ROBERT H, MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. MICHEL. Mr. Speaker, whenever I hear a big spender of tax dollars use the word "compassion" I check to see if my wallet is still there. Compassion to these big spenders usually means taking money away from hardworking families and pouring it into programs which have long since grown away from their original purposes and over which there are few controls and little oversight. Anyone suggesting that these programs' unlimited appetite for tax dollars be curbed is immediately said to lack compassion. Well, I am glad to say we have a President with the courage to have true compassion for taxpayers, for families whose budgets are ravaged by inflation, and also for those originally intended as beneficiaries of the programs.

The New York Post, in a typically straightforward and unmistakably clear manner puts the case for President Reagan's program very well. I include in the RECORD an editorial from that newspaper, "Reagan's Economic Critics: Wild Shots, Half Truths," March 25, 1981.

REAGAN'S ECONOMIC CRITICS: WILD SHOTS, HALF-TRUTHS

President Reagans's economic plan is now running into fierce attacks from the self-appointed keepers of the nation's conscience. They are trying to exaggerate and distort the alleged effects it will have on the truly poor. They are trying to exploit these alarms to present Budget Director David Stockman as "cruel, inhumane and unfair."

Their aim is wild. Their half-truths skew their argument.

Many of the critics are clearly part of the huge bureaucracy which now provides welfare services and have a vested interest in protecting their own special turf. Others are protesting for obvious political reasons the first genuine change in direction of this country in 50 years.

For example, much is made of a University of Chicago study purporting to show that the working poor would be hardest hit by proposed welfare changes and thus no longer have any purpose in working. The facts are quite different: 80 per cent of the welfare population does not work at all—two-thirds of them are children.

There can be no doubt that in some cases the incentive to work will be diminished. It is impossible to achieve at one and the same time (1) a reasonable floor level of cash welfare benefits to the poor; (2) reasonable costs; (3) a low marginal "tax"—or less benefits—on those who go to work and still receive welfare benefits.

To provide the incentive for the poor working family to go to work, it is calculated, would require making their benefits worth $15,000 a year—while not increasing those of the truly needy living, say, next door.

Welfare must be a safety net for the poor, not an income supplement for the working poor. The abuses of the welfare system are well known. So are the abuses of the school lunch and food stamp programs, with the children of middle-income families getting unnecessary free meals along with those who genuinely need them.

Stockman has no scruples about taking this approach further—and he is right to do so. Under current New York State law, the $8333 total cash welfare benefits available for a family of four are the equivalent of $4.87 per hour compared with the minimum wage of $3.35.

The truly poor who qualify for these programs have a legal right to them—and that right is in no way being changed or challenged. But the truly poor and the near poor—and most certainly millions of others who are not poor at all—do not have a right to the huge array of unnecessary government social services which have grown up over the last 15 years.

These cover 40 separate federal categorical grant programs—some for less than $2 million a year each. They include High Blood Pressure Service, Migrant Health Service, Home Health Service, Maternal and Child Health Service, Sudden Infant Death Service, Genetic Services, Hemophilia, Family Planning, Fluoridation, Rat Control, Lead Paint, Runaway Youth, Child Abuse, Low Income Energy Assistance, etc. etc.

In the present fiscal year 1981 budget they cost $9.1 billion and were scheduled to rise in the next budget to $9.5 billion. That is a huge amount of money for the federal government to be giving away. That is the way to the Welfare State—from the cradle to the grave, courtesy of an increasingly bankrupt federal government.

These 40 separate services are now being consolidated into four separate block grants to the states, two covering health services, two social services (including legal services).

If the states wish to turn themselves into separate welfare states, that is entirely their affair. But it is not and should not be the federal government's affair. What the critics of Reagan and Stockman want, clearly, is an expanding welfare state. That is not what the people voted for, and Reagan and Stockman are going to insure that is not what they get.●

INSTANT ANALYSIS REGARDING THE ECONOMY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. SKELTON. Mr. Speaker, we are all well acquainted with the various television instant analysis following the President's address to the Nation. After the recent address by the President regarding the economy, the Kansas City, Mo., television station KCMO deleted the network's instant analysis and provided viewers with the names and addresses of their elected Representatives and urged the viewers to think about the President's remarks and write to the Members of Congress.

A recent news release from Kansas City's TV channel 5 comments on their stand on instant analysis, and I commend them.

The comments follow:

VIEWERS SUPPORT TV CHANNEL 5 STAND ON INSTANT ANALYSIS

Community reaction in Kansas City, Missouri, continues to mount after KCMO-TV, the city's CBS affiliated station, deleted the network's instant analysis of President Ronald Reagan's economic address to Congress last week. Instead of the analysis, the station provided viewers with the names and addresses of elected representatives and invited viewers to think about the President's remarks and to write to their Senators and Representatives.

"Telephone calls and letters to the station are running 92 percent in favor of the station's position, and never before has the station received such a large volume of comments," according to Philip A. Jones, Vice President and General Manager of KCMO-TV.

Commentators from the three major television networks customarily analyze the remarks of Presidents immediately following major speeches. The station's concern developed during the networks' analyses of President Reagan's news conference on February 4, 1981. "Their remarks dealt primarily with Mr. Reagan's style and delivery, rather than with the content of his message," said Jones, "and I was concerned that their opinions, delivered immediately after the news conference, could not permit Americans sufficient time to interpret the remarks for themselves."

Jones convened the station's editorial board the next morning and a plan was developed to broadcast station editorials on the subject and to delete the analysis that was expected 12 days later (February 18) when the President addressed Congress.

"We had originally planned to videotape the analysis and play it back later that evening," according to Jones, "but CBS would not permit us to run it later. They believed it wouldn't have any meaning if it were broadcast out of context with the speech."

Local stations can pre-empt network programming without permission but they must have network approval to broadcast it at a different time. Jones is not dissatisfied with the network, saying "CBS has been much more responsive to constructive criticism than other networks and I am confident that they will be receptive this time. Our objective was to measure viewer reaction and to share it with the network. That reaction was far greater and more sympathetic than we ever imagined, as we've now received over 600 phone calls and letters and less than 50 of them have been negative. We apparently struck a sensitive nerve with our viewers and we would guess viewers all over the country have similar thoughts," Jones said.

The station will now provide the network with copies of the mail, in hopes the public outcry will encourage the network and the commentators to think a little more about what they're saying.

According to Jones, "Like our viewers, we do not oppose summaries of Presidential remarks. But we do oppose the editorialization that so often creeps into the analysis or summary . . . editorialization that affects the shaping of public opinion at a time when the American public is attempting to shape its own opinion on the topic being discussed. We believe the analysis could either become strictly a summary or be broadcast by the network at a later hour.

"We are hopeful that our action will bring about a network analysis of its own policy on analysis," Jones concluded.●

VERMONTERS EXPRESS VIEWS ON MAJOR ISSUES FACING CONGRESS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. JEFFORDS. Mr. Speaker, approximately 3 months ago I sent to all Vermont households a questionnaire on issues facing what was then a brandnew session of Congress.

The task of tabulating the responses has now been completed. Because the response to the questionnaire represents a large-scale outpouring of opinion on many of the key issues that will come before us this year. I wish to share the results with my colleagues.

In all, just under 9,000 Vermonters responded to the questionnaire. Not all respondents expressed an opinion on every issue listed, so where appropriate, I have computed the responses in terms of percentages of Vermonters who expressed an opinion on each given issue.

It should be emphasized that this questionnaire was distributed prior to President Reagan's budget proposals. Therefore, it may be risky to project from the responses the degree of support in Vermont for the President's economic strategy. However, as a general observation, my guess is that most of those who responded to the survey would approve of the overall economic strategy but disagree sharply with some of the budget-cutting priorities.

NATIONAL DEFENSE

Almost all respondents chose among four statements, indicating which of the four comes closest to their own views on defense. The results indicate a wide diversity of opinion on this key issue in Vermont, although a majority—55 percent—indicated that defense spending should be increased. The four statements, and the percentage of Vermonters agreeing with each, follow:

We must greatly step up our national defense effort to attain military superiority over the Soviet Union. 31 percent agreed.

We should significantly increase military spending, although military superiority is not an attainable goal. 24 percent agreed.

We should maintain current military spending levels and better target funds by eliminating wasteful programs like the MX Missile. 31 percent agreed.

We should reduce military spending levels. 14 percent agreed.

ARMS CONTROL

As with defense, there is hardly a consensus among Vermonters on the issue of arms control. However, a very substantial majority believe it in our interests to seriously pursue arms control talks with the Soviet Union.

Respondents were asked to choose from five statements the one coming closest to their opinions. The statements, and percentage of Vermonters agreeing with each, follow:

The U.S. should take the lead by unilaterally making significant reductions in its nuclear weapons. 9 percent agreed.

We should ratify the SALT II treaty and negotiate a SALT III agreement making greater reductions in nuclear weapons. 21 percent agreed.

We should negotiate a SALT III agreement while striving for parity with the Soviets in conventional weapons and forces. 34 percent agreed.

We should negotiate a new SALT II treaty which is more advantageous to us. 22 percent agreed.

We should discontinue the process of negotiating arms control agreements with the Soviet Union. 14 percent agreed.

THE ECONOMY

There is a virtual consensus in Vermont favoring movement toward a balanced Federal budget. Two options were listed depicting different philosophies of movement toward a balanced budget: 97 percent of respondents checked one or the other.

Of those who responded, 74 percent said:

Congress should cut costs by making programs more efficient, moving toward a balanced budget as soon as possible but without significantly injuring worthwhile programs.

The other 26 percent said:

The budget should be balanced this year, even if that means eliminating or significantly cutting back services.

The President's program obviously falls somewhere between those two positions.

Only 59 percent of respondents expressed an opinion on whether the Government should exert more or less control over business, indicating perhaps that many feel the overall amount of Government control is about at the right level. But of those who expressed an opinion one way or another, 82 percent said the Government should have less control over business, while the other 18 percent opted for more Government control.

Of all respondents, 70 percent expressed an opinion on whether the Government should assist ailing industries such as Chrysler. Of those responding, 13 percent said "yes," and 87 percent said "no."

Other questions on the economy did not list opposing viewpoints, so the percentage responses may be somewhat understated. Of all those returning questionnaires, 25 percent said inflation should be reduced even at the risk of higher unemployment; 51 percent said steps to reduce inflation should be pursued even if they lead to tighter credit conditions; 19 percent said the Government should enact wage and price controls; 48 percent said taxes should be reduced for individuals; and 26 percent said taxes should be reduced for businesses.

ENERGY

Three options were listed depicting alternative positions on the issue of oil prices and taxation of oil profits. A total of 72 percent of respondents checked one of the three options, indicating perhaps that many Vermonters hold positions not well summarized by the questionnaire. Following are the options and the percentage of Vermonters who expressed an opinion who agreed with each:

Allow oil companies to make higher profits, so that they can develop new energy sources. 23 percent agreed.

Tax the oil companies' profits more heavily, so that the government can fund more energy programs. 43 percent agreed.

Re-enact price controls, to hold down oil prices. 34 percent agreed.

Nuclear power is another complex issue, with a diversity of opinion difficult to capsulize in a simple question. But 84 percent of respondents chose among three options, and of them, the results are as follows:

Speed up licensing of new nuclear fission plants. 28 percent agreed.

Stop licensing new nuclear fission power plants until the waste disposal problems are resolved, and phase out existing plants as soon as reasonably possible. 54 percent agreed.

Build no new nuclear plants, and shut down existing plants immediately. 18 percent agreed.

The general issue of tradeoff between energy production and environmental protection was addressed by 89 percent of those who returned questionnaires. Again, three options were listed. The options, and the percentages of Vermonters agreeing with each, follow:

Loosen environmental restrictions, so that more energy can be produced. 29 percent agreed.

Tighten up restrictions, to assure better protection of health, safety, and the environment. 35 percent agreed.

Maintain environmental restrictions at about the same level we have now. 36 percent agreed.

Finally in the energy area, the vast majority of Vermonters indicated they would like to see more assistance for alternative energy sources, and more incentives for conservation.

The tabulations for these two issues may be understated, as they can only be expressed in terms of percentages

of the total number of Vermonters who returned questionnaires. But even so, 76 percent of respondents said we should "Provide more assistance for alternative energy sources such as solar, wind, hydro, and alcohol fuels," and 69 percent volunteered that we should "Adopt more incentives for energy conservation."

BEVERAGE CONTAINER DEPOSITS

Unlike most of the other issues covered by the questionnaire, many of my colleagues may not feel that beverage container deposit legislation is among the highest priorities for action by this Congress.

However, as a long-time proponent of national deposit legislation, I feel it symbolizes much of what needs to be done by this Congress: It would be anti-inflationary, would save substantial amounts of energy and valuable material resources, reduce waste, and improve the environment with little or no sacrifice by the general public.

The best test of whether these goals are accomplished by deposit legislation is the level of support such a system has among people who have lived with it for many years. The many national studies showing great benefits to be attained by a national deposit law would be meaningless if people who have lived with the system for a period of years did not agree it is worthwhile.

Vermonters, in overwhelming numbers, believe it is worthwhile. Of those returning the questionnaire, 95 percent expressed an opinion on the State deposit law. Of those, 97 percent said "I support Vermont's deposit law. It should remain in effect." Only 3 percent said "I oppose Vermont's deposit law. It should be repealed."

With the possible exception of motherhood, that is about as close as you can come to a consensus on any issue, anywhere in the country. I sincerely hope my colleagues will take note of it.●

H.R. 1362—COSPONSORS, HEARINGS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. BEDELL. Mr. Speaker, I am pleased to add a new group of names to the list of Members who are cosponsors of H.R. 1362, the Small Business Motor Fuel Marketer Preservation Act of 1981. This brings to 75 the number of cosponsors of the legislation in the House.

On Tuesday and Wednesday of this week the Subcommittee on Energy, Environment and Safety Issues Affecting Small Business will hold hearings on H.R. 1362. Each day, the hearing will begin at 2 p.m. in room 2359, Rayburn House Office Building.

The subcommittee is calling a wide range of witnesses and the hearings should be rather informative. They will be open to the public.●

LEGAL AID IS ESSENTIAL TO OUR SYTEM

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Ms. MIKULSKI. Mr. Speaker, the President has proposed to eliminate the Legal Services Corporation. I have always been a strong supporter of the Legal Services Corporation. This is not a program of some radical do-gooders. Ours is a society based on law, and on equal access to law. Doing away with the Legal Services Corporation will deprive one segment of society of this equal access.

Stephen H. Sachs, the attorney general of Maryland, has written an article which appeared in the Baltimore Sun on March 22. The article points out that the Legal Services Corporation provided absolutely essential legal assistance to 76,000 persons last year in Maryland who could not afford a private lawyer. There is no way that private attorneys could fill the void that would be created if legal aid were eliminated.

According to Robert Cahill, speaking for the Baltimore City Bar Association:

There just are not enough lawyers to go around. We presently supplement existing programs through volunteers and we fill in during emergencies, but there is no way we could do it all, no matter how public-spirited our members may be.

A copy of Mr. Sachs' article follows:

LEGAL AID IS ESSENTIAL TO OUR SYSTEM

(By Stephen H. Sachs)

President Reagan's budget cutters want to kill the federally funded Legal Services Corporation, whose 5,000 lawyers serve the legal needs of nearly 30 million citizens who live in poverty.

The attorney general of a state that has frequently been sued by the corporation's local outpost, Legal Aid, might be expected to anticipate the last rites more in satisfaction than in sorrow. As my mother-in-law would put it, I need additional costly legal challenges like I need "water in my shoes," especially when Maryland's legislative axes are busily biting into the sinew and bone of an already lean state budget.

But the truth of the matter is that we all need the Legal Services Corporation very much. In fact, of all the trumpeted economies of the new team in Washington, I can't think of any that is more wrong headed—and mean-spirited—than the plan to scuttle Legal Services.

For many, it is a matter of fundamental fairness. Government at all levels has armies of lawyers on public payrolls to counsel, to sue and to defend against suit. Corporations have found it increasingly necessary to rely on expensive legal advice, which is recognized as a legitimate business expense and subsidized through substantial tax deductions.

The poor have legal problems, too. Big ones. Even their "routine" encounters with the law—injury at work, eviction, divorce—are aggravated by the unremitting bleakness of poverty. Most of us will never know what it is like to fight an unlawful eviction notice—alone.

But the poor also live in symbiotic relation to a faceless bureaucracy that administers a complex web of regulations governing welfare, Medicaid, unemployment insurance and all the other support services that even the new administration regards as a "safety net" for the poor. For such citizens, a bureaucratic error or an administrator's carelessness can produce a life crisis.

Imagine, for example, the effect on a family when a father is injured on the job and is mistakenly denied his application for a $375 monthly disability allowance. It happens. Few of us would think of facing such a judgment uncounseled, or of suffering it quietly if grounds for challenge exist.

Many of the poor, however, not only have no way of knowing that an error was committed; they don't know where and by whom the decision was made. Comprehending the forces that control your life is a bit of a luxury at $8,200 a year, Legal Services' poverty line for a family of four.

For the poor, living with the possibility of a shattering and incomprehensible injustice is the badge of their condition. Legal Services is an attempt to alleviate that condition. The program's simple credo is that a nation that professes a belief in "equal justice" should not permit poverty to weigh so heavily on the scales of justice.

When Legal Services lawyers serve their clients they also help to enforce the law. The criminal law, of course, is enforced by federal and state prosecutors and police. But most laws are civil statutes that create legal rights and protections owed to citizens by government. Thus, just as the law protects a local business from a takeover by a foreign corporation or confers on an oil company rights to a depletion allowance to encourage exploration, so, too, does the law give citizens living in poverty certain rights and entitlements to medical treatment, rent supplements and food.

In a perfect world, all of these laws and regulations would be models of clarity perfectly administered. In fact, however, because of the increasing complexity of the law, fiscal pressures on public officials and the occasional inattention or ignorance of administrators, the civil law frequently depends for its administration and implementation—its enforcement, in other words—on the administrative claims or law suits pressed by the affected parties themselves.

Our legal system expects and depends upon this sort of private law enforcement. For corporations and most citizens, such claims are pressed by corporate lawyers and the private bar. For the poor, that enforcement role has been played—quite successfully—by Legal Services Corporation lawyers. Here in Maryland, for example, suits by Legal Aid lawyers have:

Regained unemployment compensation for 24,000 Marylanders whose benefits were reduced because of an erroneous interpretation of law by a state agency.

Restored Medicaid services to 188,000 Marylanders, mostly elderly and children, whose aid was improperly terminated.

Guaranteed indigent veterans and their widows a right to be heard before termina-

tion or suspension of monthly veterans' or widows' benefits.

Established the right of all citizens to a hearing before involuntary commitment to state mental hospitals.

These are only some of Legal Aid's victories in Maryland courts. Legal Services lawyers have prevailed in scores of similar suits around the country. They also, of course, press claims and file suits that do not, and should not, prevail. When they do, my office, and my local and federal counterparts vigorously oppose them. Legal Services' lawsuits, in other words, are sometimes "wrong." It may also be that some of the corporation's practices, like its aggressive and indiscriminate pursuit of attorney's fees in every civil rights case, need rethinking.

But as we have seen, Legal Services lawyers are often "right." And when they are "right" they have not only won dollars or services or protection for their clients; they have enforced the law, and they have made our proud boast about "the rule of law" a reality for millions of Americans.

Many of these enforcement successes have seriously antagonized some of Legal Services' critics, most notably Mr. Reagan. These critics resist and resent the notion that Legal Services lawyers rattle establishment cages—especially when they win, as they often did in California when Mr. Reagan was governor. To the extent that these successes have endangered Legal Services' survival, it might be said that the organization sued "not wisely but too well."

The critics believe that Legal Services' attention should be limited to the specific legal problems of the individual indigent client who seeks advice—a divorce, a Social Security claim, a dispute with a landlord. They appear to view poverty law as a kind of charitable calling whose practitioners, like some medieval friars, wander among the poor dispensing legal alms. The view is not ungenerous. It is, however, a form of noblesse oblige—American style. "Oh, look dear, the poor have divorce lawyers just like us!".

But his narrow view of the Legal Services program overlooks the fact that with one attorney for every 6,000 poor people, filing class action lawsuits is good lawyering and often the only way in which Legal Services lawyers can represent their clients. In so doing, these lawyers play exactly the same role as that quite properly played by counsel for industry, labor, trade associations and special interest groups of all kinds when they seek to enforce the civil law for the benefit of their clients.

Finally, Legal Services lawyers ensure that the adversary process—the engine that drives our judicial system—runs well. The root premise of the adversary system is that "the truth," or its closest approximation, is most likely to emerge from the clash of competing courtroom forces, the forceful presentation of opposing views of the law and the facts and the testing of witnesses by vigorous cross-examination. It resembles familiar economic models in its assumption that competitors, each acting in its own self-interest, will produce the most socially desirable result.

But for the system to work, the fight must be fair. Only if both sides are ably represented by lawyers who have the time and the energy to research and investigate and prepare can we be confident that the decision-makers, judges and juries, will do—or approximate—justice.

The sound working of the adversary system is uniquely important in the United States. Due no doubt to our federal structure and our written Constitution, almost every great cause eventually becomes a legal issue to be decided finally by the courts.

Lawyers, some feel, are too much with us in America. An Englishman once called us a race of lawyers. We undoubtedly litigate too often about too little and misuse the courts to resolve disputes best handled by mediation and arbitration.

But it surely is little exaggeration to say that a reader of the Supreme Court Reports is as well informed about the nature and quality of life in America as is a reader of The New York Times or The Sun. It is difficult to disagree with the notion that courts—which decide almost every issue of public concern, from busing and abortion to prison overcrowding and prayers in schools—have as much to do with governing this country as do presidents, governors and legislators.

Access to the judicial system in this country, then, is access to government itself. Denial of access amounts to a special kind of disenfranchisement. Such a thing would not only cheapen our claims to be a democratic society. It would invite the fatal flaw of every closed society—creation of a bitter underclass with no confidence or stake in the system, ready to abandon rational discourse and to settle its mounting grievances in the streets. And it would come at the worst possible time—when the summary dismantlement of federal programs places the poor in greatest need of legal counsel.

It hasn't been so long ago that we sanctified the sweatshop in the name of "liberty of contract" and perpetuated badges of slavery in the name of "separate but equal." Goldsmith's observation that "Laws grind the poor and rich men rule the law" has, unfortunately, more than a little modern application. But many lawyers, in public and private practice, work very hard all their professional lives to blunt what truth there is in that statement.

Legal Services lawyers are among them. They should be permitted to continue their valuable work. They help make "equal justice under law" more than an empty phrase.●

MASSACHUSETTS HOUSE OF REPRESENTATIVES MEMORIALIZES CONGRESS ON ATLANTA TRAGEDY

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. FRANK. Mr. Speaker, the tragic killings and disappearances of black children in Atlanta has become a great concern for the people of good conscience throughout the country. This is not just a matter for the black community or for the Atlanta community. This horror affects us all and touches us all.

Recently the Massachusetts House of Representatives passed a resolution memorializing the Congress to utilize all the powers of the Federal Government to assist in the solution of these senseless killings. Mr. Speaker, I am proud to have cosponsored H.R. 2316, filed by my colleague from Connecticut, Mr. MOFFETT, which would authorize funds to the city of Atlanta to help in the investigation. I believe that the Congress must and should show its support to the city of Atlanta by passage of this bill.

I commend the Massachusetts House of Representatives, in which I had the honor to serve for 8 years, for their concern and compassion for the victims of these heinous crimes and for their families. I am proud to insert the resolution in the RECORD.

A copy of the resolution follows:

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ASSIST IN THE SOLUTION OF THE UNSOLVED MURDERS AND DISAPPEARANCES OF CHILDREN IN ATLANTA, GEORGIA

Whereas the city of Atlanta, Georgia has during the last nineteen months witnessed the unsolved murders and disappearances of twenty-one children of African-American descent; and

Whereas these senseless murders have ignited fears among citizens throughout this Nation and the Commonwealth of Massachusetts; and

Whereas the young victims of the Atlanta tragedy have been denied the chance to witness the fulfillment of the principles of equality and justice for all expressed in Dr. Martin Luther King, Jr.'s momentous speech of 1963. "I have a dream": Therefore be it

Resolved That the Massachusetts House of Representatives lends its voice to other legislative bodies throughout this great Nation in calling for our Federal Government to utilize all powers of our United States Justice Department to assist in the solution of these senseless killings; and be it further

Resolved That we, the Massachusetts House of Representatives, recognize the symbol of the green ribbon as an expression of our sympathy for the families of the victims, and of our sincere concern over these senseless tragedies; and be it further

Resolved That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States. The United States Justice Department, the Presiding Officer of each branch of the Congress, and to the members thereof from this Commonwealth.●

UTILIZING CRIMINAL ASSETS TO PURCHASE EVIDENCE FOR DRUG INVESTIGATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. GILMAN. Mr. Speaker, during the closing days of the 96th Congress, I introduced H.R. 8233, a measure cosponsored by 14 of my colleagues on the Narcotics Select Committee, that would permit our Federal drug law enforcement officials to use proceeds from the sale of forfeited property to purchase evidence and other information in connection with their drug trafficking investigations. Today, I am introducing a revised version of that

proposal, retaining the original purpose of H.R. 8233 and placing a ceiling on the amount of forfeited proceeds that could be used to purchase evidence and other information—commonly called PE/PI money or drug buy money.

Section 511(e) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91-513, 21 U.S.C. 881 (e)) currently requires the Attorney General to turn over to the U.S. Treasurer the proceeds of forfeited property, which, after certain expenses have been paid, are deposited in the general fund of the Federal Treasury. Rather than turning this balance over to the general fund, my proposal would permit the Drug Enforcement Administration (DEA) to utilize not more than $5 million of the forfeited proceeds to purchase evidence and other information for its drug investigations during fiscal year 1982 and thereafter, $10 million in forfeited proceeds or the equivalent of 5 percent of DEA's authorized appropriation, whichever is greater. These amounts are intended to supplement, not to replace or to reduce authorized appropriations for DEA's drug trafficking investigations and are limited to a specific function: the purchase of evidence and other information needed for the arrest and conviction of drug traffickers. The Attorney General would be required to transmit an annual report to the Congress on the expenditure of these funds.

During numerous hearings conducted by our Narcotics Select Committee—of which I am a member—Federal, State, and local law enforcement witnesses have complained that they do not have sufficient funds to conduct their drug investigations. Out of a total budget of approximately $208 million for fiscal year 1981, DEA has about $10 million to purchase evidence and other information, which according to an official, is insufficient to operate all of its domestic and foreign operations.

In fiscal year 1980, DEA, working with the Internal Revenue Service, the U.S. Customs Service, and State, local, and foreign law enforcement agencies, seized $90.8 million illicitly obtained drug assets, of which more than $42 million was forfeited to the Federal Government. At a time when dollars are scarce, why not utilize some of these forfeited drug proceeds to help underwrite drug investigations? Why not use some of these untaxed criminal dollars to help convict drug traffickers?

Mr. Speaker, my proposal would not place an additional burden on our overburdened taxpayers. It would not cost them an extra single penny. It would not increase any appropriation to DEA. Rather, the additional funds to conduct drug buy-money operations would come from the drug traffickers themselves—their illicitly obtained drug assets that were seized and forfeited to the Federal Government: the cash, boats, aircraft, cars, homes, securities, and other financial instruments that were used in their sordid drug trafficking transactions.

Federal, State, and local law enforcement agencies are faced with shrinking budgets and a shortage of real dollars eroded by inflation. These dollar cuts come at a time:

When narcotics trafficking and drug abuse have reached epidemic proportions both in this country and abroad;

When heroin from the record-yielding poppyfields of the Golden Crescent—Iran, Afghanistan, and Pakistan—and the Golden Triangle—Burma, Laos, and Thailand—are adversely impacting upon our cities, towns, and school districts;

When more and more of our citizens are becoming dependent upon or addicted to drugs;

When hospital emergency rooms and treatment centers are reporting increased numbers of drug injuries and drug deaths;

When budgetary restraints have forced the closing of certain DEA overseas operations, the curtailment of a successful DEA task force, and a proposed cutback in law enforcement personnel; and

When the cost to purchase heroin has skyrocketed to approximately $10,000 an ounce or more than $320,000 a kilogram.

The Comprehensive Drug Abuse Prevention and Control Act of 1970 permits the seizure and forfeiture of illicitly obtained drug assets, a valuable tool that attacks drug traffickers where it hurts the most—in their pocketbooks. My proposal would take the additional step not provided in that act. It would: first, help meet the increased costs of conducting drug investigations, of which the purchase of evidence and other information is a vital ingredient, by permitting drug law enforcement officials to tap a limited amount of forfeited drug assets before they are turned over to the general fund; second, make effective use of an available resource; and third, use untaxed criminal dollars to help convict drug traffickers.

Sterling Johnson, a frontline special narcotics prosecutor for New York City, has commented:

> How ironic it would be for drug traffickers to share the burden of our taxpayers by being sent to prison from the proceeds of their illicit transactions.

Mr. Speaker, in an effort to help achieve that irony, I am at this point in the RECORD inserting the complete text of my bill and I urge my colleagues to join me in providing our law enforcement officials with urgently needed dollars, at no cost to our taxpayers, to help interdict the epidemic drug trafficking that exists in our Nation and throughout the world.

H.R. 2910

A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to permit the Attorney General to use certain proceeds from forfeited property for the purchase of evidence and other information

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 511(e) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881(e)) is amended—

(1) by inserting after the second sentence the following new sentence: "Of such moneys and proceeds remaining after payment of such expenses, there are authorized to be appropriated (in addition to such amounts as are otherwise authorized to be appropriated for such purpose) to the Attorney General, for the purchase of evidence and other information in connection with investigations of violations of this title or title III, not to exceed $5,000,000 for fiscal year 1982 and, for each succeeding fiscal year, not to exceed the greater of $10,000,000 or 5 percent of the amount authorized for the Drug Enforcement Administration for its activities for that fiscal year.", and

(2) by striking out the period at the end of the third sentence and inserting in lieu thereof the following: "and for such evidence and other information in accordance with this subsection. The Attorney General shall transmit to the Congress, not later than four months after the end of each fiscal year, a report on the purchase of evidence and other information during the fiscal year (whether under this subsection or otherwise) in connection with investigations of violations of this title or title III.".

(b) The amendments made by subsection (a) shall apply to fiscal years beginning with fiscal year 1982.●

THE PENNYSAVER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. DERWINSKI. Mr. Speaker, recently, one of the local advertising newspapers in my congressional district, The Pennysaver, serving the Cook County area of Illinois, was purchased by the Chicago Tribune. The Pennysaver, a shopper publication, provides an outstanding community service to the residents of 35 communities in the southwest suburban area of Chicago. Its publisher and innovator, James Schude, has devoted his career to improving the shopper news industry. He was instrumental in naming the first week in May as National Shoppers Week. Under his leadership, the circulation of the Pennysaver had jumped to 155,000 and became the largest chain of shopper publications in Illinois.

Jim has made an indelible mark on the shopper publication industry as well as having had a significant impact

upon the people and communities served by the Pennysaver. His determination to keep his publication among the best was the key to its great success and quality. Known as one of suburban Illinois most innovative newspaper publishers, Jim Schude was honored by a resolution adopted by the House of Representatives of the Illinois General Assembly. I wish to insert this resolution into the RECORD as I believe this is an honor that is certainly well-deserved:

HOUSE RESOLUTION NO. 1040 OFFERED BY REPRESENTATIVES MEYER, BARNES, AND HUSKEY

Whereas, James Schude, the founder and publisher of the Pennysaver, a paper with a circulation of 155,000 in the Bremen, Orland, Worth and Mt. Greenwood areas, has sold his publication to the Chicago Tribune on August 15, 1980; and

Whereas, During his 15 years as publisher, Mr. Schude's publication has provided employment for over 60 people and has served the citizens of 35 communities; and

Whereas, In its 15 years of existence the Pennysaver, according to audited figures, has become the largest chain of shopper publications in Illinois; and

Whereas, Mr. Schude caused to be introduced in the United States Congress a resolution naming the first week of May of each year as National Shoppers Week, and has devoted his career to upgrading the image of the shopper publication industry; and

Whereas, Over 100,000 people nationwide now find employment in the shopper publication industry and Mr. Schude is one of the pioneers in this new technology; and

Whereas, Mr. Schude will remain with the Pennysaver as publisher for several years in order to further improve the paper's service to its communities; and

Whereas, The industriousness, talent and dedication of this pioneering Illinois publisher deserves commendation; therefore, be it

Resolved, by the House of Representatives of the Eighty-First General Assembly of the State of Illinois, That we join in saluting Mr. James Schude for his distinguished service and far sighted efforts; and, be it further

Resolved, That a suitable copy of this preamble and resolution be presented to Mr. Schude in recognition of our high esteem for him.

Adopted by the House of Representatives on November 21, 1980.

WILLIAM REDMOND,
Speaker of the House.
JOHN O'BRIEN,
Clerk of the House.●

PACIFISM AND ECONOMIC CRISIS IN EUROPE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. MICHEL. Mr. Speaker, Richard V. Allen, National Security Adviser to the President, recently addressed the growing problems of pacifism and economic crisis in Europe. The Baltimore Sun excerpted part of Mr. Allen's remarks before the Conservative Political Action Conference.

At this time I wish to insert in the RECORD, "Europe: A Dangerous Economic Crisis and a Mood of Pacifism" by Richard V. Allen, from the Baltimore Sun, March 27, 1981.

EUROPE: A DANGEROUS ECONOMIC CRISIS AND A MOOD OF PACIFISM

(By Richard V. Allen)

WASHINGTON.—Much is changed from the original days of the Atlantic Alliance when the threat was clear in military and political terms and the tasks of rebuilding the war-shattered economies and societies of Western Europe were clear.

One of the most far-reaching changes is economic. We have heard many times that the combined gross national product of the members of the Atlantic Alliance far exceeds that of the Warsaw Pact and that there is for that reason no particular cause why the alliance cannot field a stronger defense than the Warsaw Pact. This formulation simply neglects the great economic crisis which the industrial democracies have brought on themselves in the past dozen years.

As President Reagan has pointed out, previous leaderships on both sides of the Atlantic were too ready to embrace the fiction that money which governments were spending came from somewhere else—when, in fact, the only place such money could come from was from the pockets of ordinary citizens. We have lacked the political will, both in this country and in Europe, to discipline our social programs. The result has been inflation which has, is, ravaging the economies of all the industrialized economies. At one level this inflation has had the obvious expense of squeezing essential defense expenditures. The prices of the goods and services in the defense sector have been rising, making real increases in defense capabilities more difficult.

We are seeing this effect right now in [West] Germany, for example, the strongest European economy, with an enviable 4 or 5 percent inflation rate; even there in Germany, inflation made such large inroads in the real purchasing power of the defense budget that the government is considering stretch-out and cancellations of key defense programs.

At the same time, I am concerned with the more profound effects of our economic policies of the past years. The deficit-spending, the uncontrollable social programs, have insulated the citizenry of many countries from the reality of their economic circumstances. It makes them reluctant to face the facts. The facts are that Europe is confronted with an economic crisis every bit as dangerous as that which immediately followed the Second World War. Similarly, the United States is faced with an economic crisis which it must solve to maintain its position of world leadership.

Another important change which affects the strength of the alliance is the mood of Europe. It is difficult to discuss this subject without risking some affront or some insult to our friends on the other side of the Atlantic. But it is a subject that cannot be avoided.

The components of this mood are many. One could be the distorted interpretation which some, but certainly not the German leadership itself, give to the concept of Ostpolitik, a policy toward the East. The gifted statesmen who originated this concept saw it as an attempt to find a way to live peacefully and constructively with members of the Warsaw Pact—taking place, for example, for the Germans, on at least three levels:

The relationship with East Germany, the so-called reunification syndrome, taking place on another level with the countries of Eastern Europe, and on a third and most important level in terms of relations with the Soviet Union.

Those who constructed this concept and began its practice recognize that to live on those terms with a large and well-armed neighbor required that their countries had to keep up their own defenses, that they had to do hard bargaining, that they had to maintain their economic and social strength. Unfortunately, however, some parts of public opinion, aided by an unremitting Soviet propaganda effort, prefer to see merit in using the solid gains which East-West progress has achieved as a reason for doing away with safeguards which made such progress possible in the first place.

Another component part is the outright pacifist sentiments which are surfacing abroad. One recent incident of concern is the split in the British Labor Party. Right now the second largest party in Great Britain has adopted as part of its official platform the renunciation of nuclear weapons. We are even hearing, in other countries, the contemptible "better red than dead" slogan of a generation ago.

Still another component of this mood in Europe is the advocacy of arms control negotiation as a substitute for military strength. Arms control, indeed as President Reagan insists, arms reduction, is a component part of our grand strategy and will remain so for the four years of his presidency. As many of this audience know, in December, 1979, the North Atlantic Alliance took a collective decision to modernize its long-range threat nuclear weapons. The current generation of weapons is obsolete and the Soviets are deploying the SS-20, dramatically increasing their capability for long-range nuclear strikes in Europe.

At the same time, NATO has stated that its commitment was to arms control negotiations of those weapons. We detect now some in Europe who believe that the arms control negotiations can somehow substitute for, rather than complement, the modernization efforts in our weapons systems. They believe we can bargain a reduction of a deployed Soviet weapons system for a promise not to deploy our own offsetting system. Common sense as well as the long history of arms negotiations with the Soviet Union shows that the only way to deal with the Soviets is from a strong position. Only if it is absolutely clear then that we are in the process of fielding weapons of our own, will they agree to serious bargaining on their weapons.

We, therefore, believe that the two parts of the December, 1979, decision are inseparable. We will negotiate but we will negotiate while we modernize. We are perfectly willing to set limits on the systems in Europe which will result in a stable balance in the military power on that continent—a balance at all levels of warfare, from conventional forces up to the various types of nuclear forces. If these negotiations should fail, we will want to be sure that we have a stable balance anyhow, and that we will offset the growing Soviet strength with out our own.

The facts of the matter are, and they are harsh, somewhat cold, that the Soviet Union has mounted what has become the

most significant arms buildup in the history of mankind. The momentum of that arms buildup seems not to cease. So that when we refer to the decade of the Eighties as a dangerous decade, and when we speak of a growing "window of vulnerability," it means that the challenges during the mid-decade period will be even greater—that the call on our resources, our patience, our strength, our forbearance will be very great indeed. We will have to see if we measure up to that challenge.

[Richard V. Allen is assistant to the President for national security affairs. This article is excerpted from Mr. Allen's speech last Saturday to the Conservative Political Action Conference, his first public address since becoming national security adviser.]●

DELIA BROWN—A SHINING EXAMPLE OF GOOD WILL TOWARD MAN

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. CHAPPELL. Mr. Speaker, I would like to pay tribute today to the oldest funeral director in the State of Florida. That alone is an impressive distinction but in addition to running her own funeral business, Delia Joan Brown is a woman and she is black. She was recently honored by the Ocala community on the occasion of her 100th birthday. I just wanted to acquaint my colleagues with the background and nobility of this wonderful and kind human being.

The oldest of 14 children, Delia graduated from Fessenden Academy High School, taught school in Marion, Levy, and Citrus Counties for 15 years. She later went to New York City and received the call through a dream to be a mortician. She was so gifted she was able to memorize her anatomy and physiology books in 3 weeks and finish the 9-month program at Renouard School of Embalming in 2 months. After working at the Lawton J. Pratt Funeral Home in Jacksonville, Delia moved back to Ocala and opened the D. J. Brown Funeral Home in 1929. She is still there and said she will only retire "when she is not able to perform her exacting science, but until that time, she said she will be there for anyone who needs her."

This quote, taken from the Ocala Star Banner, personifies the spirit and personality of Delia Brown. She is truly one of the kindest people I know. A devoted teacher, she has trained many in the art of embalming. Six of her pupils in Ocala have gone on to become licensed practitioners and open their own businesses around the State. Her support of young people goes beyond those she has taught. There are children in Ocala who Miss Brown befriended and helped them get a start in life.

It is an honor and a privilege to be in the company of this kind and gentle woman. I hope God blesses Delia Brown with many, many more exceptionally successful and productive years.

Mr. Speaker, again I congratulate Delia Brown on her many accomplishments.●

NATIONAL EFFORT TO COMBAT DRUNK DRIVING—PART III

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. BARNES. Mr. Speaker, on two occasions last week I brought to the attention of the House the No. 1 threat to life on our Nation's highways—driving while intoxicated. Today, I submit for the RECORD an excellent article and editorial published recently in the Washington Post further exposing this national horror and addressing the need for action.

The statistics are clear: One American killed every 23 minutes, 70 every day, 26,000 every year and one-quarter million over the past decade in drunk driving incidents. As the Washington Post story suggests, the human suffering hidden behind these statistics can never be measured. Drunk driving is no accident—it is a crime. It is a national epidemic that poses one of the greatest threats to our children in every community across the Nation.

Changes in our laws and attitudes toward drunk driving are essential. My bill, H.R. 2488, offers one important part of the total solution to a problem our society has allowed to continue and worsen.

The article and editorial follow:

[From the Washington Post, Mar. 22, 1981]

A NATIONAL OUTRAGE

DRUNKEN DRIVERS KILL 26,000 EACH YEAR

(By Joseph D. Whitaker)

It's been three years now since Carol and Doug Weiger received the visit that haunts them to this day. Your son, the police officer said, has been hit by a car.

Half an hour later, their son was dead. A year later, the Weigers learned that the man who killed him had pleaded guilty to a drunken driving charge—and had been fined $600.

Today the Weigers are angry—angry at the sentence that they assail as obscenely lenient and angry that what happened to 16-year-old Peter Lewis Weiger has happened to so many thousands of America's sons and daughters.

Nearly 70 persons a day—about 1 every 23 minutes—are killed in drunken driving crashes—the nation's single greatest killer of people under 34, according to the National Highway Traffic Safety Administration.

Nearly 26,000 persons die in the United States each year in drunken driving incidents—the nation's leading cause of highway deaths.

Over the last decade, more than 250,000 Americans have died because of drunken drivers on U.S. highways, more than four times the number of Americans killed during a decade of fighting in the Vietnam War.

The more than 1 million crippling and other serious injuries attributable to drunken driving cause economic losses estimated at more than $5 billion a year in this country.

One of every two Americans will be involved in an alcohol-related auto crash in his or her lifetime.

On a Saturday night, one in 10 drivers on America's streets and highways will be legally drunk.

While only one out of every 2,000 drunken drivers will ever be arrested—and far fewer will ever receive stiff punishment for their crime—an estimated one out of every 100 babies born this year will die in a crash with a drunken driver.

"The drunk-driving problem in this country has reached epidemic proportions," said John Moulden, a research psychologist with the National Highway Traffic Safety Administration. "It's a national outrage that even when thousands of people are being killed each year by drunk drivers, our society continues to accept drinking and driving as a normal part of daily life."

Peter Weiger, a popular sophomore at Thomas J. Wootton Senior High School in Rockville, Md., was walking down a winding country road on the night of Oct. 8, 1977, when a neighbor in a pickup truck ran over him and kept going. The driver of a car following the truck copied the tag number and the driver was promptly arrested.

The Weigers rushed to Suburban Hospital in Bethesda, expecting to find their son badly injured, but alive. Instead, a doctor told them Peter had died of massive head injuries shortly after he reached the hospital. His battered body had already been taken to the hospital morgue.

Now, every time a fire engine or ambulance passes their home, the Weigers—who have a 13-year-old daughter and a 21-year-old son—say they relive the night of Peter's death.

"We think about Peter and we look around for the other kids just to be sure they're safe," said Carol Weiger. "We couldn't bear to lose another child."

"He really was a great kid," Douglas Weiger said. "He loved people. He enjoyed loud music, parties and girls. He was a 4-H Club member and a Boy Scout. It makes me angry every time I think that someone took my child's life."

What has left the Weigers even more bitter and distressed, they say, is the sentence meted out to the driver, their former neighbor Edgar Garfield Rogers.

The outcome: According to court records, Rogers pleaded guilty in Montgomery County District Court to driving while impaired by alcohol and to hit and run, and was fined a total of $610.

"There were 1.3 million drunk-driving arrests in the United States last year," said Moulden of the national highway agency. "The few statistics available show that not many drunk drivers ever receive serious punishment for their crime.

"A lot of prosecutors, judges and jurors put a low priority on drunk-driving cases," he said. "When they see a drunk driver, in a lot of ways they tend to see themselves and take the philosophical view that, 'But for the grace of God, there go I.' "

Last year, 950 drivers were arrested on drunken-driving charges in Montgomery County. A total of 1,001 cases—including 41 cases unresolved in 1979—went to court.

In court, 574 drivers were found guilty. Judges gave 189 drivers "probation before judgment," a device in Maryland state law that permits judges to place a person on probation and erase all records of the original charge. Sixty-six drivers were tried by jury and 42 of these were found guilty. The state's attorney dismissed 130 cases.

"I'm dissatisfied with the sentences judges hand out in general," said Montgomery County State's Attorney Andrew Sonner. "But I think over-crowded jails have given judges a legitimate reason to lock up fewer drunk drivers. Five years ago, 100 percent of our convicted armed robbers were sent to state prisons. Now at least 40 percent of them must be sent to the county detention center."

Judge Robert S. Heise of Anne Arundel County District Court said penalties placed on drunken drivers often are too harsh, and that he rarely finds it necessary to impose jail terms in such cases.

"The philosophy of some people is that you have to make the punishment fit the crime," he said. "But that's the wrong way to look at drunk drivers. These are social drinkers who went a little overboard. They're not alcoholics or criminals. Most of the time they've done nothing dangerous, but have merely violated a law."

Judge Heise said there is not much evidence that a jail term is appropriate punishment for a drunken driver, even for alcohol-related fatalities.

"I just feel that some of these people [convicted of drunken-driving deaths] have already suffered more than I could impose on them," Heise said. "Besides that, the state prison system has told me they're overcrowded and that I shouldn't send them anyone else. When I have to choose between sending an armed bank robber or a drunk driver to jail, I think it's more important to send the robber."

Barbara Gilman, 18, was driving home from a church picnic on Aug. 19, 1979, when her car was hit on a curve near her Upper Marlboro home and forced off the road. She died instantly. The other driver was not injured.

Just a month before her death, Gilman—the youngest of 12 children—had been at a family reunion with her parents. Shortly before that, she had participated in an older sister's wedding.

"Barbara loved sports. She enjoyed music and played the French horn," remembers her mother, Emily Gilman. "Her death has left a big vacuum in our lives. It's tough to adjust to what's happened."

"I am not bitter or angry. You have to try to accept the will of God," she said. "But it seems like the drunk drivers get off so easily. They just go back out and hurt somebody else."

The outcome: According to court records, the police found beer cans in the other driver's car and charged him with driving under the influence of alcohol, passing in a no-passing lane and automobile manslaughter. As is his right, the driver refused to take tests that would have established the alcohol content in his blood. He was acquitted of drunken driving and the charge of illegal passing, but was convicted of vehicular manslaughter and was sentenced to three years in prison—18 months of which were suspended, according to the court records.

The District of Columbia—distinguished as the capital of the United States—also has the dubious distinction of having the second highest level of liquor consumption in the country.

In 1979, Washingtonians and their guests drank 5.95 gallons of alcohol for every man, woman and child in the city, according to the Distilled Spirits Council of the United States. That was second only to Nevada's rate of 6.25 gallons per person.

District police arrested 3,439 drivers on drunken-driving charges last year, and there were 46 alcohol-related traffic deaths in the city, which has one of the nation's toughest law enforcement programs against drunken driving.

The D.C. corporation counsel took 3,395 cases to court. Of that number, 411 drivers pleaded guilty to driving while under the influence of alcohol. Fifty-four went to trial on drunken-driving charges. Thirty-five of those were convicted and 19 were acquitted. In 477 cases, all charges were dismissed.

In about 1,500 cases, those charged with driving under the influence of alcohol were allowed to plead guilty to the less serious charge of reckless driving.

Of eight negligent homicide cases—most of them alcohol-related—handled by the U.S. Attorney's Office in the District last year, two were found guilty by jury, two cases are awaiting trial and four drivers pleaded guilty.

Among the drivers who have pleaded guilty to negligent homicide in D.C. is Lester Lee Mackey Jr., a former Marine charged in the death on Dec. 22, 1979, of 63-year-old Earl S. Mathews.

Mackey, 36, said he remembers driving down 11th Street NW near Rhode Island Avenue when he saw a man several blocks away step off the curb and start to cross the street at an angle.

"I had decided to speed up and hurry on by the man when all of a sudden he turned and ran straight into my lane of traffic," Mackey said. "When he ran to my side of the street, I knew I would have to hit him. There was no way I could stop."

Mathews, a resident of Northwest Washington, was killed immediately.

"I had drank a little whiskey and a few beers, but I wasn't drunk," said Mackey, a Vietnam veteran, who added that he was disabled in 1978 when a stranger shot him in the back and injured his spine. "I feel within myself there was nothing I could have done to avoid the accident except not be there."

"I try not to think about [the fatal accident] that much," said Mackey, who works part time as a hair stylist. "I've seen a lot of people die in Vietnam and even on the streets of Washington. All I can say is God forgive me."

The outcome: Mackey, who said he lobbed the can of beer he'd been drinking out of the car seconds before police arrived at the scene, was originally charged with involuntary manslaughter. He pleaded guilty on Jan. 11, 1980, to the lesser charge of negligent homicide. He was sentenced to six months in jail. The jail term was suspended and Mackey was placed on two years' probation.

Charles and Irma Jacobsen of Arlington, Va., had celebrated George Washington's birthday last month by going on an early morning shopping trip. When they returned home that afternoon, she began preparing dinner while he disappeared into the basement.

Moments later, a car careened across the Jacobsens' front lawn, mowed down a row of azaleas, uprooted a pine tree, and knocked down a brick wall before coming to rest on top of the Jacobsens' car.

"I heard an awful crash. I ran to the window and saw the man's car had knocked down the brick wall," said Irma Jacobsen, a native of Italy who married her husband there seven years ago. "I started calling my husband. I thought he was still in the basement. I wanted him to come up and help me call an ambulance because I thought the driver may have been hurt."

She was still looking for her husband when she went outside where neighbors had gathered on her driveway.

"Someone shouted, 'Mrs. Jacobsen, your husband is over here'. I thought my husband was behind the car helping an injured person," she said. "I took a look and saw that he had been crushed in the accident."

Six hours later, Charles P. Jacobsen IV, 33, died at the hospital from internal bleeding.

The outcome: According to Arlington County court records, the driver, Walter John Anholt, has pleaded guilty to driving while intoxicated and is awaiting an April 6 trial on a charge of involuntary manslaughter.

Arlington County recorded 1,965 drunken-driving arrests and three alcohol-related deaths last year. A conviction rate of more than 80 percent was achieved primarily by reducing drunken-driving charges to lesser offenses.

The Fairfax County General District Court processed 4,725 drunken-driving cases in 1980. About 200 of those were dismissed, and 4,527 defendants were convicted on guilty pleas or jury verdicts. Jail terms—although largely suspended in most cases—were meted out in 1,368 cases.

Both Fairfax and Arlington counties resolve most of their drunken-driving cases by allowing most of the offending drivers to enroll in the Alcohol Safety Action Program (ASAP), an eight-month program of treatment and education. After the driver successfully completes the program, the drunken-driving charge is automatically reduced to the less serious reckless-driving charge.

Fairfax County Commonwealth's Attorney Robert F. Horan said ideally he would like to see drunken drivers who kill someone with their automobile convicted of manslaughter. "But it is almost impossible for us to get a manslaughter conviction when the incident involves alcohol," Horan said. "We must convince a jury that the driver's behavior exemplified a willful, wanton and reckless disregard for human life. And it's rare that we are successful with that approach to the prosecution."

Most often, Horan said, alcohol-related cases that otherwise would be considered manslaughters—carrying a penalty of one month to five years in state prison—are reduced to reckless driving, a charge that carries a lesser penalty. That penalty, Horan said, can range up to one year in county jail, but judges rarely impose the maximum.

John R. Pierce, a former employe of The Washington Post, and his wife and daughter were driving home from a New Year's Eve party in upper Northwest Washington during the early morning hours of last Jan. 1. At one moment, Pierce was making a left turn from Wisconsin Avenue onto Woodley Road. Seconds later, he was scrambling from the wreckage of his mangled automobile. His daughter, Barbara, had been seriously injured. His wife, Jean, a Washington Post employe, had been killed almost instantly.

A 16-year-old driver—who was also returning from a party—had slid through a red light and struck the Pierces' car broadside. The youth escaped injury in the crash.

I'd seen the headlights coming a block away," said Pierce, 71, of Northwest Washington. "My natural instinct was that [the oncoming driver] would stop. Someone in the car said, 'He's traveling awfully fast.' Next thing I knew, we'd been hit."

It was particularly ironic, Pierce said, that his wife was killed by an automobile. "Over the years, a number of our friends had been killed in automobile accidents, [and] Jean had developed a real fear of the automobile as an instrument of destruction. When she used to walk down the street, she would be afraid to step off the curb to cross the street. She'd ask me, 'How do you know the cars are going to stop?'

I would jokingly tell her, 'You can't stand on the corner all of your life,' and we would cross the street together.

The outcome: The youth was originally charged with drunken driving, speeding and running a red light. The drunken-driving charge was dismissed after blood alcohol tests showed he had a .08 blood-alcohol level—two points below the city's legal limit of .10.

D.C. Superior Court sources said negligent homicide charges against the youth were reduced in juvenile court to reckless driving, to which the youth pleaded guilty. He was placed on probation. The speeding and red light charges are both civil charges that can be resolved with the payment of a fine.

In all but two states, a person is considered legally drunk when his or her blood-alcohol content registers .10 percent. To achieve this limit, a 150-pound man would have to consume four one-ounce shots of 100-proof liquor or drink four 12-ounce beers in one hour, according to the Distilled Spirits Council of the United States. This level, local medical officials said, is sufficiently high to eliminate social drinkers.

Laws in Maryland and Mississippi allow a blood-alcohol content of .15 percent, which amounts to six shots of liquor or six 12-ounce beers in one hour for a man who weighs 150 pounds.

Revisions in the drunken-driving laws under consideration by Maryland legislators would lower the legally permissible blood-alcohol level to .10.

Legislation introduced recently on the federal level by Sen. Claiborne Pell (D-R.I.), and Rep. Michael D. Barnes (D-Md.), would make a 10-day jail term mandatory for drunken drivers convicted of the offense two or more times within five years. A repeat offender would also lose his or her driver's license for a mandatory one year.

Last July 12 had been an exciting day of fishing in the Chesapeake Bay for Tommy Sexton, 15, and two other youths. As Sexton drove home with his neighbors and their father, a car swerved across the center line and collided with theirs. The driver at fault was not hurt. The two youths and their father escaped with only minor injuries. But Tommy Sexton was killed.

"You feel a lot of outrage when something like this happens. You wish there was some way you could strike back," said his father, Thomas Sexton. "He was such a kind kid. He loved to go fishing. But he didn't have the heart to kill the fish. He'd always throw them back."

"We consider that our son died as the result of a senseless crime," added Dottie Sexton. The Sextons also have a daughter, 12, and a son, 7. "In this instance, we do not feel that the criminal has been fairly punished for what he did."

The outcome: A month after his son's death, Thomas Sexton, who lives in Bowie, Md, sat in Calvert County District Court and watched a judge pronounce sentence on two men in two separate cases.

The first man, charged with stealing a pickup truck, was sentenced to two years in the county jail.

The second was David William Watkins Jr., who hit the car in which Tommy Sexton was riding. he pleaded guilty to a charge of homicide by motor vehicle while intoxicated. Watkins was sentenced to two years in prison, with all the jail time suspended. The judge then ordered Watkins to pay a $1,000 fine, of which $800 was suspended.

Watkins paid the $200 and was placed on two years' probation, court records show.

"I think the biggest outrage is that the courts seem to place a much higher priority on a loss of personal property than they do on the loss of human life when it comes to drunk-driving cases," said Dottie Sexton, fighting back the tears as she talked.

"We still cry when we think about what's happened to our son. We look at his school pictures often. One of the hardest things to accept is that his [picture] will never change. We haven't touched his room—but we know he won't be back."

[From the Washington Post, Mar. 24, 1981]

DRIVING DRUNK

The Slaughter on the highways makes them bloodier than the battlefields of most wars. Drunken driving is the special culprit. In Sunday's paper, reporter Joseph D. Whitaker set out the facts: One person is killed every 23 minutes in a drunken driving crash. In the past decade, four times as many Americans died in these crashes as were killed in Vietnam. One out of two Americans will be involved in an alcohol-related auto accident. If these statistics do not convince you that drunk driving ought to be regarded as the nation's No. 1 crime problem, go back and read Mr. Whitaker's account of the lives of innocent people taken by drink on the road.

Yet drunk driving is generally regarded as a trivial offense by judges, prosecutors and—if juries are a proper cross section—society as a whole. Burglars and auto thieves go to jail; drunk drivers who have killed someone seldom do. Maybe drunk drivers don't belong in jail, as some judges argue, especially now that the jails are about full. But they don't belong on the highways, either.

The simple truth is that of all the criminal offenses on the books, drunk driving is one where fear of punishment can make a difference. Most drunk drivers are, as one judge put it, "social drinkers who went a little overboard. They're not alcoholics or criminals." That is precisely the kind of person who can be deterred if the punishment is harsh, swift and sure.

Punishments short of jail terms can be imposed. Why not automatically suspend, for a year or more, the driving privilege of every convicted drunken driver? Why not revoke that privilege permanently after a second conviction? Why not let drunken drivers inhabit the local jails, instead of the local bars, on Saturday nights? If the idea could be implanted in the minds of those "social drinkers" that a drunk driving conviction meant 52 Saturday nights in jail and 52 weeks without a license, the number of drunks on the highways just might diminish.

Law makers and enforcers are too often tolerant: "But for the grace of God, there go I." The Maryland legislature, for example, is hesitating now over a far less Draconian set of bills designed to make it easier to catch and convict drunk drivers. Until the idea is accepted that drunk driving is a major crime, not a social offense, the daily highway slaughter will continue. Think about it: one of every 100 babies born today will die in an alcohol-related automobile crash.●

WRONG ANSWER FOR AUTOS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. FRENZEL. Mr. Speaker, Eugene McAllister, of the Heritage Foundation, in a Washington Star article of March 26, states, "Quotas are not the solution for the auto industry's woes."

"Wrong Answer for Autos" is the title of McAllister's piece, and it thoughtfully points out that imports have not been the most significant factor in the declining sales of U.S. produced cars.

Like the International Trade Commission, McAllister cites recession, high costs, and changing consumer preferences, and correctly points out that auto buyers' financial status will not be improved by quotas. Those potential buyers will become actual buyers only when they see the right product at the right price.

I commend the article which identifies the beneficiaries of quotas as the stockholders and employees of the big domestic producers and identifies the victims as consumers who want to buy cars.●

UNITED STATES-CHINA FARM TIES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. FINDLEY. Mr. Speaker, 3 years ago, I had the privilege of leading the Illinois Agriculture Mission to the People's Republic of China—a mission of leaders in agriculture, business, education, and Government who foresaw the great opportunities the United States has for expanding trade and scientific and cultural exchanges with that vast Asiatic country.

As an outgrowth of that mission, we advanced the idea of establishing programs in which we would exchange visits of scientists for the mutual advancement of the agriculture of our two countries. Last fall, this idea bore fruit as the University of Illinois College of Agriculture sent two teams of scientists, in soybean genetics and swine breeding, to the People's Republic of China.

The benefits of this exchange program are reflected in the following reports by Ira Kleinberg which appeared in the University of Illinois newspaper, The Daily Illini:

VARIETY ABUNDANT IN CHINESE SOYBEANS

America may be the land of the free and home of the brave, but China is the home of the soybean.

The soybean, domesticated in China in the 11th century, is a relative newcomer to the New World. In fact, the most recent record of soybean plants being grown in the United States dates from 1804, according to Theodore Hymowitz, professor of plant genetics.

Hymowitz and Roy Stahlhut, a graduate student specializing in soybean genetics and fluent in Chinese, visited China in September. The two were the first Americans to travel to China in more than 50 years with the express purpose of collecting soybean seed samples from the country.

When these seeds—collectively referred to as "germ plasm"—are brought to the United States in about two or three years the inventory of soybean seeds stored in this country's three germ plasm banks will most likely double, Hymowitz said. That's good news for soybean breeders here in this country.

"The soybean industry in the United States is based on the soybean's introduction from China, and also small amounts from Korea and Japan . . . and breeders need diversity. They're always looking for diversity," Hymowitz said. China, unfortunately, has the necessary variety of seed types.

The Chinese are making great efforts to collect the widest variety of previously-uncataloged soybean seeds from farms and villages throughout their country, Hymowitz said.

"There are an estimated 8,000 to 9,000 different kinds of soybeans (the Chinese) will have collected. They are building a facility to store them in Peking," he said. "We'll have to wait until the seeds are collected from all the provinces, but once they are into Peking and cataloged, we can get anything we want."

"Anything," in this case, is everything the Chinese are willing to offer. Hymowitz said he is primarily interested in "land races"—soybean plant varieties grown by Chinese farm families generation after generation. "Not for yield purposes," Hymowitz added, "but for economic purposes, because they are resistant to diseases."

Hymowitz said he and Stahlhut travelled 4,000 miles by train in the 30 days they were in China collecting samples. During the course of the trip, Hymowitz also gave nine lectures to inform Chinese scientists about what's being done in the area of germ-plasm research in this country.

CHINESE PIGS TO AID U.S. PORK PRODUCTION

A more efficient pork production system, and perhaps a resulting drop in pork prices for consumers, may be just two future benefits of closer relations with China in the area of agriculture.

The benefits are possible, but it is still uncertain when they will be realized, according to Daniel Gianola, assistant professor of animal science. Gianola visited China in October to study certain breeds of Chinese swine that are more prolific and heartier than their American counterparts.

"In each of the places we visited, there was an effort to observe local breeds and methods of production," Gianola said. "It was a unique opportunity (and) two or three breeds might be interesting," Gianola said.

"But we need to experiment first," he added.

Certain Chinese swine breeds, Gianola said, are resistant to a variety of diseases, while others have the ability to digest roughage. Some swine breeds have an earlier age of sexual maturity and can produce litters of tremendous size.

"We're interested in pursuing the possibility of introducing genetic material from these swine—and starting research—in Urbana," Gianola said. "These breeds do have a lot to offer."

Gianola specifically mentioned small litter size as a problem in American swine. "Prolificacy in swine has been a problem for the last 30 years," he said. Using Chinese swine semen to create a breed of swine capable of producing larger litters is just one possibility being investigated.

There is "no question" that certain varieties of Chinese swine are naturally prolific, Gianola said. "My colleagues and I agree that with the introduction of a new breed, there would be a 25 percent to 30 percent increase in litter size.

"If this is possible, we will have a very important project in hand," he said.

The Chinese are eager to exchange the semen of their swine with the United States to experiment with the creation of a new breed. Frozen semen, Gianola said, would probably be the most effective method for the exchange because importing the animals would be too costly.

Unfortunately, there is one small hitch in the plans of Gianola and his colleagues—the stringent federal quarantine restrictions imposed by the U.S. Department of Agriculture.

Though he was denied a waiver once, Gianola is still hopeful the government will allow the importation of the Chinese swine semen sometime soon. "We're awaiting a decision from the U.S. Department of Agriculture," he said.●

WISCONSIN FARMERS RATE FARM PROGRAMS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. ROTH. Mr. Speaker, I recently polled northeast Wisconsin farmers to learn their priorities with regard to farm programs which will be affected by the new farm legislation currently under consideration by the 97th Congress.

Six thousand rural residents gave a higher priority to dairy price support adjustments and casein import restrictions than to parity, according to the poll.

Asked in the survey to rank eight programs, the Wisconsin respondents held casein import restrictions No. 2 and the price adjustment No. 3. Farm price parity ranked only fifth in importance.

Inheritance tax reform was the No. 1 issue cited in the survey. I am the author of a major bill in Congress to exempt family farms and small businesses under $500,000 from Federal estate taxes.

The business and industry loan program at the Farmers Home Administration ranked at the bottom of the eight programs surveyed.

Export promotion won fourth place in the poll, followed by agriculture assistance and Federal food distribution programs.

In order of ranking in the poll, here are the results:

First, inheritance tax reform.

Second, casein import restrictions.

Third, price adjustments in the dairy price support program.

Fourth, farm export expansion.

Fifth, farm price parity.

Sixth, agriculture assistance programs, such as soil conservation and crop insurance.

Seventh, Federal food distribution programs, such as the school lunch and food stamp programs.

Eight, FmHA business and industry loans.●

LEGAL AID

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. DYSON. Mr. Speaker, Mr. Allen Eckel of Cambridge, Md., requested that I insert the following article by Maryland's Attorney General Stephen H. Sachs which appeared in the March 23, Baltimore Sun:

LEGAL AID IS ESSENTIAL TO OUR SYSTEM

(By Stephen H. Sachs)

President Reagan's budget cutters want to kill the federally funded Legal Services Corporation, whose 5,000 lawyers serve the legal needs of nearly 30 million citizens who live in poverty.

The attorney general of a state that has frequently been sued by the corporation's local outpost, Legal Aid, might be expected to anticipate the last rites more in satisfaction than in sorrow. As my mother-in-law would put it, I need additional costly legal challenges like I need "water in my shoes," especially when Maryland's legislative axes are busily biting into the sinew and bone of an already lean state budget.

But the truth of the matter is that we all need the Legal Services Corporation very much. In fact, of all the trumpeted economies of the new terms in Washington, I can't think of any that is more wrong-headed—and mean-spirited—than the plan to scuttle Legal Services.

For many, it is a matter of fundamental fairness. Government at all levels has armies of lawyers on public payrolls to counsel, to sue and to defend against suit. Corporations have found it increasingly necessary to rely on expensive legal advice, which is recognized as a legitimate business expense and subsidized through substantial tax deductions.

The poor have legal problems, too. Big ones. Even their "routine" encounters with the law—injury at work, eviction, divorce—are aggravated by the unremitting bleak-

ness of proverty. Most of us will never know what it is like to fight an unlawful eviction notice—alone.

But the poor also live in symbiotic relation to a faceless bureaucracy that administers a complex web of regulations governing welfare, Medicaid, unemployment insurance and all the other support services that even the new administration regards as a "safety net" for the poor. For such citizens, a bureaucratic error or an administrator's carelessness can produce a life crisis.

Imagine, for example, the effect on a family when a father is injured on the job and is mistakenly denied his application for a $375 monthly disability allowance. It happens. Few of us would think of facing such a judgment uncounseled, or of suffering it quietly if grounds for challenge exist.

Many of the poor, however, not only have no way of knowing that an error was committed; they don't know where and by whom the decision was made. Comprehending the forces that control your life is a bit of a luxury at $8,200 a year, Legal Services' poverty line for a family of four.

For the poor, living with the possibility of shattering and incomprehensible injustice is the badge of their condition. Legal Services is an attempt to alleviate that condition. The program's simple credo is that a nation that professes a belief in "equal justice" should not permit poverty to weigh so heavily on the scales of justice.

When Legal Services lawyers serve their clients they also help to enforce the law. The criminal law, or course, is enforced by federal and state prosecutors and police. But most laws are civil statutes that create legal rights and protections owed to citizens by government. Thus, just as the law protects a local business from a takeover by a foreign corporation or confers on an oil company rights to a depletion allowance to encourage exploration, so, too, does the law give citizens living in poverty certain rights and entitlements to medical treatment, rent supplements and food.

In a perfect world, all of these laws and regulations would be models of clarity perfectly administered. In fact, however, because of the increasing complexity of the law, fiscal pressures on public officials and the occasional inattention or ignorance of administrators, the civil law frequently depends for its administration and implementation—its enforcement, in other words—on the administrative claims or law suits pressed by the affected parties themselves.

Our legal system expects and depends upon this sort of private law enforcement. For corporations and most citizens, such claims are pressed by corporate lawyers and the private bar. For the poor, that enforcement role has been played—quite successfully—by Legal Services Corporation lawyers. Here in Maryland, for example, suits by Legal Aid lawyers have:

Regained unemployment compensation for 24,000 Marylanders whose benefits were reduced because of an erroneous interpretation of law by a state agency.

Restored Medicaid services to 188,000 Marylanders, mostly elderly and children, whose aid was improperly terminated.

Guaranteed indigent veterans and their widows a right to be heard before termination or suspension of monthly veterans' or widows' benefits.

Established the right of all citizens to a hearing before involuntary commitment to state mental hospitals.

These are only some of Legal Aid's victories in Maryland courts. Legal Services lawyers have prevailed in scores of similar suits around the country. They also, of course, press claims and file suits that do not, and should not, prevail. When they do, my office, and my local and federal counterparts, vigorously oppose them. Legal Services' lawsuits, in other words, are sometimes "wrong." It may also be that some of the corporation's practices, like its aggressive and indiscriminate pursuit of attorney's fees in every civil rights case, need rethinking.

But as we have seen, Legal Services lawyers are often "right." And when they are "right" they have not only won dollars or services or protection for their clients; they have enforced the law, and they have made our proud boast about "the rule of law" a reality for millions of Americans.

Many of these enforcement successes have seriously antagonized some of Legal Services' critics, most notably Mr. Reagan. These critics resist and resent the notion that Legal Services lawyers rattle establishment cages—especially when they win, as they often did in California when Mr. Reagan was governor. To the extent that these successes have endangered Legal Services' survival, it might be said that the organization sued "not wisely but too well."

The critics believe that Legal Services' attention should be limited to the specific legal problems of the individual indigent client who seeks advice—a divorce, a Social Security claim, a dispute with a landlord. They appear to view poverty law as a kind of charitable calling whose practitioners, like some medieval friars, wander among the poor dispensing legal alms. The view is not ungenerous. It is, however, a form of noblesse oblige—American style. "Oh, look dear, the poor have divorce lawyers just like us!".

But this narrow view of the Legal Services program overlooks the fact that with one attorney for every 6,000 poor people, filing class action lawsuits is good lawyering and often the only way in which Legal Services lawyers can represent their clients. In so doing, these lawyers play exactly the same role as that quite properly played by counsel for industry, labor, trade associations and special interest groups of all kinds when they seek to enforce the civil law for the benefit of their clients.

Finally, Legal Services lawyers ensure that the adversary process—the engine that drives our judicial system—runs well. The root premise of the adversary system is that "the truth," or its closest approximation, is most likely to emerge from the clash of competing courtroom forces, the forceful presentation of opposing views of the law and the facts and the testing of witnesses by vigorous cross-examination. It resembles familiar economic models in its assumption that competitors, each acting in its own self-interest, will produce the most socially desirable result.

But for the system to work, the fight must be fair. Only if both sides are ably represented by lawyers who have the time and the energy to research and investigate and prepare can we be confident that the decision-makers, judges and juries, will do—or approximate—justice.

The sound working of the adversary system is uniquely important in the United States. Due no doubt to our federal structure and our written Constitution, almost every great cause eventually becomes a legal issue to be decided finally by the courts.

Lawyers, some feel, are too much with us in America. An Englishman once called us a race of lawyers. We undoubtedly litigate too often about too little and misuse the courts to resolve disputes best handled by mediation and arbitration.

But it surely is little exaggeration say that a reader of the Supreme Court Reports is as well informed about the nature and quality of life in America as is a reader of The New York Times or The Sun. It is difficult to disagree with the notion that courts—which decide almost every issue of public concern, from busing and abortion to prison overcrowding and prayer in schools—have as much to do with governing this country as do presidents, governors and legislators.

Access to the judicial system in this country, then, is access to government itself. Denial of access amounts to a special kind of disenfranchisement. Such a thing would not only cheapen our claims to be a democratic society. It would invite the fatal flaw of every closed society—creation of a bitter underclass with no confidence or stake in the system, ready to abandon rational discourse and to settle its mounting grievances in the streets. And it would come at the worst possible time—when the summary dismantlement of federal programs places the poor in greatest need of legal counsel.

It hasn't been so long ago that we sanctified the sweatshop in the name of "liberty of contract" and perpetuated badges of slavery in the name of "separate but equal." Goldsmith's observation that "Laws grind the poor and rich men rule the law" has, unfortunately, more than a little modern application. But many lawyers, in public and private practice, work very hard all their professional lives to blunt what truth there is in that statement.

Legal Services lawyers are among them. They should be permitted to continue their valuable work. They help make "equal justice under law" more than an empty phrase.●

GREEK INDEPENDENCE DAY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. MAVROULES. Mr. Speaker, March 25 marked the 160th anniversary of Greek independence. Throughout history, the Greeks have been leaders in man's endless search for liberty. Few nations have had to undergo the hardships Greece has endured for the sake of freedom. Today we pay tribute to the unbreakable spirit of the Greek people in their struggle for independence.

In the 15th century, the Turks invaded Greece, and for 400 years subjected its people to the most brutal kind of tyranny. But even though the Turks physically occupied Greece, they could not conquer the spirit of the Greek people. Greece could not be defeated.

And in 1821, freedom-loving Greeks threw off the chains of alien rule, and returned democracy to its birthplace.

Greeks and Americans have often stood together when peace and freedom were threatened. In World War II, the outnumbered Greek Army de-

feated Mussolini's Fascist forces. It took an invasion by thousands of Hitler's best storm troopers before Greece was finally occupied. But Greece could not be defeated.

While we celebrate Greek Independence Day, it is also fitting to recognize the great contributions made by Greek Americans to this country.

Greek immigrants began to arrive in America more than 300 years ago, although their numbers were not large until the 1890's. They settled in almost every part of this Nation, and have excelled in every walk of life, from government and business to entertainment and the arts. I am proud to be a Greek American, and proud of the success that Greeks have enjoyed in the United States.

I am even prouder, Mr. Speaker, of the heritage which my forefathers left for freedom-loving people everywhere. The concept of democracy upon which the government of Athens was founded more than 2,000 years ago has had a profound influence on the development of Western civilization. The ancient Greeks' emphasis on the dignity and rights of the individual, and on the rule of law, are still the basis for democracy today.

But the struggle continues. Oppressed people the world over long for the freedom that Greece, through years of struggle, has won for itself. On this occasion, it is especially fitting to remind the world that America is strongly committed to freedom and equality for all nations, and all peoples.

In a larger sense, Greek Independence Day is a celebration of the birth of freedom for all mankind. The world can never repay the debt it owes the Greeks who first developed the principles of democracy, but a fitting memorial would be to continue the fight against tyranny wherever it exists.

Those who remain enslaved, both physically and mentally, can be inspired by the example of the Greek people, who fought for freedom throughout the centuries. As long as the fight for democracy continues, the spirit of the ancient Greeks can never be defeated. And that spirit, that heritage, is really what Greek Independence Day is all about.●

LET THE AX FALL ON LEGAL SERVICES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. MICHEL. Mr. Speaker, when Dr. Johnson said, "Patriotism is the last refuge of the scoundrel" he quite accurately pointed out that good causes and ideals can be used by those who need them for a front. The legal services program, allegedly a program to help the poor, has quite often turned out to be front for radicals and intellectuals bent upon using the tax dollars of Americans to foster causes those Americans detest. In short, legal services is the last refuge of the activists.

I insert in the RECORD at this point a brilliant article on the abuses of legal services by two distinguished lawyers. That article is "Let Ax Fall on Legal Services" by Thomas A. Bolan and Roy M. Cohn, the New York Post, March 26, 1981.

LET AX FALL ON LEGAL SERVICES

A mere $320 million which the Legal Services Corporation costs the American taxpayer each year was eliminated from the proposed Reagan budget, along with thousands of other items. The elimination has not gone unnoticed. Howls of protest have been heard from elements of the legal profession—some of the usual self-protective do-gooders and some lawyers and jurists of standing. We think the protesters are wrong.

Let's look at a few basics. Under the prior administration, New York and the nation approached the outer limits of insolvency. Swollen welfare roles, "do good" programs like the Legal Services Corp., a burgeoning civil and political service, etc., had produced rampant inflation, an unprecedented prime rate, and unacceptably high unemployment.

The Reagan philosophy is that even many good programs can no longer be federally funded, but must become the responsibility of the states, municipalities, or private support. In other words, an economy cannot survive simply by using a printing press.

Even if we were wallowing in surpluses, we seriously question whether the Legal Services Corp. is, in fact, a good program, consistent with the best interests of our nation and profession. It is little understood. It does not aid indigent defendants in criminal cases where our rights are secured, and perhaps oversecured, by the 18-B program of panels of lawyers and by the Legal Aid Society. It does not assist in curing the much-talked about lack of practical experience and legal competence of attorneys due to inadequate law school training.

No, the Legal Services Corp. spends $320 million a year in fostering litigation in civil cases for those allegedly unable to pay. We think at once of a hapless indigent with an injury or threatened with financial extinction. An examination of the Legal Services Corp. shows that its main efforts have been directed to anything but help for such individuals. Its primary function has been to serve and encourage "public interest" litigations of the [Ralph] Nader type and Gay Rights type.

Numerous examples demonstrating what the Legal Services Corp. is all about have apparently been overlooked by the judges who signed the extravagant statement in support of it that was printed on the front page of the *Law Journal* (March 12). Some of the Legal Services' attorneys have considered such things as mobilization of rent strikes, the promotion of abortion and a surplusage of contentions to back prison "rights" as their function.

In Florida, the Legal Services group there filed a suit to stop the state Dept. of Education from requiring high school graduates to pass a simple and basic literacy test before obtaining a diploma. The signatories to the petition apparently are unaware of the activities of the director of the Research Institute of the Legal Services Corp., Alan W. Houseman. Houseman spends close to $1 million a year "researching" such problems as how to support various poverty groupings and migrant programs. He recently tried to rally Legal Services Corp. officials to "take all the steps necessary" to prevent cutbacks in social welfare programs. This memorandum backed affirmative action, abortion and other controversial issues which hardly seem appropriate for a program that most people think is designed to give aid in an individual case to a meritorious claim by an aggrieved person.

The sum total of all this:

(1) The program costs the taxpayer $320 million a year. If it were good, we couldn't afford it.

(2) It is a program dominated by "public interest" do-gooders, who get their jollies by harassing the government.

(3) It clogs already unmanageable court calendars with cases that are often without merit.

(4) It whacks the taxpayers both coming in and going out. We finance their litigation against government, and then have to pay the costs and the judgement if they prevail.

Does this mean that a poor person who has a legitimate civil cause should be cut off from legal assistance? Of course not. But where is it written that such assistance should be provided by Federal government? The state and municipalities have block funds and other means to do this if it should be publicly funded at all. And isn't it a perfect area for those of us with successful law firms to do our share? Why not a voluntary or involuntary program whereby law firms make available personnel one month a year or some such formula?

Let's realize that $320 million for civil cases handled free by the Legal Services Corp is not a function for the Federal government, and let us realize that those demanding its restoration are flying in the face of an across-the-board program of budgetary cuts, on the success of which might well depend on the economic well-being of those citizens who work for a living.●

MURDER OF BLACK CHILDREN IN ATLANTA

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. WYDEN. Mr. Speaker, it has not been very long since we untied yellow ribbons as our hostages returned from Iran. Now we are witnessing a new sprouting of ribbons for an equally serious crime against America—the murder of 20 children in Atlanta.

These murders have riveted attention once again on the rising rate of crime throughout the Nation. This wave of crime, in a very real sense, has made each of us feel as if we are hostages in our own homes, our neighborhoods, our cities.

The fact that these children are black makes the murders no more or

no less important than any other crime. But the failure to stop more murders from occurring and to apprehend the killer or killers are understandably rekindling resentment and bitterness in our black community—a community that knows all too much about being a hostage in their own land.

President Reagan deserves praise for taking steps to assist Atlanta police officials in their investigation. His efforts have helped ease mounting tensions in the Atlanta community. I have agreed to cosponsor legislation by my colleague, Mr. Clay, for an appropriation of $1.5 million to beef up police efforts to track down the killer of these children. My thoughts and hopes are with one of our friends, former Portlander Lee Brown, as he leads those efforts.

To me though, the issue runs far deeper than merely a concern for rampant crime in the streets. What bothers me is the waste of human potential these killings—and all violent crimes—produce.

Of these 20 children, one may have grown up to be the scientist who discovered a way to harness solar energy so it is affordable in all our homes. Another may have been a doctor who saved lives. Still another may have excelled in the arts and given us an inspiring play or novel. And yet another may have been a hard-working father and friend to his children.

We will never know because these 20 children are lost forever. Their loss robs America of productivity for the future. It diminishes our chances to make a brighter tomorrow.

Regretably we will never stop all violent crime. But we must move quickly to solve this particular crime against the children of Atlanta, against the community of Atlanta, against the blacks of Atlanta—and the rest of the Nation.

If we fail, our failure will symbolize much more than faulty police work. It will symbolize that the very foundations of our society are crumbling, and that our great experiment of men and women living in a free society at peace is in terrible jeopardy.●

PRAYER IN PUBLIC SCHOOLS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, just recently I asked the Congressional Research Service to inform me of all State laws concerning voluntary prayer, Bible reading, or other affirmations of Diety. Their report revealed that nearly every State has a stipulated policy allowing acknowledgement of the Creator in State institutions.

Indeed this should not be any surprise in a Nation which declared its independence with the faith that—

All men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.

To allow each State the prerogative to set its own policy with respect to voluntary prayers, I have introduced H.R. 2347. This legislation would prevent Federal courts from disturbing State court decisions relative to prayer in public buildings.

Recently the national commander of the American Legion, Michael Kogutek, made a well-reasoned argument for removing Federal court jurisdiction in this manner. If, after you have read his address, you would like to cosponsor H.R. 2347, please get in touch with me or my staff.

PRAYER IN PUBLIC SCHOOLS

Isn't it ironic that Americans applaud the Roman Catholic church of Poland for being the guardian of Poland's moral fiber; that we believe the Poles' faith in God is at least partly responsible for their indomitable resistance to Godless Communism—yet we fail to protest loudly as U.S. courts curtail freedom of religious exercises in our public schools by not allowing voluntary prayer?

We are in the vanguard of those who acknowledge the importance of a solid religious foundation which gives strength to nations fighting for freedom from oppression. Is it not then incumbent upon us who are free to stoutly defend our conviction that unfettered religious freedom is our most precious legacy as Americans? Today that conviction is being put to the test by court decisions—however well intended—that have, in effect, abridged our children's free exercise of their religious beliefs.

It is not the function of the public schools to provide religious training. Yet, it is not their function to discourage religious belief either. We all know that "as the twig is bent, the tree's inclined," and I think most of us are disinclined to deprive our young people of the character-building experience which we as students enjoyed years ago when allowed to participate in classroom prayer.

Certainly there can be no harm done by reinstituting the practice of voluntary prayer to our Creator. His presence has been officially acknowledged by United States Presidents and by Supreme Court justices. Our legal tender, our National Anthem and our Pledge of Allegiance all pre-suppose that a Supreme Being exists and has "shed his grace on thee." Clearly, no one ever thought it possible that the day would come when praying under any conditions or in any place would be declared unconstitutional based on our own laws.

Yet, the courts have ruled:

Students at Guilderland High School near Albany, NY, cannot participate in voluntary prayer meetings in a classroom before starting the school day because the "mere appearance of secular involvement in religious activities" by the school might indicate state approval of the establishment of a specific religion.

Privately paid-for copies of the Ten Commandments cannot be posted in Kentucky's public schools because they are "plainly religious in nature."

It is unconstitutional for school-children to join together in voluntary prayer at the start of the day. They can't even repeat aloud at lunch-time the well-known: "God is great. God is good. And we thank Him for our food." Indeed, the courts have also ruled that it is illegal for our children and grandchildren to read aloud in the classroom the prayer of the House or Senate chaplain as reprinted in the CONGRESSIONAL RECORD.

Can we believe that such nonsense really was the intent of the Founding Fathers when they wrote the First Amendment which states: Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . ."? Of course, there will be disagreements among reasonable people regarding the interpretation of our Constitution, but should they be at liberty to ignore the binding precedents of history and custom?

The Court has ruled that states must be neutral toward religion and that they cannot mandate either prayer or Bible reading in public schools. We won't argue that point. However, the Court went a step further and ruled that voluntary prayer in public schools was also unconstitutional. And that is a step too far because it ignores the checks and balances built into our Constitution. While the Constitution forbids "establishment," it is swift to also forbid enactment of laws prohibiting "free exercise" of religion.

The American Legion is not asking for mandatory prayer in public schools. No, we are asking that those who wish to offer a voluntary prayer be given the opportunity to do so. It is just as wrong to prevent students from praying as it is to coerce their participation.

The First Amendment doesn't outlaw religion, and it doesn't outlaw public prayer. Consequently, people should be free to pray to—or even ignore—their Creator in their own way, as long as they don't infringe upon another's equal right. Though unwilling to impose religion or a national church on any individual, the Founding Fathers were quick to recognize their own and their country's dependence on God. And we today should still be free to cite that dependence at any time, whether it be in a public school or not.

As long as our children are compelled to attend school—that is, as long as we have compulsory primary education—their right to the free exercise of religion should not be suspended just because classrooms are in buildings paid for by public funds. Thus, it is our view that the outlawing of voluntary prayer in public schools is contrary to the intent of the authors of the First Amendment.

The American Legion recognizes that allowing prayer in schools will not, in and of itself, reshape our culture and reverse objectionable trends in our society. Nor will it, alone, instill in our youth all of the values and principles essential for the creation of upright character. It may provide fertile soil, however, for the nurturing of traditional values—values which may one day provide again the national strength and the will to defend our freedoms.

I urge you to write to your Congressman. Tell them that you, just as 76 percent of Americans recently polled nationally, support legislation which will "deprive federal courts of the jurisdiction to enter any judgment, decree, or order denying or restricting as unconstitutional voluntary prayer in any public school."●

REINDUSTRIALIZATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. FRENZEL. Mr. Speaker, recently, a small steel company in St. Paul settled a 140-day strike by signing a 3-year contract to expire in September 1983.

Here is what the employees got: An entry level sweeper or general laborer, who rotates shifts, works 4 hours of overtime each week, and receives profit sharing equal to 1980, will receive, assuming a 10½-percent inflation rate, total remuneration in the last year of the contract of about $34,400. A millwright or electrician would, on the same basis, make about $42,400.

We are told that the average union employee of the big automakers receives $18.50 per hour which, in a 2,000-hour year without overtime, amounts to $37,000.

High pay for high productivity is good and reasonable. But steel and auto making are industries which have petitioned the Congress for protection. They are not competitive in world markets.

Their labor rates are not in line with other U.S. rates or with labor rates in the industrialized world. Labor costs are not the whole of the steel or auto problem, but it is not reasonable to expect $6 per hour, or $10 per hour, wage earners to pay more to protect the wages of noncompetitive steel and auto workers making $18 or $20 per hour. Auto buyers are already voting with their pocketbooks and telling America its domestic-produced cars are too expensive.

Obviously, reindustrialization of America will require more than escalated depreciation, and protectionist trade policies.●

U.S. CHAMBER OF COMMERCE PRESIDENT URGES CONGRESS TO ENACT PRESIDENT REAGAN'S TAX CUTS FOR INDIVIDUALS AS WELL AS BUSINESS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. KEMP. Mr. Speaker, the U.S. Chamber of Commerce has been a consistent advocate of economic policy which is good for the country, not just for business. Richard L. Lesher, president of the U.S. Chamber, has proven this once again in a letter to all Members of Congress, outlining his reasons for supporting the 3-year, 30-percent reduction in marginal income tax rates.

Mr. Lesher thoroughly refutes three frequent and baseless arguments against the President's plan: That it would unfairly benefit the rich, that personal rate cuts would fuel inflation, and that the Reagan plan is similar to Margaret Thatcher's economic program.

In addition, Lesher points out:

One of the most compelling arguments for the President's across-the-board, 3-year personal rate cut—and one that is being totally ignored—is that by definition, it will also be a tax cut for small business. The overwhelming majority of the 14 million firms in America are unincorporated small businesses which are exposed to the steeply graduated personal rates. Even many incorporated small businesses—more than 350,000—are exposed to these same rates, because they elect to be taxed through their individual shareholders.

Lesher also argues against confining significant incentives only to business depreciation:

We must never forget that all income ultimately flows from individuals. Thus, if Congress again deprives taxpayers of across-the-board rate reductions and settles for another one-year quick fix—even while approving credible spending reductions and better corporate depreciation schedules—it will actually be endorsing further massive tax increases on individuals and small business. If it does, Congress could preclude all chance of a sustained economic recovery.

Finally, Lesher argues:

On behalf of our members, I implore you not to make such a mistake. It would not only be bad economics, it would also be bad politics.

I strongly commend this plea, from a statesman of business, to my colleagues:

U.S. CHAMBER OF COMMERCE,
Washington, D.C., March 20, 1981.

Hon. JACK KEMP,
House of Representatives,
Washington, D.C.

DEAR JACK: President Reagan has now submitted his comprehensive spending and tax reduction package. As I testified on March 9 before the House Budget Committee on behalf of our 111,000 members, the U.S. Chamber has endorsed the President's program in full, and without qualification, despite the sacrifices it will entail for many of our firms. We are heartened that Congress seems ready to reduce the growth in spending and to encourage new business investment by supporting an accelerated capital cost recovery system. We will remain especially vigilant on both these issues.

It is very important to the business community that certainty be provided with respect to the effective date of the capital cost recovery changes. Unless Congress provides solid assurances that the effective date will be retroactive to January 1, 1981, businesses will hesitate before making the increased investment our economy so urgently needs.

Unfortunately, the President's plan to reduce personal income tax rates by ten percent a year for three consecutive years has been critized in a way that, while widely publicized, is both unfair and misinformed.

The nation needs a constructive debate guided by evidence rather than inflammatory rhetoric. The U.S. Chamber strongly supports the personal tax rate reduction proposal, and indeed, deems it essential to a sustained, economic recovery. Whatever your feelings about this issue, I want you to know why we disagree with the three most prevalent arguments being used against it.

FIRST: THE PROPOSAL UNFAIRLY BENEFITS THE RICH

Which rich? Consider this very revealing statistic that concerns your constituents: During the past ten years, the percentage of the returns falling into 30, 40 and 50 percent tax brackets at least tripled. Apparently many of us are becoming rich. But are we, just because inflation combined with a progressive tax code to push us into higher tax brackets, and often without any real increase income? Of course not.

Then too, in the President's proposal, the biggest percentage reduction in tax rates goes to the lowest income earners. Certainly people who make more money will get a big tax cut, but the highest ten percent of all taxpayers—those earning approximately $30,000 a year or more—already shoulder nearly one-half the entire federal income tax burden. By contrast, fully one-half of all taxpayers—those earning $11,000 a year or less—pay less than seven percent of the total tax burden. If Congress genuinely wants to reduce taxes rather than simply redistribute more income, then the across-the-board concept must be maintained.

Also, a profile of individuals in the upper brackets would hardly match that legendary caricature of the infamous, greedy fat cat. Spurred by inflation, the new trend in America is for both spouses within a family to hold jobs, even though their incomes are often combined in one return. But does that make these people rich? A member of Congress who really believes—and says—this is so risks a very angry reaction.

Obviously America does have a genuine class of super-rich who also pay taxes at exceptionally high rates, which is why they seek to shelter their income. Why not coax that income into more productive—and taxable—investments by lowering their tax rates? Because, conventional economists claim, there is no proof the rich will invest. But history demonstrates there is proof. Every major tax rate reduction in this century resulted in increased government revenues.

In 1920, with the top personal rate at 77 percent, there were 3,649 tax returns reporting $100,000 or more of income, and they paid a total of $321 million in tax. Between 1920 and 1928 however, the top tax rate was reduced from 77 to 25 percent and the effect was electric: By 1928 there were 15,997 tax returns reporting at least $100,000 of income and they paid a total of $714 million in tax. Thus, the top tax rate in 1928 was only a third of what it had been eight years earlier, but revenues received by the government had more than doubled.

Unfortunately, both Herbert Hoover and Franklin Roosevelt subsequently increased tax rates and these benefits were lost. When President Kennedy took office, the highest marginal tax rate had soared above 90 percent. Following an across-the-board reduction in tax rates of approximately 20 percent, revenues, received by the government once again increased sharply, propelled by increased payments from the wealthy. Savings as a component of disposable personal income also rose, from 4.7 percent to 7.5 percent Commenting in 1965 on the results of the Kennedy reductions, Walter Heller, who was the president's chairman of the Council of Economic Advisers, said: "What happened to the tax cut in 1965 is difficult to

pin down, but . . . did it pay for itself in increased revenues? I think the evidence is strong that it did."

Many people now argue that this evidence is invalid because it occurred during a period of low inflation, whereas today we have high inflation and the economy will not respond as well. According to this logic, the reduction in the capital gains tax passed in 1978 should have had little economic impact, since we were well into a period of rapidly rising inflation. Nevertheless, it has a very strong impact becasue it has already led to a $1.1 billion revenue gain, as contrasted with a $2.7 billion revenue loss forecast by the Treasury.

Then there was Governor Carlos Romero Barcelo in Puerto Rico who reduced income tax rates there by 15 percent in the last two years. The reductions were followed by a 13.5 percent increase in revenues and an increase in the number filing returns—i.e., people who had previously been unemployed, hiding in the underground economy or sheltering their income.

Why not examine the example provided by the world's new industrial giant—Japan? Not only is there *no* capital gains tax in Japan, but tax rates on personal levels of income are much lower, with the top bracket of 70 percent applicable only to earnings over $396,000 The personal savings rate in Japan is more than four times greateer than our own.

How much longer will Congressional critics ignore all this evidence while maintaining that the beneficial effects of lower tax rates are nothing more than theory? Are we Americans, of all people, about to deny the key role incentives play in creating economic progress, and through it, human progress?

One of the most compelling arguments for the President's across-the-board, three-year, personal rate cut—and one that is being totally ignored—is that by definition, it will also be a tax cut for small business. The overwhelming majority of the 14 million firms in America are unincorporated small businesses which are exposed to the steeply graduated personal rates. Even many incorporated small businesses—more than 350,000—are exposed to these same rates, because they elect to be taxed through their individual shareholders.

Last year, approximately 600,000 small firms went out of business. But as you know, historically small business has been our best source of new jobs, new technologies and dynamic growth. To ensure that it remains so, we must allow entrepreneurs to retain a greater share of their earnings to recycle back into their enterprises.

SECOND: PERSONAL RATE CUTS WILL INCREASE THE DEFICIT, FUEL CONSUMPTION AND WORSEN INFLATION

A tax cut will do all of the above if it is the typical one-shot, here-today, gone-tomorrow tax credit or rebate of revenues which is received regardless of personal effort, and which merely redistributes income and fuels consumption. But by permanently cutting the marginal tax rates that determine how much individuals can keep on each extra dollar earned from work, savings and investment, we will be fighting inflation by providing incentives for greater productivity from every taxpayer.

In effect, Congress will be signalling taxpayers that for three consecutive years, the possibility of greater after-tax rewards will reduce the price of additional work, savings and investment while increasing the price of additional leisure and consumption. The former will become increasingly more attractive than the latter, and, as experience proves, revenues to the government will increase.

We are told it is inflationary when individuals are allowed to keep more of their own money to spend, save or invest, but it is not inflationary when government taxes it away and ends up spending every cent. Why is it then, that while raising taxes to their highest levels in history, government has managed only one balanced budget in the last 20 years, and we now have chronic double-digit inflation?

Also, the increased economic growth that has historically resulted from reducing tax rates can work in the 1980s to reduce the demand for higher government spending, particularly in transfer payment programs, such as unemployment compensation, food stamps, trade adjustment, welfare, and so on. Stimulating economic growth through tax reduction results in large numbers of people leaving the public dole and entering the private economy. The explosion in federal spending in recent years is a direct result of our sluggish economy, aggravated by the last administration's refusal to support general rate reductions.

Given these two beneficial effects of supply-side tax cuts—large revenue feedbacks and a lower level of government spending—it is both impossible and misleading to assume that tax-rate reductions will mean automatically higher deficit and inflation.

THIRD: THE PRESIDENT WILL FAIL, BECAUSE MARGARET THATCHER TRIED HIS IDEAS AND FAILED

Poppycock! The two situations are not comparable. Britain's industrial base is weak and her basic industries had already been nationalized. What's more, Margaret Thatcher did not move to cut income tax rates equally across the board, and she compounded that error by doubling the value-added tax. Overall, she has significantly increased the general tax burden as well as public spending and money growth.

Some people are criticizing the President's proposal as insufficient to stimulate savings and investment. The fact is people will begin saving and investing more just as soon as they realize the long-awaited incentives are on their way and the trends on inflation have been reversed. By steadily increasing after-tax rewards over a three-year period, while eliminating the distinction between "earned" and "unearned" income, and by complementing these actions with a sustained effort to reduce the rate of increase in federal expenditures and monetary growth, the President's plan meets both objectives.

It is true, of course, that his plan does not represent the final answer. The President himself has admitted as much. But it does represent an absolutely essential first step, because it will give people something they do not have now—the means to save and invest.

Without permanent tax rate reductions, it is simply a matter of time before even the lowest wage earners are approaching the highest marginal tax brackets. Currently, the marginal tax rate for the average family already exceeds 30 percent when federal and state income taxes and social security taxes are combined.

For years, Congress has failed to limit, let alone reverse, the near automatic increase in revenues collected by government each year. But the results of the last election demonstrate the public's patience has worn thin. The size of the underground economy, the search for tax shelters, the incidences of tax cheating and recent tax protests are all examples of increasing public dissatisfaction, and they should serve as a warning of potentially greater dangers down the road.

We must never forget that all income ultimately flows from individuals. Thus, if Congress again deprives taxpayers of across-the-board rate reductions and settles for another one-year quick fix—even while approving credible spending reductions and better corporate depreciation schedules—it will actually be endorsing further massive tax increases on individuals and small business.

If it does, Congress could preclude all chance of a sustained economic recovery. Instead, and ironically, it could simply recreate the familiar dilemma in which an economic slowdown leads to new demands for more spending and higher monetary growth, both of which will combine to give us much worse inflation.

On behalf of our members, I implore you not to make such a mistake. It would not only be bad economics, it would also be bad politics.

Sincerely,

RICHARD L. LESHER.●

GOVERNMENT REGULATIONS AND SPENDING

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. HUBBARD. Mr. Speaker, I submit today a letter from my constituent, Carol F. Ruff, Ph. D., clinical psychologist, Hopkinsville, Ky., about the proliferation of Government rules and regulations that is bogging down the mental health profession. This dilemma is part of a larger, complicated problem that Members of the 97th Congress must come to grips with. Mr. Speaker, I trust my colleagues will take note of the following:

As you know, I have been a loyal supporter of yours for many years. However, I voted for Ronald Reagan because it was my firm belief that our country could not withstand another four years of Jimmy Carter without disaster. I am strongly in favor of the President's budget-cutting proposals and urge you to support them. I am also in favor of extreme reduction in government regulation.

From my own personal experience, I have worked as a psychologist in a state mental hospital since 1959. In the early years of my career, I was able to devote approximately 90% of my time to direct patient services, such as evaluation and psychotherapy. At present, the great majority of my time, together with physicians, nurses, social workers, rehabilitation counselors, and other professional staff, are devoted to meetings discussing seemingly endless rules and regulations dictated by:

1. Joint Commission on Accreditation of Hospitals,
2. Federal Regulations for Medicare and Medicaid,
3. National Institute of Mental Health,
4. Licensing and Regulation, and
5. Legislative Research Commission.

Needless to say, there is frequently little conformity among the various agencies. It will probably not surprise you to learn that the excessive regulations have not resulted in better patient care but have resulted in large increases in number of staff who devote most of their time to professional busy work.

Just last week I participated in a meeting designated to the writing of progress notes. There was a 45 minute discussion as to whether a weekly progress note had to be written in addition to a termination summary or whether it could be contained within the termination summary. It is obvious to those of us working on the "front line" that many of the regulations and suggestions have been devised by persons in an office far away who know nothing about the day to day functions of mental hospitals. For example, one suggestion made from a Washington desk was that we encourage patients to join a Book of the Month club after leaving the hospital. Many of our patients cannot even read. I could elaborate for hours but I mainly wanted you to know how strongly I feel about the necessity of reducing government spending and federal regulations in every area.

Sincerely,

CAROL F. RUFF, PH. D.●

COMMENTS ON REAGAN'S TAX CUTS

HON. EUGENE JOHNSTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. JOHNSTON. Mr. Speaker, the Washington Post printed an editorial on March 13, 1981, which argued that, under President Reagan's tax reduction plan, "the largest real tax cuts would go to taxpayers now in the 54 percent to 70 percent brackets."

On March 25, 1981, an advertisement was placed in the Wall Street Journal, among other publications, by W. R. Grace & Co., which challenged the Post's conclusions about the President's tax proposals. In its response to the Washington Post's editorial, W. R. Grace makes a strong case for the opposite conclusion, and in so doing, casts serious doubt on both the Post's methodology and its findings. I would like to insert the response to the Washington Post's assertions at this time, as I think W. R. Grace & Co. presents a much more accurate assessment of the Reagan tax plan than did the Washington Post.

WE SAY REAGAN'S TAX CUTS DON'T FAVOR THE RICH—THE WASHINGTON POST SAYS WE'RE WRONG—YOU BE THE JUDGE

In a recent ad we said that the Washington Post, among others, was "confused" about the Reagan tax proposals. We argued that the Reagan cuts favored the lower income taxpayer, and we proved it with numbers.

Not surprisingly, the Post said we were wrong.

The newspaper thought it had discovered that we had failed to consider the effect of inflation, and that our argument was thereby flawed.

Had we forgotten inflation? Of course not. We wish we could.

In fact, to prepare for that ad, we programmed our computer to give us a printout comparing the Reagan tax rate proposals with current tax rates:

For every major kind of tax-on wages and salaries, dividends and interest, capital gains, etc.

For each of these taxes individually, as well as incrementally added or "piggy-backed" to each other.

For each year the tax cuts would apply within the period 1981-1984.

And—Washington Post take note—for seven distinct rates of inflation: from zero inflation through a "livable" 7% to an intolerable 12%.

The computer run comes to 43,200 numbers. And, we learned that inflation didn't really affect the pattern of tax reductions by income levels.

Still, for the benefit of the Washington Post and other interested parties, we show below charts similar to those we showed in our previous ad, but this time—in deference to our critics—they are "corrected" for average annual inflation rates of 8%, 10% and 12%.

First, let's look at the percent reductions proposed by the President for average tax rates on wages and salaries, otherwise known as earned income:

REAGAN TAX PROPOSAL PERCENT REDUCTION IN AVERAGE TAX RATES ON WAGES AND SALARIES FOR 1984

1980 wage and salary income	Percent reduction in tax rates at 4 annual inflation rates			
	0	8	10	12
$10,000	[1] 28.5	28.3	28.2	[1] 27.6
30,000	27.2	26.8	26.7	26.6
50,000	26.7	24.9	24.6	24.1
100,000	22.0	16.7	16.6	15.7
200,000	[1] 12.5	9.0	8.5	[1] 7.8

[1] Indicates average.

Inflation makes very little difference here. The lower income earner consistently gets the bigger percent break.

But perhaps someone will say that the problem lies with the so-called "unearned" income or investment income, which includes dividends, interest, capital gains and the like. So, let's add earned and "unearned" income together as total income, based on latest IRS data for income mix, and see what happens. Again inflation makes very little difference:

REAGAN TAX PROPOSAL PERCENT REDUCTION IN AVERAGE TAX RATES ON TOTAL INCOME FOR 1984

1980 total income	Percent reduction in tax rates at 4 annual inflation rates			
	0	8	10	12
$10,000	28.5	28.3	28.2	27.6
30,000	27.2	26.7	26.5	26.7
50,000	26.8	26.3	26.6	26.2
100,000	26.0	25.1	24.8	24.4
200,000	24.9	23.3	23.0	22.7

Next, let's look at reductions proposed by the President for the marginal tax rate for total income. This is the rate which applies to the last dollar of your income per the IRS tax tables. The rate you would pay if you make an extra effort by working harder or investing more—which is exactly what the Reagan tax program would encourage.

REAGAN TAX PROPOSAL PERCENT REDUCTION IN MARGINAL TAX RATES ON TOTAL INCOME FOR 1984

1980 total income	Percent reduction in tax rates at 4 annual inflation rates			
	0	8	10	12
$10,000	28.6	25.0	25.0	25.0
30,000	27.0	25.6	26.5	26.5
50,000	26.5	25.9	25.9	21.2
100,000	23.6	23.3	18.7	18.7
200,000	22.1	19.4	19.4	19.4

No matter how you look at it, inflation makes little difference.

What you cannot do in good conscience is to compare the year 1984 with the Reagan tax cuts and with the effect of inflation to the current law in 1980 without inflation. That's comparing apples to oranges. And that's apparently what the Washington Post did, in good faith, but ill-advisedly.

So you be the judge. The Washington Post has said that the Reagan tax cut proposal is "less progressive."

Our work from the tax tables shows just the opposite. The lower income brackets get the higher tax cuts.

The Washington Post has argued that we didn't take inflation into acount.

We did, of coure. In general, the greater the inflation rate, the more progressive the tax cut. If the tax structure was "progressive" before Reagan, it will be more "progressive" now—inflation or no inflation.

We are not alone in this argument. It affects all of us. And so we ask others who care—the business community, the press, and the people at large—to take an interest in this debate and be heard.

Write your Congressmen today and tell them you support the Administration's efforts to lower our tax burden and cut government spending.●

CONTINUE PELL GRANTS

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. WYDEN. Mr. Speaker, students who have already made financial commitments to attend college this fall have been put on hold by Mr. Reagan's hasty action to halt Pell (BEOG) grants. While I welcome the opportunity to debate possible change in Federal student aid programs, it is imperative that students on tenterhooks know now what hope they have for school this fall.

Pell grant recipients are needy students—those least likely to be able to adjust their financial plans to Mr. Reagan's untimely action.

I believe we have a moral commitment to continue Pell grants through the 1981-82 school year. In support of this position, I want to share a thoughtful argument from the Oregon Association of Student Financial Aid Administrators:

OREGON ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS,
March 5, 1981.

Hon. RON WYDEN,
House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR REPRESENTATIVE WYDEN: The Oregon Association of Student Financial Aid Administrators is a professional organization made up of 180 financial aid officers from virtually every post-secondary institution in the state of Oregon. As such we have continuous contact with Oregon students and their parents. We are receiving signals of alarm and concern with reference to the Pell Grant (Basic Educational Opportunity Grant) Program.

President Reagan's economic recovery program has brought some proposed changes to the Pell Grant Program which are creating delays and some very real processing problems and could lead to a bureaucratic nightmare. None of us would argue with the intent of the administration's program to balance, over time, the federal budget. It is important to inform you, however, that the delays we are now experiencing in notifying students of next fall's Pell Grant awards are creating for students an untenable position from which to make sound decisions about post-secondary education. Many students could end up not attending the college or univeristy of their choice.

For this reason we urge your support in keeping the Pell Grant Program of 1980-81 intact for 1981-82. This would mean forgoing for a year the administration's "student self-help" proposal which has not had adequate study. We are not asking for full funding of the program (maximum awards under law of $1,900) but merely a continuation of the $1,750 amount of 1980-81. But more importantly we need to proceed with the business of getting financial aid to students. Coming to some closure on how the Pell Grant will be administered would be a major step.

On behalf of the students and parents of Oregon we serve, thank you for your understanding in looking into this concern. If we can provide information in support of our concern we will be pleased to do so.

Sincerely,

BART HOWARD,
President.●

THE MYTH OF THE AFFLUENT AUTO WORKER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. FORD of Michigan. Mr. Speaker, it has become fashionable in some quarters—inside and outside of Congress—to contend that the problems in the automobile industry are attributable primarily to what some call high wages of autoworkers. Most of those who make this argument simply are not familiar with the economic facts of life for the men and women employed in the industry.

It is useful, I think, to make comparisons of the economic status of autoworkers and their families with data relating to other American families before arguing that what is really needed is a reduction in autoworkers' wages. Obviously, the autoworkers are willing to share in the sacrifice which may be necessary to help the industry regain its viability. The UAW and its members demonstrated this in voting three times to grant concessions to the Chrysler Corp., as a condition for additional increments of loan guarantees authorized by Congress in 1979. But let us not be misled that the autoworkers are, as some people contend, affluent.

For those who believe this, I recommend an article which appeared in the February 13, 1981, issue of Solidarity, a publication of the United Auto Workers. The article attempts to provide some perspective on the issue of autoworker's wages, and it demonstrates that the myth of the affluent autoworker is indeed just that—a myth.

Mr. Speaker, I insert the Solidarity article as part of my remarks at this point in the RECORD. I urge that my colleagues and other readers of the RECORD take a few minutes to read the article:

When economist Robert M. Dunn Jr. told auto workers just before Christmas that they deserved a "sizable pay cut" because they're overpaid, he hadn't talked to Armintery Sullivan.

When U.S. Industrial Council executive Anthony Harrigan railed in his syndicated column against the "excessive wages" paid auto workers, he hadn't spoken with Dan Rotar.

And when the mayor of a small Michigan town blamed "workers for lack of productivity" as a reason for losing a Ford plant, he reflected a growing trend to punish the victim for the crime.

Across North America, a campaign is in the wind to place the burden of current economic problems on the backs of workers. From top auto executives to conservative economists, from magazine writers to radio commentators, the theme is the same: unionized auto workers are overpaid. Only cuts in wages and labor costs can get the country rolling again.

Armintery "Mint" Sullivan, a sewing-machine operator at General Motors' Fisher Body plant in Cleveland, Ohio, wants to get the country rolling again, too.

"Sure, we've got to beat the challenge from the imports," she says. "But how can they ask us to cut our wages?"

On her hourly pay of $9.35 plus $1.15 in cost-of-living allowance, Sullivan must support her partially disabled husband and two daughters. One daughter, enrolled at Findlay College, costs the family $6,200 a year in tuition and room-and-board. "We've got nothing left for luxuries or extras, even for the girls," she says. "We've had to stop taking trips. If I didn't come home and sew from patterns to make all their clothes, we'd be in the hole."

For Dan Rotar, a 33-year-old father of three who works as a draw tank compound operator in Ford's Sterling Heights, Mich., axle plant, a trip to the supermarket becomes a weekly trauma.

Standing at the peanut-butter counter and adding up the cost of what he's bought, Rotar says, "Food's our major problem. Last week I spent $89 and didn't buy any meat."

Rotar earns $9.36 an hour plus $1.15 in COLA, taking home $285.83 for working his customary 40 hours. "I hear it all the time—'autoworkers are overpaid,' " he says. "But we're not. I'm not living any better, and I don't think we're overpaid when I see what the company charges today for a part that I work on, compared to what it used to charge."

Mint Sullivan, Dan Rotar, and hundreds of thousands of other auto workers hardly fit the image of the wealthy, overpaid, underproductive employees.

"They've worked hard in one of America's most productive industries," says UAW President Douglas Fraser. "Our union has insured them a fair piece of the pie, and they've shared in the high productivity and high profits.

"Our union knows there's no economic Santa Claus," Fraser says. "But the focus on wages diverts public attention from the real problems. The auto industry can't survive unless it has sales volume.

"The only way we'll return to health is if our country abandons economic policies that have tried to wring inflation out of the system by creating high unemployment," he says. "We need actions that will bring down interest rates and impose fair trade rules on the Japanese firms exploiting our situation."

Autoworkers' average earnings are not high in terms of the income needed to maintain a reasonable standard of living.

In 1979, the average GM and Ford worker under a "pattern" UAW contract, earned $19,157.

During the same period, the U.S. Dept. of Labor estimated that an urban family of four needed a $19,684 annual budget to live "modestly but adequately." Since less than a third of UAW members, according to a Peter Hart survey, live in families where the spouse works full time, most didn't reach that level unless they had some other source of income.

For all American families—from lowest to highest paid—the median family income was $19,684—or some $500 above an autoworker's average wages. Preliminary data for 1980, not yet complete, show that gaps between our wages and both the modest budget and median family income remain.

But economists and executives who want to blame the auto industry's woes on workers are quick to shift the focus from human needs to the industry's "labor costs." They claim that when fringe benefits and other expenses are added to wages, it brings hourly labor costs to $17.68 per worker, making the U.S. auto industry uncompetitive compared to Japan.

However, much of what the U.S. auto industry sees as its labor-cost component results from its own backward policies.

Take the cost of health-insurance premiums, for example. The Big Three could realize substantial savings if high-cost premiums paid to private health-insurance plans were replaced by a national health insurance program. But the auto firms steadfastly have refused to join with the union in pressing for national health care. The annual cost of each worker's premium has continued to climb, and is close to $1,500. That sum could be sharply reduced through a national health insurance program which would control inflationary doctors' and hospital costs.

Labor costs also include worker-compensation insurance premiums. Short-term investments to create safer and healthier work-

places could have resulted in substantial savings.

Even if labor costs were reduced, however, the crisis in auto would remain. Labor costs are, after all, nothing new. As UAW President Douglas A. Fraser pointed out in testimony before a Senate committee last month "the percentage of labor costs to total costs in the auto industry has remained about the same over the last 20 years."

To protect the jobs of the 1.5 million American workers who are employed by the auto industry, its suppliers, and its dealers, requires not more sacrifices in living standards but major investments in restructuring and retooling, coupled with job and income protections during the transition to new technology.

In the meantime, however, workers need temporary relief from the flood of imported autos which are eating into domestic sales and jobs.

Import restraints, UAW President Douglas Fraser told a Senate committee last month, are needed "to provide the American industry with the breathing space it needs in order to retool and recover from the ills that have afflicted it in the last couple of years." Starting from a sales mix with only 37% small cars in 1978, the U.S.-based automakers are working toward a 1983 model run with 70% small cars. Added Fraser, "Continued unbridled expansion of the import share threatens this remarkable five-year transition program."

Fraser also called for cutting interest rates, tax credits on the purchase of fuel-efficient domestic cars, a bounty to scrap old cars, improvements in the trade readjustment allowance system to include parts workers and improve training programs, and tax incentives for investments in fuel-efficient car production.

The American auto indusry finds itself a victim, in part, not of labor's demands but of its own past record of substituting short-term gains for long-term needs.

While Japanese automakers started with a newer industrial base and continued to pour profits into new technology and new factories to meet the changing market, North American firms were passing out high dividends to stockholders and falling behind in research and development.

"Aging plants, reduced research budgets, the energy crisis, and planning mistakes by business and government" are blamed for the crisis by Theodore St. Antoine, University of Michigan law professor and labor expert.

"The great source of Japanese advantage is structural," adds Neil Goldschmidt, outgoing Secretary of Transportation, in a new report on the U.S. auto industry. He cites Japanese "process and product technology which yield major productivity gains . . . We should not point to labor in this country as the sole cause of the problem, nor look to them solely as the solution," he says.

The Big 3 turned a deaf ear to UAW urgings that they compete in the small car segment of the market—investing more resources into retooling for more fuel-efficient vehicles. When the sudden, unexpected shift in the market occurred in the aftermath of the Iranian revolution and the resultant long gas lines, the domestic auto industry was cranking out gas guzzlers and paying high dividends to shareholders instead.

From 1973–79, GM, Ford, and Chrysler paid $12.7 billion in dividends to shareholders. Had only half that money been invested instead, they could have bought 20 complete sets of machine tools to build new engines.

The current crisis is unprecedented and no one argues that the $80 billion-plus it will take to retool could have come from dividends—that's why the UAW argues for a progressive program of capital formation to help accomplish the task. But the industry could have gotten off to a head start by using its available resources over the years on a regular basis to update plants and machinery so the gap would not have been so great when the market suddenly shifted.

To make up for its past failures, the auto industry now must go ahead with a retooling program. And to pay for this, it seeks more worker sacrifices.

To the Dan Rotars and the Armintery Sullivans, it will argue that compensation costs must be brought more in line with other workers here and abroad.

Wage cuts would mean an even sharper drop in purchasing power for Rotar, who recently got an OK for a new car loan but has put off buying one.

On his weekly $285 take-home pay, he must budget nearly $100 a week for food, and $385 for monthly mortgage payments on his modest, three-bedroom home. "I just can't afford $160-a-month payments for a new car," he says.

While it now takes a U.S. worker the equivalent of 700 hours of straight-time pay to buy a Dodge Omni, it takes a Japanese auto worker 1,150 hours of straight-time work to buy a comparably equipped Toyota. Compensation runs about $7 an hour less than here.

Visiting a Ford Fiesta plant in Spain, UAW Vice-President Don Ephlin observed a tiny employee parking lot, and noted that Spanish workers obviously couldn't afford to buy what they build.

Such examples prove that the wage gap between U.S. and foreign auto workers does need to be reduced—but from the other direction: by bringing foreign workers' wages up and improving their working conditions. As things now stand, unbridled multinationals can move plants to Spain or Latin America where wages are low or health-and-safety laws weak.

Playing off worker against worker also can take place at home, when companies seek out low-wage areas for new plants, or use labor-law loopholes to fight unionism. Such practices maintain a wage gap between union and non-union workers and between auto and some other industrial workers (a gap which is less than it was 40 years ago). The way to bridge it is not to lower our wages, but to improve their income.

Because this means redistributing income from the wealthy to workers, multinationals resist it. The UAW, however, is fighting back—by helping foreign unions to organize and bargain higher wages, and by working at home to reform labor laws and organize more workers.

The other half of the current corporate line is that American workers—those in auto and other industries—aren't working hard enough to deserve their high wages.

The "productivity rate" used by economists describes the radio of output of goods and services to the number of hours worked in the private business sector. It can drop for a number of reasons—using workers and tools inefficiently, or using worn-out equipment or old technology. In other words, as economist Robert Zager wrote in the New York Times Sept. 24, 1980, it measures "not how productive workers are, but how productively employers use them."

But even using the imperfect definition of productivity, the U.S. manufacturing industry remains the most productive in the world.

"On a scale of 100, with American productivity at that figure, Western European output is about 90, and Japanese output is about 70," reports the University of Michigan's St. Antoine.

What about auto? Using 1967 as an index of 100, output per hours paid in the American motor vehicle and equipment industry, correcting for quality, rose from 66.9 in 1958 to 138 in 1979, reports the U.S. Dept. of Labor. In the auto industry, productivity has risen at an annual average rate of 3.2 percent over the past decade.

Armintery Sullivan, who sits at home nights cutting out patterns for her family's clothing, wants a healthy industry and adequate wages, so her daughter won't have to drop out of college, and so the family can resume its occasional weekend trips.

And Dan Rotar, who keeps putting off buying a new car, needs a productive industry so that his purchasing power doesn't drop even lower, and so that he can afford to but what he builds.

But they and other workers have already sacrificed, with lower real spendable earnings, higher unemployment, skyrocketing interest payments, and other economic cutbacks to subsidize the errors of their employers.

No matter how hard corporations and their spokesmen in the press use trick mirrors to portray them as overpaid and affluent, they know differently. And their response is getting clearer: "We've done our share. Now you do yours."

ARE WORKERS REALLY OVERPAID?

Q. Everywhere I look someone's saying cut our wages. The other day, for example, Prof. Lester Thurow said it would take a 4 percent pay cut to get the country moving again. Are workers really getting too much money?

A. No. Overall, the purchasing power of American workers is dropping when you compare wage increases to inflation. Prices rose 12.7 percent last year but wages went up only 9 percent. Even over the long haul, workers are getting less in real spendable earnings than in 1967.

Q. But aren't auto workers a special case? They keep saying we're rich, relatively speaking, and can afford to sacrifice the most.

A. The folks who want to cut our pay are using mirrors. They compare our wages only to those paid in the manufacturing sector. But when you compare an auto worker's annual wages to U.S. family income, for the whole range of occupations, we're not getting rich.

Q. How do we compare?

A. If you worked under the UAW pattern at GM or Ford in 1979 for 40 hours a week, you got $19,157 before taxes. The median income of U.S. families, before taxes, was $19,684, or about $500 more. Even the government admits that what we make is not enough to support an urban family of four on a "modest" standard of living, which costs $20,517. Unless you've got additional income coming in from somewhere, you're not doing that well.

Q. Just a minute. What about fringe benefits?

A. That adds some more. But aren't we entitled to vacation time or health insurance just as much as our boss is? If management would listen to us and back a public health-insurance plan like Canada's, that portion

of labor costs to the corporations represented by insurance premiums would plunge, as doctors and hospital costs came under control. GM, Ford, and Chrysler have to pay far less for such benefits for their workers in Canada.

Q. Still, we do make more than many other workers. And some people claim this creates a "two-tiered" society—high-income auto workers and low-income toymakers, for example. Don't things like our COLA create a gap between us and them?

A. The real two-tiered society consists of the wealthy on the top tier and the workers on the bottom. The gap between what a typical General Motors officer or director gets and what we earn is over $165 an hour, while the gap between our wages and manufacturing wages as a whole is just $3 an hour. It's not a question of lowering our wages to those paid other workers—but of finding a way to raise all workers' income to narrow the huge gap between what workers get and bosses get.

Q. How can we start?

A. Eliminate the means by which Big Business maintains low-wage industries and regions. Take "right to work" laws, for example. They keep unions weak, so that in Mississippi, the average pay in 1979 was $10,410. We need labor-law reform, to close the loopholes by which Big Business can stave off unions, like J. P. Stevens did for 17 years. We need to organize workers everywhere. Finally, we need new economic policies for the country, such as a more progressive tax system, to reduce income inequality. Taxes should be paid on earnings from capital the same as earnings from labor.

Q. None of what you say jibes with what I hear on talk shows or read in the papers. They say our wages and benefits are pricing us out of the auto market, and that our productivity is down.

A. They're wrong. The percentage of labor costs to total costs in the U.S. auto industry has stayed about the same over the last 20 years. Even Ford President Phillip Caldwell says the U.S. auto industry is a "low-cost producer" compared to most areas of the world. Last year, new car prices, adjusted for quality improvements, rose 8.6 percent (U.S. News & World Report, Jan. 5, 1981), less than the inflation rate. What really hurt car sales were high interest rates that made it hard to afford new-car loans, and the overall drop in workers' purchasing power. People didn't have money to buy cars, and the government failed to provide incentives to help.

Q. Fine and good. Still, wouldn't sacrificing some of our wages help us compete with the imports?

A. That's the other part of the Big Business mirror trick. They point to lower wages in Japan, and blame labor costs here for their problems, saying we ought to make sacrifices through wage cuts. They should be pointing to their past failure to invest more restructuring the auto industry. They would like to bridge the "labor cost gap" by lowering our wages. Instead, we need to modernize our industry, and help foreign workers raise their wages. Incidentally, hourly labor costs in the U.S. ($17.68) are lower than in auto plants in West Germany ($19.14) and Belgium ($18.42).

Q. But you haven't answered my question about productivity. I hear it's going down.

A. Since the 1950s, productivity in the auto industry has risen an average of 3.2 percent a year—higher than the national average. Output per hour paid in the motor vehicle and equipment industry, correcting for quality, rose, on an index of 100 (1967), from 66.9 in 1958 to 138 in 1979. And remember, productivity doesn't measure how hard an individual worker works: it measures total output per hour worked. When a company pays overhead while the line goes down for a week or two, of if you're using old tools and equipment that breaks down, or if work is inefficiently organized, then productivity will fall. Productivity in the U.S. auto industry is the highest in the world. But other countries are catching up.

Q. Why?

A. Because countries like Japan have invested huge sums in new plants and equipment. While 70 percent of U.S. machine tools are at least 10 years old, the figure is only 41 percent in Japan (American Machinist magazine). And while the percentage of scientists in the labor force engaged in research and development grew by 62 percent in Japan, 1968–78, it fell by 13 percent in the U.S. (National Science Board).

Q. But I though we'd been investing, too.

A. Not enough. U.S. corporations in the 1970s were so concerned with paying off shareholders, that they held back on adequate investment to retool for smaller cars. Between 1973, when the energy crisis began, and 1979 the Big Three auto firms paid off stockholders $12.7 billion in case dividends. (That's an average of $2,241 from each Big Three worker each year!) Had stockholders been happy with just half of that, the Big Three could have bought at least 20 complete sets of machine tools needed to build new kinds of engines. Even in 1979, while manufacturers as a whole were paying a 33 percent dividend rate, the motor vehicle and equipment industry continued to pass out cash dividends at a rate of 54.4 percent of after-tax profits.

Q. What can we do?

A. First, resist those who try to portray us as being better off then we are and seek to cut our wages. Second, demand worker input into decision-making, corporate accountability, and democratic national planning so that rebuilding America's auto industry will benefit us all—not just a few. National planning could also help mitigate the effects of plant closings. Third, we must continue to help unions abroad bring up the wages of auto workers everywhere—so the multinationals can't play off one country's workers against another.

Q. That all sounds terribly idealistic. Can't you offer something more concrete?

A. Admittedly, these are long-range goals. But they're attainable if we keep pressing forward. In the meantime, we need temporary restraints on high-penetration imports to protect jobs while the auto industry continues to retool for smaller cars. We need local-content laws to require foreign carmakers to build here what they sell here. For workers, such programs will mean more jobs; for taxpayers, it'll mean that less of their taxes will go to support unemployment benefits. Finally, we can all become volunteer organizers for the labor movement. By helping nonunion workers organize, all of us will benefit.●

LOSING AIR SERVICE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. ASPIN. Mr. Speaker, Rock County, in the western end of my congressional district, has been having some curious problems of late.

Rock County finds itself on the verge of losing air transportation it wants and gaining nuclear waste transportation it could do without.

LOSING AIR SERVICE

Rock County Airport is the third busiest airport in Wisconsin. That is right; only Milwaukee and Madison exceed Rock County in the number of flights coming and going each day.

Few people realize how busy the airport is because the majority of flights do not involve commercial airlines. Most are made by aircraft associated with General Motors, Parker Pen, the Beloit Corp., Freeman Shoe Co., and other industries that fly people and products in and out of the airport every day. The airport is a lot bigger and a lot more important than many of us might think.

WILL ROCK COUNTY SURVIVE WITHDRAWAL?

On January 16, Republic Airlines, the airline serving Rock County Airport, wrote the Civil Aeronautics Board that it wanted to stop service here by April 16.

Under the Airline Deregulation Act of 1978, the airport is guaranteed at least two flights a day to and from Chicago. Republic claims that it has been averaging five passengers or fewer on each flight. Even with a subsidy from the Federal Government, Republic claims it is losing money on its Rock County operation.

After learning of Republic's plans, I called a meeting at the airport with representatives of the CAB, the Wisconsin Bureau of Aeronautics and local industries, travel agencies, and Government. As the CAB representative explained, we cannot stop Republic's withdrawal; but Republic can not go until there is a new airline serving Rock County—and we can have a say in the selection of that airline. The CAB has the final authority, under the Air Deregulation Act, to name a replacement airline in a community receiving a Federal subsidy for commercial air service.

In order to supply that local input, I called together a special airport committee made up of 20 people from local industries and Government.

LOCAL ACTION

The committee was briefed by Republic Airlines on why it wants to leave Rock County. We wanted to learn why Republic failed here so we could avoid the same problems with a new airline.

For the second meeting, I invited a gentleman from Jamestown, N. Dak., which earlier lost its major airline, Northwest, to explain how Jamestown made its case to the CAB.

There is one good piece of news about Republic's pullout—its timing. The county is in the midst of updating the airport's master plan to determine

the maintenance needs for the next several years. To do this, the county will soon hire a consultant. Much of the data generated by this consultant will help us in determining what kind of replacement airline would be best for Rock County. County Administrator Charles Hetrick is working closely with the airport committee so that we can kill two birds with this one consultant's report.

THE FUTURE MAY BE BRIGHTER

We may come away from all this with better service at Rock County Airport. Two of the biggest complaints in the past were that Republic did not stop in Janesville often enough, and that the two flights each day were scheduled at poor times for connecting flights in Chicago. We are hoping that the replacement airline will give us more service—additional flights, at better times, to more cities.

Until a new airline is named by the CAB, Republic will have to stop at the Rock County Airport. We hope to have our report submitted to the CAB sometime this summer, and we expect a new airline to be named later this year. If you have any comments or suggestions about the kind of air service we should be aiming for, please let me know and I will share it with the other special airport committee members.

NUCLEAR WASTE

Will highly radioactive, spent nuclear fuel be driven through Rock County in the future? That is a real possibility.

I was first asked about radioactive waste passing through Rock County by Janesville City Manager Phil Deaton in the fall of 1979. He came to me because a number of Janesville residents had asked him and city council members if radioactive waste was being transported through the county; and, if it was, what routes were being used.

The Nuclear Regulatory Commission (NRC) told me there had been eight shipments of spent nuclear fuel—the waste product from nuclear powerplants—from 1977 to 1979 through Rock County. After further questioning, I was able to determine that the spent nuclear fuel had been transported down I-90 from the Genoa nuclear plant near La Crosse to a storage site in Illinois.

I asked the NRC to meet with Janesville officials and me last spring to discuss the safety procedures. We did not like what we were told.

WHAT YOU DON'T KNOW CAN'T HURT YOU!

The NRC officials went to great lengths to convince us that the waste was being transported in safe containers. What bothered us more than anything else was the fact that local officials were never notified in advance of shipments through Rock County. What if there is an accident? The NRC said the State patrol knew about the shipments and that was all that was needed. I could not accept that.

The U.S. Department of Transportation was in the midst of developing new rules for moving hazardous wastes, nuclear and otherwise. I shared a copy of the rules with Janesville officials.

City council member Nancy Stabb recommended changes. I then asked the DOT to: First, permit local units of government to have a say in the selection of routes used for transporting nuclear waste; second, require advance notification of shipments be given local police or emergency services; and, third, provide emergency personnel in those communities with training so they would know what to do in the event of an accident.

LOCAL INPUT DOES MAKE A DIFFERENCE

The final DOT rules were a vast improvement although they did not contain precisely the changes we had asked for.

The DOT rules now require States to hear from local communities before deciding on routes for radioactive wastes. The DOT has also developed a comprehensive training program for local emergency officials. And it looks like the third point—the one considered most important by many local officials—will also soon be taken care of. The NRC is proposing that Governors be told of nuclear waste shipments 4 days in advance. The Governors would have authority to notify local officials, and we will have to make sure that our Governor agrees to do this.

WHERE IS THE NUCLEAR WASTE BEING TAKEN?

As I mentioned earlier, the spent nuclear fuel from Wisconsin used to be transported to a holding site in Illinois. Our neighbor to the south did not like being a depository for nuclear waste from throughout the country, and has now banned the shipment of any spent nuclear fuel from other States to their disposal site at Morris, Ill.

Since there are no other disposal sites available, spent nuclear fuel is not being transported anywhere—except for military purposes—at this time.

This leads us to the next big problem. Where are we going to store all of the spent fuel being produced by our commercial nuclear plants? The U.S. Department of Energy is charged with the duty of finding a suitable disposal site. Wisconsin is being considered—because of our rock formations in the northern part of the State. Many other States are also being looked at. Supposedly, the selection is 3 to 4 years off, but Wisconsin is already gearing up to fight the feds if the finger is pointed our way.

ECONOMIC DEVELOPMENT

As you know, GM is retooling the Janesville plant for the production of front-wheel drive cars. That assures that thousands of jobs will remain in the area. While that is good news, we have to ask—is it good for any community's economy to depend so heavily on any one industry or plant?

WHAT IS ACAP?

Because of the slump in auto sales, and the dramatic effect this slump had on auto-producing communities, President Carter last year organized the auto community assistance program (ACAP). Administered by the U.S. Economic Development Administration (EDA), this program was intended to help auto-producing communities diminish their dependence on the auto industry.

Because Rock County in Wisconsin, and Boone and Winnebago Counties in Illinois are similar in their economic makeup, the three counties joined together in the Rock Valley Economic Development Commission (RVEDC). The three counties are linked to the auto industry not only by the GM plant in Janesville, but also by the Chrysler plant in Belvidere.

So Washington awarded the RVEDC a $100,000 grant to study the three-county economy.

WILL $100,000 IN PLANNING LEAD TO A GOLD MINE?

When President Carter created ACAP, he hoped to follow the planning grants with more than $100 million to carry out some of the plans outlined for these communities. With the new emphasis on belt-tightening in Washington, these funds have been drastically cut. That is not necessarily all bad, however.

It would be nice if Rock County could apply for funds to build a new interchange off I-90 between Beloit and Janesville. And it would be nice if the county could get a grant to make needed repairs to the runways at the Rock County Airport. However, even without the funds for these capital improvements, Rock County will be further ahead than it was before the ACAP study started. Why? Because the ACAP study will tell us what capital improvements are going to give us the most return for our money in terms of jobs. It will also tell us how we can keep industries already in Rock County happy so that when they need to expand, they will expand here. The ACAP study is a massive planning effort that Rock County could not have funded on its own, but from which we will reap benefits for years to come.

IS THERE LIFE AFTER ACAP?

Rock County has been concerned with economic development for years. Your county board was one of the first in the State to form an overall economic development program (OEDP) committee. The work of this committee, now chaired by County Supervisor

Dan Efner of Beloit, should go on long after the ACAP study is completed.

Good economic growth planning has resulted in the strong industrial-agricultural base of Rock County today. If the county continues to look to the future, and uses the information available from such programs as ACAP, this base will grow stronger still.●

PROJECTS FOR LAKE GENEVA, WIS.

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1981

● Mr. ASPIN. Mr. Speaker, recently we have had considerable success advancing a number of projects of concern to the residents of Lake Geneva, in the middle of my congressional district. But we have also had considerable difficulty dealing with sewer funds because of the propensity of the State to try to change the rules in the middle of the game.

Lake Geneva has been playing ball with the Wisconsin Department of Natural Resources for years. But now the DNR wants to take its ball and go home—taking millions of dollars in Lake Geneva sewer funds with it. This affects everyone in Lake Geneva.

Back in 1972 Congress passed the Clean Water Act. That legislation required all communities to improve their sewage treatment by 1983. It provided money to help pay for sewer improvements. However, the Federal Government, through the Environmental Protection Agency (EPA), allowed each State to develop its own system for distributing the limited funds available for new sewer plants.

STARTING THE GAME

Under the Wisconsin priority system, a community receives a score based on six factors including the community's population, the threat to health from the current sewage plant, and the treatment level at the current plant.

Lake Geneva received a score from the DNR after its application was received in 1977. Lake Geneva's need for a new plant was quite evident, and the community immediately moved into the top 20 communities waiting for the Federal funds.

Lake Geneva has been stuck at first base ever since then. The game has been delayed primarily because of continuous stalling tactics coming from the DNR. All along the way, as the DNR has imposed new requirements, Lake Geneva has cooperated and played ball.

First, DNR asked Lake Geneva to study pollution problems, not only in the city's boundaries, but in adjoining communities as well. The DNR and EPA thought it would be most efficient if one new sewer plant was built to serve the entire eastern end of Geneva Lake. That was reasonable and Lake Geneva agreed, even thought it postponed Lake Geneva's cleanup hopes.

Next, the DNR and EPA said an environmental impact statement had to be completed before Lake Geneva would be able to move on to step II, or second base. This environmental study was supposed to determine the effects of building one or more sewer plants in the Lake Geneva area, and the effects of extending sewer pipes into areas not already served by the sewer system.

TIME OUT

Like Geneva is still waiting for this study to be completed. But now the DNR has decided to change the ranking system.

The DNR is proposing that one of the six factors originally used to give Lake Geneva its rank order of 15th be changed in such a way that Lake Geneva will drop about 100 positions on the list of 400 communities waiting for construction funds. The DNR estimates that only the top 20 communities have any hope of getting any of the limited Federal funds. Other communities will have to wait for Wisconsin fund money, which pays 60 percent of the costs of building a new sewer plant compared to the 75-percent share paid by Federal funds.

RULES CHANGE

I do not like it when someone changes the rules in the middle of the game. Therefore, I am opposing DNR's proposed change. The DNR proposal has not become final. Public hearings were held in Madison several weeks ago and I gave the Natural Resources Board a list of modifications.

I am suggesting that if rule changes are necessary—which many times they are—because of new information and data, the changes should only apply to communities newly seeking Federal funds. If a community was told it was in line to receive Federal funds and played the game by all of DNR's rules for years, it should remain in position to receive those funds.

If the DNR does not agree to back off, I will ask the Federal Government to step in. We are talking about Federal funds, and I don't think the State DNR should have complete freedom to give and take these funds.

I hope we will have this whole matter resolved by late summer so that Lake Geneva can move to second base and begin the design work on the needed plant. The faster we move on to third base—the construction phase—the lower the construction costs will be for all of us.

RAILROAD ABANDONMENT

Things looked pretty grim for our railroad when the Chicago & Northwestern announced it wanted to stop running trains from Lake Geneva to Ringwood, Ill.

The announcement in December 1979 did not come as a shock to residents who had watched train service deteriorate over the years. However, the move forced the city to face head on, for the first time, the prospect of having no rail service for either business or pleasure. Would the city be able to attract new industry without a railroad? Would energy costs in the future make rail passenger service to Chicago a necessity? These questions flashed through the minds of your local officials and forced all of us to scramble to keep the railroad intact.

The first thing we had to do was buy time. If no one objected to the C. & N.W. announcement, the railroads' wishes would be granted automatically within 90 days by the Interstate Commerce Commission (ICC).

Therefore, a number of parties from both Illinois and Wisconsin filed protests with the ICC. I was among them. From the beginning I had my doubts that we could keep the C. & N.W. service. But I felt it was important to fight to help the service in order to buy time for Lake Geneva to look at alternatives.

The C. & N.W. said it was losing money on the line and that the number of cars carried over the track had been decreasing in recent years. Only 33 carloads were handled in 1977, 30 in 1978, and 24 carloads in 1979.

Users of this line, which included the Burlington Consumer Cooperative in Genoa City, Dunn Lumber Co. in Lake Geneva, and Hal Stone Products of Lake Geneva, countered that the C. & N.W. had often failed to provide rail cars when they were needed and requested, which resulted in a decline in the number of shipments over the line.

The users and the Geneva Lake Area Joint Transit Committee (GLAJTC) also contested the amount of money the C. & N.W. said it lost on the line.

I protested the abandonment for these reasons, and also noted that the rail line is critical to the future economy of the Lake Geneva area. If the line were abandoned, Lake Geneva would not be able to compete for new industry with other communities that could offer rail service. I also pointed out that the city might one day want to resume passenger service to Chicago. If service were ended, the rail corridor could be sold. It would cost a prohibitive amount to buy the corridor back at some future date.

After considering all of the written comments, the ICC handed down a decision last August 29 permitting the C. & N.W. to drop service on the line.

That decision was appealed by the Illinois Commerce Commission and the Illinois Legislative Board of the United Transportation Union, both of

which questioned the railroad's loss claims. The real reason for these appeals was to buy more time.

WHY MORE TIME?

While the ICC was considering all these claims and counter claims, the GLAJTC, headed by Emil Johnejack and with assistance from George Martin and other chamber of commerce members, had been scurrying around looking for funds with which to buy and operate the line locally.

They traveled to Madison several times to discuss a rail purchase with officials of the Wisconsin Department of Transportation (DOT). The DOT people were impressed with the local determination but they needed evidence that a railroad operation in Lake Geneva could survive.

Documents are now being filed with the DOT showing how this rail operation can work under the guidance of the GLAJTC people. If all the paperwork is submitted and accepted by the DOT, that State agency will award GLAJTC a loan to buy the track from the C. & N.W. GLAJTC will have to pay the loan back, but local users and civic leaders are confident that a short-line railroad operation here can be economically successful and the loan can be repaid. Incidentally, we have had a successful shortline railroad run by the town of East Troy for decades.

So, what started out to be a sad story looks like it will end up with a happy ending. The rail line is not locally owned yet, but with all the parties at the local, State, and Federal level working together to make this dream a reality, it seems unlikely the project will fail.

Sometimes we set small goals for ourselves and find that we achieve major accomplishments. That seems to be the case in Lake Geneva.

What started out as an attempt to restore the old Chicago & Northwestern depot has resulted in the formation of a development corporation that could help the community complete many other projects.

THE SMALL BEGINNING

I was contacted by chamber of commerce members and the Geneva Lake Area Joint Transit Commission (GLAJTC) in 1979 and asked to search for funds to fix up the train depot. The most promising funding source appeared to be the U.S. Economic Development Administration (EDA). This agency helps communities fund projects that will create new jobs.

While rehabing the depot would create some short-term jobs, it would not generate enough long-term jobs to make the project attractive to EDA. So, we expanded our plans. With help from some planners at the Southeastern Wisconsin Regional Planning Commission (SEWRPC), the project grew to include plans for the whole shopping area from the depot to the lakefront.

Sally Loveland, a consultant from the National Development Corp., explained that if the community would form a development corporation, shopowners in this part of Lake Geneva could qualify for low interest business loans from the Small Business Administration (SBA). A development corporation could also be an effective agent for attracting new industry to the Lake Geneva area.

MORE THAN A PRETTY FACE

Lake Geneva is already known as a wonderful resort community. I am happy that with the formation of the Geneva Lake Area Development Corp., the city will soon become as well known for its commitment to industry.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 31, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 1

8:00 a.m.

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold hearings on S. 677, to provide an alternative to annualizing the cost-of-living adjustments on Federal retirement for civil service annuitants.

3302 Dirksen Building

9:00 a.m.

Agriculture, Nutrition, and Forestry

To resume hearings on proposed reauthorization for food and agriculture programs administered by the Department of Agriculture.

324 Russell Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Indian Affairs, Department of the Interior.

S-128, Capitol

Judiciary

Juvenile Justice Subcommittee

To hold hearings to discuss the proposed phaseout of the Office of Juvenile Justice and Delinquency Prevention of the Department of Justice.

2228 Dirksen Building

Labor and Human Resources

To hold hearings on S. 800, authorizing funds for fiscal years 1982, 1983, and 1984 for national centers for health statistics and services, research and health care technology programs, national research service awards, and medical library assistance programs.

4232 Dirksen Building

Select on Intelligence

To hold a closed business meeting.

S-407, Capitol

9:30 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration, Rural Electrification Administration, and the Farm Credit Administration.

1223 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Emergency Management Agency and the Selective Service System.

S-126, Capitol

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for programs of the Department of Health and Human Services.

1114 Dirksen Building

Appropriations

State, Justice, Commerce, and the Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1982 for the economic and statistical analysis program, U.S. Census Bureau, National Telecommunications and Information Administration, and the Minority Business Development Agency, Department of Commerce.

S-146, Capitol

Budget

To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.

6202 Dirksen Building

Energy and Natural Resources

*Energy and Mineral Resources Subcommittee

To hold oversight hearings to review the strategic minerals and materials research policy of the United States.

3110 Dirksen Building

Finance
To continue hearings on the administration's spending reduction proposals for economic recovery.
2221 Dirksen Building

Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on the administration's proposed budgetary recommendations for the Immigration and Naturalization Service of the Department of Justice.
412 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the U.S. Coast Guard, Department of Transportation.
235 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

Foreign Relations
To resume hearings on proposed authorizations for fiscal year 1982 for economic assistance programs.
4221 Dirksen Building

Rules and Administration
To hold hearings on Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

1:30 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for agricultural programs.
1223 Dirksen Building

2:00 p.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for programs of the Department of Health and Human Services.
1114 Dirksen Building

Appropriations
*Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury, Office of the Secretary, and international affairs programs.
1224 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of Raymond A. Peck, Jr., of the District of Columbia, to be Administrator of the National Highway Traffic Safety Administration.
235 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Department of Energy, focusing on nuclear programs.
3110 Dirksen Building

APRIL 2

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Army operations and maintenance programs.
1223 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on proposed reauthorizations of food and agriculture programs administered by the Department of Agriculture.
324 Russell Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior, and the Smithsonian Institution.
1114 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the Federal Energy Regulatory Commission, the Office of Conservation and Solar Energy (building energy performance standards and appliance standards programs), and the Economic Regulatory Administration, Department of Energy.
3110 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the Drug Enforcement Administration, Department of Justice.
2228 Dirksen Building

9:30 a.m.
Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for programs of the Department of Education.
S-126, Capitol

Governmental Affairs
Energy, Nuclear Proliferation, and Government Processes Subcommittee
To hold oversight hearings on the activities of the Department of Energy.
357 Russell Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for health professions block grants, and preventive health block grants.
4232 Dirksen Building

*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from officials of Paralyzed Veterans of America, Blinded Veterans Association, Military Order of the Purple Heart, Veterans of World War I, and Noncommissioned Officers Association.
457 Russell Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for U.S. Navy and Marine Corps construction programs, Department of Defense.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Postal Service
S-146, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To continue hearings on proposed legislation authorizing funds for the fiscal year 1982 for the U.S. Coast Guard, Department of Transportation.
235 Russell Building

Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

Environment and Public Works
Business meeting, to mark up S. 63, providing environmental compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization, and to consider other pending calendar business.
4200 Dirksen Building

Finance
To continue hearings on the administration's spending reduction proposals for economic recovery.
2221 Dirksen Building

Governmental Affairs
To hold hearings on the nomination of Henry F. Greene, to be an Associate Judge of the Superior Court of the District of Columbia.
3302 Dirksen Building

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

11:00 a.m.
*Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1982 from AMVETS
457 Russell Building

1:30 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for agricultural programs.
S-128, Capitol

Appropriations
*Labor, Health and Human Services, and Education Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for programs of the Department of Education.
1224 Dirksen Building

2:00 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold closed hearings on national security defense programs of the Department of Energy.
1223 Dirksen Building

Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain foreign assistance programs.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Customs Service, U.S. Secret Service, Federal Law Enforcement Training Center, and the Bureau of Alcohol, Tobacco and Firearms.
S-146, Capitol

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
5110 Dirksen Building

APRIL 3

9:30 a.m.
Judiciary
Courts Subcommittee
To hold oversight hearings on the implementation of the Bankruptcy Reform Act.
2228 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the Marine Mammal Protection Act.
1202 Dirksen Building

Commerce, Science and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on the implementation of the strategic petroleum reserve.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the U.S. Customs Service, the International Trade Commission, and the Office of the U.S. Trade Representative.
2221 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment statistics for the month of March.
2154 Rayburn Building

12:30 p.m.
Finance
Economic Growth, Employment, and Revenue Sharing Subcommittee
To hold hearings on the use of tax incentives to increase employment, focusing on ways to increase the level of employment by reducing the additional labor costs imposed by Federal taxes.
2221 Dirksen Building

2:00 p.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Department of Energy, focusing on the U.S. Synthetic Fuels Corporation, and alcohol fuel programs.
3110 Dirksen Building

APRIL 6

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy posture.
1223 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the national climate program.
1318 Dirksen Building

Energy and Natural Resources
*Energy Conservation and Supply Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for certain programs of the Department of Energy which fall within the subcommittee's jurisdiction.
3110 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the adequacy of Government supervision and monitoring of Indian and Federal oil resources.
6226 Dirksen Building

9:30 a.m.
Judiciary
Courts Subcommittee
To resume oversight hearings on the implementation of the Bankruptcy Reform Act, focusing on the grain elevator bankruptcy provisions.
2228 Dirksen Building

Labor and Human Resources
Alchoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 720, authorizing additional funds for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986.
235 Russell Building

1:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the earthquake hazards reduction program.
1318 Dirksen Building

2:30 p.m.
Judiciary
Courts Subcommittee
To continue oversight hearings on the implementation of the Bankruptcy Reform Act, focusing on personal bankruptcy provisions.
4232 Dirksen Building

APRIL 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Land Management, Department of the Interior.
1114 Dirksen Building

Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Ambassador to the United Nations, and international organizations.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings to review the strategic minerals and materials research policy of the United States.
3110 Dirksen Building

Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for U.S. Air Force construction programs, Department of Defense.
1224 Dirksen Building
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration
1318 Dirksen Building
Commerce, Science, and Transportation
Consumer Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Consumer Product Safety Commission.
1202 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 8

8:45 a.m.
Labor and Human Resources
Business meeting, to mark up S. 648, authorizing funds for fiscal year 1982 for certain youth programs under the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy shipbuilding programs.
1223 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the U.S. Regulatory Council.
S-126, Capitol
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Security and Exchange Commission, Office of the U.S. Trade Representative, Equal Employment Opportunity Commission, and the Commission on Wartime Relocation and Internment of Civilians.
S-146, Capitol
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building
Labor and Human Resources
To hold hearings on S. 799, authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services, and S. 801, authorizing funds through September 30, 1984 for the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 720, authorizing additional funds for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986.
224 Russell Building
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 306, authorizing the Secretary of the Interior to construct, operate, and maintain specified hydroelectric powerplants at various existing water projects.
3110 Dirksen Building
Rules and Administration
To resume hearings on Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

APRIL 9

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy aircraft/weapons procurement program.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, Naval petroleum reserve programs, emergency preparedness and gas rationing programs, Department of Energy.
1114 Dirksen Building
Select on Intelligence
Budget Subcommittee
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol
* Special on Aging
To hold oversight hearings to determine if certain energy assistance programs are meeting home insulation needs of elderly victims of extreme heat and cold.
457 Russell Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Trade Commission, Commission on Civil Rights, and the Board for International Broadcasting.
S-146, Capitol
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings to review the strategic minerals and materials research policy of the United States.
3110 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on proposals to require a balanced Federal budget.
2228 Dirksen Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Guard and Reserve Forces construction programs, Department of Defense.
1224 Dirksen Building
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the sav-

ings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for the International Investment Survey Act.
235 Russell Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

3:00 p.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings, in closed session, to review the strategic minerals and materials research policy of the United States.
S-407, Capitol

APRIL 14

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 16

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 21

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy/Marine Corps procurement, operations, and maintenance programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Communication Agency, and the Arms Control and Disarmament Agency.
S-146, Capitol

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Commercial Motor Vehicle Safety Act.
235 Russell Building

Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 22

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Legal Services Corporation, Federal Communications Commission, and the American Bar Association.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for NATO infrastructure/European construction programs.
1224 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on proposed amendments relating to off-gas provisions (Sec. 301a), and on all aspects of the Powerplant and Industrial Fuel Use Act (Public Law 95-620).
3110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain development and regional programs of the Department of State.
S-126, Capitol

APRIL 23

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy/Marine Corps manpower and reserve programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, and the Indian Health Service, Department of the Interior.
1114 Dirksen Building

Judiciary
Separation of Powers and Constitution Subcommittees
To hold joint hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 18, and Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building

9:30 a.m.
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain social services block grants.
4232 Dirksen Building

*Special on Aging
To hold oversight hearings on the implementation of the Older Americans Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on proposed amendments relating to off-gas provisions (sec. 301a), and on all aspects of the Powerplant and Industrial Fuel Use Act (Public Law 95-620).
3110 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the State Code of Official Conduct.
6226 Dirksen Building

APRIL 24

9:00 a.m.
Judiciary
Separation of Powers and Constitution Subcommittees
To continue joint hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 18, and Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building

APRIL 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building
10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
6226 Dirksen Building
Small Business
To hold hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building
9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the hazardous materials transportation program, the natural gas pipeline safety program, and the hazardous liquid pipeline safety program.
235 Russell Building
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building
Small Business
To continue hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building
2:00 p.m.
Appropriations
Foreign Operations Subcommitte
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Offical Conduct.
6226 Dirksen Building

APRIL 29

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission on Security and Cooperation in Europe, Small Business Administration, and the Federal Maritime Commission.
S-146, Capitol
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act
457 Russell Building
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building
10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs, and to receive a briefing on intelligence matters.
1224 Dirksen Building
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building
2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and solar energy programs of the Department of Energy.
1114 Dirksen Building
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs, and to receive a briefing on intelligence matters.
1224 Dirksen Building

APRIL 30

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy research and development programs.
1223 Dirksen Building
9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building
9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 4

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force posture programs.
1223 Dirksen Building
9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 41, proposed constitutional

amendment relating to affirmative action.
2228 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

MAY 5

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1224 Dirksen Building

9:30 a.m.
*Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1114 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force procurement programs.
1223 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending calendar business
235 Russell Building

MAY 7

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for fossil energy programs, domestic energy supply programs, and Federal leasing, Department of Energy.
1224 Dirksen Building

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 11

10:00 a.m.
Labor and Human Resources
Business meeting, to consider proposed legislation for authorizing funds for the Developmental Services and Facilities Construction Act.
4232 Dirksen Building

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force manpower and reserve programs.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 18

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force operation and maintenance programs.
1223 Dirksen Building

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 1

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on overall intelligence matters.
1223 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

JUNE 3

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on programs of the Central Intelligence Agency.
1223 Dirksen Building

JUNE 4

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on programs of the National Security Agency.
1223 Dirksen Building

JUNE 8

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on defense intelligence programs.
1223 Dirksen Building

JUNE 10

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on special programs of the Air Force.
1223 Dirksen Building

JUNE 11

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on command, control, and communication programs and intelligence related activities of the Department of Defense.
1223 Dirksen Building

CANCELLATIONS

APRIL 1

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Secretary of the Treasury.
1224 Dirksen Building

APRIL 2

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of State, and for the administration of foreign affairs, Department of State.
424 Russell Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 31, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty and everlasting God, comfort of the afflicted and strength of all in need, graciously send Your Spirit upon Your servants who look to You for healing and support. Especially do we commit to Your abiding care the President and those who have served with him who have known the violence of our day. As a nation our hearts reach out in fervent prayer for them and their families, who have experienced distress and sorrow and pain. Keep us all in Your grace and knit us together as a people with the unity that comes from the awareness of Your presence and Your eternal power and love to us. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

LICENSING AND REGISTERING OF HANDGUNS URGED

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, on December 9, 1980, the day after the killing of John Lennon, I took this floor and I said to my colleagues here:

Why can't we here in the Congress pass a handgun control bill? We wouldn't expect it to stop all violent crime, but it certainly could save a great number of lives. What are we waiting for?

I said, "The next life we save may be our own."

This bill is a very simple, basic bill, one that would simply require licensing and registering for all handguns. It just seems to me, Mr. Speaker, after what happened yesterday, that we must recognize that John Hinckley, if my legislation had been in force, would not have been able to acquire the .22 caliber pistol that he purchased just a few days after having been picked up for illegally possessing other weapons.

Mr. Speaker, we owe it to the President of the United States and to all those who have been exposed to this kind of tragedy to act on this matter immediately. The world is watching to see if we really care enough to bring about a basic change in our gun laws.

A LEADERSHIP REPORT ON THE AFTERMATH OF YESTERDAY'S ASSASSINATION ATTEMPT

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to advise the Members that the leadership has returned within the hour from a meeting at the White House in which we received factual and reassuring reports from the Vice President's, the President's physician, and members of the President's Cabinet.

It will be reassuring to the membership and to the Nation to know that the President is recovering in a very satisfactory fashion. He signed a bill this morning. His physician reports that he is fully possessed of all his faculties including his splendid spirit and well-known good humor.

The Government has proceeded throughout the events of yesterday without interruption and without a moment of discontinuity. Members of the Secret Service detail functioned in a thoroughly professional and wholly admirable way, Agent Parr getting the President inside the automobile and thence to the hospital with an absolute minimum of delay, and Agent McCarthy who sustained a gunshot wound when he placed himself physically between the President and his armed assailant, now reported in good condition.

The Vice President is visiting personally with the President today at the hospital and is acting at the President's direction to fill several appointments to which the President had been personally committed for the day. The President's progress is good. His recovery seems well assured. The business of Government, in both the executive and legislative branches, continues apace and without interruption. This surely is the way the President desires it. It is the way the Founding Fathers intended, and this unbroken continuity of effort in the face of difficulty is the great strength of our constitutional system.

YESTERDAY'S ASSASSINATION ATTEMPT CRIES OUT FOR HANDGUN CONTROL

(Mr. BINGHAM asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, we were all shocked by the events of yesterday. We are reassured by the report of the majority leader that the President is recovering well, and we hope the same will be true of his associates.

My hope is that this shattering event will help to bring this country to realize the insanity of our present system—or nonsystem—of allowing people to buy guns, handguns that kill people, as if they were lollipops.

A cabdriver in London yesterday was reported on the radio as saying that he simply could not understand how the United States could go on allowing this kind of thing to happen. Of course, in Britain, private individuals are not allowed to own handguns. The same is true in Japan, and this sort of thing, this tragedy of yesterday, could not occur in those countries.

So, Mr. Speaker, I hope that this event will help to bring some commonsense to our people and, through the people, to these Halls of Congress.

WHEN WILL IT END?

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, I do not yet know whether the pistol which shot the President of the United States was in the possession of its wielder legally or illegally.

But I do know this: If the would-be assassin purchased his gun in violation of the law, the gun lobby will claim this proves gun laws are unenforceable. If, on the other hand, the gun was legally owned, the gun lobby will claim this as proof that strict gun laws can not distinguish between the responsible and the irresponsible. Either way, the gun lobby wins. Either way, the American people lose.

Yesterday's tragedy was remarkably similar to an attempt on the life of a Pope about a decade ago. But there was one critical difference: This occurred in the Philippines, where gun laws foiled the assailant's attempt to buy a pistol. So he used a knife, and the security forces were able to control him before he could hurt anybody. If he had lived in the United States, he would have had his gun and the Pope could have been killed. The gun lobby notwithstanding, a gun is far more lethal than any other concealable weapon.

Guns do not kill people, and people do not kill people. People with guns

kill people. Since it is not practical to break this equation by eliminating the people, if we value our lives we will do it by eliminating the guns.

A TRIBUTE TO AMERICA IN THE AFTERMATH OF YESTERDAY'S ATTACK ON THE PRESIDENT

(Mr. KAZEN asked and was given permission to address the House for 1 minute.)

Mr. KAZEN. Mr. Speaker, I am sure that I speak for all Americans when I thank God that our President is recovering from the incredible attack on him yesterday. We all pray that he and the others wounded in that incident have a complete recovery.

The shooting of President Reagan was more than an attack on our Nation's leader. It was an assault on our Nation. I say that we can be proud of our governmental system, because there was no panic, no uncertainty about the Nation's ability to function. Courageous law enforcement officers at the scene acted promptly to fulfill their obligations, as did the President's associates in the administration. Our citizens were shocked, but their confidence in our Government was not shaken.

I believe that we in the Congress should and will show the same resolve to move forward, meeting challenges less personal but no less critical that we build greater strength on the strong foundation of our American system. I extend sympathy to the President and his family, the families of the wounded, and ask the Lord's blessing on them.

ANOTHER SAD AND SHAMEFUL DAY OF VIOLENCE

(Mr. PERKINS asked and was given permission to address the House for 1 minute.)

Mr. PERKINS. Mr. Speaker, the country has had to endure yet another sad and shameful day of violence.

President Reagan is our 40th President, and the 9th to be the target of assassins.

The terrible arithmetic of that statement must chill us all. But it places upon us an urgent responsibility to do something about the violence that is so rampant in the country and in our own communities.

Violence in the streets, whether it be directed at a President or at a humble charwoman on her way home from work in the evening, strikes at the vitals of a free society. That is what the phrase "life, liberty, and the pursuit of happiness" is all about.

As far as can be determined thus far, the shooting of President Reagan had no political motive. We can only assume that the motive was violence itself.

All of us fervently hope for his rapid healing, and that his press secretary and the two security officers make a good recovery.

This tragic incident underscores the fearful price we have to pay for living in an open society. Our Presidents move freely among the people in all parts of the country. They cannot be confined behind stone walls or encased in bulletproof glass.

The American people demand high visibility of their Presidents. The link between the Chief Executive and the people must not only be real, it must be in full view.

We provide a security force, of course, and a very good one. But there can never be enough Secret Service agents to detect all of the violence that lurks in dark minds, waiting for a chance to explode.

The pause of a President to smile or wave or shake a hand is all the potential assassin needs.

Somehow, we must find ways to recognize the potentially violent, and to require that they be given effective treatment. Failing that, ways must be found to protect society from them. And we must redouble our efforts to see that crime in the streets is dealt with instantly and decisively, and that the opportunity of repeaters be foreclosed.

I also believe that we must have harsh penalities to deal with those who so violently break our laws and jeopardize the very foundation of a civilized society. And, these penalties must be known to all ahead of time. Harsh and sure penalties will serve as a strong deterrent ahead of time to such senseless conduct.

THE MADNESS, AGAIN

(Mr. SWIFT asked and was given permission to address the House for 1 minute.)

Mr. SWIFT. Mr. Speaker, anger, deep and abiding anger, was what I felt that November day in 1963 when I heard "they" had shot John Kennedy. I remember as clearly as if it were yesterday, the anger that some, one person in our society, for any reason, would dare to undo what our democratic society had collectively determined. One person decided he would take into his own hands who our President would not be.

What arrogance. What ego. What madness.

Well, it was just yesterday that they did it again: They shot my President.

I had not voted for him. Nor would I ever be likely to. But, like John Kennedy before him, he was the people's choice; and our choice should prevail, survive, and no one person put it asunder.

That is what makes this failed attempt on the life of Ronald Reagan more an outrage than the killing of John Lennon or even Martin Luther King. This was an attempt—no doubt isolated and mad—but nevertheless an attempt to change our collective decision. And as such, it was an attack, not just on one man or even this President, but on our very system, on us, on Americans.

I do not know where this madness comes from. I do not believe we are all mad. I do not believe our society has turned cruel and crazy. But there are those among us who are that way. And they seem to tempt and seduce others to follow in their violent steps without regard for the sanctity of life or for the purpose of our system.

President Reagan's daughter said, at a time of understandable stress, that if we all get angry, then we can stop it. I understand the fury of a daughter, because I shared it as a stranger. But that is not the answer; getting angry. We make our greatest mistakes when we are angry.

Rather, this is a time to privately, seriously, individually dedicate ourselves against the madness, to deny the thought that anger solves problems. It is a time to put aside forever the idea that screaming, "I am mad as hell and I will not take it anymore" will ever solve anything.

If we do not put those corrosive thoughts aside, to one degree or another, we join "them" in their madness.

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The SPEAKER pro tempore (Mr. PEYSER). The Chair recognizes the gentleman from Kentucky (Mr. HUBBARD).

CONCERN FOR THE RIGHTS OF INNOCENT PEOPLE

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUBBARD. Mr. Speaker, I share the shock and sadness of all other Americans today regarding the tragic events of yesterday. Naturally, my prayers and thoughts are with the President, his press secretary, the Secret Service agent, and the Washington, D.C., policeman, all of whom were tragically shot and wounded here in our Capital City of Washington yesterday.

If there are any positive effects from yesterday's tragedy, hopefully it will cause the U.S. Supreme Court, other Federal and State judges, jurors, certain Members of Congress, and certain State legislators who are so concerned about the rights of criminals to become more concerned about violence and the rights of innocent people. The people of America surely are ready for tougher treatment of violent criminals.

While the young man from Colorado who allegedly shot the President probably will be in prison for a long time, one sad fact is that if a John Doe or a Jane Doe were shot yesterday in many areas of America, the assailant would be today already out of jail on bail and back on the streets again.

DEMENTED PEOPLE WITH EASY ACCESS TO FIREARMS

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, once again this body gathers itself in the aftermath of a national tragedy that humiliates and angers us all.

Once again we have to question what we are becoming as a nation when our most heavily protected citizen can be cut down by demented people with easy access to firearms.

Once again, we strain our credibility abroad as a peace-loving people when the gun that shot the President was one of 20,000 which roll off a Miami assembly line every month—more than are in private possession in most Western countries.

And once again, I have little doubt that, despite the overwhelming endorsement of Americans for stronger controls on handguns, the questionable freedom of access to handguns professed by a minority will take precedence over the unquestionable right of all Americans to be secure in their persons.

That is the real national tragedy: That our citizens must live in fear, and thousands of them in grief, because this body, which never hesitates to profess its populist orientation, chooses to respond to special interests of the NRA.

The sadness is most heavy today in this Chamber and that is as it should be. If our responsibility was felt to those who elect us, not to those who would defeat us, history might never have had reason to note March 30, 1981.

BALLOTS, NOT BULLETS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I think we all know that ballots and not bullets are the American way. We all know that we are supposed to engage in debate and not violence, that we are to use words and not weapons.

We are the leader of the free world. I think that the incident that we have just seen has saddened all of us. We cannot say enough about the families, the President, his staff, the people around him, and how calm they have been during this very difficult period. They have been brilliant role models, saying to all of us and reassuring all of us that everything would work.

Yes, the Constitution did work; but we cannot accept this violence any more in our society, which is almost becoming routine. None of us want our President and public officials locked up so they never go out on the streets or meet with the public again.

I hope that as this passes that we will all sit down, the President, his staff, the Cabinet and the Congress, and start seeing what we can possibly do to get violence out of the streets of Atlanta, violence out of the streets of the Nation's Capital and begin to act as we should act as leaders of the free world.

MRO RESOLUTION TO END VIOLENCE

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I am deeply saddened, as are all Americans, by the attempted assassination of President Reagan and the other individuals shot and wounded. We pray for their speedy recovery, but violent crime is a serious disease that contaminates every aspect of life in the United States.

Violence itself victimizes every man, woman, and child.

Violence is a national outrage and disgrace.

There are no simple answers. Therefore, I propose that this Congress set up a National Commission on Violence to comprehensively address the issue and offer solutions to deal with the symptoms of this problem. Our national defense must not only relate to other countries, but the defense of our own citizens. Let us have a national commitment to make America the land of the free, not the land of the violent.

A DAY TO REJOICE

(Mr. DYSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYSON. Mr. Speaker, the shocking and tragic events which surrounded our President and our Nation as a whole yesterday has once again plunged the American people into an introspection of conscience and purpose.

Each of us in this great body of Americans must ask ourselves, how, in a country as great as ours, can there be such violence.

But today is not a day of sorrow, it is rather a day to rejoice. We will because our President has proven that he was born for an hour that has not yet arrived and has made it clear to all that he shall serve his hour—here in this city—here in this Nation and here in this time.

I join with the Members of this House, and the people of Maryland to express our gratitude to God—for the lives of our President and those brave souls who stood by his side.

It is our hope that those few dark hours of Monday, March 30, will be set in bold relief against all the bright days which lay ahead of the President and those who were felled at his side.

Mr. Speaker, the people of Maryland offer our prayers for those people.

PRETRIAL SERVICES AGENCIES

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HUGHES. Mr. Speaker, today and on April 6, the Subcommittee on Crime of the House Judiciary Committee will be holding hearings on the activities of the Pretrial Services Agencies or PSA's. The Pretrial Services Agencies were established by the 1974 Speedy Trial Act in 10 demonstration districts. Their programs provide judicial officers with better information on which to make bail decisions, and as a result, to more effectively prevent bail jumping and pretrial rearrests.

We are all aware that crime rates are rising rapidly. New FBI statistics issued this morning, verify this situation. Especially to prevent tragedies such as that involving our President and three others yesterday, it is essential for this country to find effective mechanisms to deal with crime and to insure that those charged with crimes are treated fairly and justly, but where appropriate, are held to account for their actions. The criminal justice system, like the rest of the Government, is faced with shortages in the necessary resources to combat the crime problem. The Pretrial Services Agency is one part of the system that has proven effective.

It has provided the means to insure the appearance of the defendant at court proceedings and to reduce crime by those out on bail. It has saved the Government money and something you cannot quantify—it has saved human suffering. The 10 demonstration districts have really proven effective in accomplishing all of these goals.

Where the means are found to not only combat crime, we must move quickly to effectuate them. Therefore, I, along with my colleagues, the gentleman from New Jersey, PETER RODINO, chairman of the Judiciary Committee, and the gentleman from California, DON EDWARDS, have introduced H.R. 2841, which authorizes an

expansion of the Pretrial Services Agencies to other judicial districts.

PROTECTION FOR PRESIDENTIAL STAFF

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, Members of this House like Americans everywhere are stunned by yesterday's senseless savagery. These recurring attempts to assassinate the President of the United States are a national nightmare that appears again and again with different faces. We as a people must stop this periodic horror.

After the tragedy in Dallas in 1963, the Congress enacted legislation calling for capital punishment for those who kill a President of the United States and providing a penalty of life imprisonment for attempting to kill the President. The law also provides firm penalities for persons convicted of wounding or killing law enforcement officers assigned to protect the Nation's Chief Executive. Presumably these penalties will be applied to the person convicted of yesterday's outrageous assault which resulted in the wounding of Secret Service Agent Timothy McCarthy and District of Columbia Police Officer Thomas Delahanty.

Unfortunately, Mr. Speaker, the protection of the Presidential Assassination Act does not apply to White House Press Secretary James Brady, who at this moment lies in George Washington Hospital fighting for his life. I believe the White House press secretary, members of the President's immediate staff and members of the Cabinet should be afforded the potential protection of the Presidential assassination statute.

I am today submitting an amendment to section 1751 of title 18 of the United States Code which will extend the legal safeguards which ideally offer the President a measure of protection from would-be assassins to cover members of his immediate White House staff, including the press secretary, and members of the Cabinet. These persons are, unfortunately, in the line of fire frequently as a result of their close proximity to the President and I think they are entitled to the protection of the full legal penalties of the Presidential assassination statute.

I urge my colleagues support of this measure.

TOO LENIENT WITH CRIMINALS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, while we are all grateful that the President will be back in the Oval Office real soon. yesterday's horrifying incident should underscore the admonishments of Chief Justice Burger. Our own Chief Justice has often reiterated that we are too lenient with criminals, all too often they get off with a slap on the wrist. Literally, criminals get away with murder.

FBI statistics today indicate that violent crime is up 10 percent. Can there be any wonder? Our own people get a steady diet of crime on TV and in the movies, and all too often the glorification of crime. Can there be any wonder that events like yesterday do occur?

Freedom of expression is a wonderful blessing, but I feel that freedom of expression also puts a responsibility on those who mold public opinion.

MOVE QUICKLY TO IMPLEMENT PRESIDENT'S PROPOSALS

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Thank you, Chaplain Ford, for that most meaningful prayer opening our session here today.

Mr. Speaker, we are all deeply shocked and saddened by yesterday's despicable act of violence, an act that had no purpose nor objective other than evil. My prayers and the prayers of all the citizens of Delaware and America are for our President and his family, as well as the other families stricken in this senseless act.

I believe, Mr. Speaker, that this is the time to show America and the world that the Congress of the United States will not be delayed 1 day in enacting the President's program. We cannot allow President Reagan's proposals to benefit America to be deferred by an act of terrorism. We are delighted, of course, to note the President's successful recovery from surgery last evening, and it is now the responsbility of this body, and of the Senate, to move quickly in acting to implement the proposals of our great President.

PRESIDENT REAGAN'S UNIQUE PERSONAL STRENGTH

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, I join with hundreds of Arizonans who have telephoned and cabled my office with expressions of sympathy and prayerful support for President Reagan, White House Press Secretary Jim Brady, Secret Service Agent Timothy McCarthy, and Police Officer Thomas Delahanty, following yesterday's tragic attempted assassination of the President.

We pray for the full and speedy recovery of them all.

The President's good sense of humor and heartwarming expressions throughout yesterday's ordeal uplifted the Nation at a time of shock and sorrow.

He is blessed with great personal strength that is an inspiration to us all.

President Reagan demonstrated to all Americans yesterday that, though wounded, he has a most unique leadership quality that can carry the Nation to the great heights to which we all aspire.

It is important we press forward in Congress to achieve prompt enactment of the President's program for national economic recovery.

FROM CRIME TO PUNISHMENT

(Mr. CARMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARMAN. Mr. Speaker, I agree with Maureen Reagan. It is time for America to get mad. We need courts that work and laws that have teeth. We ought to be mad as hell and we ought not to take it any longer.

It is time for America to counterattack with immediate action—from crime to punishment. Let there be no delay. Let us make the punishment so severe that no one will dare to commit a crime with the use of a gun. Criminals like the man who tried to kill President Reagan, criminals like the man who wounded people close to the President, criminals like the one who recently killed a Maryland policeman the other day are a spreading cancer in this country and the cure is to cut them out of civilized life.

THE PRESIDENT SET A FINE EXAMPLE

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, we have heard a lot here about political issues, but perhaps today is more a time to be thankful, thankful to God for sparing the life of our President and prayerful that God's mercies will flow to the other wounded and their families, and thankful, Mr. Speaker, for the leadership example shown yesterday in that crisis by the President of the United States.

President Reagan seemed to know instinctively that it was important for him to walk into the hospital as a symbol to the world. He seemed to know instinctively that his flashes of humor at a time of adversity would re-

assure the Nation. As I sat watching yesterday's events unfold, I was reassured by the President's actions and attitude and I am sure much of the Nation was.

At a time of great personal trauma, the President acted like a leader. We should thank him for his remarkable courage and even heroism during a period of national agony.

TERRORISM HITS WASHINGTON

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, the terrorist assassination attack on President Reagan and the serious wounding of his press secretary, Jim Brady, Secret Service agent, Timothy McCarthy, and police officer, Thomas Delahanty, reflect an outrageous state of violence and lawlessness in our Nation which challenge the very stability of our political and social system.

Mr. Speaker, while deeply saddened by the events of Monday, March 30, we should not resign ourselves to defeat at the hands of criminal elements which are determined to destroy our civilization and return us to the dark ages of tribalism and human destruction.

The multiple murders which have taken place in recent months in Atlanta with the victims being innocent children and the numerous murders taking place here in Washington, D.C., as well as in urban areas throughout our Nation, including my 13th District of Illinois—demand that we treat this ongoing and exacerbating level of violence with determination and effectiveness as we move to eliminate this type of criminality from our social system.

Mr. Speaker, I recall several week ago when a number of my colleagues and I from the House Judiciary Committee attended a meeting in Williamsburg, Va., attended by the Chief Justice of the United States, the Attorney General and the chairmen of both the House and Senate Judiciary Committees. It was entirely understandable that all of these leading figures concerned with our justice system should have emphasized the need for dealing with crime in America as a subject of the highest priority. Indeed, violence, crime, terrorism, vandalism, and related elements of such senseless criminality must be dealt with promptly and effectively.

It is not my intention, Mr. Speaker, to raise here today on the floor of the House the need for Federal legislation to better control the trafficking in handguns. Let me state forthrightly, however, that after extensive studies which took place in 1975 and 1976, I proposed handgun legislation directed not at the hunters or marksmen of our Nation, but at the criminal elements in our society. One of the provisions which was embodied in that legislation was greater control of the business of handgun dealers, including specifically a prohibition against pawnbrokers serving as licensed dealers of handguns. It seems both tragic and ironic that today we are brought face to face with the dilemma of a criminal suspect whose handgun was purchased in a pawnshop in Dallas, Tex.—the very handgun found at the place of the crime and which, when fired, narrowly missed making the President the victim of the would-be assassin's bullet.

Mr. Speaker, for many months I have been endeavoring to secure the cooperation of the FBI and the Department of Justice in behalf of meaningful Federal handgun control legislation for the sole and specific intent of aiding our law enforcement officials in combating crimes of violence. Surely, this is one step which can aid in the fight against violent crime.

The demise of the Law Enforcement Assistance Administration through the denial of funds last year leaves another large gap in the cooperation which should exist between the Federal Government and local and State law enforcement elements as we work together as a nation to combat the pervasive terror of violent crime that stalks our citizens on the streets of our communities.

Mr. Speaker, I hope earnestly that the task force established by the Attorney General, together with those of us on the House and Senate Judiciary Committees, may work actively to restructure an appropriate Federal agency which can provide the guidance, direction, and support which our justice system requires to meet the ever-increasing threat of crime and violence in our Nation tragically dramatized in the attack yesterday on the President.

THE RISING WAVE OF VIOLENT CRIME

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, I join in the expressions of sympathy for the victims and shock at the insanely bloody shooting of our President in Washington yesterday. I join, too, in the prayers for the speedy recovery of our President, for Press Secretary James Brady, for Timothy J. McCarthy of the Secret Service, and for Officer Thomas K. Delahanty of the District of Columbia Police.

My congratulations to the Vice President and the Cabinet for the steady course our Government exhibited.

When I first heard of the brutal attack as I arrived at Washington National Airport midafternoon, my first reaction was one of disbelief and shock. My second and lasting reaction seems to be one of absolute outrage over this wanton madness.

It struck me that here was a clear demonstration that no man or woman is safe in this Nation today. That from the highest to the lowest, no one is safe from the fear of violence—not even the President of this great country.

As a victim of an armed robbery just last week, my outrage at the rising wave of violent crime in our streets may be greater than some. My reaction is that it is high time as a civilized society we get about the task of protecting our citizens from criminal assault.

It is time, I believe, to bring balance to the scales of justice for too long tipped in favor of the criminal. It is time we see that justice is done—that the victim and the health of this society as a civilized community take precedent over the criminal.

It is for this reason that I am promoting a nationwide organization to bring pressure on State and Federal legislators to get tough on crime. It is time we hear from the grassroots. They surely do not accept the status quo.

OURS IS NOT A SICK SOCIETY

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, all of us were outraged by this senseless act of violence yesterday. However, we were all comforted by the news that President Reagan was not seriously injured and that he is recovering remarkably.

We were also comforted to learn that he never lost his sense of humor. His indomitable spirit reassured all of us that America can carry forward with a proper sense of perspective and certainly during these times we all need perspective.

People are crying out already about our sick society. It is important for us to remember that our society is not sick; only a few individuals in our society are.

I think it is important also to comment about those people who will be calling for further handgun control legislation. That, in my opinion, is a complete oversimplification of how to solve the problem of violence in America. We must remember that most of us in America are in a free country filled with compassionate, intelligent, hard-working, patriotic people. Let us not judge our society by the acts of a few sick people.

THE TIDAL WAVE OF VIOLENCE

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, yesterday a dreary, rainy Washington day exploded with the sounds of gunfire aimed at the President, and the President and three others lay seriously wounded. Today, however, a new morning dawned with all the brilliance that a spring day in Washington could muster and our President is alive.

The Government has withstood an attack. But having said that, what lessons are to be learned from all this? Let me humbly suggest, Mr. Speaker, that talk about the death penalty, talk about gun control, that is understandable, but I think premature. The horror is too close and the pain is too deep for us to maintain a reasoned judgment today. But the problem does require a full-scale national debate at all levels—local, State, and Federal.

I think we must understand that there is no way we can eradicate all isolated instances of violence in this country. But we must ask ourselves what are we to do about this tidal wave of violence we see sweeping across this country. It seems to me we must ask some serious questions.

Have we raised violence to the level of a national attraction in our country? Do what we see on television and hear on radio encourage young people to be involved in this? Do we think that somehow, with regard to some of those who participate in national sports, professional sports, will their actions and will their advice, and will their comments somehow mislead people to think violence outside the area of sports is acceptable in this country?

It seems to me, Mr. Speaker, we have some important fundamental questions to ask. There is a need to ask, but it ought not to be premature. We in the Congress have the time. We must have the commitment.

Today it seems to me what we should do is give prayers, prayers of thanksgiving that the President is in good condition, that those around him who were wounded are alive, and prayers of petition for their continued good health and for the full recovery of their physical well being.

OUR GOVERNMENT WORKS

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WORTLEY. Mr. Speaker, Americans around the globe are breathing a sigh of relief today that our President is rapidly recovering from the gunshot wound inflicted by the violent act of terror of a disturbed young man.

It is shocking to think that a single bullet could have undone the ballots of 43 million people who elected Ronald Reagan to lead their country. Ballots and not bullets must continue to govern this Nation—we are not a volatile, unstable country whose Government changes at the point of a gun. Yesterday's actions by the White House demonstrated that our Government works—in crisis the situation was handled calmly and the flow of power and decisionmaking was never in doubt.

The Vice President, the Secretary of State and the rest of the Cabinet and officials conducted themselves with dignity and confidence—it was pure professionalism.

Perhaps the President set the tone best by walking into the hospital even as he was wounded and reassuring those around him by his easy charm and wit.

Mr. Speaker, now more than ever before, our President has shown the world that he has the toughness and the guts to lead our Nation. I salute our Commander in Chief.

To the family of Jim Brady and to the families of the law enforcement officers who were struck down, I share your grief and my prayers are with you.

A DAY OF TWO EMOTIONS

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, all that is good and all that is bad in America happened yesterday. Through the ever present eye of television, we watched the horror of seeing our President shot, along with three others. A nation watched and prayed as events unfolded before our eyes and we again and again witnessed those few seconds of terror and fear.

A few hours later, 10 fine young men representing two respected institutions of learning and athletics participated in our annual consummation of college basketball, the NCAA finals. Again, through the medium of television, we were able to witness the grace, the excitement, the drama, the joy and, yes, the disappointment of basketball at its finest hour.

How does one deal with the two emotions in one day? As a Member of Congress and a graduate of Indiana University, seeing my President shot and my alma mater win the NCAA tournament tears at the very best and the very worst of my emotions. Reflection on this day brings only sorrow. Indiana's victory pales beside the violence of an assassination attempt on our President. The joy of celebrations over victory in sport is robbed by the reality of what happened to our President yesterday.

What could have and what should have been a day of rejoicing for a freshman Congressman from Indiana is destroyed by a senseless act of violence. How many more times must we endure this? How often must we gather before the television to witness firsthand the violence in our society and how long can we endure or tolerate these senseless acts?

I am filled with questions. I have no sure answers.

A SAD ASPECT OF OUR OPEN SOCIETY

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, our Nation and the entire world was shocked, saddened, and outraged by the reports of the assassination attempt upon our President yesterday and the wounding of his Press Secretary James Brady, Secret Serviceman McCarthy, and D.C. Police Officer Delahanty.

The Secret Service and the District police force are certainly to be commended for the courageous acts of their officers in providing our Nation's leaders with the proper protection. To the families of those injured yesterday we express our deepest sympathy.

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This tragic event is a sad aspect of our open society, that the President of the United States is not safe in his appearances before the public. But, the President must have access to the American people. That is how our Founding Fathers envisioned the role of our Chief Executives. Yet, with the spreading violence and terrorism throughout our modern world, public officials all over this country and in other lands fear for their personal safety.

As we continue to express our faith in our form of open government, and as we offer a prayer of thanks that our Chief Executive will be able to continue to lead our Nation, let us commit ourselves to stamp out terrorism and to fight more effectively the growing incidence of violent crime.

BILL INTRODUCED TO ALTER PRESENT FEDERAL TRUCK EXCISE TAX PROVISIONS

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I am today introducing a bill which would alter the present Federal truck excise tax provisions by changing the point of collection of the tax from the wholesale sale to the retail sale.

The 10-percent truck excise tax has long been a source of financial concern to the many small business heavy-duty truck dealers of this Nation. Under present law the tax is imposed on the manufacturer at the time that it wholesales the truck to the dealer. The manufacturer then adds the tax to the wholesale price of the truck and passes the cost to the dealer. Therefore, the dealer must finance not only the wholesale price of the vehicle, but he must also finance the very substantial cost of the excise tax. Heavy-duty over-the-road trucks today cost between $50,000 and $75,000. This means that the excise tax imposed on these vehicles runs between $5,000 and $7,500.

Historically, the truck dealer is required to pay between 1 and 2 percent above prime to finance his inventory. In today's money market the financing of these big rigs by the small business dealer is a tremendous burden. The Federal excise tax required to be paid by the dealer dramatically increases this burden. For example, the amount of money that a dealer would have to borrow just to finance the excise tax on 10 trucks is equivalent to the entire wholesale cost of one additional truck. In other words, if the dealer were not required to pay the excise tax at the time that he purchased the vehicles from the manufacturer, he could finance 11 trucks in his inventory for the same amount that he could finance 10 trucks that included the 10-percent excise tax. The interest cost alone to finance the Federal excise tax runs in the tens of millions of dollars nationwide to dealers.

With interest rates at unprecedented levels for such a long period, truck sales are equally, if not more, depressed than automobile sales. Hundreds of dealers are, in effect, hanging on by their fingernails. The bill that I am introducing today is designed to give some much needed relief to these dealers without altering the amount of revenues currently being produced by the tax.

Briefly, this bill would make the following changes in existing law:

First, the point of tax liability and collection would be placed at time of the first retail sale of the truck, trailer, parts, and so forth, instead of the time of the wholesale sale. This would allow the small business dealer to purchase the vehicle from the manufacturer without having to pay the very substantial excise tax at that point.

Second, to avoid increasing the Federal excise tax by taxing a dealer's profit margin, a slight change in the tax computation is also made. Under existing law there is a 10-percent tax on the wholesale price of trucks and trailers and an 8-percent tax on the wholesale price of parts and accessories. Under this proposal the tax would be computed on 90 percent of the actual retail sales price of the vehicle and on 75 percent of the actual retail sales price of parts and accessories. The revenue from the tax under existing law and under this proposal should be substantially the same.

This bill will certainly not solve all of the very serious problems now being experienced by the heavy-duty truck dealers of this Nation. However, it will provide some measure of immediate assistance, and will relieve dealers and suppliers from their present burden of having to finance the tax liability now being imposed on the manufacturers.

I believe that this bill sets forth sound concepts which will assist our Nation's struggling truck dealers without reducing the revenues provided by this tax. I recommend this bill to my colleagues for their consideration.

I trust this deferral will not adversely affect our highway trust fund, and I am asking for further information on this aspect of the bill. The amount of excise taxes will be the same.

ASSASSINATION ATTEMPT GIVES ANTIGUN ENTHUSIASTS WAYS TO ADVANCE THEIR UNPOPULAR CAUSE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, the senseless and demented attempted assassination of President Reagan is properly decried by all decent Americans as well as men of good will throughout the world. Outrage and anger are proper human expressions reserved for incidents such as this. All our best wishes and prayers go out to the President and his family.

My own shock and anger might possibly go deeper than most Americans since I have had a long, 20-year personal association with President Ronald Reagan. I have always been able to count on him as a true friend with whom I have enjoyed working, and who responded on every occasion when I asked him for help, both personal and otherwise.

It is also with a touch of sadness and anger that I must point out the very logical knee-jerk response of many antigun enthusiasts throughout the country who, as in the past, seize on this opportunity in an almost maudlin way to advance their unpopular cause. They seem to have two themes: First, attack the United States as a bad, violent nation and blame it on the law-abiding citizen who constitutionally, peacefully owns and uses a firearm.

I can say categorically that 99 percent of the sportsmen, hunters, conservationists, gun owners and collectors that I know rarely point a finger at their fellow Americans evenly when unfairly attacked, let alone a weapon or threaten them or stand as any link in the chain of crime and violence that grips this country.

We all have grief and anger and fear, those emotions, but we should not use this tragedy to attack these good people.

TRAGIC EVENTS OF MONDAY BRING SAD THOUGHTS

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, my colleagues, I first want to pause and reflect on the tragic events of Monday in our Nation's Capital. I am sure I speak for all black Americans, so recently shaken by numerous incidents of violence against blacks around the country in saying that we are deeply disturbed by these tragic shootings, and are praying for the complete recovery of the President and all of those wounded yesterday. We are sick of violence and hate in this country.

My personal shock turned to trauma as I painfully remembered the autopsy pictures I had to study as a member of the committee investigating the assassinations of John F. Kennedy and Martin Luther King, Jr. Most people just do not realize the enormous and cruel damage a bullet can do to the human body. "How many deaths will it take till we know that too many people have died?"

I have never been able to understand why people who are willing to register their cars, their dogs, and their bicycles are not willing to support the registration of all handguns in an effort to control access to these death-dealing, concealable weapons. I pray that our Nation may somehow begin to deal seriously with the violence and hate that pervade almost every aspect of American life from our television sets, to our movies, to the streets of our cities.

It was President Franklin D. Roosevelt who spoke at another time, to a troubled, frustrated, and economically depressed America; saying that "the only thing we have to fear is fear itself—mindless, senseless, crippling fear."

Our hearts go out this afternoon to the fearful children and the fearful parents and families of black children in Atlanta, Ga. And, we come at this moment recognizing that it is not only they who fear, but our concern must be for the fear that is beginning to grip, not only black children in Atlanta, but black people all over this Nation; for there are those in this country who as in times past, are attempting to contain the aspirations of black people in a crippling circle of fear—this is nothing new to us.

When the new and freed slaves looked at the horizon of freedom there were those who were determined to contain their aspirations by the use of violence, intimidation, and murder to limit their hopes.

When the newly enfranchised, black voters of the South, in the Reconstruction era, began to lift their aspirations there were those at the close of the Reconstruction era who were determined to encircle their aspirations and contain it in fear; this is nothing new.

And so, as we look at the children—and their parents—in Atlanta who live in fear today, let us look at a black nation for whom some people have decided: "We must encircle them with fear." It is no accident that the Ku Klux Klan is filmed in camps training to kill black people across this Nation; it is no accident that some people have taken upon themselves to kill black men in Buffalo—to cut their hearts out; it is no accident that some black people jogging in Salt Lake City were gunned down; it is no accident, I believe, that the nephew of a member in my church, who made a trip last week to North Carolina, was driven off a road in Virginia and beaten to death by two white men.

The circle of fear is beginning to build, and our prayer and our concern for the children in Atlanta is our prayer and our concern for all those who are being encircled by fear.

Now, history has taught us that the only way to deal with such efforts to encircle us with fear is the action of men and women with conscience and determination. The only response to this kind of effort must be action.

I recall the last time in my experience in this country, when the attempt was made to encircle our aspirations with fear. We had just emerged from Selma, Ala., with a Voting Rights Act signed into law: It was bought with the blood of the Reverend James Reid of the All Souls Unitarian Church, bought with the blood of a white woman, Viola Liuzzo, on Highway 80, between Selma and Montgomery. Once we had seen the bitter past and we began to lift our aspirations and our visions, there were those who took the word out in Mississippi, in Alabama, in Louisiana, in Georgia that: "If you registered and voted we are going to start lynching you the way we did at the beginning of the century."

That message went out and a young man by the name of James Meredith, responded with action. He said: "We have nothing to fear, and to demonstrate that, I will march personally—from Memphis to Jackson, Miss. to tell our people that we have nothing to fear." So James Meredith began his march against fear, and not long after he had crossed the Mississippi State line, he was gunned down on the highway. Some of us recognized then that the only way to deal with fear is action.

You recall that many of us went to Memphis, Tenn., and then to Mississippi to take up Meredith's march against fear. It was my privilege to coordinate that march, and we came from North, South, East, and West; black and white together, to say to those demented minds across the Nation in the words of the 27th Psalm:

The lord is my light and my salvation; whom shall I fear? The lord is the strength of my life; of whom shall I be afraid? When the wicked, even mine enemies and my foes, came upon me to eat up my flesh, they stumbled and fell. Though a host should encamp against me, my heart shall not fear.

The time has come for us to act as we acted then. We marched to Philadelphia, Miss. where they had killed Sucherner, Cheney, and Goodman. We marched to Meridian, Miss.; to Jackson, Miss.—and we said, blacks and whites together, "ain't gonna let nobody turn us around."

Because we responded to the efforts to encircle our vision on voting matters with fear, we were able to register 3 million new black voters across the South—since that time, we have elected a Mayor and the City Council in the District of Columbia—because, we met the efforts to encircle us with fear with courageous Christian action in the social and political marketplace.

And so, I want to thank you for lending your presence to this witness against fear. And as I close, I want to challenge you now to action.

As we pray for the recovery of our President and those wounded with him; as we pray for an end to the tragedy in Atlanta, and prayer is important and without God we will not overcome, let us serve notice on those demented minds who feel that they can contain the aspirations of the scapegoat of these times with murder and intimidation. That we, together, will not be deterred; that we will search them out until justice rolls down like water and those things done in darkness are brought to light.

Let us also begin today to seriously work to eradicate the venomous handgun from our society, let us seriously and earnestly begin to work for handgun control and the ban of the manufacture and sale of this death-dealing agent of violence and mayhem.

It saddens us that our President is hospitalized, the victim of a senseless shooting. But the greater tragedy may be that our brothers and sisters in the world community are not surprised that this has happened and view violent gun-related crimes as a way of life in America.

Let us begin to change that image of shame today.

Then finally, in tribute to those for whom we come together today, let us also determine that we are going to raise this issue above race, above religion, above color, above poverty, and we are going to overcome.

Let it not be said of us as it was said of one in Nazi Germany who was a Christian who said, at the end of World War II that he did not protest when the Nazis began to persecute the Jews because he was not a Jew. Nor did he, a few months later, protest when the Nazis began to persecute the university professors, because he was not a university professor. And even later he failed to protest, he remembered with great misgivings, when his government began to persecute the journalists who disagreed with it. People did not criticize the storm troopers because they were afraid, and they hoped by silence to force the nightmare to disappear. Instead the nightmare fed on their silence and fear. And this same German concluded that when his government began to persecute him and his group, it was too late to protest, for almost all opposition had already been silenced.

They are after the children today. They are after innocent defenseless black men in Buffalo. They tried on Vernon Jordan, but those of us who are in public office must understand that the circle of fear is being drawn, and none of us shall be free until all of us are free.

Now is the time for action in our churches and our streets; in the Nation's Capital and every State across this Union, every city ought to be rising up to say: "We are not going to take this sitting back." And to say that, "We shall overcome"—and I will tell you we shall overcome, just as we did during the Reconstruction period, just as we did in Selma, we shall overcome. If we do not overcome, then truth is a lie; if we do not overcome, then justice is injustice; if we do not overcome, then right is wrong and east is west, and we shall overcome.

We shall overcome, because, truth is truth; we shall overcome because justice is justice; we shall overcome because God is God, and right is right; and right the day must win.

And when we overcome it will not be a victory of children over adults or blacks over whites or poor people over rich people or Protestants over Catholics or Jews over Gentiles or Moslems over Christians. It will be victory when we will all say, blacks and whites together, young and old together, rich and poor together, Protestants, Catholics, Jews, Gentiles, and Moslems together.

We shall overcome if we respond to the effort to intimidate with action, marching, giving, living. These are the high grounds of principle we enunciate, yet so often fail to live.

GENERAL LEAVE

Mr. FOWLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

THE LITTLE CHILDREN OF ATLANTA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. FOWLER) is recognized for 60 minutes.

Mr. FOWLER. Mr. Speaker, I requested this special order 2 weeks ago to provide a forum for a discussion of the deaths and disappearances of children in Atlanta. By a terrible turn of fate, we are now convening 1 day after an attempt on the life of the President of the United States. I am sure I speak for all in extending our fervent prayers and best wishes for the President and Mrs. Reagan, and also for Mr. Brady, and the two law-enforcement agents who were shot and their families.

On the face of it these cases have little in common; yet they both reveal the vulnerability of us all to acts of violence—from the most powerful to the powerless. They both represent major assaults on our society: An attack on the highest office in the land in the one instance, an attack on our most precious resource, our children, in the other. In point of fact, however, these are not isolated instances. They are but a part of a grim count of Americans who fall victim to acts of violence every year, and the toll continues to mount.

If it was not clear before, it should be today that we must seriously address this issue as a nation and as individuals. Most fundamentally, we must all come to recognize and to believe that violence is never a solution, no matter what the problem.

I take no pleasure in initiating this special order on the missing and murdered children of my city of Atlanta.

However, given the tremendous outpouring of national concern over this tragedy and the troubling nationwide issues of child safety and welfare it has raised, such a discussion in the Congress of the United States is both appropriate and necessary.

By now, you all know of the calamity that has befallen the murdered children of Atlanta and their families. Certainly, they have suffered the greatest loss but they are not the only victims. The young people of my city who live now in daily fear, closing out the outside world and cutting themselves off from the joys and adventures that should be a part of their childhood, are assuredly victims, as are their families.

So this is a national tragedy, and unfortunately one that could come to any part of our country.

The crimes in Atlanta cannot be seen as an isolated problem. Child safety is an issue that cuts across State boundaries. In 1977, according to the Justice Department, the overall violent crime rate for assault, robbery, rape, theft, and larcency was 33.9 per 1,000 people; for 12- to 15-year-olds the rate was 56.5 per 1,000 and for 16–19-year-olds—67.7 per 1,000. In 1979, almost 10 percent of all homicide victims (1,866) were young people between the ages of 15 and 19. These figures are both horrifying and unacceptable. Clearly we must do a better job of protecting our children's welfare. The Atlanta tragedy is but the latest example of our collective failure in this regard.

Since July of 1979 21 young, black Atlantans have been killed and 2 others have disappeared. In the 19 months since then, despite the efforts of local law enforcement agencies later joined by Federal agents, these cases have defied solution. Atlanta police believe that the deaths are not the work of a single killer and may well involve an original primary killer, a copycat murderer, and several unrelated homicides. There have been no major leads for the detectives working on the cases, no eyewitnesses accounts, no clear telltale clues, no reliable confessions or accusations. In time one or more of these will occur and the killer or killers will be found, but in the meantime we must do everything within our power to protect the physical and mental health of Atlanta's children, and to conduct as thorough an investigation as possible to make sure that all potential leads are checked out.

At the local level all available resources have been focused in a two-pronged effort to investigate the crimes and prevent further victimization of Atlanta children.

The investigation has mushroomed into the most intense crimesolving effort in Atlanta history. The bureau of police services devoted over 6,000 investigative hours to the cases before July 1980 when a special task force was established to spend full time on the investigation of the missing and slain children. Since July 1980 the special task force has been expanded from one sergeant and four investigators to its February 1981 level of 78 personnel. In September 1980, Governor Busbee established a $10,000 reward fund at the request of Mayor Jackson, which has since been increased over tenfold due to the generosity of citizens from all across the State. In addition, the Georgia General Assembly appropriated about $200,000 toward the investigative efforts. Experts have been enlisted from all around the country. In November 1980, the FBI was authorized to enter into the investigation; in addition, five police specialists from around the country were enlisted in the effort. In October 1980 volunteer Atlanta citizens began weekly searches of the areas where missing children were last seen. These are just a part of the all-encompassing effort to solve these tragic crimes.

Atlanta has also united in the effort to prevent future crimes. During the summer of 1980, community forums and personal safety workshops were conducted to keep citizens informed. In September 1980 a metropolitan crime stoppers film was developed that aired on local television stations and public service announcements were also broadcast to instruct citizens about child safety. A wide range of brochures and pamphlets have been distributed to create an informational network to continue community awareness of this problem.

I would like to add a word of appreciation to Mayor Jackson and the city government for laboring under the most trying and difficult of circumstances to conduct the investigation, institute preventative measures, and strive to maintain the mental health of Atlanta children and their families. In addition, I would like to thank Governor Busbee and the State government for its efforts including the appropriation of approximately $200,000 toward the investigation, and for the efforts of the State crime laboratory, the Georgia Bureau of Investigations, and the Georgia Crime Information Center.

At the Federal level, a response to the Atlanta murders was slow in coming, as the full dimensions of the tragedy only gradually became known. In fact it took what turned out to be an unrelated event, the October 13, 1980, explosion of a gasfired boiler at the Bowen Homes day care nursery in Atlanta which killed four children and one adult and injured six others, to focus national attention on the Atlanta killings.

Beginning last October, a variety of Federal agencies moved to provide assistance in restoring the Bowen Homes day care center. Also the Public Health Service Division of Alcohol, Drug Abuse and Mental Health programs started providing technical assistance to the local mental health groups that were responding to the rising community concerns over the missing and murdered children.

In late November, a team of epidemiologists at the Center for Disease Control began a detailed health risk study to determine who of Atlanta's children runs the greatest risk of being a homicide victim. The information from this study will be used to help prevent

future murders by both determining if the victims' lifestyles and movements made them more availale to the killer or killers and identifying potential links that might lead to the capture of the killers.

The FBI is currently providing about 40 full-time field agents to aid the investigation along with the full assistance of its crime lab and identification division. Since February 21, a task force comprised of officials from three Cabinet-level departments—the Departments of Justice, Education, and Health and Human Services—has been working to help local authorities through community assistance, health services, and technical assistance.

On March 5, President Reagan announced $979,000 in Federal funds ($650,000 from the Justice Department and $329,000 from other Federal agencies) for a variety of programs requested by Mayor Maynard Jackson. These funds are to be used to provide afterschool counseling and care for up to 1,000 Atlanta young people in the neighborhoods where most of the killings have taken place, to set up an around-the-clock hotline for Atlanta families who are experiencing emotional and other problems because of the killings, to provide shelter for disadvantaged or homeless teenagers, and to involve Atlanta young people in crime prevention activities.

On March 13, the President made available an additional $1.5 million to the city of Atlanta. This money is to be used for certain extraordinary expenses the city has incurred in the course of the police investigation, including such items as overtime pay for detectives and computer time.

The Federal response under Presidents Carter and Reagan has been appreciated and put to good use. I especially want to extend my thanks to President Reagan and Vice President BUSH for their interest in and attention to the needs of my constituents in Atlanta.

Moreover, the generosity of the American people has been overwhelming. Contributions have swelled to over $400,000. This concerted cooperation is in the best spirit of American generosity and is especially appreciated by my fellow Atlantans.

What more is to be done? First of all, I would hope that the Congress will act swiftly and favorably on Congressman CLAY's bill to provide explicit authorization for Federal financial aid for the full range of investigatory activities concerned with the deaths and disappearances of the Atlanta children. The same logic which extends Federal relief to victims of natural disasters ought certainly to apply to this problem, which has had equal if not greater impact on the surrounding community. Although current funding needs for the ongoing investigation are being satisfied due to national and local contributions, we need some type of legislative authorization in case the tragedy is not soon resolved and it proves necessary to seek further Federal financial assistance.

Second, the prayers and demonstrated concern of all Americans can be a major source of comfort and inspiration in helping the people of Atlanta to get through this crisis and then to recover.

At the same time, I do want to add a cautionary note on this subject. What the children of Atlanta and their families do not need from us is the creation of a climate of fear and hysteria. It is the responsibility of all of us, but especially those in the public eye and members of the media themselves, not to sensationalize this story of human suffering or to try to capitalize on it in any way.

The children of Atlanta and their families, and for that matter the children and families of America, need to know the real dangers facing them, to be neither shielded from the truth nor terrified into fearing every shadow.

Third, we must all pull together. All of us, wherever we live, whatever our station in life, have a stake in seeing the killer or killers apprehended and the murders stopped. We should proceed with calm determination and unity, not discord and dispute.

Fourth, and most importantly we must all commit ourselves to the creation of a society and communities where such tragedies will not occur in the future. In this, I do not mean primarily a governmental response. It is in our individual roles as mothers and fathers, neighbors, and concerned citizens that we can do the most to make sure that the deaths in Atlanta are not forgotten, or repeated.

Finally, we must unite as a country to reevaluate the status of child welfare in the United States. The horrible crimes in Atlanta are shocking; it is likewise shocking that more than 17 million American children live in debilitating poverty according to a 1980 report by the U.S. National Commission on the International Year of the Child. According to the same report, 1 million youth are victims of child abuse and neglect; 10 million children have no regular source of medical care; and 13 percent of all 17-year-olds in school are functionally illiterate.

No nation is secure unless its most vulnerable population, its children are safe and well cared for. As concerned parents and citizens, we must make the welfare of our children our first priority, by providing adequate health and educational systems, juvenile justice, nutrition, and housing. Only in this way can we insure the security of our children and our Nation.

I am including statements from Mayor Jackson, Governor Busbee, and a more detailed chronology of the local investigative effort below. Thank you very much for your attention.

The statements follow:

REMARKS BY GOV. GEORGE BUSBEE

Mr. Speaker, let me begin by thanking Wyche Fowler, Georgia's Representative from the Fifth District, for initiating this public forum.

With all of the national attention and publicity surrounding the cases, it is important to present the facts regarding the investigations. It is with this intention, on behalf of the State, that I submit my comments today.

For the past nineteen months, we have lived with the outrage and grief brought on by the senseless killings of children in Atlanta. Until the person or persons responsible for the tragedies are apprehended, tried and convicted, we in Atlanta and Georgia will need your prayers and assistance.

The expenditures associated with the special investigative task force have been extraordinary. Members of my staff met with the Mayor's staff to determine those costs which could be shared or totally funded by the State. As a result I recommended, and the General Assembly appropriated, approximately $200,000. This grant to the city covers unbudgeted expenditures made over a six-month period. However, this amount does not include reimbursement for overtime because the State does not pay its law enforcement officers for overtime. The State will continue its commitment to the operation of the special task force through the utilization of the State Crime Laboratory, assignment of seven full-time investigators from the Georgia Bureau of Investigations and computer specialists from the Georgia Crime Information Center.

After frequent consultations with the White House for additional funds to cover the unbudgeted overtime, a sum of $1.5 million was made available. This funding, coupled with the assistance granted by the state and almost $1 million in technical assistance previously committed by the federal government, will be helpful in keeping the investigative efforts going full-speed until those responsible for the crimes are brought to justice.

Mr. Speaker, Members of Congress, thank you for your support. I am hopeful that with all of our combined efforts we will quickly apprehend the individual or individuals responsible for terrorizing Atlanta's children and families.

REMARKS BY MAYOR MAYNARD JACKSON

Thank you for this opportunity to address the people of our nation through their elected representatives to the U.S. House of Representatives. As Mayor of the City of Atlanta, I bring you today the appreciation, gratitude and respect of the people of Atlanta for the generous and overwhelming concern, solidarity and support which have come to Atlanta from across America.

In Atlanta, we are undergoing a most severe test of our character as a community. The tragic slayings of poor Black children, whether related to each other or not, whether the work of one or more persons, are a most acute manifestation of a malady affecting American society. Day in and day out, the tragic reports of runaway children, child abuse, child neglect, child prostitution and similarly horrible occurrences pile up on law enforcement and social services agencies across America. Obviously, poor children, kept at the margins of our society by

invisible but cruelly effective fences, make the most vulnerable victims.

It is obvious that Atlanta's current experiences have touched a vast reservoir of concern and sympathy among Americans of every economic group and grace. There seems to be an almost universal sense that these tragedies could happen anywhere and that no city in America is immune to similar misfortunes.

Probably one of the few positive aspects of this very negative episode is that we are finding an increased family and community unity and re-affirming our common humanity in response to these tragedies. This is true in Atlanta, where we are re-discovering our interdependence and re-learning that the prospects for a bright and prosperous future are tied to a caring, sensitive and socially responsible present. Atlanta, historically a city of comparatively superior race relations, is drawing together in unprecedented ways. When the need for support arose, Atlantans said yes. When the need for volunteer week-end searchers became evident, Atlantans said yes. When the need for patience and restraint and understanding is critical, Atlantans are saying yes. Such has been the response across America as well, which is why my words today are very much heartfelt.

The people of Atlanta owe a debt of gratitude to the people of America and to the responsible and sensitive leadership of elected officials everywhere who have responded effectively to our special needs. From the municipal officials in Atlanta through the Governor and the State Legislators in Georgia, members of both Houses of the U.S. Congress, and up to the Vice President and the President of the United States, the response has been compassionate, timely, practical and commensurate with the need.

To the people of America, we say thank you and God bless you and offer a prayer, on behalf of all of us, that the tragedies which have brought us together will end and never again be repeated in our midst. We pray, also, that when our adversity ends, Atlanta's and America's increased unity will not.

CHRONOLOGY OF ACTIVITIES MISSING AND MURDERED CHILDREN

The Department of Public Safety has designated the homicides and disappearances of 21 children which have occurred over the last nineteen months as it number one priority. The Department is deeply committed to solving these crimes and its efforts and resources are being primarily directed toward this essential objective.

A two-pronged approach is being implemented by the Department in addressing these crimes—investigation and prevention. Through the Bureau of Police Services, a full-time Special Task Force has been established to investigate these crimes. With respect to prevention, the Department is spearheading a city-wide involvement of Atlanta citizens, and local groups and organizations in responding to this crisis.

All available human and material resources are being pooled in an intensive effort to identify persons responsible and to prevent the further victimization of Atlanta children. As a matter of background the following chronology of activities is presented.

A. INVESTIGATIVE

1. In March, 1980, records involving the homicides of children over the last five years were analyzed by the Police Bureau in an effort to determine any similarities, patterns or trends related to the cases. No common denominator was determined.

2. The Bureau of Police Services, in March 1980, requested and received the assistance of the FBI's Behaviorial Science Unit in Quantico, Virginia in the analysis of all pertinent data related to the cases.

3. On July 17, 1980, the Bureau of Police Services created a Special Task Force to devote full-time effort to the investigation of the missing and slain children crimes. The one sergeant and four investigators assigned to the Task Force were all experienced in homicide and missing persons investigations. Prior to the creation of the Task Force, the Bureau devoted over 6,000 investigative hours to the cases.

4. On August 4, 1980, a meeting occurred of all the Chiefs of Police in the Atlanta metropolitan area to discuss these crimes. Each representative brought any information concerning the disappearances or the homicides of children in their jurisdictions to the meeting and the chiefs worked jointly in attempting to determine any similarities, patterns or trends.

5. On August 21, 1980, the Special Task Force was expanded to a total of four supervisors and 13 investigators.

6. Also on September 9, 1980, weekly briefings between the Task Force members and personnel in each zone on each shift began. These briefings encourage information sharing as well as updating both officers and Task Force members on needed and developed information and clues.

7. A request to Governor Busbee by Mayor Jackson on September 9, 1980, resulted in the establishment of a $10,000 reward fund for information leading to the arrest and conviction of person(s) responsible for these crimes.

8. The assistance of Dr. Lloyd Baccus, a psychiatrist with Emory University, was received in September 1980, to assist the Department in the development of offender profiles.

9. In September 1980, assistance was also received from Dr. Nicholas Groth of the Connecticut State Prison. Dr. Groth, who has extensive experience in dealing with sex offenders and molesters of young children, assisted in the development of offender profiles.

10. On September 9, 1980, assistance was received from the Colorado Springs (Colorado) Police Department through the Law Enforcement Assistance Administration in the development of a computer format for maintaining and sorting related information and clues.

11. In September 1980, interviews began of all previous runaway children in the same age grouping as those who were missing or slain. These interviews occurred to elicit information about the similarities of activities and/or of events of a suspicious nature.

12. Through Special Agent Roy Hazelwood of the FBI (Washington), assistance was received in the development of offender profiles and the processing of taped and printed evidence at the FBI laboratory in September 1980.

13. The Fulton County District Attorney, Mr. Louis Slaton, provided the Special Task Force with the assistance of two assistant district attorneys to aid in addressing legal aspects of investigative activities in September 1980.

14. Also in September 1980, the FBI assigned two special agents to serve as liaison with the Special Task Force. Through the special agents, direct access to the available assistance of the FBI occurred.

15. In September 1980, technical assistance was received from Dr. Larry Howard, State Crime Commission, in coordinating the laboratory analysis of evidence related to the crimes.

16. In September 1980, Governor Busbee's legal staff provided assistance in preparing information concerning the reward fund.

17. Gene Slade, Metropolitan Atlanta Crime Commission, provided assistance in September 1980, in organizing an effort to collect data from police reports for analysis by the Center For Disease Control and the Fulton County Health Department.

18. Sheriff Jim O'Grady, Cook County, Illinois, provided assistance and advice to Police Bureau officials as related to the investigation of the crimes of concern. Sheriff O'Grady has extensive experience on investigations of this sort. His assistance was received in September 1980.

19. Through information received from other law enforcement agencies, Ms. Dorothy Allison, a psychic, provided assistance with the investigation in September 1980. Ms. Allison is noted for using her special abilities in aiding the investigative efforts of numerous law enforcement agencies.

20. In September 1980, the U.S. Secret Service assisted the Special Task Force in providing confidential records on potential suspects for analysis.

21. The State Pardons and Parole Board provided confidential records on potential suspects for analysis in September, 1980.

22. Surveillances of suspects were initiated on a 24-hour a day basis in September, 1980.

23. Also in September, 1980, interviews of persons arrested for other crimes against children began.

24. In September, 1980, the Bureau of Police Services began printing thousands of fliers about the missing and slain children in order to solicit information and clues. In October, 1980, these fliers were distributed throughout the Atlanta community as well as to law enforcement agencies in neighboring jurisdictions and in other states through out the nation.

25. Assistance was also received from the Georgia Criminal Information Center in developing formats for the collection of baseline data in September, 1980.

26. In September, 1980, investigative assistance was received from Captain Robertson, Commander of the Birmingham, Michigan Task Force. Captain Robertson is an investigative expert and advised the Special Task Force members on innovative investigative techniques.

27. By October, 1980, the Special Task Force had expanded to 25 full-time persons. Fourteen persons were assigned from the Bureau of Police Services, two from the Fulton County Police Department, one from the East Point Police Department, one from the Dekalb Police Department and seven GBI agents. In addition, the two assistant district attorneys and two FBI agents were still serving as liaisons between the Department and their respective agencies.

28. On October 18, 1980, the United Youth Adult Conference organized volunteer Atlanta citizens in weekly searches of the areas in which the missing children were last seen. These searches involved an estimated 3,000 citizens and to date have resulted in locating one body and articles which are being examined to determine their relationship to the crimes of concern. The Bureau of Police Services lends support to these searches by assisting in coordinating the search activities. The Bureau of Civil

Defense provides back-up communication support.

29. Mayor Maynard Jackson's Management Information Systems Office personnel were assigned to coordinate and assist in the development of computer programs on October 27, 1980.

30. In response to a request to Governor Busbee by Mayor Jackson on October 27, 1980, the full-time assistance of four GBI investigators and one secretary plus equipment and other technical assistance was made available to the Special Task Force.

31. On October 27, 1980, Mayor Maynard Jackson coordinated an effort to increase the reward fund. Well over $150,000 was collected for this purpose. Varying amounts were contributed by the city of Atlanta, Fulton County, the State of Georgia, television stations, senior citizens groups, local social clubs, merchants and individuals.

32. In November, 1980, ten additional investigators were assigned to the Task Force, from the Bureau of Police Services.

33. The Metropolitan Atlanta Rapid Transit Authority (MARTA) donated office space to accommodate the expanded Special Task Force. On November 7, 1980, the Special Task Force moved into the new headquarters facility.

34. On November 10, 1980, one investigator from the Fulton County District Attorney's Office and one police lieutenant from the Clayton County Police Department were assigned to the Task Force full-time. As of November 12, 1980, 33 investigators were assigned to the Task Force.

35. On November 10, 1980, the Police Executive Research Forum, at the request of Commissioner Lee Brown, arranged for five specialists to provide direct assistance to the Special Task Force. Each of the specialists was highly experienced in conducting complicated homicide investigations: Pierce Brooks of Los Angeles, California participated on the Onion Field Case. Lieutenant George Mayer of Stanford, Connecticut was noted for his assistance in the Parkway Bra Murders. Lieutenant Gil Hill of Detroit, Michigan participated on the Browning Gang Murders investigation and Sergeant Al Smith of Oakland, California worked on the Symbionese Liberation Army case. Detective Charlie Nanton has been involved in homicide investigations in the lower East Side of New York.

36. At the request of Commissioner Brown, the Police Executive Research Forum arranged for a specialist to train two GBI crime analysts on loan to the Department in the Visual Investigative Aids techniques. On November 10, 1980, the analysts were trained in how to visually display and link case information.

37. On November 12, 1980, at the request of Mayor Maynard Jackson, the U.S. Attorney General authorized the FBI to officially enter into the investigations of the missing and murdered children.

38. Also on November 12, 1980, the Bureau of Police Services use of roadblocks was adapted to include a focus on the children's cases. Periodic roadblocks in target neighborhoods were begun to deter/apprehend any abductions of children.

39. Assistance was provided in November, 1980, from Mr. Terry Lenzer in assessing the Special Task Force's system for handling information and scheduling investigations.

40. Through the efforts of Tom Dillion, Fulton County Juvenile Court Judge, questioning of youth detained at the Juvenile Home was begun on November 20, 1980. The youth were questioned in an effort to elicit any information related to these cases.

41. Through the assistance of Attorney Larry Ruff, the Telephone Broadcasting System in Chicago donated a computer dialing system to the Task Force in December, 1980. Through the system, telephone numbers within a two-mile radius are called and a recording asks for and receives information about the children's cases from each person contacted.

42. Dr. William Elsea and a group of specialists from the Center for Disease Control (CDC) began assisting the Department in December, 1980. The group adapted epidemiological investigative techniques to identify populations at risk, specific risk factors and to make recommendations for control and risk reduction measures.

43. On December 15, 1980, retired police officers from the Bureau of Police Services began interviewing arrested persons to elicit any possible information about these cases.

44. On January 2, 1981, the Special Task Force was composed of 63 personnel—including investigators from the Atlanta Bureau of Police Services and 27 recruits, seven investigators from GBI, one officer each from East Point, DeKalb and Clayton County Police Departments, one investigator from the District Attorney's office, three officers from the Fulton County Police Department and three civilian personnel.

45. In January, 1981, Dr. William Rolls of Duke University began evaluating the more than 1,300 pieces of correspondence received from psychics around the country.

46. On January 29, 1981, Mayor Maynard Jackson announced that the entertainer, Sammy Davis, Jr., would conduct a benefit in Atlanta to raise additional funds to support the continued investigations of these crimes. The benefit will be held in the Civic Center on March 10, 1981.

47. On January 30, 1981, Mayor Maynard Jackson and other city officials met with Charles Renfrew and Ken Starr of the U.S. Department of Justice to brief the federal officials on the magnitude of these crimes, the extent of the investigative efforts and to request assistance in expanding the investigation.

48. On February 2, 1981, Mayor Maynard Jackson, Marvin Arrington, President of the City Council and Commissioner Brown met with Governor George Busbee and others to brief state officials and to request assistance in expanding the investigation.

49. On February 16, 1981, changes were made in the operation of the Special Task Force to obtain maximum utilization of existing resources. The changes included assigning Deputy Chief Morris Redding full-time as head of the Task Force, assigning Major W. J. Taylor as Administrative Coordinator and Inspector J. R. Hamrick as Investigative Coordinator.

50. By the end of February, 1981 the Special Task Force was composed of 78 personnel—including investigators from the Atlanta Bureau of Police Services, 24 recruits, 10 members of the field investigation team, seven investigators from the GBI, 2 officers from the Fulton County Police Department, one officer each from, East Point, De Kalb County, Clayton County Police Departments, one investigator from the Fulton County District Attorney's Office, one Atlanta Bureau of Police Services, Community Service Officer and nine civilian personnel.

B. PREVENTION

1. Between July and August 1980, community forums and personal safety workshops were conducted by the Safer Atlanta For Everyone (SAFE) Program and the Crime Prevention Section of the Bureau of Police Services.

2. In September 1980, information packets were distributed throughout Atlanta containing an update on the Special Task Force's investigative efforts, a special bulletin on the missing children, background information on each case, and a safety tip brochure. These packets served to apprise the community of these crimes, as well as to solicit information.

3. On September 10, 1980, the Metropolitan Crime Stoppers film was developed outlining information about the crimes. The film was aired on all local television stations.

4. In September 1980, taped radio public service announcements were broadcast to instruct the public about crime and child safety.

5. In September 1980, personal safety tip brochures were distributed throughout Atlanta to local churches, groups and organizations for distribution to their memberships.

6. In early September 1980, 80,000 child safety brochures were distributed by the Atlanta Public School System to every school-age child. In addition, teachers used the brochures to develop lesson plans focusing on child safety, and officers from the Crime Prevention Section appeared before class assemblies to discuss the necessity for and types of crime prevention.

7. Distribution of information packages containing child safety and crime prevention case information was expanded in September 1980. Various sources including local merchants contributed to the cost of reproducing the packages.

8. Between September and October 1980, the local media greatly expanded the use of public service announcements and other communication tools to provide the community with child safety tips, information about the investigation, and to appeal to the public for further information.

9. Between September and October 1980, public service announcements to be shown on television were developed by members of the Department of Public Safety and professional athletes.

10. The Southern Christian Leadership Conference initiated the Coalition to Save Our Children and the Interfaith Association of Greater Atlanta (IAGA) on October 5, 1980. The Coalition sponsored a Prayer Pilgrimage. The IAGA, a group of religious leaders, sponsored a "Day of Reconciliation" on November 3, 1980.

11. On October 9, 1980, the Soul Patrol conducted crime prevention workshops in the Thomasville Heights Community.

12. Project 12, a church-affiliated group, functions to strengthen the relationship between the community, the police and those churches within the Southside Minister's Alliance. Under the theme "Take a Minute, Save a Child", the group sponsored a rally and parade on October 11, 1980.

13. On October 21, 1980, the Community Relations Commission initiated a coordinating activity of referring persons requesting information or assistance as related to the missing and slain children to the appropriate office or individual. The agency is also offering free counseling by a certified psychologist to anyone affected by these crimes.

14. On October 21, 1980, the Atlanta Bureau of Police Services and the Atlanta Bureau of Fire Services jointly began a door-to-door canvass of all Atlanta residents to deliver information about the missing

and murdered children, crime prevention information, and to directly solicit information from neighborhood residents about suspicious events which may have a bearing on these crimes.

15. On October 21, 1980, added emphasis was given to organizing and coordinating Block Parent Programs in Atlanta neighborhoods. Through this program, certain homes are identified by placards and window stickers, and serve as safe havens for children needing assistance.

16. On October 23, 1980, the Atlanta City Council enacted a city-wide curfew for youths 15 years and under.

17. Local merchants donated funds to print additional personal safety pamphlets for children in October 1980.

18. Beginning November 2, 1980, personal safety seminars were scheduled with child-centered organizations, such as boys clubs, scout groups, local YMCA and YWCA, etc.

19. On November 6, 1980, the Metropolitan Atlanta Rapid Transit Authority (MARTA) began using their buses with radios to monitor activities and to dispatch information to the Police Bureau about any suspicious events observed on neighborhood routes. If necessary, the drivers are prepared to use their buses as safe havens for children.

20. On November 12, 1980, Mr. Ozell Sutton of the Community Relations Services, U.S. Department of Justice, began conducting meetings among community leaders for the purpose of addressing potential racial tensions which may be developing as related to these cases.

21. On November 12, 1980, the Atlanta Falcons, the Coca Cola Bottling Company, Coca Cola USA, and the Northside Jaycees purchased 250,000 trading cards. One side of the trading card depicted a Falcon team member and the reverse side offered personal safety tips for children. These trading cards are distributed to children by police officers while patrolling the zones. In addition to providing children with necessary safety information, the trading cards offer an opportunity for police officers to solicit direct information from the children about unusual events which may have a bearing on the crimes being investigated.

22. On November 17, 1980, the Retired Senior Volunteer Program (RSVP) initiated a senior citizen escort program. Volunteers accompany elementary school children home from school in the afternoons.

23. In November 1980, the Atlanta Public Schools began distributing "Kids Don't Go With Strangers" materials to school children. The materials include records, coloring books, and bumper stickers to create an awareness of the concept among school children.

24. The MARTA publication "Rider's Digest" focused on the missing and slain children cases throughout November 1980, and included pictures of the victims with an appeal to report any information to the Special Task Force. The December issue included an article on the Special Task Force.

25. School system principals also began making daily telephone calls to parents notifying them of their children's absence from school in November 1980.

26. Beginning December 1, 1980, weekly meetings were begun with Fulton County Mental Health personnel and local psychologists. The meetings are to plan strategies for deterring any adverse effects of these cases on Atlanta citizens, especially children. A brochure is planned for parents which will identify the symptoms of and treatment for mental disorders which may develop in children because of these crimes. A conference for parents and others is also being planned.

27. On February 14, 1981, the Department of Public Safety's Mental Health Task Force conducted a public all-day workshop titled "I Am My Brother's Keeper". The purpose of the workshop was to develop means for providing Atlanta children with emotional as well as physical security.

□ 1300

Mr. Speaker, I see several of my colleagues here who are concerned about this matter, and I am extraordinarily pleased to see them here. So let me continue this special order by yielding to my colleagues.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, it is with great solemnity and sadness that I rise to participate in this special order dedicated to the citizens of Atlanta and the tragedy that they have suffered during recent months. Certainly, one of our most treasured national resources is our children. This loss and its psychological impact upon other children is heartbreaking beyond belief. I join the gentleman from Georgia and my other colleagues in expressing condolences to the families and friends of the murdered children and in wishing Federal, State, and local law enforcement officials a speedy end to the unhappy task of investigating this matter.

Regrettably, we cannot even take a small amount of comfort in the notion that this might be an isolated situation. Gratuitous violence is epidemic throughout our Nation, as evidenced by the vicious attack upon the President of the United States yesterday. In my own State of New York, for instance, we have seen a resurgence of antireligious activity directed against honored places of worship. Buffalo, like Atlanta, is a city of fear. The brutal and frightening murders which have taken place there have prompted citizens to arm themselves in ever increasing numbers. The potential for accidental death is alarming.

Mr. Speaker, situations like Atlanta and Buffalo raise the question of what role is appropriate for the Federal Government in a traditionally local area. Its role is limited, of course, but certainly must extend, at the very least, to protecting Federal civil rights and helping the States and localities to cope with emergency situations unquestionably beyond their means. This should be particularly true where local budgetary constraints may be to some degree caused by spending demands imposed upon them in other areas by the Federal Government. However, hasty and unthinking intervention by the Federal Government in a matter such as this may serve as a precedent for future intrusion irrespective of the locality's wishes.

I believe that the administration should be commended for its cautious, but conscientious, approach to the situation in Atlanta. After the FBI provided some preliminary investigative assistance, a task force headed by the Vice President of the United States was formed to provide more comprehensive aid. Finally, when it became clear that the city was unable to fully finance the prolonged investigation, the administration announced that $1.5 million would be made available for these purposes.

The approach has been similar in Buffalo. Soon after Inauguration Day, I wrote the Attorney General and the Vice President, requesting a review of the Federal Government's role in solving the Buffalo murders. I was advised that the Civil Rights Division, the FBI, the Community Relations Service, and the U.S. attorney in Buffalo have all been involved, not only in the investigation, but in the efforts to maintain calm in the city. I urge the administration not to relent in its activities until the emergencies in Buffalo and Atlanta are over.

Mr. Speaker, I believe that it is appropriate for us at this time to reflect upon the factors which lead criminals to believe that they can engage in these acts of senseless violence with impunity. The causes are many, and their interrelation complex.

What stands out is the public perception that the criminal justice system is simply not effective. Too often it is neither to be feared by the offender nor relied on by the victim.

Since earliest societies, man has devised values and structures to assure society of one's person and property. Security against violence is clearly the responsibility of government.

It is beyond dispute that a prime deterrent is police presence. Unfortunately, insufficient numbers of law enforcement officers patrolling the streets has been a monumental problem in New York, and figures provided to me by the Congressional Research Service suggest that, among major cities, Atlanta also suffers one of the lower numbers of police officers per capita. Is it any wonder, then, Mr. Speaker, that someone bent upon perpetrating this kind of insanity would likely be successful? Because this situation has reached crisis proportions and the solution is beyond the budgetary capacities of many cities, I believe that we should seriously consider providing some sort of emergency Federal assistance in this area and I intend to introduce legislation authorizing such assistance.

Mr. Speaker, I want to commend the gentleman from Georgia for so graciously inviting my colleagues and myself to join him in this special order

on the Atlanta situation. Our thoughts and prayers are with that community in its time of need, and we commend the law enforcement authorities and the volunteers from across the Nation who are working so hard to close the final curtain on this tragedy. Again, I hope that the administration will continue its earnest efforts and that it will support any legislative initiative aimed at forestalling similar occasions in the future.

Ms. MIKULSKI. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. I yield to the gentlewoman from Maryland.

Ms. MIKULSKI. Mr. Speaker, I am participating in this special order for the Atlanta children with a mixture of sadness, horror, and anger. I am sad for the families of the children. I am horrified that something like this could happen in our society. And I am angry that justice has not yet been achieved.

The events of yesterday make this special order particularly timely. In the rush of news, few people noticed that another body of a black child was found. The murder of the schoolchildren—and the shooting of the President—bring home again the fact that our society is too violent.

We have got to do something to get rid of the epidemic of hatred in this society—the hatred that results from the deep racial, economic, and sexual divisions in this country.

It is no accident that women, children, and the elderly are the first to be beaten at home by someone's misplaced anger and frustration. It is no accident that working people are subject to severe economic violence whenever the economy is in bad shape. And it is no accident that 21 black children have been killed in Atlanta—and hundreds of thousands more now have to live in fear and terror.

We have got to make the elimination of violence one of our top priorities in the Congress. We have got to give Federal assistance to the Atlanta investigation, so they can find the killer and put a stop to this tragedy. We have got to give assistance to victims of other forms of violence—to shelters for battered women, rape crisis centers, and other programs. We have got to stop giving money to a country in Central America that massacres and brutalizes its own citizens. We have got to stop the glorification of violence on TV and in the media. And, we have got to follow economic policies that are equitable, rational, and do not serve to oppress lower and middle income men and women.

I am wearing a green ribbon for the Atlanta children. It is pinned to my jacket by a pin of the Friends of Children in Poland. I do this because children are linked together around the world. They are linked together because of their vulnerability—their vulnerability to political, economic, and social exploitation—and their vulnerability to physical exploitation and violence. And if we do not care about the children of the world, who do we care about?

I pray every day that the violence in Atlanta will come to an end. My heart goes out to all the people of Atlanta and especially to the families of the victims. But even after the terror has ended, we are going to have to deal with the dangerous underlying issue of violence—particularly violence against the powerless.

I hope that our society can come together—and in an atmosphere of respect, trust, and nonviolence, work out the differences that exist between us.

Mr. GILMAN. Mr. Speaker, I am pleased to join the gentlemen from Georgia in this special order concerning the tragic situation in Atlanta and commend him for affording me this opportunity to express my concern about the continuing deaths of young children in Atlanta, and the fear that has seized an entire city since this killer has begun this reign of terror.

Today's society is confronted with a mass of doubts, fears, and violence which makes even the most secure individual wary of his neighbors. To force little children in Atlanta to live under this fear is inhuman—and the basic right that children should have security, happiness, and the freedom to grow is being infringed upon.

I believe that there is a proper role for the Federal Government in helping Atlanta meet the tragic situation. Whenever one child is killed our world is so much poorer.

We must not take comfort in the fact that violence has spread throughout the world. It is not something that children would understand. We simply cannot allow this violent crime to continue to fester and grow—to allow ourselves to be victimized by terrorism, to allow terrorists to walk the streets stalking our children.

The mental and emotional burdens that Atlanta children will be forced to bear will accompany these children for years.

This week's violence in Washington, the murders in Atlanta, in Buffalo, and in many other metropolitan centers throughout most of our Nation are indicative of the critical nature of this tide of violence sweeping across our land and the urgent need for the Federal Government to provide proper and adequate support for our local police agencies in their fight against violent crime.

Mr. FOWLER. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for his concern and for his participation.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. I yield to the gentlemen from Georgia.

Mr. LEVITAS. Mr. Speaker, I thank my colleague for yielding.

Mr. Speaker, I want, first of all, to commend my colleague, the gentleman from Georgia (Mr. FOWLER), for taking this time so that appropriate comments can be made about the tragic situation involving the missing and murdered children which has been going on in the city of Atlanta for a number of months now.

Second, I would like to say that today, following the violent events of yesterday, it is especially appropriate for us to focus on the total problem of violence in our society.

The morning brought with it the good news of the President's recovery, and for that we all have prayerful thanksgivings. He is the President of all Americans, and when a President is struck down by an assassin's bullet, it makes us all realize the vulnerability of everyone in our society, the vulnerability of all of us as potential victims of violence. The attempt on President Reagan's life stunned us all; it makes us stop to think about the causes of violence and violent crime; and its outrage moves us to devote ourselves to seeking answers.

So it is with prayerful thanksgiving that the good news about the President's survival and recovery, and we pray for the recovery of the three others who were shot in that horrible incident. We hope from this that we may learn lessons and become better for it.

Each of us is grieved and concerned and troubled by the events in Atlanta involving the missing and murdered children. Three of the murdered children have been found in my own district, and local police officials there are working around the clock to apprehend the killer or killers. I have participated in the weekend search efforts by thousands of citizens of all races and walks of life. So I have a particular understanding of the problems presented by this case.

But it must be difficult for others, outside the Metropolitan Atlanta area, to appreciate fully the tension and fear that grip the city, and the rumors that can be spread in such an atmosphere. Therefore, I would like to bring to my colleagues' attention an essay from the Atlanta Journal-Constitution by Durwood McAlister, editor of the Atlanta Journal.

Mr. McAlister points to a most damaging effect of this atmosphere of fear—the suspicion in the city's poorer black neighborhoods that "if it ain't the Klan, then it's the cops"; that Atlanta policemen are responsible for the killings. These fears are groundless, but still the rumors persist, undermining the community's confidence in the police.

In this regard the police are doing their job. Others, however, who feed

these rumors by charges intimating various conspiracies to strike at the black community are only being irresponsible. Instead of calming tensions in the city, several leaders' remarks have poisoned the climate of the city even further.

Mr. McAlister concludes by noting that police efforts will succeed only if they have the full backing of the community, and that creating a climate which destroys this confidence only encourages a vigilante mentality and impedes efforts to resolve the killings. This essay presents a balanced appeal for calm and understanding in Atlanta, which I submit for my colleagues' consideration as follows:

[From the Atlanta Journal-Constitution Mar. 15, 1981]

FEEDING A DANGEROUS RUMOR

(By Durwood McAlister)

"Most of the folks in the community believe if it ain't the Klan, then it's the cops."

Those words, spoken by the mother of one of Atlanta's slain children, gave voice to a tragic, irrational fear that has swept through the city's poor southside communities.

There is no logic to it, no reason, no evidence of any kind to give it legitimacy, but it is real.

It is one more bitter fruit of the frustration and anger which grips the city as the child killings go unsolved and the murderer remains free.

Of all the traumatic side effects of the murders—and there are many—this may yet prove to be the most damaging.

In recent years, Atlanta's police, under the leadership of a black police commissioner and a black chief, have built a reservoir of confidence and good will in the poor black communities. That has been a vital, stabilizing force that has helped the city through some difficult times.

Now a groundless suspicion, spawned by fear and fed by reckless rhetoric, threatens that confidence at a time when it is most needed.

It is not "the cops" who are killing the children. Nor is there any evidence to suggest that it is "the Klan" or any other group. It is difficult to accept that so much terror and heartache could be caused by twisted individuals acting alone; but there is every indication that is exactly what is happening.

Still the destructive rumors and damaging suspicions running wild in the black community need little sustenance to keep them alive. And they are getting a great deal.

The police themselves, knowing the danger, have reluctantly fueled those suspicions by announcing that they are investigating their own ranks in the search for the killer.

They have not done so because they truly believe a policeman is committing the crimes but because, in their desperation, they are determined to investigate every possibility, however remote.

The police are acting responsibly. They recognize that an authority figure, in uniform, would have an easier time than most persuading black children to get into a car with a stranger.

What they are doing is necessary. But others who are feeding the rumors with baseless charges that sinister, unnamed conspirators are responsible for the killings are being recklessly irresponsible.

Black leaders who have the trust of the community should be working night and day to calm the fears, to refute damaging rumors and to strengthen the bonds between the community and the police and other institutions devoted to their welfare.

Instead, they are helping to poison the atmosphere.

Even Joseph Lowery, the respected president of the Southern Christian Leadership Conference, has contributed to the paranoia. "They kill our children to destroy us," he said, "and all they did was set in motion a new movement for equity and justice." Ridiculous.

"They" are not killing anybody. We are dealing with a heinous crime and "they"—we—are desperately praying that the crime will be solved and the killer caught before he strikes again.

The only "movement" that can be born of such a tragedy is a determined, concerted effort to make the streets of Atlanta safe for all children. That is the kind of "movement" that can and will be supported by all decent people, whatever their race.

The burden of that effort will fall—as it must—on the police. And they can succeed only if they have the full confidence of the community.

Those who create an atmosphere which allows that confidence to be undermined encourage a vigilante mentality and invite a dangerous contempt for authority.

The police need help, not hindrance. Unfortunately, those who could give the most help are doing the most harm.

Despite the tensions and fears in the city, the tragedy of the missing and murdered children in Atlanta shows how a common problem can unite a community. The suffering and tragedy in Atlanta have made this Nation realize that these killings could happen anywhere in this country. As we consider these murders in Atlanta today, we must keep in mind their potential causes; whether they be the general widespread violence of contemporary society, a lessened concern for individual human life, the hideous acts of a deranged mind, or the problem of poverty. These root causes are not confined to Atlanta, and catching those responsible will not alleviate the possibility of further crime in Atlanta or elsewhere.

No death is more painful than that of a child, and the random brutality of these deaths makes our pain especially sharp. But we in Atlanta do receive some measure of solace from the outpouring of national concern. The rallies, marches, ribbons, and unsolicited contributions to the city from around the country testify to America's concern for our city's children. The actions of the Congress and the President in responding with Federal assistance show that this concern has been understood and acted on. The citizens of Atlanta are grateful for their Nation's compassion, and are hopeful that it will signal a swift end to this tragedy.

Mr. FOWLER. Mr. Speaker, I thank my colleague, the gentleman from Atlanta, Ga., Mr. LEVITAS, not only for his statement but for his support of the investigative efforts in our city and his public participation toward the solution of these tragedies.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, first of all, I want to express my personal dismay and sorrow at the tragic circumstances of the families and residents of Atlanta who have experienced a series of the most inhumane and baffling crimes in recent times.

In addition to my own personal support of efforts to help resolve and bring to an end this continuing and seemingly endless tragedy, I want also to commend President Reagan and his administration for the efforts which they have undertaken in support of the law enforcement and other investigative agencies of the city of Atlanta. Almost $1 million was allocated from Justice Department funds as a first tangible measure, supplemented later by $1.5 million from other Federal sources to help in the search for the criminal or criminals responsible for perpetrating these heinous crimes.

I could not stand here, however, without criticizing some earlier actions of this body—and recalling other events in recent years which have contributed to making the city of Atlanta and other urban centers of our Nation more vulnerable to crimes of violence than they ought to be.

The problem of violent crime in our Nation, and particularly in our urban centers, is not a new threat to our domestic tranquillity and stable society. Crime in the streets was the principal basis for the enactment of the Omnibus Crime Control and Safe Streets Act of 1968, which established the LEAA and the National Institute of Law Enforcement and Criminal Justice. I had a personal involvement in this endeavor to provide some Federal leadership, support, and direction to local and State law enforcement agencies to help combat the problem of violent crime in America.

The apparent dissatisfaction with LEAA in some States and localities appears to have been the principal basis for the virtual abolition of this agency—the only Federal program directed against violent crime at the local and State levels. It is regrettable that the Carter administration was able to achieve this goal, since the LEAA operated in an effective and worthwhile manner in most jurisdictions. Without this useful Federal agency, our efforts here in the Congress of the United States and at the Federal level are sharply restricted, and we should all recognize that. Indeed, the tragedy of Atlanta may itself serve to impel us to reestablish a Federal agency or mechanism by which Federal resources may be em-

ployed for monitoring, evaluating, and disseminating information and support for useful anticrime projects and measures which may be established throughout the land in those communities where such projects and programs are urgently needed.

Neighborhood anticrime programs, sting operations, victim-witness crime protection, and domestic antiterrorist assistance—all of these and other Federal aids should be made available to the city of Atlanta and other urban areas in our Nation on a continuing basis, if we are to do anything about meeting the ever-mounting problem of violent crime in the streets of our cities.

To renounce any Federal responsibility on a domestic problem as critical as crime in America seems to me to distort the principle of federalism and to risk a demand for measures which would reach far beyond the principles inherent in LEAA—minimizing Federal bureaucratic regulations and control and maximizing local decisionmaking and administration.

Mr. Speaker, without detailing or even revealing elements of a conference held recently in Williamsburg, Va., wherein the Attorney General, the chairmen and ranking minority members of the House and Senate Judiciary Committees, the Chief Justice of the United States, and others concerned with the administration of justice appeared, I can report faithfully that these leaders in our system of justice characterized violent crime as the top-priority subject which requires the most urgent attention by our executive, legislative, and judicial branches.

The tragedy of Atlanta bolsters this view. It is not simply that we have given too much attention, too much relief, and extended too much compassion to the criminal elements of our society. It is rather that we have devoted too little attention, too few resources, and inadequate initiatives to the subject of investigation and prosecution of the criminal elements in our society and the penalties these criminals deserve following their conviction.

Again, let me express my compassion for the families of the victims and for all of the residents of Atlanta. Let me also pledge my support for such appropriate Federal steps as may be taken to bring about the speedy apprehension of the criminal or criminals involved, as well as such other steps that might help avert similar tragedies in Atlanta or elsewhere in our Nation.

Finally, I wish to commend the gentleman from Georgia (Mr. FOWLER) for his sponsorship of this special order so that we in this Chamber might express our concern and our determination to do everything possible to bring to an end the tragedy of Atlanta, to bring relief to the grieving hearts in that city, and to restore strength and confidence to our Nation, which is now threatened more critically by rampant violent crime than ever before in recent history.

Mr. FOWLER. Mr. Speaker, I thank the gentleman from Illinois (Mr. MCCLORY) very much.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. FOWLER. I yield to my other colleague from Atlanta, the distinguished gentleman from Georgia (Mr. GINGRICH).

Mr. GINGRICH. Mr. Speaker, I thank my colleague for yielding.

I want to join in commending the gentleman from Georgia (Mr. FOWLER) for holding this special order, and I also join with him in feeling saddened at the need for this dialog, the problem that we face in America today affects all of us, whether children or the President, whether surrounded by Secret Service agents or walking home alone in the afternoon from school. It goes beyond merely our prayers and our hopes that in Atlanta we can soon find the person or persons who have engaged in one of the most heinous of all acts in society, the killing of children.

We all recognize that beyond Atlanta's need and Atlanta's concern, America in recent years has had an epidemic of irrational violence, an epidemic of crazed people acting out their fantasies and their pain on society at large.

Mr. Speaker, I want to commend my colleague for giving us a chance to talk together today and to begin, particularly on this day after the attempted assassination of the President, to talk among ourselves about the kind of changes and the kind of rethinking that are necessary if we are to knit together again a society healthy enough for all of us to be safe.

Mr. FOWLER. Mr. Speaker, I thank the gentleman from Georgia (Mr. GINGRICH) not only for his statement but also for his cooperation in his public capacity toward finding a solution to these terrible tragedies.

● Mr. BARNARD. Mr. Speaker, since the first black child was reported missing in Atlanta 20 months ago, the eyes of America have become focused on that city. From all across the country we have listened and watched with horror as the number of murdered children has increased from 1 to 21.

We have come together today to express our shared sorrow and frustration over Atlanta's continuing ordeal with the realization that this tragedy touches our entire Nation. We grieve with the parents and people of Atlanta because we understand that what is happening there could as easily have occurred in any one of our cities. Such a crisis, whose psychological impact is being felt in communities across the country, is clearly a matter of national concern.

Recognizing this fact, the administration has been responsive to Atlanta's requests for assistance. Funds totaling nearly $2.5 million have been provided to help the city meet the extraordinary expenses associated with this tragedy, and additional manpower and technical assistance have been provided to support the city's investigative efforts.

Continuing Federal response to the situation is, in my view, both necessary and appropriate. Though all of us pray for a conclusion to this ordeal, it is my hope that, if need be, the Congress would act swiftly to appropriate additional funds to sustain Atlanta's law enforcement efforts.

At the same time, I call upon all Americans to unite with the citizens of Georgia in full support of Atlanta's investigation. As time passes and frustration mounts, it is understandable that the families and friends of the victims should become impatient standing helplessly by while the threat to their community continues. Greater harm and injustice can result, however, when citizens take the law into their own hands.

I therefore urge all Americans, and particularly Georgians, to assist the Atlanta police with their eyes and their ears so that these senseless killings may be brought to a swift but peaceful conclusion. Throughout the country, let this crisis renew a spirit of cooperation between citizens and law enforcement officials, so that now and in the future, the playgrounds and streets of all America's cities will again be safe for our children.●

● Mr. COELHO. Mr. Speaker, as one reads the daily accounts of the tragic murders in Atlanta, one must feel a great deal of admiration for the citizens of that city. Surely this must be one of the most difficult times to which they have been exposed, and their cooperative effort in an attempt to end this nightmare is certainly admirable.

I join with the countless thousands in expressing my sympathy to the families involved; and I pray that we will soon see the end of this matter.●

● Mr. LANTOS. Mr. Speaker, I am both sad and angry that we must join in a special order to address the terrorism which has been perpetrated against families and children in Atlanta. Such a special order should be unnecessary. Such cruel acts should not occur in a civilized nation.

In a society based on equality, human dignity, and individual freedom through social responsibility, our children should grow up strong and nurtured. They should live through childhood protected and safe from abnormal fears.

However, it is necessary to speak today, even though I wish it were otherwise. It is necessary because 20 black

children have been murdered in Atlanta. The continuing unfolding of these events chills the heart of every American. Parents everywhere identify with the grieving families and share in their loss. We are all shaken by uneasiness and uncertainty by the questions as yet unanswered. We are stirred to profound anger, made more intense by our collective and individual helplessness.

The terror that permeates the entire black community of Atlanta is felt across the country. Violence directed against minority groups is violence against the entire Nation. It should be treated as such. These are our children. The children of Atlanta, black or white, are the children of America.

It is not enough that we direct all available resources to solve the crime. We must seek ways to unite communities when tragic and violent events threaten to divide them. We must join as a nation to insure that the fires of racism are not fanned by these incidents.

The President, on behalf of the Nation, has provided some Federal funds to assist in the apprehension of the criminals and the protection of the young. We must search for more effective ways to protect all children from criminal abuse, as well as find ways to heal the psychological scars which these abominable events have produced.●

● Mr. CORRADA. Mr. Speaker, It is with a great sense of sadness and outrage that I join our colleagues today in expressing our sorrow to the families and friends of the children in Atlanta who have fallen victim to a vicious and sick killer.

We pray that the killer will be caught soon before more innocent lives are lost. For the children of Atlanta, paticularly young black boys and their families, the anguish and fear continues, at the expense of their mental and emotional stability. For it is a great tragedy when we, as parents, have to instill fear and mistrust to our children. But this the parents of Atlanta's children must do to insure their safety.

The policy in Atlanta theorize that the killer is a person of authority and one who instills confidence from the children. Otherwise, how can so many children have gone with him without so much as a fight?

And unfortunately, the situation which exists in Atlanta is evidence of a climate of violence that surrounds our society. At an age when children should be allowed to be independent and to learn to deal with society as they become adults, we have to teach them to be extra careful and to mistrust adults for fear of danger to them. We are thus creating insecurities in our children; insecurities which will remain with them for the rest of their lives.

The tragedy in Atlanta is, as a result, not only limited to the families and friends of the children that have died, but makes us all the losers by fomenting fear and mistrust amongst ourselves.

I join with all my colleagues in praying for those who have died and are missing and for the prompt arrest of the killer who has created such havoc in so many lives.●

● Mrs. COLLINS of Illinois. Mr. Speaker, I am humble enough to acknowledge that all I say here today is only the tip of the iceberg in our struggle to solve the problems of our urban communities. The desperate plight of Atlanta is generating shock and signs of distress throughout our land. Could it be that Atlanta's problem has festered—full of the complexities of the urban American crisis?

Atlanta, Ga., in 1981, is the subject of grave national concern. Our black children are disappearing in that southern city. To date, 22 have been found dead and 2 others are classified as missing.

Have the worsening economic conditions and the current contrary attitudes toward societal and governmental programs in behalf of minorities and the underprivileged produced an atmosphere that tolerates these acts of brutality directed against our youth? Events in Atlanta in recent months have heightened these fears in the minds and hearts of many throughout our Nation.

Social scientists, sociologists, and historians suggest that when our country suffers economic chaos and discontent, acts of violence have increased. Many individuals mischannel their anger and look for a scapegoat. When times are hard, insecurities are bred and people have a psychological need to blame someone for their own predicament. In such a climate of hostility, the acts and activities of those striking back at children are looked upon with disdain. It appears that a new negativism is on the rise and it is a frightening, sickening situation.

Someone is ruthlessly killing our young. Their helpless, innocent minds are being led down a path of no return. Everytime I hear or read about another child's death in Atlanta, I die a little inside too. It is obvious that a hand more disastrous than imaginable is stalking Atlanta's streets, unseen and unsuspected, erasing our children from the face of the Earth. These deaths have become the awful reminder of the limitations of our law enforcement in a land that is supposed to protect the rights of all citizens.

Twenty-five FBI agents, scores of county police working night and day on the case, 35 investigators of the Atlanta police and the special task force dispatched by President Ronald Reagan have been unable to solve the mystery.

Atlanta's problem is the entire country's problem. Such an observation is an unfortunate commentary on our society. Regardless of the moral issue involved, we must continue to deal with the question of how to arrest the psychopathic feast of this demon, or demons, within our culture.

On Friday, March 13, while President Reagan was announcing additional funds for Atlanta at the White House, Capitol Hill employees held a special memorial service for the deceased children. One of the most touching moments of the program was the rendering of a letter written and read by 9-year-old Erica Lomax of Keene Elementary School here in Washington, D.C. I would like to share her comments with you now:

Distinguished Guests, Families, and Friends:

I am truly honored that I have been given the opportunity to speak to you today.

I am only sad that we are not here for a joyous occasion, but one that has shocked the nation and filled our hearts with grief.

But in my own way, I feel that I must speak out to say only what is in my heart.

I am a child, special in my own way, as unique as each star that shines in the heavens.

I look forward in my life to growing up. I will someday graduate from school, go to college, have a career, a marriage, and children. A cycle that must go on, for this is the way of the world. But stop for a moment, and think of the children of Atlanta, the harmless children, who have died a cruel death at the hands of some unfeeling monster. That someone who to this very day roams free to kill children, that someone who has made us all afraid. Afraid of the stranger who walks behind us on the way from school, who brings fear when we are alone for a moment away from the protecting eyes of our families.

I think about those children who have died in Atlanta. I know that they will never graduate from school, go to their first dance, to college, have a career, a marriage, or families. I say to myself, dear Lord, who has the right to take away the joys of childhood? And isn't it a shame that this killer haunts us like a shadow in the night? That killer will teach us many things, like how to be afraid, how not to trust, and how to hate, because we don't understand why someone would kill. We are taught that bad people die, does that mean that those little children were bad? I don't think so.

Never forget the children of Atlanta, they were just like me, they were your son's, your daughter's, your brother's, your sister's, the little kid next door, the playmate on a rainy day, someone you could tell your secrets to, or argue with, about any little thing. They were children who could laugh, cry, dance, and above all, love.

Never forget that most of the things that children want from life are the simple things.

We just want to learn, have fun, make friends, and have people love us, and most of all, *we want to grow up!!*

I would like to close by saying this to the children that have died in Atlanta.

We shall not forget you, we shall forever mourn your loss, perhaps you have gone on to a better world, for you are, and forever shall be children of God.

No one will hurt you now, No one will cause you tears, for I know deep in my heart that you rest in the arms of the Lord, and there you will be children again.

Play in the skys of heaven, dance in the clouds and the wind, let the angels be your playmates, and know you are forever loved.

The U.S. Supreme Court has affirmed that the Bill of Rights and the 14th amendment guarantee due process to children; it also declared that an adolescent is entitled to the same procedural safeguards as an adult. However, our children's rights continue to be violated in Atlanta.

These young, helpless black victims have been shot, stabbed, and bludgeoned to death. It is my belief that society has the responsibility to aid those, including our young, whose lives are adversely affected by crime.

The great black poet, Countee Cullen, in observing the plight of his people during the Harlem renaissance, wrote in the final lines of one of his many masterpieces, "Yet Do I Marvel," the irony of his ability to endure the injustices of his native America, and still be able to create. Cullen, an absolute genius wrote:

Yet Do I Marvel at the Curious Thing
To Make a Poet Black * * * And Bid Him Sing.

Yet do I marvel at this curious thing: That is the survival of our black children through these times of pain and suffering—through injustices inflicted on our youth for the past 19 months with no just retribution to date. We need only examine America in 1981 to understand that Cullen's dilemma still lives with us 50 years later.

In a nation that boasts of its democratic processes, we find ourselves relatively powerless. In an age of technological innovation used by police enforcement agencies, the FBI, and a special Presidential task force, we are still unable to provide adequate protection for Atlanta's children, even within the boundaries of their own neighborhoods. Our youth are incapable of challenging the oppressive situation confronting them on a daily basis.

We must insure that our young daughters and sons are protected, and see to it that all of our children have an opportunity to grow up without the fear of being maliciously murdered en route to school, to church, or to the corner store. We must not only insist that our neighborhoods be made safe for our children, our women, our elderly, but we must also insist that our streets be made secure from bloodthirsty headhunters.

However, if all Americans use their collective forces to bring an end to these useless murders, it will achieve a peaceful and expeditious resolution of America's deplorable situation.●

● Mr. AuCOIN. Mr. Speaker. I want to thank my colleague, Mr. FOWLER, for this opportunity to join in an expression of shared grief for the tragic and senseless murder of the innocent children in Atlanta.

Today, we can send the families in Atlanta our deepest sympathies, and our united support for all efforts to bring this horror to an end. We can also let them know that theirs is not a lonely vigil. America shares their suffering, their despair, their rage, their fears, and their frustration.

Last week, the Black Leadership Forum expressed its conviction that these murders were not the result of a racist conspiracy, calling on the American people to respond, not with violence, but with prayer and a renewed determination to wipe out prejudice and insensitivity to the plight of the poor and needy in our society. I am thankful for the forum's leadership, and add my prayers and support.●

● Mr. MITCHELL of Maryland. Mr. Speaker, first of all, I would like to commend Congressman WYCHE FOWLER for providing the time for this much needed discussion of a very critical issue. The slaying of over 20 children in Atlanta, Ga., is clearly indicative of the sickness which is eroding the fibers of our society.

Violence is becoming more and more a way of life throughout our Nation. The Atlanta slayings and related attacks against children are very cogent symbols that we are moving further away from the highest regard for human life.

It frightens me deeply to acknowledge the significant psychological damage which is growing among all children due to the recent incidences. While the victims of these murders have all been black, it is no secret that such acts of violence do not discriminate. The fundamental question we must face now is that any child may be forced to live in fear during every phase of a day's activity. Surely, the increased number of weapon-carrying schoolchildren; momentary periods of panic if a parent is late picking up a schoolchild; and decrease in academic achievement, are not peculiar to the findings of several Atlanta psychiatrists, psychologists, and mental health officials. The feelings of distrust, fear and apprehension will spread among all of our Nation's children as they begin to dread functioning in everyday environments. This is a sad outlook for our future.

Another fundamental question which is magnified in the minds of those who fear for human safety, is the continuing focus away from human needs. We are forced now to question if whether or not the evils of poverty, deprivation, and unemployment may be so deep rooted in our society that respect for human life becomes secondary to mere survival. We are also forced to question the validity of continuous violence as romanticized and glamourized on our television and movie screens.

The situations in Georgia, Florida, Maryland, and throughout most regions in this country leave us frustrated and angry. They leave us to question the basic responsiveness of authorities who must become more adamant in the protection of human lives. However, they must not lead us to take the law into our own hands.

The widespread acts of violence must also remind us that the protection and preservation of human lives are cross-jurisdictional. When as many as 21 lives are lost, it cannot be pegged as a State or local government matter. Both the President and the Congress realized this, and I laud the dispersal of Federal funds to Atlanta, and the efforts to appropriate $1.5 and $1.8 million for use by this city.

We have to examine closely the climate that motivates and encourages psychotic violence. The violence of racism, the aforementioned influence of television and movies, and the violence of war and militarism—all of these inevitably get reflected in individual behavior to a greater or lesser degree. The psychotic killers who murder our children in Atlanta or anywhere else are victims of this climate and have apparently been affected to a greater degree.

We cannot excuse this behavior. However, we can and must deal squarely with the environment which fosters such actions.

Several sociologists tell us that most of the slain Atlanta children come from public housing neighborhoods which are more vulnerable and conducive to human mistreatment, abduction, and even death. Such conditions and incidences are not limited to this region of the country. Right here in Washington, D.C., children from low-income housing projects are becoming more and more susceptible to conditions of drug abuse and molestation. Here, the elimination of unemployment, underemployment, and poverty must precede the eradication of such criminal acts.

It is not easy to warn the blacks of Atlanta to stay away from theories that the acts of violence against 21 black children are conspiratorial in nature or racially motivated. The pattern of systematic murders, rapes, additional overt and covert actions against black citizens in the South and throughout this country is still just too prevalent. However, we must assist in the efforts of Mayor Maynard Jackson, the numerous task forces, and concerned citizens in addressing the problem in a rational way.

Again, until we eliminate the fundamental societal ills, we cannot be shocked at deviant behavioral patterns of violence, irresponsibility, and total disregard for human lives. There is

little help in calling on citizens to care about each other when increasing inequities among neighborhoods, schools, living standards, and opportunities have become a way of life.

Those of us who are in a position to have impact on public policy must stand firm against further inequities and burdens on our children, elderly, and low-income citizens. We must promote the kind of solidarity which has been displayed as citizens across the Nation have rallied behind the victimized Atlanta families. Most importantly, we must not be afraid to oppose and openly attack racism, chronic unemployment, poverty, injustice, and other societal ills which cloud any efforts to provide equal opportunities for each and every citizen.●

● Mr. HANCE. Mr. Speaker, I think it is extremely important for this body to take note today of the terrible tragedies which have occurred in Atlanta involving the killing of America's children. It is our duty to let those persons responsible for these senseless killings know that Congress will not stand idly by ignoring this great travesty of justice.

We must lend our full support behind law enforcement efforts to bring this matter to a swift conclusion. We must let the people of Atlanta know that the Congress, and the people of the Nation, stand behind them during this ordeal. And we must begin today to solve the criminal and social injustices which bring about problems such as this in our great Nation. Thank you.●

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from Georgia (Mr. FOWLER) for taking this special order so that we can discuss the tragic and deplorable situation of the 22 missing or killed black children in Atlanta. Speaking on behalf of the citizens of the 21st Congressional District of Ohio, I would like to let Mr. FOWLER, Mayor Jackson, the families of the slain children, and the citizens of Atlanta know that they are not alone in this time of sorrow and that our prayers are with them every waking moment.

Since the first black child disappeared on July 20, 1979, the city and decent human beings throughout this Nation have been in a state of shock and turmoil. Just last evening, Mr. Speaker, in the midst of the tragedy here in Washington regarding the President, I hear on the news that one of the two remaining missing children was found dead, bringing the death toll to 21. Needless to say, my heart was saddened and I realized what a nightmare we are experiencing in this country today.

My first thought at that moment was how can a country like the United States which is considered to be civilized have an atrocity like the killings in Atlanta go on. Mr. Speaker, we have sick individuals in Atlanta inflicting pain and taking the lives of innocent childen. They must be stopped.

The dead children are a loss for both their families and the city of Atlanta. They are also our loss. For, Mr. Speaker, our children are our most vital resource. They are, indeed, our link to a better tomorrow and to future achievements. We will never know what outstanding doctors, lawyers, and human beings those children would have been because their lives were snuffed out in the sunshine of their youth.

With those thoughts in mind, Mr. Speaker, I know that the only way we can bring this nightmare to an end is to work together. I think that Mayor Maynard Jackson and the other city officials have done a yeoman's job in light of their fiscal constraints.

Mr. Speaker, as my colleagues know, there are several bills which have been introduced which appropriate funds for the investigation in Atlanta. I urge my colleagues to act on these bills as soon as possible. We cannot wait another day because in 1 more day, another child may be missing and that means that one more vital link to our future will be taken away.

In closing, I urge my colleagues to work together. This is not a partisan issue but an issue of human life. Therefore, we must work and walk together as brothers and sisters for a brighter tomorrow.●

□ 1315

PRESIDENT REAGAN'S TRAGIC ATTACK BY ASSAILANT IS BEING USED BY ANTIGUN LOBBY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, the senseless and demented attempted assassination of President Reagan and the striking down of three valiant Americans with him is properly decried by all decent Americans as well as men of good will throughout the world. Outrage and anger are proper human expressions reserved for incidents such as this. All of our best wishes and prayers go out to the President and his family. My own shock and anger might possibly go deeper than most Americans because of my long, 20-year personal association with President Ronald Reagan. I have always been able to count on him as a true friend with whom I have enjoyed working and who responded on every occasion when I asked him for help, personal and political. My sympathies and thoughts transcend those which we all normally feel in time of a tragedy.

It is also with a touch of sadness and anger that I observe the very logical knee jerk response of the antigun enthusiasts throughout the country who, as in the past, seize on such an opportunity in an almost maudlin way to advance their unpopular cause. They always seem to have two themes: Attack the United States as a bad, violent nation and then blame our violence on the law-abiding citizen who constitutionally, peacefully owns and uses a firearm.

Last Saturday night, I spoke at the spring banquet of the Deerhunters Association at Shelby, Ohio. A more honorable, pro-American, pro-family group of citizens could hardly be assembled under any banner. My thoughts were continually of them and the thousands of other loyal Americans that I have broken bread with in the past few months. A week ago I attended the Ducks Unlimited Banquet in Sandusky and shortly before that the annual dinner meeting of the Woods and Water Conservation Club in Cleveland. Just before that the Conservation Club in Stark County. The list could go on and on.

As I was flying back this morning, during my hour's respite in the skies, my thoughts went to these fine, wonderful people who would suddenly be the targets of the radical activists who, not content to change society in ways that have contributed to the spate of violence we all deplore, now want to use the assault on President Reagan as a launching platform to further their aims.

I can say categorically that 99 percent of the sportsmen, hunters, conservationists, gunowners, and collectors I know rarely point a finger at their fellow Americans even when unfairly attacked, let alone a firearm, or ever threaten them or stand as any link in the chain of crime and violence that grips this country. Maybe they should point the finger a bit more. Maybe they have been too reticent and too inclined to dutifully play the role of the productive, hard-working, silent majority American who works and produces while many of their fellow Americans scream and attack.

Let us put the climate in our country in its proper perspective. Let me ask a few questions and you answer them in your own minds. Possibly your personal answer to questions such as these will come closer to assessing why there is a tendency toward violence in our society.

Whose philosophy says everything must change? Whose theology suggests that God is dead and individuals are preeminent and should decide for themselves?

Whose philosophy indicates the Constitution is outmoded?

Whose philosophy says you can riot, take to the streets, commandeer uni-

versity buildings with impunity and, what is more, the other side is always wrong because it is the establishment?

Whose philosophy appeals to class, race, and section?

Whose philosophy coddles the Communists, says there is no danger of communism and produces so-called leaders who proudly proclaim that Communists were never any threat to them?

Whose philosophy downgrades the American system, suggests that working is square, profits are evil and a leisurely, parasitic life is to be extolled with sex, drugs, and thrills being the gods?

Whose philosophy produces the young men and the young women who take to the streets where they become enmeshed in drugs and communal life with the all too often result that they rob, steal, kill?

Whose philosophy prevails on the courts to throw out reasonable laws to prosecute and incarcerate the criminal, protecting the public; and to negate laws of society on pornography and smut, thereby helping to further promote an anything goes way of life?

Whose philosophy sees the military, the FBI, and the CIA as well as the police as their enemies while lionizing those who steal Government secrets or endeavor to subvert our country. Remember the campus cry that Ho Chi Minh was their friend?

Whose philosophy has created violence as a tool of protest and radical advocacy whether in the name of civil rights, campus reform, social justice or racial extremism—whether under the banner of the S.L.A, S.D.S., Ku Klux Klan, or the Black Panthers?

Whose philosophy has developed a counterculture in our society which minimizes the value of the family, downgrades work and achievement while demanding that the taxpayers create a welfare state to support them as they aimlessly travel the country adding little to mankind?

Harsh words you say, too strong. Not strong enough, I say. We have allowed these people to change the traditional values in our society with a tolerance and acceptance which borders on sinful. That good people have not stood up to this liberal/leftist social revolution must rank as one the saddest episodes in American history. Only in the past few years has the tide begun to change but the bitter seeds which have been planted have borne their fruit. We see it in the lack of discipline, irresponsibility, and violence among an increasing number of our young people. Why is the greatest concentration of the violent-prone, criminally inclined American in the 18 to 25 age group? Study what they have been led to believe by those who advance the ideologies I have just cited.

These ideologies, I would point out, are not those of the patriotic, conservative, traditional minded American who respects the law and lives by it. You will not find that type of thinking in Sidney among the conservationists or at the Woods and Waters Meeting in Cleveland. It is totally alien to them and their way of life although yesterday's incident, like rampant crime, invades the life and social environment of each one of them.

Having watched the sixties unfold when the radical leftists in our society endeavored with too much success to rewrite America, I have no question in my mind where a great degree of the blame can be placed. Those liberal sophisticates who said "God is dead" and "decide for yourself" contributed. Those who bellowed "attack authority, you can't trust your parents or anyone in government" certainly helped. Those who advocated that if you feel you have a grievance, take to the streets even if it meant rioting and violence, certainly contributed. Those on campus who preached an anti-Americanism and endeavored to tell our young people that our historic successes in building a constitutional republic and a free enterprise system were not virtues but symptoms of greed and guilt, added their measure. Those who polarized minorities, radicalized them and told them that stealing was not really stealing but simply "liberating the peoples' goods" certainly contributed. Those who advocated a change in our criminal justice system to tilt it on the side of the criminal certainly added their 2 cents' worth.

People of that philosophy were centerstage for a decade but we all can share some of the blame. The law-abiding citizen cannot escape his part in the tragedy of the past 20 years which has witnessed the slide of this great country into lawlessness and wanton welfarism. The blame of this particular citizen, however, is one of omission not commission. Every sign points to the good American waking up and saying "I'm not going to take it anymore!" But there is a lot to undo.

Take a couple of examples. All gun owners recognize that we have problems with firearms and firearm misuse in our country and they are willing to do something about it. As you know, I have served on the subcommittee of the Judiciary Committee which has considered a broad spectrum of firearm legislation. Not too long ago we were in one of our major cities and received testimony regarding the problem of illegal firearms in schools. A witness indicated that as many as a thousand illegal handguns were found in lockers during one locker sweep. Fine, you would say. Every gun owner I know would applaud efforts to remove illegal firearms from school lockers and to punish those youth who add to the violence. I am sorry to say it does not work that way. Liberal groups like the American Civil Liberties Union go to court and get some liberal judge to agree that it is a violation of that student's individual rights to have his locker checked. Here is one form of gun control the liberal shuns.

Ponder that a minute.

Is this not a part of the problem in our society? The zealous effort of the liberal to protect the young punk in the school or the criminal who poses a threat to society is only exceeded in stupidity by their blind-sided attack on the law-abiding citizen who poses no threat. The taxpayers own the schools and the lockers are a part of that school. Society should have every legitimate right to inspect those lockers but the same person who says do not go into the student's locker will say, on the other hand, go into the home of a law-abiding citizen and take his firearm away just as if he were a criminal and a perpetrator of violence in our society.

Point two: Drugs are an increasing problem in our society. Is it not strange that the same people who promote permissiveness in drug use overlook the direct relationship between drugs and crime—yes, violent crime. Study the reports of the Los Angeles police which shows the connection between drugs and violent crime. Yet the liberal mindset is to fight to liberalize if not wipe off the books all laws that relate to possession of illegal drugs, while at the same time adding their voice to the gestapo-type mentality which would make an all-powerful Government take away the fundamental constitutional right of the private citizen to peacefully and legally own and use his firearm.

We all understand the scapegoat mentality. I would not even point out these things except for the firsthand knowledge I have based on the history of the past 20 years that the antigun lobby will endeavor to fan the flames of hate against the wrong targets.

Society is not sick. Only a small, pampered, and misguided minority is sick. We must remember that they like scapegoats. We will not let them make good Americans that scapegoat. We need crime control, not a mindless, misdirected gun control that our opponents advocate.

I am not one who likes to say "I told you so" and rarely take occasion to point out that some of us clearly warned you what the consequences of the 1960's and 1970's with their radical revolutions would be. We are reaping the whirlwind. On June 6, 1968, these remarks were made on the floor of the House of Representatives by this Member; 12 years later they are worth repeating. I said:

Quite frankly, we are living in a fool's paradise. For some reason, the average American has been lulled into believing that we can have militant people going throughout the country exhorting to violence, pre-

paring for violence, but yet not have violence; that we can in times of crisis and expediency set aside our constitutional principles but still have our constitutional protections when we need them; that we can follow "no-win" policies against the Communists and somehow come out with a "draw"; that we can go three-fourths of the way to socialism or communism but not get there; and, finally, that we can spend more than we take in, year in and year out, but not have national bankruptcy.

Another interesting footnote. While I was flying back to Washington this morning, pondering on the events of Monday, March 30, 1981, I read the Cleveland Plain Dealer and on the second page saw an article which indicated the same outlook I have cited here. U.S. District Judge Nicholas Walenski has just appointed a Toledo lawyer to be an advocate for patients at Lima State Hospital to insure their constitutional rights. Lima State Hospital, for those of you who do not know, is where we send our criminally insane. We all agree that they have basic constitutional rights but note what James Nathanson said following his appointment:

I first applied for this job back in 1978 and heard nothing further until recently. My interest in this position is a long-standing interest in institutions like this. Why do they have places like this anyway.

While no fair American will prejudge any case, it is as plain as the nose on your face that attorneys will plead insanity for the President's assailant. Whether they do or not remains to be seen. At any rate, let us answer in advance Mr. Nathanson's question: Mr. Nathanson, institutions like this exist because there are people like John W. Hinckley, Jr., in our society.

INTRODUCING THE NATIONAL TOURISM POLICY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 5 minutes.

● Mr. BROYHILL. Mr. Speaker, in view of our strong support for a comprehensive, national tourism policy, Congressman NORMAN LENT and I have joined together today to introduce H.R. 2921, the National Tourism Policy Act. We commend this legislation to the attention of our colleagues and urge its most expeditious consideration.

Aside from the tourism and recreation industries, there are few industries which benefit so many of our citizens, individually or collectively. Recognizing the importance of tourism and travel to the historical and cultural foundations of the Nation, to trade and business development within the States, and to our relations with nations abroad, it makes good sense for us to develop a sound national tourism policy at the Federal level.

H.R. 2921 reflects a deep commitment to a renewed national tourism policy. It is evident from an examination of past tourism policies that there is a sound basis for recommending change in the management of our national tourism policy. Unfortunately, previous tourism authorities have been underutilized, resulting in an ineffective national tourism policy.

In addition, the focus of past efforts to address this problem has been to propose the creation of a new Government entity, thereby establishing yet another layer of Government at additional expense to the taxpayers. This should not be the target of our efforts.

The bill Congressman LENT and I are introducing today seeks to change the status quo as follows:

First, sets forth a comprehensive and detailed national tourism policy, covering both international and domestic tourism.

Second, establishes an Interagency Tourism Policy Council, chaired by the Secretary of Commerce, to assure that Federal decisionmaking takes into account the national interest in tourism.

Third, requires the establishment, by the Secretary of Commerce, of a Tourism Advisory Board consisting of not less than 15 members, representing all segments of the travel and tourism industries. This Board would assure that the views and needs of the tourism industry are taken into account in the implementation of the national tourism policy.

Fourth, amends the International Travel Act to provide for the implementation of the international aspects of the national tourism policy; to require an annual submission to the Congress of a marketing plan to stimulate and encourage travel to the United States; to permit the Secretary to transfer the implementation of the act to the International Trade Administration; and to authorize $8 million for fiscal year 1981 and $6.5 million for fiscal year 1982 to carry out the act. The $6.5 million is in addition to $1.1 million already programed for tourism through the Foreign Commercial Service budget.

Regrettably, earlier in this session, before it had an opportunity to examine present tourism policy in detail, the Senate passed S. 304, a bill which is identical to the tourism bill pocket-vetoed by President Carter last year. S. 304, and the companion House bill—H.R. 1311—would establish a new, independent Federal agency to oversee national tourism policy. In essence, establishment of that agency is the only real difference between the bill we have introduced and the Senate-passed legislation.

As I noted, we believe that it is inappropriate for the Congress to create a new Federal agency at this time. Daily, our constituents request that we seek ways to curb the growth of Government, not expand it.

That is the foundation for H.R. 2921, which establishes a reasonable compromise between S. 304, the Senate-passed bill, and the administration's commitment to a stronger program to encourage tourism. We believe that this is a fair alternative to the measures previously put forth and are hopeful it will receive the attention it merits.●

REAGAN TAX PLAN NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. PARRIS) is recognized for 5 minutes.

● Mr. PARRIS. Mr. Speaker, the declaration of last week by Chairman ROSTENKOWSKI of the Ways and Means Committee that the committee's Democratic majority does not intend to consider President Reagan's tax cut proposal is unfortunate but predictable.

It is to be expected that a committee which was stacked by the majority leadership to reflect a Democrat to Republican ratio greater than the proportionate breakdown of Democrats to Republicans in the full House of Representatives would, of course, be unable to find the votes necessary to pass the 3-year tax relief program requested by the President.

However, I doubt if there is a Member of this House whose constituents are not now seeking cuts in Federal spending and cuts in Federal taxes. The American people desire and demand that fundamental changes in Government sought in the November mandate be enacted in an expeditious manner because they realize this must be the case if we are going to lift the double-barrel burdens of inflation and taxation from this land.

I believe there is merit in the suggestion that additional tax proposals sought by the Democratic leadership should be considered in a second tax bill but only after the President's tax cut proposal is enacted. In addition to those proposals advocated by the Democratic leadership a second tax package might also consider such things as removal of the marriage penalty and reduction of the present maximum tax on unearned income.

But this House must deal with first things first. And the first business of the Ways and Means Committee is to consider the 10-percent across-the-board tax package strongly advocated by the President and badly needed by the American people.

Should the Democratic leadership of the Ways and Means Committee persist in its petty partisan attempts to hamstring the President's program, as the Chairman of the House Task Force on Economic Policy, I will urge

that the President veto any tax proposal that does not provide for the full 3-year tax reduction which is sought by the administration and coupled with corresponding cuts in Federal spending.

Unfortunately, it may take a Presidential veto to bring home to the Democratic leadership of the House and of the Ways and Means Committee that President Reagan and the public are determined to see the November mandate acted upon and to convince them that the best course for the Congress and the country in the future is to move forward in a spirit of cooperation with the Reagan administration in its efforts to solve this Nation's pressing economic problems.●

YOU TOO CAN HELP KEEP DOWN CREDIT CARD COSTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the March 18 edition of the Christian Science Monitor carried an article on credit card schemes which cost the bank card industry alone millions of dollars.

In a time when the use and cost of credit cards are being reexamined all over the United States, it is extremely important that consumers make every effort to help cut down the cases of fraud and abuse whenever possible.

Just because the money does not come directly out of the cardholders pocket is no excuse for negligence. It is in the consumers best interest to act responsibly in protecting and preventing the misuse of credit cards.

I am very concerned about the growing number of cases of fraud and theft relating to credit cards. For this reason I want to share this article with the Members of Congress:

CREDIT CARD SCHEME TRAPS ANOTHER BANK

(By Ron Scherer)

NEW YORK.—A growing credit card scheme has bilked another US bank. This time it was the Security Pacific Bank in California.

The Los Angeles-based bank has lost some $200,000 in a new type of credit card scam that is spreading across the country and involving thousands of unwitting cardholders.

The scheme is relatively simple: A clerk in a store copies names and credit card numbers from legitimate charges. Then someone buys plain plastic and has the names and numbers of those charges embossed on them. As a last part of the plan, the individual forms a phony business and runs the bogus cards through a charge machine, depositing the charges as cash in his company's bank accounts. Finally, the "charge slip" thieves leave town.

In the case of Security Pacific, the fraud involves a fictitious company using the name California Wholesale Jewelers, which is under investigation by the Los Angeles Police Department as well as the Postal Inspection Service.

In Chicago, a grand jury is reportedly close to handing down indictments involving a similar case, and in New York, 18 people are under investigation or indictment for similar types of credit card schemes.

Although there are no statistics indicating the total scope of the fraud, the two major credit card companies, MasterCard and Visa, together handle $54 billion of legitimate charges each year. According to a spokesman for Visa, the total amount of charge-offs related to fraud, counterfeiting, and theft each year comes to about $180 million. MasterCard has about the same charge-off.

While the card companies like to play down the amount of fraud involved with their cards, Sherry Trueax, a consumer protection specialist with the Postal Inspection Service who investigates the frauds, says they are an increasing and continuing problem.

In fact, on Feb. 10, as a result of an investigation by the Postal Inspection Service, a part of the Postal Service, the US Attorney's Office for the Eastern District obtained an indictment against seven individuals for conspiracy to commit bank fraud.

According to R. V. Murry, the postal inspector in charge of the investigation, since 1978 as many as 300 retailers in the New York area have participated in schemes to defraud, using tens of thousands of lost, stolen, or counterfeited cards. As a result, Mr. Murry said, "banks throughout the US and Europe were defrauded in excess of $15 million." As of March 4, the Postal Inspection Service reports that 18 people had been charged with similar federal offenses in the district.

The California Wholesale scam is similar to another credit card scheme that cost Chase Manhattan Bank nearly $300,000 recently. According to an indictment handed down in mid-February, one Gad Rosenshtook, an Israeli citizen, created two phony corporations, Transword Electronics and Venice Fashion Jewelries, which submitted 950 phony sales slips to Chase between August and December of last year. The slips carried real account numbers of Chase customers who had not bought anything from either of the two companies. Neither Mr. Rosenshtook or California Wholesale Jewelers could be reached for comment.

Chase found the transactions and alerted the Manhattan district attorney's office during a normal computer audit of its merchant customers. Mr. Rosenshtook was arrested on Feb. 3 at JFK International Airport.

A spokesman for Chase pointed out that the consumer has no liability whatever in such a case. However, consumers are asked to cut up and return their credit cards and are reissued new cards and new account numbers. And, Ms. Trueax of the Postal Inspection Service says, consumers should hold on to their credit card receipts. "You would be surprised," she says, "at the number of credit card receipts picked up off the ground, giving someone your name and card number."

Although bankers point out that there is no foolproof method to prevent credit card frauds, there are ways to minimize them. Detective Greg Schwein of the Los Angeles Police Department suggests that the banks tighten up credit card rules for their merchant customers.

For example, instead of allowing "cash deposits" of charge slips, the banks could hold off payment until the slips return to the customer's bank. And one head of security for a large New York bank noted that there are computerized screening methods that catch fraudulent charges. "Since New York experiences these schemes before a lot of other areas," he says, "we try to move around the country explaining to other banks what they can do to prevent these things."

Finally, as Marion Bestani, a spokeswoman for Chase Manhattan Bank, comments, "We like to cooperate with the press on these stories so people know you can't get away with these things. You're going to get caught if you try it."●

25TH ANNIVERSARY OF THE SISTER CITIES INTERNATIONAL PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, I would like to take this opportunity to congratulate the Sister Cities International program as it celebrates its 25th anniversary this year. I have had the pleasure of being associated with this program for many years, and my home city of Milwaukee has enjoyed its affiliations with its sister cities of Haifa, Israel, and Heidelberg, Germany. On March 26, I was pleased to cosponsor a foreign affairs seminar with Sister Cities for the members of its board of directors and State representatives, all volunteers, who are meeting in Washington this week.

This program, which has as its principal goal furthering international understanding, was founded in 1956 by President Dwight D. Eisenhower when he initiated the people-to-people program. From this grew Sister Cities International, which has assisted more than 700 American cities to establish links with over 900 communities in 78 other nations of the world. The combined population of the U.S. cities involved numbers more than 86 million Americans—a tremendous force for peace.

The basic idea of a sister city program is simple. When an American community joins with a community in another country so that each can learn about the other and develop friendly and useful exchanges, the two can enter into a formal sister city affiliation. The ideal affiliation involves a large number of citizens and organizations in both communities engaging in continuing projects of mutual interest. These projects include such cultural activities as:

Adult language classes which include lectures, travelogs, and studies of the history, arts, and literature of the affiliated country;

Exchanging symbols which represent the best of another culture such as the construction of gardens, monuments, and parks, including living symbols, plants, and animals native to the sister area.

Bringing together people who share in the extra dimensions of living with another family in another culture;

Visits by performing groups and sporting events;

Journalist exchanges.

While Sister Cities involves young Americans in actual living and educational experiences abroad, many others are involved at home in educational exchanges through sister school exchanges, language programs, and numerous other projects that have given them exposure to another culture and people on a very direct, immediate basis. For example, one city of approximately 50,000 has been exchanging language teachers with its sister city for more than 15 years. Each year, an English teacher travels to the sister city and a French teacher comes to the U.S. affiliate.

Many sister cities are also discovering the advantages of trade and industrial exchanges. Advances in technology affect the jobs and livelihood of people everywhere and through the process of investigating alternatives, many cities have benefited through business exchanges including trade fairs, economic conferences, tourism development forums, and other significant informational and substantive programs.

In addition, medical and dental teams have participated both in training and learning processes in many developed and developing countries. Engineers have worked on water supply planning, sewage treatment, and on airport construction. Technical advice has been given on construction of clinics, schools, and shipyards. Municipal training programs have been developed to train employees from sister cities. The real advantage has been the two-way give-and-take that is shared by the technical and professional experts in the many and varied fields of endeavor.

The sister city movement is a living, growing evolving activity. New functions in areas of vital concern to cities in this country and abroad continually surface in such areas as the quality of life, citizens' roles in environmental protection, and continuing dialogs between cities as they struggle to cope with their common problems.

I am pleased to salute Sister Cities International on its 25th anniversary and wish the organization continued success in its important role of helping people of many nations recognize their common interests and problems.

GRAIN WAREHOUSE BANKRUPTCY BILL

(Mr. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERSON. Mr. Speaker, today I am pleased to introduce a bill which provides for certain amendments to the Bankruptcy Reform Act of 1978, as well as amendments to title 7, chapter 10 of the United States Code, which deals with agriculture warehouse and licensing operations. Senators DOLE and DANFORTH are introduing the same bill today in the Senate. A number of my colleagues have expressed interest in cosponsorship.

This bill is designed to address an increasingly serious problem for farmers in grain-producing States: the unexpected insolvency of grain warehouses holding vast quantities of crops belonging to those farmers.

The reasons for which agricultural producers have had trouble regaining possession of their crops in these insolvencies are many and complex. There are problems in establishing ownership interests in the crops, as between storage contract crops, which are owned by the farmers, and sales contract crops owned by the warehouses.

Faced with all the conflicting claims, bankruptcy courts are frequently slow to respond to the needs of the farmers for a swift resolution of these questions.

To address these problems, this bill provides for: First, one uniform, expedited procedure for abandonment of grain assets in a proceeding filed by an insolvent commodity warehouse; second, the granting of a statutory lien to farm producers on crops delivered to a warehouse upon a sales contract for which the producer has not been paid; and the granting of a priority position to farm producers in any distribution of assets to unsecured creditors.

Mr. Speaker, my bill will not solve all problems attendant upon this vexing situation; it will certainly not prevent farmers from suffering occasional losses due to the fraud or mismanagement of a small minority of grain warehouse operators. The bill will, however, prevent any such losses from being compounded by the frustrating inaction of the bankruptcy court, and so I believe it to be an important step in the right direction.

VINSON-TRAMMELL ACT

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. PRICE. Mr. Speaker, the Vinson-Trammell Act of 1934 was authorized by Carl Vinson, former chairman of the Committee on Armed Services, and a Member of Congress 50 years when he retired in 1964. This legislation provided a blanket authorization for naval shipbuilding, establishing a fixed, total tonnage figure. The Vinson-Trammell Act significantly affected the development of the two-ocean Navy which contributed so much to our winning World War II.

Among the provisions of the Vinson-Trammell Act was one that limited the profits of private shipbuilders and aircraft manufacturers on naval ship and aircraft construction. These profit limitation provisions have been codified in sections 2372 and 7300 of title 10, United States Code. Section 2372 places fixed profit limits at 12 percent on contracts or subcontracts over $10,000 for the construction of military aircraft and at 10 percent on contracts or subcontracts over $10,000 for the manufacture of naval vessels. These provisions were superseded for many years by the Renegotiation Act of 1951. However, when the Renegotiation Act expired, the profit limitation provisions of the Vinson-Trammell Act again became effective.

In the 96th Congress I introduced H.R. 7247, a bill to waive the applicability of sections 2382 and 7300 of title 10, United States Code, to contracts for the construction or manufacture of naval vessels or military aircraft with respect to which final payment is made before October 1, 1981. A 1-day hearing was held by a subcommittee of the House Armed Services Committee last year and testimony indicated considerable differences of opinion among witnesses.

As a result of that preliminary hearing, language similar to H.R. 7247 was incorporated into the Department of Defense Authorization Act of 1981—Public Law 96-342; 94 Statute 1120, section 1005. That provision exempted contracts and subcontracts for which final payment is made before October 1, 1981, from liability for payment under the Vinson-Trammell Act. That law also prohibited the responsible agencies from prescribing regulations to implement the profit limitation provisions before October 1, 1981.

The statement of managers which accompanied the conference report on the Department of Defense Authorization Act of 1981—No. 96-1222—stated that:

> The conferees agreed that some exemption for current and past contracts was in order, but emphasized their commitment to develop an alternative profit limitation system and to make recommendations to their respective bodies so that legislation can be enacted before October 1, 1981.

In this session, the Armed Services Procurement Subcommittee will consider legislation which addresses profit limitations on defense contracts. The gentleman from New York (Mr. STRATTON), who is chairman of that subcommittee in the 97th Congress, has assured me that it is his intention to conduct an in-depth examination of the subject immediately after completion of committee action on the fiscal year 1982 Department of Defense authorization bill. I expect the committee to report that bill in late April or early May.

It has come to my attention that there exists some confusion concerning my views relative to the Vinson-Trammell profit limitation provisions. I would like to clarify my position.

For almost 50 years this country has seen the need for some profit constraints on defense contracts—through the Vinson-Trammell Act or the Renegotiation Act. While everyone with whom I have spoken agrees that Vinson-Trammell is antiquated, there exists a wide variety of views in Congress, in the executive branch, and in industry concerning what type of legislation, if any, should replace it.

This is a complex and controversial subject and I do not believe a provision to repeal or amend the Vinson-Trammell Act should be a part of the fiscal year 1982 authorization process. I believe that the question of profit limitations on contracts should be given more thorough hearings by the appropriate subcommittee and all interested parties should be given an opportunity to testify. It is an important subject that should be dealt with in its own right in separate legislation.

I am deeply concerned that this subject be thoroughly examined. Further, I do not want the reporting of the authorization bill to be delayed in any way by consideration of extraneous provisions.

Chairman STRATTON has made the commitment that the Procurement Subcommittee will conduct a thorough, objective study of this subject, and I am convinced that such a course of action is necessary to resolve the critical issues involved.

In a time when we face the need to increase defense spending and at the same time are reducing spending on human services programs because of servere budget difficulties, I want to be satisfied, and I want the country to be satisfied, that we are receiving the maximum return in national security for each defense dollar spent. And if we remove all limits on excessive profits for defense industry I want us to do so only after we have thoroughly considered the question and have developed clear, justifiable rationale for our actions.

It may be that we will not require any alternative profit limitation system. For my part I intend to withhold judgment until Mr. STRATTON's subcommittee completes hearings.

I believe there is plenty of time in this session to complete action on any legislation.

However, I do not want the representatives of defense industry to be unnecessarily concerned that the antiquated provisions of Vinson-Trammell will go into effect in October before legislative action is completed. Therefore, in concurrence with Mr. STRATTON, I would support an extension of section 1005 of Public Law 96-342, that is, the exemption from Vinson-Trammell that expires on October 1 will be extended into next year, if necessary, to provide additional time for legislative action.

In summary, I am withholding final judgment until the Procurement Subcommittee holds hearings and makes its report. The matter will be considered this year. We will protect industry from the outdated and burdensome provisions of Vinson-Trammell. But Congress would not be properly carrying out its responsibilities if it merely eliminated all restraints on excess profits without careful consideration of the effect on the taxpayers.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KRAMER) to revise and extend their remarks and include extraneous material:)

Mr. ASHBROOK, for 30 minutes, today.

Mr. CARMAN, for 5 minutes, today.

Mr. KEMP, for 1 hour, April 7, 1981.

Mr. BROYHILL, for 5 minutes, today.

Mr. PARRIS, for 5 minutes, today.

(The following Members (at the request of Mr. FOWLER) to revise and extend their remarks and include extraneous material:)

Mr. BINGHAM, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ZABLOCKI, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. BLANCHARD, for 60 minutes, April 7.

Mr. SAVAGE, for 60 minutes, April 9.

Mr. CONYERS, for 60 minutes, April 14.

Mr. BAILEY of Pennsylvania, for 60 minutes, April 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OBEY, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,230.

(The following Members (at the request of Mr. KRAMER) and to include extraneous matter:)

Mr. CARMAN.

Mr. NAPIER.

Mr. LEBOUTILLIER.

Mr. BROYHILL.

Mr. O'BRIEN.

Mr. FINDLEY.

Mr. CONABLE.

Mr. LOTT.

Mr. GREEN.

Mr. THOMAS.

Mr. WOLF.

(The following Members (at the request of Mr. FOWLER) and to include extraneous matter:)

Mr. ROE.

Mr. MATTOX.

Mr. FASCELL in three instances.

Mr. MATSUI.

Mr. HUGHES.

Mr. ROSENTHAL.

Mr. SYNAR.

Mr. DORGAN of North Dakota.

Mr. PEPPER in two instances.

Mr. GARCIA in two instances.

Mr. DOWNEY.

Mr. GEJDENSON.

Mr. AUCOIN.

Mr. SWIFT.

Mr. SOLARZ.

Mr. HAMILTON.

Mr. OBERSTAR in two instances.

Mr. STARK in two instances.

Mr. STUDDS.

Mr. MCDONALD.

Mr. RAHALL.

Mr. BEDELL.

ADJOURNMENT

Mr. FOWLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 1, 1981, at 3 p.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and miscellaneous reports filed with the Committee on House Administraton, concerning the foreign currencies and U.S. dollars utilized by them during the first, second, third, and fourth quarters of calendar year 1980 and the first quarter of calendar year 1981 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1, AND DEC. 31, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Tom Railsback	12/9	12/12	France		330						330.00
	12/12	12/15	Germany		225						225.00
	12/15	12/19	Italy		336		375.00				711.00
	12/19	12/21	England		258		298.00				556.88
Commercial transportation							2,809.00				2,809.00
Henry J. Hyde	12/9	12/12	France		330						330.00
	12/12	12/15	Germany		225						225.00
	12/15	12/19	Italy		336		375.00				711.00
	12/19	12/20	England		129		298.00				427.88
Commercial transportation							2,805.00				2,805.00
Don Edwards	12/13	12/17	Germany		407				153.30		560.30
	12/17	12/19	Italy		168		115.38				283.38
Commercial transportation							1,376.00				1,376.00
Romano Mazzoli	12/13	12/19	Italy		420		602.57				1,022.57
Commercial transportation							3,108.00				3,108.00
F. James Sensenbrenner	12/13	12/17	Germany		302						302.00
	12/17	12/19	Italy		168		115.38				283.38
Commercial transportation							1,261.00				1,261.00
Catherine A. LeRoy, staff	12/13	12/17	Germany		407						407.00
	12/17	12/18	Italy		168		115.38				283.38
Commercial transportation							1,261.00				1,261.00
Janice Cooper, staff	12/13	12/17	Germany		407						407.00
	12/17	12/18	Italy		168		115.38				283.38
Commercial transportation							1,261.00				1,261.00
Thomas Boyd, staff	12/13	12/17	Germany		407						407.00
	12/17	12/18	Italy		168		115.38				283.38
Commercial transportation							1,261.00				1,261.00
Committee total					5,359		17,669.23		153.30		23,181.53

[1] Per diem consitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PETER W. RODINO, JR., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Frank Annunzio	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Hon. Walter Fauntroy	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/12	Argentina				[3] 911.19				911.19
							[4] 854.00				854.00
Hon. Jerry Patterson	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/4	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Hon. David Evans	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
							[5] 77.60				77.60
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[5] 3,293.30				3,293.30
Hon. Mary Rose Oakar	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Hon. Robert Garcia	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Paul Nelson	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Michael Flaherty	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Curtis Prins	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Edwin Webber	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Gerald McMurray	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/12	Argentina								
	1/12	1/14	Chile				[6] 305.00				305.00
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Mary L. Kelly	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Gregory Wilson	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Paul G. Nelson	1/6	1/12	Brazil		525.00		318.51		47.48		890.99

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1981—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
James Orr	1/6	1/12	Brazil		525.00		318.51		47.48		890.99
	1/12	1/14	Argentina		268.00		220.56		213.19		701.75
	1/14	1/17	Peru		300.00		187.85				487.85
							[3] 3,293.30				3,293.30
Hon. Stanley Lundine	3/12	3/16	England		[7] 280.91		[4] 2,610.00				2,890.91
Committee total					15,839.91		61,359.38		3,696.46		80,896.15

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Transportation—Department of the Air Force. [4] Transportation—Department of State—return. [5] Transportation—Department of State—in country. [6] Transportation—Department of State—Buenos Aires, Santiago, Lima. [7] Per diem of $364.09 returned to Treasury. [8] Transportation—Department of State.

FERNAND J. ST GERMAIN, Chairman.
March 31, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, U.S. GROUP OF THE INTERPARLIAMENTARY UNION, SPRING MEETING IN OSLO, NORWAY, COMMITTEE OF 9 PLUS MEETING IN ATHENS, GREECE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND APR. 13, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Richardson Preyer	4/4	4/6	Iceland		117.00		[3] 1,506.05				1,623.05
	4/6	4/12	Norway		804.00						804.00
	4/12	4/13	Belgium		128.00						128.00
Hon. Edward J. Derwinski	4/4	4/6	Icleland		126.50		[3] 1,740.80				1,867.30
	4/6	4/12	Norway		586.64						586.64
	4/12	4/13	Belgium		110.87						110.87
Hon. L. H. Fountain	4/4	4/6	Iceland		128.00		[3] 1,506.05				1,634.05
	4/6	4/12	Norway		804.00						804.00
	4/12	4/13	Belgium		149.00						149.00
Hon. Elliott H. Levitas	4/4	4/6	Iceland		120.00		[3] 1,361.40				1,481.40
	4/6	4/10	Norway		342.00						342.00
	4/12	4/13	Belgium		114.00						114.00
Hon. Robert McClory	4/1	4/3	Greece		137.50		1,825.00				1,962.50
	4/6	4/12	Norway		615.00		[3] 850.88				1,465.88
	4/12	4/13	Belgium		127.00						127.00
Hon. M. Caldwell Butler	4/4	4/6	Iceland		128.00		[3] 1,506.05				1,634.05
	4/6	4/12	Norway		719.00						719.00
	4/12	4/13	Belgium		149.00						149.00
Hon. Arlen Erdahl	4/4	4/6	Iceland		102.00		[3] 1,506.05				1,608.05
	4/6	4/12	Norway		735.00						735.00
	4/12	4/13	Belgium		120.00						120.00
P. Vance Hyndman	4/1	4/5	Greece		395.00		1,846.00				2,241.00
	4/5	4/12	Norway		593.50		[3] 1,085.63				1,679.13
	4/12	4/13	Belgium		137.00						137.00
Ellen P. Rayner	4/4	4/6	Iceland		73.05		[3] 1,506.05				1,579.10
	4/6	4/12	Norway		490.00						490.00
	4/12	4/13	Belgium		95.67						95.67
Diane Lyn Stoner	4/4	4/6	Iceland		70.61		[3] 1,506.05				1,576.66
	4/6	4/12	Norway		478.60						478.60
	4/12	4/13	Belgium		90.00						90.00
Ann D. Bolton	4/4	4/6	Iceland		98.40		[3] 1,506.05				1,604.45
	4/6	4/12	Norway		500.12						500.12
	4/12	4/13	Belgium		109.67						109.67
Delegation expenses:											
Official meals	4/4	4/6	Iceland		240.79						240.79
	4/6	4/12	Norway		1,889.48						1,889.48
	4/12	4/13	Belgium		70.84						70.84
Control room	4/4	4/6	Iceland		681.23						681.23
	4/6	4/12	Norway		1,435.28						1,435.28
	4/12	4/13	Belgium		257.16						257.16
Transportation	4/4	4/6	Iceland				437.24				437.24
	4/6	4/12	Norway				3,508.91				3,508.91
	4/12	4/13	Belgium				365.45				365.45
Overtime (Embassy personnel)	4/4	4/6	Iceland						622.31		622.31
	4/6	4/12	Norway						910.38		910.38
	4/12	4/13	Belgium						912.27		912.27
Miscellaneous	4/6	4/12	Norway						49.16		49.16
	4/12	4/13	Belgium						25.00		25.00
Committee total					14,068.91		23,563,66		2,519.12		40,151.69

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] DOD transportation provided pursuant to 31 U.S.C. 22A.

RICHARDSON PREYER, Chairman.
December 15, 1980.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, 4TH INTERPARLIAMENTARY CONFERENCE ON EUROPEAN COOPERATION AND SECURITY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 9 AND MAY 18, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Elliott H. Levitas	5/9	5/11	England		234.00		2,583.00				2,817.00
	5/11	5/14	Belgium		330.00						330.00
Hon. James C. Cleveland	5/12	5/18	do		750.00		1,402.00				2,152.00
Vance Hyndman	5/11	5/18	do		770.00		2,305.00				3,075.00
Delegation expense			do						20.20		20.20
Committee total					2,084.00		6,290.00		20.20		8,394.20

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARDSON PREYER.
December 15, 1980.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, INTERPARLIAMENTARY UNION FALL CONFERENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 13 AND SEPT. 25, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Edward J. Derwinski	9/20	9/25	East Berlin		700.00		[3] 1,457.92				2,157.92
Hon. Lucien N. Nedzi	9/13	9/20	do		980.00		[3] 1,500.42				2,480.42
Hon. Richard Ichord	9/20	9/25	do		700.00		[3] 1,457.92				2,157.92
Hon. E de la Garza	9/13	9/20	do		980.00		[3] 1,500.42				2,480.42
Hon. David R. Bowen	9/20	9/24	do		362.77		[3] 728.96				1,091.73
Hon. Bob Wilson	9/13	9/20	do		980.00		[3] 1,500.42				2,480.42
Hon. Robert McClory	9/13	9/20	do		871.66		[3] 1,500.42				2,372.08
Hon. Tim Lee Carter	9/20	9/25	do		700.00		[3] 1,457.92				2,157.92
Hon. John N. Erlenborn	9/13	9/20	do		980.00		[3] 1,500.42				2,480.42
Hon. M. Caldwell Butler	9/20	9/25	do		700.00		[3] 1,457.92				2,157.92
Vance Hyndman	9/13	9/25	do		1,156.00		[3] 1,500.42				2,656.42
Ellen P. Rayner	7/15	7/19	West Berlin		295.00		[3] 421.16				716.16
	9/13	9/25	East Berlin		934.65		[3] 1,500.42				2,435.07
Diane Lyn Stoner	9/13	9/25	do		929.73		[3] 1,500.42				2,430.15
Ann D. Bolton	9/20	9/25	do		426.04		[3] 1,457.92				1,883.96
Delegation expenses:											
Official meals	9/13	9/25	do		2,645.23						2,645.23
Control room	9/13	9/25	do		2,425.85						2,425.85
Transportation	9/13	9/25	do				1,274.41				1,274.41
Overtime (Embassy personnel)	9/13	9/25	do						965.55		965.55
Gratuities	9/13	9/25	do						137.76		137.76
Official calls	9/13	9/25	do						146.29		146.29
Xerox	9/13	9/25	do						173.97		173.97
Miscellaneous	9/13	9/25	do						81.54		81.54
Committee total					16,766.93		21,717.49		1,505.11		39,989.53

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] DOD transportation provided pursuant to 31 U.S.C. 22A.

EDWARD J. DERWINSKI.
February 26, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY DELEGATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Jack Brooks	6/5	6/8	Luxembourg	7,588	267		1,423.55				1,690.55
Hon. Frank Annunzio	6/5	6/8	do	7,588	267		1,423.55				1,690.55
Hon. Charles Rose	6/5	6/8	do	7,588	267		1,423.55				1,690.55
Hon. Peter Peyser	6/5	6/8	do	7,588	267		1,423.55				1,690.55
Hon. Elliott Levitas	6/5	6/8	do	7,588	267		3,576.55				3,843.55
Hon. Bob Wilson	6/5	6/8	do	7,588	267		1,423.55				1,690.55
Hon. Clair Burgener	6/5	6/8	do	7,588	267		1,423.55				1,690.55
Hon. Bud Shuster	6/5	6/8	do	7,588	267		1,423.55				1,690.55
Peter Abbruzzese	6/5	6/8	do	7,588	267		1,423.55				1,690.55
Delegation expenses (control room and overtime)									4,484.86		4,484.86
Hon. Phillip Burton	11/15	11/18	Belgium	10,423	342.00		2,920.33				3,262.33
Hon. Jack Brooks	11/15	11/22	do	24,319	798.00		1,313.00				2,111.00
Hon. Charles Rose	11/15	11/18	do	10,423	342.00		2,920.33				3,262.33
Hon. Elliott H. Levitas	11/20	11/23	do	10,448	342.00		1,030.00				1,372.00
Hon. G. William Whitehurst	11/15	11/22	do	17,169	560.00		1,313.00				2,111.00
Hon. Clair Burgener	11/15	11/22	do	24,319	798.00		1,313.00				2,132.00
Peter Abbruzzese	11/15	11/22	do	24,319	798.00		1,334.00				2,132.00
D. Sharon Matts	11/15	11/22	do	24,319	798.00		1,323.00				2,121.00
Hon. Wyche Fowler	11/21	11/22	do	3,509	114.00		1,500.00				1,614.00
Delegation expenses (control room and overtime)			do						6,614.27		6,614.29
Committee total					7,295.00		29,931.61		11,099.13		48,325.81

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currently is used, enter amount expended.

PHILLIP BURTON.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, CANADA-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Boland, E.	5/23	5/27	United States		316.50		741.98	DOD			1,058.48
Brennan, K.	5/22	5/27	do		373.42		313.00	Comm			1,057.41
							370.99	DOD			
Burgener, C.	5/23	5/27	do		335.47		741.98	DOD			1,077.45
Fascell, D.	5/23	5/27	do		651.88		741.98	DOD			1,393.86
Fite, B.	5/23	5/27	do		272.16		741.98	DOD			1,014.14
Gibbons, S.	5/23	5/27	do		308.38		741.98	DOD			1,040.06
Hanley, J.	5/23	5/27	do		298.08		741.98	DOD			1,050.36
Ingram, G.	5/23	5/27	do		297.29		741.98	DOD			1,039.27
Johnson, H.	5/23	5/27	do		324.17		741.98	DOD			1,066.15
Lloyd, J.	5/23	5/27	do		305.97		741.98	DOD			1,047.95
Schmitz, M.	5/23	5/27	do		136.08		741.98	DOD			878.06
Stangeland, A.	5/24	5/27	do		272.16		393.00	Comm			1,036.15
							370.99	DOD			
Van Deerling, L.	5/23	5/27	do		322.03		741.98	DOD			1,064.01
Wilson, B.	5/23	5/27	do		343.53		370.99	DOD			714.52
Winn, L.	5/23	5/27	do		311.53		741.98	DOD			1,053.51
Delegation expenses: Control rooms and portage, 842.56; stationery items, 259.78; official delegation meals, 9,618.83; tours, 924.45; ground transportation, 1,387.77; conference speaker expenses, 514.60; delegation meals and control room on plane, 1,012.81; miscellaneous, 125.81.									14,686.61		
Committee total					4,868.65		706.00	Comm	14,686.61		30,277.99
							10,016.73	DOD			

RECAPITULATION

Appropriated funds:	
H. Res.	
Other Public Law 86–42	20,261.26
Government Department: DOD—transportation	10,016.73
Total	30,277.99

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; If U.S. currency is used, enter amount expended.

DANTE B. FASCELL, Chairman.
February 10, 1981.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1980

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Clausen, Don	5/8	5/11	United States		499.36		251.47				750.83
de la Garza, E	5/8	5/11	do		976.25		441.53				1,417.78
Gilman, B	5/8	5/11	do		344.77		441.53				786.30
Kazen, A.	5/8	5/11	do		453.30		441.53				894.83
Lagomarsino, R.	5/8	5/11	do		565.64		441.53				1,007.17
Miller, Geo	5/8	5/11	do		448.15		441.53				889.68
Rousselot, J.	5/8	5/11	do		608.86		251.47				860.33
Rudd, Eldon	5/8	5/11	do		520.53		441.53				962.06
Skelton, I.	5/8	5/11	do		396.22		441.53				837.75
Wolff, L.	5/8	5/11	do		478.89		441.53				920.40
Castillo, M.	5/8	5/11	do		309.26		441.53				750.79
Chester, C.	5/8	5/11	do		137.48		441.53				579.01
Daoust, E.	5/8	5/11	do		291.95		441.53				733.48
Friedman, G.	5/8	5/11	do		336.09		441.53				777.62
Livingston, S.	5/8	5/11	do		260.04		441.53				701.57
Minsky, C.	5/8	5/11	do		248.90						248.90
Delegation expenses: Official delegation functions, 12,351.90; stationery items, misc., 903.97; control room, portage, 687.58; embassy assistance, interpreting fees, 1,748.17; ground transport, 3,961.44; inflight expenses, 2,253.14.									21,906.20		
Committee total					6,875.67		6,242.83		21,906.20		35,024.70

RECAPITULATION

Appropriated funds:	
H. Res.	
Other: Public Law 86–420, 86th Cong.	28,781.87
Government Department: DOD—transportation	6,242.83
Total	35,024.70

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; If U.S. currency is used, enter amount expended.

E DE LA GARZA, Chairman.
February 10, 1981.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

966. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period March 15 through June 15, 1981, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

967. A letter from the Chairperson, National Advisory Council on Indian Education, transmitting a special report on an administrative and programmatic study of the Office of Indian Education, U.S. Department of Education, pursuant to section 442 of Public Law 92-318; to the Committee on Education and Labor.

968. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1980 on the primary care research and demonstration program, pursuant to section 340(e) of the Public Health Service Act, as amended; to the Committee on Energy and Commerce.

969. A letter from the Secretary of Health and Human Services, transmitting the fourth annual report on the National Health Service Corps scholarship program, pursuant to section 751(i) of the Public Health Service Act, as amended; to the Committee on Energy and Commerce.

970. A letter from the Acting Administrator, Energy Information Administration,

Department of Energy, transmitting a report covering the period October through December 1980, on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974; to the Committee on Energy and Commerce.

971. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the Corporation's legislative recommendations, pursuant to section 308(b) of Public Law 91-518; to the Committee on Energy and Commerce.

972. A letter from the Chairman of the Board and the President and Chief Executive Officer, U.S. Railway Association, transmitting a report on the effect of reduced Federal funding, and of no further Federal funding, on the Consolidated Rail Corporation, pursuant to section 703(b)(1) of Public Law 96-448; to the Committee on Energy and Commerce.

973. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Leonore Annenberg, Chief of Protocol-designate with rank of Ambassador, and by members of her family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

974. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State; transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 USC 112b(a); to the Committee on Foreign Affairs.

975. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting a report on the inventory of nonpurchased foreign currencies as of September 30, 1980, pursuant to section 613(c) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

976. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend the Federal Grant and Cooperative Agreement Act; to the Committee on Government Operations.

977. A letter from the Comptroller General of the United States, transmitting a report on Federal spending for entitlement and indexed programs (PAD-81-21, Mar. 3, 1981); to the Committee on Government Operations.

978. A letter from the Supervisory Copyright Information Specialist, Copyright Office, Library of Congress, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

979. A letter from the Secretary of the Interior, transmitting the annual report for calendar year 1980 on the innovation grant program of the urban park and recreation recovery program, pursuant to section 1015(b) of Public Law 95-625; to the Committee on Interior and Insular Affairs.

980. A letter from the President and the National Executive Director, Girl Scouts of the United States of America, transmitting the 31st annual report of the organization, covering the fiscal year ended September 30, 1980, pursuant to section 7 of the act of March 16, 1950, as amended, and section 3 of Public Law 88-504 (H. Doc. No. 97-38); to the Committee on the Judiciary and ordered to be printed.

981. A letter from the Acting Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation authorizing appropations for the Council on Environmental Quality for fiscal years ending September 30, 1982, and September 30, 1983; to the Committee on Merchant Marine and Fisheries.

982. A letter from the Acting Assistant Secretary of the Army (Civil Works); transmitting a Corps of Engineers report on Clopton Crossing Lake, Tex., pursuant to section 1(a) of the Water Resources Development Act of 1974; to the Committee on Public Works and Transportation.

983. A letter from the Secretary of Transportation, transmitting a report covering fiscal year 1980 on Urban Mass Transportation Administration obligations by State and recipient, pursuant to section 4(h)(1) of the Urban Mass Transportation Act, as amended; to the Committee on Public Works and Transportation.

984. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1982 and 1983, and for other purposes; jointly, to the Committees on Energy and Commerce, and Public Works and Transportation.

985. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983; jointly, to the Committees on Energy and Commerce, and Public Works and Transportation.

986. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting the Commission's annual report for fiscal year 1980 on contract activity, pursuant to section 11 of Public law 95-601; jointly, to the Committees on Energy and Commerce, and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Mr. AuCOIN:

H.R. 2918. A bill to amend the Agricultural Adjustment Act to authorize marketing research and promotion projects, including paid advertising for filberts; to the Committee on Agriculture.

Mr. BRINKLEY (for himself and Mr. TRIBLE) (by request):

H.R. 2919. A bill to authorize appropriations for construction at certain military installations for fiscal year 1981, and for other purposes; to the Committee on Armed Services.

H.R. 2920. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

Mr. BROYHILL (for himself and Mr. LENT):

H.R. 2921. A bill to establish a national tourism policy and provide for its effective implementation; to the Committee on Energy and Commerce.

Mr. CONABLE (for himself, Mr. VANDER JAGT, and Mr. FRENZEL):

H.R. 2922. A bill to amend the Trade Act of 1974 to provide for changes in adjustment assistance for workers and for other purposes; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 2923. A bill to amend the Internal Revenue Code of 1954 to allow each individual to exclude $1,000 of interest on savings deposits; to the Committee on Ways and Means.

By Mr. DORNAN of California:

H.R. 2924. A bill to amend section 312(c) of the Federal Aviation Act of 1958, relating to research and development, to require the Secretary of Transportation to assure the development of a collision avoidance system for use on all civil and military aircraft of the United States in the interest of air safety; jointly, to the Committees on Public Works and Transportation, and Science and Technology.

By Mr. DUNCAN (for himself and Mr. SEIBERLING):

H.R. 2925. A bill to amend the Internal Revenue Code of 1954 to adjust the time for payment of manufacturer's excise tax on tires, tubes, and tread rubber; to the Committee on Ways and Means.

By Mr. EMERSON:

H.R. 2926. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

By Mr. FUQUA:

H.R. 2927. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 2928. A bill to prohibit the importation into the United States of pistols and revolvers and parts thereof; to the Committee on Ways and Means.

By Mr. HAMILTON:

H.R. 2929. A bill to amend the Internal Revenue code of 1954 to modify certain W-2 filing requirements; to the Committee on Ways and Means.

By Mr. HOWARD (for himself, Mr. CLAUSEN, Mr. MINETA, and Mr. SNYDER) (by request):

H.R. 2930. A bill to provide for the improvement of the Nation's airport and airway system, for the modification of airport and airway user taxes, and for other purposes; jointly, to the Committees on Public Works and Transportation, Science and Technology, and Ways and Means.

By Mr. LEVITAS:

H.R. 2931. A bill to amend the Clean Air Act to require the Administrator of the Environmental Protection Agency to take into account economic and technological feasibility in determining whether or not to approve State implementation plans; to the Committee on Energy and Commerce.

By Mr. MAZZOLI:

H.R. 2932. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 2933. A bill to amend the Internal Revenue Code of 1954 to allow individuals to elect, in lieu of the deduction for charitable contributions, a credit against income tax for 50 percent of such contributions; to the Committee on Ways and Means.

By Mr. PARRIS:

H.R. 2934. A bill to amend title 18 of the United States Code to extend Federal jurisdiction over certain violent crimes against

high officials in the executive branch so that such jurisdiction is coextensive with jurisdiction over certain crimes against the President or the officer next in succession to the Office of the President; to the Committee on the Judiciary.

By Mr. PEYSER:

H.R. 2935. A bill to amend title 18 of the United States Code to modify the law with respect to handguns, and for other purposes; to the Committee on the Judiciary.

By Mr. PICKLE:

H.R. 2936. A bill to amend the Internal Revenue Code of 1954 to modify the excise tax on trucks, buses, tractors, et cetera, and for other purposes; to the Committee on Ways and Means.

By Mr. SABO:

H.R. 2937. A bill to provide for certification and require the offering of qualified health plans, to provide Federal assistance to States to establish a program of assistance for low-income persons to purchase comprehensive health insurance and a program for coverage of catastrophic health care expenses, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STUMP:

H.R. 2938. A bill to repeal the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

H.R. 2939. A bill to abolish the Environmental Protection Agency; to the Committee on Government Operations.

H.R. 2940. A bill to repeal the Metric Conversion Act of 1975 (89 Stat. 1007); to the Committee on Science and Technology.

By Mr. TAUZIN:

H.R. 2941. A bill to reform the Powerplant and Industrial Fuel Use Act of 1978 to encourage a reduction in air pollution and oil consumption by existing electric powerplants and to aid utilties in converting to alternate fuels; to the Committee on Energy and Commerce.

By Mr. THOMAS (for himself, Mr. McCLOSKEY, Mr. BADHAM, Mr. BAFALIS, Mr. BURGENER, Mr. BUTLER, Mr. COLLINS of Texas, Mr. FRENZEL, Mr. GINGRICH, Mrs. HOLT, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LUNGREN, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. PETRI, Mr. RUDD, Mr. SHELBY, Mr. SHUMWAY, and Mr. WHITEHURST):

H.R. 2942. A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups; to the Committee on the Judiciary.

By Mr. WAXMAN:

H.R. 2943. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the programs under that act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WON PAT:

H.R. 2944. A bill to amend the Internal Revenue Code of 1954 to provide that the pension plan reserves of a life insurance company shall include amounts allocable to certain trusts forming part of a pension, profit-sharing, or stock bonus plan all of the participants of which are residents of Guam; to the Committee on Ways and Means.

By Mr. HAWKINS:

H. Res. 120. Resolution opposing a rescission message numbered R81-92; to the Committee on Education and Labor.

Mr. McDONALD:

H. Res. 121. Resolution to provide for the establishment of the Select Committee on the Role of the United States in the United Nations; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 181: Mr. OBERSTAR.

H.R. 182: Mr. FRANK.

H.R. 560: Mr. BRODHEAD.

H.R. 654: Mr. APPLEGATE, Mr. BAILEY of Pennsylvania, Mr. BOLAND, Mr. BREAUX, Mr. BROOKS, Mr. BROYHILL, Mr. CHENEY, Mr. D'AMOURS, Mrs. HOLT, Mr. McEWEN, Mr. TAUZIN, and Mr. ANNUNZIO.

H.R. 747: Mr. WILLIAM J. COYNE and Mr. DE LUGO.

H.R. 748: Mr. AKAKA, Mr. BAILEY of Pennsylvania, Mrs. CHISHOLM, Mr. CORRADA, Mr. DE LUGO, Mr. DORNAN of California, Mr. DWYER, Mr. DYSON, Mr. GLICKMAN, Mr. LOWRY of Washington, Ms. MIKULSKI, Mr. MINETA, Mr. NEAL, Mr. STUDDS, and Mr. WIRTH.

H.R. 1002: Mr. GREEN.

H.R. 1031: Mr. SIMON and Mrs. HECKLER.

H.R. 1297: Mr. DE LUGO and Mr. BAILEY of Missouri.

H.R. 1298: Mr. DE LUGO.

H.R. 1313: Mr. KASTENMEIER.

H.R. 1353: Mr. BIAGGI, Mr. CLAY, and Mr. COLEMAN.

H.R. 1400: Mr. McCLOSKEY.

H.R. 1505: Mr. LUNGREN, Mr. ERLENBORN, Mr. AUCOIN, Mr. McCLORY, Mr. HARTNETT, Mr. McDONALD, Mr. LAGOMARSINO, Mr. GARCIA, Mr. PANETTA, Mr. LOTT, Mr. COLLINS of Texas, Mr. JEFFRIES, Mr. WHITEHURST, Mr. FORSYTHE, Mr. BEARD, Mrs. HOLT, Mr. BAILEY of Missouri, Mr. GOLDWATER, Mr. GUARINI, Mr. EMERSON, Mr. FRENZEL, Mr. EVANS of Georgia, Mr. ROBERT W. DANIEL, JR., Mr. BUTLER, and Mr. MINETA.

H.R. 1648: Mr. AKAKA, Mr. AUCOIN, Mr. BEREUTER, Mr. COELHO, Mr. CROCKETT, Mr. HORTON, Mr. LAGOMARSINO, Mr. LONG of Louisiana, Mr. LOWERY of California, Mr. McGRATH, Mr. MARKEY, Mr. MOAKLEY, Mr. NEAL, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEPPER, Mr. SUNIA, and Mr. YATRON.

H.R. 1650: Mr. LOWERY of California.

H.R. 1817: Mr. LaFALCE, Mr. GILMAN, and Mr. BLANCHARD.

H.R. 1867: Mr. NICHOLS, Mr. RHODES, Mr. DANIELSON, Mr. FORSYTHE, Mr. GUYER, Mr. LOWERY of California, Mr. COUGHLIN, Mr. ALBOSTA, Mr. LAGOMARSINO, Mr. DOWNEY, Mr. ARCHER, Mr. BOWEN, Mr. YOUNG of Missouri, Mr. RUDD, Mr. BAILEY of Pennsylvania, Mr. DE LUGO, Mr. WILLIAMS of Ohio, Mr. APPLEGATE, Mr. SCHULZE, Mr. McCLORY, Mr. COELHO, Mr. BURGENER, Mr. SHUMWAY, Mr. PASHAYAN, Mr. WON PAT, Mr. ANDERSON, Mr. LEWIS, Mr. PANETTA, Mr. ROBERTS of Kansas, Mr. ROUSSELOT, Mr. HUNTER, Mr. STENHOLM, Mr. MARKS, Mr. MINETA, Mr. MATSUI, Mr. SKEEN, Mrs. FENWICK, Mr. ROBINSON, Mr. SMITH of Alabama, Mr. DANNEMEYER, Mr. BEREUTER, Mr. CHAPPIE, Mr. PATTERSON, and Mr. FAZIO.

H.R. 1868: Mr. NICHOLS, Mr. DANIELSON, Mr. FORSYTHE, Mr. GUYER, Mr. LOWERY of California, Mr. ALBOSTA, Mr. LAGOMARSINO, Mr. ARCHER, Mr. YOUNG of Missouri, Mr. RUDD, Mr. BAILEY of Pennsylvania, Mr. DE LUGO, Mr. WILLIAMS of Ohio, Mr. APPLEGATE, Mr. COELHO, Mr. BURGENER, Mr. ROBERTS of Kansas, Mr. WON PAT, Mr. ANDERSON, Mr. LEWIS, Mr. PANETTA, Mr. HUNTER, Mr. SKEEN, Mr. ROBINSON, Mr. CHAPPIE, AND Mr. PATTERSON.

H.R. 1873: Mr. PEPPER.

H.R. 1918: Mr. WILLIAMS of Montana.

H.R. 1964: Mr. WHITE and Mr. HEFTEL.

H.R. 2122: Mr. BAFALIS.

H.R. 2256: Mr. YATRON and Mr. BAILEY of Pennsylvania.

H.R. 2389: Mr. FRENZEL and Mr. WHITEHURST.

H.R. 2396: Mrs. HOLT.

H.R. 2564: Mr. COLLINS of Texas, Mr. BUTLER, Mr. BLILEY, Mr. DAUB, and Mr. WHITEHURST.

H.R. 2615: Mr. VENTO, Mr. ERDAHL, Mr. FAZIO, Mr. MURPHY, Mr. DAVIS, Mr. ROE, Mrs. BOUQUARD, and Mr. MOTTL.

H.J. Res. 128: Mr. FOLEY, Mr. HAMMERSCHMIDT, Mr. IRELAND, Ms. MIKULSKI, Mr. PERKINS, and Mr. PICKLE.

H.J. Res. 151: Mr. BOWEN, Mr. McDONALD, Mr. MADIGAN, Mr. HUBBARD, Mr. BROWN of Ohio, Mr. GUYER, Mr. ZABLOCKI, Mr. MOLLOHAN, Mr. PRITCHARD, and Mr. DONNELLY.

H.J. Res. 176: Mr. FAZIO, Mr. SCHEUER, Mr. HUTTO, Mr. BINGHAM, Mr. MOFFETT, Mr. SUNIA, Mr. PEPPER, Mr. KILDEE, Mr. DWYER, Mr. McCLORY, Mr. RAILSBACK, Mr. COELHO, Mr. MADIGAN, Mr. GUYER, Mr. WINN, Mr. GIBBONS, Mr. WIRTH, Mr. LOWERY of California, Mr. FOGLIETTA, Mr. WOLF, Mr. JEFFORDS, Mr. SIMON, and Mr. ROBINSON.

H. Con. Res. 2: Mrs. FENWICK.

H. Con. Res. 79: Mr. DUNN and Mr. KRAMER.

SENATE—*Tuesday, March 31, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Gracious Father in heaven, our hearts unite with all people in profound gratitude that the life of the President of the United States was spared. We pray for his rapid and complete recovery. We commend to Thy loving care Mrs. Reagan and the family. May the peace which passes understanding fill their hearts and minds.

We pray for total recovery for Mr. Brady, Mr. McCarthy, and Mr. Delahanty. Grant the healing touch of the great Physician in their lives and the comfort and peace of His presence with their loved ones. We thank Thee for the Secret Service and the police and all who provide security at the risk of their lives.

We pray for the Vice President and all in authority Thy guidance and direction through these crucial hours and for our Nation that we may persevere to Thy glory.

We have been vividly reminded how transitory life is. May we, therefore, conduct ourselves in the wisdom of James, who wrote, "Come now, you who say—

Today or tomorrow we will go into such and such a town and spend a year there and trade and get gain; whereas you do not know about tomorrow. What is your life? For you are a mist that appears for a little time and then vanishes. Instead you ought to say, If the Lord wills, we shall live and we shall do this or that.—James 4: 13–15 (R.S.V.).

Hear our prayer in the name of the Lord Jesus Christ. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is now recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT ON THE PRESIDENT'S CONDITION

Mr. BAKER. Mr. President, it is my happy privilege to announce this morning that during a conversation with the Vice President of the United States, I was advised that the President is doing very well indeed; that his strength and courage and personality are showing through, even in this moment of physical discomfort. He survived the operation with remarkable ease. The tubes have been removed from his nose and mouth. He is responding readily to conversation and is showing a most remarkable sense of humor.

I also report that this morning the President signed the dairy price support bill, which was passed by Congress in the last few days.

ORDER FOR TIME FOR VOTES TODAY

Mr. BAKER. Mr. President, this morning there will be a meeting of the bipartisan leadership, at the White House, with the Vice President and other officials in the executive department, at 10 o'clock. I have discussed this matter briefly with the minority leader, and I now ask unanimous consent that any votes that are ordered prior to 2 p.m. today not occur until that time and that they be stacked.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, in light of the fact that some Senators may wish to speak on the events of yesterday or other subjects, and because of the necessary absence of the leadership on both sides of the aisle for a time this morning as they attend the bipartisan leadership meeting at the White House, I ask unanimous consent that following the time utilized by the minority leader under the standing order, there be a period for the transaction of routine morning business, not to extend beyond 11 a.m., in which Senators may speak for not more than 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SCHEDULE

Mr. BAKER. Mr. President, it is the intention of the leadership on this side to proceed diligently with the further consideration of Senate Concurrent Resolution 9 and the amendments thereto. I hope that all Senators will present themselves on the floor and participate in that debate as soon as possible.

As soon as morning business is closed, the Bradley amendment will be the pending amendment, carried over from yesterday. Is that not correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. There are other amendments on both sides of the aisle. I urge Senators to offer those amendments as soon as they can do so, notwithstanding that votes will not occur until 2 p.m. because it is the intention of the leadership on this side to try hard to finish this bill today, if possible, and if not, to finish it at a reasonably early hour on tomorrow.

As I indicated yesterday, Members should be on notice that there is a distinct possibility, even likelihood, that the Senate will be in late tonight, and by "late" I mean perhaps 10 o'clock or later, if it appears that we can finish this bill—in any event, long enough to make sure that it will carry through with the momentum I hope develops with the consideration of amendments during the course of the day.

Mr. President, that concludes the extent of my remarks during the leaders' time this morning, and I am pleased now to yield the floor so that the minority leader may speak, pursuant to the standing order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. WALLOP). The minority leader is recognized.

VIOLENCE TOWARD PUBLIC OFFICIALS

Mr. ROBERT C. BYRD. Mr. President, the tragic shooting of President Reagan and three other persons yesterday is deplored by all Americans.

An assault on the President of the United States is perhaps the most serious crime in our society. When such acts of violence occur, all logic is defied. The attack was a senseless act and it was a shameful act.

I find it difficult to accept the inevitability of acts of violence against a President of the United States. But the profession of politics is a dangerous one, and all public officials, especially those who are elected public officials, face this possibility as they must go about in this constitutional Republic to meet and mingle with people in all walks of life.

I find it difficult to accept the often propounded thought that we live today in a sick society. I do not believe that we live today in a sick society. I think there are some sick individuals, but not a sick society.

At a time such as this, one searches for answers. They prove to be elusive.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

This is the ninth attack on a President in the history of our Nation. When Thomas Jefferson came to Washington as our third President, we are told that when someone knocked on the door of the President, he often would answer the knock himself. Only that front door stood between him and the public. There was not even a fence around the President's house. That was in 1801.

Now, 180 years later, it is to President Reagan's credit and it is a tribute to him that he likes to meet the public, that he nearly always stops to answer one more question from the press, and in such instances little stands between him and a potential assassin.

Our hearts go out to the family of the President, and we are cheered that he came through surgery in good condition. We are cheered by the account of the progress of the President that has been given to us by the Senate majority leader. We are cheered to know that the President will soon be back at the helm of Government.

Our hearts go out to the families of Press Secretary Jim Brady, Secret Service officer Timothy J. McCarthy, and police officer Thomas K. Delahanty. Our thoughts are with them, and we wish them a full recovery.

I also wish to compliment the orderliness with which the administration has worked during these frenetic and trying hours.

The President laughed and joked as he was on his way to the operating room on yesterday. He exhibited that cheerfulness that we all have come to associate with him.

I admired the quiet dignity and poise demonstrated by the Vice President when he spoke to the Nation last evening briefly. I thought that his demeanor, bearing, manner, and words were highly becoming of a Vice President and of a leader.

This morning I believe that we should refuse to accept the inevitability of such horrible situations and to renew our quest for those elusive answers as to how and why, and we should persevere in the effort. The moment will pass and with it some of the immediate tensions and passions, but we should not let this deter us in continuing to search for answers, and we must begin with the premise with which I began my remarks. We do not live in a sick society. Our society has some sick individuals and madmen, and it seems that we have not yet found the answer as to how we might deal with such.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield the floor.

Mr. BAKER. Mr. President, I wish to take this opportunity to thank the distinguished minority leader.

His remarks on important occasions are always impressive and frequently moving, and I think never more relevant, more moving, and impressive than they have been this morning. I thank him for them.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Now in the period for the transaction of morning business, the Chair recognizes the Senator from Wisconsin.

THE HUMOR AND STRENGTH OF PRESIDENT REAGAN

Mr. PROXMIRE. Mr. President, as one Senator, I wish to congratulate the leadership on their statements this morning with respect to the shooting of President Reagan and three other people. I think that they were statements that should make all Senators proud of this body.

I particularly appreciated the humor and the strength that President Reagan showed under the greatest kind of stress. I understand he walked into the hospital under his own power with a bullet in him, something that very few people would even consider being able to do, and he showed such a marvelous sense of humor when he said on the whole he would rather be in Philadelphia, which showed not only an appreciation of W. C. Fields but also the NCAA basketball championship.

At any rate, I note that the majority leader pointed out that the first official action by the President after he was shot was to sign the dairy bill which meant that our dairy farmers are going to take it on the chin. Well, I deplore the bill itself; but I must say I am glad that the President had the strength to take action, even though it is an action that is going to result in problems for people in our State.

SIMON WIESENTHAL: STALKING THE NAZIS

Mr. PROXMIRE. Mr. President, in Monday's Washington Post, Michael Kernan writes of Simon Wiesenthal's unrelenting search for Nazi war criminals, and his great concern over the growth of neo-Nazi movements in Europe and the United States. In his 36-year search, Wiesenthal has exposed over 1,100 war criminals, including Adolf Eichmann. Yet he believes that 20,000 Nazis escaped Germany in 1945—many of them to America. He admits that his documentation covers only "the tip of the iceberg."

He stalks these murders as a man possessed. Wiesenthal's thirst for justice is at no time more passionate then when his thoughts turn to Jose Mengele, the infamous angel of death. His thoughts are always on Mengele. Wiesenthal follows his every move all the days. Kernan notes that it was Mengele who injected blue dye into children's eyes to aryanize them, who collected twins for unspeakable experiments, who passed judgment on the thousands of Jews marching into the death camp at Birkenau. Wiesenthal is 72, while Mengele is 69. The hunt is certain to end soon.

But for the moment, Wiesenthal's greatest fear is that Nazi nightmare is starting all over again—with its roots here in the United States. The police raided 2,000 houses all over Germany this past winter, states Wiesenthal. They "found stacks of neo-Nazi propaganda," which came from Lincoln, Nebr. The anti-Semitic and fascist material gets distributed in Germany also by way of Reade, W. Va., Mount Vernon, N.Y., and Arlington, Va.

As Wiesenthal points out, this activity devastates U.S. credibility for "it allows the Soviet Union—the big jail of nations—to point to America as the source of this new poison and to set themselves up as the world's protector against Nazism."

Neo-Nazism "is not a powerful movement in America, but for Europe this is a disaster." Bombings and other violence have been traced to fascist elements in Munich, Bologna, and Paris. These groups are "waiting for a crisis, economic or political," warns Wiesenthal. "It is exactly what Hitler did."

Wiesenthal is convinced that the horror could happen all over again. No country is safe—recently a Los Angeles synagogue was painted with swastikas and a mesage in German: "Jews—the SS will come again." It is easy to dismiss these events as the actions of isolated madmen. Yet in that way we blind ourselves to the very real and growing danger of this extremism both at home and abroad. Rather, we must express our outrage, and express it firmly.

The Genocide Convention offers a way. Drawn up in the wake of the Nazi holocaust, the convention outlaws the atrocity of mass murder. Ratifying it would express our revulsion over the potential of fascist groups and serve to allay the fears of those who dread the return of another holocaust.

Wiesenthal notes that:

> Half of the population of the world today was not alive when the Nazi death camps were opened in 1945. A tenth of the rest were children. That means 60 percent of the world's people know nothing at firsthand, nothing.

Simon Wiesenthal will never have the luxury of not knowing, of forgetting the horror. We indulge in it at our own peril. We must ratify the Genocide Convention.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Missouri is recognized.

IMPORTATION OF JAPANESE AUTOMOBILES

Mr. DANFORTH. Mr. President, I thought I would use this opportunity to bring the Senate up to date on the present status of moves to try to curtail the importation of Japanese automobiles, as I understand that status.

Some weeks ago, Senator BENTSEN and I introduced a bill to impose quotas for a 3-year period of time on the importation of Japanese cars. We did so with great reluctance because both of us consider ourselves to be freetraders.

However, the situation in the automo-

bile industry is in an emergency status. That is, the American automobile industry last year lost $4.2 million, some 200,000 autoworkers are now out of work, and approximately three-quarters of a million other individuals are out of work due to the emergency in the automobile industry.

The cause of the automobile problem is at least twofold: First, we have a recession that has been going on in the country, a downturn in the economy, and a reduction in the demand for automobiles of all kinds. But at the same time that the number of cars sold has declined, the number of Japanese cars sold in the United States has more than doubled.

The reason for this was that in a very short period of time, the whole picture with respect to the availability of gasoline and the price of gasoline changed. The OPEC countries tightened their cartel, increased the price of gasoline, and Federal policies with respect to allocation created, especially in early 1979, a line at practically every gasoline station in the United States. Therefore, there was a great, sudden surge of demand for fuel-efficient cars which were produced by the Japanese.

Senator BENTSEN and I reasoned that this is an artificial situation; that it is a short-term situation; and that in large part it was created by governmental policy. Governmental energy policy created a situation in which the American automobile industry felt that it could continue to produce large cars for a long period of time, and the American consumer felt that he could afford to buy a large car.

When we introduced the quota bill, we stated at the time that we would prefer to have the administration negotiate limitations with the Japanese rather than to have Congress impose limitations by legislation. We took that position very openly, and we told the administration that.

That remains our position. We would prefer for the administration to discuss matters with the Japanese. It is my understanding that that process is now going on. The administration has talked to the Japanese. The Foreign Minister of Japan was in this country last week. He discussed the automobile situation with a number of people in the administration, including the President himself.

Hopefully, something can be resolved by the time the Prime Minister comes here in early May.

It is certainly my intention and Senator BENTSEN's intention to give the Prime Minister of Japan the courtesy of having him in the country without having Congress proceed with a quota bill. We would like to see this matter resolved, and we would like it resolved on the most amicable possible terms.

However, it is my intention to write Senator DOLE, the chairman of the Finance Committee, today or perhaps tomorrow and suggest to him that he schedule a markup of the quota bill at some date in the foreseeable future, and then to make sure that we are in the position of proceeding with legislation if it turns out that the legislative route is the only one that is available to us.

Mr. President, as I pointed out earlier, I would rather have this accomplished by negotiation by the executive branch rather than by legislation by the Congress, but the fact of the matter is that whether it is done by negotiation or legislation, it must be done. We cannot continue to have a situation where an industry right at the heart of the American economy continues to get weaker and weaker. We must provide it with breathing room, whether it is done by negotiation or, if need be, by legislation.

Therefore it is my intention to ask the chairman of the Finance Committee, Senator DOLE, if he will schedule a markup in the foreseeable future so that we can proceed in an orderly way on the legislative route in case nothing transpires from the talks that are being held and will be held between the administration and the Japanese.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A HISTORY OF ASSASSINATIONS AND ASSASSINATION ATTEMPTS ON PRESIDENTS OF THE UNITED STATES

Mr. RANDOLPH. Mr. President, the Senate of the United States, just before going out of session yesterday evening, listened to one of its Members, Senator DANFORTH of Missouri, in a prayer of petition to our Father for those who had been stricken during the incident of yesterday afternoon. At the request of media in West Virginia and elsewhere, which presumably has come to many Members of the Senate and House of Representatives, I responded with the following, which I wish to have made a part of the RECORD:

The assassination attempt on the life of President Reagan is a tragedy.

Only a few minutes before he was shot it is reported that in an address to the AFL–CIO the President spoke out strongly against the rising tide of crime.

The people of the United States will pray for the well-being of our national leader and for the recovery of the others who were injured in this deplorable incident.

I shall place in the RECORD, the rate of the rise in crime in various categories in this country. They are startling figures. I listened in part this morning as an early morning television program commented on these figures. I ask unanimous consent that those figures be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNIFORM CRIME REPORTS FOR THE UNITED STATES

(Printed Annually—1979)

(By William H. Webster)

PRELIMINARY FIGURES

The number of crime index offenses reported to law enforcement agencies throughout the United States during the first 6 months of 1980 increased 10 percent over the same period of 1979. When compared with the same periods of 1979, the crime index increased 9 percent during the first quarter of 1980, and increased 11 percent during the second quarter.

TABLE 2.—INDEX OF CRIME, UNITED STATES, 1970–79

Population [1]	Crime [2] Index total	Modified [3] crime index total	Violent [4] crime	Property [4] crime	Murder and nonnegligent manslaughter	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson
Number of offenses:												
1970–203,235,298	8,098,000		738,820	7,359,200	16,000	37,990	349,860	334,970	2,205,000	4,225,800	928,400	
1971–206,212,000	8,588,200		816,500	7,771,700	17,780	42,260	387,700	368,700	2,399,300	4,424,200	948,200	
1972–208,230,000	8,248,800		834,900	7,413,900	18,670	46,850	376,290	393,090	2,375,500	4,151,200	887,200	
1973–209,851,000	8,718,100		875,910	7,842,200	19,640	51,400	384,220	420,650	2,565,500	4,347,900	928,800	
1974–211,392,000	10,253,400		974,720	9,278,700	20,710	55,400	442,400	456,210	3,039,200	5,262,500	977,100	
1975–213,124,000	11,256,600		1,026,280	10,230,300	20,510	56,090	464,970	484,710	3,252,100	5,977,700	1,000,500	
1976–214,659,000	11,304,800		986,580	10,318,200	18,780	56,730	420,210	490,850	3,089,800	6,270,800	957,600	
1977–216,332,000	10,935,800		1,009,500	9,926,300	19,120	63,020	404,850	522,510	3,052,200	5,905,700	968,400	
1978–218,059,000	11,141,300		1,061,830	10,079,500	19,560	57,130	417,040	558,100	3,104,500	5,983,400	991,600	
1979–220,099,000	12,152,700		1,178,540	10,974,200	21,460	75,990	466,880	614,210	3,299,500	6,577,500	1,097,200	
Rate per 100,000 inhabitants: [5]												
1970	3,984.5		363.5	3,621.0	7.9	18.7	172.1	164.8	1,084.9	2,079.3	456.8	
1971	4,164.7		396.0	4,768.8	8.6	20.5	188.0	178.8	1,163.5	2,145.5	459.8	
1972	3,961.4		401.0	3,560.4	9.0	22.5	180.7	188.8	1,140.8	1,993.6	426.1	
1973	4,154.4		417.4	3,737.0	9.4	24.5	183.1	200.5	1,222.5	2,071.9	442.6	
1974	4,850.4		461.1	4,389.3	9.8	26.2	209.3	215.8	1,437.7	2,489.5	462.2	
1975	5,281.7		481.5	4,800.2	9.6	26.3	218.2	227.4	1,525.9	2,804.8	469.4	
1976	5,266.4		459.6	4,806.8	8.8	26.4	195.8	228.7	1,439.4	2,921.3	446.1	
1977	5,055.1		466.6	4,588.4	8.8	29.1	187.1	241.5	1,410.9	2,729.9	447.6	
1978	5,109.3		486.9	4,622.4	9.0	30.8	191.3	255.9	1,423.7	2,743.9	454.7	
1979	5,521.5		535.5	4,986.0	9.7	34.5	212.1	279.1	1,499.1	2,988.4	498.5	

[1] Populations are Bureau of Census provisional estimates as of July 1, except Apr. 1, 1970, census.
[2] Due to rounding, the offenses may not add to totals.
[3] The collection of statistics on arson, a newly established index offense, was begun in 1979. However, summary statistics are not yet available for inclusion in this table. The number of arson offenses reported by individual law enforcement agencies is displayed in tables 6 through 9 of this publication.
[4] Violent crimes are offenses of murder, forcible rape, robbery, and aggravated assault. Property crimes are offenses of burglary, larceny-theft, and motor vehicle theft. Data are not included for the property crime of arson.
[5] Crime rates calculated prior to rounding number of offenses.

An increase of 10 percent occurred in both the violent and property crime categories for January-June 1980. Of the violent crimes, robbery showed the largest increase, 13 percent. Forcible rape rose 12 percent, aggravated assault rose 7 percent, and murder rose 3 percent. Of the property crimes, burglary showed the largest increase, 12 percent, while larceny-theft rose 9 percent and motor vehicle theft rose 4 percent.

The first three tables below show increases for the total crime index offenses in all population groups and all regions of the United States.

TABLE 1.—CRIME INDEX TRENDS

[Percent change January through June, 1980 over 1979, offenses known to the police]

Population group and area	Number of agencies	Population in thousands	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	11,735	193,483	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	
Cities:													
Over 1,000,000	6	17,670	+13	+12	+13	+4	+2	+19	+2	+14	+13	+12	
500,000 to 999,999	19	12,422	+8	+5	+8	−1	+15	+5	+4	+10	+9	0	
250,000 to 499,999	31	10,998	+8	+10	+8	+1	+11	+10	+10	+9	+9	0	
100,000 to 249,999	111	16,130	+10	+11	+10	+4	+18	+11	+10	+14	+9	+3	
50,000 to 99,999	249	17,057	+6	+10	+6	+11	+12	+10	+10	+11	+4	−1	
25,000 to 49,999	563	19,304	+9	+10	+9	+3	+13	+13	+9	+13	+9	+2	
10,000 to 24,999	1,398	21,899	+9	+11	+9	+13	+16	+16	+9	+12	+9	−2	
Under 10,000	5,742	20,041	+10	+9	+10	+2	+15	+9	+9	+11	+11	+3	
Counties:													
Suburban [1]	953	31,659	+11	+9	+11	+4	+15	+12	+7	+13	+10	+6	
Rural [2]	2,663	26,304	+14	+4	+15	−2	+10	+8	+3	+14	+17	+6	

[1] Includes crimes reported to sheriffs' departments, county police departments, and State police within standard metropolitan statistical areas.

[2] Includes crimes reported to sheriffs' departments, county police departments, and State police outside standard metropolitan statistical areas.

TABLE 2.—CRIME INDEX TRENDS

Area	Number of agencies	Population in thousands	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	11,735	193,483	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	
Cities over 50,000	416	74,277	+9	+10	+9	+3	+11	+13	+6	+12	+9	+5	
Suburban area [1]	4,920	69,502	+9	+10	+9	+5	+16	+13	+8	+13	+8	+2	
Rural area [2]	2,663	26,304	+14	+4	+15	−2	+10	+8	+3	+14	+17	+6	
Other cities [3]	3,736	23,401	+11	+9	+11	−1	+10	+12	+9	+11	+12	+3	

[1] Includes crimes reported to city, county, and State law enforcement agencies within standard metropolitan statistical areas, but outside the core cities.

[2] Includes crimes reported to sheriffs' departments, county police departments and State police outside standard metropolitan statistical areas.

[3] Includes crimes reported to city police departments outside of standard metropolitan statistical areas.

TABLE 3.—CRIME INDEX TRENDS BY GEOGRAPHIC REGION

Region	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
Total	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	
Northeast	+10	+10	+10	+1	+7	+17	+3	+13	+9	+5	
North-central	+10	+7	+11	+4	+9	+11	+4	+16	+11	−3	
South	+10	+9	+10	0	+12	+9	+8	+12	+9	+6	
West	+9	+12	+9	+11	+17	+14	+10	+9	+9	+6	

TABLE 4.—CRIME INDEX TRENDS

[Percent change 1976–80, each year over previous year, January through June, each year over previous year]

Years	Total	Violent	Property	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
1977/1976	−7	0	−7	−2	+8	−5	+4	−5	−9	−2	
1978/1977	−2	+1	−3	0	+5	−2	+3	−1	−4	−1	
1979/1978	+9	+13	+9	+9	+11	+15	+11	+7	+10	+13	
1980/1979	+10	+10	+10	+3	+12	+13	+7	+12	+9	+4	

*Sufficient 1979 data were not available to establish reasonable trends regarding arson, the 8th index offense.
Issued by William H. Webster, Director, Federal Bureau of Investigation, U.S. Department of Justice, Washington, D.C. 20535.
Advisory: Committee on Uniform Crime Records, International Association of Chiefs of Police.

Mr. RANDOLPH. Mr. President, it might be of some interest to tell of attempts on the life of Presidents of the United States. The first attempt at assassination was against Andrew Jackson in 1835. Of course, the last of the Presidents on which the attempt has been made was yesterday, March 30, 1981, when Ronald Reagan was a President marked for assassination. There have been four Presidents killed by assassination: Abraham Lincoln in 1865, James A. Garfield in 1881, William McKinley in 1901, and John F. Kennedy in 1963.

There have been five Presidents who were marked for assassination but who were not struck or survived. There were two attempts on the life of President Gerald Ford, in 1975. There was an attempt on the life of Harry S. Truman in 1950, there was the attempt on President-elect Franklin Roosevelt in 1933. The attempt on the life of President Theodore Roosevelt, who was a candidate for a third term in 1912.

As I earlier indicated, Andrew Jackson was the first President on whose life an assassination attempt was made. That was in 1835.

I add also, Mr. President, that at least

two additional Presidential candidates were marked for assassination: Robert F. Kennedy, shot and killed in 1968. George Wallace, shot in 1972, survived and today is living, paralyzed in his body from the waist down. Our attention to this subject today, in my judgment, is entirely appropriate.

As I said in my statement, President Reagan is our national leader, and we pray for his recovery as we pray for the recovery of those who were injured with him in this deplorable incident.

It is deplorable. I do not know what the answers are in a society where we do not live straitjacketed as, perhaps, citizens do under other ideologies.

But I think that we must, at a time like this, not only remember this particular incident but, insofar as possible, direct our thoughts to the very body politic of the Republic, to the life of the Nation itself and to the American people. We must be conscious that we are a people under God and that we try, increasingly, as best humans can try, to live lives of understanding and peace in a world given to us by the Creator Himself.

AN EXPRESSION OF SORROW AND OUTRAGE

Mr. LEAHY. Mr. President, I shall take just a few minutes, first to applaud the statement by my distinguished colleague from West Virginia (Mr. RANDOLPH) and to concur in them totally.

Mr. President, I also commend to everybody, if they were not here, to read the prayers offered by the distinguished Senator from Missouri (Mr. DANFORTH) late yesterday afternoon.

I believe that the distinguished Senator from Missouri expressed very much the feeling of all of us on both sides of the aisle, of whatever denomination, in praying for the well-being of our President, for those gallant law-enforcement officers wounded in the protection of the President, and for the President's press secretary, Mr. Brady, who remains today still in very critical condition.

Mr. President, last night and again this morning, I talked with a number of people in my State of Vermont—members of my family, friends, advisers, neighbors, people who live near us in our home in Vermont, and so forth. The sense of outrage in the State of Vermont on the part of people I talked with was uniform. It made no difference to what political party they belonged to or even if they ever considered themselves as being a member of any political party. It made no difference among the Vermonters as to whom they voted for in last year's election. It was a uniform sense of outrage.

I believe that all Members of the Senate probably have had the same experience in the past few hours in talking with people from their States.

The President of the United States is the head of state, the head of our Government; he is our leader. In a 4-year period we have one President. Quite frankly, I say to my colleagues that I hope, for the good of our country, that we always have only one President during any 4-year period.

In this country, the oldest existing democracy in the world, we should always bring Presidents to office or have Presidents leave office by ballots, not by bullets.

It is with a deep sense of sorrow and outrage, as an American, as a Vermonter, as a Member of the U.S. Senate, that I see an action by which someone tries to change the course of our democracy, change the way our democracy is established, change the way our President is selected.

Mr. President, if such efforts were successful, if a government could be totally changed overnight or in a matter of moments by such an action, this country would quickly slide from democracy to anarchy. We can thank God, as many of us have, that this did not happen yesterday.

As Senator DANFORTH did yesterday, all of us should pray for the continued well-being of President Reagan. On behalf of myself and my family and the people of my State, we feel very thankful today that he is alive, that he is well and obviously is recovering rapidly.

I also pray that such things will not happen again. At the same time, I fear too much of that tradition is with us.

So, Mr. President, it is good to note that the country continues, our Government continues. It should be an immediate sign not only to people within our borders but also to those without our borders that when something like this happens, our Government coalesces, our people coalesce. We are ultimately not Republicans or Democrats; we are Americans.

Those of us who serve in the Government serve all the people of this country. Anyone who feels that the Government will fall or be irreparably altered by such action should take note of the fact that it is in times of crisis such as these that those of us within the Government show the utmost cohesion and the utmost efforts to maintain stability.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURKOWSKI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. DOMENICI. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Would it now be in order for us to proceed with the Bradley amendment?

The PRESIDING OFFICER. It would be at the close of morning business.

A DAY TO REMAIN IN OUR MINDS

Mr. QUAYLE. Mr. President, yesterday was indeed a day which will remain in our minds for many years. For me it was a day which began on an even note, went through a deep trough of concern as events of the afternoon unfolded, and then ended on a high note as the medical reports were optimistic for the President's recovery, and the Hoosiers of Indiana won the NCAA tournament.

It is not, it seems to me, improper to talk of a basketball game at this time. For, in life, we learn that the bad is often balanced by the good. And the sour is offset by the sweet.

Indeed, the President's first public message after his successful surgery was: "I'd rather be in Philadelphia."

Coach Bobby Knight and his young team of basketball players brought a championship back home to Indiana last night. As they have throughout the NCAA tournament, they won by over 10 points. But this was not a team which sailed through an undefeated season. It was a team which came into the new year barely over the .500 mark. Despite that, Coach Knight took his team into the tough big ten season and came out as conference champions.

Overcoming adversity is one of the traits we most admire, Mr. President. This team and Bobby Knight has done that. Indiana is proud of him, his players, and our great university.

Now on to the more serious matter of the shooting yesterday afternoon.

Overnight I spent a great deal of time, as I am sure all of my colleagues did, thinking about what happened yesterday and why. It is easy to take this incident and misuse it to foster one particular belief or another. That would be, in my estimation, the very worst outcome.

Listen to the debate in this very Chamber, Mr. President. In using our oratorical skills, we tend to overstate. We tend to use the most dramatic phrases, and paint the most stark word pictures.

We use phrases like "eating out of garbage cans," and "wholesale murder of the unborn."

This is not limited to one side of the aisle or the other, nor is it limited to one particular issue.

Look back at the recent campaigns. We all are guilty of using intemperate language to draw a distinction between the good "us" and the bad "they."

Like lawyers in a courtroom, Mr. President, we use the words and pictures which are most likely to arouse emotions. We have seen, over the past few campaigns, the rise of "negative advertising," designed to tear down our opponent, or our opponents' ideas.

Lawyers, debaters, or—forgive me—actors, understand these "rules." How many times has each of us gone through a hard trial, or a tough negotiation, and adjourned, with our adversary, to the coffeeshop or the golf course.

Unfortunately, the jury, or the public, or, in some cases, the audience, does not understand the difference between "fiery rhetoric" and demogogy.

There are people in the country whose

minds are like Jello, and take on the shape of the mold into which they are put. They believe that we hate each other and take it upon themselves to avenge some imagined wrong.

Let us look to ourselves, Mr. President. Let us take upon ourselves some measure of responsibility for what happened yesterday.

It was not President Reagan, and Jim Brady, and two security persons, it was each of us and our staffs.

On a recent Sunday evening we were reminded of the words of the poet John Donne, when "Sixty Minutes" did a story on Ernest Hemingway.

The famous words by John Donne say:

Any man's death diminishes me, because I am involved in mankind; and therefore never send to know for whom the bell tolls; it tolls for thee.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 9) revising the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983.

The Senate resumed consideration of the concurrent resolution.

Mr. DOMENICI. Mr. President, would the Chair inform the Senator from New Mexico how much time remains on the Bradley amendment and how much time I have in opposition?

The PRESIDING OFFICER. The Senator from New Jersey has 8 minutes; the Senator from New Mexico has 24 minutes.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged to the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 24

Mr. McCLURE. Mr. President, I thank the Senator for yielding.

Mr. President, I rise in opposition to the amendment offered by the Senator from New Jersey, not because I do not share the same objective that he does with respect to getting the oil put into the strategic reserve, but because of the same reasons outlined by the distinguished Senator from New Mexico, the chairman of the Budget Committee. This amendment, which is a $3 billion add on, would push the Senate over the figures set up in the President's budget message and if it passed it would be the first of what might become a string of amendments that would further break the budget, this one being the first to breach the budget targets.

For that reason I must reluctantly oppose it, not because I think it is easy for us to find the means by which we can reduce the expenditures of the Federal Government, but because I realize it is very difficult. It is much easier to add on than it is to balance the budget. It also is much easier to add on than it is to find an offset.

I am, like every other Member of this Senate, going to have to accept some reductions in programs that I have fought in the past years, that I have supported and still support, and that I believe in but I have to subordinate my other concerns now to a primary goal of reducing Federal expenditures.

There are three major crises that face this country today: one is energy; the other is military; and the third is economic. And this touches all three of those areas. It is necessary for us to have a strategic reserve in order to maintain the security of this Nation. It is necessary for us to have a strategic reserve to reduce the future potential economic impact upon this country by recognizing that it increases the economic impact upon the budget and, hence, in the short term, upon the economy.

And, finally, it is absolutely essential as a part of an overall energy strategy of developing our own resources so that we can reduce our dependence upon the imported oil, while at the same time reducing the capacity in the short term for massive dislocations in the economy and massive disruption of domestic and foreign policy because of immediate, very large-scale or total disruptions of oil supplies flowing to this country.

I do not know how we can best balance the conflicts that exist in finding solutions to these crises without recognizing that each exists, without saying in that context that certainly the strategic petroleum reserve is essential to all three. But in order to meet the other goals as well we must also find the budgetary offsets that are necessary to finance the acquisition as well as the construction of strategic reserves. That is where I must come down in the discussion of the amendment of the Senator from New Jersey.

I have pending a substitute which would call for the addition of the $3 billion for the strategic reserve, but it provides also for the offsetting reductions in the other items in the budget, save the military, which is not before us as the Senator from New Jersey pointed out yesterday, so we cannot touch it. It is not physically before us and, therefore, we cannot address it at this time.

Second, the substitute would exempt the national debt and the trust fund operations. Therefore, the impact by reductions would be as outlined in the substitute.

If the amendment of the Senator from New Jersey is adopted, it would be my intention to withdraw my substitute because the issue would have then been settled by the Senate.

In the event the amendment of the Senator from New Jersey is not adopted, it would be my intention to offer a perfecting amendment to the committee amendment which carries the substance of the substitute I have offered so that we could then vote upon that proposition and I would then withdraw the substitute so that we would not complicate the parliamentary situation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. McCLURE. I thank the Senator for having yielded me time.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining.

Mr. DOMENICI. Might I inquire of Senator BRADLEY, does he intend to use the remainder of his time?

Mr. BRADLEY. I intend to use some portion of the time remaining. I am prepared to use it at any time it is appropriate. I thought I would give the Senator his chance to make a case and then I would make my case.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes.

I think the arguments on substance have all been made. The Senate should now understand that this is the second SPRO amendment. The one that failed rather heavily yesterday would have added $1.5 billion for SPRO by cutting the amount that the Committee on Energy and Resources would have to save.

This amendment would double that. This merely directs that they would save $3 billion less.

I would say to the Senate aside from the substantive arguments, and I have tried to make them, there are substantial moneys left for 1981 and 1982. In fact, there is enough left to continue the present rate of fuel clear through most of 1982. The Congress, the administration, and others in this country would have an adequate time to find out whether or not we could find a way to finance the reserve without ending up as we will if the Bradley amendment passes, by having put $14 billion into a strategic petroleum reserve and not yet have put real pressure on the private sector and the ingenuity of those who know how to finance it.

Aside from those substantive arguments, this amendment will make us $775 million over the package which the President presented. So while some amendments of a lesser quantity might

not break that package, this one will. This will make us $775 million over the package presented by the President.

I would say to my good friend from New Jersey, that technically, if he wants to take credit for the $500 million that Senator DOLE shifted from 1982 to 1981 in his amendment, then it would only be $275 million. But I choose to be practical in that respect. That is merely shifting and adds $500 million more to 1981, which we will have to do in a continuing resolution. So I think the essence of it is that it is about $775 million that we would now be over the President in terms of recommended savings.

I would hope the Senate considers the seriousness of this and that they do as they did yesterday, that they defeat the Bradley amendment. We should be giving Congress the opportunity to find another way, a better way, so we do not have to put valuable tax dollars into the ground when many people perceive this to be an alternative and we have not considered any other real alternatives.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. ANDREWS). Who yields time?

The time in opposition to the amendment has expired. The Senator from New Jersey has 8 minutes remaining.

Mr. BRADLEY. Mr. President, the amendment before the Senate would reinstate $3 billion for the strategic petroleum reserve that the Senate Committee on the Budget removed, bringing the total figure to $3.8 billion,which is the exact total that the Reagan administration proposed for the strategic petroleum reserve. As I have said on the floor several times yesterday, and many times previously, there is no better way to spend an energy dollar than to buy a barrel of oil and put it into a reserve; there is no better way to spend a national security dollar, given our vulnerabilities and our dependence upon insecure sources of foreign oil, than to buy a barrel of oil and put it into the reserve.

Mr. President, the distinguished chairman of the Committee on the Budget has made an argument that I have heard before on this floor. It is an argument that I characterize as the "green-eyeshade approach" to our national security; that we are going to save a few dollars in budgetary terms this year or next, while continuing to expose ourselves to the very real possibility that we shall be totally unprepared to cushion our economy against the devastation that an oil-supply interruption would create.

Mr. President, this is a national security issue. If we had no oil, it would be difficult to mobilize our economy in a military emergency, and we might not be able to provide the military with sufficient oil.

Mr. President, the Budget Committee came in $2.3 billion under President Reagan's budget. The amendment that the Senator from Kansas offered, and that was adopted, as the Senator from New Mexico has pointed out, took us $500 million lower. What that means is that we are talking about going $200 million above the Reagan administration budget. Mr. President, that $200 million is, in some sense, a piddling sum compared to the $185 billion that we are going to spend on national defense this year. The rules regarding the reconciliation bill on the floor does not allow us to adjust the defense numbers. The defense numbers are not before us at this time. Therefore, the Senator from New Jersey is arguing that there is no better way to spend a national defense dollar than to buy oil and put it into a reserve, and he is unable to make that a reality by adjusting the defense numbers because he cannot get to them.

So I say to the Senate that $2.3 billion of this $3 billion would come from the difference between the Budget Committee figure and the Reagan administration figure. An additional $500 million is taken care of by Senator DOLE. The $200 million would come in the first budget resolution out of a defense budget of $185 billion.

Mr. President, if we cannot find $200 million out of a budget of $185 billion to assure full funding of the strategic petroleum reserve, then I raise a serious question as to how serious we consider the threat of an oil supply disruption to be.

Mr. President, we have heard arguments about other mechanisms to fund the strategic petroleum reserve. The fact is that there are none today. By refusing to spend this money to fill the reserve, we are saying, in effect, that we are not prepared and we refuse to take actions to prepare us to cushion our economy against an oil supply disruption.

Mr. President, as I have argued before on this floor and as I argue today, emergency preparedness is the lost child of energy policy; the fundamental component of emergency preparedness is the strategic petroleum reserve. This is our chance to address that component. There is sufficient cushion in the defense budget and in the numbers that were reported by the Budget Committee to allow for this $3 billion addition; the $3 billion is the exact request that was made by the Reagan administration when it sent its budget to Congress this year.

So, Mr. President, I argue that the Senate should adopt this amendment. It is in our national security interest; it is in our economic security interest; and it is time we stopped following the green-eyeshade approach to our national security on an issue that is a fundamental threat today to our continued health as a nation.

I reserve the remainder of my time.

● Mr. EAGLETON. Mr. President, while I have voted and will vote against amendments to restore funding, I agree that a strategic oil reserve is essential to the long-term security of this country. However, I believe the financing of the reserve can and should be managed without burden to the taxpayers. There are some who feel that such private financing is possible, but that it may take too long to negotiate.

I am not entirely unsympathetic to that argument nor to the case that some have made that the existence of an ample reserve could be essential to our military preparedness. While such an amendment may not be in order at this time, I would suggest that we consider the alternative of putting the costs of building the reserve under the Defense function at least until other means of financing it can be found. If national security is the pivotal argument in this matter, then let us deal with it directly by making the oil reserve a national security function.●

Mr. DOMENICI. Mr. President, I wonder now if the Senator from New Jersey would want to yield the remainder of his time so we can proceed with Senator MCCLURE's proposal? I say that if he needs some additional time, between Senator HOLLINGS and me, we shall certainly yield it off the resolution.

Mr. BRADLEY. Mr. President, I am prepared to yield back the remainder of my time if the Senator from New Mexico is also prepared to do that.

Mr. DOMENICI. Mr. President, my time has run out.

I suggest the absence of a quorum with the time being charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCLURE. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 30

(Purpose: To restore funding for the strategic petroleum reserve program)

Mr. MCCLURE. Mr. President, I ask unanimous consent that it may be in order for me to offer a perfecting amendment to the committee amendment at this time.

The PRESIDING OFFICER. Without objection, the amendment will be in order.

Mr. MCCLURE. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE) proposes an unprinted amendment numbered 30.

Mr. MCCLURE. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 6, line 10, strike all after the semicolon through the period on line 14 and insert in lieu thereof the following: "$714,000,000 in budget authority and $434,000,000 in outlays for fiscal year 1982; and $660,000,000 in budget authority and $669,000,000 in outlays for fiscal year 1983.".

Page 15, line 8, strike all after the semicolon through the period on line 11 and insert in lieu thereof the following: "$1,885,000,000 in budget authority and $1,118,000,000 in outlays for fiscal year 1982; and $2,251,000,000 in budget authority and $1,887,000,000 in outlays for fiscal year 1983.".

On page 21, after line 9 insert the following paragraph:

"(30) In addition to the actions required by subsections c(1) through c(29) each Committee of the Senate and House referred to therein shall report changes in laws within their respective jurisdictions sufficient to reduce budget authority by 1.5 percent for fiscal year 1982 and by 1.4 percent for fiscal year 1983; and to reduce outlays by .7 percent for fiscal year 1982 and .6 percent in fiscal year 1983; provided that no such Committee shall reduce budget authority or outlays in function 050; provided, further, that no Committee shall be required to reduce budget authority associated with revenues to trust funds, and, provided, further, that no Committee shall be required to reduce budget authority nor outlays associated with interest on the public debt.".

Mr. McCLURE. Mr. President, this is the amendment which we have had reference over the last 2 or 3 days. It is, in substance, the same as the substitute amendment which I offered and which is also pending at this time. It will be my intention, as I stated earlier——

Mr. DOMENICI. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senator from New Mexico makes a point. The Senate will be in order.

Mr. McCLURE. I thank the Chair. I thank the Senator from New Mexico.

Mr. President, in the event the Bradley amendment, when voted upon, is adopted, it will be my intention to withdraw both this amendment and the substitute which I offered earlier. In the event the Bradley amendment is not adopted, then it is my understanding, under the unanimous-consent agreement, that the vote on this amendment would follow the vote on the Bradley amendment.

At that time, it will be my intention to withdraw the substitute. This amendment has the same effect upon the budget as the substitute; it carries the same numbers. It is simply a different way of presenting my proposal to the Senate. It would be my intention to offer it in this form instead so as to avoid asking for a vote on the substitute which would complicate the parliamentary situation that would follow in the event that the substitute is adopted.

Mr. President, I think the issues involved in the amendment have been thoroughly discussed. It is simply a matter of adding $3 billion for financing the acquisition of oil for the strategic reserve with offsetting reductions in budget authority of 1.5 percent in 1982, 1.4 percent in 1983, and outlays of seven-tenths of 1 percent in 1982 and six-tenths of 1 percent in 1983 in all other programs save defense, trust fund operations, and national debt. It would not add or subtract from the total for the budget. It would leave it at exactly the same total but would shift funds from other programs into financing of SPRO.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, so that all understand—Senator BRADLEY is on the floor—the Bradley amendment would be voted on at 2 o'clock. That is pursuant to a previous order. In the event the Bradley amendment is adopted, I understand that Senator McCLURE——

Mr. McCLURE. It would be my intention to withdraw both this amendment and the substitute.

Mr. DOMENICI. In the event the Bradley amendment fails, it is my understanding that Senator McCLURE would want to proceed immediately to vote on the perfecting amendment which is presently before the Senate.

Mr McCLURE. The Senator is correct.

Mr. DOMENICI. And Senator McCLURE would withdraw his previous amendment, which was a substitute for the entire committee amendment.

Mr McCLURE. The Senator is correct.

Mr. BRADLEY. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BRADLEY. The first vote would come on the Bradley amendment, and the second vote, if there were a second vote, would come on the McClure amendment?

Mr. DOMENICI. The Senator is correct.

Mr. BRADLEY. Mr. President, will the Senator yield so that I can ask for the yeas and nays on my amendment?

Mr. DOMENICI. I yield.

The PRESIDING OFFICER. Is there objection to it being in order to request the yeas and nays at this time on the Bradley amendment? The Chair hears none, and it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, would it be in order at this time to ask unanimous consent that the ordering of the votes and the procedures that have been outlined with respect to the votes and the withdrawal of the amendment and substitutes be in order at this time?

The PRESIDING OFFICER. Will the Senator from Idaho restate his request?

Mr. McCLURE. Mr. President, I ask unanimous consent that following the disposition of the Bradley amendment, the vote then occur on the McClure amendment, unless the Bradley amendment has been adopted; that it be in order for me at that time to withdraw the McClure amendment if the Bradley amendment has been adopted, and that it be in order, following the disposition of those two amendments, for me to withdraw my substitute at that time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understood that the Senator from Alaska wanted to speak with respect to the Bradley amendment and the time expired. Does the Senator wish to speak now with respect to the Bradley amendment?

Mr. MURKOWSKI. Yes.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield to the Senator.

Mr. MURKOWSKI. I thank the Senator from South Carolina and the Senator from New Mexico.

The PRESIDING OFFICER. The Senator may proceed.

Mr. MURKOWSKI. Mr. President I wish to express my strong support for the amendment offered by the distinguished Senator from New Jersey (Mr. BRADLEY).

Yesterday, I voted for Senator STEVENS' amendment which would have restored $1.5 billion in budget authority for the strategic petroleum reserve. However, prior to that vote I expressed my preference for the full $3.8 billion as recommended by President Reagan for this program, which is so vital to our national security. Senator BRADLEY's amendment, now pending before the Senate, does in fact restore the full level of funding—$3.8 billion—for the strategic petroleum reserve as proposed in the Reagan budget for fiscal year 1982.

This amendment should be adopted because the strategic petroleum reserve is the best near-term, energy security program the Nation has. It is not in our interests to eliminate funding necessary to proceed to fill the reserve before Congress adopts an alternate financing plan to do the job. Despite the fact that Senator WARNER, chairman of the Subcommittee on Energy and Mineral Resources, has already begun hearings on alternative financing programs, it is very doubtful that Congress can develop, adopt, and put into place an alternative financing plan in the next few months.

That is why the Senate Energy Committee, by a vote of 19 to 1, adopted a motion offered by the chairman of the committee, Senator McCLURE, urging that President Reagan's full budget authority recommendation for the reserve be included in the reconciliation resolution. The previous administration received considerable and justified criticism for moving too slowly in filling this reserve. I believe we should support President Reagan's efforts to reverse this policy. Adoption of Senator BRADLEY's amendment will insure that the President's proposal to accelerate the filling of the reserve will go forward. Therefore, I urge the Senate to adopt this amendment.

Mr. DOMENICI. Mr. President, unless other Senators wish to speak in opposition to the McClure amendment, I want the Senate to know that I do not intend to take a great deal of time.

I say to the Senator from South Carolina (Mr. HOLLINGS) that it is my understanding that, pursuant to our agreement, the next amendment will be that of Senator MOYNIHAN.

Mr. HOLLINGS. The Senator from New York is coming to the floor.

Mr. DOMENICI. I hope he will agree to take up his amendment, even though other amendments are pending.

I yield myself 4 minutes.

Mr. President, the arguments have been made. The only difference between the McClure amendment and the Bradley amendment is that both would put back all the money for SPRO—all $3 billion.

Senator McCLURE would go back through the committee instructions and would pick up the $3 billion in additional cuts. There are some technical problems. Some trust funds are not cut because of the accounting.

Basically, if the committees think they have already taken a pretty good dose of

cuts, they should understand that in order to get SPRO under the McClure amendment, they are taking $3 billion more in cuts. Everyone should understand that. That is to be compared with the proposal by Senator BRADLEY, who would say that there should be no additional cuts—just put the $3 billion back.

Senator MCCLURE would do no violence to the present balance in terms of this package. It would remain intact. We still would be substantially under the President's figure. Senator MCCLURE would put full SPRO funding in but cut additional moneys by broadening the instruction to the various committees in a percentage manner by adding to what we already did.

With reference to Senator BRADLEY's proposal, it would just put the entire $3 billion back, without any cuts, which, for the first time, would make this package of reconciliation instruction cuts be less than the President's package by about $775 million.

So I hope that the Senate will defeat both amendments and will go on record instructing the committees of Congress that they should find an option, and find it quickly, to privately finance SPRO, find ways to ask the Finance Committee to have some tax incentives for the financing of SPRO, provide some latitude so that perhaps even the military might consider, in the next few weeks, whether they should bear some of the responsibility.

None of those options is precluded if the Budget Committee's instructions are complied with.

It just means we are really ratcheted down, and as to those who wish to find an option, we put them on strong notice that they better get with it and find a way.

Before I sit down, I wish to commend both Senators who have offered these amendments, because they have worked with us to present them in an orderly manner which every one can understand. They have agreed by unanimous consent to procedures designed to bring us to a vote right after 2 p.m. We will vote and finish the SPRO issue one way or another, and we desire to do this so we can move on to other things. But I do not think we have denied anyone a real opportunity to debate the issue.

Mr. President, I reserve the remainder of my time.

Mr. HOLLINGS. Mr. President, I yield to the Senator from New Jersey time from the resolution.

Mr. BRADLEY. Mr. President, for the benefit of Senators who are listening, I wish to be as clear as I can about the budgetary impact of the Bradley amendment.

I agree with the characterization that was made by the chairman of the Budget Committee about the amendment offered by the Senator from Idaho. The amendment offered by the Senator from New Jersey does not have an offset of $700 million, because the rules governing the reconciliation resolution do not allow us to take $700 million out of the $185 billion that we are spending on defense in 1982 and divert it to the strategic petroleum reserve.

So for those Senators who think that this is a vote to bust the budget, it is a vote to go above the figure only because we cannot get $700 million out of the defense function on this reconciliation resolution.

On the first concurrent budget resolution, we will have the opportunity, and it would be the intention, I think, of many Senators, to take some money from defense and divert it to the strategic petroleum reserve. This is because it is so clearly a national defense item and because the Budget Committee reported the reconciliation resolution $2.3 billion under the administration figure. We would be talking about taking only less than 1 percent, less than 0.5 percent of the defense function and shifting it to what is clearly a national security need, the continued fill of the strategic petroleum reserve.

So I simply wish to clarify for the Senate the reason that this amendment that I offer does not have that very careful balance, that very clear offset. It is because of the parliamentary position we find ourselves in, not because it is the intention of the Senator not to balance it when we move down the road of this legislative process to the first concurrent budget resolution.

Mr. STENNIS. Mr. President, will the Senator yield for one point?

Mr. BRADLEY. I yield.

Mr. STENNIS. Mr. President, as I understood the Senator, he says in future consideration of the budget it will be possible in the interest of this very item to reach over and make an adjustment, that it will be possible to make an adjustment out of the Department of Defense funds as a certainty. Now, the Senator is always careful and he is sound in what he says. He does not have any doubt about it being possible under another parliamentary situation?

Mr. BRADLEY. It is my understanding, I say to the distinguished Senator from Mississippi, that it would be possible because in the first concurrent budget resolution we would have defense authorization which we do not have in this reconciliation resolution.

Mr. STENNIS. I thank the Senator That is a good point.

Mr. McCLURE. Mr. President, I yield myself such time as I may consume.

Mr. President, the Senator from New Jersey said do not worry about cutting now; we will cut later. That is always the seductive notion, and for any other budget add-on the same thing can be argued: Do not worry about how much we add to the budget now. We will cut it later. We will take it out of something else. We will take it out of defense later. We will take it out of entitlements later. We will take it out of something else later.

But the fundamental point I wish to make regarding his statement that it will be less than 1 percent of the defense budget to accommodate this increase. But that is an increase over the President's budget submission of $775 million, not an increase of $3 billion.

My amendment takes out less than 1 percent, in order to balance now, not later. That seems to me to be the essential difference.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, I am prepared to yield back my time.

The PRESIDING OFFICER. Does the Senator from South Carolina yield time?

Mr. HOLLINGS. I yield time.

Mr. BRADLEY. Mr. President, I am prepared to yield the remainder of my time back with one last statement.

The issue is not when to cut the budget. The issue is when we find a way to fill the reserve. The opponents of both the Senator from Idaho and the Senator from New Jersey say do not worry, we will find a way to fill it later. I do not think we can wait to find a mechanism to fill later. We have to fill now, we have to keep the mechanism we have now until another is in place, and we have to begin with this amendment.

Mr. McCLURE. Mr. President, I am prepared to yield back the remainder of my time, and I agree with the Senator from New Jersey. It is not a question fill later. It is a question of fill now.

My amendment would do the same thing, but it would also balance now as well as fill now. Fill now and pay now.

I thank the Senator.

Mr. BRADLEY. Mr. President, I am prepared to yield back my time.

Mr. McCLURE. I am prepared to yield back the remainder of my time on the amendment.

Mr. BRADLEY. Mr. President, I yield back the remainder of my time.

Mr. McCLURE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Jersey yields back his time.

All time is yielded back.

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the distinguished Senator from New York is next in line with his amendment.

I suggest the absence of a quorum, and ask unanimous consent that the time be taken from both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask the distinguished manager of the resolution if he will yield me 3 minutes off the resolution to speak on another subject?

Mr. DOMENICI. Mr. President, I am pleased to yield to the majority leader.

Mr. BAKER. Mr. President, I thank the distinguished manager of the resolution.

REPORT ON THE PRESIDENT'S CONDITION

Mr. BAKER. Mr. President, I take this opportunity to report that this morning

at 10 a.m. I attended a joint leadership meeting at the White House where the Vice President and members of the President's Cabinet gave us a full account of the tragic events of the past 24 hours.

The high point of that report, and certainly the happiest aspect of it, was that the President is well, that he went through surgery without complication, and that he is fully alert and aware today. In my view, President Reagan probably survived that surgery better than many of us in that room could have.

I am pleased to say he is doing well, and I wish to convey that information to my colleagues in the Senate.

Later this morning the Vice President of the United States paid us a visit here, after having first visited with the President at the hospital. The Vice President related to me and authorized me to convey to the Members of the Senate that the President was very alert and very well. The Vice President asked that the Senate and the people of the country be reassured that the President will recover, and that he is fully capable of discharging his duties and responsibilities as President.

The Vice President promised to keep the Senate fully informed of further developments in connection with the President's health.

Mr. President, the report with respect to the health of Jim Brady, the President's Press Secretary, is not as favorable. Mr. Brady is alive. He survived surgery better than many had expected. He appears to be at least semiresponsive to outside stimulus. His doctors put it this way: Jim Brady is better off today than any of us thought he would be last night. I take that to be a distinctly encouraging sign.

Mr. President, also, the Secret Service agent is doing well. His injuries were more severe than those of the President, but he has survived surgery and is well on the road to recovery. If one person is to be singled out as a genuine hero in this unfortunate situation, it may very well be Tim McCarthy, the Secret Service agent who apparently dove directly in front of the gunman to protect the President from another gunshot wound.

The District of Columbia police officer has not undergone surgery or had not a few moments ago. His condition is reported as being stable. The outlook, of course, cannot be fully determined until further tests and possibly surgery are completed.

Mr. President, I will make additional reports as the information becomes available to me.

I thank the Senator for yielding.

ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, while we are waiting for the distinguished Senator from New York I suggest the absence of a quorum with time to be divided equally.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, before proceeding to the subject at hand, I wonder if I might take just a moment of the Senate's time——

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield time for the Senator's amendment.

The PRESIDING OFFICER. The Senator from South Carolina yields time.

THE PRESIDENT'S CONDITION

Mr. MOYNIHAN. Mr. President, I simply wish to express what I know would be the great relief and pride which we feel in the report of the majority leader that the President of the United States has conducted himself with valor and grace in this moment that, in a way, is surely an example to us all.

Our prayers continue for Mr. Brady and for the two brave men who were also shot on this occasion.

I wish to note, Mr. President, that many persons have commented on how frequently these events take place in the United States, and they do. But it also might be observed that in this most recent espisode, as in the one 18 years ago when President Kennedy was shot, the U.S. Government did not so much as wobble the least bit. The stability of our system is a rock.

This is the oldest constitutional government on Earth. It has its shocks, but it withstands them as no such system ever in history has done.

If you were to make a list of the nations of the world, Mr. President, which both existed in 1914 and have not had their form of government changed by force since, I think you would find the number comes to seven.

Assault can be made upon our leaders, we know, but the stability of our system is incomparable in the world today, and the world should take note of that.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued consideration of the concurrent resolution.

Mr. MOYNIHAN. Mr. President, I now send to the desk three amendments for the purpose of adding $735 million for elementary, secondary, and higher education programs under the jurisdiction of the Committee on Labor and Human Resources. I will ask that they be considered in sequence, the first being that of the Pell grants, as we have come to know them, named after our distinguished former chairman; the second, funding of student loans; and, finally, title I of the Elementary and Secondary Education Act of 1965, as amended.

Mr. DOMENICI. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from New Mexico reserves the right to object.

Mr. DOMENICI. I do not know whether I am going to object or not, but I say to my good friend from New York we have to take a look at these amendments. We have not seen them. Can the Senator permit us to review those? We need some unanimous consents in any event. I do not believe the amendments are in order at this point. I am not disposed to talk about parliamentary matters, but I wonder if the Senator would agree to let us look at these amendments.

The PRESIDING OFFICER. Will the Senator from New York withhold his request while the Senator from New Mexico looks at the amendment?

Mr. MOYNIHAN. The Senator from New York is happy to do so.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I have at the desk three amendments which I will ask to be considered en bloc, and ask unanimous consent that two of them be voted on in the sequence that has been established to begin at 2 o'clock. If they could be voted on in the sequence now being established, I should consider it a courtesy of the distinguished chairman of the committee.

I might state that after a colloquy with the distinguished senior Senator from Vermont, Senator STAFFORD, I may propose to withdraw the amendment on guaranteed student loans.

The PRESIDING OFFICER (Mr. KASTEN). Is there objection?

Mr. DOMENICI. Reserving the right to object, Mr. President, it is my understanding then that the Senator has sent three amendments to the desk, that he is requesting that it be in order to submit the three, and that we will vote on them in a divided manner, with the Pell grant amendment first, the elementary and secondary amendment following that, and that, after a colloquy, the student loan amendment would be withdrawn.

Mr. MOYNIHAN. That is my expectation, exactly as the chairman stated it.

Mr. DOMENICI. Does the unanimous-consent request include that the two amendments which we are going to now agree will be voted on will be voted on after we have disposed of the pending SPRO amendments which we will start voting on at 2 o'clock?

Mr. MOYNIHAN. That is correct. That would be our wish.

Mr. RANDOLPH addressed the Chair.

Mr. DOMENICI. I will yield in just 1 minute to the distinguished Senator from West Virginia.

Would the Senator be prepared to tell us how long he might want on these amendments? We do start voting at 2

o'clock. I would hope that the Senator could agree that we would be through with debate on these three amendments by 2 o'clock. Technically, you would have an extra half hour, I guess, if you wanted to separate them.

Mr. MOYNIHAN. Most assuredly it is not by expectation that we would require more than an hour on this side.

If I could have an agreement that we would have an hour divided into three segments of 20 minutes, I would think that adequate to our purposes.

Mr. DOMENICI. And an equal amount of time on this side?

Mr. MOYNIHAN. Of course.

Mr. DOMENICI. I would have no objection to include that in the unanimous-consent request.

Mr. MOYNIHAN. Would the Chair so do?

Mr. DOMENICI. The Senator from West Virginia sought recognition.

Mr. CHAFEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAFEE. As I understand the procedure here, we are alternating back and forth. If the Senator from New York proceeds with this division, does that mean he has two bites at the apple on his side and then we come back for two here, or how does that work?

The PRESIDING OFFICER. The arrangement at this point is informal. There is no specific recognition back and forth, one way or the other. It is being worked out amendment by amendment. There is no specific order in terms of who gets which bite at which apple at which time.

Mr. DOMENICI. I would say I do not think that is a parliamentary inquiry, but rather one of accommodation.

Mr. CHAFEE. I will address it to the accommodators.

Mr. HOLLINGS. It is an amendment a side. But in this particular instance, the Senator from New York was prepared to present the one amendment and it was easily divisible, so he has now divided it to forgo the parliamentary maneuvering around to divide it. But if the Senator wants to be totally accurate, he could only present one amendment at a time.

Mr. CHAFEE. That is quite all right. Then we will come back on this side.

Mr. HOLLINGS. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. RANDOLPH. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I want to be very certain about that part of the subject matter, which arrangement we had made prior to coming into the Chamber just now, which would relate to the guaranteed student loans. I will have the RECORD show at this point exactly why that is not being considered. I understood, as I listened, that it was to be withdrawn, but I had no information as I came into the Chamber that that was to be done.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from South Carolina yield time for that purpose?

Mr. HOLLINGS. Yes.

Mr. DOMENICI. We can divide the time equally.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I have a unanimous-consent request at the desk. Has it been agreed to?

The PRESIDING OFFICER. The request of the Senator from New York for unanimous consent to grouping three amendments en bloc is still pending.

Is there objection to the unanimous-consent request of the Senator from New York?

Without objection, it is ordered.

Mr. MOYNIHAN. I thank the Chair.

UP AMENDMENTS NOS. 31, 32, AND 33

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), on behalf of himself and Mr. SARBANES, proposes en bloc unprinted amendments numbered 31, 32, and 33.

The amendments are as follow:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following: "$14,537,000,000, and outlays by $2,340,000,000 in fiscal year 1981; to reduce budget authority by $52,675,000,000, and outlays by $36,845,000,000, in fiscal year 1982; and to reduce budget authority by $59,058,000,000, and outlays by $47,554,000,000".

On page 10, beginning with "$2,388,000,000" in line 5, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$2,258,000,000 in budget authority and $401,000,000 in outlays for fiscal year 1981; $10,153,000,000 in budget authority and $7,828,000,000 in outlays for fiscal year 1982; and $12,193,000,000 in budget authority and $10,773,000,000".

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following: "$14,667,000,000, and outlays by $2,353,000,000, in fiscal year 1981; to reduce budget authority by $52,555,000,000, and outlays by $36,745,000,000 in fiscal year 1982; and to reduce budget authority by $58,653,000,000, and outlays by $47,194,000,000".

On page 9, beginning with "$658,000,000" in line 20, strike out through "$1,495,000,000" in line 22 and insert in lieu thereof the following:

"$388,000,000 and outlays by $422,000,000 in fiscal year 1982; and to reduce budget authority by $1,026,000,000 and outlays by $995,000,000".

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following: "$14,167,000,000, and outlays by $2,303,000,000 in fiscal year 1981; to reduce budget authority by $52,225,000,000, and outlays by $36,510,000,000, in fiscal year 1982; and to reduce budget authority by $58,528,000,000, and outlays by $47,094,000,000".

On page 2, line 24, strike out "$13,300,000,000" through "$1,800,000,000" on line 1 page 3 and insert in lieu thereof the following: "$12,800,000,000 in budget authority and $1,450,000,000 in outlays for fiscal year 1981; by $2,850,000,000 in outlays for fiscal year 1982; and $1,700,000,000".

On page 10, beginning with "$2,388,000,000" in line 5, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$1,388,000,000 in budget authority and $364,000,000 in outlays for fiscal year 1981; $9,703,000,000 in budget authority and $7,493,000,000 in outlays for fiscal year 1982; and $11,933,000,000 in budget authority and $10,313,000,000".

The PRESIDING OFFICER (Mr. COHEN). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I will speak briefly at the outset to say that these are three measures of which colleagues will be speaking.

In the order that we will consider them, they are an increase of $100 million in the outlays in fiscal 1982 for the Pell grants, the grants to needy students in higher education, named after the distinguished Senator from Rhode Island who has done much to create this program.

Next, we will discuss the guaranteed student loan program, a proposal adding $200 million in 1982.

Finally, there is a proposal to increase by $435 million the title I programs, as they are known, of the Elementary-Secondary Education Act of 1965.

Mr. President, at this point I will confine my remarks to saying that I have had a personal involvement in each of these programs. In the summer of 1964, I was instrumental in negotiating the agreements that led to the plank in the 1964 Democratic platform on Federal aid to education, which led in the following March to the final, great breakthrough in legislation, the Elementary and Secondary Education Act.

It fell to me to draft the Presidential message which proposed the program we now know as Pell grants, and in this body I have participated in the extension of the loan agreements beginning in the mid-1960's, through the enactment of the Middle Income Student Assistance Act of 1978.

Mr. President, I propose that we first discuss Pell grants and then guaranteed student loans, without animus and with a sense of the somber time in which we raise these matters in Washington.

I simply draw attention to a statement by an administration official who was quoted in the New York Times of February 22 as saying:

We are trying to avoid saying that we are eliminating the Middle-Income Student Assistance Act, but that is what we are doing.

Mr. President, this would be an extraordinary event. There are 2.7 million students receiving Pell grants this year. There are 3.4 million students receiving guaranteed loans.

The Budget Committee actions have cut 600,000 persons from the Pell grants and 1.4 million from the loan program, almost cutting that program in half.

I repeat that the decision this body seems to be making is in conformity with the statement of the administration official who said:

> We are trying to avoid saying that we are eliminating the Middle-Income Student Assistance Act, but that is what we are doing.

Mr. President, it is very much the wish on this side of the aisle that we not do that, and that is why we have submitted these three amendments for the consideration of the Senate.

I see that the distinguished ranking minority member of the committee is in the Chamber. Not since the beginning of the Fulbright grants program has a Member of this body so illumed the world of higher education. In generations hence, I say to the Senator from Rhode Island, his grandchildren will be thanked by the children of persons who got their start in life through a Pell grant.

I wonder whether the Senator from Rhode Island wishes to speak at this time.

Mr. PELL. Mr. President, I thank my friend and colleague from New York for his exceedingly generous remarks, which I appreciate from the bottom of my heart.

Mr. President, I am proud to be a cosponsor of these education amendments. I wish we could offer amendments that would represent smaller cuts in education, for in my opinion investments in education are the soundest investments this Nation can make. However, although I wish we could go further, these amendments are a step in the right direction.

I think we should all consider very seriously what we are doing today. If we accept the recommendations of the Budget Committee, we will be backing away from one of the great traditions of our Nation, the support of education.

We all realize that we are confronted by a crisis. But, never recall before that, in a time of crisis, we have turned our backs on education. Instead, we have embraced education, and encouraged it by our support to help us meet the challenge. The Morrill Land Grant College Act of 1862 was in response to a national need for training in agriculture and the mechanical arts. The National Defense Education Act of 1958 was in response to the space crisis that confronted this Nation.

The Elementary and Secondary Education Act of 1965 was in response to the cries of many of our citizens for adequate educational services. And when it became virtually impossible for many American families to finance a college education for their children, we enacted the Middle-Income Student Assistance Act.

Now, the Budget Committee is asking us to retreat from tradition and establish the dangerous precedent of short changing education. I do not accept that.

Mr. President, these education amendments we are considering are modest amendments. They do not represent program expansion. In fact, they require program cuts. But they are carefully considered cuts, not across-the-board slashes as required by the Budget Committee.

What these amendments would do, if adopted, would be to reduce educational spending in these areas by approximately 12 percent. This is the figure that was recommended to the Budget Committee by the Committee on Labor and Human Resources, the authorizing committee for education programs. That 12 percent cut figure was arrived at unanimously by the Labor and Human Resources Committee, after a careful examination of programs within that committee's jurisdiction. That examination considered what level of cuts in education this Nation could safely endure. And 12 percent was that level.

I should point out to my colleagues that 12 percent was not the Democratic preference. We preferred smaller cuts. But this was the figure that was presented to us by our Education Subcommittee Chairman, Senator STAFFORD, and it was in his opinion the bottom line in cuts that we could accept.

We agreed a little over 2 weeks ago that 12 percent was all the cuts that education could safely accommodate. Nothing has happened in the past 2 weeks to cause me to change my opinion.

No one likes to cut programs, Mr. President, particularly education programs. But our authorizing committee decided that education had to take its fair share of the cuts. But 20 to 25 percent, as proposed by the Budget Committee, is not a fair share. It is a meat-ax approach to budget making, not the fine surgeon's scalpel that these programs so desperately need. Our authorizing committee took that surgeon's approach and recommended education cuts of 12 percent. These education amendments we are about to consider would get us back to that level.

Specifically, these amendments would reduce the cuts recommended by the Budget Committee in title I of the Elementary and Secondary Education Act and in Federal student assistance programs.

Without this amendment on title I, we will be telling 1.3 million children to look elsewhere for remedial educational services. They had to look to the Federal Government in the first place because their needs were being unserved. Now, if the Federal Government is not there, where will these young people turn? Who will provide these 1.3 million young Americans with basic skills instruction? Title I works.

Studies prove that it is one of the most successful Federal education programs. It helps poor youngsters develop the skills that they need to become a part of the educational mainstream. It is the type of program that deserves our support, and the title I amendment will provide that support.

And when we consider the future of this Nation, it lies in an educated and informed citizenry, and who can provide that better than our current and future college students.

Yet, the cuts in student aid programs proposed by the Budget Committee would cause 500,000 to 750,000 young people either to drop out of college or decide not to attend college. Can any nation afford this loss of talent? Can any nation be secure internationally if it loses such a large number of future scholars?

And with these student aid cuts, many colleges will be forced to close their doors, because they will not have the students or the funds to continue. Can we afford to lose even a small number of institutions of higher education, those seats of learning and wisdom that have made this country great?

The student aid amendments that will be offered today will indicate to all that we still care about higher education, and that we are not ready to abandon our leaders of tomorrow.

Mr. President, what we are doing today will affect our Nation's future. If we accept the recommendations of the Budget Committee, we will be condemning a large number of our citizens to a life without learning. In my opinion, this is the worst action that any nation can take.

The amendments before us are reasonable ones. Although they cut programs, they do it with care and selectivity. I would urge my colleagues to adopt them.

With respect to the basic grants, the Pell grants, they presently provide from $200 to $1,750 to college students, based on need. It is a sound investment in the future of our Nation and helps the students to go to the college of their choice.

Until this program was enacted, the aid went to the colleges. Now the aid goes to the student, and he carries it piggyback to the college he wishes to attend. It has become the very foundation of a youngster's means of getting a college education.

Presently, it helps 2.7 million youngsters in this regard, and the cutback proposed by the administration would knock 190,000 private college students out of the program and 410,000 public college students out of the program. A total of 600,000 students would be knocked out of the program.

What we are proposing at this point is an amendment that would restore $100 million. This would mean that instead of 2.1 million people served, 2.7 million people would be served, or 600,000 more people would be served than under the Budget Committee's recommendation. The total expenditure would amount to $2,586,000,000 instead of $2,486,000,000 as proposed by the President and the Budget Committee.

I cannot imagine a better investment in the security and the wealth of our Nation. We talk a great deal about security. What is security? Is it a Maginot line, with a great, steel boundary around ourselves, or is it, rather, a strong, well educated, healthy, vigorous people? I maintain that it is the latter.

The real strength of our Nation is the sum total of the education and the character of our people. We should bear this in mind. This is far more important. Unless we have people who can man the weapons, man the barricades, man the factories, and run our country, we are nowhere near as secure as we should be.

Mr. KENNEDY. Mr. President, will the Senator from New York yield me 3 or 4 minutes?

Mr. MOYNIHAN. I am most happy to yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr President, I join the Senator from New York (Mr. MOYNIHAN) as well as the ranking minority member of the Education Committee, the former chairman of the Education Committee, Senator PELL, in urging the Senate to accept these three amendments. At a later time, I know that an additional amendment will be offered affecting vocational education, on which I hope the Senate will respond positively.

One of the matters which is of concern to all of us is the issue of the quality of education in the public school systems of this country.

As a member of the Education Committee and one who has followed all of these programs closely, I think we can say without fear of contradiction that one of the most effective programs in the field of education that we have adopted in equipping the young children of this country with the basic fundamentals of education, in reading and writing and basic skills, has been the title I education program.

It has made a significant difference in equipping young, needy, disadvantaged children in fundamental and basic skills.

Mr. President, I am pleased to support my distinguished colleague from the State of New York, Mr. MOYNIHAN, in this amendment. We are proposing to restore $435 million for title I compensatory education.

Let me hasten to state, that this is not a partisan Democratic effort dealing with partisan programs. The title I compensatory education program, which would receive the bulk of additional funding, has had the bipartisan support of the Congress for a decade or more.

Its benefits to children are clear and its support from every sector of the education community complete. It is endorsed by parents, by classroom teachers, and by school principals and superintendents.

This Federal education program brings extra help in the teaching of basic skills to those children with the greatest need, children from the most disadvantaged economic backgrounds.

I ask my colleagues to ask themselves whether it makes economic sense to force 1.8 million children from this program. Denying the teachers and aides needed to offer special reading and math services means that we will be increasing the likelihood that these children will fail in school. They will drop further behind in reading and math each year and finally they will increase the numbers of those who drop out of school entirely.

The costs to our society should not be ignored. We will have lost vital human resources that no society and no economy can afford. We will be adding to the percentage of illiteracy, the numbers of young men and women without basic skills to compete for jobs and ultimately to the numbers of those dependent on welfare.

If the mail of my colleagues matches my own, it includes testimony from parents and teachers of the success of these programs. These are parents talking about their children who are reading at close to their grade level after receiving these special kinds of aid and assistance.

Mrs. Raymond Bednarz from Wilbraham, Mass., wrote to me, saying—

> As a parent of a child, who has greatly benefited from this project, I just felt I must write and ask you to please do everything in your power to see that title I funds are continued in our state. Our grant is not a large one, but so much is done with so little for so many children.

Her 11-year-old daughter was found in the second grade to have a reading problem. With the help provided by title I through special teachers she overcame that problem and is now reading at her appropriate sixth-grade level.

Mr. and Mrs. Robert Rushford wrote to me from Millers Fall, Mass.:

> My daughter, Krista, attended title I classes for 2 years and . . . has grown out of the program and up to the level with her class. That couldn't have been accomplished without title I.

I also think it is worth noting that while our concern is for the students and children, these reductions will force some 64,000 teachers onto the jobless polls. Among them will be those with the special reading and math teaching skills that are vital to reach children with particular needs.

It may be worth recalling that the initial purpose of title I when enacted was "in recognition of the special education needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate education programs."

The special education needs of these children continue to exist. The concentrations of low-income families continue to exist. And local educational agencies still need the added Federal assistance to permit these services to be offered.

I would hope that my colleagues would recognize that the proposed level of funding for title I after this amendment is adopted still will not restore funding to the full fiscal year 1981 level. Because of the impact of inflation some children still will be forced to forego the needed services. But 1.3 million more children would be served than under the budget committee.

The devastating reduction accepted in the Budget Committee resolution does not reveal the individual tragedies of children left behind and they surely do not take into account the future economic loss when these children fail to obtain the skills needed to become productive members of this society.

I strongly urge that this amendment be adopted.

Second, I associate myself with the statements and the comments that have been made by the Senator from New York and the Senator from Rhode Island with regard to the Pell grants. They are targeted into the neediest young people in our society who have skills and talents, who meet the educational standards of our great universities, and are only lacking in the financial ability to go to the schools and colleges in this Nation.

Mr. President, this amendment by the distinguished Senator from New York would restore approximately $100 million to the basic educational opportunity grant program the Pell grants named for the distinguished Senator from Rhode Island.

Under the amendment, the level of funding for this program will still be below the $2.7 billion level in fiscal year 1981. Its impact however, would be to enable some 400,000 students to retain their opportunity for a college education.

The Budget Committee recommendation would mean that an estimated 600,000 fewer students than a year ago would be eligible to receive these grants.

The proposed level of funding would permit 400,000 of those students to continue in school. It would also mean that the average grant would be slightly higher than under the Budget Committee level.

We are discussing the fundamental student aid program to prevent inadequate income from barring youngsters from entering college. Every study has shown that the BEOG program has broken down past barriers to college education for low and working class youngsters.

It makes absolutely no sense to turn away from the continuing need for student assistance at a time when educational costs are skyrocketing.

If we do not adopt this amendment, then we are willing to see 400,000 youngsters unable to attend higher education. These are the youngsters with the least ability to obtain a student loan or other financial help. And they are the ones attending the lowest cost institutions.

Even with this amendment, students will be receiving lower average grants than a year ago.

For the Nation's economy, it means accepting that several hundred thousand young people will be unable to acquire the college training they need to compete more effectively and to contribute more productively to our economy throughout their lives.

There will be a significant reduction unless this amendment is accepted of the number of young, talented individuals in our society, young men and women who met all of these standards and who have the capability of attending universities but will be denied the opportunity to do so.

The Pell grants are targeted into the neediest children, the sons and daughters of individuals in our society who lack financial support to send their children on to the schools and colleges.

Then the third amendment is the guaranteed student loan program which I think all of us understand has been so immensely successful in providing needed financial resources to young people from

working class backgrounds. These funds are paid back as these young people take their place in our economy.

Mr. President, the third amendment introduced by my distinguished colleague, the Senator from New York, would restore $200 million to the guaranteed student loan program.

Even with this amendment we will be spending $200 million less under the recommendations of the Senate Labor and Human Resources Committee than was spent in fiscal year 1981.

The present amendment would have the effect of permitting the Government to continue the in-school interest subsidy for GSL recipients and thereby avoid losing an estimated 500,000 students from this program.

The chairman of the board of the American Council on Education testified that the reductions in the guaranteed student loans recommended by the administration would be "devastating."

Dr. E. K. Fretwell, who also is chancellor of the University of North Carolina, told us that the GSL restrictions would force hundreds of thousands of young people to drop out of school.

In my own State of Massachusetts, these changes are estimated to force 20,000 students to halt their education.

At the very least, I would hope that this amendment to restore only $200 million by retaining the in-school interest subsidy would be adopted. It is one of the critical factors, not only in permitting hard-pressed students to attend college, but lenders to participate in the GSL program at all. I understand that we may receive a commitment that the in-school subsidy will be retained and I am pleased that is the case.

So I am very hopeful that these three amendments will be accepted by the Senate. Unless adopted, it will mean that many young people will fail in school and many others would lose their chance to go on to college.

I join in urging my colleagues to accept all three of these amendments.

Mr. MOYNIHAN. Mr. President, I thank the distinguished Senator from Massachusetts who has unfailingly in his career in this body supported these programs. We are talking about one of the great achievements of American Government in this last generation. After two generations of debate, finally, in 1965, the Federal Government undertook to provide aid to public education at the elementary and secondary levels.

Suddenly that principle is under assault. This is not massive aid. It comes to only 9 percent of the total education costs of the Nation.

We went on in the same decade to state our real commitment to enable every person in the country who wishes to go to college to do so. These programs culminated in the Middle Income Student Assistance Act, and yet only last month on February 22 an official of the administration told the New York Times:

> We are trying to avoid saying that we are eliminating the Middle Income Student Assistance Act, but that is what we are doing.

I do not think that is what this Chamber wants done.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. MOYNIHAN. I am happy to yield.

Mr. KENNEDY. I am sure the Senator from New York understands that a number of recommendations will be made by the administration to reindustrialize America, to modernize America, and to put America back to work.

Would the Senator from New York agree with me that certainly one of the best investments that we could possibly make is to train the young minds of this country. If we really fail to meet that responsibility to assure that these young people are going to acquire modern skills then we are really failing in a basic aspect of the reindustrialization, and modernization of America and in putting America back to work?

Mr. MOYNIHAN. It would be self-evident. We are not going to put people back to work hoeing potatoes or milking cows with their own hands or making bricks and baking them in the sun in the manner of the preindustrial economy. We have to have a postindustrial economy and that will not be done by taking the most sensitive area of education, which is our poor students. It is an ironclad law until these things came we could predict the education achievement of any child just by knowing the occupation of his parents. Title I broke that lockstep. This present budget proposal cuts the number of children in title I almost in half, the most vulnerable students in our school system, the ones we made a solemn commitment to 15 years ago, a commitment it is suggested we should now back away from. I cannot conceive we want to do this.

Mr. KENNEDY. I thank the Senator.

Mr. MOYNIHAN. To the Senator from Maryland I am happy to yield such time as he may wish.

Mr. SARBANES. I thank the Senator from New York for yielding.

I am pleased to join with him in cosponsoring this amendment to restore funds to some of the education programs that the administration has recommended cutting. I commend him on presenting it to the Senate.

Mr. President, what is at issue here is whether the Nation is going to realize the enormous potential that exists in this country for the development of our human resources.

The three programs to which the Senator's amendments are directed, title I of the Elementary and Secondary Education Act, the Pell grant, the guaranteed student loan program, go right to the heart of the question of whether our young people are going to have the opportunity for their talents to be fully developed.

Title I, which was a landmark program, has produced enormously successful results, which have not been questioned by anyone. Studies have documented that title I has produced very impressive benefits, and that it gives an opportunity to our very young people in elementary and secondary education to have a chance for true education. Where are they going to be in this increasingly complex and technical world if we do not give them this opportunity?

The other two parts of the amendments have delivered on the promise that any young person ought to be able to obtain the college education to which their talents entitle them regardless of the financial status of their family. We have put together now an aid package in higher education of grants, the Pell grants, of loans, and of jobs. On the basis of that package, which has been very carefully developed, the institutions of higher education across the country have been able to respond to the financial needs of their students in such a manner that we can truly assert that young people with the ability to go to college will be able to obtain that opportunity even if their families do not have the economic means.

This is an enormously important principle. It is a fulfillment of the entire concept of opportunity in this society. As the Senator from New York just pointed out, until we began to develop these programs, both in title I and with respect to higher education, you could predict that people would be locked into career patterns which depended in large part on the economic and career patterns of their families.

These programs have enabled us to establish ladders of opportunity so that young boys and girls of talent and merit can move up and aspire to a career pattern entirely different from that which has heretofore marked their families.

These programs have worked well. The institutions of higher education across the country have repeatedly expressed their very deep concern as to what would happen and, particularly, this concern, that if this package of alternative forms of aid that has been carefully assembled and makes it possible for them to respond to the financial needs of their students, is dismantled, cut back, limited, and restricted. With each of those limitations, with each of those restrictions, goes yet another opportunity to obtain the education that is essential to the individual if he or she is to function in our modern society. More importantly, these opportunities are essential to the society itself if it is going to fully develop its strength.

The objective of improving our economic ability is in part tied to improving our human resources, increasing the skills and the training and the education of our people.

I say it is the wrong direction in which to move to limit, curtail, and even deny these educational opportunities which are so important in building the strength of our country, and in offering to our young people the challenge to make of themselves the very best that they can.

So, Mr. President, I hope the Senate will support the amendments offered by the Senator from New York. It is at the heart of what this country is about. Indeed, it is at the heart of what any country is about. Virtually every country puts forward as one of its main objectives the education of its people. Anywhere in the world they put that forward as a prime objective of the society, the education of their young people. Instead of seeking to realize fully this prime objective, we are

moving in a direction to deny educational opportunity.

I very much hope the Senate will support the amendment of the distinguished Senator from New York.

I thank the Senator for yielding me time.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. RIEGLE. I thank the Senator for yielding. I congratulate him on his leadership of this vitally important education amendment. Mr. President, I ask unanimous consent that I be listed as a cosponsor of the amendment.

The PRESIDING OFFICER (Mr. HAYAKAWA). Without objection, it is so ordered.

Mr. RIEGLE. I also ask unanimous consent to have printed at the end of my statement some background material which relates to the impact of the administration's budget cuts with respect to education in the State of Michigan. Included in this material is a letter from Wayne State University which is only one example of the effect of the proposed cuts on institutes of higher education.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIEGLE. Mr. President, it is obvious that it is essential for us to fight to make these restorations and to reduce these severe cuts in education programs that have been proposed by the administration. It is important to all areas of the country. There may be no State to which it is more important at this time than my own State of Michigan because in view of the other financial problems we are facing.

This is an essential question of national spending priorities and, as others here have just said, the money we spend on education is an investment in the future. If we want to have a future, and we want it to be a bright one, then we have got to be willing to see to it that needed educational activities are available. To deny educational benefits to millions and millions of people across the country of various ages, and to restrict opportunities only to those who are well to do and who have the money to afford educational opportunities, would be wrong.

This is an essential difference. I think, between the two parties and this difference has been etched out over the last several days here on issue after issue. This party, the Democratic Party, is determined to see that educational opportunities are available to all the people of the country. That they have the benefit of loans, which are repaid with interest, and other forms of assistance to make sure that people have the chance to develop and to come forward and to live meaningful and productive lives.

I thank the Senator.

EXHIBIT 1

EDUCATION IMPACT ON MICHIGAN

Following are estimated reductions that would occur in major federal education programs in Michigan:

SCHOOL LUNCH

The $26.6 million reduction in school lunch funds for Michigan would increase the cost of a hot lunch by an estimated 30 cents. Average hot lunch costs in high schools range from 65 cents to 95 cents per lunch and from 40 cents to 55 cents in elementary schools. "The proposed budget cuts could force some Michigan school districts to drop their hot lunch programs because a state law requiring districts to serve hot lunches allows them to discontinue the program if federal funding drops below a certain level," Runkel said.

SPECIAL EDUCATION

Michigan receives $35 million in federal funds for the education of handicapped children. This program, which helps local school districts provide education services for 160,000 handicapped children throughout Michigan, would be reduced by $7 million under the Reagan program.

COMPENSATORY EDUCATION

Upwards of $25 million would be cut from the $127 million Michigan receives for programs aimed at helping children who are having problems with math and reading. About 12 percent of all children in Michigan's public schools—about 232,000 pupils—receive remedial help under this program known as Title I of the Elementary and Secondary Education Act.

STUDENT FINANCIAL AID

The proposed budget cuts would reduce by 45,000 the number of guaranteed student loans totaling an estimated $90 million that would be made to Michigan college students. Reductions in Social Security education benefits for 18 to 22 years old would affect 7,500 Michigan students who now receive $25 million in benefits annually. A $5 million reduction in the Basic Educational Opportunity Grants (BEOG) program would affect 8,000 Michigan students.

ADULT EDUCATION

Nearly 41,000 persons are enrolled in adult basic education (ABE) programs in 123 Michigan school districts. The Reagan plan calls for more than $600,000 to be cut from the $3.2 million Michigan receives under this program.

VOCATIONAL EDUCATION

An estimated $6 million would be cut from Michigan's current $29.6 million federal allocation for vocational education programs that enroll an estimated 300,000 students. The reduction would have an impact on vocational education programs for handicapped and disadvantaged persons who take vocational education courses in high schools, career education centers and community colleges; on the purchase of new equipment for these programs and on construction of new facilities.

VOCATIONAL REHABILITATION

A $7 million reduction in federal funds for vocational rehabilitation programs for handicapped adults would result in 8,400 fewer clients being served and 1,300 fewer handicapped persons being placed in employment.

BILINGUAL AND MIGRANT EDUCATION

An estimated $1.2 million would be cut from federally-funded migrant education programs that serve 16,000 children in Michigan at an annual cost of $6 million and approximately $600,000 would be reduced from the $3 million Michigan receives for bilingual education programs for 13,000 students.

LIBRARIES

An estimated $2 million would be cut from the $10.3 million in federal funds that public libraries and school libraries in Michigan receive annually.

IMPACT AID

The Reagan plan calls for a 64 percent reduction in federal aid for school districts that have high concentrations of military personnel and federal employees. An estimated $1.5 million would be cut from the present $2.2 million in federal impact aid funds received by 53 Michigan school districts.

Phil Runkel, Superintendent of Public Instruction of Michigan Department of Education testified before the Elementary and Secondary Subcommittee of the House Education and Labor Committee on March 13, 1981 at a field hearing in Ashland, Kentucky. His analysis indicates that adoption of the Administration's budget proposals for education would have the following impact on Michigan

Federally funded elementary and secondary programs in Michigan school districts stand to lose $85,983,000.

As many as 2,700 positions would be lost in the public schools in a state which already has the highest unemployment rate in the nation.

The Michigan State Department of Education would stand to lose over 40 staff positions in the elementary and secondary areas (this agency has already eliminated 150 positions because of reductions in state funds).

Almost 250,000 elementary and secondary students would be denied services or would receive reduced services under the Administration's proposals.

There would be a reduction of almost 80,000 student borrowers under the guaranteed student loan program and a $166 million value of loans lost to Michigan students. We estimate that over half of these students might not be able to continue their education as a result.

In vocational rehabilitation, 15,000 disabled clients would be denied services and would in all probability be unable to find work or comparable services.

SUMMARY OF REDUCTIONS IN DETROIT PUBLIC SCHOOLS PROGRAMS THAT WOULD RESULT IF PROPOSED CUTBACKS IN FEDERAL FUNDING OF EDUCATIONAL PROGRAMS ARE CARRIED OUT

Reduction in funding from $70,000,000 in 1980–81 to $44,000,000.

I Staff Reductions: 245 Teachers/Counselors/Education Technicians; 739 School Service Assistants; 101 Social/Health Workers; 39 Administrators; 228 Clerical Staff.

II Services, Activities, Opportunities, etc. that will be Eliminated:

Title I services for more than 10,000 eligible students.

Vocational Education Special Needs programs for more than 3,600 eligible students.

Health screening, immunization referral, and follow-up services for more than 122,000 students.

Basic education programs for more than 1,000 adults Work/study opportunities for 3,100 middle school students.

Part-time jobs during summer and the regular school year for 3,450 high school youths.

Alternative education programs for 600 high dropout potential youths.

In-service training for more than 5,000 teachers and other staff members.

Summer camping program for 800 students.

Job placement services for 8,000 students.

Basic reading instructional services for 40,000 students in the ESEA program.

Special counseling services for 7,000 students in the ESAA program.

Security staff persons in 77 schools housing more than 96,000 students.

III Services, Activities, Opportunities that will be Substantially Reduced:

Special classes, small group and individual

instruction for more than 2,000 bilingual students.

Special classes, field trips, cultural supplies and support services for 700 Native American Students.

The number of summer school remedial and enrichment classes will be reduced by 60 percent.

Special classes, small group and individual instruction in remedial reading and mathematics for Title I eligible students.

Curriculum and career guidance materials; use of resource centers; and programmed instructional facilities and materials.

Bus tickets for needy students.

Professional contracted services; special instructional materials, equipment and supplies; transportation; and other special services for more than 18,000 handicapped students.

Career exploration; basic skills training; job development and placement services; follow-up services for more than 10,000 high school students.

TABLE SHOWS POTENTIAL LOSS TO MICHIGAN'S LARGEST SCHOOL DISTRICTS

[The following table shows the amount of Federal funds received by Michigan's largest urban school districts during the 1979–80 school year and the estimated loss of Federal funds if the Reagan plan to reduce Federal spending is approved by Congress.]

School district	Federal funds received in 1979–80	Potential reduction at recommended 20 percent level
Detroit	$63.8 million	$12.8 million.
Grand Rapids	$8.9 million	$1.8 million.
Flint	$7.7 million	$1.5 million.
Lansing	$6.3 million	$1.3 million.
Pontiac	$6.1 million	$1.2 million.
Saginaw	$4.3 million	$860,000.
Kalamazoo	$2.2 million	$440,000.
Muskegon	$2.1 million	$420,000.
Benton Harbor	$2 million	$400,000.
Bay City	$1.8 million	$360,000.
Battle Creek	$1.8 million	$360,000.
Jackson	$1.6 million	$320,000.
Ann Arbor	$1.3 million	$260,000.

ESTIMATED IMPACT OF PROPOSED REAGAN BUDGET REDUCTIONS—STUDENT FINANCIAL AID

IMPACT OF PROPOSED FEDERAL BUDGET REDUCTIONS

[Fiscal years]

	1981 (base)	1982 reductions	1982 balance
Pell (basic) grants:			
A. Number of grant recipients	73,253	6,926	66,327
B. Value of grants (millions)	$66.95	$4.5	$62.45
National direct student loans:			
A. Federal matching funds (millions)	$9.82	$2.45	$7.37
B. Number of student borrowers	10,911	2,722	8,189
Social security educational benefits:			
A. Number of beneficiaries	34,459	8,615	25,844
B. Value of benefits (millions)	$98.7	$24.68	$74.02
Guaranteed student loans:			
A. Number of borrowers	113,500	79,450	34,050
B. Value of loans (millions)	$227.68	$166.59	$61.09
C. Federal administrative cost reimbursement to Michigan (millions)	$1.1	$0.79	$0.31
D. FTE covered by Federal reimbursement	40.0	31.0	9.0

To: Eugene Paslov.

From: Ronald J. Jursa.

Subject: President Reagan's Proposed Education Reductions.

As you requested, we have reviewed the material relative to proposed reductions in federal education programs. I have the following observations relative to the impact of these proposed reductions on Michigan schools and students:

TYPE OF REDUCTIONS

In postsecondary education, the major part of proposed reductions are in the area of student financial assistance since this is the area that comprises the bulk of federal expenditures for postsecondary education. Four programs are targeted for reduction or elimination. These include the Pell Grants (previously known as Basic Grants), National Direct Student Loans, Guaranteed Student Loans (including the new Parent Loan Program), and Social Security educational benefits. An analysis of each of these program areas follows:

LIMITATION ON PELL (BASIC) GRANTS

It is proposed that Pell Grants be limited to individuals from families with an annual income of less than $25,000. This represents a complete change from the Middle Income Student Assistance Act of 1978, which specifically broadened eligibility to include some grant aid for families in the $25,000–$30,000 income range. Based upon less than complete data available to us, we estimate that here in Michigan the proposed limitation would eliminate approximately 6,900 current grant recipients, with a total dollar loss of $4.5 million.

PHASE-OUT OF NATIONAL DIRECT STUDENT LOAN (NDSL) PROGRAM

Since 1958, the federal government has provided individual colleges and universities funds to be used for long-term, low interest student loans. Nine dollars of federal money are provided for one dollar of institutional match. During the current school year, Michigan colleges and universities received nearly $10 million in federal funds for this program.

The proposal suggests eliminating 25% of the federal funding each year for the next four years. This would represent a loss to Michigan schools of about $2.5 million next year, and after four years the full $10 million would be lost. Assuming the average student loan is about $1,000 per year, this would eliminate aid to about 10,000 students over the next four years.

The National Direct Student Loan Program would not be totally eliminated since colleges will be able to re-cycle any NDSL repayments which they receive from loans made to students during the past 20 years. The fact remains, however, that there will be considerably reduced lending under the National Direct Student Loan Program, with about 2,500 otherwise eligible students being denied loan funds next year and an additional 2,500 students each year for the next four years.

REDUCTIONS IN GUARANTEED STUDENT LOANS

The largest single program of student financial assistance in the country is the Guaranteed Student Loan Program, whereby students borrow from private lending agencies (or a state agency such as the Michigan Higher Education Student Loan Authority), with the federal government subsidizing these loans and eventually guaranteeing their repayment. The program is costly to the federal government and the costs have increased dramatically during the past several years due to the elimination of all income ceilings through passage of the Middle Income Student Assistance Act in 1978.

The proposal is to reduce federal costs by:

A. Eliminating the federal payment of interest on behalf of the student borrower while the student is in school.

B. Limiting the amount of money a student can borrow to the difference between school costs and the resources available to the student, based upon an individual financial evaluation.

C. For parent loans, removing the federal subsidy so that parents will have to pay the full interest at current market rates.

The impact of the above proposed reductions would be as follows:

A. Removing federal interest payments while the student is in school will discourage a significant number of private lenders from making student loans. Banks and other lenders cannot afford to loan large sums of money with interest payments being delayed for a period of four years or more. Further, state direct lenders (such as the Student Loan Authority here in Michigan) would probably go out of business since it would be virtually impossible to sell revenue bonds without assurance of immediate interest payments on the student loans being offered.

B. The imposition of a "needs test" to determine how much a student could borrow will create a vastly expanded paperwork burden for colleges and individual private lenders. Many colleges will be ill-equipped to handle this additional paper burden and many private lenders will simply refuse to participate. (We went through exactly the same experience in 1972 and here in Michigan it resulted in a 34-percent decrease in student loans in one year.)

C. Without a federal subsidy for parent loans, this new program will never get off the ground. At the present time, it would mean parents would have to pay in the neighborhood of 17 percent to 18 percent on these loans and regardless of the interest rate many private lenders would prefer to simply make their own loans rather than subject themselves to the red tape and paperwork associated with a government program.

D. By the close of the current fiscal year, we estimate that approximately 113,000 students will have obtained guaranteed loans here in Michigan, with a total dollar volume of approximately $225 million. If the administration's proposals identified above are implemented, we estimate that guaranteed loan volume in Michigan for 1981–82 will decrease by close to 70 percent. This will mean a reduction in guaranteed loans in the amount of approximately $160 million and a reduction of approximately 65,000 student borrowers. It should be noted that not only will this be a tremendous loss to individual students and families, but will also have enormous consequences in reduced enrollments and revenues for Michigan colleges and universities.

PHASE-OUT OF SOCIAL SECURITY EDUCATIONAL BENEFITS

At the present time, Social Security provides educational benefits to eligible students aged 18 to 21 who are enrolled in postsecondary programs of study. The proposal is to phase-out these benefits over a four year period by adding no new students and reducing expenditures by about 25% each year as succeeding classes of students terminate their college studies. We estimate that approximately 34,000 Michigan students currently receive, Social Security educational benefits totaling about $98 million. If the proposed reductions are implemented, about 8,500 fewer students will receive benefits each year over the next four years, with an annual loss of assistance of about $24.5 million.

IMPACT ON MICHIGAN DEPARTMENT OF EDUCATION

Not specifically identified in any of the printed materials from Washington is the very real possibility that the federal government will discontinue its current practice of reimbursing state guarantee agencies for their administrative expenses in operating the Guaranteed Loan Program. Here in Michigan, for the current fiscal year, our administrative expenses for the Guaranteed Loan Program amount to $1.1 million, all of which is covered by federal reimbursement. If that reimbursement is eliminated, we would need to immediately increase the insurance fee (currently one-half of one percent) which we charge each student bor-

rower and we would also have to seek some operating funds from the Michigan legislature as we previously did prior to 1976.

There is also a real threat to continued operation of our State Direct Student Loan Program since this program probably could not sell revenue bonds if the federal government eliminated its current subsidy of loan interest while the student borrowed is in school.

CONCLUSION

The budget papers prepared by the Reagan administration clearly forecast that there will be considerable negative reaction to these proposals from many parents and students as well as from colleges and universities throughout the country. There is no question that the higher education community will sustain serious damage if all of the proposed reductions are implemented. The crucial public policy question is whether these losses are worth absorbing in order to effectuate the proposed savings in federal expenditures. This is a question which the American people and the Congress will have to decide.

If we were asked to prioritize reductions, it would be my judgment that the least damaging action would be the imposition of a $25,000 income ceiling for the Pell (Basic) Grant Program. While some students would lose their grant aid, these would involve upper-middle income families who probably could resort to other resources.

Next in priority would be the phase-out of Social Security educational benefits. The current benefits are not truly "needed" by many students, and, given the current precarious condition of the Social Security system, there is little justification to provide benefits to college students that are not available to other persons 18 to 21 years of age who do not attend college.

Phase out of the National Direct Student Loan Program would have much broader impact on large numbers of students and would greatly reduce the amount of financial aid which could be provided by individual colleges and universities.

Far and away, the most damaging proposal is the one to restrict and reduce the availability of guaranteed student loans. While some cost savings clearly can be made in this program (and probably should), it could be done far more easily and with far less damage by means other than those proposed by the Reagan administration (for example, a simple income limitation for purposes of interest subsidies could be imposed, as was the case prior to 1978.) The National Council of Higher Education Loan Programs is currently drafting a series of counter-proposals which will be shared with the administration and the Congress. At such time as those proposals are officially presented, I would urge that the Department strongly endorse them.

WAYNE STATE UNIVERSITY,
Detroit, Mich., March 26, 1981.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I am writing to provide you and the members of the Michigan delegation with some indication of the impact federal cutbacks will have on Wayne State University if the Reagan administration's proposals are adopted by the Congress. We understand and agree with President Reagan's and the Congress' desire to bring the pattern of spiraling inflation under control and to find ways of stimulating the nation's economy once again. At the same time, we feel it is our obligation to point out some possible outcomes if modifications are not made to the proposed cutbacks.

Unfortunately, Wayne State is having to evaluate the impact of federal budget reductions in the face of declining state support because of the severe economic crisis experienced by the State of Michigan. Michigan's colleges and universities received the least percentage increase from state appropriations of all the states in the nation during the past two year period. Furthermore, tuition rates at the University of Michigan, Wayne State, and Michigan State are presently among the highest in the nation. These conditions, and others, have caused Wayne to thoroughly review its programs and financial commitments for the future. In fact, we have been forced to reduce our spending by over eight million dollars in the current budget year and face a $10–$15 million problem next year. Obviously, this means fewer programs, fewer jobs, layoffs, and less money available to assist students attend Wayne. I have enclosed a statement we prepared for our state legislators earlier this month describing the impact of Michigan's economy on Wayne.

I am also enclosing a summary of the various programs which are slated for reductions in higher education, and the potential impact on Wayne. I realize it is not possible, nor would it be helpful if we were to suggest that all proposed cuts be fully restored by the Congress. I do, however, strongly encourage your support for the amendments intended to partially restore the basic student aid grant and loan programs and some of the basic research and development programs.

The most critical needs, from Wayne's perspective, are the following, in order of priority:

1. Student Aid: Over 3,000 Wayne students would no longer be eligible for financial assistance under the Pell Grant and Guaranteed Student Loan programs if the Administration proposals are adopted.

Moreover, discontinuance of the special allowance paid to banks for making parental loans would result in fewer high risk borrowers being granted loans. Wayne serves more of these families than any other institution in Michigan.

The Michigan Department of Education has estimated that approximately 8,500 fewer students will receive Social Security education benefits in the first year of a four-year phase out plan. Well over 1,000 of these students attend Wayne.

We also strongly urge that the U.S. Department of Education resume processing the Pell Grants for the 1981–82 academic year, otherwise the number of students who cannot afford to attend college without some assistance will be greatly compounded by this inaction. This issue is critical, and requires the immediate attention of the Congress.

2. Research and Development: Reductions in research and development will severely damage the research capacity of the nation's leading universities—an irreplaceable national resource. The states will not be able to sustain the level of research required to meet modern and future needs. That is especially true for Michigan where more research is desperately needed, at a time the state can least afford it, to turn around its heavy dependence on the auto industry.

Wayne's ability to continue its successful research efforts, particularly in the health professions areas, i.e., cancer, lung, blood, arthritis, and bio-medical research, are in jeopardy.

3. Health Professions Programs and Graduate Traineeships: Also in jeopardy are funds for the support of clinical and graduate traineeships if the National Institute of Health programs are cut as severely as proposed. We currently have over 400 graduate students who depend upon these funds to support their education.

The loss of capitation grants and financial aid for medicine and nursing programs and students under the Health Manpower programs will result in real hardships and a diminution of programs and services.

4. Urban Grant Program: One of the few new and exciting programs authorized in the Higher Education Act of 1980 was Title XI, the Urban Grant Universities Program. Only $1.5 million was authorized for the first year of the program in 1982. Wayne was referenced as the model university for this program as the legislation was debated by the Congress.

No funds in 1982 will further delay development of Wayne's proven capabilities in assisting Detroit, and other major metropolitan areas with their problems. This legislation is patterned after the very successful Land Grant legislation which provided the wherewithal for our major universities to assist the nation's agricultural industry during the mid-1880's. That same assistance is needed for today's urban problems.

Your understanding and assistance with our needs will be greatly appreciated as the Congress weighs the alternatives to the Administration's budget reduction proposals. You have a very difficult, and often thankless task. Those of us who are having to make similar decisions on a smaller scale, but equally important as it affects the lives of others, do appreciate the hard decisions you are being asked to make. If we can be of any assistance in helping you to better understand our concerns as you arrive at your decisions, please let me know.

Sincerely,

THOMAS N. BONNER,
President.

IMPACT OF MICHIGAN'S ECONOMIC CRISIS ON WAYNE STATE UNIVERSITY

Although accounts of the financial woes of some state universities receive more headline news than others—most notably MSU in the Lansing newspaper read by many legislators—all higher education institutions are suffering immensely under the current state budgetary constraints.

It is important that Lansing does not get the impression that Wayne State is somehow suffering less than others. Lack of state funds during the past year, as well as the dim prospects for substantial economic recovery in the near future, have caused the following conditions at Wayne State:

1. A hiring freeze has been in effect since May of 1980, which by October 1 will translate into a reduction of 250 FTE employees since 1978–79.

2. Because the current year appropriation is $3.1 million below the previous year's allocation, spending reductions of $8.1 million must be achieved to balance the University's 1980–81 budget. A $10–15 million problem looms for 1981–82.

3. Non-renewal notices for 160 faculty already have been issued for 1981–82. Further painful layoffs for the summer term are expected to be announced in mid-April, the magnitude depending on the progress of negotiations with represented employee groups.

4. A 10 percent staged reduction in the size of faculty and staff will be necessitated over the next 18 months.

5. Even if a 10–12 percent appropriations increase for 1981–82 is enacted, the institution will still lag about 15 percent behind inflation over the 3-year period.

6. Because of the deferred maintenance necessitated from lack of funds, chillers and mechanical systems in numerous facilities have reached crisis proportions.

7. The President's Priorities Advisory Committee is reviewing all university programs, academic and nonacademic, with a responsibility to recommend major expenditure reductions.

BUDGET CUTS RECOMMENDED BY REAGAN ADMINISTRATION IMPACT ON WAYNE STATE UNIVERSITY

[The chart below lists the proposals by the Reagan Administration to cut the budget for fiscal years 1981 and 1982 that have significance for Wayne State University—our students, faculty, and administration]

Program or agency	Reagan administration recommendations	Anticipated impact on Wayne State
1. STUDENT AID		
A. Pell grant	Keep the maximum grant at $1,750—fiscal year 1981.	Pell grants were originally intended to meet half of the average college cost. $1,750 will meet approximately 36 percent of average college costs.
	Rescind the previous approved inflation adjustment in the family living allowance.	Absence of inflation factor hurts low-income families.
	Require a $750 self-help contribution from every student.	Lower middle-income families will lose Pell grants.
	Rescind the liberalized cost-of-education definition included in the higher education amendments of 1980.	Could lead to return to $1,100 figure for total costs of off-campus room and board, and cut grants to students in high-cost urban areas.
	Families contribution raised from 14 to 20 percent of net discretionary income in fiscal year 1982.	Discretionary "income tax" cuts MISSA from approximately $25,000 income level to $19,000. Loss in fiscal year 1982—$1.8 million in benefits affecting 1,117 students. Possible funding delay would cause a critical shortage of student assistance funds this spring, when students make their plans for the 1981-82 college year.
	Elimination of recently mandated administrative allowance.	Loss in fiscal year 1981—$56,000. Loss in fiscal year 1982—$70,000. Current funds are being used as they were intended and they are not available to return.
(Changes proposed to become effective July 1, 1981)		
B. Guaranteed student loan (GSL).	Loans to be restricted to no more than cost of education, minus parental contributions and other student aid.	In effect repeals the Middle Income Student Assistance Act (MISAA). Imposition of a "needs test" will create vastly expanded paperwork burden for college individual private lenders. Reagan administration estimates ⅓ of anticipated students lose eligibility. Loss to WSU in fiscal year 1982—$3.8 million in benefits affecting 1,900 students.
	Eliminate Federal Government in-school interest subsidy.	Drastic impact upon the access of minority low-income students. Will discourage schools and lenders from participating in the program, and as a result, new students who are generally less preferred as borrowers will suffer greatly.
	Interest on new parent loan would go from 9 percent to market rates, currently in the neighborhood of 17 percent.	Many small private lenders would prefer to find their own loans rather than subject themselves to redtape and paperwork associated with the government loans. Students can no longer borrow parental contributions. Parents may be unable or unwilling to use the program because of their other credit obligations and the higher interest rates.
	Elimination of recently mandated administrative allowance.	Loss: Fiscal year 1981—$61,360, fiscal year 1982—$61,360.
C. Student Social Security benefits.	Program is phased out over 4 years. No new recipients allowed, current students lose 25 percent per year.	Approximately 34,000 Michigan students currently receive benefits totaling about $98 million. If proposed reductions are implemented, almost 8,500 fewer students will receive benefits over the next 4 years, with an annual loss assistance of about $24.5 million. Many of current recipients will lean on NDSL and GSL at a time when those programs are proposed for cutbacks too.
II. RESEARCH AND DEVELOPMENT		
A. Alcohol, Drug Abuse and Mental Health Administration.	Rescinds $29 million in mental health research and training. Rescinds $1 million in both drug abuse research and training and alcoholism research and training. $203 million budget in fiscal year 1982. Spending for clinical training will be phased out in fiscal year 1982.	Potential loss of $50,000 in psychology grants.
B. Health Resource Administration.	Rescinds a total of $212 million of an estimated $480 million in health professions education in the current year. Rescinds $63 million on nursing programs. Recommends just $120 million for health professions in fiscal 1982.	Over 50 percent of nursing students rely on some form of financial aid. Capitations zeroed in 1981—along with most health manpower programs, including student aid and categorical activities. Loss of $648,328 in capitation grants for medicine and a loss of $62,184 in capitation grants for nursing programs.
C. Health Services Administration.	Rescinds $16 million in National Health Service Corps scholarships and $6 million for maternal, child health research and training. Fiscal year 1982—$42 million less than fiscal year 1981 level.	The administration's proposed budget proposal would grant no new National Health Service Corps scholarships beginning in 1981. Currently WSU is receiving $80,000 for medical and pharmacy support. Provides greater access for more affluent families at expense of indigent students.
D. National Institutes of Health.	Rescinds $126 million of the $3.6 billion slated for NIH this year under a continuing resolution. About $50 million of the reduction would be made by the various institutes in training grants and payments to institutions whose students receive such grants. Another $21 million would be cut from biomedical research grants. The rest would come from small cutbacks throughout the agency.	WSU currently receives approximately $4.7 million in NIE training support, affecting 400 graduate students. Anticipate severe loss in nursing, psychology and social work training grants. Estimated loss of $100,000 in biomedical research support. Eliminates at least 50 percent in the first year, or $2.35 million loss for both student and faculty NIE training support.
OTHER UNIVERSITY PROGRAMS		
A. Corporation for public Broadcasting.	Reduction of $33 million from 1981 levels.	WDET support will be reduced by a minimum of 25 percent. Current fiscal year 1981 funding is $111,561.
B. Veterans' cost of instruction.	President would rescind the entire budget for veterans cost of instruction.	Estimated loss of $70,000.
C. Urban grant program, title XI of higher education, 1980.	No support is recommended for fiscal 1982.	$1.5 million was authorized. Wayne State was considered a leading contender for initial support under this new program.

Prepared by the Office of State and Congressional Relations (7-2241).

Mr. MOYNIHAN. I thank the distinguished Senator from Michigan who spoke so eloquently to the point at hand.

I see our revered former chairman of the Committee on Environment and Public Works, a man who has devoted his life to education in his own home State and in the Nation, has risen; the incomparable senior Senator from West Virginia (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I wish, with the indulgence of my colleagues, especially the able Senator from New York, to address the Senate.

Mr. MOYNIHAN. How much time does the Senator desire?

Mr. RANDOLPH. Perhaps 10 minutes, if that is within the format.

Mr. MOYNIHAN. I yield whatever time the Senator may desire.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. When a Senator makes a statement that he would speak briefly few people will believe it. How much time remains, Mr. President?

The PRESIDING OFFICER. Thirty-two minutes remain to the Senator from New York.

Mr. RANDOLPH. May I have such time as I may desire?

Mr. MOYNIHAN. I originally proposed that.

Mr. RANDOLPH. I thank the Senator very much.

Mr. President, there are many of us within this body who are equally interested in the three matters that have been under discussion. There are Members of this body who, by their very service in the Senate, have attached their concerns in committees and subcommittees to the problems that may affect them not only in their own States or in the body politic as a whole, but because they have a deep-seated feeling about the strength of the educational system of America and the need to not only continue it but to improve it, and the improvements, of course, are needed across

a broad scale. I will not address myself to all three matters to be discussed.

I have been a member of the Education Subcommittee in the Senate of the Labor and Human Resources Committee for approximately 23 years. Prior to that time I was also in the House of Representatives a member of the committee which attempted to cope with not only the problems of labor but of health and safety for workers, and yet remembering also the programs of education.

So during this period of time, now some 37 years, I come today just as enthusiastic now as when I entered the House of Representatives in March of 1933, hoping always, however, that I can be well-reasoned and can be understanding of those situations which affect America and the citizens generally of our country.

I would like to talk today about the mistakes we make in funneling billions and billions of dollars, Senator HATCH, oversees every year from the Congress of the United States. Not that I am less than cooperative; I am most cooperative in connection with those joint programs in which America, with other nations and peoples, would try to improve the quality of living and the hopes for lessening, very frankly, was and recurring war in this shrinking world in which we live.

But that is not for me to discuss now.

I want to say to you that there are more than half the Members of this body who were graduated from the smaller private, independent, church-related colleges of this country.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the names of schools attended by Senators.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PRIVATE COLLEGES AND NUMBER OF SENATORS ATTENDING*

Birmingham Southern College, 1.
Pomona College, 1.
Yale University, 9.
Providence College, 1.
Harvard University, 12.
Syracuse University, 3.
Emory, 1.
George Washington University, 2.
Denison University, 1.
DePauw University, 1.
Washington & Lee University, 2.
Bowdoin College, 2.
Boston University, 1.
Georgetown University, 1.
Haverford College, 1.
Princeton University, 4.
Dartmouth University, 2.
Swarthmore College, 1.
Johns Hopkins University, 1.
Saint Johns University, 1.
Amherst, 1.
Stanford University, 3.
Oberlin College, 1.
Columbia University, 2.
Tufts University, 1.
Wingate College, 1.
Wake Forest, 1.
Earlham College, 1.
Muskingum College, 1.
Willamette University, 2.
Tulane University, 1.
Vanderbilt University 1.
Southwestern University, 1.
Brigham Young University, 1.
Middlebury College, 1.
St. Michael's College, 1.
Salem College, 1.
American University, 1.

*A number of Senators attended one or more private colleges/universities.

Mr. RANDOLPH. I am not against the institutions in your States or in my State that are publicly supported. No, I am paying taxes toward that program in the State of West Virginia where I pay taxes, just as you are paying taxes in your respective States in reference to those public institutions of higher learning.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of both private and public colleges and universities in West Virginia.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PRIVATE, INDEPENDENT COLLEGES/UNIVERSITIES IN WEST VIRGINIA

Alderson-Broaddus College, Philippi, W. Va.
Appalachian Bible College, Bradley, W. Va.
Beckley College, Beckley, W. Va.
Bethany College, Bethany, W. Va.
Ohio Valley College, Parkersburg, W. Va.
West Virginia Wesleyan College, Buckhannon, W. Va.
Salem College, Salem, W. Va.
University of Charleston, Charleston, W. Va.
Davis & Elkins College, Elkins, W. Va.
Wheeling College, Wheeling, W. Va.

STATE-SUPPORTED PUBLIC COLLEGES/UNIVERSITIES IN WEST VIRGINIA

Bluefield State College, Bluefield, W. Va.
Concord College, Athens, W. Va.
Fairmont State College, Fairmont, W. Va.
Glenville State College, Glenville, W. Va.
Marshall University, Huntington, W. Va.
Parkersburg Community College, Parkersburg, W. Va.
Potomac State College, Keyser, W. Va.
Shepherd College, Shepherdstown, W. Va.
Southern West Virginia Community College, Williamson, W. Va.
West Liberty State College, West Liberty, W. Va.
West Virginia College of Graduate Studies, Institute, W. Va.
West Virginia Institute of Technology, Montgomery, W. Va.
West Virginia Northern Community College, Wheeling, W. Va.
West Virginia School of Osteopathic Medicine, Lewisburg, W. Va.
West Virginia State College, Institute, W. Va.
West Virginia University, Morgantown, W. Va.

Mr. RANDOLPH. Mr. President, so I am conscious of my desire not to separate my concern for both public and private education, except I must say to you that when we talk in terms of the loans made to those college students or university students, that we are not talking about Federal funds. These are not Federal funds that are loaned to the students throughout the United States of America, irrespective of where these students are enrolled.

These funds come from the private sector. I repeat, from the private sector.

These loans, of course, have an in-school interest rate of 9 percent paid from Federal funds.

But private lending institutions make these loans to our college and university students throughout the country.

I will perhaps place in the RECORD the picture as it affects the West Virginia institutions of higher education. I can tell you that in the institution from which I was graduated, Salem College in the hills of West Virginia, that our students need those loans. These students have gone there because it was their choice to go to a private, independent college in the State of West Virginia.

Are we to deny that choice to those students?

You say, "No, the choice will remain."

But I can say to you that those students do not have the money to pay the tuition fees which must be assessed by independent and private institutions of learning at a higher rate than the publicly-supported colleges and universities of our country. So the costs are more. But they choose private schools because, in many instances, they want the personal rapport and contact with the professors, leading to more individual instruction.

A few months ago, in a university in America, which I shall not mention because I do not want any inference to be drawn, I sat in a classroom and there were some 240 students in the one class. I tried to see if my eyes—and they are fairly good—could discern where the professor was. Actually, if you were sitting somewhere in the rear of the class you would have difficulty in finding him down or out there.

I believe in the smaller classes. I believe that in the study that is advanced for a master's degree, the students are better able to concentrate, on the subject matter such as law or medicine. But in the 4-year college of arts and sciences, there the students come and they need something besides the close attention to the classics; they need to understand the living associations that take place upon a college campus. They need, perhaps, what young John Hinckley needed yesterday—before he made a terrible decision. Who knows, had he been in the atmosphere of a small college, where traditional, Christian values are taught, he might have come to realize the qualities, the obligations, that may have kept him from doing what he did.

In America there is no reason to say: "You cannot do what you are now doing. You cannot have this choice because the door will be closed."

I do not want to speak for a special interest group. That is not my intention. Because higher education in this country must not be considered as just another special interest group. Higher education is a $50 billion a year enterprise.

Higher education contributes to the economic well-being of our country. In that connection it is important that we think in terms of the young people not only today on college campuses, but the tomorrows of these young people throughout trade, business, commerce, the professions, and community leadership all over America.

It is difficult for me to understand, and I speak not against any specific individual—I do not want to say what a person can or cannot do. But it is difficult for me to understand people opposed to the guaranteed student loan program, who might be very much interested in the continued subsidies for the raising of tobacco. I do not give you this as an "against" argument, but only to say that the priorities with me, now and in the future, will be to work for the programs of education to continue an opportunity for these young people to be in college, the college of their choice, the private college, that, of necessity, has to charge

a higher tuition fee than the State publicly supported institutions.

Is this just an expenditure of money? No. This is an investment of funds, funds loaned from private lenders with the interest paid by the Federal Government.

If there is a drastic reduction in the guaranteed loan program, where will it impact? Well, it impacts, of course, on all types of families, but I speak now of the middle-income families and their children of college age.

The hardest blow delivered will be against students who are attending the smaller, private, independent colleges in our country where I again say for the third or fourth time, of necessity, there is no public support, no State support. The tuitions are higher, $2,000, $3,000, and $4,000 higher in many cases.

Hundreds of thousands of students, if we stop the "GSL" program, will have to rethink their plans for continuing in college in September of this year when colleges formally open again. The decision may be to say, in a sense, "Goodbye to this college that I want to call my alma mater. At the end of 2 years on this campus I will have to go elsewhere."

This is a decision the Senate must understand.

A reduction in the GSL program, I repeat, so severe as to turn away students from the private, independent colleges of America, including West Virginia and every other State represented by the membership, could affect not only the students—and listen now to what I say—but it will affect possibly, the colleges themselves.

Colleges throughout this country in the category of which I speak, dependent upon charitable donations, some of them without large church constituencies, I say to the Senators who are on the floor—and I wish that every seat was filled—those colleges, in many instances, I say to the able Presiding Officer, will close their doors. That is actually the threat that is raised over this Senate and over the House of Representatives as we consider this subject.

Without a clear and an immediate signal from the Members of this Congress that we will not only not abandon the students but we will not abandon these colleges for whom I speak today throughout America—the students, yes, the institutions, too—then private education will go down the drain. Freedom of choice, which is very precious to me, very precious, I believe, to every Member of this body, will actually be dead.

Mr. President, these are the pressures: Pressures on the families with reduced discretionary incomes. How much do they have left over? The problems of summer employment, and I tell you, it is difficult today—it was not in my time. I could really go out in the summertime and find a job. But I know that now, the situation is different. In fact, if my colleagues will forgive me for saying it, I held two jobs at the same time: One in a men's furnishings store and one in a grocery store. I was glad for the opportunity to work, as I hope college students are glad for the opportunity to work now. But there are few jobs available for college age youth today.

A recent study by the Department of Labor provides an in-depth profile of the teenage worker. The jobless rate among teenagers has gone from a low of 7.6 percent in 1953 to 16 percent in 1979—and I believe it is even higher now.

The Labor Department's study also shows that the amount of formal schooling is substantially related to the prospects of being employed.

Those youths who have dropped out of high school have a jobless rate of 20.6 percent. Of those completing high school, but have not gone to college, the rate of unemployment is 9.4 percent. But for those who have had 1 to 3 years of college, the rate is 7.2 percent, and those with 4 or more years of college have only a 4-percent unemployment rate.

These unemployment statistics clearly support the continuing role of the Federal Government in providing funds for tuition assistance for college age youths between the ages of 18 and 24.

If these students are thrown out of college for lack of Federal tuition assistance, they may have to resort to welfare. Let us ask ourselves how much more it will cost us in tax dollars; I say to the knowledgeable Senator from Rhode Island (Mr. PELL), to provide welfare payments for these youths, compared with the really modest cost of helping keep these young men and women of America in the colleges and universities of their own choice by permitting them access to guaranteed student loans.

Commercial lenders, private lenders—that is where the money comes from for these students as we know. So it is essential, and I capitalize every letter of the word, essential, to this private educational group for whom I speak, not in any personal or provincial way; I only say that it is a highly important part of the diversity of educational opportunity in America. Today, if we were to vote on this subject, there are 54 Members of this body who have attended private, independent colleges rather than publicly supported State institutions.

I go back to that little college, Salem. In Salem, we have 481 students. Probably 232 of those students would be lost through transfers to low-cost schools. If that happens, I can say that the doors of the institution will be, not slowly closed over a period of 2 or 3 years, but may be closed abruptly—when one-third of the enrollment of our institution is lost. Out of a total of 8,452 students that are enrolled in private institutions in the State of West Virginia, I say to the Senator from Rhode Island, there is a potential loss of 1,800 students in the coming student year, a total loss of 21.3 percent statewide.

So, Mr. President, I ask my colleagues to be thinking of these colleges—Dennison University in Ohio, DePauw University in Indiana, Bowdoin College, Haverford College, Dartmouth, Swarthmore, Saint John's University, Syracuse, Wingate, Wake Forest, Earlham, Willamette, Stanford, Tulane, Southwestern, Middlebury, Washington and Lee—all over this country, these are the institutions, to name only a few, which will be affected—and these are some of the private, independent colleges attended by 54 percent of my colleagues here today from both parties.

President Reagan stated in his February 5, 1981, message to the annual meeting of the National Association of Independent Colleges and Universities:

(Private institutions) . . . are vital to the diversity that makes higher education in the United States a model for excellence for countries throughout the world. I believe this diversity must endure. We must continue to provide our people with the freedom of educational choice, a freedom unknown to people in many parts of the globe:

Mr. President, I am grateful for the time that has been given to me to speak, in a sense, not just factually and earnestly, but even a little emotionally, because I know this segment of American higher education. I have taught in a small college. I have served as a member of the board of trustees of two small colleges. I know the need, the fiber of the Republic which is at stake in connection with the educational programs of this country if, ill advisedly, we stop a program of this kind which affects not only students from institutions of higher learning, but the very fabric of American society in the years ahead.

(Mr. WEICKER assumed the chair.)

Mr. PELL. Mr. President, I thank and congratulate my friend and colleague from West Virginia (Mr. RANDOLPH) on his singularly eloquent, moving speech, one that I hope will have its message spread far and wide. Just as he remarked on the effect of the guaranteed student loan program in West Virginia, I cannot resist pointing out what the impact of these proposals would be in my own State of Rhode Island and Providence Plantations.

In this regard, the present loan program in Rhode Island provides about $40 million a year in guaranteed student loans. If the President's cuts are agreed to, it would mean that, of the 20,000 students getting loans, one-half would be either ineligible for loans or would get smaller loans.

The Middle Income Student Assistance Act would also be eliminated, doing incalculable harm to our students and youngsters.

Mr. President, I have already touched the basic Pell grants. I would now like to touch, for a moment, on the guaranteed student loan program, which is an excellent amendment, one that I hope will prevail. As the Senator from West Virginia pointed out, this is an excellent use of private money. It is not public money, it is private money. It is a guarantee of private loans. It provides parents with the money needed to finance their children's education.

The beauty of it in the past has been that everyone is eligible, because we find that when we start making income limitations, the paperwork becomes such that we do not save as much as we would hope.

The program, as we know, is presently 9 percent interest loans up to $2,500, with the Federal Government paying the in-school interest. The amendment that we are offering would simply say that the Federal Government would continue to pay that in-school interest, because how can a youngster borrow the money to go to college and then be expected to pay the interest back while he is still in college? That would seem to me a little bit

unreasonable and would result, as we all know, in fewer youngsters going to college.

I also want to touch on the title I program, which has been of inestimable benefit to some of our young people, providing them with the basics, reading, writing, and arithmetic.

It has given these basic skills to children from underprivileged, poor homes and put them into the mainstream of education. There scarcely has been a study of an education program that shows one that has produced as much good, as much benefit, as title I.

Now, when we talk about cutting these programs, I think we really are hurting our Nation and hurting ourselves. I think I have long felt that the real strength of a nation is the sum total of the education and the character of our people. If she has that, she will be an undigestible morsel if people attempt to take her over; she will be strong in projecting her image abroad. But if she does not have strong, educated people of good character, it does not matter how many battleships, aircraft carriers, and nuclear weapons she may have, the country will still be weak and unprotected. It is as if we have come to depend on a Maginot Line of military hardware to protect the softness that could develop within us.

Mr. President, I think we have an obligation on the Federal level, because it involves our Nation as a whole, to push ahead in education, continuing what we have done in the past and expanding upon it.

Mr. President, I speak as one who has been chairman of that subcommittee for 12 years, and have done all that I can to develop these programs. I believe that the Nation is the better for this development. For all these reasons, Mr. President, I hope that these amendments will prevail. I hope a miracle will happen and they will pass.

Let me add here that there is another amendment to come later during the consideration of this resolution on vocational education. That amendment is equally important, and it will be presented at a later time by another Senator.

Mr. President, seeing the Senator from Utah reminds me how extremely courteous and fair he has been as chairman of the full committee. I am delighted to be serving under him.

I also point out that these amendments that we are offering are actually less in dollars than the amount we approved in the full Committee on Labor and Human Resources. This is a point, I think, that many of our colleagues are not aware of, that the Budget Committee cut way back from the authorizing committee. At this time I want to thank my colleagues on the full committee for supporting the levels that they did this year, and I hope we can adopt these amendments and move back toward those levels.

Mr. HATCH. I thank my friend from Rhode Island.

I take it that the distinguished Senator from New York would care to speak at this time.

Mr. MOYNIHAN. That is very generous of the chairman.

The Senator from Vermont is here, and I should like to address a question to him, as would some other colleagues.

The PRESIDING OFFICER (Mr. MATHIAS). The Senator from New York is recognized.

Mr. MOYNIHAN. As the Senator from Vermont knows, he is the distinguished chairman of the subcommittee that handles this legislation, we now have an entitlement program which the administration proposes to turn into a categorical aid program by specifying certain new conditions to be met.

One of the concerns that most deeply affect educators, student loan officers, and college administrators I have talked with, and one concern they and I find most oppressive, is the idea that students in college will be required to pay interest on their loans while in college. It is because of my fear that this could occur that I offer this amendment. This program was enacted when our side of the aisle was in the majority, and now we would like to hear the views of the Senator from Vermont on this matter, because we understand that this can be avoided.

I believe the Senator from West Virginia would like to hear this, as would the Senator from Rhode Island.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

Mr. STAFFORD. I will be glad to offer my observations on this matter.

It is the judgment of the Senator from Vermont that an amendment of the guaranteed student loan program at this time would not be necessary in order to continue the interest subsidy for in-school students.

I respectfully point out to my colleagues that in this particular program, existing law could provide for up to $3.4 billion, but the administration proposed that this particular program be reduced to $1.7 billion, according to my understanding.

The Subcommittee on Education and then the full Committee on Labor and Human Resources ask here for $2.924 billion for this program. The Budget Committee provided $2.873 billion, which is approximately $1.173 billion more than the administration had proposed, according to the figures I have.

On that basis, I believe—in fact, I feel as certain as one can—that with certain modifications in the program, probably relating to an income cap or ceiling, the in-school interest rate subsidy for students in school can be continued with the figures we have.

Mr. MOYNIHAN. Mr. President, it is exceptionally reassuring to note that the Senator from Vermont is of this view. Perhaps my colleagues might wish to make some comment on this point.

Mr. PELL. Mr. President, I join the Senator from New York in welcoming that assurance. I realize that it is the best understanding of it, and I am very glad to hear the words of the Senator from Vermont.

Mr. STAFFORD. I say to my distinguished partner in the Education Subcommittee, Senator PELL, that we share a community of interest here, as I do with my distinguished friend from West Virginia, Senator RANDOLPH, because we all have the interests of small private schools very much at heart. There are a number of such schools in Vermont which are vitally interested in this particular program, as there are in West Virginia and Rhode Island.

Mr. MOYNIHAN. Mr. President, I am happy to yield such time as the Senator from West Virginia may require.

Mr. RANDOLPH. Mr. President, I appreciate very much being given the opportunity to join in this discussion, because I believe that the record made here will be helpful to us in future days and weeks on Capitol Hill.

I want the record to show that the Senator from Vermont not only is the chairman of the Subcommittee on Education of the Committee on Labor and Human Resources but also is the chairman of the Committee on Environment and Public Works. As Senator MOYNIHAN expresses it, the Senator from Vermont is expansive. We know that when his decision is made, it is made upon a very careful evaluation of the subject matter. I am assured by what he says.

I ask if he might state it in another way. It is his intention to see that the in-school interest subsidy in the guaranteed loan program is retained. Is that correct?

Mr. STAFFORD. If the distinguished Senator will yield, I reply to him that that is exactly the intention of the Senator from Vermont.

Mr. RANDOLPH. I am very appreciative.

Can the Senator say to us that he feels strongly that we need to have the retention of the in-school interest subsidy? That is, a subsidy of 9 percent, with a total outlay of only $2.8 billion in the guaranteed loan program, in fiscal year 1982.

With funding at $2.8 billion, will there be every opportunity for the students of the so-called private institution of learning, where the tuitions are higher, to be served by the program.

Mr. STAFFORD. I believe the private institutions and their students would have an adequate opportunity to participate in the program, under the figures we have available.

Mr. RANDOLPH. I appreciate that further assurance.

I ask the Senator to address this question——

The PRESIDING OFFICER (Mr. RUDMAN). The Chair advises that all time of the Senator from New York has expired.

The Senator from Utah has 1 hour.

Mr. MOYNIHAN. Mr. President, will the Senator be kind enough to yield a few moments?

Mr. HATCH. I yield.

Mr. RANDOLPH. I am grateful to the Senator from Utah and the Senator from New York.

Will any of the reforms proposed to change the eligibility under the guaranteed program be imposed as of July 1 of this year?

Mr. STAFFORD. Will the distinguished Senator repeat that?

Mr. RANDOLPH. Will any of the reforms that have been proposed to change eligibility under the guaranteed loan program be imposed as of July 1 of this year?

Mr. STAFFORD. I say to the distinguished Senator that this is a question which will have to be decided first in the Education Subcommittee, on which we serve, and then in the full committee, on which all of us on the floor also serve.

Mr. RANDOLPH. That certainly is understood, because we will work together. Is that the fact?

Mr. STAFFORD. That is so.

Mr. RANDOLPH. In this guaranteed loan program, under the current services, there would be a cost of $3.4 billion, and as I understand it, the reconciliation agreement would permit $2.8 billion. I think that is correct.

I now ask this question: Can we achieve these savings without denying access to these needy students who seek the opportunity to attend both private and public colleges?

Mr. STAFFORD. It is the opinion of the Senator from Vermont that they would not be denied an opportunity to attend private schools.

Mr. RANDOLPH. I thank the Senator from Vermont very much. I am very appreciative of what he is saying.

I hope this will not be misunderstood. I believe that Senator STAFFORD and I agree on many, many subjects. However, I look back for just a moment and recall that in 1924, Calvin Coolidge, of Vermont, was the Republican candidate for President. He became President, and had he defeated someone else, perhaps I would not say this.

Calvin Coolidge defeated a very wonderful West Virginian by the name of John W. Davis. I am not holding that against the Senator from Vermont or against Calvin Coolidge or anyone else. I am just saying that John W. Davis would have made a truly great President of the United States. His campaign slogan was timely then and would be timely now—it was:

> It is the supreme need of the hour to bring back to the people confidence in their government.—John W. Davis, Presidential Candidate—against Calvin Coolidge—1924.

Mr. STAFFORD. I say to my distinguished friend that Calvin Coolidge, it is true, was born in Vermont and spent his early years there. The characteristics that allowed him later to defeat the Presidential candidate from West Virginia, however, were developed in Massachusetts.

[Laughter.]

Mr. MOYNIHAN. Mr. President, as a member of the Budget Committee, am I correct in thinking that I can yield myself some of the time remaining on the bill?

The PRESIDING OFFICER. On behalf of the Senator from South Carolina.

Mr. MOYNIHAN. On behalf of the Senator from South Carolina, I yield myself 10 minutes at this point.

Mr. President, I should like to conclude these remarks by saying to the Senator from Vermont that in light of the Senator's agreement—as best he can undertake to make an agreement on behalf of the committee—that the committee will not pursue the administration proposal to impose interest on student loans while the students are in college, I will withdraw the guaranteed student loan amendment.

Will the Chair remind me what number that amendment is so I can put it formally?

The PRESIDING OFFICER. It is unprinted amendment No. 32, and the Senator from New York does have that right.

The amendment is withdrawn.

Mr. MOYNIHAN. I thank the Chair.

So, Mr. President, there remain only the two amendments. The case on their behalf has been made, but let me briefly restate it. This is not the time to begin dismantling one of the great achievements of American Government in the 1960's and the 1970's.

First, in 1965, we made a commitment to the poor children of this Nation in the title I of the Elementary and Secondary Education Act—a general commitment to the support of elementary and secondary schools. This has not been a great, huge program albeit it has been a remarkably successful one. Be it also remembered the United States now provides a much lower percentage aid to education than does any industrial democracy I know of.

Let there be no mistake our intent, we made a policy decision in 1965. The declaration said:

> In recognition of the special educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local education agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance [as set forth in this title] to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means, [including pre-school programs] which contribute particularly to meeting the special educational needs of educationally deprived children.

This is a commitment we made in 1965, and I would be loath to see us begin to withdraw from it by accepting the actions taken at the behest of the administration and the Budget Committee.

Our commitment should remain intact. After all, the education of 2 million poor persons is at stake here; 2 million poor children.

In the mid-1970's, we made an historic commitment that everyone in this Nation able and interested in pursuing a higher education could do so when we instituted the Pell grant program. The Federal Government would see that this be done, and I note especially that the Senator from Rhode Island has been indefatigable, fearless, and extraordinarily successful in bringing such a regime into place.

The Pell grant system is one of the true achievements of the 1970's. That man is on this floor today. Generations of Americans will have their start up the ladder because of that man. We ask not for a full restoration of every single penny, not for a huge increase, we ask only that 600,000 students who would not receive Pell grants next year, if the present budget goes forward, not be denied this most basic opportunity. It is not much to ask.

We sincerely hope that the Senate will agree.

The three amendments I am offering would restore approximately $735 million of the cuts that the Budget Committee has recommended in Federal education assistance programs in fiscal 1982—with corresponding restorations in fiscal year 1981 and fiscal year 1982.

Although the Committee on Labor and Human Resources would be permitted to use these resources as it sees fit in complying with the "reconciliation" instruction, my hope and my intention is to permit the following:

To fund title I of the Elementary and Secondary Education Act, our principal program of Federal help with the education of disadvantaged children, at $3.4 billion in 1982, and to avoid rescinding funds already appropriated for fiscal 1981. The program is currently funded at a level of $3.5 billion, and serves 6 million boys and girls. The Budget Committee has recommended a drastic slash to $2.9 billion, enough to serve only 4.2 million children, and an extremely disruptive rescission of funds already committed for the school year that begins in September. My amendment would still result in savings of $100 million, but would permit 5.5 million children to receive these urgently needed educational services.

To fund the Pell grant program at $2.6 billion in fiscal year 1982. This program, formerly known as basic educational opportunity grants, is the cornerstone of our national policy of making a college education financially accessible to every person with the ability and the inclination to obtain one. It aids needy students and none others, with individual grants that now average $1,100. At the present time 2.7 million college students, approximately one out of every four, are paying for their educations with assistance from this program. The Budget Committee has recommended just $2.5 billion to pay for it. My amendment would add $100 million, permitting 2.5 million students to be assisted with average grants of $1,034.

To fund the guaranteed student loan program at $3.5 billion, rather than the $3.3 billion recommended by the Budget Committee. This is still a substantial savings, as the program this year is estimated to cost $3.7 billion—and a sizable supplemental appropriation may be required. But it would permit the Government to continue to spare needy student borrowers from having to pay interest on their loans while they are in school.

Now let us consider the policy context. The administration's recommendations, ratified by the Budget Committee, are equivalent to:

Wrecking havoc with the budget and the plans of thousands of colleges and school districts, and millions of students, for the year that begins in September.

Turning our back on the educational needs of the poor, the needy and the disadvantaged, at the elementary, secondary, and postsecondary levels.

Repealing the Middle Income Student Assistance Act that was signed into law just 28 months ago, and abjuring Federal responsibility for assisting millions of middle-income families with the costs of college education.

Turning a blind eye to the fate of hundreds of private colleges and universities whose tuition levels are so high as to require substantial loan and grant aid for their students if they are to survive as anything but educational enclaves for the well-to-do.

Let me be clear that the numbers we are proposing will result in sizable cuts below current spending levels, and will require major changes in the structure of these programs, particularly the guaranteed student loan program. I for one would agree that some limits must be placed on the explosive growth of that program, which is the one real "entitlement" program run by the Education Department. I know no one who does not concur with that view. But to require needy college students, who are already expected to work for part of their tuition, to pay interest while they are in school on the money they have borrowed to pay the balance of their tuition seems to me unreasonable, unrealistic, and unjust.

Whether to change the fundamental nature of the Elementary and Secondary Education Act is a more difficult issue. The President has proposed converting its various titles, and dozens of other programs, into "block grants" beginning in fiscal 1982.

I have myself proposed a new program of general assistance to public schools, with the Federal funds used to "match" State and local resources.

I would hope and expect that the authorizing committees of the Congress will pay the closest attention to these and other proposals. But it is wrong to take away the resources needed even to maintain existing services, must less to improve the means by which they are provided. The enormous cut in title I that has been proposed will virtually foreordain stalemate, mistrust, and acrimony at such time as program and policy changes are considered. And in the short run will deny important educational services to millions of low income schoolchildren.

This society's commitment to education is too strong to allow us willingly to jeopardize the quality and quantity of our educational offerings in the name of saving money. The education provided by our schools and colleges is the most important investment we make in the future of this society. We dare not sacrifice it on the altar of parsimony.

Mr. President, I wish to add as cosponsors to the two measures that will now be voted on, Mr. PELL, Mr. KENNEDY, Mr. RIEGLE, and Mr. SARBANES.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. In concluding, Mr. President, may I point out that Mr. CHILES will later offer an amendment to add $100 million to vocational education so that the anticipated 3 million drop in students to be covered by that program is somewhat moderated.

Finally, may I call attention for the record to a concern of Senator FORD of Kentucky who has learned that a number of banks that make student loans have been in the practice of paying out only a portion of the loan in the autumn, retaining the remainder until January or midwinter, and thereby having the advantage of the interest from that loan, the benefit of which should properly accrue to the student on whose behalf and for whose benefit it was made.

I hope the committee, in its review of these programs this year, will include this among its concerns. This seems to me reasonable and appropriate.

With that, Mr. President, and with the hope that Members on the other side of the aisle share our view in this matter, at least sufficiently to add these sums, not overwhelming, but overwhelming in importance. I thank the Chair for his courtesy and, of course, particularly thank the chairman of the committee, who has been forbearing in thoughtfulness in allowing us to speak on his time when necessary and who has listened with great attention throughout the debate.

I thank the Chair.

Mr. HATCH. I thank my distinguished colleague.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I thank the Chair.

Mr. President, I have enjoyed the arguments that have been made on these three amendments, one of which is now withdrawn. So I will not comment on the guaranteed student loan program except to say that I agree that we can survive under the present budget figures on the guaranteed student loan program and I think do quite well.

I also call attention to the Senate that during the budget markup by the Budget Committee as chairman of the Labor and Human Resources Committee I made the argument to increase the budget regarding the programs for our committee by $998 million, $2 million less than $1 billion, above the Reagan figures, in three categories:

One was $353 million added back into the handicapped program. I personally feel that the handicapped in this country need the help of the Federal Government and we would have been very ill-advised to have cut back on that particular program.

I also recommended that we increase moneys for block grant purposes with regard to the Federal educational programs by $345 million, because it is our contention that the block grants would not be implemented in time to prevent taking away funds from the programs of State and local governments.

We feel we are right on that, even though that has caused some discontent among some of our friends in the White House.

I might also add that we added another $300 mililon back in for youth employment mainly to keep the youth employment program alive and we intend to reauthorize that program and then do a very good job of oversight and review of the CETA program during this next year or two to determine just how far we should go in the various CETA proposals that are before our committee.

I believe adding a billion dollars above what President Reagan has requested was more than a reasonable step to try and do what is right with regard to these programs.

I might add it was not easy for me to make those arguments in front of the Budget Committee. It was very difficult for me because I am a strong supporter of President Reagan and his programs. But I determined to do that and have felt good about doing it even though there has been, as I said, some irritation as a result of adding those particular funds in and I might add some severe criticisms, too.

To add any more pursuant to these proposals by my illustrious colleague from New York and others I think would be unjustified under the circumstances.

Let me start with the Pell grant program, the Pell grant or the basic educational opportunity grant program, which has been renamed Pell in honor of our distinguished Senator from Rhode Island, has grown substantially.

Federal costs have increased by 95 percent from fiscal year 1977 to fiscal year 1981. That is in estimated dollar levels, from $1.9 billion to $3.7 billion in these 4 years.

Much of the growth in the Pell grant program results from liberalization of eligibility requirements that have extended benefits to middle-income families.

Nearly 10 percent of the grant money goes to families with incomes over $25,000.

The number of qualified applicants with adjusted family incomes of $20,000 or more grew from 33,000 in 1978–79 to 431,000 in 1979–80.

The President's proposal redirects the program to the most financially needy students and reaffirms the primary responsibility of the family and the student in paying for postsecondary education.

The President's policy does not "gut" the program. Under his plan 2.3 million students will receive grants averaging $1,000, in fiscal year 1982.

Students who are not receiving grants and are financially needy will be able to participate in five other Federal student financial assistance programs.

The President's proposal: Adjusts the award formula to reduce program costs; eliminates liberalized cost of education definitions; increases family contribution; requires students to provide $750 in self-help; limits the size of maximum grant.

I do not think those are unreasonable requests.

How can we justify holding to a $1,750–1,800 maximum Pell grant policy now for several years in light of the inflation in college costs? There are inflation adjustments for many other education programs, why not for Pell grants?

I hardly need to reiterate that this budget was developed under severe resource constraints and hard choices had to be made. The choice to limit Pell grants was made in the full knowledge

that rising education costs are ever more burdensome for students and their families. In spite of this, the picture is not entirely bleak and several mitigating factors helped shape the decision of the Reagan administration.

At the same time college costs are rising so are the earnings capacities of students. We estimate that by academic year 1982–83 a student working 15 hours per week at the minimum wage and saving $800 from summer earnings would have about $2,600 per year to help defray college costs. This is substantially in excess of what we estimate the average student financial burden will be at typical 4-year public institutions. The student financial burden—cost minus the sum of grant aid and expected family contribution—will be for most students at such schools less than $2,000. In other words, most students will be able to attend these institutions without borrowing at all if they so choose. Student financial burdens at higher cost institutions will typically exceed their earnings capacities, but in most cases would require only modest amounts of borrowing.

In analyses of family resources, we often forget the annual cost of maintaining a youngster in his/her late teens at home. June 1980 Department of Agriculture estimates of maintaining a 17-year-old at home under "economy," "low," and "moderate" budget assumptions are respectively $2,411, $3,347, and $4,691. These estimates suggest that fairly substantial resources might be made available to finance college when a youngster leaves home.

The Department's budget recognizes that average student financial burdens mask a great deal of variation among students and that many students will face financial sacrifices well in excess of the average. Because of this, the budget includes an additional $30 million in the supplemental opportunity grant program in 1982. These additional funds will be especially helpful in aiding those students with unusually high financial burdens, particularly those attending high cost institutions.

I think it is important to point out that in the last several years these programs, the Pell grant programs, formerly called BEOG, have been continually liberalized; Federal benefits have become excessive. Although the Pell grant program, the successor to the basic educational opportunity grant (BEOG) program, is designed primarily to assist low-income students, grants are on occassion provided to students from families with income in excess of $30,000 per year. The GSL program now provides loans of up to $2,500 annually for students and up to $3,000 annually to their parents regardless of income. Substantial Federal benefits are being paid out to those who do not need them to meet educational expenses.

Frankly, I think it is time we recognize we are a trillion dollars in debt. The interest alone on that debt is estimated to be about $90 billion in the next fiscal year, and that is more than the total Federal budget was only 22 years ago.

The Reagan administration is not cutting essential services; they are cutting the increases in the budget that are running out of control, my colleagues, although well intentioned and, I think, sincere and dedicated to their amendment, are wrong, and I believe we have to draw the line on some of these loans, and we have to draw the line on some of these programs. I think it is important to do it at this time, and I think it is very important that we do it in this particular case because I believe we are, frankly, providing enough benefits for students to be able to take care of their needs, certainly, if they are willing to work. Almost all of us had to do when we went to college and paid our own ways and, I might add, I began at 65 cents an hour as a janitor at Brigham Young University in order to pay my way through school, and I worked every holiday and summer and every second I had to be able to make it through college.

Finally, with regard to the second aspect of the distinguished Senator from New York's amendment, with regard to the elementary and secondary education add-backs, this reduces the cut in the fiscal year 1982 budget, as I understand it, to 12.5 percent from current level. But 12.5 percent is merely what President Reagan expected to achieve in administrative savings alone.

Therefore, this amendment would do nothing to control the increase in growth of the 45 programs themselves which are to be consolidated into a block grant. This amendment would do nothing to help control the inflationary impact of present Government spending levels.

The present categorical structure wastes resources through onerous Federal requirements.

The current programs have 108 pages of regulations and require over 137,000 work hours each year at the State and local level simply to produce required reports.

The administration estimates that administrative requirements consume as much as 13 percent of current Federal dollars awarded to States and localities.

The proposed grant consolidation will eliminate these categorical requirements and waste. Consequently, the elementary and secondary education programs can sustain a larger budget reduction than that proposed by the distinguished Senator in this amendment.

The Senate Budget Committee has already restored funds as I have explained, to elementary and secondary education above the President's mark. I was the person who made that motion, who moved that particular amendment.

I think rejection by the Senate of the 25-percent cut recommended by the administration in these programs will mean that they may be targeted next year for even deeper cuts. Every additional dollar spent this year will necessitate additional deficit spending by the Government.

A cut of only 12½ percent is to force the Government to spend the money that it really, frankly, does not have.

I might add, other programs serving even needier populations have borne cuts, and education is going to have to bear its fair share.

I sympathize with my distinguished colleague from New York because I am concerned about the education program in this country as well. But the final responsibility for education does rest with the States, and the Federal Government cannot be the only source of new revenue for this area.

Under the Moynihan/Pell amendment elementary and secondary education programs will not sustain their fair share of budgetary reductions.

The Moynihan/Pell proposal would reduce funds for elementary and secondary education by only 8 percent in fiscal year 1981, and 3 percent in fiscal year 1982 from funding levels provided under the fiscal year 1981 continuing resolution.

The Moynihan/Pell amendment would actually increase funds by 2 percent in 1983 over the current 1981 funding levels. So, again, the argument that we are not drastically cutting back, we are just cutting the increases in the budget or at least mainly the increases in the budget is correct.

Mr. MOYNIHAN. Mr. President, I send a technical correction to the desk regarding line 18 of UP amendment No. 3.

The PRESIDING OFFICER (Mr. LUGAR). Without objection, the amendment is so modified.

The amendment, as modified, follows:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20, and insert in lieu thereof the following, "$14,167,000,000, and outlays by $2,303,000,000, in fiscal year 1981; to reduce budget authority by $52,225,000,000 and outlays by $36,510,000,000, in fiscal year 1982; and to reduce budget authority by $58,528,000,000, and outlays by $47,094,000,000".

On page 2, line 24, strike out "$13,300,000,000" through "$1,800,000,000" on line 1 page 3 and insert in lieu thereof the following, "$12,800,000 in budget authority and $1,450,000,000 in outlays for fiscal year 1981; by $2,850,000,000 in outlays for fiscal year 1982; and $1,700,000,000".

On page 10, beginning with "$2,388,000,000" in line 5, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following, $1,888,000,000 in budget authority and $364,000,000 in outlays for fiscal year 1981; $9,703,000,000 in budget authority and $7,493,000,000 in outlays for fiscal year 1982; and $11,663,000,000 in budget authority and $10,313,000,000".

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that it be in order with one show of hand to request the yeas and nays on the two amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I do request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BRADLEY. Mr. President, I ask unanimous consent that I be made a cosponsor of the Senator's amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

FUNDING FOR PELL GRANTS

Mr. BRADLEY. Mr. President, the administration's recommendations to tighten eligibility under the Pell grant program would increase the financial burden of needy families by increasing

the family contribution at all income levels.

Requiring a $750 self-help student contribution "except where extreme financial need is demonstrated" would add additional burden to poorer families who usually use their student's contribution for the family contribution level.

Development of human potential through Federal investment in higher education is in the national interest of a nation trying to achieve greatness. The Federal Government should carry some of the load for educating future generations as a public good.

The administration's program would place a hardship on thousands of families. Higher education costs, including tuition, books, room, board, transportation, and living expenses average $3,500 per academic year at public universities and $7,500 at private universities.

Reasonable controls on student financial assistance are necessary. However, the balance must be struck between insuring development of human resources and progressing rapidly toward economic recovery. The urgent responsibility which we face of improving the quality of life by gaining control over our economy must not cause us to overlook equally important responsibilities—especially the preparation of youth for the highest productive citizenship.

For these compelling reasons, Mr. President, I strongly support this amendment to restore funding for the Pell grants program.

GUARANTEED STUDENT LOANS

Mr. President. I am pleased to join my colleague, Senator MOYNIHAN, in this amendment to restore funding for the guaranteed student loan program.

The guaranteed student loan program makes the difference for many students today in whether and where they can pursue their education. Currently, the GSL program provides guarantees for loans of up to $2,500 annually for students; up to $5,000 annually for graduate students; and up to $3,000 annually for parents. The student loans are interest free while the student is in school and begin accumulating interest of only 9 percent once the student finishes school. The parents are charged 9 percent interest from the start. Neither the parent or student loan program is income tested.

The Reagan administration has proposed the following changes, which were also included in the January budget:

Limit the loan amount to "remaining need."

Impose the 9-percent interest rate for the student loans during the years the student is in school.

Impose a market level interest rate for the parent loans.

While tightening in the GSL program is appropriate, I believe that the administration has been overzealous, with some harmful effects.

By limiting the GSL loan amount to remaining need, as determined in a national needs analysis formula, and by increasing interest paid on parent loans to market rates, the administration has effectively targeted the GSL program on the "truly needy." President Carter proposed the same changes and I support them as well.

But the imposition of the 9-percent rate while these truly needy students are in school, while they have little possibility of earnings to offset the accumulating interest, is an unwise policy. The effect of eliminating the in-school interest subsidy will be to increase by approximately one-third the cost on an undergraduate education as measured by student indebtedness.

For those students attending high-cost institutions, which means most nonpublic colleges and universities, the resulting debt from both capital and accumulated interest may prove to be too great, leading to withdrawal from the private institution in favor of the much less expensive public alternative. Fine educations can be had in the public sector as well, but the overall effect on our system of higher education would, in my opinion, be unhealthy: the segregation of the wealthy students, who can pay their own way, and the very low income students, who can draw on grants and scholarships for 100-percent financing, into private institutions, while the middle-class student dominates public institutions.

The loss of the in-school interest subsidy would have particularly serious consequences for graduate students. First, the loss of the subsidy would increase the indebtedness of graduate students a similar 30 percent or more. Many of these students already carry large loans from their undergraduate years and family support is not as readily available for graduate education.

Some graduates of law, medical, and business schools may have high-income expectations, and would not be as reluctant to increase their indebtedness for purposes of completing their professional training. Other graduates of those schools and most liberal arts and sciences Ph. D.'s who seek teaching or research careers will be driven out of school or away from teaching and public service careers. The country is already experiencing a serious shortage of engineering and science faculty. If there are reductions in NSF fellowships and project support, as proposed by the administration, many of our most talented graduate students could be lost—a loss which would have long-term consequences to the Nation's research base.

Mr. FORD. Mr. President, I am greatly concerned about the administration's proposals to reduce this Nation's commitment to education. These budget reductions will have an adverse impact on students, parents, and institutions of higher learning. I am referring to the proposed changes in the Pell grant program, the guaranteed student loan program, and the student benefits under the Social Security Act.

I would like to relate an incident which illustrates my concerns. Nothing is more important than personal experience. While at home in Owensboro several weekends ago, I went to the grocery store to make a quick shopping run. As I went through the checkout line, a young man there offered to carry my groceries to the car for me.

I thanked him, but said I thought I could handle it on my own. He took the bag anyway and said there was something on his mind he needed to talk to me about.

As we walked, he explained he was a college student, that he was working at the store to help pay his way through school, and that if the Government took away financial aid he was receiving in the form of a student loan, there was no way he—or his family—could afford to meet tuition costs.

He was as sincere as he could be and I know that he is far from the only one in that dilemma. There are thousands of others whose ability to start or stay in college is threatened by rising costs and shrinking means of financial assistance.

The point that the young man made touched home with me and illustrates one of the reasons why I have mixed emotions about the major budget cuts and shifts in Federal spending which are now making their way through Congress.

After all, no one can argue with the overall objectives of these cuts. Everybody wants to see Federal spending reduced and the budget balanced. Likewise, no one can argue that there is not room for considerable belt tightening all the way around the Federal budget.

At the same time, however, I have the feeling we could be on the verge of making some serious mistakes that will have a dramatic and lasting impact on the future of the country.

I am not just referring to the massive cuts in social programs that will reduce Government's ability to help the sick, the poor, and the other needy individuals who are helped by Government assistance programs.

I am thinking about the restrictions we might be imposing, through aid to higher education costs, that will shortchange this country's ability to help our young people—and thus our future to the fullest.

We have been told that the reductions would cause a significant rise in the cost of education to students as financially strapped institutions raise tuition costs and bring on a substantial cutback in research programs at major universities. The institutions of Kentucky have already been hit with budget cuts necessitated by fiscal restraint at the State level.

These warnings are alarming and cause for concern.

This country's greatest resource is and always has been the inespacable fact that the country's future is in the hands of its young people.

The ingenuity and determination of people has put this country where it is today—the leader in technological and scientific advances. In no small measure, that has happened because Government encouraged people to realize their greatest potential and provided opportunities for higher education and training to those who, for various reasons, financial and otherwise, might never have been given the chance.

Of immediate concern is the traumatic impact these cuts will have in the next school year. Financial aid officers should be making decisions now about the upcoming fall semester. They cannot be-

cause they have no idea of the constraints under which they will be working this fall. In fact, the Department of Education has issued a moratorium on the processing of all guaranteed student loans. Inflation has greatly compounded the problems of parents trying to save enough for their children's education, and now the Federal Government has further complicated the situation by proposing significant changes in the eligibility requirements of the student assistance programs without providing adequate lead time.

Besides the reductions proposed in the Department of Education programs, the administration also has proposed the elimination student benefits under the Social Security Act. Administration officials contend that these benefits are now duplicative with the advent of the Federal aid programs within the Department of Education. I do not believe this assertion.

Let us examine the impact of this proposal which the administration has presented as a phase-out. Under the Reagan administration plan, no new students will be covered under the program after August of this year. This means that some students who are already seniors in high school will be denied benefits which, until recently, they thought would be forthcoming. They and their parents have been counting on this program and the rug will be pulled out from under them.

Mr. President, I understand the need for fiscal restraint, but we should not proceed without adequate knowledge of the implications of our actions. Congress should be presented with well reasoned alternatives to the President's proposals. Why not maintain current benefits for those presently in school? Why not make the budget cuts for student benefits prospective, applicable only to recipients of future beneficiaries of social security? This would allow the parents and students the chance to plan for their future in a responsible manner. If the benefits must be reduced so quickly, why not give former beneficiaries a higher priority for guaranteed student loans? I raise these questions because many Americans are looking for answers. For the sake of equity, Congress should provide them answers.

Somehow during the debate over the budget cuts, we must pause and reflect on that.

Somewhere we must ask what price will be extracted from society as a sacrifice for reduced Government spending in stimulating education, training, research, and development.

Who are we helping with these cuts? Who are we hurting? Can this country maintain its posture at the forefront of the research and development arena without a strong commitment to providing and maintaining higher education opportunities for all—not just those who can afford it?

These are essential and relevant questions that must not be set aside in the rush to reduce Federal spending. The consequences—both current and long range—of each and every proposed action must be carefully weighed.

I can say for a fact that there is a tremendous groundswell of support from people everywhere for Congress to move quickly and rubberstamp its approval to the total spending cut package the administration has proposed. People are frustrated with inflation. They want something done and they want it done now.

I want something done, too, but somehow, though, one thought continues to linger in my mind and I cannot grasp the answer. If we act too quickly, if we act without sufficient thought and justification, will we make mistakes that will haunt this country long after we are finished?

GUARANTEED STUDENT LOANS

Mr. ROBERT C. BYRD. Mr. President, the administration has proposed many budget cuts in student aid programs for higher education including reducing Pell grants, guaranteed student loans, and varied health manpower training programs.

A college education means opportunity. Just as we invest in our industry and factories, we must invest in our young people for a better future. More than three times as many young Americans are enrolled in colleges and universities today than 20 years ago. This is tremendous progress. I fear the administration's recommendations on student assistance could reverse this trend.

Limiting the availability of loan money could have a tremendous impact on private colleges and universities, which depend upon tuition payments to a much greater degree than do public institutions for postsecondary schooling. In my own State of West Virginia, the survival of nine private independent colleges, and one university is endangered by the proposed changes.

The administration has proposed to limit the guaranteed student loan program by restricting the loans to students who demonstrate financial need after that need has been determined through a tight income formula. It would also eliminate the in-school interest subsidy, and the special allowance that lenders receive for making loans to parents of students.

The administration's plan has caused some confusion and uncertainty. Preliminary reports, particularly from small banks, indicate that participation in the student loan program may no longer be feasible because of the increased cost of needs analysis, the removal of the in-school subsidy, and the reduction of loans to small amounts that banks are unwilling to handle.

It is my hope that there will be a detailed study of the administration's proposals in the very near future. Under the proposed guaranteed loan plan, students could suffer a significant increase in the cost of their loans. College and university tuitions are rising rapidly—by some estimates from 14 to 18 percent annually in private and 9 percent in public institutions.

Adequate financing is a prerequisite for quality education. The Higher Education Act of 1965 has been amended a number of times since its enactment, and each time the Congress has sought to make the legislation more responsive to the changing needs of aid recipients and more reflective of the changes in our education system.

Revisions in the guaranteed student loan program have demonstrated Congress continued concern with inflation and the rising cost of education and their impact on lower- and middle-income families. The need for Federal assistance to young people from these families is easily understood. Without aid, many young people would be denied the prospect of pursuing studies that would benefit them—allow them to make a greater contribution to society.

I am strongly committed to the goal of advancing equal opportunity in education through Federal financial assistance. At the same time, student aid programs must not be viewed as free reservoirs of money; fraud must be cut in these as well as in other Government programs. When a student accepts a loan, that student also accepts the responsibility to repay it under the agreed upon terms.

Unfortunately, many of our student loan programs have been troubled by high default rates. Under pressure from the Congress, the Office of Student Financial Assistance was established 4 years ago to improve collection efforts. At the time that the office was created, there were some 300,000 guaranteed student loan accounts on record, of which only 24,000 were being paid on a regular basis. Just 2 years later, 106,000 accounts were being paid on a regular basis, and more than 51,000 had been paid in full.

Last year, additional measures were taken to curb loan defaults. A new system was established for the Federal Government to share information on defaulted loans with credit bureaus. The Department of Justice has also followed the Congress lead, and last February it began a broad new crackdown on student loan defaults with the filing on some 500 lawsuits.

The guaranteed student loan program is the major vehicle through which middle-income families find the financial resources necessary to send their children to school. The program means that a student may elect to assume independent responsibility for his or her college expenses.

The administration's guaranteed student loan plan deeply concerns me. Funds for the loans are currently supplied by thousands of private lenders. The idea that banks and other lending institutions may drop out of the program because of the increased paperwork troubles me—particularly because there are such smaller banks in rural areas, and these banks are the ones which can least afford the increased cost of paperwork.

Other aspects of the plan trouble me as well. If students pay interest on guaranteed loans while in school, will they not have to borrow more to pay for the interest? While a student may be able to manage higher borrowings the first year, after the second or third, many would be borrowing heavily to finance the next year's interest payment.

Last year, we raised interest rates for the guaranteed student loans and made

other program modifications. We took a great deal of time examining and revising the program. Let us again look carefully before we take other steps; we want to be marching forward, not backward.

Mr. LEAHY. Mr. President, I rise in support of the amendments offered by Senators MOYNIHAN and PELL to the budget resolution, particularly those amendments on the guaranteed student loan and Pell grant programs.

I believe that many changes can and should be made to further tighten eligibility for these and other student assistance programs, and I will lend my support to those efforts. However, I cannot support all the massive reductions in student financial assistance called for by the administration. The elimination of the in-school interest subsidy in the guaranteed student loan program would sharply reduce the number of private lenders participating in the program and the number of students who receive these loans.

Some 3.4 million students now receive guaranteed student loans. Under President Reagan's proposal, some 2 million students would be served at a cost to the Federal Government of $3.3 billion. This would mean the elimination of loans to 1.4 million students now receiving them, and an additional 600,000 students would have to change to lower cost schools.

Under the Moynihan-Pell amendment, there would still be a substantial reduction in funds for the guaranteed student loan program, but 2.5 million students could continue to receive the loans at a cost of $3.5 million. Estimates of the Congressional Budget Office on the guaranteed student loan program were not fully considered by the Senate Committee on Labor and Human Resources and the Senate Budget Committee. There is some question as to whether these committees will have the budgetary flexibility necessary to retain the in-school interest subsidy for the guaranteed student loan program.

Any major reduction in the availability of funds for student assistance under this loan program and the Pell grant program would have a disproportionate and debilitating effect on the Vermont economy. Higher education is one of Vermont's largest industries. Guaranteed student loans account for 32.3 percent of total tuition revenues for Vermont colleges and universities.

The future of many Vermonters—their academic growth and employment opportunities—depends on a sound guaranteed student loan program and Pell grant program. Fully 49 percent of Vermont students receive aid under the guaranteed student loan program, and 25.5 percent receive Pell grants.

Dr. Janet Gorman Murphy, president of Lyndon State College in Vermont, testified before a Congressional Committee on the effects of these proposals on small colleges. According to Dr. Murphy:

> The aspiration rate for higher education in Vermont is lower than any other State in the country. The Vermont per capita income is $7,400. In the counties surrounding Lyndon State College, the average income is $5,700. A decrease in Federal financial aid would further decrease this aspiration, making higher education even less accessible to Vermonters.

I urge my colleagues to support the amendments offered by Senators MOYNIHAN and PELL. The cost of education may well be high. But the cost of ignorance is far greater.

VOTE ON AMENDMENT NO. 24

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the question is on agreeing to the amendment of the Senator from New Jersey, amendment No. 24. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 17, nays 81, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—17

Bradley	Ford	Matsunaga
Bumpers	Glenn	Metzenbaum
Byrd, Robert C.	Inouye	Moynihan
Cranston	Jackson	Murkowski
Dodd	Kennedy	Weicker
Durenberger	Levin	

NAYS—81

Abdnor	Goldwater	Nunn
Andrews	Gorton	Packwood
Armstrong	Grassley	Pell
Baker	Hart	Percy
Baucus	Hatch	Pressler
Bentsen	Hatfield	Proxmire
Biden	Hawkins	Pryor
Boren	Hayakawa	Quayle
Boschwitz	Heflin	Randolph
Burdick	Heinz	Riegle
Byrd, Harry F., Jr.	Helms	Roth
	Hollings	Rudman
Cannon	Huddleston	Sarbanes
Chafee	Humphrey	Sasser
Chiles	Jepsen	Schmitt
Cochran	Johnston	Simpson
Cohen	Kassebaum	Specter
D'Amato	Kasten	Stafford
Danforth	Laxalt	Stennis
DeConcini	Leahy	Stevens
Denton	Long	Symms
Dixon	Lugar	Thurmond
Dole	Mathias	Tower
Domenici	Mattingly	Wallop
Eagleton	McClure	Warner
East	Melcher	Zorinsky
Exon	Mitchell	
Garn	Nickles	

NOT VOTING—2

Tsongas	Williams

So Mr. BRADLEY's amendment (No. 24) was rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, are there other votes stacked to be disposed of back to back?

The PRESIDING OFFICER. There are.

Mr. BAKER. How many, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

If the Senator from Idaho obtains the yeas and nays on either of his two amendments, there will be three.

Mr. BAKER. Mr. President, I yield to the Senator from Idaho for that purpose.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. Mr. President, is the perfecting amendment to a committee amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, I ask unanimous consent that the remaining votes, the three votes which will now occur back to back, each be 10-minute rollcall votes, with the buzzer to sound as usually prescribed.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, I withdraw my substitute amendment.

The amendment (No. 23) was withdrawn.

The PRESIDING OFFICER. Without objection, the votes will be 10-minute votes.

Mr. FORD. Mr. President, a point of information.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Will the Chair state which amendments the Senate will now be required to vote upon?

The PRESIDING OFFICER. The amendment is the unprinted amendment No. 30, offered by the Senator from Idaho (Mr. McCLURE).

Mr. FORD. And its contents, Mr. President?

The PRESIDING OFFICER. The purpose is to restore funding for the strategic petroleum reserve.

Mr. FORD. Is this the one that takes off 6 percent?

Mr. McCLURE. Six-tenths of 1 percent.

Mr. FORD. That is in the out years, I just want to be sure.

I thank the Chair.

VOTE ON UP AMENDMENT NO. 30

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER (Mr. SIMPSON). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 22, nays 76, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—22

Bentsen	Heflin	Melcher
Bradley	Helms	Murkowski
Byrd, Harry F., Jr.	Huddleston	Nickles
	Humphrey	Symms
Byrd, Robert C.	Inouye	Wallop
Dodd	Jackson	Warner
East	Matsunaga	Zorinsky
Exon	McClure	

NAYS—76

Abdnor	Garn	Moynihan
Andrews	Glenn	Nunn
Armstrong	Goldwater	Packwood
Baker	Gorton	Pell
Baucus	Grassley	Percy
Biden	Hart	Pressler
Boren	Hatch	Proxmire
Boschwitz	Hatfield	Pryor
Bumpers	Hawkins	Quayle
Burdick	Hayakawa	Randolph
Cannon	Heinz	Riegle
Chafee	Hollings	Roth
Chiles	Jepsen	Rudman
Cochran	Johnston	Sarbanes
Cohen	Kassebaum	Sasser
Cranston	Kasten	Schmitt
D'Amato	Kennedy	Simpson
Danforth	Laxalt	Specter
DeConcini	Leahy	Stafford
Denton	Levin	Stennis
Dixon	Long	Stevens
Dole	Lugar	Thurmond
Domenici	Mathias	Tower
Durenbergers	Mattingly	Weicker
Eagleton	Metzenbaum	
Ford	Mitchell	

NOT VOTING—2

Tsongas	Williams

So Mr. MCCLURE's amendment (UP No. 30) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay on motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 31

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York concerning the so-called Pell grants.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from New Jersey) Mr. WILLIAMS, are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. DODD), would vote "yea."

Mr. GOLDWATER. Mr. President, regular order.

The PRESIDING OFFICER. Are there any Senators who have not yet voted?

The result was announced—yeas 30, nays 67, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—30

Baucus	Eagleton	Matsunaga
Biden	Ford	Metzenbaum
Bradley	Glenn	Moynihan
Bumpers	Hart	Pell
Burdick	Huddleston	Randolph
Byrd, Robert C.	Inouye	Riegle
Cannon	Jackson	Sarbanes
Cranston	Kennedy	Sasser
DeConcini	Leahy	Stennis
Dixon	Levin	Zorinsky

NAYS—67

Abdnor	Cohen	Grassley
Andrews	D'Amato	Hatch
Armstrong	Danforth	Hatfield
Baker	Denton	Hawkins
Bentsen	Dole	Hayakawa
Boren	Domenici	Heflin
Boschwitz	Durenberger	Heinz
Byrd, Harry F., Jr.	East	Helms
	Exon	Hollings
Chafee	Garn	Humphrey
Chiles	Goldwater	Jepsen
Cochran	Gorton	Johnston
Kassebaum	Nickles	Simpson
Kasten	Nunn	Specter
Laxalt	Packwood	Stafford
Long	Percy	Stevens
Lugar	Pressler	Symms
Mathias	Proxmire	Thurmond
Mattingly	Pryor	Tower
McClure	Quayle	Wallop
Melcher	Roth	Warner
Mitchell	Rudman	Weicker
Murkowski	Schmitt	

NOT VOTING—3

Dodd	Tsongas	Williams

So Mr. MOYNIHAN's amendment (UP No. 31) was rejected.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 33, AS MODIFIED

The PRESIDING OFFICER. The question is on agreeing to UP amendment No. 33, as modified, of the Senator from New York.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The result was announced—yeas 33, nays 65, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—33

Baucus	Eagleton	Melcher
Biden	Ford	Metzenbaum
Bradley	Glenn	Moynihan
Bumpers	Hart	Pell
Burdick	Hollings	Pryor
Byrd, Robert C.	Inouye	Randolph
Chiles	Jackson	Riegle
Cranston	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Stennis
Dodd	Matsunaga	Weicker

NAYS—65

Abdnor	Goldwater	Mitchell
Andrews	Gorton	Murkowski
Armstrong	Grassley	Nickles
Baker	Hatch	Nunn
Bentsen	Hatfield	Packwood
Boren	Hawkins	Percy
Boschwitz	Hayakawa	Pressler
Byrd, Harry F., Jr.	Heflin	Proxmire
	Heinz	Quayle
Cannon	Helms	Roth
Chafee	Huddleston	Rudman
Cochran	Humphrey	Schmitt
Cohen	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stafford
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Long	Thurmond
Durenberger	Lugar	Tower
East	Mathias	Wallop
Exon	Mattingly	Warner
Garn	McClure	Zorinsky

NOT VOTING—2

Tsongas	Williams

So Mr. MOYNIHAN's amendment (UP No. 33), as modified, was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. SIMPSON). The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors to the U.S. Military Academy: the Senator from Connecticut (Mr. WEICKER), Appropriations; the Senator from New York (Mr. D'AMATO), At-Large; the Senator from Hawaii (Mr. INOUYE), Appropriations; and the Senator from Georgia (Mr. NUNN), Armed Services.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6968(a), appoints the following Senators to the Board of Visitors to the U.S. Naval Academy: the Senator from Idaho (Mr. MCCLURE), Appropriations; the Senator from Iowa (Mr. JEPSEN), Armed Services; the Senator from South Carolina (Mr. HOLLINGS), Appropriations; and the Senator from Maryland (Mr. SARBANES), At-Large.

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors to the U.S. Air Force Academy: the Senator from Alaska (Mr. STEVENS), Appropriations; the Senator from Arizona (Mr. GOLDWATER), Armed Services; the Senator from Louisiana (Mr. JOHNSTON), Appropriations; and the Senator from Colorado (Mr. HART), At-Large.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued with the consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, in the event that an oversight omitted the senior Senator from West Virginia (Mr. RANDOLPH) as a cosponsor of the two previous amendments just voted upon, I ask unanimous consent that he be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, may I make the same request for the junior Senator from West Virginia, the minority leader, Mr. ROBERT C. BYRD?

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 34

(Purpose: To restore funds for certain programs)

Mr. CHAFEE. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration. This amendment is offered on behalf of myself, Mr. HEINZ, Mr. STAFFORD, Mr. PERCY, Mr. COHEN, Mr. SPECTER, Mr. DANFORTH, Mr. DURENBERGER, Mr. WEICKER, Mr. MATHIAS, Mr. SARBANES, Mr. MITCHELL, Mr. METZENBAUM, Mr. BRADLEY, Mr. BURDICK, Mr. HART, Mr. EAGLETON, Mr. MOYNIHAN, Mr. BIDEN, Mr. LEVIN, and Mr. DODD.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE), for himself and other Senators, proposes an unprinted amendment numbered 34.

Mr. CHAFEE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 12, strike out through line 10 on page 10 and insert the following:

SEC. 9. (a) Congress hereby determines and declares that it is necessary to make changes in enacted laws in order to reduce budget authority by $14,667,000,000, and outlays by $2,353,000,000 in fiscal year 1981; to reduce budget authority by $51,625,000,000, and outlays by $36,475,000,000 in fiscal year 1982; and to reduce budget authority by $57,678,000,000, and outlays by $46,404,000,000 in fiscal year 1983.

(b) The Committees on Appropriations of the House and Senate shall report not later than June 5, 1981, legislation to reduce previously enacted appropriations by $13,300,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981; by $3,200,000,000 in outlays for fiscal year 1982; and $1,800,000,000 in outlays for fiscal year 1983.

(c) Not later than May 31, 1981, the committees named in subsections (c)(1) through (c)(30) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsections (c)(1) through (c)(30) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1)(A) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $163,000,000 in fiscal year 1981; to reduce budget authority by $474,000,000 and outlays by $928,000,000 in fiscal year 1982; and to reduce budget authority by $659,000,000 and outlays by $618,000,000 in fiscal year 1983; and

(B) The Senate Committee on Agriculture, Nutrition, and Forestry shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $654,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; and $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; and to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983.

(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $5,846,000,000 in budget authority and $133,000,000 in outlays for fiscal year 1981; $15,210,000,000 in budget authority and $785,000,000 in outlays for fiscal year 1982; and $18,062,000,000 in budget authority and $1,796,000,000 in outlays for fiscal year 1983.

(4)(A) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1982 and to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1983; and

(B) The Senate Committee on Commerce, Science, and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,193,000,000 in budget authority and $584,000,000 in outlays for fiscal year 1982 and $1,298,000,000 in budget authority and $1,028,000,000 in outlays for fiscal year 1983.

(5) The Senate Committee on Energy and Natural Resources shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,071,000,000 in budget authority and $106,000,000 in outlays for fiscal year 1981, $3,714,000,000 minus $50,000,000 in budget authority and $3,404,000,000 minus $50,000,000 in outlays for fiscal year 1982; and $3,660,000,000 minus $150,000,000 in budget authority and $3,628,000,000 minus $150,000,000 in outlays for fiscal year 1983.

(6)(A) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982 and to reduce outlays by $900,000,000 in fiscal year 1983; and

(B) The Senate Committee on Environment and Public Works shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $4,935,000,000 in budget authority and $793,000,000 in outlays for fiscal year 1982; and $3,035,000,000 in budget authority and $1,872,000,000 in outlays for fiscal year 1983.

(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $295,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $9,354,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 and outlays by $10,870,000,000 in fiscal year 1983; and

(B) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $96,000,000 in budget authority and $112,000,000 in outlays for fiscal year 1982 and $114,000,000 in budget authority and $132,000,000 in outlays for fiscal year 1983.

(8) The Senate Committee on Foreign Relations shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,050,000,000 in budget authority and $301,000,000 in outlays for fiscal year 1982 and $600,000,000, in budget authority and $367,000,000 in outlays for fiscal year 1983.

(9)(A) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982 and to reduce outlays by $414,000,000 in fiscal year 1983; and

(B) The Senate Committee on Governmental Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,776,000,000 in budget authority and $4,690,000,000 in outlays for fiscal year 1982 and $6,360,000,000 in budget authority and $6,388,000,000 in outlays for fiscal year 1983.

(10) The Senate Committee on the Judiciary shall report changes in laws to modify programs within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982 and $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983.

(11)(A) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $39,000,000 and outlays by $49,000,000 in fiscal year 1981; to reduce budget authority by $658,000,000 and outlays by $622,000,000 in fiscal year 1982; and to reduce budget authority by $1,601,000,000 and outlays by $1,495,000,000 in fiscal year 1983; and

(B) The Senate Committee on Labor and Human Resources shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,813,000,000 in budget authority and $354,000,000 in outlays for fiscal year 1981; $9,353,000,000 in budget authority and $7,128,000,000 in outlays for fiscal year 1982; and $11,163,000,000 in budget authority and $9,863,000,000 in outlays for fiscal year 1983.

Mr. DOMENICI. Mr. President, the distinguished Senator from Rhode Island, under the amount of time allowed for amendments, would be allowed a half hour and I would have a half hour in opposition. Might I ask, Does the Senator intend to ask for additional time or will a half hour on each side be sufficient?

Mr. CHAFEE. I would think a half hour would be sufficient, but by saying that I am being bound?

Mr. DOMENICI. Not at all. I would be pleased to yield the Senator some time on the concurrent resolution. I would just like to know more or less that we are in that ball park, that we are not talking about 2 hours.

Mr. CHAFEE. We have several who wish to be heard on our side. I do not know whether the Senator from New Mexico has other speakers or not. The

Senator from New Mexico can probably carry the ball in about 10 minutes.

Mr. DOMENICI. I appreciate the Senator's comments.

Mr. CHAFEE. We have a heavy row to hoe. Why do we not just say three-quarters, one-quarter?

Mr. DOMENICI. Let us just proceed. It will not take a lot of time, I understand.

Mr. CHAFEE. Mr. President, I yield to my distinguished colleague from Rhode Island who has an appointment. I yield 2 minutes.

Mr. PELL. Mr. President, I rise in strong support of the amendment of the Senator from Rhode Island, my colleague and friend (Mr. CHAFEE). This amendment, while it does not contain all that I would like to see, contains many strong elements, and to my mind is a minimum of what this Congress should do and what the Senate should do on the message sent to it from downtown.

In the different items, he includes low-income energy assistance. No part of the Nation needs this more than the Northeast. However, even in the Sunbelt there is need for air-conditioning at certain times. In the UDAG program, we will know what is needed there. In the area of rehabilitation, I was disappointed to see our amendment go down in defeat, but I hope this matter will fare better when proposed by the Republican side.

We know the impact that the cutbacks will have in health services, housing, weatherization, community development, and mass transit. All of these are vital and essential programs.

In the area of energy, annual increases in the cost of home heating have reached levels that the average American can no longer bear. This year $1.85 billion was appropriated and 50 million people have been served. Next year even more families will need protection in order to brace themselves against the economic effect of oil decontrol and the possible deregulation of natural gas. My staff has projected that it would take approximately $2.3 billion to maintain the current levels of assistance, in real terms.

I am sad to say that the administration has only proposed $1.35 billion for this program, a full 25 percent less than last year. This means that next year while the price of home energy will be more than 25 percent higher, the elderly, the poor, and moderate-income workers will have their purchasing power under this program eroded by more than 50 percent as a result of the administration's cut combined with inflation and the rising cost of heating oil.

And if the Budget Committee's reconciliation resolution is approved by the Senate, the news could be even worse for beneficiaries under this program.

I have evaluated the President's proposals with an open mind. I support the objective of reducing Federal spending but believe the national interest will not be served if those who are most in need bear the brunt of the proposed spending cuts.

The State of Rhode Island is at the very end of the energy supply pipeline. It is 84 percent dependent upon foreign oil and 70 percent of all Rhode Island homes are heated with this most expensive and uncertain energy source.

This year my State received $12 million for heating aid. To maintain the same purchasing power next year, we would need almost $16 million. However, if the proposed reductions for this program are agreed to by the Senate we would receive less than $10 million.

I share these shocking statistics with my colleagues, because someone will have to make a choice between low-income families and elderly citizens who are in need to determine those who are most in need. In my view, this is a cruel and heartless choice that should never have to be made.

The individuals who are the unlucky victims of this process are the same people that will also be losing food stamps, health care services, and Federal assistance to meet the high cost of education. I wonder, Mr. President, how much can these individuals take and what should they reasonably be expected to take?

In my 20 years in the Senate I have been proud to be a member of the Labor and Human Resources Committee, because it has authored programs that have reduced human suffering and given the poor economic security.

I hope that my colleagues of this committee and other Senators will have the courage to stand up and oppose the recommended reduction in the low-income energy assistance program so that none of our citizens will have to suffer the personal degradation and pain of choosing between heating and eating next winter.

On the issue of preventive health care services and funding for community health centers, numerous studies have reviewed the efficiency, cost effectiveness and quality of care rendered by neighborhood medical centers. Virtually all reports have praised these institutions for the high quality of services that they provide to medically underserved individuals.

There are 22 million people in our country without any health insurance protection. More than one-half of the community health center patients come from this group. The only alternative for these individuals without health insurance protection is to seek treatment in hospital emergency rooms, where a single visit can cost $50—about $40 more than an average visit to a community health center.

In addition to being cost-effective alternatives, community health centers have improved the access to health care services for the disadvantaged. Their presence has reduced hospital admissions and has improved the overall health of participants by reducing infant mortality and containing communicative diseases such as measles and rubella.

There are 14 community health centers in our State of Rhode Island that provide basic services at 24 sites to 40,000 citizens. The majority of recipients are poor, near poor and non-English speaking (including 2,500 Indo-Chinese refugees) who face economic and social barriers in obtaining conventional medical care.

Mr. President, if we do not fund community health centers adequately, I do not know how these people will get treatment. I do know, however, they cannot afford the kinds of preventive services that community health centers provide and they will be forced to forgo periodic checkups and treatment of minor conditions which will cost the Government more in the long run.

I hope that this amendment will be accepted by the Senate so that none of our citizens will be denied essential social services.

In my view, the reconciliation resolution that is before us contains proposed reductions that are pennywise and pound foolish. If these reductions are approved, the poor in our country will become poorer and those families who are struggling to get by will be unable to adequately heat their homes, buy groceries for their families or afford basic health care services. I congratulate my colleague on this amendment and look forward to supporting it.

Mr. CHAFEE. Mr. President, I wonder if we might have order in the Senate.

The PRESIDING OFFICER (Mr. NICKLES). The Senate will be in order.

Mr. CHAFEE. Mr. President, the amendment I offer today restores modest amounts of money to programs which directly effect the lives of many Americans. While the amendment selectively restores funding for certain programs, it does not "bust the budget": In fact, if my amendment is adopted, the budget will still reduce fiscal year 1982 spending by $1.4 billion more than President Reagan recommended.

Let me summarize the amendment:

First, the elementary and secondary education program is increased by $60 million in 1981 outlays, $450 million in 1982 outlays, and $575 million in 1983 outlays. The result of these additions is to reduce the cut in this program, compared to expenditure levels in current law, from 18 percent each year (as proposed by the Budget Committee), to 8 percent in 1981, 13 percent in 1982, and 14½ percent in 1984. Budget authority for this program is increased by $575 million in 1981, $500 million in 1982, and $700 million in 1983.

As you can see, Mr. President, there are going to be cuts in all these education programs. Let us deal particularly with outlays for 1982.

The outlays in 1982 will be down by 13 percent from expenditures as in current law.

Second, the low income energy assistance program is increased by $300 million in 1982 and by the same amount in 1983 in outlays.

Mr. President, the energy assistance program is extremely important to those who are hard hit by the deregulation of oil, and deregulations I think was correct, but unquestionably it has had a devastating and extremely severe effect on those in the lower incomes who are heating their homes by fuel oil.

Outlays for the weatherization program which, after all, is an investment for the future, helps low-income people conserve energy in the future. That pro-

gram is boosted by $50 million in 1982 and $50 million in 1983.

Third, funds for the urban development action program, the so-called UDAG program, which has been universally acclaimed, are restored to the level recommended by the President, by the very sum that President Reagan himself recommended in the budget that he submitted. Those funds were taken out in the Budget Committee and this amendment restores them, $300 million.

Next, the preventive and community health program outlays are increased by $50 million in 1982 and $175 million in 1983.

What better investment can be made than in the preventive health programs and the community health programs that serve in the rural areas? They serve or assist in rural and urban programs. They cut right across the board in assisting a whole host of those who are unable to get the services from a major hospital and can use these community health centers for preventive medicine, how to stay well.

Last but not least, Mr. President, is the urban mass transit program, which, as you know, was cut very severely in the outyears, 1983 and somewhat in 1982. This restores $25 million in 1982 and $300 million in 1983.

That restoration in 1983 does not come up to 50 percent of the cut. The cut was very severe and this boosts it up toward a 50-percent cut.

All told, Mr. President, my amendment adds $60 million in 1981 outlays, $973 million in 1982 outlays, and $1.523 billion in 1983 outlays.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. CHAFEE. Yes, I am glad to yield.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator on his amendment. I think it seeks to restore some equity to some of these programs. I should like to be added as a cosponsor if the Senator has no objection.

Mr. CHAFEE. That would certainly be acceptable to me.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, all Senators in this Chamber are united in our effort to control inflation. One important way to help curb inflation is to reduce Government spending.

On February 18, 1981, the President correctly and squarely set out for us the status of our economy. He later recommended a thorough list of budget reductions, most of which are incorporated into the resolution before us today. Speaking for myself, I fully support the President's effort and his overall targets for reducing the budget. There really is no choice but to make the difficult decisions necessary to reduce Government spending.

Indeed, if this amendment passes, the recommendations that the President made to the budget will be more than reduced by the sum that he presented for his budget. In other words, this is not a budget-busting item. As I mentioned before, the budget will still be over $1 billion below what the President recommended.

I think, Mr. President, as we proceed, we bear a heavy obligation to weigh the consequences of the decisions we will make. History will record whether the actions we are about to take were tempered with compassion and foresight, or whether they were made in indiscriminate haste.

The amendment my colleagues and I propose seeks a proper balance. It would assure Government outlays remain below the level recommended by the President, yet it recognizes that there are several programs—those making a special contribution to the health, well-being, and future of our people—which deserve a second hearing before we act.

Education, the largest amount here, is of prime importance in this regard. As President Kennedy once remarked, "A child miseducated is a child lost." If we cut too deeply in elementary and secondary education programs—and mind you, Mr. President, when we are through this in 1982, we will have cut by nearly 12 percent and in 1983, we will have cut by 18 percent if this amendment is enacted—we risk administrative chaos in our schools and a dramatic decline in the ability of local school systems to provide the quality of education which we must maintain if our children are to be adequately equipped to deal with the growing complexities of our world. Thus, this amendment assigns a prime emphasis to restoration of funds for elementary and secondary education.

What we are dealing with is not solely title I, which was the previous amendment. This is the elementary and secondary education category, which deals in part with title I. It deals with the education of the handicapped, education of the gifted, and a host of other programs in the Elementary and Secondary Education Act.

Let us touch on the next largest item, which is energy assistance payments and the weatherization program. Compassion and the realities of rising fuel costs dictate that we proceed with caution when the very lives of many lower income Americans are at stake. We must not reach a point where budget cuts force some of our fellow citizens—particularly those in the northern part of the Nation, and this stretches from Seattle to Boston—have to choose between heat for their homes and food for their tables. So, the amendment I am offering takes cognizance of our obligation to mitigate the adverse consequences of constantly rising fuel costs, which have been exacerbated by the recent decontrol of petroleum prices.

In the case of the urban development action program, my amendment simply seeks to restore this program to the same level as that proposed by the President. This program has been responsible for channeling new private investment into areas of high levels of poverty and unemployment, creating new jobs and generating new taxes. The UDAG program has been widely praised for its flexibility and responsiveness. Budget cuts beyond those proposed by the President would be devastating.

As for that section of my amendment relating to mass transit, the primary purpose here is to give our States and cities time to adjust to the reality of lower Federal subsidies in the future. It will take time for States and local governments to find the means to make up the loss which will come with lower Federal spending for mass transit. My amendment is a prudent and orderly proposal to deal with a pressing problem.

Finally, my amendment deals with programs of preventive and community health programs. This is clearly a case where we will surely pay more in the future for cuts made today. Preventive health programs are an investment in the future well-being of our citizens. Take them away, or sharply reduce them, and we shall face a larger bill for later health care. Similarly, community health centers provide outpatient services at modest cost, reducing institutionalization at much higher cost resulting from delayed medical attention.

Mr. President, the amendment I am offering today is a modest and prudent attempt to stay below the President's budget while relieving the burden on some of our citizens more severely affected. We have a responsibility not only to enact major spending reductions—which we have done—but to be compassionate as well.

Mr. President, I urge the adoption of my amendment, and I ask unanimous consent that a fuller explanation of each of the proposals entailed in the amendment be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EDUCATION

Our education system is central to the Nation's economic progress and security. As we design our national policies toward economic recovery, we must recognize that our investment in human capital is just as important and essential as our investment in industrial capital. An educated populous is a national asset which is essential to economic revitalization, and improved productivity.

The cuts in elementary and secondary education programs contained in the bill before us, would be devastating to our Nation's public education system—at a time when it is already hard pressed to maintain its commitment to quality education for all children. The Federal programs provide the extra assistance to our local schools to improve the basic skills of disadvantaged children. We are not talking about frills or luxuries—we are talking about teaching children to read, write, and reckon.

The Title I program, for instance, has a proven record of success. The cuts which are recommended in this resolution would result in the elimination of over a million children from this program this year, and many more in 1982, and is sure to lead to many more dropouts and chronic unemployment.

Cuts in handicapped and other special education services will mean schools simply cannot keep their commitment to educating our handicapped and disabled children—about 12% of the students in this country. The foreclosure of an adequate education for these children means that a significant number of our youths will not be able to achieve their potential as productive and independent members of our society, but instead face the prospects of lifelong dependency.

The cutbacks in elementary and secondary education in 1981 are especially onerous because they place our local school districts in an untenable position. The loss of Federal monies will require the elimination of services to millions of children, and the layoff of significant numbers of teachers for the school year beginning this fall. In many States, school districts will be forced to dishonor contractual agreements which place them in conflict with State laws. For instance, in Rhode Island, notice of layoffs to teachers must be given by March 1, preceding the school year. Most States simply do not have the financial cushion to make up the difference, even if they could move that fast.

In addition, the savings which might be achieved through consolidation of elementary and secondary programs, which I support, could not be realized before Fiscal Year 1983—it would take at least that long to put this consolidation into place.

Even if the regulatory burdens and strings imposed by the Federal Government were relaxed many States have followed the leadership of the Federal Government and enacted State laws modeled on Federal laws. Rhode Island's State handicapped laws are modeled after the Federal law, and the State has committed vast resources of its own to education of the handicapped. But the withdrawal of Federal funds, especially for the next school year, is a terrible blow. Schools will have the same legal obligation—which simply cannot be met with existing funds.

Mr. President, these cuts in elementary and secondary education will cause major disruptions for our local school systems beginning this fall. They simply cannot adjust to such a loss for this coming school year, and in fact, most of their budgets have been set and commitments made. My amendment does not restore all the money to these programs, but will at least make these reductions bearable for our nation's school system so that they can maintain basic services without major disruptions.

LOW INCOME ENERGY ASSISTANCE AND WEATHERIZATION

As my colleagues know, President Reagan has proposed to establish a block grant containing low income energy assistance moneys along with several other related programs. The total amount for this block grant would be reduced by 25 percent.

My reasons for restoring this cut is clear. Energy prices have soared over the past few years, and especially this year due to immediate decontrol of oil prices. Low income families are struggling to make ends meet and be able to keep warm in the winter. The two programs designed to help them upgrade their homes and meet high energy costs are slated to be reduced by a quarter. But compassion clearly demands caution. The livelihood—indeed, the lives—of too many people are at stake to permit indiscriminate reductions.

When this body passed the windfall profits tax in 1980, we directed 25 percent of the proceeds of the tax to be used for low income energy assistance payments. We agreed that a portion of the revenues from decontrol of oil would be returned to those who were unable to adjust readily to rising fuel prices. By restoring a portion of the money slated to be cut from these energy programs, I believe we are making good on our commitment to help lower income people meet rising energy costs. In fact, the most efficient use of Federal monies would be to expand the weatherization program, thereby insulating more houses, reducing energy consumption, and lowering household energy bills.

URBAN DEVELOPMENT ACTION GRANTS

This amendment simply puts the status of Urban Development Action Grants, in 1981, back at the level originally proposed by President Reagan. In the absence of restoration of these funds, the program would effectively be shut down for the remainder of this year.

This program is highly cost-effective. Grants made under UDAG channel private investment into areas where they are most needed—areas of extreme poverty and unemployment where few other resources are available to turn around the depressing cycle of decay and blight. This program is supported by private industry and by cities, and has repeatedly been praised for being expeditious, flexible, responsive and free of red tape. The program encourages private business to revitalize distressed areas with minimum government investment by "leveraging" private investment. Firms participating in the program are required to declare in writing that but for the Action Grant, the firm could not and would not make the investment desired.

This program, it should be noted, does not require an excessive amount of federal intervention. City government and private industry jointly decide the type of project, its size, site, developer, design and financial structure. Local officials have made clear they have more influence and control over UDAG projects than any other federally-assisted projects in their communities.

Furthermore, the results stemming from this program testify to its success:

Each UDAG dollar generates $6.08 of private investment.

Permanent jobs are created at a one time cost of $6,662 each.

Cities realize $.17 in annual tax revenue for each UDAG dollar.

The figures cited above are based on contractual obligations by private business. They do not include "spin off" and indirect investment that often follows revitalization projects funded by this program.

Preserving this program at the level sought by President Reagan in his original proposal makes good economic sense, particularly in view of overall community and economic development cuts imposed upon our cities.

URBAN MASS TRANSIT

When the federal mass transit program was started, states and localities were told they were going to have a 20 year commitment. Now, we are cutting that commitment short. It is important that we give the states as much assistance as possible in coming to grips with their new responsibilities for mass transit.

For example, in my state of Rhode Island, we now receive approximately $6 million in operating subsidies from the federal government. The state contributes another $6 million towards the cost of running the transit system, with the remainder of the costs coming from the fare box. Without substantial increases in fares, or a cut back of the system, state transportation officials project that the state share of the transit costs will rise to $25 million by 1985. And, we are a small, compact state!

Any proposals by states and localities to meet these extra costs incurred by the loss of federal operating subsidies will take time to enact. Bond issues don't get prepared and approved overnight. Enabling legislation for tax increases will not be approved by state legislatures without close and careful scrutiny.

The modest restoration of urban mass transit funds proposed in my amendment will give our states and localities more time to adjust to the reality of lower federal subsidies.

PREVENTIVE AND COMMUNITY HEALTH

The Federal government alone spends almost $50 billion on health, the bulk of which goes to expensive treatment of illness and inpatient care. The preventive health and basic health services programs, which are cut in this bill, represent only $2 billion out of this total, but they represent the scandalously small commitment the Federal government has made to preventing disease and illness. To cut these programs would eliminate programs and services which will save money, not only in the future, but in this year and next.

For instance, community health centers provide outpatient primary services to low-income individuals at very modest costs—the kind of services which reduce institutionalization. The elimination of these services would simply mean that Medicare and Medicaid will have to pay for expensive hospitalization and other medical services which result from delayed medical attention.

In addition, many States, such as my own, are building their capability and commitment to health education and promotion activities, with excellent results. To cut the Federal support for these activities by one-fourth at this time would severely hamper these activities, and will cost the Federal government, State and local governments, business and private citizens untold millions in health care costs in the future.

Mr. CHAFEE. Mr. President, I yield 2 minutes to Senator STAFFORD.

Mr. STAFFORD. Mr. President, as the chairman of the Subcommittee on Education, Arts and Humanities, I am pleased to lend my wholehearted support to this amendment, which would allow for additional funds for critically needed education programs. The additions to these programs made by the pending amendment are consistent with the recommendations made by the Labor and Human Resources Committee to the Budget Committee for education programs. In its March 15 report to the Budget Committee, our committee provided for prudent reductions in funding for education, without abandoning the principal Federal purpose in education—the maintenance and extension of equality of opportunity and access to education.

Accordingly, although the committee acknowledged the President's intent to place our resources where they can do the most good, and keeping in mind that all types of Federal programs must in these difficult times face budgetary restraint, we did not follow the administration policy of across-the-board funding cuts. Such a policy would disproportionately affect those for whom Federal programs in education were designed—the disadvantaged and the disabled—those on whom we believe the Federal Government must continue to place a high priority.

As one who has been quite active as an advocate for funding increases for education, the process of reducing funding has been very difficult. The money we spend at the Federal level to educate our young people is an essential investment in our future. Other Federal programs may be suspended or reduced and perhaps be continued or augmented at a later date if need be.

This is not true for education programs—the problems of our poor and disabled children of today cannot be put off until tomorrow, nor can we expect, as a Nation, to muster 10, 20, 30 years from now great collective wisdom from children who could not participate in education programs which are truncated

today. True, our educational system has come under severe attack, and public confidence in American education appears to be eroded. Yet to reduce the emphasis we place on education is not the answer. Rather, in our budget recommendations, we have tried to identify programs which have proved the most beneficial in promoting access and equity, and reduce spending for those that are less highly targeted to this purpose.

This amendment represents a 12-percent reduction in spending for elementary and secondary education programs from the Budget Committee's baseline for fiscal years 1981, 1982, and 1983, relative to the approximately 20 percent reduction reported by the Budget Committee for these programs. The justification offered by the Budget Committee and by the administration for this level of reduction is that consolidation of these programs will achieve substantial administrative savings at the State and local level, by removing many of the costly requirements of Federal mandates.

Certainly, substantial savings may be gained through the most efficient operation of Federal education programs at the State and local level. However, the plan proposed by the administration to consolidate numerous categorical education assistance programs into two forms of block grants requires substantive changes in education law under the jurisdiction of the Education Subcommittee. This plan has not yet been finalized by the Department of Education, and it is highly problematic whether such a proposal may be enacted in order to achieve the envisioned administrative savings in the current fiscal year.

Thus, any reductions in spending in fiscal year 1981, such as those proposed in the administration's rescissions for fiscal year 1981, will come not from administrative overhead, but at the expense of real services to children, principally the educationally and economically disadvantaged children served by the compensatory education program—title I—of the Elementary and Secondary Education Act, and disabled children served by the Education for All Handicapped Children Act. Under these reductions, approximately 1.1 million disadvantaged children would be dropped from title I in the current fiscal year, and 1.3 million in fiscal year 1982. Similarly, some 750,000 handicapped children would be dropped from programs under the Education for All Handicapped Children Act, precluding disabled children from receiving the services to which they are entitled under that statute.

Mr. President, with respect to the Budget Committee's savings recommendations for student aid programs, I believe that, while there may be some differences between the Budget Committee's assumptions and policy recommendations and those of the Committee on Labor and Human Resources, we can approximate the levels of savings recommended by providing for better targeting for guaranteed student loans and Pell grants. Our committee intends to achieve these savings through legislative modifications in the needs analysis system for Pell grants and campus-based student aid, which would reduce eligibility for nonneedy students. Regarding the guaranteed student loan program, the committee intends to achieve savings in this program through the elimination of convenience borrowing and through the retargeting of GSL's to financial need, while retaining the critically important payment of interest for students while in school, which enables students to make prudent college choices without additional and unreasonable financial burdens.

Mr. President, the second item in the amendment which I would like to express my strong support for is the added funding for the low income energy assistance program. As all of us well know, poor people in this country, and particularly the elderly, have been very hard hit by dramatically increasing fuel prices. Heating is not a luxury in Vermont, it is a lifesaving necessity. The low-income energy assistance program has given much needed assistance to our poorest citizens so they can continue to heat their homes in winter. Last year, when the Congress created an expanded low income energy assistance program, we took great care in constructing a program which gave the States great administrative flexibility, particularly to meet the needs of people who have never participated in Federal or State welfare programs.

A good number of these people are elderly who are struggling to exist on a limited income and are now paying up to half of that income simply for fuel. Without some assistance from the Government these individuals might not survive through the winter. I oppose efforts to cut this program when fuel prices are skyrocketing out of sight.

Mr. President, as I mentioned earlier, I would prefer not having to make any reductions in education program funding, and I would certainly prefer to have this amendment include amounts over and above the additions made, for both elementary and secondary and higher education. I believe that this amendment will be a first step in the Senate's recognition that we must provide for appropriate investments in education to support our national future, and I urge its adoption.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Senator RANDOLPH be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Will my colleague yield?

Mr. CHAFEE. I am delighted to yield 1 minute to the distinguished senior Senator from West Virginia (Mr. RANDOLPH).

Mr. RANDOLPH. Mr. President, I have come over close to the Senator not just because I am privileged, because of his cooperation, to be a cosponsor, but because I think that the presentation of his argument is well reasoned. I believe that there are times in this body when, if we cannot secure, let us say, on one side of the aisle or the other what we desire, when there is an opportunity to strike a balance, in effect, we ought to join very actively and earnestly in that effort; not that I shall be able to help with other Members, but I shall talk with other Members in the hope that this amendment can be adopted.

Mr. CHAFEE. Mr. President, I am certainly very grateful to the distinguished senior member of the committee on which I have served with such pleasure for so many years.

Mr. President, one final comment if I might. This amendment is no Christmas tree. There is a host of popular programs which were rejected by those of us who considered this amendment. Each of us could have added scores of other programs, but we resisted that because we wanted an amendment that stuck to the basic essentials: Education, heat, and energy conservation, health, mass transit, and jobs, and the President's recommended levels for budget cuts. These, we believe, are worth a second hearing.

Second, some have suggested that this is a regional package, a so-called northeastern amendment. That just is not so, Mr. President. Since when is education regional? Since when is rural health regional, or mass transit, which is going to assist Birmingham as well as Pittsburgh, Boston, Spokane, Cleveland, and Seattle? What about weatherization? Perhaps that can be accused of being something for the North. The North stretches a long way. It goes from one coast to the other and down to the Sun Belt. These are the areas that have been hit by the deregulation of oil. These add-ons, Mr. President, go nowhere near restoring the total amount of the cuts that were made.

Mr. President, I am delighted to yield to my distinguished chief cosponsor in this amendment, the senior Senator from Pennsylvania (Mr. HEINZ), who has worked so hard on this amendment.

STATEMENT CONCERNING UP AMENDMENTS NO. 34—TO RESTORE FUNDS FOR CERTAIN PROGRAMS

Mr. HEINZ. Mr. President, I recomend my distinguished colleague from Rhode Island (Mr. CHAFEE) for all the work he has put into perfecting this amendment. I am pleased to join him as the prime cosponsor of this important effort.

Before addressing the merits of specific provisions contained in the Chafee amendment, I would like to put it in perspective. First of all, this is not an amendment that would drive spending in fiscal year 1982 or 1983 above the level recommended by the administration. For example, the Budget Committee brought to the Senate floor a reconciliation resolution whose provisions for fiscal year 1982 ask the Senate to cut spending under extraordinary budgetary procedures by an amount $2.3 billion greater than the President requested. What the Chafee amendment seeks to accomplish is to add back just under $1 billion. If it passes, the Senate will still, under this resolution, be cutting the budget by $1.3 billion more than the White House has requested of the Congress.

Progress on spending restraint is essential if the Federal deficit is to fall and sufficient room in the budget can become available to permit substantial tax reduction. Therefore, I concur with the need to make substantial reductions in the rate of growth of the budget and by the order of magnitude suggested by the President.

Nevertheless, I urge the adoption of the Chafee amendment. I do so because it contains restorations in funding for five programs vital to people, including citizens in my State, and because I believe the spending cuts as recommended call for unequal sacrifice on behalf of the Northeast-Midwest regions of the country. Let me take up now the question of regional fairness.

In late February, I sent OMB Director David Stockman a letter requesting that his staff provide me with an analysis on the per capita distribution of proposed budget cuts by region, along urban and rural lines, and on a large State-by-State basis. I ask unanimous consent at this point to insert this letter in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON FINANCE,
Washington, D.C., February 23, 1981.

Hon. DAVID STOCKMAN,
Director, Office of Management and Budget, Old Executive Office Building, Washington, D.C.

DEAR DAVE: This is to confirm in writing the verbal request I made of you at lunch a few days ago for a regional analysis of the President's proposed spending reductions.

Specifically, I would appreciate an OMB analysis of the combined package of all proposed spending cuts and increased user fees, by region, for urban areas, and for Pennsylvania. I would also suggest that the analysis be stated on a per capita basis as follows:

1. Regions: Comparison by Federal Regions.

2. Urban Areas: Top 25 SMSA's combined vs. Rest of USA.

3. Pennsylvania: Pennsylvania compared individually to five other large states—New York, Illinois, California, Michigan, Texas.

I believe this analysis is central to the legislative prospects of the Administration's spending and tax reduction package. While many current questions relate to its impact on families with different incomes, equitable questions concerning the impact of the entire package to particular regions, urban areas, and states should not go unanswered.

Sincerely,

JOHN HEINZ,
U.S. Senate.

Mr. HEINZ. It is now more than a month later since that letter was sent, and I am still waiting for the information required to determine the fundamental fairness of the spending cuts proposed by OMB. I have since learned that other Members of the House and Senate from the Northeast-Midwest region have made similar requests. I am unaware of any replies from OMB on this subject.

Therefore, I think it is reasonable to assume that the educated judgment of several budgetary analysts that the spending reduction package does indeed call for unusual sacrifice from portions of the country is correct. Since the Budget Committee, in its report on the reconciliation resolution, has made it clear that they have made comparatively minor changes in the OMB proposals, the presumption of regional unfairness must carry over to the document they have submitted for Senate consideration.

It should be remembered that recent Federal actions have also tended to assist other areas of the country to the detriment of the Northeast and the Midwest. The only area of the budget slated for an increase is defense. I concur with the need to do more here.

After years of retrenchment, it is only prudent to shore up our defenses during these dangerous times.

However, the additional dollars will flow in an uneven fashion toward the Sunbelt if past practices are repeated. I know of no reason to expect that they will not.

There is also the question of oil decontrol, an issue I will return to later in a different context. The decision to permit crude oil decontrol to continue as planned will provide a boon to oil rich States. In fact in one State, Alaska, the effect has been so large that the State government has decided to provide rebates to State taxpayers. Unlike taxpayers in the Northeast who must carry a difficult State and local tax burden, that State can afford to abolish its State income tax. The effect on my taxpayers, however, will be to require them to pay higher utility bills in their capacity as consumers.

What the Chafee amendment does is to restore funds in a way that should reduce this new bias against my region of the country contained in the resolution now before the Senate. It does so by restoring funds to five programs vital to the Northeast and Midwest. I now take these up in turn.

First, the Chafee amendment restores $60 million in fiscal 1981, $450 million in fiscal 1982, and $575 million in fiscal year 1983 for primary and secondary education. The effect of these restorations is to limit the cut in these areas to 4 percent in fiscal 1982, instead of the recommended 12 percent, and to cut by 11 percent in fiscal year 1983, instead of the recommended 20 percent for that year as well.

These additional funds are solely needed for two reasons. First, Federal funding for education remains the most important investment the Government can make in the young people of this country. I do not believe the level of our investment should be allowed to fall sharply at a time when the educational system is not operating as well as we wish it would.

Additionally, lowering the level of Federal support for primary and secondary education means that local governments will have to make up the difference. For property owners, that means higher taxes since that is the way local governments raise a significant portion of their funds. Homeowners on fixed incomes or who are unemployed will be faced with a new burden they did not anticipate and cannot afford to shoulder. This means the cuts are unfair not only to children, but to the elderly and the economically vulnerable as well. This should not be allowed to happen.

Second, this amendment restores funding for low-income energy assistance and for the weatherization program. The Budget Committee recommends cuts that will equal over 50 percent in fiscal 1983. The amendment restores $350 million to these programs, an amount equal to 25 percent more than called for under the resolution. I only wish it would be possible to add more back in this badly needed program. It is the only right thing to do.

When the proper level of funding for low-income energy assistance and weatherization programs is considered, it raises questions of equity and survival. During debate 2 years ago on crude oil decontrol, the Congress agreed to permit phased decontrol of crude oil prices to move forward as previously authorized by law provided a windfall profit tax was put into place as well. The Congress agreed at that time to earmark a portion of the revenue raised by the new tax specifically for assisting the poor and the elderly who would face difficulty in paying their energy bills due to decontrol.

For the Congress it was a question of equity but for many recipients it remains a question of survival. Next winter, they will face the choice between heating and eating. I believe we have a responsibility to honor the commitment we entered into previously.

Retaining funds for the weatherization program is especially important. By insulating the homes of recipients of energy assistance funds, the Government will save money. In the long run, it is a bargain.

Third, this amendment proposes to restore $98 million in fiscal 1982 and $128 million in fiscal year 1983 for the successful urban development action grant program. Under this program, eligible municipalities acquire funds that can be used to secure private sector money of a magnitude many times higher than the Federal grants for development purposes. Given the need to attract population back into the cities and to strengthen our urban tax base, it is ill advised to act on this program for urban renewal below what the President has recommended. We seek, under this proposal, to do no more than to restore the level of funding sought by the Reagan administration, and not a penny more.

Fourth, the amendment restores $50 million and $175 million for fiscal 1982 and 1983, respectively for preventative health services. Of all the approaches available to slow the runaway cost increases in health care, both to the Federal Government and to the Nation as a whole, none offer more promise than preventative health care. An ounce of

prevention is truly worth a pound of cure.

Under the committee proposal, numerous preventative health programs now run at the Federal level would be combined into a single block grant and sent to the States at a funding level 25 percent below the amount that would otherwise be provided under current law. Even if there are significant administrative savings by cutting out administrative redtape, it will be difficult indeed to maintain current services, and this is very serious. Funds now go toward rat control, child immunization, for the prevention of lead poisoning, and for other similar purposes.

Finally, the amendment calls for $25 million and $300 million in additional spending for mass transit in fiscal year 1982 and 1983. If these funds are restored, Federal support for mass transit will stablize at $3.9 billion in each of the fiscal years affected by the reconciliation resolution, fiscal years 1981, 1982, and 1983, although it will still be well below the levels proposed by the Carter administration. Under the committee proposal, Federal funding in fiscal 1983 for mass transit would drop off substantially.

Mass transit should be viewed as an important way not only to achieve pollution control, but as an investment in energy efficiency. We will need many such investments if we are to free ourselves from the dependency forced on us by the OPEC cartel. In relation to current services, even after $300 million is added back into the fiscal year 1983 budget as we propose, mass transit will still take the equivalent of a cut of 10 percent.

No one can argue that mass transit would be spared by passing this amendment. Local operating authorities will still feel the pinch, and their customers will still have to pay higher fares. But at least to a certain degree, the increases will be muted enough to insure significant ridership of major mass transit systems in the country. Without this amendment, the same cannot be said.

To conclude, Mr. President, this amendment deserves the wholeheated support of all Senators. It restores regional equity. It permits the Senate to stay within the budget sought by the President of the United States. And finally, it permits certain programs whose value is readily established to retain their integrity. For all these reasons, I urge my colleagues to support it.

I thank the Senator from Rhode Island for yielding.

Mr. CHAFEE. I thank the Senator.

Mr. President, I ask unanimous consent that the names of Senator RIEGLE, Senator LEAHY, Senator DIXON, and Senator WILLIAMS be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. KENNEDY. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, will the Senator yield me 4 or 5 minutes?

Mr. CHAFEE. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. CHAFEE. We can get some on the resolution, can we not?

Mr. DOMENICI. Yes.

Mr. CHAFEE. Can the Senator wait?

Mr. KENNEDY. That is fine.

Mr. CHAFEE. Mr. President, I yield 4 minutes to the Senator from Maine.

Mr. COHEN. Mr. President, I am pleased to lend my support to the amendment offered by the distinguished Senator from Rhode Island (Mr. CHAFEE.)

The Chafee amendment would restore slightly less than $1 billion in the areas of education, energy assistance, health services, mass transit, and community development grants. Should the amendment be adopted, the spending reductions proposed by the Budget Committee will still exceed those recommended by President Reagan.

I should like to comment briefly on some of the budget modifications incorporated in the Chafee amendment.

In Maine, there are currently over 33,000 children being served by ESEA title I programs. These programs provide funds for children in low-income areas, children in institutions for the handicapped, and neglected and delinquent students. Without adequate assistance from the Federal Government, Maine, along with many other States, will simply be unable to meet the needs of these special students.

Administrators, teachers, and parents alike have repeatedly told me that these special education programs are producing significant results, and that the withdrawal of Federal assistance can only jeopardize the success of these special programs. It would be unfortunate and shortsighted for us to permit this to occur.

Mr. President, I have been encouraged by education representatives from Maine who have told me that they are willing to bear a fair share of the budget cutting burden in order to hold down inflation and eventually bring the Federal budget into balance. The modest budget restoration for ESEA programs embodied in the Chafee amendment recognizes the need for fiscal restraint, but it also acknowledges the crucial role that special education programs play in preparing our children for adulthood.

As a Senator from a cold weather, oil-dependent State, I am particularly sensitive to the hardship that has resulted from the unrelenting increases in energy costs. In just the past 3 months, the price of heating oil has risen from $1 a gallon to nearly $1.40. This has created a crisis of unprecedented dimensions in Maine, a State with a high concentration of elderly and low-income individuals.

Many low-income households now spend nearly 40 percent of their disposable income on energy. Study after study has shown that low-income individuals have reduced their energy consumption more than any other group within our society—often at great risk to their health. Yet a growing number of Maine citizens, despite heroic efforts to save energy, are finding it impossible to meet their basic heating expenses. Many are being forced to choose between heating their homes or feeding themselves and their families.

In recognition of the desperate plight of many elderly and low-income Americans, the Congress last year appropriated $1.85 billion to help these individuals meet their energy needs. It has been helpful, but it has not been enough.

The administration has recommended a 25-percent reduction in fuel assistance for fiscal year 1982. Even if the price of energy remains constant over the next year—an unlikely possibility—a 25-percent reduction in fuel assistance will expose millions of low-income Americans to great risk. Clearly, we cannot permit this to happen.

Of particular concern to me is the President's proposal to terminate the Department of Energy's low-income weatherization assistance program. The President has proposed no future funding for this valuable program and has requested a rescission of $6.9 million for this fiscal year. These recommendations have been accepted by the Senate Budget Committee and are included in the budget resolution we are considering here today.

Termination of the DOE weatherization assistance program will effectively end all efforts of the Federal Government to help low-income individuals reduce their consumption of energy. It is true that communities which receive HUD community development block grant (CDBG) funding may request funding for weatherization activities. However, it is equally true that very few communities include weatherization activities in their community development projects because other activities are considered to be of a higher priority. Since the administration is not proposing any additional budgetary authority for the HUD CDBG to reflect inclusion of weatherization activities, it is doubtful that many communities will receive this type of assistance.

Of greater significance is the fact that 80 percent of CDBG funds went to metropolitan areas and urban counties in fiscal year 1980. The remaining funds went to rural areas. But, of the 139 million people living in rural areas, only 32 percent lived in communities receiving CDBG in 1980. Thus, if the administration relies on the HUD CDBG program for weatherization activities, the vast majority of low-income Americans living in rural areas will never receive Federal weatherization assistance. Since ap-

proximately 42 percent of all low-income households live in rural areas or small towns, this affects a disproportionately large number of people.

It is disappointing that in the face of rising energy prices and overdependence on foreign oil we would terminate a proven, effective method of reducing oil consumption. Although the DOE weatherization assistance program was initially plagued with many problems, it has become a very effective and valuable program.

A recent study compiled by Urban Systems Research and Engineering in Cambridge, Mass., has confirmed that actual energy savings of 16–35 percent have resulted from the weatherization assistance program. In terms of energy saved, the 1 million homes weatherized to date represent a savings of about 2.5 million—5 million barrels of oil equivalent per year. At $36 a barrel, this represents a savings of $90 million to $185 million.

In view of the impressive energy savings resulting from this program, DOE's progress in reducing the number of homes in need of weatherization must not be halted. If this rescission request is accepted, more than half of the States will be forced to terminate their weatherization activities well in advance of the end of the fiscal year.

Maine, which has been operating an ambitious weatherization program since 1973, will run out of funds in June. To penalize the States that have developed the most effective weatherization programs by rescinding these funds, is shortsighted and contrary to our efforts to cut back on energy consumption.

The Senate Special Committee on Aging, of which I am a member will be holding a hearing on "Energy and the Aged: An Evaluation of Alternative Assistance Strategies" on April 9. The administration's proposal to terminate the DOE weatherization assistance program and alternatives will be discussed at the hearing. The future of the weatherization assistance program can be discussed at a later date, but we must decide today whether to terminate weatherization activities prematurely in many States.

There is also a clear need to adequately fund preventive health programs and rural health care activities. Medical services in this country tend to be concentrated in urban America, where there exists the institutional and societal concentration of support for comprehensive care. Urban America has the means to better support fair and adequate delivery of health care, in part because the market demand is present in metropolitan centers. Rural America lacks the necessary concentration and centralization of social structures to support comprehensive health care.

Medically underserved areas are synonymous with rural areas. Rural America has 58 percent fewer doctors, 38 percent fewer dentists, and 29 percent fewer nurses on a per capita basis than urban and suburban America. The only solution for rural residents is to travel long distances, at personal expense, or to do without necessary medical care. The ultimate cost is high in either case.

If our market system of allocating the delivery of health care services does not satisfy the greater needs of rural residents, then the Government has the responsibility to support efforts by States and local governments to reach out.

Recently, in Maine, a Statewide network of 38 rural health centers has developed into a full service delivery system, with a special mission to farm families and their children, and to the rural elderly who are often isolated from their communities. These centers are within reach of one-quarter of the State's population and currently serve more than 100,000 residents annually.

I would emphasize that more than half of the centers were built and funded by local residents who responded to the need for accessible health care in rural Maine.

The continuation of 22 of Maine's rural health centers are in jeopardy if Congress accepts the reduction of the budget in health areas as recommended by the President. Congress must take into account the differences between urban and rural America and respond appropriately. We cannot treat alike regions of the Nation that are inherently different—such action is as unjust as treating differently members of the population who are equal.

If any of my colleagues doubt that the differences between urban and rural America are not painfully felt every day, especially by the rural elderly, I would ask them to consider one graphic statistic: The rural elderly although they pay for their full share of medicare coverage, receive 40 percent fewer benefits than their city counterparts, simply because those benefits are either not available, or are not accessible.

Maine's rural health network has begun to make those benefits both available and accessible for the first time. We cannot speak of comprehensive health care in America until we narrow the gap between medical services in rural America and urban America.

Mr. President, there is no question that the Nation's economy is in crisis. The damage that inflation inflicts is evident in every direction that we look. It is undermining our Nation's economic, moral, and political strength, and destroying the hopes and aspirations of millions of Americans.

The dramatic change in Federal spending patterns embodied in this reconciliation resolution will not, by itself, restore health and vitality to our economy. Inflation will not suddenly disappear overnight when the Federal budget is balanced, as it must be.

But restraining the rate of growth in Federal spending is a critical element in any economic recovery program. It is an imperative that we cannot deny any longer, however painful the consequences may be.

About a year and a half ago, my friend and former colleague from Maine, Senator Muskie, was in the position that the Senator from New Mexico finds himself in today.

Like today, the Senate had under consideration a budget reconciliation bill. Let me quote briefly from Senator Muskie's statement, for his comments are as relevant today as they were 18 months ago:

> I cannot think of a constituency impacted by the reconciliation instructions who have come to any Senator and urged that the Senator support the cuts. But does that mean, Mr. President, that we have to wait in this body and in the Congress until the impacted constituencies ask for their own programs to be cut? Mr. President, how long do you think it would take to get a balanced budget if we were to wait until the cuts met that test?
>
> Mr. President, we are never going to have budgetary discipline, we are never going to get the budget balanced, we are never going to get rid of inflation until the majority is willing to say there comes a time when restraint has to be the measure of public policy. Inflation is robbing veterans, inflation is robbing school children, inflation is robbing senior citizens, inflation is robbing farmers, inflation is robbing the defense, inflation is robbing the housewife, inflation is robbing everybody. And whenever a group with political clout seeks to insulate itself from inflation at the cost of others without as much clout, all that happens is that inflation of rising expectations begins to overwhelm all of us.

Mr. President, the Chafee amendment recognizes the need to reduce the level of Federal spending while responding, in a very modest fashion, to the real and legitimate needs of our most rural and disadvantaged regions of the country.

Mr. President, I should like to address one of the central issues to this debate, and that is the issue of regionalism.

Perhaps the most frequent charge made against this amendment is that it is regional in scope and purpose. I do not believe that is so, because we have urban development action grants and mass transit, and those are not regional so far as Maine is concerned. We have elementary and secondary education, and that is not regional.

Perhaps it is regional when we talk about energy assistance and weatherization, and I make no apologies for being regional in my concern in that respect.

I was trying to think of some parallel or parable I might cite to sum up what I think is taking place so far as the whole notion of equity in this country is concerned.

I think of a situation in which a ruler went to a village and said to the villagers: "You have been wasteful and inefficient. You have spent beyond your means. You have stolen from future generations. You have robbed from your children and your grandchildren so that you might satisfy your own needs, and you have sought personal gratification at the expense of security and stability of future generations. Now you have to pay a penalty. Now you have to endure pain and suffering and make sacrifices.

"So, by virtue of a royal decree, I am

ordering that each of you sacrifice your right hand. No one will be spared. Everyone will be treated equally."

As reasonable men and women, would we conclude that equity had been done? Would we not, first, have to ask whether or not everybody in the village had been wasteful and inefficient? Would we not have to ask whether these programs have worked well in some areas, whether they have benefited the children and the rural poor in some areas better than in other parts of the country?

Second, we would want to know whether each person had two hands. If you take one hand from a person who has two, that is one thing. If a person has only one hand to begin with and you lop it off, you have an entirely different situation.

I submit that that is exactly the situation we face in some regions of our country. On the one hand, we are asked to support oil decontrol, so the price goes from $1 to $1.40 a gallon, and we supported that. Even though we live in one of the most low-income parts of the country, we supported that.

Second, we say that we will have to cut out the home weatherization program. We will have to reduce the fuel subsidy by 25 percent and tell the people to endure. That simply is not equity. It is not equity to say to the people who live in the cold regions of this country, who live in the most low-income areas of the country, "Your fuel prices are going to go up dramatically; and, correspondingly, we are reducing the fuel assistance program and the home weatherization."

As to home weatherization, a recent study compiled by the Urban Systems Research and Engineering, in Cambridge, has confirmed that actual energy saving from the weatherization program, which has affected some 1 million homes, is roughly an equivalent saving of 2.5 million barrels of oil a year.

I should like to call the attention of my colleagues to a favorite subject of mine—Dickey-Lincoln. The Senate has gone on record, year after year, as being in favor of a $1 billion boondoggle or dam construction program to produce roughly 2.5 million barrels of oil a year equivalent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CHAFEE. I yield the Senator 1 additional minute.

Mr. COHEN. We were prepared to spend $1.5 billion to produce a dam to save roughly 2.5 million barrels of oil annually. Here we have a system by which we can conserve it with a much lower investment, with a much more rational plan than trying to produce energy at an extraordinary cost, and we have failed. We are saying that we are not even going to spend a modest amount of money on a conservation program which benefits a much larger number of people.

Mr. President, I support the Chafee amendment. I believe that he has tried to achieve the Reagan administration goal of reducing the expenditure levels of this country and at the same time reach a level of equity which recognizes the needs and differences in the regions of our country.

Mr. CHAFEE. I thank the Senator from Maine very much for his fine remarks.

Does the Senator from Massachusetts wish 4 minutes?

Mr. KENNEDY. That will be fine.

The PRESIDING OFFICER. The Chair advises the Senator that he has less than 4 minutes remaining.

Mr. KENNEDY. I yield myself 5 minutes on the resolution.

The PRESIDING OFFICER. Without objection, the Senator is recognized for 5 minutes on the resolution.

Mr. KENNEDY. Mr. President, I commend my colleague and friend from Rhode Island for the submission of this amendment and for the presentation that he and his cosponsors have made, urging the Senate to accept this proposal.

I will not spend time making a presentation to the Senate in urging the acceptance of the education proposal. Since we have discussed and debated that item, I will just say a brief word about low-income fuel assistance.

I believe it is important to note as has been pointed out, that this kind of fuel assistance applies not only to the colder climates but also to the warmer climates. It affects not only people who suffer from hyperthermia but also those who suffer from hypothermia. It is important to understand that it is basically a national program.

I remind the Senate that when we accepted the windfall profit tax, it was understood generally in the Senate that we would earmark at least one-quarter of the windfall profit tax to be used as fuel assistance for needy people in our country.

The Treasury will recover approximately $20 billion this year from the windfall profit tax, which would make that commitment about $5 billion. The amount that was recommended by the Carter administration in the budget was $1.85 billion. That has been reduced substantially by the Budget Committee; and even with the Chafee amendment, we will not even get near that figure.

So this is a bare-bones program for low-income fuel assistance; and I believe that the needs of our senior citizens in particular and other needy people demand that we accept this lower, but important, figure that is included in the Chafee amendment.

Mr. President, in the area of weatherization, I believe that we have found over the course of hearings is that, the neediest people, the elderly people, people in rural America as well as the inner cities, actually conserve more than the general population. The figures on that indicate that it is about a 25-percent reduction, in spite of the fact that they do not have insulation.

Weatherization is a very modest program to help what is a national objective of conservation of energy and reducing heating costs.

When we look at our neighbor to the north, Canada, we see the very vigorous program they have embarked on in terms of weatherization as a matter of national policy, and we can understand the importance of that program.

The UDAG program is an enormously imaginative program of both public and private efforts to use limited Federal resources to leverage the private sector. There are many communities in my State of Massachusetts that can testify to the enormous success of this program. The amendment represents a modest effort to preserve this vital program.

The case for supporting mass transit has been made and made eloquently today, and I will not repeat it here today. Mass transit is a key component of energy conservation and an essential element of our transportation system. This amendment is necessary to keep the commitment to mass transit alive.

Mr. President, I want to stress the importance of the health prevention and health services component of the Chafee amendment. It was my intention to offer a health prevention and a community health services amendment that was just about identical to that portion of the Chafee amendment.

Because adequate funding of health programs is compelling I shall take just a moment of the Senate's time to stress the importance of programs aimed at disease prevention, health promotion, and primary care. For every health dollar that we spend in the United States only 2 cents is actually spent in the area of prevention, an extremely modest amount. But the return on that dollar in later health costs saved, and suffering avoided, is many times greater.

If we look at the number of children who would have been afflicted by polio and those children who today are safe because of the Salk or Sabin vaccines, the amounts of money that would have been spent on iron lungs. I think the importance of a strong immunization program is readily apparent. A similar argument can be made for a strong program in the areas of hypertension, in rat control and lead paint poison prevention, and many of the other prevention activities that are included in the disease prevention portion of the Chafee amendment.

The President's overall budget request which was followed by the Budget Committee would have reduced the prevention program by some 25 percent from 1981 or 32 percent below current services, and even with this amendment, we are still going to see a significant reduction in funds for preventing diseases. But prevention dollars are probably the wisest money that can be spent for health, and I commend the Senator for

including additional funds for prevention in his amendment.

The Chafee amendment also provides additional funds for community and neighborhood health centers, the migrant health centers, and the black lung clinic. These programs keep people out of high-cost facilities either in urban areas or in rural communities, and provide vital comprehensive primary care.

That is wise expenditure of funds. It actually saves money, whether it is Federal money or private money. It also treats individuals early in the course of their illness and sickness and, therefore, helps avoid more serious complications of disease and also lowers the cost of effective treatment.

I urge my colleagues to support this amendment. Included in it are programs which are absolutely essential, and I think it is important to understand that even with these additional funds we are still going to be well below the amounts that were provided in these areas a year ago.

It seems to me that these different programs highlight the areas of human need that exist in all different parts of our country.

I commend the Senator from Rhode Island for offering this amendment and for his colleagues in being willing to cosponsor it. I thank him for yielding the time.

Mr. CHAFEE. I thank the distinguished senior Senator from Massachusetts.

I ask unanimous consent that Mr. TSONGAS, Mr. PELL, and Mr. CRANSTON be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I rise today in support of the amendment offered by my good friends, the Senator from Rhode Island (Mr. CHAFEE), the Senator from Pennsylvania (Mr. HEINZ), that I cosponsored. I have been working with them on this amendment, and I urge my colleagues to vote for it.

At the outset, let me state that I strongly support the President's program. I am a cosponsor of both the original reconciliation bill introduced earlier this year and of the President's tax cut.

The President's budget message recommended spending cuts in fiscal year 1982 of just over $34 billion for the programs that are addressed in this reconciliation resolution. The Budget Committee was very conscientious in working on the President's program and went the President one further by cutting spending by an additional $2.3 billion. They have produced for us a budget resolution in near-record time and I commend them for it.

Since the Budget Committee wrapped up its budget deliberations, I have been carefully reviewing the budget that has been put forth. It is not identical to that submitted by President Reagan, although it tracks it substantially. The Budget Committee members set out their own priorities in this budget, some of which differ from the President's. In fact, it is the nature of the legislative process that spending allocations may be modified by Congress. One fact remains clear, however: Although we may differ on some specific budget allocations, I stand firmly with my Senate Republican colleagues in cutting overall Federal spending by the amount recommended by President Reagan. As I noted in my remarks on March 25 in this body, it is essential to our Nation's economic health that we pare back Federal spending by this amount.

My concern is that the spending cuts should fall fairly on all groups in the population and among all regions of the United States. My analysis indicates, however, that Illinois, the Midwest and Northeast regions of the country, may bear a disproportionate share of the budget reduction burden. The Chafee-Heinz-Percy amendment helps reduce the burden that will fall on Illinois, but it does not go beyond the context of the President's budget. In other words, even if the Chafee amendment is accepted by the Senate, our budget will have nearly $1.5 billion in additional savings, beyond what was recommended by President Reagan.

The Chafee-Heinz-Percy amendment will make, however, a change in budget priorities. It will reverse the unfairness that is implied in the budget proposals, as was so well expressed by the U.S. Conference of Mayors just a few weeks ago when the Conference noted:

> Federal grants to state and local governments would be cut significantly, from $54.9 billion in fiscal year 1981 to $47.2 billion in fiscal year 1982, a drop of over 14 percent in outlays and nearly 25 percent after accounting for inflation. This will result in a serious reduction in services to the poor and to the working people across the country.
>
> Although total state and local grants, according to the Office of Management and Budget (OMB), represent 14.2 percent of the Federal budget (including payments to individuals channeled through these governments), fully 66 percent of the total cuts in budget authority proposed by the Reagan Administration would fall on these programs. Thus, while the Administration asserts that this is a "growth" budget with a six percent rise in Federal outlays from fiscal year 1981, it is not a growth budget for the cities.

Mr. President, this amendment will bring the budget more into line with Illinois' priorities. This amendment does not contain all the funds that many people of Illinois would like to see restored. What we have here is a package on which we were able to reach consensus. Other programs could have certainly been added, but our general feeling was that addition of more funding restorations would undermine our ability to pass the Chafee-Percy package.

Let me describe for my colleagues the impact that the Chafee-Heinz-Percy amendment will have on my home State of Illinois, and our case will help similarly situated States.

Mr. President, I ask unanimous consent that a table showing the budget restorations in this amendment be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

CHAFEE PROPOSED BUDGET RESTORATIONS

[In millions of dollars, fiscal years]

	1981		1982		1983	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Labor and Human Resources Committee:						
Low-income energy assistance			300	300	300	300
Health services			150	50	200	175
Elementary and secondary education	575	60	500	450	700	575
Labor and Human Resources subtotal	575	60	950	800	1,200	1,050
Banking Committee:						
Housing weatherization			50	50	50	50
Community development	300			98		128
Mass transit			200	25	300	300
Banking subtotal	300		350	173	250	478
Grand total	875	60	1,200	973	1,550	1,528

THE LOW-INCOME ENERGY ASSISTANCE PROGRAM

Mr. PERCY. Our amendment will restore $300 million for this program in fiscal year 1982. Illinois is the third largest LIEA recipient in the country, with $105 million allocated for this program in fiscal year 1981. The LIEA program, as its name implies, assists low-income households to meet the rising costs of home heating. With oil price decontrol, home fuel bills, as we all know, have continued rising this past winter. The poor have a particularly hard time with these payments and in some cases may be reduced to a choice between a decent meal and heat in the furnace. Particularly the elderly poor are adversely affected. The President has proposed a 25-percent cutback in LIEA, which could amount to as much as a $450-million reduction in the program next year. Our amendment restores a major part of this reduction.

COMMUNITY DEVELOPMENT

Our amendment will add $98 million for urban development action grants (UDAG) in fiscal year 1982. This has been one of the most successful urban development incentive programs ever devised by the Federal Government. It applies to big cities like Chicago, as well as smaller communities. Major projects have been started with the spark of a Federal grant. Over the 3-year life of the UDAG program, Illinois has received $120 million, the fifth largest recipient in the United States. Moreover, Chicago has been the second largest city recipient.

We have also put together excellent development programs for smaller cities in our State. Illinois has the two largest UDAG's for cities under 50,000 population. In Woodlawn we have a project that will spur investment, with a $6.5 million Federal grant. In Quincy, a $6.9 million Federal grant will provide the incentive for $125 million in private investment and several thousand new jobs.

All told, Illinois' 3-year experience with UDAG has been extremely productive, generating 17,000 new jobs.

This program is important to the State's well-being. Our amendment restores this program to the level recommended by President Reagan.

MASS TRANSIT

Our amendment calls for an increase of $25 million in spending for mass transit next year.

Illinois ranks third in the Nation in terms of Urban Mass Transit Administration (UMTA) operating assistance. Last year our State received a total of $86 million for mass transit programs, of which $80 million went to the city of Chicago. The Federal funds that were channeled to Chicago accounted for nearly 12 percent of the Regional Transit Authority (RTA) budget. The administration had proposed to phase out these operating subsidies in 1985.

Our amendment would keep a basic level of Federal assistance.

Without this amendment, the base fare on the Chicago RTA would climb from the present 80 cents to about $1.00, a 25-percent fare hike. It would be false economy to eliminate this assistance. In Chicago, more than 85 percent of those who commute to the Loop, the central business district, take mass transit. The RTA saves an estimated 11 million barrels of oil annually, displacing about 550,000 daily automobile trips.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excellent editorial that appeared in the Chicago Sun-Times earlier this year. It summarizes the need in older cities like Chicago for the maintenance of at least a basic level of operating subsidies.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, Jan. 10, 1981]

PUT TRANSIT POLICY IN BALANCE

When someone is "house-poor" it means he owns a nice big house but can't afford day-to-day living expenses.

Mass transit in Chicago and other older cities could end up in a similarly uncomfortable position if Drew Lewis, the transportation secretary-designate, has his way.

Lewis says the federal government should phase out operating subsidies to mass transit but continue making capital grants. That would mean more money to buy new buses and trains but less for salaries and fuel.

The feds already tilt toward capital. In the last fiscal year, they gave Chicago area mass transit $167 million for capital improvements but only $80 million for operations.

Yet it's the operating deficit that caused the recent fare hike. Ultimately, the Reagan policy could result in an RTA with lots of shiny new buses, trains and stations, but with fares so high that nobody uses them.

Politicians like capital grants because they're highly visible and can be handed out before crucial elections. And heavy capital assistance favors the politically powerful Sun Belt cities that are building new mass transit systems but have relatively small operating budgets.

The nation needs a balanced transportation program. It's fine for the federal government to invest in new transit projects to lure people away from cars. But if also should help keep fares low enough so that those who already are out of their cars don't return to them.

HOUSING WEATHERIZATION

Mr. PERCY. Mr. President, our amendment proposes to add $50 million to the program for fiscal year 1982. The President proposed termination, with some weatherization funds available under the community development block grant program.

Since the inception of the weatherization assistance program in 1975, over 700,000 homes have been weatherized. This translates into an energy savings of nearly 2 million barrels of oil each year in the homes that have been upgraded. Illinois has had the ninth largest weatherization program in the country. Together with the low-income energy assistance program mentioned earlier, these two programs help in our energy conservation effort. With the cold winters we experience in Illinois, they are too important to let them be completely disbanded.

ELEMENTARY AND SECONDARY EDUCATION

We propose to add $450 million for this function in fiscal year 1982. Last year, Illinois received over $260 million in education funds, including elementary and secondary education.

President Reagan has proposed reducing the ESEA program by $61 million or 23 percent of the total amount Illinois receives from the Federal Government. The major Illinois ESEA programs that would be affected by this amendment are these:

First. Title I ESEA for the disadvantaged. Now funded at $137 million in Illinois, the President's proposed budget would trim Illinois' share back to $111 million, a 19-percent cut.

Second. Education for the handicapped. Illinois now receives $49 million and the President's budget would cut this back by 20 percent, to $39 million.

Third. Vocational education basic grants. Illinois would suffer a 25-percent cut as funding would be reduced from $24 million to $18 million.

Under the Budget Committee's plan, Illinois would lose nearly 1,700 teachers and nearly 600 teachers' aides. With the Chafee-Percy amendment in place, however, the jobs of 500 teachers and 200 aides—otherwise eliminated—would be preserved.

I might add that Illinois contributes 100 percent of its State revenue sharing toward education. Last year that amounted to $110 million, but this source of funding has now been eliminated. The funds restored in this amendment today will go a small way toward cushioning these funding cutbacks.

HEALTH SERVICES

Our amendment would add $50 million in fiscal year 1982. The President has proposed consolidating about 20 programs into two new block grants: A preventive health services block grant and a community health services grant.

Under the present system, Illinois receives roughly $43 million for the health services programs that will be merged into the health service community block grants. The State's share in these programs is somewhat smaller than it should be if it were proportional to Illinois' population. Hence, cutbacks in this area—the administration proposed a 25-percent reduction—will have a significant impact. The same is true of the preventive health services block grant program. Illinois now receives about $14 million annually but would be reduced to $10 million under the President's proposal. These health programs provide important medical services with low administrative costs. The reductions in funding will then, by necessity, mean an actual cut in services.

Mr. President, I reiterate that the Chafee-Heinz-Percy amendment does not exceed the Reagan program in its overall scope. In 1975, five Great Lakes States—Illinois, Indiana, Wisconsin, Michigan, and Ohio—sent to Washington $18.6 billion more in tax dollars than they got back. It is unrealistic to advocate a dollar-for-dollar return on the funds we send to Washington, but since 1975, this trend has accelerated and it causes me concern. By 1979, these five States were sending $27.5 billion more to Washington than they were re-

ceiving. Our amendment today takes a very small step to prevent this continued erosion and maintains at least some of the basic services in Illinois.

The addition of these program amounts to the budget is made possible by a Budget Committee action concerning the strategic petroleum reserve. The Budget Committee assumed in its deliberations that a more cost-effective way could be found to fill the reserve, which would give us an important insurance policy against future oil disruptions.

I believe the committee action—by a vote of 13 to 4—is sensible and I agree with my colleague, the Senator from Kansas (Mrs. KASSEBAUM) that a more efficient way can be found. Her committee amendment cut $3 billion out of the budget, allowing nearly $1 billion to continue filling the reserve. It is from part of this savings that we have been able to fund the six programs in the Chafee-Heinz-Percy amendment.

I have opposed amendments this week to restore the funding for the reserve by cutting even deeper into programs that will affect Illinois. Although I believe a strategic reserve is a very high priority for this country, I am committed to my State's own interests and to making sure the budget reductions do not hit particularly disproportionately there.

Mr. CHAFEE. Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Who yields time?

Mr. QUAYLE. Mr. President, I yield myself as much time as I may consume.

I think it is important to point out that this is not a regional issue. The speakers in the affirmative for this amendment so far have come from the State of Rhode Island, the State of Pennsylvania, the State of Maine, and the State of Massachusetts.

But it is not a regional issue. It has a broad, diversified support throughout the Nation because we are talking about education, we are talking about fuel assistance, and we are talking about UDAG.

Mr. President, I do not believe that anyone can argue with the merits of the programs that the proponents of the Chafee amendment are trying to put forward.

But what we can argue and what we will contend is that what we are trying to do is to go beyond what the Budget Committee recommended and go beyond what the chairmen of the two major committees that are recipients of those moneys; namely, the Labor and Human Resources Committee, and also the Banking Committee. We are not dealing with line items. We are dealing with functional categories, and the chairmen of those two committees have assured a number of us on the Budget Committee that they can live within the guidelines that the Budget Committee has come up with.

I might also point out that as far as the Committee on Labor and Human Resources is concerned, I and two other Republicans joined Senator HATCH, the distinguished Senator from Utah, in putting back about $1 billion for labor and human resources which is about $1 billion more than what the President recommended.

So, Mr. President, I hope that, when the final vote is taken, we will support the Budget Committee and its deliberation. I hope that we do not get into any regional fractionalization of this particular amendment and I hope that it is defeated, although I certainly understand the sensitivity and the sincerity of those Senators that are offering it. As I say, they are offering it for good programs but it has been deliberated and I certainly hope that it is defeated.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. I yield to the distinguished chairman of the committee.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I yield myself 10 minutes at this point.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. DOMENICI. Mr. President, let me first say to my good friends who have offered this amendment it is with regret that I must oppose the amendment. I think the Senators involved know of the great respect that I have for all of them and in particular the prime sponsor of the amendment, Senator CHAFEE.

Let me say to the Senate we Senators can stand here and say that, with reference to the Labor and Human Resources Committee, they are returning money for elementary and secondary education, or they are returning money for low-income energy assistance. That just is not true.

What we are doing here is saying to a committee that has a broad spectrum of jurisdiction that we are going to add approximately $1 billion in outlays for their programs.

We can stand here and say that is not what we intend, but the truth of the matter is that it is what will happen.

They have everything from the National Science Foundation to the CETA program, with elementary-secondary education, some of the community health programs, and many other things in between.

The Senate should know what we did in committee, and we have said it a number of times, but it bears repeating. At the request of the chairman of the committee, Senator HATCH, roughly $1 billion was added back to this committee, so that it need not cut as much as the President asked. They already have been immunized from $1 billion worth of cuts that the President asked.

If we want to talk about what the distinguished chairman, Senator HATCH, did recommend in his assumptions, we have to start with the proposition that he put back $1 billion. He said it should go for the handicapped, it should go for vocational education, and that it should go for youth employment in CETA, roughly a third each. We already did that. Had we not done that, someone would have been down here saying we should put $1 billion back. I mean when do we get to the point where we have exercised some good judgment where we found some of the programs, some of the timing of the President's programs, lacking?

We thought $1 billion in this committee's instructions was a very good transition fund because many people are concerned that we might be moving away too fast from the 52 categorical grant programs in education, elementary and secondary, which GAO says 13 to 15 percent is consumed in administrative costs. We assumed that we should put in a few hundred million dollars because maybe we cannot get that whole package put together as quickly as we want, and we might need some extra money so that States do not suffer.

For those who want the entire billion dollars to go for education, they can go before that committee, the committee that the distinguished Presiding Officer sits on, and they can say that billion dollars should all go for education. One of the assumptions was that $4.7 billion for CETA, which the President recommended, is not enough. So one assumption was that about $400 million should go there.

Maybe the committee will not put it in CETA. They may put it in elementary and secondary education. That is their prerogative, not the prerogative of the Budget Committee.

I wish to tell Senators in the event that Senator CHAFEE prevailed and the committee indeed took all the money he wants to put in elementary and secondary education, I will make Senators this prediction: There will be no block grants for education.

I thought that is what we were kind of voting on, to try to change America's policy and try block grants.

Why will there not be block grants? Because, as a matter of fact, when you are finished adding back the money the Senator asks for in 1981 you will be minus 1 percent. People are running around saying "Programs are getting chopped." That simply is not true. You will be minus only 1 percent in 1981. You will be minus 6 percent in 1982 and, believe it or not, in 1983 you will add more than the current level of funding for education. You will have 3 percent higher under the Chafee amendment.

Now, I ask you, what will make both Houses of Congress go to a block grant? The only thing that will make them experiment with block grants and save that huge administrative funding that is in there, and get rid of some of the strings that are causing its effectiveness to be minimized, is if they have significantly less money so that they can deliver the right amount of money without the strings.

I ask you if minus 1 percent in 1981, minus 6 percent in 1982, and plus 3 percent in 1983 will force a policy change? That is what bothers me. The Senator argues this is going to elementary and secondary education. I am assuming that in this argument, although the truth of the matter is it need not because your committee, Mr. Presiding Officer, will make that decision. But if it did, there will be no change in American policy on education. It will be, to borrow one of these phrases that has been much used, "business as usual" just as sure as we are here. There may be 4 grants con-

solidated, and we will invent 14 more, and we will cut them all 1 or 2 percent, and we will be right back where we started from.

So the truth of the matter is this committee has received $1 billion in additional money, and that is before the Senate. If we vote this amendment in, it will be $2 billion additional. Obviously, there will be others who would say, "That still is not enough." But I thought this was an exercise in trying to change the policy of this country, trying to take programs that were not working and see if we could do them differently with less money.

As far as fuel assistance, I am sympathetic, but I am here to tell you that according to two major GAO studies, one 3 years ago and one 1 year ago, that program does not work, and there is no question about it. Congress has even acknowledged that, but we do not know how to make it work. We have changed that substantive law, I say to my good friend from Massachusetts, each year for 3 consecutive years, because we found out we were not getting the money to the poor people under fuel assistance. Something was happening in the middle. In fact, one time we sent checks to everyone who was on social security and SSI regardless of need, many of whom were not even paying their bills because their landlords were. We did not even know how to run that program that well. We did that for 1 full year.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DOMENICI. I am going to finish in 30 seconds and I will find some time for the Senator.

I urge that those who really want to see this concurrent resolution work by forcing our committees to sit down and do more with less money, to try their ingenuity so that they can get the job done better with less money, that we ought to stick with the Budget Committee.

In the outyears obviously, 1983 and 1984, we will just have to see what happens. But for now the significant and important years are 1981 and 1982. We are not going to force significant change if we add a full $1 billion back to this committee.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 3 minutes for our side under the resolution. I would just like to ask a question.

The PRESIDING OFFICER (Mr. STAFFORD). The Senator is recognized for 4 minutes.

Mr. KENNEDY. As I understand it, the CBO has estimated that it would take $52 billion in 1982 to provide sufficient funds to maintain programs in the Labor and Human Resources Committee at current services; is that the Senator's understanding?

Mr. DOMENICI. Yes; $51.5 billion to $52 billion.

Mr. KENNEDY. All right. The Human Resources Committee made a $41 billion recommendation to the Budget Committee. The President had actually requested $39 billion. CBO says $52 billion is necessary for current services. The Budget Committee has gone from $39 billion up to $40 billion, which is still $12 billion less than CBO estimates for current services, and $1 billion below the level recommended by the Human Resources Committee.

As I understand the Chafee amendment, it would take the $40 billion and add somewhat less than $1 billion. This is below the Human Resources Committee and $11 billion below what is necessary to maintain current services.

I think it is important when we are talking about adding things back, that we also understand at least the point of departure.

Am I basically correct in the understanding of the figures as far as the chairman of the Budget Committee is concerned?

Mr. DOMENICI. Senator, I will say you are basically correct. I have to start——

Mr. KENNEDY. They have to be rounded off.

Mr. DOMENICI. I start with a little different baseline, and I will answer you in a moment. I do not want to use the Senator's time. But the Senator basically is correct.

What he is saying is there is a significant cut, and all that we did was to add $1 billion back to that significant cut, and Chafee would add $1 billion back. I will give the Senator the committee numbers in a moment.

Mr. KENNEDY. Fine.

The only point I make is even with the Chafee amendment the Senate will have gone about 95 percent of the amount of budget cuts the President actually requested, and there will be about an $11 billion difference between what was actually approved by the Senate and the current services level. The Chafee amendment still represents about a 20-percent reduction in the programs under the Human Resources Committee.

Mr. DOMENICI. I yield myself 2 minutes, and then I understand the Senator from Alaska wanted 5 minutes; Senator HATCH wants about 5 minutes; and Senator GRASSLEY wants about 5. I think that is the extent of time needed on our side.

Mr. CHAFEE. Yes; we have some who wish to speak on this side.

Mr. DOMENICI. Let me take a couple of minutes and make this point. So that the Senate wil have the numbers in terms of the baseline that the Budget Committee uses, the President asked that this committee cut $11 billion in budget authority for 1982 and $8.5 billion in outlays of its authorizing jurisdiction.

The committee itself felt they could not quite do that, and they said they could achieve a reduction of $10 billion in budget authority and $7.9 billion in outlays.

The distinguished chairman of the committee prevailed, and they are now ordered to do precisely what they said they could do. They met; they said, "We cannot do everything the President asked." They voted. The vote might have been slim, I do not know the numbers, Senator KENNEDY. You are on the committee. It might have been 9 to 9 or 10 to 8, but they voted.

What we have before the Senate is precisely what a majority of that committee said they could do. They could not do as much as the President wanted them to do. Therefore, the Budget Committee voted with the chairman of the committee being instructed, and put back $1 billion, which brings them to the exact point that they said they could do by a majority vote.

In addition, I would remind the Senators that under certain assumptions that have been made——

The PRESIDING OFFICER. The Senator has used his 2 minutes. He is recognized for an additional 2 minutes.

Mr. DOMENICI. Certain programs within their jurisdiction will be increased. The handicapped will be increased, not decreased. There are others that will be.

I do not say that to deceive anyone because that is up to the committee, but the assumptions made in the Budget Committee with the add-ons yield some plus-side figures for the handicapped program, and the like, and I repeat, we are merely asking them to do precisely what they told us they could do.

Now, does the Senator from Iowa wish to speak?

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. DOMENICI. I yield 5 minutes to the Senator.

Mr. GRASSLEY. I thank the Senator from New Mexico for yielding.

The amendment of the Senator from Rhode Island is one he says does not have a geographical direction to it, and I will accept his statement on that.

I want to say to the Senator from Rhode Island that my point of view is somewhat parochial; not parochial from a geographic standpoint, but parochial in terms of unwaivering Republican support for the President's economic recovery.

We have been very successful in our efforts to achieve fiscal discipline, because we Republicans on the Senate Budget Committee have had the support and leadership of our chairman, the distinguished Senator from New Mexico. Even though I have consistently voted against every amendment offered that would have increased spending, I found many that I would have liked to have supported. In my many years in the House, I did support many of these spending programs, but this is not a business-as-usual situation. Our current economic situation in this country is so bad, that we have got to change our voting habits. We must rethink our positions of support for these many programs that we have traditionally supported.

We have to only look at the fairness of the total situation. Are each of the regions of this country bearing a fair share? Are the interest groups in this country bearing a fair share of the burden against inflation? Is each one of the programs which have been established by previous Congresses bearing its fair share?

The Budget Committee has tried to do this. We have tried to indicate this as we have said, "No," to the popular programs we previously had supported. It has not been easy. We will have failed

if this amendment is approved after so many amendments have been voted down.

The assumption behind this amendment is that a package of programs is more likely to get enough votes to be adopted. I look at that as being too much business as usual. That is too much logrolling. That is not what the people expect of us as a result of the November 4 mandate.

I think the greatest weakness in the Senator's amendment, however, is that it assumes that we can spend the $3 billion savings achieved through denying SPRO increases.

Let me suggest to the Senator that an oil reserve is not a typical Government expenditure. It is, in essence, storage of some of the Federal Treasury's resources. It is like putting money in the bank. But the Senator proposes to take that money out of that bank, and to spend it on recurring programs. The Senator might just as well take gold out of Fort Knox, if there is any there, and spend it on these same programs.

What we are looking at here, in terms of changing the direction of public policy, is overall reduction of program that have recurring expenditures. The Senator suggests increasing expenditures for those programs that are recurring expenditures, and suggests payment, if I understand the logic and the approach of the amendment, with money that has been saved by not filling the oil reserve in future years.

I do not think that is a wise tradeoff I think that it is only jacking up the recurring programs to too great an extent. Not only will it discourage block grants, but most importantly, it will encourage other spending amendments coming down the road.

From my parochial standpoint as a member of the Budget Committee, I think that we have been successful in saying "no" to the business-as-usual people in the Congress who want to spend more.

The PRESIDING OFFICER (Mr. GORTON). The time of the Senator has expired.

Mr. DOMENICI. I yield 1 additional minute.

Mr. GRASSLEY. If the Senator from Rhode Island could be on the Budget Committee, if he could see the Republican side of rollcall votes go down, and he could see Mr. ANDREW, Mr. SYMMS, Mr. GRASSLEY, Mr. QUAYLE, Mr. GORTON, and Mr. KASTEN cast their votes, he would see that most often there was a block of "no" votes against increased expenditures. The Senator would know that approach came as a direct message from the voters in the last election, and that this is a form of policymaking that is different than usual.

I would suggest to the Senator from Rhode Island that his amendment is not something different. Rather, it is too much the business-as-usual approach that we do not need. It is time to say "no" to that, and that is why I am saying "No" to this amendment. I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I yield 5 minutes to the distinguished majority whip.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I am saddened that I have to oppose the amendment of the distinguished Senator from Rhode Island. I do so knowing that the items that are in his amendment and which he seeks to restore are for programs that I have supported now for 13 years.

As I told him earlier today, I do so because of the conclusion I came to last year, that our basic problem involves the interest on the national debt.

We are in the position now where the interest on the national debt is $95 billion. As a matter of fact, the increase in the interest on the national debt between fiscal 1981 and fiscal 1982 will be $10.8 billion even if we follow every recommendation of the President and even if the interest rates are averaging 10 percent for that period of time on the outstanding long-term debt of the United States. The last assumption does not appear to be a valid one at this time.

That $10.8 billion increase is more money than we now have available for the Department of the Interior, the Department of Commerce, and the Department of Justice, the three Departments that have a great deal to do with my State and, I think, the whole Nation.

We find program after program that has either been reduced or eliminated. It has been done primarily because of the necessity to stop the Federal Government from going into the money markets and borrowing money for deficit spending which drives the interest rates up. The interest rates must come down or we will not be able to right this economic ship of ours.

It is with great reluctance that I oppose Senator CHAFEE's amendment.

In other days, and I do hope there will be other days in the future, when we can restore funding to some of these programs, he will be a great leader in establishing priorities for those programs. But right now there just is not money for these programs if we are to maintain the discipline we need to correct the problems related to inflation, the high unemployment, and high interest rates occurring simultaneously. If you put those together with low productivity, I think the situation today is worse, really, in my opinion, than it was in 1929.

Mr. President, we are approaching $1 trillion in debt. In 1929 we had $19 billion in debt. I cannot see any way for us to treat a severe recession-depression in future years as past Congresses were able to treat the period from 1930 on. I think we have to have the discipline that is required to be able to say "no." Many of us are saying "no," not only to programs we have supported in the past, but some of us to programs we initiated in the past.

I would urge my friend to keep that in mind as we do oppose this amendment. I urge the Senate to defeat this amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BRADLEY. Will the Senator yield 30 seconds?

Mr. DOMENICI. I yield 30 seconds.

Mr. BRADLEY. Mr. President, I wish to support the amendment offered by the Senator from Rhode Island. Part of this package is an increase in funding for low-income energy assistance by $300 million in fiscal year 1982 and fiscal year 1983, and an increase in funding for mass transit.

In 1979 Congress enacted this program to provide funds to help low-income households meet rising home heating or cooling costs. For fiscal year 1982, 95 percent of the $1.8 billion is distributed by formula to the States as a block grant. The remaining 5 percent is allocated to the crisis assistance program of the Community Services Administration.

The Reagan administration has proposed to consolidate the low-income energy assistance program with other emergency assistance programs and to reduce funding by 25 percent, or $450 million from the energy assistance funds.

This program is intended to offset the effects of escalating oil prices on low-income people. World prices continue upward. The new administration's immediate decontrol of domestic oil has also hit every American household with stiff price increases. This seems hardly the time to reduce funding for those Americans least able to absorb these price shocks.

Even if oil prices had not increased as dramatically as they have in the past, it is not obvious that a 25-percent reduction in this program is consistent with the explanation behind it. Programs proposed for block grants, it is said, can be reduced by 25 or 30 percent because overlapping layers of administration and bureaucratic controls will be eliminated through consolidation. Under current practice 95 percent of the low-income energy assistance funds go to the States as block grants. The remaining 5 percent goes to the CSA for a separate program. It is difficult to identify the overlapping administration here.

Mr. President, the decontrol decision was a most difficult and agonizing one for me. I have supported decontrol because it is the right energy policy and the right economic policy. However, rising prices are a terrible tax on low-income people in New Jersey and every other State. The windfall profits tax that I helped pass 2 years ago captures a large portion of the higher oil prices for the Government. In fact, one of my amendments will tax away 70 cents of each dollar increase in oil in production before 1978. The Congress agreed that a portion of these funds would go to low-income people to cushion the effect of higher prices. To go back on that promise is wrong. It is also wrong from a humanitarian point of view.

If these points do not move my colleagues, let me point out that over the next several years good energy policy and good economic policy will call for moving away from Government allocation

and control and that might have the unavoidable effect of raising energy and other prices. If we now go back on the promise we made to cushion the effect on low-income people, we may be unable to generate support for the tough energy and economic decisions still to come.

I urge my colleagues to support the amendment.

Next, Mr. President, I urge the Senate to adopt the amendment of the Senator from Rhode Island because it restores $25 million in outlays for 1982 and $300 million in outlays for 1983 for mass transit.

There are four reasons why the Senate should adopt this proposal.

First, economic development. The administration maintains that the cuts in spending are necessary for economic development, but they fail to recognize the enormous short-term economic problems which will result when transportation lines are forced to cut back on services, and, they fail to recognize the enormous long-term economic gains which could be realized if we rebuild our industrial base in an energy efficient manner through the use of mass transportation. If we are to redevelop our older industries and strengthen our industrial base in general, we must have efficient transportation. To develop these efficiencies we must abandon the economic assumptions of past decades which emphasized the use of the private automobile. Instead, we must respond to the economic realities of today by supporting and maintaining mass transportation.

A second reason to support this amendment concerns our national energy needs in particular. The administration seems to have a Dr. Jekyll-Mr. Hyde attitude toward using the price mechanism to solve our energy problems. The administration is willing to let producers face higher energy prices to encourage production, they are willing to let consumers face higher energy costs so there will be efficient allocation of energy resources, and they are willing to let the State and local governments bear the burden for energy costs. But, when it is up to the Federal Government to respond to the higher energy prices by investing more in mass transportation systems which will efficiently allocate our energy resources, then the administration loses faith in the price mechanism's ability to force prudent responses to energy realities. Just as consumers are expected to respond to the higher prices by paying for home insulation and by investing in fuel-efficient automobiles, so, too, the Federal Government should respond to the price mechanism by investing more in mass transportation.

The administration seeks to reduce Federal support for mass transportation because they do not believe that those who use mass transportation are doing enough to support mass transit. This assumption is simply not true. In my State of New Jersey the bus fares pay for 70 percent of the costs of the bus service, and, these fares are scheduled to increase by over 50 percent in the next few months. Rail fares will face a similar increase this year and another major increase in the beginning of next year which will double rail fares over current levels. These fare increases are necessary not because of the withdrawal of Federal support, but simply because the New Jersey Transit System is facing enormous increases in energy costs and enormous operating deficits will result unless the State officials act responsibly by raising fares. So, a third reason why the Congress should restore funds for mass transit is because passengers and local governments throughout the Nation are already doing their share to support mass transit; the Federal contribution to mass transportation systems is in conformity with the Federal interest in maintaining those systems.

The final reason why I believe the Senate should restore these funds for the 1983 fiscal year is to keep the truly needy from suffering. The administration claims that operating subsidies are not targeted toward the needy because both the rich and poor can take advantage of mass transit. However, if our national commitment to mass transit is reduced, it is the working poor who will suffer because for the working poor mass transportation is not a convenience, it is a necessity of life. We have a national interest in providing inexpensive mass transportation for these people and our Federal policy in the past has been to encourage the States to maintain transportation fares at rates which are as low as possible so that these working people can succeed. Now is not the time to change our Federal policies by abandoning our commitment to mass transportation.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, I rise today to offer my support for Senator CHAFEE's proposal.

His proposal, and indeed the entire budget debate over the last few days, addresses the classic dilemma of the day—how much can we afford to do?

Every program under discussion was born of the best motives—the desire to respond to genuine human needs. Americans are a compassionate people—we always have been and we always will be. But what happens when we go too far in trying to solve human problems through direct Government intervention?

We create a monster—a bureaucracy with ever-expanding, overlapping agencies—that intrudes increasingly in our lives. The Federal Government has, unfortunately, reached a point where it does more to the American people than it does for them.

In our compassionate desire to provide food for the hungry, economic aid for the poor, and hope for those in despair, we have lost sight of the horrible side effects of over promising. The side effects are readily evident in today's economy.

There is nothing compassionate about 20-percent inflation rates, double-digit inflation, and 7½-percent unemployment. Yet, this is the economic cost borne largely of excessive Government.

The public has come to recognize these costs too. In November, the people of this country overwhelmingly indicated at the polls their desire for change. They recognize that we cannot sustain the rapid growth in social programs on a deteriorating economic base. Over time, a deteriorating economy leads to still fewer opportunities for our people.

We are now trying to reverse this downward tide. The Congress is following the President's lead in limiting Federal spending. It is clear that this process will, at least in the short run, hurt those least able to help themselves. Because we cannot cut back on the cost of servicing the national debt, and because there is strong bipartisan support for reversing the decline in our national defense capabilities, spending cuts will affect programs which transfer resources to the more vulnerable segments of society.

Does this mean that our national commitment has declined? Emphatically not. It reflects instead a change in strategy. The justification for budget restraint is economic growth. Such growth should be the real hope for those who have not yet shared in the abundance of America's wealth.

It is this change in economic strategy that we in Washington are trying to effect. How do we do it? Where do we reduce spending and by how much?

These questions have no consensus answers. They never do. What Senator CHAFEE, and I, and others believe is that in some areas we risk going too far, in cutting back too much. The less than $1 billion proposed to be added back in 1982 spending is a very modest restoration. Others would restore much more, and some will insist on holding the line where we are.

I believe that Senator CHAFEE's proposal is a modest one when compared to the more than $40 billion we are trying to cut. With regard to the programs affected, there will still be significant reductions imposed—reductions which will create hardship enough as they are absorbed.

I would urge my colleagues to support the proposal of my colleague from Rhode Island.

Mr. President, what we are engaged in is an act of economic necessity for this country. That is an effort to try to get get some control on Federal spending, to try to reduce the Federal deficit and, hopefully, over a period of time, to erase that deficit altogether and create a balanced budget.

This is not an effort, Mr. President, in pure philosophy. It is an effort, instead, to try to improve the economic health of this country for the benefit of all its citizens.

Most of us who seek political life as a career do so because we have a degree of compassion and concern for our fellow man which we want to serve. In that process over a period of decades, we in politics, and particularly at the Federal level, have undertaken a host of programs which we felt, at the time they

were created, were designed to serve those who were in need.

However, we now find that we have overextended ourselves. The Federal debt is now pushing $1 trillion. We have gotten ourselves in the situation where each year the Federal deficit runs about $50 billion or so. Interest rates hover around 20 percent and inflation rates are in the double digits.

There is nothing compassionate, Mr. President, about that kind of circumstance. There is nothing compassionate about high interest rates, high inflation rates, and the human misery that they create.

Now we have embarked on an undertaking to try to reduce that deficit and to try to restore the kind of soundness to our economy which offers hope for the American people.

In doing so, we are called upon in this budget resolution to make cuts in various programs of the Federal Government. Because of the fact that we are locked into servicing the national debt, we cannot reduce the amount that is required to service the debt.

Because of the fact that there is a very strong consensus in the Senate, as I personally think there should be, for having a solid and improved national defense, we are not going to see cuts in the national defense budget. Instead, we are increasing national defense.

Therefore, those budget cuts, lamentably, we have to make, but we do have to make them because we have to be responsible for our country. Those budget cuts, Mr. President, tend inevitably to focus on parts of the country that can afford them the least. That is to say, we reduce the amount of money otherwise available for transfer payments, which, by their design, are aimed at improving the economic condition of the most needy people in our society.

Similarly, and there has been much comment on this in the press, it is clear that when we go about the process of balancing the budget or reducing the budget deficit, it has a geographical impact. Clearly, that is the case.

It has been pointed out by the Senator from Rhode Island and others that these particular changes in the budget that are encompassed in this amendment are not regional. They are not. They touch everybody.

However, Mr. President, it is clearly true that when we restrain the budget, when we cut the budget, that very exercise has a greater impact on those cities which are bankrupt than those cities which are well off.

It has a more adverse effect on those States which are declining economically and have seen jobs move elsewhere than it has on those communities which have seen their State and local tax revenues constantly increase over the last few years, the so-called Sun Belt.

So, there is no doubt, Mr. President, that while we undertake the necessary job of reducing the weight of the Federal Government and the burden of the Federal deficit, the very process of doing so, while necessary, does have a disproportionately adverse effect on the poor, on those who are in need, on those who have become dependent on the Federal Government, and on those regions of the country that are in economic decline.

What we are involved in here, in the Senate, right now, is a balancing act. We are attempting to bring into some kind of balance on one hand the desire to reduce Federal spending, or, at least, to control the growth of Federal spending, and, on the other hand, the need to mitigate the damage, the harm, that is caused in the budget-cutting process among those people and those regions that are most in need. That is precisely what the amendment of the Senator from Rhode Island is intended to do and, in my opinion, does.

The areas of restoration in the Senator's amendment focus primarily on people who are most in need—low-income energy assistance, community services, elementary and secondary education, most especially title I, aid for school districts which primarily serve low-income people; housing weatherization, community development, mass transit—programs which affect most notably people who are most in need.

Mr. President, several weeks ago, a meeting was held in the Capitol Building between Senators and Members of the House representing the Northeast and the Midwest with OMB Director Stockman and others. At that time, the question was put to Director Stockman: "Is there flexibility in the budget? Is there room to maneuver? Is there enough flexibility on the part of the administration so that we are not locked into the precise details of the administration's program?"

The Director of OMB said at that time:

> Of course, there is flexibility. What we are interested in is the end result, but, of course, the job of Congress is to use its judgment on precisely what is cut and what is not cut.

What concerns me about the statements on the other side of this amendment is the degree of inflexibility on the part of the Committee on the Budget. Suddenly, it is the position of the Budget Committee that we are, in fact, locked in, that we are committed to the details of the Budget Committee's work. That is contrary to the position of Director Stockman with respect to the administration's program.

In point of fact, Mr. President, without this amendment, we are now some $2.3 billion below the President's program. Even with the Chafee amendment, we would be approximately $1.4 billion below the President's program. We have met the target and then some. The issue before us now is whether we can at least do something to mitigate the harm that is caused to those individuals and those regions of the country that are least able to overcome them.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I yield time to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I ask unanimous consent for leave to speak 10 minutes and I shall probably do it in less.

Mr. DOMENICI. Mr. President, the Senator does not need unanimous consent. We shall give him 10 minutes on the bill.

Mr. SPECTER. I thank the Senator from New Mexico.

Mr. President, I support the amendment now pending on the floor, both because of the important programs which it involves and, more fundamentally, because I believe it is a signal that there is due consideration by the United States on very severe changes in budgeting which are being affected by the resolution which is now before this body.

I think that the Budget Committee has done a remarkable job in fashioning the resolution which is before us today. I believe that, beyond the work of that committee, it is very important that consideration be given in greater detail by the Senate as a whole and the amendment which has been proposed has been fashioned after very substantial deliberation and consideration. In my judgment, it is a very modest reinstatement of funding on a very few lines and ought to be adopted.

Mr. President, I have grave concern about the timetable that the Senate has followed in coming to the judgment which it has and which it will doubtless conclude within the course of the next day or two. It was only on February 18, when President Reagan delivered his state of the Union speech, that we had the outline of his proposal. Then, until March 10, we had some further specification of facts.

It is my view that the people in this country have very little understanding of the scope of what is going to happen as a result of the resolution of reconciliation process which, I think, will soon be passed by the Senate and doubtless will be agreed to in some substantial form by the House and will become law.

I have spent a day in Pittsburgh and a day in Harrisburg and a day in Philadelphia, talking to people in various groups—from the business community, from the labor community, blacks, farmers, mayors, elected county commissioners.

I found there is, at the moment, relatively little understanding of the scope of changes which are going to be occasioned by what will result from this matter which we are now considering.

I believe that when the full effect of this resolution is felt, there is going to be a sharp amount of dismay around the country. Nevertheless, I think that it is important that the President's figures be adhered to, because of the very desperate economic status which confronts the Nation. I think those who have spoken—and eloquently, indeed, they have spoken—about the necessity for budget cuts so that we can move against inflation and move against the interest rate and move against unemployment, are exactly right.

But in this complicated admixture, I do believe that it is important that this body give consideration, in some greater detail than has been considered up to the moment, to the impact of these cuts on the people who have received these services and have come to rely upon them for a great many years and, it may well be, have come to rely upon them in a way

which is totally adverse to the national welfare.

I do think that the amendment which is now pending before the Senate is a modest reinstatement of some items in categories which are very, very important, in categories which have a broad national effect so that they are not regional in import. I believe it will serve as a signal to those who will be significantly affected by the budget cuts that there has been careful consideration and there has been an effort to do what is possible and what is practical by the Senate within the constraints of the President's program, which, I think there is virtual unanimity, should be adopted, with some regard for those who are going to be affected.

For those reasons, Mr. President, I support this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I ask unanimous consent that Messrs. BRADLEY, METZENBAUM, BURDICK, HART, EAGLETON, MOYNIHAN, and SARBANES be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, how much time does Senator SARBANES want?

Mr. SARBANES. Two minutes.

Mr. CHAFEE. I yield him 2 minutes on the bill.

Mr. SARBANES. I thank the Senator for yielding.

Mr. President, I rise in strong support of this amendment.

Mr. HOLLINGS. Mr. President, I yield such time as is necessary to the Senator from Maryland.

Mr. SARBANES. Mr. President, I thank the Senator.

I want to underscore two parts of this amendment, Mr. President:

First, that part which restores funds for the urban development action grant program. This program has been a tremendous stimulant to economic development and to jobs creation, the very objectives which everyone is asserting we wish to accomplish in the Nation. It is a program which has been particularly successful in obtaining private investment for projects in areas of economic difficulty and has led to permanent employment for many of our Nation's citizens.

The UDAG program is a program that has worked extremely well in my State. It has met its objectives, and it should be continued. In the short time the program has been in operation, almost half a million jobs have been created nationwide, of which just under 300,000 are permanent.

The UDAG has been most successful in leveraging private investment. For every dollar of Federal money, more than $6 in private funds have been invested, totaling roughly $12 billion nationally in private investments. It has helped to strengthen the economic base of countless numbers of cities across the country.

Maryland participation in this program has been enormously successful. We have the highest investment ratio in the Nation. For every Federal dollar that the projects have received in Maryland from the urban development action grant program, private industry has provided just under $9. We have almost a 9-to-1 leverage ratio with respect to the urban development action grant program. It is a program which has worked well to bring forth private investment, jobs, and a strengthened economic base.

I urge the Senate to approve this amendment and to carry forward this very important program.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the National Journal of March 21, discussing economic development aid and particularly the urban development action grant program.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECONOMIC DEVELOPMENT AID—SHELL GAME OR THE KEY TO URBAN REJUVENATION?

(By Rochelle L. Stanfield)

BALTIMORE.—The signs are everywhere: the shoppers and lunchtime crowd strolling through the new waterfront shopping mall called Harborplace; the construction crews completing work on a hotel and city aquarium; sweet, rich odors issuing from a spice factory. This city, 10 years ago a crumbling symbol of urban distress, is rejuvenating itself.

The reason is what city planners call economic development: public investment to stimulate private business as a means of reversing decline.

For Baltimore, a significant portion of the public investment came from Washington. Democratic Presidents and Congresses have pushed federal economic development programs for 20 years, and President Carter made them central to his urban policy.

But now the President is a Republican who believes in turning such responsibilities back to the cities. After all, he might point out, when the construction of the Baltimore & Ohio Railroad in 1828 helped this city's harbor recoup some of the business that the Erie Canal had siphoned off to New York, the public money that supported the project was local, not federal.

In the view of Dave Stockman, director of the Office of Management and Budget (OMB), that's the way economic development should always work. Even when federal economic development assistance succeeds, he argues, it does so only at the expense of over-all national economic growth. "We have a great shell game going on here," he told the House Public Works and Transportation Subcommittee on Economic Development on March 11, "but I'm not sure who is helped."

Local officials here believe they are helped—and that they need the special attention that Stockman opposes. "There is a naive assumption that general economic growth will improve the economic condition of everybody, including cities," said Bernard L. Berkowitz, president of the Baltimore Economic Development Corp., who, when he was the city's physical development coordinator, guided Baltimore's economic development strategy. "Our experience over the last 20 to 30 years contradicts that."

Berkowitz may have not real allies in the Reagan Administration, but some are more sympathetic than Stockman. Housing and Urban Development (HUD) Secretary Samuel R. Pierce Jr., for example, feels that while the cities should bear the major responsibility for economic development, a federal role remains.

For the moment, Pierce seems to have made some impact on White House policy. In the budget that he submitted to Congress on March 10, President Reagan proposed eliminating the Commerce Department's Economic Development Administration (EDA), whose 1981 budget is $668 million. But he modified an earlier proposal to submerge HUD's urban development action grant (UDAG) program by combining it with other grants, deciding instead to keep it going at least through 1982. At the same time, however, he cut the UDAG budget from $675 million to $500 million and trimmed or eliminated many of the 65 other federal aid programs that support economic development activities.

The decision to save urban development action grants followed a fierce response to Reagan's earlier proposal. No similar support has developed for EDA—but it may.

"The country is in the mood to cut, but no one has lost their job yet," said Baltimore Mayor William Donald Schaefer. "Come April 1, when we have to lay off 300 to 500 employees because of these cuts, you'll begin to hear a loud cry."

FEDERAL INTERVENTION

When economic development programs work as intended, they help provide the elements necessary for private investment—competitively priced land, public facilities such as sewers and roads, an attractive local tax structure and a skilled labor force. Reagan's proposed cutbacks in economic development assistance surprised many urban advocates who believed he would appreciate programs designed to stimulate private enterprise.

"People prematurely thought this Administration would like economic development programs, but economic development is government intervention, and they like no intervention at all," said William B. Stafford, intergovernmental assistant to the mayor of Seattle, Wash.

Reagan outlined his approach to economic development in his Feb. 18 message on the economy: "We believe we can do better just by the expansion of the economy and the job creation which will come from our economic program."

A corollary holds that economic development programs don't really stimulate employment. "EDA doesn't create jobs," Stockman told the Economic Development Subcommittee. "It reallocates them."

OMB's "black book" of proposed budget cuts, which circulated in Congress in February, argued that this reallocation is downright harmful. If an urban development action grant influenced an employer to locate in a city, it said, "it would impose an economic cost on the over-all economic efficiency of private-sector investments. In theory, the UDAG program compensates the private sector for shifting investments to high-cost or less economically efficient areas. This reduces the net economic (although not necessarily the social) gains from any given amount of investment."

Urban advocates have no use for this line of reasoning. The federal government couldn't withdraw from local economic development even if it wanted to, they argue. For every conscious federal effort to promote economic development in particular cities or regions, there is a "neutral" federal program with important effects on local economies, such as highway aid.

"Market forces don't account for all the difference between growing and declining areas," said Robert C. Embry, assistant HUD secretary for community planning and development during the Carter Administration and now a partner in a Baltimore energy conservation firm. "Federal money has been very important. Where would San Diego be if not for all the federal spending on military bases there? And Houston, if not for the oil depletion allowance?"

"The federal government has created some of the imbalance," added M. Walter D'Alessio, executive vice president of the Philadelphia

Industrial Development Corp. "Government has some responsibility to resolve the problems."

William W. Blunt, Jr., a Washington consultant who headed EDA during the Nixon years, wonders about the logic of aiding individuals, as Reagan proposes, by retaining "safety net" programs such as social security and medicare, but not supporting the economic bases of the cities in which they live.

"Wouldn't it be more consistent to figure out a way to help the marketplace, through marginal incentives, to provide people with jobs?" he asked. "That's what the Economic Development Administration programs do."

Even if Reagan is able to pump up the economy, some local officials doubt that the benefits would be distributed in the best possible way. "Say the tax cuts and deregulation give confidence to the investors and a lot of economic development happens in the cities," said Seattle Mayor Charles Royer. "I frankly would rather have UDAG so we could give that development some direction, have something to say about who benefits."

ACTION GRANTS

So would a lot of other city officials. In fact, action grants, which were authorized only in 1977, have quickly become the most popular form of economic development assistance.

Only about half the nation's localities are sufficiently "distressed" to apply for action grants, and HUD by no means accepts all applications. HUD officials say they insist that local governments obtain promises of at least $2.50 in private investment for every federal dollars; in practice, they say, private industry invests $6 for each action grant dollar. Through the first three months of fiscal 1981, HUD approved 963 action grants for about $1.8 billion.

Here in Baltimore, Equitable Trust Co. planned an office complex and convention center in the inner harbor development area but would not go ahead unless another company built a hotel. Hyatt International Corp. had considered building a hotel but feared it would lose money. So an action grant provided a second trust to assure a profit even if the hotel's occupancy rate was only 65 per cent, and on the strength of that, the Rouse Co. built the shopping mall called Harborplace.

"Not many people realize that no federal money went into Harborplace," said Embry. "And all the money that went into the hotel is being paid back."

Because of success stories such as Baltimore's, action grants have attracted the support of city and state officials, neighborhood groups, civil rights organizations, bankers and developers. "If that many constituencies are for a program, it must be doing something right," said Sandra B. Solomon, government affairs director of the National Urban Coalition.

Supporters were taken by surprise when Stockman recommended the program's termination. "I didn't realize it was so controversial," said Embry. "It had fairly universal praise, and Congress increased its budget [from $400 million to $675 million in 1980] at a time of fiscal austerity."

But the program is not without its detractors. "UDAG reinstates all the ugly aspects of grantsmanship: long lines, expensive consultants, furtive efforts to know the decision maker . . . and no certainty that the communities in need will succeed," Carla A. Hills, HUD Secretary in the Ford Administration, wrote in a letter to The Washington Post on Feb. 21.

After its enactment in 1977, neighborhood groups were skeptical of a program they believed to be developed solely to benefit downtown development, the recipient of much of the early money. Neighborhood advocates complained that a disproportionate amount of the funds helped build hotels, and some called it federal aid for Hyatt. But Embry said that of the nearly 1,000 action grants made during the Carter Administration, only 90 assisted hotel construction and only five of these were for Hyatts.

In 1978, Congress disarmed the neighborhood organizations by setting aside a separate pool of action grant money for neighborhood projects. Although some of its members remain wary, the neighborhood movement is part of the constituency clamoring for the continuation of the program.

Nonetheless, Stockman picked up on this problem in his black book, arguing that "this categorical program exposes the federal government and the Administration to local criticism and objections to particular development projects. There has been adverse publicity in the past over excess emphasis on some types of projects (e.g., luxury hotels)."

Neighborhood groups have also complained that action grants create mostly dead-end jobs, such as those required to operate a hotel. But Embry believes that's the price for making work for the unskilled. "The more upward mobility you build into the jobs," he said, "the fewer poor people will be hired for them."

Others deny that most of the jobs are dead end. Royer points to a $250,000 action grant that enabled Fluorocarbon Inc. to finance a $900,000 expansion and remain in a low-income section of Seattle.

"Fluorocarbon employs 325 people, two-thirds of whom walk to work," said Royer. "The action grant saved those jobs, skilled and unskilled, and will create 70 new jobs as the company expands. Otherwise, the company would have moved out of the city."

Another criticism of the action grant program, leveled by the General Accounting Office (GAO) in early 1979, is that the development supported by the grants would often have occurred without them. Stockman made a similar charge in his black book.

Program advocates are quick to respond, however, that the grants are critical to their economic development packages. "The hotel was essential to our inner harbor development," said Schaefer. "And the developer would not put up the hotel without that UDAG."

Although HUD requires cities to certify that potential development projects would not go ahead without action grants, the proof is difficult to supply. And even if a city can show that an investment would not be made in a specific location in the absence of federal funds, it is nearly impossible to show that the investment would not have been made somewhere else.

The congressional sponsors of the action grants "did not intend for these subsidies to attract funds from the suburbs into a central city," Dennis J. Dugan, associate director of the GAO's program analysis division, told a Princeton University conference late in 1979. "So the question is whether this is new investment that will actually be created or whether it would be created elsewhere in the economy."

D'Alessio says the competition for investment is not necessarily with the suburbs but sometimes with foreign countries. He points to a $1.5 million action grant with which Philadelphia enticed the Budd Co., a maker of rail cars, to remain in Philadelphia and retool. The alternative was for Budd to give up the rail car business and let its business go to Kawasaki of Japan, according to D'Alessio. "So Budd invested $20 million and UDAG put in $1.5 million and now it's able to supply rail cars to Korea," he said.

For city officials, Stockman's toughest criticism is that action grants for the most part duplicate what the cities can do with their community development block grants.

The Reagan Administration prefers the block grant approach. "The UDAG program, with its emphasis on intensive, direct federal intervention in local investment decisions, is inconsistent with the basic block grant philosophy of delegating decision making," Stockman's black book asserted.

In general, the mayors agree. But in this case, they appreciate the fact that because not every city receives action grant money, those that do get more than their proportional share.

"UDAG says to private industry, 'If you put in $100 million, we'll put up $10 million,'" Schaefer said. "But if all you get [from the federal government] is $1.95, that doesn't help very much."

Embry argues that a heavy federal hand is what makes UDAG projects successful. "The applications that come in and the projects that are finally agreed to are like night and day," he said.

After the cities protested Reagan's announcement on Feb. 18 that he favored folding action grants into the community development block grant program, the Administration backed off. For 1982, Reagan's revised budget sets aside $500 million for action grants as a discrete piece of the $4.17 billion block grant program.

But the action grants' future beyond 1982 remains in doubt. Pierce told reporters he was thinking about folding them into the "urban enterprise zone" proposal that the Reagan Administration is preparing as a means of using tax and regulatory breaks to attract business to distressed areas.

"Although UDAG may have been successful," he said, "in combination with enterprise zones it may be even more successful."

EDA PROGRAMS

If many local officials howled over the prospect of losing action grants, few of them so much as whimpered at the proposed termination of the Commerce Department's Economic Development Administration. That may have been out of recognition that only one of the two programs could be saved and that EDA grants are spread much thinner than the action grants.

Whatever the reason, the silence may have prompted Reagan to single out EDA in his televised speech on the economy on Feb. 18.

"By terminating the Economic Development Administration, we can save hundreds of millions of dollars in 1982 and billions over the next few years," he said. While no "consistent evidence" shows EDA's success in creating jobs, he added, it has been "effective in creating an array of planners, grantsmen and professional middlemen."

While EDA's budget is about the same size as that of the action grants program, its scope is much broader because of its technical assistance program, which helps localities develop the capacity to package economic development deals and to make the city inviting to private business.

"EDA is the only agency of the federal government that can provide that kind of assistance," said James T. Peterson, a former EDA official and now the executive director of the Council on Urban Economic Development, which lobbies on behalf of local development officials and consultants. "UDAG is a deal. It's important, but it doesn't add to the environment conducive to investment."

Cities use EDA grants primarily to build public facilities—access roads, sewer connections, parking garages—that industry needs to operate. Baltimore is getting about $10 million over three years to assist in the development of half a dozen industrial parks.

Without federal aid, Berkowitz said, these developments would have been impossible. "No private developer would undertake our Fort Holabird or Raleigh industrial parks without the EDA funds that paid for the infrastructure. It's highly unlikely that the city would have had the funds available to carry those projects out."

The Reagan Administration complains that so many areas of the country are eligible for EDA assistance—currently about 80

percent—that the money cannot be concentrated where it is most needed. But it is precisely this feature that has made EDA popular in Congress, whose Members relish the opportunity to cut the ribbons on all the facilities built by EDA funds.

In fact, the House 11 years ago inserted a provision into EDA's authorization that forbids the removal of any locality once it has been declared eligible for EDA support. Only about 60 percent of communities are now statistically eligible for EDA grants, but another 20 percent continue to receive funds because they were once eligible.

"We've always been plagued by the ambivalence of wanting to concentrate resources on truly needy areas and the need to build political support," said Harold Williams, the acting assistant Commerce secretary who runs the agency.

The Senate tried in 1979 to limit eligibility, but the House wouldn't go along. That was one of several issues that scuttled legislation to reauthorize EDA and forced Congress to enact stopgap authority that expires on Sept. 30.

That will simplify the Administration's effort to kill the agency. Already, OMB has frozen EDA spending in advance of a request to Congress to cut off its spending authority for the rest of this fiscal year.

But others aren't ready to write off EDA yet. A small bipartisan phalanx of supporters in the House lectured Stockman on its virtues at the March 11 hearing of the Economic Development Subcommittee. In the Senate, former Environment and Public Works Committee chairman Jennings Randolph, D-W. Va., and former Regional and Community Development Subcommittee chairman Quentin N. Burdick, D-N.D., are mounting a campaign to save EDA. But their view is not expected to prevail.

ENTERPRISE ZONES

Despite the Administration's opposition to action grants and EDA, its officials maintain that they favor federal support of economic development activities and are preparing an American version of the British program of "urban enterprise zones."

Reps. Jack F. Kemp, R-N.Y., and Robert Garcia, D-N.Y., introduced enterprise zone legislation last year that would have reduced taxes and regulatory burdens of businesses located in distressed areas. At a recent National League of Cities meeting, Kemp said he did not want an enterprise zone program to replace other programs or to be set up as a short-term experiment.

Economic development advocates complain that enterprise zones would do nothing to assist in the acquisition of land or public facilities or to train skilled workers. In a paper prepared last year for HUD, George Sternlieb, director of Rutgers University's Center for Urban Policy Research, wondered whether the program might create tax havens for industry without spurring job opportunities.

At the League of Cities meeting, Kemp conceded that he would be "hard pressed to give a date certain when so many jobs would be created. This is a general philosophical statement."

But as an approach to government, it seems to be the direction that the Administration wants to take.

Mr. SARBANES. Mr. President, I also wish to underscore the portion of the amendment to restore funds to the low-income energy assistance program and the weatherization program.

I support the restoration of funds to the low-income energy assistance program and the weatherization program. The administration has recommended that both programs be put into block grant programs and suffer a large cut in funding. These cuts, approximately $450 million in low-income energy assistance and $440 million in weatherization assistance, come at a time when the Labor Department recently announced that the Consumer Price Index increased by a full percentage point last month due to the rising prices for oil and gas that resulted from the President decontrolling domestic crude oil on January 28.

The dimensions of the problem are staggering. The upward spiral in the prices of petroleum products that began 3 years ago has led to increases in home heating oil from 48.5 cents in January 1978 to $1.26 last month, an increase of 260 percent. The average price for a gallon of heating oil increased 11 cents in just the month of February with the Washington area experiencing the highest heating oil price averages in the Nation at $1.30 a gallon.

Congress authorized the low-income energy assistance program and the weatherization program at a time of unprecedented energy costs in order to help America's citizens maintain a minimal level of heat in their homes for their health and safety. The impact of the heating increases has not been gradual. It struck with full force when the first heating bills of the 1979–80 season came due and will strike with an even greater force when the next heating season starts. The times have not changed to warrant a reduction in this assistance.

With these increases, many families face the distressing dilemma each month of whether to pay for food, health care, or heat. Rising energy costs are taking a bigger share of every family's budget. All Americans are adversely affected by the higher costs of heating oil; but an acute impact is felt by lower income citizens, elderly persons living on fixed incomes, the handicapped, as well as millions of working Americans.

The rising energy costs are further compounded by certain factors which bear disproportionately on lower income households. Credit and deferred payment plans are less likely to be available, and lower income homeowners are less likely to have the resources or to be able to obtain the loans necessary to undertake energy-saving home improvements. Housing stock is likely to be older and less well-built, therefore less energy-efficient and more in need of energy conservation measures.

Studies have shown that conservation does save energy. A Princeton University study in July 1979 states that a successful conservation effort could—

By the mid to late 1980's save half the energy now consumed for space heating, equivalent to two and one-half million barrels of oil per day or two-thirds of our present dependence on Arab and Iranian oil.

At this time of increased energy prices and dwindling energy resources, we should continue to pursue methods of preventing the unnecessary usage of energy through conservation and weatherization programs. Adequate assistance should also be available to those who are unable to provide the necessary level of heat that insures their health and safety.

Mr. President, I thank the distinguished Senator from Rhode Island for sponsoring this amendment. I urge the Senate to approve it.

Mr. WEICKER. Mr. President, I yield myself 10 minutes on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I yield 10 minutes to the Senator.

Mr. WEICKER. Mr. President, I am a cosponsor of the Chafee amendment to Senate Concurrent Resolution 9, the reconciliation resolution. I believe it represents a balanced and cost effective package of restorations which vastly improves this legislation. It is the business of Government to make those critical investments in the Nation's strength that otherwise would not be made. This amendment addresses six programs which make a valuable contribution to the well-being of our citizens and the long-term strength of our economy.

First, Mr. President, the amendment would make a restoration of $300 million in budget authority and outlays for both fiscal year 1982 and fiscal year 1983 for low-income energy assistance and $50 million in budget authority and outlays in fiscal year 1982 and fiscal year 1983 in low-income home weatherization.

These programs were created to help offset the harsh impact of rising energy costs on the poor, the elderly, and the handicapped. My colleagues may recall that initially it was the intent of the House-Senate conference that 25 percent of the windfall profit tax-revenue be dedicated to low-income fuel assistance alone. To that end, we authorized more than $3 billion for fuel assistance in fiscal year 1981. Yet, barely half that amount was appropriated and now even that small effort is being attacked as too lavish. For the family at, or barely above the poverty level, the family spending 25 percent to 35 percent of its income on energy, this program holds out the hope of survival until we finally develop a sound energy policy and restore a vital economy.

One essential part of a sound energy program must be an expanded and effective weatherization program. Such an effort has and must continue to provide the opportunity for the longer term beneficial effects available through conservation. We have recognized this opportunity for the middle and wealthier classes by providing numerous tax incentives for weatherization and other forms of residential retrofit, the low-income weatherization program has simply extended this concept—on a very modest basis—to the poor, the elderly, and the handicapped. Clearly, as weatherization takes effect the demand for fuel assistance will moderate and energy demand can be reduced.

Together, these programs—modest though they be—hold out the hope that the poor, the elderly, and the handicapped will not freeze in Hartford or fry in Houston while the Government gropes about for an energy policy.

Second, the Chafee amendment would add the following amounts for elementary and secondary education: $575 million in budget authority and $60 million in outlays in fiscal year 1981; $500 mil-

lion in budget authority and $450 million in outlays for fiscal year 1982; and $700 million in budget authority and $575 million in outlays for fiscal year 1983. These additional funds will allow for the maintenance of the Federal Government's commitment to insure a free and appropriate education for handicapped youngsters. This commitment, only recently made, and even more recently honored, says to school age boys and girls who happen to be handicapped, that their special needs will be met and the special help that will allow them to realize their full potential will be available.

Third, the amendment proposes restoration of $150 million in budget authority and $50 million in outlays for fiscal year 1982 and $200 million in budget authority and $175 million in outlays for fiscal year 1983 for preventive and community health block grants. These funds would add to the amounts proposed by the Reagan plan for such services as home health, community health centers, mental health services, and a number of preventive health programs, and make an important contribution to meeting the health care needs of the American people.

Fourth, the amendment would restore $200 million in budget authority and $25 million in outlays in fiscal year 1982 and $300 million in budget authority and outlays for fiscal year 1983 for urban mass transit capital grants and operating assistance.

Through the passage of the Urban Mass Transit Act, Congress has committed itself to encouraging the development of State mass transit programs. Under the administration's proposed reductions for transportation, operating subsidies are to be reduced by 30 percent a year starting in 1983 and capital assistance is to be limited to existing rail modernization programs and purchasing buses. Such drastic reductions in operating subsidies will be borne by the taxpayer through fare box increases and higher State and local costs. In order to maintain vital mass transit services, the States need time to redirect their resources and services. Thus, a more gradual reduction in funding, through passage of the Chafee amendment, would ease the transition period for States.

Finally, Mr. President, the pending amendment provides for an increase for UDAG/CDBG housing grants of $300 million in budget authority in fiscal year 1981, $98 million in outlays in fiscal year 1982, and $128 million in outlays in fiscal year 1983. This amendment seeks to provide the most successful urban development program enacted by Congress with the funds necessary to continue program activity.

Since its activation in 1977, this program has generated $172 million in private investments in the most distressed areas of Connecticut alone. The key to this success has been this program's ability to bring together both public and private interests in a cooperative effort to revitalize urban areas. This program has created thousands of new permanent jobs, rehabilitated deteriorated housing as well as stimulated new housing construction, expanded tax bases for municipal governments, and regenerated a spirit of urban vitality in cities such as Hartford, Boston, Baltimore, and Chicago.

Mr. President, these programs which the Senator from Rhode Island has identified in his amendment are, without exception, sound and effective instruments through which the Federal Government provides for those in special need and reinforces the economic fabric of the country. They represent investments which pay back concrete dividends in the equity and efficiency of our economic system. It would be shortsighted indeed, Mr. President, for us to bankrupt such programs in the name of economy. I urge adoption of the amendment.

Mr. President, the Budget Committee has many functions but substance or looking into substance is not one of them. The Budget Committee deals with the bottom line dollar figure, and I might add that that is the same exercise engaged in by the Office of Management and Budget.

It is very clear to those of us on the authorizing and the appropriations committees that the Office of Management and Budget did not look into the substance of programs to achieve the administration's figures. I have no quarrel with that, so long as somewhere along the line in this procedure someone does look at substance.

The next thing we have are the figures going to the Senate Budget Committee, again with no interest in substance. I have no quarrel with that, so long as somewhere along the line inquiries are made as to the substance. That time was when various presentations were made both before the authorizing and the appropriations committees.

When inquiry after inquiry was made of those representing the administration as to why a particular program is being cut, no answer was forthcoming, except that they were given a dollar figure, and that is not a reason. That might be part of the reason in an overall economic game plan, but it is not the reason for either excluding or increasing money for a particular program, a particular agency, a particular project.

Quality should have a bearing on whether those moneys are retained or eliminated, whether or not a particular mission is achieved. Quality is a reason for eliminating or increasing moneys appropriated. But substance has been totally lacking from this argument on economics and on the budget, on the economic condition of the Nation.

There is a great deal of difference between investments that the Federal Government makes and giveaways, money that is conceived as going down a rathole. Investments that bring a far greater return in terms of productivity, in terms of the gross national product, in terms of the enhancement of the human condition have been totally lost in this argument.

Now we have before us the amendment of the distinguished Senator from Rhode Island. After much thought and after much precision of inquiry as to substance, he comes forth with this amendment, and we are asked to defeat it in the name of some figure that started off on this chain from the Office of Management and Budget to the Budget Committee of the Senate—a simple bottom-l ne dollar figure.

That is no reason to oppose this. Why is it that the opponents of this amendment cannot get up here and say how UDAG has not worked? They cannot, because it has. Or why the investment in elementary and secondary education has not worked. It has. No argument can be made against it.

So on down the list—in the name of "because the administration sends it to us, because the Budget Committee set a dollar figure." I have yet to see any rational arguments presented against this amendment—certainly no arguments of substance.

Earlier in the day, somebody made the comment that this amendment of the distinguished Senator from Rhode Island was business as usual. I will tell you what was business as usual in this whole budget exercise—the fact that the Defense Department gets its way with nary a question. If you want to talk about business as usual, that is the biggest part of the budget, and that was business as usual.

There is not one of us here who feels that if you look into the various aspects of fraud and abuse in the agencies of Government, you cannot apply a percentage to each agency. The difference is that if you talk bottom line figures and apply that percentage to the budget of the Defense Department, you get the biggest dollar figure at the bottom line.

If you are going to scrutinize a budget, if you are going to examine it by a set of criteria that relies on what is achieved, then that scrutiny must be applied right across the board.

Let me give an example of the contradictions between what the administration is saying in terms of its general policies and what it is doing in terms of economics.

The administration says that national security in the defense of this Nation is of the highest priority, while this administration cuts the budget for education and for science.

We are never going to outman the Russians. That is a biological impossibility. You are never going to put your hardware hub to hub to the extent they do.

The great offensive weapon of this Nation, the great advantage we have enjoyed always, sits up here in the minds of Americans, which give us technological superiority, which make up for what we do not have in terms of manpower or in terms of inanimate weapons of conflict.

So, while at the same time you are saying that national security and defense are of the utmost priority, you cut back on those budgets that in effect have established the greatest advantage in terms of security and in terms of defense, in terms of our preeminent position in the world. What kind of sense does that make?

Where will the technological superiority of this Nation go when you cut back on education, when you narrow the

scope of what it is our young people can learn?

I recall that at the time of the decontrol argument, in the midst of the energy crisis—which I believe we are still in, and which probably has more to do with our economic instability than whatever it is the Government is or is not doing—I recall during that debate a person saying that we have to up the supply side of energy, and I agreed with that. We have to put the capital into the hands of private enterprise to bring more of the product on stream. I agreed with that.

But I said in addition to producing more we have to use less, and there is only one way we are going to do that and that is to conserve. Everyone said that decontrol, which I voted for, will raise the price and make people conserve.

That is fine, except for those who cannot afford the price of this basic necessity of life. So it was agreed at that time that whereas we take care of the supply side we would also take very special care of those who would be hurt by that decision. That was the genesis, if you will, of low-income energy assistance. It was not a giveaway program. It was meant to compensate for another policy that was agreed upon by this body. They are saying that now that we have decontrol and the capital is in the hands of private enterprise, now let us forget about that whole disadvantaged segment of our society.

This is the substance that has not been debated on this floor. This is the substance that was never a matter of consideration of the administration as they went through their budget. But this is what needs to be talked about.

This proposal of my distinguished colleague from Rhode Island is modest indeed. It recognizes the economic difficulties that the Nation is in and which were also pointed out by our distinguished colleague from Massachusetts.

The PRESIDING OFFICER. The 10 minutes have expired.

Mr. WEICKER. I request 3 additional minutes.

The PRESIDING OFFICER. Who yields 3 additional minutes to the Senator from Connecticut?

Mr. DOMENICI. I yield 3 additional minutes.

Mr. WEICKER. I thank my distinguished colleague from New Mexico.

As was pointed, about 94 percent of the President's request has been granted. Is everyone afraid to move as far as the remaining 6 percent is concerned? Everyone talks about a mandate. I know about the mandate of the election of 1980. I will tell you what the mandate was. It was very simple and narrow. It was a rejection of an incumbent President who was perceived as being incompetent. That is No. 1. And, No. 2, the blue collar workers in this country, most of whom are Democrats, either were out of work and wanted to get back into the work force or wanted to have their paycheck mean something, so it was narrow in an economic sense. We did not go ahead, the Nation did not go ahead and vote against education. We did not vote against the cities. We did not vote against the poor, and we did not vote against those that are ill.

There was no rejection of the social conscience that is this country, and my friends on this side of the aisle make a big mistake if they misinterpret those election results because, believe me, we will be a majority for a very few days indeed.

I hope that everyone is through clicking their heels and obeying orders from on high, that we all start to function as U.S. Senators and understand what it is that our constituencies look for.

Understand, for example, that if an economics argument is made on this floor on the basis of inflation and the economy, we will stand up and say, all right, defense spending is the most inflationary of all.

No one is seeking to cut back on defense. What we are saying is apply the same criteria to defense as we have in every other program of Government which has gone under the microscope.

Do not just take your cues from someone's campaign or philosophical slogans.

Indeed what is at fate here is not a political party but human lives. If we can cut back in some of these areas, and education stands out in my mind, decisions made for 1 year or 2 will have their impact 10 years, 12 years, and 15 years from now. Then we will not be able to catch up.

So I hope that we join on both sides of the aisle in passing this amendment and restoring the Senate as an equal partner in the decisionmaking process rather than continuing to go by the Teutonic philosophy that orders are orders. The mind is what is important, not the ability to raise one's hand in agreement.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

The Senator from New Mexico.

Mr. RIEGLE. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield sufficient time on the resolution to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. President, I have great regard for my colleague from Connecticut, but I was wondering why he was looking at this side of the aisle when he was talking about the short-sighted reduction. Many of us on this side have tried in the Budget Committee to do something about the problems that he spoke about. Many of us share his sentiments and his concern. I know there may be some things about this side of the aisle that do not look completely attractive, but I will help the Senator move his desk over here because we would like to have him on this side. He is sitting right on the aisle there. He is not that far away. It will not be a long move.

He has raised some important points.

Mr. President, I rise as a cosponsor of the amendment, although I feel the amendment does not go far enough to correct or correct the severe regional inequities that are imbedded in the budget resolution before us. I am sure that some of my colleagues on that side of the aisle know that the amendment does not go far enough. The Senator from Rhode Island (Mr. CHAFEE) and the Senator from Pennsylvania (Mr. SPECTER) and others have just spoken with feeling and perceptiveness about the defects of the budget document as it is presently before us. It would do damage to some areas of the country and to some groups of people, while other areas and other groups would not be asked to bear their share of sacrifice. Senator CHAFEE's amendment will help correct some of those defects. It certainly by no means solves all those problems.

I do not know why the Budget Committee on the basis of very little discussion or analysis recommended cuts that went even below those recommended by the President.

This amendment would still leave the Senate's budget resolution harsher than the administration's recommendations.

Mr. President, I support reductions in Government spending at about the level recommended by the President. I have serious objection, however, when I consider the details of how the administration recommends that we make these cuts. It is clear that many of these recommendations are based on very sketchy and glib analysis.

Mr. RIEGLE. Mr. President, I know that my colleague from Rhode Island (Mr. CHAFEE) and my colleague from Pennsylvania (Mr. SPECTER) have both played important roles in the Northeast-Midwest coalition. I am privileged to serve with the Senator from Rhode Island as a cochairman of the Northeast-Midwest coalition.

They will both understand the devastating significance of the fact that the administration's package of budget cuts was put together without any analysis whatsoever of its probable impact on different regions of the country.

The Budget Director, Mr. Stockman, was asked for his analysis of how different regions would be affected by what he is proposing. He was frank to say that no regional consideration or plan went into this document. He admitted that OMB and the White House made all of these sweeping recommendations without ever considering how they would hit different regions of the country, different States with different problems.

In the Budget Committee we asked Mr. Stockman if OMB would do a careful regional analysis after the fact. He promised that he would or that Senators could take those issues into consideration when the Senate developed its budget. We are still waiting for that analysis. We have not gotten it yet.

I would not be surprised if we never get a solid analysis from OMB on this issue. The reason why that is unlikely is that OMB's priorities in this budget, as it now stands, do great damage to the Northeast and the Midwest.

These are areas of the country that historically have been massive net losers in the Federal flow of funds. Year after year, Federal taxes have drawn more funds from Northeastern States and Midwestern States than Federal spend-

ing programs have returned. Other regions have been net winners for decades. For instance, from 1975 through 1979, the Northeast and Midwest lost $165 billion through Federal budget policies. The South and West gained $112 billion during that same period. My own State of Michigan has been losing over $7 billion each year.

Some States in our region get back only 66 cents for every dollar that they contribute to Washington, there are other States around the country that get back $1.45.

Our area of the country has been financing its own underdevelopment through this very negative flow of funds. This budget makes that imbalance even worse because the proposed budget cuts will fall heaviest on those programs that are important in the Northeastern and the Midwestern part of the United States.

This amendment before us makes a modest step in the direction of trying to restore some regional equity in this budget.

If we look at the tax side of the administration's proposals, which are not included in the resolution here today, we will find even more imbalance. The administration's ideas about stimulating investment do not address the problems of the Nation's industrial base. The administration's package does not include refundability of the investment to a credit or an extension in the period for a tax-loss carryback. Many of the industries that are concentrated in the Northeast and the Midwest are badly hit by the need to make enormous investments to maintain America's comprehensiveness in the world. Under the administration's tax proposals, these industries will not be able to take full advantage of the tax incentives. Many of our basic industries and companies are presently in a loss position.

We cannot resolve that problem here today, but it needs to be noted because it exacerbates the damage of the uneven set of cuts that is proposed in this budget.

So I support these modest restorations for the low-income energy assistance, for health services, for elementary and secondary education. All of these are vitally needed.

I also support funding for weatherization and mass transit operational subsidies. All of these are important priorities within the budget. I hope we can have a successful vote from both sides of the aisle.

The UDAG program has demonstrated solid results all across the United States in over 1,000 different projects. It has stimulated over $6 of private investment for every single Federal dollar invested, or a total of $12 billion in private investment. It has created and retained 470,000 permanent jobs at a one-time cost of $6,600 per job. That is a very cost-effective record. It has created those jobs in the most needy places in the United States. This program alone has produced over $320 million in annual local tax revenues, or 17 cents of local tax revenue for each UDAG dollar that has been spent.

Mr. President, the administration wants to launch a new policy of turning responsibility back to local governments. It makes no sense to suddenly throw the plans of those governments into turmoil.

Many communities in my own State are stretched financially to the breaking point. They desperately need their community development grant share to meet basic community services. Most will be hard pressed to make a gradual adjustment to lower funding levels. But it is certain that many communities would suffer a severe fiscal blow from a sudden reduction this late in the year.

Under the administration's proposed CD block grant funds would be diverted to carry out activities that are now financed by the weatherization self-help program, the 701 planning grant program, and the section 312 rehabilitation loan program. CD block grants would have to be stretched to cover cuts in those programs of $160 million in fiscal 1981 and $380 million in fiscal 1982.

Therefore, rescinding the CD block grant amounts at this stage of the year simply is not practical, it is not responsible.

That means that the cuts would fall squarely on the UDAG program. Today, the unobligated balances for UDAG stand at $318 million. But rescinding fiscal 1981 funds for UDAG would seriously damage local efforts to create new jobs in economically distressed areas across this country.

Over 450 UDAG applications involving about a billion dollars in requested funding is now pending. Private firms, private lenders, and local communities have invested time and money in bringing these projects to an advanced stage of development. They have in good faith relied on the availability of funds that have already been appropriated. Announcements for the next round of grants, involving about $100 million in projects for large cities is scheduled for tomorrow, April 1—that is only hours from now. The April round of awards for small cities, will be announced only a few weeks from now.

The Budget Committee's proposal would kill a large number of development projects that are ready to go and would produce private sector jobs in distressed areas.

UDAG has demonstrated solid results in over 1,000 projects. It has stimulated over $6 of private investment for every Federal dollar or a total of $12 billion of private investment in recent years. It has created or retained 470,000 permanent jobs at a one-time cost of $6,660 per job. It has produced over $320 million in annual local tax revenues or 17 cents in local tax revenue for each UDAG dollar.

UDAG helps locate new industry in areas where there is much poverty, high unemployment, and weak financial conditions. It creates jobs that reduces unemployment and welfare costs. It makes fuller use of existing roads, water and sewer systems, and other underused infrastructure.

The UDAG program has proven that the Federal Government can act in a timely and sensitive way to reinforce private sector initiatives that strengthen local economies. UDAG gives communities and private firms great leeway in initiating projects that make sense at the local level. A small, highly professional staff helps refine ideas and acts promptly to facilitate private development.

UDAG has received widespread praise from informed analysts.

The House Appropriations investigations staff said UDAG is successful.

A special advisory panel of the Urban Land Institute, comprised of noted private businessmen concluded that UDAG creates new private investment, jobs, and taxes, the private investment would not occur without public aid, and

UDAG is working well.

Dr. James Howell—senior vice president of the first National Bank of Boston, a respected economist and a Republican—testified before the Senate Budget Committee that:

> Over the years, I have come to realize how vitally important grant programs can be to the stimulation of private sector capital formation in cities where the cost of doing business is out of line with other areas and where there is widespread social hardship and poverty.

The Council for Northeast Economic Action studied 11 old New England cities and found that government funds were needed to leverage private investment in 53 percent of all private sector deals—and only three Federal programs accounted for 90 percent of those cases. Those three programs are: industrial revenue bonds; SBA loans; and UDAG.

Local officials and private businessmen who have been involved with UDAG clearly judge it to be a valuable program.

I ask unanimous consent to have letters regarding UDAG printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITY OF DETROIT EXECUTIVE OFFICE,
February 17, 1981.

To: Don Campbell.
From: Dorothy Brodie.
Senator DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I would like to share with you my concern over the current discussions concerning cutting the federal budget through the elimination of the Urban Development Action Grant (UDAG) program and the elimination of or substantial underfunding of programs of the Economic Development Administration. The availability of these programs has been critical in our efforts to revitalize our City and in fact, were it not for these programs, many projects now underway throughout Detroit could not have been successfully undertaken.

The UDAG program, as you know, leverages and stimulates needed private development in distressed urban areas. In cities like Detroit, it has served as a means of reducing the cost penalty that exists to businesses that choose to develop in built-up cities vs. cleared suburban land. Costs such as those associated with the demolition of existing structures, the rehabilitation of buildings, or the relocation of utility lines are but a few examples.

Detroit has most recently used the UDAG program to fund the Central Industrial Park project. This project, better known as the

General Motors Plant Project, is the most important undertaking within the City in recent history. The plant, to be completed before the 1984 model run, will directly employ over 6,000 workers and result in an additional 25,000 workers being employed in related industries thus relieving the human suffering caused by our 16+ percent unemployment rate.

The plant will also serve as the nucleus of a revitalized industrial area both in the cities of Detroit and Hamtramck. The new private investment represented by this project will provide a significant increase in tax base to the City from property, income and business taxes.

The public costs associated with this effort are approximately $180 million. This will provide 465 acres of cleared land to GM within the cities of Detroit and Hamtramck at private costs comparable to those encountered in a "greenfield" suburban site. Without the $30 million of UDAG funds, the public work would have been jeopardized, more likely causing GM to relocate its current Detroit assembly out of our City.

The second project important to the City that would not have been undertaken but for the UDAG funds, is the Washington Boulevard "Trolley Plaza". This residential project is the first effort by the City and the private sector to provide market-rate housing directly in the Central Business District. The 350-unit apartment, now under construction, is serving as the focus for the general revitalization and redevelopment of Washington Boulevard as a major residential and retail area. Shortly after the UDAG funding was provided for the project, an additional 600 residential units were committed to the area and the feasibility of converting the abandoned Heritage Hotel to residential use generated proposals from interested developers. In addition to serving as a catalyst for downtown housing, the project is important for providing the market to the proposed Cadillac Center Shopping Mall.

Finally, the UDAG program has enabled the City to revitalize the Oakman Mall, one of the City's oldest neighborhood shopping centers. Oakman Mall, serving a stable residential area, has been subject to the same market and demographic trends that have resulted in the abandonment by businesses of many commercial areas within the City. Oakman Mall suffered particularly when Sears Roebuck closed their store a number of years ago. The Mall is now being redeveloped with Sears and other tenants occupying renovated retail space. The neighborhood is now looking forward to being served by a fully redeveloped shopping area.

In the three projects where UDAG funds have been critical to funding and particularly to leveraging private funds, EDA funds have also, no less importantly, been involved. EDA's programs are expected to fund much of the demolition and site improvement work necessary to the construction of the Central Industrial Park project. The City has made a pre-application to fund those work items. In addition, the Washington Boulevard Plaza where the Trolley Plaza is being constructed, was constructed as an attractive public activity space providing a residential atmosphere with EDA funds. Finally, Oakman Mall public right-of-way improvements including new lighting and pedestrian ways were again funded by EDA. There are many other examples in the City where EDA funds and UDAG funds have been jointly used to fund public and private portions of projects.

In addition, the City of Detroit, like many other cities across the country, has benefitted from the variety of EDA programs such as direct loans, loan guarantees, public works grants and technical assistance. Without this federal agency's assistance, many economic development activities critical to the business vitality of Detroit would not have occurred.

Critical to Detroit is the recent Auto Community Adjustment Program which the Economic Development Administration has initiated. The current planning phase is to be followed by the award of implementation grants to assist us in the revitalization of our auto-dependent economy.

My support for the continuation of these programs is without reservation. The programs have become a vital part of this and other cities' revitalization efforts. Both UDAG and EDA's staffs understand the challenges and problems which confront urban areas today. I hope that their experience and fine programs continue to be available to assist cities like Detroit in building their futures as economically and socially vital centers to live and work.

Sincerely,

COLEMAN A. YOUNG,
Mayor.

CITY OF HAMTRAMCK, MICH.,
February 13, 1981.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senator, Dirksen Office Building, Washington, D.C.

DEAR SENATOR RIEGLE: The government of the City of Hamtramck and its citizens are thankful and appreciative as the recipient of a 30 million dollar Urban Development Action Grant from President Ronald Reagan's administration. We are hopeful that the additional grant of 5 million dollars will receive approval of the present administration.

This grant will aid our distressed city and alleviate the stress and depression of our citizens caused by the closing of the Dodge Main Plant of the Chrysler Corporation. It will culminate in the building of the new 500 million dollar facility by General Motors Corporation that will result in the preservation of at least 7,000 direct jobs and make their automobiles competitive with foreign imports. If our additional grant is approved, I can assure you of at least 25 million dollars of private investment and an additional 1,000 new jobs in our economy.

In my opinion this is the best federal program to assist industry as the recipient communities must prove and provide a 5 to 1 benefit ratio. If the program cannot be preserved in its present manner, some type of joint funding by local government and federal government should be adopted.

I am confident you will urge your colleagues to preserve this program, which provides a measure of encouragement to our young generation who are seeking employment in the private sector.

Respectfully yours,

ROBERT KOZAREN, *Mayor.*

CITY OF SAGINAW, MICH.
February 16, 1981.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senator, Dirksen Office Building, Washington, D.C.

DEAR SENATOR RIEGLE: The current debate concerning proposed domestic spending cuts, particularly at such cuts might affect the Urban Development Action Grant (UDAG) program, is of supreme concern to the City of Saginaw.

The City of Saginaw, hardhit by the continuing downspiral in the automobile industry with its resultant negative effects upon the local, state and regional economy, stands as a viable example of the positive aspects of the UDAG program, both in what the program has allowed us to accomplish in the past and the potential it holds for our future.

A UDAG loan in the amount of $1.5 million was awarded the City of Saginaw in 1978, that being the amount needed to bridge the financial gap between an economically doable project and one that had remained, with all attendant frustrations, in the planning stage for some eleven years.

Most importantly, HUD's approval of the loan said that the federal government was satisfied that the total $5 million project was sound and manageable and would, indeed, generate additional private investment in the central city, in the instance of the City of Saginaw, a total of approximately $41 million.

I am most pleased to point out that the long-awaited reality of the hotel further resulted in an infusion of positive thinking in regard to our central city which has today transferred into an investment and development climate responsible for a projected total of $130 million worth of new construction and redevelopment.

Additionally, the reality of the hotel was the primary ingredient in the forging of an effective, working relationship, partnership if you will, between the private and public sectors in the City of Saginaw.

That partnership is credited as an influencing factor in our city being able to secure the interest of a Toronto, Canada, based development firm, Aslea, Inc., which today has plans for construction of a major mixed-use project within our central city consisting of new retail, office towers, and public space and with an estimated cost of $61 million.

It is interesting to note that the development, which will have significant and positive economic and social impact upon not only the City of Saginaw but the entire Tri-City area (Saginaw, Midland and Bay City, Michigan), includes plans for a 200-unit hotel as a part of Phase Two activity.

The project, called Saginaw Center and Creations, as perceived will result in some 1,600 new and permanent jobs within our community, as well as create approximately 600 construction related jobs over a ten-year time period.

The earlier hotel project resulted in the creation of 200 new permanent positions and another 100 positions during the construction phase.

It is crucial that I point out that the financial packaging of the project to date centers on the availability of an Urban Development Action Grant in the amount of approximately $5 million, to be leveraged against a projected private investment of some $41 million, for Phase One construction.

The availability of such federal assistance has been a major factor in the City of Saginaw being able to secure the interest and initial planning investment (in the area of some $70,000 for market feasibility studies and architectural concepts) of a firm as strongly qualified as Aslea, Inc., which ranks as one of North America's largest and most successful development firms.

Aside from the potential positive impacts upon the community in the way of more jobs, economic diversification and increased tax base, the hotel project and now Saginaw Center and Commons has been a great boost for all downtown businesses and has created a renewed interest in city investment and development generally.

Put another way, the progress we have made to date could not have been possible without the UDAG program, or the use of public funds to stimulate private investment.

The private-public partnership we have forged to unite the community with a single purpose of economic growth and stability would not have evolved to the point it is today.

To quote from a recent editorial in the Saginaw News:

"Cities such as Saginaw, hoping to energize urban redevelopment, cannot do it by wishing it. The job requires imagination, innovative ideas, energy, support from those with ability to invest, and a lot of cooperation between government and the private sector.

"We've finally seen these elements come together for a new downtown hotel after years of disappointment. It's more than just

a new building. It's a tangible sign of better things to come."

Sincerely,

——— ———, *Mayor.*

CITY OF LANSING, MICH.,
February 9, 1981.

To: Don Campbell.
From: Lansing.
Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: Over the years, there have been some strange programs concocted in Washington, D.C. However, there have been some excellent ones, and these have far surpassed the oddities.

One of the excellent ones is the economic assistance provided by the Economic Development Administration of the U.S. Department of Commerce. Actual positions of employment can be created, or retained, not "make believe" jobs. Not only has the Economic Development Administration assisted us in retaining 1,600 real jobs in one industrial project alone, but the assistance is leading to one of the largest expansions by private industry in the history of the City of Lansing. Officially, the expansion will be announced within two weeks. Imagine, if you will, the tremendous and positive effect such will have on the lives of people, and on the economy of this Capitol City of Michigan!!

Another excellent program is the Urban Development Action Grant Program, first researched by the Ford Administration and implemented by the Carter Administration. U.D.A.G. provides a highly meaningful tool for cities to improve and to create real jobs, through the formula of merging private dollars with public funds.

The City of Lansing has received approval of two U.D.A.G.'s, one for the Number One Block of the Central Business District, which is generating $50 million in new investment, the second for a badly needed, and major housing project just south of the State Capitol Complex.

As a result, the City will greatly benefit in a number of ways:

A new tax base is being created;

Approximately 1,300 real jobs will result from the development of the Number One Block, providing self-sufficiency and dignity for a lot of people;

A whole new interest is developing in our Central Business District and private development is already underway.

Sir, if cities are to survive, the aforementioned are outstanding routes—I commend them to you.

Respectfully,

GERALD W. GRAVES,
Mayor.

DETROIT, INC.,
Detroit, Mich., February 18, 1981.

DEAR SENATOR RIEGLE: We want to strongly endorse the continuation of the UDAG funds in the federal budget. The monies have been essential to the revitalization of Detroit and have been a cornerstone for economic redevelopment, neighborhood stabilization and retaining jobs in our city. Among those projects have been the retention and reconstruction of neighborhood shopping malls and industrial centers. The UDAG program has been among the most effective of all federal programs which have been designed to stimulate a partnership between the private and public sectors in rejuvenating our older cities. $75 million in UDAG grants have generated nearly $300 million in economic activity in our city, and is responsible for the creation and retention of thousands of jobs here in Detroit.

We commend your efforts to retain these vital funds and strongly urge your colleagues and the Senate Budget Committee to support this program.

Sincerely,

WALTER E. DOUGLASS,
Chairman.
JOHN J. RICCARDO,
President.
LINDA KATO.

KEMP, KLEIN, ENDELMAN & BEER,
February 18, 1981.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.
Attention: Don Campbell.

DEAR SENATOR RIEGLE: I am writing you in reference to the Reagan Administration proposal to substantially diminish or abolish the Urban Development Action Grant Program. This program is a categorical grant approach to the serious problems which confront cities today regarding the revitalization of deteriorating downtown central business districts. It is our firm belief that a return to the old "Block Grant" formula as was implemented by previous Administrations would seriously impair the efforts of cities in attempting to arrest this deterioration.

Essentially, the good things that can be said about UDAG far outweight its faults. First of all, the UDAG concept has resulted in a minimum of red tape and a maximum "turnaround time" between the point at which initial discussions with the applicant take place and the point at which the monies are disbursed. Another asset of this program is the fact that a specific amount of that money has been targeted for distressed cities, unlike the effect of the Block Grant Programs of the mid-70's which was to provide significant assistance to wealthier communities and areas which were not distressed. Another benefit which has arisen under the UDAG program is the availability of consulting services for local governments in determining how best to apply the UDAG money in planning and implementing downtown revitalization projects. Finally, the UDAG concept has been highly successful in leveraging the private commitment of investment capital in our most distressed urban areas. This is evidenced by our ongoing "Pontiac Plan".

The most important accomplishment of the UDAG Program from our perspective has been its effect in insulating Mayors from pressure exerted by local community groups. Under the old Block Grant formula, monies disbursed to a locality, became the target of scores of local community groups which insisted upon directing the funds to "pet" activities, such as housing, weatherization, and others. Under the UDAG formula, the monies are earmarked for specific projects. The success of this kind of approach is, again, dramatically demonstrated in the "Pontiac Plan" which is now being constructed in downtown Pontiac with UDAG participation, and which has leveraged private development and created new entry-level jobs.

At this point, I wish to return to a discussion of the adverse effects of the previous Block Grant approach utilized by prior administrations. First of all, monies which were disbursed to localities were not distributed according to a specific pre-selected formula. As discussed above, this fact caused considerable turmoil at the local level as various special interest and community groups vied for control of the funds. Consequently, during the mid-70's Block Grant funding came to be recognized by community groups in Pontiac as a source of housing assistance. This greatly diminished the percentage of the Block Grant funding which could have been devoted to economic redevelopment. In addition, much of the Block Grant assistance was distributed to non-distressed localities—such as Orlando, Florida; Phoenix, Arizona; and Houston, Texas. The UDAG legislation alleviated this problem by earmarking a certain percentage of UDAG funds for distressed cities.

Another drawback of the old Block Grant formula was the fact that it denied funding for several developments in the City of Pontiac which are now eligible for funding under UDAG. Specifically, these projects which were not allowed funding under Block Grant formulas included auditoriums, convention centers, museums, and concert halls. As you may know, an important element in the success of the Pontiac Plan includes the eventual construction of a museum, auditorium, and a hotel-convention center on that site. Consequently, any return to the Block Grant approach to urban assistance would have to take into consideration this additional drawback of the old policy.

In the event that Mr. Reagan's Block Grant formula is accepted by the United States Congress, significant changes would have to take place in order to make it more successful than the program which was implemented in the mid-70's. One recommendation which we would make in this regard is to earmark a stated percentage of Block Grant money (for example, twenty-five percent) for distribution to the State—which could then turn around and distribute that money to localities according to UDAG-type formulas. Another recommendation would be to establish more specific formulas which Washington would apply in providing the funds directly to localities. In other words, a formula for Pontiac would emphasize the channeling of Block Grant money to downtown redevelopment based upon a study of the city's needs made in consultation with City leaders. This would, hopefully, reduce the amount of confusion at the local level which in the past has been brought on by special interests vying for Block Grant funding on behalf of favored projects.

Obviously, my position is clearly in favor of retaining the UDAG method of urban assistance. It employs concrete formulas which can be utilized to direct funding to specific and needed urban redevelopment projects. It provides an insulating layer of federal decision making which serves to reduce the amount of local level struggle between special interest groups for funding which may not directly or effectively address the more immediate problems of a community. In addition, UDAG has been extremely successful in reducing the delays and confusion in decision making both in Washington and at the regional level regarding the eligibility of applicants for UDAG assistance and the provision of that assistance.

In conclusion, as Mayor for the City of Pontiac—and as an individual who has had extensive experience in the implementation of federal urban assistance policies during the past decade—it is my strong recommendation that every effort be made at the national level to preserve the UDAG program. This program has proved to be effective, efficient, and totally relevant to attempts which have been made in the past twenty years to restore our deteriorating urban centers. The Block Grant approach as it was conceived and implemented had several drawbacks—all of which served to weaken the effectiveness and efficiency of such progress as they were applied to distressed urban centers. In the final analysis, it has been established to my complete satisfaction that the categorical approach—with strict formulas—is the most effective way to target federal assistance for the redevelopment of distressed cities without causing unnecessary and inefficient delay. The Block Grant program proved to be a cruel hoax in meeting the problems and satisfying the needs of disadvantaged and low income

Americans. The UDAG approach, on the other hand, has resulted in drastic progress toward putting people back to work, diversifying the industrial base of distressed localities, and, perhaps more importantly, giving people hope. We feel that the strongest endorsement of this program is now being constructed in downtown Pontiac: The number one distressed City in the nation.

Sincerely yours,

On behalf of the Pontiac City Commission and Citizens of Pontiac.

WALLACE E. HOLLAND,
Mayor.

PEOPLES NATIONAL BANK & TRUST CO.,
Bay City, Mich., February 16, 1981.

U.S. Senator DONALD RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I am writing to express support for the continuation of the Urban Development Action Grant program in Bay City, Michigan.

Our involvement with U.D.A.G. supported activity is the Wenonah Park Plaza project here in Bay City.

This project is crucial to the revitalization of downtown Bay City. Without the parking provided by the Action Grant, this project's feasibility would be in grave doubt. With the grant, Bay City's downtown is looking forward to a tremendous boost.

Peoples Nation Bank is one of several local businesses which are limited partners in the Bay City Development Partnership, lead development entity for Wenonah Park Plaza. We have also committed to act as lead bank in $4.5 million of construction financing for the residential condominium component of the project.

Total private investment in Wenonah Park Plaza will be $40 million. The Action Grant is $8.2 million. Bay City voters have authorized up to $10 million in general obligation tax increment bonds to support the project and other downtown improvements.

This is an excellent example of the positive results that can be produced by a timely injection of federal funds in an economically distressed community. Millions of dollars of private capital are being sought for our downtown area. Public and private sectors are cooperating for the maximum mutual benefit.

I believe that this is an endeavor worthy of continuing.

Thank you for your efforts in this regard.

Very truly yours

CLIFFORD C. VAN DYKE,
Chairman and President.

FLINT AREA CONFERENCE, INC.,
February 17, 1981.

Sen. DONALD W. RIEGLE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: As you may know I serve on the Board of Directors of the International Downtown Executives Association, an organization which represents more than 300 downtown organizations whose boards are comprised of the leading industrial, business and financial interests in their respective cities. On January 29 and 30 that Board met in Washington to discuss urban policy issues and the Reagan administration. An immediate consensus formed: The fundamental issue was continuance of an Urban Development Action Grant program. Whether Dallas, Philadelphia, Manhattan, Detroit, Syracuse, Atlanta, Denver or Springfield, Illinois, the number one issue was maintenance of a categorical program providing an opportunity for private sector participation in the revitalization of our cities. By any name, a program such as the Urban Development Action Grant is necessary to protect existing investment and promote reinvestment by the private sector in our central cities. That message was delivered in a luncheon meeting with Craig Fuller, Secretary to the Cabinet.

The Urban Development Action Grant program has acted as a catalyst for reinvestment in Flint creating jobs and diversification for a very distressed local economy. While news media from across the country concentrated on the plight of our city—the highest unemployment in our nation—we were about rebuilding. That would not have happened without the stimulation of a UDAG-type program. Two major grants totaling $15 million have leveraged over $80 million in new private investment in Flint. It is a simple truth that without his program, neither project would be underway.

The Urban Development Action Grant program in Flint has been efficient, effective and productive.

There is little argument with a desire to cut the federal budget across the board. It is reasonable to expect that federal aid to cities must be reduced as well as federal aid to agriculture; but eliminating or emasculating the most effective and efficient program of a department seems neither wise nor fulfilling of purpose.

You may expect our fullest support for any efforts you may initiate which are directed toward retention of the essence of an Urban Development Action Grant program.

Sincerely,

JAMES S. SHEAFFER,
President.

CITY OF FLINT, MICH.,
February 19, 1981.

Senator DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: The purpose of this communication is to request your support of the Urban Development Action Grant Program which, as you know, is currently under the threat of elimination as part of the Federal budget cuts being proposed by the Reagan Administration.

The Urban Development Action Grant Program has had a tremendous impact on the City of Flint. The $16 million the City of Flint has received in Action Grant funds has generated six private dollars for every Action Grant dollar received. The four projects currently being funded by the Action Grant program will generate over 1,400 new jobs. The annual increase in the City's tax base is approximately $2 million a year.

The spin-off benefits to neighborhoods as a result of the Action Grant program are substantial. Approximately $1.5 million annually will be available through the recapture of Action Grant funds for neighborhood revitalization.

Without the Action Grant program, $142 million (total cost of all four Action Grant projects) would not have been committed for investment within the City of Flint. The Action Grant program has provided the necessary impetus to move critically-needed projects from the planning stage into successful implementation.

The Action Grant program has lived up to its promise. The program has provided the incentive necessary to attract private investment to distressed cities such as Flint. The program is restoring the vitality of the City of Flint by creating jobs, by increasing the tax base, and by making this City more livable and economically viable. However, there is still much more work to be done. As a part of Flint's overall economic development strategy, a number of exciting, dynamic projects are planned. These projects need the investment incentives provided by the Action Grant program if they are to be realized.

I know you will join me in support of the Action Grant program by strongly voicing your support, on behalf of Flint and other Michigan cities in the U.S. Senate. Thank you.

Sincerely,

JAMES W. RUTHERFORD,
Mayor.

THE FRIENDLY CITY,
Hazel Park, Mich., February 17, 1981.

Senator DONALD W. RIEGLE,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: As you may know, the City of Hazel Park received approval for a UDAG project in December, 1978. During this period the cost of borrowing began to skyrocket which created a situation whereby our project became economically infeasible. As a result, we were notified by HUD in September, 1980 that our project was being terminated. The termination letter provided that we could reapply at a later date. Since that time, we have been in touch with the proposed developer of the project who is most anxious to proceed as soon as the cost of borrowing declines.

This project based on our projections would have a significant impact on the City of Hazel Park. We are a City of some 20,000 people within an area of 2.8 sq. miles. The City is nearly 95% built up with no potential of expansion. The homeowners of the City carry 70% of the tax burden. This project is anticipated to increase our industrial tax base by some $7,500,000 resulting in approximately $525,000 in additional taxes, equally important 105 new jobs would be created. As you can see this project will have a significant impact on our City.

I trust this information is of some benefit to you in your effort to assure that this worthwhile program is continued.

Sincerely,

STEPHEN ZERVAS,
Mayor of City of Hazel Park.

I think it is essential that we address the national priorities on a bipartisan basis. We must cooperate to correct some of the proposed inequities. I congratulate the sponsors on the other side.

The bipartisan cosponsorship of this amendment is important. Limited though the amendment is, it moves in the right direction.

Mr. CHAFEE. Mr. President, I ask for 1 minute on the bill. I have 2 minutes, is that correct. 2 minutes left?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. The Senator has been given all this time and he still has some of it left?

Mr. CHAFEE. I had to conserve it carefully. I have to use it now. Make it 2 minutes on the bill and 2 I have left.

Mr. President, it seems to me the essential question is this: Are the President's individual budget assumptions sacred? Can we not budge from them at all, or is that it? It comes down from on high?

Well, the Budget Committee did not think so. The Budget Committee took the President's proposal, and what did it do with it? It added $1 billion for the Human Resources Committee. That did not bother the Budget Committee. They went above the President.

Then they cut $3 billion from the strategic petroleum reserve. They thought that was all right to make a $3 billion cut to vary from the President's proposal.

Then they cut $300 million from UDAG. That is all right, go against the President. Then they added $300 million to the Export-Import Bank. That is all right, too.

So it seems to me we start with the fact that it is all right to vary from the President's budget. Who said that? The primary architect of that budget himself, Mr. Stockman. Mr. Stockman wants to

come in equal or below the President's figures. We are equal or below the President's figures if this amendment is approved. We will be $1.4 billion below the President's figures if this amendment is approved now.

What about the Budget Committee? Are they sacred? Can no changes be made? Well, we had an amendment offered here to add $1.5 billion by the assistant majority leader. That did not happen to pass, but there were no problems in offering it.

The Budget Committee itself, we had a vote, cut $300 million from foreign aid, added $300 million to the school lunch, and that went flying through, no difficulties.

So I think we have to agree there is nothing sacred about what the Budget Committee has done. We can make variations here.

This proposal, Mr. President, is no wild-eyed scheme. These are very modest proposals. These do something for areas that have been hard hit, and we come out below the President. We come out with reductions from the plan.

For instance, it has been mentioned about elementary and secondary education, that there will not be any incentive to go to block grants.

Well, let us look at the figures. After this amendment is approved, if indeed it is approved, we come out 11.4 percent below the program. Not exactly where the President was. He was at 19.5, but we are 11.5, that amount of cut. That is not too bad. That goes up to a 19.5-percent cut in 1983.

So these are very, very substantial reductions, Mr. President.

In UDAG we just do what the President asked. What could be better than that?

Look at the other proposals. On housing weatherization, a very modest add-on, and we had eloquent testimony, a speech here from the senior Senator from Connecticut, that when we went to decontrol we took into account the fact that some changes had to be made to take care of those who were hit by decontrol. So we have added in low-income energy assistance as well. That seems to me to be a very wise move. We do not come to what would have been in the normal plan, but we come up some.

So it is with health services.

Mass transit is a modest increase, $25 million for 1982, with a little more in 1983.

So, Mr. President, I hope the Senate will approve this amendment and that it will go through with support from both sides. Let me once again remind my colleagues that it brings us below the President's budget, and that is the goal we are trying to achieve on the floor today.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield time to the Senator from Utah.

Mr. HATCH. Mr. President, I do not want to take more than 30 seconds. I would just remind the Senate that we fought this battle in committee, especially on elementary and secondary education programs, on help for the handicapped, and on youth employment and training and it was a very hotly contested matter in the committee. As I recall, much to the chagrin of the administration, we added $998 million. We felt the add-backs in these three programs were essential.

We fought that hotly contested battle and there was a 10-to-12 vote. Essentially what we are talking about here today is whether we can get through this process and support in essence the President's program. I suggest that the Budget Committee and the Labor Committee have worked hard to do as much as they can do on this matter.

● Mr. LEVIN. Mr. President, I support the amendment offered by the Senator from Rhode Island. It is a modest amendment that restores some equity to the instructions recommended by the Senate Budget Committee.

One small but extremely important program necessary for the survival and, potentially, revitalization of our metropolitan areas, is urban development action grants (UDAG). The program is vital not just to my home State of Michigan but to virtually every State in our Nation. The program has been in existence for just 3 years. The program has provided funds for 1,008 projects from Andalusia, Ala., to Whitehall, Wis.

If the Senate proceeds with budget reductions exactly as proposed by the Budget Committee, the net effect will be a proposal to rescind $300 million from the urban development action grant program. The $300 million approximates the total remaining balance of funding for fiscal year 1981; hence, no additional funding could be provided for economic development projects in distressed cities and urban counties during this fiscal year, including the awards to metropolitan cities scheduled for early April announcement.

Unlike other Federal grant programs, action grants are designed to stimulate private businesses to invest in distressed cities and pockets of poverty—cities and areas most in need of assistance and least likely to be able to benefit from economic recovery without this added incentive. No proposal is approved unless there is firm evidence that private investments will result, and an average of $6 of private money has been leveraged for each $1 of UDAG funding provided.

If $300 million is rescinded, the following will be the impact on distressed cities:

One hundred and fifty-eight economic development projects will not be able to be funded during 1981.

A loss of $1.8 billion of private investment in these cities.

A total of 45,500 new permanent jobs will not be created in these cities. UDAG creates new jobs at a cost of $6,600 per job.

The cities will forego $5.1 million of increased annual local taxes. UDAG creates 17 cents of annual tax revenue for each dollar provided.

The above numbers do not consider the so-called spinoff investment, jobs, and taxes normally associated with UDAG projects; nor the construction jobs provided or jobs retained in the cities.

Such a rescission would not reduce Federal outlays during fiscal year 1981, and there would be a minimal saving during fiscal year 1982. This is because action grant projects are structured with the maximum protection for Federal dollars—UDAG funds go into an economic development project only after private funds are spent, or only on a ratio with private expenditures.

You may have seen an editorial that appeared in the Wall Street Journal on Wednesday, March 25, 1981. The editorial entitled "Throw Away the Crutch" conveniently ignored the contractual benefits to be gained by our urban communities. The article also states the use of the UDAG program as one to "carry political favor." The cited example was an announcement in Detroit "just prior to the November elections."

It has long been a practice for the Secretary of HUD to release preliminary approval announcements within 2 weeks after every quarterly review. Such has been the case in Detroit. A review of the record is clear:

In 1978, the first year of UDAG, the September round was announced on October 5, 1978.

In 1979 the September round was announced on October 19, 1979.

In 1980 the September round was announced on October 9, 1980.

As you can see a grave error has been made by inferring that these announcements were "to curry political favor."

What is being proposed for the essential UDAG program and our Nation's urban areas is not throwing away a crutch—but rather amputating both legs.

When Congress first approved UDAG in 1977, it declared the program's mandate to be "the revitalization and conservation" of America's older cities. Whether through restoration in historic districts in such cities as New London, Savannah, Chicago, Wilmington, Pittsburgh, and Seattle, through adaptive use of old buildings in Evansville, Concord, Akron, Dayton, and Winooski, through renovation of an old office structure in Birmingham or an historic hotel in Richmond, or through new construction which fosters economic growth and revitalization in Lowell, Troy, San Antonio, and Grand Rapids, action grants have spurred revitalization while at the same time making a difference for the cause of urban conservation.

The Chafee amendment also restores funds for education programs. While the primary role for education remains with local and State government, the Federal Government has assumed a special function in helping to provide funds for those groups of students who are disadvantaged, who participate in vocational education programs, who are handicapped and who have other needs that have not or cannot be met by local or State school programs.

It is important that the Federal Government continue in this role—it has helped many of our young people to be trained in meaningful careers, to have an opportunity in life that they might

otherwise not have and to have a chance at an education that in times past, because of a disability, they might never receive.

We have a chance to allow more children in this country to reach his or her full potential, regardless of their background. It is a goal which Congress has endorsed on numerous occasions in the past and one which we ought not abandon.

Mr. President, the Chafee amendment also restores vital funds for preventive health care services. The administration has proposed, and the Budget Committee has accepted, a 25-percent cut in the fiscal year 1981 funding level for categorical preventive health care programs. When inflation is taken into account, this 25-percent reduction in funding will translate into significant reductions in the level of services provided to Americans for immunizations, protection against lead-based paint poisoning, and other important health programs. These services are designed to avoid the serious consequences of illnesses which can result in a much greater strain upon the taxpayer. Children who are affected by lead-based paint poisoning, for example, can cost the taxpayer thousands of dollars due to the long-term medical care consequences of mental retardation.

The administration has maintained that no reduction in services will result from the 25-percent cut in funding because consolidation of preventive health programs will reduce administrative costs. I am dubious about unproven allegations of percentage savings to result from decreased administrative and regulatory costs and I am concerned that the administration's block grant proposals may simply be a facade for making substantial cuts in important health programs.

The Chafee amendment also provides funds for the low-income energy assistance program.

If the budget is to protect the truly needy, no amendment is more likely to test that resolve than this one. Home heat is no frill, no benefit generously bestowed, but rather a necessity of life. If our citizens cannot pay their inflationary fuel bills, should they be evicted into the streets? Should utility companies cut off their heat and hope that no one freezes on cold nights? The only alternative we have is to fund low-income energy assistance.

Decontrol of oil prices has helped cause fuel prices to increase. To cut low-income energy assistance when the need for it has increased would be cruel indeed. Low-income assistance is needed more than ever before to help our poorer citizens survive.

Whatever one might think of the energy program of the administration, I hope that we can agree to protect those who are on the cutting edge on fuel cost increases.

Finally, Mr. President, the Reagan administration has proposed that mass transit operating assistance be phased out by fiscal year 1985. The amendment offered by Senator CHAFEE today will provide for a $50 million increase over the amount recommended by the Budget Committee in fiscal year 1982 and a $105 million increase over the amount recommended in fiscal year 1983 for operating assistance.

I support the Chafee amendment because I believe we need to provide greater funding during the transition period before withdrawing all Federal support for operating assistance. Whether or not Congress ultimately decides to remove the Federal Government from the partnership established with the States and localities in operating mass transit systems, we should continue adequate funding while State and local governments build new revenues to replace current Federal funds.●

LOW-INCOME ENERGY ASSISTANCE FUNDS SHOULD BE RESTORED

● Mr. BIDEN. Mr. President, I support the Chafee amendment to restore $400 million for low-income energy assistance.

Mr. President, the low-income energy assistance program was created to help senior citizens and other persons on fixed incomes pay their fuel bills which had increased rapidly as a result of oil decontrol and OPEC price increases. Many senior citizens were faced with fuel oil prices which had almost doubled from the previous winter.

Although we have had emergency assistance available for a number of years, the dramatic increases in home heating fuel costs have made a broad program of fuel assistance necessary to keep families from freezing to death. During the winter of 1979–80, $1.6 billion was made available for that purpose. This winter $1.85 billion has been available to help senior citizens and poor persons heat their homes.

I am deeply concerned about the impact of President Reagan's budget cuts on low-income households next winter. Not only has he cut funding for this program by 25 percent but he has accelerated the decontrol of domestic energy prices which will only drive up home heating fuel prices further.

The recent economic reports indicate that escalating fuel prices were a major cause of February's inflation increase. This trend will only continue as decontrol proceeds. The reduction of fuel aid combined with decontrol will hit this Nation's elderly with a double impact.

I would like to share with my colleagues some statistics indicating the characteristics of fuel aid recipients in Delaware. These statistics were collected by the State Office of Economic Opportunity as of February 27, 1981:

A total of 27,530 persons in 9,731 households have been served.

3,525 elderly households were served.

829 handicapped households were served.

5,300 households or over 50% had incomes below $6,000 a year.

7,400 households or approximately 75% were poor enough to be receiving some other form of public assistance such as SSI, Food Stamps, AFDC or General Assistance.

I think it is clear from these statistics that the majority of persons served under this program are truly needy. A significant reduction in the funding of this program means that many persons would not get served next winter. The consequences of such cuts will have severe effects on the health and well-being of our senior citizens. That is why I am cosponsoring this amendment and why I hope my colleagues will support restoring money to this program.

URBAN DEVELOPMENT ACTION GRANTS MUST BE SAVED

Mr. President, also I am pleased to see that Senator CHAFEE has sought to restore $300 million to the urban development action grant program.

In my opinion, the urban development action grant program is one of the most effective programs ever created by the Federal Government. Since its inception UDAG has funded over 1,000 public/private development projects with $1.9 billion. UDAG has generated an additional $12 billion in investment from the private sector. Much of this investment has come in distressed urban areas or declining neighborhoods.

Over 470,000 jobs are being created or retained by the projects funded. Of that total, 291,767 will be new permanent jobs. Approximately 27,000 new housing units will be constructed and over 29,000 units will be rehabilitated. UDAG projects have generated $324 million in additional local property tax revenues.

The UDAG program has been extremely successful in my home State of Delaware. A $2 million UDAG grant to the city of Wilmington resulted in the construction of the second major hotel in the city. The grant was used as a second mortgage for the hotel and generated an additional $7.3 million in private investment. This project created 586 jobs including 252 minority jobs.

A second UDAG grant was crucial in keeping the headquarters of a major chemical company from moving out of Wilmington to the suburbs. Approximately 1,350 jobs were retained in the city which would have been moved outside of the city. The project generated $74 million in additional private investment and serves as an anchor to one end of the Market Street Mall in the city.

Wilmington has also received two other UDAG grants. As a result of these UDAG grants there has been a renaissance in new construction downtown.

The benefits of the UDAG program are immense. This program has been extremely successful. With cuts in other economic development assistance programs in the Small Business Administration, the Department of Commerce and the Farmers Home Administration, I believe it is essential that we maintain funding for a separate action grant program.

I support this amendment and I urge my colleagues to join me in supporting this amendment.●

Mr. LEAHY. Mr. President, I am pleased to cosponsor this amendment to restore funding to a number of essential programs. These programs for preventive health care, weatherization and fuel assistance, elementary and secondary education, mass transit, and community development address a range of issues which I consider to be important national priorities. I strongly support this amendment, even though in many cases the funding levels for these programs will still be less than current levels.

Preventive health programs provide essential health services to low-income Americans residing in both rural and urban medically underserved areas of the Nation. The community health centers, black lung clinics, and migrant health centers programs together provide health care to 6 million Americans, the vast majority of whom live below the level of poverty and have little or no health insurance. If funding is not maintained, more than 2 million Americans no longer will have access to basic health care.

This amendment will lessen the reduction proposed for fuel assistance and weatherization, but these programs will still be far below what is actually needed to enable low-income and elderly Americans to keep pace with their energy costs. In Vermont, these people simply cannot conserve any more, and I do not think I need to convince anyone here today that when it is 25° below zero, you simply have no choice but to heat your home. The weatherization and fuel assistance programs have alleviated suffering and hardship for thousands of poor and elderly Vermonters, and in many cases have meant the difference between life and death.

While the President's reduction in mass transit funds will place a heavy strain on urban transit systems, it will force the closing of all rural bus lines in Vermont. This would literally doom the rural people of this Nation to further isolation and limited economic opportunities. It is unfair for the working and low-income people of rural America, and it ignores the real and continuing need to conserve energy resources.

I am particularly pleased that this amendment includes funds for elementary and secondary education programs. This will more adequately insure that programs for handicapped and disabled children will not bear the greatest burden of our efforts to cut Federal spending. It is important that these children have an equal opportunity to learn and participate in our public school system.

Finally, the funds that will be restored for urban development action grants are important to renovate and maintain the vitality of our Nation's cities and towns. This program serves the important national goals of stimulating private investment, creating jobs, encouraging local initiatives, and in many cases, retaining our architectural heritage.

Mr. President, adoption of this amendment will make a significant difference in the lives of millions of Americans in all regions of our country, rural and urban alike. I strongly urge my colleagues to join me in supporting this amendment.

Mr. GLENN. Mr. President, the Senate Budget Committee has proposed to cut the urban development action grant (UDAG) program. I oppose this cut. Moreover, I fully support the amendment to the budget resolution now before the Senate which would restore $300 million for the urban deveolpment block grant program. Without it, no additional funding could be provided for economic development in our distressed cities and urban counties during the remainder of this fiscal year. This includes grant awards which are scheduled to be announced in early April. Applications are presently pending totaling approximately $1.2 billion. In Ohio, there are 21 pending UDAG projects totaling $56.2 million.

There are several reasons to support the restoration of this modest amount to the UDAG program.

First of all, it is consistent with the administration's revised budget request. The administration proposed to continue funding at the present authorized levels. It also has proposed to continue the program at a funding level of $500 million during fiscal year 1982.

Second, the restoration is an inexpensive way to revitalize our distressed cities and urban counties. It would stimulate private sector investment by leveraging private dollars at a ratio of 6 to 1. Moreover, it would generate new permanent jobs and local tax revenues.

Third, the loss in funding would have an adverse impact on distressed cities. It is penny wise and pound foolish. These cities would lose $1.8 billion of private investment and 45,400 new permanent jobs. The cities would also lose $5.1 million of increased annual local taxes since UDAG creates $.17 of annual tax revenue for each dollar provided. In addition, cities would lose the "spin-off" investment, jobs and taxes normally associated with UDAG projects.

Since the first grants were awarded in 1978, 1,042 projects have received preliminary approval of action grants totaling nearly $2 billion. These projects have leveraged over $12 billion in private investments for each UDAG dollar. The projects are creating or retaining over 470,000 jobs, over half of which are permanent. They also will generate over $324 million of new local tax revenues for distressed cities and urban counties. Since 1978, 51 Ohio UDAG projects have been approved totaling $105 million. This amount has leveraged $593 million in private investment —nearly a 6-to-1 ratio of private to public dollars—and has created or retained over 15,000 jobs.

Finally, the loss of UDAG dollars leaves distressed cities and urban counties without an alternative to spur economic development during the remainder of fiscal year 1981.

Without UDAG, there is a "gap" which operates as a disincentive to economic development through private investment in our distressed cities. This gap results from the higher costs faced in built-up areas and the high cost and lesser availability of private loan funds because of the higher risk factor perceived by lenders in distressed areas.

Moreover, the community development block grant (CDBG) program lacks the flexibility to fill the gap which would be left by the loss of UDAG funding. CDBG, which is primarily designed for neighborhood revitalization rather than economic development, is not responsive to the timing requirements of business. Cities must specify how their CDBG funds will be used three years in advance. Once earmarked, CDBG funds can not be moved from one activity to another without a formal amendment and HUD approval. As a result of these political and other considerations, larger cities have used less than 3 percent of their CDBG funding for economic development in the past, while smaller cities have been virtually unable to undertake any economic development with CDBG funds.

Mr. President, I hope that my colleagues will join me and the other cosponsors of this amendment to restore $300 million to the UDAG program.

Mr. DOMENICI. Mr. President, I yield myself 30 seconds.

Mr. President, I want to thank Senator CHAFEE and those who are sponsoring his amendment, who have for all these days been supportive of the Budget Committee. I want to thank you and those cosponsors of your amendment who have been supportive. But, obviously, I cannot support your amendment, and I hope it does not prevail.

I repeat we are not a line-item committee. If we start talking about programs, we are accused of being that. When we do not talk about it, we are accused of not talking about substance.

The truth of the matter is that the principal committee that received new funding from the Chafee amendment, that is Labor and Human Resources, received the biggest add-on in the Budget Committee of any committee in the Senate, $1 billion. That is already there for them to spend. This merely adds another $600 million or $700 million to that committee, and it really is not necessary at this point to carry out the program.

Last, UDAG. I repeat, you do not have to add anything to UDAG. UDAG can be funded at any level you want. All you have to do is to get the Banking Committee to agree, because in that particular instruction we put money into the Export-Import Bank by a vote. There is no assurance that the committee is going to do that. They might very well take that out and put it into UDAG.

So I think most of the arguments have been answered, and I hope we will vote and dispose of this.

I do not think the Senator has asked for the yeas and nays.

Mr. CHAFEE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. Let me just say to the distinguished chairman of the committee——

The PRESIDING OFFICER. All time has expired.

Mr. CHAFEE. I am reminded of what our very distinguished chairman of our Finance Committee said. As I look at this wonderful Senator from New Mexico he reminds me of that old song "Your lips say no, no, no but your eyes say yes, yes, yes."

[Laughter.]

Mr. DOMENICI. I did not even know I was looking at you, Senator. I do not know how you can have seen my eyes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island, unprinted amendment No. 34. The yeas

and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order. Will Senators please clear the well?

Mr. RANDOLPH. Mr. President, the Chair instructed the well to be cleared. It has not been cleared.

The VICE PRESIDENT. The Senate will be in order and the well will be cleared.

The clerk may proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—40

Andrews	Eagleton	Metzenbaum
Biden	Ford	Mitchell
Bradley	Glenn	Moynihan
Bumpers	Hart	Pell
Burdick	Heinz	Percy
Byrd, Robert C.	Huddleston	Randolph
Cannon	Inouye	Riegle
Chafee	Jackson	Sarbanes
Cohen	Kennedy	Specter
Cranston	Leahy	Stafford
Danforth	Levin	Tsongas
Dixon	Mathias	Weicker
Dodd	Matsunaga	
Durenberger	Melcher	

NAYS—59

Abdnor	Gorton	Nickles
Armstrong	Grassley	Nunn
Baker	Hatch	Packwood
Baucus	Hatfield	Pressler
Bentsen	Hawkins	Proxmire
Boren	Hayakawa	Pryor
Boschwitz	Heflin	Quayle
Byrd, Harry F., Jr.	Helms	Roth
	Hollings	Rudman
Chiles	Humphrey	Sasser
Cochran	Jepsen	Schmitt
D'Amato	Johnston	Simpson
DeConcini	Kassebaum	Stennis
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Long	Thurmond
East	Lugar	Tower
Exon	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	Murkowski	Zorinsky

NOT VOTING—1

Williams

So Mr. CHAFEE's amendment (UP No. 34) was rejected.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, could we have order in the Senate?

The PRESIDING OFFICER (Mr. QUAYLE). Senators wishing to have conversations will please retire from the Chamber.

The majority leader is recognized.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, it would be my hope we could take up and dispose of one more amendment tonight and then perhaps lay down another amendment to be the pending business when we return in the morning. I would hope that we can do that by 6 or 6:30. It is my intention later to ask unanimous consent for the Senate to recess over after that until 9:30 in the morning.

There are a variety of reasons why we should not stay late tonight. First is the premiere reason that I think we are making good progress.

The distinguished minority leader inquired whether that was a Republican ceremony. I assured him it was a bipartisan ceremony.

In any event, Mr. President, I do not intend to ask the Senate to remain late tonight. I do expect one more rollcall vote this evening. Following that, and the laying down of another amendment, which I anticipate may be the amendment of the distinguished Senator from Connecticut (Mr. WEICKER), we will go over until tomorrow.

Mr. PELL. Will the Senator yield?

Mr. BAKER. I yield.

Mr. PELL. Will the votes be bunched up tomorrow so that the first vote will not occur before 1 o'clock or 2 o'clock tomorrow afternoon?

The PRESIDING OFFICER. Will the Senator suspend?

Will Senators please retire to the cloakrooms to conduct conversations?

The Senate will please come to order so that we can hear the majority leader and the Senator from Rhode Island.

The majority leader.

Mr. BAKER. I thank the Chair.

Mr. President, as much as it grieves me to say so, I must tell my friend from Rhode Island that, while we stacked votes today and yesterday and we did on Thursday and Friday, I believe, if my memory serves, I really do not believe we can tomorrow. I appreciate his inquiry, but votes will occur throughout the day. I know some Members are committed to the most solemn sort of obligations tomorrow, but it is with great regret that I say I do not believe granting of such a request will be possible.

Mr. PELL. I thank the majority leader.

Mr. METZENBAUM. Mr. President, will the majority leader yield to me?

Mr. BAKER. Yes.

Mr. METZENBAUM. Could the majority leader give us some idea of how late he intends to work tomorrow?

Mr. BAKER. It is my hope that with the schedule I have just announced—that is, one more vote tonight, one more amendment scheduled today and one more pending for tomorrow, with the session starting at shortly after 9:30, we might finish this resolution sometime in the afternoon tomorrow. If we do not, it is my firm intention to ask the Senate to remain in session tomorrow night to try to finish.

Mr. METZENBAUM. I thank the majority leader.

Mr. BAKER. I thank the Senator.

Mr. President, under the arrangements we have followed, more or less, so far, I believe it is the opportunity on the minority side to offer an amendment at this time.

The PRESIDING OFFICER. The Senator from Maine is recognized.

UP AMENDMENT NO. 35

(Purpose: To restore funds for the Economic Development Administration)

Mr. MITCHELL. Mr. President, I request immediate consideration of my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. MITCHELL), for himself, Mr. RANDOLPH, Mr. ROBERT C. BYRD, Mr. COHEN, Mr. LEVIN, Mr. BURDICK, Mr. BAUCUS, Mr. MOYNIHAN, Mr. WEICKER, Mr. RIEGLE, and Mr. KENNEDY, proposes an unprinted amendment numbered 35.

Mr. MITCHELL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following, "$14,496,000,000, and outlays by $2,885,000,000, in fiscal year 1981; to reduce budget authority by $52,801,000,000, and outlays by $36,895,000,000, in fiscal year 1982; and to reduce budget authority by $58,973,000,000, and outlays by $47,594,000,000".

On page 2, beginning with "$13,300,000,000" in line 24 strike out through "$1,800,000,000" on page 3 in line 1 and insert in lieu thereof "$13,129,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981, by $3,150,000,000 in outlays for fiscal year 1982, and $1,743,000,000 in outlays for fiscal year 1983".

On page 7, beginning with "$2,350,000,000" in line 3, strike out through "$1,872,000,000" in line 7 and insert in lieu thereof the following, "$2,179,000,000, in budget authority and $68,000,000, in outlays for fiscal year 1981; $4,711,000,000 in budget authority and $743,000,000 in outlays for fiscal year 1982; and $2,780,000,000 in budget authority and $1,772,000,000".

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senator from Ohio (Mr. METZENBAUM) be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I should like to be a cosponsor, also.

Mr. MITCHELL. I believe the Senator already is, Mr. President.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

(Mr. RUDMAN assumed the chair.)

ECONOMIC DEVELOPMENT ADMINISTRATION

Mr. MITCHELL. Mr. President, this amendment instructs the Committee on Environment and Public Works to rescind $171 million, rather than $342 million, in budget authority for fiscal 1981 for the Economic Development Administration, and to add $224 million for 1982, and $255 million in 1983.

This is not a full restoration of funding for the Economic Development Administration. Full funding, based on the Carter budget assumptions, would require budget authority of $664 million in 1981 and $720 million in 1982.

I am proposing to retain a much-reduced program. My amendment represents a cut in operations of 25 percent for the remainder of this fiscal year and a cut of about 50 percent for the next 2 years.

Mr. President, our economic problems demand that we restrain Federal spending and make serious cuts in programs. This amendment does just that. It makes a substantial reduction in the Economic Development Administration but it does not eliminate the program.

I am committed to reducing spending.

It is an important signal the Federal Government can and must send about its intention to combat inflation. No individual program or project is by itself important enough to jeopardize that effort.

I shall support reductions in spending even greater than those proposed by the President. He has asked for spending cuts of $42.9 billion in fiscal 1982. I shall vote for cuts of about $45 billion.

I cosponsored and supported an amendment to reduce all Federal procurement spending by 2 percent across the board—a modest percentage reduction in a huge Federal expense—which, if adopted, would yield an additional saving of $2 billion. I have no doubt that every Government department which engages in procurement can reach that goal and surpass it, if the will to do so is there.

When the first concurrent budget resolution reaches the floor I shall propose further cuts; $1.3 billion can be saved by eliminating the so-called commodity straddle—an unproductive tax-avoidance scheme that benefits a few wealthy persons, creates no jobs, provides no money for investment, modernizes no industrial plant and serves no useful purpose.

I shall propose further cuts, consistent with my conviction that we must eliminate unnecessary spending, marginally useful spending, spending the private sector should make, and spending that is less than a priority.

The President has said that because of the magnitude of the program cuts he is requesting, they must be equitable and rational to merit public support. He has said they must not take from those who cannot afford it; they must be borne equally by all sectors of society; and they must be fair to every region of the country.

I agree with those criteria. They are realistic standards by which to choose among the many demands on Federal funds. I have used those standards to judge the program cuts. It is in that spirit that I have reviewed the proposal to terminate the Economic Development Administration.

Mr. President, the EDA was created to promote the long-range economic development of areas with severe and persistent unemployment and with low per capita income. EDA aids in the development of public facilities and private enterprise to create new, permanent jobs and to preserve existing jobs which might otherwise be lost by the shutdown of an industry in such an area.

The act is grounded in the reality that, no matter how successful national economic policies may be in stimulating overall economic growth and reducing inflation and unemployment, important structural problems will remain. Many of our Nation's urban and rural communities and multi-State regions will still be experiencing unemployment, lagging economic growth, industrial decline and underutilized production facilities and resources.

Beneath the national statistics there are always economic disparities. National economic growth and health is never distributed evenly across the regions, communities, people, and businesses of the country.

In 1980, when the national unemployment rate was 7.2 percent, State unemployment rates ranged from a low of 3.9 percent to a high of 12.6 percent.

Unemployment among black youths in cities hovers around 37 percent.

From 1960 to 1978, employment growth rates in the South and West were two to three times those of the older industrial regions of the country.

Rural poverty and underdevelopment are problems throughout the country.

Mr. President, EDA represents an effort to correct those disparities. It has created some 1.4 million jobs in its lifetime: Jobs that would not have been created if there had been no incentive for industries to relocate, and no money to save businesses that need time to regain their competitive ability. And it has done so at a modest cost.

The Government Accounting Office found that EDA loan value per job created is only $6,700—without taking into account loan repayments, which run at 90 percent for EDA programs. The net cost of EDA jobs is actually therefore about $1,000—the most recent study claims a per-job cost of $662. And the per-job cost offsets the unemployment insurance, welfare benefits, food stamp costs and all the other income-support costs that Government incurs when people are unemployed. The cost of that income support is substantially higher than $1,000 per year.

EDA creates permanent jobs. State and local governments today receive some $6.4 billion in additional tax revenues each year as a result of the continuing economic revitalization caused by EDA projects.

The proposal to terminate EDA is unfortunate in two respects: On the merits and in the abrupt manner suggested. The fact is that we cannot suddenly end a program like EDA without having some unintended and unfortunate effects.

The revenues cities and States have already received from EDA-caused economic revitalization may be safe for the future. But there are many communities around the country which have begun projects, which have committed their own funds, and which have raised public and private funds for projects, all of which will now, at best, be thrust into limbo, at worst, terminated.

If we abruptly kill EDA, we may be forcing localities to waste money they have raised for a specific purpose.

Maine is embarking on a major program of constructing fish piers to help develop one of our oldest and most important industries. The city of Portland, Maine, has raised some $6.5 million for a major improvement in the commercial fishing pier system in our State. It has already received the first $2 million installment of funds from EDA. But under the OMB criteria, Portland will receive no further money or loan assistance on what is a $15 million investment. Portland may be able to proceed without EDA funds, although that is far from certain. But several other Maine communities, like Kennebunk, Stonington, and Searsport, will almost certainly not be able to.

Forty other projects around the country face the same kind of quandary: Lexington Market in Baltimore, Md., stands to lose $1.2 million; South Charleston in South Carolina stands to lose $1.5 million for its relocation of an auto building plant; the Southwest Farmers Co-op in Alabama will not receive the $700,000 it was counting on for a methanol plant, the town of Tarboro in North Carolina will not be able to construct a needed sewer.

My amendment would permit ongoing projects, those already approved by EDA, to be funded, so that the communities relying on these programs would not find their own investments wasted and their time gone for nothing.

Mr. President, my amendment will also permit completion of the 11 projects in which Urban Development Action grants are contingent on EDA financing of the public portion of the project.

These projects—ranging from a rail relocation in Columbia, S.C., to a General Motors facility site in Detroit—depend on the continuation of the EDA.

These are all projects that have been approved; for which private money has been committed, and for which localities have raised their own contributions.

The business development loan guarantees that EDA has authorized for the current fiscal year would let businesses create almost 16,000 new jobs this year. The direct loans would create almost 4,000 more.

These would be private sector jobs, not short-lived public works construction jobs. They would save and improve businesses that can survive if they get the help they need. And they would save and improve the cities and towns where they are located, reducing dependence on Federal welfare funds.

Mr. President, EDA is directly responsible for creating and saving thousands of jobs in Maine. In a State with chronic unemployment problems and an economy aggravated by high energy costs, this is a substantial contribution. Many Maine communities do not have the indigenous resources to attract substantial private investment. EDA has provided that seed money.

Maine's fishing industry must have modern facilities to take full advantage of the 200-mile fishing zone. That is why the State is embarking on the pier construction project. Maine fishermen are small and independent operators. The costs of financing modern fish piers without Government aid are beyond their economic ability—so Government help is needed to construct piers, to speed the transport of a perishable product and to increase the proportion of the catch that can be profitably marketed—to raise the productivity of this industry.

In northern Maine, in the Saint John Valley, the potato farming industry has undergone a 20-year economic decline. Maine was once the Nation's principal potato producer; it is now fourth in the Nation. Maine once supported 4,000 farmers; today 900 remain. The recent development of a new kind of potato that can be grown in the State and is suitable for modern processing methods has given this depressed region a chance to rebuild its economic base. To take advantage of that chance, improved grad-

ing, packing, and marketing are essential. What is needed is a modest Government investment—$600,000—for a central packing plant. The township of Fort Kent and the local farmers will raise the rest of the money. Without that help, the region will be unable to climb back to economic health. That does not strengthen the national economy.

Economic expansion and job creation in distressed areas will undoubtedly be somewhat stimulated by a general economic upturn. But the 20-year decline of the Maine potato industry was not arrested, even though our national economy has not been in a continuous decline since 1961.

Mr. President, Government itself causes serious problems for businesses in poorer regions. A potato processing plant in Caribou, Maine, was under court orders to close because of pollution violations. Only EDA assistance permitted installation of the pollution-control investments needed to stay in business. That plant employs neary 100 people in a remote corner of the State. There is absolutely no doubt that its closure would have increased the unemployment and income-support costs of the Federal Government. The administration is committed to regulatory reform, a goal I also support. But regulatory reforms would not have removed the court order which almost forced the Colby Starch plant to go under.

The 15 percent unemployment rate in Waldo County, Maine—once one of the Nation's largest poultry producers—has not eased, even when the national economy has taken a turn for the better. The factors that have eroded its economy will continue to impose a harsh cost on the area. Waldo County is a victim of the massive energy price inflation of recent years, and there is no sign that this inflation is easing.

Regional and local economic dislocations and hardships do not vanish in a national economic upturn.

The fact is that our national economy contains regions where incomes remain low, where unemployment remains stubbornly high, and where energy price inflation is felt more harshly than elsewhere—and where help is needed to stimulate local economic growth.

Mr. President, the contention that cuts must come from all parts of the budget and go to all regions of the country is a fair one—but just as we cannot reduce needy individuals to destitution, we ought not aggravate the problems of economically distressed areas.

I asked the administration how it plans to deal with economic development in areas of chronically high unemployment and low per capita income. The written response I received said: "The administration intends to deal with economic development at the subnational level by improving the national economy."

So the administration's plans rest on the hope that by improving the Nation's economic performance, every region of the country will share in that improvement.

That assumption has no historic basis in fact. It has not been true for Maine over the last 20 years. And, for over a century, it has not been our national economic policy.

In 1850, when it became apparent that the success of the Eastern States in building their rail networks promised an increase in wealth for the entire eastern seaboard, Congress enacted the Railroad Land Grant Act—truly landmark legislation—to encourage, by Federal subsidy, the expansion of the rail network in the South and West. And for 21 years thereafter, long after the transcontinental line met at Ogden in 1864, Congress continued to grant rail land rights. 131 million acres of land were granted for that purpose—a Federal subsidy for Western and Southern economic development whose worth cannot be calculated at today's prices.

Beginning in the 1880's, hydroelectric power was aggressively developed with Federal aid. The first major alternating power project was constructed on the Willamette River, in the State of Washington. The first three-phase project was constructed at Mill Creek, in California. Ironically, the justification for concentrating development in that part of the Nation was a familiar one: The high cost of energy. In those days, it was the cost of transporting coal, but the problem of energy costs and their effects on economic growth was recognized then, and the Federal Government acted to offset it, to the immense benefit of the West.

By 1902, 30 years of homesteading acts had not been enough to encourage the settlement of the arid parts of the West, so Congress enacted the Reclamation Lands Act of 1902, a regional economic program which has changed the face of the country. Under the Reclamation Act, water projects were built in 17 Western States to irrigate arid land. Some of our great cities—Phoenix, Denver, Los Angeles—could not exist without that water. The Imperial Valley in California, the most productive farmland in the Nation, could not produce without it. Thousands of acres throughout the West today would be barren and arid without the life-giving aid of the water brought to them by Federal financing. And, as one result, Western lands with less than 9 inches of rainfall each year now produce an agricultural product worth $4.4 billion.

In the 1930's, when the great depression was at its worst, Federal funds were poured into regional efforts to help provide employment and economic growth in the West and South. The massive Bonneville hydro project on the Columbia River was built to provide employment in the Pacific Northwest. Today, a potato processing plant in Washington State pays one-fifth the rate of electricity that a similar plant pays in Maine, because of Bonneville power and the other Federal hydro projects in Washington.

The greatest of the regional development programs, the Tennessee Valley Authority, is still benefiting its seven-State area. Its series of dams, reforestation projects, power plants and fertilizer plants have lifted a region which was in the depths of poverty in 1933—its people then earned 45 percent of the national average income—to a thriving and economically productive region today. In 5 years, from 1933 to 1938, the Federal Government spent $190 million on the TVA—a sum whose present-day counterpart would run into many billions. And as a result of that Federal financing, the people of Tennessee today pay for their electricity half what the people of Maine pay for theirs. The TVA project permanently increased the level of employment in the region. It created the economic base that has enabled the entire Tennessee Valley area to grow and prosper.

Mr. President, this massive Federal assistance to the South and the West over the past century has given those areas a basis from which today's rapid rate of economic development flows. It was grounded in the recognition that not all regions of the country have identical needs, that they do not move forward in lockstep, and that help is needed at different times by different parts of the country.

Today, as we observe the prosperity of the Sunbelt, we should recall that the present economic boom owes its existence to many decades of generous Federal aid.

That Federal aid was paid for by the tax dollars of the people in the East and North. It was not paid grudgingly. It was paid in recognition of the reality that we are one nation and what helps one region helps all Americans.

Today, we have a modest program which extends assistance to areas of chronic unemployment and low per capital income: The Economic Development Administration. And because of the forces of history and the actions of the Federal Government, the region that needs help now is the East and the North. Today, this is the region of high unemployment and low per capita income.

EDA is a small effort to redress the balance, to recognize that our Nation's older regions incur higher costs to maintain the investment in cities and industries that were built in earlier decades.

I can think of no action more destructive and less in keeping with the President's own standards of fairness than its termination.

It effectively says that those who have already benefited from Federal programs, those who have reaped the benefit of Federal assistance on a massive scale, those whose economies are advancing, are to be the final beneficiaries of Federal concern. The proposal to terminate EDA simply says to the regions whose tax dollars built that prosperity, "We've gotten ours. Now you fend for yourselves."

Mr. President, that is a narrow, shortsighted attitude, contrary to our national experience and, in the long run, counterproductive. It will be a tragic error to end one of the very few programs that is designed to and does, in fact, redress the balance that exists in economic growth rates.

The States of the East and North today receive 84 cents back for every Federal tax dollar they contribute. The States in the West and South receive $1.09 for each of their tax dollars, so the imbalance in Federal aid is continuing to grow notwithstanding the different levels of economic growth.

The State of Maine has a per capital income that is 20 percent lower than the national average. When the cost of energy is included, Maine ranks 50th in per capita income. Manufacturing jobs in the State have grown by 3.6 percent in the last decade, compared with an average growth rate of 26 percent in the West and 18 percent in the South.

New England has lost 35 percent of its defense jobs in the past decade. The older regions of the Nation receive just 38 percent of Federal procurement dollars, compared with 62 percent for the South and the West.

In our national economy, such regional differences abound. Areas of economic blight remain and communities experience decline, even when the national economy is healthy.

The Economic Development Administration has been a successful program. The only valid criticism of it is that it has not been targeted narrowly enough. It has been criticized because past Congresses made it so diffuse that it theoretically covers 80 percent of the country. That is a valid criticism. I think the program should be better targeted; it should be limited to areas that are truly suffering chronic high unemployment and low per capita income.

The amendment I am offering will help achieve that result.

Mr. President, although EDA is theoretically entitled to fund projects in almost every part of the country, the agency has been responsible and restrained: More than 2,400 counties are eligible for EDA funds. In the last year, EDA funded programs in 800 of them. At the minimum, 75 percent of its funding goes to economically distressed areas as measured by a substantial employment loss, a population loss, a per capita income that is 75 percent under the national average, or long-term unemployment, as measured by 16 or more quarters of unemployment above the national average.

A 1970 amendment forbids the agency to remove the eligibility designation of any county once it is declared eligible for aid. That congressional decision was made 10 years ago. I believe it ought to be reversed this year.

But it would be wrong to discard the best of a program because it contains some shortcomings. That makes neither fiscal sense nor long-term economic sense. It is not fiscally responsible to terminate a program that creates jobs, saves welfare costs, generates State and local tax returns, and raises the level of national economic output.

We should not destroy a useful program, one which has shown an ability to reach and really help many depressed communities at minimal cost, simply because it needs improvement. Let us, rather, make the improvement; narrow the focus; halve the overall spending, and let it continue to perform its purpose: To create needed jobs for working people.

That would be the effect of my amendment. I believe it deserves the support of the most fiscally conservative among us. This is not a program whose costs are a drain on the economy. It is not a program that simply transfers income from one sector of the population to another, with no gain. It is a program that raises the level of economic activity and spurs private economic growth.

We all agree that the national economy will not grow and prosper without an infusion of funds for investment. How then can we believe that chronically depressed areas can prosper without assistance?

If the booming economies of the South and West need the stimulation of additional tax breaks and investment dollars, then surely the economically depressed regions need help, too.

Mr. President, the changes in our Nation's economic structure reflect the passage of decades. They are not all due to the National Government. But just as the National Government has historically recognized and responded to its responsibility to aid the South and the West, so, today, we should recognize our responsibility to the distressed regions in the older parts of the country. That, too, is a legitimate responsibility of a national government. If we fail to recognize that responsibility, if we fail to respond, we will surely become again a nation divided.

And, Mr. President, it is as true today as it was in 1860, that a nation divided against itself cannot stand.

Mr. President, I request the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Thank you, Mr. President.

I yield to Senator COHEN.

The PRESIDING OFFICER. The senior Senator from Maine is recognized.

Mr. COHEN. I thank the Chair.

Mr. President, I am pleased to join with Senator MITCHELL in offering this amendment which will keep the Economic Development Administration in operation, albeit at a substantially reduced level of funding.

I should point out that I would take one issue of exception to what my junior colleague has said.

As was pointed out to me by the junior Senator from the State of Washington, the Willamette River does not run through Washington but rather through Oregon. Perhaps if we make that correction for the record, the junior Senator from Washington will lend his considerable support for this particular amendment.

But in view of what has happened in the recent vote on the last amendment offered by my colleague from Rhode Island, I am afraid that the handwriting is on the wall and it does not appear to be forgery. It appears that this Chamber is going to turn a deaf ear and a blind eye to the inequities that are going to be inflicted upon the areas of the country that are economically malnourished.

I still wish to take only a moment, nonetheless, to at least make the case for the record if for nothing else.

Over the years, EDA has been a genuinely positive force in promoting economic development in the State of Maine.

I think, as Senator MITCHELL has correctly pointed out, this program was never designed to apply to regions across the board. It was to be targeted to those areas which were most in need of economic assistance.

We only have to take a look at the fact that in New England we pay among the highest fuel costs in the country, we have the highest unemployment, we have one of the coldest and longest winters, and we have a large number of families on food stamps and in need of fuel assistance.

I saw an item in today's newspaper that 15,000 more families are now going to apply for fuel assistance in the State of Maine.

We have an older industry that is now on the verge of collapse, the poultry industry in Maine, principally because of the high cost of energy, the high freight rates that have to be paid, the feed costs that must be paid, and the attractions to the Sunbelt now are so overwhelming that this industry threatens to go under, thereby laying off thousands of more workers in my own State.

Often, the agency's willingness to assist a troubled industry or business in Maine has spelled the difference between productive employment for Maine workers and the economic disruption which results when a marginal enterprise fails, or when a good business opportunity is missed for lack of financial or technical assistance.

Since 1966, under the direction of a fine State and regional staff, EDA has provided economic assistance to 429 projects in Maine. Through the cooperative efforts of EDA, State, and local government, and the private sector, thousands of good jobs have been created throughout Maine that might not otherwise exist today. I will cite a few examples of where a helping hand from EDA has truly made a difference in Maine. That is why EDA is so important to the State of Maine, and let me just recite a couple of examples of success:

The city of Biddeford, a traditional Maine mill town with distressed industries, was assisted by EDA in the 1960's and 1970's in developing an industrial park to rebuild its industrial base. With less than $2 million in Federal investment, seven industries have located on the park with over 1,200 jobs created or saved.

The city of Presque Isle was faced with a military base closure in an area with a one-crop agriculture economy. With EDA assistance, the city purchased the property and developed industrial land. Today, over 20 businesses and industries are located on the park with over 1,500 jobs.

A bankrupt potato processing facility at Easton was purchased by a private firm with EDA assistance. Today, the

plant has been expanded, nearly 700 workers are employed, and farmers have been provided a market for their crops.

At present, in the EDA pipeline are projects that can assist basic Maine industries in redevelopment efforts. I list the Portland Fish Pier Complex and the Fort Kent potato packing facility as examples. In both cases, local communities, along with private investors, have made commitments and will suffer from the rescission and the ultimate phasedown of the agency.

I am, of course, aware of the criticisms that this administration and others have leveled against EDA. I do not think that any of us who take the floor today in support of this amendment will argue that EDA is not without its problems. But in many instances, the problems which plague EDA today are not of the agency's making. It is Congress, in my view, which bears the greatest responsibility for the present state of affairs at EDA.

Too often, EDA officials have disapproved an application for financial or technical assistance, only to be overridden by a powerful Member of Congress or a well-placed official at the White House. Too often, the Congress has assigned new responsibilities to EDA without providing the time and resources necessary to respond to the congressional mandate. The $6 billion local public works program is perhaps the best example of this phenomenon. And too often, Congress has broadened the constituency of EDA, leading to the ludicrous situation where 85 percent of the United States is now classified as "economically depressed" for purposes of qualifying for EDA assistance.

Mr. President, EDA does not pass the laws of this Nation. It does not define its own mandate. It has not set out to create the vast constituency that now competes for the limited technical and financial assistance provided by the Agency. If we support the elimination of EDA as proposed by the administration, we are not striking back at an insensitive and wasteful Federal agency. Rather, we will eliminate a needed and fully justifiable Federal agency which has become overburdened and misdirected by forces beyond its control. We will be reacting to the symptoms of the problem, and turning our back on the root causes which, in my view, can be readily corrected.

Mr. President, one of the principal objectives of President Reagan's program for economic recovery is to significantly reduce the credit activities of the Federal Government. In part, this policy shift reflects the administration's view that the private sector should assume more of the risk associated with new investment. I support this view. The Federal Government should be the lender of last resort, not the Nation's principal banker.

But this view does not deny that there are instances when a Federal agency such as EDA can and should play an active role in promoting economic development or readjustment. Many of Maine's traditional industries—fishing, shoes, potatoes, and poultry—have been severely injured by high interest rates, soaring energy costs, and Federal transportation and trade policies. Does not the Federal Government have an obligation to play at least a limited role in assisting these industries in their efforts to adjust to Federal policies? How is the Nation, and my State, better served by turning a deaf ear to those industries which deserve assistance and will almost certainly continue to decline without it?

Mr. President, the pending amendment does not argue for the status quo at EDA. It clearly acknowledges that the agency has problems and that a restructuring of EDA's mandate is necessary.

I urge my colleagues to support this partial restoration of funds for EDA. The case for abruptly terminating the agency is just simply not there. Let us keep EDA in operation until we can work together to adopt the needed reforms that will permit it to once again serve those purposes for which it was originally created.

Mr. President, I shall try at least to summarize the major point made by my colleague from Maine.

There is something that is fundamental to our system in this country, and that is that if we take persons who are similarly situated and we treat them differently, that is a denial of equal protection of the law.

It is also true in our system if we take people who are not similarly situated and we treat them equally, that is also a fundamental denial of equal protection under our system.

What we are doing in this particular budget approach is that we are taking regions that are not similarly situated and under the guise of treating everyone equally we are then inflicting an unequal treatment upon them since we have different needs, different economic conditions, and different climate conditions. We cannot simply say that everyone is going to be treated equally when in fact they do not need to pay high energy bills in the West, they do not need to pay high fuel bills in southern California, by way of example, or even pay for air-conditioning in the summertime because it is not necessary. But people have to have oil to heat their homes in the State of Maine and because of the high cost of energy, industries are reluctant to locate there, which in turn produces a lower incentive, or a disincentive, to create jobs in our State.

We need an agency, such as EDA, with the modifications that have been suggested and recommended, to correct the fundamental inequities that now are suffered by our region.

Mr. President, I urge the support of the amendment offered by my colleague from Maine and hope that we can reverse the precedent set by the last vote.

The PRESIDING OFFICER (Mr. WARNER). Who yields time?

The Chair recognizes the Senator from West Virginia and inquires who is yielding time to the distinguished Senator from West Virginia.

Mr. MITCHELL. Mr. President, how much time is remaining of the proponents?

The PRESIDING OFFICER. The proponents of the amendment have 3 minutes remaining.

Mr. MITCHELL. Mr. President, I ask unanimous consent that that time be yielded and additional time on the resolution itself.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, the principal sponsor of the pending amendment is the able Senator from Maine, Mr. MITCHELL, and he is joined by his able colleague, Mr. COHEN, also of the same State. I wish very frankly that every Member of this body could be sponsoring this legislation. This is the type of legislation that the Reagan administration really believes in.

If we will dissect it from the beginning to the end, it is absolutely a proposal that could well come from our national leader and those of his party.

This legislation has lived and developed, progressed and given substance to the very best that is in the strengthening of the American economy through Republican as well as Democratic administrations with Republicans in the White House as well as Democrats who have had those positions.

The legislation originally was enacted in 1965. It came from what was then the Public Works Committee and is now the Environment and Public Works Committee. It was a part of a two-pronged program, joined with the Appalachian Regional Commission, where we were to leave Washington, D.C., and to go out, I say to the knowledgeable Senator from Louisiana, Mr. LONG, who is in the Chamber just now, to leave Washington, D.C., and let these projects and programs come into being from the communities and the States of this Republic.

That is exactly what we did in 1965—not a program that was spawned here in Washington, D.C., but a program that had those projects where we had what would be used as the catalyst. It is the core, by which private support—banks included—workers would raise money throughout this Nation, and we would strengthen the economy of literally hundreds and hundreds of communities in every State of the Union.

So we attempt to continue funding for fiscal year 1982 for these programs that have been authorized by the Public Works and Economic Development Act.

The amendment will restore $224.5 million in budget authority for that fiscal year of 1982. This level of funding will provide for a minimum program for the agency to continue the mandate given by Congress to support economic development in areas of this country where the economy for one reason or another was distressed, and where there were high levels of unemployment. This is the backdrop from which we began the programs in 1965.

I have serious concerns, very serious concerns, that the elimination of EDA will have an adverse effect on economic growth and development in this country, particularly, I say, in the rural sections of America.

This program was developed, I reemphasize, to assist communities which

could not sustain the economic growth on their own. No matter how successful our national economic policy might be in stimulating overall economic growth and reducing inflation, important structural problems are with us now just as they were 15 years ago.

Many of the communities of this country and multistate regions are experiencing those structural unemployment, lagging business growth, industrial decline and related business sector distress.

Beneath our national economic statistics there are always the peaks and the valleys in our economy. National economic growth is never distributed evenly. We have today, in 1980—let us look back just a few months—national unemployment at 7.1 percent, but the individual State unemployment figures range from 3.9 percent to 12.6 percent.

During the last two decades growth rates in the so-called Sunbelt have been 2 to 3 times that of the older industrial northern regions. The Senator has spoken of Maine, and his colleague of that State has spoken also. They know this situation.

Now, these are only just an indication of the problems that exist. This country cannot sustain, as I understand it, economic activity and attract new business to smaller communities without the ability to fund public works, which provide the infrastructure on which a sound economy can be based.

There is a general belief, Mr. President, that the Government should exercise fiscal restraint during a period of economic adjustment. I share that belief and will consider reasonable reductions in spending levels, and I have done so. This was done in the committee on which I sat, where we reduced last year our proposals, even going below the Budget Committee as we came to the Senate.

I do not believe these reductions should be arbitrary nor should they be so extensive as to impair the orderly operation of the Federal programs, such as EDA and ARC, and others which were developed by Congress to meet specific public community and regional needs.

Most Government programs will absorb spending reductions in varying degrees. There are a few instances, however, in which agencies are being asked to assume more than their fair share of the budget cutback. They are targeted for total extinction.

Within this latter category is the program that we consider this evening, EDA, which has made valuable contributions in its 15 years of existence to the economic revitalization of America.

I strongly disagree, I earnestly disagree, I loudly disagree, with the proposal of the Budget Committee to provide virtually no funds for EDA in fiscal year 1982.

EDA's primary focus is on helping distressed local economies to deal with their problems. EDA helps the localities learn to work out their own development strategies and to carry out locally—locally now—developed projects through effective targeting toward the most needy areas of the country, unemployed resources, labor, plant and equipment, existing infrastructures, which are put to work and still more unemployment is prevented from occurring.

I am going to give some examples of what this program has done, before I am through. Since 1965 slightly less than $5 billion has been expended by EDA for projects to assist communities and business providing jobs and a stable economy.

EDA programs have assisted small firms by the score, and needy local programs to strengthen the viability of the economy of communities all over this country. States and communities have become increasingly active in addressing their own economic problems to encouraging business investment and establish cooperative efforts with the private sector. Economic development, as distinct from social welfare assistance, has become an important component of State and local business and industry policy.

EDA has taken the lead in providing planning, technical assistance to build the capacity of State and local governments and regional organizations to plan and to implement economic development programs and coordinate the investment of Federal, State, local, and private capital in distressed areas.

EDA's programs can address and have addressed a variety of types of regional and local distress, including rural underdevelopment, outmigration, economic decline, sudden economic crises caused by major plant or military base closures and adjustment problems faced by regions and communities confronted with major structural changes brought about by the national economic growth and international trade policy.

Mr. President, every State has benefited by not just one project but scores of projects through EDA funds. States have received both development grants and guaranteed business loans. One of the most effective programs has been that direct loan and the loan guarantee of EDA.

The Small Business Administration defines small business as a firm with 500 or less workers. During the period 1976–80, the overwhelming majority of the EDA loans and guarantees went to these small firms throughout our country Ninety percent of the direct loans and 84 percent of the guarantees were made to small businesses, as the former majority leader who is in the Chamber at this time, Senator BYRD of West Virginia, knows well. These programs have helped small business. It is generally accepted that the best and most effective way to create new jobs is to assist the small firm. I believe in that. Statistics indicate that over 75 percent of the new jobs that are created each year come in the sector of our economy which is under the umbrella designated as small business.

Mr. President, in West Virginia, EDA loans have saved—I used the word "saved"—not helped to save, but have been instrumental in saving businesses, and, of course, jobs were created and created and created.

In the northern part of West Virginia, EDA has assisted two firms which would have otherwise closed. Someone might say, "Let them close." I do not believe in that.

The Fourco Glass Co., between Parkersburg and Grafton, received an EDA loan which allowed it to modernize its facilities and to remain as a viable producer of glass products.

EDA has assisted in providing financing for a new purchaser for the Sterling Faucet Co. in Morgantown, W. Va.

I go back to Fourco for a moment and remind you that 800 people or more are at work today and they would be out of these jobs had EDA not been the catalyst with which the program has come together.

Now to come again to Sterling Faucet, the assistance from EDA allowed this plant to continue to provide jobs in an economy where they could not otherwise have been replaced; some 700 or 800 persons working in that plant at the present time.

I could go on and on and on and talk about the plants in West Virginia and the aid given by EDA in West Virginia.

Senator MITCHELL has presented a good case for the continuation of EDA. It was one that did not have to be manufactured. The prima facie evidence is there.

I fully concur with the assessments that others have made for continuing this program. It is so practical and suited to meet, frankly, as I said at the very beginning, the objectives of this new administration. That is exactly what is contained in EDA.

There are estimates that current EDA investments will create—and I believe this is correct—or preserve more than 217,000 jobs in this country and approximately $2.5 billion in private investment.

This is the capability which we should retain during a time of emphasis of the new administration, and properly so, on the creation of employment opportunities, particularly by small- and medium-sized businesses, such as have received most of the attention of the EDA.

And so it is unwarranted—I say this rather sadly—that there should be a proposal to mark this program for extinction. It has been an unwise decision.

I think the proposal was made—I say to the able Presiding Officer, who examines matters very carefully—without the examination which this program should have had. The President speaks quickly. Congress comes in and acts quickly. In a program of this type, I do not believe it was carefully assessed, its achievements, its purposes.

I remember when the Secretary of Commerce, Malcolm Baldrige came one evening and talked to me about this program. He admitted—and it is not wrong for me to say, Mr. President and those Members in the Senate—he did not know about this program. He did not know what the program had been doing. He did not know what the program had been accomplishing. I voted for his confirmation as Secretary of Commerce, because I want him to succeed in that position as I want all the members of the

President's Cabinet and their departments to succeed.

But what I am bearing down on there is that he did not know. And, frankly, he cannot know as of the minute I speak. He has not had the opportunity to know of the program and its effectiveness throughout the United States.

So I trust that even though amendments to the budget are being turned back, I want the record to show there might be a miracle that could take place this evening. I cannot see it coming, because I cannot see the Members on the floor who perhaps have heard the strong arguments which are built upon credibility, because the valuable and vital programs of EDA have provided a stable economic climate in hundreds and hundreds of the communities of this country.

So I urge my colleagues to give attention to this matter because it is a Federal program—I want the record to always show these words—that could be lost and will perhaps be lost—I am not negative—with no viable alternative to replace it.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Massachusetts from the time on the resolution.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I will not delay the Senate long, but I do want to indicate my support for the Mitchell amendment. EDA provides the grants and loans to leverage the community investments and create new permanent employment in the economically distressed areas of our country.

EDA's fiscal 1980 investments will generate or preserve more than 216,000 jobs and leverage approximately $2.5 billion in private investment.

The administration says that EDA programs have not been cost effective or well targeted and that most business development loans and loan guarantees are granted to large established firms which already have access to private financing.

That does not happen to be the case in my own State of Massachusetts, where in countless cases this program has made a big difference because new business opportunities have been created in communities which had experienced the loss of major industries over the period of the last 10 or 15 years.

And studies during the past 3 years show that EDA funding has been increasingly focused on small and medium-sized businesses.

Moreover, EDA represents one of the Federal Government's most important strategies to reverse economic decline in the Northeast and Midwest.

EDA's investment of $340 million in the Northeast and Midwest regions has guaranteed or preserved more than 92,500 jobs and leveraged approximately $874 million in private investment.

And the $20 million provided for Massachusetts generated $38 million in private investment and created or preserved over 6,000 jobs.

So, Mr. President, I think this program has proved itself over the years and is worthy of our continued support.

I urge the adoption of the proposed amendment.

Mr. GRASSLEY. Mr. President, I yield myself such time as I may consume.

Mr. President and Members of the Senate, I rise in opposition to this amendment, and also to explain what the Budget Committee assumed in this resolution with respect to EDA funding.

First of all, the committee assumed the administration's proposal to terminate all EDA activities except for the trade adjustment assistance program and legally required activities under the loan guarantee program.

The budget levels assumed by the Budget Committee in this reconciliation resolution for EDA are identical to those recommended by the Senate Environment and Public Works Committee in its March 16 letter to the Budget Committee.

I will quote from that letter:

The committee—

Meaning the Environment and Public Works Committee—

recommend revised budget authority for fiscal year 1981 identical to the request of the Reagan administration, which rescinds $342 million in appropriations for the Economic Development Administration—For fiscal year 1982, the committee agreed to recommend $50 million in budget authority to administer the phase-out of the EDA.

Legitimately the question can be asked and the proposition put, why eliminate this program?

Well, the answer is that rather than direct Federal assistance programs, the determination has been made by the administration, and endorsed by the Environment and Public Works Committee, and by the Budget Committee in its assumptions that we should rely upon general tax, fiscal, and regulatory measures to stimulate economic expansion and job creation.

General economic incentives given to the private sector will allow the marketplace to retain more of its earnings, to build investment, and expand capital, creating permanent jobs.

Jobs that are created in the private sector, having permanency, are jobs that have long-term benefit to the economy.

I think we also ought to respond to the challenge that Senator RANDOLPH put to us suggesting that because this program does leverage private capital and because it is more oriented toward the private sector than are a lot of programs from the Federal level, this is a program that Republicans for that reason should support.

I think I can say that there has been the assumption that there should be the Federal Government involvement in the economy, and Federal promotion of programs to eliminate unemployment. We have assumed that the Federal Government can leverage some private capital that would not otherwise be leveraged.

Let me suggest that we have tried this approach for a long period of time and it does not seem to have produced what it should have produced. Now we are looking to a new approach, an approach that will get inflation under control by reducing Federal expenditures, a program that is going to encourage savings and investments, with the resultant increase in productivity through tax policies encouraging job creation in the private sector.

We feel that this policy of the Reagan administration, which relies totally upon the private sector, is better than the hybrid program that we have been operating under through recent years. Hence, I accept Senator RANDOLPH's challenge, but I must reject it.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I thank the distinguished Senator.

Mr. President, while there is the opportunity, let me say that we have to vote on this amendment rather promptly because a number of Senators have commitments that must be attended to before long.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in recess until the hour of 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTION

The Senate continued with the consideration of the concurrent resolution.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, it would be my expectation that, shortly after we reconvene and after the recognition of the two leaders under the standing order, we will proceed immediately to resume consideration of this matter, Senate Concurrent Resolution 9. I expect the Weicker amendment will be laid down this evening and that we can turn to it shortly after we return to this resolution tomorrow.

I am told that there may be 12 or 13 amendments that may be offered tomorrow. It would appear that tomorrow will be a very busy and a very long day. I would hope to finish this bill tomorrow. I think it is essential that we try to have final passage of the resolution before we recess or adjourn on tomorrow. Members should be on notice that there is a real possibility, almost a certainty, that we will be in session tomorrow until we finish this resolution, even if that is late in the evening. However, we will not continue beyond this next vote tonight, if indeed we can reach this vote shortly. It will be the last rollcall vote we will have this evening.

Mr. ROBERT C. BYRD. Mr. President, Senator MITCHELL has offered an amend-

ment, which I am happy to cosponsor, and I congratulate him on his authorship. It would restore money for EDA in fiscal years 1981 and 1982.

The Economic Development Administration administers the Nation's most basic economic stimulus programs. The key focus of the agency is private sector development. EDA promotes economic development through three fundamental tools: Technical planning assistance, basic infrastructure support, and developmental finance for private job creation.

An effective local response to serious economic problems demands more than ad hoc development projects. It requires sound, long-term economic planning based upon trained understanding of the problems and opportunities for development. This is where EDA can fill the gap.

Some areas with high unemployment lack the basic financial resources to meet the cost of public services necessary to maintain economic well being. EDA provides grants for fiscally troubled communities to build or maintain basic infrastructure support. Typical public facility projects include water and sewage systems, access roads, industrial parks, and harbor and airport facilities.

Businesses in underdeveloped rural areas may have difficulty acquiring adequate capital because banks tend to lack liquidity where there is no solid base of past economic development to protect the investments of lenders and companies. Businesses in economically declining urban areas may have problems finding reasonably priced credit because of their location. It is in this context that EDA provides direct loans or loan guarantees.

Despite the broad eligibility criteria in current law, EDA has exercised considerable discretion in granting assistance to communities—and a major portion has gone to those most financially troubled. The agency has developed a number of standards to determine the merits of assistance. More weight is given to projects that are part of a practical development strategy, will draw additional non-Federal public and private investment, and have a substantial impact in relieving unemployment.

Mr. President, if we do not know it when we get here, most Members of Congress eventually learn Mencken's law: "For every human problem, there is a solution that is simple, neat and wrong." To eliminate this Nation's economic revitalization programs, without the benefit of committee hearings or review, would undoubtedly subscribe to the tenets of Mencken's law.

There are many lessons to be learned from last November's election, and we are still learning them. However, I do not believe that the voters told us simply to eliminate all Federal assistance for economically distressed areas. I do not believe that Federal economic revitalization programs have been a mistake.

I believe that the majority of American voters think the Federal Government has a role to play in revitalizing America's economy. The people want to see the unemployed auto worker in Detroit, they want to see the unemployed factory worker in Ohio and the unemployed miner in West Virginia at work again. The people want to see America productively working again.

The EDA has been helpful in providing jobs for American workers.

Mr. President, I hope the Senate will adopt the amendment offered by Mr. MITCHELL.

Mr. GRASSLEY. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. GRASSLEY. Mr. President, we yield back the remainder of our time on this side.

Mr. MITCHELL. Mr. President, may I ask for just 1 minute to respond to the statement made by the Senator from Iowa in opposition to the amendment? I shall ask for 2 minutes against the resolution itself.

Mr. ROBERT C. BYRD. Mr. President, I yield 2 minutes.

Mr. MITCHELL. Mr. President, the argument against this amendment made by the Senator from Iowa is that any policies involving the Federal Government in economic development have been failures and that we ought to abandon that approach. I should like to ask the Senate, was the Tennessee Valley Authority a failure? Did that not result in assistance to millions and millions of Americans in a seven-State region?

The Reclamation Lands Act, which enabled all of the Western States to bloom now, to have the most productive farmlands in the world, areas that were once arid and barren—was that a failure?

The hydroelectric policies which have enabled the cost of electricity in the Western States to be a fraction of that in the Eastern States, which have enabled that area to prosper and develop economically—was that a failure?

The fact of the matter is that the major policies involving the Federal Government in the development of the West and the South have been spectacular successes. That is the reason why the West and the South are now in an economically advantageous position. They have been the opposite of failures. It is precisely that situation and it is for precisely that reason that this program should be continued. By historic turn of events, due in large part of Federal development policies, it is now the East and the North that are the origins of high unemployment and low per capita income. Where once the energies and the efforts of the Federal Government were turned to helping the West and the South develop, and succeeded spectacularly in that effort, now it is this modest effort that is necessary to aid the areas of the East and the North, which suffer from high unemployment and low per capita income.

I do not think this policy of the past century has been a failure. I think it has been a great success. There is nothing more symbolic of that success than the Tennessee Valley Authority, the Reclamation Lands Act, the hydro development programs, and all of the other programs by which the West and the southern parts of this country have reached the economic peak that they now enjoy. So, Mr. President, the arguments offered against this amendment are, in fact, arguments for the amendment because the policies of the past century have succeeded and should be continued.

The PRESIDING OFFICER. All time having expired——

Mr. GRASSLEY. Mr. President, I yield the Senator from Alaska 3 minutes from the resolution.

Mr. MURKOWSKI. Mr. President, I thank the Senator from Iowa for yielding. I think the EDA program, as originally proposed and the EDA program that we have proposed before us in the U.S. Senate are two entirely different programs. The original purpose of the EDA program was to provide financial assistance to those few economically distressed areas in the country which were bypassed by the general economic prosperity. These original areas amounted to some 10 to 12 percent of the country, but now the program has evolved to the point where 85 percent of the country has been identified as economically distressed. As a result, EDA funds have been spread so thin that there is no way to expect EDA to solve the problems of today's economy.

Mr. President, as we reflect on the message from the administration and we reflect further on the response from the citizens of this country, they are committed to a sacrifice. That sacrifice means, Mr. President, less programs. The response is due to the increasing inflation in this country and the fiscal irresponsibility of our Federal Government. Why should the Federal Government demand that its citizens maintain fiscal responsibility when the Government itself expends, year after year, many billions of dollars more than it takes in? Yet it dictates to you and me, Mr. President, that we must balance our checkbook or pay our credit card bills or we shall lose these conventional privileges associated with fiscal responsibility.

I say to the Chair that the citizens of this country, and certainly, the constituents in my State, recognize the concepts and the worthwhile efforts of the EDA program as conceived. But it has broadened to the point where it is a matter of priorities in determining what programs we can afford and what we cannot.

It is my opinion, Mr. President, that the EDA program has grown so tremendously over the years that it has gotten beyond its original structure. As a consequence, its priority merits are being debated here today.

The question is, Mr. President, who will pick up this void? I suggest, for the Senate's consideration that the tax package as proposed by the Reagan administration can go a long way in replacing some of the programs that we have seen picked up by EDA. I refer specifically to the suggestion of a new tax package that recognizes a change in the depreciation schedule, which will allow American plants to enjoy the same set of circumstances that foreign plants now enjoy with regard to a depreciation schedule.

American plants are under depreciation schedules of up to 30 years. It is no wonder that we are no longer competitive in the world marketplace, when we are competing against Japanese and

German plants that enjoy a 7½- to 10-year depreciation schedule.

Mr. President, I remind my opponents with regard to this amendment that the Federal Government has not lost its responsibility to the State governments. What we are looking today is to make a determination whether this is truly a priority item within the budget. It is my opinion that the private sector, particularly through change in the depreciation schedules, can go a long way to assist the basic premise of the economic development program, which is to stimulate employment throughout our country.

I say, Mr. President, that the program deserves a chance. I think that this is a reasonable approach. I certainly recognize that it is a departure from the program that we have seen in this country for many, many years, but the time, Mr. President, for sacrifice is here. It is evident in the constituency of the American people, who are responding by saying, "We are willing to give up these programs in favor of a balanced budget."

Mr. President, I thank the Senator from Iowa. I yield back my time.

Mr. WEICKER. Mr. President, I rise as a cosponsor of the amendment of the Senator from Maine (Mr. MITCHELL). The resolution before the Senate would effectively deny the Economic Development Administration funding for the last two quarters of fiscal year 1981 by eliminating $342 million, and allow for no more than $50 million in fiscal year 1982, in order to eliminate EDA as soon as possible.

This amendment would decrease the reconciliation instruction to require the rescission of $171 million less than recommended by the Budget Committee, and would restore budget authority of $224 million in fiscal year 1982 and $255 million in fiscal year 1983. This amendment runs counter to the administration's proposed elimination of EDA but I firmly believe that the administration's position is dead wrong on this issue.

The central thesis underlying the administration's attitude toward the Economic Development Administration can be found on pages 4 through 10 of the February 18 document entitled "Program for Economic Recovery." I quote a sample paragraph:

> Economic expansion and job creation in distressed areas will be stimulated through general tax, fiscal, and regulatory measures and more flexible community development support assistance.

This is, of course, the classic "rising tide lifts all boats" argument.

Economists can debate forever the macro effects of this supply-side policy—whether inflation will come down and capital investment go up. I do not wish to get into that today.

I do question the micro effects. If you eliminate EDA, UDAG, CDBG, et cetera—the so-called targeted economic development assistance programs—what will the economically distressed areas of our country do? They will be thrown into an enormous vacuum, at least until the rising tide lifts the remaining boats.

President Kennedy favored across-the-board supply-side tax cuts. But he also favored the Area Redevelopment Administration—EDA's forerunner—because he knew macropolicy was not enough.

This administration would pull the plug completely on one of the best of the targeted programs and leave many regions of the United States waiting for the macro effects to trickle down. This is wrong headed.

Let us take a look at the arguments put forth by the administration supporting the elimination of EDA.

First, EDA does not create many new jobs; but transfers jobs from other sectors of the economy;

Second, EDA support is a substitution for private investment;

Third, the cost per job saved or created is between $50,000 to $60,000; and

Fourth, since over 80 percent of the Nation's population lives in "distressed" areas eligible for EDA assistance, the assistance is spread too thin to be effective.

A recent CBO analysis conducted for the Appropriations Subcommittee on State, Justice, and Commerce, of which I am chairman, provides some interesting facts with regard to some of the criticisms raised. This appraisal looked at periods of assistance provided by EDA from 1976 to 1979 and found:

First. The private sector would not have provided the same level of investment which we leveraged with EDA. According to CBO; 8 percent of EDA's loan guarantee projects would have gone unfunded; 84 percent of the business development loan programs would not have been created; and 55 percent of the public works projects would not have been undertaken by the private sector alone.

Second. With regard to costs per job created, CBO tells us that a more accurate measure is: $3,600 to $7,000 per job for the business loan development program; and $10,000 to $12,000 per job for the public works program.

Third. Finally, CBO says that although the areas represented by 78 percent of the Nation's population qualify for EDA assistance, only 25 percent of the counties eligible were actually served and that firms receiving loan guarantee assistance represented only 1.7 percent of all qualifying areas.

The results of this analysis are significant because they discredit the broad criticisms leveled against EDA by administration officials over the past few weeks. EDA is certainly not without fault. I for one have been the strongest critic of the steel loan program, a program which has produced such stellar performances as the $60 million loan default by Wisconsin Steel. Yet, here we have a financial delivery system which has worked pretty well.

EDA claims that in fiscal year 1980, an investment of $507 million by EDA will have saved or created 75,000 to 90,000 jobs and leveraged an additional $2.5 billion in private investment—a 500-percent return, if you will.

This is a program which works and is working, hand in glove with the private sector.

I urge my colleagues to support the Mitchell amendment.

Mr. SARBANES. Mr. President, I commend the Senator from Maine for offering this amendment and for his very effective presentation on its behalf. The Economic Development Administration has been a tremendous stimulant to the economic development of both the urban and rural areas of Maryland, particularly those that have experienced difficulties in terms of businesses leaving the area or where incentives for commercial and economic development were lacking. Many of the urban and rural communities which have benefited from EDA programs have not been able to overcome economic distress even in times of general national prosperity and an expanding economy.

In Maryland there are several areas which clearly demonstrate this unfortunate phenomena and which have benefited from EDA programs. Baltimore City is one clear example of an older American city which has seen decreasing economic opportunities as business and industry have left, with resulting rising unemployment and concentration of large numbers of low-income citizens. These conditions came into being over a fairly long period of time and, in part, because of Federal policies which favored new business development outside of cities through tax benefits, housing industry benefits, and the interstate highway system.

Despite the long period of decline, Baltimore has, in recent years, made substantial efforts to halt and reverse that trend. Its industrial infrastructure has been improved through $11 million in EDA funds to improve streets, sewers, and other infrastructure. These funds were matched by $8 million in local funds—a substantial and important local contribution—for use in areas containing nearly 30,000 jobs. These areas have been stabilized and jobs retained thus stimulating $600 million in private industrial investment.

In the development of new industrial parks, Baltimore projects that are completed or underway are producing or saving 10,000 permanent jobs, generating $140 million in private investment and over $4 million in annual property taxes.

One example of the tremendous importance of EDA programs is the Fort Holabird Industrial Park in Baltimore. A one-time Army base, this tract of land was acquired by the city after a long process and, with the use of EDA funds, turned into an industrial park. The availability of the industrial park with its improved utilities served as a critically important incentive for the General Motors Corp. to stay in Baltimore City and to expand and modernize its assembly plant, thus preserving 4,000 jobs. The EDA funds, coupled with an urban development action grant, enabled GM to agree to purchase 26 acres of the Fort Holabird property with an option to buy 24 more and to upgrade and expand their present plant at a cost of up to $500 million with 1,000 additional jobs to be created in an area of high unemployment.

Mr. President, it is clear that the EDA program has helped Baltimore to deal with its severe economic problems and to

embark on a revitalization of its economy.

Mr. President, the rural areas of Maryland, too, have benefited from the Economic Development Administration. Changes in the nature of the agriculture and seafood industries and lack of large commercial or industrial enterprises have limited job opportunities and economic growth, particularly on the Eastern Shore.

However, several communities have endeavored to establish small industrial parks and to seek energetically firms to utilize them. EDA funds in Pocomoke City in Worcester County were recently awarded for use in installation of sewer lines and construction of streets to carry out a project consistent with the long-range planning program of the Delmarva Economic Development District, a multi-county organization working to create jobs through the use of local resources. It is projected that 245 jobs will be generated through this activity.

In Cambridge, Md. in Dorchester County, the recent closing of a large fish packing plant caused a major increase in unemployment. Dorchester County responded by utilizing over $800,000 in EDA funds to construct an access road, a rail spur and water and sewer facilities for the Woods Road Industrial Park. The project will also serve Airpax, an electronics firm planning to expand and create an additional 300 jobs. This project is also consistent with the program developed by the Delmarva Economic Development District.

In western Maryland, the Mexico Farms Industrial Park near Cumberland will be served by a rail spur made possible by EDA funding. The spur will be an inducement for industry to locate in an area which has been affected by high chronic unemployment. The industrial park is on its way to being the most important part of an overall economic development plan prepared by Allegany County.

Mr. SASSER. Mr. President, I rise to support the amendment of the Senator from Maine (Mr. MITCHELL) that would add a modest amount of funding for the programs of job development which have affected every part of this country.

Mr. President, the Reagan administration has proposed virtual termination of the Economic Development Administration in 1981. And while I have supported, in many cases, the Reagan administration recommendations for cutting the budget, I think that this is one program reduction that is ill-advised.

My State has come to depend on the many projects funded by the Economic Development Administration so that they can move forward with well-planned efforts to spread economic development throughout the State, especially in our smaller and less developed rural communities.

Mr. President, it is not uncommon for the economic payoff of the EDA projects in my State to be on the order of 7 to 1—$7 of private investment for every dollar of funding from the Economic Development Administration. And I have been beseeched by county and development district officials not to cut off funds for projects that are now awaiting 1981 funding for completion.

Why in the Upper Cumberland Development District, we have eight projects on the board that are awaiting EDA funding for multi-purpose industrial parks. Here, Mr. President, I shall ask unanimous consent that the list of these projects appear at the end of my prepared statement. These projects would help provide jobs for 3,120 individuals and without EDA funding, I doubt that these jobs may remain located in Tennessee. And I am vitally concerned over this fact since our State lost more than 50,000 jobs last year and urgently needs the well-focused development programs of the Economic Development Administration.

In the final analysis, EDA job development programs are ones that will help sustain and expand employment in many of the areas of my State that are struggling to expand their tax base and thereby provide gainful employment for their residents.

EDA has been a positive force in creating jobs throughout the country. The local officials administering EDA programs are willing to see cuts made in their programs, but they object to the termination of all programs in 1981 and 1982. So let us be fair, let us make sensible funding reductions in the program, but let us not turn our backs on projects that are almost completed in 1981. Rather, let us adopt this amendment which provides for an orderly and phased reduction in the funding of EDA programs.

The material follows:

UPPER CUMBERLAND DEVELOPMENT DISTRICT
CURRENT EMPLOYMENT IN ARC/EDA ASSISTED INDUSTRIAL PARKS

February 26, 1981

County/city, EDA/ARC funding, industries, and number employees:

Clay/Hermitage Springs, ARC–125,000, Oshkosh B'Gosh Tennessee Mills, 140.

Cumberland/Crossville, EDA–786,000, ARC–75,000, Elixir, Mountain Comfort, B&L Laboratories, Heritage Door and Trim, Energy Dynamics, 140.

DeKalb/Smithville, EDA–571,000, ARC–450,000, Nuturn, Regal Craft Kitchens, Denny Lamp Company, 240.

Jackson/Gainesboro, EDA–300,000, ARC–46,000, 40,000, Georgia Boot Company, Gainesboro Industries, Twin Rivers Furniture, Aeroquip, 510.

Macon/Lafayette, EDA–542,000, Carter Automotive, Arden Industries, 270.

Overton/Livingston, EDA–145,000, Berkline, Overton Apparel, Stylecraft, Livingston Manufacturing, Livingston Paper Board, Averitt Express, Loftis Tool & Die, L&S Tool & Die, Design Intent, Overton Co. Highway Dept., 920.

Putnam/Cookeville, EDA–1,074,000, Tutco, Porelon, Upper Cumberland Dev. Dist., National Guard Armory, 340.

White/Sparta,* EDA–1,500,000, ARC–420,000, 560.

Total funding, 6,074,000.

Total employees, 3,120.

*The City of Sparta was designated as an areawide industrial park by EDA in 1976 and received ARC and EDA grant monies to expand water and sewer services throughout the City to serve four potential industrial sites. The total annual average manufacturing employment for FY 80 in Sparta/White County was 3,590 as compared with an annual average in 1976 of 3,030.

The 1980 annual payroll for the above listed industries totaled $24,000,000.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment by the Senator from Maine. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DECONCINI (after having voted in the negative). On this vote I have a pair with the distinguished Senator from New York (Mr. MOYNIHAN). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. MOYNIHAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 59, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—37

Baucus	Glenn	Mitchell
Biden	Hart	Pell
Bradley	Heinz	Pryor
Bumpers	Hollings	Randolph
Burdick	Huddleston	Riegle
Byrd, Robert C.	Inouye	Sarbanes
Cannon	Jackson	Sasser
Cohen	Kennedy	Specter
Cranston	Leahy	Stennis
Dixon	Levin	Tsongas
Dodd	Long	Weicker
Eagleton	Mathias	
Ford	Matsunaga	

NAYS—59

Abdnor	Garn	Murkowski
Andrews	Goldwater	Nickles
Armstrong	Gorton	Nunn
Baker	Grassley	Packwood
Bentsen	Hatch	Percy
Boren	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Byrd, Harry F., Jr.	Hayakawa	Quayle
	Heflin	Roth
Chafee	Helms	Rudman
Chiles	Humphrey	Schmitt
Cochran	Jepsen	Simpson
D'Amato	Johnston	Stafford
Danforth	Kassebaum	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Tower
Durenberger	Mattingly	Wallop
East	McClure	Warner
Exon	Melcher	Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

DeConcini, against.

NOT VOTING—3

Metzenbaum	Moynihan	Williams

So Mr. MITCHELL'S amendment (UP No. 35) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 20

(Purpose: To restore funds for programs under the jurisdiction of the Senate Committee on Small Business)

Mr. WEICKER. Mr. President, I call up my amendment No. 20 and ask that it be read.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER) proposes an amendment numbered 20.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, beginning with "$97,000,000" in line 17, strike out through "$541,000,000" in line 21 and insert "$2,000,000 in budget authority and $28,000,000 in outlays for fiscal year 1981; $371,000,000 in budget authority and $247,000,000 in outlays for fiscal year 1982; and $487,000,000 in budget authority and $459,00,000".

Mr. WEICKER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, this amendment would bring the overall reductions in the Small Business Administration's programs back in line with those proposed by the President. It would restore funding for programs under the jurisdiction of the Senate Committee on Small Business. In fiscal year 1982 this amendment would reduce savings in budget authority by $155 million below those endorsed by the Budget Committee.

It is important to note that the President's proposal, which I am offering, reflects a one-third reduction in SBA programs from current policy. Thus, with the adoption of this amendment, SBA will still be taking more than its fair share of the overall budget cuts.

However, the Budget Committee instruction would force the Small Business Committee to slash the agency's programs by 45 percent from current policy. I am concerned about the impact that such sweeping reductions would have on the most endangered of the small business community in our country.

I want to stress that this instruction assumes the elimination of the direct lending programs which have been the major function of the SBA.

And, Mr. President, what would be the effect of such a wholesale reduction? If approved it would basically and fundamentally alter the structure and mission of the Small Business Administration without the benefit of thorough review and thoughtful judgments concerning the merits and worthiness of the programs which would be eliminated.

If the Budget Committee instruction prevails in its current form, the Small Business Committee will have no choice as to where it must cut. For it is only through the elimination of direct loans that savings of the magnitude endorsed by the Budget Committee can be achieved. In essence, Budget Committee assumptions would be binding on our committee and on SBA.

As chairman of the Committee on Small Business, I have pledged publicly to pursue vigorous oversight of the SBA during this session of Congress. I welcome this opportunity which is the duty and responsibility of the Committee on Small Business to perform.

However, if the instruction as contained in this resolution is agreed to, the oversight process, the considered judgments necessary to improve the programs and performance of the SBA, will be vitiated. Decisions which should be reached over a period of time will be made without evaluating their impact.

Mr. President, let me point out some of the effects of the Budget Committee's action in adopting this instruction and some of the questions this action raises.

First, the recommendation eliminates all direct lending programs of the agency.

Did the Budget Committee consider the impact of this elimination of the program's constituency? As a lender of last resort, SBA lends to the least credit worthy borrowers. These borrowers are not able to receive a bank loan even with a Government guarantee.

Therefore, the Budget Committee has made the determination that SBA will no longer serve as a lender of last resort for the small business community. And, at the worst possible time for small business, we will impose the "jungle psychology" of "survival of the fittest" from thousands of small businesses.

There are various loan programs designed to serve specific constituencies within the overall direct lending program of SBA.

The handicapped assistance loan program which provides funding for handicapped individuals who own or desire to own their own business would be eliminated.

The energy loan program which provides much needed capital, otherwise unavailable, to small firms which are developing new energy technologies would be eliminated.

The Minority Enterprise Small Business Investment Co. (MESBIC) program would be eliminated.

MESBIC's are venture capital firms which provide both debt and equity funding to small firms operated by socially and economically disadvantaged persons.

Capital commitments from the private sector to MESBIC's total over $100 million with this amount being leveraged through SBA purchase of preferred stock. The 129 MESBIC's currently in existence would lose their source of Government funding under the Budget Committee's recommendation and may as a result lose the ability to attract private investments. Many MESBIC's would have to cease operating if the direct lending programs of SBA are abolished.

The direct funds for the development company loan program which provides funding for the revitalization of small businesses, especially in urban areas would be eliminated.

These programs all serve legitimate purposes, and I reiterate, Mr. President, that if the instruction as reported by the Committee on the Budget stands, the Committee on Small Business will have no choice but to eliminate them.

In addition to the Budget Committee's elimination of direct lending programs, other SBA programs have been subjected to reductions.

The Budget Committee proposes elimination of the nonphysical disaster lending program and increases in the interest rates on disaster loans.

I am sure the distinguished chairman and ranking member of the Budget Committee recall past debate in this Chamber on numerous occasions concerning interest rates on disaster loans. This very issue held up passage of an authorization bill for the SBA for a year and a half. Finally, in July 1980, agreement on the rates and terms for disaster loans was reached in Public Law 96-302.

While I have supported the position taken by the Budget Committee on this issue in the past, as both of the floor managers of this bill will recall, I was also bound to support the position of the Senate in conference and this position is reflected in the rates included in Public Law 96-302.

This is an issue which deserves the attention of the Authorization Committee. If my amendment is agreed to, there will be sufficient latitude within the total reductions to address ths difficult issue. If the instruction as now included in the resolution is adopted, the Small Business Committee will have little choice, but to endorse the Budget Committee's disaster interest rate assumptions.

The Budget Committee recomemndation also assumes a $41 million reduction in salaries and expenses. This assumption includes elimination of the small business development center program which has proven to be a viable medium for the delivery of management assistance for small business.

In addition, the Budget Committee would cut salaries and expenses by an additional 10 percent to reflect lower administrative costs associated with the elimination of direct loans.

Close to 60 percent of salaries and expenses asssociated with SBA's lending programs are to manage the Agency's current portfolio of loans. A 10-percent reduction in total agency salaries and expenses would cut significantly into SBA's ability to manage the current portfolio.

Both the Carter and Reagan administrations in their budget submissions have recognized the need to increase resources available to manage the loan portfolio. Such a deep reduction, as proposed by the Budget Committee, would only exacerbate an already bad situation. Without adequate tracking of the current portfolio, losses to the Government through defaults would increase considerably.

I assure my colleagues that nowhere near 10 percent of the agency's salaries and expenses can be associated with direct lending. Yet, this is the reduction proposed by the Budget Committee in its instruction. Again, I must say that because of the vast amount of cuts proposed in totality by the Budget Committee for SBA, the Committee on Small Business will have no choice but to comply with the assumptions used to build the reduction amounts included in this resolution.

Under my amendment which reflects reductions proposed by the President, there would still be a significant cut in direct lending. However, the Committee on Small Business will be able to recommend those areas where continued funding is necessary. The restoration of funds will insure that SBA can still act as a lender of last resort in aiding those businesses which are unable to obtain credit from other sources.

At a time when both the availability and the cost of credit is the primary concern of small businesses it seems counterproductive to eliminate entirely the one Government program which is designed to ease that problem.

Therefore, I propose this amendment to preserve the ability of the Committee on Small Business to determine the future course of programs under its jurisdiction. Let me add that I am sympathetic with the need to reduce spending and believe that the Small Business Administration must take its share of cuts. Therefore, my amendment would reflect budget savings as proposed by the President.

When the Budget Committee considered this instruction to the Committee on Small Business, a proposal to endorse the President's reduction lost by only one vote. Therefore, I believe that the amendment which I am currently offering is in line with the thinking of many members of that committee, and in line with the desire of many Members on my side of the aisle to see the President's package remain intact.

Mr. President, I do not believe that the Budget Committee ever intended to tie the hands of the Small Business Committee in approving its reduction level. In fact, the Budget Committee report accompanying Senate Concurrent Resolution 9 states:

> Under the Budget Act, each committee that receives a reconciliation instruction is free to make its required savings in any manner it sees fit.

This point was reiterated by the distinguished chairman of the Budget Committee in his statement as the Senate began consideration on this resolution on Thursday. The facts show that in the case of the Committee on Small Business we are not free to choose the manner in which the required savings will be achieved. I hope that the managers now are cognizant of this fact which I am sure was an unintended result of their action in the Budget Committee. I believe the amendment I am offering corrects this unintended result while still requiring a significant reduction in SBA programs. Mr. President, I urge my colleagues to accept this amendment.

I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, I rise in support of Senator WEICKER'S amendment to fund small business programs at the level proposed by President Reagan.

First I would like to say a brief word about the distinguished Senator from Connecticut.

As the new chairman of the Senate Small Business Committee, my colleague from New England has already established himself as a strong voice in the U.S. Senate on behalf of small business concerns.

In the area of tax incentives for small business, as well as many others, he is working to insure that the small business sector of our economy is given the proper opportunity to contribute to our economic recovery.

My colleague's amendment restores cuts in vital SBA programs proposed by the Budget Committee.

In the reconciliation resolution, all direct lending programs for small businesses are completely eliminated. These cuts include loans to local development companies, loans to the handicapped, and financial assistance to minority enterprise small business investment companies.

These are important programs. They assist thousands of small businesses in this country by providing access to capital that otherwise would be unavailable. In so doing, they assist in the creation of thousands of new jobs and result in added revenue for the Government.

These are not experimental programs; they are programs with proven results. In Boston for instance, the Boston local development corporation has created nearly $4 million in new investment. For Boston, this has meant 309 new jobs and the retention of 428 others.

This is just one example of the contributions small business programs make to our economy. They create jobs, they enhance competition, and they assist in improving local economic conditions.

In light of these results, it is absolutely clear that now is the worst possible time to reduce SBA lending programs.

I may disagree with my colleagues on some things. But there is one issue on which there is complete agreement in this body. We must work to bring inflation, unemployment and high interest rates down, and we must encourage investment and productivity by the business sector.

In this effort we must secure the full participation of the small businesses of this Nation. Their past record in promoting innovation, providing employment, and enhancing competition demonstrates the important contribution these firms can make in restoring our economic prosperity. It is our obligation in the Senate, to make sure that these firms participate fully in our economic recovery effort.

Surely this cannot be accomplished by eliminating vital small business lending programs. Instead we must be sure to provide the resources necessary to insure small business a proper role in our efforts to restore prosperity to the economy.

I believe the Weicker amendment will assure this role, and I urge my colleagues to support it.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I say to the Senator from Connecticut that I believe there has been an agreement that his amendment will be the first order of business on tomorrow.

Mr. WEICKER. I thank the distinguished lovely Senator from Kansas.

Mrs. KASSEBAUM. When the Chamber will be filled and we can far better engage in debate.

Mr. WEICKER. I am not so sure that if the Chamber is filled that that necessarily guarantees the quality of debate.

Mr. FORD. It enhances it some.

ROUTINE MORNING BUSINESS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed 30 minutes and that Senators may be permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENTIAL ASSASSINATION ATTEMPT IS A NATIONAL TRAGEDY

Mr. SASSER. Mr. President, the news from George Washington University Hospital today is indeed gratifying. President Reagan continues to do well, and we all wish him a speedy recovery. Our prayers have been with him and his family constantly during this tragic time.

The President's behavior during this time has been remarkable. His strength, stamina, and good humor have won the admiration of people across the Nation and throughout the world. He demonstrated amazing calm under the most trying circumstances.

President Reagan is in excellent physical condition, and I expect him to bounce back very quickly. I see no reason why he should not resume his full duties in very short order. In the interim, it is reassuring that Vice President BUSH, Secretary of State Haig, and others have stepped in to insure the orderly administration of the executive branch of Government.

While President Reagan no longer appears to be in any danger, I am saddened that his press secretary, Mr. James Brady, still remains in critical condition. We should also take a moment to think of Secret Service Agent Timothy McCarthy and District of Columbia Police Officer Thomas Delahanty, who were also wounded in the senseless and vicious shooting.

The shooting yesterday afternoon was a grim reminder of the violence which permeates so much of society. It was only the latest in a series of violent attacks on our elected leaders in the last two decades. The assassinations of John Kennedy and Robert Kennedy, the two attacks on President Ford, are vivid and lasting memories.

These random acts of violence have no explanation or rationality. They appear to have been the work of deranged and unbalanced individuals.

Now, as we reflect on the events of the last 24 hours, we must make a commitment to double our efforts to seek to rid society of violence and the causes of violence. We must make sure that we are doing everything necessary to protect our elected leaders.

I was deeply saddened by the events of yesterday afternoon, but I am heartened by the courage and tenacity of President Reagan. I am sure all of my colleagues join me in wishing well and paying him the greatest respect.

ATTEMPTED ASSASSINATION OF PRESIDENT RONALD REAGAN

Mr. MATHIAS. Mr. President, violence has again stalked a President of the United States. I am appalled by the attempted assassination of President Reagan. Mrs. Mathias' prayers and mine, like

those of all Americans, are with the President and with the other victims of this irrational attack—James Brady, the President's associate; Tim McCarthy, of the Secret Service, and especially with Thomas Delahanty, a Metropolitan Policeman and a fellow Marylander.

One President killed would be too many, but the number of American Presidents killed or threatened by armed gunmen is a national tragedy and a national disgrace.

As the Nation keeps its painful vigil, let us resolve to act together to reduce the level of violence in our society. We may never be able to control irrational elements in society or to anticipate the acts of a madman, but we can control the use of weapons which gives ultimate expression to madness. We can and we must.

SENATOR SASSER ACCEPTS INTERGOVERNMENTAL ADVISORY COMMISSION APPOINTMENT

● Mr. SASSER. Mr. President, recently, I accepted the appointment, made by Vice President GEORGE BUSH, to my second 2-year term as a member of the Advisory Commission on Intergovernmental Relations (ACIR).

For mayors and Governors and legislators and council members throughout the country, the work of this Advisory Commission seems very important, indeed. Stated simply, the Commission considers issues of "'Federalism," or how power and resources are divided up among the levels of government.

One of their recommendations, made several years ago, was that the system of Federal grants needed streamlining. The Commission suggested that there is a great need to reduce the paperwork and overhead costs imposed on State and local governments by the grant system.

In my view, the work of the Commission in "sorting out" the complex intergovernmental grant system has great merit. That is why I am the sponsor of several pieces of legislation based on Commission recommendations.

During the last Congress, I was pleased when my bill to extend the Joint Funding Simplification Act, which allows the "packaging" of grant programs, was passed and signed into law.

This year, I have introduced the Federal Assistance Reform Act (S. 45), to improve the overall management of the Federal grant system, and the State and Local Fiscal Note Act (S. 43), to reduce the instances of unanticipated cost burdens imposed on State and local governments by Federal programs. I am hopeful of early passage of both pieces of legislation.

I am proud that several prominent Tennesseans have, at various times, been members of the ACIR. Both Vanderbilt Chancellor Alexander Heard and Montgomery County Judge William O. Beach have served on the Commission. So did the late Nashville Mayor Beverly Briley and the late Gov. Buford Ellington.

I believe that the extensive research done by the Advisory Commission on Intergovernmental Relations leads the way toward gains in instituting reforms in the Federal system. That is why I am pleased with my reappointment to the Commission. I look forward to continuing to work with ACIR, both as a member of the Commission and as a Member of Congress, in the effort to improve intergovernmental relations.●

THE DEATH OF RETIRED NAVY ADMIRAL JOHN S. McCAIN, JR.

Mr. THURMOND. Mr. President, I was deeply saddened to learn of the death of retired Navy Admiral John S. McCain, Jr., on March 22. He was a fine, patriotic, public-spirited military officer who made outstanding contributions toward implementing U.S. defense policies in the Vietnam and Pacific Ocean area during the late 1960's and early 1970's. His knowledge of the aggressive nature of communism was extensive, and he was a strong advocate of an upgraded Navy to counter the mounting naval power of the Soviet Union.

A recent article by staff writer Martin Weil in the March 24, 1981, Washington Post provides some excellent background on John McCain and his career.

Mr. President, in order to share excerpts of this article with my colleagues, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ADM. JOHN S. MCCAIN, JR., DIES; LEADER IN VIETNAM WAR

(By Martin Weil)

Retired Navy Admiral John S. McCain Jr., 70, a bluntly outspoken foe of communist aggression who served as commander-in-chief of U.S. forces in the Pacific at the peak of the Vietnam war, died Sunday of a heart attack he suffered while returning from a vacation trip in Europe.

Admiral McCain, retired since 1972, was the Navy's first full admiral who was the son of another full admiral. His father commanded a carrier task force in the Pacific during World War II. One of Admiral McCain's own sons, Capt. John S. McCain III, was a prisoner of war in Indochina for five years after being shot down while a Navy pilot.

A dedicated apostle of the importance of seapower to the national interest, Admiral McCain was a decorated World War II submarine commander. He headed U.S. forces in the Dominican Republic during the 1965 crisis there. From 1968 to 1972, he held the Pacific post, which included Vietnam.

"The communists have chosen to make Vietnam the testing ground for their so-called wars of national liberation," he once said. "If they can make this kind of aggression work there, we can expect to be faced with more such wars elsewhere. We are there to prove to them that it won't work."

Admiral McCain was born in Council Bluffs, Iowa, and grew up at various naval stations where his father was posted. He was in Washington during his high school years and graduated from the old Central High School before entering the U.S. Naval Academy at Annapolis in the class of 1931. His reported rebelliousness as a midshipman was said to have earned him huge doses of punitive extra duty.

Of his later return to the Naval Academy to teach electrical engineering, he said, "The lads learned soon enough never to try to hoodwink an old hoodwinker."

In a 1970 speech he told the academy's graduating class not to worry about those urging "make love, not war." The graduates, he said, belonged to a fraternity "whose members are men enough to do both."

As commander of three different submarines during World War II, he sank 20,000 tons of Japanese shipping and once spent 72 hours on the ocean bottom, riding out a depth charge attack. "It gives you a new outlook on life," he said of the experience. His military decorations from that period included the Silver Star and Bronze Star medals.

After the war, the lithe, slightly built admiral, who jumped rope 200 times a day to help keep fit, held a variety of posts, including second in command of the heavy cruiser *St. Paul* during the Korean conflict, chief of Navy congressional liaison, chief of information for the Navy, commander of the Atlantic amphibious training command, commander of Atlantic amphibious forces, and before going to the Pacific, Naval commander in Europe.

In addition to the Silver and Bronze Stars, Admiral McCain's decorations included two Distinguished Service Medals and three Legion of Merit medals.

He was a 33rd degree Mason and a member of the Cosmos, Army & Navy and Chevy Chase country clubs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–822. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Consolidated Farm and Rural Development Act and the Small Business Act; by unanimous consent, referred jointly to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Small Business.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MATHIAS, from the Committee on Rules and Administration:

Special report entitled "Legislative Review During the 96th Congress by the Senate Committee on Rules and Administration" (Rept. No. 97–30).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Special report entitled "Report on the Activities of the Committee on Commrce, Science, and Transportation" (Rept. No. 97–31).

Mr. PACKWOOD. Mr. President, paragraph 8(b) of Senate rule XXVI requires each standing committee of the Senate to submit not later than March 31 of each odd-numbered year a report to the Senate on the activities of that committee during the previous Congress.

The report I am herewith submitting presents a summary of the activities of the Senate Committee on Commerce, Science, and Transportation during the 96th Congress and fulfills the reporting requirement of Senate rule XXVI referenced above.

By Mr. HATCH, from the Committee on Labor and Human Resources:

Special report entitled "Legislative Review Activity," Committee on Labor and Human Resources (Rept. No. 97–32).

By Mr. SIMPSON, from the Committee on Veterans' Affairs:

Special report entitled "Legislative and Oversight Activities During the 96th Congress by the Senate Committee on Veterans' Affairs" (Rept. No. 97-33).

By Mr. TOWER, from the Committee on Armed Services:

Special report entitled "Report on the Activities of the Committee on Armed Services, United States Senate, 96th Congress, First and Second Sessions" (Rept. No. 97-34).

Mr. TOWER. Mr. President, in accordance with the requirements of section 136(b) of the Legislative Reorganization Act of 1946, as amended, submitted herewith is the report of the activities of the Committee on Armed Services during the 96th Congress.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Emanuel S. Savas, of New Jersey, to be an Assistant Secretary of Housing and Urban Development;

Philip D. Winn, of Colorado, to be an Assistant Secretary of Housing and Urban Development; and

Arthur E. Teele, Jr., of Florida, to be Urban Mass Transportation Administrator.

By Mr. THURMOND, from the Committee on the Judiciary:

Carol E. Dinkins, of Texas, to be an Assistant Attorney General;

D. Lowell Jensen, of California, to be an Assistant Attorney General; and

Theodore B. Olsen, of California, to be an Assistant Attorney General.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRASSLEY:

S. 830. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Finance.

By Mr. PACKWOOD (by request):

S. 831. A bill to authorize the appropriations for the Coast Guard for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 832. A bill to amend section 51(d) of the Internal Revenue Act of 1954 to make technical modifications in the definition of an economically disadvantaged Vietnam-era veteran and to remove the age criterion applicable to such definition; to the Committee on Finance.

By Mr. FORD:

S. 833. A bill to amend the Consumer Product Safety Act to authorize appropriations for fiscal year 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND (for himself and Mr. HART) (by request):

S. 834. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

By Mr. STEVENS:

S. 835. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

By Mr. RIEGLE:

S. 836. A bill for the relief of Staff Sergeant Anne M. Fisher; to the Committee on the Judiciary.

S. 837. A bill for the relief of Antonio Lacson Devera; to the Committee on the Judiciary.

By Mr. ROTH (by request):

S. 838. A bill to amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DOLE (for himself and Mr. DANFORTH):

S. 839. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

By Mrs. KASSEBAUM (for Mr. THURMOND):

S. 840. A bill to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, fiscal year 1980, for a certain period. Considered and passed.

By Mr. STAFFORD (for himself, Mr. SYMMS, Mr. PACKWOOD, and Mr. DOLE) (by request):

S. 841. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works and the Committee on Finance, by unanimous consent referred to the Committee on Environment and Public Works for consideration of title I; to the Committee on Commerce, Science and Transportation for consideration of title II; and to the Committee on Finance for consideration of title III.

By Mr. HAYAKAWA (for himself, Mr. MCCLURE, Mr. HELMS, Mr. HEFLIN, and Mr. SYMMS):

S. 842. A bill to provide for stability and certainty in planning and management of certain National Forest Lands; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr GRASSLEY:

S. 830. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee Finance.

STATE IMPOSITION OF WORK REQUIREMENTS AS A CONDITION FOR AID TO FAMILIES WITH DEPENDENT CHILDREN

Mr. GRASSLEY. Mr. President and Members of the Senate, today I am introducing legislation to give States the option of requiring recipients of aid to families with dependent children to perform work in return for their benefits. The only restrictions my bill would place upon the States are: A child under the age of 16 or in school may not be required to perform work; a person who is ill, incapacitated, or of advanced age may not be required to perform work; a person who must remain at home in order to care for an ill or incapacitated member of the household may not be required to perform work; a mother or other relative of a child under the age of 6 who is caring for the child may not be required to perform work unless appropriate day care is provided while the mother or other relative is working.

The principle behind this bill is simple and eminently fair; that is, every able-bodied member of society should be expected to contribute constructively to society in return for his—or her—support at a time of need. This bill is necessary because current law, as interpreted by the Department of Health and Human Services, actually prohibits States from requiring recipients to perform work in return for their benefits. Not only is this law in direct opposition to one of the very basic principles of our society, it also cruelly robs recipients of Federal aid of the opportunity—and it is an opportunity I think the majority of them would like to have—of making a useful contribution to society in return for the helping hand that has been extended to them.

I have made the imposition of a work requirement optional to the States because I believe that, while the Federal Government should certainly not stand in their way, the States should be permitted to make the actual decisions as to whether or not to impose work requirements based upon their best assessments of conditions within their own States. For example, in States with small AFDC caseloads spread out over large geographic areas, it might not be practical, or feasible, to require recipients to perform work.

My bill leaves the States with almost total freedom to devise their own work-fare programs. Of course, there are certain minimal guidelines that they must follow, as I have outlined above. To my colleagues who might have other concerns, I would only point out that nothing in my bill would prevent the States from placing further restrictions upon their work-fare programs, if they so desire or if conditions warrant further restrictions.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) Nothing in this part or part C, or in any State plan approved under this section, or in any regulation prescribed to implement this part or part C or any such State plan, shall be construed to prevent a State from imposing (on such terms and conditions and in such cases as the State may find to be necessary or appropriate, whether or not such terms, conditions, and cases are consistent with subsection (a)(19) or part C) a requirement that an individual or relative, or any other person (living in the same home) whose needs are taken into account in making the determination under subsec-

tion (a)(7), perform employment as a condition of eligibility for aid to families with dependent children; except that such a condition of eligibility may not be imposed on—

"(1) a child who is under age 16 or attending school full time;

"(2) a person who is ill, incapacitated, or of advanced age;

"(3) a person whose presence in the home is required because of illness or incapacity of another member of the household; or

"(4) a mother or other relative of a child under the age of six who is caring for such child (but this paragraph shall not apply if appropriate day care is provided for such child while the mother or other relative is performing employment).".

Sec. 2. The amendment made by the first section of this Act shall apply with respect to months after the month in which this Act is enacted.

By Mr. PACKWOOD (by request):

S. 831. A bill to authorize the appropriations for the Coast Guard for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COAST GUARD AUTHORIZATION ACT OF 1981

● Mr. PACKWOOD. Mr. President, today I am introducing, by request, the Coast Guard authorization bill for fiscal year 1982. The recommendations for Coast Guard funding contained in this bill will be the subject of comprehensive hearings by the Commerce Committee next week. At that time I intend to examine very closely the administration's funding and program recommendations. My initial reaction to the level of funding recommended is that it is inadequate to enable the Coast Guard to adequately perform the varied and important tasks that they have been assigned. We frequently seem to forget, in addition to its many and expanding maritime regulatory and peacetime lifesaving responsibilities, that the Coast Guard is a branch of the Armed Forces and is a component of the Navy during wartime.

At a time when the United States has recommitted itself to assuring that we have an adequate national defense capability, it makes no sense whatsoever to overlook an important element of that defense establishment. While I agree that we have to tighten our belts in order to achieve a balanced budget, reductions must be examined closely to determine the impacts on specific programs such as search and rescue, fisheries law enforcement, and marine environmental protection.

I am also concerned about the condition and age of many of the Coast Guard vessels being unable or unsafe to operate are becoming more prevalent. We, the Congress, have called upon the Coast Guard over the years to do more and more with less and less. That trend cannot continue.

I trust that with the administration's support we can enhance the ability of the Coast Guard to fulfill its demanding missions rather than preside over its continued deterioration.

Mr. President, I ask unanimous consent that the text of S. 831 and a section-by-section analysis of the bill be inserted at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 831

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coast Guard Authorization Act of 1982".

TITLE I—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1982

SEC. 101. Funds are hereby authorized to be appropriated for necessary expenses of the Coast Guard for the fiscal year 1982, as follows:

(1) for the operation and maintenance of the Coast Guard including expenses related to the Capehart housing debt reduction: $1,402,898,000, and such additional sums as may be necessary to meet unforeseen circumstances;

(2) for the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto: $375,000,000, to remain available until expended;

(3) for the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation: $17,500,000, to remain available until expended; and

(4) for research, development, testing, and evaluation: $29,730,000, to remain available until expended.

SEC. 102. For fiscal year 1982, the Coast Guard is authorized an end-of-year strength for active duty personnel of 39,904: Provided, That the ceiling shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

SEC. 103. For fiscal year 1982, average military training student loads for the Coast Guard are authorized as follows:

(1) Recruit and special training: 3,660 student-years;

(2) Flight training: 118 student-years;

(3) Professional training in military and civilian institutions: 655 student-years; and

(4) Officer acquisition: 1,038 student-years.

TITLE II—COAST GUARD MANAGEMENT

SEC. 201. Subsection (a) of section 1 of the Act of March 4, 1915, c. 143, 38 Stat. 1084, as amended, (31 U.S.C. 686(a)) is amended by inserting "the United States Coast Guard," in the first proviso immediately after "Federal Aviation Agency,".

SEC. 202. (a) Subsection (a) of section 41a of title 14, United States Code, is amended to read as follows:

"(a) The Secretary shall maintain a single active duty promotion list of officers of the Coast Guard on active duty in the grades of ensign and above. Reserve officers on active duty other than pursuant to an active duty agreement executed under 679 of title 10, United States Code, retired officers, and officers of the permanent commissioned teaching staff of the Coast Guard Academy shall not be included on the active duty promotion list.".

(b) Subsection (d) of section 41a of title 14, United States Code, is amended by striking "extended".

SEC. 203. Title 14, United States Code, is amended as follows:

(1) By amending subsection 41a(b) by inserting the following immediately before the period at the end of the second sentence: ", except that the rear admiral designated by the Commandant to the position of Chief of Staff shall be the senior rear admiral for all purposes other than pay".

(2) By amending subsection 290(a) by inserting the following in the second sentence immediately after the words "vice admiral": "or in the position of Chief of Staff".

SEC. 204. Title 14, United States Code, is amended as follows:

(1) By striking the first sentence of section 711.

(2) By amending the table of sections at the beginning of chapter 21 of such title to read as follows:

"711. Exclusiveness of service.".

SEC. 205. Public Law 96-376 (4 Stat. 1509) is amended as follows:

(1) By amending paragraph (1) of the first section by striking "$1,248,367,000;" and substituting "$1,337,207,000;".

(2) By amending section 2 by striking "39,600:" and substituting "39,819:".

SEC. 206. Subsection 93(p) of title 14, United States Code, is amended by inserting the following immediately after "of such lines and cables,": "including the installation and use of telephone in residences leased or owned by the Government of the United States when appropriate to assure efficient response to extraordinary operational contingencies of a limited duration,".

TITLE III—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1983

SEC. 301. Such funds as may be necessary are hereby authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1983, as follows:

(1) for the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction;

(2) for the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto;

(3) for the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation; and

(4) for research, development, testing, and evaluation.

SECTION-BY-SECTION ANALYSIS OF S. 831

TITLE I

Section 1 authorizes $1,402,898,000 for FY–1982 Coast Guard operating expenses, an increase of $65,691,000 over the amount already appropriated by Congress and supplemental appropriations requested for FY–1981. An authorization for additional money to meet unforeseen circumstances is included in order to preclude the need for a supplemental authorization bill. The section also includes a $375,000,000 authorization for acquisition, construction, and rebuilding of aircraft, vessels, shore facilities, and aids to navigation in FY–1982, an increase of $39,015,000 over the amount already appropriated by Congress and supplemental appropriations requested for FY–1981; $17,500,000 for removal or alteration of bridges, a $1,650,000 increase over the amount appropriated by Congress for FY–1981; and $29,730,000 for research and development, a $4,730,000 increase over the amount appropriated by Congress for FY–1981.

Section 2 authorizes an active duty personnel level of 39,904 for FY–1982. This is an increase of 85 persons over the level requested to be authorized in section 205 of this Act.

Section 3 of the proposed bill authorizes the student-year levels for recruit and special training (FY–1982–3,660), a decrease of 525 from FY–1981; flight training (FY–1982–118), an increase of 1 from FY–1981; professional training (FY–1982–655), an increase of 60 from FY–1981; and officer acquisition (FY–1982–1,038), an increase of 113 from FY–1981. In all categories, student-years are used as the unit of measure. A student-year is defined as the product of the number of students scheduled to attend each course in the category multiplied by the course length expressed in a fraction of a year (e.g., course

length in weeks divided by 52 weeks per year).

TITLE II

Section 201.

Section 686 of title 31, United States Code, (The Act of March 4, 1915, c. 143, § 1, 38 Stat. 1084, as amended) permits Federal agencies to place orders with other agencies for materials, supplies, equipment, or work or services which those agencies may be able to supply.

Prior to its transfer to the Department of Transportation in 1967, the Coast Guard, as an agency within the Department of Treasury, was included within the first proviso of section 686. In the transfer the proviso's applicability was inadvertently overlooked. As a result, the Coast Guard no longer has the benefit of being able to place orders, "for materials, supplies, equipment, work, or services, of any kind that any requisitioned Federal Agency may be in a position to supply, or to render or to obtain by contract".

The Coast Guard, therefore, cannot place an order under section 686 if the providing agency will fill the order by contracting outside the Government, either in whole or in part.

As a result of this exclusion, the Coast Guard has experienced problems—and expects to continue encountering difficulties—in a number of important projects. Most significantly the Service is presently precluded from placing orders with the Department of Defense military departments for services, such as statistical research projects, equipment, or materials resulting from DOD research and development efforts and for other highly technical procurements, if the requisitioned agency has contracted outside of the Government for any part of the project. Paradoxically, the Department of the Army and the Navy Department, which are specifically named in the proviso, can place such orders with the Coast Guard.

COST AND BUDGET DATA

The amendment to this section will result in improved procurement efficiency and economy, thereby better enabling the Coast Guard to accomplish its multiple missions in an effective manner. Inasmuch as no additional personnel will be required for implementation and administration, there will be no new costs to decrease the potential savings which the Coast Guard may realize as a result of this restored authority.

Section 202.

Section 41a of title 14, United States Code, requires that Reserve officers "on extended active duty" be included on the active duty promotion list (ADPL) and, consequently, considered for promotion under chapter 11 of title 14 along with regular Coast Guard officers. Only those Reserve officers on active duty who are "serving in connection with organizing, administering, recruiting, instructing, or training the Reserve components [i.e., Reserve Program Administrators] or assigned to the Selective Service System" are excluded from the ADPL. Newly enacted section 728 of chapter 21, title 14, United States Code (P.L. 96-322 August 4, 1980), states that Reserve officers who are on active duty "for training, duty on a board, or duty of a limited or temporary nature if assigned to active duty from an inactive status" shall be considered eligible for promotion under the authority of chapter 21, "COAST GUARD RESERVE", rather than chapter 11 even though the present language of section 41a contains no authority for their exclusion from the ADPL.

A result of this situation is that Coast Guard Reserve officers called to active duty to perform specific missions for the Coast Guard may refuse activation if during the duration of their active duty they happen to fall within a promotion zone on the ADPL. In the past Reserve officers, who would have been promoted if measured against their peers by a Reserve promotion board, have fared poorly when placed on the ADPL and considered for promotion on a "best qualified" basis with active duty officers under chapter 11.

The amendment to section 41a will rectify this problem by expressly specifying who is to be included on the ADPL. In addition to "officers of the Coast Guard on active duty in the grades of ensign and above," only Reserve officers serving on active duty under the authority of section 679 of title 10, United States Code, will be included on the ADPL. Section 679 is concerned with active duty agreements between the uniformed services and Reserve officers and requires, in subsection (a), a "standard written agreement" for the subsection (b) "specified period of duty of at least 12 months". The present language of section 41a, i.e., "extended active duty", was intended to cover the Reserve officer who enters such an agreement with the Coast Guard for an extended period of active duty rather than the Reserve officer who is called to active duty for a shorter period of time to perform a specific function, i.e., training, duty on a board, or other duty of a limited or temporary nature. While clarifying which classes of Coast Guard officers shall be included in the ADPL and thereby enhancing the Coast Guard's ability to activate Reserve officers as necessary, the amendment to section 41a does not affect the status of those other classes of officers currently expressly excluded from the ADPL.

In order to comport with the intent of the amendment to subsection (a), the word "extended" has been deleted from subsection (d) of section 41a inasmuch as its continued retention would be unnecessary and create confusion.

COST ESTIMATE

This proposal will result in no increase in cost of the Federal government and no additional civilian or military personnel will be needed as a result of its enactment.

Section 203.

Section 203(a) of the proposed bill amends section 41a of title 14, United States Code, by providing that the rear admiral serving in the position of Chief of Staff shall be considered the senior rear admiral of the Coast Guard, for purposes other than pay, regardless of date of rank.

Organizationally, at Coast Guard Headquarters, the Chief of Staff ranks after the Commandant and Vice Commandant. This amendment would accord the Chief of Staff the same prominence in terms of military protocol as the position merits within this hierarchy.

Section 203(b) of the proposed bill would exempt the rear admiral who is serving or has served as Chief of Staff from being subject to consideration for continuation under section 290 of title 14, United States Code. Under that section each rear admiral between the fourth and fifth years in grade is subject to a board determination of whether or not he may continue to serve until his normal date of retirement.

The Chief of Staff must make sensitive management and budgetary decisions affecting programs throughout the Coast Guard. This amendment would enable the Commandant to select a junior rear admiral who could make these decisions with the degree of autonomy necessary for this position. The only potential drawback to this proposal is that a junior rear admiral Chief of Staff would never be subject to the scrutiny of a continuation board. However, since there are so many capable rear admirals eligible for Chief of Staff, it is unlikely that the Commandant would select a Chief of Staff who, after serving in that position, would not continue to ably and industriously perform his duties for the duration of his Coast Guard career.

COST ESTIMATE

This proposal has no budgetary impact.

Section 204.

Section 711 of title 14 United States Code is amended by deleting the first sentence to remove the Selective Service registration exemption for Coast Guard inactive duty Reservists so that this section conforms to the Selective Service laws. Section 453 of title 50 Appendix provides that "[e]xcept as otherwise provided in this title . . . it shall be the duty of every male citizen . . . to present himself . . . to registration . . .". Section 456 of title 50 Appendix exempts from registration only members of the reserve components "while on active duty." However, the recently enacted section 711 of title 14 inadvertently reenacted the blanket exemption from registration, previously found in section 757 of title 14 for members of the Coast Guard Reserve without regard to whether they are on active duty. Prior to its reenactment, section 757 had been implicitly repealed by the enactment of the title 50 Appendix provision. Since these statutes are in conflict, it is necessary to amend section 711 to preserve the apparent intent of Congress, as expressed in section 453 of title 50 Appendix.

Section 205.

The FY-1981 Coast Guard authorization of appropriations bill is amended by increasing the authorization for operating expenses by $88,840,000 and the personnel ceiling by 219. These increases are necessary because supplemental appropriations requested for FY-1981 primarily for the Cuban sea patrol and for increased expenses as a result of the Nunn-Warner military personnel act would make the appropriation figures exceed the amounts already authorized to be appropriated for FY-1981.

Section 206.

Subsection 93(p) of title 14, United States Code, is amended by inserting a clause to grant the Coast Guard authority to provide leased telephone services to residences leased or owned by the Government during extraordinary operational contingencies of limited duration. The recent Cuban Refugee Freedom Flotilla operation was an example of such a contingency. It necessitated that the Commander, Seventh Coast Guard District be available at all times, 24 hours a day, for daily contact with numerous local, State, and Federal agencies. Since it was impracticable for the District Commander to remain at his office at all times, it was necessary to install a separate telephone in his private living quarters so that he could direct the operation of the Freedom Flotilla outside of normal working hours. As soon as the Freedom Flotilla operations ceased, the telephone was removed from the District Commander's residence. The installation, use, and removal of the telephone were accomplished at the District Commander's own expense. This change to subsection (p) will ensure that, in the future, similar contingency needs may be met with appropriated funds.●

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, and Mr. DECONCINI):

S. 832. A bill to amend section 51(d) of the Internal Revenue Act of 1954 to make technical modifications in the definition of an economically disadvantaged Vietnam-era veteran and to remove the age criterion applicable to such definition; to the Committee on Finance.

MODIFICATION TO DEFINITION OF ECONOMICALLY DISADVANTAGED VIETNAM-ERA VETERAN

● Mr. CRANSTON. Mr. President, I am introducing today, joined by my distinguished colleague from Hawaii and fellow member of the Veterans' Affairs

Committee (Mr. MATSUNAGA), who also serves on the Finance Committee, and my distinguished colleague from Arizona (Mr. DECONCINI), S. 832, a bill which would make both technical and substantive modifications in the definition of an economically disadvantaged Vietnam-era veteran for the purposes of the targeted jobs tax credit—TJTC—authorized by section 51 of the Internal Revenue Code as amended by section 321 of the Revenue Act of 1978, Public Law 95-600. This measure is identical to S. 2838 which Senator MATSUNAGA and I introduced in the 96th Congress but on which no action was taken.

The substantive effect of this amendment would be to remove from current law the requirement that in order to be considered an economically disadvantaged Vietnam-era veteran, an otherwise eligible individual must be under 35 years of age. In lieu of this requirement, the proposed bill would require that the individual not have retired from the Armed Forces at the rank of major or above, or its equivalent. This criterion is designed to make the credit available for jobs provided to all eligible Vietnam-era veterans regardless of age except retired career field-officer grade military personnel who served during the Vietnam era.

The age criterion in existing law was designed initially as part of the 1977 amendments to the Comprehensive Employment and Training Act—section 305 of the Youth Employment and Demonstration Projects Act of 1977, Public Law 95-22—in part, to rule out career military personnel who served during the Vietnam era. A more finely tuned approach to this problem—on which this proposed amendment is based—was used in the Civil Service Reform Act of 1978, Public Law 96-454, which in section 307 (a) used the retirement-related criterion to amend the title 5 civil service law for the purposes of limiting five-point veterans preference status.

The purpose of this proposed TJTC modification is to permit the participation in the TJTC program of many Vietnam-era veterans who are rapidly approaching or have already passed the age of 35. Many of these Vietnam-era veterans actually served in Indochina and saw combat, and although these veterans are not experiencing the severe rates of unemployment experienced by younger veterans—in February, the rate of unemployment for Vietnam-era veterans ages 35 to 39 was 4.6 percent—there are still many whose employment-related needs would be served by eligibility for TJTC. As of September 1980, almost 3.3 million of the more than 9 million individuals who served during the Vietnam era were 35 years of age or older. The average age of Vietnam-era veterans was 33.6 years at the end of fiscal year 1980.

Mr. President, I believe it is important to note the conclusion in the recent in-depth report, entitled "Legacies of Vietnam: Comparative Adjustment of Veterans and Their Peers," submitted to the Veterans' Administration by the Center for Policy Research that "military duty in Vietnam had a negative effect upon post-military achievement." This negative effect is evidenced by the sustained, high rates of unemployment among minority group Vietnam-era veterans, poor success in competition for high-level jobs, and erratic patterns of changes in occupational levels. Our national obligation and national responsibility to assist those veterans of our Nation's longest war who are still experiencing difficulties in returning to civilian life should, therefore, not terminate when they turn 35 years of age.

Since the inception of the TJTC program, under which employers may receive a tax credit of up to $3,000 for hiring a member of an eligible target group, more than 10,500 Vietnam-era veterans have found employment through this program. I believe the prospects for employment in the private sector of older, noncareer military Vietnam-era veterans, especially those with families and those who are experiencing severe problems in obtaining employment, would be enhanced by the enactment of this proposal. Further, in light of the Reagan administration's proposal to phase out completely the jobs and opportunities for employment now offered through the public service employment program conducted under the Comprehensive Employment and Training Act, it is appropriate that in efforts to encourage reliance on jobs in the private sector, these very deserving veterans be a top priority and receive the full measure of assistance that can be made available.

Mr. President, at this time, no cost estimate of this proposal has been developed. However, last year in connection with S. 2838, the cost of enactment was estimated to not be significant.

I ask unanimous consent, Mr. President, that there be printed in the RECORD at this point a copy of the bill we are introducing and a document showing the changes that would be made in current law by its enactment.

There being no objection, the bill and changes to existing law were ordered to be printed in the RECORD, as follows:

S. 832

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (4) of section 51(d) of the Internal Revenue Act of 1954 is amended by—

(1) striking out "Vietnam veteran who is a member of an economically disadvantaged family" and inserting in lieu thereof "economically disadvantaged Vietnam-era veteran";

(2) striking out "Vietnam veteran who is a member of an economically disadvantaged family" and inserting in lieu thereof "economically disadvantaged Vietnam-era veteran";

(3) inserting after "1975," in subclause (I) of clause (A) "and not having retired from the Armed Forces at the rank of major or above, or its equivalent,";

(4) inserting "and" at the end of clause (B);

(5) striking out in clause (C) the comma and "and" and inserting in lieu thereof a period; and

(6) striking out clause (D) in its entirety.

CHANGES IN EXISTING LAW PROPOSED TO BE MADE BY S. 832

Changes in existing law proposed by the bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 26—INTERNAL REVENUE CODE

* * * * *

PART IV—CREDITS AGAINST TAX

* * * * *

Subpart D—Rules for Computing Credit for Employment of Certain New Employees

§ 51. Amount of credit

* * * * *

(d) Members of targeted groups

For purposes of this subpart—

* * * * *

(4) Vietnam veteran who is a member of an economically disadvantaged family *economically disadvantaged Vietnam-era veteran.*—The term "Vietnam veteran who is a member of an economically disadvantaged family) *economically disadvantaged Vietnam-era veteran"* means any individual who is certified by the designated local agency as—

(A) (i) having served on active duty (other than active duty for training) in the Armed Forces of the United States for a period of more than 180 days, any part of which occurred after August 4, 1964, and before May 8, 1975, *and not having retired from the Armed Forces at the rank of major or above, or its equivalent, or*

(ii) having been discharged or, released from active duty in the Armed Forces of the United States for a service-connected disability if any part of such active duty was performed after August 4, 1964, and before May 8, 1975.

(B) was not having any day during the preemployment period which was a day of extended active duty in the Armed Forces of the United States, *and*

(C) being a member of an economically disdavantaged family (determined under paragraph (9)) [, and],

[(D) not having attained the age of 35 on the hiring date.]

For purposes of subparagraph (B), the term "extended active duty" means a period of more than 90 days during which the individual was on active duty (other than active duty for training).●

By Mr. FORD:

S. 833. A bill to amend the Consumer Product Safety Act to authorize appropriations for fiscal year 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CONSUMER PRODUCT SAFETY ACT AMENDMENTS OF 1981

Mr. FORD. Mr. President, the Consumer Product Safety Commission (CPSC) is a small agency that has been the focal point of much debate since its creation in 1972. Three years ago, the Consumer Subcommittee of the Senate Committee on Commerce, Science, and Transportation held 3 days of oversight hearings to decide whether the agency should continue to be funded. The agency was funded for 3 more years and was given congressional direction through statutory changes in the Commission's authority. At that time it was understood that the CPSC would again be evaluated in 3 years to see if the agency's performance had improved and if the agency was indeed fulfilling its mission of reducing product related deaths and injuries.

Today, I am introducing legislation to authorize appropriations for the agency and to make legislative changes. Congressman BROYHILL recently expressed

concern about the agency's budget when introducing similar legislation in the House of Representatives. He was concerned that if we approve the administration's recommended 30-percent budget cut, we will be wasting the $33 million authorized rather than saving $11 million since the agency may not be able to fulfill its statutory responsibilities. In fact, the CPSC has already taken a 30-percent funding cut over the last 3 years factoring in the effect of inflation. Therefore this legislation authorizes appropriations of $39 million for fiscal year 1982, a 12.5-percent reduction. Detailed investigation through the scheduled oversight hearings may well support continued reductions in authorization levels for fiscal years 1983 and 1984.

The bill makes changes in the agency's statutory authority which will create budget savings. It reduces the CPSC area offices from 13 to a ceiling of 5 at a cost savings of $4.75 million and eliminates all advisory councils at a savings of over $200,000. The bill further places a ceiling on the amount of money the Commission may grant to an outside party who is developing a consumer product safety standard.

The bill makes other recommendations for statutory changes. It encourages the agency to rely on effective industry voluntary standards by prohibiting the agency from imposing a mandatory standard unless the Commission determines that the voluntary standard is not technically adequate or that there is insufficient compliance within the industry. The bill encourages industry reporting of product defects to the Commission by noting that technical violations of section 15 of the Consumer Product Safety Act should not be penalized nor should inconsequential product hazards be reported.

The bill calls for a representative panel to study the effectiveness of the cellulose insulation standard. Within 6 months, the panel will submit this study along with legislative or other recommendations to the Commission. The bill eliminates the prohibition against the use of sampling plans in consumer product safety standards and requires notification to the Commerce Committee of contracts exceeding $50,000 for purposes of more effective oversight. The bill also eliminates the authority of the CPSC to require notice by industry and submission of any test data describing any new consumer product.

The bill stresses regulatory reform by requiring the Commission to prepare a regulatory analysis outlining the costs and benefits as well as alternatives to proposed regulatory action. To continue the Commission's rule review started by the 1978 act amendments, the bill requires the CPSC to study each of its rules 5 years after promulgation.

Hearings on the CPSC reauthorization are scheduled for April 1, 2, 3, and 7, 1981. Detailed investigation of the CPSC's operations over the last 3 years in these hearings may well support other legislative changes.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Product Safety Act Amendments of 1981".

OFFICES

SEC. 2. Section 4(e) of the Consumer Product Safety Act (hereinafter referred to as "the Act") (15 U.S.C. 2053(e)) is amended by inserting immediately after "offices" the following: ", not to exceed five in number,".

REPORT TO CONGRESS

SEC. 3. Section 5(c) of the Act (15 U.S.C. 2054(c)) is amended by adding at the end of the following: "The Commission shall notify the Committee on Commerce, Science, and Transportation of the United States Senate and the Committee on Energy and Commerce of the House of Representatives of each contract under this subsection in an amount greater than $50,000.".

INDUSTRY VOLUNTARY STANDARDS

SEC. 4. (a) Section 9(c)(2) of the Act (15 U.S.C. 2058(c)(2)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) in the case of a rule which relates to a risk of injury with respect to which persons manufacturing a substantial number of products that would be subject to such rule have adopted and implemented a voluntary consumer product safety standard, that—

"(i) compliance with such voluntary consumer product safety standard is not likely to result in the elimination or reduction of such risk of injury; or reduction of such risk of injury; or

"(ii) it is unlikely that there will be substantial compliance with such voluntary consumer product safety standard."

(b) Section 9(c) of the Act (15 U.S.C. 2058(c)) is amended by adding at the end thereof the following:

"(3) The Commission shall, in carrying out the Federal Hazardous Substances Act (15 U.S.C. 1261 et seq.) and the Flammable Fabrics Act (15 U.S.C. 1191 et seq.), apply the provisions of paragraph (2)(D) of this subsection.".

(c) Section 5(b) of the Act (15 U.S.C. 2054(b)) is amended by striking paragraph (3) and inserting in lieu thereof the following:

"(3) offer training in product safety investigation and test methods.

The Commission shall assist public and private organizations, administratively and technically, in the development of safety standards and test methods.".

(d) Section 27(j) of the Act (15 U.S.C. 2076(j)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting immediately after paragraph (9) the following:

"(10) a consideration of—

"(A) the number of such standards;

"(B) the nature and number of the products which are the subject of such standards;

"(C) the effectiveness of such standards in reducing potential harm from consumer products;

"(D) the degree to which staff members of the Commission participate in the development of such standards;

"(E) the amount of resources of the Commission which is devoted to activities related to such standards; and

"(F) such other information as the Commission determines appropriate or necessary to inform the Congress on the current status of the voluntary consumer product safety standard program; and".

SAMPLING PLANS

SEC. 5. Section 7(a) of the Act (15 U.S.C. 2056(a)) is amended—

(1) by striking paragraph (2);

(2) by striking "(1)"; and

(3) by redesignating subparagraphs (A) and (B) as paragraph (1) and (2), respectively.

CONTRIBUTION

SEC. 6. Section 7(d)(2) of the Act (15 U.S.C. 2056(d)(2)) is amended by striking the last sentence and inserting in lieu thereof the following: "No contribution may be made to the cost of developing a proposed consumer product safety standard or participating with the Commission in the development of a standard unless the contribution is made under an agreement entered into under this paragraph. Payments under such agreements may be made without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529) and may not exceed in the aggregate $25,000 in any fiscal year.".

REGULATORY IMPACT ANALYSIS

SEC. 7. (a) Section 9(c) of the Act (15 U.S.C. 2058(c)) is amended by redesignating paragraphs (2) and (3) (as added by section 4 of this Act) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following:

"(2) The Commission may not promulgate a consumer product safety rule unless it has prepared, on the basis of the findings of the Commission under paragraphs (1) and (4) and on other information before the Commission, a regulatory impact analysis of the rule containing the following information:

"(A) a description of the potential benefits of the rule, and an identification of those likely to receive the benefits;

"(B) a description of the potential costs of the rule, and an identification of those likely to bear the costs; and

"(C) a description of any reasonable alternative approaches (including voluntary industry consumer product safety standards) that may achieve the stated objective of the rule, together with an analysis of the potential benefits and costs of any reasonable alternative approaches and a brief explanation of the reasons why such alternatives, if proposed, were not adopted.".

(b) Section 9(a)(1)(A) of the Act (15 U.S.C. 2058(a)(1)(A)) is amended by inserting before the comma the following: "and prepares the regulatory impact analysis required by such subsection".

(c) Section 9(c) of the Act (15 U.S.C. 2058(c)) is amended by adding at the end thereof the following:

"(5)(A) The contents and adequacy of any regulatory analysis prepared or issued by the Commission under this section, including the adequacy of any procedure involved in such preparation or issuance, shall not be subject to any judicial review in any court, except that a court, upon review of a rule pursuant to section 11, may set aside such rule if the Commission has failed entirely to prepare a regulatory analysis.

"(B) Except as specified in subparagraph (A), no Commission action may be invalidated, remanded, or otherwise affected by any court on account of any failure to comply with the requirements of this section.

"(C) The provisions of this paragraph do not alter the substantive or procedural standards otherwise applicable to judicial review of any action by the Commission.".

NEW CONSUMER PRODUCT

SEC. 8. Section 13 of the Act (15 U.S.C. 2062) is repealed.

NOTIFICATION REQUIREMENT

SEC. 9. (a) Section 15(b) of the Act (15 U.S.C. 2064(b)) is amended by adding at the end thereof the following: "Nothing in this subsection shall be construed to require the reporting of an inconsequential failure to comply with a consumer product safety rule or of a defect which could create only an inconsequential product hazard.".

(b) The second sentence of section 20(b) (of the Act (15 U.S.C. 2069(b) is amended by inserting immediately before the period at the end thereof the following: ", including, in the case of information to be reported under section 15(b), whether such information involved a serious risk of injury and whether the failure to report was not reasonably untimely".

STUDY OF RULES PROMULGATED BY COMMISSION

SEC. 10. Section 27(m) of the Act (15 U.S.C. 2076(m)) is amended to read as follows:

"(m)(1) For purposes of this subsection, the term 'rule' means—

"(A) any rule prescribed by the Commission pursuant to section 9;

"(B) any rule prescribed by the Commission pursuant to section 2(q)(1)(B) of the Federal Hazardous Substances Act (15 U.S.C. 1261(q)(1)(B));

"(C) any rule prescribed by the Commission under section 3 of the Poison Prevention Packaging Act (15 U.S.C. 1472); and

"(D) any rule prescribed by the Commission under section 4 of the Flammable Fabrics Act (15 U.S.C. 1193)".

"(2)(A) The Commission shall, within 12 months after the date of enactment of this section, study all rules which the Commission has issued on or after November 10, 1978 and which are in effect on the date of enactment of this subsection.

"(B) The Commission shall study each rule promulgated after the date of enactment of this subsection within 5 years after the date of promulgation of any such rule.

"(C) Any study conducted pursuant to this paragraph shall be completed as expeditiously as possible. The Commission shall submit a report on the result of such study to the Congress which shall, to the extent practicable and appropriate (taking into account the resources and priorities of the Commission)—

"(i) recommend the deletion of particular rules and portions of rules, including reasons for such recommendations; and

"(ii) recommend the initiation of appropriate rulemaking proceedings under this Act to make changes or modifications in particular rules or portions of rules.

"(3)(A) To the extent practicable and appropriate (taking into account the resources and priorities of the Commission), the Chairman of the Commission shall include in the report submitted to the Congress under this subsection, for each such rule—

"(i) an economic impact analysis which takes into account, for such rule, the cost impact on and benefits to consumers and affected businesses (with particular attention to small businesses);

"(ii) a paperwork impact analysis containing—

"(I) an estimate of the numbers of, and a description of the classes of, persons who are required to file reports, maintain records, and fulfill any of the information-gathering requirements under such rule;

"(II) an estimate of the nature and amount of the information required to be filed in such reports, the frequency of such reports, the nature and number of records required to be kept by such persons, and the amount of time such persons who require, and the costs which would be incurred, to keep such records and make such reports, and

"(III) a description of steps being taken by the Commission to ensure that there is no unnecessary duplication in recordkeeping and report filing resulting from such rule;

"(iii) a judicial impact analysis showing the effect of such rule on the workload of the Federal courts; and

"(iv) such other explanatory and supporting statements and materials as the Commission determines necessary and appropriate for congressional consideration of such report.

"(B)(i) Except as provided in clause (ii), no material submitted to the Congress by the Chairman of the Commission under this paragraph shall be subject to any judicial review, including any judicial review to determine whether such material is sufficient to comply with the requirements of this paragraph. In the event the Chairman of the Commission finds that it is impractical or inappropriate to submit the information required under clauses (i) through (iii) of subparagraph (A), the Chairman of the Commission shall submit a statement as to why he cannot so comply.

"(ii) If any material submitted to the Congress by the Chairman of the Commission under this paragraph also is included in any rulemaking record of the Commission, any determination regarding whether such material is subject to judicial review in connection with any review of such rulemaking record shall not be affected by the submission of such material to the Congress under this paragraph.".

REPEAL OF ADVISORY COUNCIL

SEC. 11. (a) Section 28 of the Act (15 U.S.C. 2077) is repealed.

(b) Subsection (d) of section 12 of the Act (15 U.S.C. 2061(d)) (as amended by section 6 of this Act) is repealed, and subsections (e) and (f) of such section are designated as subsection (c) and (d), respectively.

(c) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204) is repealed.

(d) Section 6 of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1475) is repealed.

(e) Section 20 of the Federal Hazardous Substances Act (15 U.S.C. 1275) is repealed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. Section 32(a) of the Act (15 U.S.C. 2081(a)) is amended—

(1) by striking "and" at the end of paragraphs (4) and (6);

(2) by striking the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(8) $39,000,000 for the fiscal year ending September 30, 1982.".

STUDY ON CELLULOSE INSULATION SAFETY STANDARD

SEC. 13. The Commission shall establish a panel to study the interim cellulose insulation safety standard specified in section 35 of the Act (15 U.S.C. 2082). Such Panel shall be composed of—

(1) two representatives from industries directly related to the subject matter of such standard.

(2) two representatives of consumers and consumer interests; and

(3) two members of the staff of the Commission.

(b) The members of such Panel shall be appointed by Chairman of the Commission, who shall designate one of such members as Chairman of the Panel.

(c) Members of the Panel who are not employees of the Federal Government shall not receive any compensation, but shall be entitled to be reimbursed for travel and transportation expenses incurred as a result of the performance of his duties pursuant to this section, in accordance with section 5703 of title 5, United States Code.

(d) The Panel shall conduct a study of the effectiveness of such standard in order to determine—

(1) the extent to which such standard has been effective;

(2) the necessity for continuation of such standard;

(3) the desirability of amendments to or repeal of such standard.

(e) The Panel shall submit the results of its study to the Commission, which shall submit such results without change to the Congress within six months after the date of enactment of this Act.

TECHNICAL AMENDMENTS

SEC. 14. (A) The table of Contents of the Act is amended by striking the items relating to sections 13 and 28.

(b) Section 15(g)(1) of the Act (15 U.S.C. 2064(g)(1)) is amended by striking "(12)(e)(1)" and inserting in lieu thereof "(12)(c)(1)".

(c) Section 27(1)(1)(A) of the Act (15 United States Code 2076(1)(1)(A)) is amended by striking "Committee on Interstate and Foreign Commerce" and inserting in lieu thereof "Committee on Energy and Commerce".

By Mr. THURMOND (for himself and Mr. HART) (by request):

S. 834. A bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1982

Mr. THURMOND. Mr. President, by request, for myself and the senior Senator from Colorado (Mr. HART), I introduce for appropriate reference a bill to authorize certain construction at military installations for fiscal year 1982, and for other purposes.

I ask unanimous consent that the text of the bill and a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD.

There being no objection, the bill and the letter were ordered to be printed in the RECORD, as follows:

S. 834

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Construction Authorization Act, 1982".

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

United States Army Forces Command

Fort Bragg, North Carolina, $1,600,000.
Fort Campbell, Kentucky, $1,500,000.
Fort Carson, Colorado, $29,690,000.
Fort Douglas, Utah, $3,550,000.
Fort Drum, New York, $14,480,000.
Fort Greely, Alaska, $1,150,000.
Fort Hood, Texas, $15,530,000.
Fort Irwin, California, $43,350,000.
Fort Lewis, Washington, $6,700,000.
Fort George C. Meade, Maryland, $3,350,000.
Fort Polk, Louisiana, $630,000.

Fort Riley, Kansas, $4,640,000.
Fort Stewart/Hunter Army Air Field, Georgia, $28,500,000.
Fort J. M. Wainwright, Alaska, $1,200,000.
Presidio of San Francisco, California, $520,000.

United States Army Training and Doctrine Command

Carlisle Barracks, Pennsylvania, $620,000.
Fort Belvoir, Virginia, $3,600,000.
Fort Benjamin Harrison, Indiana, $5,120,000.
Fort Benning, Georgia, $1,960,000.
Fort Bliss, Texas, $4,700,000.
Fort Dix, New Jersey, $9,440,000.
Fort Eustis, Virginia, $8,280,000.
Fort Gordon, Georgia, $620,000.
Fort Knox, Kentucky, $620,000.
Fort Leavenworth, Kansas, $7,370,000.
Fort Lee, Virginia, $9,870,000.
Fort McClellan, Alabama, $930,000.
Fort Pickett, Virginia, $640,000.
Fort Rucker, Alabama, $5,210,000.
Fort Sill, Oklahoma, $4,650,000.
Fort Story, Virginia, $1,050,000.

United States Army Materiel Development and Readiness Command

Aberdeen Proving Ground, Maryland, $4,200,000.
Army Materials and Mechanics Research Center, Massachusetts, $1,200,000.
Corpus Christi Army Depot, Texas, $840,000.
Crane Army Ammunition Plant Activity, Indiana, $540,000.
Fort Monmouth, New Jersey, $26,000,000.
Lexington-Blue Grass Army Depot, Kentucky, $1,450,000.
Red River Army Depot, Texas, $2,720,000.
Redstone Arsenal, Alabama, $4,750,000.
Rock Island Arsenal, Illinois, $4,000,000.
Savanna Army Ammunition Depot, Illinois, $3,600,000.
Tobyhanna Army Depot, Pennsylvania, $1,800,000.
Tooele Army Depot, Utah, $1,500,000.

Ammunition Facilities

Holston Army Ammunition Plant, Tennessee, $2,627,000.
Indiana Army Ammunition Plant, Indiana, $2,453,000.
Iowa Army Ammunition Plant, Iowa, $18,599,000.
Kansas Army Ammunition Plant, Kansas, $4,344,000.
Lake City Army Ammunition Plant, Missouri, $604,000.
Longhorn Army Ammunition Plant, Texas, $257,000.
Milan Army Ammunition Plant, Tennessee, $1,984,000.
Newport Army Ammunition Plant, Indiana, $728,000.
Radford Army Ammunition Plant, Virginia, $17,390,000.

Military District of Washington

Cameron Station, Virginia, $640,000.
Fort Myer, Virginia, $2,570,000.

United States Army Communications Command

Fort Ritchie, Maryland, $920,000.

United States Military Academy

United States Military Academy, West Point, New York, $7,700,000.

United States Army Health Services Command

Fort Detrick, Maryland, $1,450,000.
Walter Reed Army Medical Center, District of Columbia, $6,250,000.

Military Traffic Management Command

Bayonne Terminal, New Jersey, $2,800,000.
Sunny Point Army Terminal, North Carolina, $880,000.

CONUS Various

Various Locations, $1,950,000.

OUTSIDE THE UNITED STATES

Eighth United States Army, Korea

Various Locations, $62,320,000.

United States Army Forces Command, Overseas

Egypt, $36,000,000.

Kwajalein Missile Range

National Missile Range, $3,240,000.

United States Army, Japan

Kawakami, Japan, $1,950,000.

United States Army, Europe

Germany, $339,190,000.
Turkey, $20,800,000.

United States Army Intelligence and Security Command

Korea, $1,550,000.
Turkey, $2,550,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $34,150,000.

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1980 PROJECTS

SEC. 104. Section 602(1) of the Military Construction Authorization Act, 1980 (Public Law 96–125; 93 Stat. 941), is amended to read as follows:

"(1) for title I: inside the United States $591,785,000; outside the United States $162,950,000; minor construction $52,270,000; for a total of $807,005,000.".

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1981 PROJECTS

SEC. 105. Section 602(1) of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1768), is amended to read as follows:

"(1) for title I: inside the United States $590,440,000; outside the United States $248,140,000; minor construction $44,560,000; for a total of $883,140,000.".

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

United States Marine Corps

Marine Corps Logistics Base, Barstow, California, $4,700,000.
Marine Corps Base, Camp Lejeune, North Carolina, $22,150,000.
Marine Corps Base, Camp Pendleton, California, $18,550,000.
Marine Corps Air Station, Cherry Point, North Carolina, $3,700,000.
Marine Corps Air Station, El Toro, California, $12,400,000.
Marine Corps Air Station, Kaneohe Bay, Hawaii, $2,650,000.
Marine Corps Air Station, New River, North Carolina, $5,060,000.
Marine Corps Bases Pacific, Camp H. M. Smith, Oahu, Hawaii, $2,900,000.
Marine Corps Recruit Depot, Parris Island, South Carolina, $4,100,000.
Marine Corps Development and Education Command, Quantico, Virgina, $13,560,000.
Marine Corps Recruit Depot, San Diego, California, $1,300,000.
Marine Corps Air Station (Helicopter), Tustin, California, $7,600,000.
Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $5,450,000.
Marine Corps Air Station, Yuma, Arizona, $3,450,000.

Office of Naval Research

Naval Ocean Research and Development Activity, Bay St. Louis, Mississippi, $5,900,000.
Naval Research Laboratory, Washington, District of Columbia, $6,800,000.

Chief of Naval Operations

Naval Submarine Base, Bangor, Bremerton, Washington, $23,100,000.
Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $65,060,000.

Commander in Chief, United States Atlantic Fleet

Naval Air Station, Brunswick, Maine, $15,700,000.
Naval Air Station, Cecil Field, Florida, $21,700,000.
Naval Station, Charleston, South Carolina, $5,660,000.
Naval Submarine Base, New London, Groton, Connecticut, $15,650,000.
Naval Submarine Support Facility, New London, Groton, Connecticut, $3,300,000.
Naval Air Station, Jacksonville, Florida, $6,380,000.
Naval Amphibious Base, Little Creek, Virginia, $27,950,000.
Naval Station, Mayport, Florida, $2,000,000.
Naval Station, Norfolk, Virginia, $46,100,000.
Naval Air Station, Oceana, Virginia, $8,600,000.

Commander in Chief, United States Pacific Fleet

Naval Station, Adak, Alaska, $1,550,000.
Naval Air Station, Alameda, California, $7,500,000.
Naval Air Station, Barbers Point, Hawaii, $9,650,000.
Naval Air Station, Fallon, Nevada, $8,300,000.
Naval Air Station, Lemoore, California, $2,200,000.
Naval Station, Long Beach, California, $22,000,000.
Naval Air Station, Moffett Field, California, $2,000,000.

Naval Air Station, North Island, California, $13,240,000.
Naval Station, Pearl Harbor, Hawaii, $9,920,000.
Naval Submarine Base, Pearl Harbor, Hawaii, $13,350,000.

Naval Education and Training Command

Naval Air Station, Chase Field, Texas, $2,800,000.
Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $4,600,000.
Naval Training Center, Great Lakes, Illinois, $11,800,000.
Naval Explosive Ordnance Disposal School, Indian Head, Maryland, $3,300,000.
Naval Air Station, Memphis, Millington, Tennessee, $11,000,000.
Naval Education and Training Center, Newport, Rhode Island, $1,900,000.
Naval Justice School, Newport, Rhode Island, $1,500,000.
Naval Training Center, Orlando, Florida, $9,330,000.
Naval Air Station, Pensacola, Florida, $5,100,000.
Fleet Combat Training Center, Pacific, San Diego, California, $6,800,000.
Naval Training Center, San Diego, California, $1,150,000.

Bureau of Medicine and Surgery

Naval Regional Medical Clinic, Annapolis, Maryland, $3,560,000.
National Naval Medical Center, Bethesda, Maryland, $1,100,000.

Naval Material Command

Pacific Missile Range Facility, Barking Sands, Hawaii, $8,100,000.
David W. Taylor Naval Ship Research and Development Center, Bethesda, Maryland, $5,050,000.
Puget Sound Naval Shipyard, Bremerton, Washington, $157,300,000.
Charleston Naval Shipyard, Charleston, South Carolina, $7,050,000.
Naval Supply Center, Charleston, South Carolina, $4,200,000.
Naval Weapons Station, Charleston, South Carolina, $1,390,000.
Naval Air Rework Facility, Cherry Point, North Carolina, $2,800,000.
Naval Weapons Center, China Lake, California, $4,400,000.
Naval Weapons Station, Concord, California, $1,280,000.
Naval Weapons Support Center, Crane, Indiana, $3,500,000.
Naval Surface Weapons Center, Dahlgren, Virginia, $4,900,000.
Naval Construction Battalion Center, Gulfport, Mississippi, $680,000.
Naval Ordnance Station, Indian Head, Maryland, $26,100,000.
Naval Air Rework Facility, Jacksonville, Florida, $25,620,000.
Naval Undersea Warfare Engineering Station, Keyport, Washington, $8,300,000.
Portsmouth Naval Shipyard, Kittery, Maine, $2,900,000.
Naval Air Engineering Center, Lakehurst, New Jersey, $3,178,000.
Naval Underwater Systems Center Detachment, New London, Connecticut, $3,100,000.
Naval Air Rework Facility, Norfolk, Virginia, $18,650,000.
Naval Supply Center, Norfolk, Virginia, $6,200,000.
Naval Supply Center, Oakland, California, $2,420,000.
Naval Air Test Center, Patuxent River, Maryland, $3,600,000.
Naval Supply Center, Pearl Harbor, Hawaii, $520,000.
Navy Public Works Center, Pearl Harbor, Hawaii, $13,700,000.
Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $14,100,000.
Navy Public Works Center, Pensacola, Florida, $2,800,000.
Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $3,030,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $6,050,000.
Naval Air Rework Facility, North Island, San Diego, California, $1,150,000.
Naval Supply Center, San Diego, California, $2,350,000.
Navy Public Works Center, San Francisco, California, $2,100,000.
Naval Weapons Station, Seal Beach, California, $520,000.
Naval Air Propulsion Center, Trenton, New Jersey, $720,000.
Mare Island Naval Shipyard, Vallejo, California, $2,600,000.
Naval Surface Weapons Center Detachment, White Oak, Maryland, $4,450,000.

Naval Telecommunications Command

Naval Communications Station, Stockton, California, $830,000.
Naval Communication Area Master Station Eastern Pacific, Honolulu, Hawaii, $2,300,000.

Naval Security Group Command

Naval Security Group Activity, Adak, Alaska, $5,510,000.

OUTSIDE THE UNITED STATES

Chief of Naval Operations

Defense Installations, Mariana Islands, $32,000,000.
Circle Transit Station, Blenheim, New Zealand, $1,250,000.

Commander in Chief, United States Atlantic Fleet

Naval Facility, Brawdy, Wales, United Kingdom, $2,800,000.
Naval Station, Keflavik, Iceland, $2,350,000.

Commander in Chief, United States Pacific Fleet

Naval Air Station, Cubi Point, Republic of the Philippines, $12,150,000.
Navy Support Facility, Diego Garcia, Indian Ocean, $122,750,000.
Naval Activities, Kenya, $26,000,000.
Naval Activities, Somalia, $24,000,000.
Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, $580,000.
Naval Station, Subic Bay, Republic of the Philippines, $6,800,000.
Fleet Activities, Yokosuka, Japan, $1,250,000.

United States Naval Forces Europe

Naval Station, Rota, Spain, $4,300,000.
Naval Air Facility, Sigonella, Italy, $17,100,000.

Naval Telecommunications Command

Naval Communications Station, Keflavik, Iceland, $4,000,000.
Naval Communications Stations, Ponce, Puerto Rico, $1,600,000.

Naval Security Group Command

Naval Security Group Activity, Edzell, Scotland, United Kingdom, $3,515,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982 or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $34,270,000.

NAVAL AIR STATION, KEY WEST, FLORIDA

SEC. 204. The Secretary of the Navy is authorized to acquire lands or interests in lands to ensure unhampered air operations at the Naval Air Station, Key West, Florida, by exchange of Government-owned lands of equal value.

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

Air Force Logistics Command

Kelly Air Force Base, Texas, $3,550,000.
McClellan Air Force Base, California, $10,930,000.
Robins Air Force Base, Georgia, $6,890,000.
Tinker Air Force Base, Oklahoma, $31,520,000.
Wright-Patterson Air Force Base, Ohio, $120,150,000.

Air Force Systems Command

Arnold Engineering Development Center, Tennessee, $1,690,000.
Brooks Air Force Base, Texas, $3,110,000.
Buckley Air National Guard Base, Colorado, $14,000,000.
Cape Canaveral Air Force Station, Florida, $1,810,000.
Eglin Air Force Base, Florida, $4,100,000.
Los Angeles Air Force Station, California, $2,370,000.
Patrick Air Force Base, Florida, $2,950,000.
Sunnyvale Air Force Station, California, $7,250,000.

Air Training Command

Chanute Air Force Base, Illinois, $4,120,000.
Columbus Air Force Base, Mississippi, $510,000.
Keesler Air Force Base, Mississippi, $2,280,000.
Laughlin Air Force Base, Texas, $1,090,000.
Lowry Air Force Base, Colorado, $2,840,000.
Mather Air Force Base, California, $1,520,000.
Randolph Air Force Base, Texas, $3,360,000.
Reese Air Force Base, Texas, $1,140,000.
Sheppard Air Force Base, Texas, $10,745,000.
Vance Air Force Base, Oklahoma, $2,840,000.
Williams Air Force Base, Arizona, $2,600,000.

Alaskan Air Command

Eielson Air Force Base, Alaska, $1,700,000.
Elmendorf Air Force Base, Alaska, $7,240,000.
King Salmon Airport, Alaska, $8,050,000.
Various Locations, Alaska, $42,750,000.

Military Airlift Command

Andrews Air Force Base, Maryland, $4,940,000.
Bolling Air Force Base, District of Columbia, $1,280,000.
Charleston Air Force Base, South Carolina, $630,000.
Dover Air Force Base, Delaware, $1,180,000.
Kirtland Air Force Base, New Mexico, $7,510,000.
Little Rock Air Force Base, Arkansas, $790,000.
McChord Air Force Base, Washington, $1,180,000.
McGuire Air Force Base, New Jersey, $2,680,000.
Norton Air Force Base, California, $9,567,000.
Pope Air Force Base, North Carolina, $5.510,000.
Scott Air Force Base, Illinois, $5,450,000.
Travis Air Force Base, California, $3,790,000.

National Military Command Center

Pentagon Building, Virginia, $3,000,000.

North American Air Defense Command

NORAD, Cheyenne Mountain Complex, Colorado, $11,000,000.

Pacific Air Forces

Hickam Air Force Base, Hawaii, $1,090,000.

Strategic Air Command

Barksdale Air Force Base, Louisiana, $3,000,000.
Blytheville Air Force Base, Arkansas, $20,440,000.
Carswell Air Force Base, Texas, $39,810,000.
Castle Air Force Base, California, $2,000,000.
Dyess Air Force Base, Texas, $1,420,000.
Ellsworth Air Force Base, South Dakota, $36,880,000.
Francis E. Warren Air Force Base, Wyoming, $720,000.
Fairchild Air Force Base, Washington, $25,800,000.
Grand Forks Air Force Base, North Dakota, $1,420,000.
Griffiss Air Force Base, New York, $8,390,000.
Grissom Air Force Base, Indiana, $4,070,000.
K. I. Sawyer Air Force Base, Michigan, $4,370,000.
Loring Air Force Base, Maine, $6,140,000.
March Air Force Base, California, $940,000.
McConnell Air Force Base, Kansas, $1,090,000.
Minot Air Force Base, North Dakota, $7,406,000.
Offutt Air Force Base, Nebraska, $4,060,000.
Pease Air Force Base, New Hampshire, $4,920,000.
Peterson Air Force Base, Colorado, $4,260,000.
Plattsburgh Air Force Base, New York, $890,000.
Rickenbacker Air Force Base, Indiana, $540,000.
Vandenberg Air Force Base, California, $9,000,000.
Whiteman Air Force Base, Missouri, $1,090,000.
Wurtsmith Air Force Base, Michigan, $2,270,000.

Tactical Air Command

Bergstrom Air Force Base, Texas, $2,580,000.
Cannon Air Force Base, New Mexico, $2,700,000.
Davis-Monthan Air Force Base, Arizona, $12,460,000.
England Air Force Base, Louisiana, $2,170,000.
George Air Force Base, California, $2,460,000.
Holloman Air Force Base, New Mexico, $7,480,000.
Homestead Air Force Base, Florida, $2,480,000.
Hurlburt Field, Florida, $510,000.
Langley Air Force Base, Virginia, $10,220,000.
Luke Air Force Base, Arizona, $520,000.
MacDill Air Force Base, Florida, $16,960,000.
Moody Air Force Base, Georgia, $650,000.
Mountain Home Air Force Base, Idaho, $3,410,000.
Myrtle Beach Air Force Base, South Carolina, $630,000.
Nellis Air Force Base, Nevada, $6,870,000.
Seymour-Johnson Air Force Base, North Carolina, $2,950,000.
Tyndall Air Force Base, Florida, $510,000.

United States Air Force Academy

United States Air Force Academy, Colorado, $510,000.

M–X

Various locations, $366,000,000.

Special Project

Various Locations, Special Project, $57,600,000.

OUTSIDE THE UNITED STATES

Military Airlift Command

Lajes Field, Portugal, $49,570,000.
Rhein-Main Air Base, Germany, $1,500,000.

Pacific Air Forces

Clark Air Base, Republic of the Philippines, $9,330,000.
Diego Garcia Air Base, Indian Ocean, $114,990,000.
Hampyong Communication Station, Korea, $1,540,000.
Hunghae Communication Station, Korea, $1,500,000.
Kadena Air Base, Japan, $17,490,000.
Kunsan Air Base, Korea, $12,380,000.
Kwang-Ju Air Base, Korea, $6,650,000.
Osan Air Base, Korea, $26,720,000.
Various Locations, $1,250,000.

Strategic Air Command

Thule Air Base, Greenland, $1,600,000.

United States Air Forces in Europe

Egypt, Various Locations, $70,400,000.
Germany, Various Locations, $16,780,000.
San Vito Air Station, Italy, $1,540,000.
Camp New Amsterdam, Netherlands, $4,860,000.
Hellenikon, Greece, $800,000.
Oman, Various Locations, $78,480,000.
Spain, Various Locations, $5,390,000.
Incirlik Air Base, Turkey, $1,160,000.
Turkey, Various Locations, $4,000,000.
United Kingdom, Various Locations, $26,190,000.
Various Locations, $145,424,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $28,680,000.

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1977 PROJECTS

SEC. 304. Section 602(3) of the Military Construction Authorization Act, 1977 (Public Law 94–431; 90 Stat. 1361) is amended to read as follows:

"(3) for title III: inside the United States $744,759,000; outside the United States $56,650,000; for a total of $801,409,000."

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1979 PROJECTS

SEC. 305. Section 602(3) of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 580), as amended, is amended to read as follows:

"(3) for title III: inside the United States $505,786,000; outside the United States $68,963,000; minor construction $30,721,000; for a total $605,470,000."

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1980 PROJECTS

SEC. 306. Section 602(3) of the Military Construction Authorization Act, 1980 (Public Law 96–125; 93 Stat. 942), is amended to read as follows:

"(3) for title III: inside the United States $448,380,000; outside the United States $87,620,000; minor construction $29,310,000; for a total of $605,470,000."

DEFICIENCY AUTHORIZATION FOR FISCAL YEAR 1981 PROJECTS

SEC. 307. Section 602(3) of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1768), is amended to read as follows:

"(3) for title III: inside the United States $567,327,000; outside the United States $146,537,000; minor construction $25,420,000; for a total of $739,284,000."

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction.

INSIDE THE UNITED STATES

Defense Intelligence Agency

Bolling Air Force Base, District of Columbia, $72,500,000.

Defense Logistics Agency

Defense Construction Supply Center, Columbus, Ohio, $680,000.
Defense Depot, Tracy, California, $554,000.
Defense Depot, Mechanicsburg, Pennsylvania, $2,050,000.
Defense Depot, Memphis, Tennessee, $5,220,000.
Defense Depot, Ogden, Utah, $2,670,000.
Defense Fuel Support Point, Grand Forks, North Dakota, $1,690,000.
Defense Fuel Support, Pearl City, Hawaii, $3,600,000.

Defense General Supply Center, Richmond, Virginia, $5,600,000.

Defense Property Disposal Office, Fort Bragg, North Carolina, $2,800,000.

Defense Mapping Agency

Aerospace Center, St. Louis, Missouri, $10,750,000.

National Security Agency

Fort George G. Meade, Maryland, $57,596,000.

Office of the Secretary of Defense

Classified Activity, Classified Location, $10,000,000.

Classified Activity, Fort Belvoir, Virginia, $2,100,000.

OUTSIDE THE UNITED STATES

Defense Communications Agency

Pâtch Barracks, Vaihingen, Germany, $900,000.

Defense Logistics Agency

Defense Fuel Support Point, Wake Island, $14,500,000.

Defense Property Disposal Office, Kaiserslautern, Germany, $1,480,000.

Various Locations, Korea, $29,000,000.

Office of the Secretary of Defense

Classified Activity, Classified Location, $2,000,000.

Department of Defense Dependents School

Croughton Royal Air Force Station, United Kingdom, $13,700,000.

Dexheim, Germany, $980,000.

Fulda, Germany, $10,500,000.

Landstuhl Air Base, Germany, $6,140,000.

Misawa Air Base, Japan, $6,180,000.

Naval Station, Guantanamo Bay, Cuba, $5,900,000.

Pusan, Korea, $2,460,000.

Schwaebisch Hall, Germany, $780,000.

Seoul, Korea, $4,350,000.

Vilseck, Germany, $9,920,000.

Yokota Air Base, Japan, $3,290,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $30,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $6,210,000.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 501. The Secretary of Defense is authorized to incur obligations in amounts not to exceed $425,000,000 for the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area. Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States for the United States share of the cost of such multilateral programs.

TITLE VI—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 601. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of Defense is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development-held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family housing units:

Marine Corps Air Station, El Toro, California, two hundred twelve units, $15,540,000.

Fort Irwin, California, two hundred fifty-four units, $21,055,000.

Naval Complex, San Diego, California, two hundred ninety units, $25,350,000.

Naval Submarine Support Base, Kings Bay, Georgia, one hundred sixty-five units, $12,740,000.

Fort Drum, New York, two hundred thirty-two units, $15,865,000.

Naval Complex Warminster/Willow Grove, Pennsylvania, two hundred units, $14,910,000.

Naval Air Station, Chase Field, Texas, eighty-eight units, $6,360,000.

Incirlik Air Base, Turkey, four hundred units, $29,000,000.

Greenham-Common, United Kingdom, two hundred seventy units, $27,200,000.

Classified Location Overseas, six units, $765,000.

(d) The amounts specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 per centum, if he determines that such increases (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

IMPROVEMENT OF EXISTING QUARTERS

SEC. 602. (a) The Secretary of Defense, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $109,819,000 of which $44,878,000 shall be available only for energy conservation projects.

(b) The Secretary of Defense, or the Secretary's designee, within the amount specified in subsection (a), is authorized to accomplish repairs and improvements to existing family housing in amounts in excess of the dollar limitation prescribed in Section 610(a) of the Military Construction Authorization Act, 1968, Public Law 90–110, title VI, section 610(a), 81 Stat. 305 (42 U.S.C. section 1594h–2), as follows:

Marine Corps Air Ground Combat Center, Twentynine Palms, California, one hundred thirty-five units, $2,897,300.

Navy Public Works Center, Honolulu, Hawaii, one hundred units, $3,190,000.

Chanute Air Force Base, Illinois, two hundred twenty-two units, $4,662,000.

Fort Knox, Kentucky, one hundred units, $2,851,000.

Nellis Air Force Base, Nevada, two hundred thirty-six units, $4,956,000.

Kirtland Air Force Base, New Mexico, one hundred fifty-five units, $3,875,000.

Offutt Air Force Base, Texas, eighty units, $1,599,000.

Randolph Air Force Base, Texas, one hundred sixty-seven units, $3,839,000.

Fort Lewis, Washington, fifty-eight units, $1,378,000.

Mildenhall, United Kingdom, thirty units, $1,511,600.

Upper Heyford, United Kingdom, twelve units, $648,400.

ADVANCE PLANNING AND DESIGN

SEC. 603. The Secretary of Defense, or the Secretary's designee, may carry out advance planning and construction design and may obtain architectural and engineering services in connection with any family housing construction, including improvements, authorized or not otherwise authorized by law at a total cost of not to exceed $9,100,000.

LEASING OF FAMILY HOUSING

SEC. 604. Section 2675(d) of title 10, United States Code, is amended—

(1) by striking out "150" in subsection (1) and inserting in lieu thereof "200"; and,

(2) by striking out "17,000" in subsection (2) and inserting in lieu thereof "22,000".

AUTHORIZATION OF APPROPRIATIONS

SEC. 605. (a) There is authorized to be appropriated for fiscal year 1982 for use by the Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of family housing, including minor construction, improvements to public quarters, relocation of family housing, and planning, an amount not to exceed $287,704,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, Act of June 27, 1934, c. 847, title II, section 222, as amended (12 U.S.C. 1715m), an amount not to exceed $2,079,-

184,000, of which not more than $8,600,000 may be obligated or expended for the leasing of military family housing in the United States, the Commonwealth of Puerto Rico, and Guam, and of which not more than $113,717,000 may be obligated or expended for the leasing of military family housing in foreign countries.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966, Public Law 89–754, title X, sections 1013(a)(g), (1) 80 Stat. 1290–1292, as amended (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $2,000,000.

(b) The amounts authorized to be appropriated in subsection (a)(2) may be increased to the extent additional funds are necessary for increased pay costs associated with actions taken pursuant to law.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 701. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statute, as amended (31 U.S.C. 529), and section 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 702. There are authorized to be appropriated for fiscal years beginning after September 30, 1981, such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States $347,866,000; outside the United States $467,600,000; minor construction $34,150,000 for a total of $849,616,000.

(2) for title II: inside the United States $878,568,000 outside the United States $262,445,000; minor construction $34,270,000; for a total of $1,175,283,000.

(3) for title III: inside the United States $1,052,731,000; outside the United States. $599,544,000; minor construction $28,680,000; for a total of $1,680,955,000.

(4) for title IV: a total of $326,100,000, including $6,210,000 for minor construction.

(5) for title V: a total of $425,000,000.

COST VARIATIONS

SEC. 703. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (b), (c), (e), and (h), the total cost of all construction and acquisition in each of titles I, II, III, IV, and V, except as provided in paragraph (d) below, may not exceed the total amount authorized to be appropriated in that title.

(b) VARIATIONS IN INSTALLATION TOTALS.—UNUSUAL VARIATIONS IN COST.—Except as provided in subsections (c) and (e) any of the amounts specified in titles I, II, III, and IV of this Act (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 per centum when inside the United States (other than Alaska or Hawaii), and by 10 per centum when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN INSTALLATION TOTALS—ONLY ONE PROJECT AT AN INSTALLATION.—When the amount named for any construction or acquisition in title I, II, III, or IV of the Act involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(d) VARIATIONS IN NORTH ATLANTIC TREATY ORGANIZATION TOTALS—When the Secretary of Defense determines that the amount set forth in title V for the United States share of the cost of the North Atlantic Treaty Organization Program must be increased, the Secretary may incur obligations in excess of such amount if the amount of the increase does not exceed by more than 25 per centum the amount set forth in title V.

(e) VARIATIONS IN INSTALLATION TOTALS—REPORTS BY THE SECRETARY OF DEFENSE.—When the Secretary of Defense determines that any amount named in title I, II, III, IV, or V of this Act must be exceeded by more than the percentages permitted in subsections (b), (c) and (d) to accomplish authorized construction, acquisition, or for the United States' share of the cost of the North Atlantic Treaty Organization Infrastructure Program, the Secretary of Defense, Secretary of the military department, or Director of the defense agency concerned may proceed with such construction or acquisition after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either (1) thirty days have elapsed from the date of submission of such report, or (2) both Committees have indicated approval of such construction or acquisition. Notwithstanding the provisions in prior Military Construction Authorization Act, the provisions of this subsection shall apply to such prior Acts.

(f) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS: REPORTS TO CONGRESS.—No individual project authorized under title I, II, III, or IV of this Act for any specifically listed military installations for which the current working estimate is greater than the statutory upper limit for minor construction projects, may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 per centum; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives, and either thirty days have elapsed from the date of submission of such report, or both Committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(g) ANNUAL REPORTS TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense, based upon bids received, for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 per centum in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(h) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this section in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitation authorized by this or any other Act.

CONSTRUCTION SUPERVISION

SEC. 704. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army; the Naval Facilities Engineering Command, Department of the Navy; or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business; the names of such firms; the total number of separate contracts awarded each firm; and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

REPEAL OF PRIOR YEAR AUTHORIZATIONS: EXCEPTIONS

SEC. 705. (a) As of October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V, of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1749), and all such authorizations contained in Acts approved before October 10, 1980, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorizations for the following items authorized in section 101 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 928) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for the fiscal year 1984, whichever is later:

(1) Boiler Plant Emission Control System construction in the amount of $1,900,000 at Anniston Army Depot, Alabama.

(2) Boiler Plant Emission Control System construction in the amount of $3,000,000 at Tobyhanna Army Depot, Pennsylvania.

(3) Boiler Plant Emission Control System construction in the amount of $2,800,000 at Fort Benjamin Harrison, Indiana.

(4) Industrial Waste Treatment Plant construction in the amount of $1,100,000 at Riverbank Army Ammunition Plant, California.

(5) Advanced Power Train Test Facility construction in the amount of $1,560,000 at Corpus Christi Army Depot, Texas.

(6) Ammunition Inspection and Test Facility construction in the amount of $1,200,000 at Letterkenny Army Depot, Pennsylvania.

(7) Replace Boilers construction in the amount of $8,600,000 at Red River Army Depot, Texas.

(8) Dental Clinic construction in the amount of $2,750,000 at Schofield Barracks, Hawaii.

(9) Centralized Container Ammunition Facility construction in the amount of $920,000 at Lone Star Army Ammunition Plant, Texas.

(10) Indoor Athletic Facilities construction in the amount of $12,200,000 at the United States Military Academy, West Point, New York.

(11) Temperature—Altitude Test Facility construction in the amount of $2,000,000 at the White Sands Missile Range, New Mexico.

(12) Water Monitor Station construction in the amount of $220,000 at Riverbank Army Ammunition Plant, California.

(c) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorization for the construction of the Reception Station of Fort Benning, Georgia, in the amount of $5,886,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358), as such authorization was extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 945), shall remain in effect until October 1, 1983 or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later.

(d) Notwithstanding the provisions of subsection (a) of this section and of section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770) authorizations for the following items authorized in section 201 or such authorizations as were extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Municipal Sewer Connection construction in the amount of $2,200,000 at the Naval Submarine Base, New London, Connecticut.

(2) Insulation and Storm Windows construction in the amount of $2,350,000 at the Naval Weapons Station, Charleston, South Carolina.

(3) Applied Instruction (Morse Training) Building construction in the amount of $2,400,000 at the Naval Technical Training Center, Pensacola, Florida.

(4) Municipal Sewer Connection construction in the amount of $2,100,000 at the Naval Shipyard, Long Beach, California.

(5) Industrial Waste Collection and Treatment construction in the amount of $6,500,000 at the Naval Shipyard, Long Beach, California.

(e) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418, 94 Stat. 1770), authorizations for the following items authorized in section 301 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 934) shall remain in effect until October 1, 1983 or the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Connect to Regional Sewage System in the amount of $1,100,000 at Richards-Gebaur Air Force Base, Missouri.

(2) Pave roads in the amount of $690,000 at Davis-Monthan Air Force Base, Arizona.

(3) Aircraft Maintenance Control Facility in the amount of $850,000 at England Air Force Base, Louisiana.

(4) Composite Medical Facility in the amount of $16,500,000 at George Air Force Base, California.

(5) Air Installation Compatible Use Zone in the amount of $1,950,000 at Buckley Air National Guard Base, Colorado.

(6) Various Operational Facilities in the amount of $4,950,000 at Roberts International Airport, Liberia.

(7) Unaccompanied Officer Personnel Housing in the amount of $510,000 at Taegu Air Base, Korea.

(8) Security Facilities in the amount of $3,485,000 at Howard Air Base, Canal Zone.

(9) Special Operations Facilities in the amount of $2,800,000 at Various Locations Overseas.

UNIT COST LIMITATIONS

SEC. 706. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $53 per square foot for permanent barracks; or

(2) $57 per square foot for unaccompanied officer quarters;

unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances, application to such project of the limitation on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 707. Titles I, II, III, IV, V, and VI shall take effect on October 1, 1981.

TITLE VIII

GUARD AND RESERVE FORCES FACILITIES

Authorization for facilities

SEC. 801. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army—

(a) for the Army National Guard of the United States, $41,500,000; and

(b) for the Army Reserve, $30,400,000.

(2) For the Department of the Navy: for the Naval and Marine Corps Reserves, $23,900,000.

(3) For the Department of the Air Force—

(a) for the Air National Guard of the United States, $78,700,000; and

(b) for the Air Force Reserve, $28,500,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 802. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands include authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255) and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

EXPANSION OF FEDERAL FACILITIES BY THE NATIONAL GUARD

SEC. 803. Section 2233 of title 10, United States Code, is amended:

(1) by inserting "or those owned by the Federal Government" after the words "or convert facilities owned by it" in clause (2) of subsection (a); and

(2) by striking of the period at the end of subsection (b) and inserting in lieu thereof: ", and such property may be transferred to any State or Territory, Puerto Rico, or the District of Columbia incident to the expansion, rehabilitation or conversion of such property under subsection (a)(2), so long as the transfer of such property does not result in the creation of a State or Territory, Pureto Rico, or the District of Columbia-owned enclave within a larger Federal installation."

FEDERAL FUNDING OF DIRECTED PROGRAMS

SEC.. 804. Section 2233(a) of chapter 133, title 10, United States Code is amended:

(1) by striking out "and" after clause (4);

(2) by striking out the period at the end

of clause (5) and inserting in lieu thereof; "and"; and

(3) by adding at the end thereof the following new clause:

"(6) contribute to any State or Territory, Puerto Rico, or the District of Columbia such amounts as may be necessary for the alteration, rehabilitation, or construction of arms storage rooms, which alteration, rehabilitation or construction is required to meet a change in Department of Defense standards related to the safekeeping of arms."

TITLE IX—GENERAL PROVISIONS

USE OF SOLAR ENERGY SYSTEMS IN NEW CONSTRUCTION

SEC. 901. Section 2688(b) of title 10, United States Code, is amended to read as follows:

(b) For the purposes of this section, a solar energy system shall be considered to be cost effective if the original investment cost differential can be recovered over the expected life of the facility using accepted life cycle costing procedures. Such accepted life cycle costing procedures shall include the use of the sum of all capital, operating, and maintenance expenses associated with the energy system of the building involved over the expected life of such system or during a period of twenty-five years, whichever is shorter, and using marginal fuel cost as determined by the Secretary of Defense and at a discount rate of 7 per centum per year.

FOREIGN GOVERNMENT FUNDED CONSTRUCTION

SEC. 902. (a) The Act of September 28, 1951, c. 434, title V, § 504, 65 Stat. 364, as amended, (31 U.S.C. § 723) is amended to read as follows:

"There are authorized to be appropriated without fiscal year limitation, funds for advance planning, construction design, and architectural services in connection with (1) public works projects which are not otherwise authorized by law, and (2) construction management of those projects funded by foreign governments directly or through international organizations for which U.S. forces are the sole or primary user.

CONSTRUCTION AUTHORITY UNDER A DECLARATION OF WAR OR NATIONAL EMERGENCY

SEC. 903. Chapter 159 of title 10, United States Code is amended:

(1) by adding at the end thereof the following new section:

"2689. Construction Authority in the event of a declaration of war or national emergency.

a. In the event of a declaration of war by the Congress or the declaration by the President of a national emergency in accordance with the National Emergencies Act (Public Law 94-412; 90 Stat. 1255) requiring employment of the armed forces, the Secretary of Defense is authorized, without regard to any other provisions of law, to undertake military construction necessary to support such employment within the total amount of funds that have been appropriated for military construction, including funds appropriated for family housing, that have not been obligated.

b. This authority includes: (1) acquisition of real estate and interests in land (including temporary interests) by lease, purchase, gift, exchange of government-owned land, or otherwise; (2) surveys and site preparation; (3) acquisition, lease conversion, rehabilitation of permanent or temporary facilities; (4) appurtenances, supporting facilities, and utilities incident to such construction; (5) acquisition of and installation of equipment integral to the construction; and (6) planning, supervision, administration, and overhead incident to such construction.

c. This authority shall remain available for the duration of the declaration of war or national emergency.

d. Whenever a decision to undertake military construction authorized under this section is made, the Secretary of Defense shall notify the Committees on Armed Services and Appropriations of the Senate and the House of Representatives of the decision and the estimated cost of such construction including real estate actions pertaining thereto.

TITLE X

SEC. 1001. There are authorized to be appropriated for fiscal year 1983 such sums as may be necessary for the Secretary of Defense and the Secretaries of the Army, Navy and Air Force to establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment.

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., March 18, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of legislation entitled the "Military Construction Authorization Act, 1982". This proposal replaces the proposal previously transmitted to the Congress on January 23, 1981.

The changes to the Department of Defense military construction program for fiscal year 1982 incorporated into the attached legislation are required to increase readiness, improve the quality-of-life of our military personnel, and to modernize military facilities. The Office of Management and Budget has advised that its enactment would be in accord with the program of the President. Appropriations in support of this legislation are discussed in the Amended Budget of the United States Government for fiscal year 1982.

Titles I, II, III, IV, and V of the attached proposal would authorize $4,456,954,000 in new construction for requirements of the Active Forces, of which $849,616,000 are for the Department of the Army; $1,175,283,000 for the Department of the Navy; $1,680,955,000 for the Department of the Air Force; $326,100,000 for the Defense Agencies; and $425,000,000 for the United States' share of the NATO Infrastructure Program.

Title VI contains legislative recommendations considered necessary to implement the Department of Defense Family Housing and Homeowners Assistance Programs and authorizes $2,368,888,000 for the cost of this program for fiscal year 1982.

Title VII contains Authorizations of Appropriations and Administrative Provisions generally applicable to the Military Construction Program. Title IX contains non-recurring general provisions applicable to the Military Construction Program.

Title VIII totaling $203,000,000 would authorize construction for the Guard and Reserve Forces, including $41,500,000 for the Army National Guard; $30,400,000 for the Army Reserve; $23,900,000 for the Naval and Marine Corps Reserve; $78,700,000 for the Air National Guard; and $28,500,000 for the Air Force Reserve. These authorizations are in lump sum amounts and will be utilized in accordance with the requirements of chapter 133, title 10, United States Code.

Title X provides authorization as may be necessary for FY 1983 and meets the basic requirements of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344).

Additionally, included in Title I, pursuant to section 138 of title 10, United States Code, as amended, is authorization for construction of production base support at Army Ammunition Facilities, for which appropriations are being requested.

The projects that would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91-190. Required environmental statements will be submitted to the Congress by the Military Departments.

Your support of the amended military construction authorization program for FY 1982 is requested.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

By Mr. STEVENS:

S. 835. A bill for the relief of Jerry L. Crow; to the Committee on Energy and Natural Resources.

RELIEF OF JERRY L. CROW

Mr. STEVENS. Mr. President, I am today introducing legislation to provide for the relief of Jerry L. Crow. This bill is intended to allow Mr. Crow to purchase up to 10 acres of public land in Alaska and to lease up to an additional 70 acres of surrounding land. The lands which would be conveyed and leased to Mr. Crow were originally described in the application to be filed for a trade and manufacturing (T. & M.) site in 1967, pursuant to that law. This bill was passed unanimously in the Senate last session, although it was never considered by the House due to the lateness of the session.

The need for this bill is as clear now as it was last session. Mr. Crow's application was denied by the Bureau of Land Management (BLM), the Interior Board of Land Appeals, and the U.S. district court because it did not meet the unreasonable standards set by BLM regulations. The grounds for this rejection were based upon Mr. Crow's failure to prove that the campground he had constructed on the site could qualify as a "productive industry."

Mr. Crow has worked industriously to develop his campground. He has improved the site and operated the facility in a productive manner. Jerry Crow has made a good-faith effort to move his applications forward. Unfortunately, the period between the filing of his application, the field examination, and the final decision by BLM has been so lengthy and uncertain as to the requirements for approval, that his application met with failure.

The equities of this situation are such that Mr. Crow is entitled to purchase up to 10 acres of land from the Federal Government at the fair market value in 1967 which is the date of his application for the T. & M. site. Additionally, a long-term lease of up to 70 acres of remaining land covered by the T. & M. site should be permitted.

Mr. President, enactment of this bill would cost the Federal Government nothing. It would not affect future decisions under the act of May 14, 1896, in any manner. However, it would rectify an inequity and right the wrong of not allowing Mr. Crow an opportunity to operate his campground, on which he has worked so long and hard.

By Mr. ROTH (by request):

S. 838. A bill to amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL PAY COMPARABILITY REFORM ACT OF 1981

● Mr. ROTH. Mr. President, I am introducing today, by request, the "Federal Pay Comparability Reform Act of 1981."

This legislation forms a part of the President's economic package. It is a revised version of the pay reform bill originally submitted by former President Carter on January 16 and is designed to rectify a number of longstanding flaws in the system by which compensation is determined for Federal employees. I am introducing the proposal so that there may be a specific bill to which interested Senators and the public may direct comments.

Mr. President, the General Accounting Office has reviewed Federal pay systems extensively over the years. One of their first and most important observations has been that the Government's compensation policies, structures, and practices require continual evaluation and research to keep up with the constantly changing nature of the labor markets as well as Government's needs. The GAO has concluded that improvements are needed to achieve more reasonable comparability with the non-Federal sector in line with the basic purposes of the comparability concept.

A carefully designed Federal pay reform bill could help reduce unnecessary Federal spending a great deal. However, the complexities of this issue make it imperative that our committee thoroughly review the bill before recommending it to the full Senate.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis and the letter from the Director of the Office of Personnel Management to the President of the Senate dated March 24, 1981.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Pay Comparability Reform Act of 1981".

STATUTORY PAY SYSTEMS

SEC. 2. (a) Subchapter I of chapter 53 of title 5, United States Code, is amended—

(1) by amending section 5301 to read as follows:

"§ 5301. Policy

"(a) It is the policy of Congress that Federal pay fixing for employees under the General Schedule be based on the principles that—

"(1) there be equal pay for substantially equal work within each General Schedule pay area;

"(2) pay distinctions within each General Schedule pay area be maintained in keeping with work and performance distinctions;

"(3) General Schedule pay rates, when considered together with Federal employee benefits, be comparable with 94 percent of non-Federal pay rates, when considered together with non-Federal employee benefits, for the same levels of work; and

"(4) differences in General Schedule pay rates between different pay areas be in keeping with difference in non-Federal pay rates between those areas.

"(b) It is the policy of Congress that Federal pay rates for employees under the statutory pay systems other than the General Schedule be comparable with the rates fixed under section 5302 of this title for the General Schedule.

"(c) In order to fulfill the principles in subsections (a) and (b) of this section, pay for employees under the statutory pay systems shall be fixed and adjusted in accordance with those principles and the applicable provisions of sections 5302, 5303, 5306, and 5308 of this title.

"(d)(1) For the purpose of this subchapter, 'statutory pay system' means—

"(A) the General Schedule, as provided in section 5332 of this title;

"(B) the pay schedule for the Foreign Service of the United States, as provided in section 3963 of title 22; or

"(C) the pay schedules for certain employees in the Department of Medicine and Surgery of the Veterans' Administration, as provided in section 4107 of title 38.

"(2) For the purpose of making comparisons between Federal and non-Federal pay and employee benefits as required by this subchapter, employees under the merit pay system under chapter 54 of this title shall be included in such comparisons as if they were under the General Schedule.";

(2) by redesignating section 5305 as section 5302, inserting that section as redesignated after section 5301, and amending that section as redesignated—

(A) by amending subsection (a)(1)(A) to read as follows:

"(A) compares General Schedule rates of pay and Federal employee benefits with rates of pay and employee benefits for the same levels of work outside the Federal Government, as determined on the basis of appropriate annual pay surveys and appropriate surveys of employee benefits that shall be conducted by the Bureau of Labor Statistics and on the basis of other appropriate sources of information on employee benefits;";

(B) in subsection (a)(1)(B) by inserting after "pay" the following:
"of the General Schedule and the other statutory pay systems";

(C) in subsection (a)(2) by striking out "5301(a)" and inserting in lieu thereof "5301(a)(1)–(3) and (b)";

(D) in subsection (b)(1)—

(i) by inserting after "represent" the following:
"or include in their membership"; and

(ii) by inserting after "represented by" the following:
"or included in the membership of"; and

(E) by amending subsection (b)(2)(A)–(C) to read as follows:

"(A) the survey conducted by the Bureau of Labor Statistics and any other sources of information used for the comparison of General Schedule and non-Federal rates of pay, and employee benefits (including, but not limited to, the occupations, establishment sizes, industries, geographical areas, and types of employee benefits to be used in the comparison);

"(B) the process of comparing General Schedule rates of pay and Federal employee benefits with non-Federal rates of pay and employee benefits; and

"(C) the adjustments in the rates of pay of the General Schedule and the other statutory pay systems that should be made to achieve the policy established in section 5301(a)(1)–(3) and (b) of this title;";

(3) by amending section 5303 to read as follows:

"§ 5303. General Schedule Locality Rates of Pay

"(a) In order to fulfill the policy established by section 5301(a)(4) of this title, the President shall designate appropriate pay areas and, upon making a pay adjustment under section 5302 of this title, shall establish locality rates of pay for the General Schedule for each pay area in accordance with the provisions of this section. If the President determines that it is inappropriate to establish locality rates of pay for the General Schedule for any area, he may determine that the General Schedule rates of pay established under section 5302 of this title shall be deemed the locality rates of pay for that area.

"(b) In order to determine the locality rates of pay in each pay area, the President shall adjust the General Schedule rates of pay established under section 5302 of this title upward or downward in keeping with the relationship non-Federal rates of pay in the pay area bear to average non-Federal rates of pay in the United States, as determined by surveys by the Bureau of Labor Statistics. Such upward or downward adjustment may vary by level of work within a pay area.

"(c) In fulfilling his responsibility under this section, the President shall be assisted by the agent designated by him under section 5302(a)(1) of this title, and shall consider the recommendations of the Advisory Committee on Federal Pay established under section 5306 of this title. The agent shall—

"(1) advise the President as to the number and boundaries of appropriate pay areas and the upward or downward adjustment in General Schedule rates of pay appropriate for each pay area;

"(2) provide for meetings with and give thorough consideration to the views and recommendations of the Federal Employees Pay Council established under section 5302(b)(1) of this title on matters relating to the agent's advice to the President under this section; and

"(3) give thorough consideration to the views and recommendations of employee organizations not represented on the Federal Employees Pay Council on such matters.

"(d) Locality rates of pay established under this section shall apply (except as provided in section 5363 of this title) to each General Schedule employee whose permanent duty station is within the boundaries of the applicable pay area, and the appropriate minimum and maximum locality rates of pay shall be the applicable minimum and maximum rates of pay under section 5402(a) of this title for merit pay system employees whose permanent duty station is within the boundaries of the applicable pay area.

"(e) Locality rates of pay established under this section shall be effective on the same day a pay adjustment under section 5302 of this title is effective, shall be printed in the Federal Register, and shall have the force and effect of law.

"(f) An increase in locality rates of pay that takes effect under this section is not an equivalent increase in pay within the meaning of section 5335 of this title.

"(g) Any locality rate of pay under this section shall be initially adjusted, effective on the effective date of the locality rate of pay, under conversion rules prescribed by the President or by such agency as the President may designate.";

(4) by amending section 5304 to read as follows:

"§ 5304. General Schedule Special Rates of Pay

"(a) Notwithstanding the provisions of sections 5301, 5302, and 5303 of this title, upon finding that the Government is experiencing significant difficulty in recruiting

or retaining well-qualified individuals for positions under the General Schedule in one or more occupations in one or more areas, the President may establish special rates of pay for the areas for one or more grades, occupations, or subdivisions thereof, which shall be the rates of pay for employees in the positions involved.

"(b) Special rates of pay established under this section may not exceed the maximum applicable locality rate of pay for the General Schedule grade, as established under section 5303 of this title, by more than twice the amount by which that maximum locality rate of pay exceeds the minimum locality rate of pay for that grade.

"(c) Upon establishing special rates of pay under this section, the President shall establish rules for the application of the special rates to affected employees. To the extent considered possible by the President, these rules shall be consistent with the provisions of subchapter III of this chapter and, in the case of employees who are subject to the merit pay system, consistent with chapter 54 of this title.

"(d) The President shall review special rates of pay established under this section annually to see if those special rates of pay are still warranted, and shall revise or abolish any special rates of pay upon determining such action is appropriate.

"(e) The special rates of pay that take effect under this section shall be printed in the Federal Register, and shall have the force and effect of law.

"(f) The President may delegate the authority granted to him by this section to the Director of the Office of Personnel Management, subject to any restrictions the President may impose."; and

(5) by amending section 5306—

(A) in subsection (b) by striking out "the policy under section 5301" and inserting in lieu thereof "his responsibilities under section 5302";

(B) by redesignating subsections (c) through (h) as subsections (d) through (i), respectively; and

(C) by inserting after subsection (b) the following new subsection:

"(c) The Committee shall conduct such reviews and provide advice to the President on such matters as the President may request in carrying out his responsibilities under section 5303 of this title or on other matters relating to the setting of pay for Federal employees.".

(b) The analysis for subchapter I of chapter 53 of title 5, United States Code, is amended—

(1) by inserting after the item relating to section 5301 the following new item:

"5302. Annual pay reports and adjustments."; and

(2) by striking out the items relating to sections 5303, 5304, and 5305 and inserting in lieu thereof:

"5303. General Schedule locality rates of pay.

"5304. General Schedule special rates of pay.".

SEC. 3. Section 2301(b)(3) of title 5, United States Code, is amended by striking out "employers in the private sector" and inserting in lieu thereof "non-Federal employers".

SEC. 4. Section 5332(a) of title 5, United States Code, is amended to read as follows:

"(a) The General Schedule is a schedule of 18 grades, designated GS–1 to GS–18 in ascending order, with ten rates of basic pay for grades GS–1 through GS–15, nine rates of basic pay for grade GS–16, five rates of basic pay for grade GS–17, and one rate of basic pay for grade GS–18. The rates of basic pay of the General Schedule in each pay area shall be fixed and adjusted under section 5303 of this title, and the rates so fixed and adjusted shall apply to each employee with a permanent duty station in the pay area to whom this subchapter applies, except an employee under the merit pay system under chapter 54 of this title.".

SEC. 5. (a) Section 5941 of title 5, United States Code, is repealed.

(b) The analysis for chapter 59 of title 5, United States Code, is amended by striking out the item relating to section 5941.

SEC. 6. Section 104 of title 3, United States Code, section 5318 of title 5, United States Code, section 461(a) of title 28, United States Code, and section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31), as amended, are amended by striking out "section 5305" and inserting in lieu thereof "section 5302".

FEDERAL WAGE SYSTEM

SEC. 7. (a) Subchapter IV of chapter 53 of title 5, United States Code, is amended—

(1) by striking out "PREVAILING RATE" in the subchapter heading and inserting in lieu thereof "FEDERAL WAGE";

(2) by amending section 5341 to read as follows:

"§ 5341. Policy.

"It is the policy of Congress that rates of pay of Federal wage employees be fixed and adjusted from time to time in accordance with the public interest and on the basis of the principles that—

"(1) there be equal pay for substantially equal work for all Federal wage employees who are working under similar conditions of employment in all agencies within the same local wage area;

"(2) there be relative differences in pay within each local wage area in keeping with substantial or recognizable differences in the level of duties, responsibilities, and qualification requirements among positions;

"(3)(A) the rates of pay for Federal wage employees described in paragraph (A) of section 5342(a)(2) of this title, when considered together with Federal employee benefits, be comparable with 94 percent of non-Federal prevailing wages in the local wage area, when considered together with non-Federal employee benefits; and

"(B) the rates of pay for Federal wage employees described in paragraphs (B) and (C) of section 5342(a)(2) of this title be maintained in line with prevailing rates for comparable work in non-Federal retail, wholesale, service, and recreational establishments within the local wage area; and

"(4) the level of rates of pay be maintained so as to attract and retain qualified Federal wage employees.";

(3) by amending section 5342(a)(2)–(3), (b)(1), and (c) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage";

(4) in section 5343—

(A) in the catchline by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage";

(B) in subsection (a)—

(i) by striking out the first sentence and inserting in lieu thereof "The pay of Federal wage employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with the policy in section 5341 of this title."; and

(ii) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage";

(C) in subsection (a)(3)—

(i) by striking out "(c)(1)–(3)" and inserting in lieu thereof "(c)(1)–(4)"; and

(ii) by inserting after "rates" the following: "in accordance with the policy in section 5341 of this title";

(D) in subsection (b)—

(i) by striking out "2 years" and inserting in lieu thereof "3 years";

(ii) by inserting after "conducted" the following: "at least annually"; and

(iii) by striking out "each 2 consecutive";

(E) in subsection (c)—

(i) by inserting after "rates" the first time it appears the following: ", in accordance with the policy in section 5341 of this title";

(ii) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage";

(iii) in paragraph (1) by striking out "private" both places it appears and inserting in lieu thereof "non-Federal";

(iv) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively;

(v) by inserting after paragraph (2) the following new paragraph:

"(3) for appropriate consideration of Federal and non-Federal employee benefits, as determined on the basis of employee benefits surveys and sources of employee benefits information described in section 5302(a)(1)(A) of this title, in the establishment of wage schedules and rates for Federal wage employees described in paragraph (A) of section 5342(a)(2) of this title in accordance with the policy in section 5341(3)(A) of this title;"; and

(vi) in paragraph (5) as redesignated by inserting after "involving" the following: "shift work or";

(F) by amending subsection (d) to read as follows:

"(d) Notwithstanding the provisions of sections 5341 and 5348 of this title and subsections (a), (b), and (c)(1)–(4) of this section, in any year when an alternative plan goes into effect under section 5302(c) of this title for employees under the General Schedule and the other statutory pay systems, the Office of Personnel Management shall develop and place into effect a plan for increases in wage schedules and rates that will provide treatment for Federal wage employees, including officers and members of crews of vessels, that is comparable with the treatment provided employees under the General Schedule and the other statutory pay systems."; and

(G) by repealing subsections (e) and (f);

(5) in sections 5344(a) and 5346(c) by striking out "prevailing rate" and inserting in lieu thereof "Federal wage";

(6) in section 5347—

(A) in the catchline by striking out "Prevailing Rate" and inserting in lieu thereof "Wage";

(B) by striking out "Prevailing Rate" and inserting in lieu thereof "Wage";

(C) by striking out "prevailing rate" each time it appears and inserting in lieu thereof "Federal wage"; and

(D) in subsection (e) by striking out "prevailing rates" and inserting in lieu thereof "rates of pay";

(7) in section 5348 by inserting after "provided by" the following: "section 5343(d) of this title and"; and

(8) in section 5349—

(A) in the catchline by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage"; and

(B) in subsection (a) by striking out "prevailing rates and in accordance with such" and inserting in lieu thereof "the".

(b) The analysis for subchapter IV of chapter 53 of title 5, United States Code, is amended—

(1) in the subchapter heading by striking out "PREVAILING RATE" and inserting in lieu thereof "FEDERAL WAGE";

(2) in the item relating to section 5343 by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage";

(3) in the item relating to section 5347 by striking out "Prevailing Rate" and inserting in lieu thereof "Wage"; and

(4) in the item relating to section 5349 by striking out "Prevailing rate" and inserting in lieu thereof "Federal wage".

SEC. 8. Notwithstanding section 704(b) of Public Law 95-454 (92 Stat. 1111, 1218), employees to whom section 9(b) of Public Law 92-392 (86 Stat. 564, 574) applies shall be subject to any plan developed and placed into effect by the Office of Personnel Management under section 5343(d) of title 5, United States Code, as amended by this Act.

PRESIDENTIAL BENEFITS AUTHORITIES

SEC. 9. (a) Chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Presidential authority

"§ 6331. Authority of the President

"(a) Notwithstanding any provision of this chapter, the President may modify any provision of this chapter in accordance with the provisions of this section, in order to—

"(1) make the provisions of this chapter more comparable with leave programs and practices provided by employers other than the Federal Government;

"(2) provide greater flexibility and freedom of choice to employees; or

"(3) improve the administration of any provision of this chapter.

"(b) The President shall transmit to Congress a report describing any modification he has made in the provisions of this chapter, and shall cause such modification to be printed in the Federal Register and the Code of Federal Regulations.

"(c) Modifications in the provisions of this chapter that take effect under this section shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date or dates of all or part (as the case may be) of the modifications; and

"(2) any prior modifications which took effect under this section or prior provisions of law.

"(d) Any modification under this section shall be implemented in accordance with rules prescribed by the President or by such agencies as the President may designate.

"(e) This section does not impair any administrative authority granted under this chapter.".

(b) The analysis of chapter 63 of title 5, United States Code, is amended by adding at the end thereof the following:

"Subchapter III—Presidential Authority

"§ 6331. Authority of the President.".

SEC. 10. (a) Section 8707 of title 5, United States Code, is amended—

(1) in the catchline, by striking out "Employee deductions; withholding" and inserting in lieu thereof "Contributions, deductions, and withholding";

(2) by amending subsections (a), (b), and (c) to read as follows:

"(a) The President shall determine, by July 1 of each year, the Government contributions that will be made during the next calendar year for insurance under this chapter. The Government contribution rate for basic insurance may not be less than one-third of the level cost as determined by the Office of Personnel Management for each $1,000 of the employee's basic insurance amount.

"(b) For each period in which an employee or family member is insured under this chapter, the applicable Government contribution determined by the President under subsection (a) of this section shall be contributed from the appropriation or fund which is used to pay the employee. In the case of an employee paid by the Clerk of the House of Representatives, the Clerk may contribute the sum required from the contingent fund of the House. In the case of an employee who is an elected official, the sum required is contributed from an appropriation or fund available for payment of other salaries of the same office or establishment.

"(c) For each period in which an employee or family member is insured under this chapter, there shall be withheld from the employee's pay the balance of the cost of the insurance under this chapter for the employee or family member, after the Government contribution is made under subsection (b) of this section.";

(3) by redesignating subsection (d) as subsection (e);

(4) by inserting after subsection (c) the following new subsection:

"(d)(1) Whenever insurance under this chapter continues after an employee retires on an immediate annuity or while the employee is receiving compensation under subchapter I of chapter 81 of this title, as provided in section 8706(b) of this title, as provided in section 8706(b) of this title, the Government contributions required by subsection (b) of this section shall be made from an appropriation for this purpose to the Office of Personnel Management, and the balance of the cost of the insurance shall be withheld from the employee's annuity or compensation, except that, in any case in which the insurance is continued as provided in section 8706(b) (3)(A), 8714a(c)(2), 8714b(c)(2), or 8714c(c)(2) of this title, no deduction shall be withheld for regular insurance for months after the calendar month in which the employee becomes 65 years of age.

"(2) Notwithstanding paragraph (1) of this subsection, insurance shall be continued under section 8706(b) of this title without cost (other than as provided under paragraph (3)(B) of section 8706(b)) to each employee who retires, or for whom compensation commences, on or before December 31, 1989."; and

(5) in subsection (e), as redesignated, by striking out "agency contributions required under section 8708 of this title" and inserting in lieu thereof "Government contributions".

(b) Section 8708 of title 5, United States Code, is repealed.

(c) Sections 8714a, 8714b, and 8714c of title 5, United States Code, are each amended by striking out subsection (d).

(d) The analysis for chapter 87 of title 5, United States Code, is amended by striking out the items relating to sections 8707 and 8708 and inserting in lieu thereof:

"8707. Contributions, deductions, and withholding.".

SEC. 11. Section 8906 of title 5, United States Code, is amended—

(1) by amending subsection (b)(1)-(2) to read as follows:

"(b)(1) Except as provided by paragraphs (2) and (3) of this subsection, the President shall determine, at least 180 days prior to the beginning of each contract year—

"(A) the percentage of the average subscription charge, as determined under subsection (a) of this section, which the Government shall contribute during the upcoming contract year for health benefits for an employee or annuitant enrolled in a health benefits plan under this chapter; and

"(B) the percentage of the subscription charge that will be the maximum Government contribution for health benefits under any health benefits plan under this chapter.

"(2) Except as provided in paragraph (3) of this subsection, the Government contribution for health benefits for any health benefits plan under this chapter may not be less than the lesser of—

"(A) 60 percent of the average subscription charge, as determined under subsection (a) of this section, or

"(B) 75 percent of the subscription charge for the health benefits plan."; and

(2) in the first sentence of subsection (d)—

(A) by inserting after "employee" the following:

", beginning on the first day of the first applicable pay period beginning on or after the first day of each contract year,"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof ", beginning on the first day of each contract year.".

SAVINGS PROVISIONS

SEC. 12. Notwithstanding the provisions of sections 2 and 7 of this Act, the pay rates of the General Schedule, the General Schedule locality pay rates in each pay area, the pay rates of the other statutory pay systems, and the wage schedules and rates of the Federal Wage System shall be increased each year for the first 5 years following the date of enactment of this Act, at the same time each such schedule or rate would normally be increased, by the greater of—

(1) the amount of increase provided under the applicable provisions of subchapter I or IV of chapter 53 of title 5, United States Code, as amended by this Act, or

(2) 2 percent.

SEC. 13. Notwithstanding the repeal of section 5941 of title 5, United States Code, by section 5 of this Act, each employee who is receiving an allowance under section 5941 on the day before the effective date of this Act shall continue to receive the amount of allowance he is receiving on such day as long as he remains in the area for which the allowance was authorized, but the amount of the allowance shall be reduced by one-half the amount of any increase in rate of basic pay the employee receives by reason of any provision of law, until the entire amount of the allowance is eliminated.

SEC. 14. Notwithstanding the provisions of section 9 of this Act, no provision of any employee benefit program may be reduced or made less generous for five years after the date of enactment of this Act.

UNIFORMED SERVICES PAY AMENDMENTS

SEC. 15. Section 1009 of title 37, United States Code, is amended—

(1) in subsection (a) by striking out "Whenever the General Schedule of compensation for Federal classified employees as contained in section 5332 of title 5, United States Code, is adjusted upward, the President shall immediately" and inserting in lieu thereof "Effective October 1 of each year, the President shall";

(2) in subsection (b)—

(A) by repealing paragraph (1);

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(C) by amending paragraph (2) (as redesignated by this section) to read as follows:

"(2) subject to subsection (c) of this section, provide all eligible members with an increase in each element of compensation set forth in subsection (a) of this section, that is of the same percentage as the average percentage increase in non-Federal pay during the 12-month period preceding the most recent national survey of non-Federal pay described in section 5302(a)(1)(A) of title 5, United States Code."; and

(3) by adding at the end thereof the following new subsections—

"(g)(1) If, because of national security considerations, national emergency, or economic conditions affecting the general welfare, the President should, in any year, consider it inappropriate to make the compensation adjustments required by subsection (a) of this section, he shall prepare and transmit to Congress before September 1 of that year such alternative plan with respect to a compensation adjustment as he considers appropriate, together with the reasons therefor, in lieu of the compensation adjustment required by subsection (a) of this section.

"(2) An alternative plan transmitted by the President under paragraph (1) of this subsection becomes effective on October 1 of the applicable year and continues in effect unless, before the end of the first period of 30 calendar days of continuous session of Congress after the date on which the alternative plan is transmitted, Congress adopts and the President approves a joint resolution disapproving the alternative plan or, in the event the President returns the joint resolution to Congress with his objections, two-thirds of each House of Congress agree to pass and approve the joint resolution. Upon such a joint resolution becoming law, the compensation adjustment required by subsection (a) of this section shall be made in accordance with subsection (i) of this section. The continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 30-day period.

"(h) The compensation adjustments which become effective under this section are applicable to each member of the uniformed services.

"(i) If a joint resolution disapproving an alternative plan becomes law as provided in subsection (g)(2) of this section, the President shall make the adjustments required by subsection (a) of this section, effective October 1 of that year.

"(j) The adjustment that takes effect under this section shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith—

"(1) all provisions of law enacted prior to the effective date or dates of all or part (as the case may be) of the adjustments; and

"(2) any prior recommendations or adjustments which took effect under this section or prior provisions of law.

"(k) The rates of pay that take effect under this section shall be printed in the Federal Register and the Code of Federal Regulations.".

EFFECTIVE DATES

SEC. 16. The amendments made by this Act shall be implemented at such times and in such phases as the President may determine, but shall be fully effective not later than 3 years after the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

"To amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes."

The first section titles the bill as the "Federal Pay Comparability Reform Act of 1981."

STATUTORY PAY SYSTEMS

Section 2 contains various amendments to subchapter I of chapter 53 of title 5, United States Code, designed to improve the method of fixing and adjusting rates of pay for employees covered by the General Schedule and the other statutory pay systems.

Paragraph (1) of section 2(a) amends section 5301 of title 5 to revise and restate the policy objectives under which pay will be fixed for the General Schedule and the other statutory pay systems.

Under subsection (a) of the amended section 5301, pay for General Schedule employees will be fixed in accordance with four principles:

The first principle continues the principle in current law that there be equal pay for substantially equal work, but modifies this principle to make clear that it will apply only within each local pay area, as pay will vary from area to area under the bill.

The second principle continues the principle in present law that pay distinctions be maintained in keeping with work and performance distinctions.

The third principle establishes the new comparability standard for pay fixing. General Schedule pay, when considered together with Federal employee benefits, will be fixed at a level of 94 percent of what non-Federal employers provide in pay and benefits for the same levels of work. This will replace the present provision of law under which the comparison is made on the basis of pay only, rather than pay and benefits together, and the comparison is made with private enterprise alone, rather than with the entire non-Federal sector, including State and local government.

The fourth principle is entirely new, and provides that General Schedule pay rates in the various pay areas will vary in proportion to the differences in non-Federal pay between those areas.

Under subsection (b) of the amended section 5301, pay rates for the other statutory pay systems—the Foreign Service pay system and the pay system for certain employees in the Department of Medicine and Surgery of the Veterans' Administration—will be fixed at a level comparable with national average General Schedule pay. There will not be any locality variations for these two pay systems.

Subsection (c) of the amended section 5301 provides that pay shall be fixed in accordance with the principles established in subsections (a) and (b) and the applicable provisions of the rest of the subchapters.

Subsection (d) restates the present definition of statutory pay systems as being the General Schedule, the Foreign Service pay schedule, and the pay schedules for certain employees in the Department of Medicine and Surgery of the Veterans' Administration. Subsection (d) also makes clear that Merit Pay System employees shall be included with General Schedule employees in the pay and benefits analysis and comparison, since their pay is tied to General Schedule pay by law.

Paragraph (2) of section 2(a) redesignates section 5305 as section 5302, and inserts the redesignated section after section 5301. The redesignated section is amended to require the pay agent's report to the President to compare General Schedule pay and benefits, rather than pay alone, with pay and benefits outside the Federal Government for the same levels of work. The comparison will be based on appropriate annual pay surveys and appropriate benefits surveys conducted by the Bureau of Labor Statistics, and on other sources of benefits information. Adjustments in pay rates for the statutory pay systems are to be based on the principles in section 5301(a)(1)–(3) and (b). (The locality pay principle in section 5301(a)(4) will not enter into this part of the pay fixing process.)

The membership of the Federal Employee Pay Council will be broadened to include such organizations as professional associations, as well as labor unions. The Pay Council will deal with the new issues presented by the inclusion of benefits in the comparison process, along with all the other issues the Council has dealt with in the past.

Paragraph (3) of section 2(a) replaces the present section 5303 with an entirely new section establishing locality pay rates for the General Schedule. The President will designate General Schedule pay areas and establish locality rates of pay for those areas. If he determines it is inappropriate to establish locality rates for a particular area (such as foreign countries) he can deem the national General Schedule rates established under section 5302 to be the locality rates for that area. The locality rates in each area will be determined by adjusting the national General Schedule rates established under section 5302 upward or downward to reflect the relationship between non-Federal rates of pay in the area and national non-Federal rates. The adjustment could be different for different grade levels. The pay agent, the Advisory Committee on Federal Pay and the Federal Employees Pay Council will all play a role in the process paralleling their roles in establishing the national General Schedule rates. Locality rates will apply to each General Schedule employee whose permanent duty station is in a pay area. The appropriate minimum and maximum locality rates will also be used as minimum and maximum rates for Merit Pay System employees whose permanent duty station is within the pay area. Locality rates will be effective on the same day as a pay adjustment under section 5302. The locality rates will be printed in the Federal Register, and will have the force and effect of law. An increase in locality pay will not be an equivalent increase for the purpose of determining within-grade increase eligibility later. The President or an agency designated by the President will prescribe conversion rules under which newly locality pay rates will be applied.

Paragraph (4) of section 2(a) replaces the present section 5304 with a new section similar to the present section 5303. It authorizes the establishment by the President of special rates of pay for the various General Schedule pay areas for one or more areas, grades, occupations, or subdivisions thereof, upon a finding by the President that the Government is experiencing significant difficulty in recruiting or retaining well-qualified individuals. Special rates will be able to exceed the maximum locality rate for a grade by no more than twice the amount by which the maximum exceeds the minimum locality rate for that grade. The President will establish rules for applying special rates to affected employees consistent insofar as possible with the normal pay administration rules for General Schedule and Merit Pay System employees. The President will review special rates annually and revise or abolish them if appropriate. Special rates will be printed in the Federal Register and have the force and effect of law. The President will be able to delegate authority granted by this section to the Director of the Office of Personnel Management.

Paragraph (5) of section 2(a) amends section 5306 to expand the role of the Advisory Committee on Federal Pay to include assisting the President in carrying out his responsibilities under the locality pay section, and in such other matters as he may request.

Section 3 of the bill amends the merit system principle in section 2301(b)(3) to replace "employers in the private sector" with "non-Federal employers," thereby conforming to earlier changes in the bill which broaden the comparison base.

Section 4 amends section 5332(a) to eliminate the obsolete table of pay rates and to describe the General Schedule by prescribing the number of grades and the number of rates of basic pay in each grade; to specify that the locality rates fixed under the amended section 5303 will be the General Schedule rates in each pay area; and to require the application of those rates to each employee with a permanent duty station in the pay area, except a merit pay employee.

Section 5 repeals section 5941 relating to allowances based on living costs and conditions of environment for employees stationed in Alaska, Hawaii, Puerto Rico, and U.S. territories and possessions.

Section 6 makes a conforming change to section 104 of title 3, section 5318 of title 5, section 461(a) of title 28, and section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31), as amended, by striking out "section 5305" and inserting in lieu thereof "section 5302."

FEDERAL WAGE SYSTEM

Section 7(a) retitles subchapter IV of chapter 53 by striking out "PREVAILING

RATE" and inserting in lieu thereof "FEDERAL WAGE." This terminology change is made throughout subchapter IV by section 7 of the bill.

Section 7(a) also amends section 5341 to broaden the comparison base used in pay fixing to include all non-Federal employers and to alter the comparison standard used for appropriated fund Federal wage employees so that their pay will be comparable with 94 percent of non-Federal pay in the local wage area, when benefits for both groups are taken into account in the comparison.

The "Monroney Amendment" in section 5343(d) is eliminated by the bill, as are the current provisions of section 5343(e) on step rates, and the provisions of section 5343(f) establishing shift differentials and making night shift differential part of basic pay. The Office of Personnel Management will establish a step-rate structure and appropriate shift differentials.

A new section 5343(d) requires that, in any year in which an alternative plan goes into effect for employees under the statutory pay system, the Office of Personnel Management will develop and implement a plan to provide comparable treatment for Federal wage employees. Under section 8 of the bill this comparable treatment will also apply to certain Federal wage employees who are excluded from the regular Federal Wage System because they traditionally negotiate pay.

PRESIDENTIAL BENEFITS AUTHORITIES

Section 9 of the bill adds a new subchapter III to chapter 63 of title 5. This new subchapter authorizes the President to modify any provision of chapter 63 (which includes the provisions of law governing annual and sick leave and certain other kinds of leave) in order to make the Government's leave system more comparable with non-Federal leave programs and practices; to provide greater flexibility and freedom of choice to employees; or to improve the administration of the leave program. The President will be required to report to Congress on any changes he makes in the leave program under this new authority, and to publish notices in the Federal Register and the Code of Federal Regulations.

Section 10 of the bill amends chapter 87 of title 5 to authorize the President to change the contribution the Government makes to the cost of coverage under Federal Employees Group Life Insurance. At present, the Government contributes one-third of the cost of basic insurance, while the employee pays the remainder of the cost of basic insurance and the full cost of the various optional insurance coverages. This present Government contribution is preserved as a minimum, but the President will be able to modify the Government's contribution above this amount. Various technical and administrative provisions relating to this new Presidential authority are included in the bill.

Section 11 of the bill amends chapter 89 of title 5 to authorize the President to modify each year the Government's contribution to health benefits premiums for Federal employees, though here again the present contribution rate of 60 percent of the average premium, and not to exceed 75 percent of the premium for any plan, continues as a minimum below which the contribution cannot be reduced. Various technical and administrative provisions relating to this new authority are included.

SAVINGS PROVISIONS

Section 12 of the bill guarantees pay increases of at least two percent a year for the first five years after enactment for employees who might otherwise get less because of the implementation of the new comparability standard, locality pay for the General Schedule, and the changes in the Federal Wage System. Of course, whenever the implementation of the new provisions results in increases higher than two percent a year, those higher increases will be paid.

Section 13 protects persons now receiving cost-of-living allowances under section 5941 of title 5 (which is repealed by section 5 of the bill), by freezing the present dollar amount of allowance they are receiving and reducing it in the future only by one-half of any pay increases these individuals receive.

Section 14 of the bill prohibits the President from reducing or making less generous any provision of the Government's leave program for five years after the date of enactment of the bill.

UNIFORMED SERVICES PAY AMENDMENTS

Section 15 of the bill amends section 1009 of title 37, which currently provides for increasing military pay by the same percentage amount General Schedule pay is increased each year. As amended by the bill, section 1009 will instead link military pay increases only to the year-to-year change in non-Federal pay shown by the Bureau of Labor Statistics survey.

Section 15 also authorizes the President to propose an alternative adjustment for the military if he decides it would be appropriate because of national security considerations, national emergency, or economic conditions affecting the general welfare. The alternative plan for the military will become effective unless both Houses of Congress disapprove. If the President vetoes their disapproval, the alternative plan will become effective unless the President's veto is overruled by a two-thirds vote of both Houses.

EFFECTIVE DATES

Section 16 of the bill provides that the bill will be implemented at such times and in such phases as the President decides. All of the provisions will have to be fully implemented no later than three years after enactment.

U.S. OFFICE OF PERSONNEL MANAGEMENT.
Washington, D.C., March 24, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Office of Personnel Management submits herewith the enclosed legislative proposal, "To amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes." We respectfully request that this proposal be referred to the appropriate committee for early consideration.

This proposal is submitted as a part of the President's program to eliminate unnecessary expenditures from the Federal budget. The proposal would rectify a number of long-standing flaws in the system by which compensation is determined for Federal employees, in order to ensure that Federal employment will be truly comparable with employment outside the Government. The provisions of the proposal are as follows:

PAY COMPARABILITY REVISIONS

The first part of the legislative proposal deals with the pay fixing process for the General Schedule and the other statutory pay systems. There would be three major changes in this process:

(1) the pay comparability standard would be revised to require the inclusion of employee benefits in the comparison process, and, in view of the differences between the Federal Government and non-Federal employers with regard to relevant conditions of employment (including such factors as job security, promotion potential, portability of benefits, etc.), to require Federal pay and benefits to be comparable with 94 percent of non-Federal pay and benefits;

(2) the comparison base would be broadened to include State and local government as well as the private sector; and

(3) General Schedule pay (but not the pay for the other statutory pay systems) would vary by locality, in keeping with the relationship between non-Federal pay in each locality and national average non-Federal pay.

The process would continue to involve the President, the Pay Agent, the Federal Employees Pay Council, and the Advisory Committee on Federal Pay, playing the same roles they now play, but with their scope expanded to deal with the new issues of locality pay and the inclusion of employee benefits in the comparison. The Pay Council would have its membership broadened to include employee organizations such as professional organizations, as well as unions. General Schedule employees would be paid locality rates unless they are in a location where the President decides to apply the national average General Schedule instead. (This might be done for employees assigned to foreign areas, for example.)

The existing special rate authority for the General Schedule would be broadened and made more flexible. Special rates could be established whenever necessary to recruit or retain well-qualified employees in an area, an occupation, or any subdivision thereof. A special rate could not exceed the maximum rate of the regular rate range by more than twice the amount of the regular rate range.

With the new flexibilities provided by locality pay and the broader special rate authority, the authority for cost-of-living allowances in Alaska, Hawaii, Puerto Rico, and U.S. territories and possessions will no longer be necessary and would be repealed.

FEDERAL WAGE SYSTEM REVISIONS

The second portion of the legislative proposal deals with the Federal Wage System.

First, the pay fixing process for Federal wage employees would be revised to parallel the changes made by the first part of the proposal for General Schedule employees. The comparison standard would be broadened to include employee benefits, and to require Federal pay and benefits to be comparable to 94 percent of non-Federal pay and benefits, and the comparison base would be broadened to include State and local government. (The change in the comparison standard would not apply to nonappropriated fund employees.) Further, whenever the President decides that national emergency or economic conditions affecting the general welfare make it necessary to invoke an alternative plan for General Schedule employees, the Office of Personnel Management would be required to impose a comparable limitation on Federal Wage System employees. Such a limitation would apply to appropriated fund and nonappropriated fund employees, to crews of vessels, and to certain groups of Federal wage employees who have traditionally negotiated their wage schedules.

Second, the legislative proposal would repeal certain existing provisions of law which now require that Federal wage employees be paid more than their counterparts outside the Federal Government. These aberrant provisions of current law are a provision requiring the use of out-of-area wage rates in certain situations (the "Monroney Amendment"); provisions establishing rate ranges and fixing the relationship between those rate ranges and the prevailing wage; and provisions fixing in law shift differentials and making those differentials part of basic pay. Under the proposal, rate ranges and shift differentials would be fixed in accordance with prevailing non-Federal practices.

RESIDENTIAL BENEFITS AUTHORITIES

The third part of the legislative proposal would give the President a new authority to adjust certain Federal employee benefit pro-

grams. These adjustments would be made in concert with the process by which employee benefits are taken into consideration in the setting of Federal pay.

First, the President would be authorized to modify the leave program for Federal employees, including sick and annual leave and certain other forms of leave. He could exercise this authority in order to make the Federal leave program more consistent with non-Federal leave programs, to broaden flexibility and employee freedom of choice in the program, or to improve the administration of the program.

Second, the President would be authorized to modify the Government contributions to the cost of Federal Employees Group Life Insurance, although the present Government contribution of one-third of the cost of basic insurance would be fixed as the minimum possible Government contribution.

Third, the President would be authorized to change the Government contributions to premiums under the Federal Employees Health Benefits program. Here again, the present Government contribution would be fixed as the minimum possible.

SAVINGS PROVISIONS

The proposal includes savings provisions for employees who might otherwise be adversely affected.

First, employees would be guaranteed that pay schedules would go up at least two percent a year for the first five years, despite the changes in the comparison standard and the comparison base, the repeal of the Monroney Amendment, etc. Of course, it is expected that most employees would get considerably more than this minimum.

Second, employees now receiving cost-of-living allowances in Alaska, Hawaii, etc., would not suffer any cut in the amount of allowance they are now receiving, but the allowances would be reduced in the future by one-half of any other pay increases the employees receive.

UNIFORMED SERVICES PAY AMENDMENTS

Because it is not the intention of the legislative proposal to apply the change in the comparability standard to the uniformed services, the legislative proposal would amend the provision of law now linking military pay adjustments to the General Schedule to instead provide that military pay would be increased each October by the amount of the increase in non-Federal pay. In addition, the President would be authorized to provide an alternative adjustment, subject to Congressional review, if he decided that national security conditions, national emergency, or economic conditions affecting the general welfare made such an alternative appropriate.

EFFECTIVE DATE

Finally, the legislative proposal would authorize the President to phase the provisions of the bill into effect over the three years following enactment.

It is estimated that the enactment of this proposal would reduce payroll costs in fiscal year 1982 about $3.7 billion below the costs that would be incurred under operation of present law. Savings in future years would be even greater.

The Office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

DONALD J. DEVINE,
Director.●

By Mr. DOLE (for himself and Mr. DANFORTH):

S. 839. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

GRAIN ELEVATOR BANKRUPTCY LEGISLATION

● Mr. DOLE. Mr. President, today I am pleased to introduce, on behalf of myself and Senator DANFORTH, a bill which provides for certain amendments to the Bankruptcy Reform Act of 1978, as well as amendments to title VII, chapter 10 of the United States Code, which deals with agricultural warehouse licensing and operations.

The amendments set forth in this bill are designed to alleviate the hardships created for farm producers when a commodity warehouse in which their crops are stored file: a petition in bankruptcy.

Over the past few years, in several States and with increasing frequency, Midwestern farmers have suffered from the unexpected insolvency of grain elevators holding vast quantities of crops belonging to those farm producers. Farmers in Missouri, Kansas, Indiana, Iowa, Nebraska, Illinois, and Arkansas have seen thousands of bushels of grain, soybeans, and other cash crops tied up in grain elevator bankruptcy proceedings under circumstances making it difficult, if not impossible, for those farmers to recover their crops, owned by them, which had been deposited with those elevators on storage contracts under which the producers retained title to the crop.

Now, the reasons why farmers have had trouble obtaining possession of their crops from the bankruptcy courts are numerous and complex. There are difficulties in establishing ownership interests in the crops, as between "storage contract" crops owned by the farmers and "sales contract" crops owned by the elevators. The advent of delayed pricing agreements have complicated the relationship between the farmer and the warehouseman. In addition, there are problems of distribution, as between farmers who own grain and creditors who have taken a secured interest in grain owned by the elevator. The distribution problems are made worse when, as is frequently the case, there is a shortage of crops on hand. Usually, where there is a shortage the farmer who has sold grain to a bankrupt warehouse, but who has not received payment for his crop becomes simply an unsecured creditor in the bankruptcy proceedings.

Faced with these conflicting pressures, bankruptcy courts are frequently slow to respond to the need of farmers for quick resolution of legitimate conflicts surrounding ownership of grain assets, and rapid distribution of those grain assets to those farm producers who have retained ownership. As well, the secured creditor suffers from possible deterioration in the value of its collateral. These problems have most recently been demonstrated in the failure of several grain elevators in Missouri and Arkansas which failures have adversely affected farmers in Kansas as well.

In consideration of these problems, this bill provides for one uniform, expedited procedure for abandonment of grain assets in a proceeding filed by an insolvent commodity warehouse; the granting of a statutory lien to farm producers on crops delivered to a warehouse upon a sales contract for which the producer has not been paid; and the granting of a priority position to farm producers in any distribution of assets to unsecured creditors.

This bill establishes strict timetables within which the bankruptcy court will be required to take systematic steps to accomplish the following: First, to identify those farm producers who have crops in storage with a commodity warehouse in bankruptcy, as well as those parties which have secured interests in crops on hand in such warehouses; second, to audit the assets of the elevator to determine the extent of crops available for distribution to those producers and secured creditors to release to them crops which are not part of the bankruptcy estate, as well as those crops in which the estate has no equity interest; and third, to distribute those crops or the proceeds thereof to those parties.

This bill would require the trustee to commence distribution of crop assets ordered abandoned by the court within 80 days of the filing of the petition in bankruptcy, unless the court granted additional time upon a proper showing of need. The objective is to discourage delays in effecting distribution of grain assets. This objective is also served by provisions included in the bill imposing certain burdens upon any party requesting a stay of the abandonment orders.

The method of distribution employed is two-tiered. First, there is a pro rata distribution of grain or proceeds of grain to producers who have stored crops with the warehouseman without transfer of title. Since these crops would not be part of the bankruptcy estate, these "bailment" producers should not suffer any diminution in their share of the crop assets at the hands of secured creditors. After this first distribution—which may be in specie or in kind, as the court may direct—the trustee is required to liquidate any remaining crop assets and divide the proceeds, pro rata, among the secured creditors. By amendment to title 7 creating a statutory lien in favor of "sale contract" farmers who have not been paid, these producers would be included in this group.

Finally, those farm producers who still have an unsatisfied claim against the debtor warehouseman after the distribution of crop assets required by this bill would receive a priority position in any distribution of remaining assets to unsecured creditors. Thus, if a shortage of grain leaves both storage contract producers and sale contract producers with a loss, they may yet recover the deficiency in the distribution of proceeds of any remaining assets by the trustee, by simply filing a claim for the loss.

The provisions of the bill we are introducing, insofar as they might conflict with other provisions of the Code, will take precedence. However, we feel that the bill is conceptually and organizationally consistent with other provisions of the Code.

The bill will not prevent farmers from suffering losses, on occasion, as a result of mismanagement or fraud on the part of the warehouseman, but we do believe that it will help prevent any such losses from being compounded by inaction in the bankruptcy court.

Mr. President, as chairman of the Judiciary Committee's Subcommittee on Courts, I have scheduled hearings to convene on Friday, April 3, and again on Monday, April 6, to hear testimony concerning problems besetting creditors under the Bankruptcy Reform Act of 1978. In addition, the subcommittee has set aside the morning and early afternoon of the 6th to hear testimony from Senators, Congressmen, administration officials, State agricultural experts, and farm groups upon the problems created for farmers and farm programs by elevator insolvencies. Our witnesses have been requested to direct attention to the provisions of this bill and offer any suggestions they may have to improve our legislative effort in this area. I believe these hearings will be valuable and instructive on the problems farmers face in these situations.

The Department of Agriculture estimates there are approximately 10,000 commodity warehouses in the United States. Out of that group, only slightly more than 1 percent have had financial problems. Thus, the vast majority of elevator operators in this country are persons of integrity who adhere to sound business practice. Almost all maintain a close working relationship with the farmers in their communities, and their services are a vitally important part of the success story of American agriculture. This bill is intended to deal with the hardships created for the farmer by that 1 percent that experience financial difficulty, and minimize the disruption of producer and market operations that inevitably occurs when a local elevator fails.●

By Mr. STAFFORD (for himself, Mr. SYMMS, Mr. PACKWOOD, and Mr. DOLE) (by request):

S. 841. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works and the Committee on Finance, by unanimous consent referred to the Committee on Environment and Public Works for consideration of title I; to the Committee on Commerce, Science, and Transportation for consideration of title II; and to the Committee on Finance for consideration of title III.

FEDERAL AID HIGHWAY ACT OF 1981

Mr. STAFFORD. Mr. President, the administration has submitted proposed legislation to authorize appropriations for the construction of highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966, and to extend the Highway Trust Fund, established by the Highway Revenue Act of 1956.

I am pleased to introduce this legislation today by request and ask unanimous consent that it be held at the desk until close of business today for the purpose of the leaderships clearing its joint referral.

Mr. President, the Committee on Environment and Public Works, on which I serve as chairman, will undertake an extensive review of the highway program this year. This legislation proposed by the administration will provide the basis for beginning this important discussion.

Mr. President, I ask unanimous consent that a letter signed by myself and Senator RANDOLPH for the Committee on Environment and Public Works, by Senators PACKWOOD and CANNON of the Committee on Commerce, Science and Transportation; and Senators DOLE and LONG of the Committee on Finance be made a part of the RECORD; that the bill be printed at this point, and that a summary of the legislation and a section-by-section analysis done by the Department of Transportation be printed in the RECORD with the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 841

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Federal-Aid Highway Act of 1981".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

SEC. 102. (a) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $3,200,000,000 for the fiscal year ending September 30, 1983," and all that follows through the period at the end of the sentence and by inserting in lieu thereof the following: "the additional sum of $3,300,000,000 for the fiscal year ending September 30, 1983, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1984, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1985, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1986, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1987, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1988, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1989, and the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1990."

(b) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is further amended by adding at the end thereof the following:

"Effective October 1, 1981, the obligation of funds authorized by this subsection, except for Advance Construction Interstate projects approved before October 1, 1981, shall be limited to the construction necessary to provide a minimum level of acceptable service on the Interstate which shall consist of (1) full access control; (2) a payment design to accommodate the types of volumes of traffic anticipated for the 20-year period from date of authorization of the initial basic construction contract; and (3) a design of not less than nor more than four lanes in rural areas and all urban and urbanized areas under 400,000 population, and up to six lanes in urbanized areas over 400,000 population as shown in the 1980 Federal census. The obligation of funds authorized by this subsection shall be further limited to the actual costs of only those design concepts, locations, geometrics, and other construction features included in the 1981 Interstate Cost Estimate.".

(c) Section 104(b)(5)(A) of title 23, United States Code, is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provisions of this subparagraph, the Secretary in making the revised estimate of the cost of completing the then designated Interstate System for the purpose of transmitting it to the Senate and House of Representatives within 10 days subsequent to January 2, 1983, or thereafter, shall include only those costs eligible for funds authorized by subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, and as further amended by section 102(b) of the Federal-Aid Highway Act of 1981.".

(d) The Secretary of Transportation is authorized to examine all segments of the Interstate System which have not progressed to the physical construction phase of project development to identify those routes which (1) are not essential to the completion of a unified and connected Interstate System, (2) are not considered cost effective from a transportation standpoint, or (3) have the potential for extensive environmental disruption. The Secretary may withdraw his approval of any routes thus identified under the provisions of 23 U.S.C. 103(e)(4) or 103(f), as appropriate, A route withdrawn under this subsection on or before September 30, 1983 and otherwise eligible for withdrawal under 23 U.S.C. 103(e)(4) shall be eligible for the same benefits as a route withdrawn under 23 U.S.C. 103(e)(4).

AUTHORIZATION OF USE OF COST ESTIMATES FOR APPORTIONMENT OF INTERSTATE FUNDS

SEC. 103. The Secretary of Transportation shall apportion for the fiscal years ending September 30, 1983, and September 30, 1984, the sums authorized to be appropriated for such periods by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditures on the National System of Interstate and Defense Highways, using the apportionment factors contained in table ——— of Committee Print ——— of the Committee on Public Works and Transportation of the House of Representatives.

HIGHWAY AND SAFETY AUTHORIZATIONS

SEC. 104. (a) For the purpose of carrying out the following provisions of title 23, United States Code, the following sums are authorized to be appropriated out of the Highway Trust Fund:

(1) For the Federal-aid primary system in rural areas including the extensions of the Federal-aid primary system in urban areas, $1,500,000,000 for the fiscal year ending September 30, 1982, $1,700,000,000 for the fiscal year ending September 30, 1983, $1,800,000,000 for the fiscal year ending September 30, 1984, $1,800,000,000 for the fiscal year ending September 30, 1985, and $1,800,000,000 for the fiscal year ending September 30, 1986: *Provided*, That for each of the fiscal years 1982, 1983, 1984, 1985, and 1986, the States of Alaska and Puerto Rico shall each receive $10,000,000 from the primary system authorizations after the other deductions required by title 23, United States Code, and before the apportionment of the remainder of said authorizations under section 104(b)(1) of title 23, United States Code. Such amounts shall be used by such States to maintain their respective major arterials at a higher level of service and shall be subject to the provisions of chapter I of title 23, United States Code, as if they were apportioned primary funds. For the Federal-aid secondary system in rural areas, $700,000,000 for the fiscal year ending September 30, 1982, and $300,000,000 for the fiscal year ending September 30, 1983

(2) For the Federal-aid urban system, $900,000,000 for the fiscal year ending September 30, 1982, and $500,000,000 for the fiscal year ending September 30, 1983.

(3) For forest highways, $34,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(4) For public lands highways, $16,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(5) For bridge replacement and rehabilitation under section 144 of title 23, United States Code, $900,000,000 for the fiscal year ending September 30, 1982, $1,200,000,000 for the fiscal year ending September 30, 1983, $1,400,000,000 for the fiscal year ending September 30, 1984, $1,400,000,000 for the fiscal year ending September 30, 1985, and $1,400,000,000 for the fiscal year ending September 30, 1986.

(b)(1) The first sentence of subsection (a)(1) of section 104 of the Federal-Aid Highway Act of 1978 is amended by striking out "$1,800,000,000 for the fiscal year ending September 30, 1981, and $1,500,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $1,800,000,000 for the fiscal year ending September 30, 1981."

(2) The last sentence of subsection (a)(1) of such section 104 is amended by striking out "$600,000,000 for the fiscal year ending September 30, 1981, and $400,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $600,000,000 for the fiscal year ending September 30, 1981."

(3) Paragraphs (2), (3), (4), (5), (6), (7), (8), (9), (10), (17), and (18) of such section 104(a) are amended by striking out "September 30, 1981, and September 30, 1982." where it appears in each paragraph and inserting in lieu thereof "and September 30, 1981.".

(4)(A) Paragraph (15) of such section 104(a) is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

(B) The unobligated balance of contract authority established in paragraph (15) of such section 104(a) shall lapse September 30, 1981.

(c) Section 104(b)(1) of the Federal-Aid Highway Act of 1978 is amended by striking out "1982, and 1983," in the first sentence and inserting in lieu thereof "and 1982," and by striking out "September 30, 1982, and September 30, 1983." in the last sentence and inserting in lieu thereof "and September 30, 1982."

(d)(1) Paragraph (3) of section 202 of the Highway Safety Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.".

(2) The unobligated balance of contract authority established in paragraph (3) of such section 202 shall lapse September 30, 1981.

(3) Paragraph (6) of such section 202 is amended by striking out "$1,300,000,000 for the fiscal year ending September 30, 1981, and $900,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $1,300,000,000 for the fiscal year ending September 30, 1981."

(4) Paragraph (8) of such section 202 is amended by striking out "$150,000,000 for the fiscal year ending September 30, 1981, and $200,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "and $150,000,000 for the fiscal year ending September 30, 1981.".

(e) Section 203(b) of the Highway Safety Act of 1973, as amended by section 203(a) of the Highway Safety Act of 1978, is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.".

(f) Section 163 of the Federal-Aid Highway Act of 1973, as amended by section 134(c) of the Federal-Aid Highway Act of 1978, is further amended by striking out "$100,000,000 for the fiscal year ending September 30, 1981, and $100,000,000 for the fiscal year ending September 30, 1982, except that" and inserting in lieu thereof "and $100,000,000 for the fiscal year ending September 30, 1981, except that".

(g) Section 141(i) of the Federal-Aid Highway Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

(h) Subsection (g) of section 144 of title 23, United States Code, is amended by striking the first, second, third and fourth sentences and inserting in lieu thereof the following:

"Of the amount authorized per fiscal year, for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, all but $200,000,000 for fiscal year 1982, and $300,000,000 for fiscal years 1983, 1984, 1985, and 1986, shall be apportioned as provided in subsection (e) of this section. $200,000,000 for fiscal year 1982, and $300,000,000 per fiscal year for fiscal years 1983, 1984, 1985, and 1986, of the amount authorized shall be available for obligation on the date of each such apportionment in the same manner and to the same extent as the sums apportioned on such date except that the obligation of such sums shall be at the discretion of the Secretary and shall be only for projects for those highway bridges the replacement and rehabilitation cost of each of which is more than $10,000,000 and for any project for a highway bridge replacement or rehabilitation cost of which is less than $10,000,000 if such cost is at least twice the amount apportioned to the State in which such bridge is located under subsection (e) of this section for the fiscal year in which application is made for a grant for such bridge. Funds authorized to carry out this section and allocated by the Secretary shall be available for expenditure for one year plus the year of allocation. Any funds not obligated at the end of such period shall revert back to the Secretary for allocation at his discretion to the other States in accordance with this subsection. Not less than 15 per centum nor more than 35 per centum of the amount apportioned to each State in a fiscal year shall be expended for projects to replace or rehabilitate highway bridges located on public roads, other than those on a Federal-aid system."

INTERSTATE SYSTEM RESURFACING APPORTIONMENT

SEC. 105. (a) Section 104(b)(5)(B) of title 23, United States Code, is amended to read as follows:

"(B) For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System:

Fifty per centum in the ratio that lane miles on the Interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such lane miles in all States; and fifty per centum in the ratio that vehicle miles traveled on lanes on the Interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such vehicle miles in all States. Notwithstanding the preceding sentence, no State excluding any State that has no Interstate lane miles shall receive less than ½ of 1 per centum of the total apportionment made by this subparagraph for any fiscal year.".

(b) The amendments made by this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING AUTHORIZATION

SEC. 106. (a) Section 105 of the Federal-Aid Highway Act of 1978 is amended to read as follows:

"In addition to any other funds authorized to be appropriated, there is authorized to be appropriated out of the Highway Trust Fund, not to exceed $175,000,000 per fiscal year for each of the fiscal years ending September 30, 1980 and September 30, 1981, not to exceed $275,000,000 for the fiscal year ending September 30, 1982, not to exceed $800,000,000 for the fiscal year ending September 30, 1983, not to exceed $1,300,000,000 for the fiscal year ending September 30, 1984, not to exceed $2,000,000,000 for the fiscal year ending September 30, 1985, not to exceed $2,100,000,000 for the fiscal year ending September 30, 1986, and not to exceed $2,700,000,000 for the fiscal year ending September 30, 1987. Such sums shall be obligated for projects for resurfacing, restoring, rehabilitating, and reconstructing those portions of the Interstate System designated under section 103 of title 23, United States Code, which are not on toll roads."

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING

SEC. 107. (a) Section 119(a) of title 23, United States Code, is amended by striking out the words "and rehabilitating" and by inserting in lieu thereof the words "rehabilitating, and recontructing" and by striking out the words "those lanes in use for more than five years on the Interstate System (other than those on toll roads not subject to a Secretarial agreement provided for in section 105 of the Federal-Aid Highway Act of 1978)." and inserting in lieu thereof the words "routes of the Interstate System designated under section 103 of title 23, United States Code, which are not toll roads.".

(b) The amendments made by subsection (a) of this section are effective October 1, 1981.

INTERSTATE SYSTEM RESURFACING—FEDERAL SHARE

SEC. 108. Subsection (a) of section 119 of title 23, United States Code, is amended by adding at the end thereof the following: "Effective October 1, 1981, the Federal share for projects financed by funds apportioned under 23 U.S.C. 104(b)(5)(B) for resurfacing, restoring, rehabilitating and reconstructing routes of the Interstate System designated under section 103 of this title and which are not toll roads shall be that set forth in section 120(c) of this title.".

INTERSTATE SUBSTITUTION

SEC. 109. Section 103(e)(4) of title 23, United States Code, is amended by:

(a) striking the fourth sentence and inserting in lieu thereof the following: "Sums authorized for substitute projects shall be available for obligation when appropriated.";

(b) striking the eighth sentence and inserting in lieu thereof the following: "Notwithstanding any other provision of law, for highway projects aproved on or after the date of enactment of the Federal-Aid Highway Act of 1981, there are authorized to be appropriated out of the Highway Trust Fund for liquidation of the obligations incurred under this paragraph such sums as may be necessary. Appropriations for public mass transit projects substituted pursuant to this paragraph are authorized under section 4(g) of the Urban Mass Transportation Act of 1964, as amended.";

(c) inserting after the present ninth sentence the following:

"An amount equal to such reduction shall remain available to the Secretary for reallocation to any other State in accordance with the provisions of the third sentence of section 118(b) of this title.";

(d) adding at the end of such subsection the following:

"Any route or segment thereof added to the Interstate System after March 7, 1978, pursuant to specific legislation will not be

eligible for withdrawal and substitution under this subsection.".

HOLD HARMLESS—INTERSTATE RESURFACING

SEC. 110. The amount a State, excluding any State that has no Interstate mileage, receives by apportionment on October 1, 1981, under 23 U.S.C. 104(b)(5)(B) shall be sufficient to assure that its total apportionments under 23 U.S.C. 104(b)(5) are not less than the apportionments which would have been made on October 1, 1981, to such State under 23 U.S.C. 104(b)(5) under the law as it is before the enactment of this Act.

INTERSTATE DISCRETIONARY FUND

SEC. 111. (a) Subsection (b) of section 118 of title 23, United States Code, is amended by striking the word "must" in the third sentence and inserting in lieu thereof the word "may" and by adding a new sentence immediately after the third sentence as follows: "In allocating funds under this paragraph the Secretary will give high priority to Interstate projects of unusually high cost in relation to a State's apportionment, to projects which directly contribute to the completion of an Interstate segment which is not open to traffic and to projects in States whose apportionment is less than ½ percent of the total apportionment for the Interstate System under section 104(b)(5)(A) of this title at the time of application for these funds by the State.".

(b) For each of the fiscal years 1983, 1984, 1985, 1986, and 1987, $125,000,000 shall be set aside from the Interstate System Authorizations provided by subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, before such authorizations are apportioned pursuant to 23 U.S.C. 104(b)(5)(A). Such $125,000,000 shall be available to the Secretary for allocation to any State in accordance with the Interstate Discretionary Fund provisions of 23 U.S.C. 118(b).

PRIMARY PROGRAM

SEC. 112(a). The first sentence of subsection (b)(1) of section 104 of title 23, United States Code, is amended by striking out "and priority primary routes".

(b) The first sentence of subsection (c) of section 104 of the Federal-Aid Highway Act of 1978 is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof the following: "and September 30, 1981,".

(c) Section 147 of title 23, United States Code, is repealed.

(d) The analysis of chapter 1 of title 23 is amended by deleting

"147. Priority Primary Routes.",

and inserting in lieu thereof

"147. Repealed.".

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM APPORTIONED FUNDS

SEC. 113(a). Subsection (e) of section 144 of title 23, United States Code, is amended to read as follows:

"(e) Funds authorized to carry out this section shall be apportioned among the several States on October 1 of the fiscal year for which authorized according to the following formula:

"All deficient bridges will be divided into four categories: (1) Federal-aid system bridges eligible for replacement, (2) Federal-aid system bridges eligible for rehabilitation, (3) Off-system bridges eligible for replacement, and (4) Off-system bridges eligible for rehabilitation. The square footage of deficient bridges in each category shall be multiplied by its respective unit price on a State-by-State basis; and the total cost in each State divided by the total cost of the nation's deficient bridges shall yield the apportionment factors. No State shall receive more than 8 percent or less than 0.25 percent of the total apportionment for any one fiscal year. The Secretary shall make these determinations based upon the latest available data, which shall be updated annually. Funds authorized to carry out this section which are apportioned under this section shall be available for expenditure for one year after the close of the fiscal year for which they are authorized. Any funds not obligated at the expiration of such period shall be reapportioned by the Secretary to the other States in accordance with the latest apportionment factors developed under this section.".

EMERGENCY RELIEF

SEC. 114. (a) Subsection (a) of section 125 of title 23, United States Code, is amended by inserting in the second sentence after the word "appropriated" the words "from the Highway Trust Fund"; by striking the colon in the second sentence and inserting in lieu thereof a period; by deleting "(1)" after the colon in the second sentence; by striking the comma after the words "in such years", inserting in lieu thereof a period, and striking the remainder of the sentence.

(b) Notwithstanding any other provision of law, all expenditures made under 23 U.S.C. 125 prior to the fiscal year ending September 30, 1978, are authorized to be appropriated from the Highway Trust Fund.

(c) Subsection (a) of section 125 of title 23, United States Code, is amended by inserting in the second sentence after the words "after September 30, 1976," the words "and not more than $150,000,000 is authorized to be expended in any one fiscal year commencing after September 30, 1980,".

(d) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the period at the end of the first sentence, inserting a colon in lieu thereof, and by adding the following:

"*Provided*, That obligations for projects under this section, including those on highways, roads, and trails mentioned in subsection (d) of this section, resulting from a single natural disaster or a single catastrophic failure shall not exceed $30,000,000 in any State.".

(e) The amendments made by subsection (d) of this section shall apply to natural disasters or catastrophic failures which the Secretary finds eligible for emergency relief subsequent to the date of enactment of this section.

(f) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 75 per centum of the cost thereof: *Provided*, That the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof. The Federal share payable shall be based on the cost of repair of a comparable facility. As used in this section with respect to bridges and in section 144 of this title, "a comparable facility" shall mean a facility which meets the current geomethics and construction standards required for the types and volume of traffic which such facility will carry over its design life."

(g) All obligations for projects resulting from a natural disaster or catastrophic failure which the Secretary finds to be eligible for emergency relief subsequent to the date of enactment of this subsection shall provide for the Federal share required by subsection (f) of section 120 of title 23, United States Code, as amended by this section.

NONDISCRIMINATION

SEC. 115. (a) The first and third sentences of subsection (a) of section 140 of title 23, United States Code, are amended by striking the words "or national origin" and inserting in lieu thereof the words "national origin or sex".

(b) Section 140 of title 23, United States Code, is amended by adding new subsection (c) as follows:

"(c) The Secretary, in cooperation with any other department or agency of the Government, State agency, authority, association, institution, corporation (profit or nonprofit), or any other organization or person, is authorized to develop, conduct, and administer training programs and assistance programs in connection with any program under this title in order that minority businesses may achieve proficiency to compete, on an equal basis, for contracts and subcontracts. Whenever apportionments are made under subsection 104(b) of this title, the Secretary shall deduct such sums as he may deem necessary, not to exceed $10,000,000 per fiscal year, for the administration of this subsection. The provisions of section 3709 of the Revised Statute, as amended (41 U.S.C. 5), shall not be applicable to contracts and agreements made under the authority herein granted to the Secretary notwithstanding the provisions of 41 U.S.C. 252(e).".

(c) The title of section 140 of title 23, United States Code, is amended to read:

"SEC. 140. Nondiscrimination."

and the analysis of chapter 1 of title 23, United States Code, is amended by striking out

"SEC. 140. Equal employment opportunity."

and inserting in lieu thereof

"SEC. 140. Nondiscrimination."

ALLOCATION OF URBAN FUNDS

SEC. 116. Section 150 of title 23, United States Code, is amended by adding the following sentence at the end thereof: "Funds allocated to an urbanized area under the provisions of this section may, at the request of the Governor and upon approval of the local officials of the area and the Secretary, be transferred to the allocation of another such area in the State or to the State for use in any urban area.".

DEFENSE ACCESS ROAD

SEC. 117. Section 210(c) of title 23, United States Code, is amended by striking "Not exceeding $5,000,000 of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422)," and inserting in lieu thereof "Funds appropriated for defense maneuvers and exercises".

MAINTENANCE

SEC. 118. (a) The second sentence of subsection (c) of section 116 of title 23, United States Code, is amended to read as follows: "If, within ninety days after receipt of such notice, such project has not been put in proper condition of maintenance, the Secretary shall withhold approval of further projects of all types in the State highway district, municipality, county, other political or administrative subdivision of the State, or the entire State, in which such project shall be located, as he deems most appropriate until such project shall have been put in proper condition of maintenance.".

(b) Section 109 of title 23, United States Code, is amended by striking subsection (m) and by relettering subsection (n) as subsection (m).

(c) Section 116 of title 23, United States Code, is amended by adding subsection (f) as follows:

"(f) The Secretary shall issue guidelines describing the criteria applicable to the Interstate System in order to insure that the condition of these routes is maintained at the

level required by the purposes for which they were designed.".

(d) Section 119 of title 23, United States Code, is amended by striking subsection (b) and by striking "(a)" immediately following "Section 119".

(e) Section 116 of title 23, United States Code, is amended by adding subsection (g) as follows:

"(g) Not later than one year after the date of issuance of initial guidelines under subsection (f) of this section each State shall have a program for the Interstate System in accordance with such guidelines. Each State shall certify on January 1 of each year that it has such a program and the Interstate System is maintained in accordance with the program. If a State fails to certify as required or if the Secretary determines a State is not adequately maintaining the Interstate System in accordance with such program, the next apportionment of funds to such State for the Interstate System shall be reduced by amounts equal to 10 per centum of the amount which would otherwise be apportioned to such State under section 104 of this title. If, within one year from the date the apportionment for a State is reduced under this subsection, the Secretary determines that such State is maintaining the Interstate System in accordance with the guidelines the apportionment of such State shall be increased by an amount equal to the reduction. If the Secretary does not make such a determination within such one year period, the amount withheld shall be reapportioned to all other eligible States.".

CERTIFICATION ACCEPTANCE

SEC. 119(a) Subsection 117(a) of title 23, United States Code, is amended by striking out "projects on Federal-aid systems, except the Interstate System," and inserting in lieu thereof "Federal-aid projects on systems other than the Interstate System" and by adding at the end thereof the following new sentence: "Notwithstanding the above, the Secretary may discharge any of his responsibilities under this title relative to the physical construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects using the procedures of this section.".

(b) Subsection 117(b) is amended by striking out "make a final inspection of each such project upon its" and inserting in lieu thereof "establish procedures for the inspection of such projects upon".

(c) Subsection 117(f)(1) is amended by striking out the words "the Federal-aid secondary system," when they first appear and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System," and by striking out "all projects on the Federal-aid secondary system" and inserting in lieu thereof "such projects".

(d) Subsection 117(f)(3) is revised to read as follows:

"Paragraphs (1) and (2) of this subsection shall not be construed to relieve the Secretary of his obligation to establish procedures for the inspection of such projects upon completion and to require an adequate report of the estimated and actual cost of construction as well as other information as he determines necessary.".

(e) Subsection 105(b) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects".

(f) Subsection 106(b) of title 23, United States Code, is amended to read as follows:

"In addition to the approval required under subsection (a) of this section, proposed specifications for projects for construction, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation and reconstruction projects, except in States where all public roads and highways are under the control and supervision of the State highway department, shall be determined by the State highway department and the appropriate local road officials in cooperation with each other.".

(g) Subsection 112(e) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System except for the construction phase of interstate resurfacing, restoration, rehabilitation and reconstruction projects,".

HISTORIC SITES

SEC. 120. (a) The third sentence of section 138 of title 23, United States Code, is hereby amended by striking ", or any land from an historic site of national, State, or local significance as so determined by such officials" and deleting subsequently in the section the phrase "or historic site,".

(b) The third sentence of section 4(f) of the Department of Transportation Act of 1966, P.L. 89-670, is hereby amended by striking ", or any land from an historic site of national, State, or local significance as so determined by such officials" and striking subsequently in that sentence the phrase "or historic site".

WOODROW WILSON MEMORIAL BRIDGE

SEC. 121. (a) The Secretary of Transportation is authorized upon application of the States of Maryland and Virginia and of the District of Columbia to approve reconstruction and rehabilitation of the Woodrow Wilson Memorial Bridge to geometric and structural standards as approved by the Secretary. Such reconstruction may include widening of the bridge.

(b) Funds to carry out the project authorized by this section shall come equally from funds apportioned to the States of Maryland and Virginia and to the District of Columbia for the Interstate System under section 104(b)(5)(A) of title 23, United States Code; *provided* that, funds apportioned under section 104(b)(5)(A) of title 23, United States Code, may not be obligated for widening of the bridge. The Federal share of the project cost shall be 75 per centum. Notwithstanding any other provision of law, funds to carry out this project shall not be subject to any obligation limitations.

(c) The Federal share payable for preliminary engineering on this project performed prior to the date of enactment of this Act shall be 75 per centum as provided in subsection (b).

(d) No funds shall be obligated for the purposes of this section until the States of Maryland and Virginia and the District of Columbia enter into an agreement with the Secretary which shall provide that upon commencement of actual reconstruction and rehabilitation the Secretary will convey to the States of Maryland and Virginia and the District of Columbia the respective portions of the Woodrow Wilson Bridge within their jurisdictions and that such States and the District of Columbia will accept the conveyance without monetary consideration.

COOPERATION WITH FEDERAL AND STATE AGENCIES AND FOREIGN COUNTRIES

SEC. 122. Section 308 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) The Secretary is authorized to carry out the provisions of this title in cooperation with State highway and transportation departments and with organizations which are principally composed of duly elected and appointed State and local highway and transportation officials without regard to the provisions of the Federal Advisory Committee Act.".

TERRITORIAL HIGHWAY PROGRAM

SEC. 123 (a). Section 215 of title 23, United States Code, is hereby repealed.

(b) Paragraphs (12) and (13) of section 104(a) of the Federal-Aid Highway Act of 1978 are amended by deleting "September 30, 1981, and September 30, 1982." each place it appears and inserting in lieu thereof "and September 30, 1981.".

(c)(1) The unexpended or unobligated balance of sums appropriated prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code shall remain available for expenditure under the conditions applicable prior to such enactment.

(2) The unappropriated balance of sums authorized prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code, is rescinded.

(d) Section 120(1) of title 23, United States Code, is repealed.

(e) Section 152(h) of title 23, United States Code, is repealed.

(f) Section 152(c) of title 23, United States Code, is amended by placing a period after the parentheses and deleting the remainder of the sentence.

(g) Section 401 of title 23, United States Code, is amended by deleting the second sentence thereof.

(h) The sixth sentence of section 402(c) of title 23, United States Code, is amended to read as follows: "The annual apportionment to each State shall not be less than one-half of 1 per centum of the total apportionment.".

(i) The analysis of chapter 2 of title 23, United States Code, is amended by deleting:

"215. Territories highway development program."

and inserting in lieu thereof:

"215. Repealed.".

ACCELERATION OF BRIDGE PROJECTS

SEC. 124. Section 147 of the Surface Transportation Assistance Act of 1978, as amended by section 15 of Public Law 96-106, 93 Stat. 798, is repealed. Funds previously set aside in accordance with section 147 and not obligated by the date of enactment of this Act, shall be permanently withdrawn. The withdrawn funds shall be apportioned among the several States in accordance with subsection (e) of section 144 of title 23, United States Code.

CARPOOL AND VANPOOL PROJECTS

SEC. 125. Section 146 of title 23, United States Code, is amended by redesignating existing subsection (b) as subsection (c) and by inserting the following new subsection (b):

"(b)(1) The Secretary may approve for Federal financial assistance from funds apportioned under section 104(b)(5)(B) of this title, projects for designating existing facilities, or acquisition of rights of way or construction of new facilities, for use as preferential parking for carpools, provided that such facilities (1) are located outside of a central business district and within an Interstate highway corridor, and (2) have as their primary purpose the reduction of vehicular traffic on the Interstate highway.

"(2) Nothing in this subsection, or in any rule or regulation issued under this subsection, or in any agreement required by this subsection, shall prohibit (1) any State, political subdivision, or agency or instrumentality thereof, from contracting with any person to operate any parking facility designated or constructed under this subsection, or (2) any such person from so operating such facility. Any fees charged for the use of any such facility in connection with the

purpose of this subsection shall not be in excess of the amount required for operation and maintenance, including compensation to any person for operating the facility.

"(3) For the purposes of this subsection, the terms "facilities" and "parking facilities" are synonymous and shall have the same meaning given "parking facilities" in section 137 of this title."

HIGHLAND SCENIC HIGHWAY

SEC. 126. Section 161(f) of the Federal-Aid Highway Act of 1973, as amended by section 21 of P.L. 96-106, is further amended to read as follows:

"161(f). The Highland Scenic Highway as authorized by subsection (a) of this section and all associated lands and rights-of-way shall be managed as part of the Monongahela National Forest for scenic and recreational purposes. Vehicle use shall be confined to passenger cars, recreational vehicles and limited truck traffic to the extent such use is compatible with the purpose for which the highway was constructed. Commercial use by trucks may be limited and controlled by permit.".

CONSTRUCTION

SEC. 127. (a) Subsection (a) of Section 114 of title 23, United States Code is amended to read as follows:

"(a) The construction of any highways or portions of highways located on a Federal-aid system shall be undertaken by the respective State highway departments or under their direct supervision. The construction work and labor in each State shall be in accordance with the laws of that State and applicable Federal laws. Except as provided in Section 117 of this title, the Secretary shall establish procedures for the inspection and approval of such construction. Construction may begin as soon as funds are available pursuant to Subsection (a) of Section 118 of this title. The State highway department shall not erect any informational signs other than official traffic control devices conforming with standards developed by the Secretary on any project where actual construction is in progress and visible to highway users.".

(b) Subsection (c) of Section 121 of title 23, United States Code, is amended by striking the words "following inspections".

RESEARCH AND PLANNING

SEC. 128. (a) Subsection (c) of Section 307, title 23, United States Code, is amended by adding paragraph (5) as follows:

"(5) The sums provided pursuant to paragraph (2) of this subsection shall be combined and administered by the Secretary as a single fund which shall be available for obligation for the same period as funds apportioned under Section 104(b)(1) of this Chapter."

(b) Section 120 of title 23, United States Code, is amended by adding a subsection (j) as follows:

"(j) The Federal share payable on account of any project financed under Section 307(c) of this title shall be 85 percent, except that in the case of any State containing nontaxable Indian lands, individual and tribal, and public domain lands (both reserved and unreserved) exclusive of national forests and national parks and monuments, exceeding 5 per centum of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of its total area, except that such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of any such project.".

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 129. (a) There are hereby transferred to and vested in the Secretary of Transportation all functions, powers, and duties of the Appalachian Regional Commission that relate to the Appalachian Development Highway System provided for in section 201 of the Appalachian Regional Development Act of 1965, as amended.

(b) So much of the personnel, assets, liabilities, contracts, properties, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available in connection with the functions, powers, and duties transferred by subsection (a) of this section as the Director of the Office of Management and Budget shall determine shall be transferred to the Secretary of Transportation.

(c) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective in the exercise of duties, powers, or functions which are transferred under this section which are in effect at the time this section takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Secretary of Transportation or by operation of law.

(d) The provisions of this section shall not affect any proceedings pending at the time this section takes effect before the Appalachian Regional Commission; but such proceedings, to the extent that they relate to functions so transferred, shall be continued before the Department of Transportation. Such proceedings, to the extent they do not relate to functions so transferred, shall be continued where they were pending at the time of such transfer. In either case, orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or repealed by the Secretary of Transportation, or by operation of law.

(e)(1) Except as provided in paragraph (2), the provisions of this section shall not affect suits commenced prior to the date this section takes effect, and in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this section had not been enacted.

(2) No suit, action, or other proceeding commenced by or against an officer of the Appalachian Regional Commission in that officer's official capacity shall abate by reason of the enactment of this section. No cause of action by or against any department or agency, functions of which are transferred by this section or by or against any officer thereof in his official capacity shall abate by reason of the enactment of this section. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Department of Transportation as may be appropriate and, in any litigation pending when this section takes effect, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(3) If before the date on which this section takes effect, the Appalachian Regional Commission, or officer thereof in official capacity, is a party to a suit, then such suit shall be continued by the Secretary of Transportation (except in the case of a suit not involving functions transferred to the Secretary).

(f) With respect to any function, power, or duty transferred by this section and exercised after the effective date of this section, reference in any other Federal law to the Appalachian Regional Commission shall be deemed to mean the Secretary of Transportation.

(g) Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965, as amended, is amended by striking out "and $215,000,000 for the fiscal year 1982." and by inserting in lieu thereof "and out of the Highway Trust Fund $215,000,000 for the fiscal year ending September 30, 1982, $234,000,000 for the fiscal year ending September 30, 1983, $250,000,000 for the fiscal year ending September 30, 1984, $270,000,000 for the fiscal year ending September 30, 1985, and $289,000,000 for the fiscal year ending September 30, 1986."

(h) Subsection (h) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking "70 per centum" and inserting in lieu thereof "80 per centum" and by adding at the end the following: "Projects approved after March 31, 1979, may be adjusted to receive a Federal share not greater than 80 per centum.".

(i) This section shall be effective on October 1, 1981.

TECHNICAL AMENDMENTS

SEC. 130(a). Section 104 of title 23, United States Code, is amended as follows:

(1) by deleting paragraph (4) of subsection (b);

(2) by redesignating paragraph "(5)" of subsection (b) as paragraph "(4)", and by deleting therein the first full sentence and the fifth sentence through the twenty-first sentence;

(3) by redesignating paragraph "(6)" of subsection (b) as paragraph "(5)"; and

(4) in subsection (c)(1), by deleting the phrase ", commencing with the apportionment of funds authorized to be appropriated under subsection (a) of section 102 of the Federal-Aid Highway Act of 1956 (70 Stat. 374).".

(b) The analysis of Chapter 1 of title 23, United States Code, is amended by deleting "146. Repealed." and inserting in lieu thereof "146. Carpool and vanpool projects.".

TITLE II—HIGHWAY SAFETY AMENDMENTS

SHORT TITLE

SEC. 201. This title may be cited as the "Highway Safety Act of 1981".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 202. (a) The authorizations contained in paragraphs (1), (2), (4), (5), (9), and (10) of section 202 of the Highway Safety Act of 1978 for the fiscal year ending September 30, 1982, are hereby repealed. The following sums are hereby authorized to be appropriated:

(1) For carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, $77,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(2) For carrying out section 403 of title 23, United States Code (relating to highway safety research and development), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, $31,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986

(3) For carrying out sections 307(a) and 403 of title 23, United States Code (relating to highway safety research and development), by the Federal Highway Administration, out of the Highway Trust Fund, $10,000,000 for the fiscal year ending September 30, 1982, and $13,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.

(b) The unobligated balance of contract authority established in paragraphs (1) and (10) of section 202 of the Highway Safety Act of 1978 shall lapse September 30, 1981.

HIGHWAY SAFETY PROGRAMS

SEC. 203. (a) Subsection 402(a) of title 23, United States Code, is amended to read as follows:

"(a) Each State shall have a highway safety program designed to reduce traffic deaths and injuries by identifying its highway safety problems, by adopting measures to reduce its highway safety problems, and by evaluating the effectiveness of such measures. As part of its highway safety program, each State shall achieve uniformity in the collection of traffic accident and other data related to highway safety, and uniformity in laws and practices that affect interstate motorists. In its highway safety program, each State shall include programs which the Secretary determines to be effective in reducing deaths and injuries, such as alcohol safety, emergency medical services, police traffic services, and the collection of traffic accident data. Each State shall conduct its program in accordance with guidelines developed by the Secretary in cooperation with the States, their political subdivisions, appropriate Federal departments and agencies, and such other public and private organizations as the Secretary deems appropriate. The Secretary shall limit the use of sums authorized to be appropriated under this section to the purposes specified in this subsection."

HIGHWAY SAFETY PROGRAM REQUIREMENTS

SEC. 204. Subsections (b), (h), and (j) of section 402 of title 23, United States Code, are hereby repealed.

SCHOOL BUS DRIVER TRAINING

SEC. 205. (a) Section 406 of title 23, United States Code, is hereby repealed.

(b) The analysis of Chapter 4 of title 23, United States Code, is amended by deleting "406. School bus driver training." and inserting in lieu thereof "406. Repealed.".

INNOVATIVE PROJECT GRANTS

SEC. 206. (a) Section 407 of title 23, United States Code, is hereby repealed.

(b) The analysis of Chapter 4 of title 23, United States Code, is amended by deleting "Innovative project grants." and inserting in lieu thereof "407. Repealed.".

TITLE III—HIGHWAY REVENUE ACT OF 1981

SHORT TITLE

SEC. 301. This title may be cited as the "Highway Revenue Act of 1981".

EXTENSION OF THE TAXES WHICH ARE TRANSFERRED INTO THE HIGHWAY TRUST FUND

SEC. 302. (a) GENERAL RULE.—The following provisions of the Internal Revenue Code of 1954 are amended by striking out "1984" each place it appears and inserting in lieu thereof "1989":

(1) Section 4041(e) (relating to rate reduction).

(2) Section 4061(a)(1) (relating to imposition of tax on trucks, buses, etc.).

(3) Section 4061(b)(1) (relating to imposition of tax on parts and accessories).

(4) Section 4071(d) (relating to imposition of tax on tires, tubes, and tread rubber).

(5) Section 4081(b) (relating to imposition of tax on gasoline).

(6) Section 4481(a) (relating to imposition of tax on use of highway motor vehicles).

(7) Section 4481(e) (relating to period tax in effect).

(8) Section 4482(c)(4) (defining taxable period).

(9) Section 6156(e)(2) (relating to installment payments of tax on use of highway motor vehicles).

(10) Section 6421(h) (relating to tax on gasoline used for certain nonhighway purposes or by local transit systems).

(b) AMENDMENT OF SECTION 6412(a)(1).—Section 6412(a)(1) of such Code (relating to floor stocks refunds) is amended—

(1) by striking out "1984" each place it appears and inserting in lieu thereof "1989"; and

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1990".

EXTENSION OF HIGHWAY TRUST FUND

SEC. 303. (a) HIGHWAY TRUST FUND—Subsections (c), (e)(1), and (f) of section 209 of the Highway Revenue Act of 1956 (relating to the Highway Trust Fund; 23 U.S.C. 120 note) are amended—

(1) by striking out "1984" each place it appears and inserting in lieu thereof "1990";

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1991", and

(b) CONFORMING AMENDMENTS TO LAND AND WATER CONSERVATION FUND.—Subsection (b) of section 201 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4061-11) is amended—

(1) by striking out "1984" and inserting in lieu thereof "1990"; and

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1991".

SECTION-BY-SECTION ANALYSIS

TITLE I

SHORT TITLE

SEC. 101 provides that the title may be cited as the "Federal-Aid Highway Act of 1981".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

SEC. 102 authorizes $3.3 billion for fiscal year 1983, and $3.625 billion for each of the fiscal years 1984 through 1990 for the Interstate Highway System construction program. Effective October 1, 1981, obligation of the funds is limited except for Advance Construction Interstate projects approved before October 1, 1981, to the construction necessary to provide a minimum level of acceptable service on the Interstate system which shall consist of (1) full access control; (2) a pavement design to accommodate the types and volumes of traffic anticipated for a 20-year period from the date of authorization of initial basic construction; (3) a design of not less than nor more than 4 lanes in rural areas and all urban and urbanized areas under 400,000 population, and up to 6 lanes in urbanized areas over 400,000 population. Obligation of the funds is further limited to the actual costs of only those design concepts, locations, geometrics and other construction features included in the 1981 Interstate Cost Estimate. This section also provides that the Interstate Cost Estimate shall include only those costs eligible for Interstate construction funds.

Section 102(b) provides a new definition for Interstate "completion". In general, the definition will limit regular Interstate funding to the improvement of all Interstate segments to standards and a level of completion which will provide acceptable service for the Interstate traveler. The basic standards will include full access control for all sections.

On gap sections, "completion" would include, in addition to essential access control features, engineering, minimum right-of-way requirements, utility relocation, grading, erosion control, drainage, interchanges, structures, pavement, shoulders, signing, lighting, guardrail, and fencing. The number of lanes would be limited to six lanes in urbanized areas with a population over 400,000, and to four lanes in all other areas. Generally excluded from Interstate fund eligibility would be items such as weigh stations, landscaping, pedestrian and bikeway facilities, additional lanes over the maximum allowable and certain added construction costs for special features or treatments to accommodate social, economic, and environmental concerns.

On sections built without regular Interstate funds and incorporated into the Interstate System, "completion" will generally include features necessary to provide full access control and upgrading of sections previously identified as having major structural, geometric, and operational deficiencies. Improvements could include capacity expansion to the maximum number of lanes permitted for gap sections, but only where the section is a seriously inadequate link in the System and had been identified as such previously. Traffic control and roadside elements essential to the operation of the highway facility will be included; however, general safety corrective work will be permitted only as incidental to major, justified, and approved upgrading projects.

Sections constructed initially with regular Interstate funds may be improved only to the extent necessary to provide full access control and to complete the roadside and traffic control features essential to the operation of the highway facility. Completion of essential work may also include construction of additional lanes (up to the maximum number permitted for gap sections), added stages of pavement structure, interchanges, and grade separation structures all of which were identified as portions of the ultimate design and approved for future Interstate funding as stage construction at the time of initial construction project authorization. Generally excluded will be items such as new added lanes in excess of the maximum, new interchanges, new grade separations, safety improvements, noise abatement measures, rest areas, HOV lanes and related facilities, landscaping, etc.

Section 102(b) also limits the costs eligible for regular Interstate funds to those items, locations, design concepts, etc., as included in the 1981 Interstate Cost Estimate. This limitation constitutes an actual ceiling, exclusive of cost increases relating to price inflation, to preclude addition of new design elements or changes to more costly locations or design concepts. Design or location changes resulting in lower costs will, of course, be permitted.

Section 102(c) provides that future Interstate cost estimates will be prepared on the basis of the new "completion" definition and the general cost limitation of Section 102(b).

All items that become ineligible for Federal-aid Interstate funding as a result of the redefinition of Interstate "completion" will be eligible for resurfacing, restoring, rehabilitating, and reconstruction (4R) funding provided under Section 106 of this bill.

Subsection (d) of this section directs the Secretary to examine all segments of the Interstate System which have not progressed to the physical construction phase of project development to identify those routes which are not essential to the completion of the Interstate System, are not considered cost effective from a transportation standpoint, or have the potential for extensive environmental disruption. In the case of such routes, the Secretary is given the discretion to withdraw his approval of such under section 103(a)(4) or section 103(f) of title 23, as appropriate. If a route is withdrawn on or before September 30, 1983, and is otherwise eligible for withdrawal under the Interstate Substitution provision, 23 U.S.C. 103(e)(4), it shall be treated as if withdrawn under 23 U.S.C. 103(e)(4) and shall be eligible for the benefits provided by that provision.

AUTHORIZATION OF USE OF COST ESTIMATES FOR APPORTIONMENT OF INTERSTATE FUNDS

Sec. 103 approves the use of apportionment factors for fiscal years 1983 and 1984 Interstate fund apportionments. These factors will come from the 1981 Interstate Cost Estimate which reflects the new definition of Interstate "completion".

HIGHWAY AND SAFETY AUTHORIZATIONS

Sec. 104. This section authorizes the appropriation, out of the Highway Trust Fund, of the following sums for the fiscal years 1982, 1983, 1984, 1985, and 1986:

For the Federal-aid primary system in rural areas including the extension of the Federal-aid primary system in urban areas, $1.5 billion for fiscal year 1982, $1.7 billion for fiscal year 1983, $1.8 billion for fiscal year 1984, $1.8 billion for fiscal year 1985, and $1.8 billion for fiscal year 1986; for the Federal-aid secondary system in rural areas, $.7 billion for fiscal year 1982 and $.3 billion for fiscal year 1983; for the Federal-aid urban system, $.9 billion for fiscal year 1982 and $.5 billion for fiscal year 1983; for public lands highways, $16 million for each of the fiscal years 1982 through 1986; for the forest highways, $34 million for each of the fiscal years 1982 through 1986; and for bridge replacement and rehabilitation (23 U.S.C. 144), $.9 billion for fiscal year 1982, $1.2 billion for fiscal year 1983, and $1.4 billion for fiscal years 1984 through 1986.

This section provides that for each of the fiscal years 1982, 1983, 1984, 1985, and 1986, the States of Alaska and Puerto Rico shall each receive $10 million of the total apportionment for the primary system before such apportionment is made under section 104 (b)(1) of title 23, United States Code.

Subsection (c) of this section eliminates the minimum ½ of 1 percent of the total Interstate apportionment guaranteed for each State.

In the case of the primary, secondary and urban systems, public lands highways, forest highways, and the bridge replacement and rehabilitation program, the 1982 authorization levels established by this section replace existing 1982 authorization levels provided in the Surface Transportation Assistance Act of 1978 (STAA) and authorizations levels are provided for such programs, except secondary and urban, through fiscal year 1986. The secondary and urban programs are funded only through fiscal year 1983, at which time they will have to be assumed as State and local responsibilities. This section makes conforming amendments to pertinent sections of the STAA accordingly.

It eliminates existing 1982 authorization levels for several categorical highway programs: forest development roads and trails, public lands development roads and trails, park roads and trails, parkways, Indian reservation roads and bridges, economic growth center development highways, Great River Road, safer-off-system roads, access highways, section 402 FHWA highway safety programs, section 152 elimination of hazards program, rail-highway crossings, railroad-highway crossings demonstration program, and bicycle transportation and pedestrian walkways. In the case of the Great River Road and section 402 FHWA highway safety programs, the unobligated balance of contract authority established in the STAA for such activities shall lapse September 30, 1981. None of these programs will receive new separate funding levels. Most of these projects are eligible for funding under the primary, secondary and urban programs. For example, all safety activities provided for in title 23, United States Code, are eligible under the primary, secondary and urban programs and this provision will enhance the ability of States to address highway safety needs as an integral part of their regular highway construction programs.

Once all outstanding funds authorized specifically for these programs have been expended or obligated, title 23 will be amended to eliminate the sections establishing those programs.

Subsection (h) of this section provides a Discretionary Bridge Fund of $200,000,000 for fiscal year 1982 and $300,000,000 per fiscal year for each of the fiscal years 1983 through 1986. Discretionary Bridge Funds shall be available for obligation for a period of 2 years. Projects eligible for the funds are those costing more than $10 million or those costing at least twice a State's annual bridge fund apportionment. Discretionary bridge funds not obligated within the two year period shall be reallocated at the descretion of the Secretary of Transportation.

INTERSTATE SYSTEM RESURFACING APPORTIONMENT

Sec. 105 establishes a new Interstate 4R apportionment formula and provides a ½ of 1 percent guarantee of 4R Interstate apportionments for each State except for Alaska and the Commonwealth of Puerto Rico which have no Interstate mileage.

INTERSTATE SYSTEM RESURFACING AUTHORIZATION

Sec. 106 provides authorization for fiscal years 1983, 1984, 1985, 1986, and 1987 for Interstate 4R and authorizes October 1, 1981, as the effective date when the obligation of Interstate 4R funds for reconstruction can begin. Reconstruction includes all items previously eligible for Interstate construction funds. Interstate 4R funds cannot be used for the reconstruction of toll roads and cannot be used to resurface, restore, and rehabilitate toll roads. The requirement that Interstate 4R funds be used only on lanes in use for more than 5 years is discontinued.

INTERSTATE SYSTEM RESURFACING

Sec. 107 makes technical amendments to 23 U.S.C. 119 to conform with the changes made in sections 105 and 106 of the bill.

INTERSTATE SYSTEM RESURFACING—FEDERAL SHARE

Sec. 108 changes the Federal share for Interstate 4R projects from 75 percent to 90 percent effective October 1, 1981.

INTERSTATE SUBSTITUTION

Sec. 109. Subsection (a) makes it clear that Interstate Substitution Projects do not have contract authority and that sums must be appropriated before they are available for obligation. This has been the case since 1974.

Subsection (b) authorizes funds from the Highway Trust Fund for highway substitute projects. Funds for mass transit substitute projects will continue to come from the General Funds of the Treasury.

Subsection (c) provides that sums deducted from a State's Interstate unobligated apportionments when a substitution is made shall be available in the interstate Discretionary Fund for reallocation by the Secretary.

Subsection (d) prohibits withdrawal and substitution for routes or segments of routes added to the Interstate System by specific legislation after March 7, 1978.

HOLD HARMLESS—INTERSTATE RESURFACING

Sec. 110. This section provides a hold harmless feature so that for the first apportionment under the legislation for fiscal year 1983, no State, except Alaska, will receive a combined total of Interstate and 4R funds which is less than the combined Interstate and 3R apportionment would have been under existing law for fiscal year 1983.

INTERSTATE DISCRETIONARY FUND

Sec. 111. This section would amend 23 U.S.C. 118(b) by striking the word "must" and inserting the word "may". The effect of this amendment is to make the Interstate Discretionary Fund truly discretionary. Presently, Interstate Discretionary Funds are allocated to the States on a first come, first served basis with no discretion to the Secretary. This section would also require the Secretary to give high priority to Interstate projects of unusually high cost in relation to the State's apportionment, to projects which contribute to the completion of Interstate segments not open to traffic, and to projects in States receiving apportionments of less than one-half percent of the total national apportionment.

This section also provides that $125 million of the amount available for apportionment for the Interstate program will be set aside for the Interstate Discretionary Fund. This will ensure that funds will be available for particularly important projects which are eligible for these discretionary funds.

PRIMARY PROGRAM

Sec. 112. This section repeals the priority primary program, 23 U.S.C. 147. It amends section 104(b)(1) of title 23, to reflect the elimination of the priority primary program, and section 104(c) of the Federal-Aid Highway Act of 1978 to eliminate the 1982 authorization for the program.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM APPORTIONED FUNDS

Sec. 113. This section provides for an annual apportionment in fiscal years 1982, 1983, 1984, 1985, and 1986, based upon a formula: All deficient bridges will be divided into four categories: (1) Federal-aid system bridges eligible for replacement, (2) Federal-aid bridges eligible for rehabilitation, (3) Off-system bridges eligible for replacement and (4) Off-system bridges eligible for rehabilitation. The square footage of deficient bridges in each category shall be multiplied by its respective unit price on a State-by-State basis and the total cost in each State divided by the total cost of the nation's deficient bridges to yield the apportionment factors, except that no State shall receive less than one quarter of one percent nor more than 8 percent of the annual apportionment.

These funds are available for two years and shall be reapportioned to other States if they are not obligated within the period of availability.

EMERGENCY RELIEF

Sec. 114. Subsections (a) and (b) of this section provide that all expenditures for emergency relief under 23 U.S.C. 125, whether past or future, shall come from the Highway Trust Fund and not from the General Fund of the Treasury. Section 125 of title 23, United States Code, now provides that 40 percent of emergency relief expenditures prior to the fiscal year ending September 30, 1978, are authorized from the General Fund of the Treasury.

Subsection (c) would amend 23 U.S.C. 125(a) to increase annual permissible expenditures from $100 million to $150 million commencing with fiscal year 1981.

Subsection (d) would amend 23 U.S.C. 125(b) to provide that expenditures for projects resulting from a single natural disaster or a single catastrophic failure shall not exceed $30 million in a State.

Subsection (e) would apply the amendment made by subsection (d) to natural disasters or catastrophic failures which the Secretary finds to be eligible for emergency relief subsequent to the enactment of this section.

Subsection (f) would amend 23 U.S.C. 120 (f), which pertains to the Federal share for highway emergency relief, to change the Federal share payable to 75 percent, except for forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads, which would still receive 100 percent Federal funding. Under current law, the Secretary is authorized to increase the Federal share for emergency relief projects to 100 percent. The proposed change is in accord with Administration policy that the Federal share for disaster assistance should be 75 percent.

Subsection (g) would apply the Federal share provisions of 23 U.S.C. 120(f) as amended by this bill to all natural disasters or catastrophic failures which the Secretary

finds to be eligible for emergency relief subsequent to the enactment of the bill.

NONDISCRIMINATION

Sec. 115 amends section 140 of title 23, United States Code, to assure that equal employment opportunity must be provided without regard to sex; to authorize the Secretary of Transportation to conduct and finance minority business enterprise training programs and assistance programs; and to authorize the use of $10 million per fiscal year from the sum apportioned under 23 U.S.C. 104(b) to conduct and finance minority business enterprise training programs and assistance programs.

ALLOCATION OF URBAN FUND

Sec. 116. Existing law permits transferability between urban and primary system funds. However, it does not permit transfer of funds allocated out of urban system funds attributable to urbanized areas of 200,000 or more population from the allocation of one urbanized area to that of another urbanized area or to an urban area. This amendment to section 150 of title 23, United States Code, will permit the transfer of such attributable funds to the allocation of another urbanized area in the State or to any other urban area in the State. A transfer, requested by the State, would be subject to the approval of the Secretary and the local officials of the urbanized area from which the funds are to be transferred. The proposed transfer provision would enhance the capability of the States and local governments by giving them more flexibility in programming projects, setting priorities, and utilizing scarce financial resources.

DEFENSE ACCESS ROADS

SEC. 117. Section 210(c) of title 23, United States Code, provides for the use, up to $5,000,000, of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422) for highways in military training and maneuver areas. In 1958, Public Law 85–767 (72 Stat. 885), which revised and codified prior highway legislation as title 23, United States Code, repealed other Acts and portions of Acts. In addition, the second Supplemental Appropriations Act of 1957 (including the Bureau of Public Roads under the Department of Commerce) rescinded, effective June 20, 1957, all unexpended appropriations from prior laws. (Public Law 84–855). Thus, there are no current highway appropriations from which any part of $5,000,000 could be made available for the construction, maintenance, and repair of maneuver areas.

In 1955, the Office of Management and Budget directed the Department of Defense to budget for defense access roads. Since 1957, each military department has budgeted separately for defense access roads. By direction of the Assistant Secretary of Defense (Comptroller), maintenance and repair of public highways used for maneuvers will be accomplished from funds made available by the appropriate military department; but in order to insure prompt repairs, military regulations provide that the Commander, Military Traffic Management Command, may authorize the Federal Highway Administration to temporarily use available access road funds, pending payment by the military department concerned from its operation and maintenance funds. Since funds for the repair of maneuver road damage are not available from highway appropriations acts, but are available from defense appropriations acts, the opening clause is misleading and should be amended to reflect current law and practice.

This amendment to section 210(c) of title 23, United States Code, has been coordinated with the Military Traffic Management Command.

MAINTENANCE

SEC. 118. This section would amend subsection 116(c) of title 23, United States Code, to permit the Secretary to withhold project approval for projects in specific areas within a State, or for the entire State, where the Secretary finds that a project is not being properly maintained. Under present law, the Secretary must withhold project approval for the entire State for all projects when a single project is not being properly maintained. Present law does not represent a practical enforcement sanction. Stopping all project approvals in an entire State could involve massive disruption of planning and considerable economic waste. The amendment provides a practical enforcement sanction which should be an effective tool in enforcing maintenance.

Subsections (b), (c), (d) and (e) transfer maintenance provisions from 23 U.S.C. 109 and 119 to 23 U.S.C. 116.

CERTIFICATION ACCEPTANCE

Sec. 119 amends 23 U.S.C. 117 to provide for: (1) the application of certification acceptance to the physical construction phase of Interstate restoration projects; (2) the elimination of the requirement to make a final inspection on every project under both the certification acceptance and secondary road plan programs; and (3) the extension of coverage under the secondary road plan program to: "projects, as defined by the Secretary and which are not on the Interstate System." These changes in no way would relieve the State highway departments from the requirement of entering into formal project agreements with the Secretary pursuant to section 110 of title 23. Certification acceptance would be available to Interstate restoration projects once they reach the construction phase; thus it would apply only to those work areas such as time extensions, construction contract change orders, assessment of liquidated damage, etc., which take place subsequent to the actual construction project being authorized. The amendments would make both concepts more attractive to the States because of the expanded coverage and the reduction in Federal involvement and redtape.

HISTORIC SITES

Sec. 120. This section would eliminate identical language in Section 4(f) of the DOT Act and 23 U.S.C. 138 which overlap requirements under section 106 of the National Historic Preservation Act. Section 4(f) and section 106 are both applicable to historic and archeological resources which are on or eligible for the National Register of Historic Places. Section 4(f) is also applicable to historic sites which are not listed on or eligible for the National Register. The overlap has resulted in some project delays and duplication of efforts.

The proposal would eliminate the requirement of section 4(f) with respect to historic sites in all programs and projects of the Department of Transportation. The elimination of this delay and duplication of effort will take on increasing significance in the immediate future in the FHWA bridge program, by virtue of the increase in funds for that program provided in this bill. The bridge replacement program almost by definition involves concern with old, i.e. historic, structures.

Under this proposal, the extensive consultation and mitigation planning requirements afforded by section 106 and its implementing regulations will still apply to proposals for use of historic sites for transportation purposes. The section 4(f) requirement that the Secretary determine that there is "no feasible and prudent alternative to the use" (including constructive use) of protected land such as historic sites is virtually identical to the current requirement under Section 106 and its implementing regulations for an investigation to determine whether there is "a feasible and prudent alternative to avoid the adverse effect."

Similarly, the section 4(f) requirement to perform "all possible planning to minimize harm" is identical in practical effect to the section 106 regulatory requirement for consultation to determine if there is "a feasible and prudent alternative to satisfactorily mitigate the adverse effect of the undertaking."

WOODROW WILSON MEMORIAL BRIDGE

Sec. 121. This section authorizes the Secretary to approve a joint application by the States of Maryland and Virginia and the District of Columbia for the reconstruction and rehabilitation of the Woodrow Wilson Memorial Bridge, which may include widening and a bicycle path if necessary. Any project for widening the bridge would not be eligible for Interstate funds but could be financed with primary system funds. Pursuant to prior legislation, the bridge was constructed by the Bureau of Public Roads (now Federal Highway Administration) with the three jurisdictions being charged with its operation and maintenance. As a result, this bridge became Federal property. However, it is in excess to the needs of the Federal Government. This condition is corrected by providing in this section that the three jurisdictions enter into an agreement with the Secretary to accept a conveyance of their respective portions of the bridge prior to actual reconstruction work on the project. Funds for this project shall come equally from the Interstate apportionments for the three jurisdictions in the normal contract authority manner without application of obligational limits, and the 1981 estimate shall be adjusted to reflect an equal share of the total estimated project cost in the States of Maryland and Virginia and the District of Columbia. The Federal share for preliminary engineering performed prior to enactment of this section and for carrying out this project shall be 75 percent.

COOPERATION WITH FEDERAL AND STATE AGENCIES AND FOREIGN COUNTRIES

Sec. 122. This proposal would amend section 308 of title 23, United States Code, by authorizing the Secretary to carry out the provisions of this title in cooperation with the State highway and transportation departments and with organizations which are principally composed of duly elected and appointed State and local highway and transportation officials without regard to the provisions of the Federal Advisory Committee Act, 5 U.S.C. Appendix I. Expansive judicial interpretations of the Federal Advisory Committee Act have unnecessarily stifled government-to-government communications generally and, in particular, with respect to those grant-in-aid programs such as the Federal-aid highway program which require close coordination between State and local government officials and Federal officials to ensure effective planning and implementation. This revision would authorize the Secretary to administer Federal highway programs in cooperation with State and local highway and transportation officials either individually or collectively without the procedural burdens of the Federal Advisory Committee Act. The procedural requirements and safeguards which apply to the rulemaking process under the Administrative Procedure Act would not be affected by this revision.

TERRITORIAL HIGHWAY PROGRAM

Sec. 123. Subsection (a) of this section repeals section 215 (Territorial Highway Program) of title 23, United States Code. This program will be eligible for funding by the Department of the Interior.

Subsection (b) of this section amends paragraphs (12) and (13) of section 104(a) of the Federal-Aid Highway Act of 1978 to

reflect elimination of the program by rescinding existing 1982 highway program authorizations for the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Subsection (c)(1) of this section would facilitate an orderly transfer of the program to the Department of the Interior by expressly stating that outstanding funds appropriated for carrying out repealed section 215 shall remain available for expenditure under the conditions applicable prior to such repeal. Subsection (c)(2) rescinds the unappropriated balance of all sums authorized prior to the repeal of the program.

Subsections (e), (f), (g), and (h) eliminate the Federal Highway Administration's involvement in the highway-safety activities of the territories program by amending pertinent sections of title 23, United States Code.

ACCELERATION OF BRIDGE PROJECTS

Sec. 124. This section repeals the acceleration of bridge project program which provided special funding for the U.S. Grant Bridge in Kentucky and the East Huntington Bridge in West Virginia.

CARPOOL AND VANPOOL PROJECTS

Sec. 125. This section amends section 146 (carpool and vanpool projects) of title 23, United States Code. It would permit the use of sums apportioned for Interstate 4R to fund projects for designating existing facilities, or acquisition of rights of way, or construction of new facilities, for use as preferential parking for carpools. Any such facilities must be located outside of a central business district and within an Interstate highway corridor and primarily intended to reduce Interstate highway traffic. It would permit a State to contract with any person to operate any such parking facility, but any fees charged for use pursuant to the purpose of this provision shall not be in excess of the amount required to cover operating and maintenance costs. The term "parking facility" would include access roads, buildings, roads, structures, equipment, improvements, and interests in land.

HIGHLAND SCENIC HIGHWAY

Sec. 126. This section would amend section 161(f) of the Federal-Aid Highway Act of 1973, as amended by section 21 of P.L. 96–106 to remove a technical problem presently preventing the State of West Virginia from maintaining the Highland Scenic Highway, located partially within and adjacent to the Monongahela National Forest in the State. It would also allow local light truck traffic and limited commercial truck traffic on a permit basis only.

The Highland Scenic Highway was originally designed and constructed as a multipurpose State highway on the Federal-Aid Highway System. As such, it was maintained by the State until the passage of the Federal-Aid Highway Act of 1973 which designated it as a scenic highway with portions limited solely to scenic and recreational use and passenger car use. The scenic highway designation precludes community service vehicles such as bread trucks, service trucks and farm trucks from using the highway and use of the road for National Forest management activities requiring use of trucks. This designation thus made the highway a limited service highway which precludes continued maintenance by the State as State law prohibits the expenditure of maintenance funds on limited service highways.

This amendment would correct this anomaly by modifying the vehicle limitation so that the State could maintain the road and, at the same time, protect the important recreational and scenic values of the highway.

CONSTRUCTION

Sec. 127. Title 23, United States Code, now requires that the Secretary inspect each highway construction project. This amendment would remove that requirement. The Secretary would establish procedures for inspecting and approving construction but would not have to inspect each project. The amendment would thereby eliminate an unnecessary requirement.

RESEARCH AND PLANNING

Sec. 128. This section would amend 23 U.S.C. 307 to confirm the legal basis for pooling 1½ percent highway planning and research (HPR) funds into a single fund and to establish a uniform period of availability.

The 1½ percent HPR funds are currently pooled by administrative decision. Over the years the funds from which the HPR funds are derived have been legislatively assigned varying periods of availability.

The provision establishing a standard Federal share for HPR funds simplifies the program and eliminates paperwork.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

Sec. 129. Subsection (a) of this section would transfer the functions, powers, and duties of the Appalachian Regional Commission related to the Appalachian Development Highway System to the Secretary of Transportation. Subsections (b), (c), (d), (e), and (f) are technical transfer provisions and savings provisions.

Subsection (g) provides authorizations out of the Highway Trust Fund for the Appalachian Development Highway System of $215 million for FY 1982, $234 million for FY 1983, $250 million for FY 1984, $270 million for FY 1985, and $289 million for FY 1986.

Subsection (h) changes the Federal share for advance construction projects in the Appalachian Development Highway System from 70 percent to 80 percent. The Federal share for regular construction projects on said system was changed from 70 percent to 80 percent by section 138 of the Federal-Aid Highway Act of 1978. Advance construction projects were inadvertently overlooked at that time.

Subsection (i) provides an effective date of October 1, 1981.

TECHNICAL AMENDMENTS

Sec. 130. This section streamlines section 104 of title 23 by deleting language that no longer applies and makes a correction to the analysis of Chapter 1 of title 23.

TITLE II—HIGHWAY SAFETY AMENDMENTS

SHORT TITLE

Sec. 201 states that this title may be cited as the "Highway Safety Act of 1981".

AUTHORIZATION FOR APPROPRIATIONS

Sec. 202 would repeal the existing authorizations provided by section 202 of the Highway Safety Act of 1978 (P.L. 95–599), for the National Highway Traffic Safety Administration under sections 402, 403, 406, and 407 of title 23, United States Code, and for the 55 mile per hour speed limit under section 154.

Subsection 202(a)(1) would authorize $77,000,000, out of the Highway Trust Fund, for each of fiscal years 1982, 1983, 1984, 1985, and 1986, for carrying out the highway safety grant program under section 402 of title 23, United States Code, by the National Highway Traffic Safety Administration.

Subsection 202(a)(2) would authorize $31,000,000 for each of fiscal years 1982, 1983, 1984, 1985, and 1986, for carrying out the research and development programs under section 403 of title 23, United States Code, by the National Highway Traffic Safety Administration.

Subsection 202(a)(3) would authorize $10,000,000 for fiscal year 1982, and $13,000,000 for each of fiscal years 1983, 1984, 1985, and 1986, for carrying out the research and development programs under sections 307 (a) and 403 of title 23, United States Code, by the Federal Highway Administration.

Subsection 202(b) provides that the unobligated balance of contract authority for 23 U.S.C. 402 and 406 will lapse on September 30, 1981.

HIGHWAY SAFETY PROGRAMS

Sec. 203 would amend the existing list of highway safety programs required of the States by eliminating from eligibility those programs that have been less successful in promoting highway safety. The section would amend subsection 402(a) to place emphasis on problem identification, counter-measure development, and the evaluation of program effectiveness. The revised subsection would require the States to achieve uniformity in the collection of traffic accident and other highway safety data and in the adoption of laws and practices that affect interstate motorists. The States would also be required to address themselves to programs that the Secretary determines to be effective in reducing deaths and injuries, such as alcohol safety, emergency medical services, and police traffic services. Guidelines relating to these programs would be issued by the Secretary in cooperation with the States, their political subdivisions, appropriate Federal departments and agencies, and such other public and private organizations as the Secretary might deem appropriate. Funding under the program would be limited to the safety programs specified in the subsection.

HIGHWAY SAFETY PROGRAM REQUIREMENTS

Sec. 204 would repeal subsections (b), (h), and (j) of section 402. Subsection (b) presently places a number of restrictions on the States, by requiring them to operate the program through a specific State agency, by specifying a percentage of funds to be passed through to local political subdivisions, and by requiring comprehensive driver education programs. These restrictions do not seem appropriate in light of the need to make the most efficient use of limited funds, and would accordingly be repealed.

Subsection (h) restricts the Secretary from issuing or amending highway safety standards under the existing subsection 402(a). Under the revised 402(a), such a restriction would impede the development of the new program and should therefore be repealed. Subsection (j) relates to various incentive programs that have not been funded since fiscal year 1975, and should be deleted as obsolete.

SCHOOL BUS DRIVER TRAINING

Sec. 205 would repeal section 406 of title 23, relating to school bus driver training. Many States with long standing training programs have found the driver training funds under section 406 to be of little additional value. This section would return bus driver training to a State-funded status.

INNOVATIVE PROJECT GRANTS

Sec. 206 would repeal section 407 of title 23, relating to innovative project grants.

TITLE III

SHORT TITLE

Sec. 301 states that this title may be cited as the "Highway Revenue Act of 1981".

EXTENSION OF THE TAXES WHICH ARE TRANSFERRED INTO THE HIGHWAY TRUST FUND

Sec. 302 extends the highway excise taxes allocated to the Highway Trust Fund for five years; that is, the rate reductions or expirations of highway taxes now scheduled for October 1, 1984, are deferred until October 1, 1989.

EXTENSION OF HIGHWAY TRUST FUND

Sec. 303 extends the Highway Trust Fund for six years from September 30, 1984, through September 30, 1990.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., March 31, 1981.

Hon. HOWARD H. BAKER, Jr.,
Majority Leader,
U.S. Senate, Washington, D.C.

DEAR HOWARD: The Department of Transportation has submitted proposed legislation to authorize appropriations for the construction of highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966, and to extend the Highway Trust Fund, established by the Highway Revenue Act of 1956. A copy of the proposed legislation is attached.

We respectfully request that by unanimous consent, Title I of this bill be referred to the Committee on Environment and Public Works, Title II be referred to the Committee on Commerce, Science and Transportation and that Title III be solely referred to the Committee on Finance.

Jennings Randolph, Ranking Member, Committee on Environment and Public Works; Howard W. Cannon, Ranking Member, Committee on Commerce, Science and Transportation; Russell B. Long, Ranking Member, Committee on Finance; Robert T. Stafford, Chairman, Committee on Environment and Public Works; Bob Packwood, Chairman, Commerce, Science and Transportation; Robert Dole, Chairman, Committee on Finance.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 17, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Transportation is submitting for your consideration and appropriate reference a draft bill:

"To authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes."

It is essential that the Federal-aid highway program be structured in a way that it can be financed within acceptable budget levels and yet achieve national goals and other interests. The extent of Federal involvement in the program has been carefully analyzed in reaching the program decisions reflected in this legislation. Completion of the Interstate System and the preservation of this system is the highest Federal priority. The Primary system is also of national significance and will continue to receive high levels of Federal funding. State and local governments should have the principal responsibility for highway systems which are not of national importance. Therefore, this legislation eliminates or phases out a number of separate categorical programs, while increasing the flexibility with which States can use available Federal funding.

The changes proposed by this bill will produce budget savings of approximately $11.2 billion through 1986, compared to the previous Administration's bill.

TITLE I

Title I provides for 5-year highway authorizations, for 1982 through 1986, that would average $9.0 billion annually, including Interstate authorizations. The authorization levels are based on an assessment of changes in highway conditions and performance since 1970, and an analysis of investments needed to maintain acceptable levels of performance.

The bill amends the authorization for the Interstate System by increasing the amount authorized in existing law for FY 1983 from $3.2 billion to $3.3 billion and maintains the $3.625 billion authorized for fiscal years 1984 through 1990.

Interstate System

The 1981 Interstate Cost Estimate shows that despite $8 billion in investments and significant Interstate withdrawals over the past two years, the cost-to-complete has increased significantly. Clearly, Interstate completion, as currently defined, is not an achievable goal. This proposal, therefore, recommends a more reasonable approach by reducing the cost to complete to only those items required to provide a minimum level of acceptable service on a safely operating system. This change makes Interstate completion possible by 1990 and allows for greater emphasis to be placed on preserving 94 percent of Interstate mileage now open to traffic.

Beginning October 1, 1981, Interstate construction funds would be available only to construct Interstate segments to a minimum level of acceptable service consisting of (1) full-access control, (2) a pavement design to accommodate traffic anticipated for the next 20 years, and (3) a design of not less nor more than four lanes in rural areas and all urban areas and urbanized areas under 400,000 population, and up to six lanes in urbanized areas over 400,000 population. Future Interstate Cost Estimates would include only costs for the projects eligible under these criteria.

To ensure cost effective use of Interstate funds, the bill would require the Secretary of Transportation to examine all Interstate System segments on which physical construction has not started to identify possible segments which are not essential to the unified and connected Interstate System, are not cost effective or are environmentally disruptive. The Secretary would be authorized to remove undesirable, non-essential segments from the Interstate System. Current law authorizes State and local governments to withdraw non-essential Interstate segments in or serving urbanized areas until September 30, 1983. Local areas are then entitled to an equal amount of funds for substitute transit or highway projects. The proposed legislation provides the same benefits for otherwise eligible segments removed by the Secretary.

To further the objective of expeditious completion of the Interstate System, the proposed legislation revises the criteria for distribution of Interstate Discretionary funds. Rather than being allocated on a first come, first served basis as under present law, the funds will be allocated on a priority basis by the Secretary to Interstate projects which will help complete Interstate segments not open to traffic, to projects of unusually high cost relative to a State's apportionment and to projects in States which receive apportionments of less than ½ of one percent of the total National apportionment. The minimum ½ of one percent apportionment of Interstate construction funds to all States will be eliminated.

In addition to redefining Interstate completion, this bill would continue the transition to a post-Interstate construction program by expanding the current resurfacing, restoration and rehabilitation (3R) program to include reconstruction (4R). Those work items deleted from Interstate construction would be eligible under the expanded 4R program and funding for the program would increase substantially. Each State with Interstate routes would receive at least ½ of one percent of the overall 4R apportionment. To prevent any abrupt funding changes in Interstate programs in individual States, the bill provides a "hold harmless" feature so that the apportionment of Interstate and Interstate 4R funds that each State with Interstate routes receives on October 1, 1981 will not be less than the combined Interstate and 3R apportionment it would have received under existing legislation.

Effective October 1, 1981, the bill eliminates the eligibility of 4R work on toll roads and allows 4R work only on routes designated under 23 U.S.C. 103. The Federal share for 4R work would be changed from the existing 75 percent to 90 percent effective October 1, 1981.

PRIMARY PROGRAM

Second to the Interstate System the primary system is of greatest Federal interest. The primary system is the highest order State system and has received considerable State and Federal funding. As a consequence, the system has been built to high standards and is in good condition overall. The bill recognizes the Federal interest in the Federal-aid primary system by increasing program authorizations from the existing authorization of $1.5 billion for fiscal year 1982 to $1.8 billion by fiscal year 1986. The only program change we recommend is eliminating the priority primary program so that States can select these projects that reflect their own priorities.

Bridge program

There is a high national interest in reducing the safety problem presented by deficient and obsolete bridges. Therefore, the bridge program would remain as a separate program.

The bridge program authorizations are extended through fiscal year 1986 (rising from $900 million in fiscal year 1982 to $1.4 billion in fiscal year 1986) and a new bridge apportionment formula is established to provide more equitable distribution. Within these overall program levels the Discretionary Bridge Program is continued, with $200 million set aside in fiscal year 1982 and $300 million for each of the fiscal years 1983 through 1986. Projects eligible for these funds must cost more than $10 million, or at least twice a State's annual bridge fund apportionment.

Secondary and urban systems

State and local governments have a greater interest than the Federal government in highway systems below the Interstate and primary systems. To return responsibility for these highways to the appropriate level of government, the bill phases out Federal responsibility for, and involvement in, the secondary and urban system programs. To facilitate the transition, the bill provides authorizations for these programs for fiscal years 1982 and 1983. These transition authorizations should provide the States time to make budget adjustments to assume full funding responsibility for these programs.

Safety

Highway safety projects should be an integral part of all highway construction. To increase State and local flexibility in meeting highway safety needs, the bill eliminates separate safety categorical programs administered by the Federal Highway Administration, which in most cases are eligible for the primary, secondary and urban program funds. Funding which would otherwise be authorized for safety projects is incorporated into the larger categories.

Other

The bill eliminates a number of existing categorical highway programs and the existing separate 1982 funding authorizations as-

sociated with them. States will be able to make their own determinations as to the priority of these programs, most of which will be eligible for Federal funds under the regular primary, secondary, or urban programs. The bill also contains a number of amendments considered essential to better manage certain programs. Finally, the Appalachian Development Highway System program would be transferred from the Appalachian Regional Commission and would be financed from the Highway Trust Fund.

TITLE II

Title II provides authorizations for highway safety (sec. 402) grants administered by the National Highway Traffic Safety Administration at a level of $77 million for each of fiscal years 1982 through 1986. The highway safety program is restructured to focus on projects which are most closely related to the reduction of accidents, such as alcohol programs and police traffic services. Funds for safety research and development are also authorized. Separate funding for speed limit enforcement is eliminated.

TITLE III

Financing

Title III of this bill retains the Highway Trust Fund as the mechanism for Federal highway financing and extends it for six years to September 30, 1990. It also extends current highway excise taxes allocated to the Highway Trust Fund for five years.

Summary

The program restructuring and authorization levels proposed in this bill represent a strong Federal commitment to an effective Federal-aid highway program. The new Federal focus on the Interstate and primary systems, accompanied by providing greater responsibility to the States and allowing greater flexibility at the State level, will ensure fulfillment of the nation's highway transportation needs.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the President's program.

Sincerely,

DREW LEWIS.

● Mr. DOLE. Mr. President, I am today joining with my colleagues from the Committees on Environment and Public Works and Commerce to introduce the Federal-Aid Highway Act of 1981. This bill incorporates the President's proposals for restructuring the Federal highway program. The bill would eliminate a number of separate categorical programs and increase State program flexibility. It is noteworthy that this bill will produce $11.2 billion in budget savings when compared with the prior administration's highway bill.

Mr. President, the Senator from Kansas is particularly interested in title III of this legislation, which will be referred to the Committee on Finance. Title III, which is referred to as the Highway Revenue Act of 1981, would extend the existing highway excise taxes until October 1, 1989. Under current law, those taxes would expire or be automatically reduced in 1984. The bill also would extend the highway trust fund for 6 years, through September 30, 1990.

Mr. President, I welcome the administration's leadership in shaping future Federal highway policy. There has been a growing concern about long-term solvency of the highway trust fund. The most significant source of revenue to the highway trust fund has been the 4 cent per gallon excise tax on motor fuel. In recent years, gas tax revenue has declined as nationwide gasoline consumption has declined. Obviously, the need for an expansion of Federal trust fund revenue largely depends on the role that Federal Government chooses to play with respect to the Nation's highways.

I expect that the bill that we are introducing today will help shape and focus the debate on what that role should be. The Committee on Finance looks forward to playing a constructive role in that debate.●

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the bill introduced today by Senator STAFFORD to authorize appropriations for the construction of highways in accordance with title 23 of the United States Code to amend the Highway Safety Act of 1966, and to extend the highway trust fund, established by the Highway Revenue Act of 1956 be referred to the following committees in the specified manner:

Title I to be referred to the Committee on Environment and Public Works.

Title II to be referred to the Committee on Commerce, Science and Transportation, and

Title III to be referred to the Committee on Finance.

By Mr. HAYAKAWA (for himself, Mr. MCCLURE, Mr. HELMS, Mr. HEFLIN, and Mr. SYMMS):

S. 842. A bill to provide for stability and certainty in planning and management of certain National Forest lands; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

RARE II REVIEW ACT OF 1981

Mr. HAYAKAWA. Mr. President, I am introducing today, with Senators HELMS of North Carolina and MCCLURE of Idaho, HEFLIN of Alabama and SYMMS of Idaho, legislation which will provide for an orderly completion of basic land use decisions in the roadless areas of our national forests.

For more than 10 years, some 62 million acres—one-third of our entire national forest system—have been in a planning limbo of studies, lawsuits and restudies.

As our national long-term demands increase for resources ranging from timber to minerals, from oil and gas to recreation sites, we no longer can afford the paralysis of planning inaction.

Resolution of these issues is particularly vital in my State of California, where a lawsuit has tied up vital forest lands even more than in most other States.

This legislation provides for final answers to the key question which was studied during 1977–79 by the Forest Service and Department of Agriculture in their Second Roadless Area Review and Evaluation—known as RARE II.

That question was: Which roadless areas of the national forests should be devoted exclusively to wilderness and which should be managed for a multiplicity of uses ranging from outdoor recreation to timber harvesting to minerals development to wildlife enhancement?

This bill does not of itself enact any new lands into wilderness. Neither does it tie the hands of any future Congress from enacting any wilderness legislation it may choose. But it does provide for an end to the frustrating cycles of delay and resultant de facto wilderness which have thrown our forest resource allocations far out of balance.

Congress took a significant step in this direction last fall when it wrote so-called release language into two wilderness bills concerning Colorado and New Mexico. The bill introduced today completes that process by applying release principles nationally, setting reasonable deadlines for congressional action on wilderness recommendation, and asserting congressional primacy in providing for any future wilderness studies.

For lands west of the 100th Meridian, our RARE II Review Act of 1981 includes these provisions:

Lands recommended for nonwilderness by the RARE II study would be immediately returned to management for nonwilderness, multiple-use purposes. Some 36 million acres are in this category.

Lands recommended by the RARE II study for wilderness designation by Congress would remain subject to those recommendations until January 1, 1985. Wilderness-recommended lands not enacted into wilderness status by that date would then revert to nonwilderness status. About 15 million acres were recommended for wilderness by RARE II.

Lands recommended for further planning by RARE II would be subject to a deadline of September 30, 1985, for completion of that further planning by the Forest Service. We have to set a deadline on this planning, because we have been planning forever. Lands recommended for nonwilderness as a result of that further planning would immediately revert to nonwilderness status. Lands recommended for wilderness as a result of that planning would continue to be so recommended until January 1, 1988, at which time they would revert to nonwilderness status if not already enacted into wilderness by Congress.

Understand, Mr. President, that this leaves great leeway to act in one direction or another regarding wilderness in future Congresses.

For lands east of the 100th meridian, our act includes these provisions:

Lands recommended for wilderness by RARE II shall become wilderness study areas as defined in the Eastern Wilderness Act until January 1, 1983, after which they will be managed for other than wilderness unless otherwise directed by Congress.

Lands reviewed in RARE II and not recommended for wilderness shall be managed for uses other than wilderness unless Congress otherwise directs.

Nationally Congress would reserve to itself the authority to provide for further study of the wilderness potential of these national forest lands. With such congressional direction, the wilderness alternative would not be further considered administratively during the periodic national forest planning cycles.

The RARE II final environmental impact statement would be insulated from

any judicial review or court rule on legal or factual sufficiency of the RARE II environmental impact statement.

The Wilderness Act of 1964 provided that only Congress could enact Federal lands into the national wilderness preservation system. The legislation reflects this congressional policy. It would bring an end to the present policy-frustrating situation in which vast acreage is kept in de facto wilderness through repeated studies, appeals, and litigation.

It would once again permit this Nation to make best, highest, and balanced use of all its national forest resources.

As chairman of the Senate Agriculture Subcommittee on Forestry, Water Resources, and Environment, I intend to schedule hearings and move to mark-up of this needed bill.

I look forward as well to working with the new Reagan administration on this legislation. It can contribute significantly to the President's goals of stemming inflation, aiding business recovery, promoting energy self-sufficiency and improving the homeowning prospects for millions of Americans during the 1980's.

I ask unanimous consent that this bill be held at the desk until close of business today for the purpose of the leadership to clear its approval.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the bill Senator HAYAKAWA introduced regarding the issue of releasing national forest system lands be jointly referred to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Energy and Natural Resources.

ADDITIONAL COSPONSORS

S. 267

At the request of Mr. DECONCINI, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 398

At the request of Mr. ARMSTRONG, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes.

S. 517

At the request of Mr. ROBERT C. BYRD, his name was added as a cosponsor of S. 517, a bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes.

S. 546

At the request of Mr. RANDOLPH, the Senator from Alabama (Mr. DENTON) was added as a cosponsor of S. 546, a bill entitled "The Fish Restoration Act of 1981."

S. 602

At the request of Mr. RIEGLE, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 602, a bill to amend the investment credit provisions of the Internal Revenue Code of 1954 to provide for refundability of currently earned investment credits after the close of the year in which earned and for refundability of any previously earned but unused investment credit after the close of the last year to which the unused credit may be carried.

S. 631

At the request of Mr. DECONCINI, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 631, a bill to dismiss certain cases pending before the Education Appeal Board.

S. 725

At the request of Mr. WALLOP, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 725, a bill to amend the Internal Revenue Code of 1954 with respect to the treatment of certain shale property for the purposes of the energy investment credit.

SENATE JOINT RESOLUTION 40

At the request of Mr. RIEGLE, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of Senate Joint Resolution 40, a joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

SENATE JOINT RESOLUTION 50

At the request of Mr. DECONCINI, the Senator from Arizona (Mr. GOLDWATER), the Senator from Hawaii (Mr. INOUYE), the Senator from Indiana (Mr. QUAYLE), the Senator from Kentucky (Mr. FORD), the Senator from Maryland (Mr. SARBANES), the Senator from Maine (Mr. MITCHELL), the Senator from Michigan (Mr. RIEGLE), the Senator from Montana (Mr. BAUCUS), the Senator from Oklahoma (Mr. NICKLES), the Senator from South Carolina (Mr. THURMOND), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating July 17, 1981, as "National P.O.W.-M.I.A. Recognition Day."

SENATE RESOLUTION 20

At the request of Mr. BAKER, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Resolution 20, a resolution providing for television and radio coverage of proceedings of the Senate.

SENATE RESOLUTION 104—RESOLUTION DISAPPROVING THE PROPOSED DEFERRAL OF CERTAIN BUDGET AUTHORITY

Mr. GLENN submitted the following resolution; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Finance, and the Committee on Labor and Human Resources:

S. RES. 104

Resolved, That the Senate disapproves the proposed deferral of budget authority for the Welfare Reform Demonstration Programs administered by the Employment and Training Administration of the Department of Labor as set forth in the special message transmitted by the President to the Congress on March 10, 1981, under section 1013 of the Impoundment Control Act of 1974 (Deferral No. D-81-36A).

AMENDMENTS SUBMITTED FOR PRINTING

EXPORT TRADING COMPANY ACT OF 1981

AMENDMENT NO. 25

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill (S. 734) to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

CONSUMER PRODUCT SAFETY ACT AMENDMENTS OF 1981

AMENDMENT NO. 26

(Ordered to be printed and referred to the Committee on Commerce, Science, and Transportation.)

Mr. CANNON submitted an amendment intended to be proposed by him to the bill (S. 833) to amend the Consumer Product Safety Act to authorize appropriations for fiscal year 1981, and for other purposes.

● Mr. CANNON. Mr. President, today I am introducing an amendment to section 6b of the Consumer Product Safety Act. I have been concerned about the release of information by the Commission which may result in adverse publicity to an industry before the Commission has had the opportunity to weigh all the evidence in a formal proceeding. At the same time, I realize that an important function of the Commission is to educate the public about potential product hazards. Therefore, the first part of this amendment would establish procedures to insure that when the Commission disseminates information about the safety of a product or a class of consumer products, that the information is accurate. This section will help to prevent the Commission from publishing inaccurate information thereby reducing injuries suffered by manufacturers who are adversely affected by inaccurate well-publicized CPSC information.

My second concern is that the publication of a formal action proposed by the Commission may result in decreased sales within an industry although later the Commission may reverse its position. The second part of my amendment would require the Commission to publicize the withdrawal of a regulatory proposal in the same degree as the original proposal. This would mean that finding that a standard or a ban is not necessary would receive as much publicity as when the ban or standard was originally proposed.

The Consumer Subcommittee of the Senate Committee on Commerce, Sci-

ence, and Transportation will hold oversight hearings on April 1, 2, 3, and 7, 1981. I submit this amendment today before these hearings, so that witnesses may have the opportunity to comment.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 26

After section 13 of the bill, insert the following new section, and redesignate section 14 of the bill as section 15:

"INFORMATION DISSEMINATION

"SEC. 14. Section 6(b)(1) of the Act (15 U.S.C. 2055(b)(1)) is amended by inserting immediately before the last sentence thereof the following: "The Commission shall establish procedures to reasonably ensure that information which it affirmatively disseminates reflecting on the safety of any consumer product or class of consumer products is accurate and not misleading. If, after proposing a formal action, the Commission decides to withdraw such proposal, the Commission shall, in a manner similar to that in which such proposal was publicized, make known the decision to withdraw.".●

BUDGET RECONCILIATION RESOLUTION

AMENDMENT NO. 27

(Ordered to be printed and to lie on the table.)

Mr. GLENN submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 9) revising the Congressional Budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

ADDITIONAL STATEMENTS

OUR URGENT NATIONAL SECURITY TASKS

● Mr. JACKSON. Mr. President, on March 28, I was honored to participate at Groton, Conn., in the commissioning ceremony of the nuclear powered attack submarine U.S.S. *Bremerton* (SSN-698) named for Bremerton, Wash., the home of Puget Sound Naval Shipyard.

I took the opportunity of my commissioning address to underscore certain urgent foreign policy and defense tasks facing this country.

I ask that the full text be printed in the RECORD.

The address follows:

REMARKS BY SENATOR HENRY M. JACKSON, MARCH 28, 1981

Four years and some ten months have gone by since the Jackson family joined in the keel-laying ceremonies for the U.S.S. *Bremerton;* two years and seven months have passed since we shared in the launching of this superb ship. During that time much has changed at home and abroad. But one thing remains the same. Hyman Rickover is still the pervading genius of our nuclear navy. Our thoughts turn with profound respect and affection to our long-time friend, Admiral Rickover, as we commission his latest contribution to the fleet.

As you know, the Jacksons have a special fondness for the *Bremerton.* She bears not only an honored Navy name, a great name from the State of Washington, but also, welded upon her keel, she carries the initials of my wife, Helen.

I am convinced that the American people are now ready and eager to restore United States strength and influence in the world. There is a new mood in the country. Americans are yearning to have this nation again strong and resolute, the trusted leader of the free nations, proud of its greatness. Moreover, there is a new understanding at the top of our government that we are in a continuing long-term military and political competition with the Soviets, and that we are not maintaining a competitive position.

What are the most urgent tasks? I want to underscore a few:

First: This country needs to restore its overall military strength. As I see it, a sturdy strategic equivalence with the Soviet Union is the indispensable foundation for an effective American foreign policy—one which meets our responsibilities and safeguards our interests around the world. But even if we succeed in maintaining strategic equality, areas like the Middle East and Southeast Asia will become more vulnerable to the growing Soviet capacity for regional intervention. Indeed, a substantial buildup in both our nuclear and conventional capabilities is absolutely vital.

At the same time, I welcome the Reagan Administration's emphasis on developing a more rational division of labor, under which our Atlantic allies and Japan will be asked to join us in providing more for the common defense. And I support the Administration's effort to reduce unnecessary costs in our defense programs—giving the American taxpayer the best return for the dollars spent.

Second: There is a special need to bolster deterrence and promote stability in Southwest Asia. Should Moscow establish a controlling presence in the Persian Gulf area, they would have a warm-water port, from which they would have access to the whole of the Indian Ocean and a broad highway to Third-World Nations. Hence, even if the area did not contain vast oil resources, it would be a great strategic prize for geopolitical reasons. But, of course, it does contain oil on which we and our allies depend.

The West has significant assets in the region. Israel, Egypt, and Turkey have substantial military capacity. Saudi Arabia and other Gulf states have a part to play. Taking advantage of what these countries can offer—in ways that are acceptable to them—is increasingly necessary.

And Secretary of Defense Weinberger is right that we cannot deter the Kremlin's efforts from seven thousand miles away. We require a credible American presence in the area with appropriate facilities—a clear signal to Moscow that our local military capabilities will make it too costly for them to consider exercising their military options.

What is lacking most of all is a well-considered, general strategy to deal with the range of threats confronting the region. The threats include not only direct Soviet military moves, but also indirect, more subtle forms of coercion, and internal insurgencies and military coups in critical states.

I urge President Reagan to give a very high priority to fashioning—with our key friends and allies—a coherent, overall strategy for the defense of Southwest Asia, before the time runs out.

Third: We must do our part to forge an enduring, constructive relationship with the People's Republic of China, and this we have only begun to do. As a starter, Americans need to accept the fact that China and the Soviet Union are fundamentally different countries, with different ambitions and different allies, and different intentions toward us. Our interests with respect to each of them differ, and the way we deal with them will be distinctive.

The key for us is China's strategic role in tying down on its northern border roughly 25 percent of the Soviet defense burden. For our part, if we keep America strong and resolute, we will be perceived by Chinese leaders as a credible counterweight to the Soviet Union—now China's main adversary. Also, we must vigorously abide by our normalization agreement with the People's Republic. If America violates that agreement, on such matters as how we deal with Taiwan, then Peking is free to depart from their part of the bargain. And basic to the deal is the understanding that Peking will be patient and peaceful in its attempt to woo Taiwan back to the mainland.

The Kremlin is now trying to rekindle the myths of detente, lull the world into complacency about Afghanistan, and pry apart West Europe, Japan, and America.

What fools Moscow has made of so many over the years. A classic case: taking us to the cleaners in the SALT II treaty, and then calling it equal, fair and verifiable. I am reminded of a comment made to me by China's Premier Zhou Enlai, "The leadership of Russia," he said, "will look you in the eye and lie to you."

As we get serious about our defenses, we need not abandon our longstanding goal of reaching truly equal, and truly verifiable accords with the Soviet Union to mutually reduce weapons of mass destruction. But we will never achieve this kind of stabilizing and durable agreement if we negotiate from a position of weakness and make gratuitous concessions. And the Soviets should understand that we are prepared to live in a world without arms limitation if they persist in their pattern of aggression and subversion, and continue to settle only for unequal, one-sided agreements.

My friends, this ship we commission today is an indispensable addition to American strength. The *Bremerton,* and her sister nuclear ships, will sail the seas as a reminder that the United States can stand up to the Soviet Union, help safeguard the interests of our friends and allies, and conduct wise and steady diplomacy.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of Senate employees who propose to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. D. Michael Harvey and Ms. Elizabeth A. Moler of the Committee on Energy and Natural Resources under the supervision of Senator JACKSON, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a privately supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Harvey and Ms. Moler in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. William E. Pursley of Senator MURKOWSKI's staff, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a privately supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Pursley in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Mark Schneider of Senator STEVENS staff, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a private supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Schneider in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.●

MR. REAGAN'S AND MR. HAIG'S REALISTIC VIEW OF MOSCOW'S WAYS

● Mr. GOLDWATER. Mr. President, an old friend of mine, Mr. Milorad M. Drachkovitch, who was the director of the Archives and senior fellow of the Hoover Institution, addressed a letter to the New York Times the other day which appeared in the February 21 issue. The letter is so much to the point, so direct, and explains in relatively few words exactly what the President and Alexander Haig have been trying to say and have said that I would like to make it available to my colleagues. I ask that it appear at this point in the RECORD.

The article follows:

[From the New York Times, Feb. 21, 1981]

MR. REAGAN'S AND MR. HAIG'S REALISTIC VIEW OF MOSCOW'S WAYS

To the Editor:

In his Feb. 3 Op-Ed article, Yuri Kornilov, political correspondent for the Soviet press agency Tass, expressed "concern and anxiety" about the emergent foreign policy of the Reagan Administration.

Mr. Kornilov accused the Administration of either deliberately misrepresenting the crux of the Soviet Union's foreign policy or analyzing it in a fundamentally erroneous way. He then explained the basic Soviet postulates as "peaceful and equitable cooperation with other nations . . . respecting the right of every people to be masters in their homes and resolving international disputes not by force of arms but peacefully, at the negotiation table."

As Mr. Kornilov wrote those words, the Soviet Union, which in the last several years has feverishly built a most impressive modern military machine, had at least 80,000 soldiers in Afghanistan and 26 divisions crouching at Poland's borders. It was continuing to send military aid to Vietnam, which not long ago utilized such aid to invade Cambodia. Its military advisers were supervising Cuban and East German military and police forces supporting governments in Angola, Mozambique, Ethiopia and South Yemen. Its military presence in Cuba was bolstering Fidel Castro's activities both in Africa and in the Caribbean.

How to reconcile the blatant discrepancy between the sweet and reasonable words of Mr. Kornilov and the stern realities of Soviet military and political expansion, direct or indirect, on four continents? Simple. They are a rather crude application of Lenin's neo-Machiavellian advice to his followers to speak in one way while pursuing completely opposite policies.

Mr. Kornilov must have studied Lenin's celebrated booklet "Left-Wing Communism, an Infantile Disorder," written in April, 1920, one of the greatest manuals on political warfare ever put together. The former President of the Communist International, Grigori Zinoviev, called this work "the gospel of the proletariat," adding that "for the tactics of Communist parties, this work is no less important than is Karl Marx's 'Kapital' for the theory of Marxism."

Among many of Lenin's precepts on how to wage a worldwide revolutionary struggle, is "resort to various stratagems, artifices, illegal methods, to evasions and subterfuges." The goal Lenin had in mind was penetration of the "reactionary" trade unions.

President Reagan might have employed undiplomatic language when he stated at his first news conference that "the only morality [the Soviet leaders] recognize is what will further their cause, meaning they reserve unto themselves the right to commit any crime, to lie, to cheat." Secretary of State Haig might have been indelicate when he charged the Soviet Union with "training, funding and equipping international terrorism." But both hit the nail on its Leninist head. And in his heart, Yuri Kornilov knows that they are right.●

THE WATER RESOURCES BUDGET

● Mr. ABDNOR. Mr. President, the Committee on Environment and Public Works recently studied with great care the various items within its responsibility that relate to the Federal Government's water resources budget.

By a vote of 11 to 1, the committee came to the conclusion that the Federal Government must not eliminate those programs within the Water Resources Council and the Office of Water Research and Technology that assist the States and regions in carrying out effective water development and research programs. If such an elimination occurs, it should take place with sufficient lead time to allow the States to make the transition without disruption.

While the dollar figures are rather modest ones, this is an important issue to national water development. Therefore, Mr. President, I ask that the appropriate portions of the committee's report to the Budget Committee be printed in the RECORD.

The material follows:

WATER RESOURCES

The committee voted to endorse the overall figures proposed by the Reagan administration for expenditures on water resources planning and development, with some minor transfers.

The committee recommends that $40 million be deleted from the fiscal year 1982 construction general account of the U.S. Army Corps of Engineers, with those funds to be transferred and divided between the Office of Water Research and Technology (OWRT) and the Water Resources Council (WRC), enabling those agencies to continue their important work. At $20 million apiece in fiscal year 1982, each agency would spend about one-third less than its fiscal year 1981 appropriations. Yet, these expenditures are necessary to assure continuation of the essential activities that Congress has conferred on these agencies.

WATER RESOURCES COUNCIL (WRC)

The committee urges that this program be continued, with current funding levels for its State program assistance grants ($10 million) and the various river basin commissions ($4 million), plus a reduced level of spending for administrative costs ($6 million). The Committee agrees with the Administration's decision to eliminate the WRC comprehensive national planning. The continuation of the matching State program assistance is particularly vital; without it many States would be compelled to cut back drastically on their water resources planning. If the Congress eventually transfers more responsibility to the States, they must have the capability to assume that responsibility.

OFFICE OF WATER RESEARCH AND TECHNOLOGY (OWRT)

The proposed fiscal year 1982 funding would continue, at current levels, the Federal support for the 54 State water research institutes located at land grant universities ($6,210,000). This seed money is more than matched by State and private funding and provides a valuable component of any national water resources effort. In addition, the Committee recommends reduced, but realistic, levels of funding for the matching research grants ($4,790,000), the saline research and demonstration program ($6 million), and overall program administration $3 million).

CORPS OF ENGINEERS

As stated previously, the Committee voted as offsetting $40 million reduction in the U.S. Army Corps of Engineers' construction budget for fiscal year 1982. While this change was made reluctantly, the Committee agreed that the merits of modest State assistance outweighs some of the lower priority construction work. . . .

The Committee also has recommended that the proposed fiscal year 1981 recissions in the WRC and the OWRT budgets not be approved. The funds for the proposed rescissions should be reallocated from the Construction General Account of the Corps of Engineers.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. DOLE. Mr. President, on March 29, the Byelorussian-American community in Brooklyn held a rally to commemorate the 63d anniversary of the proclamation of the Byelorussian Democratic Republic which took place in Minsk, the capital of Byelorussia. Byelorussian-Americans in my home State of Kansas and every other State of the Union joined in this celebration, if only in spirit.

Sixty-three years ago the citizens of Byelorussia savored the taste of freedom and independence following the fall of the Tsarist Russian empire. Almost immediately, the Government of the new independent Byelorussian Republic began to organize the national and local administration, the education system, the cultural activities, the restoration of the war-torn economy, and the formation of the national military forces. It

also began intensive diplomatic activities abroad.

This brief experiment with freedom ended on January 1, 1919, when the Soviet Union, during a period of Soviet expansionism, proclaimed its new colonial state, the Byelorussian Soviet Socialist Republic. Although the Byelorussian national armed forces staged a gallant struggle and made desperate but vain appeals for aid from abroad, they were soundly defeated.

Since that time, the Soviet Union, in violation of the Helsinki agreement, has continued to deprive the Byelorussian people of the human rights it pledged to observe under the Helsinki accord. Russification efforts have been aimed at stripping Byelorussia of its cultural and ethnic heritage. As is typical in Soviet-claimed territory, individuals continue to be imprisoned for speaking out on behalf of human rights. Nevertheless, the people of Byelorussia steadfastly continue to resist these Russification efforts, and to remind Moscow of its commitment to honor the Helsinki accord—even under threat of imprisonment and persecution.

SOVIET TROOPS IN BYELORUSSIA PREPARED TO INVADE POLAND

Byelorussia has been targeted as the westernmost site of Russian expansionism. As a result, Moscow has been conducting a fierce campaign of russification there aimed at the destruction of Byelorussian national identity. As Soviet troops stand poised to invade Poland, the geopolitical importance of Byelorussia becomes evident. There are currently Soviet troops stationed in the Byelorussian cities of Grodno and Brest who may be assigned to such an invasion.

VOICE OF AMERICA BROADCASTS

Needless to say, it is in the national security interests of the United States to prevent Soviet expansion. These interests are best served when the citizens of captive nations within the Soviet Union are informed of the nature of Soviet expansionism and the vitality of their respective cultural heritage in the United States. The Voice of America provides one means of communicating this information. Although the Voice of America does not currently broadcast to the Soviet Union in the Byelorussian language, the Byelorussian-American Association has asked me to lend my support to that goal.

Mr. President, I ask unanimous consent that a portion of a resolution adopted at the Byelorussian rally be printed at this point in the RECORD.

The Byelorussian language, the language of one of the largest nationalities in the USSR and one of the oldest ethnic groups in the United States, is being discriminated against by the Voice of America, which does not include the Byelorussian language in its programming. We, the participants of this rally, wish to once again express our long-standing frustration with this discrimination. We ask that the administration of the VOA and other concerned Government agencies recognize the inequity and unsoundness of VOA policy in this matter and move to include the Byelorussian language in VOA programming. Inclusion of the Byelorussian language in VOA broadcasts would foster closer relations with the Byelorussian people and the Byelorussian-American community.

Mr. President, this Senator thinks it would well serve our national security interests, especially during the present wave of Soviet expansionism, to investigate the inclusion of broadcasts in the Byelorussian language in future VOA programing.●

THE PROPOSED CONSOLIDATION OF FEDERAL ELEMENTARY AND SECONDARY EDUCATIONAL PROGRAMS INTO BLOCK GRANTS

● Mrs. KASSEBAUM. Mr. President, in our consideration of spending levels for education, training, and social services, we reviewed President Reagan's proposal to consolidate 45 separate Federal elementary and secondary educational programs into two block grants. These programs are aimed primarily at serving the special educational needs of economically disadvantaged and physically or mentally handicapped children and fall within the jurisdiction of the Committee on Labor and Human Resources.

We agreed that as in most other program areas there should be cuts there as well.

However, the majority of the committee believes that the spending cuts for these programs should be less than originally proposed by the administration. We did adopt, with my support, a spending level which is marginally higher than that proposed by the administration.

While our focus was on spending levels rather than on administrative procedures, there is considerable sentiment, as I read it, in favor of the block grant approach in this area. I am personally supportive of the grant block approach which gives greater power to State and local authorities to spend Federal assistance dollars in ways that fit their particular needs.

As we deal with handicapped programs, however, I want to study the administration's forthcoming block grant proposal carefully. Certain types of programs, particularly those of research and training, do not readily lend themselves to the block grant approach. Effective research and training can often be realized only at specialized institutions which have developed a great depth of expertise and breadth of experience.

The concentration of funds in those institutions with demonstrably successful programs would seem to be more cost-effective than thinly spreading funds in a per-capita block grant distribution. I think this is particularly true in regard to training and research programs and special education for the handicapped which in many respects is still in a new frontier.

We must be careful not to cripple those research and training institutions which in recent years have begun to produce results that are of enormous benefit to the entire handicapped community. It is quite likely that with the application of the block grant approach to the other operational handicapped program it will be all the more important to maintain the research and training programs on a discretionary, competitive basis.

Therefore, Mr. President, I do want to consult thoroughly with the members of the Labor and Human Resources Committee as they begin to consider proposed changes to the authorizing statutes.●

HANDGUNS

● Mr. PELL. Mr. President, the shameful, senseless attack on the President of the United States was shocking and horrifying to me, as it was to all Americans.

We are all relieved that the President has survived the assault and that the prognosis is for a complete and early recovery from his wound.

I earnestly hope that others wounded in the attack, James S. Brady, the President's press secretary; Secret Service Agent Timothy J. McCarthy; and Officer Thomas K. Delahanty of the District of Columbia Police Department, all will recover as much as possible from their wounds.

The shooting of President Reagan should serve as another reminder to us that we are tempting fate if we continue to permit boundless proliferation of firearms in our Nation.

The list of our national leaders who have been gunned down in the past 20 years is long and grievous, and it includes leaders in Government, in public affairs, in the arts and the sciences. But that list, grievous as it is, is only the beginning of the toll of tragedy. Added to it must be the hundreds and thousands of gun victims who were less prominent—not heads of State, but heads of families, fathers and husbands, wives and mothers, sons and daughters, whose lives have been snuffed out by pistols and firearms that can be obtained as easily as bubblegum.

I believe it is possible and indeed necessary to stem the flood of handguns that is engulfing our Nation. I see no reason why all handguns should not be registered and all owners of handguns licensed, just as we require that all automobiles be registered and all drivers be licensed.

Such a system would not infringe on legitimate ownership or use of firearms any more than our automobile laws infringe on legitimate uses of autos. Regulation and control of handguns would not eliminate violence in our society, but if regulations deterred one potential assassin and reduced the daily carnage of handgun violence, it would be worth doing and should be done.

Mr. President, an article in today's Washington Post traces the history of the handgun used in the shooting of President Reagan. As the story notes, it is but one of 15,000 to 20,000 cheap "Saturday Night Specials" assembled each month at just one handgun plant. I ask that the article from the Washington Post be printed in the RECORD at the conclusion of my remarks.

The article follows:

THE GUN: A SATURDAY NIGHT SPECIAL FROM MIAMI

(By Pete Earley)

The gun that shot Ronald Reagan yesterday was manufactured months ago, thou-

sands of miles away from the nation's capital in a small factory in Germany. The .22-caliber, blue steel revolver was then shipped in pieces to Miami, where it was assembled, thus skirting U.S. laws that make it illegal to import small, inexpensive foreign-made handguns.

The Roehm, model RG14 handgun is no stranger to American soil. The revolver is one of the best known handguns in this country, said gun experts and police.

It is best known as a Saturday Night Special—the type of handgun that Congress thought it was getting rid of when it passed the National Gun Control Act of 1968.

Foreign manufacturers quickly discovered a loophole in the tough gun act, officials said. The law said nothing about bringing gun parts into this country where they could be assembled. That is what the German-based Roehm company and dozens of other foreign weapon makers have been doing for more than a decade.

The gun that shot the 40th president was assembled at a Miami factory, one of 15,000 to 20,000 cheap revolvers that roll off its assembly line each month.

Despite the cost of overseas shipping, wages for assembly-line workers and extra costs of middlemen, when model RG14 finally reaches the public, its price tag is about $47.50—one of the cheapest pistols available.

Guns like the RG14 have made Florida the nation's top gun supply state for criminals, according to the Bureau of Alcohol, Tobacco and Firearms, which traces firearms used in crimes.

Identified by sources as the gun confiscated by the Secret Service after Reagan, press aide James Brady and two law officers were shot, the Roehm revolver is a six-shot, double-action, 15-ounce revolver that can fire any .22-caliber ammunition.

Its parts are shipped to RG Industries at 2485 Northwest 20th St., Miami, for assembly. William Kirk, a spokesman for RG Industries, refused to discuss the gun or his company. Employees and sources familiar with the company, however, said RG Industries was formed by the German-based Roehm family after the 1968 gun control act was passed.

The company's primary product is cheap handguns, and it employs up to 80 assembly-line workers. Last year, RG Industries sold an estimated $3.1 million worth of handguns, according to sources.

All of the weapons are shipped to wholesalers who distribute them to smaller gun dealers, hardware stores and pawnshops, the sources said.

The gun used to shoot Reagan was purchased Oct. 13, 1980, sources said, at Rocky's Pawn Shop in Dallas, Texas, like Florida, is considered by ATF as one of the five easiest states in the nation to buy handguns.

Federal agents seized the pawnshop's books within two hours after the shooting, officials said, but owner Isaac Goldstein told reporters that he remembers selling two model RG14s to a man who listed his name as John Hinkley—the name of the man accused of shooting Reagan.

"This gun is really a piece of trash," said one gun expert here when asked about the RG14. "It gives all guns a bad name. I've seen them when the bullets (in the cylinder) don't even match up to the barrel."●

AID TO EL SALVADOR

● Mr. PELL. Mr. President, the sentiments expressed in a thoughtful editorial on El Salvador, published in the Providence Journal on March 25, closely parallels the views that I have articulated since we as a nation have been struggling with that crucial issue. The point is made that El Salvador's most pressing need is economic assistance and that is the way we in the Congress can best help.

We should support the administration's economic assistance proposal so that the Salvadoran Government can continue its ambitious and vitally necessary land reform program, and its efforts to provide jobs in the industrial sector.

Furthermore, the funds would help El Salvador stay afloat economically, through the political turmoil which has seriously affected the economy. The economic assistance will help counter the appeal of the far left and the far right. It will serve to strengthen the moderates who valiantly work to restore peace and democratic government to that troubled land.

I continue to have problems with other aspects of the administration's policy in El Salvador. I am against a purely military solution to the situation because it is unlikely to succeed. A political solution arranged through the cooperation of the region's democratic nations should be supported by the United States. I also continue to have problems with certain aspects of the present Salvadoran Government, especially on the issue of the investigation of the murders of the four American churchwomen, about which I remain unsatisfied.

Yet, I believe that we have to support those inside El Salvador who seek moderation, and a better way of life for all sectors of the population through these troubled times. I ask that the full text of the Providence Journal editorial be printed at this point in the RECORD.

The editorial follows:

U.S. AID NEEDED IN SALVADOR MOSTLY ECONOMIC

Mounting protests against U.S. policy in El Salvador make it important for the American people to distinguish between beneficial and dangerous elements in the revolutionary struggle that envelops that country. From the not-very-well informed demonstrators who paraded in Providence last weekend to the leadership of five national Protestant denominations, the protests can be valuable only if they recognize the complexity of El Salvador's problems and the area where U.S. aid can be most helpful.

Years of dictatorship and repression by a small group of military officers and landholding families have created their own internal opposition. And measures that would clearly align the United States with this right-wing group can only alienate the mass of the people, which includes what is left of the middle class and a large segment of leftist but undoctrinaire moderates.

Clearly there is a hard-core Communist group that is not interested in compromise and that would prefer to see the current junta government fail in its goal of reform both economic and political. That group is small, estimated by U.S. government sources at only several hundred. Success for the junta and for U.S. policy lies in separating the moderate leftists from the Communists.

Fortunately, the guerrillas failed in their campaign of January to overthrow the junta and set up a more radical government. They failed because they attracted little support from the mass of the people or the Christian Democrats who have been backing the government. The Catholic clergy has been backing away from the guerrillas. Moreover, the Nicaraguan government seems to have had second thoughts about supplying arms to the guerrillas, in view of its need for economic aid from the United States.

Thus, the current situation calls for a minimum amount of military aid. The military threat from the guerrillas has receded. The number of U.S. military advisers is not likely to be increased for the obvious reason that they could spark a backlash among the people. El Salvador's most pressing need is for economic aid. That's why Congress was asked yesterday to double the aid appropriation to $128 million, to help the junta fend off bankruptcy, while it proceeds with the land redistribution program that is the proof of its sincerity to the landless peasants. The aid also is needed to create industrial jobs, since the country just doesn't have enough land to go around.

Meanwhile, the right-wing military in El Salvador, which has been responsible for thousands of murders or has at least condoned them, must be kept from extreme measures, such as a new attempt at a coup. Time is on the side of revolution in El Salvador—and probably other Central American countries, too. If the extreme right is permitted to renew its police-state methods, then what remains of the moderates, will be thrown permanently into the arms of the Communists and when the final overthrow of the increasingly isolated right does occur, there will be no room for moderates or for democratic government.

U.S. advocates of intervention in El Salvador can do no better than to recall the course that the Portuguese revolution took. The first government to succeed the dictatorship there was Communist-dominated. Yet aid supplied by Socialists and Christian Democrats in other West European countries enabled the moderate parties to come back and win an overwhelming victory over the Communists. Careful nurturing of democratic forces can still have the same result in Central America.●

THE APPALACHIAN REGIONAL COMMISSION AND ITS PRODUCTIVE PROGRAMS SHOULD BE CONTINUED

● Mr. RANDOLPH. Mr. President, there is no greater evidence that the President's spending reduction proposals were hastily developed without consideration of the consequences to the American people than in the totally unjustified decision to eliminate the Appalachian Regional Commission and all of its nonhighway activities. Even a cursory examination of the structure and operation of the Commission, of its achievements and potential, would have resulted in the opposite conclusion.

The Appalachian program was initiated in 1965 to address a particularly serious set of socio-economic concerns in a 13-State section of our country. This region traditionally lagged behind the rest of the country in virtually every measure of economic strength.

The Appalachian program instituted a unique approach to solving these problems. The program is founded on the concept of partnership in which the States and the Federal Government operated as equals. Programs and projects are initiated at the local and State levels: They are not imposed by the Federal Government from Washington.

Mr. President, I know of no more precise description of the concept of the Appalachian Regional Commission and its value in the years ahead than that enunciated by Donald W. Whitehead, Federal cochairman of the ARC for 6 years under Presidents Nixon and Ford. Mr.

Whitehead, who describes himself as a lifelong Republican and a political conservative, presented testimony to the House Subcommittee on Economic Development for a hearing conducted on March 13 of this year. I quote briefly from Mr. Whitehead's statement.

I fear that the Administration's proposals to date have overlooked the value of the ARC's shared power process not only as an effective mechanism for shifting power back to the states and local governments and making better public investments, but also as a way of winning gubernatorial acceptance of federal budget cuts.

Mr. Chairman, the ARC shared power process is a proven system for enabling Governors to allocate federal funds coming into their states, to participate in writing the guidelines defining the terms under which those funds will be spent, and to select the projects deemed most important for meeting the needs determined by the local and state governments—by those closest to the problems and those who, after all, bear the primary responsibility for solving them.

This ARC shared power process is a working demonstration of the principles President Reagan has enunciated for his domestic program. It can be cited as proof that these principles, if embodied appropriately in the right institutional framework, will produce more effective use of the tax dollar in whichever program area or areas, and at whatever level (greater or lesser). And if the process works in West Virginia and parts of Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee and Virginia, it ought to be replicable nationwide.

Since the Appalachian program was initiated there has been substantial progress in the region toward goals established in 1965. While the Appalachian Regional Commission cannot take sole and total credit for all of the improvements, the following have been achieved:

Per capita income in the region has risen from 78 to 86 percent of the national average.

The poverty level has declined from over 31 to 14 percent and is falling at a faster rate than that of the Nation.

More than 1.5 million new private sector jobs were created between 1965 and 1978.

The percentage of people getting a high school education is moving toward the national average; up from 33 to 53 percent compared to a national average of 64 percent.

The rate of infant deaths between 1960 and 1977 declined from 26.5 per 1,000 to 14.3 and now more nearly approximates the national rate.

The historical pattern of outmigration has been totally reversed. Between 1970 and 1980 the region has gained an average of 100,000 persons a year from inmigration and population growth rate is near the national average.

Through the locally initiated planning process a wide variety of activities has been undertaken with Appalachian Commission support. It is important to remember that the Appalachian program, like that of EDA, is to a considerable degree that of a catalyst. Many nonhighway projects are carried out with minimal participation of actual ARC funding. It is the availability of these funds, however, that often makes the difference in obtaining support from other Federal, State, and private sources. The process is intended to assure the best use of these scarce resources.

Mr. President, a Member of the House of Representatives, in recently criticizing the Appalachian program, observed that of $60 million worth of Appalachian projects in his district, only 7 percent of the money came from Commission funds. I submit that this individual completely missed the point and the philosophy behind the Appalachian program. As I have indicated, it is a major purpose of the Appalachian program to be a catalyst and to provide seed money to make projects possible. A $60 million return on a 7-percent investment by the ARC is indeed an admirable record, and it demonstrates the validity of this approach.

Since its inception the Federal Government has invested $4.3 billion through the Appalachian Regional Commission. Of this amount $2.6 billion were dedicated to work on the 3,025-mile development highway system which is intended to make the rugged terrain of our region more accessible and thereby more attractive to economic development. Another $1.7 billion was allocated to nonhighway activities covering a wide range of service and developmental projects. These funds have brought to Appalachian projects $1.7 billion in State funds, $1.8 billion from local governments, and $1.6 billion in other Federal funds.

A few of the varied types of ARC-sponsored activities are as follows:

Twenty different types of child development services that have reached 330 counties and served about 200,000 families.

Assistance to over 500 schools in providing job-related vocational and basic educational skills. More than half of Appalachian 11th and 12th graders are now getting technical and vocational job-related training.

Over 1,800 miles or approximately 60 percent of the development highways authorized for assistance are complete or under construction.

Assistance to projects which will provide over 21,000 units of critically needed housing in the region. Some 10,519 of these units have been completed; another 2,100 are under construction.

Over 1,472 community improvement projects such as water and sewer systems, community improvements and industrial parks.

Mr. President, I have received expressions of support for the Appalachian program from throughout the region. In many instances these are accompanied by examples of what the Appalachian program means to communities. I recently received a letter from Robert H. Musselwhite, county administrator of Upshur County, W. Va. He wrote as follows:

You are aware that West Virginia struggles as do other parts of the Appalachian mountain chain to provide basic services that many other areas of the country have long since established and would not consider disposing of. I am speaking of road systems, sewer systems, adequate water facilities, adequate health care; and I know that in some states recreation is considered to be an essential service. West Virginia's volatile economy has produced over the years a tendency toward an incapacity to produce a tax base that could help us to help ourselves. It is for this reason that the work of the Appalachian Regional Commission is especially important to us in helping us break the cycles created by an overdependence upon extractive types of industries.

Such projects funded by the Appalachian Regional Commission may be luxuries in other parts of the conutry but are basic necessities in my county.

While substantial progress has been made there is much to be done. There remains a high level of rural poverty in the region, at least one-third higher than the national average. The medium number of school years completed in Appalachia is a full year behind the national average, and more than half of the Appalachian counties has infant mortality rates above the national average. It is unrealistic to suppose that local and State governments can fill the gaps created by the abrupt ending of the Appalachian program.

The almost total rescission of Appalachian funds for fiscal 1981 would have an immediate and widespread effect in the region. It would eliminate 706 pending projects representing 2 to 3 years of work by local officials, organizations and citizens. These projects directly affect 4 million people.

Again, a variety of projects would be ended this year including 65 established child development projects and 16 proposed new projects. In addition, 155 health projects, 102 education projects, 14 State housing projects and 26 energy-related projects would be among those lost this year. The absence of funding in fiscal 1982 would have a comparably serious impact.

The operation of the Appalachian Regional Commission clearly is consistent with the stated objectives of the administration to make economic development an activity primarily concentrated at the local and State levels. This program, therefore, should be continued for two reasons.

First, to evaluate the ways which the Appalachian experience might be translated into a national effort; second, a continuation at least through fiscal 1982 would permit a transition to a revised program or even orderly termination of the existing effort without the shock effect that would be produced by the President's proposal.

Spokesmen for the administration have maintained that the impact of the ARC program in the region is "unidentifiable". That assertion is unfounded. While the program cannot and does not take credit for all of the regional progress in the past 15 years, there is ample evidence that it has helped to create a climate for a substantial amount of this achievement.

Mr. President, this issue was addressed eloquently and accurately by our colleague from Kentucky, Senator HUDDLESTON, in a letter of March 5, to President Reagan. I ask that Senator HUDDLESTON's letter be printed in the RECORD at the conclusion of my remarks.

Mr. President, from the beginning the Governors of the 13 Appalachian States have been intimately involved in the development and execution of Commission programs. Perhaps more than any other group, they know best the impact on their States of this unique partnership effort.

Almost immediately after the new administration made known its plans to terminate the Appalachian program there was a response from the Governors. On February 1, Gov. Lamar Alexander of Tennessee, assumed the office of State cochairman of the Appalachian Regional Commission for 1982. On February 13, he directed a letter to David Stockman, Director of the Office of Management and Budget, in response to the Presidential proposal to eliminate the Appalachian Regional Commission. His words are representative of the attitude of the Governors to this program, and I shall ask that Governor Alexander's letter be printed in the RECORD at the conclusion of my remarks.

On February 24, 1981, the Governors of the Appalachian States met in Washington and adopted a resolution strongly recommending such an approach. This bipartisan resolution, which was supported both by Democrats and Republicans, acknowledged the possibility of reduced funding levels during 1981 and 1982. It also called on President Reagan to appoint a representative to work with the Governors in planning for the future. This is an imminently sensible approach and one that should be followed. It will not work, however, unless the Congress provides an adequate level of funding for the ARC through fiscal 1982. I strongly support such continued funding.

Mr. President, I shall also ask that the resolution of the Appalachian Governors be included in the RECORD at the conclusion of my remarks.

Mr. President. I gave consideration to offering an amendment to Senate Concurrent Resolution 9 to provide continued funding for the Appalachian Regional Commission for fiscal 1981–82. In 2 days of caucus, Democratic Senators agreed to a limited number of amendments which would be proposed to this measure. These address issues with broad national impact, and it is appropriate that they receive our attention during the limited time available for debate on this bill. For that reason, I will not propose additional funds for the ARC at this time although I firmly believe that the Appalachian experience has implications far beyond the borders of our 13-State region.

I am pleased that the Committee on Public Works and Transportation of the House of Representatives has recommended to the Budget Committee in the other body a continuation of funding for the Appalachian Commission even though it is at a reduced level consistent with reductions imposed on other Government activities. I commend the Members of the House for their action and I urge Members of the Senate to endorse this action when a conference on Senate Concurrent Resolution 9 is held.

The letter and the resolution follow:

STATE OF TENNESSEE,
February 13, 1981.

Mr. DAVID STOCKMAN,
Director, Office of Management and Budget, Old Executive Office Building, Washington, D.C.

DEAR MR. STOCKMAN: This is in response to the President's plan to eliminate the Appalachian Regional Commission from the Federal budget in the next fiscal year and eliminate the non-highway funds in the current year. His letter says that responses are due within 48 hours.

The federal ARC Co-Chairman, Al Smith, is responding separately.

As states' co-chairman, I won't presume to speak within 48 hours for the governors of the 13 Appalachian states. On my own, I offer these thoughts:

(1) Tennessee spends and administers $1.3 billion in federal funds. The best spent—in terms of impact for the benefit of the most families—is our $11 million of ARC non-highway money. This is because local and state officials annually set priorities for the spending and parcel out the funds sparingly. There is virtually no overhead;

(2) You should not eliminate non-highway funds in the current year. Local governments have made obligations based on them;

(3) Rather than eliminate ARC, you may want to consider spending more of the remaining federal funds through such structures. It permits state and local planning with a federal veto, a lot better system than in *any* of the 500 plus categorical grants.

I want to support, as I believe most governors do, the President's effort to reduce federal spending. I am willing to accept Tennessee's fair share of reduction in federal spending to help in this effort It is impossible to tell what is a "fair share" of the load until I see an outline of the entire budget.

Therefore, I am suggesting by this letter to the other ARC governors that we listen to what the President has to say February 18, study his proposals, consult with our Congressmen and Senators and then respond promptly to his proposals.

The governors' response will come shortly after we meet in Washington at 1:00 p.m. on February 24.

Sincerely,

LAMAR ALEXANDER.

U.S. SENATE,
Washington, D.C., March 5, 1981.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Administration's approach to the Appalachian Regional Commission alarms me because it shows total unfamiliarity with the purpose of the program, the ARC's significant visible impact in the region and the public confidence and acceptance it enjoys. I offer the following illustration in response to the charge the ARC's impact in the region is "unidentifiable".

Item: In 1977, the American Enterprise Institute published its study of the ARC program and discovered, much to its surprise, that the ARC program ranked higher in terms of effectiveness and public confidence than any other federal program—including revenue sharing. A copy of that report titled Shared Power has been provided to OMB analysts and has been widely distributed.

Item: ARC early in its program developed a long-range plan to construct a system of highways which, with the national interstate highway system, would open up areas of the Appalachian region with a developmental potential. Today, this 3,025 mile Appalachian Development Highway System is almost 60 percent complete, with 1,806 miles open to traffic or under construction.

Item: At the beginning of the ARC program, the region's young people were leaving in droves to find work in the cities of Cincinnati, Cleveland, Chicago and Detroit. The Commission began to systematically build vocational schools until every county in the region had the facilities to provide vocational training. Today, industry is beginning to thrive and prosper in these areas where there is a skilled work force. The out-migration of the youth has been arrested and, in fact, has been reversed.

Item: Health facilities have been modernized and built where not previously in existence. Approximately 30 clinics are in operation and serving areas that have been without medical care. Health care for children and working mothers continues to be a pressing need in approximately 50 counties of the region. To meet this need, the ARC assisted in the establishment of three medical schools and the development of family practice residency programs in two others.

State and local governments have committed their resources to 20 new projects for FY 1981 that are designed to deal with the problem of infant mortality. Central Appalachia has the highest infant mortality rates of any area in the nation. Portions of Appalachia continue to be at the very bottom of the ladder and have the highest incidence of economic and social needs. A rescission of FY 1981 non-highway funds will cause severe hardship to the people of Appalachia if these projects, and others which are also important are not funded.

Item: 1978–79, the ARC provided the leadership to prevent the bankruptcy of dozens of hospitals and clinics that were threatened with collapse due to the combined effects of severe floods, and the decline in coal production that depleted the miners' welfare and retirement funds.

Item: The ARC fostered the establishment of multi-county planning and development districts. These districts provide technical assistance to local governments, promote industrial development, and encourage local governments to cooperate in providing improvements which could not be undertaken separately.

The ARC has not addressed some of the region's fundamental problems, but it is simply incorrect to say that the impact is unidentifiable. The Commission programs have succeeded in reversing decades of neglect. While significant progress has been made, there are still critical special needs which remain. The Appalachian Regional Development program is one of the least understood programs in the federal government because it is not solely a federal program.

The ARC is a federal-state partnership. The thirteen states are 50% of the program and contribute half of the funds to support the program's administration. The employees of the ARC are not federal employees and are expected to serve the needs of the federal and state sides of the program.

The Governors of the thirteen states together with a representative of the President make the policy and spending decisions for all projects funded by the ARC. It provides a forum where national priorities are refined to meet and also serve the critical needs of states and local communities. This is unlike any other federal program where the states have no inputs and must comply with myriad federal regulations.

It seems to me that if this Administration is serious in its declarations to delegate more responsibility and authority to the states that it should look at one of the most viable devices for achieving that goal.

Mr. President, the region called Appalachia needs the Appalachian Regional Commission. If this Nation is to succeed in achieving energy independence, it must successfully develop its own energy resources. Among these resources is coal. Any major expansion of coal production is going to overwhelm the ability of state and local governments to cope with the great range of problems that will accompany this development. In the East, it is the ARC that can best provide the policy and planning framework to pull together federal and state actions in this enterprise.

I share your concern about the size and cost of the federal government—it must be reduced. However, it would be penny wise

and pound foolish to attack a program that is one of the most cost-efficient and widely accepted public investment programs.

Recommendations:

In the area development program, the ARC should be directed to concentrate its efforts in two areas: 1) expanding the housing industry through the state housing authorities; and 2) to continue to address the serious problems of inadequate health care.

The Commission's FY 1981 area development funds should not be rescinded. For FY 1982, there should be continued funding for these Commission programs at a level reflecting a fair share of necessary budget cuts.

The Appalachian Development Highway System is the most important Commission program in fostering economic development in Appalachia. The transfer of this program to the Federal Highway Administration in FY 1981 would be a serious mistake. Legislation to provide future funding from the Highway Trust Fund may not be in place by the beginning of FY 1982. A number of issues must be resolved. For example:

Who will review and approve centerline locations?

What priority system will be followed?

Why do you expect Congress to permit funding of this program from Highway Trust Fund revenues without the additional revenue from the suggested 2 cents increase in the gas tax?

How will you allocate funds among the Appalachian states?

How many years of funding, and at what levels of authorizations, do you intend to propose and then support with appropriation requests?

What provision will you make for those states that have prefinanced projects on the Appalachian Development Highway System?

What will happen to the access road program? Will funding be provided to complete projects approved by the Commission? Will access road projects be approved after transfer of the highway program to FHWA? Who would do this if the Commission is still in existence?

I support the enclosed resolution passed by the Appalachian Governors on February 24 as it pertains to the Appalachian Highway program. I recommend that you work with the Governors in developing long-range solutions for the program.

The ARC has not addressed certain long-term regional issues. The Commission must develop a program of dealing with the long-term energy development issues confronting the eastern coal fields—mine safety, employment, transportation, housing, marketing, land reclamation and environmental protection. You have an opportunity to correct this with new direction.

I am very much afraid the Administration's announced intentions for the Appalachian Regional Commission will amount to an abandonment of a vital mission, sustained over four previous administrations, attacking the problems of Appalachia and its people. In your efforts to make even-handed reductions in programs of the federal government, I hope you will seriously consider the devastating impact such a policy direction as eliminating the ARC will inflict upon the existing critical needs of the people of Appalachia. The opportunity stands before you to make the determination as to just how the Commission process could be used to assist in carrying out your objectives nationally. I encourage you to neither be unmindful of the needs for the future, nor the very real progress of the past through the efforts of the Appalachian Regional Commission.

Sincerely,

WALTER D. HUDDLESTON.

APPALACHIAN REGIONAL COMMISSION

(Resolution Number 523S, February 24, 1981)

A Resolution of the Appalachian Governors Concerning the Appalachian Regional Commission

We support the President's determination to limit federal spending and agree that the Appalachian Regional Commission should take its fair share of the cuts. We are concerned because the Administration proposal terminates the Commission. We wish to call several matters to the attention of the President and the Congress:

ARC's effectiveness is based on a system of sharing power in the conduct of government business which is consistent with the President's determination to shift power from Washington to the states so that national priorities can be adapted to the real needs of states and local communities.

The Commission program is succeeding. Substantial and visible progress is being made in reversing decades of neglect. However, special needs remain.

More than 700 Appalachian communities will suffer unfairly if their projects to which we committed ourselves are denied funding by rescission of ARC FY 1981 funds.

Continuity of progress on the ARC highway system is essential. The President's proposal for future funding out of the Highway Trust Fund requires legislation which may not be in place by the beginning of FY 1982.

State capacities to assume responsibility for ARC nonhighway activities will be affected by passage and implementation of flexible block grant programs which may not be in place by the beginning of FY 1982.

Therefore:

We urge the President and the Congress not to rescind remaining ARC FY 1981 nonhighway funds.

We urge the President and the Congress to provide continued funding for ARC highway and nonhighway programs in FY 1982 at whatever levels reflect a fair share of federal budget cuts.

We urge the President to appoint a representative to work with us during the next 90 days to determine how our experience with the ARC process might be used to carry out the President's programs nationally. We commit ourselves to a cooperative, bipartisan effort. We will submit our recommendations promptly, along with various options, including a possible orderly phase-out of the Commission.●

PROPOSAL FOR A FAIR SHARE DISTRIBUTION OF FEDERAL FUNDS

● Mr. QUAYLE. Mr. President, as the Senate completes the initial phase of the reconciliation process I urge my colleagues to insure an equitable allocation of Federal funds. To accomplish this fair share distribution, I recommend that no State receive less than 90 percent of its per capita share of Federal funds approved for consolidated programs in the areas of health, education, and social services.

This fair share distribution of funds will not add one penny to total Federal spending.

Presently funds for programs that will be included in the several block grants are divided among the States using a myriad of rules and criteria. In some cases these rules are sensible for a specific program but irrelevant to a block grant. In other cases the allocation formulas seem to have favored those who were willing to spend the most time—and money—in unraveling bureaucratic redtape.

Now is the time to do away with complexity, and grantsmanship, in Federal programs for the needy. Now is the time to correct the imbalances that have arisen as the direct result of current allocation practices. The equity of Federal funds distribution will become crucial to a number of States when block grants are put in place if they are based upon current funding levels.

The wide variety of distribution formulas must be consolidated along with the programs. In some cases it may be necessary to define a relevant population subgroup for purposes of computing the per capita distribution—for example, school-age children for the education block grant. In addition, some States have older, more needy populations, or substantially more handicapped citizens. By setting the fair share standard at 90 percent of the per capita distribution, allowances can be made for unusual circumstances while retaining the principle of equitable allocation of Federal funds.

The President has recommended a 25-percent reduction in block grant programs. If these block grants are based on 1981 Federal fund receipts, then States like Indiana, North Dakota, Idaho, Michigan, Ohio, Louisiana, Utah, and others that are net losers would be locked in to receive 75 percent of this already less-than-fair share.

I believe that dividing the funds based on population is an equitable proposal. Furthermore, I acknowledge that sacrifices have been called for and will have to be made. What I am asking is that the consolidated block grants be distributed so no State receives less than 90 percent of the amount to which it would be entitled based upon population.

This is a fair distribution so that all share equitably in benefits and sacrifices.●

CONSERVATION AND LAND USE

● Mr. MATHIAS. Mr. President, we Americans are the only people on Earth who have managed to land their national bird on the endangered species list. We are also guilty of such thoughtless misuse of Earth's bounties that it is no wonder our planet has been called the lunatic of the solar system. Modern man, with Americans in the forefront, has almost—but not quite—fouled his own nest to the point where it is no longer fit for his habitation.

That is the bad news.

The good news is that in the past when Americans have been brought to the brink of ecological disaster and have peered over the brink into the abyss, they have been able to draw back in time. The result is that fish have returned to the Potomac River and the Cauhoga no longer catches fire by spontaneous combustion of the pollution on its surface. The Chesapeake Bay is on the mend and the American eagle soars again. Through

a series of near disasters Americans have learned to have a care for clean water and for clean air and we have made noticeable and heartening progress in these areas.

But the American consciousness still needs raising on the subject of conservation and land-use. I am confident, based on past experience, that once the educational job is attacked action will follow. For this reason, I would like to have printed in the RECORD at the conclusion of my remarks a very short editorial that appeared in the March 19, 1981, issue of Country Life, that quintessential journalistic expression of the English people's love of nature. The lead line of this editorial sounds the alert:

Should we destroy the present basis of life on Earth, not by nuclear war but, as seems more likely, by the slow degradation of our habitat, any intelligent humans who survive will know that the tragedy was the more poignant because, all over the world, informed men and women were aware of what was happening.

I think that poignant tragedy is avoidable. I firmly believe that informed men and women will act before it is too late. But, since this editorial suggests that the opposite may be the case, I ask that it be printed in the RECORD for the solemn warning it contains and because it suggests small ways, practical ways, to move back from the brink before it is too late.

The editorial follows:

CONSERVATION AND LAND-USE

Should we destroy the present basis of life on earth, not by nuclear war but, as seems more likely, by the slow degradation of our habitat, any intelligent humans who survive will know that the tragedy was the more poignant because, all over the world, informed men and women were aware of what was happening. In 1972, the UN Conference on the Human Environment first put the issue firmly on the platform of world politics. In 1980, the International Union for Conservation of Nature and Natural Resources published World Conservation Strategy (Country Life, March 13, 1980, page 740) to stress the need for urgent action by governments, industry and land managers to conserve living resources. The Strategy pointed to three main objectives: the maintenance of ecological processes and life-support systems; the preservation of genetic diversity; and the proper utilisation of species and ecosystems.

But what, in 1981, in this small country, can we do about it? There are two things that we have within our power: we can set our own house in order; and we can set an example. The Nature Conservancy Council, which is the statutory body responsible for nature conservation in Great Britain, in its annual report just published (HMSO, £4.90), points to ways in which both those national objectives—which have the advantage of being extra-political—can be achieved. "The problem of global resource depletion", says the Report, "might at first sight seem rather remote from our concerns in the United Kingdom. But the impact which this country has on wildlife and natural resources, both at home and abroad, is considerable. As one of the most densely populated countries in the world, with high levels of pollution and consumption . . . the United Kingdom probably does more than its fair share of resource depletion." The way ahead, the Report suggests, lies in more effective use of resources, which will in turn reduce pressure on the environment. There is, therefore, "a pressing need for an integrated policy of land-use". That need has already been proclaimed many times in Country Life. For the past 35 years each government department has used land as though its own problems were the only ones that mattered. For example, new towns and motorways have been built over first-class agricultural acres.

In the international sphere, suggests the Report, the UK, in co-operation with its EEC and Commonwealth partners, can take steps to regulate the activities of European-based companies in developing countries. "For instance, timber companies should be more selective in their felling programmes and should give more consideration to replanting with the species of tree exploited." The second of these two proposals may be harder to achieve. What happens in the rain forests of South America may be beyond our control. But at least we have no excuse for continuing to misuse our own land.●

THE CHINA FACTOR

● Mr. GLENN. Mr. President, on March 19, 1981, a group of persons from the Government, business, the professions, the academic community, foundations, and the communications media met at Arden House in Harriman, N.Y., for the 59th American Assembly on the China Factor. This assembly was cosponsored by the Council on Foreign Relations. For 3 days the participants discussed the impact of Sino-American normalization on the global scene, options available to the United States for further developing its bilateral relations with the People's Republic of China, and the consequences for U.S. national interests in other areas of the world which will result from those relations.

On March 22, following their discussions, the participants produced a report which contains both assessments and recommendations. I urge all my colleagues to read this report which I wish to have inserted in the RECORD.

Special praise is due William Sullivan, president of the American Assembly, Winston Lord, president of the Council on Foreign Relations, and Dr. Richard H. Solomon of the Rand Corp., who were responsible for this very successful conference.

The report follows:

THE CHINA FACTOR

FINAL REPORT OF THE FIFTY-NINTH AMERICAN ASSEMBLY

At the close of their discussions the participants in the Fifty-ninth American Assembly, on The China Factor, at Arden House, Harriman, New York, March 19–22, 1981, reviewed as a group the following statement. This statement represents general agreement; however, no one was asked to sign it. Furthermore, it should not be assumed that every participant subscribes to every recommendation.

INTRODUCTION

The normalization of United States relations with the People's Republic of China in the 1970s consituted a major and positive development in U.S. foreign policy. Normalization removed major burdens from our international relations and national security planning, enhanced United States strategic flexibility, imparted greater stability to the Asian region, and opened up prospects for bilateral cooperation on a range of economic and other issues.

Despite the remarkable progress of the past decade, there are uncertainties about the future of U.S.-PRC relations, especially in the area of security cooperation. There has been a significant reduction in U.S. expectations regarding its now-normal dealings with China. With the perspective of ten years of direct contacts, the PRC is now seen to be a regional rather than a global power, a developing country struggling with the problems of political instability and economic and social modernization.

This reduction in expectations, in contrast to the heady euphoria of some earlier years, now provides a healthy realism to the relationship. It also suggests that the early 1980s will be a period of consolidation of the rapid gains in U.S.-PRC relations of the 1970s rather than a time of dramatic new developments. Yet the constant, step-by-step, promotion of a positive U.S.-PRC relationship represents an investment by both nations in long-term strategic equilibrium and economic benefits. Conversely, a significant deterioration in Sino-American relations would seriously harm U.S. political, security, and economic interests.

Both sides are concerned about the stability of the relationship due to uncertainties about leadership and policy. Development of the relationship is constrained by differences in social and political values and institutions—in contrast, for example, to America's close relationship with Japan. There remains in the U.S. a concern for individual and political rights throughout the world. Yet the United States and China share important international security concerns; and it is in the U.S. interest to assist the economic and social development of China.

Meeting the Soviet challenge to American and Chinese security has been and is likely to remain a major stimulus to the evolution of U.S.-PRC relations. Nevertheless, the future of the relationship should not be based solely on the issue of resistance to Soviet expansionism. In any event it is important to broaden ties in ways that will contribute to regional stability and help stabilize the bilateral relationship through the expansion of mutually beneficial trade; cultural, professional, and other exchanges; and the training of new generations of talent in the sciences and engineering, arts, and social sciences.

It is in America's interest that China progress in its current development policies—which stress domestic modernization and open relations with the U.S., Japan, and Western Europe. The failure of these policies, or a loss of mutual confidence in the political and security aspects of the relationship, could lead to major changes in the PRC's political orientation which would confront the United States with much less favorable alignments and circumstances in Asia and the world than exist at present.

U.S.-PRC FOREIGN POLICY COOPERATION

American and Chinese policy interests and objectives intersect at specific points rather than running parallel across a broad spectrum of issues. On the key strategic question of restraining and resisting Soviet military and political pressures on the two countries and on third parties throughout the world, there is a sense of common objective even if not always of common means. This has produced major gains for the conduct of American foreign policy.

U.S. and Japanese security concerns have been fundamentally altered as a result of the improvement in China's relations with both countries. The PRC is no longer seen as a military threat. China policy is no longer a divisive issue in Japanese-American bilateral relations. Both the U.S. and Japan have been able to develop productive relations with the PRC while preserving their own close ties.

China's interest in avoiding a new conflict on the Korean Peninsula improves the prospect for stability in Northeast Asia. Encouraging the Chinese to sustain this interest should be a high priority American objective. Over time this could contribute to further easing of tensions between North and South Korea, even though at present U.S. and Chinese approaches to resolving the continuing differences between the two Korean states diverge sharply.

In Southeast Asia, China's interest in resisting Vietnam's control of Indochina and the consolidation of a Soviet foothold in the region is shared both by the U.S. and the states of ASEAN (the Association of Southeast Asian Nations). Nevertheless, Chinese policy approaches, tactics, and long-term objectives are not fully shared by the U.S. and the ASEAN countries. While consulting with China on common interests in this region, it is important for the U.S. to continue to distinguish between PRC objectives and those of the U.S. and its other friends.

China's concern for Pakistan's security in the face of Soviet aggression in Afghanistan, and over a possible further Soviet thrust toward the Persian Gulf and the Indian Ocean, represents both a strategic interest shared by the U.S. and an area for closer Sino-U.S. consultation.

In these and other areas around the periphery of the PRC where China's security interests and political reach are deeply engaged, it is important that the U.S. consult closely with Peking even though policies not be directly coordinated or worked out in a collaborative manner. At the same time, the U.S. must continue to work closely with its long-time friends and allies to ensure that their policies and our own are in harmony and that they are aware of U.S. consultation with the PRC.

Elsewhere in the world, China's political, economic, and strategic involvement and influence are much more limited. PRC interest in the strength and unity of NATO, and concern over developments in the Persian Gulf area, reflect its concerns that Soviet power be deterred at the western and southern boundaries of the Soviet Union. This reinforcing of broad American and allied security objectives is helpful to the West. At present, however, the Chinese can play only a limited direct role through diplomatic support and public encouragement.

China's interest in preserving relations with Third World countries frequently results in its taking positions which seem contrary to those of the U.S. While at times these are an irritant, they reflect the independent foreign policy posture of the PRC and, on balance, enable it to work effectively and in ways which parallel American interests in countering interventions by the Soviet Union and its proxies. In specific circumstances, there may be opportunities for U.S.-PRC consultations which would ensure that each country is fully aware of the interests and policies of the other.

Recent shifts in China's policy regarding relations with violent political movements may lead Peking to limit its involvement with insurgent and terrorist groups in Third World countries. Particularly in Southeast Asia, this has eased pressures on some countries of the area, although Peking has maintained its formal endorsement of Communist Parties in the region, and suspicions of China remain strong. Elsewhere, the PRC has preserved political contacts with revolutionary groups and, while not necessarily following the same course as that of the U.S., has helped to limit the influence of the Soviet Union or its proxies.

China has also gradually expanded its participation in a broad range of international political and economic organizations and activities in which U.S. policy interests are deeply engaged. China's influence within the international community is likely to be increasingly important—particularly with other developing states. Hence, it is important that the U.S. consult with China and encourage its support for positions and policies of concern to the U.S.

Therefore, we recommend that:

The U.S. maintain an active high-level dialogue with PRC leaders on Asian issues where American policy interests are most affected and where China may play a specially helpful—or damaging—role. At the same time, the U.S. should ensure that its own positions are closely coordinated with its long-time friends and allies, particularly Japan, the Republic of Korea, and the states of ASEAN and ANZUS, and that we consult closely with these countries on our discussions with the PRC.

The U.S. should, at frequent intervals, exchange views with the PRC on developments in other areas of the world and encourage similar consultation between our missions and those of the PRC abroad. These regular consultations should be reinforced by senior leadership exchanges on the global situation, particularly on broad strategic issues.

There will be specific situations in which close coordination between the U.S. and the PRC on foreign policies will be both appropriate and useful to both sides. The effort to attain such coordination should not be pursued by the U.S., however, to the extent of interfering with cooperation with our allies.

Since the Chinese are not reticent in criticizing American policies on specific issues where PRC interests and those of the U.S. diverge, the U.S. should not feel constrained in criticizing China's policies, when appropriate. It should convey our views strongly and firmly to PRC officials in private—or publicly when necessary—in circumstances where their policies seriously conflict with our own.

The U.S. should encourage the PRC to play an active and constructive role on other global issues of particular importance to both the U.S. and the PRC. These include energy exploration, population limitation, agricultural development, environmental issues, and scientific research.

SECURITY COOPERATION

The integrity of China is important for the maintenance of strategic balance. A weaker and more vulnerable China could invite external pressures which could force the PRC to accommodate to another power. A strong U.S.-PRC tie will help sustain the transformation in China's international alignment which has been so favorable to American security interests and strategic flexibility.

There have been important gains for American security as a result of U.S.-PRC normalization. Nevertheless, the China factor cannot be a substitute for strong American defenses. Moreover, a vulnerable and passive United States will not be an attractive partner for the PRC. A U.S. secure in its own defense preparations and active in maintaining a global balance will enable China to gain greater confidence from its current association with the United States.

Today, the U.S. and China have properly defined their relationship as a friendly one, but not as an alliance. Beyond this, there is not yet a clear agreement or firm policy guidelines for the development of U.S.-PRC cooperation in security affairs. It is clear, however, that the Soviet threat has been a major impetus to security cooperation and provides its political rationale. This lack of agreement was reflected in the discussions of the Assembly.

Public discussion of Sino-American security relations has tended to focus on the issue of weapons sales; yet such sales are less significant than political consultations, reinforcing efforts in support of mutual friends, or U.S. assistance to China's scientific and industrial modernization. These activities must be given appropriate emphasis in developing an effective policy for meeting the security concerns of the two countries.

Leadership discussions of shared Sino-American security concerns were central to the normalization process. After the Soviet Union's invasion of Afghanistan in 1979, however, American policy was modified to permit low levels of defense cooperation and sales of nonlethal military hardware. Washington and Peking now exchange high-level delegations of defense officials and share information.

The stated policy of the U.S. is to permit the sale of dual-use technology and military support equipment to the PRC, although to date few such sales have been licensed. A more active program of military cooperation with the PRC could involve military training or joint staff consultation and the removal of the current prohibition against the sale of lethal but defensive weaponry.

Security cooperation should be expanded to authorize the licensing of defense-related industrial production technology on a case-by-case basis. Beyond this, there was limited support among the participants for advancing the level of security cooperation at this time, but they recommended that this alternative be kept under continuing consideration. We must make clear to our adversaries that heightened threats to our common interests will evoke higher levels of Sino-American security cooperation. We strongly recommend that there be no reduction in present levels of activity as it would be likely to degrade the U.S.-PRC relationship.

China has a limited capacity to finance and absorb large quantities of high-technology weaponry purchased abroad. Defense cooperation, in any event, should not be developed at a rate and to a level that would be needlessly provocative to our adversaries or which would threaten the security of allies and friends.

THE BILATERAL RELATIONSHIP

The bilateral relationship between the United States and the People's Republic of China, although short on history, is long on accomplishments. It is characterized by high-level political consultations, a rapidly growing economic intercourse, and by active programs of cultural, educational, and scientific exchange. These developments serve the interests of both countries and should be systematically developed and expanded.

The United States can play an important role in training new generations of Chinese scientific, managerial, and other intellectual talent, and it should do so. These training programs should be balanced with those for other countries already involved in U.S. government-funded programs for educational purposes. The United States should not deprive China of opportunities available to other countries. The U.S. government should, therefore, remove those remaining legal barriers to Chinese participation in these programs, such as are contained in the provisions of the Foreign Assistance Act, and in other ways facilitate training programs for Chinese to the fullest extent possible.

It is also important in developing a positive U.S.-PRC relationship that American students and scholars have the fullest access possible to the PRC for study and research. Considerable progress has already been made. Differences in the two societies, in their respective levels of economic, scientific, and technological development, and in the needs they seek to satisfy through exchange programs, make unrealistic and undesirable any rigid formula for reciprocity although appropriate balance is a major ob-

jective. Nonetheless, a situation in which China has largely unrestricted opportunities for training and research in the United States while Americans have relatively limited opportunities to engage in comparable activities in China will become increasingly untenable. We recommend, therefore, that the PRC be encouraged to provide at an early date greater access for Americans interested in pursuing study and research in China.

The training of new generations of Americans with deep professional expertise about a country that for too long was viewed from a distoring distance is clearly in America's long-term national interest. It is also important therefore, to sustain, at an adequate level, training programs in Chinese language, history, culture, and politics, as well as related programs in Asian studies, at various American universities. Both government and private organizations should be strongly encouraged to provide sufficient funding to ensure the continued development of these vitally important training programs.

A key issue in U.S.-PRC bilateral relations is Taiwan. Over the past three decades. Taiwan has achieved remarkable economic growth and has enjoyed close and friendly relations with the United States. The Taiwan Relations Act of 1979 and the unofficial relations between the U.S. and Taiwan which were established with normalization provide the legal framework for sustaining friendly and mutually beneficial relations between the people of Taiwan and the U.S. These relations should be maintained. Expansion of this framework that would have adverse consequences for U.S. relations with the PRC should be avoided.

The United States should sustain support for the policy—as established by law in the Taiwan Relations Act—of providing Taiwan with carefully selected defensive weapons necessary to maintain sufficient self-defense capability. While decisions about any specific new weapons systems to be made available to Taiwan will be based on a variety of considerations, they should take particular account of actual defense needs.

The American policy of sales of defensive arms to Taiwan must be pursued within the context of the continuing U.S. interest in a peaceful settlement of the Taiwan question by the Chinese themselves. Neither a sharp reduction of weapons sales nor a significant upgrading of the types of arms sales permitted would contribute to this objective. The United States should welcome efforts by Taiwan and the PRC to resolve their differences peacefully, but it should not seek to involve itself in such efforts.

CHINA'S ECONOMIC DEVELOPMENT AND THE INTERNATIONAL ECONOMY

Critical as the U.S.-PRC security relationship may be, our economic relationship with China is the most important and effective means through which the U.S. can support and affirm our interest in the PRC's long-term stability.

Given the size of the Chinese economy, U.S. contributions to its development will be significant but still marginal. The continuing growth and orderly development of China's economy, in both domestic and international terms, is of substantial concern to the U.S. government, the American business community, and the international economic system. We should seek to bring about greater involvement by the PRC in the international trading and financial system in a manner that will promote mutually beneficial economic interdependence and a sense of shared interest in a stable and developing international economy.

In order to expand its international economic relations, PRC authorities have enacted in recent years new investment laws, tax laws, and other regulations. While these measures are not yet fully adequate, they provide a framework for U.S.-PRC trade relations. We encourage further initiatives in the area of business facilitation by both the U.S. and Chinese authorities.

The American business community initially responded with euphoria to the reopening of "the China trade." With the experience of a decade, however, a greater sense of realism has emerged. This new attitude, which is also evident in revised PRC economic plans and policies, provides a more manageable set of expectations for the evolution of U.S.-PRC economic relations.

In this context, the recent Chinese cutbacks in, or cancellations of, various economic programs, the emphasis on fiscal discipline, and the deferral of the utilization of large credit lines, should not be viewed with alarm. Rather we should recognize that the long-term potential for Sino-American trade remains, but it will develop on a more realistic basis.

The present and future performance of the energy and agricultural sectors are central to China's economic growth. The U.S. shares an interest in the development of the energy sector, such as oil, hydropower, and coal. U.S. technology is available and applicable, and its use by China should be encouraged. The agricultural sector is equally important in Sino-American economic relations. China will continue to be a major market for U.S. grain exports for some time. The major task for PRC authorities will be to ensure that domestic agricultural production keeps abreast of the basic consumption needs of a population expected to reach at least 1,200,000,000 by the end of the century.

The PRC's international trade will continue to grow. Developing new foreign markets will challenge China as it has other developing countries in the past decades. This expected increase in trade need not disrupt international economic patterns. It can be absorbed by the ever-increasing volume of world trade. Some dislocations will occur, however, and the U.S. should help to ensure that the resources of the international Financial Institutions are available to compensate for temporary imbalances. Fundamentally, however, market forces should be permitted to prevail in adjusting to China's growth as an exporter.

In this context, we recommend that the U.S. government:

Eliminate existing laws and regulations which unfairly discriminate against the PRC.

Amend those laws or regulations which inhibit the U.S. business community and financial intermediaries from participating in China's economic development, and which adversely affect the U.S. competitive position.

Promote our mutual interests by a broader utilization of existing programs, such as the Export-Import Bank and Generalized System of Preferences.

Actively promote the licensing of high technology, including "dual use" technologies, destined for China after careful review of their "end use."

Ensure that the financial resources of the International Monetary Fund and World Bank Group are adequate to meet the needs of developing countries, including China.

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***Delivered formal address.

GOSPEL MUSIC MONTH

Mrs. KASSEBAUM. Mr. President, I call up Calendar Order No. 41, Senate Joint Resolution 20, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will state the joint resolution by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 20), to designate the month of April 1981 as "Gospel Music Month."

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S.J. Res. 20

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 1981 is designated as "Gospel Music Month" and the President is requested to issue a proclamation calling upon the people of the United States to observe such month with appropriate ceremonies and activities.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. SASSER. Mr. President, it is with great pride and appreciation that I note the Senate's approval of Senate Joint Resolution 20, my resolution to designate the month of April 1981 as Gospel Music Month.

The Senate's action today is confirmation of gospel music's broad appeal in our Nation. It is a musical force to be reckoned with; the good news reaches so many in its expression.

I would like to take this opportunity to thank my colleagues who cosponsored Senate Joint Resolution 20, particularly my friend Senator THURMOND, who was instrumental in having the legislation reported from the Judiciary Committee.

Gospel Music Month, Mr. President, is a fitting tribute to the musical interpretation of the Lord's Message. I call on those who have been touched by gospel music, and ask them to continue to sing their joyful songs of praise, bringing the glad tidings to so many worldwide.

Finally, Mr. President, I look to the other body to give its early approval to our resolution. Hopefully, April 1981 will be officially declared Gospel Music Month by President Reagan in a few short days.

I thank the Senate for its positive action on Senate Joint Resolution 20.●

NATIONAL RECOGNITION DAY FOR VETERANS OF THE VIETNAM ERA

Mrs. KASSEBAUM. Mr. President, I call up Calendar Order No. 43, House Joint Resolution 182, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the joint resolution.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 182) to designate April 26, 1981, as "National Recognition Day For Veterans Of The Vietnam Era."

Mr. FORD. Mr. President, there is no objection to this resolution.

Mr. President, I am proud to be a cosponsor of Senate Joint Resolution 40, which calls for a "National Recognition Day for Veterans of the Vietnam Era" on April 26, 1981, and commend my colleague Senator RIEGLE for its introduction.

This Nation's recognition of its Vietnam veterans is long overdue. It is time we publicly expressed our gratitude to the men and women who served their country in a war we never declared and to which we never made a total commitment. Adding sorrow to injury is the silent reception these veterans received when they returned home to America. Rather than being proud of their sacrifice, they found that few were willing to listen to their experiences and that it was actually better if they kept them to themselves.

In a column he writes for the Cincinnati Enquirer, Bob Brumfield recently described what I think we have denied our Vietnam veterans.

There was a brief, heady feeling of victory and relief after WWII. There was no such feeling after the Vietnam War, through no fault of the returning fighting men who, for the most part, fought bravely and with distinction against a tough, determined enemy. . . .

The important benefits (from serving in a war) are the personal ones a soldier gets from serving. These include membership in a very exclusive club: a club whose members don't have to apologize for a debt of honor left unpaid. Perhaps the most important benefit is the knowledge of self derived from hazardous duty and long periods of loneliness and deprivation. Then there is the sense of values that is honed to a fine edge by terror. And pride; always personal pride in a job well done, even if nobody else knows or cares.

No one can take these things from a combat veteran. They are his priceless treasures and they are the secret envy of every person who has not served. The more the sacrifice, the more the pride and satisfaction and personal feeling of worth.

Senate Joint Resolution 30 gives us the chance to let all the men and women who served in Vietnam know that this is theirs by right and is theirs to cherish. Up to now we have never told them so and I am thankful for the opportunity now.

● Mr. GORTON. I am pleased to support House Joint Resolution 182, to make April 26, 1981, a day of national recognition for the veterans of the Vietnam era.

This resolution is to honor those who, having fought in the jungles of Vietnam, returned to an America in turmoil. It was an America in transition, much unlike the country they had left.

I am certain that each soldier had, during his journey home, envisioned a welcome not unlike those accorded his father and grandfather. But those who returned home from the horror that was Vietnam returned to no celebrating welcome, few greetings, and—as America tried to cleanse itself of the war in Southeast Asia—almost immediate neglect.

Of these men—good Americans all—most recovered from the scars of battle. Many recovered from the culture shock and disdain that met them stateside. But some will bear physical injury forever, and many still carry mental scars unique to Vietnam.

I call on all Americans to heed this day of recognition so long overdue. On April 26, let us give these men their special welcome. In the true American spirit, let us welcome them home as we did our fathers and grandfathers.●

● Mr. NICKLES. Mr. President, it is with pride that I support this measure to honor the men and women who valiantly served this country through the Vietnam era.

Withdrawing our forces from Vietnam without victory caused the lack of proper recognition for these brave citizens who answered the call to duty.

It is time to give them the recognition that is not only deserved, but long overdue. There are 9 million Vietnam veterans in this country—129,000 in my State of Oklahoma, and there is no better time than now to honor their important contribution.

At the same time, I reaffirm my support of President Reagan and his plans to make America strong, militarily, once again.

We must also continue to support the basic needs of all combat veterans whose service to their country has made the United States the great and free nation it is today.

Mr. President, I join my colleagues in

supporting this joint resolution designating April 26 of this year as "National Recognition Day for Veterans of the Vietnam Era."●

● Mr. RIEGLE. Mr. President, 8 years have now passed since American troops have been stationed in Vietnam. This was the longest and most tragic war in American history. Fifty-five thousand American lives were lost, 150,000 men were permanently maimed, and over 300,000 soldiers were wounded. Regardless of one's opinion on the merits of the war itself, there is no doubt that the men who fought this war are men of great honor. They served their country diligently and heroically under difficult circumstances. There are many of us who look at the Vietnam conflict and feel that the 8 million men who served have never received appropriate recognition. We have not yet come forth as a nation and adequately thanked those Vietnam veterans for their sacrifices and service to our Nation.

Moreover, many severe problems faced by the returning veterans of the Vietnam conflict have never been fully dealt with. Over 480,000 are currently unemployed; and, due to the 10-year delimiting date provision of the GI bill, some 60 percent of Vietnam veterans are not eligible for educational benefits under the GI bill. I regard the present and past treatment of our Vietnam veterans as intolerable. It is my hope that the joint resolution which is considered today will spark a renewed interest in our Vietnam-era veterans and an outpouring of support and understanding.

All Americans should be proud of our Vietnam veterans—just as proud as we are of our veterans of World War I, World War II, and the Korean conflict. I urge my colleagues to support this proposal for the long overdue recognition of our Vietnam era veterans.

Mr. President, I am pleased that the Senate is acting on the measure. The response to the measure has been overwhelming, and I have been joined by more than 65 of my colleagues in support of the "National Day of Recognition."

We are acting today on House Joint Resolution 182, which is the companion measure introduced by my colleague Congressman ALBOSTA. The House approved the joint resolution 391–0, and I am confident that the Senate will give a similar sign of support for the veterans of this era.●

● Mr. SASSER. Mr. President, the Senate has passed a joint resolution, House Joint Resolution 182, designating April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

It is about time that we take a day to remember the 9 million men and women who served during the Vietnam era. It is about time that we recognize that of that 9 million, over 700,000 still need psychological readjustment assistance. It is about time that the Federal Government reaffirm its commitment to the veteran, particularly those from the Southeast Asian conflict. And it is about time we admit that we have a national obligation to the Vietnam veteran.

Now Mr. President, I have to admit I was surprised by the Senate's failure to restore $330 million to the Veterans' Administration health care programs during our consideration of the budget reconciliation measure. I was dismayed by the Senate's rejection of Senator CRANSTON's effort to restore $104 million in a subsequent amendment. This is no way to bolster the veteran's confidence in the Federal Government—the Senate's action in rejecting these amendments is merely confirmation that we have forgotten about the veteran.

During the 96th Congress, legislation was approved for a Vietnam veterans memorial in Constitution Gardens. We have now approved House Joint Resolution 182, establishing a "National Day of Recognition for Vietnam Vets." I supported both these efforts, Mr. President, and I commend the sponsors for their thoughtful efforts. Just the other day, we barely saved the Vietnam vets readjustment counseling program from elimination. But let us take a look at what still needs to be done for the Vietnam-era veteran.

There has been no real movement toward a solution of the agent orange problem, although I commend the VA for acting to obtain valid information about the defoliant and its health effects. The GI bill needs to be reworked, to permit more veterans to take advantage of educational opportunities. And 10 percent of the veterans who came home from Vietnam still do not have a full-time job.

The priorities are clear, Mr. President. But to me it is obvious that we must also act to correct the very real problems that plague the Vietnam-era veteran.

The time to recognize the Vietnam veteran is long overdue. Hopefully, we will be able to put together a similar bipartisan coalition in addressing the needs of America's veterans sometime in the near future.

I look forward to the "National Recognition of the Vietnam Veteran" this coming April 26.●

● Mr. BUMPERS. Mr. President, I am indeed proud to support House Joint Resolution 182, which will designate April 26, 1981 as a national day of recognition for veterans of the Vietnam era. If there is one group in our Nation that has yet to receive the respect and praise it so justly deserves, it is the brave men and women who answered the call to serve during that long and frustrating conflict in Southeast Asia. This day of recognition reflects a growing awareness on the part of the Nation that we owe a tremendous debt to all those who endured the hardships and made the sacrifices demanded of them during one of the most trying periods in our long history.●

The PRESIDING OFFICER. The joint resolution is before the Senate, and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 182) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. FORD. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO INDEFINITELY POSTPONE SENATE JOINT RESOLUTION 40

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the Senate indefinitely postpone Calendar Order No. 42, Senate Joint Resolution 40.

Mr. FORD. Mr. President, there is no objection on our side to remove the Senate joint resolution from the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING REPORT REGARDING SENATE RESOLUTION 109, 96TH CONGRESS

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the deadline established by Senate order regarding Senate Resolution 109 of the 96th Congress, a resolution to direct the Select Committee on Ethics to undertake a comprehensive review of the Senate Code of Official Conduct and provision for its enforcement and implementation, by which the Select Committee on Ethics is to report the results of its study of the Senate Code of Official Conduct and make recommendations for its revision, be extended from April 1, 1981, until May 15, 1981.

Mr. FORD. Mr. President, the minority has no objection to this extension.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. KASSEBAUM. I thank the Senator from Kentucky.

CONTINUING AUTHORITY PROVIDED UNDER THE DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION ACT, FISCAL YEAR 1980

Mrs. KASSEBAUM. Mr. President, I send a bill to the desk on behalf of Senator THURMOND and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 840) to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, fiscal year 1980, for a certain period.

The PRESIDING OFFICER. Without objection, the bill will be considered to have been read twice, and the Senate will proceed to its consideration.

Mr. THURMOND. Mr. President, the Department of Justice is currently operating on a continuing resolution for its fiscal year 1981 authorization. Public Law 96–397 simply extended to April 5, 1981, the Department's 1980 authorization. This bill would extend those authorities to September 30, 1981.

Mr. President, although the Senate completed action on the Department's

1981 authorization in the last session of Congress, the House was unable to consider the Department of Justice's fiscal year 1981 authorization bill during the last session because of various scheduling problems. A continuing resolution was therefore enacted to permit the Department to carry on many of its vital activities. The resolution, however, lapses on April 5, 1981.

The Judiciary Committee already has received the Justice Department's new fiscal year 1982 authorization request. The request is very comprehensive and the committee is currently reviewing it. I do not believe that this body has sufficient time to reconsider a 1981 Justice authorization bill just prior to considering the 1982 authorization. Such deliberations would not be productive since the 1982 request addresses many of the same programs and initiatives previously recommended in the 1981 proposal.

The Department of Justice has assured us that it can continue to function effectively if the authorities contained in the fiscal year 1980 Authorization Act are continued to the end of this fiscal year. What we need today is this simple bill. Because the first continuing resolution expires on April 5, 1981, authority to conduct various vital Department activities would not exist after that date and, therefore, we need to extend this authority to September 30, 1981.

Unless this simple extension of the Department's authority to the end of this fiscal year is agreed to, the following problems are posed:

Authority for the FBI to conduct undercover operations in all areas of their investigative responsibilities would expire.

Authority to expend funds by the FBI to protect the President and the Attorney General would expire.

Authority to hire motor vehicles for the Drug Enforcement Administration (DEA) in its undercover operations would expire.

The Bureau of Prisons would lose its authority to expend funds for assisting State and local governments to improve their correctional systems.

The Attorney General's authority to expend funds for certain emergency situations would be curtailed.

The authority to pay rewards by the FBI, DEA, INS, and the Bureau of Prisons would expire.

The authority for the U.S. Marshals to expend funds to provide for the supervision of U.S. prisoners in non-Federal institutions would be curtailed.

The authority to permit the U.S. Marshals to bring to the United States from foreign countries persons charged with a crime would expire.

The specific authority to expend funds by the FBI to acquire, collect, and classify records and exchange them with authorized Federal, State, local, and other institutions would expire.

Authority for the Attorney General to expend funds regarding the conduct of certain investigations requested by the Department of State would be curtailed.

The reprograming restrictions this Congress placed on the movement of funds from one program to another to improve fiscal discipline within the Department would lapse.

The requirement that the Attorney General report to Congress any policy change in the enforcement of a law, which is the responsibility of the Department, would lapse.

INS would not have authority to pay interpreters and translators needed to classify documents.

Authority for DEA to employ aliens by contract abroad would not be available.

DEA's authority to conduct research related to enforcement and drug control would expire.

Mr. President, these are just a few of the critical authorities that could lapse if the House does not take action on this bill. I urge the immediate adoption of this bill.

Mr. BIDEN. Mr. President, I rise in support of the legislation offered by the distinguished chairman of the Judiciary Committee to extend the continuing resolution for the Department of Justice until September 30, 1981.

I must say I am a bit dismayed that we are faced here in the Senate with acting on this resolution which is to expire in less than a week and we have not even had a chance to review it in committee. However, I think that the chairman's insistence that this matter be handled expeditiously and without referral to committee is entirely appropriate under the circumstances. I suppose the reason for this extraordinary approach to continuing the Department's authority is that the Department is under new leadership and it took some time for fiscal and budget officials in the Department to get the appropriate authorities in the Department and the Senate to focus on this impending expiration of authority.

However, I feel it essential to point out that I hope this will not be a precedent for how we will deal with the Department's authorization in the future. Indeed, I feel that the committee should thoroughly examine the Department's budget in the context of the authorization bill. As I have already stated in the Budget Committee I have severe doubts about the large cuts being proposed in the Department's budget, especially in the drug enforcement area. I would like to congratulate the chairman for initiating in committee a thorough set of hearings on the Department's budget authorization and I view my acquiescence to immediate consideration of this bill as being without prejudice to continuation of that process.

In conclusion, I would like to underscore the urgency in moving to adopt this continuing resolution. The current statute authorizes a number of sensitive and important undercover operations by the FBI. In the organized crime area, for instance, the FBI has in the past created artificial organizations—fencing operations, loan sharking operations, et cetera—for the purpose of luring sophisticated and otherwise inclined criminals into engaging in criminal acts in the presence of FBI agents. If the authority to engage in that activity was even in question on April 5 it would not only jeopardize many of these sting operations but might jeopardize the lives and safety of the agents involved.

This is only one of the consequences of the failure to extend authority. The chairman lists a number of others in his statement. I hope the Senate will move promptly to adopt the extension.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the authority, and any limitation on authority, contained in the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, shall continue in effect with respect to activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) until September 30, 1981.

Mrs. KASSEBAUM. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECESS UNTIL 9:30 A.M. TOMORROW

Mrs. KASSEBAUM. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:30 a.m. tomorrow.

Thereupon, at 7:13 p.m., the Senate recessed until tomorrow, Wednesday, April 1, 1981, at 9:30 a.m.

EXTENSIONS OF REMARKS

ARAFAT EXPLAINS PLO POLICIES

HON. BENJAMIN S. ROSENTHAL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. ROSENTHAL. Mr. Speaker, a clear sense of the motives and intentions of the parties to the Arab-Israeli conflict is essential to the formulation of a policy which serves the interests of the United States. The ambitions and goals of the PLO are often characterized as moderate, and reasonable, and some go as far as to say that PLO policy is compatible with the long-range interests of American policy.

Nothing could be further from the truth. One has only to examine the speeches of Chairman Arafat when he speaks in Arabic to an Arab audience, far away from the Western World's news media, to obtain a sense of what he values, and how he views the world and the role of the PLO in it.

Those who apologize for the PLO need to examine Arafat's speech of March 22 in South Yemen when he spoke about his hopes for a world organized according to Soviet and PLO policy.

To help inform all of us about the PLO I insert Arafat's speech in full as it was reported by the Foreign Broadcast Information Service on March 24, 1981.

We are confident of AAPSO's ability to shoulder the tasks facing it at this critical stage in the history of the world national liberation movement of the Asian and African peoples.

Finally, I wish the proceedings of your 13th general assembly every success in arriving at results capable of contributing toward the reinforcement of AAPSO's work in every field. Thank you.

YASIR 'ARAFAT SPEECH

["Text" of speech by Yasir 'Arafat, chairman of the PLO Executive Committee, on 22 March at 13th AAPSO session in the hall of the higher school for scientific socialism in Khormaksar—recorded]

[Excerpts] Brother Chairman 'Ali Nasir Muhammad, brother chairman of the conference, brothers, guests, members of this conference: Permit me to express on behalf of the Palestinian revolution and people and on your behalf our deep gratitude to brother Chairman 'Ali Nasir, the YSP and the fraternal people of Democratic Yemen for holding and hosting this international conference, which is being convened under very grave international conditions and in the face of challenges to our region and country and people—indeed to the entire world. [applause]

Today we face not only neo-Nazi racist Zionism, not only the agents of imperialism and colonialism in our country and region but we have been destined to confront imperialism led by the U.S. administration, which, for the first time since Vietnam, has made a decision, a most dangerous decision—dangerous not only for our region but also for the peace of the whole world. It is not merely by chance that there is asssembling in our region now a veritable blockade—now, as we talk, as we meet here in steadfast Aden, in revolutionary Aden, in the embrace of these militant, revolutionary, progressive, democratic and heroic people with their wise leadership—the leadership of Brother 'Ali Nasir. [applause] I say that this meeting is not taking place by mere chance, but you all know about the difficult circumstances faced by this organization of ours before this meeting.

Brothers, comrades: it is not merely by chance that our region is now being blockaded by three U.S. fleets, namely the 5th, 6th and 7th Fleets in the Indian Ocean, in the Gulf, in the Red Sea, in the Mediterranean Sea. And that is not all, for U.S. imperialism has also established bases in this region, regrettable in Egypt, in the western desert, in Sinai, in [name indistinct], in Ras Banat on the Red Sea and in Somalia's Berbera, in Mombasa, Kenya and in Oman's Masirah. And even that is not all: there is also an aggressive nuclear base belonging to the United States in Diego Garcia in the Indian Ocean. Thirty-six Indian Ocean littoral states are having their destinies threatened; their security threatened, and consequently the security of the world is being threatened by this nuclear threat of U.S. imperialism. [applause]

In view of the difficult conditions and dangerous confrontations and critical circumstances we are experiencing, it is no accident, brothers, that during a meeting with Israeli Foreign Minister Shamir when he recently visited the United States, Bush described the PLO as a terrorist organization involved with international terrorism along with the USSR and Cuba. I say to him: If involvement means helping liberation movements in the world, then we are—we are involved with the whole world. [applause] We are involved and we are happy and proud of it—proud that we are involved—not just involved, but in partnership with all the world's liberation movements against imperialism, against Zionism, against colonialism, against racial discrimination, against the neo-Nazism being given birth to by the United States in its bridgehead in our country, in our region, which is now called Israel.

What this means is that the United States, through Bush, is telling Shamir: Continue with your officially organized terrorist work against the PLO and against its allies in the Lebanese arena, namely the Lebanese nationalist movement with whom we share a trench against threats and dangers. Brothers: It is one of the ludicrous things of the age that Bush should say a thing to Shamir—Shamir who is wanted by Interpol, not because of any Arab complaint, or because of a complaint from progressives, or a complaint from the Democrats, but on the basis of evidence held by the British police, the allies of U.S. imperialism. On the basis of these documents, it was this fellow Shamir who killed Count Bernadotte and is wanted by Interpol as an international terrorist. Moreover, his boss, Begin, admits in his book, which he called "The Revolt," that it was by means of terrorism that he succeeded in establishing the State of Israel on the ruins of our homeland, Palestine, That is what he admits. Begin is also wanted by Interpol as a terrorist. I say it is one of the ludicrous things of the age that the United States should seek the help of international terrorists so that it can say: International terrorism is led by the USSR, the PLO and Cuba. Brothers, is this not shameful? Is it not a crime for Bush to say such a thing to Shamir?

What does this mean, brothers? He is telling them that there is an American green light to continue the aggression against the PLO. It is no coincidence that Eytan should say: Our war with the Palestinians will not end until one side founders. He then arrogantly added: We shall not founder—he means themselves.

And that is not all. Begin says: We shall face the PLO with the methods unknown to the devil himself. I want to say to him on behalf of the Palestinian revolution, on behalf of the Lebanese-Palestinian joint forces, that despite Israeli-U.S. international terrorism, which is officially organized, which uses the most modern U.S. weapons. [sentence as heard]

That is not all, brothers. Southern Lebanon is now a field for experiments against the Lebanese fighter and his Palestinian brother. It is a field for experiments against the Palestinian people and against the Lebanese people in southern Lebanon. And that is not all, my brothers. They are using the latest U.S. weapons there, including those which are internationally banned, such as cluster bombs, fragmentation shells, (jut-bombs), napalm and other weapons we have not yet identified.

I say this, brothers: As we stand in the forward trench in defense of the Palestinian revolution, I say what our brothers of the nationalist movement said: We shall die defending the Palestinian revolution. We shall fight so that the Palestinian revolution can live. I tell my brothers of the nationalist movement who are closely linked to us in the same trench. We shall not die. We shall triumph together with these comrades in this hall who support us. [applause]

Brothers: The U.S. President and the U.S. administration, after Vietnam, have issued orders for the Rapid Deployment Force to be sent to this region. Then, full of arrogance, he says: The auxiliary [radif] for the Rapid Deployment Force is the Israeli Army and the agents and stooges in this region—and there are many of them, but I do not want to name them [words indistinct].

I have facts for those who talk about international terrorism, for those who say that the USSR, the PLO and Cuba are leaders of international terrorism. I want to tell them: International terrorism is the use of the F-15 and F-16, the use of fleets, the 5th, the 6th and 7th Fleets, the use of the advanced watchdog, namely, the Israeli forces, against the Palestinian people, against the Lebanese people. This is organized international terrorism.

I say this knowing that Haig is about to visit the region to seek new bases and facili-

ties for U.S. fleets in the region. I say this knowing that Reagan said in his first interview after his election victory that the PLO is a terrorist organization. But I want to tell him that the PLO is (?above being) called terrorist. Once Comrade Mugabe was called a terrorist. Where is Comrade Mugabe today? He is the prime minister of Zimbabwe. Welcome to you, Comrade Mugabe. [applause]

Comrade Brezhnev stood up in the 26th CPSU Congress, and before that in New Delhi, to make proposals on solutions—practical solutions, principled solutions—and not just for the Middle East problem. But when he spoke about the Middle East, comrade and friend Brezhnev did not forget to mention the PLO specifically, and to say specifically that the least he would accept—that Comrade Brezhnev would accept—was an independent state for the Palestinian people. [applause] We say that he did not just speak about the Middle East but he spoke about the situation in the Indian Ocean. The situation in the Caribbean, the situation in Europe [words indistinct]—all the explosive situations. But he did not restrict himself. He opened the door wide to all sincere efforts, whether they are made in Europe or through the United Nations.

I want to say this because people are talking about a European initiative. They tell me: We have heard about a European initiative. I have heard something. When Thorn came to see me as chairman of the EEC ministerial council, I asked him: What is this European initiative? What European initiative? You were unable to uphold the Venice declaration. You were unable to uphold it for the 15 days between the meeting in Venice and the meeting in Ankara, where [name indistinct] stood up with all arrogance to say: We have refused [short break in transmission] the Ankara declaration to contain anything about the Middle East or the Palestinian people or the rights of the Palestinian people.

The most splendid thing about Comrade Brezhnev (?making) that move is that Comrade Brezhnev responded to the aspirations of our Arab nation. He did not concentrate on [UN Resolution] 242 because we of the Palestinian revolution say that 242 cannot constitute a basis for solving the Middle East problem because it regards our people as a handful of refugees. No. We are the existing fundamental reality in the Middle East equation. That is what Comrade Brezhnev concentrated on. He (?referred) to the PLO, an independent state for it. [applause]

In the United States they cannot ignore Comrade Brezhnev's proposals—the proposals he started in New Delhi and whose fundamental and broad outline he formulated at the 26th CPSU Congress. They can accuse the USSR, the PLO and Cuba of being thugs for as long as they like, but they cannot say that there are no positive and important elements in Comrade Brezhnev's proposals.

Here, on behalf of the Palestinian revolution, on behalf of the Palestinian revolutionaries and, if you will permit me, Brother Chairman 'Ali Nasir, to say on behalf of our Arab nation, on behalf of the free men of our Arab nation: I welcome these proposals considering them (?suitable) [applause] for solving the Middle East problem. [prolonged applause]

We of the Steadfastness and Confrontation Front, on the basis of Brother 'Ali Nasir's proposal to hold an urgent meeting of the states of the Steadfastness and Confrontation Front—the PLO declared that it welcomed the invitation and we made it a condition that the meeting be held here in Aden to confront the challenges in the region. [applause] [sentence as heard] I think at the beginning of the first week of next month there will be a meeting of the political committee of the foreign ministers of the states of the Steadfastness and Confrontation Front [words indistinct].

One day I met Comrade Brezhnev. I was talking with him and said: Comrade Brezhnev, we, the Palestinian people, who number 4 million, are suffering and there are imperialist powers [words indistinct] and I was talking like that to him and he said to me: Comrade 'Arafat, you are not 4 million. You are 264 million people. [applause] I said: You are quite right, we are 264 million. Now, standing before you, I feel (?we are) 264 million. I [word indistinct] all these progressive and democratic millions which you honorable and free comrades represent here in this hall.

Brothers: There is no doubt that in these difficult times—and when I say difficult, I mean it—what is happening in the Arab Gulf, very grave indeed. This Iraq-Iran war is a very serious matter, very serious indeed. We oppose this war. From the first moment we opposed it, because it is against the Iranian people and against the Iraqi people and against the peoples of the regions and against the Arab nation, and against the Palestinian revolution. From the first moment we in the PLO moved to stop this war. We are proud that we are still contributing, through the Islamic good offices committee and through the Nonaligned Movement's goodwill mission, toward stopping this war. It must be stopped.

From here I appeal to Brother Saddam and Imam Khomeyni. I appeal to them on behalf of the Palestinian revolution, on behalf of Palestine, on behalf of Jerusalem, on behalf of the honorable and free men of this world—I appeal to them to stop this war because the sole beneficiary of the war is America and world imperialism. [applause] Permit me to appeal to them on behalf of you here in this hall to stop the war and to stop it immediately, immediately, immediately. [applause]

I say these things and I want everybody to hear me. Let old Carter and new Reagan hear me. I must tell them there is no option except the Palestinian option. There will be no solution, there will be no stability, peace, [word indistinct] no security in this region by (?disregarding) the Palestinian people's inalienable national rights. These rights were sanctioned not only by [word indistinct] but also by Arab summits, Islamic summits, also sanctioned by nonaligned summits, sanctioned by OAU summits—they have been sanctioned by an international agreement at the United Nations which said that the Palestinians have inalienable rights, including their right to return, self-determination, and to establish their independent state on their Palestinian soil.

One day I am sure one of our Palestinian delegations now present here with us will address a request to you, which I am now making: I apply to the AAPSO secretariat for membership for these free revolutionaries from Latin America. [as heard]

I now extend an invitation to you to attend a forthcoming conference, which, God willing, will be held in Arab Jerusalem under the Palestinian flag. [applause]

'ARAFAT ENDS PDRY VISIT, MAKES DEPARTURE STATEMENT

ADEN, MARCH 23—Brother Yasir 'Arafat, chairman of the PLO Executive Committee, and his accompanying delegation left Aden yesterday evening. He was seen off at the airport by 'Ali Nasir Muhammad, general secretary of the YSP Central Committee, president of the Presidium of the Supreme People's Council and chairman of the Council of Ministers, and members of the Political Bureau and the Central Committee, ministers, and Palestinians residing in the PDRY.

Prior to his departure Brother Yasir 'Arafat gave a press statement in which he said: Without any doubt I consider this visit one of the most important I have carried out, especially in the present difficult circumstances through which our region—the Middle East and Arab regions—is going. Together with Brother 'Ali Nasir Muhammad, I had positive and important talks which covered all political, diplomatic, local, Arab and international spheres.●

NATIONAL TRANSPORTATION WEEK

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. YATRON. Mr. Speaker, the week of May 10 through May 16, 1981, has been designated as National Transportation Week.

Transportation is an important part of our lives. It enables us to receive the products of our industries and our farms. It allows us to travel, to work where we wish, to communicate with others throughout our Nation, to shop for needed goods, to receive medical assistance, and countless other activities that would not be possible without a sound transportation system. Indeed, without transportation our lives as we know them would be virtually impossible.

The purpose of observing National Transportation Week is to honor and acknowledge the outstanding achievements made by the commercial transportation industry to our Nation. In the Sixth Congressional District of Pennsylvania, the Reading Traffic Club has been making significant contributions to transportation in Berks County and Pennsylvania. The members of this fine organization are certainly to be commended for their outstanding efforts.

Mr. Speaker, I invite my colleagues to join me in wishing everyone connected with the transportation industry in the United States a very successful National Transportation Week.●

VISA WAIVER FOR NONIMMIGRANT TRAVELERS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. BONER of Tennessee. Mr. Speaker, recently Representative JIM SANTINI and I had the pleasure of giving testimony before Representative FASCELL'S Foreign Affairs Subcommittee on International Operations. The testimony, concerning visa waivers for nonimmigrant travelers, represents the policy position of the 265-member Travel and Tourism Caucus. The facilitation of international travelers to the United States is one of the top priorities for the caucus during this session of Congress. We support any reasonable effort which could be taken to increase the number of visitors to our country.

Mr. Speaker, I have enclosed my testimony given before the International Operations Subcommittee and hope that it will serve as a vehicle to stimulate and focus debate on this important matter.

The testimony follows:

TESTIMONY OF HON. WILLIAM HILL BONER

Mr. Chairman, I appreciate the opportunity of appearing before the Subcommittee and presenting the views of the Congressional Travel and Tourism Caucus. In offering this testimony, I shall speak for the Steering Committee of the largest Caucus in the House of Representatives, with a membership of 265 Congressmen and Congresswomen.

The Congressional Travel and Tourism Caucus would like to urge the membership of this Committee to support any reasonable action which could be taken to increase the number of visitors to our country. It is our belief that easing barriers in the travel marketplace will have a positive effect on the number of foreign visitors to the United States.

Specifically, I refer to the barrier of visa requirements. Non-immigrant visa waiver proposals have been debated in these halls for a number of years. During the last session of Congress, the House passed a modified visa waiver provision. The concept as detailed in state's fiscal year 1982-1983 authorization is in line with a proposal supported by the Caucus last year. We firmly believe that the time is right to move forward with this concept.

It should not be overlooked that last week the Select Commission on Immigration and Refugee Policy released its final report. It is not insignificant to note that it called for relaxation of the visa requirements.

The United States is the host to more than 22 million foreign travelers every year. Studies have shown that the average expenditure per visitor is in excess of $500. Thus, these foreign visitors contribute more than $12 billion to the positive side of our balance of payments ledger. A recent study conducted by the American Express Corporation projected an increase of more than seven percent in visitors from foreign countries if the N.I.V. provision were adopted. Let me translate that seven percent into more useful statistics. During 1978, more than 3.5 million visitors came to the United States from 17 foreign countries in which American Express conducted this survey. If visa waiver had been available for the following year, 1979, the seven percent increase would have been above and beyond the expected growth of about 20 percent. This would have resulted in an incremental gain of more than 300,000 visitors just from those 17 countries alone. In terms of economic impact, that would mean $130 million in additional spending and 4,500 new jobs. I want to emphasize that although this is only a mathematical projection, it is nevertheless a judgment made by seasoned travel experts who live and work in their respective markets.

I do not wish to mislead the Subcommittee—the travel account is still in a deficit situation. But, while other deficits grew, the travel deficit improved more than 30 percent in 1980. With a waiver on certain tourist visas, that account can be put in the black.

While the potential for increased visitors to the United States is a major reason for our support of this measure, we are convinced that there are other reasons also worthy of consideration. President Reagan's revised budget for the Department of State provides for a reduction in manpower for foreign consular officers. The realization of a visa waiver provision would allow for increased efficiency for our foreign-based diplomats by removing from their job descriptions the "glorified clerkship" which we now require of them in processing visa applications.

Overall, implementing this proposal could mean substantial personnel and financial savings both now and in the future. And once again the foreign spending in this country would contribute to alleviating our balance of payments deficit.

Many of the countries which would be included in the program presently extend this courtesy to U.S. citizens. It is certainly an irritant to them and somewhat of an embarrassment to us that they must make application prior to visiting the U.S. while they do not require us to do the same. There are other countries which provide a substantial amount of our tourist trade which presently do not provide a waiver of these requirements for U.S. citizens simply because we do not for their citizens. There are indications that all these restrictions could also be lifted. Japan is perhaps the most important country in this latter category.

Mr. Chairman, while we would not presume to suggest definite language for any such amendment to the Subcommittee, I would like to suggest some of the elements we believe should be contained in the legislation:

1. Foreign government eligibility requirements.—The provisions of any facilitation program should be extended not only to those countries which grant reciprocity to the United States, but it should be flexible enough to allow the Secretary of State to include any country which he believes to be in the financial best interest of the United States to be on the list. We would suggest that the Secretary be given some guidance by the Congress as to the acceptable visa refusal rate any country may have for initial inclusion on the list of countries.

2. Methods for revoking visa waiver approval.—Mr. Chairman, we believe that any program which might be adopted should be flexible enough so that the Secretary of State is required to annually certify the cooperation of the countries on the list eligible for facilitation and the continued very low rate of visa refusal. While we would be willing to allow the Secretary to promulgate the necessary standards and methods for revoking these privileges, we believe that a visa refusal rate in the neighborhood of two to two percent to two and a half percent is reasonable.

3. Maximum length of stay of foreign traveler.—In order to preclude foreign nationals from being the beneficiaries of this program, it is our belief that a maximum length of stay be incorporated into the eligibility requirements. A period of time of approximately 90 days would seem reasonable to us as being the upper limits of acceptability.

4. Reliability of a monitoring system to detect violators.—Mr. Chairman, it is my understanding that the Department of Transportation possesses both the ability and the willingness to develop the necessary computer capabilities to correlate time of exit from the United States. This would provide for expeditious identification of those who are in violation of any facilitation procedures. A sound recordkeeping and follow-up procedure is a must if we are to properly monitor and enforce any standards required to administer this program.

The procedures for implementing the proposal as outlined by the State Department certainly address "controlling" the entrance of ineligible aliens to my satisfaction. I want to emphasize that the Caucus has always felt strongly that it is essential to have strong controls. We refer not only to control forms but to strict monitoring whereby each country's statistics are reviewed on an ongoing basis. Just as we are pleased to extend the waiver of visas to certain countries, we must also be ready to take back that courtesy should it be misused.

The reciprocity, the 2 percent refusal rate, the agreements between the I.N.S. and the international carriers, and the control forms all appear to be reasonable procedure.

At a time when our country is seeking to turn its economy around, this simple nonimmigrant visa waiver provision could have a substantial positive impact. The proposal has the full support of the Congressional Travel and Tourism Caucus, which stands ready to assist this Subcommittee in their honest and diligent efforts to provide for the facilitation of foreign travel to the United States.

Mr. Chairman, once again, thank you and the Subcommittee members for affording me this opportunity to appear before you.●

NORTHFORK BLUE DEMONS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. RAHALL. Mr. Speaker, this past weekend in Charleston, W. Va., a new record was set for consecutive State high school basketball championships nationwide. The Northfork High School "Blue Demons", in defeating Wheeling Central in the class AA final, won their eighth straight title.

Northfork's season record was 22 wins, 3 losses.

The game last Saturday was even more special for the team, because they wanted to win badly for their coach, Jennings Boyd, and assistant coach, Henry Winkfield.

Popular Coach Winkfield is recovering from a serious injury, and I am sure he was delighted when the Blue Demons went out to "win one for Wink."

Also, Saturday's game marked the end of a tremendous career for Head Coach Jennings Boyd, who announced earlier in the year that this would be his last season.

Jennings Boyd has been the head basketball coach at Northfork for 15 years. His record over that period is 306 wins, 62 losses. Such a record is accomplished only through dedication, discipline, and hard work. He does not subscribe to cursing or yelling as motivational tools. He is a man who demands respect and deserves it.

The Northfork Blue Demons are the pride of southern West Virginia basketball. They are a wonderful group of young men, who represent their community well.

I commend them and congratulate them on their record setting win, and am sure they will go out next year to make it nine in a row.●

PRESIDENT REAGAN'S STATEMENT ON CYPRUS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. FINDLEY. Mr. Speaker, provisions of Public Law 95-384 require that the President submit to Congress every 60 days a report on the progress being made toward a negotiated settlement of the Cyprus problem.

President Reagan submitted, in accordance with this law, his first report on the Cyprus negotiations on March 20, 1981. This report is positive in two important respects: First, President Reagan unhesitatingly reaffirms the support of the United States for the efforts of the United Nations to seek a solution of the Cyprus problem and, second, the report notes that, unlike earlier attempts at U.N. mediation between the two parties on Cyprus, the current negotiations have continued for some time and the expectation exists that they will continue on a regular basis in the future.

It is critical that the intercommunal talks on Cyprus not break down, but that the two parties to the negotiations make a serious attempt to resolve the problems that plague that island. I salute the President for his words of support for the negotiations and for his statement that his administration is committed to assist in the U.N. endeavors to resolve the Cyprus issue.

The President's report follows:

THE WHITE HOUSE,

Washington, D.C., March 20, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In accordance with the provisions of Public Law 95-384, I am submitting the following report on progress made during the past sixty days toward reaching a negotiated settlement of the Cyprus problem.

A just, fair and lasting resolution to the problems of Cyprus will remain a priority for my Administration.

The talks between representatives of the Greek Cypriot and Turkish Cypriot communities are continuing. Under the chairmanship of United Nations Secretary General's Special Representative on Cyprus, Ambassador Hugo Gobbi, the two sides are undertaking detailed analytic review of basic issues. The parties have been addressing the following topics in rotation on the basis of one topic each meeting:

(A) Reaching agreement on the resettlement of Varosha under United Nations auspices.

(B) Initial practical measures to promote good will.

(C) Constitutional aspects.

(D) Territorial aspects.

Meetings were held on January 16, 21, and 28 and February 4, 11, and 18. After a mutually agreed upon recess, the meetings resumed on March 11. We expect the negotiations to continue on a regular basis. Throughout this period both sides have engaged in serious discussion of the issues involved. Each side has advanced proposals and the negotiators have been seeking to identify areas of agreement and reduce differences. Throughout these discussions the parties have maintained a congenial negotiating atmosphere, seriously addressing points for negotiation.

I am convinced that through these negotiations a foundation for a stable, enduring settlement on Cyprus is being laid. Both sides are seriously discussing steps to mitigate longstanding conflicts and, as was anticipated, progress is slow. However, the opportunity for a just and lasting settlement will not remain indefinitely. Therefore, the need for patience and persistent negotiating must be complemented by innovative and flexible approaches to the outstanding problems. After six years of effort, it is time to see a fair settlement that will benefit and serve all of the Cypriot people.

In this, my first report to Congress on Cyprus, I unhesitantly reaffirm the support of the United States for the efforts of the Secretary General and his Special Representative on Cyprus. They have been vigorously and persistently seeking a just and lasting solution of the Cyprus problem. The Secretary General and other United Nations' officials have been creative in their proposals and unflagging in their patience from the inception of the negotiations. I commend their professional conduct and offer the commitment of my Administration to assist in their endeavors to resolve the Cyprus issue.

Sincerely,

RONALD REAGAN.●

THE PROMOTION OF FILBERTS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. AuCOIN. Mr. Speaker, today, I am introducing legislation to aid the promotion of filberts. This bill is identical to H.R. 8158 which I introduced in the 96th Congress. I expect it will be included in the 1981 farm bill.

This bill amends the Agricultural Adjustment Act to authorize marketing research and promotion projects including paid advertising for filberts. It gives the Filbert Marketing Order Committee the authority it needs to amend the marketing order so it is then permitted to levy an assessment on handlers to generate funds for research, promotion, and advertising.

This legislation provides an excellent opportunity for the promotion of filberts as there is a need to strengthen our domestic markets for this commodity. U.S. filberts are produced on 25,000 acres in Oregon and Washington and only account for 55 percent of the filberts the United States consumes. By furthering the promotion of filberts, this bill would help increase domestic consumption.●

DECONTROL OF CRUDE OIL PRICES

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. OBERSTAR. Mr. Speaker, as our constituents continue to suffer the effect of decontrol of crude oil prices and as the administration considers proposals to add to the consumer burden through the deregulation of natural gas prices, it is important for Congress to review the consequences of decontrol.

Decontrol is inflationary. The Congress ought to have stopped it. It did not, and is unlikely to reverse decontrol at any time in the future. I hope Congress will show greater concern for the Nation in the consideration of deregulation of natural gas.

The op-ed page of the New York Times of March 19, 1981, included a concise discussion of the inflationary impact of decontrol. It also noted some of the mistaken estimates of the cost of decontrol made in the past.

I ask my colleagues to consider the analysis presented by David Greenberg and Ann Lower of the Consumer Federation of America.

CRUDE DECONTROL BY REAGAN

(By David I. Greenberg and Ann K. Lower)

WASHINGTON.—When President Reagan decontrolled crude oil, gasoline, and home-

heating oil, he did so without formal counsel from Congress and the public. His desire to act on his own came at the expense of public-hearing requirements set out in The Economic Stabilization Act of 1971, which Congress later incorporated into statutes governing oil-price controls.

The Administration's accelerated decontrol program also comes at great expense to consumers. It provides an immediate 1 percent increase in inflation, and by the end of fiscal 1981 it will have added $11.7 billion to the price of oil products.

If our experience with oil decontrol has taught us anything, it is the wisdom of public cross-examination of Presidential oil-pricing initiatives. In 1979, Secretary of Energy James R. Schlesinger estimated that decontrol would cost consumers $16 billion between June 1979 and September 1981. Later, Congressional hearings forced the Carter Administration to raise its estimate to $48.9 billion for that period.

Under scrutiny, Jimmy Carter's promise of only a three-tenths of 1 percent rise in the Consumer Price Index by September 1981 also proved fanciful. A House subcommittee demonstrated that the impact of energy-price increases added nearly 4 percent to inflation in 1979.

Mr. Reagan has offered the public a set of decontrol promises that also borders on the fanciful. These forecasts underscore Congress's wisdom in requiring public hearings "to the maximum extent possible."

When Mr. Reagan signed the executive order Jan. 28, his advisers projected retail price increases from "almost nothing" to three cents to five cents per gallon of gasoline. "That was ridiculous," said John Lichtblau, executive director of the Petroleum Industry Research Foundation. "They were wrong within a week." Actually, they were wrong within two days. On Jan. 30, Standard Oil of California increased wholesale gasoline prices by six cents and home-heating oil by five cents as a "direct result" of decontrol.

Within two weeks, gasoline prices rose an average of seven cents and the price of jet fuel had airline companies clamoring for fare increases. The Congressional Budget Office projected increases of nine cents a gallon of gasoline at the pump by the end of the first month. Today, consumers are paying an average of 10 cents a gallon more. At minimum, then, the impact of decontrol will be double the Reagan team's projections.

A similar fate appears to await Administration estimates of increased production, as well as Energy Secretary James B. Edwards's projected savings of 50,000 to 100,000 barrels of oil per day.

Even the industry greeted these promises with skepticism. A Gulf Oil executive put Mr. Reagan's "increased incentives" argument into perspective: "There aren't too many rigs unoccupied currently," said Charles Campbell, a senior vice president. And Mr. Lichtblau said that he anticipated only slight improvements in both production and conservation. These comments fit the reality of oil economics. While the price of crude oil has jumped 1600 percent in the last 10 years, the number of exploratory wells in the United States has risen only 10 percent.

Ultimately, the Administration's decision to forego hearings on decontrol makes political sense. No President wants to defend an inflationary energy program that produces neither exploration nor conservation.

What the President's program will produce is tax revenues in fiscal 1981 and 1982—a projected $7.9 billion in corporate income taxes and windfall profits that oil companies collect from consumers. But a President who cherishes his tax-cutting image is unlikely to seek public comment on a tax plan posing as energy policy.

In the end, President Reagan only hastened the challenge to decontrol. That challenge began a few weeks later. On Feb. 26, Federal District Judge Harold H. Greene heard arguments in a lawsuit, filed by Senator Howard M. Metzenbaum of Ohio, Representative Toby Moffett of Connecticut, New York State, the Consumer Federation of America, and others, that sought to overturn the decontrol order. On March 5, Judge Greene refused to reverse the President's action, ruling that the plaintiffs had failed to meet the heavy legal burden required to support an injunction. Still, the plaintiffs scored on two important points. First, Judge Greene affirmed that the President lacked unfettered discretion to order decontrol without hearings; second, he recognized that injury to consumers "clearly appears to exist."

That economic injury will form the basis of a broader challenge to accelerated decontrol. The challenge will come from consumers, as they feel the pinch of energy costs and energy-fueled inflation. At that point, Mr. Reagan may well wish he had stayed in closer step with the law.

[David I. Greenberg is a lobbyist for the Consumer Federation of America. Ann K. Lower is the Federation's information director.]●

CITYHOOD FOR YOTSUKAIDO

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. STARK. Mr. Speaker, on April 7, 1981, the town of Yotsukaido, Japan, will attain cityhood. Yotsukaido is the sister city of Livermore, Calif., part of the Ninth Congressional District. Yotsukaido was able to reach cityhood because its population recently crossed the threshold of 60,000. I would like to join the city of Livermore in congratulating Yotsukaido on its achievement.

This will certainly mean greater responsibility for the city as a whole, and its leaders specifically. Mr. Teiichi Saito is currently the mayor of Yotsukaido. I wish the city and the people of Yotsukaido health and happiness, and wish to express my sincerest congratulations on their cityhood.●

CONGRESSIONAL SALUTE TO THE 1981 RECIPIENTS OF THE UPS CIRCLE OF HONOR SAFE DRIVING AWARD

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. ROE. Mr. Speaker, on Wednesday, April 1, residents of the State of New Jersey will join with officers and members of the United Parcel Service (UPS) to commemorate and give testimony to the 1981 recipients of the UPS Circle of Honor Awards—14 distinguished citizens of our State whose standards of excellence and expertise while on the roads and highways in serving the delivery needs of our people span 343 years of safe driving. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the following UPS honorees with deepest appreciation for their safe driving skills:

	Years of service
John Lavaggi	31
Paul Goward	31
John McAteer	30
Ed Cusack	27
Harry Westervelt	23
Frank Wehrle	22
Daniel Zungoli	22
James Schrade	20
Joseph Engleman	20
John Barry	20
James McNatt	20
Frank Scanlon	24
John Carlos	27
Gerald Dunne	26

Mr. Speaker, the "Circle of Honor" is a UPS policy described by UPS management, as follows:

We honor safe drivers. We give recognition to drivers and groups of drivers completing specified periods of safe driving.

We stress safety throughout our operations. Nothing is of greater concern to us than the safety of our people and of the general public.

We recognize the importance of the physical condition of our people and of applicants for employment. We do whatever we can, through our medical department and otherwise, to promote and contribute to the maintenance of good health of our people throughout their employment.

In the design, construction, and maintenance of our automotive and all other equipment and facilities, safety is a primary concern.

We train our people to operate motor vehicles, facilities, and other equipment with utmost consideration for the safety of themselves, the general public, and the equipment itself.

We encourage participation by all of our people in safety awareness activities. We are all committed to fostering the most effective safe practices in all our work. By meeting our own high safety standards, we will be contributing to the well being of our people, our company, and the communities we serve.

Mr. Speaker, to understand the depth and meaning of the "Circle of Honor," with your permission I would like to insert at this point in our historic Journal of Congress a brief history of UPS which was presented to me by their most esteemed representative in my congressional district, Jim Teague, as follows:

OUR DELIVERY SERVICE: STARTED IN SEATTLE

On a bronze plate imbedded in a sidewalk at Second Avenue and Main Street, in Seattle, Washington, are inscribed these words:

"Birthplace of United Parcel Service

"In August 1907, in a 6x17 foot office under the original sidewalk here, a few messenger boys began the business which their many thousand successors extended throughout the vast regions of our country covered by United Parcel Service today. Exemplifying the opportunities open to private citizens under the Constitution of the United States of America, this plaque was placed in January 1967, with the cooperation and appreciation of the Seattle Historical Society."

Our original name, American Messenger Company, was appropriate for the kind of business we began in 1907. In response to telephone calls received at their headquarters under the sidewalk, messengers ran errands, carried notes, hand baggage, trays of food from restaurants, and delivered packages. They used bicycles and streetcars for longer trips.

EARLY PROGRESS SLOW

Improvements in transportation and communication were causing a decline in the messenger business, and most of the competitors of American Messenger Company went out of business. Our own progress was slow during the first several years, but we made up for the loss of other kinds of business by specializing more and more in the delivery of packages for retail stores.

We moved from one location to another, each time improving what we had before, and began to use motorcycles for some of our deliveries. For about two years our largest customer was the United States Post Office, for which we delivered all special delivery mail coming into Seattle. Also, during this early period of development, we began to consolidate packages for delivery on regular schedules.

In 1913, we acquired our first delivery car, a Model T Ford, and on its sides was painted our new name, Merchants Parcel Delivery. Our business began to grow much faster, and we built a good reputation among the stores of the city through our strict adherence to high ideals of service and personalized attention to every package handled.

In 1918, three Seattle department stores disposed of their own delivery cars and turned all their packages over to us. We acted as their consolidated delivery department, and the distinctive characteristics of our business began to emerge.

MOVES TO OTHER CITIES

Our first expansion beyond Seattle was to Oakland, California in 1919. There we adopted our present name, United Parcel Service.

Los Angeles came next, in 1922, and was followed by San Francisco, San Diego, and Portland. With these additions, we were operating in all major cities of the Pacific Coast by 1927.

The big jump across the continent occurred in 1930, when we consolidated the deliveries of several large department stores in New York City and Newark, New Jersey.

In subsequent years, our retail store service was established in Cincinnati, Milwaukee, Philadelphia, Chicago, Detroit, Minneapolis-St. Paul, Pittsburgh, Cleveland, Miami, Denver, St. Louis, and other metropolitan areas.

COMMON CARRIER SERVICE ESTABLISHED

In 1922, in Southern California, we launched an experimental operation which, many years later, was to have a dramatic effect on the growth and development of our company. That operation was referred to then as our "wholesale service." It has now come to be known as our "common carrier service."

This new service was radically different from any being offered in that area, or anywhere else in the United States. It incorporated many of the features and operating principles of our retail store delivery service, such as uniformed drivers, attractively painted and well-maintained vehicles, emphasis on courtesy, and insistence on meeting commitments.

It included features not offered by any other private carrier, or even by government parcel post, such as the automatic daily pickup call, acceptance of checks made out to the shipper in payment of C.O.D.'s, extra delivery attempts, automatic return of undeliverables, and streamlined documentation with weekly billing. A key, essential feature was that the service was provided at a cost comparable to the cost of using parcel post.

At first, this common carrier service was confined to a small area around Los Angeles. By 1927, it had been expanded to include specified highways extending approximately 100 miles to the north of Los Angeles, 60 miles to the east, and 125 miles to the south.

EXTENSION OF AREA SERVED

No effort was made to extend the common carrier service beyond Southern California until 1952 . . . In 1952, we decided to seek an extension of our operating authority in California. Soon thereafter, we also decided to commence common carrier operations in other cities

COMBINED GROUND AND AIR SERVICE

For a number of years, we have also conducted a combined ground and air service. Under authority granted by the Civil Aeronautics Board, we use the services of commercial airlines to connect UPS operating areas. These deliveries to distant locations constitute an important part of the service we offer.

Mr. Speaker, I appreciate the opportunity to call your attention to the safe driving records of some of our distinguished citizens and seek this national recognition of their standards of excellence and outstanding service to our people. We do indeed salute the distinguished gentlemen of the UPS "Circle of Honor."●

VIETNAM VETERANS' COMMEMORATION DAY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. DOWNEY. Mr. Speaker, it was with acute displeasure that I learned that House Joint Resolution 182, a proposal to commemorate April 26, 1981, as a national day of recognition for veterans of the Vietnam era, was scheduled for a vote on a day when I am committed to be on business elsewhere. Were I present I would certainly vote "yes."

I was an original cosponsor of this resolution and spent a considerable amount of time alerting my colleagues to the worthiness of setting aside a special day for these veterans. I know only too well what injustices have been suffered by Vietnam veterans. My district is heavily populated by men and women who have mental and physical scars from their service in that war torn nation. To say that their sacrifice was ignored would be understating their plight. Not only did we turn our backs on their accomplishments, but we also turned our backs on their legacy—drug addiction, mental illness, physical destruction, and what is probably the worst sin of all—we never even thanked them for fighting for us in what had to be a losing proposition.

Clearly we owe them this day and most assuredly, much, much more. But at least this is a beginning.●

CHANGES IN THE TRADE ADJUSTMENT PROGRAM

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. CONABLE. Mr. Speaker, I am introducing today, along with my colleagues Mr. VANDER JAGT and Mr. FRENZEL, a bill incorporating the President's recommended changes to the trade adjustment assistance—TAA—program as it applies to workers. These changes are designed to refocus the program on its original purpose of assisting in the readjustment of workers experiencing trade related unemployment, to reduce the burgeoning cost of the program, and to provide greater equity among workers who are trade impacted and those workers unemployed by economic forces or policy decisions unrelated to trade.

The principal element of the bill is the integration of TAA with the unemployment insurance—(UI)—program. TAA payments would not be made until a worker had exhausted UI benefits, whether regular, additional, or extended and, once begun, the TAA payment would be limited to an amount equal to the weekly amount payable under UI. The number of weeks of TAA payments would be limited to 52, with an additional 26 weeks of benefits available to workers enrolled in approved training programs. Furthermore, workers receiving benefits would be required to accept suitable work if available as is the case now for UI recipients.

Another important change in the worker program which this bill proposes involves a change in the standard for determining the impact of imports on employment and production prior to the certification of workers. Under current law, imports must have contributed importantly to the decline in sales and production; that is, be a cause that is important but not neces-

sarily more important than any other cause. The bill provides a strengthened test which would require that imports be a substantial cause of the problem and a cause not less important than any other cause.

In addition, it must also be determined that reduced employment levels caused by imports at any firm or subdivision requesting certification have a substantial probability of being permanent. These two new tests of the cause and effect of import penetration on an industry will insure that benefits designed to foster adjustment by such firms, and workers in these firms, to import competition will indeed have a sound basis for triggering the additional assistance provided under the program. If imports are not the root cause of the problem, the goals of the TAA program cannot effectively be achieved.

Although the weekly benefit amount provided by TAA serves to cushion temporary trade-related unemployment, more important from the point of view of readjustment is the job search, relocation, and training aspects of the program. The bill provides for approximately a tenfold increase in the funding available to assist workers in finding new employment and, if necessary, improving their skills through training. In the more difficult situations, a worker will be able to find more assistance under the expanded program in seeking employment and perhaps relocating outside the immediate depressed area, including other States where job opportunities are significantly better.

For example, the bill would increase the maximum reimbursement for expenses related to job search from $500 to $600. Also, the TAA relocation allowance would be increased for 80 percent of related expenses plus a lumpsum payment of three times the worker's average weekly wage—up to a maximum of $500—to 90 percent of such expenses plus a maximum lumpsum payment of $600. Of course, the strongest commitment of the administration is in the area of training where funding will be increased from about $12 million in fiscal year 1980 and none in fiscal year 1981 to more than $100 million in fiscal year 1982.

The Trade Subcommittee of the Committee on Ways and Means plans to mark up this legislation on Wednesday, April 1. The bill provides a fairer balance in the treatment of workers while at the same time recognizing the need to offset in some degree the adverse effects of this Nation's free trade policy. Such a policy of open trade benefits the U.S. economy greatly and provides more overall employment than is lost in those industries which are more susceptible to increased import competition. The program envisioned by this bill can adequately and effectively adjust trade impacted workers to new employment opportunities. I hope it will be strongly supported by my colleagues.●

CHIEF FRED G. ZORB

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. ATKINSON. Mr. Speaker, this Friday I will have the honor to participate in a retirement dinner for someone who has over the years made a major contribution to preserving the lives and property of the residents of Butler, Pa., in my congressional district. I will be brief, but I am sure that my colleagues would be interested in taking a moment to consider the contributions of Mr. Fred G. Zorb, fire chief of Butler.

Chief Zorb has been a member of the Butler Fire Department for 35 years and chief of the department for the past 13 years. Mr. Speaker, it is impossible to imagine the countless number of hours that Mr. Zorb has dedicated himself to in the name of community fire protection. In addition, one can only speculate to the number of lives that Chief Zorb has been responsible from saving from life or injury over the years both as a fireman himself and as a leader and an example to other firemen.

We are all aware of the dedicated hours that our community firemen put into protecting life and property. Mr. Zorb has demonstrated how being a fireman requires constant sacrifice both on his part but also on the part of his family. As chief, Fred helped his men deal with the problems that such a job creates and to hold together a department that has served our community in an exemplary fashion.

On Friday, April 3, 1981, the residents of Butler will be honoring Chief Zorb, but they also will be honoring Fred Zorb, a citizen whose life can serve as an example to all of us in this Hall of Congress. Thank you.●

WILLIAM GREIDER ON THE REAGAN DEFENSE BUDGET

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. CONYERS. Mr. Speaker, the Reagan administration is proposing to increase the defense budget by $44 billion—in obligational authority—and by $26 billion—in outlays—from fiscal year 1981 to 1982. This represents a 24.8 percent 1-year increase in obligational authority. In the 6-year period ending in fiscal year 1986, the administration is proposing, at a minimum, an additional $1.5 trillion for defense over the Carter administration estimates.

A proposal of this magnitude warrants a close look. A number of questions immediately come to mind. Last year, the inflation rate in the defense sector reached 20 percent, or roughly double the rate in the economy overall. Defense-sector inflation results from a shortage of highly skilled technicians and engineers in defense industries, material and supply bottlenecks in most of the weapons programs, and the fact that while new defense spending raises aggregate income and demand, there is no additional production of consumer goods to meet such demand. Given defense-sector inflation, how does the administration propose to deal with these inflationary pressures and the Federal deficits likely to accrue?

The defense industry is highly concentrated in particular areas of the country, largely the Southeast and Far West, the very areas that are experiencing relatively good economic prospects. A defense increase of the magnitude proposed by the administration amounts to a public investment strategy targeted to those areas that least require Federal assistance and away from the areas that are in greatest need of revitalization.

Finally, the huge increase in defense funds are likely to siphon away considerable amounts of credit and capital from civilian economic sectors that require considerable new capital, such as transportation, energy, and housing.

In the light of these considerations, William Greider, the assistant managing editor at the Washington Post, has performed a singular service in his commentary of March 29, entitled, "The Maginot Curve: The Faster You Spend on Defense, the Behinder You Get." The analysis of the defense budget that he offers is one of the most thought provoking I have seen in recent weeks. I urge my colleagues to take a good look at the Greider article, that raises many basic questions about the administration's defense budget.

The article follows:

HOW MORE BUYS LESS—THE MAGINOT CURVE: THE FASTER YOU SPEND ON DEFENSE, THE BEHINDER YOU GET

(By William Greider)

If everyone now comfortably grasps "supply-side" economics and the logical beauty of the Laffer Curve, it will not confuse them further if I introduce them to the Maginot Curve. The Maginot Curve, which I have named in honor of those French generals who prepared so cleverly for World War II, applies the "supply-side" perspective to the "demand-side" of President Reagan's new budget—the trillion-dollar boom in defense spending.

The Laffer Curve, as everyone surely knows by now, holds that as the government raises its tax rates, it reaches a zero point where revenue actually begins to decline. The more you tax, the less you collect.

The Maginot Curve makes the same point about defense spending. The more you spend on rearming, the fewer weapons you get for your money. Those who are familiar with weapons procurement know that this is already happening. As the Reagan rearmament pours $1.5 trillion into the Pentagon over the next five years, the United States will approach the Maginot theoretical zero point, never before reached by civilized nations. We will spend much, much more on weapons and we will get back nearly zero in national security.

This is only a theory, of course. I do not expect the Reagan team to take it seriously, because it offends all of their cherished notions about what government is for.

Government is for buying tanks, ships, airplanes and making America strong. Who would believe that dumping a trillion dollars on the defense industry might actually make us weaker? The French generals built a big wall across eastern France to keep the Germans out and called it the Maginot Line. Trouble was, Hitler went around it.

A few years hence, after we have experienced the "supply-side" calamities of the Reagan defense budget, I predict people will be ready to examine the Maginot Curve as a serious idea. Point zero in defense procurement is not as distant as you might think.

Last fall, for instance, when the Pentagon was already flush with the Carter administration's budget increases, the negative effects of the Maginot Curve were already visible. In the final three months of 1980, the total purchase cost of 47 major weapons systems escalated by $47.6 billion. From September to December, due to engineering changes and foul-ups and inflation, the total price tag on these planes, tanks, ships, guns and fancy electronic gear rose from $262.6 billion to $310.2 billion, an inflation rate of nearly 20 percent.

That makes Medicaid sound like a real bargain. The $47.6 billion Pentagon overrun is, by the way, a wonderfully apt statistic for all those weep-easies around town who are moaning about the Reagan budget cuts for food stamps or Legal Services or other do-gooder programs. Think of it: The entire domestic budget cut which Ronald Reagan is proposing was swallowed up by one quarter's price escalation for Pentagon weapons. Does that register on anyone's yelp index?

But my fundamental point is this: Thanks to that price escalation, we must buy fewer weapons. The Air Force dropped seven F18 fighter jets from its 1981 buy. The Army reduced its order for XM1 tanks by 20 tanks and is negotiating to cut another 45. The Pentagon, like any average consumer, blames it on inflation and promises to be a more careful shopper in the future.

But the future will be worse for weapons inflation, not better, unless the Reagan managers have the political courage to confront the "supplyside" flaws in the defense industry. Otherwise, the rush of new dollars into defense orders will simply aggravate all of the fundamental problems which are producing this extraordinary waste.

To reform the structural flaws in the defense industry, however, the "supply siders" would have to abandon one of their most cherished theological principles, the idea that there is a "free market" which functions efficiently on its own, if only government will get out of the way. Whatever one may say about the rest of the economy, the "free market" is an elaborate pretense in the defense sector. Defense production is perhaps the most highly regulated of all industries, operating partly in government-owned factories and with government guarantees of sales and profits. On many items of hardware, the Pentagon is the only buyer. And on most military parts and systems, the Pentagon buys from a company which is the only seller.

All of this is concealed by an earnest mythology of "free market" competition, based on the simple virtues of public purchases through competitive bidding. The reality approaches monopoly. Only 8 percent of Defense's business is done by the formal system of advertised price competition. Most purchases are effectively "negotiated" between buyer (the government) and seller (defense contractor).

About 60 percent of Pentagon procurement is actually awarded on a noncompetitive, single-source basis in which the supplier names the price and delivery date. The larger the dollar value, the more likely it is that the contract will be noncompetitive.

These reality checkpoints are derived from the defense procurement studies done by a free-thinking economist named Jacques S. Gansler, who studied the structure of the defense industry as a deputy assistant secretary of defense in the Ford administration and who has spent the last five years trying to get generals, admirals, and civilian managers to listen to what he found. Today, for those who seriously want to understand the matter, Gansler's analysis is summarized in one dense and troubling volume, "The Defense Industry" (MIT Press, Cambridge, Mass., $19.95).

Gansler, I should add quickly, is no weepy dove or out-of-fashion lib-lab economist. He believes, with the Pentagon brass, that America was "unilaterally disarming" itself in the post-Vietnam defense budgets while the Soviet Union was preparing for war and that the trend must be reversed. But he also believes that simply throwing money at Boeing and General Dynamics and McDonnel-Douglas and the hundreds of other defense contractors will produce disastrous results. Indeed, it was Gansler who explained for me the broad outlines of supply-and-demand inflation which I dubbed the Maginot Curve.

What would happen, for instance, if there were a sharp increase in defense expenditures for aircraft, as Reagan now proposes? Gansler anticipated the question in his book:

"Although there were many badly underutilized plants and redundant employes, it was highly likely that greatly increased defense funds, spent on the present products with the present contractors, would not yield significantly more military equipment but would only raise the prices.

"The existing bottlenecks of labor, parts and production machinery would not be removed, and the few firms doing business on the increased demand would simply pay more for the scarce parts and labor and charge the government more for the equipment produced. The impact would be inflationary, with little benefit in terms of either employment or national security."

This is easier to understand with a humble example. According to studies by the House Armed Services Committee, there is now a wait of 120 weeks for delivery of aircraft landing gear, twice the delay which existed only a few years ago. In some cases, according to Gansler, forgings and other parts for landing gear can only be obtained from one contractor. When the Pentagon makes new orders, those must wait in line behind the old orders. The effect is upward pressure on price and longer delays.

If the supplier decides to expand production, build a new plant and hire more workers, it runs into the industry-wide inflation. There is already a shortage of machinists in America and no surplus of engineers. Firms are already bidding up salaries in furious competition for personnel.

In addition, shortages of key parts hold up production on major weapons systems because the network of small suppliers has atrophied in the last decade. While the Pentagon and Congress concentrated on keeping the prime contractors afloat with bailouts and life-saving orders for the big-ticket items, scores of smaller firms simply dropped out of the defense business. They couldn't stand the boom or bust uncertainties; they left behind a greater concentration of producers, which means, of course, even less competition on price.

So far, we have not even mentioned the reliability of these weapons. Americans have gotten so accustomed to reading that their billion-dollar weapons don't work right or their huge airplanes have serious flaws that they are no longer shocked. Gansler believes that the scandals of unreliable defense products also flow from the structure of industry, the absence of genuine competition.

An aircraft manufacturer is encouraged by the present system to "buy in" during the research and development phase of a weapons program—that's a business term for pricing the product too low at the start in order to win the sale. Then the contractor "gets well" later by gouging the customer when the aircraft is in full production and the buyer can't easily turn elsewhere.

In this case, of course, the customer is us. If the aircraft or its engine doesn't work right, so much the better. That means more engineering changes, an increased price tag and, under present procurement rules, greater profit.

The fundamental answer, of course, is more competition. Every true-blue conservative is for that. But the argument begins with this question: How do you create more competition in a highly regulated industrial sector where the government is the only customer and the marketplace is dominated by product monopolists? As I understand the "supply-side" approach, they might say something like this: Deregulate the businesses, get the government off their backs and then simply throw a lot of the money on the table and let the fittest get the mostest.

Gansler, alas, thinks the government cannot withdraw from managing the defense industry, even if it wants to. The only issue is whether the Pentagon will reform its procurement strategies to produce more competition and, thus, lower prices and more reliability. Or whether it will allow the present structure to continue to swallow up these new billions and frustrate further the anxieties over our national arsenal versus the Reds.

Among other things, Gansler would apply "indicative planning" to the defense sector. "Indicative planning" is a dirty socialist term borrowed from the mixed economies of Western Europe, so Gansler prefers an Americanized euphemism: "coordinated government policy." What it means, crudely stated, is that the Pentagon would force-feed competitive arrangements on the defense industry. The peculiar nature of this sector is that, unlike the "free market" theory, ineffective firms don't get eliminated from the marketplace and efficient new

competitors find it most difficult to gain entry.

For instance, in some cases, the Pentagon should set aside the meaningless facade of competitive bidding and use guarantees and subsidies to draw new firms into the field to compete on price and quality with the old monopolists. It should separate the R&D phase of weapons development from the production phase so that companies would have no incentive to "buy in" with dishonest estimates of costs. (Gansler notes, without irony, that this is what the Soviets do in their military-industrial complex, not to mention our European allies.) Military planners, if they really want to catch up with the Russians, should reverse the system's present incentives for raising costs and make the price tag a basic criterion in the design of new weapons.

And Gansler recommends this: Instead of perennially propping up losers, the government should allow some weak companies, including some of the major aircraft makers, to go under. Their plants are inefficient and represent a costly overcapacity which keeps valuable people and machines from converting to more useful enterprises.

As these remedies suggest, competition hurts. Will Defense Secretary Caspar Weinberger have the courage to confront the Pentagon pork barrel and apply his famous knife to its bloated contracts? Weinberger's initial moves to reform contracting have been encouraging, but he has not gotten to the hard parts.

Reagan's staunch supporters in the defense industry will yelp like wounded liberals if the SecDef tries to force a little honest competition upon them. If he doesn't try, we will watch the defense budget climb the Maginot Curve faster than you can cut the free lunch for poor people.●

CHAMPIONS OF VIETNAM VETS

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. CARMAN. Mr. Speaker, I note with great pleasure that the House recently approved legislation setting aside April 26 as a national day of recognition for Vietnam veterans. For far too long these brave soldiers have not gotten the credit they deserve. I am also glad to see that lawmakers at the State and local level are acting to honor those who served in Southeast Asia.

Among them is New Jersey State Senator Jim Wallwork, who introduced legislation in the State legislature which would give special honors to Vietnam vets on Memorial Day, May 25. Mr. Wallwork's proposal says May 25 should be a day not only to honor all veterans, but those who, refusing to run away, gallantly served in the Vietnam conflict, and especially for those who sacrificed their lives. As Jim recently told some reporters, "The time is now to put behind us the unfortunate feeling that we must ignore the Vietnam veteran."

On Long Island, we have another champion of the Vietnam vet. He is Suffolk County Legislator John J. O'Neil. John serves as the chairman of the Suffolk County veterans affairs committee and believes the Nation still owes a great debt of gratitude to those who served in Vietnam.

Mr. Speaker, with the help of men like Wallwork, O'Neil, and many others, we will see the day when the Vietnam vet feels his country really appreciates what he has done.●

HIGH-RISE FIRES—HOW SAFE ARE CHICAGO'S BUILDINGS?

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, in recent months there have been a rash of fires in both commercial and residential buildings—well-publicized fires like the MGM Grand Hotel fire in Las Vegas and the smaller not-so-publicized fires which have taken place in your districts and mine. One point that has been driven home to me is the fact that in some localities not enough attention has or is being paid to either stengthening existing fire and building codes or enforcing to the letter, codes already on the books. Add to that the lack of adequate fire prevention devices either in homes or apartments, and you have life-threatening situations on your hands.

Congress, after hearing a report "America Burning," enacted the Fire Prevention and Control Act of 1974. This act established the U.S. Fire Administration (USFA), whose goal includes reducing the Nation's fire losses by 50 percent within a decade.

Officials from the USFA have informed me that Congress, by way of a show of support, should support the fire safety efforts of the USFA to reduce lives lost by fire and property damage.

On February 26, 1981, I introduced House Concurrent Resolution 81, a resolution expressing the sense of the Congress that State and local governments must continue to work with the USFA and combat fire losses. This concurrent resolution, if passed by both Houses, would demonstrate to officials on the local level that Congress is behind the USFA's efforts to fully investigate fires, enforce technical knowledge and expertise useful in upgrading existing codes, and encourage the private and commercial installation of modern fire prevention and safety devices; that is, smoke detectors and sprinkler systems.

I feel that we must acknowledge, support, and encourage the USFA on their continued efforts to educate the public and work with fire officials on the local level to see that code and building standards are properly enforced and reevaluated.

Along this line, I would like to share with my colleagues an article on "High-Rise Fires—How Safe Are Chicago's Buildings?" which appeared Monday, February 23, 1981, in the Chicago Tribune:

HIGH-RISE FIRES—HOW SAFE ARE CHICAGO'S BUILDINGS?

(By Jerry Crimmins)

"I never felt a drop from a sprinkler or heard an alarm," said a survivor of the recent blaze that swept through the Las Vegas Hilton, killing 8 and injuring 200.

The reason was that the wing that burned was not equipped with sprinklers and its ringing alarms did not work. If that fire had occurred in many downtown Chicago high-rises, the situation would have been the same.

Chicago's building code does not require sprinklers, alarms, or loudspeakers in high-rise hotels and office buildings built before 1975, and many buildings in downtown Chicago do not have them.

The Tribune picked a sample of downtown buildings to see which had modern fire safety features and which did not. The investigation was made with the cooperation of the Chicago Fire Department's Fire Prevention Bureau, led by Deputy Commissioner James Newbold.

The findings are based on observations by firefighters, conversations with building managers, and visual inspections. For each safety feature, the chart on this page shows whether it is required by the building code and whether it exists in each building. Many of the safety features required in buildings erected since 1975 are not required in those erected earlier.

The chart is not nearly a comprehensive list of desirable fire safety features for high-rises. It shows things easily understandable and verifiable. Tenants of buildings not listed here can use the information to check their buildings.

FIRE EXITS

"You'd be surprised at the number of people who want to go to places with outside fire escapes," Fire Lt. James DeFily, a hotel inspector, said recently. On the wall of Newbold's office is a picture of crowds descending outside fire escapes on the Midland Hotel, where 500 people fled during an extra-alarm fire in the basement in 1973. But outside fire escapes, such as those on Chicago's old hotels, are a thing of the past. Firemen like them; architects do not.

Chicago's fire codes, old and new, require only interior, fully enclosed stairwells with doors that automatically close. Generally, the stairwells exit in the interior of the ground floor, though some buildings, such as the Marriott Hotel on Michigan Avenue, have stairwells that exit on the street.

Two fires in Chicago high-rise office buildings, one on the ground floor and one in a lower level connected by an open escalator to the ground floor, have shown the serious weakness of stairwells that exit only to the interior. Fortunately, the fires occurred late at night, so there were no disasters.

The model fire code published by the National Fire Protection Association in 1976 says only half of those occupying a high-rise should be allowed to exit to the interior on the ground floor, and then only if the ground floor and open lower level have a sufficient sprinkler system.

SPRINKLERS

Firefighters prefer automatic sprinklers over just about any other fire safety mechanism. Sprinklers detect a fire. When heat reaches a certain point, they open up and often put out the fire. When the sprinklers start to flow in most buildings, they trigger a "water-flow alarm," which tells the building engineer where a fire has started.

In Chicago, buildings erected after 1975 must be either fully equipped with sprinklers or constructed according to a complicated "compartmentation" plan designed to isolate smoke and flames in a single compartment. (303 E. Wacker Dr. on the chart is a compartmentalized building.) Most new developers are choosing sprinklers here.

Sprinklers are not required here for high-rises built earlier than 1975. Some buildings have partial systems, especially in garages. One building built before 1975, Sears Tower, is fully equipped with sprinklers. Newbold said he would like to see a law requiring that all high-rises be fully equipped with sprinklers. An aide said the plan would meet with "a hellacious court fight." New York has such a law, but it is being challenged in court.

SMOKE DETECTORS

Fire Commissioner William Blair said recently that he would like to see smoke detectors required by law in single-family homes. He did not mention high-rise office buildings and hotels erected before 1975, which are not required to have them. Smoke detectors can be operated by battery individually or tied into an electrical automatic alarm system, which tells the building operator the location of the fire. High-rises built after 1975 must have centralized smoke detector systems if the "compartmentation" option has been chosen.

Under the 1975 Chicago code, a centralized smoke detector system does not set off an alarm throughout a floor or building. It goes off on the fire control panel, which usually is in the lobby. In New York, however, all high-rises must have installed this year centralized smoke detector systems, which set off alarms on two floors as well as signals on the fire control panels.

FIRE ALARM SYSTEMS

Chicagoans familiar with school fire drills may expect to hear that same ringing alarm when there is a fire in a downtown hotel or office high-rise. Except in rare instances, they will not hear it. They may hear nothing.

Ringing alarms in high-rise office buildings and hotels are not required under any Chicago code, apparently because it is felt that they might cause panic or cause people to rush from a safe area to a smoke-filled corridor. (The Michigan Avenue Marriott, Conrad Hilton, and Palmer House hotels are equipped with "general alarms," which may ring only on the orders of the fire department. These are not required, and the rest of the sample buildings do not have them. General alarms are not listed on the chart.)

The "fire alarm systems" mentioned on the chart make a signal only in certain offices to inform building operators, not tenants, that there is a fire. Such an alarm could be set off by a manual pull box, or it might be part of a centralized smoke-detector or sprinkler system.

In hotel and office high-rises built before 1975, no fire alarm system is required. High-rises built since 1975 must have an automatic system based on sprinklers or smoke or heat detectors. Even this system will not make a "general" noise.

In New York, all high-rises must have installed this year fire alarm systems that can be set off manually and automatically. The alarms ring on the fire floor and the floor above and on the control panel. Also, each floor must have a fire control warden who is a tenant volunteer. The wardens direct preliminary evacuation.

LOUDSPEAKERS

In the event of a fire in a Chicago office or hotel high-rise built after 1975, the occupants will hear the news on a loudspeaker system: "This is the fire department." (There has not been a fire in a new building here yet.) The one-way speakers are installed on every floor and controlled by the fire control panel in the lobby or near there. Only the responding fire chief is supposed to talk into the loudspeakers. The fire department does not want the building personnel using them "because we don't know what they'll say."

Through switches, the fire chief can communicate throughout the building at once or to separate floors. Newbold said the current theory on high-rise fires is to avoid mass evacuation in favor of selective evacuation. Generally, persons above a fire or on the same floor may be in danger, but persons below are not. Selective evacuation can be controlled by the loudspeaker system.

Hotel and office high-rises in Chicago erected before 1975 are not required to have loudspeakers. A few have them.

In New York, all high-rises must have loudspeaker systems installed this year. New York buildings also must have two-way phones on each floor for the use of the tenant fire wardens.

DOOR UNLOCKING

In some high-rises, one can get into a stairwell on any floor but out only on the bottom floor. The doors are locked on the inside for security. Office and hotel high-rises built here after 1975 that keep the stairwell doors locked must have a central device of unlocking these doors all at one time in case of fires. In New York, the requirement applies to all high-rises no matter when they were built. An option is to leave a door unlocked on every fourth floor.

TWO-WAY PHONES

Because of the danger of becoming trapped in a smoky stairwell, Chicago's 1975 high-rise code requires new buildings to have two-way phones on the stairs at every fifth floor. The phones connect to the fire control panel. Earlier buildings are not required to have them, and most do not. An exception is the 60-story First National Bank building. The stairwell doors are locked on the inside, and there are intercoms on the 39th and 25th floors only.

STANDPIPES

This is one of the key safety devices in the event of fire in all Chicago high-rises, old or new. All buildings 80 feet or more in height must have a standpipe water system running the full length of the building in a stairwell. One each floor, there must be hose connections for building hoses and a separate connection for fire department hoses. On the outside of the buildings, there must be places for the fire department to hook up extra hoses to the standpipe system to supply extra water if necessary.

ELEVATOR RECALL

High-rise offices and hotels built here after 1975 must have a box near the elevators for which the firemen have a key. The firemen can open the box and bring all the elevators to the ground floor, then operate them as they wish. If new elevators are installed in office or hotel high-rises built before 1975, they must be fitted with an elevator recall box.

SMOKE CONTROL

Chicago high-rise office buildings, not hotels, erected after 1975 must have ventilation systems capable of sensing smoke and switching to a fire mode automatically. The fire mode prevents the smoke from being passed throughout the building and sends it outdoors. This is not required in buildings erected before 1975.

SMOKE-PROOFING

High-rises that are more than 274 feet high, or 25 or 26 floors, must have one stairwell that is smoke-proof. This feature requires two connected towers running the length of the building. Entering the first one, the vestibule, a person will see vents that are supposed to carry the smoke upward and out. When a person continues through a door to the second tower, the stairwell should be smoke-free.

Only one smoke-proof tower is required because it is an expensive consumer of space. The assumption is that if you find yourself in a smokey stairwell, you can leave and go to the smoke-proof tower.

If you never heard of a smoke-proof tower, or do not know where it is, it will not be much help to you. But the firemen will use it.●

H.R. 2893, COAST GUARD AUXILIARIST BENEFITS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. O'BRIEN. Mr. Speaker, a shocking disparity exists between the disability and death benefits accorded to Coast Guard auxiliarists, and those of regular Coast Guard employees. To correct this oversight I introduced H.R. 2893, the Coast Guard auxiliarist bill.

The current guidelines allow for the following: Assume there are two employees of the Coast Guard, Mr. Smith and Mr. Jones. They perform the same function as part of the same job in the same pay grade. Mr. Smith, however, is a regular Coast Guard employee, while Mr. Jones is an auxiliary employee. Assuming that while performing this function they both sustain a disabling injury—or, heaven forbid, a fatal injury—this disparity becomes evident. Mr. Smith—or his family—would receive a benefit comparable to his salary while Mr. Jones, because he is an auxiliary employee, would receive a benefit limited to a fixed base of $600 per month. I believe this is not just.

If enacted, my bill would substantially increase the base amount for figuring these benefits. This would be accomplished by replacing the fixed base of $600, presently found in the law, with a computation base equal to the

monthly pay of a civil employee of the Government, "grade GS-9, step 1." In addition to increasing benefits presently available, the proposed general schedule base will also provide an index mechanism to assure a continued realistic benefit base without requiring further amendment.

I have become aware of this issue through the tragic misfortune of two men, both of whom have been permanently disabled by injuries sustained in an accident which took place while they were fulfilling their obligation to the Coast Guard as auxiliarists. I have made the effect of this bill retroactive to benefit these men who are presently faced with an ignominious penury as well as emotional trauma. As far as I know, they are the only accident victims who would benefit from the retroactive aspect of this legislation.

The situation is serious and demands our attention. Auxiliarists make up approximately 81 percent of Coast Guard personnel. Many of them are questioning if their service is worth the risks of injury or death with low benefits. We must correct this problem. I urge my fellow Members to aid the swift passage of H.R. 2893, the Coast Guard auxiliarist bill.●

WORKFARE WORKS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. FINDLEY. Mr. Speaker, workfare works and, with improved legislation, will work still better. That is the theme which emerges from the excellent testimony presented yesterday to the Domestic Marketing Subcommittee by experts from the General Accounting Office.

While the final report on the first year's experience in workfare under food stamps is not quite complete, the GAO nevertheless produced data and recommendations which show clearly how the program can become more cost-effective from the standpoint of both local and Federal Government.

As the author of the 1977 amendment which led to the workfare pilot projects, I am encouraged by all aspects of the report. It suggests that broadening the workfare concept nationally makes sense at this time, provided its provisions are improved by legislation.

Here is the report, as presented by Brian P. Crowley, associate director, senior level community and economic development division, General Accounting Office. He was accompanied by Stan Sargol, Mel Lynch and Dan McCafferty of the GAO.

FOOD STAMP WORKFARE

The Food Stamp Act of 1977 requires that the workfare concept, in which food stamp recipients will be required to work on public service jobs for the value of their food stamp benefits, be tested in 14 pilot projects—7 urban and 7 rural. But only 7 projects—6 rural and 1 urban—operated during the first year. We are currently completing our assessment of the first year's operation of the demonstration. Although the number of workfare demonstration sites and their rural/urban mix fell considerably short of legislative provisions and congressional expectations, the operation of the seven demonstration projects during the first year provided valuable insight into the problems and potential of the workfare concept.

We reviewed the operating results of the seven demonstration sites, problems in measuring workfare benefits and costs, and the need for legislative and administrative changes that will help provide a more effective and efficient workfare operation. We have in mind such changes as:

Eliminating some of the currently allowed exemptions,

Eliminating unnecessary waiting periods,

Strengthening program sanctions, and

Improving administration at the federal and local levels.

An extended phase of the workfare demonstration, involving 14 project sites, is now ongoing and is scheduled to end September 30, 1981.

HOW IT WORKS

Food stamp recipients subject to workfare are identified by the food stamp office and referred to a workfare component which schedules them for an interview after a 30-day job search period. At the interview, the individuals' skills, abilities, interests, and work experiences are assessed and they are scheduled for work in a public service capacity with either State and local governmental agencies or with private nonprofit organizations. Workfare participants work at the minimum wage rate ($3.35 per hour effective January 1, 1981) for enough hours each month to earn their household's food stamp benefits.

Referred individuals who fail to report for the interview or who fail to report for work are referred back to the food stamp office for a determination of cause and, where appropriate, imposition of sanction. If it is determined that good cause existed for the failure, such as lack of transportation, illness, household emergency, or conflict with employment, training, or job search, the individual is either exempt from workfare or rescheduled for interview or work.

EXEMPTIONS

Our work at the seven demonstration projects showed that out of a sample of about 1,900 food stamp household certifications in the project areas, 1,675 (88 percent) were exempt from workfare participation because household members fell into one of 10 categories of exemption specified by law. Many of the exempt participants were unable to work because of age, physical disabilities, or the need to care for persons unable to care for themselves, but about 25 percent were in four categories which we believe do not merit automatic exemption from the requirement to work for their food stamp benefits. These four categories are (1) AFDC-WIN registrants, (2) recipients of unemployment insurance benefits, (3) students, and (4) households whose earned income is low enough to qualify for food stamps but is greater than the household's monthly benefit. These four categories represented 470 of the 1,900 food stamp certifications we reviewed.

AFDC-WIN registrants are required to register for work training but are not always engaged in a full-time work training program. Unless they are so engaged, their automatic exemption seems inappropriate. (About 115 of our sample households were in this category.)

Recipients of unemployment insurance benefits are required to search for work but they should be able to do so and still participate in the food stamp workfare program which, in most cases, requires less than 5 days of work a month. (About 100 of our sample households were in this category.)

The 1980 food stamp amendments provide that students from other than low-income families will no longer be eligible for food stamp benefits and this will probably reduce the number of students in the program and thus the significance of this exemption. Nevertheless, some students will likely continue receiving food stamps. About 100 of our sample households were exempted because of student status. Working while going to college is not unusual and exemption from workfare seems inappropriate except in special circumstances where the student, in addition to attending classes, may be working or undergoing special training.

The fourth exemption category included 155 sample households whose earned income was greater than their food stamp benefits. Of the 155 exemptions, 85 appeared to represent full-time workers and 70 appeared to represent part-time workers. Full-time workers merit exemption because an inherent objective of the workfare program is to encourage individuals to find full-time employment. However, depending on their hours of work, part-time workers could have time available to participate in workfare.

Because most workfare obligations required less than 5 days of work a month, it seems unlikely that completing workfare obligations would create a real conflict with a participant's need to seek employment in the general work sector. If it did, the participant's workfare schedule could be adjusted to provide the specific time needed. If only three-fourths of the exemptions resulting from the four exemption categories had been made eligible for workfare instead of exempt, an additional 19 percent would have been added to the 12 percent of food stamp households referred to the workfare program during the first year of the demonstration.

We believe that automatic exemptions under the four categories discussed above should be eliminated.

30-DAY JOB SEARCH

The law gives new workfare referrals a 30-day job search period before they can be assigned to workfare jobs. As a result, new referrals automatically avoid workfare participation for at least 30 days. If they are certified for food stamp benefits for only 1 month, they will not be affected by workfare. Even under a 2-month certification, food stamp benefits for both months would probably have been received by some households before the workfare interview and assignment process would start and before failures to cooperate could be answered with cause and sanction determinations. Of a sample of 805 workfare referrals, 130 did not start a workfare job because their food stamp certification period ran out before they could be assigned.

Because participation in the food stamp workfare program is not a full-time activi-

ty—taking less than 5 days a month in most cases—such participation should allow adequate time for a participant to look for full-time employment without a 30-day job search period as is now provided. Should a conflict arise, the workfare project could adjust the participant's work schedule to provide the specific time needed.

Our inquiries at the two general assistance workfare projects disclosed that participants generally were expected to look for full-time employment on their own time. At one of these projects, workfare participants were not required to work more than 3 days in any 1 week—the remaining 2 days were made available for job search. At the other project all general assistance workfare participants had the same work obligation, regardless of the amount of assistance received each month. Each participant was required to work or train for 7 days a month and provide verification of 20 employment contacts before the end of the month. The employment contacts were to be made on the participant's own time.

We believe that the effectiveness of the food stamp workfare program could be improved significantly by requiring those eligible for workfare to report to the workfare office for interview and work assignment as an integral part of the certification process for food stamp benefits. Under these circumstances, any failure to cooperate in workfare would immediately terminate the benefit certification process.

SANCTIONS

The law requires that workfare referrals who refuse to (1) be interviewed, (2) be assigned to a workfare job, or (3) carry out their work obligations in a public service job be sanctioned by being denied food stamp program benefits for 1 month. Other members of the household would continue to receive benefits. The sanctioned individual would be automatically reinstated in the program the following month. If the individual continues to ignore the workfare obligation, the maximum sanction now possible would be exclusion of the individual from the calculation of the household's food stamp benefits every other month. This is assuming that the workfare project and the food stamp office operate at peak administrative effectiveness.

The dollar value of the denied food stamp benefit to the sanctioned individual for the 1-month sanction period would average $34. We question whether such a minimal sanction serves as an effective deterrent to disregarding workfare requirements. Most of the 58 sanctioned individuals included in one of our sample groups were back in the food stamp program the month after the sanction. The elimination and subsequent reinstatement of sanctioned individuals in the food stamp program creates administrative burdens for both the workfare office and the food stamp office in keeping up to date on the individual's workfare status, in making frequent recalculations of household benefits, and in keeping track of when the individual is again eligible for food stamp benefits.

We note that program sanctions are more severe for food stamp recipients who do not comply with the program's work registration requirements (as distinguished from the workfare requirements). The 1977 Act requires that, when sanctions are appropriate for work registration noncompliance, the entire household be denied food stamp benefits for 2 months. Also, in the two general assistance workfare programs we checked on, work noncompliance would result in the household losing program benefits for one person for at least 3 months. In cases of repeated noncompliance, the sanction period in one of the programs is extended to 6 months and in the other the entire household loses its benefits until such time as the work obligation is satisfied.

We believe that the food stamp workfare sanction is not an effective deterrent to workfare noncompliance and needs to be strengthened. Possible changes include denying food stamp benefits for the noncomplying individual for a specified number of months or until all past workfare obligations are satisfied, or going so far as to deny benefits to the entire household for similar periods of time.

AGRICULTURE'S ADMINISTRATION DID NOT PROMOTE MAXIMUM PROGRAM BENEFITS

Agriculture permitted project sites extensive latitude in designing and implementing the demonstration with the result that program benefits were not as great as they could have been.

(1) *Phase-in approach.*—Food stamp offices at three of the seven sites did not examine their existing food stamp rolls to identify and refer all eligible workfare participants as soon as the demonstration started. The other four sites referred all eligible participants the first month. Since Agriculture allowed the three sites to identify and refer food stamp recipients to workfare only as they either came into the program initially or applied for continuation of their benefits, otherwise eligible individuals avoided some of their work obligation at these locations.

(2) *Delays in work assignments.*—Agriculture instructed project sites to delay work assignments to the beginning of the following month if the 30-day job search period ended in the last half of a month. This policy caused delays in interviews and work assignments at two projects. Work benefits were lost because the affected participants could have completed some or all of their obligation in the previous month. Agriculture dropped this requirement after the first year's operation.

(3) *Work standards not established.*—Agriculture did not develop criteria for determining whether workfare participants performed satisfactorily on their assigned jobs. As a result, merely showing up at the job site constituted compliance. Agriculture officials advised project personnel that sanctions could not be imposed for refusal to work. Our review was not directed toward measuring the volume or quality of participant's work; however, job supervisors told us that several workfare participants did not perform satisfactorily. We believe that certain productivity levels are reasonable for any employer-employee relationship. Failure to establish standards and impose sanctions as appropriate could lead to situations where recalcitrant participants could significantly reduce potential work benefits and undermine morale of those who are willing to work for their benefits.

Agriculture needs to

(1) Include in any cost-benefit measurements it makes, the value of work lost because sites did not immediately identify and assign eligible able-bodied persons to work when the demonstration began,

(2) Establish work standards for workfare assignments and impose sanctions for clearly substandard performance, and

(3) Assure that project design does not restrict work benefits.

WEAKNESSES IN LOCAL ADMINISTRATION REDUCED PROJECT BENEFITS

Benefits have been lost to the workfare program because of local administrative and operating difficulties. Workfare offices did not notify referred participants to report for interviews or advise the food stamp offices of the need for sanction action on a timely basis. Local food stamp offices did not sanction or sanctioned improperly. In addition, two rural sites were unable to maintain continuity of operations due to illness of key staff.

(1) *Delays in interviewing participants.*—Workfare offices did not notify or schedule referred workfare participants for interviews on a timely basis. Consequently, 103 of the 805 participants in our statistical sample were interviewed some time after they should have been. We found delays at all projects. As a result, some participants avoided their work obligation.

(2) *Delays in notifying food stamp offices of needed sanctions.*—One location did not send recommendations for sanctions to the local food stamp office promptly. As a result, several participants who did not work could not be sanctioned because their eligibility period had already ended.

(3) *Improper sanctions.*—Two locations were handling sanctioning requirements incorrectly. One was eliminating benefits for the entire household rather than solely for the individual who did not work. At the other the substitute director of the workfare office was not aware that sanction recommendations were to be sent to the food stamp office. Therefore, no one was sanctioned.

(4) *Lack of continuity in workfare office.*—Workfare directors at two sites that were essentially one-person operations became ill during the demonstration. The result was that demonstration activities were severely hampered. Interviews, work assignments, and sanction recommendations were either suspended or curtailed.

(5) *Lack of full local support hindered achievement of demonstration objectives.*—Local support of the workfare demonstration at one location seemed lukewarm and the project operated only marginally as a workfare demonstration site. The local food stamp office identified potential workfare participants but did not calculate their work obligation or keep the workfare office informed of changes in participants' work obligations. The primary function of the office administering workfare was not workfare; it was processing nonworkfare referrals for placement in private industry. The first workfare job site was not developed until 2½ months after the demonstration began. Finally, only persons with work obligations exceeding 20 hours a month were referred for workfare. Of a statistically selected sample of 105 referrals at this location, only one participant had completed the work obligation the first month.

Agriculture needs to

Assure that eligible participants are interviewed and assigned to public service jobs as soon as possible,

Assure that participant not having a good reason for completing their workfare obligation are immediately sanctioned, and

Assure continuity of projects' operations.

INADEQUATE REPORTING TO THE CONGRESS

Agriculture and Labor did not include in their October 1980 interim report to the Congress available information showing that substantial improvements were needed both in workfare program design and ad-

ministrative procedures. The evaluation contractor and one of the project sites had identified in separate reports earlier in 1980 essentially the same problems I have discussed today in my testimony—legislative exemptions are excessive, sanctions are ineffective, and the 30-day job search is unnecessary.

Because the concept cannot be said to have been fairly tested until a sound program design is achieved and tested, delays in modifying obvious program defects should not be allowed to continue. Also the Secretaries of Agriculture and Labor should provide the Congress more informative reporting on the workfare demonstration projects. Future progress and final reports should fully explain both well-defined and potential problems with workfare program design.●

THE PAPERWORK REDUCTION ACT OF 1981

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. HAMILTON. Mr. Speaker, I am introducing legislation today to reduce the burden of paperwork imposed on employers by the Internal Revenue Service. It would cut employers' costs of compliance with Federal regulation by $300 million per year without altering the intent or impact of the regulations.

Let me explain:

Under the Internal Revenue Code, employers are required to issue a W-2 form to each employee who leaves his job during the year. In addition, of course, W-2 forms are issued to all other employees on the payroll at the end of the year. However, a survey made 2 years ago by the National Society of Public Accountants revealed that approximately 66 percent of the W-2 forms issued to departing employees were lost. The forms had to be reissued at the end of the year at an average cost of $12 per form.

In short, the bulk of these midyear W-2 forms have to be duplicated and sent out again. With 38 million of them being issued each year, about 25 million additional duplicates are being reissued at a cost to employers of $300 million. Most of that unnecessary regulatory cost is passed on to consumers as higher prices, making inflation worse.

I am not convinced that the benefits of mandatory issuance of midyear W-2 forms even approach $300 million per annum. For that reason, Mr. Speaker, I am proposing that firms be permitted to issue all their W-2 forms at once at the end of the year. Departing employees would simply leave a forwarding address—which most can and do leave in any case. Their W-2 forms would be mailed to them in January.

I do recognize the objective of the current provision: It guarantees that departing employees with special needs will receive their W-2 forms expeditiously rather than at the end of the year. Accordingly, my bill would require that firms provide a W-2 form to any employee requesting it within 30 days following termination of employment.

Let me make two further comments. First, my bill would not cost the Treasury anything. It would have no impact whatever on tax receipts, but it would slow inflation. Second, I urge my colleagues to join me in the search for other instances in which expensive or duplicative paperwork or regulations have been thrust on farmers, consumers, taxpayers, or businesses. I am persuaded that excessive Federal regulatory activity in the recent past has left us with numerous regulations that are well intentioned but cost ineffective. We should join with the new administration in identifying them and then moving quickly to retain the regulatory objective, if worth while, while eliminating or sharply reducing the regulatory cost.●

SCHLESINGER ON FOREIGN POLICY

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. STUDDS. Mr. Speaker, Arthur Schlesinger, Jr., recently authored an article concerning the foreign policy of the Reagan administration which I believe should be of particular interest to my colleagues. The article appeared in the Wall Street Journal on February 23:

THE SOVIET CONSPIRACY AND WORLD UNREST

(By Arthur Schlesinger Jr.)

"Let us not delude ourselves," Mr. Reagan told The Wall Street Journal during the campaign. "The Soviet Union underlies all the unrest that is going on. If they weren't engaged in this game of dominoes, there wouldn't be any hot spots in the world."

One had hoped that this was campaign persiflage. For it expresses a hopelessly erroneous conception of the way history works. There was unrest in the world long before there was a Bolshevik Revolution; there will be unrest long after Brezhnev and his gang are forgotten. If the Soviet Union did not exist, Iraq and Iran would still be at war; Israelis and Palestinians would still be at each other's throats; there would still be no peace in Northern Ireland, Cambodia or South Africa—and there would still be civil war in El Salvador.

These "hot spots" are not imported by a diabolical Kremlin into otherwise placid and happy communities. The world is already overflowing with intense local antagonisms, deeply rooted in historic hatreds, religious tensions, class animosities, tribal feuds—and long predating the Cold War. Certainly the Soviet Union exploits such antagonisms when it can do so at low cost. But supposing that without the Kremlin there would be no hot spots gives the devil considerably more than his due.

Yet there are disquieting indications from Washington that Mr. Reagan's conspiracy theory of world unrest, far from being campaign persilage, may become the basis of foreign policy. Consider, for example, the curious episode of General Haig and the terrorist. In his initial press conference our new Secretary of State announced that the Soviet Union was the controlling force behind international terrorism. This revelation roused some skepticism since communists are often the targets of terrorist attack, as in Italy, and since the Red Brigades, the PLO, the IRA and other notable terrorist outfits hardly require Soviet encouragement.

WARS OF NATIONAL LIBERATION

The New York Times accordingly asked the State Department, the CIA and the Defense Intelligence Agency for the evidence. The several agencies said they were unable to document the Secretary's charge. The Times quoted one official: "There's just no real evidence for it." Abundant evidence exists that the Soviet Union trains people for "wars of national liberation"—i.e., insurrections and guerrilla wars—but that is not what the Secretary was talking about.

The conspiracy theory seems about to dictate a new course in Central America. The Reagan administration is reported to have decided that Moscow is responsible for the civil war in El Salvador. El Salvador is a country of less than 5 million people divided between a small and inordinately wealthy oligarchy and a desperately poor class of landless laborers. With "the most rigid class structure and worst income inequality in all Latin America," according to a recent article in Foreign Affairs, El Salvador has been in a state of intermittent revolution for at least half a century. In 1932 the army killed 30,000 peasants in putting down a rebellion against the oligarchy.

Trouble in El Salvador is manifestly not the creation of the Cubans or the Russians. It is only the latest installment in a recurrent revolt against bad conditions.

The insurgent front certainly includes extreme Marxist factions along with Social Democrats and dissident Christian Democrats. Even the moderates are doubtless ready to accept arms from Cuba, Ethiopia and Vietnam. This should not surprise nor unduly alarm us. Two centuries ago American revolutionaries accepted aid from France; this did not prove that they were disciplined agents of European monarchy, only that they were fighting for their lives. The State Department white paper demonstrates arms deliveries; it only asserts, but hardly demonstrates, political control.

This is the situation the Reagan administration now proposes as the test case to display its "resolve" to punish Soviet expansionism. El Salvador, it is said, will determine our future attitude toward the Soviet Union. It will also be our measure of the fidelity of our European allies. This is placing a lot of weight on a shaky case. The Soviet Union can no more control events in El Salvador than we can control events in Poland: Revolution has a life of its own. As for our European allies, they have responded coolly to the idea of El Salvador as the test case against Soviet expansionism. If we think we know more about El Salvador than our European allies on the ground that we are closer to the scene, we must not forget that Latin American countries still closer to the scene disagree with us.

One wonders whether the real problem in Washington today is not simply frustration.

We cannot do anything about real Soviet aggression in Poland or Afghanistan, so we must show how tough we are by cracking down on fancied Soviet aggression in El Salvador. The more venerable among us will recall the similar situation in the first months of the Eisenhower administration, when John Foster Dulles, unable to carry out in Eastern Europe his campaign pledge to "roll back" Soviet expansionism, decided to carry it out in Guatemala. With the CIA's help, Dulles portrayed a rather ineffectual democratic regime in Guatemala as the spearhead of Soviet aggression in the western hemisphere and in 1954 engineered an American coup.

The Eisenhower administration triumphantly got rid of the hapless Arbenz government. It did not get rid of the troubles of Guatemala.

The Reagan administration would be well advised to calculate most carefully the costs of U.S. commitment to a military solution in El Salvador. Washington's intervention on behalf of the Fourteen Families would convince those working for change throughout Latin America that the new American administration is irrevocably against them. It would alarm our European allies, who do not accept the conspiracy theory of global hot spots and figure that Salvadoran peasants might be in revolt simply because they find poverty and injustice unendurable. It would align the United States once again with right-wing repression, dissipate whatever remains of the influence we have won as a champion of human rights and hand a cheap propaganda opportunity to our adversaries.

Nor would it even assure military victory. As we escalate our support, the Cubans and others will find means to escalate theirs. There will be bitter fighting in the hills. Then what do we do if our client regime fails to end the insurgency? Put in a new regime, as the Russians did in Afghanistan? And, if that regime fails, send in troops, as the Russians did in Afghanistan? El Salvador might well become our own Afghanistan. And, if the right with our assistance finally succeeds in crushing the insurgency, the result would only be, as it was in Guatemala, to restore the old oligarchy to power—and to guarantee a new revolution in another decade.

Nor would success make the Russians change their ways, since they have long since assumed that the United States can lick El Salvador.

THE DANGER OF SUPPOSING

Instead of roaring off on its own, the Reagan administration would be better advised to begin by the closest consultation with friendly governments who have a better feel for the situation than we have: Mexico, Costa Rica and Venezuela. We ought long since to have learned the danger of supposing that we understand the interests of other countries better than they do.

No doubt Latin American counsel would be somewhat divided. The Christian Democratic government in Caracas, for example, has fraternal ties with the Christian Democratic president of the Salvadoran junta; the Accion Democratica opposition has a different slant. So do the Mexicans. They all agree, however, in rejecting a military solution. Let us at least listen to the countries most directly threatened before imposing our own pet theories on them. Does anyone really suppose that Mexico, Venezuela and Costa Rica are not as intelligently determined as we are to safeguard the hemisphere from the Soviet Union? Unilateral action is the road to disaster. Whatever we do in El Salvador, let us do it on a multilateral basis.

Despite our President's hot-spot theory, the Soviet Union is really not the cause of all the troubles on this tormented planet. Violence is endemic in the Third World, and we cannot regard each outbreak as a summons to the American fire brigade. Every revolution, every change in political and economic arrangements, every assertion of belligerent nationalism is not necessarily a mortal threat to the security of the United States. History has endowed our century with a host of distempers, most of which are beyond our power to prevent and our wisdom to cure.

I remember Lord Harlech, the British ambassador to Washington 20 years ago, wondering about the American passion in that period to rush into the midst of a civil war in the Congo. "It seems to me," Lord Harlech wisely said, "that every country has a right to its own Wars of the Roses."●

MRS. ZAIDA T. FERNANDEZ

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. MATSUI. Mr. Speaker, I rise today to commend the work of an outstanding woman, Mrs. Zaida T. Fernandez, founding director of La Familia Counseling Center of Sacramento, Calif., on the occasion of her retirement.

Mrs. Fernandez initiated the services of La Familia Counseling Center in October 1973 through a grant from the Office of Criminal Justice Planning and secured the center's planning and status as an independent nonprofit corporation in April 1975 to provide effective, community-based counseling services to juvenile delinquents and predelinquents and their families.

Beginning as the sole staff member, Mrs. Fernandez secured the funding for, assembled and trained a staff of 23 counselors and auxiliary personnel to meet the increasing demands for the outstanding counseling services of the center.

Bridging the gap between the theories of the classroom and the hard realities of life in the streets, Mrs. Fernandez developed the enchilada approach to reawakening therapy. It is known widely for its ability to awaken troubled youths to the challenge of personal integrity, competence, and responsibility and the hope of a better life through personal initiative, self-esteem, and honest interdependence.

Understanding that most youthful offenders could not be reached without dealing with the dynamics of the entire family, Mrs. Fernandez pioneered the use of family counseling to resolve problems causing delinquency in Sacramento County.

An authority in counseling multiple offenders and their families, she has advanced the art of delinquency prevention and rehabilitation through her publications and presentations to national audiences.

Under the dedicated direction of Mrs. Fernandez, La Familia Counseling Center has assumed a position of unqualified success and leadership in its field.

Notwithstanding Mrs. Fernandez' imminent retirement, for so long as La Familia Counseling Center continues in the direction she has established, the center will continue to provide delinquency counseling services unmatched for their compassion, competence, and success in helping young people become good citizens.

I am sure all Members of Congess will join me in expressing commendations to Mrs. Zaida T. Fernandez in recognition of her outstanding achievements in delinquency and family counseling and community-based organization administration. We extend our very best wishes for Mrs. Fernandez' retirement and for La Familia Counseling Center's continued success in the years to come.●

ANOTHER SACRED COW

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. LaFALCE. Mr. Speaker, the Congress has been told time and time again that the administration is really serious about imposing strict controls on Federal spending and about bringing the budget into balance. Ineffective, wasteful, and unnecessary spending programs are to be eliminated, and a firm handle is going to be placed on the budget.

However, yet another sacred cow has emerged; and it is an alarming one. Officially, they are known as tax expenditures; and there are $282 billion on the books. Popularly, they are known as loopholes and shelters, although many of them do meet valid and pressing social and economic needs. Others are obviously disreputable windfalls for special interest groups, such as $1.7 billion oil and natural gas depletion allowance.

With an administration so dedicated to budgetary austerity, one would have expected that this grab bag of tax subsidies would have been carefully scrutinized, in order to eliminate the more unjustifiable ones. With an administration dedicated to equitable treatment for the poor, one would have expected that those loopholes for millionaires would have been eliminated from the tax expenditure list. With an administration dedicated to ending welfare fraud, one would have expected that welfare for the rich would

have had an equal priority with welfare for the poor.

Unfortunately, all three expectations have not been met; and a splendid chance for a real new beginning has been abandoned. Many special interest groups can now relax, because Dave Stockman will not be allowed to wield his budget-cutting knife on their tax loopholes; and it is really a shame that this administration will not confront those special interest groups.

I hope that all of my colleagues will carefully consider the arguments expressed in an excellent article by Hobart Rowen in the March 19 edition of the Washington Post, entitled "Start With the Shelters." It seems that Congress will be forced to take the lead on this important budget issue.

The article follows:

START WITH THE SHELTERS

(By Hobart Rowen)

David Stockman, President Reagan's admirable budget-cutter, is normally the most persuasive member of the White House team. But the other day at breakfast with a group of reporters, Stockman was far from convincing when challenged on the Reagan administration's failure to deal with "tax expenditures" that swell the federal deficit.

"Tax expenditures are not subsidies [to the recipients] but accommodations to realities," Stockman said. That's a quibble, a distinction without a difference. Tax expenditures are subsidies, up and down the income scale. In fact, Stockman early on proposed some changes, and was shot down by President Reagan himself.

"Tax expenditures" used to be called "tax loopholes." Altogether, there is a total of $282 billion in various exemptions, exclusions or other special tax privileges in the fiscal 1982 budget. They benefit both corporations and individuals, and—as the last Carter budget document commentary observes—"have objectives similar to those funded through direct appropriations."

In form and effect, there is very little to distinguish a budget item on the expenditure side from something carried on the books as a "tax expenditure" that lowers the receipts side of the ledger. For example, as the explanatory narrative in Carter's last budget observes, a payment through the CETA program to an employer for the extra costs of on-the-job training shows up as an appropriation, hence a spending item in the budget. But a jobs tax credit is listed as a "tax expenditure," although both contribute to the federal deficit and both lower the employer's cost of hiring certain less-skilled workers.

Although he admits he will have to find $29 billion in additional budget reductions for fiscal 1983 and $44 billion in fiscal 1984 to achieve a theoretical balance in that year, Stockman isn't touching that $282 billion in tax expenditures—a veritable gold mine.

Why? "This administration was elected to cut taxes, not to raise them," he told this reporter. The administration's game plan is aimed primarily at easing the tax burden in the upper brackets. If, at the same time, tax expenditures are reduced, "then . . . you have done nothing," Stockman said. In other words—although the administration certainly won't put it this way—it wants not only to cut taxes in the upper brackets by reducing marginal rates but to make sure it is not diluting the benefits of those cuts by weakening any upper-bracket tax shelters.

Somehow, this doesn't match up well with one of the basic theoretical justifications of supply-side tax economics—that is, if the top 70 percent marginal rate on "unearned" income is brought down to no more than the top 50 percent rate on earned income, the incentive to seek tax shelters will dissipate.

The Carter administration had proposed some small changes in the current tax expenditures, adding some and abandoning a few others. Stockman should have been ordered to brush aside the timid Carter approach. He could be rubbing his hands gleefully, running through that $282 billion worth of tax expenditures on pages 226-236 of Special Analysis G.

True enough, there would be some "sacred cow" problems—homeowners' mortgage deductions ($35 billion), benfits for the elderly ($15.8 billion in exclusion of taxes on Social Security, the extra tax credit, etc.) and exclusion of employer contributions to medical benefits ($16.6 billion), among others.

Before the phone starts ringing off the hook, let me stress that I am not necessarily advocating doing away with mortgage interest deductions or taxing Social Security or other retirement benefits. (I would rather see the administration go after the automatic indexing formula.) But I do think that in that list of nearly $300 billion in tax concessions there must be some loopholes that could be plugged, enabling President Reagan to come close to balancing the budget without hitting so hard at those just marginally above the poverty line.

Instead of saving $1.6 billion in the food stamp program, for example, I would rather see Reagan take away the $1.7 billion in the tax expenditure budget for oil and gas depletion allowances. With prices deregulated, why does the oil-gas industry need depletion allowances too? (There's another $1 billion tax expenditure item for "expensing" oil and gas exploration and development costs.)

Or how about the $4.8 billion in the tax expenditure list representing exclusion of interest on life insurance savings from taxation? By abandoning that special privilege (not offset by special taxation of the insurance companies, as tax specialist Richard Goode has observed), the administration could restore its entire planned cut in the black lung trust fund and the cutbacks in Medicaid and child nutrition funds, maintain the present unemployment benefit structure—and have a few hundred million bucks left over.●

HELPING SOLVE JUVENILE DELINQUENCY PROBLEMS

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. WOLF. Mr. Speaker, in view of the fact that juvenile delinquency is an increasing problem across the Nation, I want my colleagues to be informed about an effort in the Commonwealth of Virginia to help solve the problem. A seminar on juvenile justice was held March 26-30, 1981, by the staff and students of the Northern Virginia Community College's Annandale campus in cooperation with the juvenile and domestic relations courts, correctional professionals, and citizens of northern Virginia and surrounding communities. The seminar focused on ways to prevent and control juvenile delinquency and related problems.

The project demonstrated how a college, local governments, and a community's citizens can work together to make a better society. Northern Virginia Community College is to be commended for its leadership role in addressing this issue of concern to the country. More information about the project can be obtained by contacting the program coordinator, Anthony J. Delpopolo, professor of administration of justice, Northern Virginia Community College, Annandale Campus, 8333 Little River Turnpike, Annandale, Va. 22003.●

RETAINING TWICE YEARLY COLA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. STARK. Mr. Speaker, I would like to include here for printing an article I read recently in Retirement Life, the retirement magazine for Federal employees, concerning cost-of-living adjustments. I have always supported the twice-a-year COLA for Federal retirees, as do most of my colleagues, a fact which was evidenced by the vote last summer in this House of 309 to 72 to retain twice-a-year COLA for Federal retirees. I was much impressed, then, when President Reagan announced his support for the twice-a-year COLA during his campaign. I was equally surprised and distressed when he recently changed his mind. I think this is an area that we, as Members of Congress, must show our continued support. The Federal retirees are disillusioned with President Reagan's stand on COLA's. Let us show them they can depend on us to stand firm in our committment to twice-a-year COLA.

The article follows:

REAGAN BREAKS HIS PROMISE TO US; URGES COLA BE CUT TO ONE A YEAR

NAVE ASKS: HOW CAN WE EVER COUNT AGAIN ON U.S. PLEDGES?

President Reagan stunned Federal retirees last month by breaking his campaign promise to them and recommending that Congress reduce cost-of-living adjustments for Federal annuitants to one-a-year. The proposal was included in Reagan's 1982 budget message to Congress on February 18 which called for massive cuts in nearly every major Federal program.

NARFE President Michael Nave immediately issued a statement saying that he was "shocked and bitterly disappointed" in the new President's decision to go back on his word since so many retirees had trusted him

to make good on his campaign promise to NARFE members only last October.

"If Congress approves this, it will mean that no American can ever again count on the United States government to deliver on retirement benefits it has promised. We thought Mr. Reagan understood this," Nave said.

In his budget message Reagan sounded like anything but a friend of Federal retirees in labeling twice-a-year COLAs as "generous" and "clearly unfair." Reagan suggested that Federal retirees have been "well protected" against inflation and that the present semi-annual adjustment is "inequitable" to all other "recipients of assistance" from Federal programs indexed only once-a-year.

The Reagan proposal would apply to both military and civilian retirees.

WHAT HE PROMISED IN OCTOBER

In a statement issued by Reagan on October 3 of last year, the Republican Presidential nominee stated flatly, "The present civil service retirement law properly provides for a cost-of-living adjustment to protect retirees from the destruction of the value of their benefit payments. . . . I do not favor abandoning the present semi-annual indexing."

According to a membership survey conducted by NARFE, retirees supported Reagan by a four-to-one margin over former President Carter largely on the basis of that supposed promise.

In releasing his budget message last month, Reagan offered no apology or explanation of his change of heart on the COLA issue. The President's decision came as a shock to many of his fellow Republicans in Congress who had been assured by the White House that the President would not target the semi-annual COLA.

Nave said that NARFE members are not unsympathetic to the need for control of the Federal spending. However, he believes that if Congress does in fact eliminate the twice-a-year COLA, it would be establishing a dangerous precedent for all retirement programs administered by the Federal government. "Public confidence in both social security and Federal retirement rests entirely on the integrity of the Federal government in keeping its commitments," Nave said.

TWO COLA'S COMPLETELY JUSTIFIED

Nave said that retention of the semi-annual adjustment is "completely justified" since Federal retirement is the only indexed Federal program which is taxable. He pointed to recent reports by U.S. News & World Report and testimony by the General Accounting Office which support his contention that Federal retirees are not being overcompensated by the present semi-annual adjustment.

Nave also pointed out that less than six months ago, the House of Representatives by a margin of 309-72 rejected an identical Carter proposal to reduce the adjustment to an annual basis. "It is clear that the issue has been decided," he said.

Nave also rejected the idea that retirees are not "taking their fair share" of budget cuts, pointing out that recently enacted reforms in the initial calculation of annuities will result in billions in savings in future years.

Nave went on to urge NARFE members to immediately begin all-out efforts to convince members of Congress to oppose the Reagan proposal.

The Reagan proposal will have NO effect on the 4.4 percent COLA adjustment due retirees in their April checks.

The increase in income taxes paid by Federal annuitants has been greater than the increase in cost of living adjustments received.●

FIRST AMENDMENT RIGHTS ARE SUBVERTED BY THE LEGAL SERVICES CORPORATION'S SUBSIDIZED PROPAGATION OF IDEAS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. McDONALD. Mr. Speaker, among the oxen being gored in the current efforts to finally halt the red ink hemorrhage in Washington is the Legal Services Corporation. For years now, it has ridden high, wide, and handsome propagating its own ideas on how our society should be reshaped. The worst part of this is that it is done with your tax dollars whether you agree or not. However, now that budget cutting time has come to the people at Legal Services, they tell us they are only helping the poor. On March 24, 1981, Mr. Howard Phillips, national director of the Conservative Caucus, Inc., detailed why the activities of the Legal Services Corporation deprives Americans of the first amendment rights at their expense. His statement follows:

"* * * to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors, is sinful and tyrannical."

Thus wrote Thomas Jefferson, author of our Declaration of Independence, in 1777. This fundamental Jeffersonian principle of civil liberty was adopted in 1786 by the General Assembly of Virginia, and was incorporated in the First Amendment to the Constitution of the United States on December 15, 1791.

Yet, since the mid-1960's, first through the Office of Legal Services at the U.S. Office of Economic Opportunity, and now, by means of the Legal Services Corporation, Congress has compelled me and millions of other Americans to furnish contibutions of money, through the Internal Revenue system, for the propagation of opinions which we disbelieve and abhor.

Through a nationwide network of private legal services organizations which are publicly subsidized, yet authorized, through lobbying, publication, litigation, as well as by the organization and representation of special interest advocacy groups, to propagate the ideas of the officers and employees of such subsidized organizations, the liberties of all Americans are abridged, the pluralism and independence of private institutions and relationships are encroached upon, and both the accountability and the significance of our electoral process are fundamentally undermined.

Each of the more than 320 private, Legal Services Corporation-funded staff attorney recipient groups is governed by a self-designated, self-perpetuating policy board. Some of these boards are constituted, at least in part, by the assignment of positions to representatives of various private groups which are heavily involved in the propagation of political ideas. In all cases, private citizens on these recipient group policy boards are given authority over significant amounts of funds, collected from the taxpaying citizenry.

Even excluding litigative activity, Legal Services Corporation-funded groups propagate opinions and policy objectives, through the personnel which they hire and the funds they expend, in a variety of ways, including organizational and representational assistance to private idea advocacy groups—not merely to individuals.

In the name of "community education", they proselytize, through various media, for social change.

Advocating "law reform", they promote, at public expense, their privately held notions of sound public, which they strive to enforce through direct and indirect lobbying, coalition formation, legislative and administrative rule drafting, test case litigation, and related activities.

Assistance to "direct action" offensives, which include picketing, demonstrating, withholding rent payments, as well as other forms of civic protest is another aspect of Legal Service Corporation dollars being used to propagate opinion.

Nor ought we to overlook the significant political impact which results from the indirect economic assistance furnished by LSC-recipient programs which aid private advocacy organizations in the pursuit of Federal grants and contracts.

And, of course, litigation is another basic policy advocacy technique available to legal services programs, their policy board members, attorneys, and support personnel.

The economic structure of a legal services delivery system based on the "staff attorney" concept particularly lends itself to the use of program dollars to further ideological objectives. The "staff attorney" structure is provider-oriented, not consumer-oriented. That is to say, it is the attorneys and program officials, rather than the clients, actual or potential, who are economically empowered to determine priorities for emphasis and for action.

"He who pays the piper calls the tune." If a service such as the provision of legal representation is "free", or carries no economic penalty, then the demand for that service is potentially without limit. The limits on provider activity which, in a free market, are imposed by potential service consumers establishing priorities on the disposition of their finite resources (which disposition may give a higher priority to food, clothing, shelter, or medical care) are, in a controlled market of service providers with incomes fixed and assured without reliance on such specific consumers, determined by the providers themselves, rather than by the potential clients.

The practical consequence of this economic reality is that legal services programs are economically at liberty to choose their causes, their clients, and their actual cases. Whether such choices are well made is a separate and significant consideration. That they are made is beyond dispute.

No system can operate without some form of constraint. Absent the checks and balances flowing from the free market principles which undergird the fee for service arrangements of the private bar, controls, either implied or expressed, either random or consistent, distant or proximate, are in-

evitably applied through some form of regulation.

But given the involvement of this program with the propagation of a policy ideology on the nature of and solutions to the problems of poverty, no such regulation can be applied in such a manner as to satisfy the competing claims of clients, attorneys, program grantees, members of Congress, taxpayers, and others who have some stake in any such activity which is governmentally sponsored.

Nor can such a structure lacking any inherent economic constraint accommodate the legitimate concerns of those citizens who (when sued by lawyers free of the mundane limits which cause private attorneys and those who pay them to think twice before suing, appealing, or otherwise committing resources to a cause concerning which the outcome is uncertain) must themselves seriously consider conceding their interest at law without a contest, simply to avoid economic ruin at the hands of adversaries whose resources have no economic boundaries.

Another structurally inherent "First Amendment" problem which arises from the present system of delivering legal services to the poor, is the facility with which ostensibly unrelated, but actualy interconnected grantees, policy boards, attorneys, and support personnel are able to coordinate their efforts throughout the United States, identifying favorable jurisdictions in which actions can be initiated and test cases pursued.

In 1980, a total of less than $100 million in subsidies was disbursed to the three principal candidates for President, our highest public office. Yet $300 million went to the groups which are privately involved in idea propagation under the rubric of the LSC.

Given the nature of the legal services program, and the fact that there will always be more causes and clients for a free service than there are hours in the day, it is hardly surprising that legal services spokesmen frequently conclude that the promotion of radical social, economic, and policy changes, affecting the poor as a class, is a far more efficient way to expend resources than by scattering them on uncoordinated individual causes which may not lend themselves to policy groundbreaking.

As stated by Steven Haberfeld, a planner for the National Economic Development and Law Center, a California-based Legal Services program which received $393,669 last year, "What is disheartening about the individual case work is that nothing really changes . . . Agencies may settle a case to avoid a costly battle, but the status quo is preserved. Meanwhile, the client is in no better position to fend for himself. If anything, he or she becomes increasingly dependent.

Haberfeld, writing in Clearinghouse Review, published in behalf of the Legal Services Corporation, continues: "We try other litigation strategies. We try law reform on behalf of a class of the afflicted. We hope to change the conditions of hundreds and thousands at the same time." But, Mr. Haberfeld gravely notes, "The vested interests which are firmly lodged in appropriate legislative and administrative circles ensure that conditions return to the status quo ante."

The answer to this frustrating inability to totally remake society so that it will conform to Mr. Haberfeld's notions of the public interest requires, in his words, that legal services programs "be aligned with the political and social interest groups that begin to develop and exercise political influence of their own?"

Haberfeld also encourages "strategies of community education advocacy, legislative initiative and coordinated litigation" to further his view of what is good for the poor as a class. "Forming statewide coalitions", he says, "must be part of this effort to create an effective social base . . . Statewide legal services programs often have highly developed, centralized research capabilities, litigation support units and established relationships with the news media and urban based, progressive, statewide organizations (e.g., labor, Council of Churches, League of Women Voters)."

And, to conclude my excerpts from Mr. Haberfeld, consider closely his observation that "Six tools are at the program's disposal: research and analysis, media coverage, community education, agency advocacy, litigation, and drafting and promoting legislative initiatives. Legal services programs", asserts Haberfeld, "have the staff, the organizational resources, the expertise and the mandate to make a concerted effort to use all of these measures."

Note his use of the word "mandate". But what of the mandate of the First Amendment, of our political process, and of our recent election? Shall all those be subordinated to the power we have vested in the Legal Services Corporation to remake society?

Legal services attorneys have views on virtually every subject. The National Veterans Law Center, another LSC-funded organization, is actively engaged in upgrading dishonorable discharges from the armed forces. "(A)s part of a settlement of a lawsuit brought by NVLC's outreach organization", the Department of Defense recently "agreed to spend hundreds of thousands of dollars to advertise on major radio stations in November 1980 and February 1981 the existence of a post office box from which veterans can obtain information about obtaining an upgrade in discharge", it is reported.

Furthermore, "(v)eterans who write to this contact point will receive applications forms (sic), instructions, and referrals to local LSC-funded offices and community based veterans organizations that can assist them in obtaining an upgrade."

On the subject of abortion, in which the Legal Services Corporation has been heavily involved, despite legislative attempts to restrict such activity, the National Center on Women and Family Law, a $167,500 Legal Services Corporation recipient organization, maintains that "(t)he most devastating legal development for women in 1980 was the Supreme Court's decision upholding a congressional prohibition against the use of federal funding for abortions."

It is the further contention of this supposedly poverty-oriented Legal Services Corporation support center that ERA ratification is a prerequisite to winning the War on Poverty. Indeed, this January those ladies, in a taxpayer financed publication, argued that "(t)he economic boycott against nonratifying states has been vindicated in the context of the ERA as a tool for women's advocates."

In the same publication, these "Women and Family Law" legal services activists warn against possible Congressional action on the Family Protection Act which, horror of horrors, would "encourage restoration of the family unit, parental authority and a climate of traditional morality."

Other legal services lawyers also have a view of "poverty law" which might be regarded as inappropriate by the working American taxpayer. For example, when so many Americans are having trouble making ends meet, why did the Idaho Legal Services program, which got $984,000 if Federal funds, concern itself with opposing deportation proceedings against a citizen of Iran in the United States?

Why was it a "poverty issue" for the $3.9 million Texas Rural Legal Aid program to involve itself during the 1980 election campaigns in a dispute over the apportionment of Texas legislative districts?

By the same token, ought convicted felons who are incarcerated be the subjects of extensive litigation by Federally funded poverty lawyers, at a time when law abiding taxpayers, of diverse economic circumstances, are deprived of many of the material luxuries which government subsidized jailhouse lawyers pursue in behalf of their criminal clients? Ask that of the $791,000 Legal Aid Society of Columbus, Ohio which was hard at work last year on such matters as "inmate idleness" and inadequate "recreational services".

Ellen Josephson, Director of the LSC-funded Access to Justice project of the National Legal Aid and Defender Association, says "effective representation of legal services clients on access issues must go beyond the judicial forum and recognize the key role of the United States Congress."

And, in her view, the scope of such representation must be far-reaching. "The most politically controversial access issue of the 96th Congress," Miss Josephson has asserted, "was the effort to remove by statute all federal court jurisdiction over school prayer issues. . . . If the forces seeking to eliminate school prayer jurisdiction succeed, they are likely to move on to other issues more directly affecting the poor, including abortion and school desegregation."

Whatever the issue, be it OSHA, busing, transexual benefit claims, quotas, election law, expunging arrest records, private schools, conscription, economic policy, and even national defense, the poverty lawyers are being subsidized at public expense to propagate their private views of what is good for the poor and what is good for the country.

That is just part of what they do on taxpayer time. It can also be argued that because of the Federal patronage without which legal services personnel would not be assigned to particular areas, many other kinds of questionable activity occur, sometimes with seeming encouragement from the leaders of the LSC.

Out of the entire nation why, for example, has the Legal Services Corporation named Salvadore Tio as its Regional Director for the New York and Puerto Rico region, despite Tio's July, 1979 conviction for criminal trespass on U.S. Navy property in Vieques, Puerto Rico, in connection with an organized protest against the American naval presence on that island?

The notion of poverty as a class problem variously manifested, rather than an individual or family condition, a badly flawed concept, is fundamental to the Legal Services program. Every local legal services recipient organization is structured to function as a so-called public interest law firm in which the supposed public interest, for the poor as a class, is equated with questionable political conclusions.

I and millions of other Americans question and abhor the idea that it is in the in-

terest of the poor that a policy of easy abortion be encouraged, that abortions be taxpayer financed, and that with respect to minor children, abortions be performed without either parental notice or consent. Yet this is the prevailing ideology of the Legal Services Corporation.

I question and abhor the idea that voluntary prayer be banned from the nation's public school classrooms, on the grounds that it is in the interest of the poor to retain such a ban, yet taxpayer subsidized legal services attorneys are lobbying against the removal of such restrictions on prayer.

I question and abhor the idea that wilful, premeditated murder of the innocent cannot be made subject to capital punishment, yet legal services personnel use taxpayer resources to limit the availability of capital punishment, on the grounds that such a policy militates particularly against the poor.

I abhor the idea that reductions in property and income taxes such as those proposed in California and Massachusetts for working Americans are being opposed at taxpayer expense by subsidized LSC recipient personnel, who regard such tax cuts as depriving the poor of access to resources to which in the opinion of such attorneys they are entitled as a matter of right.

I abhor the LSC-propagated notion that students have a property right in their diplomas and that competency testing violates the civil rights of students who are unable to meet academic standards.

I applaud President Reagan for his courageous decision to propose the abolition of this counterproductive program which has arrogated to itself the right to use public funds to propagate its secular faith in liberal nostrums of class conflict, sexual liberation, economic redistribution, and governmentally mandated equality of result.

The Corporation, by its very structure, is beyond reform. No regulation can remove the reality of its provider-based economics. No set of Presidential appointees, however conservative, can achieve necessary improvements in a program which, by law, gives present grant recipients a presumptive right to refunding, protected from discontinuation decisions based on reasons of policy.

The Legal Services Corporation is not a poor person's program, it is a lawyer's program. If the goal is merely to provide individual low income persons with legal representation, there is no need for this elaborate structure, which is so conducive to political mischief, and so violative of First Amendment rights.

If the American Bar Association, for all its whining, is unable to find from among its 275,000 members, the interest in aiding the poor which is now supposedly concentrated in 5,500 legal services lawyers, why should the legal profession's lack of social conscience be laid upon the backs of taxpayers who, themselves, lack the resources to sue or lobby at will?

The fact that states will be able to subsidize from block grants the continuation of legal services projects on which they place a high priority should reassure those who are genuinely fearful that significant needs will go unmet. The idea that the Federal government is somehow more enlightened and compassionate then those who live at the state and local level, far from this city, is an elitist concept which the voters thoroughly rejected last November.

But if that is not enough, and if all that is desired is access to an attorney, then why not consider the idea of itemized, charitable tax deductions for private attorneys who agree to represent eligible low income persons. The client would thus not be limited to representation by a segregated class of professional poverty lawyers, and the coordinated ideological ambulance chasing which has been all too characteristic of the present system would be brought to an end. America has no established church. Neither should we have an established political ideology which, immune from accountability to the public, has been unjustly propagated with hundreds of millions of taxpayer dollars.●

JIM BINGHAM

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. GEJDENSON. Mr. Speaker, I am pleased to take this opportunity to bring to the attention of my colleagues the accomplishments of Jim Bingham, a resident of the Second District who lives in Montville, Conn.

Jim, who is 13, received the Eagle Scout Award last Sunday, March 29, 1981, the highest honor available to a Boy Scout. Jim, in an example of the service to community that characterizes the Eagle Scouts, raised $200 to help the Montville senior citizens purchase an audiometer for their health center.

Jim began his scouting career as a member of Cub Scout Pack 21. While a Cub Scout, he earned the Arrow of Light Award and was one of the first Cub Scouts to earn the God and Country Award.

In May of 1978, Jim graduated from Cub Scouts to Boy Scout Troop 21. While a member of Troop 21, he has held several leadership positions. He has been troop librarian, assistant patrol leader, patrol leader, and now holds the position of assistant senior patrol leader. In addition to earning 22 merit badges, Jim has also earned the Year-round Camper Award and the 20-hour Conservation Award.

In addition to being an active Boy Scout, Jim has received year pins for Sunday school attendance at the Montville Center Congregation Church. He played little league baseball as a member of Peter X's major league team and during his last year of play was named to the all-star team.

As a student at Dr. Charles Murphy Junior High School, Jim has been a member of the 1979 cross country team, the 1980 track and field team, and the 1980 Ski Club. He is also a member of the Sno-Scramblers Snowmobile Club of Corinth, Vt.

I know you will all join with me in paying tribute to this fine student and his many accomplishments. It is rare to find a person who displays the combination of hard work, discipline, and devotion that Jim does, and although he is only 13, he has already set an example for us all.●

UNEMPLOYMENT AND WANT ADS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. LaFALCE. Mr. Speaker, as we approach the serious and complex problem of unemployment in this country, we must fully understand both the many causes of unemployment and full ramifications of unemployment on inner-city minority youths and on families of unemployed workers.

However, President Reagan in a recent statement demonstrated somewhat less than a full understanding of this important problem. He suggested that unemployment was not really a national crisis, because Sunday newspapers contained many pages of employment opportunities in the want ads. I hope that the President was not serious when he made those remarks, because a casual perusal of the want ads indicates that most unemployed minority youths, construction workers, and autoworkers are not qualified for most advertised jobs or do not live in locales where those jobs are available.

In an editorial from the March 26 edition, the Niagara Gazette examined the fallacies in the President's remarks, and I hope that my colleagues will carefully consider this well-reasoned analysis. The editorial is entitled "Reagan: Read the Want Ads," and it explodes a number of misconceptions about unemployment.

The editorial follows:

REAGAN: READ THE WANT ADS

President Reagan is at it again. This time he's come up with a simple solution to the nation's unemployment problem: Read the want ads.

The president told a group of congressmen and congresswomen recently that he can't understand how people complain about being out of work considering the fact that his Sunday newspaper carries 30 or more pages of help-wanted ads.

We know the high unemployment rate here in Washington, we know in New York and their problems, and yet how do I explain that—or how do we explain that in the Sunday Times, New York Times, there were 45½ pages of help-wanted ads and in The Washington Post Sunday there were 33½ pages of help-wanted ads and these were jobs calling for people of every range that you could make.

How does a person in any one of those skills justify calling themselves unemployed when there's a fellow spending money and saying, "I've got a job. Come fill my job?"

The problem with the president's reasoning is that it contains two false assumptions: one, that help wanted ads are a true reflection of the job market, and two, that people are prepared to fill any job that's available.

An analysis of the Post's ads found that few of them were for people at the bottom of the employment ladder—those with no marketable skills and no experience. Two full pages advertised for computer specialists, a field that is wide open and growing and, unfortunately for the unemployed, very specialized. It is a field where demand far outstrips supply of qualified workers.

The Post's ads were also mainly directed at people already working. Some tried to lure draftsmen, engineers and nurses away from their jobs for better paying positions that offered better benefits. Again, such ads aren't aimed at those on the unemployment line.

People are not, as one labor economist noted, like "interchangeable parts—anybody can fill any job." If they were, Reagan would be right on target. Unfortunately, there aren't many unemployed assembly line workers who can walk into the computer world of silicon chips.●

THE SAVINGS AND THRIFT ACT OF 1981

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, I am introducing legislation today that would give taxpayers an exemption for the interest payments they earn from saving deposits. This bill, the Savings and Thrift Act of 1981, would totally exempt from all Federal income taxes—the first $1,000 in interest, or $2,000 for joint returns—in the earnings gained from deposits in savings institutions and credit unions.

I have introduced this bill because I believe it is time to turn our Nation into a nation of savers once again.

This Nation grew strong through hard work and thrift, and that is the only way we can rebuild our economy. We have to get back to basics and give people a little more encouragement to save instead of spend, and that is what my bill is intended to do.

We cannot build for tomorrow if we are always paying for yesterday.

The rate of personal savings in the United States is lagging far behind that of other nations which are outpacing us economically. Americans are saving just under 5 percent of their disposable income, compared to 13.7 percent in West Germany and 19.1 percent in Japan. Furthermore, our savings rate is at its lowest point since 1948. This says a good deal about the roots of our economic problems.

The Federal Government itself is part of the problem. By letting interest rates and energy prices go through the roof, the Federal Government has tolerated a situation in which many families have very little left to save. At the same time, while we tax interest from savings accounts, the Government grants a complete deduction for the interest consumers pay on credit purchases. This is one reason that consumer credit purchases grew three times faster than savings depositis—including certificates of deposit—over the last decade.

We have an economy that rewards comsumption and penalizes savings.

Over $57 billion per year is spent on media advertising alone to induce people to spend more of their money. It seems reasonable to me that we should also provide some counterbalancing incentive to encourage people to save, and that is why I have introduced this legislation.

I also want to help the savings and loans and credit unions which are struggling because of lagging desposits, high interest rates, and unfair competition from the new money market funds. Savings and loan profits in my State, North Dakota, were down 88 percent as a percentage of assets last year, and over a quarter of our credit unions actually lost deposits. This bill should help our local savings institutions, while helping savers as well.●

CORRECTING THE BILINGUAL BALLOT AMENDMENTS TO THE VOTING RIGHTS ACT

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. THOMAS. Mr. Speaker, I am again introducing legislation to correct what most of us agree was a mistake made by Congress in 1975—the bilingual ballot amendments to the Voting Rights Act.

With my colleague, Congressman McCLOSKEY, and 19 other Congressmen, I am introducing a bill which would repeal bilingual ballot provisions which mandated that counties provide special election materials if 5 percent or more of the population was of a single language minority group and the group as a whole had an illiteracy rate higher than the national average.

Congress no doubt intended to increase voter participation among minorities, but this has not happened in the 27 States affected by the bilingual ballot provisions.

Instead, what has occurred is a huge increase in ballot costs to local government. Practical experience has shown the bilingual ballot to be an expensive and little-used item.

In my home, Kern County, Calif., the cost of complying with bilingual ballot provisions has been awesome. In the June 6, 1978 primary, for example, 67,430 Spanish language ballots were printed while only 174 were actually used. The average cost per Spanish ballot used was $167.67, compared with an average cost of $2.32 for each English ballot which was used.

In Redwood City, Calif., a recent municipal election required the printing of 25,498 ballots and accompanying materials. Only 69 voters requested Spanish language ballots, and only 15 of these persons actually voted. Of the $30,137 total cost for the election, $7,377 was directly caused by Federal bilingual ballot provisions.

In San Mateo County, Calif., only 2 percent of all eligible Spanish language voters voted in the last election—at a cost to the county of more than $17,000.

In Oregon, only 10 requests for bilingual ballot materials were received, yet it cost local governments $23,180 to provide all materials required by law.

In Grant County, Kans., the cost of compliance was $1,200 for five ballots actually requested. That is $240 per ballot.

The examples cited above show why my legislation in the 96th Congress to repeal the bilingual ballot provisions was supported by county clerks and secretaries of state across the Nation. Local governments are being burdened by a costly and needless mandate from the Federal Government, yet they are not getting any funds to implement this mandate.

The scant minority voter participation in the bilingual ballot program also shows once again that well-intended but misdirected edicts from Washington do not change human behavior. Many people in my district have told me they are insulted to be mailed a Spanish language ballot simply because they have a Spanish surname. They rightly consider themselves American citizens and they use the language of our country, English.

The naturalization test requires proficiency in English. Why then do we ask certain of our citizens to vote in their previous language? Congress has mandated a great deal of waste through the bilingual ballot program, funds that could be better spent in other ways to encourage minority and all citizens to vote.

The legislation which Mr. McCLOSKEY, myself, and our colleagues are introducing today would not remove the basic constitutional guarantees from the Voting Rights Act, but it would correct a grievous error. The bilingual ballot is costing far in excess of what it is accomplishing, and I hope Congress will recognize its mistake.

Those who have joined me as original cosponsors of this legislation are as follows: Mr. McCLOSKEY, Mr. BADHAM, Mr. BAFALIS, Mr. BURGENER, Mr. BUTLER, Mr. COLLINS of Texas, Mr. FRENZEL, Mr. GINGRICH, Mr. HILER, Mrs. HOLT, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LUNGREN, Mr. MONTGOMERY, Mr. MOORHEAD, Mr. PETRI, Mr. RUDD, Mr. SHELBY, Mr. SHUMWAY, and Mr. WHITEHURST.

A copy of the bill follows:

H.R. 2942

A bill to amend the Voting Rights Act of 1965 to limit certain aspects of its coverage for other than racial groups

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voting Rights Act Repealer Amendments Act of 1979".

SEC. 2. Section 4(a) of the Voting Rights Act is amended—

(1) by striking out "the first two sentences of" where it appears immediately after "determinations have been made under";

(2) by striking out the final sentence of the first paragraph;

(3) by striking out "an action under the first sentence of this subsection" and inserting in the third paragraph thereof "the action"; and

(4) by striking out the fourth paragraph thereof.

SEC. 3. Section 4(b) of the Voting Rights Act of 1965 is amended by striking out the final sentence of the first paragraph thereof.

SEC. 4. Section 4 of the Voting Rights Act of 1965 is amended by striking out subsection (f).

SEC. 5. Section 5 of the Voting Rights Act of 1965 is amended by striking out "or whenever a State or political subdivision with respect to which the prohibitions set forth in section 4(a) based upon determinations made under the third sentence of section 4(b) are in effect shall enact or seek to administer any voting qualification or prerequisite to voting different from that in force or effect on November 1, 1972," where it appears after "November 1, 1968,".

SEC. 6. Sections 3 and 6 of the Voting Rights Act of 1965 are each amended by striking out "fourteenth or fifteenth amendment" each place it appears and inserting in lieu thereof the following: "fifteenth amendment".

SEC. 7. Sections 2, 3, the second paragraph of section 4(a), and sections 4(d), 5, 6, and 13 of the Voting Rights Act of 1965 are each amended by striking out ", or in contravention of the guarantees set forth in section 4(f)(2)" each place it appears immediately after "on account of race or color".

SEC. 8. Section 14(c) of the Voting Rights Act of 1965 is amended by striking out paragraph (3).

SEC. 9. (a) The Voting Rights Act of 1965 is further amended by striking out section 203.

(b) Sections 204, 205, and 206 of the Voting Rights Act of 1965 are redesignated as 203, 204, and 205, respectively.

(c) Section 204 of the Voting Rights Act of 1965, as redesignated section 203 by subsection (b) of this section, is amended by striking out "or 203,".

(d) Section 205 of the Voting Rights Act of 1965, as redesignated section 204 by subsection (b) of this section, is amended by striking out ", 202, or 203" and inserting in lieu thereof the following: "or 202":●

GREEN DEPLORES HANDGUN VIOLENCE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. GREEN. Mr. Speaker, President Ronald Reagan, James Brady, Timothy McCarthy, Thomas Delahanty—these names represent the latest in a litany that contain the names of other Presidents, political figures, police officers, and civilians injured and killed by gunmen.

It is time we considered again how we should deal with people who use guns criminally and how to slow that litany of victims. It is not a time for the sophistic debate of whether "guns kill people" or "people kill people." The fact is that handguns make it relatively easy for people to kill.

We must affect the triad of man, means, and motive.

We must punish severely anyone who bears a firearm in the commission of a crime.

To restrict the ability to maim and kill, we must accept reasonable guidelines on the bearing of arms, specifically handguns. Relatively simple requirements, not much different than we place upon ownership and use of autos, would help protect Presidents and other citizens.

I realize President Reagan has been opposed to handgun controls and know that for some Americans a gun is a natural part of their lives if they live in sparsely populated areas or have been raised in families that hunt or belong to gun clubs.

But for too many people a gun is a devise for aggression; a weapon used to punish others for real or imagined slights or offenses. Indeed, the gun has become the final arbiter of political debate.

When President John Kennedy was killed, some accused Dallas of being a "city of hate." Unfortunately, we now have many such cities: Los Angeles, Memphis, Washington, New York, a small Maryland town. I do not subscribe to a theory that a locality alone can spur violence but it may be that as a nation we too easily, too often replace reason with emotion.

In recent years we have shown a tendency to engage in heated and hominem attacks upon those with whom we disagree. "I hate that ——" is a remark heard when discussing political differences. We confuse a rejection of a philosophy with a condemnation of the philosopher. At times we accept if not condone cursing, screaming, the threatening waving of fists as political actions.

Certainly, very few who permit themselves to succumb to political hatred and verbal threats would go to the extreme of physical violence. But I wonder if expressions of hatred do not encourage violence by extremists and the unbalanced.

I would like to see all of us calm our emotions when we disagree. I would like to see the "left" understand the public's need to feel secure from criminally angry individuals. I would like to see the "right" understand the public's need to remove from the criminals' hands the guns that fell so many innocents.

I think it is time to end debate and stop the sounds of gunfire. It is time to protect our Presidents and the people.

In this most difficult time, I join the prayers of thanks of all Americans that our President, his aide, and his guardians survived the attack, and I hope for the full and complete recovery of all wounds. Our hearts go out to the injured and their families.●

NO GOOD CAN COME OF SALE OF OFFENSIVE WEAPONS TO SAUDIS

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. MATTOX. Mr. Speaker, the prospect of handing over to the potentially unstable kingdom of Saudi Arabia, an avowedly intransigent enemy of Israel, sophisticated military equipment capable of long-range assault, is troubling indeed.

For the benefit of my colleagues, I recommend the following analysis of U.S. capitulation to the demands of the Saudis, an article by former Senate Foreign Relations Committee staffer Steve Emerson, in the March 21, 1981, New Republic.

[From the New Republic, March 21, 1981]

NEW SALAAMS TO THE SAUDIS

(By Steve Emerson)

Rumors of the death of the Carter administration have been greatly exaggerated. The Reagan decision to acquiesce to Saudi Arabia's demands for offensive F-15 hardware means that one of the Carter administration's most short-sighted policies remains alive and well. It is ironic that the new administration, which campaigned promising to reassert American toughness abroad and to promote the national interest unapologetically, has accepted the policies of its predecessor so uncritically.

Reagan policy-makers undoubtedly believe that they have resolved the F-15 dilemma by giving Israel military credits to partially compensate for its increased vulnerability. And they view the sale as part of a new strategic emphasis on containing Soviet expansion in the Middle East, not unlike former secretary of state John Foster Dulles's application of the Truman Doctrine, which produced the short-lived Baghdad Pact among Turkey, Pakistan, Iraq, and Iran in 1955.

It is unfortunate that the issue of an increased threat to Israeli security was the

only argument against the sale that the administration considered. There are many others, including the absence of a sound military rationale for the equipment, perpetuation of an unhealthy American-Saudi relationship, the possibility of Saudi mischief in the Persian Gulf, and potential destabilizing effects on Saudi Arabia itself.

Lest anyone forget, during the 1978 congressional debate over the initial sale of 60 F-15s to Saudi Arabia, Carter administration officials imposed explicit and public restrictions on the sale of "any system or armaments that could increase the range or enhance the ground-attack capability of the F-15." It was specifically stipulated to Congress that the Saudis would not receive auxiliary fuel tanks, multiple ejection (bomb) racks, air-refueling capabilities, early warning radar planes (AWACS), or "all-aspect" AIM 9L ("Sidewinder") air-to-air missiles. Last year the former president reaffirmed these restrictions in numerous press interviews and in discussions with elected officials.

Citing new security considerations and changing circumstances, the Reagan administration now has granted immediate approval to the sale of the extra fuel tanks and Sidewinder missiles, to be followed by future approval of the advanced radar planes, mid-flight refueling capability, and, possibly, bomb racks. This approval only further entraps the U.S. in a vicious cycle of escalating Mideast arms sales. And it perpetuates the pattern whereby the Saudis get what they want from the U.S. by representing every request as a "litmus test" of American-Saudi relations. Instead of initiating a "new beginning," the Reagan administration has signaled willingness to endure an obsequious and inherently counterproductive relationship. The United States would be well advised to heed the advice of Egyptian president Sadat, who repeatedly has urged U.S. officials to stop babying the Saudis and to demand that they respect our military and political interests.

Developing a healthy relationship with the Saudis depends on a clear-headed evaluation of what they do for us, and we for them. The Saudis supply 17 percent of the world's oil production, which is vital to the well-being of the Western economy. Saudi rulers pay a political price for keeping production up. Younger, more conservative princes (ironically, often Western-educated) charge that their elders are squandering the national patrimony. Also, by producing at rates commensurate with Western needs, the Saudis get accused by Islamic fundamentalists and Arab radicals of being allied with "infidels" and "imperialists."

But in setting their levels of oil production, the Saudis also are guided by self-interest. They need to prevent the collapse of the Western economy and devaluation of Saudi investments in the United States and the West. They don't want to induce the West to develop alternative energy supplies. They need money for their massive development and industrialization program, estimated to cost $270 billion over the next five years. And, in the end, they do not want to drive the West to military action to preserve its oil supply.

Saudi Arabia has reaped considerable rewards from its relationship with the United States. Since 1945 Washington has provided the House of Saud with a security umbrella against aggression from potential enemies—the Soviet Union, Yemen, Libya, Iraq, and Iran. Over the past six years, the U.S. has sold more military equipment to Saudi Arabia than to any other non-NATO country, totaling more than $22 billion. In 1980 alone, Saudi purchases of American military equipment and construction amounted to about five billion dollars.

Saudi Arabia also derives vast quantities of non-military goods and services from the U.S.—$23 billion worth between 1976 and 1980. American companies are heavily involved in building and running modern Saudi Arabia. Aramco alone employes over 10,000 American citizens to produce the kingdom's oil.

In short, each nation is compelled to depend upon the other. Given American superiority in military and technological fields, however, a strong case can be made that the Saudis are more dependent on us than we are on them. The United States imports 1.2 million barrels per day from Saudi Arabia. This is just one-sixth of all American oil imports and only six percent of America's total petroleum consumption of 16.7 mbd. The Saudis have an "oil weapon" all right, but its potency is more limited than Americans often realize.

For one thing, the Saudis do not have a limitless capacity to increase production to reward satisfactory behavior in the West. In April 1979 the Senate Foreign Relations Committee issued a detailed analysis of Saudi production and reserves based on subpoenaed documents from Exxon and Socal, two partners in Aramco. The report concluded that Saudi Arabian production is never likely to exceed 12 mbd, and that this level could be sustained only for 15 or 20 years before it started to decline. Because of reductions in projected recoverable reserves and rising costs of maintaining production, the report also indicated that Saudi Arabia might never raise its maximum sustainable capacity beyond the present 10 mbd. The fundamental conclusion of the Senate study was that Saudi Arabia produces its oil based on its own economic self-interest and on geological realities, and that "linkage" with the Arab-Israeli dispute never has been figured into production decisions. The New York Times twice reported that CIA analysts supported the report's findings.

There is evidence that even the October 1973 oil cutoff may have had geological and conservationist explanations. In any event, various oil experts maintain that actual production cutbacks were limited in duration and magnitude. U.S. gas lines made the embargo seem successful, but according to MIT economist M. A. Adelman they were the product of the "explosive combination of controlled prices and no rationing. . . ."

Finally, an increasing number of Middle East oil economists believe that Saudi Arabia actually will be forced into raising its oil production to finance balance of payments deficits. Eliyahu Kanovsky, a visiting professor of economics at Queens College, has examined the Saudi economy and found deficits in 1977, 1978, and 1979. In order to meet massive capital development projects, and increased international economic needs, the kingdom may require a minimum production level, perhaps 8.5 mbd. According to Business Week Saudi government sources confirmed this assessment and said that sharp budget cutbacks would provoke greater economic and social dislocations than the social pains of development.

In short, "responsible" Saudi production and price levels—represented in the U.S. as a political favor to the West—are actually the product of self-interest and will continue to hold unless there is a change of regime as in Iran. It can be argued that it is the U.S. that contorts itself, including its own laws, to please the Saudis. One example is Northrup's control of the multi-billion-dollar modernization program of the Saudi Air Force, awarded without competitive bidding at Ridyadh's request. Similarly Saudi Arabia receives selective treatment in the operation of foreign military trust funds. Unlike any other foreign purchaser, Saudi Arabia makes deposits for military purchases in an interest-bearing account under an arrangement whereby the U.S. would not be protected should Saudi Arabia decide to cancel its contracts, as Iran did.

Saudi Arabia also gets special treatment in State Department human rights reports, compiled annually for Congress. The 1981 report is so meticulously crafted that, even after citing stonings, beheadings, severances of the hand, a "heavy stress on obtaining confessions", and the lack of habeas corpus or the right to counsel, one still gets the impression that Saudi Arabia has not violated the standard of human rights that was judiciously applied elsewhere.

The Carter decision in 1978 not to fill the strategic petroleum reserve was an astonishing concession to the Saudis. Officially, Saudi Arabia professed a desire to prevent pressure for higher oil prices, but Americans close to the Saudis acknowledged that they also wanted to maintain U.S. dependence on their oil. Congress finally forced the administration to resume filling the reserve. That the Saudis have not objected demonstrates that Carter's concession was unnecessary.

The 1978 sale of 60 F-15s to the Saudis was a major demonstration of Saudi political influence. Many senators voting to approve the sale conceded openly that they were doing so because of U.S. dependence on Saudi oil and goodwill. The sale of 60 planes was approved despite a 1974 Pentagon recommendation and a 1978 Arms Control and Disarmament Agency report saying only 40 F-15s should be provided. A 1976 Defense Department reassessment advised the Saudis not to purchase F-15s at all, on the grounds that they could not assimilate them.

If the F-15 sale had resulted in Saudi support for American peace efforts in the Middle East—as promised by the Carter administration—then it might be argued that the United States had received a quid pro quo for the planes. But since Camp David, what has happened? At both Baghdad pan-Arab summits, the Saudis were instrumental in building a consensus for punishing President Sadat and for paying out billions to Jordan and Syria to stay out of the peace process. This year the Saudis led the Islamic nations in calling for a jihad against Israel.

Not only did the Saudis not deliver on their part of the quid pro quo, the Carter administration actually shifted its peace policy in Saudi Arabia's direction. How else can one explain Washington's attempts in 1979 to involve the PLO in peace negotiations? How else explain the effort to alter UN Resolution 242, when it had formed the cornerstone of the Camp David accords? And how else explain the counterproductive attempts to reach prematurely for a "comprehensive solution" at the expense of the Camp David accords and the repeated acquiescence to one-sided Security Council resolutions?

In spite of the record and its own public promises, it's likely that the Carter administration would have approved the new Saudi request for offensive ordnance. According to

the biweekly Middle East Policy Survey, Secretary of Defense Harold Brown gave his personal commitment to Saudi defense minister Sultan that the kingdom's request would be fulfilled.

The Reagan administration thus inherited a difficult situation, but not an impossible one. It could have invoked the 1978 executive commitments in refusing the sale. But in consultations with Congress during the past three weeks, Reagan administration officials have parroted the same vague and superficial justifications that previously had been cited by the Carter administration. "If we don't sell them this equipment, then they will buy it elsewhere," goes one verse. Another maintains that the Saudis are a "force for stability and moderation in the Middle East." (The corollary is that Saudi Arabia's moderation would disappear if they are not granted their requests.) Yet another cites the security threat to Saudi Arabia, especially to the Eastern oil-producing provinces, but doesn't quite explain how Saudi Arabia would defend itself against the blows of the Soviet Union, Iraq, Iran, or the People's Democratic Republic of Yemen. The final line assures all concerned that Saudi Arabia never would use its F-15s, or transfer them for use, in direct combat against Israel.

A preview of this administration's embrace of previous policies was provided last month in Defense Secretary Casper Weinberger's maiden news conference. He expressed the American desire to bolster Saudi Arabia's security by providing the offensive F-15 equipment they had requested. When asked about the American commitment to Israel, Weinberger responded sympathetically to Israel's needs, maybe a bit too sympathetically, in offering to station troops in Israel.

Actually, it is Saudi Arabia that needs American troops, not Israel. With vulnerable oil fields, limited military capability, vast territory to defend (over 4,400 miles of coastline), and surrounded by military superior adversaries, Saudi Arabia must depend upon the American security umbrella. The closer American forces are to Saudi Arabia, the more protection they can provide.

But, it's argued, the Saudis are unwilling to become overtly identified with the United States (or any foreign power) for fear of inciting domestic resentment. Therefore the U.S. has to sell the Saudis sophisticated weapons to use in protecting themselves. So goes the military justification for the F-15 sales. But key military questions have not been faced: from which potential adversary can Saudi Arabia realistically be expected to defend itself? What are the most likely situations in which the planes will be used? Can the Saudis absorb the weapons? What are the other potential effects generated by transforming the kingdom into a massive arms arsenal?

According to the 1980-81 annual report of the International Institute for Strategic Studies and other sources, the balance of forces between Saudi Arabia and every one of its potential adversaries is overwhelmingly weighted against Saudi Arabia. This imbalance is further accentuated by the vast territory Saudi Arabia has to protect. No matter how many F-15s Saudi Arabia possesses, the kingdom always will be incapable of defending itself. the Saudis and Americans are both well aware that should the kingdom be subjected to an external attack, the Saudis would have to rely on American military forces to protect their oil fields from destruction. The creation of the American Rapid Deployment Force attests to the acceptance of this contingency.

If the F-15s have no credible defensive role, why do the Saudis want them? One answer is prestige. Another is that they may hope to acquire an offensive option. The F-15 is the most sophisticated fighter plane in the world, capable of challenging any other aircraft. When equipped with extra fuel tanks, advanced radar, and AIM-9L air-to-air missiles, the F-15 is capable of inflicting lethal damage 1,000 miles away from its takeoff point. It could fly from Saudi Arabia to anyplace in the Middle East and return.

Having acquired 60 F-15s and offensive enhancement gear, the Saudis may be tempted to use them. How? One possibly is to settle old scores with weaker Persian Gulf rivals such as Oman. Religious and tribal animosities characterize the Saudi-Omani relationship and, on more than one occasion, the Saudis have tried to occupy Oman's Buraimi Oasis. The Omanis themselves probably will be granted additional weapons by the United States, too. The U.S. is in the process of creating a version of mutual assured destruction in the Persian Gulf, a kind of Mideast balance of terror.

What about the threat to Israel? Proponents of the sale discount the possibility of a direct Saudi attack because of the more destructive Israeli retaliatory capability. The logic of this thesis is sound, but logic does not always govern behavior in a region of the world where dying by the sword is preferred to political compromise. In the event of another Arab-Israeli war, it is naive to believe that Saudi Arabia could resist pressure to use its weapons against Israel, or to transfer its planes to some other Arab state. Saudi Arabia took part in three past Arab-Israeli wars, but its involvement was limited to support roles and joint maneuvers with Syria and Jordan. The important difference is that then the kingdom simply did not have the modern weaponry it now has at its disposal. The mere existence of the superior F-15s, hardly a secret, would generate overpowering demands upon the kingdom from both within and without for use in an actual jihad against Israel. In the past, the Israelis never have felt a military need to attack Saudi territory. But if they feared a new war with the Arabs was imminent, they would have a strong incentive to launch a preemptive strike to knock out the Saudi F-15 force.

In all fairness, responsibility for fueling the arms race in the Middle East must be spread among several Western countries and Russia. The Saudis apparently will get 300 West German Leopard tanks and 200 British Tornado jets. Reportedly they have made a secret $3.4-billion agreement with France to buy ships and helicopters, and are negotiating to finance production of Mirage 4000 jets. The lure of recycling oil debts, lowering unit costs of weapons, and engendering goodwill have proven irresistible to the Europeans.

The dangers of an arms race are somewhat mitigated by reported Saudi inability to absorb such vast quantities of sophisticated weapons. A similar problem arose in Iran, yet the surplus cash skimmed off the top of the defense contracts ensured that the contracts continued. Multinational corruption in Saudi Arabia probably has not risen to the levels reached in Iran, but the issue of Saudi absorptive capacity should be a fundamental consideration in determining the feasibility of appropriate military sales. Is the U.S. prepared to sanction the Saudis' use of Pakistani mercenaries to fight on their behalf?

Even more troubling are the negative domestic repercussions of the massive arms sales, an issue relating to the larger problem of internal Saudi instability. The strains caused by accelerated industrialization, accompanied by liberalization of the kingdom's social or political institutions, well may provoke a violent reaction against the regime. Add the factors of corruption, a large foreign presence, Islamic revivalism, class disparities, and Shia-Sunni and other intra-clan tensions (particularly in the oil regions), and the future looks even more ominous. On top of this, the impact of a massive arms infusion could prove disastrous. Many sectors of Saudi society, from religious ascetics to those with rising expectations about the benefits of oil wealth, may end up increasingly dissatisfied with an uneven development program that goes too far and simultaneously not far enough. A conspicuous arsenal of Western arms may create, as in Iran, an irritating reminder of the regime's wasting of precious, dwindling resources. No one can predict that massive internal insurrection will occur in Saudi Arabia, but it would be a tragic irony if sometime in the future American troops were forced to protect American interests from the ravages of American arms.●

QUANTIFYING BROADCASTERS' PUBLIC TRUST RESPONSIBILITY

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. SWIFT. Mr. Speaker, for some time I have been talking about a method of quantifying the broadcasters' public trust responsibility because I have felt that it would provide the framework for a thorough-going broadcast deregulation bill. I now have a draft of a bill that would do both and have shared it with many interested parties both within the broadcasting industry and among public interest groups. I have not yet introduced this as a bill because I am hoping that some of the comments I get from these groups will result in improvements before I introduce the bill sometime after the beginning of May. In the meantime, however, I wanted to take this opportunity to share the draft bill with my colleagues in the House.

H.R. —

A discussion draft of a bill to amend the Communications Act of 1934 to quantify public responsibility requirements for television and radio broadcasters, to deregulate certain aspects of television and radio broadcasting, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Broadcasting Public Responsibility and Deregulation Act of 1981".

PUBLIC RESPONSIBILITY REQUIREMENTS

SEC. 2. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new section:

"PUBLIC RESPONSIBILITY REQUIREMENTS

"SEC. 331. (a) For purposes of this section:

"(1) The term 'licensee' means any commercial television or radio broadcasting station licensee.

"(2) The term 'licensee evaluation system' means the licensee evaluation system established by the Commission in accordance with subsection (b).

"(3) The term 'licensee rating schedule' means the licensee rating schedule established by the Commission in accordance with subsection (c)(1).

"(4) The term 'program-related production cost' means any cost which is directly related to the production of a particular program. Such term does not include capital expenditures, salaries of regular employees, or general overhead expenditures which are incurred in the operation of the station of a licensee but which are not attributable to the production of any particular program.

"(5) The term 'public responsibility standard' means the public responsibility standard established by rule by the Commission in accordance with subsection (d).

"(6) The term 'qualifying programming' means—

"(A) public service programming;

"(B) programming which has a direct relevance to persons residing in the service area of a licensee, including broadcasts which (i) are transmitted at the same time as the events involved, or are produced and recorded at the same time as the events involved and are subsequently transmitted in substantially the same form as the original recorded form; and (ii) relate to news, sports, music, drama, religious programming, or public affairs programming; and

"(C) any other programming which the Commission determines by rule to be of special value to local audiences.

"(b)(1) The Commission, as soon as practicable after the effective date of this section but not later than 6 months after such effective date, shall establish a licensee evaluation system. The licensee evaluation system shall—

"(A) assign a point value to the broadcasting of any qualifying programming; and

"(B) award points to each licensee based upon each minute of qualifying programming which is broadcast by such licensee during each annual period of the license held by such licensee.

"(2) The point values included in the licensee evaluation system shall be weighted by the Commission so that additional points are awarded to each licensee based upon—

"(A) broadcasting of qualifying programming by such licensee during broadcasting periods which are assigned a preferred rating by the Commission under paragraph (3);

"(B) broadcasting of public service announcements regarding local issues, events, and activities;

"(C) broadcasting of the type of programming specified in subsection (a)(6)(B); and

"(D) the amount of program-related production costs incurred by such licensee.

"(3) For purposes of awarding additional points under paragraph (2)(A), the Commission shall divide the broadcasting day into designated broadcasting periods and assign a rating to each such period based upon the likely size of the audience for programming which is broadcast during each such period. The Commission shall assign preferred ratings to periods for which the likely audience size is substantially larger than the audience size for other periods.

"(4) The amount of additional points which licensees may be eligible to receive under subparagraphs (A), (B), (C), and (D) of paragraph (2) shall be established by the Commission by rule.

"(c)(1) The Commission, after completing the establishment of the licensee evaluation system in accordance with subsection (b), shall establish a licensee rating schedule. The Commission, for purposes of establishing the licensee rating schedule, shall—

"(A) review the most recent composite weekly programming logs filed with the Commission by licensees for periods preceding the date on which the licensee evaluation system takes effect; and

"(B) assign a rating to each licensee based upon the number of points which would have been awarded to such licensee under the licensee evaluation system if such system had been in effect during such periods.

The Commission, in reviewing composite weekly programming logs under subparagraph (A), shall designate the number of logs to be reviewed based upon the number necessary to ensure a valid statistical survey.

"(2) The Commission, after establishing the licensee rating schedule under paragraph (1), shall—

"(A) review the rating assigned to each category of licensees for purposes of determining minimum point levels in connection with the establishment of the public responsibility standard under subsection (d); and

"(B) determine, in accordance with paragraph (3), whether different minimum point levels should be established for different categories of licensees.

"(3) The Commission, in establishing the public responsibility standard under subsection (d), shall have authority to establish different minimum point levels for different categories of licensees if the Commission—

"(A) determines, based upon its review of the licensee rating schedule, that different programming practices and formats result in significant differences in the ratings assigned to different categories of licensees under the licensee rating schedule; and

"(B) makes a finding that the establishment of different minimum point levels for different categories of licensees (i) would not be contrary to the purposes of the public responsibility standard; and (ii) would not have an adverse effect upon the administration of such standard.

"(4) The Commission shall complete the actions required in this subsection as soon as practicable after the establishment of the licensee evaluation system, but not later than 18 months after the effective date of this section.

"(d)(1) The Commission shall prescribe a rule which establishes a public responsibility standard. Such rule shall take effect as soon as practicable after the Commission carries out the actions required in subsection (c), but not later than 30 months after the effective date of this section.

"(2) The public responsibility standard shall specify the minimum number of points which—

"(A) all licensees; or

"(B) different categories of licensees, if the Commission elects to establish such categories in accordance with subsection (c)(3); are required to accumulate under the licensee evaluation system during each annual license period in order to be in compliance with the public responsibility standard.

"(3) The Commission shall not have any authority under this Act to require any licensee to broadcast any particular type of programming or to establish any particular type of broadcasting format, except that only qualifying programming shall be eligible for the awarding of points to a licensee.

"(4) Any amendment by the Commission to the rule establishing the public responsibility standard may not take effect before the end of the 1-year period following the date of the adoption of such amendment.

"(e)(1) Each licensee shall maintain records which are sufficient to indicate the number of points accumulated by such licensee for purposes of complying with the public responsibility standard. Each licensee, as soon as practicable after the close of each annual period, shall certify to the Commission that the number of points accumulated by such licensee during such period is sufficient for compliance with the public responsiblity standard.

"(2) The Commission shall at all times have access to, and the right of inspection and examination of, the records which licensees are required to maintain in accordance with paragraph (1).

"(3) The Commission shall not have any authority to require any licensee to submit any annual report or other report relating to its programming policies and practices, other than the certification required in paragraph (1).

"(f)(1) the Commission, acting on its own motion, shall have authority to take such action as may be necessary for the purpose of determining whether any licensee is engaging or has engaged in any violation of the provisions of this section.

"(2) If any person filed a complaint with the Commission which alleges that any licensee is engaging or has engaged in any serious violation of the provisions of this section, then the Commission shall take such action as may be necessary for the purpose of determining whether any penalty should be imposed upon such licensee by the Commission under this Act.

"(g)(1)(A) Any licensee who engages in a pattern of failure to comply with the public responsibility standard shall be subject to a civil penalty imposed by the Commission in an amount equal to the product of the highest per minute advertising rate charged by such licensee multiplied by 1,000.

"(B) The amount of such civil penalty shall be assessed by the Commission by written notice. The Commission shall have the discretion to compromise, modify, or remit, with or without conditions, any civil penalty assessed under this paragraph against any licensee—

"(i) to the extent necessary to prevent the insolvency or bankruptcy of such licensee, if the Commission determines that such compromise, modification, or remittance serves the public interest; or

"(ii) if the failure to comply is technical in nature or constitutes a minor or insubstantial violation of the public responsibility standard.

"(C) For purposes of subparagraph (A), the highest per minute advertising rate charged by any licensee shall be determined by the Commission and shall—

"(i) be based upon rates charged by such licensee at the time of the imposition of the civil penalty involved; or

"(ii) if such licensee is not operating the broadcasting station involved at the time of the imposition of such civil penalty, be

based upon rates which were in effect on the date such licensee ceased to operate such station.

"(2) In any case in which a licensee who has been made subject to a civil penalty under paragraph (1) subsequently engages in a pattern of failure to comply with the public responsibility standard, the Commission shall revoke the license of such licensee. Such licensee shall not be eligible to submit any application in connection with any subsequent assignment of such license.

"(3) Any person who knowingly makes any false statement, representation, or certification in any record or other document required to be maintained in accordance with this section shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than 6 years, or both.

"(h) The Commission, not later than 1 year after the effective date of this section, shall submit a report to each House of the Congress. Such report shall contain—

"(1) a detailed statement of actions taken by the Commission to carry out the requirements of this section;

"(2) an estimate of the date on which the public responsibility standard will take effect, together with an explanation of the basis for such estimate.".

BROADCASTING DEREGULATION RELATING TO ASCERTAINMENT AND PROGRAMING REQUIREMENTS

SEC. 3. (a) Section 307 of the Communications Act of 1934 (47 U.S.C. 307) is amended by adding at the end thereof the following new subsection:

"(f) The Commission, in its administration of this Act regarding applicants for commercial television or radio broadcasting station licensees and regarding commercial television or radio broadcasting station licensees, shall not have any authority to establish or enforce any rules, orders, guidelines, policies, or procedures which require such licensees—

"(1) to engage in any activity for the purpose of ascertaining the problems, needs, or interests of persons residing in the service areas of the stations involved;

"(2) to limit the number of commercial advertisements which may be broadcast, or to limit the length of any such commercial advertisements; or

"(3) to establish or maintain any programming logs or other related records."

(b) Section 303(j) of the Communications Act of 1934 (47 U.S.C. 303(j)) is amended by striking out "Have" and inserting in lieu thereof "Except as provided in section 307(f)(3), have."

(c) Any rules, orders, guidelines, policies, or procedures of the Federal Communications Commission which are not consistent with section 307(f) of the Communications Act of 1934, as added by subsection (a), shall cease to have any force or effect on the effective date specified in section 11(b)(1).

LICENSE TERMS

SEC. 4. (a) The first sentence of section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended by striking out "shall be" the first place it appears therein and all that follows through "so granted" and inserting in lieu thereof "or".

(b) The second sentence of section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended by striking out "three years" and all that follows through "not to exceed", and by striking out "in the case of other licenses".

(c) The amendments made in this section shall apply to broadcasting licenses, and broadcasting license renewals, granted by the Federal Communications Commission after the effective date specified in section 11(b)(1).

JOINT APPLICATIONS FOR CONSTRUCTION PERMITS AND LICENSES

SEC. 5. (a) Section 308(a) of the Communications Act of 1934 (47 U.S.C. 308(a)) is amended by adding at the end thereof the following new sentence: "Any person who seeks to obtain a construction permit and a station license from the Commission shall be permitted to submit a joint application for the issuance of such permit and license.".

(b) Section 319 of the Communications Act of 1934 (47 U.S.C. 319) is amended by striking out subsection (c), and by redesignating subsection (d) as subsection (c).

COMPARATIVE HEARINGS

SEC. 6. Section 309(a) of the Communications Act of 1934 (47 U.S.C. 309(a)) is amended by inserting "(1)" after the subsection designation, and by adding at the end thereof the following new paragraph:

"(2) The Commission, in acting upon any renewal application filed by a broadcasting station licensee under section 308, shall not have the authority to consider any competing application submitted by any other person for operation of the facilities for which such renewal is sought.".

COMMISSION ACTION UPON LICENSE APPLICATIONS

SEC. 7. Section 309(b) of the Communications Act of 1934 (47 U.S.C. 309(b)) is amended by striking out "of the acceptance for filing" and inserting in lieu thereof "with respect to the receipt".

PETITIONS TO DENY LICENSES

SEC. 8. Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by striking out subsection (d) and subsection (e), and by redesignating subsection (f) through subsection (h) as subsection (d) through subsection (f), respectively.

PROCEDURES FOR GRANTING INITIAL LICENSES

SEC. 9. Section 309 of the Communications Act of 1934, as amended in section 8, is further amended by adding at the end thereof the following new subsection:

"(g)(1) In any case in which there is more than one applicant for a television or radio broadcasting license, and each such applicant is qualified in accordance with section 308(b), the Commission shall grant the license involved through the use of a system of random selection established by the Commission under paragraph (2).

"(2) The Commission, not later than 180 days after the effective date of this paragraph, shall by rule establish a system of random selection for the granting or television and radio broadcasting licenses in accordance with paragraph (1).".

FACILITIES FOR CANDIDATES FOR PUBLIC OFFICE

SEC. 10. Section 315(a)(2) of the Communications Act of 1934 (47 U.S.C. 315(a)(2)) is amended by adding at the end thereof the following: "discussion, or debate, regardless of whether such interview, discussion, or debate is a regularly scheduled program,".

EFFECTIVE DATES

SEC. 11. (a) The provisions of this Act, other than the provisions specified in subsection (b)(1), shall take effect on the date of the enactment of this Act.

(b)(1) Except as provided in paragraph (2), the amendments made in section 3 through section 10 shall take effect beginning on the date the rule prescribed by the Federal Communications Commission in accordance with section 331(d)(1) of the Communications Act of 1934, as added in section 2, is no longer subject to any administrative or judicial review.

(2) Section 309(g)(2) of the Communications Act of 1934, as added in section 9, shall take effect on the date of the enactment of this Act.●

A TRIBUTE TO THE HONORABLE OLIN "TIGER" TEAGUE

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 28, 1981

● Mr. SYNAR. Mr. Speaker, I did not have the opportunity and good fortune to know the Honorable Olin "Tiger" Teague. I wish I had. My colleagues have spoken of him with great emotion, and because of this, I feel as though Tiger was an old friend. On behalf of Oklahoma, the birthplace of Tiger Teague, I extend my deepest sympathy to his family and all those who knew him well.

I want to include among the many tributes already paid to Tiger, the following remarks of a close friend and Member of this body for over 20 years, Ed Edmondson. In a recent letter, Ed wrote:

I was saddened today to read in the CONGRESSIONAL RECORD for January 28 the tribute to a former colleague for whom I had the greatest admiration and respect, Olin Tiger Teague.

Although he became known as a Texas war hero during World War II, Tiger was in fact a native of Oklahoma, having been born at Woodward, Oklahoma on April 6, 1910.

When I came to Washington in 1953, I officed only a few doors away from Tiger, and he became a very close friend as well as a wise advisor. We had many friendly battles on the paddle-ball court where he was a fierce competitor and a great sportsman, and I also got to know his fine family and to admire them very much . . . He was a truly outstanding public servant, of unquestioned integrity and ability, who won and held the respect and confidence of his colleagues on both sides of the aisle. He was a credit to the district which repeatedly elected him, to the state in which he was born and to the state in which he served for so many years, and he was a credit to the nation.●

BLUEPRINT FOR A HOUSE THAT WORKS: PART V

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. LOTT. Mr. Speaker, last April 1, the House Select Committee on Committees closed its books by filing its final report. While the report did not receive any attention in the media, and was probably read by few Members, it nevertheless is an important

historical document on past and continuing efforts to improve this institution.

But I would especially call the attention of my colleagues to the minority views filed by Congressmen CLEVELAND, HORTON, FRENZEL, LEACH, and SOLOMON. This is the most concise statement in the report both of the select committee's findings and recommendations, and of the unfinished institutional reform agenda which the select committee did not consider.

I particularly call attention to this report because so many of the recommendations are similar to the proposed House Rules changes I have included in my own "Committee Improvement Amendments of 1981" (H. Res. 100). Like the select committee, I have concluded that our committee system is so overgrown and fragmented that our House is out of order. Like the select committee, I have proposed that there be no more than six subcommittees per committee, except appropriations, and that Members be limited to no more than four subcommittee assignments. And like the select committee, I have proposed that the multiple referral of bills to more than one committee be limited by designating one committee as a principal committee.

The unfinished agenda put forward in the minority views includes most of my other suggested Rules changes. First, the House should adopt an overall ceiling on committee staff. Second, proxy voting in committee should be abolished. Third, oversight should be strengthened by formalizing the process of establishing committee oversight agendas and making proper provision for their coordination through the Government Operations Committee. Fourth, House Rules should be amended to require that the committee party ratios reflect the overall party ratio in the House. The only other proposal contained in my Committee Improvement Amendments which has not been recommended either by the select committee or the minority views is a requirement that we restore majority quorums in committees for the transaction of any business.

Mr. Speaker, on April 15 I intend to reintroduce House Resolution 100, the Committee Improvement Amendments, with cosponsors, and I invite my colleagues to join in this blueprint for a House that works. For the text of my resolution and a more detailed explanation I refer my colleagues to my introductory remarks in the March 4 RECORD at page 3545.

At this point in the RECORD, Mr. Speaker, I include the excerpts from the minority views to the select committee report to which I have alluded. The views follow:

[From the final report of the Select Committee on Committees (H. Rept. 96-866), Apr. 1, 1980]

MINORITY VIEWS OF HON. JAMES C. CLEVELAND, HON. FRANK HORTON, HON. BILL FRENZEL, HON. JIM LEACH AND HON. GERALD B. H. SOLOMON

INTRODUCTION

Early last Fall, the Select Committee on Committees mailed the first of two questionnaires in which we solicited our colleagues' views on general and particular aspects of the House committee system. About 200 Members responded.

The first part of the questionnaire consisted of a series of statements reflecting a range of attitudes toward committee reform. The responses we received seem now—as we near the end of our work—to have been especially significant.

77 percent of Members responding agreed that "The House committee system is in disarray and comprehensive revision of the system should be given high priority."

However, 86 percent of respondents felt that "Most Members would be more likely to accept a relatively few modest changes, rather than a comprehensive revision."

Nevertheless, 80 percent of respondents took the position that "Committee system revision is so necessary that it should be pursued even if Members see themselves adversely affected by specific jurisdictional or other changes."

And Members reaffirmed this conviction by disagreeing—14 percent to 86 percent—with the proposition that "Committee system revision should be limited to changes which do affect Members' positions or jurisdictions."

In light of what has happened since, how should one describe these judgments—prophetic, realistic, or cynical, or all three? In October, 1979, Members seemed to be telling us that committee system change was so necessary that the Select Committee should not be inhibited by the possibility that Members might reject more than modest changes. By April, 1980, as the committee passed its reporting deadline, not a single recommendation had been approved by the House, despite the fact those recommendations were hardly radical.

We must leave the final answer to the question to our colleagues.

In any event, the minority members of the Select Committee on Committees believes there may be considerable value in reflecting on the committee's experience over the past 11 months, drawing certain conclusions from that experience, and submitting some specific recommendations.

SELECT COMMITTEE PROPOSALS

Following is a brief summary of each of the Select Committee's five major recommendations, all of which were reported in accordance with the provisions of H. Res. 118 and were accompanied by written reports which have since been printed:

Reduction of Committee Scheduling Conflicts

The Select Committee recommended unanimously the adoption of a committee and subcommittee scheduling formula which would eliminate approximately 75% of the conflicts experienced by Members scheduled to attend meetings held at the same time. Such conflicts have made it increasingly difficult for committees and subcommittees to obtain and to hold the quorums necessary for the transaction of business.

The Select Committee's proposed formula, the product of intensive analysis of all committee and subcommittee meeting held in the 95th Congress, assigned to each of two groups of committees specific days on which they could meet for the purposes of marking up and reporting legislation and for transacting business. No restrictions were placed on committee hearings, and exclusive committees were not affected.

Following the unanimous approval of the Select Committee, the reported resolution (H. Res. 404) was granted a rule by the Rules Committee. To date, it has not been scheduled for consideration by the House, presumably because of opposition expressed by some committee chairmen.

We continue to believe that H. Res. 404 would achieve substantial benefits at a modest cost in inconvenience—a cost which would be further reduced, when necessary, by resort to a procedure for holding emergency meetings. Nevertheless, reduction of scheduling conflicts is so important that we believe consideration should be given by the Rules Committee to an adjustment in the proposed formula reducing the number of days on which committees are prohibited from meeting. A moderate adjustment, although it would reduce the impact of the committee's formula, would also preserve the principle of the recommendation and retain a substantial proportion of its benefit.

Limits on the Number of Subcommittees

The Select Committee recommended unanimously that all standing committees, except the Appropriations Committee, be limited to no more than six subcommittees. Over the next three Congresses, this recommendation would lead to the elimination of 28 of the present 155 subcommittees and similar sub-units.

Although the net effect would be modest, this recommendation would immediately arrest the continuing proliferation of House subcommittees, a trend which has fragmented the legislative and oversight processes and weakened the House committee system.

Limits on Members' Subcommittee Assignments

The Select Committee recommended that individual Members be limited to no more than five subcommittee assignments. For purposes of the limitation, subcommittees included all subunits of committees which are created for more than six months and counted assignments to select, joint, and ad hoc committees as one subcommittee assignment. The recommendation, over the next two Congresses, requires 91 incumbent Members to give up one or more subcommittee assignments.

Like its companion recommendation limiting the number of subcommittees, this recommendation would reverse a debilitating trend in the House by virtue of which many Members are stretched so thinly as to be unable to devote adequate attention to their committee responsibilities, and—conversely—many committees and subcommittees are forced to rely for active participation on a relatively few Members.

Under H. Res. 118, both recommendations were reported to the Democratic Caucus and the Republican Conference. Whereas the Republican Conference (and its Policy Committee) endorsed both recommendations shortly after they were reported, the Democratic Caucus has not yet acted on either.

We believe these twin recommendations, if adopted, may ultimately be considered

the most significant legacies of this Select Committee. In view of their importance and of the overwhelming support both objectives received from Members of both parties who responded to the Select Committee's surveys, we hope the Democratic Caucus will act expeditiously to approve and implement the recommendations.

Multiple Referral Reform

The Select Committee unanimously approved a comprehensive revision of the multiple referral system, including these major features:

On all joint referrals of legislation, one committee would be designated the primary committee.

Secondary committees in the referral would be required to report within a time certain after the primary Committee reported.

All sequential referrals would be subject to definite time limits.

Sequential referrals would be permitted when the reporting committee included amendments which invaded other committees' jurisdictions.

This proposal would reduce the substantial delays that characterize multiple referred bills and also assure committees the opportunity to consider legislation within their jurisdictions.

* * * * *

UNCOMPLETED WORK

Despite the high priority which attached to the five major proposals reported by the Select Committee, and in spite of the limited time that was available in which to complete our work, it is a cause of considerable disappointment to minority members that the Select Committee failed to consider additional issues of significance to the institution. At a minimum, we believe the committee should have devoted serious attention to the following subjects: equitable party ratios on committees and subcommittees, a ceiling or cap on committee staffs, improved oversight, legislation in appropriations bills, proxy voting, additional realignment of jurisdictions, minority staffing, and improved coordination of services provided committees by the legislative support agencies. Each of these subjects was accorded high priority by Members in the process of selecting issues for consideration, and considerable staff work was done on several of the topics, especially by minority staff.

Following is a synopsis of our views on each of these issues:

Ceiling On Committee Staffs

Professional staff positions for congressional committees were first established in the Legislative Reorganization Act of 1946. For nearly three decades thereafter, the growth in the size of committee staffs was relatively slow and manageable. However, during the past few years, the House—as well as the Senate—has witnessed an exponential increase in committee employment of unanticipated proportions. From 1973 to 1979, House committee staffs more than doubled in size. In 1973, House committees employed 918 committee personnel; by 1979, this figure reached 1,939. Similarly, the spending for committee staff evidenced an equally remarkable spurt—from $14 million in 1973 to over $40 million in 1979.

Several factors explain this committee staff explosion. First, the House desired to broaden its issue expertise to achieve a greater measure of independence from the executive bureaucracy. Second, the sheer complexity of contemporary issues demanded the acquisition of specialized and technical staff knowledge. Third, the proliferation of subcommittees necessitated the hiring of additional staff support.

When properly utilized, the growth of staff has assisted the House in asserting an effective leadership role in policy decisions. Nevertheless, the advantages of staff assistance has rapidly diminished with the recognition that the increase has been too fast, too large, and too inefficiently distributed. Committees now display their own staff bureaucracies which are often unwieldly, inbred, and self-perpetuating. Members, lacking the time to adequately supervise and control staff, often cede to staff the right to determine priorities and to set the legislative agenda.

Granted, the increase in committee staff represents only one aspect of a wider phenomenon. The size of Members' personal staffs and of congressional support agencies have evidences similar trends. However, the growth in committee staff appears, to date, uniquely uncontrollable. Although restrictions exist as to hiring of so-called "statutory" staff, "investigative" staff—which comprises the bulk of committee employees—is subject to few restraints.

We recommend that the House establish an overall limit on the size of committee staffs. Two years ago, the Congrees approved the Civil Service Reform Act which include a House-passed amendment establishing a limit on federal employment levels. If such a ceiling were deemed necessary for the executive branch, it appears that a limit for House committee staff would likewise be appropriate.

The House has benefited greatly from the dedication and knowledge of its committee staff. Yet this institution must recognize that continued, unchecked expansion will impede, rather than facilitate, the legislative process—and undermine, rather than heighten, the quality of staff assistance now available. The imposition of a staff ceiling would be a useful tool to counter the growing committee bureaucratization, to impose fiscal discipline, and to ensure the responsive nature of the House to constituency needs.

Minority Staffing

The issue of providing the minority party with adequate committee staff support has been a persistent topic on the congressional reform agenda. Twice in the last decade—during the debate on the Legislative Reorganization Act of 1970 and the Committee Reform Amendments of 1974—the House has adopted amendments stipulating that the minority be earmarked a one-third share of committee funding resolutions allocated for staff hire. Subsequently—in 1971 and 1975—the Democratic Caucus nullified the one-third minority staffing provisions.

The lack of sufficient committtee staff impedes the minority in the promotion of policy initiatives and the articulation of legislative alternatives. Presently, as stipulated in the House Rules, the minority is entitled to one-third of the statutory staff. Nonetheless, the vast majority of staff personnel is hired pursuant to committee funding resolutions where no such guidelines apply. The Bolling-Martin Select Committee revealed that in May 1973 only 16.7 percent of committee staff were assigned to the minority. A February 1979 study conducted by the Office of the Minority Leader revealed little improvement—only 18.7 percent of committee staff were assigned to the minority.

According to the Select Committee's first questionnaire, the House would be favorably inclined to incorporate a one-third-staffing provision in the Rules of the House. A majority of Democrats who responded endorsed such a proposal; among Republicans, there was near unanimity of support.

Understandably House Members, in the wake of the staff explosion during the last few years and its accompanying financial costs, are reluctant to approve any provision which might fuel a further staff expansion. Yet, the issue of staff growth and the issue of establishing standards for minority/majority staff allocations are uniquely separable items. Equitable minority staffing does not presume any escalation in staff growth. Rather, it would be a benefical complement not only to the capabilities of the minority party, but more importantly to the institution as a whole. It is a reform worthy of the House's attention.

Proxy Voting

Proxy voting is recognized not only as counterproductive to the day-to-day functioning of legislative business, but it is also a practice distinctively ill-suited to representative government.

When last confronted with a direct vote on this issue (during the floor debate on the Committee Reform Amendments of 1974), the House adopted an amendment banning proxy voting. Regrettably, this proscription was shortlived as the Democratic Caucus reinstituted the practice a few months later.

The defects of proxy voting are readily apparent. This procedure reinforces the haphazard, often chaotic, scheduling of committee and subcommittee meetings. The persistence of meeting conflicts tends to be tolerated as long as Members can conveniently rely on proxies; consequently, the allowance of proxies subverts meaningful attempts to institute an orderly framework of committee scheduling. Proxy voting also encourages absenteeism by dispelling any urgency for Members to appear personally in order to be recorded on committee votes.

Proxy voting—by permitting committee participation to be accorded a diminished priority—incurs a serious cost for the democratic process. By resorting to proxies, a Member forfeits the opportunity to engage directly in the dynamics of debate—one neither contributes to nor is influenced by, the arguments which may determine the final disposition of the amendments or measure under consideration. Policy decisions are therefore often formulated by a limited number of Members to whom, through proxies, other Representatives have ceded their rights of decision. Further, the occasional misvoting or misuse of proxies serves only to perpetuate the prevailing attitude of public cynicism towards legislative conduct.

Proxy voting is not permitted in votes on the House floor. It appears equally inappropriate in the initial stages of policy-making at the committee level. The incorporation, within the Rules of the House, of an outright prohibition of proxy voting would be a welcome reform.

* * * * *

Improved Oversight

There is ample evidence that marked dissatisfaction exists among House Members concerning the quality of the oversight produced by the House committees.

In its survey of Members' views, the Select Committee included a section on "strengthening oversight" and asked Members to categorize the degree of importance they assigned this task; high, medium, and low. Of

the Members who responded to this question 74 percent felt strongly about increasing oversight, while 4.9 percent gave it low priority. The canvass also revealed that 77 percent of the Members believed that committees were not doing an adequate job of oversight while only 15 percent felt that they were.

The great majority of responding Members also concurred that the following factors were chiefly responsible for poor oversight:

	Yes	No
Lack of committee determination	88	12
Inadequate committee planning	85	15
Failure to follow through on findings	86	14

House Rules currently require that all Standing Committees, except Appropriations and Budget, conduct oversight in their jurisdictions. Clause 2(c) of Rule X specifies that at the beginning of each Congress, the Government Operations Committee will "assist in coordinating all of the oversight activites of the House", and that within 60 days after the new Congress convenes the committee will submit a report to the House containing the results of its meetings with standing committees and its recommendations "to assure the most effective coordination of such (oversight) activities".

Most Members—and the Government Operations Committee (GOC) agrees—believe the committee's oversight coordination function is too limited and undefined to be effective.

In the last Congress, the GOC, reporting on its responsibilities under Rule X, noted that "intent has never been spelled out in any legislative history or in any directive" to the committee. It added that its function was only one of coordination and that the rule did not give it "any power to supervise other committees". It stressed that "if" the committees would examine the proposed oversight of sister committees, the rule's objectives could be met. (H. Rpt. No. 95-1815)

At the beginning of the 96th Congress, the GOC felt constrained to point out—after some committees had noted that it was impossible to delineate their oversight plans and others had submitted theirs "so late that there was no opportunity for GOC . . . to review them"—that it was "still not convinced" that, as presently structured, the oversight report function was a practical or effective solution to the problem. It added that "many of the other committees" also shared this conclusion.

A second problem which can be deducted from GOC's published oversight reports is that the standing committees themselves do not wish to have their oversight activities monitored.

A staff review of the oversight conducted by a number of subcommittees indicated that self-policing by committees of their own oversight role has led to serious abuse in the House during the 95th Congress as the following examples indicate.

One committee had three subcommittees which collectively held only 20 meetings of all types—including oversight—which consumed 1,572 minutes. Together, they expended 186 minutes or about 3 hours in oversight during the two-year span, 1977-78. Of these 3 subcommittees, one spent 47 minutes in oversight, and another, zero minutes. These subcommittees ranked 121st, 127th, and 128th, out of 130 subcommittees, in mimutes spent at meetings of all types.

Another committee had two subcommittees with workloads which clearly were not excessive. One subcommittee spent 20 hours or 1,200 minutes in meetings of all types during the 95th Congress, of which 152 minutes or about 2½ hours were expended on oversight. And even when its 85 minutes in "investigative" activities was added to its oversight ledger this would only increase its total to 4 hours or about half a day in two years for this task. At the end of the 95th Congress, it stated that it had "conducted 'review' on 23 matters", but its published data appeared to fall short of this figure by 11 "matters".

A second subcommittee of the standing committee, which was an investigative subcommittee, spent 965 minutes or 16 hours at all types of meetings, which ranked it 117th among 130 subcommittees in "minutes spent in sesssions". The oversight portion of meetings was 14.8 hours, or about one day per year for that Congress. Unaccounted for, was oversight or investigative performance on two, possibly three, topics slated for "review", as promised at the beginning of that Congress.

Another standing committee had 2 subcommittees which ranked 118th and 120th. One subcommittee spent 888 minutes in all meetings, or about one day in meeting time, including oversight, per year. Of the 888 minutes, only 282 minutes were spent in oversight; 2.2 hours in 1977, and 2.5 hours in 1978.

The second subcommittee spent 914 minutes at meetings for the 95th Congress, of which 269 were spent in oversight; 177 in 1977, and 92 in 1978. This subcommittee has oversight jurisdiction over a Federal program which spent over $25 billion during the 95th Congress. Yet, only about one-half day during a two-year span was spent overseeing this vast project.

The examples cited above are based on an examination of committee documents and the Select Committee data base which identify formal sessions only. Since informal oversight and investigative activities are not generally classified in Committee calendars these were not taken into account except insofar as they were listed by the Committees in Government Operations Committee's reports, or in their funding resolution reports to the House Administration Committee.

Overall, House oversight activities, for a disturbingly large number of Subcommittees, have fared poorly in relation to other activities, especially legislative. A mere tightening of committee reporting procedures, long overdue, or a clearer classification in House documents, of meetings in terms of their purposes, will not resolve the issue of committee accountability for oversight.

Since full committees, generally, cannot or will not impose upon their subcommittees enforceable standards for the performance of oversight, we believe it is incumbent upon the House to establish more effective procedures for assuring that oversight of Federal programs and activities is conducted in a more orderly, systematic, and coordinated manner. Specifically, we recommend that action on so-called "sunset" legislation, now pending before the Committee on Rules, be completed without undue delay and brought before the House for decision.

In addition—unless specific provisions of sunset legislation should make the following steps unnecessary—we believe improved oversight could be enhanced by:

Clarifying in the House rules the authority of the Committee on Government Operations to establish standards by which committees report their oversight plans and to coordinate more effectively the implementation of those plans; or, in the alternative, providing for a more appropriate means of improving such planning and coordination.

Developing specific procedures by which the Subcommittee on Accounts of the Committee on House Administration, in connection with its responsibility for committee funding resolutions, can hold committees accountable for the accomplishment of oversight activities for which they request funds—an objective in which the subcommittee has already demonstrated an active interest.

Equitable Committee Ratios

During most of the twentieth century, committee ratios have been determined by informal agreements negotiated between the majority and minority leaderships. Traditionally, the ratio of majority and minority representation has usually paralleled the party division in the full House.

Recent Congresses, however, have witnessed a growing disparity between the division of party strength in the full House and the ratios prescribed for House committees. By vote of the Democratic Caucus, ratio formulas were imposed in the 94th and 95th Congresses which significantly undercounted the minority in the allocation of committee seats.

In the 96th Congress, as of January 1980, the minority party was underrepresented by one or more seats on nine standing committees—and on approximately one-third of the over 150 standing subcommittees. Alternatively, on no standing committee (except for the evenly divided Committee on Standards of Official Conduct) and on only three subcommittees were House Republicans overrepresented.

These assignment practices substantially limit the effective participation of the minority at the primary level of legislative decision-making—committees and subcommittees. The ability of the minority to advance viewpoints, promote amendments, and implement reforms is impaired by the adoption of such inequitable ratios.

We believe that serious attention should be focused on this question. One alternative which has been offered—and which merits scrutiny—would be to incorporate in the Rules of the House the requirement that any allotment of committee seats reflect, to the closest degree possible, the proportional ratio of the parties in the House as a whole. Such a proposal might offer a neutral corrective to ensure that any minority party would be accorded fair treatment in committee allocations. Indeed, a similar recommendation was outlined by Minority Leader Gerald Ford in testimony before the Bolling-Martin Select Committee on Committees in 1973.

We submit that the question of committee ratios should not be read in partisan terms. Rather, equitable committee allocations are an assurance that committees fairly reflect and represent the substantive views of both parties in the process of policy deliberation.●

TOWARD BETTER DEFENSE BY CUTTING PENTAGON WASTE

HON. JOHN LeBOUTILLIER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, those of us in the Congress and in the public who support the President's efforts to eliminate wasteful Federal spending in domestic programs are often accused of failing to use the same scrutiny toward the Defense Department. I believe that the waste and fraud that does exist in the Pentagon budget should not be immune from the administration's efforts to promote fiscal responsibility and efficient, honest use of resources.

I wish to emphasize that Department of Defense cutbacks should not endanger the development of vital military hardware and personnel capabilities. By cutting waste from the Pentagon budget, we will allow the Defense Department to go forward with better utilization of resources so that the vital technological and manpower deficiencies can be corrected. To be free, we must be strong. To deter despotism, we must have the means to prevent its ugly occurrence.

The goal of the Reagan fiscal policy and those of us in Congress who support it is to get the massively expanding Federal budget into leaner shape. We are seeking to take sedentary and often wasteful Federal dollars and put them back into the marketplace so that they will be used to promote growth, employment, and income. To make those cuts that attack waste, all waste in all areas should be attacked. The Defense Department is not immune from this excision in the public interest.

Last February 18, President Reagan spoke to us here in Congress, as well as to a tensely watchful Nation about the "grim picture" which we face. With the clear-thinking intelligence and optimism that has marked his career, President Reagan stated that "it is within our power to change this picture." This is also true for getting our military posture back into shape. The best way to rebuild a strong military is to cut the areas of waste that are hindering this accomplishment.

The National Conservative Foundation (NCF) has compiled a $173 billion list of proposed areas for Federal slashing, including $25 billion from the Defense budget. Of course, not everyone will agree with the entire content of the NCF's plan, and I am not expressing my support for it either. However, I commend this group for its work upon proposals to reduce waste in the budget. The important thing, NCF believes, is to gain support for the idea that the budget can be cut. Their proposal has been designed to put as many of these suggestions as possible onto the agenda for consideration, in order to produce the greatest amount of savings for the American taxpayer.

While I support the President's budget submissions, I would like to point out that we who are critics of waste and fraud in the domestic budget are also cognizant of similar problems in the Defense budget. I would like to offer the NCF's Defense Department budget proposals for examination by my colleagues. I commend the NCF for a thorough investigatory project. Their guidance will help us to study ways to best fight wasteful Government spending while improving our defense capabilities. I present the NCF's proposed Defense Department reductions for the benefit of my colleagues.

DEPARTMENT OF DEFENSE

[In thousands of dollars]

MILITARY PERSONNEL	
Military compensation.—Savings achieved as follows: Rollback of last decades' overgrading ($1 billion); change to a salary system ($1.6 billion); elimination of unearned social security tax credit ($90 million). Should probably not view this as a net savings, but as major offsets against cost of selectively upgrading pay and benefits. (7)	2,690,000
Proposed military pay and benefit increases.—Target hikes to achieve proper personnel mix; savings compare with unfocused, universal increases in salaries and benefits. (7)	3,000,000
Army.—Eliminate personnel slots retained after support functions have been transferred, as recommended by GAO. (4)	25,000
Air Force.—Reduce active duty personnel requirements for strategic airlift crews, as recommended by GAO. (4)	105,000
National Guard—Army.—Eliminate undeserved payments to reserve guardists for drills not attended. (4)	744
Program-wide.—Incorporate various cost-reducing measures, new clothing allowance methodology, overseas housing allowance, civilian substitutes, assigned to recreation and welfare activities, accelerated discharges for adverse reasons, and other GAO recommended reductions. (4)	259,300
Program-wide.—Dual pay for Reservists who are Federal employees.—End practice of paying both civilian and military wages. Most private sector reservists are allowed only to receive the greater of the two. (7)	375,000
Retired military personnel—Double dipping.—Retired military collect two government checks by staying on federal payroles as civilians. Double dipping should be phased out and 20-year military retirement should be ended. (6)	1,000,000
OPERATIONS AND MAINTENANCE	
Cuts may be made in the following areas:	
Military commissaries and exchanges.—The taxpayers should not have to subsidize this unnecessary fringe benefit. Commissaries and exchanges should cover their own operational costs. (6)	710,000
Military recreational facilities.—The Defense Department maintains golf courses, boating marinas, stables, etc. for the morale and recreation of military personnel. The DOD needs to examine the availability of local recreational facilities or methods of raising money through fees to offset the cost of these expensive facilites. (6)	301,000
Pentagon's "Top Brass" Dining Rooms.—It is unnecessary and frivolous to subsidize food prices for top military personnel. Ending this practice would demonstate the Defense Department's commitment to ending wasteful spending. (6)	2,000
Military servants.—The practice of using enlisted men as servants for military officers is an outrageous waste of military manpower and tax dollars. If officers really need maids and gardeners, they should hire them. (6)	4,500
Army.—Improve efficiency in general, utilize excess available parts in lieu of repairing broken ones, consolidate finance and accounting centers of Military Traffic Management command, eliminate fraud and mismanagement in the Military District of Washington Finance and Accounting Office, improve property controls, and other measures advocated by GAO. (4)	589,081
Marine Corps.—Reduce the overlap between Marine logistics functions and reliance on other defense integrated logistics managers. (4)	7,500
Air Force.—Improve efficiency and cut waste, eliminate second (supplementary) computer system at bases used for administrative purposes only, improve inventory management at logistics centers, centralize aircraft component repair service—all GAO recommendations. (4)	1,094,000
Defense agencies.—Eliminate erroneous CHAMPUS claims. (4)	12,000
Air Force Reserve.—Improve logistics management, according to GAO recommendations. (4)	278,700
National Board for the Promotion of Rifle Practice.—Eliminates this inappropriate Government activity of marksmanship training and contests. The Defense Department itself selected the Board for termination when it conducted its own zero-based budget review. (4,6)	500

Current configuration of military bases.—Unneeded military bases should be closed and other facilities consolidated in order to achieve desirable economies of scale provided that they do not significantly reduce strategic capabilities. (7) 1,000,000

Program-wide.—Cuts costs by standardizing aircraft ground service equipment and DOD software computer systems. (4) ... 312,870

PROCUREMENT

Shipbuilding and conversion.—Improve management of shipbuilding contracts and reduce costs of hydrofoil missile ships, according to GAO. (4) 774,961

Defense agencies.—Improve inventory management in Defense Logistics Agency medical supply system, according to GAO recommendations. (4) 10,000

Other procurement.—Eliminate delays in definitizing Army and Navy letter contracts, consolidate Defense Contract Administration service management areas (Cincinnati and Dayton, Ohio), and minimize questionable split award and survivor awards—all GAO recommendations. (4) 8,410

Department-wide.—A reserve carryover amount is listed each year as unobligated balance, which is available to be expended the succeeding year. Many program costs can be funded from this account but there has been a trend toward building this reserve amount instead of expending it, with the result that the unobligated balance grows larger each year (with few exceptions); eliminate the excess (end of fiscal year 1981 less end of fiscal year 1980) of unobligated balance available at the end of fiscal year 1981. This will not affect obligated but unexpended funds. (4) 2,405,099

Weapons systems acquisition procedures.—Encourage competition and cost control in weapon systems acquisition. (7) 5,000,000

Premature commitment to unproven weapon systems.—Greater use of test results should be encouraged. (7) 131,000

Cost-sharing arrangements with military partners.—Existing military cost-sharing arrangements are unrealistic and place an unreasonably heavy burden on U.S. resources. (7) ..... 5,000,000 ●

GOVERNMENT: NOT A KLUTZ

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. LaFALCE. Mr. Speaker, I have become increasingly concerned by a growing tendency to conclude that the Federal Government is a rogue elephant which is out of control and unable to accomplish anything in a positive manner.

There is universal agreement that spending should be more tightly controlled, but as we approach that important goal, we must remember that the Federal Government can be an effective force for achieving national goals. Without Federal assistance, much of the Sun Belt would still be a desert, lacking adequate water supplies. Without Federal assistance, malnutrition would still be a serious nationwide phenomenon. Without Federal assistance, American agriculture would not be the most productive in the world.

Big government is not necessarily bad, if it is efficient; and that is the important question. Federal programs that promote economic growth, protect the national security, and enhance living standards should be preserved. Federal programs which are inefficient, wasteful, or overly expensive should be pared; but government per se is not the enemy. Fortunately, George F. Will has made this important point in an article in the March 26 edition of the Washington Post. The article is entitled "Government: Not a Klutz," and I hope that all of my colleagues will remember its central message from a conservative commentator.

The article follows:

GOVERNMENT: NOT A KLUTZ

(By George F. Will)

Beneath the flesh of political rhetoric there usually is a skeleton of principle. Today there is a dangerous principle—dangerous to conservative objectives, among other things—within some conservative rhetoric. This point was brought to mind by a recent episode in the Senate Budget Committee.

The committee, like the Senate itself, only even more so, contains a lot of people whose principal experience with the federal government consisted, until recently, of deploring it from afar. Fifty-four of today's 100 senators have served less than five years, and half of the 12 Republicans on the budget committee came to the Senate less than four months ago.

On March 19, the committee was sweeping like a scythe through the budget. Suddenly, Mark Andrews of North Dakota, a Republican rookie zealous about pruning government, reached the limit of his zeal. He did not like a Reagan administration idea—a "snake" he called it—for diminishing federal support for rural electrification.

Of the 12 budget committee Republicans, the closest thing to an easterner is Dan Quayle of Indiana. The rest are from North Dakota, New Mexico, Colorado, Wisconsin, Minnesota, Kansas, Washington, Utah, Texas, Iowa and Idaho. Not surprisingly, urban programs have been criticized with special severity. So when Andrews, joined by others, waxed affectionate about a rural program, Daniel Patrick Moynihan (D-N.Y.) would have been forgiven if he had delivered a lecture about sauce for the goose being sauce for the gander. Instead, Moynihan lectured (some sort of lecture was inevitable, and called for) on the good that government does.

He said that if the committee was going to have a consensus (and eventually it was unanimous in endorsing cuts larger than Reagan sought), it must refrain from rhetoric about all government being "somehow bad." Then he said, in effect: Huzzah for the Rural Electrification Administration, which helped better the lives of millions, especially in the Great Plains and Deep South. It was proposed, he noted, by a president from New York (Franklin Roosevelt).

Warming to his theme (Moynihan warms to all his themes), he said, in effect: Behold the Imperial Valley of California. Let us now praise government's role in the most striking transformation of the valley since (Moynihan takes the long view) "the receding of the Ice Age." Only God can make an artichoke, but it took government to make the valley into such a splendiferous garden. Specifically, it took the Bureau of Reclamation, proposed by a president from—ahem—New York (Teddy Roosevelt).

"We can agree about the budget," Moynihan said. "But we would ask not to be required, in reducing this budget, to repudiate a tradition of intelligent involvement by American government in the problems of American society."

A reasonable request, that.

Although the vast majority of the proposed budget cuts are sensible, and all are arguable, there has crept into some advocacy of them a tone that is unworthy of, and dangerous for, the Reagan administration. It is a tone of dogmatic disparagement of government. It suggests that all cuts are morally easy because government cannot do anything right anyway.

If this conservative administration is to do its most important duty, then eventually—perhaps soon—it must enlist the public's support for strenous, complex exertions regarding the larger world. This will involve not only procuring complex, expensive military assets, such as the MX missile, but also attempting to change the policies, and perhaps the governments, of nations like Cuba and Libya. At that point, this conservative administration may learn the cost of supporters who labor at infecting the public with indiscriminate skepticism about the competence, even the motives, of government.

This administration may reasonably decide to summon the nation for (figuratively speaking) a charge up some San Juan Hill. But its bugle call may be met by the stony skepticism of a nation that has taken to heart what some conservatives say about government being incorrigibly incompetent. Such skepticism cannot be sealed into one compartment of the public mind; it tends to seep. You cannot tell people over and over that government is a klutz that cannot help Cleveland, and then suddenly say: Oh by the way give the government $1.3 trillion for military assets, and support its attempt to do something about Cuba.

Earlier in this century, some conservatives achieved a kind of consistency. They advocated a domestic policy of minimal government, and a foreign policy of isolationism. Today that is not an acceptable consistency for conservatism.●

WHY WE SHOULD NOT BUILD THE MX

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. BEDELL. Mr. Speaker, I wish to call my colleagues' attention to an article by Admiral Stansfield Turner in this past Sunday's New York Times Magazine. The article is entitled, "Why We Should Not Build the MX." It is cogently written, yet void of technical jargon that has made the MX debate difficult for the general public to understand.

As my colleagues are aware, in June 1979, President Carter announced full-scale development of the MX missile. Later that year, the Carter administration committed itself to the so-called multiple protective shelter (MPS) basin mode. Admiral Turner is now the first Cabinet-level officer from the Carter years to publicly proclaim opposition to the MX/MPS system.

Admiral Turner is particularly well-placed to judge the efficacy of the current MX deployment scheme. As former CIA Director, he is fully aware of the nature of the Soviet threat; as a career senior naval officer, he is familiar with the alternative weapon systems for meeting that threat.

In assessing the Soviet threat, Admiral Turner identifies three objectives: First, increasing our ability to destroy hardened targets; second, lessening the vulnerability of our ICBM's to surprise attack; and third, changing the perception of the balance in our favor. He then details how the present MX plan fails to meet these objectives without prohibitive liabilities such as: its destabilizing effect as an offensive weapon; the potential response of an overwhelming Soviet buildup; and the likelihood that, given the rapid pace of technology, the MX/MPS will be obsolete before its completion.

Admiral Turner does believe there are excellent alternatives * * * The best would be a diverse mix of systems, all of which would be more mobile than the MX and could be deployed in much larger numbers. The admiral warns, however, that there is little time left to reverse the momentum of the MX. A dramatic commitment * * * will be needed to accomplish such a reversal, and the key word is commitment. I call on my colleagues to make this commitment.

The text of the article follows:

[From the New York Times Magazine, Mar. 29, 1981]

WHY WE SHOULDN'T BUILD THE MX

(By Stansfield Turner)

The changing balance of strategic nuclear forces between the United States and the Soviet Union has in the last few years been a major focus of attention for the American intelligence community. Until the late 1960's, the United States was militarily stronger than the Soviet Union by virtue of its superior nuclear arsenal. We felt secure. The Soviets didn't, and they set out to correct the imbalance. The result has been that in the last several years all of the best studies have shown that the balance of strategic nuclear capabilities has been tipping in favor of the Soviet Union. It is not easy for the layman to gather enough information to make a judgment, but a careful study of the evidence shows that we do deserve to be worried. Even if the perception that there has been a change in the balance were, to some extent, overstated, that perception itself could damage the position, authority and role of the United States in world affairs. The perception as well as the fact must be redressed so that the Soviet Union sees no advantage in using its nuclear arsenal against us.

The Carter Administration recognized this imbalance and developed an ambitious plan to build a mammoth new intercontinental ballistic missile system known as the MX (for "missile experimental"). Congress has provided initial financing, and already major contractors from California to Massachusetts are plunging ahead—building test sites and hiring designers and workers. Some 10,000 workers are already involved.

I believe the MX project as presently conceived is a serious mistake.

The official estimates of the total cost of the MX run from the Air Force's $34 billion to the General Accounting Office's $56 billion. Each missile will weigh 95 tons, two and a half times more than our most current intercontinental ballistic missile (ICBM)—the Minuteman III—and will carry 10 separate warheads. To construct a base for it will require, according to some estimates, 40 percent of the country's total cement production for three years, and more dirt will have to be moved and more land sequestered than for the Panama Canal. It will require the building of perhaps 10,000 miles of roads (the entire Federal Interstate System of highways is only 42,500 miles long).

MX is also a new concept in ICBM's. Our present Minuteman ICBM's are loaded in fixed, underground silos of concrete, reinforced to help them withstand nuclear attack. MX, in contrast, will be semimobile. Twenty-three shelters, about a mile apart, are to be built for each MX. Each of the 200 missiles will ride on a 201-foot-long transporter-launcher, weighing more than a million pounds, over the special highways from one of its 23 shelters to another. The Russians would be forced into a kind of shell game if they considered an attack on our ICBM's; each MX would force them to worry about 23 targets rather than just one. The United States strategic strength—strategic strength, in this context, refers to the major powers' centrally controlled nuclear forces, which are targeted against each other—is built on three legs known as the TRIAD. Each leg represents a weapons system that is launched differently: one from land bases, the second from airplanes and the third from submarines. Each leg presents the Soviet Union with a different problem should it decide to attack. While it might be able to cripple one leg, the inability to knock out all three should deter the Soviet Union from attacking at all.

The MX specifically strengthens the land—that is, the ICBM—leg. This leg is important because the size of the warheads and the accuracy of the missiles make it the most powerful part of our strategic arsenal. It is quickly responsive to a decision to launch, because the missiles can be maintained in a constant state of readiness and we have reliable, instantaneous, secure communications to them. It provides minimum warning of attack to the Soviet military, because the time from launch in the United States to detonation over the Soviet Union would be only about 30 minutes.

The other legs of the TRIAD have different virtues. Submarine-launched ballistic missiles (SLBM's) provide greater assurance than either of the other weapons systems that they will survive a surprise attack. Submarines can be constantly moving and they are virtually impossible to find in broad ocean areas. Bombers can carry a large number of weapons, so they provide great destructive potential and, because the bombers themselves can be called back before they actually launch their missiles, this leg of the TRIAD is the most flexible.

Most authorities agree that today the land-launched ICBM's, our Minuteman missiles, are the most vulnerable of our strategic forces because their location is fixed, making them easy targets. But is the MX the best replacement? To answer, one must closely examine not only the magnitude and cost of the whole project but also whether the MX will be suitable in 1989 or 1990, when it is expected to be operational. President Reagan expressed some skepticism during the election campaign. And Secretary of Defense Caspar W. Weinberger, since assuming office, has indicated that he wants to look at the alternatives, though he recently appointed a 15-member panel—whose chairman is the Nobel Prize-winning physicist Dr. Charles Townes of the University of California at Berkeley—to study how and where the MX system will be based.

The undertaking is so central to our national security that it is important that doubts about it be resolved.

First, what do we mean when we say that the balance of strategic nuclear forces is tipping against us? How is that balance measured? One quantitative measure is the number of weapons the United States and the Soviet Union each has. Here, America is clearly ahead: We can attack more individual targets than the Russians can. Another measure is the ability to inflict damage. Here the Soviet Union is well ahead. With fewer but more powerful weapons, they outdistance the United States in both of the two usual measures of destructiveness: ability to destroy cities and ability to destroy missile silos.

Two facts should be noted, however. First, both the United States and the Soviet Union possess overkill. Without building another single weapon, both countries can destroy each other's cities several times over. Second, because the total urban area of America is more than twice the size of that in the Soviet Union, the Soviet Union needs twice the capacity to destroy cities that we need to cause the same relative damage. Considering these two factors, there is no need for us to generate more city-destroying potential just to match the Soviet Union.

On the other hand, the Soviets hold both an absolute lead in total number of ICBM's and a relative lead in the ability to destroy missiles that are housed in hardened silos. This advantage reflects first, the fact that there are 400 to 500 fewer ICBM targets in the United States than in the Soviet Union. Second, it reflects a basic trend in strategic warfare. Improvements in weapon accuracy are more than offsetting any efforts to

harden the silos. This is particularly the case for the Soviet Union, whose weapons have always had a very large destructive power and now are becoming more accurate. Direct hits can destroy even hardened silos. Accordingly, the United States land-based ICBM force in silos is very vulnerable, and that is the driving factor in our perception that the strategic balance is tipping against us.

We could do two things to right this imbalance. We could increase our ability to attack hardened targets in the Soviet Union and we could make our ICBM forces less vulnerable. But whatever we do, it must not only correct the actual imbalance of capability; it must also correct the perception of imbalance. It must be made clear in the minds of Soviet officials as well as other world leaders that the Soviet Union does not have an edge on the United States in strategic nuclear strength. A major step in doing that is to create the impression that the United States is seriously committed to improving our strategic forces, even if in reality some of the actions we take will contribute only to overkill. Changing the world's perception that we are falling behind the Soviet Union is as important as not falling behind in fact. Deterrence is the key goal of strategic nuclear forces, and what will or will not deter a nuclear attack is sometimes more psychological than quantifiable.

In summary, we should aim toward three objectives; (1) increasing our ability to destroy hardened targets; (2) lessening the vulnerability of our ICBM's to surprise attack, and (3) changing the perception of the balance in our favor.

The MX would, indeed, meet these objectives. It is designed to hit hard targets. It is less vulnerable than Minuteman because each missile can shuttle among the 23 alternative launching shelters rather than sit in one fixed silo. And, proceeding with the most expensive public-works program ever contemplated would certainly give an impression that America was serious about restoring the strategic balance.

But the MX has significant liabilities. One is the response it can be expected to draw from the Soviet Union. The current plan is to put 200 MX missiles in place and to build 4,600 shelters. If we presume that the Soviet Union will want to be able to knock out essentially all MX missiles with a surprise attack—as it could our present 1,000 Minuteman ICBM's—it would need 4,600 more warheads than are required now for Minuteman. Could the Soviet Union deploy another 4,600 warheads? Yes, easily, even under the limitations of the proposed strategic arms limitations treaty (SALT II). The United States would not, of course, stand still if the Soviet Union deployed more warheads. It would probably deploy more MX's and build more shelters. Then the Soviet Union would probably build still more warheads. Where would it all stop? The added warheads would pose no problem for the Soviet Union. Its very large SS-18 ICBM, for instance, carries 10 warheads. The missile is so designed that it could accommodate more than twice as many. Although each warhead would be smaller, it would still have more than enough explosive power to destroy an MX shelter. It would also cost less for Moscow to proliferate warheads on existing missiles than for us to keep deploying more and more MX's. The only constraining factor is the SALT II treaty, which sets a maximum of 10 warheads per ICBM. If the Russians believed they needed to add more than 4,600 warheads for insurance—and it is not unreasonable for them to suppose that some would miss the targets—either they would abandon the SALT II constraint or they would demand a high price for its continuation, perhaps restrictions on the size and shape of our MX deployment.

The United States could defend the MX with an antiballistic missile system (ABM). But this would sacrifice the 1972 ABM Treaty, one of the most successful efforts to control the nuclear arms race. It would also cost us more to build ABM's than it would cost the Soviet Union, in turn, to attack them. In short, it would be very difficult to use the MX to offset the existing Soviet advantage in hard-target kill capability, and probably our ICBM's would remain as vulnerable after MX as before. Hence, strategic instability would remain.

Stability is a function not only of the number, size and survivability of weapons, but of other characteristics as well. The more threatening a weapon is, the more nervous it makes a potential adversary and the more destabilizing it becomes. A high-accuracy ICBM is a destabilizing weapon because it can be launched on short notice, because it has a short flight time and therefore gives little warning and because it can destroy even hardened targets like ICBM silos. ICBM's like Minuteman and MX are at the most destabilizing end of the weapons spectrum because they combine all of these characteristics. Most other systems have some but not all. Thus building the MX, rather than stabilizing the strategic balance, would probably destabilize it further.

Weapons at the other end of the spectrum, such as shorter-range missiles carried by bombers—missiles which cannot be launched until their planes (relatively slow-moving and detectable by enemy radar) get close enough to their targets—give the enemy more time to reflect and react. Submarine-launched intercontinental missiles are also less threatening; though they have even shorter times of flight than land-based ICBM's, they do not possess the accuracy for direct hits needed to destroy hardened-concrete ICBM silos. Thus, neither bomber nor submarine missiles require hair-trigger response, and therefore they tend to stabilize the strategic balance. It is the ICBM's more than any other strategic-weapons system that make the other side feel that it must be prepared to launch its own ICBM's as soon as it realizes that an attack is coming. The greater the doubts a country has about the survivability of its ICBM's, the more it is driven to be ready to launch its weapons on the first indication that an attack is on the way. This feeling that hair-trigger responsiveness is necessary contributes dangerously to instability, therefore is perhaps the single most important quality to eliminate from the design of a weapons system.

The United States could avoid the risk that the Soviet Union's military response to the MX would both offset its effectiveness and lead to more dangerous instability by simply canceling the project. But just deciding not to build the MX would also be a serious mistake. It is essential that the United States make a commitment to some clearly defined program lest the nation permit the strategic imbalance to worsen, or allow the perception that it is indecisive to undermine what it finally decides to do. It should cancel the MX only under two conditions: that it does something else instead; and that whatever it does will meet its strategic objectives.

There are excellent alternatives to the MX. The best would be a diverse mix of systems, all of which would be more mobile than the MX and could be deployed in much larger numbers. Both the mobility and the large quantity of these systems would make them very difficult for the Soviets to attack with confidence.

Intercontinental cruise missiles on a variety of launching platforms would be one ingredient in the mix. A cruise missile is relatively small—some the size of a torpedo; it is self-guiding and flies in the atmosphere, whereas the much larger ICBM is shot out into space before it returns to its target. Modern technology will permit the United States to place cruise missiles in small packages and to give them even greater accuracy and penetrability than ICBM's. Other ingredients of the mix would be land-mobile ICBM's and the existing SLBM's on submarines. The United States ought to develop a small, road-mobile ICBM, just as the Soviet Union has already done (the SS-16). Ours could be deployed in the remote areas of Alaska, for example. It could even be disguised in large trucking vans and moved around the United States at random. This same ICBM could be placed on ships and carried in aircraft as well. The one essential is that we use the technology we now have to build our new ICBM small and light enough to be carried in these alternative vehicles. The MX is too large and heavy for any of them. At the very least, the MX should be scaled down so that we could deploy it in more ways than just in fixed shelters. It is, literally, a case of smaller is not only cheaper but also better.

This mix of more mobile systems also lessens vulnerability better than the MX. The less mobile the system, the more vulnerable. The fixed ICBM is the most vulnerable strategic system. It cannot move and it is difficult to hide from modern reconnaissance systems. Next to the fixed ICBM, the semi-fixed MX is the most vulnerable. It can move, but only between fixed shelters whose positions are well known to the Soviet Union.

Certainly, each of the more mobile systems I have mentioned may become more vulnerable over time, but there is no reason to believe that any will become more vulnerable than the MX. Submarines may become more easily detectable, but they still can move rapidly and continuously, and their location cannot be predicted in advance. Cruise missiles may become more vulnerable to improved air defenses, but they can hide with Stealth techniques—the means of making them less visible to radar—and can attack in numbers that would saturate defenses. On the other hand, the probability is very low that the MX can withstand the progess of technology, as ways to thwart ICBM's are devised, during the next several decades, either by destroying them before they are launched, intercepting them en route or diverting them. If we buy MX to lessen vulnerability, we are in reality taking the smallest of steps toward reduced vulnerability. We are doing so with a system so large, so cumbersome and so expensive that should technology make it obsolete before it is completed—a very likely possibility—we will still be committed to it for decades.

The MX may also fail to achieve the third objective—that is, correcting public perception, demonstrating a new momentum toward righting the strategic balance. In our democratic society, environmental and political activists may well delay the MX deployment, limit its size, or even prevent its

development entirely. If we proclaim publicly that the MX is to be our solution to the changing strategic balance and then cannot follow through with an adequate deployment, we will have demonstrated that we are incapable of doing so. How much greater will the corrective measures have to be then to overcome that negative perception?

The final issue is whether a mix of more mobile strategic forces would meet national objectives better than the MX. I believe it would.

One of the arguments for continued reliance on ICBM's is that we need to preserve the concept of a triad of strategic forces (ICBM's, bombers and submarines). I agree that we cannot rely entirely on one type of weapon lest some counter to it be developed. I agree, too, that we do not want to depend excessively on one form of basing lest it become especially vulnerable. But diversity in these areas should come from a careful mix of the least vulnerable systems that we can devise, not by retaining the existing mix no matter what common sense tells us. The proposed set of mobile systems would be a far healthier and more diversified mix. Diversity would come from the different forms of basing—land, sea and air; from the different kinds of attack—from atmospheric and from outer space; from the different techniques for concealment—submerged in water, mobile on land and sea and dispersed in large numbers over wide areas; and from widely separated approach corridors for attack so that defenses could not be concentrated easily.

One argument against greater reliance on mobile systems is that they, too, can be made vulnerable: Either the Russians could simply create a blast over sizable areas of the United States to destroy unhardened mobile systems; or American ships with mobile systems could be trailed. This is certainly true, as almost any weapons system can be made vulnerable at a cost. The point here, however, is relative vulnerability. The effort to counter a large number of mobile systems would be much more substantial, and hence less certain of success, than to offset the semifixed MX system.

Another argument for heavy reliance on ICBM's is that we need the capability to respond quickly to a Soviet nuclear-missile attack and to retain our readiness and ability to wage war. Nuclear-warfare theorists hypothesize that the Russians may attack a small number of our ICBM silos to test us and then suggest that we concede because trading blows further would only lead to mutual suicide. Is it reasonable that Moscow would take this incredible risk? Not very. It would be tempted to start down this very dangerous route only if it was convinced that the United States would cave in and not automatically launch a countering missile force at the first warning of the Soviet attack. However, the argument continues, if the Russians were this bold, the Americans would, in fact, have to be able to respond quickly with a carefully limited number of land-based ICBM's. This would enable the United States to prove that it has no intention of caving in, yet, at the same time, permit it to stop short of igniting nuclear holocaust. It is essentially this argument that has led to the extraordinary effort to perpetuate the land-based ICBM by creating a new model that is survivable—the MX.

But the premise is flawed. Timing is not so urgent that mobile ICBM's and even various cruise missiles would not do tolerably well for limited responses. SLBM's would do very well also. More important, no American President should take solace in his being able to respond to a limited attack by the Soviet Union with a limited counterattack of his own. If the Russians were bold enough to start this frightening game, would they let their bluff be called by a response in kind? The decision of an American President to respond to a limited attack with a limited counterattack would be infinitely easier to make then to respond with an all-out attack. And it would not demonstrate enough resolve to persuade Moscow that we could not eventually be bluffed into capitualation. Instead, the Soviet Union would be likely to turn the nuclear ratchet another notch with still another round of limited attacks. Where would it end?

A problem with these theoretical arguments is their unreality. They attempt to translate the principles of conventional warfare into strategic nuclear warfare. This cannot be done. We should not treat strategic nuclear forces as though they were just another military force with which nations may fight. There is great danger in the emerging belief that we can calculate our need for strategic weapons in similar terms to artillery for an army—that is, that the side with more can endure longer and therefore is stronger. Traditionally, nations that estimated they were weaker for these kinds of reasons have been capable of being pressured into making political concessions to avoid war. The premise is sometimes invalid in conventional warfare; it is always invalid when applied to strategic nuclear forces. And operating on the basis of that premise could be fatal.

Endurance may be a reasonable quality when it comes to artillery. After all, an artillery shell is lethal over only tens of yards. One can hardly imagine running out of targets. The lethality of nuclear weapons is measured in tens of miles. With the quantities of nuclear weapons both superpowers now possess, both sides could run out of meaningful targets rather quickly. There would be so much destruction that the result of war with such weapons cannot be measured. As long as we can destroy the other's civilization several times over, even after receiving a first strike, what meaning does further destruction have? Endurance is simply not a reasonable measure of strategic power. What need is there to attempt to gauge who will "win"? No one will win. In short, as long as we possess the excess quantities of assured retaliation capability that we do today, we need not concede one iota to the Soviet Union because of some theoretical calculation about which side would endure longer; nor need we bother with the calculation of how we would look after a total exchange.

A new strategic program that is a mix of cruise missiles, mobile ICBM's on land and sea, and Stealth aircraft is, of course, not without its own risks. The primary one is the proliferation of weapons and launchers that would be needed to insure invulnerability. The facts of life, however, are that uncontrolled proliferation of cruise missiles and mobile ICBM's probably lies ahead in any event. This is a conclusion that became evident in our close examination of the verifiability of the SALT II treaty. Controls on the deployment of cruise missiles were placed in the protocol to the treaty. That was deliberate because the protocol expires at the end of this year. At the expiration of the protocol, cruise-missile development and deployment would be almost unregulated by SALT II even if the proposed treaty were enacted by the Senate. That is the way the United States wants it. The cruise missile is simply too important to us. Once the genie is out of the bottle and cruise-missile systems are fully developed, it will be very difficult to monitor their number and location. Imagine attempting to monitor whether the torpedo tubes of a submarine hold cruise missiles or torpedoes! What this means, then, is that future strategic arms-control agreements will not be able to limit the total number of weapons and warheads. There will still be good reason to control such items as ICBM's and submarines, whose numbers can be verified. But any hope of limiting total destructiveness is slipping past us.

With the proliferation of weapons goes another risk—especially if we attempt to place them on lots of ships, aircraft, simulated moving vans, etc. Each such weapon is necessarily under less stringent control, and is more susceptible to usage by some mad official or to theft by terrorists. These are risks inherent in all nuclear weaponry to some extent, but there are sophisticated technologies for preventing unauthorized firing or even tampering. In addition, an accidental firing would be less likely to stimulate an instantaneous and sizable response, because its retaliatory capability would be widely dispersed, neither side feeling that the consequences of an accidental attack would be fatal.

As a world, we are going to continue to live in what has been labeled "a delicate balance of terror" for the indefinite future. Our task should be to make that balance as indelicate as possible. The MX would move us in the direction of greater instability. But we now have the opportunity to move, instead, to a mix of systems that would create incentives for both sides to ease away from an arms race in first-strike, quick-response weaponry; one that would lessen the threat to the Soviet Union and would lessen its capability to strike at us first, since there would be few targets that could be attacked. In time, the Russians would have to move in a direction similar to ours. They could not risk having to sit with most of their strategic force in fixed ICBM's because theirs, like ours, will become increasingly vulnerable with time.

To insure this, we may well decide to improve the accuracy of our submarine-launched missiles so that they would have the capability of destroying hard targets. This would, of course, run counter to the general thrust I am suggesting that we eventually move away from systems capable of a surprise first strike against ICBM's. It would, however, be a pressure on the Soviet Union to move away from its reliance on ICBM's and to more mobile systems. Because submarine systems are viewed as the least vulnerable force, and hence are reserved for the unexpected, and because communications to submarines are less reliable than to other systems, they are less threatening than ICBM's. In sum, mutual moves toward mobile systems would visibly return the strategic balance to a state of more stable parity even though the threat of a first strike against ICBM's would not be eliminated entirely.

There is little time left to reverse the momentum of the MX. A dramatic commitment by the new Administration will be needed to accomplish such a reversal, and the key word is "commitment." There are great vested and parochial interests in the military and in industry that are intent upon going ahead with the project. But the

United States cannot let such interests dictate the course of its security, and, indeed, the security of the world. A new program is needed to correct the strategic imbalance—to the extent that it does exist—but, especially, to correct the perception that the United States itself has generated that it is falling behind. Thus, a prompt but thorough review of where the MX may be taking us, as well as what alternatives there are to the MX, is crucial to America's long-term security.●

HOUSE OF REPRESENTATIVES—*Wednesday, April 1, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we are conscious that You have breathed into every person the breath of life at creation, help us so to live that we will cherish and protect the rights of every person, that we will so conduct ourselves that our good actions will contribute to the health of our Nation. Enable us so to grow in maturity that we will respect and value those traditions other than our own, and so learn to rejoice in all the varied and bountiful gifts of Your kingdom. May Your peace that passes all understanding be with us and all those in need this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 182. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans Day for Veterans of the Vietnam Era."

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 840. An act to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period; and

S.J. Res. 20. Joint resolution to designate the month of April 1981 as "Gospel Music Month."

The message also announced that the Vice President, pursuant to section 9355(a) of title 10, United States Code, appointed Mr. STEVENS, Mr. GOLDWATER, Mr. JOHNSTON, and Mr. HART to be members, on the part of the Senate, of the Board of Visitors to the U.S. Air Force Academy.

The message also announced that the President pro tempore, pursuant to Public Law 94-118, appointed Mr. ROTH to be a member, on the part of the Senate, of the Japan-United States Friendship Commission.

The message also announced that the Vice President, pursuant to section 4355(a) of title 10, United States Code, appointed Mr. WEICKER, Mr. D'AMATO, Mr. INOUYE, and Mr. NUNN to be members, on the part of the Senate, of the Board of Visitors to the U.S. Military Academy.

The message also announced that the Vice President, pursuant to section 6968(a) of title 10, United States Code, appointed Mr. MCCLURE, Mr. JEPSEN, Mr. HOLLINGS, and Mr. SARBANES to be members, on the part of the Senate, of the Board of Visitors to the U.S. Naval Academy.

REPORT ON RESOLUTION TO AUTHORIZE REPRINTING OF REPORT ENTITLED "INTERNATIONAL INFORMATION FLOW: FORGING A NEW FRAMEWORK"

Mr. GAYDOS, from the Committee on House Administration, submitted a privileged report (Rept. No. 97-18) on the resolution (H. Res. 97) to authorize the reprinting of the report entitled "International Information Flow: Forging a New Framework," which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION APPROVING PRINTING OF ADDITIONAL COPIES OF REPORT ACCOMPANYING THE FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1982

Mr. GAYDOS, from the Committee on House Administration, submitted a privileged report (Rept. No. 97-19) on the resolution (H. Res. 105) approving the printing of additional copies of the report accompanying the first concurrent resolution on the budget for fiscal year 1982, which was referred to the House Calendar and ordered to be printed.

A PLEA FOR GUN CONTROL

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the shooting of President Reagan on Monday leaves us all groping for words. I share the shock and anger which all Americans felt upon learning of still another senseless, violent act. On my own behalf and that of my constituents, I want to extend to the President and the others wounded my deepest wish for a full and speedy recovery.

Mr. Speaker, violence has forced itself on our attention far too often in recent years, Dallas, Memphis, Los Angeles, New York City, Washington, Sacramento, San Francisco, Atlanta, and now Washington again have been the scenes of assassinations, attempts, and gruesome murders of ordinary citizens.

We must band together and stop it in the most effective possible way: With gun control and with strong penalties for the illegal possession and use of firearms. Perhaps that way something positive can be gained from this most recent tragedy.

FINANCIAL AID FOR STUDENTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEYSER. Mr. Speaker, yesterday was the first day since March 4, that I have not discussed the problems and the crisis in financial aid for students. Yesterday I discussed briefly the introduction of a new handgun control bill following the terrible events of Monday when the attempted assassination took place.

Today, however, Mr. Speaker, I am entering into the RECORD a letter from the University of Pittsburgh, from Congressman COYNE's district, the University of Wisconsin, from Congressman KASTENMEIER's district, and the University of Santa Clara, from Congressman MCCLORY's district.

Once again, Mr. Speaker, they point out the real tragedy that will take place if financial aid programs are cut for students, as the administration is now recommending. There is no safety net for them. It means that we are going to have one-half million to 1 million students leaving school and coming onto the employment market, where there just are not any jobs.

The letters are as follows:

UNIVERSITY OF PITTSBURGH,
Pittsburgh, Pa., March 17, 1981.

DEAR CONGRESSMAN PEYSER: Enclosed for your information is a financial aid study prepared by the University's Office of Admissions which analyzes the impact of federal support on student aid at the University. The proposed reductions in these student aid programs advanced by the Reagan Administration would, in our opinion, cause a negative affect to the legislative intent of Title IV of the Higher Education Act and adversely affect access to our students at the undergraduate and graduate levels.

It has also come to our attention that the Administration, in advancing these changes, has initiated for discussion a number of compromises which, if implemented, could adversely affect postsecondary public institutions such as ours. On such proposal is a family income cap on the BEOG program of some $25 to $30,000. The purpose, in this instance, would be to restrict students from families whose incomes go beyond this ceiling from BEOG support. Supposedly this cap would be sufficient to insure access for students attending public institutions. On the other hand, the Administration is proposing a "needs analysis" for the Guaranteed Student Loan program which would favor students in private, postsecondary institutions where tuitions are higher, hence a greater need.

I am hopeful that in your deliberations of the changes in the appropriations and authorizations for these programs that you will keep in mind our special interest. If after reviewing the data you have any further questions, please feel free to contact me.

Sincerely,

LOUIS A. TRONZO,
Assistant Vice Chancellor.

UNIVERSITY OF WISCONSIN
CENTER SYSTEM,
Madison, Wis., March 19, 1981.

CONGRESSMAN PETER A. PEYSER,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: I was delighted to receive your letter wherein you indicated the fact that the new Administration in Washington has identified the area of student loans as one of its prime targets to attack in order to help balance the budget. Cuts are sought in the loan program for middle income families, as well as Basic Opportunity Grants.

You may rest assured of the fact that I shall do everything possible, working closely with our campus Deans, students, staff, and constituencies to play an active role in seeking to assist you in those strategies aimed at thwarting the new Administration's assault on this segment of the higher education budget. I appreciate your giving me this opportunity to let you know how I feel about this situation and how, if actually carried out by the Administration, some of the proposed cuts and/or changes would very adversely affect the University of Wisconsin Center System students as well as this institution itself.

The University of Wisconsin Center System comprises 14 two-year liberal arts campuses which provide transfer credits toward a four-year degree. Naturally, we place a very high value on access, as our campuses have been situated so as to provide for an opportunity for students to begin their educational careers with the advantage that local access provides. This accessibility would be severely hampered by some of the proposals made by the Administration.

At present, based upon an analysis undertaken in our Financial Aids Office, 52% of our aid recipients are above the traditional college entry age group of 18-20 year olds. For the most part, these constituencies have been working or are working while attending school, and therefore do not qualify well for the Basic Grant and other federal and state grant and work-study programs. To make the Guaranteed Student Loan Program need-based would severely reduce the ability of these students to receive any aid for college. These older students are not very likely to be able to live within budgets established for purposes of determining eligibility for the need-based programs. Putting the G.S.L. Program on a need basis would likely cut these students off from their program of last resort.

We are also very concerned about the attempt to knock out the in-school interest subsidy of the G.S.L. Program. Wisconsin residents tend to take their loan obligations very seriously as evidenced by the fact that our default rate in the G.S.L. Program is more than 5% less than the national average of 16%. There is already a strong resistance to taking out loans among our students and they really do tend to look at the G.S.L. Program as a last resort. Cutting the in-school interest subsidy would make drastic differences in not only the amount of money to be paid back—up to $2,700 more on a $10,000 loan—but also on the way our students perceive the loans, especially in the more rural areas. These constituents have a healthy fear of indebtedness, and I am afraid that the increase in interest charged to students as proposed by the Administration will most certainly have an oppressive effect on the educational ambitions of those of our students who have the least amount of access to educational opportunities.

We are also deeply concerned that the Administration's proposals to control expenditures in the Basic Grant Program could seriously hamper the attainment of the goals of that program. By reducing the amount of grant assistance available to the poorest students, we would be forcing these students to rely even more heavily on the G.S.L. Program. Many students who already have only a very tenuous grip on their aspirations will not be well served if they are asked to increase their burdens.

The retention of non-traditional, minority, and poor students will inevitably become more and more difficult under the Administration's proposals. A complete reversal of the intentions of the 1980 Education Amendments in such a few short months would appear impossible anywhere but in the light of today's economic and political climate. I don't think we can afford to lose sight of the long-term goals we have worked to further, in the field of educational opportunities, in the face of these very recent and vigorous attempts at budget cutting. These proposed project cuts are all the more fearsome for their precipitate nature. No one has been able to adequately evaluate the possible damage that could accrue from these proposals.

This brings up my last point. We in education must, of necessity, plan any changes well in advance, and we are already well past the point at which we should have available all pertinent information regarding next fall's programs. The processing of Basic Grant applications has been indefinitely postponed as have Guaranteed Student Loans in the State of Wisconsin pending the outcome of these legislative battles. The apprehension of many students and potential students is already quite evident; damage has already been done and a speedy resolution of these issues, at least for fiscal 1982, is necessary if it is to be kept to a minimum.

I am well aware of the critical nature of deliberations which are currently being undertaken by the Federal Congress. I am also aware of the fact that Dr. Ernest Boyer, President of the Carnegie Foundation for the Advancement of Teaching, was quoted last week in the March 9th edition of the Higher Education Daily as having said the following . . . "Higher education now faces the greatest challenge [to its commitment to equity and diversity in higher education] it has faced in 20 years. . . . The future of higher education in this country is controlled on Capitol Hill . . . The Reagan Administration proposals for tailoring Guaranteed Student Loans and Pell Grants to the extremely needy could cause tremendous numbers of students to drop out of college . . . Or there could be a 'major realignment to the tune of 15% to 20% of current enrollment' from more expensive schools to less costly colleges. . . . Literally hundreds of colleges and universities could be put out of business overnight if student aid cuts are approved."

I am also aware of the fact that higher education is in trouble on other fronts too with regard to financial aids. For example, it's my understanding that college students may not even get their Pell Grants on time next year if the Administration and Congress can't agree soon on who is eligible for grants and how much money they should get. This reminds one of the nightmare which occurred in 1978 when, according to Dallas Martin, Executive Director of the National Association of Student Financial Aids Administrators, processing was not completed until September and students jammed the phone lines of the then-Office of Education. He also stressed the fact that nationwide 250,000 students or ten times as many as usual simply never resubmitted aid applications. We just simply cannot endure that kind of fiasco—in the midst of everything else that's swirling around us as far as economic deprivation is concerned.

It is critical that the Administration's efforts associated with the cuts in the financial aids programs cited above be prevented. I appreciate your commitment to this task and will support you in your efforts as associated with same.

I thank you for this opportunity to let you know of my opinions on these matters. I appreciate your past and continued support on these very crucial issues.

Sincerely,

EDWARD FORT,
Chancellor.

THE UNIVERSITY OF SANTA CLARA,
California, March 19, 1981.

Hon. PETER A. PEYSER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: I am writing to express my appreciation for your recent letter and for your opposition to the sweeping cuts in student financial aid that have been proposed by the Reagan administration. These reductions, as well as changes in eligibility criteria, would make it impossible for many middle-income families to participate in federal student aid programs.

Our Director of Student Financial Services has carefully studied the potential impact of proposed changes in the Guaranteed Student Loan, National Direct Student Loan, Pell Grant, and Social Security programs. He estimates that close to 25 percent of all our students at Santa Clara could be directly affected, and that they could lose as much as $1.8 million in federal financial aid in 1981-82.

On the basis of current information, we believe the cuts would affect Santa Clara in the following ways next year:

Program	Students affected	Dollar reductions
Guaranteed loans	502	$1,574,527
Direct loans	61	84,402
Pell grants	101	69,695
Social security	189	73,757
Total	853	1,802,381

Cuts of this magnitude would clearly have an adverse effect on the ability of private institutions like the University of Santa Clara to compete with state-supported institutions. Such cuts would also impose an unfair burden on students who are independent of parental support and on parents of dependent college-age children.

While I applaud the Reagan administration's efforts to tighten the federal belt, I do not believe that major cuts in student financial aid are conducive to the health of private education or to the training of America's future leaders.

I appreciate your support of adequate federal funding for student financial aid and would be happy to provide further information or assistance to you on this critical issue.

Sincerely,

WILLIAM J. REWAK, S.J.,
President.

RIGHT TO LIFE

(Mr. WILLIAM J. COYNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAM J. COYNE. Mr. Speaker, the recent act of violence on the streets of the Nation's Capital directed at the Chief Executive is appalling.

The Congress is confronted, once again, with acts of violence which are directed against the life of another human being.

Individuals who take to the well to advocate the right to bear arms, a questionable right indeed, would be well advised to reexamine their priorities. I think that a human life is far more important and that life is far more sacred than the right of a citizen to carry a handgun. And, granting for the sake of discussion that there is a right to bear arms, that right is bestowed by society and this body when confronted by two conflicting rights, can only choose the higher—the right to life—and move to protect that right by enacting legislation that would stem the flow of handguns.

It seems to me that we must control the instruments of violence that are so readily accessible to those among us who have no respect for life.

I think that now is the time to confront the issue of violence, and to control the handguns which are too easily available.

CLEAN AIR ACT DEADLINE EXTENSION

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, last week the Subcommittee on Health and Environment of the Committee on Energy and Commerce held hearings on legislation—H.R. 1817, a bill that would give the steel industry a 3-year extension of the Clean Air Act deadlines if modernization of facilities is undertaken.

The proposal enjoys the support of House Energy Chairman DINGELL and would allow steel companies to obtain case-by-case extensions of the act's 1982 compliance deadline. The legislation is supported by labor, management, and the environmentalists, and the administration has endorsed the concept. While no firm plans for the House to mark up this legislation have been made to date, in the Senate committee, Chairman STAFFORD has scheduled a markup on the identical companion proposal, S. 63, for April 2, 1981, at 10 a.m.

I hope that the House will act quickly on this legislation before its effectiveness is lost and the backbone industry of the United States becomes paralyzed.

STRONGER DEFENSE FOR AMERICA

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, peace necessitates a balance of power between the United States and the Soviet Union. Yet, throughout two decades of neglect, the United States has watched the Soviet Union tip the balance of power strongly in their favor. We must regain a strong defense posture to insure peace in the world.

Awesome defense buildups by the Soviet Union during the 1960's put the statistics in Russia's favor. Additionally, during the 1970's, the United States decreased defense spending, while the Kremlin surged further ahead. Statistics for 1980 show the Soviets spending $175 billion for defense, compared to $115 billion by the United States. The trend is expected to continue with Russian military expenditures rising 4 to 5 percent per year.

The Soviet Union has more to spend on weapons because manpower receives lower salaries. A breakdown of our defense dollar shows 50 percent in the United States going toward wages, compared to 20 percent for salaries by the U.S.S.R. The remainder of our defense dollar shows 15 cents spent for non-manpower-related operations and maintenance, with the remaining third split between procurement, research and development, and military construction. The Soviet Union's Armed Forces are nearly double American military forces—4.1 million Soviet conscripts compared to 2 million U.S. volunteers.

Conditions in our Armed Forces paint a grim picture. When it comes to readiness, the United States is suffering. Look at the following statistics:

Only 4 of our 10 U.S.-based Army divisions are battle ready.

Seven of the thirteen U.S. giant aircraft carriers are unable to pass inspection.

U.S. Reserves are lacking 600,000 volunteers.

The Air Force could only put aloft 24 wings of tactical aircraft, when 26 is the minimum essential for reasonable assurance of success in wartime.

The Army has approximately 45,000 officers less than it needs.

For the 3-year period from 1977 to 1980, the Soviet Union outbuilt the United States by a yearly margin of 2,000 to 650 in tanks, 500 to 275 in warplanes, 350 to 150 in helicopters, 6 to 3 in attack submarines, and 5,000 to 1,000 in other combat vehicles. Equally disturbing are 1980 figures showing the disproportionate defense ratio between the superpowers. Look at the following chart:

1980 STATISTICAL SUMMARY

Category	United States	U.S.S.R.,
Tanks and carriers	28,242	88,660
Artillery	5,142	20,550
ICBM's (intercontinental ballistic missiles	1,052	1,247
SLBM's (submarine-launched ballistic missiles	576	969
Tactical and strategic aircraft:		
Strategic bombers	376	190
Theater bombers	252	960
Fighters	2,667	3,725
Reconnaissance and surveillance	293	615

The Soviet Union outstrips the United States in ICBM's and SLBM's. Presently, the power of the Soviet ICBM force exceeds that of the United States by at least 300 percent. The United States does have more strategic bombers—376 to 190, yet our bomber fleet consists of aging B-52's, many dating back to the 1950's.

The United States, long considered superior in naval capability, is losing status to the Russians rapidly, with statistics for 1980 showing them boosting naval spending by 25 percent. While Soviet sea power rose sharply during the last decade, the United States declined from 900 ships to a present level of 460. Yet, the U.S.S.R. still has 800 ships. The Soviets are also in the lead with 289 major surface ships to our 173, and 263 Russian attack submarines to America's 84.

Our military weakness has encouraged Russia's aggressiveness. To start moving in the right direction, the administration has requested a supplemental defense appropriation of $6.8 billion for fiscal year 1981 and $25.8 billion for fiscal year 1982. This represents an increase of 4 percent and 13 percent over the Carter budget. We still maintain a technological advantage over the Soviet Union, and in-

creased funding for defense should enable us to begin restoring the balance of power necessary for peace. Let us move swiftly then, to insure peace for all Americans and the world.

PRESIDENT CANNOT BE ISOLATED

(Mr. BAILEY of Missouri asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAILEY of Missouri. Mr. Speaker, I was deeply shocked and saddened by the attack on President Reagan, Jim Brady, Agent McCarthy, and Officer Delahanty on Monday. That anyone should be the victim of a crime of violence in this Nation is a tragedy. That one of those victims is the President of the United States is a double tragedy. Not only is it a personal tragedy for the President, his family, and the American public, but it is also a national tragedy as the result can only be to further isolate the President from the people he represents.

Some of my colleagues said yesterday that had this, that, or their gun control bill been enacted, the tragic attack on March 30 would not have occurred. I know that emotions are running high, but calm and commonsense must prevail. Gun controls do not lessen crimes of violence nor would they reduce the vulnerability of our President and other public officials to acts of a deranged mentality. The only way to minimize such vulnerability is to surround the President with a bunker mentality and enclose him in an impenetrable protective bubble. No President will agree to such isolation. But the event of March 30 will result in greater Presidential security, more guards, and regrettably less access for the people of this Nation to their President. This is the lasting tragedy of Monday's attack and robs each of us of a bit of the specialness and uniqueness of our representative democracy.

We can be very thankful today that President Reagan, a remarkable man, is well on the road to a remarkable recovery. We are thankful that Jim Brady, whose insight, wit, and intelligence has become so much a part of this administration, is holding his own against great odds. And, we are thankful that Secret Service man Tim McCarthy and the District of Columbia policeman Thomas Delahanty, two brave and dedicated men, are today recovering from their grave wounds.

So today, let us set aside recriminations and emotional debates on what may have led to Monday's tragedy, and simply be thankful these fine men are alive. And finally, let us give thanksgiving that in this time of national crisis, our Government functioned and functioned well.

THE RIGHT TO BEAR ARMS

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, a few minutes ago I heard one of our colleagues take the floor and talk about the questionable right of American citizens to bear arms.

Mr. Speaker, I do not think that any right that appears in the Constitution of the United States is a questionable right at all. Mr. Speaker, I think perhaps if this Congress were to enact a Federal law implementing or reinstating the death penalty for murderers such as the assassination attempts on our President, I think that perhaps if we were to go ahead and televise some of those executions, I think we would have less tragedies like this appearing in the United States.

PROTECT THOSE WHO PROTECT US

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, Monday I watched with the rest of the Nation as Washington police officer Thomas Delahanty and Secret Service Agent Timothy McCarthy were gunned down as they attempted to protect our President and his press secretary Jim Brady.

Less than 2 weeks ago, my constituent, St. Petersburg police officer Terry Myers, had a similar brush with death while performing his duties. At the conclusion of my remarks, I will include a St. Petersburg Independent news story, written by reporter Bill Heltzel, describing that incident.

The shocking fact, Mr. Speaker, is that 165 law enforcement officers are assaulted every day; 17 of every 100 officers, a total of 60,000, including 445 of my constituents in Pinellas County, Fla., were assaulted in the line of duty last year. Firefighters are just as vulnerable to these acts of violence. An average of 150 are injured annually as a result of personal assault.

To deter individuals from assaulting the brave men and women who risk their lives to protect us, on February 24 I introduced H.R. 2069 to make it a Federal offense to assault, strike, wound, or discharge a firearm or explosive at any law enforcement officer or firefighter during the course of their official duties.

With this law, we can see to it that fewer of these brave men and women who protect us will be hurt this year. Expedient action on H.R. 2069 will be a powerful message to those who would assault officers responsible for our protection.

The newspaper article follows:

[From the St. Petersburg Evening Independent, Mar. 22, 1981]

MAN DIES IN SHOOTOUT—POLICE OFFICER SHOT AT, SAVED BY VEST-BADGE

(By Bill Heltzel)

A convicted murderer on parole shot at a St. Petersburg police officer six times, hitting him once in the chest, and was killed when the officer returned fire, after a high-speed chase this morning.

A high-caliber bullet pierced a nylon jacket but officer Terry Myers, 26, escaped serious injury when the bullet was stopped by his police badge and a bullet-proof vest. The bullet grazed the police emblem on the jacket, near the officer's heart, and dented the tin badge.

The gunman, Alex Smith Jr., 37, of 2240 Queen St. S, died an hour later at Bayfront Medical Center.

Here's how Sgt. John Long described the confrontation:

Shortly before 2 a.m., Myers followed a Cadillac driving north on 34th Street S near Fifth Avenue when he noticed the car swerving.

The car turned east on Fifth Avenue and ran a red light at Fifth Avenue and 31st Street, Myers turned on his red lights and radioed that he was pursuing the car.

The Cadillac accelerated, driving up to 70 miles an hour. It crossed the intersection of Fifth Avenue and 22nd Street, jumped a curb, hit an elevated manhole and came to rest under Interstate 275.

Myers pulled in behind the Cadillac and approached the car, with his 38-caliber police special drawn, ordering the driver and two passengers out.

One passenger got out and Myers ordered him to the ground. The driver, Alex Smith, slid over to get out on the passenger side, but as he did so, he drew a 357-magnum revolver and shot Myers in the chest from four feet away.

The impact of the bullet spun Myers against the Cadillac, but he was able to return fire once or twice. "He knew immediately that he was hit but he also knew he had a flak-jacket on," Long said.

Smith continued to point the gun at Myers, then ran southwest, firing his gun as he ran, emptying it of all six bullets. Myers again returned fire and emptied his six-shot revolver. He radioed for help and then chased Smith.

Backup officers swarmed to the area and officer Leonard Leedy tracked Smith with a K-9 dog. The dog found Smith lying on the ground, still conscious, behind New Covenant First Baptist Church, 1625 Sixth Ave. S. A 357-magnum was found a few feet away.

Smith was shot three times in the lower stomach. Long said he made no statement to officers. Paramedics worked on Smith and he was taken to Bayfront Medical Center, where he died at 3:15 a.m.

Myers was treated and released from Bayfront Medical Center. His neck was scratched, possibly by a bullet fragment, and Long said he was probably bruised on his chest.

The two passengers in the Cadillac got away.

Myers, a three-year veteran of the police department, was wearing a Second Chance bullet-resistant vest. If he had not been wearing the vest, the bullet would probably have pierced his badge and seriously injured him, Long said.

Smith was convicted in 1964 of assault with intent to commit manslaughter in the

shooting of Isiah Lawrence. He was sentenced to 10 years in prison. Also in 1964 he was found innocent of killing Richard Nero, the brother of Horace Nero, a St. Petersburg police sergeant. At the time of his arrest in 1964, he was wanted in Georgia on three counts of attempted first-degree murder in connection with 1963 shootings.

In October 1965 Smith escaped from the Belle Glade State Prison Farm. He was later caught. Police records indicate that he escaped from the Florida State Prison at Raiford in July 1966. He was paroled in March 1979.

□ 1515

CERTAIN JUSTICE DEPARTMENT AUTHORIZATIONS EXPIRE APRIL 5, 1981

(Mr. McCLORY asked and was given permission to address the House for 1 minute and revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, last year, the Committee on the Judiciary, on which I serve as the ranking minority member, favorably reported a bill to authorize appropriations for, and certain activities of, the Department of Justice during fiscal year 1981. Despite the fact that we requested and received a rule in timely fashion, the leadership never scheduled the bill for consideration by this body. As a result, just days before the beginning of that fiscal year, this body approved a bill continuing the authorization provided for in the fiscal year 1980 act until April 5, 1981.

Mr. Speaker, I urge the leadership to consult its calendar. April 5 is just around the corner. If there is no further action by this body, before we adjourn tomorrow, the authority for many crucial activities of the Justice Department will lapse. Yesterday, many of us participated in a special order on the Atlanta tragedy, during which Federal assistance to that beleaguered city was praised. Prior to the administration's recent announcement, some Members of this body even introduced legislation to provide financial assistance for this investigation. Regrettably, some of the activities currently being performed by the FBI there will be among the activities that will cease on April 5, unless we act responsibly and promptly, like the other body did last night.

The Committee on the Judiciary is currently hard at work on the Department of Justice authorization for fiscal year 1982. I realize that some may have reservations about certain individual items that have been requested and I am confident that we will be able to resolve these matters at the appropriate time. At this moment, however, Mr. Speaker, we should turn our attention to the immediate problem of lapsing authority for crucial activities conducted by the Justice Department.

APPOINTMENT AS MEMBERS OF NATIONAL COMMISSION ON STUDENT FINANCIAL ASSISTANCE

The SPEAKER. Pursuant to section 451(a) of Public Law 96-374, the Chair appoints as members of the National Commission on Student Financial Assistance the following Members on the part of the House: Mr. OBEY of Wisconsin; and Mr. BAILEY of Missouri;

And the following from private life: Mr. John Brademas, New York, N.Y.; and Mr. Kenneth Ryder, Boston, Mass.

GENERAL LEAVE

Mr. MOTTL. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Hawaii (Mr. HEFTEL).

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

POSTAGE-FREE ABSENTEE BALLOT

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, today I reintroduced legislation originally offered in the 96th Congress to make the mailing of absentee ballots postage free in all local, State, and Federal elections, thus ending the last vestige of the poll tax.

Article I, section 2, of the U.S. Constitution gives the American people the right to choose their Representatives. However, an examination of recent voter turnout evokes deep concern about our failures to live up to that constitutional mandate. As Representatives, we know it would be far more accurate to say that we are chosen by a relatively small group of voters.

In the congressional elections of 1974 and 1978, only about 36 percent of the voting age population went to the polls. These two off year elections set records—for the lowest midterm turnout marks since the wartime campaign of 1942. The most recent Presidential election figures are not much better. Only 54 percent of the voting age population participated in the 1980 election—higher than the 1976 election, but, nevertheless, a disappointing figure. Generally speaking, the U.S. voter participation record is worse than that of any other Western democracy.

The reasons for our poor voting record are complex. They range from legal and administrative obstacles to downright apathy. There is little we can do about apathy, but we can eliminate some of the remaining administrative obstacles.

It should be noted that the Federal Government has responded in a similar way to voting problems experienced by selected groups of American citizens. Congress has already passed legislation enabling military and merchant marine personnel and other citizens residing outside the country to use postage free absentee ballot materials during election times. The remaining American voters, however, have not experienced similar treatment under the law. Present postage requirements discourage voting by a great number of citizens including the poor, the sick, the elderly, or those traveling on business, who are often unable to make it to the polls. Making the mailing of absentee ballots postage free would remove one small obstacle to voting by these members of the electorate.

The limited absentee ballot figures available show that absentee ballots account for about 5.75 percent of all votes cast—up from 2 percent in the 1920's. That means that well over 4 million people voted by absentee ballot in the 1980 Presidential election. It is evident that the mobile nature of our modern society is taking many more potential voters away from home on election day. By removing the postage requirement, we would give many of the eligible voters a greater voice in community, State, and National affairs.

The objective of my legislation is to encourage voter participation by those members of society who are unable to vote at the polls on election day.●

BILL TO ESTABLISH A NEW ENGLAND POWER AUTHORITY

The SPEAKER. Under a previous order of the House, the gentlewoman from Rhode Island (Mrs. SCHNEIDER) is recognized for 5 minutes.

Mrs. SCHNEIDER. Mr. Speaker, today I am introducing legislation to establish a New England Regional Power Planning and Distribution Authority. This bill will fulfill a long-standing need for energy coordination in our most energy-poor region.

As you know, New England is at the end of the energy supply pipeline. It has little developed resources of its own. Currently, its energy mix is 80 percent dependent on oil—and fully 87 percent of this imported. This is especially poignant when considering that the United States as a whole is only 15 percent dependent on imported oil.

Yet New England is one of the few regions of the country which does not have a regional power planning authority. Do we really need a planning authority? We do if we want to decrease our regional dependence on for-

eign oil. We do if we want to reduce our per capita energy costs—in New England, businesses and individuals pay almost one-fourth again what the Nation as a whole pays for power. But New England must address these serious problems by examining what is reasonably available to it: Indigenous resources such as solar, wind, conservation, low-head hydro, and others as well as reasonably reliable imported energy from outside New England, such as natural gas, coal, and hydropower. It is asbsolutely vital that New England develop an energy mix that will not leave it vulnerable should one or more sources be placed in jeopardy.

It is for this reason that I am introducing legislation to establish a power authority for the six-State region. The Authority would have three principal purposes.

First, to develop a long range energy plan for the New England region; second, to provide for maximum development of indigenous resources; and third, to provide coordination for any necessary importation of hydropower, natural gas, or other power into New England.

The bill provides for a 12-member Authority within the Department of Energy. The members would be appointed by the President after receiving two nominations from each Governor. The members would elect an executive director to manage the Authority.

The Authority would be required, as soon as practicable after enactment of the legislation, to formulate a regional energy plan for New England. The Authority must receive public imput and must hold public hearings within each of the six States before adoption of the plan. The plan must take into account various alternative resources and must examine the cost effectiveness of each. It must include an energy power forecast, and estimate of the amount of power necessary to meet projected demand, and a system for prioritizing available energy resources.

Additionally, the Authority will have the power to raise capital through the sale of revenue bonds in order to rebuild hydropower plants in Canada and to import hydropower and natural gas into the region as required.

It is important to clearly note that this Authority is meant to supplement, not supplant, the power of the New England States, the utilities, and the other interest which have contributed to solving New England's energy problems. It has no regulatory power and is specifically prohibited from preempting any State or local law or regulation respecting the sale of electric power. It would not own transmission lines, generating capacity, or other capital equipment or property. It is meant to bring coordination in planning for a reliable energy future by allowing for longer range forecasting rather than waiting for the next shortage or embargo.

But where are the teeth in this proposal? How will the Authority implement its plan? Mr. Speaker, any long-range, well-planned, cost-efficient energy arrangement will stand in stark contrast to the present situation. To take advantage of the Authority's resources, recipients of developed power need only follow the plan. Certainly, the energy future of New England is critical—and only a well coordinated approach can succeed. I sincerely urge my colleagues' support for this legislation.

THE BUFFALO LABOR SURPLUS AREA DEMONSTRATION OUTREACH PROGRAM

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 30 minutes.

● Mr. LAFALCE. Mr. Speaker, in recent years the citizens of this country have become increasingly concerned about the level of effectiveness of many Federal programs.

Everyone in this Chamber is well aware of any number of programs undertaken by the Government which have been most notable for their lack of success.

It is therefore a pleasure to come before this distinguished body today to discuss a Federal program that has already produced substantial results and may very well become a prototype for similar efforts throughout the country.

The program I wish to call your attention to is the labor surplus area demonstration outreach program—LSADOP—which I was able to secure for the city of Buffalo through a funding grant from the Small Business Administration in the spring of 1980. The program was conceived as a means by which capable and interested small and disadvantaged businesses could gain access to Federal procurement opportunities.

During the past year this outreach program to the Buffalo area small business community has developed both a training program in Federal procurement regulations and procedures and program credibility in the small business community and in the Federal procurement community.

The record is clear that this program has become a viable tool for economic development in the Buffalo area. Equally important, it has increased the level of competition on Federal procurement controls.

Now with the establishment of the 1-year-test program targeting defense contracts to labor surplus areas by the Defense Logistics Agency, the LSADOP will be able to provide the small business community in Buffalo with the expertise necessary to participate in this $3.4 billion preference program. This test procurement targeting program is designed to help promote private sector economic development in distressed communities. With the assistance of the LSADOP, the Buffalo area will be in an excellent position to participate in this program. The procurement conference on April 6 will help acquaint the Buffalo area small business community with the tremendous potential of this Defense Department targeting program.

As you all know the $3.4 billion targeting program is a compromise which resulted from our most recent efforts to remove the Maybank amendment from the defense appropriations bill this past fall.

As one who has been deeply involved in the development of the labor surplus area programs through the hearings I have conducted as subcommittee chairman in the Small Business Committee and in the construction of the legislative proposals on this issue, I must say that I am greatly pleased at the sight of the results that have begun to accrue both nationally and in the Buffalo area.

Bringing more Defense Department contracts to the Buffalo area is critical. Defense contracts mean more business and more jobs, just what western New York needs at this moment. We need them for the simple reason that the industrial heartland, which Buffalo is an integral part of, has been losing jobs and capital and people for a long time.

And even when the country's problems are resolved, the prospects are that this decline will still be underway. If the area's key industries—automobiles, steel, and metalworking—are ultimately restored to health, the chances are that a very sizable number of jobs will have disappeared, perhaps as many as one-fourth. This makes efforts like the Buffalo Procurement Conference even more important as we strive to create new business opportunities that bring new jobs, new capital and new life to the Buffalo area.

I do not want to belabor the point, but we must recognize the problem the Buffalo region faces and the extent of the effort needed to solve it. Repeal of the Maybank amendment is a part of that effort. Let me cite a few facts:

The Northeast-Midwest region lost over three-quarters of a million manufacturing jobs in the period 1970–80;

Throughout the Northeast-Midwest regions, unemployment is well above the national average;

Between 1975 and 1979, the 18 States of the Northeast and Midwest sent $165 billion more in taxes to Washington than they received in Federal spending; and

During the past 9 years, Defense Department employment in the region has been reduced by 30 percent.

The contrast between the Northeast-Midwest region and the rest of the country is truly startling. As one economic analyst has written:

One could make a case, taking only slight license, that the recessions of the 1970s were largely confined to the New England, Midwest, and Great Lakes states. Between September 1974, and June 1975, for example, when national total non-agricultural employment declined by 2.5 percent, employment in the Southwest and Rocky Mountain states actually grew, and in the Far West the decline was negligible. In the initial stage of the recovery, employment grew by 5.16 percent for the nation. However, employment continued to decline in the Midwest states and grew by less than 1 percent in New England. (Janet Rothenberg Pack, "Frostbelt and Sunbelt" in Intergovernment Perspective, Fall 1978. p.14)

In this connection it is noteworthy that:

More than 90 percent of the Nation's population growth between 1970 and 1980 occurred outside the Northeast-Midwest region;

The Census Bureau projects that the population of the South and West may grow at four times the rate of the Northeast and Midwest between 1980 and 2000;

Nearly 60 percent of the growth of the Nation's burgeoning service sector has occurred in the South and the West.

The varying degrees of poverty and wealth evident throughout the country are startling, to say the least. According to Felix Rohatyn, the financier in charge of the program to restore New York City to economic soundness:

Half the country is nearly bankrupt, many of its major cities are pools of unemployment and unrest, and the other half is swimming in oil, industry, and wealth.

As Rohatyn says, this is a dangerous situation:

Not even a country as large as ours can maintain its democratic institutions half rich and half poor, especially when economic trends will make it very apparent that for the "have-nots" things will get worse and not better.

Unfortunately, it appears to be true that this regional disparity has been fostered, if not actually caused, by trends in Federal spending including defense spending. A few years ago the Congressional Research Service produced a study entitled "Patterns of Regional Change," which analyzed these trends in some detail. Overall, the study observed a significant change in the pattern of military prime contract awards in the preceding quarter century. In 1951, the Northeastern and North Central States had received the highest aggregate dollar value of such awards. But by 1976, it was the Southern and Western States which has received the highest aggregate.

While the general trend of Federal spending over the last few decades has promoted, rather than decreased, regional disparities, programs have been designed to correct this imbalance. Prominent among these is the so-called defense manpower policy No. 4, a directive issued by the Office of Defense Mobilization in 1952. The directive resulted from offical concern that regional unemployment might lead to erosion of the mobilization base and adversely affect the Korean war effort. Accordingly, DMP-4 provided for the setting aside of Federal procurements in labor surplus areas—LSA.

While the criteria for determining LSA's have been revised a number times, essentially an LSA must have an unemployment rate at least 1.20 times the national average during the reference period; there are a floor and ceiling rate of 6 and 10 percent, respectively. Petitions may be submitted by the appropriate State employment security agency for a Federal determination that a particular area constitutes an LSA within the meaning of the regulation. A total of 109 areas have been determined to be eligible LSA's for the 12-month period ending May 31, 1981.

The criteria for determining whether a particular firm is eligible to receive an LSA set-aside are likewise somewhat complex. Firms are eligible to bid for set-aside contracts through one of three preferences. First preference firms are required to perform all or a substantial portion of a contract in specified LSA's and assure that at least 25 percent of a new replacement hires will be disadvantaged residents of the area. Second preference is given to any firm which agrees that at least 15 percent of its new and replacement hires will be disadvantaged workers. Third preference goes to firms that consent to perform a substantial part of a Federal contract in areas of persistent or substantial unemployment.

In the last year for which final figures are available—fiscal year 1979—a total of approximately $500 million in LSA set-aside contracts was awarded by civilian agencies of the Federal Government. The Department of Defense—DOD—contracts, for reasons which are about to be discussed, are in a somewhat different category.

Although DMP-4 was intended to help areas with high unemployment, that intention was almost immediately undercut by an amendment to the Defense Appropriations Act, commonly called the Maybank amendment, that was enacted in 1953. This amendment provides that:

There is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards will be made at reasonable prices.

Subsequently, the Comptroller General decided that Public Law 95-89 indicated a congressional intent to repeal the Maybank amendment insofar as it related to funds not already obligated. However, the DOD Appropriation Act for fiscal year 1978, like its predecessors, included a Maybank amendment, so that there was only a relatively brief period during which DOD procurement funds were available for total LSA set-asides.

I am continuing my efforts to achieve a complete repeal of the Maybank amendment. Repeal is particularly important now, as the Buffalo area faces continued decline. Interestingly enough, the cost of the LSA set-aside program to the taxpayer is minimal. One recent analysis, based on a study of 192 handtool procurement contracts provided by the Federal Supply Service, of which 46 were eligible for total set-asides, concluded that:

The cost differential for the granting of these 46 contracts under a total set-aside procedure was found to be an increase of 0.64 percent.

Since over two-thirds of the Federal Government's procurement is defense procurement, the effect of the Maybank amendment on LSA's is extremely far reaching.

In any event, my efforts in the 96th Congress to repeal this provision achieved substantial success. My Small Business Subcommittee conducted an extensive examination of the LSA set-aside program, and I concluded that its very substantial benefits ought to be extended to the defense area as well. The latest DOD Appropriation Act contains the basic Maybank prohibition against the payment of a price differential, but the prohibition is subject to a very important qualification. Exempt from the Maybank requirement are $3.4 billion of Defense Logistics Agency contracts. The Defense Logistic Agency—DLA—is the branch of DOD which is responsible for procuring goods and services used throughout the military—the so-called common items. Among these items are such things as food, clothing, medicines, hardware, office furniture, handtools, books, and so forth. This new legislation represents an important first step toward total repeal of the Maybank amendment. As one economist recently testified:

The entire Nation receives some benefits from efforts to increase the number of jobs in high-unemployment areas. If we take our commitment to full employment seriously, this policy will help produce conditions under which we can realize full employment—with less inflation.

Congress has opened the door; not all the way, but a significant amount. It is important that industry now take advantage of its opportunity.●

FLOOD RELIEF FOR WESTCHESTER COUNTY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, today I am introducing two critical pieces of legislation to address the serious flooding problems in my congressional district, Westchester County, N.Y. These two proposals were included in the Water Resources Development Act of 1979 which passed the House in October of last year but was never considered by the Senate.

The first measure authorizes construction of the Mamaroneck/Sheldrake and Byram Rivers flood control projects.

Citizens living along the Mamaroneck/Sheldrake and Byram Rivers basins have waited 25 years—a quarter of a century—for flood protection by the Army Corps of Engineers. The Mamaroneck/Sheldrake and Byram Rivers projects were first authorized for study by the House Public Works Committee on June 13, 1956. Since that time, numerous devastating floods have hit the area causing millions of dollars in damage. In June of 1972 and again in September of 1975, two violent storms hit the area causing $3.5 million and $19.7 million worth of damages along the Mamaroneck/Sheldrake; $483,000 worth of damages were causes by the storm of June 1972 in the Byram River Basin. In addition, during the 1975 storm—the flood of record—the village of Mamaroneck was under 9 feet of water, 1 person drowned, and more than 200 people were evacuated by the Red Cross. The village has been put on notice by its largest employer, Sealectro Corp., that if flood control is not forthcoming, the company will have to relocate at the cost of 1,100 jobs for the community.

In terms of economics, these flood control projects make good sense. The Mamaroneck/Sheldrake and Byram River flood control projects have benefit-to-cost ratios of 1.2 and 1.3 respectively. Further delay in the construction of these projects will not only cause the local governments, businesses, and private property owners to continue suffering tremendous monetary losses, but will also cost the Federal Government millions of dollars in terms of flood insurance and disaster relief payments. In the village and town of Mamaroneck alone, from 1978 to 1980, the Federal Government paid 537 claims totaling roughly $2 million under the Federal flood insurance program.

It has taken literally a generation—25 years—for the Mamaroneck/Sheldrake and Byram Rivers projects to move from the point the study was authorized to the construction authorization stage where we are today. To exacerbate matters further, it has been 5 years since Congress acted on an omnibus water resources bill, resulting in essentially no new starts in water projects during that time. In addition, once Congress authorizes the corps to construct the project, under the normal process, actual construction can take up to another decade.

I pledge to work with my colleagues to enact an omnibus water resources bill and to see that essential flood control projects like those in Westchester move forward so that relief is given to those who have suffered too much and waited too long for this type of protection.

The second piece of legislation which I am introducing today addresses a problem raised by a regulation issued by the Army Corps in May 1978. Although this regulation was subsequently revised in October of last year, many flood prone urban areas continue to be unprotected.

Engineering regulation 1165-2-21 set certain arbitrary standards which distinguished between flood damage reduction measures—in which the corps could be involved—and storm sewer systems in urban areas—in which the corps could not participate. The regulation, which redefines the Federal interest in flood control, was issued without public or congressional comment. As a result of the regulation, scores of studies across the country were abruptly terminated by the Corps of Engineers. The list of affected studies shows a heavy impact on urban areas: The upper Sheldrake, Hutchinson River, Brentwood Brook studies in Westchester County, the Rahway and Passaic River Basin studies in New Jersey, studies in Braintree and Quincy immediately south of Boston. The corps also applied the new requirements to portions of studies so that when one portion of a project is eligible for corps assistance, if another portion fits the 1978 criteria, the ineligible portion of the project may be withdrawn—and the community receives Federal assistance for only part of its need. For example, the upper Sheldrake flood control project was originally part of the larger Mamaroneck/Sheldrake flood control project on which we are awaiting construction authorization. Funds for the upper Sheldrake study were approved in 1956 with the other project component. The regulations issued in May 1978 withdrew the upper Sheldrake project from study. Local government and residents of the town of Mamaroneck had been promised relief and then were told that this part of the project could no longer be done, despite protests from the State of New York and others that flooding was in fact caused by the inadequate natural channel of the upper Sheldrake and in no way could be confused with the storm drainage facilities which the regulation was intended to exempt from corps work, and despite a benefit-to-cost ratio of 1.9 to 1.

The legislation which I am introducing today directs the Secretary of the Army acting through the Chief of Engineers to study and recommend to Congress those criteria to be used in providing protection against or reducing damage from flooding. The bill also suspends the May 1978 regulation until legislation is enacted which determines the Federal interest in providing flood control in urban areas. Quite simply, the action which I am proposing reaffirms congressional participation in the flood control process and addresses an administrative action taken without public or congressional input which punishes our Nation's cities by implementing arbitrary standards for what are questionable Federal gains and untold local costs.

The texts of the two flood control bills which I am introducing today are as follows:

H.R. 2966

A bill to authorize the project for flood control in the Mamaroneck and Sheldrake River Basins, New York, and on the Byram River, Connecticut

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for flood control, Mamaroneck and Sheldrake River Basins, New York, and Byram River, Connecticut, is authorized to be prosecuted by the Secretary of the Army, acting through the Chief of Engineers, substantially in accordance with the plans and subject to the conditions recommended in the report of the Chief of Engineers dated April 4, 1979, except that such project shall also include flood protection for the town of Mamaroneck as recommended in the report of the Division Engineer, North Atlantic Division, dated March 28, 1978, and except that cost sharing for such project shall be as provided in the report of the Board of Engineers for Rivers and Harbors dated July 12, 1978. The estimated cost of such project is $37,500,000.

H.R. 2967

A bill to provide for a study by the Secretary of the Army, acting through the Chief of Engineers, of criteria to be used in determining the Federal and non-Federal interests in flood control protection, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Army, acting through the Chief of Engineers, shall study and recommend to Congress those criteria (including, but not limited to, drainage area, amount of runoff, and frequency of flooding) to be used in determining the Federal and non-Federal interests in providing protection against, or reducing damage from, flooding.

(b) Until a statute enacted after the date of enactment of this Act otherwise provides, the Federal flood control interest shall be based on the criteria contained in Engineer Regulation 1165-2-21, entitled "Flood Control Works and Storm Sewer Systems in Urban Areas", dated August 7, 1972.

(c) The report and recommendations authorized by this Act shall be submitted to Congress not later than three years after the date of the first appropriation of funds under this Act.

(d) There is authorized to be appropriated not to exceed $500,000 for fiscal years beginning after September 30, 1981, to carry out this Act.●

JOHN BRADEMAS NAMED PRESIDENT OF NEW YORK UNIVERSITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, last month, our distinguished former colleague and good friend, Hon. John Brademas of Indiana, was named the 13th president of New York University.

For those of us who worked closely with John, this great honor—head of the largest private university in the Nation—comes as no surprise.

During 22 years of service in Congress and as former House majority whip, John Brademas earned a particular reputation for his leadership in education and the arts.

A senior member of the House Education and Labor Committee, he played a principal role in helping write most of the major legislation concerning elementary and secondary education, higher education, vocational education, services for the elderly and handicapped, and Federal support for libraries, museums and the arts and humanities. In 1975, John was voted one of the Nation's top four most influential leaders in education by Change magazine's poll of 4,000 college and university presidents, foundation executives, journalists and government officials.

Mr. Speaker, John Brademas' recent appointment as president of New York University is another step forward in a life committed to the advancement of higher education.

I know that John will bring to NYU not only the skills and abilities he demonstrated as an outstanding legislator and leader in the House of Representatives but a continuing dedication to educational opportunity and academic excellence at the colleges and universities of our country.

Mr. Speaker, at this time I would like to add my personal congratulations to those of John Brademas' many friends as he embarks upon an exciting and challenging new career.

I also insert at this point in the RECORD two recent editorials from newspapers in John Brademas' home State of Indiana, two articles from the New York Times, and editorials from both the New York Times and the Chicago Sun-Times concerning his selection as president of New York University.

The editorials and articles follow:

[From the South Bend Tribune, Feb. 27, 1981]

NYU's SELECTION

Dual congratulations are in order to John Brademas, former Indiana 3rd District congressman who is the newly-named president of New York University, and to the university for the wisdom of its selection.

We who respected Brademas as our congressman can hardly imagine a more appropriate post than the presidency of the country's largest private university, one prominent in many fields, especially in the realm of the arts, which has become one of Brademas' specialties.

Our former legislator leaves the Midwest for the heart of the nation's largest city. The university is located in Greenwich Village on Washington Square, directly in the middle of Manhattan.

We share Brademas' enthusiasm when he calls the university "part of the nation's intellectual and cultural capitol . . . in the heart of a city that is going through a renaissance." New York is an exciting city, and we can see Brademas in a role that could expand beyond academia.

His educational credentials are superb, a graduate of the former South Bend Central High School, a Rhodes scholar from Harvard, and holder of a doctorate from Oxford. He taught at St. Mary's College here before becoming a congressman, and he was intimate with the problems of the host of private colleges and universities in his district.

Brademas sees his major challenges as achieving and retaining financial stability and academic excellence for New York University. His fund raising abilities are well-honed, having had as a congressman to run for re-election every two years for the last quarter of a century.

He refers to "the decade ahead" in talking of his future with NYU, indicating full commitment to being the university president. It is an institution where presidential tenures, have been long. Brademas, when he takes office in July, will become the 13th president. NYU was founded in 1831.

But we can see it quite possible that New York Mayor Edward Koch might want to borrow some of Brademas' knowledge and legislative expertise on boards or commissions. This would be quite natural as NYU is such a core institution in the huge city.

NYU is attended primarily by commuters. Eighty percent of its students live in New York but not on campus. It has a wide range of undergraduate and graduate schools. It operated on a $418.8 million budget last year, has $270 million in endowments, and at its last commencement grant 7,431 degrees.

The stage seems set for a long and successful term for Brademas, particularly since his wife, a medical doctor, can continue her residency in New York City.

But he is only 53. And we feel we must comment on the fact that Eastern university presidents do provide something of a pool for various kinds of presidential appointments. Brademas' predecessor, John C. Sawhill, was tapped for chairmanship of the government's U.S. Synthetic Fuels Corp. Kingman Brewster, former president of Yale, became the ambassador to Great Britain.

We think Brademas has an exciting future, whatever happens. And we wish him well in his new post.

[From the La Porte Herald-Argus, Mar. 3, 1981]

PROUD TO BE A HOOSIER

It was typical of John Brademas, former Third District congressman, to say in response to the announcement that he had been appointed the 13th president of New York University that "the two principal objectives of a great university must be financial stability and academic excellence. They are intimately linked, and I am committed to the achievement of both."

Naturally, we are pleased that the search committee and trustees of New York University selected Brademas, a Hoosier through and through, to steer the course of a 150-year-old university with 60,000 full- and part-time students which is experiencing a renaissance of sorts in both higher education and urban life.

And it is almost predictable that Brademas, an uncommon man with a common touch, would choose to face this mighty challenge in human relations and learning at a crucial hour in the annals of this republic.

Somewhere along the line of his more than two decades in public service, Dr. John Brademas once said that his Greek immigrant father taught him the Socratic proverb, "things of great value come only after hard work." He added, "If that's the only Greek I ever learned, it's all I needed to know."

Thus out of the boiling pot of his Hellenic origin emerged this extremely devoted individual who is determined to serve humanity either in public life as an elected servant or as the captain of a large private university that requires a carefully charted course on the stormy sea of uncertain urban life.

Long ago, Congressman Brademas confessed to being a slow-footed South Bend Central High School quarterback who was lucky to be kept on the squad and to learn the self-discipline taught in prep football.

But from that beginning, he moved on to Phi Beta Kappa key and Magna Cum Laude Scholarship at Harvard and to a doctorate at Oxford in England that recognized the earned title of Dr. John Brademas, a stamp of scholarship that he never chose to emphasize in political life.

We most appreciate that his fascinating, deeply religious man has chosen to continue his service to humankind in the cause of promoting learning and understanding in a generation that sometimes threatens to fragment and lose sight of the mixtures of rights and freedoms and self-discipline that hold together a fragile democracy.

[From the New York Times, Feb. 26, 1981]

FROM POLITICAL SEAS TO HELM OF N.Y.U.

(By Edward B. Fiske)

To hear John Brademas describe it, the move from being one of the most powerful Democrats in Washington to president of the largest private university in the country is about as complicated as a stroll up Pennsylvania Avenue. On Tuesday the former 11-term member of the House of Representatives was named New York University's 13th president.

"I've been deeply involved in education all my adult life," he said, "either as a student, a teacher or as a legislator interested in the Federal effort to improve education. I've

often thought that it might be a natural thing for me to be a college president. I think of it as another way to do something for education."

Mr. Brademas, a Democrat of Indiana who lost his bid for re-election in the Reagan landslide last fall, succeeds John C. Sawhill, who assumed the post in 1974. Mr. Brademas will take over at the end of the current academic year.

SAWHILL LOSING U.S. POST

Mr. Sawhill resigned last fall to head the newly formed United States Synthetic Fuels Corporation, a post from which he was subsequently asked to resign by the Reagan Administration.

Mr. Brademas said he did not regard his new post as temporary.

"I expect to devote the next few years at least to doing the best job I can as president of New York University," he said.

The stocky, blond-haired legislator, who looks much younger than his 53 years, said he had no desire to return to the House.

"You don't keep your seniority," he said. "You start all over."

Mr. Brademas will take over a university that, while it has apparently brought its once-serious financial problems under control, faces continuing problems of balancing its budget and attracting high-quality students. The medical school is running substantial deficits, and there are continuing tensions between the eight professional schools and the liberal arts faculties.

Other than bringing the medical school budget under control and finding more on-campus housing, the new president declined to identify what he viewed as problem areas.

He said that the board had not given him specific mandates for change or improvement. He said he thought the university was in a good position to withstand a decline in students graduating from high schools.

"N.Y.U. is well-located," he observed. "There are a lot of people who want to come to New York City and the Village."

During his 22 years in Congress Mr. Brademas was instrumental in putting in place many Federal education programs, including tuition grants and loans for college students—programs that the Reagan Administration hopes to cut.

He said that while details of the proposed cuts were not yet available to allow analysis of the possible effects on N.Y.U. and other private institutions, he was prepared to fight to preserve the legislation he helped write.

"The danger there is that the Administration will seriously damage the prospects of lots of young people from getting a college education," he said, "and this includes not only poor students but those from middle-income families.

Some members of the board of trustees and others at N.Y.U. have said that the university, with the financial crisis of the early 1970's behind it, is at a turning point. It must decide, they said, whether to seek the funds and human resources to transform a good, but by no means outstanding, regional institution into a national one. One trustee described the university as sitting "on the edge of greatness."

The new president, when asked if he shared this assessment, said that "at this point it would be pretentious to say." But he commented.

"I played basketball for a very short period in high school for Johnny Wooten, who eventually went on to become famous at U.C.L.A., and I always remember one thing he said: A basketball team never stays the same; it either gets better or it gets worse."

[From the New York Times, Mar. 1, 1981]

N.Y.U.'s CATCH

On a scale of 10, New York University has scored an impressive 9.5 in luring John Brademas to become its 13th president. In every respect but one, he obviously has the credentials to lead the country's largest private university. He is a Rhodes scholar by way of Harvard, and he made a speciality of education and the arts during 11 terms in the House, where he represented Indiana's Third District until his defeat last November and served as Democratic whip for four years.

Mr. Brademas has no proven record as an administrator. But N.Y.U.'s once-alarming tilt into deficit was largely remedied by Presidents Hester and Sawhill, two proficient administrators. What this sprawling urban university needs now is bolder academic direction and greater visibility. Mr. Brademas' skills as an advocate and nourisher of coalitions can be put to admirable use.

A university on the upswing, N.Y.U. is beginning to crowd Columbia in the breadth and excellence of its offerings. Both city and country will gain from the imaginative leadership that is promised by Mr. Brademas' inaugural this spring.

[From the New York Times, Feb. 26, 1981]

MR. EDUCATION TAKES OVER AT N.Y.U.

(By Dorothy J. Gaiter)

When John Brademas was a boy, his father, a Greek immigrant, taught him that a good education was essential. "He said that he wouldn't be able to leave us a lot of money," Mr. Brademas recalled yesterday, "but that we would have a first-rate education."

Mr. Brademas, a former United States Representative from Indiana's Third District, who was named Tuesday as the 13th president of New York University, never lost sight of the importance of education or forgot his father's frequent quoting of Socrates' admonition, "Things of value come only after hard work."

Mr. Brademas said his father always added, "If that's all the Greek you ever learn, it's all you need to know."

TRANSFERS TO HARVARD

Mr. Brademas learned the lesson well. Following his graduation from Central High School in South Bend in 1945, he enrolled in the Navy's officers' training program at the University of Mississippi. After his freshman year in Mississippi, he transferred, as a Veterans National Scholar, to Harvard University, a head-spinning change, he said. After Harvard, where he was elected to Phi Beta Kappa, he attended Oxford University as a Rhodes Scholar and eventually earned a doctorate in social studies there in 1954.

Reading is overwhelmingly his favorite pasttime, and he is fond of quoting the classics, often the Greek philosophers.

To him, education was the ladder to upward mobility, much as it was for his constituents in the Third District, a blue collar, Republican stronghold that sent him, a Democrat, to Congress on his third bid, in 1958.

During his 22 years in the House, Mr. Brademas, who was known as "Mr. Education" and "Mr. Arts," guided through numerous education programs, many of them benefitting students whose parents were not likely to leave them a lot of money, either.

Among the programs he helped shape were Project Head Start and the Elementary and Secondary Education Act of 1965, which substantially increased the Federal Government's budget for education and increased student aid. He also fought for loans and grants for teachers who wanted to further their education, services for the elderly and handicapped and increased funds for libraries and vocational schools.

Mr. Brademas, who was the majority whip at the time of his defeat in last November's election, consistently fought for increased funds for the National Endowment on the Arts and the Humanities.

John Brademas was born on March 2, 1927, in Mishawaka, Ind. He was the eldest of four children of Stephen John Brademas and Beatrice Cenci Goble.

For 20 years in Washington, he was often described as the city's most eligible bachelor. On July 31, 1977, he married Mary Ellen Briggs, 40, who had four children by a previous marriage and who was in her third year at Georgetown University's medical school. She is now a resident in dermatology at Johns Hopkins Hospital in Baltimore and will try to transfer her residency to N.Y.U.'s medical center.

They will live in the university president's residence, a penthouse apartment overlooking Washington Square Park.

Mr. Brademas speaks Spanish fluently, having learned the language in one summer when he and a friend hitchhiked to Mexico. He returned another summer to live among Indians in Mexico in a pre-Peace Corps Government program.

He said that a young lady he used to know also helped him with his Spanish, adding with a laugh, "My wife doesn't want me to learn any more languages."

[From the New York Times, Feb. 25, 1981]

PANEL SELECTS EX-REP. BRADEMAS TO BE 13TH PRESIDENT OF N.Y.U.

(By Edward B. Fiske)

New York University yesterday chose former Representative John Brademas, Democrat of Indiana, to be the school's 13th president.

The 53-year old Mr. Brademas, who was majority whip in the House of Representatives until he was defeated in last fall's Republican landslide, will succeed John C. Sawhill, who resigned last summer after six years in the post. The new president is expected to take over at the country's largest private university at the end of the current academic year.

Mr. Brademas, a Harvard University graduate and Rhodes scholar, is a well-known figure in higher education. As an 11-term Congressman, he was active in helping pass Federal programs to provide tuition grants and loans to college students and was a primary supporter of the National Institute of Education, the educational research arm of the Federal Government.

The trustees acted during an hourlong meeting late yesterday afternoon at Bobst Library. Afterward, Mr. Brademas declined to comment on his selection, but said he would be available at a news conference scheduled for this morning.

Mr. Sawhill, the former Federal Energy Administrator, became head of the 46,000-student university in 1974 and was widely credited with turning around an institution that had serious financial, enrollment and administrative problems. In the summer of

1979 he took a leave of absence to become Deputy Secretary of Energy, and Ivan Bennett, former dean of the N.Y.U. Medical School, was named acting president.

Last fall Mr. Sawhill was named chairman and chief executive officer of the newly formed United States Synthetic Fuels Corporation, and he announced that he would not be returning to the N.Y.U. helm. Last month, at the request of the Reagan Administration, he submitted his resignation from the corporation post.

Mr. Brademas will come to N.Y.U. without experience in running a large institution. Supporters argued, however, that he will bring the university the fund-raising ability and the national visibility that it needs to become an important national rather than a regional university.

"If we want to get up there with Berkeley and all, we need another $200 or $300 million," said one high academic official. "Brademas seems to know everyone worth knowing in this country, and he is the kind of person who can make important statements about education."

BRADEMAS CHOSEN BY PANEL

The former lawmaker was selected by a seven-member committee of trustees headed by Laurence A. Tisch, the head of Loews Corporation and chairman of the board of trustees. The full board approved the nomination at a special meeting yesterday afternoon.

Mr. Brademas was born in Mishawaka, Ind., an industrial suburb on the outskirts of South Bend, in 1927 and was a star quarterback and valedictorian in high school. In 1945 he enrolled in a Navy officers' training program and then went on to Harvard, where

Mr. Brademas became an assistant professor of political science at St. Mary's College in South Bend and in 1958, on his third attempt, was elected to Congress as a Democrat. He was assigned to the House Committee on Education and Labor, and was viewed as a knowledgeable and effective legislator.

PUSHED EDUCATION LEGISLATION

He was a vigorous supporter of the Great Society programs of President Lyndon B. Johnson and played an important role in such legislation as the Elementary and Secondary Education Act of 1965, which greatly increased the role of the Federal Government as an advocate for disadvantaged students. He led the floor fights in behalf of Project Head Start, the National Teachers Corps and programs to help teachers pay for graduate studies.

During the war in Vietnam Mr. Brademas supported numerous antiwar resolutions and voted against appropriations for the antiballistic missile and the B-1 bomber.

Despite the fact that he came from a conservative district, Mr. Brademas continually won re-election with as much as 79 percent of the vote. Last fall, however, he was defeated in his bid for a 12th term by John Hiler, a 27-year-old businessman.

Following the defeat, he commented, "As the Bard said, 'If it were done, better 'twere done quickly.' I have not had a gloomy moment, in truth, because I ran a good campaign and did the best I could. I always had to swim uphill in my district, and this year the unemployment statistics were tough."

[From the Chicago Sun-Times, Feb. 27, 1981]

A WORD FROM THE WISE

Former U.S. Rep. John Brademas (D-Ind.), unfortunately defeated last fall, has landed on his feet, and in a post where he can make new contributions to the country. He has been named president of New York University.

And that has special importance.

Brademas, a former Rhodes Scholar, grew up in a family that stressed education. His father, a Greek immigrant, often quoted Socrates: "Things of value come only after hard work." Said his father, "If that's all the Greek you ever learn, it's all you need to know."

That advice guided Brademas. Now he can pass it on to another generation—to their benefit and also to the country's.●

DOING NOTHING—WE CANNOT AFFORD IT

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, now that we have the Republican budget, we can see what their priorities are—even though implementing legislation has been slow to arrive; that is, the specifics have not come in to us.

In its essentials, the Republican program is to do nothing.

Nothing to provide housing for the 93 percent of our families who are priced out of the market today.

Nothing to provide employment for the people who will continue to lose jobs because of the tight-money squeeze.

Nothing to help urban areas arrest their great and growing problems.

Nothing for the ills that plague city and countryside alike, nothing for the burgeoning problems of the land.

Instead what we are given is nostrums—promises that after we all go through an economic purge, after we pass through penance for our sins, all will be well. We are not told how this will happen, only that it will. Yet no independent economic forecast will confirm the claims of the do-nothing program.

The do-nothing program claims that we cannot do what we already know how to do—build housing, provide jobs, clean up the environment, work to build opportunity for those who have been denied it. The people who are selling that claim are the same ones who told us that none of these programs would ever work in the first place. They are wrong, and they know it.

Housing is a good example of what I mean. They said we could not provide housing for all the people who needed it. But it could be done, and it was done. And it was done without ruinous effects. All that we need to do now is keep that work up, because there are still unmet needs, and those needs will grow unless we act. They say we cannot, or if we can, we should not. I say otherwise.

This country is the world's biggest and best producer of housing. We have accomplished miracles. I do not want to abandon that miracle. I do not think we have to.

There are very few people who realize that in the space of 40 years we have rehoused virtually this whole Nation. In 1940, no less than half the people in this country lived in houses that lacked complete plumbing. And in 1940, one family in five lived in housing that was overcrowded. In other words, just 40 years ago in the United States, this great and rich Nation, substandard housing was the norm, it was what you expected. Only the lucky had really decent housing.

If we are talking about rural areas, the story is even more dramatic. In 1950, no less than 59 percent of rural housing was substandard. Today we find only 1 house in 12 in the countryside or small towns of America that is substandard. That is a fantastic achievement.

The fact is that in town and country alike, what we did in the past 40 years was to virtually replace and rebuild the whole housing stock of the country. No one would have thought it possible when we started.

And yet, when we were doing that, we were also increasing our wealth immensely, so that today almost everybody has a decent place to live, a car to drive, and a TV to watch.

This was an economic miracle.

It was done against conditions that should have made the miracle impossible, in times when the Stockmans of the day said it could not be done, and if it could, should not.

It was done in the face of immense military spending and despite the intervention of three wars, not to mention the cold war.

It was done while the economy had full employment.

It was done while there were dramatic shifts in population, in the shape and nature of the economy, and in the shape and nature of the labor force.

In short, all of this was done at a time when the Stockmans of the day were saying that the country could not afford it. But ironically, it was done at a day and time when Ronald Reagan was saying it had to be done.

Now today we are being told that the country cannot afford social programs. We are being told that the only way that we can regain economic momentum is to go through what theologians might call purgatory. They say that we have to purge ourselves of the false notion that everybody ought to have a job. We have to purge ourselves of the silly idea that this country really can produce what the people need without incurring inflation. That is what they are telling us. But I do not believe that.

They are telling us that there is no choice but to put aside the goals this country has pursued for three genera-

tions, that for a few million, the American dream can wait.

They are telling us that the trickle down theory of economics is the only thing that works. But we have already seen that theory, back in the twenties. It did not work then and will not work today; for some of us, there has to be help to reach the first rung of the ladder.

They are assuming that the country can afford to ignore the needs of those who want only a decent chance at a decent job, a decent home, a decent future. They are telling us that the only thing we can do is to forget all that.

But David Stockman was a teenager when these programs he wants to kill came into being. He does not remember why they are in place.

Back in the thirties, long before there was a Stockman, there was Hoover, who told us that all the country needed was a balanced budget. Business confidence, he said. If we just had business confidence, all would be well. Meanwhile, the economy of the Nation collapsed, to the point where the banks, themselves, could no longer survive, to the point where revolution was very much a possibility, to the point where bitter despair was the common lot, and there was nothing to lend hope.

We could not afford to create jobs or build housing, they said. Conference comes first; the rest of you will have to wait. That was the Hoover doctrine. It is also the Stockman doctrine.

But it was not true. The Nation could not be made safe for business, because it was not safe for anybody.

After the disaster we rebuilt this country, in one long wave of progress—employment, opportunity, production, and consumption. All of this without inflation. It was impossible, they said then.

It is impossible, they tell us today. Republicans just never learn. Tragically, the disease of the Depression is still real to a great number of Americans. What we need to remember today is what that disease is like.

We are talking here about the people who have been left behind—the left out, the locked out, the unlucky, the forgotten.

Life to these people is a daily humiliation. There is not a job, not for them. If there is a job it is not enough to buy food and shelter, let alone clothing, or any of the luxuries we are all supposed to have as the reward for leading a decent and upright life, a life of hard work. We forget too easily that the only thing between us and that daily humiliation of no work, not enough work, being broke, being desperate, is luck. Pure and simple luck.

And what we forget is that eventually, humiliation turns to rage.

It is not so long since the streets burned, not three blocks from where we sit; it is not so long since the poor marched on Washington. And why? Because, they knew that it did not make any difference if you could overcome segregation, and still not have any hope for a decent life. What did it matter to be able to go into a hamburger joint if you did not have a dollar? What does it matter if interest rates are low when you do not have a dime?

The poor people of this country know that life is unfair; it is only the better off who pretend that it is fair. We know better, but we may not want to admit it. Stockman knows better, but he thinks we can afford to ignore it.

The social programs the present administration wants to eliminate are there to offer hope, to address real and bitter needs, and to say yes, in America at least, we care about each other, we know that poverty is not the just reward for sin; it is the plight of those who cannot help being poor.

We are being told that our housing programs are expensive and a failure. But if it took 40 years to house middle America, why should we not allow that same amount of time to house poor America? Mr. Stockman tells us that section 8 only reaches 10 percent of the eligible population, so we should forget it. But how long did it take FHA and VA to accomplish their miracles? It did not happen in 5 years, and that is all the time section 8 has had.

We are told that even so venerable a tool as FHA mortgage insurance is a waste of time and money. But what is there to replace it? What is there that can do an equal job? The truth is that there is a role, a valid role for FHA, probably now as much—maybe more—than ever.

We are told that Indian housing production is too slow, the pipeline is too long and too full, and so they move to kill the programs that provide the water and sewers—even for units that are being built today. They argue that the system does not work, but how long did it take to build up an FHA system that really worked? And how long has the Indian housing program been in operation?

We are told that we really do not need all that assisted housing in rural areas—but the truth is that we do. For we know that for some people who live outside the country's major cities, time and opportunity have gone backward, not forward.

I said a while ago that in 1950 no less than 59 percent of nonmetropolitan housing was substand ard and today there is only 8 percent substandard housing in those same places. But for blacks, the percentage living in substandard units is almost twice greater today than it was then.

The need is still there.

Among the people who get Farmers Home Administration loans, 80 percent have been renters before. If those FmHA borrowers had owned a home before getting that FmHA mortgage, the place was probably worth less than $5,000.

Real, essential, needed, and appreciated work is done through the FmHA, housing people who have great need and only need a little help. This is not a program that we cannot afford; it is a program that we cannot afford to be without.

A few years ago, I read a history of the fall of the Russian czars. What struck me most about that history was that Russia, under the czars, had no middle class. Nobody had a stake in the survival of the Government; property belonged to only a few, who had done nothing to earn it. All power resided in the czar, who answered to nobody. So that great and all-powerful ruler fell, not because there was no power in his hands, but because there was no power—political or economic—in the hands of the people. The thing collapsed because there was no one who cared or should have cared about keeping it.

What our country is all about is that ordinary people are supposed to have power. That is the secret of our dynamism. Everyone is supposed to have a chance.

What our housing and social programs are about is to assure that everybody in this country does have a decent chance to gain economic power—a home, a job, and some hope for the future—that is what power is. These programs are also about human dignity. No one wants to be reduced to nothing; no one wants to wait for the welfare check.

It may be true that we cannot solve every problem that everybody has. But neither can we afford to ignore the fact that we have millions of people who lack decent housing, lack decent hopes, and lack the help that they need, who do have problems that can be solved, with a little effort.

We cannot afford the sophistry that says we want workfare, even while employment programs are being cut left and right.

We cannot afford the meanness of spirit that says the poor are also the undeserving.

We cannot afford the blindness that does not see humiliation turn into rage.

The Republicans are asking millions of people to defer dreams for awhile—even the simple dream of a decent job, a little protection against the whims of economic disaster, a little hope for a secure future. All of this, on the frail and flimsy hope that some of the wealth will overflow the brim and land on those who huddle below. The cost of that is great, too great to afford in

human terms, in social terms, and even in economic terms.●

NO FAILURE OF NASHVILLE LAW ENFORCEMENT AGENCIES

The SPEAKER. Under a previous order of the House, the gentleman from Tennessee (Mr. BONER) is recognized for 5 minutes.

Mr. BONER of Tennessee. Mr. Speaker, in the aftermath of the tragic attempt on the President's life, many questions are beginning to emerge concerning the alleged assassin, the Secret Service, the FBI, and other aspects of the case.

One question which is of particular concern to me involves Mr. Hinckley's arrest on a weapons charge last October in my hometown of Nashville, Tenn.

Unfortunately, there has been some suggestion that local Nashville law enforcement agencies were somehow negligent in not reporting Mr. Hinckley's arrest to the Secret Service.

Mr. Speaker, nothing could be further from the truth. I have been in contact with Chief Joe Casey of the Nashville Metropolitan Police Department, Chief Reuben Utley of the Nashville Metropolitan Airport Authority Police, the Secret Service and the FBI. Everyone agrees that the Nashville law enforcement agencies acted properly and carried out their duties in their usual professional manner.

Chief Utley of the Airport Authority Police has informed me that his men made the initial apprehension and that they gave the FBI proper notification of Mr. Hinckley's arrest and the circumstances surrounding it. It was not the Nashville Metropolitan Police or the Nashville Metropolitan Airport Authority Police who failed to report the arrest to the Secret Service. It was the FBI who failed to do so, and officials at the Bureau have confirmed this to me this morning.

The key question, Mr. Speaker, is why did the FBI fail to pass on to the Secret Service information provided to them by the Nashville authorities?

The circumstances of Mr. Hinckley's arrest certainly seem to have been of such a nature as to warrant the attention and concern of the Secret Service.

Mr. Hinckley was apprehended attempting to board an aircraft carrying 3 pistols and 50 rounds of high velocity hollow point ammunition. All of this took place on the same day that President Carter was in town, and Air Force One was parked on the runway a few hundred yards away.

Mr. Speaker, it would not be an overstatement to say that the system broke down; that much is clear. The FBI was given significant information regarding a potential threat to a President and yet that information was not passed on to the Secret Service, the agency charged with protecting the President.

Mr. Speaker, as we all know, hindsight is better than foresight. I am not for a minute claiming that if this information had been shared with the Secret Service, the attempt on the President could have been prevented. We will never know. However, the fact that Mr. Hinckley's name was not known to the Secret Service does prove that the system failed.

It is important to note, however, Mr. Speaker, that there was no failure on the part of Nashville law enforcement agencies.

Chief Casey and Chief Utley have always cooperated with the FBI and the Secret Service on every Presidential visit to Nashville, and I am extremely proud to be able to say that the facts in this unhappy situation confirm that they did so once again on October 9, 1980, during President Carter's visit to Nashville, Tenn.

Mr. Speaker, it is absolutely essential that we have all the facts surrounding this situation; not to place blame, but to correct the failures.

Therefore, Mr. Speaker, I am today calling for a full and complete investigation by the appropriate committees of the House into all aspects of Presdiential protection. Specific attention should be focused on FBI-Secret Service cooperation and information sharing concerning potential threats to the President. Mr. Speaker, I hope that we can begin this investigation at the earliest possible date and that we would be able to make any recommendation for changes that are necessary as soon as possible in order to insure the most complete and effective protection of the President. The American people demand and expect no less.

□ 1530

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. BONER of Tennessee. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I would like to commend the gentleman from Tennessee (Mr. BONER) for his statement.

I served on the Select Committee on Assassinations, looking into the death of Dr. Martin Luther King and into the death of President John F. Kennedy, and I think the gentleman has made a good point about the need to review all aspects of the attempted assassination of the President. I would just like to commend the gentleman for his statement.

Mr. BONER of Tennessee. Mr. Speaker, I would like to thank the gentleman for doing so, and I would remind the gentleman that on two other occasions, when there was the assassination of President Kennedy and an attempted assassination on President Ford, there were subsequent investigations relating to the circumstances behind those incidents, and I think it would be very appropriate for the appropriate committees in the House to address themselves to this matter.

REDISCOVERING DR. KING'S LEGACY FOR THE 1980'S

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, Saturday, April 4, is the 13th anniversary of the assassination of Dr. Martin Luther King, Jr. On that day the Congressional Black Caucus and King Center for Nonviolent Social Change in Atlanta, along with 50 national labor, religious, and public-interest organizations, and 55 Members of Congress, will sponsor a series of seminars and teach-ins throughout the country on rediscovering Dr. King's legacy for the 1980's.

Seminars and teach-ins on Dr. King will take place in 35 cities across the country. In Washington, D.C., three seminars will take place on Saturday beginning at 10:30 a.m. Members of Congress, staff, and interested individuals are invited to participate. For this reason I am attaching materials that explain the purposes of the event, a list of endorsers, the participants in the three Washington seminars, and a statement of Coretta Scott King inviting persons to participate. The information on the King seminars follows:

REDISCOVERING MARTIN LUTHER KING, JR.'S IDEAS AND POLITICS IN THE 1980'S

"Our nettlesome task is to discover how to organize our strength into compelling power so that government cannot elude our demands. . . . We require programs to hold up to our followers which mirror their aspirations. In this fashion our goals are dramatized and our supporters are inspired to action and to deeper moral commitment. . . . We found a method in nonviolent protest that worked, and we employed it enthusiastically. . . . None of us can pretend that he knows all the answers. It is enormously difficult for any oppressed people even to arrive at an awareness of their latent strengths. . . . Only when they break out of the fog of self-denigration can they begin to discover the forms of action that influence events. . . . There will be agonizing setbacks along with creative advances. Our consolation is that no one can know the true taste of victory if he has never swallowed defeat."—(Martin Luther King, Jr., "Chaos or Community?" 1967).

On April 4, 1981—the anniversary of the assassination of Dr. Martin Luther King, Jr.—seminars, meetings, and teach-ins will take place across the nation and in Washington, D.C. to rediscover, recapture, and build upon the moral force of Dr. King's ideas and politics for this generation of Americans.

We come together in meeting halls, churches, universities and homes across the country. We represent Americans from all walks of life, in the churches, the labor movement, civil rights institutions, and in

communities throughout the United States. We issue this call to reclaim Rev. King's moral purpose and political courage for the new generation, to find the common ground and rebuild the great coalition he nurtured, and to fashion the new ideas and actions that can transform America. In this we must join and work together—black, white, brown, poor, rich, young and old, women and men.

For the issues and injustices Martin Luther King, Jr. spoke to in his day are the crossroads we are at as a society and a people today—the continuing struggle for full employment and economic justice; equality of opportunity for all individuals; safeguarding the rights of working women and men to a decent, productive, and secure life; peace in the world and a halt to violence at home; and for the elimination of racism throughout the world.

Reverend King's vision of the just society and a world at peace needs to be rediscovered today. He knew that government has a moral purpose to fulfill, which is founded on a convenant of justice and human rights for all citizens. He recognized that "injustice anywhere is a threat to justice everywhere." He preached the inseparability of peoples throughout the world, and the interconnectedness of the struggle for peace and justice in America and in the world. He taught that each if us has a moral responsibility and a leadership role in solving the common, mutual problems we all face.

We gather on April 4th not only to remember Martin Luther King, Jr., but to learn from his teaching and his example.

Today millions of Americans feel acute frustration, fear, and helplessness. Insidious tendencies toward polarization are afoot. Concerned citizens everwhere are experiencing isolation, indecision, and drift.

Twenty-six years ago in Montgomery, Alabama, Dr. King launched a new politics in America and forged the broadest and most positive political coalition in our modern history. Linking issues with new forms of political action, he helped create, in its totality, a new politics of hope and empowerment for millions of Americans and peoples throughout the world.

We need once again to discover the common ground and the new coalition to preserve and strengthen the moral code of the Federal government and of the human resource programs that a whole generation fought to create; to challenge the militarization of foreign policy and international affairs that can only lead to global catastrophe; and to confront the attacks on human rights at home and throughout the world.

In rediscovering Dr. King's ideals, ideas, and politics, we will necessarily be confronting what is wrong with the politics of the present, the current priorities of the Federal government, and American policies toward the world.

Further, we call for ongoing discussions beyond April 4th among citizens throughout the nation to develop further their understandings of what is wrong in America today, what inspiration they can draw from Martin Luther King's life, and what ideas and actions are needed to redeem the covenant of justice that he gave his life for. We are convinced that if we meet, share counsel, and act together, we can bring the nation back to the pursuit of justice, equality, peace and prosperity.

Let April 4th be a beginning, and let us step forward, knowing "we cannot walk alone. We cannot turn back. . . . No, no, we are not satisfied, and we will not be satisfied until justice rolls down like waters and righteousness like a mighty stream."—Remarks of Martin Luther King, Jr., Lincoln Memorial, Washington, D.C. August 28, 1963.

STATEMENT OF MRS. CORETTA SCOTT KING, PRESIDENT, MARTIN LUTHER KING, JR. CENTER FOR NONVIOLENT SOCIAL CHANGE

On behalf of the Martin Luther King, Jr. Center for Nonviolent Social Change, I want to commend John Conyers, Jr., the Congressional Black Caucus, and the other participating organizations for their leadership initiative in sponsoring this "Teach-in", and we are pleased to join in being a cosponsor of this program.

With all that is happening in this country, and very tragically in Atlanta, and other parts of this troubled world, the creative non-violent philosophies, strategies, and works of Martin are urgently needed in all our endeavors to resolve human conflict. We need not only to study those ideas and beliefs advocated by my husband, but we need to build upon what he started as we seek the goals of racial justice, equality, peace and brotherhood. The Martin Luther King, Jr. Center for Nonviolent Social Change, with a wide range of programs relevant to today's problems remains the living memorial to carrying out the unfinished work of Martin.

We encourage Americans of all ages and races to join in the April 4th "Teach-in" at a time when we need to free the consience of American from racial and religious hatred and remove all vestiges of discrimination based on race, religion, creed, and sex.

WASHINGTON KING SEMINARS, SATURDAY, APRIL 4, 1981

KING, FULL EMPLOYMENT, AND ECOMONIC JUSTICE

10:30 A.M., 1100 Longworth H.O.B., Capitol Hill.

Hon. Louis Stokes, Convenor.

Hon. Walter E. Fauntroy.

Hon. Augustus F. Hawkins.

Carl Holman, Chair, National Urban Coalition.

Hyman Bookbinder, Chair American Jewish Committee.

Dr. Howard Wachtel, Chairman, Economic Department, American University.

Dr. David J. Garrow, Political Science Department, Univ. of North Carolina, author, "Protest at Selma".

Charles Fager, author, "Selma: 1965, Uncertain Resurrection: The Poor People's Wasington Campaign".

Christine E. Davis, Vice-Chair, National Women's Political Caucus.

KING, CIVIL AND HUMAN RIGHTS

10:30 A.M., Moot Court Room, Howard University Law School, 2099 Van Ness St., N.W.

Hon. Mickey LeLand, Convenor.

Herbert Reed, Professor of Law, Howard University.

Arthur Kinoy, Civil Rights Lawyer, Rev. Leopold Bernhard, Pastor, Lutheran Church of the Reformation.

Dr. Benjamin Quarles, History Department, Morgan State University, author, "The Negro in the Making of America, Black Abolitionists," and "The Negro in the American Revolution".

Dr. Clay Carson, History Department, Stanford University, author, "In Struggle: SNCC and The Black Awakening of the 1960's".

Rev. Calvin Morris, Howard University, School of Religion.

Dorothy Height, Pres., National Council Negro Women.

KING, WORLD PEACE, AND FOREIGN AFFAIRS

10:33 A.M. Institute for Policy Studies, 1901 Q Street, N.W.

Hon. Ronald V. Dellums., Convenor.

Hon. Walter E. Fauntroy.

Marus Raskin, Co-Founder, Institute for Policy Studies.

Gay McDougall, Lawyer's Committee for Civil Right Under Law, Coordinator, South Africa Project.

Cynthia Aronson, Institute for Policy Studies, Latin America Coordinator.

Sister Carol Costen, NEWTWORK: A Catholic Social Justice Lobby.

Father Richard McSorley. Georgetown University Peace Center.

ENDORSERS OF THE APRIL 4, 1981, MARTIN LUTHER KING, JR. NATIONAL EVENTS

Congressional Black Caucus.

Martin Luther King, Jr. Center for Nonviolent Social Change.

United Auto Workers.

Oil, Chemical and Atomic Workers International Union.

Americans for Democratic Action. .

New Democratic Coalition.

American Civil Liberties Union.

Office of Governmental Affairs, Lutheran Council, U.S.A.

National Assembly of Women Religious.

National Black Independent Political Party.

Southern Christian Leadership Conference.

National Catholic Conference for Interracial justice.

National Organization for Women

National Women's Political Caucus.

Women's Strike for Peace.

Coalition of Black Trade Unionists.

National Association of Neighborhoods.

Institute for Policy Studies.

Joint Center for Political Studies.

United Methodist Church Board of Church and Society.

Unitarian-Universalist Association.

United Presbyterian Church, Washington Office.

Kappa Alpha Psi Fraternity.

National Urban Coalition.

National Lawyers' Guild.

National Institute.

Fund for Open Information and Accountability.

National Bar Association.

National Association of Afro-American Museums.

National Pan Hellenic Council.

National Black Caucus of State Legislators.

National Black Caucus of Local Elected Officials.

National Caucus and Center on Black Aged.

National Committee Against Discrimination in Housing.

League of United Latin-American Citizens.

National Council of LaRaza.

National Council of Churches of Christ, U.S.A.

Newspaper Guild, AFL-CIO.

American Jewish Committee.

Clergy and Laity Concerned.

Democratic Socialist Organizing Committee.

Operation P.U.S.H.

National Education Association.

Children's Defense Fund.

National Association for the Advancement of Colored People.
National Urban League.
Coalition of Labor Union Women.
Friends Committee on National Legislation.
Committee to Commemorate the Birthday of Dr. Martin Luther King, Jr./D.C. Support Group.
International Longshoremen's and Warehousemen's Union.
Hispanic American Democrats.
Wilderness Society.
National Alliance of Third-World Journalists.
Washington Peace Center, National Council of Negro Women.
Communications Workers of America, AFL-CIO.
NETWORK: A Catholic Social Justice Lobby.
Association of Community Organizations for Reform Now.
National Association of Social Workers.
International Association of Machinists and Aerospace Workers, AFL-CIO.
Sierra Club.
Friends of the Earth.
Environmentalists for Full Employment.
National Center for Economic Alternatives.
Service Employees' International Union, AFL-CIO.
Coalition for a People's Alternative.
American Federation of State, County, and Municipal Employees, AFL-CIO.
Coalition for a New Foreign and Military Policy.
National Tots and Teens, Inc.
United Food and Commercial Workers International Union, AFL-CIO.
S.A.N.E.—Committee for a Sane Nuclear Policy.
United Electrical, Radio & Machine Workers of America.
Hon. Walter E. Fauntroy of the District of Columbia.
Hon. Shirley Chisholm of New York.
Hon. William Clay of Missouri.
Hon. Cardiss Collins of Illinois.
Hon. George W. Crockett, Jr., of Mississippi.
Hon. Ronald V. Dellums of California.
Hon. Julian C. Dixon of California.
Hon. Mervin M. Dymally of California.
Hon. Harold E. Ford of Tennessee.
Hon. William H. Gray III of Pennsylvania.
Hon. Augustus F. Hawkins of California.
Hon. Mickey Leland of Texas.
Hon. Parren J. Mitchell of Maryland.
Hon. Charles B. Rangel of New York.
Hon. Gus Savage of Illinois.
Hon. Louis Stokes of Ohio.
Hon. Harold Washington of Illinois.
Hon. John Conyers, Jr. of Mississippi.
Hon. Charles McC. Mathias, Jr. of Maryland.
Hon. Don Edwards of California.
Hon. Ted Weiss of New York.
Hon. Robert Drinan.
Hon. Millicent Fenwick of New Jersey.
Hon. Peter W. Rodino, Jr. of New Jersey.
Hon. Robert W. Kastenmeier of Wisconsin.
Hon. Henry B. Gonzalez of Texas.
Hon. Hamilton Fish, Jr. of New York.
Hon. Anthony Toby Moffett of Connecticut.
Hon. Jonathan Bingham of New York.
Hon. William Brodhead of Mississippi.
Hon. Jim Wright of Texas.
Hon. Benjamin S. Rosenthal of New York.
Hon. Les AuCoin of Oregon.
Hon. Henry S. Reuss of Washington.
Hon. Adam Benjamin, Jr. of Indiana.
Hon. Barney Frank of Massachusetts.
Hon. Howard Wolpe of Mississippi.
Hon. Dante B. Fascell of Florida.
Hon. Fortney H. Stark of California.
Hon. Edward J. Markey of Maine.
Hon. Bob Edgar of Pennsylvania.
Hon. Michael D. Barnes of Maryland.
Hon. John L. Burton of California.
Hon. Peter Peyser of New York.
Hon. Claude Pepper of Florida.
Hon. Mike Lowry of Washington.
Hon. Frederick W. Richmond of New York.
Hon. Andrew Jacobs, Jr. of Indiana.
Hon. Barbara A. Mikulski of Maryland.
Hon. Paul Simon of Illinois.
Hon. George E. Danielson of California.
Hon. Norman Y. Mineta of California.

KING SEMINARS AND TEACH-INS ACROSS THE COUNTRY, MAR. 25, 1981

City	Contact
Baltimore, Md	Roland Patterson (301) 444-3454.
Berkeley, Calif	Ofc. of Rep. Ron Dellums and Elihw Harris (916) 445-7442.
Boston, Mass	Eric Nuri (617) 727-4781.
Chicago, Ill	Ofc. of Rep. Gus Savage. Brenetta Barrett (312) 374-5060.
Chicago, Ill	Ofc. of Rep. Harold Washington and Dr. Conrad Worriff (312) 268-7500.
Detroit, Mich	Ofc. of Rep. John Conyers. Vivian Allison (313) 226-7022.
Greensboro, N.C	Lewis Pitts (919) 275-6589.
Los Angeles, Calif	Office of Rep. Mervyn Dymally, Johnny Otis (213) 536-6772 and Mike Davis (213) 383-7415.
Milwaukee, Wisc	Paul Blackman (414) 447-3929.
New York, N.Y	Jilu Weusi (212) 638-0811.
Oakland, Calif	Ofc. of Rep. Dellums and Elihw Harris (916) 445-7442.
Phoenix, Ariz	George Brooks, Jr. (602) 966-6329.
Providence, R.I	Gini-Booth Bishop (401) 277-3636.
Richmond, Va	Roosevelt Cunningham (804) 520-5701.
Sacramento, Calif	Ofc. of Rep. Dellums and Elihw Harris (916) 445-7442.
Tallahassee, Fla	Matt Carter (904) 222-3411.
Tucson, Ariz	Jonathan Hicks (602) 294-4433.
Forest Hills, N.Y	Fran Bennick (212) 544-2655.
Gartonbury, Conn	Margret Berg (203) 633-6315.
Scottsdale, Ariz	Jean Westwood (602) 994-8244.
Houston, Tex	Madgelean Bush (713) 659-7704.
Seattle, Wash	Norm Nelson (206) 363-5558.
Cleveland, Ohio	Anita Chatham (216) 751-5105. Lana Moresky (216) 932-1986.
Rochester, Mich	Dr. Manuel Pierson (313) 377-3200.
Kalamazoo, Mich	Leroy Ray (616) 383-8015.
East Lansing, Mich	George Logan (517) 353-9506.
Ann Arbor, Mich	Charles Moody (313) 763-9910.
Flint, Mich	Ofc. of Rep. Dale Kildee, Lee Gonzales (313) 378-5285.
Marquette, Mich	Ofc. of Rep. Bob Davis, Judy Allen (906) 228-3700 and Harry Matthews (906) 227-2168.
Albuquerque, N. Mex	Ms. Charlie Morrisey (505) 293-1966.
St. Louis, Mo	Ofc. of Rep. Bill Clay, Alice Windom (314) 725-5770 and Bill Bailey (314) 622-3259.
Philadelphia, Pa	Shaka (215) 925-2939.
Holmesburg, Pa	Lawrence Johnson (215) 985-0900.
Albany, N.Y	Tina Wynn (518) 457-8590.

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INTRODUCTION OF H.R. 2949: THE SMALL BUSINESS TAX ACT OF 1981

The SPEAKER. Under a previous order of the House, the gentleman from Hawaii (Mr. HEFTEL) is recognized for 10 minutes.

● Mr. HEFTEL. Mr. Speaker, I am today introducing H.R. 2949, the Small Business Tax Act of 1981. I am honored and gratified to have, as original cosponsors, three of my distinguished colleagues; Mr. ARCHER, Mr. NOWAK, and Mr. DREIER.

As can be seen from this bipartisan coalition, the issue of small business is one which transcends geography and political party affiliation. The small business sector or our economy is extremely labor intensive, having accounted for the overwhelming majority of the jobs created in America in the past decade. But because small businesses are, in fact, small, they frequently lack the ability to prosper, or in some cases, survive during periods of high inflation and economic downturn. Just as in the case of individual taxpayers, small businesses are frequently propelled into higher tax brackets merely because of inflation. Moreover, in periods of tight money and high interest rates, it is first and foremost the small business person who finds it impossible to finance the expansion of his or her enterprise.

In large part, it is the Tax Code which plays a major role in the success of a small business. In my judgment, our tax laws should encourage the formation and expansion of small entrepreneurial enterprise rather than inhibit it. For this reason, I have introduced H.R. 2949, the Small Business Tax Act of 1981 which will address most of the tax inequities currently confronting our Nation's small business community.

In short, H.R. 2949 has five provisions which will:

Allow small firms with gross sales of less than $500,000 per year to use the cash method of accounting. Presently, these firms are forced to use the accrual method of accounting which allows the Government to tax them on the paper profits derived from the inflated values of their inventories;

Stretch out over 10 years the tax penalty that is imposed when a firm switches inventory accounting methods from FIFO—first in-first out—to LIFO—last in-first out;

Increase the amount of used equipment which qualifies for the investment tax credit from $100,000 to $200,000;

Allow a deferral of capital gains taxes on the sale of an asset when the proceeds of that sale are reinvested in a qualifying small business; and

Provide for an expanded corporate tax rate structure as follows:

Current law

Taxable income:	*Rate (percent)*
0 to $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46

Heftel-Archer-Nowak-Dreier bill

Taxable income:	*Rate (percent)*
0 to $25,000	12
$25,000 to $50,000	15
$50,000 to $75,000	20
$75,000 to $100,000	30
$100,000 to $150,000	40
$150,000 to $200,000	43
$200,000 to $250,000	45
Over $250,000	46

Small businesses are frequently labor intensive and have recently been

forced to endure major increases in the social security tax. While a more rapid schedule of capital cost recovery will help some small business ventures, there is an even more compelling need to provide direct structural tax relief as well as incentives to attract capital away from tax shelters and other nonproductive investments and into that sector of our economy which has traditionally generated jobs and technological innovation benefiting all Americans: small business.

Mr. Speaker, I urge all of my colleagues who have small businesses in their districts and who are concerned for their well-being to join with me and my three distinguished colleagues in cosponsoring the Small Business Tax Act of 1981.

I also include the text of the bill printed in its entirety immediately following my remarks.

H.R. 2949

A bill to amend the Internal Revenue Code of 1954 to allow certain small businesses to use the cash method of accounting without regard to inventory accounting requirements, to increase to $200,000 the amount of used property eligible for the investment tax credit, to allow nonrecognition of gain on sales of property where any equity interest in certain small businesses is acquired, to provide an income tax rate reduction for corporations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Tax Act of 1981".

SEC. 2. ELECTION TO USE CASH METHOD OF ACCOUNTING WITHOUT REGARD TO INVENTORIES.

(a) IN GENERAL.—Section 471 of the Internal Revenue Code of 1954 (relating to general rule for inventories) is amended by adding at the end thereof the following:

"(b) ELECTION BY CERTAIN SMALL BUSINESSES TO USE CASH RECEIPTS AND DISBURSEMENTS METHOD OF ACCOUNTING.—

"(1) IN GENERAL.—A taxpayer may elect for the taxable year the cash receipts and disbursements method of accounting for a trade or business or the taxpayer without regard to any requirement to use inventories if—

"(A) the average annual gross receipts of the taxpayer do not exceed $500,000 for the 3 taxable years ending with the taxable year, and

"(B) such taxpayer is a qualified small business for each of such 3 taxable years.

"(2) QUALIFIED SMALL BUSINESS DEFINED.—For purposes of this subsection, the term 'qualified small business' means any person engaged in a trade or business if, at all times during the taxable year, active participants in such trade or business own—

"(A) in the case of a trade or business other than a corporation, at least 70 percent of the capital and profits interests in such trade or business, and

"(B) in the case of a corporation—

"(i) stock possessing at least 70 precent of the total combined voting power of all classes of stock of the corporation entitled to vote, and

"(ii) at least 70 percent of the total value of shares of all other classes of stock of the corporation.

"(3) ACTIVE PARTICIPANT.—For purposes of this subsection, the term 'active participant' means an individual—

"(A) who is actively involved in the management of the trade or business, and

"(B) whose principal business activity is such trade or business.

"(4) SPECIAL RULES.—For purposes of this subsection—

"(A) CONTROLLED GROUPS.—

"(i) IN GENERAL.—In the case of a controlled group, all persons who are members of such group at any time during the calendar year shall be treated as 1 taxpayer for such year for purposes of determining the gross receipts of the taxpayer.

"(ii) CONTROLLED GROUP DEFINED.—For purposes of clause (i), persons shall be treated as members of a controlled group if such persons would be treated as a single employer under the regulations prescribed under section 52(b).

"(B) COORDINATION WITH SECTION 481.—In the case of a taxpayer who changes its method of accounting by reason of an election under this subsection, under regulations prescribed by the Secretary, the net amount of adjustment required by section 481(a)(2) to be taken into account by the taxpayer in computing taxable income shall be so taken into account in each of the 10 taxable years beginning with the year of change.

"(C) ELECTION.—

"(i) IN GENERAL.—The election under this subsection may be made without the consent of the Secretary and shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(ii) PERIOD TO WHICH ELECTION APPLIES.—The election under this subsection shall apply to—

"(I) the taxable year for which it is made, and

"(II) all subsequent taxable years for which the taxpayer is a qualified small business and meets the requirements of subparagraph (A) of paragraph (1).

unless the taxpayer secures the consent of the Secretary to the revocation of such election.".

(b) TECHNICAL AMENDMENT.—Section 471 of such Code is amended by striking out "Whenever in the opinion" and inserting in lieu thereof the following:

"(a) GENERAL RULE.—Except as provided in subsection (b), whenever in the opinion".

SEC. 3. 10-YEAR AVERAGING PERMITTED FOR INCREASES IN INVENTORY VALUE REQUIRED FOR ADOPTION OF LIFO METHOD.

Subsection (b) of section 472 of the Internal Revenue Code of 1954 (relating to last-in first-out inventories) is amended by adding at the end thereof the following new sentence: "For purposes of section 481, any increase in the valuation of inventory required by paragraph (2) shall be treated as an adjustment attributable to a change in a method of accounting not initiated by the taxpayer."

SEC. 4. USED PROPERTY ELIGIBLE FOR INVESTMENT TAX CREDIT INCREASED TO $200,000.

(a) IN GENERAL.—Paragraph (2) of section 4B(c) of the Internal Revenue Code of 1954 (relating to used section 38 property) is amended by striking out "$100,000" each place it appears and inserting in lieu thereof "$200,000".

(b) CONFORMING AMENDMENT.—Subparagraph (B) of section 48(c)(2) of such Code is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

SEC. 5. NONRECOGNITION OF GAIN ON ANY PROPERTY SOLD WHERE SMALL BUSINESS EQUITY INTEREST ACQUIRED.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to nontaxable exchanges) is amended by adding at the end thereof the following new section:

"SEC. 1041. SALES OF PROPERTY WHERE EQUITY INTEREST IN QUALIFIED SMALL BUSINESS CORPORATION ACQUIRED.

"(a) NONRECOGNITION OF GAIN.—

"(1) IN GENERAL.—If any property is sold by the taxpayer and, within the 1-year period beginning on the date of such sale, any equity interest in any qualified small business corporation is purchased by the taxpayer, gain (if any) from such sale shall, at the election of the taxpayer, be recognized only to the extent that the amount realized on such sale exceeds the cost to the taxpayer of such equity interest.

"(2) ELECTION.—The election under paragraph (1) shall be made by filing, not later than the last day prescribed by law (including extensions thereof) for filing the return of tax imposed by this chapter for the taxable year in which the sale occurs, with the Secretary a statement (in such manner as the Secretary may be regulations prescribe) of such election.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EQUITY INTEREST.—

"(A) IN GENERAL.—The term 'equity interest' means any common or preferred stock.

"(B) DEBT EXCLUDED.—The term 'equity interest' does not include any interest—

"(i) with respect to which the payment of money or other property is required solely by reason of the passage of time, or

"(ii) the repurchase of which may be required of the issuer solely by reason of the passage of time.

"(2) QUALIFIED SMALL BUSINESS CORPORATION.—

"(A) IN GENERAL.—The term 'qualified small buisness corporation' means a small business corporation (within the meaning of section 1244(c)(3)) which meets the passive investment income limitation of subparagraph (B).

"(B) PASSIVE INVESTMENT INCOME LIMITATION.—

"(i) IN GENERAL.—A corporation shall not be treated as a qualified small business corporation for any taxable year if, for the taxable year or any of the 3 taxable years after such taxable year, the passive investment income of such corporation is more than 15 percent of its gross receipts.

"(ii) DEFINITIONS.—For purposes of clause (i), passive investment income and gross receipts shall be determined as provided in subparagraph (C) of section 1372(e)95), as if the corporation were an electing small business corporation.

"(C) CONTROLLED GROUPS.—

"(i) IN GENERAL.—In the case of a controlled group, all persons which are members of such group at any time during the calendar year shall be treated as 1 taxpayer for such year.

"(ii) CONTROLLED GROUP DEFINED.—for purposes of clause (i), persons shall be treated as members of a controlled group if such persons would be treated as a single employer under the regulations prescribed under section 52(b).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) EXCHANGE TREATED AS SALE.—An exchange by the taxpayer of property for other property shall be treated as a sale of the first property, and the acquisition of any equity interest on the exchange of property shall be treated as a purchase of such equity interest.

"(2) LIMITATION ON STOCK SALES.—In the case of any equity interest in a qualified small business corporation which is evidenced by stock (other than stock in a small business corporation as defined in section 1371), subsection (a) shall apply to the sale of such stock only if such sale would, if such stock had been purchased by the issuing corporation in such sale, be treated as a redemption within the meaning of paragraph (1), (2), or (3) of section 302(b), including the application of section 302(c).

"(d) REDUCTION OF BASIS.—Where the purchase of any equity interest results under subsection (a) in the nonrecognition of gain on the sale of any property, the basis of such equity interest shall be reduced by an amount equal to the amount of gain not so recognized on the sale of such property. Where the purchase of more than one equity interest is taken into account in the nonrecognition under subsection (a) of gain on the sale of a property, the preceding sentence shall be applied to each equity interest in the order in which each such equity interest is purchased.

"(e) STATUTE OF LIMITATIONS.—If the taxpayer during any taxable year sells any property at a gain, then—

"(1) the statutory period for the assessment of any deficiency attributable to any part of such gain shall not expire before the expiration of the 3-year period beginning on the date the Secretary is notified by the taxpayer (in such manner as the Secretary may be regulations prescribe) of—

"(A) the taxpayer's cost of purchasing any equity interest which the taxpayer claims results in nonrecognition of any part of such gain.

"(B) the taxpayer's intention not to purchase any equity interest within the 1-year period described in subsection (a), or

"(C) the failure by the taxpayer to purchase any equity interest within such period; and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment."

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 of such Code (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (21), by striking out the period at the end of paragraph (22) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(23) in the case of any equity interest the acquisition of which resulted under section 1041 in the nonrecognition of gain on the sale or exchange of property, to the extent provided by section 1041(d)."

(c) CONFORMING AMENDMENT.—The table of sections of part III of subchapter O of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"SEC. 1041. Sales of property where equity interest in qualified small business corporation acquired."

SEC. 6. CORPORATE INCOME TAX RATE REDUCTION.

Subsection (b) of section 11 of the Internal revenue Code of 1954 (relating to tax imposed on corporations) is amended to read as follows:

"(b) AMOUNT OF TAX.—The amount of the tax imposed by subsection (a) shall be the sum of—

"(1) 12 percent of so much of the taxable income as does not exceed $25,000,

"(2) 15 percent of so much of the taxable income as exceeds $25,000, but does not exceed $50,000,

"(3) 20 percent of so much of the taxable income as exceeds $50,000, but does not exceed $75,000,

"(4) 30 percent of so much of the taxable income as exceeds $75,000, but does not exceed $100,000,

"(5) 40 percent of so much of the taxable income as exceeds $100,000, but does not exceeds $150,000,

"(6) 43 percent of so much of the taxable income as exceeds $150,000, but does not exceed $200,000,

"(7) 45 percent of so much of the taxable income as exceeds $200,000, but does not exceed $250,000, plus

"(8) 46 percent of so much of the taxable income as exceeds $250,000."

SEC. 7. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall apply to taxable years beginning after December 31, 1980.

(b) SALES AND EXCHANGES.—The amendments made by section 5 shall apply only to sales and exchanges of property (the nonrecognition of gain on which is to be claimed under section 1041 of the Internal Revenue Code of 1954) in such taxable years.

● Mr. ARCHER. Mr. Speaker, I strongly feel that no segment of the American business community is more vital to the Nation's economic welfare than the small businessman and businesswoman. And yet, these hard-working men and women have long been beset by a tax code that endangers their livelihood and robs them of the incentive to expand to meet current and future markets. This is particularly damaging because small business provides the new, entry-level jobs our economy so sorely needs.

So, it is with great pride that I join today with Representatives HEFTEL, NOWAK, and DREIER in introducing the Small Business Tax Act of 1981, which provides tax relief and incentives needed by small business.

We fully expect the particular circumstances facing small business to be dealt with during this Congress and are confident the act's five provisions provide a sound framework from which this situation can be addressed.

The act's five provisions are:

A corporate income tax rate reduction which expands the 1978 Tax Reduction Act by increasing the surtax exemption to $250,000 and changing the rates and brackets. The top priority of delegates to the recent White House Conference on Small Business was a change in income tax schedules. They advocated further graduating the corporate tax rates, saying such a tax reduction is imperative if small businesses are to survive high inflation.

A provision to allow small firms with gross sales of less than $500,000 a year to use the cash method of accounting. Presently, these firms are forced to use the accrual method of accounting which allows the Government to tax them for paper profits derived from the inflated value of their inventories.

A provision to increase the current ceiling on the amount of investment tax credit that could be applied to used equipment to $200,000. The current $100,000 ceiling is discriminatory to smaller firms.

A small business rollover provision to allow a deferral of the capital gains taxes on the sale of an asset when the proceeds of the sale are invested in small business.

A provision to stretch out over 10 years the penalty imposed when a firm switches inventory accounting methods from FIFO to LIFO.

In closing, we feel the act is comprehensive and should have the support of the whole small business community.●

Mr. NOWAK. Mr. Speaker, today I am introducing H.R. 2949, the Small Business Tax Act of 1981. Joining me as original cosponsors are Representative HEFTEL, Representative ARCHER, members of the Ways and Means Committee, and Representative DREIER, a member of the Small Business Committee.

As chairman of the House Small Business Subcommittee on Tax, Access to Equity Capital and Business Opportunities, I view H.R. 2949 as an important, bipartisan first step toward assuring that our Nation's smaller firms receive significant and meaningful tax relief this year. To this end, the subcommittee is in the midst of an important series of hearings on the administration's tax reduction program, and is assessing how it will affect small business. At the close of these hearings on April 2, the Congress will have an important record, a road map, which, when followed, will lead us to our ultimate destination—tax equity for small business.

High interest rates and sluggish economic growth have led millions of smaller firms to the brink of disaster. They need tax relief now more than ever, to allow them to retain capital and attract new sources of equity investment. H.R. 2949 is designed to accomplish both goals. It will offer labor, as well as capital-intensive small business, a chance to boost internal cash generation and attract new equity investment.

The bill has five components. First, it increases the surtax exemption from $100,000 to $250,000. The rates and brackets are as follows:

Existing law

	Percent
$0 to $25,000	17
$25,000 to $50,000	20

$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46

H.R. 2949

	Percent
$0 to $25,000	12
$25,000 to $50,000	15
$50,000 to $75,000	20
$100,000 to $150,000	30
$150,000 to $200,000	43
$200,000 to $250,000	45
Over $250,000	46

This component simply expands the action taken by the Ways and Means Committee in the Tax Reduction Act of 1978. It improves on present law by further reducing rates on the lower end, where most find themselves, and expanding the surtax exemption to offset inflation-induced bracket creep.

The second component is an expanded small business rollover provision. This would allow a deferral of capital gains taxes on the sale of an asset when the proceeds are invested in an equity position in a small business corporation within 12 months. This component is a variation of a bill I introduced last year, H.R. 5097, which allowed a rollover from one small business to another. My subcommittee's report on capital formation and retention recommended the enactment of such a rollover provision because it would encourage capital formation by retaining some of the capital now invested in the small business community.

The expanded rollover in H.R. 2949 goes one step further. It will literally funnel large amounts of capital into small business corporations as investors seeks to defer capital gains taxes. Money which is now locked up in sterile assets such as antiques, real estate, gold, and commodities will flow into the most productive sector of our Nation's economy—its small businesses.

The third and fourth components are cash accounting for small businesses and a LIFO conversion provision. I view both concepts as a part of a much broader concept I refer to as inventory reform. As was found in hearings held by my subcommittee, which were the first ever held on this subject, inventory reform is as important to the revitalization of our Nation's economy as is capital cost recovery. While both measures aid capital formation by increasing the internal cash flow of a business, they differ. Capital cost recovery aids capital-intensive businesses, while inventory reform helps labor-intensive businesses. The vast majority of smaller firms are primarily labor-intensive.

I recently introduced H.R. 2319, the Inventory Simplification Tax Act of 1981, which will help large, medium, and small businesses. The bill was based on recommendations of the capital formation task force on inventories, composed of 16 member associations representing a broad spectrum of the business community, and on recommendations of the subcommittee report on inventory accounting as a burden on the capital formation process.

The cash accounting component allows small firms with less than $500,000 of gross sales per year to use the cash, as opposed to accrual accounting. The LIFO conversion measure allows the penalty that is imposed when a firm switches accounting methods from first in, first out (FIFO) to be stretched out over 10 years. These two provisions, when added to some of the other components contained in H.R. 2319, will greatly aid smaller firms by eliminating needless regulations and providing an intelligent, tiered approach to our tax code.

The vast majority of smaller firms do not use LIFO and are denied the use of cash accounting. They will be able to do so, and as a result, enjoy an enhanced cash flow.

The fifth provision of H.R. 2949 increases the amount of investment tax credit eligible for the investment tax credit from $100,000 to $200,000, and is identical to a provision in H.R. 6171, which I introduced last session. An identical provision was contained in last year's Senate Finance Committee tax cut bill, H.R. 5829. The increase is justified on several grounds: First, as was pointed out in my subcommittee's report on capital formation and retention, smaller firms, to a great extent, rely on used machinery. They either cannot afford new machinery or cannot wait the 1 or 2 years it takes to receive delivery of new machinery. Second, the credit was last raised in 1975, from $50,000 to $100,000. Simple adjustment for inflation would raise the limit to $200,000. There is strong evidence to suggest that the amount should be raised to $300,000, or eliminated altogether.

H.R. 2949 is an important milestone on the road to tax equity for small business. The road is filled with turns and obstacles but the end is plainly in sight. The House, the Small Business Committee, and my fellow cosponsors, need to pull together in this effort. H.R. 2949 points the way, and when added with other small-business-oriented tax initiatives, will assure that this vibrant, job-producing, innovative, and competitive business sector continues to deliver the ideas, jobs, and products our Nation so desperately needs.●

● Mr. DREIER. Mr. Speaker, small business is undoubtedly the most talked about, but least acted upon sector of our economy. While almost everyone will readily agree that small business is the backbone of the Nation's economy, too often those same people do nothing to encourage the survival of this vital sector.

Small businesses account for 43 percent of the Nation's gross national product, provide virtually all new private sector employment, and are responsible for more than half of all major innovations. However, America's small businesses are failing at an alarmingly high rate.

It is essential that policies be implemented to create an environment in which individual initiative and ingenuity can prosper. Instead, a complex and inequitable tax code threatens the very existence of many of America's small enterprises.

To address this intolerable situation, I am joining with three of my distinguished colleagues to introduce the Small Business Tax Act of 1981, H.R. 2949. This vital legislation is a bipartisan effort to attack the most pressing problems of our Nation's small businesses. I am pleased to join Mr. HEFTEL and Mr. ARCHER, of the Committee on Ways and Means, and Mr. NOWAK, my colleague on the Committee on Small Business, in introducing this measure.

The five provisions of the Small Business Tax Act seek to:

First. Allow small businesses with gross receipts under $500,000 the option of electing the cash method of accounting. Currently, the accrual method of accounting must be used, which taxes businesses on the "paper profits" derived from the inflated value of their inventories.

Second. Establish a more graduated corporate tax rate structure as follows:

Current scheme

	Rate (percent)
$0 to $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46

Heftel-Archer-Nowak-Dreier

	Rate (percent)
$0 to $25,000	12
$25,000 to $50,000	15
$50,000 to $75,000	20
$75,000 to $100,000	30
$100,000 to $150,000	40
$150,000 to $200,000	43
$200,000 to $250,000	45
Over $250,000	46

Third. Allow a capital gains tax deferral on the sale of an asset when the proceeds are invested in a qualifying small business.

Fourth. Increase the amount of used equipment eligible for the investment tax credit from the $100,000 under current law to $200,000.

Fifth. Ease the initial penalty imposed when a firm changes from the first in, first out (FIFO) to the last in, first out (LIFO) method of accounting, by allowing a 10-year averaging on required increased inventory values.

The provisions of this act are critically important to the revitalization of a healthy small business sector. These are concepts which hold the strong

support of the small business community.

I ask my colleagues to cosponsor the Small Business Tax Act which will provide relief for America's small business sector. We must all work to enact legislation which will nurture, not destroy, the foundation of the American free enterprise system.●

THE VIETNAM-ERA VETERANS HEALTH CARE AND BENEFITS ACT OF 1981

The SPEAKER. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, I am today introducing omnibus legislation entitled the "Vietnam-Era Veterans Health Care and Benefits Act of 1981," which I feel will go far to address the current needs of America's Vietnam veterans.

The first part of this bill will address the most perplexing issue facing Vietnam veterans since their return from the war over 10 years ago, and that is the question of agent orange. I have already introduced legislation (H.R. 2493) to compensate Vietnam veterans who may be suffering from conditions due to exposure to that deadly herbicide. I will continue to push for passage of this legislation, but in the meantime I feel that there is an intermediate step that everyone agrees can and should be taken. This intermediate step would require that a veteran, who feels his condition is a result of exposure to herbicides, and who is examined by a VA physician and determined to be in need of medical assistance, will be provided with the necessary hospitalization or outpatient treatment. This will at least assist veterans and their families in defraying the expensive medical costs that are associated with chronic illnesses (cancer, et cetera). In the meantime, the VA, Air Force, and Center for Disease Control epidemiolgy studies will hopefully be able to provide us with more definitive evidence of likelihood that service in Vietnam, or exposure to herbicides, can cause chronic health effects. If an association is proven, compensation can and will then be paid.

Second, my bill will address the recommedations made by the White House Interagency Work Group on Phenoxy Herbicides to the VA regarding their proposed epidemiology study. These recommendations were to expand the scope of the study to include the possible effects of factors other than herbicides, namely medications (dapzone), chemicals (pentachlorophenol) or any other products that may have health implications on veterans who served in Southeast Asia.

Third, this legislation will reauthorize the Vietnam veteran outreach centers, which in their initial year of operation, counseled over 50,000 Vietnam veterans and members of their families. This program has been tremendously successful and I am encouraged that both the House and Senate Veterans' Affairs Committees, as well as the Senate Budget Committee, have included funds for the continuation of the program. The vet center in Sioux Falls, S. Dak., has counseled over 600 persons, many of whom I have spoken with. They have been virtually unanimous in their praise for the program and desire for its continuation.

Fully 48 percent of the Vietnam veterans visiting these centers have stated that a major impediment to their successful rehabilitation is their inability to find a job. As we are all aware, most previous Government efforts (CETA, Hire I and II, et cetera) aimed as assisting Vietnam veterans in getting a job have been a dismal failure. One of the few exceptions to this unfortunate pattern, has been the VA administered OJT program where 74.8 percent of those enrolled have completed the program and 95 percent have gone on to use their training for actual employment purposes. Thus, the final portion of my legislation will give Vietnam veterans, identified through the vet centers, or other VA offices, an opportunity to train under the OJT program, regardless of whether they have been delimited or not. I feel that this last effort should be made to reach out and assist those Vietnam veterans who desire to become gainfully employed. I have introduced this particular section of the omnibus bill earlier as H.R. 2391.

Finally, Mr. Speaker, I feel that passage of this omnibus legislation will be a substantive indication to Vietnam veterans that every effort is being made to assist them in completing their readjustment from the war, and that this Nation is behind those who have fought in the past, just as it is now behind a new, vigorous effort to revitalize its Armed Forces, and seek new recruits for possible future confrontations. I hope that my colleagues will see fit to support this legislation.

H.R. 2953

A bill to authorize the Administrator of Veterans' Affairs to provide medical care to certain veterans who served in the Republic of Vietnam during the Vietnam era, to extend by two years the period during which Vietnam-era veterans may initially request psychological readjustment counseling, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam-era Veterans' Health Care and Benefits Act of 1981".

SEC. 2. (a)(1) Section 610(a) of title 38, United States Code, is amended—

(A) by striking out "and" at the end of clause (3);

(B) by redesignating clause (4) as clause (5); and

(C) by inserting after clause (3) the following new clause (4):

"(4) any veteran who served in the Republic of Vietnam during the Vietnam era if a physician employed by the Veterans' Administration (or working under a contract or fee arrangement with the Veterans' Administration) determines that such hospital care is necessary for the treatment of a condition that may be associated with exposure while serving in the Republic of Vietnam to the herbicide defoliant commonly known as 'Agent Orange'; and".

(2) Section 612(g) of such title is amended—

(A) by inserting "(1)" after "(g)"; and

(B) by adding at the end the following new paragraph:

"(2) The Administrator, within the limits of Veterans' Administration facilities, may furnish medical services on an outpatient or ambulatory basis to any veteran eligible for hospital care under the authority of section 610(a)(4) of this title if a physician employed by the Veterans' Administration (or working under a contract or fee arrangement with the Veterans' Administration) determines that such medical services are necessary for the treatment of a condition that may be associated with exposure of such veteran while serving in the Republic of Vietnam to the herbicide defoliant commonly known as "Agent Orange'.".

(3) Section 612(i)(4) of such title is amended by inserting "(f)(3) or" after "subsection".

(4) The amendments made by this subsection shall take effect on October 1, 1981.

(b) Paragraph (1) of section 307(a) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1097) is amended to read as follows:

"(1)(A) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides. In conducting such study, the Administrators may include an evaluation of the adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides. In conducting such review and analysis, the Administrator may include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparable situations involving one or more of the factors described in the second sentence of subparagraph (A).".

SEC. 3. Section 612A(a) of title 38, United States Code, is amended by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1983".

SEC. 4. (a)(1) Subchapter IV of chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new section:

§ 1687. Vocational training programs for veterans of the Vietnam era

"(a) Subject to subsection (b) of this section, any eligible veteran who served on active duty during the Vietnam era may be provided educational assistance under this chapter for the purpose of pursuing (1) a program of on job training (other than apprenticeship), or (2) a program of education with a vocational objective (other than flight training) without regard to the provisions of section 1662(a)(1) of this title. Upon completion of a program provided by virtue of this section, the Administrator shall provide the veteran with such employment counseling as may be necessary to assist the veteran in obtaining employment consistent with the veteran's abilities, aptitudes, and interests.

"(b) Educational assistance may be provided by virtue of this section only if the veteran has been determined by a counselor at a readjustment counseling center established under section 612A of this title, a State employment office, a veterans' assistance office, or a Veterans' Administration medical facility as being in need of a program or course described in subsection (a) of this section. Any such determination shall be made in accordance with regulations which the Administrator shall prescribe.

"(c) Assistance may not be provided by virtue of this section after the end of the two-year period beginning on the later of (1) October 1, 1981, or (2) the first day of the third calendar month following the date of the enactment of this section.".

(2) The table sections at the beginning of such chapter is amended by inserting after the item relating to section 1687 the following new item:

"1687. Vocational training programs for veterans of the Vietnam era."

(b) Section 1687 of title 38, United States Code, as added by subsection (a) shall take effect on October 1, 1981.

IMPACT OF PROPOSED BUDGET CUTS ON AKRON, OHIO

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I would like to insert into the RECORD today a preliminary analysis I have prepared showing the probable effects of President Reagan's proposed budget revision on the Akron area, which I represent. This analysis is not intended as an expression of my own position on any of the President's proposals. Rather, I have compiled this information so that the people of my district can better evaluate the President's proposed budget and advise me and other Federal elected officials as to their preferences with regard to the proposed cuts. I believe other Members of the House may find this analysis helpful.

In the fiscal year 1982 budget recommendations the President recently submitted to Congress, he proposed that total Federal spending be held to $695.3 billion, with budget authority of $772.4 billion. He projects revenues of $650.3 billion and a deficit of $45 billion.

This compares with former President Carter's projected revenues of $711.8 billion and deficit of $27.5 billion. The reason President Reagan's projected deficit is so much higher is that he has also proposed significant tax cuts.

Although he has not yet presented all of the specific proposals to Congress, President Reagan states that his budget will reduce former President Carter's 1982 proposed spending level by $48.6 billion. In order to achieve this saving, President Reagan has recommended broad spending cuts in numerous Federal programs, projects, and services. The so-called safety-net programs—social security retirement, medicare, supplemental security income, some veteran's benefits, some school lunches, Operation Head Start, and summer youth jobs—will be spared significant cuts, and the Defense Establishment will actually see a sizable increase. but almost every other area of Federal spending is ticketed to be cut back or eliminated.

I certainly believe that we must end runaway Federal spending. Congress must review the mountain of Federal programs that has been created over the last 30 years and reestablish our priorities. We must separate the nonessentials from the essentials. But in so doing, we must carefully study each individual proposal and act always to protect the vital interests of the people in our communities, and the country as a whole. In other words, we must cut with a scalpel, not with a meat-ax.

With this objective in mind, I have analyzed many of the proposed cuts—the programs affected, the manner in which they will be cut, and the possible impact these cuts will have on Akron area residents. The complete details of the President's proposals are still not available. And even where they are available, it is not always possible to state precisley what the impact would be on the Akron area. It should also be pointed out that these proposals will not necessarily mean that all the programs at the local level will be cut back. Some of the proposed cuts may be offset by a reallocation of State and local budget priorities, by an increase in State or local taxes, or by reduction in administrative costs.

Mr. Speaker, the full text of the analysis follows these remarks:

IMPACT OF THE PROPOSED BUDGET CUTS ON THE AKRON AREA

FAMILY ASSISTANCE

Food stamps

This program subsidized the food purchases of lower-income individuals to help them obtain a minimal diet.

President Reagan proposes placing a cap on the gross income of participants at 130% of the poverty level, or about $11,000 a year for a family of four. Currently, eligibility is based on net income, which is arrived at by allowing certain deductions from gross income, such as work-related expenses, high utility and shelter costs, and medical expenses for the elderly. President Reagan proposes eliminating these deductions. He also proposes retrospective accounting of income, which means that eligibility will be determined by looking at income received over a period of months (as yet unspecified) rather than determining eligibility based on current income alone, as is now done under current law. He also proposes reducing food stamp benefits to households with school-aged children who receive subsidized lunches.

In 1980, the Federal government sent Summit County $20.7 million in food stamp assistance. Recent figures show that there are 49,269 food stamp recipients in Summit County and 11,883 in Portage County. It is estimated that about 5% of total households in the north-central area of the U.S. will lose their food stamp benefits under the Reagan proposal. This means that as many as 3,000 current food stamp participants in the Akron area could stop receiving these benefits. The retrospective accounting proposal means that anyone who suffers a sudden and severe loss of income, such as a laid-off worker, may not be able to receive immediate food stamp benefits. The likely effect of eliminating the "double-lunch" subsidy to poor school children will be to increase the reliance of poor families on the school lunch program at a time when schools, because of reduced subsidies to the school meal programs, may be forced to end meal service.

Child nutrition

This program finances a variety of meal programs, such as school lunches.

President Reagan proposes eliminating the subsidies for students from families above a certain income level. For instance, children from a family of four making more than $15,630 a year would no longer be eligible. Subsidies for children from a family of four with incomes between $11,640 and $15,630 a year would be maintained. Free lunches would be continued for children from a family of four earning less than $11,640.

All elementary and secondary schools in the Akron public school system participate in the child nutrition program. For the 1980–81 school year, 34.5% of the total enrollment is eligible for free school lunches. Eighty-six percent of those eligible, or 11,455 students, actually receive free lunches, and 2,782 students receive reduced price lunches. The amount of Federal child nutrition subsidy a school receives depends on the number of participating students. The Federal subsidies help keep the prices of the meals down for all students. A reduction of the amount of subsidies going to the schools will force other children to pay a higher cost. Some children may then have to drop out of the program which may make it very difficult for the schools to offer any

kind of nutrition program at all. Since Ohio state law requires that schools offer such a program the state will have to either change the law or increase its own subsidies to the schools.

Supplemental feeding for women, infants, and children (WIC)

This program provides Federal assistance to certified community health clinics to purchase food supplements for pregnant and nursing women, infants, and children up to 5 years of age who are determined to be at risk of undernourishment because of low income.

President Reagan proposes to fund WIC at $720 million for FY 1982, cutting the program by 20% of current spending.

In Summit County, the program serves 4,379 individuals who are referred it by the public health clinics and hospitals when symptoms of malnutrition or anemia are detected through physical examination. The Summit County program received $1.9 million for WIC in FY 1981, and recently experienced a 15% cut in state assistance.

Aid to families with dependent children (AFDC)

This program provides Federal funds to states on a matching basis to pay cash welfare benefits to needy families with dependent children. In Ohio, the Federal government contributes 55% of the benefits.

President Reagan proposes requiring that certain other non-cash benefits and sources of income that are currently excluded from consideration (such as income of a stepparent, food stamps and housing assistance) be considered in computing eligibility and benefit levels. He also proposes setting a maximum deduction of $135 for work and child care expenses in determining AFDC eligibility, and providing AFDC support only to families which earn less than 150% of a state's minimum needs standard. He also proposes excluding from the program strikers and children over 18 not in school.

Many single-parent families receive AFDC, as do families with an unemployed parent. In 1980, the total Summit County AFDC expenditure was $29 million and the total Portage County expenditure was approximately $6 million. Over 55% of each share came from the federal government.

Currently, in Summit County 29,656 people are receiving AFDC. In Portage County there are 5,606 AFDC recipients. Officials from the Department of Health and Human Services have testified that on a nationwide basis, the Reagan proposals would cut 10.6% of the current recipients out of the program and reduce the benefits of another 6.8%. If these cuts are applicable to the Akron area, 3,738 Akron area recipients would lose their AFDC benefits altogether and another 2,398 would experience benefit reductions. However, because most of the working poor live in higher cost urban areas and the Northeast-Midwest region of the country, it is likely that the cuts will be disproportionately higher in the Akron area.

Social service programs

Currently, the Federal government contributes to state and country-run social service programs known as Title XX which provide services for the mentally retarded, meals-on-wheels for the aged and disabled, child day care for children of low income working mothers, homemaker services, children's medical services and more. The Federal government also provides funds for other state social services such as foster care, rehabilitation, adoption assistance and the Community Services Administration.

President Reagan proposes consolidating these programs into one block grant to states. States could use the grants for a variety of activities including but not limited to the programs being replaced. States will have the ability to establish their own priorities and decide which programs and services will be funded. They would not have to match any of the funds with their own money. This consolidation will reduce overall funding by $1.2 billion, or 25%, in 1982.

Nationwide, in 1981 these programs will serve 900,000 aged, blind and disabled persons, 600,000 low income children in day care centers, one million abused or neglected children, 500,000 children in foster homes and 1.4 million handicapped persons, among others.

In fiscal year 1981, the state of Ohio received almost $143 million in Federal Title XX funds. The proposed 25% cut would reduce Ohio's funding by $35.7 million.

In Summit County, Title XX homemaker services received almost $1.3 million in Federal funds in 1980, and over $1.1 million in Federal money for day care services. The Title XX contract services in Summit County, which include mental health services, counseling and meals-on-wheels, received $11.9 million in Federal funds, which amounted to 84.4% of the total amount spent on these contract services in Summit County.

In October, 1980, the Summit County Welfare Department handled 12,674 Title XX cases, including 9,749 early periodic children's screening diagnosis and treatment cases, 1,131 children's medical services and 929 transportation service cases. Under the contract services, there were 1,388 day care participants.

Low-income energy assistance program (LEAP)

LEAP, known in Ohio as HEAP or Home Energy Assistance Program, provides $1.7 billion for payments from states to individuals who cannot meet the high costs of home heating fuel.

President Reagan proposes to combine LEAP with the Emergency Assistance program under title IV of the Social Security Act into a hardship block grant to be administered through the states. Under the block grant, states would have wide latitude to determine who would participate in the program, how much their benefits would be and how the funds would be used. The hardship fund would be funded at 25% less than the combined total of the two programs in fiscal year 1981.

A reduction in LEAP funds could increase the difficulties of low-income people in paying their winter heating bills, especially since the cost of home heating fuel keeps going up. Figures for the local area are not available. However, Ohio received $91 million to assist in home heating in 1981. Under the Emergency Payment program. Ohio used $11 million of the $53 million available nationwide, or 21% of all Federal funds in the program.

CITIES

Economic development administration

EDA provides a variety of grants, loans and technical assistance to generate community investment and create new permanent employment in the private sector in economically distressed areas.

President Reagan proposes to abolish EDA.

In Ohio in 1980, EDA invested over $35 million which led to the investment of $75 million in private sector funds and the creation or preservation of almost 10,000 jobs.

In Akron, EDA has participated in projects including the Goodyear Technical Development Center, the Sweitzer Avenue Industrial Development Project, and $65,000 in annual planning assistance to the NEFCO regional planning agency. Loss of EDA grants will affect the Downtown Development Plan for Akron as well as the Revolving Loan Fund application by the city for $3 million to assist small businesses in Akron to expand and create more jobs.

EDA planning funds have also gone into Barberton to support planning for the reuse of the former Seiberling Tire plant, closed last year.

Urban development action grants

The UDAG program provides grants to economically distressed localities in cases where the grants will bring about substantially larger investment by private businesses in major commercial and industrial developments and will create new jobs.

President Reagan proposes merging UDAG into the Community Development Block Grant program cutting the combined budget authority by $584 million, leaving it at about 15% of UDAG's fiscal year 1981 appropriation.

The city of Akron has received $18.5 million to date through the UDAG program, providing a basis of investments totalling over $100 million in the Goodyear Tech Center, Sweitzer Avenue Industrial Development area, and the Quaker Square Hilton. The budget cut will directly affect the Akron Downtown Development Plan which called for a $180 million investment including $75 million in Federal finds much of it UDAG funds, as well as the future chances of the cities of Kent, Lakemore, and Barberton, which are also eligible for UDAG, to receive funding for revitalization programs. A budget cut for this fiscal year would have an immediate effect on the Channelwood II UDAG. The project would provide 186 new low and moderate income housing units for Akron and $2.4 million to the City to support public improvements in the project area.

HUD planning assistance

The planning assistance programs for the Department of Housing and Urban Development was set up to develop regional land use and development planning capabilities at the state and local level.

President Reagan proposes cutting back funds this year and next, and phasing out the entire program in 1983.

The NEFCO regional planning agency receives approximately $150,000 annually in HUD planning funds to support a wide range of housing and community development planning work, such as the Area Wide Housing Opportunity Plan.

Waste treatment

This Environmental Protection Agency program finances construction of municipal waste water treatment plants and sewage systems.

President Reagan proposes providing enough funds to complete projects already underway, but in coming years he proposes financing only certain high priority projects.

Depending on how this policy is applied, it could halt the $42 million investment in the Springfield-91 Phase II sewer project in southern Summit County as well as projects in Akron, Norton, Twinsburg Township, and Hudson which are now in the planning stages.

Energy conservation

The Department of Energy administers conservation programs such as weaterization assistance and development of technology to produce energy from municipal wastes.

President Reagan proposes scaling back conservation grants by 10% in 1981 and by 40% in 1982.

Such cutbacks would have a direct effect on Akron and other cities in the Northeast and Midwest because of the cold winters, high energy costs, and the preponderance of older, energy-inefficient housing stock.

The weatherization program is scheduled to complete work on 750 homes in the Akron area next year, if the program is continued.

President Reagan also proposes eliminating all loan and loan guarantee authority authorized to support production of energy from municipal wastes. This would end the only means in sight for insuring the financial viability of the City of Akron's Recycle Energy System and the continued market for steam from this plant which requires a $12 million price support loan to guarantee financing for the plant.

HEALTH

Medicaid

This is a joint Federal-state program which pays doctor, hospital, nursing home and other health costs of the poor. Within broad Federal guidelines, states set rules for eligibility and payment rates. Eligible persons are entitled to have their bills paid, whatever the total cost. Under current law, the Federal government pays an average of 55% of a state's medicaid cost, while the state makes up the remainder.

President Reagan proposes capping the Federal contribution to medicaid, allowing it to increase only 5% in 1982 when medicaid costs are expected to increase more than 15%.

Currently, 35,246 Summit County residents are receiving medicaid, as are 4,245 Portage County residents.

In 1980, the total Summit County expenditure was $34.8 million. Portage County spent about $10 million. Over $24 million of the two counties' expenditures was contributed by the Federal government.

If medicaid costs rise as predicted, under the Reagan proposal the state would have to make up the portion of the Federal share being cut, or cut administrative costs, or change the eligibility requirements to allow fewer people to receive these benefits. Presently, states must serve the categorically needy (those on AFDC or Supplemental Security Income) and may choose to serve the medically needy (those who are not poor but who still cannot afford medical care). With the block grant, states could terminate service for the medically needy. In addition, they could decide to insist that medicaid beneficiaries receive care from only certain lower-cost institutions, reduce the amount of reimbursement for care providers, or require that beneficiaries contribute to their medical care.

Health service programs

The Federal government currently administers 26 categorical grants for general health services and prevention programs, such as alcoholism prevention and treatment programs, maternal and child health care, hypertension clinics and rat control programs.

President Reagan proposes combining all health service programs into a health service block grant and a preventive health service block grant to the states. He also proposes cutting the overall funding for these programs by 25%. The general health services block grant would get $1.1 billion in 1982, and the preventive health services block grant would get $260 million.

By changing the current competitive grant program to a block grant program, the mechanism could be eliminated which gives local public health departments Federal assistance based on the merits of their proposals and past performance. Akron has obtained assistance through the categorical program in lead paint poisoning prevention ($128,000; Akron is one of only three Ohio cities receiving such assistance); hypertension clinics ($47,400); rodent control ($64,421; Akron is one of only six Ohio cities receiving such assistance); veneral disease clinics ($47,663, reduced by the state to $35,750); risk hazard education, a school program which is relatively new in Akron ($94,482); and prenatal clinic ($22,304).

Reducing funding by 25% could affect each of these programs. Changing the mechanism by which they are funded could lead to their elimination.

Health care cost-containment regulations

Currently, there are two Federal programs which support state and local health planning agencies and professional standards review organizations (PSRO's), which aim to reduce health care costs by reviewing hospital stays under the Medicare/Medicaid programs, and by reviewing need for procurements and construction proposed by hospitals.

President Reagan proposed phasing out the health planning programs and terminating the PSRO's.

The Region 6 Health Service Agency, which serves Summit and Portage Counties, received for FY 1981 a grant of $447,460 (a reduction of $50,000 from the previous year). The Health Service Agency (serving the same area) received $347,000 in Federal assistance. Both programs would be terminated within two years under the Reagan proposal.

It is possible, of course, that local industry in Portage and Summit Counties will be interested in funding these programs as a means of controlling costs of employee health and hospitalization programs.

Health training subsidies

Currently, the Federal government targets subsidies for schools to train more doctors, dentists and other health professionals.

President Reagan proposes reducing the 1982 budget by $133 million, leaving it at less than half the 1981 appropriation. He proposes restricting the program to health professionals that are in short supply. Nursing is one such a profession.

There are 324 nursing students in the Akron area now receiving loans and scholarships under this program. Despite the intent to refocus funds toward nurse training, it is predicted that the nurse training programs at both Kent State University and the University of Akron may experience a reduction in money available to their enrolled students. Both schools would lose their capitation grants (aid to the institutions based on enrollment) since this program would be completely eliminated under the Reagan budget proposal. All FY 1981 money would be rescinded. In addition, since nursing students in these schools rely on the loan and scholarship program it is estimated that 50% of the students will have to reevaluate their financial position if funding is cut.

JOBS

Unemployment insurance—extended benefits

This program provides an additional 13 weeks of unemployment insurance to unemployed workers (in addition to the regular 26 weeks) when the national insured unemployment rate goes above 4.5%. But a state can start disbursing extended benefits earlier if the state's own insured unemployment rate is at least 4% and at least 20% higher than for the comparable period in the two prior years.

President Reagan proposes eliminating the national rate which automatically "triggers" these extended benefits, and he proposes requiring a higher level of unemployment in individual states before extended benefits are paid. State "trigger" rates would be increased to 5% insured unemployment (and 120% of the rate in the comparable period of the prior two years) or, at state option, to 6% (without regard to prior years).

As of February 28, 1981, 2,108 Summit County residents were receiving extended benefits, as were 1,023 Portage County residents. It has been estimated that these benefits for over 650 rubber workers have already run out.

Since Ohio's unemployment rate has been higher in recent years than the national unemployment rate, Ohio would not be affected by the proposal to eliminate the national "trigger." However, the change in the state "trigger" could affect Ohio. On February 2, 1980, Ohio triggered into the extended benefit program when the state insured unemployment rate reached 4.16%. If the state trigger rate had been 6%. If the state trigger rate had been 6% (as is now proposed) extended benefits would not have been available until July 5, 1980, at which time insured unemployment in Ohio hit 6.08%. Thus if the Reagan proposal had been in effect in 1980, there would have been a five month delay in extended benefits.

Currently, the insured unemployment rate in Ohio is 6.16% so Ohio would not be immediately affected if the Reagan proposal is enacted.

Trade adjustment assistance

This program provides benefits to workers who lose their jobs because of significant increases in imports to the U.S. It supplements unemployment insurance.

President Reagan proposes limiting the benefits so that they would be no higher than unemployment insurance payments. He also proposes delaying the payment of the benefits until unemployment benefits have run out.

From April 1975 through December 1980, over 107,000 Ohio workers received TAA. This number was second only to Michigan.

Locally, as a result of the recent closures of Seiberling Tire and other rubber and auto plants in the vicinity, 640 Akron area residents are currently eligible to receive these benefits. Certification for the benefits is still pending for almost 1,000 other applicants. And TAA benefits have already run out for hundreds of other tire and auto workers.

Public service jobs

In 1974, Congress provided money under the Comprehensivce Employment and Training Act (CETA) to local governments and nonprofit organizations to generate jobs for unemployed workers.

President Reagan proposes hiring no new CETA workers and eliminating all the positions in FY 1982.

The program provides job experience for long-term unemployed workers who cannot find jobs elsewhere in the local economy. As of February, 1981 the Akron area Employment and Training Consortium employed 443 workers, and Portage County CETA employed 125 workers, all of whom would lose their jobs. Statewide, 14,700 CETA workers were employed in 1980.

Cuts in the CETA budget would also eliminate $50 million for a nationwide worker retraining project to be demonstrated at 10 sites. This will probably rule out chances for the success of the Summit County Council of Governments' proposal to retain laid-off workers and assist them in job placement.

Because the elimination of CETA public service jobs will increase the number of people on unemployment and welfare, the Congressional Budget Office has estimated that 15% to 25% of the projected savings from the Reagan proposal would show up as spending increase in the income transfer portion of the budget.

Young Adult Conservation Corps

This youth training program hires young people to work on public lands.

President Reagan proposes phasing out this program by the end of 1982.

In the Cuyahoga Valley National Recreation Area, 45 young people are employed in the YACC project. In addition to providing job training for the youths, the program has insured that many development projects such as trail maintenance have been completed, and at a lower cost than if the Park Service had to fund the projects itself.

Retired Federal workers

Currently, the pensions of retired civil servants are automatically adjusted twice a year to make up for the impact of inflation.

President Reagan proposes limiting these adjustments to one a year on the basis that virtually every other group receiving Federal benefits now gets only one such cost of living adjustment a year.

The National Association of Retired Federal Employees states that there are 2,500 retired Federal employees in the 14th Congressional District.

EDUCATION

Elementary and secondary education

Currently, there are more than 50 Federal categorical grant programs which aid various state and local education programs such as education for the handicapped, tutoring, career education, school improvement, library services, basic skills improvement, magnet schools, and Indian and refugee education, to name a few.

President Reagan proposes combining most of these separate programs into two block grants (one for the school districts and the other for the states) and cutting back this year's funding for the programs by 25%. Five percent annual increases would be allowed 1982-1986.

Programs that could be merged into the block grant program include:

In Akron this year, 34 elementary buildings and 8 parochial received $2.7 million in Title I Federal funds targeted to low-income neighborhood schools. This program, which includes kindergarten improvement, remedial reading and math, high intensity reading centers and parent advisory training, serves 3,202 public, 185 parochial and 108 children from institutions who are the most educationally disadvantaged in the Akron Public Schools. A 20-25% cutback could drop as many as 14 schools from service, cut reading in half, eliminate the math program, or reduce the supporting staff.

In fiscal year 1981, Akron Public Schools received $557,000 in Federal funds for special education. 90% of the funds are spent on personnel who are specialists serving in programs such as-hearing and vision impair ment, language disability, severe muscular handicaps and tutoring, among others. A 25% cut could result in the elimination of at least 20 of the specialists.

In 1981, $158,000 was received from the Federal government for purchase of library materials, books and audio visual equipment. A deep cut in this program could prevent the Akron District from meeting the existing state standards for elementary school libraries.

Federal funds of $362,343 were received for the Follow Through program, which helps Head Start participants preserve the gains made in the pre-school program. A cut could eliminate necessary staff and classroom units. The Akron Follow Through program was selected, as a model program and thus received a $158,000 Federal grant for use in training others around the country in implementing Follow Through. A cut here would limit staff and training sessions.

Another $40,000 Federal grant has been used to offer technical assistance in 15 cities as an incentive to adopt the Akron District's Career Education Program. The In-School program which employs 330 youths during the school year received nearly $800,000 in Federal funds and the Summer Employment Program, which employed over 1,000 young people, received $846,000.

The Indian Affairs program received almost $70,000 in Federal funds to conduct remedial activities for American Indians in the Akron schools, and the Indochinese refugee program received $8,500 for the purpose of teaching 47 refugee children to speak English and participate in regular classrooms.

The Reagan Administration has said that it expects administrative savings to achieve the proposed 25% reduction. However, the Congressional Budget Office estimates that administrative costs consume only 2% of the entire Education Department budget. Some have estimated that the Reagan proposals could result in one million fewer students being served by education programs and the loss of 75,000 jobs nationwide.

Vocational education

The Federal vocational education programs provide funds under formulas to states to supplement local support for vocational training.

President Reagan proposes reducing the Federal program by 25% in 1981, and by 20% in 1982.

In 1980, there were 54,614 people involved in vocational training in Summit County. The total amount of funds for vocational education in Summit County was $15.5 million. The Federal Government's share of that equalled $1.4 million, while $7.5 million came from the state and $6.8 million was contributed locally. To cite two specific 1980 programs—for programs for the handicapped, the Federal funds equalled $32,359 and the local funds equalled $5,674, and for programs for the disadvantaged, the Federal share was $535,000, the state share was $1.5 million and the local share was $1.2 million. A significant loss of funds for the Summit County program could have an impact of the provision of any number of programs, on equipment purchase, on staff levels or on curriculum development.

Social security—student benefits

Students between the ages of 18 and 21 whose parents are dead, retired or disabled are entitled to social security benefits, regardless of need.

President Reagan proposes to terminate the program for new students and to reduce the benefits of students already in school by 25%.

Akron area students who now receive this benefit will be affected, as will institutions like Akron University and Kent State University where students with marginal finances may leave or fail to enroll.

In December, 1979 (the most recent data available), 1,901 students with Summit County mailing addresses received the monthly student benefits. The total of these benefits for that month was $415,905 so the average benefit was $218.78.

Also in December, 1979, students with Portage County mailing addresses received student benefits, totalling $86,768, for an average benefit of $216.40. It has been estimated that about one-tenth of KSU's enrollment, or around 2,000 students, is receiving these benefits.

Student loans and grants

Guaranteed Student Loans (GSL) allow graduate and undergraduate students and their parents to borrow from private lenders at lower interest rates regardless of family income level. Basic Education Opportunity Grants (Pell Grants) are grants based on a student's financial need.

President Reagan proposes limiting GSL to students in lower-income families who can demonstrate real need. Under this proposal the government would no longer subsidize the interest on loans to parents or pay interest while the student is in school. President Reagan also proposes requiring families of Pell Grant recipients to pay a greater share of college costs before becoming eligible for the grant, and requiring an annual $750 contribution from the student, except for those in extreme need. The maximum award would also be decreased to $1,750 from the $2,100 level authorized for 1982.

Out of a total enrollment of 24,000, the University of Akron has 3,000 students receiving GSL and 4,000 receiving Pell Grants. Out of a total enrollment of 23,000, Kent State University has 3,576 students receiving GSL and 5,000 receiving Pell Grants. The value of these grants and loans is more than $22 million.

On a nationwide basis, the American Council on Education estimates that 500,000 to 1 million students will be forced to drop out of school, change their plans or transfer to lower-priced institutions in the academic years 1981-82 and 1982-83 if the Reagan proposals are enacted unchanged. This is 5% to 9% of the country's student population. If this percentage is applicable to the Akron area, Akron University and KSU could both lose thousands of students. Akron university officials predict that if adequate funding is not provided for the Pell Grant, the University of Akron could lose as much as $1 million in financial support.

SOCIAL SECURITY

Minimum benefits

Regardless of the amount of social security benefits a retiree is eligible for, based on his or here earnings history, there is a minimum payment of $122 a month for everyone receiving social security.

President Reagan proposes abolishing the minimum benefit.

Information is not available as to the number of people in the Akron area who are receiving the minimum benefit. However, the Reagan administration states that of the 2.9 million recipients of minimum benefits, 74% receive additional retirement income. This means that 750,000 beneficiaries rely solely upon the minimum benefit for retirement income.

Disability insurance

These social security benefits replace lost earnings for disabled workers and their families.

President Reagan proposes capping these benefits so that they do not exceed a worker's previous after-tax income.

According to the most recent figures available for each county, in Summit County, there were 6,447 individuals who received disability benefits in June, 1980, and in Portage County, there were 1,115 disability benefits recipients in December, 1979. The total Summit County payment for June, 1980 was $2,582,390, making the average payment for that month $401 per recipient.

HOUSING

Subsidized housing

The Department of Housing and Urban Development provides housing aid for low-income families and senior citizens through (1) the public housing program (run by local housing authorities) and (2) the Section 8 rental assistance program under which HUD makes up the difference between the cost of adequate rental housing and 25% of a renter's income.

President Reagan proposes cutting the number of additional subsidized housing units planned for 1982 by 13% and increasing the Section 8 tenant rent contributions gradually to 30% of the tenant's income.

The Akron Metropolitan Housing Authority estimates it has a backlog of 4,000 elderly and 9,000 family housing assistance applications. These could be more difficult to fill if the funds are cut back and thus the number of new assisted units is decreased.

Public housing modernization

This program assists local housing authorities to update older housing, making it more energy efficient and less costly to operate.

President Reagan proposes delaying $300 million in funds earmarked for 1981 until 1982, and then reducing funds for 1982 and future years by 40%.

Arron Metropolitan Housing Authority has received $3 million in these funds in the last two years, but has only addressed problems at two projects. AMHA estimates an outstanding need for funds of about $18 million that cannot be met by rental payments alone.

Rehabilitation loans

The Department of Housing and Urban Development Section 312 program provides low interest loans for the rehabilitation of multiunit rental housing.

President Reagan proposes abolishing the program immediately.

Akron receives over $1 million annually under the Section 312 program. This amount of rehabilitation is in addition to large amounts of rehabilitation aid to homeowners by the City under its Community Development Block Grant targeted code enforcement program.

ENVIRONMENT

Parks and outdoor recreation

The Department of Interior currently provides funds for National Park Service land acquisition, operations and development; matching grants for state and local park acquisition and development, urban parks rehabilitation, and state and local historic preservation programs.

President Reagan proposes holding off on any further Federal park land acquisition and simply terminating all assistance to state and local governments.

It is estimated that the acquisition of land for the Cuyahoga Valley National Recreation Area is about 65% complete. The Reagan proposal would halt the current effort to buy the remaining land and easements. While this will not destroy the national park system it will leave new national parks like Cuyahoga incomplete and unable to fulfill the purposes of which they were created, with no assurance that they will ever be completed.

Akron and other communities in the area have relied on Federal matching funds for acquisition and development of local parks. Akron received $300,000 in 1981 to help acquire land for the Cascade Valley Park. Tallmadge, Cuyahoga Falls, and Kent have all received similar grants in the past. The city of Akron has received about $200,000 in both 1980 and 1981 in Urban Park funds to rehabilitate inner city recreation sites. Akron is the only city in the area eligible for Urban Park funds.

TRANSPORTATION

Mass transit

The Department of Transportation provides capital grants for the construction of mass transit facilities and the purchase of equipment as well as operating assistance to help hold down local fares.

President Reagan proposes reducing funds by $31 million this year and by $270 million in 1982.

Akron Metropolitan Regional Transit Authority receives $5.5 million annually from the Federal government for capital improvements and operations. Akron Metro has already hiked fares from 35¢ to 50¢ over the past two years and has made service cut backs to make up for other budget cuts. About 35% of Metro's operations are Federally financed. In addition, the City of Akron and Metro received $1 million this year to initiate the downtown transit mall and skyway project which calls for an additional $10 million Federal investment. If the Reagan cuts are approved, the prospect of receiving the $10 million will be dim.

Highways

Funds administered by the U.S. Department of Transportation go to projects oriented toward state and local highway needs through the Federal Aid Urban and Federal Aid Secondary programs. Major roads, including the interstate highways, are funded through the Federal Aid Primary program.

President Reagan proposes reducing the Federal Aid Urban and Secondary programs in 1982 and 1983, and eliminating them in 1984. The primary Road program would be continued at about the present level and the Bridge Replacement and Rehabilitation program would be increased.

Because the City of Akron drew a large amount of Bridge Replacement funds for the Y-Bridge Project, the state has not allowed the city to apply for any more Bridge funds at this time. The city estimates that about 80 bridges within the city need rehabilitation work and it intended to meet these needs with Federal Aid-Urban funds. The proposed shut-down of the Federal Aid-Urban program combined with the reluctance of the state to allow Akron access to the Bridge funds may produce serious problems. County officials feel the shutdown of the Federal Aid Secondary program may have a negative effect on highway projects in the County.

Airports

The Federal Aviation Administration administers airport construction grants to individual airports across the country.

President Reagan proposes cutting the annual construction grants program by a third in the next five years for an estimated total savings of $1.8 billion. He also proposes to increase the aviation fuel tax by 12¢ a gallon and the passenger ticket tax from the current 5% to 6.5%.

In September, 1980, the Akron-Canton Regional Airport received $3.5 million for the Stage 1 construction of a runway extension, but there are three more stages of work which remain to be funded from additional grants under the Airport Development Program.

The fuel tax, paid by non-commercial aviation, would affect a majority of those who use Akron-Canton Airport's facilities. The ticket tax increase would increase the cost of an airline ticket to consumers.

MILITARY SPENDING

The Department of Defense is the only department to receive an increase in its budget under the Reagan economic plan.

President Reagan has asked Congress for an additional $5.8 billion in FY 1981 for the nation's military forces. Under his proposal, 1981 defense budget authority is estimated at $180.7 billion and 1982 budget authority at $226.3 billion, representing a one-year increase of 25%. The projected combined increase in the budget authority for the next five years (1981-1985) is more than $238 billion—which is $58 billion more than the entire defense budget authority for 1981.

Although large increases in the Defense Department budget will not represent an absolute loss to states in the Northeast-Midwest region, recent historical data indicates strongly that a much higher proportion of DOD budget increases will go to economies in the South and West than the economies of the Northeast and Midwest. At present 80% of all defense Department employees in the U.S. are located in the South and West, as are 75% of all DOD principal installations. Studies done by the Employment Research Associates in Lansing, Michigan concluded that 26 states with a total of 60% of the population suffer a net job loss when government resources are shifted to defense spending. The biggest losers are Illinois, Michigan, Ohio, and Pennsylvania.

The Akron area in particular receives a disproportionately low number of prime defense contracts. In 1979, in the 14th Congressional District, Federal tax revenues equalled $258.6 million, but prime defense contracts amounted to only $112 million, and much of the actual work under such contracts was performed in other parts of the country.

TAXES

The President's tax cut proposal has two parts. The first is a proposal to cut business' taxes by increasing the amount they can deduct from taxable income to help pay for new machinery, vehicles and buildings. The second is a proposal to cut personal income tax rates by ten percent each year for three years.

The business tax cut will help almost all businesses to some degree by simplifying the procedures for claiming accelerated de-

preciation. Right now only those businesses which are large enough to afford the staff to compute accelerated depreciation can claim it. The president's proposal will give all businesses equal and easy access to this tax-saving measure. The Reagan proposal may also prove helpful to economically distressed cities and areas because it eliminates the depreciation rule that treats used assets less favorably than new ones. It also permits a rapid depreciation of assets purchased for research and development.

However, the President's proposal offers across-the-board accelerated depreciation for all firms, wherever located, and does not target these tax cuts to firms in distressed areas. To get the most benefits from the President's proposals, a business has to make large investments in machinery and be profitable. Our region's hard-hit auto and steel industries meet the first qualification, but at present they don't have much taxable income from which to deduct the additional benefits of accelerated depreciation. Because many of the industries in the northeast and midwest economies are not very profitable right now, many will not be able to take full advantage, if any, of the proposed new accelerated depreciation. The overall impact of this proposal could be to increase the profit disparity between the nation's ailing industrial heartland and the sunbelt. The proposal could also encourage industries to close older plants in the frost belt and build new ones in the sunbelt.

For individuals, the President proposes a significant reduction in Federal tax rates over the next three years. shown on the next page is a chart of the proposed reductions for selected income categories in 1981, when the cuts would begin to take effect, and in 1984, when the cuts would be fully phased in.

According to these figures, a family of four with an income of $25,000 in 1981 and deductions of 23% of that amount would have a tax liability of $2,901 under current law and only $2,748 under the President's proposal, a cut of 5.3% or $153. By 1984, a family of four would pay only $2,092 on a $25,000 income, a total cut from current law of $809, or 27.9%. It should be noted that this does not take into account the possibility of cost of living increases pushing the taxpayer into a higher tax bracket by 1984, resulting in lower tax reduction or possibly even a tax increase on an income with the same purchasing power.

The biggest winners under the Reagan plan are the ones with large amount of investment ("unearned") income, because the plan lowers the top tax rate on investment income from 70% to 50%. The current maximum 50% rate on earned income wouldn't change. But the proposed new tax schedule would increase the income level at which the 50% rate takes effect from $60,000 for couples and $41,500 for individuals to $215,400 and $108,300 in 1984.

	Earned income					
	Single person			Family of 4		
	$10,000	$25,000	$100,000	$10,000	$25,000	$100,000
1981						
Current tax (assuming 23 percent deductions)	1,177	4,364	31,792	374	2,901	27,873
Reagan proposals (assuming 23 percent deductions)	1,110	4,126	31,135	348	2,748	26,958
Annual tax cut	67	238	657	26	153	920
1984						
Current tax (assuming 23 percent deductions)	1,177	4,364	31,792	374	2,901	27,873
Reagan proposals (assuming 23 percent deductions)	312	3,136	25,818	265	2,092	21,009
Annual tax cut	365	1,228	5,974	109	809	6,869

MISCELLANEOUS

Legal Services Corporation (LSC)

This agency makes grants to 323 local programs to provide free legal assistance to poor people in civil matters throughout the country.

President Reagan recommends abolishing LSC for a savings of $312 million in 1982.

The Summit County Legal Aid Society receives 80% of its funding from LSC. It employs twelve attorneys in Akron; two in Portage County and one in Medina County. The great bulk of their work consists of cases concerning divorce and custody, evictions and public benefits. Legal Aid lawyers represent only individuals with incomes up to just above the poverty line. For example, no one from a family of four with an annual income of more than $9,313 (or $179 per week) can receive assistance from Legal Aid. In 1980, the Summit County office handled about 4,000 cases.

Veterans

The Federal government provides numerous benefits and services to the country's veterans, including medical care, readjustment services for Vietnam-era vets, and low-interest loans.

President Reagan proposes reducing the staff of the Veterans Administration's Department of Medicine and Surgery by 5,000 and curbing bonus pay for VA physicians and dentists. He proposes cancelling or delaying some VA hospital construction. He also proposes eliminating certain readjustment benefits for needy and educationally disadvantaged Vietnam-era veterans, and raising the interest rate (now 5%) on loans to veterans secured with their life insurance policies.

President Reagan also proposes to discontinue 91 readjustment outreach centers for Vietnam-era veterans. The Akron Veterans' Outreach Center, which employs four full-time staff and four work-study staff, saw an estimated 900 veterans between April 1980 and March 1981, averaging 65 veterans a month. The Center handles such matters as VA claims and jobs counseling. However, the main focus of the Center's program is dealing with post traumatic stress (also known as delayed stress syndrome), exhibited by many veterans of the Vietnam era. The Center received $98,000 in Federal funds in 1980 and $131,000 in 1981.

Postal Service

The U.S. Postal Service is an independent agency overseen by a Board of Governors appointed by the President and assisted by a Federal payment, which declines 10% a year.

President Reagan proposes speeding up the decline in Federal support payments, which means a cut of $632 million in 1982. One subsidy which is to be reduced makes up for income lost through discounts to large second- and third-class mail users like newspapers and magazines.

The proposed cutback could trigger either a rise in Postal rates or a reduction is service. The Postmaster General has said that despite the cut, Saturday mail delivery will be maintained. If Saturday mail service is lost, a national Postal Workers Union official says that could mean up to 25,000 fewer jobs.

In Akron, it has been estimated that the cuts could result in the loss of 70 to 100 postal jobs and the reduction of hours for career part-time help.

National Endowments for the Arts and Humanities

The Endowments provide grants to encourage the development of programs in music, theater, dance and art, and for literature and other areas of the humanities.

President Reagan proposes cutting the budget of the Endowments by about 50%, but it has not yet been determined how those cuts will be distributed.

The Ohio ballet received $63,900 from NEA in fiscal year 1980 to help support six weeks of touring and to use for special projects. In fiscal year 1981 the company received $75,500 from NEA in direct and touring grants. The company has been told it may receive NEA funds for five weeks of touring during the 1981-82 season and cutback could affect that grant.

The Akron Art Institute received $30,000 from NEA in 1980 to aid in exhibition series. A cutback could reduce the number of exhibitions per year. Other Federal grants helped build the museum's new quarters.

The Akron Symphony received $16,000 from NEA in 1980 to help augment the string section and to provide for additional rehearsal time.

The E. J. Thomas Performing Arts Hall received $5,000 from NEA in 1980 to help pay for the appearance of the Atlanta Ballet. A cutback might affect the number of traveling programs that appear there.

"Dialogue", the Ohio Arts Journal published in Akron received $5,000 from NEA in 1980-81 to help pay for freelance writing, editing and some printing costs.

A request for approximately $280,000 in Federal funds for the purpose of assisting in the renovation of the Akron Civic Theater is now under consideration.

Public radio and television

The Corporation for Public Broadcasting provides assistance to 378 noncommercial radio and television stations around the country.

President Reagan proposes cutting the corporation's budget by 25% in 1982 and making deeper cuts in subsequent years.

WKSU-radio and television channels 25 (Cleveland), 45 and 49 now receive partial funds from CPD and could be affected by these cuts.

For 1981, local television channels 45 and 49 received $348,598 from CPB. This

amounted to 34% of the stations' total income. Three-fourths of the CPB funding goes toward programming, such as the acquisition of certain national programs or the production of local programs. However, it is not known how these proposed Federal cuts mights be achieved. It is possible that the stations will continue receiving funds and that the cuts will be absorbed at the national level. However, that could mean that the stations would lose some national programming to which they now subscribe.

Channel 49 also recently received a $600,000 grant from the National Telecommunications and Information Administration's facilities program, which the President also proposes to cut. This grant money will be spent to replace channel 49's twenty-nine year old tower and transmitter in Akron. The NTIA cut will not affect this grant. However, the television stations have applied for similar grants to replace old tape machines and those applications could be affected by the cut.

For 1981, WKSU-radio received $83,646 from CPB. Most of that money also goes into programming, thus a cut in funds could mean the loss of National Public Radio programs and part of the full-time professional staff.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HANSEN of Utah) to revise and extend their remarks and include extraneous material:)

Mr. TAUKE, for 5 minutes, today.

Mrs. SCHNEIDER, for 5 minutes, today.

(The following Members (at the request of Mr. MOTTL) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 30 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BONER of Tennessee, for 5 minutes, today.

Mr. HEFTEL, for 10 minutes, today.

Mr. DASCHLE, for 5 minutes, today.

Mr. BAILEY of Pennsylvania, for 60 minutes, on April 27.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SIEBERLING, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $3,000.

(The following Members (at the request of Mr. HANSEN of Utah) and to include extraneous matter:)

Mr. DANNEMEYER.

Mrs. HECKLER.

Mr. LEBOUTILLIER in two instances.

Mr. LUJAN.

Mr. BEREUTER in two instances.

Mr. MARTIN OF NEW YORK.

Mr. ARCHER.

Mr. MCCLORY in two instances.

Mr. PHILIP M. CRANE.

Mr. FINDLEY in two instances.

Mr. PARRIS.

Mr. RITTER.

Mr. DREIER.

Mr. FISH.

Mr. SOLOMON.

Mr. HYDE.

Mr. MICHEL.

(The following Members (at the request of Mr. MOTTL) and to include extraneous matter.)

Mr. DE LA GARZA in 10 instances.

Mr. GAYDOS.

Mr. MATTOX in 10 instances.

Mr. SCHEUER.

Mr. PEPPER.

Mr. STUDDS.

Mr. GEJDENSON.

Mr. FOGLIETTA.

Mr. LOWRY of Washington.

Mr. HARKIN.

Mr. GARCIA in two instances.

Mr. ECKART.

Mr. MOFFETT.

Mr. LELAND.

Mr. OBERSTAR.

Mr. RANGEL.

Mr. MAVROULES.

Ms. MIKULSKI.

Mr. CONYERS.

Mr. SOLARZ.

Mr. MINISH in three instances.

Mr. BARNES.

Mr. BOLAND.

Mr. VENTO.

Mr. HAMILTON in 10 instances.

Mr. OTTINGER.

Mr. OBEY in two instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. SWIFT.

Mr. RAHALL.

Mr. HEFTEL.

Mr. NOWAK.

Mr. DASCHLE in 10 instances.

Mr. FASCELL.

Mr. CHAPPELL.

Mr. PEYSER.

Mr. WEISS in two instances.

Mr. APPLEGATE.

Mr. EDGAR.

Mr. FRANK.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and under the rule, referred as follows:

S. 840. An act to continue in effect any authority provided under the Department of Justice Appropriations Authorization Act, fiscal year 1980, for a certain period; to the Committee on the Judiciary; and

S.J. Res. 20. Joint resolution to designate the month of April 1981 as "Gospel Music Month"; to the Committee on Post Office and Civil Service.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 182. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

ADJOURNMENT

Mr. EDGAR. Mr. Speaker, I move that House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Thursday, April 2, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

987. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in Docket No. 37522, *Florida East Coast Railway, Application of Joint Rates*, within the initially specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Energy and Commerce.

988. A letter from the Secretary of State, transmitting a report reviewing various aspects of the U.S. role in maintaining the security of the Republic of Korea, pursuant to section 668 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

989. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Korea (Transmittal No. 81-28), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

990. A letter from the Acting Inspector General, Department of Health and Human Services, transmitting the annual report of his office for calendar year 1980, pursuant to section 204(a) of Public Law 94-505; to the Committee on Government Operations.

991. A letter from the Acting Inspector General, Department of Energy, transmitting the annual report of his office for calendar year 1980, pursuant to section 208(c) of Public Law 95-91; to the Committee on Government Operations.

992. A letter from the Solicitor, U.S. Commission on Civil Rights, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

993. A letter from the Director, Office of Personnel Management, transmitting a report on the Office's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

994. A letter from the President and Chief Executive Officer, Federal Home Loan Mortgage Corporation, transmitting a reort on the Corporation's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

995. A letter from the President, Inter-American Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

996. A letter from the Acting Assistant Attorney General, Criminal Division, transmitting the annual report on activities and operations of the Public Integrity Section of the Department of Justice covering calendar year 1980, pursuant to 28 U.S.C. 529; to the Committee on the Judiciary.

997. A letter from the Director, National Science Foundation, transmitting a draft of proposed legislation to authorize appropriations for the National Science Foundation for fiscal years 1982 and 1983; to the Committee on Science and Technology.

998. A letter from the Acting Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting the third quarterly commodity and country allocation table showing the planned programing of food assistance under titles I and III of the Agricultural Trade Development and Assistance Act for fiscal year 1981, pursuant to section 408(b) of the act; jointly, to the Committees on Agriculture and Foreign Affairs.

999. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the third annual report on the financial condition and results of the operations of the Black Lung Disability Trust Fund, pursuant to section 3(c) of Public Law 95-227; jointly, to the Committees on Education and Labor and Ways and Means.

1000. A letter from the Acting Comptroller General of the United States, transmitting a report on individual skill training for Army enlisted personnel (FPCD-81-29, Mar. 31, 1981); jointly, to the Committees on Government Operations and Armed Services.

1001. A letter from the Acting Comptroller General of the United States, transmitting a summary of GAO reports and ongoing reviews of the Clean Air Act (CED-81-84, Apr. 1, 1981); jointly, to the Committees on Government Operations and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GAYDOS: Committee on House Administration. House Resolution 97. Resolution to authorize the reprinting of the report entitled "International Information Flow: Forging a New Framework" (Rept. No. 97-18). Referred to the House Calendar.

Mr. GAYDOS: Committee on House Administration. House Resolution 105. Resolution approving the printing of additional copies of the report accompanying the first concurrent resolution on the budget for fiscal year 1982 (Rept. No. 97-19). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 2945. A bill to establish certain price support loan levels and to provide other means of restitution to American farmers in the event of the suspension or restriction of commercial export sales of agricultural commodities; to the Committee on Agriculture.

H.R. 2946. A bill to amend the Internal Revenue Code of 1954 to broaden the tax incentives for cogeneration equipment; to the Committee on Ways and Means.

By Mr. BENJAMIN:

H.R. 2947. A bill to authorize the Secretary of Transportation to release restrictions on the use of certain property conveyed to the city of Gary, Ind., for airport purposes; to the Committee on Public Works and Transportation.

By Mr. BREAUX (for himself and Mr. FORSYTHE):

H.R. 2948. A bill to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal year 1982; to the Committee on Merchant Marine and Fisheries.

By Mr. HEFTEL (for himself, Mr. ARCHER, Mr. NOWAK, and Mr. DREIER):

H.R. 2949. A bill to amend the Internal Revenue Code of 1954 to allow certain small businesses to use the cash method of accounting without regard to inventory accounting requirements, to increase to $200,000 the amount of used property eligible for the investment tax credit, to allow nonrecognition of gain on sales of property where any equity interest in certain small businesses is acquired, to provide an income tax rate reduction for corporations, and for other purposes; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 2950. A bill to amend the Internal Revenue Code of 1954 to encourage investments and employment in economically depressed areas by providing tax credits for investments and employment in such areas and for other purposes; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 2951. A bill to provide for the conveyance of certain public lands under the jurisdiction of the Bureau of Land Management to citizens of the United States who establish a residence on such lands; to the Committee on Interior and Insular Affairs.

H.R. 2952. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DASCHLE:

H.R. 2953. A bill to authorize the Administrator of Veterans' Affairs to provide medical care to certain veterans who served in the Republic of Vietnam during the Vietnam era, to extend by 2 years the period during which Vietnam-era veterans may initially request psychological readjustment counseling, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. de la GARZA:

H.R. 2954. A bill to provide general assistance and special impact aid to local educational agencies for the provision of educational services to alien children to whom State or local educational agencies provide educational services; to the Committee on Education and Labor.

By Mr. GLICKMAN:

H.R. 2955. A bill to repeal certain special reduced postal rates authorized for political committees; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.R. 2956. A bill to amend title 10, United States Code, to provide for an exclusive remedy against the United States in suits based upon medical malpractice on the part of the medical personnel of the U.S. Soldiers' and Airmen's Homes; to the Committee on Armed Services.

By Mr. HOWARD (for himself, Mr. CLAUSEN, Mr. ROE, and Mr. HAMMERSCHMIDT):

H.R. 2957. A bill to amend the Federal Water Pollution Control Act to delete the limitation on the use of public treatment works grants for treating, storing, or conveying the flow of industrial users into treatment works; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself and Mr. CLAUSEN):

H.R. 2958. A bill to amend the Disaster Relief Act of 1974, as amended, to authorize the appropriation of additional sums to carry out the act, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 2959. A bill to require recovery of certain expenditures of the U.S. Army Corps of Engineers for operation, maintenance, and construction of deep draft channels and ocean and Great Lakes ports of the United States and to authorize such construction in specified circumstances; to the Committee on Public Works and Transportation.

H.R. 2960. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1982 and 1983, and for other purposes; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

H.R. 2961. A bill to amend the National Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983; jointly, to the Committees on Energy and Commerce and Public Works and Transportation.

H.R. 2962. A bill to provide for the recovery of capital and operation and maintenance costs assignable to commercial waterway transportation for certain U.S. Army Corps of Engineers inland waterway projects; jointly, to the Committees on Public Works and Transportation and Ways and Means.

By Mr. MAVROULES:

H.R. 2963. A bill to provide additional assistance to small business concerns in acquiring procurement information and contracts from the United States; to the Committee on Small Business.

By Mr. MOTTL:

H.R. 2964. A bill to amend the Communications Act of 1934 to require the Federal Communications Commission to collect certain financial information from commercial broadcast station licensees and to make such information available for public inspection; to the Committee on Energy and Commerce.

By Mr. NOWAK:

H.R. 2965. A bill to amend the Public Works and Economic Development Act of 1965 to target the assistance provided to special economic development and adjust-

ment assistance, to amend the Small Business Investment Act of 1958 to authorize small business investment companies to provide additional credit for certain businesses located in distressed areas, to amend the Internal Revenue Code of 1954 to provide tax incentives for such businesses, and for other purposes; jointly, to the Committees on Public Works and Transportation, Banking, Finance and Urban Affairs, Education and Labor, Small Business, and Ways and Means.

By Mr. OTTINGER:

H.R. 2966. A bill to authorize the project for flood control in the Mamaroneck and Sheldrake River Basins, N.Y., and on the Byram River, Conn.; to the Committee on Public Works and Transportation.

H.R. 2967. A bill to provide for a study by the Secretary of the Army, acting through the Chief of Engineers, of criteria to be used in determining the Federal and non-Federal interests in flood protection, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PETRI:

H.R. 2968. A bill to amend the Internal Revenue Code of 1954 to encourage savings by allowing individuals to elect a credit against income tax for interest and dividends received, by increasing the maximum deduction for contributions to individual retirement plans, and by allowing the employees to deduct voluntary contributions to employer retirement plans, and to provide for the payment of bonus interest with respect to investments in individual retirement plans which have been held for more than 7 years; to the Committee on Ways and Means.

Mr. PRICE (for himself and Mr. DICKINSON):

H.R. 2969. A bill to authorize appropriations for the Department of Energy for national secruity programs for fiscal year 1982, and for other purposes; to the Committee on Armed Services.

H.R. 2970. A bill to authorize appropriations for fiscal year 1982 for the Armed Forces for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, for research, development, test, and evaluation, and for operation and maintenance, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, and for other purposes; to the Committee on Armed Services.

Mrs. SCHNEIDER:

H.R. 2971. A bill to establish a New England Regional Power Planning and Distribution Authority, and for other purposes; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

By Mr. SOLARZ:

H.R. 2972. A bill to restructure the State and local assistance programs designed to improve the quality of criminal justice, and for other purposes; to the Committee on the Judiciary.

H.R. 2973. A bill to amend the Internal Revenue Code of 1954 to provide that the medical expenses of handicapped individuals and individuals who have attained age 65 shall be deductible without regard to the requirement that only medical expenses in excess of certain percentages of adjusted gross income are deductible; to the Committee on Ways and Means.

By Mr. TAUKE:

H.R. 2974. A bill to amend title 39, United States Code, to provide that absentee ballots and certain other voting materials pertaining to absentee ballots may be mailed free of postage; to the Committee on Post Office and Civil Service.

By Mr. FINDLEY:

H.J. Res. 222. Joint resolution to amend the Constitution of the United States to provide for balanced budgets; to the Committee on the Judiciary.

By Mr. GAYDOS (for himself, Mr. ATKINSON, Mr. BAILEY of Pennsylvania, Mr. CLINGER, Mr. COUGHLIN, Mr. JAMES K. COYNE, Mr. WILLIAM J. COYNE, Mr. DOUGHERTY, Mr. EDGAR, Mr. ERTEL, Mr. FOGLIETTA, Mr. GOODLING, Mr. GRAY, Mr. LEDERER, Mr. MARKS, Mr. MCDADE, Mr. MURPHY, Mr. MURTHA, Mr. NELLIGAN, Mr. RITTER, Mr. SCHULZE, Mr. SHUSTER, Mr. WALGREN, Mr. WALKER, and Mr. YATRON):

H.J. Res. 223. Joint resolution to provide for the awarding of a special gold medal to Fred Waring; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RITTER:

H. Con. Res. 103. Concurrent resolution expressing the sense of the Congress that the Congress would regard Soviet military action against Poland as a serious breach of international peace, and that if the Union of Soviet Socialist Republics takes military action against Poland, the President of the United States should, in conjunction with the leaders of Japan, Australia, and our North Atlantic Treaty Organization allies, immediately discontinue all credit lines and severely curtail trade and economic relations with the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

31. The SPEAKER presented a memorial of the Legislature of the State of South Carolina, relative to continued funding of the Economic Development Administration; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ERTEL introduced a bill (H.R. 2975) for the relief of Yuk Lee Li, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1: Mr. JOHNSTON, Mr. WATKINS, Mr. MINETA, and Mr. PATTERSON.

H.R. 27: Mr. DAUB, Mr. HEFTEL, Mr. LANTOS, MR. RITTER, and Mr. WEBER of Minnesota.

H.R. 608: Mr. RUDD.

H.R. 645: Mr. EDWARDS OF OKLAHOMA.

H.R. 646: Mr. LEE.

H.R. 894: Mr. ROBERT W. DANIEL, JR.

H.R. 907: Mr. BEDELL, Mr. BINGHAM, Mr. MINETA, Mr. KASTENMEIER, Mr. FRANK, and Mr. FAZIO.

H.R. 1642: Mr. LEE AND Mr. WOLF.

H.R. 1657: Mr. KEMP.

H.R. 1765: Mr. BOWEN.

H.R. 1778: Mr. EDWARDS of Oklahoma and Mr. SMITH of Alabama.

H.R. 1817: Mr. ROBERTS of South Dakota and Mr. HYDE.

H.R. 2226: Mr. GORE, Mr. SCHEUER, Mrs. CHISHOLM, Mr. STOKES, Mr. FAUNTROY, Mr. MITCHELL of Maryland, Mr. CORRADA, Mr. MOTTEL, Mr. HERTEL, Mr. BIAGGI, and Mr. SIMON.

H.R. 2234: Mr. KOGOVSEK and Mr. DAUB.

H.R. 2235: Mr. KOGOVSEK and Mr. DAUB.

H.R. 2252: Mr. HEFTEL and Mr. BONER of Tennessee.

H.R. 2348: Mr. GARCIA.

H.R. 2543: Mr. RUDD, Mr. GOLDWATER, Mr. WHITEHURST, Mr. BUTLER, Mr. BEDELL, Mr. EDGAR, Mr. MOFFETT, Mr. ERLENBORN, Mr. AKAKA, Mr. FRANK, Mr. EVANS of Iowa, Mr. BROWN of Ohio, Mr. SOLOMON, Mr. LOTT, Mr. NEAL, Mr. COLLINS of Texas, Mr. HAMILTON, Mr. TAUKE, Mr. BAFALIS, Mr. SENSENBRENNER, Mr. BETHUNE, Mr. FORSYTHE, Mr. BEARD, Mr. PASHAYAN, Mr. KOGOVSEK, Mr. FISH, Mr. DAUB, and Mr. GRAY.

H.R. 2580: Mr. PHILLIP BURTON, Mr. COLLINS of Texas, Mr. EMERSON, Mr. FISH, Mr. FORSYTHE, Mr. GLICKMAN, Mr. HEFTEL, Mr. MADIGAN, Ms. MIKULSKI, Mr. PATTERSON, Mr. PEASE, Mr. PORTER, Mr. WEISS, Mr. WINN, and Mr. BEDELL.

H.R. 2593: Mr. FINDLEY, Mr. SENSENBRENNER, Mr. BEDELL, Mr. HUCKABY, and Mr. FISH.

H.R. 2794: Mr. KOGOVSEK and Mr. DAUB.

H.J. Res. 202: Mr. HIGHTOWER, Mrs. HOLT, and Mr. MOLINARI.

H. Con. Res. 76: Mr. DONNELLY, Mr. DINGELL, Mr. BEILENSON, Mr. LAGOMARSINO, Mr. JOHNSTON, Mr. RUSSO, Mr. DUNCAN, Mr. BARNES, Mr. WEISS, Mr. LAFALCE, Mr. WHITEHURST, Mr. BROWN of Ohio, Mr. WINN, Mr. RAHALL, Mr. ROE, Mr. ANNUNZIO, Mr. SMITH of New Jersey, Mr. YOUNG of Alaska, Mrs. FENWICK, Mr. NEAL, Mr. LUNGREN, Mr. CONTE, Mr. STRATTON, Mr. LANTOS, Mr. GORE, Mrs. HOLT, Mr. GINN, Mr. SOLOMON, Mr. BADHAM, Mr. GUYER, Mr. ADDABBO, Mr. WILSON, Mr. FRENZEL, Mr. CORRADA, Mr. FORSYTHE, Mr. MADIGAN, Mr. OBERSTAR, Mr. GRAMM, Mr. BIAGGI, Mr. VENTO, Mr. DANIEL B. CRANE, Mr. LOWERY of California, Mr. SUNIA, Mr. WIRTH, Mr. TAUKE, Mr. FAZIO, AND Mr. MCDADE.

H. Res. 38: Mr. DOUGHERTY.

H. Res. 93: Mr. KOGOVSEK and Mr. DAUB.

PETITIONS, ETC.

Under clause 1 of rule XXII,

45. The SPEAKER presented a petition of the Council, Luther Place Memorial Church, Washington, D.C., relative to budget cuts, which was referred jointly, to the Committees on Education and Labor, Foreign Affairs and Veterans' Affairs.

SENATE—*Wednesday, April 1, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

"O God, our help in ages past,
Our hope for years to come,
Our shelter from the stormy blast,
And our eternal home!

"Before the hills in order stood,
Or earth received her frame,
From everlasting Thou art God,
To endless years the same."

—ISAAC WATTS.

Eternal Father, bound as we are by the temporal, we come to Thee in gratitude for Thy help through these past 2 days. We thank Thee for the excellent condition of the President. May his restoration be speedy and thorough. We are grateful for Mr. Brady's recovery and for the health of Mr. McCarthy and Mr. Delahanty.

As parents we identify with the pain Mr. and Mrs. Hinckley are suffering and we commend them to Thy loving and tender care. We pray for their son in his rebellion and confusion.

We thank Thee for the smooth, quiet, and efficient way Government has been managed in this crisis. In Thy sovereign grace guide the leadership of our Nation that Thy will may be done on Earth as it is in Heaven. We ask this in Thy name and for Thy glory. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT ON THE PRESIDENT'S CONDITION

Mr. BAKER. Mr. President, I am happy to report that when I checked with the White House this morning on the state of the President's health, the report was good. I was advised that the President this morning sat up, took breakfast, then walked around his room. He apparently continues to have most extraordinarily good recovery and is showing remarkable strength and vitality.

I know every Member of the Senate joins with me in our delight at the President's prompt recovery.

CONDITION OF MR. BRADY, MR. DELAHANTY, AND MR. McCARTHY

Mr. BAKER. Mr. President, I have not yet had an opportunity to check on the condition of Agent McCarthy or Officer Delahanty or Mr. Brady, the press secretary, but I shall report later in the day to the Senate on the condition of those three men as well.

THE BUDGET RESOLUTION SCHEDULE

Mr. BAKER. Mr. President, today is the day on which I hope we can dispose of all the remaining amendments to Senate Concurrent Resolution 9. It seems to me that we should be able to finish this measure today. I see the distinguished minority leader on the floor and I recall that, last evening before we went out, he and I compared notes on the number of amendments remaining. While there are quite a number—I believe 12 as I counted them on the minority side, and at least 1 on this side—that, together with the vote on passage, would be 14 votes.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. PRESSLER). The Senate will be in order.

Mr. BAKER. Mr. President, I apologize for that request, but I was about to propound a request to the distinguished minority leader. I invite the attention of all Members in that respect.

While the amendments that we know of or knew of last night, together with passage, would be 14 votes, I hope that we can work quickly and efficiently and dispose of all of those measures today, even if it requires us to stay in beyond the normal recess hour of 6 or 6:30 this evening. My inquiry to the minority leader is whether he can give us any further view of those prospects or the prospects of such result from the standpoint of amendments to be offered on his side of the aisle.

Mr. ROBERT C. BYRD. Mr. President, last evening, I indicated to the distinguished majority leader certain amendments about which I was informed on this side of the aisle. There may be others, but I did not know. If there are, and I think there may be, I doubt that there will be many or I would know about them. I should think that it might be well to continue to hope that the Senate will finish action on the measure today, but I imagine that if all those amendments are called up, depending upon how much time is taken on each of them, together with the rollcall votes, it would put us pretty far into the evening to finish today.

I said on the day before yesterday that I felt pretty sure we would finish today, but I hesitate to say now that we will finish today, knowing of the number of amendments that yet remain, but I think that is a possibility.

Certainly, if the goal is not achievable that the distinguished majority leader seeks insofar as today is concerned, I should certainly feel, with great assurance, that action would be completed at a reasonably early hour tomorrow.

Mr. BAKER. Mr. President, I thank the minority leader. I offer two suggestions, if I may, to the distinguished managers of the bill on this side and perhaps even a request to the managers on the other side. That is the observation that it is not constitutionally necessary that we have a rollcall vote on each and every amendment. Some of these amendments can be disposed of by a voice vote.

Mr. President, in view of the guarded optimism the minority leader expressed about our finishing today, I think it best to get a little into the day before we decide whether we shall stay late to finish or go tomorrow. It is my hope that we can finish today. Later in the day or shortly after lunch, I shall try to confer with the minority leader and perhaps have another announcement.

Mr. ROBERT C. BYRD. Mr. President. I should think we should have a better idea by then about just what to contemplate.

Mr. BAKER. I thank the minority leader.

Mr. President, I have no further need for my time under the standing order and no requests for time. I am prepared to yield it back or yield it to the minority leader if he desires time.

Mr. ROBERT C. BYRD. Mr. President, I would appreciate it if the majority leader would yield it to Senators on this side. I see the minority whip is here and has some use for some time.

Mr. BAKER. Mr. President, I yield the time remaining to me under the standing order to the distinguished minority leader so he may yield it to others on his side if he wishes.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President,

I thank the distinguished majority leader.

THE ADMINISTRATION CALLS FOR AUSTERITY IN THE DOMESTIC BUDGET, YET ASKS FOR $350 MILLION FOREIGN AID SLUSH FUND

Mr. ROBERT C. BYRD. Mr. President, since last Thursday, the Senate has been considering legislation to reconcile the Federal budget for fiscal years 1981, 1982, and 1983. During the course of the debate, the Democrats have attempted to restore modest amounts to deep cuts in programs, which most Americans strongly support—programs providing lunches for schoolchildren, social security for the old folks, and health care for veterans.

However, while the administration has called upon the American people to accept sacrifice as a means of balancing the Federal budget, it has asked the Congress to approve a $350 million contingency fund—a "slush fund"—to meet so-called emergency requirements for military assistance to countries friendly to the United States. We are told that the fund is necessary because the congressional authorization and appropriation process is so slow that it is difficult to meet legitimate security needs of friendly countries should an emergency occur.

The Congress is being asked to give the executive branch a $350 million blank check. Of this amount, $100 million would be in the form of grant military assistance and $250 million in foreign military sales credits—or loans. However, I must point out that Congress will not have any control over how these moneys will be spent. Congress will simply be notified when funds are expended for emergency purposes.

Yet, Congress has already given the executive branch sufficient authority to meet legitimate emergency requirements. This authority totals $300 million in assistance which can be made available when unforeseen circumstances arise.

Under section 506 of the Foreign Assistance Act, $50 million in authority is granted the President to draw down on defense articles from the Department of Defense, to provide defense services from the Department of Defense, or to provide military education and training. I repeat, under section 506 of the Foreign Assistance Act, the President can provide up to $50 million a year in weapons and services to friendly governments on an emergency basis.

Under section 614 of the Foreign Assistance Act, the President has available to him up to $250 million in transfer authority from the foreign military sales program to provide credits, make sales, or issue guarantees for military equipment provided a friendly government. No more than $50 million of the funds available under this provision can be allocated to any one country in any fiscal year, unless the country is the victim of active Communist or Communist-supported aggression.

Thus, at present, the President has discretionary authority to provide up to $300 million a year in weapons and services to friendly countries threatened by emergencies. Some $250 million is transfer authority from foreign military sales programs already approved by the Congress, and the amount available for transfer would depend upon the time of year in which such emergencies occur. However, I believe the Congress, in an effort to maintain proper control over these programs, has given the executive branch the necessary flexibility to meet unforeseen needs.

Therefore, I do not see any reason why the Congress should approve an additional $350 million for the executive branch to use as it sees fit. I, for one, am opposed to what would amount to a slush fund, with no congressional control and no strings attached.

I yield my remaining time to the Senator from California and he may yield time to other Senators if he wishes.

Mr. CRANSTON. I thank the distinguished minority leader very much.

THE LEGAL SERVICES CORPORATION

Mr. CRANSTON. Mr. President, I wish to share with my colleagues a statement I made this morning to the American Bar Association.

STATEMENT BY SENATOR CRANSTON

I am delighted to see you all here this morning and to know that the ABA is committing itself to fight for the continuation of the legal services program. It is of critical importance that the members of the ABA become actively involved in defending this program because members of the organized bars of this country, perhaps more than any other segment of society, understand its critical nature.

Our system of justice is based upon the peaceful, orderly resolution of disputes and conflicts. The assistance of counsel is essential to this system. The right to be heard is of little avail—even to an educated layman—without counsel.

The legal services program is based upon the very simple, fundamental premise that the poor—no less than the wealthy—are entitled to legal representation to redress grievances and defend their interests.

I use the term "entitled" purposefully. The notion has been advanced recently that citizens do not have any basic rights or entitlements to any government services, including legal services.

I disagree with that premise, particularly as it relates to legal services.

Budget Director David Stockman is absolutely wrong when he says there isn't "any basic right" to legal services and proposes their abolition.

In plain English he means a person doesn't have a right to a lawyer and he's wrong.

Every teenager who has gotten through his 11th grade history class knows that the right to representation by a lawyer is an essential part of American justice and the American sense of fair play.

Our society—our social compact—is based upon the concept that all citizens, no matter what their financial circumstances, are entitled to be protected by the law. This right to equal protection of law and access to the judicial system is a basic right arising from our system of justice. A fair and just government cannot countenance denying people the protection of the law because of poverty. The legal services corporation is an example of what a fair and just government can and must do to bring equal justice to its people.

This is not a radical program. The notion of encouraging ways of obtaining justice through our institutions of government—through our judicial system—is a concept believers in conservative government warmly embrace. Our entire society benefits when conflicts are resolved through the courts. The legal services program is essential to promoting that result.

The vigorous participation of the ABA in efforts to retain this program is essential. I look forward to working with each and every one of you on this important task ahead.

LAND AND WATER CONSERVATION FUND

Mr. CRANSTON. Mr. President, regarding the land and water conservation fund and the reconciliation resolution pending on the floor, I want to state very emphatically that I am very concerned about the reduction in the level of funding in this reconciliation resolution insofar as it affects the future of the land and water conservation fund and the country's park and recreation programs.

The Reagan administration has proposed and the Senate Budget Committee has endorsed phasing out the land and water conservation fund parkland acquisitions.

The land and water conservation fund was established in 1964 to increase outdoor recreation opportunities for the American people. The program provides for the acquisition of national parklands and for matching grants for State recreation efforts.

The LWCF has been a well-managed program—and an extremely popular program. In fact, Interior Secretary James Watt in his Senate confirmation hearings called the land and water conservation fund "one of the most effective preservation and conservation programs in America."

He was correct. Yet now, Secretary Watt proposes to abolish this "most effective preservation and conservation program." Mr. President, I would hate to believe that Mr. Watt was deliberately misleading Senators during his confirmation hearing, but it is difficult to believe that he might have changed his mind. Perhaps there is no contradiction here: Mr. Watt believes it is "one of the most effective preservation and conservation programs," and, therefore, Mr. Watt is against it.

Over the last 5 years, Congress has approved appropriations from the LWCF at a level of between $400 million and $800 million. This legislation however, assumes a rescission of the $250 million still unspent of the fiscal year 1981 appropriation and an appropriation of only $45 million in fiscal year 1982 merely to cover court awards and meet emergency land acquisition needs.

This is a very small amount of money, compared to the sums we are considering in the pending measure. After closing out court awards, there will be little—if any—funds available to take care of emergency situations.

There are authorized parks and recreation areas around the country—Santa Monica Mountains National Recreation Area in California, Chattahoochee River National Recreation Area in Georgia, Jean Lafitte National Historic Park in Louisiana, Monocacy in Virginia, Cuya-

hoga Valley National Recreation Area in Ohio, Valley Forge National Historic Park in Pennsylvania, Manassas National Battlefield in Virginia, Olympic National Park in Washington, New River Gorge National River in West Virginia, and the Appalachian National Scenic Trail from Maine to Georgia—which are under extreme pressure by private developers, subdividers, and others.

For some of these parks, it is now or never. The lands simply will not be available for park use next year. They will be subdivided and clearcut.

There are, of course, other approaches for preservation of these parklands as open space, but each alternative has its limitations. Zoning is not permanent. Purchase of easements is almost as costly as outright acquisition. And land exchanges are difficult to put together because it is hard to find suitable property which the private landowners desire. These alternatives cannot provide the degree and permanency of protection that Congress felt these parklands deserved when the Federal areas were established—let alone provide the immediate relief that is going to be needed in some cases this year.

As many Members of this body are aware, the authorization level for the land and water conservation fund is now $900 million annually. The fund is made up of Outer Continental Shelf mineral receipts, motorboat fuel taxes, and revenues from the sale of Federal surplus real property. There is currently $1.17 billion unappropriated from the LWCF account. Although the LWCF is not a trust fund and the moneys can be "borrowed" for the purpose of budget balancing, the moneys must always be available upon request for the park acquisition program and the moneys from the LWCF can only be appropriated for the Federal and State park acquisition program.

No one has a mandate to reverse our national park program. President Reagan has no such mandate. Secretary Watt certainly has no such mandate.

The people of our Nation may have voted last November to cut back Federal spending in order to eliminate fraud and waste, to curb the Federal bureaucracy, or to try to put a cap on inflation. But parkland acquisition falls in none of these categories. It is not inflationary. Our parks have not been guilty of fraud and waste. And the park ranger hardly fits the public stereotype of a bungling bureaucrat.

In proposing to halt park acquisition, the administration is marching to a far different drumbeat than the staccato of budget discipline.

This proposal to halt park growth comes not from the mainstream of diverse American political views, but from an anti-Government bias so primitive that I still have difficulty believing Secretary Watt is serious about it. Even the developers of our national resources—the oil, timber, and mining interests—are selective in their opposition to park development.

But Secretary Watt's proposed garroting of park growth lacks even the sophistication of the exploiters. It is more than capricious and irresponsible; it is environmental anarchy.

Our national park system is a treasure more precious than all the gold in our vaults—nothing may be more important to future generations than our trusteeship of these lands. I am not aware of any political consensus in our country that we should quit acquiring parkland. Our parks become less adequate each year as our population outraces park acquisition. And parks are in great demand; visiting a national park is a lifetime experience for millions of Americans.

I believe that with respect to the land and water conservation fund, this budget is shortsighted. By providing a modest amount of money we have the opportunity to save for future generations some of the most beautiful open spaces remaining in America. However, if we do not act now, there is no question that irreversible environmental damage will occur on some of these lands and we will lose forever the chance to preserve magnificent wildlands which Congress has already identified as being nationally significant.

ORDER OF PROCEDURE

Mr. PROXMIRE. Mr. President, will the Senator from California yield me time?

Mr. CRANSTON. I yield.

DR. O'LEARY'S REPORT ON THE PRESIDENT'S CONDITION

Mr. PROXMIRE. Mr. President, the night before last, Dr. Dennis O'Leary, head of clinical surgery at George Washington University, explained to the Nation on all three networks, simultaneously, between 7:30 and 8 o'clock, the problem that the President of the United States suffered because of the assassination attempt.

He explained the physiological problems and explained the state of the President's health. Frankly, I thought he did a really magnificent job.

It made me very proud to have been associated in any way with George Washington University Hospital. My association is very limited. My son was born there. Of course, I know many people who are at George Washington University Hospital. It was a great tribute to the hospital, and it was a remarkable tribute to the American medical profession that Dr. O'Leary could answer a whole series of questions from the press, very complicated questions, answer them simply and clearly so that any layman could understand them, and reassure the Nation that the President's health was sound and solid and that he was recovering.

Dr. O'Leary said that all times during the operation, the President's vital signs were solid as a rock. It was this kind of excellent, clear, responsible, and expert opinion which I believe reassured the country greatly and which would normally pass without notation, but I believe it deserves credit.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BAKER. Mr. President, I could not agree more with what the Senator has said.

I have never seen a better, more professional performance than that of Dr. O'Leary in Monday evening's live press conference. I commend the doctor for his clarity, as the Senator from Wisconsin has just done.

It is truly remarkable to find anyone who can speak with such poise, such directness, and such obvious accuracy and at the same time, by his tone, can reassure the country about the state of health of the President.

I do not know what Dr. O'Leary's plans are for the future, but there is probably going to be a race to find out if he is a Republican or a Democrat.

Mr. PROXMIRE. I thank the distinguished Senator from Tennessee.

My father was a doctor, my son-in-law is a doctor, my daughter is a physician's assistant, and I greatly admire the medical profession.

One of the problems of the medical profession is that, like the legal profession, they have difficulty making themselves understandable and clear. Dr. O'Leary did a great job.

Mr. BAKER. He did, indeed.

NIGHT AND FOG: VISIONS OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, later this month the U.S. Holocaust Memorial Council will sponsor Days of Remembrance of the Victims of the Holocaust. As part of this national observance, the American Film Institute here in Washington will present two films about this darkest period of civilized history. Alain Resnais' short film, "Night and Fog" is considered by many to be one of the greatest, as well as one of the few genuine, antiwar films ever made.

It looks at Nazi Germany's attempt to commit genocide against the Jewish people of Europe using such methods of extermination as outrageous medical experiments in which Jews were the subjects; the gas chamber where innocent victims were gassed to death; and the crematorium where the victims' bodies were burnt en masse.

Specifically, "Night and Fog" looks at one of the worst of the Nazi concentration camps, Auschwitz. According to the American Film Institute's Preview magazine, its technique is deceptively simple and brilliantly, disturbingly effective. It contrasts actual footage—in black and white—of the Nazi extermination camps in wartime with quiet, unblinking traveling shots—in color—of Auschwitz as it stands today, grassy and deserted.

"Night and Fog" effectively points out that no matter how physically deserted and serene Auschwitz may look today, the memories of the mental, emotional, and physical torment that took place within the confines of its barbed-wired perimeter remain. But whereas many atrocity documentaries lose their audience by showing too much, this brilliant movie is able to bring its terrible

message home in a manner that shows just enough and grips just right.

Mr. President, the sacredness of human life transcends national, ethnic, racial, and religious differences. The right to live is universal and any attempt to abridge this right should be dealt with accordingly. It is imperative that those of us who enjoy the blessings of living in freedom work together to insure that this right reigns worldwide.

The Genocide Convention, pending in this body for 30 years, condemns those groups who take the lives of entire peoples. By ratifying the Genocide Convention, as every President, including President Reagan, has asked us to do, the United States will clearly demonstrate that it will not tolerate a recurrence of an event such as the holocaust.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not beyond the hour of 10 a.m. and that Senators may be permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President I, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTORY REMARKS OF SENATOR JENNINGS RANDOLPH AT FIRST ANNUAL SENATOR ROBERT C. BYRD SCHOLARSHIP TESTIMONIAL DINNER

Mr. ROBERT C. BYRD. Mr. President, on March 28, I was honored at the First Annual Senator Robert C. Byrd Scholarship Testimonial Dinner, given by the March of Dimes Birth Defects Foundation, and the Greater West Virginia Chapter of the March of Dimes in Charleston, W. Va.

On that evening, my good friend and colleague, Senator JENNINGS RANDOLPH, honored me further with a beautiful introduction.

I ask unanimous consent that the introductory remarks given by Senator RANDOLPH on that occasion be inserted in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JENNINGS RANDOLPH, MARCH 28, 1981

It is a joy to join with all of you in honoring Senator Robert C. Byrd.

As one of the members of your "West Virginia Team" in the United States Senate, I share great comfort in the fact that Bob Byrd is the other team member.

While I labor to develop programs for the handicapped, I always have the support of Senator Byrd in assuring funding for the programs.

The results of this teamwork are evident in the many programs in our State which have benefitted the handicapped. A large portion of our success in Congress is made possible by all the assistance we receive from the March of Dimes and other volunteer organizations. Without the valued counsel and dedicated efforts of organizations such as yours, our efforts in the Senate would not be so measurable.

Certainly the implementation of the programs that are enacted would not be as effective were it not for concerned and caring people such as you. By keeping us informed on the needs of our handicapped West Virginians, you are helping the handicapped throughout the nation.

Our leader in the Senate has been described as having "a supreme sense of orderliness and a Victorian concept of duty." I can think of no higher accolade—and one more deserved—for any public servant.

He has brought new respect for the traditions of the United States Senate, while at the same time working forcefully to achieve a more efficient and productive operation. As majority leader, he set a tone and a pattern that continues.

Senator Byrd's career reflects his respect for order and orderly progression. He is a taskmaster and a tactician, a personification of the disciplined, self-made man. But, as you know, off the Senate floor he has been known to "fiddle around."

His Cinderella story in public service began humbly as an orphaned child in North Carolina, in a time of economic and social upheaval. But Bob Byrd had a big advantage—he was smart and willing to work—and he didn't realize he was disadvantaged.

Reared by a foster father in West Virginia's southern coal fields, Bob surprised the political establishment in 1946, when he upstaged a dozen other candidates to land a seat in the West Virginia Legislature.

His first venture into politics followed a succession of Depression-era jobs. He was a service station operator, a grocery store clerk, a butcher and a shipyard builder.

He retained his House of Delegates seat in 1948 and, two years later, was elected a State senator. In 1952, he staked his six-year record of public service in a political dogfight for a Congressional post from West Virginia's old Sixth District. During those six years, Bob drove thousands of miles over mountain roads to attend part-time classes in four colleges.

He was elected to the U.S. Senate in 1958, and continued his part-time educational goal. He took night courses at George Washington and American universities to earn a law degree. He was personally applauded for his efforts on graduation by the commencement speaker—the late President John F. Kennedy.

Bob Byrd's thirst for knowledge and his respect for education are constant. It is this quality of knowing before action, of reflection and preparation, that has gained him the reputation of never having lost an election in 35 years of public life.

These words of an old poem, whose author is unknown, perhaps best describe the character and persistance of the man we honor tonight:

"The world has room for the manly man,
With the spirit of manly cheer;
The world delights in the man who smiles,
When his eyes keep back the tear.
It loves the man who, when things are wrong,
Can take his place and stand;
With his face to the fight, and his eyes to the light,
And toil with a willing hand."

These qualities are reflected in abundance here tonight. Each of you, in his or her own field, plays an influence role in your state and community. But beyond your peer ranking and your material successes you carry in your hearts the care and compassion to help those in greatest need. You each have, in the poet's words, a desire to face the fight with your eyes to the light and—to insure a sound society based on goodness and humanity—"toil with a willing hand."

Ladies and gentlemen, it is both an honor and a privilege to present your distinguished honoree—and our friend—Senator Robert C. Byrd of West Virginia.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The PRESIDING OFFICER (Mr. MATTINGLY). The Senate will now resume consideration of the pending business, Senate Concurrent Resolution 9, which the clerk will report.

The assistant legislative clerk read as follows:

Concurrent resolution (S. Con. Res. 9) revising the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983.

The Senate resumed consideration of the concurrent resolution.

AMENDMENT NO. 20

The PRESIDING OFFICER. The pending business is on amendment No. 20, the amendment of the Senator from Connecticut (Mr. WEICKER).

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I rise to support Senator WEICKER's amendment to Senate Concurrent Resolution 9 to change the instructions to the Small Business Committee. This amendment would reduce the amount the Small Business Committee has been instructed to save by $150 million.

During my 2 years service on the Small Business Committee, I have become convinced that small business will and must play a key role in the revitalization of our economy. Members of the committee have heard what small business needs to become more successful and what the Federal Government can do to aid in that process, as well as what programs work and what programs need to be modified. When talking about small business, we are talking of the most efficient, innovative, growth oriented sector of our economy. Small businesses generate the majority of new jobs as well as accounting for 55 percent of all existing jobs in the private sector. All of this was pointed up during the White House Conference

on Small Business held last year and supported by many of the Members of this body.

The reconciliation resolution assumes the elimination of all SBA direct lending. This not only includes the direct business loan program, but direct lending programs for the handicapped, local development companies, and for firms involved in the energy field.

SBA is often the only source of capital for these entities because traditional lenders do not want to accept the risk involved in lending capital to a new or innovative company. Without SBA assistance, we may lose the chance to develop new energy technologies. Firms which employ the handicapped may fail.

The resolution also assumes a major increase in the interest rates charged to homeowners and businesses which have suffered a physical disaster.

The SBA administers a disaster loan program which provides financial assistance to homeowners and businesses in disaster areas. Since 1950, SBA has been the principal agency of the Federal Government that furnishes monetary aid when disaster strikes. Natural disasters are often of such magnitude that local financial institutions are unable to marshal the resources necessary for recovery. When a disaster strikes, we all should help—in other words, a Government role is appropriate.

The disaster program is one which no person wants to qualify for. It is not a giveaway program nor is it assistance for a special interest, a specific income group or a region of the country. Every single homeowner in the United States may find him or herself in a situation where a flood, hurricane, volcano, tornado, fire, or other calamity destroys part or all of his or her property and possessions. I would be happy if we never used the program but that is beyond our control. We must have such a program and it must be a good one.

Disasters occur throughout the United States. Over the last several years disaster declarations have been made in all of the 50 States. SBA's statistics show that through fiscal year 1979, 766,980 disaster loans have been made to homeowners and businesses in the United States. Many, many Americans utilize this program. Most of the loans are to homeowners with inadequate or no insurance. Between 1976 and 1980, 700 disaster declarations were made by either the President or the Administrator of the Small Business Administration. All Members of the Senate are familiar with the major disasters which occurred in the United States as well as those which happened in their own States.

When the disasters occur, the Federal Government is there with low-interest loans to help individuals and communities rebuild. If we do not accept this amendment that low-interest loan will presumably no longer be available and homeowners will find themselves burdened with huge monthly payments to the Federal Government to pay off their loans at 13 percent interest instead of the present 3 percent. There is no choice for homeowners who have suffered through a hurricane or flood or fire. They have to rebuild and we should make it as reasonable as possible. All our people are willing to help. Our people want to help. We hear about these disasters for a week or two in the media but the residents of the areas struck have to live with the devastations for months; the scars often remain for years. Let me give you an example of some of the disasters which have qualified for SBA disaster assistance.

SBA DISASTER ASSISTANCE

California, 1980, floods, 14,000 loans; Texas, 1980, floods, 25,000 loans; Louisiana, 1980, floods, 8,500 loans (2 separate disasters); Texas, 1979, tornado, 2,500 loans; California, 1978, floods, 18,000 loans; Mass., 1978 floods, 10,000 loans; Maine, 1978, floods, 1,500 loans; Illinois, 1978 storm, 1,662 loans; Minnesota, 1978, tornado, 1,500 loans; Alabama, 1979, hurricane, 6,000 loans; Nebraska, 1980, tornado, 600 loans; N. Dakota, 1979, floods, 582 loans; Washington, 1970, volcano, 1,100 loans and still counting.

I urge the Members of the Senate to accept Senator WEICKER's amendment. It will give the Small Business Committee the flexibility it needs to make good policy decisions on programs of importance to small businesses. Furthermore, it will enable the committee to consider the implications of major changes in the disaster loan program, changes which I believe should not take place.

Homeowners have relied on this low-interest assistance program in order to help get them back on their feet again. I believe Senator WEICKER's amendment will help do what the American people want us to do, which is to retain a critical form of assistance to those who are, perhaps, the most neediest of all people, those who have been wiped out in a disaster and find themselves with either no insurance or inadequate insurance.

Mr. WEICKER. Mr. President, the Senator from Michigan raises an important subject, one which has been addressed by the Small Business Committee and the Congress on numerous occasions. As I mentioned in my opening statement last night, it was just last July, after 2 years of negotiations, that the rates and terms for disaster loans were finally agreed to.

Both the President and the Budget Committee have proposed sweeping changes in the disaster loans but also would change the eligibility criteria and the amount of loss which could be covered by Government loans. Taking such sweeping action without the benefit of time to examine the effect on disaster victims is of concern to me.

If the Senator desires, I would be more than willing to schedule hearings in the Small Business Committee to examine the effect of these sweeping changes on homeowners and businesses.

Mr. LEVIN. Mr. President, I appreciate Senator WEICKER's concern about the disaster loan program. It is evident that he is well informed about the proposed changes in the program and I trust the issues we have raised today will be addressed in the Small Business Committee with all the options explored.

Mr. WEICKER. Mr. President, just for the next few minutes—and then I intend to allow the vote to proceed—I would just like to summarize the effects of this resolution. What is being done here is not much different, I suppose, from that which the Budget Committee seeks to accomplish through the budget process; that is, taking away the policy-making or the discretionary powers of the various authorizing committees.

The Small Business Committee gave a great deal of thought to the budget report that it presented to the Budget Committee on March 16. And, indeed, in the budget that was presented, there was a slight rise over that which was suggested by the President in certain areas which we deemed to be important and worthy of an increase. Instead, the Budget Committee has handed us a budget that is considerably below that of President Reagan.

Now, if these economically difficult times have impacted with harshness upon business as a whole, it has been especially harsh insofar as small business is concerned. One has only to read the newspapers to see business after business, small business after small business going belly up. And the reason for that, very simply, is either the inability to get capital or the cost of that capital.

The large business either has adequate capital or can pay the 20-, 21-, 22-percent interest. It certainly does not do much for the bottom profit line as far as those businesses are concerned, but they can get the money and can pay it. Not so with small business. It is a matter of life or death. And, in too many cases, death is coming rather swiftly and in rather large numbers these days when we are talking about small business.

What doubly concerns me is that it is the small businesses of this Nation that have for the past decade supplied about 90 percent of the new employment. About 90 percent of the innovation comes from small business. It is small business that is going to provide the competition which keeps prices down and quality high. And without that competition you are going to get a concentration of economic power in the hands of a few corporations in this country.

I have stood on this floor and very much opposed restricting competition by legislative fiat as has been suggested by some of my colleagues. But whereas I oppose legislative fiat, I want to do everything to encourage competition. And the economic policies of the previous administration and, indeed, in a different way, the economic policies of this administration, are further narrowing and restricting that competition.

A business cannot start up without capital. A business cannot expand or grow without capital. And so what you have is a series of forced mergers. It is one thing for a small business to sell out for estate reasons or as a matter of choice, insofar as the owners of that business are concerned, but to be forced, either in the sense of going out of business or being forced into a merger with a larger corporation because there is no capital or one cannot afford to pay for the capital, that is a different story.

And right here, what the Budget Committee has done is to take away that source of capital from those who need it the most. Not only are they small businesses but they are the greatest risks within the small business community. Forty-seven percent of the direct loans in 1980 went to minorities and to women. It is not easy for either of those categories to obtain capital, neither can they afford the cost of capital. Many other of these are direct loans to the handicapped and for urban economic development.

I do not disagree with the direction that the Budget Committee suggests in shifting over from direct to guaranteed loans. I have no problem with that. But to bring it about in one fell swoop creates enormous hardship. Now we are no longer talking about macro or microeconomics; we are talking about an individual going bankrupt. So what to us is a matter of policy becomes a personal tragedly to somebody else.

I might add, again in terms of the philosophy of this administration, we are not talking about public works jobs; we are talking about the creation of jobs through the private sector.

So for all these reasons I would hope that my colleagues in the Senate would stand with the President, which really is the middle ground between the figures suggested by the Small Business Committee, which are on the up side, and the figures suggested by the Budget Committee, which are on the down side. I would hope the Senate would stand with the Small Business Committee and the President and pass this amendment.

I am prepared to go ahead with the vote. Whenever Senator HOLLINGS or Senator DOMENICI are prepared to yield back the remainder of their time, I am prepared to do so. Let us get on with a vote on this matter, unless someone else is prepared to speak.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I will be glad to check on this side during a quorum call to see if anyone on this side wants to further debate this matter.

Mr. President, I suggest the absence of a quorum, with the time to be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

Mr. WEICKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Connecticut. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Jersey (Mr. WILLIAMS), are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), would vote "yea."

The PRESIDING OFFICER (Mrs. HAWKINS). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 28, nays 68, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—28

Baucus	Hatch	Moynihan
Bradley	Hayakawa	Nunn
Byrd, Robert C.	Heinz	Packwood
Cannon	Inouye	Riegle
Cohen	Kennedy	Sarbanes
Cranston	Leahy	Specter
Dodd	Levin	Tsongas
Ford	Mathias	Weicker
Glenn	Metzenbaum	
Hart	Mitchell	

NAYS—68

Abdnor	Eagleton	McClure
Andrews	East	Melcher
Armstrong	Exon	Murkowski
Baker	Garn	Nickles
Bentsen	Goldwater	Percy
Biden	Gorton	Pressler
Boren	Grassley	Proxmire
Boschwitz	Hatfield	Pryor
Bumpers	Hawkins	Quayle
Burdick	Heflin	Roth
Byrd, Harry F., Jr.	Helms	Rudman
	Hollings	Sasser
Chafee	Huddleston	Schmitt
Chiles	Humphrey	Simpson
Cochran	Jackson	Stafford
D'Amato	Jepsen	Stennis
Danforth	Johnston	Stevens
DeConcini	Kassebaum	Symms
Denton	Kasten	Thurmond
Dixon	Lavalt	Tower
Dole	Long	Wallop
Domenici	Lugar	Warner
Durenberger	Mattingly	Zorinsky

NOT VOTING—4

Matsunaga	Randolph	Williams
Pell		

So Mr. WEICKER's amendment (No. 20) was rejected.

UP AMENDMENT NO. 36

(Purpose: To provide for an across-the-board reduction in energy activities)

Mr. HART. Madam President, I send to the desk an amendment, on behalf of myself, the Senator from Montana (Mr. MELCHER), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Ohio (Mr. GLENN), and others, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART), for himself and others, proposes an unprinted amendment numbered 36.

Mr. HART. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "$12,445,000,000 and outlays by $2,387,000,000 in fiscal year 1981; to reduce budget authority by $52,825,000,000, and outlays by $36,958,000,000, in fiscal year 1982; and to reduce budget authority by $59,228,000,000, and outlays by $47,544,000,000".

On page 2, beginning with "$13,300,000,000" in line 24, strike out through "$1,800,000,000" in line 1 on page 3 and insert in lieu thereof the following: "$11,078,000,000 in budget authority and $1,534,000,000 in outlays for fiscal year 1981; by $3,213,000,000 in outlays for fiscal year 1982; and $1,650,000,000."

On page 4, beginning with "$645,000,000" in line 5, strike out through "$3,961,000,000" in line 10 and insert in lieu thereof the following: "$140,000,000 in budget authority and $2,997,000 in outlays for fiscal year 1981; "$3,243,000,000 in budget authority and $3,197,000,000 in outlays for fiscal year 1982; and $4,011,000,000 in budget authority and $3,958,000,000".

On page 6, beginning with "$2,071,000,000" in line 9 strike out through "$3,628,000,000" in line 13 and insert in lieu thereof the following: "$331,000,000 in budget authority and $89,000,000 in outlays for fiscal year 1981; $3,714,000,000 in budget authority and $3,358,000,000 in outlays for fiscal year 1982; and $3,660,000,000 in budget authority and $3,522,000,000."

The cosponsors of Mr. HART's amendment (UP No. 36) are: Mr. CRANSTON, Mr. MELCHER, Mr. BUMPERS, Mr. DECONCINI, Mr. KENNEDY, Mr. MATSUNAGA, Mr. BAUCUS, Mr. LEAHY, Mr. MITCHELL, Mr. WILLIAMS, Mr. BIDEN, Mr. GLENN, Mr. TSONGAS, Mr. FORD, Mr. MOYNIHAN, and Mr. HUDDLESTON.

Mr. HART. Madam President, with a wide variety of colleagues, I am offering this amendment, which addresses an issue crucial to the future of our Nation: reaching energy independence as soon as reasonably possible.

In setting its committee marks, the reconciliation resolution assumes enactment of the administration's proposed energy budget. This budget, in the opinion of many, could seriously jeopardize our economic and national security because it does very little to reduce our near-term vulnerability to disruptions in the supply of imported oil.

The energy budget adopted by the Senate Budget Committee would reduce the total amount of funds available for energy independence in the shortest period of time, and increases funds for programs with only a speculative chance of contributing to our energy security.

By contrast, our amendment proposes distributing the overall 15 percent equitably among each functional area within the energy budget—energy supply, research and development, energy conservation, and fossil energy programs. In addition, it restores fiscal year 1980 budget authority to sustain both the Solar Energy and Energy Conservation Bank and the alcohol fuels loan program at a subsistence level, so that those programs can continue to exist into the early 1980's.

I ask unanimous consent that a table indicating my assumed funding levels for each of these programs be included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF FUNDING ASSUMPTIONS UNDER PROPOSED AMENDMENT

	Current policy—Fiscal year 1981	
	BA	O
Energy supply R. & D.	2,807	2,803
Fossil energy	1,135	930
Energy conservation	800	705
Alcohol fuel		40
Solar/conservation bank		10
Total	4,742	4,488

	Fiscal year 1981			
	Reagan assumptions		Amendment assumptions	
	BA	O	BA	O
Energy supply R. & D.	2,666	2,752	2,358	2,643
Fossil energy	815	805	946	854
Energy conservation	546	689	700	700
Alcohol fuel	−1,245	25		40
Solar/conservation bank	−1,000	0		5
Total	1,782	4,271	4,004	4,237

	Reagan outlay assumptions		Amendment outlay assumptions	
	FY 82	FY 83	FY 82	FY 83
Energy supply R. & D.	−78	−12	−255	−31
Fossil energy	−158	−37	−97	−23
Energy conservation	−116	−74	−62	−28
Alcohol fuel	−60	−87	−51	−83
Solar/conservation	−50	−130	−10	−25
Total	−462	−340	−475	−190

Mr. HART. Mr. President, this amendment differs from other amendments offered during this debate in that it would retain the overall level of fiscal year 1981 spending on energy programs proposed in the administration's budget, but would change the marks of three committees: Energy, Agriculture, and Appropriations. At the same time, however, it would reverse the assumptions underlying the reconciliation instructions, putting the Senate on record in favor of a balanced and diverse energy program that includes a wide range of energy technologies.

Finally, by more equitably distributing the proposed funding reduction, the amendment would give the relevant committees of jurisdiction added flexibility in the determination of the appropriate level of funding for specific energy programs.

This amendment is more concerned with a principle than with a specific set of numbers. This is the principle, as I have indicated, of a balanced energy program. Over the past decade and under three administrations, Congress has fashioned a balanced energy program, based on a range of energy technologies, to help cure us of our debilitating addiction to foreign oil. But, unfortunately, the Budget Committee's proposal could undermine that balanced program by reducing funding for certain programs—such as solar energy, conservation, fossil energy, and alcohol fuels—while increasing funding for other programs, particularly nuclear energy.

It is the premise of this amendment that we should not use the budget process to fundamentally alter this country's energy policy. Proposals to change radically the levels of Federal support for specific energy programs should receive a full and fair hearing in the proper forum—the appropriations and authorization committees. Our energy policy is of such serious consequence to this country that major changes in it must not be implemented through the back door as part of this reconciliation resolution and instruction.

Our amendment insures continued support of all energy programs, even if at reduced levels, until such time as Congress, after full debate, decides that we should fundamentally alter our energy course. Moreover, it establishes a precedent to guide the Budget Committee and the Senate when we consider the first budget resolution for fiscal year 1982.

The assumptions we have made under this amendment for redistributing the administration's proposed funding cuts to specific energy programs do not bind the committees of jurisdiction. Nevertheless, some possible methods for redistributing the cuts emerge from a quick review of the proposed energy budget. For example, the administration's budget would cut funds for solar energy programs by 16 percent in fiscal year 1981 and 60 percent in fiscal year 1982. It would cut funds for fossil energy programs by 27 percent in fiscal year 1981 and 73 percent in fiscal year 1982. Finally, it would eliminate entirely both the Solar Energy and Energy Conservation Bank and the alcohol fuels loan program.

These are all programs that have contributed significantly to reduced consumption of oil. For example, a Department of Energy study has found that our energy conservation and solar energy programs will reduce oil consumption by 103 million barrels a year—the equivalent of 20 days of oil imports.

By comparison, the administration's proposed energy budget for 1981, 1982, and 1983 would increase funding for a program that will reduce oil consumption by only 4 million barrels a year—the equivalent of less than 1 day of oil imports. The nuclear energy program is increased by 2.5 percent in fiscal year 1981 and by 13.2 percent in fiscal year 1982. The administration's proposal would provide $170 million in fiscal year 1981 and $220 million in fiscal year 1982 to complete the Clinch River breeder reactor—a project that will contribute little, if at all, to the advancement of breeder technology or to our energy security.

I, for one, would like to see funds transferred from the expanding budget for nuclear energy and applied instead to programs that will guarantee more near-term reductions in dependence on foreign oil, such as technologies to promote energy efficiency in residences, commercial buildings, and industry. And I would also remove the safety net from the nuclear industry and place it under the people who will suffer the most from increases in energy prices. The nuclear industry has enjoyed over $12 billion in Federal subsidies since the commercial nuclear power program began 20 years ago.

Such a mature industry should not still need a Federal umbilical cord. Rather than subsidizing the construction of the Clinch River breeder reactor—a welfare project for the nuclear industry—the Federal Government should continue its low-income weatherization program to help truly needy people cope with and adjust to rapidly increasing energy prices.

Although this amendment does not, and cannot, direct the committees of jurisdiction to fund specific energy programs, it does embrace a general theory—that achieving energy security is too important for the future of this country to leave exclusively to the operation of the free market.

The free market does not account for the "cost" of continuing U.S. vulnerability to disruptions in the supply of imported oil. It does not account for revolutions in oil-producing regions, terrorist activities that destroy oil production facilities, or wars between oil producing countries. Finally, the free market does not offer some miraculous divining rod that will discover sufficient energy resources to free us from our dependence on foreign oil.

This amendment seeks, within the administration's proposed reduction in the overall energy budget, to provide a balanced energy program based on a diversity of energy technologies. Failure to maintain such a broad-based program, could well promote energy insecurity rather than energy security.

Madam President, I yield to my colleague from Massachusetts, Senator TSONGAS.

Mr. TSONGAS. This is the first time I have had the occasion to refer to Madam President. I must say it is a pleasure.

Madam President, yesterday I was giving a speech in Geneva to an energy conference convened on the issue of photovoltaics. There was a broad representation of scientists and bankers from around Europe and the United States concerned about the development of solar cells, and they were pressing me about our energy policy in this country and were dumbfounded by our current commitment in terms of this budget.

The question that came up over and over again was this: Why is the United States not reacting to all the scientific data accumulated in the last 2 or 3 years which point to conservation and renewables as very real energy alternatives?

The first report was the Harvard Business School report called "Energy Future." There was a report done by a group called Resources for the Future, one done by the National Academy of Sciences, one done by the Solar Energy Research Institute, one done by the Carnegie-Mellon Institute, one done by the Ford Foundation, and one done by the Office of Technology Assessment. They all said the same thing. So here we are seven studies later acting as if they were never produced.

Who is denigrating conservation and renewables? Not the Europeans, not the Japanese, not the scientific community, not the studies that have been done, not the private sector, but the political structure, and I challenge anyone to come up with a report that has been done in the near term that refutes the

other seven reports to which I have just spoken.

The question is if we are not going to abide or listen to or take stock in such studies, why do we not just stop them? If we are going to react ideologically, then why have the studies in the first place?

Is there any role for scientists to interface with Government? I think there is. I think it is about time we got on to it.

We are going to spend a lot of money in this Congress to provide for national security, and as to 3 to 5 percent real growth in military spending, I agree with that. But the fact is that our vulnerability in national security is the Persian Gulf, and this budget is not going to do anything seriously, short- or mid-term, to deal with this.

It is about time that we in Congress took conservation and renewables seriously. In the best of all possible worlds, we would increase the energy budget dramatically. That is not going to happen, not under this budget anyway.

So then those of us who have advocated what we must have, have done so with the idea that increases will not be dramatic. What we never anticipated was that the decreases there would be dramatic—65 percent in the case of solar, and 74 percent in the case of conservation.

That is why I am pleased to join with Senator HART, Senator GLENN, and 11 others in sponsoring this amendment. It would reduce Federal energy spending as much overall as would the administration's proposed budget.

I would say to the Senator from New Mexico—who is not on the floor—that he and I have teamed up in the past on both conservation and solar energy projects. Inasmuch as this does not have a net spending impact, I hope he will take a very good look at it and be consistent with the very progressive positions he has taken in the past.

This amendment represents fiscal responsibility while maintaining an adequate broad-based energy research and development effort. It represents a serious commitment to cut U.S. dependence on foreign oil as fast as possible, and given the fact that SPRO was defeated in recent votes on the floor, it would seem to me important that there would be some effort toward the mid- and short-term energy dependence situation.

We are seeking to distribute the proposed spending cuts equally among the three functional areas, and I think Senator HART has gone into that in some detail.

Let me speak about some of the details of the studies that have been completed in the past few months. They have shown repeatedly that energy conservation is the fastest and cheapest way to reduce our dependence on foreign oil, and there is not one study that would contradict that fact.

Conservation can and will play a major role in substituting for oil. A study yet to be officially released by the Solar Energy Research Institute shows that national energy consumption could be reduced from today's levels by more than 20 percent by the year 2000, while we maintain a growing, vital economy.

Further, by the year 2000 renewables could provide 20 to 30 percent of the remaining energy demand. Because this scenario does not fit in with the administration's plans, this study has been suppressed.

Madam President, I ask unanimous consent that the executive summary of this study be printed at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. TSONGAS. What we need and what the administration's proposal does not provide is a cost-effective and balanced energy program, one that recognizes the need for both long-term, high-risk R. & D. activities and short-term initiatives to reduce the imports of foreign oil;

The need to remove institutional, market, and informational barriers that prevent the rapid penetration of new, cost-effective energy technologies;

The essential role of State and local governments in the formulation and implementation of a national energy policy;

The glaring need for effective emergency planning, including a strong strategic petroleum reserve; and

The need for financial assistance to low- and moderate-income groups that cannot, or are unlikely to, take advantage of energy tax credits.

Further, Federal programs which can and should be supported by the private sector ought to be phased out in an orderly manner rather than abruptly terminated. The administration's proposal to eliminate funding immediately will seriously damage many programs which, given time to adjust, would otherwise be continued by the private sector or by State and local governments.

There are a number of examples where the administration's energy proposals are inadequate:

First, the rescission of the solar and conservation bank moneys at a time when low- and middle-income citizens cannot and are not taking advantage of the residential energy tax credits;

Second, the drastic reduction in R.D. & D. support for the buildings sector even though it is too fragmented to support such work on its own;

Third, the elimination of cost shared R.D. & D. with industry to develop new energy conservation technologies at a time when industry has little capital to support such work alone;

Fourth, the drastic reductions in energy information programs for consumers despite their cost effectiveness;

Fifth, the rescission of alcohol fuels loan guarantees, even though our oil import bill exceeded $90 billion last year; and

Sixth, the elimination of magneto-hydrodynamic R.D. & D. despite its high-risk high-payoff potential—in contradiction of the administration's statements in favor of such activities.

There are many such examples. Rather than list all of them, it would be more informative to look at the details of some of those listed above.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

The solar energy and energy conservation bank provides loan and grants for insulation, weatherization, and energy-saving equipment. Incentives vary in value according to income. Legislation for the bank was written for those who would not be expected to take advantage of the 15-percent tax credit for residential conservation or 10-percent credit for businesses. The mix of loans and grants can be varied in the program plan.

The administration has stated that existing energy tax credits and the rising price of energy under decontrol are sufficient to stimulate conservation measures and the use of renewables. That tax credits and rising prices are not sufficient and that the bank is in fact necessary can be seen by the following:

First, many low- and middle-income Americans are unable to invest in conservation or renewables to reduce their home heating and cooling bills because they lack access to capital. Analysis of the 1978 and 1979 tax returns indicates that the tax credits (and thus investments in residential energy conservation and renewable energies) are going primarily to the wealthy. Preliminary analyses of 1979 tax returns show that of those with incomes between $30–$50,000, over 14 percent took advantage of the residential energy credits. Nearly 13 percent of those with incomes of $25–$30,000 took the tax credit. Of those with incomes of $16–$18,000, 7 percent took the tax credit. Just 4 percent of those with incomes of $12–$14,000 took the tax credit. Only 2 percent of those with incomes of $8–$10,000 used the tax credit. Thus, an individual or family with an income of $30–$50,000 was seven times more likely to take advantage of the tax credit than one with earnings of $8–$10,000. Madam President, I ask unanimous consent that a Congressional Research Service memorandum detailing the use of residential energy tax credits be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. TSONGAS. Second, the administration projections of energy conservation tax credit claims are twice recent values. In 1978 conservation tax credits were $558 million (covering 20 months), and the estimate for 1979 is $481 million. Yet the administration claims $739 million for 1981 and $799 million for 1982.

Third, energy conservation expenditures are now much less than optimum. The 1978 tax returns indicate an average expenditure of $700. Studies show, however, that the optimum is $2,000 or more with attendant energy savings of 50 percent.

Fourth, even with the administration's optimistic estimate of the number who will invest in residential energy conservation, it will be many years before they are all insulated to the optimum. There are roughly 50 million single-family homes and 25 million residential units in apartments in the United States. In-

vesting $2,000 in each for 50-percent energy savings and receiving $300 credit, with $800 million per year used—the administration predicts that the use will decline after fiscal year 1982—it will take 30 years or more to improve all of them. A 50-percent reduction in heating requirements would have nearly 40 percent of our oil imports—2 mmbbloe/day.

Clearly, the existing rate of investment in residential energy conservation and renewables is too slow, the amounts invested are too low, and lack of access to capital is a significant barrier to all but the wealthy.

The solar energy and energy conservation bank was designed with these problems in mind.

The target of the bank's loans are the low- and middle-income groups. Loans for energy conservation would be available to those with incomes of 120 percent of the U.S. median income or less. Those whose incomes are 80 percent or less of the median would be eligible for direct grants. Further, loan subsidies for passive solar applications which are not covered by tax credits would be available, unrestricted by income.

Loan subsidies of up to $1,250 for a single unit would be available. Although larger investments would be cost effective, this at least provides more capital than is currently being invested.

The tax credit does not reach three groups included in the bank's coverage: Those in rental property, small businesses, and houses built since April 1977. Even if the credit were somehow broadened in coverage, we would still be faced with the fundamental problem with a tax credit: Most consumers do not have the capital to make the initial purchase and wait for a refund.

The bank's legislation is flexible and can be carefully tailored to administration policy. The secretary has broad authority to run this program in an uncomplicated, nonbureaucratic manner that minimizes redtape and maximizes energy savings.

The bank will have a Federal staff of fewer than 25 employees and minimal administrative costs.

The bank is one of the few instruments available to help small businesses achieve energy efficiency. While much is made of the need for productivity incentives in the steel, aluminum, petrochemical or chemical industries, the 7 million small businesses have been largely ignored.

It will assure President Reagan's supporters that he intends to carry out the promises of the 1980 Republican Platform, which reads:

> We believe that the role of government is best performed by structuring the creative cost-effective incentives to achieve energy sufficiency and conservation. . . .
>
> Finally, in conjunction with this all-out production initiative we must strike to maximize conservation and the efficient use of energy.

THE BUILDING SECTOR

The building sector programs include the R.D. & D. on the thermal performance of new building construction techniques, on the thermal performance of various retrofit strategies, and on the use of renewables—particularly solar techniques—to heat and cool buildings. Existing Federal programs spend roughly $1 per year per building in the United States for R.D. & D. to improve their thermal performance and implement renewables, yet these buildings consume, on the average, $1,500 worth of energy per year. Since 50 percent and more of this energy could be saved, there is a clear need for R.D. & D. into the best strategies to save it; which either the Government or private industry must find. A quick look at the industry indicates why the private sector cannot do it alone.

First, the building industry is too fragmented to support R. & D. easily and this fragmentation inhibits information transfer and innovation. The American Institute of Architects (AIA) estimates that the design and construction sector encompasses 1.2 million individual businesses with a total of 10.7 million employees. Of the AIA's member design firms, 77 percent have fewer than nine employees. Further, information derived from buildings R. & D. must be worked up into appropriate design tools for these small firms in order to be useable.

Second, ideas developed by a firm may not benefit the originator as many building design ideas are not patentable. This reduces the incentive to do R. & D. An example might be a slightly different window layout that improves winter solar gain and reduces it in the summer.

Third, the building industry is undercapitalized and faces high interest rates. It cannot take a chance on constructing a building that will not sell or does not perform the way it was intended to.

Finally, the Government has traditionally developed codes and standards for buildings and building components that can be adopted for use voluntarily by the States. This reduces the market dislocation of widely varying standards from State to State, and helps protect consumers against fraud.

Clearly, there is a legitimate role for the Federal Government here and one that has far too much potential for savings to both consumers and the Nation as a whole to shirk.

INDUSTRIAL CONSERVATION PROGRAMS

Industrial conservation programs have the potential of yielding enormous savings. Manufacturing now uses roughly 38 percent of the energy consumed in the United States—30 quads—much of which would be saved. The Solar Energy Research Institute study, which is summarized following this statement, indicates that improved efficiency alone is likely to result in the oil equivalent of 5 million barrels per day savings by the year 2000, or nearly 11 quads per year. These programs are especially worthwhile because of the industrial tax deduction for energy expenses. Every dollar's worth of energy savings saves the Federal Treasury roughly 46 cents—the corporate tax rate. The Government thus should have a strong interest, given existing tax laws, in helping industry to reduce energy consumption.

Under the Federal industrial conservation program, projects are cost shared between the Government and industry to insure continued industrial interest and rapid deployment of new technologies. Many projects include buy-back provisions under which industries return much of the Federal investment when savings begin on successful technologies.

The intent of the program is to foster research and development that is too risky for industry alone, demonstrate the reliability of promising technologies, and provide information as to what is available and what is cost effective in industrial conservation.

This program has proven particularly cost-effective for the Government. Among its many successes are the following:

Successful pilot demonstrations have been completed for the conversion of waste polypropylene to fuel oil. It is now being commercialized with no further Federal assistance. This will save an estimated 2 million barrels annually by the year 2000 on a Federal investment of $552,000.

Using fumes as fuel in paint curing has been demonstrated successfully and is now being commercialized. Total savings to date are more than 4.5 trillion Btu's. The Federal expenditure was a net of $194,000.

Under current economic conditions, however, industries will not by themselves adequately invest in energy conservation despite their recent dramatic energy savings. There are many reasons why.

First, savings to date have been due to housekeeping measures such as adjusting boilers and steam traps, and reducing lighting, and have required little capital or technical input. The next step requires medium range capital investments and new technologies.

Second, capital is limited and energy efficiency improvements must compete with higher labor costs, higher material costs, and overcome the barrier of high interest rates. Capital is more often used to improve the market share. Corporate debt has increased from 20 percent of investment funds in 1975 to 47 percent in 1980. Retained earnings—the chief source of corporate investment funding—has decreased because the depreciation system—the source of half of retained earnings—is based on the original cost of equipment. As inflation drives up the replacement cost of plant and equipment, the value of depreciation allowances does not change and the funding to buy new equipment becomes inadequate. More rapid depreciation (for example, 10-5-3 plan) will provide only half the estimated $20 billion needed for energy conservation improvements and at a cost to the Treasury of $18.8 billion. Further, the 10-5-3 plan will favor capital investment and so decrease funding for research and development. Finally, in recent years 40 percent of all capital investment has been for utility powerplants. If the administration increases the rate of investment as planned, there will not be sufficient capital to renovate and modernize our industry.

Third, energy is often only a small part of the product's cost—even in some energy intensive industries—reducing the incentive to conserve and increasing

the likelihood of passing energy costs directly on to consumers.

Fourth, industry pays less than the marginal cost of energy. Currently the replacement cost for electricity is roughly 60 mils/kWh; industry pays an average of 30 mils/kWh. Further, the Federal Government allows a deduction for energy expenditures that is roughly equivalent to a direct subsidy at the corporate income tax rate of 46 percent.

Fifth, improvements in energy efficiency are made by the dominant industries and are not spread industrywide. Further, without adequate attention to improving the energy efficiency of our industrial equipment and processes we are likely to lose important international markets.

As a percentage of Government research budgets devoted to energy, the United States ranked 13th in 1979 among the 17 members of the International Energy Agency. Sweden spent nine times more than we did; Great Britain three times, and Japan two and a half times.

In 1977, Germany established an energy conservation R. & D. budget, planning to spend approximately $80 million per year. Reviewing price and supply in 1979, they increased spending to nearly $1 billion in 1980.

France—with an industrial sector just 10 percent that of the United States—now spends about $300 million for loans and $150 million for direct subsidies of energy efficiency R. & D.

Sweden—with 8 million people—had provided $112.5 million in grants for energy improvements in industrial processes and commercial buildings by the end of 1979.

Failure to invest in energy-efficient equipment will result in the same kind of market failure by American products as has happened with the automobile. In 1980, for example, there was a 17.5-percent increase in imports of industrial heating equipment.

ENERGY INFORMATION PROGRAMS

Energy information programs inform the public what is possible in energy conservation and the use of new energy technologies. For the free market to function, it is essential that information be available to the consumers. Further, this is a very high leverage way to use Federal dollars. Congressman TOBY MOFFETT, in testimony before the House Subcommittee on Energy Development and Applications on February 26, 1981, pointed out that for the year 1979 the low cost/no cost program cost $2.6 million but the improvements resulting from that program saved $69 million in 1980 and will save $345 million over the next 5 years.

Similarly, energy information programs targeting small manufacturing firms have proven highly effective and have directly saved the Federal Treasury far more than they have cost. Small firms often do not have sufficient resources to develop energy strategies. Helping them save energy directly saves the Treasury money because industry fuel expenses are tax deductible. Every dollar's worth of fuel saved by industry shows up as a 46 cents saving to the Treasury. One of these programs, the energy analysis and diagnostic center shows an annual return on the Government's investment of 121 percent.

ENERGY AND SECURITY

Madam President, we cannot guarantee America's economic and military security under current conditions of energy insecurity. We are depending on the undependable supply of foreign oil. Even absent a cutoff, which OPEC or the Soviet Union could cause, we are paying too high a price for our addiction every day.

I support the President's intention to meet America's energy needs in a fiscally responsible manner. This means respect for market forces, and close attention to cost effectiveness. This means strong support for programs that can cut our energy dependency in the fastest, most cost-effective way. It also means a strong, balanced Federal role in research, development, and demonstration for a variety of technologies that will be the foundation of our energy future. Mr. President, this amendment will allow Government, private industry, community organizations, and private citizens to achieve solutions to the energy crisis as fast as possible, which is as fast as our national security requires.

Mr. TSONGAS. Madam President, I make only one further point. The conference I was at on Monday and Tuesday in Geneva indicated that the United States right now is in the forefront of R. & D. and production for photovoltaic cells. They are looking at a future photovoltaics industry of between $100 billion and $300 billion.

There is beginning to be a great deal of activity in this area, particularly by the Europeans and Japanese, who see the potential and want to take that potential away from the United States.

It seems to me that for a lot of reasons, for our own self-interest and for the overall energy future, this amendment should pass. Let us at least not lose pace with the progress we have made in the past few years.

I commend the Senator from Colorado for his initiative.

EXHIBIT 1

EXECUTIVE SUMMARY OF THE SOLAR/CONSERVATION STUDY BY THE SOLAR ENERGY RESEARCH INSTITUTE

A NEW PROSPERITY: BUILDING A SUSTAINABLE ENERGY FUTURE

I. Introduction

The prosperity of the United States and its industrial allies has been based to a large extent on reliable and inexpensive supplies of oil and gas for the previous half century. Events of the past few years have abruptly called the basis of this wealth into doubt. It is the object of this study to define a more stable foundation for growth in the American economy by examining opportunities for increasing the productivity of energy consumption and for making greater use of renewable energy resources. The results indicate that it is possible to construct a plausible, practical and economically attractive sequence of events that would allow the productivity of the average American worker to increase as fast as it has during the past 20 years, the achievement of a "full employment" economy—and consequently a rapid increase in national income—while reducing national consumption of energy by nearly 25%. Energy from renewable resources could supply 20–30% of the remaining energy demand. It must be emphasized that these are goals and not forecasts. The national benefits of achieving these goals are so enormous, however, that they must be taken seriously and examined with care.

Far from being incompatible with vigorous economic growth, there is reason to believe that the strategy proposed here is essential to maintain such growth. New supplies of oil, gas and coal will, almost without exception, be more expensive than the energy that now fuels the American economy. Increased use of these sources will inevitably raise prices, accelerate inflation, and constrain growth. If proper attention is paid to efficiency, however, the cost of supplying basic energy services can increase much more slowy. For example, efficient cars will mean that American driving habits can be sustained even in the face of increasing gasoline prices; efficient industrial processes will allow continued growth in a way that is relatively independent of unpredictable increases in energy prices; development of low-energy buildings will mean energy prices need not be a barrier to continued growth in the construction of affordable commercial and residential buildings. Given that the nation is likely to spend more than seven trillion dollars for energy during the next twenty years, it is important to ensure that the market can fairly compare investments in energy supplies with investments in increased efficiency and select the most productive use of available capital. The nation cannot afford federal programs which artificially prejudice the choice and risk encouraging relatively inefficient investment.

The energy strategy suggested in this report has an enormous advantage in that it does not rely on any unforeseen technological development or any draconian interference with the market process. It can proceed incrementally in a way that permits constant reevaluation and redefinition, and in a way that permits flexibility to accommodate research triumphs if they should occur. Perhaps the strategy's greatest advantage, however, is that it provides protection against the surprise and uncertainty that will almost certainly dominate the nation's energy future during the next few decades.

Setting Goals and Getting There

The analysis here indicates that by the year 2000 national energy consumption could decrease in all sectors except industry, which shows a slight increase. The consumption of fuels can be reduced to a point where oil imports are eliminated by the end of the century; the consumption of electricity is reduced to a point where, on a national basis, demands through the end of the century can be met with generating equipment now operating or currently in advanced stages of construction.

Renewable resources can play a major role. Hydroelectric facilities and energy derived from wood and other plant material, which contribute approximately 6% of the nation's energy today, are expected to continue to supply the bulk of the nation's solar energy by the end of the century. The potential contribution of direct solar thermal systems attached to buildings and industry is considerable but the total contribution of such systems will be limited by the fact that increases in efficiency will reduce the total national demand for thermal energy.

The role of the federal government in achieving these goals need not be costly or oppressive. Its role can be largely limited to: ensuring that investors have adequate information to make decisions about energy investments: revising existing programs that have the effect of discouraging capital investments in efficiency while subsidizing and

providing regulatory protection for energy supply investments; ensuring that investors have adequate access to capital required for demand-reducing improvements; ensuring the maintenance of a vigorous national research and development program in areas related to energy; and, ensuring that national energy investments are consistent with national interests in environment, equity, and security. The government cannot escape responsibility for national energy policy. Its influence on the economic environment of energy investments will be enormous, whether by design or inadvertence.

Given careful management and planning, the programs outlined in the following sections of this report could allow the federal energy budget to be lower, and federal intervention in the national economy less onerous than in other energy strategies.

Buildings

One would not commonly think of an investment in building insulation as an alternative to an investment in an oil well, but the two kinds of investments can have precisely the same outcome. For example, the equivalent of about 5.4 million barrels of oil per day (MBD) can be "produced" from existing residential buildings and the residential new buildings that are likely to be built during the next two decades at an average cost that is about half of the cost of providing electricity, oil, and or gas to these buildings from new conventional sources.

New residential buildings can be built to use about a quarter of the energy required for heating and cooling by the typical new home built in the U.S. today. New commercial buildings can be built to use about a quarter of the energy per square foot for heating and cooling as the average existing commercial building. This efficiency can be achieved with better insulation, tight construction, storm windows, daylighting, and efficient furnaces and air conditioning equipment. Achieving these savings in standard practice will require well-designed programs of applied research in new buildings and an effective technique for communicating the results of these programs to the nation's building industry and building owners.

Given an aggressive retrofit program it should be possible to reduce the demand for energy used by existing buildings, still standing in the year 2000, by the equivalent of 4.5 MBD. Programs for ensuring that this potential is captured must be entered on the objective of creating profitable businesses capable of delivering technically sound building retrofits. Aiding these emerging businesses will require a national program for applied research in building retrofits which includes examining solar and energy efficiency techniques, supplemented with a program providing information, and training materials.

The energy used to provide hot water, lighting, refrigeration, and other amenities for all residential buildings standing in the year 2000 could be over 1.5 MBD lower than anticipated in conventional forecasts, given an effective program of research and labeling for appliances and comprehensive national standards. (This does not count counting the savings of 1.5 MBD resulting from efficiency improvements in heating and cooling equipment that were included in the savings in heating and cooling.) Costs would once again be much less than the costs of providing the additional energy from new sources of conventional energy.

Even with significantly reduced demand in buildings, renewable technologies could provide them with the equivalent of 2 to 2.5 MBD. Wood stoves, small wind generators, active and passive space heating, solar hot water, daylighting and photovoltaics could provide up to 30 percent of the energy requirements of all buildings by the year 2000.

Industry is already moving rapidly to improve efficiency, but there is much room for improvement in light of the relative inattention given to fuel efficiency before 1973. For example, the performance of industrial mechanical drives can be increased by 23%, the efficiency of delivering heat to industrial processes can be increased by 35% by using improved boilers and controls, and the efficiency of aluminum electrolysis can be improved by 33%.

The estimates above are all relatively conservative because they are based solely on technologies already available. It is likely that much greater savings will be achieved by developing completely new industrial processes, like such as the recently introduced float-glass process, which make more efficient use of capital, labor, and materials as well as energy. It is difficult to forecast such innovations, but they have always emerged and will certainly continue to occur now that more of the national engineering genius is being directed to problems of efficiency.

Programs designed to improve industrial efficiency should concentrate on ensuring that industries have adequate access to the capital needed to improve efficiency and that the market-place receives right price signals by ensuring that industries pay the full cost of the energy they use. This will require an adjustment in the federal tax code to encourage industrial investment. It is particularly important that funds be found to replace the obsolescent plants which now use a large fraction of the nation's industrial energy; a special "scrap and build" program to accelerate the rebuilding of American industrial plants could be funded from any "windfall profits" receipts available from energy decontrols or other sources. In addition, special attention also must be given to encouraging industrial research and to develop new approaches to efficiency. Research facilities are often the first victims of financial hard times, but industrial research is a vital national resource. Tax incentives and other programs are needed to promote industrial investments in new research and subsequent ventures based on such research.

Improved efficiency is likely to result in the equivalent of 5 MBD in industry by the year 2000: about half of these savings would result from the new programs suggested. It would also be possible to provide the equivalent of 5 MBD from national biomass resources (although only half of these resources are likely to be used directly in industry) and as much as 0.5 MBD from direct solar heat.

Transportation

Most of the energy needed for transportation in the U.S. is used in cars and trucks. The fuel economy of the average car on the road in 1978 was is about 14.3 miles per gallon. It should be possible to increase this to 60 mpg or more without major sacrifices in comfort, safety or performance. If the average car on the road in the year 2000 obtains 55 mpg, the nation would consume nearly 3 MBD less gasoline than it does today, even with significant increases in both the population and the miles driven by each person. The average cost of saving this fuel could be less than a dollar a gallon. Improved fuel efficiency can be achieved through increased emphasis on small, efficient engines and with policies for increased performance standards or taxes—for example a "gas guzzler tax" (keyed to high efficiency) and a fuel or petroleum tax. Methanol, and other alcohol fuels derived from biomass could deliver 25–45 percent of the fuel needed to operate the national transportation system by 2000. Use of these fuels can be encouraged with research on methanol production and engines that use methanol, conversion of federal fleets to use methanol, and fuel taxes. Methanol is an attractive synthetic fuel since it can also be produced from coal and natural gas.

The efficiency of national freight services has been declining recently because of a continuing shift from rail to truck freight. This decline in freight service efficiency must be stopped and reversed. Road fees which tax trucks for their full share of road construction and maintenance and a relaxation of the regulations that prevent the rail industry from raising needed revenues are an essential beginning. It should also be possible to increase the efficiency of both aircraft and trucks at least 30 percent with adequate research. Programs to improve freight service efficiency could save 1 MBD by the year 2000.

Utilities

Uncertainties about future energy demands have already greatly complicated the investment strategies of the nation's gas and electric utilities. The problem is particularly difficult for electric utilities since a decision to build a plant which will be under construction for a decade or more requires an accurate forecast of future demand. Many companies have found themselves with expensive overcapacity—the result of overestimating demands. In fact, the nation could support an increase in electric demand of 0.1–0.7 percent per year for the next 20 years even if no plants were brought on line after 1985, 80 percent of all oil and gas burning generating plants are retired and all fossil plants built before 1961 are retired. A growth rate of 0.9–1.5 percent per year could be supported if optimum use is made of the potential for cogeneration in the six major steam consuming industries. The analysis presented in this report, however, suggests that ambiguity about future electric demands is likely to increase rather than diminish. Net national demand for electricity could well grow more slowly than 1.5 percent per year even given a rapid growth in demands for electric vehicles and electrolysis-produced aluminum.

The planning dilemma presented by these circumstances has no easy resolution. The central question is whether utilities should adjust construction programs on the assumption assume that cost-effective demand-reducing investments will succeed in thereby risking possible under-investment in new capacity, or whether they should assume that such investments will not play an important role and run the risk of over-investment. The thesis explored in this study is that the best response to such a complex problem may be to confess that public regulation is unlikely to be able to anticipate an optimum solution and that some move in the direction of deregulation deserves careful attention. Three approaches are examined: (1) establishing rates that send the market proper signals about the real 'marginal cost' of supplying electricity, (2) allowing utilities to expand their investment portfolios to include some investments in energy-saving equipment on their customers' premises (with proper safeguards to prevent unfair exploitation of monopoly power), and; (3) allowing nonregulated companies greater access to markets heretofore reserved to utility monopolies. (The Public Utilities Regulatory Policy Act has already acted to deregulate many promising categories of small electric generating technologies.) Most of these activities must occur at the state level which controls utility regulation. The federal role can be limited to assistance in developing sophisticated planning tools and imaginative management of the federally regulated Federal Power Marketing Administrations.

The role of solar electric generating devices becomes very difficult to anticipate given the uncertainties just described. Solar technologies are examined in this study to determine whether they can be an economically preferred technique for displacing existing oil and gas burning capacity. The analysis indi-

cates that there will be circumstances where solar equipment will be preferred to a coal-burning plant designed for a similar function. As expected, the largest contributions from solar electric equipment are likely to come from additions to the nation's hydroelectric capacity and from wind machines. Photovoltaic equipment, some of which will be located on buildings, will also be a preferred generating source in some circumstances.

Economic Assumptions

In estimating the economic advantages of the technologies selected for inclusion in the goals, conservative estimates were made about potential increases in the price of conventional fuels. It was assumed, for example, that the price of crude oil reaches 40 dollars a barrel in the year 2000 (all costs are stated in 1978 dollars), natural gas prices reach 5 dollars per million BTU (approximately 60% higher than the present cost of Canadian and Mexican gas), and that the price of electricity follows predictions developed using techniques suggested by the Electric Power Research Institute (residential electric prices would increase from 4–5¢/kWh to 7–8¢/kWh by the end of the century).

For illustrative purposes results are also often presented in this report for the alternative assumption that the price of oil reaches 60 dollars a barrel (or under the assumption that the "social cost" of using oil is 60 dollars a barrel even if the actual market price does not reach this level.) Savings would be greater than those projected if oil prices increased in this way.

Goals for National Growth

In assessing the results of the energy strategy contained in this report, it is essential that a distinction be made between growth in artificial measures of progress, such as national consumption of materials and energy resources, and growth in the things that matter—the services such resources provide. This analysis has assumed that the fundamental objective of national policy will be to assure increases in disposable income, employment, the amenities of life, personal freedom, national security, social equity, and the quality of the natural environment. The approach suggested here is fully consistent with sustained growth in these areas; indeed, it is possible that such growth is impossible without the increased productivity that would result from the strategy proposed here.

Meeting the goals that guide the energy strategy suggested here would mean that by the year 2000 per capita income would increase by 45%; the average American would travel 30–70% more miles by car and 60–90% more miles by air; commercial floor space per citizen would increase by 35%; and freight carried by truck and rail for each person would increase by 45%. Achieving the targets for growth in GNP would require reducing unemployment to 4% by 1985 and keeping it at 4% for the remainder of the century. It would also require that the average productivity per worker increase as fast as it has for the past 25 years in spite of the fact that productivity has been growing much more slowly than the 25-year average for the past ten years. (The productivity of an industrial worker in the U.S. increased by 2.69% per year between 1953 and 1968 but only 1.25% per year from 1968 to 1978. This analysis assumes the 1953–1978 average 2.07% per year applies from 1978 through 2000.) Specific goals established for growth are listed in Table 1. It is important to notice that the rates of growth estimated in Table 1 assume that some national demands begin to slacken and are replaced with qualitatively different demands. For example, the gross weight of cement, steel, and other primary materials used in the economy is, like energy, expected to increase more slowly than other measures of economic growth; it appears that more of any increase in the nation's income will be spent on finishing materials and providing services than on the production of the raw materials themselves. This observation is based on a careful examination of national demand for materials during the past decade. (Surely no one would argue that replacing a 30 pound mechanical calculator with a 5 ounce solid-state calculator is not progress.)

Taken together the goals outlined in this study suggest possibilities for an enormous growth in national income over the next two decades. Plainly national energy consumption could be even lower than the levels discussed here if some of the goals for growth are not achieved. It is important, however, that goals set for national energy consumption not be inconsistent with an optimistic set of goals for an increase in the nation's economy. More modest goals could become self-fulfilling prophecies.

TABLE 1.—*Growth rates used in setting goals, a representative sample*

	Ratio of value in 2000 to value in 1977
1. Population	1.17
2. Gross National Product	1.80
3. Floor area of average new housing unit	1.16
4. Floor space in commercial buildings	1.59
5. Fraction of homes with central air-conditioning	1.33
6. Fraction of homes with dishwashers	1.56
7. Fraction of homes with freezers	1.39
8. Fraction of homes with swimming pools	1.59
9. Miles traveled by car (per person)	1.3–1.7
10. Miles traveled by air (per person)	1.6–1.9
11. Freight carried by truck and rail (ton miles)	1.80
12. Freight carried by air (ton miles)	4.0
13. Industrial value added	1.48
14. Tons of primary materials (cement, steel, aluminum, etc.)	1.32

It is also important to understand that the quality of personal life can be increased with the strategies proposed in this analysis in ways that cannot easily be shown in summaries like the one exhibited in Table 1. For example, many Americans now routinely set their thermostats at 60 F throughout the day and are forced to close off parts of their homes during the winter. The analysis conducted for this study assumes that all thermostats are set at 70 F and that no sacrifice is necessary to save energy in homes. In fact, homes will almost always be made more comfortable when they are made more efficient. The quality of the natural environment can be improved in direct proportion to a decrease in the consumption of fossil fuels. Mobility can be increased if efficient cars make it possible for people to keep driving instead of relying heavily on mass transit. Equity can be served by the fact that the growth in services shown in Table 1 can be used to increase the amenities available to low-income families more rapidly than to high income families. A strategy that maximizes energy use efficiently, therefore, has the effect of improving the quality of life rather than decreasing it. Far from requiring sacrifice, it provides more alternatives and more freedom.

The Potential for New Business

Encouraging the nation's industries and buildings to increase their energy productivity will create an enormous array of profitable new businesses. Most of this growth will be straightforward extensions of existing businesses. Although there will be a greater need for the manufacture of a variety of new parts and materials (glass, plastics, insulation, heat exchangers, computer controls, photovoltaic cells, and many others). There will be a greater need for skilled architects, engineers and designers familiar with the subtleties of energy efficiency. Businesses will grow around the need to install, finance, insure, maintain, and operate new energy systems as well as around opportunities to audit existing facilities and undertake retrofits.

The level of incremental investment required during the next twenty years amounts to an impressive sum. Table 2 indicates that the total volume of business in energy efficiency and solar equipment could be in the range of 750–850 billion dollars. This is clearly an enormous number, but to put it in perspective, the total national energy bill in 1980 was about $390 billion. The total investment must also be compared with the investment that would be required in the absence of the programs proposed here. One can take the case of commercial buildings for an example. Later analysis will show that the investment of $110 billion in solar and efficiency equipment in commercial buildings results in a net national savings of at least 7.5 quads of energy per year by the year 2000. If 7.5 quads of energy were generated by new power plants, the capital costs of the plants would be $114 billion (assuming $1000 per installed kilowatt). This does not count the capital needed to maintain the fuel cycle, and it does not include the costs involved in operating the facility over a number of years. The investments in efficiency, of course, have very low operating costs and of course no fuel costs. It is interesting to observe however, that the efficiency investments may actually have a lower initial cost as well.

TABLE 2.—*Incremental investments for efficiency and renewable resources**

[*Billions of dollars*]

1. Buildings:	
a. Residential	
Retrofits	180
New construction	100
Appliances	100
b. Commercial:	
Retrofits	75
New construction	45
2. Industry:	
a. Rebuilding	200+
b. Direct solar heat	5–10
3. Transportation;	
a. rebuilding the automobile industry	10–30+
b. rebuilding the railroads	50+
4. Total	755–790

*Not including investments in biomass or solar electric systems.

Whether or not the nation invests heavily in efficiency for meeting its energy needs, enormous burdens will be placed on national capital resources. In 1977 energy-related investments represented 40% of all funds invested in plant and equipment. Developing programs that will be needed to encourage rates of saving high enough to provide funds for energy investments is one of the major challenges of public policy. Programs designed to encourage savings in efficiency and onsite renewable energy systems, however, will have to respond to another interesting challenge. A successful program will result in shifting the flow of energy related monies from familiar channels (e.g., from Wall Street to a utility company) into less traditional ones (i.e., supplying funds for a retrofit company through a local savings and loan). The full implications of this pluralistic investment scheme have not been fully evaluated.

The Policy Framework

An array of specific policy recommendations will be outlined in later sections of this report. They will, however, all be designed around the following principles:

Whenever possible, the policies will be designed to remove distortions that prevent the market from making rational decisions about the value of different energy investments. At present, the energy markets are enormously distorted with large federal subsidies to energy supplies (see Table 3). It must be recognized, of course, that the subsidies listed in this table only reflect the costs which can be easily quantified. The federal government has artificially controlled energy prices in many ways not shown: for example, price regulation, federally sponsored insurance, and federal support of research in conventional energy supplies. In the absence of regulatory distortion or energy-saving investments would appear attractive without federal participation (other than information programs), if prices were allowed to follow market forces, since all of the energy savings anticipated in this analysis are justified on the basis of comparison with the cost of new supplies of energy from conventional sources; some intervention would be needed to ensure that externalities were properly accounted. One major advantage of using market forces to guide energy policy is that direct federal expenditures need not be significant—the market could be expected to find financing or justifiable expenditures. Complete deregulation of energy prices is the only sensible long-term objective. Sudden deregulation could, however, be counter-productive. Without adequate information or an adequate industrial base for retrofitting the existing economy with energy-saving equipment, a rapid increase in fuel prices could lead to inefficient investments and unnecessary panic and confusion. Well managed national programs, however, can accelerate investments which will allow a fast but graceful transition to rational energy pricing.

TABLE 3.—*Estimated Federal Government subsidies in support of the routine provision of energy supplies in 1977*

[Million 1977 dollars]

Federal activities:	
Low interest appropriations plus tax exemptions for hydroelectric and transmission facilities [1]	290
Enrichment services [2 3]	180
NRC regulatory costs [2]	146
Privately owned utilities:	
Liberalized depreciation (approximately) [1 2]	2,000
Publicly owned utilities:	
Exemption from Federal income taxes [1]	
Tennessee Valley Authority	130
State power authorities and municipal utilities	80
Rural Electrification Administration (REA)	294
Tax exempt bond subsidies [1]	260
Loans and loan guarantees provided by REA	260
Oil and gas industries:	
Percentage depletion allowance [4]	
Oil	550
Gas	1,150
Expensing of intangible exploration and development costs	
Oil	740
Gas	460
Total	6,540

[1] B. W. Cone *et al.* (An Analysis of Federal Incentives Used to Stimulate Energy Production), second revised report prepared by Dattelle Pacific Northwest laboratory, PNL–2410 Rev. II, February 1980.

[2] General Acounting Office, "Nuclear Power Costs and Subsidies," June 13, 1979.

[3] The subsidy for enrichment services is the estimated difference between what the private sector would have charged and what the government actually charged.

[4] The liberalized depreciation allowance for utilities translates into an outright tax savings (instead of just a deferral) for a utility growing sufficiently rapidly or for a utility that is not growing, as long as there is significant general inflation.

Source: Robert H. Williams, Princeton University. Testimony before the Energy Conservation and Power Subcommittee, U.S. House of Representatives, February 24, 1981.

No distinction should be made in policy between investments that reduce energy consumption at the site of energy use and investments that increase energy supplies. Supply and consumption equipment should be designed as parts of an integrated system for meeting specific end-use energy needs (i.e., transportation); it makes no engineering sense, artificially to stimulate one and ignore the other. Federal programs should be organized to provide symmetry on this issue given that environmental, safety, and other nonmarket factors are adequately taken into account. At present, this symmetry does not exist since federal subsidies to conventional energy supplies far outweigh federal support for the approaches to increase efficiency recommended in this analysis.

While market forces are quite clearly the best mechanism for allocating resources efficiently, they are plainly unable to properly measure the value of such things as environmental quality, national security, the long-term effects and risks of continued dependence on foreign imports, and equity for the poor. The federal government, therefore, has a unique responsibility in ensuring that the market takes these factors properly into account. The technique proposed most often is taxing undesirable activity so that market economics can adjust accordingly; in some instances, however, it has been necessary to suggest regulations which forces changes. A regulatory approach, of course, forces actions which impose costs on some parts of the economy, often in ways that are difficult to measure. (If taxes or regulations are to be imposed, there should be a clear case that the nation is purchasing something of genuine value.)

Programs should be designed to gather information about the success of existing programs and installations, so that mechanisms can be constructed for providing corrective actions on a systematic and regular basis. The value of information about the real performance of energy-consuming and producing equipment is too often underemphasized, for information about the performance of programs has real value in allowing the design of optimized programs, by reducing waste and enhancing effectiveness. A process of constant policy reevaluation and redefinition is necessary for progress.

Programs should be designed to encourage greater competition for energy services. If equipment located in a house or industry can save energy or generate energy from solar equipment more cheaply than a utility can supply energy for equivalent purposes, the basis for utility monopolies can be called into question; in fact existing monopoly regulation may discourage efficient investments. Moreover as much as 10–15 quads/year of natural gas can be saved using the strategies proposed, thereby putting natural gas utilities in a position to compete with electric utilities for many years. The competition will become more intense if efficient cogeneration equipment can be designed for a variety of applications in buildings and industry. The policies examined in this study would allow utilities greater entry into markets for energy equipment on a customer's premises (taking care to ensure that they do not abuse their existing monopoly position) while allowing nonregulated firms greater access to markets to which they had previously been barred by regulation.

In examining the range of projects discussed here, it is important to notice that many, possibly most, of the programs have more to do with people than with things. While continued support of federal and industrial research is plainly important, most of the goals in this study can be accomplished with a direct extrapolation of the characteristics of technologies already in the market. The strategy contained here centers on making information about these technologies available to the people and institutions that could benefit from them and ensuring that they have access to capital supplies adequate to make the proper investments. Despite uncertainties about crucial aspects of the future, the analysis in this report produces significant data on which policy can be dictated. There will always be disagreements about specifics, but a careful review shows that the basis of the goals developed here is very resilient to changes in details.

The new prosperity

Frederick Jackson Turner remarked that the disappearance of the "American Frontier" at the end of the nineteenth century had a profound effect on the national economy as well as on the nation's spirit; there seemed to be nowhere to expand, nowhere to grow. In retrospect, however, it is apparent that reaching the boundary of a geographic frontier launched the American industrial enterprise and an unprecedented century of growth. As the end of this century approaches, the nation appears to have reached the edge of another frontier and the limit of another resource. This time the limit is in materials, particularly domestic sources of oil and gas. The pivotal objective of this work is to show that the limits imposed by these new constraints need not be a barrier to growth in the things which are of real value; rather they can provide a unique opportunity to rebuild the nation's economy on a more productive and sustainable base. Fortunately, there is adequate warning—the change must be rapid but it can be deliberate.

The remainder of this study will argue that imaginative use of technologies available for improving the productivity of materials in short supply, and increasing national use of renewable resources is the cheapest, fastest, and safest strategy for ensuring a sustainable basis for national prosperity through the next century. Part of the process, however, requires overcoming preconceptions about the nature of growth. It makes no more sense to equate an increase in national wealth with a growth in energy consumption at the end of the twentieth century than it did to equate prosperity with continued increase in agricultural lands at the end of the nineteenth century.

POTENTIAL RENEWABLES CONTRIBUTION BY SECTOR

[Primary equivalent in quads]

Sector	Solar thermal	Biomass [1]	Wind	Photovoltaics	Hydro	Total
Buildings	1.9–2.3	1.0	0.8–1.1	0.4–0.7		4.1– 5.1
Residential	(1.6–1.9)	(1.0)	(.8–1.1)	(.3–.45)		(3.7– 4.45)
Commercial	(.3–.4)			(.1–.25)		(.4– .65)
Industry	.5–2.0	3.5– 5.5				4.0– 7.5
Agriculture		.1– .7				1.0– .7
Transportation		.4– 3.7				.4– 3.7
Utilities			.5–3.4		3.4–3.7	3.9– 7.1
Total	2.4–4.2	[2] 4.8–10.5	[2] 1.3–4.0	.4–.7	3.4–3.7	[2] 12.3–22.5

[1] Biomass estimates are given in terms of oil displaced, rather than primary biomass supply.
[2] These columns do not add, high end of penetration is limited to less than total of potential applications in end-use sectors.
( ) Not additive within category.

END-USE ENERGY DEMAND POTENTIALS (INCLUDING NO RENEWABLE CONTRIBUTION)

[Quads of oil equivalent displaced]

Sector	1977			2000 potential		
	Fuel	Electric	Total	Fuel	Electric	Total
Buildings	13.2	13.4	26.6	5.5	12.3	17.8
Residential	(8.8)	(7.8)	(16.2)	(3.8)	(7.1)	(10.9)
Commercial	(4.7)	(5.6)	(10.4)	(1.7)	(5.5)	(7.2)
Industry	19.8	9.3	29.1	18.7	10.7	29.4
Agriculture	1.3	.3	1.6	1.4	.3	1.7
Transportation	19.5		19.5	12.6–16.5	(1)	12.6–16.5
Personal	(15.1)		(15.1)	(6.9–10.5)	(1)	(6.9–10.5)
Freight	(4.3)		(4.3)	(5.7– 6.0)	(1)	(5.7– 6.0)
Total	53.8	23.0	75.1	38.3–42.2	23.7	62.0–65.9

[1] An aggressive rail electrification and electric vehicle prgorams could create between 0.75 and 1.15 quad (primary equivalent) demand for electricity in the transportation sector, with the displacement of 0.46–0.76 quad of petroleum (fuel) demand.
( ) Not additive within category.

EXHIBIT 2

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, D.C., March 12, 1981.

To: Honorable PAUL TSONGAS.
From: Salvatore Lazzari, Analyst in Taxation and Fiscal Policy, Economics Division.
Subject: Residential Energy Tax Credits.
Attention: Sam Baldwin.

This memorandum is provided in response to your request for information on the distribution of various statistics relating to the residential energy tax credit, by income class of U.S. taxpayers. Specifically, your office is interested in the distribution pattern of the number of returns, total expenditures and the amount of tax credit, for returns claiming a residential energy credit under the Energy Tax Act of 1978 (P.L. 96–618) as amended by the Crude Oil Windfall Profits Tax (P.L. 96–223). These data are illustrated in Tables I–VI.[1]

The purpose of this research is to explain the extent to which lower income people are benefiting, relative to middle and upper income groups, by the broad system of energy tax credits for residential energy conservation.

DISTRIBUTION OF THE NUMBER OF RETURNS

Tables I and II present data, for 1978 and 1979 respectively, on the number of returns which reported residential energy expenditures, i.e., expenditures on certain types of energy property which qualified for the tax credit. Column (2) illustrates the number of returns distributed by adjusted gross income.[2] Column (3) shows the number of returns in a particular income class as a percent of the total number of returns which reported residential energy expenditures. Column (4) presents the percentage figures of column (3) cumulatively as income increases.

Three interesting observations may be noted concerning the data in columns (2)–(4) of Tables I and II. The first is in regard to the general pattern of the relationship between income and number of returns claiming a residential energy tax credit. The second observation pertains to the concentration of the number of returns. Finally, the third observation concerns the changing distribution from 1978 to 1979.

The general pattern exhibited by the data in these two columns is that the number of taxpayers reporting residential energy expenditures, (hence, the number claiming a residential energy tax credit) increases in direct relationship to income; as the level of a taxpayer's income increases, the more predisposed was that taxpayer to buy energy property qualifying for energy tax credits. For taxpayers with incomes up to $25,000, there is in Table I virtually a continuous increase in the number of taxpayers claiming a tax credit. For 1978, this pattern peaks at income levels between $20,000–$25,000; it stabilizes up to incomes of $50,000; then it rapidly declines for taxpayers with income above $100,000. In 1979, (Table II) there is an uninterrupted increase up to $50,000 of adjusted gross income.

The second salient feature of these data is the concentration of taxpayers in the "above average" income brackets. Of the 5.9 million taxpayers claiming a residential energy tax credit in 1978, roughly 1.3 million or 22 percent had incomes between $20,000 and $25,000. Further, approximately 3.4 million taxpayers had incomes between $20,000 and $50,000. This group filed 57 percent of all tax returns in which a residential energy credit is claimed. In 1979, the concentration of returns was still in the upper income brackets. Of the 4.9 million returns, roughly 1.2 million or 25 percent were concentrated in the $30,000–$50,000 income class. Taxpayers whose incomes were between $20,000 and $50,000 represented 59 percent of all the tax returns reporting residential energy conservation expenditures in 1979.

A third characteristic evolves from an intertemporal comparison of the distributions in Tables I and II. Between 1978 and 1979 the distribution of returns appears to have changed; relatively more returns are concentrated in the lowest three and upper seven income groups and less in the income classes in between. Figure I shows this comparison. Note the increase from 20.5 percent to 25.3 percent, corresponding to the $30,000–$50,000 income class. Also note the increase from 57 percent to 59 percent for the group between $20,000 and $50,000. This intertemporal change in the distribution of returns in which a residential energy expenditure is reported suggests that of those who claimed energy credits, the propensity of "richer" persons to participate in the energy tax credit program had increased over the two year period.[3]

Perhaps a better understanding of the general pattern and concentration of the number of residential energy tax returns may be obtained if these data were compared with the distribution of all individual income tax returns. After all, if the distribution of returns claiming energy tax credit is patterned as it is reflected in columns (2)–(4) only because the distribu-

[1] The data used in this research are preliminary in that they are based upon a fraction of the sample returns included in final IRS Statistics of Income.

[2] Adjusted gross income is an income concept used by the Internal Revenue Service in reporting data from individual tax returns. It is defined as gross income from all sources subject to tax less certain adjustments. Adjustments to gross income generally encompass costs incurred in earning that income but also include some deductions which have not been permitted to be itemized. (In 1978, there were about 15 such adjustments)

[3] A number of factors may explain both the nature of the distribution in any one year and the changes over time. These are not explored.

tion of all taxpayers is so patterned, then there would be nothing anomolous about it. For 1978 and 1979, the distribution of the total number of returns appears in column (5) of Tables I and II respectively. Columns (6) and (7) show the percent and cumulative percent distribution respectively.

It is immediately clear from inspecting columns (5)–(7) that total taxpayer returns are concentrated at the lower section of the income spectrum. This is in sharp contrast to the pattern of the distribution of taxpayers reporting a residential energy tax expenditure. In fact, a close scrutiny reveals considerable differences. One out of every 10 taxpayers had income below $2,000; while 1 out of every 500 taxpayers who claimed an energy tax credit, had less than $2,000 in income. Of the nearly 90 million individual income tax returns filed in 1978, 60 percent reported income below $14,000, while only 16 percent of the taxpayers claiming a tax credit had income below $16,000.

Perhaps the best way to compare distribution patterns is to calculate the proportion of taxpayers in each income bracket which claimed a residential energy tax credit relative to all taxpayers in that bracket. These data are shown in column (8). The results in column (8) of Tables I and II clearly illustrate that, in general, the percentage of taxpayers claiming a tax credit increased in direct relationship with income. This percentage declines beyond the $50,000 income bracket in 1978 and beyond the $100,000 bracket in 1979 but it is still considerably higher than for the lowest income groups. Specifically, in the very lowest income groups only 13 in 10,000 taxpayers reported a credit in 1978. In the $14,000–$20,000 income brackets 1 in 10 taxpayers claimed an energy tax credit; while in the $30,000–$50,000 range virtually 2 out of 10 taxpayers claimed a credit. Finally, 78 out of 1,000 "millionaires" claimed a residential energy tax credit compared to only 1 in 1,000 for taxpayers below 2,000 in income.

A comparison of column (8) of tables I and II illustrates the changes in the proportion of all taxpayers reporting residential energy expenditures. One change appears noteworthy. A small fraction of taxpayers in almost every income class participated in the energy tax credit program in 1979. For example, in 1978 18.6 percent of all the taxpayers with incomes between $30,000 and $50,000 reported expenditures compared to only 14.3 in 1979. This reflects the fact that fewer returns reported energy expenditures in 1979 than in 1978. (1978 returns reflected participation by taxpayers making expenditures after April 1, in 1977.)

DISTRIBUTION OF TOTAL EXPENDITURES ON QUALIFYING RESIDENTIAL ENERGY CONSERVATION PROPERTY

Tables III and IV present the distribution by income class of the aggregate amount of expenditures for property (equipment and devices) which is permitted a residential tax credit.[4] Additionally, column (5) illustrates the distribution of the average expenditure, i.e., expenditure per return. Table III presents the 1978 data; Table IV presents 1979 data.

As expected, the distribution of total energy saving expenditures for residences follows the pattern of the distribution of the number of returns. Since there are a relatively larger number of returns in the upper income groups, there tends to be a commensurately larger number of expenditures in this group. However, there is another factor which tends to increase the concentration of expenditures in the upper income groups; the typical higher income taxpayer tends to spend more for energy savings devices than other taxpayers. This is true for both years and is shown in column (5) of Tables III and IV.

DISTRIBUTION OF THE AMOUNT OF TAX CREDIT

The final two tables, Tables V and VI illustrate the amount of tax credit claimed (column (2)), and the amount actually received (column (5)), for various income categories. These tables illustrate quite clearly that most of the residential energy tax credits are being claimed and received by higher income groups. Moreover, in 1979 the distribution appears to be more concentrated in these groups. For example, in 1978 taxpayers with income below $20,000 received 33 percent of the credits (column (7)) compared to 30 percent in 1979. A dramatic change in the distribution has occurred in the $20,000–$50,000 income classes. In 1978 22 percent of the credits were received by taxpayers in the $20,000–$25,000 income class, compared with only 16 percent in 1979. This decrease was offset by an increase from 23 percent to 28 percent in the tax benefit to taxpayers with incomes between $30,000–$50,000. The patterns in these data are the direct consequence of the results in Tables I–IV which show that a relative larger number of higher income taxpayers tend to: 1) report residential energy expenditure; and 2) to spend more on average. It follows quite directly that the amount of tax credits claimed would also be concentrated in the upper income groups.

Tables V and VI also illustrate that the amount of tax benefit actually received is even more concentrated in higher income groups.[5] This may be seen by comparing columns (2)–(4) with columns (5)–(7) in each table. Columns (2)–(4) show the extent to which lower income groups claimed credits. For example, taxpayers with incomes below $6,000 claimed $9.8 million in credits in 1978 and $13.3 million in 1979. This represented 1.7 percent and 2.7 percent of all credits in 1978 and 1979 respectively. However, this group received only $5.2 million or 53 percent of the credits they claimed in 1978. Both the amount and proportion declined dramatically in 1979 to $3.8 million or 29 percent of tax credits actually claimed.

[4] Under current law, there are several types of property or products which qualify for a tax credit. These include such items as insulation, storm windows and doors, caulking, a furnace replacement burner, a device for modifying flue openings, an electrical or mechanical ignition system which replaces a gas pilot light, an automatic energy saving thermostat, a meter which displays the cost of energy usage on items which have been qualified by the Secretary of Treasury through regulations to meet certain efficiency standards.

[5] The amount claimed and the amount received may differ as a consequence of a clause which makes the residential energy tax credit non-refundable, i.e., it can only be used to the extent of a taxpayer's tax liability.

TABLE I.—DISTRIBUTION OF TAX RETURNS REPORTING RESIDENTIAL ENERGY EXPENDITURES: PRELIMINARY 1978 DATA

Class size of adjusted gross income	Number of returns in which a residential energy expenditures is reported	Percent of total	Cumulative percent of total	Total number of returns	Percent of total	Cumulative percent	Percent of all taxpayers claiming a residential energy credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(2)–(5)
Under $2,000	11,562	0.19	0.19	9,048,077	10.07	10.07	0.13
$2,000 to $4,000	16,836	.28	.47	9,260,108	10.30	20.37	.18
$4,000 to $6,000	80,637	1.36	1.83	8,400,764	9.35	29.72	.96
$6,000 to $8,000	159,378	2.68	4.51	8,263,096	9.19	38.91	1.93
$8,000 to $10,000	226,322	3.81	8.32	6,943,938	7.72	46.63	3.26
$10,000 to $12,000	201,916	3.40	11.72	6,096,515	6.78	53.41	3.31
$12,000 to $14,000	260,889	4.39	16.11	5,603,534	6.23	59.64	4.66
$14,000 to $16,000	385,693	6.49	22.60				
$16,000 to $18,000	434,603	7.32	29.92	13,976,304	15.55	75.19	9.48
$18,000 to $20,000	504,671	8.50	38.42				
$20,000 to $25,000	1,282,484	21.59	60.01	8,554,843	9.52	84.71	14.99
$25,000 to $30,000	885,577	14.91	74.92	5,384,966	5.99	90.70	16.45
$30,000 to $50,000	1,216,809	20.48	95.40	6,534,412	7.27	97.97	18.62
$50,000 to $100,000	245,348	4.13	99.53	1,468,912	1.63	99.60	16.70
$100,000 to $200,000	39,842	.67	100.00	285,161	.32	99.92	13.97
$200,000 to $500,000	6,781	.11	100.00	60,075	.07	99.99	11.29
$500,000 to $1,000,000	657	.01	100.00	6,872	less/.01	100.00	9.56
$1,000,000 or more	164	less/.01	100.00	2,092	less/.01	100.00	7.84
Total	5,940,169	100.00	100.00	89,889,669			

TABLE II.—DISTRIBUTION OF TAX RETURNS REPORTING RESIDENTIAL ENERGY EXPENDITURES: PRELIMINARY 1979 DATA

Class size of adjusted gross income	Number of returns in which a residential energy expenditure is reported	Percent of total	Cumulative percent of total	Total number of returns	Percent of total	Cumulative percent	Proportion of all taxpayers reporting residential energy expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(2)—(5)
Under $2,000	12,477	0.25	0.25	8,332,939	9.00	9.00	0.15
$2,000 to 4,000	18,609	.38	.63	8,641,224	9.33	18.33	.22
$4,000 to $6,000	87,303	1.78	2.41	7,940,028	8.57	26.90	1.10
$6,000 to $8,000	99,240	2.03	4.44	8,310,772	8.97	35.87	1.19
$8,000 to $10,000	154,406	3.15	7.59	7,262,975	7.84	43.71	2.13
$10,000 to $12,000	173,600	3.54	11.13	6,215,865	6.71	50.42	2.79
$12,000 to $14,000	225,800	4.61	15.74	5,648,520	6.10	56.52	4.00
$14,000 to $16,000	272,901	5.57	21.31	4,975,186	5.37	61.89	5.49
$16,000 to $18,000	312,170	6.37	27.68	4,591,030	4.96	66.85	6.80
$18,000 to $20,000	317,711	6.48	34.16	4,388,106	4.74	71.59	7.24
$20,000 to $25,000	861,020	17.57	51.73	9,009,213	9.73	81.32	9.56
$25,000 to $30,000	792,215	16.17	67.90	6,314,184	6.82	88.14	12.55
$30,000 to $50,000	1,237,290	25.25	93.15	8,659,236	9.35	97.49	14.29
$50,000 to $100,000	279,731	5.71	98.86	1,880,485	2.03	99.52	14.88
$100,000 to $200,000	46,313	.95	99.81	353,950	.38	99.90	13.08
$200,000 to $500,000	8,287	.17	99.98	78,910	.09	99.99	10.50
$500,000 to $1,000,000	835	.02	100.00	10,054	.01	100.00	8.31
$1,000,000 or more	246	less/.01	100.00	3,542	less/.01	100.00	6.95
Total	4,900,152	100.00	100.00	92,616,215	100.00	100.00	

TABLE III.—RESIDENTIAL ENERGY EXPENDITURES SUBJECT TO A TAX CREDIT: PRELIMINARY 1978 DATA

Class size of adjusted gross income	Total expenditures (thousands)	Percent of total	Cumulative total	Average expenditure for energy conservation return
(1)	(2)	(3)	(4)	(5)
Under $2,000	$7,962	0.19	0.19	$683
$2,000 to $4,000	13,453	.32	.51	799
$4,000 to $6,000	53,467	1.28	1.79	663
$6,000 to $8,000	104,786	2.49	4.28	654
$8,000 to $10,000	149,180	3.55	7.83	657
$10,000 to $12,000	134,730	3.20	11.03	652
$12,000 to $14,000	175,343	4.17	15.20	654
$14,000 to $16,000	237,453	5.65	20.85	645
$16,000 to $18,000	267,651	6.36	27.21	599
$18,000 to $20,000	316,309	7.52	34.73	626
$20,000 to $25,000	883,572	21.01	55.74	680
$25,000 to $30,000	587,193	13.96	69.70	657
$30,000 to $50,000	952,010	22.64	92.34	755
$50,000 to $100,000	252,141	6.00	98.34	973
$100,000 to $200,000	56,550	1.34	99.68	1,327
$200,000 to $500,000	12,043	.31	99.99	1,638
$500,000 to $1,000,000	1,357	.03	100.00	1,862
$1,000,000 or more	438	less/.01	100.00	2,260
Total	4,205,636	100.00	100.00	708

TABLE IV.—DISTRIBUTION OF RESIDENTIAL ENERGY EXPENDITURES: PRELIMINARY 1979 DATA

Class size of adjusted gross income	Total expenditure (thousands)	Percent of total	Cumulative percent of total	Average expenditure per return
(1)	(2)	(3)	(4)	(5)
Under $2,000	$13,260	0.38	0.38	$1,063
$2,000 to $4,000	16,439	.47	.85	900
$4,000 to $6,000	54,160	1.56	2.41	620
$6,000 to $8,000	56,216	1.62	4.03	566
$8,000 to $10,000	109,801	3.16	7.19	711
$10,000 to $12,000	108,531	3.13	10.32	625
$12,000 to $14,000	146,066	4.21	14.53	647
$14,000 to $16,000	188,358	5.43	19.96	690
$16,000 to $18,000	208,274	6.00	25.96	667
$18,000 to $20,000	214,129	6.17	32.13	674
$20,000 to $25,000	523,733	15.09	47.22	608
$25,000 to $30,000	563,483	16.23	63.45	711
$30,000 to $50,000	940,333	27.08	90.53	760
$50,000 to $100,000	262,995	7.58	98.11	940
$100,000 to $200,000	59,820	1.72	99.83	1,292
$200,000 to $500,000	13,769	.40	100.00	1,662
$500,000 to $1,000,000	1,739	less/.05	100.00	2,083
$1,000,000 or more	613	less/.01	100.00	2,492
Total	3,471,868		100.00	709

TABLE V.—DISTRIBUTION OF ENERGY TAX CREDITS: PRELIMINARY 1978 DATA

Class size of adjusted gross income	Total residential energy credit claimed (thousands)	Percent of total	Cumulative percent of total	Total residential energy credit actually used (thousands)	Percent of total	Cumulative percent of total	Percent of claimed credit which was actually used in 1978
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(2)—(5)
Under $2,000	$1,064	0.18	0.18	$1	less/.05	less/.05	0.09
$2,000 to $4,000	1,791	.30	.48	245	less/.05	less/.05	13.68
$4,000 to $6,000	6,950	1.18	1.66	4,926	.86	.86	70.88
$6,000 to $8,000	14,787	2.51	4.17	12,022	2.10	2.96	81.30
$8,000 to $10,000	19,959	3.39	7.56	17,901	3.12	6.08	89.69
$10,000 to $12,000	18,824	3.20	10.76	17,372	3.03	9.11	92.29
$12,000 to $14,000	26,050	4.43	15.19	25,533	4.46	13.57	98.02
$14,000 to $16,000	32,948	5.60	20.79	32,179	5.62	19.19	97.67
$16,000 to $18,000	39,126	6.65	27.44	38,174	6.64	25.83	97.57
$18,000 to $20,000	43,840	7.46	34.90	43,446	7.58	33.41	99.10
$20,000 to $25,000	124,174	21.12	56.12	123,691	21.59	55.00	99.61
$25,000 to $30,000	82,438	14.02	70.14	81,946	14.30	69.30	99.40
$30,000 to $50,000	133,854	22.76	92.90	133,584	23.31	92.61	99.80
$50,000 to $100,000	33,764	5.74	98.64	33,624	5.87	98.48	99.59
$100,000 to $200,000	6,847	1.16	99.80	6,809	1.19	99.67	99.45
$200,000 to $500,000	1,371	.20	100.00	1,366	.24	99.91	99.64
$500,000 to $1,000,000	148	less/.05	100.00	147	less/.05	less/.05	99.32
$1,000,000 or more	47	less/.05	100.00	47	less/.05	less/.05	100.00
Total	587,984	100.00	100.00	573,014	100.00	100.00	

TABLE VI.—DISTRIBUTION OF ENERGY TAX CREDITS: PRELIMINARY 1979 DATA

Class size of adjusted gross income	Total residential energy credit claimed (thousands)	Percent of total	Cumulative percent of total	Residential energy credit actually used in 1979 (thousands)	Percent of total	Cumulative percent of total	Proportion of credits actually used in 1979
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(2)—(5)
Under $2,000	$2,201	0.45	0.45	0	0	0	0
$2,000 to $4,000	1,860	.38	.83	0	0	0	0
$4,000 to $6,000	9,212	1.87	2.70	$3,808	.81	.81	41.3
$6,000 to $8,000	9,388	1.90	4.60	6,949	1.48	2.29	74.0
$8,000 to $10,000	16,595	3.36	7.96	14,495	3.08	5.37	87.4
$10,000 to $12,000	15,669	3.18	11.14	13,971	2.97	8.34	89.2
$12,000 to $14,000	21,163	4.29	15.43	19,800	4.21	12.55	93.6
$14,000 to $16,000	25,644	5.20	20.63	24,015	5.11	17.66	93.7
$16,000 to $18,000	30,901	6.28	26.91	29,696	6.32	23.98	95.9
$18,000 to $20,000	29,803	6.04	32.95	29,106	6.19	30.17	97.7
$20,000 to $25,000	75,901	15.39	48.34	74,851	15.93	46.10	98.6
$25,000 to $30,000	77,790	15.77	64.11	77,209	16.43	62.53	99.3
$30,000 to $50,000	130,581	26.46	90.57	130,056	27.68	90.21	99.7
$50,000 to $100,000	37,118	7.52	98.09	36,500	7.77	97.98	98.3
$100,000 to $200,000	7,633	1.55	99.64	7,589	1.61	99.59	99.4
$200,000 to $500,000	1,548	.31	99.95	1,522	.32	99.91	98.3
$500,000 to $1,000,000	197	.04	99.99	195	.04	99.95	99.0
$1,000,000 or more	66	.01	100.00	66	.01	100.00	100.0
Total	493,266	100.00	100.00	469,927	100.00	100.00	

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. I yield to the Senator from Ohio.

Mr. GLENN. I thank the distinguished Senator.

Madam President, I rise in support of this amendment to the second concurrent resolution on the budget for fiscal year 1981. As stated, the purpose of this amendment is to provide greater program balance and equity than the funding level established by the Budget Committee.

Let me first state, Madam President, that this amendment will not remedy what I see to be the greatest defect of the administration's revised budget for energy—namely, the large cuts in energy research and development. If I could have had my way on this matter, I would prefer that the funding be tilted more heavily toward energy research and development activities. However, I do recognize the need to achieve a balanced budget as quickly as possible, as well as provide for more equity and for a better balance between near-term and far-term energy efforts. It is, then, in the spirit of comity and compromise that I lend my support to this measure.

Madam President, I have been appalled by the wholesale cutting of our energy programs, and, in particular, our programs in energy research and development. This process begins with the fiscal year 1981 budget, and is exacerbated considerably in the fiscal year 1982 budget.

I ask unanimous consent to insert eight tables for the RECORD. These tables show the impact of the administration's revised budget request for fiscal years 1981 and 1982 on programs in the budget functional areas of energy supply research and development, energy conservation, and fossil energy. The figures quoted in the table are those provided by the administration on March 10, so there will not be a 1-to-1 correspondence between these numbers and those prepared by the Congressional Budget Office. However, I believe these tables will help to illustrate a number of points.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

ENERGY SUPPLY RESEARCH AND DEVELOPMENT, FISCAL YEAR 1981

[In millions of dollars]

	Jan. 15 submission	Revised request	Difference	Percent change
Program:				
Solar	576	507	−69	−12.0
Geothermal	156	142	−14	−9.0
Nuclear fission	1,002	1,166	+164	+16.4
Magnetic fusion	394	383	−11	−2.8
Electric energy systems	40	35	−5	−12.5
Energy storage systems	72	52	−20	−27.8
Hydropower	22	−3	−25	−113.6
Environment	237	227	−10	−4.2
Supporting research and technical analysis	295	290	−5	−1.7
Subtotal	2,794	2,799	+5	+.02
Less adjustments	−11	−39	−28	−254.5
Total, energy supply R. & D	2,783	2,760	−23	−.08

ENERGY CONSERVATION, FISCAL YEAR 1981

Research and development:				
Buildings and community systems	88	56	−32	−36.4
Residential/commercial systems	26	6	−20	−76.9
Industrial	54	43	−11	−20.4
Transportation	108	81	−27	−25.0
Conservation multi-sector	26	26	0	0
Subtotal, conservation R. & D	302	212	−90	−29.8
Grant programs:				
State and local	453	336	−117	−25.8
Energy impact assistance	62	10	−52	−83.9
Subtotal, grant programs	515	346	−169	−32.8
Total, conservation	817	558	−259	−31.7

FOSSIL ENERGY, FISCAL YEAR 1981

Coal:				
Mining R. & D	48	40	−8	−16.7
Coal liquefaction	521	353	−168	−32.2
Surface gasification	159	65	−94	−59.1
In-situ gasification	10	10	0	0
Advanced research and technology development	46	46	0	0
Advanced environmental control technology	43	40	−3	−7.0
Combustion systems	36	36	0	0
Heat engines and heat recovery	36	31	−5	−13.9
Fuel cells	32	32	0	0
Magnetohydrodynamics	67	61	−6	−9.0
Program direction and capital equipment	22	22	0	0
Subtotal, coal	1,020	736	−284	−27.8
Petroleum:				
Enhanced oil recovery	18	16	−2	−11.1
Advance process technology	4	4	0	0
Oil shale	32	32	0	0
Drilling and offshore technology	2	2	0	0
Program direction	1	1	0	0
Subtotal, petroleum	60	55	−2	−3.3
Gas: Enhanced gas recovery	31	28	−3	−9.7
Fossil commercialization	20	12	−8	−40.0
Total fossil energy	1,131	834	−297	−26.3

ENERGY SUPPLY RESEARCH AND DEVELOPMENT, FISCAL YEAR 1981—Continued

[In millions of dollars]

	Jan. 15 submission	Revised request	Difference	Percent change
ENERGY SUPPLY R. & D., ENERGY CONSERVATION, AND FOSSIL ENERGY, FISCAL YEAR 1981				
Program:				
Energy supply R. & D	2,783	2,760	−23	−.08
Conservation R. & D	302	212	−90	−29.8
Fossil R.D. & D	1,111	822	−289	−26.0
Subtotal, R.D. & D	4,196	3,794	−402	−9.6
Conservation grant programs	515	346	−169	−32.8
Fossil commercialization	20	12	−8	−40.0
Subtotal	535	358	−177	−33.1
Total	4,731	4,152	−579	−12.2
ENERGY SUPPLY RESEARCH AND DEVELOPMENT, FISCAL YEAR 1982				
Program:				
Solar	584	193	−391	−67.0
Geothermal	91	48	−43	−47.3
Nuclear fission	959	1,247	+288	+30.0
Magnetic fusion	506	460	−46	−9.1
Electric energy systems	39	10	−29	−74.4
Energy storage systems	60	39	−21	−35.0
Hydropower	3	0	−3	−100.0
Environment	280	231	−49	−17.5
Supporting research and technical analysis	396	334	−62	−15.7
Subtotal	2,918	2,562	−356	−12.2
Less adjustments	0	0	0	0
Total, energy supply R. & D	2,918	2,562	−356	−12.2
ENERGY CONSERVATION, FISCAL YEAR 1982				
Research and development:				
Buildings and community systems	99	31	−68	−68.7
Residential/commercial systems	31	0	−31	−100.0
Industrial	52	1	−51	−98.1
Transportation	122	38	−84	−68.9
Conservation multisector	32	18	−14	−43.8
Subtotal, conservation R. & D	336	88	−248	−73.8
Grant programs:				
State and local	539	107	−432	−80.1
Energy impact assistance	47	0	−47	−100.0
Subtotal, grant programs	586	107	−479	−81.7
Total, conservation	922	195	−727	−78.9
FOSSIL ENERGY, FISCAL YEAR 1982				
Coal:				
Mining R. & D	30	22	−8	−26.7
Coal liquefaction	886	106	−780	−12.0
Surface gasification	219	54	−165	−75.3
In-site gasification	11	9	−2	−18.2
Advanced research and technology development	63	68	+5	+7.9
Advanced environmental control technology	46	27	−19	−41.3
Combustion systems	77	39	−38	−49.4
Heat engines and heat recovery	29	16	−13	−44.8
Fuel cells	29	29	0	0
Magnetohydrodynamics	60	0	−60	−100.0
Program direction and capital equipment	15	11	−4	−26.7
Subtotal, coal	1,465	381	−1,084	−74.0
Petroleum:				
Enhanced oil recovery	23	21	−2	−8.7
Advance process technology	4	5	0	0
Oil shale	27	17	−10	−37.0
Drilling and offshore technology	0	0	0	0
Program direction	2	2	0	0
Subtotal, petroleum	58	44	−12	−20.7
Gas: Enhanced gas recovery	29	11	−17	−58.6
Fossil commercialization	20	5	−15	−75.0
Total, fossil energy	1,572	441	−1,131	−71.9
ENERGY SUPPLY R. & D., ENERGY CONSERVATION, AND FOSSIL ENERGY, FISCAL YEAR 1982				
Program:				
Energy supply R. & D	2,918	2,562	−356	−12.2
Conservation R. & D	336	88	−248	−73.8
Fossil R.D. & D	1,572	435	−1,136	−72.3
Subtotal, R.D. & D	4,826	3,086	−1,740	−36.1
Conservation grant programs	922	195	−727	−78.9
Fossil commercialization	20	5	−15	−75.0
Subtotal	942	200	−742	−78.8
Total	5,768	3,286	−2,482	−43.0

Mr. GLENN. Mr. President, first, I would note that energy supply research and development programs are cut by about 0.1 percent in fiscal year 1981 and over 12 percent in fiscal year 1982, while energy conservation is reduced by nearly 32 percent in fiscal year 1981 and almost 79 percent in fiscal year 1982. Fossil energy is cut by 26 percent in fiscal year 1981 and 72 percent in fiscal year 1982. This compares with the overall cut for these three budget functional areas which amounted to over 12 percent in fiscal year 1981 and 43 percent in fiscal year 1982. This clearly demonstrates the lack of equity. Furthermore, the energy conservation functional area, which can provide us with the greatest amount of supply in the form of energy savings in the near term, is reduced by the largest percentage—nearly 32 percent in fiscal year 1981 and almost 79 percent in fiscal year 1982. This clearly illustrates the lack of balance in the cuts between the near-term and long-term efforts.

Madam President, what distresses me the most about the revised budgets for fiscal years 1981 and 1982 is that funding for energy research and development—and here I am excluding the conservation grant and fossil commercialization programs—is reduced by about $177 million, or nearly 10 percent in fiscal year 1981 and by $742 million, or more than 36 percent in fiscal year 1982 from the levels in the January 15 budget submission. I believe that, rather than taking this step backward, we should be moving forward to provide more support in this vital area.

Why, one might ask, should the Government provide for more energy R. & D. when the mood of the Nation would seem to dictate that we reduce the Federal presence? Why should energy R. & D., or R. & D. in general, be exempted? The simple answer is that private markets do not produce an adequate level of R. & D. One of the main reasons for this is the nonappropriability of benefits of basic scientific knowledge. Much energy R. & D. cannot be protected adequately by patents. Consequently, any one researcher is not able to gain exclusive use of beneficial knowledge he or she may develop and is not able to charge a price to those who wish to use this knowledge. In addition, energy R. & D. produces net benefits to the Nation as a whole, but private markets do not require free riders to adequately compensate those who perform the R. & D. for the benefits received. Therefore, without Government participation and support, too little R. & D. will take place.

One of the energy R. & D. areas I believe has been seriously underfunded is energy storage. Energy storage technologies act as bridges or buffers between energy supply systems and energy demand systems. Economic energy storage would have a nearly incalculable impact on our long-term energy supply picture by allowing us to substitute coal and nuclear energy for oil and natural gas. We could also take advantage of renewable and inexhaustible energy sources such as solar, wind, and tidal energy by spreading the supply of these intermittent sources over a 24-hour period.

Utilities could use their facilities much more efficiently and halt the current practice of building baseload electrical capacity to meet rising peak demand—an extravagant and inappropriate use of our scarce financial and technological resources, and a major contributor to the upward spiral of electricity rates. The administration has turned its back on this promising R. & D. area, however, by slashing the fiscal year 1981 budget for

energy storage by $20 million, or nearly 28 percent, and in fiscal year 1982 by $21 million, or 35 percent.

Unfortunately, this assault on energy storage R. & D. is not an isolated case. We see this process repeated in many other promising areas of energy R. & D. For example, solar R. & D. is being cut by 12 percent in fiscal year 1981 and by 67 percent in fiscal year 1982. Energy conservation R. & D. is being cut by nearly 30 percent in fiscal year 1981 and almost 74 percent in fiscal year 1982, and coal R. & D. by nearly 28 percent in fiscal year 1981 and over 72 percent in fiscal year 1982.

Madam President, one of the most eloquent passages on the benefits of R. & D. has been provided by George Gilder on page 224 of his best seller entitled "Wealth and Poverty":

WEALTH AND POVERTY

R. & D. benefits not only the company pursuing it but also competitive firms, and indeed the entire economy, since most discoveries can be initiated and lead to other inventions and applications. Roger Brinner of Data Resources reports that the total private and social rate of return on investment in R. & D. is, according to different assumptions, between 17 and 25 percent. Most productivity studies attribute at least half of all U.S. productivity growth to technological advance. Between 1950 and 1974 high-technology companies grew about twice as fast as the rest of the economy, while showing a rate of price increase only one-sixth as great. The correlation between rapid growth of earnings and low growth of prices is so high as to be a virtual law of economics.

The combination of research and enterprise is the supreme source of productivity and wealth. Without this catalyst, stable prices will mean poverty and decline. With it, rising prices will be a manageable problem. A prime measure in any serious effort to retard inflation must be a drive radically to expand our now declining levels of prime investment in this seminal area. Heavy investment credits and other subsidies for R. & D. merely compensate for the necessary market failure to measure broad social returns.

I might note as an aside, Madam President, that the Director of the Office of Management and Budget, David Stockman, has been quoted as saying that Mr. Gilder's work is "promethean in its intellectual power and insight." I hope that Mr. Stockman will reread page 224 before he agrees to further indiscriminate slashing of R. & D. funding.

Madam President, I would like to add that when we had Mr. Frank DeGeorge, acting Assistant Secretary for Conservation and Renewable Energy, before the Senate Appropriations Committee on March 11 of this year, he presented some budget figures as part of his testimony to the committee that I find absolutely startling.

In fiscal year 1982, for example, we originally were going to have a budget that put a total of about $777 million into solar and renewable energy research and development which will give us future independence from our current reliance on oil and gas. It was cut by the administration's proposal in the amount of about $484 million, or 62 percent, at a time when we are sending nearly $100 billion a year abroad to the OPEC nations, and yet we say we cannot afford to do more R. & D. in solar energy, geothermal energy, hydropower, electrical energy systems, and the most important one, to my way of thinking, energy storage R. & D. that is needed to help make this country energy independent in the future.

If I had one energy wish that I could have granted before noon today, it might surprise you what it would be. It would not be that I find an oil well in my back yard. It would be that we would have better electrical energy storage in this country. We cannot pick up a science magazine these days without reading about new energy sources such as windmills and photovoltaic cells, and so forth. Why are we not using these? Because the wind does not always blow and the Sun is not shining when I want to turn my TV set on at night.

Our problem is that we cannot store all that tremendous amount of electrical energy for later use. Massive electrical energy storage is what we need in this particular case.

We also need compact electrical energy storage, such as advanced batteries, that would let us have the world's first practical electrical automobile. We need concentrated electrical energy storage that would give us not only the 200-mile warm-weather range we probably need, but also the 100-mile cold-weather range that we need when the batteries are operating at only about half capacity.

Some private concerns are doing development in that area, but not nearly enough. I tried for 3 years to get the Carter administration to increase their budget in that particular area, and I managed to get it increased by a small amount. Now we find it decimated once again. In fiscal year 1982, energy storage is being reduced from a total of only $59 million to $39 million—a cut of $20 million.

We are going in the wrong direction. We are maintaining our dependency on oil and gas at a time when we should be doing the R. & D. to get away from that dependency.

Two Japanese firms I know of, from talking to staff people of the Japanese Minister of International Trade and Industry, are making it a top priority to develop electric automobiles.

I would say to this body that if we let the Japanese or Germans beat us to the world's first practical electric automobile—an electric automobile that could supply the market for that 92 percent of the noncommercial driving done within 20 miles of our homes—then we will not only be debating bailout funds for Chrysler or other domestic automakers in this body, we will be debating funding to make Detroit some great national park on a scenic river. That is what we could be coming to.

Yet we are cutting the very funds that are elemental and fundamental toward doing the research that would let us have better electrical energy storage.

Some progress has been made along these lines. I would say the NASA Lewis Lab at Cleveland has done a remarkable thing on a few hundred thousand dollars; not even $1 million. On a few hundred thousand dollars they have developed a system called "Redox" that has tremendous potential for storing large amounts of electrical energy. I might note that they did some of the work on Redox with students from Cleveland State University, since they were so strapped for funds.

The Redox system is basically a battery whose anode and cathode consist of fluids separated by a membrane. You can store electrical energy in these fluids and get 70 to 75 percent of the stored energy back out again. That is a very, very important development, and I want to see that go ahead.

So, Madam President, I think it is atrocious that we are cutting back on energy R. & D. This proposal by the distinguished Senator from Colorado that I support fully does not go far enough to my way of thinking. I would like to see more funding applied to energy R. & D., in particular.

I just hope that the Energy Committee can take this into consideration, because what we are spending on energy R. & D. is a pittance compared to what we need in this area.

If we ever hope in the future to get energy independence or at least lessened dependence on oil and gas, it is going to come not because we sat around wringing our hands into the future with our grandchildren, hoping for the best, but because we started right now doing the energy R. & D. that can give us that potential for the future. Unless we do that, we are going to still be having problems generations from now.

I would like to conclude my remarks by stating that I fully recognize the need for budgetary restraint in these inflationary times. But let us not be penny-wise and pound-foolish by trying to achieve fiscal frugality by mortgaging our future. There are indeed many areas where it is necessary and desirable to reduce Federal involvement and presence. But R. & D. in general, and energy R. & D. in particular, is one area where even greater Government involvement and support is clearly justified. In today's world, America's military and economic strength largely depend on the strength of our efforts in R. &. D. Failure to meet this challenge is the surest and fastest way to forfeit our claim to world leadership. It is just that simple.

I thank the distinguished Senator for yielding. I yield the floor.

Mr. HOLLINGS. Madam President, so I will not take the time from the amendment itself. I yield myself a few minutes on the resolution.

The amendment of the distinguished Senator from Colorado is a very important initiative. We are in a nebulous juxtaposition as the Budget Committee. We do not line itemize and there is no intent here to line itemize.

Furthermore, we do not have an authorizing bill from the Energy Committee and we have not had an authorizing bill in energy in the past couple of years.

And yet, to take the administration's

figures on their face value leaves a tremendous vacuum with respect to solar, conservation, fossil fuels, the matter of alcohol fuels, and the other products that we started into when we changed around with the windfall profit tax last year and enacted the Energy Security Act.

Some of these are arguable on payouts. I know that the majority of those supporting the Hart initiative would put less into nuclear. I could understand that from a certain standpoint.

The question is, of course, if you are going to put more in breeder reactors, then why put it into an archaic, antique, outdated system at Clinch River?

If we go forward and complete the Clinch River breeder, I am told on reliable and expert information that it would be some 20, if not 30, years behind the French and the Russian breeder program. At best, if we are going on that particular basis, we ought to, on the one hand, import a French Phoenix, or otherwise start now with the most advanced and competitive type breeder so that it would be ahead of even the French upon completion.

The administration's support of nuclear energy has been called by the distinguished Senator from Colorado as a CETA program for nuclear engineers. And he has not been much off target on that particular score.

I, of course, have an immediate concern with respect to reprocessing. While they are putting in more money for nuclear, the very basic need for reprocessing in order to support the breeder technology is not cared for in the administration's budget. We will have time to get into the merits of the reprocessing issue and how various administrations over the past 15 years not only prompted and encouraged reprocessing but induced it by almost giving the landsite and everything else. As for the reprocessing facility at Barnwell, S.C., now that we are ready to go and to complete it as a complement to the Clinch River breeder reactor, we have no funds requested by the President. They are saying in one breath that we ought to go breeder but not reprocessing. It is a rather nebulous position to be in.

In addition, there is no money whatsoever in the Reagan budget for disposal of nuclear waste. And this is the real fundamental or important problem associated with the development of nuclear energy.

So what the distinguished Senator from Colorado has done is put everyone on notice that we have not, on the one hand, line itemized, but we have not, as robots, come in and said "whoopie" for the administration's energy program.

On the contrary, that will be debated out in the first concurrent resolution and be debated out more specifically within the Energy, the Appropriations, and Agriculture Committees themselves.

So I would hope our colleagues would look seriously at this. While it changes only a minimal amount around, it opens a question for the Congress with respect to energy itself and whether or not we are really going to follow through with the fine initiatives on conservation, gasohol, solar, fossil, and more particular a balanced approach to nuclear energy, which I support.

Quite frankly Mr. President, I do support the breeder, but not Clinch River. If they add an amendment to reduce support for this project, I do not mind knocking it out, I can tell you that here and now. That is a very controversial, at best, subject. I take it that the Senator from Colorado has wisely left that out of the debate. I do not mean to inject it here and form divisiveness and lose votes for the Senator's proposal. But I cannot just sit here and act like that is a good proposition, on the one hand, and yet say that breeder technology is bad in and of itself, on the other.

I believe in reprocessing. I believe in the nuclear approach. Forty percent of the energy in my particular State comes from nuclear and that helps South Carolina be very competitive industrially. If we are going to go to reindustralization, if we are going to compete with the West Germans, the Japanese, we must support nuclear energy. Even the Saudis are going for nuclear and everything else despite their abundance of oil because they see the sense in this particular approach.

So I commend the Senator from Colorado in keeping this subject fluid so that we can use judicious judgment when it comes before us and the members in the Energy Committee when they debate this issue in an authorizing bill. I support very strongly this amendment.

Mr. HART addressed the Chair.

The PRESIDING OFFICER (Mr. SYMMS). The Senator from Colorado.

Mr. HART. Mr. President, I thank the Senator from South Carolina for his support and his eloquent statement.

We have 4 minutes remaining in support of the amendment. I wonder if the Senator would yield 5 minutes to the Senator from Massachusetts.

Mr. HOLLINGS. Mr. President, I yield 5 minutes to the Senator from Massachusetts off the resolution itself.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as we confront the budget today we should never forget that concealed among the cold numbers are political statements that say as much about our views as any speech.

Smaller energy budgets are forcing Washington to face the bigger questions. The most important of these is—what is the purpose of Federal energy spending?

Over the past 10 years, a broad national consensus has emerged that we must increase energy security by reducing the amount of oil the United States imports from abroad. This agreement on policy was forged through three administrations—two Republican and one Democratic—and has been the cornerstone of our national energy policy.

The Reagan administration has explicitly rejected reduction of oil imports as a goal of Federal energy spending. Instead, the Reagan administration argues that Federal energy spending should focus on "long-term research and development activities * * *"

This chart behind me indicates the difference between the Carter administration recommendations and the Reagan administration recommendations.

Let me direct my colleagues' attention to the chart I have behind me because it illustrates graphically what I believe is wrong with the priorities in the President's energy budget:

Cuts in spending for fiscal year 1981–fiscal year 1982.

Solar and conservation—cut 75 percent.

Nuclear—increased 30 percent.

Programs that can cut oil imports in the near future—cut 75 percent.

Programs that will have no impact on oil imports—increased by 30 percent.

This chart indicates that in 1985, if we did not have that 74-percent cut in conservation and solar programs the best projection, according to the Department of Energy is that 103 million barrels would have been saved. With nuclear funding increased by 30 percent in 1985, the best estimate is that 4 million barrels will be saved. If it is assumed that the Clinch River breeder reactor is built and displaces imported oil.

This is precisely what is wrong with the President's budget. It completely eliminates oil import reduction as a goal of Federal spending.

I would like to point out to my colleagues that the approach this administration is following directly contradicts the conclusions of the research and development panel of DOE's prestigious energy research advisory board, which concluded that conservation funding should be increased "several fold." Yet the administration is cutting it by 75 percent.

This expert group recommended reducing spending for breeder reactors, but the administration increased breeder reactor funding by 44 percent and nuclear funding by 30 percent.

This energy budget is ignoring the energy security needs of our Nation and the advice of the top energy experts in the Nation.

The administration's energy spending programs are not only misdirected, they are anachronistic.

The fusion and the breeder reactor programs are hand-me-downs from the 1960's that have acquired independent bureaucratic and industrial constituencies. When they were first conceived, the United States could pump all the oil we needed and utility companies were planning massive electrical construction programs. Today, the energy situation is exactly the opposite—we are importing $30-per-barrel oil and electricity demand is hardly growing.

It is ironic—and telling—that the Reagan administration is seeking to dismantle the social programs of the 1960's while at the same time spending unprecedented amounts on the energy programs of the 1960's. The irony is that the social problems that spawned the social programs are still with us. But the energy conditions that spawned their favored energy programs—low oil prices and a growing demand for electricity—are long gone.

Today these expensive nuclear electric projects have become classic white elephants:

The payoff, if any, is far off and unpredictable:

These projects call for massive Federal spending to find alternatives to coal.

It is hard to understand why the Federal Government, in an era of drastically tightened budgets, should be spending billions of dollars over the next decade to try to create a substitute for coal—our most abundant domestic energy resource.

When he was a Congressman, OMB Director Stockman urged his colleagues to turn away from Federal subsidies for nuclear power. These payments from the Treasury to private industry, Stockman said, were the antithesis of the free market. He described one key nuclear project—the Clinch River breeder reactor—as a "test" of Republican principles. The new Reagan budget is committed to spending $1.6 billion on this project over the next 5 years.

An energy policy that slashes funds for the programs that save the most energy while lavishing billions on nuclear white elephants squanders Federal energy resources. It also raises questions about the fairness of these Reagan budget cuts. Should job training programs for the poor be abolished while CETA programs for nuclear engineers are expanded?

Energy security today is the essence of national security. And energy security is a matter of using our resources to the best advantage to reduce imports. It makes no sense to spend billions to subsidize redundant nuclear power research while we spend billions more to import OPEC oil.

It seems to me that this amendment would not move us in the complete direction that I would favor, but it is a very substantial redirection of the Federal spending in the energy area and puts the resources in the area where we can back off the most imported oil, I also think it puts the resources in the areas of research which holds the greatest promise for our country in the short, medium, and long term. I would hope the Senate will accept the amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Who yields time?

Mr. HOLLINGS. I yield time on the resolution to the Senator from Washington.

Mr. DOMENICI. I also yield time to the Senator in opposition.

Mr. JACKSON. Mr. President, I understand the intention of this amendment would be to change the instructions to the Senate Energy Committee regarding the required reductions in budget obligations and budget authority. Although the changes would be in the total amounts for the committee and would, therefore, not specifically increase or reduce any particular program amount, I also understand that the sponsors of the amendment do relate these new totals to a particular breakdown among energy subfunctions.

When the Energy Committee in its report to the Budget Committee endorsed the administration's total request for the energy function, the Energy Committee observed that it did not endorse the administration's detailed program breakdown and that it would address the matter in subsequent legislative action. The Energy Committee will arrive at program amounts in its action on the reconciliation bill and on the Department of Energy authorization bill for fiscal year 1982.

Similarly, the Energy Committee is not bound by the breakdown assumed by the Budget Committee in developing the instructions set forth in the resolution now before the Senate.

Mr. President, I believe that the apportionment of available funds among programs should be reserved to the committees of jurisdiction and arrived at in an orderly manner and with adequate consideration.

Therefore, I cannot support this amendment. I do not believe that the changes in the resolution's total which are being proposed are significant or meaningful in any policy sense, and I certainly cannot agree that the Senate, by adopting the amendment to the totals, would either formally or informally preempt the Energy Committee in its future consideration.

Mr. HART. Mr. President, I yield myself 2 minutes from the resolution to respond to the Senator from Washington.

I am afraid the Senator from Washington may be confused about the effect of this amendment because its practical effect is, in fact, to do just the opposite of what the Senator says.

This amendment would provide the Energy Committee greater flexibility rather than less flexibility in the administration of outlays and expenditures for energy programs. The entire purpose of this amendment and its wide range of sponsors is to expand the authority and recognize the jurisdiction of the Committee on Energy to keep alive a wide variety of energy options which Congress, in a bipartisan fashion, under three administrations, has adopted over the past number of years.

Based upon what the Senator from Washington says in his capacity as ranking member of the Committee on Energy, I am afraid he may be misinformed as to the practical outcome of this amendment and its effect. It would be just the opposite of what the Senator from Washington fears in his statement.

Mr. JACKSON. Will the Senator yield?

Mr. HART. Yes, I yield.

Mr. JACKSON. Mr. President, there is no need for this amendment if we want to leave to the committee the current authority that it has as this matter is now being presented to the Senate. We went through this in the committee when the recommendations were made on the budget. There is no need for this amendment. There are no restrictions in terms of what we can do in the committee, but, as I interpret the amendment, we would be restricted. It is a matter of judgment.

Mr. HART. Mr. President, I yield myself 1 more minute on the resolution.

The budget proposals of the administration, as adopted by the Budget Committee, severely restrict or terminate a wide range of energy conservation, fossil fuel, alternative energy supply programs that, as I have indicated, have been adopted by Congress in the past. The fact of the matter is that if the Budget Committee's proposal is adopted and this amendment is rejected, those programs will be severely restricted or terminated and the energy options of this country will be severely restricted.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I regret having to oppose this amendment but, basically, the effort here is correctly stated by the distinguished Senator from Washington (Mr. JACKSON). This amendment is basically saying that they are putting back budget authority—in fact, my arithmetic would indicate $650 million in budget authority—for the years 1981, 1982, and 1983. It is obvious from the statement that the reason they are putting back the budget authority is that they intend the Energy Committee to retain two or three programs that the Energy Committee might not want to continue and that, as far as the administration's policy is concerned, they have indicated they are not going to retain.

Their sheet indicates they are going to retain $1 billion in budget authority for the solar energy and energy conservation bank; $1.2 billion in budget authority to provide loan guarantees under the various alcohol fuel programs. That budget authority is spread out between the Agriculture and the Energy Committees.

In essence, Mr. President, when you look at all that, you want to understand that, while budget authority does not have any immediate impact, if you put that much budget authority in, you are basically changing the whole policy. You are providing enormous budget authority in the outyears that is going to naturally flow from this decision. In fact, we have estimated that the outyear budget authority that is going to be required for this kind of policy is well over $1 billion—$1.2 billion.

Once you put that in there, there is no assurance what that is going to be used for. It is additional budget authority. But then, when you read the sense of the amendment, the proponents are saying—

If they are going to cut 15 percent, for instance, in renewables, the sense of this amendment is that they have to cut 15 percent in the other programs they have—be it nuclear, be it research in coal saying, "We don't trust the Energy Committee. If they are going to cut, we want them to cut the way we think they ought to cut."

In other words, for the first time, if this amendment passes, we shall really be saying to the Committee on Energy, "You have to cut programs on a percentage basis because we do not trust the way you are going to cut them and we are afraid that you are not going to leave in enough of the programs we like."

I think that is it in a nutshell, Mr. President. I really urge that we not do this, regardless of whether we support the programs or not. It seems to me that to say to an Energy Committee that has been highly responsive, that has distinguished Senators with tremendous experience and expertise, "We have found a way in this reconciliation approach to make sure that if you cut, you do not

cut the programs that we like, or if you do, you have to cut the other programs in equal amount."

I think that is basically the thrust of this amendment, whether it is 10 percent or 15 percent. My estimate is that we are really saying 15 percent. You are saying, "If you are going to cut 15 percent, you have to make sure that you only cut 15 out of the programs we like and take it out of programs that we do not like."

Mr. President, I urge that the Senators vote against this as a matter of budgetary policy with reference to an authorizing committee of the U.S. Senate; we ought not do this.

If we do not like the administration's program on the solar bank, the conservation bank, and those kinds of things, the authorizing committee ought to cut something else. But this amendment tries to tie their hands and say, "Do not cut mine any more than you cut any others," and asks the U.S. Senate, by switching some budget authority numbers around, to be part of that instruction or mandate to the committee.

I say, Mr. President, that they have latitude. Yes, that committee is being squeezed, in particular, because of the SPRO decision—there is no question about that. But I think we have trusted that committee implicitly before, and we should continue to do so.

This is not going to be the end of the world. They are going to have to do some adjusting. But I think we ought to let them do it. We ought not to do it through the back door this way. I really think that is the full intent of this amendment, regardless of what they say about budget authority. The proponents of this amendment suggest that the budget authority will not spend out and we have really just plugged it in because it is a loan guarantee program and there are not any outlays. The intent is rather obvious: To balance the numbers so that you tie their hands in terms of cutting the programs an equal amount to make room for the programs that the proponents of the amendment think are far more important than what they think the Energy Committee might prefer.

Mr. President, I yield as much time to the chairman of the committee as he desires.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I rise in opposition to the amendment. The amendment, as I understand it, proposes to add budget authority of $2 billion in fiscal year 1981 mostly and over $700 million in outlays in fiscal year 1982 and outyears, in the energy function. It is argued to have the effect of shifting funds between subfunctions within the energy function in the form of a series of changes in assumptions.

Here is where I run into a great deal of difficulty, Mr. President, accepting the argument that, somehow, while the assumptions that the Budget Committee has made, which are not binding, are wrong, now we shall bind the committee by a series of assumptions based on the amendment. They cannot have it both ways.

The changes in assumptions appear to attempt a symbolic restoration of cuts in the solar, energy conservation, and fossil energy programs at the expense of other programs.

The Energy Committee, on March 19, voted 19 to 1 for the McClure motion for the committee's March 15 report to the Budget Committee. The motion adopted the Reagan aggregate budget numbers in the energy and natural resources functions. Importantly, the motion affirmatively reserved the prerogative of the committee to make future programmatic decisions on areas in its jurisdiction for both the energy function and the natural resource function. I would note for the record that several of the cosponsors of this amendment voted for my motion in committee.

Mr. President, the Senate, based on votes yesterday, thus far has rejected any restoration of funds for the $3 billion cut for SPRO, including my amendment. Consequently, the Energy Committee must face even more difficult and hard decisions on program options. I also note that several of the cosponsors of this amendment, indeed the majority of the cosponsors, opposed the SPRO amendments. So it is quite clear that the Energy Committee deserves the prerogative to consider options for the remaining funds for the energy and natural resources functions. That is also true for the Agriculture Committee and the Appropriations Committee.

I note that the ranking minority member of the committee, my good friend from Washington (Mr. JACKSON), joins me in this view, as he has already stated on the floor.

I note for the record that I also am chairman of the Interior Appropriations Subcommittee. That subcommittee has jurisdiction over SPRO and other Department of Energy programs in the fossil, energy conservation, and energy regulation areas within the energy function, as well as the Department of the Interior programs in the natural resource function. The Reagan budget, in fact, makes significant reductions in each of those energy and natural resource program areas. Just as for the Energy Committee, however, my Appropriation Subcommittee should have complete latitude under this reconciliation resolution to fashion the final program adjustments. At this early stage of the process, the Senate should not attempt to dictate that result.

We should be responsible enough here to allow the appropriations process within the reconciliation to proceed without the prejudgment proposed in the amendment. The amendment increases the totals for the Appropriations Committee, the Agriculture Committee, and Energy and Natural Resources Committee jurisdictions and that is all it does. The amendment is purported to assume that we will restore $1 billion for the yet-to-be established solar energy and energy conservation bank and almost $1 billion for the alcohol fuels subsidy program. The Senate, three times in the past 24 hours, has rejected any—any—restoration of funds for the strategic petroleum reserve, our highest priority energy program, even with full offsets. How can we adopt an amendment premised on these assumptions?

I want this body to know that this Senator was, in fact, a principal sponsor of the alcohol fuels program in the Energy Security Act—in committee, on the floor, and in the conference, I fought for that title of the act. This Senator also was a principal sponsor of the original amendment in the Appropriations Committee to fund the solar energy and energy conservation bank.

I also helped create and fund for the past 8 years the geothermal program supported by these amendments. And I fought to create and fund several of these conservation programs—including overriding the veto of a President from my own party. And I have fought for years, as well as the last 4 days here, for the strategic petroleum reserve. So, I know these programs and I have fought for these programs in the past. This is not and should not be the issue here today. The Senate today should refuse to effectively line item the energy function by prejudging the mix of options to be chosen in function 270.

The Senate Energy and Natural Resources Committee supported functional totals proposed by President Reagan. The committee fully intends to act within the President's functional limits when reporting authorizing legislation. I can also confirm that the Interior Appropriations Subcommittee will attempt to do the same thing. Consequently, I urge the Senate today to reject this amendment and preserve our full latitude and prerogative to fashion the appropriate and necessary programs to accomplish that objective.

I know it has been argued—and can well be argued—that if we reject the subfunctional assumptions, as I think we should, the amendment simply adds to the total and therefore gives the committee greater latitude. On that point, I would agree. The amendment would give us more latitude, more elbowroom, to do a greater variety of different alternative things at higher levels of funding.

That question must be decided not on the basis of what the Energy Committee shall do but on what the Energy Committee may do within the constrictions of a budgetary exercise which is designed to try to reduce the threat and burdens of inflation, economic recession, and unemployment that have been attendant to high levels of Federal expenditures in the past.

Mr. HART. Mr. President, I will yield to the Senator from Arkansas and the two Senators from Montana, but first I yield myself 2 minutes on the resolution.

First of all, I have just heard the Senator from Idaho argue both sides of

the case. On the one hand he says that this amendment would restrict the Energy Committee. Yet, he ends his argument by saying that this amendment, in fact, would increase the latitude of the Energy Committee. I am not quite sure which of those is his argument.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. HART. Second, Mr. President, to complete my thought, there is absolutely no basis in fact for the Senator to argue that this is going to increase outlays by $700 million. There is absolutely no basis for that argument.

The amendment, as it clearly states, and as the Senator well knows, is going to hold spending at the same level the President provides.

Mr. President, to counter the argument made by the Budget Committee chairman and the Senator from Idaho, I ask unanimous consent to have printed in the RECORD pages 18 and 19 of the committee's report and pages 82 and 83 of the committee's report, to illustrate the fact that the Budget Committee's resolution and the arguments made by the two Senators rest on assumptions that would lead to the termination of a variety of energy programs and restrict the authority of the Energy Committee to keep those programs alive.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECONCILIATION SUMMARY

[In millions of dollars]

Proposals considered by the committee	FY 1981 BA	FY 1981 O	FY 1982 BA	FY 1982 O	FY 1983 BA	FY 1983 O
President:						
1. Export-Import Bank	−752	−41	−118		−230	
2. National Science Foundation	−82	−35	−31		−11	
3. DOE alcohol fuels	−740	−12	−6		−1	
4. USDA alcohol fuels	−505	−3	−54		−86	
5. Solar and other energy supply	−141	−51	−78		−12	
6. Solar Energy and Conservation Bank	−1,000	−10	−50		−130	
7. Energy conservation	−254	−26	−146		−66	
8. Synthetic fuels	−547	−150	−325		−72	
9. Fossil energy	−73	−35	−36		−2	
10. Park programs	−293	−54	−116		−74	
11. Youth Conservation Corps	−38	−30	−8			
12. EPA wastewater treatment grants	−1,700	−8	−121		−374	
13. Postal Service	−250	−250				
14. National Consumer Cooperative Bank	−90	−36	−48		−6	
15. HUD self-help and planning assistance grants	−42	−4	−34		−3	
16. HUD rehabilitation loans	−111	−64	−70			
17. Economic Development Administration	−342	−10	−130		−97	
18. Regional commissions	−131	−10	−57		−49	
19. Energy impact assistance	−52	−4	−24		−12	
20. TVA	−177	−40	−50		−40	
21. Impact aid	−67	−54	−13			
22. CETA-PSE	−234	−134	−100			
23. Vocational education	−239	−20	−167		−52	
24. Elementary and secondary education consolidation	−1,360	−128	−932		−300	
25. Alcohol, Drug Abuse and Mental Health Administration	−153	−29	−109		−15	
26. Health professions education	−227	−24	−113		−72	
27. Health planning	−24	−7	−12		−5	
28. Subsidized housing	−5,099	−2	−40		−70	
29. VA medical facility construction	−162	−10	−42		−80	
30. Miscellaneous small rescissions proposed by the President	−788	−302	−43	−404	−52	−133
Total, President	−15,673	−1,583	−43	−3,434	−52	−1,992
Other:						
31. Export-Import Bank	−248	−39		−65		−38
32. Postal Service	−161	−161				
33. SBA business loans—reduction	−46	−5		−2		
34. SBA business loans—direct loan elimination	−49	−34		−12		
35. Community development support	−300			−98		−128
36. Economic Development Administration	(+171)			(+50)		(+57)
37. Juvenile justice assistance, research and statistics, corrections	−17	−9		−6		−2
Total, other	−821	−248		−183		−168
Total, Appropriations Committee	−16,494	−1,831	−43	−3,647	−52	−2,201

COMMITTEE ON ENERGY AND NATURAL RESOURCES

The Committee recommends that the Committee on Energy and Natural Resources be instructed to change authorizations so as to require reductions in appropriations to achieve savings of $2,071 million in budget authority and $106 million in outlays in 1981; $3,714 million in budget authority and $3,404 million in outlays in FY 1982; and $3,660 million in budget authority and $3,628 million in outlays in FY 1983.

In arriving at this recommendation, the Committee's working assumptions were the levels recommended by the President except for the reduction of payments in lieu of taxes, and except that the Committee assumed that additional savings beyond those proposed by the President could be achieved by implementation of an alternative financing mechanism for the strategic petroleum reserve.

The following is a listing of the proposals the Committee considered in arriving at its recommendation:

REDUCTIONS IN DIRECT SPENDING

[In millions of dollars]

Proposals considered by the committee	FY 1981 BA	FY 1981 O	FY 1982 BA	FY 1982 O	FY 1983 BA	FY 1983 O
President:						
None						
Total, President						

REDUCTIONS IN DIRECT SPENDING—Continued

[In millions of dollars]

Proposals considered by the committee	FY 1981 BA	FY 1981 O	FY 1982 BA	FY 1982 O	FY 1983 BA	FY 1983 O
Other:						
1. Federal land shared receipts	−245	−244	−280	−280		
Total, other	−245	−244	−280	−280		
Total, reductions in direct spending	−245	−244	−280	−280		

REDUCTIONS IN AUTHORIZATIONS

[In millions of dollars]

Proposals considered by the committee	FY 1981 BA	FY 1981 O	FY 1982 BA	FY 1982 O	FY 198 BA	FY 198 O
President:						
1. DOE alcohol fuels	−740	−12		−6		−1
2. Solar energy and conservation bank	−1,000	−10		−50		−130
3. Youth Conservation Corps	−38	−30	−60	−60	−60	−60
4. Park programs	−293	−54	−654	−288	−500	−437
5. Payments in lieu of taxes			−35	−36	−36	−36
Total, President	−2,071	−106	−750	−440	−696	−664
Other:						
6. Strategic petroleum reserve—private financing			−5,871	−3,906	−3,910	−4,360
7. Payments in lieu of taxes			−45	−45	−45	−45
Total, other			−5,916	−3,951	−3,955	−4,405
Total, reductions in authorizations	−2,071	−106	−6,666	−4,391	−4,651	−5,069

Mr. HART. Mr. President, I yield no more than 10 minutes on the resolution to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I am on the Energy Committee, and this amendment does not restrict the Energy Committee in any way. It simply says that the Senate feels that the priorities should be slightly different from those recommended by the President.

I point out, first, that Mr. Stockman, who is Director of OMB, stated that overall budget reductions are necessary to restore the economy and that the specific cuts recommended by the President are not particularly significant, and the amendment is consistent with that position.

The Secretary of Energy testified before our committee—that his budget is designed to remove the Department of Energy from commercialization activities in order to concentrate on "long-term, high-risk" technologies.

This statement is contradicted by the budget itself, because it still provides $250 million for the Clinch River breeder reactor project, which Mr. Stockman has described as a commercialization activity. The Secretary of Energy has acknowledged that the French have advanced well beyond this technology. Yet, we are going to start spending $250 million on what certainly will be a $2 billion expenditure. An accomplished technology is neither long term nor high risk. It is simple foolishness, prompted by blind nationalistic bravado, to spend an additional $2 billion in the next decade to develop a technology which has already been developed.

It is also inconsistent to declare that the Government should not be involved in commercialization activities when it is involved in identifying appropriate methods to dispose of commercial wastes. The Government clearly has a duty to protect present and future generations of Americans from the ill effects of commercial wastes. Still, their safe storage and disposal must be regarded as the primary duty of the enterprises which profited from their use. It is plainly a cost of doing business, and they should bear it.

This inconsistency is cruel, because these programs are to be funded when other deserving program are not. For example, the low-income weatherization program is to be transferred to the community development block grant program, but no weatherization money is transferred, and the overall CDBG program is to be cut by 25 percent, to reflect alleged efficiencies in administration.

Whatever money which might be made available for weatherization would not reach the rural areas in States like mine where it is most necessary, because the CDBG program is oriented to urban areas and has no way of reaching rural areas. In Arkansas, for example, only 35 of the 75 counties now have a mechanism for delivering CDBG funds. What will the other counties do? They will do without. There is no money and no mechanism.

Since there are many States which are more rural than Arkansas, it is obvious that an orphaned weatherization program would not be able to weatherize the rural homes which need it most.

Similarly, the low-income fuel assistance will be merged with a block grant program without additional funding to compensate for rising fuel prices caused by decontrol of domestic oil prices. Thus, this administration has raised fuel bills by decontrolling oil prices and now it proposes to emasculate the programs which are necessary to alleviate the suffering caused by that action.

This proposed energy budget further compounds this punishment by proposing to eliminate the solar bank. Mr. Stockman and the Secretary of Energy both have attempted to justify that proposal by saying that people will rely on the solar and conservation tax credits, so the bank is supposedly unnecessary. Nothing could better illustrate the hypocrisy of these energy budget changes, because our experience clearly shows that people of median and below median incomes are simply unable to avail themselves of the tax credits. For example, in 1979, taxpayers with an adjusted gross income of less than $12,000 filed only 11 percent of all the tax returns on which residential energy expenditures were reported, even though they filed over 50 percent of all returns filed.

Also these people claimed an average expenditure for energy weatherization of $657, but people with adjusted gross incomes of over $50,000 claimed an average expenditure of $1,010, which is 54 percent greater.

Of the people with adjusted gross incomes of less than $4,000 who claimed residential energy expenditures in 1979, none of them could actually use them, because their tax liability was so low, so none of them could even qualify for a tax credit. In sum, only a small proportion of low-income taxpayers were able to use the energy tax credits and even those few credits which were claimed were substantially less than those claimed by high-income taxpayers. The solar bank would cure this deficiency by providing median and low-income taxpayers the same benefits already enjoyed by high-income taxpayers. Therefore, failing to fund the bank will discriminate against people with below median incomes, in the cruelest way possible. With one hand, the administration has increased fuel bills, and, with the other, it has reduced or eliminated the programs necessary to soften the impact of the increase upon the poor. At the same time, it has preserved the tax credits which disproportionately subsidize the wealthy. We have been told that the budget cuts are equitable, and I will accept equitable cuts, but where is the equity in this? Where is the justice?

Mr. President, we have embarked upon a new effort, driven by the people's will to reduce overall Government spending. We must be governed by that will, but we are also charged to work carefully and responsibly toward a fair and equitable result. Clearly, the proposed energy budget is neither fair nor equitable. It is part of an unjust and inequitable proposal that will victimize the young, who will not have food, the students, who will not have learning, the aged, who will not have rest, and the poor, who will not have food, shelter, or dignity.

We are all familiar with the children's story about two charlatans who flattered an emperor into buying a nonexistent suit of clothes. The court followers did not dare reveal the fraud, so the emperor paraded about in his insubstantial finery until a young boy spoke up.

This budget would give the same suit of clothes to the poor, the aged, and the young. The weatherization function, without any funding, will disappear into a block grant program which has no mechanism to deliver the nonexistent money to rural areas. The fuel assistance program will disappear into a block grant program with reduced funding, even though it is patently obvious that decontrolled oil prices will require increased funding. The solar bank, which was designed to help people at or below the median income level, will disappear into tax credits designed to help those who are well above the median income level and need it the least.

The emperor had no clothes, and this budget has no justification.

The Budget Committee has stated that it has taken an "unprecedented action," yet, by my count, it held only two hearings after receiving the President's budget submission. The other committees have held relatively few hearings, and this body is already preparing to act, a bare 3 weeks after getting the budget.

Our actions are not wrought by deliberation, but hammered out in blind frenzy. We are lopping off hopes and dreams faster than heads rolled from the guillotine during the French Revolution.

I hope that this amendment will not be voted on as some of the other amendments with the rather callous disregard for what we are doing.

The Senator from Idaho is the chairman of the Energy Committee, and I must say he is a very fair and fine chairman. He knows that his committee will debate these items. During the debate, I may find myself agreeing with the President on some matters, for example, on some of the research projects. Certainly I agree with him that we should not be spending money on commercialization activities, and yet we are doing it.

I am inclined to agree with the President on the synthetic fuels program, and I think the oil industry is the one that should be developing it. That will be debated later. I am not even saying, for example, that we should necessarily reduce every research and development project by 18 percent, but I think we should look at them fairly. We should take a look at this chart in the back of this room so everyone can understand where we are headed.

Photovoltaic electricity, which was costing about $25 a watt for capital cost construction when I came to the Senate 6 years ago, is now costing about $2.60 a watt, comparable to almost $1 a watt cost to build a coal-fired generator plant.

We talk about solar contributing 10 or 20 percent of the total energy supplies by the year 2000 and deliver panaceas.

These cuts are not a stroke of brilliance, but a short-sighted shell game.

In the short time we have allotted ourselves, the only solution to this shell game is to cut all energy programs by the same 18 percent. Thus, we will avoid the inequity of cutting solar programs by 70 percent, cutting conservation programs by 70 percent, cutting fossil programs by 70 percent, and increasing nuclear programs by 53 percent. That allows the Energy Committee greater leeway to readjust energy priorities carefully, rather than resort to draconian measures. In this way we can avoid giving the American people the emperor's clothes.

The PRESIDING OFFICER. The 10 minutes yielded to the Senator from Arkansas have now expired.

Mr. HART. Mr. President, I thank the Senator from Arkansas for his statement.

I yield 5 minutes to the distinguished senior Senator from Montana who has done so much to move this country in the direction of energy independence.

Mr. MELCHER. Mr. President, I thank my friend from Colorado for yielding to me and thank him for his fine comments. This amendment is meritorious and should be adopted.

Mr. President, we have a lot of work to do in the energy policy for this country. I believe that all of us here on this side of the aisle in the Senate and the House of Representatives also, everyone in the country, regardless of political party, wants to help President Reagan and help this administration to be successful. I say that with all sincerity and with a certain note of desperateness because it is a little bit desperate how we are going to help this economy.

We cannot possibly control inflation unless we have a better energy policy for this country. After all, of all the inflationary factors there are that one can devise or conceive, I think the most significant one in the United States and perhaps throughout the world, the most significant pressure or single factor causing our devastating rate of inflation is the rapidly rising cost in energy.

So if we are going to have a good economy, if we are going to get on top of inflation, if the President's economic policies are going to be successful, we are going to have to have a much better energy policy for this country, and it must be now. It cannot be later. The improved energy policy has to be near term.

We can all have differing opinions about whether it is wise, whether it is the best wisdom to decontrol oil prices as rapidly as President Reagan has suggested and is doing.

For my part, it is OK with me. I think we might get some more oil out of old oilfields, from secondary and tertiary recovery, because we have a more rapid increase in price of crude from oil decontrol. So that part is all right with me. And it is all right with me, also, that the President says he is going to try to cut redtape so we can drill more oil wells both on land and offshore. I want to see that done as long as we can do it in a wise and environmentally sensible way, and I believe we can. So that part of the President's energy policy is OK with me also.

But we cannot get an oilfield, we cannot develop a major field short of 4, 6, or 10 years. That is not real near term.

What else has the President's program in store for us?

The program and administration budget goes to nuclear. If we go to heavy emphasis on nuclear, and I do not know when we get a breeder reactor but it is certainly not near term. There is not any new nuclear plants that can be constructed that we can call near term unless we call 10 or 12 years near term.

So I very much wish to help the President to formulate a better energy policy than what we have in this country now.

I think some of the steps the President is taking in his recommendation so far does not lead us to that better energy policy that is near term. The administration energy program is not adequate at all in the near term and the budget cuts eliminate that part from U.S. policy. I am talking about whether or not we want loan guarantees for alcohol so we can make gasohol. I am talking about whether we should have loan guarantees for geothermal. I am anxious to use more water and solar power. We should proceed with dedication and direction and affirmative action on low-head hydro and modifying some of the high-head hydrofacilities (dams) that we have that have additional generating capacity waiting just to be installed.

I am talking about those things as being near-term energy resources. I am talking about some of the coal programs such as the magnetohydrodynamics (MHD) technology which is more near term than some of the nuclear programs.

Yet these programs are being cut and eliminated. This amendment could correct these deficiencies. Whether or not this amendment carries, we must devise a policy in this country that develops more near-term energy resources than what has been recommended in the President's budget and part of that responsibility is up to the Energy Committee and of course it is the responsibility of every Senator here.

Let us all admit that this is an area where the President and his advisers need our help and need our experience. Let us be positive about it. If this amendment carries—it would solve some of my concerns, but if it does not carry—let us not allow this matter to drop. I know the chairman of the Senate Energy Committee is as desirous and as dedicated as I am—I know the chairman of the Budget Committee, who serves on the Senate Energy Committee, is as desirous and as dedicated as I am—to try to move quickly into a good near-term energy policy for this country.

This, above all, is where the President needs our help, needs our advice, needs our recommendation, and needs some of the experience we can contribute.

I thank the distinguished Senator from Colorado for yielding to me at this point.

Mr. HART. I thank the Senator from Montana.

I yield 5 minutes on the resolution to the distinguished Senator from Montana (Mr. BAUCUS).

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I thank the Chair. I also thank the Senator from Colorado.

Mr. President, I strongly support this amendment. Indeed I am one of the Senators who initially proposed this idea to both the Democratic Caucus and now to the full Senate.

This amendment seeks to bring the Reagan administration's energy budget into line with President Reagan's budget rhetoric.

It is necessary because the President's rhetoric about the need for even sacrifices throughout the budget, shared by all, has been totally at odds with what is actually contained within the budget he has sent to Congress.

President Reagan has called repeatedly for evenhanded, across-the-board budget cuts. I strongly support President Reagan on this idea, and I am confident the American people support him on this idea as well.

But every Member of the Senate knows that the budget President Reagan has sent to Congress is neither evenhanded nor across the board. It seems that the broad majority of the American people, a majority in Congress, in fact, most everyone, supports the President on the idea of major evenhanded budget cuts. The only person he seems not to have convinced is David Stockman, his Director of the Office of Management and Budget.

Let us look at how Presidential rhetoric concerning across-the-board cuts contrasts with the reality of the President's budget.

President Reagan has exempted three-fourths of the budget from scrutiny; he has called for dramatic increases in spending in many areas; he has refused to look at tax expenditures; and he has created a definite "enemies list" of programs he wants to destroy.

This is not what he is presenting to the American people, but it is what his budget contains.

Let me highlight the Reagan "enemies list" in the energy budget.

FOSSIL RESEARCH, SOLAR, CONSERVATION, HYDROPOWER, ALCOHOL FUELS TARGETED BY REAGAN BUDGET

President Reagan proposes we cut current fossil fuel research and development funding by 27 percent this year and by 61 percent next year.

President Reagan proposes we cut solar funding by 16 percent this year and 66 percent next year.

President Reagan proposes we cut conservation funding by 36 percent this year and by 77 percent next year.

President Reagan proposes that we cut small hydropower spending by 100 percent this year, by 100 percent next year and that we cut another $2.7 million committed in previous years' budgets.

President Reagan proposes we cut alcohol fuels funding by 100 percent this year, by 96 percent next year and that we cut $886 million in funding committed during previous years.

NUCLEAR INCREASED WHILE MHD AND ALTERNATIVES TERMINATED

Lest you think this is somehow even-handed cutting—where everybody shares the burden of budget austerity fully—let me point out that President Reagan proposes no major decrease in nuclear funding, no minor decrease in nuclear funding: He proposes a 4-percent increase in nuclear funding this year and a 21-percent increase next year.

Within these functional totals, President Reagan has proposed totally scrapping a number of our most important conservation and alternative energy efforts, including home weatherization, the solar and conservation banks, alcohol fuels loan guarantees and consumer product conservation efforts to name just a few.

President Reagan has proposed to totally scrap the highly successful magnetohydrodynamics (MHD) coal research project, and by doing so he is willing to throw away $418 million we have already invested in a program that the General Accounting Office has described as a promising technology. We from the West who are being asked to burn our coal for energy must question the cutting of programs so near success that give us the hope of producing electricity from coal much more efficiently and much more cleanly.

Meanwhile, President Reagan has proposed a $254 million increase in the Clinch River nuclear breeder reactor effort, a budget cutting exercise.

Secretary Edwards recently told the Senate Energy Committee that the Reagan administration is not in an energy policy exercise, that it is in a budget cutting exercise. Rubbish.

I do not call a $254 million increase in the Clinch River nuclear breeder reactor program, or a $339 million increase proposed for next year's overall nuclear effort, a budget cutting exercise.

Quite simply, under the guise of budget austerity, the Reagan administration is attempting to quietly divert huge resources from coal research, solar, conservation, and gasohol into nuclear development.

President Reagan's Energy Secretary says that this must happen in order that the United States may regain its world leadership role in nuclear development.

I ask why the United States cannot lead the world in the much more cost-effective area of energy conservation? Why can we not lead the world in solar development, in gasohol development, in coal utilization technology? Indeed, why can we not attempt to catch up to the Soviets who have given a steady commitment to MHD and other coal research?

This amendment ought to be entitled the "Reagan Public Energy Budget Amendment to the Reagan Congressional Budget." It simply would ask for equal sacrifices in our energy programs, the kind of equal sacrifices requested by the President in speech after speech.

I might add that by exempting tax expenditures from review, President Reagan has targeted what remaining Federal support there is for some areas, such as conservation, in the least effective way possible. For example, tax credits for insulating homes go to those who itemize tax deductions. These higher income people already live in more energy secure houses than do the low-income people whose home weatherization moneys would be cut from the energy budget.

When President Reagan proposes to terminate spending for low-income weatherization within the energy budget, he is, in fact, targeting any remaining conservation spending through tax expenditures to those who need the help the least and where the energy savings would be lowest.

Today, I call on all Senators, regardless of party affiliation, to support President Reagan and oppose OMB Director Stockman on this amendment—to vote for equal sacrifices in all energy programs as opposed to drastic targeted sacrifices aimed at some of our most important programs. I will remind my colleagues that a vote against this amendment is a vote against conservation, against gasohol, against solar energy, and against better use of fossil fuels; further, a vote against our amendment is not a vote against higher energy spending. The totals are roughly the same. We ask simply for even cuts in all the programs instead of the drastic targeted cuts proposed in the Reagan energy enemies list.

ALCOHOL FUELS

Mr. President, I had originally intended to conclude my remarks on this amendment here, but I would like to call special attention to one especially damaging area of energy cuts—one that I and a number of my colleagues feel deeply about—alcohol fuels. The Reagan administration and the budget we now seek to amend would terminate the alcohol fuels loan guarantee programs administered by the Departments of Agriculture and Energy.

I share the disappointment expressed by many of my colleagues over the past few days that the Federal Government's commitment to alternative energy is being drastically scaled back. I believe that we have finally reached the point where alcohol fuel can have a substantial impact on our domestic energy supply problem. However, with the elimination of the loan guarantee program we are setting back alcohol fuels development by several years.

With the passage of the Energy Security Act, Congress gave a clear signal to farmers and consumers that we would support the development of an alcohol fuels industry. The Federal Government now adds confusion and apprehension to alcohol fuel proponents' plans for development. Many people from my home State of Montana—and across the country—have spent time, energy and substantial personal sums of money on plans for gasohol production. These efforts were based on the understanding that Federal support—through loan guarantees—would be available to facilitate negotiations with private lenders. I simply do not feel that such an irratic approach is sound energy or business policy.

Mr. President, I am committed to cutting the Federal budget and reducing taxes to get our economy moving again. I believe, however, that the cuts should be spread more equitably among Federal programs—not accomplished through eliminating important programs entirely. An investment in alcohol fuels would give a major boost to the revitalization of our economy by providing jobs and through expanding our tax base.

I would point out that just as in many other areas of the Reagan administration's budget, the termination of alcohol fuels programs is a cut targeted at rural areas. Alcohol fuel plants offer a market-efficient way for farmers to provide fuel for farm equipment and rural communities.

The Reagan administration has proposed terminating alcohol fuels loan guarantees, devastating the Rural Electric Administration programs, and seriously diverting major farm and rural-intensive efforts into other less cost-beneficial programs. If we are going to be evenhanded in our cuts. I ask that the small communities, the small business, the rural areas and rural industries not be asked to sacrifice totally while other areas, giant businesses and giant multinational oil and nuclear industries are given huge benefits and tax breaks.

I ask that a summary of alcohol fuel budget imports, prepared by the Montana Department of Agriculture, be entered into the RECORD at this point in my remarks. The summary describes the effects a termination of the Federal alcohol fuels loan guarantee program would have on the State of Montana and the many proposed alcohol fuels projects in the State.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

MONTANA DEPARTMENT OF AGRICULTURE FOOD & FUELS PROGRAM

Re Termination of Federal alcohol fuels biomass loan program.

The Federal Alcohol Fuels Biomass Loan Programs have been very frustrating to work with. The U.S. Congress appropriated $1.25 billion to the Departments of Energy and Agriculture (through Farmers Home Administration) to develop fuel alcohol from biomass to lessen the United States dependence on imported (OPEC) oil.

This was a section of the Energy Security Act of 1980, which required several months of drafting of rules and regulations before being implemented.

Many Montana citizens applied for funding under this program as well as the regular "business and industry" loan program of FmHA, but as of today not even one loan has been completed for a Montana project, and with President Reagan's proposed retroactive, current and future budget cuts none will be.

Montana's Department of Agriculture and the DNRC have committed $618,000.00 to establish an alcohol industry in Montana. But with federal bureaucratic inaction and now the withdrawal of all federal loan programs it will be almost impossible to establish a major commercial alcohol industry in Montana. Some small commercial and farm plants will be built, but it will take years for these to have an impact on our over-all energy supply.

Enclosed is a list of proposals which the Montana Departments of Agriculture, and Natural Resources and Conservation considered (including some which received partial funding) and other proposals of which we are aware. All possibly would be built if federal funding is available, and some prob-

ably already would have been, if FmHA bureaucrats had acted more expeditiously.

The total cost of these plants would be $66,545,020.00. Federal loan guarantees requested were $49,676,000.00. Local and other non-federal sources would finance $15,920,422.00 of the cost of these plants. The plants would produce 32,094,000 gallons of ethanol utilizing 16,891,578 bushels of Montana barley.

New business venture capital is extremely limited in Montana. Without federally supported guarantees and direct loans, outside capital will not come into the state. The only remaining means of developing the necessary capital will be to sell stock to the public, where financial resources are also limited and where extensive periods of time would be involved. Montana people might purchase such stock, but their own available funds for investment are limited. The plants, therefore, will have to start small and probably underfinanced and it will be exceedingly expensive and time-consuming to achieve levels of alternate fuel production sufficient to have an impact on the total energy supply which is needed immediately.

The Reagan administration proposals to eliminate the financial incentives for the fuel alcohol production in the Crude Oil Windfall Profit Tax of 1980 and the Energy Security Act of 1980 will effectively kill what might have been an industry uniquely suited to Montana's resources and abilities.

Additionally, many Montanans who have invested thousands of dollars of their own on a "good faith" basis because of the federal government's legal promise of such incentives will lose their entire investments. And, the State of Montana, also will lose several hundreds of thousands of dollars already spent in an effort to encourage those Montanans to create such an industry in the state.

The Montana Department of Agriculture, Food and Fuels Program is a grant/loan program. Within the contract with the grantee is a provision providing for repayment of the grant if the business becomes a viable entity. Because of President Reagan's withdrawal of federal loan guarantees $178,000.00 of $186,000.00 of our grants will be written off as a complete loss.

Startup date and name	Total cost	FmHA	Gallon production	State agriculture	D.N.R. & C.	Local	Other
January 1982: Ag/NRG Great Falls	$1,650,000	$950,000	1,000,000	$100,000	$200,000	$160,000	$400,000
January 1983: Blackfoot Energy Cut Bank	6,860,000	6,174,000	4,200,000	35,000		651,000	
January 1983: Agra-Tech Twodot	9,500,000	8,550,000	4,000,000	2,000		948,000	
June 1982: Sun Prairie Energy, Inc., Fairfield	3,800,000	[1] 3,800,000	1,500,000	5,000		[2]	[2]
June 1982: DeVries Roberts	2,240,000	2,016,000	2,000,000	5,000	100,000	119,000	
January 1983: Bear Paw Development, Havre	6,200,000	4,960,000	4,000,000	5,000		1,235,000	
Subtotal	30,250,000	26,450,000	16,700,000	152,000	300,000	3,113,000	400,000
August 1981: A.E. Montana Amsterdam	340,000		600,000	7,500		332,500	
October 1981: Bronic Geraldine	118,000	66,000	73,000	20,000	32,000	[2]	[3]
June 1981: McKeever Circle	3,020		1,000	1,500		1,522	
September 1982: Lang Miles City	9,500,000	[3]	4,000,000	5,000		1,000,000	8,500,000
Subtotal	9,961,020	66,000	4,674,000	34,000	32,000	1,334,022	8,500,000
January 1982: Glasgow	2,750,000	1,935,000	1,500,000		100,000	215,000	
January 1983: CBF, Culbertson	2,094,000	1,884,600	1,500,000			209,400	
January 1982: Fort Peck, Poplar	500,000	450,000	220,000			50,000	
January 1983: Doig, White Sulphur	990,000	891,000				99,000	
January 1983: Energy Engineering, Hot Springs	20,000,000	18,000,000	7,500,000			2,000,000	
Subtotal	26,334,000	23,160,000	10,720,000		100,000	2,573,400	
Total	66,545,020	49,676,000	[4] 32,094,000	618,000		15,920,422	

[1] DOE.
[2] In kind labor, land, and management.
[3] Country industrial development bond.
[4] 1.9 gallon of ethanol per bushels of barley equals 16,891,578 bu.

NEED FOR A BALANCED ENERGY POLICY

Mr. BAUCUS. I wish to conclude, Mr. President, by saying that I am not on the Energy Committee nor am I on the Budget Committee.

But I am an American citizen; I am a Member of this body, and I do spend some time trying to figure out where our country should be going, what our energy posture should be, and what role we should play in the world.

The inescapable fact is that we have an energy crisis. We all talk about it and I think we all agree that we do face very, very difficult problems. We are still buying about 5 million barrels of oil a day from overseas. Unless we move more quickly than we have in the last few years to try to cut off that outflow of money, that hemorrhage, we will soon face even more perilous potential problems than we do today.

I am sponsoring this amendment with the Senator from Colorado because, in my view, the present administration is making a mistake by relying too much on one or two panaceas for solving our energy crisis. Neither its hopes for new energy from decontrol of oil and natural gas, nor its determination to spend disproportionate amounts on big Government efforts to develop the nuclear industry will cure all our energy problems.

We have to have a lot more balance. We have decontrolled the price of crude oil in order to enable prices to rise and make other forms of energy more price-competitive. We have helped and will continue to help the nuclear industry to some degree because it, too, offers the potential for significant energy benefits.

But I also think we have to spend as much effort as we possibly can on almost every other potential form of energy development until we find out which ones work and which ones do not work. I include solar energy; I include conservation; I include hydro; I include all the wide variety, wide panoply, of potential energy sources, which we have in the past begun to develop but which this administration would very, very severely cut back.

Earlier I mentioned the MHD program because MHD offers such a potential for utilizing the vast reserves of coal in my State more efficiently and more cleanly.

I mentioned the alcohol fuels program because it offers such a potential for liquid fuel throughout the country and in rural areas in particular. The General Accounting Office says alcohol fuels could provide at least 10 percent of our Nation's auto fuel supply by the year 2000.

Conservation may be the most cost-effective energy source we have.

If, as Senator GLENN stated earlier, we pursue and find good ways to store electricity—and I agree with his assessment of the importance of this research—whole areas of power generation will become even more cost effective than they are today. Wind power, utilizing existing technology, may soon be an important contributor in Montana. With better electrical storage it could do even more.

So I appeal to the Senate to restore some balance to our efforts in solving our energy crisis.

I believe if we continue down the road of helping the major oil companies and the nuclear industry at the expense of everyone else, we are going to regret the day when we lost an opportunity to restore some balance and commonsense to our energy efforts.

So, Mr. President, I strongly urge the Members of the Senate to vote for this amendment, to vote for a balance that I think is necessary and proper.

Mr. HART. Mr. President, I thank the Senator from Montana for his remarks.

I yield myself the remaining time on the amendment. How much time is that?

The PRESIDING OFFICER. There are 4 minutes remaining.

Mr. HART. Mr. President, the Senator from South Carolina hit the nail on the head in his remarks when he said the budget process should not be a process by which we make policy in this country or by which we establish specific line item concepts or decisions.

It is, in fact, the proposal of the administration, as articulated by a majority of those on the Budget Committee, and propounded here by the Senator from Idaho and the Senator from New Mexico today, that represents a dramatic change in energy policy.

Under the last three or four administrations and in several Congresses, it

has been the policy of this country to pursue a wide variety of energy alternatives. It has been the policy of this Government, of both political parties in several Congresses, to involve this country in what could be called supply-side investment, investment in a wide range of energy alternatives to stimulate use of the technology of those alternatives in order to decrease dramatically our dependence on foreign oil and to increase our economic and national security.

The amendment before the Senate today does not appreciably increase Federal spending or outlays. It does keep the options open for the authorizing and appropriation committees to maintain those wide varieties of programs supported on both sides of the aisle and both political parties.

It leaves the choices with the appropriate committees. It takes those choices and that dramatic change of policy out of the hands of the budget process, and it increases this country's economic and national security. It does increase our investment on the supply side of energy, and it will lead to a stronger nation. I hope the majority of Senators on both sides of the aisle will support this amendment, which reflects the policy this Government and this country has pursued for the last 7 or 8 years.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield 2 minutes to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

I understand what a number of people have been saying about the desirability of a broader mix of programs, and that is precisely the responsibility of our committee to try to determine how we will allocate the money available to us in the budget resolution.

Certainly the adoption of the pending amendment, increasing the amount of money that would be available to the committee, would be helpful. And I want to note on the record that I made an error in my original statement on the arithmetical calculation of the effect of the amendment when I stated that it had a $700 million effect on outlays. The correct figure is $100 million in outlays. I thank the Senator for pointing it out. There is an increase in the $2 billion in budget authority, however. That figure remains correct.

Certainly, to the extent that I have the responsibility as chairman of the Committee on Energy and Natural Resources, any addition of money that is available to us makes it easier for us to make the programmatic decisions. We do not have the same difficulty if the figure is enlarged.

It is not my intention to debate at this time the central issues about the relative merits of various programs because the time to do that will occur later as we go through the process of authorizing specific programs and appropriating money for specific programs, and I am sure we will join in that debate.

For instance, I agree with my friend, the ranking minority member on the Budget Committee, the distinguished Senator from South Carolina, in saying that we do need reprocessing. I think we need a breeder reactor program. I am firmly in support of a strong nuclear program. We must increase the efficiency as well as the focus of the Nuclear Regulatory Commission because we will by the end of this summer have 11,000 megawatts of generating capacity in conventional nuclear ready to go online in this country, but which is being held up because of licensing problems. We must find a way of getting that done as 11,000 megawatts of nuclear power translates into roughly 5 percent of the oil imports into this country.

So we do have a variety of different things that need to be done. But this amendment is not the right way, at this time, in my judgment, to get it done.

Mr. FORD. Mr. President, I support the amendment offered by the distinguished Senator from Colorado (Mr. HART) and others. As we all know, the February 18 economic recovery message managed to escape using the word "energy." It quite correctly emphasized the need for a "safety net" for the poor, the ill, the handicapped, but omitted the greatest single threat to any "safety net," our energy problems.

Mr. President, this Nation stands in dire need of a "national energy safety net" and I for one do not find it either in the administration program or in the budget resolution before us. The proposed amendment would be a step in that direction.

The amendment would permit the Congress to allocate resources to programs that work toward establishing an "energy safety net," immediate in some instances, more long range in others. The amendment would permit us to have a balance in our Nation's energy program.

Mr. President, to attack the inflation problem, we must first of all attack the energy problem; to attack the balance-of-payments problem, we must first of all attack the energy problem; to attack the national defense problem, we must first of all attack the energy problem.

Fossil fuel energy imports have been a greater factor in inflation than Federal budget deficits. Over the last 8 years, the rise in the dollar cost of fossil imports has been at least seven times as great as the rise in Federal deficits.

The cost of energy imports has been $225 billion over the last 4 years—nearly $100 billion in 1980 alone. Sixty percent of last month's rise in inflation was due to increases in the direct costs of energy. This has a great effect throughout the economy.

Energy costs are the essence of our balance-of-payments problem. In recent years, only in 1972, have the nonenergy export-import balances been negative.

Mr. President, this energy situation must be redressed and we cannot do it by faith alone. We need a broad alternative of energy programs—ranging from conservation to synthetics, including nuclear and the direct use of coal. But you cannot run a tank or fly a plane on nuclear or a lump of coal.

The amendment would permit a range of alternative energy programs, would permit a minimum "energy safety net."

● Mr. LEVIN. Mr. President, I would like to join with my colleagues in supporting Senator HART's amendment. His proposal would serve to balance our energy budget. Since the oil embargo, the Congress has passed many pieces of legislation aimed at decreasing our dependence on foreign oil. This has been a bipartisan goal and I hope that it can continue to be so. In the past, we tried to create a balanced energy program, committing ourselves to both long-range research and shorter term programs to protect our Nation from potential shortfalls in oil supplies.

Now there may well have been inconsistencies in or less valuable programs included in the legislation of the past 7 years. I had hoped, however, that the new administration would provide us with evidence showing why they proposed to change the energy program. I have tried to ascertain why the administration has requested certain changes to be made in the energy budget, but I cannot find a satisfactory answer.

They propose to cut the energy budget by 16 percent. I cannot ascertain why 16 percent rather than 4 percent or 30 percent or any other arbitrary number. For example, the administration proposes to abolish the Solar Energy and Conservation Bank because they say that higher prices will assure investments in solar energy and conservation. On what evidence? One could easily argue that, on the contrary, higher energy prices have reduced the capital assets of those very individuals and small businesses who would benefit from the Solar Energy and Energy Conservation Bank. The administration may be correct in asserting that higher prices would persuade more citizens that they would like to invest in solar energy and energy conservation. Unfortunately, by increasing fuel bills, it may well eliminate private funds that could have been used for energy savings.

The administration would also like to abolish the alcohol fuels budget. They state that the marketplace will finance gasohol projects because of the increase in oil prices. Yet gasohol producers can provide evidence that they cannot obtain financing without Federal loan guarantees.

All of us are in favor of saving money and cutting wasteful spending. No one from Michigan can ignore the fact that our economy is in trouble and that help is desperately needed. Yet I cannot understand how dismantling our energy program without a comprehensive alternative can help our Nation's economic woes. The administration wants to cut money for solar energy, for energy conservation, for alcohol fuels research and loan guarantees, for fossil fuel, and other synthetic fuel programs. Yet we have not been told why such cuts should be made. Why is the Solar Energy Bank totally abolished while nuclear research would not be touched? We are told that the rise in oil prices will cause the market to meet the need for solar energy; yet why cannot the market also be depended upon to fund nuclear spending?

If this administration is truly committed to national defense, it must reevaluate its energy proposals. By cutting conservation—which is the cheapest way to cut our energy imports—by cutting programs for renewable resources, by cutting funds for the strategic petroleum reserve, the administration is destroying the programs the Congress devised to minimize our dependence on foreign oil. They are simply increasing our vulnerability to oil cutoffs. This is a foolish and dangerous policy.

Although we cannot bind committees to funding specific programs, I believe we have an obligation to indicate the sense of the Senate that we establish a more balanced energy program, funding short- and medium-range programs to decrease our imports of oil. And until we receive more conclusive evidence about the effects of the proposed modifications of our energy program, we should assure a more equal sharing of the budget cuts.●

● Mr. WEICKER. Mr. President, I am pleased to support Senator HART's amendment for the energy function within the budget.

I am happy to support this amendment for several reasons: First, a general across-the-board cut for the Department of Energy reduces overall outlays for fiscal year 1981 by some $34 million, reduces outlays for fiscal year 1982 by an additional $10 million, and permits us the time to develop additional cuts for fiscal year 1983. More importantly, the Hart amendment, if passed, will enable both Secretary Edwards and the Senate Energy Committee to properly review all energy programs and create an intelligent report policy for this country.

On several occasions, Secretary Edwards has testified before the Senate Energy Committee that he does not have an energy policy, that he looks forward to creating an energy policy with Congress. Fine, I support that approach. The problem is that the budget itself creates policy—with or without oversight or authorization hearings. Of course, the Department of Energy has its full share of wasteful, overlapping programs. But, I doubt very much that Secretary Edwards or even David Stockman has been able to identify all the waste and inefficiency at the Energy Department in the few months that they have been in office. Yet, they seem prepared to completely halt energy initiatives in several areas, while heavily tilting the energy budget toward some nuclear programs—an area which might, in fact, be ready for commercialization rather than continued Federal subsidies. Make no mistake, I have been a strong supporter of nuclear energy. I will likely continue to be a nuclear power supporter, but I believe that both Congress and the executive branch should have the opportunity to review existing programs and policies before launching into a narrow-gauge elimination of energy programs already on the books.

So, Senator HART's amendment gives us the time to review all energy programs and, at the same time, achieve the administration's goal of substantially reducing Federal spending.●

● Mr. DECONCINI. Mr. President, I simply cannot believe the people of this country want to dismantle the solar energy programs that we have built together over the last 4 to 5 years. I do not believe the American people realize this budget resolution would terminate; completely eliminate, the solar energy and energy conservation bank that was created by Congress only last year. But that is exactly what the administration intends in the submission of its budget and what the Budget Committee has passed on in this resolution. This budget will completely eliminate a loan program, not a giveaway program, that has been considered by the solar energy industry to be essential to the near-term commercialization of solar energy.

Before we simply vote party line on this amendment I think we should stop and consider for just a few moments just what the American people want in an energy policy.

First of all they do want an energy policy. They know we cannot separate energy policy from national security policy. They understand all too well that the production and supply of energy is the cornerstone of international relationships. They understand all too well the production, supply, and use of energy is the foundation of this Nation's economy.

They understand all too well that the production, supply, and intelligent use of energy is, in fact, the future of our society as we know it.

What the American people want is balance. When the American people finally realize the goal of the Republican energy policy is to dismantle the solar and conservation programs they will be stunned.

When the American people fully realize the sole purpose of this administration's energy policy is to prop up the nuclear industry by throwing hundreds of millions of taxpayers' dollars into Three Mile Island and nuclear demonstration plants they will be outraged.

Mr. President, I have supported a necessary and practical Federal role in the development of nuclear energy and I will continue to do so. But to put all of our Federal eggs in one nuclear basket is not in the best interests of this country.

And what does this outrageous amendment that I have cosponsored do exactly? Well, it allows the Energy Committee, the Agriculture Committee, and Appropriations Committee a couple of weeks to consider the long-range impacts and implications of the unprecedented energy policy decisions being finalized in this budget resolution. It allows the authorizing committees the flexibility to do the job they are supposed to do. I remind my friends across the aisle that they have the same majority margin in the committees that they do here on the floor.

Mr. President, I wish the American people could have a chance to vote on this amendment. I would like to place the future of the solar and conservation programs in every voting booth in America. I wish the voters had a chance, at least, to give Congress a few more days to consider these policy decisions before we begin to nail down the coffin of the conservation and renewable energy programs—the programs that offer the most hope in reducing our energy dependence on Middle East oil over the next 20 years.

This amendment, Mr. President, would actually reduce budget outlays this year and next and would allow us the opportunity to continue with a reduced but balanced energy policy.●

● Mr. LEAHY. Mr. President, I rise today as a cosponsor of the amendment offered by the distinguished Senator from Colorado (Mr. HART).

The initial energy policies proposed by the Reagan administration ignore the realities of today's energy market, underestimate the benefits of conservation and renewable sources of energy, and threaten to leave us with no contingency planning for energy supply disruptions. The administration policies purport to return energy decisionmaking and development to the free market system, and yet they would leave in place large subsidies for synthetic fuels and nuclear power.

If we are to end our excessive dependence on foreign oil, it is imperative that we employ a balanced mix of domestic energy sources. This balanced mix must include fossil fuels, solar, hydro, and other renewable energy sources, nuclear power, and a strong conservation effort. Each of these fuels must be allowed to make an equal contribution.

The Reagan energy proposals do not envision such a balanced energy mix. We cannot produce our way out of the energy crisis. Even the oil companies realize this. What are they spending their windfall profit on? Mineral companies, office equipment, and retail outlets. These actions emphatically point out the need to undertake an aggressive and rigorous effort to conserve energy and develop alternative sources of fuel. Passage of this amendment is consistent with this goal.

Mr. President, I strongly urge my colleagues to join in support of this worthwhile effort and put this country back on the balanced road to energy independence.●

Mr. JACKSON. Mr. President, the budget proposals announced by the Reagan administration provide for sweeping change in Federal policy.

In most instances, the changes mean withdrawal of the Federal Government from the national leadership role it has played in such areas as fighting poverty, encouraging economic development, energy production and conservation, and on down the line.

President Reagan was elected last November in large measure. I believe, because of his promises to reduce the scope of the Federal Government and I support the thrust of his effort in this area.

At the same time, fundamental questions are being raised that deserve the attention of the administration and Congress.

Many of the programs earmarked for rescissions, cuts, or elimination developed over the years out of need or because a special problem existed. Programs were designed to meet specific goals and objec-

tives—such as providing adequate health care for the needy.

Without question, some programs evolved that have insufficient justification or are today no longer needed. In an effort to reduce overall spending, such programs should be eliminated at this time.

In considering budget cuts, I believe we should consider two essential things:

First, the cuts should have a positive impact on the economy and security of the United States. Second, budget cuts must be applied fairly. In our eagerness to reduce the total amount of Federal spending, we must not forget the basic needs of the working poor, senior citizens on fixed incomes, the mentally and physically handicapped, and others.

Before deep cuts are made in social programs designed to provide opportunities, decent housing, food, and health care, we must ask whether the administration has abandoned the goals upon which the programs were founded or whether other steps are planned to meet them.

As one who has been especially involved in energy policy over the years, I must ask whether the administration intends to abandon the goal of reducing our dependence on imported oil and planning for the shortages and supply interruptions that will undoubtedly occur in the future. If the administration has not abandoned these goals, we must ask what programs will be offered to replace the ones proposed for elimination.

For example, during the past 10 years, Congress has developed a strong program, and may I say by an overwhelming bipartisan support in the Senate, to encourage and assist in the commercialization of synthetic fuels production from domestic energy resources, especially coal and oil shale.

Our efforts in this area have received broad bipartisan support in Congress and were undertaken during the administrations of both Democrats and Republicans.

The program now in place, as enacted during the last Congress, contemplates three principal steps in the development of new technologies. I think it is important that Members of this body understand what they are, and I will therefore review them.

First, there is a strong program of basic and applied research, heavily—sometimes exclusively—funded by the Federal Government.

Second, there are the large pilot demonstration plants at something less than full size intended to prove the processes. These demonstrations can be costly—involving investments of hundreds of millions of dollars and are rarely of a size adequate to repay their investment costs out of the quantities of products produced. The experimental nature of the plants work against the likelihood of commercial financing. Thus the Department of Energy provides assistance for demonstration projects by means of Federal cost-sharing grants.

The third step in commercializing new synfuel technology is the construction and operation of a full-size, prototype project. While revenues of the plant would be adequate to amortize the costs of construction and operation, there would remain significant risks associated with any first-of-a-kind operation. The costs, perhaps $2 or $3 billion for a single plant, are well beyond the reach of all but a few of the very largest corporations.

The Federal role, at this stage, need only be one of insurance against the unusually large risks involved. Under the Synthetic Fuels Corporation, insurance would be provided in the form of loan guarantees, price guarantees, and purchase agreements.

I have no objection to private commercialization of synthetic fuels. But to date the private sector has shown little inclination to proceed without substantial governmental financial assistance. Instead, for more than a decade, we have been told that industry was on the brink of synfuels investment and that the most "recent" oil price increase would insure development.

We must be honest with the American people. Exxon recently released projections of U.S. energy demand indicating that in the year 2000 domestic oil production, assuming substantial new discoveries, will supply half our petroleum demand. The other half—about 8 million barrels per day—must come from imports or synthetics.

Exxon believes that as much as 34 percent of this total demand—well over half the 8-million-barrel-per-day shortfall—could come from synthetics The existing policy of Congress was intended to achieve such a goal, but frankly time is running out. The leadtime required for these plants is as much as 10 years.

We spoke in the Energy Security Act of production goals of 500,000 barrels per day by 1987 and 2 million barrels per day by 1992.

Those were ambitious targets and already the 1987 goal is unlikely of achievement. But now the administration wants to reduce Federal involvement in synfuels. It wants to eliminate cost-shared demonstrations which are well underway and trust to high oil prices and private initiative to get the technologies on line.

In establishing the current Federal synthetic fuels efforts the Congress recognized several realities:

Domestic petroleum production is projected by the most optimistic of forecasters to fall short of future needs even with aggressive conservation and maximum substitution of other conventional energy sources.

The most difficult energy need to serve is that of liquid fuels for transportation—currently 25 percent of all our energy demand and 56 percent of our petroleum consumption.

The only substitutes of a large measure of imported petroleum are liquids from domestic coal, oil shale, and other resources—all of this synthetic fuels.

My point here is that whether the Federal Government is involved or not, this Nation must come to grips with the energy problems facing us.

The inflation increase announced last week—a rise of 1 full percentage point during February—was attributed in large part to energy price increases.

Economists have come to realize the impact energy is having on our economy. Dismantling our energy program without replacing it with substantive initiatives, either public or private, will be a signal to OPEC and the rest of the world that we are not serious about fighting inflation.

The Reagan administration also seeks to cut back or eliminate efforts in the areas of conservation, solar, alcohol fuels, geothermal, and other areas providing great promise.

My purpose today is not so much to argue about which of these programs should be saved and which should be eliminated. Rather, I am asking whether the administration has decided that the reduction of U.S. dependence on imported oil is no longer a worthy goal and, if we dismantle the energy policy established over the past 10 years, what will be proposed to take its place? What commitments does the administration have from the private sector to invest in synthetic fuels? What is the Reagan administration program to meet these essential goals?

Cutting the budget for the sake of balancing the budget or reducing Federal spending is not necessarily a justification for every proposed revision of public policy. I believe the proposed budget cuts should be considered carefully and in relation to national goals.

There is, indeed, a consensus in this country for limiting Federal spending and, as I noted earlier, I support this basic effort. Nevertheless, we have to look again at the goals of each program and consider whether the goals are still valid and whether the needs are still real.

If so, what is the administration offering as a substitute for the necessary programs being cut? Which programs does the administration assume the private sector will take over?

Honest debate should consider all the economic and national security consequences of budget actions, not just the monetary scorecard achievements of the current fiscal year.

Mr. DOMENICI. Mr. President, I have no additional requests on this side. I wonder if the distinguished Senator from Colorado is ready to vote.

Mr. HART. Yes.

Mr. DOMENICI. Mr. President, have the yeas and nays been ordered?

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

Mr. HART. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Colorado (Mr. HART). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the

Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Rhode Island (Mr. PELL) would each vote "yea."

The PRESIDING OFFICER (Mr. ARMSTRONG). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 32, nays 65, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—32

Baucus	Exon	Melcher
Biden	Ford	Metzenbaum
Bradley	Glenn	Mitchell
Bumpers	Hart	Moynihan
Byrd, Robert C.	Hollings	Pryor
Chiles	Huddleston	Riegle
Cranston	Inouye	Sarbanes
DeConcini	Kennedy	Tsongas
Dixon	Leahy	Weicker
Dodd	Levin	Zorinsky
Eagleton	Matsunaga	

NAYS—65

Abdnor	Goldwater	Murkowski
Andrews	Gorton	Nickles
Armstrong	Grassley	Nunn
Baker	Hatch	Packwood
Bentsen	Hatfield	Percy
Boren	Hawkins	Pressler
Boschwitz	Hayakawa	Proxmire
Burdick	Heflin	Quayle
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Rudman
Cannon	Humphrey	Sasser
Chafee	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cohen	Johnston	Specter
D'Amato	Kassebaum	Stafford
Danforth	Kasten	Stennis
Denton	Laxalt	Stevens
Dole	Long	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
East	Mattingly	Wallop
Garn	McClure	Warner

NOT VOTING—3

Pell	Randolph	Williams

So Mr. HART's amendment (UP No. 36) was rejected.

THE BUDGET RESOLUTION SCHEDULE

Mr. BAKER. Mr. President, I announced earlier that after consulting with the minority leader and taking an inventory of the amendments we know of yet to be disposed of, I would have a further announcement about the schedule of the Senate.

It appears to me that there still are more than 20 amendments to be dealt with and that while we are making good progress on the consideration of those amendments, we still have much work to be done.

I have just advised the distinguished minority leader that, under these circumstances, I do think it will be necessary for the Senate to be in late tonight. I would expect us to continue until 10 o'clock or thereabouts and to come in about 9:30 in the morning. I will ask consent for such an order later in the day.

Senators should be on notice that while it may or may not be possible to finish this resolution tonight, it seems the better part of management to continue until a reasonably late hour tonight. We can convene in the morning to dispose of this resolution, if necessary, and dispatch the other business of the Senate if we have completed this measure.

TIME LIMITATION AGREEMENT ON CERTAIN AMENDMENTS

Mr. President, I inquire of the minority leader if there would be a possibility of reducing the statutory time on some of these amendments that are listed to be called up.

I understand that it is possible, for example, that one or more of the Proxmire amendments might be reduced in time.

Mr. ROBERT C. BYRD. Yes.

Mr. President, there are a few amendments on which the time could be reduced, and it may be well, if the majority leader wishes to do so, to proceed now with locking those in, and it might help to develop some momentum.

On two of the three Proxmire amendments, I believe there could be an agreement, and on two amendments by Mr. EAGLETON as well as one by Mr. INOUYE and one by Mr. DECONCINI, I do think the time could be reduced, as shown in the memorandum I have now given to the majority leader.

Mr. BAKER. I thank the minority leader.

I especially thank the minority leader for pursuing this effort to reduce time where it is possible to do so.

We discussed that earlier today, and the distinguished minority leader volunteered to explore that possibility, and he has now handed me a list with certain suggestions in that respect.

Mr. President, I now ask unanimous consent that on an amendment by the distinguished Senator from Wisconsin (Mr. PROXMIRE), dealing with the Eximbank, there be a time limitation of 20 minutes, to be equally divided; that on another amendment by Mr. PROXMIRE, dealing with rescissions, there be a 30-minute time limitation, to be equally divided; that on an amendment by the distinguished Senator from Missouri (Mr. EAGLETON), dealing with the National Science Foundation, there be a limitation of 40 minutes, to be equally divided; that on a second amendment to be offered by Mr. EAGLETON, dealing with trade adjustment assistance, there be a time limitation of 40 minutes, to be equally divided; that on an amendment by the distinguished Senator from Arizona (Mr. DECONCINI), dealing with debt collection, consultants, and travel, there be a time limitation of 30 minutes, to be equally divided; that on an amendment to be offered by the distinguished Senator from Hawaii (Mr. INOUYE), dealing with Indians, there be a limitation of 20 minutes, to be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, I thank the minority leader for his help and cooperation.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader is welcome.

THE REASON FOR THE ABSENCE OF SENATOR RANDOLPH FROM THE SENATE TODAY

Mr. ROBERT C. BYRD. Mr. President, I wish to state for the RECORD the reason for the absence today of my distinguished senior colleague, Mr. RANDOLPH.

I am sure that Mr. RANDOLPH would want to have voted on the amendments that have already been debated and acted upon today. Senator RANDOLPH has an excellent attendance record, as we all know, and it is only when the exigencies are such that it is impossible for him to be here in the Senate that he will miss a vote.

Today he is in Salem, W. Va., with members of his family for the interment of the remains of his beloved wife, Mary Katherine.

Mr. BAKER. Mr. President, will the minority leader yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I join with the minority leader in expressing regret that it is not possible for the distinguished senior Senator from West Virginia to be here.

I have such a high regard for him as my chairman for so many years and as a friend for so many years that it was difficult for me yesterday to advise him that I felt it was essential for the Senate to continue the consideraton of this measure, notwithstanding his absence.

I know he regrets the necessity for his absence. I know every Member of the Senate understands the reason for it, and I wish to express my sympathy to him on this sad occasion and to join the minority leader in this explanation.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader, and I am sure that Senator RANDOLPH will deeply appreciate the remarks of the majority leader.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The Senate continued with the consideration of the concurrent resolution.

Mr. DOMENICI. Mr. President, before the distinguished minority leader leaves the Chamber, might I ask as to the list that he has presented to the majority leader, is that the sequence that the amendments will come up?

Mr. ROBERT C. BYRD. No, that is not necessarily the sequence in which the amendments will be called up. That is merely a listing of the amendments that was made in an effort to inquire as to whether or not it would be possible to get time reduced on any of them.

Mr. DOMENICI. Mr. President, I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. DOMENICI. Mr. President, I yield myself 2 minutes off the resolution.

Mr. President, I thank our majority leader and the distinguished minority leader for their effort here today to move this matter along. We do have a number of amendments that have to be

considered and I think his leadership has provided everyone with an opportunity to debate most of the time much in excess of the hour equally divided that is provided in the Budget Act. That has worked quite well.

However, I say from my standpoint I wish to thank those Senators who have agreed to even a lesser time than that.

I also hope that we could, to the maximum extent possible, stay with the 1-hour rule which is provided for in the act. If there is some real extenuating circumstance, obviously I would yield, and I am sure that Senator HOLLINGS would yield.

I hope everyone knows that we have to move this along. If we do not we could be here until Friday or Saturday and all the committees have work to do, and we have a very difficult job with the first resolution if we are not able to complete this at the latest tomorrow. Otherwise, we will not be able to get our work done.

I thank the Senator for helping us with that.

Mr. BAKER. Mr. President, I thank the Senator for his remarks.

UP AMENDMENT NO. 37

(Purpose: To restore funds for primary health care and prevention)

Mr. KENNEDY. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) for himself, Mr. RANDOLPH, Mr. RIEGLE, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. PELL, Mr. EAGLETON, Mr. LEVIN, Mr. LEAHY, and Mr. ROBERT C. BYRD proposes an unprinted amendment numbered 37.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "$52,144,000,000" in line 17, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following:" $52,675,000,000, and outlays by $36,820,000,000, in fiscal year 1982; and to reduce budget authority by $59,078,000,000, and outlays by $47,569,000,000".

On page 10 beginning with "$10,303,000,000" in line 6, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$10,153,000,000 in budget authority and $7,803,000,000 in outlays for fiscal year 1982; and $12,213,000,000 in budget authority and $10,788,000,000".

Mr. KENNEDY. Mr. President, I offer this amendment on behalf of myself, Mr. RANDOLPH, Mr. RIEGLE, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. LEVIN, Mr. ROBERT C. BYRD, and Mr. LEAHY.

PREVENTIVE HEALTH SERVICES

Mr. President, my amendment would also restore $50 million to the Committee on Labor and Human Resources mark for the purpose of funding preventive health activities.

Mr. President, as a member of the Committee on Labor and Human Resources for more than 18 years, I have heard hundreds of hours of testimony and I have spoken personally with thousands of physicians, scientists, and citizens across the United States.

But nothing I have seen and nothing I have heard has impressed me more than our ability to enhance the quality of our lives through preventive health interventions. We have within reach the capacity to prevent many of man's most dreaded afflictions. Never before have we possessed this kind of power over our own health and destiny.

We have already witnessed the power of prevention to alter the quality of life. Just over a century ago, well before we knew of bacteria or viruses, pioneers in public health began the conquest of infectious diseases. They used simple methods—sanitation, improved hygiene, improved nutrition—but the results were almost incredible. Major inroads were made against tuberculosis, typhus, diphtheria, scarlet fever, cholera, smallpox, tetanus, and other communicable conditions that were then the greatest scourges of humanity. As a result of their work, together with the later discoveries of immunization and antibiotics, we have come a long way toward conquering the killer infectious diseases in the Western World.

From 1900 to 1978 deaths from communicable diseases in this country fell by 93 percent. Once among the most burdensome illnesses, these conditions now account for only 2 percent of deaths in the United States. In 1979, less than 1 percent of people who died before age 75 in the United States died from infectious diseases. Between 1900 and 1950, life expectancy increased from 47.3 years to 68.2 years. That was an achievement unparalleled in history. It was made possible by a health strategy that emphasized the maintenance of good health and the prevention of disease.

With the conquest of infectious disease, we face new health problems and new challenges. Now the chronic diseases—including heart disease, stroke, and cancer—are our most burdensome illnesses, accounting for 71 percent of all deaths in our country.

Until very recently, we sought to deal with these new challenges with new weapons drawn from the arsenal of curative medicine. Impressed, and rightly so, with the power of biomedical science to develop new disease treatments, we wrongly concluded that tending the ill was sufficient to improve the health of our people. Even today we spend only 2 percent of each health dollar on disease prevention, and the Department of Health, Education, and Welfare estimates that only 4 percent of each Federal dollar goes for disease prevention.

That strategy failed. From 1950 to 1970, life expectancy in this country improved only 4 percent, and infant mortality remained virtually unchanged. During that same period, however, health care expenditures did not stagnate in the same fashion; far from it. From 1930 to 1978 alone, health care spending increased by over 700 percent.

Now the evidence is growing that once again disease prevention and health promotion can open the door to an historic new era of progress in health and medicine. The first indications were the early studies in the 1950's which linked cigarette smoking with lung cancer. Next came the Framingham study, which demonstrated in my own State of Massachusetts that cholesterol levels, blood pressure, and smoking were closely linked to the development of heart disease, stroke, and other diseases of the cardiovascular system. A cascade of new investigations followed. In the late 1960's, Dr. Lester Breslow and his colleagues demonstrated that a few simple modifications in lifestyle—no smoking, regular exercise and sleep, maintaining normal weight—could extend life expectancy by anywhere from 7 to 11 years.

More recently, the Stanford heart disease project, which I have seen firsthand, has demonstrated that an organized prevention campaign can reduce the risk of heart disease by 20 percent in a single community. A recent Finnish study has shown that a community-based prevention effort could cut heart attack rates by 15 percent and stroke rates by 40 percent.

These are real achievements. They dispel once and for all the false cliche that prevention is a nice idea, but does not work. Prevention can work. Research paid for with our constituents' tax dollars has demonstrated that fact beyond reasonable doubt. And now it is the responsibility of our Government to make the benefits of this new knowledge available to the American people.

Prevention in America today means immunizing our children against disease. Prevention means screening for high blood pressure. Prevention means ridding our cities of rats. Prevention means identifying and cleaning up toxic waste dumps. Prevention means controlling tuberculosis. Prevention means reducing each individual's risk of heart disease, cancer, and stroke. Prevention means reducing the incidence of mental retardation. Prevention means better health for all of us—at a much reduced cost. Let us look at what prevention means to children.

The national childhood immunization initiative was begun in 1977 when surveys revealed that over one-third of school-aged children were inadequately immunized against the major vaccine-preventable diseases. A goal was established to raise the immunization levels to over 90 percent by the fall of 1979, and program activities were tailored to meet that goal. Today of the 24 million children in kindergarten through eighth grade, 91 percent have been immunized against measles, 93 percent against rubella, 87 percent against mumps, 93 percent against diphtheria, pertussis, and tetanus.

The health impact of this level of protection is enormous when one considers the morbidity and mortality associated with these common childhood diseases. For example, encephalitis occurs in 1 of every 1,000 measle cases, often producing permanent brain damage; death occurs in 1 of every 10,000 cases. No one needs to be reminded of the terrible, permanent effects of paralytic polio.

The savings in human life, misery,

and economic resources which result from these prevention programs are huge. It cost $108 million to immunize our children against measles. It would have cost more than $1 billion to treat them for measles. Let us look at what prevention means for the millions among us with high blood pressure.

Hypertension, often called the silent killer because it has few physical manifestations, is an insidious disease contributing significantly to death and disability among the estimated 60 million hypertensive Americans. Each year 200,000 Americans die of the disease. An important contributor to stroke, heart disease, and kidney disease, high blood pressure is estimated to cost the Nation more than $8 billion each year in medical care costs, lost productivity and lost wages. And yet high blood pressure can readily be controlled at a modest cost once an individual is aware of the condition. Largely as a result of the federally sponsored screening and education program, the number of identified and adequately treated hypertensives has more than doubled since 1972. The program has resulted in a significant decline in mortality from all causes and demonstrated the benefits of treatment for all affected individuals. Participants with mild high blood pressure experienced death rates 17 percent below nonparticipants. Mortality rates for black program participants declined 22.4 percent relative to nonparticipants.

While by all definitions our preventive health strategy has been a ringing success, it is a strategy that is successful only so long as we continue to maintain and strengthen it.

Unfortunately, health prevention activities are easy to overlook once a crisis is over. The childhood immunization initiative began as a result of the complacency of the early and midseventies when the first massive childhood immunization program had concluded and immunization rates began to drop rapidly while cases of vaccine-preventable diseases rose just as dramatically. Controlling hypertension requires adherence to a regular regimen of medication and diet, a difficult proposition when the disease does not initially manifest itself in physical disabilities. In the past, we have implemented cyclical efforts to control venereal diseases. For the second time in 25 years, we are experiencing an increase in the incidence of tuberculosis, a communicable disease we once thought we had under control and on the way to eradication. The lesson is clear. The diseases we have the power to prevent have the power to recur when we cut back on prevention.

Prevention has payoffs in other areas as well. The President's Committee on Mental Retardation recently reported that more than 50 percent of the biomedical causes of mental retardation are preventable. Their report tallied more than 200 known causes of retardation including birth injuries, toxic conditions, inherited genetic factors, measles, diabetes, X-rays, household poisonings, metabolic disorders, maternal malnutrition, alcohol and drug abuse, and Rh blood disease. The annual cost of caring for the Nation's 6 million retarded citizens is estimated at $11 billion in Federal, State, and local funds. Appropriate counseling, screening, and information programs could go a long way toward reducing these dollar costs as well as the human costs of this tragic and all too often unnecessary condition.

The Budget Committee's allocation for the programs within the jurisdiction of the Labor and Human Resources Committee assumes a 25-percent reduction in health prevention spending. So does the President's budget request. Such a reduction would be unconscionable. Proponents say that savings in administrative costs will make up the difference. But even Secretary Schweiker has admited, in testimony before the Finance Committee, that we can only expect to save, at most, 10 percent in administrative costs. Alternatively, we have been told that every program must absorb cuts if we are to achieve economic recovery. While budget reductions in many areas may be the price we have to pay, reducing support for health prevention is much too high a price. For every dollar we cut from prevention, we will spend many more in treating preventable diseases and conditions. For every dollar we cut from prevention, we will create additional burdens in pain and anguish that know no price tags.

So, I offer an amendment that would restore $50 million to the committee's allocation for preventive health services, an amount less than two-tenths of 1 percent of total health care expenditures and an infinitesimally small share of the Federal budget. Effective health prevention could use considerably more; we cannot afford to do less.

I urge my colleagues' support of my amendment.

HEALTH SERVICES

Mr. President, community health programs—community health centers, migrant health centers and black lung clinics—provide essential services to the poor and medically underserved in our Nation's cities and rural areas. For most of the users of these centers, there are simply no alternative health care services available.

In a nation that is producing enough physicians to meet its needs, it is unconscionable that every citizen does not have reasonable access to quality health care. Yet more than 20 million Americans reside in medically underserved areas where the poverty level is so high that physicians cannot make a living or where physicians have been unwilling to locate because they could make a comfortable living in wealthy, medically overserved suburbs. While there is some evidence that physicians are beginning to locate in smaller communities that up to now had not had physicians in residence, there is no evidence that physicians are now willing to locate in poor urban areas or in poor rural areas.

In fact, the evidence is to the contrary. While the national patient care physician-to-population ratio rose from 120 per 100,00 in 1968 to 150 per 100,000 in 1978, the ratio in rural counties actually decreased. In poor urban areas, the data are even worse It is now virtually impossible to find a physician in private practice in the south Bronx, in Roxbury, in east Los Angeles, in east St. Louis, in south Philadelphia.

According to the Department of Health and Human Services, the poor are twice as likely to suffer from chronic and debilitating conditions than the population as a whole. Where do these Americans find health care services? Two hundred and ninety-nine federally funded community health centers provide services to more than 2½ million urban Americans who otherwise would be forced to seek primary health care services in the emergency rooms of already financially distressed hospitals at double or triple the cost of a visit to a community health center. Five hundred and seventy-three centers provide services to more than 2½ million rural Americans who otherwise would be forced to travel long distances to obtain needed services. And what of the more than 2 million migrant farmworkers whose health and social needs were once a national disgrace—who were written off by the States and local communities as Federal responsibilities? Absent more than 1,000 the federally sponsored centers and clinics, too many poor Americans—urban and rural—would postpone seeking care until they became seriously ill and required intensive—and expensive—hospitalization.

Who are the users of these community-based health centers? Eighty percent of health center users are members of minority groups; 71 percent are below the poverty level. Only 43 percent of users are on medicaid. A majority lack any third-party health insurance coverage.

And community health centers are cost-effective providers. Studies show dramatic reductions in hospitalization rates among users ranging from 25 to 67 percent. The resultant savings are greater than the annual appropriation for the health center programs. Equally as dramatic are the reductions in infant mortality rates in communities served by health centers. Several studies have found reductions as great as 40 percent compared with adjacent areas without center services.

The President has proposed a 25-percent reduction in funding for these vital health care delivery programs. The Budget Committee's mark for the Labor and Human Resources Committee assumes adoption of a 25-percent reduction in current spending. Reducing spending means reducing the availability of needed services. How will the decision be made as to who continues to receive services and who loses services? Where will the residents of east Los Angeles, Roxbury, south Bronx go for services? How will we explain the loss of their health centers to the people who live in and around Frostproof, Fla., Woodburn, Oreg., and Dry Run, Pa.? Where will the thousands of victims of black lung disease find the specialized care they need? The answer in all too many cases—"sorry, services are no longer available."

Community and migrant health centers, and black lung clinics are too valuable a resource, provide too valuable a service to warrant a significant reduction

in the Federal commitment. A healthy economy depends on a healthy work force. And sick people cannot work.

I urge my colleagues to acknowledge the essential contribution these programs make to the health of our less fortunate fellow citizens and support continued funding at the fiscal year 1981 appropriation level.

Mr. GORTON. Mr. President, I think it is vital for the Members of this body and for the people of the United States to know that, in connection with the programs which are the subject of this amendment, that the proposal of the administration is, first, not to terminate Federal presence and Federal support for preventive health programs.

Second, it is to provide for far greater flexibility in the administration of those programs by taking some 26 or 27 of them into a block grant program for preventive health, the net results of which will almost certainly be a more sensitive situation administered by the States and by local communities than we have had with a series of often not interconnected categorical aid programs.

This proposal of the President is for a relatively modest cut of some 11 percent in outlays for fiscal year 1982 under the Carter budget; a number of dollars which is almost equal to the number of dollars appropriated in fiscal year 1981 for the collection of these most important and most vital programs.

There is not the slightest question in my mind but that almost every State in this Nation can, if it is freed from the tremendous number of regulations involved with each one of these independent programs at the present time, provide better preventive health authority than the Federal Government is doing through its various departments right now.

No one can argue with the Senator from Massachusetts as to the value of preventive health care. No one in the administration in fact is doing so.

It is highly clear, on the other hand, that the present categorical grant system has fostered not only an unwieldy but a totally fragmented system for the delivery of public health services across the board, very specifically including those falling within this preventive health care grant.

For example, in 1975, the General Accounting Office report on family planning programs, which fall within this area, determined that States were not providing reports adequate to determine whether or not they were complying with the Federal guidelines. The then HEW audit activities were inadequate; the targeting of programs for low-income people was inadequate. Four years later, in 1979, the General Accounting Office made, for all practical purposes, identical findings.

In 1978, the GAO report on neighborhood health centers found that HEW was not adequately enforcing compliance with efficient staff productivity criteria, that HEW control of overhead charged to grants was inadequate, and that health center promotion of preventive health services was inadequate. A year later GAO found that these problems had not adequately been met or, in some cases, had not been met at all.

Simply, what we have before us here in this amendment is an attempt to reduce or to eliminate the necessity and the desirability for changing from a categorical grant system which has not worked to a block grant system which has a far greater potential, a far greater possibility of working; one which is more likely to meet the specific needs of citizens in individual communities and individual States throughout the United States of America.

Those needs, even in the field of preventive health, are not identical. Each community and each State is far better able to decide its own priorities than are we here in the Congress of the United States or than is the Department of Health and Human Services.

This is an experiment which is made necessary by the desperate fiscal condition of the United States of America. It is at the same time an experiment which should have taken place in any event, even if the Government of the United States were running a surplus. And the only effective way to see to it that these categorical grant programs are consolidated into block grants and are in fact managed by the States is to see to it that there is at least a modest cut in the straightline increase in every one of these programs which has been a feature of it the last many years, ever since each one of them was created.

The fact that these programs have been affected much less adversely than many others indicates the sensitivity of the administration toward their content, toward their desired goals. Beyond question, this cut can be absorbed by the States with a better quality of services without the overseeing of the Federal Government upon the defeat of this amendment, the passage of this resolution, and the consequent action of the authorizing committees of the Congress of the United States to make the changes which are assumed in this resolution itself.

In other words, we will do better in providing preventive health care services by moving in this direction than we would by continuing all of the errors of the past.

Before I sit down, however, I believe that it should be mentioned in this connection, as in connection with every other amendment with which this body has dealt since Senate Concurrent Resolution 9 was first debated on this floor, that there is one overriding goal of this process and only one. That goal is the economic recovery of the United States. We have, for decades, consistently operated a system under which the percentage of the production of the people of the United States which goes to the Government of the United States for its determination as to priority has increased.

In the last 2 or 3 years, the results of that constant increase have been dramatic. They have been a rate of inflation consistenty and persistently in double digits. They have been a consistent decrease in the growth of productivity in the United States. These have been the inevitable consequences of not only increased Federal spending, but Federal spending increasing at a rate much too fast for the economy to absorb it and to remain healthy; of a taxation system which constantly takes a greater percentage of what the American people earn and produce each and every year without any action on the part of Congress whatsoever; a constant increase in the supply of money not represented by our growth in goods and services; and overregulation of our economy.

We are working on only one of two of the elements of the necessary reforms here in this resolution, but they will lead us very quickly into the other two or three elements as well.

What we are doing here is providing an attempt—the last best attempt—to get some kind of control over growth in Federal spending and at the same time by moving from categorical aid programs to block grants, reducing the amount of regulation which affects people and the economy of the United States.

There is no question but that this process is a painful one. People who have been active in the administration of particular Federal programs may have to find other careers. People who have depended on and have been insulated from the political process by narrow categorical aid grant programs directed at their own special interests may have to compete with others with equally important or equally vital interests within the nature of a free political system.

This is a challenge to which we should look forward for its own sake in increasing the responsiveness of the Government of the United States and of the various States to the needs of the people and at the same time and, even more importantly, beginning the economic recovery of this country—an economy on which all social services depend.

As we have defeated other attempts to break down the economic recovery program of the President, to add back in the $100 million here, $300 million there, $1 billion there, to the point at which we would have no change in policies whatsoever, we should also defeat this amendment; first, because it is necessary in order to see to it that we move quickly toward economic recovery and, second, because a better delivery system of preventive health services will be the inevitable result.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. How much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 14 minutes and 54 seconds remaining.

Mr. KENNEDY. I yield myself such time as I may use.

I listened with great interest to the response of my colleague from the State of Washington. But he fails to respond to one critical question. There is not one health care expert—that is, either a scholar or professor who is involved in health care programs—that believes that this kind of budgetary reduction is going to make any sense at all in the context of preventive health.

The administration has not made a

good case for these budget cuts before the Congress of the United States or the American people. It has been unable to find any experts in preventive health who would support the kinds of reductions that we have seen proposed here today.

The fact remains, Mr. President, that these preventive health programs have been a good example of an effective partnership between the State and Federal Governments. And that partnership, I think, has been a clear success.

Who would dispute that the childhood immunization program has been successful, or that the efforts in the area of hypertension have been successful, or that the federally funded Framingham study, which talks about the dangers of high degrees of cholesterol, has been successful?

When you block grant these programs, and impose draconian reductions of 25 percent the States are going to struggle for resources.

In many instances the programs that are being lumped together, Mr. President, reach out to individuals who have not historically had the political muscle to get State governments to respond. That happens to be the fact. That happens to be the history. That happens to be the reality that we have seen over too many long years. When that does happen, the people suffer, suffer seriously, and then the cost of providing health care to them increases immeasurably.

The Congressional Budget Office does not support the position which has been taken by the Senator from Washington. He claims that the 25-percent reduction could be absorbed by better administration of the program. But the studies show that better administration can only result in savings of anywhere from 3 to 5 percent, but really not more. So we should not delude ourselves. We are going to be cutting into the substance of the program, we will be chopping the meat, not the waste.

Mr. President, I think we have to realize that with these budget reductions in the areas of preventive health we are going to be pound foolish in order to be pennywise. We should continue the longstanding commitment of this country in this area.

I am mindful, Mr. President, that we as a country expect quick solutions to many of the longstanding health problems that we face. We have seen the virtual elimination, for example, of smallpox in the world community. When you reduce the commitment to health care in areas like immunization programs those diseases come back, and come back with an alarming ferocity.

That is one of the principle reasons that we made dramatic efforts in 1977 to increase the whole immunization program. That effort was basically a partnership between the Federal Government and State governments and it worked.

It seems to me that that kind of cooperation, that kind of shared responsibility, is one that we should not easily discard. It has been tried, it has been tested, and there are millions of children and others in this country who have benefited from that partnership.

It is my belief that with this kind of significant budget reduction, we are putting at risk the health of additional millions of Americans.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Senator BUMPERS be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

RURAL HEALTH AND BLACK LUNG CLINICS

Mr. ROBERT C. BYRD. Mr. President, I rise in support of this amendment. The reconciliation instruction to the Labor and Human Resources Committee, as it currently stands in Senate Concurrent Resolution No. 9, could cause a grave injustice to a number of people most in need of basic medical care.

I am speaking of people in rural areas, people who work as migrant laborers, and miners who have contracted black lung disease. These people do not have money to go to the best hospitals. Far from it. Sometimes, any kind of hospital might be available to them only in case of an emergency. What many of us may consider to be routine health care may be difficult or impossible for many of these people to obtain.

The rural areas of America, including the Appalachian region, receive less than their fair share of medical services. Community health centers—small clinics—in rural areas attempt to provide fundamental health care for people in those areas.

Thousands of victims of black lung disease have had their suffering reduced in some part through the efforts of specially trained people in other small clinics in nine States.

Medical personnel in Alabama, Colorado, Illinois, Indiana, Kentucky, Ohio, Pennsylvania, Tennessee, and my own State of West Virginia help black lung victims to live, however uncomfortably, with that dreaded lung disease. These medical personnel are trained to instruct black lung victims in the use of simple oxygen equipment in their homes. Many black lung sufferers require such equipment, including oxygen tents and facemasks. The health care information provided to these miners is invaluable.

The administration's proposal to consolidate these kinds of small health programs—for rural areas and black lung victims—is intended to save money. Over the long run, that may be the case. But in the short term, administrative costs for these programs may increase, as States struggle to fill the void left by the Federal Government. And in the long term, it should be noted that the proposed reduction in these health programs is four or five times greater than the administrative costs of the programs. An inhumane cut in the black lung and community health clinics program would result.

For these reasons, I support the amendment, and I urge its adoption.

● Mr. LEAHY. Mr. President, I enthusiastically support Senator KENNEDY's amendment to restore funds for three programs which provide essential health services to poor Americans residing in the rural and urban medically underserved areas of the Nation. The community health center program, the migrant health center program, and the black lung clinics together provide health care to 6 million Americans. The vast majority of these people live below the level of poverty and have little or no health insurance.

The President has requested a 25-percent reduction in funds for these programs. If that proposal is approved, more than 2 million Americans will no longer have access to primary health care. Senator KENNEDY's amendment would merely allow these programs to receive in fiscal year 1982, the same amount they received in fiscal 1981. No increase in funds for these programs has been requested.

I support this amendment and urge my colleagues to support it for a number of reasons.

First, the continuation of these programs is essential to the national goal of containing soaring health care costs. Numerous studies, Federal and private, have demonstrated that people who use community health centers have far lower rates of hospitalization than those who do not use health centers.

Health centers reduce hospitalization between 25 and 60 percent. The savings to the health care system, through reduced rates of hospitalization and emergency room use, amount to over $400 million. Thus, these programs have saved more than they cost.

Second, the continuation of these programs at the current year's level is essential to the national goal of encouraging the most cost-effective and efficient use of Federal tax dollars. Over the last 6 years, the inflation rate equaled 55 percent. Appropriations for these programs grew by only 47 percent. Yet during this time, community health centers were able to reduce their costs for administration by 20 percent. In addition, the number of people served by the community health centers grew by 200 percent.

Third, the continuation of these programs is crucial to the national goal of protecting the most truly needy in our society. Only 6 million of the 26 million Americans who are medically underserved are currently assisted by these three programs. These programs serve the most needy Americans. Seventy-one percent of those aided have incomes below $7,000 and 60 percent have incomes below the poverty level. Almost 50 percent have no health insurance and are not entitled to medicaid because they are migrants or members of intact families.

These programs have been extremely effective. In some communities, they have reduced infant mortality rates by 50 percent and reduced the incidence of preventable diseases, such as rheumatic fever, by 60 percent. Their emphasis on preventive health care, screenings and immunizations have prevented or contained outbreaks of typhoid fever, tuberculosis, and parasitic infections.

Mr. President, this is a reasonable amendment which will serve to further our national goals of reducing health care costs, promoting the effective use

of Federal tax dollars, and alleviating health personnel shortages in rural and urban areas. I strongly urge its adoption.●

BLACK LUNG CLINICS

● Mr. RANDOLPH. Madam President, the amendment offered by the senior Senator from Massachusetts, Mr. KENNEDY, in which I join, will yield a substantial dollar savings for the American people—not only for the fiscal years this amendment addresses—but into the future.

All Senate Members are familiar with the continuing rise in health care costs which has adversely afflicted men, women, and children. Despite substantial efforts by some segments of the health care industry, the rate of increase of health care costs continues to exceed the rate of inflation.

If we are able, however, to reduce the need for costly hospitalization, surgery, and therapeutic programs through preventive health care, all citizens will benefit in reduced health care costs—not only those who do not need the intensive services associated with inpatient care, but all Americans through an overall reduction of costs.

Included in the package, Madam President, is the restoration of funding for the coal miners' respiratory clinics program. The program provides outpatient treatment for active and inactive coal miners suffering from respiratory diseases related to their employment.

The services provided include education, training, and counseling of the patient and family members, so as to help the patient learn to live as comfortably as possible with the impairment and to slow down the progress of the disease. Specialized services are delivered through an organized health care system based on primary care, utilizing existing health centers.

Currently, 50,000 miners are helped through 105 clinics in 9 States—Alabama, Colorado, Illinois, Indiana, Kentucky, Ohio, Pennsylvania, Tennessee, and West Virginia.

This limited program permits miners and ex-miners to live with their respiratory disease without hospitalization.

The program has met with substantial success to date in assisting 50,000 miners suffering varying degrees of disability. Over 200,000 additional individuals—I emphasize 200,000 individuals—have yet to be reached through the program. It would, Madam President, be a mistake to restrict this program now, and force many miners to seek costly hospital treatment for their affliction.

The other elements of this amendment Madam President, address similar preventive health care programs. These programs should not be curtailed. I urge my collcagues to support this necessary amendment.●

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

Mr. GORTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

The PRESIDING OFFICER (Mrs. KASSEBAUM). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 36, nays 62, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—36

Baucus	Ford	Matsunaga
Biden	Glenn	Melcher
Bradley	Hart	Metzenbaum
Bumpers	Hollings	Mitchell
Burdick	Huddleston	Moynihan
Byrd, Robert C.	Inouye	Pell
Cannon	Jackson	Pryor
Cranston	Kennedy	Riegle
DeConcini	Leahy	Sarbanes
Dixon	Levin	Sasser
Dodd	Long	Tsongas
Eagleton	Mathias	Weicker

NAYS—62

Abdnor	Garn	Nickles
Andrews	Goldwater	Nunn
Armstrong	Gorton	Packwood
Baker	Grassley	Percy
Bentsen	Hatch	Pressler
Boren	Hatfield	Proxmire
Boschwitz	Hawkins	Quayle
Byrd, Harry F., Jr.	Havakawa	Roth
	Heflin	Rudman
Chafee	Heinz	Schmitt
Chiles	Helms	Simpson
Cochran	Humphrey	Specter
Cohen	Jepsen	Stafford
D'Amato	Johnston	Stennis
Danforth	Kassebaum	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Tower
Durenberger	Mattingly	Wallop
East	McClure	Warner
Exon	Murkowski	Zorinsky

NOT VOTING—2

Randolph	Williams

So Mr. KENNEDY's amendment (UP No. 37) was rejected.

Mr. HOLLINGS. Madam President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Madam President, the next amendment is by the distinguished Senator from Ohio, on youth services.

UP AMENDMENT NO. 38

(Purpose: To restore funds for youth training programs)

Mr. METZENBAUM. Madam President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) for himself, Mr. RANDOLPH, Mr. WILLIAMS, Mr. EAGLETON, Mr. RIEGLE, Mr. KENNEDY, Mr. LEVIN, Mr. MOYNIHAN, Mr. SARBANES, and Mr. CRANSTON, proposes an unprinted amendment numbered 38.

Mr. METZENBAUM. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "authority" in line 16, strike out through "1983" in line 20 and insert in lieu thereof the following: "authority by $52,425,000,000, and outlays by $35,645,000,000, in fiscal year 1982; and to reduce budget authority by $58,728,000,000, and outlays by $47,294,000,000, in fiscal year 1983."

On page 10, beginning with "$10,303,000,000" in line 6, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following:

"$9,903,000,000 in budget authority and $7,628,000,000 in outlays for fiscal year 1982; and $11,863,000,000 in budget authority and $10,513,000,000".

Mr. METZENBAUM. Madam President, this amendment that I propose is cosponsored by Senators RANDOLPH, WILLIAMS, EAGLETON, RIEGLE, KENNEDY, LEVIN, MOYNIHAN, SARBANES, and CRANSTON.

Madam President, this country faces a situation in which approximately 19 percent of our young people are literally walking the streets in search of opportunities. We have a situation today in which 40 to 50 percent of the minority youth in our cities cannot find employment.

Nineteen percent of youth generally cannot find a job. Millions of young Americans are moving into adulthood without having had the opportunity to mount the first steps in the career ladder.

We have heard a lot of rhetoric about people who do not want to work. We have heard they are lazy; we have heard they are bums; we have heard they are cheating the system.

Madam President, I believe the young people of this country want to work if they are given an opportunity to do so.

We hear very little about the vast majority of our unemployed youth who actually want nothing more than a chance to learn a marketable skill.

I hardly ever go back to Ohio but that some young person does not come up to me on the streets of Ohio and say, "What are you going to do about helping me find a job, man?" All he wants is a job; all he wants is a chance to participate in the economy. He does not want relief, he does not want any special kind of program to take care of him. He just wants a chance to work.

I refuse to accept the idea of abandoning millions of these young Americans to marginal lives, and I believe it is shortsighted in the extreme to cut the very program that offers a chance, a way out of a self-perpetuating cycle of poverty and unemployment.

As a matter of fact, the administration originally proposed to eliminate youth employment programs entirely by consolidating them with the adult programs, and in one of the few breaks with the President, the Budget Committee could not, would not, and did not go that far. The committee restored a third of the original funding level for youth employment, and for that the committee is to be congratulated.

My amendment, cosponsored by the others whom I have mentioned, would add $300 million to bring that level to two-thirds of today's level. That amendment is supported by:

National Association of Counties.
Campfire Inc.
National Youthwork Alliance.
American Red Cross.
Big Brothers and Big Sister.
Future Homemakers.
Girls' Clubs.
Girl Scouts of U.S.A.
National Board of YMCA's.
YWCA of U.S.A.
National Network of Runaway Services.
United Neighborhood Centers of America.
Boys Club of America.
National Governors Association.
70001 Ltd.
National Urban League.
New York Urban Coalition.
Human Environment Center.
Center for Community Change.
Fortune Society.
Jobs for Youth.
National Child Labor Committee.
National Council of La Raza.
National Institute for Work and Learning.
National Puerto Rican Forum.
New York City Mission Society.
OIC's of America, Inc.
Rural New York Farmworker Opportunities Inc.
Vocational Foundation, Inc.
Youthwork Inc.
Great City School.
Americans for Democratic Action.
League of Women Voters.
National Conference of Catholic Charities.
National Urban Coalition.
National Center for Youth Law.
Wider Opportunities for Women.
Center for National Policy Review.
Jobs Roundtable.
National Education Association.
United States Conference of Mayors.
AFL–CIO.
Children's Defense Fund.
United Auto Workers.

I read that litany of organizations supporting this amendment because I thought the Members of this body ought to understand the broad-based support and concern for the young people of America.

According to the Vice President's Task Force on Youth Employment, which released its report on January 15, 1981, after 2 years of research and hearings, the need for youth employment programs is overwhelming. Let me quote a few of their findings:

1. Youth employment problems and opportunities are unevenly distributed between regions and ethnic groups. Without a bold new initiative, the 80's are likely to exacerbate these inequities.

2. Many of our young people don't have the basic reading, writing and arithmetical skills necessary to get and hold a decent job.

3. Employers sort out applicants based on work experience and reliability. Without opportunities, young people face the catch-22 dilemma. You can't get experience without work and you can't get work without experience.

4. A partnership is needed to serve our young people—business, schools, labor unions, community-based organizations, and government. No single institution created the dilemma we face today; no single institution can cure it.

The task force further states that minorities face some of the most serious problems in transition from school to work. Twenty-five years ago the unemployment rate for white youth was about 13 percent. It remains about the same today.

Twenty-five years ago the unemployment rate for black youth was 16 percent, but it is interesting to note that that figure, the 16 percent, has grown to 30 percent or about 2½ times the white youth unemployment figure. If we are going to unravel the paradox of youth unemployment, we must answer the question why has this occurred? Minority youngsters experience more unemployment than young whites as they enter the transition period. They continue to be shortchanged throughout the school-to-work transition, and fall even further behind.

If we just take three measures of equity, whether you are employed, how much you earn, and what kind of work you do, we find the minorities fall far behind in all three.

Hispanics are substantially more likely than whites to be unemployed. Blacks are 2½ times more likely to be unemployed than whites.

By age 25 to 26, black men who have not attended college earn $2.19 per hour less than noncollege white men. Wages for all women are low. But black women earn even less than white women.

By age 21 to 22, only 10 percent of whites work in less desirable unskilled jobs; almost 40 percent of blacks do.

I am willing to admit that some of the youth training programs in the past have been ineffective. I am willing to concede that there have been some transgressions, and there probably have been some waste and abuse. But numerous steps taken in recent years have improved those programs.

Today, over 75 percent of the participants in youth employment training programs either return to school or they move into private sector jobs. The 17- to 18-year-olds in the program, who received on-the-job training in the private sector, were able to earn $776 more per year than young people who did not participate in the program.

Madam President, the Labor and Human Resources Committee which has jurisdiction over these programs does not support the action of the Budget Committee. In fact, the authorizing committee specifically recommended to the Budget Committee that youth programs be held at their current levels. This is the committee which has the most knowledge about this program, and the committee which has examined these programs in depth.

Madam President, if we allow the Budget Committee's recommendation to stand we are cutting deeper into youth opportunities. There may be some in the Senate who respond to this Senator from Ohio who might say, "Well, yes, but that is a black problem about which you are speaking and that is not a special problem of our area."

I can only say to you that the 50 States of this Union stand together or fall together. The problem of unemployment of young people in this country, black and white alike, is a problem that all of us share.

I remember as a business person coming to this very city many years ago when the cities of America were being burned down, and with the leading business persons of this Nation gathered together to talk about the problem of what we were going to do in order to keep our cities from being totally destroyed.

Who among us would suggest that if you destroy Detroit or Cleveland or Pittsburgh or Philadelphia or any other city in this Nation that the rest of the Nation does not suffer and that this Nation does not suffer internationally as well?

What we are talking about today are programs that would be penny wise and pound foolish. By cutting back on the dollars for youth employment programs what we are saying is, "We will save a few bucks now but, in the long run, this Nation will pay the price," and that price is too high a price to pay.

There are none amongst us on the floor of the Senate who do not want to balance the budget. That is a flag that we all fly under. But the fact is that we are taking it out of the hides of young kids who want to work, who need some training in order to be able to work, who believe that this country is a country of opportunity and who are being denied that opportunity. That young lady, who sat in my office yesterday and said she was training to be a social worker on a Government program but the program will stop within weeks, said, "I do not know where I will turn and what kind of job I will get." And she is just symbolic of literally hundreds of thousands like her.

This program does not make good sense for America. This does not alone affect the youth of our country, this program has to do with the strength of our Nation. And I hope that this U.S. Senate will put aside the political considerations, will recognize that we can find that $300 million and that we will not go that much further than the President did in cutting the budget as the Budget Committee did. We went beyond that figure. Let us put this $300 million back and give the children of America a chance, but at the same time give America's future a chance.

Madam President, I yield to the Senator from Maryland.

Mr. SARBANES. Madam President, I thank the Senator for yielding.

Madam President. I am pleased to join the Senator from Ohio, my distinguished colleague, in sponsoring this amendment.

Madam President, I cannot imagine any issue of greater importance than the question of youth training and of jobs for our young people. The current employment outlook for our Nation's youth is a bleak one. The current and projected unemployment rates are distressing. It is a problem upon which our society must focus.

In the end, the failure to be trained for and to hold a job undermines the self-respect of the person involved and it denies them an opportunity to become productive members of society.

We should strive for people to become productive members of our society, to

have the training, to develop their skills, and to have the opportunities to go to work and become an integral part of the work force. The benefits of that are obvious, not only for the individual, not only for his family, but also for the society.

The proper approach in addressing this serious problem is certainly not to reduce funds for youth training. Training is often the key to one's ability to attain and to hold employment. A recent article in the Baltimore Sun on the jobless rate in West Germany discussed at length the training programs for the young people in that society in an article entitled, "Training Held Key to Minimal Unemployment." The article states that one of the clearest reasons West Germany has achieved such success in dealing with unemployment is because of their emphasis on training programs for their youth.

Recently, a study by the Johns Hopkins University concerning CETA participants showed that 5 years later over 80 percent of them were in private sector permanent jobs. So the carryover of this training and of the skills developed is greater than we have been led to suppose. Most of the surveys which have been done on the issue of subsequent private sector employment have been done a few months subsequent to the training program when many of the people have not yet been able to move into permanent, private sector jobs.

But this study, which lengthened out the period for making the survey, found that at the end of a 5-year period over 80 percent of those who had been through the training programs were in permanent, private sector employment.

Now the consequence of that placement is the individual gains self-respect and dignity which comes with having a job. He is able to support a family. And the society of course gains the contribution of the people who are working instead of being idle.

It is an enormously important objective and I commend the Senator from Ohio for his amendment and very much hope that the Senate will adopt it.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Madam President, I yield 2 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Madam President, I am very glad to support the amendment of the Senator from Ohio giving $300 million for job training under the Comprehensive Employment and Training Administration.

I have long been a supporter of this program. I think it has done an excellent job in most cases. There have been some instances of abuse, but in general it has done a good job and it needs and deserves to be contained.

As with so many of my colleagues, I believe a main resource in our Nation are our young people. Indeed, they may be characterized as the strength of our Nation for we will depend upon the character, their education, and their health in the future.

So far we have given them pretty short shrift in this Chamber. I am depressed at the 2-to-1 votes which are all we gave to our young people yesterday for the cause of education. Maybe we could do a little bit better this time and try to help them along with these job training amendments.

After having been chairman of the Subcommittee on Education for the past 12 years, I realize that programs of this sort take quite a lot of time to take hold. And I think that we should give them this time and should extend their life.

In addition, I hope the amendment will be passed so that we can maintain these youth programs at the local level and continue to draw upon the technical resources available in community-based organizations and local education authorities.

We all know that today, April 1, 1981, youth unemployment is at a very, very high level. In fact it is at an intolerable level. There are no jobs in our cities for family breadwinners let alone teenagers. And without these programs high school dropouts—young people with particular personal problems and the very poor—will find it ever more difficult to break into the job market and receive a "fair chance" in our society.

I am concerned that if we do away with youth programs and consolidate all the CETA training programs under one State block grant, as the administration has proposed, it would end up pitting teenagers against heads of families for available jobs.

It would be virtually impossible to design special programs necessary to target inner cities with high unemployment in order to ultimately solve this pressing problem.

I only hope the Senate will agree today to move on this program and support the Senator from Ohio in his excellent amendment.

Mr. METZENBAUM. Madam President, I yield 2 minutes to the Senator from Michigan.

Mr. RIEGLE. Madam President, I thank the Senator for yielding.

Madam President, I rise as a cosponsor of Senator METZENBAUM's amendment to restore $300 million for youth employment and training programs.

The jobless rate among the Nation's young people today stands at a published rate of 19.3 percent. I actually think it is higher than that. Unemployment levels for minority young people have reached a staggering and tragic figure of 36.7 percent. Again, I think that the real number is probably far worse even than those alarming statistics would suggest.

Despite this, the resolution before us makes deep reductions in youth training and employment programs, which will cut jobs for youth by more than 50 percent. In addition, this resolution assumes the elimination of both CETA public service jobs, programs, and 25 percent of those jobs also go to young people.

I believe that our youth employment and training programs have served us well. They have served those whose need for help is the greatest. Over 80 percent of those enrolled are economically disadvantaged. Roughly a quarter come from families on welfare. Nearly half are minorities and a substantial number are high school dropouts who otherwise would not be able to get the kind of job training they need in order to gain full-time employment. These programs are highly successful; 75 percent of their graduates go into unsubsidized jobs or back to school to complete their education.

These are not the kinds of programs which we should be cutting at this point.

Even if Senator METZENBAUM's amendment is agreed to, we will still be making significant reductions in youth employment and training programs. So while this amendment does not go as far as I would like, it is a very important step in the right direction and I urge my colleagues to join in supporting this amendment. I congratulate the Senator from Ohio for his leadership on this vital issue.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Madam President, might I inquire of the distinguished Senator from Ohio how much more time he needs on this amendment?

Mr. METZENBAUM. I believe I have about 10 minutes remaining. Is that correct?

The PRESIDING OFFICER. Eight minutes and fifty-one seconds.

Mr. METZENBAUM. Another Senator is coming to the floor to speak and I would guess we would use pretty much the full amount of time. I am happy to yield to the distinguished Senator from New Mexico at this point.

Mr. DOMENICI. I thank the Senator. I gather, then, that the Senator hopes he can finish in the remaining time?

Mr. METZENBAUM. Yes; I do not intend to ask for additional time beyond the time originally allotted.

Mr. DOMENICI. I want to say to the Senator that unless something unusual happens, the opposition plans to use a total of 5 minutes so we will be through very shortly and then yield back to the Senator from Ohio.

Madam President, if you listen to the distinguished sponsor of this amendment and those who are in support of it, you would think that the President of the United States and the Budget Committee had ended youth employment and youth training programs in this country.

That just is not true. That just is not true.

The truth of the matter is that after we added in committee, pursuant to the Hatch amendment, $300 million in budget authority and $234 million in outlays for 1982 and $300 million in budget authority and $300 million in outlays for 1983 for youth employment training specifically. When you add the specific youth employment section of CETA with the training section of CETA, here is what you find: You find that the sum total of those programs before this recommendation for 1982 was $5.2 billion in outlays and, under the resolution, they will be $4.8 billion; $5.2 billion versus $4.8 billion. It is a $400 million difference in outlays in 1982 for training and youth employment combined, all of which is within the pre-

rogative of authorizing committee to use for precisely those purposes. And if they do, the only thing they will not do that has heretofore been done under CETA is that they will not fund public service jobs. Even the assumption of the distinguished Senator from Ohio does not purport to put money back for public service jobs under CETA.

In a nutshell, all the cruelty, all the lack of understanding for the problems of our young people, is summed up in that this program will be 92 percent of what it was before. That is it in a nutshell.

I remind Senators that this program was only invented about 7 years ago. I happen to know that, Madam President, because it was invented in my city. We did it because we could not understand how you could have six different job training programs. With the cooperation of the Dallas office, we invented CETA. We merged the job training programs under a joint agreement and we experimented with it. It worked and we sent it up here. But the CETA program we knew then is a far cry from what it is today. The problems are such that even those who invented it, the very city that invented it, have now looked at it and said, "It does not work. Strings, rules, regulations, abuses, all kinds of problems are there."

But even with all that, in the hope that the authorizing committees will restructure, will cause the good prime sponsors in this country to continue, and those who did not understand and did it poorly will have to do it better, we still left 92 percent of the training and youth employment money in 1982 and 1983, if Congress sees fit to keep it, as compared with 1981 levels.

I do not want to continue to use these cruel words, that we do not understand, that we want to throw young people out into the street. I do not want to continue to have to rebut those words. But it just is not true.

I would say, and this is not necessarily directed at the Senator from Ohio, to those who have caused America to have an economy which is floundering, inflation which is rampant, an economy which cannot produce, deficits in the past 4 years of over $200 billion, who have seen fit, because every program is wonderful, to cause America's budget to grow 16 percent a year for the last 4 years—I would submit that for all Americans, young, old, parents, schoolteachers, all of those whose cases they are supposedly advocating, what they have done to the American economy is the most cruel of all punishments. Yes, we can come down here on each program and argue how wonderful it is, and how great are the goals of each program. But the truth of the matter is that it is time to change the way we are doing business, and that is precisely what this will do.

I will say for myself and Senators like JIM MCCLURE, and others on this side, that we do not take a back seat on youth employment and youth training to anyone. We introduced one of the major acts on it 4 years ago.

I will be delighted if the authorizing committee used all of this money—you would think that there would be no funding at all after you see the tears here on the floor—$4.8 billion in outlays available to CETA, title I and the youth sections for 1982 and $4.4 billion available in 1983—for youth employment and youth training. But that is not our prerogative here on the floor. We are merely saying, "You have to cut down the authorizations to reach these levels of possible appropriation and no more."

That is all it means.

I hope that the Senators really will not believe what the distinguished Senator from Ohio is telling them here because it just is not true.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. Will the Senator from New Mexico yield?

Mr. DOMENICI. I am pleased to yield. How much time does the Senator desire?

Mr. QUAYLE. Five minutes.

Mr. DOMENICI. I yield.

Mr. QUAYLE. I thank my distinguished chairman for yielding me time. As usual, he is very eloquent and persuasive in his testimony about CETA or about any other particular aspect of the budget.

I did not get to hear the remarks of the Senator from Ohio, but I would like to put this amendment in perspective, Madam President.

The committee in its deliberation, and you will recall, Madam President, being a member of that committee, restored about $1 billion proposed by Senator HATCH. Of that, $300 million was earmarked for youth employment and training in this country.

I and a couple of other people joined a majority to accept that amendment. So we do have money in the reconciliation resolution targeted for youth training and employment.

Madam President, I am happy to report that the Subcommittee on Employment Productivity, which I happen to chair, has reported out an extension of the youth training employment programs in this country for 1 year so that, next year, when we have the opportunity to deal with the CETA legislation, the youth aspect will also be included. I am hopeful that the full committee will be able to take that up shortly and I hope that the House of Representatives will go along with us and we shall be able to pass that legislation. That will at least authorize the youth program so that there will not be any merit to statements that this administration or Senators on this side of the aisle are turning their backs on the young people in this country.

As the Senator from New Mexico, the distinguished chairman, pointed out, there are still $4.8 billion left in CETA; we are dealing with functional categories and not line items; and it will be up to the Committee on Labor and Human Resources to make the determination on how those moneys are going to be used. I, as somebody who is concerned about youth, will be making a continued pitch and a continued argument for the retention of youth training and employment for those young people that are truly deserving.

Madam President, I point out that the $4.8 billion that we are retaining in CETA is about 2.5 times what the original appropriation for CETA was in 1973, $2 billion. So we are not really cutting back in a period of less than 10 years. We have doubled the program as far as money, as far as the Federal Government becoming involved.

I point out another statistic, that, since the youth programs that we have now have been on the books, since 1977, the employment rate for young people has actually declined; that it is worse today than it was in 1977. There has not been any improvement; there has actually been a decline. That would suggest that perhaps there really is a need to analyze thoroughly all these programs that we have. We shall be doing that in the course of the budget process this year. We shall be doing that in the course of the authorization project this year and, more precisely, Madam President, next year, when the CETA authorization expires.

That is why, Madam President, it is my hope and my intention that we shall be able to include the young people of this country in the rewriting of that legislation next year. The arguments will come on how much money we are going to spend on youth and how much we are going to spend on adults and some will make the argument that we are going to take from one place and put it in another. But I shall say as one Senator, and I feel that I speak for a majority, that we are concerned and have a great deal of compassion and sensitivity for those young people, particularly those young people who do not have an opportunity to have training, to have employment. That is the least amount of compassion and understanding that anybody who is in public service can have.

Mr. METZENBAUM. Will the Senator from Indiana yield?

Mr. QUAYLE. I am glad to yield to the ranking minority member, the Senator from Ohio.

Mr. METZENBAUM. Will the Senator from Indiana be good enough to advise the Senate as to whether or not the original amount that had been contemplated to be renewed for youth employment was $900 million; if it is not the fact that, based upon the amendment of the Senator from Indiana, $300 million of that amount was put back in and if the amendment of the Senator from Ohio were put back in, it would be $600 million of that $900 million that was originally contemplated for youth employment?

Mr. QUAYLE. I am glad to answer the Senator from Ohio that we in the Budget Committee put back $300 million and the 1981 figure, I believe, was approximately $900 million, as the Senator from Ohio says. But I tell my colleague, my friend on the committee, that we have not made that final determination on how much money we are going to put in the youth program. There is quite an increase in the Job Corps. They may be able to take a little bit from there.

We can talk about $4.8 billion that we have in CETA, how much we are going to put in youth. This is a discussion that is going to take place in the Labor and Human Resources Committee once the budget reconciliation is passed. We have not made that line item determination yet.

Believe me, I shall be trying and I hope the Senator will be joining me in trying to get as much as possible out of those figures for youth training and employment, which I feel is very important and I believe the Senator from Ohio also believes is very important.

Mr. METZENBAUM. I do, Madam President. I appreciate the response of the Senator from Indiana that the $300 million he puts back in represents one-third of the original amount. Now I appreciate his response that there can be more forthcoming from the CETA program.

Is it not the fact that the current policy for CETA overall was $9.5 billion and the Budget Committee's recommendations for that is $4.8 billion, or approximately a cut of 50 percent, and that will make it more difficult to find money for the youth programs in the CETA programs, in view of the fact that a $4 billion whack has been taken out of that as well as a 66⅔-percent whack out of the youth programs?

Mr. QUAYLE. Madam President, I respond by saying on those numbers, the Senator is right, we have cut the CETA program, basically in the public service program. There is a difference of opinion on the committee as to whether there should be that or not. It is going to be tough to maintain all the programs, but that is what we are trying to do now, determine which one of these programs is good, which one of them is worthwhile. There is a consensus of opinion, I think, that is even developing in the U.S. Senate and the Congress that, just perhaps, some of the problems with unemployment, inflation, and high interest rates come from an overexpansive Federal Government.

I remind my colleague from Ohio that the CETA appropriation, with all these draconian cuts that we hear about, comes to $4.8 billion, which is two and a half times the appropriation we had in 1973. That is hardly emasculating a program. It is saying that we ought to be examining some of the programs, some of the efficiency, and some of the thrust that we have had in this past decade.

That is what the reconciliation motion, Madam President, is all about. That is what the election last November happened to be all about. That is why we are now charged with the very difficult responsibility of saying we are going to have less Federal money to spend. It would be nice to spend money on all these programs. I do not dispute the intent. I do not dispute the social aspect or the goals of these programs. We have simply overextended.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. QUAYLE. Madam President, I think I have concluded and I shall yield.

Mr. METZENBAUM. Madam President, I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Madam President, may I get 2 minutes off the resolution?

Mr. HOLLINGS. Yes, Madam President.

Mr. KENNEDY. Madam President, I strongly support the Metzenbaum amendment. I welcome the opportunity to cosponsor it.

I have been listening to the debate, and want to refer to an article that was recently written in the Boston Globe by David Nyhan. I shall have it printed in the RECORD.

It talks about an interview with a philosopher-scientist, Rene Dubos. Dubos is known because he has developed a tuberculosis vaccine, and is not only a very thoughtful scientist and philosopher, but also a commentator on life.

He was asked recently in an interview about his concerns and anxieties about society. He responded that his greatest anxiety, after 80 years of a marvelous life in which he developed a tuberculosis vaccine and became a leading global environmentalist, is the lack of jobs for the young.

Then Mr. Nyhan pointed out:

> We are driving them to their lairs, the Combat Zone, the variety store corners, the bowling alleys and pizza shops, the parking lots and playgrounds where they drink beer, smoke dope, and vandalize out of the sheer brute boredom of going nowhere but home to watch dumb game shows, or to arcades where they pump quarters into mindless electronic games that beep-beep and zoom-zoom them into some kind of subhuman teenaged Nirvana where their fantasies of Charlie's Angels and Loveboat seem, cruelly, to be realizable.

At the end of the article, Mr. Nyhan points out:

> We delight in putting our collective foot on the neck of the fellow lower down on the ladder. They are fat and lazy and don't work hard; they won't save or invest and use their food stamps to buy Twinkies that they gobble while watching game shows on TV, while we're out scrambling for our hard-earned bread, etc. But we are kidding ourselves if we don't conclude that in addition to doing our own job, we have to put them in jobs too. What good do our short-term advantages do us if we are robbed, assaulted or violated in some other way by young people herded by societal indifference into wolfpacks?

The PRESIDING OFFICER. The Senator's 3 minutes have expired. The Senator has 3 minutes on the resolution

Mr. KENNEDY. Madam President, with all due respect to the Senator from Indiana, the youth training programs have been meaningful and important. They have not achieved everything which we who have supported them over a long period of time had hoped for, but they have had certain successes.

We all know that high youth unemployment has continued, and is a national disgrace. But the only response we have heard so far from the administration is the subminimum pay for youth.

It is surprising to listen to those who now want to cut the heart out of the youth training program. I recall that the Republican Policy Committee, just a year ago, strongly endorsed a superb youth training program in the House of Representatives. It passed with only 50 dissenting votes. There was almost unanimity among the Human Resources Committee just a year ago. This program has generated a dedicated bipartisan effort over the entire period of time I have been in the U.S. Senate.

Now we are seeing the administration's recommendation for massive budget cuts in job training programs. The administration proposed an 80-percent reduction, and the Budget Committee a 50-percent reduction. These reductions are going to affect tens of thousands of youth who are currently in training programs.

We should recognize that there are no easy answers to youth unemployment. That was recognized by the Republican Policy Committee in the House a year ago. It has been recognized by the Human Resources Committee for years.

It is going to take the resources and the imagination not only of those of us in the House and in the Senate but also those in the private sector, in the local communities, in the schools, and in the churches in these various communities. Then, at best, we are only going to have a modest record of success.

If we think there is some magic solution, we are deluding ourselves. If we think the subminimal wage is going to be the answer to youth unemployment, we delude ourselves and the American people.

I believe that the amendment of the Senator from Ohio is important and will mean employment opportunities. If we fail to accept this amendment and to have a vigorous youth training program, I believe all society is going to pay a burden which it does not anticipate.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Boston Sunday Globe of March 1, 1981.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PRICE OF YOUTH JOBLESSNESS

(By David Nyhan)

The single best move to improve the quality of life in Massachusetts would be to create jobs for the youthful unemployed of the underclass.

It would not only help the poor, it would ease the tension between the poor and the rest of us. It would lower taxes, improve the economy, and slow the seepage of wealth in terms of welfare, police, court and prison costs.

It makes so much sense, it's too obvious. Why hasn't it been done? Partly because young people won't take many of the lesser jobs that are around. Many have unrealistic ideas about how much they are worth; they turn their noses up at jobs paying the minimum wage of $3.35 an hour, when the average hourly wage for all workers in the state is about $6.13. But it's also because the system has built-in advantages for some sectors, giving financial institutions, employers, unions, and other special interest groups advantages they wish to perpetuate. What's changing that system, in a way that shuffles the existing deck?

Plenty. President Reagan's budget cutbacks eliminate or trim back some CETA job programs, welfare benefits, food stamps and

other schemes. Proposition 2½ means still further cutbacks here.

Massachusetts' low unemployment rate (5.2 percent in January vs. 7.4 percent nationwide) means there are comparatively fewer adults looking for jobs. But the biggest emotional shift may come from our crime epidemic that has turned our society into a fear-ridden, gun-toting, violence-prone state that may just be ready for drastic and innovative change.

Philosopher-scientist Rene Dubos said on public television last Sunday: "Human beings never stand still in front of a situation which threatens them—if they understand the consequences." Fear of crime has become so threatening that an aroused public could force our political leaders to shift the gears needed to create more jobs for young people. By and large, politicians don't lead, they follow public pressure.

Dubos said his greatest anxiety, after 80 years of a marvelous life in which he developed a tuberculosis vaccine and became a leading global environmentalist, is the lack of jobs for the young. Welfare states fall short, he said, because it is not enough to feed and entertain young humans; they need the finishing touches of socialization from work to turn them into worthwhile and contributing adults.

The same day Bill Moyers broadcast Dubos, the Sunday Globe carried 63 full pages of help-wanted advertising, something like 2600 employers offering literally thousands of jobs. Many were in the bustling computer industry, for which this state is the mother lode. There were ads from employers in 26 other states and the District of Columbia, many of them trying to entice computer-skilled people to migrate.

We are sitting atop our own Gold Rush here. The High Technology Council predicts 61,000 more jobs in the field over the next three years. But half of them will require college degrees in science. And the school systems are not educating many young people to take even entry-level jobs. Dr. An Wang of Wang Laboratories starts his own computer school to educate help for his burgeoning business. Insurance companies like John Hancock and Continental start their own schooling programs to train workers.

Public education crumbles under Proposition 2½, union problems, shoddy management. Boston, charging taxpayers $3900 per year per pupil, threatens to shut down a quarter of its elementary schools to stay afloat. The kids who need the public schools most are the ones who are marginal, who may not make it into becoming productive members of society. They read the headlines (if they can or do read headlines) saying Boston schools will shut down in March. Is that any incentive to do homework, or pass up the chance to play hooky?

We are driving them to their lairs, the Combat Zone, the variety store corners, the bowling alleys and pizza shops, the parking lots and playgrounds where they drink beer, smoke dope, and vandalize out of the sheer brute boredom of going nowhere but home to watch dumb game shows, or to arcades where they pump quarters into mindless electronic games that beep-beep and zoom-zoom them into some kind of subhuman teenaged Nirvana where their fantasies of Charlie's Angels and Loveboat seem, cruelly, to be realizable.

We may find more jobs created for young people by Reagan's plan for urban enterprise zones, with tax incentives for the private sector to create more jobs in declining cities. For 1979, about 15 percent of Massachusetts teens between 16 and 19 who were looking for work did not find it.

Providing jobs for the underclass, or persuading some of them to take existing jobs, is the best thing we can do. It is not just the right thing to do for them. It is right for the 2.7 million of us already working in Massachusetts. We will save money in terms of police, courts, jail. We will reduce the sense of real threat or vague foreboding that is so pervasive. Welfare costs will fall, unemployment compensation would drop, and drug abuse, alcoholism, depression, violence against wives and children, will decline.

A Johns Hopkins scholar studied the 1.4 percent rise in the national unemployment rate in 1970 and tracked the social cost it added on over the next five years: 26,000 stress-related deaths from heart, kidney disease and strokes; at least 1500 suicides and over 1700 homicides. You have to guess for yourself how many muggings, drunken brawls, child molesting cases, battered wives, assaulted policemen and stolen cars might be thrown in.

We delight in putting our collective foot on the neck of the fellow lower down on the ladder. They are fat and lazy and don't work hard; they won't save or invest and use their food stamps to buy Twinkies that they gobble while watching game shows on TV, while we're out scrambling for our hard-earned bread, etc. But we are kidding ourselves if we don't conclude that in addition to doing our own job, we have to put them in jobs too. What good do our short-term advantages do us if we are robbed, assaulted or violated in some other way by young people herded by societal indifference into wolfpacks?

When we are sufficiently threatened, Rene Dubos instructs, we will act. Does anybody honestly believe we are not sufficiently threatened?

Mr. METZENBAUM. I thank the Senator from Massachusetts.

Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Madam President, I yield 3 minutes to the distinguished Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Ohio.

Madam President, I speak in the context of comments that have been made several times on this floor about what we are doing in this budget resolution.

It happens that I was Assistant Secretary of Labor in 1962 when the U.S. Government, under President Kennedy, adopted the original Employment Development Training Act of 1962.

In that year, the first manpower report from the President was sent to Congress, as provided by the Manpower Act; and there was a formal undertaking by our Government that we would maintain a sustained concern for insuring satisfactory levels of training and employment, especially among youth.

What the Senator from Massachusetts has said is entirely reflective of that commitment in 1962. It was the first time in the long postwar prosperity that we realized that we had learned to make the American economy grow at great rates, but we had not solved the problem of unemployment; that we had levels of unemployment higher than in any of the other industrial nations, much higher that we thought acceptable. At that time, there was sharp disagreement in the Council of Economic Advisers about the acceptability of setting an interim goal of 4 percent for unemployment rates. We are now at a point where we cannot meet national goals of 6 percent or 7 percent, and nowhere is this failing more extraordinary than among youth.

We have not found jobs for the young people of this country. We have not found them in periods of growth. We have not found them in periods of relative recession.

The one thing we have been learning, painfully, but with some considerable success, is to make our training programs work and to bring about that connection between childhood and adulthood which is joining the labor market.

To back away from that commitment now would be a deep mistake. It moves against the very purpose of the administration, which none of us would fail to support, of economic growth, of investments, and productivity. We cannot strengthen our economy without investing in our single most important resource, our labor force.

I congratulate the Senator from Ohio. I appreciate his yielding time to me.

(Mr. ANDREWS assumed the chair.)

Mr. METZENBAUM. Mr. President, I yield myself the remainder of my time.

I appreciate the frankness and the candor with which the distinguished chairman of the subcommittee, the Senator from Indiana, responded, because I believe it puts to rest the point that was suggested by my friend from New Mexico, who seems to indicate that 92 percent of the money for youth employment was now going to be available. That just is not so. It will be one-third under the original Quayle amendment, which will be one-third of the amount that the Labor and Human Resources Committee recommended; and with my amendment adopted, it would amount to two-thirds.

I believe that the Senator from New Mexico is reflecting his own sensitivity on this entire subject, and well he might, because he talked about whether or not it was cruel to do this to young people who would not now be able to participate in the youth employment program.

I find that particularly interesting, because the Senator from Ohio had not seen fit to use that term today. But if the adjective fits, I am willing to accept it, if he feels it is appropriate, and I am not prepared to challenge him on that point.

As to the question of this whole program, I believe that the issue is this: What is good for the young people of America, and what is good for America generally?

Senator KENNEDY quoted an article in the Boston Globe on the impact that youth unemployment will have on the Nation. I will read a portion of that article, which he did not have an opportunity to read in its entirety because of the limitation of time.

> Providing jobs for the underclass, or persuading some of them to take existing jobs, is the best thing we can do. It is not just the right thing to do for them. It is right for the 2.7 million of us already working in Massachusetts. We will save money in terms of police, courts, jail.

Mr. President, on behalf of the Senator from Massachusetts I ask unanimous consent that the entire article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Mar. 1, 1981]

THE PRICE OF YOUTH JOBLESSNESS

(By David Nyhan)

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It would not only help the poor, it would ease the tension between the poor and the rest of us. It would lower taxes, improve the economy, and slow the seepage of wealth in terms of welfare, police, court and prison costs.

It makes so much sense, it's too obvious. Why hasn't it been done? Partly because young people won't take many of the lesser jobs that are around. Many have unrealistic ideas about how much they are worth; they turn their noses up at jobs paying the minimum wage of $3.35 an hour, when the average hourly wage for all workers in the state is about $6.13. But it's also because the system has built-in advantages for some sectors, giving financial institutions, employers, unions, and other special interest groups advantages they wish to perpetuate. What's changing that system, in a way that shuffles the existing deck?

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Massachusetts' low unemployment rate (5.2 percent in January vs. 7.4 percent nationwide) means there are comparatively fewer adults looking for jobs. But the biggest emotional shift may come from our crime epidemic that has turned our society into a fear-ridden, gun-toting, violence-prone state that may just be ready for drastic and innovative change.

Philosopher-scientist Rene Dubos said on public television last Sunday: "Human beings never stand still in front of a situation which threatens them—if they understand the consequences." Fear of crime has become so threatening that an aroused public could force our political leaders to shift the gears needed to create more jobs for young people. By and large, politicians don't lead, they follow public pressure.

Dubos said his greatest anxiety, after 80 years of a marvelous life in which he developed a tuberculosis vaccine and became a leading global environmentalist, is the lack of jobs for the young. Welfare states fall short, he said, because it is not enough to feed and entertain young humans; they need the finishing touches of socialization from work to turn them into worthwhile and contributing adults.

The same day Bill Moyers broadcast Dubos, the Sunday Globe carried 63 full pages of help-wanted advertising, something like 2600 employers offering literally thousands of jobs. Many were in the bustling computer industry, for which this state is the mother lode. There were ads from employers in 26 other states and the District of Columbia, many of them trying to entice computer-skilled people to migrate.

We are sitting atop our own Gold Rush here. The High Technology Council predicts 61,000 more jobs in the field over the next three years. But half of them will require college degrees in science. And the school systems are not educating many young people to take even entry-level jobs. Dr. An Wang of Wang Laboratories starts his own computer school to educate help for his burgeoning business. Insurance companies like John Hancock and Continental start their own schooling programs to train workers.

Public education crumbles under Proposition 2½, union problems, shoddy management. Boston, charging taxpayers $3900 per year per pupil, threatens to shut down a quarter of its elementary schools to stay afloat. The kids who need the public schools most are the ones who are marginal, who may not make it into becoming productive members of society. They read the headlines (if they can or do read headlines) saying Boston schools will shut down in March. Is that any incentive to do homework, or pass up the chance to play hooky?

We are driving them to their lairs, the Combat Zone, the variety store corners, the bowling alleys and pizza shops, the parking lots and playgrounds where they drink beer, smoke dope, and vandalize out of the sheer brute boredom of going nowhere but home to watch dumb game shows, or to arcades where they pump quarters into mindless electronic games that beep-beep and zoom-zoom them into some kind of sub-human teenaged Nirvana where their fantasies of Charlie's Angels and Loveboat seem, cruelly, to be realizable.

We may find more jobs created for young people by Reagan's plan for urban enterprise zones, with tax incentives for the private sector to create more jobs in declining cities. For 1979, about 15 percent of Massachusetts teens between 16 and 19 who were looking for work did not find it.

Providing jobs for the underclass, or persuading some of them to take existing jobs, is the best thing we can do. It is not just the right thing to do for them. It is right for the 2.7 million of us already working in Massachusetts. We will save money in terms of police, courts, jail. We will reduce the sense of real threat or vague foreboding that is so pervasive. Welfare costs will fall, unemployment compensation would drop, and drug abuse, alcoholism, depression, violence against wives and children, will decline.

A Johns Hopkins scholar studied the 1.4 percent rise in the national unemployment rate in 1970 and tracked the social cost it added on over the next five years: 26,000 stress-related deaths from heart, kidney disease and stroke; at least 1500 suicides and over 1700 homicides. You have to guess for yourself how many muggings, drunken brawls, child molesting cases, battered wives, assaulted policemen and stolen cars might be thrown in.

We delight in putting our collective foot on the neck of the fellow lower down on the ladder. They are fat and lazy and don't work hard; they won't save or invest and use their food stamps to buy Twinkies that they gobble while watching game shows on TV, while we're out scrambling for our hard-earned bread, etc. But we are kidding ourselves if we don't conclude that in addition to doing our own job, we have to put them in jobs too. What good do our short-term advantages do us if we are robbed, assaulted or violated in some other way by young people herded by societal indifference into wolfpacks?

When we are sufficiently threatened. Rene Dubos instructs, we will act. Does anybody honestly believe we are not sufficiently threatened?

INVESTING IN A PRODUCTIVE WORK FORCE

Mr. ROBERT C. BYRD. Mr. President, I believe there is a shortsighted view implicit in many of the budget cuts in education, unemployment, training, and economic development programs proposed in this reconciliation bill.

Senators may disagree as to the effectiveness of many of these programs. However, we should recognize that, while many of the programs may be justifiably reduced or eliminated, the real economic problems they were designed to address will not disappear.

Reducing current Department of Labor commitments to training from $9.5 to $4.6 billion, as contemplated in the reconciliation resolution, will not reduce the growing population of publicly dependent youth and adults.

Programs may disappear but our economic problems will not. According to the Congressional Budget Office, every 1-percent increase in the rate of unemployment can add anywhere from $20 to $30 billion to the Federal deficit in the form of lost revenues and uncontrollable income maintenance costs.

According to a recent Department of Labor study, the general skill level of the American labor force has fallen dramatically while the skill levels of competitor nations have been rising. The Conference Board reports that 35 percent of private sector companies now must provide remedial instruction in reading, writing, and arithmetic. Moreover, while it is true that the American economy is providing a remarkable number of new jobs every year, it is also evident from analysis of those jobs that they are concentrated in low-skill, low-wage occupations.

The gap between available skill jobs and skilled workers is increasingly evident. We see more and more statistics that demonstrate severe skill shortages among American workers. In a statement to the press, on March 16, the President noted that he had found 33½ pages of want ads in the Sunday, March 15 Washington Post. The President seemed to imply that people prefer unemployment to those listed jobs. According to the American Vocational Association, closer analysis reveals that at least 1,900 of the advertised jobs required some specialized institutional training. Approximately 85 percent required institutional training of 1 year or more.

There is little need to reiterate the litany of all-too-familiar statistics on the depressed state of American productivity. I would proffer one observation, however: Many claim that American economic preeminence in the 1940's and 1950's occurred without supporting policies and programs. They argue that policies to encourage productivity are therefore not necessary now. First, I would respond that changes in both our national economy and the success of our competitors argue against that view. Second, and more importantly, I would point out that even if we succeed in recreating the so-called golden age of American productivity growth, that would be insufficient, over the long run, to keep up with our international competitors.

In the golden age of American productivity our rate of productivity increase averaged 3.2 percent. Our competitors have consistently more than doubled that rate. The past is not good enough: We need policies and programs that promote a productive and mobile labor force if we are to maintain our economic preeminence.

In addition to cuts in education and training programs, the proposed reconciliation bill eliminates over 20 percent of economic development spending. I would caution my colleagues that geographic imbalances in growth and decline are accelerating at alarming rates.

Finally, we may all agree that the current trade adjustment program provides too much income maintenance and too little retraining and relocation. Retraining and relocation policies remain necessary, however, if we are to avoid rampant protectionism. Moreover, such cuts seem doubly unwise at a time when massive new budgetary commitments in defense and energy spending will create shortages of skilled labor in some regions while experienced workers remain underutilized in declining areas. Some kind of training and retraining policies would seem to make sense in an economy that is simultaneously experiencing manpower shortages and a general geographic mismatch between work opportunities and available workers.

It should be clear that I do not necessarily support continued funding for every education, employment, training and economic development program scheduled for cuts or elimination in this reconciliation bill. I do support the continuing commitment of Federal resources to remedy our current economic malaise.

I do not take issue with critics who point out that, as presently written, some of these programs provide more make work than meaningful work. But we cannot create programs that will work without budgetary commitment. We do need new policies that encourage productivity and economic growth. But these policies cannot be implemented without available budgetary resources.

I caution my colleagues that short-term economies in our investment in a productive work force are illusory. The alternative to employment and training policies targeted on the employability of the disadvantaged is greater public dependency and ever higher income maintenance costs. The alternative to policies that retrain and relocate experienced workers is a wasting away of our experienced work force. The alternative to effective education policies is a continued decline in the skill level and productivity of the American work force. The alternative to effective economic development policies is an acceleration of the current imbalances in area development.

I support this amendment as one that allows us to carry forward our commitment to the resolution of our economic problems.

● Mr. LEVIN. Mr. President, I rise in support of Senator METZENBAUM's amendment to restore funds for youth employment and training programs. This would result in a CETA youth and training program for fiscal year 1982 that is still only two-thirds the size of the program in the current fiscal year. Given the high unemployment rate in that age group, it is clear to me that we are moving in the wrong direction by reducing the program at all. However, this amendment is an effort to restore part of a valuable program.

The youth community conservation and improvement projects (YCCIP) and the youth employment and training programs (YETP) are the CETA youth programs which will benefit if this amendment is accepted. These are successful programs. They do what they are supposed to accomplish. Young adults with few skills are brought into these programs, given skills and provided with an opportunity to be self-sufficient and contributing citizens. That is what youth employment and training programs are all about—a chance for a young person from a disadvantaged background to maximize his or her potential. The program is not aimed at providing permanent employment but rather getting young people ready for the private sector. Employers have told me that what we need are programs to prepare people for the marketplace. Productivity, which many of us are rightly concerned about, is affected by the skills and work habits young people develop. The YCCIP and YETP programs excell in helping youth prepare for the adult job world. We cannot turn our backs on the productivity issue and how it is linked with these programs.

Finally, as we all know, unemployment among young persons is a serious problem in our society. It has been with us for a number of years and it has to be addressed. In the United States for 1980, the rate for 16- to 19-year-olds was 19.3 percent. In my home State of Michigan in 1980, the statewide average for 16- to 19-year-olds was 20 percent; in the fourth quarter of 1980 it was 22 percent. In Detroit, youth unemployment can only be called a catastrophe. The average rate in 1980 was 39 percent.

We need more dollars of the CETA youth programs. This amendment will be a step in the right direction.●

Mr. METZENBAUM. Mr. President, let me conclude my remarks in connection with this amendment.

The cut is wrong. It is harmful to young people. It is wrong for the future of America. I hope that this Senate sees fit to add back the additional $300 million which would still leave the youth employment programs in this country $300 million short.

I am prepared to vote.

Mr. EAGLETON. Vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOMENICI. Mr. President, I merely wish to apologize to the Senator if he did not use "cruel" today. If he did not it is the first time he did not in addressing these cuts, but I do apologize if he did not use it today.

Mr. QUAYLE. Mr. President, will the Senator yield 1 minute?

Mr. DOMENICI. I yield.

Mr. QUAYLE. Mr. President, I wish to set something correct or at least make a statement we can argue about.

On the youth training aspect, the Senator from Ohio is right. If we accept these numbers there is going to be more of a cutback. But if we talk about adding summer youth employment and Job Corps to that the total reduction for youth is about one-seventh. So we are talking about a very narrow category.

I wish to support precisely what my chairman said, and I add he is pretty close when he said we really did not cut that as far as the total youth employment is concerned because the Job Corps was increased and the summer youth employment was kept at the current level.

I thank my chairman for yielding.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Ohio.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

The PRESIDING OFFICER. Are there Senators in the Chamber who have not voted?

The result was announced—yeas 24, nays 74, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—24

Biden	Eagleton	Levin
Bradley	Ford	Matsunaga
Bumpers	Glenn	Metzenbaum
Burdick	Hart	Moynihan
Byrd, Robert C.	Huddleston	Pell
Chiles	Inouye	Riegle
Cranston	Kennedy	Sarbanes
Dodd	Leahy	Tsongas

NAYS—74

Abdnor	Goldwater	Murkowski
Andrews	Gorton	Nickles
Armstrong	Grassley	Nunn
Baker	Hatch	Packwood
Baucus	Hatfield	Percy
Bentsen	Hawkins	Pressler
Boren	Hayakawa	Proxmire
Boschwitz	Heflin	Pryor
Byrd, Harry F., Jr.	Heinz	Quayle
Cannon	Helms	Roth
Chafee	Hollings	Rudman
Cochran	Humphrey	Sasser
Cohen	Jackson	Schmitt
D'Amato	Jepsen	Simpson
Danforth	Johnston	Specter
DeConcini	Kassebaum	Stafford
Denton	Kasten	Stennis
Dixon	Laxalt	Stevens
Dole	Long	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
East	Mattingly	Wallop
Exon	McClure	Warner
Garn	Melcher	Weicker
	Mitchell	Zorinsky

NOT VOTING—2

Randolph	Williams

So Mr. METZENBAUM's amendment (UP No. 38) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 39

(Purpose: To restore funds for the National Science Foundation, trade adjustment assistance, Conrail, and mass transit)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) for himself, Mr. BIDEN, Mr. MOYNIHAN, Mr. GLENN, and Mr. KENNEDY, proposes an unprinted amendment numbered 39.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "$14,667,000,000" in line 14, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "$14,585,000,000, and outlays by $2,318,000,000, in fiscal year 1981, to reduce budget authority by $52,022,000,000, and outlays by $36,681,000,000, in fiscal year 1982; and to reduce budget authority by $58,263,000,000, and outlays by $46,970,000,000".

On page 2, beginning with "$13,300,000,000" in line 24, strike out through "$1,800,000,000 on page 3, line 1 and insert in lieu thereof the following: "$13,218,000,000 in budget authority and $1,465,000,000 in outlays for fiscal year 1981; by $3,169,000,000 in outlays for fiscal year 1982; and $1,789,000,000".

On page 5, beginning with "$15,460,000,000" in line 4, strike out through "$2,274,000,000" in line 7 and insert in lieu thereof the following: "$14,910,000,000 in budget authority and $908,000,000 in outlays for fiscal year 1982; and $17,812,000,000 in budget authority and $10,854,000,000.".

On page 5, beginning with $1,558,000,000" in line 23, strike out through "$1,328,000,000" on page 6, line 2, and insert in lieu thereof the following: "$1,458,000,000 in budget authority and $784,000,000 in outlays for fiscal year 1982; and $1,398,000,000 in budget authority and $1,128,000,000".

On page 7, beginning with "$96,000,000" in line 24, strike out through "$132,000,000" on page 8, line 2, and insert in lieu thereof the following: "$21,000,000 in budget authority and $37,000,000 in outlays for fiscal year 1982; and $39,000,000 in budget authority and $57,000,000".

On page 10, beginning with "$2,388,000,000 in line 5, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$2,306,000,000 in budget authority and $379,000,000 in outlays for fiscal year 1981; $10,225,000,000 in budget authority and $7,889,000,000 in outlays for fiscal year 1982; and $12,273,000,000 in budget authority and $10,854,000,000.".

Mr. BRADLEY. Mr. President, the amendment before the Senate at this time addresses four areas: Conrail, mass transit, the National Science Foundation, and the experienced-worker-training program.

Mr. President, I would like to pause before getting to the specifics of the amendment and address the more general question of the budget that has been proposed by the Reagan administration and the economic assumptions that lie behind that budget.

Mr. President, the administration's budget predicts that growth will go from a 1.5-percent level in 1981 to a 4.5-percent level in 1982; that inflation will drop to 7.2 percent in the fourth quarter of 1982; that unemployment will drop to 7.2 percent in 1982; and that the cost of money that the Government will pay to finance the deficit will be 8.9 percent in 1982.

Mr. President, there have been a number of economists throughout the country who have questioned the assumptions of this budget and have posed the possibility that, instead of generating vast economic growth, this country instead might be saddled with a rather viral case of demand inflation.

Mr. President, after looking carefully at the econometric models that have been offered by Wharton, Data Resources and Chase Econometrics, I inquired further and discovered that all of those econometric models have assumed that the administration does not get its full program. They have assumed either that Kemp-Roth is not fully endorsed and enacted, or that all the budget cuts are not passed, or that the money supply levels will not be what the President's budget assumes.

So, Mr. President, in a letter to the Joint Economic Committee, I requested that they run on their model a simulation which would assume the full Kemp-Roth, the full budget cuts both this year and in outyears, and the money supply figures that are included in the President's budget.

Mr. President, I will have to say that the results were even astounding to this Senator who began as somewhat doubtful. We received those results 2 days ago and released them today publicly.

For the Senate's information, the administration program—tax cuts, budget cuts, and money supply figures—if enacted according to the Joint Economic Committee's model, which uses the Data Resources model of the economy, would produce in 1984 not a balanced budget, Mr. President, but a deficit of $111 billion—$111 billion. Growth, while increasing slightly in 1982, would return to a stagnant level in 1984. Inflation would still be in the area of 8 percent and unemployment would still hover in the mid-7-percent range.

So, Mr. President, this budget that we are dealing with, if enacted, is only part of the problem, because the remaining problem has to do with the money supply. There is no way that, given the level of increase in money supply that the administration has assumed, the economy will be able to grow at a 4.5-percent rate in 1982 and beyond. No way, Mr. President.

The result of this request to the Joint Economic Committee clearly conveys that we are heading down a path fraught with danger unless something gives, Mr. President, unless the money supply figures are not as stringent as the administration assumes. If that is so, we will have much higher inflation; the money supply figures have to be low because interest rates will be high. If that does not go, Mr. President, then you have to look at the budget area.

Mr. President, it is unlikely that we are going to cut the budget less than the President would like to cut the budget. So the only area that remains for consideration in connection with these budgetary assumptions and their probable result is the tax area, Mr. President. In the tax area, the administration has committed itself to a policy which even economists of the vein of Arthur Burns think is a disastrous policy, but one which, combined with the budget and money supply figures, will produce not a balanced budget in 1984, but a budget deficit of $111 billion. Nor does that figure include any shocks to the economy that would increase inflation and, therefore, the budget deficit further. That figure does not include what a deficit of that amount might mean for inflationary expectations, a word that we have heard so often in the past several weeks.

But it should be food for thought for those individuals who were proceeding pellmell toward a full enactment of the Kemp-Roth tax cut.

So, Mr. President, I begin this discussion with that word of caution based upon a report from the Joint Economic Committee today.

I now turn to the fact that a budget is not a 1-year document, and the reconciliation bill we are dealing with today clearly establishes that. It sets a direction for future policy. It sets a direction in many areas, Mr. President.

The debate on the Senate floor, I think, is a debate about how we get this economy back on the path of economic growth. On one side of the aisle you have the proposition that we simply cut the budget and cut taxes and there will be an enormous outpouring of savings, harder work, investment in the economy. From that, like a coiled spring, the economy will unloosen and grow at unprecedented rates.

Mr. President, I think that this is an analysis that is locked into the status quo, that is not future oriented, and that, instead, is simply a managerial budget with goodies on the side to try to bring people along to support a stringent budget policy, the goodies being the tax cut.

Mr. President, I would like to see if we can reach a consensus among Republicans and Democrats that if we are going to get the country back on the path of economic growth, we will need more than simply to stimulate investment in plant and equipment, investment in the private sector. This Senator will not argue with that. This Senator supported the bill out of the Finance Committee last year that had very significant incentives for private investment and the rebuilding of America. I think that is important.

But, Mr. President, I do not think that is sufficient. Necessary, but not sufficient. There are other kinds of investment.

Another kind of investment is the investment in the economic infrastructure in this country.

If you look at the next decade and you say, "We have to increase our exports," the greatest potential for export is coal. But today you cannot get the coal from the coalfields to the ports for export because there are no railroads and there are no ships that would take large quantities of coal to make the export of coal to our advantage.

Mr. President, investment also includes human capital. Investment includes making sure that the work force of the 1990's is skilled, has a stake in the economy, understands the competitive forces that swirl around the world, and is willing to work and make the commitment to make America the most competitive country and the most successful country in the world economy and world trade.

In this budget investment means simply investment in plant and equipment, but I believe it should mean investment in plant and equipment, in railroads, in infrastructure, and in human capital.

Underlying that kind of commitment to investment should be a basic commitment to research and development. If you look at the next 10 years and you assume we are going to be competitive, you have to maintain your comparative

advantage. The only way you maintain your comparative advantage is by making sure that you are on the cutting edge of change with research and development.

Mr. President, with that general framework, I am offering today an amendment which embodies three of the areas I have just discussed. One area is infrastructure. I am proposing in this amendment to place back into the budget $100 million for Conrail and $50 million for mass transit in fiscal year 1982.

Mr. President, if we are going to bring that coal to the ports for export, if we are going to do that in the next 5 years, we cannot be involved in an endless dispute over private takeover from the Conrail system; we cannot be engaged in a dispute that will only lead to interruptions in commuter service and in freight service that will only lead to higher State taxes or exorbitantly higher fees for freight service or both.

Mr. President, the Conrail portion of this amendment is consistent wtih the idea that the role of the Government budget is to encourage and provide for investment in the economic infrastructure of this country that will promote exports.

Mr. President, turning to mass transit, it makes no sense to drive people out of mass transit facilities and into automobiles using more expensive foreign oil and making us more and more dependent on that foreign oil. Let me assure you, that is what will happen if the mass transit systems of this country come to a screeching halt. Where they do not come to a screeching halt, the increase in price will nevertheless create a grid-lock situation in many urban areas of this country where the roads are so jammed with cars that you have traffic coming to an enormous and very rapid stop.

The third part of this amendment deals with training experienced workers.

Mr. President, a few sobering facts for the Senate's consideration as we embark upon the decade of the 1980's where comparative advantage will be so paramount to restoring our competitive health and our economic growth:

The U.S. share of skilled labor in the world dropped from 29 percent in the 1960's to 26 percent in 1975. The United States fell from second in skilled labor endowment to seventh worldwide.

U.S. imports of skill-intensive manufactured goods have increased. U.S. exports of such goods since the 1960's have been on a dramatic decrease.

Mr. President, if we are going to restore our productivity in this country, if we are going to be competitive internationally, if we are going to have economic growth, we have to have skilled workers.

There are two approaches to trying to assure that our workers are skilled. One is to make sure that the young people of this country will be ready to do their job in the 1990's when we have a labor shortfall. Another way is to make sure that those workers who lose their jobs because of the loss of competitiveness to foreign enterprise have the opportunity to be retrained and have the opportunity to work in enterprises where, in the 1990's, there will be a U.S. comparative advantage.

The fourth part of this amendment, Mr. President, deals with the National Science Foundation.

Mr. President, this amendment would restore only $39 million in outlays for the National Science Foundation. Mr. President, if you agree that research and development underlies our competitive advantage and, therefore, our growth potential in the 1990's, then it makes no sense to cut funding for the instrumentation grants from all the laboratories in universities across this country that will give an opportunity for our future scientists to be trained on the latest scientific equipment. It makes no sense to cut out fellowships for those in the physical sciences who are the keenest students of today and will make the breakthroughs of the future.

Mr. President, the amendment that is now before the Senate is really a framework amendment. It is an amendment that addresses the question of research and development; it is an amendment that addresses the question of making sure that we make an investment in human capital; and it is an amendment that addresses our need for a sound infrastructure. Why, Mr. President? So that this country can get back on the path of economic growth and our confidence in the future can again soar. We do this by beginning from a sound foundation with a steady upward ascent and not by buying a lot of untested assumptions in a budget which, when put to the test in an econometric model, will produce a deficit of over $100 billion in 1984.

I am pleased to yield to my colleague from Delaware.

Mr. BIDEN. Mr. President, as a cosponsor of this amendment, I should like to speak briefly to it and preface my remarks by pointing out that I acknowledge: First, that there is not sufficient time to debate adequately all aspects of this amendment because I recognize the time constraints; and second, that the budget process may not be—in fact is not—the best forum within which to raise this debate.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator from New York is correct. The Senate will be in order.

Mr. BIDEN. But, as it is not popular to suggest, it is the only game in town right now.

Mr. President, let me say, at the expense of possibly offending some of my colleagues on both sides of the aisle. I think our debate on economic policy this past year—past several years—is similar to our debate on foreign policy in that the two primary schools of thought involved in the debate are equally wrong.

I acknowledge, in the area of domestic economy, that our Republican colleagues have come up with something while not new is different from what has been offered heretofore. It seems to me that, when you strip everything away, Ronald Reagan is being very, very honest, direct, and blunt with the American people. He is saying that the way—to use a phrase that was used last year—to reindustrialize America, increase productivity, make us more competitive, and increase the living standard of the American people which in turn will reduce inflation and unemployment—is to shed the policy that has been, in my opinion, part and parcel of at least a large portion of my party. That policy was to try more and more to plan the economy: The Government would play a larger role in planning the economy to accomplish those ends.

He says that does not work. But he goes a step farther and says the real answer here is to get government out of the business of being involved with the economy. He found a young disciple or apostle, about my age, who is now the Director of the OMB, who articulates his position, I think, extremely well. It says not only get government off our back in the areas that we do not want it, but get government out of the business of trying to help put the economy back on its feet.

It goes a few steps farther than that. It suggests that the real answer to all our problems, our energy problem, for example, is to leave the business of energy to the energy companies, period. He says with regard to our problems that relate to unemployment, "We have an answer: just leave the business of unemployment to the employers other than government." And he goes on in various other areas.

My Democratic colleagues—I think many—have somewhat missed the boat here. We, up to now, have been arguing about whether or not we are going to increase or decrease a program which is designed to give people a sustenance that allows them to continue a living standard that we think is worthwhile in this country, or minimal. Most of the alternatives offered by the Democrats have not been ones that go to the heart of the problem. Unemployment insurance does not do much about productivity; it does not do much about structural unemployment. The WIC program, although essential, does not do a great deal about productivity or employment. And we go on and make the arguments based upon the old social programs, whether we are for them or against them.

I think the way in which the Bradley amendment departs from this debate is that it says that there is a role that government can, should, and must play, along with private enterprise and along with labor, in order to see to it that we deal with the basic structural problems of productivity, unemployment, inflation, and all the major problems that face the economy today.

There are some very legitimate criticisms of existing programs that the Reagan administration has made. There are some very legitimate criticisms that the chairman of the Committee on the Budget has made and shepherded through this budget process thus far. As a matter of fact, out of something in excess of $40 billion worth of cuts the President is offering, I can support close to $40 billion of those cuts. But it seems to me that we are making a

drastic mistake when we deny Government a role in helping us and helping the free-enterprise system lead us out of our dilemma.

It seems to me to make no sense at this moment for the U.S. Congress to be going on record cutting research and development. We hear, time and again, the arguments about how new technology will save us. We hear, time and again, arguments that we must be more competitive with the Japanese, with the Germans, and on and on.

Well, Mr. President, where is this going to come from? Does not Government have a little bit of a role to play? Does it not make sense for us to fund the National Science Foundation, at least minimally? Does it not make sense for us to encourage those minds on university campuses and in businesses with the help of Government, to find some of the answers? Does it not make sense for us, before we dismantle a rail system that is the second largest in the Nation and the rail system which an area of the country where 40 percent of the manufacturing capacity of this country is located, to figure out what is going to happen to the economy before we do that?

This administration seems not to share that view. Does it not make sense, as this administration acknowledges, as there are major shifts in population trend, major movements in this country with regard to the location of industries, to take the best of the skilled workers in America who have lost their jobs because we have lost our competitive edge, and retrain those best technical minds to do other jobs?

Does it not make sense to give an auto worker a chance to be a roughneck in an oil rig? What are we going to do with these people?

What Senator BRADLEY and I are suggesting—is in order to achieve our economic recovery and the new markets, new skills, and the solid infrastructure which are so important requires a little bit of help, not from Mother Nature, but from Government. Government should be a partner in this process.

It seems to me that what we have done is cast this debate in terms of safety nets and holes in safety nets rather than building new floors, new walls, and new ceilings to house a new economy that makes us competitive into and through the 21st century.

That is why I am joining with Senator BRADLEY to offer this amendment which will restore small amounts of funding for certain Federal activities that are important to achieving economic productivity and growth. Let me tick off these activities and a brief comment about each of them.

Federal funding for the National Science Foundation has been reduced by 25 percent below that proposed in January. This would delete increased money for engineering research which is very important to industrial productivity. It would decrease support for basic science research in mathematical and physical sciences. It will eliminate a program to upgrade scientific equipment in our universities. This is the kind of spending that relates directly to productivity and further growth. It should not be cut.

A favorite word these days is "infrastructure." In talking about our economy, this means the backbone of the economy. Transportation is one vital part of our economic infrastructure. The present budget reduction proposals could have a most detrimental effect upon our transportation system. The President proposes to reduce funding for mass transit in our cities, and particularly assistance for operating existing mass transit systems. He also proposes to halt funding for Conrail, jeopardizing freight rail service in the whole Northeast and Midwest. Our economy cannot function without these important transportation services and I hope we can restore some money for them. I shall return to the issue of Conrail's continued funding shortly.

One of the key elements in our productivity growth in this country in years past was the American worker and the superb education and training that he or she received. In today's international markets, we have a phenomenon where some of our best workers are losing their jobs because of international trade competition. This is a pool of skilled and experienced workers, who if they were retrained, could apply their experience in new industries. It makes no sense to fail to utilize this reservoir of skills, just for the lack of a small retraining effort. Therefore, I support the effort to provide funds to retrain these workers and help them find jobs in new industries.

There are, no doubt, other equally beneficial activities being cut in our actions here on the Senate floor. We have sought to isolate a few of these activities and make small restorations. This is the kind of Government spending that will reap benefits for our economy and for all of us in the years ahead through increased productivity. I hope that the Senate will join us in restoring funds for these activities.

Now Mr. President, I wish to speak for a few minutes on this amendment's funding for Conrail. Ironically, today's debate is occurring on Conrail's fifth anniversary of service.

Conrail, the Nation's second largest rail freight system and its largest commuter carrier, is at a crossroads. Its future, and along with it the future of freight rail service throughout its 17-State region, will soon be decided. This is not a new issue. President Carter had addressed it, as has President Reagan. Last year, so did the Congress as we are doing again.

No one disputes the necessity of reexamining Conrail's future. Just 6 months ago, the Senate passed, on a vote of 61 to 8, the conference report on the Staggers Deregulation Act. Section 703 of this legislation required Conrail, the U.S. Railway Association, the Department of Transportation, and the Interstate Commerce Commission to prepare their recommendations on Conrail's future, specifically addressing three possible alternatives:

First, continued Federal funding of Conrail as it is presently structured;

Second, future Federal funding only to the extent necessary to preserve a self-supporting rail service; and

Third, no further Federal funding beyond the amount authorized in the act.

But there is a right way to reassess Federal support for Conrail and a wrong way. I believe the approach taken by the Budget Committee is the wrong way. Here we are deciding on whether or not to substantially reduce Federal assistance to Conrail in fiscal year 1982 and to terminate it completely beginning in fiscal year 1983, on the day when the first three comprehensive reports on Conrail's future are being submitted to Congress. These three are to be followed on May 1 by two additional reports.

It seems to me that Congress should be making its decision on Conrail's future based on these reports—reports which the Congress ordered prepared just 6 months ago. Yet the President and the Budget Committee chose not to wait. So the real issue today is whether or not the Senate believes Conrail should be terminated without the benefit of these comprehensive studies; without the benefit of hearings on whether a restructured Conrail should continue or whether Conrail should be dismantled; and without knowing what the impact of such decisions will mean to the economies not only of the 17 States dependent upon Conrail but upon the economy of the entire country.

To make such a decision, in my opinion, is not only premature but shortsighted and irresponsible. Conrail is just too important—to all of us—not just the residents of the Northeast and Midwest.

This amendment, if adopted, provides the time for Congress, the administration, the States, local governments, the railway industry, the unions, the shippers, and all others affected to work together to carefully develop the best possible solution to the problems facing Conrail and rail service in the 17 States it services. Perhaps Conrail should be dismantled. Perhaps it should continue. This amendment insures an opportunity to make that decision in an orderly fashion.

Specifically, it would restore $100 million in fiscal year 1982 and $200 million in fiscal year 1983. It should be noted, however, that even with the adoption of this amendment, Federal support for Conrail will be substantially below current policy.

In fiscal year 1982, the $100 million I seek to restore, when combined with the administration's proposed carryover of $150 million from fiscal year 1981 funding is a 55-percent cut from current policy. In fiscal year 1983, this amendment's $200 million represents 60 percent less than current policy. Certainly, this is a major reduction in Federal spending. Now let me explain why I hope a majority of my colleagues can support this amendment.

As I have previously stated, no one is suggesting the continuation of Conrail as it is presently structured. Clearly changes—perhaps drastic changes—must be made.

Some will argue that, since we have already authorized $3.3 billion in Federal

funds for Conrail and it has not been able to turn a profit with that amount, we, therefore, should not commit any additional funds.

Perhaps they are right, but that is not the issue we are deciding today. The question we are debating is whether or not we should use the Budget reconciliation order to terminate Conrail absent any of the recommendations which an overwhelming majority of this body ordered prepared just 6 months ago.

Today marks the end of Conrail's fifth year of service. No one disputes the fact that Conrail has not achieved its projected level of self-sufficiency as outlined in the final system plan, prepared in 1975 by the U.S. Railway Association. That is why Congress ordered Conrail, the U.S. Railway Association, the Department of Transportation, and the Interstate Commerce Commission to prepare these comprehensive reports which are being delivered to Congress today—in fact, I just received two of these in the past hour.

We are all familiar with the ways in which Conrail has failed to live up to what I believe were somewhat unrealistic assumptions embodied in the final system plan. However, in our haste to examine Conrail's disappointments, let us not lose sight of its many important and unique achievements.

Over the past 5 years, there has been notable progress made in rebuilding the Northeast's and Midwest's rail infrastructure which had been allowed to substantially deteriorate by its previous owners during years of declining profits.

It should be remembered that, prior to Conrail's takeover, Penn Central and the other seven bankrupted lines in the region were losing $1 million a day. In assessing the improvements which Conrail has made, various measures can be used, including the condition of Conrail's physical assets, the quality of service, its success at marketing and market retention, and reductions in its operating costs. I should like to take a brief look at some of these.

First, the condition of the tracks, facilities, locomotives, freight cars, and other equipment inherited by Conrail were in far worse shape than had been assumed in the USRA's final system plan. As a result, Conrail, until relatively recently, was consistently short of operable equipment. In the last 5 years, Conrail has virtually rebuilt its most heavily used lines and most of its rolling stock. Specifically, Conrail has laid over 4,000 miles of new track; resurfaced over 43,000 miles of track; inserted close to 18 million crossties; overhauled, rebuilt or converted 3,453 locomotives or 82 percent of its current fleet; purchased 675 new locomotives; rehabilitated 85,905 freight cars or 68 percent of its current fleet; and purchased 9,413 new freight cars.

The effect of all these expenditures has been the equivalent of rehabilitating 90 percent of Conrail's mainline track system, 85 percent of its locomotive fleet and 75 percent of its freight cars. These necessary capital improvements have not come cheaply, since its takeover 5 years ago today. Conrail has spent a total of $3.7 billion for capital investment. The following table taken from Conrail's January 15, 1981 report to the United States Railway Association shows how this investment has been allocated:

USES OF FEDERAL INVESTMENT IN CONRAIL, 1976–80

[In millions of current dollars]

Subject	1976	1977	1978	1979	Projected 1980	Total since conveyance
Track rehabilitation	$234	$292	$331	$358	$230	$1,445
Additions and improvements	43	90	125	144	105	506
Revenue fleet and other	16	77	234	180	119	627
Locomotive fleet	5	94	120	154	12	385
Equipment overhauls and heavy repairs	83	160	197	136	118	694
Total, physical asset improvement	381	713	1,007	972	584	3,657
Private sector financing	6	165	302	288	114	875
Net Federal investment in plant improvement	375	548	705	684	470	2,782
Cash loss from operations and other (net)	109	120	69	45	20	363
Total Federal investment	484	668	774	729	490	3,145
Net Federal investment as percent of total	77	83	91	94	96	88

This infusion of capital investment has resulted in a substantial improvement in Conrail's quality of service. Five years ago, 43 percent of Conrail's main and secondary lines were subject to "slow orders." During 1977, an average of 18.9 percent of all locomotives and 13.2 percent of all freight cars were unavailable for service at any given time. These facts, in turn, resulted in either the denial of service or unreliable service to many of the region's shippers.

Today this situation has changed. Slow orders are down to 4,003 miles compared to 7,791 miles back in 1976. Unserviceable locomotives and freight cars are down to 14.6 percent and 10.1 percent of their respective fleets—both well within the industry's norms.

As a result, the percentage of Conrail's carloads delivered within 24 hours of schedule increased to an average of 83 percent during 1980. This is a 19-percent improvement over 1979's average of 70 percent. In addition, freight cars now require an average of only 20 hours to be processed through a Conrail classification yard, which represents a 29-percent improvement over 1979.

These impressive but abstract statistics are even more meaningful when one looks at individual line improvements. For example, it no longer takes 7 days for a freight car to travel from Pocomoke City, Md.—Conrail's southern terminus on the Delmarva Peninsula—to Enola, Pa., just outside Harrisburg. Today, it takes only 25 hours. That to my mind is a real improvement, the sort of improvement which is threatened by this hastily and ill-conceived cut in Conrail service which this budget reconciliation resolution mandates.

Mr. President, I can go on citing such statistics. But I shall not, although I do ask unanimous consent that the following tables showing Conrail's investments and improvements in each State be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

CONRAIL TRACK IMPROVEMENTS (1976–80)

State	Miles of rail laid	Miles of rail resurfaced	Crossties replaced
Connecticut	0	371	217,241
Delaware	9	337	354,713
District of Columbia	0	1	0
Illinois	151	1,604	591,692
Indiana	565	4,988	1,793,907
Kentucky	0	0	0
Maryland	41	361	120,722
Massachusetts	122	1,095	621,752
Michigan	199	2,160	931,929
New Jersey	172	2,366	997,967
New York	601	7,797	3,178,130
Ohio	1,137	10,445	3,927,310
Pennsylvania	1,051	11,999	4,637,657
Rhode Island	0	14	13,654
Virginia	0	16	1,538
West Virginia	46	338	195,875
Total	4,094	43,892	17,484,087

CONRAIL CAPITAL EXPENDITURES (1976–80)

State	Track rehabilitation (millions)	Nontrack expenditures (millions)	Total capital expenditures (millions)
Connecticut	$10.60	$1.32	$11.92
Delaware	12.40	1.77	14.17
District of Columbia	.21	.03	.24
Illinois	58.80	7.94	66.74
Indiana	190.10	42.70	232.80
Kentucky	.10	.07	.17
Maryland	9.00	3.98	12.98
Massachusetts	45.20	5.86	51.06
Michigan	80.20	13.47	93.67
New Jersey	65.10	25.94	91.04
New York	249.70	59.95	309.65
Ohio	403.40	79.34	482.74
Pennsylvania	568.40	125.97	694.37
Rhode Island	.80	.07	.87
Virginia	.10	0	.10
West Virginia	15.30	1.30	16.60
Total	1,709.41	369.71	2,079.12

Mr. BIDEN. Mr. President, I hope that my colleagues realize that the money we have spent on Conrail has not been wasted. Tangible accomplishments have been achieved and more are on the way. Conrail has rebuilt much of the deteriorated line it inherited from Penn Central and the other bankrupted rail lines. This is the investment which we are threatening today by adopting the Budget Committee's instructions on Conrail.

Finally, I would like to take just a few minutes more to explain the Budget Committee's recommended funding level, this amendment's funding level, and what both mean to Conrail.

CONRAIL'S BUDGET

In the Stagger's Act, Congress last year authorized $329 million for fiscal year 1981 funding of Conrail. In addition, $200 million was authorized for the establishment of a work force reduction program. The Reagan administration is requesting a supplemental appropriation of $350 million, of which $150 million is to be deferred until fiscal year 1982. Of this $150 million, $50 million is for the voluntary annuity program, thus leaving only $100 million for Conrail's capital and operating budget needs.

The Senate Budget Committee adopted the President's recommendations which also include the termination of all Federal support for Conrail after fiscal year 1982's $100 million. So what we are talking about now is whether $100 million is sufficient for Conrail to maintain operations during fiscal year 1982. Clearly it is not.

It is not if we intend to keep Conrail operational while the Congress debates its future. It certainly is not if we decide to restructure Conrail in order to give it a chance to become self-sufficient. It is not even sufficient if we decide to dismantle Conrail by selling off its profitable lines to existing railroads. In any case, none of these alternatives can be implemented overnight.

So what does the funding provided for in this resolution mean? Let me read from the testimony of L. Stanley Crane, Conrail's chairman, to the Senate Commerce Committee last week:

If I were told today that I had to keep it (Conrail) going through the end of 1981 with the funds requested in the President's budget, I would say we can do it. If, on the other hand, I was told today that the funds in the Administration's budget had to sustain operations through 1982, I must tell you it would be difficult to do. Even if all capital programs were stopped completely and we did absolutely no track work, repaired no freight cars and locomotives and furloughed thousands of workers, it would appear by the end of 1982 the railroad would be unable to meet its payroll. The results of these actions would be more than just unpleasant. The railroad would deteriorate, both physically and from a service point of view.

Mr. Crane addressed this same question—the effect of the President's budget recommendations—in a March 13 letter to Congressman JAMES FLORIO, the chairman of the House Subcommittee on Commerce, Transportation, and Tourism. In it he explained:

If directed, I could eliminate the proposed capital expenditure program (which I have already had reexamined and reduced from earlier plans) to stretch out available funding. However, this is not a solution and follows the path of the bankrupt predecessors deferment practices. That could undermine the government's present investment in rehabilitation and prejudice either Conrail's future or the potential for controlled transfer of the properties.

I hope it is clear to all in this body that Conrail simply cannot operate beyond early 1982 given the funding level assumed by the Budget Committee in this resolution. It simply is not realistic.

THE BRADLEY-BIDEN AMENDMENT

This amendment would restore $100 million in fiscal year 1982 and $200 million for fiscal year 1983 to the cuts recommended by the Budget Committee. Even with this higher funding level, Conrail would be receiving less than 50 percent of what it would under current policy.

Mr. President, I think it is important for all to understand that this amendment does not address what Conrail's future structure should be. It does not mandate its continued existence. Nor does it presume its dismantling as proposed by the administration. What it does provide for is sufficient funding to allow Congress and all concerned the time to make informed decisions. The funding contained in this resolution is simply not adequate to insure Conrail's continued operation while its future and that of freight and commuter service in its 17-State area is being debated.

The Bradley-Biden amendment simply provides Conrail with the minimum funding needed to avoid a shutdown or major deterioration while a viable rail system for the Northeast and the Midwest is being shaped—whatever its configuration. I urge my colleagues to support adoption of this amendment.

Mr. President, in light of the fact that I have exceeded my time generously allotted to me by the primary sponsor of this amendment, I shall yield the floor to hear from New York and other States. I thank my colleague from New Jersey for yielding to me.

Mr. BRADLEY. Mr. President, before the Senator yields the floor, let me say that I think that, as he does so often, he has captured the nub of my intent here. That is that the debate we have heard so far has been framed in the words of safety nets or holes in safety nets.

What we want to do with this amendment is to say: Let us look to the future with some confidence, with some sense of adventure, with the belief that we can make a better world and bet on people and technology. Government has a role in that process, and that is what this amendment affirms.

I am pleased to yield to my colleague from across the river, the Senator from New York (Mr. MOYNIHAN).

Mr. MOYNIHAN. I thank the Senator from New Jersey.

Mr. President, I should like to pick up exactly where the Senator from Delaware eloquently left off, to take what I hope is not an unfair advantage of the distinguished Senator from North Dakota, who is presiding at this point and is not immediately free to respond to what I am about to say. If he wishes to respond, that can readily be arranged.

I simply want to tell the Senate of the last substantive exchange which took place in the Budget Committee before the resolution before the Senate was reported by the committee.

The distinguished Senator from North Dakota, very properly, in my view, asked the chairman, our honored friend from across the aisle, who is in the Chamber, whether he could be certain—the Senator from North Dakota, that is—that nothing in this resolution would reduce the funding for the Rural Electrification Administration. He wanted to make certain of that, and he was right to do it.

I simply took the opportunity to say to him that I certainly shared his concern, and that the Rural Electrification Administration, an enterprise begun by a New York President in the midst of the depression of the 1930's, had done remarkable things for the people of this country.

It had taken the women of the Great Plains out of the mud. It took the agriculture of the South out of the 19th century. It made the Great Plains the grainery of the modern world and, in so doing, benefited not just those who lived there but also millions of persons in this world who would not have been fed in this century, not in the past decade, had it not been for the Rural Electrification Administration.

Here is an example of Government investing in our country, improving it and strengthening it.

The PRESIDING OFFICER. The time of the proponents of the amendment has expired.

Mr. MOYNIHAN. Mr. President, in the absence of the Senator from South Carolina, a member of the Budget Committee, may I ask for another 20 minutes on the resolution?

Mr. BRADLEY. Mr. President, as the manager of this amendment, and in the absence of the Senator from South Carolina, I am prepared to yield the Senator 5 minutes on the resolution.

Mr. MOYNIHAN. May I have 7?

Mr. BRADLEY. I yield 7 minutes.

The PRESIDING OFFICER. The Senator is recognized for 7 minutes.

Mr. MOYNIHAN. Mr. President, this is also to say that there has not been any disposition on this side of the aisle to deny the reality of the problems that the Senator from New Mexico eloquently speaks of

In 1975, I was a member of the commission that Vice President Rockefeller had set up earlier, in 1974, called the Commission on Critical Choices for Americans for the Coming Century.

I prefaced a long paper I wrote at that time by saying that there are two critical choices the American people face: The first is, How much Government do we want? The second is, How much growth do we want?

Persistently, for a generation, we have opted for more Government and less growth.

We have been too much enthralled by an economic doctrine that arose in Britain in the 1930's, which holds that ad-

vanced industrial economies have an inherent tendency to surplus, that there is an inherent tendency to oversaving.

This could be true in the very special time and circumstances of the British Isles in 1935. However, there is no inherent tendency to surplus in the world, but to shortage; and no inherent tendency to oversaving, but not to save enough. We had to reject that construction, and we have done so.

What we would question today, and have been doing from the time of the budget hearings, are the economic assumptions that the administration has presented to us. Quite simply, they present a facile view of the future. They describe a future in which the cumulative economic dislocations of three decades will have been resolved in 3 or 4 years. It is not going to happen. Were it going to happen, we could abandon the role of Government in the economy and assume that things will take care of themselves. They will not.

On March 5, I was asked to address the Economic Club of New York, one of the more distinguished such bodies in the Nation. In an address that was entirely supportive of the President's enterprises and purposes, I said:

> Do not suppose the deficit for the year 1982 will be $45 billion. It will be at least $60 billion.

We now see that the Joint Economic Committee, using the Data Resources model, projects a $58.5 billion deficit for that year, rising to $110 billion 2 years later.

We cannot come out of this last decade and assume a GNP growth of 4 percent to 5 percent a year.

I asked Mr. Stockman about this at the hearings. I said:

> You can't do this and expect us to take these revenue estimates as real.

He insisted they were. I see that the Joint Economic Committee wholly disputes any such likelihood. Similarly, the change in the inherent core rate of inflation.

We believe in investments, in capital gains tax cuts rather than consumption tax cuts, and similarly we believe in investment in the public sector.

You cannot allow Conrail, which serves the quadrant of the Nation that generates 40 percent of the gross national product, to disappear, and expect the GNP to rise.

You cannot cut back the National Science Foundation, which nourishes the brain tissue of the Nation, and expect innovation and productivity to increase.

You cannot cut support for the most efficient forms of transportation, ones that lessen the dependence on imported oil, accept the inevitably consequent transfer from mass transit to automobiles, and look for a decrease in dependence on foreign oil.

These things will not happen.

The Senator from Delaware and I, following the lead of the Senator from New Jersey, are asking that Senators consider that there are aspects of investment in the future which are being cut out in a misguided and misinformed adherence to revenue and production estimates that are not supported by the evidence anyone now has available.

I thank my friend for giving me this time to speak in support of his amendment.

Mr. BRADLEY. Mr. President, I thank my colleagues from New York and Delaware for their support of this amendment and for joining me to point out to the Senate the terribly erroneous assumptions of this budget; to call attention to the danger of proceeding on those assumptions; and, yes, to bring a warning of sorts about what might lie in the future if we do not at least apply the same level of skepticism to these assumptions that we do, and as we have done in this budget, to various Federal programs.

I am prepared to hear from the opponents of this amendment. I hope they will address the assumption question—what might be the fate of this country if those assumptions are wrong and yet we proceed in that direction clearly and confidently. I hope they will speak to their commitment to investment in human capital and infrastructure as well as plants and equipment, and their commitment to the underlying need to develop our research and development capabilities in this country.

Mr. President, I believe that this budget is a managerial budget. It is not a budget that looks to the future. It is not a budget that says we can actually set a course and follow it steadily to that better future. Rather, it is a budget that says we are going to manage the status quo; we are going to manage existing programs better; we are not going to go out to space; we are not going to take the tough decisions that will bring economic growth.

For these reasons, I offer this amendment, to call attention to some of the areas that are lacking. I ask my colleagues to focus a little on the future and not only on the present and our present crises.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes.

I regret to say to my good friend from New Jersey that I am not going to go into economic assumption details here today. We will do that, however. I just submit the real issue is, who has any economic assumptions that do not justify at least cutting $36 billion out of the 1982 Federal budget? That is the issue. That is the only issue here today.

If the Senator has some economic assumptions from any economic school that he wishes to really ask the Senate to believe which says we should not cut $36.8 billion out of this budget, then that is an issue. Whether or not the President's program with these cuts, his tax-cut proposals and his regulatory reform, is going to accomplish what his assumptions say over the next 4 years is fair game, but not here today, unless the Senator is prepared to tell the Senate, "You should not cut these items, you should not cut this much because we have a set of economic assumptions that say that is dangerous for America." I ask the Senator to get up here and tell the Senate, tell the American people after what they have seen about the budgeteering in the United States that it is dangerous. I am sure the American people, if the Senator tells them this, will wake up tomorrow morning scared to death, if the Senator tells them, "Cut $36 billion out of this budget and we have some economic indicators that say you are in trouble, America," because it is not so.

That is the only issue here.

If the Senator wants to talk about mass transit cuts being shortsighted, we have voted on every one of those already. The Senator lost, other than on Conrail, and perhaps the Senator would wish to make that a little more specific than he has. But we have already tried to add money back into the committee for mass transit. It has been defeated rather handily. The arguments have all been made. I will not make them today.

On economic productivity, as sensitized by spending money on NSF or education, we are talking about $39 million in 1982 so we put in perspective the arguments here today about the shortsightedness of not putting enough Federal money inside scientific research through NSF, and I just looked at it and the sum total of the President's cuts which are assumed here, I say to my good friend from New York, are $39 million, and, by the way, I supported in the committee putting them back, but I am not going to take the floor and make a 20-minute argument that the failure to fund $39 million of NSF money is an indication we are not going to have any innovativeness left in the country.

As a matter of fact, and I say this specifically to my good friend from New York because we collaborated putting more money in NSF in the past, I checked carefully what they intend to cut from NSF. It is interesting that they do not cut any of NSF activities that have to do with basic research and development, that have to do with scientific research. The committees can do that if they like. The President's assumptions are that basically NSF activities that have been in the sociological kind of studies and the like are the ones that should be cut back. Maybe the committee will cut otherwise.

But suffice it to say that, in conclusion, on economic modeling I am delighted to know, I say to Senator BRADLEY, that last year the Joint Economic Committee, under the chairmanship of Senator BENTSEN, chose to use Chase Econometric modeling and it came out supply side. We have a new chairman of that committee, as the Senator knows, and he chose to use Data Resources, and they do not agree, these two.

So now we are telling the Senate that the President is wrong, Chase is not right either, but Data is right, and we are all doomed if we accept the President's program because we are going to have how much of a deficit in 1984, I ask Senator BRADLEY?

Mr. BRADLEY. Mr. President, according to the Joint Economic Committee, Data Resources is the only econometric study that actually carries through the President's assumptions on the money supply. Chase did tax cuts and budget cuts but not money supply.

Mr. DOMENICI. How much is the deficit?

Mr. MOYNIHAN. $110 billion.

Mr. BRADLEY. Mr. President, if it is carried through, the deficit will be $111 billion according to the Data Resources model of the Joint Economic Committee.

It is interesting that we all say that we want research and development. We are here in the Chamber disputing some budget cuts, but we are skirting the issue of the tax side of this question because we are saying we are only dealing with budget cuts here today. But if the assumption of this budget was not that we were going to have $52 billion in tax cuts in fiscal year 1982, there would not have been the need for as deep a budget cut.

So, we talk about research and development. The Senator is for it and I am for it.

There are two bills before the Senate, one by Senator DANFORTH and one by me, which would provide tax credits for research and development. Are we going to have tax credits for research and development if we have $52 billion tax cut? Or will that be in the second tax measure this year? If so, then maybe we should adjust those figures to $111 billion upward because the model of the Joint Economic Committee did not cover the second tax bill that we might be moving to this year.

So what I guess I am saying to the distinguished chairman of the Budget Committee is that on budget matters, as the Senator knows, everything is relative. We just want to try to be consistent with the intention of the administration, not just on the taxes and budget but on taxes, budgets, and money supply.

I ask the Senator to check to see if the administration's projections did include what they have stated for money supply or only included budget and tax cuts. I think he will be surprised at what he finds.

The PRESIDING OFFICER (Mr. HAYAKAWA). Who yields time?

Mr. DOMENICI. Mr. President, I yield myself whatever time I need.

Mr. President, I say to my good friends, the Senators who are debating here with me, that I will have to leave the floor in a couple of minutes myself, but I yield a minute to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman and friend.

I simply point, as we will recall, thanks to his initiative, which is always generous and openminded in these matters, it happens that of the economists we met with to consult with the economic assumption several weeks ago, one was Mr. Eckstein, responsible for the Data Resources model, and Mr. Schimering responsible for the Chase model, and both agreed that assumptions set in the budget were at the very best a possible case and not in fact a probable case, but they are as fallible as the Senators and I, but they certainly are willing to try.

Mr. DOMENICI. Mr. President, there is a new era of hope and optimism abounds.

Let me close by saying to Senator MOYNIHAN that I do think he made a point. I think he said that is a rather simple program, big cuts in the budget, large tax cuts and regulatory reform. He said that rather than to yield to utopia that is being promoted he just did not think things could be done that easy.

That is my way of saying what he said. Am I kind of paraphrasing the Senator?

Mr. MOYNIHAN. The Senator is.

Mr. DOMENICI. Let me suggest that no one is suggesting that at its best the President's economic program is going to return America to what it was 12, 15, or 18 years ago.

We are still expecting at its best unemployment at a very high level. We are expecting inflation at a very high level, I mean compared with what it was 26 years ago, the last time my party was in control of the Senate. Inflation is going to be five times higher than that, I say to the Senator. The Treasury bill rates the last time we were here were nine-tenths of 1 percent.

Mr. MOYNIHAN. And the GNP will be three times as great.

Mr. DOMENICI. And the GNP will be three times as great, and we will be home free.

● Mr. KENNEDY. Mr. President, I support the amendment of the distinguished Senator from New Jersey, Mr. BRADLEY, to restore funding crucial to the economic infrastructure of this Nation and to strengthen the human resources of this Nation.

The amendment would add $100 million for fiscal year 1982 and $200 million in fiscal year 1983. It is a bare-bones amendment whose purpose is to prevent a forced, imprudent, and hasty abandonment of a $3.3 billion Federal investment in this rail system.

The failure to approve these funds will jeopardize not only any opportunity for Conrail to restructure its operations and plan to become self-sustaining in the future, but will destroy even the opportunity for its acquisition by private railroads, as the administration seemingly desires.

Conrail is not an isolated Federal program that can be discarded lightly. It is a 17,000-mile rail freight system in 17 States which serves 40 percent of the Nation's manufacturers and the bulk of our export-import commerce.

It also is the Nation's largest commuter railroad, operating rail passenger service for 450,000 passengers daily in five States.

It is less than cost effective to even contemplate the unplanned and clearly undesirable consequences of suddenly jettisoning Federal support for Conrail at a moment when its future has yet to be decided by the Federal Government.

Beginning today, we will be receiving four comprehensive reports from USRA, Conrail itself, the Federal Railway Administration and the Interstate Commerce Commission. Surely, we do not want to eliminate our capacity to respond to those recommendations.

It should be emphasized that in 2 days of hearings only this past week there was no one other than FRA who testified that the administration's proposal to transfer Conrail properties at this time to other private railroads was either possible or desirable.

Both USRA and the new president of Conrail, a respected railroad executive—L. Stanley Crane—spoke in terms of future Conrail operations without need of Federal financing only if a series of changes took place. However, neither viewed the abandonment of Conrail by the Federal Government as an acceptable solution.

Speaking for my own State of Massachusetts, I am convinced that it would be an economic disaster to permit the sudden decline and deterioration of Conrail.

Some 80 industries have located or expanded their facilities on Conrail in Massachusetts over the past 5 years with an investment of some $50 million and the creation of 6,200 new jobs. They and the existing industries and communities depend on Conrail for service and I would venture to say, Mr. President, that many of those industries serve communities in every State in the Nation.

Perhaps the most important point to make is that Conrail is not a Northeast and Midwest railroad. It is a railroad that interconnects with other railroads to help move freight all across this land. Some 70 percent of Conrail's traffic is interchanged with other railroads and its sudden demise would create a serious crisis for our railroad network and for our national economy.

I also would echo the words of Mr. Crane that the Conrail system today is a vastly improved and more modern rail system than we saw in 1975, a time when the demise of Penn Central presented this country with a crisis of national proportions.

Some 70 percent of all the funding for Conrail has gone directly to improve the railbeds, tracks, and rolling stock of the system and the value of that system has increased accordingly.

In Massachusetts alone, some 122 miles of rail have been laid, 1,000 miles surfaced, 621,000 new ties installed and an additional $6 million expended in capital improvements.

The problems facing Conrail are complex and difficult. Their resolution will take the combined effort and sacrifice if the railroad, local communities, shippers, and labor. But it will never be possible—either to produce a self-sustaining railroad or to achieve any planned transition to private lines—if we abandon Conrail at this time.

In mass transit, the restoration of some $50 million in fiscal year 1982—one quarter of the budget reduction—and $390 million in fiscal year 1983—one-half of the budget cut—at least reduces the devastating reduction intially proposed.

Our cities continue to be a driving force within our society and the mass transit systems of Boston and other communities has accepted higher fares, delayed modernization and sought other ways to cope with the inflationary rise in the cost construction, renovation, and operation.

The adoption of this amendment will ease the cutback now proposed in the budget resolution only slightly. But here again, it is a proper, appropriate and necessary step in the right direction.

We must recognize first that mass transit is part of our economic infrastructure. It is the way people get from home to work.

Funds are not for existing transit systems alone but to support additional purchase of buses in cities across the country.

In Massachusetts—one-half million people use MBTA every day—how many Americans depend on rail and bus transit to get to work each day? What happens if we allow these systems to deteriorate?

It makes it more difficult for urban areas to succeed and for our economy to prosper.

Federal funding in my State has been essential to permit major renovations to the Red Line which serves the South Shore, the Green Line which serves the western suburbs of Boston, and the Blue Line which represents access to the North Shore. Improvements in rolling stock—cars—road beds, and stations have helped to increase ridership, improve efficiency and upgrade the quality of the city's mass transit system.

With gas prices already approaching $1.50 a gallon, and the forecast of $2 a gallon by next year, it is essential that we have a viable system of mass transit in Massachusetts. Mass transit is a proven energy saver in Massachusetts and all across the Nation.

This amendment also restores funding to the research and science education activities of NSF.

For 30 years NSF has been the primary impetus for our scientific and technological advancements. Restoration of funding for research is necessary if we are to achieve our national economic, social, and political goals and reverse the trend of our rapidly diminishing international prominence in science and technology. Restoration of NSF funding is necessary to upgrade deteriorating scientific equipment and instruments in over 200 universities and 14 national research centers. Upgrading this equipment is critical to improve the productivity of our research efforts and increase the probability of making new scientific breakthroughs.

Restoration of NSF funding is necessary to maintain support for over 2,000 graduate training fellowships and to provide opportunities for continuing education for close to 3,000 science teachers who will have an impact on hundreds of thousands of students. These efforts are essential to maintain a high level of expertise among our Nation's scientists and to insure a basic level of scientific literacy among our Nation's general populace.

Restoration of NSF funding is necessary to implement the women and minorities in science programs which, if funded at restored levels, is projected to expose over 12,000 women and other minority students to science career opportunities. This is essential to cultivate new scientific talent, ultimately determining the innovativeness, quality, and scope of our scientific endeavors.

Finally, this amendment will restore funds for worker retraining.

I would emphasize to my colleagues that it is good supply-side economics to support programs that improve human capital.

Edward Denison and other leading economists remind the United States that a well trained work force is critical to improving productivity.

This is not a case of more money for a failed Federal program. Under the present trade adjustment program, little has been done to assist workers in declining industries to acquire new skills or find new jobs. In fiscal year 1980 training funds ran out in May. Fiscal year 1981 funds are already gone.

At a time when this body proposes to cut TRA benefits and unemployment compensation—at a time when hundreds of thousands of long-term workers in basic industries such as auto and steel will not be reemployed in their old jobs.

At a time when technological advances threaten to eliminate jobs in other industries retraining workers for new jobs in more competitive industries where most of the job growth is likely to be is absolutely essential.

I urge the adoption of this amendment.●

● Mr. LEVIN. Mr. President, I support the amendment offered by the Senator from New Jersey. I note the fourth part of the amendment, a restoration of 75 million for job training of experienced workers.

Mr. President, this budget seriously lacks sufficient means for the training of the amendment, a restoration of $75 component of the productivity issue. We have seen drastic reductions in funds for education, investments in youth, and the future prosperity of this country.

This amendment restores but $75 million to functions for job training for experienced workers. The trade readjustment assistance program includes a program for the retraining of individuals thrown out of work due to the influx of imports. Adding $75 million to this program will assist displaced workers to adjust to the situation of their skills no longer being needed. It will prevent even further dislocation from occurring in the lives of these workers and their families. We recognize that in certain industries the number of workers employed have taken a sharp drop. This has happened rather suddenly, often due to the sharp increase in number of imported products and to economic conditions far beyond the control of these employees. It is a good idea to retrain such persons. They are productive individuals and at a time when we are very concerned about our slow growth in productivity, we should develop the kinds of programs to build on this productivity.

The alternative to not investing in a worker retraining program is giving the worker little choice but welfare. It is bad enough that a person finds his or her skill no longer needed; but to find the only alternative available some form of public assistance is a further humiliation. It is to the benefit of our Nation that these individuals be given the retraining that is needed.●

● Mr. CANNON. Mr. President, I am very pleased that the amendment offered by my distinguished colleague from New Jersey recognizes that additional funding is needed for Conrail. Just today we have received an informative report from the U.S. Railway Association indicating that, with limited additional funding of the type proposed in this amendment, Conrail can become viable. The funding must be combined with other actions, such as use of new rate flexibility, tight management of costs, and management and labor efficiencies. We are not talking about maintaining the status quo. Operational and structural changes must be made; these will be considered as the Commerce Committee develops legislation.

The point that needs to be made is that, if Conrail can become viable as reported by USRA, then this is a goal which can be achieved at the lowest cost and with the greatest benefits of any of the alternatives available to the Congress.

Considering budgetary deadlines, we cannot afford to wait. The time to resolve the Conrail dilemma is now. And I am convinced that the additional funding proposed in the amendment offered by Senator BRADLEY is cost effective and should be supported from the standpoint of sound transportation policy.

While I favor the proposed Conrail funding, the amendment also includes other increases in budget authority, totaling more than $800 million in fiscal year 1982. In view of the present need for fiscal restraint, I regret that I am unable to support the amendment in its present form.●

● Mr. RIEGLE. Mr. President, I wish to associate myself with the statement that Senator CANNON made last week concerning Conrail.

The administration recommends no additional funding for Conrail beyond a fiscal year 1981 supplemental appropriation. The proposal was adopted by the Budget Committee before the Commerce Committee held Conrail reauthorization hearings.

The hearings held by the Commerce Committee on Tuesday, March 24 and Wednesday, March 25, 1981, brought to light a number of complex problems in giving new direction to the Conrail system. Congress must be free to consider the alternatives involved here. We must not allow the budget to unduly constrain the Commerce Committee from making an informed logical decision about Conrail.

Conrail provides freight rail service to about 40 percent of the Nation's industrial base. Industries and the jobs they support depend on access to rail service that now exists. The impact of a hasty decision as to the future of this rail service could be disastrous.

Conrail operates in the Northeast and Midwest and as we all know many of the States served are now experiencing severe economic and fiscal problems. The interruption of rail service in these areas could force their economies into a nosedive.

I believe that all of the members of the Commerce Committee recognize that the Conrail situation must be reconsidered and additional economies must be sought. We are considering alternatives.

The administration's funding for Con-

rail, as reflected in the reconciliation, is not realistic. In this regard, I would point out that no funds are included for labor protection. Yet, there is a consensus that any alternative which may be adopted will involve employee protection costs. During recent Commerce Committee hearings on the future of Conrail, the witness for the administration—FRA's Administrator, Robert Blanchette—recognized the need for resolution of the labor protection issue and indicated that the necessary financing would be recommended.

Each of the alternatives involve costs and each of the alternatives involves previous commitments that Congress has made to railway workers. In shaping solutions, Congress must consider the future of rail service to industry and communities in the Northeast and Midwest. But the benefits of Conrail service extend beyond the system's boundaries. Over 70 percent of Conrail's freight traffic is interchanged with other railroads. A cessation of service could threaten the financial health of the rail industry.

Mr. President, the Senate will receive some important studies on Conrail early in April. They will analyze the present condition and the future of this strategically important rail system. The Senate must not make hasty decisions in the budget that would preclude a responsible long-term solution. Congress must consider all the facts before reaching a decision.

I, therefore, urge my fellow Senators to join me in support of Senator BIDEN's amendment to include $100 million additional funding in the budget for Conrail and allow room for us to make a rational and informed decision about the future of the Conrail system. According to Conrail's own estimates, these additional funds would simply allow them to cover their labor costs, operating deficit, and capital costs through fiscal year 1982. Without this help, Conrail will go bankrupt by the end of the first quarter of calendar year 1982 and serious interruptions in service could occur.●

Mr. DOMENICI. I yield back the remainder of my time on the amendment.

Have we asked for the yeas and nays? Did the Senator wish to ask for the yeas and nays?

Mr. BRADLEY. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Jersey.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New Jersey (Mr. WILLIAMS), are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

The PRESIDING OFFICER. Is there any Senator in the Chamber wishing to vote who has not done so?

The result was announced—yeas 22, nays 76, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—22

Biden	Glenn	Pell
Bradley	Hart	Riegle
Burdick	Inouye	Roth
Cranston	Kennedy	Sarbanes
Dixon	Levin	Tsongas
Dodd	Mathias	Weicker
Eagleton	Matsunaga	
Ford	Moynihan	

NAYS—76

Abdnor	Garn	Metzenbaum
Andrews	Goldwater	Mitchell
Armstrong	Gorton	Murkowski
Baker	Grassley	Nickles
Baucus	Hatch	Nunn
Bentsen	Hatfield	Packwood
Boren	Hawkins	Percy
Boschwitz	Hayakawa	Pressler
Bumpers	Heflin	Proxmire
Byrd, Harry F., Jr.	Heinz	Pryor
	Helms	Quayle
Byrd, Robert C.	Hollings	Rudman
Cannon	Huddleston	Sasser
Chafee	Humphrey	Schmitt
Chiles	Jackson	Simpson
Cochran	Jepsen	Specter
Cohen	Johnston	Stafford
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
DeConcini	Laxalt	Symms
Denton	Leahy	Thurmond
Dole	Long	Tower
Domenici	Lugar	Wallop
Durenberger	Mattingly	Warner
East	McClure	Zorinsky
Exon	Melcher	

NOT VOTING—2

Randolph	Williams

So Mr. BRADLEY's amendment (UP No. 39) was rejected.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I yield to the Senator from Michigan.

SOCIAL SECURITY STUDENT BENEFIT PROGRAM

Mr. LEVIN. Mr. President, the social security benefit for college students of deceased, disabled, or retired workers is phased out under the Budget Committee's instructions. The administration recommends and the Budget Committee assumes that benefits to new postsecondary student recipients would be eliminated and existing recipient benefits would be reduced by 25 percent annually over 4 years.

It might be argued by some of my colleagues that elimination of this program is justified. It might be argued by some that for budgetary reasons, a modification of the program is absolutely necessary. It might be argued by others that the social security student benefit program should be left intact—that we should not tamper with the contract we made with retired, disabled, and deceased workers.

I believe, that if this Government finds that one of the ways to insure the integrity and solvency of social security is to renege on its promise to those who have worked and contributed to the system—upon which they planned the educational future of their children—then it must be done in the least painful and most honorable way.

I am concerned about the fact that the proposed change in the student benefit program would happen very suddenly. We are talking about aid to students now in high school. Seniors planning to attend college in the fall, and trying now to make final plans based on how much student aid they may receive. If social security aid is suddenly eliminated, and other programs cut, there will be great uncertainty about the educational future of great numbers of young men and women.

The current timetable does not allow for planning. There is no leadtime to investigate and find alternative resources. There is not sufficient time for State governments to consider what actions they might take to help meet the situation in the fall. The proposed change if made at all, should be phased in over time, in order that appropriate alternatives can be explored and adjustments made.

That senior in high school ought not be denied the opportunity to attend college as planned, only months away.

I am also greatly concerned about the denial of this benefit to survivors of workers who are now deceased. The social security student benefit program has been an important means of educational and economic mobility for this generally disadvantaged group of beneficiaries.

The student benefit was intended to provide income security—insuring against the loss of earnings caused by the death of the working parent.

The elimination of the student benefit would cancel the commitment to workers that their children, if orphaned would be entitled to college student benefits a commitment these workers had a right to rely on. It would destroy the insurance protection that these children relied on after the death of the working parent.

Eliminating the student benefit would critically slash incomes of these vulnerable families. Many are in near poverty situations, many are marginal income families and struggling middle-income families. Their deficits in meeting educational costs would soar and for many students the only alternative is delayed, interrupted or terminated education.

Sixty percent of the approximately 800,000 college student beneficiaries this year are survivors of deceased workers. Seventy-one percent come from families with incomes under $15,000, and 53 percent are from families with incomes under $8,000. A number of the students are from families where both parents are deceased.

So, what we see here is that most of these students come from families not only in need but faced with substantial personal problems in raising and educating children. In many cases the mother is the head of the household, and as we know, such households have considerably lower incomes, on the average, than those households headed by men.

If we are not going to honor our commitment to the retired and disabled workers with children hoping to go to

college, in other words, to these workers who are living, let us at least honor our commitment to the dead.

In a few days I will be filing legislation which will reflect my concerns in this regard. I would hope that the Finance Committee will consider the impact of the proposed changes on seniors currently in high school, planning to attend college in the fall. I would also hope that it will preserve the commitment we have made to those workers who are no longer alive, who are therefore no longer able to try to find alternative means for continued financial assistance to their children in reaching their desired educational goals.

Mr. DOLE. Mr. President, as the chairman of the Finance Committee, I would like to briefly respond to the statement of the distinguished Senator from Michigan. I do not necessarily agree with every statement that the Senator has made about student benefits in the Social Security Act. I note that on August 30, 1979, the GAO issued a report that concluded that this program should be eliminated. That report stated that student benefits divert tax money from the basic purpose of social security, it gives many students more money than their school costs warrant while inequitably barring others, it deprives nonstudents of all such benefits, and contributes to other Federal aid programs paying unneeded benefits.

At the same time this Senator is sensitive to the needs of the children of deceased and permanently and totally disabled individuals who have contributed to the social security system. I would like to assure the Senator that when the Finance Committee takes up the proposal to phase out the student benefit, we will carefully consider the impact it will have on current seniors in high school as well as on those who for other reasons cannot make alternative arrangements to provide for their education in the short term. We will also consider whether some groups of recipients should have these benefits for a longer period into the future than others.

Mr. BOREN. Mr. President, I concur with the remarks of my esteemed colleague from Michigan, Senator LEVIN. I, too, am deeply concerned about the plight of high school students who have made college plans under the assumption that the social security student benefit would be available to them. Like Senator LEVIN, I think that we should allow these students time to explore other alternatives before denying them these benefits.

Similarly, I agree that student benefits should continue to be paid to surviving dependents of deceased social security recipients. I received a letter not long ago from one Oklahoma State University student who relies to a great extent upon the student benefit for support. The father of this student was killed while in service in Vietnam. I think it would be wrong for the Federal Government to fail to carry out its commitment to these individuals.

It is my hope that while retaining the student benefit for dependents of deceased social security beneficiaries, the Congress will also gradually reduce the duration of student benefits to 8 months out of each year. In this way students will not be drawing social security benefits during the summer months when they are not in school and are earning money on their own. I understand that the Senator from Michigan intends to include such a provision in his bill and I applaud him for it. The Levin proposal would enable us to meet these obligations while still essentially achieving the first year budget cut and savings requested by the President. It would also result in significant savings in future years.

I commend the Senator from Michigan for his sensitivity and farsightedness in this matter.

UP AMENDMENT NO. 40

(Purpose: To reduce funds for provisions relating to Federal cost of living adjustments (COLA))

Mr. HOLLINGS. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS) proposes an unprinted amendment numbered 40.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 12, strike out through line 20 and insert the following:

SEC. 9. (a) Congress hereby determines and declares that it is necessary to make changes in enacted laws in order to reduce budget authority by $14,677,000,000, and outlays by $2,942,000,000, in fiscal year 1981; to reduce budget authority by $52,969,000,000, and outlays by $39,563,000,000, in fiscal year 1982; and to reduce budget authority by $59,472,000,000, and outlays by $50,724,000,000, in fiscal year 1983.

On page 4, beginning with line 11, strike out through line 20, and insert the following:

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 421(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $1,066,000,000 and outlays by $1,066,000,000 in fiscal year 1982; and to reduce budget authority by $1,098,000,000 and outlays by $1,098,000,000 in fiscal year 1983.

On page 7, beginning with line 9, strike out through line 18, and insert the following:

(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $859,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $11,738,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 and outlays by $13,526,000,000 in fiscal year 1983; and

On page 8, beginning with line 12, strike out through line 18, and insert the following:

(9)(A) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $540,000,000 in fiscal year 1982 and to reduce outlays by $470,000,000 in fiscal year 1983; and

On page 9, beginning with line 13, strike out through line 23, and insert the following:

(11)(A) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $39,000,000 and outlays by $65,000,000 in fiscal year 1981; to reduce budget authority by $658,000,000 and outlays by $688,000,000 in fiscal year 1982; and to reduce budget authority by $1,601,000,000 and outlays by $1,569,000,000 in fiscal year 1983; and

On page 10, beginning with line 22, strike out through line 6 on page 11, and insert the following:

(13)(A) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $24,000,000 and outlays by $23,000,000 in fiscal year 1981; to reduce budget authority by $76,000,000 and outlays by $73,000,000 in fiscal year 1982; and to reduce budget authority by $73,000,000 and outlays by $73,000,000 in fiscal year 1983; and

Mr. HOLLINGS. Mr. President, may we have order in the Chamber? I will try to make this just as brief as possible.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HOLLINGS. After this particular amendment, I think we have an amendment to be offered by the Senator from Ohio (Mr. METZENBAUM), and then three amendments by the Senator from Wisconsin (Mr. PROXMIRE).

This amendment involves the problem of indexing, and how the Consumer Price Index overstates the real impact of inflation due to its treatment of homeownership.

Mr. President, I think we really should have the attention of our colleagues.

The PRESIDING OFFICER. The Senate is not in order.

The Senator from South Carolina may proceed.

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

I think at this particular point, the Senator from New Mexico, the chairman of our committee, who has done such an able job, would like to say something about discipline. I know they want to conclude action on this particular resolution either this evening or in the morning. And in the course of my comments, I want to refer to the discipline the chairman maintained in getting the spending cut package of the President through the Senate. He is to be commended.

I am very pleased with it. As you know, last year we fought and struggled very hard to balance the budget. At that time, as chairman of the Budget Committee, I wanted to save several billions of dollars. We proposed a balanced budget at that time but it evaded us because of higher unemployment and the lame duck session.

Now with that experience behind us, Mr. President, maybe we have a chance to really get on top of the budget. A chance to really develop credibility in the budget process, to really effectuate a dis-

cipline and a credibility within the Budget Committee that will make it meaningful.

I am convinced the distinguished Senator from New Mexico agrees with me. When he comes to the floor, we will get into it more thoroughly because there are certain strong statements that our distinguished chairman has made on this particular point.

More than anything else, a sense of history is good at a time like this because it is important to review the various events that have developed politically over the last decade.

But let me say that I am not talking in a partisan fashion. In fact, I rather agree with deTocqueville who said there were many men of integrity in both parties in America, but in America there is no party of integrity. That has not changed much in 100 years.

So to begin 30 years ago, what we had in essence was Harry Truman balancing budgets. For 4 of his years he had a balanced budget. Furthermore, between 1950 and 1960, the cumulative deficit for the entire 10-year period was only $17.7 billion.

Between the period of 1960 and 1970, with the New Frontier, the Great Society, and the war in Vietnam, the entire 10-year cumulative deficit was only $57 billion. But by the year 1976, under President Ford, we hit the high mark of a $66 billion deficit in 1 year alone.

How did it happen? How did it really occur, beginning in the 1970's, that the budget went out of control?

Well, for one thing, we did exercise restraint when we had to in the 1960's. I happen to have served on the Appropriations Committee. We did not have a Budget Committee at that time. We conferred with the House side and George Mahon, who was then chairman of the conference committee, and in December of 1968 we cut back $5 billion in spending, sort of a minor reconciliation.

We just agreed among ourselves that somehow, some way, we had to get on top of the pending inflation. At that particular time, in conscience and in fact we cut some $5 billion in spending on December 5, and came back with fiscal year 1968–69, having a surplus of $3.2 billion.

Then what happened? Well, there were a lot of things that came about. And that is why I say a sense of history is so important. Because the next spending argument we faced was about taking programs at the Federal level—the grants, the guarantees, the assistance—and sending them back down to the local level where they can be better administered. We used a characterization then that said sending money to Washington and having the program administered there but the dollar being sent back home was like getting a blood transfusion from your right arm to your left arm with a leaky valve. It cost $3 for every $1 in the particular program.

But we had that movement going on by President Nixon until in 1971, he picked out a poll that I will never forget. It showed that the distinguished Senator from Maine, Senator Muskie, was leading, and there was panic. So at that particular time President Nixon said:

> I am not going to argue with that Democratic Congress any more. Let them pass their programs as long as we get our programs through. What I will do is I will impound, I will rescind, I will defer their programs, and I will take as many as I can possibly get through the national Congress and send them on down to the local level. We will have revenue sharing.

And therein a spending spiral started in 1971–72.

And as we all know next the lawsuits came about.

President Nixon did defer, he did rescind, he did impound. But all the cases and decisions were against him and we got both the programs he wanted and the ones he did not. A double dose of Government. We ended up with a $45 billion deficit in fiscal year 1975. We never heard of such a thing in the entire 10 previous years with the Great Society, the New Frontier, and the war in Vietnam.

I will never forget the Chairman of the Council of Economic Advisers next proposing what they called a full employment budget. That says, "Act as if you inherited a million dollars from your uncle, go ahead and spend it."

Of course, you have never inherited it but you spent it anyway. That is what promoted profligacy and waste.

What that policy said was that if we had full employment we would have so many billions in revenues. And based on that assumption we will appropriate. And if it did not happen, we have a miscalculation. So we had the full employment budget, without full employment revenues, and created a veritable financial cancer.

It did not take the Democrats long to move beyond that particular challenge, particularly Wilbur Mills on the House side.

Let me read what was just stated by Dr. Martin Feldstein, the president of the National Bureau of Economic Research, in the Wall Street Journal in February 2, 1981.

> Between 1971 and 1980, the average real social security benefits paid to retired workers rose more than 30 percent. The average real wage in private employment, however, fell by 10 percent before tax and even more after tax . . . That increase, which caused benefits to depart from the long established relation to earnings, was not the carefully considered choice of Congress but an election year gambit of Ways and Means chairman Wilbur Mills, who momentarily saw himself as a Presidential aspirant.

Of course, that is exactly what occurred. There was no Budget Committee to watch and let me say that even with all the watchers we have today, you do well to watch the Ways and Means and Finance Committees. I have not found out yet how to have a close enough watch on them, even with a Budget Committee. They are very, very elusive and difficult to catch.

In any event, that is what happened. They started immediately in 1972 with a 20-percent increase in social security benefits and added automatic cost-of-living increases on top of that. And you know what they did next? They put off the effect of the COLA for 3 years. They wanted to get past the election and get into the next term. They were all looking at it presidentially and delayed its start until 1975—a most insidious of financial practices.

We are constantly getting approved in Congress, approved right here on the Senate floor similar gimmicks. We let future costs slide around the corner, let them slip and slide, saying watch the right hand, see the left hand, hoping you really cannot see either. It is a magician's act, whereby we recently increased, for example, the social security taxes but did not put the increase into effect until after our reelection. We waited until January 1981 to implement the tax, not November of 1980 when we were all trying to get reelected.

So we have not been candid, Mr. President, we have not been honest with the taxpayers. These are the kinds of things that led to a Budget Committee and the budget process.

Now, Mr. President, that is a brief history of how a lot of those practices came about and how we ended up with these budget deficits. Yet I know of no greater financial cancer on the body politic of the United States and its fiscal system than excessive cost-of-living adjustments, which have overstated by billions and billions of dollars the real impact of inflation. For example, outlays for explicitly indexed programs, only amounted to 3 percent of the budget in 1970. But within the 10-year period since then, they have reached 30 percent, or almost a third of the budget. And further, in the last 3 years, they have overcompensated retirees relative to workers, the very people paying the bill.

I want to hear that crowd on the floor that has been talking about middle America talk about this issue. They all talk about the programs we have for the hungry poor. And the idle rich can look out for themselves with their tax straddles. You cannot get them. They will be in here in planes and they will take care of themselves. do not worry about that. But it is middle America who is so frustrated. And it was compounded when they thought they had the solution in 1976 with Jimmy Carter.

He talked about zero-based budgeting, that he was going to balance the budget. He talked of deregulation. He talked of sending Government back to the local level. But we had more bureaucracy, more regulation, and more unbalanced budgets in that 4-year period of active fiscal rhetoric, and the distinguished gentleman is back down in Plains as a result.

Yet I still need to ask how we can conscientiously, as members of this Committee on the Budget, congratulate ourselves about this budget package that still leaves us with a $45 billion deficit? Please be here tonight when we break or tomorrow morning when we complete action on the resolution, because you are going to hear me thank the distinguished chairman and the distinguished chairman is going to thank the ranking member, about our good work. And we are all going to run up into the TV gal-

lery—I hope they invite me—and we are going to get on TV and say, "We have made history. We have cut $2 billion more than President Reagan; send it over to him in the hospital as a present, we are doing even better, the country has turned around, we are saving so much money."

Bunk. We are still spending faster than we are saving and will continue to do so. Why? Because of these excessive cost-of-living adjustments. And that is why I have offered my amendment—not to eliminate COLA's but to simply eliminate the overcompensation in them. This does not eliminate the cost-of-living adjustment, but the overcompensation feature of it. And with this amendment we would save $2.6 billion in fiscal year 1982, and over a 6-year period nearly $17 billion.

COLA's themselves cost us $22 billion in the 1982 budget. Yet we spend our time arguing about $3 billion for SPRO, or a little $100 million over here for the minority youth to be trained, or another $150 million trying to get comprehensive health care centers for the Senator from Massachusetts. We all get out here and moan, cry, weep, and wail, trying our dead level best with $100 million amounts when we have a multibillion-dollar hemorrhage in the budget.

Specifically, Mr. President, it is clear that Congress must review the cost of automatically indexed programs if it is ever going to balance the budget. As I have stated, the fiscal year 1982 increases alone will exceed $22 billion and over the period 1981 to 1986, COLA costs will exceed $272 billion.

Since I see the distinguished chairman of our Committee on Armed Services, I should also take this opportunity to mention that we have in the Budget Committee another related problem. That is the semiannual COLA paid to military and civil service retirees. I happened to have been there in 1976, when we made the political decision to do away with a 1-percent kicker. We had to face up to it. But opponents raised the point of the Constitution, germaneness, and several other arguments. Over the leadership then of our distinguished majority leader, Mike Mansfield, we finally got the bill to the floor, got 82 votes, and won. But it was regularly almost a fist fight on this floor to accomplish that.

And sadly, when we got it, we had to give in at the last minute and say, "We will give them a twice-a-year cost-of-living adjustment."

Fortunately, we did away with that in this resolution. I hope the authorizing committees will follow through.

I say that because last year in June, when we voted the same measure, the Governmental Affairs maneuvered around and tried to take the savings out of the postal operations function.

Mr. TOWER. Will the distinguished Senator yield?

Mr. HOLLINGS. I yield.

Mr. TOWER. I might note that I did support the committee's action on the COLA.

Mr. HOLLINGS. Mr. President, I appreciate the distinguished Senator's support and the fact that they have done away with it on retirees over in the armed services already.

I had to go before all the retirement groups last fall in the campaign and the only way I could even get their attention was to ask all who had retired before 1976 to please raise their hand. That was, generally speaking, the majority of those in the room. Ninety-five percent would always raise their hands.

I said, "You never heard in your time of retirement about increases twice a year. You never paid for it. I know you are not welfare recipients, you do not want welfare and I know you want to understand that your retirement system is $130 billion underfunded right now, $130 billion."

So, then, they sort of stopped and that is how I got their attention. I did not get their votes, though, I can say that.

In any event, sound fiscal management requires control of entitlement programs in general and control of those that are automatically indexed in particular. Without such restraint, the allocation of a large percentage of scarce resources will continue to take place automatically without explicit consideration of conflicting policy goals and priorities by Congress and the President.

And we are going into a first budget resolution markup next week. The hearings are going on at this very minute. And as we move into that, we shall be setting priorities. And the Senate, in and of itself, can change policies around by how they set those priorities.

But unless we get rid of this financial cancer, we will continue to unnecessarily spend billions upon billions of dollars and continue to watch our retirement trust funds go into red ink.

Let me state further, Mr. President, that a comparison with private retirement systems should also be made. The Federal cost-of-living adjustment provisions are the most generous in the Nation. Yet we are not trying to eliminate these at all. Forty percent of private pension plans have no cost-of-living provision. Almost half have no COLA provision at all. Only 4 to 8 percent of the private plans are adjusted automatically for inflation and generally not for the full amount. No private pension plan is automatically adjusted twice a year.

So we have not been inconsiderate. We believe in social security and other Federal pensions. We strongly support the programs and the retirees. But we should look at the systems with sound financial views. If there are increases in benefits, let us have increases in taxes. Let us keep the trust funds solvent. But do not let us have the unnecessary, overcompensated increases. Because then what do we do? Bust the social security fund or let the civil service trust fund go under?

We have three major retirement funds involved. The social security fund will run out of money next year, 1982. The railroad pension fund will run out of money in 1984. The civil service retirement has already run out of money. We have $166 billion unfunded liability now and it goes up in the next 5 years to $244 billion.

So, as budgeteers let us look conscientiously at the problems of indexing. And specifically let us look at what President Reagan's own supporters, his staff, his studies, and even the main man on this particular measure, David Stockman, have said.

On March 12, just last month, before the Senate Budget Committee, Mr. Stockman said this:

> My contention in the past, and I think it is demonstrable both empirically and theoretically, is, yes, the CPI has been overindexing for about 2 or 3 budget years now, due to the fact that inflation has been getting worse, that interest rates have been rising, and that housing prices have been increasing at a differentially more rapid rate than the general price level.

In fairness to the distinguished gentleman, he went on to say, "Have faith; don't worry." He said:

> With our economic plan, we will bring inflation down, and then we won't have that inordinate, overweighted home mortgage factor in the Consumer Price Index.

And what happened with President-elect Reagan's own social security task force, as reported in the National Journal last fall? This is President Reagan's social security task force:

> The task force further recommends that benefits for current recipients, which increase automatically along with the consumer price index, be boosted by the increase in prices or wages, whichever is lower.

In other words, they have recommended exactly the amendment submitted by the Senator from South Carolina.

With respect to the Hoover Institution and a social security adviser to President Reagan, Rita Ricardo-Campbell, she is quoted in the Wall Street Journal on March 5:

> The monthly cash social security benefits should be indexed to the lower of the changes in the consumer price index or the already existing wage index. . . . It is unfair that social security beneficiaries are better protected against price increases than workers.

So we have that particular endorsement not only from the study panel but also from a social security adviser to President Reagan, Rita Ricardo-Campbell. And this is in addition to President Reagan's own Director of the Office of Management and Budget talking about the problems of overcompensation in indexing.

Mr. President, we also have various economists who are close to the picture. I have seen Dr. Arthur Burns several times counseling with the President. I have the greatest respect for him. I follow his counsel in large measure. I quote from his remarks before the Senate Budget Committee on January 21, the day after the inauguration. The distinguished Senator from New Mexico already had us working. He was not going to let us go. We could not get to an inaugural party or anything else. He was beginning to pick our pockets—but not these privileged classes. Listen to this:

> I would definitely advocate a change in the social security law under which adjustments for inflation would no longer be as reckless

as they are under current law. . . . Social security recipients during the past 5 years have received a larger percentage increase in their benefits than have people working for wages and salaries. . . . Therefore, I think we need to adjust social security legislation one way or another so that social security recipients are no longer what they have become—a privileged class, being treated better than our working people.

That is a statement by Dr. Arthur Burns, former head of the Federal Reserve and one of the principal economic and financial minds in this country.

Elmer Staats, the distinguished Comptroller General, who held that post for the past 15 years, had many recommendations about economy in Government. I quote what he had to say about this subject before the Committee on Appropriations on January 29, 1981:

It is widely agreed that without restraint in the growth of Federal expenditures it will not be possible to end inflation. . . . There is little prospect for achieving this restraint without some check on the programs which are indexed. . . . Under current inflationary conditions, it is necessary for all groups in society to share the burden of bringing inflation under control. . . . Does the Congress really intend that the people receiving these benefits are to be fully protected from the rising price of oil when this protection cannot be provided to most Americans.

Mr. President, when the distinguished, retired Comptroller said "some check," this amendment is a minimal check.

We had another amendment in the Budget Committee to have COLA's conform to the fiscal year—instead of a July 1 payment, have an October 1 payment. That change itself would save us over $4 billion in the next fiscal year, 1982, and it would go up to nearly $20 billion over the next 6 years. But we did not get much support for that. So I wanted to approach this problem in a minimal fashion and not let anyone miss any payment for the 3-month period. But some check is necessary—namely, the overcompensation, the unjust enrichment feature of COLA's.

Mr. President, this has been a sort of bipartisan approach. The Democratic chairman of the Council of Economic Advisers, Charles Schultz, just retired, testified before the House Budget Committee on March 10. I quote:

A direct attack should be made on the problems of indexing in Federal programs. . . . It seems to me only proper that most beneficiaries of indexed programs should have to share—along with wage earners—when the Nation suffers a loss of national income. . . . I see no reason why either workers or general taxpayers should pay additional taxes in order to support a windfall for program beneficiaries, and to insulate them from sharing a national income loss.

So it is called a windfall, a reckless procedure—actually, a privileged class—by Democrats and Republicans, liberal and conservative economists alike.

Dr. Lawrence Chimerine, chairman and chief economist at Chase Econometrics, told the House Budget Committee on March 17 of this year:

In my view, unless indexing is directly attacked within the scope of budget reductions, there is a potential for continued explosive growth in Federal expenditures in the years ahead. . . . Several of the indexed programs which are part of the so-called "safety net" provide substantial benefits to those who are not poor. . . . Thus, I would target more of the cuts to the indexed programs, by changing the formulas for indexing, and less in some of the programs which have thus far been designated for budget cuts.

In other words, a proper order of procedure would be that before we cut any particular program's budget, we should go first to the unjust enrichment, we should go first to the windfall, we should go first to the inequity, we should go first to the privileged class, before we cut strategic petroleum reserves, education, veterans, or whatever it may be.

Incidentally, the administration saw no problem in capping the veterans' doctors pay bonus. That was part of the several hundred million dollar cut from the veterans program that we tried to restore.

The veterans' doctors got capped. They cut them back, but they could not cap the real programs that have such an impact upon the Federal budget.

Mr. President, Robert J. Myers, of the National Commission on Social Security, and I quote him, said before the Budget Committee for his Commission on Social Security:

The indexation of pensions in force should not, over a long period of time, put retirees in a better position than active workers. . . . If the indexing factor results in benefits rising more rapidly than net take home pay of active workers over a period of several years, this is an inequitable situation. . . . Remedial action should be taken, such as capping the indexing factors or having them be the lower of price increases or wage increases.

That is exactly the amendment before the Senate today recommended by this august member of the National Commission on Social Security.

Mr. President, I could go on. I have several other quotes that I wish to bring to the attention and maybe if my distinguished chairman of the Budget Committee is in the cloakroom——

Mr. DOMENICI. I am right here.

Mr. HOLLINGS. There he is.

This really moves me. I wish to quote this. This is from the Senate Budget Committee, February 27, 1980. I quote the distinguished chairman of the Budget Committee, the distinguished Senator from New Mexico, who agreed and joined in this statement with Senator Bellmon, the only economist who came out on target last year. We are all fussing around now about the CBO figures wrecking President Reagan's programs, that President Reagan's program is entirely too optimistic or inflationary. But Senator Bellmon came out on target last year relative to unemployment figures. So now let us see if I do not believe he is on target again with this particular problem of indexing, along with our now distinguished chairman from New Mexico:

Finally, Mr. Chairman, I would like to record my personal judgment that re-examining past indexing of Federal programs remains one of the two or three most critical budget issues facing Congress. Indexing, especially indexing of entitlement programs, perpetuates the inflationary bias of Federal spending and makes our efforts to control inflation that much more difficult.

Mr. President, I am willing to ask unanimous consent that the distinguished chairman have 5 hours to explain that. I do not want him to run out of time. I think he and the distinguished majority leader have brought discipline, but I do not want him to go up and get on TV either late tonight or tomorrow now saying what a good job we have done and then go down to the Washington Hospital Center and say: "Mr. President, you have been wounded but you have been cured. Look what we have done. We have gotten your program through."

Because rather than all that saving, we are still spending money faster than it is coming in.

Mr. President, I ask unanimous consent to have printed in the RECORD a series of arguments for reforming COLA's, a set of observations by a number of distinguished economists and others, and an editorial from the April 6 Businessweek.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ARGUMENTS FOR REFORMING FEDERAL COLA PRACTICES

I. THE LOSS OF BUDGET CONTROL

Failure of Congress to bring automatically indexed programs under control is an admission that it cannot put its own house in order. Congress will destroy both the credibility of the budget process and its own ability to control Federal spending.

In little more than 10 years, Congress has lost control of nearly ⅓ of Federal budget outlays through indexing. In 1970, outlays for explicitly indexed programs accounted for only 3 percent of the budget. By 1975, this amount had grown to 25 percent, and today it is over 30 percent. This figure will continue to increase over the next several years even if no other programs are indexed.

Congress must review the cost of automatically indexed programs if it is ever going to balance the budget. FY 1982 COLA increases alone will exceed $22 billion. Over the period FY 82–86, COLA costs will exceed $272 billion. Control of these programs is essential to budget control and reducing inflation.

Sound fiscal management requires control of entitlement programs in general and control of those that are automatically indexed in particular. Without such restraint, the allocation of a large percentage of scarce resources will continue to take place automatically, without explicit consideration of conflicting policy goals and priorities by the Congress or the President.

Large automatic increases in indexed outlays pose significant problems for economic stabilization policy. These increases are greatest in times of rapid inflation, adding to spending at a time when fiscal restraint is normally called for to slow growth in aggregate demand and combat inflationary expectations. Control and restraint must be exercized to prevent this.

II. INADEQUACY OF THE CPI AS A METHOD OF INDEXING

Using the CPI fully protects retirees from the impact of inflation while workers, who are supporting the federal retirement programs, are doing worse. Over the last three years, retirees were overcompensated relative to workers by 8.6 percent at a cost to the treasury of $15 billion.

The CPI overstates the costs of homeownership by ignoring the investment value of a home and by overstating the impact of high mortgage rates. Over the past four years, the CPI overstated inflation due to this hous-

ing component by 5.2 percent at a cost to the treasury of $10 billion.

The upward bias in the CPI due to homeownership results in volatile movements in the index that distort Federal expenditures and add to inflationary pressures. For example, during the first half of 1980 the CPI showed an increase in homeownership costs of 25 percent. The precipitous decline in interests in June of that year then resulted in an increase of only 2 percent over the next four months.

The CPI uses a fixed and out of date "market basket" for its base. CPI is calculated on a "market basket" of goods constructed eight years ago. In addition, a fixed "market basket" can significantly overstate the true cost of living. This happens because consumers, by purchasing less of those goods that have become expensive and more of those that have become cheaper, can and do achieve satisfaction equal to that of the original "market basket."

A policy of fiscal restraint necessary to reduce the rate of inflation should not be weakened by an unnecessarily liberal indexation procedure which could cause budget outlays to expand faster than taxable income.

Beneficiaries of Federal programs should help to absorb part of the decline in the standard of living—when prices rise faster than wages, only those working now experience a decline in the standard of living since beneficiaries of Federal programs are fully compensated.

III. ARGUMENTS FOR LIMITING COLA INCREASES TO THE LESSER OF THE CPI OR WAGE INDEX

Limiting COLA increases to the lesser of the CPI or the wage index would save $2.6 billion in FY 82 and $17.0 billion over the period FY 81–86.

Limiting COLA increases to the lesser of the CPI or wage index would restore equity to the working man. Currently, those who work, pay taxes, and support the retirement system are losing against inflation while the retiree is fully protected.

Limiting COLA increases will do much to restore the solvency of the Social Security, Civil Service, and Railroad Retirement trust funds. It is estimated that Social Security will run out of cash to pay benefits in 1982. The Civil Service trust fund currently has an unfunded liability of $166 billion and by 1986 it will exceed $244 billion. The railroad industry pension fund will be insolvent by 1984 or 1985.

Federal COLA provisions are the most generous in the nation. No private pension plans are automatically adjusted twice a year. Only 4 to 8 percent of private plans are adjusted automatically for inflation and generally not for the full amount. Nearly 40 percent of private pension plans have no COLA provision at all.

Beneficiaries of Federal programs should help to absorb part of the decline in the standard of living—when prices rise faster than wages only those working now experience a decline in the standard of living since beneficiaries of Federal programs are fully compensated.

There has been a tendency to regulate in recent years to achieve social objectives such as clean air, worker safety, etc. These costs are paid in higher prices for which beneficiaries of Federal programs are fully compensated while persons who are working are not.

STATEMENTS ON THE NECESSITY OF REVISING FEDERAL COLA PRACTICES

"I would definitely advocate a change in the social security law under which adjustments for inflation would no longer be as reckless as they are under current law. . . . Social security recipients during the past 5 years have received a larger percentage increase in their benefits than have people working for wages and salaries. . . . Therefore, I think we need to adjust social security legislation one way or another so that social security recipients are no longer what they have become—a privileged class, being treated better than our working people."—Dr. Arthur Burns, Senate Budget Committee, January 21, 1981.

"It is widely agreed that without restraint in the growth of Federal expenditures it will not be possible to end inflation. . . . There is little prospect for achieving this restraint without some check on the programs which are indexed. . . . Under current inflationary conditions, it is necessary for all groups in society to share the burden of bringing inflation under control. . . . Does the Congress really intend that the people receiving these benefits are to be fully protected from the rising price of oil when this protection cannot be provided to most Americans."—Elmer Staats, Committee on Appropriations, January 29, 1981.

"The task force further recommends that benefits for current recipients, which increase automatically along with the consumer price index, be boosted by the increase in prices or wages, whichever is lower."—President Reagan's Social Security Task Force, as reported in the National Journal, November 29, 1980.

"A direct attack should be made on the problems of indexing in Federal programs. . . . It seems to me only proper that most beneficiaries of indexed programs should have to share—along with wage earners—when the Nation suffers a loss of national income. . . . I see no reason why either workers or general taxpayers should pay additional taxes in order to support a windfall for program beneficiaries, and to insulate them from sharing a national income loss."—Charles Schultze, House Budget Committee, March 10, 1981.

"In my view, unless indexing is directly attacked within the scope of budget reductions, there is a potential for continued explosive growth in Federal expenditures in the years ahead . . . several of the indexed programs which are part of the so-called "safety net" provide substantial benefits to those who are not poor. . . . Thus, I would target more of the cuts to the indexed programs, by changing the formulas for indexing, and less in some of the programs which have thus far been designated for budget cuts."—Dr. Lawrence Chimerine, Chairman and Chief Economist, Chase Econometrics, House Budget Committee, March 17, 1981.

"Between 1971, and 1980, the average real social security benefits paid to retired workers rose more than 30 percent. The average real wage in private employment, however, fell by 10 percent before tax and even more after tax. . . . That increase, which caused benefits to depart from the long established relation to earnings, was not the carefully considered choice of Congress but an election year gambit of Ways and Means Chairman Wilbur Mills, who momentarily saw himself as a presidential aspirant."—Dr. Martin Feldstein, President, National Bureau of Economic Research, Wall Street Journal, February 2, 1981.

"The monthly cash social security benefits should be indexed to the lower of the changes in the consumer price index or the already existing wage index. . . . It is unfair that social security beneficiaries are better protected against price increases than workers."—Rita Ricardo-Campbell, Hoover Institution and Social Security Advisor to President Reagan, Wall Street Journal, March 5, 1981.

"The indexation of pensions in force should not, over a long period of time, put retirees in a better position than active workers. . . . If the indexing factor results in benefits rising more rapidly than net take home pay of active workers over a period of several years, this is an inequitable situation. . . . Remedial action should be taken, such as capping indexing factors or having them be the lower of price increases or wage increases."—Robert J. Myers, National Commission on Social Security, Senate Budget Committee, February 27, 1980.

"Finally, Mr. Chairman, I would like to record my personal judgment that re-examining past indexing of Federal programs remains one of the two or three most critical budget issues facing Congress. Indexing, especially indexing of entitlement programs, perpetuates the inflationary bias of Federal spending and makes our efforts to control inflation that much more difficult."—Senators Domenici and Bellmon, Opening Statement, Senate Budget Committee, February 27, 1980.

[From Business Week, Apr. 6, 1981]

STOPPING ESCALATION

President Reagan and his advisers apparently do not yet understand just how important it is to check the continuing escalation of Social Security benefits before the whole system comes to pieces. Early in March the Senate Budget Committee was prepared to change the present system of adjusting benefits in step with the consumer price index, which tends to overstate inflation. The President personally quashed the move—on the grounds that he had promised during the campaign not to change the indexation of benefits. In doing so, he made a serious mistake.

The President will get another chance, however, when the budget reconciliation bill comes up for vote in the Senate. Senator Ernest F. Hollings (D–S.C.) will propose an amendment limiting the cost-of-living adjustment in benefits to the increase in the CPI or the rise in average wages, whichever is less. The same limit would apply to federal retirement pay, which now increases in step with the CPI.

There is strong support for the Hollings proposal on both sides of the aisle in Congress. And there should be. Social Security benefits are, in effect, a transfer from workers to their elders. There can be no excuse for letting the income of retirees rise faster than the incomes of the workers who support them.

As a matter of simple equity, the Hollings approach should be adopted. As a matter of practical management, it has to be put into effect fast. The trust fund that backs up payments under the Old Age & Survivors Insurance system is close to the vanishing point. Unless the load on it is reduced, massive infusions of new money will have to be made, and much that is good about the present system—the link between benefits and contributions for instance—will be destroyed.

Mr. HOLLINGS. Mr. President, I yield to my distinguished chairman.

The PRESIDING OFFICER (Mr. DURENBERGER). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, obviously the Senator has done a marvelous job. Perhaps it would best be said that I am his secret, silent, unrecorded cosponsor. Is that adequate?

Mr. HOLLINGS. Except for a wounded President, the Senator would be a cosponsor. I say that in all candor. He and I both know that.

Mr. DOMENICI. Mr. President, I think the Senate should know that the President of the United States did not ask us in his first significant series of cuts to include adjustments in the cost of living for pensions that the Federal Government has control over. I think the Senate should know that subsequent

thereto and before we completed mark-up on this reconciliation we met with him to discuss the issue once again. The President indicated to us that he was fully aware of the arguments on the issue of the Consumer Price Index and whether or not it was overcompensating in terms of real inflation, but he asked us not to consider it at this time, and I stress "at this time."

I know that the distinguished minority manager of this bill, who I greatly respect, was active as chairman before me in trying to bring fiscal restraint and he will respond that there is not a better time than now. But the President has asked us to get this first package through, see if it does not begin to have a real reaction in the American economy affecting both interest rates and inflation.

It is obvious that if we have a real positive effect in bringing interest rates down and inflation rates down and if that can be done rather quickly, then I think the good Senator would agree to the extent that that occurs that disparity that he is attempting to correct gets less, and if we can do this quickly the disparity will not cost in the outyears the many billions of dollars that have been projected.

So I am here today to ask the Senate to understand that budgeting is an evolving thing. We will have a first resolution very soon. It will be debated on the Senate floor and hopefully my good friend from South Carolina and I can take this reconciliation number and put it right in in each function. Assume it is done. We will not have the big job of squeezing each of those functions because we will have done that here in the last 5 days. I think some Senators feel that we should bring this cost of living up when we set the target there. That may be the case, but for now I think we should move along as we have, get the President's package completed, get the Senate committees to work on the law, get our first resolution and get into conference as soon as possible with the House of Representatives, and see if within a year or so we have not brought inflation and interest rates down substantially. If that is the case, the outyear savings attributable to the disparity in the CPI will be maintained and we will have an opportunity to look at it again in due course.

I say to Senator HOLLINGS that I have not changed my views. I want him to know that he has made a superb argument. The cost of living index and the entitlements, all of them together, are one of the most serious budgetary problems this Congress has, but let us not forget, and I do not address this to the Senator, but we are taking a pretty big bite here in the Chamber when we pass this resolution. We will cut 38 or so billion dollars. That is almost half the increase in the budget proposed for 1982. That is significant. That is historic when we consider we have been growing at the rate of 16 full percent a year for the last 4 years.

So I urge that the Senate reject the amendment. Hopefully inflation will be reduced and its necessity will be reduced also in terms of the sense of urgency, but if not, we certainly will have a chance shortly again to consider it.

I compliment the Senator not only for his presentation today but in committee. He did a marvelous job of explaining this and setting it right where it should be objectively and with all the expertise he could muster in quoting from those distinguished Americans who are as worried as he is about inflation and overbudgeting in this country.

Mr. HOLLINGS. Mr. President, I shall not press my distinguished chairman. I understand. There is a tide, though, in the affairs of men that leads on to fortune.

I believe that President Reagan has not only done the right thing and courageous thing in putting the attention of this country on the economic and fiscal problems that we have but I think he has a stronger mandate and stronger support than any of us ever expected which I welcome.

I think that necessarily, as the art of government is the art of the possible, we cannot bite off too much and I think initially perhaps he felt that way.

But we are seeing progress being made, although on the House side when we started they talked about October. I even heard Senators on the other side of the aisle talking about we ought to be good to get the Reagan program through by October, and over on the other side of the Capitol they spoke about $20 to $25 billion and now they are up to $40 billion, and they have come from October up to June. We are making good progress and we do not want to ruin that in any fashion, but we do not want to miss this particular opportunity.

I take it we will not be passing another reconciliation resolution in the next several years. That would be an inordinate kind of procedure. It is a rare tool and it should be used rarely, and I hope we will not come back.

So the only time we can get it in one locked fashion where it will encompass all the programs with limited debate but adequate debate over on the Senate side is right now.

It is the most insidious, treacherous provision we have in all of budgeteering. Here we come through, and under the leadership of the distinguished Senator from New Mexico, he really has established not only a discipline but a credibility for the Budget Committee and the budget process in a national Congress, and I do not want it to be like an example I will give.

There was a slogan once with an insurance company that was in difficulty down there. Then they reorganized and brought out the new company, and they wanted a new slogan for Capital Life. One of the suggestions was that Capital Life will surely pay if the small print on the back does not take it away.

What we are saying is this reconciliation bill will take care of all the programs if the small print does not take it away.

We are judicious. Members urge how much for veterans, how much for job training, how much for health care, and how much for women's, infants', and children's feeding, and how much all the programs are and how much we need for national defense.

This goes right in under civil service and everything else, an inordinate COLA adjustment right there, the military retirees also. The distinguished Senator from Texas, our chairman of the Committee on Armed Services, Mr. TOWER, is supportive of the twice-a-year COLA adjustment. It goes into all particular programs and it mushrooms them up beyond recognition and beyond management.

We say it is controlled, and then we are granted the golden opportunity, which I believe to be right now, and we fail to control, and I hate to see this opportunity slip.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. I yield to the distinguished Senator from Washington 2 minutes.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I would like to congratulate the Senator from South Carolina on his wisdom, on his courage, and on his eloquence at being willing to take on a very difficult task but one which I am convinced is absolutely necessary if we are ultimately to gain control over the Federal budget.

We have not yet significantly approached the challenge of numerous entitlement programs which have led the way to a constantly increasing share of the Federal Government, being a constantly increasing share of the income of the United States being used by the Federal Government.

I do not believe this proposal is likely to pass or to be accepted by this body here this afternoon, but I do think the Senator from South Carolina points his way toward the future in stating that this is a fair proposal in that it does not treat people who are beneficiaries of social security in a way less favorable than it does those who are working for a living. He emphasizes the fact that those who are its beneficiaries will also be the beneficiaries of the cure of the ill of inflation from which we have been suffering so long.

I am convinced when it is explained to them appropriately they, like other Americans, will be willing to accept their share of the problems which we face in the future.

I believe the Senator has begun to lead us on a right course, and that sooner or later, and I hope for the good of the United States sooner, this proposal will be accepted.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. I yield 2 minutes to the distinguished Senator from Idaho.

Mr. SYMMS. I thank the Senator from Indiana for yielding.

I share the point of view that was just expressed by my colleague from the State of Washington. I congratulate the Senator from South Carolina for offering this amendment to this body today.

As we live our time through this life and we face these moments of opportunity, I think this is one opportunity we have to seize the initiative and to see that the risks of inflation are shared equally by all groups in the country.

The Senator from South Carolina probably does not go far enough. It is only a modest $17 billion over a 6-year period, I believe, which is correct, and it probably should go even further. But at least it starts us in the position of recognizing that we are constantly ratcheting everything upward and constantly trying to say there is one group or a special group that will not have to bear any of the burden of inflation.

A great part of the President's economic program is based on the fact of the anticipation of declining expectations in the future of inflation, and this amendment that the Senator from South Carolina proposes would be a signal to all people in the country, to all the financial institutions, to the young and old alike, that the Congress of the United States—the Senate in particular—is very serious about stopping the continuation of the fiat currency standard we have been on.

I think that is why it is so essential. It may not pass today, but I hope it does pass, because it will be a signal that the election in 1980 was not something to be taken lightly; that the American people definitely want a systematic change in what we are going to expect from the Federal Government.

We are not talking about taking anything away from any senior citizen. We are talking about holding down the level of the increase. As I say, it may not be enough, but it is a start in the right direction.

I intend to support the Senator's amendment, and I hope all Senators will support his amendment, because I think in the long range this amendment will be proven to be in the best interests of the senior citizenry retired community in the United States because it will help lessen the anticipation of inflation, bring down interest rates, bring more stability to our financial markets, bring more stability to the future of what people can expect, and make it so that we can actually live on the dollars we save today so we can live on them tomorrow.

I thank the Senator and I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Idaho. He has made an outstanding statement, a very cogent statement about the amendment itself. It is a slight step in the right direction.

I also thank my distinguished colleague from Washington (Mr. GORTON)

I also ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. QUAYLE. I yield as much time as the Senator from Kansas would like.

Mr. DOLE. I am not going to vote for the amendment, but I want to commend the distinguished Senator from South Carolina. I would just say, as chairman of the Committee on Finance, it may be an option we may have to consider. But I am reminded of a breakfast meeting we had one morning which the President attended and where he indicated he would oppose this because of certain statements made during the campaign.

But defeating this amendment will not preclude the Committee on Finance from considering this or other matters. This Senator, for one, thinks we are going to have to face up to some of the difficult decisions, and while I applaud the Senator from South Carolina for raising it, I will vote against it. But I hope when push comes to shove, which is not going to be very long, that we keep this amendment in mind.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. I yield myself 2 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. I, too, rise in support of the Senator from South Carolina's amendment. I supported him in the Budget Committee and I intend to do so on the floor.

I thought his statement was eloquent and to the point. I enjoyed listening to the historical analysis of why we got into this particular situation in which we are right now.

He went back and started with Truman, went through Eisenhower, and the Great Frontier and the Great Society, and Nixon and revenue sharing and Carter and Ford, and now President Reagan, and during those years I am sure the Senator from South Carolina will recall Republicans talking a lot about a thing called the "silent majority."

Well, I would just tell the Senator from South Carolina that I am fairly certain that there is a silent majority of Senators that support his amendment before us but are not really quite ready to come forward and vote for it; that there is, indeed, a silent majority. People say, "Yes, Senator HOLLINGS is on the right track. We have got to do something, but now is not the right time."

Well, if it is not the right time now, when will it be? Probably never, if we do not get on with the program of dealing with the indexing problem.

I was heartened to see the House of Representatives, in a subcommittee of the Ways and Means Committee, do something about indexing. They talked about deferring it until October 3. At least it is on the right road. It shows a little bit of progress; a little bit of sensitivity.

But, as far as an observation, Mr. President, we heard the argument that we cannot do it because of campaign promises; that this is an exercise in futility; and that everybody knows this is going to fail.

I am sort of surprised that not more Senators are here and participating in probably the most important amendment that has come to this floor on this budget reconciliation package. As far as I am concerned, it is the most important amendment. It is the most substantive amendment. It deals with an entitlement program that everybody talks about dealing with—to get in and do something about the entitlement program. But when push comes to shove, and when we get around to doing something about it, there is only talk, not votes.

But I want to tell the Senator that he has a silent majority. We had a silent majority in the early seventies. We finally got a majority in the 1980's—a real majority. So I hope, in due time, that the silent majority that supports the Senator from South Carolina in his proposal will still emerge as a real majority.

Mr. SYMMS. Will the Senator yield?

Mr. QUAYLE. I am happy to yield to the distinguished Senator from Idaho.

Mr. SYMMS. Mr. President, I would like to make the point that in the committee the distinguished Senator from Indiana made the point of where we find the safety net to see that Ronald Reagan's economic package will work.

I think the Senator from South Carolina is offering the President an opportunity to guarantee the success of his economic proposals to put this country back on the road to economic recovery, because this amendment would signal, I say again, that this Congress means business; that we are willing to bite the bullet.

It will not be detrimental to any group of people in the country. It will not deny any access or opportunity to their retirement. If anything, it will guarantee them a guarantee of a retirement pension that will pay for something, that will buy something in the future, because it signals that we have gone far enough, we have reached the breaking point and we are not going to just automatically try to exclude one group from our society from the ravages of inflation that have been caused right here in this Capitol by spending money that we did not have and printing money and inflating the currency which brings about the rise in prices that so badly hurts all of us in this country.

I think the Senator from Indiana made the point very well in committee one day. Where do we find the safety net? Where do you look? The Defense Department? Do you look in the appropriated fund?

There is only one place to look—the entitlement programs, and the sooner the better that we get on with it.

Again, I hope that this amendment will pass and we get a pleasant surprise.

Mr. QUAYLE. Mr. President, I do not think we are going to be surprised. Not many Senators are here to even partake in really the most important amendment that has been offered so far. You talk about history and historical movement, as the Senator from Idaho pointed out how important this is. This is the amendment.

I am glad to support the Senator from South Carolina. I hope he has a great deal of support, more than I think. Maybe a little bit of that silent majority that I am talking about out here might actually vote for this amendment. I sort of doubt it.

I imagine we might get in the teens somewhere, a double figure.

Indiana University played basketball the other day. A lot of teams tried to keep them down below the double figures. North Carolina came within 13 points—although I know the Senator is from South Carolina. We will probably get about that many votes on this amendment.

Mr. GRASSLEY. Will the Senator from Indiana yield?

Mr. QUAYLE. I am glad to yield.

Mr. GRASSLEY. Mr. President, I rise, admittedly, in opposition to the amendment, but also to raise a point concerning the timing of this proposal.

I know that it is easy to point out, even in fun, that everybody wants to put off to the future a critical issue, rather than face it in the present.

But, legitimacy for putting off this issue is due to the inordinate impact that the interest rate has on the cost-of-living increases.

In the last 18 to 24 months, we have had a rapid increase in the interest rates and, hence, that inordinate impact. So now we make a decision that we are going to cut down on the cost of living because of high interest rates.

The first question to be resolved is whether we have faith that the Reagan program is going to work. If the President's economic program works, then we will have a lower interest rate and less of an impact.

Second, let us assume that the Hollings amendment will be adopted. Then we will have a lower cost-of-living increase to compensate for high interest rates. Then, let us suppose that the Reagan program works. A year or so from now we will find out that, because interest rates are lower, senior citizens would not receive any cost-of-living adjustment in benefits. Then, we will have to, at some future date, face the prospect of raising the adjustment mechanism. We ought to not overreact to a 1- or 2-year increase in interest rates.

We ought to find out if the Reagan program is going to work. If it is, then that overcompensation taking place now is going to be compensated for down the road.

Most importantly, if we do not adjust the COLA mechanism now and, over the long term, it balances out, then we will have fewer questions in the minds of senior citizens as to whether their benefits are secured. For the last 7 or 8 years they have known what to expect. They can expect what the formula allows them to get each July 1. It seems to me that we are adding a measure of unnecessary uncertainty to senior citizens with respect to what financial resources they will have available.

Inflation impacts more severely on senior citizens than any other group in this country. We are going to add to that burden if we act precipitously. So let us wait and see.

Let me add a final point that I made in the committee. This entire subject ought to be considered as we deal with the question of what to do to restore the integrity and viability of the social security trust funds. Cost-of-living adjustments are a major cost to that fund. We ought to consider, at the time of our discussion, what to do with COLA. These moneys are supposed to come directly from the social security trust funds, not from general revenues. That is why I ask that we vote this amendment down.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the principal impact of inflation in this country is not upon the senior citizens. The principal impact of inflation in this country is on the people who are paying the bills—the taxpayers.

Mr. President, I want to thank the distinguished Senator from Indiana and the Senator from Idaho for their analysis of the problem and for the eloquent statement by the Senator from Indiana about the silent majority.

We should go one step further—and I know the fourth estate will take it in good stead. They have possession of the ball, and I never try to play one-upmanship with the newspapers or the media. But why are they silent?

They are silent because of the age of symbolism in which we live.

I remember during the last session when we had the food stamp amendment concerning college students. The Senator from Oklahoma, Senator Bellmon, and I put it through. But in the meantime we had Jesse Jackson and others fill my entire office until I explained it did not impact on them but on college students. But the symbol said that "Hollings is against food stamps, against feeding the hungry."

I had a chance, thank Heaven, to explain it and, once explained, we were able to eliminate the unneedy students. But the symbolism, the headlines, the media allocation of getting stories into 30-second shorts, mandates that they all stay silent.

What will the headlines say when we have this? Let us have truth in reporting. Truth in reporting would say that the taxpayers' savings have been cut. When we lose this, that is what happens. Their savings have been cut. Not the social security benefits. They are going to get a cost of living. We have not cut the benefits.

Or would the headlines say "Workers' earnings have been cut"?

The workers are the ones who are paying for this. We have outlined that, but that is not the way you write a newsstory. The newsstory and the headline will say on the one hand "Social security benefits are cut" if we succeed, or "Move to cut social security benefits defeated."

People just read the headlines. And then, why would a fellow who has enough sense to get to the United States Senate argue with that headline? We have enough problems up here. You only have 30 seconds, so how do you explain cost-of-living adjustments with its overcompensated home mortgage in the 30-second short? If you can do it, you are a genius. Or if you are running for public office and your opponent gets up and gives a page number and runs an ad, then try to explain it in half a minute.

That is why the majority is silent and that is why they do not vote. And they will not until it permeates the public's attention—an understanding of what is really going on on the part of social security and other retirement programs.

They do not want to be treated like welfare recipients. They pay into the fund. They are workers. They have earned their social security benefits. In fact, they characterize it as a trust fund and they do not want politicians monkeying with it. They want to be able to rely on it.

What destroys the credibility of that fund is we moved in, in 1972, with the 20-percent increase and made it political, and then put in the cost-of-living adjustments, which has only been in, as I indicated, for the past 6 years. So we began treating it politically by giving them benefits, and who is going to complain about that? Not the recipient. So he comes to expect them.

But if he understands that his benefits and his participation are going to be measured in an equitable fashion with the rest of America, workers, taxpayers, and the like, I think they will appreciate it. They would like to have the stability. They would like to get it aside from election politics and promises and excessive compensation.

But the Senator is right, that there is a silent majority. I hope we can, by this alone, at least educate enough to come around to the justice of the system and therein build credibility in us.

There are really no benefits in being on the Budget Committee. You cannot win any votes. You learn a lot about your Government and financing. And at least you ought to have the inner satisfaction and the clearness of conscience to realize that you have done an honest job.

We cannot maintain our credibility as long as we keep talking about uncontrollables and do not control that which can be controlled; namely, the COLA index in this budget process. The time is now and I am convinced we can get the support on the other side if we had the movement at this particular time by the administration. However, I understand those requirements.

I do appreciate the support that Senators on the other side of the aisle have given this particular amendment and I hope we can have it spread over the years.

I thank my colleagues for their attention. I am willing to yield back the remainder of my time.

Mr. HART. Mr. President, I opposed the Hollings amendment to change the way social security and other benefits are indexed, but I believe we must continue to study ways to make indexation

of such benefits more fair and economically realistic.

At some point soon, Congress must address the rapidly increasing cost to the Federal budget of entitlement programs as they are presently indexed. But first the administration has a responsibility to inform Congress of its own proposals on this issue. The Hollings proposal was not a part of the President's economic package, and the effect such a proposal would have on the average beneficiary is unclear. Congress must consider reforms of present indexing measures in the near future if we are to achieve the goal of a balanced budget. But we should first have the benefits of knowing the administration's position.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Indiana yield back the remainder of his time?

Mr. QUAYLE. I do, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from South Carolina. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. RANDOLPH) and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

The PRESIDING OFFICER (Mr. KASTEN). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 12, nays 86, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—12

Gorton	Humphrey	Nunn
Helms	Kasten	Quayle
Hollings	McClure	Rudman
Huddleston	Nickles	Symms

NAYS—86

Abdnor	Durenberger	Mattingly
Andrews	Eagleton	Melcher
Armstrong	East	Metzenbaum
Baker	Exon	Mitchell
Baucus	Ford	Moynihan
Bentsen	Garn	Murkowski
Biden	Glenn	Packwood
Boren	Goldwater	Pell
Boschwitz	Grassley	Percy
Bradley	Hart	Pressler
Bumpers	Hatch	Proxmire
Burdick	Hatfield	Pryor
Byrd, Harry F., Jr.	Hawkins	Riegle
	Hayakawa	Roth
Byrd, Robert C.	Heflin	Sarbanes
Cannon	Heinz	Sasser
Chafee	Inouye	Schmitt
Chiles	Jackson	Simpson
Cochran	Jepsen	Specter
Cohen	Johnston	Stafford
Cranston	Kassebaum	Stennis
D'Amato	Kennedy	Stevens
Danforth	Laxalt	Thurmond
DeConcini	Leahy	Tower
Denton	Levin	Tsongas
Dixon	Long	Wallop
Dodd	Lugar	Warner
Dole	Mathias	Weicker
Domenici	Matsunaga	Zorinsky

NOT VOTING—2

Randolph	Williams

So Mr. HOLLINGS' amendment (UP No. 40) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order.

PROGRESS REPORT

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to inquire of the distinguished majority leader what the program is for the remainder of the day and the remainder of the week, if he can tell us.

Mr. BAKER. I thank the minority leader for his inquiry.

Mr. President, as I indicated earlier, I believe that now we are making good progress and it would be worthwhile for this Senate to remain in session tonight, to a reasonably late hour—I would estimate 10 o'clock or something shortly after that.

I still have the somewhat timid hope that we can finish tonight; and if we can, I think it would be worth our investment of a little more time. But if we cannot finish tonight at 10 o'clock or a little after 10, I would expect to go over in recess until tomorrow at 9:30 and continue in session tomorrow until we finish, or perhaps tomorrow night. I hope not.

If we can finish this resolution tonight or tomorrow, it would be my hope and expectation that we could recess over then until Monday and not be in session on Friday.

However, for the time being, I think the better part of discretion is to continue with the consideration of amendments to this resolution until late evening, until 10 o'clock or a little after that.

Mr. ROBERT C. BYRD. I thank the majority leader.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The Senate continued with the consideration of Senate Concurrent Resolution 9.

UP AMENDMENT NO. 41

(Purpose: To increase the level of savings to be reported by the Senate Committee on Governmental Affairs)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI), for himself, Mr. BOREN, Mr. PRYOR, Mr. DIXON, and Mr. RIEGLE proposes an unprinted amendment numbered 41.

Mr. DECONCINI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, strike out lines 4 through 13, and insert the following:

"SEC. 11. The Senate Committee on Governmental Affairs shall report changes in laws to modify programs within the jurisdiction of that Committee which would reduce the costs to the Government resulting from waste, fraud, and abuse; administrative, non-defense related travel and transportation; consultant services; public affairs, public relations, public information, and Government advertising; audiovisual and film-making activities; and uncollected Federal debts. Savings in appropriations and expenditures from trust funds from such statutory changes shall be $3,900,000,000 in budget authority and $1,700,000,000 in outlays in fiscal year 1982 and $1,000,000,000 in budget authority and $2,000,000,000 in outlays in fiscal year 1983."

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. METZENBAUM. Mr. President, under the circumstances, I am prepared to go ahead, but I understood that the Senator from Arizona had asked if he could have a half hour. I said that I would not stand in his way, but I would not want to lose my standing on my order. If that means I would be losing my standing, then I would want to proceed prior to the Senator from Arizona.

Mr. HOLLINGS. Mr. President, I understand that the Senator from Arizona wants to go ahead. We have been trying to do it in an orderly fashion.

The distinguished Senator from Ohio was to have the next amendment, and then we were to have the three Proxmire amendments, with a time agreement. The Senator from Arizona now wants to have his time. I would be glad to have him proceed next, after the Senator from Wisconsin.

Mr. DECONCINI. Mr. President, we all have been waiting. I have been waiting a few days, too. I appreciate the Senator's effort to try to get this on the track.

How long is the Senator from Wisconsin going to take?

Mr. PROXMIRE. There are time agreements on two of my amendments.

Mr. DECONCINI. What is the time agreement?

Mr. PROXMIRE. Fifteen minutes on a side on one amendment; 10 minutes on a side on another amendment; the other would be a half hour.

Mr. DECONCINI. I inquire of the Senator from Ohio what the time agreement is on his amendment.

Mr. METZENBAUM. The Senator from Ohio is not under a time agreement, except the usual time agreement which is applicable—a 1-hour limitation, a half hour on each side. But I point out to the Senator from Arizona that under certain possibilities with respect to parliamentary procedure, it is entirely possible that that period could be extended to 2 hours.

Mr. CHILES. On the amendment of the Senator from Ohio?

Mr. METZENBAUM. That would be possible. I do not anticipate doing that. I think 1 hour would be totally adequate.

Mr. DECONCINI. How can the Senator from Ohio get more than 1 hour on an amendment?

Mr. HOLLINGS. He might have a motion under the Budget Act. I am guessing.

Mr. METZENBAUM. The Senator from South Carolina is, as usual, his discerning self.

Mr. DOMENICI addressed the Chair.

Mr. DECONCINI. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Arizona does have the floor.

Mr. DECONCINI. I do not want to obstruct and force my way in here. I just want to explain that I have an amendment that I have been attempting to get up here for some days. I ask unanimous consent that my amendment be the order of business after the Senator from Ohio, if no one objects to that.

Mr. PROXMIRE. Mr. President, I have to object to that.

Mr. DECONCINI. Then, Mr. President, I will go one step further after the amendment of the Senator from Wisconsin.

Mr. DOMENICI. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I have not called up any Republican amendments as we moved through this but I understand that Senator HELMS has an amendment. I think under the accommodation he would follow Senator METZENBAUM if he so desires after which it would be Senator METZENBAUM and then I would have no objection if the Senator from Arizona follows.

Mr. DECONCINI. Is there a time agreement on that amendment?

Mr. DOMENICI. Does Senator HELMS have some time in mind on his, or will he just take what is allowed under the act?

Mr. HELMS. Let us not enter a time agreement now. I think the Senator and I can work that out.

Mr. DOMENICI. He would prefer to leave that open under the act at this point.

We still agree that the Senator from Arizona is after that if it is all right.

The PRESIDING OFFICER. The amendment of the Senator from Arizona is the pending question at the moment.

Mr. DOMENICI. I did not hear the Chair. Will the Chair repeat that?

The PRESIDING OFFICER. The amendment of the Senator from Arizona is the pending question at the moment.

Mr. DOMENICI. How did the amendment get pending when the amendment of Senator METZENBAUM was agreed upon to be next?

Mr. CHILES. He got the floor.

The PRESIDING OFFICER. The Senator from Arizona was recognized, and the Senator from Arizona submitted the amendment and the amendment was read at the desk.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the next order of business be the Senator from Ohio and following that the Senator from Wisconsin and his amendment, then the Senator from Arizona, and then the Senator from North Carolina.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. That is all right.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. I thank the Chair.

Mr. METZENBAUM. Mr. President, I thank the Senator from Arizona.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Arizona is set aside and it will reoccur in the order that was just specified.

UP AMENDMENT NO. 42

(Purpose: To require reductions in tax expenditures)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an unprinted amendment numbered 42.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, line 18, strike out "and ."

On page 8, line 2, strike out the period and insert a semicolon and "and".

On page 8, between lines 2 and 3, insert the following:

(C) The Senate Committee on Finance shall report changes in laws providing tax expenditures (as defined by section 3(a)(3) of the Congressional Budget and Impoundment Control Act of 1974), sufficient to reduce such tax expenditures by $100,000,000 in fiscal year 1981, $1,300,000,000 in fiscal year 1982, and $800,000,000 in fiscal year 1983.

Mr. METZENBAUM. Mr. President, the amendment that I have sent to the desk may very properly be called the tax expenditure amendment, the tax abuse amendment, the tax loophole amendment, the tax shelter amendment, or whatever name someone might find appropriate to call it. But it deals with that area.

Mr. President, may I have order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order.

The Senator may continue.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the time taken not be charged against me.

The PRESIDING OFFICER. Without objection, time will not be charged.

Mr. METZENBAUM. Mr. President, let me take just a few seconds to review what has happened so far during consideration of this resolution.

Last Friday we accepted an amendment to restore $200 million to the school lunch program by taking that money from the foreign aid programs. And we proudly patted ourselves on the back for restoring some funds to the school lunch program. But let us be honest about it. The amount we added back is a drop in the bucket. It was a pittance compared to the amount we cut. We cut the total amount of the school lunch program by $1.6 billion and we restored $200 million—great big deal.

The Senate refused on several votes to add funds back to the veterans' programs for medical services, even though veterans have been told to expect those services.

The Senate voted against an amendment offered by the Senator from Arkansas (Mr. PRYOR) to reduce outlays by $2 billion in fiscal year 1982 by eliminating many wasteful consultant contracts. Numerous hearings have documented the waste and abuse in this area of spending. Yet that motion was defeated.

The Senate voted against an amendment offered by the Senator from Michigan (Mr. RIEGLE), which I cosponsored to restore $800 million to the social security program and those funds would help the most needy and oldest social security recipients, those who only receive the minimum $122 social security benefit. President Reagan told Americans that basic social security benefits would not be eliminated. Surely this is a gaping hole in his so-called safety net.

In other motions we have allowed deep cuts in education, in mass transit, in the urban redevelopment program. Altogether we have cut deeply into social programs that help the poor, the working family, the middle class, the elderly.

But at the same time we have totally ignored one major issue and that is what is the full tax expenditures. We have cut human service programs but we have left intact billions of dollars in wasteful tax subsidies to the largest corporations of America and to those who are the most affluent Americans. I believe this is unfair. I believe it is inequitable. I believe it is wrong. I believe it is bad Government policy. The amendment I am offering this evening is designed to force a vote on the issue of tax expenditures. This is not the only tax expenditure that should be eliminated but it is a symbol. This particular one has to do with the commodity straddle, and commodity straddles serve absolutely no useful purpose in the economy. They do not add a single iota to the productivity of this country.

All they do is make it possible for people to play with the thing called puts and calls, and if a person has very intelligent and the best investment counselors and the best investment banking firms, they will teach him how not to pay his taxes and to kick them over into the next year. The fact is that this is but one of many special tax expenditures, special loopholes that exist in the law. We can name them.

I believe that we must eliminate these wasteful tax loopholes, special deductions, credits and exemptions. They are costing the Government billions of dollars each year.

My amendment would particularly direct the Finance Committee to eliminate an especially wasteful tax expenditure.

Now by adopting this amendment we would be able to restore funding to certain social programs, while at the same time we would not increase the deficit established by the reconciliation instructions.

By adopting this amendment, we will be saving $1.3 billion.

Mr. President, may I have order in the Senate, please?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Ohio.

Mr. METZENBAUM. When the Secretary of the Treasury was before our committee today he gave us a story about the fact that we did not have to worry about some of the tax expenditures because as he put it if we can get this tax cut through there will be much less need for tax shelters, less need for the butterfly straddle.

Mr. President, I was in business before I came here, and every Member of Congress or the Senate knows that no one likes to pay taxes.

I do not care whether the rate is 70 percent, I do not care whether the rate is 50 percent, I do not care whether the rate is 30 percent, nobody likes to pay taxes. So I challenge the premise of the Secretary of the Treasury who suggests that somehow by bringing down some taxes for the more affluent people of this country that they are not going to be willing to play the same games with commodity tax straddles.

There are so many different areas of tax expenditures that could be closed by the Committee on Finance to fund needed social programs, and yet the fact is that this administration has refused to bring up any of them, to bring any of them to our committee or to the Congress for consideration.

According to the Joint Committee on Taxation, tax expenditures result in a loss of revenues to the Treasury of $266 billion a year as of 1982, and in the next 10 years it will cost the Federal Treasury $3 trillion.

I want to make it clear that many of these tax expenditures serve legitimate national policy goals such as the mortgage interest deduction which encourages homeownership and housing construction, tax deductions for charitable contributions, and other tax expenditures.

But other tax expenditures, such as the commodity straddle, which I offer to the Senate as a symbol of the entire issue, as the precursor of a number of other amendments that I will offer should I be able to get it through, have simply outlived their original purpose, and I believe they should be eliminated.

These tax expenditures are subsidies to special interests such as the timber industry, such as the oil and gas companies, and large commercial and retail chains.

But I want to also make it clear that there is nothing in this amendment that has to do with items I just mentioned. The only thing this amendment affects has to do with the commodity straddle. There is no sound policy reason why certain wealthy interests should receive tax breaks and let the rest of the taxpayers of this country have to bear the burden, especially at a time when we are attempting to balance the budget.

As a matter of fact, even Mr. David Stockman, the head of the Office of Management and Budget, recognizes the problem. On March 12, appearing before the Budget Committee, this is what he had to say about tax expenditures:

> I think that there are some tax expenditures that are obsolete, inefficient or unjustifiable. They ought to be eliminated as a matter of good tax policy and as a matter of political equity in some general sense.

Let me list several particularly worthless tax expenditures that I believe should be eliminated. I have already mentioned the commodity straddle. That is the only one that is before the Senate this afternoon. But in the area of industrial revenue bonds, known as IRB's, a group of bonds issued by local municipalities and counties that pay interest that is exempt from Federal taxes, as a result of this special provision the IRB's are especially attractive on the bond market, and I believe they can serve as a legitimate tool for local development. But in recent years, this expensive Federal subsidy has been used indiscriminately.

According to the Congressional Budget Office, more than $7 billion in bonds were issued in 1979 compared to only $1.2 billion issued in 1975. This resulted in a direct loss to the Treasury of $300 million in 1982 alone. That is a conservative estimate because that amount escalates to a Treasury loss of $5 billion over the next 5 years.

The real shame is that a large portion of these tax subsidies are being used to build McDonald hamburger stands, Stouffer's Restaurants and Hotels, racketball clubs, tennis clubs, golf courses, and I am even informed that they have been used to build go-go parlors.

This is a serious abuse of the original purpose of the IRB's. By restricting the use of IRB's to areas of the country that are economically distressed, and by limiting them to useful bona fide industrial development, we can better target our resources, while saving the Treasury $5 billion over the next 5 years.

Regrettably, the Senate Budget Committee rejected my motion to do just that. I am gratified to learn from Treasury Secretary Regan that the administration is considering tightening up the use of IRB's. Mr. Regan today said before the Budget Committee:

> There have been some abuses, in our opinion. We will probably be making suggestions to modify IRB's.

Another area of abuse with respect to tax expenditures has to do with special capital gains treatment for the timber industry. Although this particular amendment has nothing to do with that subject, it is an indication of the kinds of tax expenditures and tax loopholes that should be closed.

Timber ownership, because of unique tax rules, offers opportunities for some taxpayers to shelter profits associated with such ownership.

Originally, the special treatment was developed to encourage development of timberland. However, in practice, 16 firms, including the Nation's largest timber and paper companies, received two-thirds of the tax payments.

I want to point out to those Members of the U.S. Senate whose constituency includes farmers of every kind, whether they are wheat farmers, whether they are corn farmers, whether they farm soybeans or cotton or peanuts or tobacco, that all other groups, all other farming in this country, pay taxes at a normal rate. The more you make the more you pay. But we have special treatment for the timber industry. We say to the timber industry:

> You need only pay taxes on 40 percent of your profits. We will treat it, the sale of timber, as a capital gain.

That little dilly saves the timber industry $665 million a year which the rest of the people in this country have to bear as a part of their tax burden.

Then you look over at the oil industry. The oil industry has a special gimmick called writing off intangible costs for oil and gas drilling. Again I want to point out that the timber item is not in this amendment and the intangible costs for oil and gas drilling are not in this amendment. But these are the kinds of things we talk about when we talk about tax expenditures.

Even though the Reagan administration has already decontrolled domestic oil prices and has announced its intention to decontrol natural gas prices, the oil and gas companies continue to receive tremendous subsidies from the Federal Government in the form of special tax breaks.

The writeoff of intangible costs for drilling, such as exploration, labor, materials, supplies, and repairs, costs the Treasury over $2 billion a year. With decontrol there is absolutely no justification to continue this special writeoff. Yet the Senate Budget Committee has refused to eliminate this exemption.

It is an interesting fact of life that I was just talking about the fact that farmers are discriminated against in favor of the timber industry. When it comes to the writeoff of intangibles, all other industries in this country are discriminated against in favor of the oil companies.

Other companies do not get this special kind of special tax writeoffs.

Then there is another item that favors the banks of this country. No other business can do this. But the banks are permitted to have an excess bad debt deduction, purely on the basis of a figure. The tax laws allow the deductions by businesses of bad debts as a cost of doing business. But banks receive special treatment under the law and are allowed, through fiscal year 1982, a special fixed rate percentage loan business deduction for bad debts, whether or not they actually have those bad debts.

The actual bad debt experience of these banks has been considerably less than their statutory exemption. If they were only allowed to deduct bad debts upon their actual experience with bad debts, they would owe more than $500 million more over the next 2 years. Again, nothing is being proposed by the administration to pick up those dollars so that we might not have to cut back on some of the programs that have to do with human concerns.

I believe that tax expenditure should be eliminated as a matter of fairness and equity. Of course, not across the board, but eliminate those that are the most gross and most unfair and most inequitable and most discriminatory against farmers and business people. Unless we eliminate these unfair tax expenditures, we leave ourselves open to the charge of favoritism toward special groups and very wealthy individuals.

Mr. President, several of my colleagues on the Budget Committee have argued that this proposal to eliminate tax expenditures is actually an effort to raise taxes. That is wrong. If we eliminate tax expenditures, we do not increase taxes for lower and middle income families, nor do we increase it for those who are in the higher brackets. We only increase taxes for those who are getting special privileges under the law today.

By eliminating the special loopholes, we save money for the Treasury. We make it possible for the Treasury to reduce the tax burden on the average taxpayer and the average business.

Mr. President, tax expenditures do, indeed, cost the Treasury substantial millions of dollars. I believe that a vote for this particular amendment indicating that we are opposed or that we are prepared to give consideration to some of the improper, some of the wrong, some of the abusive tax expenditures, and to use that money for some of the human service programs is the right kind of vote. I think it would mean that the administration and the members of the majority party are not only willing to balance the budget on the backs of the poor and middle class Americans, but are willing to cause those who have special privileges under our tax laws to pay their fair share of the burden.

Mr. President, I reserve the remainder of my time.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOMENICI. Mr. President, I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, what the Senator is suggesting is that we make a tax bill out of this budget bill. Mr. President, we are going to have a major tax bill before the Senate and Senators will have the opportunity of offering any amendment the mind of man can conceive, either to raise taxes or to reduce taxes. We are going to have before us what may very well be the biggest tax cut bill in the history of the country.

Under those circumstances, Mr. President, it is completely premature for us to try to make a tax bill out of this budget bill. Accordingly, Mr. President, I make the point of order that this amendment is not germane to the bill.

Mr. METZENBAUM. Mr. President, I believe the Senator's point of order is premature.

The PRESIDING OFFICER. The Chair would inform the Senator from Louisiana that a point of order is not in order at this time.

Mr. LONG. Mr. President, the reorganization law says that an amendment that is not germane will not be received.

Mr. METZENBAUM. But it also says it is not in order until time for debate on the amendment has expired.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

The point of order would be in order after the time for debate on the amendment has expired.

Mr. LONG. Mr. President, might I just discuss it? We have before us an amendment which, under the law, is an amendment that is not to be received. Therefore, I make the point of order that this amendment is out of order. It should not have been received and there is nothing to debate.

The PRESIDING OFFICER. The Chair is of the opinion that the point of order may or may not be correct. It looks as if it might be correct. But the language "shall not be received" is standard language used by the Senate in unanimous-consent agreements which impose germaneness on amendments. Under the precedents of the Senate, it has been held uniformly that, under those circumstances, a point of order against an amendment on the ground that it is not germane may not be made until the time of the amendment has expired.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield whatever time the Senator from Kansas desires.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. METZENBAUM. Mr. President, may I make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. METZENBAUM. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. Yes.

Mr. METZENBAUM Mr. President, a parliamentary inquiry. On whose time was the Senator from Louisiana speaking?

The PRESIDING OFFICER. The Senator from Louisiana was speaking on the time of the Senator from New Mexico.

Mr. METZENBAUM. Mr. President, I thank the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, no one can accuse the Senator from Ohio of not being persistent. In the Budget Committee markup of the reconciliation resolution he insisted that so-called tax expenditures could be eliminated as an appropriate alternative to some of the spending cuts we are considering. Today, although his suggestion was rejected in the Budget Committee by a vote of 12 to 7, Senator METZENBAUM is urging the full Senate to accept the same notion. With all respect to the Senator, it is not a good notion, nor is it germane to this resolution.

TAX EXPENDITURES

Mr. President, we could spend the next several months here debating the question of what constitutes a tax expenditure and the question of whether tax expenditures are the functional equivalent of spending programs. I believe they are not at all the same, but that really is not the issue. The issue is whether we have the will to bring both spending and taxes under control. Whenever a particular tax credit, deduction, or other special provision is eliminated, the result is an increase in the total tax burden. And as we all know, increasing the tax burden—or allowing it to increase automatically due to inflation—is a very popular way of avoiding the problem of Federal spending that is out of control. Some of us believe that the American people have sent a clear message: Reduce spending and reduce taxes, and interfere less in our daily affairs. Tax increases do not fit into that picture at all, and they are not appropriate to our economic circumstances.

There are, of course, many problems in the area of tax policy that need to be addressed. But those matters must be distinguished from the problems of budget policy and the growth of Federal spending which we are addressing today. Unless spending is firmly controlled, and each spending program reexamined to determine whether it continues to meet a vital need in an efficient manner, whatever changes we make in tax policy will be insufficient to deal with the deep-rooted problems of our economy.

TAX POLICY PROCESS

There is no question that at an appropriate time we should all review special incentives in the Internal Revenue Code to assess their relative merits. But that exercise should be undertaken, not for purposes of budgeting, but in order to weigh the policy behind each tax incentive against other forms of tax reduction. If we proceed to act hastily on a few tax provisions, we will shortcut the normal procedures of the taxwriting committees in determining an appropriate level of revenues and how to arrive at that level. We should not prejudge the matter by trying to trade off so-called tax expenditures in order to allow a higher level of spending. When we do look at areas of alleged tax abuse in the Finance Committee, I hope that we can consider changes—and I may agree with the Senator from Ohio on some of the changes that should be made—that will allow for further tax reductions, not for higher spending levels.

TWO SIDES OF THE LEDGER

Mr. President, it is simply unwise to confuse the two sides of the ledger: spending and revenues. I say that because an important principle is involved here. To equate so-called tax expenditures with spending programs implies that the revenues generated by the hard work of the American people inherently belong to the Government. If you accept that idea then you can feel comfortable with the notion that foregoing revenues in a particular area for a particular purpose constitutes an expenditure of those revenues. I am not at all comfortable with that idea. It contradicts the tradition of free enterprise and individual effort that has generated the wealth we do have to share. It also typifies the way this Congress has, too often in the past, underestimated the creativity and imagination of the American

people. These, too, are good reasons for rejecting the amendment proposed by the Senator from Ohio.

Mr. President, I do not think there is any reason to debate this amendment further. It was rejected in the Budget Committee, and it is not a good notion for the reasons pointed out by the Senator from Louisiana, nor is it germane to this resolution. I think the point of order will lie.

We could spend the next several months here debating tax policy and what is or is not a tax expenditure. We will have at least one tax bill this year and, according to some, maybe two. I doubt that. But there will be all kinds of opportunities for tax expenditure debate.

There are a number of areas. Some may want to tax social security benefits or unemployment compensation. They are excluded from taxation. There are a number of areas the Senator from Ohio is interested in. Maybe those are some. But I think that most Senators would like to get on with the germane amendments, so I will not take any more time.

Mr. DOMENICI. Mr. President, I yield myself 1 minute.

Mr. President, this amendment is not germane. The Senator from Ohio knows it is not germane. He offered it even though he knows it is not germane.

We will be here an hour because the Senator from Ohio wants to talk about tax expenditures that are not germane to the issue. The issue was brought before the Budget Committee. The Senator knows that. The Budget Committee decided there would be no discussion of taxes in this resolution. And we have been eminently careful. There are no discussions of taxes.

The Senator knows that in the first budget resolution we cannot escape discussing taxes. He can talk about his butterfly straddle and whatever else he wants to talk about.

All we can do is offer a cumulative figure to the Senate of the United States for tax receipts for the years 1982, 1983, and 1984. We cannot talk about items.

He can debate those as part of assumptions. But he full well knows that this is a resolution cutting outlays and budget authority direct, indirect, and entitlement, and contains nothing whatsoever about taxes.

Therefore, this Senator or some Senator will raise the point of order as soon as the Senator has used up his time so we can get on with the matters that are before the Senate.

I know the Senator will say that all matters are before the Senate; that you are hurting the poor and he would help the poor and if we would allow his kind amendment here we would be on the backs of the rich instead of the backs of the poor.

He knows full well that is part of the rhetoric that is part of whatever he is working up to over the next 7 or 8 months. Perhaps he is running. I do not know what it is. But it does not have anything to do with cutting outlays, direct expenditures, entitlements, and authorizations that yield to them.

Having said that, I do not intend to debate the substance of this amendment. It belongs in the Finance Committee. It does not belong in our committee. We have a superb working relationship with that committee and we are not going to get involved with dictating to them. We cannot tell them what to do anyway. All we can do is set a lump-sum tax figure. Having said that, I hope our side will not use a lot of time so that we will not waste more time of the Senate by answering what is obviously not germane. It is relevant to the overall economics but has nothing whatsoever to do with what is before the Senate.

I yield back the remainder of my time.

Mr. METZENBAUM. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. MOYNIHAN. I thank my distinguished friend for giving me the opportunity to speak at this point.

The legislation about which the distinguished chairman was speaking is S. 626, Mr. President, a bill I introduced on the 5th of March, entitled the Commodity Straddles Tax Act of 1981.

The distinguished Senator from Ohio and I have talked about this matter more than once because, we know the Senator from New Mexico has a point about the exact pertinence to this measure of our present proposal, although he makes the point that it would not be an ordinary tax. When we came to consider the very large reduction in programs under this resolution Senator METZENBAUM and I offered the proposal to the Budget Committee that we include in our instructions to the Finance Committee the elimination of certain tax expenditures. This would make it possible to minimize the reductions in social and economic programs that we felt we needed and could afford if we were simply to get back some of the taxes owed the U.S. Government and not paid owing to the idiosyncracies and peculiarities of the Internal Revenue Code and the ever-increasing sophistication of some persons in some circles in finding ways to avoid paying taxes.

I would like to say on the floor of this Chamber that we are going to deal with this issue of tax straddles now or it is going to be an outrage in 5 years' time.

The commodities tax straddle is a very simple device for putting off paying taxes for an extended period of time or reducing income from the regular income tax rates to capital gains tax rates.

It has been carried out by people who are not in the commodities market for any economic purpose of any kind. They are there very solely for the purpose of avoiding taxes or minimizing taxes, and they are doing this with the help of elaborate arrangements that professionals in this field have developed.

It began, the best one can tell, about 15 years ago. It is spreading. It now takes a fairly expensive lawyer to work something like this out for you, but we are not far from the day when H & R Block will do it on streetcorners around the country. They are a perfectly capable firm. It will become a perfectly simple device. It will begin to cost the Federal revenues enormously.

I do not know what is more to be deplored, the loss in legitimate revenues to the Government or the loss of the energy and talents of brokers who arrange these things.

This bill would pick up $1.3 billion in fiscal 1982 from persons who can well afford it if they can afford the legal counsel that arranges these tax straddles. It is because their incomes are so large that they have such an incentive to avoid normal taxes.

The tax straddle serves no economic purpose. It has no redeeming social value. It is simply a device which will spread and its emphasis will grow and the revenues will shrink. We will face it sooner or later.

It was the judgment of the Senator from Ohio, myself, and a few others on the Budget Committee, that we ought to face it right now when we can.

The simple fact is that we are going to have to do this. If we do not, we shall be forgoing $1,3 billion, and let nobody mistake where that $1.3 billion will end up. It will end up precisely with those who least need it. I am not suggesting anything illegal has taken place, but the presumption is that these taxes are owed and should be paid.

I thank the Senator from Ohio for giving me this time.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. METZENBAUM. How much time have I remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 4 minutes and 39 seconds.

Mr. METZENBAUM. Mr. President, the argument is made that this issue belongs in the Finance Committee.

Well, actually somebody might be able to make that argument. But on the Senate is where it belongs. It belongs on the floor of the Senate because we are talking about cutting back on vital programs needed for America. We have a right, and it is only just, do we address ourselves to tax loopholes at the very same moment that we address ourselves to taking milk out of the mouths of kids, for cutting back on senior citizen social security programs.

Technically, is it subject to a point of order? Is it germane? Does it belong to the Finance Committee?

Sure, all those arguments can be made. But when the facts are all sifted, let us look at it. The majority party is not prepared to bite the bullet as far as eliminating some of these tax loopholes. Do it mañana, do it next week, do it 2 weeks from now. Take milk out of the mouths of kids but do not take special tax gimmicks away from those who can protect themselves and who have powerful lobbies around here.

Mr. President, this issue is exactly where it should be, on the floor of the Senate. The issue is really going to be whether or not the members of the majority party are willing to consider this as a symbol of other tax expenditures, of tax loopholes, of tax abuses, of tax shelters, and prepared to eliminate some of them at the same time they eliminate some very needy programs for the poor and middle-class America.

Mr. President, I yield back the remainder of my time and move under section 904 to waive section 305(b)2 of

the Budget Act requiring germaneness of amendments. I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. METZENBAUM. Mr. President, I asked for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, the Senator moved to waive the Budget Act because the Budget Act requires that amendments be germane. This amendment is not germane to the bill.

Mr. President, if we are going to legislate on this type of amendment, this would mean that the Senate, instead of voting on a limitation of spending, would proceed now without the benefit of committee hearings, without the benefit of the advice of expert witnesses, and certainly without adequate debate to write a tax bill, perhaps a $50 billion tax cut as recommended by the administration, in the full Senate.

That should not be done, Mr. President. We shall have plenty of opportunity in the Senate to vote on every tax proposal, either to raise taxes as the Senator would like us to do, or reduce taxes as many of us would like to do.

I ask, Mr. President, is it in order to try to move that the motion be laid on the table?

The PRESIDING OFFICER (Mr. JEPSEN). The Chair advises the Senator from Louisiana that when the time has expired, and there is 1 hour equally divided, a motion to table is in order.

Mr. HOLLINGS. Mr. President, I yield just a few minutes to myself on this side. I want to be sure the distinguished chairman of our committee has the opportunity to raise a point of order that it is not germane.

It would not be sensible, it would be futile, if we just had an up or down vote on the waiving of the Budget Act without the point of order being made that the amendment is not germane.

Let me address myself to the matter of waiving the Budget Act. That never should occur—you can look at the historic record, section 305, on the enactment of the Budget Act itself—unless in the case of an emergency. We have to have certain procedures, we have to have a certain discipline. We cannot just come in and have a majority vote and, more or less, amend the Budget Act, waive the Budget Act, write a new Budget Act, in essence, just by a majority vote. That is not the intent of section 305. If that were the intent, we would have no Budget Act, we would have no discipline, we would have no procedures. It would just be willynilly, by a majority vote.

That is not senatorial. That is quite to the point of our rules and our procedure under section 305.

The distinguished Senator from Ohio had this opportunity within the Budget Committee, just as I had the opportunity to put in a tax cut measure. My tax cut measure was turned down and his tax expenditure measure was turned down.

Having been turned down, Mr. President, neither is germane and therefore not allowable to be presented at this time. There is a good reason for that germaneness provision. It lies in the fact that the reconciliation procedure is a restrictive measure. It is restrictive to the good judgment of the Committee on the Budget itself as to how they want to control and how they want to present at the time of a reconciliation measure. It is not just to put out a motion and y'all come and any and everybody be ready, at the particular time using a more or less rare proceeding that should not be used, or hopefully not in the next several years, to come in with any and every amendment, raise the subjects of tax cuts, tax expenditures, expenditure cuts in the entire measure.

If, in the judgment of the majority of that particular group, they want to restrict it—and they very, very definitely restricted me on a tax cut relative to that particular approach within the committee and they very definitely restricted the Senator from Ohio.

Mr. President, I think it should be pointed out that we are not cut off. We are going to be, within a week—we have hearings right now and, by this time next week, we shall be marking up what we call the first concurrent resolution. Within the first concurrent resolution, both my tax cut and the tax expenditure of the Senator from Ohio would be in order. It would be discussed and it would be debated at that time.

So, in essence, to try to go now with the unusual procedure of just waiving the Budget Act by a majority vote here on the floor in order to force a particular issue that no one on the House side is going to accept—we know that. Over there, Chairman ROSTENKOWSKI is not going to move at that time in reconciliation. He is moving very deliberately with his tax expenditure and tax cut package.

Similarly, over on this side, the Finance Committee is moving very deliberately. They are not going to move within the reconciliation package. The opportunity is not cut off. I certainly hope we shall not set the precedent that anyone who can corral momentarily a majority vote can just waive the Budget Act out of hand when we know we have those opportunities, breaking down the entire discipline and the entire procedure, just at a time when we have really developed a strong discipline here and a rather restricted, concentrated approach, just to spending cuts.

I was denied my right by the committee itself. So was the Senator from Ohio on his tax expenditure. I do not think we should just shove for that point and waive the Budget Act at this point.

Mr. SARBANES. Mr. President, will the Senator yield at that point?

Mr. HOLLINGS. I am delighted to yield.

Mr. SARBANES. If the committee had acted on the Senator's proposal favorably and included it on tax cuts or tax expenditures——

Mr. HOLLINGS. It would have been germane.

Mr. SARBANES (continuing). Or with instructions to other committees not encompassed within the reconciliation proposal, then amendments pertaining to that would have been germane on the floor, is that correct?

Mr. HOLLINGS. That is exactly correct.

Mr. SARBANES. The only way, as I understand it, that the full Senate can have an opportunity—it may not choose to do so, but the only way it can indicate its judgment as to whether an item of this sort, not included by the Committee on the Budget, should have been included by the Budget Committee in this package is to waive the Budget Act in order to make an amendment in order.

Is that correct?

Mr. HOLLINGS. That is not correct, as I see it. I understand the reasoning of the distinguished Senator from Maryland. The fact of the matter is that every authorizing committee brings out certain bills. We would approach, on a germaneness proposition, that the Senate itself is restricted, with good reason, by this particular committee. It has restricted other committees in germaneness questions on other bills.

Just to come up and say the only way the Senate can act is by a majority vote to disregard the germaneness thing when, in essence, the germaneness provision was put in here by the Senate in a more deliberate fashion, I think, violates the procedure and violates the rules.

So I am not coming in from the approach that is employed now and the rationale of the distinguished Senator from Maryland that that is the only way, like people are being denied. The only way—the Senate, ahead of time, passed the Budget Act 5 years ago, and the 5 years of precedence that we have is that we should have and we should adhere to that germaneness rule and not waive this Budget Act. We have not. Just because we say we did not have the opportunity—they do not want us to have the opportunity.

Mr. SARBANES. If the Senator will yield, the waiver provision is part of the Budget Act.

Mr. HOLLINGS. Oh, yes.

Mr. SARBANES. Therefore, it is part of the Budget Act, as I understand it. I appreciate the arguments the Senator is making and Members may choose to give great weight to the judgment of the Budget Committee and, in effect, defer to it. But the waiver provision is there to be invoked if sufficient Members of the Senate wish to do so.

The fact of the matter is that if the Budget Committee had made a different judgment, the matter would be germane. The only way the Senate can indicate if it disagrees with the judgment of the Budget Committee on the exclusion of a particular item from the package brought to us is to invoke the waiver provision which is contained in the budget legislation.

I understand the Senator's argument and he is, in effect, saying, Look, the Budget Committee made a judgment; we think the Senate committee ought to stick with the judgment of the Budget Committee. The only point I am trying

to make is that the Senator from Ohio is invoking a procedure contained in the Budget Act, obviously put there for this purpose, among others, and that using that procedure is the only way, in this context, that the Senate can indicate its disagreement with the judgment of the Budge Committee in failing to include in the package this proposition, or some other proposition, which is not contained here.

Mr. HOLLINGS. No; Mr. President, I differ with the distinguished Senator from Maryland. The provision of section 305 was not included in the Budget Act just momentarily and spuriously, willy-nilly, by a majority vote differing with the committee, to question the fundamental of germaneness.

The truth of the matter is that over a 5-year period—the Senate adopted this—it was a rarity. It was not to be used in a casual fashion in differing with the Budget Committee. It is a difference with the Senate itself. The Senate put that provision in there only for emergencies, and there is no emergency.

Tax expenditure definitely is a part and parcel to be considered. They are going to be considered by the Finance Committee, and they are going to be considered under the first concurrent resolution, which we start marking up, and we will be debating it, no doubt, next week, and it could go over until the following week.

I differ strongly with the rationale explained by the Senator from Maryland to section 305.

On the contrary, it was put in there for the emergency provisions, if the Senate found itself in a particularly emergency condition whereby we had not foreseen something.

We did not want and the Senate did not want, in the enactment of the Budget Committee, anyone to be able to come in every time and say, "I happen to differ with the majority vote in that particular committee, and therefore let's just waive the Budget Act."

As to germaneness rulings, one can appeal the ruling of the Chair but in this instance, they put in the definite provision with no appeal.

What the Senator is doing now is going through the emergency provision of section 305 of the Budget Act.

Mr. MOYNIHAN. Mr. President, will the Senator yield 2 minutes?

Mr. DOMENICI. The Senator from Ohio and I have agreed that we will each take 2 minutes.

Mr. METZENBAUM. I yield to the Senator from New York.

Mr. MOYNIHAN. I simply want to say, with the greatest respect, that I hold with the Senator from Maryland in this matter.

I am a member of the Budget Committee. The motion to increase the resources available to us in the budget through tax expenditures was rejected by 7 yeas and 14 nays. But it was an issue on which the Democratic Party should feel strongly.

If this is not an emergency, these labors on the floor the last 4 days, with respect to the condition of our party, I do not know what an emergency is.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the Metzenbaum motion.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. LONG. I ask this: Is it not true that if we are going to waive the germaneness rule and let somebody bring in an amendment whereby we are instructed to cut tax expenditures by whatever number he might suggest, make a speech to suggest all the tax expenditures he would like to cut, and to some degree at least commit the Senate and the committees to do what he thinks they should do, would that not be a precedent to suggest that every other Senator would have the right to stand here and suggest that we now waive the Budget Act?

Mr. DOMENICI. Absolutely.

Mr. LONG. I could suggest that I would like employees to own stock in the companies for which they work. Somebody else might like to do something about capital gains, and he would move to put the Senate on record for his proposal to cut the capital gains tax and then to cut the tax rates.

In effect, would that not mean that everything we have in mind to do in the way of revenues would be the center of debate before the tax bill gets here from the House? We would be charging uphill and downhill, taking perhaps all the time the law will permit, to debate things which, under the Constitution, cannot be acted upon until the House sends us a revenue bill.

Mr. DOMENICI. The Senator is correct.

I yield myself 2 minutes.

Mr. President, I hope the Senate understands that this is an extremely serious vote.

The Budget Committee has two characteristics that are tremendously important to the Senate, because by adoption of the Budget Act, we have changed our rules in two significant ways.

The matter before the Senate in this instance, a concurrent resolution, is not subject to the normal amendments and the amending process, because, by operation of the Budget Act, the subject matter of an amendment must be germane. That is a dramatic change we have put in the Budget Act, for a reason.

The second matter—listen to this, in terms of the significance of this motion—is that this reconciliation instruction cannot be filibustered. A tremendous senatorial right is given up. Fifty hours is all you can debate here. Do Senators understand the significance?

The reason it must be germane is that we do not want extraneous matter brought in, and the filibuster rule is waived when that is the rule in the Senate.

You cannot bring in the tax measures which the Senator from Louisiana discussed. You could come in with an amendment that said the Energy Committee of the U.S. Senate would not have jurisdiction any longer on energy matters. Do you imagine we would ever vote on that in a normal manner here?

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. DOMENICI. I will yield in a moment.

It would be subject to all kinds of things. Fifty hours is all there would be to debate it, and it could not be filibustered if this waiver were used for that kind of extraneous matter.

In answer to the question of the Senator from Maryland——

Mr. SARBANES. I have not asked the question.

Mr. DOMENICI. This is in answer to the question the Senator from Maryland asked of the Senator from South Carolina.

There is no question that an opportunity is presented, in the normal course of a budget resolution, for Senators to address revenue levels. For example, Senator LONG cannot come down here and object to that.

In the first concurrent resolution and the second concurrent resolution every year, we are ordered to bring a revenue level measure before the Senate. That is the time when it is germane, and that happens this year. You do not have to wait around for the tax bill, if you want to come down here and discuss assumptions on revenues of tax receipts. You cannot change the tax laws. I hope nobody thinks that can be done.

One can say that the Budget Committee's level of expectation for 1982 is wrong because they did not include any tax expenditures, and you can move to change it. You can move as many times as there are hours in 50 hours. You can change it by 1 penny and offer it again. Even the tabling does not preclude you from offering it again, with just a slight modification, over and over.

So no one will be denied a day in court on how the cumulative total of revenue expectations for the country is arrived at.

The only point I want to make is that we have never used this waiver for this kind of matter. It is an extraordinary activity, and it should not be taken lightly tonight, so that we can enter into a debate about a tax expenditure matter called a straddle, or whatever it is, when all we have here is cuts in the level of expenditures of the U.S. Government. It has nothing whatsoever to do with a tax.

Mr. SARBANES. Mr. President, will the Senator yield on the procedure of the Budget Committee?

Mr. DOMENICI. I yield.

Mr. SARBANES. As I understand it, the Senator has made an argument against the tax expenditure on the linkage to the limitation on hours. But if the committee had adopted the proposed amendment on tax expenditures in the course of its considerations—the committee turned it down—but had it adopted it, it would have been part of the committee's package, and it would have come to the floor; and the limitation on debate with respect to the Budget Committee's proposition on tax expenditures would then have operated according to the limits. Is that correct?

Mr. DOMENICI. If the reconciliation instruction before the Senate included tax items, an amendment changing the

level in taxation or the assumed taxation would be in order, if that is the question.

Mr. SARBANES. That is right, and therefore bound under the limited debate.

Mr. DOMENICI. That is correct.

Mr. SARBANES. So, if the Budget Committee adopts this tax expenditure measure, then it moves onto the floor within the confines of the limited debate provided for under the Budget Act.

I thank the chairman. I think it is an important procedural matter to get straightened out.

SEVERAL SENATORS. Vote!

Mr. METZENBAUM. Mr. President, we are dealing with this matter: Had the Budget Committee adopted one of these amendments, as was well pointed out by the distinguished Senator from Maryland, there would not be any question about this amendment.

As a matter of fact, the distinguished ranking minority member of the Finance Committee will argue that somehow the Finance Committee is the only one that may deal with revenue matters but that the Budget Committee has the right to give directions to every other authorizing committee, which it is doing in this budget resolution.

I believe that the Budget Committee is going to act in connection with cutting expenditures. It also will be acting with respect to bringing more dollars in or cutting back on tax expenditures. Because I do feel that way and because I feel that no particular useful purpose will be served, with the consent and approval of the manager of the bill, and if there is not approval I will not offer it, I ask unanimous consent that if and when all time is yielded back, I am prepared to do so provided that we immediately thereafter go to an up-and-down vote on the amendment.

Mr. DOMENICI. I did not understand. The Senator wants a vote now? I will yield back my time and he his.

Mr. LONG. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. If I understand what the Senator said we vote on the amendment. I ask the question. Does not the vote come on the Senator's motion to waive the Budget Act?

Mr. DOMENICI. Absolutely.

Mr. METZENBAUM. The Senator from Louisiana is correct. I had no intention of changing that. I perhaps used inappropriate language.

What I am saying is, if all time is yielded back unanimously, we unanimously then proceed to an up-and-down vote on my motion.

Mr. BAKER. Mr. President, reserving the right to object, on the motion is what the Senator is speaking of.

Mr. METZENBAUM. The Senator from Tennessee is correct.

I now yield the floor to the Senator from New Mexico in order that he may state the request if he cares to do so along the lines the Senator from Ohio just stated.

On that basis I am willing to yield my time back.

Mr. DOMENICI. Mr. President, I yield my time back.

Mr. METZENBAUM. Mr. President, I yield my time on that basis so there will be an up-and-down vote.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio, under the provisions of section 904(B) of the Budget Act, to waive the provisions of section 305(b)(2) of the Budget Act relating to germaneness of amendments.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER (Mr. SCHMITT). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 15, nays 82, as follows:

[Rollcall Vote No. 64 Leg.]

YEAS—15

Boren	Kennedy	Pell
Bradley	Levin	Proxmire
DeConcini	Metzenbaum	Riegle
Eagleton	Mitchell	Sarbanes
Hart	Moynihan	Tsongas

NAYS—82

Abdnor	Exon	Mattingly
Andrews	Ford	McClure
Armstrong	Garn	Melcher
Baker	Glenn	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Nunn
Biden	Hatch	Packwood
Boschwitz	Hatfield	Percy
Bumpers	Hawkins	Pressler
Burdick	Hayakawa	Pryor
Byrd, Harry F., Jr.	Heflin	Quayle
	Heinz	Randolph
Byrd, Robert C.	Helms	Roth
Cannon	Hollings	Rudman
Chafee	Huddleston	Sasser
Chiles	Humphrey	Schmitt
Cochran	Inouye	Simpson
Cohen	Jackson	Specter
Cranston	Jepsen	Stafford
D'Amato	Johnston	Stennis
Danforth	Kassebaum	Stevens
Denton	Kasten	Symms
Dixon	Laxalt	Thurmond
Dodd	Leahy	Wallop
Dole	Long	Warner
Domenici	Lugar	Weicker
Durenberger	Mathias	Zorinsky
East	Matsunaga	

NOT VOTING—3

Goldwater	Tower	Williams

So Mr. METZENBAUM's motion under the provisions of section 904(B) of the Budget Act to waive the provisions of section 305(b)(2) was rejected.

The PRESIDING OFFICER. The question is on the amendment.

Mr. DOMENICI. Mr. President, a parliamentary inquiry. What is the matter before the Senate?

The PRESIDING OFFICER. The Metzenbaum amendment is before the Senate.

Mr. DOMENICI. Mr. President, a parliamentary inquiry. Is it not the subject of a point of order? I make the point of order that the amendment is not germane.

The PRESIDING OFFICER. The amendment is subject to a point of order. It introduces a new subject matter, and, therefore, the point of order is well taken.

Mr. HOLLINGS. Mr. President, could we move to the amendments of the Senator from Wisconsin?

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized.

UP AMENDMENT NO. 43

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 43:

On page 2, line 24, strike "$13,300,000,000" and insert in lieu thereof "$15,673,000,000".

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield.

Mr. STEVENS. Mr. President, it is my understanding that this is the first of three amendments to be offered by Senator PROXMIRE. Is that correct?

Mr. PROXMIRE. That is correct.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. STEVENS. Mr. President, we have had a request to seek approval to have the votes on the Proxmire amendment occur back to back at the end of the third amendment. I do not know how long that would be.

I know the distinguished Senator from West Virginia has a little bit of problem about that, but I thought if we discussed it on the floor perhaps some of those who had reservations might listen to their squawkboxes and understand what we are trying to do.

Will the Senator from Wisconsin give us some indication of how long he will take on all three of them?

ORDER OF PROCEDURE

Mr. PROXMIRE. Mr. President, the first amendment, I understand, has a time limitation on it that the majority leader made today of one-half hour, equally divided, 15 minutes to a side. The second amendment has 20 minutes, equally divided, 10 minutes to a side. The third amendment has no time limitation, except the usual limitation of an hour that we have on each amendment.

Mr. STEVENS. Would the Senator from Wisconsin have any problem if we stacked them all, so that the three votes take place after the time of the third amendment?

Mr. PROXMIRE. No, I have no objection.

Mr. STEVENS. May I ask my good friend if that is possible. I do not want to make a motion unless it is cleared on his side.

Mr. ROBERT C. BYRD. Mr. President, the minority is attempting to check this out at this point. There is one other Senator that we have to contact who had earlier today interposed an objection. Just now, we are working on the proposi-

tion that we stack the votes beginning at 15 minutes of 9.

Mr. STEVENS. That is agreeable. We sought to try to stack them for the end of the time of the Senator from Wisconsin's last amendment, which could run, as I understand it, past that time. He has an hour and 50 minutes total on his amendments.

Mr. ROBERT C. BYRD. This would not preclude further time being taken on amendments on which the yeas and nays had not been ordered and on which the time had not already run. What I am saying is that on those amendments on which the time had run and on which the yeas and nays had been ordered, the first rollcall vote would not begin prior to quarter of 9 p.m. tonight.

Mr. STEVENS. At the present time, the next rollcall will take place at approximately quarter of 8, unless we get such an agreement.

I will not make the motion until the distinguished Senator from West Virginia tells us that it is not objected to on his side. But we do hope we can arrange that. Then everyone could have time to get dinner, if they are not involved in the debate on the floor.

Mr. ROBERT C. BYRD. I thank my friend.

Mr. DOMENICI. Mr. President, will the distinguished majority whip yield for a further question?

Mr. STEVENS. Yes.

Mr. DOMENICI. What is the next amendment following the three of Senator PROXMIRE?

Mr. HOLLINGS. Senator DECONCINI'S amendment.

Mr. DOMENICI. Does that not have a time agreement on it?

Mr. HOLLINGS. The time agreement perpetuated by the majority leader was 30 minutes, 15 minutes to a side.

Mr. STEVENS. Mr. President, if the Senator will yield, I now ask unanimous consent that the votes on all three of the Proxmire amendments take place one right after another at the conclusion of the debate on the third Proxmire amendment.

Mr. LONG. Mr. President, reserving the right to object, I would like to have a time certain, like 8:45.

The PRESIDING OFFICER. Does the Senator from Louisiana reserve the right to object?

Mr. LONG. Mr. President, I reserve a right to object. I would rather have a time certain.

Mr. PROXMIRE. Mr. President, I have no objection to that. That is up to the leader. The leader may have a problem with that.

Mr. STEVENS. Mr. President, I ask unanimous consent that the vote on the first two Proxmire amendments, and the third one, if it is finished, commence at 8:45.

Mr. ROBERT C. BYRD. On the first two, if debate has finished on both of those.

Mr. STEVENS. That is right. And the third one, also, if it is finished at that time will be right after that. We could take up another amendment in between. This is an assurance that there will be no further votes until 8:45.

Mr. ROBERT C. BYRD. That is correct.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, this amendment would cut an additional $2.4 billion in budget authority by requiring the Appropriations Committee to rescind as much budget authority as President Reagan proposed for rescission in fiscal year 1981. This is a total of $15.673 billion.

In so doing, it would add $2.373 billion to the total budget authority the Appropriations Committee has been instructed to rescind in the current fiscal year by the current resolution.

To repeat, Mr. President, President Reagan has called for about $15.7 billion in rescissions or cuts in the budget obligational authority for fiscal year 1981. The Budget Committee in the resolution before us does not cut as deeply. It gives the President only about 85 percent of what he asks in rescissions. Yes, indeed, the committee cuts spending more deeply in 1982 and 1983—but that is in the future, where cuts have a way of vanishing in the mist as we approach the happy oasis. The President asks for the cuts now. We should give those cuts now. That is what my amendment does.

If I had my way, we would cut deeper than President Reagan and reduce the deficit even more. But the committee has cut less. The amendment now before the Senate cuts obligational authority by the full amount requested by the administration. It does not rubberstamp the President, because it says nothing about cutting or increasing particular areas. It differs sharply from the prior amendment offered by the distinguished Senator from Arkansas, which the Senate, in fact, voted on last week, because that amendment called for cuts in procurement. Some Senators interpreted that amendment as threatening to defense, because so much of our procurement is in defense. This amendment does not mention procurement. The amendment would simply instruct the appropriations committee to make an additional $2.4 billion in reductions or rescissions in spending, and would put the Senate on record as matching the Reagan requests. Anyone who would argue that this amendment is antidefense would have to argue that President Reagan is antidefense. But as a member of the Appropriations Committee for the last 20 years, I am convinced that given the will and the instructions from this body, the committee can and will find reductions in spending as deep as the President has requested.

Mr. President, all of us have had mail from our constituents supporting and opposing the reductions proposed by the President. My mail and, according to most reports, the mail of most Senators, runs overwhelmingly in support of those reductions in spending. The country on this issue has rallied overwhelmingly behind the President. The people of this country want this budget cut. They do not want us to go 95 percent of the way with the President or 90 percent, and certainly not 85 percent, as this resolution would have us do.

They want us to go 100 percent of the way. That does not mean the people of this country agree 100 percent with every cut the President recommends. They do not. And I think few of us do. It does mean the American people want us to move at least as far as the President has in holding down spending, and that is precisely what this amendment would do.

Mr. President, some Senators say we should not cut so deeply. They contend we should simply adopt a more responsible fiscal course by cutting taxes less than the President proposed. What is wrong with that? Plenty. First, the only way we can get this economy to move ahead with tough cutbacks in spending is to cut taxes and provide the incentive for business to expand, for our people to save and invest, and for the private sector to take up the slack.

Furthermore, we find even more support for tax reductions than for spending reductions. And, let us not kid ourselves, with the President of the United States asking for us to cut taxes, this body and the House will not hesitate to make the cuts. That means that this country will continue to run deficits which drive up interest rates and in the process paralyze homebuilding and the vital auto industry, unless we make these painful budget cuts.

This amendment would require us to bite the bullet now—as the administration requests—not 2 or 3 years down the pike but this year. When the moment of truth comes we have found how easy it is to promise a balanced budget 4 years from now and how very hard it is to obtain that. What this amendment does is to cut the mustard right now. Make that painful decision this year, we tell the Appropriations Committee. The amendment would demand that the committee cut as deeply as the President has requested with no "ifs, ands or buts." Oh sure, the Budget Committee tells us that in 1982 or 1983 we will do better. I propose we do better right now. So this is a bite-the-bullet-now amendment. All aboard who really believe in cutting now and not putting it off.

This amendment simply takes the President and his administration at their word, that they need a reduction of this size in the budget to provide the basis for an anti-inflation, anti-high-interest-rate policy that will work. Frankly I am convinced that if I submitted this amendment to a cross-section of the American people today it would win overwhelming approval, not just from Republicans or businessmen but from Democrats, from workers, from labor union members, and, yes, from Government workers.

Sure you would get a world of disagreement on what programs to cut, but on going along with the President and cutting as deeply as he has requested you would get solid support in every State of the Union. Every Senator knows this. Anyone with ears to hear our constituents knows they want Federal spend-

ing reduced. And that is our job—not the President's, not the Cabinet's, not Dave Stockman's, but ours.

If we choose not to make cuts as deep as he has requested we will not make them. We will have a deeper deficit. We will have the Government borrowing more money and driving interest rates up even higher. We will have no faith in the anti-inflation program. This amendment poses the basic issue. Do we truly believe we should hold down the rate of increase in Government spending or do we not?

Now I know, Senator DOMENICI and Senator HOLLINGS, and the entire Budget Committee, have worked hard on this resolution. They have discussed with each of the subcommittee chairmen of the Appropriations Committee and with its distinguished chairman (Mr. HATFIELD) how far the resolution could realistically go. They bring us their best judgment, and that judgment is that for 1981 they can go only 85 percent of the way with the President. President Reagan calls for $15.67 billion in rescissions. They give him only $13.3 billion. In other words they go 85 percent of the way with the President. They fall 15 percent short.

This amendment would make up for that 15-percent shortfall and put the resolution four square with the President's recommendation. It would provide 100 percent of the rescissions that President Reagan has requested. The committee could give him the same rescissions he has asked, or, as I have said, they could cut some spending more than the President has asked and some less, but, in total, they would have to go 100 percent of the way with the President's overall reductions.

The crux of our problem boils down to whether we can, in fact, realistically cut as low as President Reagan has asked. I say, of course we can. We are not talking about a tight, limited budget. We are talking about a budget that has exploded from $76 billion when I first came to the Senate in 1957 and had climbed to $97 billion by 1961. And now the President proposes to put a cap on it next year at $695 billion. Now that is a 2½-fold skyrocketing of spending in real terms allowing fully for inflation. In 20 years do we wonder why we have double-digit inflation, and with an early trillion dollar national debt with an average maturity of less than a year so the Federal Government has to borrow it all over again each year, do we wonder why we have sky-high interest rates.

Does anyone seriously believe that we can bring interest rates down without truly painful cuts in Federal spending? The President does not propose to reduce Federal spending with his rescissions, he proposes to increase it a little more slowly. We will still suffer a fat deficit.

But unless we at least go as far as the President has proposed, we have only ourselves to blame for continued record deficits, continued painful inflation, continued killing high interest rates, and the unemployment and economic stagnation a sloppy, out-of-control Federal Government has brought us.

Mr. President, I reserve the remainder of my time and I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I hope the Senate does not adopt the Proxmire amendment. I do not think there is anyone who has been here on the floor listening to the debate in the last few days who has any doubt about where I stand and where the Budget Committee stands. We support the President. We have been on the floor fighting for that program and winning almost every single vote.

Mr. President, the distinguished chairman of the Appropriations Committee has had his subcommittees look at what is left for the rest of this year, and it is absolutely impossible that we ask them to do more than we have.

Although the Appropriations Committee mark for budget authority is $2.4 billion less than the President's total, their outlay mark for 1981 is only $83 million less than proposed by the President.

It is entirely possible, Mr. President, that the Appropriations Committee may need to rescind more than $13.3 billion in budget authority to get the $1.5 billion in outlays that they agree they can save and that this reconciliation instruction requires they return in a package of rescissions.

I think it is best to assume that the Appropriations Committee will meet their 1981 outlay target, which is close to the President's level, but leave them some slight flexibility on the budget authority side. I am sure they will exceed their budget authority instruction if it is at all possible to do so.

Mr. President, we have to remember that while many of the committees are charged with changing laws to save money in 1982, what we are asking the Appropriations Committee here to do is to do all of this in the last quarter of the year. It is not like we are just starting out. These are all 1981 rescissions. The chairmen and the subcommittees just do not have a year to do this. They have very little time to get the work done and to save this amount of money in one-quarter of a year. I repeat, if they reach what they are instructed to do by way of a rescission package, and if the Senate supports that when it comes to the floor, their total outlays for the year will have a disparity of only $83 million from that of the President's.

I think that is a tremendous record, Mr. President. We have not been able to work this way in the past. I just think we ought to accept what the distinguished chairman and his subcommittees say they can do. It is an excellent start on the President's package. I hope the Senate does not accept the Proxmire amendment tonight.

Mr. PROXMIRE. Will the Senator yield on a point he made before he yields the floor?

Mr. DOMENICI. Certainly, I am pleased to yield.

Mr. PROXMIRE. Mr. President, it is my understanding that when a President submits a rescission at this point, he instructs the various departments not to spend the money which is rescinded. In view of the fact that he has already submitted those rescissions and we have almost half the year left, it is practical for the Senate to support the President and to provide for the full rescissions the President has requested.

Mr. DOMENICI. The Senator is correct with reference to the technical effect of a rescission that the President submits. However, the distinguished chairman of the Committee on Appropriations has taken that into consideration, also, as he worked diligently with the subcommittee chairmen and members of the committee to give us the mark, which is extremely close to the Presidents. As I indicated, in outlays, there will only be an $83 million difference. That is going to be a challenge when we consider the amount of time they had. The Senator is technically correct.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield the remainder of my time in opposition to the amendment to the distinguished chairman of the Committee on Appropriations.

Mr. HATFIELD. Mr. President, I believe the distinguished ranking minority member of the Appropriations Committee, the Senator from Wisconsin (Mr. PROXMIRE), deserves credit today for focusing our attention on cost savings. I think the thrust of his amendment would be to increase the instruction to the Appropriations Committee from the $13.3 billion agreed upon by the Budget Committee to $15.7 billion, which is also the initial estimate of the President's proposal.

I shall not undertake a detailed analysis of his plan at this time. The figures are clear and there is no disagreement about what they mean. But a few general points are in order.

Mr. President, I think there are a number of dangers. The first is that we have a danger here of trying to focus the entire attention on savings that we must make, but in fiscal year 1981 and, more than that, in the last quarter, as the chairman of the Committee on the Budget has already indicated, making all these savings in the last quarter of fiscal 1981.

I think the President and the Budget Director, Mr. David Stockman, have both acknowledged that fiscal year 1981 is not the key to our economic recovery. After all, the savings, as I say, that we can achieve in 1981 have to be made in the last quarter.

Mr. President, I have asked, as the chairman of the Committee on Appropriations, each of the 13 subcommittees to make an estimate of what they felt would be realistic reductions that could be made in fiscal year 1981 after we got the information from the White House on the President's fiscal rescission program. I think it is very interesting to note that the subcommittee chairmen, who gave very careful consideration to this on a bipartisan basis, with the ranking minority member of each subcommittee fully participating, came up with a target figure of $11.8 billion. I might say that the Senator presiding now (Mr. SCHMITT), chairman of our Subcommittee on Labor-HHS, made an estimate

that his subcommittee could reduce by over $2 billion alone in budget authority, which I think is a very significant reduction for one subcommittee.

I am also aware that the Senator from Wisconsin, our colleague (Mr. PROXMIRE), disagrees with the report from the Labor-HHS Subcommittee, and so informed me by letter. I want to respond by saying that I shall continue to press the entire committee for as great reductions as we can make in fiscal year 1981. I know that each chairman and each ranking minority member on each subcommittee of the Appropriations Committee will do likewise.

I agree with the distinguished Senator from New Mexico (Mr. DOMENICI), chairman of the Committee on the Budget, that we should set our mark at a realistic figure of $13.3 billion. Let me also say that of the total net savings in 1981 recommended by the Budget Committee—that total is $14.7 billion—the Appropriations Committee share is $13.3 billion. Over 80 percent of the savings to be made in fiscal year 1981 has been instructed to be made through the actions of the Appropriations Committee. But by the same token, the Appropriations Committee has been given a very clear signal that none of those cuts can be considered as coming from the military budget. So, in a sense, what we are doing is reducing our base to a very, very narrow consideration of where we can make these cuts.

Mr. President, this is going to be a monumental task, a very difficult task. But let us put it against the record of the rescissions of the past.

Mr. President, ever since the passage of the Budget and Impoundment Control Act of 1974, we have had 6 fiscal years of experience with rescinding budget authority. Over that span, Congress has rescinded 48 percent of the amount proposed by the President.

I do not seek to condemn either the President or the Congress by noting that this is not a particularly high level of success. This approval rate reflects the simple fact that Congress is reluctant to overturn budget priorities that it approved in the regular appropriations and authorizations process only months ago.

Let me emphasize an important distinction here: Rescissions are not prospective savings which are are planning for 1982 and 1983. Instead, they constitute the reversal of appropriations choices Congress deliberated and established for 1981 and their impact will be felt immediately. This does not mean they are impossible to achieve but it does explain why Congress is reluctant to disrupt budget planning so late in the year.

As a consequence, out of the $11.9 billion proposed for rescission over the last 6 years, only $5.8 billion has been accepted here in Congress. In fact, that savings rate is somewhat overstated by the rescission of $2 billion for the strategic petroleum reserve last year.

I add that historic note for two reasons. First, the $13.3 billion instruction for the Appropriations Committee is higher than all rescissions requested in the past 6 years. In a single quarter, we are being instructed to rescind $13.3 billion. This is more than $1 billion more than Congress has accomplished over the life of the Impoundment Control Act.

Second, even though Congress has a history of approving less than 50 percent of all Presidential rescission requests, we are being instructed to report rescissions amounting to 85 percent of the President's fiscal year 1981 request. The pending amendment of the Senator from Wisconsin would amount, in effect, to a mandate to the Appropriations Committee to rescind 100 percent; in other words, make full compliance in that one act in the last quarter—a goal which careful review by subcommittees indicates is not possible. As I said earlier, even the $13.3 billion figure is a challenging task, but one which I believe the Appropriations Committee can handle. To accomplish our instruction, we will have to do better than the rescissions rates in past Congresses that are as follows:

[In percent]

1975	12
1976	4
1977	70
1978	9
1979	80

Despite these past approval rates, Mr. President, I believe we should be able to reach the $13.3 billion instruction. This is not a business-as-usual Congress and I know the Appropriations Committee will not adopt a business-as-usual attitude on rescissions.

Therefore, I recognize that we are in very difficult and very unusual times, but I do feel that we have to be reasonable, that we have to recognize just what we have as constrictions on this action that has been instructed by the Budget Committee. We shall seek to achieve that goal without this amendment.

Where we have witnessed a 48-percent rescission approval rate by Congress in the past, I am confident we can, at appropriations, achieve the much higher rate mandated by the instruction of $13.3 billion.

But placing a higher instruction on the committee, Mr. President, ignores the magnitude of the task before the Appropriations Committee and ignores the estimates submitted by each subcommittee. For these reasons, Mr. President, I urge the Senate to reject the amendment submitted by the ranking minority member of the Appropriations Committee.

Mr. President, I ask unanimous consent to have printed in the RECORD the schedule of rescissions by the last six Congresses.

There being no objection, the schedule was ordered to be printed in the RECORD, as follows:

RESCISSIONS, FISCAL YEARS 1975–80

[Dollar amounts in thousands]

Year	Number	Amount proposed	House (action)	Senate (action)	Amount approved	Percent of dollars rescinded
1975	91 (4)	$3,328,500	$408,381	$464,538	$391,295	12
1976	50 (1)	3,608,363	74,931	138,331	138,331	4
1977	21 (1)	1,835,602	807,640	1,271,040	1,271,040	70
1978	8 (0)	644,055	55,255	55,255	55,255	9
1979	10 (0)	908,692	705,869	723,609	723,609	80
1980	59	1,618,000	1,751,197	3,869,305	3,184,000	197
Total	239	11,943,212			5,763,530	48

Note.—1979 figures are inflated by the single action of the additional rescission of $2 billion in strategic petroleum reserve.

Source: Tabulated from House Appropriations Committee data.

Mr. HATFIELD. Mr. President, I reserve the remaining part of the time that has been yielded or I yield it back to the Senator from New Mexico.

Mr. PROXMIRE. Mr. President, I recognize, I think all of us do, the fine job that the chairman of the Committee on Appropriations has done. He is a fine chairman. I have great respect for him. As we all know, it is an extraordinarily difficult job that he has assumed and I think he has done very well.

He has pointed out how his committee is being called on to make rescissions that are far deeper than have been made before. That is true. But let us recognize how entirely different the situation is now. The Budget Act was adopted in 1975.

It was followed by the election of President Carter, who did not have a program for holding down the rate of increase on Government spending. At least, that was not front and center.

Since we appropriated these funds in 1980, we have had a historic election, with the clearest kind of mandate for the elected President. That mandate was overwhelmingly to hold down Federal spending. That is what he talked about over and over. That was the theme of his inaugural. There is a new President, a new party, a new election. I believe that message certainly should have come through to all of us. Anybody who has talked to his constituents has heard plenty of it.

Now we have a new election, a new President.

I call this to the attention of the distinguished Senators from Oregon and New Mexico: Let us not forget that we also have a new Senate. The Senate that appropriated this money was a Democratic Senate. Now it is a Republican Senate, and I believe that Republican Senate got the message, also.

We have 16 new Republican Senators. Why were they elected? In many cases, it was to hold down spending. They were not elected to come in and just sit in

office and conduct the same kind of policies we had in the past. We have a new message, and that message should be translated into action, and that is what my amendment does.

I should like to see us cut 150 percent—in other words, more deeply than President Reagan has recommended. Congresses have done that in the past.

I hope the Senate will give very serious attention to this amendment.

I must say that I have great respect for the distinguished chairman of the Appropriations Committee, who I believe is doing an excellent job in every respect. We just disagree a little on this rescission, this $2.4 billion worth.

Mr. President, I reserve the remainder of my time. If the Senators from New Mexico and Oregon want to yield back the remainder of their time, I will do so, and we will go to the next amendment.

Mr. DOMENICI. Whatever time the chairman of the Appropriations Committee desires, I should like 1 minute at the end.

Mr. HATFIELD. Mr. President, what is the time situation?

The PRESIDING OFFICER. The time remaining to the Senator from Oregon is 2 minutes and 30 seconds.

Mr. HATFIELD. And the Senator from Wisconsin?

The PRESIDING OFFICER. The Senator from Wisconsin has 4 minutes and 20 seconds.

Mr. HATFIELD. I yield 1 minute to the Senator from New Mexico.

Mr. DOMENICI. I will take it from the resolution, and the Senator from Oregon can use what time he needs.

Mr. HATFIELD. Mr. President, I believe there is no question that the Senator from Wisconsin and I are on the same frequency. I would make only one correction to his statement.

He spoke of the Appropriations Committee as being my committee. It is really our committee, the Senator from Wisconsin being the ranking minority member. I consider it as our responsibility of leadership on that committee.

I say to the Senator that because we are on the same frequency, we are setting our goals precisely in the same direction. But I believe there comes a point where we have to delineate what we would be involved in, in relation to reductions in programs and actually existing programs.

I believe we are reaching a point beyond the bone marrow, where it is going to be an amputation rather than merely an operation.

This program includes the elimination of EDA, UDAG, solar bank, HUD rehabilitation loans, cancellation of DOD alcohol fuels, USDA alcohol fuels. Also, we would have EPA waste water treatment grants, $1.7 billion; HUD subsidized housing, $5.1 billion. We have $1.3 billion now in elementary and secondary education programs, $240 million in vocational education. I could go on. Perhaps some of these programs need to be removed or reduced or excised.

I just wanted to be clear that we are exempting the military of $150 billion plus in this action, as if there were no waste in the military, as if there were no reason to give the same scrutinizing effort for cost analysis that we are giving to these other programs. Therefore, we have narrowed our base to these basic programs that I do not believe we want to abolish absolutely and amputate from the Government, but we want to reduce. I would say we have reached beyond the point of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield myself 1 minute on the resolution.

Mr. President, I repeat that we will not get the fiscal matters of our Government under control unless the Appropriations Committee, the Budget Committee, and the Finance Committee are working together. Obviously, we need to work together.

However, Senator HATFIELD's committee, with discretionary appropriation authority, and the Finance Committee, with principal jurisdiction over entitlements, must work together with the Budget Committee in order to get the job done that the people of this country earnestly wait for and desire on the part of the Senate.

It has been my privilege to take over the job of chairmanship of this committee and to begin anew with the chairmen of those very important committees, where we consult, where we talk, where we understand, where there are no surprises, where the staff attempts to exchange information, so that we all know what the other has in mind.

I have absolute confidence that the chairman of the Appropriations Committee is going to do the maximum that can be done in the short time that remains.

I hope the Senate will go along with us tonight. There is plenty of budget authority to cut. The chairman enumerated some of them. It is going to be an extremely difficult job to do that. In 1982 it will be tougher, but at least there is some transition time. There is some time to think together. There is some time to put together new laws that will provide transitions, not only what we have been doing and what we hope to do in 1982 and other years. There are no new authorizing bills that are going to come down to Senator HATFIELD and make his job easy. It is all going to be Appropriations Committee work.

I hope that tonight the Senate, once again, will go along with what has been a well-thought-out, well-considered exchange of ideas between the Committee on Appropriations and the Budget Committee, and defeat the amendment of the distinguished Senator from Wisconsin. This Senator appreciates the great support the Senator from Wisconsin has given on the floor for the budget process and the reconciliation mandates that will soon be thrust upon the committee. At this point, I hope he understands that we just cannot expect the chairmen and subcommittee chairmen to do more than the amount the Budget Committee found. I thank him for his support during the last 3 or 4 days.

Mr. PROXMIRE. I thank the chairman of the Budget Committee, and I congratulate him on the fine job he has done.

Mr. President, in the first place, this amendment would stand by the President. It would make the President's request not 85 percent, not 90 percent, but 100 percent.

It seems to me that under the circumstances, with a new President, the mandate he has, the mandate we have, we should do that.

In the second place, let us make clear that these rescissions change from the time the President requests them. He then puts the spending on hold. He has done that. The result is that they have not a quarter, not a couple of months, but they have 5 full months to hold down this spending.

In the third place, I point out that we do not have to abolish programs. We do not have to cut as deeply or as cruelly as has been implied. We can, for example, make a 2-percent cut in Federal employment instead of a 1-percent cut. That would save a very substantial amount. We can make a deeper cut in the Postal Service subsidies. There are any number of programs that can be reduced.

So I hope that the Senate will give serious consideration to this matter and recognize that these are unusual times. We do have a mandate from the people of this country, in spending, to cut at least as deeply as the President has proposed. I hope we will adopt this amendment and do that.

If the other side yields back their time, I will yield back my time.

The PRESIDING OFFICER. The other side has no further time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, under the previous order, the Senator from Wisconsin is recognized.

AMENDMENT NO. 14

(Purpose: To restore the full amount of the President's proposed budget and outlay reductions for the Export-Import Bank)

Mr. PROXMIRE. Mr. President, I call up printed amendment No. 14 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes amendment numbered 14.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 2, strike out "$6,146,000,000" and insert in lieu thereof "$6,394,000,000".

On page 5, line 3, strike out "$133,000,000" and insert in lieu thereof "$147,000,000".

On page 5, line 4, strike out "$15,460,000,000" and insert in lieu thereof "$16,125,000,000".

On page 5, line 5, strike out "$958,000,000" and insert in lieu thereof "$1,068,000,000".

On page 5, line 6, strike out "$18,412,000,000" and insert in lieu thereof "$19,135,000,000".

On page 5, line 7, strike out "$2,274,000,000" and insert in lieu thereof "$2,631,000,000".

Mr. PROXMIRE. Mr. President, the amendment I propose is to restore the budget cuts concerning the Export-Import Bank that were proposed by President Reagan. When Senate Concurrent Resolution 9 was before the Budget Committee, that committee gave favorable treatment to amendments concerning Eximbank authorizations and outlays for the fiscal years 1981, 1982, and 1983 in total, respectively, of $1.636 billion and $481 million.

Mr. President, there is no excuse for according the Eximbank preferred treatment in budget matters. Inflation is our No. 1 economic problem.

I might say, Mr. President, incidentally, that I have talked to dozens of exporters who support President Reagan's program and who recognize that they will have to make something of a sacrifice if the Export-Import Bank is not given the kind of funding that the Budget Committee would give them, but they tell me they prefer to go along all the way with the President in spite of the fact that they would have to make a sacrifice.

I think that makes sense. They recognize if we are going to cut the many programs that help so many of the elderly and the poor they, the Eximbank, the exporters, should share in that cut.

In order to cut inflation we must make deep cuts in the budget. In order that we may have the public support to make the deep cuts we need to make we will have to be fair about the budget cuts. In order to be fair every group and sector of the economy will have to share in the cuts.

Why should Eximbank be an exception? There is no good reason.

Cuts will be made in health care, aid to the poor, student loans, and many, many other social programs that have a worthy purpose. Eximbank is not more important to the Nation than the people who will suffer cuts.

I think all of us recognize that while budget cuts will not do the whole job, they are crucial to stopping inflation.

One reason inflation is so bad is that interest rates are high because the demand on our capital markets fueled by Government borrowing exceeds the supply of capital. Government deficits, financed in the capital markets, crowd out private borrowing and result in high interest rates.

Eximbank financing, along with other Government agencies, is a part of the problem. Eximbank borrows in the market and makes loans at subsidized rates to borrowers. How in the world can we justify increased borrowing and lending authority for Eximbank to make subsidized loans to foreign purchasers?

Many times I have stood on the floor and have reported for the Banking Committee as chairman of the Banking Committee over the past 6 years, the announced loans that the Export-Import Bank is making to the foreign countries, and again and again I have been shocked at the fact that they will borrow at 8 and 9 percent at least when American businessmen have to borrow at double that rate.

We need only to look at the Eximbank financing of the purchase of airplanes by Ansett (Australia) to see how ridiculous the subsidy is. The Eximbank direct loan was almost $300 million at an 8- to 8.4-percent rate. Think of that, an 8-percent loan, subsidized by the U.S. Government. What are we to tell American businessmen who go to their bank and are quoted 17 to 20 percent for a loan? What are we to tell the new homeowner who must pay 14 to 16 percent for a home mortgage loan? The subsidy on the Ansett loan runs to over $25 million per year.

President Reagan recommended cuts in Eximbank authority. I want to quote his statement contained in his "Program for Economic Recovery" on Eximbank.

This is the President of the United States speaking. This is what President Reagan said, and I quote him:

To help control the expansion of Federal credit programs, particularly those with a subsidy element, the Administration will propose that the Export-Import Bank's authority to make new direct loans be set at $4.4 billion in 1982, down 12% from the Carter budget and 31% from the current base.

He goes on to say:

The Bank's lending operations grew by over 400 percent from 1977 to 1980.

So we are talking about cutting it not nearly to the level it was in 1977. We are cutting only moderately in connection with that earlier level.

To quote President Reagan further:

The Carter administration used the Bank as a vehicle for head-to-head competition with foreign export subsidy programs. Some argue that rapid further growth in the Export-Import Bank's direct loans is necessary to expand exports, reduce U.S. trade deficits, and halt the decline in the U.S. share of world trade. However, the international accounts of the United States are now strong compared to other major industrial countries. The U.S. current account balance has improved by nearly $20 billion since 1978 while those of Germany and Japan have declined by $26 billion and $30 billion respectively.

In other words, we are doing better than our competition in exports, better than Germany, better than Japan.

Further, the U.S. share of world trade has increased in recent years. This excellent U.S. export performance has resulted primarily from cyclical changes in the United States and foreign economies, and not from growth in the Bank's direct lending.

Because of the Bank's past lending policies, its credit facilities tend to be regarded as entitlement programs. Moreover, a large proportion of the Bank's annual lending supports exports by a handful of large firms. In 1980, seven firms accounted for two-thirds of direct loans. Further, the Bank's subsidy to foreign borrowers results in a low rate of return to the U.S. economy and a drain on capital that reduces or eliminates the benefits from trade.

The administration's proposal will enable the Bank to offer substantial levels of credit to U.S. exporters; but credit terms will be less generous and credit will be more carefully targeted. In addition to benefiting from the regular, long-term direct loans, smaller U.S. exporters will continue to be assisted by the Bank's medium-term discount loan program. This component of the Bank's direct lending will be maintained at $400 million annually rather than eliminated as proposed by President Carter.

By restraining the growth of these programs, Federal outlays and the Federal deficit can be reduced by more than $6 billion over the next 5 fiscal years. At the same time, the objective of promoting exports will be supported at historically high levels. The changes will have only a nominal impact on the level of U.S. exports because first, previous credit levels were high; second, the direct loan program finances only 2 to 3 percent of U.S. exports; and third, as inflation and interest rates subside, the demand for the Bank's credit will fall.

I am sorry to report that the Budget Committee did not take President Reagan's advice. My amendment adopts President Reagan's recommendations. The Budget Committee took President Reagan's proposed cuts in Eximbank outlays for fiscal 1981, 1982, and 1983, and put back respectively, $14 million, $110 million, and $357 million for a total of $481 million, in the Eximbank budget. My amendment restores the Reagan budget cuts on outlays.

The Budget Committee also took President Reagan's proposed cuts on Eximbank budget authority for fiscal 1981, 1982, and 1983, and put back respectively $248 million, $665 million, and $723 million, for a total of $1.636 billion in the Eximbank budget. My amendment restores the Reagan budget cuts on authorizations.

Mr. President, I hope the Senate will support my amendment. It is important that the Senate not back off on President Reagan's proposed budget cuts. There is a lot at stake. Inflation, tax cuts, and perhaps even more importantly, fundamental fairness.

I urge an affirmative vote on this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President, there are, it appears to me, two serious defects in the arguments of the Senator from Wisconsin who has, nevertheless, not only during this debate on the budget but over the years provided a conscience to the Senate in connection with the growth of Federal spending.

First and vitally important is that his amendment does not do what he proposes or what he claims for it. It does not restore this budget instruction to its original status when it was recommended by the President and by the Office of Management and Budget.

The Budget Committee did two things in connection with its work with the Banking Committee:

First, it did operate on an assumption of a smaller cut from the authority of the Export-Import Bank than did the President.

Second, however, the Budget Committee recommended or assumed cuts in

other programs subject to the jurisdiction of the Banking Committee which more than made up for its restoration of funds to the Export-Import Bank.

Should this amendment be adopted, the instructions to the Banking Committee will require it to cut far more deeply into the programs under its jurisdiction than the President asked Congress to do.

Unlike the first amendment proposed by the Senator from Wisconsin, which would at least in theory require of the Appropriations Committee exactly what the President wished it to do, this would treat the Banking Committee far more severely.

While it has been stated many times during the course of this debate, it requires reemphasis that no instructions as to particular programs are given to the standing committees of the Senate by this budget resolution. While both the Budget Committee and the action of the Senate on this floor may strongly influence the Banking Committee, the Finance Committee, the Appropriations Committee, and all of the other committees affected by this process, they are in no way bound, and can make such distribution of the requirements of the reconciliation resolution as they deem appropriate among programs subject to their jurisdiction. If this amendment is passed, cuts required of the Banking Committee will be perhaps greater than those required of any other committee in the Senate.

Second, the balance among programs proposed by the Budget Committee is appropriate and is, in my view, better than that proposed by OMB in the original form of this resolution.

The Export-Import Bank is properly used to meet or to help American corporations meet foreign competition based on subsidies which are far greater in most cases than are those provided by the Export-Import Bank itself.

Most of the beneficiaries of these loans are not sick corporations but corporations on the leading edge of our American technology, corporations which help immensely in at least keeping a reasonable balance of payments between exports and imports into the United States.

That technology is fueled to a great extent by sales to foreign companies. It is threatened seriously, very seriously, by foreign competition subsidized by the governments of the nations from which that competition comes, some by subsidies to private corporations in those nations, and some by corporations owned directly by foreign governments themselves.

Our alternative is a very simple one. If we clip the wings of the Export-Import Bank, we will very clearly lose sales of items which can compete fairly if we had a fair and equitable world economic order. We will lose employment of skilled people in advanced technology companies, and we will ultimately lose that technology. In almost every case it requires a large unit production before the type of activity which is financed by the Export-Import Bank becomes successful.

If we lose early sales we simply will not go on with the technology at all, and we will find ourselves foreclosed from major fields in which we now have national technological superiority.

Obviously, our long-range goals must be the termination of unfair competition on the part of our trading partners and our trading rivals throughout the world.

Query: Are we more likely to be able to end that form of unfair competition by bowing out of that competition entirely or by indicating that we are willing to meet fire with fire, to provide at least part of the subsidies which our trading rivals provide for their own companies?

Bluntly speaking, international trade is not under the sole and complete control of the United States. To a very significant degree we must meet that competition as it actually exists. There has been progress during the course of the last several years, particularly with the European Economic Community, toward moving to a world in which competition is fairer, freer, and less subsidized.

We can either continue to meet that competition and move toward those goals or withdraw from the field and find our economy far worse off than it is at the present time.

So both because of the importance of the Export-Import Bank to the economy of the United States and because this amendment does not restore the Banking Committee to the situation in which the President recommended it be after the passage of this resolution, the amendment should be rejected.

Mr. PROXMIRE. Mr. President, will the Senator from Washington yield?

Mr. GORTON. Yes.

Mr. PROXMIRE. Does the Senator deny that the Kassebaum amendment passed? Does the Senator deny that the Budget Committee did reduce President Reagan's rescission by $14 million in 1981 outlays and, therefore, restore those millions of dollars, and restore $110 million in 1982, and restore $357 million in 1983 from President Reagan's recommended levels.

Mr. GORTON. The Senator does not only deny it, it was the point of the Senator's presentation that it was an appropriate change.

Mr. PROXMIRE. May I say to the Senator——

Mr. GORTON. What I did say was that in other areas the cuts proposed of the Banking Committee increased——

Mr. PROXMIRE. It had nothing to do with the Import-Export Bank. They made cuts in rural housing, they made cuts in consumer cooperatives, they made cuts in mass transit. It had nothing to do with the Export-Import Bank. They made recommendations which you support and I support. But what I did say was they did restore the cuts the Reagan administration made in the Export-Import Bank. That is all I said. Is that right or wrong? Is that not right?

Mr. GORTON. First, the Budget Committee cannot make cuts in specific programs. It can only make assumptions as to what the authorizing committee will actually do.

Mr. PROXMIRE. Everybody knows the Kassebaum amendment carried, and the Kassebaum amendment told the Banking Committee, "We recommend that the Reagan cuts be restored to the tune of $481 million in outlays and $1.6 billion in authority for 1981, 1982, and 1983."

Mr. GORTON. That is precisely what they meant to do, but the Budget Committee, in a very real sense, paid for it by asking for even greater cuts in other areas.

Mr. PROXMIRE. That had nothing to do with the Export-Import Bank.

Mr. GORTON. Under this amendment, if it passes, the Banking Committee will have considerably less authorization for the programs under its jurisdiction than it would have if the President's proposals had passed unchanged.

Mr. PROXMIRE. Why, of course. But the fact is if this amendment passes, nevertheless all of the committees will have more authorization than the Reagan administration recommended because there are other committees in other areas that the Budget Committee failed to cut. That is why my amendment, the last amendment I offered, was an attempt to restore those rescissions.

Mr. GORTON. The Senator from Wisconsin is not correct. If the budget resolution passes in the form in which it is before the Senate right now, we will have had a total net of greater cuts than the President recommended.

Mr. PROXMIRE. Down the way, in 1982 and 1983. I am talking about 1981.

Mr. GORTON. We are working on a 3-year proposition. The outyears are both larger and more important than 1981.

Mr. PROXMIRE. Well, may I say to my good friend from Washington he will learn as time goes on that those outyears have a way of disappearing, and if you are going to make cuts, you make them now, you make them at the present time.

Mr. President, I do hope that the Senate will recognize the wisdom of the President's recommendation, that we do make the cuts he recommended in the Export-Import Bank in view of the fact that it has grown enormously over the last few years.

Mr. President, I understand that I have—my time has expired, is that right?

The PRESIDING OFFICER. The Senator has a minute and a half.

Mr. PROXMIRE. Has the time on the other side expired?

The PRESIDING OFFICER. The opposition has about 36 seconds.

Mr. GORTON. I will yeld back the remainder of my time.

Mr. PROXMIRE. I understand under the unanimous-consent agreement that I may call up my other amendment on revenue sharing; is that correct?

The PRESIDING OFFICER. When all time has expired, that is the agreement.

Mr. PROXMIRE. It is my understanding that the distinguished Senator from Washington yielded back his 36 seconds?

Mr. GORTON. I did.

The PRESIDING OFFICER. The Senator yielded back his 36 seconds.

Does the Senator yield back his time?

Mr. PROXMIRE. I understood my time was exhausted.

The PRESIDING OFFICER. No, the Senator has not.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from Wisconsin.

AMENDMENT NO. 15 (AS MODIFIED)

(Purpose: To reduce budget authority for revenue sharing)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an amendment numbered 15, as modified.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 7, line 15, strike out "$4,354,000,000" and insert in lieu thereof "$8,928,000,000".

On page 7, line 16, strike out "$8,832,000,000" and insert in lieu thereof "$12,264,000,000".

On page 7, line 17, strike out "$4,494,000,000" and insert in lieu thereof "$9,068,000,000".

On page 7, line 18, strike out "$10,870,000,000" and insert in lieu thereof "$15,444,000,000".

WHY REVENUE-SHARING FUNDS SHOULD BE CUT

Mr. PROXMIRE. Mr. President, the amendment would cut revenue-sharing funds by $4.574 billion in fiscal years 1982 and 1983 by amending the figures on lines 15 through 18 of page 7 of the bill. This would cut out the local revenue-sharing funds for fiscal years 1982 and 1983 covered by this bill.

The effect of my amendment is to instruct the Finance Committee to report changes in the laws within the jurisdiction of that committee in order to increase their savings by $4.575 billion, which is the amount of revenue sharing for the States for fiscal years 1982 and 1983.

NO REVENUE TO SHARE

Mr. President, the entitlement period for revenue sharing began in January 1972. The first payments were made on October 20, 1972, or in fiscal year 1973.

In that period, from fiscal year 1973 through fiscal year 1981—that is over the past 9 fiscal years—the Federal Government has run deficits which total $380 billion. In fiscal year 1982 we can expect another deficit of at least $45 to $50 billion. This means that in the period since revenue sharing began, the Federal Government has paid out from $4 to $6 billion a year to the States and localities during a 10-year period of time when it had a total deficit of $425 to $430 billion or an average yearly deficit of $42 to $43 billion.

The Federal Government had no revenue to share when this program began.

It has no revenue to share now.

And it will have no revenue to share in fiscal years 1982, 1983, 1984, and most probably in 1985.

As a matter of fact, the Joint Economic Committee chairman, HENRY REUSS, and Senator BRADLEY issued a joint statement today in which they estimate that in 1984 the Reagan deficit, which will be the first peacetime deficit we have ever had, will exceed $100 billion. That may not be true. We all hope it will not be true. I hope it will not be true very fervently. But we face that grim prospect unless we make cuts that we simply have to make that are unpopular and different and yet we have to make them.

Yet we continue the folly of sending back to the States $4.5 billion a year at a time of financial crisis for the U.S. Government, as the report of the Budget Committee so eloquently points out.

IRONIC ORIGINAL ASSUMPTION

When Walter Heller and Joseph Pechman first proposed revenue sharing—and they did propose it, I recall it so well; I was on the Joint Economic Committee when Walter Heller appeared and made the proposition. He said it was done on the assumption that because of a growing economy and rising real incomes, the existing income tax system would produce a higher and higher proportion of revenues for the Federal Government each year as both individuals and corporations paid more taxes or were thrown into higher tax brackets. They assumed a huge Federal surplus and addressed the problem of what to do with that surplus. It is fascinating that they assumed a surplus and every year since then we have had deficits. And the deficits, of course, have been great, with one exception, 1969.

They proposed, and Congress accepted under President Nixon's urging, the concept of revenue sharing.

But, as we have seen, there has been no revenue to share. Since 1960 there has been only 1 year of a Federal surplus, and that was a measly $3.2 billion in 1969. We have had 22 years with only one Federal surplus. I ask unanimous consent that a table from the President's 1981 Economic Report indicating the Federal deficits year by year be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE B-71.—FEDERAL BUDGET RECEIPTS AND OUTLAYS, FISCAL YEARS 1929-82

[Millions of dollars]

Fiscal year	Receipts	Outlays	Surplus or deficit (—)
1929	3,862	3,127	734
1933	1,997	4,598	−2,602
1939	4,979	8,841	−3,862
1940	6,361	9,456	−3,095
1941	8,621	13,634	−5,013
1942	14,350	35,114	−20,764
1943	23,649	78,533	−54,884
1944	44,276	91,280	−47,004
1945	45,216	92,690	−47,474
1946	39,327	55,183	−15,856
1947	38,394	34,532	3,862
1948	41,774	29,773	12,001
1949	39,437	38,834	603
1950	39,485	42,597	−3,112
1951	51,646	45,546	6,100
1952	66,204	67,721	−1,517
1953	69,574	76,107	−6,533
1954	69,719	70,890	−1,170
1955	64,469	68,509	−3,041
1956	74,547	70,460	4,087
1957	79,990	76,741	3,249
1958	79,636	82,575	−2,939
1959	79,249	92,104	−12,855
1960	92,492	92,223	269
1961	94,389	97,795	−3,406
1962	99,676	106,813	−7,137
1963	106,560	111,311	−4,751
1964	112,662	118,584	−5,922
1965	116,833	118,430	−1,596
1966	130,856	134,652	−3,796
1967	149,552	158,254	−8,702
1968	153,671	178,833	−25,161
1969	187,784	184,548	3,236
1970	193,743	196,588	−2,845
1971	188,392	211,425	−23,033
1972	208,649	232,021	−23,373
1973	232,225	247,074	−14,849
1974	264,932	269,620	−4,688
1975	280,997	326,151	−45,154
1976	300,005	366,418	−66,413
Transition quarter	81,773	94,728	−12,956
1977	357,762	402,710	−44,948
1978	401,997	450,804	−48,807
1979	465,940	493,635	−27,694
1980	520,050	579,613	−59,563
1981 [1]	607,525	662,740	−55,215
1982 [1]	711,780	739,296	−27,516

[1] Estimates.

Note.—Under provisions of the Congressional Budget Act of 1974, the fiscal year for the Federal Government shifted beginning with fiscal year 1977. Through fiscal year 1976, the fiscal year was on a July 1–June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an Oct. 1–Sept. 30 basis. The 3-mo period from July 1 through Sept. 30, 1976 is a separate fiscal period known as the transition quarter.

Data for 1929–39 are according to the administrative budget and those beginning 1940 according to the unified budget.

Refunds of receipts are excluded from receipts and outlays.

See "Budget of the United States Government, Fiscal Year 1982" for additional information.

Sources: Department of the Treasury and Office of Management and Budget.

STATE AND LOCAL GOVERNMENT SURPLUSES

Mr. PROXMIRE. During the entire period of time when revenue sharing has been in effect and when the Federal Government has run deficits every year to the tune of $425 billion, State and local governments have run surpluses. (The figure for the Federal deficit was $289 billion on national income and product accounts.)

In calendar years 1972 through 1980, the year for which latest figures are available, the total State and local government surpluses, on a national income and product basis were $167.2 billion, or an average of more than $18.5 billion in each of those 9 years.

The State and local governments run surpluses—surpluses—of over $167 billion. Think of that. And the Federal Government runs deficits and yet we provide them with revenue. Now, where

is the sense in that kind of distribution? If anything, it should be going the other way.

For the 7 fiscal years from 1972–73 to 1978–79, for which we have figures, State and local governments had net surpluses on a regular basis of $61 billion or almost $9 billion a year on regular account.

I ask unanimous consent that tables showing the Federal, State, and local surpluses or deficits on national income and product accounts and State and local deficits on a regular basis, be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE B-73.—GOVERNMENT RECEIPTS AND EXPENDITURES, NATIONAL INCOME AND PRODUCT ACCOUNTS, 1929–80

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Calendar year or quarter	Total government			Federal Government			State and local government		
	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts	Receipts	Expenditures	Surplus or deficit (−), national income and product accounts
1929	11.3	10.3	1.0	3.8	2.6	1.2	7.6	7.8	−0.2
1933	9.3	10.7	−1.4	2.7	4.0	−1.3	7.2	7.2	−.1
1939	15.4	17.6	−2.2	6.7	8.9	−2.2	9.6	9.6	.0
1940	17.7	18.4	−.7	8.6	10.0	−1.3	10.0	9.3	.6
1941	25.0	28.8	−3.8	15.4	20.5	−5.1	10.4	9.1	1.3
1942	32.6	64.0	−31.4	22.9	56.1	−33.1	10.6	8.8	1.8
1943	49.2	93.3	−44.1	39.3	85.8	−46.6	10.9	8.4	2.5
1944	51.2	103.0	−51.8	41.0	95.5	−54.5	11.1	8.5	2.7
1945	53.2	92.7	−39.5	42.5	84.6	−42.1	11.6	9.0	2.6
1946	51.0	45.6	5.4	39.1	35.6	3.5	13.0	11.1	1.9
1947	56.9	42.5	14.4	43.2	29.8	13.4	15.4	14.4	1.0
1948	58.9	50.5	8.4	43.2	34.9	8.3	17.7	17.6	.1
1949	55.9	59.3	−3.4	38.7	41.3	−2.6	19.5	20.2	−.7
1950	69.0	61.0	8.0	50.0	40.8	9.2	21.3	22.5	−1.2
1951	85.2	79.2	6.1	64.3	57.8	6.5	23.4	23.9	−.4
1952	90.1	93.9	−3.8	67.3	71.1	−3.7	25.4	25.5	−.0
1953	94.6	101.6	−6.9	70.0	77.1	−7.1	27.4	27.3	.1
1954	89.9	97.0	−7.1	63.7	69.8	−6.0	29.0	30.2	−1.1
1955	101.1	98.0	3.1	72.6	68.1	4.4	31.7	32.9	−1.3
1956	109.7	104.5	5.2	78.0	71.9	6.1	35.0	35.9	−.9
1957	116.2	115.3	.9	81.9	79.6	2.3	38.5	39.8	−1.4
1958	115.0	127.6	−12.6	78.7	88.9	−10.3	42.0	44.3	−2.4
1959	129.4	131.0	−1.6	89.8	91.0	−1.1	46.4	46.9	−.4
1960	139.5	136.4	3.1	96.1	93.1	3.0	49.9	49.8	.1
1961	144.8	149.1	−4.3	98.1	101.9	−3.9	54.0	54.4	−.4
1962	156.7	160.5	−3.8	106.2	110.4	−4.2	58.5	58.0	.5
1963	168.5	167.8	.7	114.4	114.2	.3	63.2	62.8	.5
1964	174.0	176.3	−2.3	114.9	118.2	−3.3	69.5	68.5	1.0
1965	188.3	187.8	.5	124.3	123.8	.5	75.1	75.1	−.0
1966	212.3	213.6	−1.3	141.8	143.6	−1.8	84.8	84.3	.5
1967	228.2	242.4	−14.2	150.5	163.7	−13.2	93.6	94.7	−1.1
1968	263.1	269.1	−6.0	174.4	180.5	−6.0	107.3	107.2	.1
1969	296.7	286.8	9.9	196.9	188.4	8.4	120.2	118.7	1.5
1970	302.8	313.4	−10.6	191.9	204.3	−12.4	135.4	133.5	1.9
1971	322.6	342.0	−19.4	198.6	220.6	−22.0	153.0	150.4	2.6
1972	368.3	371.6	−3.3	227.5	244.3	−16.8	178.3	164.8	13.5
1973	413.1	405.3	7.8	258.6	264.2	−5.6	195.0	181.6	13.4
1974	455.2	460.0	−4.7	287.8	299.3	−11.5	211.4	204.6	6.8
1975	470.5	534.3	−63.8	287.3	356.6	−69.3	237.7	232.2	5.5
1976	538.4	574.9	−36.5	331.8	384.8	−53.1	267.8	251.2	16.6
1977	605.7	624.0	−18.3	375.1	421.5	−46.4	298.0	270.0	28.1
1978	681.6	681.9	−.2	431.5	460.7	−29.2	327.4	298.4	29.0
1979	765.2	753.2	11.9	494.4	509.2	−14.8	351.2	324.4	26.7
1980	834.2	869.0	−34.8	538.9	601.2	−62.3	382.6	355.0	27.6
1978:									
I	640.7	658.4	−17.7	398.6	447.4	−48.8	316.9	285.8	31.1
II	674.2	669.3	4.9	423.6	451.1	−27.4	328.0	295.7	32.3
III	691.2	690.0	1.1	440.9	463.7	−22.8	327.2	303.3	23.9
IV	720.5	709.7	10.8	462.7	480.6	−17.9	337.7	309.0	
1979:									
I	739.7	721.7	18.1	477.0	488.4	−11.5	340.9	311.4	29.5
II	750.9	737.0	13.9	485.9	494.0	−8.1	342.7	320.8	21.9
III	775.3	764.0	11.3	500.6	515.8	−15.2	355.4	328.9	26.5
IV	794.7	790.3	4.4	514.0	538.6	−24.5	365.6	336.7	28.9
1980:									
I	815.0	824.6	−9.6	528.4	564.7	−36.3	372.1	345.4	26.6
II	807.6	850.2	−42.5	520.9	587.3	−66.5	373.9	350.0	23.9
III	839.9	885.6	−45.6	540.8	615.0	−74.2	386.8	358.2	28.5

Note.—Federal grants-in-aid to State and local governments are reflected in Federal expenditures and State and local receipts. Total government receipts and expenditures have been adjusted to eliminate this duplication.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-76.—STATE AND LOCAL GOVERNMENT REVENUES AND EXPENDITURES, SELECTED FISCAL YEARS, 1927–79

[Millions of dollars]

Fiscal year [1]	General revenues by source [2]							General expenditures by function [2]				
	Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other [3]	Total	Education	Highways	Public welfare	All other [4]
1927	7,271	4,730	470	70	92	116	1,793	7,210	2,235	1,809	151	3,015
1932	7,267	4,487	752	74	79	232	1,643	7,765	2,311	1,741	444	3,269
1934	7,678	4,076	1,008	80	49	1,016	1,449	7,181	1,831	1,831	889	2,952
1936	8,395	4,093	1,484	153	113	948	1,604	7,644	2,177	1,425	827	3,215
1938	9,228	4,440	1,794	218	165	800	1,811	8,757	2,491	1,650	1,069	3,547
1940	9,609	4,430	1,982	224	156	945	1,872	9,229	2,638	1,573	1,156	3,862
1942	10,418	4,537	2,351	276	272	858	2,123	9,190	2,586	1,490	1,225	3,889
1944	10,908	4,604	2,289	342	451	954	2,269	8,863	2,793	1,200	1,133	3,737
1946	12,356	4,986	2,986	422	447	855	2,661	11,028	2,356	1,672	1,409	4,591
1948	17,250	6,126	4,442	543	592	1,861	3,685	17,684	5,379	3,036	2,099	7,170

TABLE B-76.—STATE AND LOCAL GOVERNMENT REVENUES AND EXPENDITURES, SELECTED FISCAL YEARS, 1927-79—Continued

[Millions of dollars]

Fiscal year [1]	General revenues by source [2]							General expenditures by function [2]				
	Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other [3]	Total	Education	Highways	Public welfare	All other [4]
1950	20,911	7,349	5,154	788	593	2,486	4,451	22,787	7,177	3,803	2,940	8,867
1952	25,181	8,652	6,357	998	846	2,566	5,763	26,098	8,318	4,650	2,788	10,342
1953	27,307	9,375	6,927	1,065	817	2,870	6,252	27,910	9,390	4,987	2,914	10,619
1954	29,012	9,967	7,276	1,127	778	2,966	6,897	30,701	10,557	5,527	3,060	11,557
1955	31,073	10,735	7,643	1,237	744	3,131	7,584	33,724	11,907	6,452	3,618	12,197
1956	34,667	11,749	8,691	1,538	890	3,335	8,465	36,711	13,220	6,953	3,139	13,399
1957	38,164	12,864	9,467	1,754	984	3,843	9,250	40,375	14,134	7,816	3,485	14,940
1958	41,219	14,047	9,829	1,759	1,018	4,865	9,699	44,851	15,919	8,567	3,818	16,547
1959	45,306	14,983	10,437	1,994	1,001	6,377	10,516	48,887	17,283	9,592	4,136	17,876
1960	50,505	16,405	11,849	2,463	1,180	6,974	11,634	51,876	18,719	9,428	4,404	19,325
1961	54,037	18,002	12,463	2,613	1,266	7,131	12,563	56,201	20,574	9,844	4,720	12,063
1962	58,252	19,054	13,944	3,037	1,308	7,871	13,489	60,206	22,216	10,357	5,084	22,549
1963	62,890	20,089	14,456	3,269	1,505	8,722	14,850	64,816	23,776	11,136	5,481	24,243
1962-63 [5]	62,269	19,833	14,446	3,267	1,505	8,663	14,556	63,977	23,729	11,150	5,420	23,678
1963-64 [5]	68,443	21,241	15,762	3,791	1,695	10,002	15,951	69,302	26,286	11,664	5,766	25,586
1964-65 [5]	74,000	22,583	17,118	4,090	1,929	11,029	17,250	74,546	28,563	12,221	6,315	27,447
1965-66 [5]	83,036	24,670	19,085	4,760	2,038	13,214	19,269	82,843	33,287	12,770	6,757	30,029
1966-67 [5]	91,197	26,047	20,530	5,826	2,227	15,370	21,197	93,350	37,919	13,932	8,218	33,281
1967-68 [5]	101,264	27,747	22,911	7,308	2,518	17,181	23,598	102,411	41,158	14,481	9,857	36,915
1968-69 [5]	114,550	30,673	26,519	8,908	3,180	19,153	26,118	166,728	47,238	15,417	12,110	41,963
1969-70 [5]	130,756	34,054	30,322	10,812	3,738	21,857	29,971	131,332	52,718	16,427	14,679	47,508
1970-71 [5]	144,927	37,852	33,233	11,900	3,424	26,146	32,374	150,674	59,413	18,095	18,226	54,940
1971-72 [5]	166,352	42,133	37,488	15,237	4,416	31,253	35,826	166,873	64,886	19,010	21,070	61,907
1972-73 [5]	190,214	45,283	42,047	17,994	5,425	39,256	40,210	181,227	69,714	18,615	23,582	69,316
1973-74 [5]	207,670	47,705	46,098	19,491	6,015	41,820	46,541	198,959	75,833	19,946	25,085	78,096
1974-75 [5]	228,171	51,491	49,815	21,454	6,642	47,034	51,735	230,721	87,858	22,528	28,155	92,180
1975-76 [5]	256,176	57,001	54,547	24,575	7,273	55,589	57,191	256,731	97,216	23,907	32,604	103,004
1976-77 [5]	285,796	62,535	60,595	29,245	9,174	62,575	61,673	274,388	102,805	23,105	35,941	112,537
1977-78 [5]	315,960	66,422	67,596	33,176	10,738	69,592	68,436	296,983	110,758	24,609	39,140	122,476
1978-79 [5]	343,278	64,944	74,247	36,932	12,128	75,164	79,864	327,517	119,448	28,440	41,898	137,731

[1] Fiscal years not the same for all governments. See footnote 5.
[2] Excludes revenues or expenditures of publicly owned utilities and liquor stores, and of insurance-trust activities. Intergovernmental receipts and payments between State and local governments are also excluded.
[3] Includes licenses and other taxes and charges and miscellaneous revenues.
[4] Includes expenditures for health, hospitals, police, local fire protection, natural resources, sanitation, housing and urban renewal, local parks and recreation, general control, financial administration, interest on general debt, and unallocable expenditures.
[5] Data for fiscal year ending in the 12-mo period through June 30. Data for 1963 and earlier years include local government amcunts grouped in terms of fiscal years ended during the particular calendar year.

Note.—Data are not available for intervening years.

Source: Department of Commerce, Bureau of the Census.

(Mr. GARN assumed the chair.)

Mr. PROXMIRE. In recent years the State and local surpluses became so high that State after State reduced their sales, income, or property taxes at the same time the Federal Government was going broke, and while the Federal Government was paying about $6 billion a year to the States and localities in general revenue-sharing funds.

In 1979, for example, in more than 40 States, State and local governments gave some form of tax reduction—by rate reductions, base reductions, or indexing the personal income tax; by rate or base reductions in the general sales taxes; or by reducing the rates or constraining assessments in the property tax.

In my own State of Wisconsin, for example, there was such a large surplus that the Governor campaigned, when he was running for election against the incumbent Democratic Governor, that the Democrats had been too conservative, had created too big a surplus; that it was embarrassing. He campaigned that he, as a Republican Governor, would return the surplus to the taxpayers of the State. He did that. He had equaled the State's share of Federal revenue sharing for a period of 19 years. That tax cut was equivalent to 19 years of revenue sharing.

Now, the States and localities say they may be in trouble and that they need their revenue-sharing funds. But if there is a need, it is due, in large part or only, because they have given vast surpluses back to their taxpayers at a time when the Federal Government has been hundreds of billions of dollars in the red.

I ask unanimous consent that a table showing selected tax reductions and restrictions for 1979 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—SELECTED TAX REDUCTIONS AND RESTRICTIONS 1979

	State personal income tax			State general sales tax		Local property tax			
	Rate reduction	Base reduction	Indexation	Rate reduction	Base reduction	Homeowner tax relief	Rate of levy limit	Assessment constraint	Truth-in-taxation
Arizona		X [2]						X	
Arkansas					X	Limited			
California		X [2]	X [6]						
Colorado		X [1,2]			X				
Delaware	X								
District of Columbia						General [1,2]			
Florida						do [b]	X		
Georgia					X	Limited [c]			
Idaho								X	
Illinois				X					
Indiana	X	X [1,2]				General [1]			
Iowa		X [1,2,3]	X			do [2]			
Kansas		X [1,2]			X	do [3]			
Kentucky					X		X		X
Louisiana		X [2]							
Maryland		X [1,2]			X	General [2]			
Massachusetts		X [1]					X		
Michigan		X [2]					X		
Minnesota	X	X [1,2]	X		X	General [2] Limited.		X	
Mississippi		X [1]			X				
Missouri		X [2]			X	Limited			
Montana		X [1]				General [1]			
Nebraska	X								
Nevada					X	Limited	X		

TABLE 1.—SELECTED TAX REDUCTIONS AND RESTRICTIONS 1979—Continued

	State personal income tax			State general sales tax		Local property tax			
	Rate reduction	Base reduction	Indexation	Rate reduction	Base reduction	Homeowner tax relief	Rate of levy limit	Assessment constraint	Truth-in-taxation
New Mexico		X[2]					X		
New York	X	X[2]			X				
North Carolina		X[1]							
North Dakota		X[2]				Limited			
Ohio						do			
Oklahoma		X[1]				General[2]			
						Limited			
Oregon		X[1,2,3]				General[1,2]		X	
Pennsylvania			X[b]			Limited			
Rhode Island		X[2]				do			X
South Carolina				X[d]		do			
South Dakota				X					
Tennessee						Limited			X
Texas						General[1,2]			
						Limited.			
Utah		X[2]						X	
Vermont	X	X[2]							
Virginia									X[e]
Washington						Limited			
West Virginia				X[f]					
Wisconsin	X	X[1,2,3]	X		X	General[1,2]			
Wyoming					X	do[1]			

Legend:
State personal income tax "base reduction":
1 = New or expanded exemptions or deductions.
2 = New or expanded credits (including renters' property tax credit).
3 = Rebates.
Local property tax "homeowner tax relief":
General[1] = New or expanded tax relief with no age or income restrictions.
General[2] = New or expanded tax relief with income restrictions.
Limited = New or expanded tax relief with age or disability qualifications.

(a) The 3 percent threshold in the personal tax inflation adjustment factor was eliminated.
(b) Pending voter approval of proposed constitutional amendment.
(c) The legislature approved several proposed constitutional amendments which, if approved by the voters, would provide tax relief in individual Georgia counties.
(d) The sales tax on residential fuel will be phased out over next 3 yr.
(e) Tightened restrictions on existing truth-in-taxation law.
(f) Sales tax on food to be phased out over next 2 yr.

Source: ACIR staff compilations based on Commerce Clearing House, State Tax Reporter.

NOT A TAX BUT AN OPEN-ENDED APPROPRIATION

Mr. PROXMIRE. Revenue sharing is misnamed. We are not sharing revenues with the States. We are providing an open-ended appropriation to them.

The Federal Government has not levied a set of taxes which raised revenues which we are returning to the States. When revenue sharing began no new taxes were imposed at all. It is not like the highway trust fund or the windfall profit tax on the oil companies or user fees charged to the barge lines or for drilling offshore oil. We did not add a new tax on the States or localities and then return it to them.

Instead, we appropriated the funds out of existing taxes. That is the economic and legislative effect, even though the program is called revenue sharing, has a hollow shell of a trust fund surrounding it, and is provided by the taxing committees.

It is not a tax which is returned. It is an appropriation from the general funds of the Treasury which is given to the States.

While I do not raise any jurisdictional dispute at this time, the program should have been legislated by the Government Operations or the Banking Committee to the cities and the funds provided annually by the Appropriations Committee.

But that is past history and behind us. But such procedures would more nearly square with reality.

THOSE WHO SPEND MONEY SHOULD RAISE IT

There is something else fundamentally wrong with revenue sharing. It violates one of the first principles of government finance; namely, that those who spend money, in order to remain accountable, should have to raise the money.

What we have now is the spectacle of Presidents and Congressmen providing the funds to the States to spend virtually as they please.

The mayors love it. We raise the money. We take the heat either for high taxes or excessive deficits. And they get to spend the money with virtually no strings attached.

One witness called this like underworld money. You put it on the stump and run. Of course, they think it is a wonderful program. And, for them, it is. That is why there is such a lobby down here of State and local officials demanding their revenue-sharing money. But the public does not support it. It is a program for officialdom.

PUT IT ON THE STUMP AND RUN

This leads to a lack of accountability in the program. It is like the old gambling money, "Put it on the stump and run." Study after study has shown that no one really knows where the money goes or what is done with most of it. The League of Women Voters made a 2-year study of this program and they found a very, very large proportion of State legislators, Governors, and the press that covered the State legislature could not say where the money went. No accountability. And that is the worst aspect of it. There is one good saving discipline about Government spending money, especially at the local level. That is the taxpayer can come in and challenge it and say, "This is my money. I want you to justify it." But you cannot do that with revenue sharing money because it has a way of just disappearing without accountability.

While in some States it is earmarked for specific purposes, like the schools, in local area after local area, no one knows what it goes for.

And time after time we have heard reports that localities would say, "We can't spend our own money for that fire station or swimming pool, or tennis court. Let's take it out of the revenue-sharing money."

CALL A HALT

Well, the time has come to call a halt. This Government faces a fiscal crisis. We have double-digit inflation.

Interest rates are at unprecedented heights.

The Federal Government has a massive deficit. The national debt will soon exceed $1 trillion.

President Carter campaigned on a balanced budget, and never got one.

President Reagan campaigned on a balanced budget, but now says it will not occur until his fourth year and he will have to be mighty lucky, as his Secretary of the Treasury admitted, if it happens then.

As I just pointed out, two distinguished Democrats, Senator BRADLEY and Congressman REUSS, argue that Reagan faces a $100 billion deficit in 1984.

The Senator from Nebraska (Mr. EXON) brought out at the Budget Committee markup, that if the overly optimistic inflation rate assumed by the administration for fiscal year 1985 does not happen, there will be at least in $8.5 billion deficit in that year.

Meanwhile the States and localities have run surpluses on an income and product account basis averaging $18.5 billion a year and have given massive tax cuts to their citizens.

We have no revenue to share.

The purposes for which the money is used are vague and often of very low priority.

As those who spend the money do not have to raise it, there is an absence of fiscal accountability that should be required of every public official and of every level of government.

The time to end so-called revenue sharing is now.

That is what my amendment would do.

I urge Members to back it and support it. Now.

Mr. President, having said all that, let me just say I did get through the second grade, I can count, and I realize that the votes are not there. While I feel very fervently that we should abolish this program, I recognize that it would be a

waste of time to have a rollcall on it so I will withdraw my amendment.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senator will withhold that.

Mr. PROXMIRE. I am happy to accommodate the Senator.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator.

I have listened with interest to his statement. I certainly support the elimination of the State revenue-sharing program, but I oppose the elimination of the general revenue-sharing local share allocation. While I agree that we must eliminate those programs that have not fulfilled their expected function, and that are not as essential as others, the general revenue-sharing program's local share allocation does not fall into either of these categories.

Mr. President, I know that the distinguished Senator has stated that he intends to withdraw the amendment and that he can count, that he recognizes the arithmetic of the votes, whether it is by the new math or by the old. But he has made some statements in opposition to the local sharing allocation and I think that some of those of us who are opposed to this amendment, who support local revenue sharing, ought to say on the record what we have on our minds with respect to this program and ought to make a defense of it on the record right now. I do not think we should let the statements by the distinguished Senator from Wisconsin go unchallenged. It is for that reason that I take the floor at this time. I appreciate the fact that he is withholding the withdrawal of the amendment at this point. But even if he did so, there are some of us who would like to speak out on this subject and we intend to do so.

The general revenue-sharing program began in 1972 under the Nixon administration. It is based on the concept that the Federal Government is best equipped to collect taxes and redistribute them through a form of entitlement to local governments. Based on a fair and equitable formula, it takes into consideration population, local tax effort, and per capita income. The program was not designed to reward local governments derelict in their duty and it does not work that way. The formula assures that those local governments that try their best to provide adequate services will be assisted by the program.

Local revenue-sharing funds may be used for any legal purpose under State and local laws. In West Virginia, they are typically used for public facilities such as water and sewer systems, courthouse and municipal office building construction, nursing home construction, construction of low- to moderate-income family housing, and public service employment. Since the program's implementation, almost $42 billion has been allocated to local governments nationally, for such purposes and some $383 million has been awarded to local governments in West Virginia.

From the beginning, the concept was, and remains today, in accord with those aims expressed by the present administration, that more than 39,000 jurisdictions could best make a determination of how to spend their allocated funding. Through the process of local citizen-participation hearings, local governments learn the needs of the local communities and citizens have an opportunity to influence how those expenditures are to be made. This is a continuation of the concept of local autonomy.

Last December the Senate voted overwhelmingly—by a vote of 80 to 3—to extend the general revenue sharing program's local share allocation at the rate of $4.6 billion per year through 1983. The legislation was subsequently enacted into Public Law 96-604.

In reliance upon the continuation of this essential program—which received such broad support in the Senate and in the Congress last year—local governments across this Nation have included in their projected budgets for fiscal year 1982 the anticipated allocations from this program. Withdrawal of funding at this crucial time would place their budgets in havoc, and would result in deficits—which must translate to the loss of essential community programs and services—for which there is no available, alternative funding source.

Some have argued that the revenue sharing program was adopted as a method of sharing the Federal surplus with State and local governments. In fact, however, the Federal deficit in fiscal year 1973—which was the first year that revenue-sharing payments were made—was equal to more than 6 percent of total outlays. A deficit amounting to the same percentage of total outlays in fiscal year 1982 would be about $47 billion—roughly the amount projected in the administration's budget proposal.

This program has consistently enjoyed bipartisan support throughout its existence. It was proposed originally by a Republican President and enacted by a Democratic Congress. President Reagan has unequivocally supported the local share program. It is the only program that provides Federal assistance to virtually every local government in the Nation.

Mr. President, the revenue-sharing program is a cornerstone of the Federal grant-in-aid system. In particular the local share program has worked. It has worked well, and it deserves to be retained at the fully funded level.

Mr. President. I have yielded such time as I have used from time on the resolution.

Mr. GORTON. Mr. President, the distinguished minority leader is entirely correct. This amendment having been placed before the Senate, it is appropriate to give the arguments against it even though it is going to be withdrawn. I will do so very briefly and I will then yield time from the amendment to the Senator from Tennessee and the Senator from West Virginia if they wish me to do so.

I do not believe arguments against general revenue sharing were valid 2 or 3 years ago when the fiscal condition of the States and many local communities was better than many are today. Whatever their weakness at that time, the arguments against this program are infinitely weaker today. I do not believe that there are any significant number of major local governments in the United States which are awash in money.

The program has already abandoned the States and now applies only to local governments, which are a key to the federalism which this administration proposes to revive. A key element in the new idea of block grants is that both the States and the local governments be granted more authority to meet their own problems in their own way, but a key toward solving the budget crunch with which this Nation is faced is that there will be fewer dollars in these block grants than there are in current categorical aid grant programs.

That drop in dollars, ignoring the effects of inflation, will be greater than the entire amount proposed for revenue sharing with local communities in this budget. Those local communities need encouragement in order to meet the greater responsibilities which are going to be thrust upon them.

They need the money to meet Federal regulations in myriad programs which Congress has authorized but has not fully funded.

Mr. President, this program has already been cut substantially. It is vitally important for the survival of local government that it be retained. Whatever the situation may have been 2 or 3 years ago, these governments are now in desperate need of funds in order to meet the minimum requirements of their citizens.

The Senator from Wisconsin speaks of the fact that, always, the right to spend money should be connected with the duty to raise money. Yet almost no local government has ever found itself in that position. The precedent for States sharing their revenues with local governments is well established. It has been in existence as long as the Nation itself has been in existence. That the single area of our Government best able to raise money should recognize the problems which it has created for local governments and help in a small way to defray those costs through this most successful program is evident, I think, to the great majority of Members of this body.

Mr. President, I now yield 5 minutes to the Senator from Tennessee.

Mr. SASSER. Mr. President, I am opposed to the amendment of the Senator from Wisconsin (Mr. PROXMIRE) which would cut out $4.574 billion in local revenue sharing.

This money has been duly authorized for a 3-year period as a result of the renewal of the general revenue sharing program passed by Congress last year.

At that time, we had considerable debate over the value and merit of the revenue-sharing program and, ultimately, we made the decision to cut out $2.3 billion in that program in payments that go to State government. We made that decision, after considerable debate and with some opposition from this Senator, because we felt that many States had the ability to withstand the loss of State revenue sharing.

In my State of Tennessee, that meant we had to deny the State government some $42 million in revenue sharing—

money that it could have used to keep sales and gasoline taxes down while still keeping essential services intact. Many of us in Senate supported an amendment to the revenue-sharing program which would have allowed us to keep 40 percent of the State share of revenue sharing intact. That amendment passed the Senate but was not contained in the final version of the general revenue-sharing reauthorization.

Mr. President, this amendment would strike at the heart of local government finances throughout the Nation in the years ahead. These local governments now expect, because of the fact that revenue sharing is financed from a trust fund, stable allocations of revenue-sharing money in the next 3 years ahead. If we undo our work of last year, local governments will have, in an unexpected fashion, to raise local sales and property taxes in the very near future.

Mr. President, at a time when all levels of government are making an effort to keep spending down, the Proxmire amendment on local revenue sharing would result in a considerable increase of local taxes, especially in poorer urban and rural jurisdictions which use this money to finance essential services.

In my State, this would mean that, statewide, local property or sales taxes would have to be raised by more than $90 million for 1982 and several years thereafter. This is unacceptable to me and to the local taxpayers in my State.

Finally, I object to this amendment because we are cutting the Federal aid program that has done the most to foster a stable grant-in-aid system among Federal and local governments. Revenue sharing comes without the many strings of other categorical grants. It is used in accordance with local priorities. It can be used to finance essential services or keep local taxes down—both worthy goals for local government.

Mr. President, we are engaged here in cutting the Federal budget without, at the same time, creating fiscal chaos for local governments. Passage of the Proxmire amendment to cut local revenue sharing would create such fiscal chaos, and I hope that my colleagues join with me in defeating this amendment.

Mr. GORTON. Mr. President, I yield 7 minutes to the Senator from West Virginia.

Mr. PROXMIRE. Will the Senator from West Virginia yield until I get the yeas and nays on the other two amendments?

Mr. RANDOLPH. Yes, indeed.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may ask for the yeas and nays on the other two amendments I called up.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there a sufficient second on both amendments? There is a sufficient second.

The yeas and nays were ordered.

Mr. RANDOLPH. Mr. President, I do not want to be disrespectful on this subject of the amendment of the Senator from Wisconsin (Mr. PROXMIRE), but I wish he would, in a sense, stand and take his medicine, as we did on the EDA amendment of yesterday. We knew that we were not going to win on EDA. Yet we had a rollcall vote in the Senate of the United States on that subject and other programs in which we believe very strongly and have come to support. Yet we knew that we were not going to win. I am a little surprised that the Senator is dropping this matter without giving his colleagues the opportunity to express themselves, either in support of the amendment or against it.

Mr. PROXMIRE. If the Senator would yield, that would be against my religion. I know I am going to take a licking and I do not want to take it. So I am going to withdraw the amendment.

I appreciate the Senator's appeal.

Mr. RANDOLPH. Mr. President, that is a frank statement. Only in good humor do we mention a situation like this, although it has some substance to it.

Mr. President, the amendment of the Senator from Wisconsin, which is to be withdrawn, is an unwise attack on a program that has enabled local communities to make sound investments for the present and for the future of the men, women, and children who live in those communities. The Federal revenue-sharing program contains two elements which, in my judgment, constitute the type of Federal response we must look to as we plan for the future. It gives flexibility to local governments to determine their needs—not Washington determining those needs, but the local communities—and to generally allocate funds to meet these specific needs within the communities of West Virginia and throughout the other States.

Further, I believe that it is important to state that revenue-sharing programs require the opportunity for citizens to participate in the decisionmaking process. I think this is a highly important point and in line with the thinking generally of my colleague who is withdrawing the amendment. Revenue sharing is a sound concept which has been studied and debated and supported in Congress—not in the last few minutes, not in the last few days, but over a period of several years.

If the Members of Congress have been wrong in this action in both the House and the Senate, they certainly have been wrong by a very considerable majority. I think that it is important for the RECORD to reflect this support which the Congress has given to revenue sharing.

Mr. President, our communities in the hills of West Virginia and in the lake regions of Wisconsin have developed extensive public service programs and facilities through revenue sharing. Certainly, we all know the value of adequate water systems in communities in which we live and of sewage treatment systems, as they have been developed in our State of West Virginia and every State.

Are we interested in good health care facilities, better quality of housing, recreation, and including libraries, in the communities in which the people of America live? Certainly we are and revenue sharing has served many of these purposes.

Additionally, the ability of towns and cities to deliver vital services such as police and fire protection have been enhanced through revenue sharing.

Mr. President, I speak slowly now but very earnestly. After having drastically reduced the categorical assistance to local governments in the pending budget resolution, it would be tragic for this body, to now remove revenue-sharing funds from them.

The PRESIDING OFFICER. The Senator's 7 minutes have expired.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. GORTON. I yield.

Mr. DOLE. Mr. President, the Senator from Wisconsin proposes to increase the savings instruction to the Finance Committee to reflect a proposal to eliminate payments to local governments under Federal general revenue sharing. Senator PROXMIRE is concerned that we spend Federal revenues only in the areas of highest priority, and that we get maximum value for every Federal dollar spent. It is because I share that concern that I must oppose this amendment, and urge that it be rejected.

Mr. President, late last year we renewed general revenue sharing for 3 years. We did so because the program has proved to be cost effective and efficient to administer, particularly in comparison with the wide array of categorical grant programs that also channel funds to local and, in some cases, State governments. At the same time, we insured budget savings in the program by requiring that State governments, in order to qualify for revenue-sharing funds, agree to forgo an equivalent dollar amount in other Federal grant funds. This means that, in terms of total spending, $2.3 billion per year has already been saved out of the revenue-sharing program. That would suggest that we ought to proceed with caution when considering further cuts in revenue sharing.

The situation is further complicated when we consider the fiscal situation of local governments over the next few years. The Reagan administration is committed to restoring State and local control on matters of public policy wherever possible, because the Federal Government is often ill equipped to make decisions that take into account differing local conditions and circumstances.

As part of this process, President Reagan has proposed consolidating many existing grant programs into block grants, with reduced funding to reflect, in part, the reduced paperwork burden and administrative cost associated with the grant-making process. In addition, the budget savings proposed by President Reagan in a number of areas will affect local governments. While we are in the midst of this transition period, there seems little sense in cutting back on general purpose assistance to local governments.

Mr. President, President Reagan did not recommend elimination of revenue sharing for local governments, and I am convinced that he did not do so because revenue sharing is consistent with the principles of federalism that the President has stated so often. The most responsive level of government is that

which is closest to the day-to-day concerns of the people, and we ought to work toward giving governments the maximum flexibility in dealing with local problems. Over the next few years, we may succeed in working toward the point where all Federal aid to local governments is in the form of block grants directed to particular areas of concern, such as education, but with spending decisions made for the most part at the local level. But until we reach that point, there is no reason to eliminate a program of general purpose assistance that is working remarkably well.

I believe the Senator from Wisconsin shares my feelings that the power to tax and the power to spend ought, ideally, to be linked. But where there is a general national purpose at stake, it is appropriate for Federal revenues to be directed to the local level and spent by local authorities, provided that localities are allowed maximum flexibility in making their spending decisions. Such a system of shared responsibility is not only sensible, it virtually is mandated by our federal system of government. I hope that we will move over the next few years to reduce both Federal taxes and the Federal role in our economy, and that will help make State and local governments more responsible and more responsive. But this is not an appropriate time to eliminate a program that spends Federal dollars as efficiently as revenue sharing does.

Mr. President, I urge my colleagues to reject the amendment proposed by the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the question recurs on the amendment of the Senator from Wisconsin.

Mr. BAKER. Mr. President, before the rollcall starts, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Is the second vote of the two votes that are stacked a 10-minute vote?

The PRESIDING OFFICER. The Senate does not have an order to that effect.

Mr. BAKER. I ask unanimous consent that the second vote be a 10-minute vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON UP AMENDMENT NO. 43

The question is on agreeing to the amendment of the Senator from Wisconsin, UP No. 43. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 15, nays 81, as follows:

[Rollcall Vote No. 65 Leg.]

YEAS—15

Boren	Heflin	Proxmire
Byrd, Harry F., Jr.	Hollings	Roth
DeConcini	Humphrey	Sasser
Dixon	Nickles	Zorinsky
Grassley	Nunn	
	Percy	

NAYS—81

Abdnor	Exon	McClure
Andrews	Ford	Melcher
Armstrong	Garn	Metzenbaum
Baker	Glenn	Mitchell
Baucus	Gorton	Moynihan
Bentsen	Hart	Murkowski
Biden	Hatch	Packwood
Boschwitz	Hatfield	Pell
Bradley	Hawkins	Pryor
Bumpers	Hayakawa	Quayle
Burdick	Heinz	Randolph
Byrd, Robert C.	Helms	Riegle
Cannon	Huddleston	Rudman
Chafee	Inouye	Sarbanes
Chiles	Jackson	Schmitt
Cochran	Jepsen	Simpson
Cohen	Johnston	Specter
Cranston	Kassebaum	Stafford
D'Amato	Kasten	Stennis
Danforth	Kennedy	Stevens
Denton	Laxalt	Symms
Dodd	Leahy	Thurmond
Dole	Levin	Tower
Domenici	Long	Tsongas
Durenberger	Lugar	Wallop
Eagleton	Matsunaga	Warner
East	Mattingly	Weicker

NOT VOTING—4

Goldwater	Pressler	Williams
Mathias		

So Mr. PROXMIRE's amendment (UP No. 43) was rejected.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 14

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 14) proposed by the Senator from Wisconsin concerning the Export-Import Bank. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER (Mr. HATFIELD). Are there any Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 20, nays 76, as follows:

[Rollcall Vote No. 66 Leg.]

YEAS—20

Boren	Dodd	Mitchell
Burdick	Dole	Nickles
Byrd, Harry F., Jr.	Exon	Nunn
Cohen	Heflin	Proxmire
Cranston	Helms	Riegle
DeConcini	Huddleston	Stennis
	Humphrey	Zorinsky

NAYS—76

Abdnor	Gorton	Moynihan
Andrews	Grassley	Murkowski
Armstrong	Hart	Packwood
Baker	Hatch	Pell
Baucus	Hatfield	Percy
Bentsen	Hawkins	Pryor
Biden	Hayakawa	Quayle
Boschwitz	Heinz	Randolph
Bradley	Hollings	Roth
Bumpers	Inouye	Rudman
Byrd, Robert C.	Jackson	Sarbanes
Cannon	Jepsen	Sasser
Chafee	Johnston	Schmitt
Chiles	Kassebaum	Simpson
Cochran	Kasten	Specter
D'Amato	Kennedy	Stafford
Danforth	Laxalt	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Domenici	Long	Tower
Durenberger	Lugar	Tsongas
Eagleton	Matsunaga	Wallop
East	Mattingly	Warner
Ford	McClure	Weicker
Garn	Melcher	
Glenn	Metzenbaum	

NOT VOTING—4

Goldwater	Pressler	Williams
Mathias		

So Mr. PROXMIRE's amendment (No. 14) was rejected.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order of business, the Senator from Arizona is recognized.

UP AMENDMENT NO. 41

(Purpose: To increase the level of savings to be reported by the Senate Committee on Governmental Affairs)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI), for himself, Mr. BOREN, Mr. PRYOR, Mr. DIXON, Mr. RIEGLE, and Mr. RANDOLPH proposes an unprinted amendment numbered 41.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, strike out lines 4 through 13, and insert the following:

"SEC. 11. The Senate Committee on Governmental Affairs shall report changes in laws to modify programs within the jurisdiction of that Committee which would reduce the costs to the Government resulting from waste, fraud, and abuse; administrative, non-

defense related travel and transportation; consultant services; public affairs, public relations, public information, and Government advertising; audiovisual and film-making activities; and uncollected Federal debts. Savings in appropriations and expenditures from trust funds from such statutory changes shall be $3,900,000,000 in budget authority and $1,700,000,000 in outlays in fiscal year 1982 and $1,000,000,000 in budget authority and $2,000,000,000 in outlays in fiscal year 1983."

Mr. DECONCINI. Mr. President, I ask unanimous consent that the Senator from Tennessee (Mr. SASSER), and the Senator from Delaware (Mr. BIDEN), be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, over the past 2 weeks a number of amendments have been offered on the floor of the Senate that would offset recommended add-ons——

Mr. DOMENICI. Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until the Senate is in order.

TIME LIMITATION AGREEMENT

Mr. BAKER. Will the Senator from Arizona yield to me on my time and not his?

Mr. DECONCINI. I yield.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Tennessee is recognized.

Mr. BAKER. Might I inquire of the distinguished minority leader if there is some possibility that we could, by unanimous consent, shorten the time allocated to the remaining amendments, or any of the amendments that remain to be disposed of?

Mr. ROBERT C. BYRD. Mr. President, I have tried to find out from Senators how many amendments remain on this side of the aisle. Do I understand there will be further amendments on the other side?

Mr. BAKER. Mr. President, as far as we know, there is one more amendment to be offered on this side, an amendment by the Senator from North Carolina (Mr. HELMS).

Mr. ROBERT C. BYRD. Mr. President, I have been able to get from my side of the aisle the following suggested time limitations, and I present them to the majority leader for his consideration.

On an amendment by Mr. METZENBAUM dealing with water projects, 30 minutes to be equally divided.

On an amendment by Mr. METZENBAUM dealing with tobacco subsidies, 30 minutes to be equally divided.

On an amendment by Mr. TSONGAS dealing with urban development assistance, 30 minutes equally divided.

On an amendment by Mr. RIEGLE dealing with unemployment insurance, 30 minutes equally divided.

On an amendment by Mr. MOYNIHAN—and this is referred to as the equal sacrifice amendment—30 minutes equally divided.

On an amendment by Mr. MOYNIHAN dealing with Puerto Rico, 30 minutes equally divided.

Mr. BIDEN. Mr. President, I have an amendment on low-income energy assistance. I would be willing to have 10 minutes equally divided.

Mr. BUMPERS. I have an amendment. I am reluctant to agree to a time on it but I feel certain we can dispose of it in 30 minutes.

Mr. ROBERT C. BYRD. Mr. President, what time does the distinguished majority leader plan to come in tomorrow?

Mr. BAKER. Mr. President, what I had hoped to do was to be able to sequence these amendments with a reduced time so we could come in a little later tomorrow. But judging by the number of amendments that appear here, and the fact that we have requests for two special orders in the morning, it will be my plan at this moment to come in at 9:30.

Mr. ROBERT C. BYRD. Would any of the Members on my side object to my suggestion that by coming in at 9:30 and beginning by 10, we would wrap up final passage by no later than 6 p.m. tomorrow, and hopefully do better than that?

Mr. BAKER. Mr. President, that would be eminently satisfactory on this side. If 6 o'clock is too late, I am willing to move back the convening hour a little bit in order to accommodate the needs of any Senator.

Mr. ROBERT C. BYRD. Would Senators be willing to say not later than 5 o'clock? That would give us a total of 7 hours.

Mr. BUMPERS. Will the leader yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. BUMPERS. Would that accommodate all the amendments the leader just read off a moment ago, assuming 30 minutes on the ones which were read?

Mr. BAKER. Mr. President, if I may answer that, as I have counted, there would be 4 hours 10 minutes counting the full time that would be allocated to the Senator from Arkansas, plus the time for rollcall votes.

Mr. BUMPERS. Has the leader counted the time it takes to vote?

Mr. BAKER. There would be 4 hours 10 minutes of debate and 8 rollcalls at 15 minutes each would be 2 hours. So it would be 6 hours 10 minutes. Say 7 hours.

Mr. BUMPERS. The leader proposes to start the legislative session at 10 in the morning?

Mr. BAKER. Mr. President, if we can arrive at an agreement for final passage at 5 o'clock, it would be my intention to convene the Senate at 9:30 and dispose of two special orders with a little bit of routine business, though not very much, and be on this measure not later than 10 o'clock in the morning.

Mr. HOLLINGS. I have two other amendments by Senator EAGLETON which were not mentioned. He has agreed to times of 40 minutes on both, equally divided. Then there is another amendment, a Chiles amendment, on vocational education. Those are three more that were not mentioned so you might make it 6 o'clock.

Mr. BAKER. Rather than make it 6, might I inquire? If we stuck with the 5 o'clock time, I would be willing to convene the Senate at 8:30, and have the two special orders, and be on this measure beginning at 9 o'clock.

Mr. ROBERT C. BYRD. I will make a suggestion to the distinguished majority leader. I have had some other Senators talking to me. I suggest that he propound the request he wishes; that the Senate complete action on this resolution no later than 7, and we would strive to do better during the day.

Mr. BAKER. Mr. President, let me propound a unanimous-consent request.

Mr. President, I ask unanimous consent that on tomorrow there be a time limitation on the amendment of the distinguished Senator from Ohio (Mr. METZENBAUM) dealing with water projects not to exceed 30 minutes to be equally divided; another amendment by the distinguished Senator from Ohio (Mr. METZENBAUM) dealing with tobacco with a time limitation of not more than 30 minutes to be equally divided.

Mr. President, let me revise that request to 40 minutes equally divided instead of 30 minutes on the tobacco amendment.

On an amendment by the Senator from Massachusetts (Mr. TSONGAS) on UDAG, 30 minutes to be equally divided; on the amendment of the Senator from Michigan (Mr. RIEGLE) on unemployment compensation, 30 minutes to be equally divided; on the Moynihan amendment on equal tax—did he call it tax bite? Is that the name?

Mr. DOMENICI. Equal sacrifice.

Mr. BAKER. That is almost the same. That would be 30 minutes. And another amendment by the Senator from New York (Mr. MOYNIHAN) dealing with Puerto Rico, not to exceed 30 minutes equally divided; on an amendment by the Senator from Delaware (Mr. BIDEN) dealing with low-income fuel assistance, not more than 10 minutes to be equally divided; and that, Mr. President, final disposition of this measure occur not later than 7 p.m. on tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Will the Chair indulge me for a minute?

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. STENNIS. Will the Senator yield to me?

Mr. BAKER. I am happy to yield.

Mr. STENNIS. When the Senator from Ohio offers his amendment on water projects—is that the amendment of the Senator?

Mr. METZENBAUM. That is an amendment that the Senator from Ohio may or may not offer. The Senator from Tennessee is correct that I may offer that amendment.

Mr. STENNIS. Mr. President, not knowing whether it is going to be offered or not, being here right at the last with no one knowing what the attendance will be, or who might be here, will the majority leader permit us to confer with the Senator from Ohio?

Mr. METZENBAUM. What did the Senator say?

Mr. STENNIS. I was asking for a minute to confer with the Senator about it and see if we could talk about it some.

Mr. BAKER. Mr. President, in view of the request of the distinguished Senator from Mississippi, I leave my request pending. For the moment, I suggest the absence of a quorum to be charged against both sides.

Mr. BUMPERS. Mr. President, will the leader withhold?

Mr. BAKER. Yes.

Mr. BUMPERS. Will the distinguished majority leader add my amendment to the list? It has apparently been omitted.

Mr. BAKER. Mr. President, would the Senator agree to a time limitation of 30 minutes?

Mr. BUMPERS. I agree.

Mr. BAKER. I add to that request the amendment of the Senator from Arkansas. I wonder if he could give us the subject of that amendment?

Mr. BUMPERS. The subject is on everybody's desk, face up. It deals with the restoration of $7 million in the childhood immunization program.

Mr. BAKER. I thank the Senator.

Mr. President, a time limitation of not more than 30 minutes on the child immunization amendment to be offered by the Senator from Arkansas (Mr. BUMPERS) of 30 minutes equally divided.

Mr. President, I add to that list an amendment on vocational education to be offered by the Senator from Florida (Mr. CHILES), 30 minutes to be equally divided.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield to the distinguished minority leader.

Mr. ROBERT C. BYRD. Mr. President, the fact that certain time limitations are being offered on certain amendments does not rule out other amendments. Senators may be assured that they will have an opportunity to offer other amendments if they wish to do so, even though those amendments have not been specified this evening. There would be a final time of not later than 7 o'clock, however, if the majority leader presents that request.

Mr. METZENBAUM. Mr. President, reserving the right to object, if that is a unanimous-consent request, I would have to object if the final hour is 7 o'clock.

Mr. ROBERT C. BYRD. No later than.

Mr. METZENBAUM. I had understood that he was talking about not later than 5 o'clock If we cannot conclude by 5 o'clock, then I see no reason particularly to foreshorten my own time with respect to some amendments that I may bring up. If we can conclude by 5 o'clock, I have no difficulty at all. If it is 7 o'clock, we may as well stay until 8, 9, 10, or 11, as far as I am concerned.

Mr. ROBERT C. BYRD. Mr. President, I hope the Senator will not take that position. There are some Senators who want to be assured that they will have an opportunity to have a little time on their amendments. The 7 o'clock limit is the outside limit. The Senate might finish earlier, but that would give them assurance that they would not call up their amendments and not have time on them. The Senator has had an opportunity to debate his amendments today; he will have a further opportunity tomorrow. I do not think we should make the agreement in such a way that some Senators would end up tomorrow not having any time, perhaps, on their amendments.

I hope the Senator will allow us to agree on 7 o'clock.

Mr. BAKER. Mr. President, I have the floor. I shall be happy to yield to the Senator from Delaware.

Mr. BIDEN. Mr. President, I should like respectfully to request that the time limit on my amendment, which I suggested can be done in 10 minutes, be 20 minutes equally divided, because other Senators have indicated they may want to say something. I may not use it all, but I should like 20 minutes equally divided.

Mr. BAKER. Mr. President, I revise my request to accommodate the request of the Senator from Delaware.

Mr. LEVIN. Will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. LEVIN. Mr. President, would the Senator add to his list an amendment relative to unemployment compensation? It will take no more than 20 minutes equally divided. It is a different one from Senator RIEGLE's.

Mr. BAKER. I add to the request, Mr. President, another amendment by the Senator from Michigan (Mr. LEVIN) on unemployment compensation, not to exceed 30 minutes equally divided.

Mr. DOMENICI. Reserving the right to object, Mr. President, with reference to Senator METZENBAUM's amendment on water projects that he might offer, I ask that there not be a time limitation, that it be the hour under the bill. I do not think the Senator would disagree with that.

Mr. METZENBAUM. The Senator from Ohio wants to make it very clear that he is not at all certain he will call up that amendment. I certainly cannot object to the fact of taking the full hour. The Senator from Ohio does want to make it clear that if we cannot bring the matter to a final vote by 5 o'clock, the Senator from Ohio will object.

Mr. ROBERT C. BYRD. Mr. President, I hope the majority leader will present his request and leave off the outside limit. I think he will have made a great deal of progress, in any event.

Mr. BAKER. Mr. President, I think that if we can get this list as we have described it, that is good progress. I will say that tomorrow, sometime, I am going to renew a request for a time certain to complete this. In any event, it is my full intention to remain in session tomorrow until we do, in fact, complete consideration of Senate Concurrent Resolution 9. I am sure every Member will understand that I am not trying to force the issue or proceed with undue haste, but tomorrow night is really the last practical time that we can devote a great deal of attention to this matter. It should be wrapped up. That will be 7 full days of consideration, I believe.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. Yes; I yield.

Mr. ROBERT C. BYRD. I join with him in the expression that there is no need to carry this beyond tomorrow. In the light of the amendments that have been enumerated, in the light of the known amendments that still exist, I should think that the Senate ought to finish tomorrow, regardless of what hour. It seems to me that with the time limits that have been established or, if they are established by the granting of the request, the Senate should be able to complete its work circa 7 p.m., give or take a little bit.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, I revise the request that I have made to include all of those amendments I have identified; to change the time limitation on the first Metzenbaum amendment dealing with water projects so that it is the full hour allowed by statute; and to remove the time of 7 o'clock for final disposition.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 9:30 TOMORROW

Mr. BAKER. Mr. President, may I say that even though it is 9:35 in the evening, we have spent some time on this. I have previously indicated to a number of Senators that we would still dispose or try to dispose of two amendments tonight, the amendment now pending by the Senator from Arizona (Mr. DECONCINI) and an amendment to be offered by the Senator from North Carolina (Mr. HELMS). I expect there may be rollcall votes on both of those and it may carry us as late as 10:30 or later.

I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, the Chair advises me that 8 minutes of my time has expired.

Mr. President, over the past 2 weeks, a number of amendments have been offered on the floor of the Senate that would offset recommended add-ons in a number of important program areas with reductions in travel, consultants, and other activities, normally categorized as constituting waste, fraud, and abuse. I recall vividly my distinguished colleague from Michigan, Senator RIEGLE, urging the Senate to "turn the junkyard dog loose" on these pockets of waste, fraud, and abuse.

Mr. President, as we near the end of the debate on Senate Concurrent Resolution 9, here is an amendment that gives the Senate a golden opportunity to vote up or down on whether or not we are really serious about cutting waste in a number of areas that have been well documented as major ingredients in the Government's multibillion-dollar waste, fraud, and abuse problem. My amendment offers no offsetting add-on for this program or that program. There is nothing fancy about it. It does not touch our essential National Defense Establishment nor does it affect the poor, the elderly, the handicapped, or the unemployed of this country. Pure and simple, it calls for cutting waste by $3.9 billion in 1982.

Mr. President, my amendment would expand the waste, fraud, and abuse savings suggested in section 11 of the concurrent resolution reported by the Senate Budget Committee, to include additional savings in the areas of travel; consultant services; public affairs, public relations, public information, and advertising; audiovisual and filmmaking activities; and uncollected Federal debts.

My amendment would boost total savings in section 11 of the resolution to $3,900,000,000 in budget authority and $1,700,000,000 in outlays in fiscal year 1982 while maintaining the committee-recommended estimates of $1,000,000,000 in budget authority and $2,000,000,000 in outlays in fiscal year 1983. The Senate Committee on Governmental Affairs would have the responsibility for effecting these savings through legislative modifications and program changes.

Mr. President, the Budget Committee is to be commended for bringing this package of budget-cutting instructions to the floor of the Senate in such a short period of time and with suggested budget savings across a broad spectrum of Government activities. However, let me explain briefly why I believe that these additional savings should be a part of the reconciliation instruction package that will call on all committees to report their respective savings plans to the committee in the weeks ahead.

First, Mr. President, if the called-for savings in the areas I have proposed in my amendment seem all too familiar, they should. On February 5, Senators PRYOR, SASSER, and I introduced S. 421—the General Government Expenditure Control and Efficiencies Act of 1981—which called for $3,900,000,000 in savings in travel (—$750,000,000); consultant services (—$1,000,000,000); public relations, public affairs, public information and advertising (—$150,000,000); audiovisual and filmmaking activities (—$250,000,000); and debt collection (—$1,750,000,000).

My amendment to Senate Concurrent Resolution 9 assumes savings of this magnitude in these general Government areas in fiscal year 1982. Furthermore, although the Budget Committee has been thorough in reviewing the President's proposed package of budget cuts and developing its own economy options, I have been unable to find any specific set of options, either in the resolution itself or the committee report, that indicates savings in these areas have been suggested to the appropriate legislative or appropriations committees.

It is true that on page 9 of the committee report, the committee does urge the President to implement his yet-to-be-announced administrative savings plan. But to my knowledge, no specific administrative savings have been incorporated into the committee's reconciliation totals. My amendment would set a realistic target of $3.9 billion for the Committee on Governmental Affairs to shoot for in developing its proposed legislative changes to effect savings in the areas of fraud, waste, and abuse.

I have also heard the arguments of some of my colleagues that the committee has already taken into account savings to be derived through more aggressive and efficient legislative methods of Federal debt collection. However, page 123 of the committee report makes it clear that the committee has not included specific savings in debt collection activities in its accounting of total reconciliation savings. My amendment assumes that $1.750 million in previously uncollectable bad debts can be recouped in fiscal year 1982.

Mr. President, while I commend the Budget Committee for uncovering budget reduction opportunities for the committees, I do not believe that they have gone far enough to incorporate the savings I am proposing today into their reconciliation savings totals.

Mr. President, a number of my skeptical colleagues may ask what justification there is for reductions of the magnitude assumed in my amendment to this resolution. Well, the justification for savings in the areas of travel, consultant services, Federal public relations, advertising and debt collection are sound and have been well-documented by the General Accounting Office, the Congressional Budget Office, the Office of Management and Budget—both under this administration and past administrations—by the various House and Senate authorizing committees, and by private foundations and organizations who have spent a number of years developing various strategies for reducing the size of the Federal budget. The numbers which are spelled out in detail in S. 421 and which are assumed in the total savings figure contained in my amendment to this resolution represent a consensus of savings possibilities that have been carefully reviewed and projected by these various groups.

They do not represent mere speculation or numbers "drawn out of the air" or out of a magic hat. I believe that they are realistic and achievable. Let us take a brief look at what the research of some of these organizations has uncovered in the areas of travel, consultant services advertising, public relations activities, and debt collection.

DEBT COLLECTION

The total savings figure proposed in my amendment assumes $1,750,000,000 in uncollectable Federal debts can be recouped in fiscal year 1982.

Going back to 1977, the General Accounting Office has issued no fewer than 30 reports covering, at least in part, the issue of debt collection and steps the Federal Government should be taking to go after bad debts occurring in student loan programs, VA loan programs and other Federal activities to repay Uncle Sam. Three or four GAO reports have been done exclusively on the Government-wide debt collection problem. According to the GAO, of the current $125.7 billion in Government-wide receivables due, an estimated $6.3 billion will be uncollectable—enough to fund the space program for an entire fiscal year.

The Congressional Budget Office has indicated in its report entitled "Reducing the Federal Budget: Strategies and Examples, Fiscal Years 1982–1986" that a net savings of $1.6 billion could be acheived in fiscal year 1982 through improved debt collection efforts by the executive branch, and that cumulative savings of $8.4 billion over the next 5 years may be conservative.

TRAVEL

In the area of travel, an Office of Management and Budget/General Services Administration report on Federal travel issued recently has corroborated my contention that the Federal travel budget is totally out of control. Their report which I received on February 10 shows, among other things, that over 26.8 percent of the reasons given by agencies to OMB for travel were "unknown." It was revealed that more than 25 percent of the Federal travel budget goes for information meetings, training attendance, speeches, or presentations, and conference attendance by Federal employees. So, more than 51 percent of the Federal travel budget—51 percent—goes for these low-priority activities or is required for reasons that are unknown to the agencies that spend billions and billions of tax dollars every year on travel.

As recently as December of last year, the GAO reported a number of proposals for improving the management of Federal travel and indicated that travel budgets are unreliable and that administration officials often do not know how travel money is being spent. Earlier in the year, OMB estimated that the Federal travel and transportation budget for fiscal year 1982, as reported by former President Carter, was $12.6 billion. The savings figure that I am proposing in my amendment assumes savings of $750 million in the Federal nondefense related travel and transportation budget.

ADVERTISING

In the area of advertising, the American Association of Advertising Agencies, Inc., has estimated that it spends approximately $144,300,000 a year on advertising, most of which is in the Department of Defense. The Congressional Budget Office in its report entitled "Reducing the Federal Budget: Strategies and Examples, Fiscal Years 1982–1986" indicated that $18 million in savings could be achieved by the military through the increased use of joint-service advertising.

CBO suggests that the Department of Defense has found that, for certain purposes, joint-service advertising would be most cost effective, pointing to tests that showed joint-service magazine advertising, for example, yields per dollar spent 1.5 times the number of applicant leads for recruiting as does single-service magazine advertising. The report goes on to say that joint-service advertising may also help to avoid undesirable inter-service competition for recruits. My amendment assumes savings of $30,000,000 in advertising activities next year.

How about audiovisual activities and filmmaking? According to the National Audiovisual Center within the General Services Administration, approximately $450,000,000 to $500,000,000 a year is spent on audiovisual activities, including over $53 million on motion picture, TV, and video tape, and audio production ac-

tivities. The Department of Defense alone spends well over $410,000,000 a year on audiovisual production, duplication, equipment, and supplies. The National Audiovisual Center reports that the Federal Government owned or leased 1,519 audiovisual facilities, totaling 8.9 million square feet of space in fiscal 1979. The Department of Agriculture alone owned or leased 62 such facilities; the VA, 11 facilities; and the Department of Defense, 1,074 audiovisual facilities.

Since 1978, OMB has been attempting to force agencies to consolidate or even eliminate audiovisual facilities that may be underutilized or nonessential to the Government's mission—without much success. Furthermore, the type of productions that the Federal Government has produced over the years makes it all the more clear that the Congress must recommend substantial cutbacks in this area of waste in the coming fiscal years. My amendment assumes a savings of $250,000,000 in audiovisual and filmmaking activities in fiscal 1982.

CONSULTANT SERVICES

Another area of waste and abuse that has been well-documented is the area of consultant services, contracts, and studies. Depending on whose definition you use, estimates of the amount Uncle Sam spends annually on consultant services ranges from as low as $400,000,000—an OMB estimate last year—to $2.4 billion, estimated by Senator Magnuson last year to multiples of this amount spent by the Department of Energy alone. In hearings before the Senate Governmental Affairs Subcommittee on Civil Service and General Services in the last few years, it was learned that over half of the Department of Energy's $11 billion budget was spent on outside consultants and contractors. The General Accounting Office, various congressional committees, and other outside groups have done their own evaluations of the Federal consultant "machine" and found a number of common abuses, such as failure to use competitive procurement practices in securing consultant services, excessive rates of compensation for consultants, outside consultants performing policymaking or other managerial functions that should be performed in-house by Federal employees and rampant duplication of studies which often are never used. The National Tax Limitation Committee has suggested savings of $2–3 billion in consulting services annually. My amendment to the reconciliation resolution assumes a savings of only $1 billion.

PUBLIC AFFAIRS

What about public affairs, public information, and public relations? Mr. President, as I have said many times, Government is big business and like big business the Federal Government is spending large amounts of its scarce resources on public relations, public affairs and public information programs which appear to be largely self-promotional. A 2-year comprehensive study of Federal spending programs by UPI investigative reporter Don Lambro revealed that both OMB and the Office of Personnel Management had privately estimated the cost of Government public relations, self-promotion and other public information activities of the Federal Government at over $1.5 billion a year. According to the White House Reorganization Project of 1978, more than 1,000 people from 29 different agencies are assigned to Congressional Relations at a cost of approximately $24 million.

In the Department of Agriculture alone nearly 1,000 people are employed as information media workers to handle public information and public relations duties, while the Department of Defense has a press and public affairs staff of more than 316 people in the Pentagon with another 1,200 scattered around the country to handle DOD's public relations and press activities. Add to this the 459 public affairs staff at the Department of Health and Human Services and their budget of $25.4 million and it is clear that public affairs is big, big business in the Federal Government. My amendment assumes that savings of $120 million could be realized in the area of public affairs.

Mr. President, the savings called for in my amendment to Senate Concurrent Resolution 9 are not new or creative. Many of my colleagues on this Senate floor have been out in front in the fight to bring these nonessential expenditures under control through their respective committees and through outside investigations by GAO and other groups. What this amendment will do is give the Senate Committee on Governmental Affairs, under the distinguished leadership of Chairman ROTH and Senator EAGLETON, the ranking minority member, a specific target to shoot for in developing their proposals to effect savings in the next 2 fiscal years. I believe that the areas of waste that I have outlined today are exactly the areas of spending that can and should be controlled if we are truly serious about cutting waste, fraud, and abuse in the future.

Mr. President, I urge the adoption of my amendment.

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. DECONCINI. Mr. President, I yield 2 minutes to the Senator from Tennessee, without losing my right to the floor.

Mr. SASSER. I thank the Senator from Arizona for yielding.

Mr. President, there is an enormous amount of well-grounded evidence which indicates that this amendment is not only possible and reasonable in its goals, but that it is long overdue. As a matter of fact, I consider the reductions in Federal expenditures proposed in the amendment somewhat modest in their scope.

On what bases do I lay such a claim? The answer is "on some very sound bases."

Take the portion of this amendment which assumes that the Federal Government could reduce expenditures by $1.75 billion in fiscal year 1982 through improved debt collection practices by the Federal Government.

It has already been pointed out last year and this year in the Senate Governmental Affairs Committee—by me and by my colleague, Senator PERCY—that this is a conservative figure. We could easily save $2 billion a year through improved debt collection practices.

Both the Congressional Budget Office and the Office of Management and Budget, under Director David Stockman, will attest to this.

The OMB projection is grounded on the findings of a report filed earlier this year by OMB's debt collection project. This report was 17 months in the making. It was launched after the General Accounting Office, at my urging, began reporting as early as 3 years ago that there was a need for improved debt collection practices in Federal agencies.

The debt collection project conducted thorough reviews in 24 Federal departments and agencies.

The project's task force consisted of representatives and professionals from both the Government and the private sector.

What the debt collection project found—to put it bluntly—is an enormous mess. The calculation was that, at the end of fiscal year 1979, $175 billion was owed the Federal Government by individuals, organizations, and foreign governments.

That is over $230 for every household in the United States.

The report noted that, of this debt, $46.9 billion were current receivables, or money that is now due for repayment. Of this figure, $25.3 billion—or nearly 54 percent—were delinquent.

Assuming a 12-percent interest rate on governmental borrowing in fiscal year 1979, the interest cost paid by the Government in carrying $25 billion in delinquent debt amounted to $3 billion. That is $31 per family—just to carry the interest on delinquent debts owed the Federal Government.

So much more can be said, and will be said, about this issue. The Governmental Affairs Committee is committed to moving debt collection legislation as soon as possible. Senator PERCY, who I have joined in sponsoring S. 591, the Debt Collection Act of 1981, will conduct hearings next week on this subject.

This hearing will amplify and detail even further the case for debt collection legislation which was made at similar hearings which Senator PERCY and I conducted last November.

Not only that, I fully expect the administration to announce its own plans for debt collection legislation in a week or so—legislation which will encompass the debt collection bill Senator PERCY and I support, and provide for additional elements.

Clearly, the amendments before us reflects realistic proposals for reducing Federal expenditures.

For those who might question the broad, across-the-board approach implicit in this amendment, I want to commend you once again to the OMB report.

During its exhaustive reviews of the agencies in the process of compiling the report, the debt collection project noted that "many Governmentwide issues surfaced which affected many or all other agencies."

Will this approach work? I assure you it will. And in assuring you that it can and will work, I want to call your atten-

tion to my successful effort 2 years ago—an effort supported by many from both sides of the aisle here today—to direct the Federal Government to cut $500 million from its travel budget for fiscal year 1980.

Adjusted for inflation, this cut approaches the $750 million reduction in travel expenditures called for in this amendment. Such a cut was effected and can be effected again—without resulting in the elimination of a single mission or taxi ride deemed important or valuable to our national interest or security.

It is possible, also, to effect the other reductions called for in this amendment without the slightest inconvenience.

So, a vote against this amendment is a vote against the evidence that is already in.

A vote against this amendment will be a vote against a bipartisan effort on these matters that commenced several years ago and obtains today.

A vote against this amendment will be an assertion that the United States believes it is sound budgetary policy to endorse a situation which commits the Federal Government to pay $3 billion a year in interest costs alone to carry delinquent debts.

In effect, a vote against this amendment is a vote for continued participation of the Federal Government in an already overcrowded credit market—simply to keep delinquent debtors comfortable and on the books.

Finally, a vote against this amendment is a vote for inept, inexcusable, and irresponsible travel and consultant management practices on the part of the U.S. Government—practices that are costing us billions of dollars annually.

I urge my colleagues to cast aside the binds of partisan conviction and to support this amendment freely and fully.

Mr. DECONCINI. I thank the Senator from Tennessee, and I compliment him for taking the lead in the areas he has addressed this evening.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back?

SEVERAL SENATORS. Vote! Vote!

Mr. DOMENICI. I yield myself 2 minutes.

Mr. President, the amendment that Senator DECONCINI, my good friend from Arizona, proposes is really not a reconciliation item in this instruction, and I hope everyone understands that.

Mr. President, if you will notice, it is not in the paragraphs that do mandate the committees to make changes. It is not even in the paragraph on the sense of the Senate that said committees should take certain action, but rather, this amendment would change paragraph 11, which was included at the request of the distinguished Senator from Florida, who had a letter from the chairman of the Governmental Affairs Committee, wherein he said that they hoped in that committee to pass some law changes and create some statutory revisions that would strengthen the Inspector General's offices, that would cause us to have a better chance of collecting some defaulted loans, and the like. They thought they could draw that kind of statute that might save us $2 billion.

So at the request of the Senator from Florida the committee put in some language which is not even mandatory, merely saying that the Governmental Affairs Committee should report changes to laws modifying programs within their jurisdiction which would reduce the cost of Government which result from waste, fraud, and abuse, and then the estimate that they gave was included in this language supporting the Governmental Affairs Committee.

We went along with that at the request of the distinguished senior Senator from Florida. We were very careful. It is not mandatory. It is recognizing, as the report indicates, that they hope to do that. It is not taken into consideration in the total savings. It is not part of the savings that appropriations is going to make. It is not part of the savings that the administration has committed to make through administrative kinds of changes.

It is just an additional comment requesting that they should get on with that because there is genuine concern.

Obviously, this is open for anyone to come down here and say, "If there are 2 billion, maybe there are 5." Perhaps by tomorrow we will have someone who will say, "If we can consider 3 additional billion in the Governmental Affairs"—now that is their committee that we are talking about—"maybe it should be 7." In fact we might go back to the distinguished Secretary of HEW, Mr. Califano, who said in all of his programs there was over $10 billion in waste.

I assume we could say why does not the Governmental Affairs Committee do that? I mean we should put $10 billion in there and say, "Government Affairs Committee, you should draw this," and then we can all go home when we pass that and say we passed the statute, we passed the reconciliation instruction, we saved $10 billion in waste.

The truth of it is that we did this because they told us this is approximately what they hoped to save if they could draw the appropriate changes in Inspector General laws, student loans, and hope we would not Christmas tree this item in some kind of spirit of antifraud exhilaration so that anyone who does not vote for that amendment is in favor of fraud and abuse.

I suggest that all the programs have to be rid of fraud, abuse, and waste and certainly the Governmental Affairs Committee does not have jurisdiction over the line items, the appropriations process, and everything else.

So I hope the Senate will deny Senator DECONCINI this amendment and turn it down.

Mr. HOLLINGS. Mr. President, let me yield such time on the resolution as is necessary.

Mr. President, I said during the Budget Committee consideration of this subject that it would be mischief. What it really says in section 11—I did not like it at the time—is that the Committee on Governmental Affairs should report changes in laws within its jurisdiction to reduce waste, fraud, and abuse.

We say we are not a line-itemizing committee. But it is wrong to gratuitously end a report and single out one committee and say that in the Budget Committee's opinion that subcommittee has allowed waste, fraud, and abuse to the tune of x billion dollars and that it should have been corrected. It is very interesting that the ones who recommend this are the distinguished members of the distinguished Presiding Officer's committee, namely Appropriations. We have every opportunity, if there is really that much waste, fraud, and abuse to correct it because we have the responsibility of oversight before we appropriate the money.

The best the Governmental Affairs Committee could do is hire some inspectors general. They would have to pass special laws to allow the IG's to swarm down like locusts from Washington looking in every nook and cranny for waste, fraud, and abuse. They would have to come up with some $4 billion worth in order to satisfy the amendment.

That gets to be ridiculous.

I talked a little while earlier about symbols and the reason I did not vote for one amendment because of a symbol. This is the exact opposite. The symbol here is waste, fraud, and abuse, and this will get a lot of votes if everyone identifying with the symbol said, "I know it is unrealistic, it is impractical, but I want to identify with that symbol so, therefore, I vote aye because I do not want someone back home to say that I am for waste, fraud, and abuse."

This breaks down the credibility of the entire procedure.

We never should have put this section in the resolution or the committee report in the beginning.

If we find any merit in this amendment and it passes, then I would suggest we move on to the distinguished Senator's Judiciary Committee. He serves on that committee, and he and I both serve together on the Subcommittee of Appropriations of the Judiciary. We should be able to save $1 billion there in waste, fraud, and abuse. And then we can move over to some other committees such as Commerce, or Armed Services.

They said that would be out of order because there was no authorizing legislation. But we should try to eliminate waste, fraud, and abuse, whenever it is. Rather than pick out one committee we should go after them all. However, that is unrealistic. It is also bad budget procedure. This section never should have been in the resolution in the first place. It certainly should not be increased.

The PRESIDING OFFICER (Mr. GRASSLEY). The Chair recognizes the Senator from Arizona.

Mr. DECONCINI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes and 21 seconds.

Mr. DECONCINI. Mr. President, I compliment the ranking minority member of the Budget Committee and cer-

tainly the chairman for their efforts to do what they believe is proper.

I wish to point out a couple things.

No. 1, this amendment goes to section 11. As the Senator from South Carolina just said, maybe they should not have it in there, but it is in there.

My amendment says they shall find this type of reduction.

S. 421 is already before the Governmental Affairs Committee with itemizations of where this can be found, and it is substantiated by one report after another. I do not see how you can say it is grabbing out of the air to cut $750 million in travel out of a budget in excess of $8 billion and then when you take out the military travel you still have $4 billion plus to cut out $750 million. Just go out and do it. It does not say pull something out of the air and do it. It says here it is, folks. Cut it. Take the travel out when they are using 25 percent of it for conference and speeches and another 26 percent or so is unknown travel.

So I thank my distinguished colleagues for making the distinction that this amendment says you shall take it out and it is specific where you shall take it out.

Mr. DOMENICI. Mr. President, was the Senator going to yield back the remainder of his time?

Mr. DECONCINI. Mr. President, could I inquire of the Senator from New Mexico is he going to permit an up-or-down vote on this?

Mr. DOMENICI. Yes.

I was going to ask our majority leader if he would consider propounding a unanimous-consent request that we would defer the Senator's vote, argue the Helms amendment, and then vote one after the other, stack the Senator's amendment and then take Senator HELMS' argument. It is only 20 minutes. Then we will vote on them both and be through for the evening.

Mr. DECONCINI. Mr. President, if the Senator from New Mexico will yield, whoever is going to propound the unanimous-consent request it would be understood I would have an up-or-down vote.

Mr. DOMENICI. Yes, indeed.

Mr. HOLLINGS. The Senator has the yeas and nays ordered already.

Mr. DECONCINI. Yes, I have.

I have no objection to that.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. DOMENICI. I am pleased to yield.

Mr. BAKER. Mr. President, before I make that request, let me check with the minority leader and make sure that there are no other problems involved with that and if the Chair will indulge me just a moment I wish to make that determination.

Mr. DECONCINI. Mr. President, will the Senator yield on the amendment?

Mr. BAKER. I yield.

Mr. DECONCINI. Mr. President, I ask unanimous consent that certain newspaper articles before me be printed in the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 5, 1981]

WAR ON WASTE IS URGED ON HILL

(By Mary Thornton)

The Reagan administration could save as much as $14 billion by implementing better management procedures that the General Accounting Office and others have been recommending for years, GAO's chief accountant testified today.

"The big problem has been in getting an administration to take real care and concern in management," Donald L. Scantlebury told the House Budget Committee. "Many agencies concentrate on carrying out programs, disbursing funds. But the other aspect—seeing that the government gets back every dollar it is entitled to—those things don't get the same concern."

Budget Committee Chairman James Jones, D-Okla., said at the hearing that this sort of government waste should be attacked before "valuable programs" are cut.

"There is waste, fraud and abuse, and this committee intends to eliminate that before valuable programs are destroyed," he said.

Scantlebury told the committee that one of the major waste problems in government is caused by poor debt collection practices—for such items as government loans and overpayments of various government benefits.

At the beginning of the 1980 fiscal year, he said, the government was owed $126 billion by U.S. citizens and organizations. Of that amount $24 billion was delinquent.

"Many agencies have not aggressively attempted to collect amounts owed the government," he said, adding that "present collection methods are expensive, slow and ineffective when compared with commercial practices."

Morris B. Silverstein, deputy inspector general for the Veterans Administraton, said his agency alone was owed $666 million in active debt as of last September, and about 25 percent of that amount was already delinquent by more than three years.

In addition, the VA had already written off more than $198 million in education benefits as uncollectable.

In another budget-related hearing today, Rep. Fernand St Germain, the House Banking Committee chairman, told budget director David Stockman he wants evidence the administration's economic plan will work before Congress starts trimming the budget.

St Germain's committee has jurisdiction over nearly half of the president's proposed budget cuts for fiscal 1982—more than $20 billion. He noted that many cuts "come out of housing and community development programs—a substantive shift of priorities and a major downgrading of our commitment to urban communities."

"If we are to change our commitment to the cities, if we are to change the lives of millions of hard-working Americans, I suggest we do it with the proper evidence in hand before the fact," he said.

At the White House today, a group of conservative Democrats breakfasted with Reagan and offered him their proposals for cutting an additional $11.2 billion in federal spending.

The Congressional Conservative Democratic Forum suggested budget reductions that included eliminating the Legal Services Corporation, cutting foreign aid, repealing the Davis-Bacon Act, and eliminating housing costs from the calculation of the government cost-of-living index.

Rep. G. V. Montgomery, D-Miss., said after the breakfast with Reagan that the president will propose a slowdown in construction of Veterans Administration hospitals and an increase in interest rates on loans taken out against VA life insurance policies.

He said Reagan told the group that there would be "some cutback in personnel in (VA) hospital care," but that doctors and nurses would not be cut.

In the Senate, Majority Leader Howard Baker of Tennessee reiterated his predictions of quick action on the president's economic proposals. He told reporters he hopes Congress can complete work on the package by the beginning of the July 4 recess.

"That may be a very optimistic estimation, but it's possible to do that and I hope we will do that," he said.

At the Budget Committee hearing, GAO accountant Scantlebury and four acting and deputy inspectors general from several agencies asked for stronger power to go after delinquent debts owed to the government.

Among their proposals are:

Reporting delinquent debt to private credit bureaus to affect the credit ratings of persons who do not pay their government debts.

Using private collection bureaus.

Charging higher interest rates on delinquent debt. Some government programs collect no interest at all and others are far below market rate.

Using the Internal Revenue Service to track down delinquent debtors.

Collecting debts out of income tax refunds. And in the case of federal employees who owe money to the government, they are asking for authority to withhold the money from the employee's paycheck.

Scantlebury predicted that as much as $6 billion a year might be saved through these methods, and much more might be saved if the government acted on existing GAO audits that have been ignored in recent years.

He said there are at least $24.9 billion in funds involved in audits that have not been acted upon, and that part of that money would go to the government and part to the general public.

[From the Washington Post, Mar. 27, 1981]

REAGAN FORMS COUNCIL TO BATTLE FRAUD, WASTE

(By Lee Lescaze)

The twin evils of government fraud and waste loomed large on President Reagan's campaign enemies list and yesterday the president formed a new organization with a squeaky-clear name, the President's Council on Integrity and Efficiency, to root the two from federal programs.

At the same time, the president appointed the first six inspectors general to fill the 16 vacancies he created, when he fired all of these agency watchdogs on his first full day in office Jan. 21. Five of the six Reagan chose yesterday were among the 16 he fired.

"We will not rest with today's announcement. We will not simply tuck this event away and go on with business as usual," the president said as he signed the executive order establishing the new council.

"We are going to follow every lead, root out every incompetent, and prosecute any crook we find who's cheating the people of this nation," Reagan added.

The anti-fraud and waste council will be chaired by Edwin Harper, deputy director of the Office of Management and Budget, and is designed to facilitate interdepartmental cooperation, the president said.

Harper said that while no additional staff will be given to the inspectors general, they will have greater resources because of closer cooperation with the FBI.

He said that the audit functions of the government are estimated to have saved $4 billion over the last two years. "That's a fairly hard figure," he said.

In introducing five of the six newly appointed inspectors general to reporters, Harper insisted that it had made sense to fire them all and then examine their qualifications. He described the inspectors' func-

tions as vital but denied that firing all of them had disrupted the work of their offices.

Not all was running smoothly even with the appointment process, however. Frank S. Sato, who before Jan. 21 was the inspector general at the Transportation Department and was appointed to the same position at the Environmental Protection Agency yesterday, was absent, apparently because he had no advance warning of his new appointment. One of the other inspectors said Sato didn't know of his new job as of yesterday morning.

Harper said the 10 other inspectors general will be named very soon and that two of them will be persons who held such jobs before the Reagan purge.

The purge has been criticized by various members of Congress, mostly Democrats, who have said that the supposedly nonpartisan inspectors were being politicized by the Reagan White House. In the latest such charge, six House Commerce and Energy subcommittee chairmen sent a protest to the White House charging that White House political director Lyn Nofziger and other White House aides were playing significant roles in choosing the new inspectors.

Harper denied the charge. He said Nofziger saw the final list of candidates, but "he did not veto any candidate."

In addition to Sato, the inspectors general named yesterday are: Robert L. Brown, a retired Foreign Service officer, for the State Department; Paul R. Boucher, reappointed to the Small Business Administration; James B. Thomas, reappointed to the Education Department; Thomas F. McBride, moved from the Agriculture Department to the Labor Department, and Charles L. Dempsey, reappointed to the Department of Housing and Urban Development.

[From the Washington Star, Mar. 22, 1981]

REAGAN TO ATTACK U.S. WASTE FRAUD ON BROAD SCALE

(By Jeremiah O'Leary)

President Reagan is preparing to open a broad attack on waste and fraud in the federal government on several fronts this week.

White House press secretary James S. Brady disclosed yesterday that as one of the first steps the administration will soon announce a number of criminal and civil actions charging individuals and federal agencies with misuse or waste of government funds.

Brady said the White House will concentrate heavily on Reagan's determination to wipe out misuse of government funds, which he described as the "fifth leg" of the president's economic recovery program. The other four, he said, are the budget reductions, tax cuts, control of the money supply and regulatory reform.

"This is going to be waste and fraud week here," Brady told reporters.

Brady said the President will launch the week's activities by meeting tomorrow with former Comptroller General Elmer B. Staats, who stepped down March 7 as head of the General Accounting Office, Congress' watchdog agency. Congressional leaders have submitted the names of eight possible nominees to succeed Staats and these are now being screened by the White House personnel staff.

GAO's auditors routinely investigate federal programs and agencies and report to Congress on millions and even billions of dollars they believe are being misspent.

Reagan also will sign an executive order creating a new Presidential Council on Integrity and Efficiency in Government to find waste and abuse in government spending. The council will be made up of employees of the Office of Management and Budget and representatives of Cabinet departments.

Brady said some of the 15 present inspectors general will be retained and others will be replaced. Reagan's choices, he said, will meet the requirement that they be "meaner than junkyard dogs."

Another presidential order this week will require that all government agencies cut back on publications and films. It is expected that Reagan will order that no new publications or films be prepared or issued without a departmental review and OMB approval.

"We are determined to put the brakes on publications of this kind," Brady said.

Citing former Attorney General Benjamin Civiletti's estimates that from 1 to 10 percent of the federal budget is consumed by waste and fraud, Brady said the administration believes that Reagan's measures will save at least $7 billion of the $765 billion federal budget.

Brady declined to give any hint as to which agencies or individuals might be implicated in either criminal or civil fraud.

"We don't want them to know who has been caught until we are ready to make some announcements in the next few days," Brady said. He also declined to say what kind of fraud is involved.

"There are a number of investigations that have been continuing under the inspectors general of the departments," Brady said. "We will be highlighting the role that the FBI and the departmental inspectors played."

Reagan made waste and fraud in government one of the key points of his presidential campaign, calling their elimination an integral part of his program for economic recovery.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I withdraw my request for recognition.

I understand there might not be an agreement to stack votes, and I will not make that request at this time.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. I yield back our time.

Mr. DECONCINI. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Arizona. The yeas and nays have been previously ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. LAXALT), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 43, nays 53, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—43

Baucus	Dodd	Melcher
Bentsen	Eagleton	Metzenbaum
Biden	Exon	Mitchell
Boren	Ford	Moynihan
Bradley	Glenn	Nunn
Bumpers	Hart	Pell
Burdick	Heflin	Pro"mire
Byrd, Harry F., Jr.	Huddleston	Pryor
	Inouye	Randolph
Byrd, Robert C.	Jackson	Riegle
Cannon	Johnston	Sarbanes
Chiles	Kennedy	Sasser
Cranston	Leahy	Tsongas
DeConcini	Levin	Zorinsky
Dixon	Matsunaga	

NAYS—53

Abdnor	Hatch	Packwood
Andrews	Hatfield	Percy
Armstrong	Hawkins	Quayle
Baker	Hayakawa	Roth
Boschwitz	Heinz	Rudman
Chafee	Helms	Schmitt
Cochran	Hollings	Simpson
Cohen	Humphrey	Specter
D'Amato	Jepsen	Stafford
Danforth	Kassebaum	Stennis
Denton	Kasten	Stevens
Dole	Long	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
East	Mattingly	Wallop
Garn	McClure	Warner
Gorton	Murkowski	Weicker
Grassley	Nickles	

NOT VOTING—4

Goldwater	Pressler	Williams
Laxalt		

So Mr. DECONCINI's amendment (UP No. 41) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, that will be the last rollcall vote tonight.

Do I understand, Mr. President, that the distinguished Senator from North Carolina is to be recognized to call up an amendment?

The PRESIDING OFFICER. The Senator is correct.

The Senator from North Carolina.

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The point of the Senator from New York is well taken. The Senate is not in order. Will Senators who wish to converse retire to the cloakrooms?

The Chair recognizes the Senator from North Carolina.

UP AMENDMENT NO. 44

(Purpose: To require additional reductions in appropriations by the Senate Finance Committee)

Mr. HELMS. Mr. President, I have an amendment at the desk which I call up and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS), for himself and Mr. JEPSEN, proposes an unprinted amendment numbered 44.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 17, strike "$52,144,000,000" and insert in lieu thereof $52,925,000,000".

On page 2, line 18, strike "$36,945,000,000" and insert in lieu thereof "$37,045,000,000".

On page 2, line 19, strike "$59,023,000,000" and insert in lieu thereof "$59,328,000,000".

On page 2, line 20, strike "$47,694,000,000" and insert in lieu thereof "$47,794,000,000".

On page 7, line 15, strike "$4,354,000,000" and insert in lieu thereof "$4,454,000,000".

On page 7, line 16, strike "$9,354,000,000" and insert in lieu thereof "$9,454,000,000".

On page 7, line 17, strike "$4,494,000,000" and insert in lieu thereof "$4,594,000,000".

On page 7, line 18, strike "$10,870,000,000" and insert in lieu thereof "$10,970,000,000".

Mr. HELMS. Mr. President, this amendment would restore the President's proposed level of spending in the Finance Committee's direct spending account. In effect, this amendment would reduce the Budget Committee's recommendations by $100 million.

The $100 million was added to the Finance Committee's direct spending account. The report suggests that this is for social security title XX grants to States, and the Budget Committee staff has told me that it is for the purpose of making funds available for the provision of legal services to eligible clients.

The Committee on Labor and Human Resources, as the distinguished occupant of the Chair knows, had originally proposed in its report language to terminate the Legal Service Corporation and to authorize $100 million in the Corporation's account for the purpose of block grants to States.

But the Budget Committee zeroed the Labor and Human Resources proposal, which would have required normal authorization and appropriation, and added $100 million to the Finance Committee direct spending account—and let me emphasize this—which is an entitlement program bypassing the normal appropriations process.

The presence of an extra $100 million in the Reconciliation Act, intended—but nonbinding—for the provision of legal services, is an open invitation to future lobbying and pressure to maintain or restore the Legal Service Corporation.

Because the specific recommendations of the reconciliation are nonbinding, the $100 million extra need not be used as block grants as the Budget Committee intended. There could be—and, in this Senator's view, there would be—a push by the Legal Services Corporation and its allies to use that room in the budget process to rescue the Corporation down the road.

That must not be permitted. We must strike the $100 million now.

Mr. President. let me read into the RECORD a very brief letter from David Stockman.

MARCH 30, 1981.

DEAR JESSE: This is to advise you that the Administration strongly supports your efforts to restore the budgetary savings proposed by the President in his Social Services block grant proposal. Specifically, we support your amendment to add $100 million in savings to the Social Services block grant reconciliation instructions to eliminate funds earmarked for legal services.

We appreciate your leadership in this important matter and wish success for your efforts.

Sincerely,

DAVID A. STOCKMAN,
Director.

Mr. President, the Legal Services Corporation, as is clear to anyone who has monitored its past actions and ongoing activities, is terminally afflicted with a compulsion to violate the law which led to the creation of the Corporation.

The fact is. Mr. President, the Legal Services Corporation has festered into a gaggle of political activists run amok. In 1965, the Office of Legal Services was created, within the Office of Economic Opportunity, with a budget of $1.3 million. By 1975, its cost to the taxpayers had grown to $90 million, rising to $157.4 million in 1978, $261 million in 1979, and a proposed $321.3 million in the Senate bill for 1981. The 1981 figure is 3½ times the amount authorized just 6 years ago.

Let us talk about lobbying by this crowd, Mr. President. If you want any fresh proof of what is going on, all you had to do was go outside this Chamber all day long and you would see what I am talking about. This afternoon, this evening, and probably at this very minute, officers and representatives of the Legal Services Corporation have been outside in the lobby, lobbying Senators to vote against my amendment. Evidently, they hope it will in some way keep this outfit in business. Obviously, Mr. President, these lobbyists for the Legal Services Corporation understand that there is $100 million in this resolution which can be used to preserve their jobs and preserve this Corporation, which ought to be given the deep six treatment right now. Directly or indirectly they envisage the money coming back to them. Otherwise, they would not be engaged, as they have been engaged, all day long in lobbying Senators.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a story by Walter Pincus in the Washington Post of Monday, March 30, 1981, entitled "Legal Services Corp. Suits Itself, Waves Red Flag at Reagan."

Mr. President, I also ask unanimous consent that the regulations discussed in this article, proposed by the Legal Services Corporation as they appear in the Federal Register, be printed in the RECORD immediately following the news story.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RED FLAG AT REAGAN

(By Walter Pincus)

"They have put a gun to their head and pulled the trigger."

That was the way one conservative caller last week described the comprehensive civil rights regulations proposed earlier this month by the Legal Services Corp. and published in the March 23 Federal Register (page 18055).

They include all the rules that drive Reagan conservatives crazy—nondiscrimination against homosexuals, requirements for bilingual employees, affirmative action plans to guarantee employment of women and minorities at levels that reflect "appropriate labor force characteristics," and inclusion of drug addiction and alcoholism as diseases that would qualify someone as being a "handicapped person" and thus protected from discrimination.

LSC, you must remember, is the nonprofit corporation that supports legal services for the poor by distributing $300 million in federal grants and contracts to local organizations, which use the money to pay for lawyers and other legal specialists in almost every county across the nation.

President Reagan has long had a distaste for the federally supported legal services program, and his administration, as part of the budget-cutting effort, has marked LSC for elimination next year.

An LSC official conceded that the agency's board was aware that the proposed regulations, developed before the White House termination plan was announced, would be a red flag for the Reaganites. But LSC decided to put the rules out for comment anyway because "this was our position."

The purpose of the proposed rules, according to the notice, "is to prevent discrimination by legal services programs supported in whole or in part by Legal Services Corp. funds in the delivery of services or in employment. . . ."

The proposed rules, which for the most part codify procedures in effect since LSC's establishment in 1974, add a prohibition against discrimination by reason of "sexual orientation." That phrase, an LSC official said, refers to homosexuals.

The agency, she added, decided to prohibit discrimination against homosexuals because similar policies have been adopted by the District of Columbia and other state and local entities.

The rules, however, also bar recipients of LSC funds from having "any contractual or other relationship" with other agencies or organizations including "labor unions, (or) organizations providing or administering fringe benefits to employees of the recipient . . ." if the agencies discriminate against specified groups, including homosexuals.

That provision, according to my outraged caller, "would eliminate the Catholic Church groups." Not so, according to the LSC official, and if it did, the rule would be altered. "That is why we have put it out for comment."

Another provision that's bound to draw criticism is one that says a recipient of LSC funds cannot "make a preemployment inquiry as to whether an applicant is a handicapped person or as to the nature of or severity of a handicap except where the examination or inquiry is related to an essential job function."

What about drug addiction and alcoholism, which LSC includes as characteristics of a certain kind of "handicapped person"? On first blush, the LSC official said a lawyer certainly could be questioned, but there was doubt about other job applicants.

Fund recipients under the rules would be required to provide bilingual employes, "not limited to clerical positions," in "any area where 5 percent of the eligible population are members of a minority language group." They also must provide informational literature in the appropriate languages and post signs in those languages. The percentage requirement was taken from the federal voting rights law, which requires ballots to be bilingual in areas where 5 percent of the population speaks a language other than English.

Grant recipients that have 50 or more employes must have an affirmative action plan approved by LSC's director of office of equal opportunity. Before producing such a plan, the recipient must "determine if underutilization on the basis of race, national origin or sex occurs in any job category or unit of its workforce" using a formula supplied by LSC.

Its plan must include "goals and timetables to correct underutilization of women and minorities." In those instances where a recipient is found to have an employe "workforce or segment of the workforce not on parity with the relevant labor market," approval of higher authorities would be needed before any vacancies were filled.

In the Carter years, LSC's rules would have raised a few eyebrows; today they may hasten the lowering of the boom.

Mr. HELMS. Mr. President, I ask unanimous consent that the regulations proposed by the Legal Services Corpora-

tion, as appeared in the Federal Register, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Legal Services Corporation, 45 CFR Part 1624]

COMPREHENSIVE CIVIL RIGHTS REGULATIONS

Agency: Legal Services Corporation.

Action: Proposed rules.

Summary: This regulation is intended to be a comprehensive statement of all grant and contract related civil rights obligations of Corporation recipients in both the delivery of services and in their employment practices. The present Part 1624 would be incorporated into the proposed civil rights regulation. This regulation would now include the Corporation's 504 regulations, present part 1624, as well as all of the other civil rights obligations of Corporation fund recipients.

Date: Comments due April 22, 1981.

Address: Legal Services Corporation, 733 Fifteenth Street NW., Washington, D.C. 20005.

For further information contact: Linda Hanten, 202-272-4010.

Supplementary information: While the proposed regulation seeks to guarantee the civil rights of a number of groups distinctions are made among the protected groups in the treatment required. For example, recipients are required to take affirmative action as to the employment of women and minorities and not as to the employment of members of other groups protected by the regulation. The regulation requires affirmative action to be taken only as to women and minorities because they are the groups traditionally given such protection. These groups have been afforded such protection because they, unlike the other groups protected by this part, historically have been unable to remedy discrimination against them through the political process.

An additional distinction made among the protected groups by the regulation is the provision of "special" services to persons with communication problems, e.g., language minorities, the hearing impaired and the blind. These services are provided because without them legal services would not be available to members of these groups. Additionally, Section 1006(b)(6) of the Act requires the Corporation to provide that the language of non-English speakers be used in the provision of services where they constitute a significant number of the client population.

As used in this part, minority language groups are defined as Asians, Native Americans, Alaskan Natives and persons of Spanish origin. This is the definition used in the Voting Rights Act, 42 U.S.C. 1973aa, which requires elections to be conducted in the appropriate minority language(s) as well as in English in political jurisdictions where members of a minority language group make up five or more percent of the population. This definition is used here, as it was in the Voting Rights Act, because these groups and their number can be determined from census data. There is presently no nation or region-wide data base which can be used to identify persons who do not speak English or persons from other linguistic groups not listed in this definition. The use of this definition is not intended to preclude programs from offering services in other minority languages when the program has the desire to do so or the ability to make a reasonable determination that more than five percent of the residents of its service area belong to another linguistic group.

The Civil Rights Regulation, in particular the provisions governing antidiscrimination, is not intended to prevent the adoption of priorities which by their nature would have the effect of foreclosing services to one or more of the protected classes. The statute, 42 U.S.C. 2996f, clearly requires that there be priority-setting at the local level. The Civil Rights Regulation merely defines what purpose (discrimination against one of the protected classes) may not serve as a basis for establishing priorities.

For example, if a program picks Supplemental Security Income but not Aid to Families with Dependent Children practice as a priority, the fact that a particular age group, young adults, is not represented in connection with AFDC claims or that the program services primarily seniors does not itself create a prima facie case of discrimination. It merely reflects that the program has established priorities which, when complied with, result in the program serving clients in a particular age group. However, a program may not use the priority-setting process as a justification for failing to serve a particular protected group. The Corporation will monitor those programs having the greatest disparity in the delivery of legal services on any prohibited basis.

It is proposed to revise Part 1624 to read as follows:

PART 1624—COMPREHENSIVE CIVIL RIGHTS REGULATIONS

Subpart A—General

Sec.
1624.1 Purpose.
1624.2 Applicability.
1624.3 Definitions.

Subpart B—Discrimination

1624.4 General.
1624.5 Discrimination prohibited—in the provision of legal services.
1624.6 Discrimination prohibited—employment practices.

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Subpart E—Procedure for effecting compliance

1624.12 Remedies.

Authority: Secs. 1005(b)(2), 1006 (a), (b)(1)(A) and (b)(6) of the Legal Services Corporation Act, (42 U.S.C. 2996d(b)(2), 2996e(a), (b)(1)(A) and (b)(6)).

The proposed Regulation is as follows:

Subpart A—General

§ 1624.1 Purpose

The purpose of this part is to prevent discrimination by legal services programs supported in whole or in part by Legal Services Corporation funds in the delivery of services or in employment on the basis of race, religion, color, sex, age, marital status, national origin, handicap, political affiliation or sexual orientation. Further, it is the purpose of this part to assist such programs in establishing policies and procedures to ensure equal opportunity in the delivery of services and employment and affirmative action in employment to end the underutilization of certain protected groups in their work forces. This part is adopted in accordance with Secs. 1005(b)(2), 1006(a), 1006(b)(1)(A), 1006(b)(6) of the Legal Services Corporation Act; 42 U.S.C. 2996d(b)(2), 2996e(a), 2996e(b)(1)(A), 2996e(b)(6).

§ 1624.2 Applicability

This part applies to all recipients of Legal Services Corporation funds.

§ 1624.3 Definitions

As used in this part, the term:

(a) "Protected Groups" means those groups which have been historically subjected to discrimination on the basis of race, color, national origin, sex, religion, or sexual orientation;

(b) "Affirmative Action" means specific steps, in recruiting, hiring, promotion and other areas, which are taken for the specific purpose of eliminating the present effects of past discrimination;

(c) "Goals" means projected levels of achievement arrived at through analysis of employment utilization patterns and consideration of what may reasonably be done to remedy any apparent underutilization given labor force participation and unemployment rates of minorities and women in the labor market area and the expected rate of turnover and the projected number of new positions in the employer's work force;

(d) "Underutilization" means having fewer minorities and/or women in the particular job category than would reasonably be expected given their availability in the relevant labor market area, or employing persons in jobs that do not adequately use their skills, training or capabilities;

(e) "Relevant labor market area" means the area from which an employer can reasonably expect to recruit or draw applicants for positions in a given job category;

(f) "Delivery of services" means providing or making legal services available to eligible clients of a recipient's service area;

(g) "Facility" means all or any portion of buildings, structures, equipment, roads, walks, parking lots, or other real property or interest in such property;

(h)(1) "Handicapped person" means any person who (i) has a physical or mental impairment which substantially limits one or more major life activities, (ii) has a record of such an impairment, or (iii) is regarded as having such an impairment;

(2) As used in subparagraph (1) the phrase:

(i) "Physical or mental impairment" means (A) any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; digestive; genitourinary, hemic and lymphatic; skin; and endocrine; or (B) any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The phrase includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, and drug addiction and alcoholism;

(ii) "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working;

(iii) "Has record of such impairment" means has a history of, or has been misclassified as having a mental or physical impairment that substantially limits one or more major life activities;

(iv) "Is regarded as having an impairment" means (A) has a physical or mental impairment that does not substantially limit major life activities but is treated by a legal services program as constituting such a limitation; (B) has a physical or mental impairment that substantially limits major life activities only as a result of the attitudes of others toward such impairments; or (C) has none of the impairments defined in paragraph (c)(2)(i) of this section but is treated by a recipient as having such an impairment;

(i) "Qualified handicapped person" means: (1) With respect to employment, a handicapped person who, with reasonable accommodation, can perform the essential functions of the job in question; (2) with respect

to other services, a handicapped person who meets the eligibility requirements for the receipt of such services from the recipient;

(j) "Employment test or criteria" means any performance measure used as a basis for an employment decision including all formal, scored, quantified or standardized techniques used to assess the suitability of an applicant for a particular job;

(k) "Minority language group" means persons who are American Indian, Asian American, Alaskan Native or of Spanish heritage;

(l) "Labor force characteristics" means the demographic, racial, ethnic, sex and educational characteristics of the population of an employer's relevant labor market area or areas; and

(m) "Terms, conditions and privileges of employment" means all aspects of the employment relationship including compensation, fringe benefits, physical environment, work-related rules, work assignments, training and education and opportunities to serve on committees and decision making bodies.

Subpart B—Discrimination

§ 1624.1 General

No person shall be subjected by a recipient to discrimination in the provision of services, treatment, or employment practices on the basis of race, religion, color, sex, age, marital status, national origin, handicap, political affiliation or sexual orientation.

§ 1624.5 Discrimination prohibited—In the provision of legal services

(a) No recipient to which this part applies shall directly or through contractual or other arrangements discriminate against an individual in the provision of services on the grounds of race, religion, color, sex, age, marital status, national origin, handicap, political affiliation or sexual orientation.

(b) (1) A recipient, in determining the type of services, aid or benefits which will be provided, or the manner in which such services, aid or benefits shall be offered, may not directly or through contractual or other arrangements, utilize criteria or methods of administration with the purpose of subjecting individuals to discrimination on the basis of race, religion, color, sex, age, marital status, national origin, handicap, political affiliation or sexual orientation or which have the effect of substantially impairing accomplishment of the objectives of the program with respect to individuals on one of the bases outlined above.

(2) (i) An individual shall not be deemed subjected to discrimination if refused services by a recipient because his/her legal problem does not come within the recipient's priorities established pursuant to § 1620. Further, an individual shall not be deemed subject to discrimination by reasons of his/her exclusion from the benefits of a program limited by Federal law to individuals with a handicap or race, color, sex, national origin, or age group, not his/her own or from the benefits of a program specifically designed to address legal issues concerning a particular status not shared by the individual.

(ii) A recipient shall not be deemed to have discriminated in determining the site or location of facilities, unless selection was made with the purpose of excluding individuals from, denying them the benefits of, or subjecting them to discrimination under any program on the grounds of race, color, sex, religion, national origin, political affiliation, sexual orientation, age or handicap or with the purpose of substantially impairing the accomplishment of the objectives of this part.

(c) A recipient shall conduct its programs and activities so that, when viewed in their entirety, they are readily accessible to and usable by handicapped persons. This paragraph does not necessarily require a recipient to make each of its existing facilities or every part of an existing facility accessible to and usable by handicapped persons, or require a recipient to make structural changes in existing facilities when other methods are effective in achieving compliance. In choosing among available methods for meeting the requirements of this paragraph, a recipient shall give priority to those methods that offer legal services to handicapped persons in the most integrated setting appropriate.

(d) A recipient shall, to the maximum extent feasible, insure that new facilities it rents or purchases are accessible to handicapped persons. Prior to entering into any lease or contract for the purchase of a building, a recipient shall submit a statement to the regional office or other appropriate Corporation official certifying that the facilities covered by the lease or contract will be accessible to handicapped persons, or if the facilities will not be accessible, a detailed description of the efforts the program made to obtain accessible space, the reasons why the inaccessible facility was nevertheless selected, and the specific steps that will be taken by the recipient to insure that its services are accessible to handicapped persons who would otherwise use that facility. After a statement certifying facility accessibility has been submitted, additional statements need not be resubmitted with respect to the same facility, unless substantial changes have been made in the facility that affect its accessibility.

(e) A recipient shall ensure that new facilities designed or constructed for it are readily accessible to and usable by handicapped persons. Alterations to existing facilities shall, to the maximum extent feasible, be designed and constructed to make the altered facilities readily accessible to and usable by handicapped persons.

§ 1624.6 Discrimination prohibited—Employment practices

(a) No recipient to which this part applies shall directly or through contractual or other arrangements subject any person to discrimination in employment on the grounds of race, religion, color, sex, age, marital status, national origin, handicap, political affiliation or sexual orientation.

(b) A recipient shall make all decisions concerning employment in a manner insuring that discrimination on the basis of race, religion, color, sex, age, marital status, national origin, handicap, political affiliation or sexual orientation does not occur in the terms, conditions or privileges of employment.

(c) A recipient may not participate in any contractual or other relationship with persons, agencies, organizations or other entities, such as, but not limited to, employment and referral agencies, labor unions, organizations providing or administering fringe benefits to employees of the recipient, and organizations providing training and apprenticeship programs, if the practices of such person, agency, organization or other entity have the effect of subjecting qualified applicants or employees to discrimination on any of the bases enumerated in this subpart.

(d) A recipient program shall make reasonable accommodation to the known physical or mental limitations of an otherwise qualified handicapped applicant or employee unless the accommodation would impose an undue hardship on the operation of the program.

(1) For purposes of this paragraph (d), reasonable accommodation may include (i) making facilities used by employees readily accessible to and usable by handicapped persons, and (ii) job restructuring, part-time or modified work schedules, acquisition or modification of equipment or devices, the provision of readers or interpreters, and other similar actions.

(2) In determining whether an accommodation would impose an undue hardship on the operation of a recipient, factors to be considered include, but are not limited to, the overall size of the recipient's program with respect to number of employees, number and type of facilities, and size of budget, and the nature and costs of the accommodation needed.

(3) A recipient may not deny any employment opportunity to a qualified handicapped employee or applicant if the basis for the denial is a need to make reasonable accommodation to the physical or mental limitations of the employee or applicant.

(e) A recipient may not use employment tests or criteria that discriminate against handicapped persons, and shall insure that employment tests are adapted for use by persons who have handicaps that impair sensory, manual or speaking skills.

(f) A recipient may not conduct a pre-employment medical examination or make a pre-employment inquiry as to whether an applicant is a handicapped person or as to the nature or severity of a handicap except where the examination or inquiry is related to an essential job function.

(g) A recipient shall post a notice in a prominent place in each of its offices stating that it does not discriminate on any of the bases enumerated in this subpart.

(h) Any recruitment materials published or used by a recipient shall include a statement that the recipient does not discriminate.

Subpart C—Required recipient civil right program

§ 1624.7 Assurance

(a) Every application for financial assistance submitted under the Legal Services Corporation Act shall contain the assurance that the program will comply with this part.

§ 1624.8 Data and information requirements

(a) Each recipient shall collect, maintain and, upon request of the Corporation, submit the information set forth in this subpart. All information set forth in this subpart shall be collected unless the Director of the Corporation's Office of Equal Opportunity or his/her designee grants a written exemption to any information requirement for good cause shown by the recipient.

(b) Each recipient shall collect and maintain the following information:

(1) All information required by the Corporation in its instructions to recipients titled Application for Refunding:

(2) Data regarding employment including: (i) the number, race, sex and national origin of applicants for employment; (ii) relevant work force availability data by race, sex and national origin; (iii) staff composition by race, sex and national origin; (iv) the use or planned use of bilingual staff to provide equal access to legal services for members of minority language groups and (v) documentation of all recruitment efforts made in filling program vacancies; and

(3) A log of complaints under this part identifying the nature of the complaint, the date the complaint was filed, the date the recipient's investigation was completed and the disposition and date of the disposition.

(c) Each recipient shall permit access by the Corporation during normal business hours to its books, records, accounts, and other sources of information as may be pertinent to ascertain compliance with this part, except where such information would violate client confidentiality.

§ 1624.9 Required recipient civil rights program—delivery of services

(a) Recipients shall provide equal access to legal services to eligible clients regardless of race, religion, color, sex, age, national origin, handicap, political affiliation or sexual orientation and shall adopt:

(1) a written policy of equal access to services and equal employment opportunity and

(2) a written procedure for the uniform handling of complaints of discrimination approved by the Regional Office or Research Institute.

(b) A recipient shall designate a person to be responsible for monitoring each aspect of its civil rights program and an employee to assist persons alleging discrimination who shall be someone not responsible for the recipient's personnel decisions.

(1) This employee shall (i) be available to provide aggrieved persons with assistance in processing claims of discrimination, (ii) have the authority to review the underlying facts of such complaints and (iii) when requested by the complainant, shall seek to conciliate the complaint. This employee shall not be deemed to represent the complainant.

(2) In cases of claims of discrimination in the delivery of services where conciliation is not possible, the complainant shall be afforded all rights under the recipient's client grievance procedure adopted pursuant to § 1621.

(c) To insure that language minority persons have equal access to legal services, in any area where five percent of the eligible population are members of a minority language group, a recipient shall take the following steps:

(1) Employ persons who are bilingual in English and in the appropriate minority language in public contact positions in numbers sufficient in to accommodate the needs of the client community;

(2) Place bilingual employees in job categories where necessary to promote equal access to legal services including but not limited to clerical positions where it is necessary to translate materials into a minority language, attorney positions, paralegal positions, investigator positions and other positions which involve client contact and the direct provision of services;

(3) Provide informational literature, forms, notices, letters and other materials available to English-speaking clients in appropriate minority language(s).

(4) Conspicuously post signs in the appropriate minority language(s) stating that clients may request and receive services in those languages.

(d) Where a receipt serves an area where members of minority language groups comprise less than five percent of the eligible population, the recipient shall take all steps necessary to develop an appropriate capability for communicating with minority language clients or potential clients and shall make reasonable effort to comply with (c) (1)–(4) of this subpart.

(e) (1) A recipient that employs a total of 15 or more persons, regardless of whether such persons are employed at one or more locations, shall provide, when necessary, appropriate auxiliary aids to persons with impaired sensory, manual or speaking skills, in order to afford such persons an equal opportunity to benefit from the recipient's services. A recipient is not required to maintain such aids at all times, provided they can be obtained on reasonable notice.

(2) The Corporation may require a recipient with fewer than 15 employees to provide auxiliary aids where the provision of such aids would not significantly impair the ability of the recipient to provide its services.

(3) Auxiliary aids include, but are not limited to, brailled and taped material, interpreters, telecommunications equipment for the deaf, and other aids for persons with impaired hearing, speech or vision.

(f) A recipient shall take reasonable steps to insure that communications with its applicants, employees, and beneficiaries are available to persons with impaired vision and hearing.

§ 1624.10 Required recipient civil rights program—employment

(a) Recipients shall use the structure set out in § 1624.9(a) (1) and (2) and (b) (1) to ensure equal opportunity in employment regardless of race, religion, color, sex, age, marital status, national origin, handicap, political affiliation or sexual orientation.

(b) Recipients with 50 or more employees must implement an affirmative action plan approved by the Corporation's Director of Office of Equal Opportunity or his/her designee. All other recipients must develop an Equal Opportunity program in accordance with § 1624.9(a) (1) and (2) and (b) (1).

(c) Before developing an affirmative action plan or equal opportunity policy statement, a recipient shall determine if underutilization on the basis of race, national origin or sex occurs in any job category or unit of its work force by using an underutilization formula approved by the Corporation's Director of Office of Equal Opportunity or his/her designee.

(d) Written affirmative action plans required by this subpart must include at least the following elements:

(1) An Equal Opportunity policy statement;

(2) Specific data by race, national origin and sex concerning the recipient's current work force, applicant flow, hirings, promotions, training attendance, terminations and disciplinary actions;

(3) Appropriate labor force characteristics, including a breakdown by race, national origin and sex;

(4) A program of remedial or preventive action to correct employment disparities based on race, sex, or national origin;

(5) Goals and timetables to correct underutilization of women and minorities;

(6) A procedure for publicizing and disseminating the plan to all employees, applicants and the general public;

(7) A procedure for prompt and uniform handling of complaints of employment discrimination.

(e) The enumeration of specific requirements for an affirmative action plan does not limit the authority of the Corporation to require other elements in Recipient's Affirmative Action Plans in the presence of a past history of noncompliance with this part.

Subpart D—Conduct of investigation and review

§ 1624.11 Monitoring

(a) The Corporation shall monitor those recipients having the greatest disparity in the delivery of legal services on any basis prohibited by this part or appearing to have the most serious systematic employment problems.

(b) If the monitoring process finds noncompliance with this Part, the Corporation shall notify the recipient in writing of:

(1) Preliminary findings;

(2) Recommendations for achieving voluntary compliance, where appropriate; and

(3) The opportunity to engage in voluntary compliance negotiations, where appropriate.

(c) If voluntary compliance has not been secured within 30 days of the Corporation's recommendations, the Corporation shall make a formal written determination of noncompliance and the Corporation shall undertake the imposition of such sanctions as may be appropriate.

(d) All agreements to come into voluntary compliance shall be in writing, shall set forth the specific steps the recipient has agreed to take, and shall be signed by the Corporation's Director of Office of Equal Opportunity and an official of the recipient with authority to legally bind the recipient.

§ 1624.12 Complaint process

(a) In addition to or in lieu of using the recipient's complaint process, a complainant may file a complaint directly with the Corporation's Office of Equal Opportunity alleging a pattern and practice of discrimination by the recipient in the delivery of services or employment.

(b) If a complainant files an allegation of a pattern and practice of discrimination with the Corporation prior to availing itself of the recipient's grievance procedure, the recipient shall immediately be advised of the complaint and given 30 days in which to investigate, hear and attempt to resolve the complaint. Upon completion of the grievance process, the recipient shall submit written findings to the appropriate Regional Office or the Research Institute and the Corporation's Office of Equal Opportunity.

(c) No recipient shall intimidate, threaten, coerce, retaliate or discriminate against a person in order to interfere with any right secured by this part or applicable Federal or State law, or because he/she has made a complaint, testified, assisted or participated in any manner in any investigation, proceeding or hearing under this part.

Subpart E—Procedure for effecting compliance

§ 1624.13 Remedies

(a) Failure to comply with this part shall be regarded by the Corporation in the same manner as the Corporation regards a recipient's failure to comply with any other section of the Act or implementing regulations. Accordingly, the procedures described in Part 1606 may be pursued in the presence of violation of this part by a recipient.

(b) A recipient found to have discriminated in the delivery of services on the basis of race, color, sex, national origin, age, or handicap may be required to take affirmative action to overcome the effects of prior discrimination. Even in the absence of such prior discrimination, a recipient, in administering a program, may take affirmative action to overcome effects or conditions which result in limiting participation by persons on the grounds of race, color, sex, national origin, age or handicap.

(c) Where a recipient is found to have a work force or segment of the work force not on parity with the relevant labor market, the Regional Office or Research Institute may require its approval prior to the filling of all vacancies in such segment(s) of the recipient's work force in order to assure maximum efforts of affirmative action.

Mr. HELMS. Mr. President, just a moment ago I mentioned the exploding rate of Legal Services funding authorized and appropriated by this Congress. What has this accomplished?

This exploding rate of Legal Services funding has made possible increasing levels of involvement in all sorts of radical activist litigation and political lobbying efforts for which the Legal Services Corporation has become notorious.

These abuses were well-known at the time of the 1977 Legal Services amendments. They included, but by no means were limited to. the following examples of mismanagement and political activism.

Today, at lunchtime, Mr. President, we had as a guest the distinguished Secretary of Health and Human Services, Mr. Schweiker, a former Member of this body. If I remember correctly, he said that, at the present time, there are 21,000 lawsuits filed by legal services

attorneys against him, 21,000 lawsuits against the Secretary filed by these activist political attorneys being paid for by the taxpayers of America.

Mr. KENNEDY. Will the Senator yield on the question?

Mr. HELMS. No, sir, I will not yield.

Mr. KENNEDY. Will the Senator yield on the question of Legal Services lawsuits that are being brought to indicate to us the success——

Mr. HELMS. Mr. President, who has the floor?

Mr. KENNEDY (continuing). That the Legal Services lawyers have in courts? Will the Senator yield for that purpose?

Mr. HELMS. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. DENTON). The Senator from North Carolina has the floor.

Mr. HELMS. Mr. President, I do not choose to yield and I ask for regular order.

The PRESIDING OFFICER. The Senator will proceed.

Mr. HELMS. Mr. President, in an article for Barron's, Shirley Scheibla had pointed out that Massachusetts Law Reform Institute, an LSC funding recipient, had spearheaded a lobbying campaign for the graduated income tax in Massachusetts.

Pine Tree Legal Assistance, Inc., had litigated to return two-thirds of the State of Maine to the Passamaquoddy and Penobscot Indians.

The federally funded Western Center on Law and Poverty of Los Angeles and San Fernando Valley Neighborhood Legal Services of Pacoima, Calif., had sued to compel payment of supplemental social security benefits to alcoholics.

The legal action support project of the Bureau of Social Science Research, Inc., had studied food stamp recipients in order to lay the groundwork for a suit by Alaska Legal Services to require the Federal Government to actively encourage people to draw food stamps.

The LSC-funded Center for Law and Education had participated in a suit which led to a Federal district court placing South Boston High School in receivership in order to accomplish integration.

The Legal Services Corporation had filed a friend of the court brief on the side of the university in the Bakke case.

Far from using these abuses to curb the Legal Services Corporation, however, the 95th Congress expanded the LSC's charter to cover a number of the practices which funding recipients had, until then, engaged in illegally.

Following the passage of the 1977 amendments, activities of legal services recipients became even more brazen.

In 1979, the Neighborhood Legal Services office in Pittsburgh forced a Pittsburgh jail to transport an inmate to a hospital for an abortion. notwithstanding specific language in the Corporation's charter which states:

> No funds made available by the Corporation . . . may be used . . . to provide legal assistance with respect to any proceeding which seeks to procure a nontherapeutic abortion.

The Research Institute on Legal Assistance, in December 1979, used the federally funded Clearinghouse Review to solicit membership of legal services programs in a new coalition called Citizens for Tax Justice. That coalition represented the NAACP, the National Consumer Federation of America, the National Council of Senior Citizens, Texas ACORN, the AFL–CIO, and AFSCME. The contact point for groups interested in the coalition was the national social science and law project.

In June, 1977, Michael Shepard of Utah Legal Services litigated on behalf of a minor woman challenging HEW's policy of refusing to pay for nontherapeutic sterilizations of women under 21 years of age. The court dismissed the case, finding there was no "suspect classification" capable of sustaining a constitutional objection to the policy.

In Priebe against Wyman, a legal services grantee in Akron represented a mother seeking to abort her 6½ month pregnancy against the wishes of the child's father.

In June 1979, an article appeared in the New York Times outlining a suit by Michigan Legal Services to compel the Federal Government to define "black English" as a separate language and, therefore, to provide mandatory remedial language training to all blacks.

In 1979, Michigan Legal Services filed an amicus brief on behalf of a Governor's item veto of a provision barring State funds for nontherapeutic abortions.

In the meantime, lobbying by Legal Services recipients has become more brazen, notwithstanding the fact that 18 U.S.C. 1913 specifically prohibits any letter or communication advocating the passage or defeat of a legislative proposal which is financed with Federal funds. In May 1977, the National Consumer Law Center advertised that it "has traditionally devoted a significant amount of its resources to legislative activity at the State and Federal level, although its resources and willingness to be of assistance may not be generally known." Acknowledging that the Corporation was prohibited from lobbying by the Legal Services Act, it ignored the provisions of the criminal code which also prohibited recipients from lobbying, stating: "* * * the willingness of Legal Services attorneys to contact (and have others contact) Members of Congress can be crucial."

Similarly, the Luzerne County Legal Services Association advertised in Clearinghouse Review for a "law reform specialist" and the Contra Costa Legal Services Foundation bragged about its "tradition of strong community involvement and aggressive participation in local political, social and economic battles on behalf of its client communities."

Having participated in the legislative process, however, there seems to be no inclination by Legal Services attorneys to accept the result of that process. In Preterm Inc. against Dukakis, Greater Boston Legal Services challenged a Massachusetts law limiting expenditure of State funds to abortions necessary to prevent the death of the mother.

In G. against Edwards, the New Orleans Legal Assistance Corp. obtained a court injunction against enforcement of a Louisiana statute prohibiting use of public funds for abortion except to prevent the death of the mother. In Zbaraz against Quern, the Legal Assistance Foundation of Chicago won an injunction against enforcement of an Illinois law preventing State medical payments for abortions other than those performed to save the life of the mother.

The State and federally funded California rural legal assistance program filed a suit on behalf of 19 farmworkers challenging the entire system of publicly sponsored agricultural research seeking to produce more efficient farming equipment, claiming it was displacing migrant farmworkers.

Massachusetts Law Reform Institute, the same group which lobbied for the graduated State income tax, brought suit to challenge State interviews of 15,000 welfare recipients in order to reduce fraud.

The veterans education project advertised in Clearinghouse Review of the availability of material to help veterans thrown out of the army because of homosexuality to upgrade their discharges.

The Council for Public Interest Law is "working to encourage more agencies to establish publish participation funding programs for public interest law centers" notwithstanding that Congress has failed to authorize intervenor funding programs for these agencies and establishment without congressional authorization is unlawful under Green County Planning Board against Federal Power Commission.

In Beazer against New York City Transit Authority, the Legal Action Center of New York, Inc., successfully sued the New York City Transit Authority for failure to employ former heroin addicts, claiming that such a failure was discriminatory toward blacks and Hispanics. In addition to obtaining a judgment, attorneys in that case received $375,000 in attorneys' fees from the transit authority.

In in re Evans, the Montana Legal Services Association obtained a judgment that a preoperation was disabled for purposes of receiving SSI and disability benefits because he/she was "unable to engage in substantial gainful activity due to the severe emotional trauma she has experienced."

In Stevenson against Stevenson, the Legal Aid Society of Louisville successfully sued to establish the principle that a mother's lesbianism is not sufficient grounds for changing the custody of a child.

On Cape Cod, the Native Americans Rights Fund sued for the return of a large sector in the State of Massachusetts to the Indians.

And in the District of Columbia, the migrant legal action program went to court to challenge the Secretary of

Labor's failure to promulgate OSHA regulations for farm labor.

Almost all of the activities outlined above are directly federally funded by grants from the Legal Services Corporation. But the Clearinghouse Review, which is published and funded by the Corporation, also performs a very controversial function as a bulletin board for radical activism. Recent articles include:

A piece by an attorney with the National Center for Youth Law analyzing the "abortion-without-parents'-consent" decision in Bellotti against Baird, and stating that "it is important that Legal Services attorneys devote considerable energy to opposing the imposition of burdensome parental consent and notification requirements, either through legislative advocacy or through litigation." It adds:

> The National Center for Youth Law would be happy to assist with such efforts.

An Advocacy Guide to the Community Development Block Grant Program, intended to advise Legal Services lawyers in obtaining government funds. States the article: A community group's main consideration, for example, might be to back a sympathetic political faction or public agency over an unsympathetic one . . .

An outline of the status of intervenor funding legislation on the Senate agenda.

An article on "Police Brutality" by the Research Institute on Legal Assistance. According to this article:

> Legal services lawyers and others continue to litigate these difficult cases and contribute to an evolving body of law regarding them. As part of this effort to combat police abuse, several publications have been developed to assist both lawyers and clients.

It proceeds to cite a publication by the radical National Lawyer's Guild.

An article by feminist Sylvia Law on Reproductive Freedom Issues in Legal Services Practice. She concludes:

> The problems of ensuring poor women the right to reproductive choice are overwhelming. . . . Work in this area can also provide legal services lawyers opportunities to form alliances with others, help develop community organization, and strengthen the political base for dealing with issues that critically affect the lives of their clients.

If you want a fresh example, Mr. President, at this moment, officers and representatives of the Legal Services Corporation are just outside this Chamber, lobbying Senators to vote to keep this outfit in business.

Obviously, Mr. President, these lobbyists understand that there is $100 million in this resolution which can be used to preserve their jobs and their Corporation. Otherwise, they would not be engaged in such a lobbying blitz.

Based on these cases of Legal Services Corporation involvement in areas which are illegal according to the Legal Services Corporation Act of 1974, the widespread opinion that this program "has committed suicide" as columnist James J. Kilpatrick has said, is not without foundation.

On March 18 of this year, in the House of Representatives, the Honorable F. JAMES SENSENBRENNER quoted Kilpatrick to the effect that "if the Legal Services Corporation dies, it will have done itself in." Responding to the charges of the media commentators that the President and the New Right were out to "kill off" the Legal Services Corporation, Kilpatrick, in the March 15, 1981 Milwaukee Journal, wrote that:

> This would be a case of suicide, not homicide. The Legal Services Corporation, through its own failure to heed repeated warnings against its own activism, will have done itself in.

He went on to write that:

> The concept was so good. Call me a starry-eyed idealist if you will, but some American ideals deserve a starry-eyed devotion. One of these is carved in stone above the Supreme Court: "Equal Justice Under Law." It is an impossible ideal, to be sure, but no matter. We ought to strive for the impossible now and then.
>
> The idea behind the Legal Services Corporation was to put some element of balance in those famous scales of justice. The idea was to see that the poor person got a fair shake in his encounters with the civil law. . . .
>
> . . . Thus in 1974 came the Legal Services Corporation, with a mission to help. And it has helped. Through 323 local programs employing 5,000 lawyers, the corporation has gone to bat for thousands of poor persons in need of legal assistance: domestic relations, child custody, housing problems, welfare checks, divorce, employment.
>
> . . . But the corporation is heavily and unhappily influenced by ideological activists who have grander ideas. They see their role as a remaking of society. Many of the younger LSC lawyers are fresh caught from law school. Often their energy is surpassed only by their immaturity. Their passions cannot be fired by the humdrum fuel of a custody case. They want to be aggressive.

Mr. President, one of the LSC's oldest hands, Alan Houseman, who is Research Director for the Corporation, wrote and circulated a memorandum to LSC staff on December 29, 1980. In this memo, Houseman fretted over the survival of what he referred to as "committed, aggressive and political staff," reminding the staff that "aggressive advocacy" was needed to accomplish the Corporation's goals, which he defined in terms of "legislative and administrative representation, litigation, and community education." The Houseman memorandum went on to outline a comprehensive lobbying strategy.

These activities violate several provisions of sections 1006 and 1007 of the Legal Services Corporation Act of 1974. The case of the Penobscot Indian suit against the State of Maine is one example of this. To return one-third of the State of Maine to these Indians, as the suit sought to do, would cause the displacement of many thousands of poor persons and their families. The notion of poverty as a class problem variously manifested rather than an individual or family condition, a badly flawed concept, is fundamental to the legal services program. Every local legal services recipient organization is structured to function as a so-called public interest law firm in which the supposed public interest, for the poor as a class, is equated with questionable political conclusions.

I and millions of other Americans question and abhor the idea that it is in the interest of the poor that a policy of easy abortion be encouraged, that abortions be taxpayer financed, and that with respect to minor children abortions be performed without either parental notice or consent. Yet this is the prevailing ideology of the Legal Services Corporation.

Acknowledging the recidivist behavior of the LSC with regard to adherence to its charter, defenders of the Corporation nevertheless persist in defending it. A common argument is that class action suits—prohibited by the aforementioned sections of the act—account for a "mere 1 percent" of all cases handled by the LSC.

To place this argument in proper perspective, all one has to do is note that not a single example of those cases which I cited earlier could be called a class action. Nor need I mention the fact that just because a suit is not a class action does not mean it is not in violation of the Legal Services Corporation Act of 1974.

The political activities of the LSC, specifically lobbying, will consume $1.9 million of this year's budget. This is the estimate I received from a source inside the LSC who insists on retaining anonymity for fear of retaliation. Note that lobbying is not class action either.

This $1.9 million represents two-thirds of 1 percent of Legal Services' budget. However, no one has yet been able to quantify the total political activity of LSC.

The LSC is an outlaw program running wild. The staff of the Corporation likes to make a big deal about "helping the poor," but before we assume that the poor are being helped, we should be aware that increasing numbers of poor people have become alienated from the LSC, and in many cases, direct victims of LSC litigation targeted against them.

I question and abhor the idea that voluntary prayer be banned from the Nation's public school classrooms, on the grounds that it is in the interest of the poor to retain such a ban, yet taxpayer subsidized Legal Services attorneys are lobbying against the removal of such restrictions on prayer.

I question and abhor the idea that wilful, premeditated murder of the innocent cannot be made subject to capital punishment, yet Legal Services personnel use taxpayer resources to limit the availability of capital punishment, on the grounds that such a policy militates particularly against the poor.

I abhor the idea that reductions in property and income taxes such as those proposed in California and Massachusetts for working Americans are being opposed at taxpayer expense by subsidized LSC recipient personnel, who regard such tax cuts as depriving the poor of access to resources to which, in the opinion of such attorneys, they are entitled as a matter of right.

I abhor the LSC-propagated notion that students have a property right in their diplomas and that competency testing violates the civil rights of students who are unable to meet academic standards.

I applaud the President's courageous decision to propose the abolition of this counterproductive program which has arrogated to itself the right to use public funds to propagate its secular faith in liberal nostrums of class conflict, sexual liberation, economic redistribution, and governmentally mandated equality of result.

I further agree with the President and with conservative Democrats in the House of Representatives that no amount of reshuffling of budget categories can assure us that the heavy hand of the Federal Government will not again reassert itself in the area of legal services.

Therefore, for the sake of insuring, once and for all, that the Federal Government is extricated from the legal services area, I encourage my colleagues to support my amendment.

Mr. President, the president of the American Bar Association, Mr. William Reece Smith, Jr., has publicly criticized President Reagan's decision to terminate funding for the Legal Services Corporation. Mr. Smith has also attempted to generate support for this controversial program from State bar associations and bar leaders across the country. Staff of the ABA has also been involved in lobbying for continuation of the Legal Services Corporation.

I am sure, of course, that such efforts by Mr. Smith and the ABA staff—in conjunction with the LSC bureaucracy—have had some success. But support for the ABA-LSC position is far from unanimous among lawyers and State bar associations. In fact, most lawyers with whom I talk oppose continuation of funding for this controversial program. The North Carolina Bar Association, for example, has deep reservations about the continuation of the LSC in my State and the association's general practice committee is currently reviewing North Carolina's participation in the Federal legal services program.

Significantly, the president of the North Carolina Bar Association, Mr. Dewey W. Wells, declined to go along with Mr. Smith's blanket endorsement of the Legal Services Corporation. At this point, I shall insert into the RECORD a copy of Mr. Wells' letter to Mr. William Reece Smith, Jr., in which Mr. Wells states:

> The ABA is not reflecting the prevailing viewpoint of American lawyers when it supports a continuation of funding of LSC as it and its affiliates are now operating.

Mr. President, I ask unanimous consent that there be printed in the RECORD the copy of Mr. Wells' letter to Mr. William Reece Smith, Jr., to which I referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH CAROLINA BAR ASSOCIATION,
Raleigh, N.C., March 18, 1981.

Mr. WILLIAM REECE SMITH, Jr.,
President, American Bar Association, American Bar Center, Chicago, Ill.

DEAR REECE: I acknowledge receiving your letter of March 13 inviting our Association to join American Bar Association representatives on April 1 to call on Senators and Congressmen to solicit their support of continued funding of Legal Services Corporation.

We will not be able to join you in that endeavor because whether the North Carolina Bar Association continues to support LSC is in doubt. Reacting to the concerns of many members, last fall I requested our Committee on General Practice to study the operations of Legal Services of North Carolina, Inc. It is doing so and I expect it to report to the Board of Governors next month. I expect the Board then to take a position favoring either the continuation, or the reordering, or the termination of LSC.

My personal opinion is that the ABA is not reflecting the prevailing viewpoint of American lawyers when it supports a continuation of funding of LSC as it and its affiliates are now operating. Their lobbying and "community education" efforts, and their resistance to funded participation by private lawyers, has justifiably deprived them of the support of a large portion of the bar which remains genuinely concerned about the availability of legal services to the poor.

Engaging in the advocacy of political and social causes is not only a deviation by LSC from the Congressional intent. It consumes a significant portion of the funds appropriated to it at a time when most Americans seem ready to adjust to a substantial reduction in inflationary government spending. It is disappointing that the ABA does not at least moderate its support of LSC by conceding that some economies are in order.

Yours sincerely,

DEWEY W. WELLS.

Mr. HELMS. I thank the Chair. I reserve the remainder of my time.

Mr. MOYNIHAN and Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield such time as the Senator from New York may need.

Mr. MOYNIHAN. I thank the distinguished Senator from South Carolina.

Mr. President, I rise as perhaps the one Member of this body who was a member of the Task Force on Poverty which President Kennedy set up in 1963, prior to his assassination, and which President Johnson, to his great and historic glory, continued and brought to fruition as the Economic Opportunity Act of 1964, out of which grew the noble idea that the U.S. Government should provide a measure of legal representation in the courts of our Nation for those who could not afford it.

That was an idea that began under one Democratic President and was endorsed by the Republican President who succeeded him. The idea of a Legal Services Corporation was put forth first under President Nixon. He acknowledged that it would have difficulties and embarrass some persons and discomfort others, but he insisted that nothing was finer in the American political tradition than that we should accept such difficulties and embarrassments because the issue involved was justice—justice; that juries would decide, not lawyers; that judges would rule, not lawyers.

Following President Nixon's acute perception that a separate legal corporation ought to be set up independent of this body, of the executive branch, at length, proposed in 1971, it was established in 1975. It is one of the things that we are proud of in this Nation. I cannot imagine that this body, that has so long supported an idea that is essential to us, that embodies the whole purpose of a lawmaking institution—that the laws should be observed and justice should be done—would now consider abolishing that tradition.

Mr. President, I know there are Members on both sides of this aisle who feel as strongly as I do. I see the Senator from Missouri, who has served with such distinction as the attorney general of his State, has risen. I hope he might speak. I know the Senator from Massachusetts tried to speak and no doubt will. I simply wish to make my judgment clear.

Mr. President, I do ask that there be order for those other Senators who wish to speak now.

Mr. DOMENICI. Mr. President, I yield some time to the Senator from Kansas. How much time does he desire?

Mr. DOLE. Three minutes.

Mr. DOMENICI. I yield 3 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, I am going to yield to the majority leader.

Mr. BAKER. Mr. President, I support the position offered by the administration. It may be that, indeed, there will be a redesign of a system for Legal Services and it may be that the distinguished members of the Judiciary Committee will bring us such a recommendation. But the Budget Committee does not have the last word to say in that respect.

I wish to make it clear that I shall support the recommendations that have been made by the administration in this respect.

Mr. HELMS. I thank the distinguished majority leader.

Mr. DOLE. Mr. President, I should like to take a minute or two on another tack on which the distinguished Senator from Louisiana and others might agree.

What the amendment would do is require the Committee on Finance to cut an additional $100 million from both fiscal 1982 and 1983. This amendment, as I understand it, is intended to eliminate $100 million allegedly earmarked in social services block grant for the Legal Services Corporation.

Mr. President, I share many of the concerns of the distinguished Senator from North Carolina (Mr. HELMS) about the excess of legal services attorneys. I see no reason for the Federal Government to pay attorneys to tie up Federal programs in endless litigation or to lobby against legislation that they do not favor. Nevertheless, I see no need for this amendment. There are, in fact, no funds earmarked for legal services as part of social services block grant or as part of anything else in the Finance Committee's jurisdiction.

This amendment does not prevent any spending for legal services. Whether it passes or not, the Finance Committee can still authorize spending for legal services as a permissible use for social services funds. Therefore, the only real effect of the amendment is to force the Finance Committee to save an additional $100 million in its programs.

Mr. President, the Finance Committee is already required to produce $8.8 bil-

lion in savings in fiscal year 1982 and $10.87 billion for fiscal year 1983. This will be a painful task. I do not want to see the Finance Committee's task to be made more difficult simply because of a fear, which I believe unwarranted, that the Finance Committee will permit the funding of the Legal Services Corporation.

Mr. President, I am aware that there is some concern that members of the Budget Committee may have hoped that social services funds would be used to fund the Legal Services Corporation. I do not know what was on the minds of the Budget Committee when it approved the Finance Committee budget totals—I cannot psychoanalyze the members of the Budget Committee. Nothing in the Budget Committee's report indicates such an intent or any earmarking.

While I do not know what was on the minds of Budget Committee Senators, I know what is on my mind. The Finance Committee will make this decision, not the Budget Commitee.

This will be a painful task in itself. I have not determined yet where the Finance Committee comes in. We have almost reached the limit. I would be pleased to work with the Senator from North Carolina and others who have opposing views when it comes to our committee.

As I said, I cannot focus on the Budget Committee, but I know that the Finance Committee will finally make the decision. I just want to set the record straight. I do not believe the Senator from Louisiana disagrees with that.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. LONG. I say to the distinguished chairman of the Finance Committee, the Senator from Kansas, that no one agrees with the argument made by the Senator from North Carolina more than I do.

Some years ago, I offered an amendment trying to stop the practice of using the so-called poverty lawyers to sue the Government. I argued at that time that the most insane thing I could think of was to hire a lawyer to sue yourself. As I said at that time, nobody but an idiot would do that. I thought that was what the Government was doing when, to use the quotation of the Senator, our Government was paying for 25,000 lawsuits against ourselves, against the Secretary of HEW, who was doing what we wanted him to do.

I agree with the Senator's argument completely. On the other hand, the Finance Committee will have great difficulty getting within the funds provided in things we think are very important.

For example, very little money would be available for family planning. I believe that in that one area, every dollar that is saved is going to cost us $10 by adding to our welfare load in the long run.

So there are a lot of areas where we are not going to have enough money to do the things we think are necessary with regard to other social services.

While I agree with the Senator from North Carolina I believe that the money is going to be very much needed, and we will have great difficulty reducing by the $8 billion we are required to cut, without serious harm to a lot of unfortunate people.

So while I agree with the Senator from North Carolina, I believe the money will be needed for other services.

Mr. HELMS. Mr. President, will the Senator yield on my time?

Mr. DOMENICI. I yield.

Mr. HELMS. The hundred million dollars, if this amendment is not approved, will remain in the Finance Committee. Is that correct?

Mr. DOMENICI. That is correct.

Mr. HELMS. What is going to happen to the hundred million dollars?

Mr. DOMENICI. Is the Senator asking that of the Senator from New Mexico?

Mr. HELMS. I ask the distinguished chairman of the Finance Committee first, or the ranking minority member, or whoever.

Mr. DOLE. I will have to ask the distinguished chairman. Is that part of our $8.8 billion?

Mr. DOMENICI. That is part of the social services block grant that the President recommends, which would include merging into one block grant title XX day care, title XX local training, development, disabilities—a long list that the President said should all be put in one block, if you want to. It is still up to you. Then the States would end up using it for those things or not, depending on how you all drew the law and how it passed Congress.

Mr. DOLE. We do not have jurisdiction over the Legal Services Corporation.

Mr. DOMENICI. The point I should like to make—and then I will yield to the distinguished Senator who will take my place, and I will designate the time to him for the evening—is that, first of all, there is nothing done in this reconciliation resolution on the Legal Services Corporation—period, unequivocally, absolutely. The reason is that there is no authorization presently alive as a law on legal services, as the distinguished chairman of the committee knows. It has expired.

We cannot reconcile against unauthorized programs. That is sort of what we were doing on the last amendment—just telling a committee to save money. There is no law to reconcile against.

The Legal Services Corporation is still back. It is still back in their lap, with whatever authorizing money they have. They use it for CETA, they use it for all the different programs, and they may still use it for the Legal Services Corporation. I say to the Senator from North Carolina (Mr. HELMS), there is nothing in here that inhibits, entices it, or prohibits it.

Mr. HELMS. There is nothing in here except the $100 million, which is $100 million more than President Reagan requested. Is that not correct?

Mr. DOMENICI. The block grant has $100 million more in it than the President requested. That is absolutely correct. But the block grant as requested by the President had legal services in it. It just did not have the extra $100 million in it. It had it in before, and you put $100 million in for the whole block.

It just appears to me that when the block grant is $5 billion, you have neither assured nor have you destroyed what the President asked for, which was, "Put it in the block, but don't carry its money in it," so the block becomes a smaller percent for each of the programs. We put $100 million back in because there was a program, juvenile justice, that everyone thought should not be zeroed out, and it was totally zeroed out. We put it in the block and said, "Put $100 million in."

So it seems to me—and I say this in all respect to the Senator from North Carolina, one of the best friends I have—that the Senator's amendment will not effectively cause legal services to be part of that block grant, nor will it take it out—neither one. The only way the Senator can make sure it is out is to take every bit of money out of that block grant—every bit.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. DOLE. When that block grant came to the floor, the Senator could then offer an amendment.

Mr. DOMENICI. I mean in this reconciliation.

Mr. DOLE. At another time.

Mr. DOMENICI. Yes. He could go to the Finance Committee and say, "You should not include legal services as a permissive block grant for the States," and the Senator's committee would have to decide. If the committee put it in, the Senator from North Carolina could still come to the floor and say it should not be there.

There is a third protection. The committee could put it in, and the States may not use it. The States would not have to put it in if it is permissive.

So I hope that the Senator will not insist that we vote, because the Senator from New Mexico would oppose the amendment, not on the basis of legal services but on the basis that $100 million should be left in that block grant for the Finance Committee to decide the parameters of the block grant, and the Senate would debate the issue of what is in there.

Mr. HELMS. Mr. President will the Senator yield, on my time?

Mr. DOMENICI. I yield.

Mr. HELMS. What confuses me is that Mr. Bell, of the Budget Committee staff, said precisely and specifically that the $100 million which is the subject of this amendment included funds to save the legal services programs. This is what confused me.

Mr. DOMENICI. He is as wrong as Dave Stockman is in his letter. They are both wrong. Dave Stockman says in his letter, specifically:

We support your amendment to add $100 million savings to the social services block grant reconciliation instructions to eliminate earmarked funds for legal services.

That is not so. There are no earmarked funds. And Steve Bell is just as wrong.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. I yield.

Mr. MOYNIHAN. Are there any earmarked funds in this resolution?

Mr. HELMS. No.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOMENICI. That is why I say that Dave Stockman is just as much in error as our staff people.

Mr. MOYNIHAN. He is wrong.

Mr. DOMENICI. That is correct.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield all the time on the resolution to the Senator.

Mr. HATCH. Mr. President, in our Subcommittee on Aging, Family, and Human Services, chaired by the distinguished Senator from Alabama, when we made the markup in the Labor Committee, there was $100 million earmarked for the Legal Services Corporation.

The committee sent our budget mark to the Budget Committee and in the Budget Committee—maybe I better go back a step—as I recall based upon economic assumptions we were using at that time we were about $3 billion over what President Reagan had asked us to cut. When we went to the Budget Committee it came down to a donnybrook on the Budget Committee concerning how much of that $3 billion we would have to cut out, and it came down to a fight among the members of the Budget Committee, and I might add a series of negotiations among members of the Labor Committee as to what programs we should try to save.

I made the motion in the Budget Committee of those $3 billion we were overusing the economic assumptions that we used on the Labor Committee which are different from those used by the Budget Committee. Of the $3 billion we moved to save $353 million for the handicapped, which restored the full amount that we had projected for the handicapped, $345 million for educational block grants for elementary and secondary education because we believed, and we think we are right to this day, that we will not be able to implement the block grant program quickly enough to prevent the taking of funds out of State and local programs, and we added another $300 million for youth jobs and CETA, for a total of $998 million.

That passed by a vote of 12 to 10.

Knocked out of the Labor Committee mark by the Budget Committee was about $2 billion, including $100 million for the national Legal Services Corporation.

So as we stand here right now and in the budget reconciliation request that we are all debating, this resolution, Senate Concurrent Resolution 9, there is not a dime in this resolution for the Legal Services Corporation.

Now we have noticed that there is $100 million in title 20 social services funding for what has been described as juvenile justice and legal services for the poor.

It is my understanding, and I hope someone will correct me if I am wrong, that should those funds be permitted to stay in, should either the Senator's amendment be defeated or withdrawn, should funds stay in they will not be earmarked by the Finance Committee for the national Legal Services Corporation. That is my understanding because the jurisdiction of the national Legal Services Corporation lies in the Labor and Human Resources Committee.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HATCH. Let me just add one or two points.

Mr. HELMS. Let me say I have never suggested that they were earmarked.

Mr. HATCH. I am not suggesting that the Senator has.

Mr. HELMS. I thank the Senator.

Mr. HATCH. I am trying to make clear they should not be earmarked for the national Legal Services Corporation.

It is one thing to keep $100 million extra money in the Finance Committee title 20 social services fund for whatever purposes they want as long as they do not overlap the jurisdiction of the Labor and Human Resources Committee which has jurisdiction over the national Legal Services Corporation.

It is another thing to utilize those funds by that committee for legal services for the poor as determined by the States through the block grant and for juvenile justice programs, and that is my understanding as to what the Finance Committee is likely to do.

I wish we had the distinguished chairman of the Finance Committee here because I think he would confirm, but the distinguished minority leader of the Finance Committee is here. I ask the distinguished minority leader: Is that not basically what the $100 million is likely to be used for if it is used for legal services at all?

Mr. LONG. I am sorry. My attention was diverted.

Mr. HATCH. We left $100 million in title 20 social services in the Finance Committee.

Mr. LONG. Yes.

Mr. HATCH. That has basically been described as money for juvenile justice and legal services for the poor through a block grant approach which the States would determine. Is that correct?

Mr. LONG. Yes. But, of course, there is no requirement that it be used that way. It can be used for other social services.

Mr. HATCH. Is it not likely either they use it for other social services or they will use it for juvenile justice for legal services for the poor?

Mr. LONG. Yes.

Mr. HATCH. If they decide not to use it for that purpose that means they will use it for some other social spending purpose not related to legal services.

Mr. LONG. That is correct.

Mr. HATCH. Under no circumstances will the Finance Committee come out with a bill or with a recommendation that those funds be used to fund the national Legal Services Corporation?

Mr. LONG. No. I can only speak for myself as the Senator from Kansas spoke for himself. But I think I have been heard to be as critical of the activities of the Legal Services Corporation as the Senator from North Carolina has been. I applaud what he said here. I really think that that organization has gone far beyond what most of us think should be the case.

Mr. HATCH. What I am saying is that I believe there is no desire on the part of the Finance Committee to assert jurisdiction over the national Legal Services Corporation or to have any of these funds earmarked for the perpetuation of this.

Mr. LONG. Not to my knowledge.

Mr. HATCH. Let me just go a little bit further.

I believe that the distinguished Senator from North Carolina realizes that I have been a supporter of the national Legal Services Corporation ever since I have been a Member of this Senate. I have had grave reservations in supporting it, and I can remember fighting the bill in 1977 and getting a number of amendments through and also reducing some of the total budget because they wanted to jump it, as I recall, from $117 million to $225 million, and I believe we went back to $205 million as a result of the work of the Senator from Utah on the floor.

I have worked in the committee and when we passed the bill, reauthorized the bill, I think last year or the year before—I cannot even keep track of it—we again raised concerns about the nature of the Legal Services Corporation and the exotic law and law approach that was being used by certain attorneys working for the national Legal Services Corporation.

We raised those issues. We were assured that these funds would all go to just help the poor, that they would go in a nonexotic law way to help the poor, and that they would basically stay away from these very controversial areas that have caused considerable controversy on the floor ever since I have been here in the Senate and which I think the distinguished Senator from North Carolina has more than adequately described this evening and which I think the distinguished Senator from Louisiana has described to a degree.

I personally believe that the national Legal Services Corporation has done itself in, I believe they have continued to ignore the wishes of this body after we have given it every opportunity to be the official quasigovernmental corporation to help the poor, that they have continued to go out and to lobby the Federal Government, to lobby Members of Congress, to lobby in State legislatures and elsewhere and to continue to promote rules and regulations which are contrary to the best interests of the poor and finally which are contrary to the desires of those of us who have actually tried to keep this corporation alive over the last 4 years.

Will the distinguished Senator from North Carolina agree with me on that?

Mr. HELMS. I do, indeed.

Mr. HATCH. I have to admit that I worry a considerable amount about legal services for the poor and about the needs of the poor, but I also worry about funding organizations that continue to exceed their mandate and continue to just fly in the face of all we have tried to recommend to them over the years that some of us sincerely have tried to support that organization.

I believe that the President of the United States is right in asking that it not be funded. So I intend to support the President of the United States.

I do recommend, however, that with at least the good faith assurance of the distinguished Senator from Louisiana the $100 million in the title XX funds in the Finance Committee be allowed to remain for whatever purpose they utilize with the understanding that we will not expect them to reauthorize in any way the national Legal Services Corporation over which Labor and Human Resources Committee has jurisdiction.

Personally I believe it is time to send a message to these people that we are sick and tired of them not exclusively working for the poor.

I can tell Senators that I have had people from Utah, very serious and sincere attorneys, who voluntarily came back here at their own time and expense and at the expense of other attorneys who have begged us to keep the national Legal Services Corporation alive, attorneys who I know are impeccable, top-rated attorneys, who literally have worked very hard in Utah to have the national Legal Services Corporation do what really was proper and legal for the poor.

I believe in Utah the situation is that the Legal Services Corporation has rendered a good service to the poor and has done so within the framework of the mandate we have talked about on the floor.

Mr. CRANSTON addressed the Chair.

Mr. HATCH. I am prepared to yield back the time under the circumstances that I think we have beaten this to death, and I would be interested in the distinguished Senator from California. I will yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I rise in opposition to this amendment, and I will speak very briefly. Although it has been described by its sponsor as eliminating funding for the Legal Services Corporation—the future of the legal services program, which I believe is absolutely essential, is simply not at issue here, as was pointed out by the distinguished Senator from New Mexico, the chairman of the Budget Committee, who is managing the bill.

This amendment would reduce by $100 million funds available to the Finance Committee for social services programs for low-income and disabled individuals. The legal services program is now within the jurisdiction of the Labor and Human Resources Committee and the future of this program will be before the Senate at an appropriate time. But this is not the time, and this is not the amendment.

This amendment, if accepted, could result in a reduction of funds allocated for programs such as day care services for low-income children, for services to home-bound disabled and elderly individuals, for the care of abused and neglected children.

Mr. President, these programs are already facing drastic reductions under the Budget Committee's and the administration's proposal. Further cuts are simply unconscionable. These are programs that needy individuals depend upon for basic survival. I strongly urge the defeat of this ill-advised and ill-designed amendment.

However. I want to add one comment about the legal services program itself.

Our system of justice is based upon the peaceful, orderly resolution of disputes and conflicts. The assistance of counsel is essential to this system. The right to be heard is of little avail—even to an educated layman—without counsel.

The legal services program is based upon the very simple, fundamental premise that the poor—no less than the wealthy—are entitled to legal representation to redress grievances and defend their interests.

Our society—our social compact—is based upon the concept that all citizens, no matter what their financial circumstances, are entitled to be protected by the law. This right to equal protection of law and access to the judicial system is a basic right arising from our system of justice. A fair and just government cannot countenance denying people the protection of the law because of poverty. The Legal Services Corporation is an example of what a fair and just government can and must do to bring equal justice to its people.

I am delighted now to yield to my friend from Missouri.

Mr. HATCH. What I would like to do at this time is yield the remainder of the time from Senator DOMENICI to the distinguished Senator from South Carolina and then take the chair so that I can relieve my colleague.

The PRESIDING OFFICER (Mr. HATCH). The Senator from Missouri.

Mr. EAGLETON. Mr. President, I thank my colleague from California.

The purpose of the legal services program is a simple, but essential one—to provide equal access to our system of justice for those persons who cannot afford to pay for legal assistance. That purpose is rooted in the fundamentals of our democratic society.

The legal services program has been in existence now for nearly 10 years. To be sure, it has experienced many difficulties in the course of its development since it was established as a part of the Office of Economic Opportunity in 1964, but now it is enthusiastically supported by the American Bar Association and by State and local bar associations across the country.

Let me quote from an article written by a widely recognized and, at times, thoughtful conservative, Mr. James J. Kilpatrick, in the Washington Star of Tuesday, June 10, 1980. Mr. Kilpatrick wrote of his original opposition to the Corporation, but then went on to say:

The Corporation has come a long way from those angry days in 1973 and 1974 when many of us on the conservative side fought like bobcats against its very creation.

Further along in his column, Mr. Kilpatrick gets to the funding of Legal Services:

The pending Senate bill would authorize $321.3 million for the Corporation in Fiscal '81. It is a seriously needed sum. In the nature of things, poor families can accept the realities of being poor; they are not going to have the food, clothing, housing, higher education and material amenities of the rich. What they cannot accept is the sense of being unfairly ground down by the millwheels of the law.

We never will achieve the ideal of truly equal justice. Outside the antiseptic realms of mathematics, literal equality does not exist and ought not to exist. But at law, we must keep trying. The preamble to the Constitution pledges a national purpose "to establish justice." Let us get on with the job.

Mr. Kilpatrick argues the case with as great an eloquence as I have heard.

Just a little over a week ago, Mr. Kilpatrick again devoted a column to the Legal Services Corporation, in which he states that if the Legal Services Corporation dies, it will have done itself in through its own lobbying efforts. But Mr. Kilpatrick concludes that column as follows:

The concept is worth saving. Heaven knows it is! I will cling to the ideal willy-nilly. But perhaps some other mechanism—block grants to the states, or pro bono services by private attorneys—would be better. If the Corporation dies, the need will still be there.

Mr. President, I ask unanimous consent that the two aforementioned articles by Mr. Kilpatrick be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

OF JUSTICE FOR ALL

If there is one concept that our nation cherishes more than any other, it is the commitment that is carved in stone at the Supreme Court. The legend reads, "Equal Justice Under Law." Year by year we creep a little closer toward that distant goal.

That cheerful observation is prompted by a report from the Legal Services Corporation, marketing its first five years of operation. The corporation has come a long way from those angry days in 1973 and 1974 when many of us on the conservative side fought like bobcats against its very creation.

These days the Legal Services Corporation keeps a low profile. That was not the image projected by its predecessor outfit, the legal services arm of the now defunct Office of Economic Opportunity. Many "poverty lawyers" identified with the OEO program were hot-eyed social activists, little interested in the humdrum legal problems of the poor. Conservatives in both House and Senate had good reason to oppose the expenditure of tax funds on firebrand causes.

As a consequence, the bill to transfer the legal services program from OEO to a new corporation ran into a filbuster in the Senate and a bitter floor fight in the House. In order to avoid a presidential veto, sponsors accepted a host of restrictive amendments intended to dispel these lingering apprehensions.

Lawyers attached to the corporation are positively forbidden to engage in public demonstrations, picketing, boycotts, strikes, lobbying, partisan politics, voter registration

drives and the like. The act prohibited the establishment of "backup centers" that were seen by many of us as mere seedbeds for hothouse revolution.

By a margin of only seven votes in the House, the legal services bill survived a motion to recommit. The corporation wobbed into existence on rubbery legs. Now, six years later, it stands on its own two feet. Pending bills to extend the program's life for two years (in the Senate version) or three years (in the House) may set off brief thunder on the floor, but no typhoons are in sight.

As one of those who hollered the loudest six years ago, perhaps I may be permitted a round of applause today. Here and there abuses continue. A sneaking suspicion will not go away that the corporation has neatly evaded the law's prohibition against backup centers by creating backup centers and calling them something else, e.g., the National Clearinghouse on Legal Services.

Let it go. As it moves into its sixth year, the corporation is funding 335 independent programs staffed by more than 5,000 attorneys and 2,500 paralegals. In 1979 local offices dealt with more than a million legal problems of the poor. What kind of problems? Child custody. Food stamps. Election. Disputed bills. Contested eligibility for welfare benefits. None of this is the stuff from which landmarks are made, but it is the very heart and soul of a legal services program.

The corporation's clients are 57 per cent white, 30 per cent black, 10 per cent Hispanic. Only a fifth of them are employed; most are living on welfare or Social Security. More than a third of the legal problems involve family matters. Another 13 per cent concern landlord-tenant relationships. Half the cases are settled within a month. The corporation proudly notes that only 2 per cent of its budget goes to administration; 95 per cent of last year's $270 million appropriation went directly to legal services.

The pending Senate bill would authorize $321.3 million for the corporation in fiscal '81. It is obviously a substantial sum, but it is a seriously needed sum. In the nature of things, poor families can accept the realities of being poor; they are not going to have the food, clothing, housing, higher education and material amenities of the rich. What they cannot accept is the sense of being unfairly ground down by the millwheels of the law.

We never will achieve the ideal of truly equal justice. Outside the antiseptic realms of mathematics, literal equality does not exist and ought not to exist. But at law, we must keep trying. The preamble to the Constitution pledges a national purpose "to establish justice." Let us get on with the job.

LEGAL SERVICES COMMITTING SUICIDE

(By James J. Kilpatrick)

This is a hard column to write. For the past seven years, in lonesome opposition to fellow conservatives in Congress and in the press, I have been sticking up for the Legal Services Corporation. Now President Reagan wants to abolish it. It hurts to abandon a favorite cause, but maybe the time has come to let it go.

If Congress concurs, it will be said of the Legal Services Corporation that Reagan and the New Right "killed it off." Don't believe it. This would be a case of suicide, not homicide. The Legal Services Corporation, through its own failure to heed repeated warnings against its own activism, will have done itself in.

STRIVE FOR IMPOSSIBLE

The concept was so good. Call me a starry-eyed idealist if you will, but some American ideals deserve a starry-eyed devotion. One of these is carved in stone above the Supreme Court: "Equal Justice Under Law." It is an impossible ideal, to be sure, but no matter. We ought to strive for the impossible now and then.

The idea behind the Legal Services Corporation was to put some element of balance in those famous scales of justice. The idea was to see that the poor person got a fair shake in his encounters with the civil law. Was he being wrongly evicted from his home? Was he being unfairly persecuted by a creditor? Was he being denied some public benefit that rightfully was his? Was he trapped in some impenetrable maze of regulations?

Almost 40 years ago, as a young reporter, I covered what were known as the Civil Justice Courts. Here a rough form of stamp style. Every city has such tribunals. Here merchants and dotcors and loan sharks sue for unpaid bills. Landlords seek eviction orders. Many defendants never appear at all. Other defendants stand in bewildered resentment. They never heard of a garnishee. "Judgment granted . . . Judgment granted . . . Judgment granted." Ordinarily the poor fellow never stands a chance.

MISSION TO HELP

Thus in 1974 came the Legal Services Corporation, with a mission to help. And it has helped. Through 323 local programs employing 5,000 lawyers, the corporation has gone to bat for thousands of poor persons in need of legal assistance: domestic relations, child custody, housing problems, welfare check, divorce, employment. Such humble causes are overwhelmingly the business of the LSC.

But the corporation is heavily and unhappily influenced by ideological activists who have grander ideas. They see their role as a remaking of society. Many of the younger LSC lawyers are fresh caught from law school. Often their energy is surpassed only by their immaturity. Their passions cannot be fired by the humdrum fuel of a custody case. They want to be aggressive.

One of the corporation's oldest hands, research director Alan Houseman, circulated a fire-breathing staff memorandum on Dec. 29. He feared for the survival of "committed, aggressive and political staff." He pleaded for "aggressive advocacy," which he defined in terms of "legislative and administrative representation, litigation and community education." He foresaw possible restrictions that would prevent the LSC lawyers from suing local governments.

LOBBYING EFFORT

The Houseman memorandum outlined a comprehensive lobbying effort to preserve not only the Legal Services Corporation but other social programs also. He suggested battle plans for opposing Reagan appointees who might be "hostile to aggressive legal services." He anticipated "severe problems with the Senate." He charted strategies for effective lobbying, and in a companion memorandum he proposed specific lobbying assignments for members of the LSC staff—for Dan, Mary, Mario, Judy, Bruce, Bernie, Gerry, Steve, Alan, Andy and others.

Observers differ on whether the law prohibits the corporation from using public funds for such lobbying. That issue is almost immaterial. The question is whether the corporation, under present law and present leadership, is capable of adhering faithfully to the humble but important duties for which it was created. The Houseman memoranda raise almost insurmountable doubts.

The concept is worth saving. Heaven knows it is! I will cling to the ideal willy-nilly. But perhaps some other mechanism—block grants to the states, or pro bono services by private attorneys—would be better. If the corporation dies, the need will still be there.

Mr. DANFORTH. Mr. President, I yield myself 10 minutes on the resolution.

The PRESIDING OFFICER. Who yields time, on behalf of whom?

Mr. DANFORTH. Myself.

The PRESIDING OFFICER. The Senator from——

Mr. DANFORTH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANFORTH. It is my understanding that in addition to time on the amendment Senators do have time on the resolution itself; is that correct?

The PRESIDING OFFICER. The manager has time on the resolution, the distinguished Senator from South Carolina.

Mr. DANFORTH. I wonder if I could have about——

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senator be permitted to proceed for 10 minutes on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. If I have any right to do it, I would be glad to yield whatever time the Senator wants.

Mr. DANFORTH. If I could have 5 minutes from the Senator from South Carolina, Mr. President, this is my understanding of the position we are in now. If the Senator from North Carolina decides to press on with his amendment, and it is my understanding that he will not, but if he will, it is my understanding that this amendment, if it were adopted by the Senate, would not mandate any particular kind of cut from the Committee on Finance and, therefore, it could come out of anything within the Finance Committee's jurisdiction, social security or anything else.

But I think it is the purpose of the Senator from North Carolina to make a point and, as I understand that point, he does not like the legal services program and he wants to terminate it.

Mr. HELMS. Corporation.

Mr. DANFORTH. Just the Corporation.

It is my understanding that what has been going on in the Congress to date has been whether or not the legal services program is going to be conducted by an independent corporation or in the alternative whether it is going to be a matter that is of discretion with each State to be operated as part of a block grant program within the jurisdiction of the Finance Committee.

Where we stand right now is that the Human Resources Committee has taken the position that it does not want the Legal Services Corporation and, therefore, the only possibility for continuing any legal services program would be in the context of a block grant program within the jurisdiction of the Finance Committee, and that those block grants may or may not be used for the purposes of providing legal services. Am I mistaken on that or is that correct?

Mr. HELMS. I think that is correct.

Mr. DANFORTH. Where we stand now is that if the amendment were persisted with, and further if the amendment were effective, that is if, in fact, the Fi-

nance Committee could be, which I understand it cannot, directed to terminate all legal services programs, then the thrust of this amendment would be to say, "We do not want any kind of legal services program whether it is run by the Corporation or whether it is operated as part of a block grant program." That is it, legal services is dead.

Now, Mr. President, lawyers, in fact, do a variety of things with their time. One thing lawyers do is to lobby. Law firms in Washington are retained by private clients to lobby.

Now the Legal Services Corporation has been criticized for lobbying. That might be a good criticism. I myself have had problems with the Government paying people to lobby Government.

But another thing that lawyers do is to file lawsuits or to defend lawsuits. And it is my understanding that if we were to terminate the legal services program altogether, we would not only terminate the abuse of lobbying, if it be an abuse—and I concede that I think it is—but we would also terminate the possibility of legal services lawyers prosecuting and defending lawsuits.

Now, one of the objections to the Legal Services Corporation is that when it files lawsuits it files lawsuits against the Government. And the Senator from North Carolina pointed out that it sometimes files lawsuits against HHS. Many law firms, private law firms, file lawsuits against government. They do it all the time.

Senator EAGLETON and I both used to be attorneys general of Missouri. And we were always being sued by all kinds of people in the private practice of law. That is the nature of the practice of law. It is controversial sometimes to sue government.

I would only point out that when lawyers file lawsuits they file all kinds of lawsuits and particularly lawyers for the poor. And they file lawsuits against people who have nothing to do with government. They file lawsuits against landlords. They file tort suits relating to automobile accidents. They file suits on contracts. They file product liability suits. They file divorce suits, child custody suits, a whole range of lawsuits, litigation, and various kinds of legal services that are provided for poor people.

And, in fact, they do not necessarily go to court—run-of-the-mill legal advice provided out of offices, just as it is provided to anybody else, are provided to poor people by legal services offices.

So what is really at stake now is not the design of the legal services program, what is at stake is whether there is any legal services program left. Any lawsuits prosecuted or defended on the part of the poor by Legal Services lawyers, any legal advice, any drawing of contracts, any writing of any kind of legal document at all by lawyers, that is what is at stake.

And even if it is conceded that the Legal Services Corporation has exceeded its bounds, this would truly, if it were to be effected, be a case of throwing out the baby with the bath. I would hope that the Government of this country, the executive branch as well as the Congress, would not be so carried away by perceived abuses—if they are abuses—of the Legal Services Corporation that we would decide to even say $100 million a year is too much money to provide for the vast array of legal services programs which could be available to people who are in need.

Several Senators addressed the Chair.

Mr. THURMOND. Mr. President, I yield to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. DENTON. Mr. President, I just want to note that the chairman of the Labor and Human Resources Subcommittee on Aging, Family, and Human Services, when he recommended $100 million for legal services intended that that $100 million be for legal services per se, not for the perpetuation of the Legal Services Corporation.

If that recommendation was not interpreted in that manner, that is an event over which I had no control.

When we made that recommendation, we recognized that there were legal needs on the part of the poor and we did not intend to alter the block grant approach.

I believe that it is somewhat questionable right now in the minds of many—although you, Mr. President, may have cleared it up—as to whether or not there is some valid claim that the Legal Services Corporation has the potential to exist by virtue of the $100 million, within title XX in the Finance Committee. But this Senator did not intend to keep the Legal Services Corporation going when he recommended that $100 million. And I wanted to say that for the record.

Mr. THURMOND. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to voice support for the amendment offered by the distinguished Senator from North Carolina (Mr. HELMS), regarding the Legal Services Corporation.

In the first place, the administration has taken a position on this matter which I think is sound. They intend to provide block grants to the States and these services could be provided out of the block grant if the States feel it is wise. If the States do not deem it is wise, why should the Congress do it anyway? So I feel that we should support the administration's position on this matter.

Next, I do not know of any constitutional authority for the Federal Government to go into this field.

For years since I have been in the Senate, we have gone into so many fields of activity that are noble, probably, and worthwhile and helpful programs, but without constitutional authority.

I think the time has come now when we have to ask ourselves three questions: First, is the proposed legislation before us constitutional? If it is not, we should not go any further with it. Next, we should ask, is it wise? In other words, could it be done by some other level of government or should we pursue it at the Federal level? And then, third, can we afford it at the Federal level?

Mr. President, that is the reason this country is so much in debt today. That is the reason we have a debt of almost $1 trillion, because of going into fields of activity where we do not have authority, going into others where it was not wise to venture, and going into still others where we are not able to afford it.

Mr. President, it seems to me that the States constitute the proper level of government for legal services, if they are to be provided to the poor. I would have no objection to a State providing legal services of this kind if it sees fit to do so and wants to do it.

However, I might say that my understanding is that there have been a lot of abuses—that the Legal Services Corporation attorneys have gone into questions of abortion funding; they have gone into questions of school busing; they have gone into other prohibited areas, and they have lobbied—I understand they are actually lobbying now, have been lobbying today. And this is a violation of the statute, the congressional statute.

I do not know whether the people realize this or not. I do not know whether Members of Congress realize it or not. But I would like to call attention to the fact that it is a violation of the law to lobby here on this question. The statute says:

> Whoever, being an officer or employee of the United States or of any department or agency thereof, violates or attempts to violate this section, shall be fined not more than $500 or imprisoned not more than one year, or both; and after notice and hearing by the superior officer vested with the power of removing him shall be removed from office or employment.

This provides a criminal penalty concerning lobbying. It is a violation of law.

Well, are we going to continue at the Federal level to foster a program, to go forward with a program, where those who are participating in it are violating the law?

In fact, some time ago I wrote the Attorney General a letter on this very subject. It was addressed to the Honorable William French Smith, dated March 23, 1981. It says:

> DEAR MR. ATTORNEY GENERAL: I am enclosing for your information a copy of the NSCLC Washington Weekly newsletter for the week of March 13, 1981.
>
> The newsletter contains material which is highly critical of the President and which seems to boast about the success of the Legal Assistance Program in California in its efforts to force the President to spend more on welfare and Medicaid than he wished during his tenure as Governor.
>
> Some feel that the newsletter may be a violation of Title 18, Section 1913 of the United States Code. It appears advisable to have your staff look into this matter.

Mr. President, it seems to me, considering the matter from every angle, that the Federal Government should not have gone into this field, and if it did go into this field, then on account of the budget we are now trying to balance, on account of the abuses by the Legal Services Corporation employees, we ought to get out of the field and let the States handle it.

If the States think it is wise, they have

a right to do it. There is block money being sent to the States which would help the States for that purpose, if they see fit to use the funds for that purpose.

Mr. President, I am convinced that now is the time, and I think the administration is exactly right on this, for the Federal Government to withdraw from this field. Again I say, I do not think the Federal Government should have ever been in the field. But certainly now, we should withdraw from the field.

The Legal Services Corporation, originally designed to give aid to those Americans too poor to afford legal help in such basic matters as settling disputes with their landlords or providing counseling and advice on domestic matters, has instead become a weapon used by social and judicial activists in an unending battle against the very Government that funds their activities. Rather than attending to the legitimate basic legal needs of the poor and disadvantaged, the Corporation and its employees have repeatedly misused taxpayers' dollars to promote their own ideals of social justice or change, using the poor they represent to obtain standing in their suits. It is partly because of this continued, serious misuse of public funds that I oppose continued Federal funding for the LSC at this time.

One recent example of such overreaching by the LSC was presented to the Senate on March 17, 1981, by my distinguished colleague from Kentucky, Mr. HUDDLESTON; wherein he described the efforts currently being made by the LSC to "assist and encourage aliens to enter the United States illegally and to remain here without being apprehended" by the Immigration and Naturalization Service. Now I ask the Senate, is this the type of activity in which the Legal Services Corporation was designed to participate? Here, they are not aiding the poor who come to them with legal problems, but are actually going out and actively soliciting a clientele not even comprised of American citizens.

I would also at this time like to share with the Senate the contents of a recent newsletter sponsored by the National Senior Citizens Law Center (NSCLC), an organization which gets much of its Government funding from the Legal Services Corporation. In this newsletter, material is printed which is highly critical of the President, and which seems to boast about the success of the legal assistance program in California in its efforts to force the President to spend more on welfare and medicaid than he wished during his tenure as Governor. This seems to me not only to be an improper use of funds, which are supposedly being spent to give legal aid to the poor, but may very well constitute a violation of title 18, section 1913 of the United States Code, which prohibits lobbying of Members of Congress with appropriated moneys. Mr. President, I ask unanimous consent that relevant passages of the above-mentioned newsletter and the full text of the letter I sent to the Attorney General on this matter be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the Senate should also be aware of the comprehensive civil rights regulations proposed earlier this month by the Legal Services Corporation and published in the March 23 Federal Register. These regulations include controversial, far-reaching mandates that recipients of LSC aid must practice nondiscrimination against homosexuals, must have programs for bilingual employees and affirmative action requirements that guarantee the employment of women and minorities at levels that reflect "appropriate labor force characteristics." The proposed LSC rules also seek the inclusion of drug addiction and alcoholism as diseases that would qualify someone as being protected from discrimination as a handicapped person.

In addition, the proposed regulations include an elaborate network of documentation and monitoring to insure compliance with the goals and remedies prescribed. These monitoring activities will, of course, require the further expenditure of funds on matters unrelated to the goal of providing legal aid to lower income Americans.

In conclusion, Mr. President, I think it is evident from the examples I have just cited, and numerous other examples brought to the Senate's attention by the Senator from North Carolina (Mr. HELMS), and others, that this organization has not limited itself to providing necessary legal services to the poor, the original mandate established for the LSC by the Congress. Instead, Legal Services has increasingly become an instrument for social activism and change regarding issues on which there is a substantial division of opinion and debate in this country. I support the goal of equal access to the courts for the poor, but I also believe that the responsibility for providing basic legal services, if indeed it is a function of government at all, is a responsibility which should be borne by the States, perhaps assisted by some Federal funds made available through block grants. Certainly it does not serve the larger public interest to provide taxpayer funding for legal actions designed to effect various agendas for social change, rather than attempting to assist in meeting basic legal needs. Experimentation on behalf of novel legal theories and rights, where it is pursued, should be pursued through the private sector, not with Government funding supplied for the purpose of helping lower income Americans with basic legal services.

For these reasons, I support the efforts by my distinguished colleague, Mr. HELMS, to delete further Federal funding for this Corporation from the budget.

EXHIBIT 1

MARCH 23, 1981.

Hon. WILLIAM FRENCH SMITH,
The Attorney General of the United States, U.S. Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: I am enclosing for your information a copy of the NSCLC Washington Weekly newsletter for the week of March 13, 1981.

The newsletter contains material which is highly critical of the President and which seems to boast about the success of the Legal Assistance Program in California in its efforts to force the President to spend more on welfare and Medicaid than he wished during his tenure as Governor.

Some feel that the newsletter may be a violation of Title 18, Section 1913 of the United States Code. It appears advisable to have your staff look into this matter.

With kindest personal regards and best wishes,

Sincerely,

STROM THURMOND,
Chairman.

[From the NSCLC Washington Weekly, Mar. 13, 1981]

SAVING MONEY? NO, PRESERVING JUSTICE

"So it isn't the cost, after all, that bothers Mr. Reagan about legal services to the poor. It's the very idea of this program, which has enriched American justice, that sticks in the craw of a President who tilted against its lawyers when he was Governor of California. He offers to let the states use some of their other Federal money to sustain the program, if they like. But he knows not many will. Mr. Reagan aims to kill the Legal Services Corporation. He should be stopped.

The issue here is not just another worthy social program that America can't fully afford. It is a matter of protecting a fundamental principle of a fair society—equal justice. Legal Services represents in civil law what public defenders represent in criminal law: a chance for poor people to establish their rights by means available to the rest of society.

Ever since the Supreme Court ruled in 1963 that indigents charged with crimes are entitled to free representation, they have been routinely supplied with public defenders. But the same is not true when poor people are harassed by arrogant welfare agencies or hostile landlords. Without the Federally funded Legal Services program, they would have to represent themselves or rely on overworked legal aid bureaus and inexperienced law students.

The Federal lawyers have not only moved energetically to press individual grievances but have also brought class actions to correct systematic injustice. And that, of course, is why the program has made few friends among the elected officials, businessmen and bureaucrats it has beaten in court. Mr. Reagan has never forgiven California's Rural Legal Assistance program for requiring him to spend more than he wanted on welfare and Medicaid.

Legal Services is no radical scheme for the redistribution of wealth. The American Bar Association and liberal lawyers alike know it is a plan for fairly establishing rights. The relief it manages to obtain for the poor can be won only under laws passed by legislatures and interpreted by the courts. But a legal right, like a tax benefit, is meaningless for those who cannot afford the experts to claim it.

There may be aspects of Legal Services worth debating; it may even be that economies could be found in its $320 million budget. But to kill the program, under the pretense that the states are free to keep it alive, is unconscionable. The issue is not whether to save money; it is whether to preserve justice.

ABA SUPPORTS LEGAL SERVICES—DENOUNCES CUTBACKS

The President of the American Bar Association on Tuesday, March 10, 1981, urged Congress to continue federal funding for legal services for the poor. At a press conference, ABA President William Reece Smith,

Jr., said the Reagan administration's decision to eliminate federal funding of legal services for the poor would have a "devastating" effect on "the right of all people to a fair and equitable access to our justice system." Moreover, Smith said, "to eliminate or weaken a cost effective program that has not only provided legal assistance to millions of our citizens for the first time but has strengthened their belief in our society, would be unfortunate and contrary to the nation's best interest."

* * * * *

LEGAL SERVICES DEVELOPMENTS

The Reagan administration has asked Congress to cut off all future federal funding for legal aid for the poor. In his budget message to Congress, the President confirmed no further funding will be requested for the Legal Services Corporation which funds some 300 legal aid programs over $300 million a year. LSC programs assisted in approximately 1.5 million cases for the poor last year.

As we reported in last week's issue of the Washington Weekly, within the next few weeks Congress will make a number of extremely important decisions on the survival of legal services. These decisions will be made in the context of the budget authorization and appropriations processes—which move simultaneously through the committees of the House and the Senate and on the floors.

Early consideration of legal services will come before the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice. Yesterday, Judiciary Committee Chairman Peter Rodino (D-NJ) introduced a measure (H.R. 2506) which would extend the reauthorization of the Legal Services Corporation Act for another three years, through fiscal year 1984, with the current level of funding ($321 million) for FY 82 and "such sums as may be necessary" for the next two years.

While the Reagan Administration has indicated its desire to provide "zero funding" for legal services, the final word on funding for legal services must come from the Congress. The hearings scheduled by Chairman Robert Kastenmeier's Subcommittee is the first step in the reauthorization process. The actions of the House Judiciary Committee may well indicate the budget recommendations of the House of Representatives.

The Senate Labor and Human Resources Subcommittee on Aging, Family and Human Services is also of critical importance in the process of reauthorizing legal services in that it will consider reauthorization of the Legal Services Act. Hearings have not yet been scheduled.

Ultimately, the Senate and House appropriations committees, taking into consideration the budget and funding levels recommended by the authorizing and budget committees, will establish an appropriation for fiscal year 1982.

The following Congressional committees deal with reauthorization and appropriations for LSC.

Senate

Labor and Resources Committee

Republicans

Orrin Hatch (chairman, Utah), Robert Stafford (Vt.), Dan Quayle (Ind.), Paula Hawkins (Fla.), Don Nickles (Okla), *Lowell Weicker (Conn.), *Gordon Humphrey (N.H.), *Jeremiah Denton (Ala.), John East (N.C.).

Democrats

Edward Kennedy (Mass.), Jennings Randolph (W. Va.), Harrison Williams (N.J.), Claiborne Pell (R.I.), *Thomas Eagleton (Mo.), Donald Riegle (Maine), *Howard Metzenbaum (Ohio).

Appropriations Committee

Republicans

Mark Hatfield (Chair, Oreg.), **Ted Stevens (Alaska), **Lowell Weicker (Conn.), James McClure (Idaho), **Paul Laxalt (Nev.), Jake Garn (Utah), Harrison Schmitt (N. Mex.), **Thad Cochran (Miss.), Mark Andrews (N. Dak.), James Abdnor (S. Dak.), Robert Kasten (Wis.), Alfonse D'Amato (N.Y.), Mark Mattingly (Ga.), **Warren Rudman (N.H.), Arlen Specter (Pa.).

Democrats

William Proxmire (Wis.), John Stennis (Miss.), Robert Byrd (W. Va.), **Daniel Inouye (Hawaii), **Ernest Hollings (S.C.), Thomas Eagleton (Mo), Lawton Chiles (Fla.), Bennett Johnston (La.), Walter Huddleston (Ky.), Quentin Burdick (N. Dak.), Patrick Leahy (Vt.), Jim Sasser (Tenn.), Dennis DeConcini (Ariz.), **Dale Bumpers (Ark).

I thank the Senator for having yielded.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER (Mr. DENTON). The Senator from North Carolina has the floor.

Mr. KENNEDY. A point of inquiry, Mr. President.

Mr. HELMS. Regular order, Mr. President.

Mr. KENNEDY. Mr. President, I am entitled to raise a point of order.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. CRANSTON. Mr. President, the Senator is entitled to raise a point of inquiry.

Mr. HELMS. Mr. President, in case there has been a misunderstanding, I would emphasize again that at no time has the Senator from North Carolina ever contended that this resolution contained $100 million that is specifically earmarked for the Legal Services Corporation.

It is preeminently clear to all those who have taken part in this debate over the past few days that there are no funds earmarked for any program.

I do not see any validity to that sort of explanation by the opponents of this amendment. I think it is a red herring and I believe they know it is a red herring.

We are, of course, dealing only with directions to committees to achieve aggregate amounts. But the working assumptions which the committee has used are well known. In the case of my amendment, it is based upon the working assumptions contained in the nonbinding committee report, upon the transcript of the markup, which I realize is even less binding than the report, and upon my discussions with the distinguished chairman and his principal staff.

The fact is that the Budget Committee did include an extra $100 million in its instructions to the Finance Committee, and that this $100 million was to make possible the inclusion of funding of legal services. The distinguished chairman (Mr. DOMENICI) has, indeed, indicated that if the Finance Committee authorizes the inclusion of legal services in the block grants, each State could choose to use a portion of its block grant funds for legal services. That in itself proves my point, but it happens to be the most benign interpretation of what could happen.

The fact is that the Budget Committee has created an extra $100 millon in the reconciliation resolution which has a nonbinding intent that it be used for the provision of legal services. The lobbyists of the Legal Services Corporation are not asleep. In fact, there have been scores of them all over Capitol Hill for the past few days. The president of the Legal Services Corporation has been camping out in the Senate reception room.

The distinguished Senator from South Carolina mentioned lobbying by the Legal Services Corporation. I would say again that, obviously, the Legal Services Corporation itself believes that the retention of this $100 million will permit the Corporation to survive.

The Legal Services Corporation obviously thinks that it is very important to its future survival that this $100 million stay in the reconciliation resolution.

On December 28, 1980, Mr. Alan W. Houseman, of the Legal Services Corporation, prepared a memo, using Government funds, which explained how the Legal Services Corporaiton was going to use Government funds to lobby for its continued existence. This memo was sent to all State coordinators.

Mr. Houseman wrote:

Today we face a severe threat to the continuation and growth of aggressive legal services. At stake is the survival of the legal services movement.

Among the points he made were these:

We will be increasing the Washington lobbying efforts of the Corporation and our organizations. NLADA, for example, has hired a full-time experienced lobbyist to work on legal services and other matters. The new entity being formed will substantially expand our lobbying capacity.

That is not JESSE HELMS talking, Mr. President, that is Mr. Houseman. I do not want Mr. Houseman or any other Senator to tell me that this is not a lobbying outfit. He used Government funds to print a bulletin. The best that can be said for him is that he is candid.

We are developing an affirmative legislative strategy to deal with the difficult situations we face in the next session of Congress with regard to both appropriations and reauthorization.

This year it will be necessary for us to get our reauthorization through Congress. The Senate will not approve our appropriations without a reauthorization. We will also need to work again with the Budget Committees in the House and the Senate. Last year, the budget process played a major role in setting priorities on substantive legislation as well as appropriation levels.

Mr. President, I ask unanimous consent that the entire Houseman memo be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

*Members of the Subcommittee on Aging, Family and Human Services, Jeremiah Denton, Chairman.

**Members of the State, Justice, Commerce, The Judiciary and Related Agencies Subcommittee, Lowell Weicker, Chairman.

[From the Legal Services Corporation]

MEMORANDUM

Date: December 29, 1980.

To: State Coordinators and Other Interested Parties.

From: Alan W. Houseman.

Subject: Summary of our Overall Activities, Strategy and Perspective.

To assure that there is full knowledge among all critical actors in the effort we are undertaking to preserve aggressive legal services, I have prepared this summary of our activities, strategy and perspectives. Much of this comes from the oral remarks that have been given at the Regional Meetings and will not be new to most of you. Most of this information has been and will be supplemented in more detailed ways.

OVERALL PERSPECTIVE

Today we face a severe threat to the continuation and growth of aggressive legal services. At stake is the survival of the legal services movement. By that I mean:

Survival of committed, aggressive and political staff whether they are lawyers, paralegals, support staff or other advocates;

Survival of aggressive advocacy, (i.e., advocacy which utilizes the full scope of representation including legislative and administrative representation, litigation and community education; advocacy which seek all possible remedies; and advocacy which is not restricted in what defendants can be sued, e.g., government entities);

Survival of client involvement and control.

All three of these are essential to the legal services movement. All three of these are under attack and must be pressured and strengthened.

Far more is at stake than the survival of Legal Services. Many social benefit and entitlement programs that have developed during the 60's and 70's to provide concrete benefits to poor people are threatened. As we proceed in our fight, we must take all the steps necessary at national, local or state levels to assure the continuation of other social benefit and entitlement programs. It is essential that we join with others in preventing cutbacks in these programs, and preventing changes in other federal policies, such as affirmative action, which are essential to the continued development of poor people and minorities in this country. At no time must we let our own concerns override the more basic concerns of poor people.

BASIC PRINCIPLES

It is useful to repeat the basic principles which guide the actions that will be collectively taken to preserve legal services.

1. Using all methods of counseling and representation, legal services exists to provide highest quality legal services to all those unable to afford legal assistance in a manner which best enables poor people to assert their rights and interests and effect change in ways that they themselves choose.

2. LSC and the legal services community will continue to emphasize utilization of program resources in a manner that has the greatest impact on the largest number of poor people

3. Legal Services must be accountable to the low-income community in program governance, allocation of limited resources, and addressing the most pressing legal problems of a particular local community.

We will never compromise the basic values and structures of this program and we will continue to resist efforts that would impose restrictions or undermine aggressive advocacy for poor people.

SCOPE OF POTENTIAL THREAT

We will certainly face serious efforts by opponents of aggressive legal services to:

(1) Appoint members to the LSC Board who are not supportive or even hostile to aggressive legal services and the staff attorney system. Currently five terms are up; in June, the additional six positions will be up for nomination.

(2) Add additional restrictions on the types of representation (legislative and administrative advocacy), on types of cases (aliens, education, abortion, suits against government entities), or on attorney fees, support and training.

(3) Reduce our appropriations and/or earmark existing or new funds.

(4) Increase control of legal services staff and advocacy through a hostile bureaucracy, through political pressure from Congress, or through local and state government.

(5) Increase the role of local and state governments in funding and overseeing legal services delivery.

There will also be attempts by the "far right" to dismantle or eliminate the legal services program. These proposals have surfaced during the transition and will also arise during consideration of our reauthorization in 1981.

We can not now predict what efforts will be made, by whom and their timing to restrict or dismantle legal services. There are many possible scenarios that may develop both in the short and long run. What we are doing is to plan for every possible development.

POLITICAL SITUATION

We have a new administration headed by a President who has historically shown hostility to Legal Services. While Governor of California, President-elect Reagan attempted to veto and dismantle California Rural Legal Assistance. He also sought to impose additional controls on aggressive advocacy by Legal Services attorneys.

In the only public statement (in the American Bar Association Journal), the President-elect gave great deference to the pro bono efforts of private attorneys and called for an evaluation of the Legal Services Corporation to ensure "that it is serving the purpose for which it was intended." He went on to say: "Such a program should not be used to fund, at taxpayers expense, suits which are in reality attempts to force a judicial resolution of political and public policy issues properly left to the elective branch through its representatives in Congress. . . . I would also like to explore possible alternatives to the monolithic federal approach to the legal problems of the poor. I believe there is room for increased activity on the part of local government and local bar associations."

Some of President-elect Reagan's senior advisers and key cabinet members are people who may not be particularly supportive of legal services and who lack understanding of our program.

We face a much more conservative Senate which is now controlled by Republicans and southern Democratics. Many of the newly elected Senators are idealogically opposed to legal services. While we have some strong support in the Senate Committee on Labor and Human Resources, we face severe problems with the entire Senate.

While the House is still in Democratic control, it is much more conservative. Many believe there is now a majority of conservatives in the House which can block most liberal legislation. Although, our committee will remain supportive, we will continue to face, as we have in the past, severe problems on the floor.

The American Bar Association, though remaining steadfast in support of aggressive legal services, has moved to introduce legislation seeking to mandate the involvement of private attorneys in the delivery of legal services. We must not let this development affect their support for effective aggressive advocacy.

Many of our allies are themselves politically weakened. Moreover, the organizations from which we traditionally receive support have not yet made the survival of legal services a high priority. We may not have reached out sufficiently to other potential allies whether on a national or local level.

We have lost the support of large numbers of clients and poor people. Client involvement and control has not become a reality in most programs. Client organizations both on a local and national level have few resources to effectively advocate continuation of legal services.

We are not prepared for battle. We are not effectively united. The Legal Services Corporation has not had to face a major political crisis since its inception. The Legal Services Community has not had to face a political crisis of this severity since 1973. There are many new people in Legal Services. Some may not share the values of the community's leadership. Some may not be willing to take political risks to preserve aggressive advocacy.

On the other hand, we do not start from a position of weakness. We are stronger and more geographically diverse than ever before. We have able and committed staff working in programs throughout the country.

The Legal Services Corporation is an independent entity. Many people on the Hill, in the administration and the press perceive LSC to be an efficient and well run institution.

We have more resources to devote to this effort than we have had in the past. We are more sophisticated politically at both national and local levels.

WHAT WE ARE DOING TO WAGE THIS BATTLE

First, we are attempting to unite and join together in this struggle. We have formed a coalition with PAG, the National Clients Counsel (NCC), NLADA, the National Organization of Legal Services Workers (NOLSW) and the Minority Caucus. It will be expanding to include others from within the legal services community, such as National Association of Indian Legal Services (NAILS), migrant farm workers group, women's caucus, Organization Legal Services Backup Centers (OLSBUC), state support and others. It will also expand to include organizations who are allies and supporters of legal services.

The coalition members will be forming an outside entity to lobby and coordinate survival activities on behalf of the legal services community. This entity will be established soon and will begin to function early in 1981.

Second, we are expanding and strengthening our state coordination network. This is essential in order to assure effective communications within the community and for our congressional efforts.

Third, we are seeking to diversify and strengthen the base of local and state programs. It is essential to broaden the base. In the short run, a strong local political base will be critical if we are to successfully obtain support from Congress for the continuation of an aggressive legal services program. Effective lobbying in Washington will require local programs to establish credibility and a base in their communities and to develop allies who can and will assist them in persuading their Congressman and Senators to support legal services. In the long run, a strong local base will be necessary to survive possible efforts at local and state control through block grants or private bar control.

These plans involve a series of regional meetings that will attempt to help programs identify how to shore up and strengthen their base of support including support from the private bar, increased support from organizations that can be effective allies, effective use of the media and improved relations with Congressional offices. In addition

to the meetings, there will be technical assistance, training and other assistance available to local programs.

Fourth, we are strengthening our base of support nationally by developing closer ties and better relationships with Civil Rights, labor, elderly, consumer and many other organizations and individuals who have been allied with us in the past. We are also reaching out to new organizations as well to develop alliances and obtain support. Because legal services is only one of many issues with which these organizations are concerned, the National Support Centers and others will be joining with these organizations in common efforts to prevent benefit program reductions.

Fifth, we are addressing short-term issues that require immediate action. Through the National Legal Aid and Defender Association the coalition has identified potential nominees for the LSC Board of Directors who are supportive of legal services but also acceptable to the Reagan Administration.

In addition, we are working to acquaint key people in the Reagan Administration and in Congress (including the new Senate leadership) with our program, its independence, and its achievements. We are shoring up and strengthening the support we have among some members of the Reagan team. We are identifying those who can influence members of the transition teams and the appointees of the new administration.

Sixth, we are taking steps to protect programs and our overall delivery system. We will address basic bureaucratic and programmatic vulnerabilities that have been identified by GAO reports and by others. We are also reviewing our entire support structure to make sure it is sufficiently insulated from political pressure and can function effectively in the future.

Seventh, we will be increasing the Washington lobbying efforts of the Corporation and our organizations. NLADA, for example, has hired a full-time experienced lobbyist to work on legal services and other matters. The new entity being formed will substantially expand our lobbying capacity.

Eighth, we are developing an affirmative legislative strategy to deal with the difficult situations we face in the next session of Congress with regard to both appropriations and reauthorization.

This year it will be necessary for us to get out reauthorization through Congress. The Senate will not approve our appropriations without a reauthorization. We will also need to work again with the Budget Committees in the House and Senate. Last year, the budget process played a major role in setting priorities on substantive legislation as well as appropriation levels. Finally, confirmation in the Senate of LSC Board nominees may require some efforts by the legal services community.

Although an affirmative political strategy has not yet been fully developed, it will include at least the following components:

1. Selling the merits of legal services to Congress, media and others at the local, state and national level. Much of this will be done by local people and local programs.

2. Developing a broad range of support from a wide sector of group and organizations and making it in the interest of these groups for legal services to continue without restrictions. This will require effective work at a local, state and national level by legal services programs around the substantive issues affecting the members of the groups and organizations from which we seek support.

3. Improving our relationships with the private bar. We are developing a concrete partnership with the American Bar Association and other bar associations to preserve and expand legal services. This will require full implementation of the Delivery System Study Policy Report and increased involvement of private lawyers in the delivery of legal services. As part of our strategy we are seeking increase funds for expansion in the Fiscal Year 1982 Budget request. By seeking funds from Congress, we believe we can obtain support for the maintenance and expansion of existing programs and prevent mandates in the Legal Services Corporation Act that would reallocate current resources.

4. Developing an affirmative response to Congressional efforts to impose restrictions on legislative representation and other limitations on the scope of representation to be provided to our clients.

To develop this affirmative strategy we are preparing at least two background papers for circulation and discussion. John Dooley is preparing a paper discussing the private bar issues and options to address them. We are also preparing a paper analyzing possible options to prevent legislative representation restrictions. We will be meeting with a number of people to discuss each of these issues and will be holding strategy discussions with the coalition members in early January.

In considering our affirmative strategy we are meeting with many advocates who are experienced in political and legislative strategy in Washington. We are seeking their views on how to take the initiative, how to best use the private bar issue and how to prevent restrictions on case types or the scope of representation.

Regardless of our efforts in Washington, an affirmative legislative strategy is dependent upon effective relations on a local level with congressional offices with state and local bar associations, and with organizations and individuals who are potential supporters and allies.

WHAT MUST BE DONE

Each legal services program must undertake the following:

1. Develop a specific action plan at state and sub-state levels. This plan should detail how each state will seek to maintain and improve or develop Congressional relations, relations with local and state bar associations, relations with allies and supporters, and relations with local and state governmental entities. The plan must also discuss efforts to develop and improve media relations and develop new media contacts. Finally, the plan should specifically include concrete steps to maintain, improve and/or develop meaningful relations with poor people's organizations.

Many states have already developed such plans. Others are beginning to do so and will be completing the plans at the regional meetings.

These plans will require every program to shift program resources to undertake the efforts outlined in the plan and to change the priorities and work of project directors and staff.

2. Appoint a program coordinator or coordinators who will have overall responsibility of coordinating the implementation of the state and sub-state plans and assuring that all survival activities are carried out.

3. Develop timely and effective communications with the state coordinator. The state must assure that the coordinators have adequate staff and a means of communicating effectively and in a timely manner with all programs.

4. Develop effective internal communications networks that assure all staff with adequate and timely information about developments nationally and within state and local areas.

5. Continue to identify people who have contacts with officials of the Reagan Administration. State Coordinators and relevant Washington actors should be informed of these contacts. Please make sure I am informed of these contacts.

6. Continue to identify potential Board nominees who are supportive of legal services and yet potentially acceptable to a Reagan Administration. Names of potential nominees should be sent to Howard Eisenberg at NLADA.

7. Analyze new members of Congress from your area and review all old members of Congress. What is needed is carefully compiled information about all members of Congress. This includes: attitudes, public statements and prior voting records toward legal services and other social benefit programs; their supporters and major contributors from within the bar and general community; possible contacts with their supporters; and their political base in the district or state. This information should be sent to the state coordinator and Office of Government Relations. OGR will develop an analysis of each Congressional person and office. The completed analysis will be sent to each state and program coordinator. The analysis will also include such information as prior Congressional voting records on legal services, positions on other poor people's issues, committee assignments, names and background of key staff, and which members influence this member.

The difficulties we will face now and during the next few years will require sacrifice and discipline by LSC and program staff. Among other things:

1. We must start taking this effort very seriously if we are to succeed.

2. When program coordinators are asked to do something by the state coordinator, by LSC or members of the coalition, they must act responsibly and without delay to see that the tasks are done or that we are immediately informed that they can be done so that we can take the necessary actions to see that they are done.

3. This is the time to act and act quickly to organize within each state and local program to shore up and strengthen the base of political support.

4. Coordinated activity is important. This is not a time to act totally independent of the effort that is being initiated. Project directors and staff will have many good ideas, practical suggestions, intelligence and experience to share with national actors and with other programmatic people. It is important to work together and keep in touch.

COALITION BUILDING

A critical means of strengthening the local political base is to develop coalitions and working relationships with local organizations and individuals who would see it in their interest to assure the continuation of an aggressive legal services program.

Effective coalitions and working relationships will involve programs assisting these groups and organizations in concrete ways. Merely acting in concert or seeking assistance will not be sufficient. The local program must actually assist groups, individuals and coalition members so that they have a real stake in the survival of the legal services program. The legal services program must become a integral part of their activities.

Usually coalitions and working relationships will evolve out of common work on substantive issues. Legal services should seek out others in the community who may be involved on similar issues of concern to the program and client community. They should also seek to participate in activities by others that affect issues and problems of the client community.

There are a variety of these with whom local programs can develop relationships. Some are involved in advocacy for the poor (such as Community Action Programs); some are involved in services for the poor. Many are involved in common issues which affect both the poor and the members of the group (e.g., unions and food stamps; Associations of Retarded Persons and special education; elderly organizations, etc.). Many are involved directly in advocacy for

populations which include the poor (civil rights, etc.).

In developing working relationships and coalitions on substantive issues, legal services programs and staff should not forget their principal role as advocates for the poor. The point of developing working relationships and coalitions is to strengthen the power of poor people not to shift the program toward a different population. Legal services should not be viewed as compromising the interests of poor people for its own survival or for the broader good of the coalition. Moreover, legal services should seek to involve poor people directly in the coalitions and bridge relationships between poor people and individuals and organizations with common interests or issues.

THE BROADER PICTURE—THE NEEDS OF OUR CLIENTS

The struggle for survival of aggressive legal services should never be perceived by us to be a higher priority than the struggles that poor people will face during the next several years as this new administration and Congress attempt to curtail social benefit and entitlement programs and civil rights activities. We must not under any circumstances stop using most of our resources and most of our energies to continue providing aggressive impact advocacy to improve the lives and power of poor people.

Moreover, we must take immediate steps to develop effective efforts within each state and on a national level to preserve the gains won by poor people and their advocates during the last 15 years. And we must continue to strive to increase social benefits, improve housing and health care, prevent arbitrary private and public actions, improve job and educational opportunities, and eliminate discrimination.

This will require targeting increased resources on substantive issues which will arise on a national and state level: development of more effective national and state networks of staff, clients and other advocates and allies; improved communications to each state about national developments and within each state about national, state and local developments; strengthening our capacity for legislative and administrative advocacy; and developing more effective strategies that use all of the tools available including more effective use of litigation as well as community education, legislative and administrative representation, networking and coalition building.

Working with national and state support projects, we are strengthening current efforts and developing new approaches that will assist local and state programs in undertaking these critically important activities for survival of poor people's basic needs. Although there are different networks that will be used to work directly on these "substantive" activities (i.e., the substantive networks that have developed through national and state support projects), we will keep all state coordinators informed of national substantive developments.

Thus, as we enter this struggle for our survival, we must never forget that the purpose of our effort and the shift of some resources to our survival is not to save ourselves (or our jobs), not to save our current ways of doing things or even our current structures for that matter. Instead, the purpose of our efforts to preserve for poor people a force that they can call upon to use to improve their economic and social well-being.

Mr. HELMS. Mr. President, so it is not surprising, therefore, that the Legal Services Corporation is very interested in the outcome of its budget strategy. Now let us take a look at what has happened.

The jurisdiction for the Legal Services Corporation, of course, is in the Labor and Human Resources Committee. That committee cut spending in the legal services account down to $100 million, which was still $100 million more than the administration requested. Nevertheless it was the intent of the committee to terminate the Corporation. I quote from its report:

The committee proposes to terminate the Corporation, to reduce current available Corporation funding by approximately 70 per cent for purposes of the block grant and to give states the option to pool existing resources to fund worthwhile programs which address the true legal needs of the poor. The $100 million recommended for the account containing the Legal Services Corporation is, therefore, intended to fund legal services within the framework of a consolidated block grant to states for social services. Legal services would be authorized activities within the programs encompassed by the block grant.

In the Budget Committee, however, the $100 million was shifted from Human Resources to the Finance Committee's direct spending figures. "Direct spending" means that the funds are off-budget entitlements outside the appropriations process. That means that the amount of spending is determined by the number of eligible beneficiaries who meet the definitions of the entitlements.

The Budget Committee's instructions to the Finance Committee, if the Senator from North Carolina understands them correctly, is a set of directions to manipulate the definitions of eligibility so as to reduce projected off-budget spending in those accounts by 25 percent. In other words, in direct spending accounts, we cannot set targets of actual numbers. All that we can do is to change the definitions so that not as many persons are eligible for benefits. It is essentially a legislative instruction.

These directions appear on page 99 of the report. I quote:

COMMITTEE ON FINANCE

PRESIDENT'S PROPOSALS

Reductions in direct spending

Function 500: Education, Training, Employment and Social Service.

Program: Social services grant consolidation: merging Title XX of the Social Security Act—grants to States, day care grants, and grants for State and local training; Title IV–E foster care and adoption assistance.

Reconciliation proposal: To fold these programs and others into the Administration's proposed social services grant consolidation and to reduce the authorized funding level by about 25 percent.

Source of proposal: President.

Title XX of the Social Security Act is a catchall of grants to the States. It includes broad language which has already been interpreted as permitting grants for the provision of legal services. So the $100 million from the Legal Services Corporation account, that the Labor and Human Resources Committee wished to use to terminate the Corporation and fold into the grant block program was shifted from that account to the Finance Committee direct spending account. The effect of this shift is to take the provision of legal services out of the normal authorization and appropriation process and put it in an entitlement category bypassing authorization and appropriation.

Of course, this action is not definitive. The Finance Committee would still have to act to adopt the block grant approach and to include legal service as an eligible program. So what we could expect then is a full-scale lobbying campaign by the 5,500 lawyers of the Legal Services Corporation to keep the issue before the Finance Committee for action. The action of the Budget Committee keeps alive the hopes of those who are battling for what Mr. Houseman calls the "legal services movement," that is to say, a coordinated strategy of using the courts to enact quasilegislative entitlements bypassing the U.S. Congress.

Indeed, at any given moment, the Department of Health and Human Services, for example, is defending itself against 20,000 suits filed by Legal Services attorneys across the Nation. These suits are often filed with the cooperation of lower levels of the bureaucracy. The taxpayers of this Nation are paying to have suits filed against them and against their taxes. The time to stop this is now.

Moreover, the Budget Committee action makes it possible to bypass Finance Committee intentions by means of a floor amendment to some appropriate future vehicle. The Budget Committee action added $100 million to the title XX targets; the Helms amendment would take that $100 million away. If the Helms amendment fails, it would result in a direct invitation to attempt to use the extra $100 million provided to the Finance Committee in the reconciliation act in such an amendment. It should be noted that, since there is no "earmarking" in this resolution, the $100 million amendment could be used in future action to attempt to restore funds to the Legal Service Corporation itself, whatever the intention of the distinguished chairman of the Labor and Human Resources Committee, the Finance Committee, and the Budget Committee.

The time to face this issue is now. By eliminating the unwarranted $100 million that was added, uninvited, to the Finance Committee direct spending category, we take away the invitation to further involvement with that unnecessary issue.

It has been made perfectly clear to me by statements by the distinguished Senator from Kansas (Mr. DOLE), the distinguished Senator from Louisiana (Mr. LONG), the distinguished Senator from South Carolina (Mr. THURMOND), the distinguished Senator from Utah (Mr. HATCH), and others, including the distinguished majority leader (Mr. BAKER), that the will and intent of the majority of this Senate is clear. I see no point in pressing the amendment. For that reason, Mr. President, I withdraw the amendment.

Several Senators addressed the Chair.

Mr. THURMOND. Mr. President, I will be glad to yield to anyone else, if I have authority to do it.

Mr. CRANSTON. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I op-

pose the amendment of the Senator from North Carolina, which would reduce the available funds for social services to our most needy citizens by $100 million.

The denial of these funds would limit States in their ability to choose to provide foster care, nutrition for the elderly, family counseling, juvenile justice, home health services, and other vital assistance. It would mean that an additional cutback, on top of all of the other budget reductions, would be imposed on States.

I also would argue against this amendment even if its only effect would have been as described initially by the Senator from North Carolina. The provision of legal services to the poor is a critically important program to keep faith with our commitment to equal access to justice.

In this particular amendment, it would prevent States from making a judgment that the most pressing human need was to enable an elderly citizen to have the legal counsel necessary to obtain rightful benefits, whether social security, medicare, or food stamps.

To deny that option to the States seems a totally contradictory position to that usually advanced by the Senator from North Carolina.

However, nothing in this amendment affects the Legal Services Corporation nor does this resolution in any way prevent the Human Resources Committee from reauthorizing the Legal Services Corporation.

What this amendment clearly does is take away $100 million that could be used to feed the elderly, provide care to the sick, to counsel the poor and to provide housing for orphans.

LEGAL SERVICES

Mr. President, I rise to oppose the amendment of the Senator from North Carolina which he described as an attempt to eliminate funding for legal services.

This Nation has asserted the principle of equality before the law as a fundamental right. Yet, until the creation of the Legal Services Corporation, that principle had a small codicil—equality before the law except if you happen to be poor.

In this society in 1981, we cannot afford to step back into the past when the poor were denied equal access to our system of justice. The simple fact is that tenants were illegally evicted, poor consumers victimized by fraud, elderly Americans denied their legal benefits and thousands of other Americans robbed of their rights because they could not afford a lawyer.

Since 1975, we have witnessed a gradual extension of legal assistance to poor people across this land. The Legal Services Corporation has used its funds wisely and well. More than 93 percent of all funds go directly to services at the local level. It has achieved coverage over the entire Nation although that coverage remains limited to an average of two attorneys for each 10,000 poor people. Before the Corporation came into being, there were whole regions of the country where the poor had no access to legal counsel. Last year, the local legal services programs served 1.2 million people.

The Legal Services Corporation, for the first time, has permitted this Nation to state that the poor have a real chance to have their rights and interests represented through the legal system.

Without the legal services program, the individuals would be denied effective access to justice. The consequences of that denial can be enormously damaging. It can mean children forced into programs for the mentally retarded without any evaluation of their intelligence, mothers left without money to feed their families when a benefit check stops, elderly persons whose apartments do not have heat because a landlord did not pay the utility bill.

Those who oppose this program do not seem to recognize how Legal Services attorneys actually spend their time. Of the more than 1 million legal matters handled by the local attorneys and paralegal aides, "family" issues constituted 30 percent of the total—issues spanning adoption, divorce, support, spouse abuse, and custody questions. Income maintenance and housing were the next largest category of legal problems, followed by consumer issues. These basic questions of food, shelter, health, and income are crucial to the survival of the poor.

Even those who are opposing continued Federal funding do not deny that the poor have a need for these services. Instead they argue that it should be a responsibility of the private bar.

Yet, the private bar has spoken out loudly and repeatedly that the Nation needs the continuation of the Legal Services Corporation. The current president of the American Bar Association and every president since 1965 has supported this concept. The legal services program that was begun in 1965 under the Economic Opportunity Act had the strong impetus of then ABA president and now Supreme Court Justice Lewis Powell. They all have recognized that the private bar is neither able nor willing to provide these services. In Massachusetts, it has received the endorsement of our highest court, of our judges and of our bar association.

Frequently, opponents of Legal Services argue that the legal services program is an agent of social or political change. They forget how the law works. They disregard the fundamental truth that Legal Services attorneys represent clients—breathing, living, human clients. They win only when the courts find that their clients are being treated improperly, unfairly, and illegally. If, as a matter of law, individuals are being denied their rights, then the act of bringing that fact to the surface through legal action on behalf of a poor client may produce change, but only change that is in accordance with the law.

I think it should be emphasized that the Federal Government spent only $321 million on legal services a year ago to provide for the needs of the poor. Yet, we permitted the largest and wealthiest corporations in this country to have their legal services subsidized by the American taxpayer. Legal services are legitimate business expenses and, as such, are deducted from their taxes. When the fortune 500 can have their legal expenses covered by the American taxpayer to a significant degree, surely public policy justifies the continuation of a federally-supported legal services program for the poor.

We have heard the administration discuss its safety net to cushion the very poor as they are imperiled during the current budget storm. Legal services is a vital means to assure that the laws establishing those "safety net" programs will be enforced. Without it, too many needy families will find that the safety net has been pulled out from under them.

Let me cite the testimony of the president of the Legal Services Corporation, Dan Bradley, to focus on the kinds of services that the Corporation provides:

In western Arkansas, an office opened in Russellville this past September. Within 2 months, the single Legal Services attorney there helped an elderly woman in Yell County to avoid an unfair eviction, a Pope County welfare recipient to obtain support from her child's father and a young couple in Johnson County to obtain the return of their car which had been wrongfully repossessed.

In several rural counties in Iowa, a Legal Service office helped residents end their 6-year quest for action on social security disability claims by cutting through the redtape and obtaining those legally entitled benefits for them. In Cerro Gordo County, a poor woman confined to a county home for 18 years as a result of a request for emergency subsistence has been released.

I could go on to enumerate other cases in every part of this Nation where Legal Services attorneys have helped the poor secure their rights under the law.

This Nation must permit the continued availability of legal services for the poor.

INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAMS

Mr. HAYAKAWA. Mr. President, I came to this Chamber last Wednesday and delivered a speech commending the work of the Budget Committee and indicating my support for the budget reconciliation. I knew that many programs would have to be cut in order to stay within the levels established for each account and was prepared to work with these figures during the authorization process of the Agriculture, Foreign Relations, and Small Business Committees of which I am a member.

A top priority of the Reagan administration is to greatly improve our national security. And this must be accomplished in part by the exercise of influence throughout the world. The President sent Congress a carefully developed foreign aid package to be used as a tool for this conduct of foreign policy.

I am deeply disturbed by the action which took place on the Senate floor last Friday removing $200 million from foreign assistance for fiscal year 1982 and $200 million in fiscal year 1983. I firmly believe that foreign aid, well spent, will yield benefits which enhance our national security. Therefore, I am concerned that this action and any further attempts to reduce foreign aid will have negative implications on the

ability of the United States to operate in the international arena.

One such program that may be affected is the international military education and training programs (IMET). The proposed security assistance program for fiscal year 1982 recently announced by the administration includes $48 million for this valuable instrument of U.S. foreign and security policy. This is nearly a 50-percent increase over the levels requested and authorized during the past few years, and very well worth it.

The IMET program is one of the few remaining grant elements of our security assistance programs and a very important vehicle for developing strong and enduring ties with the military establishments of developing countries. This program covers a wide variety of training and education, ranging from short, technical courses within the recipient countries, to longer courses during which senior and midlevel officers are in resident in the United States attending our professional military colleges.

It is these longer term courses, during which participants are exposed to life, culture, and values in the United States, however, which have been the most effective vehicle for developing enduring ties to what has often been the modernizing sector in many of the developing nations—their military establishments—and for disseminating American ideas about political life and social values. This kind of training serves not only to establish common approaches to military organization, procedure, and equipment, but more importantly to convey American views about the proper role of the military in society, standards of civil order and approaches to human rights. On a more practical level, such training programs have, over the years, served to establish numerous personal relationships between American officers and ordinary citizens and individuals in developing countries who frequently achieve positions of leadership, not only in their respective military establishments but often in the political leadership in their countries.

Over the past decade, however, the number of students we have trained under the IMET program has declined dramatically, as is made clear in a table extracted from the GAO report which we had prepared for the committee.

I ask unanimous consent that the table be printed in the RECORD.

There being no objection. the table was ordered to be printed in the RECORD, as follows:

TRAINING PROVIDED UNDER THE INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM, FISCAL 1970–79

	Army	Navy	Air Force	Total
1970	11,029	3,782	7,036	21,847
1971	12,698	4,637	8,336	25,671
1972	43,569	1,876	6,786	52,231
1973	32,012	1,677	3,712	37,401
1974	5,971	1,759	4,767	12,497
1975	4,952	1,384	2,523	8,859
1976	3,956	1,240	1,765	6,961
1977	2,746	751	1,336	4,833
1978	2,093	753	1,570	4,416
1979	1,903	542	1,290	3,735
Total	120,929	18,401	39,121	178,451

Mr. HAYAKAWA. This decline, of course, is in large part a result of our debacle in Southeast Asia, however, it has been exaggerated and continued since our withdrawal from Vietnam as a result of two factors: A steady decline in funding levels and an unfortunate change in the pricing of our training which had the effect of making many courses much more expensive, thus reducing the number of students who could be trained under any particular program level. When this situation was brought to my attention, I undertook an effort to reverse the process. The result was that last year, at my initiative, the Senate made an important change in the way in which the costs of this training were allocated. We wrote into the law the requirement that these programs be charged on the basis of the additional cost incurred by the U.S. Government for providing such training, rather than including a prorata share of the total cost of operating and maintaining the facilities at which such training takes place. The result of this change, in most cases, is that most training is cheaper than it has been in recent years, and more participants—approximately 40 percent more—can be trained for any particular program level. This was, of course, a sensible change, since the dollars allocated to this program are foreign policy dollars, and increasing the number of participants who can be trained under any program level, amounts to making those scarce foreign policy dollars go further. Prior to this change, the funds authorized under this program were, in effect, subsidizing some of the normal operation and maintenance of the Defense Department facilities at which this training takes place. Though the amounts were trivial in terms of the total operations and maintenance budget of our Defense establishment ($10 to $15 million per year at most) they were by no means trivial in terms of their impact upon the intended purposes of the IMET program. They nearly halved the number of students who could be trained at a particular level. The change I have described was actively supported by our military services who are the providers of this training and who also must budget for the operation and maintenance of their facilities. We see the clear benefits the United States derives from the IMET program.

As I said last year in presenting the amendment to the Foreign Relations Committee—

I believe there is near unanimity among those who are responsible for projecting the United States' image abroad that the miscellaneous "exchange-of-persons" programs are our most effective tool. Many of these programs have been in existence since the end of World War II, and many of today's national leaders have become our friends under the influence of their early experiences as guests of this country. When I visited Thailand last year and called on General Prem, the Commander in Chief of the Thai Army, he and all the senior staff officers in the room remarked with visible pride that they had some training in the United States.

The second part of our effort last year, and one on which we did not do as well, was simply to add funds to the IMET program. We managed to increase the authorized program level by only a few million dollars. Thus, I am very pleased to see the new administration, recognizing the value of these programs, propose so significant an increase in funding. This increase, combined with the new costing procedures, could more than triple the number of students participating in this program. I will support the President's program very actively, and urge all of my colleagues to do likewise.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD the administration's proposed International Military Education and Training programs for fiscal year 1982.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Fiscal year 1982 international military education and training—IMET

(Millions of dollars)

Program total	47.7
(Budget authority)	(47.7)

Country detail

EA.	
Burma	.15
Indonesia	2.95
Korea	1.8
Malaysia	.65
Papua New Guinea	.02
Philippines	1.3
Singapore	.05
Thailand	2.0
Regional total	8.92
NEA.	
Bangladesh	.225
Egypt	2.0
India	.5
Israel	
Jordan	2.0
Lebanon	.84
Morocco	1.3
Nepal	.075
Oman	.1
Sri Lanka	.1
Tunisia	1.3
Yemen	1.5
Middle East Regional Coop	
West Bank/Gaza	
PDS	
Sinai Support Mission	
Regional total	9.94
EUR.	
Austria	.045
Cyprus	
Finland	.04
Greece	1.9
Iceland	.02
Portugal	2.2
Spain	2.2
Turkey	3.5
Yugoslavia	.13
UNFICYP	.13
Regional total	10.035
AF.	
Botswana	.1
Cameroon	.1
Cape Verde	.035
Congo	.035
Djibouti	.1
Equatorial Guinea	.035
Gabon	.1
Ghana	.4
Guinea-Bissau	.035
Ivory Coast	.035
Kenya	1.3
Liberia	.6
Malawi	.05
Mali	.1
Mauritius	
Niger	.4

Fiscal year 1982 international military education and training—IMET—Con.

(Millions of dollars)

AF—Continued	
Rwanda	.05
Senegal	.35
Seychelles	
Somalia	.35
Sudan	1.3
Tanzania	.075
Togo	.06
Uganda	.05
Upper Volta	.135
Zaire	1.56
Zimbabwe	.1
Regional total	7.455
ARA.	
Bahamas	.06
Barbados	.1
Brazil	.05
Colombia	.85
Costa Rica	.06
Dominica	.06
Dom Rep	.6
Eastern Caribbean	
Ecuador	.75
El Salvador	1.0
Guyana	.04
Haiti	.415
Honduras	.7
Jamaica	.075
Mexico	.245
Nicaragua	
Panama	.5
Peru	.75
St. Lucia	.06
St. Vincent	.06
Suriname	.075
Venezuela	.05
PACAMS	4.6
Regional total	11.1
Total	47.7

THE PROPOSED TERMINATION OF THE SECTION 8 INDIAN HOUSING PROGRAM

● Mr. INOUYE. Mr. President, I wish to express concern over certain issues that arise as the result of budget oversight hearings held by the Select Committee on Indian Affairs on March 23. The revised budget proposals for fiscal year 1982 reflect that the administration proposes to terminate the section 8 Indian housing program at the Department of Housing and Urban Development.

Reports filed by the Department of HUD over the past years reflect that Indian housing is among the poorest in the Nation; 90 percent of all new housing is financed by HUD, 70 percent being mutual help homeownership housing. The January budget submission would have provided $25.1 million in new contract authority for initiation of 4,000 new units of housing on Indian reservations. The estimated total need stands at around 60,000 units of housing needed in the next few years.

Mr. President, the original justification for the termination of this housing program was an apparent excessive cost of the program. However, it appears from the testimony offered at the select committee's hearing that the unit costs of the Indian housing are not radically different from the unit costs of similar type non-Indian housing programs offered in similar geographic settings. Under the circumstances, Mr. President, I have grave doubts with respect to the wisdom or justification for the termination of the Indian housing program by the Department of HUD. I do believe that some cut in this program may be in order, but it should not be any greater than that of the non-Indian programs.

Mr. COHEN. Mr. President, I do join with my colleague, the senior Senator from Hawaii, in his sentiments. I have a related concern respecting the proposal to eliminate funding for any further construction of water and sanitation facilities by the Indian Health Service. This program involves the delivery of water and sanitation facilities for the new housing constructed by the Department of HUD. It appears from the testimony of HUD witnesses that there are a number of new housing units awaiting construction of water and sanitation facilities and that there are some 15,000 additional units of housing that are in the pipeline and will be constructed over the next 3 years. Elimination of budgetary authority for construction of water and sanitation facilities by the Indian Health Service means that none of these housing units would receive any water or sewer facilities.

This clearly is a case where the budgetary proposals for one agency were not matched to the program activity of another agency. It is my understanding that the administration is considering restoring funding for this program and I certainly urge their favorable consideration for such restoration.

Mr. President, I do not offer any amendments to Senate Concurrent Resolution 9. I do not believe the resolution precludes examination by the Budget Committee at a later date when they mark up the first concurrent budget resolution. I join the senior Senator from Hawaii in urging that serious consideration be given to restoring funds to both the HUD Indian housing program and to the Indian Health Service at Health and Human Services to alleviate this problem.●

SOCIAL SECURITY MINIMUM BENEFIT

● Mr. LEVIN. Mr. President, earlier this week we voted to dismantle the social security minimum benefit.

It is hard to believe that the Senate supported such a clear breach-of-contract with the elderly citizens of this Nation. What have we come to when we find it necessary to renege on a commitment made to millions of older Americans who have reached the twilight of their years?

Mr. President, many of the people who would be affected by the elimination of the minimum benefit are medically indigent, many have no close family members and most cannot work.

We are talking about 13,678 beneficiaries who are over the age of 95; 66,396 are between the ages of 90 and 94; 66,552 are between 85 and 89; 284,534 are between 80 and 84; 410,376 are between 75 and 79; and 508,226 are 70 to 74 years of age.

These are the people who will be affected—the people that are being told that the Government has changed its mind about them—that it has decided not to honor its commitment to them.

Mr. President, the psychological effects on many of our elderly as a result of such action will be horrendous. And so will be the effects on most Americans depending on social security when we realize we can no longer depend on the word of our Government regarding social security benefits.

Social security is less secure after this week's vote.

This is not just my view—it is a view widely shared. Indicative of this perception is a copy of a letter I recently received from Rabbi Albert Lewis of Grand Rapids, Mich. In his capacity as a gerontologist, he points to the impact this proposed change will have on the morale of those who participate in the system. I ask that the text of his letter to the Commissioner of Social Security appear in the RECORD.

The letter follows:

TEMPLE EMANUEL,
Grand Rapids, Mich., March 6, 1981.

DEAR COMMISSIONER: As you and your advisors deliberate toward the possible resolution of the current Social Security dilemma, I encourage you to recognize that any changes in the current system will affect not only the current recipients but will also have the potential of undermining the morale of all those currently contributing to the system. This change in morale may evidence itself in intergenerational conflicts, loss of faith in government, and fear of the future and future planning. Undoubtedly, changes which may adversely affect the present and near future aged recipients will also negatively affect the attitudes toward aging in this country of all persons through the year 2000.

As a gerontologist, I urge you to thoroughly consider the short and long term merits of all proposed alterations. You are being asked, I believe, to consider not only the fiscal integrity of the Social Security system, but also the emotional and spiritual well being of the system's present and future participants. I urge you to proceed with great caution.

Respectfully,

Dr. ALBERT M. LEWIS,
Rabbi.●

ROUTINE MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PHILIP CYR

Mr. DODD. Mr. President, it is appropriate that we honor the memory of young Americans who have given their lives in service to their country in times of war and as part of our Armed Forces. It is equally appropriate that we honor the memory of young Americans who have died in peaceful service to the United States.

One such young man who gave his life to our country is Philip Cyr. Philip Cyr served in the best tradition of our Nation as a Peace Corps volunteer in Nepal. Last October, shortly before he was due to return to his family in West Hartford, Conn., Philip set off on a trek into the

foothills of the Himalayas. He never returned. Last week, after months of intensive searching, his body was found. He had apparently been robbed and murdered in a remote village.

I have personally expressed my heartfelt sympathy to Philip's parents, Normand and Jean Cyr. However, I wanted to take this opportunity to recognize both Philip's and his parents' sacrifice on the floor of the Senate.

As a former Peace Corps volunteer myself, I understand the motivations which brought Philip to a tiny village in Nepal to teach school for 2 years. Philip's Peace Corps service exemplifies the best qualities of our young people. He gave up a comfortable life in the United States in order to help teach villagers in one of the poorest regions of the world. Ultimately, he also gave his life. Philip's service and his sacrifice are to be commended by all Americans.

I should also commend the Peace Corps which launched a massive search effort as soon as it was learned Philip had not returned from his trek. The Peace Corps also flew Normand and Jean Cyr to Nepal to allow them to discuss the search with our personnel and with the highest ranking Nepalese authorities. I understand that the Cyrs returned with a better appreciation for the love their son Philip felt for the people of Nepal and the beauty of their country.

The loss of a son is a terrible burden to bear for any family. I know, however, how proud Normand and Jean Cyr are at the service their son gave to his country and to the world through his work in the Peace Corps.

I ask my colleagues to join me in recognizing Philip Cyr's sacrifice and in expressing our deep sympathy to Normand and Jean Cyr.

THE TRIVIALIZATION OF HUMAN RIGHTS

Mr. HAYAKAWA. Mr. President, a little more than 2 years ago Dr. Ernest Lefever, Assistant Secretary of State Designate for Human Rights and Humanitarian Affairs, wrote a major article which appeared in the winter 1978 issue of Policy Review. This article, "The Trivialization of Human Rights" is perhaps the most comprehensive critique of the Carter approach to human rights. At the time it was published, the article received worldwide attention and favorable comment. It was probably this article more than any other factor that drew Dr. Lefever to the attention of the Reagan administration.

Dr. Lefever wrote this as an independent scholar and stands by its fundamental concepts, although he no doubt has further developed his views since then. I have had the opportunity to discuss with Dr. Lefever his views on human rights. He feels the pursuit of human rights is wholly compatible with a sound national security policy. Dr. Lefever also believes that quiet persuasion is more effective than public scolding. He is deeply committed to a solid human rights policy and his article suggests major contributions Americans can make to further the cause of human rights in other countries.

Mr. President, the Senate will be considering Dr. Lefever's nomination soon, and I feel it is essential that my colleagues have the chance to become familiar with his views on human rights. Therefore, I ask unanimous consent that "The Trivialization of Human Rights" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TRIVIALIZATION OF HUMAN RIGHTS

(By Ernest W. Lefever)

Human rights are what politics is all about. Fifteen centuries ago Saint Augustine said that were it not for government, men would devour one another as fishes. He was, of course, referring to good government, but governments often become corrupt, cruel, or tyrannical. When this happens, they are the most monstrous fish of all. Depending on its character, government can be the most effective protector of human rights or the most vicious violator of them. Hence, the struggle for humane government is the heart of politics.

It is important to distinguish between two frequently confused concepts of human rights.[1] One has more immediate universal application because it is rooted in the religion and ethics of virtually all cultures and calls for sanctions against political authorities and others guilty of genocide, brutalizing innocent people and similar atrocities. The second and more precise concept of human rights in the fruit of the recent Western democratic experience and embraces a variety of substantive and procedural rights and safeguards that are enforced in perhaps fewer than a score of states. These rights include freedom of speech, assembly, press, and religion; equality before the law; periodic elections; the concept of being innocent until proved guilty; a judicial system independent from executive authority; and a range of safeguards for accused persons. Many of these Western democratic rights are unknown and unattainable in large parts of the world where both history and culture preclude the development of full-fledged democratic institutions. Nevertheless, there are significant differences in the extent to which human rights, more generally defined, are honored in undemocratic states. And some of these states have introduced a few of the specific Western safeguards.

The never-ending battle to maintain and enlarge the areas of proximate liberty and justice must be fought against external and internal forces which seek to impose authority without freedom, often by brutal means. Human rights as we know them in the United States and other democratic countries can be eroded or even obliterated from within by acquiescing to willful men who seek to capture the reins of power for their own narrow ends or from without by totalitarian regimes determined to extend their dominion.

Our Founding Fathers wrestled with the problem of creating a free and independent country ruled by a government with sufficient authority to overcome domestic and alien threats and with sufficient openness to respond to the will of the people. Their formula was the judicious balance between authority and freedom embraced in the Declaration of Independence and elaborated in the Constitution. The former asserted that "governments are instituted among men, deriving their just powers from the consent of the governed" to secure certain fundamental rights, among them "life, liberty, and the pursuit of happiness." The Constitution was promulgated to "establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty."

This audacious experiment prospered in an inauspicious world. In the face of new challenges, the American system provided for increasingly broader political participation and other specific rights spelled out or implied in the Constitution and its amendments. Our history is not without blemish, but compared to other political communities past and present, the American record is a beacon of freedom and justice in a world bedeviled by chaos, authoritarian rule, and messianic tyranny.

THE CURRENT HUMAN RIGHTS CAMPAIGN

The current wave of concern for human rights around the world was foreshadowed by several developments, notably Woodrow Wilson's crusade for "self-determination" and the Universal Declaration of Human Rights adopted by the United Nations in 1948. The U.S. campaign to make the advancement of human rights abroad an objective of foreign policy is more recent, but it did not start with President Jimmy Carter. He simply built on the lively interest developed in Congress during the past several years which has been expressed largely in foreign aid legislation designed to prohibit or restrict economic or military assistance to any government "which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhumane, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person" (Foreign Assistance Act, Section 502B, adopted in 1974). Most of the congressional human rights activists have limited their advocacy of punitive measures to Chile, South Korea, and Iran. In practice, the restrictions have had little effect on limiting aid, loans, or military sales, even to these countries.

Human rights was a natural cause for President Carter. As a born-again Baptist and a latter-day Wilsonian, he repeatedly stated his intention to restore integrity and compassion to American domestic and foreign policy. In his address at Notre Dame University on March 22, 1977, Mr. Carter looked back to the immediate past and deplored our "intellectual and moral poverty," illustrated by our Vietnam policy, and our "inordinate fear of Communism which once led us to embrace any dictator who joined us in that fear." He called for a "new" American foreign policy, "based on constant decency in its values and an optimism in its historical vision." The most conspicuous manifestation of his new policy is the effort to promote human rights in other countries by means of U.S. statecraft, including private diplomacy, public preaching, and measures to deny or threaten to deny economic, military or nuclear assistance. Mr. Carter's campaign has been given bureaucratic visibility by establishing a new post, Assistant Secretary of State for Human Rights and Humanitarian Affairs, currently filled by Patricia Derian, who sometimes discusses her assignment in moralistic rhetoric alien to traditional diplomatic discourse.

The human rights campaign has received mixed reviews at home and abroad. Last July in a New Yorker article friendly to the effort, Elizabeth Drew reported that Mr. Carter's people "are pleased, and some even a bit awestruck, at the impact that the human-rights campaign has had thus far. 'I think' says one, 'that the mulish world has noticed the two-by-four.'"

There is no doubt that the threatening

[1] This distinction is elaborated in Peter L. Berger's "Are Human Rights Universal?", Commentary, September, 1977.

plank has been noticed, and probably in isolated cases it has accomplished some good. But it should be recorded that some unmulish elements in the world, including friendly and allied governments, have also seen the two-by-four and are not convinced that its whack, however well-intended, has always been redemptive. There is no doubt that it has harmed relations with some allies and has both irritated and comforted adversaries.

It is by no means clear that the campaign has resulted in any significant relaxation of Soviet restrictions against emigration or political dissent. There is evidence that the opposite may be the case. On December 30, 1977, a New York Times page-one story reported: "The small Soviet human rights movement . . . is at its lowest point in years after a campaign of arrests, threats, and forced exile."

It is clear, however, that a score of allies has been unhappy with a policy they regard as arrogant and unfairly applied. Brazil, Argentina, Uruguay, and Guatemala have been alienated to the point where they have refused military assistance from Washington. And Brazil has served notice that it wishes to withdraw from its Security Assistance Agreement of 25 years standing. This alienation of allies gives aid and comfort to Moscow which more than offsets the minor embarrassment it suffers from Mr. Carter's conspicuous "intervention" on behalf of Soviet dissidents.

SIX FLAWS IN THE HUMAN RIGHTS POLICY

Far more serious, however, the Carter campaign has confused our foreign policy goals and trivialized the concept of human rights. It both reflects and reinforces serious conceptual flaws in the worldview of its most articulate spokesmen. These flaws, if permitted to instruct foreign policy, or even influence it unduly, could have catastrophic consequences for the security of the United States and the cause of freedom in the world. Six interrelated flaws deserve brief mention:

1. Underestimating the totalitarian threat

Human dignity and freedom are under siege around the world. It has been ever so. The islands of community protected by humane law have been contracting ever since postwar decolonization began. The citizens of most of the newly independent states in Asia and Africa now experience less freedom and fewer guaranteed rights than they did under Western colonial rule.

But the greatest threat to human rights comes from messianic totalitarian regimes whose brutal grip brooks no opposition. Their self-anointed and self-perpetuating elites have become the arbiters of orthodoxy in every sphere—politics, economics, education, the arts, and family life. The ruling party even usurps the place of God. In totalitarian states like the U.S.S.R., Cuba, Cambodia, and Vietnam, there are no countervailing forces to challenge the power, will, or policies of the entrenched elite.

In spite of notable exceptions, the general political situation in the Third World is characterized by chaos and authoritarian regimes. Democratic and anti-democratic ideas and institutions are competing for acceptance. In this struggle, we should not underestimate the attraction of the totalitarian temptation to leaders who are grappling with the perplexing problems of moving traditional societies into modern, welfare states.

The human rights activists tend to underestimate the totalitarian threat to the West and the totalitarian temptation in the Third World. Hence, they neglect or trivialize the fundamental political and moral struggle of our time—the protracted conflict between forces of total government based on coercion and the proponents of limited government based on popular consent and humane law. In their preoccupation with the minor abridgment of certain rights in authoritarian states, they often overlook the massive threat to the liberty of millions. They attack the limitation of civil rights in South Korea and at the same time call for the United States to withdraw its ground forces, an act that may invite aggression from North Korea. It would be a great irony if Washington in the name of human rights were to adopt a policy that would deliver 35,000,000 largely free South Koreans into virtual slavery.

2. Confusing totalitarianism with authoritarianism

In terms of political rights, moral freedom, and cultural vitality, there is a profound difference between authoritarian and totaliarian regimes. Most Asian, African, and Latin American countries are ruled by small elites supported by varying degrees of popular consent. Some are run by brutal tyrants like General Idi Amin of Uganda, others by one-party cliques, military juntas, or civilian-military committees. Almost all authoritarian regimes permit a significantly greater degree of freedom and diversity than the totalitarian ones in all spheres—political, cultural, economic, and religious. Authoritarian rulers often allow opposition parties to operate and a restrained press to publish. Foreign correspondents usually can move about freely and send out uncensored dispatches. They often permit and sometimes encourage relatively free economic activity and freedom of movement for their citizens. The quality of life possible under such rule, of course, depends not only on the character or central control, but on the cultural and economic level of the population as well.

There is, for example, far more freedom of choice, diversity of opinion and activity, and respect for human rights in authoritarian South Korea than in totalitarian North Korea. There is also far more freedom and cultural vitality in Chile—even under its present state of siege—than in Cuba. There have been political prisoners in Chile and there may be a handful now, but there are an estimated 15,000 to 60,000 political detainees in Cuba. These facts are noted, not to praise Chile or condemn Cuba, but to emphasize the consequential difference of human rights in the two kinds of regimes.

Another crucial difference is the capacity of authoritarian rule to evolve into democratic rule. This has happened recently in Spain, Portugal, Greece, and India. In sharp contrast, a Communist dictatorship has never made a peaceful transition to more representative and responsive rule.

3. Overestimating America's influence abroad

If the human rights zealots do not indulge in what Denis Brogan once called "the illusion of American omnipotence," they tend to overestimate our capacity, or the capacity of our government, to influence the external world, particularly domestic developments in other countries. America is powerful, but it is not all-powerful. Our considerable leverage of the 1950s and even our diminished leverage of the 1960s has been seriously eroded by OPEC, the great leap forward in Soviet military might, and our abandonment of Vietnam.

Quite apart from our limited capacity to influence intractable realities abroad, there is and should be a profound moral constraint on efforts designed to alter domestic practices, institutions, and policies within other states. Neo-Wilsonian attempts to make the world safe for human rights seem to be rooted in what Professor Ronald Berman has called "a planned confusion between domestic and foreign policy. The rest of the world is depicted as if it were an American constituency, driven by our own motives, vulnerable to our own rhetoric."[2] To be sure, the extravagant rhetoric of a Carter or a Wilson, with its crusading and paternalistic overtones, draws upon a persistent idealistic stream in the American character. But there is another and quieter stream equally honorable, but less pushy and perhaps more persuasive—symbolized by the Biblical parable of a candle upon a candlestick or a city set upon a hill, an example of the "lesser breeds without the law," as it was put in a more candid era.

John Quincy Adams expressed this more modest understanding of America's external responsibility: "We are the friends of liberty everywhere, but the custodians only of our own." Thirty years later, Abraham Lincoln spoke of "liberty as the heritage of all men, in all lands everywhere," but he did not claim that the United States was the chosen instrument for fulfilling this heritage.

4. Confusing domestic and foreign policy

Elaborating on Professor Berman's point, many human rights crusaders confuse the fundamental distinctions between domestic and foreign policy which are rooted in age-old practice, international law, the U.N. Charter, and common sense. They do not take seriously the distinctions in authority and responsibility that flow from the concept of sovereignty which underlies the modern state system. Our President and all other heads of state have authority to act only in their own states, within the territory of their legal jurisdiction. They are responsible only for the security and welfare of their own people, including their citizens living or traveling abroad.

There are, of course, multiple modes of interaction and cooperation between states based on mutual interest, ranging from trade, investment, and cultural exchange to military assistance and alliance ties. These activities are consistent with the concept of sovereign equality and non-interference in internal affairs. But short of a victorious war, no government has a right to impose its preference on another sovereign state. The mode and quality of life, the character and structure of institutions within a state should be determined by its own people, not by outsiders, however well-intentioned. The same is true for the pace and direction of social, political or economic change.

U.S. foreign policy toward another state should be determined largely by the foreign policy of that state. Domestic factors and forces are significant determinants only if they bear on external realities. Washington is allied with Iran, Taiwan, Thailand, and South Korea, not because their governments are authoritarian, but because they are regarded as vital in the struggle against the expansion of Soviet or Chinese power. It is therefore, appropriate to provide economic or military assistance to them, even if they do not hold regular elections. In sum, U.S. aid can properly be given to encourage a friend or ally to pursue constructive external policies, but not to promote internal reforms opposed by the assisted government. This leads to the next point.

5. Ignoring the perils of reform intervention

The impulse to impose our standards or practices on other societies, supported by policies of reward and punishment, leads inevitably to a kind of reform intervention. We Americans have no moral mandate to transform other societies, and we rightly resent such efforts on the part of the totalitarians. There is more than a touch of arrogance in our efforts to alter the domestic behavior of allies, or even of adversaries.

As noted above, the Foreign Assistance Act states that a principal goal of U.S. policy is to promote internationally recognized human rights abroad. Further, Title IX of the Act says that U.S. aid should be used to encourage "democratic-private and local government institutions" within the recipient

[2] See footnote 3.

states. The implications of this seemingly innocent phrase are disquieting. Should U.S. assistance be used to alter domestic institutions? Should we insist on an ideological or reform test before providing economic or military aid? Is this not a form of uninvited interference in domestic matters? If we take sovereign equality seriously, we will recognize that the people of every state should determine their own system of justice and how they want to defend themselves against domestic or foreign dangers.

Other states may request assistance from friendly governments on mutually agreed terms. But external forces, however nobly motivated, cannot impose justice, human rights, or freedom on other states without resorting to conquest. It may be possible to "export revolution"—as the phrase goes—but we cannot export human rights or respect for the rule of law. Freedom and justice are the fruit of long organic growth nurtured by religious values, personal courage, social restraint, and respect for law. The majesty of law is little understood in traditional societies where ethnic identity tends to supersede all other claims on loyalty and obedience.

6. Distorting foreign policy objectives

A consistent and single-minded invocation of a human rights standard in making U.S. foreign policy decisions would subordinate, blur, or distort other essential considerations. After all, our foreign policy has vital but limited goals—national security and international peace—both of which have a great impact on human rights. Aggressive war and tyranny are the two chief enemies of freedom and justice. Our efforts to deter nuclear war and nuclear blackmail are calculated to protect the culture and free institutions of Western Europe and North America. In the Third World we seek to maintain a regional stability conducive to responsible political development and mutually beneficial economic intercourse among states. Economic productivity alleviates stark poverty and thus broadens the range of cultural and political choice.

Therefore, our policies of nuclear deterrence should be determined by our understanding of the Soviet nuclear threat and our trade policies toward Moscow should be determined by our economic and security interests. Neither should be influenced, much less determined, by the extent of human rights violations in the Soviet Union. Likewise, in dealing with Third World countries, their foreign policy behavior should be the determining factor, not their domestic practices. Even though South Korea has an authoritarian government, we should continue our security support because it is a faithful ally under siege from a totalitarian neighbor and because its independence is vital to the defense of Japan and Japan's independence is vital to the U.S. position in the Western Pacific and the world.

THE PITFALLS OF SELECTIVE APPLICATION

These six conceptual flaws which underlie the human rights crusade have already led to unwise policies and if carried to their logical conclusion, could end in disaster. "Perhaps the most widely criticized and resented aspect of the campaign thus far has been its capricious and selective application to both Communist states and American allies."

During his visit to Poland last December, President Carter raised the human rights issue several times in public. On the one hand, he criticized his hosts for not permitting a handful of dissident journalists to attend his press conference. On the other, he praised Poland's rights record (compared to that of other Eastern European states) and said: "Our concept of human rights is preserved in Poland," to which a Polish writer replied: "The words are the same," but they "mean different things in the United States." The impropriety, not to say irony, of raising the sensitive rights issue in a Communist state whose fragile and problematic autonomy is precariously maintained at the sufferance of a totalitarian superpower, did not seem to concern Mr. Carter. Nor did the fact that Poland is forced to imitate many of the repressive measures of its master. By focusing on the absence of a handful of dissenting journalists at his press conference when the entire Polish people are held in bondage by the Soviet Union, President Carter distorted and trivialized the real meaning of human rights.

The policy of the Administration and the Congress toward the Soviet Union has also been vacillating and confused, seemingly more intent on scoring merchandisable victories than on grappling with the fundamental problem. Were it not for the Jewish emigration issue, Moscow would probably be receiving less critical attention than it is. How else can one explain the almost complete neglect of the massive violation of civil and political rights in Communist China, North Korea, Vietnam, and Cambodia?

Cambodia provides a particularly poignant example of this double standard toward totalitarian countries. Since the Communists took over on April 17, 1975, reliable studies estimate that 800,000 to 1.5 million Cambodians have died by execution or from starvation and disease caused by the forced evacuations from cities. This means that one in every six or seven has perished in the ruthless Communist bloodbath. Yet, where is the outcry from the advocates of human rights? Why this strange silence about what may well be the most brutal atrocity of our century? Measured by relative population, the Communist purge in Cambodia has destroyed more lives than Hitler's concentration camps or Stalin's Gulag Archipelago.

The great silence can be explained in part by racial and ideological factors. To certain rights advocates it somehow seems more reprehensible if violations or brutality are directed toward members of a different race. A white South African regime denying blacks the vote seems more morally repugnant than black regimes denying all citizens the vote (which is the case in most other African states). Filtered through a racist lens, it does not seem as bad for Cambodian Communists to murder thousands of innocent Cambodians—men, women, and children—as for a much smaller number of Cambodian soldiers to die in a war in which the United States was involved.

This suggests that an ideological factor is also present. A recent Wall Street Journal editorial pointed to the frequent alliance between liberal moral outrage and revolutionary causes: the "crimes of the Khmer Rouge, even though they dwarf some other state crimes of our times . . . have attracted less attention because they are inflicted in the name of revolution." One can only wonder what the reaction would be if the new government had employed "conservative" rhetoric and announced that it was going to cleanse the country of all socialist or Marxist influences.

Turning to American allies, some of the most articulate rights advocates concentrate their outrage on the very regimes that are under the most severe pressure from the totalitarians—South Korea, Taiwan, Iran, and Chile. The first three are geographically and militarily exposed to Communist power. Chile under Allende was the target of a massive internal and extenal assault by Marxist forces seeking to transform it into a Cuban-style dictatorship. All four of these states have authoritarian regimes, primarily in response to their present or recently endangered position, but in each the range of rights permitted or guaranteed by the regime is far greater than that of the Communist governments that seek to subvert or replace them. This suggests that the human rights standard is sometimes used, not to advance freedom, but as a cloak to attack antitotalitarian allies.

Some rights advocates have simultaneously urged punitive policies against Chile and measures to normalize relations with Cuba. This is a double irony. Human rights are more honored in Chile than in Cuba and Chile is pursuing a more peaceful foreign policy than Cuba. Havana is a mischief maker on a grand scale, acting as a cats-paw for Moscow. Castro, in addition to shoring up a minority regime in Angola with 19,000 Cuban troops, has sent Cuban soldiers to support the Marxist military junta in Ethiopia and to assist "revolutionary" regimes and other groups in a dozen other African states.

This double standard is often promoted by the media. According to a tabulation of news stories, editorials, and signed opinion for 1976, the prestige media's big five—New York Times, Washington Post, and the TV evening news shows of ABC, CBS, and NBC—carried 227 items about rights violations in two allied countries, Chile and South Korea, in contrast to only 24 stories about violation in three Communist countries, North Korea, Cuba, and Cambodia. The tabulation drawn up by Accuracy in Media follows:

	Chile	South Korea	North Korea	Cuba	Cambodia
New York Times	66	61	0	3	4
Washington Post	58	24	1	4	9
ABC-TV	5	2	0	0	1
CBS-TV	5	3	0	0	2
NBC-TV	3	0	0	0	0
Total	137	90	1	7	16

The content of the items was not examined, but the bias was clearly revealed by the inordinate attention given the small human rights sins of two loyal allies compared to the massive sins of three totalitarian adversaries—a ratio of almost ten to one.

Admittedly, it is far easier to get reliable information about the imperfections of authoritarian societies than those of closed, totalitarian states, but this is hardly an excuse for the media which pride themselves on vigorous investigative reporting. Certainly a little effort could have yielded considerably more data on violations in Cambodia, North Korea, and Cuba, to say nothing of China where both blunt and subtle forms of repression have been developed into an exquisite craft.

The lopsided application of human rights criteria is justified by White House and State Department spokesmen on pragmatic grounds. They frankly admit that they give more critical attention to allies than to adversaries because they have more leverage over the former—we can withhold or threaten to withhold aid from our friends, so why not strike a blow for freedom where we can, or, if one prefers, why not administer the two-by-four to a mulish friend?

What is America's Responsibility?

In a formal and legal sense, the U.S. Government has no responsibility—and certainly no authority—to promote human rights in other sovereign states. But this is hardly the whole story. Because of our heritage, our dedication to humane government, our power, and our wealth, we Americans have a moral responsibility, albeit ill-defined, in the larger world consistent with our primary obligations at home and commensurate with our capacity to influence external events. We are almost universally regarded as a humanitarian power and as the champion of freedom and decency. We should be proud of our humane occupation policies in Germany and Japan. But we enjoy no occupation rights now, and the role of our government abroad

is less clear. Saying this, the American people and their government can make two major contributions to the cause of human rights in other countries.

First, in the spirit of John Quincy Adams and Lincoln, we can be worthy custodians of the freedom bequeathed us by the Founding Fathers and thus continued to give heart to the aspirations of peoples everywhere. We can give hope to those in bondage by illustrating what the late Reinhold Niebuhr has called "the relevance of the impossible ideal." We can never fully realize our own ideals. And in most other cultural settings, full respect for human rights cannot be expected in the foreseeable future. A quick change in government will not enshrine liberty or justice. The message of our example is subdued, but not without hope—the struggle for a bit more freedom of choice or a better chance for justice is a never-ending one and after small gains have been made, eternal vigilance is vital to avoid sliding back into bondage. Serving as an example of decency, then, is our most effective way to nudge forward the cause of human dignity.

Second, our government can advance human rights by strengthening our resolve and our resources to defend our allies who are threatened by totalitarian aggression or subversion. This requires security guarantees, military assistance, and in some cases the presence of U.S. troops on foreign soil. Our combined effort to maintain a favorable balance of power has succeeded in preserving the independence of Western Europe, Japan, and South Korea. But because of our half-hearted commitment, we failed in Vietnam, Cambodia, and Laos, and in a different sense in Angola.

We have a domestic consensus for continued support of our North Atlantic allies and Japan, but some of our commitments elsewhere have been eroded by confusion over the nature of the threat. We are being severely tested in Taiwan, South Korea, and southern Africa. In each case, the totalitarians are pressing relentlessly by military, economic, political, and subversive means to destroy and replace Western influence. The struggle in these areas is hardly one of pure freedom against totalitarianism, but human rights (as well as peace) are clearly at stake. Any regime installed or sponsored by Moscow or Peking in Seoul, Taipei, or Pretoria will certainly provide less justice and freedom than the imperfect regime it displaced.

Beyond serving as a good example and maintaining our security commitments, there is little the U.S. Government can or should do to advance human rights, other than using quiet diplomatic channels at appropriate times and places. Moscow and other governments should be reminded of their pledges in the United Nations Charter and the Helsinki Agreement. Public preaching to friend or foe has limited utility. As we have already seen, it is both embarrassing and contraproductive to threaten punitive measures against friendly, but less than democratic, regimes which are attempting to achieve a reasonable balance between authority and freedom at home, often under severely trying circumstances, and are pursuing constructive policies abroad.

THE IRONY OF VIRTUE

The Carter Administration is not of one mind on the significance, purpose, or effects of the human rights crusade. The administration is even less united in the implementation of the program in specific cases. During his visit to Iran last December, President Carter gave his final approval for the sale of six to eight nuclear reactors to that country whose government has been the target of human rights activists as well as of Marxist groups. Alleged rights violations by the Shah's government have apparently had little effect on U.S. arms sales there. The same appears to be true of South Korea. In fact, some observers believe that the entire campaign so far has been more rhetoric than reality, and some suggest that it was launched more to satisfy the impulses of U.S. domestic groups than to effect real changes in the external world.

In any event, there appears to be a growing recognition of the moral and political limitations of a foreign policy crusade which, to repeat Mr. Carter, is based on "constant decency" and "optimism." While defending the campaign in principle, Secretary of State Cyrus Vance notes some of the reservations and flaws developed above. In a Law Day address April 30, 1977, Mr. Vance warned against a "self-righteous and strident" posture and said "we must always keep in mind the limits of our power and of our wisdom." He added that "a doctrinaire plan of action" to advance human rights "would be as damaging as indifference."

The tone of Mr. Vance's address stands in sharp contrast to President Carter's Notre Dame speech, which has been criticized as arrogant, self-righteous, and naive by Senator Daniel Moynihan and eight other policy observers in a monograph published last December.[3] Among other things, these critics took exception to Mr. Carter's view that there have been "dramatic worldwide advances in the protection of the individual from the arbitrary power of the state." In his pragmatic response to the security and other political realities, however, the President is far closer to Mr. Vance's words than to his own rhetoric. In the interests of reasonable consistency, the President has two choices—he can alter his rhetoric or alter his actual policies. Politically and morally, reality is more compelling than rhetoric.

The canons of prudence, statesmanship, and accountability all suggest that the President tone down his rhetoric. He should quietly recognize the political and moral limits of promoting particular reforms in other societies. He should recognize that a policy rooted in a presumption of American righteousness and in our capacity to sponsor virtue in other states often leads to the opposite effect. In some circumstances, the invocation of a rigid standard could undercut our security ties and invite a disaster in which millions of persons would move from partial freedom to tyranny.

Mr. Carter's policy is full of irony, precisely because his good intentions may lead to dire consequences. Irony is not the result of evil intention or malice, but rather of a hidden defect in virtue. In Mr. Carter's case, at least in rhetoric, the defect is a kind of vague, romantic optimism with an excessive confidence in the power of reason and goodwill. This comforting view of human nature, the child of the Enlightenment and social Darwinism, differs sharply with the more sober Biblical understanding of the nature and destiny of man. Be that as it may, the President should not be judged on his philosophical consistency, but rather by the actual policies he pursues. Since there is some relation between how one thinks and feels and what one does, it is not inappropriate to recall the words of columnist Michael Novak: "One of the best ways to create an immoral foreign policy is to try too hard for a moral one."

[3] See "Morality and Foreign Policy: A Symposium on President Carter's Stance," ed., Ernest W. Lefever, published by Ethics and Public Policy Center, Georgetown University, December 1977. The other critics are Robert L. Bartley, Ronald L. Berman, Jeane Kirkpatrick, Charles Burton Marshall, Michael Novak, John P. Roche, Eugene V. Rostow, and Roger L. Shinn.

THE RARE II REVIEW ACT OF 1981

Mr. McCLURE. Mr. President, I am pleased to be a cosponsor of S. 842 the RARE II Review Act of 1981 introduced yesterday by Senator HAYAKAWA. For the past decade, one-third of the national forest system, some 62 million acres, has been in limbo. It is not wilderness because Congress has not statutorily declared it to be. But neither has it been used or developed for either its resource or recreational values.

These lands have been embroiled in a continuing round of studies, litigation, restudies and new court challenges. The lands are in dispute because they are roadless and thus eligible to be considered for wilderness.

Wilderness is a very special, highly restricted use of land. Wilderness is defined by law as "an area where the Earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain."

Access to wilderness can be only by foot, on horseback, or by canoe. There are no roads, improved campsites, ski lifts, or permanent structures. Care, recreational vehicles, and motor boats are excluded. Timber harvesting is prohibited. Mining, oil and gas exploration, grazing, and wildlife and watershed management are limited. Wilderness is the most restrictive of all public land uses.

The national forest system is one of America's great natural resources. For nearly a century, Congress has required these 187 million acres be used for a variety of purposes, including timber grazing, minerals, water, recreation, wilderness and fish and wildlife.

Congress has reserved to itself the right to decide which national forest lands should be designated as wilderness. It has left to the Forest Service, operating within statutory guidelines, decisions on the use of forest lands not designated as wilderness.

Enactment of the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) provided for the first time a long-range planning program for national forest management and other Forest Service programs. RPA requires that information be developed to aid decisionmaking and to help identify the array of issues which can affect the use of natural resources for decades to come.

RPA provides a process by which program and policy alternatives can be expressed and considered. The Forest Service must prepare a periodic renewable resources assessment and a series of long-range renewable resource programs that are responsive to changes anticipated in the year ahead.

The first assessment and program were sent to Congress early in 1976 with the first updatings scheduled for 1979 and 1980, respectively. The act requires a new assessment every 10 years thereafter and a new program every 5 years.

The program is developed with public participation and millions of public dollars. It is a program where the approach to management and allocation of national forest resources evolved after Con-

gress recognized the serious difficulties created by political responses to complex long-term problems. The integrated approach to the uses of our national forests promises the most public benefits of any yet tried and it should be permitted to work. However, Congress and the administration have independently taken actions at cross purposes with the RPA program, especially with regard to wilderness designations.

The RPA program provides for a major increase in the national forest share of the national wilderness preservation system. National forest classified wilderness acreage would remain nearly constant up to 1980 at 15.2 million acres; then recommendations would be made to Congress to increase the acreage to 25 to 30 million by 2020. The Wilderness Act of 1964 designated 14.3 million acres of national forest for possible inclusion in the national wilderness preservation system. Additions have now raised the acreage to 25.4 million, including 5.4 million acres in Alaska. As of January 1981, this total of 25.4 million acres of wilderness already meets the RPA goal for the year 2020. Still wilderness considerations continue.

The Wilderness Act of 1964 required the Secretary of Agriculture to study and review, within 10 years, existing primitive areas under its administration for suitability for inclusion in the national wilderness preservation system. Although it was not required to do so under the Wilderness Act, the U.S. Forest Service, under its administrative discretion, established its first roadless area review and evaluation (RARE I). Initiated in 1972, RARE I inventoried 1,449 roadless and undeveloped areas, involving 56 million acres, for possible inclusion in the national wilderness preservation system. Almost 8 years later, and after the initiation in June 1977, of a more comprehensive study (RARE II), the Forest Service made its latest recommendations on which areas within the national forest system should be designated as wilderness and included in the national wilderness preservation system.

In its final environmental statement, "Roadless Area Review and Evaluation II" (January 1979) the Forest Service presented, on an area basis, its recommendations regarding 62 million acres of national forest lands. Based on the review and evaluation of these lands the Forest Service recommended that 15 million acres be designated as wilderness, 11 million acres as further planning—subject to continuing resource management planning and studies—and 36 million acres as nonwilderness.

During a 3-month period the Carter administration considered the Forest Service recommendations and on April 16, 1979, announced its endorsement with some minor revisions. The Carter administration then sent to Congress the Forest Service recommendations, somewhat revised, for legislative action. To date, nine States have had these recommendations considered and revised and have passed into statutory wilderness designation on some 9.7 million acres. However, this should not be construed to mean that of the 15 million acres recommended for wilderness, only 5.3 million acres remain to be considered. This is the problem. There are still 11.3 million acres recommended for further planning and 28.7 million acres recommended for nonwilderness. Congress is not limited to only wilderness recommendations. It can designate for wilderness any of the further planning or nonwilderness areas.

The result is an enormous uncertainty about the amount of national forest lands available for timber supply and resource uses. Withdrawals for wilderness and wilderness study are having severe impacts on the Nation's timber supply, development of mineral and energy resources, range capability, and the expansion of developed recreational opportunities. These actions collectively shrink the land base available for multiple use. Even more disturbing is the cloud of uncertainty that hangs over lands inventoried as roadless but which have not been recommended for wilderness. These lands could and should be providing essential resources, such as timber, and vitally important mineral and energy resources.

The focus has been on expanding wilderness designations simply because land is undisturbed. The very nature of the wilderness study and designation system, coupled with its enormous litigation possibilities, means that wilderness advocates can win, through indecision, long-term wilderness status for their favorite areas without any consideration of overall national needs.

With this paralysis, the urgent question which must be answered is, How much wilderness is enough?

The quickest step that can be taken to end the uncertainty and remove the paralysis is to provide by statute for the nonwilderness multiple-use management of the 36 million acres that were recommended for nonwilderness use as a result of RARE II.

Although the Forest Service's stated intention is to manage these lands for nonwilderness purposes, statutory direction is necessary to avoid legal entanglements that could prolong the indecision. Such legislation would constitute a final "No" to those who persist in their efforts to convert these lands to wilderness even though extensive studies have found them unsuited for that purpose.

Such national legislation will reinforce the RARE II process. It will give the Forest Service the continuity and time required to plan timber management programs, which can involve a period of 100 years, without threat of costly time consuming appeals and lawsuits. It will bring to a close for these lands 16 years of uncertainty which has plagued workers, managers, and communities whose livelihoods depend on national forest resources.

Mr. President, passage of this bill will help to solve this paralysis and confront Congress with its responsibility to answer, in a timely fashion, How much wilderness is enough?

SOVIET DEFENSE ADVANCES IN PAST FEW YEARS

Mr. THURMOND. Mr. President, the urgent need for our Nation to rebuild our defense forces is becoming clearer to the American people each day.

Our military leaders, no longer constrained by the ill-conceived defense policies of the Carter administration, are speaking out clearly relative to our defense problems and the needed solutions.

A succinct statement on this subject came recently from the Commander in Chief of the Strategic Air Command, Gen. Richard Ellis, who declared we are now entering an "extremely dangerous period" because of "years of indecision, cancellations, and delays, involving strategic force modernization."

Mr. President, I ask unanimous consent that this article entitled "SAC Chief: Arms Gap Is Alarming," which appeared in the March 19, 1981 issue of the Omaha World Herald, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAC CHIEF: ARMS GAP IS ALARMING

(By Howard Silber)

The commander-in-chief of the Strategic Air Command has told a congressional subcommittee that the United States will enter an "extremely dangerous period" because of its strategic weapons insufficiency.

Gen. Richard H. Ellis blamed "years of indecision, cancellations and delays involving strategic force modernization" which he said "have led to a strategic imbalance between the United States and the Soviet Union."

The Ellis remarks were contained in a copy of his testimony Wednesday before the research and development subcommittee of the House Armed Services Committee in Washington.

Ellis expressed alarm at what he called "the fragile nature" of strategic communications and command control systems.

As a result, he said, "One of the pressing areas of concern is the high stress placed on" the extensive communications system "by Soviet submarines which patrol off both of our coasts."

Ellis said the strategic imbalance between the United States and Russia "came about principally because one leg of the strategic Triad was allowed to become vulnerable and another leg to approach obsolescence."

His reference was to the Minuteman and Titan II intercontinental ballistic missile force, which he said has become increasingly vulnerable to Soviet missiles, and to the principal U.S. strategic bomber, the 25-year-old B-52. These, along with the Navy's missile submarines, constitute the strategic Triad.

The SAC chief called for continued development of the MX missile without further delays, as a means of providing the United States with a survivable ICBM force.

Ellis called for the production of new bombers—either an improved FB-111 or the B-1—for introduction to the SAC force in the middle of the current decade or sooner and work on a more sophisticated, advanced-technology manned penetrator for the 1990s.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. GRASSLEY). The Chair, on behalf of the

President pro tempore, pursuant to Public Law 96-374, appoints the Senator from Vermont (Mr. STAFFORD) and Dr. David Gardner, president of the University of Utah, to the National Commission on Student Financial Assistance.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVAL

A message from the President of the United States announced that on March 31, 1981, he had approved and signed the following act:

S. 509. An act to amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually.

MESSAGE FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 4:54 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 182. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-823. A communication from the Acting Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting, pursuant to law, the third quarterly commodity and country allocation table showing the planned programing of food assistance under title I/III of Public Law 480 for fiscal year 1981; to the Committee on Agriculture, Nutrition, and Forestry.

EC-824. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a report on an overobligation of appropriations in the Federal Buildings Fund of the Public Building Service; to the Committee on Appropriations.

EC-825. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Army Needs To Improve Individual Soldier Training In Its Units"; to the Committee on Armed Services.

EC-826. A communication from the Principal Deputy Assistant Secretary of the Navy (Logistics), transmitting, pursuant to law, a report with respect to converting the base operating support functions at Naval Air Facility, Midway Island, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-827. A communication from the Secretary of the Army, transmitting, pursuant to law, notice of the intent of the recent discovery and disposal of a suspected lethal chemical nerve agent munition at Dugway Proving Ground, Utah; to the Committee on Armed Services.

EC-828. A communication from the Secretary of Transportation, transmitting, pursuant to law, the final Urban Mass Transporation Administration Quarterly Report for fiscal year 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC-829. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "What Can Be Done To Check The Growth Of Federal Entitlement And Indexed Spending"; to the Committee on the Budget.

EC-830. A communication from the chairman of the board and the president and chief executive officer of the U.S. Railway Association, transmitting, pursuant to law, a report entitled "Conrail at the Crossroads: The Future Of Rail Service in the Northeast"; to the Committee on Commerce, Science, and Transportation.

EC-831. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice that the Commission will be unable to render a final decision in Docket No. 37522, Florida East Coast Railroad, application of joint rates, within the initially specified 7-month period; to the Committee on Commerce, Science, and Transportation.

EC-832. A communication from the Acting Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, a report on the proposed allocation in the fiscal year 1981 space shuttle program of funds in excess of the amount appropriated; to the Committee on Appropriations.

EC-833. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1982 and 1983, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-834. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968, as amended, and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1982 and 1983; to the Committee on Commerce, Science, and Transportation.

EC-835. A communication from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, volume three of the Energy Information Administration Annual Report for 1980; to the Committee on Energy and Natural Resources.

EC-836. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the annual achievements of the innovation grant program of the urban park and recreation recovery program (UPARR); to the Committee on Energy and Natural Resources.

EC-837. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Clean Air Act: Summary of GAO Reports (October 1977 through January 1981) And Ongoing Reviews," April 1, 1981; to the Committee on Environment and Public Works.

EC-838. A communication from the Acting Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a draft of proposed legislation authorizing the Council on Environmental Quality appropriations under the Environmental Quality Improvement Act (EQIA) of 1970 for fiscal years ending September 30, 1982 and September 30, 1983; to the Committee on Environment and Public Works.

EC-839. A communication from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Trade Act of 1974 to provide for changes in adjustment assistance for workers, and for other purposes; to the Committee on Finance.

EC-840. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on inventory of nonpurchased foreign currencies as of September 30, 1980; to the Committee on Foreign Relations.

EC-841. A communication from the assistant legal adviser for treaty affairs, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within 60 days after the execution thereof; to the Committee on Foreign Relations.

EC-842. A communication from the Acting Assistant Secretary for Health, Department of Health and Human Services, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-843. A communication from the President, the Mortgage Corp., Federal Home Loan Mortgage Corporation, transmitting its annual report for 1980; to the Committee on Governmental Affairs.

EC-844. A communication from the Acting Inspector General, Department of Health and Human Services, transmitting, pursuant to law, the annual report of the Office of Inspector General covering the period January 1, 1980 through December 31, 1980; to the Committee on Governmental Affairs.

EC-845. A communication from the Acting Secretary, Federal Trade Commission, transmitting, pursuant to law, the FTC's annual report of compliance with the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-846. A communication from the Acting Assistant Attorney General, Criminal Division, U.S. Deparment of Justice, transmitting, pursuant to law, a report on its activities and operations for 1980 re the Ethics in Government Act of 1978, 28 U.S.C. 529; to the Committee on Governmental Affairs.

EC-847. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to revise the Federal Grant and Cooperative Agreement Act (P.L. 95-224, 41 U.S.C. 501 et seq.); to the Committee on Governmental Affairs.

EC-848. A communication from the Public Information Specialist, Occupational Safety and Health Review Commission, transmitting, pursuant to law, the report of the Commission under the Freedom of Information Act for calendar year 1980; to the Committee on the Judiciary.

EC-849. A communication from the President of the Inter-American Foundation, transmitting, pursuant to law, the Foundation's report for calendar year 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC-850. A communication from the Director of the Federal Judicial Center, transmitting, pursuant to law, the 1980 Annual Report of the Center; to the Committee on the Judiciary.

EC-851. A communication from the Director of the Office of Personnel Management transmitting, pursuant to law, the agency's report for calendar year 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC-852. A communication from the Solic-

itor of the United States Commission on Civil Rights, transmitting pursuant to law, the report of the Commission for calendar year 1980 under the Freedom of Information Act; to the Committee on the Judiciary.

EC–853. A communication from the president and from the national director of the Girl Scouts, transmitting, pursuant to law, the 31st Annual Report of the Girl Scouts of the United States of America; to the Committee on Labor and Human Resources.

EC–854. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the primary care research and demonstration program for fiscal year 1980; to the Committee on Labor and Human Resources.

EC–855. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the fourth annual report on the administration of the national health service corps scholarship program; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POW–55. A petition from a citizen of San Francisco, Calif., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

POM–56. A petition from a citizen of Miami, Fla., favoring congressional cooperation with the efforts of the Reagan administration to strengthen the military power of the United States; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services, with an amendment (in the nature of a substitute), and an amendment to the title:

S. 694. A bill to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and for research, development, test, and evaluation, and to increase the authorized personnel strength for military and civilian personnel of the Department of Defense, and for other purposes (Rept. No. 97–35).

By Mr. TOWER, from the Committee on Armed Services, without amendment:

S. Res. 105. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 694; referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

TREATY

By Mr. PERCY, from the Committee on Foreign Relations with amendments:

Executive U, 96th Congress, 1st Session. Maritime Boundary Settlement Treaty With Canada, signed at Washington, March 29, 1979 (Executive Rept. 97–5).

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

William Gene Lesher, of Virginia, to be an Assistant Secretary of Agriculture.

Seeley Lodwick, of Iowa, to be Under Secretary of Agriculture for International Affairs and Commodity Programs.

Seeley Lodwick, of Iowa, to be a member of the Board of Directors of the Commodity Credit Corporation.

William Gene Lesher, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation.

John B. Crowell, of Oregon, to be an Assistant Secretary of Agriculture.

C. W. McMillan, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations reported from the Committee on Agriculture, Nutrition, and Forestry, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BOSCHWITZ:

S. 843. A bill for the relief of Dr. Romulo Z. Kabatay and Wilma E. Kabatay; to the Committee on the Judiciary.

S. 844. A bill for the relief of Daniel Han Ying NG; to the Committee on the Judiciary.

S. 845. A bill for the relief of Bins Tao San; to the Committee on the Judiciary.

By Mr. WARNER (for himself and Mr. JACKSON) (by request):

S. 846. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982 and fiscal year 1983, and for other purposes; to the Committee on Armed Services.

By Mr. PERCY (by request):

S. 847. A bill to amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1981, and to authorize appropriations for fiscal years 1982 and 1983; to the Committee on Foreign Relations.

S. 848. A bill to authorize appropriations for the Peace Corps, and for other purposes; to the Committee on Foreign Relations.

S. 849. A bill to authorize appropriations for the International Communication Agency to carry out in fiscal years 1982 and 1983 international communication and educational and cultural exchange programs, and for other purposes; to the Committee on Foreign Relations.

By Mr. BAUCUS:

S. 850. A bill to amend the Internal Revenue Code of 1954 to provide greater protection for the rights of the taxpayers; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 851. A bill to amend the Internal Revenue Code to increase the amount that an artist may deduct when he contributes an artistic composition to charity; to the Committee on Finance.

S. 852. A bill to amend the Internal Revenue Code to provide a tax credit for certain contributions of literary, musical or artistic compositions; to the Committee on Finance.

S. 853. A bill to amend the Social Security Act to provide that the Federal Government will gradually take over the local share of AFDC and medicaid costs if States meet certain minimum AFDC benefit requirements, and for other purposes; to the Committee on Finance.

By Mr. PERCY:

S. 854. A bill to promote the orderly conduct of international relations by facilitating the operation of foreign missions in the United States, thereby promoting the secure and efficient operation of the U.S. missions abroad; to the Committee on Foreign Relations.

By Mr. MOYNIHAN:

S. 855. A bill to amend the Social Security Act to revise the AFDC and medicaid matching formula for States which meet certain minimum AFDC benefit requirements, and for other purposes; to the Committee on Finance.

By Mr. SARBANES:

S. 856. A bill to provide that certain term employees whose service was terminated by the Government Printing Office may have such service taken into account when the employees are being considered for other Federal employment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. TOWER:

S. 857. A bill to impose quantitative restrictions on the importation of lamb meat; to the Committee on Finance.

By Mr. DURENBERGER:

S. 858. A bill to amend the Internal Revenue Code of 1954 to provide estate tax equity for family farms and other enterprises, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. DOMENICI, Mr. ABDNOR, Mr. BAUCUS, Mr. HEFLIN, Mr. NUNN, Mr. LAXALT, Mr. HATFIELD, Mr. LUGAR, Mr. HELMS, Mr. GRASSLEY, Mr. SYMMS, Mr. HUDDLESTON, Mr. BENTSEN, Mrs. KASSEBAUM, Mr. TSONGAS, Mr. CRANSTON, Mr. MOYNIHAN, Mr. SARBANES, Mr. SASSER, Mr. SPECTER, Mr. HATCH, Mr. KENNEDY, Mr. CHAFEE, Mr. HAYAKAWA, Mr. HOLLINGS, Mr. PROXMIRE, Mr. DECONCINI, Mr. DENTON, Mr. RIEGLE, Mrs. HAWKINS, Mr. DOLE, Mr. WALLOP, Mr. ANDREWS, Mr. LEAHY, Mr. GARN, Mr. DURENBERGER, and Mr. METZENBAUM):

S.J. Res. 60. Joint resolution to authorize and request the President to designate the week of May 3 through May 9, 1981, as "National Physical Fitness and Sports for All Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WARNER (for himself and Mr. JACKSON) (by request):

S. 846. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982 and fiscal year 1983, and for other purposes; to the Committee on Armed Services.

DEPARTMENT OF ENERGY NATIONAL SECURITY AND MILITARY APPLICATIONS OF NUCLEAR ENERGY AUTHORIZATION ACT OF 1982

● Mr. WARNER. Mr. President, by request, for myself and the senior Senator from Washington (Mr. JACKSON), I introduce for appropriate reference a bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982 and fiscal year 1983, and for other purposes.

I ask unanimous consent that the bill and a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 846

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1982".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy

for fiscal year 1982 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For naval reactors development, $279,500,000;

(2) For weapons activities, $2,454,300,000;

(3) For verification and control technology, $48,900,000;

(4) For materials production, $616,200,000;

(5) For defense nuclear waste management, $262,028,000;

(6) For nuclear materials security and safeguards development, $44,300,000;

(7) For security investigations, $23,600,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1982 for plant and capital equipment (including planning, construction, acquisition and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs, as follows:

for national security development:

Project 82–N–100, general plant projects, various locations, $4,000,000.

Project 82–N–111, materials facility, Savannah River, South Carolina, $15,000,000.

(2) For weapons activities:

Project 82–D–100, general plant projects, various locations, $15,800,000.

Project 82–D–103, general plant projects, various locations, $16,300,000.

Project 82–D–104, new weapons production installations, various locations, $5,000,000.

Project 82–D–106, weapon assembly facilities, Pantex Plant, Amarillo, Texas, $23,500,000.

Project 82–D–107, utilities and equipment restoration, replacement, and upgrade, Phase III, various locations, $87,500,000.

Project 82–D–108, nuclear weapons stockpile improvement, various locations, $32,200,000.

Project 82–D–109, 155mm artillery fired atomic projectile (AFAP) production facilities, various locations, $35,000,000.

Project 82–D–111, interactive graphics system, various locations, $9,000,000.

Project 82–D–142, North Las Vegas Atlas facility, Las Vegas, Nevada, $3,600,000.

Project 82–D–146, weapons production and production support facilities, various locations, $8,000,000.

Project 82–D–147, pressure test facility, Savannah River Plant, Aiken, South Carolina, $3,500,000.

Project 81–D–106, weaponization facilities, Ernest Orlando Lawrence Livermore National Laboratory, California, an additional sum of $1,000,000 for a total project authorization of $7,600,000.

Project 81–D–108, reactor support facilities, Sandia National Laboratories, New Mexico, an additional sum of $1,000,000 for a total project authorization of $10,000,000.

Project 81–D–115, M–X warhead production facilities, various locations, an additional sum of $60,000,000 for a total project authorization of $70,000,000.

Project 81–D–116, utilities and equipment restoration, replacement, and upgrade, Phase II, various locations, an additional sum of $10,000,000 for a total project authorization of $85,000,000.

Project 81–D–120, control of effluents and pollutants, Y–12 Plant, Oak Ridge, Tennessee, an additional sum of $3,400,000 for a total project authorization of $6,400,000.

Project 81–D–133, earthquake damage restoration, Lawrence Livermore National Laboratory, California, an additional sum of $6,300,000 for a total project authorization of $9,300,000.

Project 81–D–134, earthquake damage restoration, Sandia National Laboratory at Livermore, California, an additional sum of $1,700,000 for a total project authorization of $3,700,000.

Project 79–7–o, universal pilot plant, Pantex Plant, Amarillo, Texas, an additional sum of $5,200,000 for a total project authorization of $12,600,000.

Project 78–16–a, cruise missile production facilities, various locations, an additional sum of $80,700,000 for a total project authorization of $98,800,000.

Project 78–17–d, steam plant improvements, Y–12 Plant, Oak Ridge, Tennessee, an additional sum of $1,500,000 for a total project authorization of $27,000,000.

Project 78–17–e, high explosive machining facility, Pantex Plant, Amarillo, Texas, an additional sum of $5,600,000 for a total project authorization of $10,600,000.

Project 77–11–c, 8-inch artillery fired atomic projectile (AFAP) production facilities, various locations, an additional sum of $3,600,000 for a total project authorization of $30,800,000.

(3) For materials production:

Project 82–D–116, general plant projects, various locations, $23,000,000.

Project 82–D–117, plant engineering and design, various locations, $3,000,000.

Project 82–D–118, N plant security and surveillance, Richland, Washington $4,000,000.

Project 82–D–124, restoration of production capabilities, Phase II, various locations, $126,000,000.

Project 82–D–126, reactor safety and reliability, various locations, $42,900,000.

Project 82–D–127, safeguards improvements, Savannah River, South Carolina, $34,600,000.

Project 82–D–128, plant perimeter security systems upgrade, Idaho Fuels Processing Facilities, Idaho National Engineering Laboratory, Idaho, $4,400,000.

Project 82–D–136, fuel processing facilities upgrade, Idaho Fuel Processing Facility, INEL, Idaho, $40,000,000.

Project 81–D–126, pollution abatement facilities—chemical processing plants, Richland, Washington, for an additional sum of $4,300,000 for a total project authorization of $5,300,000.

Project 81–D–128, restoration of production capabilities, various locations, an additional sum of $14,400,000 for a total project authorization of $49,400,0000.

Project 81–D–142, steam transfer header Savannah River, South Carolina, an additional sum of $1,000,000 for a total project authorization of $8,000,000.

Project 81–D–143, L–Reactor Upgrade, Savannah River, South Carolina, an additional sum of $66,000,000 for a total project authorization of $115,000,000.

Project 80–AE–3, steam generation facilities, Idaho Fuels Processing Facility, Idaho, an additional sum of $5,000,000 for a total project authorization of $28,500,000.

Project 77–13–a, fluorinel dissolution process and fuel receiving improvements, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, an additional sum of $50,000,000 for a total project authorization of $199,400,000.

(4) For defense nuclear waste management:

Project 82–N–101, general plant projects various locations, $11,400,000.

Project 82–N–103, waste handling and isolation facilities, Richland, Washington, $34,450,000.

Project 82–N–104, waste transfer facilities, Richland, Washington, $6,750,000.

Project 82–N–107, rail replacement/Hanford railroad, Richland, Washington, $12,000,000.

Project 82–N–110, plant engineering and design, Savannah River, South Carolina, $10,000,000.

Project 77–13–f, waste isolation pilot plant, Delaware Basin, Southeast, New Mexico, an additional sum of $8,600,000 for a total project authorization of $127,600,000.

(5) For capital equipment not related to construction—

(A) for naval reactors development, $28,000,000;

(B) for weapons activities, $196,500,000;

(C) for verification and control technology, $1,100,000;

(D) for materials production, $73,600,000;

(E) for defense nuclear waste management, $24,472,000; and

(F) for nuclear materials security and safeguards development, $3,700,000.

TITLE II—GENERAL PROVISIONS

REPROGRAMMING

SEC. 201. (a) Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress, unless a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action, or unless each committee before the expiration of such period has transmitted to the Secretary written notice to the effect such Committee has no objection to the proposed action.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 202. (a) The Secretary may carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of the construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project authorized by this Act, the estimated cost of the project is revised due to unforeseen cost variations and the revised cost of the project exceeds $1,000,000, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 203. (a) Whenever the current estimated cost of a construction project which is authorized by section 102 of this Act, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of (1) the amount authorized for the project, or (2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress, construction may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the action, or unless each committee before the expiration of such period has notified the Secretary it has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 204. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC. 205. (a) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction designs (including architectural and engineering services) in connection with any proposed construction projects.

(b) In the event it is necessary to conduct a plant engineering and design project which was not previously identified in the budget justification data previously submitted to Congress, the Secretary shall notify the appropriate committees of Congress in writing of the details of the project at least 30 days before any funds are obligated for the project.

(c) Subsection (b) shall not apply to any plant engineering and design project which has a current estimated cost of less than $500,000.

FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

SEC. 206. Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this Act for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

SEC. 207. In addition to the advance planning and construction design authorized by section 102, the Secretary may perform planning and design utilizing available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

ADJUSTMENTS FOR PAY INCREASES

SEC. 208. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in benefits authorized by law.

AVAILABILITY OF FUNDS

SEC. 209. When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

TITLE III—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1983

SEC. 301. (a) There is authorized to be appropriated to the Department of Energy to be available not earlier than October 1, 1982, those sums which may be necessary for fiscal year 1983 for programs set forth in this Act.

(b) All of the provisions which are applicable to amounts appropriated pursuant to other sections of this Act shall apply in the same manner to amounts appropriated pursuant to this section.

DEPARTMENT OF ENERGY,
Washington, D.C.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "[t]o authorize appropriations for the Department of Energy for national security programs for fiscal year 1982 and fiscal year 1983" in accordance with section 660 of the Department of Energy Organization Act. The bill would authorize specific appropriations for FY 82 and those appropriations which might be necessary for FY 83. The total amount proposed for FY 82 is $4,996,400,000, of which $3,728,828,000 is for operating expenses, $327,372,000 is for capital equipment, and $940,200,000 is for construction projects.

The Office of Management and Budget advises that this legislative proposal is in accord with the program of the President.

Sincerely,

ERIC J. FYGI,
Acting General Counsel.

By Mr. PERCY (by request):

S. 847. A bill to amend the Board for International Broadcasting Act of 1973, to authorize a supplemental appropriation for fiscal year 1981, and to authorize appropriations for fiscal years 1982 and 1983; to the Committee on Foreign Relations.

BOARD FOR INTERNATIONAL BROADCASTING AUTHORIZATION ACT, FISCAL YEARS 1981, 1982, AND 1983

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the Board for International Broadcasting Act of 1973 and to authorize appropriations for the Board to carry out its responsibilities as specified in that act.

This legislation has been requested by the Board, and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a sectional analysis of the bill and the letter from the Executive Director of the Board for International Broadcasting to the President of the Senate dated March 18, 1981.

There being no objection, the bill, analysis, and letter were ordered to be printed in the RECORD, as follows:

S. 847

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Board for International Broadcasting Authorization Act, Fiscal Years 1981, 1982 and 1983."

AUTHORIZATION OF APPROPRIATIONS

Section 1. Section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended to read as follows—

"(A) $100,300,000 for fiscal year 1981."

SEC. 2. There are authorized to be appropriated for the Board for International Broadcasting $98,317,000 for fiscal year 1982 and $98,317,000 for fiscal year 1983.

SECTIONAL ANALYSIS

Section 1: This paragraph authorizes appropriations of additional funds to the Board for improvements in the programs and facilities of Radio Free Europe/Radio Liberty, Inc., in fiscal year 1981.

Section 2: This paragraph authorizes appropriations for the Board to carry out its functions during fiscal years 1982 and 1983.

BOARD FOR INTERNATIONAL BROADCASTING,
Washington, D.C., March 18, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation to make required amendments to the Board for International Broadcasting Act of 1973 and to authorize appropriations for the Board to carry out its responsibilities as specified in that Act.

The bill provides for authorization of a supplemental appropriation for fiscal year 1981 and for appropriations for the Board's operation during fiscal years 1982 and 1983.

A sectional analysis explaining the proposed legislation is enclosed.

The Office of Management and Budget has advised the Board that there is no objection to the presentation of this proposal to the Congress and that its enactment would be in accord with the program of the President.

Respectfully,

WALTER R. ROBERTS,
Executive Director.

By Mr. PERCY (by request):

S. 848. A bill to authorize appropriations for the Peace Corps, and for other purposes; to the Committee on Foreign Relations.

PEACE CORPS ACT AMENDMENTS OF 1981

Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for the Peace Corps, and for other purposes.

This legislation has been requested by the Peace Corps, and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis of the bill and the letter from the Acting Director of the Peace Corps to the President of the Senate dated March 17, 1981.

There being no objection, the bill, analysis, and letter were ordered to be printed in the RECORD, as follows:

S. 848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Peace Corps Act Amendments of 1981".

SEC. 2. (a) Section 3(b) of the Peace Corps Act, as amended, (hereinafter the "Act") is amended by deleting "fiscal year 1981 not to exceed $118,000,000" and inserting in lieu thereof, "for the fiscal year ending September 30, 1982 not to exceed $95,000,000, and for the fiscal year ending September 30, 1983 such sums as may be necessary."

(b) Section 3(c) of the Act is amended by inserting after "fiscal year 1981" the words "and fiscal years 1982 and 1983".

(c) Section 3 of the Act is amended by adding the following new subsection at the end thereof:

"(h) In recognition of the fact that there are over 400,000,000 disabled people in the world, 95 percent of whom are among the poorest of the poor, the Peace Corps shall be administered so as to give particular attention to programs, projects and activities which tend to integrate disabled people into

the national economies of developing countries, thus improving their status and assisting the total development effort."

SEC. 3. Section 9 of the Act is amended by striking out "section 10(a)(4)" and by inserting in lieu thereof "section 10(a)(5)".

SEC. 4. Section 5(h) of the Act is amended by deleting the last two sentences at the end thereof.

SEC. 5. Section 10 of the Act is amended by adding the following new subsection at the end thereof:

"(i) The Provisions of Section 30 of the State Department Basic Authorities Act of 1956 relating to malpractice protection shall apply to volunteers and personnel assigned or employed under this Act, and references to the Secretary of State in subsection (f) of such section shall be deemed references to the President. For purposes of subsection (g) of such section, a Peace Corps representative shall be deemed to be a principal representative of the United States."

SEC. 6. The Act is amended by striking out section 18 thereof.

PEACE CORPS ACT AMENDMENTS OF 1981—SECTION-BY-SECTION ANALYSIS

Section 1, the enacting clause, establishes the enacting clause as the "Peace Corps Act Amendments of 1981".

Section 2 amends section 3(b) of the Peace Corps Act (the "Act") to authorize the appropriation of $95,000,000 for activities under the Act for the fiscal year ending September 30, 1982, and such sums as may be necessary for the fiscal year ending September 30, 1983. Appropriations are requested for the fiscal year ending September 30, 1983 to comply with the requirement of section 607 of the Congressional Budget Act of 1974.

Section 2 also authorizes the appropriation of such sums as may be necessary for increases in pay, retirement, and similar benefits authorized by law for fiscal year 1982 and 1983.

Section 2 would also add a new section (h) to section 3 of the Act to recognize the need for the Peace Corps to give particular attention to the more than 400,000,000 disabled people in the world, most of whom are among the poorest of the poor, and to programs, projects and activities which tend to integrate them into national economies of their countries and thereby improve their status and decrease the economic drain they represent on their families and society in general.

Section 3 is a technical amendment to change the reference to section 10(a)(4) in section 9 of the Act to a reference to section 10(a)(5). This is necessary to correct an oversight which occurred when section 10 was renumbered in 1978.

Section 4 deletes references to malpractice protections for Peace Corps Volunteers now contained in Section 5(h) and proposed to be added to Sec. 10.

Section 5 amends section 10 of the Act to provide to Peace Corps employees and volunteers protection against claims for damages based on medical malpractice or negligence which is available to State Department employees. Peace Corps employees had this coverage prior to passage of the Foreign Service Act of 1980, but section 1091 of the Foreign Service Act of 1946 (which provided the coverage) was repealed and reenacted as part of the Department of State Basic Authorities Act. This reenactment deprived Peace Corps employees of the protection they previously had. This amendment would restore their coverage by extending to them the malpractice protections previously afforded only to Peace Corps Volunteers in Section 5(h) of the Act, which was based on the same law, using the language of Section 5(h) but adding a reference to Peace Corps employees.

Section 6 repeals section 18 of the Peace Corps Act, which applies the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611) to functions carried out under the Peace Corps Act. The Mutual Defense Assistance Act was superseded by the Export Administartion Act of 1979 (93 Stat. 503) effective October 1, 1979. Section 18 is therefore obsolete, and should be repealed.

PEACE CORPS,
Washington, D.C., March 17, 1981.

Hon. GEORGE BUSH,
President, U.S. Senate, the Capitol, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration is a draft bill which will enable the Peace Corps to continue its work in behalf of world peace and friendship for the next two years.

The bill would authorize the appropriation of $95,000,000 for the fiscal year ending September 30, 1982 and such sums as may be necessary for the fiscal year ending September 30, 1983. It would also authorize such sums as may be necessary to fund increases in pay and other employee benefits authorized by law..

In recognition of the contribution that disabled individuals can make to their communities, we propose that a provision be added to the Peace Corps Act requiring that particular attention be given to programs, projects and activities which tend to integrate disabled people into the national economies of developing countries.

The bill would also restore the malpractice protection available to Peace Corps employees which was inadvertently removed when the Foreign Service Act of 1980 was passed.

The Office of Management and Budget has advised that there is no objection to the submission of this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

WILLIAM G. SYKES,
Acting Director.

By Mr. PERCY (by request):

S. 849. A bill to authorize appropriations for the International Communication Agency to carry out in fiscal years 1982 and 1983 international communication and educational and cultural exchange programs, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL COMMUNICATION AGENCY AUTHORIZATION ACT, FISCAL YEARS 1982 AND 1983

● Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to authorize appropriations for the International Communication Agency.

This legislation has been requested by the International Communication Agency, and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis of the bill and the letter from the Acting Director of ICA to the President of the Senate dated March 25, 1981.

There being no objection, the bill, analysis, and letter were ordered to be printed in the RECORD, as follows:

S. 849

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the "International Communication Agency Authorization Act, Fiscal Years 1982 and 1983."

SEC. 2. AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated for the International Communication Agency, $561,402,000 for the fiscal year 1982 and $482,340,000 for the fiscal year 1983 to carry out international communication, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, as amended, the Mutual Educational and Cultural Exchange Act of 1961, as amended, and Reorganization Plan No. 2 of 1977, and other purposes authorized by law.

SEC. 3(A). CHANGES IN ADMINISTRATIVE AUTHORITIES.—Title III of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1451–1453) is amended to read as follows:

"PERSONS TO BE ASSIGNED

"SEC. 301. The Director of the International Communication Agency is authorized, when the government of another country is desirous of obtaining the services of a person having special scientific or other technical or professional qualifications, from time to time to assign or authorize the assignment for service, to or in cooperation with such government, any person in the employ or service of the Government of the United States who has such qualifications, with the approval of the Government agency in which such person is employed or serving. No person shall be assigned for service to or in cooperation with the government of any country unless (1) the Director finds that such assignment is necessary in the national interest of the United States, or (2) such government agrees to reimburse the United States in an amount equal to the compensation, travel expenses, and allowances payable to such person during the period of such assignment in accordance with the provisions of section 302, or (3) such government shall have made an advance of funds, property, or services as provided in section 902. Nothing in this Act, however, shall authorize the assignment of such personnel for service relating to the organization, training, operation, development, or combat equipment of the armed forces of a foreign government.

"STATUS AND ALLOWANCES

"SEC. 302. Any person in the employ or service of the United States, while assigned for service to or in cooperation with another government under the authority of this Act, shall be considered, for the purpose of preserving his rights, allowances, and privileges as such, an officer or employee of the Government of the United States and of the Government agency from which assigned and he shall continue to receive compensation from that agency. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 905 of the Foreign Service Act of 1980. The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of 5 U.S.C. 5536.

"ACCEPTANCE OF OFFICE UNDER ANOTHER GOVERNMENT

"SEC. 303. Any person in the employ or service of the United States while assigned for service to or in cooperation with another

government under authority of this Act may, at the discretion of his Government agency, with the concurrence of the Director of the International Communication Agency, and without additional compensation therefor, accept an office under the government to which he is assigned, if the acceptance of such an office in the opinion of his Government agency is necessary to permit the effective performance of duties for which he is assigned, including the making or approving on behalf of such foreign government the disbursement of funds provided by such government or of receiving from such foreign government funds for deposit and disbursement on behalf of such government, in carrying out programs undertaken pursuant to this Act: *Provided, however,* that such acceptance of office shall in no case involve the taking of an oath of allegiance to another government."

SEC. 3. (b) Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) is amended to read as follows:

"(a) Effective October 1, 1981, no money appropriated to carry out this Act shall be available for obligation or expenditure—

"(1) unless the appropriation therefor has been previously authorized by law; or

"(2) in excess of an amount previously prescribed by law.

"(b) To the extent that legislation enacted after the making of an appropriation to carry out this Act authorizes the obligation or expenditure thereof, the limitation contained in subsection (a) shall have no effect.

"(c) Appropriations to carry out this Act made available under joint resolutions making continuing appropriations for fiscal year 1982 or subsequent fiscal years are hereby authorized. The limitations contained in subsection (a) shall not apply to such appropriations.

"(d) The provisions of this section shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts administered by the International Communication Agency as authorized by law."

SEC. 3. (c) Section 804 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1474) is amended—

(1) by revising paragraph (16) to read as follows:

"(16) purchase passenger motor vehicles for use abroad, except that right-hand drive and other special requirement vehicles may be purchased without regard to any maximum price limitation established by law;"

(2) by striking out "and" at the end of paragraph (18);

(3) in paragraph (19) by striking out the period and inserting a semicolon together with the word "and";

(4) by adding at the end thereof the following new paragraph:

"(20) purchase motion picture, radio and television producers' liability insurance to cover errors and omissions or similar insurance coverage for the protection of interests in intellectual property."

SEC. 3. (d) Title VIII of the United States Information and Education Exchange Act of 1948 (22 U.S.C. 1471–1475b) is amended by adding at the end thereof the following new section:

"ACTING ASSOCIATE DIRECTORS

"SEC. 808. If an Associate Director of the International Communication Agency dies, resigns, or is sick or absent, the Associate Director's principal assistant shall perform the duties of the office until a successor is appointed or the absence or sickness stops."

SEC. 3. (e) Section 802 of the United States Information and Educational Exchange Act (22 U.S.C. 1472) is amended by inserting the letter "(a)" immediately before the words "In carrying on activities" and adding the following new subsections:

"(b) Any contract of the types authorized by subsection (a) and described in subsection (d) of this section which is funded on the basis of annual appropriations may nevertheless be made for periods not in excess of five years when—

"(1) apupropriations are available and adequate for payment for the first fiscal year and all potential cancellation costs; and

"(2) the Director of the International Communication Agency determines that—

"(A) the need of the Government for the property or service being acquired over the period of the contract is reasonably firm and continuing;

"(B) such a contract will serve the best interests of the United States by encouraging effective competition or promoting economies in performance and operation; and

"(C) such a method of contracting will not inhibit small business participation.

"(c) In the event that funds are not made available for the continuation of such a contract into a subsequent fiscal year, the contract shall be cancelled and any cancellation costs incurred shall be paid from appropriations originally available for the same purpose or any amount remaining for the performance of the contract, appropriations currently available for the acquisition of similar property or services and not otherwise obligated, or appropriations made for such cancellation payments.

"(d) The types of contracts referred to in subsection (b) shall be those for the procurement of property or services, or both, for the operation, maintenance and support of programs, facilities and installations for or related to telecommunication activities, newswire services, and the distribution of books and other publications in foreign countries."

SEC. 3. (f) Section 1011 of the United States Information and Educational Exchange Act of 1948, as amended, is amended by adding at the end thereof the following new subsection:

"(i) Foreign currencies which were derived from conversions made pursuant to the obligation of informational media guaranties and which have been determined to be unavailable for, or in excess of, the requirements of the United States and transferred to the Secretary of the Treasury, shall be held until disposed of, and any dollar proceeds realized from such disposition shall be deposited in miscellaneous receipts. As such currencies become available for such purposes of mutual interest as may be agreed to by the governments of the United States and the country from which the currencies derive, they may be sold for dollars to agencies of the United States government."

SEC. 3. (g) Title VIII of the United States Information and Educational Exchange Act of 1948, as amended, is revised by the addition of the following section:

"SEC. 809. Cultural exchanges, international fairs and expositions, and other exhibits or demonstrations of United States economic accomplishments and cultural attainments provided for under this Act or the Mutual Educational and Cultural Exchange Act of 1961 shall not be considered "public work" as that term is defined in Section 1 of the Defense Base Act, as amended (Section 1651(b) of Title 42 of the U.S. Code)."

SEC. 4. ADDITIONAL FISCAL YEAR 1981 AUTHORIZATION.—Section 202 of the International Communication Agency Authorization Act, fiscal years 1980 and 1981 (93 Stat. 398; Public Law 96–60), is amended by:

(1) inserting the designation "(a)" before the word "There" at the beginning of the section; and

(2) adding the following new paragraph (b):

"(b) In addition to the amounts otherwise authorized to be appropriated for the Agency for the fiscal year 1981 or thereafter, such sums as may be necessary to liquidate the outstanding notes, and accrued interest thereon, assumed in the operation of the informational Media Guarantee Program pursuant to section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442)."

SECTION-BY-SECTION ANALYSIS

AUTHORIZATION OF APPROPRIATIONS

Section 202

This section provides a general authorization of appropriations for the International Communication Agency (USICA) in accordance with the provisions of Section 701(a) of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1476(a)). The proposed authorization will enable the Agency to carry out international communication, educational, cultural and exchange programs under the United States Information and Educational Exchange Act of 1948, as amended (the "Smith-Mundt Act"); the Mutual Educational and Cultural Exchange Act of 1961, as amended (the "Fulbright-Hays Act"); and Reorganization Plan No. 2 of 1977. This legislation is submitted in accordance with the provisions of Section 607 of the Congressional Budget Act of 1974 (Public Law 93–344).

CHANGES IN ADMINISTRATIVE AUTHORITIES

Section 203(a)—Assignment of specialists

This proposal enables the Director of the Agency to assign or to authorize the assignment of any employee of the United States to a foreign government at the latter's request.

At present, only U.S. citizen employees may thus be assigned under the authority of § 301 of the Smith-Mundt Act. The legislative history furnishes no reason why the assignment was restricted only to citizen employees. In particular cases, it may be that the employee with the requisite expertise is an alien, and it may achieve economies or be advantageous programmatically or psychologically to send a third-country national to give instruction. This is likely to occur under an agreement covering a radio relay station.

The amendments to §§ 302 and 303 are technical in nature and are required to bring the sections into conformity with § 301, and certain updated statutory cross references.

Section 203(b)—Authorization for continuing appropriation resolution

As Fiscal Year 1981 began, the Agency, as well as most other agencies in the United States Government, found itself in need of a continuing appropriations resolution. The Agency was fortunate in that legislation covering authorization for FY '81 appropriations up to $466 million was already enacted. Given the possibilities for a repetition of the need for continuing resolutions in future years, perhaps without enacted advance authorization, the Agency would be well served to have § 701 of the Smith-Mundt Act revised so that continuing resolutions would be excepted from the prior authorization requirement. Some agencies have such legislation in permanent form thus obviating the necessity to enact special authorizing provisions as part of continuing resolutions. Should Congress through some lapse fail in a continuing resolution to authorize the Agency to use the appropriations, it would be precluded from doing so.

USIA, USICA's predecessor, previously had such authority in § 701 of Smith-Mundt, but Congress in 1972 decided to bring State and USIA into the periodic authorization process.

This revision will not obviate USICA appearances for its authorization bills before its Congressional oversight committees but will be limited to the purpose stated above with respect to continuing resolutions.

Section 203(c)—Technical amendments

(1) Purchase of Special Requirement Vehicles

Terrorist activities abroad increase the risk of death or injury to U.S. personnel and of damage to U.S. vehicles or vehicles without security features. The Agency should have the flexibility or option to acquire whatever type of equipment is best suited to meet the threat at each particular location.

This amendment brings the Agency's authority in line with identical authority granted to the Department of State in Title I of Public Law 96-68 (93 Stat. 416). Section 204(b)(4) of Public Law 96-60 (93 Stat. 400) granted the Agency authority to purchase right-hand drive vehicles for overseas use without regard to maximum price limitation.

(2) Special Insurance Coverage

This proposal will clarify the existing authority of the Agency to comply with the demands with which many owners of films, music and other cultural or intellectual properties generally precondition their permission to use the property.

Most of the large film studies and music companies have been unwilling to grant the Agency use of film clips or recorded music unless the Agency agrees to sign their standard indemnification agreements which current federal practice prohibits because of the uncertain and unfunded potential liability. The studios are concerned about the possibility of someone involved in the production of the film filing a claim for further royalties based on the Agency's use of the film. These payments are continuing in nature in that payments accumulate with additional showings of the films. Whenever an independent contractor produces a film for the Agency, he or she signs the studio's indemnification agreement for any acquired film footage used and thus assumes the risk of future payments being demanded for such use. When the agency puts together a film product in-house, it may be unsuccessful in acquiring footage from a large number of famous films (as was the case with the recent VTR series *The American Cinema*).

Owners of music rights and other cultural or intellectual property also require an indemnity.

The Agency seeks clarification of its authority to purchase a special errors and emissions insurance policy or similar coverage to meet any potential liability. Thus, the ability of the Agency to comply with the rights holders' demands for indemnification will be undoubted. Insurance rates are typically low for coverage relating to rights in creative or intellectual property. Furthermore, the Agency intends to assure good actuarial experience by continuing its present rights clearance processes under which no type of claim of the kind to be insured against has been presented in the history of the Agency.

Section 203(d)—Acting associate directors

During the absence, disability or death of an Associate Director or during a vacancy in the Office of the Associate Director, his or her principal deputy succeeds to the duties on an acting basis in accordance with the Agency's administrative procedures. However, the validity of some actions by such acting Associate Directors could be in doubt and perhaps successfully challenged in court, particularly those actions involving the obligation of funds. The Comptroller General has called into question the validity of actions taken by officials occupying on an acting basis positions whose incumbents are Presidential nominees confirmed by the Senate, unless specific legal authority is provided for the temporary official so to act (*e.g.*, 56 Comp. Gen. 761 (1977); Decision B-150136. May 16, 1978).

This proposal will cure the deficiency by authorizing the deputy to exercise the full functions of the Associate Director. Such authority has long been granted to cabinet and military departments by the Vacancies Act (5 U.S.C. 3346), but the pertinent statute has not been extended to executive agencies.

Section 203(e)—Multiyear contracting authority

The sole purpose of the proposed amendments to § 802 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1472) is to authorize the Agency to enter into contracts for property and services on a multiyear basis where such contracts are funded by annual appropriations.

The term of any such contract could not exceed five years. If a contract was cancelled at any time after the fiscal year in which made by reason of the failure or refusal of Congress to appropriate funds for its continuation, a cancellation payment would, if necessary, be made to the contractor to reimburse him for the unrecouped portion of such items as startup costs that were to have been prorated over the originally contemplated contract period. Some examples of the sort of economies and the potential for increased competition that the Agency might expect to derive from such multiyear contracting include the following:

First, there has long been a need for an offshore facility in Greece for the more economical and expeditious unloading of the substantial quantities of petroleum products used to operate the Voice of America radio relay station at Kavala. A major supplier informed the Agency that if it had been offered a multiyear contract for these products, it would have installed the needed facility at its own expense.

Second, multiyear contracts for newswire services will probably result in less drastic annual price increases to the Agency.

Third, the tariff rates that the Agency pays for satellite broadcast transmission services will probably be lower under multiyear contracts.

Fourth, the cost to the Agency of obtaining computerized lists of books for use abroad by its numerous libraries will be substantially reduced under multiyear contracts. In addition, there is a strong likelihood of increased competition for these contracts because the high startup costs could be amortized over a much longer period of time.

Fifth, in the absence of our ability to make other than one-year contracts for the maintenance of the grounds at our relay stations, we have encountered decreasing competition and, presumably, increased costs, inasmuch as many small business enterprises are unwilling or unable to absorb in one year the relatively large capital costs of equipment needed to perform these maintenance services.

The requested amendments are broadly analogous to the provisions contained in 10 U.S.C. 2306(g), which authorize certain agencies (primarily the military departments) to enter into contracts for periods of not more than five years for specified types of services (and related supplies) to be rendered outside the forty-eight contiguous states and the District of Columbia. However, these amendments have been cast in a simpler form.

Section 203(f)—Disposition of foreign currencies derived from informational media guarantee program

It is proposed that the Secretary of the Treasury be authorized to sell the foreign currencies generated under the Informational Media Guarantee Program and now held by the Treasury in restricted accounts. As of September 30, 1979, the Treasury was holding foreign currency from Indonesia and Pakistan valued at $1,036,611 collected under the program. These funds, obtained from conversions made pursuant to the guarantees, are not available for administrative uses of the U.S. Government because of restrictions contained in the relevant bilateral agreements. Extensive but unsuccessful efforts have been made to have the agreements changed. In the event a bilateral agreement is changed in the future, the Treasury would need legislative authority to sell the currency to any U.S. Government agency. Proceeds of such sales would be deposited into miscellaneous receipts.

Section 203(g)—Defense Base Act

This proposal will exempt USICA from the necessity of paying for federal workmen's compensation insurance for our exhibits and performing arts exchanges.

The law providing compensation for disability or death to persons employed at military bases outside the United States has recently been interpreted by the courts and an administrative tribunal to apply to U.S. Government grants and to service contracts even when there is no national defense or war activities nexus.

As a result, performing art groups overseas on USICA-sponsored tours are being required to procure insurance coverage under the more liberal—and thus more expensive—Longshoremen's and Harbor Workers' Compensation Act rather than under their usual state or local workers compensation programs for which they already carry insurance. The increased cost is significant (at least $7,500 per grant regardless of size of performing group or length of tour) and decreases the funds available for cultural programming.

ADDITIONAL FISCAL YEAR 1981 AUTHORIZATION

Section 204

In addition to the technical change explained in Section 203(f) above, USICA proposes to eliminate the accrued debts in the operation of the now-dormant Informational Media Guarantee Program. The net requirement to liquidate the outstanding borrowed principal and the interest thereon, estimated $33,718,000 through September 30, 1981, will necessitate additional appropriation authority. A supplementary appropriation in the amount of $33,718,000 is being requested for fiscal year 1981. The Agency seeks authorization "for the fiscal year 1981 or thereafter" and "such sums as may be necessary" in order to cover possible delays in enactment of appropriations and variations in interest accruals over time.

This transaction will not result in any net outlay of funds from the United States Treasury.

INTERNATIONAL COMMUNICATION AGENCY,
Washington, D.C., March 25, 1981.

DEAR MR. PRESIDENT: There is transmitted herewith proposed legislation to authorize appropriations for the International Communication Agency to carry out in Fiscal Years 1982 and 1983 international communication and educational and cultural exchange programs. These activities are mandated by the United States Information and Educational Exchange Act of 1948, as amended; the Mutual Educational and Cultural Exchange Act of 1961, as amended; and Reorganization Plan No. 2 of 1977. The authorization of our appropriations is required by Section 701(a) of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1475(a)).

The legislation also proposes to amend some of the provisions of the Agency's basic enabling authorities. An analysis explaining the proposed legislation is enclosed.

The Office of Management and Budget has informed us that there is no objection to

the presentation of this proposed legislation and that its enactment would be in accord with the program of the President.

Sincerely,

JOHN W. SHIRLEY,
Acting Director.●

By Mr. BAUCUS:

S. 850. A bill to amend the Internal Revenue Code of 1954 to provide greater protection for the rights of the taxpayers; to the Committee on Finance.

TAXPAYERS' BILL OF RIGHTS

● Mr. BAUCUS. Mr. President, the bill I am introducing today—the taxpayers' bill of rights—would put American taxpayers on a more equal footing with the Internal Revenue Service. American taxpayers are asked to comply voluntarily with the tax laws. In turn, Congress has an obligation to assure taxpayers that these laws are administered fairly and impartially, that enforcement activities are carried out evenhandedly and that help is available to resolve speedily any questions, problems or complaints they might have.

Mr. President, this legislation is a six-point plan that would define taxpayers' rights and provide protection against arbitrary, irresponsible IRS actions. Briefly, my bill would:

Emphasize the importance of IRS maintaining and improving its taxpayer service programs;

Create an independent ombudsman in the IRS to intervene on taxpayers' behalf;

Require the IRS to establish an administrative appeal procedure for disputed collection cases, similar to the procedure currently provided for disputed examinations;

Require the IRS to issue rulings within 18 months after new laws are enacted;

Eliminate the requirement that taxpayers file periodic declarations of estimated tax, and raise from $100 to $300 the amount of tax one can owe on a return before quarterly estimated tax payments are required;

Eliminate the requirement that employers send W–2 forms to persons who leave a job midyear.

TAXPAYER SERVICE

The Federal income tax system asks taxpayers to determine whether they are required to file a tax return and, if so, they must determine the amount owed. The need for assistance in preparing and filing income tax returns has increased significantly in the past two decades. For example, in 1968, 40 tax loopholes or tax expenditures were part of the Tax Code. Today, over 100 tax expenditures are part of the Tax Code. As a result, the tax return has become more complicated and difficult to understand.

During this same period, the IRS gradually increased and improved its taxpayer service programs. However, during times of budget cuts, these programs are easy targets. Increasingly, taxpayers trying to reach the IRS through its toll-free telephone system get a busy signal, or, if they go to a local IRS office, must wait for service.

The gap is growing between taxpayers' need for help and the level of help provided by IRS. My taxpayers' bill of rights recognizes this change and declares that it should be congressional policy that IRS continue to maintain and improve its taxpayer service programs.

TAXPAYER OMBUDSMAN

In 1977, the IRS established a problem resolution program (PRP) to help taxpayers with problems they were unable to resolve through normal IRS channels. The program has offices in all of IRS' districts, service centers and regional offices.

Of the problems taxpayers brought to PRP last year, about 37 percent dealt with errant refund checks. Others involved errors in computer-generated notices and incorrect social security numbers.

The IRS created the position of taxpayer ombudsman in January 1980 to centralize control of this rapidly expanding program. The present IRS ombudsman is in charge of 214 PRP people nationwide. The responsibilities of the ombudsman are twofold: To be administrator of the program and to be the principal advocate of taxpayer interests and concerns within the IRS.

I applaud the IRS' efforts to establish the taxpayer ombudsman and the problem resolution program. Unfortunately, the ombudsman has not been given sufficient latitude to act as an aggressive advocate of taxpayers' rights.

Integrated within the IRS, the taxpayer ombudsman can be effective in solving taxpayer difficulties. Immersed in the give and take of the agency, the ombudsman can cross divisional lines, cut redtape, gain information and eventually solve both individual taxpayer problems as well as their underlying causes.

In his present position inside the agency, the IRS ombudsman is under the Office of the Commissioner; in fact, he is a career IRS civil servant. But to be an effective taxpayer advocate, the ombudsman must be independent from the agency. He should have an objective, not a subjective, view of the operation.

Thus, my taxpayers' bill of rights mandates the establishment of an independent Office of Ombudsman. This ombudsman, to be appointed for a 6-year term by the President, with the consent of the Senate, would have the independence, power, and authority to intervene aggressively for American taxpayers.

APPEAL OF IRS COLLECTION CASES

The Internal Revenue Service has remarkable authority for dealing with taxpayers. This authority is most readily abused in the area of collection of taxes.

Under the present law, if a citizen does not pay his taxes, the Internal Revenue Service can attach a lien to, or seize his property—farmland, home, automobile—or levy on his wages or bank accounts. All of this can be done without any type of appeal and without a court order.

Once a Federal tax lien is filed, it becomes a matter of public record and may adversely affect the taxpayer's business transactions or other financial interests.

I am sure we all want our fellow citizens to pay the taxes they owe, if they have the ability to do so. But what if the IRS is wrong? What if the taxpayer does not owe the tax, has already paid it, or is willing and able to pay the taxes in installments? There is nothing in the law to protect these taxpayers. They have no legal right to appeal a collection decision of the IRS unless they first pay the amount in dispute and then file a claim. This is small comfort to the person who has already paid the amount demanded or knows that it is not owed. The rights of these taxpayers need to be protected.

Numerous horror stories have been reported in Montana and elsewhere, describing tales of IRS harassment and unwarranted confiscation of property. I believe IRS collection powers, without any type of appeal, and specifically its authority to seize property without a court order, are unreasonable Government authorities.

A recent investigation on IRS collection practices by the Senate Subcommittee on Oversight of Government Management revealed the following facts:

IRS violates its own formal policy by taking excessive and harsh enforcement collection actions without considering all available collection alternatives;

IRS uses seizure and levy statistics as a principal measure of collection effectiveness;

IRS group managers abuse their supervisory authority and require revenue officers to take harsh and unnecessary enforcement actions;

IRS uses enforcement statistics to impose production quotas on its collection employees.

My taxpayers' bill of rights would correct these injustices by requiring the IRS to establish an administrative appeal procedure for contested collection cases, similar to that allowed for unagreed examinations, and to obtain a court order before seizing any citizen's property for nonpayment of taxes.

REGULATION BACKLOG

To implement tax legislation passed by Congress, the Internal Revenue Service must establish specific rules. Unfortunately, the IRS is notoriously slow in formulating these rules.

The Tax Reform Act of 1976, two subsequent acts in 1978—the Revenue Act and the Energy Act—and the Windfall Tax Act all added to the IRS regulation burden by requiring additional regulations. This influx of legislation—which will undoubtedly continue this year—exacerbated by IRS' lackadasical response, has left a large void in the tax law. Taxpayers are often afforded little guidance and are forced to pay their taxes without a clear understanding of what their liabilities should be.

What is the impact of the regulation backlog? Tax attorneys say the lack of regulations may inhibit transactions with uncertain tax consequences.

Professionals who have to give tax advice based on the law say they are frustrated:

You get into an area and suddenly discover there is no regulation. You're hamstrung.

Another attorney said:

I'd like to be able to give some sound advice. I can certainly do a better job if I know the IRS position.

The absence of regulations undermines transactions or leads to excessive caution. One attorney commented:

The rules of our profession require that we have reasonable support for advice. It would be useful to have regulations as that support.

To ease the uncertainty, most attorneys and accountants seek IRS rulings to fill regulation gaps. Such a ruling outlines the probable IRS stance in a particular situation. However, a request for a ruling may be as hard to come by as a regulation.

Taxpayers need to be protected against unreasonable delays in IRS rulemaking. My bill provides that all regulations must be issued within 18 months, unless the law specifically provides otherwise.

REDUCTION OF REDTAPE FOR TAXPAYERS

Taxpayers are overburdened by IRS forms. To help cut down some of the paperwork, my bill would eliminate the requirement that taxpayers file declarations of estimated tax and would raise from $100 to $300 the amount of tax one could owe before estimated tax payments are required.

The first revision would eliminate hundreds of thousands of voucher forms currently filed when no payments are necessary. These forms are useless and are discarded by the IRS.

The Government Accounting Office estimates that it costs taxpayers about $35,175 in postage to file those vouchers in 1979 and cost IRS about $11,360 to receive and destroy them.

If Government officials in the future would devote as much time to eliminating reports as they have in the past to creating them, I believe as much as 50 to 70 percent of all Government paperwork could be eliminated.

Considering the reduction in cost and paperwork burden to both the taxpayers and the IRS, I believe it is necessary to remove the requirement that individual taxpayers make declarations of estimated tax.

The second revision, raising the minimum level of accumulated tax from $100 to $300 before estimated tax is required, will relieve many taxpayers with small pensions, dividends or interest from the complicated task of figuring and filing quarterly estimated tax payments.

REDUCTION OF REDTAPE FOR SMALL BUSINESSES

Small businesses are caught in a maze of IRS redtape. The taxpayers' bill of rights offers a partial solution to this problem by eliminating duplicative W–2 forms.

Current law requires that a W–2 form be issued to a worker who leaves his job during the year. To alleviate some of the paperwork burden of small businesses, my bill proposes that all W–2's be issued once, at the end of the year, for all employees. Those who need to obtain forms earlier could do so by request.

CONCLUSION

The complexity of the Tax Code and the arbitrary administration of the tax laws have undermined much of the faith taxpayers have in Government.

The procedures outlined in the taxpayers' bill of rights require added services at some cost to the IRS. However, these provisions would help restore the taxpayers' faith in the equitable administration of the tax laws by insuring that taxpayers and the Internal Revenue Service are aware of their respective obligations.

In this regard, my bill would reduce long-run costs of the IRS by increasing taxpayers' confidence in the equity and efficiency of IRS operations and thereby increasing voluntary compliance with the tax laws.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Taxpayers' Bill of Rights Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares that—

(1) the very success of our system of taxation depends upon the willingness of taxpayers to accurately assess themselves and voluntarily pay their taxes,

(2) it is in the national interest to encourage all Americans to voluntarily comply with the tax laws of our Nation, and

(3) the Internal Revenue Service can encourage voluntary compliance by improving the assistance the Internal Revenue Service provides to taxpayers in answering tax questions, helping taxpayers complete tax returns, and explaining notices and bills.

(b) PURPOSE.—The purpose of this Act is to protect the rights of American taxpayers. Basic to such rights must be the ability to receive the assistance needed to deal with our tax laws which have become increasingly complex and difficult to understand.

SEC. 3. ESTABLISHMENT OF AN OFFICE OF OMBUDSMAN.

(a) ESTABLISHMENT OF OFFICE.—Section 7802 (relating to Commissioner of Internal Revenue) is amended by adding at the end thereof the following new subsection:

"(c) OFFICE OF OMBUDSMAN.—

"(1) IN GENERAL.—There is established within the Internal Revenue Service an office to be known as the Office of Ombudsman to be under the supervision and direction of the Ombudsman. The Ombudsman shall be appointed by the President, by and with the advice and consent of the Senate, for a six year term of office. The Ombudsman may employ such personnel as he deems necessary to carry out the functions of the Office of Ombudsman.

"(2) DUTIES OF THE OMBUDSMAN.—The Ombudsman shall be an advocate of the rights of taxpayers and shall be responsible for—

"(A) establishing procedures to review and evaluate complaints of taxpayers regarding improper, abusive, or inefficient service by employees of the Internal Revenue Service and, with due regard to the rights of both the taxpayer and such employees and under regulations prescribed by the Secretary, taking action to correct such service;

"(B) surveying taxpayers to obtain their evaluation of the quality of the service provided by the Internal Revenue Service and the Office of the Ombudsman;

"(C) compiling data on the number and type of taxpayer complaints in each internal revenue district and service center and evaluating the actions taken to resolve such complaints;

"(D) issuing Stop Action Orders under section 7811;

"(E) providing a forum for taxpayers to communicate their problems in dealing with the tax forms, publications, complex regulations and internal procedures of the Internal Revenue Service; and

"(F) carrying out such other functions which relate to assisting taxpayers as the Ombudsman may deem appropriate.

"(3) REPORT.—The Ombudsman shall submit an annual report on the activities of the Office of Ombudsman (including any recommended legislation) to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Committee on Taxation.".

(b) COMPENSATION FOR OMBUDSMAN.—Section 5316 of title 5, United States Code (relating to positions at level V), is amended by adding at the end thereof the following new item: "Ombudsman, Department of the Treasury.".

(c) STOP ACTION ORDERS.—Subchapter A of chapter 80 (relating to general rules for application of the internal revenue laws) is amended by adding at the end thereof the following new section:

"SEC. 7811. STOP ACTION ORDERS.

"(a) AUTHORITY TO ISSUE.—Upon application filed by a taxpayer with the Office of Ombudsman (in such form, manner, and at such time as the Secretary shall by regulations prescribe), the Ombudsman may issue a Stop Action Order if, in the determination of the Ombudsman, the taxpayer is suffering or about to suffer from an unusual unnecessary, or irreparable loss as a result of the manner in which the internal revenue laws are being administered by the Secretary.

"(b) EFFECT OF ORDER.—During the period (not to exceed 60 days) specified in any Stop Action Order issued under subsection (a), the Secretary may not take any action adverse to such taxpayer under—

"(1) chapter 64 (relating to collection),

"(2) subchapter B of chapter 70 (relating to bankruptcy and receiverships),

"(3) chapter 78 (relating to discovery of liability and enforcement of title), or

"(4) any other provision of law which is specifically described by the Ombudsman in such order,

unless the Secretary has made a finding that the collection of a tax would be jeopardized by delay.".

(d) CONFORMING AMENDMENTS.—

(1) The heading for section 7802 is amended by inserting "; OMBUDSMAN" after "ORGANIZATIONS)".

(2) The table of sections for subchapter A of chapter 80 is amended by inserting "; Ombudsman" after "Organizations)" in the item relating to section 7802.

(3) The table of sections for subchapter A of chapter 80 is amended by adding at the end thereof the following new item:

"Sec. 7811. Stop Action Orders.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the 90th day after the date of the enactment of this Act.

SEC. 4. ADMINISTRATIVE APPEAL OF LIENS.

(a) ESTABLISHMENT OF ADMINISTRATIVE APPEAL FOR DISPUTED LIENS.—Subchapter C of chapter 64 (relating to lien for taxes) is amended by redesignating section 6326 as section 6327 and inserting after section 6325 the following new section:

"SEC. 6326. ADMINISTRATIVE APPEAL OF LIENS.

"Any person shall be allowed to appeal to the Secretary, in such form and at such time as the Secretary shall prescribe by regulations, the imposition of a lien under this subchapter on the property or the rights to property of such person.".

(b) REGULATIONS.—The Secretary shall prescribe the regulations necessary to implement the administrative appeal provided for in the amendment made by subsection (a) within 180 days after the date of enactment of this Act.

(c) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 64 is amended by striking out the item relating to section 6326 and inserting in lieu thereof the following:

"Sec. 6326. Administrative appeal of liens.
"Sec. 6327. Cross references.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to any lien imposed on or after 180 days after the date of enactment of this Act.

SEC. 5. PREVENTION OF UNWARRANTED SEIZURE OF TAXPAYER PROPERTY.

(a) GENERAL RULE.—Section 6331 (relating to levy and distraint) is amended by redesignating subsection (e) as subsection (g) and by inserting after subsection (d) the following new subsections:

"(e) COURT ORDER REQUIRED FOR COLLECTIONS NOT IN JEOPARDY.—

"(1) IN GENERAL.—Levy may be made under subsection (a) with respect to any unpaid tax only after the Secretary is authorized by court order to make such levy.

"(2) AUTHORITY TO ISSUE ORDER.—On request of the Secretary, the court order required under paragraph (1) may be issued by any Federal judge or any judge of a State court of record within the district wherein the property (or right to property) to be levied upon is located.

"(3) STANDARD FOR ISSUING ORDER.—A judge may issue an order under paragraph (2) only if—

"(A) the owner of the property to be levied upon has exhausted all administrative appeals under subsection (f) or section 6326, or the time for making such appeals has expired,

"(B) the Secretary, by affidavit sworn to before such judge, establishes that the requirements of this section (other than this subsection) have been met, and

"(C) the judge determines that there is reasonable cause to believe that such requirements have been met.

"(4) JEOPARDY.—Paragraph (1) shall not apply to a levy if the Secretary has made a finding under the last sentence of subsection (a) that the collection of tax is in jeopardy.

"(5) STATE.—For purposes of this subsection, the term 'State' includes any possession of the United States.

"(f) ADMINISTRATIVE APPEAL.—Any person shall be allowed to appeal to the Secretary, in such form and at such time as the Secretary shall prescribe by regulations, the decision of the Secretary to levy upon the property or the right to property of such person made under subsection (a).".

(b) REGULATIONS.—The Secretary shall prescribe the regulations necessary to implement the administrative appeal provided for in the amendment made by subsection (a) within 180 days after the date of enactment of this Act.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any levy issued on and after 180 days after the date of the enactment of this Act.

SEC. 6. ELIMINATION OF DELAYS IN RULEMAKING.

(a) GENERAL RULE.—Section 7805 (relating to rules and regulations) is amended by adding at the end thereof the following new subsection:

"(d) TIME FOR PRESCRIBING REGULATIONS.—

"(1) IN GENERAL.—Unless otherwise provided by law, all of the initial final regulations necessary to be promulgated for the purpose of implementing the addition of any provision to, or the amendment of any provision of, this title shall be promulgated within 18 months after the date of the enactment of such addition or amendment.

"(2) FAILURE TO PROMULGATE REGULATIONS WITHIN TIME PRESCRIBED.—

"(A) PROSPECTIVE EFFECTIVE DATE.—If the Secretary fails to prescribe regulations within the period provided for in paragraph (1), the effective date of such regulations shall not be earlier than the date on which they are published in the Federal Register.

"(B) REASONABLE POSITION.—If the Secretary fails to promulgate regulations within the time prescribed by paragraph (1), any reasonable position with respect to an issue for which the regulations have not been promulgated which is advanced by the taxpayer shall apply to such taxpayer with respect to such issue, notwithstanding any regulations subsequently promulgated by the Secretary.

"(C) BURDEN OF PROOF.—In any legal proceeding with respect to issues described in subparagraph (B), the taxpayer shall have the burden of proof in showing that his position is reasonable. With respect to such issues, the position of the Secretary shall not be given any greater weight than that of the taxpayer.

"(D) APPLICATION OF PARAGRAPH.—This paragraph shall only apply to issues arising with respect to the taxpayer after the time provided in paragraph (1) and on or before the date the regulations are published in the Federal Register, but shall not apply to reoccurrences of such issues with respect to such taxpayer after the date on which the regulations are so published.".

(b) EFFECTIVE DATES.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendments made by this section shall apply to regulations relating to amendments or additions to the Internal Revenue Code of 1954 enacted after December 29, 1969.

(2) RETROACTIVE APPLICATION.—In the case of amendments or additions made to the Internal Revenue Code of 1954 which were enacted after December 29, 1969, and before the date 6 months from the date of the enactment of this Act, the provisions of section 7805(d)(1) of the Internal Revenue Code of 1954 shall be applied by substituting "within 36 months from the date of the enactment of the Taxpayers' Bill or Rights Act" for "within 18 months of the date of the enactment of such addition or amendment".

SEC. 7. REDUCTION OF REDTAPE FOR INDIVIDUAL TAXPAYERS.

(a) REPEAL OF REQUIREMENT OF DECLARATION.—Section 6015 (relating to declarations of estimated income tax by individuals) and section 6073 (relating to time for filing declarations of estimated income tax by individuals) are repealed.

(b) INSTALLMENT PAYMENTS OF ESTIMATED INCOME TAX BY INDIVIDUALS.—Section 6153 (relating to installment payments of estimated income tax by individuals) is amended to read as follows:

"SEC. 6153. INSTALLMENT PAYMENTS OF ESTIMATED INCOME TAX BY INDIVIDUALS.

"(a) INDIVIDUALS REQUIRED TO PAY ESTIMATED INCOME TAX.—Except as otherwise provided by this section, every individual subject to taxation under section 1 shall make payments of his estimated tax (as defined in subsection (c) during the taxable year as provided in subsection (b)) if—

"(1) the gross income for the taxable year can reasonably be expected to exceed—

"(A) $20,000 in the case of—

"(i) a single individual, including a head of household (as defined in section 2(b)) or a surviving spouse (as defined in section 2(a)); or

"(ii) a married individual entitled under subsection (e) to make joint payments with his spouse, but only if his spouse has not received wages (as defined in section 3401(a)) for the taxable year;

"(B) $10,000 in the case of a married individual entitled under subsection (e) to make joint payments with his spouse, but only if both he and his spouse have received wages (as defined in section 3401(a)) for the taxable year; or

"(C) $5,000 in the case of a married individual not entitled under subsection (e) to make joint payments with his spouse; or

"(2) the gross income can reasonably be expected to include more than $500 from sources other than wages (as defined in section 3401(a)).

Notwithstanding the provisions of this subsection, no payments are required if the estimated tax (as defined in subsection (c)) can reasonably be expected to be less than $300.

"(b) PAYMENT IN INSTALLMENTS.—Any individual required under subsection (a) to make payments of estimated tax (as defined in subsection (c)), shall make such payments in installments as follows:

	The following percentages of the estimated tax shall be paid on the 15th day of the—			
"If the requirements of subsection (a) are met—	1st mo	6th mo	9th mo	1st mo of succeeding taxable year
Before the 1st day of the 4th mo of the taxable year	25	25	25	25
After the last day of the 3d mo and before the 1st day of the 6th mo of the taxable year		33⅓	33⅓	33⅓
After the last day of the 5th mo and before the 1st day of the 9th mo of the taxable year			50	50
After the last day of the 8th mo and before the 1st day of the 12th mo of the taxable year				100

"(c) ESTIMATED TAX DEFINED.—For purposes of this title, in the case of an individual, the term 'estimated tax' means—

"(1) the amount which the individual estimates as the amount of the income tax imposed by chapter 1 for the taxable year (other than the tax imposed by section 55 or 56), plus

"(2) the amount which the individual estimates as the amount of the self-employment tax imposed by chapter 2 for the taxable year, minus

"(3) the amount which the individual estimates as the sum of any credits against tax provided by part IV of subchapter A of chapter 1.

"(d) RECOMPUTATION OF ESTIMATED TAX.—If, after paying any installment of estimated tax, the taxpayer makes a new estimate, the amount of each remaining installment (if any) shall be the amount which would have been payable if the new estimate has been made when the first estimate for the taxable year was made, increased or decreased (as the case may be) by the amount computed by dividing—

"(1) the difference between—

"(A) the amount of estimated tax required to be paid before the date on which the new estimate is made, and

"(B) the amount of estimated tax which would have been required to be paid before

such date if the new estimate had been made when the first estimate was made, by

"(2) the number of installments remaining to be paid on or after the date on which the new estimate is made.

"(e) JOINT PAYMENTS BY HUSBAND AND WIFE.—In the case of a husband and wife, payments under this section may be made by them jointly, in which case the liability with respect to the estimated tax shall be joint and several. No joint payment may be made if either the husband or the wife is a nonresident alien, if they are separated under a decree of divorce or of separate maintenance, or if they have different taxable years. If joint payments are made but a joint return is not made for the taxable year, the estimated tax for such year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

"(f) FARMERS OR FISHERMEN.—Payments of estimated tax required by this section from any individual—

"(1) whose estimated gross income from farming or fishing (including oyster farming) for the taxable year is at least two-thirds of his total estimated gross income from all sources for the taxable year, or

"(2) whose gross income from farming or fishing (including oyster farming) shown on his return for the preceding taxable year is at least two-thirds of the total gross income from all sources shown on such return,

may in lieu of the time prescribed in subsection (b) file a return, for the taxable year for which the estimated tax is payable, and make full payment of the estimated tax on or before March 1 of the succeeding taxable year.

"(g) INSTALLMENTS PAID IN ADVANCE.—Any installment payment of estimated tax required by this section may be made prior to the date prescribed for its payment.

"(h) SHORT TAXABLE YEARS.—The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the Secretary.

"(i) ESTATES AND TRUSTS.—The provisions of this section shall not apply to an estate or trust.

"(j) NONRESIDENT ALIEN INDIVIDUALS.—No payments shall be required to be made under this section by a nonresident alien individual unless—

"(1) withholding under chapter 24 is made applicable to the wages, as defined in section 3401(a), of such individual,

"(2) such individual has income (other than compensation for personal services subject to deduction and withholding under section 1441) which is effectively connected with the conduct of a trade or business within the United States, or

"(3) such individual is a resident of Puerto Rico during the entire taxable year.".

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (6) of section 871(g) (relating to tax on nonresident alien individuals) is amended to read as follows:

"(6) For the requirement that certain nonresident alien individuals pay an estimated income tax, see section 6153(j).".

(2) Paragraph (3) of section 1403(b) (relating to miscellaneous provisions) is amended to read as follows:

"(3) For provisions relating to estimated income tax on self-employment income, see section 6153.".

(3) Paragraph (2) of section 6012(b) (relating to persons required to make returns of income) is amended by striking out "or section 6015(a)".

(4) Paragraph (1) of section 6020(b) (relating to returns prepared for or executed by the Secretary) is amended by striking out "(other than a declaration of estimated tax required under section 6015".

(5) Subsection (d) of section 6651 (relating to failure to file tax return or to pay tax) is amended by striking out "to file a declaration of estimated tax required by section 6015 or".

(6) Section 6654 (relating to failure by individuals to pay estimated income tax) is amended by striking out "section 6073(b)" each place it appears and inserting in lieu thereof "section 6153(f)".

(7) Section 7203 (relating to willful failure to file return, supply information, or pay tax) is amended by striking out "(other than a return required under authority of section 6015)".

(8) Subsection (a) of section 7216 (relating to disclosure or use of information by preparers of returns) is amended to read as follows:

"(a) GENERAL RULE.—Any person who is engaged in the business of preparing or providing services in connection with the preparation of returns of tax imposed by chapter 1 or any person who for compensation prepares any such return for any other person, and who—

"(1) discloses any information furnished to him for, or in connection with, the preparation of any such return, or

"(2) uses any such information for any purpose other than to prepare, or assist in preparing, any such return, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than $1,000, or imprisoned not more than 1 year, or both, together with the costs of prosecution.".

(9) Subparagraph (A) of section 7701(a)(34) (relating to the definition of estimated income tax) is amended by striking out "section 6015(c)" and inserting in lieu thereof "section 6153(c)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 8. REDUCTION OF REDTAPE FOR SMALL BUSINESS.

(a) GENERAL RULE.—Subsection (a) of section 6051 (relating to receipts for employees) is amended—

(1) by striking out "on the day on which the last payment of remuneration is made" and inserting in lieu thereof "within 30 days after receipt of a written request from the employee if earlier"; and

(2) by adding at the end thereof the following new sentence: "In the case of an employee whose employment is terminated before the close of a calendar year, the employer shall furnish the employee, on the day on which the last payment is made, a general written notice stating that (A) the employee may request in writing that such information be provided within 30 days of such request if earlier than January 31, (B) an amount of Federal taxes has been withheld, and (C) if the employee is entitled to a refund, he must file a Federal income tax return based on information which, unless a request is made by the employee, will be sent to the employee at his last known address before January 31 of the next calendar year.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of enactment of this Act.●

By Mr. MOYNIHAN:

S. 851. A bill to amend the Internal Revenue Code to increase the amount that an artist may deduct when he contributes an artistic composition to charity; to the Committee on Finance.

S. 852. A bill to amend the Internal Revenue Code to provide a tax credit for certain contributions of literary, musical, or artistic compositions; to the Committee on Finance.

LEGISLATION RELATING TO DONATION OF CERTAIN ARTISTIC COMPOSITIONS

● Mr. MOYNIHAN. Mr. President, I am introducing two bills that would put right one of the most unfair and unwise provisions of Federal tax law.

Today, when an art collector donates a painting to a museum, he may deduct the market value of the painting from his taxes. But when an artist donates a painting, he may deduct only the cost of the paints and canvas. The same rule applies to the composer who donates a score, and to the writer who donates a manuscript, poem, or other composition, except in their cases a deduction may be taken only for the pen, ink, and paper. This has been the law since 1969.

It is unfair because the artist has given the museum greater value than he is given credit for.

It is unwise because it has left artists with little incentive to place their works in public collections. Daniel Boorstin, the Librarian of Congress, testified before the Finance Committee recently that the Library used to receive 200,000 original manuscripts from writers each year during the 1960's. But since 1969, it has been given only one major gift of self-created material from a living author.

Mr. Boorstin said:

The consequences of the reduced level of acquisitions will have a disastrous effect on scholarship, on the study and appreciation of American civilization.

Authors are now selling their works on the open market, dispersing them among numerous private collectors:

Thus, the material ceases to be available for research in public institutions. Even more alarming, these materials are usually stored where they suffer rapid deterioration and are subject to risks of fire, flood and theft. They are lost forever.

One thing Congress can do would be to let artists deduct the market value of their gifts. It is a simple answer, but it is not a very good one. The trouble is that that was the law before 1969. And we amended the law for good reason: It was abused. Donald Lubick, Assistant Treasury Secretary in the Carter administration, discussed this problem in Senate testimony 2 years ago:

Prior to the Tax Reform Act of 1969, a taxpayer, including an artist, who contributed appreciated property to charity was entitled to a charitable contribution deduction based on fair market value even though the appreciation was never subject to tax. In many cases, this enabled an individual to obtain a benefit through a charitable contribution that would exceed the after-tax proceeds from a sale.

According to Lubick, artists who were in high tax brackets were better off giving away their works than selling them:

For example, assume an individual in a marginal tax bracket of 70 percent owns property worth $100 that has a negligible cost. If the property were sold, the individual would owe $70 in tax and would retain $30. If the property were given to charity, the charitable deduction would reduce the donor's taxes by $70.

The artist earned $70 if he gave away the painting, and only $30 if he sold it.

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That wasn't the only problem. There were others, and a catalog of them can be found in Bittker & Stone, "Federal Income, Estate and Gift Taxation" at pages 197–198. The point is that we cannot just restore pre-1969 law.

Then what is the answer? Let me phrase the question a little differently: What is the correct principle?

I suggest two. The first is that we should allow the artist a tax deduction, but only for what his donation costs him. When an artist in the 70-percent tax bracket donates a painting to a museum, he forfeits the chance to earn 30 percent of the market value. That is all he would be able to keep after taxes if he were to sell the painting, instead. His deduction should be 30 percent.

The cost to each artist is a function of his tax bracket. It is one minus the marginal rate. My bill has tables in it. An artist would simply look at the tables to determine his applicable percentage.

In the alternative, I suggest a second principle. That is that the tax system should be neutral. Taxes should not be a factor when an artist decides what to do with a painting. Unfortunately, under present law, he has an incentive to sell it.

Mr. President, I ask unanimous consent that a table be printed at this point in the RECORD.

There being no objection, the table was ordered printed in the RECORD, as follows:

	Artist in the 70-percent tax bracket			
	Before-tax income	Deduction	Tax	After-tax income
Painting given to charity	$200	0	$140	$60
Painting sold	300	0	210	90
Painting given to charity, but deduction claimed for 30 percent of market value	200	$30	119	81

Mr. MOYNIHAN. Mr. President, the table shows an artist in the 70-percent tax bracket. He has $200 of income and a painting worth $100. Under present law, if he gives the painting to charity, he gets no tax deduction and his aftertax income that year is $60. But if he sells the painting, his aftertax income is $90.

If we want the tax system to be neutral, then we must make the artist's aftertax income the same in both cases. The way to do it is to give him a $30 tax credit when he gives the painting away.

Again, the amount of credit would vary according to each artist's tax bracket. Again, an artist would simply look at a table to determine his "applicable percentage."

My bill places restrictions on the credit. It could only be used to reduce taxes on income from work that the artist sells.

And an artist could not claim more than $2,500 or an amount equal to half his tax liability—whichever is greater—in credit in any one year. Extra credits would be carried over and used in the future. The carryover period is 5 years.

Both bills apply to contributions of "literary, musical, or artistic compositions" to section 501(c)(3) organizations or to Government agencies. However, the artist must obtain a statement in writing from the donee that says that the artwork has artistic significance and that it will be used by the donee in connection with its exempt function. For example, a university could use a sculpture given to it for teaching, but not for decorating the chancellor's office.

Neither bill would change the rules for politicians who make gifts of their official papers. Politicians do not get tax deductions now and they would not in the future.

Both bills have the same effective date: January 1, 1982.

I am offering two bills because I think the two principles I am suggesting are reasonable. They lead to different results; I find it hard to choose between them. Either bill would be an improvement over existing law.

I ask unanimous consent, Mr. President, that the texts of my bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 851

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pen and Ink Act of 1981".

SEC. 2. DEDUCTIONS FOR CONTRIBUTING CERTAIN LITERARY, MUSICAL OR ARTISTIC COMPOSITIONS.

Section 170(e) of the Internal Revenue Code (relating to certain contributions of ordinary income and capital gains property) is amended by adding at the end thereof the following new paragraph—

"(4) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL OR ARTISTIC COMPOSITIONS.—

"(A) QUALIFIED CONTRIBUTIONS.—For an individual who contributes a literary, musical or artistic composition created by his own efforts to an organization described in section 501(c)(3) (that is exempt from tax under section 501(a)) or to a governmental unit described in section 170(c)(1), the amount of charitable contribution taken into account under this section shall be a percentage of the fair market value of such composition determined according to the applicable table.

"(B) APPLICABLE TABLES.—For purposes of subparagraph (A), the applicable table for—

"(i) married individuals and surviving spouses described in section 1(a) is table 1,

"(ii) heads of households described in section 1(b) is table 2,

"(iii) unmarried individuals described in section 1(c) is table 3, and

"(iv) married individuals described in section 1(d) is table 4.

"TABLE 1

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $7,500	86
Over $7,500 but not over $9,600	84
Over $9,600 but not over $13,900	82
Over $13,900 but not over $18,000	79
Over $18,000 but not over $22,200	76
Over $22,200 but not over $26,600	72
Over $26,600 but not over $31,900	68
Over $31,900 but not over $37,200	63
Over $37,200 but not over $47,800	57
Over $47,800 but not over $62,000	51
Over $62,000 but not over $87,600	46
Over $87,600 but not over $111,400	41
Over $111,400 but not over $164,400	36
Over $164,400 but not over $217,400	32
Over $217,400	30

"TABLE 2

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $6,400	86
Over $6,400 but not over $8,500	84
Over $8,500 but not over $10,700	82
Over $10,700 but not over $13,800	78
Over $13,800 but not over $17,000	76
Over $17,000 but not over $20,200	74
Over $20,200 but not over $25,500	69
Over $25,500 but not over $30,800	64
Over $30,800 but not over $36,100	58
Over $36,100 but not over $46,700	54
Over $46,700 but not over $62,600	46
Over $62,600 but not over $83,800	41
Over $83,800 but not over $110,300	37
Over $110,300 but not over $163,300	32
Over $163,300	30

"TABLE 3

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $4,400	86
Over $4,400 but not over $5,400	84
Over $5,400 but not over $7,500	82
Over $7,500 but not over $9,500	81
Over $9,500 but not over $11,800	79
Over $11,800 but not over $13,900	76
Over $13,900 but not over $16,000	74
Over $16,000 but not over $19,200	70
Over $19,200 but not over $24,500	66
Over $24,500 but not over $29,800	61
Over $29,800 but not over $35,100	56
Over $35,100 but not over $42,500	51
Over $42,500 but not over $56,300	45
Over $56,300 but not over $82,800	37
Over $82,800 but not over $109,300	32
Over $109,300	30

"TABLE 4

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $3,750	86
Over $3,750 but not over $4,800	84
Over $4,800 but not over $6,950	82
Over $6,950 but not over $9,000	79
Over $9,000 but not over $11,100	76
Over $11,100 but not over $13,300	72
Over $13,300 but not over $15,950	68
Over $15,950 but not over $18,600	63
Over $18,600 but not over $23,900	57
Over $23,900 but not over $31,000	51
Over $31,000 but not over $43,800	46
Over $43,800 but not over $55,700	41
Over $55,700 but not over $82,200	36
Over $82,200 but not over $108,700	32
Over $108,700	30

"(C) CERTIFICATION REQUIRED.—This paragraph shall not apply unless the individual receives from the donee a written statement that the donated composition represents material of artistic, musical or literary significance and that the use of such composition by the donee will be related to the purpose or function constituting the basis for its exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described in section 170(c)(2)(B)).

"(D) CERTAIN LETTERS, MEMORANDA, OR SIMILAR PROPERTY PREPARED BY GOVERNMENT OFFICIALS.—This paragraph shall not apply to a contribution by an individual of a letter, memorandum, or similar property that was written, prepared, or produced by or for the individual while he held an office under the Government of the United States or of any State or political subdivision thereof if the writing, preparation, or production of such property was related to the performaince of the duties of such office.".

SEC. 3. EFFECTIVE DATE.

The amendment made by this Act shall apply to taxable years beginning after December 31, 1981.

S. 852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pen and Ink Act of 1981".

SEC. 2. CREDIT FOR CONTRIBUTING CERTAIN LITERARY, MUSICAL OF ARTISTIC COMPOSITIONS.

Subpart A of part IV of subchapter A of Chapter 1 of the Internal Revenue Code (relating to credits allowable) is amended by inserting before section 45 the following new section—

"SEC. 44F. CREDIT FOR CONTRIBUTING CERTAIN LITERARY, MUSICAL OR ARTISTIC COMPOSITIONS.

"(a) GENERAL RULE.—In the case of an individual who contributes a literary, musical or artistic composition created by his own efforts to an organization described in section 501(c)(3) (that is exempt from tax under section 501(a)) or to a governmental unit described in section 170(c)(1), there shall be allowed a credit against the tax imposed by this chapter. The credit shall be a percentage of the fair market value of such composition determined according to the applicable table.

"(b) APPLICABLE TABLES.—For purposes of subsection (a), the applicable table for—

"(1) married individuals and surviving spouses described in section 1(a) is table 1,

"(2) heads of households described in section 1(b) is table 2,

"(3) unmarried individuals described in section 1(c) is table 3, and

"(4) married individuals described in section 1(d) is table 4.

"TABLE 1

"If the adjusted income is:	The percentage is:
Over $0 but not over $7,500	86
Over $7,500 but not over $9,600	84
Over $9,600 but not over $13,900	82
Over $13,900 but not over $18,000	79
Over $18,000 but not over $22,000	76
Over $22,200 but not over $26,600	72
Over $26 600 but not over $31,900	68
Over $31,900 but not over $37,200	63
Over $37,200 but not over $47,800	57
Over $47,800 but not over $62,000	51
Over $62,000 but not over $87,600	46
Over $87,600 but not over $111,400	41
Over $111,400 but not over $164,400	36
Over $164,400 but not over $217,400	32
Over $217,400	30

"TABLE 2

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $6,400	86
Over $6,400 but not over $8,500	84
Over $8,500 but not over $10,700	82
Over $10,700 but not over $13,800	78
Over $13,800 but not over $17,000	76
Over $17,000 but not over $20,200	74
Over $20,200 but not over $25,500	69
Over $25,500 but not over $30,800	64
Over $30,800 but not over $36,100	58
Over $36,100 but not over $46,700	54
Over $46,700 but not over $62,600	46
Over $62,600 but not over $83,800	41
Over $83 800 but not over $110,300	37
Over $110,300 but not over $163,300	32
Over $163,300	30

"TABLE 3

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $4,400	86
Over $4,400 but not over $5,400	84
Over 5,400 but not over $7,500	82
Over $7,500 but not over $9,500	81
Over $9,500 but not over $11,800	79
Over $11,800 but not over $13,900	76
Over $13,900 but not over $16,000	74
Over $16,000 but not over $19,200	70
Over $19,200 but not over $24,500	66
Over $24,500 but not over $29,800	61
Over $29,800 but not over $35,100	56
Over $35,100 but not over $42,500	51
Over $42,500 but not over $56,300	45
Over $56,300 but not over $82,800	37
Over $82,800 but not over $109,300	32
Over $109,300	30

"TABLE 4

"If the adjusted gross income is:	The percentage is:
Over $0 but not over $3,750	86
Over $3,750 but not over $4,800	84
Over $4,800 but not over $6,950	82
Over $6,950 but not over $9,000	79
Over $9,000 but not over $11,100	76
Over $11,100 but not over $13,300	72
Over $13,300 but not over $15,950	68
Over $15,950 but not over $18,600	63
Over $18,600 but not over $23,900	57
Over $23,900 but not over $31,000	51
Over $31,000 but not over $43,800	46
Over $43,800 but not over $55,700	41
Over $55,700 but not over $82,200	36
Over $82,200 but not over $108,700	32
Over $108,700	30

"(c) LIMITATIONS.

"(1) CREDIT MAY BE USED ONLY TO REDUCE TAX ON ARTS INCOME.—The amount of credit allowed under subsection (a) for the taxable year shall not exceed the amount of tax on the taxpayer's income from sales of literary, musical or artistic compositions.

"(2) MAXIMUM CREDIT.—The amount of credit allowed under subsection (a) for the taxable year shall not exceed the greater of—

"(A) $2,500 or

"(B) half of the taxpayer's liability for tax under this chapter for the taxable year.

"(d) FIVE-YEAR CARRYOVER OF EXCESS CREDITS.—If the amount of credit allowed by subsection (a) for any taxable year exceeds the limits imposed by subsection (c), then the excess shall be added to the amount allowed as a credit in the next five succeeding taxable years to the extent that it may be used in those years.

"(e) CERTIFICATION REQUIRED.—This section shall not apply unless the individual receives from the donee a written statement that the donated composition represents material of artistic, musical or literary significance and that the use of such composition by the donee will be related to the purpose or function constituting the basis for its exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described in section 170(c)(2)(B)).

"(f) CERTAIN LETTERS, MEMORANDA OR SIMILAR PROPERTY BY GOVERNMENT OFFICIALS.—This section shall not apply to a contribution by an individual of a letter, memorandum, or similar property that was written, prepared, or produced by or for the individual while he held office under the government of the United States or of any State or political subdivision thereof if the writing, preparation, or production of such property was related to the performance of the duties of such office.".

SEC. 3. CONFORMING AND TECHNICAL AMENDMENTS.

(a) Section 170(e) of the Internal Revenue Code (relating to certain contributions of ordinary income and capital gains property) is amended by inserting at the end thereof the following—

"(4) DENIAL OF DEDUCTION FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL OR ARTISTIC COMPOSITIONS.—No deduction shall be allowed under this section for any contribution for which a credit is claimed under section 44F.".

(b) The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Code is amended by inserting immediately before the item relating to section 45 the following—

"(6) section 44F (relating to credit for contributing certain literary, musical or artistic compositions,"

(c) Section 42(b) of the Code (relating to the general tax credit) is amended by striking out "and" at the end of paragraph (4), by inserting "and" at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph—

"(6) section 44F (relating to credit for contributing certain literary, musical of artistic compositions),"

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1981.●

By Mr. MOYNIHAN:

S. 853. A bill to amend the Social Security Act to provide that the Federal Government will gradually take over the local share of AFDC and medicaid costs if States meet certain minimum AFDC benefit requirements, and for other purposes; to the Committee on Finance.

WELFARE AND MEDICAID FISCAL ASSISTANCE PROGRAM ACT OF 1981

● Mr. MOYNIHAN. Mr. President, when the National Governors' Association announced its support for President Reagan's budget and legislative agenda, it stressed one important exception to its approval:

The Federal Government, as the Governors have long maintained, should move toward primary responsibility for welfare and medicaid. . . .

The Governors are not alone in their belief that welfare and medicaid are properly the province of the Federal Government: The Democratic Party has maintained this for more than 10 years. As a member of the 1980 Democratic Party Platform Committee, I proposed that our party pledge itself again to carry out this commitment. The 1980 platform states, inter alia:

The nation's welfare system continues to be inequitable and archaic . . . States and cities which make an honest effort to meet the welfare crisis find themselves in deepening fiscal difficulty. . . . The fiscal crisis of welfare recipients has also deepened . . . The fiscal crisis for taxpayers continues. . . . We are at a crossroad in the delivery of welfare. Serious reform is necessary. . . .

This commitment has not yet been kept. But that does not reflect upon the significance of the problem underlying the need for Federal assumption of welfare costs. For the problem grows larger, ineluctably larger, each day.

The States bear an ever-heavier burden in paying their share of welfare costs, particularly of aid to families with dependent children (AFDC) and medicaid. The National Journal of January 10, 1981, quotes North Carolina Medicaid Supervisor Barbara Matula likening medicaid to "an amoeba that just keeps gobbling up State resources. It will * * * continue to take up a disproportionate share of money available until the State reaches a fiscal crisis."

In a number of States, particularly New York, local governments are all but devastated by their share of these costs. As New York City Mayor Edward Koch stated before the Democratic Convention on August 11, 1980—

If we did not have to bear this burden, we would have no trouble balancing our budget.

In the meantime, the condition of the millions of needy persons who depend upon these programs for their income and their health care continues to worsen. The National Urban League's state of black America 1980 reported that:

(M)ost AFDC payments have been significantly eroded by inflation . . . (B)etween 1973 and 1979, the average state maximum for a family of four without other income (in constant 1979 dollars) dropped from $424 to $349 a month.

In New York, the basic cash allowance for a family of four was set at $258 a month—exclusive of shelter—in 1974. It remains $258 today. In that time, consumer prices have increased by 64 percent. Sensible of this erosion, the State senate, upon Gov. Hugh Carey's urging, approved a 15-percent increase in AFDC benefits. This hardly compensates for the large drop in the benefits' real value. But even this small rise will cost the State an additional $120 million in 1982.

And that is merely the beginning. Only to illustrate this do I mention that data I have published in the spring 1981 issue of the Journal of Socioeconomic Issues show that dependency has increased astonishingly. Permit me to quote:

It appears that one-half of the children now being born are likely to live in female-headed households at some point prior to their 18th birthday. This includes 40 percent of majority children and 75 percent of minority children.

Two-thirds of female-headed households with children now receive AFDC payments.

Before their 18th birthday, one-third of all children now being born are likely to live in a female-headed household receiving AFDC payments.

One-third of all children. A third of our children dependent upon their State governments—which set benefit levels—for an even less adequate level of subsistence. Inadequate not because their governments are mean spirited, but because they cannot afford anything more.

The bill I introduce today would fundamentally change this. It would remove the burden of welfare and medicaid financing from local governments, and would substantially ease the burden on State governments. But this higher level of Federal reimbursement is available only to those States that provide AFDC and food stamp benefits in excess of three-quarters of the federally determined poverty line.

The bill's hold harmless provision insures that State costs will not increase because of this minimum benefit level; if the cost of meeting the minimum benefit exceeds the higher reimbursement rate, the Federal Government is responsible for the difference. States will be able—will be encouraged—to provide a decent level of cash assistance and health care for their neediest residents.

This is an easily understood bill, similar to legislation I introduced in the 96th Congress. It simply changes the minimum Federal reimbursement level under the "Medicaid formula" (which governs both the medicaid and AFDC programs) from 50 percent to 75 percent in fiscal 1982, rising to 90 percent in fiscal 1985 and thereafter. The bill requires that the additional Federal funding be "passed through" to localities in those States that now require local cost-sharing in amounts sufficient to eliminate the local share. When fully implemented, the State (or State-local) share of expenditures for medicaid would be only 10 percent (down from the present average of 44 percent) and the State (or State-local) share of AFDC cash benefits would also be 10 percent (down from the present average of 46 percent).

The essential purpose of this bill, the welfare and medicaid fiscal assistance program, is to assign the primary responsibility to the Federal Government of paying for both welfare and medicaid. This is entirely consistent with the stated policy recommendations of the National Governors Association. It is not a complete transfer of fiscal responsibility, for so long as the States retain the task of administering these programs (and of setting cash assistance levels, above a federally-prescribed floor) they must retain a fiscal stake in them. The 10-percent share envisioned in this bill is quite sufficient for that purpose.

I would add, however, that I would welcome complete Federal assumption of the administrative and fiscal responsibility for both sets of activities. That is how social security, disability, SSI and medicare work and is, I believe, the proper permanent locus for cash assistance to dependent children and for medical care for the needy as well. Short of that large structural change, a realinement of fiscal responsibility would constitute a major improvement.

I urge its favorable consideration and its enactment.●

By Mr. PERCY:

S. 854. A bill to promote the orderly conduct of international relations by facilitating the operation of foreign missions in the United States, thereby promoting the secure and efficient operation of the U.S. missions abroad; to the Committee on Foreign Relations.

FOREIGN MISSIONS ACT OF 1982

Mr. PERCY. Mr. President, today I am introducing a bill which I call the Foreign Missions Act of 1982. An identical bill is being introduced in the House of Representatives by Congressman DANTE FASCELL of Florida.

This legislation is designed to provide the means to remedy a serious and growing imbalance between the treatment accorded in many countries to official missions of the United Stataes abroad, and that made available to foreign government missions in the United States. At present the Department of State lacks authority compared to that enjoyed by many other governments to enforce reciprocity in an appropriate manner.

In an increasing number of countries, for example, the United States is denied suitable locations for our missions or long-term rights to property or facilities, often resulting in diminished security, excessive or discriminatory costs, or inadequate facilities which significantly reduce the effectiveness of our missions. For example:

In the Soviet Union and East European countries, the United States is barred from purchasing office and residential properties and is required to obtain all facilities through government controlled sources. In many cases these are either inadequate, excessively costly, or both, or denied arbitrarily. However, in the United States, these governments are allowed to purchase both types of property in Washington, D.C. All own either office or residential space.

Venezuela will not allow the Department to purchase staff housing units in the capital city, which imposes difficulties on the functioning of the mission, but the Venezuelans are purchasing housing in the greater Washington metropolitan area for official purposes.

Kuwait, Bahrain, and the United Arab Emirates will not allow the United States to purchase badly needed staff housing sites which would allow residential construction and elimination of exorbitant short-term lease charges. Yet these same governments own residential units in our capital area. For example, in Doha, Qatar, it costs the U.S. Government $33,000 per year to lease living quarters for a single secretary.

In Indonesia, the government has determined that the U.S. Government may no longer own its more than 20 properties and is now in the process of converting these to long-term leaseholds. The new ground rents will be considerable. Indonesia is free to buy, lease, and sell in the United States.

In Algeria, a prior expropriation of U.S. property remains unresolved. Our present facilities are very inadequate and our efforts to secure long-term office and residential properties have met with negative results.

Our Embassies in the Soviet Union, East European, and other countries with state directed economies are required to deal through service organizations within the Ministries of Foreign Affairs for practically all administrative support and services, that is, housing, maintenance, utilities, employees, tickets for cultural and athletic performances, travel, et cetera. These organizations often impose a substantial surcharge for often unnecessary or unwanted "services." The total cost to the U.S. Government and its employees amounts to hundreds of thousands of dollars annually. For example, the Soviets charge diplomatic personnel but not tourists a "fee"—equal to one night's lodging—for holding a hotel reservation. Thus, a traveler is required to pay for 1 extra day of lodging regardless of the amount of time the room was occupied.

In many areas of the world, both the U.S. Government and its employees encounter serious inequities regarding the import or export of privately owned vehicles and other personal effects. Employees of these governments' foreign mission in the United States do not face these same restrictions; problems exist, for example, in Mexico, Venezuela, Singapore, Guatemala, and at many Embassies in the Near East.

At the same time, missions of those same countries are allowed in the United States to acquire property and goods freely or obtain benefits or public services, often without limitation. The U.S.

Government and its personnel are often confronted by serious inequities concerning the payment of taxes on goods and services obtained in the host country. For example, in Chile and Malta the Embassy is not exempt from the payment of a gasoline tax of 48 cents and 25 cents per gallon, respectively. In Yugoslavia the Embassy is required to pay a 27.5-percent tax on heating oil.

A number of countries also require a transaction tax on certain construction materials. An example is Portugal where the imposition of this tax may greatly increase the cost of the new Embassy being constructed in Lisbon. In New Delhi, all Embassy administrative and support staff and specialized staff such as Library of Congress personnel do not receive duty-free import privileges and are not exempt from customs inspection and imposition of certain taxes, despite their performance of official functions for the United States.

In most cases, the Department lacks authority to impose similar restrictions or conditions on those or other countries in the United States. Instead it can only take far more extreme action such as barring the country concerned from using property it may acquire or declaring some persons persona non grata. These remedies are not suitable for such situations and are therefore rarely used.

The proposed Foreign Missions Act provides mechanisms whereby the operations of foreign missions in the United States and the benefits available to them from Federal, State, and local authorities, public utilities and private persons may be cleared through the Federal Government and adjusted according to U.S. needs abroad as well as national security interests at home.

In this way, the conditions under which foreign missions operate in the United States can be made to reflect the conditions under which missions of the United States are required to operate in the countries represented by such foreign missions. As a result, the foreign governments represented by mission in the United States will have an incentive to provide fair, equitable and nondiscriminatory treatment to U.S. missions and personnel in their territory, thus contributing to significant savings in the costs of operating U.S. missions, improved working conditions for U.S. personnel, and mutual respect in our foreign relations. The bill's authorities may also be applied to international organizations to a limited extent where necessary to give effect to the policy of the bill.

Specifically, the bill sets up an independent Office of Foreign Missions within the Department of State. The Office is to be headed by a Director appointed by the Secretary of State. The Director will carry out his or her responsibilities under the general supervision and direction of the Secretary. The Secretary is prohibited from delegating supervisory authority over the Director to any official below the rank of Under Secretary.

This organizational structure seeks to reconcile two competing policy interests. On the one hand, the operation of foreign missions in the United States is an important aspect of the conduct of foreign affairs and should be directly under the supervision of the Secretary of State. On the other hand, responsibility for the hard decisions to deny or impose conditions on benefits desired by foreign missions should be somewhat insulated from the operating bureaus in the State Department which deal with foreign missions on substantive issues on a daily basis. These concerns will be met effectively by placing the responsibility in the State Department and by precluding supervision of its exercise by any of the operating bureaus. The Office will be staffed by Foreign Service members, other Government employees, experts and consultants as necessary.

The Secretary of State will set the terms and conditions under which benefits may be granted or denied a foreign mission. Such actions will be governed by the need for reciprocity or other factors in our relations with other nations. The purposes served include the following:

Facilitating relations between the United States and a sending state.

Protecting U.S. interests.

Adjusting for costs and procedures of obtaining benefits for missions of the United States abroad.

Assisting in resolving disputes involving a foreign mission or sending state.

In carrying out the provisions of the bill, the Director is authorized to assist Federal, State, and municipal governments with regard to ascertaining and according benefits, privileges and immunities to foreign missions. The activities covered include the execution or performance of any contract or agreement, the acquisition or retention of any real property, or the application for or acceptance of any benefit, including benefits from any Federal, State, or municipal authority, or any entity providing public services; for example, utility and telephone company.

The bill specifically provides that the terms and conditions set by the Secretary may include a requirement to pay the Director a surcharge or fee, which would be deposited in the working capital fund of the Department of State to be used in carrying out the provisions of the bill. In addition, the Secretary may require a waiver by any foreign mission of any recourse against any governmental authority, public service entity, agent or employee thereof, in connection with actions taken under the provisions of the bill. This will protect companies from lawsuits and will thus enable the Director to carry out the provisions of the bill more effectively.

The bill also provides that issues concerning the location of foreign missions in the District of Columbia be settled by the National Capital Planning Commission, on which Federal, city, and citizen interests are represented. In order to insure full discussion, public hearings are required.

Mr. President, I urge my colleagues to support this bill, which is designed to achieve more balance between the treatment accorded U.S. missions overseas and that given foreign missions in the United States. I ask unanimous consent that this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the State Department Basic Authorities Act of 1956 is amended by striking out "That the Secretary" in the first section and inserting in lieu thereof the following:

"TITLE I—BASIC AUTHORITIES GENERALLY

"SECTION 1. The Secretary".

(b) That Act is further amended by adding at the end thereof the following:

"TITLE II—AUTHORITIES RELATING TO THE REGULATION OF FOREIGN MISSIONS

"DECLARATION OF FINDINGS AND POLICY

"SEC. 201. (a) The Congress finds that the operation in the United States of foreign missions and public international organizations and the official missions to such organizations, including the permissible scope of their activities and the location and size of their facilities, is a proper subject for the exercise of Federal jurisdiction.

"(b) The Congress declares that it is the policy of the United States to support the secure and deficient operation of United States missions abroad, to facilitate the secure and efficient operation in the United States of foreign missions and public international organizations and the official missions to such organizations, and to assist in obtaining appropriate benefits, privileges, and immunities for those missions and organizations and to require their observance of corresponding obligations in accordance with international law.

"(c) The assistance to be provided to a foreign mission in the United States shall be determined after due consideration of the benefits, privileges, and immunities provided to missions of the United States in the country or territory represented by that foreign mission.

"DEFINITIONS

"SEC. 202. (a) For purposes of this title—

"(1) 'benefit' (with respect to a foreign mission) means any acquisition, or authorization for an acquisition, in the United States by or for a foreign mission, including the acquisition of—

"(A) real property by purchase, lease, exchange, construction, or otherwise,

"(B) public services, including services relating to customs, importation, and utilities, and the processing of applications or requests relating to public services,

"(C) supplies, maintenance, and transportation,

"(D) locally engaged staff on a temporary or regular basis,

"(E) travel and related services, and

"(F) protective services,

and includes such other benefits as the Secretary may designate;

"(2) 'chancery' means the principal offices of a foreign mission used for diplomatic or related purposes, and annexes to such offices (including ancillary offices and support facilities), and includes the site and any building on such site which is used for such purposes;

"(3) 'Director' means the Director of the Office of Foreign Missions established pursuant to section 203(a);

"(4) 'foreign mission' means any official

mission to the United States involving diplomatic, consular, or other governmental activities of—

"(A) a foreign government, or

"(B) an organization (other than an international organization, as defined in section 209(b) of this title) representing a territory or political entity which has been granted diplomatic or other official privileges and immunities under the laws of the United States,

including any real property of such a mission and including the personnel of such a mission;

"(5) 'real property' includes any right, title, or interest in or to, or the beneficial use of, any real property in the United States, including any office or other building;

"(6) 'Secretary' means the Secretary of State;

"(7) 'sending State' means the foreign government, territory, or political entity represented by a foreign mission; and

"(8) 'United States' means, when used in a geographic sense, the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"(b) Determinations with respect to the meaning and applicability of the terms used in subsection (a) shall be committed to the discretion of the Secretary.

"OFFICE OF FOREIGN MISSIONS

"SEC. 203. (a) The Secretary shall establish an Office of Foreign Missions as an independent office within the Department of State. The Office shall be headed by a Director, appointed by the Secretary, who shall perform his or her functions under the supervision and direction of the Secretary. The Secretary may delegate this authority for supervision and direction of the Director only to the Deputy Secretary of State or an Under Secretary of State.

"(b) The Secretary may authorize the Director to—

"(1) assist agencies of Federal, State, and municipal government with regard to ascertaining and according benefits, privileges, and immunities to which a foreign mission may be entitled;

"(2) provide or assist in the provision of benefits for or on behalf of a foreign mission in accordance with section 204; and

"(3) perform such other functions as the Secretary may determine necessary in furtherance of the policy of this title.

"PROVISION OF BENEFITS

"SEC. 204. (a) Upon the request of a foreign mission, benefits may be provided to or for that foreign mission by or through the Director on such terms and conditions as the Secretary may approve.

"(b) The Secretary may require a foreign mission to obtain benefits from or through the Director on such terms and conditions as the Secretary may approve, if the Secretary determines that such action is reasonably necessary on the basis of reciprocity or otherwise—

"(1) to facilitate relations between the United States and a sending State;

"(2) to protect the interests of the United States;

"(3) to adjusts for costs and procedures of obtaining benefits for missions of the United States abroad; or

"(4) to assist in resolving a dispute affecting United States interests and involving a foreign mission or sending State.

"(c) The Secretary may require any foreign mission to comply with such terms and conditions as the Secretary may determine as a condition to the execution or performance in the United States of any contract or other agreement; the acquisition, retention, or use of any real property or the application for or acceptance of any benefit (including any benefit from or authorized by any Federal, State, or municipal governmental authority, or any entity providing public services).

"(d) Terms and conditions established by the Secretary under this section may include—

"(1) a requirement to pay to the Director a surcharge or fee, and

"(2) a waiver by a foreign mission (or any assignee of or person deriving rights from a foreign mission) of any recourse against any governmental authority, any entity providing public services, any employee or agent of such an authority or entity, or any other person, in connection with any action determined by the Secretary to be undertaken in furtherance of this title.

"(e) For purposes of effectuating a waiver of recourse which is required under this section, the Secretary may designate the Director or any other officer of the Department of State as the agent of a foreign mission (or of any assignee of or person deriving rights from a foreign mission). Any such waiver by an officer so designated shall for all purposes (including any court or administrative proceeding) be deemed to be a waiver by the foreign mission (or the assignee of or other person deriving rights from a foreign mission).

"PROPERTY OF FOREIGN MISSIONS

"SEC. 205. (a)(1) The Secretary may require any foreign mission to notify the Director prior to any proposed acquisition, or any proposed sale or other disposition, of any real property by or on behalf of such mission. If such a notification is required, the foreign mission (or other party acting on behalf of the foreign mission) may initiate or execute any contract, proceeding, application, or other action required for the proposed action—

"(A) only after the expiration of the sixty-day period beginning on the date of such notification (or after the expiration of such shorter period as the Secretary may specify in a given case); and

"(B) only if the mission is not notified by the Secretary within that period that the proposal has been disapproved; however, the Secretary may include in such a notification such terms and conditions as the Secretary may determine appropriate in order to remove the disapproval.

"(2) For purposes of this section, 'acquisition' includes any acquisition or alteration of, or addition to, any real property or any change in the purpose for which real property is used by foreign mission.

"(b) The Secretary may require any foreign mission to divest itself of, or forego the use of, any real property determined by the Secretary—

"(1) not to have been acquired in accordance with this section; or

"(2) to exceed limitations placed on real property available to a United States mission in the sending State.

"(c) If a foreign mission has ceased conducting diplomatic, consular, and other governmental activities in the United States and has not designated a protecting power or other agent approved by the Secretary to be responsible for the property of that foreign mission, the Secretary—

"(1) until the designation of a protecting power or other agent approved by the Secretary, may protect and preserve any property of that foreign mission; and

"(2) may authorize the Director to dispose of such property at such time as the Secretary may determine after the expiration of the one-year period beginning on the date that the foreign mission ceased those activities, and may remit to the sending State the net proceeds from such disposition.

"LOCATION OF FOREIGN MISSIONS

"SEC 206. (a) In order to ensure the fulfillment of the international obligations of the United States and fulfillment of the policy of this title, and to ensure the orderly development of the national capital, the location, height, bulk, number of stories, and size of any building or other real property of a foreign mission in the District of Columbia, and the provision for open space in and around any such building or other property, shall be subject to approval by the National Capital Planning Commission (hereafter in this section referred to as the 'Commission'). This subsection does not apply with respect to a building or other real property of a foreign mission if the Commission determines that the property will only be used by a party other than a foreign mission and will only be used for activities that do not involve the diplomatic, consular, or other governmental activities of a foreign mission.

"(b) Any determination by the Commission pursuant to subsection (a) of this section which involves approval of the location of or a use of real property for a chancery, or involves approval of site and building plans for a chancery, shall be considered rulemaking under section 553 of title 5, United States Code, and shall be based solely on the following criteria:

"(1) the Federal interest;

"(2) the chancery is an area (A) of predominantly office use, (B) of mixed use, including residential, commercial, office, or institutional use, (C) of medium or high density residential use, or (D) in reasonable proximity to streets on which existing chanceries are concentrated;

"(3) historic preservation (as determined in accordance with regulations issued by the Commission in carrying out this section);

"(4) the extent to which the area will be served by public transit to reduce parking requirements;

"(5) the extent to which the area will have adequate public facilities, utilities, and services, including streets, street lighting, water, sewer, electricity, telephone, and refuse collection;

"(6) the area is capable of being adequately protected, as determined by a Federal agency authorized to perform protective services; and

"(7) the municipal interest.

Any other determination by the Commission with respect to real property of a foreign mission pursuant to subsection (a) of this section shall be based solely on the criteria specified in paragraphs (1), (3), (6), and (7), and such other criteria as the Commission may by regulation establish.

"(c) In any proceeding with respect to real property of a foreign mission pursuant to subsection (a) of this section—

"(1) a determination by the Secretary as to the Federal interest shall be given substantial weight; and

"(2) a determination by the Mayor of the District of Columbia as to the municipal interest shall be given substantial weight.

"(d) In any proceeding with respect to real property of a foreign mission pursuant to subsection (a) of this section, the final determination with respect to approval of a location or use or approval of site and building plans shall be made not later than 5 months after the date of filing an application for such approval.

"PREEMPTION

"SEC. 207. Notwithstanding any other provision of law, no act of any Federal agency or of any State or municipal governmental authority shall be effective to confer or deny any benefits with respect to any foreign mission contrary to this title.

"GENERAL PROVISIONS

"SEC. 208. (a) The Secretary may issue such regulations as the Secretary may determine necessary to carry out the policy of this title.

"(b) Compliance with any regulation, instruction, or direction issued by the Secretary

under this title shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court or administrative proceeding for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this title, or any regulation, instruction, or direction issued by the Secretary under this title.

"(c) For purposes of administering this title, the Secretary may—

"(1) employ experts and consultants in accordance with section 3109 of title 5, United States Code, at rates not to exceed the rate payable for level IV of the Executive Schedule, under contracts which may be renewed annually;

"(2) obtain without regard to the provisions of law governing appointments in the competitive service, by appointment or contract (subject to availability of funds), the services of individuals to provide technical and professional services required to carry out the functions of the Director; and

"(3) accept details and assignments of employees of Federal agencies to the Office of Foreign Missions on a reimbursable or nonreimbursable basis (with any such reimbursements to be credited to the appropriations made available for the salaries and expenses of officers and employees of the employing agency).

"(d) Contracts and subcontracts for supplies or services (except for personal services), made by or on behalf of the Director, shall be made after advertising, in such manner and at such times as the Secretary shall determine to be adequate to ensure notice and opportunity for competition, except that advertisement shall not be required when (1) the Secretary determines that it is impracticable or will not permit timely performance to obtain bids by advertising, or (2) the aggregate amount involved in a purchase of supplies or procurement of services does not exceed $10,000. Such contracts and subcontracts may be entered into without regard to laws and regulations otherwise applicable to solicitation, negotiation, administration, and performance of government contracts. In awarding contracts, the Secretary may consider such factors as relative quality and availability of supplies or services and the compatability of the supplies or services with implementation of this title.

"(e) The head of any Federal agency may, for purposes of this title—

"(1) transfer or loan any property to, and perform administrative and technical support functions and services for the operations of, the Office of Foreign Missions (with reimbursements to agencies under this paragraph to be credited to the current applicable appropriation of the agency concerned); and

"(2) acquire and accept services from the Office of Foreign Missions, including (whenever the Secretary determines it to be in furtherance of the purposes of this title) acquisitions without regard to laws normally applicable to the acquisition of services by such agency.

"(f) Assets of or under the control of the Office of Foreign Missions, wherever situated, which are used by or held for the use of a foreign mission shall not be subject to attachment, execution, injunction, or similar process, whether intermediate or final.

"(g) Except as otherwise provided, any determination required under this title shall be committed to the discretion of the Secretary. Except as provided in the first sentence of section 206(b), actions taken under the authority of this title shall not be considered rulemaking within the meaning of section 553 of title 5, United States Code.

"(h)(1) In order to implement this title, the Secretary may transfer such amounts available to the Department of State as may be necessary to the working capital fund established by section 13 of this Act.

"(2) Notwithstanding any other provision of law, all revenues, including proceeds from gifts and donations, received by the Director or the Secretary in carrying out this title may be credited to the working capital fund established by section 13 of this Act and shall be available for purposes of this title in accordance with that section.

"APPLICATION TO PUBLIC INTERNATIONAL ORGANIZATIONS AND OFFICIAL MISSIONS TO SUCH ORGANIZATIONS

"SEC. 209. (a) The Secretary may make section 206, or any other provision of this title, appplicable with respect to an international organization to the same extent that it is applicable with respect to a foreign mission if the Secretary determines, after consultation with the international organization, that such application is necessary to carry out the policy set forth in section 201(b) and to further the objectives set forth in section 204(b).

"(b) For purposes of this section, 'international organization' means—

"(1) a public international organization designated as such pursuant to the International Organizations Immunities Act (22 U.S.C. 288–288f–2) or other law authorizing such status; and

"(2) an official mission (other than a United States mission) to such a public international organization, including any real property of such an organization or mission and including the personnel of such an organization or mission.

"PRIVILEGES AND IMMUNITIES

"SEC. 210. Nothing in this title shall be construed to limit the authority of the United States to carry out its international obligations, or to supersede or limit immunities otherwise available by law. No act or omission by any foreign mission, public international organization, or official mission to such an organization, in compliance with this title, shall be deemed to be an implied waiver of any immunity otherwise provided for by law.

"ENFORCEMENT

"SEC. 211. It shall be unlawful for any person to make available any benefits to a foreign mission contrary to this title. This section shall be enforceable in any appropriate district court of the United States by injunctive or other equitable relief upon application by the Attorney General.

"SEVERABILITY

"SEC. 212. If any provision of this title or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of such provision to any other person or circumstance shall not be affected thereby.".

(c) Section 13 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2684) is amended in the first sentence by striking out "and" following the semicolon at the end of clause (3), and by inserting immediately before the period at the end thereof "; and (5) services and supplies to carry out title II of this Act".

(d)(1) Subparagraph (A) of section 2(1) of the Diplomatic Relations Act (22 U.S.C. 254a(1)(A)) is amended to read as follows:

"(A) the head of a mission and those members of a mission who are members of the diplomatic staff or who, pursuant to law, are granted equivalent privileges and immunities,".

(2) Section 3(b) of such Act (22 U.S.C. 254b) is amended to read as follows:

"(b) With respect to a nonparty to the Vienna Convention, the mission, the members of the mission, their families, and diplomatic couriers shall enjoy the privileges and immunities specified in the Vienna Convention.".

(3) Section 4 of such Act (22 U.S.C. 254c) is amended—

(A) by inserting "the mission, the" immediately after "immunities for"; and

(B) by striking out "of any sending state".

(4) Section 1364 of title 28, United States Code, is amended by striking out "as defined in the Vienna Convention on Diplomatic Relations" and inserting in lieu thereof "within the meaning of section 2(3) of the Diplomatic Relations Act (22 U.S.C. 254a(3))".

(e) The Act of June 20, 1938 (Public Law 684, 75th Congress; 52 Stat. 797) is amended—

(1) in section 6 by striking out "(a)", and by striking out subsections (b), (c), (d), and (e); and

(2) in section 16 by adding at the end thereof the following new sentence: "In addition, the provisions of this Act shall not apply to any real property to which section 206(a) of the State Department Basic Authorities Act of 1956 (relating to foreign missions) is applicable.".

By Mr. MOYNIHAN:

S. 855. A bill to amend the Social Security Act to revise the AFDC and medicaid matching formula for States which meet certain minimum AFDC benefit requirements, and for other purposes; to the Committee on Finance.

MEDICAID FORMULA MODERNIZATION ACT OF 1981

● Mr. MOYNIHAN. Mr. President, I am today introducing the Medicaid Formula Modernization Act of 1981. It is intended to rectify four serious shortcomings in the medicaid formula presently embodied in the Social Security Act, the formula by which the Federal matching share is determined for State outlays under both medicaid and the program of aid to families with dependent children.

The existing formula looks like this:

Federal share of AFDC/Medicaid = .45 × State per capita income[2]/national per capita income[2]

It is, to be blunt, a perverse and inequitable formula.

Per capita income is used as the unqualified measure of a State's ability to pay for medicaid and AFDC. Income is certainly one gage of a State's economic condition, but it is not the only measure and it is certainly not the most accurate measure of a State's fiscal capacity. It ignores the sizable cost-of-living differences among States, resulting in unfair treatment of areas with higher living costs. A family residing in New York City, for instance, needs approximately 25 percent more income to maintain itself at the same standard of living as a similar family in Dallas or Houston.

The squaring mechanism exacerbates the distortions. It was intended to assure greater Federal financial assistance to States with the least ability to pay. However well-meaning its original purpose, the squaring mechanism no longer makes sense. There is no evidence that a State's need for Federal matching funds is geometrically related to the ratio of its income to national income levels; nor is there evidence that an unsquared ratio would not allocate Federal moneys in closer proportion to the true needs of the

State. The squaring mechanism only aggravates the problems resulting from reliance on per capita income.

Moreover, those ratios include cash transfer payments as part of income. Most such payments vary, State by State, and the proportion of the population that receives them does, too. A State such as New York, with a large number of welfare recipients, and with higher benefit levels, finds itself losing much-needed Federal reimbursement funds as a consequence of its success in alleviating poverty and meeting health care needs. This commitment to adequate provision for the needy serves to raise their cash income levels and thereby boosts our average State income level. This inflation is then squared.

The final large weakness of the current medicaid formula is the use of the 0.45 multiplier. Not only is it entirely arbitary, but the requirement that the States continue to pay such a large share of the costs of a keystone program for the poor imposes what must be acknowledged to be an unmanageable burden on the States and, often on local governments as well.

This bill would correct these inequities by: adjusting State income measures for cost-of-living differences, eliminating the squaring mechanism, excluding need-based cash transfer payments from income as defined for purposes of this formula, and changing the multiplier from 0.45 to 0.35. The higher reimbursement rate would be predicated upon State AFDC and food stamp benefits meeting 75 percent of the poverty line, and the bill includes a hold-harmless provision to insure that this proviso will not cost the States more in funding than they will receive in additional reimbursement.

The bill contains a mandatory pass-through of additional Federal matching funds to local governments in those States that now require localities to bear medicaid or AFDC costs.

This bill is based in large part on a superb analysis of inequities in the current medicaid formula that was prepared at the behest of New York City Council President Carol Bellamy. It is virtually identical to the measure that former President Carter endorsed in 1980. It is faithful to the platform commitments of the Democratic Party. It deserves careful attention and I urge its support.

In closing, Mr. President, I would simply add that this is one of two bills I am introducing simultaneously. The purpose is not to confuse, but rather to illustrate alternative approaches to the solution of a large and pressing problem: The crushing and inequitable fiscal burden created by the current system of apportioning responsibility for AFDC and medicaid among the three levels of Government in our federal system. The two bills closely resemble proposals that I first introduced in the 96th Congress. The principal difference, in both cases, is the requirement that AFDC and food stamp benefits in a given State equal or exceed 75 percent of the Federal poverty line as a condition of receiving the additional Federal matching funds provided through this legislation. Although that requirement has no direct effect on most States, it embodies a necessary—if insufficient—step toward true welfare reform by instituting a national minimum benefit level for needy and dependent children.

I would ask unanimous consent at this time that there be printed in full in the RECORD at the conclusion of these remarks the text of my recent article, "Children and Welfare Reform," published in the spring 1981 issue of the Journal of the Institute of Socio-economic Studies. I believe that the data presented in that article support my contention that welfare reform must be taken seriously, and pursued vigorously, for the sake of the millions of children who already depend for much of their material existence on these programs provided by a compassionate society.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHILDREN AND WELFARE REFORM

(By DANIEL PATRICK MOYNIHAN)

"The first time as tragedy, the second as farce."[1] Karl Marx's celebrated epigram concerning the two Napoleons could as well apply to the two major efforts at welfare reform which took up sizable portions of presidential energy during the 1970s, but so far as support for dependent children is concerned, came to nothing.

The Family Assistance Plan (FAP), proposed by Richard Nixon in 1969, the first year of his presidency, undertook to substitute a guaranteed annual income for the four welfare programs already established under the Social Security Act: Aid to the Blind, Aid to the Permanently and Totally Disabled, Old Age Assistance, and Aid to Families with Dependent Children. This bill twice passed the House of Representatives by heavy margins.[2]

In 1973, with the enactment of the Supplemental Security Income (SSI) program, it could be said that three of the four objectives of the proposal were achieved. But this would miss the fact that the driving force behind "welfare reform" as it was universally known, was the idea of establishing a more generous, more uniform, more extensive system of support for children in poor or dependent families.[3] The Family Assistance Plan was devised above all to provide a guaranteed income for children and for families with children. In the end, children and families were the only groups excluded.

In 1977, President Jimmy Carter in the first year of his presidency took up the issue once more, proposing the Program for Better Jobs and Income (PBJI). By this point, the Federal bureaucracies and associated academic centers had acquired considerable sophistication with respect to guaranteed income plans. In what for example would appear to be the first such development in social policy, a variety of guaranteed income plans were actually "field tested". This was inaugurated with the New Jersey Graduated Work Incentive Experiment begun in 1967 under President Johnson. As a result, vast amounts of data were available in 1977.[4] Thus it came about that in contrast to the small group which was able rather rapidly to put together the Family Assistance Plan for President Nixon in 1969, in 1977 President Carter was able—or was forced?—to turn to a much swollen bureaucratic and academic apparatus. The result was, on the edge, farcical. Committees became so large they met in auditoriums. Starting with presidential instructions that no additional funds should be committed, a program ended up that would have cost the Federal government an additional $17.4 billion.[5]

Footnotes at end of article.

"WELL-MEANING BUT WITHOUT UNDERSTANDING"

The PBJI was sent to Congress in September 1977. In my study of FAP, *The Politics of a Guaranteed Income*, I made the point that a crucial feature of the negative income tax, of which both the Nixon and Carter proposals were variants, is that it is *hard to understand*. It was not likely that more than a sixth of the Members of Congress could follow just how the proposal before them in 1969-72 actually worked. But by contrast with the Carter proposal, FAP was Euclidean in its clarity. For by mid-decade, the economists had quite taken over the subject with the consequence that Carter's experts produced a proposal that it is not likely 25 persons in Washington actually understood.

Carter's welfare economists are said to have done reputable work in other fields, but when it came to social policy they were bumpkins. They used up almost a year of their president's time on a proposal that the full House Committee on Ways and Means never even considered. In the Senate, I introduced the legislation, but there was little interest and not the least disposition to act until the House had acted. (This is, after all, the constitutionally prescribed sequence of the two tax-writing committees which have jurisdiction over Social Security matters.)

President Carter had devoted extraordinary effort to devising the PBJI. Word was passed that this was a priority matter for his party and his administration and that the Congress would be receptive and the nation supportive, if not indeed impatient for action. In the end, however, a grotesquely swollen and self-deluded policy process failed utterly. Moreover, in the process, it destroyed the prospects of any significant advances. Apart from the relatively modest Adoption Assistance and Child Welfare Act of 1980, the Carter Administration, having expended such efforts on welfare reform—to the scorn of a Democratic Congress and the evident indifference of the public at large—never again mustered its resources or its nerve in the cause of other social policy innovations. It left office after four years, perhaps the first administration since that of Calvin Coolidge that could boast of no significant social legislation. The farcical element, however, was that nothing was going to happen anyway.

THE FAP DEFEAT

By contrast, there had been a tragic element in the loss of FAP, and it was this. The proposal was made at a time of still rising expectations about social reform. While it received acclamation and support, it was also opposed by groups which were of the view that such were the ever-improving prospects for such measures, a still better measure could be enacted. Thus, for example, the National Urban League opposed FAP.[6]

This was an illusion, widely shared, but susceptible of analysis. Only as evidence that a closer look argued otherwise, I observe that on July 1, 1970, I addressed a meeting of the National Urban Coalition in Washington to press for enactment of the Family Assistance Plan that year. The House had voted; the Senate was ready. I stated: "If we don't get it in this Congress, I don't see us getting it in this decade."[7]

The tragedy then was hubristic. FAP might not have passed in any event, given the opposition of those who thought it was "too much." But for certain it was opposed by those who thought it was "too little," and who were overwhelmingly confident that yet more resources could be made available. By the end of the decade, however, the resources available for social programs were already committed elsewhere, and far from having been improved, the levels of support for mothers and dependent children in the land

had actually begun to *diminish*. In the meantime, institutional crises such as the near-bankruptcy of New York City in 1975 cast the failed opportunity of FAP in yet another light. Had it been adopted in 1970, welfare costs, strictly defined, would have disappeared from the City's budget. This might have put off the fiscal crisis, and in any event would significantly have hastened recovery from it. Mayor John V. Lindsay sensed this in 1970 and strongly supported the "federalization" of welfare, which was an incidental but not casual aspect of FAP. A decade later, Mayor Edward I. Koch must accept that this is an ever receding prospect. As will be related, serious questions have arisen as to whether a guaranteed income would be desirable social policy. But few would contest that it would have been brilliant urban policy.

The record of failure in the 1970s would not seem to argue well for the 1980s. There has been a sharp retreat from party commitment to welfare reform as it was understood a decade ago. As recently as 1972, the Republican Party urged "uniform Federal payment standards for all welfare recipients" and lauded the Republican administration that had produced the Family Assistance Plan.

The platform adopted at the Republican convention in 1980, however, wanted no part of any such thing. "We categorically reject the notion of a guaranteed annual income, no matter how it may be disguised," said the welfare plank. "We oppose federalizing the welfare system . . ." Senator Robert F. Dole of Kansas, assuming the chairmanship of the Senate Committee on Finance, told the Socioeconomic Newsletter for January 1981 that he "flatly rejects . . . the institution of a guaranteed annual income."

The Democratic platform was at least as ardent as the Republican in 1972, proposing to "end the present welfare system and replace it with an income security program. . . ." But by 1980 there was no such reference. In a discursive and largely evasive plank there was no mention whatever of President Carter's Program for Better Jobs and Income. Instead, the party pledged itself to "continue to work" to extend to all states the "unemployed parent" portion of AFDC, under which two-parent families can in certain circumstances become eligible for welfare benefits, and to raise AFDC minimum payments in some southern and southwestern states. In a word, the routine elaboration of an established program. Not unimportant, but most emphatically not new.

The 1980 election seemed anything but a mandate for new social programs, more likely otherwise. Before taking office, a memorandum from then Representative David A. Stockman, who became President Reagan's Director of the Office of Management and Budget, suggested that the routine political rhetoric of getting rid of government "waste" or "fraud" would "hardly make a dent in the true problem"; that if the budget were to be reduced, more drastic steps, including cuts in entitlements and other programs, would have to be undertaken.[8] An editorial in the Washington Post noted that while only 1.3 percent of the Federal budget goes to programs that "most people mean by 'welfare'," they had become the subject of such public indignation "that it would almost be worth cutting them out entirely in order to be rid of this convenient scapegoat . . ."[9]

What prospects for change do exist are implied in the Post's caveat to its own modest proposal:

"It would be well to eliminate welfare altogether were it not for the likely disastrous effect on the lives of some seven million children, effects we somehow doubt anyone would really relish."[10]

Footnotes at end of article.

That is the essential point: the lives of children are involved. Few seem to grasp how many.

Some 20 years ago, as head of the newly formed policy planning staff of the U.S. Department of Labor, I began a series of statistical investigations seeking to establish the social costs of unemployment. This had been the subject of some enquiry during the 1930s, but had receded before the conceptual power of the Gross National Product and its measurement of costs and benefits in direct economic terms.

BIRTH OF THE "WELFARE CLASS"

Early on, I felt I was on to something. A considerable range of social indicators, especially among Black Americans, a group with a high rate of unemployment, could be shown to relate to unemployment. Especially when the indicators were lagged—for example, dropping "Married Woman, Husband Absent" back nine months or a year, and comparing this with Male Unemployment—quite astonishing correlations could be shown. Going back in time, a singularly powerful correlation could be shown between male unemployment rates and new AFDC cases. But this persisted only into the late 1950s, when all of a sudden the correlation began to weaken. Then in the early 1960s, it disappeared altogther, becoming sharply negative. This is to say that for most of the postwar period (when unemployment data became available) until the close of the 1950s, whenever male unemployment rose, the number of new AFDC cases rose also. When unemployment dropped, the number of new cases dropped. (In this "model," I assumed that unemployment was the moon and AFDC the tide; in logic it could be the reverse, but to govern, as President Kennedy said, is to choose!)

Then this relation disappeared. Unemployment went down, and AFDC up. When I finally sent this data to President Lyndon B. Johnson, the negative relationship had existed for only two years, 1962–64. But this had been preceded by four years in which the positive relationship had steadily weakened. My hypothesis that employment and unemployment in the very near term controlled social dispositions was seemingly disproved. Something else was going on. And so I put it to the president that the society was entering a welfare crisis.

My data, subsequently published in *Daedalus*, the journal of the American Academy of Arts and Sciences, and in *The Annals* of the American Academy of Political and Social Science have not to my knowledge been disputed by social scientists.[11] The findings, of course, gave rise to intense controversy, but this turned on the presumed implications of the data. The data themselves have never been challenged.

As it happens, a number of scholars have in recent years returned to this subject and have confirmed my projections. Writing in the Summer 1980 edition of *The Wilson Quarterly*, Graham B. Spanier sums up: "That general prediction has proven correct. . . ."[12] What some statisticians have called "Moynihan's Scissors"—the sudden crossing of the curves—accurately forecast a major social development of the subsequent 15 years.

Data make a difference. Ours is scarcely a purely rational society, and anything but conflict-free. But we are, in the main, a well-intentioned society, capable of learning. The great welfare initiatives of the 1960s and 1970s arose as much as anything from data demonstrating the need for change.[13]

IMPACT ON CHILDREN

I make this point by way of introducing a new body of data which argues that however much the impulse may have faltered, the need for change is as great as ever. The data may be summarized as follows:

1. It appears that one-half of the children now being born are likely to live in female-headed households at some point prior to their 18th birthday. This includes 40 percent of majority children and 75 percent of minority children.

2. Two-thirds of female-headed households with children now receive AFDC payments.

3. Before their 18th birthday, one-third of all children now being born are likely to live in a female-headed household receiving AFDC payments.[14]

Year	Percentage of children born that year likely to reside in female-headed households prior to age 18	Average annual percentage of female-headed households with children receiving AFDC	Percentage of all children born that year likely to live in female-headed households receiving AFDC, prior to the 18th birthday
1940	31	23	7
1950	33	52	17
1960	35	64	22
1965	37	70	26
1970	40	78	31
1975	45	74	33
1978	48	67	32
1979	50	NA	NA

I wish to be explicit that these data do not in any way bear on the subject of whether the existing welfare system leads to family breakup. To my knowledge there is no evidence one way or another for this proposition and never has been. If the absence of research on a subject about which every other president and every secretary of Health, Education, and Welfare in the modern age has confidently expounded uniform convictions is surprising, it should be understood as a characteristic of the present system. Some years ago, Lee Rainwater pointed to a tendency of professionals in social welfare to "protect the good name of the poor and disadvantaged" by discouraging, even obstructing certain kinds of research.[15] At minimum it might have been supposed that of the hundreds of millions of dollars spent on research by HEW (now Health and Human Services) some effort would have been made to calculate the rates set forth in the table seen on page 8. None has.

CHANGING WELFARE POPULATION

On the other hand, it may be said that these data are consistent with current observations and projections concerning the nature and extent of poverty in the United States. Although the two are not the same, poverty is increasingly a problem of dependency; they commence now to intersect. In 1976, for the first time, the number of poor living in female-headed families surpassed the number of poor in male-headed families.[16] In its 1980 report to the president, an annual feature of the Economic Opportunity Act of 1964, the National Advisory Council on Economic Opportunity stated:

"All other things being equal, if the proportion of the poor who are in female-headed families were to increase at the same rates as it did from 1967 to 1977, the poverty population would be composed solely of women and their children by about the year 2000."[17]

This is a bold forecast, beyond the range of the present data. It assumes that a rate of increase that existed in one decade will persist for 23 more years. While it seems implausible that the entire "poverty population" would ever consist of persons living in female-headed families—the proportion of female-headed family persons within the total poverty population rose to 53 percent in 1978, but slipped back to 52 percent in 1979—certainly the same kinds of developments that raised the proportion from 38.1 percent to 51.0 percent in ten years could raise it considerably further by the end of the century.

Again, this must be allowed to be a condition especially pronounced among minority groups. Dr. Robert B. Hill of the National Urban League writes in his chapter on "Black Families in the 1970s" in *The State of Black America* 1980:

"While the number of poor white families declined by two percent . . . between 1969 and 1978, the number of poor Black families rose by 19 percent . . . Because of the sharp rise in the number of Black families headed by women, they accounted for all of the increase in the number of poor Black families over the decade. While the number of poor Black families headed by men fell by 34 percent . . . between 1969 and 1978, the number of poor Black families headed by women soared by 64 percent." [18]

PERILOUS PROSPECT

In sum, more and more children will spend some or all of their early years in female-headed households. Most of these youngsters will be on welfare at some point. But not all will receive public assistance. Some will not need it. Others will need it, but will not satisfy the complex and uneven requirements of the various states and hence will not get it.

The social consequences of a childhood spent with only one parent extend beyond issues of welfare policy. Consider the report on "One-Parent Children in the Schools," related by the National Association of Elementary School Principals on July 28, 1980.[19]

One-parent children, on the whole, show lower achievement in school than their two-parent peers . . . Among all two-parent children, 30 percent were ranked as high achievers, compared to only 17 percent of one-parent children. At the other end of the scale, the situation is reversed. Only 24 percent of two-parent children were low achievers—while fully 40 percent of the one-parent children fell in that category.

There are more clinic visits among one-parent students. And their absence rate runs far higher than for students with two parents, with one-parent students losing about eight days more over the course of the year.

One-parent students are consistently more likely to be late, truant, and subject to disciplinary action by every criterion we examined, and at both the elementary and secondary levels . . . one-parent children are more than twice as likely as two-parent children to give up on school altogether.

In terms of group relations, such research findings augur continuing anguish. For there can be, there is, no equality among groups without some equivalence of social structure, for good or ill. This is a judgment, to be sure, but I hold to it.

What are the prospects for changes that might lead to improvements? Let it be said at the outset that there is less prospect in the 1980s for a guaranteed income, in the sense of a universal program available to dependent and non-dependent alike, than there was in the 1970s. The Democratic party, when in control of both the presidency and the Congress, could not enact one. The Republican party, now in control of the presidency and one house of the Congress, is adamantly opposed. Just as importantly, the results of the negative income tax experiments begun in the 1960s have been anything but reassuring with respect to the effect on social structure. Simply stated, there appears to have been more breakup among those families receiving a guaranteed income than among those that did not.[20]

George Gilder, in his stimulating book, *Wealth and Poverty*, ascribes to me a measure of blame for having set us off in this policy direction, which I accept. He notes that my "preferred policy was always child allowances," but I urged the guaranteed income scheme on the new administration in 1969 because I thought it would be more politically appealing. He writes, "The result was a lost decade of initiatives of little political appeal or objective validity." [21]

This is a view that might reasonably be shared by Dr. Martin Anderson, who took part in the deliberations concerning the Family Assistance Plan of 1969 and returned to Washington in 1981 as Senior Advisor to President Ronald W. Reagan. In his own book, *Welfare*, Anderson argues that one lesson to be drawn from our recent experience is that "Radical welfare reform or any variety of a guaranteed income is politically impossible" for no such "plan can be devised that will simultaneously yield minimum levels of welfare benefits, financial incentives to work, and an overall cost to the taxpayers that are politically acceptable." [22]

HAS THE WAR ON POVERTY BEEN WON?

It is also Dr. Anderson's view, however, that "radical" welfare reform is unnecessary. He contends that "the war on poverty" that began in 1964 has been largely successful. "The growth of jobs and income in the private economy, combined with an explosive increase in government spending for welfare and income transfer programs, has virtually eliminated poverty in the United States." [23] He urges that future reform efforts be directed to increasing efficiency, decreasing "fraud," enforcing a "fair, clear work requirement" and shifting more responsibility for policy and administration from Washington to state and local governments.

Dr. Anderson's proposals are based on the stated assumption that "There is no way that the Congress, at least in the near future, is going to pass any kind of welfare reform that actually reduces payments for millions of welfare recipients" and that even if Congress were to pass such a bill "no President could resist vetoing" it.[24]

But surely there is an elemental case for maintaining the existing level of benefits. Whether they be "high" or "low," there is no case for making them lower.* Yet this is what the decade did. Not by act of Congress, to be sure, nor with explicit presidential sanction, but by inaction, by failure at both the national and state levels to maintain the purchasing power of welfare benefits.

INFLATIONARY EROSION

In February 1980, the Subcommittee on Public Assistance of the Senate Finance Committee held hearings on this matter. Data compiled by the Department of Health and Human Services were presented and analyzed by government officials and expert outside witnesses. It was shown that the average monthly AFDC benefit paid to families rose from $171 in 1969 to $272 in 1980. In constant dollars, however, the average benefit declined by 56 percent during those years.

Taking the 20 states then represented on the Finance Committee as a sample, Professor Leonard Hausman of Brandeis University pointed out that 12 had experienced benefit declines between 1973 and 1978. In Georgia, the decline was one-third. In Texas, there has been no change since 1969 (save for a temporary $5 increase in 1979) in the maximum benefit payable to a family of four with no other income. That payment of $140 a month—an annual income of $1,680—today buys less than half what it bought 11 years ago.[25]

In New York State, always so self-congratulatory in these matters, the basic allowances (exclusive of shelter) for a family of four was set at $258 in 1974. At the outset of 1981 it remained $258 although consumer prices increased 64 percent in that period.[26] To buy the same amount of food and clothing that could be purchased with $258 seven years ago would require $428 in 1981.[27]

The result is that in New York City today we find the paradox of the nation's largest welfare caseload, daily erosion of the real benefits paid to those hundreds of thousands of children, and a city in fiscal difficulty that, under the present arrangements, would nevertheless have to come up with a full quarter of the additional monies needed to provide any increase at all.

This suggests the fundamental difference in the context of welfare reform efforts today, as against a decade ago. In 1970, it was reasonable to point to states such as New York, that had striven for an adequate standard of common provision for their dependent populations, as the standard toward which other states and regions should be moved by the Federal government.

Today the so-called "high benefit states" can seemingly no longer afford to maintain those benefits. It is, therefore, no longer satisfactory to speak of welfare reform only in terms of increasing payments in a dozen southern and southwestern states (though they are low, and raising them remains an essential element). Nor is it any longer acceptable to design proposals that would transfer more resources out of weakening economies such as those of the northeastern industrial states and into the economies of ever more prosperous regions.

The AFDC program is caught in a fiscal trap. Because it is not "indexed," whilst every other Federal income maintenance program of any consequence is indexed, whatever additional Federal revenues are allotted to what we now call "Budget Function 600, Income Maintenance," are needed to pay for automatic increases in the indexed programs.

SHRINKING AFDC

The Federal budget grew from $400 billion in fiscal 1976 to $637 billion in fiscal 1981. One would suppose a few social initiatives could be squeezed out of an additional $237 billion. Or at least that needy children could be spared the full burden of inflation. But they have not been. "Uncontrollables" account for more than 70 percent of the entire increase in Federal outlays since 1977, and for almost 90 cents of every dollar of increased social spending. As a percent of the Federal budget, outlays for AFDC have shrunk from 1.6 percent in fiscal 1973 to 1.4 percent in fiscal 1977 to 1.1 percent in fiscal 1980.

It may be observed that the "new" Congressional budget process, something much favored in the early 1970s by reform groups, has had consequences not anticipated at the time. Frank C. Ballance of the Carnegie Endowment for International Peace observed in 1980 that "The Budget Act, a well-intentioned reform for Congressional reconciliation of revenues and expenditures, has spawned a time-consuming and complex budget process and forces accommodation in a way that has the greatest impact on the weakest programs." [28]

BLOCK GRANTS TO STATES

The Republican Administration came to office in 1981 pledged to cut the budget, to reduce taxes, and to transfer responsibility for welfare back to the states in the form of "block grants."

The latter phrase implies two quite distinct ideas. The first is fiscal: Washington will replace its system of open-ended "matching payments" (under which it now reimburses states from 50 to 83 cents, according to a formula, of each dollar they expend on AFDC) with a specified sum provided to each state every year in the form of a "Federal contribution" to the costs of welfare. If the state spends more, it must use its own money. If it spends less, it can keep the remainder.

The second idea concerns program policy: in place of a federally designed and essentially national program (albeit with cer-

Footnotes at end of article.

tain state variations, such as maximum benefit levels) that embodies a long list of "protections" for recipients with earnings, that prescribes the rate at which benefits are to be reduced for recipients with earnings, that bars requiring recipients to work in return for their benefits, and that makes other benefits (such as Medicaid) automatic, a block grant program would empower the states to make these and other such policy decisions.

The first of these propositions—to replace open-ended "matching payments" from the Federal government—has considerable appeal. Senators Alan Cranston, Russell B. Long and I proposed a variation of it in 1978, after the Carter proposal had died and when it looked as if nothing at all were going to happen. (In the end, of course, nothing did.) That bill, however, would *not* have removed the recipient protections contained in the Social Security Act. It would merely have altered the fiscal arrangements from a reimbursement scheme to an annual Federal "contribution" that would increase as the cost of living (and the unemployment level) rose. The point was both to provide some immediate fiscal relief to state and local governments *and* to make it possible for them to insulate welfare recipients from the depredations of inflation.

Erasure of the national standards for AFDC as put forward in the second proposition raises the most profound questions about the relationship between the Federal government and the millions of dependent American children in one-parent households.

Either the nation does have a responsibility for the welfare of these children, or it does not. I hold to the belief that it does, and that it cannot renounce that responsibility in the name of "reform."

AIM: TO AID CHILDREN

AFDC is a program for aiding dependent children. That it incidentally aids their mothers—and a handful of fathers—is beside the point. I have little patience with welfare reform "debates" that hinge on the question of whether a given proposal will or will not increase the "incentive" for adults to "work." A woman with two or three or four young children and no husband ordinarily cannot work, at least not without elaborate (and expensive) day care arrangements. AFDC is not a program to subsidize leisure; it is a program to enable a hard-pressed woman to keep a roof over the heads, clothes on the backs, and food in the mouths of her children.

Providing such aid has been a responsibility of the Federal government since 1935. It is a basic component of our national arrangements for common provision, as embodied in the Social Security Act. It is as basic as benefits for the elderly, for the unemployed and for the disabled. It is the proper task of the national government.

Any number of specific administrative arrangements can be devised for fulfilling that responsibility. Myriad fiscal mechanisms can be imagined. Some could take the form of "block grants" to states. Others, in the manner of Supplemental Security Income, would be entirely national. These are details, and while they are often intricate and always important, they matter less than the criterion by which their desirability will be measured. And the essential criterion is simplicity itself: will a given arrangement provide a better life for the children affected by it?

There is this central fact. An astonishingly large and evidently still increasing proportion of American children grow up in circumstances that significantly impair their prospects in life. This increase was foreseen. Nothing was done to prevent it. Or in any case, nothing did. To accept it as normal would be indifference to pain. Worse, the problem is now so extensive that to allow it to persist without a sustained effort to reverse it would constitute an indifference to the well being, even the security of the nation itself. In 1969 a new Republican administration showed a far greater boldness in this matter than had its Democratic predecessor. Is it possible that history will repeat itself?

TECHNICAL NOTE

The data in the Table were calculated by:

(1) Estimating the percentage of babies born in a given year who are likely to reside in a female-headed household before turning 18.

(2) By calculating the average percentage of female-headed households with children under 18 who receive AFDC during a 15-year period including and following the child's year of birth; and

(3) By multiplying the results of the above computations in order to estimate the percentage of all children born in that given year likely to receive AFDC at some point in their minority.

Data were calculated for 1940, 1950, 1960, 1965, 1970, 1975 and 1978. For the more recent years, when the 15-year average used in step (2) is unobtainable (i.e., 1965, 1970, 1975, 1978), we instead averaged over the longest period of time for which data are available the annual percentage of female-headed households with children under 18 receiving AFDC.

(A) The methodology for estimating the percentage of babies born in a given year likely to reside in a single-parent household before reaching their majority was developed by Arthur J. Norton, Assistant Chief of the Population Division, Bureau of Census, Department of Commerce. His methodology, which is based on a consideration of trends in premarital births, divorce, long-term separation and death, was adapted to apply only to female parents. The following is a step-by-step description of the computations.

(1) Premarital births. To find the percentage of babies born out of wedlock that will live in a female-headed household for at least one year following birth, the illegitimacy ratio for a given year was multiplied by the percentage of illegitimate babies retained by their mothers, then by the percentage of mothers who remained unmarried for at least one year following childbirth. Norton estimated that 90 percent of prematurally born children are retained by their mothers, and that this has held true over the past 40 years.

(2) Divorce. We reduced the original cohort of babies by the result of Calculation (1), and multiplied the reduced cohort by the estimated percentage of first marriages of young adults likely to end in divorce. As this estimate is upwardly influenced by persons who had borne a child before marriage and by childless couples, we reduced the figure by four percent. James McCarthy of Princeton University's Office of Population Research developed a methodology for estimating and supplied estimates of the percentage of first marriages of young adults likely to end in divorce (McCarthy, "A Comparison of the Probability of the Dissolution of First and Second Marriages," *Demography*, Vol. 15, No. 3, August 1978, 345–359). Note that this figure will not account for children born to young women with husbands or for babies born to older women (over 45).

(3) Separation. We obtained estimated percentages of long-term separations which either end in reconciliation or last indefinitely.

(4) Death of male parent. We subtracted the results of Calculations (2) and (3) from the reduced cohort of babies to find the number of babies expected to live in a two-parent home except in case of death of a parent. For each year, we obtained estimates of the percentage of male parents who died while their children were under 18, then multiplied this figure by the remaining pool of babies. Charles Westoff of Princeton's Office of Population Research calculated our estimates of parental deaths according to Norton's methodology. He used a life table to estimate the survival rate of men at 28 years (the average age of childbearing women is 26, and the average husband is two years older than his wife). As life tables are not stratified by marital status, he reduced the percentage of non-survivors by 20 percent on the assumption that married persons have a somewhat greater longevity than non-married persons.

(5) Final Results. We added the results of Calculations (1) through (4) to obtain an estimate of the percentage of babies born in that year likely to reside in a female-headed household before their 18th birthday.

(B) To find the average percentage of female-headed households with children receiving AFDC over a 15-year (or other period) of time, we divided the average number of female-headed households receiving AFDC in each year of that time period by the average number of female-headed households with children in each year of that same period. To estimate the percentage of all children born in a given year likely to receive AFDC before their 18th birthday, we multiplied the results of Calculation (A) by the results of Calculation (B).

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FOOTNOTES

[1] Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte* (New York: International Publishers), 1963, p. 15.

[2] FAP passed the House of Representatives as H.R. 16311 on April 16, 1970, and again as part of H.R. 1, the Social Security Amendments of 1971, on June 22, 1971.

[3] For a general history of this legislation, see M. Kenneth Bowler, *The Nixon Guaranteed Income Proposal: Substance and Process in Policy Change* (Cambridge, Mass.: Ballinger), 1974; Vincent J. and Vee Burke, *Nixon's Good Deed: Welfare Reform* (New York: Columbia University Press), 1974; Moynihan, *The Politics of a Guaranteed Income: The Nixon Administration and the Family Assistance Plan* (New York: Random House), 1973.

[4] For example, see John F. Cogan, "Negative Income Taxation and Labor Supply: New Evidence from the New Jersey-Pennsylvania Experiment" (Santa Monica, Calif.: Rand Corporation, February 1978); and U.S. Department of Health, Education and Welfare, "Summary Report: New Jersey Graduated Work Incentive Experiment," December 1973.

[5] Congressional Budget Office, "The Administration's Welfare Reform Proposal: An Analysis of the Program for Better Jobs and Incomes," April 1978, p. 40.

[6] See statement of Vernon E. Jordan, Jr., Executive Director, National Urban League, in United States Senate, Committee on Finance, Social Security Amendments of 1971. Hearings on H.R. 1 (FAP), 92nd Congress, First and Second Sessions, vol. 4, pp. 2210–2220.

[7] Statement before the National Urban Coalition Action Council, July 1, 1970, cited in *The Washington Post*, July 2, 1970.

[8] *The Washington Post*, December 14, 1980.

[9] *The Washington Post*, December 22, 1980.

[10] *The Washington Post*, December 22, 1980.

[11] Daniel Patrick Moynihan, "Employment, Income and the Ordeal of the American Negro," *Daedalus*, Fall 1965, pp. 745–770; "Urban Conditions: General," *The Annals* of the American Academy of Political and Social Science, May 1967, pp. 159–177.

[12] Graham B. Spanier, "Outsiders Looking In," *The Wilson Quarterly*, Summer 1980, p. 130.

[13] See President Johnson's March 16, 1964 message to Congress declaring the "War on Poverty," and submitting the Economic Opportunity Act of 1964, 88th Congress, Second Session, Document No. 243. In his message, President Johnson speaks to the needs of the ". . . millions of Americans—one-fifth of our people—who have not shared in the abundance which has been granted to most of us, and on whom the gates of opportunity have been closed" (p. 1).

[14] For an explanation of the methodology used in these calculations, see technical footnote following text.

[15] Lee Rainwater and William L. Yancey, *The Moynihan Report and the Politics of Controversy* (Cambridge, Mass.: The MIT Press, 1967), p. 176.

[16] Bureau of the Census, *Current Population Reports*, Series p–60, No. 120, Table 18.

[17] National Advisory Council on Economic Opportunity, "Twelfth Report to the President: Critical Choices for the 80s," August 1980, p. 19.

[18] Robert B. Hill, "Black Families in the 70s," *The State of Black America 1980*, National Urban League, January 22, 1980, p. 43.

[19] *The Most Significant Minority: One-Parent Children in the Schools: First Year Report of a Longitudinal Study of School Needs of Children from One-Parent Families*, Co-sponsored by the National Association of Elementary School Principals and The Institute for Development of Educational Activities, a division of the Charles F. Kettering Foundation (Arlington, Virginia, July 28, 1980).

[20] Evidence from the Seattle/Denver Income Maintenance Experiment indicates that "For whites . . . 13.6 percent of the control group and 18.5 percent of the experimental group's marriages had dissolved within 2½ years—an increase of 36 percent. Among Black families, 19.1 percent of the control group and 27 percent of the experimental group's marriages had dissolved within 2½ years, a 42 percent increase." (John Bishop, "Jobs, Cash Transfers, and Marital Instability: A Review and Synthesis of the Evidence," *Journal of Human Resources*, Summer 1980, p. 312.) For further information on the effects of a guaranteed income on marriage dissolution see *Welfare Reform and Experimentation*, United States Senate Committee on Finance. Subcommittee on Public Assistance, November 15, 16, 17, 1978; see also Nancy Brandon Tuma, Michael T. Hannan and Lyle P. Groeneveld, "Dynamic Analysis of Marital Stability," Center for the Study of Welfare Policy, Research Memorandum 58, Revised September 1978; and "Income and Independence Effects of Marital Dissolution: Results from the First Three Years of SIME/DIME," Center for the Study of Welfare Policy, Research Memorandum 63, July 1979.

[21] George Gilder, *Wealth and Poverty* (New York: Basic Books, 1981), p. 126.

[22] Martin Anderson, *Welfare: The Political Economy of Welfare Reform in the United States* (Palo Alto, Calif.: Hoover Institution Press, Stanford University, 1978), p. 133.

[23] *Ibid.*, p. 15.

[24] *Ibid.*, p. 133.

*Editor's Note: The case for *not* interceding against the inflationary erosion of welfare benefits is made by Tom Bethell in *Real Reform*, "The Journal/The Institute for Socioeconomic Studies," Vol. V, No. 3, Autumn 1980, p. 29 ff.

[25] Statement by Leonard Hausman, "How to Think About Welfare Reform in the 1980s," testimony delivered February 6, 1980, before the United States Senate, Committee on Finance, Subcommittee on Public Assistance, pp. 183–184.

[26] The prognosis for a rise in New York's welfare benefits seems to be improving. In his State of the State message on January 7, 1981, Governor Hugh L. Carey proposed a ten-percent increase per year for the next two years in AFDC benefit payments. The New York State Assembly passed a ten-percent increase in their 1980 session, but this measure was not approved by the State Senate. However, a *New York Times* article of December 31, 1980 details State Senate Majority Leader Warren Anderson's support for a 15-percent increase in AFDC payments. I am hopeful the state will finally enact a rise in welfare benefit levels this legislative session.

[27] Food Stamp benefits have increased, to be sure, and these are wholly paid for by the Federal government. Medicaid payments have increased as well. And New York's AFDC shelter allowance has risen somewhat, also. But Food Stamps cannot be used to pay the heating bill or to buy winter shoes. Thirty-six percent of New York City's welfare recipients must pay more for housing than the "shelter allowance" provides. And, as *The New York Times* pointed out on December 6, 1980, those who receive more in Medicaid benefits are sicker, not richer, than those who do not. See Dr. Blanche Bernstein, letter to the editor, *The New York Times*, November 29, 1980, and editorial rejoinder. December 6, 1980.

[28] Frank C. Ballance, "A Built-In Weakness," *The New York Times*, July 23, 1980.●

By Mr. TOWER:

S. 857. A bill to impose quantitative restrictions on the importation of lamb meat; to the Committee on Finance.

LAMB MEAT QUOTA ACT OF 1981

Mr. TOWER. Mr. President, I introduce legislation today that is of great importance to the survival of our domestic lamb meat producers. It is of particular importance to the sheep and lamb industry in Texas. Texas leads the Nation in sheep and lamb numbers, with approximately 2.4 million head.

I am most concerned that the level at which imported lamb meat is subsidized by the foreign countries from which it is exported is contrary to American law and inconsistent with international trade agreements between such countries and the United States.

The legislation I introduce is companion legislation to that of Representative TOM LOEFFLER of the 21st Congressional District of Texas. We seek to lessen the immediate threat of our domestic lamb meat producers face.

Mr. President, I request that the complete text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 857

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lamb Meat Quota Act of 1981".

SEC. 2. The Congress finds—

(1) that lamb meat imported into the United States is in direct competition with lamb meat produced in the United States;

(2) that the level at which substantial amounts of imported lamb meat is subsidized by the foreign countries from which it is exported is contrary to American law and inconsistent with international trade agreements between such countries and the United States; and

(3) that the level of lamb meat imports into the United States poses an immediate and serious threat to the economic survival of the lamb meat producers of this Nation.

SEC. 3. For purposes of this Act—

(1) The term "domestic price" means the average of the prices received by farmers for lamb.

(2) The term "entered" means entered, or withdrawn from a warehouse, for consumption in the customs territory of the United States.

(3) The term "lamb meat" means the articles provided for in item 106.30 (relating to fresh, chilled, or frozen lamb meat) of the Tariff Schedules of the United States (19 U.S.C. 1202).

(4) The term "parity price" shall have the meaning given it in section 301(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(a)(1)) and shall be determined in accordance with section 301(a) of such Act, except that any reference to "any agricultural commodity" or "such commodity" in section 301(a) of such Act shall be deemed to be a reference to lamb.

(5) The term "Secretary" means the Secretary of Agriculture.

SEC. 4. (a) The aggregate quantity of lamb meat that may be entered during any calendar year after 1981 may not exceed, except as provided in subsection (b), the smaller of the following amounts:

(1) 31,000,000 pounds, or

(2) an amount equal to 12 percent of the domestic slaughter of lamb during the calendar year that immediately precedes the calendar year for which such aggregate quantity of lamb meat is to be established under this subsection.

(b) The Secretary shall estimate, before the close of each of the first three calendar quarters of any calendar year after 1981, whether the domestic price of lamb during the calendar quarter involved exceeds the parity price of lamb. If the Secretary estimates that the domestic price of lamb during such calendar quarter—

(1) equals or exceeds 95 percent of the parity price of lamb for such calendar quarter, then the aggregate quantity of lamb meat established under subsection (a) for such calendar year shall be increased, commencing with the immediately succeeding calendar quarter, by 5 percent, or

(2) is less than 95 percent of the parity price of lamb for such calendar quarter, then, without regard to whether an increase is in effect under paragraph (1) for such calendar year, the aggregate quantity of lamb meat established under subsection (a) for such calendar year shall apply during the calendar quarter immediately succeeding such calendar quarter.

(c) Notwithstanding any other provision of this Act, the total quantity of lamb meat that may be entered during any calendar quarter in any calendar year after 1981 may not exceed 27 percent of the aggregate quantity of lamb meat estimated for such calendar year under subsection (a) as adjusted, if applicable, under subsection (b).

(d) For each calendar year after 1981, the Secretary shall estimate, on the basis of the best information available at the time, and publish—

(1) before the first day of such calendar year, the aggregate quantity of lamb meat established under subsection (a) for such calendar year, and

(2) before the close of each of the first three calendar quarters in such calendar year, the domestic price of lamb during the calendar quarter involved and, if subsection (b)(1) applies, the adjusted aggregate quantity of lamb meat established under subsection (a) for such calendar year.

SEC. 5. The Secretary shall allocate the aggregate quantity of lamb meat established under section 3(a) for any calendar year (as increased, if applicable, under section 3(b)) among supplying countries on the basis of the shares of the United States market for lamb meat such countries supplied during a representative period. Notwithstanding the preceding sentence, due account may be given to special factors which have affected or may affect the trade in lamb meat. The Secretary shall certify such allocations to the Secretary of the Treasury.

SEC. 6. (a) The Secretary shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this Act. The Secretary of the Treasury shall issue such regulations as may be appropriate to ensure, to the extent practicable, that the country of origin of lamb meat subject to this Act is indicated to consumers who purchase lamb meat at retail prices.

(b) All determinations by the Secretary under this Act shall be final.

By Mr. DURENBERGER:

S. 858. A bill to amend the Internal Revenue Code of 1954 to provide estate tax equity for family farms and other enterprises, and for other purposes; to the Committee on Finance.

FAMILY FARM PROTECTION ACT OF 1981

● Mr. DURENBERGER. Mr. President, today I am introducing legislation on behalf of the American farmer. Estate taxes are destroying the prosperity of these hard-working Americans. The Tax Reform Act of 1976 made important steps to alleviating this onerous burden. My bill, the Family Farm Protection Act of 1981, would correct certain problems that have arisen in the implementation of the 1976 provisions as well as expand the use of some of them to further enable these families to carry on the family business.

This legislation reflects my belief that tax policy should be aimed at decisions we make while we are alive, not those we are now forced to make in anticipation of dying.

The Federal estate tax is one of the most unfair taxes because of the burden it places on low- and middle-income persons. The estate tax represents about 1.2 percent of all Federal tax revenue, approximately $6.5 billion per year. Most of the burden falls on people with estates of $500,000 or less. In fact, under my reform legislation, more than 9 out of 10 estates would be exempt from the tax.

While the 1976 Tax Reform Act recognized the unfairness of the Federal estate tax and made two changes of vital importance to farmers, it did not go far enough.

The first change in 1976 raised the amount of the estate that is excluded from taxation from $60,000 to $175,000. That exclusion is clearly insufficient in these times of high inflation. My bill would increase this exclusion to $600,000 so that only the largest estates would have to bear the burden of estate taxes.

The second major change of the 1976 act is called the special use valuation provision. Prior to the 1976 change, the value of property included in the gross estate of a decedent generally was its fair market value at the date of death—the price at which property would change hands in an arm's-length transaction. One of the most important factors used in determining fair market value is the highest and best use to which the property can be put, rather than the actual use of the land at the time.

For example, farmland that could be used for a subdivision of new homes would have a much higher value—and thus a much higher estate tax—than its value as farmland. In many cases the greater estate tax burden made continuation of farming or other business activity infeasible because the income potential from these activities was insufficient to service extended tax payments or loans obtained to pay the tax.

Recognizing that fair market valuation was severely undermining the ability of families to carry on the family business, Congress passed the special use valuation provision. Under this provision, section 2032A of the Internal Revenue Code, real property used in farming or certain other businesses would be valued at its present use, rather than the highest and best use, up to a reduction in the gross estate of $500,000.

However, Congress realized that it would be a windfall to the beneficiaries of an estate to allow the real property to be valued at the special use valuation unless the beneficiaries continue to use the property for the same purpose for a reasonable period of time. Therefore, Congress provided for a recapture of the estate tax benefit where the land is sold or converted to a nonqualifying use within 15 years of the decedent's death.

Five years and four sets of IRS regulations later, experience has shown us where improvements must be made in the special use provision. My bill would make a number of changes in the special use rules to achieve the purpose of the 1976 changes—protecting the family business from sale because of onerous estate tax burdens.

First, the bill eliminates the $500,000 cap on the special use valuation, thus allowing the entire qualifying estate to be valued at its current rather than highest and best use. Inflation and speculative pressures have caused real property values to soar in the last half decade. The family farmer and small business person suffer from inflation in two ways. First, inflation causes operating expenses to skyrocket and profits to dissipate. Second, inflated real estate values contribute to exorbitant estate tax bills, even when the special use valuation is elected. Therefore, this legislation lifts the $500,000 lid.

Second, this bill explicitly allows property cash rented to a family member to qualify for special use valuation, thereby clarifying the intent of the 1976 act. The Internal Revenue Service has issued regulations disallowing special use valuation if the farm was cash rented by the decedent to his heirs. The committee report accompanying the 1976 act clearly states that such passive rental of the farm was not meant to disqualify the estate where "a related party leases the property and conducts farming or other business activities on the property. The real property may qualify for special use valuation."

If the decedent, before he dies, wishes to retire and cash lease his farm or business to his heir, he should be entitled to do so. However, the final IRS regulations do not consider cash-rented property, even though rented to an otherwise qualified heir, "qualified" property because they consider the mere passive rental of property not to be a "trade or business use." Consequently, if enforcement of the IRS regulations as to family members were to continue, the number of farm and other businesses involved in cash rentals would be severely or eliminated altogether.

Additionally, discouraging the cash rental of qualified property is totally inconsistent with other provisions of the code. Under the Social Security Act, a crop-sharing arrangement may cause a farmer's rental income to be treated as self-employment earnings, thereby reducing or eliminating social security benefits to which that farmer would otherwise be entitled. On the other hand, cash rental is not treated as self-employment earnings for social security purposes. Therefore, we have one section of the code clearly encouraging elderly individuals to cash rent their qualified property while the IRS regulations preclude them from obtaining the lower estate tax benefit under the special use valuation.

Third, this bill provides that the "material participation" requirement for qualification for special use valuation need only be met until the date upon which the decedent retires or becomes disabled.

In drafting the special use valuation provision, Congress incorporated the "material participation" requirement to avoid creating a new loophole for the "Wall Street Cowboy"—the wealthy investor who owns a farm for speculative purposes. Material participation by the decedent or a member of the decedent's family prior to his death and by the heir following the decedent's death are required.

The "material participation" requirement strikes an injustice on the decedent's estate if he suffered a prolonged illness prior to his death or if he simply wanted to retire to enjoy the fruits of his many years of hard work. Therefore, Mr. President, this bill provides that the "material participation" requirement for qualification for special use valuation need only be met until the date upon which the decedent retires or becomes disabled.

Fourth, this bill provides that "active management" rather than "material participation" will qualify, under certain circumstances, for the special use valuation. The majority of surviving spouses is women. Many widows have literally invested their entire lives in raising a family and managing the household yet they may not be experienced in or physically able to "materially participate" in the day-to-day operation of a farm or

other trade or business. Currently, absent their "material participation" in the business inherited from the decedent, they lose the special use valuation and must pay estate taxes on the highest and best use of this property.

Therefore, this bill explicitly provides that for farms or other business real property inherited from a spouse and qualifying for special use valuation, an "active management" rather than a "material participation" test may be used. "Active management" is defined to mean the making of the management decisions of a business, other than the daily operating decisions.

Fifth, this bill provides that qualification for special use valuation can be attained in the case of woodlands if the decedent or a member of his family is engaged in their "active management" for the 10-year period prior to his death.

Sixth, this bill reduces from 15 to 10 years the time for recapture of estate tax benefits. Currently, if qualified property that was subject to the special use valuation is sold or otherwise converted to a nonqualified use within 15 years after the decedent's death, a ratable portion of the estate tax benefit is recaptured. Under this bill that time period would be reduced to a more reasonable 10 years.

Seventh, this bill provides that an agent of the qualified heir may meet the "active management" test where the qualified heir is a spouse, with respect to farm property, or in the case of other property, where the qualified heir is a surviving spouse of the decedent, a minor, a student or is disabled.

Again, Mr. President, this bill makes explicit the intentions implicit in the 1976 law. Clearly, Congress does not want to preclude favorable estate tax treatment to the surviving heir because that person is disabled or may be too young to participate in the operation of the business.

Eighth, this bill permits crop-share rentals as well as cash rentals to qualify for special use valuation. The 1976 law includes two methods for valuing qualified property. The first method, which is available only for farms, involves the use of a mathematical formula based on cash rentals. The second method involves the use of commonly accepted appraisal factors such as income capitalization. Because farms in Minnesota as in other States are frequently rented on a crop-share basis, my bill permits crop-share rentals to be used in place of or in addition to cash rentals in the valuation formula. This provision simply clarifies the 1976 special use valuation formula when no comparable cash rents are available.

Ninth, this bill permits the exchnge of like-kind qualified property without incurring a recapture of tax. In other words, if an heir inherited a farm or closely held business that had been valued under the special use valuation rules, and that heir desired to carry on the business, for example, near his current residence or near other family members in a different location, the heir may do so. Under current law, an heir cannot do this without triggering a recapture of Federal tax.

Tenth, this bill eliminates the requirement that the heir must make an election in order not to have a recapture of tax after an involuntary conversion. It is unfair to require an election when inadvertence in failing to elect could cause a severe hardship.

Eleventh, this bill provides that, upon recapture of the estate tax, the basis of the property would be increased to its fair market value on the date of the decedent's death.

Mr. President, the last provision of my bill does not deal with the special use valuation provision but is equally essential to facilitating the goal of keeping the farm in the family. This provision would set the interest rate on extended payments of estate taxes at the lesser of 6 percent or 75 percent of prime.

The interest rate on extended estate taxpayments was set at 9 percent in 1975 with adjustments to be made periodically by the Treasury Department to keep it approximately equal to 90 percent of the prime rate. Effective on February 1, 1976, the interest rate was adjusted downward from 9 percent to 7 percent and later to 6 percent. On February 1 of last year the interest rate increased from this 6 percent to 12 percent and will stay there for 2 years unless changed by this legislation.

Because of these high interest rates, the deferred payment provisions have proven inadequate to deal with liquidity problems experienced by estates in which a substantial portion of the assets consists of a farm or a closely held business, or other illiquid assets.

In many cases with farms as well as other businesses, the rate of return is so low that they are unable to make the extended payments with such a high interest rate. Too often that means selling the family farm we are trying to protect.

Mr. President, it is my sincere belief that the passage of these provisions would implement the intentions of Congress in passing the 1976 Tax Reform Act. I therefore urge my colleagues, both in the Finance Committee and the entire Senate, to consider this bill for timely passage.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 858

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE: AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Family Farm Protection Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. INCREASE IN UNIFIED CREDIT.

(a) CREDIT AGAINST ESTATE TAX.—

(1) IN GENERAL.—Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 2010 is repealed.

(B) Subsection (a) of section 6018 (relating to estate tax returns by executors) is amended—

(i) by striking out "$175,000" in paragraph (1) and inserting in lieu thereof "$600,000",

(ii) by striking out paragraph (3), and

(iii) by redesignating paragraph (4) as paragraph (3).

(b) CREDIT AGAINST GIFT TAX.—

(1) IN GENERAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800".

(2) CONFORMING AMENDMENT.—Subsection (b) of section 2505 is amended to read as follows:

"(b) PHASE-IN OF CREDIT.—

Subsection (a)(1) shall be applied by substituting for '$192,800' the following amount:

"In the case of gifts made in:	
1981	$47,000
1982	70,800
1983	96,300
1984	121,800.".

SEC. 3. SPECIAL USE VALUATION RULES.

(a) REPEAL OF $500,000 LIMITATION.—Subsection (a) of section 2032A (relating to value based on use under which property qualifies) is amended to read as follows:

"(a) VALUE BASED ON USE UNDER WHICH PROPERTY QUALIFIES.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States; and

"(2) the executor elects the application of this section and files the agreement referred to in subsection (d)(2).

then, for purposes of this chapter, the value of qualified real property shall be its value for the use under which it qualifies, under subsection (b), as qualified real property.".

(b) CLARIFICATION OF RENTAL TO FAMILY MEMBER.—Paragraph (1) of section 2032A (b) is amended by adding at the end thereof the following sentence:

"For purposes of this paragraph, real property shall not be treated as property not being used for a qualified use merely because the decedent leased such property to a member of the decedent's family for a fixed or variable rental."

(c) DEFINITION OF QUALIFIED REAL PROPERTY.—Subsection (b) of section 2032A (defining qualified real property) is amended by adding at the end thereof the following new paragraphs:

"(4) RETIRED AND DISABLED DECEDENTS.—

"(A) IN GENERAL.—If, on the date of death of the decedent, the decedent did not otherwise meet the requirements of paragraph (1)(C) with respect to any property, and the decedent—

"(i) was eligible to receive old-age benefits under title II of the Social Security Act, or

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C) shall be applied by substituting 'the date on which the decedent became eligible to receive old-age benefits under title II of the Social Security Act or became disabled' for 'the date of the decedent's death'.

"(B) DISABLED DEFINED.—For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(5) SPECIAL RULE FOR SPOUSES WHO ARE QUALIFIED HEIRS.—In the case of any qualified real property which was acquired by a qualified heir who is the spouse of the decedent and which does not otherwise meet

the requirements of paragraph (1)(C) upon the death of such spouse, such real property shall be treated as meeting the requirements of paragraph (1)(C) if such spouse was engaged in the active management of the operation of the business at all times during—

"(A) the 10-year period ending on the date of death of the spouse, or

"(B) the period beginning on the date of death of the decedent and ending on the date of death of the spouse.

"(6) SPECIAL RULE FOR CERTAIN WOODLANDS.—In the case of real property used for a farming purpose described in subparagraph (C) of subsection (e)(5) which does not otherwise meet the requirements of paragraph (1)(C), such real property shall be treated as meeting the requirements of paragraph (1)(C) if, at all times during the 10-year period ending on the date of the decedent's death—

"(A) such real property was owned by the decedent or a member of the decedent's family and used for such farming purpose, and

"(B) the decedent or a number of the decedent's family was engaged in the active management of the operation of the business.".

(d) DISPOSITIONS AND FAILURES TO USE FOR QUALIFIED USE.—

(1) 10-YEAR HOLDING PERIOD.—

(A) IN GENERAL.—Subsection (c) of section 2032A (relating to tax treatment of dispositions and failures to use for qualified use) is amended—

(i) by striking out "15 years" in paragraph (1) and inserting in lieu thereof "10 years", and

(ii) by striking out paragraph (3) and redesignating paragraphs (4) through (7) as paragraphs (3) through (6).

(B) CONFORMING AMENDMENTS.—Paragraph (2) of section 2032A(h) (relating to treatment of replaced property) is amended—

(i) by striking out in subparagraph (A) all that follows "involuntarily converted," and inserting in lieu thereof the following: "except that with respect to such qualified replacement property the 10-year period under paragraph (1) of subsection (c) shall be extended by any period, beyond the 2-year period referred to in section 1033(a)(2)(B)(i), during which the qualified heir was allowed to replace the qualified real property,", and

(ii) by striking out "(7)" in subparagraph (C) and inserting in lieu thereof "(6)".

(2) CESSATION OF QUALIFIED USE.—

(A) IN GENERAL.—Paragraph (6) of section 2032A(c) (defining cessation of qualified use), as redesignated by paragraph (1), is amended to read as follows:

"(6) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—Real property shall cease to be used for the qualified use if—

"(i) such property ceases to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the property qualified under subsection (b), or

"(ii) except as provided in subparagraph (B), during any period of 8 years ending after the date of the decedent's death and before the date of the death of the qualified heir, there had been periods aggregating 3 years or more during which—

"(I) in the case of periods during which the property was held by the decedent (other than periods during which the decedent was an individual described in subsection (b)(4)(A)(i) or (ii)), there was no material participation by the decedent or any member of the family in the operation of the farm or other business, and

"(II) in the case of periods during which the property was held by any qualified heir, there was no material participation by such qualified heir or any member of his family in the operation of the farm or other business.

"(B) 10-YEAR ACTIVE MANAGEMENT.—If an eligible qualified heir elects, at such time and in such manner as the Secretary may prescribe, to have the provisions of this subparagraph apply to any real property—

"(i) the provisions of clause (ii) of subsuparagraph (A) shall not apply to such property, and

"(ii) such property shall cease to be used for the qualified use if the fiduciary or the eligible qualified heir or any member of his family did not take part in the active management of the farm or other business at all times during the period beginning on the date of death of the decedent and ending on the earlier of—

"(I) the date of death of the qualified heir, or

"(II) the date which is 10 years from date of death of the decedent.

"(C) ELIGIBLE QUALIFIED HEIR.—For purposes of this paragraph, the term 'eligible qualified heir' means—

"(i) any qualified heir with respect to real property the qualified use for which is a farming purpose described in subparagraph (C) of subsection (e)(5), and

"(ii) in any other case, a qualified heir who, on the date of death of the decedent—

"(I) is the spouse of the decedent,

"(II) has not attained the age of 21,

"(III) is a student described in subparagraph (A) or (B) of section 151(e)(4), or

"(IV) was disabled (within the meaning of subsection (b)(4)(B)) for a continuous period ending on such date.".

(B) CONFORMING AMENDMENT.—Subsection (e) of section 2032A (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) ACTIVE MANAGEMENT.—The term 'active management' means the making of the management decisions of a business (other than the daily operating decisions).".

(e) METHOD OF VALUING FARMS.—

(1) NET SHARE RENTALS.—

(A) IN GENERAL.—Paragraph (7) of section 2032A(e) (relating to method of valuing farms) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) VALUE BASED ON NET SHARE RENTAL IN CERTAIN CASES.—

"(i) IN GENERAL.—If there is no comparable land from which the average annual gross rental may be determined, subparagraph (A)(i) shall be applied by substituting 'average net share rental' for 'average gross cash rental'.

"(ii) NET SHARE RENTAL.—For purposes of this paragraph, the term 'net share rental' means the excess of—

"(I) the value of the produce received by the lessor of the land on which such produce is grown, over

"(II) the cash operating expenses of growing such produce which, under the lease, are paid by the lessor.

"(iii) DETERMINATION OF AVERAGE NET SHARE RENTAL.—For purposes of this subparagraph, the average net share rental shall be—

"(I) the average net share rental for reasonably comparable land published by the Department of Agriculture, an agency of the State in which the land is located, or a college or university of such State (within the meaning of section 511(a)(2)(B)), or

"(II) if the average described in subclause (I) is not available, the average net share rental determined on the basis of comparable land located in the locality of such farm.".

(B) CONFORMING AMENDMENTS.—

(i) Clause (i) of section 2032A(e)(7)(C) (as redesignated by subsection (a)) is amended by inserting ", or where it is established that the average net share rental is not capable of being determined under subparagraph (B)(iii)" after "determined".

(ii) Subparagraph (A) of section 2032A(e)(7) is amended by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraph (C)".

(2) COMPARABLE SALES.—Subparagraph (D) of section 2032A(e)(8) (relating to method of valuing closely held business interests, etc.) is amended by striking out "Comparable" and inserting in lieu thereof "Reasonably comparable".

(f) EXCHANGE OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 2032A (relating to valuation of certain farm, etc., real property) is amended by adding at the end thereof the following new subsection:

"(i) EXCHANGES OF QUALIFIED REAL PROPERTY.—

"(1) TREATMENT OF PROPERTY EXCHANGED.—

"(A) IN GENERAL.—If an interest in qualified real property is exchanged—

"(i) no tax shall be imposed by subsection (c) on such exchange if the interest in qualified real property is exchanged solely for an interest in qualified exchange property in a transaction which qualifies under section 1031(a), or

"(ii) if clause (i) does not apply, the amount of the tax imposed by subsection (c) on such exchange shall be the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX WHERE PROPERTY RECEIVED IS NOT SOLELY AN INTEREST IN QUALIFIED EXCHANGE PROPERTY.—The amount determined under this subparagraph with respect to any exchange is the amount of tax which (but for this subsection) would have been imposed on such exchange reduced by an amount equal to that portion of such tax which is attributable to the amount of the interest in qualified exchange property received by the taxpayer.

"(2) TREATMENT OF QUALIFIED EXCHANGE PROPERTY.—For purposes of subsection (c)—

"(A) any interest in qualified exchange property shall be treated in the same manner as if it were a portion of the interest in qualified real property which was exchanged, and

"(B) any tax imposed by subsection (c) on the exchange shall be treated as a tax imposed on a partial disposition.

"(3) QUALIFIED EXCHANGE PROPERTY.—For purposes of this subsection, the term 'qualified exchange property' means real property which is to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the real property exchanged therefor originally qualified under subsection (a).".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 2032A(f) (relating to statute of limitations) is amended—

(i) by inserting "or exchange" after "conversion",

(ii) by inserting "or (i)" after "(h)", and

(iii) by inserting "or of the exchange of property" after "replace".

(B) Paragraph (2) of section 6324B(c) (relating to special liens) is amended by inserting "and qualified exchange property (within the meaning of section 2032A(i)(3))" before the period at the end thereof.

(g) ELECTION REQUIREMENT OF SPECIAL RULES FOR INVOLUNTARY CONVERSIONS REPEALED.—Section 2032A(h) (relating to special rules for involuntary conversions of qualified real property) is amended—

(1) by striking out "and the qualified heir makes an election under this subsection" in paragraph (1)(A); and

(2) by striking out paragraph (5).

(h) BASIS UPON RECAPTURE.—Paragraph (3) of section 1014(a) (relating to basis of property acquired from a decedent) is amended

by inserting "(increased by the value of any interest in such property (determined for purposes of this chapter without regard to this section) with respect to which an additional estate tax is imposed under section 2032A(C)(1))" after "section".

SEC. 4. INTEREST RATE ON EXTENDED PAYMENTS OF ESTATE TAXES.

Section 6601 (relating to interest on underpayment, nonpayment, or extension of time for payment of tax) is amended by—

(a) redesignating subsection (k) (relating to no interest on certain adjustments) as subsection (l), and

(b) adding immediately after subsection (j) a new subsection (k) to read as follows:

"(k) INTEREST RATE ON PORTION OF ESTATE TAX EXTENDED UNDER SECTION 6165.—

"(1) IN GENERAL.—If the time for payment of an amount of tax imposed by chapter 11 is extended as provided in section 6166, interest on the portion of such amount which does not qualify for the 4-percent rate under subsection (j), shall (in lieu of the annual rate provided by subsection (a)) be paid at a rate determined under paragraph (2). For purposes of this subsection, the amount of any deficiency which is prorated to installments payable under section 6166 shall be treated as an amount of tax payable in installments under such section.

"(2) INTEREST RATE.—The rate of interest under this subsection shall be the lesser of—

"(A) 6 percent, or

"(B) a rate determined in the same manner as under section 6621 except that subsection (c) thereof shall be applied by substituting '75 percent' for '90 percent'.

The rate determined under subparagraph (B) shall not be less than 4 percent.

"(3) TREATMENT OF PAYMENTS.—In any case where this subsection and subsection (j) apply with respect to the amount of tax imposed by chapter 11 which is extended as provided in section 6166, any payment of a portion of such amount shall be allocated to the 4-percent portion in accordance with paragraph (3) of subsection (j) and any remaining amount shall be treated, for purposes of computing interest for periods after such payment, as reducing the amount to which this subsection applies.", and

(c) striking out "For purposes of this subsection," in paragraph (2) of subsection (j) and inserting in lieu thereof "For purposes of this subsection and subsection (k),".

SEC. 5. EFFECTIVE DATES.—The amendments made by this Act shall apply to the estates of decedents dying after December 31, 1981, except that the amendment made by section 3(b) shall apply to the estates of decedents dying after December 31, 1976.

By Mr. THURMOND (for himself, Mr. DOMENICI, Mr. ABDNOR, Mr. BAUCUS, Mr. HEFLIN, Mr. NUNN, Mr. LAXALT, Mr. HATFIELD, Mr. LUGAR, Mr. HELMS, Mr. GRASSLEY, Mr. SYMMS, Mr. HUDDLESTON, Mr. BENTSEN, Mrs. KASSEBAUM, Mr. TSONGAS, Mr. CRANSTON, Mr. MOYNIHAN, Mr. SARBANES, Mr. SASSER, Mr. SPECTER, Mr. HATCH, Mr. KENNEDY, Mr. CHAFEE, Mr. HAYAKAWA, Mr. HOLLINGS, Mr. PROXMIRE, Mr. DECONCINI, Mr. DENTON, Mr. RIEGLE, Mrs. HAWKINS, Mr. DOLE, Mr. WALLOP, Mr. ANDREWS, Mr. GARN, Mr. DURENBERGER, Mr. METZENBAUM, and Mr. LEAHY):

S.J. Res. 60. Joint resolution to authorize and request the President to designate the week of May 3 through May 9, 1981, as "National Physical Fitness and Sports for All Week"; to the Committee on the Judiciary.

NATIONAL PHYSICAL FITNESS AND SPORTS FOR ALL WEEK

Mr. THURMOND. Mr. President, I am introducing today a joint resolution to authorize and request the President to designate the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week."

I am pleased to have Senators ABDNOR, BAUCUS, HEFLIN, DOMENICI, NUNN, LAXALT, HELMS, GRASSLEY, SYMMS, HUDDLESTON, BENTSEN, KASSEBAUM, CRANSTON, HATFIELD, LUGAR, MOYNIHAN, SARBANES, SASSER, SPECTER, HATCH, TSONGAS, KENNEDY, CHAFEE, HAYAKAWA, HOLLINGS, PROXMIRE, DECONCINI, DENTON, RIEGLE, HAWKINS, DOLE, WALLOP, ANDREWS, GARN, DURENBERGER, METZENBAUM, and LEAHY join with me as cosponsors of this resolution.

Mr. President, we have come a long way from the time when physical exercise was viewed mainly as an entertainment or a diversion, and when boys and young men were the main participants in sports. Today we recognize that physical activity is an important part of daily life for people of both sexes and all ages.

One of every two adults in the United States engages regularly in exercise and sport. A third of us swim, a fourth ride bicycles, and a fifth play one of the racquet sports. Running has more than 20 million adherents. It is interesting to note that the number of physically active men and women has doubled in 10 years, and continues to grow rapidly.

Typically, interest in physical activity begins at an early age, and presently, nearly 30 million boys and girls take part in age-group team sports and other organized out-of-school activities. More than 6 million teenagers and over 600,000 college students compete in athletic programs.

Our physical fitness and sports programs are one of the primary means by which we strengthen and refresh ourselves. It is essential that we publicize such programs and make them increasingly available so that all of our citizens will be able to experience the benefits they offer. Accordingly, I am sponsoring this resolution, which requests President Reagan to declare May 3 through 9 as "National Physical Fitness and Sports for All Week."

Mr. President, I ask unanimous consent that a copy of the resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 60

Whereas one of every two adults in our country is a regular participant in exercise and sports;

Whereas the number of physically active men and women has doubled in ten years and continues to grow rapidly;

Whereas today we recognize that physical activity is an important part of daily life for people of both sexes and of all ages;

Whereas physical activity is vital to good health and is a rich source of pleasure and personal satisfaction;

Whereas physical fitness and sports programs are one of the primary means by which we strengthen our bodies and refresh our spirits;

Whereas it is essential that we make fitness and sports programs increasingly available so that all of our citizens will be able to experience the joys and benefits they offer: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week," and to call upon Federal, State, and local government agencies, and the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. HAYAKAWA. Mr. President, "the Good Life"—a phrase that means different things to different people. As we approach National Physical Fitness and Sports for All Week, let us remember the common denominator for the good life: The physical well-being to pursue your goals. Exercise is the key to attaining and maintaining the physical fitness necessary for that well-being.

I am pleased to join Senator THURMOND as a cosponsor of Senate Joint Resolution 60, which proclaims May 3 through 9, 1981 as national fitness week. National Physical Fitness and Sports for All Week is a good title because it describes the theme of America's fitness revival: Fitness for all. There is a fitness activity for everyone, one that is fun, available, and inexpensive. According to the YMCA, for every weight lifter you will find 5 aerobic dancers, 7 yoga devotees, and 10 child swimmers.

Americans are jumping, running, and bicycling for fitness. An exciting feature of our fitness revival is the variety of activities available. I believe that everyone can find an activity that is fun and useful for them. For me, it is tap dancing. This form of exercise is enjoyable for me, and has many of the same benefits of jogging: Strengthen the heart and tones the leg muscles. Tap dancing also involves another of my hobbies, listening to music, which adds to my enjoyment. You do not have to be Fred Astaire to get started. Most public recreation departments offer tap classes at reasonable fees for beginners. Get yourself a good pair of shoes and before you know it, you will be tapping away to "Tea for Two."

Try new things. Remember those three words, and your fitness activities will be interesting and diverse. For instance, I became a scuba diver after I came to the Senate. Though I am very busy with my Senate responsibilities, I managed to squeeze in enough practice and lessons to become certified in my newest sport, and have recently taken a few dives off the California coast. Try new things. Executives are climbing stairs, mothers are loosening up with trimnastics, and senior citizens are cycling. America is starting off the day with Richard Simmons, whose fitness demonstrations are broadcast nationally from his California studio. His is a

sample of the many television shows that bring exercise right into your living room. Try new things.

The private sector is joining the fitness revival by funding publications, workshops, and employee fitness programs. Last September, for example, a new national school fitness program was unveiled, free of charge to the public. The program is the result of coordination by the President's Council on Physical Fitness and Sports, and funding from the Blue Cross/Blue Shield Association and Walt Disney Educational Media Co. of Burbank, Calif. The package consists of three 12-minute films and a teacher's guide. Teachers' workshops are planned in each of the States where the materials are offered. This is only one sample of the coordination between the President's Council and the private sector. With a budget of $800,000 in fiscal year 1981, the President's Council generated private industry support for fitness totaling $40 million.

Our Nation can only be as healthy and strong as its people. I ask that the following excerpts of an article by Casey Conrad, Director of the President's Council on Physical Fitness and Sports, be inserted in the RECORD. Mr. Conrad is from Sacramento, Calif., and joined the President's Council in 1970, after 24 years with the State Department of Education in California. He describes public and corporate fitness initiatives as he asks, "Do We Have the Determination To Promote Physical Fitness for All?"

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DO WE HAVE THE DESIRE AND DETERMINATION TO PROMOTE PHYSICAL FITNESS FOR ALL?

(By C. Carson Conrad)

MANY FACILITIES ARE UNDERUTILIZED

We are also advised that our facilities and other resources for sport are the best and most extensive in the world, but we learn that many of these resources are under utilized or are not being used for the purposes for which they were intended.

We have learned that recreation departments represent our greatest untapped resource for providing physical fitness in the communities of this nation. By increasing the opportunities for instruction and competition, they could substantially widen the national participation base.

John Davis, Executive Director of the National Recreation and Park Association, told us, "All our systems are go for fitness." He suggested we immediately form a coalition to implement physical fitness and sports for all through our nation's recreation departments.

Dr. Janet R. MacLean, Director of Indiana University's Center on Aging and the Aged, helped us clearly understand the importance of physical fitness for the elderly, when she told us of the payoff of one oldster's regimen. "The woman said, 'Now I can get off the john by myself.'" Dr. MacLean reported.

This reminded me that a number of years ago, I observed an exercise program for the elderly in one of the churches in Zurich, Switzerland. On the wall was a sign which read, "Everyone should exercise: the elderly must exercise." Surely none of us now fail to recognize the essential nature of exercise for older Americans.

The biggest obstacle to overcome is getting people to understand that something that is so available, so inexpensive and so simple as exercise can be so rewarding and valuable.

EMPLOYEE PROGRAMS HAVE GREAT POTENTIAL

A relatively new factor in the fitness/sports equation is the employee physical program. More than 450 large companies and corporations now provide some type of leadership, facilities and programming for their employees. The overwhelming majority of these programs have been developed during the past decade. As they continue to multiply and expand, their potential for increasing fitness/sports participation opportunities for adults is obvious.

There recently have been several developments that indicated we are on the verge of realizing even a greater involvement in sport. One of these is the decision by the Congress and by the United States Olympic Committee (USOC) to strengthen the national sports governing bodies. As these bodies become better organized, more liberally funded and more representative in their makeup, they will be able to promote participation and development on a much wider scale.

"SPORTS FOR ALL" HELPS OLYMPIC EFFORT

The USOC team is the apex of the pyramid of our amateur sports world. The height of that apex depends upon how broad the base upon which it is built. Mass "Sports for All" will result in better performance and better world-class athletes. Schools, colleges, clubs, industry, recreation, voluntary agencies such as Ys, national sports governing bodies and multi-sport groups are important as a part of that broad-based pyramid and we sometimes tend to underestimate the contributions that any of the aforementioned make to our Olympic effort.

For a number of years, the USOC has recognized the prowess of graduates of California high schools in our Olympic effort. California has produced more than 25 per cent of U.S. Olympic team members since 1912. This performance must be partially credited to the fact that until several years ago, every pupil in grades 1 through 12 in that state had daily physical education. Physical education is properly concerned with dynamic health and participation throughout life in fitness and sports activities; but its impact on competitive athletics is inescapable and its influence on sports invaluable. It is essential that daily physical education be required at all levels in order to have the most direct and positive means of improving both physical fitness and "Sports for All" in this country.

We have heard here that we possess the know how, the facilities and the other resources to greatly improve our sports and physical fitness programs and practices. The only serious question remaining is: do we have the desire and the determination?

This conference was designed to help us give an affirmative answer. I am convinced by what I have seen and heard here, "Yes" is the only kind of answer we can give. I hope you agree. After all, it is your response that will determine whether this conference is recorded as simply another meeting or as a watershed in the sports and physical movement.

Mr. MOYNIHAN. Mr. President, today I rise with 34 of my colleagues to support the designation of the week of May 3 through 9, 1981, as "National Physical Fitness and Sports for All Week."

The importance of athletic participation cannot be overstated. Indeed, it was President John F. Kennedy who voiced the thoughts of many Americans when, in 1961, he observed that:

The vigor of our country is no stronger than the vitality and will of all our countrymen. The level of physical, mental, moral and spiritual fitness of every American citizen must be our constant concern.

Today these thoughts are particularly relevant. As our lives become ever more complex and hurried, physical activity becomes all the more vital to our health and spiritual well-being. It is essential that we make fitness and sports programs increasingly available in order that all the citizens of this good Nation will be able to experience the exhilaration of an active life.

Last year I introduced a resolution which designated a week in June as "National Athletic Boosters Week." This resolution rallied overwhelming support and recognized thousands of local volunteer athletic booster clubs which have tirelessly sought to insure the survival of sound athletic programs in our schools. In the same vein, today we ask for recognition of millions of Americans who participate in a myriad of athletic pursuits. We ought to commend not only their energy, but their understanding of good health as well. Would that we could insure longer, healthier and, indeed, happier lives for all the citizens of this country.

I hope the Senate will act promptly and enthusiastically in passing this resolution.

ADDITIONAL COSPONSORS

S. 47

A the request of Mr. SCHMITT, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 47, a bill to amend the Immigration and Nationality Act to establish a temporary worker's visa program between the United States and Mexico.

S. 270

At the request of Mr. SCHMITT, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 270, a bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes.

S. 598

At the request of Mr. JEPSEN, the Senator from Arizona (Mr. GOLDWATER), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 598, a bill to amend the Internal Revenue Code of 1954 to exempt from taxation the earned income of certain individuals working outside the United States.

S. 622

At the request of Mr. INOUYE, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Vermont (Mr. STAFFORD), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of S. 622, a bill to control the export of hazardous wastes.

S. 643

At the request of Mr. JEPSEN, the Senator from New York (Mr. D'AMATO), the

Senator from New Jersey (Mr. WILLIAMS), the Senator from South Dakota (Mr. ABDNOR), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 643, a bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income.

S. 718

At the request of Mr. PROXMIRE, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 718, a bill to amend title IV of the Social Security Act to provide that States must require recipients of aid to families with dependent children to participate in community work programs if they are able to do so.

S. 719

At the request of Mr. PRYOR, the Senator from Alabama (Mr. HEFLIN), the Senator from New York (Mr. MOYNIHAN), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 719, a bill to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, to provide statutory guidelines concerning the award of contracts for the procurement of consulting services, management and professional services, and for other purposes.

S. 752

At the request of Mr. BAUCUS, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 752, a bill to amend the Internal Revenue Code of 1954 to provide for the awarding of reasonable court costs and certain fees to prevailing parties in civil tax actions, and for other purposes.

SENATE JOINT RESOLUTION 3

At the request of Mr. PRYOR, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

SENATE RESOLUTION 44

At the request of Mr. MOYNIHAN, the Senator from Maine (Mr. COHEN) was added as a cosponsor of Senate Resolution 44, a resolution relating to the convening of an international conference to amend certain international agreements concerning the privileges and immunities of diplomatic and consular agents.

SENATE RESOLUTION 97

At the request of Mr. PROXMIRE, the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of Senate Resolution 97, a resolution establishing a maximum number of full-time Senate employees and prohibiting the construction of additional office buildings for the Senate.

SENATE RESOLUTION 105—RESOLUTION RELATING TO THE CONSIDERATION OF S. 694

Mr. TOWER, from the Committee on Armed Services, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 105

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 694, a bill to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and for research, development, test, and evaluation, and to increase the authorized personnel strength for military and civilian personnel of the Department of Defense, and for other purposes.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 694, as reported by the Committee on Armed Services.

AMENDMENTS SUBMITTED FOR PRINTING

AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE

AMENDMENT NO. 28

(Ordered to be printed and be referred to the Committee on Foreign Relations.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to the bill (S. 784) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State.

Mr. MOYNIHAN. Mr. President, today I introduce a measure that conforms well to one of the distinctive themes of the still young Reagan administration, the dangers posed by international terrorism. Among the groups that spread this scourge in international life, none is more deadly than the Palestine Liberation Organization and yet, despite the deadliness of its program, none is accorded greater respect. The PLO has been able to secure for itself rights and privileges usually accorded only to states.

This problem appears to be well understood in the new administration. Its spokesmen seem determined to combat the growing international disregard of the true nature of the PLO and to reverse the organization's success in gaining legitimacy for its repugnant purposes. In an interview with ABC News, Mr. Richard Allen, the President's Assistant for National Security Affairs, recently spoke the truth that American administrations have too long wished to sidestep. That the PLO is to be understood as a terrorist apparat if it is to be understood at all.

In this light it is unfortunate that the administration's State Department authorization request for fiscal 1982 and 1983 should lack the very provisions that were attached by the Congress 2 years ago in an effort to prevent even indirect American subsidy of the Palestine Liberation Organization. Two years ago, Mr. President, I introduced into this body—as did then Congressman Wolff in the other body—an amendment to the last State Department authorization bill. We proposed, and both Houses of Congress agreed without objection, that the United States should withdraw any contribution to the United Nations to support two units within the U.N. that serve as front organizations for the PLO. These are the Committee for the Exercise of the Inalienable Rights of the Palestinian People, and the Special Unit on Palestinian Rights. The former organization, it will be recalled, was created by the General Assembly on November 10, 1975, the day that it also declared Zionism to be a form of racism. Since that time, this body, like its sister unit, has been run as an arm of the PLO.

Because this seemed intolerable to the entire Congress 2 years ago, we adopted the restrictions of the Moynihan-Wolff amendment, that the U.S. contribution to the United Nations be reduced by an amount equal to 25 percent of the budget of the two PLO bodies. As a result the U.S. contribution to the United Nations was reduced in this past year by $190,775. In the present year, the U.S. payment will be cut by $228,550.

The amendment I introduce today would continue this pattern of reductions, and I hope that the Senate Foreign Relations Committee will wish to adopt it once more. If it is attached to S. 784, the State Department authorization bill, this amendment would have an impact much like that of the one described above. The budgetary effect of this cut would, as before, be modest, but its importance lies in expressing the view of the Congress that the United States cannot abide the role that the PLO has acquired at the United Nations. It is beyond our power at this time to undo this role, but we hardly need subsidize what we find utterly repugnant.

Accordingly we take the extraordinary step of withholding a small portion of the assessed contribution of the United States. The United Nations will find it hard to operate if members freely withhold funds to express disapproval of particular budget items. But we do not take this step lightly. We take it to express our very deep alarm that the PLO, whose purposes run counter to those of internation society, has been admitted as a member in good standing within that society. We are alarmed that the United Nations has conferred legitimacy on an organization dedicated to the destruction of one of the U.N.'s members.

Mr. President, I first introduced this measure 2 years ago. Last November I introduced a measure making comparable cuts in U.S. contributions to UNESCO programs that are operated in conjunction with the PLO. Its purpose was similar to the amendment I propose today. It may in time prove desirable to tie together these amendments in legislation that imposes comprehensive restrictions on U.S. payments to international organizations. Yet as we study this possibility, we should make as clear as we can—by attaching this amendment to S. 784—that the United States can have no part

in support of whatever sort for the Palestine Liberation Organization.

In the other body, Congressman CHARLES SCHUMER will introduce a similar amendment.

BUDGET RECONCILIATION RESOLUTION

AMENDMENT NO. 29

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS (for himself, Mr. RANDOLPH, Mr. BAUCUS, Mr. BENTSEN, Mr. GLENN, Mr. LEVIN, Mr. MATSUNAGA, Mr. HART, Mr. CANNON, Mr. METZENBAUM, and Mr. JACKSON) submitted an amendment intended to be proposed by them to the concurrent resolution (S. Con. Res. 9) revising the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

AMENDMENT NO. 30

(Ordered to be printed and to lie on the table.)

Mr. D'AMATO submitted an amendment intended to be proposed by him to the concurrent resolution Senate Concurrent Resolution 9, supra.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, the Senate Committee on Small Business will hold a full committee hearing on May 5, 1981, on the Small Business Administration's size standards proposals, at 9:30 a.m., in room 4232 of the Dirksen Senate Office Building. Senator HATCH will chair the hearing. For further information, contact Kimberly Elliott at 224–5175.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Energy and Natural Resources on the following nominations: Mr. R. Tenney Johnson, of Maryland, to be General Counsel for the Department of Energy; Mr. William H. Coldiron, of Montana, to be Solicitor for the Department of the Interior; Mr. Garrey Edward Carruthers, of New Mexico, to be Assistant Secretary for Land and Water Resources, Department of the Interior; and Mr. G. Ray Arnett, of California, to be Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior.

The hearing is scheduled for Wednesday, April 8, 1981, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding the hearing, you may wish to contact Mr. David Doane at 224–7144 for the Department of Energy nomination and Mr. Tony Bevinetto at 224–5161 for the Department of the Interior nominations.

ADDITIONAL STATEMENTS

A TIME NOT ONLY FOR ANGER, BUT FOR REASSURANCE

● Mr. DOLE. Mr. President, my immediate reaction to the events of Monday, upon hearing that our President had been shot and three others wounded by a would-be assassin's gunfire, was a combination of disbelief and a bit of anger. I would guess that millions the world over felt similar emotions. We have all viewed the attempt on the President's life as the occasion for horror at violence, terrorism, and the increasing frequency of crime in our society.

However, it is more. It is also a reaffirmation that we are all finally human beings, even Presidents and high administration officials.

One man tried to murder another. But that terrible act was only the opening for an unnumbered array of other men and women to act with nobility, courage, and compassion. G. K. Chesterton, the English writer of the first half of this century, defined courage as "grace under pressure." Mr. Reagan has illuminated the meaning of that definition for all of us during the past several days. Not some mythical figure, but this man, our President, has shown us how to meet pain, fear, and the unknown. In so doing, he has reassured all of us about ourselves.

Mrs. Reagan, knowing fear for her husband's life and safety, made us a little better for her quiet strength and dignity in the face of the unexpected. Secret service men like Mr. McCarthy and policemen like Mr. Delahanty give us a practical lesson that heroism is not dead. It is as close as a neighbor's need.

And Jim Brady, the President's Press Secretary, continues to display a tenacity and toughness which we can all strive to emulate.

Still others, doctors, nurses, technicians, doing what they do every day, remind us that these dedicated individuals do their work without regard to whether it is cobbler or king. They give us the better side of what it is to be human.

Mr. President, I do not suggest that we ignore the violent nature of this act. The individual responsible must be punished. But, he will join the likes of John Wilkes Booth and Lee Harvey Oswald in the perverted pantheon of assassins and would-be assassins.

We should all take some time out to remember that even a tragedy like this can reassure us. It is important to note that for every assassin who makes us feel ashamed to be human, there are millions who share our humanity and who make us proud to share theirs.

At this point, I wish to echo some of the President's own words which he spoke in his inaugural address on January 20. The President said:

> We have every right to dream heroic dreams. Those who say we're in a time when there are no heroes, they just don't know where to look.

We do have heroes. They are around us every day and as the events of the past 48 hours have shown, we do not as Mr. Reagan stated have far to look.●

MULTIPLE USE OF OUR NATIONAL FORESTS

● Mr. SYMMS. Mr. President, I bring to the attention of my colleagues the comments of Ralph Kizer, Forest Supervisor of the Idaho Panhandle National Forests. In his article, Mr. Kizer presents alternative plans for harvesting timber in the national forests of Idaho while maintaining the elk population that inhabits the region. Mr. Kizer offers solutions for the specific problem of this forest, and in so doing, demonstrates a duty by which more employees and agencies of the Federal Government should be bound. This duty I mention is an obligation to consider all pertinent interests when making policy decisions that affect the common good. As supervisor of the national forest, Mr. Kizer proposes multiple-use land management policies that strike a balance between the need to preserve our natural resources and the need to strengthen our economy.

Mr. President, I ask that the comments of Ralph Kizer, Forest Supervisor under the U.S. Department of Agriculture, dated February 27, 1981, be entered into the record.

The article follows:

COMMENTS ON IDAHO FISH AND GAME

(By Forest Supervisor Ralph Kizer)

The Idaho Panhandle National Forests timber management program has been based for decades on the premise that about 1.8 million acres out of a total of 2.5 million acres are suitable and available for timber management purposes. (There are 1.8 million acres of commercial forest land—land capable of providing a crop of commercially valuable timber). I do not foresee that large areas (thousands of acres) of commercially important timber will be set aside or foregone for the exclusive management for wildlife—primarily elk. Nor do I see large areas being set aside for the *exclusive* management of any single resource, including timber.

There are, of course, several millions of acres in Idaho which are already set aside in Wilderness. Thousands more acres are being proposed by the Forest Service for inclusion in the National Wilderness Preservation System. While most of the area in Wilderness does not contain good timber growing potential much of it does. Of the total area set aside or proposed for Wilderness, a substantial portion is very important for wildlife. In addition, there are designated Scenic Areas and other special interest areas where road development is essentially precluded and the commercial timber resource is excluded from management. Again, I don't foresee that further additional large areas of commercial forest land will be removed from the timber base exclusively for wildlife management (elk).

The local office of the Idaho Fish and Game Department has hand-picked some large areas which have not, through any of the above means, been set aside for uses other than timber. The local Department people are telling the Forest Service that the long established Wilderness areas, plus the recent conversions of Primitive Areas to Wilderness, plus the Roadless Area Review and Evaluation (RARE II) recommendations, all added up, are really not enough.

We can manage forested areas for both timber and elk (and for other resource values). The Forest Service wants to work with the Fish and Game Department and other interests cooperatively to achieve the best possible balance of resource uses. I want Forest Service and Fish and Game biologists and managers to work together and to agree on objectives so we can then manage toward those objectives. If we can agree on the numbers of animals desirable over a broad area, we can then cooperatively manage lands and animals to achieve such an objective.

Elk habitat requirements are being considered. I believe the challenge is to produce both timber and elks. On all of our timber sales we prepare an Environmental Analysis report that considers all resources. In the Nelson Peak area, northeast of Avery, for example, we have been working on an Environmental Analysis report for a possible timber sale that would be sold in 1983. Fish and Game Department personnel have been invited to participate and have participated in this process. We understand their position is to harvest no timber in this area, of about 12,000 acres, that would require any new road construction. We have used helicopters to harvest some timber, but helicopter logging is limited to less than 1 mile from a landing or road.

I have not approved the Environmental Analysis report or made my final choice of alternatives for this area. However, at this time, I am strongly considering an alternative that would require 14.5 miles of new road, to harvest about 6 to 7 million board feet, and at the same time maintain 75% of elk habitat. All of the new roads would be closed after completion of the timber sale for at least 5 years. Another alternative would provide 12 million board feet, but require 21 miles of logging roads. A no action alternative for this area would maintain elk habitat at 85 to 90 percent of potential, but produce no timber harvest. Each million board feet we harvest provides about 10 person years of local employment for logging and primary processing, and would build about 100 homes for Americans. I believe our primary mission is for our silviculturists and wildlife biologists to work out a solution so that we can produce both timber and elk in areas like Nelson Peak.

Our annual timber sale volume has been reduced from 317 million board feet in 1980 to 275 million in 1981. One reason for this reduction, which may be temporary, was to provide more consideration for elk and other resource needs.

The Forest Service is interested in doing the best job we possibly can to serve all interests.

THE ADMINISTRATION'S SOCIAL POLICY DECISIONS

○ Mr. MOYNIHAN. Mr. President, if the administration spokesmen are accurately reflecting the administration's social policy decisions, we are being presented with an extraordinary change in the purposes of public assistance.

I refer to the March 19 statement of Mr. Edwin L. Dale, Jr., spokesman for the Office of Management and Budget, as quoted in the New York Times of March 20, 1981, that—

> The policy decision is that welfare is a safety net and not an income-supplement program.

Mr. Dale was commenting on a new report by the Center for the Study of Welfare Policy of the University of Chicago, entitled "The Poor: Profiles of Families in Poverty," which analyzes the impact on low-income families of certain of the administration's proposed budget reductions and program changes. The study examined the aggregate impact of changes in six Federal programs—aid to families with dependent children, medicaid, food stamps, low-income energy assistance, public housing, and comprehensive employment and training—on families in 10 States. Several of its findings merit attention, among them the conclusion that the administration's proposals would narrow—and in some cases eliminate—the income gap between welfare recipients who work and those who do not work, thereby reducing—and in some cases perhaps eliminating—the incentive to work.

The policy question is whether a welfare recipient who works should be better off than one who does not. If there is no economic gain from working, there is no economic reason, although there may be other reasons, to do so.

For 14 years, the program we know as aid to families with dependent children has embodied the principle that welfare recipients who are able to work should have an incentive to work. The Social Security Amendments of 1967 established what is known as the $30 and a third earned income disregard. This means that a welfare recipient who works can "keep" the first $30 of each month's earnings, plus one-third of all additional earnings, plus whatever is required to pay for work-related expenses and children's day care. The welfare check is reduced by the amount of earnings in excess of those disregarded under this formula.

In New York State, for example, an AFDC family of four, mother and three children, with no outside earnings receives $373 a month in cash assistance plus $150 in food stamps. Should the family head take a part-time job paying $396 a month—and assuming monthly work expenses, including day care, of $200 a month—the family's net cash income would be $667, plus $40 in food stamps. Thus the family as a whole would be $191 better off each month as a consequence of the mother's employment than it would be if she stayed at home.

The result is that a significant number of welfare recipients do work. In 1977, some 21.8 percent of all AFDC families in the Nation had income other than their welfare benefit. That represents a population of 763,000 families, 65,000 of them in New York, who are both economically better off as a consequence of working and in which the children are growing up with the awareness that one who works is better off than one who does not.

The administration proposes changes that would all but eliminate this incentive. In the 10 States sampled by the University of Chicago, the average difference in monthly incomes between welfare recipients who work and those who do not is $126. Under the administration's proposals, this would shrink to $29. In New York, the average monthly income of AFDC recipients who work would fall from $704 to $533, just $15 more than the average income of nonworking families. In Louisiana, the difference would vanish entirely. In California the difference would shrink from $188 to $15.

This is ironic, to say the least, for this is an administration that in other pronouncements appears committed to the proposition that welfare recipients must work. Indeed, another of the reforms that has been proposed would reinstitute the practice—which has been on the Federal statute books since 1964 but has been "suspended" since 1968—of requiring welfare recipients, except those with very young children, to engage in community service in return for their monthly check.

All this bespeaks a politically fashionable but fundamentally inaccurate view of public assistance. The program we know as aid to families with dependent children is first and foremost a program to aid dependent children. Of the 10.3 million individuals receiving AFDC benefits in 1979, only 3.1 million were adults; 7.2 million were children, 4.2 million of them under the age of 10.

The typical AFDC recipient is a child living in a fatherless home. Fatherless for any of a number of reasons: Death, desertion, divorce, illegitimacy. But a child, nevertheless.

The number of such children is growing. According to data that I published in the spring issue of the Journal of the Institute for Socioeconomic Studies, approximately one-third of the children being born this year will live in a female-headed household that receives AFDC benefits at some time before their 18th birthday. One child in three. That makes AFDC second only to public education as the Government program with the widest impact on American children.

Recent history is not encouraging. Only 7 percent of the children born in 1940 could expect to spend a portion of their minority in a female-headed family receiving AFDC benefits. Seventeen percent of those born in 1950; 22 percent of those born in 1960.

These are dependent children. And AFDC exists in order to keep roofs over their heads, food in their mouths, and clothes on their backs. It embodies the response of society to the elemental needs of dependent youngsters.

It is not a lavish program. In New York State, for example, the average monthly cash benefit today for a family of four is $373. Other than a slight increase in the "shelter allowance," this is the same benefit as was provided in 1974. That means its purchasing power has been eroded 64 percent by inflation in the 7 years since it was established at its present level.

But for all its inadequacies, it is first and foremost a program for children. And chances in it should be evaluated in terms of their impact on dependent children. That is why one grows weary of debates about "welfare policy" that are couched in terms of the behavior of adults. It is not a program for adults. That some adults are also supported by it—96 percent of them husbandless women with children—is a consequence of the fact that most dependent children live with one parent.

Of course, some of those adults can work. This is amply demonstrated by the fact that more than one in five of them do work. That we would like all who can work to work is attested to by the existence, since 1967, of the work incentive program, which requires adult recipients to register for work and, when jobs are available, to take them. Taking away the economic incentive to work will not reduce dependency. To the contrary. Does

it not risk consigning AFDC recipients to permanent dependency? Does it not reverse two decades of progress in American social policy? It should be resisted. I, for one, will resist it.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 360(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that eight such notifications have been received: One on March 23; six on March 24; and one on March 25.

Interested Senators may inquire as to the details of these preliminary notifications at the office of the Committee on Foreign Relations, room 4229, Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 23, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwestern Pacific country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 24, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 24, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwestern Pacific country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY,
ASSISTANCE AGENCY,
Washington, D.C., March 24, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

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Sincerely,

ERNEST GRAVES,
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DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 24, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 24, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 24, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 25, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.●

ALASKA'S DOUBLE LOSS

● Mr. MURKOWSKI. Mr. President, I recently learned that Lt. Gen. Winfield Scott and Maj. Gen. Theodore Jenes, the ranking Air Force and Army commanders in Alaska, are leaving their current posts for new assignments outside Alaska. Lieutenant General Scott, the commander of all Air Force units in Alaska and the ranking U.S. military officer in the State, will now be serving in Seoul, Korea. Major General Jenes, the commander of U.S. Army forces in Alaska, is moving to a post at Fort Leavenworth, Kans.

These gentlemen have made outstanding contributions to both the military and civilian communities in Alaska. I am personally acquainted with these outstanding military officers and commend them for their excellent leadership during their tours of duty in Alaska. They will sincerely be missed—a fact reflected in a recent editorial printed in the An-

chorage Times on March 7, 1981. Mr. President, I ask that my remarks and the Times' editorial be included in the RECORD.

The article follows:

DOUBLE WHAMMY

Over the years Anchorage has become accustomed to the rotation of military families, taking from the community's midst some vibrant people and sending them on to new assignments elsewhere. It's a sad time, usually, because friendships only so recently made become severed by the miles that separate Anchorage from the new duty station of those involved.

But it's one of those things that is part of being civic neighbors to military establishments.

Even so, that doesn't lessen the regret produced by the double whammy that the top brass has handed to Anchorage in the past couple of weeks.

Almost simultaneously came orders transferring Air Force Lt. Gen. Winfield Scott to Seoul, Korea, and Maj. Gen. Theodore Jenes to Ft. Leavenworth, Kans.

Gen. Jenes, who heads Army forces in Alaska, will be leaving almost any day now—pending on word from the Department of Army as to his successor. The replacement for Gen. Scott, the top-ranking military man in all Alaska, was announced at the same time his new assignment was made public, and his departure date—the last day of this month—already is set.

The result is that two of the most popular—and best—of the distinguished military leaders who have served in Alaska will be leaving at virtually the same time.

Those who come after them will find big shoes to fill.

Quite apart from their individually heroic records as combat officers, both Gen. Scott and Gen. Jenes have distinguished themselves as concerned leaders of the men and women who serve with them and for them.

They may be general officers in rank, but their hearts and their dedication are to the junior officers and the enlisted personnel who make up the units they command. The soldier in the field, the airman at the remote early warning radar station are the ones most often in the minds of these two compassionate generals.

And their concern for the welfare of the troops is genuine. There is nothing phony about this special pair.

They likewise have maintained a respected rapport with civilian community, and have even further solidified the unique relationship that exists between Anchorage and the Air Force base and the Army for which are our neighbors.

Over the years this has been a rich and mutually rewarding experience for both the military and the civilian communities. Despite the barriers which sometimes are placed between military forces and neighboring towns and cities elsewhere, there always has been an effort here to stress common interests rather than differing goals.

In place of friction, there has been respect. In place of aloofness, there has been a blending of social activities and the nurturing of friendships at all levels.

Gen. Scott and Gen. Jenes have encouraged this feeling and, indeed, have been ardent supporters not only of the military in in Alaska but of Alaska itself.

They will be missed. We wish them Godspeed and all good fortune in their new assignments.●

1981 NATIONAL CONFERENCE OF CHRISTIANS AND JEWS BROTHERHOOD AWARD

● Mr. GLENN. Mr. President, on March 25 in New York City, Howard Goldfeder, president and chief executive officer of Federated Department Stores, Inc., of Cincinnati, Ohio, received the 1981 National Conference of Christian and Jews Brotherhood Award. Mr. Goldfeder is the third chief executive of this nationwide department store chain to receive this award. In 1951, Fred Lazarus, Jr. received the award and in 1975 the recipient was Mr. Ralph Lazarus.

In a speech accepting the award, Mr. Goldfeder's comments concerning the needs of the cities and his company's dedication to staying in the core cities are most timely. As government reduces its funding, volunteer organizations must do a better job, he notes.

Mr. President, I ask that a portion of Mr. Goldfeder's remarks be printed in the RECORD.

The excerpt follows:

REMARKS OF HOWARD GOLDFEDER

Federated Department Stores plan to use funds from a newly established $15 million Federated Foundation to move towards doubling our contributions in terms of the portion of our pretax profits used for this purpose.

In 1980, overall company giving, including Federated's 20 divisions, amounted to $3.5 million.

Another part of our tradition is a dedication to the cities we serve. I think it is fitting that a diversified retail firm like Federated should have a commitment to America's cities. A recent book by a Berkeley professor named Gunther Barth says the department store was one of five developments that allowed the American city to prosper. The others were the apartment house, the metropolitan press, the vaudeville palace and organized baseball.

Cities, in turn, have been good to us. Unlike organized baseball, we don't intend to leave.

This is not to say it will be easy. These are difficult times for American business in general and retailers in particular. Inflation increases both the cost of the merchandise we buy and the cost of running our operations. Intense competition severely restricts our ability to reflect these increases in our prices.

The fact that the retail price index of department store goods in 1980 rose at a rate of only about half the overall inflation rate is a measure of the competitive environment.

So just running the business in a business-like way is a big challenge. What we need today is a combination . . . the aggressive pursuit of sales combined with the kind of innovation and discipline in our operations that will keep our business healthy. No easy task.

But more is needed as well. In this respect we are not one bit different than is the rest of the country, and perhaps particularly America's cities. Our cities have all had a difficult time of it in the recent past and will face fresh challenges in the 80's. Many of these fresh challenges will come because of changes in direction for our country as a result of the last election.

Most of us in the business community see these changes in direction as important to the very survival of America. I don't mean survival of America as a huge market for consumer goods. Or survival of America as a place in which corporations can make large profits and corporate executives can make large salaries. I do mean survival of America as the symbol of equality and justice and brotherhood for Christian and Jew, black and white, man and woman, young and old.

We could not survive to guarantee these things given the direction in which we were going. A bankrupt nation is not a nation in which brotherhood has any particular meaning.

Now that we have the change in direction, it is up to us to make sure the benefits of the change are as fairly divided as we are convinced they can be. We must make sure that as methods change, goals and ideals do not.

For we must remember, as all these programs fall by the wayside in the name of much-needed government economy, that the goals of the programs were almost always good, and founded in the highest possible ideals.

So if the cutbacks we're all reading so much about today mean a stronger America, better able to benefit all its citizens but without the mushrooming cost of the past, this is all to the good.

But we can't let less government in our lives and less cost to taxpayers mean less fairness to our minorities, less equality in American life, less opportunity for good jobs and a good education, less honesty in the marketplace, less health, less safety, less security for our older people, less art and culture available to fewer people.

How can we make sure this doesn't happen?

We can do this, I believe, by looking at this period in American history as an obligation for us to do more, rather than an opportunity to do less.

If we do not look at it this way, we will have failed our country and failed ourselves, as well. For in effect, we have been saying for many years that we can do the job better without so much government. We have made that promise and that promise must now be fulfilled.

We have promised to provide more and better jobs for our minorities, without mindless quotas.

We have promised to treat women in the workplace in the same way in which we treat men, without bureaucratic prodding.

We have promised to strike sensible balance between environmental concerns and the need for economic growth, without an interfering government.

We have promised to let the marketplace regulate prices, without needless rules and regulations.

We have promised to protect the health and safety of the men and women who work for us, without armies of inspectors.

We have promised to run our business in a way that is fair to our customers, without government interveners.

These promises must be kept. There are plenty of people who believe they will not be kept. If we do not keep them, we may never have another chance to have our convictions taken seriously.

So those of us who lead American businesses must make sure the businesses we lead are managed in such a way that these promises are kept.

We must also make sure that private not-for-profit organizations on which Americans have traditionaly depended for help in time

of need and for cultural enrichment are efficiently and effectively led and adequately financed.

It seems to me that we in the business community can do three things here.

First, we can make sure that we and our associates are providing the kind of high-quality volunteer leadership that is going to become increasingly important as the government steps away from a broad range of social and cultural programs. Strong volunteer organizations were once one of the unique hallmarks of American life. A tendency to turn vast areas of human and cultural services over to the government weakened many of these organizations. We must, through our efforts, rebuild them.

Second, we must make sure the organizations we support are meeting real needs. As the government pulls back, needs will increase. Those of us who volunteer our time and contribute our money will have to do a better job than we have done in the recent past to set priorities and put more effort into those organizations which meet real needs.

And third, we are going to have to make sure those organizations that are filling real needs are adequately financed. A recent Conference Board study indicates that fewer than 30 percent of the two million corporations in the United States make any kind of charitable contributions at all.

Those companies that do not make contributions must be encouraged to do so. And those of us who do make contributions must be encouraged to do more. For many years, Federated has contributed considerable sums of money to charitable organizations. Last year our contributions totaled about three and one-half million dollars.

The new challenges of the 80's, however, make it clear that this is not enough. We have recently funded a charitable foundation with $15 million. Our current plan is to use funds from the foundation to move towards doubling our contributions in terms of the portion of our pretax profits used for this purpose. We won't do this overnight. But as needs increase we will increase our contributions to do our part to help meet them.

This is one way in which it is our intent to keep our promise to America. But keeping the promise is more than big companies giving away large sums of money.

Keeping the promise is a job for all of us as we go about our daily lives. I'm sure we will all do our part.●

PROPOSAL TO CAP MEDICAID

Mr. BAUCUS. Mr. President, I should like to engage in a brief discussion with the chairman of the Finance Committee regarding the proposal to cap the medicaid program.

It is not my intention to involve the Senate in a lengthy debate or vote on this proposal. However, it is my intention to express my disapproval for the cap. A cutback of Federal support for medicaid of this magnitude has the potential for doing great harm. As the director for the medicaid agency in my State recently said—

The proposals take the heart out of basic human services.

In addition to expressing my reservations about the medicaid cap, I am hopeful that the Senator from Kansas will engage in a discussion of possible alternatives. I am also aware that several of my colleagues share my misgivings. The Senator from New York is here and also wishes to make some remarks about this issue.

The administration is proposing to limit the entitlement nature of the medicaid health insurance program for low-income people. In this fiscal year, roughly 18 million people will receive medical services under the medicaid program.

Just who are these people who depend on medicaid?

Two children, age 2 and 6, in an AFDC family of three. The father deserted the family. The monthly income is $252. The family lives in Great Falls.

A 45-year-old woman who spent 17 years of her life in a State mental hospital because no one was able to diagnose her disease as cerebral palsy. She was subsequently released, placed on medicaid and entered an intermediate care facility. Soon after she was able to move into a group home and is now leading a more independent life. She lives in Helena.

A foster care child, born illegitimately, who suffers from spinabifida. No one wants to adopt the child because of the medical expenses involved. The child lives in Billings.

A 70-year-old widow who lives on an SSI payment of $238 a month. She lives in Roundup.

A 45-year-old man, a former logger, who was disabled at work. He lives with his wife and three children. Their total subsistence income is about $500 per month. The family lives in Missoula.

These examples drawn from my State of Montana illustrate that the medicaid program is, indeed, benefiting the truly needy. It is a vital safety net that must be preserved.

The administration proposes to limit Federal expenditures for the program in fiscal 1982 to a 5-percent increase over the prior year and set the spending increases in subsequent years to the inflation rate, as measured by the GNP deflator. This restriction in growth will reduce Federal medicaid spending by $15 billion over the next 5 years. It would reduce spending by over $1 billion in fiscal 1982. These estimated cutbacks are conservative and could be substantially higher.

The administration's rationale is ostensibly to slow the growth of the medicaid program until fundamental reforms can be implemented. We still do not know much about these fundamental reforms.

I say to my colleagues that I have earnestly studied the proposal. I have genuinely tried to appreciate the rationale behind the measure. I have listened to Secretary Schweiker explain the necessity for the cap and assure me that States can absorb the cutbacks.

But in spite of these efforts, the logic behind the cap simply escapes me. It just does not make sense.

I fail to understand it because I look at Montana and I see that my State is now projecting a cost overrun of some $7.5 million and may be forced to abolish all optional services.

I do not understand it because I know furthermore that over half the States are facing similar large-scale medicaid cuts even before the cap is imposed.

A sudden and substantial limit on Federal expenditures will further threaten medical care for the indigent at a time when State medicaid budgets are already hard pressed.

In my judgment, the proposed cap is ill conceived and ill designed. It does nothing to address the endemic causes of rising health care expenditures. The effect of the cap will, in my view, shift costs to States and localities and diminish access to basic health care services for millions of our less advantaged citizens.

The proposal is flawed in many respects.

First, it punishes States—such as New York and Michigan—that have adopted or are implementing rational cost containment strategies. These State efforts need to be encouraged. A sudden loss of funds will imperil the innovative reforms States are now adopting.

Second, the cap puts the cart before the horse by cutting back on Federal funds before fundamental program reforms are proposed and implemented. These reforms may ease the regulatory burden on States and provide greater freedom and flexibility in administering State programs.

But, can we seriously discuss limiting the entitlement nature of medicaid before we know precisely what the administration has in mind when it talks about fundamental reforms? And, how can we seriously discuss limiting the entitlement nature of medicaid before we understand the degree to which this greater latitude will enable the States to reduce the costs of their program without eliminating essential benefits?

Third, many States are experiencing unexpected growth in their medicaid caseloads due to economic circumstances beyond their control. The proposed cap penalizes individuals in States that are economically hard hit.

Fourth, many States including my State of Montana, are now considering regulations to drop optional beneficiaries and services from their medicaid program. For some States there is no more fat to cut. They have cut back to the bone. I shudder to think how these States will absorb further shortages in funds.

For all of these reasons I strenuously object to the imposition of a cap on medicaid. The Finance Committee will be instructed to save over $1 billion in fiscal 1982 in its health programs. The Senate Budget Committee has already indicated that these savings can be accomplished in ways other than capping medicaid.

I look to my chairman of the Finance Committee for reinforcement here. It is my sincere hope that we can—with a little imagination—save this money without doing harm to the most neediest members of our society.

The Senator from Kansas is one of the most compassionate, sensitive Members of this body. He is widely respected for his concern for those among us who are less fortunate.

The Finance Committee is well known for developing innovative cost-saving proposals. As in past years, the staff has developed several alternatives for the committee's consideration.

Can the Senator offer me some assur-

ance that we in the Finance Committee will not take the easy way out? That we will seriously explore alternatives that will not impact directly on the medically indigent?

In my view, the imposition of the cap on medicaid is a shortsighted answer with long-term, irreversible consequences. I look to the Senator from Kansas for his wise advice.

Mr. DOLE. Mr. President, to balance the budget represents an enormous task. To do so, it will be necessary to break the momentum of spiraling Federal costs that has built up over the past quarter century. As many have pointed out, in just the last 10 years Federal spending has increased from $211 to $655 billion.

A balanced budget will certainly require a fresh look and a healthy skepticism toward programs that have often been built up laboriously over the years and strongly supported by proponents. Medicare and medicaid must certainly be included among those programs to be reevaluated.

The total health component is currently about 10 percent of the budget and 13.5 percent of the nonmilitary portion of the budget. The increases in this component have been rapid—from $1.8 billion in 1965 to $73.4 billion in 1982. In fact, medicare alone will account for about $48 billion in 1982.

Until recently, increases in the price of health care, as measured by the Consumer Price Index (CPI), consistently exceeded price increases in the rest of the economy. A major exception to this trend occurred during the economic stabilization program (August 1971 to April 1974 for health) when medical care prices increased at lower rates than general price levels. After these controls were lifted, medical care prices immediately began to increase faster than all consumer prices. Recently, medical care prices in total have been increasing faster than all consumer prices, with hospital room rates leading the way.

As a first step toward bringing these costs under control, the President has proposed a reduction of almost $2 billion in Federal spending in the medicare and medicaid programs in fiscal year 1982.

The Senator from Kansas is concerned, as are many of his colleagues, that these cuts, and any additional cuts which we decide upon during the course of our discussions today, be made very carefully. Numerous days of hearings have been held by the Senate Finance Committee to afford us the opportunity to hear from the public about the administration's proposals. The Senator from Kansas is grateful for the number of suggestions made by these witnesses, and I hope we can sort out these proposals and come up with specific spending reduction recommendations that are responsible, equitable, and help spread the burden of these cuts.

We will also consider those suggestions made by the Budget Committee and the administration. It is our belief, however, that both medicare and medicaid must be examined during this process. While recognizing that proposals for long-term reform are in the works, we believe some reasonable changes at the current time are both possible and desirable.

The medicaid cap which my distinguished colleague from Montana has raised for discussion at this time is one specific proposal that will be reviewed very carefully. The Senator from Kansas agrees that maximum flexibility for the States is a desirable goal. However, in providing this flexibility with one hand, we must not limit their funds so drastically with the other hand as to inhibit any positive innovation.

As my colleagues are well aware, for some time the States have requested increased administrative freedom with respect to medicaid so they themselves could design more cost effective programs. The President's proposal is designed to allow States the freedom to implement any number of changes, which could well result in a medicaid program better suited to each individual State while at the same time produce significant savings.

While the decision regarding a budget target will be set in the context of this debate, the details with respect to the specific proposals to reduce spending must be made within the appropriate authorizing committees. The Senator from Kansas assures his distinguished colleagues from Montana and New York that Finance will examine the medicaid cap and all other proposals very carefully.

The Budget Committee's recommendations to the Finance Committee do not bind us to any specific proposals. They are intended to leave us sufficient flexibility to achieve savings through various options. We may well want to consider alternatives to this proposal. I would like to maintain that flexibility for the Finance Committee and not begin a lengthy debate on specific proposals before the committee has had the opportunity to fully consider its options. I do believe, however, that the committee will be able to find the required savings. It seems to me that our concern today should be whether or not we can live with the Budget Committee number. I believe that we can.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Montana for giving me an opportunity to join in this discussion.

I stand here as a representative of a State with 932,000 children who, through no fault of their own, will continue to need the assistance of the medicaid program. I mention children because 47 percent of the total medicaid population are children. I also represent 100,000 elderly and chronically disabled persons who will continue to require some form of long term care services provided by the medicaid program.

Like every other Member of the Senate, I am concerned about the cost of health care services. We are charged with looking at different ways of delivering quality health care in a more cost-effective manner. That is, and will continue to be, a fundamental challenge. Let us, therefore, pause and look to see whether the current proposal will help or deter us from reaching that ultimate goal.

I have carefully reviewed the proposal to cap the medicaid program and found that it would, if implemented, place community-based and noninstitutional programs more at risk than established institutional programs; that it would force States to reduce payment levels to financially hard-pressed health care providers; that it would cause States to start eliminating optional services and recipient classes from coverage; and that it would entirely exclude certain classes of providers from participation in medicaid.

As Senators, it is our responsibility to deliberate on these matters. We need to take a close look at the medicaid program as it is administered today. There are 52 separate medicaid programs with different eligibility standards and benefits; a Federal matching rate that arbitrarily penalizes States with large medicaid populations; 11 States with experimental and alternative reimbursement programs designed to reduce the cost of health care; and a program that still does not provide health care for millions of poor people. We are now being asked to reduce this program further. Let every Senator understand two things: First, we are not talking about reductions in a program that has covered all of those in need; and, second, the changes to come will occur because of fiscal pressures imposed by this administration, not because the need has suddenly vanished.

Again, this is the challenge to all Senators, and especially to those of us who sit on the Finance Committee, for it is under the jurisdiction of that committee where these decisions will come about. There are alternatives, some of them good, and we will look at them all.

I do have one last concern that I am compelled to state at this time: That this Congress not forget in its efforts to reduce the cost of the medicaid program the cost containment efforts of States like New York and Michigan. My State, along with others, learned years ago that health care costs could not continue to rise unabated. Therefore, New York State passed its own laws that would allow it to curtail the rate of increases in the medicaid program, and since 1975 the State has saved $2.4 billion. Because New York's cost containment efforts have been so successful in eliminating excess health care costs, this State would be especially penalized by the proposed medicaid cap. It is only fair that these efforts be given consideration in the coming debates.

AMERICAN CONCERN WITH FOREIGN POLICY AND NATIONAL DEFENSE

● Mr. GLENN. Mr. President, it seems to me evident that we are at a watershed in our foreign policy and in our views of what constitutes an adequate military instrument to support that policy. The ominous rise of Soviet adventurism and an exponential increase of our dependence of importing critical materials have contributed to a quickening of American concern with foreign affairs and national defense.

Immediately after World War II, the Soviet threat was seen mainly as the

danger posed by a massive Red Army ready to strike from its bases in Eastern Europe. More recently, the Soviets embraced détente because of their military weakness. All the while, however, the U.S.S.R. was embarked on a campaign to achieve military superiority.

Throughout the past decade, Soviet military spending has far outstripped that of the United States. And as they have grown stronger, the Soviets have become more adventurous. They have sown the seeds of violence in Africa, in Asia, and in the Middle East, and Latin America. For the first time since World War II, the Red Army marched out of the Soviet bloc to invade Afghanistan.

That the United States has grown increasingly dependent on imported raw materials was brought into sharp relief by the OPEC oil embargo of 1973. But there is now an awareness that other imports such as cobalt are also critically vital to us. Without these materials, we could be as severely crippled as if we had been ground under the heels of an invading army.

At this same time of expanding Soviet adventurism and material interdependency, we are also embarking on strengthening our long-neglected military forces. Given the great expense and long lead times necessary for this renewal of our defenses, the general directions of our military programs that we initiate now will largely determine the capabilities and limitations of our military forces into the next century. Unless we factor in our relevant foreign policy interests, we may find ourselves later in a position where military limitations restrict our foreign policy options or where the capabilities we do have dictate less than satisfactory choices. The jury-rigging we have had to do to project a modest military presence in the Indian Ocean region should be a sufficient lesson to us in this regard.

I ask that Gen. Maxwell D. Taylor's splendid article that recently appeared in the Washington Post be entered in the RECORD. Entitled, "Tell the Military Exactly What You Want," General Taylor endorses views that have been held by some of us for a number of years: Namely, that the general shape of our Nation's military forces should be determined by our national interests abroad and by the foreign policies we adopt to protect those interests.

I ask also that my attached letter to the chairman of the Foreign Relations Committee be entered into the RECORD. Dated nearly 2 years ago, the letter calls for a definition of our likely future interests and the foreign policy requirements that would guide our defense planners.

The material follows:

[From the Washington Post, Mar. 11, 1981]

TELL THE MILITARY EXACTLY WHAT YOU WANT

(By Maxwell D. Taylor)

At a time when President Reagan is asking sacrifice and greater efficiency in the civil sectors of government, he would be well advised to display equal toughness in examining the military policy recommended by the Pentagon. To do so, he should require evidence of how major military requirements relate to the protection of specific national interests and to the support of the foreign policy he expects to carry out. Thus, he could verify the correlation of military with foreign policy before committing himself to the vast new military programs, consisting largely of high-priced weaponry, now being pressed upon him.

No such linkage between foreign and military policy has even been effected in the past. A recent example of failure of policy correlation was the sudden proclamation last year of the Carter Doctrine in response to the Soviet invasion of Afghanistan. With little warning, the armed forces found themselves responsible for the defense of the Persian Gulf region, barren of bases and allies and practically on the doorstep of the Soviet Union. The Department of Defense is still struggling to give some credibility to the political decision by shifting naval forces needed elsewhere to the Gulf while touting the creation of a Rapid Deployment Force. The latter, to date, consists only of several hundred officers and men, a few contingency plans and a couple of robust interservice feuds.

As it takes a fresh look at our overall foreign policy today, the Reagan administration has a precious opportunity to demand from Defense a clear and timely military policy consistent with its major political objectives. But the civil leaders must be ready to give the military specific guidance of a sort generally lacking in the past.

For maximum utility, such guidance should clearly outline the major tasks the armed forces would be expected to perform in the next five to 10 years. In the case of the strategic forces, it would likely reaffirm their primary task as the deterrence of a Soviet strategic attack on us or our allies. But what kind of forces would produce this deterrent effect? The guidance might properly prescribe that adequate forces be able to destroy certain specific Soviet target systems under certain stated conditions with a minimum acceptable percentage of probability. On the other hand, it might revert to the fallacy of seeking parity with the Russians in numbers of weapons.

For the general-purpose (non-nuclear) forces, it would no longer suffice to say, as in the past, merely that they should be able to fight one-and-one-half or two-and-one-half wars simultaneously without indication of where and how long they would be expected to fight without benefit of major reinforcement.

In NATO, the immediate question is how to offset the increase in the strength of the Warsaw Pact and, in so doing, how to obtain a larger military contribution from our allies. Our military chiefs will need to know to what extent, if any, they should plan to modernize NATO weaponry despite allied coolness to the idea and whether to consider a further increase in our own forces currently deployed there. In the latter connection they need to know what percentage of our current combat strength can be safely committed to this area beyond an ocean that our Navy may not be able to control.

In the Middle East, the first question to answer is whether the Reagan administration adheres to the Carter Doctrine unchanged and expects the Pentagon to give it military meaning. If so, what level of defense is desired—a military presence merely to show the flag, or a tripwire force big enough to force the Soviets to attack and face the possibility of unpredictable escalation? Or will the eventual goal be a major defensive front comparable to that currently in Western Europe? In any case, where will the trained manpower come from to provide combat-sustainable forces without a return to peacetime conscription?

Because of the costs involved, the military planners should receive guidance as to the level of readiness to be required of operational forces. It will not do to say merely that all forces should be ready to fight anywhere at any time but, rather, that specified task forces should be ready to go to certain places in an order of priority. A trained combat unit in the United States has little timely value without the ships and aircraft to move it to its destination overseas and a supply line to forward it munitions, supplies and loss replacements. Task readiness of this sort requires carefully coordinated interservice planning—something we have done imperfectly in the past.

In addition to these longstanding threats in Europe and the Middle East, there are new conditions arising worldwide affecting our interests that a new military policy must recognize. Three are particularly important: the growing dependence of the economy on access to overseas markets, the instability and turbulence resulting from excessive population growth in many Third World countries of vital interest to us and the dangers to our citizens and our overseas assets of international terrorism. To cope with the foregoing, our military leaders are entitled to know what role the armed forces will be expected to play where and under what conditions.

With comprehensive guidance of the sorts I have mentioned and a presidential mandate to produce and maintain forces capable of the tasks indicated, the Department of Defense should be able to produce an appropriate policy and force structure. If so, the results could be extraordinary.

For the first time, we would have an appropriate linkage of foreign and military policy and, at the same time, a sound basis for justifying military needs.

We would have established task-readiness as the measure of military sufficiency and, in so doing, rejected the fallacy of matching numbers with the Russians.

The armed forces would be protected from their innate inclination to prepare for the kind of war they would prefer to fight.

In due course, the president would regain a voice in international councils strong enough to ensure the close attention of all present—especially the Russians.

COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., October 11, 1979.

Hon. FRANK CHURCH,
Chairman, Foreign Relations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: When the SALT Treaty came before the Senate Foreign Relations Committee, I was in full harmony with those who hoped that the Treaty could be considered on its own merits and not linked to other matters. In the course of the hearings, however, the Armed Services Committee, former Secretary Kissinger, and the Joint Chiefs of Staff expressed their concerns regarding the trends in the growth of our military capability vis-a-vis the Soviet Union. Their support of the Treaty in large measure hinged on making adequate provision for our future military strength.

While I share those same concerns and think we must deal with them, I nevertheless had hoped that once the concerns had been expressed, they could be put aside while we went ahead with our consideration of SALT. Debate on the military concerns, with the Foreign Relations Committee taking its very proper role of assessing the implications of a military buildup, would follow. As you know, things have not worked out as I had hoped.

Instead, the Administration has taken up these concerns now in an effort to gain SALT support, and in my view—despite Secretary of Defense Brown's statement to the contrary—have linked military concerns very definitely to the SALT Treaty. For example, they are going to pull defense matters out of the budget for early presentation (by late November according to testimony of Secretary Brown).

They say that the percentage they are going to submit would have been submitted with or without SALT, but it is no secret that discussions are under way in the Administration, at the highest level, to submit not only a 5-year plan, but to also address the proposals for a 5 percent increase demanded by those who have linked their support for SALT to an increased military budget.

This means that some very basic decisions regarding size of the military budget and of at least some of the equipment therein will be started by those who have linked their support for SALT solely to the issue of increased defense expenditures, with careful consideration of other foreign policy matters and all the international implications thereof, receiving little initial consideration.

This can be one of the most important decisions for our foreign policy, and the military back-up to that policy, that has been made by the United States in the last 20 years. It has been at least that long since we have made such major commitments, and these new commitments may well determine our military programs and our foreign policy direction for the next 20 years.

It seems to me that even a casual observer of the world scene would recognize that we are truly at a watershed period in our foreign policy, and our military alignments around the world. In early post World War II days, we still had the big powers exerting a major influence around the world, but from those days when the United Nations was formed with 51 nations, we have seen the breakdown of big power influence around the world. The British are no longer "east of Suez". The French, British, Belgians, etc. are no longer holding sway over major portions of Asia and Africa. Membership in the United Nations has risen to 151 nations, with many of the LDC's organized into "nonaligned" status. Simultaneously there has been a tremendous growth in Soviet military power, particularly in conventional weapons. We are also all familiar with the new technique of using surrogates to perform missions around the world on behalf of the Soviets.

With our dependence on Middle East oil, we have noted a Soviet coup in Afghanistan, moves by Cuban surrogates across Africa from Angola to Ethiopia and Somalia, with moves into South Yemen on the Saudi Arabian border, as well as an increased presence in the Indian Ocean astride our oil supply lines. In Asia the Soviets have significantly increased the number of combat troops on disputed islands north of Japan and have expanded the Soviet/Viet Nam war against Cambodia. Closer to home the Soviets have absolutely refused to accommodate us when their move into Cuba was discovered. Moreover, other moves apparently are going on in the Caribbean—Grenada, for example.

We can no longer ignore this Soviet expansionism around the world. Very fundamental issues of American foreign policy are involved that I believe should be very carefully considered before the defense budgeting matters now linked to SALT, are put into place or are decided upon even in a tentative fashion. Although the Armed Services Committee will not consider the arms alignment that we need in a policy vacuum, it seems to me that these are considerations in which the Foreign Relations Committee must also be involved and play a very vital role.

We have not had considerations of this kind even vaguely discussed before the Foreign Relations Committee this year because of all the emphasis on SALT. Now that there is linkage occurring in this bigger defense budget context, it seems to me that we must address the foreign policy implications or we will be in the position of seeing what would normally be a Foreign Relations Committee responsibility go to the Armed Services Committee by default. It will do us little good to discuss foreign policy alignments that might have better contributed to U.S. security once the weapons buys and military alignments are set on course.

I know of your personal concerns regarding the situation in Cuba and your belief that those troops must be withdrawn or at least certified as non-combat before you believe SALT has a chance of passing. You have also stressed the fact that the nearness to our shores is a most important factor. Important as those factors are, however, it seems to me that one of the most important aspects of the Cuba situation is that it highlights a pattern of Soviet expansionism around the world with which we now must come to grips.

There seems to be at the present time, however, an urgency to move SALT mark-up, which I admit I do not fully understand. To be pushing for such rapid mark-up just to have SALT II through the Committee and "at the ready" for a propitious moment to occur on the Senate floor hardly seems to be necessary when we have some of these other momentous items that we have not yet considered, and I refer to the Armed Services deliberations of the defense budget as well as your immediate concerns about the situation in Cuba.

I believe that military forces and alignments should be based on a well-thought out foreign policy and not vice versa. As I have discussed with you before, I have hoped for a long time that we could work much more closely with the Armed Services Committee because our efforts are so intertwined.

It seems to me that with defense expenditures and alignments being now linked to the SALT Treaty, it is incumbent on us to move toward policy considerations which are the province of the Foreign Relations Committee. I suggest we set aside our scheduled mark-up sessions on SALT and engage in policy discussions as the defense budgeting is brought to the Congress. I believe the immediate future will see us setting in place the direction for our military alignments for perhaps the next generation, and to let the policies involved in those decisions be made with little or no consideration by the Foreign Relations Committee is to me not fulfilling the jurisdictional role we have for the United States Senate. Those decisions will go to the Armed Services Committee by default.

Thank you for your consideration of this matter, which I hope we can discuss at our next business meeting.

Sincerely,

JOHN GLENN,
U.S. Senator.●

IRS PERSONNEL CUTS—PENNY WISE AND POUND FOOLISH

● Mr. BAUCUS. Mr. President, last week the Senator from Iowa, who is chairman of the Finance Subcommittee on Oversight of the Internal Revenue Service, expressed his concerns about the cuts in the budget for the Internal Revenue Service. As the ranking member of that subcommittee I want to join with the Senator in this matter.

Mr. President, the American tax system is founded on the principle of voluntary compliance. The very effectiveness of our tax system depends upon the willingness of taxpayers to accurately assess themselves and voluntarily pay their taxes. But the President's fiscal 1982 budget request for Internal Revenue Service personnel continues a pattern that threatens to undermine our voluntary compliance system.

Despite evidence that clearly shows that IRS is the one case where additional expenditures contribute to reducing the deficit—additional IRS personnel yield much more in increased revenue than the cost of their salaries—this administration plans not only to continue, but to increase, the cuts in IRS staffing. The President's 1982 budget proposes a 3,500-position cut in IRS personnel over the Carter administration's January budget. These cuts are penny wise and pound foolish.

I support efforts to reduce the size of the Federal Government. But I find it hard to understand why this administration, which has made a balanced budget a major goal, would continue the unsound practice of reviewing revenue-producing programs with the same criteria used to assess revenue-spending programs and thereby fail to fund sufficiently the Federal Government's main revenue-producing agency.

The President's budget package states that because proposed reductions in marginal tax rates are expected to enhance voluntary compliance, the slight increase in IRS enforcement personnel proposed in the January budget, other than those for collection of unpaid taxes, will not be necessary.

The facts do not bear this out. There are dangerous consequences from continuing the current understaffing of IRS: revenue collections will continue to suffer; voluntary compliance will continue to decline; and the tax protest movement will continue to grow. IRS is currently overwhelmed by millions of delinquent accounts, with unpaid taxes increasing from $13.3 billion at the end of 1979 to $15.8 billion at the end of 1980. These are taxes legally due and owing—taxes shown due on returns when filed, taxes withheld from employees' wages by employers and not paid over to the IRS, and the like. At the same time, the percentage of returns audited has continued to drop, inducing more and more taxpayers to play the "audit lottery."

During hearings last October before the House Committee on Government Operations, testimony and documents were presented that vividly illustrate the shortsightedness of OMB's decisions on IRS budget requests that have apparently been the rule for several years. These documents describe the growing problems resulting from continued underfunding of IRS and show how the Treasury Department has tried to persuade OMB of the critical need for increases in the size of IRS. The following is from a 1977 Treasury policy document:

> Sizable revenues have been and are being lost by continuing inadequate levels of tax administration. Compliance measurement studies show a projected under-reporting of $80.3 billion in recommended individual income tax for the fiscal year 1977–83 period. In contrast, the cumulative additional tax recommended through the IRS audit program will total approximately $11 billion at current resource levels. This amounts to a windfall for those not paying their fair share of about $70 billion over the 1977–83 period. Our self-assessment system depends on taxpayers' perceptions that all are paying their fair share of taxes.

The following is from an attachment to a September 8, 1977, letter from

Treasury Secretary Blumenthal to OMB Director Bert Lance:

Treasury is in a unique position to help achieve the goal of balancing the budget by 1981 by increasing revenues through improved enforcement of our tax laws. The budget process has suffered from a perennial problem of setting expenditure ceilings without due consideration to the effect this has on the ability of revenue producing programs to assure the adequacy of federal receipts. This has resulted in needless increases in deficits and the national debt. Thus, the traditional budget approach aimed at restricting all expenditures has created a paradox. The funding of revenue-producing programs has been viewed as competing with, rather than facilitating, virtually all remaining programs of the government without regard for the fact that receipts vary with the size of the tax administration effort.

A 1978 letter from Secretary Blumenthal to OMB Director McIntyre stated in part:

As discussed last year with the President, we believe it is counterproductive to unduly restrict the budget of the IRS when expenditures for appropriate activities return substantial additional revenues. . . . Aware of the President's overriding goal of keeping employment and expenditures at the lowest feasible level, the Department this year is not submitting additional revenue raising proposals. We feel that such restrictions on the principal revenue-producing activities of the government are short-sighted. We strongly believe that such expenditures would be cost-beneficial and would help to lower the budget deficit.

And finally, in another letter from the Secretary of the Treasury to Mr. McIntyre, dated November 19, 1979:

The Service is simply unable to handle the work load requirements placed upon it with the level of resources it has in Fiscal Year 1980. Over the past few years, most programs have eroded to the point where the IRS's decreased capabilities may themselves soon adversely affect the level of voluntary compliance.

A review of IRS's budgets for this period, as well as a review of the budget deficits—$45 billion in 1977 to $59 billion by 1980—indicates that OMB was unswayed by these arguments. The fiscal 1982 budget demonstrates that OMB's current decisionmaking process is apparently the same—revenue-producing programs continue to be treated the same as revenue-spending programs.

At the present time, there are disquieting signs that tax enforcement needs to be increased, not reduced—among them the growing number of illegal tax protestors and the widespread broadcasting of techniques used to avoid reporting income. We all have read reports of the tax revolt among the Michigan autoworkers. Some workers have said that if the tax revolt gets big enough, they will join.

There was a time when the American Federal income tax system was the envy of governments all over the world. In some countries, like France and Italy, cheating the tax collector is almost a matter of honor. But, in the United States, while people might complain about their taxes, as good citizens they have always paid them. But the numerous reports of a growing "underground economy," of the tax revolt, of surveys that indicate a large number of Americans have no qualms about cheating on their taxes, show just how far from that idyllic era we have come.

One of the major causes of this change is the continuing erosion of IRS enforcement activities. A 1979 Roper tax survey revealed that 29 percent of taxpayers believe that cheating is high, while another 27 percent believe that there is a medium level of cheating. The potential for self-fulfilling disaster to one of the great sources of strength of this country is so serious that it warrants the urgent attention of Congress and the administration.

I am not advocating increasing taxes. I am proposing that the IRS be given enough staffing to be able to deal more effectively with those taxpayers who are failing to pay their taxes or who are evading their fair share of the tax burden through elaborate tax avoidance schemes, such as the well-known "silver-straddle" and other questionable or outright illegal tax shelters.

The 1982 budget states that due to cuts in personnel, the IRS will have to curtail some of its efforts to match information documents to returns, which is aimed at locating those who fail to file returns or who fail to report all their income; that there will be 225,000 fewer audits than in 1980; and that delinquent accounts will increase by 872,000 from 1980, to a total of over 2 million delinquent tax accounts. In fairness to those who report their income and pay their taxes, the IRS should be staffed sufficiently to pursue those who evade paying their taxes.

At the same time as I am urging adequate staffing for IRS, I am also well aware of the many complaints against the agency—that it is already too powerful. I am concerned about these complaints and therefore I will be reintroducing my taxpayers' bill of rights which provides important protections for taxpayers against IRS abuses.

However, if the taxes already due and owing could be collected and if taxes could be assessed and collected on even a percentage of the growing unreported income—estimated by the IRS to be as high as $135 billion in 1976 and by others to be as high as $600 billion today—the resulting revenues would probably more than cover the projected budget deficit for 1982. It is therefore mind numbing that President Reagan's budget cutters are proposing a 3,500-position reduction in the IRS, thereby making tax fraud even more attractive.

The 1982 budget shows decreases in key IRS enforcement personnel: revenue agents are decreased 108 from 1980; tax auditors are down 719; and special agents, those who investigate corporate and individual fraud, organized crime figures and narcotics traffickers, and illegal tax protestors, decreased by 90. These cuts, coupled with recent statements by the Attorney General that enforcement activities will be concentrated more on street crime than on white-collar crime, sends a message to the American public, whether or not intended, that the Federal Government is less concerned with enforcing the tax laws.

The goal of balancing the budget requires not only stringent expenditure controls, but also effective production of revenues. One of the causes of unbalanced budgets and bigger deficits over the past several years has been the fact that the Government has been losing significant revenues, due in large part to inadequate funding for revenue-producing programs.

Direct expenditures for IRS revenue-producing programs yield impressive returns—collection programs are the highest, with a net yield-to-cost ratio of approximately $20 to $1, while the ratio for the examination program is $5 or $6 to $1. In addition, a ripple effect can be expected from stepped-up tax administration efforts, which further increase receipts through higher voluntary compliance and contribute significantly to future balanced budgets.

As the figures show, IRS is a remarkable bargain—the average citizen would think the Government is crazy not to spend $1 to take in $5 or $6, much less $20. But the figures which show the growing amount of unreported income also indicate that the IRS is clearly not supplied with enough staff to search out effectively those who cheat.

Americans who voluntarily pay their correct taxes justifiably resent the fact that those who cheat and evade paying taxes and are not caught make the burden greater on all honest taxpayers. If IRS were provided sufficient staffing, those who have been evading and cheating can, at long last, begin to supply some of the very large amounts of revenues that our Government needs to work out of its current economic problems.

I ask that the following two articles be printed in the RECORD.

The articles follow:

[From the Los Angeles Times, Mar. 2, 1981]

STOP, THIEF! TAX CHEATS ARE NOT AMUSING—THEY STEAL FROM THE REST OF US

(By Ernest Conine)

There was a time when the American federal income-tax system was the envy of governments all over the world. In France and Italy, cheating the tax collector—or at least trying to—was almost a matter of honor. But in the good old U.S.A., people might grumble about the taxes but as good citizens they were willing to pay up.

Two recent items in the news show how far from that idyllic era we have come.

The Internal Revenue Service disclosed that it was moving to quash a growing tax revolt among 3,500 Michigan workers who have tried to escape income-tax withholding from their paychecks by claiming as many as 99 dependents.

In a separate action, the service charged that up to 4,000 airline pilots had participated in a massive tax-fraud conspiracy involving the creation of fictitious income-tax deductions amounting to perhaps $100 million.

With the April 15 filing deadline only a few weeks away, a lot of people are no doubt tempted to look on such violations with amused tolerance.

They shouldn't. Any American who deliberately cheats on his taxes is a thief stealing from the pockets of honest citizens just as surely as though he stuck a gun in their ribs. To the degree that the tax cheat pays less than his lawful share of the tax bill, honest taxpayers must pay more.

Whether he works on an auto-assembly line or in the cockpit of a Boeing 747, the

tax evader who is caught and convicted deserves jail or a heavy fine.

Having said that, it is pretty obvious that something also needs to be done about a national climate that is beginning to make tax cheating fashionable among otherwise law-abiding citizens.

A survey of 5,000 households across the nation, commissioned by the Internal Revenue Service, found that almost a third admitted being "less than absolutely honest" in reporting their incomes or their deductions to the tax collector. The amounts of unreported income ranged from $1 to $6,000. Those surveyed admitted to false or exaggerated deductions ranging from $2 to $2,000.

Although most of the cheating is petty, it adds up to big bucks. Mortimer Caplin, one-time commissioner of internal revenue cites studies suggesting that as much as $135 billion of taxable income went unreported in 1976. The figure would be larger now.

If taxes could be collected on this unreported income, the resulting revenues would by themselves finance a pretty substantial across-the-board tax cut. In other words, if everybody paid what he owed, nobody would have to pay as much.

The trouble is that seemingly millions of Americans have convinced themselves that, because taxes are higher than they think they ought to be, they are entitled to arrange do-it-yourself tax cuts. According to the study cited by Caplin, an astonishing 35 percent to 40 percent of all income earned by self-employed people—doctors, lawyers, plumbers, repairmen and the like—is never reported. A third of all rental and royalty income goes unreported, the study concluded, as does some 20 percent of capital gains on property sales and up to 16 percent of interest and dividend income.

Obviously, a serious deterioration has occurred in the once-vaunted willingness of the American taxpayer to pay what he honestly owes.

Part of the answer lies in a lack of tough, credible enforcement. It's mind-numbing to note that President Reagan's budget-cutters propose to make tax fraud even more attractive by firing hundreds of the revenue service's investigators.

Inflation itself is a major villain. Although the average American's purchasing power has gone up little if any in recent years, inflation has pushed him into higher and higher tax brackets.

As he casts around for a way to cope, the taxpayer has the example set by businessmen and other upper-income people, egged on by their lawyers and tax accountants, in seeking out tax shelters.

Not all tax shelters are bad, of course. Most were enacted to encourage investment in socially useful or productive channels. And genuine efforts have been made to close the blatant rip-offs resulting from willful distortions of legal intent.

But, as tax lawyer Gerald J. Robinson wrote in the New York Times, "As soon as loopholes are closed, clever tax attorneys hired by the promoters invent others."

Most people, however, have neither the money nor the know-how to play the game. About the only tax shelter available to them is the interest paid on their home loans. A certain number are tempted to create their own shelters through petty and not-so-petty cheating.

But explanation is one thing, and justification quite another. Every citizen is entitled to complain about taxes, and to work within the system to have them reduced; he is not entitled to go outside the law. Proposition 13 shows that an aroused citizenry can make its fight within the system and win.

The average citizen is also entitled to demand that his elected representatives do a better job of outlawing abusive tax shelters and keeping new ones out of the law.

But let's face it. We have high taxes because we have high government spending. And we have high spending because we expect Washington to provide for national defense, pay Social Security, support the educational and health-care systems, subsidize farming and scientific research, and throw a lifeline to the needy.

The Reagan Administration is reflecting a public consensus that government has grown too expensive. If enough people let their congressmen know that they agree, spending cuts will open the way for tax cuts. Just as rising taxes have helped make crooks out of honest people, falling taxes can help reverse the process.

Meanwhile, it's incredible that so many Americans wink charitably at the charlatans who, by giving themselves a free ride, make fools of the rest of us.

[From the New York Times, Mar. 15, 1981]

STOP TAX CHEATS, HELP THE ECONOMY

(By Harold W. Felton)

The Internal Revenue Service has estimated a revenue loss of $35 billion for 1976 and of $50 billion for 1979. Such is the extent of the "underground economy," which pays no income taxes.

Figures of this size seem worthy of serious consideration by President Reagan in his effort to avert the day of reckoning.

In his report for 1979, the Commissioner of Internal Revenue, Jerome Kurtz, disclosed that $75 billion to $100 billion in individuals' 1976 income from legal activities were unreported. The result was a loss to the Government of $13 billion to $17 billion in taxes. The commissioner also estimated that individuals engaged in illicit drug sales, illegal gambling, and prostitution in 1979 escaped the payment of $6 billion to $9 billion in taxes from an estimated $25 billion to $35 billion in unreported earnings. Many others believe all of this is but a small part of the underground economy. Later studies put the total of taxes so evaded in 1976 at $35 billion. For 1979, the activities of the underground economy resulted in an estimated tax loss of $50 billion.

Government officials have estimated that additional agents, searching out and uncovering those who file no returns, would produce $12 for each $1 spent.

The President may very well find these circumstances worthy of serious consideration as he fights to improve the nation's economic condition, which he describes as a calamity.

There is a fair and simple way to resist some tax cheats. That is enactment of a law providing for withholding of taxes on dividends and interest.

The I.R.S. has estimated that unreported interest and dividends amounted to $7.5 billion to $14.1 billion in 1976. The tax loss amounted to $1.25 billion to $2.3 billion. Also, fiscal observers believe that very substantial amounts of tax money could be recovered by reporting of, and withholding of tax on, payments made to independent contractors.

It is fair to say that money spent by the I.R.S. is a remarkable bargain for the public. In 1979, it cost a mere 46 cents to collect $100 in taxes. However, the I.R.S. is not supplied with enough money to search out tax cheats or to examine many returns. Financial need restricts it to the examination of about 2 percent of individual returns.

The process yields about $5 in tax for each $1 spent. That seems to be money well and profitably used.

More money for more examinations obviously would supply more revenue as well as long-delayed justice for tax cheats. In 1980, 2.02 percent of individual returns filed (for 1979) were examined, resulting in $1.977 billion additional tax and penalty recommendations, an average of $5,212 per return. No change was made in 39 percent of the returns examined. In 1980, 6.48 percent of corporate returns filed were examined, resulting in $6.008 billion additional tax and penalty recommendations, an average of $44,972 per return. No changes were made in 21 percent of the returns examined.

Some, or most, of the recommendations of additional tax and penalties arise out of the serious problems that honest taxpayers experience in attempting to make correct returns in the face of the obviously arcane provisions of the Internal Revenue Code and the Regulations.

Taxes are the lifeblood of the nation. Honest taxpayers justifiably may resent the fact that tax cheats fail to contribute to this all-important blood bank.

If President Reagan communicates the stark reality of the present condition to the people in the fashion he seems capable of doing, the honest taxpaying public will respond enthusiastically. Perhaps tax cheats can then, at long last, supply some of the very large amounts of money the Government needs to work its way out of the economic mess.

Mr. Reagan has said that there will be no sacred cows in the changes he proposes. Among the most sacred of sacred cows have been the tax cheats. They are waiting to be milked, with the others who honestly and voluntarily undergo the process.

There is a great Augean stable waiting for the President's attention. The miasma that suffocates the Internal Revenue Code with exceptions, deductions, exclusions, complications, irrationality, tax shelters, and loopholes, is worthy of a new Hercules. But in order not to get lost in all of that now, the first order of business is to allow the tax cheats to join in the solution of the nation's problems.

Harried citizens, eager to pay their fair part, may hope that President Reagan will agree with William Jennings Bryan, who said: "When I find a man who is not willing to bear his share of the burdens of the government which protects him, I find a man who is unworthy to enjoy the blessings of a government like ours."●

LEGAL SERVICES CORPORATION

● Mr. HART. Mr. President, as Congress continues its efforts to reduce Federal spending and achieve a balanced budget each of us has a responsibility to identify programs that do not work, are no longer necessary, or can be deferred. We have worked over the past month to do that and have successfully proposed savings of more $40 billion. We have an equally important responsibility, however, to identify and preserve those programs that are critically needed, do work well, represent an efficient use of Federal dollars, and successfully accomplish their intended objectives. The Legal Services Corporation is such a program. When the Budget Committee begins consideration of the first concurrent budget resolution for fiscal year 1982 next week, I will propose restoring approximately $260 million of the $321 million for the Legal Services Corporation which the President has proposed to terminate.

Two plain facts about the Legal Services Corporation support its continued existence at an adequate level of funding. First, it serves an absolutely critical public need which would otherwise not be served. Second, it serves it well, with a degree of efficiency and effectiveness almost unmatched by any other Federal

program. By the President's own standards this is a program his administration should support, if not look to, as a model of how to allocate scarce resources.

The Legal Services Corporation provides access to legal assistance for millions of Americans who would otherwise have nowhere else to turn. This access to justice is the basic underpinning of any society based on law. Equal enforcement of our laws is one of this Nation's oldest ideals. All Americans, Democrat or Republican, liberal or conservative, black or white, subscribe to it, and cherish it. But there can be no equal enforcement of the law unless all citizens can participate in the legal process.

Federally funded legal services are currently available to more than 30 million people living at or below the poverty line. The Legal Services Corporation now funds more than 300 legal aid programs which operate more 1,450 offices throughout the country. All 3,000 counties in the United States are served by the program.

Last year legal services handled more than 1.5 million legal matters affecting the lives of millions of low-income Americans. Such legal assistance is absolutely essential when the law increasingly pervades every aspect of citizens' lives, particularly the lives of those who depend on Government aid for food, shelter, and other vital services. The Corporation-funded legal programs helped these individuals resolve routine family law matters, housing problems, consumer disputes, and other similar legal problems. Through the programs funded by the Legal Services Corporation the poor have been able to make our justice system work for them.

In my own State of Colorado, low-income people receive assistance with their civil legal problems through four nonprofit legal services programs. These programs receive 80 percent of their funding from the Legal Services Corporation. With this funding, legal services were provided to 12,633 low-income people in the last fiscal year.

Legal services clearly meet one of our society's most essential needs. Without Federal funding this need would not be met. Legal Services Corporation funding supplies approximately 85 percent of the total funding for civil legal services nationwide for the poor. The remaining 15 percent is supplied by private attorneys, foundations, and others. The Reagan administration has not offered a shred of evidence to indicate that any other resources would be available to substitute for or replace Federal funding of legal assistance. Pro bono services meet only the smallest fraction of the need. And State and local officials have never viewed as their responsibility to fund legal aid lawyers who may sue them on behalf of low-income clients.

The Federal legal services program has worked exceedingly well since it was initiated in 1965. It is a model of administrative efficiency and has proved to be an economical and effective structure for funding legal assistance to the poor. Overhead costs are less than 3 percent of its total budget.

The Legal Services Corporation does not provide legal services directly. Rather it funds State and local legal service programs across the country. Corporation-funded programs are all locally controlled through boards of directors made up of residents of the communities they serve. This local control allows each program to effectively meet the particular needs of its clients.

Because the legal services program meets essential basic needs and has a demonstrated record of efficiency and effectiveness I will strongly oppose the administration's proposal to terminate all funding. Like other Federal programs the Legal Services Corporation must be prepared to accept some cuts in its budget. Anything greater than a 20-percent cut would, however, seriously damage the program and undermine its ability to efficiently provide needed legal assistance. Accordingly, I intend to propose restoring approximately $260 million for the Legal Services Corporation both in the Senate Budget Committee and on the Senate floor if necessary.

I will oppose any efforts to include legal services in some kind of block grant proposal, because such a funding mechanism would also seriously undermine continued aggressive legal representation of the poor.

A block grant approach would require a total restructuring of legal services. Block grants would create conflicts of interest for State or local officials responsible for allocating funds since the poor's legal disputes are often with the same public officials who also make decisions about low-income housing, welfare, health care, and other issues of particular importance to the poor. Block grants would also impose a new layer of bureaucracy in a program that has consistently been a model of administrative simplicity. Finally, it will destroy the political independence essential to insuring access to justice to the poor.

The Legal Services Corporation represents government at its best. It should be maintained at a level of funding adequate to insure that all Americans will have access to our system of justice.●

NEED FOR A LIBERAL GUESTWORKER PROGRAM

● Mr. SCHMITT. Mr. President, on February 5, 1981, the Las Cruces, N. Mex., Sun-News published an editorial dealing with proposals by the Select Commission on Immigration. This editorial was reprinted from the Milwaukee Journal, an area far-removed from the Southwestern border and New Mexico. It is interesting to note that even in Milwaukee the need for a liberal guestworker program is needed, at least for a period of time. The editorial stated:

> First, the nation needs to greatly expand its present guestworker programs so that aliens could legally enter the United States for jobs that Americans don't care to do.

I and others who have studied this issue know that a guestworker program is not the entire answer but only a part of the solution. I have introduced legislation, S. 47 (The United States-Mexico Good Neighbor Act of 1981), cosponsored by Senators LAXALT, LUGAR, HATFIELD, MCCLURE, GOLDWATER, and GARN, which would set up such a program. Identical legislation (H.R. 1650) has been introduced by Representative LUNGREN, a member of the House Judiciary Committee.

Mr. President, I request that the editorial I referred to earlier be printed in the RECORD. I also request that a fact sheet on S. 47 be printed as well.

The material follows:

[From the Las Cruces (N. Mex.) Sun-News, Feb. 5, 1981]

HANDLING THE FLOW OF THE ILLEGAL ALIEN

(Reprinted by permission of the Milwaukee Journal)

If the United States ever hopes to control the excessive flow of immigrants, it must be able to easily identify who is and who is not in this country legally. To its credit, a federal commission studying immigration policy came to grips with that reality in recommending that some kind of national identification system be established.

The Select Commission on Immigration, at work for the last 18 months, now proposes the creation of some kind of identification procedure by which an employer could be assured, before hiring, whether a prospective worker was a U.S. citizen or legal alien. Currently, millions of aliens annually enter and stay in the United States illegally, lured by the prospect of wages far beyond what they could earn in their native countries. The biggest source of such illegal alien labor is Mexico.

The commission's recommendation was not easy to reach. There are justifiable concerns about civil liberties under any such ID system. No one should want a totalitarian-type internal passport system similar to that in the Soviet Union. An improperly designed ID system also could promote overt discrimination against "foreign-looking" minorities. Such people, citizens or not, might be the only ones continually asked to verify their status.

However, the enormity of the illegal immigration problem outweighs the ID program's risks, in our opinion. And a well-thought-out ID system could keep those risks to a minimum. For instance, one method being considered would involve a tamper-proof Social Security card that an employer could check to determine a worker's status. The key to any system would be assurance of verification.

A worker-ID system alone would not halt the flow of illegal immigrants seeking jobs. The lure of pay would still be here. Some employers probably would continue callously to exploit such workers by paying substandard wages (but higher than the aliens could ever earn at home). Other steps would need to be taken, too, to curb the problem.

First, the nation needs to greatly expand its present guestworker programs so that aliens could legally enter the United States for jobs that Americans don't care to do. Second, stiff penalties should be imposed on employers who continue to hire illegal aliens. No longer should employers be able to claim that they innocently did not know a worker's status.

Even that approach would not completely halt illegal immigration, but it would provide better tools to control the flow across U.S. borders. Current immigration laws can't cope with the problem.

THE UNITED STATES-MEXICO GOOD NEIGHBOR ACT OF 1979

This bill would amend the Immigration and Nationality Act to establish a temporary worker visa program between the United States and Mexico. Under the program, workers would be issued six month visas which

would allow them to enter the United States to seek employment.

THE CURRENT IMMIGRATION SITUATION

The United States shares a 2,000-mile border with Mexico. In no other part of the world does a developing country with severe economic problems border such a technologically and economically advanced country. The combination of unfilled jobs in this country and substantial unemployment and underemployment in Mexico has created a massive migration to the United States. Changes in the immigration law have caused much of this migration to become illegal. From 1942 to 1964, the bracero program admitted large numbers of Mexican workers to perform agricultural work in the United States. The end of this program and the imposition of a ceiling of 20,000 immigrant visas per year in 1976 have contributed to the problem.

Most illegal workers enter this country to seek temporary employment. They come for short periods of time, work to meet specific economic needs and then return to Mexico. They have no intention of permanently migrating to the United States.

The workers normally take jobs which are unattractive to American workers who have unemployment compensation and welfare as an alternative. While over two-thirds of illegal aliens contribute to Social Security and pay income taxes, fewer than one-tenth collect unemployment or welfare benefits, enroll their children in public schools or receive free medical assistance in the United States.

This illegal migration benefits Mexico by absorbing workers who would otherwise be unemployed or underemployed. It also helps slow migration to the overcrowded cities. Finally, Mexican workers in the United States send large portions of their income home, providing income for their families and improving Mexico's balance of payments.

PROVISIONS OF THE BILL

Findings—This section recognizes the necessity of establishing a legal framework for Mexican labor in the United States and points out the advantages of this program over other proposals.

Establishment of Visa Program—Section (e)(1): This section directs the Attorney General to establish the program in consultation with the Secretary of State. The section specifically mandates that the visas shall "permit each alien to temporarily perform services or labor within the United States for a period not to exceed 240 days during any calendar year". Further, the section disallows the requirement of a petition from a prospective employer. Finally, the section prohibits any limitation on geographical area or type of employment.

Section (e)(2): This section sets a penalty for violation of the visa restrictions of ineligibility for five years. It also sets a ten year ineligibility as a penalty for illegal entry into the United States.

Section (f): This section allows the Attorney General to put specific restrictions on employment under this program at the request of the Secretary of Labor. This request would follow a demonstration by employers or employees that aliens would displace domestic workers at a specific site.

Section (g): This section directs the Attorney General to set numerical quotas for visas, considering such factors as the number of workers sought, the availability of domestic labor and the projected needs of prospective employers.

United States Consulates in Mexico—This section authorizes the Secretary of State to expand the Consulates to implement the program (paragraph A) and act with Mexican officials to insure awareness of the program (paragraph B). It also directs the Secretary of Labor to take steps to inform Mexican aliens in the United States about the program (paragraph C).

Nonimmigrant Category—This section amends the classes of nonimmigrants in the definitions section of the Immigration and Nationality Act, 8 U.S.C. 1101(15).

Effect of Deportation—This section amends 8 U.S.C. 1182 to prohibit the Attorney General from consenting to the readmission of an alien deported for violating provisions of this program.

Prohibition on Adjustment of Status under Temporary Worker Visa Program—This section amends 8 U.S.C. 1255 to prohibit the Attorney General from adjusting the status of a temporary worker to that of a permanent resident.

Report to Congress—This section requires the Attorney General to report to Congress semi-annually about the program.

Bilateral Advisory Commission—This section proposes the establishment of an Advisory Commission to advise the Attorney General in establishing the program.

Authorization—This section authorizes the necessary appropriations.

Terminates—10 years after enactment.

THE EFFECT OF THE PROGRAM

This program will bring a large proportion of Mexican labor within the law, increasing the credibility of the immigration law. As legal workers, Mexicans can insist on adequate wages and decent working conditions. By eliminating the need for smugglers and dangerous border crossings, the program will attract those workers who are currently entering the country illegally.

The program will allow U.S. employers to obtain needed workers in a free market system. At the same time, it will benefit domestic workers by changing an exploitable competitor into a legal work force, competing on equal terms. The restriction of certain worksites will insure that domestic workers are not displaced by the temporary workers, while avoiding the abuses of a prearranged contract system.

This bill recognizes that a significant number of Mexicans supplement their income by temporary work in the United States and that this country has need for such short term labor. The temporary worker visa program provides a legal framework for this situation.●

NATIONAL RECOGNITION DAY FOR VETERANS OF THE VIETNAM ERA

● Mr. SARBANES. Mr. President, I want to express my strong support for Senate Joint Resolution 40, designating April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

That such a resolution should be necessary reflects one of the unhappier aspects of our recent history. As the preamble to the resolution declares, "the valorous service of Vietnam veterans has never been properly commemorated or recognized." It is long past time to correct this situation, and to pay tribute to the hundreds of thousands of American men and women who honored their Government's call to military service.

Expressions of respect and support for our Vietnam veterans, however, are not enough in themselves. The difficult challenges which veterans faced of readaptation to civilian life, after a combat experience that had no parallel or precedent in our history, long went unrecognized. Only after all combat had ended, and most veterans had returned to civilian life, were programs developed to help meet the problems of readjustment that confronted veterans returning from Vietnam.

The readjustment counseling program for Vietnam-era veterans, created by the Health Care Amendments Act of 1979 (Public Law 96–22), has been one of the most effective of these programs. Staffed principally by Vietnam veterans, outreach services were provided through 91 centers to 50,000 veterans and 12,000 members of their families between April 1980 and January of this year. The veteran's vocational rehabilitation program and of course veterans' medical and surgical services have also been particularly important.

In light of the proven effectiveness of these programs, it is incomprehensible that the administration proposed to terminate or curtail them. Whereas for the current fiscal year Congress appropriated $11.2 million for the existing counseling program and an additional $6 million for its expansion into 44 new areas, the administration asked that the program simply be eliminated next year. Other budget proposals would make impossible full staffing of veterans' vocational rehabilitation, and would require reduction of 20,000 in the staff of the Veterans' Administration's Department of Medicine and Surgery by 1986. These policies are being advocated despite overwhelming congressional support for legislation enacted in the last Congress to improve medical care in the VA system and, most important of all, despite the demonstrated success of the programs themselves. I am pleased that the Congress has moved to check and reverse these ill-advised administration proposals.

Senate Joint Resolution 40 calls for designation of April 26, 1981, as a National Day of Recognition for Veterans of the Vietnam Era, and for appropriate programs and ceremonies of commemoration. Such recognition is long overdue. To have more than symbolic importance, however, it must be accompanied by a renewal of our commitment to the veterans of Vietnam, to the new programs established to meet the unique problems associated with service to Vietnam, and the longstanding programs through which we have traditionally recognized the Nation's responsibility to those who have served in the Armed Forces.●

AN INNOVATIVE LEADER IN AN INNOVATIVE COMPANY

● Mr. DOLE. Mr. President, today marks the end of an era at the General Electric Co. After 41 years with GE, Reginald H. Jones retires as chairman of the board, a post he has occupied since 1972.

Reginald Jones is more than just a good business executive. He is an opinion leader among opinion leaders. During his career with GE he was often seen taking early positions on issues concerning public policy; issues which many of his colleagues came to later. He is a man not unwilling to take an unpopular position among his colleagues when he felt it to be in the best interests of the corporate, public, and private good. He was

a man many times in the forefront as a proponent of embryonic notions which later came to fruition throughout the entire business community as accepted practice, procedure, and policy.

Since his graduation in 1939 from the University of Pennsylvania, he has remained dedicated to academia as well and his current status as a member of the board of trustees of the Wharton School must not be overlooked when reviewing his career accomplishments to date.

Mr. President, there is a great deal which can be learned from the career of Reginald Jones, and it is to his credit that his advice and counsel has been sought by both Government and corporate officials.

Today as we continue debate on the budget resolution, there is perhaps an important theme expressed many times by Mr. Jones which might be prudent to remember. What I am referring to is his belief in the need for long-term investment based growth and planning as opposed to a short-term, quarterly profit orientation. In a recent interview, Mr. Jones stated his feeling that there appeared to be a "management malaise" within the corporate boardrooms. He partially attributes this "malaise" to executives more attentive to short-term benefits than to the long range needs of their organizations.

Mr. President, this message while carrying with it more of a business orientation makes a great deal of sense when applied to the budget battle going on here today. The analogy simply stated is that we must look down the road and see what our actions on the budget today will produce in the years to come. We have two options: First, we can work with the administration to bring inflation rates down, get the budget under control and restore solvency and stability to our economy in the future, or second, we can concentrate on the short-term gains to be made by increasing various functions within the budget without regard to their long-range effects. I, along with Reginald Jones, believe that the choice is quite clear.

In closing the legacy of corporate-social responsibility, long-range economic planning and the commonsense approach to business and government which Chairman Jones leaves behind will long be remembered and practiced at GE, in the business community and hopefully in government.

I wish all the best life has to offer him and his family as they enter a new phase of life, and I salute his decision to remain an active and responsible voice and participator in both the public and private sectors.●

THE LIBERAL WHO DEFIED THE RIGHTWARD TIDE

● Mr. BURDICK. Mr. President, the Outlook section of Sunday's Washington Post contained an excellent profile of the newest member of North Dakota's congressional delegation, BYRON L. DORGAN. BYRON brings a special blend of energy and intelligence to the Congress, and we in North Dakota are proud to have him representing our State in the House of Representatives. I ask that this article be printed in the CONGRESSIONAL RECORD.

The article is as follows:

[From the Washington Post, Mar. 29, 1981]

THE LIBERAL WHO DEFIED THE RIGHTWARD TIDE

(By Al McConagha)

Almost unnoticed in the conservative tidal wave washing over Washington is the arrival of a newly elected prairie populist straight from the traditions of William Langer and Hubert Humphrey.

Somehow out of that heavy Republican sea, this old opponent of the Vietnam War and friend of Kennedy politics splashed into the House looking remarkably like a liberal although he calls himself a progressive.

North Dakota's Byron Dorgan was the only Democrat in the nation to win an open House seat previously inhabited by a Republican, and he did it in what was widely viewed as a classic showdown between a liberal Democrat and a "New Right" Republican.

This 38-year-old scourge of corporate America defeated State Sen. Jim Smyowski with 57 percent of the vote in a state that favored Ronald Reagan by more than 2 to 1 and threw all other Democrats up for reelection out of office.

Even more unusually, Dorgan made this leap to Capitol Hill from his post as state tax commissioner, demonstrating that he may be the first popular tax collector since his predecessors were driven from the temple.

Of course he wasn't uniformly loved as the state's tax man. Indeed, he used to get a lot of mail addressed to Byron L. Dorgan, SOB.

"Being an optimist and a Norwegian," he said recently, "I preferred to interpret that address to mean, Byron L. Dorgan, State Office Building."

He goes to the stump with whimsy. "It's true I'm smart," he used to tell skeptical voters. "I'm so smart I graduated in the top five of my high school class . . . Nine of us graduated that year in Regent, North Dakota."

"We wrote to a woman to find out why she filed a tax return one year and didn't the next," the former taxman told one crowd. "Her husband wrote back, 'Dorgan, I received your letter. It is with regret I inform you that my loving wife passed away last year and I am taking care of her affairs.

" 'I want you to know that in the matter of the income tax my wife has gone to heaven. And I hope you go to hell.' "

Instead Dorgan last year headed the North Dakota campaign of Sen. Edward Kennedy because he felt, among other things, that Jimmy Carter "did not deserve reelection." Once Carter was renominated, however, Dorgan supported him against Reagan.

It was his effort to nominate Robert Kennedy in 1968 that led to his first political office. Dorgan had returned to his native North Dakota from Colorado to manage Kennedy's campaign when he caught the attention of Gov. William Guy, who appointed him to fill a vacancy as state tax commissioner.

In 1972 Dorgan acquired some national attention as the only state tax official to write Richard Nixon that the Christmas bombing of North Vietnam made him feel ashamed to be a tax collector.

That year Dorgan ran for the post of tax commissioner—it is the only elective state tax collection job in the country. He prevailed with 70 percent of the vote and settled down to his crusade against tax-evading corporate America.

He has discovered that many large corporations earning income in North Dakota never filed returns. Moreover, others were paying less than they should by making it appear they made most of their money in low-tax states.

"It was easy to send an auditor to the drug store or the gas station or the mom and pop store in Fargo or Grand Forks," Dorgan said. "But North Dakota never bothered to send them to the big corporate headquarters of firms that were competing against them."

"I don't mean to assert that all corporations are crooks," he said. "But there are some that are very derelict. Some flagrantly violate all principles of accounting and walk the thin line between fraud and unethical practices."

So he started sending out auditors: "We'd send a guy to New Jersey for three weeks and he comes back with a check for $625,000. It was phenomenal, incredible. We would start checking on these people and they would just pay up."

Not all were that easy. One of his bigger coups was Western Electric. This AT&T subsidiary was the prime contractor on the ABM development near Grand Forks and was pretending to be some nontaxpaying extension of the Department of Defense.

"We couldn't get their attention," Dorgan said. "So we sent them a bill for $54 million, which under North Dakota law is fixed unless protested within 30 days. Well, that got their attention. Within weeks they were there with eight lawyers and a general.

"The first thing they tried to do was say, 'Hey, you're crazy. Nobody has ever tried to tax a missile system.' Then we went to court. Three years later North Dakota got [in a settlement] over $4 million."

This was part of the some $23 million he collected in unpaid corporate taxes and helped develop his potent political theme: "Little people slave and pay taxes while big corporations duck everything possible."

He also went after individual tax evaders. At one press conference he declared he would prosecute 250 unnamed "hard core" evaders with incomes over $10,000 a year. Within two weeks 280 people who had never filed somehow got around to it.

"It's funny. People started calling me at home at night apologizing. They would say they had just forgot to send in their returns but they would be getting them right in in the morning."

Meantime, he ran for the House in 1974 against former Rep. Mark Andrews, who was elected to the Senate last year. Andrews, who usually won with about 70 percent, was held to 55. "I singed his tail a little bit," Dorgan said. In 1976 he was reelected tax commissioner, with almost 80 percent of the vote.

Last year, when that House seat opened up, he was ready again. He promised to vote for a strong America but talked also of the need for meaningful arms limitations talks and was anxious about the proliferation of nuclear weapons.

While he spoke of cutting waste from the federal government, he also called for increasing medical benefits for the elderly and the poor.

"I consider myself a progressive politician. I want to speak up for the little person who otherwise doesn't seem to have a voice in government. But I don't like liberal/conservative labels.

"I regard myself as liberal on some issues and conservative on others. The progressive label fits pretty well.

"People think it was a conservative year. But I think you can go out and be a voice for the folks who don't own big blocs of Exxon. You can be a voice for the people buying gas at the pumps who are angry that it is helping Mobil buy a department store.

"I think you can be a voice for these people."●

COSPONSORSHIP OF S. 63—AMENDMENT OF THE CLEAN AIR ACT

● Mr. DURENBERGER. Mr. President, I am pleased to announce my support

and cosponsorship of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization of the steel industry.

This bill is in response to the unique capital formation and environmental problems of the steel industry and recognizes the progress in environmental control by the industry. That progress is demonstrated by the fact that while only 32 percent of air pollution sources were in compliance or on court-ordered compliance schedules in July of 1978, by the end of this year that number will be up to 85 percent.

The 3-year extension would allow until the end of 1985 for these requirements to be met. Air emissions for the entire industry will have been reduced by 97 percent from uncontrolled levels by that time.

The bill is the result of a compromise agreement reached by representatives from the Environmental Protection Agency, the steel industry, the United Steel Workers, and the environmental community. It must be passed as introduced, without amendment, because of the requirement to maintain the balance achieved in the bill through the efforts of the several interests represented.

The bill responds to the fact that the U.S. steel industry is badly in need of modernization in order to be competitive with steel producers in Japan, Germany, and other industrialized nations.

Japan, for example, has 50 percent of its capacity using the continuous casting process—which provides for more efficient energy use and greater yields from raw material—as compared with 17 percent of U.S. capacity. The Japanese average about 20 percent greater efficiency, and have been spending 50 percent more per ton on capital investment than the U.S. steel industry.

The industry must modernize to remain competitive, but is in poor financial condition. The bill would allow the industry to negotiate the consent decrees on each steel producing facility and any money deferred from installation of emission control devices would be dedicated to modernization of the steel producing facility.

A stable, competitive, efficient steel producing industry is of utmost importance to the entire country, but to some of the citizen's of Minnesota it has special meaning.

The Minnesota iron-mining industry suffered one of its worst years in 1980. Employment dropped 20 percent and production 25 percent from the year before. That meant a layoff in October of 1,600 workers at Erie Mining in Hoyt Lakes, 1,100 from National Steel Pellet Co., in Keewatin in September, 550 workers out for 5 months at Butler Taconite Co., in Nashauk, 180 workers out at Reserve Mining Co. Silver Bay, and a reduced work week for 4,200 hourly employees at United States Steel Corp. at Minntac. Almost the entire production of taconite is used in U.S. steel mills and demand is very much a derivative of domestic production. Modernizing the U.S. steel industry is of paramount importance to Minnesota.

The industries' efforts to negotiate and find a balance with the other values and concerns of importance in this country are to be commended.

The bill is designed to avoid seriously degrading air quality while freeing urgently needed capital for use in the modernization of steel facilities. To provide this flexibility, the industry has agreed to be in compliance by the end of the 3-year period with the present standards in the Clean Air Act and to seek no further steel specific amendments to alter clean air requirements and deadlines.

Finally, I would urge the Senate to take prompt and favorable action when the bill is reported out of the Environment and Public Works Committee.

The steel industry needs to know that the bill as introduced is supported so that the decision concerning hundreds of millions of dollars needed immediately for capital investment in either pollution control equipment or modernization can be made in a timely manner. The present 1982 deadline is not far off. The industry deserves to know our decision. The people working in the iron mines of Minnesota need to know as well. Their hope for the future is intimately tied with our decision regarding the future of this basic industry.●

AUTHORITY FOR COMMITTEE TO FILE A REPORT

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Armed Services have until midnight tonight to file a report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JEPSEN AND SENATOR BUMPERS TOMORROW

Mr. COCHRAN. Mr. President, I ask unanimous consent that, following the recognition of the two leaders under the standing order on tomorrow, the Senator from Iowa (Mr. JEPSEN) be recognized for not to exceed 15 minutes and the Senator from Arkansas (Mr. BUMPERS) be recognized for not to exceed 15 minutes.

Mr. CRANSTON. Mr. President, those requests have been cleared and there is no objection on our side.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. COCHRAN. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess.

The motion was agreed to and, at 11:29 p.m., the Senate recessed until tomorrow, Thursday, April 2, 1981, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 1, 1981:

DEPARTMENT OF COMMERCE

William H. Morris, Jr., of Tennessee, to be an Assistant Secretary of Commerce, vice Herta Lande Seidman, resigned.

DEPARTMENT OF DEFENSE

Lawrence J. Korb, of Virginia, to be an Assistant Secretary of Defense, vice Robert Burns Pirie, Jr., resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Dorcas R. Hardy, of California, to be an Assistant Secretary of Health and Human Services, vice Cesar A. Perales, resigned.

DEPARTMENT OF STATE

Lawrence S. Eagleburger, of Florida, a Foreign Service officer of the class of Career Minister, to be an Assistant Secretary of State, vice George S. Vest, resigned.

DEPARTMENT OF THE INTERIOR

Garrey Edward Carruthers, of New Mexico, to be an Assistant Secretary of the Interior, vice Guy Richard Martin, reseigned.

FEDERAL HOME LOAN BANK BOARD

Richard T. Pratt, of Utah, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1981, vice Jay Janis, resigned.

Richard T. Pratt, of Utah, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1985. (Reappointment)

SECURITIES AND EXCHANGE COMMISSION

John S. R. Shad, of New York, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1982, vice Harold Marvin Williams, resigned.

John S. R. Shad, of New York, to be a member of the Securities and Exchange Commission for the term of five years expiring June 5, 1986, vice Stephen J. Friedman, term expiring.

EXTENSIONS OF REMARKS

TRIBUTE TO BUDDY HUFF

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. CHAPPELL. Mr. Speaker, recently, O. D. "Buddy" Huff, a constituent of mine was elected to the Florida Citrus Hall of Fame. This historic event was detailed in an article which ran in the March 3 issue of the Ocala Star Banner.

Because Buddy contributed so much to our State's citrus industry and because I personally think he is one of the finest people in my district, I would like to present to all of my colleagues the full text of the article on Buddy Huff, in order to provide all of the Members of this body with an example of a dynamic and influential leader.

The newspaper account of Buddy Huff's contribution follows:

GROWERS ELECT MCINTOSH MAN TO CITRUS HALL OF FAME

(By Frances Devore)

MCINTOSH.—It's a long way from a small-town citrus packing house at the end of the Great Depression to the Florida Citrus Hall of Fame, but Buddy Huff completed that journey at Winter Haven, where he received accolades from state citrus officials.

The citation from the Citrus Grower/Industrial Selection Committee naming Huff to the highest honor the state citrus industry can bestow described the Marion County man as a grower, packer, gift fruit shipper, and dynamic and influential leader.

"O. D. "Buddy" Huff may be one of the best loved and most respected men in the Florida citrus industry," the committee said. "The respect and admiration is well-deserved and stems from years of dedicated service to the citrus industry. He is best recognized for his leadership during an unprecedented industry growth period."

The plaque notes that Huff served on the Florida Citrus Commission from 1962-71, when the citrus industry saw production and sales increase in unequaled proportions in Florida.

During six of those years, Huff was commission chairman, something of a record in itself. During his 10-year tenure, Huff fostered many programs contributing to the success of the industry, particularly through leadership in opening new markets and in innovative advertising and promotion programs.

One of Huff's innovative ideas was to move advertising visuals into orange groves. He said this came about after tourists were questioned at Florida roadside Welcome Stations on their reasons for visiting Florida. The primary reason was the Florida beaches, and the second most popular was to see the state's orange groves.

A canny businessman, Huff has more than four decades of grassroots experience. He entered the industry in 1939, with a small packing house operation in the old Christian-Neal building where McIntosh Meats is now located.

In 1941, he moved a block downtown, where he constructed the building the firm occupies on U.S. 441, north of Ocala.

Over the years, there have been many changes in the industry, Huff says. Where it was once a fresh fruit operation, the industry today is mostly an orange-concentrate enterprise.

Huff recalls that when he entered the business, hucksters from states to the north came down several times during the picking season and purchased fruit, taking it back home to peddle.

He says he has enjoyed a good business, with repeat customers year after year, mainly because his packing house in north Marion County was the first tourists encountered when driving south. He says they saved time and money by not having to go all the way to Leesburg for fruit.

Later, trains took much of the fruit to northern markets, but the McIntosh depot and others along the way are closed now and the tracks are being taken up. Fruit moves primarily by trucks headed south to the concentrate plants.

The need to make a few extra dollars in hard times led to the present-day concentrate industry, Huff said. It came about when the old Lykes Pasco Processing Plant in Dade City offered to buy fruit unsuitable for shipping.

"Before that, such fruit was just dumped," Huff said. "When Lykes offered to buy it, I hired a crew of women to pick out the best of the culls and sent them to Dade City for concentrate. We only made a few dollars, but a dollar was worth a whole lot more then."

"Now we couldn't exist without concentrate," he adds.

Huff said when he became chairman of the citrus commission in 1965, 70 million gallons of citrus concentrate were sold in Florida. Six years later, sales were 140 million gallons.

The importance of concentrate to the industry might best be shown by the devastating freeze this winter. Through quick harvesting for concentrate, many growers headed off what could have been economic ruin.

Huff said the concentrate process was developed in California. Ironically, however, California growers cannot make use of the process, because the Golden State's citrus fruit does not have the flavor to bring it back to fresh-fruit taste when it is reconstituted, he said.

Huff branched out as a grower by gradually buying up neglected or abandoned groves, bringing them back to production and filling in gaps left by dead trees with new ones.

"If you take care of a citrus tree, it will renew itself," Huff said. "Those old trees are about as tough as pine trees. They always respond to good care, even after real abuse."

Smiling, he added, "If you take care of them, they'll come back. A tree will fight its own battle; all you have to do is maintain it."

That's the reason Huff feels the Florida citrus industry, especially in central Florida, will come back in good shape, despite the devastation this year from Florida's record-breaking winter weather.

"I think there is no doubt we will have citrus right along," he said. "I feel a lot better about it now, but I was awfully worried at one time."

He and other growers are watching a record flush of bloom on groves throughout the state that looks good but is vulnerable at this point to late frosts.

"Nothing can stop this flush of new bloom and leaf growth; only God can stop it," he said. "We just have to wait and see what happens. It looks like most groves are putting out nicely; the next thing will be to see if the bloom can stick and make a crop."

Huff said the crop will probably be small this year and maybe next year, but he said that a short crop will bring higher prices, giving the growers about the same amount of money as a full crop.

Citrus troubles began this year on Jan. 13, when temperatures fell as low as 11 degrees in Marion County. Prolonged cold of 27 degrees or lower poses a real threat to unprotected groves.

Huff said he did not fire smudge pots that night, because of the high price of fuel and the forecast for three nights of sub-freezing weather. Instead, the cold let up the next night.

He said the defoliated trees look in worse shape than they are. Leaf loss is actually a good sign, showing that the tree is still alive. If there is wood damage, there is no way for the sap to get through and throw off dead leaves.

According to Huff, some groves in Florida "were hurt bad, but others look pretty good."

He said trees in the Marion area actually suffered less damage this winter than those further south, because cold weather before the January freeze "cold-conditioned them and made the dormancy deeper."

Also, he said, the deep cold mass coming into the state was extremely dry, with virtually no humidity, keeping out moisture that could have caused wood splitting.●

HANDGUNS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MINISH. Mr. Speaker, our common concern and outrage over the bloody attack upon President Reagan and his party must not be allowed to dwindle without producing effective action. We cannot take any single direct action which alone will dispel the climate of terrorism which has swept the world in recent years, but we can take practical steps to stem the proliferation of handguns which menace our society.

There are too many handguns floating around, and they are too easy for

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

anyone to get: the criminal, the insane, or simply the careless. I know that the demands for effective national gun control will bring cries of that calculated cliche, "Guns do not kill; people do." This is nonsense. If his assailant had not had a handgun, President Reagan would be going about his business today, and those hurt with him would not be fighting for their lives, which are still in the balance. I do not care what motives prompted this attack, since there is nothing we can do about them; the part we can control, access to such weapons by the assassin, demands our attention. There is no way this assault could have taken place without a concealable handgun.

The Constitution guarantees our right as citizens to keep and bear arms, but it does so in the context of a "well-regulated militia"—a context which those opposing all control always fail to mention. We do not have a militia in working terms any more, but we can make the use of firearms "well-regulated." If we restrict the traffic in handguns beyond the present uncontrolled glut all over the country, we will be better able to deal with the crime which stalks our people. I have introduced a practical bill on this matter, H.R. 1413, "The Handgun Crime Control Act of 1981", and I know that other Members are offering similar legislation. Let us get on with the business of taking concealable handguns without any legitimate sporting purpose out of the hands of criminals.

Mr. Speaker, I would close with the note that the people of New Jersey all rejoice that the President has apparently come out of this vicious attack with prospects of a full and speedy recovery. Our deep concern for those injured with him and for the families of all involved goes hand in hand with our commendation of the Secret Service and police officers who, in carrying out their responsibilities may well have prevented further injury to the President at the risk of their own lives, and who speedily apprehended the suspected assassin. Our hopes and prayers go to all of them.●

EL SALVADOR POLICY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. LaFALCE. Mr. Speaker, one of the interesting aspects of the whole crisis over the administration's new policy toward El Salvador has been the relative free ride which the press has given the administration.

Although some criticism has surfaced, much of the press blandly accepted the findings of the administration, as they appeared in the El Salvador white paper which was issued by the Department of State. For example, the press did not question the importance of the Communist aid being provided to the insurgents; and yet a Pentagon official later stated that the 200 tons of military equipment would be used by a 200-man company in only 1 week. If that Pentagon official is correct, then the press was skillfully manipulated by the administration concerning the need for massive amounts of U.S. military assistance.

I have always believed that the press has a solemn duty to act as a type of loyal opposition, carefully examining every administration initiative and policy. That does not include criticism for criticism's sake, but it does include a willingness to subject government policies and statements to the proper amount of scrutiny for the national interest.

The former spokesman for the Department of State, Hodding Carter III, has made precisely that point in an article concerning press coverage of the El Salvador policy. The article appeared in the March 19 edition of the Wall Street Journal and is entitled "The El Salvador Crusade". I want to commend Mr. Carter's penetrating article to the attention of all of my colleagues.

The article follows:

THE EL SALVADOR CRUSADE

(By Hodding Carter III)

Aside from the fact that it has been gloriously inept, there is nothing particularly unusual about the Reagan administration's attempt to fine-tune the press accounts of its anti-Communist crusade in El Salvador.

Every administration suffers from the delusion that the press exists to run its handouts on delivery and stop running them on demand.

Thus when some officials in the upper reaches of government decided last week that the growing emphasis on a possible "new Vietnam" was not useful, they reacted according to an old script. They sent an errand boy out to stage a backgrounder dedicated to the proposition that coverage of the developments relating to El Salvador was being overdone.

"This story has been running five times as big as it is," acting Assistant Secretary of State John Bushnell told a group of diplomatic correspondents, "and we figured that if we talked to you about it, you might not make this thing such a big deal."

Backgrounders by assistant secretaries do not just happen. They are carefully cleared from above. That made it a little out of the ordinary when White House Press Secretary James S. Brady, after an interesting pause of several days, disowned the backgrounder on behalf of the President. That goofy number was the press briefing equivalent of Dunkirk and left Mr. Bushnell lying on the beach while Gen. Haig evacuated.

But this byplay, and the press's predictable reaction to it, should not obscure a more important matter.

The real story is that the administration's propaganda blitz went virtually unchallenged for several weeks. Reacting instinctively, print and broadcast journalists alike initially gave Washington's claims about the El Salvador civil war the kind of over-eager, over-credulous respect which warms the heart of every government flack.

It is hard to understand why, instead of complaining, the State Department didn't hand out commendation medals for outstanding press cooperation. The press play in the opening weeks of the campaign to convince us that El Salvador is the place to roll back the Iron Curtain demonstrated that big government sets the terms of public discussion about major issues far more often than the press likes to admit or the public understands.

How else can the virtually unquestioning press response to the administration's El Salvador white paper be explained? It was swallowed whole and regurgitated in a fashion not equaled since the Johnson administration's white paper on Vietnam 15 years ago.

How else, too, is it possible to explain that for weeks most American press accounts cast the El Salvador conflict in simplistic terms of Communist insurrection against moderate government, with rightist thugs in the wings? Such characterizations flew in the face of the Roman Catholic Church's leading role in opposition to the status quo, the labor movement's courageous efforts to create long-overdue economic changes and the testimony of one diplomatic expert after another that the caricature bore no relationship to reality. Yet, the expert witnesses were overshadowed as El Salvador was suddenly discovered to be the focal point of the conflict between East and West.

Playing the story close to the way it was presented by the Reagan team made for dramatic theater. It was theater presaged by earlier press fixation on notions such as "The Castro Connection" to encapsulate revolutionary stirrings in Central America. ("The Repression Connection" or "the Poverty Connection" were apparently not as sexy when it came to televised explanations.) There is a long, if not precisely happy, tradition of similar press behavior in this country, although many in the press business have been busily telling each other that they had learned something from their experiences involving Vietnam and Iran, if not from the Watergate story.

If it weren't for that tradition, the question of what the allegedly massive Communist assistance to the revolutionaries really meant might finally be answered. A tantalizing hint was offered in a quote from an unnamed Pentagon official buried deep in the second of two long articles on the El Salvador situation in The Washington Post. He said that the 200 tons of military equipment the administration says were provided by Communist regimes would be used up by a 200-man company in one week of hard fighting. In other words, the 200 tons of equipment is a molehill instead of a mountain.

Which also could be an absolutely wrong assessment. The point is that the public has no way of knowing, because no one in the mass media has pursued this line of questioning to its conclusion. Too many other similar lines of inquiry were also ignored while the administration set the terms of the national debate on the question of El Salvador.

Many reporters did eventually start asking the hard questions. The record is clear, thanks to Mr. Bushnell, that the administration didn't like the way the story was beginning to develop.

But the administration's reaction, whether Mr. Bushnell's or Mr. Brady's, is largely irrelevant. What is relevant to the American people's ability to decide public issues for themselves is the determination of the press to look quickly below the surface of the official line and to demand clear answers to tough questions at the outset of any such story.

The government—any government—will always try to put the best possible face on its policies. The press has a responsibility to subject each one to rigorous questioning from Day One. It is a responsibility which cannot be met by playing catch up ball six weeks after the government side has opened the game.●

BALANCE THE BUDGET

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. FINDLEY. Mr. Speaker, the concept of living within your income is an economic reality the Federal Government tries to teach the citizens of this country. Yet the Federal Government is itself the largest violator of this basic piece of economic commonsense. The sad truth is Uncle Sam does not keep a balanced checkbook.

Earlier this year, Congress was forced by harsh reality to increase the national debt limit. How can the Federal Government expect the citizens of this country to limit their debts and balance their budgets when the Government does not practice what it preaches?

For that reason, I am today introducing a joint resolution "to amend the Constitution of the United States to provide for balanced budgets." If we in Congress are to prove we are serious about bringing the Federal budget under control, then we must prove we are able to balance our own checkbook.

Text of bill follows:

H.J. RES. 222

Joint resolution to amend the Constitution of the United States to provide for balanced budgets.

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within three years after its submission to the States for ratification:

"ARTICLE —

"SECTION 1. During the fiscal year beginning after the ratification of this article, total outlays of the Government shall not exceed total estimated receipts by more than 50 per centum of any excess of outlays over receipts in the preceding fiscal year. For each succeeding year, total outlays of the Government shall not exceed total receipts.

"SEC. 2. In the case of a national emergency, Congress may determine by a concurrent resolution agreed to by a rollcall vote of three-fourths of all the Members of each House of Congress, that total outlays may exceed total receipts.

"SEC. 3. The Congress shall have power to enforce this article by appropriate legislation.".●

TARGETED ASSISTANCE REVITALIZATION ACT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. RANGEL. Mr. Speaker, the continued loss of business and jobs from our central cities over the past 20 years has had a devastating effect on the economic well-being of the people who live there. The loss of manufacturing and commercial jobs has hit working poor and lower middle class communities the most. Where once there was a possibility of finding work, now there is no hope unless you are willing to uproot your family and move. The statistics of the 1980 census bear this out. Population growth in our older cities has either remained constant or dropped while the number of people in the Sunbelt has dramatically increased. This has resulted in urban centers where only the very rich and the very poor live.

We cannot continue to talk about people living off the taxpayers' dollars through such programs as welfare, food stamps, housing assistance, medicaid, and so on when they have little if any opportunity to find employment. The unemployment rate in almost everyone of our older cities is well above the national average. The loss of employment opportunities has all but eliminated the American dream of a better life if you work hard for yourself and your children. You cannot work hard if there are not any jobs where you live.

In order to reverse the decline of our most economically depressed communities, I have today introduced the Targeted Assistance Revitalization Act. This act is designed to attract businesses to economically depressed communities by offering tax incentives which will reduce the cost of doing business and in so doing shorten the time it takes for a business to become profitable.

The Targeted Assistance Revitalization Act will establish a partnership between Federal, State, and local governments for an effective urban revitalization program.

This proposal is the first urban development initiative that establishes a major State role. Several existing urban development programs establish a strong working relationship between the Federal and local governments. However, the Federal Government has historically made its urban development funding decisions outside the context of State policies. States possess tremendous urban development potential and several States have existing urban development programs that are not currently maximized through integration with Federal programs. States also possess greater financial flexibility and resources than many depressed communities to meet the needs of these local governments.

I have worked with several States in my efforts to develop a bill which will revitalize our most depressed communities. Governor Carey of New York State, in his recent testimony before the House Ways and Means Committee, discussed my proposal and has already submitted appropriate legislation to the State Legislature in Albany to implement the proposal I have introduced today.

In addition, the Governor has agreed to work with the Coalition of Northeastern Governors and the National Governor's Association to develop the Targeted Assistance Revitalization Act.

An outline of the proposal follows:

TARGETED ASSISTANCE REVITALIZATION ACT

The Targeted Assistance Revitalization Act would work in the following manner:

TARGETED AREAS

1. The targeted universe would be defined from data available under the 1980 census. This would include all census tracts where:

A. The number of welfare recipients is 150 percent of the national median, or

B. The number of unemployed is 150 percent of the national median, or

C. 70 percent of the people have 80 percent of the statewide median income.

2. A governor would then be able to select 25 percent of those census tracts within his state which qualify.

TAX INCENTIVES IN TARGETED AREAS

1. Increase the present 10 percent rehabilitation tax credit for structures by 15 percent for a total credit of 25 percent.

2. Provide a 15 percent credit for building new structures.

3. Eliminate the present $100,000 limitation on the use of the investment tax credit for the purchase of used equipment.

4. Targeted Jobs Credit:

A. An employer may take a tax credit for 50 percent of wages paid a targeted worker on the first $10,000 of salary regardless of whether he works in a targeted area or not. In the second year of employment, the employer could take a tax credit on 25 percent of the first $10,000 of wages paid and in the third year the credit would be 15 percent of the first $10,000 of wages paid. (This changes present law from 50 percent of the first $6,000 of wages paid in the first year and 25 percent of the first $6,000 of wages paid in the second year of employment.)

B. For a targeted worker in a targeted area the credit would be increased each year by 15 percent. Thus in year one an employer would receive 65 percent of the first $10,000 of wages paid; in year two 40 percent of the first $10,000 of salary paid, and in year three 30 percent of the first $10,000 of salary paid a targeted worker.

C. For any worker hired after December 31, 1981 within a targeted area an employer would received a 15 percent credit for the first $10,000 of wages paid.

D. Eliminate from eligibility for the Targeted Jobs Tax Credit co-operative educational students.

E. Merge the WIN credit into the Targeted Jobs Tax Credit.

F. Make all economically disadvantaged youth 16 through 18 eligible for the Targeted Jobs Tax Credit.

5. Tax Incentive to attract capital:

A. Provide investors with a 10 percent tax credit on interest received from loans made to businesses doing business within a targeted area.

B. Limit the tax credit on interest to $100,000 for individuals and $300,000 for partnerships and lending institutions per year.●

POSITION ON DAIRY PRICE SUPPORT SUSPENSION

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. DANNEMEYER. Mr. Speaker, I wish to take this opportunity to indicate, in the public record, how I would have voted had I been present during the session of the House of Representatives on Thursday, March 26, when the dairy price support bill was before the House.

I was unfortunately and unavoidably absent in order to attend a meeting I convened in my district office to discuss the status of the McColl site, a controversial waste dump in my congressional district. This meeting of local and State, public and private parties, was scheduled some time ago in order to bring about coordinated action on the dump site problem. I am pleased to report that the meeting was very constructive and worthwhile.

Had I been here last Thursday, I would have supported the dairy price support bill which specifically removed the requirement that the price support level be increased on April 1. In light of mushrooming Federal expenditures for dairy price supports and the existing level of immense surplus stocks of dairy products, I believe that passage of the bill is in the best interest of the American consumer and taxpayer. Estimates are that failure to pass the bill, thus allowing the scheduled adjustment to take place, would have increased the price of a gallon of milk 7 to 11 cents. Suspending the price support increase will also save the Federal treasury an estimated $147 million in fiscal year 1981 and $86 million in fiscal year 1982.

Mr. Speaker, the law under which the dairy price support program is authorized expires this year. In my comprehensive budget reduction study of last November, I included savings from the total elimination of the dairy and other price support programs. I strongly recommend that the Congress look very closely at the need for this program. At a minimum we should revise the price support system so as to inject a greater degree of free market economic principles into the process. The existence of a substantial surplus and the market distortions introduced by the price support mechanism are yet another example, if one were needed, of the overriding disadvantages of Government attempts to allocate economic goods and services.

The vote on the dairy price support bill was heralded as the first substantive cut in the budget under the President's program for economic recovery. One hopes that it is the first of many such cuts.●

REVISION OF THE FEDERAL CRIMINAL LAWS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. CONYERS. Mr. Speaker, on Wednesday, March 25, the Subcommittee on Criminal Justice began discussions concerning revision of the Federal criminal laws. The effort to bring equal justice and logic to the Federal criminal laws, to define the proper balance between the Federal and State Governments in the enforcement of criminal laws, and to provide an adequate deterrent to criminal conduct without sacrificing such essential liberties as due process and free speech, began 15 years ago with the establishment of the National Commission on Reform of Federal Criminal Laws. Since the Commission's report in 1971, both Houses of Congress have worked diligently to produce a new code acceptable to all concerned parties.

There is little question that our current system of Federal criminal laws begs for revision. Although our criminal laws have been consolidated, reordered, and revised technically three times in our Nation's history, these corrections were, for the most part, limited to eliminating gross inconsistencies. As a result, the Federal criminal law has remained a body of law drafted by different groups to deal with problems on an ad hoc basis. Our current criminal laws are pervaded with uncertainty and inconsistency. The sentence assigned to a particular offense depends more upon the time at which the offense was enacted than upon the seriousness of the offense. Similarly situated persons convicted of the same offense often receive widely disparate sentences. A word may have one meaning when used in defining one offense, and another when it appears elsewhere in the same Code. The elements of a particular crime frequently depend upon the court of appeals circuit in which the trial occurs.

Bringing some semblance of reason, compassion, and justice to the criminal system of necessity entails cooperation among both Houses of Congress and the Executive. In an effort to ascertain a mutually acceptable method of proceeding on this important project, I have sent the following letters to the Honorable William French Smith, Attorney General, and the Honorable STROM THURMOND, chairman of the Senate Judiciary Committee. It is my sincere hope that these communications will mark the beginning of a process which will yield concrete results from the efforts of the past decade and a half. In the meantime, the Subcommittee on Criminal Justice will continue to hold regular meetings in order to formulate a realistic plan for achieving reform.

COMMITTEE ON THE JUDICIARY,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 12, 1981.

Hon. WILLIAM FRENCH SMITH,
Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: During the past 15 years, the Congress and the Department of Justice have cooperated in a monumental effort to correct the deficiencies of the current Federal criminal laws. There is little question that some form of remedy is necessary, for the problems of the current law are many. First, and foremost, is the uncertainty in the law that has developed. The courts of appeals are divided regarding the interpretation of certain laws, and enforce a different "Federal" law in various regions of the country. The uncertainty is not confined to differing interpretations of the same provisions. It runs throughout the Federal criminal code where one word is used in a number of provisions. Another source of confusion is the legislative practice of defining Federal crimes in such a manner as to make the Federal nexus an element of the offense, indistinguishable from other elements. Because particular constitutional grounds for prohibiting conduct have been used for each offense, the present approach also leaves gaps and inconsistencies in the application of Federal criminal laws.

The sentencing structure of present Federal criminal law also cannot escape criticism. Indeed, the present structure is riddled with irrationality and inconsistency. In title 18 alone, there are no fewer than 17 different maximum prison terms, apart from the death penalty, and 14 different fine levels. Grading of offenses is also erratic; similar conduct is often treated disparately.

The absence of a comprehensive Federal sentencing policy is further demonstrated by the lack of meaningful guidance to the judiciary with respect to the appropriate range of penalties for similarly situated offenders. This lack of direction has produced significant, and unwarranted, variations in sentences imposed on offenders. Sentencing in Federal courts is also hampered by the lack of clearly delineated procedures for the resolution of factual disputes, by the absence of statutory provisions for the use of alternatives to incarceration, and by inad-

equate fine levels for corporate and white collar offenders.

Despite the consensus on the need to make the Federal criminal laws more consonant with the constitutional dictates of due process and equal protection, there is serious question regarding the proper method of proceeding. In 1971, the National Commission on Reform of Federal Criminal Laws recommended an omnibus reform, replacing current title 18 of the United States Code with an entirely new structure. During the 95th Congress, the Subcommittee on Criminal Justice conducted a painstaking review of that recommendation. The Subcommittee noted that the National Commission either assumed, without discussion or analysis, that the omnibus approach was the better way to proceed or else it did not focus upon whether an omnibus or incremental approach was preferable. the Subcommittee, rejecting the omnibus approach, concluded that—

"Truly modernizing criminal laws means making substantive changes in them—reforming them to conform them to modern mores and to integrate court interpretations into statutory language. An omnibus reform bill, however, stands little chance of success because constituencies against change multiply in proportion to the number of reforms involved."

"* * * In our Federal system, the States are primarily responsible for law enforcement, and the Federal criminal law is a collection of separate and distinct statutes which supplement State criminal statutes. Federal criminal statutes are intended to protect or vindicate substantial Federal interests. Reforms in Federal criminal laws, therefore, are appropriately dealt with separately, after a careful, thorough and conscientious consideration of all of the policy issues and constitutional questions that each prospective change presents.

"Federal criminal laws ought not be the product of extensive horse-trading. The greater the numbers of substantive changes made by a bill, however, the more likely it is that such trade-offs will occur * * *.

"The subcommittee believes that the incremental approach—processing a series of bills each of which makes appropriate substantive changes in a discrete area—is the most appropriate way to go about modernizing and updating Federal criminal laws. This approach permits the thorough and careful study, analysis and drafting that ought to go into changing any Federal law, and especially Federal criminal laws."

Nonetheless, in the 96th Congress the Subcommittee, under the leadership of Bob Drinan, undertook the enormous task of drafting a comprehensive bill. Although I have great respect for the energy and effort expended by the Subcommittee in that task, the failure of the 96th Congress to enact any reform further demonstrates that shortcomings of the omnibus approach.

I would greatly appreciate learning your views concerning methods of revising the Federal criminal laws. Although I have consistently supported an incremental approach to such revision, I retain an open mind on the issue and believe your views would be of considerable assistance to the Subcommittee in its determination of the proper method of proceeding. In addition, in view of the Administration's frequently expressed concerns regarding "big government" and Federal interference in matters of State and local concern, I would appreciate hearing your views about the appropriate role of the Federal government in the enforcement of criminal laws, an area which has traditionally remained primarily in the province of the States.

I would like to begin the Subcommittee's hearings at the earliest possible moment. I would therefore ask that you have someone from your office contact Thomas Hutchison or Michael Ward of the Subcommittee staff concerning the time at which you would be prepared to present the views of the Justice Department.

I sincerely hope that during this Congress we may be able to cooperate in a bipartisan effort to finally achieve some progress in ameliorating the sorry state of the Federal criminal laws.

Sincerely,

JOHN CONYERS, JR.,
Chairman, Subcommittee on Criminal Justice.

COMMITTEE ON THE JUDICIARY,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1981.

Hon. STROM THURMOND,
Chairman, Senate Judiciary Committee, Washington, D.C.

DEAR SENATOR THURMOND: As the new chairman of the Subcommittee on Criminal Justice, I am very interested in achieving some concrete results from the decade and a half of work that has been devoted to bringing equal justice, logic and consistency to Federal criminal laws. I am confident, because of the great effort and dedication you have expended on criminal code revision during past Congresses, that you share this goal.

The history of the criminal code revision effort has been one of cooperation—between both Houses and both parties. The creation of the National Commission on Reform of Federal Criminal Laws was recommended by a Democratic President, the late Lyndon Johnson. Its mandate derived from legislation introduced by former Representative Richard Poff, a distinguished Republican. Members of both Houses, from both parties, served on the "Brown" Commission. Following the Commission's report, the initiatives during the 93rd and 94th Congresses were primarily in the Senate, under the able direction of Senators McClellan and Hruska. During the 95th Congress, as you and Senator Kennedy assumed leadership of the Senate efforts, this Subcommittee undertook a detailed examination of previous proposals. In a bipartisan report, the Subcommittee concluded that the underlying assumption of the National Commission, that reform could best be accomplished through "omnibus" legislation, had never been adequately examined. The Subcommittee stated:

"Truly modernizing criminal laws means making substantive changes in them—reforming them to conform them to modern mores and to integrate court interpretations into statutory language. An omnibus reform bill, however, stands little chance of success because constituencies against change multiply in proportion to the number of reforms involved.

"* * * In our Federal system, the States are primarily responsible for law enforcement, and the Federal criminal law is a collection of separate and distinct statutes. Federal criminal statutes are intended to protect or vindicate substantial Federal interests. Reforms in Federal criminal laws, therefore, are appropriately dealt with separately, after a careful, thorough and conscientious consideration of all of the policy issues and constitutional questions that each prospective change presents.

"Federal criminal laws ought not be the product of extensive horse-trading. The greater the numbers of substantive changes made by a bill, however, the more likely it is that such trade-offs will occur * * *.

"The subcommittee believes that the incremental approach—processing a series of bills each of which makes appropriate substantive changes in a descrete area—is the most appropriate way to go about modernizing and updating federal criminal laws. This approach permits the thorough and careful study, analysis and drafting that ought to go into changing any Federal law, and especially Federal criminal laws."

During the 96th Congress, the House Subcommittee on Criminal Justice took a different position. Under the leadership—again bipartisan—of Representatives Robert Drinan and Thomas Kindness, the Subcommittee devoted an unprecedented number of meetings to developing its own version of a criminal code reform bill. The Subcommittee's bill was eventually approved by the full Judiciary Committee with support from both sides of the aisle.

I need not detail with you the serious deficiencies of current Federal criminal laws—the different interpretations of the same provision of law in different Courts of Appeals, the various meanings given to the same word as it appears in one or another section of law, the disparate treatment of similarly situated defendants convicted of identical offenses. I share with you a dedication to correcting these deficiencies. Although I am in sympathy with the views of this Subcommittee during the 95th Congress, I intend to pursue whatever approaches appear most likely to result in significant progress toward the achievement of a just and fair criminal law.

I believe that this Subcommittee can best determine the most effective method of proceeding by continuing in the tradition of bipartisan cooperation between the two Houses. I would, therefore, appreciate the opportunity to meet with you to discuss the future of the criminal code revision in this Congress. Through such a meeting I hope to be able to reach agreement on the areas in which we may best be able to achieve concrete results, and on appropriate methods of proceeding.

I look forward to hearing from you in the near future.

Sincerely,

JOHN CONYERS, JR.,
Chairman, Subcommittee on Criminal Justice.●

THE SMALL BUSINESS TAX ACT OF 1981, H.R. 2949

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. DREIER. Mr. Speaker, small business is undoubtedly the most talked about, but least acted upon sector of our economy. While almost everyone will readily agree that small business is the backbone of the Nation's economy, too often those same people do nothing to encourage the survival of this vital sector.

Small businesses account for 43 percent of the Nation's gross national

product, provide virtually all new private sector employment, and are responsible for more than half of all major innovations. However, America's small businesses are failing at an alarmingly high rate.

It is essential that policies be implemented to create an environment in which individual initiative and ingenuity can prosper. Instead, a complex and inequitable Tax Code threatens the very existence of many of America's small enterprises.

To address this intolerable situation, I am joining with three of my distinguished colleagues to introduce the Small Business Tax Act of 1981, H.R. 2949. This vital legislation is a bipartisan effort to attack the most pressing problems of our Nation's small businesses. I am pleased to join Mr. HEFTEL and Mr. ARCHER, of the Committee on Ways and Means, and Mr. NOWAK, my colleague on the Committee on Small Business, in introducing this measure.

The five provisions of the Small Business Tax Act seek to:

First, allow small businesses with gross receipts under $500,000 the option of electing the cash method of accounting. Currently, the accrual method of accounting must be used, which taxes businesses on the "paper profits" derived from the inflated value of their inventories.

Second, establish a more graduated corporate tax rate structure as follows:

Current scheme		Heftel-Archer-Nowak-Dreier	
Amount	Rate (in percent)	Amount	Rate (in percent)
$0 to $25,000	17	$0 to $25,000	12
$25,000 to $50,000	20	$25,000 to $50,000	15
$50,000 to $75,000	30	$50,000 to $75,000	20
$75,000 to $100,000	40	$75,000 to $100,000	30
$100,000 and up	46	$100,000 to $150,000	40
		$150,000 to $200,000	43
		$200,000 to $250,000	45
		$250,000 and up	46

Third, allow a capital gains tax deferral on the sale of an asset when the proceeds are invested in a qualifying small business.

Fourth, increase the amount of used equipment eligible for the investment tax credit from the $100,000 under current law to $200,000.

Fifth, ease the initial penalty imposed when a firm changes from the first in first out (FIFO) to the last in first out (LIFO) method of accounting, by allowing a 10-year averaging on required increased inventory values.

The provisions of this act are critically important to the revitalization of a healthy small business sector. These are concepts which hold the strong support of the small business community.

I ask my colleagues to cosponsor the Small Business Tax Act, which will provide relief for America's small business sector. We must all work to enact legislation which will nurture, not destroy, the foundation of the American free enterprise system.●

NRTA AND AARP LEGISLATIVE COUNCIL RECOMMENDATIONS TO PROMOTE EMPLOYMENT OPPORTUNITIES FOR OLDER WORKERS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. PEPPER. Mr. Speaker, only about one out of every eight persons 65 years or older is employed. Unfortunately, false stereotypes prevail in our society concerning the desirability and feasibility of employing older persons.

Today many older Americans believe that advancing age shuts them off from purposeful activity. The House Committee on Aging has heard repeatedly from elderly persons who deeply resent being placed on the shelf.

Forced idleness can cause a sharp reduction in income, at a time when inflation is placing millions of older Americans in a financial squeeze. However, there are other important considerations which should not be overlooked. Forced retirement can be psychologically damaging, especially for individuals who have lived active and vigorous lives.

Fortunately, the Congress has taken steps to promote greater employment opportunities for older workers. One of the most significant was the 1978 Age Discrimination in Employment Act Amendments which raised, in effect, the mandatory retirement age from 65 to 70 for millions of workers. That legislation also abolished mandatory retirement completely for about 95 percent of all Federal employees.

In addition, the Congress approved legislation to promote part-time employment and flexible work schedules for Federal employees. Older workers are expected to be among the major beneficiaries of these innovative work arrangements.

However, other important actions are needed if our Nation is to develop a comprehensive policy to maximize employment opportunities for older Americans.

Recently, the Legislative Council for the National Retired Teachers Association and the American Association of Retired Persons developed a blueprint for action on several fronts.

Several of the recommendations, I am pleased to say, are either similar or identical to proposals that I have supported, including abolishing mandatory retirement, liberalizing the social security earnings limitation for persons 65 or older, expanding the title V senior community service employment program, and others.

These recommendations take on added importance as our Nation prepares for the 1981 White House Conference on Aging.

The NRTA and AARP legislative council's employment program is a comprehensive package which merits the attention of this Congress.

Mr. Speaker, I ask unanimous consent that these recommendations be printed in the RECORD.

EMPHASIZING EMPLOYMENT AS A SOURCE OF INCOME

Given current economic, demographic, and elderly labor force participation trends, Government policy ought to permit and encourage greater elderly labor force participation. Increased elderly employment activity would generate additional tax revenue for use at all levels of Government. The economy in general would benefit from the added value of goods and services produced. The elderly would benefit by being able to supplement their incomes from other sources with income from employment, thus increasing their ability to maintain their standard of living and do it with a form of income—wages—that has better prospects for keeping up with inflation than most other forms of income. Given the national commitment to the maintenance of reasonable levels of income among the elderly, any share of that income that can be generated through the work effort of willing and able elderly individuals represents a share that need not be borne by other workers through taxes.

To reverse the elderly's labor force participation trend, a national, coordinated older worker employment strategy is needed. One component of such a strategy entails the elimination of existing elderly employment barriers, the greatest of which is mandatory forced retirement.

In 1978, Congress enacted amendments to the Age Discrimination in Employment Act (ADEA) that prohibit mandatory retirement before age 70, with a few exceptions, and protects most Federal employees completely against age-based retirement. These amendments, however, do not go far enough. First, we recommend that forced retirement based solely on age should be completely prohibited under ADEA. Statutory sanctions which exist in current law, such as the bona fide occupational qualification provision, should be eliminated. Finally, the Equal Employment Opportunity Commission should enforce the ADEA as vigorously as possible to assure that the act's full potential is realized in the case of middle aged and older workers who continue to be victims of various discriminatory practices.

The second major component of an older worker employment strategy involves the elimination of existing work

disincentives. Although the social security earnings limitation and other factors within the structure of the social security programs have already been discussed, other factors exist which serve to discourage work effort by older groups. One such disincentive that must be addressed is a law which mandates that States reduce a person's unemployment compensation by the amount of any pension income received. Although the law was amended in 1980 to limit the applicability of the offset, a person's unemployment compensation will still almost always be reduced by one-half of the amount of any social security benefits received. The associations recommend that the unemployment compensation offset be repealed in its entirety.

The third component of an older worker employment strategy involves the creation of strong work incentives—some focused on the older workers themselves, others on potential employers. One such incentive focused on the individual worker, an increased delayed retirement credit, was discussed in the context of social security. However, other incentives could be created that would fall outside of social security. For example, credits against Federal income tax liability could be established for older workers who avail themselves of job training or retraining programs that are designed to prevent skill obsolescence.

To provide employers with incentives to employ and/or retain older workers, the Federal tax structure appears to be the most appropriate vehicle. For example, the employer portion of the social security payroll tax that would otherwise have to be paid with respect to older workers could be reduced or eliminated. A tax credit for a certain portion of the older worker's wages could also be used to encourage employers to hire them. Such changes would effectively reduce the cost of hiring older workers, compensating to some extent for any real or imagined productivity decline associated with age that an employer might otherwise entertain. These changes would also tend to counter any disincentive effect that the minimum wage might have on an employer's willingness to hire or retain an older worker. In addition, the tax laws could be used to encourage employers to introduce a host of job training, retraining, part-time and flex-time programs aimed at older workers.

To complement the other components of an older worker employment strategy, job opportunities must be made available to older workers through Federal Government employment programs. At present, there are only two such programs—the senior community services employment program (SCSEP), funded under title V of the Older Americans Act, and the Comprehensive Employment and Training Act (CETA) program.

The SCSEP is the only categorical program focused exclusively on older workers. It provides a small number—52,250—of part-time jobs for workers age 55 and over who have been chronically unemployed and are at or below the poverty level at program entry. This program emphasizes on-the-job training and placement of trained workers in permanent unsubsidized jobs.

The associations support increased funding for SCSEP so that the number of jobs provided by the program can be expanded. SCSEP has been an effective program, free from fraud and abuse. But it has only begun to fill the large need which the low-income elderly population has for jobs.

Over the longer term, a nationwide, categorical, centrally directed older worker program like the SCSEP should be created that would include full as well as part-time jobs.

The other primary vehicle for dealing with the employment difficulties of older persons is CETA. Older worker participation in CETA, however, has been well below what might be expected on the basis of the number of unemployed older workers.

In an attempt to correct this situation, Congress added to the 1978 CETA Amendments an older worker section and an emphasis on displaced homemakers. These amendments require prime sponsors to submit comprehensive plans which must describe specific services for those workers facing severe handicaps in obtaining employment, including those 55 years of age or older. The associations urge that this provision be more effectively implemented and backed up by adequate funding to enable CETA manpower programs to respond to the special needs of older workers. Should Congress decide to phase out or eliminate the CETA program, the needs of the elderly workers should be addressed in any program that replaces it.●

THE ATLANTA CHILD MURDERS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. MINISH. Mr. Speaker, it is with a heavy heart that I rise today to express my sorrow and deep concern for the tragic rash of child slayings in Atlanta. This is a topic with which, unfortunately, we are all too familiar as the horror of the senseless murders haunts our daily newspapers. May the families and friends of the victims know that the American people are mourning with them.

There are moments in our lives when words are useless in expressing a depth of sorrow and despair which can only be felt. The death of a child is one such moment, for in the dark void left by the child's absence comes an inevitable questioning of the very nature of existence.

Yesterday we received the news that one more child was found dead. With 21 children murdered and 1 still missing, our human hope begins to fade—hope that those responsible will soon be apprehended, and hope in the basic integrity of our society. But I believe it important that we do not abandon hope, for the absence of hope represents another type of death.

With those ideas in mind, I introduce H.R. 2607, a bill to require the Law Enforcement Assistance Administration to provide funds to aid the investigation in Atlanta. Funds are needed to provide for the services of FBI officials and other law enforcement personnel.

Reports coming from Atlanta state that a cloud of fear permeating the city has severely altered individual and family relationships. The fear is understandably greatest among blacks in the areas where most of the crimes have occurred. However, the terror also seems to have penetrated throughout the city. Even some children who have not been directly affected by the murders have reportedly exhibited symptoms of emotional distress and maladjustment at home and at school. I also wonder about the larger societal implications for an entire generation of our Nation's youngsters.

Such an emergency situation calls for constructive Federal assistance and I believe that H.R. 2607 provides exactly that. During this period of budget austerity, let us be mindful that there are still needs for which the use of Federal funds are just and appropriate.

Mr. Speaker, I pray that the killer or killers are soon apprehended so the children of Atlanta no longer live in fear and so we may begin to heal the scars resulting from this tragedy.●

HANDGUNS AND CRIME

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. McCLORY. Mr. Speaker, an illuminating article on the subject of handgun control appeared in the March 27 edition of the Christian Science Monitor.

The article, written by the veteran Washington bureau representative of this prestigious journal, Richard L. Strout, follows:

COVER-STORY CRIME

WASHINGTON.—It takes the news magazines four or five weeks to prepare a take-out cover story, and Chief Justice Burger made his startling speech on crime before the American Bar Association in Houston on Feb. 8. Time and Newsweek had their simultaneous articles rediscovering crime on the newsstands March 16, predated to March 23. They were embarrassingly alike.

If you bought Newsweek you were facing an ugly five-caliber handgun aimed right at you under the title "The Epidemic of Violent Crime." If you bought Time you confronted an even scarier picture—a futuristic masked manikin with another snub-nosed revolver—labeled "The Curse of Violent Crime." Were the magazines in collusion? Does Time tell Newsweek? There must have been editorial chagrin at the similarity of the products.

Both magazines referred to Mr. Justice Burger, the essence of whose warning was that America's "capability of maintaining elementary security on streets, in schools and for the homes of our people, is in doubt." What with the chief justice and the weeklies I guess it can be said that violent crime has been rediscovered. Maybe it is even a "crisis."

In my career I have covered four federal crime commissions and it begins to look as though I will have one more. The first was the Wickersham Commission (1931) and the latest Milton Eisenhower's (1969). Attorney General William French Smith has now appointed an advisory committee to study the problem and advise the government what to do. I sense a crime commission coming up.

I was not satisfied with the weeklies' stories on the problem. Neither appeared to have studied past investigations. Newsweek said crime "warps U.S. life," a mouth-filling phrase. Time agreed that "a pervasive fear of robbery and mayhem threatens the way America lives." True, of course, but that is just language; what are we going to do about it? The magazines' researchers had not discovered the melancholy common theme of past studies; the reports of commissioners that, yes, violent crime is a shame and disgrace; yes, America is worse than other countries, and that—well, probably not much will be done about it.

Newsweek dismissed the American handgun problem briefly. It said at one point, "It is clear that there are too many guns on the street. Houston police estimate that one-third of the city's motorists are armed. I defy the editors to read those sentences in France, West Germany, England, Japan, Canada—without being overwhelmed by the astonishment and indignation of the foreigners. The U.S. lets handguns be sold promiscuously? No wonder it has such disgraceful murder rates!

Time, by contrast, devotes a page to "The Duel Over Gun Control." Polls show, it says, that the public wants handguns controlled. But it explains that Congress won't vote it. "As long as that is the case," it adds lamely, "America will have to live with one of the world's worst murder records." Quite so. Comparative murder statistics per 100,000: Japan 1.6; Britain 1.3; West Germany 1.3; the U.S. 9.7. I don't see how you can take seriously the protest over America's shameful violent crime rate when those protesting won't go along in urging registration of handguns.

Commissions over 50 years have urged handgun control. Dr. Milton Eisenhower wrote in his subsequent book, "The President Is Calling": "Every civilized nation of the world, other than our own, has comprehensive national policies of gun control." He added that when he urged gun control "vitriolic mail at once poured into my office, nearly all of it instigated by form letters and cards distributed nationally by the rich and powerful National Rifle Association."

Poll director George Gallup on Feb. 3 summarized findings of his organization: "The public is overwhelmingly of the opinion that laws concerning the sale of handguns should be made stricter. As early as 1938 Americans favored more stringent control on handguns."

Some 50 million handguns may be in possession of Americans. How many Americans want a new crime study?●

THE CLAYMONT MUSTANGS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. APPLEGATE. Mr. Speaker, this being the season of basketball championships, I take great pride in announcing to this distinguished body a recent championship in Ohio involving a school in my congressional district.

On March 21, 1981, the Claymont High School girls basketball team, located in Uhrichsville, Ohio, won the State class AA crown by a score of 52 to 45 over a tough Canton Central Catholic team. The game was played in St. John's Arena on the campus of Ohio State University in Columbus, Ohio.

The Claymont Mustangs, whose overall season record was 26 wins and only 1 loss, and the head coach, Ms. Rhonda Funkhouser, are to be congratulated on such a fine performance. It is teams like this and the personnel that make it up that have given girls basketball great credibility in recent years. These young women are to be congratulated, on not only their individual and team efforts in winning this championship, but also on their contribution to the advancement of women in sports.

On behalf of Ohio's 18th Congressional District, I congratulate and commend these athletes on their accomplishments.●

SILVERFINGER—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. McDONALD. Mr. Speaker, in July 1980 Playboy magazine ran its own version of the Bunker Hunt story and the silver market. While parts of the article really had no bearing on the machinations of the silver market, parts did show how Mr. Hunt was squeezed out of some of his holdings by a sudden change of the rules by the Commodity Futures Trading Commission. Therefore, I am placing part I of this article in the RECORD today, less some extraneous matter, which has been deleted. The item follows:

SILVERFINGER: HOW BILLIONAIRE BUNKER HUNT TRIED TO CORNER THE SILVER MARKET—BUT CORNERED HIMSELF INSTEAD

(By Harry Hurt III)

In the summer of 1979, an invisible hand reached out from an island in the Atlantic and quietly began tightening its grip on the world's supply of silver. The fingers of that hand extended to London, New York, Dallas, Zurich and Jidda. But the only visible clue to its existence was a newly formed Bermuda shell corporation called International Metals Investment Company Ltd. That dull-sounding little trading company was not just another offshore tax scam but the operating front for a secret partnership seemingly capable of controlling the world price and supply of silver.

Appropriately enough, two of the principals in that cosmic alliance were Saudi Arabian businessmen with connections to the Saudi royal family. But another principal, the real genius behind the deal, was an American oil billionaire, the head of a clan sometimes referred to as "the royal family of Texas." Though not quite as rich as the Saudi royalty, this man was one of the few private individuals in the world capable of playing in the same league. A lover of intrigue, in the past he had made international headlines with his mysterious wheeling and dealing. Before long, he would again blaze across the front pages. But for the time being, he remained in the shadows, operating behind the corporate veil of International Metals. His name: Nelson Bunker Hunt.

In that same summer, just before the price of silver exploded, an extraordinary invitation went out from Dallas to most of the better-known Texas millionaires. The invitation informed recipients, "You, together with your wife or husband if convenient, are cordially invited to be our guest at a very important meeting that could help determine the destiny of civilization."

The invitation went on to promise that participants would "hear and discuss plans and strategies that are not only having a profound moral and spiritual impact upon many nations but are also a critical deterrent to the avalanche of evil that is threatening to engulf the world."

As revealed on the front of the invitation in black letters, the sponsor of that urgent conference was Here's Life, a branch of the controversial and archconservative Campus Crusade for Christ. The host-committee list included such luminaries as Roy Rogers, former Nixon patron W. Clement Stone, two U.S. Senators, the cofounder of Holiday Inns and the owner of the Dallas Cowboys.

Also listed on the host committee was a scion of one of right-wing Christianity's most prominent families—a man whose image could hardly be called charitable. But his philanthropy had made the headlines on one occasion: the day back in 1977 when he had publicly pledged to help raise one billion dollars for Campus Crusade. Now, by contributing his letterhead and his money to Here's Life, he was fulfilling his pledge. His name: Nelson Bunker Hunt.

Silver and salvation, two aparently unrelated commodities, are vitally intertwined in the prodigious person of Nelson Bunker Hunt. As the son of the late H. L. Hunt, the eccentric and irascible Texas oil billionaire,

Bunker is still driven to prove himself a money-maker in his old man's image. But his great silver play of 1979–1980, like many of his other dealings in the past decade, is not only the expression of his desire for gain; it is also a fundamental expression of his world view, one that is usually labeled archconservative. Like his father before him, Bunker Hunt envisions an international Communist conspiracy and the Eastern-liberal-establishment-Rockefeller-CIA conspiracy. For reasons that are alternately well founded and fantastical, he believes himself and his family to be victims of both. Even more fundamentally, he possesses a vision of the apocalypse, a conviction that the world is heading down the road to doom.

True to family tradition, Bunker Hunt does not intend to sit idly by while catastrophe descends upon the planet. For him, hoarding silver is not just his way of hedging inflation: It is also part of his attempt to create his own independent economy, his own money. The government treasuries of the world used to be the ones to issue currencies backed by precious metals. Like the United States, most countries have long since ceased that practice. Bunker has been trying to revive it—for himself and his silver-buying partners. Hoarding silver is part of his scheme to replace paper with something of "real" value. It is his hedge against the "avalanche of evil" he fears is engulfing the world. Ironically, it was also what brought about a personal and public financial apocalypse of the first order.

The story of Nelson Bunker Hunt is the story of his money. Along with his brothers and sisters, he controls what may well be America's largest family fortune. Since the Hunt wealth is privately held, there are no published balance sheets for the empire as a whole. In addition, arriving at an exact determination of the family wealth is complicated by varying appraisals that can be given to real-estate and oil properties, and by discount factors that must be figured in because of certain asset illiquidity. But according to inside sources and those figures that are publicly available, the so-called first family of H. L. Hunt controls assets that were worth roughtly 12 to 14 billion dollars when the price of silver peaked in January of this year. The flagship of the family wealth is Placid Oil, the world's largest privately owned oil company, with reserves worth in excess of six billion dollars. But the family also has extensive holdings in coal, real estate, cattle, sports teams and, of course, silver.

Since silver's crash, the family's asset worth has depreciated to the eight-to-ten-billion-dollar range. The Hunts have also taken on a considerable amount of debt. In addition to multibillion-dollar borrowing done in the normal course of business operations, the silver play alone has added roughly one and three-quarters billion dollars to their liabilities, which itself exceeds the amount of the much-publicized Government-guaranteed loan to beleaguered Chrysler Corporation. Nevertheless, it is a good bet that these Hunts would still come out at least three to five billion dollars ahead if all their asserts and all their debts were liquidated tomorrow.

Bunker's interest in silver began one day at the Hunt's Circle T ranch outside Dallas. The year was 1970 and Bunker was sitting in one of his favorite places, the kitchen, talking with a New York commodities broker named Alvin J. Brodsky. A short, excitable man, Brodsky had flown down to Texas to make what would turn out to be one of the most important sales pitches of his career. His method was simple but graphic. As the cattle grazed outside, Brodsky gestured at the items in the room—the tablecloth, the utensils, the food—and he asked a single question:

"Bunker, do you believe you're going to have to pay more for these things next year than you did this year?"

Bunker allowed that he did.

"Well, then," Brodsky said, "you should consider silver."

Simplistic as it may have sounded, Brodsky's pitch jibed perfectly with Bunker's financial situation and his total world view. At the time, his Libyan oil venture had reached payout, and income was pouring in at a peak rate in the neighborhood of $30,000,000 per year, all of it tax-free. Bunker had to find a place to put it. However, both domestic and world oil prices were at "depressed" pre-embargo levels of two and three dollars per barrel, and most of the so-called experts were saying that there were enough available foreign and domestic reserves to meet America's demands for decades. The per-ounce price of silver was also at a low of about a dollar and a half, an even lower unit price than oil. But Bunker believed that silver might be in for an enormous increase in price.

They bought slowly at first, making purchases in 5000- and 10,000-ounce "penny packets," mostly through Bache Halsey Stuart Shields, the commodities outfit with which Brodsky was associated. The total amount of those investments was only a few hundred thousand dollars, small change by Hunt standards. The initial results, however, were of the sort Bunker and his brother could readily appreciate. Between 1970 and 1973, silver rose to about three dollars an ounce.

With the world apparently crumbling all around him, Bunker decided to go heavily into silver. This time, he and his brother Herbert—aided by second-family in-law Randy Kreiling, a commodities expert—began buying into the market with what would soon come to be known as the typical Hunt style. The key elements in their strategy were size, secrecy and surprise. Working through Bache and a variety of other brokers, they purchased not just penny packets but millions and millions of ounces. Their first huge order was a 20,000,000-ounce December 1973 contract. Other big orders followed, and by early 1974, the Hunts had accumulated contracts totaling 55,000,000 ounces, or about seven to nine percent of the total estimated world supply. That gave them more silver than anyone on earth save the governments of a few countries and the silver exchanges themselves.

In most modern markets, talk of a corner would have been dismissed as just that—talk. The classic definition of a precious-metals corner is when an individual holds enough bullion and enough futures contracts to have a virtual monopoly on the total supply—and thus effective control of the price of both bullion and futures, since anyone who wanted the metal would have to come to him. Few people or groups have the skill or the financial resources to pull one off. Indeed, the last time anyone cornered the silver market was when the Bank of England accomplished the feat in 1717. As the veteran traders knew, however, silver was potentially more vulnerable than other commodities. Unlike gold, it has a wide range of industrial uses (most notably for photographic film), as well as a value in jewelry making. Annual production in 1974 was only about 245,000,000 ounces, while annual consumption was about 450,000,000 ounces. Exactly how much the total world supply amounted to was anybody's guess. Estimates ranged from 600,000,000 ounces to 800,000,000 ounces. Of that total, only 200,000,000 ounces was believed to be available for delivery against silver-futures contracts. While silver from tea sets, silverware and other sources had a way of coming out of the woodwork in times of high prices, many traders believed that it would take a lot less than 200,000,000 ounces to corner the silver commodities market. But how much less? Had Bunker Hunt found the magic formula? Was he now ready to cash in?

In April of 1974, Bunker stopped in New York to visit the floor of the Commodity Exchange for the first time in his life. When he walked onto the floor, all activity came to a halt. The traders dropped what they were doing and simply stared at the overweight, spectacled Texas in the cheap blue suit. Later that day, Bunker granted a rare interview to a reporter from the financial journal Barron's. Although he politely refused to reveal the size of his silver holdings, Bunker did give the world a glimpse of his long-term intentions. As he put it in typically twisted syntax, "Just about anything you buy, rather than paper, is better. You're bound to come out ahead in the long pull. If you don't like gold, use silver, or diamonds or copper, but something. Any damn fool can run a printing press."

The Hunt-Saudi silver buying began in mid-July, and began big. Working through both the Commodity Exchange (Comex) in New York and the Chicago Board of Trade (C.B.O.T.), the group purchased some 8600 silver-futures contracts, the equivalent of 43,000,000 ounces. All of the contracts were due for delivery that fall.●

HIRED GUN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. FINDLEY. Mr. Speaker, the lead editorial in last Friday's Washington Post puts the situation in southern Lebanon in proper perspective. As the editorial states:

The Israelis have a right to defend themselves against Palestinian terrorists, but they have no right to let a hired gun [Major Haddad] conduct an arrogant independent policy against the U.N. peacekeeping force and the Lebanese Government alike.

The Post editorial was critical of the Reagan administration for letting "the Israelis get away scot free when they are at fault" in failing to restrain Haddad and his band of "buccaneers." It is significant that the Washington Post has now joined the Washington Star and a growing number of thoughtful and informed Americans in demanding that Israel act more responsibly in its use of military force in the Middle East. Hopefully, Israel and its many friends in the United States—of whom I am one—will realize in time the need to temper naked force and

power with reason and diplomacy in order to achieve a comprehensive Middle East peace settlement.

Text of the Washington Post editorial follows:

HIRED GUN

So complicated is the situation in southern Lebanon, where Palestinian guerrillas, Lebanese militia, Syrian forces, Israeli troops and U.N. peace-keepers all contend, that it is easy to throw up one's hands when a violent incident occurs and distribute blame indiscriminately all around. "Cycle of violence" is the usual culprit. But that is a lazy and dangerous way to go about approaching this troubled corner of the Middle East. It permits the guilty party to get away with murder. That is why it is necessary to assess the incident in which three Nigerian members of the U.N. peace-keeping force were killed and 20 other soldiers wounded.

They were shelled by the Christian militia forces of Major Saad Haddad, whom the Israelis set up in a buffer along their northern border when they ended their invasion of Lebanon—an invasion undertaken to counter Palestinian raids—in 1978. But why was Major Haddad firing? Against Palestinian guerrillas, ostensibly the enemy? No. He was firing because the government of Lebanon had moved a platoon of its own soldiers into the village where the U.N. unit was stationed. Major Haddad evidently feels—and rightly so—that if the Lebanese army reasserts its control in the south, his "Free Lebanon" is doomed.

In the U.N. Security Council, the usual Arab-Communist combine started grinding out a resolution condemning not only Major Haddad but his Israeli patrons. The Reagan administration allowed and joined—and anticipated—a condemnation of the Haddad action but, seeking "balance," prevented censure, or even mention, of Israel. This is fine. The U.N. majority long ago surrendered its claim to be a forum to which rights and wrongs of matters involving Israel deserve to be submitted.

Those who appreciate seeing the abuse of the United Nations diminished, however, have an obligation not to let the Israelis get away scot free when they are at fault. And in this instance, they are at fault in not asserting control over Major Haddad, who, despite his and Israel's pretenses, is not a sovereign but simply a buccaneer. The Israelis have a right to defend themselves against Palestinian terrorists, but they have no right to let a hired gun conduct an arrogant independent policy against the U.N. peacekeeping force and the Lebanese government alike.●

TIME FOR SERIOUS THOUGHT ON THE MX

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MATTOX. Mr. Speaker, there is no question that we must increase our defense capability. However, I think it would be a mistake to sign a blank check made out to the Pentagon for $227 billion without the most careful kind of perusal of what that money is going to buy. I am not at all sure that the MX missile project as currently conceived is the best kind of ICBM system we can devise.

The March 29, 1981, New York Times Magazine, and the Dallas Times Herald, carried an article by Stansfield Turner, retired admiral and former Director of the Central Intelligence Agency, that questioned the value of the MX and suggested alternatives. I believe other newspapers carried this article as well, and I am very glad that it was so widely distributed. It is an article that urgently needs to be read as we in Congress grapple with these issues. I particularly recommend it to my colleagues on the Budget Committee:

THE MX IS A SERIOUS MISTAKE, SAYS STANSFIELD TURNER, THE FORMER CIA DIRECTOR

The changing balance of strategic nuclear forces between the United States and the Soviet Union has in the last few years been a major focus of attention for the American intelligence community. Until the late 1960s, the United States was militarily stronger than the Soviet Union by virtue of its superior nuclear arsenal. We felt secure. The Soviets didn't, and they set out to correct the imbalance. The result has been that in the last several years all of the best studies have shown that the balance of strategic nuclear capabilities has been tipping in favor of the Soviet Union.

The Carter administration recognized this imbalance and developed an ambitious plan to build a mammoth new intercontinental ballistic missile system known as the MX (for "missile experimental"). Congress has provided initial financing, and already major contractors from California to Massachusetts are plunging ahead—building test sites and hiring designers and workers. Thousands of workers are already involved.

I believe the MX project as presently conceived is a serious mistake.

The official estimates of the total cost of the MX run from the Air Force's $36 billion to the General Accounting Office's $56 billion. Each missile will weigh 95 tons, two and a half times more than our most current intercontinental ballistic missile (ICBM)—the Minuteman III—and will carry 10 separate warheads. To construct a base for it will require, according to some estimates, 40 percent of the country's total cement production for three years, and more dirt will have to be moved and more land sequestered than for the Panama Canal.

MX is also a new concept in ICBMs. Our present Minuteman ICBMs are loaded in fixed, underground silos of concrete, reinforced to help them withstand nuclear attack. MX, in contrast, will be semimobile. Twenty-three shelters about a mile apart, are to be built for each MX. Each of the 200 missiles will ride on a 201-foot-long transporter-launcher, weighing more than a million pounds, over the special highways from one of its 23 shelters to another. The Russians would be forced into a kind of shell game, if they considered an attack on our ICBMs; each MX would force them to worry about 23 targets rather than just one.

The U.S. strategic strength—strategic strength, in this context, refers to the major powers' centrally controlled nuclear forces, which are targeted against each other—is built on three legs known as the TRIAD. Each leg represents a weapons system that is launched differently: one from land bases, the second from airplanes and the third from submarines. Each leg presents the Soviet Union with a different problem should it decide to attack. While it might be able to cripple one leg, the inability to knock out all three should deter the Soviet Union from attacking at all.

The MX specifically strengthens the land—that is, the ICBM—leg. This leg is important because the size of the warheads and the accuracy of the missiles make it the most powerful part of our strategic arsenal. It is quickly responsive to a decision to launch, because the missiles can be maintained in a constant state of readiness and we have reliable, instantaneous, secure communications to them. It provides minimum warning of attack to the Soviet military, because the time from launch in the United States to detonation over the Soviet Union would be only about 30 minutes.

The other legs of the TRIAD have different virtues. Submarine-launched ballistic missiles (SLBMs) provide greater assurance than either of the other weapons systems that they will survive a surprise attack. Submarines can be constantly moving and they are virtually impossible to find in broad ocean areas. Bombers can carry a large number of weapons, so they provide great destructive potential and, because the bombers themselves can be called back before they actually launch their missiles, this leg of the TRIAD is the most flexible.

Most authorities agree that today the land-launched ICMBs, our Minuteman missiles, are the most vulnerable of our strategic forces because their location is fixed, making them easy targets. But is the MX the best replacement?

The undertaking is so central to our national security that it is important that doubts about it be resolved.

First, what do we mean when we say that balance of strategic nuclear forces is tipping against us? How is that balance measured? One quantitative measure is the number of weapons the United States and the Soviet Union each has. Here, America is clearly ahead: We can attack more individual targets than the Russians can. Another measure is the ability to inflict damage. Here the Soviet Union is well ahead.

The Soviets hold both an absolute lead in total number of ICBMs and a relative lead in the ability to destroy missiles that are housed in hardened silos. This advantage reflects, first, the fact that there are 400 to 500 fewer ICBM targets in the United States than in the Soviet Union. Second, it reflects a basic trend in strategic warfare. Improvements in weapon accuracy are more than offsetting any efforts to harden silos. Direct hits can destroy even hardened silos.

We could do two things to right this imbalance. We could increase our ability to attack hardened targets in the Soviet Union and we could make our ICMB forces less vulnerable. But whatever we do, it must not only correct the actual imbalance of capability, it must also correct the perception of imbalance. It must be made clear in the minds of Soviet officials as well as other world leaders that the Soviet Union does not have an edge on the United States in strategic nuclear strength. A major step in doing this is to create the impression that the United States is seriously committed to improving our strategic forces, even if in reality some of the actions we take will contribute only to overkill. Changing the world's perception that we are falling behind the Soviet Union is as important as not falling behind in fact. Deterrence is the

key goal of strategic nuclear forces, and what will or will not deter a nuclear attack is something more psychological than quantifiable.

The MX would, indeed, meet these objectives. It is designed to hit hard targets. It is less vulnerable than Minuteman because each missile can shuttle among the 23 alternative launching shelters rather than sit in one fixed silo. And, proceeding with the most expensive public-works program ever contemplated would certainly give an impression that America was serious about restoring the strategic balance.

But the MX has significant liabilities. One is the response it can be expected to draw from the Soviet Union. The current plan is to put 200 MX missiles in place and to build 4,600 shelters. If we presume that the Soviet Union will want to be able to knock out essentially all MX missiles with a surprise attack—as it could our present 1,000 Minuteman ICBMs—it would need 4,600 more warheads than are required now for Minuteman. Could the Soviet Union deploy another 4,600 warheads? Yes, easily, even under the limitations of the proposed strategic arms limitations treaty (SALT II). The United States would not, of course, stand still if the Soviet Union deployed more warheads. It would probably deploy more MXs and build more shelters. Then the Soviet Union would probably build still more warheads. Where would it all stop?

Stability is a function not only of the number, size and survivability of weapons, but of other characteristics as well. The more threatening a weapon is, the more nervous it makes a potential adversary and the more destabilizing it becomes. A high-accuracy ICBM is a destabilizing weapon because it can be launched on short notice, because it has a short flight time and therefore gives little warning and because it can destroy even hardened targets like ICBM silos. ICBMs like Minuteman and MX are at the most destablizing end of the weapons spectrum because they combine all of these characteristics. Most other systems have some but not all. Thus, building the MX, rather than stabilizing the strategic balance, would probably destabilize it further.

The United States could avoid the risk that the Soviet Union's military response to the MX would both offset its effectiveness and lead to more dangerous instability by simply canceling the project. But just deciding not to build the MX would also be a serious mistake. It is essential that the United States make a commitment to some clearly defined program lest the nation permit the strategic imbalance to worsen, or allow the perception that it is indecisive undermine what it finally decides to do. It should cancel the MX only under two conditions: that it do something else instead; and that whatever it does will meet its strategic objectives.

There are excellent alternatives to the MX. The best would be a diverse mix of systems, all of which would be more mobile than the MX and could be deployed in much larger numbers. Both the mobility and the large quantity of these systems would make them very difficult for the Soviets to attack with confidence.

Intercontinental cruise missiles on a variety of launching platforms would be one ingredient in the mix. A cruise missile is relatively small—some the size of a torpedo; it is self-guiding and flies in the atmosphere, whereas the much larger ICBM is shot out into space before it returns to its target. Modern technology will permit the United States to place cruise missiles in small packages and to give them even greater accuracy and penetrability than ICBMs.

Other ingredients of the mix would be land-mobile ICBMs and the existing SLBMs on submarines. The United States ought to develop a small, road-mobile ICBM, just as the Soviet Union has already done (the SS-16). Ours could be deployed in the remote areas of Alaska, for example. It could even be disguised in large trucking vans and moved around the United States at random. This same ICBM could be placed on ships and carried in aircraft as well.

This mix of more mobile systems also lessens vulnerability better than the MX. The less mobile the system, the more vulnerable. The fixed ICBM is the most vulnerable strategic system. It cannot move and it is difficult to hide from modern reconnaissance systems. Next to the fixed ICBM, the semi-fixed MX is the most vulnerable. It can move, but only between fixed shelters whose positions are well-known to the Soviet Union.

The MX may also fail to achieve the third objective—that is, correcting public perception, demonstrating a new momentum toward righting the strategic balance. In our democratic society, environmental and political activists may well delay the MX deployment, limit its size, or even prevent its development entirely. If we proclaim publicly that the MX is to be our solution to the changing strategic balance and then cannot follow through with an adequate deployment, we will have demonstrated that we are incapable of doing so. How much greater will the corrective measures have to be then to overcome that negative perception?

The final issue is whether a mix of more mobile strategic forces would meet national objectives better than the MX. I believe it would.

One of the arguments for continued reliance on ICBMs is that we need to preserve the concept of a triad of strategic forces (ICBMs, bombers and submarines). I agree that we cannot rely entirely on one type of weapon lest some counter to it be developed. I agree, too, that we do not want to depend excessively on one form of basing lest it become especially vulnerable. But diversity in these areas should come from a careful mix of the least vulnerable systems that we can devise, not by retaining the existing mix no matter what common sense tells us. The proposed set of mobile systems would be a far healthier and more diversified mix.

There is little time left to reverse the momentum of the MX. A prompt but thorough review of where the MX may be taking us, as well as what alternatives there are to the MX, is crucial to America's long-term security.●

RELIEF FOR MEDICAL PERSONNEL

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. GONZALEZ. Mr. Speaker, several years ago I was surprised to discover that the medical personnel in our Armed Forces were not immune from individual suit or civil liability for acts performed while in the scope of their employment with the Federal Government, even though those medical personnel with the Veterans' Administration and the Public Health Service had this immunity. I immediately introduced legislation and with the support of the Armed Services Committee and the Defense Department had the bill approved by Congress and subsequently signed into law.

Since that time I have discovered another very small group of individuals working for the Federal Government who are still not protected from individual suit. This group is the medical personnel of the U.S. Soldiers and Airmen's Home. Thus, today I am introducing a bill that would grant these medical personnel the protection that they need from being sued as individuals and held individually liable for incidents which occur while they are performing their duties on behalf of the Government. At the present time a ward physician at the home's hospital is required to pay a premium of $2,500 per year for malpractice insurance. These civil service personnel should not be expected to absorb these premium costs when their counterparts in the military departments are relieved from personal liability for medical malpractice, and thus from the necessity of carrying such insurance. It is not fair for these medical personnel, who are serving their country, to be expected to pay for private insurance. The medical personnel of the U.S. Soldiers and Airmen's Home provide a great service for the old, invalid, or disabled enlisted and warrant officer personnel of the Regular Army and Regular Air Force.

Medical personnel will only be able to continue to offer their valuable services if they are allowed to enjoy the same medical malpractice protection as their counterparts employed by the Federal Government and I urge my colleagues to support this measure.●

SPENDING CUTS: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. BEREUTER. Mr. Speaker, in the weeks since President Reagan presented his economic recovery program, Congress has been barraged with information and conflicting reports about the nature of and impact of various proposed cutbacks in Federal spending. The intensity of the debate, I believe, has caused us to lose sight of one important fact.

Even if the President's entire package of budget reforms is adopted, Federal spending for fiscal year 1982 will still be more than $40 billion above this year's spending.

The following editiorial from the Omaha World Herald helps place this matter in perspective. I recommend it to my colleagues:

[From the Omaha World-Herald, Mar. 12, 1981]

MORE LEFT TO SPEND DESPITE THOSE "DRASTIC" REAGAN CUTS

With all of the headlines about Ronald Reagan's proposed spending and tax rate cuts, readers might think that Western civilization as we know it is about to come to an end.

Liberals fear that the federal budget is about to be ravaged and the entire process of government is in jeopardy. The rich are going to escape paying most of their taxes and all sorts of scary things are going to happen to the poor.

And a lot of conservatives are cheering because they think if Reagan's program gets through Congress, the bureaucracy will immediately start shrinking, the fat will all be sliced away, the government's finances will be made sound and the private sector will soon control a greater share of the national income.

So maybe, now that more concrete statistics are available on the Reagan proposals, it is time to put a little perspective on them.

1. The federal budget is not going to be reduced. The actual outlays for fiscal 1981 are now estimated at $655.2 billion. Under Reagan's proposal for 1982, they would be $40.1 billion more, or $695.3 billion.

2. The total receipts from the individual income tax are not going to be reduced. The actual receipts for 1981 are now estimated at $277.4 billion. Under Reagan's proposal, they would amount to $10.8 billion more, or $288.2 billion.

Those massive cuts that everyone is talking about are not true cuts measured against the spending and taxes of the current fiscal year. They are simply cuts from the swollen budget that Jimmy Carter had proposed for 1982.

The momentum of the gigantic federal government is so great that even with those drastic Reagan reductions in the Carter plans, spending and taxes are still going up.

What will happen, if the Reagan plan is adopted more or less intact by Congress, is that the rate of the growth will be less than it would have been under Carter.

And, of course, there will be shifts within the budget on the spending patterns—more for defense, less for some other programs.

Even if all Reagan can do is slow that rate of growth just a bit, it would be a significant accomplishment.

The growth has snowballed so in recent years that the budget is now almost, if not completely, out of control.

And if Reagan and the Congress can keep applying the brakes to the government spending until national production begins to catch up, things might eventually get turned around.

But it will be a tremendous job and those touted 1982 spending and taxing cuts—welcome as they are for some and feared as they are for others—are actually only a modest beginning.

The ship of state has not yet been turned around; its course has been changed by only a few degrees.●

IT'S A GIRL

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. GARCIA. Mr. Speaker, I take this opportunity to congratulate Mike and Eileen Ferrell on the birth of their first child, Catherine Brennan, who was born at Georgetown University Hospital in the District of Columbia on March 27 at 4:41 a.m.

The baby weighed 10 pounds, 1 ounce and measured 22 inches at birth. Baby and mother are doing fine.

Catherine's birth was a momentous event but, I also understand that March 27 was Mike's 30th birthday as well.

As my colleagues know, Mike Ferrell is counsel to the Subcommittee on Census and Population which I chair. Eileen is the service director of the Washington, D.C., office for Kelly Health Care Services.

I know my colleagues join with me in wishing the new family good health and much happiness in the years ahead.●

U.S. INTERNATIONAL COMMUNICATIONS AGENCY, RADIO FREE EUROPE, RADIO LIBERTY, AND NATIONAL SECURITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MICHEL. Mr. Speaker, I bring the following correspondence to your attention because I think it is of vital importance. Let me briefly offer some background as to what it contains:

Last month I happened to read a publication of the Atlantic Council of the United States titled "The Successor Generation," dealing with the question of attitudes among young Europeans. One article in the study was written by former U.S. International Communications Agency officer Alex Klieforth. In discussing attitudes in the Federal Republic of Germany (FRG) Klieforth wrote:

Not publicly known is that almost every American military officer stationed in the FRG believes that unless there is a change, growing opposition to mobility and support of U.S. Forces in Germany will make it eventually impossible for USAREUR to carry out its mission, that is to stem attack.

I found that statement most alarming especially since it came from an information officer widely known for his informed views on West Germany. I therefore wrote to Secretary of State Alexander Haig and Secretary of Defense Caspar Weinberger to discover if, in their experience, they had found Klieforth's claims to be true.

As you will see from the attached copies of the responses they sent to me, Secretary Haig and Secretary Weinberger appear to have differences of opinion as to the accuracy of Klieforth's statement. But I find no contradiction here. It may well be, as Secretary Weinberger points out, that public opinion polls in West Germany show "German youth today are more pro-American than their elders." The polls may reflect this but not reflect the intensity of dislike of Americans of those members of the younger German generation who are not pro-American. In any event, when the Secretary of State of the United States says that "deep cuts in the funds available for public information work on a worldwide basis have hampered" American ability to communicate with influential members of other nations, I find that of extreme importance.

All of this was made even more evident in a piece appearing in the Washington Post, Sunday, March 29, 1981. The headline reads: "Europe's Anti-Nuclear Movement Worries NATO Defense Officials." The article datelined Bonn, stated:

A grass-roots movement against nuclear armament is growing in several key Western European countries, leading some Western officials to worry that it could become a political force strong enough to erode NATO unity.

During a recent week of high-level interviews in several key NATO capitals, defense officials repeatedly attributed development of the antinuclear movement to a diminished sense of the Soviet threat, particularly among European youth.

"It is a generational thing," said a senior West German defense official. "There is a lack of history among the young, especially in this country, and this results in a lack of awareness for the need for certain security policies."

The fact is, Mr. Speaker, we are in grave danger of losing the war of ideas carried on throughout the world. How close we are to losing may be debatable—what is not debatable is the unquestioned fact that the Soviet Union and its allies outspend the United States and its allies on information—and, in the Soviet case, disinformation—programs.

Whether you accept the generally optimistic picture offered by Secretary of Defense Weinberger or the more critical comments of Secretary Haig—who, I need not remind you, has first-hand experience in West Germany—you cannot help but be concerned by what most experts tell us is the decline of our information program in recent years.

In short, Mr. Speaker, the time has come to recognize that the U.S. International Communications Agency—including its international broadcasting section, the Voice of America—and Radio Free Europe and Radio Liberty need to be seen as parts of our national security system, as vital and as nec-

essary to our survival and progress as weapons, manpower, and strategic concepts.

At this point I insert in the RECORD the letters to me from Secretary of State Alexander Haig and Secretary of Defense Caspar Weinberger:

THE SECRETARY OF DEFENSE,
Washington, D.C., March 18, 1981.

Hon. ROBERT H. MICHEL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This is in response to your recent letter concerning an alleged common perception by American military officers that anti-American attitudes are increasing among Germans. Information available to me indicates that such a perception is not the case among military officers. In fact, recent survey data indicate the opposite of what Mr. Klieforth suggests.

In the fall of 1980, a survey of military officers' perceptions of approval of Americans and the U.S. Army in Europe was conducted. The results of this survey were that seventy percent of those questioned believe the U.S. Army in Europe is approved of by the Germans.

In addition, in January 1980, the highly respected Allensbach Institute in Germany conducted a periodic series of polls regarding German attitudes toward other nations. In response to the question, "Do you like the Americans?", a trend was found that was again counter to Mr. Klieforth's claim. Results of these polls indicate that German youth today are more pro-American than their elders.

I hope that this information will be of assistance as you and your colleagues address the many national security and defense issues in forthcoming months.

Sincerely,

CASPAR WEINBERGER.

THE SECRETARY OF STATE,
Washington, D.C., March 16, 1981.

Hon. ROBERT H. MICHEL,
House of Representatives,
Washington, D.C.

DEAR MR. MICHEL: Thank you for your thoughtful letter of February 6, in which you called to my attention some recent comments by Alexander A. Klieforth on developments in the Federal Republic of Germany.

Until his retirement last summer, Mr. Klieforth was the Public Affairs Officer in our Embassy in Bonn. He is recognized as one of the leading American experts on Germany. During his long association with the Federal Republic of Germany in the postwar era, Mr. Klieforth, as well as many other expert observers, became increasingly concerned over trends in German public opinion which could, if not countered, create a negative environment in the Federal Republic for the continuation of the close relationship which has existed to date between the United States and the Federal Republic. During my years as Supreme Allied Commander in Europe, I had an opportunity to become familiar with this problem at first hand, and I must say that I share the concern which Mr. Klieforth has expressed regarding the long term potential of these trends unless corrective action is taken.

It is important to keep in mind that what Mr. Klieforth was describing in his article on the "successor generation" was a situation which might arise at some point in the future and not the conditions which currently prevail in the Federal Republic. During his tenure in Bonn, Mr. Klieforth participated in the development of a variety of programs designed to counteract these negative tendencies, and these programs, have, of course, been carried on by his successors. I might add, however, that deep cuts in the funds available for public information work on a worldwide basis have hampered these programs. You may be sure that we will do everything we can to ensure that the public environment in the Federal Republic for the execution of our common obligations in the defense of Western interests will continue to be favorable. In this effort, we have the full support of the German government. Both Chancellor Schmidt and Foreign Minister Genscher have made clear on numerous occasions their concern over certain negative trends in German thinking, particularly among younger people, on the Atlantic Alliance and their determination to counteract these tendencies.

Sincerely,

ALEXANDER M. HAIG, Jr.●

MARINE MAMMAL PROTECTION ACT REAUTHORIZATION

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. BREAUX. Mr. Speaker, I am today introducing a bill to extend the authorization for appropriations for the Marine Mammal Protection Act for 1 year. The bill I am introducing would continue the existing level of funding for 1 year and is designed to serve as a vehicle for hearings to be held by the Fisheries and Wildlife Subcommittee of the Committee on Merchant Marine and Fisheries on April 7, 1981.

The reason I am introducing a 1-year reauthorization rather than the more traditional 3-year authorization is that I believe there are several problems in the act which should be allowed to be addressed this year. A prime example of this is the section which allows for the waiver of the moratorium on the taking of marine mammals and the return of management to the State where the animals are found. The U.S. Fish and Wildlife Service tried to return management of a healthy population of walrus to the State of Alaska but the State found it could not accept management because of a preference in the law for Alaskan Natives which violated the State constitution. The net effect of the failure to return management is that virtually no management resources are being allocated by the State or the Federal Government and a substantially unregulated harvest is taking place.

Another problem which needs a solution concerns the controversial provisions relating to the protection of porpoises from incidental takings during tuna fishing operations. Sufficient statutory protection is built into the Marine Mammal Protection Act for porpoises, but there are ambiguities which need clarification in order to avoid continuous litigation. We will also attempt to find a solution to this problem at a later time this year.

I hope that we can begin to address this and other problems in the April 7 hearings. I doubt, however, that any reasonable solutions can be developed before the May 15 deadline for authorization bills to be reported out of committee. We plan to have additional hearings this summer and fall and to work with the industry, the environmental community, the States, and other concerned parties to develop a reasonable solution to the problems with the act. I sincerely hope that solutions can be found and we can pass an amendment package later this year that would contain a longer authorization.●

SHELL GAME OR SUM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. DASCHLE. Mr. Speaker, the New York Times editorial I am inserting aptly points out the absurdity of basing the MX missile on a series of racetracks in the Nevada/Utah desert. Though no basing system can avoid all problems, it makes eminently more sense, in the absence of a SALT II treaty, to conceal the MX at sea, where it will be more survivable. SUM advocates believe the system can be developed for at least $10 billion less than the MPS, and it is less likely to be tied up in litigation during the period of our greatest vulnerability. All things considered, I hope my colleagues will see the merits of the small submarine underseas missile plan and support legislation—H.R. 1955—which I have introduced to authorize the research, development, testing, and evaluation of this proposal. Following is the text of the editorial:

[From the New York Times]

MUST MX BE A SHELL GAME?

Why, Defense Secretary Weinberger has been asking his military advisers, does the mobile MX missile have to be part of a "shell game"? Why must it be based in concrete shelters in Utah and Nevada, tearing up the countryside and formenting wide public resistance? Why not base it at sea, perhaps aboard small submarines in deep ocean, a few hundred miles off the Atlantic and Pacific Coasts?

The new Secretary says he has found Pentagon minds all made up: the present "shell game" plan with 200 missiles shuttling among 4,600 shelters is the best answer to the vulnerability of silo-based ICBM's. But to his credit, Mr. Weinberger has not settled for that answer. He has now put his questions to a panel of outside defense experts, to report to him in June.

There are two fat objections to the MX plan favored by the military. It did not foresee the surge of public opposition in the Western states. Environmental lawyers could tie things up in court for years. In the background, there is "an element of the unreal," as Mr. Weinberger has noted, in building so complex a system, of almost Rube Goldberg dimensions and costing $34 billion, to conceal such a small number of missiles. Is there no other way?

Yes: Put the MX on submarines, which will provide automatic concealment in two million square mile of ocean.

Then why hasn't the Pentagon gone in that direction already? Because existing submarine-launched missiles are not as accurate as land-based missiles and are not as responsive to command and control. Current missile subs are scattered over the globe and unable to communicate without revealing their location. And shifting MX to submarines would eliminate one leg of the strategic "triad"—bombers, land-based missiles and submarine-launched missiles.

But those arguments do not apply to small offshore submarines, aided by coastal guidance and radio systems. Such vessels should be able to achieve survivability, with missile accuracy and communications at least comparable to a land-based MX system and at no greater cost, according to preliminary findings of a study by the Congressional Office of Technology Assessment.

The study identifies two main problems with this system, known as the small-submarine underseas mobile plan. Some unforeseen breakthrough in antisubmarine warfare might one day create a simultaneous threat to both the Trident and coastal submarines. Shortages of shipyard capacity might delay deployment until the early 1990's.

But the originators of the small-sub concept, Sidney Drell of Stanford and Richard Garwin of I.B.M., are convinced that the small sub is practical. It would differ enough from the big Trident sub so that no single antisubmarine warfare breakthrough would threaten both systems. Also, small submarines are being made in West Germany and some could be bought there until American models are available.

The small-sub idea also has other virtues. It could begin adding invulnerable missiles to the American inventory from the very first submarine deployed. The shell-game system, by comparison, would gain nothing for American security until there were more shelters than Soviet warheads capable of destroying them. To build that many shelters would take nearly until 1990, by which time construction of a small submarine fleet could also be well under way.

Mr. Weinberger is right to take a new look at the small-sub system. The Air Force would not be overjoyed to put its new missiles on Navy vessels. But the system has advantages at a time when the strategic arms treaty is in doubt. The shell game makes little sense without SALT limits on the Soviet missile buildup, which could require 8,250 MX shelters by 1990 and 12,250 by 1995. Small subs could survive a SALT failure.

More important, the small-sub idea offers a valuable bargaining chip. Deployment could be curtailed in return for a favorable SALT agreement. That would save money while adding a reasonable quota of survivable missiles to the American arsenal.●

RAYNHAM, MASS., 250 YEARS OF PROGRESS

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mrs. HECKLER. Mr. Speaker, it has been said that American life is an ongoing celebration of freedom. Even as we look constantly to the future, to the challenges to freedom that lie ahead, we remain keenly aware of this country's unique history and heritage of individual liberty—because the best way to prepare for the future is to learn the lessons of the past.

The people of Massachusetts, who have played a critical role throughout our Nation's history, take a justifiable pride in marking the anniversaries of past events that have contributed, one by one, to the building of America. And it is with that same sense of pride that I rise today to help mark the upcoming anniversary of one of the major events in the Commonwealth's history—the 250th anniversary of the founding of the town of Raynham, in the 10th Congressional District of Massachusetts.

It was on April 2, 1731, that the British Crown granted a petition to the townspeople of Raynham to set up their own town, separate from what is now the city of Taunton. Like so much of our early history, this move for independent township was prompted by deeply held religious motives: The belief of the citizens of Raynham that they should be allowed their own churches and schools, which served as the centers of colonial life. In petitioning for their own town the people of Raynham served notice that the Colonies were growing larger and more complex, and that the drive for independent thought and worship could not be ignored—the same drive that 45 years later would result in our Declaration of Independence.

Throughout its 250 years Raynham has played a vital role in the development of our Nation. As the site of the first successful ironworks in North America, Raynham was a part of the beginnings of the Industrial Revolution that propelled America to the first rank of the world's economic powers. And it was that same foundry that is said to have produced the anchors for the U.S.S. *Constitution*—"Old Ironsides," the venerable frigate that still symbolizes American naval and military strength.

Indeed, for two and one-half centuries the town of Raynham has been an essential part of the growth and maturing of Massachusetts, and America. Now, as a part of one of the Commonwealth's most important manufacturing areas, it will continue to play a key role in the growth and revitalization of our economy, which is our greatest challenge in the future.

Mr. Speaker, I believe that the history of the town of Raynham is, in many ways, the history of the United States in miniature. From colonial days, through revolution and war, through great social and economic change, it has grown and adapted, yet always maintained a strong pride in its own individuality. And as we all look forward to a future of growth and change, I am proud to help pay tribute to a town and its people who are celebrating 250 years of progress, innovation, and pride—a town that this week celebrates its past as it prepares for the challenge of the years ahead. I am happy to salute my constituents, the citizens of Raynham, on their town's 250th anniversary, and I ask all my colleagues in this House to join me in that tribute.

Thank you.●

THE 63D ANNIVERSARY OF THE PROCLAMATION OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. HYDE. Mr. Speaker, there are an estimated 1½ million Americans of Byelorussian descent in the United States, about 100,000 of whom live in the Chicago area. On March 25 the Byelorussian American communities commemorated the 63d anniversary of the proclamation of the Byelorussian Democratic Republic which took place in Minsk, the capital of Byelorussia, on March 25, 1918.

As Chicago Tribune reporter Barbara Brotman pointed out in a recent article, few Americans really known what Byelorussia is. Her March 26 column on Chicago's Byelorussians is interesting and helpful in understanding the plight of the Byelorussians and I am very pleased to share it with my colleagues as we commemorate this important anniversary:

INDEPENDENCE BRIEF, BUT CHICAGO'S BYELORUSSIANS REMEMBER

(By Barbara Brotman)

On Sunday, Vera and Witold Romuk, Father Vladimir Tarasevitch, and their compatriots in the Chicago area will celebrate their Fourth of July. It is the 63d anniversary of the declaration of Byelorussian independence, but the speeches and proclamations may lack a little celebratory oomph: Byelorussia's independence, declared on March 25, 1918, lasted only nine months.

But that little silver of 20th-Century freedom, sandwiched between German occupation and Russian occupation, is a cherished memory for the estimated 100,000 Byelorussian emigres in the Chicago area. "This is not the same as your Fourth of July," said

Father Vladimir, who admits that the chances for regaining independence are slim. "But in a spirit of hope and prayer, it's a goal we are trying to attain; something we had and would like back."

Few Americans really know what Byelorussia is, and it might be easier to begin the explanation by saying what Byelorussia is not. It is not Russia. Byelorussian emigres are most emphatic on that point; in fact, some call the place Bielarus to differentiate it from Russia.

It is the homeland of a Slavic people who trace their ancestry to the settlement of tribes around the 6th Century. In the Middle Ages, the area became a feudal principality called Polacak, and later was at the heart of the Grand Duchy of Litva, or Lithuania, an empire much larger than present-day Lithuania. In 1795, an expansionist Russia took over Byelorussia as well as other formerly independent Slavic and Baltic states.

Russia also gave Byelorussia its name, which means White Russia—not to be confused with the White Russians who opposed the Red Bolsheviks.

Byelorussia had the ill fortune to enter the 20th Century bounded by Poland, Russia, the Ukraine, Lithuania, Latvia, and Estonia. It was not a good place to be. In 1915, the advancing German armies invaded and occupied Byelorussia. The 1918 Brest-Litovsk treaty divided Byelorussia between Germany and Russia. But while the Czar's regime was being toppled by the Bolshevik Revolution, the Byelorussians took the opportunity to declare their independence.

Unfortunately for them, the new Soviet Russia did not approve, and once Germany collapsed, incorporated the little nation into the Soviet Union as the Byelorussian Soviet Socialist Republic.

Then Poland invaded, and the 1921 Riga treaty divided Byelorussia between Poland and Russia. And during World War II, the Byelorussians were caught between the hated Soviets and Nazi Germany. Those who weren't killed by one side often were killed by the other. One fourth of Byelorussia's 5.5 million people were killed, including virtually all of its 737,240 Jews.

Vera Romuk remembers those times. "I was 8 when the Russians came, 10 when the Germans came. Life was like a hell," she said. "In the daytime, you would see the villages set on fire by the Germans, because at night Russian guerrillas would come out of the forest and set mines. We were caught between fires."

Her family eventually fled to Germany, where her parents and older brother worked first sewing army uniforms, then cutting leather for holster, before emigrating to the United States in 1957.

By the time Romuk, now 49, graduated from high school, she had attended schools run by the Poles, Russians, Germans, Lithuanians, and Byelorussians. Only the Germans allowed Byelorussian-language schools. But her family and other Byelorussian immigrants retained a fierce love of their folk culture, of Slavic cross-stitching on white aprons, of woven blankets, and straw-inlaid boxes.

Their organizations—and the Byelorussian Coordinating Committee of Chicago (of which Romuk is secretary) incorporates three of them, including a youth group—are dedicated to preserving that culture. An exhibit of their wares at the Daley Center runs through Friday, commemorating the independence anniversary.

But there is a distinctly political side to their activities. American Byelorussians say that in supporting independence from the Soviet Union, they are speaking for their friends and relatives in Byelorussia who cannot express their views.

"When I was 12 years old and I left Byelorussia, my relatives said, 'As long as you are alive, you must speak out for us,' " Romuk said. "They should worship freely, move freely—whatever system they want, let them decide. But let Minsk (the capital of Byelorussia), not Moscow, decide for the Byelorussian people."

"It would be foolhardy to say to the Byelorussians, 'We're coming to rescue you,' " said Father Vladimir. "But what is hoped is that through such groups there will be relaxation, freedom of movement between our country and Western countries, freedom to visit friends and relatives."

Romuk said Russian authorities are quite aware of groups such as hers, which exist in London, New York, Cleveland, Detroit, Los Angeles, Colorado, and Canada. She said that in the Soviet press she has been called a swine and a prostitute for the Germans, and that neither she nor her 21-year-old daughter dare return to Byelorussia, lest they be detained.

Father Vladimir stays in the U.S. for other reasons. He can find no other Byelorussian Catholic priest to replace him. He was recalled from studies in Rome to replace his late uncle as pastor of Christ the Redeemer Church, founded by his uncle in 1955. The building is a converted insurance company firehouse on West Fullerton and is the only Byelorussian Catholic Church in the Western Hemisphere; two-thirds of Byelorussians are Orthodox.

If the young people speak Byelorussian, it is with an American accent, he said, and there are those who say Byelorussian churches like his and St. George Byelorussian Orthodox Church have outlived their usefulness.

Still some young people are changing their names from Anglicized versions to the Byelorussian originals. And the older generation keeps the faith, campaigning for the homeland, patiently explaining the difference between Byelorussia and Russia. "We fought with the newspapers to identify Olga Korbut as Byelorussian," Romuk sighed, "but they didn't listen."

Romuk and the others don native dress and get their pictures taken with politicians on independence day; the mayor and governor issue proclamations of Byelorussian Independence Day; the faithful publish Byelorussian newsletters, historical monographs, and samizdats. They keep in touch with the Catholic bishop-in-exile, who lives in London, and the Byelorussian president-in-exile, in Ontario, Canada.

Romuk and her husband, pediatrician Witold Romuk, say there is a strong dissident movement in Byelorussia. "And we heard there were strikes last June," Dr. Romuk said hopefully.

They even count the United Nations seat of Byelorussia, a founding member, as a victory, although Byelorussia votes with the Soviet Union. "Culturally, it's important," Vera Rimuk said. "At least they can't deny the country exists."●

THE ATLANTA MURDERS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. WEISS. Mr. Speaker, I would like to commend our colleague WYCHE FOWLER for giving us this opportunity to address the continuing tragedy of violence in our country, specifically the recurring murders of children in Atlanta.

Yesterday the Nation was shocked by the shooting of President Reagan and of three others with him. Today we were deeply saddened to learn that yet another senseless attack has resulted in the slaying of a black child in Atlanta, adding the 21st name to the tragic toll in that city. In recent months these murders have become symbols of our maddeningly persistent national problem of violent crime.

All too often in the last year I have joined with Members of this body to mourn the violent deaths of such outstanding individuals as Allard Lowenstein, Michael Halberstam, and John Lennon. As we remember today the disappearance and killings of these 21 children, let us reaffirm Federal support fo the city of Atlanta's efforts to end the murders and reaffirm congressional commitment to national policies which would help prevent such deeds in the future.

I share the sense of loss and frustration of the people of Atlanta that no one responsible for any of these crimes has yet been arrested. I know I join every American in hoping for a swift resolution to the situation before another child is slain.●

DOES OSHA ACTION AUGUR WIDE BACK-DOOR ATTACK ON REGULATORY LAWS?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. GAYDOS. Mr. Speaker, every department of Government, by its actions, not its words, sets a policy on doors, and Secretaries are known by the doors they keep—some have had open doors, which is good, and some practiced behind closed doors, which is not so good.

But a back-door policy is deplorable. It has no place in governing the United States. Based on trickery, it destroys the elements of good faith and honest bargains necessary to make this Government work well for everybody.

It is early to make judgments on how the Department of Labor and the

Occupational Safety and Health Administration will handle their doors.

However, some critics are beginning to say they are inclined to want the back door in matters of regulation, or, more specifically, regulatory reform.

Developments of last week, possibly a seminal one in the administration's reform policy, have caused some observers to wonder if its regulatory reformers are trying to chisel in stone what amounts to vast new regulatory law without giving Congress the opportunity to express the will of the people.

If the assessment is correct, it truly is a back-door policy.

The reformers want to use a new regulatory concept called cost-benefit analysis, but nowhere is the idea recognized in statutory law establishing regulation. It is a vague concept right now. Although you read the phrase often, no officer of the administration has explained to any committee of Congress, or anyone, what is to go into it. Cost-benefit analysis now is just a nice-sounding concept—like the words "ice cream." But the Nation has general agreement on what ice cream is, it is good. We know nothing of cost-benefit analysis. However, cost-benefit analysis have been mentioned in several court cases involving OSHA, including one now pending before the U.S. Supreme Court.

In this pending case, a lower court held this concept of cost-benefit analysis is not a relevant consideration unless the industry to be regulated is threatened. Cost-benefit analysis is before the Court on appeal.

And last week the Assistant Secretary of Labor for Occupational Safety and Health, Thorne Auchter, posted in his set of on-appeal standards—cotton dust—notice that he will remake the rules to give consideration to cost-benefit analysis and will use the proceeding to decide whether he will use it on everything. His "Advanced Notice of Proposed Rulemaking" put it this way:

> To evaluate the practicality of cost-benefit balancing by investigating the concept in the manner of an actual standards in a manner which permits public comment.

The Supreme Court is to be informed of all this in a memorandum from the Solicitor General in the case.

Of course, the memorandum also takes OSHA out of the posture of defending its standards and somewhere close to the posture of suggesting to the Court that the Justices should write cost-benefit analysis into the law.

If the Court follows that lead, its regulatory theoreticians would have a free hand to use a concept as yet unknown, unexplained, and untested content. And it will be one which the people had no say through their elected Representatives in Congress.

Meanwhile, the Vice President gave notice cost-benefit analysis will be applied to just about every regulation on the books. Mr. BUSH did not explain, however, the ingredients of cost-benefit. As his task force on regulation made its first public report.

However, Mr. Auchter, of OSHA gave a hint last week.

His notice said OSHA's consideration of cost-benefit will include "the financial strength of the industry, its capital needs, its structure, and so forth * * *."

And so forth?

"And so forth" covers a lot of ground. It truly qualifies as vague. It is something Congress should help firm up.

Other questions are being called to my attention.

Was cotton dust chosen for the first development and application of cost-benefit analysis, as critics of the action say, because the concept is before the U.S. Supreme Court?

Do the regulatory budget cuts, particularly the massive reductions planned for the National Institute of Occupational Safety and Health, represent austerity and an attempt to control spending in one of the reachable places? Or do they stand for an attempt to slow down the pace? Or are they meant to cut off what is seen as the head of the regulatory snake?

Regulation, particularly occupational safety and health regulation, was created by Congress because the people wanted it, demanded it. Yet nothing was ever written, designed, or born that cannot be made to function better with honest bargaining and good faith.

The front door is the door of good faith, and the honest tradesman, and the open door is the best of all.

And the time is rapidly drawing near for the administration's regulatory experts to tell us what they have in mind and how they want to do it.

The theoreticians should understand the back door is the entrance of the trickster and con man. Through that door is only momentary advantage, not progress.

But it still is too early to make judgments on how the administration's agencies will handle their doors. Whatever the case, Congress will not be a doormat.●

PUBLIC EDUCATION: A SUPPLY-SIDE INVESTMENT

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MATTOX. Mr. Speaker, we have been hearing a great deal these days about supply-side economics and other such theories.

Basically, we are told that we can solve all the Nation's woes if we will simply unleash the productive side of our economy. This can be accomplished, the theory goes, through Government intervention designed to encourage private sector investments.

As far as the private sector goes, I do not disgree with this simple concept. In fact, insofar as it remains a simple conceptual theory, untouched by the hard realities of our complex world, this economic theory has my basic support.

But those of us in Government have a greater mandate—if you will excuse the expression—than to live solely in the stimulating realm of economic theories. Indeed, we have an obligation to encourage another type of investment—the public sector investment in the public education of our youth. This is an investment that requires the aggregate participation of our society—and it is one that mandates us in Government to act with responsibility and sensitivity.

Mr. Speaker, this year the city of Dallas, Tex., will be honored to host the annual convention of the National Association of School Boards (NASB). For the benefit of my colleagues and others who may be interested, I would like to share the text of the NASB testimony which was presented to the House Budget Committee's Task Force on Human Resources Programs and Block Grants.

Although I do not have the privilege of serving on this particular task force, I found the NASB testimony interesting—particularly the portion entitled "Addressing the Perception that Advocacy for Public Elementary and Secondary Education Stems From a Selfish Special Interest."

Mr. Speaker, the people who make up our local boards of education are responsible, civic minded individuals. For the most part they serve their communities with little or no remuneration and are motivated by a genuine desire to improve the quality of public education. They come from all walks of life and represent no selfish special interest.

The NASB is not objecting to the administration's education proposals in toto—but as responsible community leaders have made a persuasive case for the need to look closely, and even critically, at some aspects of that program.

They would be the first to agree, as would I, that some of the Federal education policies have not been carried out effectively—but this is no reason to take a meat ax to the education budget. Cuts are necessary to be sure, but we must not be stampeded into rubber stamping the administration's program simply because David Stockman and his fellow supply-side theorists have asked us to do so.

It may very well be, Mr. Speaker, that an administration that is quick to criticize as selfish, those who raise legitimate objections to portions of its program, is itself behaving in a selfish manner.

The text of the NASB testimony follows:

TESTIMONY ON BEHALF OF THE NATIONAL SCHOOL BOARDS ASSOCIATION, PRESENTED BY AUGUST W. STEINHILBER

SUMMARY

Federal funding for elementary and secondary education is an investment in the nation's future economic productivity. the federal government's contribution to the support of the educational program in school districts is substantial—particularly for those children with special needs.

The National School Boards Association (NSBA) believes that federal funding for on-going programs should be maintained without rescission at the level now in the FY 1981 Continuing Resolution on Appropriations (P.L. 96-536). In FY 1982 these programs are recommended for a 7% increase, as the Reagan Administration recommends, but on the FY 1981 base without rescissions.

The number of federal reductions for public schools proposed by the Reagan Administration in the areas of school lunch and energy, if enacted by Congress, are in addition to the sweeping education program reductions. Consequently, the fiscal impact on public school districts will be much more profound than has been evidenced by the Administration. School districts work with very little or no budget flexibility. Therefore, any reduction will eliminate educational programs or require additional local and state tax funds. The magnitude of the service cuts to local communities and the state make the likelihood of achieving an increase in taxes from these sources unlikely for the majority of school districts.

NSBA supports a consolidation of some education programs. Over the years, the complexity of the laws and their accompanying regulations have grown. Part of this growth stems from the understandable need for Congress to assure for themselves that the funds are spent for its authorized purpose. Others stem from the desire to compromise between the special interest groups who wish to influence local schools from the national level. Regardless of the source, the complexity and direction now contained in the laws have made them increasingly difficult for school boards to govern.

Specifically, NSBA will support a consolidation proposal if the proposal meets, at minimum, the following criteria.

The federal purpose in education must not become obscured.

The funds must flow directly to the local school districts and not through the state government.

The reason for consolidation must not be to drastically cut funding levels.

School board members must have more flexibility in the management of these programs than they now have under existing law.

INTRODUCTION: STATEMENT OF GENERAL CONCERN

The federal government provides to public schools approximately 10% of their revenues. Thus, the federal government plays a significant role in helping our public schools achieve quality programs so that the American people have an equal opportunity to succeed or fail in our economic system. Therefore, school board members reacted well to the President's commitment to deal with the five economic problems he identified on February 18th of this year.

He described "runaway inflation" as a major problem. We agree because school board members are responsible for the fiscal oversight and management of their school districts. The inflationary increases have steadily eating into our capability to deliver services.

We wholeheartedly agreed with the second problem: "excessive regulation." In many communities the federal regulations have eroded the local governance powers of school boards and have exasperated the school administrators to the degree that some have begun to see the federal government's money as an instrusion rather than a help.

In the area of tax burdens, we also commiserated. School board members know how difficult it is to raise the local and state funds that are required to competently operate the schools. We know that it is difficult to convince the public that without adequate revenues they will lose services that will cost much more to provide privately than publicly. Educating 90% of our nation's elementary and secondary students is one such service area. We are also concerned about the increasing budget deficits, and the growth of the federal budget. School board members recognize the danger of irresponsible fiscal decisions.

Nevertheless, we were deeply disquieted when it became apparent that the President noted these problems and then proposed, as part of the solution, a deep cut into the funding for elementary and secondary education programs. It seems to be a belief of this Administration that the only way to invest in the future is to spend through tax expenditures. NSBA differs with the Administration perspective at this point. To cut education to the quick, and then claim that the "truly needy" will not be harmed, assumes that federal education funding is an overgrown welfare program.

When elementary and secondary education programs are cut, an investment program is being cut. Education funding is one of the most important ways this country can invest. It invests in the capability of its citizens to produce both economically and socially. The National School Board Association is deeply troubled that the Administration has apparently missed this connection between the schoolhouse and the corporate office.

The Administration's proposed reductions in every one of the major federal education programs ignores the function of schools in our economic infrastructure. The recent examinations of Japanese economic productivity is tied by most observers to that country's educated workforce. For example, Nation's Business this month quoted William S. Anderson, President of NCR Corporation saying that "it is no exaggeration to say that Japan is today the most literate, best-educated nation in the world. * * * They transplant more easily into higher-technology jobs".[1]

[1] William S. Anderson, "What We Are Learning From Japan" in Nation's Business, March 1981, pp. 39-41.

The National School Boards Association (NSBA) does agree, that changes—in some cases major changes—in the manner by which things have been done in the name of the public good must be altered. We are willing to do our share of the work and to do our share of sacrifice. But our willingness has been misread by some as meaning that education is an easy target for funding reductions that are far out of proportion for any viable arguments that all will participate equally in a national attempt to stabilize our economy. The National School Boards Association will not, in the name of cooperation, permit an attempt to undermine the concept of a free public education that is actualized by the nation's public schools to remain unchallenged.

Federal funding for public education

Since February 18, the President has changed his education funding levels three times. In his February 18 document titled A Program for Economic Recovery, he projected that elementary and secondary education in FY 1982 would receive 80% of the levels in the 1981 Continuing Resolution on Appropriations (P.L. 96-536). Within the next two weeks, we learned by newspaper that the Office of Management and Budget had made an estimating error and that $7 to $10 billion more in cuts could be expected. Soon afterward, we were informed by the press that elementary and secondary education would receive an additional 5% reduction and could anticipate a 25% cut from FY 1981 to FY 1982. In all cases, school districts were promised a consolidation package of major programs so that some of the troublesome, unnecessary and costly regulations could be lifted from the shoulders of school districts. Then, last week on March 10th, we were informed that the Administration is proposing a 25% cut in FY 1981—this fall. In addition, there would be no consolidation legislation to lessen any of the impact. From this base of 75% of the FY 1981 level, education is given a 7% increase for FY 1982. Even this increase is dependent upon the actualization of the Reagan economic forecast.

As you are aware, the federal education programs are advance-funded. Programs receive their budget authority in one year and begin to receive the funds 9 months later on July 1. This 9-month period gives the schools the opportunity to plan for the best use of the money. This year this responsible management strategy has been turned against the public schools. Since the schools have not had the opportunity to spend their funds, these funds have been irresponsibly attacked as a cache to be robbed.

School districts over the nation have finished their budget cycle for the school year (1981-1982) which begins this fall. They are depending upon the federal government to keep its commitment. On behalf of local school board members and on behalf of the children they represent, we urge you not to rescind the elementary and secondary education FY 1981 funds upon which these local communities have been counting. Using the FY 1981 Continuing Resolution on Appropriation base figures, we urge you to consider a 7% increase in FY 1982 over FY 1981 as the Administration has suggested (See Table I).

TABLE I.—THE NATIONAL SCHOOL BOARDS ASSOCIATION FISCAL YEAR 1981 AND 1982 FUNDING RECOMMENDATIONS

[In thousands of dollars]

	1981 continuing resolution (Public Law 96-536)	1982 budget
Grants for disadvantaged:		
Grants to local educational agencies	$2,824,880	$3,022,622
Concentration grants	142,142	152,092
Emergency school aid:		
Grants to school districts	107,800	115,346
Special programs and projects	75,083	80,333
Magnet schools	30,000	32,100
Education for the handicapped:		
State grant program [1]	[1] 922,000	[1] 1,089,660
Preschool incentive grants	25,000	26,750
Vocational Education	779,241	833,787
Impact Aid	790,000	845,300
School Lunch	3,464,000	4,464,000

[1] This program is held at an average of 12 percent of the extra costs required to educate a handicapped student.

School lunch program

The 40% cut of $2.5 billion in the school lunch program raises serious questions about the survival of this program in the local schools. The Department of Agriculture estimates that for every 1¢ increase in the price of a lunch, there is a 1% drop in participation. This estimate is drawn from the Department's experience with the program since the program's inception in 1947. Given these figures, we can expect a 40% drop in school lunch participation.

The Reagan Administration claims that the "truly needy" will be protected under this budget. Therefore, he has taken the cut by eliminating the subsidy for children from families with an income above $15,630. For the child who received a reduced-price lunch because his family's income is at the upper end of 125% to 195% of the poverty line, the shock will be even more profound. He will find his lunch jumping in cost from 20¢ to over a dollar should the Administration achieve their objective in reducing the eligibility requirement from the 195% to 185% of poverty. The shock this price increase will give to the community will raise prices drastically for the school lunch, push down participation and in many cases close school kitchens. When school kitchens close, no one will be served meals, including the "truly needy." At the point the "safety net" has failed.

The relationships between Federal funding and local control

An argument being utilized as a justification for the severe reductions in education funding by this Administration is that schools are the major responsibility of local and state governments. NSBA is committed to keeping the governance of the public schools in the hands of the representatives of local communities. However, this commitment is not based on a narrow provincialism that divorces the local governance responsibilities of school boards from important national interests. There is a national interest in education that transcends but does not violate the fact that the state governments have the legal responsibility for educating our school children. There is tacit acceptance of this national interest even by the states when they pay approximately 50% of the staff in state departments of education with federal dollars.

School board members object when the federal government and the states over-regulate federal programs to the extent that they have almost no control over programs operating in the school districts for which they are held responsible. However, there are things best instigated at the federal level in partnership with local school districts. For example, the Education for All Handicapped Children Act (P.L. 94-142) improves the opportunity for handicapped children to receive an equal education.

This program is an excellent example of the investment at the local level the federal government is making in the nation's economic future. This program provides the educable handicapped student with the basic skills required to keep individuals from a lifetime of institutionalization and often provides basic job skills that permit a contribution rather than a handout from society. For less handicapped students the special programs permit the acquisition of skills to overcome a handicap. In these cases and there are many of these, the lack of the program could lead to the frustration from school failure with the well-known consequences for society.

The program serves a clear national interest that is of high priority. The same statement can be made about Title I of the Elementary and Secondary Education Act where educationally disadvantaged children in elementary school are given an opportunity to make faster progress in school; it can be made about vocational education where work skills are provided to students; and it can be made for Impact Aid where school districts are reimbursed for the loss of revenue as a result of federal activities in their communities and other programs.

The best method for the federal government to make an investment in the educational process is by creating a partnership with local school boards. The federal investment in the public schools serves the general public good of the nation when it enhances the capability of people to participate in it. Participation in the sense that NSBA is using the concept includes that of governing and being governed, meaningful and useful employment, and service in the defense of the country. Education is an investment to assure the level of participation that is essential to a democratic society in each of these areas. The federal government has a national interest in this participation and thus a responsibility for funding elementary and secondary education in partnership with local school boards.

Addressing a perception that advocacy for public elementary and secondary education stems from a selfish "special interest"

It is with grave concern that the National School Boards Association notes that among the variety of justifications used to defend the severe funding reductions is the dismissal of education advocates as "special interest" groups. Our objection to the FY 1981 cuts are dismissed in some quarters as the predictable shrieking of a "special" interest group whose advocacy of particular spending represents an unhealthy drain on resources needed to support the general public good. NSBA's interest in federal funding for public elementary and secondary schools springs from a commitment to public service directly benefiting children of school age in every local community. Our interest is special but not in a narrow selfish sense. Education is not a special interest where funding benefits only a select group. The education process that is generated and enhanced through federal dollars serves a broad national economic interest.

Neither are school board members representative of one type of education professional or one type of community. They do have one thing in common: a belief in the local public schools' capacity to educate. In 16,000 districts where board members serve to improve and enhance the educational system in their communities, most receive little or no reimbursement. With the threat of decreasing funding levels, their task is much more difficult. If the funding reductions proposed by this Administration are supported by this Congress, most communities will not be able to raise the funds to operate programs in the schools.

CONCLUSION

The magnitude of cuts that will affect local communities from other proposed federal reductions such as highway and sewer constructions, higher education, CETA, mass transit and others, will make it necessary for communities to absorb these costs. It is going to be extraordinarily difficult to raise the funds in the future to operate the schools. School board members are going to face excruciating decisions. Our early evidence indicates the nature some of the decisions that will be made. Teachers will be laid off, thus pushing up community unemployment rates. Inadequate salaries will be further eroded, thus limiting our capability to attract the most talented individuals for teaching jobs. Special programs will be limited with the result that some children who were formerly given that extra help to succeed will now fail. Court cases will multiply as services for those who should have special programs are cut. Any "savings" achieved from a sweeping 25% plus reduction in our education investments will be short-term at best. Our interest in protecting the federal funding that addresses the two major federal goals of equal opportunity and quality are not selfish from either the perspective of those who serve as school board members nor from that of the school children who are the ultimate recipients of school board service.●

IN HONOR OF GREEK INDEPENDENCE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. PEYSER. Mr. Speaker, on Sunday, over 90,000 marchers, 31 floats, and hundreds of thousands of people in the city of New York joined the nation of Greece celebrating the 160th anniversary of her struggle for independence. On behalf of the people of the 23d Congressional District of New York, I want to take this opportunity to honor the valiant fight of the Greek people for their freedom.

As we examine the common bonds between our two nations, I am certain my colleagues share my sense of awe at the extent of the contributions the people of Greece have given to our country and the world. Everywhere we look we find the imprint of the people of the Greek city-state on our culture and heritage. Whether it is in our language, literature, the arts, science, mathematics, architecture, commerce, medicine, philosophy, law, or government we are indebted to the ancient Greeks for their gifts and insight.

As a college major in the classics, I have a particular fondness for the great literature Greece has given the world. But while each of us can point to the treasures of Greece that enrich our individual disciplines, it is the Greek's sense of freedom, love of learning, and search for truth which are most significant. The fundamental principles of our Nation are rooted in the ideals of ancient Greece. The concept of democracy to which they gave birth has enabled the people of our Nation and those of many others to live in freedom and dignity. While it may not yet flourish in all corners of the world, it is still our promise for the future.

The spirit embodied by the people of Greece, I believe, serves as a model for all the people of the world. For much of modern history, their greatly beloved democracy was lost to them. Their subjugation at the hands of the rulers of the Ottman Empire lasted nearly 400 years. I can envision no crueler fate for the architects of the ideals of freedom and liberty than to be conquered and enslaved.

On March 25, 1821, when a small band of Greek patriots began the revolt which was to lead to their freedom, it inspired the entire world and attracted the support of freedom-minded people everywhere, including Lord Byron who gave up his life by coming to the aid of the Greek people.

The fight for Greek independence was to last 11 difficult years. Perhaps the example of our successful Revolution strengthened their resolve to shed the tyranny of their oppression. Indeed, many parallels exist between the American Revolution and the fight for Greek independence. Just as our Revolution caught fire after the battles of Lexington and Concord, so the Greek independence movement spread after uprisings in the Peloponnesos and some of the Aegean islands. As in our case, their formal declaration of independence was not declared until a year after the initial skirmishes. Both revolutions had to fight mercenary armies and were aided late in the conflict by European allies. Furthermore, both revolutions at the start had no standing army and no currency, but were carried to victory by the spirit of their people.

As many of my colleagues join me this week in honoring the Greek heritage and the Greek's struggle for independence, I am sure we share the same overwhelming realization that no greater recognition can be made of her lasting achievements than the activity in this forum. For each day as we enter this Chamber to consider, debate, and vote on the issues before us, we, in effect, are paying tribute to the ideals and practices born in Greece of over 2,500 years ago.

So, during this week, when the people in every village, town, and city in Greece celebrate their independence, Americans in every community join in paying our respect and in wishing Greece and her people continued prosperity.●

REAGAN'S TAX PROPOSALS AND PROBLEMS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. WEISS. Mr. Speaker, the President's proposals to cut social programs that mainly benefit the poor, and the proposed adoption of tax policies that favor high income brackets are not only inequitable, but could have little impact on inflation and unemployment.

An article by Prof. William Nordhaus of Yale, which appeared in the New York Times, effectively argues that the President's tax package would subject low-income households to the highest tax rates. He also demonstrates that the Federal Government and Federal deficit are not the primary causes of inflation.

The article follows:

THE NEW BRAND OF ECONOMICS

With two major speeches, an audit and a gaggle of fact sheets, President Reagan has staged an economic thriller, full of heroes and villains. We can now see the details of the new President's economic vision. The starting point for the program is the Administration's "Brand-New Economics." What are its tenets?

First, the excessive scope of Government is held responsible for the economic ills of the day.

Second, by getting Government's house in order, we can regain the golden age of low inflation, high productivity and low unemployment.

Third, the brand-new economics rejects the view of the dismal old economics that slack is necessary for breaking out of today's stagflation. Demand management is eschewed, so there is no apparent connection between the budgetary policies adopted and the level of unemployment or inflation. In short, do not fear policies that stimulate rapid economic growth as long as they are led by expansion of the private sector.

Behind the banner of reducing waste and unleashing the private sector, the brand-new economics represents an attempt to reverse the redistributed impact of Government policies.

In the expenditure field, the redistributive impact is seen by the exemption of sacred middle-class programs—defense, Social Security, etc. The remainder contains $75 billion of programs that are designed, however ineptly, to protect the poor. As Mr. Reagan proposes to trim these substantially, the net effect is to redistribute resources from the poor to defense and taxpayers.

The regressive feature of the brand-new economics can be seen as well in the tax package. The personal and business taxes are effectively reduced, while Social Security taxes and the earned-income tax credit, features heavily affecting low-income families, are unchanged.

Moreover, the personal tax cuts—the Kemp-Roth cuts—are proportional to taxes, so that the upper-income groups benefit far more than the lower-income groups. And the biggest winners of all are those with the largest property income. On the margin, their take-home pay goes up 60 percent.

How much sense does the brand new economics make? Central questions involve the supply-siders' tunnel vision, the indictment of Government, the inflation diagnosis, the expenditure cuts and the longer-run outlook.

The most striking irony in the brand new economics is the focus on incentives for the rich, while ignoring those for the poor. Surprisingly, low-income households face the highest "tax rates" (more precisely, the benefit-reduction rates). Upon landing a job, they may find that their disposable income declines as a result of tax rates built into programs such as food stamps. Poor families, then, may well face marginal tax rates over 100 percent.

A true supply-sider might wonder whether such rates do not stifle work effort. Yet, the brand-new economics actually raises the tax rate on the poor by technical changes in the food stamp program.

Are tax incentives only for affluent job holders? Is it accurate to state that reckless Government tax and regulatory policies have caused the poor productivity and growth of the United States economy? Would that it were so simple. Most economic studies attribute at most a quarter of the productivity slowdown to Government mismanagement.

Other features of the last decade, such as rising oil prices, changing demography, sectoral shifts and tight money, are more significant. I cannot see how the brand-new economics will significantly alter these trends.

A third feature of the brand-new economics is to attribute the inflation to Government deficits. (Actually, they appear uncertain on this issue, sometimes money growth is considered the villain.) On occasion, Presidential simplification can serve as a useful rallying cry. But associating inflation with Government deficits is simply an old husbands' tale.

The years in which inflation rose in the United States, 1973 and 1979, were periods in which the public sector was in surplus. Moreover, countries that have shown superior recent inflation performance, West Germany and Japan, had at the same time much larger Govenment deficits relative to their economy than the United States. Blaming the affairs of state for our entire economic mess is politically chic, but economically groundless.

The aspect of the brand-new economics that has most promise is the expenditure cuts. Although many cuts are regressive, the package attacks several long-standing abuses. Many, such as dairy price supports or waste treatment grants or public service employment, have been criticized by policy analysts for years. Unfortunately, their reservations were often overridden by political "realism."

If the Reagan list is supplemented with prudence in defense spending, as well as concern for poorer citizens, it can form a useful start for a thorough fiscal spring housecleaning.

The central political and economic issue concerning the Reagan economic package is, will it work? While there has been no comprehensive study of the validity of the brand-new economics, two pieces of analysis

cast doubt on the validity of the supply-side panacea:

Data Resources simulated the effects of large personal tax cuts in their model. The impact on productivity and inflation by the mid-1980's is extremely small, less than one-tenth of a percentage point. The report of the outgoing Council of Economic Advisers contains a careful analysis of the impact of alternative tax packages. They conclude that a 10 percent reduction in personal tax rates would have a negligible effect on inflation and productivity.

In sum, Mr. Reagan's branch-new economics may well succeed in helping trim Federal waste, and upper income groups may get a bigger share of the pie. In terms of the nation's central economic problems—inflation, productivity, unemployment, high interest rates—we are likely to witness another half-decade of stagflation and dashed hopes.●

BILINGUAL EDUCATION

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. BEREUTER. Mr. Speaker, I would like to bring to my colleagues' attention an editorial I read in one of the major newspapers in my congressional district, the Lincoln Journal.

The editorial expresses my feelings on the issue of bilingual education. The conclusion stands out:

American citizens, regardless of place or original birth or home environment, should get their principal schooling in English. And much more emphasis ought to be placed on teaching of other languages, which are foreign only to our minds, tongues and perceptions.

I commend the complete editorial to my colleagues' attention.

[From the Lincoln Journal, Mar. 20, 1981]

YES, ENGLISH FIRST, BUT * * *

The Reagan administration's scrapping of Carter administration rules requiring that every public school district having at least 16 students with a first language other than English teach them in that language was a sound decision.

President Reagan's subsequent personal reinforcement of that judgment also was well grounded.

Competency in English should be the first priority for all non-English speaking Americans, he said. We agree.

That is not a narrow-minded attitude. To the contrary, a common language in this polyglot continental nation of 225 million people is fundamental. We must have the capability of talking to and with each other with some basic level of comprehension.

The sharpest critics of the Reagan decision against mandatory bilingual educational programs are Americans who came from homes where the only language was/is Spanish.

They profoundly understand that language and culture are eternally bound, and if children are directed away from Spanish as a primary tongue, their proud cultural links may also be weakened. But they must also agree they are Americans before they are hyphenated anything else.

Unofficially, of course, Spanish already is this country's second language. Those who do not agree probably have not traveled much through the American Southwest and Florida in the last quarter century.

Take away Quebec in Canada and Brazil in South America, and Spanish is the primary language of the "New World" beyond the borders of the United States.

Perhaps what school districts across the Republic really ought to be considering is requiring several years of instruction in Spanish as a basic. If you don't think bilingual and multilingual fluency won't be increasingly important for Americans in the 21st century, you haven't kept up with current events, amigo.

Generally speaking, modern-day Americans are grossly deficient in language arts. That deficiency has handicapped our ability to win international hearts and minds, to say nothing of competitive trade.

Beyond that, the lack of skill in other languages discourages anything other than superficial understanding of cultural attributes—even imperatives—which move peoples around the world.

The bottom lines, then, are twins. American citizens, regardless of place of original birth or home environment, should get their principal schooling in English. And much more emphasis ought to be placed on teaching of other languages, which are foreign only to our minds, tongues and perceptions.●

THE SUPPLY SIDE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, President Reagan stated in his dramatic address to Congress that "we will restore the freedom of all men and women to excel and create. We will unleash the energy and genius of the American people—traits which have never failed us." This affirmation of American ability finds its most eloquent expression in the President's tax reduction bill.

President Reagan's commitment to supply side economics is not unique to him. A former President, usually characterized as liberal, had the same vision of the ability of the American people. President John Kennedy concluded his 1963 tax message to Congress with the following confidence in America's ability to grow under the proper conditions:

The most urgent task facing our nation at home today is to end the tragic waste of unemployment and unused resources—to step up the growth and vigor or our national economy—to increase job and investment opportunities—to impove our productivity—and thereby strengthen our nation's ability to meet its worldwide commitments for the defense and growth of freedom.

Providing America the opportunity to grow and produce is an issue that should transcend party lines or philosophical labels. In that spirit, I offer for the edification of all my colleagues an insightful speech by J. William Middendorf II, president of the Committee for Monetary Research and Education, Inc., explaining the wisdom of the growth philosophy embodied in the President's tax reductions.

SUPPLY-SIDE ECONOMICS: A PRACTICAL GUIDE

(By J. William Middendorf II)

On July 14, 1977, Congressman Jack Kemp and Senator William Roth took the concept of supply-side economics out of the arcane realm of academic theorists and into the real world of political policy debate.

On that day, with few supporters, Kemp and Roth introduced legislation that would reduce tax rates by 30 percent across the board over three years. Little did the Keynesians realize that that bill, more than any single act, spelled the end of 45 years of dominance by the bankrupt economic principles of Lord Keynes.

Less than four years later, supply-siders dominate the new national administration. The revolutionaries have come to power. Not surprisingly the Keynesians deny failure. The social engineers refuse to accept the facts that show their policies inadequate to deal with the triple horrors of inflation, unemployment and inexorably rising taxes.

Now the supply-siders face a different problem. As Paul Craig Roberts pointed out last week in the Wall Street Journal. "The problem (now) isn't in controlling the policy but in controlling the explanation of it."

Until recently the supply-siders have been on the offensive in a guerrilla war. Now in power, they must broaden their base of public and political support. Administration policy objectives must be translated into legislative accomplishments. Just as important, federal objectives must filter down to the state and local level. Other than a failure to properly implement supply-side policy in Washington, the greatest threat to proving the viability of this modern economic theory will be the failure of states, cities, and counties to throw off the reins of Keynesianism.

If federal tax cuts are simply replaced by increased taxes in the states and localities—whether through inflation or legislation—the people will not enjoy the renewed economic freedom to save and invest in the ways needed to improve business productivity and increase employment. This could frustrate the federal program.

My purpose, therefore, is less to extol the virtues of supply-side policy than to recap the arguments needed to popularize it—the need and the proven success stories. In doing this I hope to address what I see as a growing national threat: the danger that opponents of supply-side economics will so distort the facts that political implementation of this important new policy will be impeded.

We must not lose the battle of semantics. Too often our opposition cleverly twists terms that are favorable to our viewpoint to their own use and adopts negative sounding generalized cliches to define our principles. For example, a whole generation of economic students have been weaned on self-incriminating phrases like "robber baron," "bucket shop,"' and "sweat shop" as the definition of capitalism, bringing to mind old causes and sainted names. At the same time, anything opposed to capitalism was "progressive," "liberal," "enlightened," "concerned," and "environmentalist." In the battle of semantics we clearly lost.

A current distortion is the term "unearned income" which evokes images of fat capitalists in easy chairs clipping their cou-

pons while looking out the bay windows of their clubs at the peasants below. The IRS is the principal proponent of the distinction between earned and unearned income: "Earned income" is described as wages, salary, consulting fees, etc. involving your personal service. "Unearned income" is all other income whether it be from a savings bank or dividends. The latter is therefore any income which postponed current consumption for future income (hopefully greater). It is this postponement of current pleasure which builds new competitive plants that create new jobs and increases the long term demand for labor which makes wages rise. Ludwig von Mises in the introduction of his book Liberalism called this an example of "reasonable (human) action." "Reasonable action is distinguished from unreasonable action in that it involves provisional sacrifices, since they are outweighed by the favorable consequences that later ensue."

Let me begin with some undisputed facts which, collectively, develop a conclusive case for sharply reduced taxation and government intrusion in the private sector (the heart of supply-side economics).

Fact I: The rate of personal saving has dropped steadily throughout the 1970's, standing now at about 60 percent of levels at the beginning of the decade.

The reason is very simple. Traditional types of saving are, today, money losing propositions. Inflation and taxes combine to reduce the value of savings and accumulated interest. Rather than saving, therefore, people "invest" by consuming. Let's face it: people are a lot smarter than most policy makers think. They see the value of their savings being eroded and they're doing something about it. Unfortunately by doing so, traditional savers fuel inflation by bidding up the price of consumer goods and by denying the investment capital needed to create the new plants and tools for modernized basic industries. When it takes more than $30,000 of new capital to buy the modern machinery needed to put one worker to work in our major industries, it is no wonder jobs are being lost to foreign competition using more modern technologies.

Fact II: The total assets of money market funds recently topped $100 billion.

On the surface, this might seem to refute the fact that saving is declining. As in so many cases, the surface impression is an illusion. This huge pool of funds is invested exclusively in debt rather than equity securities, and many of these instruments are sold by the Federal Government. Much of the pool comes from individuals who have sold equity investments for the sole purpose of establishing a hedge against inflation. Money funds are both riskless and non-productive. They represent simply an investment shift into high interest rate vehicles and not an infusion of new capital. And, of course, money funds owe their very existence to inflation.

Fact III: The rate of personal indebtedness has recently risen substantially faster than income.

The increase in the use of installment credit by consumers parallels the drop in consumer saving. It's the buy-now-pay later method of fighting inflation. But its impact is substantial. It not only drains credit from more productive uses but places a growing number of consumers into an increasingly precarious financial position.

Fact IV: During the 1970's the so-called underground economy has tripled as a percentage of GNP as more and more people seek largely illegal ways to avoid reporting income.

Using methodology developed by Professor Peter Gutmann of Baruch College, it is calculated that the underground economy jumped to nearly $265 billion in 1978 or from about 3-4 percent of GNP in the 50's and 60's to 12.6 percent in 1978. Through a host of illegal activities millions of people are findings ways to avoid reporting income. It must be assumed that the vast majority of these people are not hardened criminals. Given lower tax rates many of these people would not seek to end-run the tax system. Therefore, inflated tax rates not only remove a large source of government income but actively encourage illegal activity.

Fact V: The use of tax shelters has skyrocketed in recent years.

As tens of millions of people find their inflation-propelled income at or near the highest tax brackets, more and more are seeking legal ways to shelter income. No aggregate figures on tax shelters exist, but one small piece of data illustrates the problem. According to the National Tax Shelter Digest, the total annual investment in limited partnerships has skyrocketed from $1.8 billion in 1974 to a projected $9.6 billion in 1981. And that's only the tip of the iceberg. Only a relatively small number of sophisticated investors use oil and gas or equipment leasing partnerships as a means of tax postponement. The number of people who have recently bought investment real estate or tax free bonds would, I suspect, be a real shock.

And remember one thing about tax shelters. They are investments designed solely to reduce taxes. Clearly that's not a very productive form of investment for either business or government. Neither is it a new response to excessive taxation. In 1920, then Treasury Secretary David Houston noted that high tax rates left over from World War I were "rapidly driving the wealthier taxpayers to transfer their investments into the thousands of millions of tax-free securities." Houston went on to add that, "The effective way to tax the rich is to adopt rates that do not force investment in tax-exempt securities" (in effect reduce tax rates, and, almost by definition, increase tax revenues.)

Fact VI: Unemployment is today stuck at levels which, in the 1950's and 1960's, we would have considered disastrous. Reported unemployment among the poor, the young and minorities is approaching the proportion of a national scandal. (Many of the underprivileged are being induced into the underground economics of narcotics, street crime, etc. Minimum wage requirements particularly impact the youth in this regard.)

Again, the reason is simple. A stagnant economy, starved of productive capital drained off through excessively high tax rates and government deficits provides business with no ability and no incentive to modernize and expand and thus to hire and train new workers. Simultaneously, a combination of high public benefits and high tax rates gives the unemployed little incentive to look for jobs.

All of these facts suggest a common theme. People, whether potential investors or the unemployed, need incentives to participate fully and productively in the economy. Without incentives they will find ways to drop out. They will borrow and consume rather than save; they will shift capital into non-productive uses; they will seek illegal or sheltered income to avoid the big tax bite; they will opt for leisure rather than work.

The most powerful incentive of all is simply allowing the individual to enjoy the fruit of his labor, to see a positive improvement in his standard of living, and to have the freedom to spend or invest his income without the disincentives inherent in high taxes and high inflation; in other words, to keep his eye on resource enhancement rather than tax avoidance.

Past policy makers have assumed that the economic pie is fixed in size, that we can only argue about which groups in society get how large a slice. As a result, today an incentive for one is a penalty for another. This once fashionable philosophy has been written about by Professor Lester B. Thurow of M.I.T. in his book, *The Zero-Sum Society*, where he favored redistribution of wealth by mandatory government programs in a permanently stagnant society. This bankrupt philosophy was also espoused by the Club of Rome, the Brandt Commission report on North-South relations, the New International Economic Order, and by many of the environmentalists.

Supply-siders say that is wrong. Rather than fighting over the size of slices, we should be enlarging the pie. The result will be larger slices for everyone, especially the poor, minorities, the unemployed, the better off, and even government.

That is the essence of supply-side economics.

And history shows it works. This is not economic snake oil. During the 1920's under prodding from Treasury Secretary Andrew Mellon, taxes imposed during World War I were drastically reduced. The result was one of the most prosperous decades in American history. Real GNP rose 54 percent; output per man hour rose 66.5 percent.

And for those who believe a cut in tax rates would benefit the rich at the expense of the poor, it is instructive to note the actual tax impact of the Mellon cut on those with the highest incomes. In 1920, 3,649 tax returns showed income of $100,000 or more and generated $321 million in taxes. By 1928, nearly 16,000 tax returns reported income of $100,000 or more and government revenue from them, at substantially reduced rates, more than doubled to $714 million. Part of the difference simply reflects increased wealth generated by a growing economy. But another important factor is that at lower tax rates the wealthy simply had no further need to hide income in a host of tax shelters.

The Kennedy tax cut of 1963-64 had similar results. Personal tax rates were cut an average of 20 percent across the board. Far from reducing government income, the tax cut so stimulated economic growth that tax revenue grew substantially. Of particular interest to the social engineers, tax revenue from the wealthy increased steadily throughout the 1960's. Unemployment dropped by nearly half between 1961 and 1969 while unemployment among black males dropped from 11.7 percent to 3.7 percent in the same period.

Also take capital gains rates, for example. At 100 percent the tax revenues to the government would necessarily approach zero, of course. In 1969 capital gains rates were nearly doubled from a 25 percent tax rate. Revenues plummeted from this source and of course the venture capital that finances new industries substantially dried up. In 1978, the Steiger Amendment reduced the maximum capital gains rate to 28 percent and tax revenues increased rapidly while venture capital formation revived. Where

venture capital exists, new technology and new plants follow.

Other examples abound.

In Puerto Rico a series of tax cuts totalling 15 percent between 1977 and 1980 has resulted in one of the greatest periods of growth in the island's history.

Proposition 13 in California has helped push the state's growth well beyond the national average.

The phenomenal growth of the Japanese economy was fueled in part by a steady stream of 11 cuts in overall tax rates between 1954 and 1974.

My point is proved also in the reverse.

As Jude Wanniski points out in his epic work The Way the World Works, a good laboratory case of supply-side theory compares neighboring Ghana and the Ivory Coast since 1960. Ghana imposed heavy taxes (especially at the margin-progressive disincentives on the higher brackets) while the Ivory Coast did not. Although both started with similar natural resources, ethnic structures, and per capita incomes, today the Ivory Coast has many times the per capita income of Ghana.

Sweden, often seen by social engineers as the model economic structure, has some of the highest personal tax rates in the world. As a result, the Swedish economy is in total stagnation. No less an expert than Gunnar Myrdal, a major architect of the Swedish social economy, has stated that the Swedish income tax system bears much of the blame.

In Italy, another country that leads the pack in personal income tax rates, it is estimated that as much as 50 percent of all income comes from the underground economy. High taxes have made tax avoidance a major Italian challenge and virtually guarantee that investment is channelled into unproductive uses.

Probably the most notoriously excessive tax in this country is the high rate charged on cigarettes in New York. The result is a booming cigarette smuggling industry from out of state that is thought to source as much as 50 percent of the cigarettes sold in New York City.

The point of these examples is clear. Supply-side policy works. No, let me state it more strongly than that. No other economic strategy can create a growing, innovative and increasingly productive economy which will spur investment, increase jobs and cut inflation.

Supply-side pioneer Arthur Laffer has explained the fundamental principle of taxation that lies behind supply-side economics in a remarkably simple and graphic manner. His "Laffer curve" is not only an economic truism but also a very basic statement of behavior.

What Professor Laffer shows is that people respond to incentives. Up to a certain point marginal tax rates—the rate paid on the next dollar earned—will not keep people from earning and investing savings to increase earnings even more. Beyond that point, when taxes are pushed up by inflation or law, more and more people will seek ways to hide income or will simply decide that working is not worth the effort, since the rewards are not great enough.

Of course, it is argued by the Keynesians and the social redistributors—the so-called "Robin Hood" groups—that a tax cut is fine but only if the benefits go to those in the lowest income brackets.

In fact such a tax cut would virtually guarantee increased inflation by encouraging consumption while doing little to promote production, or the supply of goods and services to be consumed.

An even-handed reduction in tax rates would have quite a different impact.

At lower income levels there clearly would be some additional consumption, but also part of that excessively high level of installment debt would be paid off which in itself is a form of saving.

At higher income levels saving and investment would be powerfully stimulated since a larger proportion of the income from investment would be tax free. In addition, the incentive to hide or shelter income would disappear and investment would become both more productive and more lucrative.

More important, those at lower income levels would be given a real incentive to increase earnings by working harder and working more productively.

Finally, there are those who would cut business taxes while leaving personal taxes high. This, too, would be counterproductive.

True, it would give existing industries and existing firms more money to plow back into existing businesses. But it would do nothing to encourage entrepreneurs to invest in wholly new ventures. It would provide no incentive for new companies to enter existing industries, thus stimulating competition and innovation.

Business tax cuts are needed, but only in conjunction with personal rate reductions. The combination will maximize incentives to earn more across the board. One recent news item is more than a straw in the wind. The powerful Chairman of the Democratic Study Group, Congressman William M. Brodhead, has drafted a bill to reduce tax rates on income from savings from 70 percent to 50 percent at the highest brackets.

This is the supply-side economic story. It needs telling. The point, simply put, is that government, at all levels, must avoid erecting barriers that destroy incentives to innovate, to improve productivity and encourage the retooling of American industry.

Further, we must continue to remove ill-conceived economic regulations so that enhanced competition will achieve the desired results.

We must make government predictable so business and individuals will be able to plan.

None of this implies that government does not have a role to play in protecting consumers, workers, and investors. It means simply that laws and regulations must permit innovation and should not be so inflexible, capital consuming and diverting that business simply throws up its hands and ceases to innovate.

Overall, supply-side policy is a declaration of economic independence, of personal freedom. As such, it provides the framework in which the economic pie can grow, benefiting every person in our still free nation.●

THE LATEST VICTIM OF AMERICA'S HANDGUN WAR

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. OTTINGER. Mr. Speaker, the world is in shock over the assassination attempt on President Reagan. I pray for his rapid recovery, and that of Press Secretary James Brady, Secret Service Agent Timothy J. McCarthy, and District of Columbia Police Officer Thomas Delahanty also shot in Monday's tragedy.

President Reagan is the latest victim of our Nation's handgun war, which claimed nearly 11,000 lives in 1979 and may have inflicted an even greater number of casualties in 1980. How many of our leaders, performers, children, and ordinary citizens must become victims of handgun violence before we take measures to stop, once and for all, the proliferation of handguns? The time has come for all Americans to band together and declare: "We have had enough." Congress simply must enact legislation to control the possession and distribution of handguns.

At the least we should proceed immediately to register all handguns and license their owners, prohibiting licenses to criminals and those who, like President Reagan's accused attacker, have histories of mental imbalance. Indeed, such a law nationwide would probably have avoided Monday's tragedy.

This crisis shows that no one is immune to the horror which handguns cause. We must take immediate steps to help prevent yet another replay of Monday's tragedy.

Mr. Speaker, in further support of our Nation's desperate need for handgun control laws, I am including in the RECORD at this time an editorial which appeared in today's New York Times. I commend this to the attention of my colleagues:

WRONG AND RIGHT REASONS TO LIMIT GUNS

Would a tough national gun-control law have prevented Monday's attempt on President Reagan's life? Would it bring any relief from the street crime now routinely acknowledged, if not accepted, as a fact of everyday urban life?

Nobody knows for certain, but opponents of gun control are sure to argue that this is no time for a rush to judgment—that emotions aroused by the shooting are hardly a meaningful basis for serious legislation.

They are right—and wrong. Gun control is unlikely to stop cold-eyed, or wild-eyed, would-be Presidential assassins. But any considered look at the subject demonstrates the wide national benefit of new gun-control legislation.

There is a knee-jerk quality to the simple assertion that reducing guns will reduce crime. Especially in rural areas, Americans have always owned guns. The gun lobby likes to point out that only one-half of one percent of all the handguns in circulation are ever used in crimes. Research shows that gun laws may only shift crime from "hard" targets, like banks, to softer ones, like old people.

But such complexities do not weaken the case for gun control. Research also shows that assault victims are far more likely to die from gunshot wounds than from stab wounds, and that since most murders are committed on impulse, the distinction is important. It also shows that gun control laws can work.

New York City's Sullivan law, taken seriously by the police, has hardly rid the city of gun crimes, but experts believe it holds down the murder rate. In Massachusetts, a study found that a heavily publicized gun

law resulted in a 16 percent decline in gun assaults and a 40 percent decline in gun homicides.

More important, rural Americans have always owned guns, but only recently have urban Americans begun to arm themselves in a big way. Handgun sales rose from an annual average of 600,000 before 1964 to 2.8 million in 1968, when they leveled off. Most of the new sales apparently occurred in cities that experienced riots in that period. Last year's Miami riot may have set off a new wave of gun purchases. These urban guns are surely more likely to be involved in crime than guns in rural areas.

Since the American population is so mobile, there is need for a national gun law rather than a welter of state and local laws. If such a law would not reduce crime from its present levels, there is plenty of factual evidence to suggest that it would reduce killings and hold down future crime increases.

These ideas are not the result of emotionalism in the wake of the attack on President Reagan; they are the result of considered research over a period of years. Congress would do well to act on them.●

PRESIDENT'S COMMISSION FOR A NATIONAL AGENDA ON THE 1980's

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. EDGAR. Mr. Speaker, I recently learned about the testimony of Stuart Eizenstat before the Intergovernmental Relations Subcommittee of the Senate Governmental Affairs Committee on the report of the President's Commission for a National Agenda on the 1980's. Formerly the chief domestic policy adviser of President Carter, Mr. Eizenstat is in a particularly good position to discuss the pros and cons of the report of the panel on metropolitan and nonmetropolitan America. As one who is deeply involved in the problems of our older, industrial cities in the Northeast and Midwest, I greatly appreciate Mr. Eizenstat's perceptive remarks.

The testimony follows:

TESTIMONY OF STUART E. EIZENSTAT

Mr. Chairman, Members of the Committee, I appreciate this opportunity to appear before you to discuss the report of the President's Commission for a National Agenda for the Eighties concerning "Urban America in the Eighties." There are many areas of the report with which I agree—including their emphasis on people-oriented programs, improving mobility for the disadvantaged, uniformity needed for welfare programs, and recognition that people remaining in cities have needs government must respond to. But, as one who worked to formulate and carry out President Carter's National Urban Policy, I am deeply concerned with some parts of the report and with the manner in which it has been read.

My disagreements with the report grow out of what I believe to be its determinist view of the forces affecting American cities, its presentation of unnecessary conflicts between the policy choices available, its misreading of the methods and objectives of the Carter Urban Policy, and its vagueness and shortsightedness in posing policy options for the future. Further, all of these flaws have been magnified by the public's incorrect perception of the report as advocating the wholesale abandonment of older central cities by government and by the people who live in them.

Looking first at the report, I take issue with its perception of the movement of jobs and population away from older central cities as "immutable," as the expression of some kind of ultimate, market-based truth, which government is helpless to influence, foolhardy even to try. Believing in this irresistable force, the report postulates a series of conflicts between policies which attempt, fruitlessly, to oppose it and those which seek, wisely, to accommodate it. Thus, we are told that we must choose between programs that are "people oriented," that is, which aid people regardless of location, and those which are "place oriented," focusing on particular types of areas. Similarly, the report asserts, government must choose whether to promote national economic development or urban revitalization, whether to bring people to jobs or jobs to people, whether to try to restore cities to their precise former status or to accelerate their decline, and whether, in the report's terms, to "adjust . . . to redistributional trends, rather than attempt to reverse them." Given these choices, it is not surprising that the report sees the Carter Urban Policy and other efforts to spur commercial development in the cities as misdirected and doomed to failure.

The realities of urban America are quite different and considerably more complex. First, the report ignores the role played by government policies, whether, unintentional or not, in creating and accelerating the decline in older urban areas. The Federal government which opened the West and continues to this day to help it grow through needed water projects and subsidized irrigation, which brought electricity and new technologies to the South, which paved the highways and financed the subdivisions for the suburbs, which controlled the numbers, nationalities, and entry ports of immigrants, and which determined how commerce should be subsidized, regulated and taxed, has had a critical impact on the locational choices of businesses and individuals.

We should recognize that state and local decisions as to discrimination against minorities, levels of public assistance, tax burdens, labor practices, and incentives to industry have been equally influential.

Nor is it true that pure market forces operating without conscious government direction will necessarily produce the most efficient allocation and use of economic resources. For example, a company may have good business reasons to close an older, central city plant in favor of building a new, suburban one, or to abandon a high tax, strong labor state in favor of a lower tax, right-to-work one. Yet, the societal costs of unemployment, empty housing, and unused capacity in the areas abandoned, and of providing housing and infrastructure at the new sites may far exceed what it would have cost government to retain a company in its original location. What is profitable for one business is not necessarily efficient for the Nation.

The report also fails to consider adequately the extent to which the trend away from central cities may moderate or reverse in the immediate future. A number of factors could contribute to such a change—high energy costs; smaller household sizes; the growth of single-parent households, dependent upon community-based services and facilities. At the same time, it is becoming increasingly clear that there are limits to the willingness and capacity of newer areas to tolerate continued growth. The extreme inflation of housing prices in many areas of California, the spread of exclusionary zoning practices, the increasing popularity of "no growth" policies, and the water problems of the southwest all suggest that it may be more difficult for businesses and individuals to relocate to such areas in the future. These many elements will not alone revitalize cities, but they should create a willingness on the part of many people to return to cities—if there is something left to return to.

This leads to my fundamental disagreement with the report. A sound urban policy—the kind which the Carter Administration worked to carry out and which I believe the Nation needs—is not directed to restoring cities to some unattainable former glory—as the report asserts. Here I believe the report quite correctly notes the permanent transformation of older cities from manufacturing centers to service centers. A sound urban policy, instead, is directed to preserving American's cities, assisting them to adopt the changes that are taking place, but with a minimum of social cost and human suffering.

To do this will require that we view national development trends not as immutable forces of nature, but rather as the product of a range of technological and social changes, and of a host of governmental actions. And, we must appreciate our power to affect these trends—to accelerate or retard them, to direct them, to create varying impacts in different types of cities or on different population groups.

In this context, a sound urban policy will require both "people oriented" and "place oriented" programs. The people oriented programs—federalization of welfare, improved job training, mobility—would, as the report notes, help to alleviate the distress of lower income people living in the cities. But, such programs would also help to moderate and contain the decline of cities. They would help to break the cycle of decay, in which the loss of jobs and middle income residents leads to higher tax burdens and declining services for those who remain, thereby stimulating further departures and erosion of the tax base. In addition, "people" programs which genuinely equalized assistance benefits throughout the country and which encouraged mobility would help to reduce the public assistance burden borne by any particular area. Thus, such people programs would help to produce precisely the kind of result which the report claims is unattainable—arresting the decline of central cities.

But, "place oriented" programs have an equally important role to play. As one who still bears scars from the Carter Administration's welfare reform effort, I can safely predict that it will be some time before the federalization of welfare lifts this disproportionate burden from the cities. Indeed, President Reagan seems to be moving in precisely the opposite direction.

While we await the millenium of the welfare reform, it is clear that cities will need other help—place oriented help—to enable them to retain jobs and tax base.

But, properly targeted development aid does more than compensate for transient

disparities among localities. It can offset the marginal profit advantage which would otherwise motivate businesses to move. It can tip the scales toward preservation in the face of earlier government policies which, perhaps inadvertently, promoted waste and abandonment. It can hold communities together, maintaining decent lives for the people who remain in cities, instead of seeing them condemned either to dispersal or decay.

Note that I stress the retention of business and the development of new opportunities, not the restoration of industries that have departed, as the report suggests. The mill towns of New England, the garment center of Manhattan, the steel mills of Ohio may not be restored to their former functions—any more than western Pennsylvania will regain the oil industry from Louisiana, Texas, Alaska, and abroad. But, these areas can benefit from new business opportunities, can retain their economic viability and share in new growth—if they are not written off by the rest of the country.

A sound urban policy will reject the unnecessary choices posed by the report. The challenge is not to decide whether to revitalize cities or to promote national economic development, but rather to work for improvements in the national economy which benefit all regions. The choice need not be between bringing jobs to people or people to jobs; it should be, rather, to provide social welfare and education policies within a healthy business climate, thus permitting mobility where people desire it, but enhancing the stability and retaining the value of our urban centers. The question is not whether to seek to stop development trends or to accelerate them, but rather how to shape those trends so that they provide the maximum benefit to all Americans.

This brings me to my final concern with the report, and that is the manner in which it has been presented publicly. There is much in the report that is thoughtful, many recommendations, such as the federalization of welfare, which would help to stem the decline in our urban areas. The report does not call for the abandonment of older central cities, but rather for policies that will help them adjust to a changed role in the future. When it proposes that government accelerate the processes that have drawn people and industry away from cities, it does not seek to produce a vacant, decaying urban America, but instead, smaller cities with new functions.

Unfortunately, however, that is not the direction of the report's major emphasis. Some may unfortunately take it as a pretext for inaction on urban problems. It may be used to justify a policy argument unique in American history—that distressed areas should be ignored simply because they are distressed and because it is more consistent with those immutable forces of progress to allow, even promote, urban deterioration.

I do not believe this argument will prevail. The American people worked—successfully—to rebuild the South. They worked—successfully—to make the dust bowls of the Depression bloom again. They worked—successfully—to bring water and power to the West. They worked—successfully—to develop the human and natural resources of this land. And, the American people can and will work—successfully—to break the cycle of decay and preserve this Nation's great cities.

Without such an effort, oriented to distress areas and urban communities there is a very real threat of the United States being divided into sick and healthy regions—something we should seek to avoid.●

CLASS A GIRLS' BASKETBALL TOURNAMENT

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. APPLEGATE. Mr. Speaker, it is, indeed, unfortunate that in every sporting contest there must be a loser in addition to a winner. Such is the case with Buckeye Trail High School girls' basketball team, located in Old Washington, Ohio. However, while the team may have been on the lower end of the final score, they cannot be considered simply losers.

This high spirited and highly successful team, coached by Mr. Dave Linn, lost to Anna High School in the finals of the Ohio State class A girls' basketball State championship tournament played in Columbus, Ohio, on March 21, 1981. The score of the tense game was 54 to 52. The team and coaching staff are, nevertheless, to be commended on such a fine performance. It is teams like this and the personnel involved that have given girls' basketball great credibility in recent years. These young women and the coaching staff are to be congratulated on not only their individual and team efforts, but also on their contribution to the advancement of women in sports.

I would also, Mr. Speaker, like to draw attention to the achievements by two particular individuals on the team.

Ms. Connie Doutt, a member of the Buckeye Trail High School girls' basketball team was named class A State Player of the Year. She was also chosen for the first team on the all-State squad and also to the all-tournament team.

Ms. Susan Shugart, also a member of this team was chosen for inclusion in the all-tournament team.

Both of these girls have excelled in their objective and are to be congratulated on their efforts and achievements.

On behalf of Ohio's 18th Congressional District, I congratulate and commend these athletes on their accomplishments.●

BUDGET CUTS AND THE ELDERLY IN NEW YORK

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. WEISS. Mr. Speaker, President Reagan has presented his economic package with the stated goals of eliminating waste in government and revitalizing the American economy. But I believe that the way he has chosen to achieve these goals promises even more severe problems for America than we now face.

According to the President, government "must not be used to regulate the economy or bring about social change." In other words, he would drastically reduce the role of the Federal Government in social programs and the economy.

I support budget cuts that help to achieve more efficient government or eliminate waste of public funds. I support the principle of a balanced budget, and would be happy to see taxpayers' dollars withdrawn from support of special interests.

But in too many cases the President's cuts ignore the real value of Government programs, and make unbalanced, meat-ax slashes instead of fair, reasoned reductions. For example, nutrition programs are to be cut by some $5 billion, while the defense budget will rise by six times that amount.

Government is not the problem we face today. The problem we face is inflation, and unemployment, both of which have been caused by global economic problems and by inappropriate and ineffective American responses. Far from being the cause of our troubles, government must be an integral part of the solution. The question we face is not how to restrain government's use; it is how can we best use it to solve our economic crisis.

While the President is claiming that his program provides a safety net for the truly needy, on close examination this is simply not the case. In fact, the cuts will hit hardest among those often considered to be the most vulnerable members of society—the elderly. According to the Census Bureau, after a decade of decline the number of elderly persons below the poverty level jumped from 13.9 percent in 1978 to 15.1 percent in 1979. And 24.7 percent of elderly persons are in the near poor category—those with incomes within 125 percent of poverty. These are frightening statistics, yet I fear that many, many more senior citizens will become part of these statistics if the President's economic program becomes reality. In New York State alone, it is estimated that during 1982 the low-income elderly will lose over $250 million in critically needed program benefits. These programs include medicaid, food stamps, title XX social services, social security, and subsidized housing, among others.

The administration budget recommends that Federal medicaid spending be capped at $100 million below the $16.2 billion that had been previously estimated for fiscal year 1981. This figure would be increased by 5 percent in 1982 and by the rate of inflation in

future years. This arrangement would replace the existing system of Federal Government matching expenditures by the States for health care for the needy. Currently, New York State has budgeted $4.2 billion for medicaid expenditures of which 41.6 percent will be spent on care for the elderly. Reagan's medicaid cuts would not reduce expenditures below current levels, rather it would be aimed at reducing the rate of expansion in the program. It can be assumed, however, that access to services in the future will became much more restricted given the additional financial burdens which are likely to be placed on State and city budgets. In New York City, for example, many doctors, hospitals and nursing homes may begin to refuse accepting medicaid patients or be forced to cut the quality of care provided.

The administration proposes a $2.6 billion reduction in spending for food stamps. The number of older persons receiving food stamps has increased dramatically in recent years, so that this budget cut has a particularly strong impact on the elderly. For example, persons with incomes over 130 percent of the poverty level would be denied food stamp eligibility. Hearings held by the House Committee on the Aging have shown that many needy older persons are just over the poverty line and would be negatively affected by these eligibility changes. In New York State as many as 35,000 elderly households could lose their food stamps, and the value of coupons received could be cut by over 12 percent—to average less than $77 a month per household.

President Reagan's budget contains several changes in social security including the elimination of the minimum benefit. It has been estimated that about 220,000 older New Yorkers receive a total subsidy of $132 million a year under the minimum benefit program. In New York City 13,000 low-income elderly stand to lose an average of $50 a month in the minimum benefit. These recipients would be mostly women and minorities who generally have a shorter work history. Under the Reagan plan, some individuals could lose the total amount of their subsidy provided by the minimum benefit. Although it is intended that supplemental security income (SSI)—will replace these benefits, many low-income elderly people who could not qualify for either SSI or public assistance because of strict eligibility requirements would lose their social security minimum benefit.

The Reagan budget will result in cuts in subsidized housing, severely affecting the elderly. These cuts are in the section 8 rent subsidy and low-income public housing programs and will total 4,100 units statewide. While the proposed budget does provide for funding of the section 202 housing program for the elderly at approximately last year's levels, a total of 1,880 units for the elderly will be lost under all subsidized housing programs in New York State under the President's plan. With the decrease in funding of these programs will come a rise in the number of applicants placed on the city's waiting lists for public housing which is currently 20,000 people long. In addition, New York City, which needs about 35,000 new units of section 8 and public housing, would only receive enough subsidies for 14,500 units under these programs. The elderly would lose almost 1,000 of that amount and those already receiving rental assistance will face rent/income ratio increases from 25 percent to 30 percent of earned income.

Title XX—social services for the poor—is a major source of funding for a wide range of programs having a direct impact on the elderly. These funds would become part of a block grant along with approximately 40 other human service programs and would be funded at 25 percent below the level currently provided by these individual programs. Since the funds would become part of a single block grant to the State, there is no assurance that the present allocation to the elderly would be maintained, affecting such programs as in-home services, homemaker/housekeeper assistance, and protection services. Tragically as many as 48 senior centers in New York City funded under title XX could close, turning away the 10,000 elderly persons taking advantage of these services each year.

The home energy assistance program is also to be consolidated into a block grant program with a 25-percent reduction in funding. Approximately 350,000 elderly households in New York State are expected to receive low-income energy assistance to help pay heating and cooling costs this year. A 25-percent reduction would mean that 85,500 fewer elderly households would receive energy aid, without even taking the increased price of energy into account next year. In addition, because of the block grant system, States would have complete flexibility to determine what fuel assistance or emergency programs they wished to provide the elderly and the needy. Up to 62,000 low-income elderly households in New York City might not be served if the State does not deem energy assistance a priority for older people.

The proposed elimination of public service employment programs (CETA) by the end of fiscal year 1981—for a savings of $4.6 billion—may have an impact on older persons much greater than the relatively small number of older persons who have worked in this program may otherwise indicate. Many CETA workers have provided vital services to the elderly such as homemaker services or in senior centers. In New York City alone over 11,500 CETA employees will be jobless after June 1981. Although it is difficult to detail the precise number of CETA employees in senior centers, the total elimination of these public service jobs will be devastating to the elderly as well.

These programs represent some of the major areas most seriously involved with the elderly, though many others will be cut or eliminated under President Reagan's budget. Yet, huge portions of the Federal budget have been overlooked in the rush to slash Government spending. These include increases in expenditures for the military, subsidies for multinational corporations, oil depletion allowances, and highway projects. We must work in Congress toward a more equitable and humane approach for resolving our Nation's economic ills. We must oppose current efforts which would further penalize and overburden the elderly, the sick, the blind, the disabled, and the millions of other Americans, young and old, who by any honest definition can be described as being truly needy.●

WOMEN ARE NOT MADE FOR ORDEAL OF COMBAT, MARINE GENERAL INSISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. McDONALD. Mr. Speaker, our military services continue to perpetuate the fiction that men and women are somehow physical equals. Women continue to be fed into so-called combat support units where many of them will die when a war starts. Men and women were physically designed for different roles in life by our Creator. Brig. Gen. William Weise of the U.S. Marine Corps recently pointed out some of the facts in this issue. What follows is the story of his remarks as they appeared in the Chicago Sun Times of March 23, 1981:

WOMEN ARE NOT MADE FOR ORDEAL OF COMBAT, MARINE GENERAL INSISTS

PARRIS ISLAND, S.C.—The second-in-command at the Marine Corps' East Coast boot camp says women are neither physically nor emotionally equipped to handle the rigors of combat.

"I've been in quite a bit of combat," Brig. Gen. William Weise said. "I do not feel the average woman is equipped physically or emotionally to handle it.

"I would not want to see my daughters or female friends of mine in a combat situation if I could avoid it."

Weise made the comments as he watched female recruits receive defensive combat training at Parris Island.

Weise, 52, who served as a mortar section leader and rifle platoon commander in the

waning days of the Korean War, won the Navy Cross, the Silver Star, the Legion of Merit with the combat "V" and three Purple Hearts during a 1967 tour in Vietnam as a battalion commander.

The general, who jogs almost six miles each day around the recruit depot, said he was speaking primarily of women in ground force units who could be caught in combat.

"They are capable under certain circumstances, like defending their homeland, but not generally as a professional organization," he said.

"The ardors of combat are unlike any other human experience.

"The average woman is 105 pounds. If you put 35 pounds of combat gear on her, plus her helmet (six pounds] and her weapons [a six-pound M-16 rifle and 14-ounce grenades], it is a great physical strain," he said.

While Weise, discounted the ability of women to withstand the rigors of combat, he defended the familiarization training in defensive combat techniques the Marine Corps began giving its female recruits last week.

"Basically, we are teaching them how to live in the field," he said as recruits rappelled down a 46-foot tower in front of him. "On the modern battlefield, the enemy can land a force in your rear, and you have to know how to defend yourself.●

BUDGET IMPACT ON THE POOR

HON. WALTER E. FAUNTROY

OF WASHINGTON, D.C.

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. FAUNTROY. Mr. Speaker, the Congressional Black Caucus has been deeply concerned that the administration's budget proposals will disproportionately impact on the poor and low-income citizens of this country. We have been particularly concerned that the budgetary process will not allow adequate time to review the ramifications of the administration's proposals on those who are currently served by Federal social programs. The House Education and Labor Committee, however, has chosen to conduct extensive oversight hearings on the cutbacks to programs under their jurisdiction. My distinguished colleague, the gentlelady from New York, SHIRLEY CHISHOLM, testified before the Education and Labor Committee on the CBC's concerns about the impact of President Reagan's budget proposals on the poor. I am submitting her testimony for the benefit of our colleagues:

TESTIMONY OF CONGRESSWOMAN SHIRLEY CHISHOLM (D-N.Y.) ON BEHALF OF THE CONGRESSIONAL BLACK CAUCUS BEFORE THE HOUSE EDUCATION AND LABOR COMMITTEE

Mr. Chairman, members of this committee, it always gives me great pleasure to appear before my colleagues on the Education and Labor Committee. Although I am no longer amongst its ranks, the work of this Committee remains very dear to my heart. I wish to thank you, Mr. Chairman, for the efforts you are undertaking in this series of oversight hearings on President Reagan's Budget package, "A Program for Economic Recovery."

Too many of my colleagues have forgotten that the "Great Society Programs" were created because of the unmet needs of the poor and disadvantaged. Many of these needs still exist today. Your hearings reaffirm your interest and concern for those who are the "least of these." The Caucus commends you for your efforts in this area.

Earlier this year, the Congressional Black Caucus met with President Reagan regarding the then contemplated approaches of his economic recovery program. At that time, we asked the President not to balance the budget on the backs of the poor and place additional burdens on those who already have been hardest hit by inflation and unemployment. Upon reviewing the budget proposals outlined by the President in his message to the nation, the Congressional Black Caucus concluded that the Administration's economic recovery program will have a devastating impact on the poor, the disadvantaged, the elderly, and those with limited incomes. The Caucus has gone on record, and we reiterate today, our fundamental disagreement with the Administration's program. The Caucus has taken up the President's challenge to produce a better economic alternative.

In the past month, we have heard a great deal of talk about the Administration's budget proposals leaving a number of programs intact to form a "social safety net" for the "truly needy". Let me say, that the Congressional Black Caucus is at a loss to explain which Americans are defined as the "truly needy". Further, we believe that the seven programs which constitute the "social safety net" do not really address the needs of the poor. As David Rosenbaum observed in a recent New York Times article, the "safety net" for the needy, assist not only the poor but also many people who are not poor and some who are quite well off."

When President Reagan announced his economic package on February 18, before our joint session of Congress he declared that: "We will continue to fulfill the obligations that spring from our national conscience. Those who through no fault of their own must depend on the rest of us, the poverty-stricken, the disabled, the elderly, all those with true need, can rest assured that the social safety net of programs they depend on are exempt from any cuts."

A study conducted by the Project on Food Assistance and Poverty, a research organization sponsored by the Field Foundation, shows that 23 percent of the 25 million Americans with incomes below that poverty line receive no benefits from the seven safety net programs that are exempt from reductions, and that 60 percent receive either nothing or no more than a free meal for their children on school days.

That 60 percent is composed largely of welfare mothers and their children. The University of Chicago Center for the Study of Welfare Policy has calculated that such families would lose $12 million a month for each child because of cutbacks in the food stamp program and probably much more depending on how they are affected by reductions in Aid to Families with Dependent Children, Medicaid, emergency fuel assistance and other programs.

The Chicago Center's study found that the working poor would be among the hardest hit by the proposed reductions. The study showed, for example, that a typical poor working mother in New York with two school-age children would have her disposable monthly income reduced by about 15 percent, from about $700 to about $600, if the Reagan program was enacted.

Let's examine the Administration's budget proposals under this Committee's jurisdiction which will impact negatively upon the poor in America.

BLOCK GRANTS

With respect to the block grant approach, it is the firm belief of the Caucus that Federal programs should meet certain criteria: they should be national in scope, accountable, efficient and equitable. It is clear to us that the block grant approach violates all of these criteria.

The Administration's rationale for block granting social service programs is clearly outlined in the February 18, budget document, "A Program for Economic Recovery", "The Administration's block grant proposal will enable States to plan and coordinate their own service programs, (and) establish their own practices . . .".

The Caucus believes that any budget proposal which give states total discretion to "establish their own priorities" for social service programs would be a disaster for the poor. Many of the programs in the proposed block grant provide services to targeted populations because of a national recognition of their special needs. The President's block grant proposal contains no method by which assistance will be specifically provided to these special needs populations. We would urge the Committee to remember that the poor would clearly be endangered by a block grant system of social service funding. The probability that funds will be shifted from survival programs into programs that appeal to the middle-class voters or local power structures is all too great. These fears are confirmed by the history of the community development block grant program, general revenue sharing, and by the historic vulnerability of poor people to local pressure groups.

COMMUNITY SERVICES ADMINISTRATION

The Community Services Administration, CSA, formally succeeded the Office of Economic Opportunity (OEO), in 1975. CSA still administers a nationwide network of Community Action Agencies (CAAs), local community-based and community-controlled organizations charged with the dual mission of service delivery and advocacy for the poor.

The Community Services Administration, in fiscal year 1980, administers 900 CAAs and about 40 Community Development Corporations (CDCs). A number of small, categorical grant-in-aid programs (e.g., Senior Opportunities and Services, Community Food and Nutrition) also are operated by CSA, with CAAs and CDC's serving as grantees for much of this assistance. Finally, the Agency provides some training and technical assistance through regional and national grantees and conducts demonstrations and national evaluations of other Federal programs for the low-income.

President Reagan proposes to eliminate the Community Services Administration and to place antipoverty activities into a $3.8 billion social service block grant to be run by the Department of Health and Human Services. At the heart of the community action concept is the tripartite governing board consisting of local elected officials or their representatives, low-income individuals elected by their community, and representatives of business, labor, religious or other major organizations in the area. The block grant proposal offers no mechanism for the continued involvement of a broad cross-section of the community in antipoverty activities.

Further, the potential conflicts under a social services block grant, which I discussed earlier, already exist between Community Action Agencies and local government. Community Action officials say that their role as advocates for the poor often places them in an adversarial position with their local governments. This situation currently jeopardizes their abilities to receive funds from these governments for service delivery. CSA, and its predecessor, OEO, was created because state and local governments had neither the resources, the ability nor the interest in working effectively with the poor. Certainly, we can not now expect that these same governments are willing to use their social service funds to promote service delivery for the poor.

I would remind this Committee that the social service block grant lumps some programs together including CSA, and reduce their total budgets by 25 percent. Under the plan, states could spend the block grant money in any proportion they choose and they do not have to fund every project in the block. Consequently, there is no guarantee that the 1.5 million elderly poor will continue to receive SOS services or that the rural poor will receive technical assistance for rural development programs. Indians and migrants could also lose demonstration funds aimed at finding new ways to lift them out of poverty. New York state would lose $58 million in low-income energy assistance funds. All of us would agree, I believe, that the above groups can be called "truly needy" and yet they face a long fall through the President's "safety net".

Activities currently funded under Title VII, of the Economic Opportunity Act will not be part of the social service block grant but they will be transferred to HUD's community support block grant. As you can see "block granting" is as fashionable as "jelly beans." Under this title, Community Development Corporations have been used to spur the creation of programs in which low-income people can participate and improve the quality of life in this community. In fact the first CDC grant was made to the Bedford-Stuyvesant Restoration Corporation in my Congressional district. The development of Bedford-Stuyvesant Restoration Plaza has contributed greatly to the revitalization of Central Brooklyn. A revitalization which I believe is possible for hundreds of other communities across this nation. The big question is whether CDC's, under the new formula, can remain "responsible to residents of the area" they serve, as mandated by the legislation.

As part of President Carter's urban initiative, CSA had joined with the National Credit Union Administration to provide seed or expansion money to some 15 to 30 community development credit unions. A one-time appropriation of $6 million was made in fiscal year 1980 to finance a revolving loan fund for this program, which will provide training and technical assistance as well as capitalization loans. This program also would be subsumed under the HUD block grant. Like the social service block grant, there is no certainty that states or local governments would spend their community support block grant for community economic development programs.

The Caucus is aware that CSA has had a number of negative oversight reports by the House Government Operations Subcommittee on Manpower and Housing. The Chair of that subcommittee, Congresswoman Cardiss Collins is also a member of the Congressional Black Caucus. Let me assure this Committee that she supports the Caucus' perspective that CSA should be retained as a separate entity. We are very heartened by the decision of Chairman Ike Andrews, of this Committee, is proceed with reauthorization of CSA. The Caucus believes that the reauthorization process is the forum to evaluate CSA's performance. The poor will be better served by a careful review process than an arbitrary decision to "block grant" poverty programs.

Since today's hearings cover the impact of the President's budget on the poor, I would like to discuss some of the issues which concern the Caucus in areas which many of us may not readily consider as affecting the poor.

CETA

I understand that tomorrow's hearing will be devoted to employment issues and I am certain in that my distinguished colleague, Congressman Gus Hawkins of California will focus on CBC concerns in this area. I believe it is important however, to illustrate the impact CETA cutbacks will have on many programs which service the poor.

As the Committee knows, the Administration proposes to eliminate all federally-funded public sector employment programs under CETA Titles VII and II-D. In New York City, for example, 11,500 jobs and $178 million would be lost in federal aid in fiscal year 1982.

The City currently utilizes 8,800 CETA workers to perform services in the Sanitation, Police and Health Departments, in the Board of Education, and in other agencies. Private community-based organizations employ another 2,700 CETA workers for such tasks as weatherizing homes, caring for the elderly, and arson prevention. For example, $1.5 million in CETA funds are used to support the operation of Older American Act Programs in New York state. New York City may be able to retain some of its CETA workers by transferring them to City tax levy positions. But community organizations, which have come to rely on CETA workers to perform a variety of services for their neighborhoods, have no other sources of funding to sustain their current staffing levels.

I am sure all of us are pleased that Headstart has been included in the social "safety net" of programs. Cutbacks in CETA, however, will damage this program. John Busa, Acting Administrator for the Administration on Children, Youth and Families indicated that a loss of PSE jobs would probably cost Headstart programs nationally, $25 million. He also admitted that the loss of these jobs could mean a reduction in the number of children served.

The facts suggest, therefore, that the social "safety net" programs will even be affected by the elimination of CETA public service jobs. The Caucus believes that this spill over effect is only a further example of the damaging effects of President Reagan's budget on the poor.

CHILD NUTRITION

Certainly, food and nutrition programs are vital to the maintenance of the health and well-being of Americans, particularly those we have designated as the poor in this nation. Yet the Administration wants to cut close to $1.8 billion out of the approximately $4.5 billion budget for child nutrition programs, which include school lunch, school breakfast, and the Child Care Food Program.

All subsidies for middle- and upper-middle-class children who purchase school lunches would be eliminated, and subsidies for reduced-price lunches would drop by 37¢. Some $400 million in cuts that are now effective for FY 1981 only would become permanent. These cuts include reducing the reimbursement rates for all school lunches by 4.5 percent, lowering eligibility for reduced-price lunches to 185 percent of the poverty level, and adjusting reimbursement rates for inflation once rather than twice a year. Last, schools would be required to verify 10 percent of all applications for free and reduced-price school meals.

The severity of the proposed cuts in the school lunch program could force many schools to shut down their programs. Thus, students who receive free lunches would be hurt despite Reagan's promises to protect them. And the reimbursement rates for child care centers participating in the Child Care Food Program would also be cut under the Reagan proposals. By law these rates are tied to those of the school lunch programs; when the school lunch rates are cut, so are the child care food rates. The Administration has also proposed eliminating all meal supplements (or snacks, such as fruit or cheese) from the Child Care Food Programs.

EDUCATION PROGRAMS FOR THE DISADVANTAGED

For years, this nation debated the question of Federal aid to education. The proponents of Federal aid to education took the position that many states were actually denying education opportunity and educational equity to certain school children, and that therefore the Federal government should assume the role of protector of the educational and constitutional rights of all children in this regard. An important element of this "protector" role was the requirement that Federal funds be used to supplement State and local financial efforts and not supplant them. According to Reagan's budget document, "A Program for Economic Recovery", this requirement, along with all requirements for State and local matching funds, would be eliminated.

The block grant supporting local education agencies would consist of about 12 programs currently providing educational services for the disadvantaged, handicapped, adults requiring basic education, migrants, and school districts undergoing desegregation. The State block grant would consist of about 35 programs that (a) provide direct educational services for handicapped, neglected and delinquent children, (b) improve staffing and services of State agencies, and (c) indirectly support improved school services including assistance to school libraries, curriculum development and technical assistance. All of these programs are the very backbone of support to poor, educationally deprived, and handicapped children. They would be lumped together and stripped of provisions that ensure targeting, procedural safeguards, individualized programming, parent involvement and civil rights enforcement. State and local educational agencies would be freed from all legislative and regulatory prescription and allowed to set their own priorities on the amounts and manner in which programs for vulnerable populations of children are to be funded and implemented, if at all.

The Congressional debates on educational opportunity and educational equity eventually led to the passage by Congress of the Elementary and Secondary Education Act of 1965 (Public Law 89-10). A key element in Public Law 89-10 was Title I, which authorized a national education program for disad-

vantaged children, and is the largest program included in the local education agency block grant.

Section 101 of that law, as amended, states: In recognition of the specific educational needs of children of low-income families and the impact that concentrations of low-income families have on the ability of local educational agencies to support adequate educational programs, the Congress hereby declares it to be the policy of the United States to provide financial assistance (as set forth in this part) to local educational agencies serving areas with concentrations of children from low-income families to expand and improve their educational programs by various means (including preschool programs) which contribute particularly to meeting the special educational needs of educationally deprived children. Later the law was amended to: meet the special needs of migrant children (1966); correct abuses of inadequate fund allocations to the disadvantaged; and require local school districts to measure achievement in the basic areas of reading and mathematics (1978).

Title I programs serve 5.9 million low-income and educationally deprived children in 90 percent of our nation's school systems. Two-thirds of these students are poor or near-poor, 54-60 percent are white, 35 percent are Black and 11 percent are Spanish-surnamed. The block grant proposal would eliminate more than 1.0 million children from participating in the Title I program.

The education block grant raises another serious concern with members of the Congressional Black Caucus: the potential competition for funds with other disadvantaged groups. For example, the provisions of Public Law 94-142, the Education for the Handicapped Act, requires that every handicapped child must be provided with a free appropriate public education. This legal standard means that a successful law suit could probably be brought against an LEA to spend 94-142 funds for the education of handicapped children. Without a change in law, Title I children, in particular, would be at a distinct disadvantage in the competition for block grant monies since there is no Federal or State law requiring that disadvantaged children receive "a free, appropriate public education."

Although Title VII, bilingual education programs, were removed for the LEA block grant, a number of States require bilingual education programs. A State might choose to augment its bilingual funds from block grant monies in order to serve all children required to be served under state law, further reducing the amount of funds available for compensatory education.

The Caucus does not support a weakening of legal protections for the handicapped child or the child with limited English proficiency. However, we view the potential competition between these children and the disadvantaged child as harmful to public education and to the children themselves. Consequently, we believe that this problem is a further illustration that the block grant proposal is bad public policy.

Also the evidence on State monitoring and management of Title I programs is further reason to oppose the block grant approach. In 1977, the Rand Corporation concluded that "the federal role not only can be effective in helping to meet the needs of local districts with high concentrations of target pupils, it is a necessary ingredient in the accountability process. Indeed, effective implementation of Title I at the state and local levels deserves more rather than less attention from the federal government, though such attention should be based upon a realistic understanding of state problems and conditions."

Budgetary cuts of 25 percent are awesome in themselves but the Administration's proposal obliterates all categorical aid with little or no provision for Federal oversight, nor any assurance that the original Federal goals would be carried forward by the states. The General Accounting Office has urged that proposals to consolidate Federal education programs "should be preceded by a careful analysis of their impact". The Caucus feels that the Administration's block grant proposal has failed this test; therefore, we oppose the Administration's plan and the budgetary reduction of 25 percent to education programs.

JUVENILE JUSTICE

In testimony before the House Judiciary Committee, Attorney General William French Smith indicated that programs currently administered by the Office of Juvenile Justice and Delinquency Prevention will be included in an HHS block grant. However, in examining the Administration's current information on their HHS block grants, there seems to be no evidence that juvenile justice programs will, in fact, be part of a social service block grant. Juvenile crime and delinquency problems are major criminal justice issues. Many of the Juvenile Justice programs serve the minority disadvantaged youth. Seventy percent of the youngsters in the diversion program are minorities and 80 percent of the delinquent youth served by prevention initiatives are disadvantaged minorities. Localities obviously need assistance in dealing with juvenile delinquency problems. Since many of these youngsters will be impacted by cutbacks in some of the youth employment programs, there is an even greater need to retain federal assistance for juvenile justice concerns. This Committee made great strides last year in establishing a separate office for juvenile justice programs and developing a specific focus on the serious youth offender. The Caucus would hope that this Committee will continue its strong support for juvenile justice and oppose the elimination of the OJJDP and its programs.

CONCLUSION

The late Senator Hubert H. Humphrey summed up our differences best in his last speech on Capitol Hill. He said: "The moral test of government is how it treats those who are in the dawn of life, the children; those who are in the twilight of life, the aged; and those who are in the shadows of life, the sick, the needy and the handicapped."

The Caucus believes that the Administration's budget fails this moral test. We believe that there has been a conscious political decision to reduce those programs which serve the poor. Someone has decided that other groups are more deserving of federal "safety net" protection than the poor. Of course, the Administration believes that "the poor in this country have always benefited much more from a boom economy than from any government plan." But as New York City's former Human Resources administrator, Stanley Brezenoff says the Administration is insisting "that the labor market will suddenly absorb people it has never been able to absorb before."

If the Congress allows these budget reductions, it will end two decades of remarkable progress for poor people. Conservative politicians claim that President Lyndon Johnson's Great Society failed by throwing money at problems. Some of the programs were inefficient, but they have helped to halve the number of people living below the poverty line—from 22.2 percent of the population in 1960 to 11.6 percent in 1979. And if non-cash payments to the poor, such as food stamps, are counted, the gains are more dramatic. Only 3.1 percent of the population now lives below the official poverty level. In summary, at least 15 million people have been lifted out of poverty.

Even at current program levels, poverty has not been eliminated. Everyone is not insured against total deprivation, and some go without necessary food, shelter, and health care because of gaps in current programs. These are the pressing issues to be addressed, not program cutbacks.

The Caucus urges this Committee to continue those programs which provide for the needs of America's poor.

Thank you.●

DECRYING LIES ABOUT SLAIN AMERICAN NUNS

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. ECKART. Mr. Speaker, slander of the four slain American nuns in El Salvador is an outrage that offends us all.

I raised this issue in a hearing held by the Inter-American Affairs Subcommittee, but the lies and insinuations spread about the nuns by a group that seeks to advance its own hysterical purposes disturb me so profoundly that I wish to expose them to all my colleagues. The press release I am reprinting below exhibits the extent the lies about the nuns has reached.

Archbishop James A. Hickey of Washington, formerly bishop of Cleveland, has said about the nuns, "They gave their lives in the service of the poor and of the Gospel." It is a tragedy that the Council for Inter-American Security is resorting to the slander of missionaries for its own self-serving purposes:

MURDERED NUNS IN EL SALVADOR SUSPECTED OF AIDING GUERRILLAS

WASHINGTON, D.C.—The four American church women slain in El Salvador may have been working with left-wing guerrillas to overthrow the government, according to evidence uncovered by the Council for Inter-American Security (CIS).

All but one of the murdered women were members of the Maryknoll Society, which has earned a reputation for championing radical politics and "liberation theology".

Two of the nuns were killed when returning from Nicaragua, where another member of the Maryknoll Society, Sandinista Miguel D'Escoto, is Foreign Minister. D'Escoto edited Maryknoll magazine for ten years.

It is unknown what the women were doing in Nicaragua at a time when vast quantities of arms were being sent through Nicaragua to the guerrillas in El Salvador.

"Leftists in Washington say that one of the nuns had been active in Nicaragua's revolution that overthrew Somoza and installed the Sandinista regime," observed CIS Publications Director Roger Reed.

The slain women were "committed" to the movements working to overthrow the government in El Salvador, according to Maryknoll nun Peggy Healy, who is connected with the left-wing Washington Office on Latin America.

The press in El Salvador say that there are indications that the missionaries were involved with the guerrillas seeking to take power.

The families of three of the women recently signed an ad in the New York Times soliciting contributions to the Committee in Solidarity with the People of El Salvador, a group that supports a takeover by pro-Castro guerrillas.

United Nations Ambassador Jeane Kirkpatrick has said: "the nuns were not just nuns, they were political activists and we should be very clear about that."

CIS is an independent foreign policy research and education organization in Washington, D.C.●

MASSACRE IN EL SALVADOR

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. HARKIN. Mr. Speaker, as supporters of U.S. intervention in El Salvador seek to justify that policy, there is much talk of a beleaguered centrist government, under fire from the left and the right. A horrifying massacre occurred last year, which, if the U.S. press had reported it, might have clarified the true nature of the moderate Salvadoran Government that millions of American tax dollars are supporting.

On this occassion, the Salvadoran Army attacked fleeing refugees who were trying to cross the border into Honduras. Church witnesses estimate that as many as 600 women and children were slaughtered. The sadism and depravity displayed by the troops, as reported by the following article from the London Sunday Times of February 22, 1981, is one of the most horrifying examples of violations of human rights that I have ever read.

VICTIMS OF THE MASSACRE THAT THE WORLD IGNORED

Lolita Guardado was awakened at about 4 a.m. by a strange noise. There was the usual sound of the persistent drizzle pouring through the roof of closely packed palm leaves and through the wall of mud and sticks.

But outside, across the Sumpul river, she could hear men shouting. Groups of peasants gathered anxiously in the grey dawn to watch as Honduran soldiers formed a line on the far bank and ran to and fro, carrying stones from the riverbed. They built a low wall. Only later that day, after her family, friends and neighbours had been slaughtered, did she fully understand why they were there.

Lolita, here husband Genaro and their eight children are Salvadoran peasants. They lived along with about 1,500 others, in Las Aradas, a settlement which lies a few yards inside the Salvadoran border on the banks of the Sumpul, the frontier with Honduras.

There were few comforts. Lolita was considered fortunate because at least she had a hut. Most of the others lived under trees, with sheets of plastic to protect them from the rain. There was no electricity, no clean water, no medicine, barely enough food and no road. But Las Aradas, they believed, had one virtue. It was so remote that they were safe from the violence between the left and the right that wracks El Salvador. They had fled from their houses and land—away from the soldiers, the national guard, the secret police, the right-wing death squads and left-wing guerrillas to this haven.

That morning a group of 300 peasant refugees, mostly women and children, had arrived after a three-day trek through the Salvador mountains. Few of them would survive the day.

As Margarita Lopez, a bright and pretty 16-year-old was preparing tortillas for the new refugees, 300 Salvadoran soldiers from Chalatenango army base were already taking up position behind the nearest hills. Beside them, merging into the forest, were two olive-green helicopter gunships, each with machineguns and bombs. On the other side of the Sumpul, 150 Honduran soldiers stood behind their stone wall.

El Salvador and Honduras, although technically still at war after 11 years, were about to carry out their first joint military venture. The Salvadorans call it an "operacion de limpieza"—a cleaning operation.

The decision to carry out the attack was made, according to Honduran sources, at a joint meeting between Honduran and Salvadoran military commanders at El Poy, a town on the border about 13 miles from Las Aradas.

The motive was clear. In the border area are the camps of the left-wing guerrillas, against whom the Salvadoran ruling junta has been fighting a bloody civil war. It is also one of the main channels for arms shipments from Nicaragua and Cuba. The Hondurans were keen to help because they feared both the war spilling over into their territory and their neighbor falling into communist hands.

The only flaw in the plan was that Las Aradas was not a guerrilla base. It seems not a shot was fired in defense by the people there. But for the Salvadoran military mind, the distinction between peasant and guerrilla is academic: they are, indeed, often one and the same.

Also, the guerrillas need peasant support if they are to achieve popular insurrection and more immediately they need the peasants to provide food and shelter when necessary. For the Salvadorans this made the peasants a fair military target.

The "cleaning" began at about 10 a.m. on May 14 last year. Margarita remembers a deafening explosion of gunfire which would continue for the next six hours: "the bullets came in fistfuls. They went through the walls of houses, people were falling and cattle were dying. The bullets were everywhere."

Genaro Guardado heard the thud of bombs falling outside his hut. With his 17-year-old daughter, Ernestina, he grabbed five children, all under 12, who were standing outside, and ran, Rosabel Sibrian, a 22-year-old, saw the gunships buzzing low over the trees and heard the rattle of their machineguns. Then he saw soldiers standing round his friend, Amanda Rodriquez: "She begged them not to kill her. They all opened fire. They shot her 11-year-old son."

The troops has surrounded the settlement. The obvious escape route was across the river into Honduras—that was when the peasants learned the function of the Hondurian soldiers.

The peasants "ran to the river in flocks," said Genaro. It was the beginning of the rainy season and the river was flowing deep and fast. Margarita ran into the water and found it came up to her neck: "Children were drowning. The Salvadoran soldiers stood on the bank and fired at us. My two friends were killed next to me."

As Genaro jumped into the water with about 70 people, his daughter Ernestina was shot dead in the back of the head. First he walked, pulling the five children, across to the other bank. He left them there and went back for Ernestina's body. Then, carrying the body, he walked up the bank towards the Honduran soldiers: "They grabbed Ernestina and threw her into the river. Then they pushed us back into the river. We pleaded with them. Begged them. They just pushed us. They didn't fire their rifles, but they wouldn't let us through."

He returned to the Salvadoran side, to face the guns. "The Salvadorans fired from the hip and kept their guns low. I suppose they didn't want to shoot the Honduran soldiers. But they fired into the river." Those who survived the crossing were herded together by the Salvadoran soldiers, who tied their hands and made them lie, face down on the ground. "They beat us with their rifle butts. They kept asking, "Where do you keep the guns? Who are the guerrillas?"

"They took groups to one side and machine-gunned them. I had my children with me. Then a soldier cut my bonds. I don't know why he did that. But I ran with my children. Only three others survived."

Rosabel Sibrian, who hid between some rocks, says the main slaughter took place on the river bank, near Las Aradas: "There were 50 soldiers and they gathered a big group together. Then they shot them. The people were screaming. Those who would not die were beaten on the heads with rifle butts."

He says, and this is corroborated by other eye-witnesses, that the soldiers were aided by members of Orden, a paramilitary right-wing group, distinctive in their black shirts with skull-and-crossbones insignia. "Some soldiers and Orden people gathered children and babies together," said Sibrian. "I saw them throw children into the air and then slash them with long machetes. They cut their heads off and slit their bodies in two." One soldier told the mother of a child: "We are killing the children of subversion."

Sibrian tried to run downstream, carrying his baby son. Soldiers chased him and a bullet smashed into Sibrian's leg: "I couldn't run with my baby any more. I left him beside a small ditch, then rolled away and crawled through the bushes. I thought the soldiers would kill him." But, in one of the few acts of humanity carried out by the Salvadoran army that day, they did not. "They picked him up very gently and carried him away. Later I heard they bought him milk in a local town. I think he is in a children's camp. I am trying to find him," said Sibrian.

Lolita was not so fortunate. Just after the first bombs dropped at 10 a.m., she had lost sight of her husband. So, with her brother-in-law, Angel, and three of her children, she made her way slowly upstream, hiding for long periods in the bushes until soldiers and

paramilitary men had passed. she went for a mile along the Sumpul until the cordon of Honduran soldiers on the opposite bank had ended. Then at about 4 p.m. she started to cross the river.

She walked over the rocks and had just reached the water when she heard rapid firing behind her and felt "a burning pain" all over her body. She fell backwards into the Sumpul. Her body lay in the water, her head resting on a rock. She had been hit by 15 bullets, in an arc from her thigh across the small of her back. One bullet passed through her hand. Two of her children lay dying in the water beside her. One died quickly—a bullet had passed through his armpit into his chest; the other, shot in the testicles, did not. "He lasted half an hour," said Lolita. "I couldn't move. I couldn't comfort him." Her brother-in-law was dead, too. She lay with her surviving child three-year-old Ovidio, clasped to her breast. He had been hit in the leg and the scalp.

"Ovidio kept crying and shouting. He called out 'Uncle Angel, Uncle Angel! Come. Come see my mother. Her leg is bleeding into the water.'" He kept talking to his two brothers long after they were dead. He shouted at them: "Why don't you talk to me?"

After dark, Lolita says that occasionally soldiers walked along the bank. She tried to hold Ovidio still and keep him quiet: "The baby cried with pain, but I told him to be silent. I heard a soldier say: 'Hit them. hit them again.' But another soldier said: 'I have hit them already. Let's not shoot again. They will just die.'

"I had a terrible thirst. The water was full of blood. It was the blood of my children. But I kept drinking water, drinking water."

That night she felt an object bump against her in the river. Then it floated off downstream. It was, she says, the head of a child. The next morning a Honduran fisherman pulled in his nets. They contained the bodies of three dismembered children.

Lolita lay in the river until after dawn, when a group of four Honduran men saw Ovidio moving. They crossed the river and put Lolita in a hammock, then carried her to a Honduran's home. It was another 15 days before she received hospital treatment.

For the peasants, the behaviour of the army at Las Aradas was not new, just a little more extreme than usual. The Salvadoran soldiers have a single tactic to discourage peasant support for guerrillas—terror. Lolita and her husband had fled to Las Aradas after soldiers had decapitated some of their neighbours. The heads had been left neatly by the side of the road to ram the lesson home. Most refugees have stories of such appalling brutality it is difficult to believe that it became almost a way of life.

Officially they were all victims of a massacre that never happened. The government of El Salvador has denied that any killings took place at the Sumpul river on May 14. On June 25, the military leader of Honduras, President Policarpo Paz Garcia, said on national radio that the massacre did not happen. One of his army chiefs, however, Colonel Ruben Montoya, head of the third military region, denied that the Honduran army had taken part, while admitting that the incident took place: "The Honduran troops did not help in the killings of civilians."

At first the American embassy in Tegucigalpa, the Honduran capital, told reporters that there was no evidence to support claims of a massacre. But like the government, the Americans later changed their line, admitting "something happened" at the Sumpul river that day.

At noon the day after the massacre, a Roman Catholic priest from the Capuchin order walked over the hills towards the Sumpul. If he had not, then the massacre might have become just peasant folklore. Father Earl Gallagher, 35, comes from Brooklyn, New York City. He has worked in Honduras for four years. Because of his prematurely grey hair and prowess at climbing the hills, he is known by the peasants as "the old billy goat."

He noticed that the river banks looked strangely black. When he got closer he saw why. They were covered in a thick carpet of buzzards. In the village of Talquinta he met his first survivor, a 10-year-old boy with bullet wounds in his mouth, thigh and shoulder.

"I heard that Salvadoran troops were coming back to kill the survivors," said Gallagher. "I felt I had to make it public and perhaps that would help them." It did not help the little boy. A month later he fled from the Honduran army back to El Salvador, where he was killed.

Gallagher returned with a camera and tape-recorder and took down the stories of dozens of survivors. He could not visit the Sumpul itself because it was still patrolled by members of Orden, who shot intruders. Meanwhile, dogs and buzzards picked the bodies clean.

On June 24, Gallagher's report condemning the massacre and the role of the soldiers of both El Salvador and Honduras was published as a joint declaration by the priests of Santa Rosa de Copan.

Gallagher immediately received death threats over El Salvador Radio. He was threatened with expulsion and condemned by the Honduran government. The then minister of foreign affairs, Eliseo Perez Cadalso, said on July 1: "The church declaration responds to a well-orchestrated campaign with the purpose of destabilizing the convivial and highly democratic climate in which the people of Honduras live."

Gallagher's report reached Washington, where the only person who paid attention was Senator Edward Kennedy. He had it placed on the congressional record on September 24, and said: "I am deeply concerned by reports of increasing hardship and often death that face innocent men, women and children who try to escape the escalating violence in El Salvador."

But the world paid scant attention, inured perhaps by the daily stories of violence in Latin America. The Sumpul massacre was mentioned in a few newspapers which ran part of Gallagher's report. It was almost completely ignored by the American press at the time. "Our thing was: it happened. Come and have a look. And nobody did," said Gallagher.

The misery for the Sumpul survivors and the 29,000 refugees who have fled El Salvador for Honduras did not end on May 14.

"They live in fear," Gallagher said last week. "Their only hope is international attention."

He and other priests have compiled a list of incidents against refugees since the massacre. It runs into several pages, a litany of murder, rape and cruelty.

Hundreds of refugees have been handed to Salvadoran troops to face certain death. In the Honduran town of Santa Rosa last week an 18-year-old girl described her life in El Salvador. She lived near the Honduran border with her husband until soldiers took him away and shot him. She moved in with her four brothers. Last year, Salvadoran national guards took them out of the house and sprayed them with liquid from cans they carried. "Their skin went black. Their eyes melted," she said. Her brothers were pushed into a cornfield and killed with machetes.

Last week we spoke to Lolita, who now lives with her husband and five remaining children in an adobe hut deep in the Honduran hillside. Life for her is not convivial. She is afraid, and for good reason. The Honduran government has refused, at the urging of El Salvador, to grant Lolita or the other refugees "refugee status." This means their movements are tightly restricted and they cannot find work. They are constantly threatened with expulsion.

There are also signs that the Honduran government is growing more repressive. A week ago a colleague of Gallagher's, Father Fausto Milla, was arrested by security men. He was blindfolded and interrogated for three days. He had just returned from a human rights conference in Mexico City where he presented the testimony of Lolita and other Sumpul survivors.

The day we saw Lolita, she had been visited by a Honduran security man, who threatened her with expulsion back to El Salvador. "They may as well kill me here," she said. "It's easier."●

CIVIL AIR PATROL ANNUAL REPORT

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. RAHALL. Mr. Speaker, as newly named commander of the Civil Air Patrol's congressional group, I would like to take this opportunity to share with my colleagues a letter I have received from Brig. Gen. Johnnie Boyd, national commander of the Civil Air Patrol. I received this letter along with a copy of the CAP's 1981 annual report.

Due to space limitations, I am unable to include the entire report, but I would like to share General Boyd's letter with the House at this time.

CIVIL AIR PATROL,
MAXWELL AIR FORCE BASE, ALA.,
March 11, 1981.

Hon. NICK JOE RAHALL II,
House of Representatives,
Washington, D.C.

DEAR MR. RAHALL: I am pleased to forward your personal copy of the 1981 Civil Air Patrol Annual Report to Congress. This year's report highlights our emergency services mission and provides an update of our activities in support of the cadet program and promotion of aerospace education; our other two missions as assigned by the Congress.

In addition to continuing progress and innovation in Aerospace Education and the Cadet Program, 1980 was a busy year for the Civil Air Patrol in the search and rescue area. Most significantly, CAP saved or shared in the saving of 115 lives over the course of the year while responding to requests for help from the United States Air Force, Aerospace Rescue and Recovery

Center. This number of lives saved established a new all time high record for the Civil Air Patrol. Yet, the record was set while participating in 175 more missions but logging almost 4,000 fewer flying hours than in 1979. This favorable comparison is attributable to our better use of the latest in search and rescue techniques and equipment to reduce flying time, thereby saving energy. Of signal importance to our emergency service efforts in the future was the passage of legislation which will allow the Air Force to reimburse members for maintenance costs incurred while participating in USAF requested rescue missions.

As National Commander of the Civil Air Patrol I take great pride in presenting you this report of our achievements in 1980. As we enter our fortieth year, the 59,312 volunteer members of CAP join with me in thanking you for your continuing strong interest in and support of our programs.

Sincerely,

JOHNNIE BOYD,
Brigadier General, CAP,
National Commander.

Mr. Speaker, I am proud of my association with the Civil Air Patrol, and I am sure my colleagues will share the pride of CAP members all over this Nation, in the services rendered by the Civil Air Patrol in 1981.●

AMERICAN INVOLVEMENT IN EL SALVADOR

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. LELAND. Mr. Speaker, I would like to include here for printing two articles that address the ongoing debate on American involvement in El Salvador. I would call the attention of my colleagues to the growing concern among our constituents that U.S. policy mistakes the true nature of El Salvador's internal conditions and prescribes the wrong solution. It is becoming increasingly clear that El Salvador's Government is not truly centrist, nor its opposition truly extremist. It remains perfectly clear—as pointed out by the U.S. Catholic Conference—that the fundamental threat to stability in El Salvador and the whole of Central America has always been economic inequities and political repression. One has only to recall the infamous massacre of peasants in 1932, to realize the deep historical roots of the Salvadoran conflict.

I believe that the people of the United States are reacting wisely to the administration's policy in El Salvador, and asking that policy be reexamined with great care and urgency.

[From the Boston Sunday Globe, Feb. 1, 1981]

TWO SIDES OF THE CIVIL WAR IN EL SALVADOR

(By Stephen Kinzer)

SAN SALVADOR, EL SALVADOR.—This nation cannot look forward to a real solution of our terrible conflict without the reincorporation of socialists and social democrats in the normal political process," says President Jose Napoleon Duarte.

"These people are being used by the leftist terrorists. The moment will come when they see that this is not the way to bring change to our country."

Most leftist politicians here have abandoned conventional opposition and joined the insurgent Democratic Revolutionary Front (FDR). President Duarte said in an interview that he would encourage them to participate in elections scheduled for next year, but warned that he could not guarantee their safety. "In a climate like this," he said, "nobody can protect anybody."

Duarte, dressed casually and appearing at ease after two months in office, told an interviewer that the central problem of this strifetorn country is that "for 50 years authority has been imposed by killing. The extreme right still has people, both in the army and outside it, who believe killing is the way to establish order. They pinpoint anyone who does not believe what they believe as a Communist.

"On the other side, the left is training children to hate, to kill, to destroy. It is very difficult to make these young boys realize that they are doing wrong."

Duarte acknowledged that "we have not yet achieved social justice in our country. We are aiming at this goal, but it is a long and difficult process."

Although the Salvadoran military has repulsed several major attacks by the large, powerful rebel army in recent weeks, Duarte was reluctant to claim victory.

"This is not the end," he concede in his well-guarded office, gesturing often with his gnarled fingers, which were infected after his fingernails were pulled off by army torturers in 1972. "We cannot call this a victory.

"The revolutionaries have their machinery established. Their leaders are trained. They have support from abroad. They have thousands of active supporters."

Asked how long it would take his government to subdue the rebels, Duarte would only remind his questioner that "in Venezuela it took more than 15 years. In Colombia it took more than 30 years. In Argentina it took more than 12 years."

As he has done repeatedly in the past, Duarte characterized his government as a moderate regime caught between two violent extremes.

"The radical left seeks to implant drastic social and economic changes under a totalitarian system," said the 55-year-old Notre Dame graduate. "The extreme right is also totalitarian, and hopes to prevent all change through massive repression. We Christian Democrats seek to avoid both these solutions," and instead take the "difficult" middle ground.

That claim is bitterly disputed by revolutionaries here, who accuse the government of acting in concert with rightist forces to prevent change in El Salvador's feudal society.

"There is definitely no center in El Salvador today," asserted a university professor who backs the rebel front. "There are only two sides: the people and the government. But that does not mean both sides are necessarily extreme.

"Anyone who opposes the government here is automatically considered an extreme leftist. Anyone who acts on humanitarian priciples and denounces the brutality of the army is condemned as a subversive."

Spokesmen for the opposition are almost impossible to find here, since anyone who criticizes the regime is in immediate danger. But after several days of searching, a reporter was able to talk with an American-educated intellectual who vigorously—though not publicly—spoke out against the Duarte government.

"Part of what is happening here is to pretend that nothing is happening," he said. "Duarte and his friends are increasing their propaganda, claiming that the economy is getting better, that they are pacifying the country, that they are willing to negotiate with the left.

"But their actions directly contradict their public statements. They have declared a state of siege, revoking all constitutional guarantees. They have passed laws prohibiting labor organization.

"They send soldiers to check who is staying away from work when strikes are called, and those people disappear soon afterwards. They have abolished most legal processes and given the military the right to make and enforce any laws they like. They forbid any unofficial news to be published or broadcast.

"Worst of all, they are actively massacring our people. Killing 10,000 Salvadorans, as our army has done during the last two years, is equivalent to killing 650,000 Americans." I ask you, how would the people of the United States respond if their army killed 650,000 of their own people?

The spokesman, who asked not to be identified, agreed that a rebel victory in El Salvador would mean sweeping changes in the political and economic structure of this long-suffering country. "The economic situation of El Salvador is such that the free market economy, as defined by the Department of State [U.S.] and powerful groups here, is not a viable alternative. And in a country where every election for 50 years has been fraudulent, republican democracy is also not viable.

"How can we accept an economic system imposed by those who have shamelessly exploited our country for generations?" he asked. "How can we believe elections will be fair if those who make that promise are precisely those who have stolen every election in our history?

"The American view is that a revolutionary government is unacceptable because it will lean to the left. You must understand, to us Salvadorans, this is not a strong argument."

The young activist had harsh words for the American role here.

"Without the backing of the United States, this regime would quickly fall," he asserted, voicing a widely held view. "This alone is a powerful argument against the regime's claim that it has popular support.

"I ask you this?" he concluded rhetorically, "if the left has no popular support, as the Americans say, then how is it possible that between May and December of last year, 6000 people related to the left have disappeared? How was it possible for the left to launch a national military offensive?

"Why does the government surpress all independent news sources if it is not afraid of the truth? Why does it need exceptional measures like a national curfew and military courts to maintain itself?

"If the government was truly in control of the country," he said, "some steps would be taken to loosen these measures. The fact that this has not been done and will not be done is proof that Duarte and the Christian

Democrats themselves do not believe what they are saying."

[From the Dallas Times Herald, Mar. 27, 1981]

SALVADOR ISSUE IN DALLAS

(By Bronson Havard)

The sudden thrust of American foreign policy to make San Salvador the test of the United States' global stand against communism stirs sensitivities in this country that President Reagan and Secretary of State Alexander Haig failed to anticipate.

Perhaps they thought there would be a wave of protest from liberal and youthful Americans fearing another Vietnam, but they surely did not realize that many Americans of all ages and across the political spectrum are sympathetic with the struggle of most Salvadorans for democracy and social justice.

No better evidence of this miscalculation of foreign policy moves by the new administration is available than a development this week in Dallas—the part of Texas and the nation that gave Mr. Reagan some of the strongest political support in his election campaign for the presidency.

Among the strong pro-Reagan electorate were Catholics. Many of them saw in Reagan's conservative political and social stands some reflection of their own religious philosophical view of life.

But this week the Bishop of Dallas, Thomas Tschoepe issued a proclamation to Catholics of Dallas and the large Northeast Texas area under his apostolic jurisdiction, that tends to firmly support the United States and Latin American Catholic Church's outspoken opposition to any U.S. government policy that shores up an oppressive right-wing government in San Salvador.

Bishop Tschoepe declared March 24 through Dec. 2 the "Year of the Latin American Martyrs."

He wrote, "Dear people of the diocese of Dallas: The missionaries to the poor and oppressed people of Latin America have called upon the Church in the United States to support them in their efforts to bring the gospel to all people."

He went on to point our that March 24 is the first anniversary of the assassination of Archbishop Oscar Romero of El Salvador, who was gunned down while celebrating the Holy Mass.

Romero was the leading figure crusading against the military dictatorship that enslaved Salvadorans for most of their country's history. It is widely believed he was killed by right-wing extremists trying to maintain the social order.

Dallas Bishop Tschoepe also pointed out Dec. 2 is the anniversary of the murder of American missionary women Ida Ford, Dorothy Kazen, Maura Clarke and Jean Donovan.

Their deaths, an increasing accumulation of evidence shows, were at the hands of the Salvadoran governments National Guard.

"We have heard about their deaths, but we know too little about the nearly 100 missionaries who have been killed in Latin America during the past decade," said Bishop Tschoepe. "Their deaths are a witness that the Church is concerned with fighting oppression and injustice wherever it may be found."

The Dallas bishop's proclamation could not he interpreted as a pure political statement because he makes no mention of U.S. foreign policy that is giving increased military aid to the Salvadoran government junta. It does, however, signal that the U.S. foreign policy could once again divide the people of this nation and allies in the world as the American policy in Vietnam did only a short time ago.

A serious error has been made in the Reagan administration, one that has led the relatively conservative Bishop of Dallas to ally himself and his people with what the Catholic Church of San Salvador and some other Latin American countries feel is the real political social struggle in those lands.●

FIRST CONGRESS OF THE INTERNATIONAL PHYSICIANS FOR THE PREVENTION OF NUCLEAR WAR

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. FISH. Mr. Speaker, I again today bring to the attention of my colleagues the proceedings of the First Congress of the International Physicians for the Prevention of Nuclear War.

The preamble of the first congress is significant in its recognition of the ultimate consequences of nuclear war. The physicians state their belief that all physicians should join in the effort to eliminate nuclear weapons, and the reasons therefor.

I have also included the first congress conclusions as to what physicians can do to prevent nuclear war, and the role of physicians in the post-attack period.

Again, I urge my colleagues to heed the words of some of the most eminent physicians in the world on the need to prevent nuclear war:

PREAMBLE

Nuclear war would be the ultimate human and environmental disaster.

The immediate and long-term destruction of human life and health would be on an unprecedented scale, threatening the very survival of civilization.

The threat of its occurrence is at a dangerous level and is steadily increasing.

Even in the absence of nuclear war, invaluable and limited resources are being diverted unproductively to the nuclear arms race, leaving essential human, social, medical, and economic needs unmet.

For these reasons, physicians in all countries must work toward the prevention of nuclear war and for the elimination of all nuclear weapons.

Physicians can play a particularly effective role because they:

(a) are dedicated to the prevention of illness, care of the sick and protection of human life;

(b) have special knowledge of the problems of medical response in nuclear war;

(c) can work together with their colleagues without regard to national boundaries;

(d) are educators who have the opportunity to inform themselves, their colleagues in the health professions, and the general public.

WHAT PHYSICIANS CAN DO TO PREVENT NUCLEAR WAR

Review available information on the medical implications of nuclear weapons, nuclear war and related subjects.

Provide information by lectures, publications and other means to the medical and related professions and to the public on the subject of nuclear war.

Bring to the attention of all concerned with public policy the medical implications of nuclear weapons.

Seek the cooperation of the medical and related professions in all countries for these aims.

Develop a resource center for education on the dangers of nuclear weapons and nuclear war.

Encourage studies of the psychological obstacles created by the unprecedented destructive power of nuclear weapons which prevent realistic appraisal of their dangers.

Initiate discussion of development of an international law banning the use of nuclear weapons similar to the laws which outlaw the use of chemical and biologic weapons.

Encourage the formation in all countries of groups of physicians and committees within established medical societies to pursue the aims of education and information on the medical effects of nuclear weapons.

Establish an international organization to coordinate the activities of the various national medical groups working for the prevention of nuclear war.

THE ROLE OF PHYSICIANS IN THE POSTATTACK PERIOD

Considering the known thermal, blast and radiation effects of a one megaton thermonuclear explosion over an industrial city of about four million persons, we know that from 200,000 to nearly 500,000 immediate deaths would result, with an additional 400,000 to over 600,000 injured, depending on the nature of the attack.

Instantaneous death will occur as a result of temperatures greater than in the sun itself, and from immense blast effects. Physical structures will be converted into unrecognizable rubble and social organization will disintegrate. Many injured will die as a consequence of huge fires and intense radioactive fallout. Neither doctors nor the hospitals in which they work will be spared.

In addition to the dead, there will be the injured, some walking with clothes in shreds and skin peeling in sheets from burns, some trapped in buildings or basements. Many of these will be destined to die. Many who are rescued may not survive the crush injuries, multiple fractures or hemmorhages. Others will die in days or in weeks from burns, traumatic wounds or radiation exposure.

Many of those injured by a nuclear blast would have combinations of burns, extensive lacerations and sublethal doses of neutron and gamma radiation. Grave psychological trauma affecting both physician and patient will further aggravate the already severe problems of diagnosis and treatment. These many factors complicate the outcome of therapy and would critically affect the medical decisions on who should receive care and who could only be allowed to die with such minimal supportive measures as might be available. Burn and radiation injuries, regardless of other complications, will place the greatest strain on medical personnel and facilities. From the British experience in wartime London, it is estimated that the acute treatment of only 34,000 serious

burn cases would require 170,000 health professionals and 8,000 tons of supplies.

A city struck by a single one megaton bomb would find its electrical, water and food supplies totally disrupted. The techniques of modern medical care would be seriously compromised if not entirely halted. Much of the essential supply of blood, antibiotics and other materials would be destroyed. A target nation, however, might cope partially with the consequences of having one city struck by a single nuclear bomb. The surviving doctors and other health professionals could respond, supported by help from outside the stricken city, but with severe limitations. The response would fall much below acceptable medical standards.

In peacetime the medical care system can cope successfully with a very small number of the kind of casualties which can be expected in huge numbers from the explosion of a single nuclear bomb. Successful treatments of extensive burns, of crushing injuries, of fractures and lacerations, of perforating wounds of abdomen and thorax, and of sublethal to near-lethal doses of radiation all require the full availability of modern medical technology and the finely developed skills of medical and other support personnel. The medical capacity of any nation would be severely strained, if not for a period overwhelmed, by dealing with the victims of even a single nuclear bomb.

Nuclear war, however, is very likely to involve more than the appalling destruction from a single nuclear bomb, or even a few bombs. With more than 50,000 nuclear weapons in existing stockpiles we must face the prospect of the explosion of hundreds and perhaps thousands of bombs, many possessing hundreds of times the explosive power of those that destroyed Hiroshima and Nagasaki. As tens or hundreds of cities are simultaneously attacked death and casualties escalate geometrically. The fabric of society would disintegrate and the medical care system, deprived of the facilities developed over the years, would revert to the level of earlier centuries. The surviving walking wounded, physician and layman alike, could only provide what mutual comfort the remnants of their individual humanity would permit. The earth will be seared, the skies heavy with lethal concentrations of radioactive particles, and no response to medical needs can be expected from medicine.●

RECOGNIZING THE IMPORTANCE OF FOREIGN LANGUAGE TRAINING

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. FASCELL. Mr. Speaker, all of us who have traveled outside this country and who have dealt with foreign government officials have been impressed by the facility with which so many non-Americans speak our language. It brings home to me the need to encourage foreign language training for students across the United States so that we may work more easily with other countries and establish sound trade relationships. Our colleague PAUL SIMON, a veteran of the campaign to promote language training, has authored an excellent book on this subject, "The Tongue-Tied American: Confronting the Foreign Language Crisis." His findings were reviewed by Flora Lewis in her article, "The Language Gap," published in the New York Times on February 15, 1981. It merits our attention and I am happy to share it with our colleagues:

THE LANGUAGE GAP

(By Flora Lewis)

Talk about restoring U.S. influence in the world has focused on weapons, intelligence, hard political and economic bargaining. But it has overlooked one vital tool in understanding and swaying other countries. Effective use of these other resources requires a knowledge of foreign languages, which we have been losing for over a generation.

United States Representative Paul Simon of Illinois surveyed the situation and found it so bad that he has written a book about it called "The Tongue-Tied American: Confronting the Foreign Language Crisis."

By 1976, he says, (and the trend has probably since been continuing downward) fewer than 4 percent of students in U.S. public schools studied more than two years of a foreign language and fewer than 18 percent left high school with any foreign language study at all.

Even in specialized fields such as diplomacy and trade, our ability to deal with foreigners in their own tongues lags enormously behind the mushrooming growth of countries that are insisting on communicating in their own language. The globe may be getting smaller in terms of the time it takes to get around it, but its babel keeps expanding.

Mr. Simon, calling for an energetic Federal aid program that probably is not at all the best way to reverse the trend, points out the national handicaps of having so few Americans able to deal with people who don't learn English.

The shortage of Persian speakers in the U.S. Embassy in Teheran surely contributed to our lack of insight as the Iranian revolution gathered steam. Our shortage of Japanese-speaking representatives surely inhibits U.S. exports.

These are urgent practical arguments, but they only address the surface problem, because language is not just a way of doing business. It unlocks the compartments of the world.

For a long time, we had an advantage in our ability to see over the walls of national cultures and have a sense of what was going on. As a nation of immigrants, we knew many tongues and many traditions. But the pressure of the melting pot, the urge to create and join a national identity, smelted out these skills. Second- and third-generation Americans rejected the voices of "the old country," and even when ethnic sentiment arose again in the 1960's and 70's, there was not an accompanying revival of interest in other languages.

Sadly, by the time we really came to need the knowledge, it was largely gone. Now it will take conscious effort and a renewed sense of mental adventure to equip America for the global role we want to play. But the effort is well worth while in every sense, including moral and cultural enrichment.

Language is the way people think as well as the way they talk, the summation of a point of view. Its use reveals unwitting attitudes. People who use more than one language frequently find themselves having somewhat different patterns of thought and reaction as they shift. Some phrases cannot really be translated, but grasping for an equivalent gives another perception of the world, which enlarges total vision. This is the great value of learning foreign languages; it goes far beyond the convenience of communication.

Children can learn any language with equal facility and it doesn't seem to confuse them to learn more than one at a time. Later, the main block is in learning a first foreign language; after that each subsequent one comes more easily. The highest hurdle, I think, is the subconscious difficulty of accepting that there is more than one correct way to say anything, after having been carefully taught that there is a right way and that the rest are wrong.

When the validity of difference is acknowledged with everyday words, it is much easier to see why different people—and all the more, people of different cultures—can have varying ideas and priorities. It's like taking off blinders and acquiring side-vision even though you can never look through someone else's eyes.

The gain matters more than ever in a world where people are pressing closer and more abrasively against each other, and language has become the embodiment of identity and aspiration for so many. Even worldly, modern countries such as Belgium and Canada are tearing themselves apart on the language issue because it represents not only access to public power but a sense of community rights and values.

Ironically, in today's strife over the misnamed issue of bilingualism, we are stressing the problem of getting all children to learn one language. Foreign-born children living here should be learning English, of course, and that as quickly as possible. But it is a pity for children born in this country to be consigned to the poverty of a single-language education. The need of all is for more, not less.

A fool in 17 languages is no less foolish than in one. But understanding other people's speech can open a window to their minds and feelings, and it helps open our own. The fact that many people around the world are attracted to American cultural expressions—in song, in food, in clothes—doesn't necessarily help us to get along with them. For Americans to find out how others tick and how best to deal with them, more of us need to learn their languages.●

FACTS ON WELFARE REFORM

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. PARRIS. Mr. Speaker, there has been much discussion in this Chamber on the so-called cruelty of the President's economic program and its effects on the poor people of our country.

Some of those who attack the attempts by the Reagan administration to properly address the issue of welfare reform often cite a study by the Department of Health and Human Services, which projects a reduction of 658,000 clients from the current wel-

fare rolls as evidence of the uncaring attitude of the President's program.

I do not believe that a reduction in the total number of people receiving welfare represents anything but a return to a commonsense approach of providing benefits to those who truly need assistance.

Recently, Mr. Ken Scott, vice president and general manager of WRC Radio, delivered an excellent editorial on the subject of welfare reform. I believe many of my colleagues would find Mr. Scott's statement enlightening and am therefore inserting it in the RECORD at this time.

The statement follows:

If David Stockman and his people have done their job properly . . . they probably are. We hope so. Not because we want to be cast as administration supporters "no matter what" . . . but because as we've said for years, many of the programs of the last two decades are nothing more than well meaning disasters. Disasters that have doubled and tripled the cost of Government at an alarming rate, while achieving little or no success. Disasters that have become self perpetuating sacred cows threatening our very existence.

President Reagan points out that he is accustomed to all these attacks, noting that when a similar move on welfare reform took place in California when he was Governor, fully 350,000 people simply disappeared from the welfare rolls. And there was no indication that any were victims of destitution. There was a similar occurrence some years ago in a suburb of New York City.

Mr. Reagan's Deputy Press Secretary, Karna Small, allows the White House is hopeful some of those 658,000 families mentioned in the Health and Human Services projection will also disappear. We think they probably will.

Frankly, we wish all the doomsayers would disappear, too. Welfare reform doesn't mean attacking the poor. It means getting rid of the bad apples and redefining the terms "poor" and "poverty levels." When we look back over the past twenty years it's like a recurring nightmare. We remember writing alarmed editorials because "the great society" kept doubling the number of poor people in the United States by simply redefining what poor meant. Young married college students from upper middle class families suddenly were classified as below poverty levels because they constituted a household but had no official income. So did wealthy retired widows, widowers and couples. The examples are legion. And the abuse of such definitions along with the outrageous mismanagement and downright dishonesty that was perpetrated by some of those administering the programs combined to bring this country to the edge of bankruptcy. Does anyone really believe that currently a third of all U.S. households should be receiving welfare in some form or another? Not hardly, but they do!

Before good intentions became zealous, grandiose schemes fueled by the questionable aspirations and motives of bureaucrats, a large percentage of those now receiving such welfare would simply have accepted the concept that made America grow. They would have worked to improve their lot and would have done without some of the nonnecessities of life that now seem to be necessities. Things like beer, wine, alcohol, automobiles and color TV sets.

In a nutshell, the drive that Mr. Reagan is making for a new direction in America is a drive to change an insidious attitude that has been sold to the American people. An attitude that this country guarantees everybody a piece of the pie. It doesn't and it never has. It is great because it guarantees everybody an equal chance at as big a piece of pie as a person can honestly earn.

So Government isn't here to provide the pie. It's here to enforce that word "honesty" . . . to guarantee those equal rights . . . and, certainly, to care for the truly needy.●

EL SALVADOR: THE NEED FOR RESTRAINT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. GARCIA. Mr. Speaker, the crisis in El Salvador concerns us all. As a cosponsor of H.R. 1509, the Studds resolution, I am opposed to military aid to El Salvador. U.S. support must deal with the realities of the tenuous situation that exists in that country. We cannot justify the pumping of military hardware and advisers into a politically and economically unstable nation. We must be more responsible with our actions. Therefore, Mr. Speaker, for the benefit of our colleagues, I insert in the RECORD a copy of an article from the New York Times:

SPREADING BRUSHFIRE TO THE SOUTH

(By Flora Lewis)

The policies now being adopted by President Reagan on El Salvador were essentially already decided by the Carter Administration before last year's elections. And they were already being challenged by insiders on the grounds that they would boomerang against the U.S.

This emerges clearly from a "dissent paper" drawn up by people from the National Security Council, the State and Defense Departments and the C.I.A., dated Nov. 6, 1980. The paper has been circulated inside the Government in the manner prescribed when a policy has been established, but serious doubts remain among an important group of knowledgeable officials about the wisdom and effectiveness of the decisions.

They make some serious charges, including one that an energetic but mainly covert U.S. intervention took place last year "to prevent the crisis in El Salvador from climaxing prior to the elections." Events have developed further since then, but the arguments and insights remain valid. Most important is the charge that vital intelligence contradicting the dominant view, which urges intervention, has been suppressed "within various bureaucracies," not just one.

Already last year, the paper said, the U.S. was training Salvadorans at its bases in Panama in the largest training program it has ever sponsored for any Latin American country in a single year. Argentina had become the second-largest trainer of Salvadoran officers. Chile and Uruguay, where the U.S. ran a highly controversial and nasty counterinsurgency program in the 1960's, were also providing advisers on intelligence, logistics and urban and rural counterinsurgency.

The President of Panama objected publicly to the scope of the program on his territory. Nobody paid attention. Other governments in the region have expressed sharp concern about U.S. action. However, the paper says, right-wing Guatemalan military officers have been talking about their own intervention in Salvador, while opposition guerrillas in both countries have increased cooperation and gained ground.

U.S. intelligence knows about a paramilitary strike force in Guatemala, the report goes on, made up of former members of Somoza's Nicaraguan National Guard, anti-Castro Cubans, Guatemalan military personnel and mercenaries.

Rather waspishly, the dissenting officials note that they haven't substantiated charges that the C.I.A. is promoting this force. But they say its movements and connections with Miami "could not be maintained without the tacit consent—or practical incompetence—of several U.S. Government agencies including the C.I.A., F.B.I., and the Immigration and Customs Services."

Guatemala, it should be remembered, was one of those rather spectacular "wins" in what are now considered the golden days of U.S. strength and dominion. A pro-Communist Government was ousted in 1954 by a C.I.A.-sponsored attack that cost a total of two lives.

But ever since, defeat has been nibbling away at the supposed victory because nothing was done to respond to social grievances. Twenty-seven years and a great many deaths later, Guatemala is again a fragile, dangerous country with mounting insurgency. Even when winning seemed easy, it wasn't enough to settle the underlying issue.

The report also cites intelligence that a hard-line majority in the Honduran military establishment, with which the U.S. Defense Department works closely, encourages Nicaraguan exiles to operate against their own country from Honduran territory and "believes it could win a military confrontation with Nicaragua." The same Honduran officers are demanding a U.S. promise to help Honduras in the event of war with Nicaragua.

The dry, unemotional paper goes on and on, showing how many pitfalls have been overlooked in the U.S. reaction to Salvador's awesomely bloody civil war, the links and implications for the region as a whole, and the grave danger that the policy Reagan is how pressing forward will produce the opposite of desired results.

Nothing is more likely to weaken the U.S. and draw in far more substantial Cuban and Soviet involvement than American military intervention, the report concludes. Instead, it recommends negotiations, if possible without the U.S. and a clear reversal of signals to right-wing extremists throughout the region.

Its recommendations foreshadowed last weekend's proposal by Latin American Socialist parties to mediate, and West Germany's offer to help.

The key point, argued with solid facts and cool analysis, is that U.S. involvement in Salvador's war will almost surely spread the fighting to other countries and bring more, not less, intervention from Communist regimes. Negotiation will be even harder now

than last year, and it is much more necessary.

The Reagan Administration would do well to listen to the paper's authors before the chance for talks is lost, and then make sure Salvador's ruling junta knows that the U.S. seeks a political and not a military settlement.●

CRUCIAL ECONOMIC CHOICES

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. OBEY. Mr. Speaker, Felix Rohatyn, a well-known economic analyst, has written a very interesting essay on the revitalization of our economy which I bring to the attention of Members.

[From the New York Review, Mar. 5, 1981]

RECONSTRUCTING AMERICA

(By Felix Rohatyn)

One of the gravest events in our history is the inner emigration taking place in the United States. During the last decade, Chicago lost 12 percent of its population, Baltimore 14 percent, Cleveland 24 percent, and St. Louis 28 percent. The proportion of taxpayers moving out was undoubtedly greater. During this period, Houston gained 24 percent, San Diego 25 percent, Phoenix 33 percent. A recent study by the Industrial Conference Board measured regional standards of living by examining cost-of-living and household income in eighteen metropolitan areas. By those measurements, residents of northeastern metropolitan areas had living standards 25 to 33 percent below those of their southern and western counterparts.

During the same period, some of the most important America industries have been failing badly. In 1979, US Steel lost almost one-half billion dollars. In 1980, the Ford Motor Company, Chrysler, and General Motors each have lost between $1.5 and $2 billion, International Harvester almost $500 million, and Firestone $100 million.

It is no coincidence that the cities under the greatest strain are tied to the industries in the most severe difficulty, particularly in the region extending today from Baltimore to St. Louis. Existing trends are likely to exacerbate rather than attenuate this situation with the result that another decade like the last one will divide the country into "have" and "have-not" regions with unpredictable but probably highly unpleasant consequences. As taxpayers leave older urban centers, the remaining tax base collapses inward, requiring higher taxes for a population that is unable to pay them and fewer services to people in increasing need of them. In these trends are the makings of social strife.

At the same time, our traditionally powerful industries, the industrial locomotives that drove this country for the last century, are in the throes of a similar self-eviscerating cycle. Harshly affected by foreign competition, unable to raise vast amounts of capital needed to modernize, they live from hand to mouth, not investing in the future in order to survive today. They are also affected by a deep structural shift not only in regional prosperity but, as Emma Rothschild recently pointed out in these pages,[1] in the basic nature of American work as well—the shift away from productive industry and toward consumer and retail services, notably "eating and drinking places" (including fast-food restaurants), and health and business services. As Ms. Rothschild wrote, these three industries together accounted for more than 40 percent of the new private jobs created between 1973 and the summer of 1980. In that period their employment increased almost three times as fast as total private employment, and sixteen times as fast as employment in the goods-producing or industrial sector of the economy.

. . . The increase in employment in eating and drinking places since 1973 is greater than total employment in the automobile and steel industries combined. Total employment in the three industries is greater than total employment in an entire range of basic productive industries: construction, all machinery, all electric and electronic equipment, motor vehicles, aircraft, ship building, all chemicals and products, and all scientific and other instruments.

Allocating blame for all these trends is easy—there is enough for everyone. Government regulation has been costly and ill-advised, and so have government policies, particularly with respect to energy, including the cowardly avoidance of taxing gasoline at much higher rates. Weak managements and shortsighted unions have collaborated in the creation of inefficient organizations whose costs are high and productivity low. Research and development, on which industrial productivity heavily depends, have been inadequate in the US both in quality and quantity. We have produced an educational system that ignores the crafts and a culture that idealizes rock stars.

The fact that practically everyone is to blame does not mean, however, that we should throw up our hands. It means rather that sacrifice can and should be shared by many to reverse the trend. The United States, today, in its basic productive industries, needs a second Industrial Revolution. The currently fashionable notion of backing the winners instead of the losers is as facile as it is shallow. The losers today are automotive, steel, glass, rubber, and other basic industries. That this nation can continue to function while writing off such industries to foreign competition strikes me as nonsense. Nor does it seem to me workable in the long run for a larger and larger proportion of our population to be diverted to such jobs as serving food and processing business paper while the industries that manufacture products for sale at home and abroad fall into a state of decline.

We cannot become a nation of short-order cooks and saleswomen, Xerox machine operators and messenger boys. These jobs are a weak basis for the economy; with their short hours and low pay, they are easily eliminated in prolonged downturns of the economy. To let other countries make things while we concentrate on services is debilitating both in its substance and in its symbolism. The argument that we are substituting brains for brawn is specious; brains without sinews are not good enough.

When our basic industries fail, moreover, the shareholders and the workers who are laid off are not the only ones to suffer. Nothing is more inflationary than unemployment when it is coupled with trade adjustment payments, on top of benefits, on top of welfare. What we have to do is to turn the losers into winners, restructure our basic industries to make them competitive, and use whatever US government resources are necessary to do the job.

This country's goal must be twofold; First, to have a functioning economy, with stable growth and emphasis on the creation of private sector jobs; and second, to have all elements of our society, and all regions of the country, participate in that growth as fully as possible.

It is not only foreign competition that challenges our basic industries. We depend on highly unstable countries not only for our basic energy supply but also for the strength or weakness of the dollar. And the regional shifts in national wealth I have mentioned will partly as a result of oil and gas price decontrol threaten our social or economic stability as a nation, if allowed to continue unchecked.

From 1980 to 1990, decontrol of oil and gas prices will generate about $120 billion of revenues to the energy-producing regions of this country. This is a tax which will be paid by the consuming regions of the Northeast and the Midwest in the form of royalties and serverance taxes. At the same time, a program of heavy tax cuts intended to shore up the "supply side" of the economy is bound to accelerate the trend of manufacturing business away from the northern part of the country. The federal budget cutbacks that will have a heavy impact in the Northeast and the Midwest will be more than made up in the Sun Belt by increases in revenues resulting from energy pricing as well as sharp increases in defense spending.

We will then be faced with a situation in which one city after another in the north of the country will be less and less able to support a larger and larger proportion of its population in need of public assistance. The industries which formerly provided employment and support will continue to decline. Many of those taxpayers who are able to leave will migrate to the Sun Belt, leaving behind a growing mass of unemployed or unemployable people unable to move or afraid to try. Not even a country as large as ours can maintain its democratic institutions half rich and half poor, especially when the economic trends will make it very apparent that for the "have nots" things will get worse and not better.

There has been much talk recently about "re-industrialization" and "industrial policy." The former ("lemon socialism" to its detractors) is described as the government bailing out the large and inefficient. The latter is a policy by which the government would deliberately "pick the winners" and provide for their accelerated development. Except for additional tax benefits for research and development, however, attempts by government to "pick the winners" are for the most part futile. No government agency is capable of doing so, and in fact, the winners do very nicely without being selected for special government help. Such efficient users of new technology as IBM, Hewlett-Packard, Tektronix, Intel have been spectacular successes in the 1950s, 1960s, and 1970s. There is no need for the government to try to identify their counterparts for the 1980s and 1990s; they will emerge by themselves.

It is also counterproductive for government to bail out large, inefficient, or noncompetitive organizations if the only result is to have them limp along, neither dead nor alive, a menace to their healthier competitors and to themselves. A case in point is the so-called rescue of Chrysler, which is nevertheless doomed to failure, at a heavy

[1] The New York Review, Feb. 5, 1981.

cost to the taxpayer, because the remedy was inappropriate to the disease.

What is needed, first, is an industrial policy committed to restructuring basic U.S. industries, to enable them to take their place as healthy competitors in the world markets; and, second, a regional policy whose aim will be to maintain the U.S. as a country in which all geographical areas (and thereby all classes and races) share the burdens as well as the benefits this country has to offer.

The United States must be considered not only as a country but as a continent, and if we are to find remedies we must look at half of that continent as a new hybrid: a highly industrialized but nevertheless underdeveloped country that risks becoming poorer, unproductive, ridden with slums. Italy with its Mezzogiorno, France with it southern provinces have attempted to develop the rural areas that lie outside their industrial heartland. We, on the other hand, must maintain both our own crumbling industrial heartland, possibly on a smaller scale, and the urban centers tied to it. It is in the national interest to do so and therefore it is also in the interest of the faster growing regions.

We need a viable steel industry for our security, not only in the narrow sense that steel is indispensable for weapons but in the larger sense that the US would be fundamentally weakened if it depended on foreign countries for so crucial a resource. We need a viable auto industry because one out of every eight jobs in this country still depends on it. We need to revive our basic productive industries generally because we need an economy with an effective balance of both manufacturing and services. Our world-wide competitive position requires this from the point of view of both domestic employment and of the balance of payments. We must reduce our requirements for imports and increase as much as we can our industrial self-sufficiency and our ability to export in a decade that will see greater and greater trends to protectionism as one country after another attempts to solve the payments problems posed by oil imports.

Greater industrial productivity coupled with exports of grain and coal should be the basis for our strategy to offset payments for oil in the 1980s. Moreover, industry has to provide greater employment opportunities for residents of the inner cities. Nothing will do more to erode the confidence of our allies, and consequently our defense positions throughout the world, than the demonstration that we have a non-functioning economy with an industrial base in disarray. We need functioning northeastern and midwestern cities because the economic and social costs of their failure will be intolerable.

To redevelop the parts of the US that are failing, a Reconstruction Finance Corporation should be created for the 1980s.

Would this simply be a renewal of the New Deal? In fact the original RFC was created by Herbert Hoover in 1918, and under Franklin Roosevelt it was run by the Texas businessman Jesse Jones. The RFC of the 1930s saved numerous banks, some cities, and many businesses, and prevented much larger dislocations from taking place. It financed synthetic rubber development during World War II and new aluminum capacity during the Korean War. It made money for the taxpayer.

The RFC, of course, will be said to interfere with the free market system. But at present the price of our energy is not freely set; nor is the price of our food, or the price at which we borrow money. Free markets are clearly desirable, but we do not in fact live in a free market economy and never will; we live in a mixed economy in which prices and capital are and will be, subject to government influence.

The RFC should provide the kind of capital our older industries sorely lack: equity capital. In exchange for providing capital to industries that have a sound case for it, and the job security that would come with it, the relevant unions would be asked to make their contributions in the form of wage concessions and changes in work rules that would increase productivity. The lenders, the banks and insurance companies, could be asked to convert some loans to preferred stock and to join with the RFC in committing additional capital. Special classes of securities could be created that would each have appropriate credit ratings and would meet the standards of the "prudent man rule," which would make them eligible for purchase by union pension systems. The RFC, like any other large equity investor should have the right to insist on management changes and changes in the board of directors if it deems them appropriate. It should not become a permanent investor, but should act as a revolving fund which can be used to help a given company (or industry) when necessary, and whose holdings can, and should, be sold in the marketplace when it has done its job.

At present, problems like those of Chrysler and New York City can only be dealt with by emergency maneuvers that must take place in front of congressional committees. In the case of New York City, the Municipal Assistance Corporation was able to play a role similar to the one the RFC could play. After its creations as an independent agency by the state legislature, MAC was able to extract concessions from banks and unions, from the city and the state. It was then able to put together a financing package, including federal credit assistance and to impose fundamental reforms which permitted the city to achieve a truly balanced budget in 1980, five years after near bankruptcy.

The case of Chrysler is an example of how not to proceed. Providing government-guaranteed loans at close to 20 percent interest to a company which has too much debt and no net worth can buy some time, but nothing else. Companies like Chrysler in recent years, and possibly larger ones in the period just ahead, need permanent equity capital in the form of new common stock. Only very large injections of such capital can help make a company's survival credible and impel other participants to make the major efforts and sacrifices that have to be made if they are to be put back in shape. Only an RFC that is publicly accountable but is run outside of politics, like MAC in New York State, could provide such capital as well as negotiate the often stringent concessions that have to come with it. That is beyond the capacity of a congressional committee.

Only now, after over a year of wrestling with the problem, is the Chrysler Loan Guarantee Board beginning to take some of the difficult steps needed to give Chrysler a chance to survive. The board is asking for a total wage freeze (including a freeze on cost-of-living allowances) from the UAW. It is also asking the banks to convert half their loans to preferred stock, and to forgive 70 percent of the balance completely; it is pushing the management to seek a foreign merger or a joint venture partner. The tragedy of this is that it is probably too late and too little. Had these actions been demanded two years ago by an RFC which could simultaneously have promised additional equity capital, it might have had a chance of success. As it was, the congressional committees demanded little and gave a lot. The Loan Guarantee Board, in the middle of a presidential campaign, looked the other way. Now reality is sinking in, but the opportunity has probably been lost. Without substantial fresh capital and a merger partner, Chrysler's chances of survival are minimal. An RFC might have created those possibilities two years ago; it is now probably too late.

Chrysler is hardly an isolated case. A good many large industrial companies, airlines, savings and loan associations, and possibly banks could be in serious difficulites if we cannot break out of our current economic miasma of high interest rates, high inflation, and low growth and productivity. Some have great hopes for the new administration's economic program, but there is no guarantee of quick success. Instead of improvising expensive half-measures in the heat of crisis and politics, we should have a safety net to deal with an economic emergency affecting a number of large organizations at the same time.

In each case where a firm sought financing, the RFC staff would have to analyze its chances to survive on a realistic basis, surveying not only conditions in a particular industry but the kind of competition it faced from abroad. The RFC might find that some large firms were beyond help. It might have to insist, as a condition for capital, that the weaker parts of some industries be phased out, that labor contracts be modified, that ways be found to increase productivity. Some firms and unions may find such conditions bitter medicine to take. But it does not seem too much to suggest that, in our current bloated and inefficient economy, the austerities and productivity measures recommended by an RFC could provide a demonstration to other industries of the kinds of reforms that might work for them as well.

An RFC could, at the same time, play a major part in a regional policy. In the Northeast and the Midwest, city after city faces budgetary problems and crumbling infrastructure. The Boston transit system was recently shut down for lack of funds; the New York MTA operates a subway system so old that it poses physical dangers, and it will need $15 billion over ten years to provide adequate service. Bridges and sewers, sanitation and mass transit, schools and firehouses have been allowed to deteriorate. The RFC could provide low-interest, long-term loans to enable municipalities to maintain their physical plants. By improving the quality of city life such investments could help to retain taxpayers while providing jobs to help the existing tax base. As in the case of industrial investments, the RFC could ask for participation by other parties; the various states could be asked to create organizations like MAC to provide local budgetary oversight: the local unions and banks could do their share. As with industry, reform and restructuring would in many cases, have to be the quid pro quo for receiving capital on favorable terms.

How, one might ask, would such an RFC be set up, capitalized, and financed? Congress would have to create a new independent entity with powers to make investments in industries and localities where the RFC deems this in the public interest. Its board

of directors could include experienced people from business, finance, and labor. An RFC could plausibly begin with capital of $5 billion and authority to issue five times its capital, or $25 billion in bonds guaranteed by the US government. Its charter should provide that it could not supply more than 50 percent of the financing for any project, the balance to come from the private sector. It could then generate total investment of up to $60 billion. The RFC need not stay in existence more than seven to ten years, after which it could be liquidated with its assets taken over by the Treasury. Its capital should be subscribed by the Treasury, not necessarily all at once.

The RFC's federally guaranteed bonds could be sold on the open market but a quite different arrangement seems to me preferable: that they be sold to certain of the OPEC countries with large dollar surpluses, such as Saudi Arabia, Kuwait, the United Arab Emirates. It is time to realize that OPEC is more than an insecure energy source; it is also a more and more important source of capital. At current prices, over the next five years, we will pay to OPEC approximately $500 billion for petroleum, about half the present value of all companies listed on the New York Stock Exchange. Possibly a third of that amount, or $150 billion, is likely to be in excess of OPEC's own investment requirements and will consist of short-term dollar balances, most of them belonging to the Saudis, Kuwait, and the Emirates, and subject to the whims and winds of Middle Eastern politics.

We must borrow back, on a long-term basis, as much of these funds as possible in order to strengthen the dollar and relieve the pressure on our credit markets. What can we offer in exchange? To the "moderate" oil producers like the Saudis, military protection, continued attempts to find a rational Israeli-Jordanian solution to the West Bank problem, greater efforts at US conservation and domestic production to lengthen the life of their reserve. The RFC, with its federal guarantees, would be a wholly appropriate vehicle for investment of these OPEC surpluses, and its use of them would constitute true recycling in contrast to the present conversion of deposits into short-term paper.

Another possible source of financing would be the surplus funds to be generated by our own oil-producing regions. In Canada, the oil-producing regions have created the Heritage Fund in order to invest several billions of excess dollars in Canadian industry and other Canadian provinces. A similar arrangement could be set up here to assist the RFC in its regional policy investments. Why not have Alaska invest some of its excess oil funds in an East Coast harbor to export coal mined in West Virginia, Ohio, and Pennslyvania?

An RFC, by itself, could not make an industrial or a regional policy. Tax benefits, changes in federal formulas for welfare and medicaid, different allocation of defense and synfuel contracts, a coal-based energy plan based on the Northwest and Midwest, temporary measures to protect at least some American industries from foreign competition while they reorganize themselves more efficiently—all these will be required. Temporary protection, however, should always be coupled with needed domestic reform. If the automotive industry is granted a three-year period of restriction of foreign imports, this should be conditional on a three-year commitment to wage restraint on the part of the unions and price restraint on the part of the manufacturers. Similar bargains could be required from the steel industry and its unions, as well as from other industries. The RFC should be the central mechanism, the catalyst.

Of course, none of this is likely to happen tomorrow. The current economic theology—the 1980 version of "laissez faire"—is neither Republican nor Democratic. President Carter's Commission for a National Agenda for the 1980s, a prestigious bipartisan academic group led by William McGill, has just recommended that the government encourage the current population shift to the Sun Belt even though doing so will impose "traumatic consequences" for the major urban centers of the North. The commission argues that we must accept the decline of northeastern and midwestern cities as an inevitable effect of the workings of the market.

This view will not stand up to scrutiny. No doubt there are fundamental difficulties in attempting to halt the shrinkage of metropolitan areas, but it is also true that government policies have heavily contributed to the exodus. We might remind the commission that there were fundamental difficulties in going to the moon, in winning World War II, in eliminating slavery. The commission's recommendations epitomize the kind of advice that returned Mr. Carter to Georgia; for it was the perception of him as a president who could not cope with events that defeated him, just as it defeated Herbert Hoover fifty years ago. This country did not become powerful by a mere acceptance of the status quo.

People like the commissioners who throw up their hands at current trends and say "so be it" must be asked to confront the consequences of doing so. In a world where capital will be in shorter supply than energy, is it really a valid use of resources to have to build anew in the Sun Belt the existing schoolhouses, firehouses, transit systems, etc., of the North for the benefit of the new immigrants in the South, instead of maintaining and improving what we already have in place here? Is it rational to think that northern cities teeming with the unemployed and unemployable will not be permanent wards of the federal government at vast financial and social cost? Shouldn't a commission reporting on our so-called urban problems face up directly to the fact that the future of the cities cannot be discussed separately from the acute difficulties facing the black and Hispanic minorities? Doesn't the notion of "taking the people to the jobs" completely ignore that many of those people, in large parts of this country, are unable and unwilling to move? Is it rational, in the name of the mythical free market, to let our basic industries go down one after the other, in favor of an equally mythical "service society" in which everyone will serve everyone else and no one will be making anything?

The United States is probably the only country in the world today whose biggest problems may also provide its biggest opportunities. Becoming self-sufficient in energy, rebuilding our basic industries and our oldest cities—there is work enough here for everyone in this country as far as the eye can see. Certainly we need tax cuts and regulatory reform and a balanced budget. But alone they will not do the job. Strong presidential leadership working with business and labor will be needed to make it happen. This may mean temporary government intervention to control wages and prices, to create an RFC, to tax gasoline at higher rates, to institute some form of national youth service if not the draft, to link inner city school systems to new private employment opportunities, to dismantle farm support programs and other engines of inflation. It does not mean the end of the market system, no more than did the New Deal. On the contrary. However, it clearly does not mean laissez faire.

In New York City, we proved something could be done. In 1975, an activist governor joined with business and labor to keep the city from bankruptcy. We could have simply let the city go, blaming previous mayors, governors, banks, unions; there was also then more than enough blame to go around. The result would have been disaster for the city and great harm to the nation. We chose not to do so. Everyone paid a price: workers with frozen wages and fewer jobs; banks, by providing more and cheaper credit; students, by paying tuition. The riding public was charged higher fares, note holders had to accept a temporary moratorium on repayment. But today the city, with an equally activist mayor, is thriving economically and has a balanced budget.

America cannot survive half rich, half poor, half suburb, half slum. If the country soon wakes up, it will not do so by way of laissez faire; nor will it do so by way of the old liberalism which has proven itself incapable of coping with our present problems. It will do so only by building a mixed economy, geared mostly to business enterprise, in which an active partnership between business, labor, and government strikes the kind of bargains—whether on an energy policy, regional policy, or industrial policy—that an advanced Western democracy requires to function, and that, in one form or another, have been made for years in Europe and Japan. This partnership will have to be as indigenous to our culture and traditions as those of Germans and Japanese have been to theirs, and it will have to be competitive. Much is at stake in making such a partnership work. Our ability to protect ourselves and our friends, and to defer our enemies, depends on maintaining a stable, solid economic industrial, and social base at home. Our national security, our industrial power the strength of our social system itself are all tied to one another and to the need for a new pattern of cooperation to emerge in the United States.●

CONCERN ABOUT FOREIGN CONTROL OF U.S. MINERAL RESOURCES

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. LUJAN. Mr. Speaker, I am concerned over the recent take over activity by foreign interests seeking control of significant U.S. mineral companies. We have no facts regarding the extent of foreign control over our vital mineral resources and no policy on which to evaluate the potential impact on our economy, national security, or other interests.

One specific concern is the current attempt by a Canadian company—the liquor distilling company Seagram—to

take over the vast mineral holdings of St. Joe Minerals, one of America's leading companies in the mining industry. Canadians enjoy the full benefits of investment opportunities in the United States, but Canada is placing stringent restrictions on U.S. investors and prohibiting U.S. citizens from owning and operating companies in Canada. In just the last 2 weeks Canada has denied three U.S. companies the right to acquire businesses in Canada. Moreover, Canada is on the verge of enacting even more restrictive investment provisions—restrictions which clearly violate the reciprocity required under U.S. law.

My concern is that Canadian investors are seeking control over vast U.S. mineral resources at a time when Canada is denying the same right to our citizens. In addition, our Government should consider the impact and effects of foreign control over our vital mineral resources. We currently have no facts on the extent of that ownership and would be unable to formulate any policy or action which may be warranted to preserve national interests.

On March 30 I conveyed my concern to Secretary of the Interior James C. Watt. I insert at this point the text of my letter to Secretary Watt:

MARCH 30, 1981.

Hon. JAMES G. WATT,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: I am deeply concerned about this Nation's mineral development policy as it relates to the ownership of U.S. mineral corporations by foreign entities. Mineral self-sufficiency is more important than ever these days and I find it difficult to understand how we will be capable of achieving that goal while foreign corporations continue to acquire major segments of our domestic industry. The recent announcement by the Seagram Company, a Canadian firm, of a $2.03 billion tender offer for the St. Joe Minerals Corporation of St. Louis, Missouri, is a case in point. St. Joe is a major domestic producer of lead, zinc, gold and coal, and it is my understanding that a major portion of its assets consist of federal mineral leases.

It is my understanding that the Secretary of Interior has the authority, under the Mineral Leasing Act of 1920, to review the question of reciprocity between the United States and other nations. I strongly suggest that you undertake such a review as soon as is reasonably possible to determine what impact acquisitions by foreign corporations are having on our domestic mineral production capacity. I note that the Seagram Company tender offer is scheduled to expire on April 10.

Your attention to this request is appreciated.

Best regards,

MANUAL LUJAN, Jr.,
Ranking Republican Member.●

ZIGZAGGING THROUGH FOREIGN POLICY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD a provocative article by Philip Geyelin which recently appeared in the Washington Post. Mr. Geyelin assesses virtually every foreign policy issue which the administration has addressed, and finds a record of vacillation and confusion. I commend Mr. Geyelin's analysis to the attention of my colleagues:

ZIGZAGGING THROUGH FOREIGN POLICY

It's been two months now since the Reagan administration was supposed to be ready to "hit the ground running" and more than four months since President Reagan was elected with a solemn vow to end the "zagzagging and vacillation" in American foreign policy.

Finally, this country's allies and adversaries would hear one, clear voice. There was to be no more of this business of sending mixed signals that had so eroded the prestige and power of the United States in the world. So what has there been?

The performance, zigzagwise, has been almost ludicrous, even granting that it is early on; key departments are still shot through with unfilled policymaking vacancies; the whole process is still a long way from having shaken down. You could make a case, on the face of it, of incompetence and incoherence, beyond remedy.

But when you examine the zigs and zags closely, you can make a stronger case of an administration, for better or worse, struggling to work its way free of antediluvian dogma and case-hardened arch-conservative doctrine—trying to come to terms with itself and the realities. Examples:

Zig: Secretary of the Navy John Lehman takes it upon himself to propound publicly the argument that there is no legal reason for the United States to honor the provisions of both the expiring SALT I and the unratified SALT II arms control agreements. He would be against doing so, even by tacit arrangement with the Soviets.

Zag: Rightly reading this as elbow-jostling from the far right at a delicate moment in the administration's review of arms control strategy, and mindful of European sensitivities, Secretary of State Haig swiftly repudiates Lehman by name. An unusually blunt State Department statement, rushed to reporters, says Lehman's remarks "were not authorized, nor did they reflect administration policy."

Zig: Secretary of Defense Caspar Weinberger announces that he is in favor of reviving the idea of equipping American missiles and artillery shells in Europe with "enhanced radiation" warheads (otherwise known as neutron bombs).

Zag: Keenly aware again of how touchy the issue is in Europe, and of where it fits into larger alliance defense planning, Haig wisely takes steps to make clear to our allies that this is by no means a final decision.

Zig: With the most elaborate orchestration, "war-torn" El Salvador is elevated to the pinnacle of East-West concern. The State Department speaks of "massive" arms flows from Cuba. Haig warns of "striking at the source." The threat, Soviet in origin, is said to be hemisphere-wide. All Europe, and all Latin America, must join in drawing the line. The U.S. military adviser force is doubled; aid is tripled. This is war.

Zag: The president allows as how there was no real thought of "striking" at Cuba. Political solutions, and the importance of economic help and an end to repression by the U.S.-backed Duarte government, are given equal importance with military measures. Almost laughably, a State Department official complains that the whole story has been overblown by the press. It was only supposed to be a "signal" that, once delivered, should now be turned off. Be good enough, the press was told, to turn your attention elsewhere.

Zig: The secretary of agriculture announces his undying opposition to the embargo imposed by Jimmy Carter on grain shipments to the Soviet Union.

Zag: After examining both the effectiveness of the embargo and the effect of lifting it in return for nothing, the administration sensibly puts that decision on hold.

In extenuation, let it quickly be said that these (and other) zigs owed much to preconceptions made plain, and promises firmly offered, in the course of the Reagan campaign. The president did say that the United States should not abide by SALT II's terms "prior to ratification." He did favor the neutron bomb, oppose the grain embargo and warn of falling "dominoes" in Central America—with Mexico and, ultimately, the United States, the last in line.

So some part of the problem has to be that the administration's top figures hit the ground still running for president, so to speak, still faithful to every jot and tittle of the Reagan line. Some part of it has also to do with the president himself. Left to his own devices (in the interview with Walter Cronkite), he betrays a sort of fierce fidelity to a lot of his much earlier thinking, without much recognition of what may be new and different about today's Cold War.

And some part of it has to do with a sort of "scorched-earth" approach by long-frustrated conservatives finally come to power and determined to erase every fingerprint of the recent past: the Law of the Sea, the Carter refusal to upgrade Saudi Arabian F15s and—above all—human rights.

There remains that part of the zigzagging that has to do with getting organized; the system, quite obviously, is not firmly in place. Meantime, there is one thing to be said for the Reagan vacillation: The second-thought zags have in every instance been an improvement over the zigs.●

TRIBUTE TO MICHAEL PERTSCHUK

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. DINGELL. Mr. Speaker, I would like to pause to pay tribute to the accomplishments of a dedicated public servant whose agency has been the subject of considerable attention by this body in the past 4 years. He is Michael Pertschuk, former Chairman of the Federal Trade Commission.

Mike Pertschuk has served for 15 years in a variety of senatorial staff

positions, including chief counsel of the Senate Commerce Committee. He was appointed Chairman of the Federal Trade Commission by President Carter in 1977, a fitting post in light of the key role he had earlier played in securing passage of legislation which strengthened the FTC's hand to deal with widespread consumer fraud. Mike Pertschuk believes firmly in the FTC as a defender of free and fair competition, and he has led his agency with great distinction and unflagging devotion to the public interest.

First and foremost among Mike Pertschuk's achievements has been his ability to identify and focus on issues of major importance that need to be confronted. The impact of advertising directed at young children, for example, is a subject that troubles millions of parents in this Nation, and Mike Pertschuk was not afraid to raise that issue and explore it in dramatic fashion. For this he paid a heavy price, in opposition by industry members unwilling even to see this matter considered by the Federal Government, but throughout it all, Mike Pertschuk persevered.

Other problems on which Mike Pertschuk has raised public consciousness and contributed substantially to the debate include the impact of private and State restrictions upon competition in medicine, law, and other professions; the impact of increasing economic concentration through conglomerate mergers on our economy, especially on the survival of small, innovative businesses; and the inability of consumers to make a meaningful comparison among the costs of various life insurance policies.

In these and other cases Mike Pertschuk spoke out strongly. And in many of these cases his forthright exploration of tough issues elicited powerful opposition from interest groups that apparently believe it best that such questions not be discussed at all. When the power of these groups was felt on Capitol Hill, Mike Pertschuk became a regular visitor to our offices and committee hearing rooms, patiently and repeatedly explaining to us the activities of his agency, firm in his defense, but always recognizing the appropriate role of congressional oversight.

Under Mike Pertschuk's leadership, the FTC has been a vigorous defender of consumer rights. Last year, in fact, for the first time in the FTC's history, the amount of money obtained by the agency in refunds to consumers who had been victimized by deceptive practices exceeded the agency's entire budget. That is certainly a record of which any administration could be proud.

There are many specific FTC achievements during Mike Pertschuk's chairmanship—in terms of improved competition and real benefits to consumers—to which he can point with pride. He led the FTC's effort to bring down spiraling health care costs by attacking illegal barriers to competition such as price fixing, doctor boycotts, and bans on price advertising for medical services and products. He also fought for the consumers' right to critical information so they could save money by shopping around for products like home insulation and the right to free repair of unreasonable product defects. Mike Pertschuk's record in addition demonstrates his deep concern for special groups of consumers who are without privilege in the marketplace; like elderly consumers, on whose behalf he supported FTC actions to force funeral directors to disclose their prices in advance and to curb abuses by hearing aid dealers.

There is another aspect to Mike Pertschuk's accomplishments, however, that has been less noticed. And that is his unstinting effort to make FTC action truly cost-effective—to strip away the unnecessary and costly parts of proposed rules, and then to implement those parts that are necessary to prevent abusive practices. Although the FTC under Mike Pertschuk has been criticized for overregulation, the reality is that under his leadership the Commission began only one-eighth as many rulemakings as during the 4 years of his Republican predecessors. the FTC under Mike Pertschuk has engaged in relentless scrutiny of those rulemaking proposals begun during the tenure of his predecessors, paring them down in a way that balances serious and responsible concern for the rights of consumers against the necessity to achieve those rights in a way that does not hamstring the legitimate operations of business.

Mike Pertschuk has achieved all of these things with a style, wit, and unpretentious manner that are as refreshing among high officials as they are uncommon. His disarming frankness, along with his willingness to confront the most hostile inquisitors in Congress and in business forums around the country, have earned him respect, and not a few converts.

With the change of administrations, he has been replaced as Chairman of the FTC, but will remain as Commissioner. His successor will do well to build upon Mike Pertschuk's outstanding record of achievements.●

A POWERFUL PROPHET

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. OBERSTAR. Mr. Speaker, by sending military aid to El Salvador, the United States continues to emphasize the military component of the struggle within El Salvador. The people of El Salvador do not need American arms. Former Ambassador White has said that sending military aid puts the United States in the position of arming some of the world's most dangerous men—the so-called security forces of the Government of El Salvador.

The Sunday New York Times magazine of February 22, 1981, published an excellent summary of the conflict by Times reporter Raymond Bonner.

The Times quotes a conservative Catholic priest who said:

> The difference in the violence is that the left kills selectively—Government security forces and members of right wing death squads. Killing by the right and the army is more indiscriminate. When they sweep through a village looking for leaders and leftists sympathizers, they kill a lot of innocent peasants.

The position of the United States ought to be that it does not serve our national interest nor the Democratic principles of our people for us to participate in that killing by sending additional military aid.

Archbishop Carlos Romero was assassinated a little more than 1 year ago. Archbishop Romero saw the terrible injustice committed by the wealthy and the military in El Salvador against the people of that country. He spoke out against U.S. military involvement.

Archbishop Romero was not a marxist, or a leftist. He was a man of deep faith who cared for the people he served. The Government of El Salvador does not do the same.

I would like to share with my colleagues an article on the late archbishop from the March 1981 issue of Maryknoll magazine.

A POWERFUL PROPHET

(By Jon Sobrino)

I met Archbishop Carlos Romero for the first time on March 12, 1977, a few weeks after he had been named archbishop of San Salvador. It was about 11 o'clock at night when I answered the door of the parish house in Aguilares. The Archbishop was standing there, his countenance serious and preoccupied. The pastor of Aguilares, Father Rutilio Grande, had been assassinated a few hours before. (The Jesuit priest would be the first of six murdered priests that the Archbishop would bury.)

The funeral of the slain pastor was the last act of his installation as archbishop. In the first months of 1977, a cruel repression, unprecedented in the country, had been unleased against the Church. More than 20 priests were sized, tortured or expelled, and many others threatened. Thus, Archbishop Romero took possession of his archdiocese in a climate of persecution and martyrdom.

This installation was decisive for Archbishop Romero. Along with the clear persecution of the Church, the prelate discovered something more profound—the repression of the people, the campesinos, the workers, those who live in the barrios and slums. The body of Rutilio signified what was happen-

ing to the Salvadoran people, crucified like Jesus. And in that crucified people, Archbishop Romero encountered God. The God in whom he had always believed and whom he had always faithfully served revealed Himself to him in a new way, as the God who hears the cry of the people, as the God who is in solidarity with His people, even to the cross.

From that moment on, Archbishop Romero did not doubt—God had to be encountered in the midst of poor and suffering people. He made a real option, rising from the most profound Christian and Salvadoran roots: he chose to be on the side of the poor among his people. To this option he dedicated his three years as archbishop, and for this option he spent his life to the very end.

In this way Archbishop Romero became the prophet of the Salvadoran people. He was a prophet in a very real sense because he offered his voice and his word to God—but not to any God. Not to the God of the powerful, really an idol in whose name the poor are put to death; not to the domesticated and non-disturbing God of the middle class; not to the God of some ecclesiastics who prefer to confine Him to sacred services rather than to encounter Him in history. Archbishop Romero offered his word to the God of the poor, and for them he also converted that word, in a very real sense, into the voice of those who are voiceless.

In the name of God, Archbishop Romero spoke to all, and to all he directed a "dangerous" message of the necessity for conversion. He denounced the rich oligarchy, the military officers, opportunistic politicians, the Christian Democrat Party, the social communications media which sold out to the powerful, President Carter for pushing a political plan for El Salvador opposed by the popular majority.

His word became dangerous. Soon insults, threats and persecution were heaped upon him. But in spite of this, he spoke the truth to the end because in the name of the God of the poor he could not tolerate those responsible for the misery of the people; he had to denounce those who turned towns into jails and places of torture.

In the name of that God he unmasked attempts to impose on the people a political plan which, under the appearance of reforms, brought with it cruel repression. "Bloodshed, death touch the heart of God," the Archbishop said. "The result is that neither the government's agrarian reform, nor its nationalization of banks, nor other promised reforms can be fruitful as long as there is bloodshed."

This prophet of the people not only denounced and unmasked the oppressors, he also defended his people with tenderness and courage. To him came mothers and wives of the jailed and disappeared; to him came orphaned communities when their priests were assassinated; to him came people to mediate grave conflicts. But he not only showed compassion and consideration, he also supported and encouraged them to look for their own roads to liberation. He defended to the end the right of the people to organize; he promoted organization so that they would not be indefensible victims of the powerful. He defended every just cause and honorable struggle. And when repression against the people overflowed, he preserved hope in the midst of bloodshed, because hope is the seed of liberation. Like the ancient prophets he said, "Over these ruins will shine the glory of the Lord."

This prophet of the people died as the people of El Salvador are dying today: by murder. He did not seek personal security for himself when death threats piled up because "the shepherd does no want security when security is not given to his flock." On March 24, one year ago, when he was preparing to offer the Eucharist, he fell under the impact of a bullet. His assassins wanted to end his life to silence his message.

That message, however, still lives. The powerful have not understood it, nor those who say they are defending democracy, nor even all the ecclesiastics. But those have understood it who found in his message the word of God: the catechists in the campesino towns, the religious who work in hidden villages, the priests who continue risking their lives in the country, the many Christians who stand firm in their commitment to liberation. And those who have understood it above all, as he himself prophesied, are the Salvadoran people: "I say it without boasting, with the greatest humility. If they kill me, I will arise in the Salvadoran people."

God passed through El Salvador with Archbishop Romero and performed powerful works through him. Through him God showed the weakness of the cross, but He showed also the power of truth, justice and love. The message of Archbishop Romero still resounds with power to scandalize those who place their confidence in money, in manipulation and political calculation, and to console those who follow the sorrowful but hope-filled road of liberation.●

SAL DIMICHINO NAMED CHIEF OF NUTLEY POLICE FORCE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MINISH. Mr. Speaker, I would like to take this opportunity to express my heartiest congratulations to a long-time friend and constituent, Sal Dimichino, of Nutley, N.J. Sal reached his lifelong ambition earlier this year when he was named chief of police of the Nutley force.

Mr. Speaker, all of us are fortunate to represent in Congress a number of very special persons, and Sal Dimichino is one of those people. He has lived for 57 years in Nutley and has served the town selflessly for most of those years. Sal has been a member of the Nutley police force since 1947, and attained the rank of sergeant in 1952, captain in 1960, and deputy chief in 1963, before his installation as chief of police this past January.

Sal Dimichino also had a distinguished career in service to his country in World War II as a member of the 20th Air Corps in the Pacific. After the war, in addition to joining the local police department, Chief Dimichino became actively involved in community service groups. His activity continues today.

Among the civic organizations Sal has become involved with is AMVETS, of which he served as commander for two terms. He was honored as AMVET of the Year. Sal was also Cerebral Palsy Fund chairman in Nutley for 2 years. He has played a leading role in the Nutley Boy's Athletic League, the Midget Football League, and he received the Jaycees Distinguished Service Award in 1974.

Chief Dimichino also has played an active role in the Italian American community. He is a past vice president of the Italian American Club and in 1978 was honored as Italian of the Year. For 13 years, Sal has been chairman of the Nutley Elks serviceman's dinner and he has directed programs at the veterans hospital in East Orange and at Lyons Hospital.

Sal is a member of Nutley P.B.A. Local 33 and has been president of the Essex Rod & Gun Club.

Mr. Speaker, I am proud to have the honor of representing Chief Sal Dimichino in the House of Representatives. To Sal, his lovely wife Mary, and to his children and grandchildren, I offer my heartiest congratulations on his promotion.●

THE DANGERS OF NUCLEAR WAR

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. FRANK. Mr. Speaker, a prestigious international delegation of physicians gathered in Airlie, Va., recently to discuss the probable social, medical, and economic impact of a nuclear war. During their deliberations, it became clear that the disaster of a nuclear war would be prolonged and severe, virtually destroying existing economic and social systems, and crippling major sections of the population.

We cannot ignore these consequences as we confront the tough issues of defense and security. I urge all my colleagues to read the pronouncements of the physicians on the effects of nuclear war. Careful and thorough knowledge of the damage that would occur as a result of a nuclear attack is one way to promote prudence as we consider new weapons systems which escalate the nuclear arms race.

The material follows:

PROCEEDINGS OF THE FIRST CONGRESS OF THE INTERNATIONAL PHYSICIANS FOR THE PREVENTION OF NUCLEAR WAR

PREAMBLE

Nuclear war would be the ultimate human and environmental disaster.

The immediate and long-term destruction of human life and health would be on an unprecedented scale, threatening the very survival of civilization.

The threat of its occurrence is at a dangerous level and is steadily increasing.

Even in the absence of nuclear war, invaluable and limited resources are being diverted unproductively to the nuclear arms

race, leaving essential human, social, medical, and economic needs unmet.

For these reasons, physicians in all countries must work toward the prevention of nuclear war and for the elimination of all nuclear weapons.

Physicians can play a particularly effective role because they

(a) are dedicated to the prevention of illness, care of the sick and protection of human life;

(b) have special knowledge of the problems of medical response in nuclear war;

(c) can work together with their colleagues without regard to national boundaries;

(d) are educators who have the opportunity to inform themselves, their colleagues in the health professions, and the general public.

The following statements were developed by working groups at the First Congress of International Physicians for the Prevention of Nuclear War, meeting at Airlie, Virginia, March 20-24, 1981.

PREDICTABLE AND UNPREDICTABLE EFFECTS OF NUCLEAR WAR

The consequences of the nuclear attack on Hiroshima and Nagasaki were disastrous. Yet even they do not serve as adequate precedents for the amount of death and destruction that would follow nuclear warfare today. Given any scenario of a massive nuclear strike in present conditions, the fate of the inhabitants of those two cities would be shared by tens to hundreds of millions of people. Even a single one-megaton nuclear bomb explosion (80 times more powerful than that dropped on Hiroshima) over an urban area would cause death and injury to people on a scale unprecedented in the history of mankind and would present any remaining medical services with insoluble problems. In the event of a major nuclear war there would be thousands of such explosions.

We must distinguish between the immediate and the delayed effects of nuclear war. Among the immediate effects are mass deaths in the first hours, days and weeks after an explosion. These are caused by the simultaneous effects of blast, heat and large doses of penetrating radiation. The numbers of such deaths would be magnified catastrophically by the destruction of buildings, by secondary fires, by disruption of all life-support systems including electric power, communication and transportation, and by the destruction and contamination of the water supply and of foodstocks.

It is difficult for us, as physicians, to describe adequately the human suffering that would ensue. Hundreds of thousands would suffer third-degree burns, multiple crushing injuries and fractures, hemorrhage, secondary infection, and combinations of all of these. When we contemplate disasters, we often assume that abundant medical resources and personnel will be available. But contemporary nuclear war would inevitably destroy hospitals and other medical facilities, kill and disable most medical personnel, and prevent surviving physicians from coming to the aid of the injured because of widespread radiation dangers. The hundreds of thousands of burned and otherwise wounded people would not have any medical care as we now conceive of it: no morphine for pain, no intravenous fluids, no emergency surgery, no antibiotics, no dressings, no skilled nursing, and little or no food or water. The survivors will envy the dead.

It is known from the Japanese experience that in the immediate aftermath of an explosion, and for many months thereafter, the survivors suffer not only from their physical injuries—radiation sickness, burns, and other trauma—but also from profound psychological shock caused by their exposure to such overwhelming destruction and mass death. The problem is social as well as individual. The social fabric upon which human existence depends would be irreparably damaged.

Those who did not perish during the initial attack would face serious—even lifetime—dangers. Many exposed persons would be at increased risk, throughout the remainder of their lives, of leukemia and a variety of malignant tumors. The risk is emotional as well as physical. Tens of thousands would live with fear of developing cancer or of transmitting genetic defects, for they would understand that nuclear weapons, unlike conventional weapons, have memories—long, radioactive memories. Children are known to be particularly susceptible to most of these effects. Exposure of fetuses would result in the birth of children with small head size, mental retardation, and impaired growth and development. Many exposed persons would develop radiation cataracts and chromosomal aberrations.

Delayed radioactive fallout from multiple nuclear detonations would render large areas of land uninhabitable for prolonged periods of time, making it impossible to produce the food upon which the survival of whole populations would depend. Aside from the severe effects in the areas most immediately affected by explosion or local fallout, there would occur effects from both ground and air bursts throughout the world. Fallout would increase the incidence of cancers and of genetic defects in nations and populations far from the targeted areas. These and other effects are difficult to quantify, but it is known that they would occur.

The use of nuclear weapons with an aggregate yield greatly exceeding that of all the explosions (including atomic explosions) in human history poses dangers to the entire planet, and to all of mankind. Among these are profound disruptions of the ecological balance: disturbances to all living organisms, crops, and the atmosphere, with consequences of a nature and magnitude we can only guess at. For example, the release into the atmosphere of large quantities of oxides of nitrogen, formed during multiple nuclear explosions, could disturb the ozone layer of the atmosphere, which protects the surface of the earth from the penetrating component of ultraviolet radiation, and this would probably cause the death of vegetation and animals, and injury to people. In the magnitude, duration, and variety of the dangers it poses to biological and social survival, nuclear war has no precedent in the experience of mankind. The survival of civilized life is at stake.

In one likely and specific scenario that we have considered, an all-out nuclear war between the United States and the Soviet Union in the mid-1980's, it is likely that

(1) The population will be devastated.

Over 200,000,000 men, women, and children will be killed immediately.

Over 60,000,000 will be injured.

Among the injured, 30,000,000 will experience radiation sickness, 20,000,000 will experience trauma and burns, and 10,000,000 will experience trauma, burns, and radiation sickness.

(2) Medical resources will be incapable of coping with those injured by blast, thermal energy, and radiation.

80% of physicians will die.

80% of hospital beds will be destroyed.

Stores of blood plasma, antibiotics and drugs will be destroyed or severely compromised.

Food and water will be extensively contaminated.

Transportation and communication facilities will be destroyed.

(3) The effect on adjacent countries is incalculable.

(4) Civil defense will be unable to alter the death and devastation described above to any appreciable extent.

(5) The disaster will have continuing consequences.

Food production will be profoundly altered.

Fallout will constitute a continuing problem.

Survivors with altered immunity, malnutrition, an unsanitary environment, and severe exposure problems will be subject to lethal enteric infections.

(6) Profound changes in weather caused by particulates and reduction of atmospheric ozone with attendant alterations in man, animal, and plant species may be anticipated.

(7) Among long-term survivors, a striking increase in leukemia and other malignancies will be observed, most severe in those who are children at the time of exposure.

THE ROLE OF PHYSICIANS IN THE POST-ATTACK PERIOD

Considering the known thermal, blast and radiation effects of a one megaton thermonuclear explosion over an industrial city of about four million persons, we know that from 200,000 to nearly 500,000 immediate deaths would result, with an additional 400,000 to over 600,000 injured, depending on the nature of the attack.

Instantaneous death will occur as a result of temperatures greater than in the sun itself, and from immense blast effects. Physical structures will be converted into unrecognizable rubble and social organization will disintegrate. Many injured will die as a consequence of huge fires and intense radioactive fallout. Neither doctors nor the hospitals in which they work will be spared.

In addition to the dead, there will be the injured, some walking with clothes in shreds and skin peeling in sheets from burns, some trapped in buildings or basements. Many of these will be destined to die. Many who are rescued may not survive the crush injuries, multiple fractures or hemmorhages. Others will die in days or in weeks from burns, traumatic wounds or radiation exposure.

Many of those injured by a nuclear blast would have combinations of burns, extensive lacerations and sublethal doses of neutron and gamma radiation. Grave psychological trauma affecting both physician and patient will further aggravate the already severe problems of diagnosis and treatment. These many factors complicate the outcome of therapy and would critically affect the medical decisions on who should receive care and who could only be allowed to die with such minimal supportive measures as might be available. Burn and radiation injuries, regardless of other complications, will place the greatest strain on medical personnel and facilities. From the British experience in wartime London, it is estimated that the acute treatment of only 34,000 serious burn cases would require 170,000 health professionals and 8,000 tons of supplies.

A city struck by a single one megaton bomb would find its electrical, water and

food supplies totally disrupted. The techniques of modern medical care would be seriously compromised if not entirely halted. Much of the essential supply of blood, antibiotics and other materials would be destroyed. A target nation, however, might cope partially with the consequences of having one city struck by a single nuclear bomb. The surviving doctors and other health professionals could respond, supported by help from outside the stricken city, but with severe limitations. The response would fall much below acceptable medical standards.

In peacetime the medical care system can cope successfully with a very small number of the kind of casualties which can be expected in huge numbers from the explosion of a single nuclear bomb. Successful treatments of extensive burns, of crushing injuries, of fractures and lacerations, of perforating wounds of abdomen and thorax, and of sublethal to near-lethal doses of radiation all require the full availability of modern medical technology and the finely developed skills of medical and other support personnel. The medical capacity of any nation would be severely strained, if not for a period overwhelmed, by dealing with the victims of even a single nuclear bomb.

Nuclear war, however, is very likely to involve more than the appalling destruction from a single nuclear bomb, or even a few bombs. With more than 50,000 nuclear weapons in existing stockpiles we must face the prospect of the explosion of hundreds and perhaps thousands of bombs, many possessing hundreds of times the explosive power of those that destroyed Hiroshima and Nagasaki. As tens or hundreds of cities are simultaneously attacked death and casualties escalate geometrically. The fabric of society would disintegrate and the medical care system, deprived of the facilities developed over the years, would revert to the level of earlier centuries. The surviving walking wounded, physician and layman alike, could only provide what mutual comfort the remnants of their individual humanity would permit. The earth will be seared, the skies heavy with lethal concentrations of radioactive particles, and no response to medical needs can be expected from medicine.

THE SOCIAL, ECONOMIC, AND PSYCHOLOGICAL COSTS OF THE NUCLEAR ARMS RACE AS RELATED TO HEALTH NEEDS

Preface

The health of mankind is inseparably connected with social, economic, and psychological strenghts. The greatest risk of the arms race to health is that it increases the likelihood of nuclear war. Even without such a war, precious human, social, medical, and economic resources are presently diverted unproductively to the nuclear arms race, and this diversion adversely affects health.

Social costs

Any social undertaking of the magnitude of the arms buildup is bound to affect social structure and social values, regardless of the bases on which that society is built. In particular, activities develop which generate further pressure for more arms and thus establish a dangerous cycle. Moreover, as the scale of effort increases relative to the size of the social institutions and strength of values around it, these become subverted and re-oriented to reflect the same unproductive and impoverishing priorities and values inherent in the building of arms.

Economic costs

Consideration of economic issues ranges beyond the special expertise of physicians. However, we believe that they cannot be completely ignored. The diversion of a major portion of the world's economic resources for armaments increases the likelihood of nuclear war that would result in death and disability for much of the world's population. This is the ultimate health cost of the arms race, and would devastate economic and social organization. The arms build-up weakens the application of existing knowledge, technology, and resources to the prevention and treatment of health problems that currently affect large numbers of the world's population. The arms race increasingly burdens much of the world's population who live in less developed countries. These countries can least afford to use their scarce resources for arms and will suffer grave health and social consequences in doing so. Of greatest importance is that use of economic resources for armaments diminishes development of knowledge, technology, and manpower that could address global ecological and overpopulation problems. The strains these problems place on the world's limited resources will result, if not resolved, in dire health consequences, and in themselves increase the likelihood of a nuclear war.

PSYCHOLOGICAL COSTS AND EFFECTS

As physicians we can speak about human psychological responses with confidence based on our professional knowledge and experience. Nuclear arms have created a new reality for humanity with profound and widespread psychological effects. The consequences of the use of nuclear weapons defy human comprehension because of the enormity of their destructiveness. This danger grows steadily more acute as nuclear weapons production continues. Studies indicate among other effects, that living in this threatening context is undermining confidence in the possibility of a meaningful personal future. Further studies are needed of the psychological impact of the nuclear arms race upon various groups both in societies which possess nuclear weapons as well as in those that do not.

Living with the possibility of imminent annihilation in a massive nuclear exchange creates an unprecedented threat to individual human beings. Not only does one have to deal with the possibility of one's own agony or sudden death, but one must also confront the potential destruction of all that one loves—humanity itself—forever.

We have identified several psychological mechanisms which can have short term adaptive value for the individual in protecting himself from such disturbing emotions as terror and guilt. At the same time these defense mechanisms increase the likelihood that nuclear war will actually occur by impairing realistic perspectives of those who possess nuclear arms. This prevents the development and use of measures that could take control of the arms race.

(1) Avoidance. The problem is regarded as too big to handle, too overwhelming, too technical. We leave it to others, to the leaders and the experts, to solve. We become numbed and turn away.

(2) Drawing upon old ways of thinking. In the face of the terror evoked by an adversary we seek security as humanity has traditionally done through developing ever more dangerous weapons in increasing numbers, and from spurious notions of strength dominated by false concepts of winning and losing. Such thought patterns have become outmoded by the realities of nuclear weapons.

(3) Fear and impulsivity. The climate of terror created by the super power confrontation engenders a vicious cycle of fear and mistrust. Fear destroys the capacity for rational thinking and adaptive discrimination and promotes panic-driven, impulsive actions. Such actions provoke fear and similar panic responses in adversaries that further escalate the danger of conflict.

(4) Perceptual distortion. As a response to threat, regression to archaic thinking patterns occurs that divides the world into percepts of total goodness and total evil. An adversary comes to be perceived as an enemy that is completely evil, a process which impedes the discovery of areas of common purpose, and reduces the ability to deal realistically with actual threat or danger from this or other sources.

(5) Dehumanization. In order further to justify our hostility toward the adversary we deny to its leaders and people any human value or worthy motives. The distorted perception of human beings as inanimate objects tends to remove inhibitions against destroying them. The impersonality of graphs and pins on targets, or charts of megatonnage and throw weights (in fact the whole obscene jargon of the nuclear weapons race), destroys not only the appreciation of the humanity of an adversary, but one's own humanity as well.

Concluding remarks

War is not an inevitable consequence of human nature. War is a result of interacting social, economic and political factors; it has been a social institution widely used over time to manage conflicts.

To argue that wars have always existed and that this social phenomenon cannot be eliminated ignores history, which has demonstrated a human capacity to change institutions and practices which are no longer useful or are socially destructive. Slavery, cannibalism, dueling, and human sacrifice are among the practices which the human race has recognized to be improper and has abandoned.

The genocidal nature of nuclear weapons has rendered nuclear war obsolete as a viable means for resolving conflict. Because inter-group tensions and conflicts are innate and thus inevitable, effective means for conducting and resolving conflict are indispensable. Human beings have developed and widely used such methods as avoidance/withdrawal, assertive non-violent behavior, unilateral initiative inviting reciprocation, competitive coexistence, negotiation, arbitration, and cooperation.

Rationality and foresight are unique human characteristics which have enabled individuals and groups to override primitive responses, to anticipate future consequences of behavior and, to choose courses of action which offer maximal ultimate benefit.

Wars begin in the mind, but the mind is also capable of preventing war.●

PUERTO RICO/BUDGET CUTS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. GARCIA. Mr. Speaker, the Commonwealth of Puerto Rico is an island and a people inextricably linked

in partnership with the United States. Bound together by history to the U.S. mainland since 1898, Puerto Rico and Puerto Ricans are deeply affected, as all of us are, by the present situation in this country. In short, what affects the mainland United States deeply affects Puerto Rico.

The present situation of severe budgetary cutbacks in Federal programs, admirable as some think it is, has caused severe apprehension in Puerto Rico. The food stamp program is a good case in point.

As of March 1981, the U.S. Department of Agriculture (USDA) estimates indicate that a total of 1,777,041 individuals were receiving food stamp benefits in Puerto Rico, or more than half the population—other estimates have placed that figure at over 70 percent of the population of Puerto Rico. At present, there are more than 22 million Americans participating in this program, and the vast majority of these citizens look to this nutritional program as a means to an adequate nutritional diet. Puerto Rico is no exception to the national norm.

The food stamp program is important to Puerto Rico for several reasons: First, there are a great many families in Puerto Rico living well below the poverty level. In fact, over 92 percent of the participating households in the food stamp program in Puerto Rico had gross monthly incomes of less than $600 per month. Of those households, 77 percent had gross monthly incomes of less than $400 per month. Only 1 percent of participating households had gross incomes in excess of $800 per month and not one participating household had a gross income above $1,000 per month. Second, high food costs and high costs of living in Puerto Rico present the average Puerto Rican family with an especially severe burden. Puerto Rico, as most of you are aware, imports most of its food from the U.S. mainland. The cost of food in Puerto Rico, consequently, is approximately 20 percent higher than in the U.S. mainland. Third, Puerto Rico receives discriminatory treatment in some Federal cash assistance welfare programs and is totally excluded from others. This creates greater demands for food stamps in Puerto Rico than in U.S. mainland areas where those programs apply in full. For example, in Puerto Rico, the blind, elderly, and disabled do not received supplementary security income (SSI) and aid to families with dependent children (AFDC) benefits are restricted by a $72 million ceiling on total spending. SSI benefits and other welfare payments count as income for the purposes of the food stamp program and Puerto Ricans do not receive these benefits. If SSI benefits were extended to the island, payments of approximately $400 million under that program would substantially reduce food stamp expenditures. The average welfare grant in the U.S. mainland is $225.12 per month, while in Puerto Rico, the average grant is an estimated $47.31 per month, for four-person households—a disparity that is obvious. Fourth, the rate of fraud and abuse in Puerto Rico's food stamp program is below the national average. There is 11.3 percent error in Puerto Rico compared to 12.8 percent nationally and 12 percent less fraud and abuse in Puerto Rico than in the program as a whole.

At present, the food stamp program is of vital importance to millions of Americans, the elderly and disabled, poor children, the unemployed, and working families who earn low wages. Puerto Rico is no exception, and is not unique, or separate, from the mainland when it comes to administering a program that had, as its original purpose, the dual task of easing the blight of hunger and malnutrition, and the concomitant but no less important function of helping American food producers, wholesalers and retailers to ease the abundant stock of food products. In short, more than any other single Federal assistance program benefiting individuals, the food stamp program links Puerto Ricans to the United States.

Elimination of Federal benefits to Puerto Rico, especially the federally funded food stamp program, can potentially set off a major exodus of Puerto Ricans to the U.S. mainland. Estimates of this exodus run between a conservative 50,000 and a potential quarter million. With nearly 70 percent of the island receiving food stamps, and other forms of Federal assistance, the potential for severe economic, political, and demographic dislocation are great.

What are the many implications for the South Bronx and Puerto Rico? Obviously, the removal of Federal assistance would be a severe blow to the economic development of Puerto Rico—a blow many economists believe Puerto Rico could not easily weather.

The scenario for the South Bronx does not appear any better, in fact, the immediate and long-term ramifications for the South Bronx, and New York City, are very poor. Already economically impoverished and heavily dependent upon Federal, State, and local assistance, it is extremely unlikely the South Bronx could withstand a major population increase along the lines presently envisioned. If the scenario of a major Puerto Rican migration holds true, following on the heels of the Reagan administration proposed cuts to the Commonwealth, we can anticipate a number of extremely negative responses:

First, the arrival of large numbers of Hispanics in the New York City area will potentially exacerbate existing interracial tensions, between not only Hispanics and non-Hispanics, but between Hispanics and other minorities equally sensitive to changes in federally funded assistance programs. In a period of diminishing resources, budgetary constraints, and fiscal and political conservatism, minority groups must compete for continually shrinking Federal dollars. Competition between minority groups for scarce funds is not only divisive and counterproductive, it is destructive to the very unity that makes minority political action an important economic and political device on the national level. Second, the employment situation in the South Bronx is such that large numbers of Puerto Ricans coming into the South Bronx will inevitably face a frustrating and embittering reality—massive unemployment. Unfortunately, unemployment is just the beginning of a potentially spiraling experience ending in increased unemployment, street crime, drug addiction, and a general worsening of the community as a whole. The fact is, forced migration—which the Reagan budget cuts will lead to—when combined with low job opportunities, tends to result in a general disintegration of the entire social and economic environment.

Taken together, the potential for disaster is great. Each factor tends to feed into another set of possible results, each worse than the last, and each equally difficult to avoid if the present administration continues to insist upon sacrificing the poor and disadvantaged in an effort to convey the illusion of fiscal and budgetary conservatism.●

ENFORCING THE LAWS WE HAVE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. WHITEHURST. Mr. Speaker, Monday's dreadful events have again raised the issue of gun control, and citizens of good will are earnestly seeking a solution to the growing problem of firearm violence.

In the Wednesday, April 1, 1981, edition of the Washington Post, James Q. Wilson, Shattuck professor of government, and Mark H. Moore, Guggenheim professor of criminal justice policy and management, at Harvard University, had an excellent column outlining ways of dealing with the issue. I found their views thoughtful, moderate, and very much worth considering, and I am pleased to share them with my colleagues at this point in the RECORD.

ENFORCING THE LAWS WE HAVE

(By James Q. Wilson and Mark H. Moore)

Every publicized shooting revives the debate about gun control without bringing the debaters closer together. The deaths of Dr. Michael Halberstam and John Lennon, and the attempted assassination of President Reagan, like the death of Robert F. Kennedy and the assault on George Wallace, stir emotions and but produce no consensus. When people think an issue important but can make no progress toward resolving it, it is probably time to rethink the way in which they define it.

Essentially three views are in contention. One is to do nothing: Guns do not kill, people kill. A second is that a handgun exists only to kill and its production and possession should be tightly restricted. A third is that certain kinds of violent encounters are more likely to have lethal consequences if guns happen to be readily available and that society ought to devise ways of reducing that availability among people likely to be involved in those encounters.

The first view is correct but misleading. People pull triggers. And some triggers are pulled by people so determined that the gun is merely a tool. But many crimes are committed by persons without clear or strong intentions—persons who are enraged, drunk or looking for trouble. In such cases, people let the means at hand determine what kind of force they will employ and against whom.

The second view is wrong, unfeasible and impolitic. There are handguns in at least one-fifth of all American households. The vast majority of these weapons are never used to threaten or injure anyone. Banning the production of new handguns might prevent that stock from increasing. Buying back existing guns might reduce that stock slightly, but it would be enormously expensive and, without production controls, futile. Larger reductions would require confiscation. And even if all these policies were adopted, and even if the reductions in ownership were great (say, by 50 percent), the remaining guns would easily support current rates of robberies at gunpoint for a decade.

But none of these policies is likely to be adopted, and for reasons having nothing to do with the presumed power of the National Rifle Association. The average legislator simply cannot afford to come before his or her constitutents with the following proposal: "Your government, having failed to protect you against crime, now proposes to strip from you what you regard as an effective means of self-defense as well as an enjoyable hobby." Never mind whether the belief about self-defense is true; gun ownership, from the First Lady to the average citizen, is testimony to the unshakeable power of that belief.

The third view is one that we wish policymakers to take more seriously than they have. We should recognize that people have a right to own guns but do not have the right to use them criminally. Moreover, we think that people who are found in possession of guns while committing a crime or participating in a violent dispute should lose both the gun and their freedom. Finally, we think that the police should be more active in intercepting the traffic in contraband guns and apprehending people carrying unlicensed guns in public places and that judges should deal with them more severely.

Federal and state laws now make it unlawful for convicted felons, ex-addicts, and mental defectives to possess a handgun. Moreover, in many states and most big cities, it is illegal to carry a concealed handgun except for a small number of people with police permits. The laws governing possession might usefully be tightened even further—for example, by denying handguns to people convicted of violent misdemeanors (such as assault) or of chronic public drunkenness. The real problem, however, is to motivate the criminal justice system to take these or better laws seriously.

To see what this involves, it is first necessary to understand the different situations in which a weapon affects the outcome of a violent encounter. The first involves disputes—family quarrels, barroom fights, street corner brawls amongs "friends." The traditional police response to such disputes is to pacify the opponents, perhaps separate them for the night and occasionally make an arrest if the assault seems to be serious, the officer's authority is challenged or the "victim" clearly intends to press charges. (Who is the "victim" and who is the assailant in these disputes is often hard to decide. The victim may simply be the person who lost the fight.)

There is strong evidence that the presence of a gun in these situations raises dramatically the chance of a lethal outcome and that people who regularly engage in such disputes are much more likely than others of similar incomes and circumstances to be responsible for, or the victim of, a homicide. Yet there is equally strong evidence that communal disputes are not taken seriously by the criminal justice system. Either no arrest is made or the charges are dropped or the sentence is trivial. This is understandable, given the constraints: If only a simple assault (a misdemeanor) has occurred, the police cannot lawfully make an arrest without a signed complaint. And even if a complaint is forthcoming, the victim is likely to change her (sometimes his) mind the next day. Without an arrest, a search for a seizure of weapons is difficult, if not impossible.

We suggest that state law and police practice be amended so as to take violent disputes more seriously. Following the lead of Minnesota and other states, the police should be empowered to make arrests in these cases if they have probable cause to believe an assault has occurred, even if the assault is not felonious. Following the policy of the New York Police Department, officers should be encouraged to make arrests both to protect the victim and to deter, if possible, future assaults. And incident to these arrests, valid searches should be made for guns improperly in the possession of the disputants. Both the assault and the illegal possession of a weapon in these circumstances should be dealt with more sternly than now is the custom with judges who tend not to regard such matters as "real crime." That attitude may encourage a real crime later because a predisposition to violence is unchecked by sanctions. These sanctions may involve jail or they may involve posting peace bonds, intensive probation or the like. The key is a clear penalty and the removal of the gun.

The second situation is the stranger-to-stranger violent crime—muggings and robberies. The guns used by such criminals are often already possessed in violation of the law. For them, the problem is not tightening the laws involving carrying a weapon, but blocking the access these people have to supplies of guns and increasing the risks from carrying weapons. Moore's research indicates that the largest sources of supply of handguns to people who use them for stranger-to-stranger crimes are thefts and the black market. In short, armed robbers usually violate gun laws in two ways: They have stolen their handgun, or bought it from somebody who did, and they are carrying it without a permit.

To reduce the black-market traffic in guns, the police should consider mounting more undercover "buy and bust" operations (much as they now do with respect to heroin and dangerous drugs) in order to make illegal gun dealers wary of dealing with strangers, to raise the price and difficulty of acquiring illegal guns (perhaps beyond the point that opportunistic, teenage robbers will find it worthwhile) and to deter some people from going into the illegal gun business at all.

To inhibit the carrying of handguns, the police should become more aggressive in stopping suspicious people and, where they have reasonable grounds for their suspicions, frisking (i.e., patting down) those stopped to obtain guns. Hand-held magnet meters, of the sort used by airport security guards, might make the street frisks easier and less intrusive. All this can be done without changing the law.

The success of undercover buys and aggressive patrolling depends partly on the extent to which judges will seriously penalize the unauthorized carrying of concealed weapons. Though judges often give more severe sentences to people who commit a crime using a gun, the available data suggest that a person convicted of illegally carrying or possessing a handgun is generally treated leniently. This is a serious mistake: A person in a public place with a gun and without a permit is often a person looking for trouble.

The Bartley-Fox law in Massachusetts requires a mandatory one-year jail sentence for any unlicensed person who carries a firearm. It was opposed by those who said the law would not be enforced and by those who said it would not have the desired effect. Both criticisms appear to have been wrong—the criminal justice system did not engage in wholesale evasions of the requirements of the law, and three studies that have been done of its effect all point to some decline in the proportion of the assaults that were committed with firearms. Assaults as a whole increased; firearm assaults decreased. The effect of Bartley-Fox might have been even greater if the police had been more aggressive in enforcing it (or less if it had not been so heavily publicized).

Note what we are suggesting: not "gun control" in any comprehensive sense, but rather increased pressure on the particular circumstances and people whose illegal behavior is most likely to be affected by the availability of a gun. Note also that to do these things requires action chiefly by state and local, not federal, agencies. Bear in mind that motivating police and prosecutors to act in these ways is not easy. And note finally that real progress in reducing gun violence almost certainly requires methods—aggressive patrolling, undercover operations, tougher sentences—that liberals instinctively dislike. We think, however, there is no way around these tough choices, and it is time we face up to them●

AMERICANS NEED MORE THAN NICKEL AND DIME TAX CUTS

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. SOLOMON. Mr. Speaker, today I had the privilege of testifying before the House Ways and Means Committee during its deliberation on the President's tax proposals. I would like to share my remarks with all my colleagues.

The testimony follows:

STATEMENT OF REPRESENTATIVE JERRY SOLOMON ON PRESIDENT REAGAN'S TAX PROPOSALS

Mr. Chairman, members of the Committee, I would like to thank you for this opportunity to share with you a few brief thoughts on the tax proposals under consideration; in particular, the proposal to reduce marginal income tax rates by 30 percent over three years.

Very simply, I come before you today to state my opposition to the $93 billion dollar tax increase which is being debated before this committee.

Now, in case anyone thinks I have walked into the wrong committee room, let me explain. The real issue before us is whether this Congress is going to allow the American people to be socked with the largest tax increase in our peacetime history this year—and even greater increases in the years ahead.

I see the lines of this debate drawn this way: if you are opposed to the massive tax increases which will go into effect between now and 1984, and you want to slow those increases, you will support the administration's tax proposals. On the other hand, I think the American people will realize that those members of Congress who oppose the across-the-board tax relief the President has proposed must support those tax increases and business-as-usual.

I know it has been pointed out before, but judging from the many inaccurate statements I have heard regarding the proposal to cut marginal income tax rates for every American by about 30 percent over three years, I think it is necessary to point out again: this proposal will not mean that the federal government will take in less in taxes. The proposal will do nothing more than to lower the amount of the increase which is already scheduled to take effect under the present tax system.

Let me be more specific: if we leave everything the same, the federal government will collect $609 billion this year, but by 1984, it will collect $917 billion. That's what will happen if this committee and this Congress do not act. But here is what will happen if we do act according to the President's wishes: by 1984 the federal government will still be taking much more in taxes than it does this year—$772 billion in 1984 as opposed to this year's $609 billion. That's still an extra $163 billion coming into federal coffers—and I'm sure the Congress will find a way to spend it.

So we are not here debating whether or not to give the American people a tax cut. The issue is whether we are for or against the tax increases which will take effect if we do not act.

I don't point this out gladly. I wish we were talking about an actual reduction in the amount of money that government takes from the productive private sector. I look forward to the day when we have controlled federal spending and unshackled our economy's productive potential to the point where we can actually cut taxes and still provide for our nation's neediest citizens. But it is a measure of just how out of control the spending and taxing policies of this Congress are that even with a 30 percent rate cut, we are still talking only about reducing the increase in government revenues—not an actual cut.

Now, we've heard some eloquent arguments against the President's tax proposal, which is to say, arguments for a tax increase. Some of the most vocal proponents of more government spending and higher taxes have been heard from by this committee.

We are told that the President's plan would be inflationary; that it would benefit the rich at the expense of the poor; that Americans would spend their extra take-home pay instead of saving it; and that even greater budget deficits would result.

Maybe it's about time someone informed those who are making those charges what has been happening to our economy as taxes have been going up. Since 1976, the tax burden on the average American family has increased by $1,200 dollars, and during that same period, inflation has increased more than 30 percent; Congress has added $244 billion dollars worth of budget deficits to the national debt; and Americans are saving less of their income than ever before in our history.

In other words, every evil predicted to come to pass as a result of reducing tax rates has, in fact, come hand-in-hand with some of the biggest tax increases ever levied on the American people—but not as big as the ones about to be levied on the American people if we don't act.

Those increases have brought us no closer to a balanced budget, greater savings or lower inflation. They have taken us further away. So do we prescribe more of the same, or adopt a different course?

The American people have expressed their desire for the latter. And frankly, I don't think they will have much patience for the stale worn-out demagoguery which attempts to set off one group of Americans from another.

The President's proposal for tax rate reduction is simple, straight-forward and across-the-board. And that's precisely why it is now meeting with resistance in this Congress. Long term, across-the-board tax reform undercuts one of Congress' favorite pastimes: taxing the American people to the point of bankruptcy and then throwing nickels, and dimes back to them in the form of special interest tax cuts, credits and reductions.

Every member of Congress in this room knows exactly what I am talking about. In fact, I did a little figuring this morning and it turns out that no fewer than 225 bills have been introduced since Congress convened in January to provide a particular tax deduction, credit or cut to one segment of the population or another. I have proposed a few and I am sure that each member of the Committee has too. We propose them in good faith, sincerely believing that the tax relief is warranted. But to those who are attacking the President's fair, straightforward proposal as inflationary or too much of a drain on the Treasury, I ask you—can you honestly say that the sum total of all the special interest tax cuts you have endorsed adds up to less of a revenue loss than the President's plan?

It is about time that Congress realize that our constituency is the American people—all the people. And that instead of catering to each special interest group with special interest tax legislation we can best serve all the people by enacting this across-the-board tax rate cut, so that it becomes more profitable for every single working American to go the extra mile to earn that extra dollar.

I know that it has also been suggested that perhaps Congress should enact a one year tax cut and wait and see what conditions are before adopting the second phase of the President's plan. And it has also been suggested, with a great deal of validity, that many members of Congress would rather hold off a vote on subsequent phases of the tax relief package so that those votes can take place closer to the next election.

But ladies and gentlemen, that's business-as-usual, and not only is it not working, but the American people aren't buying it anymore.

We know right now that tax rates will still be too high next year, even after the first phase of the reduction has gone into effect. Isn't it about time this country has a steady, long-range plan which doesn't shift from month-to-month according to the whims of politicians?

Mr. Chairman, members of the committee, on behalf of what I am convinced is a majority of Americans, I ask you to give President Reagan's tax plan a chance—much needed depreciation reform for business and an orderly phased-in reduction of tax rates. Don't allow these massive tax increases to go through. Vote against those increases by voting for the President's plan.●

VIOLENCE IN EL SALVADOR: WHO IS RESPONSIBLE?

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. STUDDS. Mr. Speaker, 80 Members of the House are currently cosponsoring H.R. 1509, a bill to terminate U.S. military assistance to El Salvador. Today, I and several of my colleagues will address one of the major issues involved in the current controversy over El Salvador, the question of violence.

WHO IS THE PRIMARY SOURCE OF VIOLENCE AND TERRORISM IN EL SALVADOR

Current U.S. strategy in El Salvador appears to rest on the assumption that we will be able to successfully mobilize world opinion in opposition to Soviet and Cuban support for the opposition forces in that country, on the grounds that their aid is being used to subvert a sitting government.

The implicit corollary to this strategy is the assumption that equally damaging criticisms cannot be made against the United States for supplying weapons to the Salvadoran military.

Both sides in El Salvador have committed acts of violence which cannot be justified by any standard of human

decency. But I believe very strongly, on the basis of eyewitness accounts provided by refugees, and after consultations with others genuinely familiar with the recent history of El Salvador, that by far the greatest responsibility for violence and terrorism rests with those forces now receiving U.S. guns, helicopters, grenades, and ammunition. There is absolutely no reason to believe that supplying these forces with more weapons will lead to anything other than an escalation of the violence, the further polarization of both Salvadoran and Central American politics, and the radicalization of thousands more within El Salvador.

The violence in El Salvador is one of many factors reminiscent of Vietnam. The rebels are often hard to find for they are peasants, children, women, teenagers. They look, sound and act the same as noncombatants. They blend into villages, and they do not ever seem to go away.

The strategy of the military was summarized by one commander as follows:

> The subversives like to say that they are the fish and the people are the ocean. What we have done in the north is to dry up the ocean so we can catch the fish easily.

The Salvadoran method of "drying up the ocean" is to eliminate entire villages from the map, to isolate the guerrillas and deny them any rural base off which they can feed. This requires a premeditated campaign of terrorism, the burning of homes and crops, making it impossible for people to live.

This violence has produced a steady stream of refugees across the border into neighboring Honduras, and to other countries throughout the hemisphere. The Salvadoran Church now estimates the total number of refugees both within and outside the country at more than 200,000 or almost 5 percent of the total population of El Salvador. These refugees have described in vivid detail the murder and torture of their friends and relatives, the dewombing of pregnant women, the machinegunning of children, the rape of little girls. These are acts committed repeatedly and intentionally by the security forces now receiving U.S. aid. Consider, as well, the following incidents:

It was little more than a year ago that Archbishop Romero, the single most charismatic and beloved figure in El Salvador, was murdered while presiding over a Mass in San Salvador. His killer has not been found, but the evidence indicates he was shot by a professional sharpshooter. It is worth remembering that he died shortly after protesting publicly the granting even of nonlethal military aid to the Government of El Salvador.

In late November, 6 leading members of opposition organizations were kidnaped at a political rally by 200 uniformed members of the security forces. Their bodies were discovered the next day.

On December 3, four U.S. religious workers were raped and murdered while returning from the San Salvador airport. Even the State Department will admit that these individuals were probably killed by security forces. There is excellent reason to believe that the subsequent investigation into these deaths has been obstructed by officials in the Government of El Salvador.

On January 3, gunmen walked into a hotel restaurant in San Salvador and murdered the leader of the Salvadoran agrarian reform institute, ISTA, along with two American agricultural reform technicians. Few people I have talked to, whether Salvadoran or American, revolutionary or State Department official, has expressed any doubt that these murders were committed by or on behalf of the military.

Last June, Amnesty International wrote in a letter to Secretary of State Muskie:

> Since the January 3, 1980, resignation of much of the Salvadoran Government—on human rights grounds—at least 2,000 Salvadorans have been killed or "disappeared" while in the hands of conventional and auxiliary security forces of El Salvador. Many were tortured and savagely mutilated—arms lopped off, flayed, beheaded.

In December, Salvadoran Archbishop Rivera Damas departed from his own past policy of restraint and silence to describe in detail the campaign of persecution being waged against the church. He concluded by saying:

> Therefore we hold the Security Forces and ultra-rightist groups responsible for the persecution against the Church and specifically for the assassination of priests and lay pastoral workers. We therefore also hold responsible the Government Junta, which given its ultimate authority over the Armed Forces is responsible for actions by members of the military. We lament the fact that past Governments and the present Government Junta itself have not fulfilled their promise to clarify the criminal assassinations of Msgr. Romero, Priests, Sisters and Lay Pastoral Workers.
>
> Therefore, their statements lose credibility. We can no longer accept the customary excuses, after the fact; nor can we accept promises of investigations.
>
> Only an immediate and effective end to the repression and persecution could demonstrate the clear will to stop such acts; only this could exonerate the Junta, at least to some degree, from its responsibility. And only an immediate end to the repression and persecution would give credibility to the repeated offers of dialogue for bringing peace to the country. In any other case, all possibilities for finding a true peace in the country through non-violent means will be strangled.

With the army and the national guard as our allies, any U.S. campaign for the hearts and minds of the Salvadoran people will never succeed—for every martyred innocent is sure to engender the transformation of others into supporters of the revolution and create new and unneeded enemies for the United States.●

EL SALVADOR

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. LOWRY of Washington. Mr. Speaker, I join with my colleagues in calling for the end to violence in El Salvador. Only an end to violence will set the stage for a peaceful settlement.

There are underlying historical reasons for the problems in El Salvador. President Jose Napolean Duarte was quoted in the February 22, 1981, New York Times magazine as saying:

> This is a history of people starving to death, living in misery. For 50 years, the same people had all the power, all the money, all the opportunity. Those who did not have anything tried to take away from those who had everything. But there were no democratic systems available to them, so they radicalized themselves, have resorted to violence. And of course this second group, the rich, do not want to give up anything, so they are fighting.

This capsulizes briefly and simply the roots of the present Salvadoran discontent. It does not, however, address the critical issue of the Salvadoran Government's role in the conflict and in the noted lack of democracy in El Salvador. It also does not address how military aid from the United States helps to solve the problems.

The government has been struggling with reform—land reform, banking reform. Violence threatens the foundation of reform and I am concerned that the economic evolution and progress will be short lived, indeed, reversed, unless they are accompanied by political evolution. Political evolution is impossible when violence is rampant throughout the land.

The definition of the problems of El Salvador is crucial to embarking on the proper path toward amelioration. The role of the government is an important aspect in defining the mechanism to start the healing process.

I would like to augment my statement by including a statement received by my office on March 3, 1981 from the Network organization:

> Network calls for a redefinition of the U.S. role in El Salvador; for the promotion of a political, negotiated settlement of the conflict there; and for an end to violence by the U.S.-supported Duarte government.
>
> In projecting an East/West interpretation of the Salvadoran situation and making El Salvador a test of United States-Soviet power, the United States creates a conflict that is not inherent in the situation itself. The revolution in El Salvador has its causes in long-standing injustices.
>
> As El Salvador moved into the industrial age, the production of export crops led to

the displacement and impoverishment of many people. In contrast to the poor majority, a few Salvadorans became wealthy and powerful. U.S. corporations and their Salvadoran partners benefitted from tax breaks, such as tax-free zones. Discontent was countered by an increasingly strong and brutal security force, and both "left" and "right" wing groups resorted to violence in promoting their agendas.

Today most popular and church groups find themselves aligned against a government that does not protect their lives and freedoms. Given this history, it is clear that no outside factors were needed to spur rebellion. Sustaining a government that has virtually no popular support and that does not control the killing of its own people is a reversal of the traditional role of the United States as a protector of personal freedoms. Nor does overlooking the murder of U.S. citizens enhance our status as a world power.

U.S. military intervention can force the opposition to defend themselves by seeking assistance wherever possible, even from governments which they might rather avoid were the situation not so desperate.

In international relations, governments which intervene in the affairs of others tend to lose status and become isolated by the world community. The Soviets experienced this when, on February 13, 92 members of the nonaligned nations called for the removal of foreign troops from Afghanistan and Cambodia, and for an observance of the norm of noninterference and nonintervention. A U.N. resolution (December 15, 1980) for cessation of military assistance to El Salvador was approved with only such governments as Argentina, Guatamala and the Philippines—themselves vulnerable to revolution because of human rights violations and economic injustices—voting against condemnation of intervention. Mexico and Canada both voted for the resolution.

U.S. intervention without regard for human rights runs counter to the religious and moral traditions of our nation and of the Catholic Church. Pope John Paul II warned in Manila (February 17): "* * * one can never justify any violation of the fundamental dignity of the human person or of the basic rights that safeguard this dignity." He went on to say: "Any apparent conflict between the exigencies of security and the citizens' basic rights must be resolved according to the fundamental principle—upheld always by the church—that social organization exists only for the service of man (sic) and for the protection of his (sic) dignity, and that it cannot claim to serve the common good when human rights are not safeguarded." (The New York Times, February 18).

A political solution seems the best hope for El Salvador. A prolongation of the indecisive and already extremely bloody conflict can only lead to virtual genocide. With sufficient U.S. aid, a military victory may be possible for the Duarte government, but its inability or unwillingness to curb the atrocities of its own forces makes that prospect repugnant. Such a victory would also be accompanied by all the other negative effects of intervention already outlined.

Network supports a less violent, negotiated solution, realizing that to be successful such a solution must include participation by all the factions in the revolution. Network believes this is more possible if the conflict is not escalated by the infusion of further U.S. military aid, and if the negotiations can be facilitated by a relatively neutral government or governments. Network calls upon the Reagan Administration to take immediate action toward de-escalation of the conflict and toward a political settlement. In the meantime, Network insists that the Administration hold the Duarte government responsible for protecting the lives and rights of Salvadoran citizens and of noncitizens living in El Salvador.●

WILLIAM ALLEN HIGH SCHOOL GIRLS' STATE BASKETBALL CHAMPIONS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. RITTER. Mr. Speaker, today I would like to recognize a group of outstanding young athletes whose accomplishments have recently brought a great deal of pride and distinction to themselves, their school, and the entire Lehigh Valley of Pennsylvania. Capping a brilliant season with a thrilling come-from-behind win in the title game, the members of the William Allen High girls' basketball team have become the new class AAA champions of the Pennsylvania Interscholastic Athletic Association.

There is more to Allen's win than just athletic accomplishment. When the 1980-81 season began, even the most loyal fan would have found it difficult to predict a State championship for this team. Often facing teams believed by many to be more skilled or more experienced, Allen was able to win games through hard work and a spirit that never quit. They developed what sportswriters call "That Something Extra." They developed character.

After the final game, head coach Lou Sabler remarked, "it's not necessarily winning the State championship that makes coaching worthwhile, it's watching the way these girls grew."

It is that kind of growth, that kind of character that will stay with the team members long after their last basketball game had ended. And it is that character, along with their championship season, that gives the team so much of which to be proud.

I join classmates, teachers, parents, and fans throughout the Lehigh Valley in extending my sincere congratulations to the State champions—the William Allen High girls' basketball team; a championship team composed of champion individuals.●

STUDENTS CONCERNED ABOUT EL SALVADOR

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. FOGLIETTA. Mr. Speaker, I have received about 50 letters from eighth grade students at the Stella Maris School in my congressional district, on the subject of military aid to El Salvador. The teacher, Sister Jeanne Barnard, is to be commended for sensitizing her students to current events, for ably conveying information on a troubling situation, and for teaching the youngsters to effectively communicate with their elected Representatives.

I think my colleagues may be interested in what the students are saying, and I therefore submit the attached letters as good examples of their message:

DEAR REP. THOMAS FOGLIETTA: I am in eight (sic) grade and I am writing to you about El Salvador.

There are many problems going on in El Salvador, but not to (sic) much is being done. The United States is still sending economic and military aid to the Salvadoran government. This is causing many different problems. The military advisors will not buy nor promote peace but will only increase the bloodshed which has already taken over 12,000 victims.

My opinion to this is that Bill H.R. 1509 be signed. I disagree with the taking of so many lives.

If the United States decides to stop sending military aid to El Salvador there might be more peace in the world.

To save lives please stop sending military aid to El Salvador.

Sincerely yours,

AUDREY GENTILE.

P.S. Please support H.R. 1509.

PHILADELPHIA, PA.,
March 9, 1981.

DEAR MR. FOGLIETTA: I am writing in regard to the situation in El Salvador. It is very sad to learn that the U.S. is giving military aid to the Junta. The guerrilla's are killing many innocent people, some of whom are from our own country. The government must be aware of this, but still will not do anything to help the people.

If we did not fight against the government of England, we would still be under Her rule. The point I am trying to make is that the El Salvadoran citizens are trying to break away from a repressive government in which the people have no say. The U.S. should respect this and help the people by signing H.R. bill 1509.

Thank you,

DAWN MARIA DENT.

PHILADELPHIA, PA.,
March 10, 1981.

DEAR REP. THOMAS FOGLIETTA: My name is Joseph Messina and I am a student of Stella Maris. I am very concerned with the situation in El Salvador. However, I do not feel that military assistance should be supplied to that country. The American people do not want another Vietnam.

United States intervention is a serious mistake. We should be trying to promote peace not increase bloodshed, which has already taken 12,000 victims.

As our representative, I beg you to be our voice in the House of Representatives. In the name of justice and humanity, please take action to stop all military aid to El Salvador.

Sincerely,

JOSEPH MESSINA.

BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. McGRATH. Mr. Speaker, this past Sunday, March 29, Byelorussian-American communities of the United States commemorated the 63d anniversary of the proclamation of the Byelorussian Democratic Republic. It is appropriate that all Americans pause to reflect on the rights and freedoms which we enjoy. We must also remember that the Byelorussians and more than 1 billion others do not share these liberties.

Since the forceful establishment of the Byelorussian Soviet Socialist Republic in 1917, this captive nation has been subject to brutal oppression, suffering, and violations of basic human rights. The repressive Soviet regime is actively working to destroy the Byelorussian cultural heritage and spirit of nationality.

Byelorussia represents a geopolitically significant location as the western gate of the U.S.S.R. It is an important stronghold of Soviet expansionism. On this occasion, I entreat every Member of this body to protest the inhuman policies of the Soviet Government in Byelorussia and to support all attempts to achieve the release of Byelorussian prisoners of conscience from Soviet institutions. I encourage every possible means of diplomatic pressure in this effort. We must support the Byelorussians desire for freedom and independence in their continued struggle to escape Soviet domination.

VIOLENCE IN EL SALVADOR

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MOFFETT. Mr. Speaker, I would like to bring to the attention of my colleagues an article by Alma Guillermoprieto on the source of violence in El Salvador as printed in the January 7, 1981 Washington Post. Contrary to the Reagan administration's contention that the guerrillas have conducted most of the killings in El Salvador, this article clearly shows that much of the violence is, in fact, being conducted by the government security forces.

The article follows:

[From the Washington Post, Jan. 7, 1981]

SALVADOR RAIDS INTO HONDURAS, REFUGEES CHARGE

(By Alma Guillermoprieto)

LA VIRTUD, HONDURAS.—Salvadoran Air Force planes, apparently seeking guerrilla enclaves, have conducted raids over the Honduran border, shooting into the hills surrounding this small frontier village where thousands of peasants have fled from fighting in El Salvador, according to the refugees.

A spokesman for the office of the United Nations High Commissioner for Refugees, which is aiding the Salvadoran peasants, confirmed the air raid reports, as well as stories of house-to-house village searches by armed men, some in civilian dress and others in Salvadoran military uniforms.

[The Honduran government, through its embassy in Washington, yesterday said that it "denies emphatically that these alleged attacks ever happened."]

Asked about the reports, a Salvadoran government spokesman said only that his government had received no official complaint from Honduras that its border had been violated.

Under terms of a cease-fire after a brief war 10 years ago between the two countries, a six-mile swath along the entire length of the approximately 250-mile border is a neutral zone under the supervision of the Organization of American States. An OAS spokesman for the peacekeeping mission said yesterday in Washington that the mission had received no recent charges of border violations from either country, nor observed any incursion.

The spokesman noted, however, that the eight-man peacekeeping force patrols the zone only by helicopter and is likely to pass over a particular zone only occasionally.

El Salvador and Honduras last month signed a treaty ending the long-dormant conflict but have requested that the OAS mission remain in place for the next six months until outstanding disagreements about several areas along the frontier are settled. After Jan. 15, however, the OAS-supervised neutral zone will shrink to only those areas still disputed by the two governments.

After the treaty was announced, spokesman for El Salvador's political and guerrilla opposition, as well as international sympathizers, have charged that it was hurriedly promulgated—with the prodding of the United States—to facilitate cooperation between the Salvadoran junta and Honduras' military government in combating leftist guerrillas operating in the border zone.

This part of Honduras lies across from a part of El Salvador—the area around the Salvadoran town of Chalatenango—where guerrilla activity and government counterinsurgency operations have been heaviest in recent weeks.

Last May, a group of church workers aiding refugees near the Salvadoran village of Las Vueltas charged that a large group of Salvadoran refugees trying to cross a river into Honduras were fired on and many killed by Salvadoran soldiers while Honduran troops on the other side watched the massacre and tried to force back refugees reaching the other side.

Although both governments denied the report, it caused a furor throughout the region, with charges of secret collaboration among the governments and the OAS.

A spokesman here with the U.N. High Commissioner, which, along with the Honduran Aid and Emergency Committee and other agencies, is caring for what they say are approximately 19,000 Salvadoran refugees in this remote corner of southwestern Honduras, declined to be quoted by name, saying that the relief workers feared added publicity about the conflict would hamper already difficult relief efforts. But the workers confirmed the air attacks and said that the most recent one had taken place Dec. 31.

On Nov. 13, the refugees said, a hundred Salvadoran armed men, some in civilian dress and others in uniform, conducted a house-to-house search at La Virtud, where 2,000 refugees live. There have been at least three such searches for "subversives," they said.

Many of the refugees have found shelter in the mud shacks of impoverished Honduran peasants. Others make do in improvised housing.

Others hide in the high Honduran mountains. One woman, found hiding in a cave, was asked, "Why are you here?"

"Because the [Salvadoran National] Guard is there," she said, pointing at the mountains of El Salvador, barely five miles away.

Like many, she said she feels safer there than in the village, at least until the air raids started.

From La Virtud, it takes at least three hours by jeep to cover the 40 miles to the nearest sizable town, San Marcos, which unlike the smaller village has electricity—for 12 hours a day.

In La Virtud a small brigade from the French volunteer agency Medicine Without Frontiers has been offering medical care to both the Honduran peasants and Salvadoran refugees.

On a recent morning in a tiny hamlet high above La Virtud, a cluster of women holding babies waited for two women doctors to dispense advice and medicine. The doctors brought two of the women, one Salvadoran, the other Honduran, back with them to the field hospital in La Virtud to treat their critically ill babies.

The refugee woman's 1-year old child, hollow eyes and bony limbs bespeaking severe malnutrition, seemed near death. All afternoon the four women, doctors and mothers, waited by the children, hoping that transfusions and shots would work a miracle.

The Salvadoran mother crouched in a corner of the improvised hospital room, speaking quietly and without apparent bitterness. "I would like to go back home, to my plot of land," she said. "But we have seen too much, too many dead. When a neighbor gave the warning that the guard was on its way, our entire village left. We brought nothing with us. The doors of our houses were left open. We stopped running when we knew we were in Honduras."

In a recent census taken by the Honduran refugee aid committee in La Virtud, 80 percent of the refugees said they are fleeing from the National Guard, and the remainder said they are running from the general violence in a country on the brink of civil war.

"And this is just the beginning," a relief worker sighed. "There are 19,000 refugees here now, and the war hasn't even begun."●

HAIG'S DOMINOES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. LaFALCE. Mr. Speaker, one of the more debatable theories in the field of international diplomacy is the so-called domino theory. It claims that all Third World nations in a region are set up like dominoes and that the Communists have a master plan which will lead to each country falling into the Communist camp like falling dominoes.

Although proponents of this theory went into hiding as a result of the Vietnamese conflict, the theory has surfaced in a rather unusual place—the U.S. Department of State. Secretary Alexander Haig evidently believes, as demonstrated by his testimony before the Senate Foreign Relations Committee, that the countries in Central America are set up like dominoes and that the Soviet Union and Cuba have a master plan for sweeping those countries into the Communist camp. First Nicaragua, then El Salvador, then Honduras, and then Guatemala. Presumably, they would not stop there and would sweep through Mexico right to the Rio Grande.

While it is true that there are serious problems and insurgencies in many Central American nations, the major cause for the endemic unrest is lack of both economic development and political freedoms. To view that unrest and those insurgencies in purely military terms would be very myopic and counterproductive.

Secretary Haig's tendency to see diplomatic uncertainties in military terms is evidenced in other regions in addition to Central America.

In a thoughtful editorial from its March 20 edition, the Buffalo Courier Express deftly deflates the rhetorical balloon which Secretary Haig has launched; and I hope that all of my colleagues will carefully consider all of its arguments.

HAIG'S DOMINOES

Constant zigs and zags in foreign policy contributed to President Carter's undoing. Now Secretary of State Haig's gyrations over El Salvador are giving the Reagan administration's chief foreign policy spokesman credibility problems both at home and abroad.

After designating tiny El Salvador as the battleground for halting what he saw as Soviet expansionism, then downplaying the importance of any American military involvement there and blaming the press at the same time for the initial furor, Haig is now resurrecting the Vietnam domino theory and applying it to Central America. His accusation before the Senate Foreign Relations Committee that the Soviet Union has an "international hit list" for domination containing Nicaragua, El Salvador, Honduras and Guatemala once again indicates that the Reagan administration seems obsessed with the "Russians are coming" syndrome.

The Reagan administration was given the go-ahead signal by the voters to beef up the nation's military strength and adopt a get-tough stance with the Russians. But it is doubtful that Western leaders or most peace-loving Americans find very reassuring what has been an overzealous reaction on the part of Secretary Haig about Moscow's ability to affect the outcome in such places as El Salvador at a time when the Russians have all the trouble they might want closer to home, in Poland and Afghanistan. His overall thrust for stopping Soviet bloc adventurism appears to be to get Americans involved in as many places as possible—from the mountains and jungles of El Salvador to the shores of Angola, as well as a peacekeeping detachment of U.S. troops proposed for the Sinai, for good measure.

Haig may be right in saying that the Soviet Union is the "most serious threat to world peace that we're facing." But his apparent solution to Soviet brinksmanship is alarming. And Haig's on-again, off-again, on-again preoccupation with alleged Cuban involvement in El Salvador, it should be noted, coincides with Reagan administration statements "not ruling out force against Cuba as an option." For those persons itching for a replay of the 1962 Cuban missile crisis, should Haig have his way, we caution that the outcome may not be the same.●

NAIROBI CONFERENCE ON ALTERNATIVE ENERGY (PART II)

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. BEDELL. Mr. Speaker, I offer today the second in a series of reports on the upcoming U.N. Conference on New and Renewable Sources of Energy—UNCNRSE—scheduled for August 10 to 21, 1981, in Nairobi.

The importance of this conference lies in reminding us of the tremendous stake that Western nations have in promoting energy development for less developed countries—LDC's. For this reason, I wish to draw my colleagues' attention to a recent article by Peter Grier, the business and financial correspondent for the Christian Science Monitor. The article focuses on an important new study by Thomas Hoffman and Brian Johnson of the well-respected International Institute for Environment and Development.

The study concludes, rightly in my view, that it is in the West's best interests to continue energy aid to LDC's. Messrs. Hoffman and Johnson remind us that while poor, underdeveloped countries suffer as much or more from OPEC price hikes as we do, many LDC's blame Western nations for consuming so much of the world's energy. The scramble for oil supplies will inevitably increase political tensions throughout the world, disrupting international commerce at best and spilling over into violence at worst. The study goes further, however, in pointing out areas in which weakened LDC economies directly undermine the prospects for economic recovery in the West.

First, the inability of developing countries to pay their oil debts forces them to borrow from Western banks; which in turn destabilizes the international finance system. The January 28, 1981, issue of the Wall Street Journal headlined the following item: "Nations in Hock: Third World's Debts Totaling $500 Billion May Pose Big Dangers." I myself recently returned from Brazil, which is emerging as the world's prime example of an economy endangered by persistent hikes in oil prices and corresponding attempts to borrow on foreign currencies. The fact is that many developing nations are saddled with oppressive foreign debts. If further oil price increases cause them to cancel, many Western banks will be caught holding billions of dollars in worthless loans.

Second, stable LDC economies would solidify markets for Western exports. This concern has become very important in the last decade because developing countries now buy 37 percent of U.S. manufactured goods; more than we sell to all of industrialized Europe. Moreover, without these markets, it has been estimated that gross farm income in the United States would be cut 20 to 25 percent. Clearly it is to our advantage that LDC's expand their markets for Western goods, rather than expending capital on their oil bills.

Third, energy aid to developing countries would alleviate what many observers feel is an epidemic destruction of the world's forests. Nearly half the world's woodlands may have vanished since 1950. Annual losses currently run at 25 to 50 million acres. Although the long-term effects of a balding Earth are unclear, the trend may be irreversible if alternatives are not found for firewood, the principal fuel for three-fourths of humanity.

I am pleased to bring this thoughtful study to the attention of my colleagues:

[From the Christian Science Monitor, Feb. 10, 1981]

WEST URGED TO AID ENERGY SELF-SUFFICIENCY IN THIRD WORLD

(By Peter Grier)

The project had such promise. Western experts were sure solar cookers would be a big hit in West Africa. After all, the stoves were cheap, easy to operate, and didn't require any scarce, expensive firewood.

Unfortunately, the average West African didn't agree. The stoves seemed strange. What's more, they cooked too slowly and could only be used at an unpopular time of day. Despite repeated efforts, solar cooking in West Africa has yet to become a trend.

Then there's the story of the solar water pumps. An American solar firm has been negotiating with the government of India, eyeing mass sales of a portable water pump powered by photovotaic cells. Perhaps

mindful of the fate of solar cookers, the company strove to tailor the pump to the needs of Indian farmers. But the project stalled, as the fledgling Indian solar industry successfully lobbied to restrict foreign competition.

These examples, culled from a book just published by the International Institute for Environment and Development, show how misunderstanding has often clouded the West's energy aid to underdeveloped nations.

On one hand, well-intentioned Western programs often barge into a country, with little regard for local customs and needs. On the other, suspicious third-world nations block proffered help because they fear economic colonialism with no long-term gain for themselves.

Yet it is in the West's best interests to continue energy aid efforts, says the report. And it claims such efforts could even attract the support of the Organization of Petroleum Exporting Countries.

"Two and a half years ago we decided there was a gap in discussion about the world energy problem," said report coauthor Thomas Hoffmann at a recent meeting with reporters. "There was no thought being given to the third world."

Mr. Hoffmann added that poor, underdeveloped countries suffer more from OPEC price hikes than industrialized nations do—since their budgets are tighter to begin with and they depend on oil for their development projects.

Gas in America may have gone past the $1.30 mark, but the Tanzanian government recently announced emergency measures to cut national oil consumption 50 percent. And Turkey's oil bill exceeds its entire foreign exchange earnings.

"Americans tend to forget that the third world doesn't tend to blame the oil crisis on OPEC," Mr. Hoffmann said, "but on the U.S. and Europe because they consume such a large percentage of the world's energy."

The West should aid third-world energy development for four reasons, according to the report:

1. It will help stabilize international finance.

Before the first oil price shock, in 1973, the foreign debt of the third world was $93 billion. By 1978 it was $210 billion. Many underdeveloped nations are loaded with a burden of debt that they can barely support. If further price hikes cause them to drop the load, Western banks will be left holding billions of dollars in suddenly worthless loans.

2. It would solidify markets for Western exports.

Sales in the third world are already big business: The US now earns more from its exports to developing nations that it does from those to the Common Market, Japan, and the Communist countries combined. (Though in this case the report's figure for "developing nations" includes OPEC countries.)

3. It would ease political tensions.

The need to elbow for scarce oil raises international tempers and disrupts the daily, interdependent business of the world.

"You can literally go to a country and not be able to leave for two or three days because the airport is out of fuel oil," said Mr. Hoffman, describing how co-author Brian Johnson was stranded in the Sudan while researching the report.

4. Energy aid to many underdeveloped nations would defuse the growing threat of a firewood shortage.

The Asian Development Bank, for example, estimates that Asian developing countries need to plant 24.8 million acres of forest each year, if they are to avoid a crucial "wood deficit" by 1990.

Mr. Hoffman admits a foreign wood shortage seems remote from Western national security interests. But it is the basic fuel of much of the world, he says, and an extreme shortage could crack the political stability of many underveloped countries.

It is this risk of instability that threatens OPEC itself. One cracking country could set off the tinderbox of the Mideast—disrupting production and dragging down many OPEC economies. Thus they too have a vested interest in easing the problem, says the report.

The report says the first step toward breaking the "energy triangle" of hostility between the West, underdeveloped nations, and OPEC is to encourage more exploration for oil in third-world nations.

"The major oil companies are not that interested in small projects," says Erik Eckholm, a fellow at the institute.

In 1975 over 40,000 wells were drilled in the US and Canada, while less than 4,500 were drilled in the non-OPEC third world.

"Twenty thousand barrels a day would make a vast difference to any African country," said Mr. Hoffmann.

The report also recommends throwing US political weight behind a World Bank effort to form an affiliate that would oversee a $25 billion third world energy program.

This year in Kenya the United Nations will sponsor a conference on new and renewable sources of energy. It would be an ideal forum, said Mr. Hoffmann, for the US to announce support for a cooperative approach to underdeveloped-nation energy problems.●

ANNIVERSARY TRIBUTE TO ST. LAWRENCE UNIVERSITY

HON. DAVID O'B. MARTIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MARTIN. Mr. Speaker, I would like to pay tribute to the entire family of St. Lawrence University, in Canton, N.Y., as they prepare to celebrate the 125th anniversary of their outstanding institution.

St. Lawrence University received its charter from the New York State Legislature on April 3, 1856. At that time, the university consisted of a theological school, which continued its service for more than a century, and a college of letters and science, which has grown steadily in reputation and today stands proudly as one of our Nation's leading liberal arts institutions.

From its beginning, the college of letters and science has been nondenominational and coeducational. It is recognized as the oldest continuously coeducational private 4-year college in New York State.

When the people of Canton and members of the Universalist Church founded St. Lawrence, they sought to create an institution that would meet the needs of New York's North Country and its citizens. Historically, St. Lawrence's service to its community and region has been a valuable complement to its firm commitment to liberal arts education.

I salute that tradition of responsibility, and I know the people of the North Country gladly join in that salute.

St. Lawrence University's commitment to the North Country is forceful, indeed, but it is far from parochial. Over the years, the university has become truly global in scope. Its programs in Austria, France, England, Spain, and Kenya bring the entire world closer to our region. Through its new Canadian studies program, semester in Montreal and Canada Week events, the university contributes significantly to our relationship with our good neighbor across the St. Lawrence River.

In recognizing this anniversary, Mr. Speaker, we salute an institution which proudly maintains a tradition of service to the person, the community, and the Nation.●

MISGUIDED BUDGETARY CUTS: ADOLESCENT PREGNANCY PROGRAMS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. RANGEL. Mr. Speaker, the President's budget is awash in proposals that are incorrect from policy perspective, and indeed will lead to further costs in the future. One of the areas in which this unfortunate state of affairs is evident is the area of adolescent pregnancy programs. Ignoring the importance of preventing teenage pregnancies, Secretary of Health and Human Services, Richard Schweiker, called for the elimination of Federal funding for teenage sex education and contraception. Hon. Carol Bellamy, president of the New York City Council, has written an excellent article on this subject that I would like to share with my colleagues.

THE PERFECT PROGRAM NOT TO CUT

(By Carol Bellamy)

The budget thunder out of Washington these days finds many people running for cover, carrying their favorite programs, like valued possessions, to higher ground in the hope that the coming flood won't wash them away. Most are running scared and confused with no coherent resistence, no principled opposition. The New Deal's out, austerity's in, and woe to those who dally while the budget-cutters sharpen the ax.

For once, New York City may be in a position to offer some advice on budgets; we certainly know a thing or two about how to cut them. And we have learned a lesson: When it comes to cutting the budget, you need the skill of a neurosurgeon, not the sweep of the butcher. Unless cuts are carefully crafted,

they may result in greater costs down the road. Simply stated, we have found that an ounce of prevention is worth a pound of cure.

So far, the Reagan administration has not heeded this valuable lesson. One of the most flagrant examples of misguided budget-slashing came recently from Human Services Secretary Richard Schweiker, who called for the elimination of federal funding of sex education and contraception for teen-agers, thus ignoring social reality. Teen-age pregnancy is epidemic throughout America; last year in New York City alone, 14,259 teen-agers gave birth. What happens to these mothers? If they survive childbirth, when their chances of dying are 60 percent greater than for women in their 20s, almost three out of every four (72 percent) will end up on welfare. In New York City alone, the yearly welfare costs for these new teen-age mothers is $39 million.

The tragedy is even more dramatic in human terms. Many of these children are inadequately cared for or are abused and end up in foster care, where they languish for years. When child abuse occurs, not only the direct perpetrator will be responsible. So will all of those who remove the thin preventive safety net that now exists for at least some of these teen-agers. Does it make any sense to eliminate the marginal expense of current sex education and contraception programs? Does anyone really believe that prevention isn't the wisest course here?

One wants to give the Reagan administration the benefit of the doubt. But one fears there may be a method in its madness—perhaps this budget-cutting isn't so blind after all. Remember the campaign, and all the Moral Majority-inspired talk about the "decline of the family"? Sex education and contraception, it seems, threaten the family's hegemony and must be stamped out.

If necessary, we can remind the Reagan administration that the challenge for government policymakers today is to mount a concerted response to the tremendous behavioral changes that are redefining the American family. Today, 58 percent of all husband-wife families have two or more wage earners, 32 percent of married couples have no children living at home and one out of seven families is headed by a single parent. It is estimated that more than one-half of the country's 21 million teen-agers over 15, and approximately one-fifth of those under 15, are sexually active.

Withholding information about birth control will not preserve the family. President Reagan would better serve us all by recognizing the changes now taking place in the nature of the family unit and confronting the challenges of the future, rather than looking back to a past that no longer exists.●

CRIMINAL JUSTICE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. SOLARZ. Mr. Speaker, the President and three other persons were victims of a shameless attack on the streets of our Nation's capital this week. While the attempted assassination of our President was a particularly heinous attack, crime, particularly violent street crime such as this attack, and a fear of crime are major problems citizens of our country face daily.

Yet, while crime is increasing, the Federal response to it has been decreasing. The common opinion is that most crimes are strictly State and local matters. In reality, there is as much justification for a Federal involvement in our criminal justice system as there is for an involvement in most human services.

While crime and a fear of crime are mainly problems of the poor and the elderly, it affects all of us. Criminals are not always from deprived backgrounds. As far as I know, the man accused of attacking the President, John Hinckley, Jr., was not deprived. He grew up in an upper middle-class family and went on to assault our President.

I feel that the extent of violent crime in our society mandates that there be some Federal effort in support of State and local criminal justice programs. A bill I am introducing, the Criminal Justice Assistance Amendments of 1981, will give meaningful help to law enforcement agencies across the country. The bill funds a targeted State administered block grant program which would provide local criminal justice agencies with support for activities like community anticrime projects.

To insure that funds are used in an appropriate manner, the bill establishes procedures to be followed in determining the types of anticrime programs which shall be funded. Initially, the emphasis will be on the following areas:

First, improving approaches to reduce crime, especially street and violent crime;

Second, improving approaches to crime prevention, especially those based on police-citizen partnership;

Third, sting operations to disrupt illicit commerce in stolen goods and property;

Fourth, improving workload management systems for prosecutors;

Fifth, improving systems dealing with career criminals;

Sixth, developing and implementing programs of assistance to victims, witnesses, and jurors; and

Seventh, improving arson prevention and detection efforts.

Most of these programs will operate at the local level. State involvement will be largely limited to the allocation of funds.

The bill requires that Federal funds be matched by an equal amount of non-Federal dollars and that the State matching dollars be clearly identified as such in appropriation bills. Further, the bill mandates that no Federal funds can be used for State or local administrative purposes. In addition, recipients of funds must agree to assume the cost of a project if the project has been proven to be successful after a reasonable period of Federal support.

The bill also creates a National Justice Commission which will coordinate criminal justice policy, particularly with regard to crime and delinquency and will designate those programs which would be eligible for Federal assistance under the legislation.

If you believe, as I do, that there is a need for a carefully targeted commitment to helping solve our Nation's crime problem and that community anticrime programs work, I welcome your support of this bill. It is, to me, the most meaningful way in which we can provide help to State and local criminal justice efforts.●

WE SHOULD SEND CASTRO THE BILL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. McCLORY. Mr. Speaker, the illegal invasion of our shores by Cuban entrants last year is continuing to cost the American taxpayers millions of dollars.

While charging the Carter administration with responsibility for this unauthorized and unprecedented entry into our country by foreign nationals, many of whom were deemed by Castro as undesirables and a large number of whom were indeed criminals, this is above all a tragic experience for which we are continuing to pay.

Mr. Speaker, a most perceptive analysis of this illegal invasion of our shores was composed recently by the highly respected Chicago Tribune Columnist Bob Wiedrich entitled "We Should Send Castro the Bill."

I agree with that description and with virtually all that Bob Wiedrich has reported in his well-researched and illuminating article which appeared in the March 26 Chicago Tribune and which follows:

WE SHOULD SEND CASTRO THE BILL

It is becoming increasingly apparent that Fidel Castro successfully suckered the United States last year by permitting 125,000 Cuban refugees to clear his shores.

So far, the cost to Uncle Sam has been in excess of $532 million. The daily expense of operating the last of the refugee relocation centers at Fort Chaffee, Ark., is running about $400,000 a day.

And the economic and political respite provided the Cuban communist dictator by getting rid of malcontents and convicts undoubtedly is providng Castro with greater resources with which to export revolution to Latin America.

In retrospect, the American government and the American people got taken. They led with their hearts instead of their brains. They permitted Castro to unload a large percentage of his domestic problems on a democratic system he holds in contempt.

By doing so, they merely staved off the day of reckoning for Castro when he will have to come to grips with widespread dissatisfaction among his own people with his tyrannical regime.

In short, he made fools of us. And the event seems Machiavellian enough to have been planned rather than to have resulted from a spontaneous outburst of freedom among dissident Cubans.

Amazingly, some Americans still haven't figured it out. Those with a parochial interest view the flood of Cuban refugees last year as a bonanza for their communities.

Local officials and some businessmen in the Fort Chaffee area declared that the $100 million the federal government pumped into their economy in the last 10 months was terrific.

For it still required 2,000 local civilian employes to care for 3,500 Cuban refugees at the military post at a monthly payroll of $2.5 million.

And the expense doesn't stop there. There are added costs, like paying motel bills of up to 30 percent of the civilians working at Fort Chaffee who come from the surrounding area. There is even a $12,000-a-month soft drink tab.

Naturally, that cash comes from the pockets of taxpayers at a time when the federal government is trying to cut costs to avert national bankruptcy.

Worse, it is resulting in the expenditure of millions of dollars more as the Reagan administration extends increased economic and military aid to El Salvador to fight off Cuban-armed guerrillas.

In the final analysis, all our humanitarian gesture did was to provide Castro with a safety valve for internal problems that were making his relationship with his Kremlin masters even more tenuous.

They buy his sugar when nobody else wants it. They provide him with oil and millions of dollars a day in economic support. The last thing the Soviets need is for Castro's Caribbean communist showplace to become more visibly weakened from within.

So the Soviets must have also applauded when Castro staged his master sucker play by saddling the United States with a refugee problem of almost unmanageable proportions last year.

To him, Uncle Sam must have looked like a giant Santa Claus who had arrived early with a bagful of goodies.

Castro got rid of the people who threatened the stability of his oppressive government. He cleaned out his jails of riff-raff. He may also have slipped a few Moscow-trained intelligence agents or terrorists in among the flood of refugees.

He cost the U.S. government a bundle of cash it could ill afford to spend. Castro loaded more bodies into a country that already was struggling with record unemployment.

He created political discord among Americans that very probably will leave unhealed wounds.

About the only fringe benefits from the experience that can be discerned are the economic benefits to those few communities that shared in the federal windfall and those corrupt seaboat captains who made a mint charging Cuban refugees exorbitant prices to cross the 90 miles of sea between Florida and Cuba.

Granted, the alternative to accepting the refugees would have been distasteful to many Americans who viewed receiving the Freedom Flotilla as a humanitarian gesture in keeping with U.S. tradition.

However, by permitting the exodus to gain momentum, the United States did Castro a favor. In the long run, the cost of that adventure may prove incalculable.

For in easing the plight of the refugees, we postponed the day the Cuban people will rise up against their communist masters and return their island nation to some modicum of freedom.

Surely that day will come. But had the genuine refugees among those who came here remained on Cuban soil to work toward freedom, that day might have come sooner.

Instead, we probably gave Castro renewed vigor with which to subvert countries in a Latin American sphere of influence that is vital to American security.

We lanced Castro's festering sore. And we didn't even send him the bill.●

THE REAGAN ASSASSINATION ATTEMPT: A TIME TO PAUSE AND REFLECT

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, this is a time for all Americans to pause and reflect on the incredible events of March 30, 1981. Immediately, we are thankful, that through the grace of God, our President, Hon. Ronald Wilson Reagan, was spared from grievous injury. As it appears the President's recovery will be successful, we do ourselves well to be mindful of those forces in our lives over which we have very little control.

During these days of shock, anger, and dismay, a cloud of sorrow and uncertainly shrouds our Nation. In the final analysis, there is little of consequence that can be said concerning events that are already a part of history.

Too fresh are the images and emotions that penetrate the deepest corridors of the soul. Too frightening are the reminders of past similarities. The experience is personal; as unique as each person who hears the words, "The President had been shot."

To the relief of all America and the free world, in answer to their prayers, the President will survive the attempt on his life. A man of great spiritual strength, personal fortitude, and physical stamina, Ronald Reagan will soon resume the duties of the office which he was so recently entrusted to fulfill.

Other realities surrounding this occurrence are much more difficult to digest. James Brady, the President's press secretary, was seriously injured in the assassination attempt. In fulfillment of his responsibilities as a representative and spokeman, James Brady was there, up front, leading the way for his boss. In many ways, the serious injuries suffered by Mr. Brady—a distinctive personality in the Reagan team—were particularly painful. Why him?

The others who were wounded, Secret Service Agent Timothy McCarthy and Officer Thomas Delahanty, acted most admirably in defending the President from the onslaught of gunfire. The Nation is grateful for their courage.

Confronted with the horrifying specter of assassination once again, we are prone to hold our heads in our hands and meekly ask, "Why?"

Fortunately, at this point in time, our considerations do not dwell on fatalities. Indeed there is ample cause for relief, and thanks, as we recall the events of March 30, 1981.

Mr. Speaker, perhaps my sentiments can be best expressed by a suggestion put forth by a constituent of New York's Sixth District which I represent. Mr. Leo Boller of Little Neck, N.Y., has proposed that April 3, 1981, be designated as a special day on which all American flags be prominently displayed out of respect and hope for our recently wounded President, Presidential press secretary, Secret Service agent, and District of Columbia police officer.

Mr. Speaker, President Reagan is a remarkable individual. His sense of humor and continuous concern for the well-being of others, are exemplary to the point of inspiration. Prehaps that is the thought that will prevail when normalcy once again returns.

In the face of deadly assault, President Reagan knew instinctively of his ongoing obligation to the American people and the world. He never faltered in his good nature or realization of what the Office of the President of the United States represents to the American people and the rest of the world.

We are all grateful that the President's recovery will be swift. We are equally grateful that this man of presence has demonstrated to all that true leadership is inspiring, yet humble. We commend the President for his courage. His actions continue to be an inspiration to all Americans and all the world.●

QUANTIFICATION OF THE PUBLIC TRUST RESPONSIBILITY

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. SWIFT. Mr. Speaker, for 45 years the FCC has been trying to regulate broadcasters to serve the public interest. While the regulations are voluminous, costly to both Government and industry, they have done little or nothing to make bad broadcasters better while draining resources of the good broadcasters away from more productive pursuits.

Many have virtually thrown up their hands and given up on requiring the broadcaster to serve the public interest. Yet that public trust responsibility is too precious, in my judgment, to throw away. For that reason, I have developed a system which I think will for the first time quantify that public trust. Once we do that—establish an objective standard—the majority of the regulations that have grown up over the years can be abandoned.

However, the idea is new. That suggests a couple of things. First, it is unlikely the idea has come full-blown from my brow without substantial areas for improvement. Second, because it is new, it will seem strange and, I suspect, a little frightening. The irony is that I think it will scare both broadcasters and public interest groups alike—each wary for different reasons.

The following material is designed to help explain what the bill is intended to do. I would be interested in the comments of my colleagues. This process will be very helpful to me and, hopefully, to the entire debate on broadcast deregulation.

HOW THE BILL WORKS—PART 1

I. QUANTIFICATION OF THE PUBLIC TRUST RESPONSIBILITY

To establish an objective point system quantifying the public trust responsibility, the bill would:

Require the FCC to establish through a point system a quantified public interest standard that broadcasters would be expected to meet. The FCC could not require any specific types of programming. To meet the standard, the broadcaster would choose any mix of qualifying programming that fit the station's format, including:

Non-entertainment programming (news, sports, public affairs, religion, etc.).

Public service announcements.

Locally produced, live entertainment programming.

Other programming which the FCC determines would be in the public interest to encourage.

"Bonus" points are added for:

Local, live or produced-live programming.

Programs run during prime time.

Programming that's especially expensive to produce.

Require the FCC to establish within six months a tentative point system and begin evaluating it.

Require the FCC to report to Congress within one year on progress developing and evaluating the point system.

Require the FCC to finish the evaluation within 1½ years and begin a rule-making to put it into effect. The evaluation would:

Use "composite week" logs already on file with the Commission.

Show that the system would be both simple for broadcasters to use and easy for the Commission to administer.

Set minimum performance standards, using as a guide the current performance of the best broadcasters.

And, if it were found to be in the public interest, set different standards for different classes of licenses. This should be kept to a minimum. Classes which the FCC might consider for differing standards include:

Major market stations versus small markets.

Network affiliates versus independents.

The frequency (UHF, VHF, AM, FM, etc.) on which the station broadcasts.

Require the FCC to implement rules putting the point system into effect within 2½ years of enactment.

II. BROADCAST DEREGULATION

With quantified public trust responsibilities comes meaningful deregulation of broadcasters. The bill would:

Allow a broader exemption for news coverage under the Equal Time requirements of Section 315.

Allow five-year license terms for all broadcasters.

Eliminate all ascertainment.

Remove all limits or restrictions on station formats.

Eliminate specific log requirements for radio and TV.

Eliminate required programming logs.

Eliminate annual programming reports.

Eliminate the requirement that stations break down non-entertainment programming into categories (news, sports, religion, etc.).

Eliminate petitions to deny.

Eliminate comparative renewal hearings.

Shorten the waiting period for all applications.

Allow random selection between qualified initial applicants.

Simplify the initial application to a one-step process.

HOW THE POINT SYSTEM WOULD WORK

In spite of complaints by broadcasters about the uncertainty they face during license renewal as the result of the vague public trust standards, many broadcasters would not trade the "devil" they know for the one they don't. While that's understandable, I would like to suggest one way in which an objective point system might work using the natural "marketplace" that already exists within every broadcast station—the interplay between managers who raise money and programming people who spend it.

A POINT SYSTEM APPROACH

Much of the regulatory thicket that has developed has been borne of the desire by broadcasters to have a clear, objective standard they can meet so that, during license renewal, they will have certainty their license will be renewed. Yet, one does not want the FCC making subjective decisions on program quality. Instead, the system should give extra credit for some activities more than others. Three come to mind readily:

First, the size of the audience as determined by the time of day the program is broadcast should be recognized by weighted points.

Second, any "above the line" costs to produce a program should be reflected by more points—probably several categories of them.

Third, local, live production should get more points than something that comes from a network or other outside source.

The bill would also allow the Commission to establish by rule other program types which are in the public interest to encourage. They could, for example, as a means to encourage public broadcasting, allow points to be given for broadcast of programs produced by and purchased from public broadcast stations. Or, if it is in the public interest, they could give bonus points for children's or other programs. The point system could be adjusted by the Commission whenever the public interest dictates; however, no change could be made with less than one year's notice. Such a system would be simple, easy to use and involve a minimum of paperwork.

The Commission would establish minimum thresholds that each broadcaster would have to meet annually. The station would only need to file a simple affidavit that it had met the standard. The threshold would be set after the Commission studies a variety of stations and determines what level is currently being met by those stations that have shown an aggressive and concerned approach to meeting their public service responsibility. However, once the threshold is set:

Broadcasters would have maximum freedom to determine how to meet it; the FCC would know, with certainty, when it had been met; the public would be better served than it is now; and, Congress could undertake meaningful de-regulation.

The following is a sample system as it might be developed for radio and TV.

A POSSIBLE POINT SYSTEM

I. FOR RADIO

1. Basic Points: Each minute, or fraction of a minute, of program devoted to any type of non-entertainment program could get one point. That would include news, sports, weather, public service announcements, religion and other qualifying programs.

2. Bonus Points: In addition to the basic points, a program might also qualify for additional points by one or more specific factors, including better time periods, a "local" effort and more costly production.

A. Time Period Bonus:

Hours	Weekdays	Saturday/Sunday
9 p.m. to 6 a.m.	No extra	No extra
6 a.m. to 9 a.m.	3 points per minute	1 point per minute.
9 a.m. to 3 p.m.	2 points per minute	2 points per minute.
3 p.m. to 6 p.m.	3 points per minute	2 points per minute.
6 p.m. to 9 p.m.	2 points per minute	1 point per minute.

B. PSA Local Bonus: A bonus of 1 point per minute might be given for public service announcements that relate to local issues and activities.

C. Locally-produced Program Bonus: Programs that are locally produced, including locally produced entertainment programming, might get an extra one point per minute.

D. Production Cost Bonus: A bonus might be added according to the scale below for programs that incur substantial "above the line" costs (those directly related to the program other than normal salaries and overhead). The exact brackets should probably vary between markets. However, for this sample, they are: $25 to $100 per broadcast cost=1 point/minute; $100 to $500 per broadcast cost=2 points/minute; $500 and up per broadcast cost=3 points/minute.

3. Here's an example, using the above point system.

A station airs a program that qualified as public service. It is locally produced and broadcast Tuesday afternoon at 2 p.m. It cost the station between $100 and $200 extra to produce and runs 5 minutes. It earns 30 points.

POINTS PER MINUTE

Basic public service points	1
Local production bonus	1
Time period bonus	2
Production cost bonus	2
Total value	6

Note.—Multiplied by 5 minutes the program receives 30 total points.

This would compare, for example, with a network produced, half-hour public affairs program which is aired locally at 10 p.m. Sunday. It would qualify for only the basic points (1 per minute) × 30 minutes = 30 points.

II. FOR TELEVISION

This suggested system for radio could be easily adapted to fit television by adjusting the time segments and revising the production costs schedule. The rest could be much the same.●

SMALL BUSINESS PROCUREMENT REFORM ACT OF 1981

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. MAVROULES. Mr. Speaker, it is impossible to imagine an America without small business. And yet, too many of us take this vital segment of our economy for granted. We cannot afford to do so any longer.

Small businesses employ 58 percent of our Nation's work force, and account for 43 percent of our gross national product. They have been rightly described as the backbone of our economy, perhaps even our way of life. According to the report of the White House Commission on Small Business, small businesses "can give our communities an even keel of economic stability. They can supply the bulk of the Nation's new jobs. And they can incubate new formulas for the Nation's growth."

In the current economic recession, small businesses have suffered along with their larger counterparts. Indeed, their problems have been greater in magnitude, because they do not have the ready access to large infusions of capital that major corporations enjoy. And their situation has hardly been helped by the fact that less than 25 percent of every Federal procurement dollar goes to small business.

This last fact is particularly ironic. According to a National Science Foundation study, small businesses produce 24 times more major innovations per research and development dollar than larger firms. Clearly, Government agencies could save money if they would make more Federal contracts available to small businesses, many of which are in dire financial straits.

In the 96th Congress, Representatives REUSS, BEDELL, and Drinan introduced legislation to remedy the bias against small businesses in the awarding of Federal contracts. Although the bill had more than 50 cosponsors, it was never reported out of committee.

This issue remains as pressing now as it was in 1979. If anything, as economic conditions worsen, it becomes even more imperative that steps be taken to correct this imbalance. To this end, I have introduced the Small Business Procurement Reform Act of 1981.

The bill would do the following:

It would guarantee that firms have at least 30 days to bid on each contract, thus protecting small companies, which are often the last to hear of new contract opportunities.

It would direct each agency to work toward a goal of at least 20-percent small business participation in procurement activities.

It would require that each Federal agency break its large systems procurements, whenever practical, into smaller components in order to give small businesses a greater opportunity to submit bids.

It would mandate that, for a contract under $100,000, each agency provide to interested firms a copy and a summary of each Federal law and regulation with which they must comply in the performance of the contract.

It would require that each Federal agency justify every instance in which goods or services are procured without competitive bids.

It would make available in as many locations as possible information and materials needed to prepare bids on Federal contracts.

It would authorize the Small Business Administration to establish arbitration panels to resolve minor contractual disputes, thus avoiding lengthy and costly litigation.

The need for this legislation is growing. In fiscal year 1978, small firms received only 21.7 percent of Federal procurement funds. In fiscal year 1980, that figure dropped to 20.1 percent. If we fail to act, the situation may well worsen in coming years.

The Small Business Procurement Reform Act can reduce Government spending through lower cost Federal procurement. It can create new jobs for thousands of unemployed men and women. Most importantly, it can strengthen beleaguered small business, potentially the vanguard of our economic revival. I invite my colleagues to join me in this vital cause.●

EL SALVADOR

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. GEJDENSON. Mr. Speaker, the issue of U.S. military assistance to El Salvador continues to concern both my colleagues in the House of Representatives and the people of the United States. I would, therefore, like to insert into the CONGRESSIONAL RECORD the following editorial written by Mr. Richard H. Ullman, a professor of international affairs at Princeton University and printed in the February 25, 1981, edition of the New York Times:

SAVING SALVADOR

(By Richard H. Ullman)

PRINCETON, N.J.—The Administration seems headed toward disaster in El Salvador. Its obsessive concern to demonstrate that the United States can no longer be pushed around by the Soviet Union and Cuba has tied our prestige to the survival of a brutal military regime. In so doing, it is inviting a confrontation from which, no matter what the outcome, Moscow will emerge a winner.

Our standing—in the eyes of much of the rest of the world, and perhaps even in those of our own people—will surely diminish. The ultimate losers will be those whom the Administration in its simplistic *Realpolitik* has overlooked: El Salvador's four million people.

The Soviet Union will emerge enhanced because governments and publics in many countries, including Mexico and Western Europe, seem to believe that the Salvadoran rebels, who now enjoy Moscow's and Havana's support, are much more worthy of support than the regime they oppose. Thus, if large-scale United States assistance saves the junta. Washington will be accused of again stifling a "progressive third-world revolution." On the other hand, now that Washington's prestige is engaged, an insurgent victory will seem yet another sign of declining United States power. For Moscow, no matter what the outcome, the applause of much of the third world will come as a welcome diversion from the opprobrium that has rightly attached to its brutal intervention in Afghanistan.

Like the Carter White House, the Reagan Administration purports to regard the junta as courageous centrists battling repression from left and right. But the overwhelming evidence is that whatever democratic center there may have been exists no longer. Its fragile chances were snuffed out with the lives of six civilian opposition leaders rounded up by army units in November and executed, just as nearly every other voice for moderation—including many priests and an archbishop—have similarly been silenced. And the land reform on which Washington has placed its bets for weaning the rural poor from the insurgents has proved largely a sham, as much undermined in the countryside by the army as ballyhooed by the junta.

Yet the Administration has firmly nailed its flag to the junta's mast. No longer can there be a graceful exit. Our military mission in El Salvador has doubled; the flow of arms will surely double, too. But the Pentagon's own analysis is said to conclude that the junta is not capable by itself of putting down the insurgency even with vastly enhanced resources. So the next steps will surely include a gradual assumption of more active roles by our own forces. They will fly the helicopters that ferry Salvadorans into battle. They will operate electronic sensors to detect the influx of arms. And when they begin to die in combat, the Administration will find its prestige even more irrevocably on the line.

El Salvador is not Vietnam, however. "Our side" will almost surely win. But the costs, in Salvadoran lives and perhaps our own, too, and to the United States' reputation

will be gigantic. And the sparks of revolution will have ample tinder for reignition.

The tragedy is that these costs are so unnecessary. Our prestige is on the line only because the Administration insists it be there. The fact of Soviet and Cuban support for insurgents need not trigger automatic United States opposition. There are conflicts for which no satisfactory resolution is possible. The civil war became such a conflict when the army and right-wing death squads liquidated the moderate center.

The insurgents undoubtedly include many Communists among their number. Their blueprint for a reconstructed society will not accord with the preferences of most people in this country. But they nevertheless seem the favorites of a terrorized population that evidently feels that an insurgent victory will bring the more equitable distribution of wealth so long denied it by El Salvador's rules.

That fact alone should give us pause. But if it does not, then Washington's policy should at least be shaped by the likelihood—indeed, certainty—that a victorious left in El Salvador, as in Nicaragua, would scarcely be anyone's willing client. The Soviet Union and Cuba are useful arms suppliers during civil war. But it is to the United States that victorious insurgents look for aid in rebuilding their countries. Then our resources and influence can decisively shape events.

Alas for the Salvadorans, and also for ourselves, the Administration has all but foreclosed such an outcome. Any hope for preventing a disastrous escalation of our involvement in the war must rest with the Administration's critics at home—with Democrats, liberal Republicans, and the churches, especially the Roman Catholic Church. They may yet save the honor the Administration is so recklessly squandering.●

THE BYELORUSSIAN REPUBLIC: THE FREEDOM FIGHT GOES ON

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, while events in Poland continue to hold the attention of the international media, and freedom loving people throughout the world, it is fitting that recognition be paid to others who seek to rid themselves of the yoke of tyranny and be free.

A short while ago, I received a communication from the Byelorussian Congress Committee of America. That letter is a incisive account of the struggles and travails of the Independent Byelorussian Republic that came into existence on March 25, 1918.

Seventy-three years later, the proud people of the Byelorussian Republic, though forcefully subjugated by Soviet communism, have not forgotten the brief autonomy they enjoyed. Nor have they forgotten the atrocities they have been subjected to under the crushing hand of Soviet Russia.

In tribute then, to these courageous people whose unending desire is to live as free men and women, I submit the following statement. During those moments when we are tempted to soften our just opposition to Soviet communism, it would be beneficial to recall this account:

BYELORUSSIAN CONGRESS
COMMITTEE OF AMERICA,
Queens, N.Y., March 15, 1981.

Hon. JOHN LeBOUTILLIER,
House of Representatives,
Washington, D.C.

DEAR MR. LeBOUTILLIER: Sixty three years ago, the Council of the Byelorussian Democratic Republic solemnly proclaimed the National Independence of Byelorussia on March 25, 1918 in the city of Minsk (Miensk in Byelorussian), which became the capital of the new Byelorussian Republic.

Thus, the long subordination to the Tsarist Russian Empire was ended. The government of the new Independent Byelorussian Republic immediately began to organize the national and local administration, the educational system, the cultural activities, the restoration of the war torn economy, and the formation of the national military forces. It also began intensive diplomatic activities abroad.

Unfortunately, the joyous spring of the National Independent Byelorussian Republic was threatened by the emergence of the new imperialist Bolshevik government of Soviet Russia, under the leadership of Lenin.

Perfidiously he proclaimed the right for self-determination for all former non-Russian nations, conquered by the Tsars and incorporated into the Russian Empire. He was using this promise only as an attractive propaganda ploy. While in reality, he was practicing the sinister policy of military reconquest, by the Russian Red Army, of the newly independent national non-Russian republics, including reconquest of the new independent Byelorussian Democratic Republic.

To camouflage this aggression by a "progressive" shield, Moscow Government arranged the proclamation of its own colonial state, the Byelorussian Soviet Socialist Republic, on January 1, 1919 in the city of Smolensk.

Byelorussian military forces were fighting the Soviet Russian aggressors on several fronts:

In Northern Byelorussia, the special troops under the command of general Bulak-Balakhovich.

In Central Byelorussia, the military formations under the command of K. Yezavitav, and the Grodno Regiment under the command of Haydukievich.

In Southern Byelorussia, the Slutsk Division under the command of Col. Sokal-Kutylouski.

Unfortunately, without any help from abroad, the heroic, but completely outnumbered and poorly equipped, Byelorussian national forces were defeated by the Russian hordes.

The diplomatic activities of the Byelorussian Representatives, at the peace conferences in Byelorussian Brest, in 1917 and in French Versailles, in 1919, have not received the necessary understanding from the Western Powers.

The Consulates of the Byelorussian Democratic Republic were established in the following countries: Germany, Denmark, Finland, Turkey, Yugoslavia, Czechoslovakia, Lithuania, Latvia and Estonia. But the Western Countries were deaf to the urgings and pleadings of the Byelorussian Representatives.

Finally, Byelorussian Democratic Republic was liquidated by the Treaty of Riga in 1921, by which Byelorussia was partitioned between Soviet Russia and Poland.

Moscow Government created the Byelorussian Soviet Socialist Republic (B.S.S.R.) only on the small part of the Byelorussian ethnographic territory. Most of the Byelorussian ethnographic territory was annexed to the Russian S.F.S.R. Russian Government imposed on Byelorussia its own policy of Sovietization and Russianization.

In the Eastern part of Byelorussia, which was annexed to the Russian S.F.S.R., with the cities of Smolensk, Bransk, Vialikiya Luki and others, nothing Byelorussian was allowed at all. This part of Byelorussia was treated and considered as a genuine Russian territory.

Russian Government persistently and systematically conducted the policy of Russianization of the Byelorussian Soviet Socialist Republic. With this goal in mind, Russians eliminated the leading segments of the Byelorussian population: statesmen, creative cultural people, scientists, professionals, and also the patriotic Byelorussian farmers and workers.

During 63 years of Soviet Russian oppression, over six million of Byelorussian population were murdered or deported to the concentration camps of Siberia.

All administrative positions in Byelorussia, from the managers of the collective farms and factories, all the way to the members of government of the republic, were filled by the imported Russians or other Russianized non-Byelorussians. Because Russians did not even trust nationally conscious Byelorussian Communists.

Byelorussian language was forcefully replaced by the hated Russian in all aspects of life of an oranized society. Newspapers, magazines, scientific and literary books, movies, theaters, compulsory mass meetings, schools, professional organizations, all are used for the sole purpose of Sovietization and Russianization of the Byelorussian people.

The national Byelorussian Orthodox Church was liquidated and replaced by the Russian Orthodox Church, the few remaining Byelorussian churches were subordinated to the Moscow Patriarch.

The atheistic government of Soviet Russia is sinisterly using the Orthodox Faith of the Byelorussian people to separate the Roman Catholic Poland from Western Europe, with the aim of Russianization of Poland at not too distant future time. The Orthodox Church never before existed in the Western regions of Poland. Yet, after World War II, the atheistic Soviet Russian Government created the Orthodox Archdioceses in the cities of Wroclaw-Szczecin and Poznan-Lodz. The parishioners of these Orthodox churches are predominantly Byelorussians, transplanted from Byelorussia after World War II.

Ironically, Russian language is used in the religious schools, sermons and in the administration of the Polish Orthodox Church. To reduce the Byelorussian national strength, young Byelorussians, as a rule, immediately after graduation from the universities, are sent out from Byelorussia to other ethnic republics such as: Baltic and Asian Republics of the Soviet Union. Where, separated from their national Byelorussian roots, they are first Russianized, and then used to Russianize those non-Russian Republics. Secondly, the educated young Byelorussians, instead of giving their talents to their native Byelorussia, are ex-

ploited outside of Byelorussia, in building the imperialist expansionism of Soviet Russia.

Byelorussian people desire to be free from all the colonial burdens and dangers, imposed on them by the brutal Soviet Russian occupation. Byelorussian people desire to have liberty and national independence.

Soviet Russia is a real threat to the entire Free World, now and always. The only way to diffuse this real global, present and future, threat, is to break-up the Soviet Russian Empire, and to liberate all the subjugated nations, including Byelorussia.

Very respectfully yours,

JOHN KOSIAK, *President.*
MICHAEL SIENKO, *Secretary.*●

SAVE THE URBAN PARKS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. SCHEUER. Mr. Speaker, the administration is reportedly planning to propose that metropolitan New York's Gateway National Recreation Area be dropped from the National Parks system, along with a number of other urban parks and recreation areas.

In defense of that plan, the Director of the National Park Service refers to the Yellowstones and Yosemites of the far West as the crown jewels of the system—those that deserve priority attention at a time of budget stringency.

Mr. Speaker, those crown jewels are national treasures; but I am certain that Congress will not allow our urban parks to be shunted aside like so many dime store rhinestones. Ten million people enjoyed the Gateway Park last year—more than three times as many as those who visited Yellowstone and Yosemite combined.

The great western parks are a source of pride for every American who has visited them, as well as for those who have only seen them in pictures; but for tens of millions of greater New Yorkers, Gateway Park is more than just a stunning photograph. It is a short bus ride away.

In our appreciation of the natural wonders of the West, let us not forget to put our money where our people are.

I have submitted a letter to the Secretary of the Interior urging careful reconsideration of the Park Service plan. I know that many of our colleagues will be working actively to save Gateway and other urban parks.

Congress has the power to pass judgment on this shortsighted idea. I am confident that we will not decide to confine the enjoyment of Federal parklands solely to those who live in Wyoming or the Dakotas or to those who can afford to travel there.●

THE PEOPLE RESPOND

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan.

STATEMENT OF THE NATIONAL COALITION FOR ECONOMIC JUSTICE: A CALL FOR A NATIONAL LEGISLATIVE LOBBY FOR JOBS

A JOB FOR EVERYONE, WILLING AND ABLE, WHO WANTS TO WORK

Our nation's severest problem is jobless men and women. Surely, inflation is causing a tremendous crisis, but for those who have work or can find work, there is still a sense of hope. For the unemployed and the underemployed, their dignity and human potential is under attack. Unemployment destroys hope and the self-esteem of a productive human being. The consequence of joblessness is serious human, economic, social and moral destruction. Unemployment helps to generate high rates of crime, larger welfare rolls, destruction of family life; inadequate housing, poor nutrition and health services, it fosters emotional instability, and it adds to the destruction of the educational system.

We have entered a new decade with unemployment totaling close to 8 million by official count; the actual figure is well over 10 million. A large portion of the unemployed (over 3 million) are youth, especially Black and minority youth between the ages of 16 and 25. The government's policies of the past decade, and even more so now, foster and maintain the development of a vast permanent underclass of Americans who will never, ever be able to feel themselves productive human beings. For this reason, we must speak directly to our national legislators about programs to change this situation.

It is out of this need that the National Coalition for Economic Justice calls upon you to support and endorse a National Legislative Lobby for Jobs, April 14th, 1981. This date, 10 days after the anniversary of the assassination of Rev. Martin Luther King, Jr., has been selected to honor his memory and his life which was dedicated to economic and social justice.

The overall objective of this Legislative Lobby is to speak personally to as many representatives and senators from as many states as possible. It is our plan to convene people from each state to visit with their own representatives and senators with the following demands:

1. A job for every person willing and able to work with decent working conditions and no sub-minimum wage.

2. Enactment of legislation for a shorter work week with no reduction in pay (Conyer's Bill). Provide legislation to prevent plant closings and runaway shops.

3. Massive job and job training programs for unemployed adults and youth. Preserve and strengthen CETA. Pass the Youth Act of 1980 and the Weiss Full Employment Youth Act. Enforce H.R. 50. (Humphrey-Hawkins)

4. Adequate funding for quality, integrated education. Maintain the Department of Education.

5. Support for expansion and enforcement of affirmative action requirements for all jobs.

6. Funds for the above programs to be acquired from closing corporate tax loopholes and unnecessary exorbitant expenditures of the military budget.

Our nation cannot afford to endorse and support the existing economic policies that allow millions of Americans to be cast out of work to be left on unemployment lines with totally inadequate economic benefits or no benefits at all. This suffering is so unnecessary when there is so much work that needs to be done, such as:

Helping to rebuild our cities; constructing housing for that vast number of Americans without adequate shelter.

Developing more efficient mass transit systems.

Weatherizing housing structures so that they may be more energy efficient.

Making more available health, education and nutritional services to the elderly and children of our nation.

All these jobs and many others will provide a direct benefit to our society and add to the productivity of our human resource.

Will you join us today by endorsing our Call and beginning now to organize a delegation from your organization or community to join the National Legislative Lobby for Jobs in Washington, D.C. on April 14, 1981?

YOUNG PEOPLE'S LOBBY FOR JOBS

ENDORSERS (PARTIAL, LIST IN FORMATION)

Joseph P. Addabbo, Member of Congress, New York; Americans for Democratic Action-Youth Caucus; Aspira Inc. of New Jersey; Rev. Charles E. Cobb, Exec. Dir., Commission for Racial Justice-United Church of Christ; Commonwealth Assoc. of Students, Christopher Leavey, Exec. Dir., Pa.; John Conyers, Member of Congress, Michigan; District of Columbia Board of Education.

Bernard Firestone, Sec.-Treas., Chicago & Central States Joint Brd., ACTWU, AFL-CIO*; Mel King, State Representative, Massachusetts; Mike Lowry, Member of Congress, Washington State; Joseph Madison, Director, NAACP Voter Registration Project*; National Black Youth Network, Charles J. Moreland, Chairman; National Council of La Raza, Juan Turnure, Youth Specialist; Laurence E. Connolly, Jr., State Representative, Maine.

Cleveland Robinson, Sec-Treas., District 65 UAW*; Southern Christian Leadership Conference, (SCLC), Joseph E. Lowery, President; Carl Scarbrough, International President, United Furniture Wrkrs. of America, AFL-CIO*; National Coalition for Economic Justice, Rev. Robert Jones, President; Ruth Messinger, Member, City Council of New York; Carmel Sandoval, Program Specialist, National Education Association

* Organizations listed for identification only.

(NEA)*; United States Student Association, Doug Tuthill, President.

Ted Weiss, Member of Congress, New York; United Neighborhood Centers of America, Inc., Walter L. Smart, Exec. Dir.; John F. White, Jr., State Representative, Pennsylvania; Women for Racial and Economic Equality; Women's Intl. League for Peace and Freedom, U.S. Section; Young Workers Liberation League, James Steele, Chairman; Youth Council/NCEJ, Judith Mercadel, Natl. Coordinator; David P. Richardson, State Representative, Pennsylvania & Black United Front, Philadelphia;

Also: American Indian Movement, Herb Powless, Milwaukee; Harlan P. Baker, State Representative, Maine; Kristin Baldridge, Counselor, YWCA Employment Program, Fullerton, California*; Bergen Accord, Cecile Raven, Convenor, Hackensack, N.J.; Anne Braden, Southern Org. Com. for Eco. and Social Justice*; William Brown Jr., Rec. Secy., Local 600, UAW, Detroit*.

Rev. Greggory Brown, Houston Texas; Rev. Bradford H. Bryant, Church of All Nations, Boston*; Calvary United Methodist Church, Mamie Williams, Pastor, Washington, D.C.; Gene Carroll, Disarmament Coord., Coalition for a New Foreign & Military Policy*; Casa Maria Hospitality House, Donald Timmerman, Milwaukee; Coalition for Budget Priorities, Cleveland; Coalition for Economic Survival, Los Angeles; Enio Carrion, President, Local 140, United Furniture Workers America, NY.*

David Cohen, President, U.E. Local 264, Holyoke, Massachusetts*; Colonial Park Community Services, Roscoe Bradley, Exec. Dir., Harlem, NY.; Committee on Political Education, SEIU Local #509, AFL-CIO, Boston; Community Multi-Service Center, Henry Maxwell, Youth Director, Harlem, NY.; Walter Corley, President, Michigan Young Democrats*; Frank Shaffer-Corona, Member, D.C. Board of Education; Ed Cross; Tunnel Workers Union LCL #147, Secy-Treas.*

Crotona Community Coalition, Bronx, NY.; Ernest De Maio, World Federation of Trade Unions*; Delaware Valley Amer-Soviet Friendship Society, Philadelphia; David Ector, Chairman of the Board, Community Action Pittsburgh, Inc.*; Emma Lazarus Federation of Jewish Womens Club, Gertrude Decker, Legis. Dir.; Jerry M. Evans, Chairman, Community School Board #3, New York City*; Marion Foreman, Hyde Park High Student Coordinator, Boston*; Fred Gaboury, Editor, Labor Today, Chicago.*

Margaret George, Pittsburgh; Dr. Cary Goodman, Dir. Sports for the People, New York; Ewart Guinier, Prof. of Afro-American Studies, Harvard University, Cambridge, Ma.*; Vivian Hallinan, WILPF, San Francisco; W. John Hannigan, Dir., Pittsburgh Catholic Diocese Bur. of Social Progress*; Dale Hoskins, Chairman, Labor-Community Coalition for Jobs, Detroit*; George T. Hrbek, Lutheran Metropolitan Ministry, Cleveland*; Richard Hudson, Dir., Affirmative Action Coordinating Center, New York.*

Suzanne Hunt, Community Organizer, Portland, Maine; Independent Learning Center, Kathy Harrell-Patterson, Director, Milwaukee; Charles Johnson Jr., Asst. Dir., Martin De Porres Center, Cleveland*; Rev. Muhammad Kenyatta, Natl. Committee of Black Churches*; Michael S. Levien, Asst. Dir., West Side High School, New York*; Frank Lumpkin, Chairman, Wisconsin Steel Save Our Jobs Committee, Chicago*; Asbury Park Education Assoc. (NEA), Russell Leidy, Pres., NJ.

Julius Margolin, Delegate to NY Central Labor Council*; Martin De Porres Community Center, Manuel Dominguez, Dir. Yth. Ser., Astoria, NY*; Lyle Mercer, Exec. Secy., Washington Coal. for a Natl. Health Program, Seattle*; Robert E. Moir, Sec, Monmouth Cnty Education Assoc. NEA, New Jersey*; Joann Monroe, Youth Coordinator, Pittsburgh O.I.C.*; George B. Murphy Jr., Natl. Rep. Afro-American Newspapers, Washington D.C.*; Rev. George C. Newmeyer, Dir., Office for Justice & Peace, Diocese, Pittsburgh.*

New Rochelle Coalition vs. Inflation & Unemployment, New York; Organizations United for Eastside Development, Mario Salas, Officer, San Antonio, TX*; Ethel M. Parris, Dir., Quest & Invest Youth Program, Pittsburgh*; Wendy J. Palmer, C. Dir., Springfield YWCA Female Runaway Program, Massachusetts*; Samuel P. Peabody, Exec. Dir., Broadjump, Inc., New York*; Pittsburgh Youth Movement for Jobs; Dr. Cecelia Pollack, Treas., Queens Coalition for Peace & Justice, New York.*

James E. Rogers, PhD, Dir., East Cleveland Public Library*; Pauline Rosen, Chelsea Women Strike for Peace, New York*; Norman C. Roth, Retired Pres., Local 6 UAW, Chicago*; Pimon Ruetrakul, CETA Yth. Program, Sup., Brashear Community Center, Pittsburgh*; Barbara Lett Simmons, Member, D.C. Board of Education; Somerville Media Action Proj., Bruce Petschek, Dir., Massachusetts; South Shore Coalition for Human Rights, Abe Cohen, Pres. Quincy, Massachusetts.

Alan Thompson, Exec. Dir., Natl. Council of Amer-Soviet Friendship*; Joseph J. K. Wisneski, Convenor, Full Employment Task Force of Commission on Catholic Community Action, Cleveland*; Rev. Karol Boersma, Manhattan Christian Reformed Church, Harlem, NY*; Carmencita P. Walker, Proj. Dir., Employment Prog., YWCA of North Orange Cnty, Va.*; Watertown Multiservice Center, J. Donald Schumacher, Dir., Massachusetts.●

SMALL BUSINESSMEN ARE BEING CAST ASIDE IN RETAIL GASOLINE MARKET

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. VENTO. Mr. Speaker, I would like to take this opportunity to commend a constituent of mine, Art Meyer, on his retirement after 35 years of service to his community.

The reasons behind Art's retirement, I believe, point up to a larger problem we face in America; that is, the decline of small businessmen in the gasoline service station industry. In the past decade, we have seen a significant decline in the number of gasoline outlets. Those stations remaining are gearing toward high-volume, no-frills operations. In this changing market, it is the small businessman service station owner who is being squeezed out. These new operations are gas stations only, no longer are they the familiar service stations we grew up with because customer service is being cast aside. Less and less do we encounter the service station where you can fill-up on gas and get your oil and tires checked at the same time. The operators of these service stations are often neighbors of their customers, people who can be counted on to provide for the customer's complete motoring needs. Art Meyer's service station was one such business. Now like many small businessmen before him, Art finds himself hamstringed by marketing forces over which he has no control. High volume sales are the name of the game and those who cannot compete on that basis are dropped.

I believe the time has come for Congress to reaffirm its support for these small businessmen. I have cosponsored Representative BEDELL'S bill, H.R. 1362, the Small Business Motor Fuel Marketer Preservation Act, and will support other efforts designed to protect the viability of small businessmen such as Art Meyer.

I bring to the attention of my colleagues the following article which appeared in the March 24, St. Paul Dispatch. I believe it serves well to illustrate the plight of the small businessman/service station owner and the need to protect businessmen such as Art Meyer.

SMALL GAS STATIONS ARE LOSING BATTLE AT PUMPS

(By Scott Carlson)

When the Standard Oil Company sent its registered letter to gas station owner Art Meyer shortly before last Christmas it was no season's greeting: the company informed Meyer it was dropping its franchise with him.

"Not even a thank you for being in business 52 years," Meyer said. "Just a terse legally composed letter."

That wasn't the way Meyer ever did business with anyone. Meyer's patrons, his customers will tell you, were his "friends."

You could chat with Meyer over a free cup of coffee and pet a stray calico cat named "Momma Kitty" when doing business at the Maplewood station.

"I kept it as a neighborhood station," said Meyer, as he reflected on 35 years as an independent businessman with the help of his wife Joyce, who handled bookkeeping. Prior to his time, Meyer's father-in-law Norman Mogren owned the station for 17 years.

Now, Meyer has leased his station to a different oil company and will be retiring March 31. "The people (customers) have been awfully good to me," Meyer said. "I think my 14-hour days went faster than most people's eight-hour days.

"I think the good Lord was smiling on me," he added.

But Meyer has seen tremendous change in his industry since 1946 when he was just a 22-year-old man working out of a wood frame station and pumping gasoline for 20 cents a gallon. For example, cars, once simple to repair, are now "electronic monsters," he said.

In recent years, Meyer has found it increasingly difficult to survive as a small businessman in a market of big oil companies and gas stations emphasizing high volume sales.

"They (cars) have changed the business in quite a way," Meyer said. "Before they were

kind of a simple machine that an intelligent person could repair without a great deal of time or expense. You could use the same help (at a station) to do all jobs.

"That created a good balance for the industry," Meyer continued. "People (customers) could depend on good service at reasonable prices more so than now."

Today there are fewer and bigger stations but they aren't necessarily better, Meyer contended.

"The country has become so 'volume' conscious," he said. "The volume approach has taken out the extra things (service) people were getting. The volume approach means you don't do anything unless it makes money."

Meyer explained, as an example, that small gas station owners buy sparkplugs at higher prices than owners of bigger stations because of differences in discount purchase rates.

Despite these difficulties, Meyer said he never wanted to alter the service or personal relationship he had with customers.

"The owner contact with customers generally is less and less," Meyer said. "I think they (the customers) are missing something. That's why I think my customers kept coming back."

He concluded: "There are still a lot of people who want that (personal business) relationship."●

WORKERS RIGHT TO KNOW OR THE SUPPLY-SIDE AFFECTS OF OCCUPATIONAL CANCER, PART II

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. OBEY. Mr. Speaker, in one of its first public actions concerning worker safety, this administration decided to stop distributing a current intelligence bulletin on formaldehyde by the Occupational Safety and Health Administration and the National Institute for Occupational Safety and Health. The bulletin is not a standard. It simply is a means of informing workers, employers, and the general public of the scientific evidence indicating that formaldehyde may be a carcinogen in humans and recommending ways to protect workers from exposure. There are many workers exposed, an estimated 1.6 million in a NIOSH survey. The United States produced about 6.4 billion pounds of it in 1978, with U.S. consumption estimated to exceed 7.5 billion pounds by 1983. Some of the product uses are: Cosmetics, deodorants, dyes, embalming fluids, insulation, paper, plastics, and textiles.

Because of the importance of information like this to workers and the general public, I am placing in the RECORD the entire intelligence bulletin on formaldehyde which the administration has decided to suppress.

NIOSH CURRENT INTELLIGENCE BULLETIN NO. 34

FORMALDEHYDE: EVIDENCE OF CARCINOGENICITY

The National Institute for Occupational Safety and Health (NIOSH) and the Occupational Safety and Health Administration (OSHA) recommend that formaldehyde be handled as a potential occupational carcinogen and that appropriate controls be used to reduce worker exposure. These recommendations are based primarily on a Chemical Industry Institute of Toxicology (CIIT) study in which laboratory rats and mice exposed to formaldehyde vapor developed nasal cancer, and are supported by a New York University study where rats exposed to a mixture of formaldehyde and hydrochloric acid vapors developed nasal cancer. Formaldehyde has also been shown to be a mutagen in several short-term laboratory studies. In addition to the carcinogenic potential, other adverse health effects caused by formaldehyde are described. NIOSH and OSHA request that producers and distributors of formaldehyde, and of substances and materials containing formaldehyde, give this information to their employees and customers, and that professional and trade associations and unions inform their members.

BACKGROUND

Formaldehyde is a colorless, flammable gas with a strong, pungent odor. It can form explosive mixtures with air and oxygen. As an important industrial chemical of major commercial use, formaldehyde is found throughout the environment. In outdoor air it can originate from many sources such as incinerators, photochemical smog, and engine exhaust. Atmospheric levels of formaldehyde have been reported to range from less than 0.005 ppm to 0.06 ppm near industrial outlets or in areas of heavy smog. Workers who smoke are exposed to additional levels of formaldehyde, since cigarette smoke contains as much as 40 ppm of formaldehyde by volume. Thus, an individual who smokes a pack of cigarettes a day would inhale 0.38 mg, whereas occupational exposure to formaldehyde at 3 ppm could result in a daily intake of 29.0 mg.

Production and Uses.—Formaldehyde is usually manufactured by reacting methanol vapor and air over a catalyst (chemical initiator). This results in formaldehyde containing trace amounts of methanol and formic acid. Formaldehyde is sold mainly as an aqueous (water-based) solution called formalin, which is 37% to 50% formaldehyde by weight. It is also used in its solid form as paraformaldehyde and s-trioxane. The U.S. produced about 6.4 billion pounds of aqueous formaldehyde in 1978. Most of this quantity was used domestically. The U.S. consumption of formaldehyde by the year 1983 will likely exceed 7.5 billion pounds. (See appendix for list of major producers of formaldehyde.)

Half of the formaldehyde produced is used to produce synthetic resins such as urea- and phenol-formaldehyde resins. These resins are used primarily as adhesives when making particleboard, fiberboard, and plywood. Urea-formaldehyde concentrates are used in various coating processes, in paper products, and in making foams for thermal insulation. The textile industry uses formaldehyde for producing crease-proof, crushproof, flame resistant, and shrinkproof fabrics. Acetal resins, made from formaldehyde, are used to mold plastic parts for automobiles, home appliances, hardware, and garden and sporting equipment. Formaldehyde is used in some medicines because it modifies and reduces the toxicity of viruses, venoms, and irritating pollens. The use of formaldehyde in embalming fluids is now required by all state laws.

The widespread use of formaldehyde is due to its high reactivity, colorless nature, purity in commercial form, and low cost. In making other chemcials, it can link similar and dissimilar molecules together. In the paper industry, formaldehyde and its derivatives impart wet strength, as well as shrink and grease resistance. Leather and fur can be tanned by formaldehyde. Formaldehyde is used in the photographic industry because it hardens and insolubilizes the gelatin surfaces of film and papers. The table below lists, in alphabetical order, various products made with or containing formaldehyde.

PRODUCT USES OF FORMALDEHYDE

Adhesives.
Cosmetics.
Deodorants.
Detergents.
Dyes.
Embalming fluids.
Explosives.
Fertilizers.
Fiberboard, plywood (indoor-outdoor), particle board.
Hardware, garden.
Filters.
Food.
Friction materials.
Fuels
Fungicides.
Insulation, foam and some others.
Intermediate chemicals.
Laminates.
Leathers, fur and hair.
Lubricants, synthetic.
Paints.
Paper.
Pharmaceuticals.
Plastic/moldings (automobile appliances, and sporting equipment)
Rubber.
Surface coatings.
Textiles.
Urethane resins.
Watersoftening Chemicals.

Occupational Exposures—During a 1972-74 survey, NIOSH estimated that 1.6 million workers were exposed to formaldehyde in more than 60 industrial categories. Of these workers, about 57,000 were exposed to formaldehyde 4 hours or more per day. Nearly one-third of the 1.6 million workers (507,200) were engaged in medical and other health services. Another one-third of them (457,200) were in the following industrial categories: chemicals and allied products, printing and publishing, paper and allied products, machinery (except electrical), retail general merchandise, automotive dealers and service stations, eating and drinking places (i.e., busboys, cooks, dishwashers, etc.), and personal services (such as funeral services and crematories, photographic studios, and dry-cleaning plants). Appendix I lists many of the occupational groups exposed to formaldehyde. However, not all workers in each occupational group are exposed to formaldehyde. Therefore it would be prudent for workers in these groups to check their work environment for formaldehyde or products which contain formaldehyde. Appendix II gives ranges of formaldehyde concentrations, by industry, that were found by NIOSH investigators during the past 10 years.

Exposure Standards—The U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) standard for formaldehyde requires an 8-hour time-weighted average (TWA) concentration limit of 3 ppm, a ceiling concentration of 5 ppm, and an acceptable maximum peak above the ceiling concentration of 10 ppm for no more than a total of 30 minutes during an 8-hour shift.

In 1976, NIOSH recommended, based upon the irritant effects of formaldehyde, that employee exposure to formaldehyde in the occupational environment be controlled to a concentration no greater than 1.2 milligrams per cubic meter of air (1 ppm) for any 30-minute sampling period. The carcinogenic potential of formaldehyde was not known at that time, and therefore was not considered in developing the standard.

TOXICITY

Carcinogenicity/Mutagenicity — Evidence for the carcinogenicity of formaldehyde was first reported in October 8, 1979. Preliminary data from an ongoing inhalation study of rats and mice, sponsored by the Chemical Industry Institute of Toxicology (CIIT), indicated that for exposures of 15 ppm for 6 hours/day, 5 days/week for 16 months formaldehyde is carcinogenic in rats. Some rats had developed cancer by the 12th month. The study, conducted by Battelle Columbus Laboratories, follows a CIIT protocol using Fischer 344 rats and B6C3F1 mice, exposed in groups of 120 animals of each sex, at each of three exposure levels, plus controls, for 6 hours per day, 5 days per week. The study design calls for groups of animals of both species to be exposed concurrently to either 15, 6, or 2 ppm of formaldehyde vapor.

After 16 months of exposure at 15 ppm, three rats developed squamous cell carcinomas originating in the epithelium of the nasal turbinates. A fourth case of nasal squamous cell carcinoma developed in the group exposed to 6 ppm; however, this cancer appeared to have originated from a different site (i.e., from a layer of the skin on the nose rather than the nasal turbinates). In a second progress report (January 16, 1980), the CIIT stated that between the 16th and 18th month of exposure, a sharp increase in the number of cases of nasal cancer had been observed in rats exposed to 15 ppm formaldehyde. A total of 36 rats developed squamous cell carcinomas of the nasal turbinates after 18 months of exposure. Up to the 18th month sacrifice, no similar tumor had been observed in rats exposed to 2 or 6 ppm or in mice exposed to 2, 6 or 15 ppm formaldehyde.

The CIIT presented its latest interim report at the Third CIIT Conference on Toxicology (November 20 and 21, 1980). It has shown that after 24 months of exposure to 15 ppm formaldehyde, a total of 93 rats have developed squamous cell carcinomas of the nasal turbinates. Two rats have developed respiratory epithelial carcinomas. Furthermore, two rats exposed to 6 ppm and two mice exposed to 15 ppm formaldehyde have also developed squamous cell carcinomas of the nasal turbinates.

Lesions typical of an enzotic viral infection of the salivary gland, sialodacryoadenitis, were found in rats of all exposure groups at the 12th month necropsy. However, mice did not contract the disease. The possibility that the viral infection contributed to the carcinoma response in the CIIT study cannot be discounted, but it is considered unlikely for the following reasons: (1) mice which were not affected by the viral infection developed the nasal cancer; (2) the signs of infection occurred only for a short period of time during the 11th and 12th month of exposure and the first nasal cancers were detected at the 12th month. Therefore, the nasal cancer had probably already formed by the time of the infection.

Squamous cell carcinoma of the nasal turbinates rarely occurs spontaneously. In two recently completed inhalation studies sponsored by CIIT, involving a total of 1,920 Fischer 344 rates, and in two feeding studies involving 1,680 rats, no similar cancer was observed. At the National Cancer Institute, only two cases of nasal squamous cell carcinoma have been observed in 5,884 unexposed Fischer 344 rats.

The interim data from the CIIT in this study indicate that formaldehyde causes nasal cancer in rats. No factors now apparent would significantly alter the interpretation of the existing results.

Epidemiologic studies conducted to date do not permit a definitive evaluation of the carcinogenic risk of formaldehyde to humans.

Because of the concern of the federal regulatory and research agencies about the exposure of humans to formaldehyde, in January 1980, the Interagency Regulatory Liaison Group (IRLG) reviewed the formaldehyde carcinogenicity data in detail. As a result, the Consumer Product Safety Commission (CPSC) in cooperation with the IRLG agencies, convened a panel of scientists from eight federal agencies under the auspices of the National Toxicology Program to review health data related to formaldehyde. This panel has stated, "It is the conclusion of the Panel that it is prudent to regard formaldehyde as posing a carcinogenic risk to humans.

Most chemicals known to cause cancer are also capable of causing a change in the genetic material within a cell (mutation). Therefore, mutagenicity tests support the results of animal tests to determine carcinogenic potential. Formaldehyde has long been known to be mutagenic. Positive findings of the mutagenicity of formaldehyde have been reported in the following laboratory experimental systems: fruit flies (drosophila), grasshoppers, flowering plants, fungi, and bacteria.

A recent report (October 19, 1979) of the New York University (NYU), Institute of Environmental Medicine supports the CIIT evidence of formaldehyde being a carcinogen in experimental animals. One hundred male Sprague-Dawley rats were exposed to a mixture of formaldehyde and hydrogen chloride (HCl) at concentrations of 14.6 ppm and 10.6 ppm, respectively, for a total of 544 days, 6 hours/day over a period of 814 days. The most important finding was that 25 rats developed squamous cell carcinomas of the nasal cavity, and 2 developed benign papillomas (nonmalignant circumscribed tumor of skin cells) of the nasal cavity. The time from first exposure to death from these cancers ranged from 305 to 705 days (means: 549 days).

Formaldehyde and HCl can combine in the environment to form the chemical bis (chloromethyl) ether (BCME). BCME was first reported to cause cancer in rats by subcutaneous administration in 1969. Since then inhalation studies have shown that BCME causes lung and nasal cancer in rats. The most common type of nasal cancer was esthesioneuroepithelioma (tumor of the nerve tissue) and not squamous cell carcinoma.

It is not known if the nasal cancer observed in the NYU mixed exposure study was caused by formaldehyde, HCl, BCME, or a combination of these substances. However, formaldehyde seems the most probable etiologic agent for the following reasons. In the NYU study 27 rats developed nasal tumors, 25 of which were squamous cell carcinomas of the nasal cavity. This type of nasal cancer has been seen infrequently in the BCME inhalation studies and has never been observed to occur spontaneously in the more than 2,000 control animals at NYU over a period of many years. This is the same type of tumor as that produced by formaldehyde in the CIIT study at similar levels of exposure. Second, in the NYU study no rat developed lung cancer as was observed in the BCME inhalation studies. For example, of 40 cancers of the respiratory tract reported in one BCME inhalation study, 14 cancers (13 squamous cell, 1 adenocarcinoma) were from the lung and 26 cancers (17 esthesioneuroepithelioma, 1 squamous cell, and 8 others) were from the nasal cavity.

Other Health Effects—The first signs or symptoms noticed on exposure to formaldehyde at concentrations ranging from 0.1 to 5 ppm are burning of the eyes, tearing (lacrimation), and general irritation to the upper respiratory passages. Higher exposures (10 to 20 ppm) may produce coughing, tightening in the chest, a sense of pressure in the head, and palpitation of the heart. Exposures at 50–100 ppm and above can cause serious injury such as collection of fluid in the lungs (pulmonary edema), inflammation of the lungs (pneumonitis), or death.

In one report, five nurses working near an artificial kidney (hemodialysis) machine developed wheezing and recurrent episodes of productive cough. Attacks generally occurred in winter and often followed colds. The formaldehyde used to sterilize the machine was found to have caused this respiratory distress.

Dermatitis due to formaldehyde solutions or formaldehyde-containing resins is a well-recognized problem. After a few days of exposure, a worker may develop a sudden inflammatory (eczematous) reaction of the skin of the eyelids, face, neck, scrotum, and flexor surfaces of the arms. An eczematous reaction may also appear on the fingers, back of the hands, wrists, forearms, and parts of the body that are exposed to the rubbing of clothing. This sometimes occurs after years of repeated exposure.

RECOMMENDATION

Formaldehyde has induced a rare form of nasal cancer in both Fischer 344 rats and in B6C3F1 mice as reported in an ongoing study by the CIIT. In a second study by NYU, formaldehyde appears to have induced the same type of cancer in Sprgue-Dawley rats. Although humans and animals may differ in their susceptibility to specific chemical compounds, any substance that produces cancer in experimental animals should be considered a cancer risk to humans. Formaldehyde has also demonstrated mutagenic activity in several test systems. Although a substance cannot as yet be designated a potential occupational carcinogen based solely on results of mutagenicity tests, positive results in mutagenicity tests should be used as supporting evidence for identifying a potential occupational carcinogen.

Based on these results, NIOSH and OSHA recommended that formaldehyde be handled in the workplace as a potential occupational carcinogen. Safe levels of exposure to carcinogens have not been demonstrated,

but the probability of developing cancer should be reduced by decreasing exposure. An estimate of the extent of the cancer risk to workers exposed to various levels of formaldehyde at or below the current 3 ppm standard has not yet been determined. In the interim NIOSH and OSHA recommend that, as a prudent public health measure, engineering controls and stringent work practices be employed to reduce occupational exposure to the lowest feasible limit. The "Guidelines for Minimizing Employee Exposure to Formaldehyde" should be adapted to specific work situations.●

ALTERNATIVE TAX CUTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 1, 1981, into the CONGRESSIONAL RECORD:

ALTERNATIVE TAX CUTS

In 1981, the tax cut looks like a sure bet. Both the President and Congress strongly support tax relief. Most legislators say that a tax cut will be on Mr. Reagan's desk by August. It is easy to predict that taxes will be cut, but hard to predict how.

The proposal that has received the most attention comes from the President himself. He proposes to cut individual income taxes by 10% a year for three years, starting July 1, 1981. While his would be a large tax cut by historical standards, it would only offset higher taxes resulting from inflation and from increases in the social security tax. Mr. Reagan also proposes to reduce business taxes by giving firms a faster write-off of capital expenditures. The new schedule would permit the depreciation of light vehicles and research equipment in three years, other equipment in five years, and buildings in ten years.

The President's plan of tax reduction has advantages. It would increase incentives to save and work and would correct distortions that occur in investment when taxes are very high. The problem facing Congress is that Mr. Reagan's five-year budgetary projection leaves no room for many other appealing tax cuts. Congress agrees with the President that a tax cut is necessary and it agrees more or less on the size, but it must decide whether the country would be better served by Mr. Reagan's tax cut or by some alternative.

Several of the alternatives would encourage thrift. One proposal is to raise the current exclusion of dividends and interest from $200 a year ($400 for couples) to a much higher level. Bills now pending in Congress would set that level as high as $10,000. Another proposal is to tax the income from savings and investment separately instead of adding it to earned income. In effect, dividends and interest would be displaced into lower tax brackets. There are still other proposals that would use the same principle to help certain groups of hard-pressed taxpayers. Some legislators want a tax exemption for interest on deposits that are lent out for the purchase of homes. Others favor a tax exemption for interest paid to the elderly.

Another way to boost today's low rate of personal saving is to increase both the attractiveness and the use of the "individual retirement account" (IRA), a long-term investment on which all taxes are deferred until the individual begins to make withdrawals in retirement. One idea is to hike the maximum annual tax-deductible contribution to an IRA from $1,500 to $2,000 or more. Another idea is to permit all workers to have IRA's even if their employers already offer them retirement benefits. Some members of Congress are carrying the concept of the IRA further. They are suggesting the creation of special accounts for specific purposes. One type of account would be used to pay for the education of the saver's child. Tax-deductible contributions of $1,000 per year would be permitted. Another type of account would be used for the purchase of a home. Annual tax-deductible contributions of $1,500 ($3,000 for couples) would be allowed for ten years.

Many popular tax cuts omitted by the President would address the very real needs of families. To ease the burden on married people, the tax "penalty" they pay might be abolished. To help families who own small farms or businesses, estate and gift taxes on inheritances valued at less than $500,000 might be eliminated. To assist families whose children are in school, a tax credit for tuition might be enacted. Other popular tax cuts would aid taxpayers in general. Tax rates might be partly or fully indexed to slow or stop the so-called "bracket creep" caused by inflation. The top tax rate on unearned income might be dropped from 70 percent to 50 percent. Taxpayers might be allowed an income tax credit for the social security taxes they pay or a deduction for charitable contributions whether or not they itemize. Tax rates might be lowered across the board, but in a way that would channel more benefits to middle- and lower-income taxpayers.

Some members of Congress believe that additional tax cuts are needed to get business moving again. One alternative is to cut taxes on capital gains. Another alternative is to do away with such taxes altogether if the capital gains are promptly reinvested in new businesses or if they result from the sale of a special class of stock issued to finance new plants or new equipment. Business could benefit from changes in the corporate tax. Each reduction of corporate tax rates by one percentage point would save business about $2 billion. A steeper graduation in the rates would strengthen small business, the sector which provides the bulk of innovation and employment in our economy. Still another suggestion is a tax credit, even a refundable one, to industries that are willing to invest in economically depressed areas. Such a credit might be appropriate as well to offset cost of equipment purchased to control pollution. Also, tax credits might be used to spur investment in industrial research.

Strong arguments can be made in support of each one of these tax cuts. If all (or even most) of them were enacted, government revenues would fall precipitously, the deficit would balloon, and inflation would accelerate. Congress must choose among the proposals. It should be guided in its choice not only by the intrinsic merits of each alternative, but also by the overall effect of the tax package on the nation's economy.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 2, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 3

9:30 a.m.
Judiciary
Courts Subcommittee
To hold oversight hearings on the implementation of the Bankruptcy Reform Act.
2228 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation and related agencies.
1114 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the Marine Mammal Protection Act.
1202 Dirksen Building

Commerce, Science and Transportation
Consumer Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the Consumer Product Safety Commission.
5110 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on the implementation of the strategic petroleum reserve.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the U.S. Customs Service, the International Trade Commission, and the Office of the U.S. Trade Representative.
2221 Dirksen Building

Foreign Relations
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for foreign assistance programs, focusing on security assistance to Europe.
4221 Dirksen Building

Joint Economic
To hold hearings on the employment/unemployment statistics for the month of March.
2154 Rayburn Building

12:30 p.m.
Finance
Economic Growth, Employment, and Revenue Sharing Subcommittee
To hold hearings on the use of tax incentives to increase employment, focusing on ways to increase the level of employment by reducing the additional labor costs imposed by Federal taxes.
2221 Dirksen Building

2:00 p.m.
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Department of Energy, focusing on the U.S. Synthetic Fuels Corporation, and alcohol fuel programs.
3110 Dirksen Building

APRIL 6

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy posture.
1223 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the national climate program.
1318 Dirksen Building

Energy and Natural Resources
*Energy Conservation and Supply Subcommittee
To hold hearings on proposed authorization for fiscal year 1982 for certain programs of the Department of Energy which fall within the subcommittee's jurisdiction.
3110 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the adequacy of Government supervision and monitoring of Indian and Federal oil resources.
6226 Dirksen Building

9:30 a.m.
Judiciary
Courts Subcommittee
To resume oversight hearings on the implementation of the Bankruptcy Reform Act, focusing on the grain elevator bankruptcy provisions.
2228 Dirksen Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold hearings on proposed legislation authorizing funds for the Alcohol and Drug Abuse Education Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
*Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the U.S. Railway Association and Consolidated Rail Corporation (Conrail).
1114 Dirksen Building

Budget
To resume hearings in preparation for reporting the first concurrent resolution on the fiscal year 1982 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 720, authorizing additional funds for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986.
235 Russell Building

1:00 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the earthquake hazards reduction program.
1318 Dirksen Building

2:30 p.m.
Judiciary
Courts Subcommittee
To continue oversight hearings on the implementation of the Bankruptcy Reform Act, focusing on personal bankruptcy provisions.
4232 Dirksen Building

APRIL 7

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Bureau of Land Management, Department of the Interior.
1114 Dirksen Building

Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Nutrition Service, and the Food Safety and Quality Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Ambassador to the United Nations, and international organizations.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings to review the strategic minerals and materials research policy of the United States.
3110 Dirksen Building

10:00 a.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the General Services Administration.
1318 Dirksen Building

Budget
Business meeting, to begin markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Consumer Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the Consumer Product Safety Commission.
1202 Dirksen Building

Foreign Relations
To hold hearings on U.S. contributions to multilateral development banks and to international organizations, including the replenishment for the International Fund for Agricultural Development.
4221 Dirksen Building

*Labor and Human Resources
To hold hearings on proposed authorizations for fiscal year 1982 for the National Science Foundation.
4232 Dirksen Building

10:30 a.m.
Governmental Affairs
To hold oversight hearings on the activities of the Legal Services Corporation.
3302 Dirksen Building

11:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Personnel Management, Merit Systems Protection Board and Special Counsel, Federal Labor Relations Authority, Advisory Commission on Intergovernmental Relations, Advisory Committee on Federal Pay, Commission on Executive, Legislative and Judicial Salaries, and the President's Commission on Pension Policy.
1318 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 8

8:45 a.m.
Labor and Human Resources
Business meeting, to mark up S. 648, authorizing funds for fiscal year 1982

for certain youth programs under the Comprehensive Employment Training Act (CETA).
4332 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy shipbuilding programs.
1223 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the U.S. Regulatory Council.
S-126, Capitol

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Securities and Exchange Commission, Office of the U.S. Trade Representative, Equal Employment Opportunity Commission, and the Commission on Wartime Relocation and Internment of Civilians.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

Labor and Human Resources
To hold hearings on S. 799, authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services, and S. 801, authorizing funds through September 30, 1984, for the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

Budget
Business meeting, to continue markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 720, authorizing additional funds for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986.
224 Russell Building

Energy and Natural Resources
*Water and Power Subcommittee
To hold hearings on S. 306, authorizing funds for fiscal year 1982 for the construction, operation, and maintenance of specified hydroelectric powerplants at various existing water projects.
3110 Dirksen Building

Environment and Public Works
To hold oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

10:30 a.m.
Governmental Affairs
To hold hearings on S. 591, to provide incentives for the Federal Government in their debt collection efforts.
3302 Dirksen Building

APRIL 9

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy aircraft/weapons procurement program.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, naval petroleum reserve programs, emergency preparedness and gas rationing programs, Department of Energy.
1114 Dirksen Building

Select on Intelligence
Budget Subcommittee
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

*Special on Aging
To hold oversight hearings to determine if certain energy assistance programs are meeting home insulation needs of elderly victims of extreme heat and cold.
457 Russell Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Trade Commission, Commission on Civil Rights, and the Board for International Broadcasting.
S-146, Capitol

Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings to review the strategic minerals and materials research policy of the United States.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on proposals to require a balanced Federal budget.
2228 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Guard and Reserve Forces construction programs, Department of Defense.
1224 Dirksen Building

Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary, Department of Transportation, and to review overall budget recommendations.
S-126, Capitol

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building

Budget
Business meeting, to continue markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for the International Investment Survey Act.
235 Russell Building

Environment and Public Works
To continue oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

1:15 p.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Post Office and Civil Service Committee on the use of consultants by the Federal Government.
311 Cannon Building

2:00 p.m.
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability.
1318 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

3:00 p.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings, in closed session, to review the strategic minerals and materials research policy of the United States.
S-407, Capitol

APRIL 10

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed authorizations for fiscal year 1982 for health professions block grants and preventive health block grants.
4232 Dirksen Building

10:00 a.m.
Budget
Business meeting, to continue markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

APRIL 14

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 16

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 21

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy/Marine Corps procurement, operations, and maintenance programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Communication Agency, and the Arms Control and Disarmament Agency.
S-146, Capitol

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Commercial Motor Vehicle Safety Act.
235 Russell Building

Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Judiciary
Business meeting, to consider pending calendar business meeting.
2228 Dirksen Building

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 22

8:00 a.m.
Governmental Affairs
To hold oversight hearings on the activities of the U.S. Postal Service, and to receive a report from the Postmaster General.
3302 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity Futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Legal Services Corporation, Federal Communications Commission, and the American Bar Association.
S-146, Capitol

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for NATO infrastructure/European construction programs.
1224 Dirksen Building

APRIL 23

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy/Marine Corps manpower and reserve programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, and the Indian Health Service, Department of the Interior.
1114 Dirksen Building

Judiciary
Separation of Powers and Constitution Subcommittees
To hold joint hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 18, and Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building

9:30 a.m.
Judiciary
Regulatory Reform Subcommittee
To hold hearings on proposed legislation, to require Federal agencies to analyze the effect of rules to improve their effectiveness and decrease their compliance costs and to provide a periodic review of regulations.
2228 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain social services block grants.
4232 Dirksen Building

*Special on Aging
To hold oversight hearings on the implementation of the Older Americans Act.
5110 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the State Code of Official Conduct.
6226 Dirksen Building

APRIL 24

9:00 a.m.
Judiciary
Separation of Powers and Constitution Subcommittees
To continue joint hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 18, and Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building

10:00 a.m.
Governmental Affairs
Federal Expenditures Subcommittee
To hold oversight hearings on the implementation of the Federal procurement system.
3302 Dirksen Building

APRIL 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building
Judiciary
To hold hearings on S. 114, to establish constitutional procedures for the imposition of the death penalty.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
6226 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To hold oversight hearings on alleged fraud and abuse in the operation of home health care services.
3302 Dirksen Building
Small Business
To hold hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the hazardous materials transportation program, the natural gas pipeline safety program and the hazardous liquid pipeline safety program.
235 Russell Building
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Governmental Affairs
To hold hearings on S. 10, to establish a Commission on More Effective Government.
3302 Dirksen Building
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building
Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building
Small Business
To continue hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international monetary programs of the Department of Treasury.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 29

8:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To resume hearings on the U.S. Postal Service proposal to expand the present ZIP code system to a 9-digit ZIP code.
5110 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission on Security and Cooperation in Europe, Small Business Administration, and the Federal Maritime Commission.
S-146, Capitol
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs, and to receive a briefing on intelligence matters.
1224 Dirksen Building
Governmental Affairs
To hold hearings on the nomination of Gerald P. Carmen, of New Hampshire, to be Administrator of General Services.
3302 Dirksen Building
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and solar energy programs of the Department of Energy.
1114 Dirksen Building
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs, and to receive a briefing on intelligence matters.
1224 Dirksen Building
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and other related measures.
4200 Dirksen Building

APRIL 30

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Navy research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building
Judiciary
To hold hearings on S. 255, to encourage American innovation by restoring the patent system as it affects certain products subject to premarket testing by the Federal Government.
2228 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building
Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and other related measures.
4200 Dirksen Building
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol
Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold hearings on S. 30, to require each Federal agency to pay interest on contract payments more than 30 days overdue.
3302 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 4

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force posture programs.
1223 Dirksen Building
9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 41, proposed constitutional amendment relating to affirmative action.
2228 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

MAY 5

9:30 a.m.
Small Business
To hold hearings on the Small Business Administration's size standards proposals.
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol

MAY 6

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1224 Dirksen Building
9:30 a.m.
*Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency.
1114 Dirksen Building
9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force procurement programs.
1223 Dirksen Building
10:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development.
S-126, Capitol

MAY 7

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force research and development programs.
1223 Dirksen Building
9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for fossil energy programs, domestic energy supply programs, and Federal leasing, Department of Energy.
1224 Dirksen Building
9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain international aid programs.
S-126, Capitol

MAY 11

10:00 a.m.
Labor and Human Resources
Business meeting, to consider proposed legislation authorizing funds for the Developmental Services and Facilities Construction Act.
4232 Dirksen Building

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the Implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

MAY 13

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National

Gallery of Art, and the Bureau of Mines, Department of the Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force manpower and reserve programs.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain international programs of the Department of State.
S-126, Capitol

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international programs.
S-126, Capitol

MAY 18

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force operations and maintenance programs.
1223 Dirksen Building

MAY 19

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 1

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on overall intelligence matters.
1223 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

JUNE 3

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on programs of the Central Intelligence Agency.
1223 Dirksen Building

JUNE 4

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on programs of the National Security Agency.
1223 Dirksen Building

JUNE 8

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on defense intelligence programs.
1223 Dirksen Building

JUNE 10

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on special programs of the Air Force.
1223 Dirksen Building

JUNE 11

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on command, control and communication programs and intelligence related activities of the Department of Defense.
1223 Dirksen Building

CANCELLATIONS

APRIL 2

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for U.S. Navy and Marine Corps construction programs, Department of Defense.
1224 Dirksen Building

APRIL 7

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for U.S. Air Force construction programs, Department of Defense.
1224 Dirksen Building

APRIL 8

10:00 a.m.
Rules and Administration
To resume hearings on Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

APRIL 22

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain development and regional programs of the Department of State.
S-126, Capitol

APRIL 23

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

HOUSE OF REPRESENTATIVES—*Thursday, April 2, 1981*

The House met at 11 a.m. and was called to order by the Speaker pro tempore, Mr. WRIGHT.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
April 1, 1981.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Thursday, April 2.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend John R. Pearson, pastor, Emanuel Lutheran Church, Pleasantville, N.Y., offered the following prayer:

Let us rise up and build.—Nehemiah 2: 18.

God, we thank You that each morning is a new day of creation for each of us. We pray that Your Spirit will guide us in the dimensions of what we are continually building—a nation of varied individuals seeking unity of purpose, plans, and ideals.

Give us a sense of striving for the highest while being concerned for the lowly in spirit. Widen our spheres of concern and compassion. Bless our families, those who teach our children and grandchildren. Be with us in our individual needs for this day—physically if we are tired or ill, mentally for decisions that must be made that test the minds, and in our hearts and souls give us the awareness of Your presence, power, and peace.

We pray for the continuing recovery of our President, James Brady, Timothy McCarthy, Thomas Delahanty, and for all within the healing ministry of medicine for mankind. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

INTRODUCTION OF BILL ESTABLISHING ADVERSE WAGE RATE FOR NONIMMIGRANT ALIENS

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, I have today introduced a bill to amend the Immigration and Nationality Act to repeal the authority under section 212 of that act to establish an adverse wage rate for nonimmigrant aliens brought into the United States for agricultural labor.

Under this authority, the Department of Labor has developed a procedure for determining each year the adverse effect wage rate for each of the States where large numbers of foreign workers are employed. On March 27 the Department announced the rates for 1981, while simultaneously proposing to withdraw the recommendation by the previous administration to establish a national rate.

Under the proposal made by the previous administration in the January 16 Federal Register, a new criteria would have been established which would have substantially raised the rates in Virginia and other parts of the country. The March 27 announcement would provide for a 30-day comment period on the proposal to withdraw the new criteria.

While the old criteria is preferable, it has been used to constantly increase the adverse effect rate to a point where it is in most States substantially above the minimum wage for American workers. In Virginia, for instance, this rate would be $3.81 for 1981, compared to $3.51 last year. This is 46 cents above the minimum wage and would work a hardship on many growers in our area.

The rate itself is secondary to the principle involved, since under this criteria the adverse effect wage rate obviously will increase at a faster pace than the minimum wage.

It is certainly not in the best interest of American workers to have a mechanism which would guarantee a continuing higher rate for foreign workers, to the degree which this mechanism now provides.

My bill would repeal the provisions under which the adverse effect wage rate is established. This adverse effect rate is not directly provided for by law but was developed through regulations over which this Congress has very little control.

If the adverse effect wage rate is abolished, there undoubtedly would arise some other means of assuring the protection of American workers, but in my opinion a much better method could be developed. It is inconsistent with fair play to have the minimum wage established by regulation rather than legislation.

By whatever means this differential in pay may later be determined, I feel that that determination should be made by Congress, rather than the Federal regulators within the Department of Labor.

The Richmond Times Dispatch, in its March 29 edition, had a very fine editorial which sets forth the difficulties with the present situation and I would like to include this with my remarks.

The editorial follows:

DONOVAN DISAPPOINTS

President Reagan's Department of Labor has taken a disappointing half-measure in response to a glaring economic injustice against many farmers, including quite a few tobacco and apple growers in Virginia. The new administration has ignored an opportunity to strike at the heart of a wholly unreasonable, inflationary policy.

Here is what has happened: Just before President Reagan took office, President Carter's labor secretary, Ray Marshall, promulgated the first nationwide "adverse effect wage rate," which would have required farmers to pay alien workers a minimum of $4.23 an hour—nearly a dollar an hour more than the federal minimum wage of $3.35. Before this order was issued, "adverse effect wage rates" were set state by state, and Virginia's last year was 41 cents above the minimum wage.

Soon after taking office, President Reagan ordered all new regulations, including Secretary Marshall's nationwide adverse effect rate, put on hold so that they could be reviewed. Now Mr. Reagan's labor secretary, Raymond Donovan, has rescinded Mr. Marshall's order and reaffirmed the status quo—the state-by-state wage adjustment scheme. He will require Virginia farmers to pay alien workers $3.81 an hour—46 cents more than the minimum wage.

If Mr. Donovan has been listening carefully to President Reagan, he should know his boss is fond of making the quip that "'status quo' is Latin for 'the mess we're in.'" Certainly this is so concerning the Labor Department's interference in the farm labor market. Even before Mr. Marshall issued his edict, the adverse effect wage scheme was discriminatory, inflationary and wholly out of touch with economic reality.

The adverse effect wage scheme is based on the premise that because visiting laborers from such places as Mexico and Jamaica are working on American farms, somehow they must be taking away jobs from American citizens. There is no basis in fact for this premise, since farmers are required to hire alien workers through state employment agencies such as the Virginia Employment Commission, and the state agencies in turn are required to offer the jobs to American citizens—even to seek them from other states—before contracting for any foreign

labor. Moreover, the farmers would be subject to severe penalties if they sought to pay anyone, American citizen or not, less than the legal minimum wage.

The adverse effect wage rate is one of those "cures for which there is no known illness," about which conservative politicians like to joke. It is no laughing matter, though, that its only significant effect in Virginia would be to require some tobacco and apple growers to spend hundreds of thousands of dollars more for labor without gaining anything in productivity.

As Mr. Reagan has been demonstrating in general through his commendable program of eliminating counterproductive economic regulations, no bureaucratic rule is sacrosanct, none is inscribed for the ages. Mr. Donovan should recognize his failure to be sufficiently thorough in reforming the noxious "adverse effect" rule, and he should act accordingly. Moreover, this issue is a proper concern for Congress. Congress would do well to take away labor secretaries' authority to hike minimum wages—an authority that they had arrogated to themselves in the first place without any express authorization by Congress. A minimum wage, if there should be any at all, should be established by legislators, not by administrators.

SHORT-TIME COMPENSATION: ALTERNATIVE TO LAYOFF AND TOOL FOR RECOVERY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, today I introduce legislation with vision. We find our economy still mired in last year's jobless rate of 7.6 percent. We also find most forecasters predicting a sluggish economic recovery for the remainder of 1981 and early 1982. Chase Econometrics even sees us slumping to an 8.2-percent unemployment rate by the end of 1981 before recovering to only 7.5 percent by the end of 1982.

Even though the jobless rate remains high, the administration still wants to rely totally on the private sector to create and maintain jobs. To succeed in this monumental task, the private sector must quickly find tools to promote productivity and to foster better management-labor relations. At the same time it must find alternatives to layoffs now and during any future recessions.

Prolonged recessions, I remind you, do not inflict society equally. As taxpayers, we all share some burden through lost tax revenues and increased unemployment entitlement benefits. But clearly, the ones who suffer the most are the semi- and low-skilled worker, which usually translates to mean—minorities, women, and the young blue-collar worker.

One tool is readily available to foster present and future employment security but it has been used little in the United States. Today I introduce the Short Time Compensation Act of 1981, which encourages States to permit partial payment of unemployment compensation benefits to employees whose weekly hours are reduced by an employer-designed, union-approved work-sharing plan.

Under short time compensation (STC), workers would be paid their regular wages for the time they work and paid a prorated unemployment insurance benefit for the time they do not. To clarify, an employer faces a temporary slump in the market and must lay off 20 employees out of 100. Rather than completely lay off those 20, the employer could, by using a valid work-sharing plan, reduce the workweek for all 100 employees by 20 percent. They would then be eligible to collect unemployment insurance benefits for the hours per week they did not work. The total weekly earnings would approximate 90 percent of their regular weekly take home pay. In addition, health and most other benefits would remain intact.

The bill establishes a 3-year experimental program to encourage the use of STC by the States, which actually run the unemployment compensation program. The bill provides voluntary guidelines for implementation of the program and authorizes the Secretary of Labor to provide grants for States for start-up costs and program evaluation. It also directs the Department of Labor to undertake an STC demonstration project, to evaluate its effect on employment trends within the State, and to report to Congress. The program would sunset after 3 years.

This legislation has a low price tag, $10 million. Its benefits are many. The advantage to workers is obvious. It preserves their jobs and benefits. It prevents the traumatic experience of being laid off and faced with domestic financial obligations. The proposal also helps alleviate the last-hired, first-fired employment problem. This is good not only for the worker but for the local economy as well.

Employers, using STC, find a better way to survive slack periods in the market. STC means they can avoid the revised production schedules and bumping procedures that often mean significant reductions in productivity. STC also means they can avoid the high rehiring and retraining costs when business picks up again, especially in high technology industries. Although the employer still pays fringe benefit costs for the entire work force, STC in the long run is less expensive and promotes higher productivity.

The legislation also benefits unions. A number of unions already have worksharing provisions in their contracts but because of State law, the employees cannot receive unemployment compensation. STC also has potential for improving employer-employee relations. For example, a current California-run STC program significantly improved employer-employee relations, according to their recently published interim evaluation. Under my legislation, no STC plan may be used by the employer unless the appropriate union agrees to the conditions. Such an agreement promotes cooperation, not confrontation, when layoffs threaten.

My bill is also designed to protect the solvency of the unemployment insurance trust fund that each State keeps. To prevent fraud, employers will be required to certify that the use of STC is in lieu of an equivalent number of hours of full-time layoffs. Moreover, employers who use STC will be required to finance the STC benefits. Those who maintain a negative balance unemployment insurance account with the State employment office can be charged a surtax or be required to reimburse the trust fund for their utilization of STC.

STC is not an untested, fly-by-night scheme invented by mad scientists. It has been used for decades in Western Europe as an important tool to combat layoffs. In the last recession, more than 770,000 German workers received partial compensation, which reduced the German unemployment rate 1 percent.

Since 1978, when California began their version of short-time compensation, several other States have become interested in the idea. The California bill was originally introduced by California Senator William Greene, chairman of the Industrial Relations Committee, in the aftermath of proposition 13's passage. Last year the program was extended by the State legislature. Next month, California will host a conference in San Francisco for people interested in the short-time compensation idea. The other States interested include Arizona, which recently passed their own version, Oregon, New York, New Jersey, Rhode Island, Pennsylvania, and Maine.

Since some States are interested in the idea independently, people may ask why Federal legislation is needed at all. Congress should be concerned about unemployment, which is a problem national in scope. It must not expect the States to solve weighty national economic problems. Ideally, the Federal Government should work with the States, to help them experiment with different ways to solve problems, and to evaluate these experiments for future national economic policy. The Short Time Compensation Act of 1981 seeks to promote cooperative federalism in finding solutions to the problems of cyclical unemployment.

Mr. Speaker, in the days to come, I will submit for the RECORD material about my bill that you may find informative.

EXPEDITING PRODUCTION LOANS TO AMERICAN FARMERS

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, I have today called on the Department of Agriculture to expedite Farmers Home Administration production loans to eligible American farmers.

After approval, it is now taking from 7 to 8 weeks for the checks to be issued by the central finance office in St. Louis, Mo.

What I have asked the Secretary to do is permit the local office or State office to issue a letter stating that, except for the administrative procedure of issuing the check, the application is approved so as to enable the farmer to obtain funds from local sources to get started farming now, for 7 or 8 weeks from now is too late.

The Under Secretary of Agriculture assured me that he recognized the problem and would see what could be done.

STATUS REPORT ON COST-SAVING LEGISLATION

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, as chairman of the Reconciliation Task Force of the Budget Committee, I am putting in the RECORD for the convenience of the chairmen and members of the various committees a status report on the submission of the administration's cost-saving legislation. In summary, of the 77 bills the administration plans to submit to the House, 38 have been received. While the committees are proceeding to consider the general recommendations of the administration, it is essential that the specific proposals be provided as soon as possible in order for the committees to respond in a careful and thoughful manner.

The following is a list by committee of legislation received, proposals that have not been transmitted, and that target date provided by the administration for delivery of those remaining 39 bills:

ADMINISTRATION COST-SAVING LEGISLATION—HOUSE STATUS REPORT

House committee/Number of bills	Target date for transmittal	Referred to committee
Agriculture Committee/10 bills:		
1. FmHA water and sewer and community facility loans	Sent Mar. 10	Mar. 17.
2. User charges for grading and classifying cotton, tobacco, and naval store and for warehouse inspection	Sent Mar. 10	Mar. 17.
3. User charges for supervision of grain inspection	Sent Mar. 10	Mar. 17.
4. REA electrical distribution facilities loans	Sent Mar. 10	Mar. 17.
5. Food stamp program	Apr. 3	
6. Dairy support price indexing	Sent Feb. 13	Feb. 19.
7. Interest rates on FmHA farmownership loans and emergency loss loans, and SBA disaster loans (Small Business Committee)	Sent Mar. 25	Mar. 26.
8. Interest rates on CCC farmer-held reserve loans	Sent Mar. 20	Mar. 24.
9. Nutrition block grant for Puerto Rico (Education and Labor)	Apr. 6	
10. Aid to land grant colleges	Mar. 30	
Armed Services/2 bills:		
1. Elimination of dual compensation	Mar. 26	
2. National stockpile sales	Sent Mar. 19	Mar. 23.
Banking, Finance, and Urban Affairs/4 bills:		
1. Termination of National Consumer Cooperative Bank	Sent Mar. 20	Mar. 23.
2. HUD-community development support assistance	Apr. 6	
3. HUD-subsidized housing rent contribution	Apr. 6	Mar. 24.
4. Interest rate on FmHA housing loans	Sent Mar. 23	Mar. 24.
District of Columbia Committee/1 bill:		
1. D.C. court support (H.R. 1253, introduced Jan. 23 by Fauntroy—administration will propose amendments)		
Educaton and Labor/9 bills:		
1. Higher education amendments	Signed Mar. 11, sent Mar. 20	Mar. 23.
2. PHS Commissioned Corps bonuses	Mar. 20	
3. Education block grant	Apr. 6	
4. Social services block grant (Ways and Means Committee)	Apr. 3	
5. Federal employees injury compensation program	Apr. 17	
6. Black lung program	Schedule uncertain	
7. Impact aid	Signed Mar. 11, sent Mar. 20	Mar. 23.
8. School lunch and child nutrition	Mar. 30	
9. Nutrition block grant for Puerto Rico	Apr. 6	
Energy and Commerce Committee/12 bills:		
1. Medicaid cap and medicaid/medicare amendments and PSRO's	Apr. 10	
2. Medical services for merchant seamen	Mar. 27	
3. PHS Commissioned Corps bonuses and National Research Services Awards	Apr. 10	
4. Repeal of 1981 benefit increase	Sent Mar. 10	Mar. 11.
5. Rail pension assurance amendments (Ways and Means Committee)	Sent Mar. 10	Mar. 11.
6. Health services block grants (2 bills)	Apr. 2	
7. Health professions education	Apr. 16	
8. Health Maintenance Organizations	Apr. 10	
9. Solid Waste Act amendments	Signed Mar. 11, sent Mar. 19	Mar. 23.
10. Amtrak subsidies	Sent Mar. 17	Mar. 18.
11. Conrail subsidies	May 1	
12. Bankruptcy trustees, and U.S. Marshals service of process (Judiciary, Foreign Affairs, and Intelligence)	Sent Mar. 19	Mar. 23.
Foreign Affairs/3 bills:		
1. Foreign service pay for domestic workers (Post Office Committee)	Mar. 31	
2. Passport duration and fees (included in State Department authorization bill for fiscal year 1982 and 1983)	Sent Mar. 11	Mar. 12.
3. Bankruptcy trustees, and U.S. Marshals service of process (Energy and Commerce, Judiciary, and Intelligence)	Sent Mar. 19	Mar. 23.
Permanent Select Committee on Intelligence/1 bill:		
1. Bankruptcy trustees, and U.S. Marshals service of process (Energy and Commerce, Judiciary, and Foreign Affairs Committees)	Sent Mar. 19	Mar. 23.
Judiciary Committee/2 bills:		
1. Bankruptcy trustees, and U.S. Marshals service of process (Energy and Commerce, Foreign Affairs, and Intelligence Committees)	Sent Mar. 19	Mar. 23.
2. INS overtime pay	Apr. 6	
Merchant Marine and Fisheries/2 bills:		
1. Coast Guard user fees	Sent Mar. 13	Mar. 18.
2. Deepwater port user charges (request pending for joint referral Public Works and Transportation Committee)	Sent Mar. 25	
Post Office and Civil Service Committee/4 bills:		
1. OPM compensation reform	Mar. 25	Mar. 26.
2. Annual indexation of civil service retirement annuities	Sent Mar. 17	Mar. 17.
3. Foreign Service pay for domestic workers (Foreign Affairs Committee)	Mar. 31	
4. Intergovernmental Personnel Act	Apr. 2	
Public Works and Transportation/8 bills:		
1. Airline subsidy program reduction	Apr. 2	
2. Airport construction grants, aviation taxes and trust (Ways and Means Committee and Science and Technology Committee)	Sent Mar. 19	Mar. 25.
3. Inland waterway user charge (Ways and Means Committee)	Sent Mar. 25	Mar. 25.
4. Municipal waste water construction grants reform	Sent Mar. 27	
5. FEMA–Disaster relief	Sent Mar. 19	Mar. 23.
6. Highway Construction and safety grant (Ways and Means Committee)	Sent Mar. 17	Mar. 18.
7. Mass transit programs	Sent Mar. 17	Mar. 18.
8. Deepwater port user charges (Merchant Marine requesting joint referral)	Sent Mar. 25	
Science and Technology Committee/1 bill:		
1. Airport construction grants, aviation taxes, and trust (Public Works and Transportation, and Ways and Means Committee)	Sent Mar. 19	Mar. 25.

ADMINISTRATION COST-SAVING LEGISLATION—HOUSE STATUS REPORT—Continued

House committee/Number of bills	Target date for transmittal	Referred to committee
Small Business Committee/2 bills:		
1. Business loans	Sent Mar. 23	Mar. 24.
2. Disaster loan programs (part of bill covering FmHA farm ownership and emergency loss loans) (Agriculture Committee)	Mar. 26	
Veterans' Affairs Committee/4 bills:		
1. GI bill: end payments for general flight training and correspondence courses	Sent Mar. 16	
2. Termination of class II dental treatment	Sent Mar. 16	
3. Reduction in beneficiary travel reimbursement	Sent Mar. 23	Mar. 24.
4. Physician and dentist bonuses	Sent Mar. 23	Mar. 24.
Ways and Means Committee/12 bills:		
1. Medicaid cap and Medicaid/Medicare amendments	Apr. 10	
2. Social Security; major reforms and other proposals	Apr. 3	
3. AFDC and child support enforcement, Supplemental Security Income, and assistance to immigrants	Apr. 3	
4. Trade adjustment assistance	Mar. 30	
5. Unemployment insurance extended benefits and work test and unemployment	Sent Mar. 10	Mar. 12.
6. Inland waterway user charges (Pubic Works Committee)	Sent Mar. 25	Mar. 25.
7. Hardship assistance block grant	Apr. 3	
8. Airport construction grants, avaition taxes and trust (Public Works Committee)	Mar. 18	
9. Highway construction and safety grants (Public Works Committee)	Sent Mar. 17	Mar. 18.
10 Customs Service overtime pay	Apr. 6	
11. Social services block grant (Education and Labor Resources)	Apr. 3	
12. Rail Pension assurance amendments (Energy and Commerce Committee)	Sent Mar. 10	Mar. 11.

FISCAL YEAR 1982 DEPARTMENT OF DEFENSE AUTHORIZATION LEGISLATION

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, along with the ranking member of the Armed Services Committee, Mr. DICKINSON, I have introduced the annual Department of Defense legislative proposal to authorize appropriations for fiscal year 1982 for the procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, for research, development, test, and evaluation, and for operation and maintenance, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, and for other purposes.

Each year, as representatives of the committee, I, as chairman, join with the ranking member in introducing authorization legislation, by request, as has been the custom for many years. In so doing, we are able to place before the Armed Services Committee and the Congress, the authorization proposal of the administration which is used as a vehicle for consideration and final reporting to the House. As my colleagues are well aware, it is vitally important that this year particularly, the committee devote its undivided attention to the extremely important question of how to best allocate additional resources to enhance our national defense posture.

In pursuing that effort during this critical year, and in the interest of expediency due to the understandable legislative delays caused by the Presidential transition process, we have amended section 805 with regard to the Vinson-Trammell Act to provide for an extension of the moratorium on applicable provisions rather than outright repeal of the act, as was proposed by the Secretary of Defense in the original legislative submission. By so doing, we hope to report the fiscal year 1982 authorization legislation in a timely fashion and also provide an opportunity to consider carefully and separately all of the important factors associated with the existing Vinson-Trammell provisions which set limitations on excess profits in the defense industry.

INTRODUCTION OF BAIL REFORM ACT AMENDMENTS

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, today I am introducing legislation to modify the Bail Reform Act of 1966. This legislation would allow a Federal magistrate, in a noncapital offense to consider factors other than a defendant's ties to the community when making a determination as to whether a defendant should be released on bail.

The need for this legislation was again demonstrated in the case of John W. Hinckley, Jr., the accused assailant of President Reagan who is currently being held without bail.

Under present law, a Federal magistrate may consider the safety of the community and of witnesses involved in the crime only when the defendant is accused of a capital offense. In noncapital cases, the law limits the magistrate's consideration to the defendant's ties to the community. No opportunity is given for him to consider the defendant's criminal record, the potential for recidivism, the likelihood of reprisal against witnesses who might testify against him, or the continued safety of the community. Judges and magistrates get around this provision be setting high bail.

In 1975, the sixth circuit, in *United States* v. *Wind*, 527 F.2d. 672, held that any judicial officer has the inherent right to "consider evidence that the defendant has threatened witnesses and is a danger to the community in determining whether the defendant should be released" on bail. Unfortunately, the Wind decision is not yet universal law in the Federal system.

On February 8, 1981, Chief Justice Warren E. Burger criticized the current bail laws, saying that "the crucial element of future dangerousness, based on a combination of particular crime, the past record, and the evidence before the court" should be considered in setting bail.

Legislation similar to mine has been introduced in past Congresses. Each time it has been referred to the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice, chaired by my colleague from Wisconsin (Mr. KASTENMEIER). Despite the fact that it has at times been cosponsored by as many as six or seven members of the Judiciary Committee, no substantive progress has ever been made.

Even the Washington Post, in editorials published on August 5, 1977, and earlier on March 15, 1977, favored review of the 1966 act. Yet nothing is done.

Fortunately Mr. Hinckley was not a resident of this community and could be detained under the Bail Reform Act. Otherwise since no one died, and therefore no capital offense presently exists, provisions of that act could mandate the release of John W. Hinckley, Jr.

FAMILY ENTERPRISE PRESERVATION ACT

(Mr. ROBERTS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS of Kansas. Mr. Speaker, families in the First District of Kansas and across our Nation work hard to build their farms and small businesses. Small businesses are often total family efforts, and this is especially true of family farm businesses.

Current estate tax provisions do not accept family investments in a busi-

ness unless monetary contributions are made or the decedent's family can show "material participation" in the operation of the farm or business. Thus, estate taxes are levied against the decedent's spouse on one change of management, and heirs on the next.

Often too late in life, the decedent's spouse and family learn that the property in which they have invested much of their lives will be lost upon the death of a husband or father because the farm or business has to be sold to pay Federal estate taxes. Farmers face a unique problem in that approximately 95 percent of farm assets are tied up in production. This lack of liquidity, coupled with rapid increases in farmland values due to inflation, has often forced the sale of all or part of farm real estate to pay estate taxes.

America's family businesses are the backbone of our capitalist system. The Nation's family farms represent the greatest food and fiber producing system in the world. We will all share in the benefits of eliminating this form of double taxation as family businesses are able to serve us in this generation and serve our children in the next.

To end this flow of money from productive assets into the U.S. Treasury, I join my esteemed colleague from Missouri in introducing the Family Enterprise Preservation Act. I wish to point out this legislation is identical to that introduced in the other body by my distinguished colleague from Kansas, Senator NANCY LANDON KASSEBAUM.

LEGISLATION TO EXTEND CAPITAL PUNISHMENT TO ASSASSINATION ATTEMPTS

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, today I am introducing a bill to provide the same penalties for attempting to murder the President as are now provided for actually taking the President's life in certain circumstances.

The only change in present law would be to allow the possibility of capital punishment for an attempt on the President's life. Under this legislation, capital punishment could be imposed if such an attempted killing, had it been successful, would have been murder in the first degree.

In any criminal trial under this legislation, the accused would, of course, retain his full rights to a fair and just proceeding. Any defenses available to him, including insanity, would still remain.

However, if a person was convicted for attempted assassination, a jury would be allowed to render a death sentence.

I believe this legislation is fully warranted given the unique and pivotal role of the President in our Government.

Moreover, I do not believe this country feels much sympathy for the would-be assassin. And I believe that the unsuccessful assassin can lay little claim to mercy because his aim was not true.

I invite my colleagues in the Congress to cosponsor this important alteration of the law.

FEDERAL ESTATE TAX REVISIONS WOULD LESSEN INHERITANCE TAXES

(Mr. ROBERTS of South Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS of South Dakota. Mr. Speaker, today I am introducing legislation to revise the exemptions and rates of the Federal estate tax to reduce the impact that skyrocketing inflation has had on this tax.

We have come to the point that—because of the sharp bite of inheritance taxes on the modest-income family enterprise—only the rich can afford to die, and only the rich can afford to buy.

Inflation has driven up the value of the small family farm or business drastically in recent years, yet inheritance tax rates are based essentially on 1939 land and property values.

Across the country, small businesses and small farms are being sold by families to larger enterprises, because a wife or children who have inherited a farm or business simply cannot afford to pay the Federal estate taxes which result from a loved-one's death.

Mr. Speaker, the average American works all his life to build a dream and an enterprise that he can pass on to his children. That dream is a way of life in America—it is the family-owned and operated enterprise.

Unless we change the inheritance taxes, however, it will soon become a pipe dream.

THE FATE OF JURI KUKK, ESTONIAN DISSIDENT

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Mr. Speaker, I hardly know how to address the House today, because I have brought this matter before to the attention of the House and, I hope, to an even wider audience. I think we were all struck by the headline in Sunday's paper: "Estonian Dissident, Age 40, Said To Die in Soviet Camp."

This is a man named Juri Kukk. I have brought his name to the attention of the House on February 24. He was an Estonian who was arrested and sent to a psychiatric hospital for the "terrible crime" of leaving the Communist Party. He was a teacher, and that is what he did. Then he was moved from that psychiatric prison or psychiatric hospital—it was really a prison—to a very severe labor camp near Murmansk, where he died. His wife was notified, and the story appeared in the New York Times on Sunday.

What do we say about these people? One after another is taken up for no crime. This would certainly not be a crime in any other civilized country in the world. This is an Estonian, a man whose country was severed by a pact between Nazi Germany and the Soviet Union, a country overrun by the imperial armies of the Soviet Union.

Mr. Speaker, I do not know what we can say about these people, but one thing is sure: We should not let their troubles and their sufferings go in silence, and neither should we fail to record their deaths.

□ 1115

AMENDING MINERAL LEASING ACT OF 1976

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Speaker, today, I have joined with my distinguished colleagues from Arkansas, Senator BUMPERS and Senator PRYOR, in introducing legislation which would amend the Mineral Leasing Act—acquired lands—of 1976.

The constituents of those Members who have in their districts military installations on acquired lands have a critical interest in the outcome of this legislation which corrects an oversight and an inequity created by the Mineral Leasing Act of 1976. It appears that when the law was changed in 1976 to permit mineral leasing on military reservations a change should have also been made in the Mineral Leasing Act to permit a sharing of proceeds from leasing for oil and gas exploration on military reservations on acquired lands with the States and local governments where the leasing occurs.

We are all aware that having a military installation in a community—with its tax immunity—places a burden on those local governments where the military reservation is located. Over the years, I have supported programs aimed at compensating States and local jurisdictions for the tax moneys lost due to their having a military installation in their jurisdiction. However, as you know, in the majority of instances the revenues received under these programs do not begin to match the taxes which would be received if the property were held in private ownership.

As we all can recognize, local people will often bear relatively severe bur-

dens as a result of development of minerals which will be of national benefit in meeting our energy needs. These impacts can include such things as a massive infusion of new workers with the attendant demand for increased services, which can strain the abilities of the local community to support them. In the past, Congress has recognized this problem by allowing States to receive 50 percent of the proceeds from mineral leasing on public domain lands within their borders. That same rationale should obviously pertain to allow States with acquired land for military reservations to receive similar benefits.

In my own district, the Bureau of Land Management recently announced a recordbreaking oil and gas lease sale totaling over $43 million on lands within the Fort Chaffee military reservation in Arkansas. There is little question but that this is just a first of many such actions which may well eventually affect many communities across our Nation.

At a time when local governments are being asked to pick up a larger share of ongoing programs, they should not concurrently be denied the opportunity of benefiting from those proceeds which are derived from mineral leasing on military reservations located in their jurisdiction.

Briefly, let me summarize that the legislation introduced today will allow States to receive 50 percent of all rents, bonuses, and royalties received from mineral leasing on military reservations. The remaining portion will be divided as follows: 40 percent into the reclamation fund and 10 percent to the general fund of the Treasury. Please note that this is the exact same distribution formula provided for mineral leasing on public domain lands (30 U.S.C. 191).

Furthermore, I commend for the review of my colleagues the comprehensive statement of Senator BUMPERS which will appear in today's RECORD detailing the legislative history of the Mineral Leasing Act and its direct relationship to the bills we have just introduced.

A copy of the bill follows:

H.R. 2990

A bill to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of August 7, 1947 (61 Stat. 915; 30 U.S.C. 355) is amended by adding the following at the end thereof: "Notwithstanding the preceding provisions of this section, all receipts derived from leases on lands acquired for military or naval purposes, except the Naval Petroleum Reserves and National Oil Shale Reserves, shall be paid into the Treasury of the United States and disposed of in the same manner as provided under section 35 of the Act of February 25, 1920 (41 Stat. 450; 30 U.S.C. 191), in the case of receipts from sales, bonuses, royalties, and rentals of the public lands under that Act."

SEC. 2. The amendment made by this first section of this Act shall take effect with respect to leases entered into after January 1, 1981.●

JOINT RESOLUTION TO COMMEND AGENT TIMOTHY J. McCARTHY AND OFFICER THOMAS DELAHANTY

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, in his inaugural address on January 20, President Ronald Reagan reassured us that there are still plenty of heroes in America.

Well, who could argue with that after witnessing the actions of all those involved in saving the President's life on Monday.

Today I am introducing a joint resolution which commends the courageous actions of Secret Service Agent Timothy J. McCarthy and Washington Police Officer Thomas Delahanty. They placed their lives on the line to save the President.

My resolution also commends President Reagan for facing such a grave personal crisis with such bravery and good humor. His grace under pressure has been the true mark of a great leader. And it also commends White House Press Secretary James Brady for his tenacious will to live against all odds.

Mr. Speaker, these are four brave Americans and I urge all my colleagues to join me in cosponsoring this resolution.

LEGISLATIVE PROGRAM

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, I take this time for the purpose of asking the distinguished majority whip the schedule for next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Washington.

Mr. FOLEY. I thank the gentleman for yielding.

The program for next week is as follows:

We will when adjourning today propose to adjourn until Monday noon. We have a Consent Calendar with, I believe, two bills eligible on Monday, but no other suspensions or other legislation will be taken up on Monday.

On Tuesday the House will meet at noon to consider House Joint Resolution 202, the African Refugee Relief Day and three bills under suspension of the rules:

H.R. 2884, release of ICA film "In Their Own Words";

House Concurrent Resolution 50, treatment by the Soviet Union of Dr. Viktor Brailovsky and his family; and

House Concurrent Resolution 55, International Year of Disabled Persons.

The House will meet at 3 p.m. on Wednesday, April 8, in pro forma session; at 11:00 a.m. on Thursday, April 9, in pro forma session; and at 11 a.m. on Friday, in pro forma session.

When the House adjourns on Friday, April 10, it will adjourn until noon on Monday, April 27, for the Easter work period. Any further program will be announced later.

Mr. SENSENBRENNER. Mr. Speaker, will the gentlemen yield?

Mr. GUNDERSON. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding. It is my understanding that the minority leadership was not informed of the proposed recess of the House of Representatives the week after next. Could the gentleman from Washington (Mr. FOLEY) kindly enlighten us on why the schedule has been changed without consultation of the minority leader?

Mr. FOLEY. If the gentleman will yield, I assumed that the minority leader was consulted, and I would be glad to consult with him at this moment. He has just arrived on the floor. We had received an indication that the Senate was intending to adjourn for a 2-week period and that the Senate Easter work period would begin on Friday, the 10th. The budget committee will be meeting next week, but we assume that such a schedule would not meet with the opposition of the minority.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. I yield to the minority leader.

Mr. MICHEL. I thank the gentleman for yielding.

I just simply want to respond to the majority whip that the gentlemen from Illinois was not apprised that this was what we were intending to do. There were rumors but no official word. My particular view would be that I would want to make absolutely sure that the Budget Committee was meeting and the Appropriations Committee and whatever committees were meeting, and that we not run into the kind of situation here where we set for ourselves a time schedule for movement on the program, and then have a significant lapse here that would be used to justify delaying that program. I hope that is not the case. If the committees are well enough along that is well and good. The gentleman well knows that I have not been critical of our not having anything here on the floor because it is meaningless unless

the committees are doing what they have to do beforehand.

The SPEAKER pro tempore (Mr. WRIGHT). May the Chair make a declaration which might elucidate. The Chair has been advised by the chairman of the House Committee on the Budget that it is the full expectation of the Committee on the Budget to complete the markup on the budget for fiscal 1982 as well as the revised budget for fiscal 1981 and the reconciliation portion of that budget resolution by Friday, April 10. On that assumption it was believed that it would be useful for the House to follow the request of the majority leader of the Senate and to have a home district work period that would be in concurrence with that of the other body.

Let the Chair advise the gentleman, the distinguished minority leader, that if there should occur slippage which makes it desirable or necessary for the House Committee on the Budget to be in session the following week, then these plans would perforce be changed. But it is the full anticipation, the Chair is advised, that the Committee on the Budget will complete its labors and, thus, bring the House to a point some 5 days ahead of its announced schedule on the President's budget.

Mr. MICHEL. If the gentleman will yield, if I might be permitted to respond to the Chair, I know there have been Members who from time to time have been rather critical of the slowness of some of the legislative pieces to come up here to the Congress from the administration, and if those come within the period that we are discussing here and action is delayed rather than our proceeding as we normally would, then the gentleman from Illinois would have to be critical of taking that much time. But, as I indicated earlier, if we are going to continue to meet our target dates, then the gentleman from Illinois has no objection.

But I want to make absolutely sure that there is no slippage.

Mr. FOLEY. Will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from Washington.

Mr. FOLEY. I think the record should show that the agreed time for the Easter work period was the week following Easter week, the traditional Easter week. By agreeing with the Senate schedule, we would be moving that up to the close of business on Friday, April 10. Certainly traditionally the House does not meet during the holy days of Holy Thursday and Good Friday and the following week. In any case, the plan was to adjourn by midweek, and we are technically dealing with about 2, or at the most 3, legislative days. With the assurances of the Speaker pro tempore that if there should be a need to provide those legislative days for the purpose of committees meeting to consider the program, it could be reconsidered.

We are moving expeditiously with the consideration of the budget, and the committees are meeting to consider various legislative items.

As the gentleman did say, there is the problem that we have of inadequate response in some cases—I think it is fair to call it that—from the administration with respect to specific recommendations.

I have just left a subcommittee meeting of the Committee on Agriculture in which we do not yet have the draft farm bill. It is promised for tomorrow, but we are also told that it will probably not come with any clearance from the Office of Management and Budget. So in this and many other committees, postponement of testimony by Cabinet officers and failure to provide legislative vehicles for the consideration of the committees is the one area where committees are being frustrated on prompt legislative action. I think, as the gentleman says and explains, he would agree why we do not have a heavier schedule.

I might add that there is placed in the RECORD today a statement by the gentleman from California (Mr. PANETTA) which outlines those reports and legislative proposals that have not reached the Congress, including those which are beyond the administration's own target date.

Mr. SENSENBRENNER. Will my colleague from Wisconsin yield again?

Mr. GUNDERSON. I yield to the gentleman.

Mr. SENSENBRENNER. I thank the gentleman for yielding. I am wondering if the majority leadership has any plans to schedule Senate bill 840 or similar legislation which would extend the authority of the Department of Justice to perform certain functions, including those that involve the investigation into the murder of the black children in Atlanta. The distinguished majority whip may recall that yesterday the gentleman from Illinois (Mr. MCCLORY) pointed out that the other body had passed this legislation, and unless we act on this legislation prior to April 5, the authority of the Department of Justice in certain areas would expire.

Mr. FOLEY. If the gentleman would yield, I am advised that the Committee on the Judiciary intends to take up that legislation early next week and expects a very substantial consensus in the committee from both sides of the aisle with respect to it and believes that it will be moved promptly. As a matter of fact, pending its movement in the committee, it could be considered for some form of consideration by the House, but we do not yet have any action by the committee. I understand it is being slated for early next week.

Mr. SENSENBRENNER. Will the gentleman from Wisconsin yield again?

Mr. GUNDERSON. I yield to the gentleman.

Mr. SENSENBRENNER. Would it be the intention of the majority leadership to amend the program for next week should the Committee on the Judiciary act promptly on this legislation so that there would not be an additional 2-week hiatus in the Justice Department's performance of its functions?

Mr. FOLEY. If the gentleman will yield, I certainly think that that is a matter that should be discussed next week, at the conclusion of the committee's action, with the committee leadership on both sides of the aisle. It certainly would be a matter of consideration.

Mr. SENSENBRENNER. I thank the gentleman.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

There seems to be some conflicting views with the honorable majority leader and the gentleman from Washington (Mr. FOLEY). The majority leader, Mr. WRIGHT, has just said that perhaps we will be 5 days ahead of schedule. According to the press conference called by the Speaker and the majority leader, we were scheduled to take up final consideration on the budget on the floor on the 28th, 29th, and 30th of April. Now the gentleman from Washington (Mr. FOLEY) is saying that there has been some delay by the administration, and that may very well be true, but if there is, then it seems to be that it is rather ridiculous for us to walk out of here on April 10. It seems Mr. FOLEY is arguing to stay here because they are not going to have the information that is going to be necessary to meet and be back here for final consideration on this budget on April 28. I will ask which one of the gentlemen is right.

Mr. FOLEY. If the gentleman from Wisconsin will yield, the gentleman from New York (Mr. SOLOMON) has confused my remarks. I was not speaking with respect to Budget Committee action that is being undertaken by the Committee on the Budget. Next week we expect the Committee on the Budget will report that resolution by the end of next week. I was speaking about the matter of authorization committees' business which has been, I must say, in many cases, delayed by the inability of the committees to have the administration's recommendations in a number of areas. I think this is a fact that is well recognized. I know we all appreciate that a new administration coming into office, with

new appointments, has to be given reasonable time to consider the proposals it wishes to make to the Congress. I would be the last one to suggest that an administration ought to rush hurly-burly with ill-considered recommendations to the Hill, but I also think it is unreasonable to expect the Congress when it is acting out of comity to this administration and not undertaking legislation without giving it the opportunity to present its views to also be criticized for not acting.

We can act before the committees receive the recommendations of the administration, but I think that would be unwise legislation, and personally I would be opposed to doing it.

I just want to say on the record that we have had a light legislative schedule. That is not because the committees are not willing to act; it is because they have been waiting to receive the administration's recommendations in key areas. We are going to have, all Members should be advised and the public advised, very heavy legislative schedules at the first opportunity we have to report those bills to the floor.

□ 1130

Mr. SOLOMON. Mr. Speaker, would the gentleman from Wisconsin yield further?

Mr. GUNDERSON. I yield to the gentleman from New York.

Mr. SOLOMON. Then I assume both gentlemen are in agreement and we can assume that we will be taking up floor consideration on the budget on the week that we return on the 28th, 29th, or 30th; is that what the majority leader understands?

Mr. FOLEY. We expect to take up the budget resolution very promptly as it is concluded by the Committee on the Budget and that is the hope and expectation by the leadership.

Mr. GUNDERSON. Mr. Speaker, I thank the distinguished majority leader.

ADJOURNMENT FROM THURSDAY, APRIL 2, 1981, TO MONDAY, APRIL 6, 1981

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DOE AUTHORIZATION FOR FISCAL YEAR 1982

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, today, along with the gentleman from Michigan, JOHN DINGELL, chairman of the Energy and Commerce Committee, and the gentleman from Indiana, PHILIP SHARP, chairman of the Fossil and Synthetic Fuels Subcommittee, I am introducing Department of Energy Authorization legislation for fiscal year 1982. The legislation is based upon an alternative energy budget, which I have developed along with Mr. SHARP. This alternative budget does not truly reflect my priorities, nor do I expect it to totally please anyone. Under the pain of current budget strictures, the energy programs each of us feels would be most advantageous for the country are going to have to be cut. We have suggested, but not specified, where the cuts might be made.

We have endeavored to develop a budget which is below the Administration's request, but better reflects the balance in energy programs developed with care by Congress, largely on a bipartisan basis, over the years. We took as the basis for our calculation last year's fiscal year 1981 appropriation and reduced each major category by 40 percent. Although I might have preferred to decrease some programs more, and increase others, we have taken this approach as the most equitable under the circumstances, and to retain broad-based support, since an across-the-board reduction retains the balance developed by previous Congresses. By making a 40-percent reduction we have spread the burden of cutting the budget in an even-handed manner. We favor no particular energy technology or resource because we treat each category the same. The result of our effort is a substantial restoration of funding to coal, conservation, and renewable energy efforts, though still 40 percent below last year's appropriation and even further below the Carter administration requests, and identical treatment of the other energy programs, including nuclear fission and fusion.

I note that this alternative is more than $300 million below the Reagan budget, and includes full funding for the Strategic Petroleum Reserve, Federal power market activities, and the general science program. FERC will receive the same amount as it did last year. In addition to this budget, we have also noted $7 billion in tax expenditures in the energy field, which should be reexamined. In light of the recent decontrol of oil it seems to me that many of these tax subsidies are not only unnecessary, but unwise. Tax expenditures are as much Federal subsidies as expenditures from appropriated funds, and they should be reduced at least commensurate with budgeted expenditure reductions. I fail to see how we can tell the American people that we are cutting back on government benefits and services when we appear unwilling to do the same for energy companies at a time when they are reaping unprecedented profits derived largely from decontrol.

Finally, I want to emphasize that the point of this alternative is balance in energy programs. I can accept reductions in many programs I consider worthwhile, such as those in the conservation area, but only if similar reductions are applied in other programs. While this action does not reflect the priorities I think the country needs to proceed at greatest speed and least cost to achieve independence from imported oil, I think the balance proposed in this bill is the best result we can practicably achieve under the current budgetary restrictions.

WELLESLEY, MASS.: A CENTENNIAL OF LOCAL PROSPERITY AND CIVIC PROGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 10 minutes.

● Mrs. HECKLER. Mr. Speaker, I rise for the pleasant task of acknowledging the 100th anniversary of the town of Wellesley, Mass., one of the communities in my congressional district, and my place of personal residence.

The centennial celebration for my hometown affords me the happy opportunity not only to share the commemorative spirit with so many neighbors and friends, but also to participate in a communal educational experience, benefiting us all by helping us to remember our heritage and learn from it.

The present age makes it all too easy to ignore the past or to forget it, preoccupied as we are with the grave problems of the present moment and confronted by great challenges for our future.

We too often relegate what has gone before to the shelves of libraries or to campus classrooms; dismissing yesterday as a nostalgic distraction, as we cope with today and prepare for tomorrow.

But the past—our history, our heritage—is the foundation upon which we must build our present and plan our future. The past is there to be celebrated and studied, learned from and debated. The past is not merely a most

valuable resource, it is indispensable and unavoidable.

Massachusetts, the scene of so many of the crucial events in our Nation's early history, has always taken special care in marking the past. It is therefore with that particular Bay State sense of history that I rise today to share with my colleagues in this House word of the upcoming centennial of my hometown.

As a resident of Wellesley, this centennial celebration of course, has a great significance for me personally, but the development of this classic New England town is a vignette in American history that I believe will also be of interest to all the Members of this House.

Wellesley was created by an act of the Massachusetts State Legislature on April 6, 1881. In the 100 years since, it has evolved as a center of culture and scholarship: A home of creative and active minds, and the seat of one of the most prestigious women colleges in America.

Several Wellesley residents have had a profound impact on American life and culture. For example, Alexander Graham Bell conducted his historic experiments with the telephone while living in the Wellesley area; Katherine Lee Bates, while professor of English at Wellesley College, wrote the stirring anthem "America the Beautiful," and William Denton, who in addition to being one of the 19th century's most illustrious scientists, was also a leading abolitionist and advocate of women's rights, was a long-time Wellesley resident.

These three notables merely serve to illustrate the town's historic traditions of creativity innovation and activism.

Those traditions remain. The town continues today as an important center of progress in the arts and sciences, commerce, and culture. The renowned classic beauty of its home and public buildings complements a citizenry that is successful, forward looking, and involved in the issued of the day.

The town's legendary reputation for enlightened participation and civic concern is understandable when we review its past. The founding of the town of Wellesley, which I am helping my fellow citizens commemorate this month, is an example of determination which holds clear lessons for us today.

For 170 years the area now known as Wellesley was a part of the town of Needham—but different interests and attitude developed which led Wellesley residents to work for their own town.

In August 1880, Capt. Joseph Fiske, a noted veteran of the Civil War and respected leader in the area, began in earnest the work of lobbying the Massachusetts Legislature for township. He organized a massive campaign, managed the election of a protownship State representative and engaged the services of an attorney named Patrick Collins, later a mayor of Boston and a distinguished Member of this House, to plead the cause of township before the legislators, and by the following April, Wellesley was a town.

That successful effort to achieve a desired community goal through concerned, responsible, and well-managed political action follows in the new England tradition, of which Wellesley is a vital part, and which remains a model for the participation, politics of today. It shows that the will of an active and informed people can accomplish difficult goals, once motivated and organized.

I am pleased to honor the town of Wellesley on its centennial celebration and to pay tribute to the members of the board of selectmen, Frank H. Conway, Jean W. Kelley, and Felix Juliani, and to the members of the centennial committee, cochairs John Hughes and Elanor Stiments, and Salvatore Defazio III, Mary Duffy, Jean Glasscock, Charles Thomas, and Maxine Weintraub. Norma O'Reilly, coordinator of the centennial deserves special recognition, as does Bernard Torri who has done such an outstanding job in assembling the time capsule which will be treasured by future generations.

Mr. Speaker, the history of the town of Wellesley is filled with other similar examples of vigorous and determined work for the public good over 100 years of proud history. I commend to the house this heritage of action and progress, and salute the town whose reputation for civility and concern is a direct product of that heritage.●

MRS. KAY HEARN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. HUBBARD) is recognized for 5 minutes.

Mr. HUBBARD. Mr. Speaker, if I had been asked early last month to select from my congressional district nominees for a national Mrs. America contest, I would have submitted a list which indeed would have included Mrs. Reid Hearn, Sr., of Mayfield, Ky.

Kay Hearn, age 41, of my hometown, a teacher at Lowes High School, an active, dedicated Christian, and a leader of my hometown's First United Methodist Church; a very attractive and hard-working civic leader. Kay was the devoted wife to Reid Hearn, Sr., the youthful president of the Mayfield, Ky., Security Federal Savings & Loan Association, mother to Son F. Reid "Bubba" Hearn, Jr., and daughter, Traci Hearn.

Mr. Speaker, I mention the aforesaid because my neighbor and friend, Kay Hearn, died last Friday night of a short illness, a tragic loss to my hometown, to those who knew and liked this family.

To her husband, children, her parents, Mr. and Mrs. Joe Y. Wright of Morris Chapel, Tenn., and the other relatives and friends of Kay Hearn, I join in expressing a tribute to her and sympathy to those who knew her.

HALTING OF ECONOMIC AID TO NICARAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BONIOR) is recognized for 30 minutes.

Mr. BONIOR of Michigan. Mr. Speaker, I will not take the full 30 minutes, but I do want to take the opportunity to discuss, on the floor of the House with the Members of this body and with the American public, the unfortunate news that came from the State Department yesterday.

That news is that the United States will halt economic aid to Nicaragua. Members may or may not know that I have just returned from a 6-day trip to Central America in which I visited, with my dear friend and colleague, the gentleman from Michigan (Mr. DAVIS), Panama, Costa Rica, Nicaragua, and Mexico. I spent some time in Nicaragua, previously, discussing their political and economic problems with their leadership. I was quite saddened to hear yesterday that the administration has decided to halt aid, despite the fact that the administration has admitted that the arms flow from whatever sources, Cuba or the Soviet Union, through Nicaragua has been halted.

I would like to quote from a statement that Mr. Dyess, of the State Department, made in the New York Times this morning. He said, "Important United States security interests are at stake in this region. We want to encourage a continuation of recent favorable trends with regard to Nicaraguan support for the Salvadoran guerrillas," he declared, alluding to the fact that the arms shipments have been substantially shut down, if not totally. He said also that, "We also want to continue to assist moderate forces in Nicaragua which are resisting Marxist domination," he said, "working toward a democratic alternative, and keeping alive the private sector."

Well, that is my agenda, also, and I believe that is the agenda of the Members of this body and of the other body.

But I would suggest to Mr. Dyess and Secretary Haig that the way to go about achieving those alternatives is not by cutting off aid to a country that is in desperate need of aid. During my recent trip I had the opportunity to talk to a number of governmental and junta leaders and press people in Nicaragua. To a person, they

indicated to me, "Please go back and encourage your country to continue its aid." You know, we halted about $9.6 million in Public Law 480 food and assistance for grain recently to Nicaragua.

What we are doing by halting grain shipments and by stopping economic development aid to Nicaragua, is to give the leftists, the extreme Marxists in that country, the opportunity to portray us as the imperialistic nation which we unfortunately have the reputation of being in that part of the country.

I think it is important for Members of this body to understand that the Sandinistas are not a homogeneous organization. They have a coloration and a spectrum of political views that match most political parties in Western and non-Western nations. There are extreme rightwing, extreme leftwing Sandinistas and moderate Sandinistas.

In my discussions with Pedro Chamorro, who is the editor of the free press, La Prensa, and in my discussions with Archbishop Obando y Bravo in Nicaragua and in my discussions with the business leaders, they all gave me one important message to bring back to this body and to this administration. That message is to continue the aid; that it is needed; and to keep our foot in the door, so we can have some impact on the political and economic future of that most important country within Latin America.

There is some hope in the statement that was issued by the State Department yesterday. Mr. Dyess indicated that the United States was not going to recall the $40 million in loans which we have given the Nicaraguans and which are outstanding. He also indicated that there may be some resumption of the Public Law 480 food for peace funds within the next 2 or 3 weeks.

So not all is lost. In fact, it seems obvious that the statement made by Secretary Haig about 3 weeks ago that Nicaragua was lost has indeed been turned around, that they are still giving it a good look and there is still hope we can develop some good close relations with that country.

But I suggest going about it in the manner in which we have done yesterday is not helpful. It does not help the business community which has to make decisions on whether to stay or reinvest down there. It does not help them. It does not help the politcal situation down there in terms of the moderate factions in Nicaragua that want to get on with making that country pluralistic and giving freedom of expression in the political sphere a new shot of life.

I further want to go into an issue that is really troubling to me. Alan Riding, who many of my colleagues know, is probably as astute on this issue as anybody in the journalistic field, and has written well on the problems of Central America, has a piece in the New York Times today in which he talks about the rightist exiles who plan to invade Nicaragua.

Recently I appeared before Congressman BARNES' subcommittee to talk about the problem of terrorism in the world and particularly wanted to address the policies of this administration. In that testimony I said that I applauded Secretary Haig's statement and the Reagan administration's commitment to combat international terrorism. I said, though, that if we are going to have a litmus test, if we are going to, by example, show that this policy is one in which we can stand up and be counted for, then I would suggest that the first international terrorists whom the Secretary and the proper law enforcement officials should bring to justice are those who are at this very moment operating unlawfully right here in the United States. I referred to the Cuban and, more recently and prominently, Nicaragua's Somozistas, ex-national guard people who fled from Nicaragua, and were under the direction of the former dictator Anastasio Somoza. These Somozistas are preparing, in this country, in camps in Florida, to invade Nicaragua, a country with who we are at peace, with whom we have full diplomatic relations. That issue should be the test of whether this country is really committed to combatting international terrorism.

When I was talking with Sergio Ramirez, who is one of the three junta members in Nicaragua, I was imploring him to do what he could to stop the arms flow to El Salvador through the Honduras borders and through Nicaragua. He indicated to me that attempts were being made to do this, that the Government was not participating in the arms flow.

□ 1145

I do not want to argue that point, whether the Government was or was not participating in the arms flow. The fact of the matter is that it has been stopped, and stopped substantially. Our own State Department admits to it.

In that meeting with Mr. Ramirez, he pointed out to me:

What are we doing about the fact that there are armed camps in this country who are arming Somozistas for an invasion of Nicaragua.

I admitted to not knowing very much about what he was discussing, and said I would go back and check and see if there was any truth to it. As it turns out, at the very moment I was talking to Mr. Ramirez, "Good Morning America" was running a 5-minute film clip on their show, showing the intense military training that was going on in the camp in Florida. Joe Thomas of the New York Times has written extensively on it. Eddie Adams in Parade Magazine, a photographer, had pictures and wrote a good piece on exactly what was happening in the Florida camps, as well as perhaps in California and New Jersey.

So, it was quite an embarrassment for me to be speaking with the leader of a country and having him raise this issue with me. I immediately called the Embassy in Nicaragua when I came back and saw this report, and discussed this issue with the Ambassador, Ms. Oelia Casco.

She admitted to me that over a month and a half ago she had asked the State Department to check into the camps. She has not had the courtesy of a reply, and she hand-delivered her request to Assistant Secretary Bushnell.

So, what we have here, it seems to me, is a double standard in terms of terrorism. Not only do I believe that these camps are illegal, that they violate the statutes developed in the 1840's—by the way, the history of those statutes are very interesting, and my colleagues might be interested. They were developed in the 1840's because of a gentleman by the name of William Walker, who was a buccaneer and pioneer imperialist in this country who wanted to set up colonial slave empires in Nicaragua, and to prevent him from doing that we passed these statutes. It is ironic that over 140 years later these same statutes are being violated in the country they were intended to protect.

So, I would suggest to my colleagues that we put an end, first of all, to these camps; second, if we are interested in peace and stability in Central America, we have to demilitarize the situation. I referred the Members earlier to Allen Riding's recent article in today's New York Times.

Now, Honduras is an interesting situation. They border the Nicaraguan border, and the Honduran people have struggled for a civilian government for a long time, and some Honduran politicians are concerned about the hostilities in Nicaragua because their army, which is in control, has agreed recently to civilian elections. The Honduran politicians are concerned that because of this increasing military activity in Nicaragua the Honduran Army, the military, will forgo the civilian elections in Honduras. So, what is really happening here is this militarization of the whole region being exacerbated by the fact that we are allowing these types of activities in our country.

I would respectfully request of the administration and Secretary Haig that we go about the business of following the laws of this country, following the charter of the Organization of American States, which prohibits this type of activity in our country

and this type of international terrorism, and get our own house in order so that we can pursue the policy of terrorism across the country and in Latin America, and we can get on with the stabilization of that most important region to our Nation's interests.

I thank the Members of this body for allowing me to express myself on this issue. It is an important issue, one that is not going away.

I am concerned about it from the standpoint not only of Honduras, Guatemala, and El Salvador, but I am concerned that the Switzerland of Central America, the hallmark of democracy and free enterprise, Costa Rica, is in serious, serious economic trouble. They are in trouble because they import 100 percent of their oil, and because the price of coffee has reached bottom. They have serious problems in that country, and by militarizing the region, by getting the Nicaraguans concerned about the fact that we may be involved in an overthrow of their Government through complicity with the Somozistas, by getting the Nicaraguans to increase their military strength on their borders of Costa Rica and Honduras, we encourage militarization of the region and encourage instability.

I would hope that before long we in this Congress and the Foreign Affairs Committee would address this situation before it reaches the point where it is out of control, or when we all have to come back here and discuss ways of trying to solve a problem that could have been prevented.

Mr. HARKIN. Mr. Speaker, will the gentleman yield?

Mr. BONIOR of Michigan. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Speaker, I thank the gentleman for yielding. I had asked for some time myself this afternoon to discuss a development the gentleman spoke about, the cutting off of aid to Nicaragua. I want to commend my colleague from Michigan for his analysis of the situation, for his perceptive insights into what has brought this about; and moreover, for his concern for the people of Nicaragua who are being caught up in this cutoff of economic aid and food aid, and who have no other recourse but to go hungry and go to bed at night on an empty stomach.

The gentleman was talking about the problem along the Honduran border. I am sure the gentleman is aware that since the first of this year, since January, there have been, according to reliable sources, over 100 attacks from across the Honduran border launched into Nicaragua by elements of the former National Guard of Somoza. I do not have any figures on how many people have been killed, but numerous people have been killed in Nicaragua, and, of course, these terrorists then flee back across the border to a sanctuary in Honduras.

The gentleman is absolutely right, if our Secretary of State means what he says about combating terrorism, it would seem to me that this is one place where he could really combat terrorism, right in, as they say, our own front yard.

I am as concerned as the gentleman is about cutting Nicaraguan aid. If the gentleman will indulge me, I have 10 minutes time of my own and will be glad to yield back some time to him. I want to engage in a colloquy after I talk for a little bit about the issue.

I met this morning with Fernando Cardinale, a Jesuit priest, whose brother, Ernesto, is also a Jesuit. Fernando is the architect of Nicaragua's very successful literacy campaign. Because of this, Mr. Cardinale has been nominated to receive the Nobel Peace Prize for his contribution in improving the quality of life in his country, so I was interested this morning in finding out how Nicaraguans had developed and implemented this program, which is most comprehensive and to date has been one of the most successful efforts to eradicate illiteracy, undertaken in a peaceful manner by a Third World government.

However, in our discussion the conversation turned to what the gentleman from Michigan talked about in his opening remarks, the action taken by our Government yesterday in cutting off the remaining $15 million in economic aid that we had pledged as special reconstruction assistance to that country. Now, according to this morning's Washington Post Senator JESSE HELMS and other ultraconservatives in that body are pressuring the administration to withhold this money while it reviewed its policy and prodded Nicaragua to, "Halt the flow of arms into El Salvador."

Now, the State Department, as the gentleman says, claims that Nicaragua has met our conditions on halting the flow of arms. Secretary Haig himself, no friend of the Nicaraguan Government, has said that the flow of arms has been reduced to a trickle.

Nonetheless, the State Department stated that aid would be frozen in this country in spite of the fact that, "According to the State Department the United States has no hard evidence of the arms movements into Nicaragua during the past few weeks."

From my own view, and I have seen the photographs and aerial reconnaissance photographs, and I listened to the top secret briefing by the CIA on the so-called arms flow from Nicaragua, I remember when our Ambassador White held a press conference on January 17 of this year and said that there had been unconfirmed reports that 100 Nicaraguans had gone into El Salvador to assist the El Salvadoran rebels. Mr. White's comments on unconfirmed reports were sent to this country by reporters, and then they were reported in the newspapers as confirmed reports that a hundred Nicaraguans had gone into El Salvador. Mr. White held another press conference to state quite emphatically that what he was talking about were totally unconfirmed reports by the El Salvadoran Government, not confirmed reports; and yet this continued to circulate among the press in this country as hard evidence, hard facts, that a hundred Nicaraguans had somehow gone to El Salvador to assist the Salvadorans.

But in looking at that and looking at the photographs and listening to top secret testimony of the CIA, this Member became entirely convinced that the evidence they had, which they then took to Europe and parodied in front of all the governments of Europe to get their support, was nothing more than just their own assumptions of what was going on, and not based upon hard evidence. I say that as a former reconnaissance pilot myself, looking at those photographs. There was nothing there of any hard evidence, and I believe that is the reason why none of the European governments fell for it, because they saw through it. It was nothing more than an attempt by some individuals in this administration to try to overturn the Nicaraguan revolution and to create chaos in that country.

Now, that may sound like a pretty hard statement on my part, but let me read for this body a recent report, statements from a report put out by the Heritage Foundation, one of those rightwing think tanks, that recently published a report called, "A Mandate for Leadership."

This has been an influential source for the Reagan administration's policies and programs. The Heritage Foundation report proves that Nicaragua's fears are relevant indeed, the fears that we are going to be involved in creating chaos in that country and overturning the Government. The report states, and I quote:

> Discontented Nicaraguans could be aided in an armed struggle against the Sandinistas by former National Guardsmen now in exile.

There it is, from the Heritage Foundation report. The report closes with the chilling paragraph:

> The Nicaraguans did not want Somoza and they do not want the current Sandinista government. Despite its show of arms the government is still weak—

Listen to this—

> Still weak and could be dislodged through a determined, coordinated and targeted effort.

That is the report from the Heritage Foundation. Well, one might say, what is the Heritage Foundation? It is just one of those rightwing think tanks.

But, there is something deeper to it than that. The former head of this Heritage Foundation when they wrote up this report, is none other than Richard Allen, now the head of the National Security Council, and so if he puts his stamp of approval on that kind of report, and he is now head of the National Security Council, what else are the Nicaraguans to believe than what we are doing in cutting off their food, cutting off their economic aid, in not assisting in stopping the raids across the Honduran border? How else can they interpret that, as nothing more than an attempt by this administration to create economic and political chaos in that country?

Mr. BONIOR of Michigan. The gentleman makes a very good point, and I would like to point out the irony of the situation which we have here. We were active in passing the Nicaraguan and Central American aid bill in the last Congress. I would suggest to the gentleman and my colleagues that if we put the same standard on our Nation as we put on Nicaragua in that aid bill, which is—and I will quote from the law:

> Prior to releasing any assistance to the Government of Nicaragua under this chapter, the President shall transmit a certification to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the Government of Nicaragua has not cooperated with or harbored any international terrorist organization, or is not abiding, abetting, or supporting acts of violence or terrorism in other countries.

If we had to apply that to our country, we would not qualify.

Mr. HARKIN. That is true.

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Mr. SOLOMON. Mr. Speaker, will the gentleman yield on that?

Mr. BONIOR of Michigan. That is just very, very obvious.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield on that point?

Mr. BONIOR of Michigan. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, the gentleman has brought up a very good point, and I do not know how much validity there is to it, but he stated he was concerned about the cutting off of aid to Nicaragua. From the quotation the gentlman just read, we know that this is a fact: Never mind the Nicaraguans, the 100 Nicaraguans, going into El Salvador, but we do know for a fact that El Salvadoran Communist guerrillas are being trained in Nicaragua. Then he posed the question: What else are they to think?

But as the gentleman knows, we have got to compare apples with apples, and if there is a problem in training people in Florida camps, there is also a problem of being in violation of the intent of that quotation the gentleman just read, because it is a fact—and I think the gentleman will admit it—that there are Communist El Salvadorans being trained in Nicaragua for the purpose of overthrowing the El Salvadoran Government.

Mr. HARKIN. Mr. Speaker, will the gentleman yield on that?

Mr. SOLOMON. I do not have the time.

Mr. BONIOR of Michigan. I yield to the gentleman from Iowa.

Mr. HARKIN. Mr. Speaker, as a response, I will say that I do not admit to that. There is no hard evidence of that.

Would the gentleman please provide for me and for this body the hard evidence that El Salvadoran guerrillas are being trained in Nicaragua? The gentleman has no such evidence. It is nothing more than just a bunch of hot air put out by the Heritage Foundation and a lot of right wingers in this country who just want to make us believe that is true, and there is no evidence for it. I will not admit to that.

Mr. SOLOMON. Mr. Speaker, if the gentleman will yield for just one further comment, I will be glad to give the gentleman the reasonable evidence that we have. I would also like it just to be made known to everyone here that these two gentlemen are not speaking for the entire side of that aisle, because there are many Members on that side of the aisle who agree with the statement that I just made.

Mr. HARKIN. And I wish to point out that there are Members on that side of the aisle who agree with the statement that I just made also.

Mr. SOLOMON. I doubt that there are many.

Mr. HARKIN. Well, there are some reasonable Members on that side who would agree with that.

I would also make one further point. By the way, it just occurred to me that the gentleman said they would be glad to show me the reasonable evidence. So now it has come from hard evidence to reasonable evidence, and what is reasonable, of course, is always debatable.

Mr. Speaker, will the gentleman yield further?

Mr. BONIOR of Michigan. Mr. Speaker, I would like at this point to relinquish my time to the gentleman from Iowa (Mr. HARKIN) so the gentleman can discuss this issue on his own time.

Mr. HARKIN. Mr. Speaker, I thank the gentleman.

The SPEAKER pro tempore. The time of the gentleman from Michigan (Mr. BONIOR) has expired.

CUT OFF OF ECONOMIC AID TO NICARAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. HARKIN) is recognized for 10 minutes.

Mr. HARKIN. Mr. Speaker, I wish to continue our discussion on Nicaragua and El Salvador. Now, even if the gentleman from New York (Mr. SOLOMON) was correct that there is this hard evidence of shipping arms or something like that and if the President could invoke then the law mandated by the Congress in cutting off economic aid, I would point out that the administration previously cut off 45,000 metric tons of wheat and food to that country and that is not covered by any congressional restrictions relating to an arms flow to El Salvador.

So they just cut off the food aid and the wheat that goes to make the bread. The aid that helps to feed the poor people in Nicaragua is cut off prior to any determination ever being made that there were arms flowing.

Again it points to one thing, that there are elements in this administration that are geared up to create economic chaos in Nicaragua. Nicaragua, we must understand, is one of the poorest nations in the Western Hemisphere. After the civil war their entire economy was wrecked. Over 80 percent of all the small businesses in that country were wrecked by bombing. Over 60 percent of their manufacturing process was completely destroyed in that civil war, and that war just ended not quite 2 years ago.

The Somoza government and the Somocistas who left took all the money with them and left the country with $3 million in their entire bank account and with a debt of over $1.5 billion.

In meeting with Father Cardinale this morning and in talking about this cutoff of food aid and this cutoff of economic aid to Nicaragua at this time, he said something which I think the Members ought to hear. It was an analogy that I think really strikes home. He said, "It's one thing to beat up on a healthy person, but," he said, "it is quite another thing to kick an invalid who is lying in a hospital bed."

And that is really what we are doing to Nicaragua now. They are an invalid lying in a hospital bed, and we are kicking them while they are down.

I would say again that in the view of many what we are doing is really carrying out what the Heritage Foundation report said, and again I would quote it for the Members. The report stated:

> Discontented Nicaraguans could be aided in an armed strugle against the Sandinistas by the former National Guardsmen now in exile.

Again I want to report to the Members that the head of that foundation that issued that report is now the head of our National Security Council, Richard Allen.

Well, I submit that this administration's recent cutoff of this economic aid and food aid, in an effort to, as they say, stem this flow of arms—

which has never been proven and which all of our European allies laughed at, when, as I understand it, this administration went over to show them this "hard evidence" they had—is no more than the first step in this destabilization process, the same destabilization process that our CIA engaged in the Dominican Republic, in Guatemala, and in Chile.

I feel that, as was quoted in the Post this morning, Senator HELMS and "Generalissimo" Haig would like nothing better than a failure of the Sandinista government's efforts to keep private industry going in their country. They would like nothing better than for this effort to fail. This administration right now is cutting assistance that we earmarked for the private sector of that country because it wants, I believe, the economy to worsen and ordinary Nicaraguan citizens to suffer, because if they suffer, then they will begin to turn against their own government. This, I believe, is the explanation that we can find for the ban on assistance, after Nicaragua complied with what the State Department said it had to comply with, and that is the cutting off of the supposed arms shipments to El Salvador.

Now, they have said that perhaps the food aid could be started in 2 or 3 weeks. How many people will starve? How many people will suffer? How many children will become malnourished in the meantime because we have cut off that food aid to Nicaragua?

And then they said they are leaving the door open for the resumption of economic aid later on. When? When the conditions become even worse? When more national guardsmen cross that border from Honduras to Nicaragua to create more economic and political instability in that country?

I submit that they want to reinstitute the economic aid and food aid to Nicaragua only after that government is overthrown, only after they can dictate to that country what kind of a government they ought to have, and only after we make sure that we put that government in power.

The United States, I am sorry to say, has a long and ugly history of destabilizing governments in our southern part of the Western Hemisphere. As I said earlier, our CIA helped to overthrow democratically elected governments in the Dominican Republic, in Guatemala, and in Chile, and in spite of much of the puff and roar in this administration about Cuba and the Soviet Union destabilizing existing governments in the Third World, it looks like our own State Department and the CIA are at it again themselves, as they were some years ago.

I just hope that the Members of this body will understand and look at this situation. I know that Nicaragua is a small country, just as El Salvador is. I know that in the global conflict between the East and the West they matter for little, but in terms of what we are about as a nation, in terms of our own revolutionary background, and in terms of what we believe in—social justice and economic justice for the underprivileged and for the impoverished of the world, those basic human qualities on which I think all of us can agree, whether we are conservatives, liberals, Republicans, or Democrats—on that basis, we ought to pay more attention to what is happening in Nicaragua and what is happening in El Salvador and what is happening throughout Central America.

They are indeed our cousins. They are indeed our brothers and sisters in this Western Hemisphere, and if we turn a deaf ear and a blind eye to what is happening to the poor and what is happening to the people who have suffered for centuries under oligarchical dictatorships in those countries, then I fear for what we will become ourselves as a nation in the future.

If we want to look at it just in those terms, we ought to be about helping those people in Nicaragua, if for no other reason than in helping them I believe we also help ourselves become better Americans.

Mr. Speaker, I yield back the balance of my time.

RAOUL WALLENBERG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE. Mr. Speaker, I rise in strong support for House Joint Resolution 220 which would bestow honorary U.S. citizenship on Raoul Wallenberg and would request the President to ascertain from Soviet authorities his whereabouts and take immediate action to free him from the Soviet Gulag.

Raoul Wallenberg is quite simply an extraordinary person. At the age of 32, Wallenberg at the request of the U.S. Government went to Budapest, in order to save the last remnants of the Hungarian Jewish community. In Nazi-occupied Hungary, Wallenberg was only armed with Swedish diplomatic status, and yet he repeatedly confronted Nazi authorities on behalf of the Jewish community. Displaying personal courage of the highest order, he defied prominent SS leaders, including the dreaded architect of the Final Solution, Adolf Eichmann.

Wallenberg printed Swedish passports and distributed these passports to thousands of potential victims. He repeatedly risked his own life by following the death marches, as he distributed passports; and he went daily to the deportation trains where he literally pulled people out of the clutches of the SS. He purchased and rented scores of houses throughout Budapest, equipped them with Swedish flags and protected the Jewish residents from the brutal onslaught of the SS and the local Fascist movement, the Arrow Cross.

When the Red army occupied Budapest, they arrested Wallenberg on the mistaken assumption that he was an American spy, because he was indirectly working for the U.S. Government. Soviet authorities could not understand how one man could be motivated to personally save 100,000 innocent men, women and children. Although the Soviets later claimed that Wallenberg died in prison in 1947, their often contradictory stories about his fate do not stand close scrutiny. In addition, there have been frequent reports from former political prisoners in the Soviet Union that they have personally met Wallenberg during their incarceration in the Soviet Gulag. The most recent report dates from only 1 year ago.

For a man who saved so many by conferring citizenship upon them, granting honorary U.S. citizenship would be entirely appropriate, particularly in light of the fact that Raoul Wallenberg was working on behalf of the U.S. Government. If he is alive, as many accounts testify, this resolution would enable the Department of State to take extraordinary measures to return him to freedom. This country should be outraged that this diplomat and humanitarian should be imprisoned for 35 years on the basis of a patently false charge.

I hope that both the House and the Senate will take prompt action to pass this important resolution which would recognize the great humanitarian achievements of Raoul Wallenberg who must be considered one of the greatest heroes of the 20th century. I know that all of my colleagues would want to honor one of the few who was willing to place his life on the line to save potential victims of the holocaust.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

● Ms. FERRARO. Mr. Speaker, on Wednesday and Thursday of last week, personal business caused me to be absent from the House during consideration of House Resolution 115, providing for the expenses of investigations and studies to be conducted by the standing and select committees of the House, and House Joint Resolution 182, to designate April 26, 1982, as "National Recognition Day for the Veterans of the Vietnam Era." There were four votes taken on these two

resolutions, and had I been present, I would have voted as follows:

Rollcall No. 16: Agreeing to an amendment to cut 10 percent, or about $4 million, from last year's committee funding levels. "Yea."

Rollcall No. 17: Agreeing to recommit the committee funding resolution back to the House Administration Committee. "Nay."

Rollcall No. 18: Adoption of House Resolution 115. "Yea."

Rollcall No. 20: Passage of House Joint Resolution 182. "Yea."●

PRIVATE CALENDAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BOLAND) is recognized for 5 minutes.

● Mr. BOLAND. Mr. Speaker, I would like to take this opportunity to set forth some of the history behind, as well as describe the workings of the Private Calendar. I hope this might be of some value to the Members of this House, especially our newer colleagues.

Of the five House Calendars, the Private Calendar is the one to which all private bills are referred. Private bills deal with specific individuals, corporations, institutions, and so forth, as distinguished from public bills which deal with classes only.

Of the 108 laws approved by the First Congress, only 5 were private laws. But their number quickly grew as the wars of the new Republic produced veterans and veterans' widows seeking pensions and as more citizens came to have private claims and demands against the Federal Government. The 49th Congress, 1885 to 1887, the first Congress for which complete workload and output date is available, passed 1,031 private laws, as compared with 434 public laws. At the turn of the century, the 56th Congress passed 1,498 private laws and 443 public laws—a better than 3-to-1 ratio.

Private bills were referred to the Committee of the Whole House as far back as 1820, and a calendar of private bills was established in 1839. These bills were initially brought before the House by special orders, but the 62d Congress changed this procedure by its rule XXIV, clause 6, which provided for the consideration of the Private Calendar in lieu of special orders. This rule was amended in 1932 and then adopted in its present form on March 22, 1935.

A determined effort to reduce the private bill workload of the Congress was made in the Legislative Reorganization Act of 1946. Section 131 of that act banned the introduction or the consideration of four types of private bills: First, those authorizing the payment of money for pensions; second, for personal or property damages for which suit may be brought under the Federal tort claims procedure; third, those authorizing the construction of a bridge across a navigable stream; or fourth, those authorizing the correction of a military or naval record.

This ban afforded some temporary relief but was soon offset by the rising postwar and cold war flood for private immigration bills. The 82d Congress passed 1,023 private laws, as compared with 594 public laws. The 88th Congress passed 360 private laws as compared with 666 public laws.

Under rule XXIV, clause 6, the Private Calendar is called the first and third Tuesday of each month. The consideration of the Private Calendar bills on the first Tuesday is mandatory unless dispensed with by a two-thirds vote. On the third Tuesday, however, recognition for consideration of the Private Calendar is within the discretion of the Speaker and does not take precedence over other privileged business in the House.

On the first Tuesday of each month, after disposition of business on the Speaker's table for reference only, the Speaker directs the call of the Private Calendar. If a bill called is objected to by two or more Members, it is automatically recommitted to the committee reporting it. No reservation of objection in entertained. Bills unobjected to are considered in the House as in Committee of the Whole.

On the third Tuesday of each month, the same procedure is followed with the exception that omnibus bills embodying bills previously rejected have preference and are in order regardless of objection.

Such omnibus bills are read by paragraph, and no amendments are entertained except to strike out or reduce amounts or provide limitations. Matter so striken out shall not be again included in an omnibus bill during that session. Debate is limited to motions allowable under the rule and does not admit motions to strike out the last word or reservation of objections. The rules prohibit the Speaker from recognizing Members for statements or for requests for unanimous consent for debate. Onmibus bills so passed are thereupon resolved in their component bills, which are engrossed separately and disposed of as if passed separately.

Private Calendar bills unfinished on one Tuesday go over to the next Tuesday on which such bills are in order and are considered before the call of bills subsequently on the calendar. Omnibus bills follow the same procedure and go over to the next Tuesday on which that class of business is again in order. When the previous question is ordered on a Private Calendar bill, the bill comes up for disposition on the next legislative day.

Mr. Speaker, I would also like to describe to the newer Members the official objectors' system the House has established to deal with the great volume of private bills.

The majority leader and the minority leader each appoint three Members to serve as Private Calendar objectors during a Congress. The objectors are on the floor ready to object to any private bill which they feel is objectionable for any reason. Seated near them to provide technical assistance are the majority and minority legislative clerks.

Should any Member have a doubt or a question about a particular private bill, he can get assistance from the objectors, their clerks, or from the Member who introduced the bill.

The great volume of private bills and the desire to have an opportunity to study them carefully before they are called on the Private Calendar has caused the six objectors to agree upon certain ground rules. The rules limit consideration of bills placed on the Private Calendar only shortly before the calendar is called. The agreement is as follows:

Reaffirming the policy initially adopted on June 3, 1958, the members of the majority Private Calendar Objectors Committee have today agreed that during the 97th Congress, they will consider only those bills which have been on the Private Calendar for a period of 7 calendar days, excluding the day the bill is reported and the day the calendar is called. Reports must be available to the objectors for 3 calendar days.

It is agreed that the majority and minority clerks will not submit to the objectors any bills which do not meet this requirement.

This policy will be strictly enforced except during the closing days of a session when House rules are suspended.

This agreement was entered into by: The gentleman from Massachusetts (Mr. BOLAND), the gentleman from Minnesota (Mr. OBERSTAR), and the gentleman from Pennsylvania (Mr. ERTEL); and the minority objectors, the gentleman from California (Mr. ROUSSELOT), the gentleman from Wisconsin (Mr. SENSENBRENNER), and the gentleman from Virginia (Mr. BLILEY).●

CONSENT CALENDAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HANCE) is recognized for 5 minutes.

● Mr. HANCE. Mr. Speaker, I am today inserting in the RECORD the agreement between the majority and minority objectors on the Consent Calendar. This agreement outlines the conditions under which bills on the Consent Calendar will be considered.

Mr. Speaker, I invite all my colleagues to read this agreement and keep it in mind when requesting that

measures be considered on the Consent Calendar.

The members of the Consent Calendar Committee have agreed for the 97th Congress, upon the following policies and procedures: First, generally, no legislation should pass by unanimous consent which involves an aggregate expenditure of more than $1 million; second, no bill which changes national policy or international policy should be permitted to pass on the Consent Calendar but rather should be afforded the opportunity of open and extended debate; third, any bill which appears on the Consent Calendar, even though it does not change national or international policy, or does not call for an expenditure of more than $1 million, should not be approved without the membership being fully informed of its contents. If it is a measure that would apply to a majority of the Members of the House, in which case the minimum amount of consideration that should be given such a bill would be clearance by the leadership of both parties before being brought before the House on the Consent Calendar. Such a bill would be put over without prejudice one or more times to give an opportunity to the Members to become fully informed as to the contents of the bill.

It must be pointed out to the membership that it is not the objective of the objectors to obstruct legislation or to object to bills or pass them over without prejudice because of any personal objection to said bill or bills by any one Member or all of the members of the Consent Calendar Objectors Committee, but rather that their real purpose, in addition to expediting legislation, is to protect the membership from having bills passed by unanimous consent, which in the opinion of the objectors, and Members of the House might have objection to.

The members of the Consent Calendar Committee request that the chairmen of the standing committee of the House having responsibility for bringing legislation before the House take into account the contents of this statement before placing the bill on the Consent Calendar. While it is not absolutely necessary for the sponsors of the bill appearing on the Consent Calendar contact the objectors, to avoid the bill being put over unnecessarily, it is a good practice to do so. The committee members welcome the practice of getting in touch with them at least 24 hours in advance of the time the legislation is called up on the regular call of the Consent Calendar. In many instances, such courtesy on the part of the sponsors will clear away questions which the objectors may have and consequently make for expeditious handling of the legislation.

This agreement was entered into by the gentleman from Alabama (Mr. FLIPPO), the gentleman from Texas (Mr. HANCE), the gentleman from Maryland (Mr. DYSON), the gentleman from Pennsylvania (Mr. WALKER), the gentleman from California (Mr. LUNGREN), and the gentleman from South Carolina (Mr. NAPIER).●

BEGINNING FARMERS ASSISTANCE ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, today I am introducing legislation which is designed to help assure that owner-operated family farms continue as the central feature of the American agricultural production system.

According to the U.S. Department of Agriculture's recent report entitled, "A Time To Choose," today in the United States, 1 percent of all landowners own 30.3 percent of the farmland, and 5 percent of the landowners own 48.1 percent of all farmland. Moreover, 69.5 percent of all farmland is owned by farmers age 50 or older, farmers who will be retiring throughout the 1980's. Only 5.9 percent of total farmland acreage is owned by farmers age 35 and under. If present trends continue, as older farmers retire, their land will be sold primarily to existing farmland owners who will consolidate their holdings, thus increasing average farm size and limiting the number of total farms and farmers.

In addition, if existing trends continue, the larger farms will be increasingly owned by individuals who merely oversee their farms and are not involved in the day-to-day farming activities characteristic of an owner-operator. In a survey taken of 14 key agricultural counties in my northwest Iowa congressional district, farmers who own and operate their land were found to be a minority of landowners in every county surveyed. Anywhere from just 23 to up to 42 percent of the farmers were found to be actual owner-operators. Also, from 58 to 77 percent of the farmland in these counties was found to be owned by absentee landlords.

Clearly, if beginning young farmers do not have the resources to acquire a farm during the critical next several years when many older farmers will be leaving the land, our farming system will become a system dominated by giant farms controlled by absentee landlords who may have less and less regard for the welfare of our rural communities and our rural way of life.

We must take steps to assure that we seize upon this impending transition period in farmland ownership as an opportunity to reaffirm our support for family farms and family farmers. The measure I am proposing today is a modest, but needed attempt to insure this desirable transfer of farmland ownership.

Essentially, this bill is intended to encourage the States to establish their own programs to provide loans or other incentives to beginning farmers who wish to purchase their own farm. Iowa, Minnesota, North Dakota, and Texas have already established beginning farmer assistance programs, and the legislatures in several other States are currently debating such programs. My legislation, the Beginning Farmers Assistance Act of 1981, would simply authorize the Secretary of Agriculture, following certain guidelines, to provide Federal loan guarantees in support of direct loans made by the States under their programs to assist farmers seeking to purchase a family farm.

This bill is an attempt to augment, and not duplicate, the efforts of the Farmers Home Administration (FmHA) to provide loans to beginning farmers so that they can purchase their first farm under reasonable terms and conditions.

In fiscal year 1980, the Farmers Home Administration obligated $1.35 billion in direct farm ownership loans that benefited nearly 17,577 farms or other rural enterprises. Of this amount, approximately 70 percent was lent as direct loans with an interest rate reflecting the cost of money to the Government, and the balance was obligated as direct loans with a subsidized interest rate of as low as 5 percent. Funds for this direct loan program have rarely been sufficient to meet the demand of those aspiring to farm ownership.

In addition to the direct farm ownership loans made by FmHA, that the rural lending agency also, in fiscal year 1980, guaranteed approximately $27.8 million loans made by commercial lending sources. These guaranteed loans assisted just 253 farming operations nationwide. In my own State of Iowa not one farm ownership loan guarantee was approved by FmHA in fiscal year 1980.

A comparison of the types of farm ownership loan assistance available through FmHA reveals that of the $1.63 billion in total assistance that was approved in fiscal year 1980, just 17 percent was in the form of loan guarantees. The most common explanation I have received for the reluctance of private lenders to participate in the loan guarantee lending program is the paperwork and regulations involved. Also, the demand for this type of assistance is low because the terms of the loans secured in this manner are often not reasonable enough to enable that young farmer to make the first purchase of farmland.

Mr. Speaker, as we know, loan guarantees, unlike direct loans, are off-budget items, and their authorization

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has little impact on our efforts to reduce Federal spending and trim the budget deficit. To the extent that we can reduce the need to increase the amount of direct loan funding needed for FmHA's farm ownership program by supplementing with loan guarantee assistance, we have the potential for easing the pressure to increase Federal outlays while at the same time addressing the high capital barriers which make entry into agriculture extremely difficult for most young farmers.

The State often can provide loans at interest rates below those found on loans made by commercial lenders. If these State-financed loans are supported by Federal guarantees, the interest on the loans can be made even more favorable. In designing programs to aid young farmers, the States often are better able than the Federal Government to determine the specific needs of the young farmers in the State and construct the program accordingly.

My bill would set up a pilot program that would provide Federal loan guarantees to the first 20 States that submitted program proposals to the Secretary of Agriculture for approval under the guidelines established in the legislation. As I indicated, the Federal loan guarantees would be used to support direct loans issued by the States under their programs.

I think it is important to emphasize that the program I am proposing offers loan guarantees as its essential feature, and as I pointed out above, loan guarantees are provided with little impact on the Federal budget. In addition, the amount appropriated under the $250 million per year authorization in the bill may be leveraged at the rate of 5 to 1, thus maximizing the number of loans that ultimately may be guaranteed with the initial Federal commitment. Finally, this pilot program has an explicit sunset provision which states that the Secretary's authority to guarantee loans expires on October 1, 1984.

I am confident that my colleagues will join me in recognizing the need for this proposal as a means of assuring the continued dominance of owner-operated farms throughout our rural sector, and I hope they will lend it their full support.

In closing, Mr. Speaker, and before highlighting the major provisions of the Beginning Farmers Assistance Act of 1981 and providing the language of the bill, I would like to thank the National Family Farm Coalition for the support that it has given to this concept and the commitment that it has demonstrated to preserving the family farm unit as the mainstay of agriculture.

An analysis of the major provisions of the bill and the bill itself follows:

SECTION-BY-SECTION ANALYSIS OF THE BEGINNING FARMERS ASSISTANCE ACT OF 1981—H.R. 2977

Section 1. *Title:* "Beginning Farmers Assistance Act of 1981."

Section 2. *Findings.* The Congress finds as follows:

(1) The average size of farms is increasing, and the number of farms and farmers is declining. The decline in the number of farms limits rural opportunities both on the farms and in the communities that depend on a strong farm economy.

(2) The cost of purchasing a family farm has grown substantially in recent years, making entry into farming almost impossible except for those individuals who inherit a farm or have considerable financial assets.

(3) Neither the private market nor the existing Federal programs are able to provide the necessary financial assistance to beginning or part-time farmers to enter full-time farming.

(4) If new entrants into full-time family farming are discouraged by the high capital requirements, farmland that might otherwise have gone to new farmers may be sold to existing farmers who are consolidating and expanding their holdings, to nonfarming investors for lease to farmers, or to investors who will remove the land from agricultural use.

(5) The degree of absentee ownership of farmland is increasing significantly.

(6) The maintenance of a farm system dominated by family-size units is and should be a basic goal of American Agricultural policy. The maintenance of such a system, however, is possible only if entry into full-time farming is attainable by those who lack substantial individual assets.

(7) The most appropriate manner for entry into full-time family farming and the barriers to such entry vary by state and by region. Any program to provide assistance to those seeking to enter into full-time family farming should be adapted to local conditions.

(8) Federal support for local efforts to aid those interested in and qualified for entry into full-time family farming will help to maintain the family farm system and prevent further consolidation of small farms.

Section 3. *Establishment of Program.* Authorizes the Secretary of Agriculture to provide loan guarantees to the states for up to 90% of the principle and interest on loans made by the states to individuals seeking to purchase a family farm.

Section 4. *Application for State Implementation of Program.* Within 180 days of enactment of this act, the Secretary must issue regulations providing for the states to participate in the program. The states may then submit applications under the regulations for participation in the program.

Section 5. *Approval of State Application.* Under the pilot program established by this act, the Secretary may approve up to 20 states of participation in the program. In their applications, the states must provide information describing the procedures which the states will follow to insure the effective and sound implementation of the state program.

An application submitted by a state must be approved or disapproved by the Secretary within 90 days of receipt.

A state may, with the approval of the Secretary, amend its program at any time.

The Secretary may terminate a state program's eligibility for federal loan guarantees if the Secretary finds that the state is not in compliance with the terms of the program.

Section 6. *Eligibility of Individuals.* An individual is eligible to receive a loan under the program if such individual:

(1) seeks to purchase and operate a family farm,

(2) has not purchased or owned a farm in the past 10 years,

(3) is unable to obtain credit from conventional lending sources, including the Farmers Home Administration,

(4) is qualified to operate a family farm and has at least one year of farming experience.

(5) has a net worth of less than $100,000 and assets of less than $300,000, and

(6) satisfies any other criteria that may be established by the state under its program.

Section 7. *Lapse of Loan Guarantee.* If an individual sells the land purchased with the aid of the loan guarantee, the guarantee shall be withdrawn.

Section 8. *Reports.* The Secretary shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture an annual report on the operation of the "Beginning Farmers Assistance Program."

Section 9. *Limitation of Authority.* In each of the three fiscal years during which this program is authorized to operate, the Secretary may guarantee up to 5 times the amount appropriated for the program. Sunset provision. The authority of the Secretary to make loan guarantees under this program shall end on October 1, 1984.

Section 10. *Amendment to the Consolidated Farm and Rural Development Act.* Amends the Consolidated Farm and Rural Development Act to authorize the use of the loan guarantee for the financing of "points" on the sale of farm land.

Section 11. *Definitions.*

(1) The term "family farm" means a farm which is owned and operated by an individual with the assistance of the members of such individual's family and of not more than the equivalent of the labor of 1 person working full-time, is small enough to be operated by such individual with the assistance of the members of such individual's family or of not more than the equivalent of the labor of 1 person working full time, and provides sufficient income in years with average or better than average crop yields to enable such individual to meet not less than 30 percent of such individual's necessary family and operating expenses, including the maintenance of essential chattel and real property, and the payment of debts;

(2) The term "family farm" means an individual who operates a family farm, who derives not less than 30 percent of such individual's gross income from the operation of such farm, and whose employment off such farm does not prevent such individual from personally performing necessary tasks of operating such farm.

Section 12. *Authorization of Appropriations.* For each of the fiscal years 1982, 1983, and 1984, $250 million is authorized to carry out the "Beginning Farmers Assistance Program."

H.R. 2977

A bill to establish a pilot program to provide guarantees for loans made under State programs to assist individuals who are qualified, but lack financial resources, to acquire family farms, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Beginning Farmers Assistance Act of 1981."

FINDINGS

SEC. 2. The Congress finds as follows:

(1) The average size of farms is increasing, and the number of farms and farmers is declining. The decline in the number of farms limits rural opportunities both on farms and in the communities that depend on a strong farm economy.

(2) The cost of purchasing a family farm has grown substantially in recent years, making entry into farming almost impossible, except for those individuals who inherit a farm or have considerable financial assets.

(3) Neither the private market nor the existing Federal programs are able to provide the necessary financial assistance to beginning or part-time farmers to enter full-time farming.

(4) If new entrants into full-time family farming are discouraged by the high capital requirements, farmland that might otherwise have gone to new farmers may be sold to existing farmers who are consolidating and expanding their holdings, to nonfarming investors for lease to farmers, or to investors who will remove the land from agricultural use.

(5) The degree of absentee ownership of farmland is increasing significantly.

(6) The maintenance of a farm system dominated by family-size units is and should be a basic goal of American agricultural policy. The maintenance of such a system, however, is possible only if entry into full-time family farming is attainable by those who lack substantial individual assets.

(7) The most appropriate manner for entry into full-time family farming and the barriers to such entry vary by State and region. Any program to provide assistance to those seeking to enter into full-time family farming should be adapted to local conditions.

(8) Federal support for local efforts to aid those interested in and qualified for entry into full-time family farming will help to maintain the family farm system and prevent further consolidation of small farms.

ESTABLISHMENT OF PROGRAM

SEC. 3. (a) The Secretary of Agriculture shall establish a program to provide loan guarantees to States for loans made by agencies of such States to individuals—

(1) who seek to purchase and operate family farms,

(2) who have been approved by State agencies for participation in such program, and

(3) who are eligible under section 6.

(b) Under the program described in subsection (a), the Secretary may guarantee the payment of not more than 90 percent of the principal and interest payable under a loan made by a State agency to an individual described in such subsection if there is in effect with respect to such State at the time such loan is made an application submitted and approved under section 4.

APPLICATION FOR STATE IMPLEMENTATION OF PROGRAM

SEC. 4. (a) Not more than 180 days after the date of the enactment of this Act, the Secretary shall issue rules for the implementation in States of the beginning farmers assistance program established under section 3(a).

(b) To participate in such program, an agency designated by the chief executive officer of a State shall submit an application to the Secretary, in accordance with the rules issued under subsection (a), setting forth such information as the Secretary may require with respect to the implementation of such program by such agency.

APPROVAL OF STATE APPLICATION

SEC. 5. (a) The Secretary shall approve not more than 20 applications submitted under section 4(b) by State agencies if each such application—

(1) includes a certification that the chief executive officer of the State involved has designated such State agency to implement the beginning farmers assistance program throughout such State,

(2) includes a description of a procedure to insure that such State agency selects for participation in the beginning farmers assistance program individuals who are likely to repay loans guaranteed by the Secretary under such program,

(3) includes a description of a procedure to insure that individuals who receive such loans purchase family farms which are not larger than the average size of the family farms located in the State involved,

(4) includes a description of procedures to insure that such program is effectively implemented and efficiently administered by such State agency throughout such State,

(5) provides assurances, and includes a procedure to insure, that loans under such program are made by such State agency only if such State agency determines, after an appraisal of the family farm involved, that the purchase price of such family farm is reasonable, and

(6) provides assurances that such State agency not include in any loan agreement terms and conditions which are detrimental to the successful operation of the family farm involved.

(b)(1) The Secretary shall approve or disapprove an application submitted under section 4(b) not later than 90 days after such application is received by the Secretary.

(2)(A) With the approval of the Secretary, a State may amend such application from time to time.

(B) The Secretary shall approve or disapprove an amendment to such application not later than 90 days after such amendment is received by the Secretary.

(c)(1) If, after the approval of an application submitted under section 4(b), the Secretary finds that a State agency is not complying with the terms of such application, the Secretary shall notify such State agency of such noncompliance.

(2) If such noncompliance continues for a period exceeding 180 days or if such State agency refuses to amend such application in such manner as the Secretary may require to insure compliance, then the Secretary shall revoke such application and shall terminate the participation of such State agency in the beginning farmers assistance program.

(3)(A) The termination under paragraph (2) of participation by a State agency in such program shall not affect the validity of any guarantee made by the Secretary with respect to any loan made by such State agency before the date of such termination.

(B) Such termination shall not affect the eligibility of such State agency, or of any other agency of the State involved, to submit a subsequent application under section 4(b) and to implement such program.

ELIGIBILITY OF INDIVIDUALS

SEC. 6. (a) An individual is eligible to receive a loan under the beginning farmers assistance program if such individual—

(1) seeks to purchase and operate a family farm,

(2) has not purchased or owned a family farm in the 10-year period ending on the date such individual applies for a loan guaranteed under such program,

(3) certifies to the State agency involved that if a loan guarantee is not made available under such program, then such individual will be unable to obtain the credit necessary to become a family farmer,

(4) provides to such State agency documentary evidence that an application of such individual for a loan on reasonable terms for the purchase of a family farm has been rejected by a commercial lender and by the Farmers Home Administration, in the 90-day period ending on the date such individual submits an application to such State agency for a loan guaranteed under such program,

(5) demonstrates to the satisfaction of such State agency that such individual is qualified to purchase and operate a family farm,

(6) has not less than 1 year of experience working full-time on a farm or operating a farm,

(7) has a net worth of less than $100,000 and assets having an aggregate value of less than $300,000 in fiscal year 1982, or less than such respective amounts adjusted annually for fiscal year 1983 and fiscal year 1984 by the Secretary to take into account changes in the value of such amounts caused by inflation, and

(8) satisfies any other criteria established by such State agency concerning the size of any family farm to be purchased by such individual with such loan.

(b) To participate in the beginning farmers assistance program, an eligible individual shall submit to a State agency a loan application containing the information described in subsection (a) and such other information as such State agency may require.

LAPSE OF LOAN GUARANTEE

SEC. 7. A loan guarantee made under the beginning farmers assistance program shall lapse if the individual who obtains the loan guaranteed under such program voluntarily transfers, by sale or otherwise, any interest in the family farm purchased with such loan.

REPORTS

SEC. 8. The Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives, not later than December 31 of each year, a report on the operation of the beginning farmers assistance program during the fiscal year ending in the year in which such report is required. The first such report shall be made after the first full fiscal year of operation of such program.

LIMITATION OF AUTHORITY

SEC. 9. (a) In any fiscal year the aggregate amount of outstanding loans with respect to which the Secretary may make guarantees under section 3 may not exceed an amount equal to 5 times the difference between—

(1) the aggregate amount appropriated, and available for, loan guarantees under this Act, and

(2) the aggregate amount paid by the Secretary as a result of defaults in the repayment of loans guaranteed under such section.

(b) The authority of the Secretary under section 3 to make loan guarantees shall lapse on October 1, 1984. The preceding sentence shall not be construed to affect the

validity of any loan guarantee made before such data.

AMENDMENT TO CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

SEC. 10. The first sentence of section 303(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)) is amended by inserting "and points" before the period.

DEFINITIONS

SEC. 11. For purposes of this Act—

(1) the term "beginning farmers assistance program" means the program established by the Secretary under section 3(a),

(2) the term "family farm" means a farm which—

(A) is owned and operated by an individual with the assistance of the members of such individual's family and of not more than the equivalent of the labor of 1 person working full-time,

(B) is small enough to be operated by such individual with the assistance of the members of such individual's family or of not more than the equivalent of the labor of 1 person working full time, and

(C) provides sufficient income in years with average or better than average crop yields to enable such individual to meet not less than 30 percent of such individual's necessary family and operating expenses, including the maintenance of essential chattel and real property, and the payment of debts,

(3) the term "family farmer" means an individual—

(A) who operates a family farm,

(B) who derives not less than 30 percent of such individual's gross income from the operation of such farm, and

(C) whose employment off such farm does not prevent such individual from personally performing necessary tasks of operating such farm,

(4) the term "Secretary" means the Secretary of Agriculture,

(5) the term "State" includes the several States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States, and

(6) the term "State agency" means an agency of a State, which administers the beginning farmers assistance program throughout such State.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There is authorized to be appropriated to carry out the beginning farmers assistance program $250,000,000 for each of the fiscal years 1982, 1983, and 1984.●

CONSOLIDATION OF CERTAIN FUNCTIONS OF VA REGIONAL OFFICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● Mr. MONTGOMERY. Mr. Speaker, on Thursday, March 26, the Committee on Veterans' Affairs adopted budget recommendations for the Budget Committee's use in considering those functions of Government administered by the Veterans' Adminstration in relation to President Reagan's proposed budget cuts.

Though I strongly support the President's efforts to reduce overall Federal spending, I do not agree with all of the administration's proposed reductions of $743.7 million in budget authority and $830.9 in outlays for veterans' benefits and services.

It should be noted, Mr. Speaker, that these reductions would be in addition to those already recommended by former President Carter. When the former President's reductions are added to the current administration's, the proposed outlay reduction for veterans' programs approaches $1 billion.

Mr. Speaker, I cannot accept any reductions in direct health care personnel out of the Department of Medicine and Surgery; nor can I accept the consolidation of hospital wards proposed by the administration. At a time when we know that staffs of most VA hospitals are inadequate, and at a time when we know and have documented that eligible veterans who need care and treatment are being turned away from some medical facilities, we cannot afford to lose any more operating beds. Nor can there be any further cuts in medical care and medical and prosthetic research personnel.

Mr. Speaker, of more concern to me at the moment is the administration's proposed plan to consolidate most of the current functions now being performed in our 58 regional offices located throughout the country. The President has proposed the consolidation of the adjudication and loan guaranty functions of these regional offices into one central location. If we allow this to happen, it will eventually bring about the closing of some, if not most, of the existing regional offices—although the administration would suggest otherwise. Under the President's proposed plan, if regional offices are not closed, such offices would be a "regional office" in name only. There would be nothing left but a few veteran contact personnel.

Mr. Speaker, under the administration's proposed plan, there would be established a centralized nationwide claims processing and loan guaranty center in fiscal year 1982. This center would house the majority of the Department of Veterans' Benefits operating personnel. Currently, the Department of Veterans' Benefits has 16,404 employees. The plan is to cut this number to 14,521 in 1982. Of this number 12,000 employees would be transferred to the proposed central location.

Obviously, Mr. Speaker, this proposal did not come from the Veterans' Administration. In my view, the decision was made by the Office of Management and Budget without the VA's knowledge.

Anyone familiar with current VA programs would understand that this objective cannot be achieved in fiscal year 1982.

Why?

It would be administratively impossible to bring about a change of this magnitude in such a short period of time. First and foremost, where would you find the space? As stated by a member of our committee, it would take a building almost as big as the Pentagon to house the number of people and the records that would be contained in such a move. The physical move of 12,000 personnel would be impossible to accomplish in such a short period of time. The expense to move these 12,000 people would be prohibitive, and the expense of terminating current leases would be enormous.

It would take years to acquire GSA lease space large enough to accommodate the number of employees required for the proposed national processing center. Many additional problems would have to be worked out.

Mr. Speaker, the reason I point this out is to show that this proposal was obviously not very well thought out. It appears to have been made by someone at OMB with a calculator in hand, rather than by experienced VA personnel who understand the impact of a decision of this nature.

Having said all of this, Mr. Speaker, I want to clearly establish my firm and strong opposition to any consolidation proposal and would urge my colleagues on the Committee on the Budget and the Appropriations Committee to reject this proposed plan.

The personnel reductions proposed by the administration must be restored. If not, it will only be the first of several to be proposed in the next 2 or 3 years—resulting in the closing of existing regional offices.

So that my colleagues will be aware of the impact the proposed consolidation would have on the 58 regional offices located throughout the country—at least 1 in each State—there follows at the close of my remarks a listing of full-time employment equivalency and expenditures by regional office for the Department of Veterans' Benefits.

I want each of my colleagues to take note of the amount of funds now being spent in each State to operate these offices. If they are closed in the future, not only will the State and local governments lose the income due to the operation of these offices, but more importantly, Mr. Speaker, veterans can expect lengthy delays in getting their applications processed in the future. The efficient operation we now have will be lost.

I frankly do not understand why this decision was made. In my view, it goes against the basic commitment the President expressed so many times during his campaign—his commitment to decentralizing the Federal Government and returning those functions to State and local governments wherever possible. This decision, Mr. Speaker, would have just the opposite effect.

It will take from State and local communities those functions which are being managed so efficiently and place them in the hands of one Federal bureaucratic office centrally located. It would be a terrible and tragic mistake, and I hope it is rejected.

Should this proposal be contained in the appropriations bill when it is considered by the House, I want my colleagues to know that I shall consider offering an amendment to add back the amount of money necessary to keep the regional offices operating in the various States at the current operating level.

A listing of full-time employment equivalency and expenditures by regional office for the Department of Veterans' Benefits follows:

FISCAL YEAR 1980 COSTS

	FTE	Payroll	Rents comm. and utilities
EASTERN REGION			
Boston	294	$5,950,233	$160,398
Providence	113	2,351,161	89,807
New York	669	12,902,529	550,980
Buffalo	251	4,860,568	108,985
Harford	144	2,898,634	92,805
Newark	344	6,809,900	207,654
Pittsburgh	245	5,053,012	117,462
Baltimore	190	3,727,362	64,372
Roanoke	269	5,208,270	78,223
Huntington	152	3,007,181	53,868
Atlanta	372	7,488,719	117,990
St. Petersburg	744	14,154,417	331,099
Winston-Salem	355	6,969,357	112,112
Columbia	231	4,712,678	72,231
Washington, D.C	335	6,503,381	117,208
Manchester	84	1,639,434	31,131
Philadelphia	1,054	18,080,773	508,442
Togus	119	2,420,560	11,334
White River Junction	62	1,199,474	35,525
San Juan	226	4,171,855	113,979
Wilmington	65	1,287,623	20,054
CENTRAL REGION			
Nashville	276	5,660,293	117,072
New Orleans	257	5,267,754	66,016
Montgomery	293	6,042,828	86,580
Cleveland	704	13,330,100	293,204
Indianapolis	280	5,580,714	130,537
Louisville	198	3,956,352	105,140
Chicago	539	11,118,842	219,548
Detroit	468	8,991,743	181,554
Milwaukee	240	4,757,850	106,060
St. Louis	330	6,567,327	121,166
Des Moines	144	2,964,562	73,193
Lincoln	113	2,320,669	31,637
Muskogee	275	5,582,919	137,220
Little Rock	199	3,921,477	90,967
St. Louis, R.P.C	116	1,609,181	28,514
St. Paul	759	12,308,963	371,764
Jackson	219	4,374,587	94,286
Fargo	67	1,313,376	36,782
Sioux Falls	75	1,491,364	44,875
Wichita	179	3,523,708	159,104
WESTERN REGION			
Denver	310	6,089,538	179,475
Albuquerque	115	2,456,963	59,196
Salt Lake City	105	2,216,034	52,063
San Francisco	579	11,295,084	245,280
Los Angeles	871	16,518,929	389,085
Phoenix	242	4,935,738	83,556
Seattle	285	5,965,166	96,550
Boise	84	1,709,136	40,866
Portland	193	3,964,850	106,072
Waco	494	9,691,863	256,886
Reno	62	1,336,572	40,167
Manila	149	872,269	46,636
Honolulu	88	2,021,732	50,089
Houston	500	9,918,819	390,272
Anchorage	39	1,089,305	62,986
San Diego	202	3,954,818	102,276
Fort Harrison	89	1,739,680	43,963
Cheyenne	42	906,525	30,289

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GUNDERSON), to revise and extend their remarks and include extraneous material:)

Mrs. HECKLER, for 10 minutes today.

(The following Members (at the request of Mr. BONIOR of Michigan), to revise and extend their remarks and include extraneous material:)

Mr. HUBBARD, for 5 minutes, today.

Mr. BONIOR of Michigan, for 30 minutes, today.

Mr. LAFALCE, for 15 minutes, today.

Ms. FERRARO, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BOLAND, for 5 minutes, today.

Mr. HANCE, for 5 minutes, today.

Mr. HARKIN, for 10 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. SHARP, for 5 minutes, today.

Mr. DYMALLY, for 5 minutes, today.

Mr. MONTGOMERY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GUNDERSON), and to include extraneous matter:)

Mr. ROUSSELOT.

Mr. RUDD.

Mr. DERWINSKI in two instances.

Mr. JEFFORDS.

Mr. HAMMERSCHMIDT.

Mr. BAILEY of Missouri.

Mr. ROBERTS of South Dakota in three instances.

Mr. FISH.

Mr. COURTER.

Mr. GILMAN in two instances.

Mr. MICHEL in three instances.

(The following Members (at the request of Mr. BONIOR of Michigan), and to include extraneous matter:)

Mr. BENJAMIN.

Ms. MIKULSKI.

Mr. STUDDS.

Mr. BROWN of California.

Mr. WEISS.

Mr. RATCHFORD.

Mr. MOFFETT in two instances.

Mr. FOGLIETTA.

Mr. LOWRY of Washington.

Mr. GARCIA.

Mr. GUARINI in two instances.

Mr. MCDONALD in two instances.

Mr. NOWAK in five instances.

Mrs. SCHROEDER.

Mr. LANTOS.

Mr. HEFTEL.

Mr. DONNELLY.

Mr. SCHUMER.

ADJOURNMENT

Mr. BONIOR of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 12 minutes p.m.), under its previous order, the House adjourned until Monday, April 6, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1002. A letter from the Executive Associate Director, Office of Management and Budget, Executive Office of the President, transmitting a report that various appropriations have been apportioned on a deficiency basis as a result of pay increases for Federal employees, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1003. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting the proceedings of the 81st National Convention of the Veterans of Foreign Wars, pursuant to section 8 of the act of May 28, 1936 (H. Doc. No. 97-39); to the Committee on Armed Services and ordered to be printed.

1004. A letter from the Chairman, National Credit Union Administration, transmitting the Board's second annual report on activities of the Administration, pursuant to section 102(d) of the Federal Credit Union Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

1005. A letter from the Acting Director, U.S. Arms Control and Disarmament Agency, transmitting a draft of proposed legislation to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes; to the Committee on Foreign Affairs.

1006. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1007. A letter from the National Quartermaster and Adjutant, Veterans of World War I of the U.S.A., Inc., transmitting the proceedings of the organization's national convention and its financial statements for the 9 months ended June 30, 1980, pursuant to section 16 of Public Law 85-530, and section 3 of Public Law 88-504 (H. Doc. No. 97-40); to the Committee on the Judiciary and ordered to be printed.

1008. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the necessary funds for the completion of certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBOSTA:

H.R. 2976. A bill to modify the project for flood protection on the Saginaw River,

Mich.; to the Committee on Public Works and Transportation.

By Mr. BEDELL (for himself and Mr. DORGAN of North Dakota):

H.R. 2977. A bill to establish a pilot program to provide guarantees for loans made under State programs to assist individuals who are qualified, but lack financial resources, to acquire family farms, and for other purposes; to the Committee on Agriculture.

By Mr. BONKER (for himself, Mr. AUCOIN, Mr. DICKS, Mr. PRITCHARD, and Mr. SWIFT):

H.R. 2978. A bill to provide for additional protection of steelhead trout as a game fish, and for other purposes; jointly, to the Committees on Interior and Insular Affair and Merchant Marine and Fisheries.

By Mr. BROOKS (for himself, Mr. FOUNTAIN, Mr. ENGLISH, Mr. WEISS, Mr. HORTON, Mr. BUTLER, Mr. KINDNESS, and Mr. BOWEN):

H.R. 2979. A bill to extend the authorization of appropriations for the National Historical Publications and Records Commission for fiscal years 1982 and 1983; to the Committee on Government Operations.

By Mr. CARMAN:

H.R. 2980. A bill to give the Federal Reserve Board authority to impose reserves on money market mutual funds; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. CHAPPELL:

H.R. 2981. A bill to repeal section 3402(q) of the Internal Revenue Code of 1954 which requires for income tax purposes, amounts to be withheld from certain gambling winnings; to the Committee on Ways and Means.

By Mr. COLEMAN (for himself and Mr. ROBERTS of Kansas):

H.R. 2982. A bill to amend the Internal Revenue Code of 1954 to allow the estate of a decedent a deduction for certain bequests of interests in property used in farms or other trades or businesses, and for other purposes; to the Committee on Ways and Means.

By Mr. COURTER:

H.R. 2983. A bill authorizing supplemental appropriations for the fiscal year 1981 for the Board for International Broadcasting; to the Committee on Foreign Affairs.

By Mr. DAN DANIEL:

H.R. 2984. A bill to amend the Immigration and Nationality Act to repeal the authority under section 212 of that act to establish an adverse wage rate for nonimmigrant aliens brought into the United States for agricultural labor; to the Committee on the Judiciary.

By Mr. DAN DANIEL (for himself, Mr. PRICE, Mr. WHITE, Mr. DICKINSON, Mr. BEARD, Mr. STRATTON, and Mr. NICHOLS):

H.R. 2985. A bill to amend title 10, United States Code, to provide employment protection for employees of nonappropriated fund instrumentalities of the Department of Defense who report violations of law or mismanagement; to the Committee on Armed Services.

By Mr. DONNELLY:

H.R. 2986. A bill to amend the Home Owners' Loan Act of 1933 to permit savings and loan associations to make and invest in reverse annuity mortgages to the extent permitted by the Federal Home Loan Bank Board; to the Committee on Banking, Finance and Urban Affairs.

H.R. 2987. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for certain amounts of the rent they pay on their principal residences which is attributable to real property taxes; to the Committee on Ways and Means.

H.R. 2988. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of interest on savings deposits which may be used by the financial institution only for mortgages on owner-occupied residences; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself, Mr. FORSYTHE, Mrs. ROUKEMA, and Mr. COURTER):

H.R. 2989. A bill to establish a mandatory final offer selection process in the case of any labor dispute between the Port Authority Trans-Hudson Corp. and representatives of employees of such corporation that is not resolved under the procedures of the Railway Labor Act, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 2990. A bill to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes; to the Committee on Armed Services.

By Mrs. HECKLER:

H.R. 2991. A bill to require Federal agencies to report to the Congress concerning rules and regulations which result in different treatment based on gender and to insure that words and the effect of words in Federal statutes and regulations are gender neutral; to the Committee on Government Operations.

By Mr. HEFTEL:

H.R. 2992. A bill to encourage and enhance the use of domestic renewable resources in small power production facilities, and to encourage the efficient use of energy resources in cogeneration facilities, by removing certain regulatory restrictions respecting small power production and cogeneration facilities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HUGHES:

H.R. 2993. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who have attained age 65 or who are disabled a refundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself and Mr. JONES of Tennessee):

H.R. 2994. A bill to further local and State efforts to address the continuing permanent conversion of agricultural land to nonagricultural uses, and for other purposes; to the Committee on Agriculture.

By Mr. McDONALD:

H.R. 2995. A bill to amend the Fair Labor Standards Act of 1938 to repeal the minimum wage requirements of that act; to the Committee on Education and Labor.

By Mr. MINISH:

H.R. 2996. A bill to amend the Internal Revenue Code of 1954 to increase to $150,000 the amount of group-term life insurance which may be provided by an employer and exluded from the gross income of an employee; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (for himself and Mr. McDADE):

H.R. 2997. A bill to amend the Small Business Act; to the Committee on Small Business.

H.R. 2998. A bill to consolidate and modify the terms of the Small Business Administration programs under sections 7(a), 7(e), 7(h), 7(i), and 7(l) of the Small Business Act and sections 501 and 502 of the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. MONTGOMERY:

H.R. 2999. A bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LUNDINE (for himself and Mr. BARNARD):

H.R. 3000. A bill to assist cities, counties, and States by amending section 5136 of the Revised Statues, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NELLIGAN:

H.R. 3001. A bill to amend section 1751 of title 18 of the United States Code to provide the same penalties for attempting to murder the President or other person protected under such section as are provided for the murder of such a person; to the Committee on the Judiciary.

By Mr. OTTINGER (for himself, Mr. DINGELL, and Mr. SHARP):

H.R. 3002. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1982; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

By Mr. ROBERTS of South Dakota:

H.R. 3003. A bill to amend the Internal Revenue Code of 1954 to provide estate and gift tax equity for family enterprises, and for other purposes; to the Committee on Ways and Means.

By Mr. ROUSSELOT (for himself, Mr. CONABLE, Mr. DUNCAN, Mr. ARCHER, Mr. PHILIP M. CRANE, Mr. FRENZEL, Mr. MARTIN of North Carolina, Mr. BAFALIS, Mr. GRADISON, Mr. MOORE, Mr. LOTT, Mr. WALKER, Mr. COLLINS of Texas, Mr. GRISHAM, Mr. KEMP, Mr. LAGOMARSINO, Mr. GINGRICH, and Mr. SHUMWAY):

H.R. 3004. A bill to amend title IV of the Social Security Act to improve the operation of the AFDC program, to give the States, a fiscal incentive to reduce error and waste in the AFDC program, to permit the States to use savings from the AFDC program to defray the costs of other welfare programs, to provide fiscal relief to the States under the AFDC program, to make it clear the States may impose work requirements as a condition of eligibility for AFDC payments, and to establish a demonstration project to provide a pilot test of the States ability to create their own welfare programs as an alternative to the AFDC program; to the Committee on Ways and Means.

By Mrs. SCHROEDER:

H.R. 3005. A bill to encourage States to provide unemployment benefits to certain partially unemployed workers; to the Committee on Ways and Means.

By Mr. SENSENBRENNER:

H.R. 3006. A bill to amend the Bail Reform Act of 1966 to authorize consideration of danger to the community in setting conditions of release, to authorize revocation of pretrial release for persons who violate their release conditions, intimidate witnesses or jurors, or commit new offenses, and for other purposes; to the Committee on the Judiciary.

By Mr. SHUMWAY:

H.R. 3007. A bill to amend chapter 44 (relating to firearms) of title 18 of the United States Code to prohibit the importation of any part of a firearm if the importation of such firearm is prohibited under that chapter; to the Committee on the Judiciary.

By Mr. SOLARZ:

H.R. 3008. A bill requiring U.S. persons who control enterprises in South Africa to comply with certain fair employment principles, prohibiting any new loans by U.S. financial or lending institutions to the South African Government or to South African corporations or other entities owned or controlled by the South African Government, requiring reports with respect to loans to other South African entities, and prohibiting the importation of South African krugerrands or other South African gold coins; jointly, to the Committees on Foreign Affairs and Banking, Finance and Urban Affairs.

By Mr. SOLARZ (for himself and Mr. BINGHAM):

H.R. 3009. A bill to place restrictions on military assistance and sales to El Salvador; to the Committee on Foreign Affairs.

By Mr. WHITTEN:

H.R. 3010. A bill to establish the Reconstruction Finance Corporation to make loans and loan guarantees to individuals or concerns engaged in industry, agriculture, and commerce, who would otherwise be unable to obtain needed financing or refinancing essential or continued operation thereby preventing unemployment and resulting disruption of the economy, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3011. A bill to amend the Internal Revenue Code of 1954 to provide that the deduction for medical and dental expenses shall be allowable without regard to whether such expenses exceed certain percentages of the taxpayer's adjusted gross income and to provide that such deduction shall be allowable whether or not the taxpayer itemizes deductions; to the Committee on Ways and Means.

H.R. 3012. A bill to amend the Internal Revenue Code of 1954 with respect to the determination of whether certain charitable organizations are publicly supported; to the Committee on Ways and Means.

By Mr. SOLOMON (for himself, Mr. MOLINARI, Mr. MCGRATH, and Mr. HOPKINS):

H. Con. Res. 104. Concurrent resolution commending Secret Service Agent Timothy J. McCarthy, Officer Thomas Delahanty, President Ronald Reagan, and Assistant to the President James S. Brady; to the Committee on Post Office and Civil Service.

By Mr. HARKIN (for himself and Mr. GILMAN):

H. Res. 122. Resolution urging support for an international code, proposed by the World Health Organization and UNICEF, on the marketing of breast milk substitutes; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MURPHY:

H.R. 3013. A bill for the relief of Kap Sun Butka; to the Committee on the Judiciary.

By Mr. DORGAN of North Dakota:

H.R. 3014. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. M-15450 (ND); to the Committee on Interior and Insular Affairs.

H.R. 3015. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. M-16402 (ND) Acq.; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 4: Mr. LAFALCE, Mr. LAGOMARSINO, Mr. BIAGGI, Mr. DUNCAN, Mr. ERLENBORN, Mr. LEWIS, Mrs. HOLT, Mr. MCKINNEY, Mr. WILSON, Mr. COLLINS of Texas, Mr. FRENZEL, Mr. BOWEN, Mr. BAFALIS, Mr. FIELDS, Mr. MILLER of Ohio, Mr. DE LUGO, Mr. STANGELAND, and Mr. HENDON.

H.R. 100: Mr. AKAKA, Mr. ANNUNZIO, Mr. ATKINSON, Mr. BAILEY of Pennsylvania, Mr. BARNES, Mr. BEDELL, Mr. BINGHAM, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BRODHEAD, Mr. BROWN of California, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORRADA, Mr. CROCKETT, Mr. DELLUMS, Mr. DE LUGO, Mr. DIXON, Mr. DOWNEY, Mr. DYMALLY, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FAZIO, Ms. FERRARO, Mr. FISH, Mr. FLORIO, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. GARCIA, Mr. GOODLING, Mr. GRAY, Mr. GUARINI, Mr. HAWKINS, Mr. HEFTEL, Mr. HOLLENBECK, Mr. KILDEE, Mr. KOGOVSEK, Mr. LANTOS, Mr. LEHMAN, Mr. LELAND, Mr. MCCLOSKEY, Mr. MARKEY, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MURPHY, Ms. OAKAR, Mr. OBERSTAR, Mr. OTTINGER, Mr. PATTERSON, Mr. PRICE, Mr. PRITCHARD, Mr. RANGEL, Mr. REUSS, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SAVAGE, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SIMON, Mr. SOLARZ, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WOLPE, Mr. WON PAT, Mr. YATES, and Mr. YOUNG of Missouri.

H.R. 182: Ms. MARTIN of Illinois.

H.R. 370: Mr. RITTER.

H.R. 638: Mr. PORTER.

H.R. 770: Mr. LAGOMARSINO, Mr. LUNGREN, Mr. STARK, Mr. FAZIO, Mr. MCCLOSKEY, Mr. GOLDWATER, Mr. EDWARDS of California, Mr. ANDERSON, Mr. DORNAN of California, and Mr. MINETA.

H.R. 1053: Mr. ANTHONY, Mr. BOWEN, Mrs. BYRON, Mr. HAMILTON, Mr. HERTEL, Mr. LEWIS, Mr. MICA, Mr. MORRISON, Mr. SKELTON, Mrs. SNOWE, Mr. SOLOMON, Mr. YOUNG of Alaska, and Mr. VOLKMER.

H.R. 1311: Mr. IRELAND, Mr. HORTON, Mr. ROTH, Mr. AKAKA, Mr. DICKINSON, Mr. YOUNG of Alaska, Mr. YOUNG of Missouri, Mr. PEPPER, Mr. KOGOVSEK, Mr. WON PAT, Mr. NELSON, Mr. STUDDS, Mr. HOWARD, Mr. ERDAHL, Mr. WEISS, Mr. D'AMOURS, Mr. MATSUI, Mr. FUQUA, Mr. LAFALCE, Mr. ERTEL, Mr. PANETTA, Mr. DOUGHERTY, Mr. WHITEHURST, Mr. ROBERTS of South Dakota, Mr. ADDABBO, Mr. DAVIS, Mr. HOPKINS, Mr. SUNIA, Mr. STRATTON, Mr. CONTE, Mr. DASCHLE, Mr. MONTGOMERY, Mr. HUGHES, Mr. HAMMERSCHMIDT, Mr. MITCHELL of Maryland, Mr. DUNCAN, Mr. LUKEN, Mr. BEVILL, Mr. GARCIA, Mr. CLAY, Mr. RINALDO, Mr. COELHO, Mr. GINN, Mr. VENTO, Mr. HEFTEL, Mr. ROE, Mr. BARNARD, Mr. DE LA GARZA, Mr. MOTTL, Mr. OTTINGER, Mr. PEYSER, Ms. OAKAR, Mr. JAMES K. COYNE, Mr. PHILLIP BURTON, Mr. RUSSO, Mr. CORRADA, Mr. WIRTH, Mr. DWYER, Mr. BONER of Tennessee, Mr. LEHMAN, Mr. WAXMAN, Mr. RITTER, Mr. FROST, Mr. BADHAM, Mrs. HECKLER, Mr. DYSON, Mr. SCHEUER, Mr. ZEFERETTI, Mr. CHAPPELL, Mr. NOWAK, Mr. MARKS, Mr. ALEXANDER, Mrs. BOGGS, Mr. LOWERY of California, Mr. DE LUGO, Mr. SIMON, Mrs. BOUQUARD, Mr. MARTIN of New York, Mr. MICA, Mr. FAUNTROY, Mr. ANDREWS, Mr. MCHUGH, Mr. GRAY, Mr. WILLIAMS of Montana, Mr. MINETA, Mr. ANTHONY, Mr. LEWIS, Mr. MCCLORY, Mr. LELAND, Mr. MITCHELL of New York, Mr. LOTT, Mr. PASHAYAN, Mr. HOLLAND, Mr. CHENEY, Mr. SMITH of New Jersey, Mr. HEFNER, Mr. JEFFORDS, Mr. TAUZIN, Mr. LOWRY of Washington, Mr. FRANK, Mr. CROCKETT, Mrs. SCHNEIDER, and Mr. PATTERSON.

H.R. 1335: Mr. CHAPPELL.

H.R. 1337: Mr. RAILSBACK, Mrs. FENWICK, Mr. BURGENER, Mr. SIMON, Mr. NEAL, and Mr. WEBER of Minnesota.

H.R. 1432: Mr. GINGRICH.

H.R. 1714: Mr. PORTER, Mr. HILER, Mr. CLAY, Mrs. CHISHOLM, Mr. FOGLIETTA, Mr. MARRIOTT, Mr. SUNIA, Mr. MITCHELL of Maryland, Mr. WHITEHURST, Mr. FROST, Mr. HANSEN of Idaho, Mr. SOLOMON, Mr. DE LA GARZA, and Mr. FRENZEL.

H.R. 1989: Mr. GIBBONS and Mr. FISH.

H.R. 2159: Mr. FASCELL, Mr. FORSYTHE, Mr. COELHO, Mr. CLAY, Mr. IRELAND, Mr. LAGOMARSINO, Mr. AKAKA, Mr. LOWERY of California, Mr. FAZIO, Mr. PATTERSON, and Mr. BURGENER.

H.R. 2160: Mr. WEAVER, Mr. GUNDERSON, Mr. STANGELAND, Mr. FORSYTHE, Mr. BEDELL, Mr. WEBER of Minnesota, Mr. EMERY, Mr. FOLEY, Mr. HANSEN of Idaho, Mr. BROWN of Ohio, Mrs. SNOWE, and Mr. BONIOR of Michigan.

H.R. 2326: Mr. BARNES, Ms. MIKULSKI, Mr. SIMON, and Mr. FISH.

H.R. 2420: Mr. BAFALIS, Mr. MCCOLLUM, Mr. HUTTO, Mr. PEPPER, Mr. MICA, Mr. FASCELL, Mr. FUQUA, Mr. YOUNG of Florida, Mr. GIBBONS, Mr. NELSON, Mr. CHAPPELL, Mr. RAILSBACK, Mr. IRELAND, Mr. EVANS of Georgia, Mr. MOORE, and Mr. MAZZOLI.

H.R. 2451: Mr. SMITH of Oregon, Mr. MCCOLLUM, Mr. BUTLER, Mr. RAHALL, Mr. FOUNTAIN, and Mr. MAZZOLI.

H.R. 2561: Mrs. SMITH of Nebraska, Mr. FUQUA, Mr. WHITEHURST, Mr. ANDREWS, Mr. AKAKA, Mr. EMERSON, Mr. ROBERTS of Kansas, and Mr. JEFFORDS.

H.R. 2841: Mr. EDWARDS of California and Mr. SAM B. HALL, JR.

H.J. Res. 128: Mr. DASCHLE, Mr. DERRICK, Mr. GORE, Mr. GUYER, Mr. FOUNTAIN, Mr. JONES of Tennessee, Mr. MARTIN of New York, Mr. PRICE, Mr. WOLPE, Mr. YATRON, and Mr. YOUNG of Missouri.

SENATE—*Thursday, April 2, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Right Reverend John T. Walker, Episcopal Bishop of Washington and Dean of the Cathedral, Washington, D.C., offered the following prayer:

Almighty God, we bow before Thee in gratitude for this Nation, its leaders, and its people. We seek Thy blessing on the enterprise begun here in the name of liberty, and we earnestly pray for the protection of those who serve the people of this land.

We especially thank you that the President of the United States has survived the attempt on his life and pray that You will continue to be with him and with those others felled with him. May Your healing powers flow in them and Your love and mercy be with their families.

As this Senate begins its work today, we especially pray that Your spirit will be in and with them, reminding them of the need to show compassion for the hungry, the homeless, and the suffering. As they struggle with the economic and international problems that beset us, may they never forget the children of the Nation and the world who need our special attention.

And finally, O Lord, lead us along the paths of peace. Grant us the courage and the wisdom to make the difficult decisions by which alone our peace may be secured. Sustain in us the hope that the day will soon come when all our people, with all of our diversity intact, will know the blessings of liberty, justice, and tranquillity.

In the name of God we pray. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

WELCOME TO THE EPISCOPAL BISHOP OF WASHINGTON

Mr. STEVENS. Mr. President, I join my colleagues in welcoming the Episcopal Bishop of Washington.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I have no request for time on this side.

Did the Senator from Wisconsin have any request for time?

Mr. PROXMIRE. I have no request for time unless the Senators from Ohio and Illinois would like time. I have a statement I should like to make during the time of the leader.

Mr. METZENBAUM. Mr. President, the Senator from Ohio had intended to join with the Senator from Iowa (Mr. JEPSEN), the Senator from Illinois, and perhaps the Senator from Minnesota in connection with a colloquy.

Mr. PROXMIRE. Mr. President, it is my understanding that there are two special orders, one for the Senator from Arkansas (Mr. BUMPERS) and one for the Senator from Iowa (Mr. JEPSEN).

Mr. STEVENS. Mr. President, I yield the time of the majority leader on this side to Senator JEPSEN, to be used as he desires in connection with his special order. I ask unanimous consent that I may do that.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The acting minority leader is recognized.

Mr. PROXMIRE. Mr. President, I thank the Chair.

GAYLORD NELSON—CLASS PERSONIFIED

Mr. PROXMIRE. Mr. President, Gaylord Nelson was one of the finest persons who ever served in the Senate. A man of strong and deep convictions and great strength of personal character, he was also one of the most liked of our colleagues. No Senator could have asked for a better person to serve with.

Gaylord Nelson was defeated last November by an eyelash. He has taken his defeat in stride without any bitterness and with a great deal of aplomb. Gaylord Nelson has class.

Now he is working with the Wilderness Society, pursuing his life-long conservation interest.

People magazine has just done an article about his elections and his defeat and his attitude toward them. It is a revealing and complimentary piece of journalism. It could not be about a nicer person.

I ask unanimous consent that the article from People be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A VETERAN SENATOR COMES TO TERMS WITH HIS GRAVEST FEAR: DEFEAT AT THE POLLS

(By Gaylord Nelson)

Nobody likes to take a licking. When you run for office 11 times, you've gone through the discipline 11 times of saying you're making as hard a fight as you can make but you might lose it. You've sort of steeled yourself to face up to the possibility of defeat. Still, after 32 years of doing what you most love to do in life, it's a substantial shock to face up to.

I felt all along this was a tough year. Even though three weeks before the election the Milwaukee Journal and the Milwaukee Sentinel showed me with 20 percentage point leads I saw there were 14, 15 percent undecided, and I could anticipate a possibility of defeat. I thought the odds were against it, and they were. But then it fell apart after the President's debate with Mr. Reagan. You could feel it happen. At 10:30 election night, when I was carrying Milwaukee only 56–44, I knew it was all over. I was with my wife, Carrie Lee, my three children and eight or 10 friends. It wasn't until two o'clock in the morning when I was absolutely certain, and then I just said, "This is it, it's all over, we're defeated." There weren't any tears, and people went to bed about three o'clock. I thought it was particularly important to have the kids and family together then. Everybody did well, and I was proud of them.

You know, I've wanted to be in politics since the time my dad, a country doctor in northwestern Wisconsin, took me to hear Bob La Follette speak from the back of a train. I was 8 or 9 years old at the time. I remember I didn't understand the speech, but the gestures and the noise were impressive and on the way back my dad asked me whether I wanted to be in politics. I said yes, but that I was afraid by the time I grew up Bob La Follette would settle all the problems and there would be nothing for me to do. Thirty years later, in 1958, my dad was at the state Democratic convention in La Crosse. He was 81 years old, and he had a stroke that night, and I was a gubernatorial candidate and the keynote speaker. The last words he said to me were, "Do you think young Bob La Follette left enough problems behind for you to solve?" Since I was a boy I had dreamed about being in the U.S. Senate, but I never thought it would happen. And then it did.

So I've said to hell with the disappointment. It's in the past. I've had a marvelous career, I've enjoyed what I've done, and there's no reason to be fussing and worrying about what's past. When I lost, I did not permit myself to mope around about it. If you do that you're just eating away at yourself and spoiling your life. You have to say it's over with, and look into the future. Since I got the opportunity to get into the environmental field, which I had spent a political career on anyway, it hasn't been a big problem for me. I'm enjoying what I'm doing. I love it.

Of course it's different now. When I'm up on Capitol Hill and I see old friends in the Senate, I think it would be fun to be involved in the fight. Every time I've been over there when a roll call bell rings, all of a sudden I'm alerted to think that they're calling me, when the fact is, they aren't.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

My staff people faced a shocker when I lost the election. They came to the Hill because they loved politics, and suddenly there are thousands like them around this town, and there aren't that many openings. I've tried to help with recommendations and telephone calls. That part is very troubling to me because, after all, I was lucky. There was no financial problem. My wife and I are pretty conservative and always save some money. And neither of us will miss invitations to the White House or embassies. They're the most boring events that anybody ever contrived. So are those obligatory dinners in the state where the senator is the guest of honor: three speakers, finally they introduce you at 10 o'clock at night, then you speak, and you've shot four or five hours, to say nothing of the time getting there and leaving, and it turns out to have been the 20th event by the same economic interest group around the state that year, and they're the same. I won't have to go though that again.

Unfortunately, a large amount of the work of a U.S. senator has nothing to do with legislating. You're meeting every day with the state delegations that staff people could just as easily see. There are too many roll calls—600 one year, a tremendous waste of time. You also spend too much time running back to your state. The public demand to show yourself makes it impossible for a legislator to give serious thought to important issues.

But I miss the Senate. I love the legislative process and I love the participation in decision making, as who wouldn't? I've been involved in the biggest issues of the past 18 years—the Civil Rights Act of 1964, the Vietnam war, Earth Day and Watergate, and all the foreign policy and domestic issues. It's been a challenge and it's been fun.

You always wonder after a defeat whether you might have done more, campaigned harder, spent a little more time at it. But politics is such an all-consuming business that you must set some limits on how much you're going to do. I suppose it's becoming a job in which everybody ought to be single: Your constituents will be your family and you'll just be at it all day and all night, Saturdays and Sundays. But if that's the case, I'd say to hell with it, I'd give up the job before I'd be consumed by it and have no time for my family at all. My only regret is I didn't have more time with my kids as they were growing up.

For 18 years my wife has been going to the theater with friends or alone. Not long ago I told her we'll start going to the Kennedy Center together. Another thing: I've had a garden every year. The problem was that the Senate usually recesses in August, and when everything was coming into fruition, I'd be back in Wisconsin and the damn garden would turn into a weed bed. The time it needed attention, I wasn't here. Well, this year, I won't be gone, and instead of being beautiful for just June and July, that garden is going to be beautiful in August.

DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, the week of April 28 through May 3, 1981, has been named the "Days of Remembrance of Victims of the Holocaust." This annual event is sponsored by the U.S. Holocaust Memorial Council, which is chaired by Elie Weisel, a teacher and author and a survivor of the holocaust.

As part of the national observance, the American Film Institute at the Kennedy Center for the Performing Arts is presenting two films about the holocaust. Both films will be screened on April 28, starting at 8:45 p.m.

Yesterday, I spoke about the first film in the series, "Night and Fog," a half-hour documentary on the concentration camps. "Night and Fog" contrasts actual black-and-white footage of the camps during the war with contemporary, color shots of Auschwitz today. Its factual tone contrasts dramatically with the story tone in the Institute's second film.

This second film, "The 81st Blow," is in Hebrew with English subtitles. It is the story of a Jewish boy living in the ghetto who suffers a merciless beating—a full 80 blows. After the liberation, he tells his story but nobody believes him, which to him, of course, is the 81st blow. The film is comprised of documentary footage and still photographs shot during this period, and the narration comes from the 1961 Eichmann trial in Jerusalem. The Long Island Press said of "The 81st Blow:"

> Seeing this film is not a depressing experience. It is a memorial to the spirit and courage of those who survived.

Mr. President, the Days of Remembrance perform a vital function. We must remind ourselves of the holocaust. But we must do so in a substantial way, not a symbolic way. The American Film Institute is doing what they can to commemorate the Days of Remembrance. What can the Senate do? Is there no way for the Senate to show our dedication to this idea?

Of course there is. We can take this opportunity to ratify the Genocide Treaty. Mr. President, have we not waited long enough to take action on this crucial treaty? Is 32 years not enough?

Thirty-two years is more than enough. We should take action now and ratify the Genocide Convention.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. STEVENS). What does the Senator wish to do with the remainder of the minority leader's time?

Mr. PROXMIRE. Mr. President, I have no request for time on this side. I presume that the Senator from Iowa and the Senator from Arkansas have their own time, so I yield it back.

The PRESIDING OFFICER. The minority leader's time is yielded back.

RECOGNITION OF SENATOR JEPSEN

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa for not to exceed 15 minutes pursuant to a special order. The Senator from Iowa also has the remainder of the majority leader's time.

Mr. JEPSEN. Mr. President, how much time is that?

The PRESIDING OFFICER. Twenty-four minutes total.

Mr. JEPSEN. I thank the Chair.

OPPOSITION TO PROPOSED F-15 ACCOUTREMENT SALE

Mr. JEPSEN. Mr. President, I have come here today to review the issue of the proposed sale to Saudi Arabia of advanced missiles, fuel, and sensor packs for use on the 62 F–15's that the Saudis are currently buying from us. I shall examine the arguments that have been advanced in favor of the sale in detail and then show why there are compelling reasons for standing in direct opposition to this sale.

Back in 1978 when the Carter administration requested the original sale of the advanced F–15 fighters to Saudi Arabia, very serious concerns were raised in Congress as to the fighter plane's potential offensive capability. After much debate, the proposal was finally approved, but only after the administration assured us that:

> Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that could increase the range or enhance the ground-attack capability of the F–15.

Before leaving office, President Carter violated this agreement by going ahead and requesting advanced equipment that would give the F–15's the capabilities mentioned above: Increased range and enhanced ground-attack capability.

Because of the serious nature of the understanding between Mr. Carter and the Congress regarding the original sale of F–15's to Saudi Arabia, one might conclude that there were sound and compelling reasons for this complete reversal of position on the part of the Carter administration. Let us look at some of the reasons that have been given in support of the proposed sale.

One reason used to justify the sale goes as follows:

Currently the price the Saudis charge for oil is $4 per barrel less than OPEC's price. Saudi Arabia increased oil production substantially because of the Iraq-Iran War. For these measures they have suffered criticism both internally and from other Arab and OPEC member nations. Do not these actions show Saudi Arabia as a moderate member of OPEC with friendly intentions toward the Western World? Should we not sell them the equipment that they consider necessary for their national defense to show our gratitude for their perseverance and to encourage them in these actions for the future?

There are two strong objections to this argument that spring to light with even a cursory look at the facts and recent history. The fact that the Saudis have lower prices than the OPEC level and increased production to take up the cuts caused by the Iraq-Iran War can be explained purely by the mechanics of the international oil market and Saudi Arabia's particular oil supply situation. Due to the Saudis' large oil reserves, it is in their best interest to keep world oil demand as high as possible as long as possible. The Saudis are one of the few OPEC members who plan to be exporting oil well into the 1990's. It is in their best interest to keep

oil prices lower than alternative energy sources and thus keep up demand.

Conversely, any attempt to interpret Saudi Arabian actions with respect to oil price and demand within the framework of United States-Saudi Arabian relations is totally unsupportable. As Douglas Feith wrote in a recent article in the journal "Policy Review"—

> The oil market speaks plainly: Nations that render political concessions to the Arab oil regimes are spared neither price nor supply headaches when those regimes' business considerations impel a cut in oil production or an increase in prices . . . in 1978 and 1979—a period when Washington began to pressure Israel strenuously, courted the PLO and sought to win the Saudis' goodwill by consenting to sell them F–15's—OPEC oil prices skyrocketed. This is not to suggest that a direct relationship exists between the intensity of U.S. efforts to please the Saudis and the rate at which America's oil woes increase; it does suggest that the link between U.S.-Saudi political cooperation and cheaper oil is a figment of theorists at odds with the lessons of both history and economics.

It has also been argued that it would be in our strategic interest to allow the Saudis to arm themselves against threats from her neighbors and from the Soviet Union. Such a move might serve to stabilize a volatile area and protect oil deliveries to Western Europe and the United States.

This view is utter nonsense. Saudi Arabia is not currently menaced by any of its immediate neighbors. Any would-be aggressor nations are sufficiently deterred by the current strength of the Saudi Armed Forces. The Soviet Union is not in a geographical position to directly threaten Saudi Arabia. Given the small size and ineffectiveness of the Saudi Armed Forces and the large land area of Saudi Arabia, the sale of the F–15 equipment is not going to improve their defense posture against a threat by the Soviet Union.

The effect on Middle East stability is another question. In the past 32 years, Saudi Arabia has been involved in four armed conflicts—three of them against our proven ally in the Middle East: Israel. Saudi Arabia would not be able to attack Israel on a 1-to-1 basis, but F–15's equipped with improved missiles and other advanced equipment would be an important asset in a pan-Arab attack on Israel.

What is the Saudi attitude toward Israel at the present time? Only last month Saudi leaders called for a holy war against the State of Israel. They actively aid the PLO and its worldwide terrorist activities. Saudi Arabia has openly opposed the Camp David accords, condemned Egypt for having signed the peace agreements, and refused to take part in any negotiations that could lead to a lasting peace in the Middle East.

The Saudis have gone on record this month as opposing any attempts by the United States to establish facility rights around the Gulf region. The United States needs these facilities if it hopes to in some measure counter the growing threat of Soviet incursions into the Middle East. Thus have the Saudis opposed U.S. attempts to insure peace and stability in the Middle East area. Has the request for the equipment packages been tied to any stated assurances on the part of Saudi Arabia that its past record of opposing U.S. initiatives in the area will be reversed? No; there have been no public assurances of any kind whatsoever. No one I have spoken to is aware of any private assurances. Any hopes for a change in any of the Saudi attitudes on the basis of this sale are dubious at best.

Now I shall point out reasons why this sale is not in either the short- or long-term interests of the United States.

Probably the greatest threat to Saudi security is internal instability. We face a danger of having any advanced equipment that we sell them fall into unfriendly hands, as happened with the F–14's in Iran. We have constantly relied on our technological superiority to counter Soviet military quantity advantages. Any time one of our advanced systems is compromised the U.S. quality edge is further eroded. The events surrounding the takeover of the Grand Mosque in Mecca last year showed how unstable the Kingdom of Saudi Arabia is.

There is also a great deal of concern about the possibility that this sale will only encourage the Saudis to demand additional offensive equipment such as multiple ejection bomb racks, KC–135 tanker aircraft, and AWACS—airborne warning and control system—aircraft. This equipment would give them an unmistakable aerial offensive capability and would seriously endanger Israeli air superiority in the event of another Arab-Israeli War.

Further such a sale would break a commitment we made to Israel. In 1978, when the original sale of the F–15's was approved, we gave the Israeli Government our assurances that no sale of offensive equipment to Saudi Arabia would be contemplated. This understanding was made public and congressional approval of the sale was contingent on this understanding. Yet the administration is contemplating turning on this commitment to the only consistent friend we have in the entire area.

No one here needs to be reminded how important our relationship with Israel has been in the last 30 years to U.S. strategic policy. As I have shown, there is no reason to undertake this action which would call into serious question the value of our commitments to Israel.

But approval of the sale will have far wider implications on U.S. foreign policy. On the one hand, we have made a commitment to a proven ally in a troubled and vital area of the world; on the other hand, we are proposing canceling that commitment in order to appease Saudi Arabia and gain an uncertain short-term advantage in the name of misguided self-interests. What are our other allies and friends the world over to think of this action? Will they have any choice but to carefully review the commitments that the United States has made with them in light of our proposed action? We are setting a serious precedent if we approve this sale in our relations with the Saudis, in our commitments to Israel, and in our dealings with the rest of the world.

In summarizing the points I have made above, I must restate that there is no valid argument to be made for the sale of this advanced equipment for the Saudi F–15's. Any possible improvements in our relations with the Saudis are uncertain at best. The potential damage to U.S. foreign policy is certainly more concrete and more far reaching.

Mr. President, I along with all our colleagues with whom I have discussed this support efforts to bring about a strong and real cooperation between the United States and Saudi Arabia. However, I cannot approve an action which will attempt to do this at such a high cost. We must not abandon our lifelong ally, Israel, for the sake of an expedient short term supposedly self-interest gain.

Mr. President, I yield now for 1 minute to the distinguished Senator from Illinois (Mr. DIXON).

Mr. DIXON. Mr. President, I thank the distinguished Senator from Iowa.

Mr. President, amid reports that the administration is currently considering the addition of an early warning AWACS to complement the attachment of sophisticated offensive weaponry to the more than 60 F–15's sold to Saudi Arabia, I again rise to voice my opposition to the increasingly hardened outline that defines the administration's plans.

Mr. President, the threats that this proposal poses to Israeli security and Mideast stability, in general, should be of great concern to all Americans. Not only does the administration propose to supply the Saudis with the capability to attack Israel with fighter planes, but it also offers them the ability to fend off Israeli countermeasures, survey Israeli security tactics, and pass on such information to Israel's enemies in the gulf region.

I submit, Mr. President, that such an arrangement could have a profound and perilous impact on American interests in the Mideast.

I urge President Reagan fully to consider the ramifications of such a sale, and I ask my colleagues to contemplate most carefully any proposal brought to us that pertains to arming the Saudis with AWACS.

(Mr. CHAFEE assumed the chair.)

Mr. ANDREWS. Will the Senator from Iowa yield?

Mr. JEPSEN. The Senator from Iowa yields whatever time he needs to the Senator from North Dakota.

Mr. ANDREWS. I thank my colleague.

Mr. President, the fall of the shah 2 years ago severely hurt American interests in the Middle East, and when Soviet troops invaded Afghanistan last year, the tension of the region was raised even further. To meet these circumstances, the United States has committed itself to increasing its presence in the region to meet the Soviet challenge. I applaud this effort, but there is a right way to do it. I fear that we have ignored the lessons of history and we are about to embark on the wrong path.

The fall of the shah should have taught us the danger of selling the latest American technology to unstable regimes. In 1977, the Carter administration attempted to sell AWACS to Iran, explaining that Iran was vital in meeting the Soviet threat. State Department and Defense Department witnesses all marched up to Capitol Hill to tell us how stable Iran was and how minimal was the risk of the advanced technology being compromised. By 1979, however, American flags were being burned in the streets of Tehran, and the secrets of American-supplied F–14's and Phoenix missiles were on their way to the Soviet Union.

Now, 2 years later, we are being told that Saudi Arabia needs the most advanced missiles and fighter-bombers and AWACS to meet the Soviet threat.

I agree that the security of Saudi Arabia is of vital interest to the United States. But, Mr. President, the security of the United States is the primary interest of the United States, and I am therefore opposed to the sale of the latest armaments and the most sophisticated aircraft in our arsenal to Saudi Arabia. There is just too great a chance of the systems' secrets being compromised by defection, accident, diversion of technological manuals or Soviet intelligence activities.

Mr. President, I do not think this is the way to handle it.

Just think of how seriously our Nation's security would have been hurt had the sale of AWACS to Iran been completed.

I appreciate Saudi Arabia's concern for regional stability, and I support America's commitment to protect Saudi Arabia. But let us make our relationship with Saudi Arabia a true partnership, let us work together to achieve stability in oil pricing and supply, let us work together to support the Egyptian-Israeli peace treaty and to suppress the radical and terrorist forces in the region. Working together, protecting the region together, and expanding together the promise of the Egyptian-Israeli peace will ultimately bring security both to Saudi Arabia and to the United States.

Mr. JEPSEN. Mr. President, I now yield 2 minutes to the distinguished Senator from Ohio (Mr. METZENBAUM).

Mr. METZENBAUM. I thank the Senator from Iowa.

Mr. President, I begin by warmly commending the Senator from Iowa for his lucid analysis of this complex issue and for his outstanding work in bringing together today's discussion.

It is always a pleasure to work with Senator JEPSEN, who is a gentleman and an able Member of this body.

Our purpose here today is to discuss the administration's shortsighted decision to provide Saudi Arabia with some of the world's most lethal weaponry.

This is a bad decision—a dangerous decision that threatens to entrap this Nation and the nations of the Middle East in a destabilizing arms race.

It is a decision that works directly against the basic interests of the United States. It threatens the security of Israel. And it does nothing whatever to enhance the stability of the Saudi Arabian monarchy. In fact, the sale will endanger Saudi Arabia by forcing upon that country the status of a front-line combatant in any future conflict between Israel and the Arab nations.

I do not intend, Mr. President, to discuss at any great length the broken promises that make up the background to this sale.

All of us know in detail about the written assurances given by the previous administration in May 1978 that the Saudis would not receive this offensive capability. Without those assurances the original F–15 sale—which I strongly opposed—would never have been approved by the Senate. Last year, more than two-thirds of the Members of the Senate made that abundantly clear by signing a letter expressing to the previous administration their opposition to the specific sales that will soon come before this body.

That letter was prompted by reports that the Carter administration was preparing to move away from its promises to the Congress and give in to yet another Saudi "litmus test."

A Saudi spokesman said in July of 1980:

> We have a commitment, a firm commitment . . . and we expect that it will be fulfilled.

As a candidate for President, Ronald Reagan publicly asked which commitment would come first—the public commitment to Congress to withhold offensive weaponry or the presumably private commitment to the Saudis to provide it.

Mr. Reagan pointed out last September in a speech before the B'nai B'rith forum:

> It was Mr. Carter who agreed to sell sixty F–15 fighters to Saudi Arabia. To get Congress to go along, he assured that these aircraft would not have certain offensive capabilities. Now, the Secretary of Defense tells us he cannot say whether this commitment to Congress will be honored.

Today, candidate Reagan is President Reagan and we have a definitive answer to that question. Unfortunately the answer is "No." The administration will not keep the promises of the previous administration.

Mr. President, I can understand the sense of urgency which the administration feels about strengthening our position in the Persian Gulf region. But let us look at the implication for that position of providing the Saudis with this advanced hardware.

First let us remind ourselves of just what the F–15 is.

The F–15—the "Strike Eagle"—is not designed as a status symbol.

It is not just something to fly over a crowd on this or that country's independence day.

The F–15 is the world's finest fighter aircraft—by far the most sophisticated, deadly plane in the world today.

The administration proposes to send these instruments of death to the one place in the world where they are most likely to be used.

In a little more than 30 years, Israel and the Arab nations have fought four bitter, bloody wars.

Saudi Arabia has participated in three of them.

In 1948, in Israel's war of independence, 21,000 Israelis and 40,000 Arabs were listed as killed, wounded or missing.

The toll for the 1956 war was 1,300 on the Israeli side and nearly 13,000 for the Arabs.

In the Six-Day War of 1967, Israel took more than 5,500 casualties and inflicted nearly 18,000 on her enemies.

And in the last round, the Yom Kippur War of 1973, losses on both sides grew dramatically—12,000 for Israel, 36,000 for the Arab countries.

Saudi participation has not been extensive but only because the Saudis have not had much to contribute.

With this sale, they will have a military contribution—a major contribution, to make in any future Arab-Israeli conflict.

I have heard the argument that the Saudis would not dare to attack Israel. By themselves, perhaps not.

But the problem for Israel is not a one-on-one conflict with Saudi Arabia. It is a concerted attack by several Arab countries Saudi Arabia among them.

Consider what the Saudis themselves have to say about their own role. In April 1978, shortly before this body voted on the original F–15 sale, Prince Fahd gave an interview to the French magazine Paris Match.

The Prince stated:

> Saudi Arabia allocated all its forces and strength to bring about victory of the Arab rights, their honor and all that is sacred in their eyes. . . This means that the task entrusted to our army is not only to protect the kingdom, but that it could intervene anywhere that our national duty commands. Our army was in Syria—we have units in Jordan . . . All this shows our readiness.

Prince Sultan, the Defense Minister, told the Christian Science Monitor around that same time that—

> All we own is at the disposal of the Arab nations and will be used in the battle against the common enemy.

Are those quotes outmoded?

Not at all.

In January of this year, Saudi Arabia hosted an Islamic Summit Conference that opened with a prayer for divine assistance to help the Moslems "cleanse Jerusalem of Jews."

And that same conference concluded with a call, issued from Islam's holiest place by the Saudi King himself, for a "Jihad" or holy war against Israel.

The Saudis would not attack Israel?

Maybe not. Perhaps their talk is just bluster.

But one thing Israelis know better than any other people in the world is the elemental truth that if someone says he is going to kill you, take him seriously.

And there is another truth involved here as well. Regardless of Saudi wishes, whatever they may be, their own violent and irresponsible rhetoric about fighting "the Zionist enemy" has potentially moved them into the forefront of the Arab-Israeli conflict.

With this purchase, the Saudis will have the world's finest fighter aircraft.

They will have the range to strike at Israel.

They will have advanced missiles, capable of destroying Israel aircraft from great distances. Those missiles will neutralize a large part of Israel's traditional advantage in skilled and experienced pilots—it does not take a highly trained pilot to push a button and head for home.

In effect, Mr. President, this sale is creating a new military front for Israel.

The administration is forcing Israel into billions of dollars in new expenditures. Dollars that Israel cannot afford to spend.

And by providing this capability, the administration is issuing an open invitation to the Arab militants to force Saudi Arabia's hand in any confrontation with Israel.

How could the Saudis refrain from supporting their brother Arabs? If they tried to do so, how long could the Saudi regime survive? And if that happens, how long will it take before America's best, most advanced weapons fall into the hands of the Soviet Union?

We should know better.

We should have learned in Iran that supersonic fighter planes cannot protect a government from internal opposition.

And we should have learned that it makes no sense to encourage foreign governments to invest in prestige items that do nothing to enhance their stability and their capacity to meet their real defense needs.

The Saudis may believe that they are buying prestige, that they are demonstrating their leverage over U.S. policy.

But what they are buying in fact is danger—profound danger for themselves and for the stability of their vital region of the world.

And what, Mr. President, does our country stand to gain through this sale?

Are the Saudis going to be grateful enough to join in—or at least not to impede—the Middle East peace process? The answer is no. Only this week Saudi Arabia reaffirmed categorically its opposition to any talks with the "Zionist enemy" until the 1967 borders are restored.

Are the Saudis going to provide facilities for an American presence in the Gulf? No.

Are they going to help pay for our investments in their security? Not a chance.

Are the Saudis prepared to recognize Israel's right to exist? Are they, in other words, going to begin acting like a responsible and mature friend and ally? The answer to all of these questions is a clear and unambiguous "no."

Mr. President, I do not oppose strengthening Saudi Arabia's ability to defend itself.

I do not deny that Saudi Arabia's security is a vital U.S. interest.

But I reject the notion that our relations with the Saudis must be a one-way street. We need the Saudis and their oil. But they need us as well. We are the key to their survival. And there is no reason in the world why this country must bribe them with weapons to persuade them to sell us oil at $40 a barrel.

President Sadat of Egypt understands that. Repeatedly, he has urged our leaders to stop treating the Saudis with kid gloves. Require them, he has told us time and again, to show due respect for America's political and military interests.

But that is not what we have done and it is not what we are doing.

This sale is a signal—a signal that this administration can be bluffed into acting against the Nation's own best interests.

I do not think that is what the people of this country expected from Ronald Reagan and Alexander Haig.

If this sale is approved, Mr. President, it is beyond doubt that AWAC's will be the next "litmus test" of Saudi-American friendship.

Providing AWAC's to Saudi Arabia would be a true catastrophe for Israel. It would amount to a reversal by the United States of our commitment to the security of a loyal and courageous democratic ally.

But my purpose here is not to talk about a future prospect that is even worse than selling the missiles and the fuel pods.

My purpose, Mr. President, is to say that it must be stopped here—with this proposed sale.

It is also my purpose to call upon this body to prevent this new administration from falling into a trap that could tragically ensnarl all of us—Americans, Israelis, and Saudi Arabians alike—in a disaster whose consequences cannot be foreseen.

Mr. JEPSEN. Mr. President, I now yield 1 minute to the distinguished Senator from Alabama (Mr. HEFLIN).

Mr. HEFLIN. Mr. President, I wish to lend my support today to the eloquent statement of my colleagues. I have serious concerns over the consequences of this sale to Saudi Arabia. In its present form, I believe that it does not help to stabilize the present regime in Riyadh, and more importantly, it does not bolster our own security interests in this vital region of the world. But, without a doubt, it undermines the security of our one true reliable democratic ally in the Middle East—the State of Israel.

I would respectfully counsel our President that a sudden and drastic change in our policy in this most turbulent area is a matter that should be weighed and considered extremely carefully. I support the President on a great number of his initiatives to improve the economic and strategic position of the United States, but a careful evaluation of this proposed sale is needed and is premature at this point.

Some have argued in the past that we must provide Saudi Arabia whatever it asks of us because that regime's "moderate" oil policies have proved it to be one of our closest friends. I believe that a close analysis of Saudi Arabia oil pricing and supply policies will show that this is highly questionable.

I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, an article by Peter Lubin, "Taming the Saudis," which appeared in the National Review, and the letter to the Secretary of State by Hobart Rowen, which appeared in the Washington Post. The article and letter raise issues that need careful study about the nature of United States-Saudi relations.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. HEFLIN. Furthermore, Mr. President, as I see it, these sales cannot be justified in terms of the legitimate defense needs of Saudi Arabia. They do not need conformal fuel tanks (which doubles the range of the F-15's) or state of the art, air to air missiles to defend their oil fields. For in the final analysis, the Saudi Arabians cannot defend themselves from any credible threat, no matter how much equipment we provide them. We should not delude ourselves—only the United States, in conjunction with our western allies, including Israel, have the ability and will to defeat Soviet or radical Arab military moves on the oil fields.

Finally, Mr. President, I am deeply worried about the implications of this sale of our embattled ally, Israel. The history of Saudi Arabian military adventures since 1948 leaves little doubt but that these offensive weapon systems are most likely to be used against Israel. Squeezed by high inflation rates and military expenditures, Israel cannot keep up with the type of arms race which we are fueling in the region. The sale is the wrong message to be sending a reliable ally.

I strongly urge the administration to re-examine and scrutinize the impact of the sale of AWAC's, air to air missiles, and conformal fuel pods to Saudi Arabia. I simply fail to understand how the present package of military sales to the Middle East can help Saudi Arabian, Israeli or ultimately U.S. security.

EXHIBIT 1

TAMING THE SAUDIS

(By Peter Lubin)

When the Carter Administration was finally put out of its misery last November, there was gloom among the Al Saud, the family that owns and rules Saudi Arabia. The Saudis had enjoyed four uninterrupted years of bullying and bamboozling the American government. The lead role (in a star-studded cast) was played by Jimmy Carter, who gushed with gratitude whenever the Saudis, for cold financial reasons, temporarily raised oil production. A supporting role was played by National Security Advisor Brzezinski, who confided to the New York Times last March that we had no reason either to "fear or deplore" an "Islamic renaissance," and who envisioned a natural partnership with Islam to protect the Gulf. (No wonder a journalist in Riyadh described Brzezinski as "a man after Crown Prince Fahd's own heart.") There was Secretary of the Treasury Miller, who winged his way to Saudi Arabia in November 1979 hoping, as he put it, to convince "our friends" in the Gulf that there was no reason to raise prices further after the gigantic boost of the previous June ("It's unrealistic not to expect some upward adjustment in prices," said a chastened Mr. Miller on the plane home). There was Secretary of Energy Duncan, whose Saudi pilgrimage took place in late February 1980, to beg for royal assent to our Strategic Petroleum Reserve (permission denied). And on location in Riyadh there was Ambassador John C. West. Mr. West began his service by obtaining a job for a close friend, Crawford

Cook, in the Saudi lobbying machine, and ended his tour with a valedictory that admonished, not the Saudis, but his own government for failure to satisfy every Saudi demand.

All this abasement before the Saudis has taken place in an atmosphere of myth, cliché, and received ideas in which Saudi Arabia is repeatedly described as "moderate," "pro-Western," and "friendly." No evidence is ever adduced for these epithets, but they stick nonetheless. On a recent CBS program on Saudi Arabia, for example, Ambassador West described U.S.-Saudi relations as "good faith, good friendship, and what I call that special relationship." An unsuspecting listener might assume that West had evidence for this. Unfortunately, that listener would be wrong.

The OPEC quasi-cartel operates to mulct the West of tens of billions more each year than would be received were there no limit on, and manipulation of, supply by its members. And the key villain is Saudi Arabia, because that country, not Libya, not Nigeria, not Venezuela, is keeping many millions of barrels off the world market. It is foolish to applaud the Saudis for producing "close to capacity" when they have deliberately and severely restricted that capacity themselves. The Saudis have broken every agreement on oil they have entered into since the Teheran Agreement of 1971. As energy economist Morris Adelman puts it: "There were repeated unilateral revisions, and it [the Teheran Agreement] was finally discarded in September 1973 . . . Sheik Yamani pronounced a classic epitaph: 'We in Saudi Arabia would have liked to honor and abide by the Teheran agreements, but . . .'" Under cover of the "oil embargo" in 1973–74 came the fourfold rise in price. In 1974 the Saudis kept promising to lower prices, and "they repeatedly raised prices. Twice Mr. Kissinger flew into Riyadh and announced that he and his friend the King agreed, prices should be lowered. Each time prices were raised" (Adelman).

In 1974 the United States undertook to guarantee Saudi security, and the Saudis agreed to produce at current capacity, a promise never kept. In late 1978 the Saudis extracted a further American pledge—not to fill the Strategic Petroleum Reserve. In turn the Saudis would keep production up close to 10.5 million barrels a day. So they did—for seven weeks. On January 20, 1979, as Iranian production collapsed, the Saudis slashed their output by a full two million barrels. In the ensuing panic buying and spot-market runup, prices rose more in five weeks than they had in the previous five months. Having accomplished their aim, the Saudis raised production by one million barrels. Again Adelman:

The net result of Saudi maneuvers, concerted with their neighbors between October 1978 and mid-1980, [was] to increase the price of oil from $12 to $30 [now $32 and up]. At any moment they could have put the price down to any desired level by raising output to capacity, announcing they would maintain that output and even increase it by gradually investing to raise capacity.

The Saudis are the major obstacle to an American presence in the Gulf. They expect us to defend them, but only on their terms, with the means they choose, no matter how difficult or dangerous that makes our task. The Saudis are terrified of any resolute display of American power near them; thus they sponsored a resolution at Islamabad in May condemning the American hostage rescue attempt. By hiring Pakistani mercenaries, by buying German tanks and French planes, they hope to build an armory that will make them independent and able to keep the Americans from establishing a presence nearby. They do not seem nearly as concerned about the Soviet over-flights they permit to Aden and Ethiopia, and they have allowed Soviet-built tanks to be unloaded at Saudi ports for transshipment to Iraq.

While the Saudis have backed Iraq's invasion, though Iraq is linked to the Soviets, the Saudis are not benevolently inclined toward smaller neighbors. Saudi Arabia is the leading local bully and troublemaker, detested and feared by Oman and the sheikhdoms. The Saudis backed the Marxist-supported Dhofar rebellion. They have pressed territorial claims on both Abu Dhabi and Oman. They have meddled with American arms shipments to North Yemen, which led the Yemenis to look to the Soviet bloc arms.

SAUDI "MODERATION"

On Israel the Saudis are as implacable as Syria or Iraq. Twice in recent months they have called for jihad, a word that, despite the attempt of our State Department to give it a soothing gloss, means exactly what it says: warfare by all means, including military force. The flavor of Saudi "moderation" can be gauged from their description of Jerusalem as "purely a genuine Arab and Islamic city. Thus it has been for thousands of years, and thus it should remain forever." Loyalty to a fellow Moslem (who massacred his Christian subjects) has led the Saudis to give refuge to Idi Amin. The Saudis subsidize the most notorious of terrorists; the Arab who recently killed 15 and wounded 85 by bombing a hotel in Kenya escaped, his deed accomplished, to Saudi Arabia.

All this activity, however, is muffled in a vast Saudi disinformation and propaganda effort, aided by Westerners with financial ties to the Saudis. There are two themes. The first is, "we are doing you a favor" by "producing more oil then we [need, want]" so "don't jeopardize this 'special' relationship." Note Yamani's recent interviews: "Don't take the Saudis for granted" (Wall Street Journal); "We've gotten no sign of appreciation for everything we've done" (New York Times); "We are America's number one friend" (Time). By dint of constant repetition, journalists and politicians come to believe this nonsense.

But the evidence shows otherwise. The Saudis are not doing us any favors. Saudi pricing in OPEC, like the pricing of its fellows, is based on their calculation of their "perfect" (optimal monopoly) price. That price will tend to maximize their total revenues over time. Each OPEC member determines its "perfect" price at any moment by taking into account the size of its reserves, its current surplus or deficit, the value of its foreign currency holdings and investments, and the likely production response of its fellows in OPEC. Absent Western pressure, that is all OPEC need worry about. Of particular concern to the Saudis is demand elasticity for oil. As the producer with the largest reserves (whose value they wish to protect), the Saudis must worry about too precipitous a rise in price, and thus too preciptious a drop in demand. These considerations, not some phony melodrama starring "hawks" and "moderates" are what OPEC price differentials are all about.

Nor are the Saudis "producing more than they need." Detailed studies of Saudi revenues and expenditures show that they always manage not only to squander the surplus funds that may initially be accumulated, but end up needing more. There is every reason to believe that the phenomenal waste, corruption, and extravagence of recent years will continue. Nor have the Saudis ever chosen to lessen current revenues. They may have to, however, when Iran and Iraq resume prewar production levels. Otherwise, there is a possibility of price-cutting and the destruction of OPEC. The Saudis, having previously threatened to cut as many as seven million barrels a day, will at that point cut a few million at most, and expect to be applauded.

Yamani's claim that by slashing production Saudi Arabia could receive as much current revenue as at a higher level of production is demonstrably false, yet none of the journalists he tells this to has bothered to point it out. Demand elasticity is high, and growing. Professor Robert Pindyck of MIT has noted that every 5 per cent rise in oil prices results in a drop in demand of between 1 per cent and 1.8 per cent. Another way of understanding this is that for every OPEC cut in supply of between 1 per cent and 1.8 per cent in the total amount of oil available in the non-Communist world's market, OPEC can impose a price rise of 5 per cent and still "clear the market" (have demand equal supply) so as to avoid problems of glut and price-cutting.

Suppose the Saudis were to cut production by four million barrels. That represents about 7.5 per cent of non-Communist world production (assuming Iran and Iraq are exporting at prewar levels; otherwise four million barrels represent about 8 per cent). Using the lower figure for demand elasticity would permit the Saudis a price rise on the six million barrels they did produce of about 38 per cent. Using the higher figure, the rise is less than 25 per cent. In either case, the Saudis stand to lose tens of billions of dollars annually. And the expensive infrastructure for natural gas collection requires a minimum oil production of eight and one-half million barrels. The Saudi subsidy to the PLO, aid to Syria and Jordan, and other pan-Arab aid amounts at most to a few billion. That offers a measure of the financial sacrifice they are willing to make on behalf of fellow Arabs. Why should we believe that the Saudis would suddenly—for "political" reasons—risk the loss of many times that amount?

Such threats tell us a lot about the Saudis. A friend would never say: "Saudi Arabia alone . . . is in a position to inflict very severe damage on the world economy as a whole or a selected group of nations . . . Definitely, I'm not threatening. You threaten when you need to. Among friends, I don't think we are threatening."

Yamani's bluster is as hollow as his bonhomie. For as a number of economists and other commentators have noted, there is no "oil weapon." A study "demystifying" the oil weapon was made by Douglas Feith in Policy Review (Winter 1981). Being fungible, oil cannot be selectively denied to one country or group of countries. The only way to "punish" is to cut production massively, and that would harm any producer far more than any potential victim among the importing nations. It might also have unforeseen political consequences. If there are sound economic reasons for raising the price of oil, or cutting production, such a price rise, or such a cut, will take place in any case. If such a price rise or production cut is made to "punish" (i.e., employed as a "weapon") then by definition it would go against, rather than promote, the economic interest of the producer instituting it. Otherwise it would have been made for that economic reason. Unlike Khomeini, the Saudis have not shown a taste for self-inflicted wounds.

OUR GOAL: SAUDI COOPERATION

Our policy should be to obtain, not the chimera of Saudi "goodwill," but Saudi cooperation, however unwilling that cooperation will be, on bases, on oil, and on other matters. Policy should be rooted in understanding that: 1) Wahhabi Islam regards the Christian West with hostility, but that need not concern us overmuch; 2) there is no "oil weapon"; 3) the Saudis are not "doing us favors"; 4) politically, economically, and socially Saudi Arabia remains a primitive tribal kingdom, advanced only in the bankbook sense; 5) the Soviet Union has strengthened its grip on the Saudi perimeter; 6) Saudi Arabia may have to be "saved in spite

of itself," and while we understand the Saudis are incapable of protecting themselves, their vulnerability must be brought home to them; 7) the Saudis must be disabused of their inflated notion of their own significance vis-a-vis America and the West; 8) taming the Saudis will demand both intelligence and imagination, but the risks from further appeasement are too great not to make the attempt.

A drastic change in our policy toward Saudi Arabia is essential, beginning with a change in attitude. Diplomatic personnel posted to Riyadh should be chosen so that those with a chronic case of furor arabicus (a peculiar nervous disease first diagnosed by J. B. Kelly n Arabia, the Gulf, and the West), are carefully selected out. Cabinet members should no longer rush to Riyadh, seeking the royal indulgence. No more dancing attendance upon Yamani on his various tours. Instead of misplaced gratitude, Washington can by appropriate comments demonstrate a real "appreciation" of all the Saudis have been doing in OPEC.

We should proceed with plans for whatever bases we deem necessary—in the Sinai, in Oman, and elsewhere—explaining to Riyadh that we have no intention of courting disaster simply because the Saudis may be displeased. There is a basic conflict here that cannot be blinked. The Saudis fear such bases nearby because they would have an intimidation value (which, of course, is a further point in their favor).

Washington has been worrying aloud about the stability of Saudi Arabia ever since the collapse of the Shah. The Saudis, in turn, have been quick to react with a propaganda barrage: Saudi Arabia is very different from Iran; the Saudi royal family is revered by all its subjects; its devotion to Islam is profound; and so on. Both American worry over, and Saudi insistence upon, the "stability" of Riyadh are beside the point. Saudi stability is not intrinsically desirable to anyone but the Saudis. Continued rule by the Al Saud, or the continued existence of Saudi Arabia in its present borders, may or may not best serve the interests of the oil-consuming world. If firm Saudi rule promotes Western access to Persian Gulf oil at reasonable prices, then let it be encouraged. But it may be that a severe shock to Saudi complacency, or even a sustained effort to keep the Saudis off balance, would serve Western interests better.

The smug belief of the Saudis that no matter how they behave we will be there to protect them is revealed in a statement Yamani made to an interviewer from Time: "You are not protecting us. When you send your airplanes, you are defending your own interests." The Saudis have not yet understood the significance of General Petrovsky in Ethiopia, Cubans and East Germans in South Yemen, Soviet treaty links and base rights in Syria and Iraq, PLO training in Baku, Tashkent, and Simferopol. It is long past time to heighten their sense of unease. Further, we should make the distinction between protection of oilfields in the physical sense and protection of a regime or a country. Since the Iranians are now in no position to harm the Saudi oilfields, one simple and elegant way to demonstrate our studied insouciance as well as make clear our displeasure with Saudi behavior would be to recall our Airborne Warning and Control Systems, on the grounds that we need them for our own use (we possess only twenty in all).

As for the Saudi demand for additional equipment for the F–15s that Mr. Carter granted them, that demand should either be rejected out of hand or put under indefinite "review" until such time as Saudi behavior has drastically changed. At the time of the original plane sale, both the Saudis and the Carter Administration offered assurances that the equipment now sought (bomb racks, Sidewinder missiles, fuel tanks) would not even be asked for, much less granted. But the Saudis are convinced that in their case such commitments are meaningless. So great is their contempt for us that they no longer bother to conceal it. Prince Faisal stated on Meet the Press that no Iraqi planes are being sheltered in Saudi Arabia; Ambassador Alhegeland recently denied that Soviet-built weapons have been unloaded for Iraq in Saudi ports. Both men knew that Western intelligence sources have confirmed these activities; neither thought it worth his while even to obfuscate.

The equipment demanded cannot be used by the Saudis effectively against the Soviet Union. If used at all, it will be used against its lesser neighbors (Oman, the littoral sheikdom), against Israel, or possibly against Western forces should they move decisively into the region. As far as the Israelis go, even if they decide (for reasons of their own) not publicly to oppose the sale, that is no reason for it to go through. Such weaponry makes much likelier a Saudi role in another Arab-Israeli round, and in that case virtually guarantees an Israeli preemptive strike. Such a capitulation would dishearten the Omanis, who hate and fear the Saudis and have been ready to serve the West but may now be intimidated by a display of Saudi power.

But the main reason for denying the Saudis the equipment is that they regard the sale as "an important test case in relations between the two countries." Exactly. After two years of uninterrupted and astronomical price hikes, after the resolution condemning our rescue mission, after the efforts to deny us bases, after the open calls for jihad and support for terrorism, after backing the Iraqi invasion of Iran, after meddling with our arms supplies to North Yemen and facilitating Soviet bloc supplies to Iraq, after the attempt to throttle our Strategic Petroleum Reserve, after all this the Saudis want to test whether America will jump once again through the Saudi hoop. If we do so, we will signal that nothing has changed, and that we continue to adhere to the "doctrine of common interest" so lucidly analyzed by J. B. Kelly:

"All that the constant reiteration of the doctrine of common interest achieves is to convince the Middle Eastern oil-producing states that the West needs them as much as (or even more than) they need the West, thereby confirming them in their hauteur and their illusions of power."

Rejecting the Saudi demand would be the first step in forging a coherent strategy for protecting the West's interests. The immediate response will be Saudi bluster and bluff, of the kind Crown Prince Fahd offered in the newspaper Al Hawadith: "We are not compelled to be friends of the Americans. There are many doors wide open to us, be it on the military, technological or economic level. . . . We can easily replace the Americans."

WHO NEEDS THE GULF?

But Pakistani mercenaries, German tanks, Tornado fighters will not really fill the bill. Weapons suppliers are not as easily interchangeable as Fahd pretends to believe. The American equipment already acquired by the Saudis would be greatly diminished in usefulness without easy access to American spare parts, American technical help, American training. And only the United States offers Saudi pilots extensive training on simulators.

Should they proceed, nonetheless, not to yield on policy but attempt to replace us with European arms suppliers, we have the means to obtain European cooperation. In the end the United States could do without oil from the Gulf; Western Europe and Japan cannot. It is our allies' advantage that the Saudis be brought to heel, even if they choose not to admit it publicly. They may distance themselves from our effort (out of fear) but should not interfere with it. We have a right to ask from those for whom we are protecting the Gulf that they not persist in currying Saudi favor at our expense. The American people may grow weary of safeguarding oil to keep German or French or Japanese industry humming, if those same Germans or French or Japanese make that job more difficult.

The Saudis will also attempt a rhetorical rally of the Third World. But the speciousness of that concept can be exposed. A farmer in Senegal or Brazil has more to gain from our efforts to protect access to, and hold down prices of, Saudi (and OPEC) oil through political pressure even than the Europeans.

The Arab oil states, not least the Saudis, also employ the Arab-Israeli dispute as the perfect diversionary tactic. How dare the West raise the little matter of oil pricing and production (here the face of Faisal or Fahd assumes an aggrieved air, and eyes are raised heavenward) when the "Palestinian problem" has not been solved to Arab satisfaction? But as J. B. Kelly has noted, even if we posit the total disappearance of Israel, our problem with the oil states would be exactly the same.

The past two years have given us a good dose of what the Muslim Middle East, unadorned, is all about. The Saudi regime's legitimacy comes from force and the threat of force. Not surprisingly, it responds only to pressure, not to blandishments.

As long as the Saudis believe that our only reaction to their behavior will be "economic" (i.e., to conserve oil, and to look for non-OPEC sources), they will behave without any constraints. In the long run, a decade or more away, our problem with OPEC may be well solved. In the short run, we must protect the major oilfields and apply pressure to hold down prices and hold up production. That is why any energy policy must include a strategy for taming the Saudis.

LETTER TO THE SECRETARY OF STATE

DEAR MR. SECRETARY: As you prepare for a "familiarization trip" to the Middle East next month, may I be bold enough to call your attention to a bit of economic mythology that in the past has tripped up the experts?

According to this imaginery view, the friendly Saudi Arabians are so anxious to help the United States that they are producing more oil—at a moderate price—than it serves their own interest to produce. If they were less sympathetic to the United States, the story goes, they would keep more of their treasure in the ground delaying the day that desert fields run dry.

Mr. Secretary, the Saudis do a marvelous PR job to perpetuate this little bit of fiction. But I call your attention to a fascinating dispatch—Feb. 5, 1981—in the Christian Science Monitor from C. L. Cranford in Dhahran, Saudi Arabia. There, at a seminar at the University of Petroleum and Minerals, Sheik Ahmed Zaki Yamani was taken to task by one of his fellow countrymen for selling oil cheaper than other members of the Organization of Petroleum Exporting Countries.

Yamani's answer, as Cranford said, was a lesson in international oil economics. Other OPEC countries may have an interest in boosting oil prices as high as possible because their supplies will run out fairly quickly, Yamani pointed out. Algeria, for example, will no longer be an oil exporting country by 1990.

But the shrewd Yamani told his Arab questioner that the Saudis, with huge reserves, must approach things differently, maintaining moderate prices along with a good supply

so that the West won't be driven too quickly into developing oil substitutes. Their policy is based on no special consideration of, or love for, the United States. Rather, it involves a search for a price high enough to reflect "the true value of oil," Yamani said, but not so high as to cause a rush of energy research and investment that might knock the Saudis out of the oil business too soon.

"If we were to force the Western countries to invest large sums of money in alternative energy resources, it would take 7 to 10 years to bring about some results of these investments, which would reduce oil demand to a level that would affect Saudi Arabia, which at that time would not find enough markets to sell its oil to meet its economic demands," the Harvard-educated oil minister explained.

Thus, if the Saudis were to lower their production, creating a shortage of oil supplies, that would result in higher prices. In turn, that would speed the West's drive for alternatives to oil, cutting demand for the only commodity the Saudis have to sell on the world market. And that would be something that the Saudis could not afford.

Mr. Secretary, nobody has made this more explicit than Yamani did in Dhahran. So as you deal with Saudi officials on security matters of mutual interest, remember that what they are doing on oil prices and production is based on their best calculation of what is in their own best economic interest, period. We don't owe them anything for it. But if they can make gullible Westerners believe their oil-pricing policy is a favor, well, that's an extra dividend politically.

A blinders-off approach to the Saudis should make it easier for the nation to develop an explicit national policy toward OPEC. Happily, your administration is taking steps to increase funding for the Strategic Petroleum Reserve—a move the Saudis don't like. You also have the support, as you deal with the Saudi government, of congressional Democrats who argue for the first time that the United States together with its allies, should come to grips with OPEC, and who now support an expanded SPR. An excellent statement along these lines is included in the recent report of the Joint Economic Committee.

The Saudis, as you know, Mr. Secretary, were able to frighten the Carter administration into scrubbing the SPR. Naturally, the smaller the reserve stocks of any kind, the greater advantage OPEC can take of even small political disturbances in the Middle East. The critical importance of reserves, as the JEC report notes, can be seen by comparing the sky-rocketing of prices right after the Iranian revolution, and the contrasting calm in the wake of the Iran-Iraq war, when inventories were at a record level.

Since it's a long flight to Riyadh, Mr. Secretary, let me recommend three supplements to your departmental briefing papers.

The first is a great book on the Middle East, titled "Arabia, the Gulf, and the West" by Prof. J. B. Kelly, which brilliantly explains how the Arabs for years have bamboozled the Western powers (including some fellows who used to sit in your seat).

The second is an article by Israeli economist Eliyahu Kanovsky, visiting professor at Queens College, New York, entitled, "Middle East Oil—of Diminishing Importance?"

A third is an article by Douglas Feith of the Washington Center for International Security with the self-explanatory title: "The Arab Oil Weapon De-Mystified."

Good reading, and good luck, Mr. Secretary.

Sincerely,

HOBART ROWEN.

Mr. JEPSEN. Mr. President, I now yield to the distinguished Senator from Minnesota (Mr. BOSCHWITZ).

Mr. BOSCHWITZ. Mr. President, in this portion of the colloquy, I speak for myself and for the distinguished Senator from New Hampshire (Mr. RUDMAN).

I read from the UPI and UP reports of March 13, 1981, which outline how the Saudi Arabians look upon the weapons they are purchasing.

Saudi newspapers, in reporting on the arms deal, have said:

> We are arming our army for the liberation of the plundered lands.

Two Saudi newspapers reacted yesterday to the criticism expressed in Israel regarding the American-Saudi arms deal by writing that:

> The Saudi government does indeed intend equipping its army in order to liberate the plundered Arab lands.

In an editorial published on March 12 in the newspaper "Al Yom," it is stated:

> Until now, we have sought peaceful ways for the return of our lands, but the arrogance and boastfulness of the Zionist entity have prevented the attainment of this goal. Therefore, we are arming our army and preparing it for the liberation of the lands and the holy places.

The newspaper "Al Riyadh" wrote on March 12:

> The campaign of vilification by the terrorist Menachem Begin began when the present Israeli leader became aware of Saudi Arabia's determined approach to fight on all fronts, and with all its strength, against Israeli expansionist plans in the region.

Mr. President, I add a word of my own by saying that this is the same Menachem Begin who has negotiated peace, and the same Menachem Begin who has withdrawn from vast areas of lands that were gained after the war of 1967.

Mr. President, there was another comment by the Saudi newspaper "Al Riyadh," on March 17 which said in an article concerning the AWACS:

> The Zionist have to understand that the Arabs know how to speak the language of force.

It is indeed sad that by hoping to arm these countries for the purpose of sharing stability in the area that indeed we may be accomplishing the opposite end.

I yield the floor.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield.

Mr. STEVENS. Mr. President, I wish to commend the Senator from Iowa for taking leadership in initiating this colloquy today.

Many of us have expressed privately and publicly our concern over the proposed sale to Saudi Arabia. It is a matter which I think requires deep, in-depth analysis of its impact upon the stability of the Middle East and in particular upon the attitudes that have been expressed by Saudi Arabians concerning other nations in that area.

It appears to me that there is no question that there should be some movement on the part of the Saudi Arabians if we are to change the policy that was initiated at the time we made the original agreement to sell the F–15's to Saudi Arabia.

I will be speaking in depth on this at a later time.

But I do commend Senator JEPSEN and those who have taken the initiative here today again to raise the subject and to present to the Senate this most difficult issue.

We are hopeful that the President and the new administration will thoroughly review the total implications of the proposals that we have read about to date.

I thank the Senator.

Mr. JEPSEN. Mr. President, I respectfully advise the Chair that there will be other Senators from time to time today who will be coming to this Chamber asking unanimous consent to submit their remarks in the RECORD.

(By request of Mr. BOSCHWITZ, the following statement was ordered to be printed in the RECORD:)

● Mr. ARMSTRONG. Mr. President, I do not regard myself as an authority on the issue of selling F–15 enhancements to the Saudis.

But I would be remiss if I failed to express concern about the pending proposal. My colleagues have raised very significant and serious questions about the wisdom of such a sale. It would be my hope that the administration will meet with Senators and others who have raised these issues and take steps necessary, in negotiations with the Saudis or otherwise, to allay these concerns.

If this is not possible, then the administration should seriously consider deferring the sale. It is my judgment that such a sale presents serious policy questions which have not, as yet, been satisfactorily resolved.●

● Mr. BIDEN. Mr. President, I welcome this opportunity to reiterate my opposition to the administration's decision to sell military equipment which would significantly enhance the offensive capability of the Saudi Arabian Air Force. That decision repudiates assurances previously given to the Congress and needlessly and dangerously increases the level of armaments in the volatile Middle East.

When the administration's plan was announced on March 6, I announced my intention to introduce a resolution of disapproval when formal notification is received, so that the Senate can act to reject these proposed sales. Already many of my colleagues have joined as cosponsors. I welcome the support of additional Senators who share my belief that these sales are not in the national security interest of the United States.

Mr. President, in 1978 the Senate narrowly approved the original sale of F–15 aircraft to Saudi Arabia. Many Members supported that sale only after receiving explicit assurances that no future actions would be taken to increase the offensive capability of those aircraft. As then-Secretary of Defense Harold Brown declared to the chairman of the Foreign Relations Committee:

> Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground-attack capability of the F–15.

Notwithstanding those assurances, the administration now plans to sell, either immediately or after further discussions and study, several items of equipment that vastly improve the already formidable capabilities of the F–15's. The conformal fuel tanks more than double the

combat range of the aircraft. The AIM–9L missiles incorporate major technical advances permitting all-aspect engagements. Aerial refueling and airborne surveillance systems—if later provided—would be dramatic force multipliers which would further enhance the offensive power of the aircraft.

Saudi concerns may be temporarily assuaged by this proposed sale, but what does the United States get in return for repudiating past policy? Any change in Saudi policies toward Israel, the Camp David agreements, or the PLO? Any change in Saudi oil price policy or opposition to the American strategic petroleum reserve? If these sales are to be in our own national interest, we should receive some tangible benefits—but none have even been promised.

Mr. President, I do not believe that our national interests are served, for either the short term or the long run, by a policy that seeks to promote peace and stability in the Middle East by increasing so dramatically the capabilities for war.●

Mr. BAUCUS. Mr. President, I have a very short statement to make in connection with the administration's proposed arms sales to Saudi Arabia. Personally, I am concerned about the wisdom, timing, and scope of the administration's proposal.

To the extent that there is a felt need on the part of Saudi Arabia for additional arms, I believe it is imperative that our Government be judicious in taking a second look to see whether the proposed arms for sale are truly needed. I was recently impressed by an article written by Steven Emerson, who formerly worked on the staff of the Senate Foreign Relations Committee, which presents a number of powerful arguments that have led me to question the wisdom of the administration's proposal. For the benefit of my colleagues, I ask that Mr. Emerson's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW SALAAMS TO THE SAUDIS

(By Steve Emerson)

Rumors of the death of the Carter administration have been greatly exaggerated. The Reagan decision to acquiesce to Saudi Arabia's demands for offensive F–15 hardware means that one of the Carter administration's most short-sighted policies remains alive and well. It is ironic that the new administration, which campaigned promising to reassert American toughness abroad and to promote the national interest unapologetically, has accepted the policies of its predecessor so uncritically.

Reagan policy-makers undoubtedly believe that they have resolved the F–15 dilemma by giving Israel military credits to partially compensate for its increased vulnerability. And they view the sale as part of a new strategic emphasis on containing Soviet expansion in the Middle East, not unlike former secretary of state John Foster Dulles's application of the Truman Doctrine, which produced the short-lived Baghdad Pact among Turkey, Pakistan, Iraq, and Iran in 1955.

It is unfortunate that the issue of an increased threat to Israeli security was the only argument against the sale that the administration considered. There are many others, including the absence of a sound military rationale for the equipment perpetuation of an unhealthy American-Saudi relationship, the possibility of Saudi mischief in the Persian Gulf, and potential destabilizing effects on Saudi Arabia itself.

Lest anyone forget, during the 1978 congressional debate over the initial sale of F–15s to Saudi Arabia, Carter administration officials imposed explicit and public restrictions on the sale of "any system of armaments that could increase the range or enhance the ground-attack capability of the F–15." It was specifically stipulated to Congress that the Saudis would not receive auxiliary fuel tanks, multiple ejection (bomb) racks, air-refueling capabilities, early warning radar planes (AWACS), or "all-aspect" AIM 9L ("Sidewinder") air-to-air missiles. Last year the former president reaffirmed these restrictions in numerous press interviews and in discussion with elected officials.

Citing new security considerations and changing circumstances, the Reagan administration now has granted immediate approval to the sale of the extra fuel tanks by future approval of the advanced radar planes, mid-flight refueling capability, and, possibly, bomb racks. This approval only further entraps the US in a vicious cycle of escalating Mideast arms sales. And it perpetuates the pattern whereby the Saudis get what they want from the US by representing every request as a "litmus test" of American-Saudi relations. Instead of initiating a "new beginning," the Reagan administration has signaled willingness to endure an obsequious and inherently counterproductive relationship. The United States would be well advised to heed the advice of Egyptian president Sadat, who repeatedly has urged US officials to stop babying the Saudis and to demand that they respect our military and political interests.

Developing a healthy relationship with the Saudis depends on a clear-headed evaluation of what they do for us, and we for them. The Saudis supply 17 percent of the world's oil production, which is vital to the well-being of the Western economy. Saudi rulers pay a political price for keeping production up. Younger, more conservative princes (ironically, often Western-educated) charge that their elders are squandering the national patrimony. Also, by producing at rates commensurate with Western needs, the Saudis get accused by Islamic fundamentalists and Arab radicals of being allied with "infidels" and "imperialists."

But in setting their levels of oil production, the Saudis also are guided by self-interest. They need to prevent the collapse of the Western economy and devaluation of Saudi investments in the United States and the West. They don't want to induce the West to develop alternative energy supplies. They need money for their massive development and industrialization program, estimated to cost $270 billion over the next five years. And, in the end, they do not want to drive the West to military action to preserve its oil supply.

Saudi Arabia has reaped considerable rewards from its relationship with the United States. Since 1945 Washington has provided the House of Saud with a security umbrella against aggression from potential enemies—the Soviet Union, Yemen, Libya, Iraq, and Iran. Over the past six years, the US has sold more military equipment to Saudi Arabia than to any other non-NATO country, totaling more than $22 billion. In 1980 alone Saudi purchases of American military equipment and construction amounted to about five billion dollars.

Saudi Arabia also derives vast quantities of nonmilitary goods and services from the US—$23 billion worth between 1976 and 1980. American companies are heavily involved in building and running modern Saudi Arabia. Aramco alone employs over 10,000 American citizens to produce the kingdom's oil.

In short, each nation is compelled to depend upon the other. Given American superiority in military and technological fields, however, a strong case can be made that the Saudis are more dependent on us than we are on them. The United States imports 1.2 million barrels per day from Saudi Arabia. This is just one-sixth of all American oil imports and only six percent of America's total petroleum consumption of 16.7 mbd. The Saudis have an "oil weapon" all right, but its potency is more limited than Americans often realize.

For one thing, the Saudis do not have a limitless capacity to increase production to reward satisfactory behavior in the West. In April 1979 the Senate Foreign Relations Committee issued a detailed analysis of Saudi production and reserves based on subpoenaed documents from Exxon and Socal, two partners in Aramco. The report concluded that Saudi Arabian production is never likely to exceed 12 mbd, and that this level could be sustained only for 15 or 20 years before it started to decline. Because of reductions in projected recoverable reserves and rising costs of maintaining prodouction, the report also indicated that Saudi Arabia might never raise its maximum sustainable capacity beyond the present 10 mbd. The fundamental conclusion of the Senate study was that Saudi Arabia produces its oil based on its own economic self-interest and on geological realities, and that "linkage" with the Arab-Israeli dispute never has been figured into production decisions. The New York Times twice reported that CIA analysts supported the report's findings.

There is evidence that even the October 1973 oil cutoff may have had geological and conservationist explanations. In any event, various oil experts maintain that actual production cutbacks were limited in duration and magnitude. US gas lines made the embargo seem successful, but according to MIT economist M. A. Adelman they were the product of the "explosive combination of controlled prices and no rationing. . . ."

Finally, an increasing number of Middle East oil economists believe that Saudi Arabia actually will be forced into raising its oil production to finance balance of payment deficits. Eliyahu Kanovsky, a visiting professor of economics at Queens College, has examined the Saudi economy and found deficits in 1977, 1978, and 1979. In order to meet massive capital development projects, and increased international economic needs, the kingdom may require a minimum production level perhaps 8.5 mbd. According to Business Week Saudi government sources confirmed this assessment and said that sharp budget cutbacks would provoke greater economic and social dislocations than the social pains of development.

In short, "responsible" Saudi production and price levels—represented in the US as a political favor to the West—are actually the product of self-interest and will continue to hold unless there is a change of regime as in Iran. It can be argued that it is the US that contorts itself, including its own laws, to please the Saudis. One example is Northrup's control of the multi-billion-dollar modernization program of the Saudi Air Force, awarded without competitive bidding at Ridyadh's request. Similarly Saudi Arabia receives selective treatment in the operation of foreign military trust funds. Unlike any other foreign purchaser, Saudi Arabia makes deposits for military purchases in an interest-bearing account under an arrangement whereby the US would not be protected should Saudi Arabia decide to cancel its contracts, as Iran did.

Saudi Arabia also gets special treatment in State Department human rights reports, compiled annually for Congress. The 1981 report

is so meticulously crafted that, even after citing stonings, beheadings, severances of the hand, a "heavy stress on obtaining confessions," and the lack of habeas corpus or the right to counsel, one still gets the impression that Saudi Arabia has not violated the standard of human rights that was judiciously applied elsewhere.

The Carter decision in 1978 not to fill the strategic petroleum reserve was an astonishing concession to the Saudis. Officially, Saudi Arabia professed a desire to prevent pressure for higher oil prices, but Americans close to the Saudis acknowledged that they also wanted to maintain US dependence on their oil. Congress finally forced the administration to resume filling the reserve. That the Saudis have not objected demonstrates that Carter's concession was unnecessary.

The 1978 sale of 60 F–15s to the Saudis was a major demonstration of Saudi political influence. Many senators voting to approve the sale conceded openly that they were doing so because of US dependence on Saudi oil and goodwill. The sale of 60 planes was approved despite a 1974 Pentagon recommendation and a 1978 Arms Control and Disarmament Agency report saying only 40 F–15s should be provided. A 1976 Defense Department reassessment advised the Saudis not to purchase F–15s at all, on the grounds that they could not assimilate them.

If the F–15 sale had resulted in Saudi support for American peace efforts in the Middle East—as promised by the Carter administration—then it might be argued that the United States had received a quid pro quo for the planes. But since Camp David, what has happened? At both Baghdad pan-Arab summits, the Saudis were instrumental in building a consensus for punishing President Sadat and for paying out billions to Jordan and Syria to stay out of the peace process. This year the Saudis led the Islamic nations in calling for a jihad against Israel.

Not only did the Saudis not deliver on their part of the quid pro quo, the Carter administration actually shifted its peace policy in Saudi Arabia's direction. How else can one explain Washington's attempts in 1979 to involve the PLO in peace negotiations? How else explain the effort to alter UN Resolution 242, when it had formed the cornerstone of the Camp David accords? And how else explain the counterproductive attempts to reach prematurely for a "comprehensive solution" at the expense of the Camp David accords and the repeated acquiesence to one-sided Security Council resolutions?

In spite of the record and its own public promises, it's likely that the Carter administration would have approved the new Saudi request for offensive ordnance. According to the biweekly Middle East Policy Survey, Secretary of Defense Harold Brown gave his personal commitment to Saudi defense minister Sultan that the kingdom's request would be fulfilled.

The Reagan administration thus inherited a difficult situation, but not an impossible one. It could have invoked the 1978 executive commitments in refusing the sale. But in consultations with Congress during the past three weeks, Reagan administration officials have parroted the same vague and superficial justifications that previously had been cited by the Carter administration. "If we don't sell them this equipment, then they will buy it elsewhere," goes one verse. Another maintains that the Saudis are a "force for stability and moderation in the Middle East." (The corollary is that Saudi Arabia's moderation would disappear if they are not granted their requests.) Yet another cites the security threat to Saudi Arabia, especially to the Eastern oil-producing provinces; but doesn't quite explain how Saudi Arabia would defend itself against the blows of the Soviet Union, Iraq, Iran, or the People's Democratic Republic of Yemen. The final line assures all concerned that Saudi Arabia never would use its F–15s, or transfer them for use, in direct combat against Israel.

A preview of this administration's embrace of previous policies was provided last month in Defense Secretary Caspar Weinberger's maiden news conference. He expressed the American desire to bolster Saudi Arabia's security by providing the offensive F–15 equipment they had requested. When asked about the American commitment to Israel, Weinberger responded sympathetically to Israel's needs, maybe a bit too sympathetically, in offering to station troops in Israel.

Actually, it is Saudi Arabia that needs American troops, not Israel. With vulnerable oil fields, limited military capability, vast territory to defend (over 4,400 miles of coastline), and surrounded by militarily superior adversaries, Saudi Arabia must depend upon the American security umbrella. The closer American forces are to Saudi Arabia, the more protection they can provide.

But, it's argued, the Saudis are unwilling to become overly identified with the United States (or any foreign power) for fear of inciting domestic resentment. Therefore the US has to sell the Saudis sophisticated weapons to use in protecting themselves. So goes the military justification for the F–15 sales. But key military questions have not been faced: from which potential adversary can Saudi Arabia realistically be expected to defend itself? What are the most likely situations in which the planes will be used? Can the Saudis absorb the weapons? What are the other potential effects generated by transforming the kingdom into a massive arms arsenal?

According to the 1980–81 annual report of the International Institute for Strategic Studies and other sources, the balance of forces between Saudi Arabia and every one of its potential adversaries is overwhelmingly weighted against Saudi Arabia. This imbalance is further accentuated by the vast territory Saudi Arabia has to protect. No matter how many F–15s Saudi Arabia possesses, the kingdom always will be incapable of defending itself. The Saudis and Americans are both well aware that should the kingdom be subjected to an external attack, the Saudis would have to rely on American military forces to protect their oil fields from destruction. The creation of the American Rapid Deployment Force attests to the acceptance of this contingency.

If the F–15s have no credible defensive role, why do the Saudis want them? One answer is prestige. Another is that they may hope to acquire an offensive option. The F–15 is the most sophisticated fighter plane in the world, capable of challenging any other aircraft. When equipped with extra fuel tanks, advanced radar, and AIM 9L air-to-air missiles, the F–15 is capable of inflicting lethal damage 1,000 miles away from its takeoff point. It could fly from Saudi Arabia to anyplace in the Middle East and return.

Having acquired 60 F–15s and offensive enhancement gear, the Saudis may be tempted to use them. How? One possibility is to settle old scores with weaker Persian Gulf rivals such as Oman. Religious and tribal animosities characterize the Saudi-Omani relationship and, on more than one occasion, the Saudis have tried to occupy Oman's Buraimi Oasis. The Omanis themselves probably will be granted additional weapons by the United States, too. The US is in the process of creating a version of mutual assured destruction in the Persian Gulf, a kind of Mideast balance of terror.

What about the threat to Israel? Proponents of the sale discount the possibility of a direct Saudi attack because of the more destructive Israeli retaliatory capability. The logic of this thesis is sound, but logic does not always govern behavior in a region of the world where dying by the sword is preferred to political compromise. In the event of another Arab-Israeli war, it is naive to believe that Saudi Arabia could resist pressure to use its weapons against Israel, or to transfer its planes to some other Arab state. Saudi Arabia took part in three past Arab-Israeli wars, but its involvement was limited to support roles and joint maneuvers with Syria and Jordan. The important difference is that then the kingdom simply did not have the modern weaponry it now has at its disposal. The mere existence of the superior F–15s, hardly a secret, would generate overpowering demands upon the kingdom from both within and without for use in an actual jihad against Israel. In the past, the Israelis never have felt a military need to attack Saudi territory. But if they feared a new war with the Arabs was imminent, they would have a strong incentive to launch a preemptive strike to knock out the Saudi F–15 force.

In all fairness, responsibility for fueling the arms race in the Middle East must be spread among several Western countries and Russia. The Saudis apparently will get 300 West German Leopard tanks and 200 British Tornado jets. Reportedly they have made a secret $3.4 billion agreement with France to buy ships and helicopters, and are negotiating to finance production of Mirage 4000 jets. The lure of recycling oil debts, lowering unit costs of weapons, and engendering goodwill have proven irresistible to the Europeans.

The dangers of an arms race are somewhat mitigated by reported Saudi inability to absorb such vast quantities of sophisticated weapons. A similar problem arose in Iran, yet the surplus cash skimmed off the top of the defense contracts ensured that the contracts continued. Multinational corruption in Saudi Arabia probably has not risen to the levels reached in Iran, but the issue of Saudi absorptive capacity should be a fundamental consideration in determining the feasibility of appropriate military sales. Is the US prepared to sanction the Saudis' use of Pakistani mercenaries to fight on their behalf?

Even more troubling are the negative domestic repercussions of the massive arms sales, an issue relating to the larger problem of internal Saudi instability. The strains caused by accelerated industrialization, accompanied by liberalization of the kingdom's social or political institutions, well may provoke a violent reaction against the regime. Add the factors of corruption, a large foreign presence, Islamic revivalism, class disparities, and Shia-Sunni and other intra-clan tensions (particularly in the oil regions), and the future looks even more ominous. On top of this, the impact of a massive arms infusion could prove disastrous. Many sectors of Saudi society, from religious ascetics to those with rising expectations about the benefits of oil wealth, may end up increasingly dissatisfied with an uneven development program that goes too far and simultaneously not far enough. A conspicuous arsenal of Western arms may create, as in Iran, an irritating reminder of the regime's wasting of precious, dwindling resources. No one can predict that massive internal insurrection will occur in Saudi Arabia, but it would be a tragic irony if sometime in the future American troops were forced to protect American interests from the ravages of American arms.

Mr. BAUCUS. Mr. President, Saudi Arabia has been a loyal ally to the United States. I think it is imperative that we use all of our collective wisdom to insure the continued close cooperation between our two nations.

However, we should not be blinded by our Nation's need for a stable supply of

Saudi oil. While I believe it is important to keep the current supply of oil from Saudi Arabia to the United States flowing, I think it is also important to examine carefully any arguments that suggest that the failure to provide additional arms to Saudi Arabia will in some way curtail the current supply of oil. In this connection, I ask unanimous consent that Douglas Feith's recent article in the Wall Street Journal be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAUDI PRODUCTION CUTBACK AN EMPTY THREAT?

(By Douglas J. Feith)

The following report appeared a few weeks ago in The New York Times: " 'We've gotten no sign of appreciation for everything we've done,' said Ahmed Zaki Yamani, the [Saudi] minister of petroleum, maintaining that Saudi development needs would require oil production of only half the current rate of 10.3 million barrels a day. 'Why should we accumulate a surplus of funds?' Yamani asked rhetorically."

Soon thereafter, the U.S. ambassador to Saudi Arabia, John C. West, announced his thoughts on Saudi oil policy, and they resembled Yamani's. The Saudis are producing "double the amount of oil they need for their own national economy," Mr. West asserted, and added, "If they cut their production to 4.5 million barrels a day they could generate all the money they need for their five-year plan." Mr. West warned that if the Reagan administration's relations with Riyadh "deteriorate," the consequence will be lower Saudi oil production.

Either the Saudis are history's most unusual businessmen or Sheik Yamani has been pulling legs. Yamani frequently tells Western journalists that the Saudis would prefer to produce and sell less oil. "We really hope that we can cut down a little bit as soon as it is possible," he confided recently to the Washington Star.

Such a comment, from an official of a state where oil sales to foreigners account for over 90% of GNP and virtually 100% of exports, seems designed to engender astonishment, if not disbelief. Why should a businessman—a seller of goods—desire less demand for his product and thus less revenue? But Yamani usually pre-empts the question by asserting that the Saudis would actually increase their oil revenues by selling less oil, and that Saudi Arabia anyway has more money than it needs and even more than it wants, so it can best enhance its wealth by taking less oil out of the ground.

RAISING ANOTHER QUESTION

Such remarks of course raise another question: Why don't the Saudis do the apparently sensible thing and cut their oil production? There is a ready answer to this too. We would do so, Yamani explains, but it would hurt our friends in the West. In the face of such benevolence, what can interviewers say? How about: "I'm skeptical." They never do.

Talk of Saudi satiety, friendship and beneficence should get one reaching for his pocket calculator.

When The Wall Street Journal interviewed Yamani in November 1980, its report noted that Saudi oil production amounted to around 10 million barrels a day (as at present) and the price of Saudi oil was $30 per barrel (it is now $32). In connection with a discussion of the "link" between Saudi oil policy and U.S. foreign policy, the Journal quoted Yamani: "For us, production of three million barrels a day when the price would be $50 a barrel would increase our revenue and conserve our resource. . . . Don't take the Saudis for granted."

Not taking Yamani's figures for granted, I calculated Saudi Arabia's then current revenue: 10 million barrels a day times $30 per barrel equals $300 million a day. I compared this to the figures Yamani put forward to prove that Saudi Arabia would increase its revenues by lowering its production: 3 million barrels a day times $50 per barrel equals $150 million. To assert that 150 is greater than 300 is a large and rather self-serving miscalculation on the part of the Harvard-educated sheik.

Furthermore, according to prevailing oil demand elasticity projections, it is questionable that a 7 million-barrel-a-day cut in Saudi output would have allowed crude oil prices to rise as much as 66.6% (from $30 to $50). Be that as it may, OPC's current "oversupply crisis" (which additional production from revenue-starved Iraq and Iran will likely aggravate in the next few months) eliminates altogether the possibility that such a cut by the Saudi would now bring about so great a rise in prices. Thus, a substantial drop in Saudi oil production would mean a substantial drop in the kingdom's revenues. A loss of $150 million a day cannot be sneezed at, even by the Saudis.

Saudi Arabia's ability to sneeze at a loss of revenues was the theme of a feature article this month in the Washington Post. The following items were reported: Current Saudi output is around 10 million barrels a day. Saudi oil sells for $32 per barrel. The Saudi budget this year is $75 billion. Saudi "reserves" (presumably, foreign assets) now equal $125 billion. And Saudi Arabia is adding to these reserves at the rate of $2 billion a month.

That means the Saudis are spending at a rate of around $96 billion a year. The Saudis announced a budget of $75 billion for this year, but they evidently are exceeding it, which conforms with their past practice.

Official figures just released in Saudi Arabia reveal, as reported in The New York Times on March 23, that "last year's expenditures [by the Saudi government] exceeded budgeted allocation by as much as 93% in some sectors." As for the roughly $140 billion budget for its 1975–80 development plan, the Saudi government confirmed a few months ago that the plan actually cost around $210 billion—despite Saudi Arabia's having accomplished, by all accounts, substantially less development than the plan called for.

The $96 billion current spending figure puts into perspective the amount of Saudi Arabia's financial reserves, which Yamani (probably erring on the high side) estimates to be $125 billion; those reserves amount to a bit more than one year's spending for the Saudi regime. It bears noting that despite Yamani putative preference for oil in the ground over money in the bank, Saudi Arabia has never financed spending by drawing down its bank holdings when it was able to finance it through oil sales at current prices.

In fiscal 1977–78, the Saudi government was forced to reach into its central bank's foreign assets; the government that year had spent all its revenues (oil revenues as well as investment and other income) and incurred a fiscal deficit of more than $4.1 billion.

In the next fiscal year, Riyadh ran up an even larger fiscal deficit—over $4.6 billion—and drew down foreign assets approximately 10%, by more than $6 billion. (An admirable study of Saudi economic policies, written by Queens College Visiting Professor E. Kanovsky will appear in the forthcoming "Middle East Contemporary Survey" published by Holmes & Meier in New York.)

Crude oil prices are too high to allow all the OPEC countries to sell all the oil they are producing; hence the grumbling among the oil states about production cuts and price reductions. If, as Yamani predicted in the Post article, Iraq and Iran add 7 million barrels a day to world supplies and this forces Saudi Arabia to cut its output by 5 million barrels a day, the Saudi cut will not force prices up; total world supplies will remain at least as plentiful as at present (even if other smaller exporters feel compelled to reduce their production somewhat), with Iranian and Iraqi production simply displacing that of Saudi Arabia.

GRIM TALE FOR SAUDIS

Under these circumstances, a Saudi production cut from 10 million to 5 million barrels a day would cut Saudi revenues in half—from the current $120 billion a year to around $60 billion. But official Saudi spending is at the rate of $94 billion a year, and thereby hangs a grim tale for the Saudi regime.

Therefore, notwithstanding Yamani's bold front and Ambassador West's dubious insights into Saudi fiscal requirements, Saudi Arabia can be counted on to persist in seeking ever higher revenues, even in periods when it is accumulating a current-account surplus, and to resist (so long as market conditions allow resistance) pressure from whatever source to cut Saudi output. (Note that the real pressure for a Saudi production cut comes not from the Saudi populace which benefits from high Saudi revenues, but from the other oil-exporting states, which wish to be spared the necessity of having to cut their own production or prices when the market goes "soft.")

Saudi Arabia produces and sells as much oil as it can find customers for at current prices. It does so because its rulers enjoy wealth and wish to preserve their rule. Whether those rulers are "pro-Western," "friendly" or pleased with any or all of the elements of U.S. foreign policy is an issue "linked" to Saudi oil policy only in diplomatic rhetoric and in the minds of those who do not actually bear responsibility for turning Saudi oil into money.

● Mr. HATCH. Mr. President, the Reagan administration has announced its consideration of the sale of Airborne Warning and Control System (AWACS) E–3A aircraft, AIM–9L air-to-air missiles, and fuel and sensor tactical (FAST) packs to Saudi Arabia.

The AWACS is a modified Boeing 707–320B aircraft equipped with a 30-foot rotating radar dome antenna. It is equipped with computers, data-processing, communication, and identification equipment, and multipurpose consoles. The AWACS is a combination early warning radar station, battlefield surveillance plane, and a tactical battle control station which, until now, has only been provided to NATO members.

The FAST pack is a conformal fuel and equipment pod attached on each side of the aircraft that would increase the combat radius of F–15's (already in Saudi possession) from about 450 miles to more than 1,000 miles, bringing all of Israel, Egypt, Iraq, and Iran within the aircrafts' combat range. The pods, which actually improve the aerodynamic performance of the F–15, are capable of carrying two AIM–7 Sparrow air-to-air missiles or 4,400 pounds of air-to-ground ordinance.

The AIM–9L, featuring all-aspect attack, maneuverability, resistance to jamming, and a more lethal warhead, is the most advanced version of the Side-

winder air-to-air missile. Sale of any of the above to Saudi Arabia may seriously endanger American interests in the Middle East for several reasons:

First, the credibility of the executive branch to Congress and to U.S. allies would be jeopardized. During the 1978 debates concerning the sale of the F–15 to Saudi Arabia, the executive branch assured Congress in writing that enhancement accessories would not be sold to Saudi Arabia in the future. In a letter to the Senate Committee on Foreign Relations dated May 9, 1978, then Secretary of Defense Harold Brown stated—

> Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F–15.

To go back on such a promise would be to damage U.S. credibility.

Second, many argue that there exists no threat to Saudi Arabia that would warrant the sale of such systems to that nation. Soviet forces, in Afghanistan are more than 1,000 miles away, inaccessible to F–15's. Furthermore, even 62 enhanced F–15's would never be able to ward off a Soviet attack singlehandedly. A Saudi-Iraqi conflict is highly unlikely. Iraq, in fact, is receiving both diplomatic and military aid in its war against Iran from Saudi Arabia.

The current Saudi arsenal is an effective defense against South Yemen, a country further deterred by obstacles of desert and distance. Iran, whose threats have been blunted by the stationing of American AWACS in Saudi Arabia, could only perceive offensively equipped F–15's as a strategic threat, thus destabilizing the region.

Israel would also suffer a threat to her national security. Although Israel has been promised a quid pro quo package of weapons and money, the sale of these top-of-the-line items to Saudi Arabia would damage the technological edge upon which Israeli security has relied. Furthermore, an arms spiral would be an economic disaster for inflation-plagued Israel. All of Israel would come under "real time" surveillance if Saudi Arabia were equipped with AWACS. Israel hoping to not offend the new administration, is taking a dormant attitude while Saudi Arabia continues its calls for a Jihad (Holy war) to liberate Jerusalem. Indeed, Saudi oil minister, Sheik Yamani announced that his country is ready to "shed blood to liberate Jerusalem. We are prepared to use all we have to fight." Israel is understandably nervous.

Another risk involved in the proposed deal is the question of Saudi internal stability. The seizure of the Grand Mosque in Mecca was too big a problem for security forces. The Royal family has met popular resentment against its concentration of power, its shrewed budgetary priorities, and its pervasive corruption. There exists a prevailing sense of instability reminiscent of prerevolution Iran. Just as training manuals for systems such as the F–15 and the Phoenix missile were compromised within 30 months of the fall of the shah, compromise of the AWACS' secrets would be a dangerous blow to American security.

Finally, an historical analysis of the American-Saudi "special-relationship" demonstrates that gestures of good will between the two countries have for the most part, been unilateral. Since the 1978 F–15 sale, the price of oil has jumped from $12 to $32 per barrel. Saudi Arabia successfully threatened the Carter Administration to stop the stockpiling of the strategic petroleum reserve. Following the Iranian revolution, Saudi Arabia followed, and in some cases instigated, the escalation of OPEC oil prices while also raising its prices retroactively. Saudi Arabia has since opposed the Egyptian-Israeli peace while supporting the PLO, has opposed American bases in Saudia Arabia, has expelled American CIA officers, has threatened Oman, an American ally, and has allowed Soviet supplies through Saudi Arabia to Iraq. Recently, during the summit meeting of the Organization of the Islamic Conference Saudi Arabian King Khalid warned his coreligionists against forming alliances with "or taking refuge under the unbrella of a superpower."

Therefore, at this time, I lean against this sale and unless someone can show me ample reason to change, I will probably vote against it.●

Mr. SASSER. Mr. President, I join with many of my colleagues today, from both sides of the aisle, in expressing opposition to the sale of auxiliary equipment for the F–15's previously sold to Saudi Arabia.

I do not oppose the development of effective military relationships between the United States and friendly nations in the Middle East. Those relationships are, and must remain, of a defensive character. We changed the name of our own Department of War to the Department of Defense long ago, and our policy at home and abroad must reflect that subtle yet profound difference.

I did not believe the original sale of the F–15 aircraft to Saudi Arabia was consonant with that policy, and I voted to disapprove the sale in 1978. We may hear in debate today from some in this body who voted the other way for a variety of reasons, perhaps the most forceful of which were the hidebound, guaranteed assurances that these aircraft would be equipped for a defensive mission, and nothing more. Although I was not convinced, I can certainly see where the carefully thought out and repeated commitments of the administration could satisfy a reasonable individual.

But not this. Not the sale of AIM–9L Sidewinder missiles, not fast packs (fuel and sensor tactical packs). We are looking at a proposal based on the idea that the best defense is a good offense—this is no game, Mr. President. What possible reason, consistent with our policy, could there be for providing advanced all-aspect air-to-air attack missiles to the Saudi Air Force? How could we seriously even consider adding to their squadrons of defensive fighter-bomber F–15's the same conformal tanks that this country almost literally swore would never accompany the F–15 sale? I do not oppose the necessary, gradual shifts in the U.S. policy which must accompany changes over time in international situations. But this is not necessary, it is not gradual, and there is no shift in the situation that demands such a horrendous reversal of a solemn pledge.

We are going to hear today about the similarities between the arming of Iran and the arming of Saudi Arabia. While I do not hold with every aspect of those arguments—and I have an incomparably more hopeful view of the future of the Saudi system than any such comparison would indicate—I think we have to view, with justifiable caution, any impulse to relegate this much influence and this much technological authority to a third party. Saudi Arabia is not a NATO country; it sounds strange to say, but there is a critical difference here, and the difference is not reflected in this proposed weapons sale.

The fast packs are the items that add the greatest insult to this potential injury. Then-Secretary of Defense Harold Brown's now-famous quote to the Foreign Relations Committee chairman declared that:

> Saudi Arabia has not requested nor do we intend to sell any other systems or armament that would increase the range or enhance the ground-attack capability of the F–15.

The fuel and sensor tactical packs do precisely that. They double the range of the aircraft and enable it to carry greater payloads over longer distances. For defense purposes? I challenge anyone to justify it.

Even if all the aforementioned objections were insufficient—and they are not; I object—there is the key consideration of our relationships with other friendly nations in the Middle East, particularly Israel. I opposed the original sale fundamentally on the grounds that it would further destabilize a volatile area, and antagonize and threaten all other nations in the region, traditional friend or traditional foe of the Saudis. That assessment is vastly magnified with this proposal. It is not in our interest or the interest of any country in the region to allow this sale to go through.

The discussion of future oil prices in this context is inappropriate; the discussion of future oil supplies has strayed from its proper place in the argument. Even though a tremendous proportion of the justifiable arguments for maintaining military and political strength and stability in the Middle East are related to the continued smooth operation of petroleum, from its point of supply to its point of demand, the concept of being bartered into a corner is abhorrent. It is also unnecessary.

Mr. President, I urge those of my colleagues who have not yet decided how they will vote to consider these points. I believe that failure to disapprove this sale could have the most serious damaging effects on every aspect of our own relationships throughout the Middle East, and on the already-fragile relationships among those nations.

Mr. MATSUNAGA. Mr. President, I rise to join my colleagues in expressing

grave concern over the administration's announced intention to sell Saudi Arabia warplane equipment—equipment which would significantly enhance the offensive capability of the F–15 aircraft previously sold to that country by the United States.

Mr. President, not only would this sale, if carried out, serve to threaten the security of our close ally, the State of Israel, and heighten tension in that region by escalating the Middle East arms race, but it would also fail to achieve the administration's purported objective; to strengthen the U.S. presence in the Middle East-Persian Gulf region generally, and, in particular, to enhance Saudi Arabia's ability to resist Soviet aggression.

We must realize at the outset one critical fact: the sale of this equipment would not significantly strengthen Saudi Arabia's military posture vis-a-vis the Soviet Union. It would, in fact, prove to be insignificant were the Saudis or others be faced with a Soviet threat to the region. This minor upgrading of a small Saudi armed force is no deterrent to a military goliath such as the Soviet Union. Mr. President, I must emphasize that while this equipment would be meaningless as a deterrent to Russia, it would pose both a real threat to the security of Israel, and act to destabilize the balance of arms in the Middle East, given the entirely different scale of weapons existing within the region.

The conformal fuel tanks that the administration plans to sell to Saudi Arabia will provide their F–15 jets with an additional 1,500 gallons of fuel, enabling those planes to remain airborne longer and extending their combat radius from 450 miles to over 1,000 miles. This would, in effect, needlessly place Israel within easy striking distance of Saudi Arabia's military aircraft.

Should there be any doubt as to the potential impact this would have for the military security of Israel, let us remember that Saudi Arabia has never endorsed the goal of peace in the Middle East, has never embraced the Camp David peace process, and has remained an avid and active backer of the terrorist organization, the Palestine Liberation Organization—an organization bent on the destruction of the State of Israel.

Israel is a stable and reliable democratic ally in the troubled and generally unstable Middle East region. Saudi Arabia, I should note, has neither the record of stability nor the strength of a democratic tradition. The U.S. commitment to the continued viability of the State of Israel is, indeed, in our national security interest. Certainly, we should not embark on a policy which would weaken the security of Israel and destabilize the military balance in the Middle East.

Mr. President, in 1978, during consideration of the original sale of F–15's to Saudi Arabia, the administration gave Congress explicit assurances that no future actions would be taken to increase the offensive capability of those aircraft. While I recognize the need to insure the security of Saudi Arabia, I do not believe that the present circumstances warrant a reversal of that commitment. I repeat, the decision to sell warplane equipment to Saudi Arabia lacks any sound military rationale, and would only result in an increased military threat for Israel and an increase of arms escalation in the Middle East.

We must never forget that the United States was largely instrumental in the creation of the State of Israel as it exists today and must never abandon our responsibility to keep that beacon of democracy burning brightly in the Middle East.

Mr. ROTH. Mr. President, I rise today to join my colleagues in raising serious questions as to the wisdom of providing Saudi Arabia—or any potentially unstable government for that matter—with the very latest in American electronics warfare equipment. I would have thought that our experience in Iran would have taught us this lesson. We provided the shah with some of the most advanced weapons systems in our arsenal. When he was overthrown—not by outside forces but by his own people—these systems, the F–14 and the Phoenix missile among others, were irrevocably compromised.

I am not suggesting that the ruling family in Saudi Arabia is about to be overthrown. For all I know, they may reign forever. But what I am saying is that we should not take unnecessary risks with the only thing we have that gives us an edge over a Soviet Union that is devoting some 15 percent of its GNP to building up its military capabilities. If we lose the technological edge by inadvertently allowing state-of-the-art electronics weapons to fall into Soviet hands, we will have placed our own security in grave danger.

There is no question that Saudi Arabia should be able to defend itself from outside aggression. The question is how much is enough, especially if the weapons system can be turned against our one permanent friend in the region: Israel.

I had grave concerns about the wisdom of providing F–15's to Saudi Arabia and with a number of my colleagues sent a letter to the President to that effect. I have even graver doubts concerning the proposed sale of the AWACS system. This is not just an early warning system. It is an entire command and control center that, when wedded to 60 F–15's, would present Israel with a very serious security problem.

I urge the President not to approve this sale.

● Mr. RIEGLE. Mr. President, I wish to join my colleagues in the Senate who are speaking today in opposition to the Saudi request for equipment to enhance the offensive capabilities of their U.S.-supplied F–15 warplanes.

I applaud those Senators who are also speaking out against providing the requested conformal fuel tanks and "Sidewinder" air-to-air missiles.

When President Carter first proposed selling 60 F–15's to the Saudis, the request was accompanied with assurances that no further action would be taken to increase the offensive capability of those aircraft. Despite those assurances, I voted against the sale. I believed then that the sale of the F–15's, coupled with the scaled down request for Israeli weapons, clearly tipped the scale away from Israel and toward the Arab States.

Today, my convictions in this regard and my opposition are even stronger. The 1978 sale was painted as a "litmus test" of U.S. relations with Saudi Arabia, with compliance with the Saudi request holding the promise of more moderate and supportive policies coming from that country. Clearly events have shown otherwise.

Since the 1978 sale, the Saudis have done nothing to encourage a peace settlement in the Middle East. Rather, they have sought to aggravate such efforts in a number of ways. In addition to breaking relations with Egypt, they have led the Arab political and economic boycott of that country. Furthermore, the Saudis have opposed the use of the Suez Canal by Israeli ships; have called for a holy war against Israel; have continued to finance the PLO and other terrorist organizations; and have increased the price of oil from $12 a barrel to roughly $30 a barrel.

The argument that Saudi defense needs require the acquisition of the additional sophisticated weaponry does not hold up. The ongoing Iran-Iraq conflict has virtually removed any threat to Saudi Arabia from those countries. Furthermore, 62 enhanced F–15's would not protect Saudi Arabia against a full Soviet attack. Only the United States could do this.

The party most threatened by a continued Saudi arms buildup is clearly Israel. For, while Saudi Arabia might not move alone against Israel, Saudi arms could well be transferred to others.

The introduction of additional sophisticated armaments into the Saudi arsenal will serve only to increase tensions in the Middle East and encourage a further arms race in that fragile part of the world.

Some would argue that the United States must honor the Saudi request in order to insure U.S. access to Arab oil supplies, a concept that must be rejected outright. Even those who advance that reasoning have no tangible reason to believe that this, or any other sale, will provide such guarantees. Following the original sale of the F–15's, Saudi Arabia threatened to cut back on the world supply of oil if the United States continued filling its strategic petroleum reserve.

When President Carter first proposed selling enhanced F–15 equipment to Saudi Arabia last year, I joined 67 of my Senate colleagues in sending a letter to him, urging him not to violate the assurances given at the time the original sale of the F–15's was approved. The same arguments for rejecting the Saudi request then apply today.

I intend to work against—and vote against—further offensive weapons arms shipments to Saudi Arabia.●

● Mr. KENNEDY. Mr. President, I wish to join with my colleagues in expressing my strong opposition to the Reagan administration's decision to sell advanced

military equipment with obvious offensive capability to Saudi Arabia.

I voted against the sale of 62 sophisticated F–15 fighter aircraft in 1978, because they would endanger the security of Israel. In fact, the F–15 sale generated so much concern that the Carter administration promised explicitly to draw the line there—and never to increase the offensive capability of aircraft in the Saudi arsenal. Without those assurances, Congress would surely have disapproved the sale.

A new administration must not repudiate the solemn obligations of the U.S. Government. We are not talking about some technical "enhancement" of the F–15. We are talking now about the most advanced Sidewinder missiles and about extra fuel tanks which would permit the Saudi F–15's to range far wider to attack the territory of Israel.

And now we learn that there is even more to come. The administration is considering aerial refueling capabilities and AWAC's planes to give Saudi Arabia not just early warning of attack, but a command platform in the air that could guide attacks against Israel. America must never give the Saudis or any other nation the power to defeat Israel air defenses. And I pledge to oppose absolutely the AWAC's plane sales to Saudi Arabia.

The administration is pursuing a policy based on a false premise. More arms cannot buy or bribe the Arab States into a peace settlement in the Middle East. Just 2 weeks ago, two Saudi newspapers reacted to criticism of the latest arms deal by admitting—and I quote—that "the Saudi Government does indeed plan to equip its army in order to liberate the plundered lands."

The Reagan administration claims that it is pursuing an antiterrorist strategy. Then let them stop selling offensive arms to Saudi Arabia, which spends nearly $400 million a year to finance the terrorists of the PLO—and only last week gave the PLO another $27 million for joining the Taif declaration of holy war against Israel.

The administration claims that it wants peace in the Middle East. Then let them stop selling offsensive arms to Saudi Arabia, which fiercely opposes the Camp David peace process.

Instead of giving the Saudis a needless offensive military capability, we must recognize their real security needs. We must pursue a stable, independent, and pro-Western Saudi Arabia, but our relationship with the Saudis cannot be a one-way street. We are entitled to expect Saudi cooperation and not rejection of the peace process. We are entitled to expect the reality, not a charade, of oil price restraint and oil supply reliability in the Middle East.

Saudi Arabia does face an external threat from the Soviet Union, South Yemen and possibly Iran and Iraq. I support American supplies of the defensive arms necessary to meet this threat. But of this we must be certain: that the defensive arms we supply to Saudi Arabia, Egypt, or other Middle East states must always be aimed in the right direction—and never against Israel.

Later this week the Secretary of State will travel to Egypt, Israel, Jordan, and Saudi Arabia. Yet seldom in the last generation has there been greater uncertainty about American policy in that region of the world.

It is time for the United States to be clear about its objectives in the Middle East. And it is time for the United States to carry out these objectives consistently, reliably, and effectively.

First, we must assure the security and prosperity of Israel, our strongest friend and surest ally in the entire region. We cannot and must not jeopardize Israeli security by supplying offensive arms to its mortal enemies.

Second, we must promote peace and stability in the Middle East. Israel and Egypt are strategic cornerstones in the broader peace we must seek. The Camp David accords are a historic achievement. We cannot, and must not, set them aside in a futile effort to appease those sworn to an unholy war against the Holy Land of Israel. Nor can we allow the Soviet Union or its surrogates to undermine a just and lasting peace in the Middle East.

Third, we must achieve full energy security for ourselves and our allies by reducing, and finally eliminating, the crushing burden of our dependence on foreign oil. We cannot, and must not indenture ourselves indefinitely to the Arab oil barons, and open ourselves and our allies to Arab oil blackmail.

Mr. President, in the March 21, 1981, issue of the New Republic, Steve Emerson wrote an interesting and perceptive article which makes clear the dangers of the administration's policy toward Saudi Arabia. As he points out, in addition to "the issue of an increased threat to Israeli security," there are many other arguments against offensive arms sales to Saudi Arabia, "including the absence of a sound military rationale for the equipment, perpetuation of an unhealthy American-Saudi relationship, the possibility of Saudi mischief in the Persian Gulf, and potential destabilizing effects on Saudi Arabia itself."

I commend Mr. Emerson's articles to my colleagues, and request that it be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

NEW SALAAMS TO THE SAUDIS

(By Steve Emerson)

Rumors of the death of the Carter administration have been greatly exaggerated. The Reagan decision to acquiesce to Saudi Arabia's demands for offensive F–15 hardware means that one of the Carter administration's most short-sighted policies remains alive and well. It is ironic that the new administration, which campaigned promising to reassert American toughness abroad and to promote the national interest unapologetically, has accepted the policies of its predecessor so uncritically.

Reagan policy-makers undoubtedly believe that they have resolved the F–15 dilemma by giving Israel military credits to partially compensate for its increased vulnerability. And they view the sale as part of a new strategic emphasis on containing Soviet expansion in the Middle East, not unlike former secretary of state John Foster Dulles' application of the Truman Doctrine, which produced the short-lived Baghdad Pact among Turkey, Pakistan, Iraq, and Iran in 1955.

It is unfortunate that the issue of an increased threat to Israeli security was the only argument against the sale that the administration considered. There are many others, including the absence of a sound military rationale for the equipment, perpetuation of an unhealthy American-Saudi relationship, the possibility of Saudi mischief in the Persian Gulf, and potential destabilizing effects on Saudi Arabia itself.

Lest anyone forget, during the 1978 congressional debate over the initial sale of 60 F–15s to Saudi Arabia, Carter administration officials imposed explicit and public restrictions on the sale of "any system or armaments that could increase the range or enhance the ground-attack capability of the F–15." It was specifically stipulated to Congress that the Saudis would not receive auxiliary fuel tanks, multiple ejection (bomb) racks, air-refueling capabilities, early warning radar planes (AWACS), or "all-aspect" AIM 9L ("Sidewinder") air-to-air missiles. Last year the former president reaffirmed these restrictions in numerous press interviews and in discussions with elected officials.

Citing new security considerations and changing circumstances, the Reagan administration now has granted immediate approval to the sale of the extra fuel tanks and Sidewinder missiles, to be followed by future approval of the advanced radar planes, midflight refueling capability, and, possibly, bomb racks. This approval only further entraps the US in a vicious cycle of escalating Mideast arms sales. And it perpetuates the pattern whereby the Saudis get what they want from the US by representing every request as a "litmus test" of American-Saudi relations. Instead of initiating a "new beginning," the Reagan administration has signaled willingness to endure an obsequious and inherently counterproductive relationship. The United States would be well advised to heed the advice of Egyptian president Sadat, who repeatedly has urged US officials to stop babying the Saudis and to demand that they respect our military and political interests.

Developing a healthy relationship with the Saudis depends on a clear-headed evaluation of what they do for us, and we for them. The Saudis supply 17 percent of the world's oil production, which is vital to the well-being of the Western economy. Saudi rulers pay a political price for keeping production up. Younger, more conservative princes (ironically, often Western-educated) charge that their elders are squandering the national patrimony. Also, by producing at rates commensurate with Western needs, the Saudis get accused by Islamic fundamentalists and Arab radicals of being allied with "infidels" and "imperialists."

But in setting their levels of oil production, the Saudis also are guided by self-interest. They need to prevent the collapse of the Western economy and devaluation of Saudi investments in the United States and the West. They don't want to induce the West to develop alternative energy supplies. They need money for their massive development and industrialization program, estimated to cost $270 billion over the next five years. And, in the end, they do not want to drive the West to military action to preserve its oil supply.

Saudi Arabia has reaped considerable rewards from its relationship with the United States. Since 1945 Washington has provided the house of Saudi with a security umbrella against aggression from potential enemies—the Soviet Union, Yemen, Libya, Iraq, and Iran. Over the past six years, the US has sold more military equipment to Saudi Arabia than to any other non-NATO

country, totaling more than $22 billion. In 1980 alone, Saudi purchases of American military equipment and construction amounted to about five billion dollars.

Saudi Arabia also derives vast quantities of nonmilitary goods and services from the US—$23 billion worth between 1976 and 1980. American companies are heavily involved in building and running modern Saudi Arabia. Aramco alone employs over 10,000 American citizens to produce the kingdom's oil.

In short, each nation is compelled to depend upon the other. Given American superiority in military and technological fields, however, a strong case can be made that the Saudis are more dependent on us than we are on them. The United States imports 1.2 million barrels per day from Saudi Arabia. This is just one-sixth of all American oil imports and only six percent of America's total petroleum consumption of 16.7 mbd. The Saudis have an "oil weapon" all right, but its potency is more limited than Americans often realize.

For one thing, the Saudis do not have a limitless capacity to increase production to reward satisfactory behavior in the West. In April 1979 the Senate Foreign Relations Committee issued a detailed analysis of Saudi production and reserves based on subpoenaed documents from Exxon and Socal, two partners in Aramco. The report concluded that Saudi Arabian production is never likely to exceed 12 mbd, and that this level could be sustained only for 15 or 20 years before it started to decline. Because of reductions in projected recoverable reserves and rising costs of maintaining production, the report also indicated that Saudi Arabia might never raise its maximum sustainable capacity beyond the present 10 mbd. The fundamental conclusion of the Senate study was that Saudi Arabia produces its oil based on its own economic self-interest and on geological realities, and that "linkage" with the Arab-Israeli dispute never has been figured into production decisions. The New York Times twice reported that CIA analysts supported the report's findings.

There is evidence that even the October 1973 oil cutoff may have had geological and conservationist explanations. In any event, various oil experts maintain that actual production cutbacks were limited in duration and magnitude. US gas lines made the embargo seem successful, but according to MIT economist M. A. Adelman they were the product of the "explosive combination of controlled prices and no rationing. . . ."

Finally, an increasing number of Middle East oil economists believe that Saudi Arabia actually will be forced into raising its oil production to finance balance of payments deficits. Eliyahu Kanovsky, a visting professor of economics at Queen's College, has examined the Saudi economy and found deficits in 1977, 1978, and 1979. In order to meet massive capital development projects, and increased international economic needs, the kingdom may require a minimum production level, perhaps 8.5 mbd. According to Business Week Saudi government sources confirmed this assessment and said that sharp budget cutbacks would provoke greater economic and social dislocations than the social pains of development.

In short, "responsible" Saudi production and price levels—represented in the US as a political favor to the West—are actually the product of self-interest and will continue to hold unless there is a change of regime as in Iran. It can be argued that it is the US that contorts itself, including its own laws, to please the Saudis. One example is Northrup's control of the multi-billion-dollar modernization program of the Saudi Air Force, awarded without competitive bidding at Riyadh's request. Similarly Saudi Arabia receives selective treatment in the operation of foreign military trust funds. Unlike any other foreign purchaser, Saudi Arabia makes deposits for military purchases in an interest-bearing account under an arrangement whereby the US would not be protected should Saudi Arabia decide to cancel its contracts, as Iran did.

Saudi Arabia also gets special treatment in State Department human rights reports, compiled annually for Congress. The 1981 report is so meticulously crafted that, even after citing stonings, beheadings, severances of the hand, a "heavy stress on obtaining confessions," and the lack of habeas corpus or the right to counsel, one still gets the impression that Saudi Arabia has not violated the standard of human rights that was judiciously applied elsewhere.

The Carter decision in 1978 not to fill the strategic petroleum reserve was an astonishing concession to the Saudis. Officially, Saudi Arabia professed a desire to prevent pressure for higher oil prices, but Americans close to the Saudis acknowledged that they also wanted to maintain US dependence on their oil. Congress finally forced the administration to resume filling the reserve. That the Saudis have not objected demonstrates that Carter's concession was unnecessary.

The 1978 sale of 60 F–15s to the Saudis was a major demonstration of Saudi political influence. Many senators voting to approve the sale conceded openly that they were doing so because of US dependence on Saudi oil and goodwill. The sale of 60 planes was approved despite a 1974 Pentagon recommendation and a 1978 Arms Control and Disarmament Agency report saying only 40 F–15s should be provided. A 1976 Defense Department reassessment advised the Saudis not to purchase F–15s at all, on the grounds that they could not assimilate them.

If the F–15 sale had resulted in Saudi support for American peace efforts in the Middle East—as promised by the Carter administration—then it might be argued that the United States had received a quid pro quo for the planes. But since Camp David, what has happened? At both Baghdad pan-Arab summits, the Saudis were instrumental in building a consensus for punishing President Sadat and for paying out billions to Jordan and Syria to stay out of the peace process. This year the Saudis led the Islamic nations in calling for a jihad against Israel.

Not only did the Saudis not deliver on their part of the quid pro quo, the Carter administration actually shifted its peace policy in Saudi Arabia's direction. How else can one explain Washington's attempts in 1979 to involve the PLO in peace negotiations? How else explain the effort to alter UN Resolution 242, when it had formed the cornerstone of the Camp David accords? And how else explain the counterproductive attempts to reach prematurely for a "comprehensive solution" at the expense of the Camp David accords and the repeated acquiesence to one-sided Security Council resolutions?

In spite of the record and its own public promises, it's likely that the Carter administration would have approved the new Saudi request for offensive ordnance. According to the biweekly Middle East Policy Survey, Secretary of Defense Harold Brown gave his personal commitment to Saudi defense minister Sultan that the kingdom's request would be fulfilled.

The Reagan administration thus inherited a difficult situation, but not an impossible one. It could have invoked the 1978 executive commitments in refusing the sale. But in consultations with Congress during the past three weeks, Reagan administration officals have parroted the same vague and superficial justifications that previously had been cited by the Carter administration. "If we don't sell them this equipment, then they will buy it elsewhere," goes one verse. Another maintains that the Saudis are a "force for stability and moderation in the Middle East." (The corollary is that Saudi Arabia's moderation would disappear if they are not granted their requests.) Yet another cites the security threat to Saudi Arabia, especially to the Eastern oil-producing provinces, but doesn't quite explain how Saudi Arabia would defend itself against the blows of the Soviet Union, Iraq, Iran, or the People's Democratic Republic of Yemen. The final line assures all concerned that Saudi Arabia never would use its F–15s, or transfer them for use, in direct combat against Israel.

A preview of this administration's embrace of previous policies was provided last month in Defense Secretary Caspar Weinberger's maiden news conference. He expressed the American desire to bolster Saudi Arabia's security by providing the offensive F–15 equipment they had requested. When asked about the American commitment to Israel, Weinberger responded sympathetically to Israel's needs, maybe a bit too sympathetically, in offering to station troops in Israel.

Actually, it is Saudi Arabia that needs American troops, not Israel. With vulnerable oil fields, limited military capability, vast territory to defend (over 4,400 miles of coastline), and surrounded by militarily superior adversaries, Saudi Arabia must depend upon the American security umbrella. The closer American forces are to Saudi Arabia, the more protection they can provide.

But, it's argued, the Saudis are unwilling to become overtly identified with the United States (or any foreign power) for fear of inciting domestic resentment. Therefore the US has to sell the Saudis sophisticated weapons to use in protecting themselves. So goes the military justification for the F–15 sales. But key military questions have not been faced: from which potential adversary can Saudi Arabia realistically be expected to defend itself? What are the most likely situations in which the planes will be used? Can the Saudis absorb the weapons? What are other potential effects generated by transforming the kingdom into a massive arms arsenal?

According to the 1980–81 annual report of the International Institute for Strategic Studies and other sources, the balance of forces between Saudi Arabia and every one of its potential adversaries is overwhelmingly weighted against Saudi Arabia. This imbalance is further accentuated by the vast territory Saudi Arabia has to protect. No matter how many F–15s Saudi Arabia possesses, the kingdom always will be incapable of defending itself. The Saudis and Americans are both well aware that should the kingdom be subjected to an external attack, the Saudis would have to rely on American military forces to protect their oil fields from destruction. The creation of the American Rapid Deployment Force attests to the acceptance of this contingency.

If the F–15s have no credible defensive role, why do the Saudis want them? One answer is prestige. Another is that they may hope to acquire an offensive option. The F–15 is the most sophisticated fighter plane in the world, capable of challenging any other aircraft. When equipped with extra fuel tanks, advanced radar, and AIM 9L air-to-air missiles, the F–15 is capable of inflicting lethal damage 1,000 miles away from its takeoff point. It could fly from Saudi Arabia to anyplace in the Middle East and return.

Having acquired 60 F–15s and offensive enhancement gear, the Saudis may be tempted to use them. How? One possibility is to settle old scores with weaker Persian Gulf rivals such as Oman. Religious and tribal animosities characterize the Saudi-Omani relationship and, on more than one occasion, the Saudis have tried to occupy Oman's Buraimi

Oasis. The Omanis themselves probably will be granted additional weapons by the United States, too. The US is in the process of creating a version of mutual assured destruction in the Persian Gulf, a kind of Mideast balance of terror.

What about the threat to Israel? Proponents of the sale discount the possibility of a direct Saudi attack because of the more destructive Israeli retaliatory capability. The logic of this thesis is sound, but logic does not always govern behavior in a region of the world where dying by the sword is preferred to political compromise. In the event of another Arab-Israeli war, it is naive to believe that Saudia Arabia could resist pressure to use its weapons against Israel, or to transfer its planes to some other Arab state. Saudi Arabia took part in three past Arab-Israeli wars, but its involvement was limited to support roles and joint maneuvers with Syria and Jordan. The important difference is that then the kingdom simply did not have the modern weaponry it now has at its disposal. The mere existence of the superior F–15s, hardly a secret, would generate overpowering demands upon the kingdom from both within and without for use in an actual jihad against Israel. In the past, the Israelis never have felt a military need to attack Saudi territory. But, if they feared a new war with the Arabs was imminent, they would have a strong incentive to launch a preemptive strike to knock out the Saudi F–15 force.

In all fairness, responsibility for fueling the arms race in the Middle East must be spread among several Western countries and Russia. The Saudis apparently will get 300 West German Leopard tanks and 200 British Tornado jets. Reportedly they have made a secret $3.4-billion agreement with France to buy ships and helicopters, and are negotiating to finance production of Mirage 4000 jets. The lure of recycling oil debts, lowering unit costs of weapons, and engendering goodwill have proven irresistible to the Europeans.

The dangers of an arms race are somewhat mitigated by reported Saudi inability to absorb such vast quantities of sophisticated weapons. A similar problem arose in Iran, yet the surplus cash skimmed off the top of the defense contracts ensured that the contracts continued. Multinational corruption in Saudi Arabia probably has not risen to the levels reached in Iran, but the issue of Saudi absorptive capacity should be a fundamental consideration in determining the feasibility of appropriate military sales. Is the US prepared to sanction the Saudis' use of Pakistani mercenaries to fight on their behalf?

Even more troubling are the negative domestic repercussions of the massive arms sales, an issue relating to the larger problem of internal Saudi instability. The strains caused by accelerated industrialization, accompanied by liberalization of the kingdom's social or political institutions, well may provoke a violent reaction against the regime. Add the factors of corruption, a large foreign presence, Islamic revivalism, class disparities, and Shia-Sunni and other intra-clan tensions (particularly in the oil regions), and the future looks even more ominous. On top of this, the impact of a massive arms infusion could prove disastrous. Many sectors of Saudi society, from religious ascetics to those with rising expectations about the benefits of oil wealth, may end up increasingly dissatisfied with an uneven development program that goes too far and simultaneously not far enough. A conspicuous arsenal of Western arms may create, as in Iran, an irritating reminder of the regime's wasting of precious, dwindling resources. No one can predict that massive internal insurrection will occur in Saudi Arabia, but it would be a tragic irony if sometime in the future American troops were forced to protect American interests from the ravages of American arms.●

● Mr. PELL. Mr. President, I share the concerns expressed by my colleagues. The administration's plan to sell equipment to Saudi Arabia to enhance the attack capability of the Saudi F–15 force is ill conceived, ill planned, and I hope, ill fated.

It was not justified 3 years ago. And it is no better justified now.

I joined a number of my colleagues in opposing the sale of advanced, sophisticated F–15 aircraft to Saudi Arabia. Then, as now, I have felt that we should avoid, whenever possible, adding to the arms race in the steaming cauldron that is the Middle East.

The aircraft were sold following a favorable vote, 54 to 44, in the Senate. Congress was assured at that time that no further actions would be taken to increase the offensive capabilities of these aircraft. Congress received renewed assurances on this score as recently as last summer. There is no reason to change that policy.

Mr. President, this enhancement package—to consist, at least, of conformal fuel tanks and AIM9–L missiles for the F–15 fleet—is not necessary to meet Saudi Arabia's legitimate defensive needs

Enhancement of the aircraft will not help the Saudis face any internal threat. Factors beyond any enhanced capabilities of the Air Force would govern the outcome of internal strife.

Enhancement would not be a decisive factor in a conflict with the Soviet Union. If the Soviets were to move against Saudi Arabia, it would be irrelevant whether the Saudi F–15 force had been enhanced or not.

It is not at all clear that the regional threat to Saudi Arabia has increased since 1978, when Congress was assured by then Secretary of Defense Harold Brown—

> Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F–15.

Mr. President, the regional situation has changed in the last several years. But this sale would not be the right answer to these changed circumstances.

The answer is not to fuel the fires beneath the steaming cauldron that is the Middle East. If this sale were made without any compensation for Israel, there is no question that the threat to that beleaguered nation would increase. Even with compensating steps for Israel, the result would be a higher level of armament and increased prospects of instability.

Rather than pursue this role, the administration would be well advised to turn its attentions to promoting a true, lasting peace in the Middle East. An escalation in armaments to the region would be both shortsighted and counterproductive, and directly counter to the interests of both Israel and Saudi Arabia.

Mr. President, if the administration pursues this sale, I intend to join with others of my colleagues in introducing a resolution of disapproval and in giving this matter thorough scrutiny in the Committee on Foreign Relations.●

● Mr. WEICKER. Mr. President, I join my colleagues in urging careful consideration of the critical issues at stake in the decision to provide military equipment to Saudi Arabia. This sale would augment the 62 F–15 aircraft sold them in 1978 and possibly include the sophisticated AWACS system.

Unfortunately, Mr. President, this is the third time we have had to face this issue. In 1978, I opposed the original sale. The Carter administration narrowly secured approval of that sale by assuring us it would not provide further equipment to increase the offensive capabilities of the F–15's. In 1980, I joined with 67 of my colleagues in counseling the administration against violating that assurance. And should the Reagan administration persist in its intention to sell the Saudis equipment to increase the range or ground attack capability of their F–15 aircraft, I will support a resolution of disapproval on this floor.

Mr. President, in many ways the issues today are the same as those over which we fought nearly 3 years ago. Like its predecessors, this sale supposedly stems from the twin needs to stabilize the Middle East and keep petroleum flowing from Saudi Arabian fields. I would venture to say, Mr. President, that those two justifications, wobbly then, are buckling now under the weight of current exigencies in our Nation and world.

The tragic experience of this Nation's relationship with Iran should raise compelling questions as to the wisdom of proceeding on our present course. In the seventies it was Iran which, by virtue of sophisticated American arms, was to be the bulwark against Soviet expansion. We were assured then, as we are being assured now, that sophisticated military technology would be in trustworthy and stable hands. It is only because of the opposition of this body that AWACS aircraft are not now part of the potent arsenal at the disposal of the Ayatollah Khomeini and company. The Saudi monarchy faces the same threat which eventually dethroned the shah: a religiously inspired rebellion, against which militarv hardware is useless.

There should be no illusions, Mr. President, that such a move can be made without undermining the security of Israel. We would be foolish to assert that we can predict how arms we sell today will be used 5 or even 2 years from now. Israel is a tiny country. She does not have great land areas to retreat into when she fights. She does not have a large population to expend in a war of attrition. She must, therefore, respond instantaneously and overwhelmingly when attacked; all the more so if she faces 62 offensively configured F–15's with or without support of AWACS aircraft.

To borrow an appropriate Biblical image, Mr. President, for the United States to entrust its vital interests in the Middle East with the Saudis at the expense of Israel is akin to building a house on sand rather than upon a rock. When the forces of instability buffet that house it will certainly tumble with a

deafening crash. Israel, our historic, stable, democratic ally must be the foundation of U.S. policy and interests in the Middle East.

Unfortunately, Mr. President, we probably have too much oil on our glasses to see this clearly. To an even greater degree than in 1978, we are at the mercy of OPEC for our economic survived. The absence of a realistic energy policy, which encourages conservation to reduce our voracious energy appetite and increase domestic supplies, is perhaps the greatest obstacle to a genuine, long term foreign policy which serves our best national interests. We would be most foolish, Mr. President, if we allowed one mistake to beget another.

Mr. President, I urge the administration to rethink its premises and conclusions with respect to arms sales to Saudi Arabia. As a precedent-setting action with broad future consequences, this decision demands the highest standards of intellectual integrity and political accountability. I commend the Senator from Iowa for providing this opportunity to air our views on this matter before the die is cast.

● Mrs. HAWKINS. Mr. President, all of us hope that a comprehensive Middle East peace can be achieved. All of us understand that since such a peace is indispensable to international stability, it is critical to our own national interests. Such a peace must be founded on the security of Israel, since the security of Israel and America are inextricably bound. Israel is our only longtime, reliable ally in a troubled region. The welfare of Israel is crucial to our own welfare. Let me express just one concern over the present course of events in the Middle East.

I must express my grave concern about the sale of the airborne warning and control system (AWACS) E–3A aircraft to Saudi Arabia. My concern is based on the offensive threat that these aircraft pose to Israel. AWACS is the most advanced airborne surveillance and battlefield command system in the world. AWACS, because of its sophisticated radar, and on board computer systems, can detect anything moving faster than 80 miles per hour in the air, on the ground or at sea for a radius of 250 miles. This means that Saudi AWACS could detect even a speeding car anywhere in Israel while still flying within their own borders.

According to Department of Defense studies, an AWACS supported air force can stand off an attack force twice its size. AWACS is not just another airplane. AWACS would double the capacity of the F–15's we have sold the Saudis. Considering that the F–15 is the most sophisticated aircraft of its class in the world, questions about possible disruption of the balance of power in the Middle East should be raised. Preservation of this balance of power is one of America's critical interests. Saudi Arabian statements, policies and past action all indicate that the Saudis are not satisfied with the status quo in the Middle East. Saudi Arabia generously contributes to the PLO, and is committed to blocking the Camp David peace process.

I do not discount the acts of friendship that Saudi Arabia has exhibited toward the United States. But we must be cautious in aiding even a friend such as Saudi Arabia if that aid may be used against another friend such as Israel. If we must sell the AWACS to Saudi Arabia, the Saudis should be willing to recognize the legitimacy and sovereignty of Israel. The administration should obtain an acceptable quid pro quo for any military aid.

We share a common concern with Saudi Arabia over potential Soviet activity in the Middle East, our uneasiness over recent events in Iran, and about the Iran-Iraq war. But the recognition of these common interests should not take any form that would be one sided, or that would, on balance, pose a threat to Israel. Such a threat to the only true democracy in the Middle East would also be a threat to our own democracy.●

Mr. TSONGAS. Mr. President, I have tried to approach the issue of arms sales to Saudi Arabia with an open mind. Recalling the F–15 sale in 1978 and the assurances made by Secretary of Defense Brown, it is difficult to accept the sale of AIM–9L missiles, conformal fuel tanks, AWACS, aerial refueling tankers, or bomb racks as consistent with those assurances. There is no question that these defense items would increase the offensive capability of the Saudi F–15's and therefore pose an added threat to Israel. That is a very serious implication of this possible sale. The security of Israel stands as one of the highest foreign policy concerns of the United States.

But, the question does not stop there. The Saudis are a key component of American interests in the Persian Gulf. In a region seized by instability, conflict, terrorism, and extremism, the Saudis certainly stand out as one of the more moderate Arab States. The Saudis want this equipment package to upgrade their own capability. They, of course, claim that the equipment is not intended for anti-Israel contingencies. The Saudi Government fears a possible attack from a radical Arab State, such as Iran or even Iraq. Coming from our major supplier of oil and a moderate on OPEC oil pricing and production, this is a serious request, not easily rejected.

We may question whether Saudi fears of an attack are justified by Midwest realities. We may doubt the Saudi capacity to absorb and man the equipment. We may speculate that the Saudis are preparing for an external threat when the real danger is internal. Even if all these doubts are based in fact, the Saudis nonetheless believe they have a case. They feel threatened. They want the weaponry. They believe they will get it from us or somewhere else. The administration would have us supply some or all of this equipment to the Saudis because they are "friends" who need and deserve American support. With the Soviets firmly entrenched in Afghanistan and facing their own domestic oil shortage, there can be no downplaying the Soviet threat to the Persian Gulf.

How one looks at this issue is in a large way shaped by how one looks at the history of the Mideast. Is another Mideast war probable? Have the principals in the region changed their essential aims? Has the Camp David process removed the threat of war with the certainty of peace? To those questions, some would answer "Yes." I am not that optimistic. The possibility of another Mideast war is ever present. Israel s security cannot be guaranteed by diplomacy alone. Arming potential foes of Israel heightens anxieties in the region and accentuates risks.

Will the Saudi Air Force, never so strong as it is today, stay out of an Arab-Israeli war? Will the Saudi Air Force of tomorrow, urged on by Arab allies and equipped with the formidable, all-aspect attack AIM–9L air-to-air missile, long-range conformal fuel tanks, airborne lookdown radar planes, and new air refueling tankers, simply shelve all of this state-of-the-art capability and remain on the sidelines? Wars are fought according to calculations of capability. The Saudis will acquire a significant improvement in the offensive and defensive capability of their air force. I cannot simply brush aside these cold military realities as I evaluate this issue.

The administration has not yet notified Congress of its formal intention to sell some or all of this military equipment. Secretary of State Haig will be traveling to the Mideast shortly, and I will look forward to the results of his consultations. As a member of the Foreign Relations Committee, I have expressed my views on this issue on two previous occasions in letters to the Carter administration and more recently to President Reagan. But even now, it must be clear to the President and his Cabinet that our commitment to Israel cannot be compromised. At this time, I am deeply concerned that the President's decision on this arms sale reflects that commitment and achieves the reliability and balance we have been told to expect from this administration.

Mr. CRANSTON. Mr. President, I am firmly opposed to the decision of the Reagan administration, announced on March 6, to sell offensive arms to Saudi Arabia, including conformal fuel tanks and Sidewinder missiles, for its fleet of F–15 fighter aircraft and to "be responsive" to Saudi requests for AWACS surveillance planes.

Just as I opposed the original sale of the F–15's to Saudi Arabia, I am strongly opposed to this additional sale of equipment. It was stated by the Carter administration when the sale was originally made that such equipment would not be added. I am particularly concerned about the proposal to sell AWAC's which, in Saudi hands, could seriously compromise the safety of Israel.

I believe this sale would increse Israel's insecurity and would fuel another round of the destabilizing arms race in the Middle East—an arms race which benefits neither Israel nor the Arabs, an arms race that diverts essential resources from the crying social needs in that part of the world.

There is no concrete evidence that in exchange for receiving this equipment the Saudis will support efforts to build a lasting peace in the Middle East through the Camp David process or any other

process designed to deal with the root causes of conflict in the Middle East.

I am cosponsoring the resolution of disapproval on this sale and am working very closely with Senator BIDEN of Delaware, author of this draft resolution. We will be working with our colleagues on the Foreign Relations Committee and with other interested Senators, both Republicans and Democrats, over the next several weeks to seek the support of a majority of Senators for this resolution.

● Mr. QUAYLE. Mr. President, I understand that the administration is nearing a decision regarding the proposed sale of offensive equipment for the F–15 and possibly the sale of the AWACS to Saudi Arabia. There is no question that the United States has vital interests in assuring the security and peace of both Saudi Arabia and Israel. The entire region is of strategic importance to the United States.

However, there are concerns which must be weighed by the Congress should such a proposal be submitted by the administration. I have reservations as to whether a case for the sale of such weaponry can be convincingly made.

Are there indeed strong national security reasons for the U.S. Government to reverse previous commitments against the sale of such offensive equipment to the Saudi Government?

Will the sale of this military equipment to the Saudis spark a military arms race thus destroying the military balance in the area?

Would we be further endangering the peace and security of Israel by providing weapons that would increase the range of the F–15 dramatically and enhance the firepower of these Saudi aircraft?

These are questions which should be answered in the coming weeks.

At the same time, it is essential to ask what is the quid pro quo involved in making such a deal with Saudi Arabia?

In addition to providing us with a major portion of our imported oil resources, will the Government of Saudi Arabia reverse its opposition to the Camp David accords? Will it be willing to work toward meaningful peace in the Middle East in exchange for this sale? Will it actively discourage PLO terrorism by ceasing its financial support which is reportedly approximately $173 million per year?

There are reports that the administration plans to offset the sale of offensive equipment to Saudi Arabia by offering additional military credits to Israel in the next 2 fiscal years at a 12- to 13-percent interest rate. Israel already is engulfed by a 133-percent inflation rate. We would be further aggravating the situation by forcing Israel to increase its already record defense expenditures.

Mr. President, these are some of the concerns and questions which should be raised and answered as we approach the decisionmaking process which affects two nations—both of whom are our friends and vital to our own security. Our decisions and actions must be taken in the interest of assuring peace and stability in the region and indeed, the world.●

● Mr. DANFORTH. Mr. President, I rise to express my strong opposition to the anticipated sale of AIM–9L air-to-air missiles and fuel and sensor tactical (FAST) packs to Saudi Arabia. This equipment would clearly establish an offensive capability for the 62 F–15's purchased by Saudi Arabia in 1978 by dramatically increasing the firepower and the range of these aircraft. I do not believe this action would be in the interests of the United States, Israel, or, for that matter, Saudi Arabia.

My views on this issue have not changed since July 1, 1980, when I stated:

When I voted to approve the initial sale of these F–15's in 1978, I stated that my decision was the most difficult one I had made as a Senator. At the time, it was my view that the arms sale then proposed served the interests of moderation in the Middle East, and that if the sale were not made by the United States, similar equipment would be forwarded by other countries with fewer restrictions on its use. What persuaded me to support the 1978 sale was that the United States could maintain some reasonable controls on how the F–15's would be used, and that the F–15's utility would be purely defensive.

In 1978, many Administration officials, including the President and the Secretary of Defense, gave repeated assurances that the offensive supplements such as those now requested would not be sold to Saudi Arabia. In addition, in April 1978, the Saudi Ambassador, along with a member of the Saudi royal family, sat in my office and assured me that their country desired these fighters only for defensive purposes and was not interested in these specific additional offensive items for the F–15.

I continue to maintain that the sale of this equipment runs directly counter to commitments made by our Government to the people of Israel.

Moreover, I find it hard to imagine this sale going through without the United States once again, in the near future, being faced with Saudi requests for additional offensive equipment—specifically multiple ejection bomb racks, KC–135 jet tankers, and AWACS aircraft.

And what, Mr. President, has changed since the thought of such sales last year?

I have yet to see any evidence of real oil price moderation on the part of the Saudis. Since 1978 when the original F–15 sales took place, oil prices have increased over 133 percent. They have gone up from $2 to $32 a barrel in the past 8 years, with no end to that trend in sight. Does the United States have to buy its friends? Forever appease its friends? And if so, how many times? For how long?

The sale certainly will not strengthen the Arab-Israeli peace process: Saudi Arabia has been, and continues to be, a leading opponent of the Camp David accords. To my mind, the recent call for a "holy war" against Israel certainly does not constitute a positive effort.

Finally, I question whether the sale of F–15 attachments would really be in the best interests of the Saudis. Not only might it increase the instability in the Middle East, but it would still not enable Saudi Arabia to defeat a Soviet offensive.

The proposed sale has nothing to recommend it. I certainly cannot.●

Mr. SARBANES. Mr. President, I rise to reiterate my opposition to the proposal to sell significant arms equipment to Saudi Arabia as an add-on to the 1978 sale of the F–15 aircraft. In my view the proposed sale runs counter to the dictates of the national interest and of commonsense. To proceed with the sale would only compound the error made in agreeing 3 years ago to the sale of the F–15 planes themselves, and will take us farther down a path we were ill advised to embark upon in the first place.

There are several compelling reasons for rejecting the sale. First, the 1978 sale was approved against the background of specific assurances that the equipment now being proposed for sale would neither be offered nor asked for. In a letter dated May 9, 1978, to Chairman Sparkman of the Foreign Relations Committee, Secretary of Defense Brown stated:

Saudi Arabia has not requested nor do we intend to sell any other systems of armaments that would increase the range or enhance the ground attack capability of the F–15.

Assistant Secretary of State Bennet, in a letter of February 16, 1978, to Congressman LEE HAMILTON of the House Foreign Affairs Committee, offered the following unequivocal assurance with regard to the AWACS:

An F–15 sale will not lead to the sale of E2C or E3A (AWACS). The F–15 has an excellent radar.

Furthermore, 66 Members of the U.S. Senate in a letter dated June 27, 1980, to President Carter, underscored the importance of those assurances and asked the President to reject any requests from the Saudis for the equipment in question.

Second, it was argued in support of the 1978 sale of the F–15 that the sale, which the Saudis were said to regard as a litmus test of the U.S. friendship, would have important positive effects on other aspects of U.S. relations with Saudi Arabia, that is, our concern for change in the Saudi attitude toward the Israeli-Egyptian peace treaty and negotiations and our concern for oil supplies at reasonable prices.

There is absolutely no evidence to suggest that the Saudis look more favorably on the peace treaty today than they did 3 years ago. Participation in the peace process would require of the Saudis the recognition of Israel as a sovereign state entitled to live in peace and security within defensible borders. Such recognition has most emphatically not been forthcoming. Instead the Saudis continue to talk about waging a jihad, or holy war, against Israel. Since 1978 a second resolution in oil prices has occurred in the Middle East, a revolution deliberately and cynically engineered. In 1978 the price of a barrel of Saudi oil was $12.70. Today it is $32, or nearly triple the 1978 price. This hardly reflects the kind of cooperation that it was suggested would be forthcoming if the Saudis were to receive the F–15 aircraft they had requested.

Mr. President, the 1978 sale of the F–15 aircraft to Saudi Arabia was a step in

the wrong direction. It has had none of the beneficial results that its proponents claimed it would have, and it has introduced a new element of disequilibrium in the Middle East—in no way, therefore, serving our Nation's interests there. The sale now being proposed would take us a giant step farther along a path that was ill advised in the first place. It is contrary to our national interest and to commonsense, and the Congress should not acquiesce in it.

Mr. CHAFEE. Mr. President, in my judgment, today's colloquy regarding the administration's proposal to provide supplemental equipment to Saudi Arabia for use on the F–15 aircraft we sold them 3 years ago serves a useful purpose. It gives us a chance to express our concerns and questions regarding the administration's policy in this regard.

I voted for the sale in 1978, and, as many of you may recall, it was not an easy decision. At the time the sale was approved, we agreed on a package with certain conditions and assurances that were as much a part of the deal as the number and type of aircraft. Since that time, as the administration and my colleagues, Senators TOWER and GOLDWATER, have so ably pointed out, the circumstances in the Middle East have changed.

Today's colloquy, then, provides us with an opportunity to put on the record some of our thoughts about considerations which must be taken into account as the administration proceeds with this matter. There are so many unknowns regarding the proposed sale that it is difficult to comment with any specificity.

The administration has yet to submit a formal request to the Congress regarding the sale to the Saudis of F–15 equipment or early warning aircraft. In fact, the official word from the State Department at this point is that the matter is under review.

However, if we assume that some sort of proposal will be forthcoming, then there are these questions:

Do we know whether a quid pro quo will be sought?

Do we know if something for Israel will be suggested?;

Do we know if AWACS, on any type of early warning aircraft, will be requested? and

Do we know exactly what items of supplemental equipment will be proposed?

To say yes for the sale or no against it, without knowing precisely what will be proposed, seems to me to be premature, unless we simply wish to redebate the issue of the original sale in 1978.

Any consideration of the problems presented by the request must be viewed against the background that it is official U.S. policy that the Persian Gulf is an area of vital concern to our Nation; an area in which we cannot tolerate Soviet domination. I agree with this policy. One has only to observe what the Soviets have done in Ethiopia and South Yemen, not to mention Afghanistan, to appreciate the continued thrust the Soviets are making.

Should the administration come forward with a proposed arms sale to the Saudis, what will influence my thinking?

A major factor will be how this sale affects our ability to carry forward our policies in the Persian Gulf area. Another major factor will be what affect such a sale would have on Israel's security. If those two factors are in conflict, are there alternatives available that can produce the desired results without the downside effects?

Without details of the proposal, we are unable to ask a host of questions that deserve answers. For example, what, if anything, will the United States receive in return? Do the Saudis have an alternative source of weapons and equipment? Is this truly a litmus test of our relationship with the Saudis? If early warning aircraft are requested, are they really necessary; and if so, what is the matter with E–2C's, as opposed to AWACS. Is such a sale a major risk to Israel or a lesser one? What might be done to assist Israel to reduce the risk factor? How does the sale affect the military balance in the region?

Mr. President, these are questions I would want to have answered before voting to approve, or disapprove, the sale of supplemental F–15 equipment or early warning aircraft to Saudi Arabia.

Mr. FORD. Mr. President, as Sectary of State Haig prepares to embark upon his journey to the Middle East, I would like to issue some words of caution against the planned sale of fuel pods and advanced missiles designed to boost the operational capability of the 60 F–15 jets that Saudi Arabia has already ordered from the United States. The administration should think twice before sending the proposal to the Congress.

By increasing the range and firepower of the F–15, this equipment doubles the plane's combat radius out to 1,000 miles—thus giving it the ability to attack Israel from any Saudi air base, and gives the Saudi forces enhanced air-to-ground interdiction ability. By any measure this is a threat to Israel's air superiority in the region.

If the sale were to go through, what choice would Israel have but to ask the United States for increased arms aid in order to retain its security? A country that already spends 40 percent of its budget on defense cannot withstand an arms race. To offer Israel special credits with which to purchase similar systems or extra planes is not a solution. With an inflation rate of 155 percent and an external debt of $18 billion, Israel can ill afford to counterbalance the Saudi sale.

Not only would this proposed sale engender an arms race, it would destabilize the Middle East. The administration says the sale would serve to calm fears; I argue that the sale would only add to them. Let us look at the threat to Saudi Arabia. That country's most conceivable outside danger is from a Soviet-backed invasion by South Yemen. Much more worrisome is the question of internal stability; Saudi Arabia's real threat is that of revolution and upheaval. But neither case provides a justification for a long-range, heavily armed jet fighter. Against whom else but Israel would the Saudis have occasion to deploy this advanced weapon?

This fact will only make the concept of a preemptive strike more central to Israel's defense planning and will insure the destruction of the Saudi F–15 force on the ground at the first sign of threat to Israel. Heretofore the Saudis have been reluctant to commit themselves to any war against Israel. Such an attack upon Saudi planes would add another dimension to any Arab-Israeli war in the Middle East.

As a final point, I think the United States may be beginning to make the same mistake it made by overloading Iran with sophisticated weapons systems, only to see them fall into the hands of a fanatical government. If either of the threats to the royal family and their kingdom were to manifest themselves, the Saudi arsenal could easily fall under control of revolutionaries or already radicalized states such as Iraq or even the Soviet Union.

In closing, Mr. President, let me say that I sincerely hope the White House will listen to the colloquy that is being conducted here on the Senate floor today. The implications of this proposed arms sale to Saudi Arabia are far reaching and any pluses it might bring are far outweighted by its minuses.

The PRESIDING OFFICER (Mr. WARNER). The time of the Senator from Iowa has expired.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the distinguished Senator from Arkansas.

S. 859—AMENDMENT OF MINERAL LEASING LAWS

Mr. BUMPERS. Mr. President, on January 23, 1981, the Bureau of Land Management announced a recordbreaking oil and gas lease sale totaling $43,021,599 on 24,876 acres within the Fort Chaffee Military Reservation in Arkansas.

Since the lands involved in this lease sale were originally acquired by the Federal Government for use as a military reservation and were not covered by one of the many statutes governing disposition of proceeds from oil and gas leases or other leases on acquired lands, the State of Arkansas, the school districts and local governments will not share in the bonuses paid by the oil companies for the leases or the royalties which will be received by the Government if production is obtained on the leases.

If this sale had been conducted on public domain lands, or other types of acquired lands, such as Forest Service lands, national grasslands, or almost any other type of Federal land, the State, local governments, and school districts in which the Federal lands were located would have shared in the proceeds of the sale.

Mr. President, there is no logical reason for the proceeds from lease sales on

military reservations on acquired lands to be treated differently from sales on public domain lands, almost every other type of acquired lands.

The lack of authority to distribute part of the revenues of this sale to the State is a result of an omission when the mineral leasing law was changed in 1976 to allow leasing for oil and gas exploration on military reservations on acquired land.

The first competitive lease sale under the amended statute was the sale that occurred at Fort Chaffee in January. However, no provision was made in 1976 for sharing the proceeds from mineral leasing with the States in which the leasing activity took place.

The lands at Fort Chaffee are classified as "acquired" lands—that is, lands which are acquired by the United States through purchase or other transfer from a State or private individual, dedicated to a particular use. In contrast to such acquired lands are "public domain" lands, which are owned by the United States by virtue of its sovereignty. The distinction between these types of Federal real estate is different in that, as a matter of historical perspective, it was the basis for the evolution of the present statutory scheme through which the Congress has delegated responsibility to the Secretary of the Interior for the leasing of Federal lands for mineral development.

The authority of the Secretary to administer the grants of mineral rights on public domain lands has been recognized by Congress since the middle of the last century, although it was not until 1920 that Congress authorized the present system of leasing such lands for oil and gas exploration and production by the Secretary. (Mineral Leasing Act of 1920, currently codified as amended at 30 U.S.C. 181 et seq.).

During the 1920's questions were raised about the applicability of the Mineral Leasing Act of 1920 to acquired lands. The Department of the Interior had granted several leases on certain Indian reservation lands and the U.S. Attorney General was asked to rule on the validity of those leases.

The Attorney General concluded that there was no congressional authority to lease mineral rights on the Indian lands in question. This opinion was reaffirmed in 1941 when the Attorney General ruled that the Mineral Leasing Act of 1920 "had peculiar application to the public domain."

However, there were other congressional grants of authority to lease mineral rights on certain lands acquired by the United States. In 1917 the Secretary of Agriculture was given authority to grant certain mineral leases on lands acquired under the Weeks Act (16 U.S.C. 520) and during the years prior to 1947, several additional statutes were enacted which allowed mineral leasing on certain other acquired lands. After authority had been granted to lease acquired lands on an ad hoc basis for some time, the Mineral Leasing Act for Acquired Lands was passed in 1947. (30 U.S.C. 351 et seq.).

Section 352 of title 30 of United States Code denotes which acquired lands are subject to lease. As originally passed, it provided:

All deposits of . . . oil and gas . . . which are owned or may hereafter be acquired by the United States and which are within the lands acquired by the United States (*exclusive of such deposits in such acquired lands as are* (a) situated within incorporated cities, towns and villages, national parks and monuments, (b) *set apart for military or naval purposes*, or (c) tidelands or submerged lands may be leased by the Secretary of the Interior under the same conditions as contained in the leasing provisions of the mineral leasing laws, subject to the provisions hereof. . . . No mineral deposit covered by this section shall be leased except with consent of the lead of the executive department . . . having jurisdiction over the lands containing such deposit. 30 U.S.C. Sec. 352 (1970) (emphasis supplied):

The exclusion of military reservations from mineral leasing was continued until 1976—my second year here—when section 352 was amended to delete that exemption. (Federal Coal Leasing Amendments Act of 1975, codified at 30 U.S.C. 352).

The Federal Coal Mineral Leasing Amendments Act of 1975 (30 U.S.C. 351 et seq.) permits the leasing of oil and gas on military reservations on acquired lands by the Secretary of the Interior with the consent of the Secretary of Defense.

Mr. President, pursuant to this statute, the Department of Defense consented to the leasing of oil and gas interests underlying 24,876 acres of acquired lands at Fort Chaffee, Ark. The Secretary of the Interior conducted the lease sale on January 23, and various oil and gas companies paid $43,021,599 for the rights to explore for oil and gas on these tracts of land. These bonus payments and the revenue from these leases are collected by the Secretary of the Interior and deposited into the Department of the Army's account.

According to 30 U.S.C. 355, all receipts from sales issued under the Mineral Leasing Act for Acquired Lands are paid into the Treasury and distributed—

in the same manner as prescribed for other receipts from the lands affected by the lease, the intention of this provision being that this chapter shall not affect the distribution of receipts pursuant to legislation applicable to such lands . . . (emphasis supplied).

The phrase "in the same manner as prescribed for other receipts from the lands affected by the lease" means that all moneys received from rents royalties and bonuses from mineral leases on acquired lands are shared with State or local governments in the same fashion as other revenues realized from similar types of lands. For example, revenue received from mineral leases on acquired national forest lands are shared in the same fashion as are other revenues derived from national forest lands.

In the Fort Chaffee lease sale, the revenue received from the lease will be distributed like proceeds from other lands that are owned and managed like Fort Chaffee. The Military Leasing Act (10 U.S.C. 2667) prescribes procedures for disposing of receipts from leasing on military reservations and this would appear to include mineral leasing. Under this act the bonuses and rentals will be deposited into the U.S. Treasury and no portion of the proceeds will be paid to the State of Arkansas or the local governments or school districts.

Mr. President, when the law was changed in 1976 to allow mineral leasing on military reservations, a change should have also been made in the Mineral Leasing Act to permit a sharing of these proceeds with the States and local governments where the leasing occurs.

The tax immunity of these military reservations places an unfair burden on the taxpayers within the counties and local governments where the lands are located. Over the years, Congress has established programs to partially compensate States and local governments for the impact of Federal ownership, but in most cases the revenues that they receive do not approach what would be received from property taxes if these lands were in private ownership. Most of the present payments bear no relationship to the direct and indirect burdens imposed on local governments by the presence and use of these Federal lands.

Counties in which military reservations are situated will face an increasing financial burden if the law is not changed. Counties in which active military reservations are located are not entitled to count that acreage for receiving payments under Payments in Lieu or Taxes Act, and they would not be entitled to any payments from mineral leasing on the military reservations.

The lease sale at Fort Chaffee is only the first sale conducted on a military reservation since the law was changed in 1976 to allow mineral leasing on military reservations. There will be many other lease sales in the future and more oil and gas development that will increase the demand for governmental services.

The arguments that were made in 1976 when the States' share from mineral leasing on public domain lands was increased from 37½ percent to 50 percent can be made just as forcefully today in support of the bill I am introducing today.

Governor Ed Herschler of Wyoming said:

This rapid influx of workers and associated service employees has put a substantial strain upon our small communities, some of which have seen their populations double over the past few years. They are rapidly approaching the limits of their bonded indebtedness.

It is inevitable that such activity will have some adverse effects upon our people, our environment, and our way of life. Nevertheless, Wyoming is willing to do her part in meeting the national energy crisis. I strongly believe that the federal government has a mutual obligation to provide this financial assistance to an area struggling with the effects of federal energy policies.

Mr. President, when Governor Herschler made that statement, he was supporting a change in the law which allowed States to receive 50 percent of the proceeds from mineral leasing on public

domain lands within their borders an increase from 37½ percent. There is absolutely no reason why States with acquired lands for military reservations should be treated differently. If the lease sale at Fort Chaffee had been conducted on Forest Service lands, the State of Arkansas would have received 25 percent of the proceeds. (16 U.S.C. 500.)

The county with Forest Service lands would also be entitled to payments in lieu of taxes (PILT) payments, but the county with an active military reservation is not entitled to any PILT payments. There is no reason for the county with mineral leasing on military reservations to not only be denied payments under the Payments in Lieu of Taxes but also a share of the proceeds from mineral leasing on the military base.

Mr. President, I am not advocating a change in the Payments in Lieu of Taxes Act to include active military reservations, but only to point out the additional hardship this places on those counties when they are denied their share of the revenues from the mineral leasing.

Mr. President, I am asking that we amend the law to correct a simple omission that occurred in 1976 when we changed the law.

Another example will demonstrate the anomaly that exists in our current law. When the Corps of Engineers leases acquired lands for civil works, such as flood control, or hydroelectric projects, the State receives 75 percent of the money received by the Corps. (33 U.S.C. 701 c–3.)

The Federal Government has recognized its responsibility to the States and local governments, and I am convinced that the law would have been changed in 1976 if this issue had been raised at that time. However, the lease sale at Fort Chaffee is only the first of many that will be conducted on military reservations, and other local governments will be demanding their fair share of the revenues from mineral leasing.

An expanded mineral leasing policy by the Federal Government on Federal lands will create new demands from local governments. The Federal responsibility was clearly outlined by President Reagan recently when he was meeting with the National Association of County Officials when he said:

> Responsibility of ownership requires landholders to pay their fair share of the cost of local government, and the Federal Government shouldn't be exempt.

It is essential for the Federal Government to bear its fair share of the costs of the increased demands that will be made on local governments as a result of expanded oil and gas exploration on military reservations. Local governments will be called on for more law enfrocement; improved road maintenance, and other services directly and indirectly related to the activity on these lands.

New Federal requirements, such as those required by EPA for sewage treatment as populations will increase, will add considerable costs on counties with relatively small populations and small tax bases. Local governments with small tax bases to work with are hard pressed to find new sources of revenues to fund services. These local governments should not be denied a share of the proceeds from the mineral leasing on military reservations at a time when revenue sharing and other types of Federal assistance are being cut back.

Mr. President, in the case of Fort Chaffee I can personally vouch for the hardship that is created because I live in one of the communities hardest hit when the lands were acquired for that reservation in 1940. I live exactly 2 miles from the border of Fort Chaffee. My father was a small town merchant and a member of the local school board when the lands were acquired. Some of our finest citizens and some of our best farming land in and around our little community were within the thousands of acres acquired for the fort.

We lost hundreds of citizens who had to leave because they could not acquire comparable lands. But the really terrible impact, and one from which my little community and others similarly situated around Fort Chaffee never recovered, was the loss of 40 percent of our tax base.

The bill that Senator PRYOR and I are introducing today will allow States to receive 50 percent of all rents, bonuses and royalties received from mineral leasing on military reservations. The remaining portion will be divided as follows: 40 percent into the reclamation fund and 10 percent to the general fund of the Treasury. This is the same distribution formula provided for mineral leasing on public domain lands (30 U.S.C. 191.).

There is no reason for the difference in the distribution of the proceeds from mineral leasing on military reservations on public domain lands and military reservations on acquired lands. The Mineral Leasing Act for acquired lands should have been amended to allow States to share in the proceeds in 1976 when the mineral leasing was permitted on military reservations. I urge the Senate Committee on Energy and Natural Resources to act quickly in correcting this inequitable situation.

Mr. President, I ask unanimous consent that the text of the bill be reprinted in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 859

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of August 7, 1947 (61 Stat. 915; 30 U.S.C. 355) is amended by adding the following at the end thereof: "Notwithstanding the preceding provisions of this section, all receipts derived from leases on lands acquired for military or naval purposes, except the Naval Petroleum Reserves and National Oil Shale Reserves, shall be paid into the Treasury of the United States and disposed of in the same manner as provided under section 35 of the Act of February 25, 1920 (41 Stat. 450; 30 U.S.C. 191), in the case of receipts from sales, bonuses, royalties, and rentals of the public lands under that Act.".

SEC. 2. The amendment made by this first section of this Act shall take effect with respect to leases entered into after January 1, 1981.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 9, which the clerk will report.

The assistant legislative clerk read as follows:

> A concurrent resolution (S. Con. Res. 9) revising the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983.

The Senate resumed consideration of the concurrent resolution.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT ON THE PRESIDENT'S CONDITION

Mr. BAKER. Mr. President, this morning I had a conversation with the Vice President of the United States. He gave me a very glowing report on the President's recovery, and I would like to pass that cheerful note of news on to Members of the Senate.

The President continues to make good progress. He is in excellent condition and his recovery continues to be rapid and successful. He had a good night last night. He slept for most of the night, from about 9 o'clock until about 6 o'clock this morning.

He is sitting up, reading the newspapers. He ate a breakfast this morning of solid food and walked about the room and the adjoining areas of the hospital.

This morning he met with his staff and was presented with the daily Presidential security briefing. He engaged in extensive conversations with his staff members on certain questions raised during that briefing. He signed official documents.

The President is performing his role as President of the United States and continues to be a most remarkable human being. I thought the Senate would like to have that information before it.

Mr. ROBERT C. BYRD. Mr. President, I am sure that my colleagues on this side of the aisle welcome the reports that are given to the Senate by the distinguished majority leader. We are all very thankful to note the progress that the President is making, and we wish for him the very earliest and complete recovery.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar

beginning with the Department of Housing and Urban Development and on through the nominations under the Department of Justice.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I would ask that the distinguished acting majority leader withhold for a moment, for a moment only, on the consideration of the nomination of Mr. Arthur E. Teele, Jr., until Senator PROXMIRE comes to the floor.

Mr. STEVENS. Mr. President, that was my intention, after we were in executive session. I do ask unanimous consent that we postpone temporarily the consideration of the nomination under the Department of Transportation of Arthur E. Teele, Jr., of Florida, to be the Administrator of Urban Mass Transportation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND DEPARTMENT OF JUSTICE

Mr. STEVENS. Mr. President, I ask unanimous consent that Executive Calendar Nos. 81, 83, 84, 85, and 86 be considered en bloc and approved en bloc.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I believe the distinguished assistant leader may have meant to exclude for the moment Executive Calendar No. 83.

Mr. STEVENS. I do, Mr. President. It was my intent and I ask unanimous consent that Executive Calendar Orders Nos. 81, 82, 84, 85, and 86 be considered en bloc and approved en bloc.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

(Nominations confirmed en bloc are as follows:)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Philip D. Winn, of Colorado, to be Assistant Secretary of Housing and Urban Development.

Emanuel S. Savas, of New Jersey, to be Assistant Secretary of Housing and Urban Development.

DEPARTMENT OF JUSTICE

Carol E. Dinkins, of Texas, to be Assistant Attorney General.

D. Lowell Jensen, of California, to be Assistant Attorney General.

Theodore B. Olson, of California, to be Assistant Attorney General.

STATEMENT ON THE CONFIRMATION OF CAROL E. DINKINS, OF TEXAS, TO BE AN ASSISTANT ATTORNEY GENERAL

Mr. THURMOND. Mr. President, as chairman of the Committee on the Judiciary, it gives me great pleasure to recommend to the Senate, President Reagan's choice of Assistant Attorney General for the Land and Natural Resources Division of the Department of Justice, Carol E. Dinkins.

In my judgment, Mrs. Dinkins is highly qualified for this important position. She graduated from the University of Texas in 1968. Mrs. Dinkins then attended the University of Houston where she received her law degree and immediately upon graduation, in 1971, became an assistant professor at the same institution, serving there until 1973.

In late 1973, Mrs. Dinkins became the first woman attorney in the firm of Vinson and Elkins of Houston, Tex. Her fellow partners and associates hold her in high regard as being an extremely competent and learned practitioner of the law.

During Mrs. Dinkins' testimony before the Judiciary Committee, she showed determination and courage in the prospect of dealing with the many complicated problems involved in the areas of land and natural resources.

President Reagan has made a wise choice in nominating Mrs. Dinkins to be Assistant Attorney General for the Land and Natural Resources Division of the Department of Justice. I urge my colleagues to vote for her confirmation.

STATEMENT ON THE CONFIRMATION OF D. LOWELL JENSEN, OF CALIFORNIA, TO BE AN ASSISTANT ATTORNEY GENERAL

Mr. THURMOND. Mr. President, I rise to state my enthusiastic support for President Reagan's nominee to head the Criminal Division of the Department of Justice, Mr. D. Lowell Jensen.

There is no question that Mr. Jensen is highly qualified for this position; he has been a distinguished government prosecutor his entire legal career.

Mr. Jensen attended the University of California Law School, and upon graduation in 1952, served 2 years in the U.S. Army. After leaving the Army Mr. Jensen immediately became the deputy district attorney in Alameda County, Calif., and through perseverance and hard work, he obtained the position of district attorney.

Among his many noteworthy cases, Mr. Jensen was the chief prosecutor in the Patricia Hearst kidnaping trial, involving several Symbionese Liberation Army members.

Mr. Jensen handled this case, as he does all others, in a low-keyed, self-assured and pragmatic manner. He has maintained this style over his 25 years as a government prosecutor in the State of California.

During his appearance before the Judiciary Committee, which unanimously voted to support his confirmation, Mr. Jensen showed himself to be a reflective, decisive individual, who expresses himself in a scholarly manner.

Mr. Jensen is well equipped to handle the challenging tasks which face him.

I strongly urge the Senate to confirm the President's nomination of D. Lowell Jensen as Assistant Attorney General for the Criminal Division of the Department of Justice.

STATEMENT ON THE CONFIRMATION OF THEODORE B. OLSON, OF CALIFORNIA, TO BE AN ASSISTANT ATTORNEY GENERAL

Mr. THURMOND. Mr. President, I rise to state my support for Mr. Theodore B. Olson for the position of Assistant Attorney General for the Office of Legal Counsel of the Department of Justice.

Mr. Olson graduated cum laude, from the University of Pacific in 1962. He then continued his education at the University of California School of Law and upon graduation in 1965 joined the law firm of Gibson, Dunn & Crutcher of Los Angeles, Calif.

In 1972 he became a partner in that firm and has remained in that position to the present time.

Mr. Olson is an intelligent and dedicated individual. During his testimony before the Judiciary Committee he reflected confidence and enthusiasm in the presentation of his views.

All members of the Judiciary Committee voted favorably on this nomination and I urge my colleagues in the Senate to vote for the confirmation of Theodore Olson for the position of Assistant Attorney General for the Office of Legal Counsel of the Department of Justice.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum while we are awaiting the arrival of a Senator who may wish to speak on the nomination which still remains.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF TRANSPORTATION

Mr. STEVENS. Mr. President, I ask that we now proceed with the nomination of Arthur E. Teele, Jr., of Florida, to be Urban Mass Transportation Administrator.

The assistant legislative clerk read the nomination of Arthur E. Teele, Jr., of Florida, to be Urban Mass Transportation Administrator.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, Mr. Teele came before the Banking Committee for approval of his nomination and recommendation to the floor. Mr. Teele has an interesting background. Unfortunately, it has nothing to do at all with the job to which he has been assigned.

Mr. Teele is a young man, 34 years old. He served with great distinction in Vietnam. He was a genuine, bottled in bond war hero. He won the Bronze Star for valor, the Bronze Star for service, the Purple Heart, and the Air Medal with two clusters. He obviously was an extraordinarily courageous soldier.

Also, he took great advantage of his time in the Army. He served 9 years in the Army. While he was in the Army, he earned a law degree at Florida State University.

When he got out of the Army, he went to work as a lawyer. He served very briefly, for a few months, in the Department of Labor as an expert consultant.

In November of last year, he became a transition team leader for the Reagan administration, with particular responsibility for the U.S. Department of Transportation.

Here is a young man with no background at all in transportation until last

November, with no training, no experience, no record; a young man who is obviously very bright. He impressed the committee with his intelligence, with his knowledge. He understands the issues facing the agency very well. But he has no experience. He has no record.

There is no way that a person with this limited knowledge could be appointed to a position of responsibility for a $4.5 billion operation, and that is what we are appropriating each year to the mass transit agency, with so little experience.

I recognize that he is going to be confirmed. Of course, the administration has the right to appoint anybody they wish to this kind of a job. We have the responsibility for passing on the nomination. He is intelligent, and he obviously has demonstrated great courage and ability in the military.

Here is a man well qualified, I think, to be a U.S. Senator or a Congressman. He probably could have won an election in most States with that kind of background. But he is not qualified for this particular job.

I do not know what we should do to persuade administrations, and this administration is no different than any other—the Carter administration, the Ford administration, the Johnson administration—not to appoint people to office based on their personality, their intelligence, and their political connections, and without any knowledge as to whether they have experience. No wonder these agencies are badly operated.

I fervently hope this man will be able to a good job. The Urban Mass Transportation Administration has a tough row to hoe over the next few years. We are going to phase out many of these programs in the next few years. It is a period when considerable competence must be in management to handle that agency.

I would hope that the administration would appoint someone with some knowledge and background of the industry. It has not done so. That is unfortunate. The Senate will act on this nomination approvingly. I hope in the future the administration will be more careful in trying to select nominees who have more experience.

Mr. President, I yield the floor.

● Mr. GARN. Mr. President, the Committee on Banking, Housing, and Urban Affairs yesterday favorably reported to the Senate the nomination of Arthur E. Teele, Jr. of Florida to be the Administrator of the Urban Mass Transportation Administration. I rise in support of Mr. Teele's nomination and recommend his confirmation.

Mr. Teele, a practicing lawyer in Tallahassee, Fla., headed the Department of Transportation transition team for President-elect Reagan; was the chief author and staff director for a State of Florida constitutional tax revision initiative; principal advisor to the Florida Department of Administration; served as a member of the Mayor's Advisory Council in Tallahassee; and acted as a consultant to the U.S. Department of Labor on labor-management issues. Mr. Teele's experience also includes distinguished service in the U.S. Army, as a company commander of a combat unit, as senior aide-de-camp and special private counsel, and he is the recipient of numerous awards and decorations.

The incoming Administrator of the Urban Mass Transportation program faces both significant challenges, and opportunities to improve the program and it is our committee's judgment that Art Teele is well equipped to meet these challenges and to be a forceful advocate for the Reagan administration with respect to Federal public transportation policy.●

The PRESIDING OFFICER. Who seeks recognition?

Mr. STEVENS. Mr. President, I ask unanimous consent that the nomination be approved.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I ask that the President immediately be notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The Senate continued with the consideration of the resolution.

AMENDMENT NO. 29

(Purpose: To restore funds for immunization programs)

Mr. BUMPERS. Mr. President, I call up my amendment No. 29, which is printed and at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS), for himself, Mr. RANDOLPH, Mr. BAUCUS, Mr. CRANSTON, Mr. GLENN, Mr. LEVIN, Mr. MATSUNAGA, Mr. HART, Mr. CANNON, Mr. METZENBAUM, and Mr. JACKSON proposes an amendment numbered 29.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with $52,144,000,000 in line 17 strike out through $47,694,000,000 in line 20 and insert in lieu thereof the following: "$52,137,967,000, and outlays by $36,416,967,000 in fiscal year 1982; and to reduce budget authority by $59,016,967,000 and outlays by $47,687,967,000".

On page 10 beginning with $10,303,000,000 in line 6 strike out through $10,913,000,000 in line 9 and insert in lieu thereof the following: "$10,296,967,000 in budget authority and $7,921,967,000 in outlays for fiscal year 1982; and $12,356,967,000 in budget authority and $10,906,967,000".

Mr. BUMPERS. Mr. President, all of us who feel very strongly about a particular amendment and program and in which we have deep and abiding interests always deplore the fact that Senators are in committee meetings or other places and do not really get a chance to hear the debate, to hear our persuasive, compelling arguments that Senators love to make. I hope that many Senators will read the "Dear Colleague" letter I put on their desks last evening. I hope a lot of them will be listening on their intercoms and those who are not, I hope their aides are present and will be communicating with them. This is a different kind of amendment.

Mr. President, this is no partisan amendment. If there ever was a bipartisan matter presented in the Senate, this certainly ought to be it. It is a simple amendment. It takes virtually no money.

What I am asking for here is money for the childhood immunization vaccine and the childhood immunization program, designed to vaccinate all the children in this country against preventable childhood diseases. I am simply asking for an additional $6 million.

I cannot for the life of me, Mr. President, understand why anybody would have suggested reducing this program from $24,100,000 in 1981 to $18 million, a 25-percent reduction. This is one program where a preconceived notion of saving 25 percent has absolutely no justification whatever. Nobody could possibly have looked at this program seriously and said, "Let us cut it by 25 percent."

Mr. President, we have been talking about economies here. I voted for some of the amendments that have been offered to this resolution, and I voted against some of them. But I have the feeling that maybe some of them are not being examined as closely as they ought to be. Here, we are talking about a simple $6 million that translates into an unbelievable saving of money and, just as importantly, human misery.

Maybe the argument is going to be that Secretary Schweiker, our former distinguished colleague from Pennsylvania, first of all, said we are not going to put the childhood immunization program in the block grant program. Childhood immunizations cross State lines. You simply cannot give one State a block grant of money and say, "Vaccinate all your children." It is more important than that.

I welcome the news from Secretary Schweiker that he is taking this money out of the block grant program and leaving it intact as a separate program. But they are still cutting the funds by 25 percent.

Let me just give a little personal note on the history of this program. It is a program that my wife started in the State of Arkansas when I was Governor. She wanted to know what she could do that would have a lasting impact on my State, one in which she and I both and the people of the State could take great pride. She chose childhood immunization. Arkansas, which had the lowest number of its children immunized

against childhood diseases, within 2 years during which we had a massive immunization program, became second in the country in the percentage of children vaccinated against preventable childhood diseases.

When we came to Washington, Betty wanted to translate what she had done in Arkansas to a national level.

I say this in absolutely no spirit of partisanship, but when President Ford was President, he was not interested in this. When the Carters came to town, simply because we were friends of theirs, Betty was able to go to the White House and get Mrs. Carter's attention and, therefore, President Carter's and Secretary Califano's attention. It was then, with President Carter's support that we embarked on a nationwide crusade exactly like the one we had in Arkansas to save billions of dollars and unbelievable human suffering by trying to immunize all the children in this country.

It was such a simple idea, Mr. President. Here we were with all these vaccines—rubella, measles, mumps, chicken pox, polio—and not using them, and so it began.

In 1975, my first year in the Senate, there was only $6.2 million in this program. That was not one-fourth enough to pay for the vaccine and immunize all the children in the country.

Because of the help of the President and the Secretary of HEW, we finally got started with this massive program.

Any Senator who does not look at the chart that lies on his desk does himself, every parent who is a constituent of his, and every child in this country a grave disservice. Let me give you an example.

In 1975, we had 59,000 cases of mumps, almost 60,000 cases. That is when we were putting $6 million a year into the program. We got the appropriations level up, and the massive campaign took place in 1979, when we put $35 million into it. Last year we had reduced the number of cases to 8,000, a reduction of something like 800 percent.

Measles: We have cut the number of cases of measles from 24.374 to 13,430.

Rubella: Rubella is German measles. In 1975 we had 16,652 cases of rubella, and in 1980 we had reduced that to 3.837 cases. So far in 1981, the first 3 months, we have had 599 cases. So the reduction continues.

Incidentally, with respect to measles, we had 13,000 cases last year, and so far this year, in the first 3 months, we have had only 610 cases.

Pertussis—that is plain old whooping cough—was a fatal disease when I was a child. In 1975 we had 1,738 cases. For the first 3 months of 1981, we have had only 22 cases in the whole country.

Mr. President, it would be a tragic thing to reverse an unbelievable trend and go right back to where we just came from.

What about measles and rubella? What do they do? I will tell you what they do.

The sickest my children have ever been in their lives was with red measles. What do measles do? Measles can leave you blind. It can impair your hearing. It can do brain damage, because encephalitis is a common corollary with measles and mumps both.

What does rubella do? If a woman is pregnant and she gets German measles in the first 3 months of pregnancy, her child is going to be seriously affected. That child is going to be physically or mentally retarded or have some impairment such as loss of hearing or sight.

Of the 250,000 people—I want everybody to listen to this—of the 250,000 people institutionalized in mental institutions in this country, 5 to 9 percent of them are rubella syndrome, because they were born of a mother who had German measles during the first 3 months of pregnancy. And we are asking for $6 million.

Do you know what the Secretary of HEW said in 1979 when we finally reached the point that we had immunized 90 percent of all the children under 12 in the country? They had a calculation. He said that reaching 90 percent immunization levels has saved this Nation $15 billion in health care cost. For less than $100 million, Mr. President, we have achieved a $15 billion saving—and that does not include the tears, lost sleep, none of the things friends and parents do not endure when their children are properly immunized.

Why is this $6 million important? HHS might come here and say, "We will find the money, Senator. Don't worry. We will take it out of another fund. We're not going to let these children go without these vaccinations."

That is what everybody said before 1976, but they were going without vaccinations, and human suffering costs were going apace.

If they do not need the money, I assume they will not ask for it. I do not want to involve the Communicable Disease Center, because they did not ask me to do this, but I can tell you this: If you take that $6 million away from them, the measles eradication program will end. You will be able to get measles vaccine, but you are not going to have those two nurses in each State going to every school district, to every forum they can find, to point out that we need to eliminate measles once and for all in this country. That program to eliminate measles in this country has been fantastically successful, and to halt it now would be a terrible tragedy.

I want everybody here who votes against this amendment to understand the implications of what he or she is doing.

One of the trendiest things in this country right now—some of it justified, and some of it I deplore—is to curse government. You cannot go into a coffee shop anyplace in America without the topic of conversation getting around to the idea that government cannot do anything right. Everything government touches turns sour. Some people are even suggesting that we would be better off without government.

I understand some of that, and I understand the disenchantment and the dismay many people in this country feel toward government.

But I will tell you one thing: If I could make the argument I am making here to the American people and know that 220 million of them were listening, there would not be one-half of 1 percent who would not say, "For God's sake, put that $6 million or whatever you need into that program. The Government does one thing right. They have embarked on a program that works."

I will give you a little vignette. I probably should not. But when Betty Bumpers went to the White House, she said to the President, "You know, here is something you can do, and at the end of your term you can say, 'Here is something we embarked on, here is something we started, and it has been a colossal success.' "

We all know how much attention this sort of thing gets. It never gets one line in the newspapers, never gets one line in the press. This is something we have to do inhouse; and we, as Senators, have to be aware of our responsibilities and make it happen, and not worry about whether we gather accolades in the process.

If you are looking for some political credit, do not. It is not the sort of thing that is going to win many brownie points back home. But if you are interested in your own children, if you are interested in the future health of this Nation, vote for it.

If you want to prove for political reasons that not one amendment is going to be permitted to be passed during the consideration of this resolution, then vote against it, and let us get on with it; and we will just tell the American people that, for political and partisan reasons, we were not even going to let a little $6 million appropriation slide through, even though it means reversing one of the most dramatic achievements ever in this country. Let us just put it on the sacrificial altar and be done with it.

I plead with Senators when they walk into this Chamber: Do not walk down there and just vote "No" because that is the way you have been voting.

I yield the floor, Mr. President.

Mr. QUAYLE. Mr. President, I commend the Senator from Arkansas for bringing this matter to our attention. I listened with a great deal of interest and understanding. I applaud him and his wife for the efforts they have made in this matter in past years.

The Senator from Arkansas began his remarks by saying—and I believe I am quoting him fairly and accurately—that it takes virtually no money. We talk about $6 million, which is not very much of the total budget that goes into HHS.

As a matter of fact, the total budget of HHS is about $250 billion.

I have tried to compute what kind of a fraction that we are talking about here—$6 million of the entire Federal budget. It comes out to about point nine ten-thousandths of 1 percent. I do not know how to write that down. I am not yet well versed in the mathematics of the budgetary process. But that is what it comes out to what we are talking about. We are not talking about that much money.

I do not think anyone is in opposition to eradicating measles or anyone would want to see the children of our country not have proper immunization against these diseases such as rubella, measles, tetanus, mumps, diphtheria, or polio—no one; no, Senator, no one in this country.

The Senator from Arkansas said if the American people were listening, all 220 million of them, they would vote for this $6 million addition.

I suggest, and I would certainly be of assistance to the Senator from Arkansas, that he make this same speech and this same plea to the Labor and Human Resources Committee that will be determining on how much money will go into that program and then to make that same speech and that same plea to the Subcommittee on Health and Human Services of Appropriations which will be making that determination. I suggest that once those two committees discuss this issue they, in fact, will agree with the Senator from Arkansas that these programs shall go forward, that no one is going to stop a program that eradicates measles, that no one wants to stop any kind of a program that provides for better immunization of our schoolchildren.

I happen to be the father of three children. They are just beginning school. Their ages are 6, 4, and a 2-year-old.

The results of immunization have been good. They are not as good as we wish to see but, probably because of the leadership of the Senator from Arkansas and others, we are in a better position today than we were 5 or 6 years ago. He is to be commended for that. I commend him for it.

The statistics I have show that more than 90 percent of our children, kindergarten through eighth grade, have been immunized against measles, polio, diphtheria, tetanus, and whooping cough, and 84 percent of this population has been immunized against rubella and German measles.

We can do better. We can do better and we will do better.

But I suggest to the Senator that this amount of money at this particular place in the budget reconciliation process is not timely. The Labor and Human Resources Committee has $60 billion to deal with, and I am sure that if he takes his eloquence and the merits of these programs there, that committee is not going to turn its back and say "no" to these worthwhile programs.

He indicated that Secretary Schweiker has already agreed to take this out of the block grants, if I understand the Senator correctly, and put it in to categorical grants. That is a step in the direction the Senator from Arkansas wants to go to make sure that this program is adequately funded and adequately taken care of, so that no one can accuse this administration or this Congress of trying to eliminate a program that has seen success.

So, in conclusion, Mr. President, I urge that this amendment not be offered. The proper debate and the proper argument will take place in the Labor and Human Resources Committee, the authorizing committee, and the Appropriations Committee. I say with optimism that the final result of this Congress through the reconciliation process, the budget process, the appropriations process, and the legislative process, will be that these programs will go forward, that they will in fact go forward without this amendment.

I just cannot fathom anything but that being the final result of this debate.

I also am aware, and I think that in this day of preventive medicine where, as stated by the Senator from Arkansas, we saved $15 billion, this is precisely what we are looking for, cost savings in health care. That is what this administration is looking for. That is what people are looking for when they say let us get better efficiency for our taxpayers' dollars. Let us have a more efficient management of programs so as to achieve ultimate savings. This obviously has the statistical data to move in that direction.

So I hope that this amendment will not go forward. I do not think it is necessary. I do not think it is timely. The Budget Committee deals in functional categories and to get down to dealing with a relatively minuscule amount on something that is very worthwhile, point nine ten-thousandths of 1 percent of the budget, I feel would not be timely. Though the intent of the Senator is obviously meritorious and I appreciate his concern and his leadership in the past, I look forward to working with him as a member of the Human Resources Committee in the future.

Mr. President, I reserve the remainder of my time.

Mr. BUMPERS. Mr. President, I ask unanimous consent that Senators SARBANES, PRYOR, RIEGLE, EXON, LEAHY, EAGLETON, and DECONCINI be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I shall only take a minute.

I appreciate the argument made by the distinguished Senator from Indiana (Mr. QUAYLE). I only wish to make this point: This amendment does not direct the Labor and Human Resources Committee to put money in this program. The Senate is simply saying by this debate that we believe in this program.

Why should I have to go make this same plea before the Labor and Human Resources Subcommittee and the full committee and go through all of that? All we are debating this argument for here is to say if they do not want to put this extra $6 million in there and they want to take it from someplace else, that is fine. They do not have to increase their budget $6 million. If they have another program within the $60 billion they are going to be disbursing and they can find the $6 million someplace else that is fine with me.

But is that not what every amendment that has been offered in this Chamber is for—to let the committee know that we have an interest in a particular program? They are not bound by anything we do. If we accept the argument of the Senator from Indiana we would just pass a reconciliation instruction and send it out to the committees and then we will all take our chances before those various committees, if we lose come back and offer it again.

But if that is what we are doing we have wasted 5 days on all these amendments.

But as I understand it, this resolution is still $2.3 billion below even President Reagan's budget cuts. In other words, the Senate, if we pass this resolution tonight, will have cut $2.3 billion more out of the budget than even President Reagan recommended, and I think this whole body is due a lot of credit for that.

But here, we are offering these amendments as instructions to those committees. Whether they abide by them or not is their business. If they can find that $6 million someplace else that is fine, too, but they should know when they start marking this bill up that the Senate has spoken on childhood immunization and if they want to come back with $59,994,000,000 that is fine with me.

The PRESIDING OFFICER. The Chair hesitates to interrupt the distinguished Senator, but I do wish to call to his attention that his time under the amendment has expired.

Mr. BUMPERS. Mr. President, I yield myself such time under the resolution as I may use.

The PRESIDING OFFICER. The Senator has that right.

The Senator from Arkansas may proceed.

Mr. BUMPERS. So, Mr. President, let us not hang our hat on any kind of semantics such as that, that you can go to the Labor and Human Resources Committee and make your argument, you can go someplace else or even offer it again here in the Chamber.

We are here debating what our priorities are. This should be a priority of the Senate and the Senate should vote for it.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Mr. President, I yield such time as the Senator from Missouri may use.

ORDER OF PROCEDURE

Mr. EAGLETON. Mr. President, will the Senator have any objection if we stack his vote and some succeeding votes on Eagleton amendments and others, all votes to begin at 1 p.m., the first vote being on the Bumpers amendment, it being a 15-minute rollcall vote and succeeding stacked votes being 10 minutes in duration?

Such has apparently been cleared with the Republican majority leader.

I ask the following question of Senator BUMPERS: Would he be willing to consider deferring the vote on his amendment to 1 p.m., that his be the first amendment voted on, a 15-minute

rollcall, that succeeding stacked amendments which will include the next two Eagleton amendments ensue thereafter, and that they be of 10-minute duration?

Mr. BAKER. That is fine with me.

Mr. President, in response to that suggestion, I ask unanimous consent that the vote which has been ordered on the Bumpers amendment be delayed until the hour of 1 o'clock, and that any other amendments which are taken up and considered and on which votes are ordered also be delayed until after the Bumpers amendment, the first amendment being a 15-minute vote and each subsequent stacked amendment, if any, be 10 minutes in length.

Mr. EAGLETON. Mr. President, reserving the right to object to my own proposal, we are checking signals with the minority leader.

Mr. BAKER. Mr. President, I will temporarily withhold the request I have just made and will express it again as soon as it has been cleared on the minority side.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGEEMENT

Mr. BAKER. Mr. President, I observe the minority leader is on the floor, and I would inquire of him if it is cleared on his side to take votes at 1:30 p.m. on the Bumpers amendment and any other amendment that may be ordered in the interim.

Mr. ROBERT C. BYRD. Mr. President, I know of no problem on my side of the aisle.

Mr. BAKER. I thank the Senator.

Mr. President, I renew my request but that the time be 1:30 p.m., instead of 1 p.m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. I thank the Senator from Missouri and the Senator from Arkansas and, of course, I thank the minority leader.

Mr. QUAYLE. Mr. President, before I yield back my time, I would like to take 30 seconds. I want to make one final statement. The Senate Budget Committee did, in fact, restore about $1 billion in additional spending over and above the President's recommendation.

Even though the total reconciliation was $2 billion more than the President requested in that particular committee to which this amendment goes, there was an additional $1 billion.

Finally, I will say that even without this amendment these programs the Senator from Arkansas has talked about will, in fact, go forward.

Mr. BUMPERS. Mr. President, I yield such time to the Senator from Nebraska as he may require on the resolution itself.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I enthusiastically cosponsor the amendment offered by my friend and colleague from Arkansas. I heard him say a few moments ago in this Chamber that his fear was that our colleagues would be coming in here at 1:30 or shortly thereafter, going down to the well, reading the instruction sheets that customarily appear on the Democratic and Republican tables, and we very likely would see the customary votes that we have seen on a whole series of amendments, 55 against and maybe 35 or 38 votes for.

I think this is a very important amendment. I hope our colleagues will recognize that this is just not one more of a whole series of amendments they have had to come into the well and make their decision on, and oftentimes on very short notice.

I appeal to my colleagues on both sides of the aisle to take a very close look at the recommendation of the Senator from Arkansas. It is for about $6 million.

I say this, Mr. President, as one who has voted "No" on most of the increases in the President's budget. But the record will clearly show, Mr. President, that I and many others in this body similarly situated have voted and supported cuts in the overall Federal budget which exceed those recommended by the President both, as I say, as a member of the Budget Committee and on votes I have cast on this floor.

I say to the President that many of those votes I have cast have been tough votes for me to cast, but I feel very strongly about the need to turn around the direction of ever-increased Federal expenditures.

However, here we are talking, Mr. President, about $6 million that is part and parcel of a very successful program. This is a good Federal program. This is for kids, this is for health, this is to prevent suffering on the part of youngsters of today who may well indeed be drawing upon some of the resources of the Federal Government in the future unless we prevent disease with immunization, as we have been doing over the past several years.

So, Mr. President, as we near the end of the debate on this issue, I simply hope that those of my colleagues will heed the words of the Senator from Arkansas, whom I consider an expert on this subject.

I feel that those of us who have voted time and time again for cuts do not automatically have to go to the table and hold up our hands to show our macho—macho spirit to be in lock step with what most of us feel is necessary in the U.S. Senate.

I, therefore, make an appeal, Mr. President, for our colleagues on both sides of the aisle to stop, think, ponder before they cast a vote on this increase that I think is totally justified.

I yield back to my friend from Arkansas.

CHILDHOOD IMMUNIZATIONS

Mr. KENNEDY. Mr. President, I rise in support of the amendment of the Senator from Arkansas to increase funding for childhood immunization programs.

The national childhood immunization initiative was begun in 1977 when surveys revealed that over one-third of school aged children were inadequately immunized against the major vaccine preventable diseases. A goal was established to raise immunization levels to over 90 percent by the fall of 1979. Resources were committed to that goal, and that goal was attained. Today, fully 91 percent of the 24 million children between kindergarten and eighth grade are adequately immunized.

The health impact of this level of protection is enormous considering the morbidity and mortality associated with these common childhood diseases. For example, encephalitis occurs in 1 of every 1,000 measles cases, often producing permanent brain damages; death occurs in 1 of every 10,000 cases. One case of deafness occurs in every 16,000 cases of mumps. Diphtheria, whooping cough, and tetanus can cause serious respiratory, cardiovascular, and nervous system complications. Whooping cough is fatal to 1 of every 100 children afflicted. No one would want to recall the scourage of paralytic polio.

Yet our children can be protected from every one of these childhood diseases, and the savings in human life, misery, and economic resources are huge. For every dollar we spend to immunize our children against measles, for example, we save $8 in treatment costs.

We cannot afford to be complacent and deem the national immunization initiative a final victory. Each year millions of new children must be protected. Only by a sustained effort can we assure that these serious childhood diseases do not afflict our children.

The substance of the Bumpers amendment was a part of the amendment which I offered yesterday. I know that when the Senator from Arkansas was Governor, he placed a very high priority on that program. He has a very strong commitment to an effective immunization program.

We have worked very closely together over the years, and we share a common belief in the effectiveness of immunization as a cost-efficient approach to disease prevention.

It is important to recognize that the fight against most communicable diseases is an ongoing one. Even when the incidence of the disease is decreased, the disease is latent, waiting to spring back if we drop our guard.

If we cut funds for immunization, if we have an interruption in our efforts and when we let our guard down, we can expect that the citizens of this country are going to suffer, and the ones who will suffer the most, are going to be the children who are going to be affected.

I strongly support the Senator from Arkansas' amendment and urge my colleagues to support this important program.

COMMENDATION FOR AGENTS McCARTHY AND PARR AND OFFICER DELAHANTY

Mr. BAKER. Mr. President, I have discussed this with the distinguished minority leader. I ask unanimous consent

that it may be in order at this point to offer a resolution for immediate consideration.

The PRESIDING OFFICER (Mr. JEPSEN). The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 106) to commend Agents McCarthy and Parr and Officer Delahanty for their unselfish courage and patriotism during the recent attempt on the life of the President of the United States.

The PRESIDING OFFICER. Without objection——

Mr. ROBERT C. BYRD. Mr. President, if there is no objection, I ask that the resolution be read. It is brief.

The PRESIDING OFFICER. The clerk will read the resolution.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for himself, Mr. ROBERT C. BYRD, Mr. ABDNOR, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. HARRY F. BYRD, JR., Mr. CANNON, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. COHEN, Mr. CRANSTON, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DENTON, Mr. DIXON, Mr. DODD, Mr. DOLE, Mr. DOMENICI, Mr. DURENBERGER, Mr. EAGLETON, Mr. EAST, Mr. EXON, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. GORTON, Mr. GRASSLEY, Mr. HART, Mr. HATCH, Mr. HATFIELD, Mrs. HAWKINS, Mr. HAYAKAWA, Mr. HEFLIN, Mr. HEINZ, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. JEPSEN, Mr. JOHNSTON, Mrs. KASSEBAUM, Mr. KASTEN, Mr. KENNEDY, Mr. LAXALT, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. LUGAR, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCLURE, Mr. MELCHER, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PERCY, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. QUAYLE, Mr. RANDOLPH, Mr. RIEGLE, Mr. ROTH, Mr. RUDMAN, Mr. SARBANES, Mr. SASSER, Mr. SCHMITT, Mr. SIMPSON, Mr. SPECTER, Mr. STAFFORD, Mr. STENNIS, Mr. STEVENS, Mr. SYMMS, Mr. THURMOND, Mr. TOWER, Mr. TSONGAS, Mr. WALLOP, Mr. WARNER, Mr. WEICKER, Mr. WILLIAMS, and Mr. ZORINSKY, submits the following resolution:

S. RES. 106

Whereas those charged with the duty of protecting our Nation's leaders place their lives in jeopardy every day of their service;

Whereas these people perform their duty in an anonymous manner except during times of national crisis when the eyes of the country are focused on them;

Whereas on March 30, 1981, in the city of Washington, Agent Timothy J. McCarthy of the United States Secret Service and Officer Thomas K. Delahanty of the Metropolitan Police Force suffered critical injuries in the line of duty while protecting the President of the United States; and

Whereas the unselfish and skillful efforts of all these men in helping to save the life of the President placed their own lives in the greatest peril: Now, therefore, be it

Resolved, That the United States Senate commends Agent McCarthy and Officer Delahanty for their courageous actions on behalf of the Nation and prays for their speedy recovery and commends Agent Jerry S. Parr for his phenomenally quick action and judgment in time of crisis and further commends all of the brave men of the Presidential Protective Detail who acted to save the life of the President of the United States on March 30, 1981.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to Agents McCarthy and Parr and Officer Delahanty.

Mr. BAKER. Mr. President, I ask unanimous consent that the resolution be kept open for cosponsors for the remainder of this legislative day.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BETTER SIDE OF TRAGEDY

Mr. DOLE. Mr. President, this resolution rightly honors secret service agents Parr and McCarthy and District of Columbia policeman Delahanty for their exemplary professionalism and outstanding performance of duty in protecting the President last Monday. A true mark of their professionalism was that in the suddenness of a crisis, these men did not panic, no weapons were fired other than the attempted assassin's, and the perpetrator was subdued in seconds. It would be indeed an injustice if their valor were not recognized. The Senator from Kansas is honored to cosponsor this resolution and join in this tribute.

But, as I pay tribute to these three dedicated public servants, I cannot fail to recall the scores, if not hundreds of people, whose names will never be known to us or appear in a resolution, who also gave of themselves and illuminated the human side of Monday's tragedy. They range from paramedic, Roberto Hernandez, who at the very beginning, through quick response and competence, helped with the early care of the President when he first entered the emergency ward, to unnamed nurses, pharmacists, anesthesiologists and hospital personnel without whose devotion the remarkable recovery of the four wounded men would have been slowed or endangered.

That the President of the United States was a victim serves only to bring these people to our attention. For they are there everyday, serving with the same devotion and skill both the high and lowly. If an attempt to assassinate a President can be said to have a felicitous side effect, I think the realization of how much we owe to so many dedicated people, is such an effect.

Mr. President, in view of the attempted assassination, it might be easy to become cynical at times about people in general. But, in particular, we must remember people will always confound cynicism. As long as men are as they are, imperfect in so many ways, there will be the murderers, fanatics, and madmen who kill and wound. Astonishing as it is, there always have been and always will be the heroes and heroines, who with bravery and skill and devotion protect the injured.

We honor the Parrs and the McCarthys and the Delahantys and through them we do some small honor to the anonymous army of those who try to hold the civilization together or patch it up.

Once again the unthinkable has occurred. The events of Monday have taken their toll on each and everyone of us. Despite this, however, as the Nation bounces back from yet another tragedy, let us hope that it does not rebound so far as to forget how very much we owe not only to those men honored in this resolution before us but also those unsung heroes who are not receiving resolutions and commendations here today.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 106) was agreed to.

The preamble was agreed to.

Mr. BAKER. Mr. President, I thank all Senators for permitting me to interrupt the proceedings at this point. I may say that I discussed with the minority leader and advised him that I plan to visit with the President in the hospital today. I am grateful for the opportunity, then, to convey to him the information that the Senate has acted on this matter.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

The Senate resumed consideration of the concurrent resolution.

The PRESIDING OFFICER. The Senator from Missouri.

UP AMENDMENT NO. 45

(Purpose: To restore funds for trade adjustment assistance)

Mr. EAGLETON. Mr. President, I have an amendment on trade adjustment assistance. The figures are being edited right now. I ask unanimous consent that I may be permitted to proceed with my remarks on this amendment. The amendment will be at the desk in a moment when my remarks are completed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute off the resolution.

Mr. President, I ask Mr. EAGLETON to assume the position here at this desk, and I designate him, on behalf of Mr. HOLLINGS, to control the time on the resolution during the discussion of the two amendments of the Senator from Missouri.

Mr. EAGLETON. Mr. President, I thank the minority leader, and I thank the Chair.

Mr. President, I rise to offer an amendment to increase function 600, income security, to restore $400 million for the trade adjustment assistance program.

Under the present Trade Act of 1974, workers adversely affected by imports are entitled to:

Trade readjustment allowances for up to 52 weeks;

A maximum weekly benefit equal to the average weekly wage in manufacturing, or $289; and

Employability services including job search allowances and relocation allowances, as well as job training.

Senate Concurrent Resolution 9 proposes to change the whole nature of this program by limiting it to the regular State unemployment compensation levels and providing these benefits only after unemployment benefits have been exhausted.

Mr. President, trade adjustment assistance provides financial and technical assistance to workers adversely affected by import competition. The program began in 1962 as part of the Kennedy round of tariff and quota reductions. This program, then and now, recognizes that a trade expansion policy, although aimed at benefiting the Nation as a whole, may cause particular worker groups to be dis-

advantaged. Thus, trade adjustment assistance has been considered a key element in American free trade policy since 1962, compensating those who are found to bear the burden of that policy.

The benefits under this program are intended to assist workers thrown out of their jobs for extended periods of time as a result of long-term decline as well as sudden, unexpected, large-scale economic dislocations. That is why the benefits exist for longer periods and provide for training, job search, and relocation assistance, should workers require it.

It was understood that regular unemployment compensation could not deal with the types of situations TAA addresses. And it has always been the case that TAA benefits are reduced to the extent that workers receive regular unemployment benefits.

The decline in our domestic auto industry, caused in some measure by the general deterioration in the economy and the failure to anticipate economic trends, has resulted in the layoff of more than 300,000 autoworkers, most of whom are laid off indefinitely. This decline is admittedly the product of a number of factors, but chief among them are Federal policies governing trade and energy.

Our policy of free trade has made it possible for the Japanese to flood the domestic market with their products, especially their automobiles. Japan's auto exports over the last 9 years have accounted for more than 80 percent of their expanded auto production. Our 3-percent tariff, less than one-third of the tariff that the European Economic Community has placed on cars coming into their markets, has made this the case. Japanese imports account for approximately 23 percent of our market. By way of contrast, France has kept the Japanese share of its market to under 3 percent; Italy permits only a few thousand Japanese cars to enter its markets; Britain and Germany have similarly negotiated import controls.

Another undeniable factor behind our auto industry's decline has been the policy of decontrolling the price of domestic oil. As gasoline prices more than doubled last year, auto buyers flocked to smaller, more energy efficient imports.

I admit that American automakers have been slow to respond to shifts in consumer demand, but the Carter administration's decontrol policy could have been postponed under the law until October 1981, allowing Detroit some time to shift its production to smaller, more energy efficient cars.

Mr. President, an unwarranted reduction in trade adjustment assistance would target autoworkers, who through no fault of their own, have become casualties of these Federal policies.

Mr. President, this amendment restores only a small portion of the Budget Committee's proposed reconciliation. That is because the cost of TAA benefits in fiscal years 1982 and 1983 will fall dramatically over the next few months, without major changes in current law as proposed by the Budget Committee. Most recipients whose benefit period began in 1979, are now approaching the end of their 2-year benefit period. Thus, 1980 costs can be exceeded only if large new segments of industry are laid off, and that is not anticipated. In the natural course of events, a savings of some $900 million will undoubtedly be achieved; that is, with no changes in current law.

Adoption of this amendment will insure that the commitments made by Congress, as recently as last year when we passed the Multilateral Trade Act, to the workers of America are honored.

Finally, Mr. President, I would point out that this amendment will insure adequate levels for the trade adjustment retraining component of the program. Trade adjustment assistance recipients are entitled to job retraining and relocation services, and yet in fiscal year 1980, funds ran out in May, only 7 months into the fiscal year. For this fiscal year, only a first quarter allocation of the fiscal year's training funds were released and these are long gone. Opponents of this program have criticized the program for only providing income support and reducing the incentive to find new jobs in growing industries. This is an emphasis we should all press for.

Mr. President, I have completed my prepared remarks.

I now send the amendment to the desk with the appropriate figures.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON), for himself, Mr. BIDEN, Mr. KENNEDY, Mr. LEVIN, Mr. METZENBAUM, Mr. RIEGLE, Mr. WILLIAMS, and Mr. MOYNIHAN proposes unprinted amendment No. 45.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, strike out lines 9 through 18 and insert the following:

"(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $295,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 minus $400,000,000 and outlays by $9,354,000,000 minus $400,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 minus $300,000,000 and outlays by $10,870,000,000 minus $300,000,000 in fiscal year 1983; and

Mr. EAGLETON. It is $400 million in 1982, $300 million in 1983, in both BA and outlays.

Mr. President, I note the distinguished Senator from Michigan (Mr. RIEGLE) wishes to speak on this amendment. Does the Senator from Indiana wish to proceed until Senator RIEGLE arrives?

Mr. QUAYLE. I am prepared to proceed at this point.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, coming from the State of Indiana, I have a great deal of sensitivity to auto imports and a great deal of sensitivity to the unemployment situation. One out of five people in our State is employed in an industry related to the auto industry. So this amendment is of great importance.

However, I must rise in opposition to it, Mr. President. I note that the distinguished Senator from Missouri restores $400 million in budget authority and outlays in 1982 and $300 million in budget authority and outlays in 1983, which, if my figures are correct, would still be a reduction from the proposals of about $1 billion in 1982 and 1983.

I applaud the Senator because of the fact that we do have to bring down the amount of money spent on the TAA program. The dispute is whether the President's recommendation of $493 million should prevail or should we add another $400 million in fiscal year 1982. At least we do have an agreement that the implementation of this program and its expenditures, which have increased 950 percent since 1979, must be managed better and curtailed.

I think that is an agreement in which we can concur, but we disagree on the appropriate level.

Mr. President, I would also like to point out that the President's economic program will create additional job opportunities so that this program and other programs, as such, will not be necessary at the present levels.

I am also hopeful that we can come to an agreement with Japan to do something about the imports. I trust we will be able to do something about revitalizing the auto industry and revitalizing other businesses in this country to provide opportunities, not just in the auto industry even though that seems to be the one we are talking about right now with the Senator's amendment.

I would point out that GAO has found that the TAA has helped fewer workers to adjust to a changing economy because most payments were received as a lump sum after—and I want to emphasize after—returning to work. TAA has evolved into an income maintenance program. Studies show that it provides little adjustment. For instance, workers rarely take advantage of relocation and retraining assistance.

Mr. President, the President's proposal eliminates duplication between unemployment compensation and trade adjustment assistance. This is the duplication that I am sure the Senator from Missouri would be directing his amendment to. The question, again, is at what level are we going to finally arrive.

Mr. President, there was a GAO recommendation that TAA benefits would only be available after a person received unemployment benfits. At present, benefits are received simultaneously and provide workers with as much as 70 percent of their normal wage. Thus, many workers suffer little or no real loss from a layoff when taxes and work expenses they would pay if working are taken into account.

Mr. President, in conclusion I would like to point out that it is my understanding that, in testimony delivered to a House subcommittee just this week, the administration formally presented and discussed its proposed changes in the TAA program. By tightening up the criteria for eligibility and by bringing

TAA payments into line with State unemployment compensation payments, additional money will be available for retraining. I want to repeat that. Additional money will be available for retraining.

The administration estimates that as much as $100 million in additional retraining funds will be available in fiscal year 1982.

Mr. President, I reserve the remainder of my time.

Mr. RIEGLE. I commend the distinguished Senator from Missouri for his leadership on this amendment, I am happy to cosponsor it with him.

Mr. President, I think what is being recommended here is very modest in scope, very reasonable and, I hope, something that the Senate will support.

Even without major changes in current law, it is likely that the cost of trade adjustment assistance will decline sharply over the next few months. Many people who have received this help are approaching the end of the period for which benefits are available and therefore they will no longer qualify for assistance. So, Mr. President, much of the budgetary reductions sought by the administrations will occur in the normal course of events, without the sweeping changes in law that the administration has proposed.

Almost every auto plant that can be affected by rising imports has been certified eligible for TAA. New claims are falling off very fast. Of course, many Senators hope that the Reagan administration will take firm action shortly on the problem of automobile imports. The huge surge in imports has driven up the cost of TAA to the levels we have seen. Effective action on imports would be of major help to the 1 million workers in this country who have been displaced by the tremendous influx of foreign automobiles in the United States. And it would further reduce the cost of TAA.

This amendment would help insure that we can maintain our assistance to the families of workers who have lost jobs because of foreign imports. It will help insure that they can receive training for new jobs if that is necessary.

Mr. President, when Congress passed the trade bill in 1974, Congress decided that workers would not be forced to suffer financial damage from sudden changes in foreign trade. The TAA program was established to help workers adjust to new conditions of foreign competition. I do not know that the trade bill would have had broad support if it did not include this safety net program for workers who might otherwise lose their jobs to a surge of foreign imports.

Mr. President, opponents of TAA have in the past criticized the program for only providing income support and not helping workers find new jobs in growing industries. GAO found that a high percentage of those TAA workers who did receive training completed the training and found jobs related to their training experience. GAO found that training, job search, and relocation have worked well but it has been woefully underfunded.

This amendment would help maintain part of a compact between the Nation and its workers.

Therefore, Mr. President, at a time when there is widespread unemployment across the United States, I hope that we shall not fail to recognize the special problem of workers in industries which are under attack by foreign products and foreign economic interests.

Again, I commend the Senator from Missouri for his leadership on this issue. I hope that, because of the modest size of this amendment and its importance, the Senate will support it. I thank the Senator for yielding.

Mr. EAGLETON. Mr. President, if I haves 5 minutes remaining, I yield 5 minutes to the Senator from Michigan (Mr. LEVIN).

The PRESIDING OFFICER. The Senator from Michigan (Mr. LEVIN) is recognized.

Mr. LEVIN. I thank the Senator from Missouri and I thank the Chair.

(Mr. COHEN assumed the chair.)

Mr. LEVIN. Mr. President, I am proud to be cosponsor of this amendment and I congratulate the Senator for taking the lead in bringing this important issue before the Senate.

In his message to the Congress last February 18, President Reagan explained his rationale for proposing reductions in the TRA program. At that time, he said:

> The Trade Adjustment Assistance program provides benefits for workers who are unemployed when foreign imports reduce the market for various American products causing shutdown of plants and layoff of workers. The purpose is to help these workers find jobs in growing sectors of our economy. But because these benefits are paid out on top of normal unemployment benefits, we wind up paying greater benefits to those who lose their jobs because of foreign competition than we do to their friends and neighbors who are laid off due to domestic competition. Anyone must agree that this is unfair.

In fact, however, the President is just plain wrong in his basic criticism of the concept of the program. In point of fact, the Congress very clearly intended to provide more for workers who lost their jobs through foreign competition. They did so because they recognized that fairness required such additional assistance and because they recognized that compelling economic conditions required such additional assistance. Let me read from the report of the Senate Finance Committee on the Trade Reform Act of 1974 printed November 26, 1974. On page 131 of that report, the committee laid out a clear and compelling rationale for additional assistance to import impacted workers. They said there that:

> Congress established a special program or worker assistance in the belief that the special nature of employment dislocation resulting from changes in trade policy necessitated a level of worker protection somewhat beyond what is available through regular State unemployment insurance programs. Increases in imports of a given type of product can simultaneously and abruptly produce a combination of situations which have a particularly severe effect on employment. Because entire industries and not only individual firms may be adversely affected, workers may not have a realistic opportunity to find new employment which is at all related to the skills and training they may have accumulated over many years. Moreover, it can happen that the affected industry is one which is concentrated in a particular region with the result that the possibility of quickly absorbing displaced workers into other types of employment available in the area would be minimal. Thus, because trade-related unemployment may differ somewhat in nature from unemployment arising from other causes and because such trade-caused unemployment is a result of a Federal policy of encouraging increased foreign trade, worker adjustment assistance was provided for. . . .

Mr. President, the rationale provided by the Senate Finance Committee back in November of 1974 is still valid.

Additionally, Mr. President, I remain deeply concerned by the regional imbalance contained in the President's budget and this resolution. In the case of TRA, I believe that the reduction proposed here simply adds to that imbalance. In my own State of Michigan, the State hardest hit by the import problem and the general decline in auto sales, over 285,000 workers have received TRA benefits since October of 1979. These benefits have injected over $1 billion into the depressed economy of Michigan since then. Despite that assistance, Michigan is one of only a few States which has seen a fall in its tax revenues despite the inflationary pressures which have pushed receipts up in most States around this country. Denying Michigan TRA at the level suggested by Senator EAGLETON'S amendment would have the effect of piling on. In football, piling on is a penalty—but in the Senate it seems to be viewed as an act of political courage and fiscal responsibility.

Mr. President, I suggest we can be both courageous and fiscally responsible without piling on. There is no reason for us to reject the economic rationale for TAA which was developed by the Finance Committee in 1974. Nor is there any reason for us to break the promise we made to the working men and women of this country in the Trade Reform Act—a promise that when Federal trade policy did harm to a domestic industry, the workers in that industry would be protected.

Earlier in our consideration of this resolution, I joined with other Members in an effort to cut $2 billion from the proposed expenditure levels. We made that effort because we recognized that there is waste, fraud, and abuse which can be eliminated without harming legitimate and helpful Government programs designed to aid people. That amendment was rejected in the context of this resolution. But I believe we will pursue it in both the reconciliation bill and in the budget resolution. Accordingly, I am convinced that there are ways—ways already considered and ways yet to be presented—to find the savings needed to pay for the retention of TAA. I am not calling for increases in total expenditures because I believe we can find ways to pay for this program. But I must say, Mr. President, that I believe so strongly that we ought to honor our commitment to these workers and I believe so strongly that there is an economic and philosophic rationale for TAA that I would support this amendment even if it ultimately meant an increase above the President's budget mark.

Again, let me indicate my appreciation for the leadership role played by Senator EAGLETON in this effort and my pleasure at being an original cosponsor of this amendment.

TRADE ADJUSTMENT ASSISTANCE

Mr. KENNEDY. Mr. President, I am pleased to cosponsor the amendment offered by Senator EAGLETON which would restore $400 million in fiscal year 1982 and $300 million in fiscal year 1983 for the trade adjustment assistance program.

The administration has announced that it will propose legislation to provide that as of October 1, 1981, TAA benefits will be limited to workers who have exhausted their unemployment insurance benefits and limit TAA benefit levels to the amount a worker receives from unemployment compensation.

If enacted these proposals will drastically reduce benefits for eligible workers, 5,500 workers in my own State of Massachusetts are currently receiving trade adjustment assistance. If the administration proposals are adopted unemployed workers in Massachusetts stand to lose an estimated 13 million in benefits.

They would also undermine the essential purpose of the trade adjustment program. Ever since the enactment of the Trade Expansion Act of 1962, Congress has recognized that the Federal Government bears a responsibility to groups of workers hurt by increased imports. The trade adjustment assistance program created at that time established a uniform national policy to deal with the effects of liberalized rules of international trade.

The underlying rationale of the policy has always been that workers who are displaced because of increased imports are injured not as a result of normal economic forces, but as a direct result of Federal policy decisions that our import barriers should be reduced—and that they are therefore entitled to special relief.

The administration's proposal would in effect integrate the TAA program with the regular U.I. program. This simply fails to recognize that both the concept and the operation of the two programs are very different. The unemployment compensation program operates on insurance principles and is funded for the most part by payroll taxes on employers. There are few Federal standards. TAA is a compensatory program which is fully funded by the Federal Government without employer or State government participation.

The fact that TAA benefits are higher and available for longer periods than unemployment compensation reflects the compensatory nature of the program as well as congressional recognition of the difficulties permanently displaced workers face in preparation for and loacting new employment opportunities.

Mr. President, we should realize that significant reductions in the cost of the trade adjustment program are likely to occur next year without resorting to the major legislative changes the budget proposal assumes cost have substantially increased during the past year because massive auto import penetration and a precipitous drop in sales of U.S. cars has doubled the number of workers eligible to receive benefits under the program. It is unlikely that this extraordinary situation will be repeated. Petitions under the act are currently running between 180 and 200 per month compared with a rate of 600 to 800 just 7 months ago; and there is every reason to believe that applications for assistance will continue to decline in 1982 and 1983.

By adopting this amendment we can continue to provide this important safety net for workers in industries such as autos, steel, footwear, apparel, and electronics who face the prospect of permanent job loss because of increased foreign competition.

At a time when the tide of protectionism is rising and support for the free trade is at a low ebb, we will be making a serious mistake if we break the longstanding commitment to American workers which this program represents.

I urge adoption of the amendment.

Mr. President, we hear a great deal about our economic strength in the debates on the budget items. But the fact is we are living in a world of economic interdependence—we must recognize that there is a price to pay if we are going to participate in the international economy. There will be areas in this country which will benefit from the importation of products and goods which are made in other parts of the world. These goods are often produced under conditions which fail to meet any kind of minimal standards of decency in terms of the payment of wages and other benefits. The result is a serious dislocation of American workers.

Trade adjustment assistance has been a program which recognized a national need, a national responsibility, to help workers who are going to lose their jobs because of the importation of various goods. While we recognize this as being in the overall national interest, nonetheless, we have to ask ourselves whether there are going to be particular families who are going to bear the burden of such a policy.

In the past we have recognized that since the Nation benefits from an expansion of trade and the opening up of new markets, we bear a special responsibility to workers who are displaced. The trade adjustment program has recognized that. It is a matter of record.

To now renege on that basic and fundamental commitment, Mr. President, I believe is unfair and I believe is unjust and basically unwise. So I support the amendment of the Senator from Missouri (Mr. EAGLETON).

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time on the trade adjustment amendment.

Mr. QUAYLE. I yield back my time.

Mr. EAGLETON. I yield back my time.

I ask for the yeas and nays on both the trade adjustment amendment and the National Science Foundation amendment which will follow.

The PRESIDING OFFICER (Mr. DANFORTH). Is there objection to it being in order that the yeas and nays may be ordered with one show of hands?

Mr. EAGLETON. First, I ask for the yeas and nays on the trade adjustment amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EAGLETON. I now ask for the yeas and nays on the National Science Foundation amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 46

(Purpose: To restore funds for the National Science Foundation)

Mr. EAGLETON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON), for himself, Mr. KENNEDY, and Mr. PELL, purposes an unprinted amendment numbered 46.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with line 12, strike out through line 2 on page 3 and insert the following:

SEC. 9. (a) Congress hereby determines and declares that it is necessary to make changes in enacted laws in order to reduce budget authority by $14,667,000,000 minus $82,000,000, and outlays by $2,353,000,000 minus $35,000,000, in fiscal year 1981; to reduce budget authority by $52,825,000,000 minus $78,000,000, and outlays by $36,945,000,000 minus $39,000,000, in fiscal year 1982; and to reduce budget authority by $59,228,000,000 minus $90,000,000, and outlays by $47,694,000,000 minus $59,000,000, in fiscal year 1983.

(b) The Committee on Appropriations of the House and Senate shall report not later than June 5, 1981, legislation to reduce previously enacted appropriations by $13,300,000,000 minus $82,000,000 in budget authority and $1,500,000,000 minus $35,000,000 in outlays for fiscal year 1981; by $3,200,000,000 minus $31,000,000 in outlays for fiscal year 1982; and $1,800,000,000 minus $11,000,000 in outlays for fiscal year 1983.

On page 9, beginning with line 24, strike out through line 10 on page 10 and insert the following:

(B) The Senate Committee on Labor and Human Resources shall also report changes in laws to modify programs within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,388,000,000 minus $82,000,000 in budget authority and $414,000,000 minus $35,000,000 in outlays for fiscal year 1981; $10,303,000,000 minus $78,000,000 in budget authority and $7,928,000,000 minus $39,000,000 in outlays for fiscal year 1982; and $12,363,000,000 minus $90,000,000 in budget authority and $10,913,000,000 minus $59,000,000 in outlays for fiscal year 1983.

Mr. EAGLETON. Mr. President, this amendment seeks to restore funds under function 250, general science, space,

technology, and specifically for the National Science Foundation research activities and science education, to the current policy levels of the Congressional Budget Office; that is, current law plus an inflation factor.

Mr. President, reducing the rate of inflation and improving the overall performance of the economy are laudable goals shared by every Member of this Chamber. Substantial reductions in Federal spending are a necessary step toward reaching these goals. However, Mr. President, as important as how much we cut is how we cut. It seems to me essential that, under the immediate pressures for instant savings, we not sacrifice the long-range goals critical to the very health and spirit of our Nation.

It is essential that every Senator understand that, if we accept the Budget Committee's recommendations to reduce the National Science Foundation research activities and science education programs, we are, in effect, abandoning the best minds in this country—abandoning the human talent that plays an integral role in increasing this Nation's productivity. If we adopt the Budget Committee's reductions, I submit that we have lost any sense of perspective about long-range investment priorities.

The effectiveness of the NSF fellowship program is well established; reductions in its support will surely exacerbate the current shortages of scientists and engineers in fields critical to our national needs. Over the long term, those shortages will adversely affect any commitment to economic revitalization.

In December 1979, the National Academy of Sciences issued a worrisome report that American science no longer dominates the world the way it did 20 years ago. The Academy warned then that America was seeing the emergence of other countries in ways that allow them to do things that only we were able to do before. In 1955, Americans were responsible for three-fourths of the scientific endeavor around the world. Three-fourths of it was done here. The percentage has dropped dramatically. In 1979, the United States accounted for no more than one-third of the world's science. So in about a quarter of a century, 24 years, we went from doing three-fourths of it to one-third of it.

A 1978 study by researchers Bruce Smith and Joseph Karlesky reported that America's national investment in research and development had actually dropped between 1964 and 1975, from 3 percent of the gross national product to 2.4 percent. In the same period, scientific research grew in the Soviet Union from 2.4 to 3.1 percent of the gross national product and in West Germany from 1.5 to 2.4 percent.

Why is our superiority in science dwindling? Clearly, the dramatic fluctuations in Federal support from 1 year to the next are damaging to us, producing serious imbalances within certain disciplines, destroying research teams, and underutilizing costly scientific facilities. Added to this, industry has generally reoriented its research priorities in favor of short-term payoffs rather than long-term fundamental inquiries. The general economic squeeze on universities has left them unable to offer researchers new positions, and inevitably, an ever-increasing number of individuals are being diverted from research and scientific professions.

The proposed elimination of any new science and engineering education activities and the reduction in research and related activities will further insure that scientific advances in this country continue to shrink. If this body allows that to happen, we should do it with the full knowledge that we are being manifestly wasteful of human talent and natural resources and that we are "saving" a few dollars today, which will result in untold costs tomorrow.

Mr. President, permit me to set aside the specifics of this amendment for a moment to put this dilemma we face into a broader context.

As I have said, nobody can dispute that this country has serious economic problems. We need to cut the budget substantially and I am for doing so. We could cut the budget in the gross amounts the administration suggests if the defense budget had not been declared "sacrosanct." The General Accounting Office has pointed out billions and billions of dollars of savings that could be made if Pentagon policies were tightened up.

But, I reject this administration's effort to create a panic psychology. We are not standing on the beaches of an economic Dunkirk. We are not in anything like the mess of the Great Depression.

The purpose of fostering a crisis atmosphere is clear—to stampede the Congress into accepting a program which, in the name of economic recovery, is in fact a retreat from fundamental national goals and values.

This administration has a mandate for change. I do not question that. But I reject the assumption which some in this administration apparently have made that there is no limit to that mandate. Yes, Americans voted for a change, but they did not, in my judgment, vote to repeal the 20th century. They did not vote to trade their legacy of social progress and justice for a handful of short-term budget savings.

We are in danger here of being swept up in a budget-cutting frenzy in which a dollar cut anywhere seems as good as a dollar cut anywhere else. It almost has become a game. There is no reality to it, no thought to the real human lives behind the numbers we so blithely move from column to column.

This budget plan merrily chops away at programs to preserve the environment. Save a dollar today. Let tomorrow's generation worry when our forests are clear cut, our air choked with pollution, and our rivers and lakes turned to acid ponds.

Here is an example: In the interest of saving $4.6 million, the administration proposes to terminate the cooperative wildlife and fishery research unit program.

This program, which has been in existence for over 45 years, provides funds to conduct basic research into the management of fish and wildlife. It is one of the key programs in the field.

In Missouri, 49 of the department of conservation's top personnel are graduates of this program. They have provided the leadership in protecting Missouri's fish and wildlife. Without such trained leaders, we cannot provide protection for our fish and wildlife resources, or the research to provide answers to the perplexing problems which face our environment today and down the road tomorrow.

In addition, we cannot talk about the shortsightedness of these budget proposals without mentioning the cuts proposed for nutrition and feeding programs. We in America have become comfortable over the past few years with the fact that we are generally a well-fed population and free of hunger. We soon forget that it was only 14 years ago that a group of physicians set out across America and came back with the following report:

> Wherever we went and wherever we looked we saw children in significant numbers who were hungry and sick, children for whom hunger is a daily fact of life, and sickness in many forms, an inevitability.

They went on to say—

> They are suffering from hunger and disease, and directly or indirectly, they are dying from them—which is exactly what starvation means.

The report of that group of physicians shocked America into demanding programs to bring starvation in our land of plenty to an end. The Congress responded by establishing the food stamp program, WIC, the school breakfast program and further improving the school lunch program.

In 1977, the physicians returned to many of the same sites they had visited 10 years before. What they found was that although the outward signs of extreme poverty persisted, there was one crucial difference, and that was in the area of food. It was their firm belief that it was the feeding programs that made the difference.

What this instruction contains can be categorized in no other way than as a wholesale attack on the feeding programs; an attack based on proposals which no one denies will reduce benefits even for the very poor.

I will not be a party to a measure which turns the clock back 14 years to a day when hunger was commonplace and help unavailable to those who need it.

Not only must we be concerned about insuring that our current abundant supply of food is equitably distributed, we must be concerned that the basic component of the food production system, our agricultural land, is not allowed to deteriorate any further. Over the past few years we have been losing almost 3 million acres of farmland a year to development and 4 billion tons of soil to our Nation's rivers due to erosion. The Soil Conservation Service has concluded that to sustain crop production indefinitely at even present levels, soil losses must be cut in half.

And yet, the Federal commitment to

soil conservation continues to slip and the administration proposes cutting this commitment even further. What will we do in 20 years when it is expected that the world's population will increase by almost 50 percent; when the malnourished people in just the lesser developed countries could number 1.3 billion; when use of land for energy production may directly compete with food production and when we find that because we had neglected the problem in the 1980's, the resources necessary to feed our people and many others in the world are no longer available? What will we do? It will be too late to do much of anything then.

Mr. President, I could go on to cite a number of other shortsighted budget cuts. I could mention urban mass transit, housing, student aid and preventive health programs. But I hope I have made my point.

The administration's proposed budget is one of the most tightfisted that has ever been sent to Congress. It asks the greatest sacrifices from those who have the least to give; it disavows good and bad Federal programs alike in its quest for transient dollar savings.

That is bad enough. But, in a mindless show of one-upmanship, this resolution proposes even to surpass the administration. To be exact, it would cut $3.1 billion in budget authority more than the administration's "scorched-earth" budget proposals. That to me is totally unacceptable.

I know a stampede when I see one. The most eloquent arguments in the world are going to be trampled under in this onrush.

I can only speak as one Senator, aware that nothing I do is likely to alter the outcome of this resolution. I could have supported substantial budget cuts that were fair and balanced. Many such cuts are contained in this resolution. But there are so many other cuts in this resolution which I deem to be reckless, punitive, and shortsighted that I must, on balance, vote against the resolution when we get to final passage.

Mr. President, I know not now how historians will evaluate the year of 1981. It is quite apparent to me, of course, with the recent tragic events befallen our President, that that item will play very large in the historical news as historians look back upon this year. But I think I can predict what historians in 1991 will be saying of 1981. I think that a lot of historians will look back to this year and say that the United States went on a budget-cutting frenzy and that we got caught up in the pellmell rush of chasing dollars, figures, columns, budget authorities, outlays, and all kinds of code words and buzz words that we use around here, that we lost track of ourselves because when they look back in 1991 to what we have done to science, to what we have done to agriculture research, to what we have done to nutrition, to what we have done to a whole wide array of programs, those historians will look at each other and say, "My God, what was in their minds? What was in the minds of those 98 men and 2 women in the U.S. Senate when they decided to save a few pennies in the year of 1981 and punish this country into the future."

When we break up these research teams, and that is the immediate amendment before us, when we break up these research teams, whether they be at hospitals or universities or think tanks, and we break them up in 1981, we do not get them back in 1982, or 1983. When those research teams are broken up, those people will scatter. They have been burned. They will not come back, and we are going to pay a horrendous national penalty in the year 1991 and in the year 2001 for some shortsighted frenetic, frantic budget cutting done in the name of fiscal austerity in the year 1981.

We all have different religions, but there is one utterance in my religion that I will use to close my remarks: "Forgive them, Father; they know not what they do."

Mr. QUAYLE. Mr. President, what we are trying to do here is to reverse the trend of a drastic increase in Federal spending. There is absolutely no way that we can reverse that trend unless the restraint in spending and the reductions are across the board.

The Senator from Missouri talked very passionately when he said perhaps we are repealing the 20th century.

We are not repealing the 20th century. What we are trying to do is repeal an attitude that has been prevalent around here, and that is that we can spend money for every single conceivable idea that anyone comes up with.

I am sure that the Members of this body, the 98 men and the 2 women that the Senator referred to, know full well that to reduce spending in the amount of the $36 billion that we are talking about everyone is going to have to be included, and this has to be an across-the-board appeal.

The reductions in the National Science Foundation come to about 10 percent. I am sure that there are many, including myself, who do not want to see reductions in any number of programs, but to get a hold on the fiscal policies in this country we are all going to have to make some sacrifices.

We talk about the year 2000. Let us talk about the year 2000. What is going to happen in the year 2000 if we continue our past fiscal policies? Instead of having inflation at 11 or 12 percent, it could be double. Instead of having interest rates, and the prime now has gone down to the grand total of 17 percent, they may double, perhaps to 34 percent.

So what we are trying to do is get hold of the economy. The President is headed in the right direction and he is not going to be able to do it without stepping on some toes and in the short term it may be a little bit painful. But I suggest that as we approach the year 2000 the long-term results will be very pleasing.

I do not find anything painful about reducing inflation. I do not find anything painful about trying to bring interest rates down. I do not find anything painful about saying perhaps the Federal Government has spent unwisely or spent without restraint or without responsibility. I do not find that painful.

I find that we are now pursuing the proper course of action.

I believe there is a constituency that will support this.

If I read the remarks of the Senator from Missouri, correctly, he has indicated perhaps he will on final passage vote against this because it is not equitably balanced. He says he believes there should be reduction in spending but not this particular package.

I commend him for that because I wish to point out to this Chamber that there was a lot of talk in that Budget Committee. We heard a lot of rhetoric about how this was regressive. I think as a matter of fact someone even talked about repealing the 20th century on the Budget Committee. They talked about undoing 30 years of social legislation in 3 days. But then when the final vote came not one Senator voted against it. It was 20 to 0, which showed me that Senators were willing to respond to the message that was sent loud and clear last November, and that message was to get the budget and spending policies of Congress under control.

The National Science Foundation is not new. It has been here since 1950. It is going to go on.

I am sure that Senators are aware of some of the Golden Fleece Awards that have been presented to this Government agency.

This modest reduction of 10 percent is not going to eliminate that, and I would just recite for the record that in the committee Senator KASTEN from Wisconsin offered an amendment that would have restored one-half of the cuts recommended by the Reagan administration. That proposal did not pass because another proposal was offered by the Senator from Utah (Mr. HATCH) restoring $1 billion to the Labor and Human Resources Committee, which superseded the Kasten amendment.

I will say again we are dealing with functional categories, and when we take up the deliberations in the authorizing committees and in the Appropriations Committee there can then again be made efforts to restore some of this funding.

I hope the Senate will stick with the administration, will stick with the Budget Committee, which had a unanimous support on a vote of 20 to 0 and, as I say, in conclusion, this has to be across the board. It has to apply to everyone, otherwise we will have failed in that responsibility and mandate we accepted last November.

I reserve the remainder of my time.

Mr. EAGLETON. On the National Science amendment I now yield 3 minutes to the Senator from Massachusetts.

THE NATIONAL SCIENCE FOUNDATION

Mr. KENNEDY. Mr. President, I am pleased to cosponsor an amendment to restore funding to the research and science education activities of NSF.

For 30 years NSF has been the primary impetus for our scientific and technological advancements. Restoration of adequate funding for research is necessary if we are to achieve our national economic, social, and political goals and reverse the trend of our rapidly diminish-

ing international prominence in science and technology.

Restoration of NSF funding is necessary to upgrade deteriorating scientific equipment and instruments in over 200 universities and 14 national research centers. Upgrading this equipment is critical to improve the productivity of our research efforts and increase the probability of making new scientific breakthroughs.

Restoration of NSF funding is necessary to maintain support for over 2,000 graduate training fellowships and to provide opportunities for continuing education for close to 3,000 science teachers who will have an impact on hundreds of thousands of students. These efforts are essential to maintain a high level of expertise among our Nation's scientists and to insure a basic level of scientific literacy among our Nation's general populace.

Restoration of NSF funding is necessary to implement the women and minorities in science program which, if funded at restored levels, is projected to expose over 12,000 women and other minority students to science career opportunities. This is essential to cultivate new scientific talent, ultimately determining the innovativeness, quality, and scope of our scientific endeavors.

For a number of years I chaired the authorizing subcommittee with responsibility for the National Science Foundation. I know from long study that the long-term economic and social interests of the United States depend on maintaining a competitive position in research and development. For this reason the amendment the Senator from Missouri has offered makes good sense. You cannot turn on programs that affect research and development one year and turn them off the next. This amendment would keep a stable level of funding for NSF to permit continuation of vital activities. I urge my colleagues to support this amendment.

Mr. EAGLETON. Mr. President, I yield back my time.

Mr. QUAYLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

MASS TRANSIT FUNDING

Mr. DOMENICI. Mr. President, I yield myself whatever time I need off the resolution.

I now yield to the distinguished junior Senator from New York who wants to engage in a colloquy with the Senator from New Mexico.

Mr. D'AMATO. Mr. President, I thank my distinguished colleague from New Mexico.

I have several questions about the Budget Committee's instructions to the Banking Committee, particularly in the area of mass transit funding. As you know, New York City has the largest transit system in the Nation with 5 million daily users while deriving less than 10 percent of its operating expenses from the Federal Government. However, smaller cities will be severely hurt by the proposed cutbacks in mass transit aid. Such cities as Buffalo, Syracuse, Rochester, Corpus Christi, Grand Rapids, and Peoria currently receive large percentages of their operating budgets from Federal assistance and cannot afford the proposed reductions. The President has proposed large cuts in mass transit for fiscal year 1982 and fiscal year 1983. Is it correct that the Budget Committee assumed the President's proposed level of reductions in formulating its instructions to the Banking Committee?

Mr. DOMENICI. Mr. President, let me say to my good friend, the junior Senator from New York, that the answer to his question is "Yes," the committee did assume the President's level of reduction in its instruction to the Banking Committee in the area of urban mass transit.

Mr. President, I ask unanimous consent that the baselines from whence those assumptions were taken be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

URBAN MASS TRANSIT

[In millions of dollars, fiscal years]

	FY 1981		FY 1982		FY 1983	
	BA	O	BA	O	BA	O
Baseline	4,615	3,950	5,090	4,090	5,507	4,340
Budget reductions			−1,321	−200	−1,878	−735
Amount remaining	4,615	3,950	3,769	3,890	3,629	3,605

Mr. D'AMATO. Mr. President, since the Budget Committee has made this assumption in arriving at its final recommendations, are the Budget Committee's assumptions necessarily binding on the Banking Committee, of which I am a member and which authorizes funding in the area of mass transportation?

Mr. DOMENICI. Mr. President, I say to the Senator that the only binding element in this reconciliation process will be the final total found in the instruction to be given to the Banking Committee. The Budget Committee is not a line item committee.

What we have done is simply to recommend a reduction in funding for mass transit programs under the jurisdiction of the Senate Banking Committee. That funding reduction matches the total reductions requested by the President. But it is the sole responsibility of the Banking Committee to decide whether it wishes to reduce authorization levels for a particular program or to make reductions in other programs within its jurisdiction.

Mr. MOYNIHAN. Mr. President, will the Senator from New Mexico yield to me for a question?

Mr. DOMENICI. Mr. President, I am pleased to yield to the senior Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank my distinguished chairman and friend.

As the chairman will recall, on March 13, a letter was sent to him by the chairman, Senator GARN, and the ranking minority member, Senator WILLIAMS, of the Banking Committee, in which they specifically point out that the mass transit program must now be reauthorized for fiscal years 1983 to 1986; that the program, in that sense, expires, and they ask that the Budget Committee provide broad flexibility in its assumptions about fiscal 1983 so as not to conflict with the Banking Committee's efforts to review all of the complex issues of Federal assistance to transit.

I raised this matter with the committee and the chairman was very generous and open about it, pointing out that there is no reduction in operating assistance in fiscal 1982, which is the budget year we are principally concerned with here.

As a result of our discussion, we included, on page 66 of our report having to do with the Committee on Banking, Housing, and Urban Affairs, the statement:

> The committee agrees with the Senate Banking Committee's recommendation that that committee be given the broadest flexibility to review the issue of Federal assistance to mass transit.

By that statement we intended to say that we leave open and do not foreclose the question of operating subsidies for fiscal 1983 and thereafter. Will the chairman agree with that statement?

Mr. DOMENICI. Mr. President, the Senator is absolutely correct with reference to the committee report. It was at his request that that language was included. The question is open for 1983 in outyears, but it is open only to the extent that I have heretofore described. The committee that the distinguished junior Senator from New York serves on has a number of programs that are within its authorizing jurisdiction. Certainly it is not only mass transit.

And to the extent that the Banking Committee, with reference to Eximbank, community development, UDAG, mass transit, capital improvements for mass transit, and a host of other authorizing authorities already in existence and from whence appropriations are forthcoming, they have the greatest flexibility among those programs that they have that kind of authority over to decide which authorizations they cut and how much in arriving at the reduction figure that the reconciliation instruction imposes on them.

Mr. MOYNIHAN. Mr. President, could I simply add, in that context, thanking the chairman, that what remains to be done is to reauthorize the entire mass transit program. Without wishing to I go back to the painful memory, I remind the chairman that last December a 5-year transit program was reported to the floor, after having been agreed to in conference with the House, a program which 79 Members of this body had voted for the previous June. But it was decided by the Members on the other side of the aisle that we would not accept that program then and there. So it now remains for the new authority to produce a new program.

I said at that time to the distinguished, then junior, Senator from Indiana, "Sir, you are creating a crisis and you know this. When that crisis comes, you will have to hold yourself accountable and you will be held accountable."

Mr. D'AMATO. Mr. President, will my distinguished colleague from New York permit me to ask a question of my distinguished colleague from New Mexico?

Mr. MOYNIHAN. Yes.

Mr. D'AMATO. Along the line of our concern for the future of mass transit, I am particularly concerned about the President's proposal for fiscal years 1983, 1984, and 1985, which would totally eliminate by 1985 all operating subsidies. In this regard, I think it is important that we understand that after the disposition of the Senate Concurrent Resolution 9, there will be other opportunities to examine the validity and the need for the total elimination of these subsidies within the next 4 years. Is that not true?

Mr. DOMENICI. Yes, the Senator is correct. I do not want to overstate or understate the degree of optimism that should exist, but the direct answer is, yes, this item is part of function No. 400 within the budget function and it includes all Federal transportation programs. The functional levels are reviewed twice a year, as the distinguished Senator from New York, Senator MOYNIHAN, knows, because he serves on that committee.

Mr. MOYNIHAN. To my sorrow.

Mr. DOMENICI. Mr. President, we are delighted that the Senator is on the committee.

At least twice each year during those years that the Senator mentioned, that function, as far as its grand totals, will be before the Senate. The first one for fiscal year 1982 will be here right after the Easter recess. Obviously, it will include within it the proposed savings that this instruction mandates on the committee. But it certainly would be appropriate, at that time or any time in the future, to examine the particular question of Federal assistance and mass transit.

Now, that is an oversimplification because, obviously, you would have to change some laws by then. You will have a new bill you would have to get passed and you would have the overriding concern of the administration that we keep the long-term commitments of the Federal Government to a minimum.

But the technical answer is absolutely as the Senator stated it. I am certain that it will be looked at and reviewed.

Mr. MOYNIHAN. Mr. President, I wonder if I can make one additional statement concerning a thought that is shared with my distinguished associate from New York. That is that it has fallen to the Senators from New York to have this dialog. It may appear, and would normally not be unreasonable to assume, that New York had a special interest in this matter.

May I put it to the Senator that we do have a special interest, which is simply that we have had, apart from the city of Boston, the oldest mass transit system in the country. We know a lot about it. We built our city around it. We know the special quality and central importance of this kind of transportation.

But we are not recipients of singular benefits from the Federal Government. To the contrary, there is no city in the United States to which as low a portion of its operating costs are provided by the Federal Government as New York City. While we have about 35 percent of the mass transit rides covered by the operating assistance in section 5, the subsidy only accounts for 8.9 percent of New York's operating costs.

I am sorry to say that Albuquerque does not report its percentage.

Topeka, Kans., receives 35.4 percent; Des Moines, Iowa, receives 27.5 percent; Memphis, Tenn., receives 29.3 percent, and Detroit, Mich., receives 53.4 percent.

We are not the principal beneficiaries of this program, but we think the Nation would be.

Mr. President, I ask unanimous consent that a table entitled "Percentage of Operating Expenses Covered by Federal Aid for Cities Represented by Members of Senate Budget Committee" be printed in the RECORD, along with my statement in the RECORD of December 12, 1980.

Mr. DOMENICI. What did the Senator say about Albuquerque?

Mr. MOYNIHAN. Unfortunately, we have no data on Albuquerque.

Mr. DOMENICI. Mr. President, I have no objection.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PERCENTAGE OF OPERATING EXPENSES COVERED BY FEDERAL AID FOR CITIES REPRESENTED BY MEMBERS OF SENATE BUDGET COMMITTEE

Member	Major city	Percent covered by sec. 5 in 1980
Mr. Domenici	Albuquerque	(1)
Mr. Armstrong	Denver	13.4
Mrs. Kassebaum	Topeka	35.4
Mr. Boschwitz	Minnesota-St. Paul	19.2
Mr. Hatch	Salt Lake City	25.6
Mr. Tower	Dallas	17.8
Mr. Andrews		(2)
Mr. Symms	Boise	35
Mr. Grassley	Des Moines	27.5
Mr. Kasten	Milwaukee	21.8
Mr. Quayle	Indianapolis	37.94
Mr. Gorton	Seattle	14.74
Mr. Hollings	Charleston	(1)
Mr. Chiles	Miami	13.3
Mr. Biden	Wilmington	26.3
Mr. Johnston	New Orleans	25.2
Mr. Sasser	Memphis	29.3
Mr. Hart	Denver	13.4
Mr. Metzenbaum	Cleveland	17.8
Mr. Riegle	Detroit	53.4
Mr. Exon	Omaha	33.7
Mr. Moynihan	New York	8.9

[1] Does not report data.
[2] No service in North Dakota.

Source: APTA.

SURFACE TRANSPORTATION ACT OF 1980

Mr. MOYNIHAN. Mr. President, earlier in the debate on the mass transit bill, I called attention to the extraordinary disparities between the levels of support for the Nation's largest transit system, that of the New York-New Jersey area, and the other systems in the country. I noticed the very modest but important changes that the new bill would make. By modest, I mean they are vital to us but they only close an intolerable gap and make it less intolerable.

I observed that the Senators opposite are taking upon themselves the responsibility to avoid the crisis in mass transit by the failure to pass the mass transit bill.

I would like to mention one particular. That is that the bill before us and the committee report, which the chairman has so brilliantly brought forward to this floor, makes possible a change in the congressionally mandated provisions for the handicapped that would be possible for the New York-New Jersey metropolitan region to put into place. If these new provisions are not law the first of January, which they could be only by allowing this body to vote, to work its will, if they are not in place, the transit systems of the city of New York and northern New Jersey are not going to be able to abide by Federal law. We will be in violation of Federal law. There will be no way to come into compliance, and you will have the bizarre and altogether unnecessary situation of the Nation's largest system becoming, in effect, illegal very possibly under court orders which would make it impossible to function, and the New York metropolitan region could come to a halt. A crisis of unprecedented proportions would come about and it will have come about because of the willful determination of the gentlemen opposite not to allow the Senate to work its will.

There is no point in shouting about this. Those opposite know well enough what they are doing. They are about to put into place an altogether unnecessary crisis, an altogether destructive one, and, if they do, let the blame be squarely placed where it clearly belongs, on those gentlemen who have only to allow the Senate to vote on this bill to make responsibility for the solution, such as it will be, ours. If they do not, the crisis will be theirs. They must expect to hear about it daily when it comes about. I hope they understand what they are doing.

I fear they are not listening. They will not hear us; they will hear an outraged metropolis not 3 weeks hence.

Mr. President, I yield to the Senator from California.

Mr. MOYNIHAN. Mr. President, I do want to say that the mass transit systems that would be most affected by this legislation are those in the medium-sized cities in America that have grown up in response to this Federal program. While it is described as a subsidy, sidewalks are a subsidy, highways are a subsidy, canals and improved rivers are subsidies. The Government has long learned that facilitating society makes good sense. The Senator from New Mexico and I have been much involved in that concerning waterways.

We think about this issue as having as much to do with energy in the form of oil as any other matter.

I thank the distinguished chairman for his generous, open, and precise comments.

Mr. DOMENICI. Mr. President, I will close by saying to both Senators, I understand the concern they express and I concur wholeheartedly that it is not exclusively a New York problem. On the other hand, I think I would be remiss if I did not say that I really hope this whole exercise that we are going through in budgetary restraint, in addition to saving taxpayers' dollars, pushes us to be more innovative, to use the resources that we have at the national level in a better way, to better prioritize them.

We have had a tendency to try to shotgun and try to solve many, many problems. It might very well be had we not done that, that the President would not be recommending major changes in subsidies at this time. It might be a very high national priority.

The problem is we have tried so many things and have tried to do so many

things. When you try to bring it under control, you certainly have to attack a broad spectrum of programs.

Having said that, I ask the junior Senator from New York if he desires additional time.

Mr. D'AMATO. I would like to have 5 minutes, if I may.

Mr. DOMENICI. I yield 5 minutes from the resolution.

Mr. D'AMATO. First, I thank my distinguished colleague from New Mexico and the distinguished senior Senator from New York for engaging in this colloquy on a most important issue. I think it is more important than just the colloquy.

Mr. President, I have stated on the floor of this Chamber that I am supporting the administration's proposal to halt runaway inflation and bring the Federal Government under control. I believe, and have stated many times, that the Federal Government dispenses taxpayer dollars to many programs that have become fat with administrators who do not seem to be able to control the voracious appetite of many special interest groups. However, when it comes to the area of mass transit, I believe that Federal assistance in the areas of operating subsidies and capital grants are absolutely necessary if our cities are to survive.

I certainly hope that it is not national policy to force commuters and urban residents to use their cars to get to work. I certainly hope that we still believe that conservation is in the national interest. Finally, Mr. President, I know that many of my colleagues are not in favor of bankrupting the mass transit systems in their States.

Unfortunately, many of my colleagues may assume that my only concern is for New York City. But let me assure you that I am equally concerned with the transit systems of many other cities across this Nation. Cities like Birmingham, Chicago, Boston, Philadelphia, Detroit, Los Angeles, Baltimore, Pittsburgh, San Francisco, and Atlanta, as well as many other cities and counties throughout the Nation.

On Thursday, March 19, I chaired the hearing on the 1981 supplemental and 1982 budget for the Urban Mass Transportation Administration. In discussing the effects of the proposed elimination of operating subsidies with Mr. McManus, the Acting Administrator of UMTA, the plight of the smaller transit systems became evident. He stated that if operating assistance were eliminated, there would be a dropoff in ridership and that increases at the fare box could not rise to meet the reduction in revenue. In fact, he agreed with me that the loss of operating assistance money would probably lead to either a doubling of the fare, or closing down of some of the smaller transit systems.

Mr. President, I ask whether this Nation can afford to cast our mass transit systems aside. In fact, in an article entitled "Rumbling Toward Ruin" in the March 30, 1981, issue of Time magazine, a bleak picture is painted of America's mass transit systems. In addition, in today's Wall Street Journal an article entitled "End of the Line?; Mass Transit Is Facing a Financial Crisis; Service Cutbacks and Higher Fares Loom." I ask unanimous consent that these two articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Apr. 2, 1981]

END OF THE LINE?—MASS TRANSIT IS FACING A FINANCIAL CRISIS; SERVICE CUTBACKS AND HIGHER FARES LOOM

(By Harlan S. Byrne)

Mass transit is lurching toward a financial crisis.

For the 12 million or more people who regularly ride buses and trains, the prospect is unpleasant: higher fares and reduced service, possibly no service in some areas. For taxpayers generally, the cost of subsidizing mass transit will continue climbing.

Beset by inflation, recession and labor problems, several systems are already in serious financial trouble. Commuters, up in arms over fare increases, are beginning to desert buses and train, just a few years after hundreds of thousands were lured out of their automobiles by shortages and soaring prices of gasoline.

To make matters worse, the Reagan administration is planning to phase out more than $1 billion a year in federal subsidies that have covered about one-third of the operating deficits in recent years. The remainder of the money has come from state and local governments, but they too are financially pressed; hence, their lawmakers are resisting transit operators' pleas for more help. Transit managers are under mounting pressure to control operating costs, which have been rising 17 percent a year in the past decade, and to improve efficiency.

"BLOOD WILL POUR"

"Transit systems are confronted with a crisis, and they aren't prepared for it," says Robert P. Neuschel, director of Northwestern University's transportation center and a professor at the university's J. L. Kellogg Graduate School of Management. "I see no end to the pain, and when the buses and trains stop running, the blood will pour out. The last job I would want today is managing a transit system."

Recently, transit's troubles have been dramatized by a string of setbacks. In December, the Boston transit system shut down for a day before it was reluctantly bailed out by the Massachusetts legislature. Its travail, deeply rooted in fat labor contracts and political obstacles to higher fares, is far from over. Next fall, a spokesman says, the system may run out of money for the third time in three years, again bringing service to a halt.

In Birmingham, Ala., buses have stopped running indefinitely; the money ran out at the end of February. After two fare increases last year, ridership dropped 17 percent and revenues declined. A hostile state legislature has balked at providing additional money. "I can't see the light at the end of the tunnel, but I'm still groping," says Jerry Haight, general manager of the Birmingham transit system.

Philadelphia's 400,000 rail and bus commuters are experiencing the sixth strike there in three years. It is pushing the transit system close to bankruptcy. The Southeast Pennsylvania Transportation Authority has been plagued by chronic money shortages, a deteriorating system, and a 20-percent drop in ridership on its rail commuter lines following a 60-percent fare increase and sharp service cuts last year. "We're in real trouble if we lose our federal financing," says George Miller, controller of the authority.

One of the big financial juggling acts involves Illinois' Regional Transportation Authority. It oversees the Chicago Transit Authority and suburban rail and bus service in a six-county area. The CTA consumes 70 percent of the RTA budget. RTA officials say that the entire system, the nation's second largest, will close down in mid-April unless the state rescues it.

The RTA, which is more than $100 million short of meeting this year's budget, is mired in political controversy. As part of the price for pushing a bailout plan, Gov. James Thompson, a Republican, is seeking to replace the RTA board, which is dominated by Chicago Democrats, with a fiscal watchdog agency controlled by the state.

Chicago-area commuters, hit by eight fare increases in 13 years and faced with still another along with reductions in service, are riled by reports of excessive labor costs and waste in the Chicago transit system. Chicago's bus and train drivers are the nation's highest-paid, drawing annual base pay of nearly $25,000 after 42 months, besides overtime and other benefits that often run as much as $5,000 a year.

Henry Lowenstein, a transit expert who is a professor at the University of Illinois College of Business Administration, says that more and more commuters in the Chicago area are going back to driving their cars. He also has firsthand evidence that some people are seeking employment closer to home because of rising transit costs. His wife, who is personnel manager for a suburban company, recently has recruited several secretaries who were leaving jobs in downtown Chicago because of commuting costs.

HEADACHE IN NEW YORK

In a class by itself when it comes to transit problems is the New York City area, which probably accounts for 25 percent of this country's regular users of mass transit. Well publicized is the decrepit condition of New York's once-efficient subway system. Gov. Hugh Carey is seeking to get together $5 billion of state aid to help finance rebuilding of the subway, though that is less than half of what transit authorities feel is needed. Fare increases are certain this year.

Adding to New York's headache is the planned elimination of federal operating subsidies. That would cost the city nearly $150 million a year.

Oddly enough, the Federal Government gets both credit for rebuilding many of this country's approximately 1,000 transit systems and blame for contributing to current financial difficulties. Serious federal efforts began in the mid-1950s, when Washington helped state and local governments take over failing private systems. By that time mass transit had been in a 20-year decline in ridership after reaching a peak shortly after World War II. In the early '70s, governments at all levels stepped up their participation in mass transit, mainly helping to finance new facilities and equipment.

The big push came after the Arab oil embargo of 1973–74. Federal capital grants since then have exceeded $13 billion, to provide 80% financing of new equipment and facilities, including nearly 25,000 buses and rapid-transit cars.

SUBSIDIES BLAMED

More crucial, perhaps, to the current situation was the enactment of the National Mass Transportation Assistance Act of 1974 to give cities additional aid in the form of subsidies to help cover operating deficits of transit systems. For many years, mass transit had made at least a small profit, but beginning about 15 years ago, deficits appeared and have been steadily widening. No wonder then, experts say, that transit operators eagerly went after the extra assistance from the federal government. But "operating subsidies took away some of the incen-

tive of transit managers to increase efficiency and to hold down labor costs," says Prof. Neuschel of Northwestern.

At any rate, federal outlays for operating subsidies rose from $142 million in 1975 to $1.1 billion last year and an estimated $1.4 billion this year. Rising dependence on these subsidies makes it hard for transit systems to adjust to their prospective loss beginning in 1983.

Although the Reagan administration has indicated that it will continue 80% financing of new equipment purchases and will probably help to finance new rail and subway systems already under construction, it plans to halt aid for new rail starts. The American Public Transit Association, which is leading industry opposition, is seeking a compromise in Congress to salvage part of the operating subsidies. The group argues that because the federal government financed big new transit fleets, it should at least continue operating subsidies to cover maintenance costs. Transit managers doubt, however, that Congress will substantially alter the Reagan plan.

As a result, the outlook for a number of big projects is uncertain. Among them are a 14-mile, $1 billion rail line proposed in Houston, an $80 million monorail system that, would ring downtown Indianapolis, a $1 billion rail system for Chicago, and a $2 billion, 18.6-mile subway system from downtown Los Angeles to the Hollywood area.

Thanks to federal grants, the Los Angeles system has doubled its bus fleet and ridership, and authorities there hope they can make a convincing case that a subway further easing traffic congestion makes economic sense. But they're uncertain whether it can be done without federal help. Another pressing concern of the Los Angeles system is the impending loss of $60 million a year in federal operating subsidies.

Experts say that federal operating subsidies have been covering up the failure of transit managers to control costs. According to a recent report of the General Accounting Office, transit operating costs more than doubled from 1973 to 1979, with two-thirds of the increase going to labor. (Contrary to general belief, diesel-fuel costs accounted for less than one-third of the increase.) Productivity of transit systems declined during the '70s, with one measure, passengers per employe, showing a 13 percent drop.

CRUNCH AND DISCIPLINE

The current crunch is forcing transit managers to exert more discipline over costs, experts feel. A number of systems have obtained concessions from labor unions, such as power to hire part-time drivers for peak hours and thereby reduce overtime and, in some cases, the number of full-time drivers. But that has become a fighting issue in many cities and is one of the sticking points in the Philadelphia strike. Some transit authorities also are talking of the need for wage rollbacks in some areas. In Chicago, union leaders say that any such moves will be resisted and could provoke walkouts.

Prof. Neuschel feels that more systems will have to adopt fare structures that put a premium price on peak-hour service and scale the fares to the length of trips. Innovative marketing tactics may become more widespread. On the unusual side is a trial program to sell newspapers on buses of Indianapolis Public Transportation Corp. The system also is joining a department store in promoting the sale of television sets through product demonstrations on express buses.

"We're looking for every dime we can scrape up," says John N. Gobis, director of marketing for the Indianapolis system.

[From Time Magazine Mar. 30, 1981]

RUMBLING TOWARD RUIN

Nearly 30 million people ride subways, buses, trolleys or commuter trains every weekday in the U.S. Yet everywhere mass transit is either stalling or rumbling inexorably toward ruin. Items:

In Philadelphia last week a bumper-to-bumper procession of cars, sometimes ten miles long, inched into the city while subways, buses and trolleys stood idle, sidelined by a strike of 5,000 transit workers, the fourth such in six years. Thousands of commuters from the city's outskirts tried to get downtown via Conrail, but that overtaxed railroad line had to leave hundreds stranded on platforms. Some of the 400,000 Philadelphians who rely on public transit took to bicycles to get to work. The strike, sparked by union protests over the hiring of part-time help and a decision to require maintenance workers to pass proficiency tests, is costing the city $3 million a day in business and keeping 15% of schoolchildren at home.

In Birmingham, the bus system has been shut down for more than three weeks because of insufficient funding. Some 30,000 riders have been affected, and the school system has signed a contract with the Yellow Cab Co. to provide transportation until the end of the school year. The only proposed solution to the shutdown: nearly halving the 43 routes to 22 and operating only from 7 a.m. to 7 p.m., weekdays, a 65% cutback in daily service.

In Chicago, the nation's second largest transit system (1 million subways, el and bus passengers a day) is going flat broke while the state legislature bickers over funding. Businesses and commuters are already reserving hotel rooms, forming car pools and making other contingency plans for a shutdown that could come as early as this week.

Boston, which closed down its entire transit system for 26 hours last December, has just enough money to operate its subways and buses (300,000 riders) through the fall. City officials have already been forced to lay off 100 of the 6,700 transit workers, and only narrowly averted a walkout last week by postponing the layoffs of an additional 220 employees.

In New York, whose transit system is the nation's largest (5 million daily users) and may also be its worst, already beleaguered straphangers were horrified to read headlines predicting a $1.55 fare by the summer of 1983 (vs. 60¢ today and 30¢ in 1970) in return for steadily deteriorating service in graffiti-sprayed cars.

How did the U.S. transport itself into this mess? Three groups contributed mightily: pusillanimous politicians who refused to risk their constituents' wrath by asking for fare increases when they were unquestionably essential; inept managers who, despite in many cases handsome salaries and generous expense accounts, proved incapable of managing; and inflexible unions that pushed labor costs sky-high (they account for 77 percent of Chicago's operating expenses).

Aggravating the situation were a number of long-term trends. In the 1950's, transit ridership declined precipitously (see chart). Americans fell in love with the automobile, honeymooned on new highways and married into the suburbs. Subways and buses were not part of the post-World War II American dream. When the energy crisis hit in 1973, the country found that its railroad beds had deteriorated and its subways were falling apart. The Federal Government called for more efficient public transit and urged private companies to design a better bus (see box). Mass transit was going to be the methadone that would help America withdraw from its addiction to foreign oil. It would unclog crowded highways and improve the quality of air. Besides, it was an economic necessity: people needed a reliable means of getting to work without being exhausted in the process, businesses needed a way to get customers downtown.

Public transportation is in hot demand again, but today no one wants to pick up the tab. A decade ago, to lure people back to mass transit, city and state officials made the mistake of holding fares to unrealistically low levels. From 1970 to 1975, while inflation was rising nearly 40 percent, fares were not increased at all in many cities; in some, they actually decreased. Mass transit was the closest thing to a free ride.

As labor and energy costs continued to shoot up, fares generally were paying only about half the operating costs. Increased ridership actually exacerbated the problem: rush-hour crowds require heavier overhead, but do not generate enough revenue to cover all off-hour operations. A pattern emerged in which budget deficits were picked up by the Federal Government or, more often, the states. The politics of mass transit sharpened old rivalries: downstate vs. upstate, rural vs. urban.

Like many U.S. voters, Ronald Reagan does not see urban mass transit as a high national priority. Says the President: "There is no reason for someone in Sioux Falls to pay federal taxes so that someone in Los Angeles can get to work on time by public transportation." Federal grants for major construction projects in 1981 will total $3.3 billion; operating subsidies, $1 billion. The Reagan Administration would like to limit, if not eliminate, this aid. High on the Reagan hit list is funding for any new mass transit projects (usually 80 percent federal, 20 percent state), throwing a wrench into planning in Los Angeles and Houston. Construction will proceed on projects already under way—subways in Atlanta and Baltimore, an elevated line in Miami. But some planned extensions are in jeopardy, and transit officials fear that many existing systems will be in trouble without federal help.

Such fears could prove self-fulfilling. Transportation Secretary Drew Lewis has indicated that he also favors slowly eliminating operating subsidies in order to force systems to become cost-effective. Says he: "We do not plan simply to walk away from the transit systems, because we realize that to do so would be to shut down most of them."

Although the average city gets only 13 percent of its operating budget from Washington, cutbacks are bound to mean rising transit fares, reduced services and greater demand for local and state subsidies. Such cutbacks will hurt small cities more than large ones. New York derives less than 10 percent of its operating expenses from federal subsidies, but Corpus Christi gets 69 percent, Grand Rapids 44 percent and Peoria 35 percent. Lewis contends that rehabilitating existing systems will be a top priority. Says he: "We're trying to emphasize large cities, older cities over new systems."

Nowhere does a system need rehabilitation more than New York City. Its subways are a filthy, Dantesque netherworld, plagued not merely by delays (one train in every ten is late) but by violent crime (18 murders, 12,000 muggings, robberies and other felonies in the past year). The Metropolitan Transportation Authority (MTA) carries one of every six people using public transit in the entire nation. The city cannot function without it. During a ten-day strike last spring. New York firms lost about $100 million in sales each workday.

After the 1980 strike, the MTA, already running $400 million in the red, raised the fare from 50 cents to 60 cents. Even without a cutback in federal funding, the price of a token could rise to $1 by summer. One survey shows that 50 percent of New York's riders would willingly pay the dollar if it would mean safer, more efficient service. But the higher fare is unlikely to bring any such improvements. Although the massive system would cost $55 billion to replace, only $300 million a year is being spent on rehabilitation and improvement, $700 million short of what experts say is needed. The Reagan focus on capital improvements may come just in time. Although the accepted life span of a subway car is 35 years, 567 of the MTA's 8,500 cars are more than 30 years old. About a quarter of them are out of service at any given time for maintenance. Soon after shiny new cars were introduced, they had to be withdrawn when they developed cracks in their undercarriages. Admits MTA Member Steven Berger: "The only way at this point to fix things is to shut down the system for a week and call in a faith healer."

To make matters still worse, New York has been facing a congressional mandate to equip subway stations and buses for the handicapped. The MTA estimates that this would cost $1.4 billion over the next 30 years, plus $100 million a year in operating funds. The Reagan Administration may relent and allow New York to provide special but separate facilities for the handicapped.

President Reagan, however, has reaffirmed support for Manhattan's Westway, a six-lane superhighway slated to run for 4.6 miles along the Hudson River. The highway, with an estimated price tag of $1.7 billion, would receive 90 percent of its funding from the Federal Government. New York City Mayor Edward Koch has blocked the project in an effort to get parallel funds from Albany for mass transit improvements or to get Governor Hugh Carey to ask Washington to trade in highway funds for transit money.

In Boston, the finance fight is becoming another Battle of Bunker Hill. Until citizens passed the tax-cutting Proposition 2½ in November, the state legislature regularly bailed out the Massachusetts Bay Transit Authority (MBTA), which serves 79 communities. The 1981 MBTA budget was set at $6 million below the 1980 budget of $340 million, and already the system has exceeded its monthly allocations by nearly $2.4 million. At this rate, the MBTA will be broke by the fall.

Last week MBTA Director Barry Locke laid off 45 executives and 100 employees (not including 200 "door guards," who pull down as much as $33,000 a year for making sure that automatically operated doors open and close). Another 250 MBTA personnel are slated to be laid off April 3. Fares were doubled from a ridiculously low 25 cents to 50 cents last June. Locke had planned to eliminate Sunday service and school bus transportation but limited the cuts in the face of protests. Two subway stations have been shut for a saving of $294,000, and more stations are expected to be closed on weekends. But even those cuts will not be enough to keep the system solvent.

The Chicago Transit Authority (CTA) also has severe money problems. Chicago's bus drivers and motormen are the highest paid in the nation: $24,689 after 42 months. The CTA raised fares from 60 cents to 80 cents this January and promptly lost 6 percent of its riders. During the past two years the Federal Government has spent $143 million to help underwrite expenses, but such grants are bound to be cut. The projected deficit for 1981: $150 million.

Not all the crises involve antiquated subway systems. The prototype of modern transit, the San Francisco region's $1.7 billion, 71-mile Bay Area Rapid Transit (BART) has had problems as complex as its technology. Says American Public Transit Association Spokesman Al Engelken: "We were going to the moon in the '60s, and we figured we could just slap space-age technology into the subways. But what works on the moon doesn't always work in an urban environment." Indeed, BART's fully automated "train control system" was too finely tuned to withstand daily transit pressures and constantly broke down.

From the day it opened in 1972, BART never attracted enough passengers to pay its way. After a fire broke out in its high-technology San Francisco-Oakland tube beneath the bay in 1979, killing one and hospitalizing 40, ridership plummeted from 150,000 a day to 110,000. By 1979 losses were more than $6 million a year. A 1980 fare increase (from 30 cents to 50 cents sent another 8 percent of the riders scurrying elsewhere for transportation. By extending its hours from 8 p.m. to midnight, improving maintenance and getting trains to run pretty much on time, however, BART has now brought ridership up to 165,000 people.

New systems have benefitted from BART's mistakes. The year-old San Francisco subway, which runs about 30 miles and cost only $333 million; shares tunnels with BART and daily transports 100,000 people without hitches. In Washington, D.C., the Metro has been a mass transit showcase. Stations with vaulted ceilings resemble underground cathedrals. Says Engelken: "It's accident-free, clean, safe and on time." But the system cost $71.3 million a mile (*vs.* BART's $22.5 million), and all of it was built at federal expense.

So far, 37 of Metro's planned 101 miles are finished, with work progressing rapidly on lines linking affluent Maryland and Virginia suburbs to downtown. Nearly 300,000 people ride it every day. But the graduated fare, ranging from 50 cents to $2.05, would have to be more than doubled to make the system pay for itself. Losses for 1981 are estimated to be $131.5 million. While the Reagan Administration has promised at least another 40 miles of Metro, the routes that would run through Washington's poorer black neighborhoods remain a low priority.

The Metro may turn out to be the Rolls-Royce of American mass transit. Because of its high cost, transit planners question whether many cities have a dense enough population to deserve "heavy rail" or underground transit. The Department of Transportation rejected Houston's request for a $1 billion heavy rail line last year. Detroit too is in limbo over a proposed 15-mile light railway system linking the city with its northern suburbs. Miami still gets funding for its $867 million, 21-mile elevated rail line, but its downtown "people mover" may fall victim to federal budget cuts.

The country's newest subway system, Atlanta's MARTA, opened its first twelve-mile segment in 1979 and is scheduled to operate a second segment from downtown to the new airport in 1985. The availability of federal funding will determine how much more of the $3 billion rapid-rail system gets built. In Baltimore, construction is half completed on an eight-mile rail line from downtown to the northwest suburbs, but the second leg, in an area where a 15-mile auto commute can take an hour, is in jeopardy. The projected cost of the undertaking: $958 million.

Even Los Angeles, land of the ubiquitous auto, has made what is proving to be an ill-timed move toward mass transit. With buses now moving 1.25 million riders a day, voters approved a .5 percent increase in the 6 percent sales tax last November to finance a metro rail system. One arm would have linked downtown Los Angeles' Union Station with North Hollywood and the San Fernando Valley, an 18-mile project costing $2 billion. Other plans called for a 2.9-mile downtown monorail "people mover" and two elevated systems along the Santa Ana Freeway corridor (17 miles) and the Harbor Freeway corridor (20 miles). With federal money drying up and Proposition 13 in effect, there is now little hope that such projects will be built.

One city in California is making do without federal funds by looking to the past. San Diego will resurrect its reliable old fixed-rail trolley system this summer. Using an existing railroad right-of-way, the city has upgraded the roadbed and laid new rails for a 16-mile run between downtown San Diego and the Mexican border. The cost: $5 million a mile, 7 percent of what the Washington Metro cost and 1.3 percent of what New York's Westway would cost. Featuring a $1 fare, the bright red "Tijuana Trolley" is expected to carry about 300,000 passengers a day. The funding comes from state gas taxes and the cars come from Germany.

Of course, trolley lines—even good ones—are hardly the answer to the nation's transit woes. And it is beyond dispute that, despite America's romance with the automobile, major U.S. cities—like major cities anywhere in the industrialized world—must have effective mass transit systems if they are to survive. The economics of OPEC and the hazards of air pollution leave no other choice. The question is not whether something should be done to make such systems work. The question is what should be done, and how urgently.

Mr. D'AMATO. As a member of the Banking, Housing, and Urban Affairs Committee I will be working with my colleagues to insure that mass transit receives its fair share of scarce dollars. I will work to prevent the disintegration of our urban areas that depend on mass transit for their economic lifeblood. Employment opportunities, economic development and our environment are affected when mass transit systems do not survive. We must not turn our back on mass transit: We must work to make the systems financially strong and physically able to cope with the increasing influx of passengers.

With the able leadership and assistance of my distinguished colleague the senior Senator from New York we will work together for mass transit. He has already begun the task and I will attempt to continue it, both in the Banking Committee and then in the Appropriations Committee. A monumental but necessary task saving mass transit so that workers across this great Nation can get to their jobs and help lead the way to economic recovery.

Mr. President, I yield back the remainder of my time.

UP AMENDMENT NO. 47

(Purpose: To require that reductions be made according to the principle of equal sacrifice)

Mr. MOYNIHAN. Mr. President. I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 47.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, between lines 23 and 24, insert the following:

It is the further sense of the Senate that these reductions should embody the principle of "equal sacrifice" from every state with respect to the programs and activities under the jurisdiction of each Senate committee. For this purpose, "equal sacrifice" shall mean that to the extent possible each committee will recommend reductions that are proportionate to the population of each state. Any committee that is unable to embody the principle of equal sacrifice in its proposed reductions shall explain why and recommend steps such that this can be done in any future reductions; and

Mr. MOYNIHAN. Mr. President, I have given to this amendment the informal term of the equal sacrifice amendment.

It arises from a concern that was expressed at some length and on repeated occasions during the markup by the Committee on the Budget of the resolution now before us. There inevitably arises a regional imbalance from the nature of the action we are taking in this emergency measure, this imbalance of impact coming from the existing imbalance of Federal expenditures in the Nation. Our understanding of this is a new matter. While it has for years been generally recognized that there are regional imbalances in certain kinds of Federal programs and that they are deliberate.

The Bureau of Reclamation, founded in 1902, was originally confined to 17 Western States and, if my memory serves, it is now 18. These are States of lands once shown on the maps of the United States as the Great American Desert, from whence now come the richest yields of grains, fruits, and what-will-you of any agricultural land in the world.

I have, several times, remarked that in his distinguished state of the Union message, our President—whose daily recovery continues to hearten us and as he amazes us with his own vitality—made the remark that the taxes of the Federal Government must never be used again as an instrument for social change. I said at the time that that sounded to me like a remark a speechwriter might produce; I certainly was not going to spend my time harassing the poor President for having said it. Still, it is a fact that the Bureau of Reclamation brought more social changes to the Imperial Valley of California than anything that has happened there since the receding of the Ice Age. And there is nothing wrong with that social change whatsoever.

As a matter of fact, it is a curious fact that the most substantive exchange that took place in the Committee on the Budget before we reported out this resolution was an inquiry by the distinguished Senator from North Dakota, who sought to make certain that there was nothing in this budget resolution that would in any way reduce funds for the Rural Electrification Administration. He was assured there was none.

I said to him that I thought there ought not to be any, because the Rural Electrification Administration, which is an idea proposed by a New York President, had brought immense social change to the Great Plains. It has taken the people of those parts of the world out of the mud and out of the dust, and created the incomparable agricultural region of the world.

We were for it. New Yorkers had first proposed it. A New Yorker, I point out, had proposed the Bureau of Reclamation, a Republican in fact.

So, I asked the Senator from North Dakota, a gracious and thoughtful man, who said that his personal experience with rural electrification had been that it was a serious and important program; I asked if others of the committee would consider that our urban experience with things like the urban development action grants were equally positive and responsive to problems of even larger concern.

The distinguished Presiding Officer, whose role it is to sit in patience while people speak at him on occasions like this, comes from a city on the Mississippi River that is the principal city of Missouri—St. Louis—that has had a most extraordinary population decline in the last decade and the greatest outmigration. It is but one city that has been associated with social changes which are not very reassuring and have given rise to problems which are pressing.

Government does not know how to solve them all. No one does. But they will not be solved without Government in some measure and we must not denigrate our capacity, limited as it recognizably is, to do these things. It is too important to us as a nation. A government can be the instrument of the purpose of a free people and it can embrace great causes and do great things, and it must do them equitably.

It is the unhappy result of this measure before us that we are inevitably going to diminish the Federal programs of special concern to the Northeast. The abolition of the Economic Development Administration means a particular loss to us as 56 percent of those funds are spent in the Northeast and Midwest; intentionally so. Just as Franklin D. Roosevelt proposed the Tennessee Valley Authority, it was John F. Kennedy whose encounter with West Virginia in the 1960 Presidential election made him realize that Appalachia was a forgotten and extraordinarily depressed part of our Nation and that an effort should be made on its behalf. There was no Bonneville Dam to be built, but there were roads to be built.

The Appalachian program began. As a young Assistant Secretary of Labor at the time, I was involved in it. It was located in the Department of Commerce and eventually redefined as the Economic Development Administration and made nationwide.

Similarly, with regard to the trade adjustment assistance, which we drastically curtailed, 60 percent of the recipients now live in eight of the Northeast and Midwestern States.

We are talking about phasing out Federal mass transit operating assistance. Thirty-five percent of these mass transit riders are in my State alone. But we continue Federal water, rail, highway, and air transport assistance.

It seems to me there is an egregious regional imbalance involved here. It is compounded by the fact that, whilst we are reducing social programs so sharply, we are committed to an even greater increase in defense than President Carter proposed, and he increased that program in each of his 4 years in office, following President Ford who increased it in his final year. It is an indisputable fact that defense funding is markedly unbalanced throughout the Nation.

Some of this is the inevitable consequence of geography. If you have three Pacific wars in one generation—or two, if you wish—you are going to have a large concentration of military facilities on the west coast. But it remains a fact that in a matter as profoundly important as defense, the State of New York, last year, received $1.1 billion in research and development funds from the Department of Defense; the State of California received $5.5 billion—a ratio of 5 to 1.

It is simply a fact that the increase in defense expenditures compounds the already existing imbalance and the decrease in what we think of as people programs—social programs, if you like—further compounds it.

So, Mr. President, I have submitted an amendment which instructs those committees that must bring about these reductions that it is the intent of the Senate that budget reductions embody the principle of equal sacrifice from every State. It cannot, and must not, be a principle of the U.S. Government that we bring about social change through Federal taxation in some parts of the country and not in others, that the opportunity for equity is at least here.

Finally, as an example of our concern, I ask unanimous consent to have printed in the RECORD an account by a distinguished New York journalist, Mr. Harrison Rainie, of the New York Daily News, of our decision just the other day to reject the proposal of Senator CHAFEE. His initiative was one that would have restored some of the imbalance that exists in this matter, and the votes for the amendment. I have to say, only confirmed the imbalance.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATE KEEPS TRIMS FOR RON

(By Harrison Rainie)

WASHINGTON (News Bureau).—While he recovered from an assassin's bullet, President Reagan scored his most important budget-cut victory to date yesterday as his troops held firm in the Senate and defeated a move to restore nearly $1 billion to social programs.

With Vice President Bush waiting in the wings in case his vote was needed to break a tie, Senate Republicans were joined by 17 Sun Belt Democrats in handily defeating the budget amendment by a vote of 59 to 40. Every tri-state lawmaker except freshman Sen. Alfonse D'Amato (R–N.Y.) voted in favor of the plan that, among other things, would have restored $325 million to mass transit in the next two years.

The proposal, offered by Sen. John Chafee (R–R.I.), turned into a textbook Frost Belt-Sun Belt confrontation. When it was over, an ecstatic Senate Budget Committee Chairman Pete Domenici (R–N.M.) told reporters that the President had sailed through "the most critical test" in winning massive budget cuts in the Senate.

Chafee's plan would have added $973 million next year and $1.5 billion in 1983 to an array of programs that are heavily used in the Northeast and Midwest. Appropriations in next year's budget would have included: $25 million to mass transit; $300 million to help low-income families pay energy bills; $450 million to education programs; $50 million to health clinics; $50 million to home weatherization, and $98 million to urban-

development action grants. In 1983, according to the proposal, each of those budget additions would have been kept, and $300 million more would have been added to mass transit.

But it was clear that the Senate was in no mood to trifle with the President's program. "This is just a business-as-usual proposal," stormed freshman Sen. Charles Grassley (R-Ind.). "And the people voted last fall against business as usual."

Mr. MOYNIHAN. Mr. President, if the RECORD carried maps—which it wisely, perhaps, does not—the maps of the States of those who voted for the Chafee amendment and those who voted differently could not demonstrate more strikingly what is the concern of the Northeast and the Midwest at this point.

Mr. President, I ask unanimous consent that the names of Senator RIEGLE and Senator LEVIN be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, the Senator from Michigan is here, and I gather that he would like to speak on this matter. I yield him 5 minutes.

Mr. LEVIN. I thank the Senator from New York.

Mr. President, "mild" is not a word one normally associates with the distinguished senior Senator from New York. But in this particular case he has indeed crafted an amendment which is mild. This amendment simply requests that committees explain any significant deviations from a reasonable rate of return on tax dollars sent to Washington from the various States. It does not require that committees make alterations in law to prevent such deviations; it merely requests that they note them and seek to justify them. Surely that is not an unreasonable request.

What is unreasonable, Mr. President, is the fact that such massive deviations exist. According to the Northeast Midwest Institute, for example, my home State of Michigan ranks 51st in rate of return—yet it has the highest unemployment rate in the Nation and would, by consensus, probably be acclaimed the State suffering most from the current economic downturn.

It is hard to explain to the working men and women of Michigan why they should get back only 66 cents of every dollar they send to Washington when they experience a 14.2-percent unemployment rate in 1980, almost 4 percent higher than any other State. I assume it is hard to explain to the people of Indiana why they get back only 70 cents when they had an unemployment rate of 10.5 percent in 1980. It is especially hard to make that explanation when the people see other States with 3 percent unemployment rates getting back much more than a dollar for each dollar they send to Washington.

Mr. President, that kind of inequity is the result of historic deficiencies in Federal funding formulas. Those deficiencies have concerned many members of this body and this amendment will, if its intent is accepted by all committees, assist us in an effort to better understand the inherent structural properties of formulas which result in this kind of inconsistent expenditure pattern.

Finally, Mr. President, I point out that a good deal of criticism has been directed at the President's budget proposal because many of us feel that it perpetuates and intensifies regional imbalances. I was concerned enough about this charge to ask Mr. Stockman to present to the Senate a regional impact analysis of the budget cuts he proposed.

Despite the fact that such an analysis was promised personally to us by the end of March, we have yet to see any formal document which could be considered, even in the most generous of classifications schemes, to be an analysis of the regional impact of the proposed budget.

I believe that before we act on the reconciliation measure itself, it would be helpful to have some sense of the regional impact it will have. This amendment moves us in that direction. By moving us there, it may also move us closer to the day when Federal formulas are more equitable and more reasonable.

I congratulate the Senator from New York for offering this creative, constructive, and imaginative amendment.

Mr. MOYNIHAN. I thank the Senator from Michigan for his remarks.

The PRESIDING OFFICER (Mr. WEICKER). The time of the Senator from New York on his amendment has expired.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I be given 5 minutes on the resolution.

The PRESIDING OFFICER. The Senator has that right. The Senator has 5 minutes.

Mr. MOYNIHAN. Mr. President, I have a table of Federal expenditures which indicates that the State of Michigan, with 4.1 percent of the population, paying almost 5 percent of the Federal taxes in this country, receives 3.1 percent of the Federal outlays.

Those numbers—3, 4, 5—do not seem much; but, in effect, next to Illinois, Michigan is getting the lowest of the levels of Federal outlays, and in the end it makes a difference. It cannot but have an impact.

Mr. LEVIN. I fully agree with my friend from New York. The way we phrased it was that we get back 66 cents for each dollar.

The figures quoted by the Senator from New York is really another way, an eloquent way, of reflecting that disparate impact. Indeed, that amounts to billions of dollars over a reasonably short period of years.

Mr. MOYNIHAN. One percent is more than $1 billion.

As we often have had occasion to remark, we become used to talking about billions. A billion minutes ago, St. Peter was 10 years dead.

Large amounts of money are involved here. The unwillingness which is in part reflected in the inability of the regional budget office to give us regional breakdowns is something we will have to come to terms with.

You never really do anything about a problem in Government until you learn to measure it. This is a problem we do not measure, out of a fear of what will be learned. It is because of the concern that the time has come that we do learn the things that prompt the remarks of the Senator from Michigan and me. I thank him.

Mr. President, I thank unanimous consent to have this table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FEDERAL EXPENDITURES AND STATE POPULATION

[Dollar amounts in billions]

State	Fiscal year 1979 Federal outlays in States	Fiscal year 1979 Federal outlays in States as percent of expenditures in all States	State population	State population as percent of national population
Alabama	$7.4	1.6	3,890,061	1.7
Alaska	1.9	.4	400,481	.2
Arizona	5.5	1.2	2,717,866	1.2
Arkansas	4.0	.9	2,285,513	1.0
California	52.5	11.4	23,668,562	10.5
Colorado	6.2	1.3	2,888,834	1.3
Connecticut	8.2	1.8	3,107,576	1.4
Delaware	1.0	.2	595,225	.3
District of Columbia	15.4	3.3	637,651	.3
Florida	19.7	4.3	9,739,992	4.3
Georgia	9.7	2.1	5,464,265	2.3
Hawaii	2.7	.6	965,000	.4
Idaho	1.8	.4	943,935	.4
Illinois	20.8	4.5	11,418,461	5.0
Indiana	7.9	1.7	5,490,179	2.4
Iowa	4.7	1.0	2,913,387	1.3
Kansas	4.7	1.0	2,363,208	1.0
Kentucky	6.6	1.4	3,661,433	1.6
Louisiana	7.5	1.6	4,203,972	1.9
Maine	2.3	.5	1,124,660	.5
Maryland	11.7	2.5	4,216,446	1.9
Massachusetts	13.7	3.0	5,737,037	2.5
Michigan	14.3	3.1	9,258,344	4.1
Minnesota	7.3	1.6	4,077,148	1.8
Mississippi	5.0	1.1	2,520,638	1.1
Missouri	11.9	2.6	4,917,444	2.2
Montana	1.8	.4	786,690	.4
Nebraska	3.3	.7	1,570,006	.7
Nevada	1.7	.4	799,184	.4
New Hampshire	1.7	.4	920,610	.4
New Jersey	12.6	2.7	7,364,158	3.3
New Mexico	3.9	.9	1,291,968	.6
New York	36.3	7.9	17,557,288	7.8
North Carolina	9.0	2.0	5,874,429	2.6
North Dakota	1.6	.4	652,695	.3
Ohio	16.6	3.6	10,797,419	4.8
Oklahoma	5.6	1.2	3,025,266	1.3
Oregon	4.8	1.0	2,632,663	1.2
Pennsylvania	22.3	4.8	11,866,728	5.2
Rhode Island	1.9	.4	947,154	.4
South Carolina	5.4	1.2	3,119,208	1.4
South Dakota	1.6	.4	690,178	.3
Tennessee	10.3	2.2	4,590,750	2.0
Texas	26.1	5.7	14,228,383	6.3
Utah	2.9	.6	1,461,037	.6
Vermont	.9	.2	511,456	.2
Virginia	15.0	3.3	5,346,279	2.4
Washington	9.9	2.2	4,130,163	1.8
West Virginia	3.6	.8	1,949,644	.9
Wisconsin	6.8	1.5	4,705,335	2.1
Wyoming	1.0	.2	470,816	.2

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays on this amendment, and I request that the matter be put in the sequence that is being developed, as I understand, to commence at 1:30.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. I yield 5 minutes on the resolution to the distinguished Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding. I applaud his leadership on this issue.

Mr. President, I speak now not only as a Senator from Michigan but also as cochairman of the Northeast-Midwest coalition in the Senate at this time.

I believe that this amendment gets at a fundamentally critical item in the budget and in our economic recovery strategy which has not received sufficient attention or work at this point.

When we asked OMB Director Stockman, before the Budget Committee, whether a regional analysis had been done prior to the development of their recommendations, his answer to us was no, that they had not done that. Therefore, no attempt was made to try to craft into the economic recovery strategy any particular regional aspects that might be necessary.

So we asked, "Would you then please do a regional analysis after the fact, to give us a clear measure of how this package will impact the various regions of the country?"

I am sorry to say that that has not been done. We are still waiting for it. I doubt that we will ever get it.

So we are asked here to act upon this matter without having that kind of precise information from the administration. But from what work we can do ourselves, it is clear that the pattern of cuts will fall more severely on the Midwest and the Northeast than they will on other regions of the country. This is due to the nature of the programs that have been targeted for the deepest cuts.

This is compounded by the tax side of the recommendations. We find that they also will work a greater hardship and will be of less value in terms of regenerating the industrial base of our region than they will be for other regions. The fact that there is no refundability provision or extension of the number of years for tax loss carry backwards are serious omissions. These are initiatives that might help in distressed industries like autos, steel, and others, which tend to be centered in the industrial Midwest and in the Northeast.

Between the years 1975 to 1979 the Northeast-Midwest coalition States lost a total of $165 billion in the exchange of money with the Federal Government, while States in the South and West were gainers to the tune of $112 billion.

Michigan lost over $7 billion in this exchange last year, while other States were large gainers. This comes at a time when our State is suffering an unemployment rate of 14.2 percent and over 600,000 people are out of work. These are only the people that we know about. I think there are tens of thousands of others who are not counted because of the way the numbers are aggregated.

We need to look at three issues here. Where do the States start from now, in terms of their current economic circumstances? What is the preexisting pattern of Federal funds flow? And finally what is the impact of the new economic program? When you do this you will find that a number of States in the Midwest and the Northeast are damaged the most on all three counts. We are the States in the worst economic condition to start with. We are the States most discriminated against by the flow of Federal funds. We are the States that will be helped least and harmed most by the budget cuts and the tax strategy.

So, this equity question is a profoundly important one. Not just from the point of view of the narrow self-interest from a given State or a given region. The fact of the matter is that the United States as a whole, all 50 States, cannot be economically healthy as a Nation if there is any region in the country that is in serious difficulty and not regaining its health. That is the circumstance we see here, and that is why the authorizing committees have to be given a sense of direction by the Senate as a whole to try to deal with some of these regional inequities. Then the whole country can go forward. In the end, all 50 States will benefit, if those regions that are in serious difficulty are not made to suffer more but, instead are given a chance to work their way back to strength and economic health.

That is the issue here. It is a profound one. In the rush of circumstance we did not have sufficient time to get the analysis together. There is no greater failing in that regard than the fact that the Office of Management and Budget, despite the fact that they promised they would do this work, has failed to do so and as a result we do not have it here in the Chamber today. That, I think, is an omission that is inexcusable.

At the very least, we should adopt the amendment of the Senator from New York, which I am proud to cosponsor. I think it will give some sense of direction and some degree of equity in the proceedings down the road.

I thank the Senator for yielding.

Mr. MOYNIHAN. I thank the distinguished Senator.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President. I yield myself such time on the resolution as may be required, simply to conclude the discussion we have had of the pending amendment.

I wish to especially address the senior Senator from Michigan to say that it was his continued concern in our hearings that the Office of Management and Budget or alternately the Congressional Budget Office give us some measure of the extent of the imbalance of the actions we were taking, and we never got it. We never got it largely because it is simply not possible for the Government at this time to do these things, not possible because they do not try. When they do try we will have a new basis for this discussion.

Mr. President, my time has expired on the amendment, and the Senator from Washington may wish to speak to this matter.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, first, I should like to associate myself with the eloquent response of the Senator from New York and add my thanks to his at the report we have received from the majority leader on the condition of the President.

The superficial attractiveness of the amendment proposed by the Senator from New York and now under consideration disappears under analysis like the mist of the morning.

This budget resolution is not aimed at the States', the various States' balance of payments with the Federal Government. It is not directed at asking sacrifices from States as such. It does ask for sacrifices, sacrifices made by people, residents of the United States, in every single one of our States and our possessions.

But the resolution is directed at an even more important goal to all of those people, and it will be accepted by them as the people understand the necessity of what we are doing in working through this specific economic proposal, and others which will follow, toward two specific goals: The first, the reduction and hopeful elimination, of a persistent massive double-digit inflation which is now entering its third consecutive year; and second, the consequent loss of growth in productivity, loss in growth of the ability of this economy to finance the very social programs which are often regrettably the subject of this resolution.

When we have met those twin challenges, we will be in better condition to meet with specific social problems which afflict all of the 50 States of the United States of America.

It is important to repeat, however, that we are dealing here with people and not with States. We are dealing with national goals which can be met only by a national program.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. GORTON. The Senator will yield when he has completed his remarks, if the Senator from Michigan does not mind.

The assumptions which underlie this resolution involve perhaps as many as 100 or so specific programs, a few of which will be eliminated entirely, others of which will be cut below the dollar level with which they were supported in 1980 and 1981, and others of which will merely grow less rapidly than might otherwise have been the case.

But to the extent this entire package affects more deeply one section or one group of States in the United States of America than it does others, it will do so only because and only to the precise extent that those programs have disproportionately favored those areas of the country since the time at which they were originally put into place.

Very few of the Senators on the floor of this body have dealt with their votes on specific issues which have come before the Senate since this debate began on the basis of the precise effect of those proposals on their individual States.

I must confess that I do not know whether my own State is affected slightly above or slightly below the average of all the other States. While it is not in the Northeast or in the Middle West, it shares some urban characteristics of some portions of those States. But I do know there are very specific proposals such as those dealing with Public Health Service hospitals, which very much disproportionately affect my own State.

I believe the people of my State understand, however, the overriding necessity for a program of this nature in order to create conditions under which economic recovery is possible or we hope very, very likely.

It seems to me fundamentally in error to deal with this resolution or with any other simply on the basis of a chart which illustrates how many dollars are returned to specific States in respect of how many dollars in taxes are collected within those States.

I might say parenthetically, because my own State is slightly above the average in that respect, I dealt extensively with that issue during the course of my campaign in 1980, not entirely unsuccessfully.

Nevertheless, so much of those figures are skewed by payments under social security programs to those who are retired, and so much more based on military spending, much of which was explained eloquently and accurately by the Senator from New York in his own remarks so as to make such figures almost meaningless.

If we were able and willing constitutionally to require that people retire in the States in which they have earned their living, the ratio on these charts would show better for the State of Michigan and, I suspect, North Dakota and a number of other States. But we are not about to do that in the areas in which people receive social security payments because that is simply not relevant to an argument over a budget resolution of this nature nor, I suspect, is military spending.

I hope and I trust we will constantly work in this body for the most effective use of our military budget, the most effective stationing of our military forces, without regard to specific location. If we should ever go to a situation, which is implied in this amendment, that military bases should be placed throughout the United States in precise proportion to the amount of taxes paid by the citizens of the respective States, we would most certainly be wasting infinitely more money on our Military Establishment than anyone claims we are doing at the present time.

Next, of course, this resolution is not the entire economic recovery package. We will be dealing on a far broader basis with Federal spending in the course of the first budget resolution in the next week or the next month. That will deal with military spending, which this does not; that will deal with taxation policies, which this does not. We have much more to come.

Technically, at least, this amendment is simply irrelevant to a resolution which deals with specific and particular goals by making assumptions about specific and particular programs.

Every Senator has the right to make different assumptions and to try to persuade this body that those assumptions should be changed. Many Senators have made exactly such attempts, and there has been a high level of debate on specific policies here during the course of the last week.

This amendment, to the extent that it is only hortatory, is meaningless. To the extent that it has any meaning it is totally contrary to the entire purposes of the Budget Act. We will have many opportunities to debate these ideas and questions of national fairness about specific programs directed at specific people during the course of the future. But this program deals with people. It asks sacrifices of people not of States. It is designed for economic recovery for people not for States.

The amendment should, therefore, be rejected.

Mr. RIEGLE. Mr. President, will the Senator from New York yield me 5 minutes?

Mr. MOYNIHAN. I would be pleased to do so.

Mr. RIEGLE. Mr. President, I have great regard for the Senator from Washington who has just been speaking, but what he has said will just not stand up under the light.

The administration's budget, which is generally reflected in the resolution before us, does not in any way call for equal sacrifice from the people of the country. Every Senator knows that. Everyone who has analyzed the pledge knows that. It would be fine if it did call for equal sacrifice. It does not.

The sacrifice is not equal on the basis of individuals or of States or of regions. The State of Washington is a specific case. Within the last year or two, the State of Washington has suffered catastrophic damage with the Mount St. Helens eruption. This country has responded with special help to the Senator's State. Insofar as I know, he supports that aid. I have not heard him speak against it. I have heard other Senators from the State of Washington speak for that aid. I doubt that the Senator is prepared to stand up and speak against it today.

I happen to support the special help to his State because of the special circumstances.

Other regions, other States are today suffering from equally catastrophic economic disasters. But the programs that help our States are being sharply and abruptly slashed.

Talk about equal sacrifice for individuals sounds great, but it has nothing to do with the consequences of these budget numbers.

I would be astonished, if the Senator from Washington thinks he can seriously argue that it is fair for one State, year after year, to receive back 66 cents on every dollar it sends to Washintgon, which is the case for my State, while another State receives back $1.45 for every dollar it sends to Washington, which is the case for New Mexico. How is it equitable when many loser States are suffering from a deep recession and many winner States are experiencing an economic boom?

Where is the equity in that? To ignore the inequity in this budget is hurtful to the country as a whole.

I hope that when States have special problems that require special recognition, special concern, national help, that we not turn our backs on that problem. We did not turn our backs on the State of Washington.

We must not come in here today and glibly talk about everybody facing their own problems. You have to speak with some consistency. You cannot come into this Chamber for help, as in the case of Mount St. Helens and then not recognize a national concern for other economic disasters that may be occurring in other places. That is inconsistent. It is selfish. And, I think, it is self-defeating for the Nation.

I support a Federal response to a crisis like Mount St. Helens, and I hope that the people of Washington, Oregon, the Northwest, and other regions of the country would at least listen to our plea and not belittle that plea by saying that this budget calls for equal sacrifice.

If the differentials in Federal funds were only 5 or 10 percent or even 15 percent, that would be one thing. But the regional economic impact of Federal policies are far greater. The differentials are reaching 30 and 35 percent.

My State last year, despite its distressed economic condition, was a net loser of $7 billion to the Federal Government. Some of that money, I might say, made its way out to the State of Washington.

What we are looking for here is some degree of understanding, a degree of equity. I hope that we would never be so blind—either by our own good fortune, if we happen to be in a State that is in fine shape, that we cannot see the legitimate arguments and appeals from people from other areas that are in trouble. That is why we have a National Government and why we are not simply 50 separate States. We are not by any stretch of the imagination, asking for something that is unreasonable here.

Good gracious, people in our States are getting less than our fair share and we have been for a long period of time. The fact that some people on social security retire in the South is a red herring. That is a minor part of the problem. In fact, my State does relatively well in those programs. That does not explain the great differentials. They are coming from other areas.

I hope that at some point that people in our region could get some recognition of their problems. I hope that Senators from other regions will at least be willing to look at the problem. I hope that those on the other side of the aisle

will recognize some of the problems that will be created by their proposals. But we cannot let them dismiss those problems with rhetoric that we are accomplishing equal sacrifice.

If we had equal sacrifice in this package, we would not be on our feet here.

I thank the Senator from New York for yielding me the time.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

The Senator from Washington.

Mr. GORTON. Mr. President, the Senator from Michigan has made a very eloquent statement, much of which I agree with, except to point out that it is irrelevant to the amendment which is before us.

This amendment asks that, somehow or another, without making any specifics whatsoever, that each standing committee will recommend reductions which are proportionate to the population of each State. That is, as the Senator knows, impossible in connection with a rather specifically oriented proposal of this sort.

It is interesting to note that it refers to the population of each State and not the average per capita income of each State and would, therefore, in its own respect, be unequal from the point of view of need, from the point of view of poverty, and the like.

To the extent that the Senator from Michigan, or any other Senator, finds it necessary to come up with a program which is a valid program directed at a real need and is a specific program rather than the merest of rhetoric, I rather suspect that the Senate will be more than willing to go along with him.

Mr. President, I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I yield myself 1 minute on the resolution.

I say to the Senator from Washington's gracious and concluding remarks that I hope he will not take offense if I say that he is relatively new to this body. He will stay here, if that be his wish, the rest of his life. I hope in that long and distinguished career the day comes when, in fact, this body will consider such issues. It has not come in my time here.

For the record, may I say simply that the amendment does not require that which is impossible. It calls for equal sacrifice "to the extent possible."

With that, we would conclude this exchange, Mr. President.

Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair would advise the Senator from New York that until the Senator from Washington yields back his time the amendment would not be in order.

Mr. MOYNIHAN. Mr. President, before doing that, I have asked for the yeas and nays on this. I am not sure that I asked for a 10-minute rollcall, if I may amend my request in that regard.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, will the Senator yield back his time on the amendment?

Mr. GORTON. Mr. President, I yield back the remainder of my time.

UP AMENDMENT NO. 48

(Purpose: To provide for Medicaid funding for Puerto Rico in the manner currently employed for the 50 States and the District of Columbia)

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 48.

The amendment is as follows:

On page 2, beginning with "$52,144,000,000" in line 17, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "$52,026,000,000, and outlays by $36,305,000,000, in fiscal year 1982; and to reduce budget authority by $58,894,000,000, and outlays by $47,565,000,000".

On page 7, beginning with "$4,354,000,000" in line 15, strike out through "$10,870,000,000" in line 18 and insert in lieu thereof the following: "$4,236,000,000 and outlays by $8,714,000,000 in fiscal year 1982; and to reduce budget authority by $4,365,000,000 and outlays by $10,741,000,000".

Mr. MOYNIHAN. Mr. President, this is a matter of equity we wish to raise on behalf of the Commonwealth of Puerto Rico, a part of the American system of government, an island of American citizens who fight American wars and serve in distinctive capacities throughout our Nation, but one which is not represented in this Chamber, certainly by its own choice until this point, but the fact remains.

Puerto Rico has the lowest income of any State or Commonwealth in the American system. It is, therefore, a matter of special concern that, under the President's emergency program, Federal expenditures in Puerto Rico are disproportionately reduced.

The best judgment of Commissioner CORRADA is that Puerto Rico will lose 16 percent of all Federal expenditures on the island as a result of the budget resolution we are dealing with here, as against a national reduction of 4 percent overall.

Puerto Rico will feel four times the impact. We are cutting four times, proportionately, from the community which, in economic terms, is least able to afford these reductions.

The amendment I have before you is a simple act of equity which would, in a very small measure, restore some of the loss and make the effect less calamitous—I hope not to use extraordinary words in these debates, but "calamitous" is not too strong a term to describe the impact of a $300 million reduction in the food and nutrition programs, food stamps, child nutrition, in a population where 56 percent of the population is eligible for, and does in fact receive, food stamps.

My measure, Mr. President, is a simple one. It would treat the American citizens of Puerto Rico, who get sick just as do all Americans and who have needs just as everyone else does. Just as we treat them like the 50 States and the District of Columbia with respect to food stamps, this amendment would treat them the same with respect to medicaid.

In 1972 the Senate Finance Committee, and the Congress, froze the Federal Government contribution to medicaid to Puerto Rico at $30 million. It has remained at $30 million since that time, such that Puerto Rico itself spends almost five times as much on medicaid as the Federal Government contributes, while none of the States pays more than an amount equal to the Federal contribution.

This proportion of contribution is the reverse of what the case would be if the present medicaid formula were made available. My amendment simply makes that formula available. It increases the cost of the Federal Government by $118 million in 1982, and $129 million in 1983. It is simple equity. It is no more than that which automatically applies to any of the 50 States. I follow exactly the same formula currently used to determine the Federal match rate, making no change in it, and in doing so I would restore about one-fifth of the total that we are cutting from Puerto Rico.

Passage of my amendment would be a statement by this body that we are aware of the concerns of the island and we share them.

The distinguished Senator from California has been most active in our councils in urging that such a measure be taken. I am happy to see that he is in the Chamber now. I believe he would like to speak on this matter.

(Mr. NICKLES assumed the chair.)

Mr. CRANSTON. I thank my distinguished friend from New York very much for his leadership in this matter and for his very thoughtful and generous remarks.

I ask unanimous consent to be listed as a cosponsor of the amendment offered by the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Let me say very briefly that I strongly support this effort and will strongly support other efforts to be fair in our treatment of Puerto Rico and its people.

First on the issue of equity, Puerto Rico is the most impoverished society within the American society. The budget cuts that are being brought about through the present reconciliation resolution will, therefore, be more painful and do more harm to individuals in Puerto Rico than to any other region or group within the U.S. system, with the possible exception of American Indians.

Unfortunately for Puerto Rico, there will be no offsetting, balancing aid to Puerto Rico due to the tax cuts since Puerto Rico does not pay Federal taxes to the United States. Thus, Puerto Rico will be hit doubly hard, and I think we have to take that into account and take steps like that proposed by the distin-

guished Senator from New York to deal with their particular problem.

Second, there is a foreign policy issue and, indeed, a national security issue involved in this matter. There is now great emphasis on our interest in stability and in maintaining and developing friendships in the Caribbean, in Central America, where there is the conflict in El Salvador, and in Latin America generally.

If we show total disregard for the people of Puerto Rico, if we permit many Puerto Ricans to slide into even deeper poverty than they presently suffer, and conceivably contribute to economic and social turmoil on that island, plainly this will be very damaging to our national security interests in the Caribbean, Central America, and Latin America.

We should do all that we can to make a showcase of democracy and the free enterprise system in Puerto Rico. We should do all we can to make a vivid contrast on that island as against the situation in Cuba and other nations where the people are under Marxist or other systems. It would be a great disservice to our national interests to not understand the needs of Puerto Rico, not take them into account, and not act in accordance with those needs.

I hope that what has been proposed by the Senator from New York is only the beginning, that before we are done with the budget process we will find other ways to do other constructive, helpful things to take into account the special needs of the people of Puerto Rico.

We should find ways, and I trust before the process is done, between the work in the House and the work in the Senate, we will find those ways to help Puerto Rico move toward economic self-sufficiency and to take into account other needs of the people of Puerto Rico until they achieve that economic self-sufficiency. I will be working with the Senator from New York and the Senator from Michigan and others interested in this matter to see to it that we take these factors into account before our budget is in final form.

I believe the Senator from Michigan, who is very interested in this matter, would like to speak at some point.

Mr. RIEGLE. Mr. President, I ask unanimous consent that I may be added as a cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I see that the distinguished chairman of the Finance Committee is on the floor. I believe he wants to speak.

Mr. GORTON. I yield such time as the Senator from Kansas may desire.

Mr. DOLE. Mr. President, the Senator from New York proposes to add money—that is, reduce the savings—in the Finance Committee instruction. Senator MOYNIHAN would allow $118 million more in fiscal year 1982 and $129 million more in fiscal year 1983, for the purpose of providing medicaid funding in Puerto Rico in the same manner as it is provided in the States.

The reconciliation instruction sets a difficult task for the Finance Committee, and I have said that the Finance Committee will need the maximum flexibility possible in reaching our budget goals. Nevertheless, I oppose the suggestion by Senator MOYNIHAN that this flexibility should be achieved by higher authorized levels of spending.

Mr. President, we have had remarkable agreement, by and large, in working through this resolution. We have agreed to accept firm limits on our ability to spend, in the interest of fiscal control, economic stability, and long-term growth. This is no time to break the consensus that has been achieved.

There are many meritorious proposals that we could act on in the Finance Committee, and this may be one of them. In the 96th Congress the Finance Committee approved an increasing in funding for medicaid in Puerto Rico as part of the Child Health Assessment Act. That legislation was never taken up by the full Senate. So at least the Finance Committee believed it had merit.

Of course, the Finance Committee may still consider this proposal within the budget limit set in the instruction. We will have to weigh alternatives, and it will be difficult. But choices are what we must make, and authorizing a higher level of spending is not the way to proceed.

Mr. President, I am sympathetic to what the Senator from New York attempts to do today but I cannot support the amendment. I think if the Finance Committee can find some additional savings, there may be some way to accommodate at least a portion of the Senator's request.

I have just come from a food stamp hearing earlier this morning where we were reminded again that 60 percent of the people in Puerto Rico qualify for food stamps. At one point, 10 percent of the total program was going into Puerto Rico.

There are a number of things that we are doing in the Federal Government that do the very things suggested by the Senator from California and the Senator from New York.

This does not say that the Finance Committee cannot provide additional medicaid funding. But I would hope this amendment would not prevail. It is new spending and should not be in the reconciliation.

Mr. MOYNIHAN. May I thank the Senator for his open and generous response.

I yield 1 minute to the Senator from Michigan.

Mr. RIEGLE. Mr. President, I am pleased to rise as a cosponsor of the amendment of the Senator from New York (Mr. MOYNIHAN).

It was only 23 days ago that the new administration disclosed the details of its budget proposals to the Congress. Most Senators have spent those 23 days trying to understand how these sweeping recommendations would affect the people and the economies of their own States. Since the people of Puerto Rico are not represented in this body, I commend the Senator for taking leadership with his amendment and I join with him.

Mr. President, the people of Puerto Rico face special problems and they have demonstrated enormous ability in their efforts to deal with those problems. Puerto Rico is an island with relatively few natural resources, but in 40 years it has risen from deep poverty to have a fast-growing economy with the highest standard of living south of the Rio Grande.

Mr. President, Puerto Rico has made those great strides while maintaining a special relationship with the United States. It therefore deserves careful attention from the Senators of all 50 States.

When the Budget Committee was considering the reconciliation instruction that is now before the Senate, I was shown a preliminary analysis of how the Reagan administration's budget would affect Puerto Rico. I ask unanimous consent that a table entitled "Estimated Reductions for Puerto Rico" be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated reductions for Puerto Rico

[In millions]

Programs	*Reductions*
Food and nutrition programs	$300.0
CETA (including training and youth employment programs	140.6
Economic Development Administration	7.3
Farmers' Home/business and industrial loans	19.9
Community development and urban action grants	24.6
Small Business Administration assistance	5.5
Highway construction	1.4
Farmers' Home/water and waste disposal loans	13.3
Farmers' Home/community facilities loans	3.4
Pell education grants	11.3
Elementary and secondary education	26.2
Vocational education	1.5
Housing assistance	
Total cuts proposed in Reagan budget	555.0

Mr. RIEGLE. The table shows that the island's economy would suffer a sudden loss of over one-half billion dollars. That is a huge share of the budgetary burden. it is huge whether we compare it with the island's population or its income or with any other measure. It is too great a burden.

In fact, every Federal dollar lost to Puerto Rico will have a depressing effect on the island's economy that is twice as great as a corresponding cut in the Nation as a whole. Federal funds comprise 31.2 percent of Puerto Rico's gross product—twice the national percentage—even though Puerto Rico ranks behind all States in per capita Federal spending.

As a Senator from Michigan, I have a special appreciation for those facts. My State also ranks very low in per capita spending and would also suffer disproportionately from many of the new policies that have been proposed by the new ad-

ministration. And my State, like Puerto Rico, is being asked to absorb the economic blow of these cuts just when local governments and local business leaders must overcome enormous economic challenges and difficulties.

It is obvious that this budget was not developed with a clear knowledge of Puerto Rico's situation.

The administration proposes deep cuts for Puerto Rico with cuts in job programs, in nutrition programs, and in learning programs that have been an important help in raising the quality of life for Puerto Rico's residents.

The administration wants to rely solely on general policies to spur business growth. It proposes the abrupt termination or sharp reduction of programs that have successfully brought industry and jobs to economically distressed areas like Puerto Rico. As a result, local officials, bankers and industrial leaders will lose important and constructive tools that have helped build the island's economy in the past.

The administration claims that its tax package will stimulate all business. However, that package may actually hurt the economy of Puerto Rico, because the proposed Federal tax cuts would not extend to residents of Puerto Rico and Federal spending cuts would place new pressure on the Puerto Rican Government to raise its own taxes. The administration's new "enterprise zone" proposal to attract businesses to economically distressed urban neighborhoods, could further weaken the comparative business incentives that Puerto Rico has been able to offer.

Mr. President, the impact of the administration's budget on Puerto Rico is more powerful evidence of the folly of OMB's failure to consider the regional impact of their budget proposals.

If Federal budget policy is to strengthen the economy, it must address the great diversity of the economy. A strong and growing Puerto Rican economy is vital to the long term strategic interests of the United States. We must not jeopardize those interests with ill-considered, shortsighted actions in the budget process.

This is an important amendment. It should be the start of a more careful consideration of the needs of Puerto Rico in the committees in the Senate and here on the Senate floor. I hope to help shape a special economic development initiative for Puerto Rico which can spur new capital investment and job creation, and with a maximum degree of flexibility, so that the Puerto Rican people can decide for themselves the future direction of their economy.

The budgetary impact is modest. I urge my colleagues to support it.

Mr. MOYNIHAN. Mr. President, it happens that President Reagan last February, February a year ago, wrote an important and eloquent statement on Puerto Rico. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PUERTO RICO AND STATEHOOD

(By Ronald Reagan)

When I formally announced my intention to seek the Republican presidential nomination in 1980, my televised speech to the nation included a commitment to not only support statehood for Puerto Rico if the people of the island Commonwealth desire statehood. It also included a commitment that, as President, I would initiate statehood legislation, which really means that I would take the lead in persuading the people of Puerto Rico—the mainland United States—all American citizens—that statehood will be good for all of us.

A number of people, including close friends, wondered about my remarks. Not that they oppose the statehood idea. They just thought that it seemed odd that I would put such emphasis on an issue that strikes them as routine, when U.S. foreign policy positions everywhere seem to be collapsing. But then I remind my friends that in 1975, when many U.S. foreign policy positions were collapsing, I was putting great emphasis on the Panama Canal.

By this observation I mean to suggest that we cannot expect our foreign policies to be enjoying prestige around the world—attracting support instead of collapsing—when we are having serious problems with our closest neighbors. The American people lost the debate over the Canal when, despite their opposition to the treaties, President Carter pushed them through. We were going to win the applause of the Third World, remember?

Now, it is no longer our neighbors who are being pulled away from us in the world-wide tug-of-war. Now—at least in this hemisphere—the pivot of the struggle is among our fellow citizens in the Puerto Rico Commonwealth.

YANKEE IMPERIALISM

Fidel Castro hardly lets a speech go by without denouncing "Yankee imperialism" in Puerto Rico and calling for its total independence from the United States. The idea is not confined to blustering speeches at Havana's Third World conferences or in the United Nations. Early in December, it came out of the point of a gun. A few miles from San Juan, two Navy employees were assassinated by the Soviet-made machine guns of terrorists who represent the tiny independence movement on Puerto Rico.

While the world watches the Iranian drama unfold, comrades of Cuba and its allies have now established a beachhead of violence on American shores.

Our keen "peacefully coexisting" competitor the Soviet Union, is not unaware of the importance of Puerto Rico in the great global contest of ideas. As a "Commonwealth" Puerto Rico is now neither a state nor independent, and thereby has an historically unnatural status. There is this raw nerve to rub, and our Marxist-Leninist competitors rub it. They've long thought of the island economies of the Caribbean as easy marks. I do not suggest that the Kremlin strategists expect to snap Puerto Rico into the Communist orbit any time soon, only that they find it convenient to use its unnatural status, creating tensions around the idea of American "colonialism," "Yankee imperialism." We can't merely defend ourselves against this attack. We must ourselves attack, not with terror, but with statehood.

It is not only that the fact of Puerto Rican statehood would deny Mr. Castro a raw nerve. But, in cementing itself to us as the 51st state, with unbreakable bonds, Puerto Rico would represent a positive bridgehead into the Caribbean, Latin America and the developing world.

This geopolitical concept of Puerto Rico's exposed position on the front lines of geopolicies isn't new on my account, by any means. It is at the heart of the old Republican Statehood Party on the island, now the New Progressive Party. It is understood by Gov. Carlos Romero Barcelo and San Juan Mayor Herman Padilla, the two young, dynamic advocates of statehood. I know it is profoundly understood by Luis Ferre, the 77-year-old President of the Senate, who was governor of Puerto Rico when I was governor of California. To these men, statehood is an historical imperative.

It is as simple as this: If we in the United States cannot design a model for a political economy that is sufficiently attractive, if we can't win over our fellow citizens in Puerto Rico to the nuptials that statehood involves, how can our model succeed as an instrument of foreign policy anywhere in the world? And, if we can succeed in discovering what it is that drags on the statehood idea, what it is that fosters a volatile independent movement that can harbor assassins, perhaps we can shed light on the failures of American foreign policy around the world this past quarter century.

How do we begin to understood Iran, and what has gone wrong in the Middle East, if we cannot fathom Puerto Rico—what it is that repels it as it is drawn to us?

The one thing I can say for sure, because it is a part of human nature, is that you cannot arrange a marriage unless both spouses believe the union will be greater than the sum of its parts. Because of this, I don't believe statehood will be achieved until a great majority of Puerto Ricans—not just a simple majority—feel the pull of statehood with passion.

Some Puerto Rican leaders here argue that the people of Puerto Rico must sacrifice in order to enjoy statehood, especially by means of greater tax burdens. Yet Puerto Ricans already face higher tax rates and they have shed a disproportionate share of blood, relative to mainland citizens, in our wars. Thus, an American President will have to work with Governor Romero to integrate the two separate fiscal systems in a way that increases opportunity for the average island citizen, and thereby makes statehood an attractive proposition rather than an increased burden. Governor Romero has already been moving in this direction, systematically lowering tax rates in preparation for merger.

In the 1980s, the American President must understand that for U.S. foreign policy to succeed it must be magnetic, as opposed to expansive. This means we must once again make economic policy an essential ingredient of foreign policy. This is behind my idea of statehood for Puerto Rico.

FOREIGN POLICY FAILURES

At the heart of our foreign policy failures of the last 25 years, I believe, has been the attempt to export "economic expansion" through dollars, rather than ideas. While the rest of the world waited for us to assist in the development along the lines of our own "land of opportunity," we responded with ideas that were never part of our own development: high tax rates, plenty of public debt, devalued currencies and less rather than more democracy in the guidance of state-capitalist systems.

Looking back on it, it should be no wonder that GI Joe was turned into the Ugly American.

And now, in our backyard, the Cubans are handing out AK-17 rifles even as they advertise their system—all over the region—as the path of progress. And we sit on our thumbs. The "Cuban Model" has been a disaster. Cuba is incapable of providing its people with the essentials of life. It is totally dependent on the U.S.S.R., which in turn, depends on us for its food. Yet, with noisy propaganda and active support of violent revolution borne of economic failures, the Soviet-Cuban offensive in Latin America continues to slice off one piece of salami at a time.

An American counteroffensive must rely on the greatest weapon we have: the hope of a better life, achieved by adopting America's recipe for prosperity. It must advertise the proven secrets of economic growth, upward mobility for the poor, and, ultimately, political stability—even as we return to this recipe ourselves: reasonable tax rates, modest regulation, balanced budgets and stable currency.

Instead of letting our competitors pick the battleground of violent revolution, we should pick a peaceful battleground of competition between economic systems. Instead of reacting with force to revolutionary situations, we should preempt those situations with a positive foreign policy. We can build from a bridgehead in Puerto Rico. To show the world that the American idea can work in Puerto Rico is to show that our idea can work everywhere.

Mr. MOYNIHAN. Mr. President, I now yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I would like to take just a moment to respond to my friend, the distinguished Senator from New York (Mr. MOYNIHAN) and also to comment on his amendment which recommends the Finance Committee allocate additional funding for the medicaid and other social service programs in Puerto Rico over which that committee has jurisdiction.

First, I wish to commend Senator MOYNIHAN for his compassionate and articulate advocacy of the citizens of Puerto Rico, who, as he ably noted, are also American citizens. Certainly, the dilemma of Puerto Rico is a very special one and a very acute one. It is a matter I have discussed at length with Puerto Rico's must distinguished Governor, the Honorable Carlos Romero-Barceló. And it is a concern to which I am most sympathetic, as is every Member of the Senate, I am certain.

But I must say that it is my belief that the amendment now considered by the Senate is not the best course of action to alleviate the problem of adequately funding social services in Puerto Rico.

Obviously, Puerto Rico would not experience the degree of severity of budget reductions were it a State. Of course, Puerto Rico is not a State and that issue is therefore moot in terms of the immediate needs of Puerto Rico and the immediate impact of the budget reductions proposed by President Reagan. But statehood is not a moot issue in the longer view of this process. And I suggest we would be well advised to look beyond the immediacy of the matter for there will certainly be additional budget reductions necessary in the years to come. In that regard, I and I believe many of my colleagues in this Chamber have previously voiced our support for statehood for Puerto Rico if that is the wish of the Puerto Rico people. As Senator MOYNIHAN noted, were it a State, Puerto Rico would not be faced with budget reductions of the magnitude now under consideration. Thus, as all of us look ahead to the difficult decisions to come in the years ahead, I am hopeful and confident the people of Puerto Rico will speak on the issue of statehood and that the Congress will respond accordingly.

Even in the interim until that decision is made, I still believe the goals of Senator MOYNIHAN's well-intentioned amendment can be otherwise accomplished. There is a degree of flexibility available to the Finance Committee in its future deliberations of this matter, as there is certain flexibility available to each of the Senate's standing committees involved in the budget process. And I am certain the distinguished chairman of the Finance Committee, Senator DOLE, and the other committee chairmen will be cognizant and as responsive as possible to the needs of Puerto Rico as they implement the budget decisions.

Furthermore, I am advised that the President and others within the administration are similarly aware of the unique difficulties of Puerto Rico and that they are formulating special efforts to assist the people of Puerto Rico without unduly upsetting the carefully balanced program of spending reductions.

Thus, in conclusion I would again commend Senator MOYNIHAN for his concern and reassure him that both the administration and we on this side of the aisle share his concern and are also committed to assisting our fellow citizens in Puerto Rico.

Mr. KENNEDY. Mr. President, I support the amendment of the Senator from New York to provide at least a minimal grant of relief to the people of Puerto Rico who will lose an estimated $650 million under the current administration budget proposals.

Drastically reducing the level of Federal assistance to Puerto Rico represents a unilateral slap at 3.4 million American citizens. The Commonwealth of Puerto Rico continues to be the poorest region of this country, falling at some $1,300 per capita, clearly within the range of less developed nations.

The inequity in the President's program as it applies to Puerto Rico is twofold. First, American citizens living in Puerto Rico will lose far more in Federal assistance than they would as residents of any State in the Union. Second, contrary to citizens in any State, there are no counterbalancing benefits in the form of tax reductions. Thus the blow to the island's economy is of the utmost gravity.

The consequences also would be quite dire, both to the island's economy and to the living conditions of the island's people. Puerto Rico always has had its level of Federal assistance based in some way on the recognition that no Federal tax revenues are forthcoming because of the commonwealth relationship. However, in the provision of services, there also has been a recognition of the great need on the island, of Puerto Rican participation in the defense of our country, and of the continuing right of Puerto Ricans to leave the island and resettle in New York or Illinois or any other State.

To impose a massive curtailment on Federal support without in any way attempting to stimulate self sustaining economic development is a prelude to disaster.

Unemployment, which officially is at 19 percent would rise to nearly 40 percent; the island's public sector will be forced to undertake massive firings; the decline in the maintenance of the basic public infrastructure will contribute to industrial flight, small municipalities will be unable to provide basic emergency services; and the entire economy would be forced into a sudden tailspin. Imports from the mainland consequently also will be reduced significantly, imports which were approximately $4 billion last year making Puerto Rico among the two or three major purchasers of U.S. goods in the world.

I would ask my colleagues what the impact would be on any of their States if they were suffering 19 percent unemployment now and saw it rising to 40 percent? What would occur if they saw their citizens with a per capita income of $1,300 and then were told that food stamps were going to be reduced to those persons by some 40 percent?

Puerto Rico, my colleagues know, has been the subject of considerable controversy in the United Nations because of the charge that is has been treated as a colony. We have countered that charge in the past by noting the special character of the commonwealth relationship and by demonstrating the strong support from the Federal Government. We have argued the Puerto Ricans are treated as American citizens with full benefits and rights under our laws.

Now when we find that a Puerto Rican living in Puerto Rico will lose far more in food stamps than if he resided in Alabama. We find that there is a vast cutback of services proposed in the budget to Puerto Rico that exceeds those who live on the mainland. It seems to me that we will have a quite difficult case to make in the United Nations the next time we are challenged.

Let me also emphasize that we have traditionally limited Puerto Rican participation in grant programs but have tried to insure that individual benefit programs were designed so as to avoid that distinction.

Nevertheless, there are a considerable number of programs—even involving individual benefit programs—where Puerto Rico has a cap on the funds that can be made available to them.

Medicaid funding, for example, is capped at $30 million since 1972. If that cap did not exist—and Puerto Rico were treated equitably—an additional $110 million would rightfully go to Puerto Rico. So the amendment of the Senator from New York is particularly appropriate.

If SSI were available to Puerto Rico, there would be an additional $300 million beyond the limited levels of benefits available now under aged, blind, and disabled titles of the Social Security Act.

Similarly, there is a cap on title XX services of $15 million and if Puerto Rico were treated as the States in this area, it would mean an additional $34 million.

Now on top of these restrictions, we find that Puerto Rico will lose an estimated additional amount of $650 million. It will receive no additional economic stimulus.

I find the potential consequences of these reductions to be enormously grave—for social and political stability

in Puerto Rico. For the image of the United States in Latin America, for the suffering sure to be endured by the people of Puerto Rico, and for the likely stimulus to Puerto Rican migration to the mainland. I urge adoption of this amendment.

Mr. President, I am pleased that my colleague from New York, the chairman of the Senate Finance Committee, and the majority leader are expressing their mutual determination to find some mechanism to ease the impact of these reductions.

I would respectfully suggest that a block grant for economic development involving both branches of the Puerto Rican Government can provide the best long-term hope for economic growth on the island. But it has to be done over a period of transition so that the benefits of development can reach individuals before they lose their individual rights and benefits. I ask that testimony by Miguel Hernandez Colón, president of the Senate of Puerto Rico. on the impact on the budget acts be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE HOUSE BUDGET COMMITTEE

My name is Miguel Hernández Agosto. I am President of the Popular Democratic Party (PDP) of Puerto Rico and President of the Senate of the Commonwealth of Puerto Rico. In the 1980 elections, the PDP candidate for Governor lost by only 3,434 votes, out of a total of 1,608,802 votes cast. The PDP won control of the Senate and because of the closeness of the elections, the ultimate control of the House of Representatives is now in the courts.

As a heavily populated area with few resources and geographic disadvantages, Puerto Rico has had to depend on fiscal support from the Uniter States ever since its relationship with the United States began following the Spanish-American War of 1898. Over the eight decades of association between Puerto Rico and the United States, this fiscal support has demonstrated a clear pattern which could well be described as the basic economic policy of the United States toward the Island.

Two important facets of this policy are the extension of federal social and economic development programs to Puerto Rico and the exclusion of Island residents and corporations from the federal internal revenue laws. The tax exclusion was enacted in the Foraker Act of 1900—the first federal organic law for governing Puerto Rico. This action was based on the economically impoverished condition of the Island. Since that time, Puerto Rico has made great strides forward but has never reached a degree of economic development sufficiently comparable to the States to justify a revision of the concept. Freedom from federal taxation has enabled Puerto Rico to attract industry which might otherwise have located in foreign countries.

As federal grant-in-aid programs were enacted, Puerto Rico was almost always made an eligible recipient. In the major programs, however, Puerto Rico's rate of participation was frequently limited. For example, limits on participation were established in welfare grants, the programs to aid public schools, the Medicaid Program, the Title XX Social Services Program, and highway aid. Puerto Rico was excluded from General Revenue Sharing. Even the Food Stamp Program has restrictions on the level of participation of households in Puerto Rico. The large federal cost of food stamps—despite the legal limits—demonstrates the tremendous comparative poverty in Puerto Rico.

The principal reason for such limits was the non-taxation policy. As new spending programs were enacted for the United States, Congress and the President repeatedly accepted that the combination of federal tax freedom and full participation in certain grants would give Puerto Rico an unjustifiably large share compared to the States. Thus, the policy has emerged of comparable federal financing in Puerto Rico. When the federal government determines the amount of participation Puerto Rico should have in various national programs, it takes into account the non-taxation factor and works out a comparable participation rate for the American citizens living on the Island. Although the policy described above has never been officially written into law or mainland political party platforms, it has become the customary way of assisting Puerto Rico. It is an evolutionary, de facto policy forming an important element of the political and socio-economic relationship between the Commonwealth and the United States.

Also, one can note a consistent pattern of extending equal participation to the Commonwealth in grant-in-aid programs supporting economic development. Some examples are the Housing and Community Development Act, the Comprehensive Employment and Training Act, the Public Works and Economic Development Act, the Vocational Education Program, the Urban Development Action Grants Program, and the Local Public Works Program. In the area of economic development, as opposed to welfare type program, Congress and the President have recognized the mutual benefits to be achieved by investing in the economy of Puerto Rico.

In summary, the de facto fiscal policy of the United States has always taken into account Puerto Rico's unique and difficult economic problems through a favorable tax policy, supplemented by limited federal grants-in-aid. However, in those federal programs geared to economic development, Puerto Rico is typically accorded full participation.

Today, Puerto Rico receives 1.3 billion dollars under all of the federal grant-in-aid programs. Limits enacted into these laws presently cost the Island some 800 million dollars annually. The Food Stamp Program, which is not a grant but a transfer payment to individuals, adds 800 million dollars yearly. Of great importance is the fact that the total net federal outlays play a major role in the economy of Puerto Rico. At the end of the 1970's, net federal outlays constituted 29.4 percent of both the gross product and the total personal income of the Commonwealth's residents and businesses.

President Reagan has proposed an overall reduction of 48.6 billion dollars in the domestic budget for Fiscal Year 1982. This is reflected in a series of proposed program eliminations, reductions and consolidations. The President also contemplates stimulating the national economy through a series of tax cuts. We are aware that the results of his proposals will not be known for many months. The Resident Commissioner from Puerto Rico has calculated the effects of the President's proposals on Puerto Rico as resulting in a 650 million dollars reduction in federal expenditures in Puerto Rico alone and a loss of some 30,000 jobs. These estimates may not be fully accurate, but the Reagan budget will unquestionably have major detrimental effects in Puerto Rico. For example, we believe that if the President's proposals are not modified, unemployment in Puerto Rico will rise from the present 19 percent to probably 30 percent or 40 percent.

It is our duty to suggest alternatives to accomplish the President's beneficial goals, without causing dramatic and unnecessary social and economic harm to the 3.4 million American citizens residing in Puerto Rico. Our alternatives reflect the serious concern with which the people of Puerto Rico—like their fellow citizens on the mainland—view inflation and other economic ills confronting the country and the sacrifices they are willing to make to combat them. We sincerely hope our alternatives are among the "superior ideas" deemed acceptable by OMB Director, David Stockman, in his Senate testimony of March 12, 1981.

The most serious problem which we see is that only one of the President's two main economic weapons—budget cuts—is available for Puerto Rico. We do not pay federal income taxes; therefore, economic stimulation through significant reductions in federal taxes is by definition impossible for Puerto Rico. The Reagan's plan contemplates that the tax reduction will stimulate private economic activity and in this way mke up for the loss of public sector jobs.

In Puerto Rico this tax stimulation will not occur and large budget reductions will simply lead to even larger unemployment and economic stagnation. The Government of Puerto Rico would have to meet basic human needs with increased spending and increased taxation on a downward sliding amount of personal income. When one considers that unemployment in Puerto Rico is presently 19 percent and the real, uninflated growth rate in the gross Island product was only 2.3 percent in 1980 and predicted to drop even further in 1981, we see the grave danger to Puerto Rico of the President's proposals and the need to alter them to avoid a disastrous downturn in the economy of the Commonwealth. Moreover, the net effect of the cuts as presently proposed in programs designed to assist the truly needy will have an impact of huge proportions simply because of the large concentration of poor persons on the Island.

We offer two basic proposals which, we feel, will accommodate the national need for sacrifice and restraint without unduly harming the Puerto Rican people.

First, we propose that the Congress and the President follow the policy of treating Puerto Rico neither better nor worse than the States in national fiscal policies. If the national economic situation requires strong fiscal medicine, it would violate the historic pattern of the United States-Puerto Rico relations for the Island partner to have to swallow a larger dose than any State. When budget cuts occur, they must follow a careful study of the effects of no tax stimulation and the uniquely difficult economic circumstances of Puerto Rico. While a State of the Union might well be able to absorb a ten percent reduction in federal outlays, that same ten percent could be applied blindly to Puerto Rico. Rather, the budget reduction should be tailored to the economic realities of the Island and the results which they may cause. Further, any reductions in programs providing assistance to individuals must be very carefully examined to assure that such reductions do not result in truly needy individuals being left without the resources necessary to meet basic human needs. This may mean that the present level of support in these programs cannot be reduced to the level proposed by the President immediately, but rather will have to be maintained at near present or minimally reduced levels, until the second part of our proposals can be implemented and begin to take effect.

Second, we suggest that these times of national budgetary reevaluation offer a splendid opportunity to restructure the financing side of the United States-Puerto Rico economic relations. We offer the concept of a single block grant for economic development for Puerto Rico. By a block grant we mean a federal grant to the Commonwealth of

Puerto Rico and its municipalities with broad definitions of permissible uses of the funds. If the annual sum of federal outlays, or a substantial portion thereof, were pooled into a single block grant—or a series of broadly phrased economic development block grants—we would have at our disposal the instruments necessary to substitute the tax cuts proposed by the President and be able to offset more effectively the reductions which may finally result in Puerto Rico. The recapture of such reductions in federal outlays, in terms of the net economic impact, could be achieved, we believe, through the development of programs which would operate more efficiently, because they would be devised locally. We want development, not dependence. An economic development block grant would give us that opportunity.

We note that the timing of the implementation of such an approach as we suggest, is of the essence in relation to the proposed reduction in federal expenditures on the Island. The development of the economic activity in the private sector, through this approach, sufficient to absorb substantial overall reductions in the flow of federal funds would take some time. We believe that such a program would have to be firmly in place to allow the creation of a sufficiently large base to avoid severe dislocation on the Island.

The reductions we have in mind would be a mutually acceptable percentage depending on the total economic analysis of the effects of all economic policies and the structure of the block grant. We would accept, of course, basic norms such as fiscal accountability and the guarantee of equal opportunity, as "strings" attached to the block grant. The federal conditions attached to the grant should not limit the flexibility needed to attack local economic development problems in innovative ways. Further, such a grant should be subjected to the normal appropriations process in the Commonwealth, considering the amounts that legislation would be involved.

There is strong precedent for what we propose. Federal statutes now contain block grants for outlying areas. These grants reflect an understanding of the great differences between the mainland United States and its distant associated areas. They also recognize the great difficulties of administering federal grants in remote areas. Other precedents are the special grants, loans and procurement policies for minority economic development.

We believe that our concept of a block grant for economic development responds to the current awareness that government which is close to the people it serves is frequently better informed and therefore more efficient and effective.

I am pleased to have had the opportunity to discuss these issues with you and would be willing to continue to work with you in a search for alternatives to the present Presidential proposals as they affect Puerto Rico.

Mr. CRANSTON. I yield myself 2 minutes.

Mr. President, I join the Senator from Massachusetts in his remarks about the measure that was proposed earlier today by the Senator from New York (Mr. MOYNIHAN) with respect to Puerto Rico. It is very important that we take into account the particular plight of the people of Puerto Rico, the fact that the general program of the new administration would have particularly harsh effects upon the people of that island if we do not take into account their particular circumstances.

The budget cuts impact directly upon them. The tax breaks will have no effect upon them.

We also should recognize that we have national security interests in the Caribbean that require us to do all we can to see that their economy and their society thrive and that they are not thrown into a deep recession through no fault of their own.

I know that the Senator from Massachusetts is particularly aware—among all Senators—of the situation in Puerto Rico. He has been a staunch friend of the people of that island. He has countless friends and admirers there, and I know that they will be heartened by his dedication to bringing remedial action to ease the grave concerns that are presently existent among the citizens of that island.

Mr. MOYNIHAN. In view of the generous, open response of the Senator from Kansas as chairman of the Finance Committee, and the considered and persuasive views of the majority leader, and, of course, those of our whip and others here, it seems to me the better part in the interest of the Commonwealth at this point to withdraw my amendment. I do so request.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 29

The question is on agreeing to amendment No. 29 of the Senator from Arkansas. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Texas (Mr. TOWER), is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS), is necessarily absent.

The PRESIDING OFFICER (Mr. MURKOWSKI). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 68 Leg.]

YEAS—44

Baucus	Exon	Melcher
Bentsen	Ford	Metzenbaum
Biden	Glenn	Mitchell
Boren	Hart	Moynihan
Bradley	Hawkins	Nunn
Bumpers	Heflin	Pell
Burdick	Hollings	Pryor
Byrd, Robert C.	Huddleston	Randolph
Cannon	Inouye	Riegle
Chiles	Jackson	Sarbanes
Cranston	Kennedy	Sasser
DeConcini	Leahy	Stennis
Dixon	Levin	Tsongas
Dodd	Mathias	Zorinsky
Eagleton	Matsunaga	

NAYS—54

Abdnor	Cochran	East
Andrews	Cohen	Garn
Armstrong	D'Amato	Goldwater
Baker	Danforth	Gorton
Boschwitz	Denton	Grassley
Byrd, Harry F., Jr.	Dole	Hatch
Chafee	Domenici	Hatfield
	Durenberger	Hayakawa
Heinz	McClure	Simpson
Helms	Murkowski	Specter
Humphrey	Nickles	Stafford
Jepsen	Packwood	Stevens
Johnston	Percy	Symms
Kassebaum	Pressler	Thurmond
Kasten	Proxmire	Wallop
Laxalt	Quayle	Warner
Long	Roth	Weicker
Lugar	Rudman	
Mattingly	Schmitt	

NOT VOTING—2

Tower Williams

So Mr. BUMPERS' amendment (No. 29) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 45

The PRESIDING OFFICER. The question is on agreeing to the amendment (UP No. 45) of the Senator from Missouri.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Texas (Mr. TOWER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators wishing to vote?

The result was announced—yeas 29, nays 69, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—29

Biden	Heflin	Mitchell
Bradley	Heinz	Moynihan
Burdick	Inouye	Pell
Byrd, Robert C.	Jackson	Randolph
Cranston	Kennedy	Riegle
Dixon	Leahy	Roth
Dodd	Levin	Sarbanes
Eagleton	Mathias	Sasser
Ford	Melcher	Specter
Glenn	Metzenbaum	

NAYS—69

Abdnor	Exon	Murkowski
Andrews	Garn	Nickles
Armstrong	Goldwater	Nunn
Baker	Gorton	Packwood
Baucus	Grassley	Percy
Bentsen	Hart	Pressler
Boren	Hatch	Proxmire
Boschwitz	Hatfield	Pryor
Bumpers	Hawkins	Quayle
Byrd, Harry F., Jr.	Hayakawa	Rudman
Cannon	Helms	Schmitt
Chafee	Hollings	Simpson
Chiles	Huddleston	Stafford
Cochran	Humphrey	Stennis
Cohen	Jepsen	Stevens
D'Amato	Johnston	Symms
Danforth	Kassebaum	Thurmond
DeConcini	Kasten	Tsongas
Denton	Laxalt	Wallop
Dole	Long	Warner
Domenici	Lugar	Weicker
Durenberger	Matsunaga	Zorinsky
East	Mattingly	
	McClure	

NOT VOTING—2

Tower Williams

So Mr. EAGLETON'S amendment (UP No. 45) was rejected.

VOTE ON UP AMENDMENT NO. 46

The PRESIDING OFFICER. The question is on agreeing to unprinted amend-

ment No. 46 of the Senator from Missouri (Mr. EAGLETON). The yeas and nays have been ordered and the clerk will call the roll.

Mr. STEVENS. I announce that the Senator from Texas (Mr. TOWER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 21, nays 77, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—21

Biden	Ford	Matsunaga
Bradley	Glenn	Moynihan
Bumpers	Hart	Pell
Burdick	Inouye	Randolph
Cranston	Kennedy	Riegle
Dodd	Levin	Sarbanes
Eagleton	Mathias	Tsongas

NAYS—77

Abdnor	Garn	Metzenbaum
Andrews	Goldwater	Mitchell
Armstrong	Gorton	Murkowski
Baker	Grassley	Nickles
Baucus	Hatch	Nunn
Bentsen	Hatfield	Packwood
Boren	Hawkins	Percy
Boschwitz	Hayakawa	Pressler
Byrd, Harry F., Jr.	Heflin	Proxmire
Byrd, Robert C.	Heinz	Pryor
Cannon	Helms	Quayle
Chafee	Hollings	Roth
Chiles	Huddleston	Rudman
Cochran	Humphrey	Sasser
Cohen	Jackson	Schmitt
D'Amato	Jepsen	Simpson
Danforth	Johnston	Specter
DeConcini	Kassebaum	Stafford
Denton	Kasten	Stennis
Dixon	Laxalt	Stevens
Dole	Leahy	Symms
Domenici	Long	Thurmond
Durenberger	Lugar	Wallop
East	Mattingly	Warner
Exon	McClure	Weicker
Ford	Melcher	Zorinsky

NOT VOTING—2

Tower	Williams

So Mr. EAGLETON's amendment (UP No. 46) was rejected.

VOTE ON UP AMENDMENT NO. 47

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York (Mr. MOYNIHAN), UP amendment No. 47. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Texas (Mr. TOWER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER (Mr. WALLOP). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 19, nays 79, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—19

Bradley	Glenn	Metzenbaum
Bumpers	Inouye	Moynihan
Cranston	Jackson	Pell
Danforth	Kennedy	Riegle
Dixon	Levin	Specter
Dodd	Long	
Eagleton	Matsunaga	

NAYS—79

Abdnor	Garn	Murkowski
Andrews	Goldwater	Nickles
Armstrong	Gorton	Nunn
Baker	Grassley	Packwood
Baucus	Hart	Percy
Bentsen	Hatch	Pressler
Biden	Hatfield	Proxmire
Boren	Hawkins	Pryor
Boschwitz	Hayakawa	Quayle
Burdick	Heflin	Randolph
Byrd, Harry F., Jr.	Heinz	Roth
Byrd, Robert C.	Helms	Rudman
Cannon	Hollings	Sarbanes
Chafee	Huddleston	Sasser
Chiles	Humphrey	Schmitt
Cochran	Jepsen	Simpson
Cohen	Johnston	Stafford
D'Amato	Kassebaum	Stennis
DeConcini	Kasten	Stevens
Denton	Laxalt	Symms
Dole	Leahy	Thurmond
Domenici	Lugar	Tsongas
Durenberger	Mathias	Wallop
East	Mattingly	Warner
Exon	McClure	Weicker
Ford	Melcher	Zorinsky
	Mitchell	

NOT VOTING—2

Tower	Williams

So Mr. MOYNIHAN's amendment (UP No. 47) was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

(The following proceedings occurred earlier:)

Mr. MOYNIHAN. Mr. President, I see our distinguished and beloved majority leader is in the Chamber, and I understand he has a statement of importance to the Senate. I am happy to yield him as much time as he wishes off the resolution.

Mr. BAKER. Mr. President, I thank the Senator.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will charge the time against the resolution if the manager will permit me to do that.

Mr. GORTON. That is all right.

THE PRESIDENT'S HEALTH

Mr. BAKER. Mr. President, it was my privilege just now, together with Senator LAXALT, to visit with the President of the United States at George Washington University Medical Center Hospital.

I am pleased to report to the Senate that: The President has excellent color. He appears to be in good spirits. His recovery is remarkable. He is fully alert and conversational.

We discussed a range of issues, including the good progress, I believe, that the Senate is making on the final disposition of this budget resolution.

I reported to the President that this morning we passed a resolution expressing the Senate's appreciation to Secret Service agent Parr for his timely and courageous act in perhaps saving the President's life, Secret Service agent McCarthy for having thrown himself in the path of another bullet and once again perhaps saving the President's life, and District of Columbia policeman Delahanty for his similarly heroic deed.

The President asked me to express his appreciation to the Senate for that action. He was genuinely moved by that expression and by the courageous acts of those three men.

Mr. President, I also report that the President not only was alert, fully conversational, and looked well, but from a medical standpoint he does not have any intravenous tubes in his veins. He is eating solid food. He occasionally has supplemental oxygen, not regularly but occasionally, on the advice of his doctor.

The only remaining treatment he is receiving is the tube inserted to reinflate his lung that is still in his chest and which will be removed shortly.

Mr. President, I must say that I have never seen any person of any age after the third day of major surgery who looks as well as does President Reagan. His humor is good. He quickly quipped that he wanted to just let anyone know, if he had any doubt, that it hurts to get shot. I am sure it does.

Mr. President, I am happy to make this report and I express my appreciation to the distinguished Senator from New York and the Senator from Washington for permitting me to interrupt their debate on the pending amendment.

Mr. President, I ask unanimous consent that this report to the Senate appear after the conclusion of the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, if I could yield myself some time on the resolution as required, may I just express this Senator's appreciation to our majority leader for his report.

I was glad to hear of the President's health, but there is something larger at stake.

Ernest Hemingway once described courage as grace under pressure. I do not know in our time that we have seen any such greater display, and it makes us proud of our President, and it is no time to talk about the Nation, but it is the Nation that nurtured that quality in him, and we are all enhanced by it.

Mr. BAKER. Mr. President, I thank the Senator for that remark. I could not agree with him more. In his usual eloquence he has expressed, I am sure, the sentiments of all of us.

I may say that I told the President when I first entered the room that I thought the country was proud of him.

I thank the Senator.

Mr. DOMENICI. Mr. President, I believe it is our turn and we do not have an amendment. We were going to yield 10 minutes to the distinguished Senator from Missouri (Mr. DANFORTH) and the Senator from Minnesota (Mr. DURENBERGER) who were going to have a colloquy.

How much time does the Senator need?

Mr. DURENBERGER. I think 10 minutes would be adequate time.

Mr. DOMENICI. I yield 10 minutes to the Senator from Minnesota.

TRANSITION FLEXIBILITY FOR STATE AND LOCAL GOVERNMENTS

Mr. DURENBERGER. Mr. President, I call to the attention of my colleagues the language included in the reconciliation

report on page 9 regarding transition flexibility for State and local governments. The language to which I refer encourages Senate committees that are proposing reductions in grants-in-aid to State and local governments to recommend at the same time program revisions which increase the flexibility of State and local governments to manage Federal funds so that the needs of program beneficiaries are met most effectively. In the report, the Budget Committee suggests such reforms as:

Consolidating similar programs into block grants;

Eliminating unnecessary rules and regulations;

Provided adequate leadtime to adjust State and local laws and practices to new funding levels;

Eliminating the requirement that advisory bodies be established as a condition of receiving funds; and

Modifying mandates not fully funded by congressional appropriations.

Mr. President, I believe that we in Congress need to recognize that the success or failure of the economic recovery plan depends in large part on using Federal funds more efficiently. We are making unprecedented funding reductions. State and local grants-in-aid will be 14.5-percent less in 1982 than they were in 1981. Without changes in program structure, we cannot expect State and local governments to deliver the vital services that we have delegated to them in such important areas as income security, nutrition, transportation, and health care.

Let me give an example of the kind of regulatory flexibility that I have in mind, Mr. President. I understand that the Department of Health and Human Services has notified State agencies in region V of proposed recisions affecting the medicaid program. State agencies were told that they should set priorities among the activities they are now carrying out in the area of survey and certification. Funds will permit them to complete only those activities of the highest priority. Unfortunately, the States have determined that dropping any of the current activities would place them in violation of a contract, a law, or a regulation.

Therefore, I commend the Budget Committee for recognizing this problem in the funding reductions they are recommending. I hope all of the committees that will be making funding reductions will consider the comments in the Budget Committee report regarding flexibility for State and local governments affected.

Mr. President, I am pleased at this time to yield to my colleague from Missouri.

Mr. DANFORTH. Mr. President, I think that the Senator from Minnesota has made a very valuable po'nt. The situation is that, over a period of years, State and local governments have become increasingly dependent on Federal sources of funds. In the categorical grant programs, it is very typical for the Federal Government, along with granting funds to State and local governments, to place a variety of restrictions on those funds and a variety of requirements, some paperwork or reporting requirements, other requirements relating to precisely how State and local governments operate.

In the chase for Federal money, typically, local governments and State governments end up doing some things they might not otherwise do. They operate programs in such a way as to perhaps not be very efficient from their standpoint, but they are anxious to comply with the requirements of the Federal Government.

The theory of budget cutting on funds otherwise going to State and local government is that, while we are cutting the total number of dollars that otherwise would be available, we are at the same time converting categorical grants into block grants and that State governments and local governments will be freed up from needless requirements and be able to use their money in a more cost effective way.

The problem that has been pointed out particularly by the National Governors Conference, and especially by its chairman, Governor Snelling of Vermont, is that there may be a time lag between the reduction and the availability of Federal dollars on one hand and the freeing up of the regulatory burden or the other requirements in the categorical grant programs on the other.

Therefore, it is very important for Congress to bear in mind, as we are in the process of cutting the budget, the need to move as quickly as possible to provide as much flexibility, and therefore as much cost effectiveness, as possible on the State and local levels.

Mr. DURENBERGER. I thank the Senator for his statement.

Mr. President, I yield to the distinguished chairman of the Governmental Affairs Committee, the Senator from Delaware.

Mr. ROTH. Mr. President, I concur in the remarks by Senator DURENBERGER and Senator DANFORTH with respect to the need for greater flexibility in the grant system to coincide with the major funding reductions we are discussing.

The language contained in the reconciliation statement resulted from a meeting between my committee and the Governors Conference; and it is for that reason I am very appreciative of and in support of what the Budget Committee has done.

We cannot expect to cut grants to State and local governments by up to 30 percent and not make compensating changes in the programs. There is no doubt that the Federal aid system needs a tuneup. After completing a 3-year study of the Federal system, the Advisory Commission on Intergovernmental Relations (ACIR) has found today's intergovernmental system a "bewildered and bewildering maze of complex, overlapping, and, often, conflicting relationships among the three levels of Government." More simply put, ACIR says today's intergovernmental system is "overloaded."

The Advisory Commission on Intergovernmental Relations (ACIR) study on the Federal grant system consists of 14 volumes and took 3 years to complete. ACIR found that despite some consolidation, the number of assistance programs is increasing and the programs are becoming more narrow. At last count, there were seven different highway safety grants; a half-dozen grants for forest-related programs; 23 for pollution control and abatement; 36 for social services; and 78 for elementary, secondary, and vocational education. By some estimates, there are over 1,000 separate mandates imposed on local governments. No wonder the system is not running smoothly; no wonder the percentage of Americans that believe the Government will "do what is right" fell from 77 percent in 1964 to 34 percent in 1976.

Through the 500 separate categorical programs, enough paperwork is imposed on State and local governments to cost some $5 billion for them to complete. Federal regulations contribute heavily to this paperwork burden. One study found that between November 20, 1975, and January 7, 1976, 26 issues of the Federal Register contained 31 EPA air pollution items. This translates into an annual rate of 270, or more than 1 for every working day. Between July 1975 and March 1976, 359 changes and additions in the regulations for the program were published in the Federal Register, and 77 new rules were proposed. In the letter transmitting its final report to the President, the Commission on Federal Paperwork wrote:

> Many people feel, and the Commission agrees that a multi-million dollar wall of paperwork has been erected between the Government and the people.

The language contained in the resolution which resulted will help the Senate begin to tear down that wall of paperwork and to promote grant consolidation, and I am prepared to do whatever I can to assist.

Mr. DURENBERGER. Mr. President, I thank the Senator from Delaware for his precise comments.

Mr. BAKER. Mr. President, I would like to take just a moment to commend and join with the distinguished Senator from Minnesota, Senator DURENBERGER, and my other distinguished colleagues in support of more flexible and workable Federal grants to State and local governments. And I am optimistic that, as we go about the business of implementing Federal budget reductions in the coming days and weeks, we shall heed the wise recommendations of our Budget Committee in this regard.

As my colleagues have noted, the present mechanism for allocating grants to local governments is a bewildering array of as many as 500 separate grants, most of which require singular and specific administrative procedures and reports. Clearly, the system has become too cumbersome and is in need of immediate reform.

I would submit that we shall not have a better opportunity to attain that reform than at this time. We have embarked on a difficult but necessary regimen of budget reductions at the Federal level. A substantial portion of those reductions will fall into various grants pro-

grams. Our Budget Committee, several other Members of the Senate, President Reagan, and numerous State and local officials as well, have all noted the need to review the totality of governmental responsibilities and to return to the State and local governments those duties best administered by them.

As we go about this business, Mr. President, of redefining our federalist structure, we must give these State and local governments not only the resources, but also the administrative means to carry out their new, or renewed, responsibilities. We must reduce the intense and choking level of Federal administrative requirements. All of us have listened in recent weeks to the Nation's Governors, mayors, and State legislators as they have commented on the Federal spending reductions. Virtually to a person, they have said they and their governments can continue to carry out their necessary functions if the budget reductions are accompanied by regulatory and paperwork reductions.

I do not mean to imply that the specific problems and needs for which individual grants were created have been eliminated—if that were the case, these grants themselves should be eliminated. Rather, what I am attempting to convey to my colleagues is that we have created a veritable avalanche of Federal grant programs in the last decade and that with those new grants have come an unnecessary and inefficient administrative burden on State and local governments.

Certainly, the purpose of these grants should be maintained. But the means and administration of these specific programs should be left to the wisdom of State and local officials in each possible instance.

Mr. DURENBERGER. Mr. President, I am prepared to yield back the remainder of my time to the Senator from New Mexico.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I believe that in the order we have been following, an amendment I will now propose on restoring funds for unemployment compensation would properly be put forward at this time. Unless I hear an objection on the majority side, I will go ahead with my unemployment compensation amendment at this time.

Mr. DOMENICI. That is correct. We expect that the Senator from Michigan will be next, and I assume that is the amendment he has chosen.

Mr. RIEGLE. Yes. I am prepared to proceed, if there is no objection on the other side to my proceeding at this time.

Mr. CRANSTON. If the Senator would proceed, it would be perfectly appropriate.

Mr. RIEGLE. I thank the Senator.

UP AMENDMENT NO. 49

(Purpose: To restore funds for unemployment compensation)

Mr. RIEGLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE), for himself and others, proposes an unprinted amendment numbered 49.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "outlays" in line 19, strike out through "1983" in line 20 and insert in lieu thereof the following: "outlays by $47,409,000,000 in fiscal year 1983".

On page 7, beginning with "outlays" in line 17, strike out through "1983" in line 18 and insert in lieu thereof the following: "outlays by $10,585,000,000 in fiscal year 1983".

Mr. RIEGLE. Mr. President, I am offering this amendment on behalf of myself and Senators LEVIN, KENNEDY, SARBANES, METZENBAUM, WILLIAMS, and MOYNIHAN.

My amendment would restore a portion of the funds cut from the unemployment insurance program by this resolution. Specifically, the amendment would add $285 million in outlays in fiscal year 1983, so that we would not force jobless workers, after 13 weeks of unemployment, to accept minimum wage jobs.

I hasten to add that because of the timing of the proposal, which would require States to amend their existing unemployment insurance laws, no dollar impact actually occurs until fiscal year 1983.

The purpose of this Nation's unemployment insurance system is to tide workers through a period of joblessness until they can find employment suitable to their skills, education, and experience. In particular, the unemployment insurance program is designed to provide a way for workers to deal with cyclical unemployment in our society, which is something that affects a number of our industries—not all, but many. Unemployment insurance helps to cushion the impact of those periods, these bursts of unemployment in the country, when recessions occur. President Reagan's budget proposes that we require unemployed workers to seek and accept a minimum wage job, or a job paying an amount at least equivalent to their unemployment benefits, after 13 weeks of unemployment, except in the case of seasonal or other temporary layoffs where it can be demonstrated that the worker's chances of obtaining work comparable to his or her previous job are good. The resolution before us today, as it has been presented by the Budget Committee, assumes savings from making this fundamental change in our Nation's unemployment laws, affecting approximately 280,000 jobless workers.

Mr. President, under current law the first 26 weeks of unemployment insurance benefits are financed wholly by the State. President Reagan's proposal would apply after the 13th week of unemployment. So unless we change this proposal which is incorporated in the resolution, what we would be doing here would be to impose a Federal requirement on a program which is wholly funded by the State. This is a serious incursion into an area of State decisionmaking and in my view, should be rejected on that basis alone.

We have, in the past, been very cautious and very careful about not wanting to invade areas where the States have programs for which they have full financial responsibility. What is being proposed here would breach that line, would, in effect, come in and reorder the activities at the State level.

But this is not the only reason why this change should be rejected. There are also serious questions as to whether this proposal is even a practical or feasible one.

The House Subcommittee on Unemployment Compensation and Public Assistance recently asked the administration for information regarding how many minimum wage jobs are actually available to workers who are collecting jobless benefits. It is my understanding that the Reagan administration was unable to supply this information to the House subcommittee. So we do not even know how many minimum wage jobs are actually out there for these workers.

Let me also point out that there is no reason to believe that these jobless workers will necessarily be able to secure whatever minimum wage jobs might be available. I wonder, for example, how many employers would be willing to hire an overqualified worker, knowing that this overqualified worker is likely to leave that job at the first opportunity, as soon as that worker could find a job that was more suitable to his or her actual job skills and past earnings history.

There is also reason to fear that, to the extent that these highly skilled jobless workers do obtain minimum wage employment, they will do so at the expense of other, far less skilled persons whose education and experience limit their ability to compete in the job market. I am thinking here of the structurally unemployed, the underskilled, women, youth, and minorities.

If this requirement becomes law and highly skilled workers end up displacing unskilled workers in minimum wage jobs, we will not have achieved a reduction in unemployment or a reduction in the jobless rolls. We will instead have moved one set of people into unsuitable jobs, at the expense of another set of people, the young, women, minorities, those who are already at a severe disadvantage in today's job market. I do not think that makes any sense whatsoever.

So there are serious questions as to whether this proposal is a feasible and practical one, quite apart from the basic merits of the issue.

I point out that just a few months ago Congress enacted legislation as part of last year's reconciliation resolution which requires jobless workers to seek

and accept minimum wage jobs after 26 weeks of unemployment. This new Reagan administration proposal chops that in half, from 26 weeks down to 13 weeks, the change in the law passed last year, requiring jobless workers to seek and accept minimum wage jobs after 26 weeks took effect yesterday, the first day of April 1981. So, we have had really no opportunity to see how this might work. The ink is barely dry on this change. To rush in at this point and make another enormous change really makes no sense at all.

Many of the same questions that I am raising today also apply to last year's legislation and because that has not yet had a chance to be fully implemented, let alone evaluated, I do not think it makes sense for us to rush ahead and in a precipitous manner make this change.

In testimony before the House Subcommittee on Unemployment Compensation on March 12, 1981, the Interstate Conference of Employment Security Agencies, which represents the State administrators of the unemployment insurance program, opposed the concept of requiring jobless workers to take minimum wage jobs after 13 weeks. I shall quote from their testimony:

The Interstate Conference urges the Subcommittee to reject this proposal. A federal mandate defining suitable work in the regular state program would be a significant departure from the principles under which the federal-state unemployment insurance system has served us well for over 40 years. This proposal appears contrary to the Administration's stated intention to return responsibilities to the states in order to better serve local needs.

I continue to quote them:

As you know, the regular benefit programs are administered under state laws which both define the benefit qualifying requirements and the conditions under which they may be received. The states are responsible as well for financing the costs of these benefits. All state laws currently include requirements that claimants be available for and seeking suitable work during their benefit eligibility.

That is a critical issue because the States that are now carrying this out presently deal with this problem in their own fashion and I think quite wisely so.

I am continuing to quote now:

Furthermore, each state has determined definitions of suitable work which reflect that state's labor market conditions, the views of employers who finance the program, and the needs of the workers who benefit from the program.

Particularly in the regular benefits program, the theory of suitable work recognizes that each claimant has some skills which were utilized during the period of employment which qualified the individual to receive unemployment insurance benefits. States determine what is suitable work for an individual claimant, based on his skills, past earnings, the local labor market conditions, and the length of his spell of unemployment. States attempt to provide the claimant with guidance to jobs which will utilize his skills and which will pay wages similar to his last employment. This strategy means that claimants are encouraged to continue using the skills which they have developed and have an opportunity to earn the highest wages possible. When it becomes clear that a claimant will not be able to obtain employment commensurate with his or her last job, then energies are directed toward locating other types of suitable work, which may pay lower wages.

Automatic referrals to low and minimum wage jobs at the 13th week essentially short-circuits the State's opportunity to work with the claimant and to seek placement opportunities for individuals at the highest possible commensurate skill and wage level. The impact of this proposal on employers should also be considered. Many employers may not wish to receive referrals of individuals who are overqualified for job openings. Employers who do hire over-qualified workers may find that these individuals seek other job opportunities resulting in increased turnover from the employer. Finally, we should consider the overall economic impact: When lower paying jobs are filled with higher skilled individuals, those with lower skill levels are faced with fewer job opportunities and potentially must turn to welfare or other income maintenance programs for survival.

And that means at the expense of Government.

The Interstate Conference understands that recommendations to modify and reduce benefit outlays in the regular benefit programs are very attractive to the Congress when the Nation faces substantial pressures to balance the federal budget. However, we would only point out that the inclusion of state unemployment insurance trust funds in the federal unified budget, accomplished through Executive Order, creates an artificial fund availability. The state unemployment insurance trust funds, financed entirely through each state's employer taxes, are dedicated solely to the payment of regular unemployment insurance benefits to qualified workers in each state. The state trust funds cannot be utilized for any other purposes or be borrowed from the federal government or other states. Therefore, we urgently request that the Subcommittee reaffirm the basic principles of the federal-state partnership by rejecting proposals which disrupt the integrity of the regular unemployment insurance programs in each state.

Let me also share with you the comments of the Michigan Department of Labor on this proposal, and I quote them as follows:

This proposal is highly undesirable, for several reasons:

This requirement represents an unprecedented intrusion of the federal government into an area that has, since the beginning of the unemployment insurance program, been left to the states. This extension of federal authority runs directly counter to the commitment of the new administration to reducing federal control and giving more autonomy to states in the shaping of programs. State control over benefit amounts, qualifying requirements, duration, and disqualification provisions is essential to tailoring a state program to local needs. Any federal standards in this area will necesarily be arbitrary because no single standard can be sensitive to conditions in all 52 unemployment jurisdictions.

This proposal will impose tolerable administrative burdens on state Employment Service agencies without providing additional staff support. None of the new requirements can be effectively enforced without additional staff to enforce them. The result will be a mass of paperwork with no benefit to claimants or employers.

The proposal assumed in this resolution to force jobless workers to take minimum wage jobs after 13 weeks of unemployment strikes at the very heart of the philosophy underlying this Nation's unemployment insurance system. The unemployment insurance program, which has served this Nation well since its inception, is designed to help jobless workers in a period of unemployment until they can find work commensurate with their skills, their education, their experience, and past earnings history.

The PRESIDING OFFICER (Mr. D'AMATO). The Senator's 15 minutes have expired.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as the Senator may require from the time on the resolution.

Mr. RIEGLE. I thank the Senator for yielding.

So there is also that very important aspect to consider here, which is really the basic human aspect. It goes to the question of why we have an unemployment insurance system in the country in the first place, and that is to try to be of assistance to workers, to tide them over through these economic fluctuations in our economy.

I might say, too, that from the point of view of employers, employers who put together skilled work forces in their own respective areas of economic activity, if they find themselves because of a recession or some other problem that they have to lay off part of their work force, I think those employers are entitled to have a reasonable period of time in which to be able to call those workers back and expect that those workers will still be there ready and able to work.

So, in a sense, I think this amendment not only provides a degree of insurance for the workers involved and for their families, but as well for the companies and for the employers that also will need to try to keep their trained and skilled work force intact until the economy recovers and they are able to recall these workers and get them back on the job.

So, after such a period as 13 weeks, to try to force those workers into a minimum wage job and displace other people really makes no sense. It makes no sense to the worker, in the first instance; it makes no sense to the minimum wage worker who is going to be knocked out of a position, and it makes no sense for the minimum wage employer who ends up with an overqualified worker taking that job and who might not be around for very long, who might leave to go somewhere else or finally try to find some work that is more in keeping with his own job training and level of achievement within his chosen line of work.

The unemployment compensation system has served as an investment in the productive capacity of our Nation's workers and, as such, it is an investment that has been every bit as vital as investments in physical plant or in technology or other things vital to enabling us to have the kind of very complex economy that we see in our Nation at this time.

Once a highly skilled worker would find himself or herself in a minimum wage job, as a requirement of law, their ability to search for more suitable work would be greatly diminished.

To ask highly skilled workers to take minimum wage jobs is a waste of our productive capacity, and is a shortsight-

ed policy which will not serve our Nation well in the long run.

Finally, I would just like to say this. I hope we never get to the point in this country where we feel that we had to direct a punitive response at workers who have been laid off from their jobs. It is very seldom in this country that somebody is laid off and is happy about it or wants to be laid off. I know the workers in my State who are laid off more than anything else want to be called back to work. They want to be able to go back to work. They do not want to be receiving unemployment compensation; they do not want to be receiving any other subsistence benefit. They want to go back to work.

In the auto industry today, a lot of our unemployment is due to Japanese imports flooding into the United States, and those laid-off auto workers are not able singlehandedly to stop this. But until we work out these kinds of problems, we ought to have in place a program where those workers and those job skills in our industrial base can be maintained as a national asset, something that this country needs not just in time of war, when it is absolutely essential, but every bit as much in time of peace.

So I hope we will not ever get to the point where we feel that those workers who are unfortunate enough to have lost their jobs for a period of time, that somehow or other we have to come along here and impose new requirements that go beyond anything we have talked about before, and which are arbitrary and which will create hardship for them. I hope we can resist that impulse.

I think it would be a negative impulse. I think it would be counterproductive and I think it runs exactly contrary to what we ought to be doing to try to have a sense of community and a sense of connectiveness within our society where we help each other and we try to go forward as a Nation of individuals—226 million of us—recognizing that from time to time if people are in difficulty, it makes good national sense to help them get out of difficulty, get through it and get back on their feet so they can continue to produce at the maximum level for the well being of the entire Nation.

Mr. KENNEDY. Would the Senator be good enough to yield?

Mr. RIEGLE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I yield time to the Senator from Massachusetts off the resolution.

Mr. KENNEDY. Mr. President, I rise in support of the amendment offered by Senator RIEGLE, which would restore these funds.

The administration proposed and the Budget Committee accepted several significant changes in the unemployment compensation program, which would save $580 million in fiscal year 1981 and $1.8 billion in fiscal year 1982.

Most of these savings are achieved by making significant changes in the extended unemployment benefits program which provides 13 additional weeks of unemployment compensation during periods of particular economic difficulty. Under present law when the national rate of insured unemployment reaches 4.5 percent the extended benefits program is activated in all 50 States.

The spending reductions which have been proposed would completely eliminate the national trigger. Furthermore, extended benefits would be triggered on a statewide basis only when the increased unemployment rate reaches 6 percent.

In addition, recipients of extended benefits would no longer be counted for purposes of calculating a State's insured unemployment rate.

I am deeply concerned that these proposals will make extended benefit assistance inaccessible to many unemployed workers who are legitimately in need of aid.

If enacted, almost 1 million unemployed workers will lose benefits they would otherwise receive and only seven States will continue to provide extended benefits coverage. These proposals are based on the assumption that unemployed workers simply riding the system until all benefits are exhausted before looking for work.

In the vast majority of instances this is certainly not the case—a fact that is demonstrated whenever employers announce that they are accepting applications for work. In city after city hundreds and sometimes thousands of people line up just to make out an application for 100 or 200 job vacancies. The simple fact is that people who do not return to work simply cannot find jobs.

But as disturbing as I find these changes in the extended benefit program I am unalterably opposed to the provision which this amendment seeks to eliminate. That proposal would require persons receiving benefits for more than 13 weeks to accept jobs paying no more than the value of the benefits they are receiving or the minimum wage.

As the Washington Post noted earlier this week, this proposal would force workers into less skilled jobs thereby lowering their productivity and pushing unskilled workers out of work altogether.

Moreover it will impose a Federal standard on what is now an entirely State supported program.

All States already take into account the length of an individual's employment in determining the suitability of any job offer.

As the period of unemployment lengthens, claimants are generally expected to lower their expectations. Additional requirements, if they are not simply redundant, would compel recipients to accept jobs that even State officials would presently not require them to accept, placing such a burden on both the unemployed worker and the State employment services is both unnecessary and onerous.

Mr. President, I commend the Senator for raising this issue and for the presentation that he has made here today. I would like to just ask him whether, from his own study of the issue, he would agree with me that, if this amendment goes into effect, effectively what we are doing is probably forcing out of the labor market the opportunity for lesser skilled individuals out of the labor market entirely while at the same time lowering the productivity of skilled workers. I think this is obvious. But actually we are closing down the opportunities for new entries into the job market, whether they be young workers or teenage workers or whether they be the women who have come into the job market in recent times. I am just wondering whether the Senator has reviewed that as well as the other excellent points that he has made.

Mr. RIEGLE. Well, I think the Senator makes an important point here. And that is that many of the individuals who are having the hardest time making their way into the labor force today are coming in at entry level, minimum wage jobs. It is obvious that if highly skilled and highly trained workers are forced to take those jobs away from them that these newly entering workers at the lowest skills levels are obviously going to be forced not only out of those jobs and out of that chance for job training, but in many cases are going to be forced on welfare.

Mr. KENNEDY. We recently held hearings in the Human Resources Committee on the youth subminimum wage. The Senator was present during those hearings and I thought made an excellent point when he pointed out that 70 percent of the minimum wage jobs are now held by older workers, or workers that are over 21 years of age and that most of these workers have families to provide for.

In other words, we have one group of individuals who are trying to provide for their families who will be under pressure from more skilled individuals who will probably replace these individuals unless we adopt the Senator's amendment. Therefore, we delude ourselves if we think we are going to be saving the taxpayer much money under the administration proposal because, as the Senator outlined, we will force those individuals with lesser skills to accept welfare and food stamps and all of the other social programs.

Mr. RIEGLE. I would respond by saying that one of the things that troubles me most is that I cannot see how the country can come out ahead financially with this proposal. And I think, with the reasons that the Senator has just cited, it is much more likely that the country as a whole will come out behind with this proposal. Because of that, I wonder why it is being suggested.

That is why I raise this concern that it almost appears that it is a punitive requirement that is actually being used to almost punish, if you will, workers that have been forced out of their jobs. And I hope that is not the motive, but one starts to wonder, because the economics do not make sense.

Mr. KENNEDY. And furthermore, we in the Human Resources Committee, in our day of listening to those that would be affected by some of these budget cuts, heard from two unemployed individuals, one an auto worker and another a machinist, who had been earning well above the minimum wage.

They indicated that they themselves are prepared to take any job in order to provide for their family but many companies won't hire them because if they

get called back to their old job they will leave. So they get caught between a rock and a hard place. For instance, if this amendment goes into effect, they would be required to take that job. But the employer does not desire to take that individual because the employer understands that the new employee will return to his or her former job if it becomes available since it is a higher paying, more highly skilled job. Therefore, the policy the administration proposes will put a squeeze on the individual as well as on the employer.

Mr. RIEGLE. Well, I would say to the Senator that, as it is now, every State is free to tailor their response to their own particular circumstances.

Mr. KENNEDY. And we are circumventing that prerogative in this case.

Mr. RIEGLE. Absolutely. This becomes a Federal preemption, butting right into the States and telling the States what is best for them, which seems to me to run exactly contrary to what the other things are we are hearing which is to the effect that we ought to let States have some flexibility and have some room to try to tailor these things to fit their own unique circumstances.

Mr. KENNEDY. Well, I think that is a very valid point.

I listened to the distinguished Secretary of Health and Human Services during the course of the morning making that point on issue after issue with regards to health care. Here we find, in the afternoon, the administration is effectively usurping the States' prerogatives in this area.

I commend the Senator and I urge my colleagues to support the amendment.

Mr. RIEGLE. I want to thank the Senator for his contribution and for his leadership in the area over a long period of years, and I think that the points he has raised here go right to the heart of this matter. I hope that all of our colleagues that are listening to this debate will weigh these things carefully.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield time to the distinguished Senator from Michigan, Mr. LEVIN, from the time on the resolution.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I thank my friend, the minority leader.

Mr. President, I rise to speak in support of Senator RIEGLE's amendment to reduce the savings in this year's reconciliation instructions. The Budget Committee assumes this savings would come about by requiring the work test for those on unemployment compensation after 13 weeks.

Most States require that a worker receiving unemployment insurance accept suitable employment, if offered. Suitable employment is usually defined as a job in the recipient's customary occupation. That is a fair requirement. It seeks to get the worker back into the work force as quickly as possible in a position for which he or she has been trained and for which the individual has the necessary experience.

The administration and the Budget Committee seek to redefine "suitable employment" as that which pays gross wages equal to at least the higher of the minimum wage or the unemployment benefit. Practically, that means that many unemployed workers will be forced to accept employment after 13 weeks at a salary near or at the minimum wage. This is an unfair requirement.

My first objection to this proposal is that it is an unwarranted Federal interference in the affairs of State government.

This has already been discussed by my colleagues from Massachusetts and Michigan.

The individual States set the standard for the regular unemployment benefit program. The Federal role is limited to the extended benefits program and unless we are to accept a federalization of the unemployment insurance system, we should continue to let the States set the standards for the regular unemployment insurance program. My second objection is that we do not want to hastily force people out of the occupations for which they have been trained. One of the tenets of the system is to maintain the availability of a trained group of workers until there is a recovery in the industry or the individual's employer is ready to call the person back to work. To require a skilled tool and die maker to hastily take a job in a fast food restaurant at the minimum wage makes no sense at all. It will force that person prematurely to pick up stakes and to look for work for which he or she has been trained.

In that regard, this assumption by the Budget Committee and by the administration is anticommunity because it will force people prematurely to leave their own communities, to pick up stakes, to move their families in a search for work for which they are qualified. A person who has been a skilled tool and die maker cannot make a mortgage payment under a minimum wage. They cannot stay around at a minimum wage job. They must leave, with all of the upset that that represents in terms of community stability.

So, Mr. President, I hope my colleagues will support Senator RIEGLE's amendment. We should let the States run their programs in the manner which they have historically been able to do. We should not force a worker prematurely into a job for which they are unsuited while they are waiting to return to their previous job. We should not interfere with the job search of a person who needs the extra weeks to locate a position for which he or she is trained. Finally, we should acknowledge the fact that the problem in our country right now is that we have 8 million persons unemployed and what we should be doing is training those persons for useful lives and providing jobs that will be productive to them and society.

I thank the Senator from West Virginia and I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President, during the course of his remarks on this amendment the Senator from Michigan said he could not see how we could possibly be ahead as a nation by passage of the reconciliation resolution in the form in which it appears before you. It is perhaps that inability to foresee the effects of the programs which have been adopted over the last dozen years or so which is primarily responsible for the economic morass in which we find our country today, with overwhelming inflation and with the lack of any growth in productivity in our economy, which is the primary cause of the unemployment which nominally this amendment is designed to deal with.

We are speaking here of an amendment which will cost a quarter million dollars, coupled with what must be at least dozens of other similar amendments proposed during the course of the last week, some of which would cost more and some of which would cost less, but the total of which would very clearly subvert completely the economic recovery program which is the sense of Concurrent Resolution 9.

I believe we can tell the Senator from Michigan and the other Members of this body exactly what we propose to do. We propose, through this resolution and through the balance of the economic recovery program with which this body will be dealing in the course of the next 2 or 3 months, to create the kind of growth and opportunity in this society which will reduce unemployment, and reduce it without the excuse that we cannot force or require an individual to take a position other than a position for all practical purposes identical to that which he has lost. For every individual who legitimately is a full-time participant in the work force, and who legitimately wants only a position identical to that which he has already had, there are many who are entitled to unemployment insurance under present programs simply as a result of what is consistently and constantly a part-time or seasonal position, which cannot be duplicated in the marketplace no matter how successful our economy is.

It has, in many professions and many occupations, simply been considered to be one of the supplementary benefits of particular kinds of employment that unemployment insurance is available for an extended period of time after a particular season is over, and when no such jobs are available to anyone under any set of circumstances.

It is important to point out that the program on unemployment insurance, taken as a whole, has three additional elements in it not attacked by this amendment, at least one other of which is directed at this temporary or seasonal type of employment.

In any event, this set of ideas will not force an employer to hire a person too skilled for the position which is offered. Nothing in the proposal which is being submitted to the Finance Committee will affect the employer's right in any respect whatsoever. If they fear that a given individual will stay with them for only a few weeks and then leave for other em-

ployment, they need not hire him in the first place.

This is directed at the employee and says to him, it seems to me quite reasonably, "After 13 weeks you must seek some other reasonable form of employment, not necessarily at the minimum wage but at the minimum wage or at a percentage of your previous salary, whichever happens to be higher." It will not take people who earn $12 or $14 an hour and require them to work at the minimum wage.

It will not remove their unemployment insurance benefits if no position is available to them after 13 weeks, if an employer does not, in fact, want to hire them.

It will simply say that we are going to have greater incentives to work than we have had in the past by saying that an individual after 13 weeks must seek more than precisely the equivalent of the position which he previously held.

Many people will not even seek such employment. They will prefer to go off unemployment insurance entirely because they have always designed their position as a part-time or as a seasonal position.

We must think differently in the future if we are to cause real economic recovery in this country. We cannot simply excuse all of the policies of the past. If the policies which the Senator from Michigan is advocating could bring us out of a double-digit inflation, could provide for economic growth, I say, Mr. President, they would already have done so.

They have not done so. It is time to try something different, something which provides a stronger work incentive, something which provides employers with a greater choice than they have at the present time, something that will lead to economic recovery in this country and not simply the payment of additional benefits.

Mr. RIEGLE. Mr. President. I wonder if I might request the yeas and nays on this amendment? I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CRANSTON. Mr. President, it is my understanding that, out of accommodation to a Member on the majority side, there is no desire for a vote at this particular moment. May I have some time yielded to me on the bill?

Mr. ROBERT C. BYRD. Mr. President, I yield such time as the Senator may need.

Mr. CRANSTON. I thank my minority leader very much.

Mr. President, I intend to vote against passage of the Senate budget reconciliation resolution. I feel I have no other choice. The people of our Nation may have voted last November to cut back Federal spending to eliminate fraud and waste, to curb the Federal bureaucrat, or to put a cap on inflation. I believe that did.

I do not believe, however, that they voted for a cruel abandonment of America's commitment indeed. America's obligation to help those most in need.

This resolution constitutes a cruel abandonment. It needs to be called just that. If we Democrats do not call it that, who will? If we Democrats do not oppose it, who will?

The component parts of this resolution reflect a political philosophy so far to the radical right that there is no reason for mainstream Democrats and moderate Republicans to embrace it. Despite our common commitment to severe fiscal restraint.

Mr. President, long before the beginning of budget consideration, I said publicly that I favored cutbacks in Government spending in an effort to help curb inflation, and that I expected to support a budget reasonably close to the dollar figure proposed by President Reagan.

But I said that to win my vote, the budget would have to insure that the ax fell so as not to hurt inordinately and inhumanely people who were bound, in any case, to be hurt by cutbacks in Government programs—people like children, the elderly or handicapped persons, veterans, people who depend on the Government for their well-being and often for survival itself.

The so-called safety net under the administration's budget cuts, as they came to the floor, was dangerously frayed and threadbare.

It had wide, gaping holes through which many thousands—perhaps millions—of luckless Americans may fall.

It was a safety net that was potentially hazardous to the Nation's health.

It still is.

Most Senate Democrats, with the help of a few Republicans, attempted to rework some of the ragged, raveled threads of the not-so-safe social safety net and to reweave those wide-open holes.

We tried to reduce the cuts in social security. We got shot down.

We tried—three times—to reduce the cuts in veterans health programs. We got shot down.

We tried to reduce the cuts in school lunches and other children's food programs. We got shot down.

We tried to reduce the cuts in elementary and secondary education and in grants to needy college students. We got shot down.

We tried to reduce the cuts in community health centers. We got shot down.

We tried to reduce the cuts in mass transit. We got shot down.

We tried to reduce the cuts in urban development action grants so as to stimulate private investment in urban slums. We got shot down.

We tried to reduce cuts in programs to conserve energy by weatherizing homes. We got shot down.

We tried to reduce the cuts in programs to help low-income people pay high fuel bills. We got shot down.

We tried to reduce cuts in school programs for disadvantaged children. We got shot down.

On the other hand, when we tried to cut Government spending—for example, when we offered an amendment cutting such nonessentials as office supplies, travel and filmmaking—we still got shot down.

We even got shot down trying to help President Reagan get back the money he wants to build up the strategic petroleum reserves the Nation needs for its economic and military security.

And we even got shot down when we offered an amendment that would not have changed spending totals in any significant degree but would have provided a far more balanced energy program permitting more emphasis on solar, geothermal, synthetic, and other alternative fuels and proportionately less on overfunded nuclear energy.

It is clear Mr. President, that not all of these programs could have been saved from the ruthless purge without violating the overall spending target established by the President and accepted by virtually every Senator.

It is clear that several could have been spared within, or very close to, the target figure.

So, when one amendment was shot down, we offered another in hope that we would eventually strike a responsive chord in hardened Republican hearts.

We never did.

The Republican rule was: Do not change anything.

And Republican rigidity won the day.

So some of us voted for a good many more amendments than was our original intention, and the cumulative total of their costs is no valid measure of our commitment to reducing the gap between spending and revenues.

Mr. President, the Republican victory may be a costly victory for the Nation.

Republican leaders, whipping their troops into lock-step conformity, refused any accommodation, any compromise that might have brought about truly nonpartisan support for much of the President's budget.

The Republicans were well disciplined.

But perhaps they were also frightened.

Perhaps they were fearful that if they lost one vote, they might lose a flock of votes. And what they apparently wanted was a Republican—not a bipartisan—budget.

That is where we are at the moment, Mr. President.

The people's hopes now rest with the House, fortunately still in Democratic hands, and then with the conference between the House and Senate.

I hope, and, indeed, except, that in the end, a reconciliation resolution will come to the Senate floor that I can support.

Mr. President, I do not, as our distinguished leader has suggested, view the defeat suffered in amendment after amendment on this floor as defeats for Democrats. I view them, in the words of the distinguished Senator from West Virginia, as defeats for children, for senior citizens, for handicapped people, for working men and women, and for worthy projects like rapid transit and health care, and for veterans. Veterans were among those who suffered the worst and most startling defeats, as the distinguished Senator from Nevada points out.

Mr. President, once our spending commitments for fiscal 1981 have been fi-

nally made, and we have a budget with spending recommendations for fiscal 1982, we will be in a position to make intelligent decisions on the matter of tax cuts.

I support a number of productivity tax incentives—reduced capital gains taxes, a rollover for capital gains, accelerated depreciation for buildings, machinery and vehicles, larger tax exemptions for savings and investments, research tax credits.

But I have said repeatedly that I flatly oppose a 3-year across-the-board 10-percent cut in individual income taxes as too inflationary.

I support a 1-year tax cut that would average out to around 10 percent, revised to provide a bigger tax break for middle and low incomes and less for the upper brackets.

We need to help offset other tax increases and to ease some of the burden of inflation on the less wealthy.

But I am prepared to oppose even a 1-year 10-percent cut in favor of some lesser percentage if we face an appreciable increase in Government spending—either because of add-ons in the course of the budget process or, as is very likely, because the administration's economic projections prove out to be as overly optimistic as most of us believe them to be.

Fighting inflation, not cutting taxes, must remain our No. 1 goal.

Mr. GORTON. Mr. President, I must confess to a certain degree of puzzlement over the long speech of the distinguished Senator from California, in which he joined a number of what seemed to be inconsistent arguments.

First, the point that, in general terms, he agreed with the President's program for cuts in the Federal budget, coupled with the fact that he, I believe, has voted for every increase in Federal spending which has been the subject of the last week of debate here, coupled——

Mr. CRANSTON. Mr. President, if the Senator will yield, I have not voted for every increase. I voted for a number, as I stated, not for all.

Mr. GORTON. I will withdraw that comment. I will say that he voted for a significant number of such increases, although many of his companions on that side of the aisle have voted, for all practical purposes, for all of them.

He then points out at the end that he believes that the economic projections of the administration are too rosy; that, in fact, we will not recover as rapidly as the administration hopes from the economic crisis we face at the present time.

If that is the case, he and the Members on the other side should have been advocating more cuts rather than fewer cuts in the Federal budget in order to bring closer the day on which our budget will be balanced and we would not put pressure on the economy with tremendous deficits.

Yet, so far, the only proposed "cuts"—and I put that word in quotation marks—which have been argued significantly from the other side are ones which they would have laughed at a year ago, because they do not involve programs at all: general matters, not directed to the jurisdiction of any committee, on travel or the like, which certainly will be cut substantially by this administration; picking figures out of the air for waste, fraud, and abuse, for the Committee on Governmental Affairs and the like. The position simply is inconsistent.

This is a difficult process. It is not a process which anyone on this side of the aisle likes any better than the Members on the other side of the aisle. But if we are to change America's direction, we must take tough votes on real programs. We have been willing to do so to a great extent. Many others on that side have not, and yet do not believe that we have gone far enough, in their general speechmaking.

I am not at all convinced that we have gone far enough. I do not like many of the votes that I feel I have been required to cast during the course of the last 4 or 5 days, but I do believe that all of them have been necessary if we are to have the economic recovery we so greatly need in this Nation, if we are to provide job opportunities, real job opportunities, in the private sector for the people of this country, if we are to bring inflation under control for the people of this country.

Mr. President, I am prepared to yield back the remainder of our time on this amendment, if the other side of the aisle is prepared for a vote.

Mr. CRANSTON. Mr. President, I will take a moment on the resolution to respond, and then the Senator who offered the amendment is prepared to yield back his time. I wish to respond briefly to the remarks of the distinguished Senator from Washington, who is a new and remarkably effective Member of this body, and I am delighted that he is with us.

I am pleased to engage in a brief colloquy with him.

If the projections of the administration are off in terms of what is going to happen to the economy, I believe, in the first place, that we should look to change in what is presently proposed with respect to the tax cuts. I believe we cannot afford to make 10 percent tax cuts, particularly not over 3 years, if we are going to have a widened deficit as a consequence of that cut and as a consequence of the situation affecting the economy.

In regard to fraud, waste, and other abuses of a like nature, we heard a great deal about that in the course of the campaigns last fall, and it sounded as if there were huge savings to be made in relation to rooting those things out of Government.

We were told of high percentages that would have led to saving $13 billion to $18 billion when projected into the budget, in terms of elimination of fraud, waste, and abuse. Now it is narrowed down to much smaller figures, something like $6.8 billion that may or may not be rooted out by focusing on that problem.

We are simply endeavoring to assist the Republicans in sticking to their campaign promises and fulfilling them. When we offer amendments designed to do that, they are rejected by an overwhelming vote from the present majority side of the aisle in this body, which leads to some wonderment about the statements we heard so freely during the campaign last year.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President, perhaps our disagreements are best exemplified by that last set of comments.

We believe that after constant increases in the real rate of taxation foisted on the American people by the combination of inflation with the graduated income tax, it is very definitely time to cut taxes, and to cut taxes substantially, and that no single step can do more to renew our growth of productivity in this society.

I yield back the remainder of my time.

● Mr. BRADLEY. Mr. President, the proposal which we are debating would require the States after 13 weeks of unemployment to disqualify a worker who refuses virtually any job, regardless of whether the job is suitable for the worker. This proposal radically changes both the standards of the current unemployment insurance system and the philosophy of the unemployment insurance system.

The unemployment insurance system is not designed as a welfare system. Instead, its purpose is to provide wage insurance to help workers who become unemployed until they can find suitable work. There is a strong interest in helping that worker find work to which he or she is suited because in such a job the worker is likely to maintain a long-term commitment to such work, thereby increasing productivity.

Those who seek to change the law and impose this Federal requirement on the States apparently believe that it is too easy for an individual to collect unemployment insurance under State law.

While there are problems in the administration of State law due to underfunding and enforcement difficulties, the State laws themselves are adequate to insure that unemployment insurance benefits do go to those who are involuntarily unemployed. The State laws do require the claimant to be available for work, they do require the claimant to be actively seeking work, and they do require disqualification from benefits if the individual involuntarily leaves work or is discharged for misconduct.

This proposed change in State laws will only punish those unemployed individuals who are looking for productive, suitable work and it will not deny benefits to those persons who fraudulently convince the local employment service that they are looking for any work at all.

The second major reason why this amendment to restore funds should be adopted is because the proposal to change State laws would undermine the philosophy of the unemployment insurance system.

The unemployment insurance program was first set up as a Federal and State system in 1935 for three major reasons.

First, the drafters of the legislation were concerned that the constitutionality of a wholly Federal system might not be upheld by the Supreme Court. second, the drafters wanted to form a system which would allow for flexibility and experimentation, and third, the

drafters of the unemployment insurance system recognized that the protection of workers was, at that time, a traditional function of the States.

Over the past 46 years, the system has worked well in allowing the States to form their State insurance programs with minimal guidance from the Federal Government.

Unemployment in the 1980's is surely a national problem and we may need a national Federal policy in dealing with it, but we should not attempt to impose a not-too-well thought out Federal policy on State programs which are funded with State moneys. Even those such as the U.S. Chamber of Commerce who favor the idea behind the suitable work requirement are reluctant to support that idea when it is enforced through a Federal benefit requirement. We must not make this major departure from the philosophy underlying the current unemployment insurance program and I urge my colleagues to support this amendment to restore funds for fiscal year 1983 so the Federal requirement will not be necessary.●

Mr. BOREN. Mr. President, it is my intent to vote against the amendment by my distinguished colleague from Michigan, Mr. RIEGLE. I vote against the amendment because it contains no offset for the budgetary savings it would sacrifice. I want to make it clear, however, that my vote should not be construed as unqualified support for the administration proposal on unemployment benefits.

As you know, Mr. President, I have long worked to enact cost-saving reforms of the extended benefits program of unemployment compensation. Indeed, last session, I was joined by a majority of my colleagues in this Chamber in enacting a reasonable work requirement for the federally funded extended unemployment benefits program. I am extremely reluctant, however, to apply a similar standard to regular unemployment benefits which are the province of State governments. I have always believed that States rights should be respected.

In the next few months, the Senate Finance Committee, pursuant to the reconciliation instructions in this resolution, will act upon the specific budget reductions proposed by the administration. I want to approach those proposals with an open mind and at that time, I will urge my colleagues on the Finance Committee to carefully scrutinize the entire program.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan (Mr. RIEGLE), UP No. 49. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Texas (Mr. TOWER) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS) would vote "yea."

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators desiring to vote?

The result was announced—yeas 38, nays 60, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—38

Baucus	Ford	Melcher
Biden	Glenn	Metzenbaum
Bradley	Hart	Mitchell
Bumpers	Heflin	Moynihan
Burdick	Heinz	Pell
Byrd, Robert C.	Huddleston	Pryor
Cannon	Inouye	Randolph
Chafee	Jackson	Riegle
Cranston	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Tsongas
Dodd	Mathias	Weicker
Eagleton	Matsunaga	

NAYS—60

Abdnor	Goldwater	Nunn
Andrews	Gorton	Packwood
Armstrong	Grassley	Percy
Baker	Hatch	Pressler
Bentsen	Hatfield	Proxmire
Boren	Hawkins	Quayle
Boschwitz	Hayakawa	Roth
Byrd, Harry F., Jr.	Helms	Rudman
	Hollings	Schmitt
Chiles	Humphrey	Simpson
Cochran	Jepsen	Specter
Cohen	Johnston	Stafford
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
Denton	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Wallop
Durenberger	Mattingly	Warner
East	McClure	Zorinsky
Exon	Murkowski	
Garn	Nickles	

NOT VOTING—2

Tower	Williams

So Mr. RIEGLE'S amendment (UP No. 49) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 27

(Purpose: To restore funds for the welfare reform demonstration programs in the Department of Labor)

Mr. GLENN. Mr. President, I call up my amendment No. 27.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an amendment numbered 27.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, beginning with "$10,303,000,000" in line 6, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$10,228,000,000 in budget authority and $7,845,000,000 in outlays for fiscal year 1982; and $12,310,000,000 in budget authority and $10,852,000,000".

Mr. GLENN. Mr. President, if I got up on the floor of the Senate and said I wanted to cut out fat, fraud, and waste, and I wanted to get the cheats and freeloaders off of welfare and I wanted to save money and help balance the Federal budget, I could get lots of takers. That is an offer we cannot refuse.

There is not a Senate office that does not receive mail every day that says something like this, "Why don't you get those deadbeats off welfare?" Or "I work, I pay my taxes, and he makes more on welfare than I do holding a job, and I work hard."

If you were to sit down and design your own personal welfare program that would effectively address the waste, fraud, and abuse in the present program, as well as answer the complaints you received day in and day out, I daresay it would be something like the following: I think when each welfare recipient came in for revalidation of his welfare eligibility you would probably require that person to sit down with the help wanted ads out of the daily paper. You would get him on a telephone, give him some advice and supervision on how to get a job—not workfare, but a job in the private sector.

Failing that, you would probably then, after an intensive effort of trying to place this person in a private job, provide them with some job training to help them develop an employable skill, one tailored to the need of the local market. Not only that, but you would also require them to show up for 4 hours a day for training. Now, that is little enough to ask.

And you would make the program mandatory for the able bodied, but you would have compassion with this program. You would provide, for example, day care help for AFDC mothers.

The program would include essentials, even very basic things like assistance ranging from appearance to literacy education for those who could not read that want ad in the paper.

Finally, for those who refused to take part in the program, you would kick those deadbeats and those cheats off the welfare rolls.

Now that is probably about a summary of the program that you would suggest.

Mr. President, let me tell you, we already have such a program. At present it is only a demonstration program at 14 different sites across the country. But it shows great promise.

And it even costs less than was anticipated when we authorized it. It is commonly called the employment opportunities pilot program, EOPP.

The budget knows it as the welfare reform demonstration program, administered by the Department of Labor. The results to date, after a little more than a year's experience, are excellent. I repeat, the experience has been excellent.

Just listen to the comments of some of the people closely familiar with the program.

Mrs. Paula MacIlwaine, commissioner, Montgomery County (Dayton) Ohio:

Here in our county over 50 percent of the welfare eligibles going through the program have been taken off welfare. We estimate, and have facts supporting our contentions, that we can deliver $8 million back to the Federal Government for each million spent on this program. We are catching the cheaters. We are insisting every employable welfare recipient try to get a private sector job. Quite frankly, our most conservative business leaders have been our biggest boosters for this Welfare Reform program.

Mr. Neil Hurley, director of the CETA program, Lowell, Mass., consortium:

Seventy percent of the welfare recipients who have participated in and completed the program have found unsubsidized jobs. 719 individuals are now working full time who were previously unemployed and receiving welfare payments.

The 70 percent entered employment rate does not include another 100 welfare clients who removed themselves from AFDC and another 110 welfare recipients who had their welfare payments reduced or terminated because they refused to participate.

Mr. Hurley again, echoing Mrs. MacIlwaine:

The project has had the major impact on eliminating fraud and abuse in the welfare system. The project has screened out ineligibles who were working full time and illegally collecting welfare payments. We estimate that 10 percent to 15 percent of the welfare clients contacted fall into this category.

Mr. President, these statements indicate that this experience is applicable all over the country, and I know of no reason why it would not be: That is up to 15 percent of the people on welfare are already holding other jobs and are collecting their welfare checks as a bonus.

The reconciliation resolution proposes to phase the program out short of completing its 2-year demonstration period, thereby negating any real benefit from the data already collected and insuring that full data will not be available when we turn our attention to long-term reform of the present welfare system. And I think that would be most unfortunate.

I propose, instead, to permit the program to proceed to its natural conclusion, though at somewhat reduced cost. Frankly, the reduction is made possible by the unanticipated success of the program in placing welfare recipients in jobs, especially unsubsidized jobs in the private sector. Only about 15 percent of the enrollees go into public service employment.

My amendment to Senate Concurrent Resolution 9 would restore budget authority of $75 million and outlays of $83 million in fiscal year 1982 and $53 million in budget authority and $61 million in outlays for fiscal year 1983.

Just a few interesting sidelights on EOPP—the employment opportunities pilot program.

First, the 4-hour-a-day attendance requirement eliminated a number of people on welfare who were already holding adequate jobs but collecting welfare anyway.

Second, this is not workfare or public jobs at the public's expense. Its emphasis is directed toward private sector jobs.

Third, this program is working. It should be tried I believe right here in our Nation's Capital; where the Sunday Washington Post normally has between 30 and 45 pages of "Help Wanted" ads, covering every kind of work from manual labor to nuclear scientists. Jobs are available.

Mr. President, when I first arrived in Washington a little over 6 years ago someone pointed out to me one Sunday the big "Help Wanted" section in the paper. And I have made it a habit ever since then to check the Washington Post "Help Wanted" ads every Sunday. They average between 30 and 45 pages and cover day labor work to nuclear scientists and everything in between. And unless people have problems of literacy and cannot read those want ads, I think the jobs are available in the private sector in Washington.

I cannot understand for the life of me why this approach has not been standard practice for the last 25 years. Because it is just plain commonsense.

Mr. President, the amendment which I have called up would amend Senate Concurrent Resolution 9, the budget reconciliation resolution. This amendment would restore $75 million in budget authority and $83 million in outlays for fiscal year 1982 to the Department of Labor's welfare reform demonstration program. This restoration is considerably lower than the original request contained in the January budget, which projected budget authority of $174 million and outlays of $159 million for fiscal year 1982 for this program. The reduction is made possible by the program's unanticipated rate of success.

I am also introducing an impoundment resolution aimed at disapproval of the proposed deferral of $45.8 million in budget authority for the program for fiscal year 1981.

My amendment and resolution would do no more than allow for a full 2-year test period for the welfare reform demonstration program, so that complete data would be available on this promising approach to welfare reform. Continuation of the program is especially important in light of its compatibility with the President's proposed workfare plan and the possibility that some such program may be instituted on a nationwide basis in the not too distant future.

The welfare reform demonstration program—also known as the employment opportunities pilot program (EOPP)—is designed to assist welfare recipients obtain unsubsidized employment by focusing on job and training opportunities as an alternative to welfare dependence. It is authorized by section 311(e) of the Comprehensive Employment and Training Act. The program is structured to provide a full 2-year test period for each of 12 EOPP projects. There are two additional projects which are funded through non-EOPP budget sources. The 14 geographically dispersed sites were selected in order to test variations in population characteristics, industrial structure, unemployment rates, wage levels, degree of urbanization, and transfer program characteristics. I ask that a list of the 14 cities be included in the RECORD as if read.

Each EOPP project has two components. The first component is an intensive job search program which provides for initial and recurring assistance in finding private sector employment. It also provides supportive services. The second component is a job training program which is provided for those who are initially unable to find private sector employment.

For a good many years now, our country has been troubled by escalating welfare costs and has been dismayed by the fraud and abuse which seemed to be a constant companion of certain welfare programs. In its early years, of course, CETA programs were not immune from these problems. So before extending the act in 1978, Congress insisted that a number of changes be implemented. For one thing, we insisted that job training and assistance be focused on those who need it most—the truly disadvantaged. Second, we asked CETA to initiate a partnership with the Nation's business community in order to encourage employment in the private sector. And third, we insisted on more effective and professional management within the programs themselves.

For my part, I have long believed that the Nation has an obligation to provide employment opportunities to every citizen who is able to work. But equally important, I believe these jobs should be located, whenever possible, within the private sector. Meaningless, make-work jobs in the public sector place an unacceptable burden on our already bloated public payrolls. Even worse, they tend to stifle initiative and create an umbilical cord of dependency for those they are designed to help.

It is for these reasons that the job search assistance programs are so important. Rather than providing cash grants to those out of work, the emphasis is on employment and training opportunities. Instead of forcing the unemployed into a pattern of degrading dependency, the program offers such people the much preferable option of supporting their families through a regular paycheck.

The taxpayers also benefit greatly from these projects. The EOPP concept insures that money we spend in the short run will save us many more dollars in the long run. Helping people help themselves will not only reduce food stamp, medicaid, and other welfare costs, but will also permit many more people to participate productively in the economies of their local communities.

Although the data are incomplete, the available statistics highlight the success of the program. In August 1980, there were 15,310 enrollees. By October 29, 1980, of the participants who actually completed the job search program, 44 percent of all AFDC eligibles and 48 percent of AFDC mandatories were working in unsubsidized jobs and 32 percent of AFDC eligibles and 31 percent of the AFDC mandatories were working in subsidized jobs or training. The Massachusetts and Missouri sites are placing 70 percent of their job search participants in unsubsidized jobs. The total placement for participants for all AFDC eligible enrollees was 76 percent.

Unlike the other projects, the Dayton, Ohio, EOPP project was designated to also assist general welfare recipients. As of October 29, 1980, the total placement for participants in the Dayton project was 35 percent. However, 46 percent of those who did not complete the Dayton job search program have had their welfare benefits reduced or eliminated. Thus, the project has shown a strong potential for eliminating fraud and

abuse in the welfare system. Administrators contend that many of the dropouts whose benefits were terminated did not participate because they did, in fact, have employment.

For these reasons, I believe that the program should be allowed to continue for its full 2-year test period, though I am willing to see its budget reduced by the significant sum of nearly $100 million in fiscal year 1982 budget authority.

Overall, my amendment would do the following:

Restore $75 million in budget authority and $83 million in outlays for fiscal year 1982; and restore $53 million in budget authority and $61 million in outlays for fiscal year 1983.

The impoundment resolution, if approved, would have the effect of directing obligation of fiscal year 1981 outlays proposed for deferral.

Before concluding, I would like to briefly address the administration's justification for discontinuing the welfare reform demonstration program. According to Albert Angrisani, the Department of Labor's Assistant Secretary for Employment and Training, the decision to eliminate the projects was based on the fact that they were intended to support the development of strategies to be used for legislation proposed by the previous administration. This shallow justification overlooks two glaring realities: The overwhelming success of the projects to date and their compatibility with the administration's workfare approach.

To summarize, Mr. President, if we are truly serious, if we are truly serious in the Senate of the United States of America that we truly want to do what the President said: that we want to cut fat, fraud, and waste; that we want to get the cheats and the freeloaders off welfare; that we want to save money and help balance the budget, I say that this program is an offer we cannot refuse. My only question is will enough Senators join me in this effort so that we can keep this very worthwhile program on the books. It returns more to the Federal Government than it costs and we should not let it go out of existence.

It is incredible to me that we would consider cutting a program that is doing so well out of the budget. Yet that is what is being done.

Let us cut that fat, fraud, and waste. Let us get the cheats and the freeloaders off welfare. Let us save money and let us help balance this Federal budget.

This is an offer none of us can refuse. I hope Senators will join me.

I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, I would just say that I wish we could support the distinguished Senator, but that is impossible. Basically, this asks for about $75 million in budget authority in 1982 and $83 million in outlays to do the following: To demonstrate that a new welfare reform program proposed by President Carter should be carried out now. Even though Congress refused to do President Carter's program, the distinguished Senator would ask us now to put the money back.

I really do not think that that kind of welfare program has a chance in this Congress when the last Congress would not put it into effect.

In addition, the basic underlying concept of the demonstration program is similar to workfare but for demonstration only in certain parts of the country. The basic program that the new President proposes will be workfare across the country. I certainly do not think that we ought to give any indication here today that we want to put a total of $128 million in budget authority and $144 million in outlays over 2 years into a demonstration welfare program that basically was an idea of the Carter administration, which Congress refused to pass.

I yield back the remainder of my time on the amendment.

Mr. GLENN. Mr. President, the only objection I have heard so far is that this came up under President Carter. I cannot believe that we are so hidebound in our political alinements in the Senate of the United States that that can be the only objection to this amendment.

The distinguished Senator from New Mexico says that the present administration is going to propose workfare. That is the public trough. That is putting ourselves back at the public feeding trough again—public jobs. All we are doing is requiring people to go out and rake leaves, pick up cans along the road, and so forth. That is at public expense.

This program is working so far. It is putting people to work in the private sector. It is getting them off the welfare rolls. It is helping them to read such common things as the want ads in the newspapers each day. It trains them if they do not have any work experience. It trains them and puts them to work. Where it has been tried, it has been successful in taking at least 50 percent of the people off the welfare rolls.

Mr. President, it just does not make much sense, that we can rise in the Senate of the United States and just say we will take a partisan attitude on something that seems to me so fundamentally commonsense and object to it only because a former President proposed it.

I do not want to see us go to workfare and keep people at the public trough when they can be put out into private sector employment; that is, private sector jobs.

We should be trying to get people employed in the private sector. Get them off the welfare rolls. Get them off the system which keeps them on welfare at public expense.

I do not think workfare is going to prove nearly as effective as the program we already have in pilot status. All we are asking today is that this be continued in pilot status so that we can get the full 2-year experience that was planned. Then we will know better how to go with welfare in the future.

I reserve the remainder of my time.

● Mr. KENNEDY. Mr. President, we hear a lot these days about workfare as a way to end our welfare problems. The administration tells us there are 800,000 able-bodied adults now receiving AFDC who can work off their welfare grants in community service projects and return these savings to the Treasury.

Those familiar with workfare programs run in California and other States will tell you that the approach does not work:

In California, workfare made no difference in welfare costs;

In Massachusetts, work-relief participants actually stayed on welfare longer than they would have otherwise.

But, the employment opportunities program we're considering here today has produced dramatic results and offers real promise as a way to put welfare recipients to work in productive, private sector jobs.

The city of Lowell, Mass., has operated this demonstration program since October 1979. In that short time:

Over 700 welfare recipients have been employed;

For every dollar spent $2.27 in welfare payments, medicaid, food stamps is saved;

Welfare payments have been reduced by $190,000 a month;

$3.4 million in total welfare savings have been realized;

Welfare recipients that refused to participate had their benefits cut off.

The program has been so successful that the Department of Labor has agreed to support its expansion in 10 other Massachusetts communities.

The secret of this phenomenal success is the job club. Welfare recipients are taught a skill most of us take for granted—how to look for a job. They spend 8 hours a day, 5 days a week calling employers, going on interviews and learning how to sell themselves and their talents. As a result, 80 percent of those welfare recipients in the job club found work in the private sector.

To quote the director of the Lowell program, Neil Hurley:

> This is a program that works. It saves public funds. It gets people jobs. It helps to make individuals self-sufficient. It eliminates welfare fraud. It is practical. It . . . injects some commonsense into this Nation's troubled welfare system.

Mr. Hurley testified last week before the House Education and Labor Committee on the merits of the Lowell program. I ask that this testimony be inserted in the RECORD in its entirety.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE HOUSE COMMITTEE ON EDUCATION AND LABOR, MARCH 26, 1981

INTRODUCTION

Mr. Chairman and members of the Committee I first want to thank the Committee for the opportunity to appear here today to testify on behalf of the Welfare Reform Demonstration Program.

My name is Neil Hurley and I am the Director of the CETA Program for the Lowell Massachusetts Consortium. Appearing with me today are Henry Przydzial, Director of the Welfare Reform Project, Dan O'Connor, the local Welfare Department Coordinator for the project, Bill Linnehan, an Employment Counselor from the State Division of Employment Security and two welfare recipients who successfully participated in the project, Ms. Janice Gawron and Mr. Gary Cook.

Our purpose in appearing here today is to report to the Committee on the success of Lowell's Welfare Reform Demonstration

Project and based upon that success to ask the Committee to support the continued funding of the program.

PROJECT DESCRIPTION

The purpose of the project is to offer Welfare recipients employment and training opportunities as an alternative to welfare cash assistance.

The project consists of two components:

1. A job search component which consists of an intensive five week private sector job search, and,

2. A work training component through which unsuccessful job search participants are placed in subsidized employment and training activities.

The project stresses 1, the importance of dealing with the participants' employment barriers so that they are job ready and 2, emphasizes a positive attitude that the participants are capable of finding employment.

RESULTS

The Lowell Program has been operational since October 1979. The successful results have included the following:

1. 70% of the Welfare recipients who have participated in and completed the program have found unsubsidized jobs. 719 individuals are now working full time who were previously unemployed and receiving welfare payments.

2. 70% entered employment rate does not include another 100 Welfare clients who removed themselves from AFDC and another 110 Welfare recipients who had their Welfare payments reduced or terminated because they refused to participate.

3. For every $1.00 spent, the program saves $2.27. To date, the program has saved $5,357,128 in Welfare payments, Medicaid costs and Food Stamps. An additional $768,216 in revenues are realized per year because of the state and federal taxes that these individuals are paying due to employment. Welfare savings and revenues equal $6,125,344 while the program has only spent $2,701,027.

4. The project has had the major impact on eliminating fraud and abuse in the Welfare system. The project has screened out ineligibles who were working full time and illegally collecting Welfare payments. We estimate that 10% to 15% of the Welfare clients contacted fall into this category.

5. The project has created a delivery system which combines the efforts of all the local agencies who are in the business of finding jobs for Welfare recipients. The Welfare Department, DES/WIN, and CETA are working together in this successful effort.

SUMMARY

This is a program that works. It saves public funds. It gets people jobs. It helps to make individuals self-sufficient. It eliminates Welfare fraud. It is practical. It is pragmatic. It is whatever other adjective you want to use to describe a program that injects some common sense into this nation's troubled Welfare system.

It would be unfortunate if the Lowell Welfare Reform Demonstration Project and similar projects operating in 14 other states were dismantled. In a time of limited resources, it would be a misuse of resources to throw away the progress that this program has achieved.

Lowell consortium: Employment opportunities pilot program

Total enrollment	1,723
Total terminations	1,025
Total clients entering unsubsidized employment	719
Placement rate (percent)	70
Average placement wage (per hour)	$3.96
Retention rate:	
30 day	88%
60 day	85%
90 day	85%

Employment opportunities pilot program, generated savings

Welfare savings:	
Average monthly savings	$189,239
Months of operation	×18
Welfare savings to date	3,403,302
Food stamps savings:	
Average food stamp payment	113
Clients employed (719) × 85 percent retention	611
Months of operation	×18
Total food stamp savings	1,243,079
Medicaid savings:	
Average medicaid payment per month	102.93
Months of operation	18
Cases closed	×382
Medicaid savings	707,747
Taxes generated:	
Federal income tax on $8,400 with three dependents	608.00
Federal income tax paid to date ($608 × 719 × 85 percent retention × 1.5 years	557,369
State income tax on $8,400 with three dependents	230.00
State income tax paid to date ($230 × 719 × 85 percent retention × 1.5 years)	210,847
Total taxes paid	768,216
Welfare savings	3,406,302
Food stamp savings	1,243,079
Medicaid savings	707,747
Taxes generated	768,216
Savings generated	6,125,344
Total program costs to date	−2,701,027
Total reduction in welfare expenditures	3,424,317

PROFILE OF CLIENTS PLACED IN UNSUBSIDIZED EMPLOYMENT

Male:

Average time on Welfare: 3.3 years.
Welfare Savings: $420.81/month.
Hourly Wage Rate: $4.86.
Family Size: 4.3.
Age: 30 years.

Female:

Average time on Welfare: 6.7 years.
Welfare Savings: $218.80/month.
Hourly Wage Rate: $3.75/hr.
Family size: 3.06.
Age: 33.5 years.
Characteristics of active clients:
Male: 25 percent.
Female: 75 percent.
White: 74 percent.
Black: 3 percent.
Hispanic: 23 percent.
H.S. Graduate: 34 percent.
Single parent: 73 percent.
Limited English: 18 percent.
Handicapped: 28 percent.
Offenders: 5 percent. ●

Mr. DOMENICI. I have yielded back the remainder of my time.

Mr. GLENN. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GLENN. Mr. President, if no one else wishes to speak, I yield back the remainder of my time and ask that we proceed to vote.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Ohio. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 22, nays 77, as follows:

[Rollcall Vote No. 73 Leg.]

YEAS—22

Bradley	Inouye	Moynihan
Bumpers	Jackson	Pell
Burdick	Kennedy	Randolph
Chiles	Leahy	Riegle
Cranston	Levin	Sarbanes
Eagleton	Long	Tsongas
Glenn	Matsunaga	
Hart	Metzenbaum	

NAYS—77

Abdnor	Exon	Mitchell
Andrews	Ford	Murkowski
Armstrong	Garn	Nickles
Baker	Goldwater	Nunn
Baucus	Gorton	Packwood
Bentsen	Grassley	Percy
Biden	Hatch	Pressler
Boren	Hatfield	Proxmire
Boschwitz	Hawkins	Pryor
Byrd, Harry F., Jr.	Hayakawa	Quayle
	Heflin	Roth
Byrd, Robert C.	Heinz	Rudman
Cannon	Helms	Sasser
Chafee	Hollings	Schmitt
Cochran	Huddleston	Simpson
Cohen	Humphrey	Specter
D'Amato	Jepsen	Stafford
Danforth	Johnston	Stennis
DeConcini	Kassebaum	Stevens
Denton	Kasten	Symms
Dixon	Laxalt	Thurmond
Dodd	Lugar	Tower
Dole	Mathias	Wallop
Domenici	Mattingly	Warner
Durenberger	McClure	Weicker
East	Melcher	Zorinsky

NOT VOTING—1

Williams

So Mr. GLENN's amendment (No. 27) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TSONGAS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

Mr. TSONGAS. Mr. President, I was considering offering an amendment, which I probably will not do, but I wish to take a few minutes to speak on the UDAG program.

The PRESIDING OFFICER. Who yields time to the Senator?

Mr. HOLLINGS. I yield such time as necessary, on the resolution.

THE UDAG PROGRAM

Mr. TSONGAS. I thank the Senator from South Carolina.

Mr. President, there is no program in the Government which has had greater impact on the creation of jobs, the leveraging of private investment, and the

generation of taxes for our most distressed cities and towns.

As one who has spent a great deal of his time on economic development issues, I can say that of all the issues in the budget process, I consider the UDAG program to be the most important.

This program should be an integral part of the national effort to reindustrialize and revitalize our economic infrastructure. Funds invested in commercial and industrial revitalization projects through the UDAG program accomplish precisely what President Reagan has set out to do. In fact, the President's revised fiscal year 1981 budget gives recognition to this program, by keeping it fully funded for fiscal year 1981.

However, Mr. President, the Senate Budget Committee has voted to cut $300 million from community development programs for fiscal year 1981. Let me say that while I fully appreciate the spirit in which this rescission was approved, the magnitude of the rescission is not equitable, and it places in grave jeopardy the funding of even a small portion of the 459 projects totaling $984 million which are currently in the HUD pipeline.

It is my understanding that the Budget Committee could not say where they expected the $300 million in community development cuts for fiscal year 1981 to be absorbed. If the cut is absorbed by the UDAG program, it will mean the elimination of that program.

Let me suggest that the short-term gains of a total abolition of the UDAG are limited. The long-term loss to urban investment is enormous, and I believe that anybody who is familiar with the program appreciates that.

If we are really serious about reducing spending and inflation, we will make tough decisions to invest the Federal dollar where the return will be the greatest. We will not take action which will bring the cities to their knees, and make them even more dependent on even more costly Federal aid for survival. Instead we will give the cities the tools they need to join the rest of the Nation in making an economic recovery.

If there is any program which is distinctly Republican in its origin, the UDAG program would be it, since it is based on the notion of leveraging in private sector money.

Mr. President, I wonder whether I could now engage in a colloquy on this program with the chairman, the Senator from New Mexico.

Mr. DOMENICI. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. TSONGAS. Mr. President, I want to express my concern for the continuation of a meaningful urban development action grant program for the remainder of this fiscal year and for fiscal years 1982 and 1983. Our experience with the budget process over the last several years suggests that UDAG is in real jeopardy if it appears that Congress is hostile to the program during these early budget decisions. We should be careful not to foster misinterpretations of our intent today.

As my colleagues know, there is widespread support for the UDAG program. It effectively uses Federal seed moneys to leverage private investments in urban areas that the Nation is attempting to restore.

Today, slighly more than $300 million remains unobligated for the remainder of this fiscal year. In fact, $100 million in grant awards for large city projects are due to be announced at any moment. An additional $50 million in small city grants is scheduled to be announced in a few weeks. Private sector investments for these projects are all lined up and the projects are ready to go. It is important that our actions at this stage do not inadvertently kill promising projects that distressed localities have worked hard on and on which they are counting.

It is also important that we make it clear that at least $500 million could be accommodated for the UDAG program in each of fiscal years 1982 and 1983. I ask the Budget Committee chairman: Could such levels of funding for UDAG be accommodated within the current reconciliation instruction to the Banking Committee?

Mr. DOMENICI. I say to my good friend from Massachusetts that the answer is "Yes."

I acknowledge that UDAG has been a very useful program. The Senator from Massachusetts has cited examples where it has been helpful in his State. It also has been helpful in my State. We have had examples where it has helped produce in one community more than a thousand jobs.

It is my understanding that the administration intends to maintain UDAG type activities as a separate category under the community development block grant program and that it will have funding of its own in the range of $500 million for fiscal year 1982.

That is what I understand and reconciliation certainly allows that to occur within the jurisdictional committee.

Mr. TSONGAS. I thank the Senator. That is also my understanding. But in the current budget atmosphere there is always a chance that programs can fall through the cracks.

It is terribly important in my State and I expect in all States to the mayors but most importantly to those in the private sectors who are planning long-term investment in UDAG projects that they have firm assurance that the program will have a predictable life. I hope an amendment is not necessary to give that assurance.

It will be very helpful if the chairman of the Budget Committee will state that our decisions today will leave room for funding of the UDAG program for the remainder of this year at the level proposed by President Reagan and further funding for fiscal years 1982 and 1983 in the range of $500 million.

Mr. DOMENICI. I can assure the Senator from Massachusetts that, as the Budget Committee moves to prepare the first budget resolution, the committee will begin with funding assumptions that underlie the reconciliation instruction.

I am certain that this base does not preclude funding for UDAG for the remainder of this year and that it would be adequate to accommodate fiscal year 1982 and fiscal year 1983 funding for UDAG-type activities in the range recommended by the administration, which is somewhere near $500 million.

Mr. TSONGAS. I thank the Senator for his participation in the colloquy.

In light of that assurance I will not offer a further amendment on this today, and I hope that the message will be clear across the country that UDAG is alive and will continue. This administration is committed to it as well.

I think those of us who have had personal experience in how it worked will be supportive as time goes on.

Mr. DOMENICI. I thank the Senator for the questions. and it was my pleasure to participate with the Senator.

Mr. SARBANES. Mr. President, will the Senator from South Carolina yield 2 minutes off the resolution?

Mr. HOLLINGS. I yield whatever time is necessary.

Mr. SARBANES. I appreciate it.

Mr. HOLLINGS. Yes.

Mr. SARBANES. Mr. President, I wish to join my distinguished colleague from Massachusetts in underscoring the importance of the urban development action grants program. This program has been a tremendous stimulant to economic development and job creation, the very objectives which everyone is now asserting we wish to accomplish for the Nation.

As the Senator from Massachusetts pointed out, this program has been particularly successful in obtaining private investment for projects in areas of economic difficulty and has led to significant permanent employment in the private sector in many of our Nation's cities.

The UDAG program is a program that has worked extremely well in my own State. It has met its objectives and is a program which should be continued. It has been most successful in leveraging private investment. Nationwide, for every dollar of Federal money more than $6 in private funds have been invested, totaling almost $12 billion nationally in private investments.

It has helped to strengthen the economic base of numerous cities across the country.

In Maryland, participation in this program has been enormously successful. We have the highest investment ratio in the country. For every Federal dollar that the project has received in Maryland from the urban development action grants program, private industry has provided just under $9. In other words, we have almost a 9-to-1 leverage ratio with respect to the urban development action grants program.

It is, therefore, a program which has worked well to bring forth private investment, jobs, and a strengthened economic base.

I join the Senator from Massachusetts in underscoring the importance of this program and the importance of carrying it forward for the purpose of economic revitalization of our Nation.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the Senator.

(By request of Mr. TSONGAS, the following statement was ordered to be printed in the RECORD:)

● Mr. RIEGLE. Mr. President, the Budget Committee had to consider an enormous number of proposals in a very short period of time. The committee's report implies that the reconciliation instruction would face a substantial cut in the UDAG program immediately. In the last few days, I have checked into the implications of a sudden $300 million cut in community development programs, and I am convinced that it just does not make sense.

The Budget Committee majority staff apparently looked at the unobligated balances in the community development block grant and UDAG programs and suggested in the markup documents that $300 million of those balances could simply be rescinded. Well, let us look at the facts of how that cut would hit.

The block grant program today shows unobligated balances of $3.45 billion for the remainder of this year. But those amounts are not just sitting there. Virtually every dollar of that amount is already spoken for by local communities all across the country. Each block grant community has known for some time how much community development money it can expect. Each community had to develop plans for approval 1 or 2 or 3 years ago. Each one has made important local commitments under the program. Each community has based its budget decisions on the expectation of receiving its promised share.

The administration wants to launch a new policy of turning responsibility back to local governments. It makes no sense to suddenly throw the plans of those governments into turmoil.

Many communities in my own State are stretched financially to the breaking point. They desperately need their block grant share to meet basic community services. Most will be hard pressed to make a gradual adjustment to lower funding levels. But it is certain that many communities would suffer a severe fiscal blow from a sudden reduction this late in the year.

The block grant application review process for this year is already well under way. By the time Congress will have finally acted on the reconciliation bill, most communities will have received their grants. Fifty percent of all grants are made by June 30. It would be an administrative nightmare to try to recapture funds from communities, and it would be an unfair hardship to place the burden on those communities who happen to be last in line.

Even if the block grant program would suffer substantial cuts. Under the administration's proposal CD block grant funds would be diverted to carry out activities that are now financed by the weatherization program of DOE, and the neighborhood self help program, the 701 planning grant program and the section 312 rehabilitation loan program. CD block grants would have to be stretched to cover cuts in those programs of $160 million in fiscal 1981 and $380 million in fiscal 1982.

Therefore, rescinding the CD block grant amounts at this stage of the year simply is not practical, it is not responsible.

That means that deep cuts would fall squarely on the UDAG program. Today, the unobligated balances for UDAG stand at $318 million. But rescinding fiscal 1981 funds for UDAG would seriously damage local efforts to create new jobs in economically distressed areas across this country.

Over 450 UDAG applications involving about a billion dollars in requested funding is now pending. Private firms, private lenders and local communities have invested time and money in bringing these projects to an advanced stage of development. They have in good faith relied on the availability of funds that have already been appropriated. Announcements for the next round of grants, involving about $100 million in projects for large cities was scheduled for yesterday, April 1. Applicants are waiting on a moment-by-moment basis. The April round of awards for small cities will be announced only a few weeks from now.

A false signal of the Senate's intent could kill a large number of development projects that are ready to go and would produce private sector jobs in distressed areas.

UDAG has demonstrated solid results in over 1,000 projects. It has stimulated over $6 of private investment for every Federal dollar or a total of $12 billion of private investment in recent years. It has created or retained 470,000 permanent jobs at a one-time cost of $6,660 per job. It has produced over $320 million in annual local tax revenues or 17 cents in local tax revenue for each UDAG dollar.

UDAG helps locate new industry in areas where there is much poverty, high unemployment, and weak financial conditions. It creates jobs that reduces unemployment and welfare costs. It makes fuller use of existing roads, water and sewer systems, and other underused infrastructure.

The UDAG program has proven that the Federal Government can act in a timely and sensitive way to reinforce private sector initiatives that strengthen local economies. UDAG gives communities and private firms great leeway in inititaing projects that make sense at the local level. A small, highly professional staff helps refine ideas and acts promptly to facilitate private development.

UDAG has received widespread praise from informed analysts.

The House Appropriations investigations staff said UDAG is successful.

A special advisory panel of the Urban Land Institute, comprised of noted private businessmen concluded that: UDAG creates new private investment, jobs, and taxes, the private investment would not occur without public aid, and UDAG is working well.

Dr. James Howell (senior vice president of the First National Bank of Boston, a respected economist and a Republican) testified before Senate Budget Committee:

> Over the years, I have come to realize how vitally important grant programs can be to the stimulation of private sector capital formation in cities where the cost of doing business is out of line with other areas and where there is widespread social hardship and poverty.

The Council for Northeast Economic Action studied 11 old New England cities and found that Government funds were needed to leverage private investment in 53 percent of all private sector deals—and only three Federal programs accounted for 90 percent of those cases. Those three programs are industrial revenue bonds, SBA loans, and UDAG.

Local officials and private businessmen who have been involved with UDAG clearly judge it to be a valuable program.

I ask unanimous consent to have letters inserted in the RECORD at the conclusion of my remarks.

I thank the Budget Committee chairman for his statement on this matter. It is important for a very important program.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITY OF DETROIT EXECUTIVE OFFICE,
February 17, 1981.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I would like to share with you my concern over the current discussions concerning cutting the federal budget through the elimination of the Urban Development Action Grant (UDAG) program and the elimination of or substantial underfunding of programs of the Economic Development Administration. The availability of these programs has been critical in our efforts to revitalize our City and in fact, were it not for these programs, many projects now underway throughout Detroit could not have been successfully undertaken.

The UDAG program, as you know, leverages and stimulates needed private development in distressed urban areas. In cities like Detroit, it has served as a means of reducing the cost penalty that exists to businesses that choose to develop in built-up cities vs. cleared suburban land. Costs such as those associated with the demolition of existing structures, the rehabilitation of buildings, or the relocation of utility lines are but a few examples.

Detroit has most recently used the UDAG program to fund the Central Industrial Park project. This project, better known as the General Motors Plant Project, is the most important undertaking within the City in recent history. The plant, to be completed before the 1984 model run, will directly employ over 6.000 workers and result in an additional 25,000 workers being employed in related industries thus relieving the human suffering caused by our 16 percent unemployment rate.

The plant will also serve as the nucleus of a revitalized industrial area both in the cities of Detroit and Hamtramck. The new private investment represented by this project will provide a significant increase in tax base to the City from property, income and business taxes.

The public costs associated with this effort are approximately $180 million. This will provide 465 acres of cleared land to GM within the cities of Detroit and Hamtramck at private costs comparable to those encountered

in a "greenfield" suburban site. Without the $30 million of UDAG funds, the public work would have been jeopardized, more likely causing GM to relocate its current Detroit assembly out of our City.

The second project important to the City that would not have been undertaken but for the UDAG funds, is the Washington Boulevard "Trolley Plaza". This residential project is the first effort by the City and the private sector to provide market-rate housing directly in the Central Business District. The 350-unit apartment, now under construction, is serving as the focus for the general revitalization and redevelopment of Washington Boulevard as a major residential and retail area. Shortly after the UDAG funding was provided for the project, an additional 600 residential units were committed to the area and the feasibility of converting the abandoned Heritage Hotel to residential use generated proposals from interested developers. In addition to serving as a catalyst for downtown housing, the project is important for providing the market to the proposed Cadillac Center Shopping Mall.

Finally, the UDAG program has enabled the City to revitalize the Oakman Mall, one of the City's oldest neighborhood shopping centers. Oakman Mall, serving a stable residential area, has been subject to the same market and demographic trends that have resulted in the abandonment by businesses of many commercial areas within the City. Oakman Mall suffered particularly when Sears Roebuck closed their store a number of years ago. The Mall is now being redeveloped with Sears and other tenants occupying renovated retail space. The neighborhood is now looking forward to being served by a fully redeveloped shopping area.

In the three projects where UDAG funds have been critical to funding and particularly to leveraging private funds, EDA funds have also, no less importantly, been involved. EDA's programs are expected to fund much of the demolition and site improvement work necessary to the construction of the Central Industrial Park project. The City has made a pre-application to fund those work items. In addition, the Washington Boulevard Plaza where the Trolley Plaza is being constructed, was constructed as an attractive public activity space providing a residential atmosphere with EDA funds. Finally, Oakman Mall public right-of-way improvements including new lighting and pedestrian ways were again funded by EDA. There are many other examples in the City where EDA funds and UDAG funds have been jointly used to fund public and private portions of projects.

In addition, the City of Detroit, like many other cities across the country, has benefited from the variety of EDA programs such as direct loans, loan guarantees, public works grants and technical assistance. Without this federal agency's assistance, many economic development activities critical to the business vitality of Detroit would not have occurred.

Critical to Detroit is the recent Auto Community Adjustment Program which the Economic Development Administration has initiated. The current planning phase is to be followed by the award of implementation grants to assist us in the revitalization of our auto-dependent economy.

My support for the continuation of these programs is without reservation. The programs have become a vital part of this and other cities' revitalization efforts. Both UDAG and EDA's staffs understand the challenges and problems which confront urban areas today. I hope that their experience and fine programs continue to be available to assist cities like Detroit in building their futures as economically and socially vital centers to live and work.

Sincerely,

COLEMAN A. YOUNG,
Mayor.

CITY OF HAMTRAMCK, MICH.
February 13, 1981

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: The government of the City of Hamtramck and its citizens are thankful and appreciative as the recipient of a 30 million dollar Urban Development Action Grant from President Ronald Reagan's administration. We are hopeful that the additional grant of 5 million dollars will receive approval of the present administration.

This grant will aid our distressed city and alleviate the stress and depression of our citizens caused by the closing of the Dodge Main Plant of the Chrysler Corporation. It will culminate in the building of the new 500 million dollar facility by General Motors Corporation that will result in the preservation of at least 7,000 direct jobs and make their automobiles competitive with foreign imports. If our additional grant is approved, I can assure you of at least 25 million dollars of private investment and an additional 1,000 new jobs in our economy.

In my opinion this is the best federal program to assist industry as the recipient communities must prove and provide a 5 to 1 benefit ratio. If the program cannot be preserved in its present manner, some type of joint funding by local government and federal government should be adopted.

I am confident you will urge your colleagues to preserve this program, which provides a measure of encouragement to our young generation who are seeking employment in the private sector.

Respectfully yours,

ROBERT KOZAREN,
Mayor.

CITY OF SAGINAW, MICH.
February 16, 1981.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: The current debate concerning proposed domestic spending cuts, particularly as such cuts might affect the Urban Development Action Grant (UDAG) program, is of supreme concern to the City of Saginaw.

The City of Saginaw, hard-hit by the continuing downspiral in the automobile industry with its resultant negative effects upon the local, state and regional economy, stands as a viable example of the positive aspects of the UDAG program, both in what the program has allowed us to accomplish in the past and the potential it holds for our future.

A UDAG loan in the amount of $1.5 million was awarded the City of Saginaw in 1978, that being the amount needed to bridge the financial gap between an economically do-able project and one that had remained, with all attendant frustrations, in the planning stage for some eleven years.

Most importantly, HUD's approval of the loan said that the federal government was satisfied that the total $5 million project was sound and manageable and would, indeed, generate additional private investment in the central city, in the instance of the City of Saginaw, a total of approximately $41 million.

I am most pleased to point out that the long-awaited reality of the hotel further resulted in an infusion of positive thinking in regard to our central city which has today translated into an investment and development climate responsible for a projected total of $130 million worth of new construction and redevelopment.

Additionally, the reality of the hotel was the primary ingredient in the forging of an effective, working relationship, partnership if you will, between the private and public sectors in the City of Saginaw.

That partnership is credited as an influencing factor in our city being able to secure the interest of a Toronto, Canada, based development firm, Azlea, Inc., which today has plans for construction of a major, mixed-use project within our central city consisting of new retail, office towers, and public space and with an estimated cost of $61 million.

It is interesting to note that the development, which will have significant and positive economic and social impact upon not only the City of Saginaw but the entire Tri-City area, (Saginaw, Midland and Bay City, Michigan), includes plans for a 200-unit hotel as a part of Phase Two activity.

The project, called Saginaw Center and Commons, as perceived will result in some 1,600 new and permanent jobs within our community, as well as create approximately 600 construction related jobs over a two-year time period.

The earlier hotel project resulted in the creation of 200 new permanent positions and another 100 positions during the construction phase.

It is crucial that I point out that the financial packaging of the project to date centers on the availability of an Urban Development Action Grant in the amount of approximately $5 million, to be leveraged against a projected private investment of some $41 million, for Phase One construction.

The availability of such federal assistance has been a major factor in the City of Saginaw being able to secure the interest and initial planning investment (in the area of some $70,000 for market feasibility studies and architectural concepts) of a firm as strongly qualified as Azlea, Inc., which ranks as one of North America's largest and most successful development firms.

Aside from the potential positive impacts upon the community in the way of more jobs, economic diversification and increased tax base, the hotel project and now Saginaw Center and Commons has been a great boost for all downtown businesses and has created a renewed interest in city investment and development generally.

Put another way, the progress we have made to date could not have been possible without the UDAG program, or the use of public funds to stimulate private investment.

The private-public partnership we have forged to unite the community with a single purpose of economic growth and stability would not have evolved to the point it is today.

To quote from a recent editorial in the Saginaw News:

"Cities such as Saginaw, hoping to energize urban redevelopment, cannot do it by wishing it. The job requires imagination, innovative ideas, energy, support from those with ability to invest, and a lot of cooperation between government and the private sector.

"We've finally seen these elements come together for a new downtown hotel after years of disappointment. It's more than just a new building. It's a tangible sign of better things to come."

Sincerely,

———— ————,
Mayor.

CITY OF LANSING,
Lansing, Mich., February 9, 1981.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C .

DEAR SENATOR RIEGLE: Over the years, there have been some strange programs concocted in Washington, D.C. However, there have been some excellent ones, and these have far surpassed the oddities.

One of the excellent ones is the economic assistance provided by the Economic Development Administration of the U.S. Department of Commerce. Actual positions of employment can be created, or retained, not "make believe" jobs. Not only has the Economic Development Administration assisted us in retaining 1,600 real jobs in one industrial project alone, but the assistance is leading to one of the largest expansions by private industry in the history of the City of Lansing. Officially, the expansion will be announced within two weeks. Imagine, if you will, the tremendous and positive effect such will have on the lives of people, and on the economy of this Capital City of Michigan.

Another excellence program is the Urban Development Action Grant Program, first researched by the Ford Administration and implemented by the Carter Administration. U.D.A.G. provides a highly meaningful tool for cities to improve and to create real jobs, through the formula of merging private dollars with public funds.

The City of Lansing has received approval of two U.D.A.G.'s, one for the Number One Block of the Central Business District, which is generating $50 million in new investment, the second for a badly needed, and major housing project just south of the State Capitol Complex.

As a result, the City will greatly benefit in a number of ways:

A new tax base is being created;

Approximately 1,300 real jobs will result from the development of the Number One Block, providing self-sufficiency and dignity for a lot of people;

A whole new interest is developing in our Central Business District and private development is already underway.

Sir, if cities are to survive, the aforementioned are outstanding routes—I commend them to you.

Respectfully,

GERALD W. GRAVES,
Mayor.

KEMP, KLEIN, ENDELMAN & BEER,
Southfield, Mich., February 18, 1981.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

Attention: Don Campbell.

DEAR SENATOR RIEGLE: I am writing you in reference to the Reagan Administration proposal to substantially diminish or abolish the Urban Development Action Grant Program. This program is a categorical grant approach to the serious problems which confront cities today regarding the revitalization of deteriorating downtown central business districts. It is our firm belief that a return to the old "Block Grant" formula as was implemented by previous Administrations would seriously impair the efforts of cities in attempting to arrest this deterioration.

Essentially, the good things that can be said about UDAG far outweigh its faults. First of all, the UDAG concept has resulted in a minimum of red tape and a maximum "turnaround time" between the point at which initial discussions with the applicant take place and the point at which the monies are disbursed. Another asset of this program is the fact that a specific amount of that money has been targeted for distressed cities, unlike the effect of the Block Grant Programs of the mid-70's which was to provide significant assistance to wealthier communities and areas which were not distressed. Another benefit which has arisen under the UDAG program is the availability of consulting services for local governments in determining how best to apply the UDAG money in planning and implementing downtown revitalization projects. Finally, the UDAG concept has been highly successful in leveraging the private commitment of investment capital in our most distressed urban areas. This is evidenced by our ongoing "Pontiac Plan".

The most important accomplishment of the UDAG Program from our perspective has been its effect in insulating Mayors from pressures exerted by local community groups. Under the old Block Grant formula, monies disbursed to a locality, became the target of scores of local community groups which insisted upon directing the funds to "pet" activities, such as housing, weatherization, and others. Under the UDAG formula, the monies are earmarked for specific projects. The success of this kind of approach is, again, dramatically demonstrated in the "Pontiac Plan" which is now being constructed in downtown Pontiac with UDAG participation, and which has leveraged private development and created new entry-level jobs.

At this point, I wish to return to a discussion of the adverse effects of the previous Block Grant approach utilized by prior administrations. First of all, monies which were disbursed to localities were not distributed according to a specific pre-selected formula. As discussed above, this fact caused considerable turmoil at the local level as various special interest and community groups vied for control of the funds. Consequently, during the mid-70's Block Grant funding came to be recognized by community groups in Pontiac as a source of housing assistance. This greatly diminished the percentage of the Block Grant funding which could have been devoted to economic redevelopment. In addition, much of the Block Grant assistance was distributed to non-distressed localities—such as Orlando, Florida; Phoenix, Arizona; and Houston, Texas. The UDAG legislation alleviated this problem by earmarking a certain percentage of UDAG funds for distressed cities.

Another drawback of the old Block Grant formula was the fact that it denied funding for several developments in the City of Pontiac which are now eligible for funding under UDAG. Specifically, these projects which were not allowed funding under Block Grant formulas included auditoriums, convention centers, museums, and concert halls. As you may know, an important element in the success of the Pontiac Plan includes the eventual construction of a museum, auditorium, and a hotel-convention center on that site. Consequently, any return to the Block Grant approach to urban assistance would have to take into consideration this additional drawback of the old policy.

In the event that Mr. Reagan's Block Grant formula is accepted by the United States Congress, significant changes would have to take place in order to make it more successful than the program which was implemented in the mid-70's. One recommendation which we would make in this regard is to earmark a stated percentage of Block Grant money (for example, twenty-five percent) for distribution to the State—which could then turn around and distribute that money to localities according to UDAG-type formulas. Another recommendation would be to establish more specific formulas which Washington would apply in providing the funds directly to localities. In other words, a formula for Pontiac would emphasize the channeling of Block Grant money to downtown redevelopment based upon a study of the city's needs made in consultation with city leaders. This would, hopefully, reduce the amount of confusion at the local level which in the past has been brought on by special interests vying for Block Grant funding on behalf of favored projects.

Obviously, my position is clearly in favor of retaining the UDAG method of urban assistance. It employs concrete formulas which can be utilized to direct funding to specific and needed urban redevelopment projects. It provides an insulating layer of federal decision making which serves to reduce the amount of local level struggle between special interest groups for funding which may not directly or effectively address the more immediate problems of a community. In addition, UDAG has been extremely successful in reducing the delays and confusion in decision making both in Washington and at the regional level regarding the eligibility of applicants for UDAG assistance and the provision of that assistance.

In conclusion, as Mayor for the City of Pontiac—and as an individual who has had extensive experience in the implementation of federal urban assistance policies during the past decade—it is my strong recommendation that every effort be made at the national level to preserve the UDAG program. This program has proved to be effective, efficient, and totally relevant to attempts which have been made in the past twenty years to restore our deteriorating urban centers. The Block Grant approach as it was conceived and implemented had several drawbacks—all of which served to weaken the effectiveness and efficiency of such programs as they were applied to distressed urban centers. In the final analysis, it has been established to my complete satisfaction that the categorical approach—with strict formulas—is the most effective way to target federal assistance for the redevelopment of distressed cities without causing unnecessary and inefficient delay. The Block Grant program proved to be a cruel hoax in meeting the problems and satisfying the needs of disadvantaged and low income Americans. The UDAG approach, on the other hand, has resulted in dramatic progress toward putting people back to work, diversifying the industrial base of distressed localities, and, perhaps more importantly, giving people hope. We feel that the strongest endorsement of this program is now being constructed in downtown Pontiac: The number one distressed city in the nation.

Sincerely yours,

WALLACE E. HOLLAND,
Mayor.

PEOPLES NATIONAL BANK & TRUST CO.,
Center Bay City, Mich., February 16, 1981.

Hon. DONALD RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: I am writing to express support for the continuation of the Urban Development Action Grant program in Bay City, Michigan.

Our involvement with U.D.A.G.-supported activity is the Wenonah Park Plaza project here in Bay City.

This project is crucial to the revitalization of downtown Bay City. Without the parking provided by the Action Grant, this project's feasibility would be in grave doubt. With the grant, Bay City's downtown is looking forward to a tremendous boost.

Peoples National Bank is one of several local businesses which are limited partners in the Bay City Development Partnership, lead development entity for Wenonah Park Plaza. We have also committed to act as lead bank in $4.5 million of construction financing for the residential condominium component of the project.

Total private investment in Wenonah Park Plaza will be $40 million. The Action Grant is $8.2 million. Bay City voters have authorized up to $10 million in general obligation tax increment bonds to support the project and other downtown improvements.

This is an excellent example of the positive results that can be produced by a timely injection of federal funds in an economically distressed community. Millions of dollars of private capital are being sought for our downtown area. Public and private sectors are cooperating for the maximum mutual benefit.

I believe that this is an endeavor worthy of continuing.

Thank you for your efforts in this regard.

Very truly yours,

CLIFFORD C. VAN DYKE,
Chairman and President.

FLINT AREA CONFERENCE, INC.,
February 17, 1981.

Hon. DONALD W. RIEGLE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR: As you may know I serve on the Board of Directors of the International Downtown Executives Association, an organization which represents more than 300 downtown organizations whose boards are comprised of the leading industrial, business and financial interests in their respective cities. On January 29 and 30 that Board met in Washington to discuss urban policy issues and the Reagan administration. An immediate consensus formed: The fundamental issue was continuance of an Urban Development Action Grant program. Whether Dallas, Philadelphia, Manhattan, Detroit, Syracuse, Atlanta, Denver or Springfield, Illinois the number one issue was maintenance of a categorical program providing an opportunity for private sector participation in the revitalization of our cities. By any name a program such as the Urban Development Action Grant is necessary to protect existing investment *and* promote reinvestment by the private sector in our central cities. That message was delivered in a luncheon meeting with Craig Fuller, Secretary to the Cabinet.

The Urban Development Action Grant program has acted as a catalyst for reinvestment in Flint creating jobs and diversification for a very distressed local economy. While news media from across the country concentrated on the plight of our city—the highest unemployment in our nation—we were about rebuilding. That would not have happened without the stimulation of a UDAG-type program. Two major grants totalling $15 million have leveraged over $80 million in new private investment in Flint. It is a simple truth that without this program, neither project would be underway.

The Urban Development Action Grant program in Flint has been efficient, effective and productive.

There is little argument with a desire to cut the federal budget across the board. It is reasonable to expect that federal aid to cities must be reduced as well as federal aid to agriculture; but eliminating or emasculating the most effective and efficient program of a department seems neither wise nor fulfilling of purpose.

You may expect our fullest support for any efforts you may initiate which are directed toward retention of the essence of an Urban Development Action Grant program.

Sincerely,

JAMES S. SHEAFFER,
President.

CITY OF FLINT, MICH.,
February 19, 1981.

Hon. DONALD W. RIEGLE, Jr.,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: The purpose of this communication is to request your support of the Urban Development Action Grant Program which, as you know, is currently under the threat of elimination as part of the Federal budget cuts being proposed by the Reagan Administration.

The Urban Development Action Grant Program has had a tremendous impact on the City of Flint. This $16 million the City of Flint has received in Action Grant funds has generated six private dollars for every Action Grant dollar received. The four projects currently being funded by the Action Grant program will generate over 1,400 new jobs. The annual increase in the City's tax base is approximately $2 million a year.

The spin-off benefits to neighborhoods as a result of the Action Grant program are substantial. Approximately $1.5 million annually will be available through the recapture of Action Grant funds for neighborhood revitalization.

Without the Action Grant program, $142 million (total cost of all four Action Grant projects) would not have been committed for investment within the City of Flint. The Action Grant program has provided the necessary impetus to move critically needed projects from the planning stage into successful implementation.

The Action Grant program has lived up to its promise. The program has provided the incentive necessary to attract private investment to distressed cities such as Flint. The program is restoring the vitality of the City of Flint by creating jobs, by increasing the tax base, and by making this City more livable and economically viable. However, there is still much more work to be done. As a part of Flint's overall economic development strategy, a number of exciting, dynamic projects are planned. These projects need the investment incentives provided by the Action Grant program if they are to be realized.

I know you will join me in support of the Action Grant program by strongly voicing your support, on behalf of Flint and other Michigan cities in the U.S. Senate. Thank you.

Sincerely,

JAMES W. RUTHERFORD,
Mayor.

THE FRIENDLY CITY,
February 17, 1981.

Hon. DONALD W. RIEGLE,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR RIEGLE: As you may know, the City of Hazel Park received approval for a UDAG project in December, 1978. During this period the cost of borrowing began to skyrocket which created a situation whereby our project became economically infeasible. As a result, we were notified by HUD in September, 1980 that our project was being terminated. The termination letter provided that we could reapply at a later date. Since that time, we have been in touch with the proposed developer of the project who is most anxious to proceed as soon as the cost of borrowing declines.

This project based on our projections would have a significant impact on the City of Hazel Park. We are a city of some 20,000 people within an area of 2.8 sq. miles. The city is nearly 95% built up with no potential of expansion. The homeowners of the city carry 70% of the tax burden. This project is anticipated to increase our industrial tax base by some $7,500,000 resulting in approximately $525,000 in additional taxes, equally important 105 new jobs would be created. As you can see this project will have a significant impact on our city.

I trust this information is of some benefit to you in your effort to assure that this worthwhile program is continued.

Sincerely,

Mayor STEPHEN ZERVAS,
City of Hazel Park.●

Mr. CRANSTON. Mr. President, I, too, share the belief that the UDAG program is beneficial. In the past few weeks "economic recovery" have been the buzz words in these Halls, in this city, and, indeed, throughout this Nation. We all recognize the need to tighten our belts and to cut back on Federal spending. We are all sensitive to the need to make our economy more productive. In the Senate we are examining the Federal Government's role in the economy and the consensus seems to be to cut back on Federal spending and to encourage investment in the private sector. Our attitudes toward economic recovery directly affect the economic health and welfare of our Nation's cities.

I do not understand how, under the guise of economic recovery, we can agree to cut a program that is specifically designed to promote the economic recovery of our most distressed communities. I wholeheartedly support the urban development action grant—UDAG—program.

UDAG's are Federal grants that assist distressed cities and urban counties to strengthen their economic, employment, and tax bases through a combination of public and private investments in economic development projects. The basic Federal grant acts as seed money to leverage substantially larger commitments from private investors.

Mr. President, we must encourage private investment in our cities. And good economic development programs—programs proven effective—should be maintained and allowed to work. UDAG is a prime example.

The Senate Budget Committee would have us rescind $300 million from unobligated funds designed for community development for fiscal year 1981. Some suggest that this money must come out of the UDAG program which means that the UDAG program would have no funds for the remainder of this fiscal year. Fortunately, the colloquy between Senators TSONGAS and DOMENICI cleared up this matter so that UDAG can continue for this fiscal year.

UDAG's are an effective development too. In California alone, UDAG's have provided $137 million as inducement to start 52 separate projects leading to the construction of shopping centers, mixed residential areas, industrial sites, hotels, office and convention centers, and community facilities. The Federal money brought forth private investments of over $1 billion in California, creating and sustaining some 27,400 permanent new jobs. In the past 3 years UDAG's have made the difference between further decline in distressed communities and a chance to revitalize the local economy and vastly expand the job market.

The city of Commerce in East Los Angeles is a case in point. Commerce has been a major industrial center for many years. But in the 1970's several large manufacturing plants there either shut down or relocated. The city of Commerce which has a high number of unemployed and low income people, lost approxi-

mately 19,000 jobs over a period of 10 years.

Then Commerce received a $6.6 million UDAG to help finance construction of a manufacturing complex on the site of an abandoned steel plant. Private investment amounted to over $102 million for manufacturing and warehousing, plus office space and commercial buildings. More than 3,100 jobs will be created through the project and city tax revenues will increase substantially in the years to come with a revitalized tax base.

Similarly, the city of Glendale last year received a $6.7 million UDAG to assist construction of a 1,730-space parking garage as the touchstone to expansion of a regional shopping center. Private investment totaled $43.8 million. Some 1,215 permanent jobs were created plus 400 additional construction jobs. City taxes and other taxing authorities stand to gain more than $1 million additional revenue a year from the project.

Still other California cities—San Francisco, Oakland, Los Angeles, Watts, and many more—can point to UDAG success stories. The same is true for scores of cities throughout the United States. These reports add up to a program that works. UDAG builds upon the strengths of cities and city neighborhoods.

American cities were built by the private sector, and ultimately it will be the private sector which will rebuild them, employ their citizens and expand the local tax base. In the meantime, it should be Government's role to provide the leadership to encourage public-private partnerships to make our Nation more productive. Cities that have spent considerable time, money, and effort on the development of their applications for fiscal year 1981 should not be penalized by the proposed rescission. Indeed, for many communities, the UDAG's for fiscal year 1981 may be the only chance they will have to revitalize their sluggish economy.

Mr. President, I believe that this program is most worthy and I am pleased that the distinguished chairman of the Budget Committee (Mr. DOMENICI) agrees that it was not the intention of the Budget Committee to cut funds for the UDAG program beyond the President's levels.

● Mr. MOYNIHAN. Mr. President, I thank my colleagues, Senator TSONGAS, Senator SARBANES, and Senator RIEGLE, for the privilege of joining in this colloquy on urban development action grants. Let me say that I have been a long time in government. I have seen these efforts come and go. The one that has impressed me most—truly—is the UDAG program. In our State of New York, we got our share, not more or less, but just exactly what the population distribution would be: Out of some $1.9 billion since April of 1978, New York has gotten $169 million. This amount has produced $848 million in private investments, about a 6-to-1 ratio.

In Jamestown, N.Y., the first brass and zinc foundry in two generations in America has just been opened. In Broome County, N.Y., in the town of Union, a very large enterprise is about to get started in which a company that was manufacturing copiers in Japan is moving that operation to a new plant built with the assistance of UDAG funds. This grant of $3.5 million generated a private investment of $18 million. And, in Buffalo, just the kind of movement back to the center city that UDAG was designed to encourage is—in fact—occurring. A major bank is renovating its historic, original building and bringing all of its satellite offices in from the suburbs to be housed in an impressive new office building. A new hotel is also being built which will support the investment in the city's new convention center.

I have heard from communities throughout New York—both large and small—letting me know how the UDAG program has helped bring new investments, jobs, and activity back into the hearts of our cities and towns.

This program works, and the impressive, professional teams who conduct it are in place and experienced. To let it just disappear into a block grant, I think, would be costly. It makes no sense. Federal funds expended in the community development block program are a one-time expenditure. By contrast, more than 75 percent of UDAG's made to cities are loaned to private developers, and the loans are then paid back to the cities to be utilized again for further economic development. This impressive aspect of the UDAG program is seldom mentioned.

I thank the Chair. And I thank my distinguished colleagues from Massachusetts, Maryland, and Michigan.●

Mr. SARBANES. I thank the Senator from South Carolina for yielding.

Mr. HOLLINGS. Mr. President, I yield such time as he may need to the Senator from Delaware

UP AMENDMENT NO. 50

(Purpose: To restore funds for low-income energy assistance)

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware (Mr. BIDEN), for himself, and Mr. TSONGAS, Mr. LEVIN, Mr. DODD, Mr. HART, Mr. PELL, Mr. METZENBAUM, Mr. EAGLETON, Mr. KENNEDY, Mr. RIEGLE proposes an unprinted amendment numbered 50.

Mr. BIDEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "authority" in line 16, strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "Authority by $52,425,000,000, and outlays by $36,545,000,000, in fiscal year 1982: and to reduce budget authority by $58,828,000,000, and outlays by $47,294,000,000".

On page 10, beginning with "$10,303,000,000, in line 6, strike out through "$10,913,000,000" in line 9 and insert in lieu thereof the following: "$9,903,000,000" in budget authority and $7,528,000,000 in outlays for fiscal year 1982; and $11,963,000,000 in budget authority and $10,513,000,000".

Mr. BIDEN. Mr. President, I ask unanimous consent to add as cosponsors of this amendment Mr. TSONGAS, Mr. LEVIN, Mr. DODD, Mr. HART, Mr. PELL, Mr. METZENBAUM, Mr. EAGLETON, Mr. KENNEDY, Mr. RIEGLE, and Mr. BUMPERS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, we have in a sense voted on this amendment already. This amendment adds $400 million for the low-income energy assistance program, a program which primarily assists the elderly and the needy. We have not voted on this amendment thus far because previously fuel assistance was part of a package of programs offered by the Senator from Rhode Island (Mr. CHAFEE). Although I voted for the Chafee package, I can understand how some of my friends on the Republican side of the aisle and Democratic side of the aisle may wish to vote for this amendment but did not want to vote for all the other aspects of the Chafee amendment.

This amendment gives them an opportunity to do just that.

Mr. President, I am particularly concerned that Senators who have been here for the last couple years have an opportunity to keep their commitment that we all made several years ago.

In June 1979, we passed a bill in this body at the request of the then-President Carter to decontrol over a period of time the price of natural gas. I voted against that bill, but I recall hearing this Chamber echo and reverberate with assertions on the part of my colleagues who were voting for the decontrol bill that we were going to vote for decontrol in order to help promote production, but not at the expense of the poor, the elderly, and those in need. Although we acknowledged that the price of energy and home heating oil was going to skyrocket, we were going to assure that the elderly and the poor of America were not going to bear all of the increased costs attributable to the energy decontrol bill.

Then in the spring of 1980 after some herculean efforts on the part of my colleagues on both sides of the aisle, we passed a windfall profit tax bill. The principle behind the windfall profit tax was not that we did not want corporations to make profits—we acknowledged the importance of increased profits and the importance of the oil companies making money—but what we wanted to make sure that they did not make profits at the expense of those people who would not be able to make it, those people who would not be able to heat their homes and drive the car, et cetera.

So we passed the windfall profit tax and we said we would set-aside a portion of that tax to insure that the social needs that would occur as a consequence of the dislocation caused by the skyrocketing price would be met. We were going to make assistance available to those folk not only in the Northeast, the North, and the Midwest, but also to those elderly who needed their air conditioners down in the South. We were going to see to it that we took care of some of those folk.

We passed the Home Energy Assistance Act under the leadership of Senators on both sides of the aisle, from Senator KENNEDY to Senator Javits, Senator METZENBAUM, and others, a bill which overwhelmingly passed.

Mr. President, that program worked pretty well. I come from a small State, but just in my State of Delaware, where we have less than 600,000 people, we found that a total of 27,530 persons in 9,731 households were served this winter. Over 3,500 of those households were elderly, and close to 1,000 were handicapped.

It worked. People were not forced to choose between food and heat. People were able, notwithstanding the tremendous increase in inflation, to eat, and they were also able to heat their homes.

Mr. President, it seems to me that with these budget cuts we are breaking faith with the people. We are saying that we are going to cut this program, we are going to cut it significantly beyond what it is and has been.

We do not even consider the fact that if this administration has its way immediate natural gas decontrol is just around the corner, at a time when over 53 percent of all households and the same proportion of elderly households heat their homes and apartments with natural gas, so we are going to give them a double whammy.

What we seem to be saying here is that in our fervor to cut the budget, not only are we going to cut programs that are worth while, not only are we going to go forward with new programs that do not make sense, but we are going to breach an implicit promise we made with the elderly in this country. We are now going to decontrol the price to heat your home. We have already decontrolled the price of home heating oil, which has doubled or tripled in price, now we are going to decontrol natural gas, which will make the price of gas go even higher. At the same time, we are going to let you worry about that. We are not going to step in and keep our promise to assist you in paying those higher prices.

I do not know, Mr. President, but I do not think this President really understands. Maybe it is just that he does not know how many folks depend on this program.

I wonder if he understands how many people really have to make basic choices, not whether or not they are going to go to the beach in the summer for a vacation or heat their home, but whether or not they are going to have an adequate diet or heat their home. These folks are not keeping the temperatures in their homes at 70 and 75 degrees, even with the fuel assistance. They are keeping their homes in the low 60's.

They have learned to wear sweaters, they have learned to turn the heat off at night and get under piles of blankets and covers.

I might point out in the weatherization program the folks who have taken the greatest advantage of that program and who have spent the most time and energy with their meager resources to weatherize their homes have been those elderly folks, the same people who are the ones who need this program.

There is not a whole lot more that they can do. There are not any more places they can cut. They cannot turn the thermostat down any more.

Here we are in a $3 trillion economy and a multibillion-dollar budget cutting $400 million for these folks.

I am sure that the Senator from New Hampshire and the Senators from Pennsylvania, Massachusetts, Maine, Ohio, and all those States where it gets cold will be prepared to keep the commitment this body made or be prepared to explain to those folks next winter why they cannot afford to heat their homes.

Mr. President, I do not think it is a good idea for this body to break its promises, especially so quickly. The American public, I guess, is getting used to our not keeping all our commitments, but to do it as rapidly as we are doing here seems to me to be a terrible mistake.

The PRESIDING OFFICER (Mr. HUMPHREY). The time of the Senator has expired.

Mr. KENNEDY. Mr. President, could I have 3 minutes?

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold for just a moment?

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, if the Senator will withhold for just a moment, I hope to now make a request that will facilitate the management of the remainder of the amendments on this resolution and also suit the convenience of a number of Members.

As I understand it, there are now time agreements on the amendment now pending by Mr. BIDEN of 20 minutes to be equally divided; Mr. KENNEDY 20 minutes on an amendment to be offered to be equally divided; and Mr. CHILES 30 minutes.

Mr. President, I ask unanimous consent that the vote ordered on the Biden and Kennedy amendments, if one is ordered on KENNEDY's amendment, be postponed until the disposition of the Chiles amendment and that when the Chiles amendment is completed that the votes occur back to back first on BIDEN for 15 minutes, the standard rollcall; 10-minute rollcall on KENNEDY and then CHILES a 10-minute rollcall vote.

Mr. KENNEDY. Mr. President, I have no objection to that. On a few of these amendments, if we could get 2 or 3 minutes I am glad to accommodate the leadership on both sides. The Senator from South Carolina has been extremely accommodating. I do not intend to delay the Senate, but these are important. In that spirit I am glad to agree on a time limit and I will try to move along.

Mr. BAKER. In the form of the request I made there is no restriction on any Senator on time from the resolution, and I did not want to limit the time on this stacked vote system but to do it when debate ended on the Chiles amendment, which is third in sequence.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLINGS. I yield time on the resolution, 3 minutes, to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I welcome the opportunity to join with my colleague from Delaware on this amendment. He has made the case with fairness and with a sense of compassion. I just want to mention a few additional facts.

The facts are, Mr. President, first, the needy people, the elderly people, pay four times as much of their income for energy as the average American household. With the increase in the decontrolled prices, the neediest people, primarily the elderly, pay out rising percentages of their fixed income in fuel.

Second, the group which conserves more in its use of energy in our total population happens to be the elderly and the poor. Thus, in the area of conservation they are doing more than any other group in our society while, at the same time, they are paying a higher percentage of their income, four times as much as the average American.

Because of rising energy costs, the poor have lost $6 billion in purchasing power just in 1980 alone.

We made a commitment to these people when the U.S. Senate accepted decontrol. We said the poor would not suffer.

And yet we see they have lost $6 billion in purchasing power in 1980. And we said that 25 percent of the windfall profits tax would go to meet those rising costs. That would be $5 billion this year.

However, today we are not arguing about providing $6 billion, or $5 billion—we are arguing about whether we should cut back on the funds they receive.

If the Budget Committee figure is adopted, it will mean $150 less to the average poor household at a time when energy costs are climbing every day.

This particular program, even if the Biden amendment is accepted, barely would move us back to $1.8 billion, so they remain well behind the rest of the population in their economic standing. Finally, I just make a special plea on behalf of the elderly. In my own State of Massachusetts, fuel bills have been up approximately 75 percent in the last year alone, from an average of $900 to an average of nearly $1,100. Surely, the elderly, who are least able to endure those fuel cost increases, deserve our help and assistance.

It is a matter of urgency to adopt this amendment, and I hope the Senate will accept it.

Mr. BIDEN. Mr. President, I ask unanimous consent that Senator RIEGLE be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I yield myself 3 minutes.

Mr. President, a lot of worthwhile programs are being reduced in funding because we have gotten to the point

where we can no longer permit the enormous growth in these programs.

They have continued to grow on an annual basis. I think we must defeat the amendment offered by the Senator from Delaware when we note the fact that these programs have increased in funding by over 720 percent—720 percent—since 1977.

The low-income energy program was expanded in fiscal year 1980 from about $200 million to $1.6 billion to help low-income people. The program has been handled in some respects as another welfare program with standardized cash payments to quite a large number of people.

The President's proposal will help assure that the States target the available money to people that have serious problems, instead of spreading it around to a great many people who are not in such great need.

The Federal Government now provides nearly all of the financial support for the program, even though assisting the needy, historically, has been and should be a shared Federal-State obligation.

Over the years, we have steadily reduced people to the status of dependency on the Federal Government to the extent that they now look to the Federal Government to do things historically they tended to look to their local communities to do.

It is my belief that reducing Federal funding will encourage the appropriate State involvement and responsibility.

The administration of this energy assistance program has, from the beginning, been mired in turmoil, controversy and inefficiency, which has prompted Congress to revise it every year of its existence. The program has been characterized by late payments, vast amounts of paperwork and benefit errors. It is expected that the President's proposal will streamline the program and remove any of these deficiencies. I urge my colleagues to reject the amendment by the Senator from Delaware.

Mr. BIDEN. Mr. President, will the manager of the bill on our side yield me 2 minutes?

Mr. HOLLINGS. I yield to the Senator from Delaware.

Mr. BIDEN. Mr. President, I am intrigued by the arguments of the Senator from Texas. I am also intrigued by the fact that it is made by a Senator from Texas.

I find it sort of interesting that in fiscal year 1980, this program, which the Senator said had just ballooned, was $1.6 billion and oil cost $12 a barrel. In fiscal year 1981, it was $1.85 billion and oil cost $24 a barrel. In fiscal year 1982, it is $1.45 billion and oil now cost $35 a barrel.

Now there is a lot of ballooning going on around here. But the balloon has gone up in Texas and Louisiana and all those board rooms, that is where the balloon has gone up.

All I ask is to allow this program to keep pace with oil prices. Let us just have those poor folks keep pace with those folks in the board rooms in Dallas and Shreveport and those other places. That is all.

I do not hear anybody talking about great waste, fraud, and abuse in this program. Let us just let it go up.

I would be willing to cut this program if oil companies would cut their oil profits and reduce their oil prices in direct proportion to the cuts in fuel assistance.

If it makes sense to spend $1.6 billion in 1980, then it sure makes as much sense to spend more on this program in 1981. The rationale which made sense in 1979 still makes sense today.

Mr. TOWER. I just want to note one or two things. I will not respond to everything the Senator from Delaware has said. He seems to have the impression that oil is produced in board rooms in Texas.

In fact, most of the oil in this country is produced by independents. For every independent oil operator that has gotten rich, there are probably a dozen who have gone broke. It is a very high risk industry.

As a matter of fact, it was some of our colleagues from the northern part of the United States that a few years ago were insisting that we raise the import quotas on Arab oil. They just could not get enough of that Arab oil at $1 a barrel and $1.50 a barrel.

Some of us stood here on the floor and said, "You better be careful about reducing yourself to a status of dependency on the Arab oil."

But, no, it was the very Senators who are pushing, or some of the very Senators who are pushing, this energy assistance program that insisted we raise the quotas, bring in cheap Arab oil, and reduce ourselves to the status of dependency on it.

So we stacked rigs in Texas because, at $3 a barrel, we could not compete. We stacked rigs, and in the process, we became steadily reduced to the status of dependency on external sources for oil. That is why OPEC can set the price.

So I think, historically, we better set the record straight on that.

LOW-INCOME ENERGY ASSISTANCE

Mr. EAGLETON. Mr. President, I rise in support of the amendment offered by Senator BIDEN to increase function 600 by $0.4 billion to add funds to the low-income energy assistance program.

The low-income energy assistance program was enacted by Congress as a necessary response to Government policy decontrolling the price of domestic crude oil, and thereby allowing the domestic price to rise up to the prevailing world price. Aware of the tremendous boon decontrol would and has meant to the domestic oil companies—estimated at $1 trillion over the decade—Congress imposed a tax on revenues directly attributable to that policy. To be phased out after 10 years, the windfall profit tax is expected to recoup $228 billion over this decade. That act specifically designated that 25 percent of the basic revenues be earmarked for assistance to the poor. Thus, the enactment of the Windfall Profit Tax Act last year constituted an explicit commitment on the part of Congress to assist in meeting the costs of essential home energy needs of low-income individuals and families.

Title III of the Windfall Profit Tax Act set forth the details of the Federal low-income energy assistance program (LIEAP), with an authorization level of $3.1 billion in fiscal year 1981.

Despite that authorization level, Congress appropriated only $1.85 billion for this year.

Now Senate Concurrent Resolution 9, as reported by the Senate Budget Committee, proposes to reduce that amount by 25 percent.

Indicative of the inadequacy of this year's program, a report recently published by the fuel oil marketing advisory committee of the Department of Energy indicated that over the 12-month period of 1980, low-income consumers have lost $6 billion in purchasing power, due solely to rising energy costs.

To be sure, all Americans are feeling the effects of decontrol and the OPEC price hikes; they are paying more for fuel, gasoline, and goods such as plastics and prescription drugs that are derived from petroleum. But the poor and the elderly on fixed incomes are particularly hard hit. Although their energy consumption is lower than average, their expenditures for fuel and utilities represent a considerably larger-than-average share of their income. Furthermore, low-income families and the elderly have little flexibility to adjust their budgets for higher fuel prices and remain able to pay for food, shelter, clothing, and other necessities. Keep in mind that while over the last 10 years there has been a 100-percent increase in the CPI, there has been a 1,600-percent increase in energy costs. That 15-plus multiple of energy costs over the cost of living index is ravaging those least able to meet higher costs.

The situation already is critical, and there are no indications it will abate. Indeed, there is every likelihood that its gravity will increase in light of the administration's announced intention of accelerated decontrol of natural gas, which is estimated to double the average family's gas bill immediately upon adoption.

If we do not adopt this amendment for the low-income energy assistance program, the elderly and the poor in this country will be forced to make cruel budgetary choices between heating and eating. That is a choice no American should have to make.●

● Mr. LEVIN. Mr. President, I join my colleague from Delaware in supporting funding for low-income fuel assistance.

We have been told that the budget will be equitable and will not hurt the truly needy. This program has the same goals and is therefore deserving of our support.

As oil prices increase because of oil decontrol, we must assure that our poorer citizens do not bear the brunt of these increases. There is evidence that our citizens have conserved energy as prices go up, but one can conserve only so much. We should fund this program that allows our citizens to pay their fuel bills.

This program is no frill, but a necessary expenditure. We may argue with various portions of the energy program, but I do not see how we can oppose a program that simply allows people to heat their homes. I think we can do more, but I do not see how we can do any less.●

● Mr. DURENBERGER. Mr. President, I rise today to support the amendment offered by Senator BIDEN, of Delaware. This amendment would restore $400 million to the budget authority of the Labor and Human Resources Committee for fiscal year 1982 and fiscal year 1983 on the understanding that these funds would be used for low-income energy assistance.

Mr. President, I have for the last several days generally supported the budget proposals made by the President and transmitted to the floor by the Budget Committee. In many cases I have had to cast difficult votes against funding a variety of programs which are now supported by Federal expenditures. In each case my vote was based on the strong belief that getting control of inflation by getting control of the Federal budget would be far more helpful to those benefiting from the program than a vote to restore the funds and send the deficit and inflation that much higher.

However, I have opposed the administration and the Budget Committee on a few votes. I have voted to restore funds. All of these votes have one factor in common. The issue which has caused me to part ways with my President and the colleagues of my party is energy policy. I voted to restore funds for the strategic petroleum reserve. I voted for the Chafee amendment that would have restored funds for weatherization. And now I will vote with Senator BIDEN to restore funds for the low income energy assistance program.

I do not agree with the energy policy announced by this President. I do not agree that it is appropriate to decontrol oil prices and at the same time recommend a reduction in energy assistance for those who do not have the income to afford the new high price. I cannot accept a policy that says all of our problems will be solved, if the Government simply steps out of the way and leaves energy issues to the marketplace. The energy marketplace is a cartel of 13 mostly unfriendly foreign nations. They have no concern for the impact of their prices on American jobs. They do not decrease prices when the shortfalls disappear and the glut returns. They do not concern themselves for the welfare of elderly Americans who have seen the cost of heating their homes skyrocket in the last few years.

Mr. President, the budget proposals which are included in this reconciliation resolution largely abdicate responsibility for energy policy. No funds to bring alcohol fuels and other renewables on line. No funds to weatherize the homes of the elderly and poor. No significant funding for the SPR to protect our security in a shortfall and substantially less funding for the low income energy assistance program, when the Government itself through the windfall profits tax will reap a $5.8 billion increase in revenues as a result of immediate rather than phased decontrol. Is it reasonable that we should take this $5 billion to balance the budget and claim victory over inflation while ignoring the impact of decontrol and further price increases on the American public?

Mr. President, as I say it is a policy that I cannot abide and have opposed in several votes in the last few days. I will continue to oppose this failure to answer the energy problems and challenges of the Nation so long as it is put forward by the President and reflected in the proposals that we consider in the Senate.●

Mr. HOLLINGS. Mr. President, I yield back our remaining time.

Has all the time been consumed on this particular debate?

Mr. TOWER. Mr. President, I yield back our time.

Mr. HOLLINGS. Mr. President, under the previous agreement, the distinguished Senator from Massachusetts will call up his amendment now.

Mr. President, we have ordered the yeas and nays on Senator BIDEN's amendment. Does the Senator from Massachusetts——

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Massachusetts.

Mr. BIDEN. Mr. President, have the yeas and nays been ordered on the amendment on the fuel assistance?

The PRESIDING OFFICER. They have not.

Mr. HOLLINGS. Mr. President, I make such a request.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 51

(Purpose: To eliminate the reconciliation instruction to the Judiciary Committee to restore funds for Juvenile Justice Delinquency Prevention)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 51.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2 beginning with "$52,144,000,000" in line 17 strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following "$52,028,000,000 and outlays by $36,410,000,000, in fiscal year 1982; and to reduce budget authority by $58,890,000,000, and outlays by $47,613,000,000."

On page 9, strike lines 4 through 12.

Mr. KENNEDY. Mr. President, this amendment restores $116 million for the juvenile justice program. I am pleased to introduce this amendment with Senator SPECTER of Pennsylvania, the chairman of the Juvenile Justice Subcommittee. Senator SPECTER has shown great leadership in the juvenile justice area and I look forward to working with him this year.

The administration has proposed that we completely eliminate the juvenile justice program—the only program in the Federal Government to deal with violent crime. I believe that one of the great concerns of all Americans across this country is the growth of violent crime in the streets of our Nation. One of the most important problems that we face in eradicating violent crime is dealing with juvenile delinquents.

Almost half of the serious crime that is committed in this country is committed by young people—people of 18 years of age or less. In 1979, 20 percent of the violent crimes—rape, murder, robbery—were committed by youths.

I think there are a number of critical elements in any crime package. First, there must be action to change the bail system in our country to take into account the threat to local communities posed by individuals who are arrested for violent crime.

Second, I believe that it is important to establish programs for youthful offenders. We should not permit age alone to let violent juvenile offenders escape just punishment in our society. It seems to me that it is extremely important that we, as a society—if we are seriously interested in trying to come to grips with the problems of violence in our society—should support a program that is targeted toward the juvenile offender.

Third, I believe that we must reform our sentencing system and provide sufficient resources for law enforcement.

Furthermore, I think we are going to have to pay our police officials an adequate pay in order to provide for their families. These men and women risk their lives daily to combat violent crime and they should be paid a decent wage. I also believe that there has to be progress made in handgun control, particularly in the area of controlling small, concealable, Saturday night specials. We must address the problem of violent crime while recognizing the protections afforded by our Constitution. I have outlined these elements of my crime package earlier this week.

The juvenile justice program has been developed over the last decade. Our former colleague, the Senator from Indiana, Senator Bayh, watched that program develop and grow over a period of years. We have made important progress in the development of a juvenile justice system in this country—a system which recognizes the difference between the status offenders and those involved in crimes of violence. That is an important distinction. With respect to status offenders, like truants and runaways, the answer is often deinstitutionalization. We have made significant progress toward this goal. With respect to juvenile offenders, we must seek new answers—like restitution and job training programs which treat juveniles fairly and humanely.

It is important to also recognize the serious drug abuse problem which afflicts young people in our society. I am proud

to say that my home State of Massachusetts has always been a pioneer in improving the juvenile justice system, and dealing with the serious problems faced by juvenile offenders.

It seems to me, Mr. President, that over the period of this year Congress will vote billions and billions of dollars for national security and national defense, and I intend to vote for a number of those programs, particularly to strengthen our conventional forces. But the greatest, immediate threat to the people who live in the urban areas is the danger of violent crime.

Crime is also an increasing problem for those who live in suburban and rural areas.

It seems to me that if we spend tens of billions of dollars on national security, we ought to be able to spend $100 million in the principal area which most affects the security of our citizens who live both in the urban areas and the suburban areas. That is, in the area of violent crime. We must improve our juvenile justice system.

Mr. President, I reserve the remainder of my time.

Mr. DOMENICI. Mr. President. I was not here when Senator KENNEDY offered his amendment. I do not want to take a great deal of time other than to say that the reconciliation instructions to the Committee on the Judiciary would require the committee to reduce funding for programs under its jurisdiction by about 2 percent. Out of fiscal year 1982 budget authority of about $5.5 billion, only $116 million would have to be cut. This reduction is equitable given the size of the savings other committees are being asked to achieve.

The "working assumption" used by the Budget Committee in arriving at the reconciliation instructions to the Committee on the Judiciary is not binding. The Judiciary Committee does not have to achieve the savings by eliminating juvenile justice and delinquency prevention programs or by changing any other particular programs. The committee may achieve the savings in any manner it sees fit.

In arriving at its recommended direct spending instructions to the Committee on Finance, the Budget Committee assumed $100 million less in savings through the consolidation of Federal social services into a block grant than the President had assumed. This "add-on" was made specifically to give the Finance Committee the flexibility to increase funding for social services above the level proposed by the President. If the Finance Committee endorses the block grant approach and authorizes juvenile justice programs as eligible activities under the block grant, each State can choose to use a portion of its block grant funds for juvenile justice and delinquency prevention programs.

Federal juvenile justice grants comprise less than 1 percent of total State and local government criminal justice expenditures of $25 billion. The loss of direct Federal support for juvenile justice and delinquency prevention programs would have a minimal impact on overall criminal justice expenditures at the State and local level.

Mr. SPECTER. Mr. President, I support the reinstatement of $100,000,000 for the Office of Juvenile Justice and Delinquency Prevention because it is directed at an important problem and it has been a successful program.

Last week in testimony before the Senate Judiciary Committee, Attorney General William French Smith stated that the program was a good one but was eliminated because hard choices had to be made.

Yesterday, April 1, 1981, the Juvenile Justice Subcommittee held hearings on the Office of Juvenile Justice and Delinquency Prevention. The overwhelming weight of the testimony supported the value of the program.

The administration officials, who appeared on behalf of the Justice Department, reiterated Attorney General Smith's view that the program had been a success.

None would deny the problem of violent crime in this country.

None would deny that juvenile crime is a major contributor to the problem of violent crime, both as juveniles commit crimes of violence as juveniles, and later when juveniles graduate into adult status to commit repetitive crimes of violence.

This program is a modest start on a Federal offensive against violent crime.

At the hearing, Justice Department officials conceded that this program was superior to others which are to be retained.

All factors considered, I submit this program should be retained at the level of $100,000,000.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, as I understand it, there is no rebuttal at this particular time. They are willing to yield back the remainder of their time.

The PRESIDING OFFICER. The Chair will advise the Senator from South Carolina that the yeas and nays have not been ordered on the amendment of the Senator from Massachusetts.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, can the Senator give me the assurance of having 5 minutes on the resolution? If so, I am willing to yield back the remainder of my time.

Mr. HOLLINGS. That will be fine.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of the time in opposition.

The PRESIDING OFFICER. All time has been yielded back.

Mr. HOLLINGS. The next amendment, Mr. President, will be offered by the distinguished Senator from Florida.

Would the distinguished Senator from Massachusetts want to proceed on another amendment?

Mr. KENNEDY. I will be glad to make a brief comment on vocational education, but I think it would be better if the Senator from Florida proceeded before me. I will then join him in making a comment on vocational education. It would be wiser, I think, to hold until he is here to proceed with his amendment.

UP AMENDMENT NO. 52

(Purpose: To restore funding for vocational education)

Mr. CHILES. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES), for himself, Mr. PELL, Mr. NUNN, Mr. KENNEDY, and Mr. CRANSTON proposes an unprinted amendment numbered 52.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning with "by" in line 14, strike out through "1983" in line 20, and insert in lieu thereof the following: "by $14,567,000,000, and outlays by $2,343,000,000, in fiscal year 1981; to reduce budget authority by $52,725,000,000, and outlays by $36,865,000,000 in fiscal year 1982; and to reduce budget authority by $59,128,000,000, and outlays by $47,594,000,000 in fiscal year 1983."

On page 2, line 24, strike out "$13,300,000,000" through "$1,800,000,000" on line 1, page 3, and insert in lieu thereof the following: "$13,200,000,000 in budget authority and $1,490,000,000 in outlays for fiscal year 1981; by $3,130,000,000 in outlays for fiscal year 1982; and $1,780,000,000."

On page 10, beginning with "$2,388,000,000" in line 5, strike out through "$10,913,000,000" in line 9 and insert in thereof the following: "$2,288,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1981; $10,203,000,000 in budget authority and $7,818,000,000 in outlays for fiscal year 1982; and $12,263,000,000 in budget authority and $10,813,000,000".

Mr. CHILES. Mr. President, I am pleased to offer this amendment on behalf of myself and Senators PELL and NUNN.

This amendment restores $100 million of budget authority, about half the proposed cut in vocational education, for fiscal years 1981, 1982, and 1983. The fiscal year 1981 money goes to the Appropriations Committee since there is a proposed rescission. The 1982 and 1983 funds go to Labor and Human Resources.

Mr. President, while this is a small sum of money, it is an important one. We all recognize that youth unemployment, particularly for the disadvantaged and minorities, is a major national problem. We clearly need better Federal, State, and local programs to deal with it. But I think we have to recognize that our existing vocational education system is a valuable resource to draw upon in that effort.

I recognize that in many places vocational education programs have been criticized for not serving the disadvantaged adequately. However, rather than scrapping a basically sound system, I think we must look for ways to improve it and eliminate its defects. Fortunately, even the current authorizing statute gives us a workable approach. In addition to the basic grants (subpart 2), there is a separate authorization for program improvement (subpart 3). That is not a Federal discretionary program. It is a formula program administered by

the State education agencies. Over the last few years, we on the Senate Appropriations Committee have tried to reorient more vocational education funding into program improvement.

One of my disappointments with the new administration's budget proposals for education was that they took 25 percent cuts across the board, with no distinction between successful programs and others. While I hope the Human Resources Committee will take a deeper look at these programs when it takes up the vocational education reauthorization next year, I do think there are two major areas where we can move ahead on program improvement.

The first is directing more services to the disadvantaged and handicapped, which I mentioned before.

The other area is keeping vocational education programs up with new technologies. If we are going to make a major effort to revitalize our economy, we must invest in higher technology equipment. That also means we have to train our workers to use that equipment and to perform in new kinds of production processes. To do so on a large scale will require upgrading and updating many of our vocational education programs.

To make the job skills taught in vocational education most useful, we need to draw on local businessmen the way we have used the private industry councils (PIC's) in CETA.

Mr. President, let me briefly describe one innovative vocational education program that was worked out with the electronics industry and the local "PIC" in Broward County, Fla.:

The PIC worked with the electronics industry to set up an upgrading program. They took experienced workers from dead-end assembly jobs and gave them 10 months of training to become technicians. CETA paid for the training and was also able to "backfill" placements into low-skill jobs. The training was provided by two proprietary schools and the county vocational education program. The electronics people tell me that vocational education did the best job at the lowest cost. Of the 60 people trained as technicians, 55 were women, and the majority black. An assembler makes $175/week; technicians start at $275 and go up to $400 per week. So the training allowed these people to double their salaries, by moving them up to high technology jobs.

Mr. President, this is just one example. We are talking about ways that we can get this country moving again, we are talking about ways that we can cut programs that have not been successful. I am talking about a training program that has been successful, that is a way to create the kind of training skills we need for jobs. This is not only for young people who have not been in the workforce, but is also an attempt to retrain people who need to be retrained for additional skills so they can go forward.

Mr. President, I certainly hope this amendment will be accepted by the Senate.

Mr. KENNEDY. Will the Senator yield 2 minutes?

Mr. CHILES. I yield.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be added as a cosponsor to this amendment.

Mr. CHILES. Mr. President, I thank the Senator. I would like to ask that he be a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, the Senator from Florida has made the case well. I think vocational education is a program that has been with us for many years, really since just about the end of the First World War. My own State of Massachusetts has been committed to vocational education for years. Even during the times of the highest unemployment, vocational education schools in the heart of our industrial areas have insured that 90 to 95 percent of our young people have obtained jobs upon graduation.

Three million young Americans involved in vocational education will be cut out of this program under the administration's request. Many of these students will be returned to the program if the amendment of the Senator from Florida is accepted.

Finally, Mr. President, over the years there have been problems with this program. But we dealt with these problems at that time, and now the program is sound. I echo the sentiments of the Senator from Florida. If we are really talking about economic recovery, we are talking about giving young people the kinds of skills that will help them be full participants in that recovery. This type of endeavor provides those skills.

It has been a successful program in the past under any measurement. I join the Senator from Florida in urging that the Senate accept it.

Mr. ROBERT C. BYRD. Mr. President, I support the amendment which is being offered by the distinguished Senator from Florida, Mr. CHILES. This amendment would restore $100 million in budget authority for vocational education in each of the 3 fiscal years, 1981, 1982, and 1983.

While the bulk of support for vocational education programs is carried by the States, the Federal commitment serves as a stimulus for State participation and helps meet costs in the programs which the States otherwise would not be able to carry alone.

One need only look at the vocational education program in West Virginia and at the tremendous forward strides which it has made in the last 10 years to recognize the value of Federal support for vocational education. Enrollments in vocational education have risen from 56,513 in 1970, to 119,927 in 1979, an increase of 112 percent. In 1979, over 90 percent of students completing secondary vocational education programs found employment, and over 95 percent of adult students found jobs. In 1970, there were only 38 area vocational-technical centers. At the present time, there are 94 such facilities.

I have no doubt that Federal support for vocational education has provided the impetus for growth which vocational education has enjoyed in my State.

The cuts in Federal funding for vocational education which the Budget Committee is recommending would result in a reduction in the scope and quality of vocational education. States would not be able to continue serving special populations, that is, the handicapped and the disadvantaged; they would not be able to purchase costly equipment and supplies; they would not be able to modernize vocational education programs to keep pace with changing technologies. In other words, they would not be able to maintain the programs at a level consistent with demand and the requirements of the job market.

The major reason that people enroll in vocational education is to learn a skill that will earn them a living, and the main ingredient in every program is job training. In today's increasingly mechanized and technological society, good job skills are necessary to increased productivity and economic growth.

We are all aware of the fiscal pressures which our Nation is facing. Vocational education, like every other Federal program, must reexamine how it is using its resources and work to eliminate costly duplication. But now is not the time to reduce funding for this program to a level where it will be unable to provide a necessary and important service. The Budget Committee recommendation would reduce funding for vocational education to that level.

One of the most important kinds of assistance that we can give to people who are out of work and who are suffering economic hardship is the opportunity to learn a skill that will get them a job. Vocational education provides that assistance.

I urge my colleagues to support this amendment.

Mr. DOMENICI. Mr. President, I ask the minority leader, I was not here when we backed these votes up. Is it correct that we shall vote on the Kennedy amendment and the Chiles amendment?

Mr. HOLLINGS. Mr. President, we shall vote first on Biden, which is 15 minutes; then 10-minute votes on Kennedy and Chiles.

Mr. DOMENICI. Is that the extent of the amendments that we have?

Mr. HOLLINGS. It is right now. There might be a couple of colloquies. The distinguished minority leader has a statement and I shall yield on the resolution there.

The Senator from Michigan (Mr. LEVIN) might have a colloquy. We shall check with him. Then we shall be ready for passage.

Mr. DOMENICI. Mr. President, with reference to the Chiles amendment, the Federal expenditures on vocational education represent only 10 percent of the national funding for vocational education. Consequently, a reduction in Federal support certainly will not have a direct effect in proportion to the amount cut. Educational programs that the National Government supports represent about 2 percent of all the national expenditures on education.

I should also like the Senate to know that State and local support for vocational education is strong. While Federal expenditures for vocational education increased by 18 percent from 1972 through 1979, State and local expenditures increased by 170 percent over the same period. This suggests that States and localities may make up a portion of

the reduction in Federal expenditures for vocational education.

Also, it appears to me that we will have to find a better way to relate the CETA vocational training programs to vocational education that is being carried on in our schools. We have about $4.7 billion in CETA, even if the President's cuts are accomplished, and most of that is for youth job training.

I hope we will defeat the Chiles amendment and insist that the committees do a better job of relating CETA-type training moneys to our public schools and to institutions of vocational training. If that began to work, the cut that is proposed in vocational education would certainly go almost unnoticed.

I want the Senator from Florida to know that I share his genuine concern about vocational education. In fact, I believe that, over the years, we could have done a lot less in some of the other areas and have done much more in vocational education; but the truth of the matter is that we are here today because we have been trying to do everything. As a consequence, we must begin to retrench, and vocational education will take its share of the cuts.

So I hope the Senate will not agree to the Chiles amendment and that we will rely on the committees to use innovative ways to make sure that we do a better job with the educational funds which remain in the budget, which remain in CETA training-type programs. I believe that if we use our States more, that will occur. If we use our school districts more, with less rigidity, that will actually take place.

Mr. President, I yield back the remainder of my time on the Chiles amendment and any other amendments on which I have remaining time.

● Mr. PELL. Mr. President, in this period of economic uncertainty, we should not cut a program that provides education and training for jobs. This is what vocational education does.

Vocational education funds are directed to the States to provide both young people and adults with job-related education and training. These funds assist both secondary education and higher education. They provide a wide array of programs—from preparation of entry-level workers to retraining of workers—both those forced out of jobs and those seeking advancement—to training of adults who because of necessity must enter the workplace.

Vocational education is the fastest growing area of education. Some 18 million people are currently enrolled in vocational education programs.

The Reagan administration would—

Cut vocational education by 25 percent in fiscal year 1981, and 20 percent for fiscal year 1982;

Current funding is $779 million, but President Reagan would cut this to $584 million in fiscal year 1981 and to $623 million in fiscal year 1982;

Under the Reagan proposals, enrollment in vocational education would drop from 18 million to 15 million people, a cut of more than 16 percent, and

Programs in almost every area and every State would be eliminated—from entry-level training programs to retraining programs to cooperative with private industry.

The Budget Committee accepted the Reagan proposals without modification.

The Chiles amendment recognizes this is a period of budget stringency, but also recognizes the importance of this program.

The Chiles amendment would save education and training programs to serve 17.4 million people.

To cut this program so drastically does not make any sense. That is why I support the Chiles amendment, and I urge my colleagues to do the same.●

Mr. HOLLINGS. Does the Senator from Florida yield back the remainder of his time?

Mr. CHILES. Yes.

UP AMENDMENT NO. 51, AS MODIFIED

Mr. KENNEDY. Mr. President, I ask unanimous consent to modify my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modified amendment follows:

On page 2 beginning with "$52,144,000" in line 17 strike out through "$47,694,000,000" in line 20 and insert in lieu thereof the following: "$52,609,000,000 and outlays by $36,-932,000,000, in fiscal year 1982; and to reduce budget authority by $59,095,000,000, and outlays by $47,613,000,000."

On page 9, strike lines 4 through 12.

The PRESIDING OFFICER. Do Senators yield back their time on the amendments?

Mr. HOLLINGS. Mr. President, the time is yielded back, as I understand, on the three amendments.

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order that I send a technical amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 53

(Purpose: Technical amendment to strike "Select" from name of Small Business Committee)

Mr. DOMENICI. Mr. President, I send a technical amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 53.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 12, strike the word "'Select".

Mr. DOMENICI. Mr. President, when we drew this resolution the name of the Small Business Committee was the Select Committee on Small Business. Its name has been changed. This amendment will merely modify the resolution to include its present appropriate name.

I ask that the amendment be adopted.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, on the technical amendment I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 53) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 54

(Purpose: Technical amendment to conform sense of Senate language to reconciliation instructions)

Mr. DOMENICI. Mr. President, I ask unanimous consent that it be in order to send a technical amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes unprinted amendment numbered 54:

On page 21, line 25, between "9" and "of" insert "(c)".

Mr. DOMENICI. Mr. President, this amendment corrects an erroneous date in the sense of the Senate resolution. The Appropriations Committee was instructed in the concurrent resolution to return their rescissions by June 5. We erroneously included a May 31 date for them also when it should have been June 5.

This will merely clarify that.

I yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, I yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 54) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, on two previous occasions during the consideration of this measure I have made some brief remarks expressing my concern about this particular manner of achieving the President's program for economic recovery, so I will not take much time now. Before voting on final passage, however, I wanted to briefly reiterate my concerns.

I support the President's program for economic recovery. I join him in the belief that the growth of Federal spending must be slowed, and the deficit reduced, so that the pernicious inflation and paralyzing interest rates that have afflicted us can be eliminated. I do not, however, support this particular method of achieving those goals.

As I have said before, I believe this

resolution totally ignores the single biggest source of Federal spending—defense. Rather than casting a critical eye at the trillion-dollar-plus increase in defense spending planned for the next 5 years, this resolution is blind to the almost certain inflationary effects of that level of spending. Uncritical acceptance of these huge sums invites higher prices and poor workmanship.

Further, this resolution does not do enough to address entitlements and the other so-called uncontrollable aspects of the Federal budget. If the 5-year plan begun by this resolution is carried out to fruition, the net result will be less control over the Federal budget, not more, for the amount of the budget spent for national defense and the "safety net" will increase, while the amount for discretionary programs decreases. The Appropriations Committee overview hearings on the economy and the budget, which are on every Senator's desk, explain at length the perils of losing control over the budget in this way. This Congress will lose its flexibility in fiscal policy, and increasingly shirk its constitutional control over the purse strings.

And, Mr. President, as I think I have made quite clear over the past few days, I believe this resolution, in directing authorizing committees to make reductions in program authorization levels in order to achieve certain specified savings in fiscal year 1981, fiscal year 1982, and fiscal year 1983, has gone beyond the bounds of the Budget Act and has intruded upon the proper jurisdiction of the authorizing and appropriations committees. This I believe does violence to the Budget Act itself and to the comity of the Senate. But I have raised this point before and it does not seem to be a concern shared by a majority of my colleagues.

I think there is growing doubt, however, about what we are doing with this resolution. The numerous amendments on which we have been voting for the past few days indicate to me that Senators are struggling against the straitjacket we have put ourselves in by attempting to make all the budget cuts the President wants from the already very narrow base of discretionary funds. I do not believe the President called for the total excission of discretionary programs, or for holding defense spending safe from the scrutiny we have applied to other programs. I want to repeat and emphasize, Mr. President, that I support President Reagan in his efforts to control Federal spending, curb inflation, bring down interest rates, and revitalize our economy. I simply do not think this resolution is the best way to achieve those goals.

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Mississippi, from the time on the resolution.

Mr. STENNIS. I thank the Senator very much. I shall not detain the Senate long.

Mr. President, as I view the work that the Senate has done here since we convened and the work that has been done in preparation for this debate, the caucuses that have been held, it is amazing. Taken as a whole, it exceeds anything that has happened since I have been here.

I want to use these few minutes to refer to some of the facts and express appreciation and give credit particularly to our leaders in the passage of this resolution, which is a certainty. It is going to be a first step in leading to a sounder financial structure for our great Nation.

The committees that worked on this budget resolution and those participating in the caucuses and the debates have all worked at a high and constructive level. It is one of the best experiences that I have had here as a Member of the Senate, and it really gives me cause for continued faith in our system and in the high purposes that I believe prompt every Member to do what he or she can in meeting the economic problems we face.

These problems have gradually developed over the years. There have been some efforts before to change the course of the economy for the better, to keep interest rates lower and to reduce the excessively high rates of inflation. The efforts have helped some, but they have not been enough.

This problem was passed on throughout the 50 States in the recent elections in which the economy was certainly the principal issue. President Reagan and his helpers have been able to put together a package of changes, including reductions in expenditures directed toward reducing inflation and attendant problems, including high interest rates. I commend the President for his political courage and strong purposes. He has offered this plan as a major start in an effort to meet the problems. I am happy that I can say that I believe every Member of the Senate has given it his or her serious attention and has fully joined in the spirit of the effort. I think that, to a degree, all have made some contribution. I know that I have tried, but I was not willing to give every item an outright approval until I had actually examined the items. This is my constitutional duty, including making a judgment thereon. I have voted for some change but none that would change the fundamental course or structure of the plan. I withheld approval of some amendments that had merit, but my judgment has been that we could not do it all at once in one step, or even in 1 year. Some of those proposals should be adopted in subsequent bills.

Summed up in another way, I believe that many of us have concluded that even though we do not get the exact bill we want, if we do not take advantage of the present situation and correct our budget and excessive inflation, there may not be another similar chance to make effective and necessary changes in many years. In fact, it just could be that if we do not meet the situation and change our course now, there would not be another chance unless generated by a drastic upheaval of some kind. I do not mean by that the overthrow of our system or anything like that. I am thinking in terms of a really deep depression, with which I am familiar, which takes away almost everything.

I believe we have gone as far as we can for this step, and when the major parts of this program are enacted into law, there will be much more to be done on the same course for next year and even the next, because I think it will take at least two or more years to rectify our situation.

I commend every member of the Budget Committee for the many hours of dedicated work, ably led by the Senator from New Mexico (Mr. DOMENICI) and the Senator from South Carolina (Mr. HOLLINGS).

Also, I highly commend the four members of our Senate floor leadership for the splendid job they have done—the majority leader, the Senator from Tennessee (Mr. BAKER); the assistant majority leader, the Senator from Alaska (Mr. STEVENS); the minority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), the assistant minority leader, the Senator from California (Mr. CRANSTON). All of us, and the country, owe them a debt of gratitude.

It was my privilege to attend virtually every minute—except one afternoon when I missed about 30 minutes—of a number of caucuses we had in the minority party under the leadership of Senators ROBERT C. BYRD, CRANSTON, HOLLINGS, and others. Their leadership was superb. The atmosphere of the meetings and the effort of the Members was of a constructive nature and represented a very earnest desire on the part of the membership to help seek sound policies to strengthen and benefit our economy and the financial affairs of our country. The Senator from West Virginia (Mr. ROBERT C. BYRD) showed execellent leadership in the timely planning and personally presiding over these caucuses.

In the midst of our debate, President Reagan was attacked and suffered a pistol wound that carried the possibilities of the gravest consequences. There was grief, but no panic. After a short while, the news was better, and debate was resumed in an orderly way and on schedule.

I have witnessed many critical events here. This far-reaching legislation, coupled at the same time with the attempted assassination of a popular President, was all taken in stride.

The Government moved forward evenly, smoothly, and meaningfully. Indeed, it proved again the greatness of our system and affords a basis for continued hope and faith in our system and in our future.

Mr. President, I thank the Chair. I ran overtime.

Mr. HOLLINGS. That is all right.

I thank the distinguished Senator from Mississippi.

Mr. President, to the Senator from Virginia I yield such time as necessary on the resolution.

Mr. HARRY F. BYRD, JR. Mr. President, tonight the Senate will complete the first round in what is bound to be a long, hard fight for fiscal responsibility.

Passage of the reconciliation resolution will be a victory for the hard-pressed American taxpayer.

Much of the credit for this first victory must go to President Reagan, who showed great courage in submitting a budget calling for even-handed sacrifice to get control of Federal spending and combat double-digit inflation.

Credit, too, must go to the Senate Budget Committee, under the able leadership of the distinguished Senator from New Mexico (Mr. DOMENICI), and the

distinguished Senator from South Carolina (Mr. HOLLINGS). The committee sent to the floor a sound resolution and has defended it ably during 7 days of debate on the floor of the Senate.

The savings required to be made by committees under this legislation, if it is approved by the House at the same aggregate total, will amount to $36 billion in fiscal 1982. That is highly significant.

Without this action, the Government's deficit could be at least $80 billion. That would be an economic catastrophe.

The bill now is clearly in the court of the House of Representatives. I hope that the House will act promptly to approve a measure at least as stringent as the one being passed tonight by the Senate.

Frankly, I believe the Senate could have cut more deeply than it did. There still will be a sizable deficit.

I voted in favor of the amendments of the distinguished Senator from Wisconsin (Mr. PROXMIRE), to cut an additional $2 billion from total appropriations and an additional $665 million in budget authority for 1982 from the Export-Import Bank, plus additional amounts in 1981 and 1983. I also supported the distinguished Senator from Arizona (Mr. DECONCINI), in his effort to reduce waste, fraud, and abuse, by an additional $3.2 billion in 1982, plus an additional $400 million in 1983. All these amendments were rejected.

These amendments would have cut appropriations for 1982 alone by more than $5.8 billion, with resulting spending cuts over several years. I believe they should have been approved.

Nevertheless, in my view, the Senate has done a commendable job. I salute the President of the United States and the Budget Committee for their leadership.

Mr. METZENBAUM. Mr. President, 2 weeks ago, my vote in the Budget Committee enabled the chairman to bring this resolution to the floor with a unanimous 20-to-0 vote.

As I stated in committee and as I shall continue to state, I am in total agreement with President Reagan's two-pronged objective of reducing Federal spending and balancing the budget.

The thrust of the President's concerns are my concerns. I cast an affirmative vote in committee as a signal that I am in accord with the President's objectives—but that I also felt the Budget Committee's report could and should be improved by changes on the floor.

I knew it would not be realistic to expect that we could make all the changes that we felt were needed. But I also felt that there were distinct possibilities that we could make some basic improvements after Senate debate.

My concerns with the budget package can be simply expressed:

It it unfair.

It is inequitable.

Despite the administration's rhetoric about a social "safety net," the realities are otherwise:

It will hurt the elderly.

It will hurt the poor.

It will hurt working, middle-income families.

It will hurt veterans.

It will hurt children.

It will hurt college students.

It will hurt minorities.

It will further hurt the unemployed.

And it will hurt our already devastated cities in the Northeast and Midwest.

But I must compliment my colleagues on the majority side. They have done a masterful political job of "keeping the troops in line." They have been able to defeat overwhelmingly any constructive amendment offered by the minority.

Any hope for a reasoned and reasonable approach to correcting some of the defects in this resolution disappeared 2 days ago.

At that time, my distinguished colleague from Rhode Island (Mr. CHAFEE) offered an amendment that would have restored at least a small amount of money for needed programs in education, low-income energy assistance, health services, UDAG, and mass transit.

The Chafee amendment was cosponsored by a bipartisan group of our colleagues. The Chafee amendment would not have "busted the budget." In fact, if it had been adopted, the budget would still have reduced fiscal year 1982 spending by $1.4 billion more than President Reagan recommended.

The Chafee amendment would have at least sent a message to the American people that this Senate does care.

But this Senate turned down the Chafee amendment and we lost the chance to display even a tiny degree of sensitivity. That vote said to the American people that this Senate really only cares about the politics of the situation.

There is no doubt that the majority will easily win this vote today.

But the losers will be the American people.

It is tempting to jump on the bandwagon. It is always easier to go with the tide.

But I cannot, in good conscience, cast my vote for these budget cuts that will harm millions of Americans who need our help.

I want to reduce Federal spending. I want to cut out waste and inefficiency throughout the Government. And I, too, want to balance the budget.

But I must cast my vote against this resolution because of the unfair and inequitable manner in which it has evolved in its final shape.

I fervently hope that the House will more accurately reflect the concerns of the American people and that I shall be able to support the eventual report of the conference committee.

BUMPERS AMENDMENT

● Mr. LEVIN. Mr. President, I rise in support of Senator BUMPERS' amendment to restore funding for the childhood immunization program in fiscal year 1982. The administration has proposed that the immunization program be included in a preventive health care block grant to the States and be funded at 75 percent of its fiscal year 1981 level. As Senator BUMPERS has indicated, there is no logical reason why we should cut funding for this program which so clearly saves us Federal health care dollars in the long run.

I want to take this opportunity to briefly depart from a discussion about this program, however, to talk about the President's block grant proposals in the area of health. Nothing in the reconciliation instructions binds any authorizing committee to acceptance of the President's block grant proposals, but the Senate Labor and Human Resources Committee has indicated that it looks "favorably" upon consolidation of categorical health programs and there is cause for concern as a result.

There are two major health block grant proposals contained in the President's budget. In both cases, the President recommends a 25-percent decrease in funding from fiscal year 1981, based upon the expectation that consolidation of categorical health programs will result in significant administrative savings. In the February 18 budget message to the Congress, the administration states:

> It is anticipated that these reduced funding levels will be offset at least in part by increased flexibility given to the States; the block grants will also result in a dramatic reduction in Federal administrative overhead.

And again, in its March 10 revised budget the administration states:

> Because the new block grant legislation would allow significant savings in program overhead and more efficient service delivery due to the elimination of overlapping service responsibilities, this funding change need not result in a reduction of services.

My concerns about the drastic cuts in funding proposed in the consolidation of health care programs and in categorical programs in other areas of the budget, prompted me to send a letter to the Office of Management and Budget nearly 2 weeks ago requesting the figures which were used to make the determination that a 25-percent reduction in funding would be offset by savings in administrative costs. To date, I have received no response and I must admit that I am rather dubious about the availability of such figures.

After questions were raised about administrative costs and duplication of services in the categorical education program, the General Accounting Office undertook a study of the regulations, requirements, and services provided to students in 11 Federal education programs. The GAO focused on their implementation in six States—California, Georgia, Massachusetts, Michigan, Missouri, and Ohio, and determined that duplication of services in these programs is minimal. With regard to administrative costs, the GAO stated:

> Although State and local education officials claim that numerous Federal programs significantly increase administrative costs, they could not readily identify specific examples of such additional costs.
>
> Consolidation does not appear to be needed to deal with duplicate services to students, and despite support from some officials, its potential for reducing administrative costs is unknown.

Mr. President, I have always believed that the States should have greater flexibility and responsibility in determining how Federal dollars are spent because I feel that the States are sometimes in a better position to know what the needs of its population are. Last year, I sup-

ported an amendment offered by Senator Bellmon to the child nutrition reauthorization bill to consolidate categorical nutrition programs—on a pilot project basis—for that very reason.

The Bellmon block grant amendment would not have reduced funding for nutrition programs. It simply offered an option for up to six States to consolidate their programs on an experimental basis. This approach is to be contrasted with the Reagan administration's proposals to consolidate categorical programs and then drastically reduce Federal funds for them.

In light of the unavailability of reliable figures which set forth the percentage of administrative savings which would result from consolidation, I am concerned that the administration's emphasis on block grants may simply be a facade for making substantial cuts in important health care programs.●

Mr. MOYNIHAN. Mr. President, it is with deep reservations that I cast my vote for final passage of Senate Concurrent Resolution 9.

As I have repeatedly said, we must cut Federal spending so as to reduce the Federal deficit, curb the inflation rate, restore economic productivity, create the opportunity for a needed tax cut and shrink the portion of our gross national product that is consumed by the national government.

But there are cuts and there are cuts, and those embodied in this resolution are more painful, less equitable and more damaging to groups and regions that cannot easily withstand them than was necessary.

I did my utmost within the Budget Committee to shape a package of "reconciliation" instructions that would achieve the necessary savings with minimal pain to those least able to bear it. In several instances my view prevailed. But in most cases, it was rejected by a majority of the Committee on the Budget—on which committee, I am obliged to note, I am the only Northeastern Senator.

In reluctantly voting to "report out" the resolution to the full Senate, I resolved to strive to correct these shortcomings when the resolution was considered on the floor.

And so I did. But time after time during the past week, the amendments I proposed and the amendments I supported failed to carry a majority of the Senate. In most instances, they were defeated by margins of 2 or 3 or 4 to 1. This notwithstanding truly extraordinary effort by those, both in and out of the Senate, who shared my view.

We proposed. We argued. We struggled. We fought. Not to reject the principle of budget reductions or the reconciliation process, itself a painful but demonstrably effective mechanism for bringing Federal spending under control. Rather, our efforts were directed to preserving the budgetary leeway for such essential Federal concerns as aid to elementary, secondary and college students, health care for the ill, jobs for the unemployed, dignity for veterans, security for the elderly, economic development for our communities and efficient and economical mass transit for our urban areas.

We tried, as well, to narrow the budgetary leeway that now permits dozens of tax loopholes, such as the celebrated "butterfly straddle," for those not in need. This one loophole alone costs taxpayers $1.3 billion per year. We tried, also, to gain agreement to the principal of "equal sacrifice," under which no State would be expected to bear more of the spending cuts than its share of the Nation"s population.

We were beaten. And the resolution that we now pass reflects very few changes from the resolution proposed by the Budget Committee.

Fortunately, the House of Representatives must still act. And, also fortunately the resolution itself merely specifies the aggregate savings that each substantive committee must produce within the array of programs and activities under its jurisdiction. It is my fervent hope that in the course of achieving such savings, those committees will depart from the programmatic expectations that are built into—but not required by—the reconciliation resolution.

Almost every committee retains considerable flexibility in formulating specific legislation intended to reduce Federal outlays. I shall do my best in the committees on which I serve to see that full use is made of this flexibility to produce legislation that moderates and equalizes the consequences of its reductions. I trust that many of my colleagues will do the same.

Mr. KENNEDY. Mr. President, we are coming very close to the final vote on the resolution. I should like to take just a few minutes to indicate to the people of my State and also to the Senate my position on the budget resolution.

I believe the Senate could have shaped this budget in a way that meets the Nation's basic economic goals—and that does not fail the fundamental test of fairness for the 200 million Americans we are sworn to represent. But this is not such a budget.

I believe the Senate could have shaped this budget in a way that achieves the total spending cuts that President Reagan wants—and that does not impose unjust sacrifice on the Northeast States or any other region of this Union. But this is not such a budget.

I believe the Senate could have shaped this budget in a way that helps to reduce the intolerable burden of inflation—and that does not seek that goal at the expense of the young, the veteran, the poor, the sick, the elderly, the cities, and all the other people in our society who look to us for help when times are hard. But this is not such a budget.

I cannot support the passage of the budget now before us. It is a budget that makes no sense in economic terms or in human terms.

Again and again, in the long and depressing days of this debate, I have sought with many of my Democratic colleagues to eliminate the clearest inequities of this budget and blunt its hardest edges.

The small successes we had at the early stages offer scant solace now. Our efforts on the Labor Committee won modest increases in five vital areas—education, the handicapped, legal services, fuel assistance, and preventive health. But only a third of those increases survived the Budget Committee. And all our efforts on the Senate floor have been in vain.

An ideological juggernaut has rolled relentlessly through the Senate. In its wake, if its work is allowed to stand, will be the ruined lives and shattered hopes of millions in our society. The cold and dry statistics in the budget resolution do not begin to tell the real story of this budget. The real story is told in human terms:

The young children who will suffer from inadequate nutrition programs in their schools;

The students who will lose the dream of a college education;

The elderly on social security who will lose the retirement benefits they worked for and paid for under a solemn contract with their government;

The veterans of World War II and Korea and Vietnam, who served their country well in war but who now will lose the health care they deserve;

The citizens in colder regions of the Nation, who will face a cruel choice between food and heat when winter comes again; and

The families at the edge of poverty who will bear the cruelest brunt of the unacceptable action we are asked to take today, and for whom the promise of a safety net is little more than a calculated hoax.

We are told, and it is surely correct that we cannot solve our Nation's problems by simply throwing money at them. But it is also true that we cannot solve our problems by throwing the wrong budget cuts at them—and certainly not by indiscriminate cuts that seek to roll back the bipartisan social progress of a generation.

The first skirmish in the battle of the budget is over. But the debates of recent days are only the beginning of a battle for social and economic justice that will last throughout the present Congress. We have not been successful at the outset. But we shall come back to these concerns again and again in the months and years ahead. We shall speak out in every way we can. And we shall never sound retreat.

Mr. President, in conclusion I want to commend my colleagues who have worked so hard and provided such effective leadership in this debate. We may not have prevailed on our amendments—but Senator BYRD, Senator CRANSTON, and Senator INOUYE deserve great credit for their skillful leadership both on the Senate floor and in our caucuses.

And I also commend Senator BRADLEY, the leader of our economic task force, and Senator HOLLINGS, the ranking member of our party on the Budget Committee, for their tireless and outstanding efforts throughout the long days and nights of this debate.

Finally, I commend all my Democratic colleagues on the Labor Committee for their cooperation and their productive contributions to the many issues we raised together in our committee and on the floor.

Mr. President, I yield the floor.

NATIONAL SCIENCE FOUNDATION—EAGLETON AMENDMENT

● Mr. LEVIN. Mr. President, I support the Eagleton amendment to restore funding to the National Science Foundation (NSF) for basic social science research.

As a nation, we cannot afford to reduce our commitment to basic research. We all know that basic research in chemistry, biology, and physics have led to technology improvements and greater economic productivity. Basic social science research serves a similar function for governmental policymakers. Research into the behavior of individuals as economic and social beings have allowed us to gage in a more accurate fashion whether the policies we adopt will actually accomplish their goal.

We are a strong Nation. That strength stems partly from our commitment to basic research. The meager resources we commit to basic research have proven beneficial to all of society. And that is why government must continue its support of basic research. The knowledge that is the result of basic research activities is often just too generalized for the private sector or market economy to support.

I submit for the RECORD portions of a brief paper written by F. Thomas Juster, director of the Institute for Social Research at the University of Michigan. The paper is entitled "Basic Research, Productivity and the Federal Budget."

The paper is as follows:

BASIC RESEARCH, PRODUCTIVITY AND THE FEDERAL BUDGET

(By F. Thomas Juster*)

INTRODUCTION

The beginning of the 1980s finds the U.S. beset with a number of serious economic and social problems: a lagging growth rate of productivity; a stubbornly intractable inflation rate; a public sector deemed to be too large (by many) and ineffective in achieving its objectives at reasonable cost (by more); a distant but clearly foreseeable worsening of dependency, which will start to happen when the baby boom cohorts reach retirement age, coupled with a system for dependency support which is already under strain even with favorable demographics; changes in values relating to marriage, family and children whose ultimate effects are perceived only dimly; a work ethic that many think to be eroding; and so on.

Public policies which affect these and other problems have to be formulated whether or not the consequences of such policies are fully understood, and whether policymakers are favorably or unfavorably inclined toward an activist role for government: Accurate knowledge of the short- and long-term consequences of different alternatives is a prerequisite for effective policy formulation regardless of one's policy objectives. This paper argues that the most important knowledge gap that we have is in understanding both aggregate and individual behavioral responses to changes in economic and social conditions, and that reducing our ignorance about such responses is an important priority for the administration and the Congress. Reducing ignorance implies the adoption of policies designed to encourage the right kinds of research programs.

*Director, Institute for Social Research and Professor of Economics, the University of Michigan.

RESEARCH, KNOWLEDGE AND PRODUCTIVITY

Although most will agree that there is a relationship between research, increments to knowledge and eventual productivity payoff, the links are typically obscure except for an occasional dramatic example. Moreover, the links are apt to be better defined (although not necessarily stronger) in the physical sciences than in the social or behavioral sciences. As an illustration, we know a good deal about the relation between basic research in agriculture, the development of new strains of corn, and the resulting productivity gains reflected by higher yields. Specific examples of this sort in the physical sciences could be multiplied almost without limit.

In the social sciences, the eventual productivity or payoff linkages are typically obscure because of the nature of the research activities, even when the research is of a relatively applied sort. For example, it is clear to everyone that society benefits from the existence of the National Income and Product Accounts, or from knowledge of the distribution of earnings among the population according to various personal and other characteristics, or from the knowledge (if it existed) that a one percent increase in gasoline prices would reduce gasoline usage by eight-tenths of one percent. But what is the payoff from such basic information about societal conditions or the behavior of people in the society? Although I am sure that a significant rate of return exists to such knowledge, I would be hard put to tell anyone what it is.

Much social science research is concerned with insuring that policymakers and other social scientists have relevant knowledge about societal conditions or about the effects of various public and private programs on the members of society. For example, almost everyone would probably agree that it is important to know whether Head Start actually increases child development, or whether older people tend to dissave when they reach retirement. But what is the social payoff to that knowledge? It surely facilitates the formulation of better public policies, but what is the payoff to that facilitation? One can conclude that there is a payoff and that such knowledge is important, but I think anyone would be hard pressed to say exactly how big the payoff is, and perhaps more importantly, how much resources should be devoted to the generation of this type of knowledge.

Thus recognizing that there is a link between research, knowledge and productivity does not really enable us to say much that is helpful about the amount of research that the society 'ought' to support.[1] In the social sciences, besides the fact that the payoff variables are too complex and subtle to measure in any straightforward way, there are other characteristics of research which make judgments about the optimum level of public support very difficult to fashion. Any research effort, especially basic research, is a relatively high-risk enterprise: many, even most, such efforts will not have any payoff, and the overall return is the result of adding together a few activities that generate extremely high returns with a great many that generate little or no return. In addition, the characteristics of the knowledge and productivity gains from research activity is widely diffused, both over future years and often in areas different from the original objective. That probably tends to be more true in the social sciences, where it is often difficult to define direct links between an increase in research activities, a gain in useful knowledge and a resulting gain in societal well-being.

Even though it is difficult to define the research-productivity linkages in a way that accurately describes the process, there are two types of indirect evidence that bear on the issue. First, we know something about the broad characteristics of differences among nations in policies toward basic research, and about differences among those societies in productivity growth rates. Second, we know something about the nature of the current problems facing U.S. society, and about the kinds of research activities that might contribute to the resolution of those problems.

Among modern societies, favorable attitudes toward basic research, and the wider use of public resources for that purpose, tend to be positively associated with rates of progress. Countries like the U.S., Germany and Japan appear to give more weight to basic research activities than others: those are also countries where rates of economic progress have been historically higher than elsewhere. And the relative decline in U.S. performance in recent years is not inconsistent with the relative decline in U.S. investment in basic research, evident in the data for the past decade.

A number of recent discussions of the U.S. economy and society convey what I judge to be an accurate impression of the nature of the current problems facing the U.S. Simply stated, the idea is that our current problems are more behavioral than technological; that is, sluggish performance arises not from the fact that we have become laggard in some technological sense, but from the fact that the processes of translating new technology into decisions has become less effective. Two illustrations may make the point clear.

It is often argued that the productivity lag during recent years in the U.S. is in part a consequence of the fact that business decisionmakers are unwilling to adopt major new technological innovations, which often require completely new plant facilities, because of the uncertainties produced by the regulatory environment and by the high and variable rates of price inflation experienced in recent years. If so, that cannot be cured by enhancing the flow of new technology, but can only be remedied by modifying the environment in which investment decisions are made.

Second, it is often alleged that the problem with the U.S. auto industry, relative to its Japanese competitors, is not that the Japanese have more advanced technology in their production facilities, but that the Japanese style of management and organizational structure has produced significant advantages over the U.S. in terms of work incentives, quality control, etc. If that is true, the problem is again not technological but behavioral.

In both cases, if one wanted to insure a flow of relevant basic research designed to help resolve these current issues of high priority and national importance, we would have to do it by encouraging the right kind of social science research, not by expanding the rate of technical change.●

[1] In all societies, most basic research activities are subsidized, typically by the central government. The reason is a simple economic one—no single individual or business firm can capture enough of the benefits from the generalized knowledge that is the product of basic research to warrant undertaking such activities for profit. There are, of course, exceptions to that general statement.

● Mr. WEICKER. Mr. President, I am casting my vote in the negative on Senate Concurrent Resolution 9 because of the precipitate, injudicious way the President's spending reduction package has been considered in the body. We are supposed to be a deliberative body but, instead, we have been a mirror to the administration's program.

As to the economics, I am prepared to say that I could support the basic policy that Federal spending must be brought under control and that the total of cuts of the magnitude proposed by the Presi-

dent might be about right. But cuts must include a scrutiny of all the agencies and activities of Government.

However, this resolution asks us to slash budgets without regard for substance, without delving into details that prove or disprove a program's worth. It asks us to accede to arbitrary bottom-line dollar amounts without the benefit of serious attention to line items. In short, it demands agreement in the absence of thought.

To do that would be to follow the bad example the Office of Management and Budget set when it conjured its figures out of philosophy rather than reality. It would mean abdicating my responsibility to conscientiously examine the pros and cons of every piece of legislation put before me. Pros and cons deal with matters of quality. Dollar signs, standing alone, do not.

Social and scientific programs are forced to bite the budget-balancing bullet even as we hand defense a blank check. I tell you now that what we are going to wind up with is less security, not more. Hardware will never make us secure. Only superior technology can. Technology is a product of education. Education that is shredded in this resolution.

Similarly, we will not have a strong economy if our cities crumble, if we default on our commitment to energy independence and mass transit. Our poor cannot be productive if they have no housing and are without medical care.

The key question then, Mr. President, is whether this proposed fiscal plan is appropriate for our country and its future. Given its order of priorities and the order of national needs, I conclude that clearly it is not.

Remember that the decisions we make now in 1981 will still be felt a decade from now. I am not against great experiments but this has the makings of a great mistake. That is why I urge my colleagues to join me in voting against a resolution so lacking in substance, and commonsense. This is a mean-spirited venture by a great nation.●

● Mr. HART. Mr. President, I support the budget reconciliation instructions reluctantly. I support the bill because believe the Federal budget must be reduced by at least $40 billion. But I do so reluctantly because a number of the specific budget cuts—and the priorities which underlie them—undermine three basic goals of our Government: Increasing economic growth and productivity, providing a safety net for the needy, and achieving energy security.

We must continue to work toward these goals and a budget that is more consistent with them through the relevant committees, as well as the Senate Budget Committee when we mark up the first concurrent resolution for fiscal year 1982.

For the past 3 years, I have worked toward reducing Federal deficits as one tool to combat inflation. We should continue our efforts to achieve fiscal restraint, and I welcome the support of the administration in this endeavor. But the program embodied in the reconciliation instructions is deficient in several important aspects which I and others attempted to change.

My support for restoring funding for programs such as low-income energy assistance, preventive health care, social security benefits, National Science Foundation research, and youth job training were guided by the following three principles:

First, we should maintain public investment that contributes to economic growth, such as programs which foster technological research and the educated and well-trained work force that is crucial to increasing productivity. We must also maintain the public capital base—railroads, highways, and waterways—that represent our Nation's infrastructure.

I support inclusion of funds for this essential supply-side investment: Programs for scientific research and for job training. Our Nation's economic strength comes as much from the innovation and skill of its people as from its machines and factories. This is essential investment in human capital.

Second, we must protect and accurately identify the truly needy. This goal requires more than rhetoric and slogans about "safety nets." We should not arbitrarily cut programs on which the poor and the needy depend: Child nutrition; nutritional assistance for women, infants—and children; medicaid: and low-income energy assistance. Clearly the administration's safety net has considerable holes. By selectively restoring funds for these and other programs—and choosing other cuts—we can fill those holes.

Third, we must increase our energy security. This means we must rely on conservation, renewable energy, and synthetic fuels as well as nuclear energy. Therefore, I and many of my colleagues offered an amendment to increase our energy security and restore balance to our energy program.

These three principles—supply-side investment, a true safety net, and energy security—summarize the shortcomings of the administration's proposed cuts. We can achieve a better program that is consistent with these principles while still applying real spending restraint. The real test for the success of any program is whether it achieves bipartisan consensus.

The most serious deficiency, however, is not in the choice of budget cuts. Rather, it is the administration's narrow assumption that these measures alone will solve the problems of our economy. They will not.

We cannot solve the problems of inflation without a policy that fosters moderation in prices and wages. We cannot demand national sacrifice and investment until we take steps to make sure that all parts of the Nation and our society reap the economic rewards. And our economy will never be healthy and secure until we reestablish our own independent energy supplies.

These are formidable challenges, but we can meet them. And we will.●

● Mr. BRADLEY. Mr. President, I am casting my vote in favor of the reconciliation resolution because I agree with its overall objective—to bring about a substantial reduction in Federal spending. However, I have deep reservations about this resolution and the President's economic program generally, which I have stated repeatedly on the floor of the Senate during the course of the debate, and in the Senate Finance Committee hearings on the budget. These reservations concern the soundness of the economic assumptions which underly the President's budget and tax proposals and the failure to set spending priorities in a way that supports the development of strong economic infrastructure and human capital to meet the demands of the future.

I am afraid that the administration is missing a golden opportunity to build a consensus for economic growth. One cannot bring all people under the same tent of increased competitiveness if some people become victims of the budget. I have offered my comments on the President's program in a positive spirit, in the hope of helping the President to realize his very laudable objectives of restoring robust growth to the economy, reducing inflation and maximizing the competitiveness potential of the private sector. I will continue to follow closely economic developments and offer my views on them in a constructive spirit. I hope the administration and my colleagues in the Senate similarly will respond to the evidence of events and take measures necessary to correct their policy, should it become evident that some of the risks I have identified concerning the President's program jeopardize the health of the only economy we have.●

Mr. LEVIN. Mr. President, I am compelled to vote against this resolution even though I accept and support its call for reductions in Federal spending and find myself in general agreement with the level of spending it proposes.

Despite that agreement, I cannot agree to the broader social philosophy which this resolution contains. I think it represents bad public policy for the Nation—and even worse public policy for States, like my own, already suffering from high unemployment and economic inactivity.

It is bad national policy to break our promise to millions of Americans who have counted upon the social security system to provide them with a minimum benefit when they retire. It is bad public policy to reject our commitment to millions of young men and women who counted on social security student benefits to help finance their college education. It is bad public policy to cut needed funds for education and child nutrition programs. It is bad public policy to refuse to fund the strategic petroleum reserve and viable energy programs such as conservation, solar, geothermal, and synthetics. It is bad public policy to adopt a welfare strategy which will force the working poor to give up their low paying jobs and go back on public assistance in order to meet their minimum needs.

And these policy flaws are made even worse when they are considered—as I must consider them—from the perspective of a State suffering from high unemployment, low economic growth, and inequitable Federal support. Michigan has a 14-percent unemployment rate—and ranks last in rate of return on the tax dollars it sends to Washington. Under this budget, those problems are going to become more severe. We are going to lose

trade adjustment assistance benefits—benefits that we promised the working men and women of this country in return for their support for an open trade policy. That policy has resulted in a flood of imports which has unemployed hundreds of thousands of workers in Michigan—and in return we now cut their benefits. We are going to loose UDAG and EDA funding—funding which has been essential in revitalizing our older urban areas. We are going to lose mass transit programs which are critical to the growth and development of our cities. We are going to lose low-income energy assistance programs which are particularly needed by people in frost belt States to get through the winter. And all of these programs are going to be lost without the Senate even having before it an administration analysis of the regional impact of the budget—despite the fact that one has been promised us for months.

Mr. President, many of us have tried to correct those weaknesses during this past week. Scores of amendments have been offered designed to moderate the impact of this resolution. Time after time they have been defeated. Even a modest request that committees attempt to ascertain the regional imbalances in Federal expenditures was rejected.

But not only were our attempts to restore funding for critical programs rejected, efforts to make cuts in areas of waste, fraud, and abuse were also defeated. Specific amendments designed to eliminate billions of dollars in specific areas of unnecessary expenditures were rejected. I just cannot support a budget which protects waste and eliminates effective and needed programs.

Much as I would like to vote for the spending restraint this resolution requires I cannot embrace the social philosophy it mandates.

The issue here is not if we are fiscal tightwads or whether we are big spenders. The issue here is whether we are willing for example, to cut child nutrition programs while continuing to provide tax breaks for developing new fast food franchises across this country. The issue is not if we want a balanced budget or not. The issue is whether we want a balanced society or not.

This budget calls for reduced Federal spending. I favor that. But it also calls for reducing Federal attempts to make our society more just and more equitable. And I cannot support that.

In the weeks and months ahead we will have opportunities to try and change some of the inequities which this resolution endorses. I believe we can make those changes. I believe we can have a budget which restrains Federal spending without restricting individual opportunity. That is the kind of budget I pledge myself to work for and support.

Mr. President, I understand the desire of the Senate Budget Committee to reduce the cost of unemployment benefits. At the end of the last session of Congress, I was involved with the Finance Committee in an effort to change the unemployment compensation program and I supported a number of modifications in the program that would have resulted in cost savings in certain aspects of the program.

The Budget Committee is now proposing to require 20 weeks of work for eligibility for any unemployment benefits. As I am sure my friend on the Finance Committee knows, this is a departure from existing law and tradition which allow individual States to establish the degree of labor force attachment required of workers to be eligible for unemployment benefits. Labor force attachment has always been defined by the States and usually reflects the particular economic and philosophic outlook of the individual State.

My second concern is that this proposal does not consider the different standards which all States use to compute eligibility. It is an across-the-board prohibition that does not reflect what a number of individual States already do to insure that workers do not qualify for a great number of weeks of unemployment unless they have adequate qualifying weeks. For instance, in my home State of Michigan, one must have 18 qualifying weeks before any benefits are paid. At that time, benefits are limited to three-fourths of the number of weeks worked, so it would take 34 qualifying weeks to get the full 26 weeks of regular benefits. In other States that is not the case. In these States, when the threshold for weeks worked or wages paid is reached, full UI benefits weeks become available to the worker. In New York, 20 weeks of employment at average of $40 or more per week entitle a person to a full 26 weeks of regular benefits. In Ohio, 20 weeks of employment at $20 or more immediately provides a person with 20 weeks of UI immediately, growing to 26 weeks with additional covered weeks. Furthermore, we have a great number of States which do not use weeks worked to qualify workers, but rather wages paid.

Mr. DOLE. Mr. President, I appreciate the observations of the distinguished Senator from Michigan (Mr. LEVIN) concerning the impact of the proposed 20-weeks-of-work requirement on States such as Michigan which have a sliding scale of unemployment compensation eligibility. I recall that this was dealt with by the Senate last year in a bill that was ultimately not enacted.

Mr. President, in our effort to achieve needed budgetary savings, we must always be mindful of the impact that proposed changes will have on the States. This is particularly important in programs, such as unemployment compensation, which operate as a partnership of the Federal and State governments.

Accordingly, as chairman of the Finance Committee, I have considerable interest in the situation described by the Senator from Michigan. It may be that there is a way to accommodate the concerns he has expressed and still achieve the budgetary savings that the resolution we are now considering will require the Finance Committee to make. I can assure the Senator that the committee will carefully review the matter and work with him to try to find a satisfactory solution to the problem.

Mr. DODD. Mr. President, I intend to oppose final passage of Senate Concurrent Resolution 9, the budget reconciliation resolution. I do this with reluctance, because I agree wholeheartedly with its goals. It is clear that our national economic situation requires a leaner Federal budget. If the American economy is to regain its traditional vigor and momentum, we must retarget fiscal policy toward increasing productivity, employment, trade, and growth, and toward restraining inflation.

Like most Americans, I am prepared to support substantial funding reductions—if they are equitably apportioned, where they contribute to the health and well being of our Nation, and to the extent that they are part of a coherent and effective overall economic strategy.

In this particular case, Mr. President, none of those criteria has been adequately met. And for that reason I will vote against this budget resolution. I am convinced that it falls far short of what we can—and should—develop both as an economic recovery plan and as a statement of national priorities.

The congressional budget process primarily concerns choices among competing demands on Federal financial resources. This resolution errs not in the number of spending cuts nor in their aggregate dollar amount but in where those cuts fall and don't fall. Simply stated, this resolution makes too many wrong choices.

In the course of the Senate's consideration of this resolution, I voted for amendments that would have cut far deeper into unnecessary Federal spending and I voted to restore financial support for useful programs that had been cut beyond what our economy need on important national priorities could afford.

The major objection to this resolution, Mr. President, is that many of its spending cuts are more likely to hurt future economic performance than to help it.

Nothing aggravates the severe inflation which undermines our economic stability more than dependence on uncertainly supplied and outrageously priced foreign oil. Until we make maximum use of means to conserve petroleum products and develop alternative energy sources, we cannot expect to solve either our energy or economic problems. Yet, this proposal eliminates or substantially reduces Federal programs to stimulate alcohol fuels production, to develop solar power and other new sources of energy, and to encourage conservation. Whatever limited economic benefit might accrue from cutting spending in these areas would soon be overwhelmed by the degree to which our progress toward greater energy independence would be stalled and turned back.

I was extremely disappointed that the Senate rejected the amendment offered by Senator HART and Senator TSONGAS. It was a good amendment which, without adding substantial outlays to the budget, would have preserved the flexibility of the Energy Committee to pursue improvements in energy policy in the areas of conservation and nonfossil fuels.

The pricing policies of the OPEC cartel and the effects of the recent decision to decontrol domestic oil mean billions and billions of dollars in additional costs for American consumers. They cannot afford it. And we in Congress cannot

afford business as usual with such excessive reliance on oil and gas. Yet that is the effect of the choices made by this budget.

Similarly, the serious cuts in housing programs, in mass transit, and in economic development promise not to save Federal resources but to deplete them. Those programs represent sound investments in the future. They leverage State and local resources as well as private ones into the creation of the economic infrastructure needed for productive jobs and renewed prosperity. I cannot credit undercutting these programs with advancing us economically. Just the opposite is more likely.

We had opportunities in the course of consideration of this resolution to improve the treatment of these economically essential programs. I supported the amendment offered by Senator MITCHELL, of Maine, to restore part of the funds cut from the Economic Development Administration. It was a modest amount: For the coming 2 fiscal years EDA would expend only one-half of the funds anticipated under current policy projections. It was a productive amendment: Recent studies show the net cost of a job saved or created by EDA loans averages between $660 and $1,000—that is far less than the alternative costs of welfare and unemployment compensation. The Mitchell amendment failed.

I also supported an amendment offered by Senator CHAFEE of Rhode Island. It was a fiscally responsible amendment which would have stayed within the spending limits proposed by the President. It was an economically useful amendment that, among other things, partly restored funding for urban development action grants. It sought, in that way, to keep healthy a program which has attracted $6 of private investment and generates 17 cents in State and local revenue for every Federal dollar spent. And it was a fair amendment. The modest amounts it would have restored to fuel assistance and weatherization, for example, came nowhere close to the additional amounts consumers will pay for fuel as a result of decontrol. But even this limited funding for programs essential to Connecticut—mass transit, UDAG, fuel assistance, community health programs—was rejected.

Another kind of investment in the future that suffers in this resolution is represented by the various loan programs to enable children from lower- and middle-income families to obtain higher education. This is a country of great natural resources—but none of these are more valuable than our human resources. Families are already caught between skyrocketing college costs and rising prices in other parts of their family budgets. The triple whammy which this resolution imposes in higher interest rates, a reduced subsidy, and stricter eligibility requirements will inevitably mean that some of these young people will forgo the full development of their potential. Making that kind of long-range sacrifice for limited immediate savings seems extremely shortsighted. I regret very much that the Senate rejected the amendments offered by Senator MOYNIHAN to—at least partially—correct this situation.

But this budget resolution not only made counterproductive spending reductions; at the same time it failed to seek many economies where they were possible and useful.

I am disturbed, for example, Mr. President, that the Senate failed to approve the amendment offered by Senator PRYOR to trim $2 billion in unnecessary and wasteful Federal procurement. I voted for that amendment. I believe the record developed during its consideration well-documented excessive spending on nonessential items ranging from pencils to perfume that could be saved without any damage to legitimate Federal functions or purposes. Failing to cut into that fat meant that we cut deeper into the bone of useful programs than was necessary.

Another amendment which would have struck hard at frivilous spending was offered by Senator DECONCINI. It documented our ability to recoup $3.9 billion currently overspent for filmmaking, advertising, consultant services, travel, and the like. Surely that money could have been spent far more productively in programs which this resolution decimates. I believe the Senate made a major error in defeating it.

The dollar amounts saved had we acted with the good judgment to approve amendments like these would have enabled us to enact amendments I supported for modes restoration of funding to school lunch and fuel assistance programs, for trade adjustment assistance to unemployed workers, for better health programs, for college loans, and assistance to our elementary and secondary schools. Refusing to make those tradeoffs typified the wrong choices we made in this budget resolution. Despite the pledges of the administration that no area of the budget would escape painstaking scrutiny, it is clear that there have been some sacred cows.

Numerous General Accounting Office studies, statements of the Comptroller General, and even acknowledgments from Pentagon officials, have all indicated approximately $15 billion of waste in the military budget.

Yet, virtually no economies have been proposed in that sector. Instead the budget resolution calls for spending $27 billion more on military programs than last year.

I strongly support a national defense, second to none, and recognize that we will have to increase outlays to achieve it. But I am also cognizant of the Comptroller General's warnings that we may not be able to absorb massive additional amounts for military spending and the fact that dollar for dollar this may be the most inflationary way for money to be spent.

Achieving many of the possible efficiencies noted by authorities would not hurt our defense posture; it would probably improve it. Increasing defense expenditures by two-thirds of the recommended increment instead of the full amount recommended would enable us to address the security needs of this Nation with the largest peacetime addition to military expenditures in our national history. And either approach would permit us to moderate the impact on education, on health programs, on energy conservation, mass transit, housing and community development that is imposed by this budget.

After all, Mr. President, true national security depends not only on guns and tanks and missiles. The health and morale of our citizenry, the soundness of our communities and educational institutions, the strength of our economy are also vitally important elements of any reasonable definition of that term. I believe we could and should have done better to provide for our national security than this resolution does.

This budget resolution also fails any reasonable test of equity. The people of my State and this country generally realize that sacrifices need to be made—but they want them to be fairly apportioned.

That, however, is not the case with Senate Concurrent Resolution 9. It imposes few burdens on wealthy individuals or corporations. It makes no progress toward a balanced budget by closing tax loopholes.

Instead, it asks our retired citizens to do without the social security minimum payment, it directs workers who have lost their jobs to further diminish their standard of living, it tells elderly citizens struggling with skyrocketing fuel costs that they may have to choose between food or heat next winter, and it says to middle-income families who are already hard pressed to cope with the inroads inflation makes into their lifestyle that college educations for their children may become unaffordable luxuries.

Those are representative examples of the choice made by this resolution. They are not balanced and they are an important reason to reject the resolution.

I want to make it quite clear, Mr. President, that I do not object to substantial spending cuts. I could support a budget resolution with the bottom line figure of Senate Concurrent Resolution 9. If the budget reconciliation resolution which emerges from conference with the House makes more sensible and equitable choices, it will receive my support, but this one fails the minimal tests to which we should submit it.

Mr. RIEGLE. Mr. President, despite a fierce disagreement over specific national spending priorities which we will fight out over the weeks and months ahead, I believe we must make a significant overall cut in Federal spending, and I am voting today to establish a limit on Federal spending as requested by the new administration.

I believe fiscal restraint at this time is a necessary part of the effort to fight inflation, reduce taxes and stabilize our economy.

While I am supporting overall budget cuts in the amount the administration has sought, I have fought, and will continue to fight to spread those spending cuts more fairly and equitably across our society, in far different ways than the Reagan administration has proposed.

On separate votes, ranging from maintaining the minimum benefit on social security to continuing the immunization of American children against polio and other diseases, I have helped lead the fight to save those vital activities from proposed administration budget cuts I

feel are wrong. There are many other areas of waste and unnecessary spending in the Federal budget where we can make the needed savings, including tobacco subsidies, multibillion dollar Western water projects, and procurement waste and excessive spending in the Defense Department.

Because they control the Senate—and have a 53-to-47 voting majority—the Republicans voted as a bloc in this opening round to defeat all our attempts to eliminate obvious waste in such things as Government travel, unnecessary procurement, uncollected debts and consulting fees—while at the same time they opposed our efforts to continue vital programs for the elderly, school lunch programs, student loans, veteran health care, alternative energy sources, TRA, unemployment compensation, CETA, education, and many others.

Mr. President, there are also very serious regional imbalances in the impact of the proposed administration budget, where the industrial Midwest and Michigan are being asked to make a substantially greater sacrifice than other States and regions. This is unfair and unwise national policy and it must be corrected.

Despite public assurances from OMB Director Stockman that he would provide a regional analysis of the impact of the administration's proposed budget cuts, they have failed to produce that analysis.

I cannot and will not support budget reductions that discriminate unfairly against Michigan or our region.

While we have now begun the debate on national spending priorities, Mr. President, these issues will not be settled for many months. This is just the opening round.

I am totally committed to continue the fight for the priorities that I think make sense for Michigan and America, and I believe we will start winning that fight once the American people find out exactly what is at stake—and when they also speak out for a national direction that is fair and sound.

So we are not finishing that critical debate today—we are only beginning it

Our fight now moves out across the country to the American people for their judgment, just as it moves here in Congress into the individual committees of jurisdiction in the Senate and the House of Representatives for the long, hard struggle and decisions that will actually determine which specific programs and activities will be funded and at what levels.

Today we set a budget ceiling—a ceiling that will limit overall Federal spending—and I am supporting that spending ceiling. It is a necessary first step in moving our Nation toward economic recovery—and toward a fiscal discipline that can begin to bring Federal spending under control and reduce inflationary pressure.

Mr. DOMENICI. Mr. President, I yield myself just 1 minute before we vote.

I thank our distinguished majority leader for the help he has been to me in these days on the floor on this reconciliation instruction, and also the many Senators who have been helpful in moving the matter along and in supporting the Budget Committee.

It goes without saying that I could not have accomplished this without their support, without the support of the distinguished minority manager of the bill, my good friend, Senator HOLLINGS, and I thank him and the minority leader for his assistance in expediting matters and helping us with this very difficult and complicated 5 days in the Chamber.

Mr. HOLLINGS. Mr. President, I yield myself just a minute to commend the distinguished chairman of our Budget Committee.

Through his persistence and the way he handled this measure in the committee and on the floor, we are making a historic cut in Federal spending.

I think it was Adlai Stevenson, when asked once whether he was a conservative or a liberal, said:

That is not the important question. The important question is am I headed in the right direction?

I think that we now are headed in the right direction through this reconciliation activity in the past several weeks, culminating here this evening in a $36.9 billion cut in spending, which is $2.9 billion more than that requested by President Reagan. That coupled with the $8.8 billion in administrative savings will give us approximately $45 billion in savings in fiscal year 1982.

I harken back to December 5 when the first Reconciliation Act for 1981 was signed into law; here by April we are adopting another reconciliation for 1981, 1982, and 1983, of over $36 billion.

It has been quite a feat. It has been quite a pleasure. It has been done in large measure because of the leadership of the distinguished Senator from New Mexico, our new chairman of the Budget Committee, and of course, the leadership of the distinguished majority leader, Senator BAKER, and our distinguished minority leader, Senator ROBERT C. BYRD.

Senator ROBERT C. BYRD has coordinated the minority side throughout the entire exercise.

We are ending up here with a good resolution which all Senators can support.

I thank the Senator from New Mexico. He has done an absolutely outstanding, superb job.

Now we are ready to vote.

VOTE ON UP AMENDMENT NO. 50

The PRESIDING OFFICER. Under the previous order, the question recurs on agreeing to the amendment of the Senator from Delaware (Mr. BIDEN).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS), is necessarily absent.

I further announce that, if present and voting, the Senator from New Jersey (Mr. WILLIAMS), would vote "yea."

The PRESIDING OFFICER. Is there anyone in the Chamber who wishes to vote?

The result was announced—yeas 37, nays 61, as follows:

[Rollcall Vote No. 74 Leg.]

YEAS—37

Biden	Glenn	Pell
Bradley	Hart	Pryor
Bumpers	Heinz	Randolph
Burdick	Inouye	Riegle
Cannon	Jackson	Roth
Chafee	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Cohen	Levin	Specter
Cranston	Matsunaga	Stafford
Dodd	Melcher	Tsongas
Durenberger	Metzenbaum	Weicker
Eagleton	Mitchell	
Ford	Moynihan	

NAYS—61

Abdnor	Garn	McClure
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Nunn
Baucus	Hatch	Packwood
Bentsen	Hatfield	Percy
Boren	Hawkins	Pressler
Boschwitz	Hayakawa	Proxmire
Byrd, Harry F., Jr.	Heflin	Quayle
	Helms	Rudman
Byrd, Robert C.	Hollings	Schmitt
Cochran	Huddleston	Simpson
D'Amato	Humphrey	Stennis
Danforth	Jepsen	Stevens
DeConcini	Johnston	Symms
Denton	Kassebaum	Thurmond
Dixon	Kasten	Tower
Dole	Laxalt	Wallop
Domenici	Long	Warner
East	Lugar	Zorinsky
Exon	Mattingly	

NOT VOTING—2

Mathias	Williams

So Mr. BIDEN's amendment (UP No. 50) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, as I understand it, the amendment which I offered earlier is about to be voted on. I offer that amendment on behalf of myself and the distinguished Senator from Pennsylvania, Senator SPECTER. I would ask that his name be added as the principal cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON UP AMENDMENT NO. 51

The question recurs on the amendment of the Senator from Massachusetts, as modified. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 26, nays 72, as follows:

[Rollcall Vote No. 75 Leg.]

YEAS—26

Baucus	Glenn	Moynihan
Biden	Heflin	Pell
Bradley	Inouye	Randolph
Burdick	Kennedy	Riegle
Cranston	Leahy	Sarbanes
DeConcini	Levin	Specter
Dodd	Matsunaga	Tsongas
Eagleton	Metzenbaum	Zorinsky
Ford	Mitchell	

NAYS—72

Abdnor	Garn	Murkowski
Andrews	Goldwater	Nickles
Armstrong	Gorton	Nunn
Baker	Grassley	Packwood
Bentsen	Hart	Percy
Boren	Hatch	Pressler
Boschwitz	Hatfield	Proxmire
Bumpers	Hawkins	Pryor
Byrd, Harry F., Jr.	Hayakawa	Quayle
	Heinz	Roth
Byrd, Robert C.	Helms	Rudman
Cannon	Hollings	Sasser
Chafee	Huddleston	Schmitt
Chiles	Humphrey	Simpson
Cochran	Jackson	Stafford
Cohen	Jepsen	Stennis
D'Amato	Johnston	Stevens
Danforth	Kassebaum	Symms
Denton	Kasten	Thurmond
Dixon	Laxalt	Tower
Dole	Long	Wallop
Domenici	Lugar	Warner
Durenberger	Mattingly	Weicker
East	McClure	
Exon	Melcher	

NOT VOTING—2

Mathias	Williams

So Mr. KENNEDY's amendment (UP No. 51) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON UP AMENDMENT NO. 52

The PRESIDING OFFICER. Under the previous order, the vote occurs on the amendment of the Senator from Florida (Mr. CHILES). All those in favor will indicate by saying yea; those opposed, indicate by saying nay.

The nays appear to have it.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment——

SEVERAL SENATORS. Yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the rollcall vote be 10 minutes.

The PRESIDING OFFICER. An order has already been entered for a 10-minute vote.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 76 Leg.]

YEAS—46

Andrews	DeConcini	Inouye
Baucus	Dixon	Jackson
Bentsen	Dodd	Kennedy
Biden	Eagleton	Leahy
Bradley	Exon	Levin
Bumpers	Ford	Matsunaga
Burdick	Glenn	Melcher
Byrd, Robert C.	Hart	Metzenbaum
Cannon	Hawkins	Mitchell
Chiles	Heflin	Moynihan
Cohen	Hollings	Nunn
Cranston	Huddleston	Packwood
Pell	Sarbanes	Tsongas
Pryor	Sasser	Zorinsky
Randolph	Stafford	
Riegle	Stennis	

NAYS—52

Abdnor	Gorton	Nickles
Armstrong	Grassley	Percy
Baker	Hatch	Pressler
Boren	Hatfield	Proxmire
Boschwitz	Hayakawa	Quayle
Byrd, Harry F., Jr.	Heinz	Roth
	Helms	Rudman
Chafee	Humphrey	Schmitt
Cochran	Jepsen	Simpson
D'Amato	Johnston	Specter
Danforth	Kassebaum	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
Domenici	Long	Tower
Durenberger	Lugar	Wallop
East	Mattingly	Warner
Garn	McClure	Weicker
Goldwater	Murkowski	

NOT VOTING—2

Mathias	Williams

So Mr. CHILES' amendment (UP No. 52) was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

We have agreed to have a voice vote on the committee amendments and then a rollcall vote on final passage.

Mr. BAKER. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on agreeing to the excepted committee amendments, as modified and amended.

The excepted committee amendments, as modified and amended, were agreed to.

VOTE ON SENATE CONCURRENT RESOLUTION AS AMENDED

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I further announce that, if present and voting, the Senator from Maryland (Mr. MATHIAS) would vote "yea."

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. WILLIAMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 88, nays 10, as follows:

[Rollcall Vote No. 77 Leg.]

YEAS—88

Abdnor	Boren	Byrd, Robert C.
Andrews	Boschwitz	Cannon
Armstrong	Bradley	Chafee
Baker	Bumpers	Chiles
Baucus	Burdick	Cochran
Bentsen	Byrd, Harry F., Jr.	Cohen
Biden		D'Amato
Danforth	Hollings	Percy
DeConcini	Huddleston	Pressler
Denton	Humphrey	Proxmire
Dixon	Inouye	Pryor
Dole	Jackson	Quayle
Domenici	Jepsen	Randolph
Durenberger	Johnston	Riegle
East	Kassebaum	Roth
Exon	Kasten	Rudman
Ford	Laxalt	Sasser
Garn	Leahy	Schmitt
Glenn	Long	Simpson
Goldwater	Lugar	Specter
Gorton	Matsunaga	Stafford
Grassley	Mattingly	Stennis
Hart	McClure	Stevens
Hatch	Melcher	Symms
Hatfield	Mitchell	Thurmond
Hawkins	Moynihan	Tower
Hayakawa	Murkowski	Wallop
Heflin	Nickles	Warner
Heinz	Nunn	Zorinsky
Helms	Packwood	

NAYS—10

Cranston	Levin	Tsongas
Dodd	Metzenbaum	Weicker
Eagleton	Pell	
Kennedy	Sarbanes	

NOT VOTING—2

Mathias	Williams

So the concurrent resolution (S. Con. Res. 9), as amended, was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read "Concurrent Resolution revising the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983, to include reconciliation."

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senator from Ohio (Mr. METZENBAUM) be taken from Senate Concurrent Resolution 9 as a cosponsor and that the Senator from Nevada (Mr. CANNON) be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Secretary of the Senate be permitted to make technical and conforming corrections as may be necessary to reflect the decisions of the Senate on Senate Concurrent Resolution 9.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 30 minutes in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, earlier, just before the vote, I expressed my position on this budget resolution, but I want to take this moment of the Senate's time to indicate that although over the period of the last 5 days I have offered a number of amendments, and most of those amendments were defeated, I want to, first of all, commend the two managers of the bill, the distinguished Senator from New Mexico and the distinguished Senator from South Carolina, for the way in which they handled the amendments which a number of us offered, the nature

and quality of the discussion and the debate.

It seems to me that basically it was constructive and positive, and I think all of us—at least this Senator—felt that he had a fair opportunity to have his positions evaluated by the Senate and considered by the Senate.

So I want to commend both of our colleagues for the way in which they have dealt with these very difficult, complex, and important issues before our country.

I also want to pay special tribute to the minority leader, Senator ROBERT C. BYRD, as a Member of this institution and also as the minority leader in the Senate. He has spent a great deal of time working with his colleagues and insuring that we were going to have an opportunity to present our views and to work with us in a very constructive way. I want to pay tribute to his leadership as a leader not just of our party but also a leader in the Senate for the way in which he brought many of his colleagues together to insure that there was going to be an opportunity for expression before the Senate of important issues.

I want to acknowledge the leadership as well of Senator CRANSTON and Senator INOUYE who worked very closely with Senator ROBERT C. BYRD. I also commend the Senator from New Jersey (Mr. BRADLEY) for the work he did for our caucus and in helping to develop the policy positions.

Finally, as others have done, I commend the majority leader, who bears the responsibility for all of the Senate, for the way in which the Senate as a whole has handled this issue, and to thank them for their courtesies which have been extended to this Senator in offering his amendments.

REFLECTIONS OF THE MINORITY LEADER ON THE BUDGET RESOLUTION OF RECONCILIATION

Mr. ROBERT C. BYRD. Mr. President, I thank Mr. KENNEDY for the very kind comments he has just made with reference to my efforts. I also thank Senator STENNIS for the generous comments which he earlier made regarding those efforts.

I express my appreciation to Mr. HOLLINGS and to Mr. DOMENICI for the leadership skills they have demonstrated here in the consideration of this resolution. They have spent long hours, and they have evidenced at all times the fact that they knew their subject well.

I want to express special commendations with respect to the work of the majority leader. This is truly an extraordinary budget resolution, and at all times the majority leader was most fair and considerate of the Members on this side of the aisle. He bent over backwards, so to speak, to accommodate the needs of Members on our side of the aisle, and I could not have asked for fairer consideration than we were given, and for this I thank the majority leader.

But I also want to commend him, as I said. He demonstrated outstanding skill in the handling of this very difficult, complex resolution. He removed most of the areas where points of order would probably have lain at the very beginning, and the discipline of his Members on his side of the aisle was, I think, something remarkable to see.

Now, having said that, I would like to say with respect to the resolution that we on this side of the aisle know something about the difficulties that are involved in balancing the budget and in making cuts in Federal programs.

It was this time last year, possibly a little earlier, that I met for 8 days in one of the rooms just off the Chamber here with administration leaders, with House leaders, and with other Senate leaders in an exercise that was calculated to balance the budget and bring about cuts in Federal spending.

When the knowledge of those proposed cuts leaked out, of course, we were deluged with mail. In some instances I know in my office the mail went as high as 300 to 1 against some of the cuts we were proposing.

We balanced the budget for the first time in the first concurrent budget resolution, but the economy went into a slide and the increased costs of oil and other forms of energy made it impossible for the Government to balance the budget. So we Democrats know something about the problems that come with any effort to balance this budget.

We came to the consideration of this resolution, therefore, with a determination to give of our best efforts to the balancing of the budget, and we supported, as I think I can speak generally for Democrats—I do not presume to say that I am speaking for all Democrats or for any particular individual Democrat—but I think I can say that Democrats generally felt we wanted to support the scope and dimensions of the cuts that were recommended by the President.

So, it should be writ—and writ large—that the Senate, in a bipartisan effort, has given the administration all the savings it requested, and then some.

Throughout consideration of the resolution, Democratic Senators have adhered to a single, simple strategy. We have worked to stick within the savings totals recommended by the President. At the same time we have tried to adjust the cuts so as to plug the holes in the President's safety net.

Time after time we were defeated in this effort by an almost solid phalanx of Republican votes. The press has interpreted those votes as defeats for Senate Democrats.

The record should be made clear, Mr. President. It was not the Democrats in the Senate who were defeated. It was the veterans who will receive less adequate health care who were defeated. It was the schoolchildren who will not receive school lunches who were defeated. It was the elderly people who will no longer receive minimum social security benefits and who cannot afford to pay their utility bills who were defeated. It was college students and disadvantaged schoolchildren who were defeated.

Last fall, the American people voted for restraint in Federal spending. Democrats are in favor of cuts. In fact, we support cuts in the dimension of those requested by the President and recommended by the Budget Committee in this resolution.

But the American people did not vote for less veterans health care, for less energy independence, for less access to institutions of higher learning, or for elimination of minimum social security benefits. And we Democrats, as a party, have tried to restore cuts in programs which we believe enjoy broad-based support among the American people.

Senate Democrats have met several times this week and last to review this reconciliation instruction and consider proposed amendments. Some weeks ago, I appointed the distinguished Senator from New Jersey Senator BILL BRADLEY, to head an 11-member economic task force, charged with the responsibility of analyzing the administration's economic program. The task force and most other Democratic Senators offered their views on many of the recommended budget cuts. We determined that each of these program reductions should be measured against specific goals which we sought to accomplish. Specifically, the cuts should:

Promote economic growth and fight inflation;

Provide short-term savings that will not result in long-term costs;

Be consistent with other major national priorities, such as reducing our dangerous dependence on foreign oil; and

Be fair and equitable so that no single group bears a disproportionate share of the burden.

In our caucus deliberations, Senate Democrats agreed to stand as a party on 11 amendments which were ultimately offered by Senate Democrats. The total increase in fiscal year 1982 outlays, had all those amendments passed, would have been $2.488 billion. But not all of our amendments attempted to restore cuts. Some sought new savings and others included offsetting savings. Had all our amendments passed savings would have been increased by $2.640 billion in fiscal year 1982. Thus, the net effect of the amendments endorsed by the Democratic conference and considered on the Senate floor would have been to increase the level of savings in the reconciliation resolution by $152 million.

As Democrats, we feel obligated to address some of the central concerns and priorities of this Nation. While there is a general public commitment to reduced Federal spending, public opinion is highly selective as to where cuts ought to be made. It is by no means clear that the mandate of the November election was an endorsement of a wholesale dismantling of 30 years of social progress. It is doubtful that voters knew or understood the true dimensions of the administration's budgetary agenda. Everyone wants to eliminate waste and fraud, but few people understand "waste and fraud" to mean their child's school lunch program, veterans' health care, or social security benefits.

It is also doubtful that the voters understood the administration's energy policy to consist only of higher fuel prices. The administration's budget drastically cuts every alternative fuel research and development program and most conservation and strategic planning activities as well. Total reliance is placed on the discovery and development of new oil and gas reserves, although every credible study indicates that the United States will not be able to maintain even current production levels.

The solution to the problem of oil imports lies not only in conservation but

also in the rapid development of other energy resources—including coal and oil shale. Democrats and many Republicans, do not believe that the comprehensive energy policy enacted by the 96th and 97th Congresses should be dismantled. The goals of the Energy Security Act—to substitute 2 million barrels of imported oil a day with alternative fuels—must be realized. I would expect the Senate Energy Committee to scrutinize these budget proposals and to restore funding for those energy development programs which hold the most promise.

But, Mr. President, the people who are going to be hurt by the budget cuts will know by the record as to how we Democrats stood in our efforts to lessen the burden of those cuts, to shift the cuts elsewhere, to offset some of the cuts, and to increase revenues by some of the amendments that were offered from our side. They will make a judgment.

I would say that 6 months from today or a year from today, the people will be able to determine who was "defeated" during these floor votes. And in due time they will render a judgment that the people who were "defeated" during the past 7 days were the middle- and low-income families and many people who are living on small fixed incomes.

The burden of balancing the budget is falling on those who are least able to bear it in most instances. Many of the cuts constitute false economy, and in the long run we will all pay more as a result. For example, there are the cuts in EDA, Farmers Home, Appalachian Regional Commission, and energy programs.

Mr. President, this is the first round in the budget process. There will be other times when the Senate will meet and again and again deal with these matters. And we, on this side of the aisle, will continue our diligence in behalf of the people.

In the main we will support increased defense spending. The Senate has already been doing that. We will support regulatory reform, and we will support restraint in Federal spending. We will support a tax cut that is fair and equitable and that will encourage business investment and increase productivity.

I, again, congratulate the majority leader and those on his side of the aisle who have shepherded this resolution through the Senate. I admire the way that he held his votes together.

I do say this—and I do not say it facetiously. I think it is a matter of fact. His party in the Senate has been in the minority a long time. That minority has not found it difficult over the years to stand united as a party. The Democratic Party is a very diverse party and has been in the majority a long time and has not, I suppose, seen the necessity to stand as unified as the Republican minority was able to do. And now that ability to wield a unified Republican force in the Senate certainly stands the distinguished majority leader in good stead.

I compliment him. I admire his work. Again, I say I could not have asked for more fair consideration at all times throughout the debate on this resolution—and it is a historic resolution. He has certainly gone out of his way to accommodate the needs and the requests of the minority Members on this side of the aisle and I thank him for it. We understand that we cannot always agree on substance. And in this instance, I think both sides have played their respective parts as they saw their duty to play those respective parts. I think they did well.

I want to commend and thank my colleagues on my side of the aisle, because I think they, too, gain from this very interesting exercise. Our meetings, I think, brought us closer together. Our Members had the opportunity to voice their views. Not all of the amendments, by any means, that were called up on our side were agreed upon in the caucus to have the support of the party. But, nevertheless, Members had the right as individuals to call up their amendments.

On the votes dealing with party-sponsored amendments, as agreed upon in caucus, our party held together very well. On the vote, first of all, on veterans health services, as I remember, we lost three Members on our side and one independent. We picked up one Member from the other side. On the second veterans health services vote, we, I think, lost the same number and we picked up two votes on the Republican side of the aisle. So my party Members held together very, very well in support of the amendments agreed upon in caucus. But the arithmetic was plain. We were always outnumbered by the majority party.

I thank my Democratic colleagues for the support that they gave, and I commend them. I believe that where we felt that the cuts were not fair or that the safety net was indeed letting certain groups of people slip through, I believe that the American people will, in the final analysis, be able to say "well done" to those on this side of the aisle for the votes that they have cast, for the positions they have taken, and for the amendments that they have offered.

As to the Senators on the other side, they, too, worked hard. We have had excellent attendance on both sides of the aisle. I think all Senators are to be commended. We may not all agree, but when all is said and done, we are all trying to do what we think is the best for our country.

Finally, let me apologize to the distinguished majority leader for keeping him waiting.

I ask unanimous consent to insert certain memorandums prepared by the Senate Democratic Policy Committee staff.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE REAGAN BUDGET: ECONOMIC ASSUMPTIONS

The President's economic assumptions are unrealistically rosy because they rely on historically unfounded economic responses to tax cuts and budgetary stringency. Should the President's economic assumptions fail to the extent prior experience suggests they will, budgetary deficits will be substantially greater than those currently assumed.

The most authoritative evidence as to the likely budgetary effect of less optimistic economic assumptions is a CBO analysis of the Reagan budget which suggests a conservative addition to the Reagan 1982 deficit of $20 to $25 billion. The CBO additions to the Reagan deficit are due to higher program costs resulting from interest rates, higher unemployment and higher inflation than that assumed in the Reagan budget. Similar CBO reestimates add about $50 billion to the Reagan 1984 budget outlays (See attached CBO analysis).

ADMINISTRATION ECONOMIC ASSUMPTIONS: A COMPARISON WITH ALTERNATIVE SOURCES

Table I compares the results from simulations of the Reagan program by traditional economic models. The Merrill Lynch and Administration projections are most optimistic. The different outlooks between Merrill Lynch and the Administration on the one hand and the Chase, Wharton and DRI models on the other principally result from different assumptions as to the effects of a personal tax cut on inflation and the effect of government policies on inflational expectations.

The traditional view is that reduced taxes, especially in an inflationary environment, result in spending of the major share of the tax windfall. Increased spending results in increased prices, tight money, higher interest rates, reduced investment and eventually, reduced real growth. The latter traditional view is supported by historical experience.

By contrast, the Administration and Merrill Lynch presume a break with historical experience in that reduced taxes will increase the after-tax return on investment, thereby encouraging consumers to save and invest their tax windfall instead of spending it. Should a substantial share of the windfall be invested, real growth, real increases in wages, productivity and employment, and reduced inflation would follow.

The marginal savings rates implicit in the Administration's tax cut appear to break dramatically with prior experience. The Reagan tax cut assumes marginal rates of saving from 60% to 70%. Econometric literature on marginal savings rates is thin. Some estimates, however, have shown marginal rates could be as high as 20% to 25%. In addition, there is reason to believe that more of the Reagan tax cut will be saved than prior tax cuts. Martin Feldstein estimates that more than ⅓ of the total tax cut will go to families with incomes over $50,000.

In a similar analysis Dave Evans estimates that 84% of the tax cut will go to families above the medium income level. In general, savings rates do tend to increase with income.

In the final analysis, however, it is generally agreed that high marginal rates of saving dissipate quickly into consumption. The full range of economists from conservatives like Milton Friedman to liberals such as the late Arthur Okum agree that high marginal rates of saving dissipate into consumption within a few economic quarters.

A second premise which underlies the Administration and Merrill Lynch projections concerns the impact of government policies on inflationary expectations of consumers and investors. An aggressive attempt at budget balance, a consistent monetary policy, and deregulation are, in the Administration's view, policies that will transform traditional inflationary expectations. No one argues, for instance, that reducing government spending is a very direct way to reduce inflation. A standard rule of thumb is that for every $10 billion in reduced spending, we reduce inflation by only 1/10 of one percent. The major effect of a balanced budget on inflation is argued to be psychological. The government's serious attempt to control inflation, through the latter means, it is assumed, will convince consumers and investors that inflation will lessen in the future. As a result, investment will be encouraged and attempts to stay one step ahead of inflation through wage bargaining, anticipatory buying, and anticipatory pricing will abate. In short, consumers and investors will behave according to their future expectations that inflation will be reduced by government instead of their historical experience which tells them that the rate of inflation has increased in the past and will continue to increase in the future.

In addition to these two assumptions

about general economic behavior, there are two other factors that account for the difference between the Administration's projections and less optimistic scenarios:

1. The Administration presumes that the new supply side effects will occur with remarkable rapidity. Employment and price effects of new investment, for instance, are generally measured in decades. The Administration assumes investment impacts on productivity and inflation in the space of a few years. Much the same is true with respect to inflationary expectations. The Administration, for example, predicts a CPI of 6.2% by 1983, compared to the current 13.5% in 1980.

2. The Administration presumes remarkable growth with very little expansion in money supply. The Administration compensates for slow growth in money supply by assuming an historically unprecedented "velocity" in the use of available money. While peak rates run at roughly 5 percent, the Administration's assumptions appear to run as high as 6.5 percent to 8 percent.

MARGIN FOR ERROR IN FUTURE DEFICITS

Should the Administration's economic assumptions fail, deficits are likely to be much higher than currently projected.

1. Interest. For example, should the Administration's interest rate assumptions be unfounded, deficits will grow substantially. Early evidence that the Administration's rates are high is found in the Senate Budget Committee's assumption which increase the Administration's assumed rate by 2.5 percent in 1981, 3.0 percent in 1982, and 3.2 percent in 1983. One assumes the Senate Budget Committee raised the Reagan rate in view of tight money and the unacceptable velocity of money assumed in the Administration's plan. In any event, the Administration's interest costs run $7.4 billion below the Carter assumptions for FY 1982.

2. Inflation. In FY 1983, about $261 billion in payment programs will be indexed to the CPI. Should the 1983 CPI grow at 8.2 percent, as opposed to 6.2 percent as assumed by the Administration, costs in these programs alone will increase by roughly $5 billion.

3. Unemployment. The Administration is in substantial agreement with other models as to the future rate of unemployment. However, should current projections be off by as little as 1 percent, the added budgetary deficit could run from $20 to $25 billion in lost revenues and added costs in "safety net" programs.

TABLE 1.—SELECTED MAJOR ECONOMIC INDICATORS

	1980[1]	1981	1982	1983	1984	1985
Real gross national product, 1972 dollars (percent change):						
Administration	−0.1	1.1	4.2	5.0	4.5	4.2
Chase	−.1	1.2	3.5	3.9		
DRI	−.1	1.3	2.9	3.0		
Merrill Lynch	−.1	.6	4.9	6.0	4.8	
Wharton	−.1	1.2	2.8	4.0	4.0	
GNP deflator (percent change):						
Administration	9.0	9.9	8.3	7.0	6.0	5.4
Chase	9.0	11.4	9.7	8.4		
DRI	9.0	10.0	9.7	8.6		
Merrill Lynch	9.0	9.5	7.1	6.0	6.2	
Wharton	9.0	10.2	10.1	9.0	7.9	
Unemployment rate (percent):						
Administration	7.2	7.8	7.2	6.6	6.3	6.0
Chase	7.2	7.8	7.5	6.5		
DRI	7.2	7.5	7.3	7.8		
Merrill Lynch	7.2	7.8	7.3	5.8	4.9	
Wharton	7.2	7.7	7.9	7.7	7.3	
91-day Treasury bill rate (percent):						
Administration	11.4	11.1	8.9	7.8	7.0	6.0
Chase	11.4	13.2	11.2	10.6		
DRI	11.4	13.0	13.8	12.2		
Merrill Lynch	11.4	11.2	7.2	6.6	5.8	
Wharton	11.4	13.9	11.5	10.6	9.2	

[1] Actual.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 13, 1981.

[Memorandum]

To Alice M. Rivlin.
From Jim Blum.
Subject Preliminary Outlay Reestimates of the Administration's Budget.

This memorandum summarizes a very "quick-and-dirty" set of preliminary reestimates of outlays for fiscal years 1981–1984 that would result under President Reagan's budgetary proposals, using CBO's estimating methods and the alternative set of economic assumptions developed by CBO.

ECONOMIC ASSUMPTIONS

Table 1 compares the Administration economic assumptions with the alternative set produced by Fiscal Analysis that incorporates the President's fiscal policy. The CBO alternative assumptions show higher inflation, higher interest rates, and higher unemployment, all of which means higher outlays. Table 2 provides preliminary reestimates of Administration budget outlays for the effects of the CBO alternative economic assumptions on indexed benefit payments, unemployment insurance, and net interest costs. Use of the CBO alternative economic assumptions adds almost $30 billion in outlays by fiscal year 1984.

We would also reestimate the Administration budget outlays for other reasons. For example, we would add $6 billion to Defense Department outlays in 1982 because of different assumptions about spending rates, and at least another $1 billion to reflect higher fuel costs than assumed for the Administration estimates. Our preliminary evaluation of the President's budget cuts for the Senate Budget Committee suggests that the outlay savings have been overestimated by at least $4 billion for 1982. We also have other estimating differences based on different programmatic assumptions about spending rates, growth in beneficiary populations, and other factors that would add at least another $2 billion to 1982 outlays in the proposed budget. Finally, we would project higher defense outlays in the outyears because of higher inflation in the CBO alternative economic assumptions. Secretary Weinberger has testified that the Administration would request additional funds if inflation turns out to be higher than projected for the budget estimates.

These program reestimates would add 10 to 15 billion dollars to 1982 Administration budget outlays, 15 to 25 billion to 1983 outlay estimates, and another 15 to 25 billion to those for 1984. Together with the reestimates based on alternative economic assumptions, we would reestimate Administration budget outlays for 1984 upward by about $50 billion as shown in Table 3. These reestimates will be done in detail during the next week, and are therefore subject to change. I believe the Table 3 numbers are in the right ball park, and probably on the conservative side.

Table 3 also shows the Administration reestimates of the Carter budget, based on new economic assumptions and other factors. These reestimates are somewhat lower than CBO's, but are still quite large. The message is still the same. If the economy does not perform according to the Administration's scenario, outlays by 1984 could be much higher than projected by the Administration. The amount of additional spending cuts necessary to balance the budget by 1984 could be twice as large—or more—as the $44 billion of unidentified savings shown in the March 10 budget revisions.

TABLE 3.—PRELIMINARY CBO REESTIMATES OF ADMINISTRATION BUDGET OUTLAYS

[By fiscal year, in billions of dollars]

	1981	1982	1983	1984
Administration budget outlays	655	695	732	770
Preliminary CBO reestimates:[1]				
Alternative economic assumptions (table 2)	1	10	21	29
Other estimating differences	4–6	10–15	15–25	15–25
Subtotal	5–7	20–45	36–46	44–54
Administration budget outlays reestimated	660–662	715–720	768–778	814–824
Administration reestimates of Carter budget	−7	−15	−21	−33

[1] Preliminary, subject to change.

BROKEN BUDGET PROMISES

Depending on one's subjective view of economic theory, and intangibles such as future expectations, one might give the President the benefit of the doubt on his economic assumptions.

However, review of his success to date in meeting projected budgetary goals raises serious questions about the Administration's accuracy in budgeting.

1. A Balanced Budget. Throughout his campaign, the President promised to balance the budget by FY 1983. As recently as January, Administration officials were predicting a balanced budget by FY 1983. Now they are projecting a barely balanced budget in FY 1984.

2. FY 1981 Outlays. In his major economic address of September 9, 1980, Candidate Reagan predicted outlay levels of $620 billion in FY 1981.

In November, during congressional consideration of the second budget resolution for FY 1981, Caspar Weinberger, speaking for the President, urged the Congress to budget only $620 billion in outlays. He assured a dubious Congress that the President could achieve that outlay level.

Two and one-half months later, in his February 18, 1981 budget submission, the President called for FY 1981 outlays of $654.7 billion—a difference of $35 billion.

3. Floating Savings Estimates. Between the February 18 and March 10 budget submissions, OMB discovered that they had misestimated their February 18 savings by $7.6 billion. There were surprises on the revenue side as well.

4. Waste and Fraud. In his September 9, 1980 speech the President promised to cut waste and fraud by $13 to $18 billion in FY 1981. Ed Meese confidently told the press in November that the Administration had identified enough "waste and fraud" to cut Federal spending by 6 percent (or approximately $37 billion).

Now the President is requesting FY 1981 cuts of $6.4 billion.

5. Tax Cut. In his September speech, and as late as January through his spokesmen, the President was promising an effective date of January 1, 1981, for his tax cut.

He now says that Kemp/Roth should not take effect until July 1, 1981.

Some Concerns About the President's Budget:

A. An Inflationary Gamble;
B. The Safety Net Has Holes;
C. Economic Dunkirk;
D. A Non-Energy Policy; and
E. Waste and Fraud vs. Entitlements.

A. AN INFLATIONARY GAMBLE

President Reagan has made the ambitious claim that his program will cut inflation by half in 1983—to 6.2%. The theory behind this claim is that large spending cuts will dampen demand and large tax cuts will

stimulate increased savings and thus investment.

Reagan's assumption that massive tax cuts will be saved instead of spent on consumption is highly dubious. This assertion has been widely challenged.

However, few people have really focused on the extent to which Reagan is proposing spending cuts of a dimension which can begin to offset his tax cut recommendations. Looking at his projected savings versus his revenue loss for fiscal year 1986 is illustrative.

Remember, in considering the President's savings levels, CBO has projected outlay levels $20 billion to $25 billion higher than the President's in fiscal year 1982, and $44 billion to $54 billion by fiscal year 1984.

By fiscal year 1986, the President assumes (optimistically) that the savings he has recommended thus far will total $102.7 billion. He projects increased defense spending of $63.1 billion. Thus, when you subtract defense increases from his announced cuts, they result in net budget cuts of $39.6 billion by fiscal year 1986.

His materials indicate that he will recommend additional spending cuts by FY 1983 which will be worth $42.7 billion in FY 1986. If we accept this rather ambitious goal, total net spending cuts will be $82.3 billion by FY 1986.

On the revenue side, 30% tax reductions will cost $162.4 billion by FY 1986. Depreciation changes will cost $59.3 billion by that time. Proposed user charges and increased taxes and fees will increase revenues by $8.0 billion. The net revenue reduction by FY 1986 will be $209.8 billion.

Compare this to the projected spending savings of $82.3 billion and you can readily see that this budget cannot be characterized as restrained.

Proponents of the Reagan tax cut will argue that without it, inflation and increased Social Security taxes will cause people to pay considerably more taxes. This is a credible argument.

However, the plan assumes massive current and future cuts in federal spending which may fail to fully materialize.

Unless the President gets all of his spending cuts, unless CBO estimates are wrong, and unless the level of government spending is not driven up by economic circumstances which are worse than the Reagan scenario, his massive tax cuts could be very inflationary.

B. THE SAFETY NET HAS HOLES

For the stated purpose of protecting the "truly needy," the Administration has defined a safety net of seven programs: Social Security retirement, medicare, veterans' compensation and pensions, free school lunches, Head Start, summer youth jobs and Supplemental Security Income. The "safety net" costs some $215 billion annually. More than $200 billion is spent on just three of the seven programs in the net—the only three which do not require a strict income test: Social Security retirement, medicare and veterans' disability and retirement. These three programs are not generally seen as benefits designed for the truly needy.

In his budget message, President Reagan described the truly needy as "the elderly and others who rely on Government for their very existence." Would the elderly poor fall through the Administration's safety net? The Administration proposes:

Cutbacks in public housing when nearly one-half the residents are low-income elderly;

Reductions and revisions in Section 8 rental assistance when nearly 80 percent of new construction tenants are low-income elderly;

Cuts in mass transit which might result in eliminating half-fare allowances for the elderly;

Cuts in medicaid when almost one-half of medicaids cost results from medical care for the aging poor; and,

Cuts in community revitalization programs (Community Development Block Grants, Community Services Administration) that benefit the elderly through senior centers, low-income weatherization and other projects.

Would those "who rely on Government for their very existence" fall through the safety net? The four largest federal welfare programs are Aid to Families with Dependent Children, medicaid, food stamps and housing assistance. Reagan proposes to cut these programs by more than $14 billion in budget authority next year. One out of every six families receiving AFDC support would be forced off the rolls or have its benefits reduced.

To help pay for the Reagan tax cut, the family of four making $11,000 would lose its food stamps, which provide an average of $47 in monthly benefits, for an annual cost of $564. This same family will pay about $55 more in Social Security taxes this year. Next year, it would pay $60 less in federal income taxes, while paying more for traveling to and from work, for housing and for day care. (Ironically, Reagan's advisers say that they want to strengthen the work incentive.)

Other federal programs which have slipped through the President's "net" are: low-income energy assistance, foster care and adoption assistance, Special Supplemental Food Program for Women, Infants and Children (added back in the Budget Committee), day care, job training, compensatory education and unemployment.

C. ECONOMIC DUNKIRK

In his economic address to the nation, President Reagan used the year 1960 as the benchmark after which things began to go wrong for America. President Reagan concluded: "We all know we are very much worse off." The facts clearly establish otherwise.

Americans are richer today than they were in 1960; average real disposal income has more than doubled.

The benefits of economic growth have been reasonably well distributed. The percentage of Americans living in poverty has been cut in half over the last twenty years.

The most basic measure of the standard of living is the quality of life itself. The average person's life expectancy is now nearly four years longer than in 1960. The infant mortality rate has declined 46 percent.

The quality of housing has improved substantially, and a higher percentage of Americans own their own homes. The number of families living in physically inadequate housing has declined steadily: from more than 20 percent of all households to about 8 percent.

Americans are better educated. In 1959, nearly 16 percent of the labor force had less than an eighth grade education; by 1979, less than 5 percent had not completed at least eight years of school.

Americans are better protected against uncertain futures. In 1960, only 48 percent of our workers had regular health insurance; today more than 63 percent is insured. Twenty years ago, less than 58 percent of all workers had life insurance; today almost 80 percent of the work force is insured.

Let's look at the facts. In his February 6 economic address, President Reagan said, "The percentage of your earnings the federal government took in taxes in 1960 has almost doubled." In his address to the Congress, February 18, 1981, he said, ". . . in the last five years, Federal personal taxes for the average family increased 67 percent."

In 1960, federal personal income taxes were 10.8 percent of total personal income. In 1980, they were 11.9 percent.

The total amount of federal personal income taxes and Social Security taxes paid in 1960 accounted for 13 percent of total personal income. In 1980, they accounted for 15.9 percent.

In his economic address, Reagan said that U.S. industry is being taxed so hard, it is "being priced out of the world market."

Between mid-1970 and 1980, U.S. exports grew 35 percent. Our trade balance is improving, despite massive oil bills.

If we examine national income, and all federal receipts including corporate tax revenues and various business duties, we discover that in 1960, federal receipts were 22.8 percent of national income, and twenty years later, they were 24.5 percent.

The public debt has been falling in terms of our Gross National Product. In 1960, the public debt stood at 56.9 percent of the GNP. Twenty years later, the debt stands at about 35 precent of GNP.

Of leading industrial nations, the United States has one of the lowest deficits as a percentage of GNP—France is the only industrialized nation to run a comparably low deficit.

While the level of federal expenditures has grown, the size of the federal workforce has fallen in relation to our growing population. In 1960, we had 1,808,334 non-postal civilian employees, or 1.00 percent of the population. In 1980, we had some 2,215,852 employees or .97 percent of the population.

President Reagan told the American people that "we are in the worst economic mess since the Great Depression." At that time, twenty-five percent of the people were unemployed, the banks were closed, and the country was fighting deflation rather than inflation. The nation cannot be well served by policies based on a distorted view of our problems and our strengths.

D. A NON-ENERGY POLICY

The Administration's energy policy rests on two principles: very high energy prices, and reliance on the oil companies to find and produce energy, including synfuels. During the past several years, the Democrats, with Republican support, have fashioned a clear-cut energy policy alternative. This policy rejected the "laissez faire" approach that the Reagan Administration is now pursuing.

Major gaps

The following are the major gaps in the Administration's energy policy proposals:

Miscalculations of the effect of immediate decontrol of oil. The Administration's decontrol action is inflationary, unlikely to influence drilling rates (which already are at record levels), and it hurts lower-income people worse than those with high incomes.

Dismantling of synthetic fuels demonstration program. While the private sector will be able to get some help from the Synthetic Fuels Corporation, it is not certain that sound projects will be pursued. The private sector has shown itself to be unwilling to undertake the demonstration of most advanced synthetic fuels technologies because of the high risk involved.

Dismantling the conservation programs in the Energy Department. Vigorous energy conservation activities are a necessary part of our national energy policy. High prices force less use of oil, but these conservation programs find ways to use less fuel efficiently. High oil prices may cause a factory to run shorter hours, or cause an apartment house to be ten degrees colder than normal. Sound conservation practices can save a factory's fuel so that it can produce at full capacity, or allow an apartment house to heat with less fuel and no discomfort. Reliance on high prices to achieve conservation levies needless hardships on people.

Dismantling the alcohol fuels, biomass, and solar programs. These alternatives are essential building blocks in an energy policy aimed at cutting dependence on imported oil. Serious efforts to exploit these sources

of energy were mandated in the Energy Security Act and the Energy Tax Act of 1978. The Administration's cuts will delay progress towards widespread use of these energy sources.

Reliance on nuclear power. While it is likely that nuclear power will continue to be a necessary part of our energy supply base, the budget increases for nuclear research are not justified. If the same criteria applied to fossil, solar, and renewable energy research, development and demonstration were applied to the Department of Energy's nuclear activities, a cut of $550 million would result.

Lack of contingency planning for energy supply emergencies. Department of Energy officials believe, along with the President, that the free market can take care of most energy supply problems. Unfortunately, there is no free market in oil—the OPEC cartel controls the basic world price and export production levels—so the "free market" will produce giant price increases, gas lines, and spot shortages of heating oil, gasoline, and other fuels in case of an emergency. The Energy Department has not demonstrated an understanding of this potentially grave problem.

E. WASTE AND FRAUD VS. ENTITLEMENT CUTS

During the campaign, the President promised many times to achieve considerable reductions in government spending simply by eliminating waste and fraud. In his major economic speech on September 9, 1980, particularly in the accompanying fact sheet, Candidate Reagan promised to cut spending by 2% in FY 1981 and by 7% in FY 1985. He said his optimum goal would be a 3% cut in FY 1981, increasing to 10% in FY 1984. He promised to achieve these cuts "through a comprehensive assault on waste and inefficiency."

Certainly the legitimate recipient of school lunches or preventive health care or student loans must wonder what was wasteful or inefficient about those programs.

In that same speech, Candidate Reagan promised to focus on "waste, extravagance, fraud and abuse in federal programs."

Clearly, that is what the American people voted for. But are Urban Development Action Grants wasteful? Are child nutrition programs extravagant? Is job training or vocational education fraudulent? Is support of mass transit abusive?

Candidate Reagan assured the American people that his "strategy for growth does not require altering or taking back necessary entitlement programs already granted. . . ."

The fact is that the President's budget cuts are based on extensive alteration and cutbacks of entitlement programs.

Food stamps, Social Security benefits, Aid to Families with Dependent Children. Unemployment Insurance, Trade Adjustment Assistance—to name a few—are all entitlement programs which will be changed significantly by the President's recommendations.

POLLS ON REAGAN'S BUDGET CUTS

Recent public opinion polls reflect the dichotomy between the desire for reduced government spending and support for many of the programs Reagan proposes to cut. Too much government spending is most often identified as the major cause of inflation, but there is little public enhusiasm for deep cuts in many federal programs. Despite the general public commitment to reduced government spending and a balanced budget, voters are highly selective about where the cuts ought to be made.

When questioned about a wide array of general and specific areas of government spending, the public seems to favor cuts in only a few sectors, while keeping spending at current levels in many other programs. For example:

1. In a Harris poll released on February 19, cuts in the comprehensive employment and training program were favored by a margin of 62 to 31, but cuts in the school lunch program were opposed 63 to 35. Similarly, cuts in veterans' benefits were opposed 66 to 31, but cuts in general revenue sharing were favored by a margin of 61 to 30.

2. In a Washington Post/ABC poll released February 24, 22 percent said government spending for college loans should be increased, 48 percent said it should be left as is, and only 28 percent said it should be decreased.

3. In the Post/ABC poll, 60 percent felt that government spending on the program to develop synthetic fuels should be increased, while only 15 percent wanted it lowered. This is consistent with the results of a recent Newsweek poll, in which 58 percent of the respondents said that too little was being spent on synfuels development.

4. As to Reagan's proposed cuts in unemployment insurance benefits, the Post/ABC poll indicates that 23 percent want these benefits increased, 49 percent want them left alone and only 25 percent want them decreased.

5. No more than 15 percent of those responding to the Post/ABC poll favored cuts in government spending for education, health programs, defense or fighting crime.

6. A Gallup poll conducted for Newsweek released February 23, revealed the following opinions on whether the federal government is spending too much, too little or about the right amount on selected programs:

POLL ON GOVERNMENT SPENDING

[In percent]

	Too much	Too little	Right amount	Don't know
Highways	23	30	38	9
Food stamps	61	14	18	7
Defense	18	54	20	8
Synthetic fuels	15	58	13	14
Urban development	27	29	27	17
Arts and humanities	34	19	28	19
Child nutrition	13	40	34	13
Postal Service	46	9	35	10
Farm-price supports	27	34	23	16
Training and funding for public jobs	38	30	22	10

Newsweek, Feb. 23, 1981.

Mr. BAKER. Mr. President, I wish to express my deep gratitude to the distinguished minority leader for his remarks concerning me and other Members on this side of the aisle.

Let me say initially I want him to know I am grateful for many things that would not appear to the casual observer.

For instance, the first major decision in this battle was not made on the floor of the Senate but rather, I suspect, in the mind of the minority leader and in his caucus. That is whether there would be a major challenge on this technique of trying to implement the new President's program, that is to say through the reconciliation route under the Budget Act.

It was clearly decided that the challenge would not be made on that basis.

I doubt that that was widely noted, but it is important. It is a mark of responsibility, I believe, on the part of the minority, and most especially on the part of the minority leader, that no such challenge was made.

By the way, Mr. President, I wish to insert statements in respect to the precedential value of what we have done at the conclusion of my remarks. I ask unanimous consent to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAKER. Those remarks will point out that I do not consider this a precedent. It was an extraordinary act to accommodate extraordinary circumstances. But more on that subject later.

Next, Mr. President, I want to say that I am grateful to the minority leader for his cooperation, his unfailing cooperation and significant cooperation, in making it possible for us to deal with a total of 40 amendments and points of order or waivers. That could not have been done in the relatively brief time in which the Senate dispatched this business without his cooperation.

Notwithstanding that we prevailed and the minority did not, I think the Senate is the winner because we have acted in a responsible way and in the best traditions, the best constructive traditions, of the adversary relationship between these two great national parties which populate this Chamber.

We have disagreements, Mr. President. That is in the essence of the adversary proceedings in which we engage in the formulation of public policy of this country. It would surprise no one to know that I disagree with the minority leader on the question of who lost—whether the veterans lost or school children lost or old people lost.

I say they did not lose; the country won, because we changed the direction of the public policy of this Nation for the first time in decades, and Members on this side of the aisle any many on the other side of the aisle were called on time after time after time for a total of 40 amendments and motions to stand shoulder to shoulder and vote against popular, universally attractive political proposals. The strengths and the fortitude of Senators in this Chamber to do difficult things, potentially politically damaging things, in order to bring about the changes that are necessary to retrieve this Nation from what I believe is the brink of national insolvency was little short of spectacular.

So I do not believe individual groups within the country lost. I believe the country won because we put ourselves on a new path, a new direction, a new set of values in the formulation of our future public policy.

Mr. President, none of this could have occurred without the truly extraordinary service of the Senator from New Mexico, Senator DOMENICI, the chairman of the Budget Committee. I am sure I do not disparage the service of any other Senator now or in the past when I say that in my experience here I have never seen a Senator grow as Senator DOMENICI has grown in his role as chairman of the Budget Committee. He is a brilliant young man. He has a magnificent future. He has contributed in a historic way at this moment to the future of this Nation.

Mr. President, he does not come to that role as the first occupant of that chair. It has been occupied previously by such great former colleagues as Senator Muskie, of Maine; by Senator HOLLINGS, of South Carolina. It may be that the greatest single accomplishment, the very essence of the budget process, is its evolu-

tion and development into a dedicated group, a bipartisan group, determined to perform for the best interests of the Senate, of the Congress, and of the country.

This could not have happened as well without the good example of the predecessors in office of Senator DOMENICI, but nor could it have happened, Mr. President, without that splendid level of cooperation between Senator HOLLINGS, the minority manager, the ranking member on the committee, and Senator DOMENICI. They are indeed an example for all of us to the business of putting aside partisan conflict and uniting in a single purpose for a single purpose.

Mr. President, I could go on and on in commending each Member of the Senate on both sides of the aisle. In my 15 years in the Senate, I have never seen this body act more responsibly, with greater care and caution, freer of passion and vindictiveness. It has truly been an extraordinary performance.

Mr. President, to briefly summarize my thoughts I do not wish to further extend an already tiring and laborious day. But I would be most remiss not to comment on the work the Senate has just completed.

And any comments in that regard must begin with a recognition of the outstanding leadership of the chairman of the Budget Committee, the Senator from New Mexico (Mr. DOMENICI), and the ranking member of that committee, the Senator from South Carolina (Mr. HOLLINGS). The mere fact that the Senate has completed this no less than monumental effort in only 6 days of floor consideration and but a few additional days of committee action is testimony to the statesmanship, the patience, and the skillful expertise of our distinguished friends and colleagues from New Mexico and South Carolina. On behalf of not only myself, but I venture to say as well on behalf of President Reagan and the American people, I commend and thank Senator DOMENICI and Senator HOLLINGS.

This is truly a most historic moment in the course of our Republic—historic not only because we are at long last implementing much-needed scrutiny and accountability to the manner in which the Federal Government spends the public's moneys, but historic as well because this Senate has clearly evidenced that it can, as an institution, respond to a national crisis with thoughtful and effective action.

I submit, Mr. President, that the pattern of Federal expenditures for roughly the past five decades has been building steadily to just that end—the national crisis of a bankrupt nation. We have not averted that crisis, to be sure. But, we have finally taken a most significant step in that direction. We have recognized that the Federal Government cannot and must not be the arbiter of every governmental endeavor. We have recognized that the Federal Government is no less bound to economy and efficiency than any other level of government, or any American family, for that matter.

There have been a great many amendments offered to this budget resolution since we began our deliberations a week ago, amendments seeking to restore funding for the various programs reduced by the Budget Committee in accordance with President Reagan's proposals. Each of the amendments, I am sure, was offered with the best of intentions toward helping various classifications and groups of our citizenry.

While I can only concur in the goals of the amendments, I would suggest that those goals can be attained more readily and permanently through the course of fiscal responsibility and stability as reflected in the resolution as it now reads. To that end, I want to express my sincere appreciation to my 52 colleagues for standing in virtual unanimity on each question posed.

Finally, Mr. President, I spoke at the outset of my remarks about the work the Senate has just completed. Indeed it is a marvelous achievement. But in reality, we have just begun our work. Much remains to be done. There are even more difficult decisions awaiting us. But I am confident, perhaps as never before, that we can and will make those difficult decisions of the future just as we have made the difficult decisions this last week.

EXHIBIT 1

THE RECONCILIATION PROCESS

The reconciliation process we have utilized to consider the Administration spending proposals is the best procedural mechanism which could have been advanced for that purpose. It has enabled us to view spending reductions in a comprehensive and orderly arrangement. It has permitted us to consider the necessary budget cuts and to establish priorities for those cuts within the President's economic program.

At the same time, Mr. President, use of this process has highlighted several difficult procedural issues. Two of these questions concern out-year reconciliation and the relationship between reconciliation and program authorization.

Although I appreciate the problems which have been discussed, I am convinced that in each instance the Budget Committee acted within its rights under the Budget Act. The Committee responded to extreme economic circumstances through an extraordinary legislative vehicle. The fact that they did so consistent with the purposes and letter of the Budget Act does not mean that these procedures should be routinely employed. I do not necessarily regard this resolution as a precedent for future deliberations taken pursuant to the Act. Furthermore, the Act itself may need clarification. The Budget Act has not undergone change since it became law in 1974. It may be time to review the Act in light of its procedural uncertainties and to propose amendments as the need may arise.

I suggest, Mr. President, that this matter deserves serious examination. The budget process can only function well if there is widespread support for its objectives and procedures. That support is eroded by fundamental procedural ambiguities such as have arisen in relation to this resolution, and bringing clarity and precision to the Budget Act will serve the Senate and its committee structure well.

HONORING JAMES S. BRADY AND EXPRESSING THE DESIRE OF THE SENATE FOR HIS SPEEDY RECOVERY

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I send a resolution to the desk on behalf of myself, Mr. BAKER, Mr. DOLE, Mr. MATTINGLY, and Mr. BIDEN expressing the concern of the Senate for Mr. James S. Brady and his wife and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 108) to honor James S. Brady and to express the desire of the Senate for his speedy recovery.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROTH. Mr. President, last Monday, as we all know, Jim Brady was struck down by a bullet fired at the President of the United States. Since then, Jim has made what can only be described as miraculous progress. I think all of us in this Chamber, the many people Jim knows throughout the country, and even millions who have never had the pleasure to meet him, have shared the joy as he battles back from his terrible wound.

My good friend Jim Brady served as press secretary from 1977 to 1979, where he was one of the brightest, most energetic, and creative staff members that I have ever come in contact with during my 14 years on Capitol Hill. Jim was always able to take complex ideas, such as Roth-Kemp, and portray them in a highly understandable and effective manner. Whether it was passing out cigars at the birth of "Son of Roth-Kemp," or using pencils with erasers at both ends to dramatize the efforts of a group of Senators to cut the budget, Jim always made his point.

Jim left my office to join the Presidential campaign of Governor John Connally. When that effort ended, the Reagan for President team, always alert for good people even if they were with the opposition, grabbed Jim and made him a key adviser to then-Governor Reagan.

He has approached his responsibilities as Press Secretary to the President with skill and wit. It is no coincidence that the press and the new Reagan administration have gotten off to such a good start. Jim Brady has made it happen.

Yesterday, the Washington Post, in an editorial said that Jim was "a real man, a whole man, and a fine man." I could not have said it better, and I ask unanimous consent that the entire editorial be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ROTH. Mr. President, I also want to pay my respects to Jim's wife, Sarah.

I know that in his hour of need, Sarah has been a tower of strength to Jim. Like Jim, she is a warm, wonderful person who has faced this horrible ordeal with such bravery and quiet optimism for Jim's recovery.

Few people live life with such vigor, enthusiasm, and good humor as Jim Brady. I know all of my colleagues join

me and my wife, Jane, in praying for the day when Jim will once again be able to be with us. As a public servant, and as a man, Jim Brady is one of a kind. We need him, and we want him back just as soon as possible.

EXHIBIT 1

A WORD ABOUT JIM BRADY

Ronald Reagan's press relations have been among the best that we can remember of any president. This was not a foregone conclusion, and it surely has not been because his ideology was secretly shared by the Washington media or because the media had some special affinity with him over the years. And it also has not been because of all that "management" and "manipulation" the people in our business always fear and often countenance. Rather, it has been owing in large part to Mr. Reagan's own easy affability as a campaigner and as a president and also, in large part, to that affability as it has been reflected in James S. Brady's personality and enterprise.

Mr. Brady has held, in many ways, the most visible (and thankless) job in Washington. The man better known as Jim, and even better known yet by the nickname he really loves—"the Bear"—came equipped with all the qualifications to do this impossible job: humor, patience, wit, loyalty to the president and, fully consistent with that, an inclination as well as a capacity to get information to his restless, boisterous and not always very polite media charges. This, as precedent has shown, is not a job for the uptight or the grudge-holder or the secretive or the unforgiving; and Jim Brady has been the opposite of all these things.

As Mr. Brady lies wounded in George Washington Hospital, our gratification at his progress only partially mitigates our rage at the cruelty of his fate. A great man with a joke, a reader of serious (non-Washington) books and the inventor of a drink called "Captain Bear's Nightie Night" and of a corrosive meal known as "Goat Gap Texas Chili," Mr. Brady is clearly a fellow who has learned to enjoy a life apart from the grim, driven ways of high politics in this city. That, paradoxically, can mean the difference between someone who is good at one of these high-powered White House jobs and someone who is not. Mr. Brady has values and interests and joys outside and independent of the mad, workaday duties of serving as a president's press secretary. His capacity to convey these, and to reach back to them under pressure, clearly have lent him a special credibility in his job. The president's press aide is a real man, a whole man and a fine man. What has happened to him is an unspeakable outrage.

JIM BRADY: PUBLIC SERVANT AND FRIEND

Mr. DOLE. Mr. President, the resolution before us expresses the Senate's sincere appreciation for Jim Brady's dedicated service to his country and its deepest concern for his family during this very difficult and tragic time. As daily reports of Jim's improved condition continue to come forth, our prayers and thoughts remain with him.

To many, James Brady is only a name—to the Senator from Kansas, James Brady is a friend. His career in public life has been an exemplary one and when he was named by President Reagan to be his press secretary, it seemed a fitting tribute to Jim's dedicated public life. Jim has served the Congress, the executive branch at HUD, DOD, OMB, candidates, and now the "chairman of the board."

There is more, however, to Jim Brady than an exemplary career in public service. There is Jim's family life—far more important to him than power, prestige, or prominence. Jim is husband to Sarah and father to Scott and Missy. Jim's outside interests vary as greatly as his professional abilities, and I remember reading an article just last week telling of his avocation as chef extraordinaire.

In his private as well as his public life, Jim has a flare and competence matched by few. Only 2 months on the job has shown he handles pressure and stressful situations with elan and ease—traits which will serve him well on his road to full recovery.

In closing, I only say that my prayers and Elizabeth's are with you and your family—get well soon, Jim.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 108) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas, James S. Brady, the Press Secretary to the President, was seriously injured on March 30, 1981, as the result of a gunshot wound inflicted on him during the course of an attempt on the life of the President by an assassin;

Whereas, Mr. Brady is in serious condition as the result of such gunshot wound; and

Whereas, Mr. Brady sustained his injury while performing his duties as Press Secretary to the President and serving his country: Now, therefore, be it

Resolved, That the Senate of the United States commends James S. Brady for his courage and for contributions and service to his country and prays for his speedy recovery and for his family in this time of uncertainty and apprehension.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to James S. Brady and his family.

EXTENSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Chair must announce the period for morning business has expired.

Mr. BAKER. Mr. President, I ask unanimous consent that the time be extended for 10 more minutes under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

DR. CHESTER CROCKER: A GOOD CHOICE

Mr. HAYAKAWA. Mr. President, on Monday, April 6, the Senate Foreign Relations Committee will hold hearings on the nomination of Dr. Chester Crocker to be Assistant Secretary of State for African Affairs. I am extremely impressed with his qualifications and feel he is an excellent choice for this position.

Dr. Crocker has been associated with Africa for two decades as a journalist, academician and as a staff officer in the National Security Council. He has been active in the Republican Party and chaired the Africa Advisory Committee for President Reagan. Dr. Crocker was instrumental in formulating the Republican Party platform on Africa.

As a student of history, he has developed that sense of history which is so important in understanding global nuances. In an article which appeared in the Washington Quarterly, "African Policy in the 1980's," Dr. Crocker identifies the problems and the issues facing that continent. His understanding of Africa is evidenced by the fact that he does not oversimplify the problems, yet he proposes concrete solutions.

Mr. President, I urge my colleagues to read this article and ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFRICAN POLICY IN THE 1980s

(By Chester A. Crocker)

Both the Carter administration and its predecessor have learned about Africa the hard way—by trial and error. Leaving aside their many differences, each reversed its initial approach in important respects before leaving office. It ought to be possible after 20 years experience with independent African states under five presidents to draw some conclusions for the coming decade.

AN UNCERTAIN DOMESTIC BASE

Within the government, there is a limited pool of expertise on Africa and a woefully inadequate institutional memory. Much of what exists suffers from the classic weakness of regional specialists whose love affair with "their" region clouds judgment. Few regional experts on Africa have a serious interest in the conduct of foreign policy, in part because until recently Africa has not often attracted top talent in the bureaucracy. Prestige and status were higher elsewhere. Two results followed: When African issues became important, policy initiative rapidly shifted up the hierarchy beyond the literate level. If senior policy people ignore or distrust their regional advisors, actions will be based on stereotypes and gut instincts; they will tend to be reactive, sporadic, and lacking in follow-through. Yet it can be downright dangerous when African specialists are given the opportunity to make policy precisely because they are unaccustomed to it and uncomfortable with the necessity for choice.

Secondly, there are few solid bases of public interest and support for African policy in the political center outside the government. The mainstream of the political process at the mercy of current headlines and newscasts, on the one hand, and the polarizing pressures of fringe groups on the other. On a generous counting, there may be one dozen congressional offices where eyes do not glaze over at the very mention of African issues. Yet legislators are repeatedly asked to take positions on these matters—a situation that fosters the search for one-line answers. It may be less than encouraging to know that the Africanist professoriate is being tapped more than in the past by government agencies. Only a distinct minority are comfortable conceptualizing the U.S. national interest except in terms that are deemed identical to "Africa's own interest."

Growing corporate attention to African opportunities could have a steadying influence on the policy process, but the impact is limited in practice. This can be explained in part by doubt among some regional experts about whether foreign capitalism is good for the Third World. Even those who favor a salient role for the multinational corporation in U.S.-Africa policy, such as former Ambassador Andrew Young, find that the wish does not quickly translate into effective and sustained policies. Africa itself poses a formidable list of obstacles to heightened corporate activity—instability, narrow national markets, corruption (and U.S. laws on illicit payments), and alien legal and financial structures. Hence it is not surprising that American corporations have diverse and widely varying views on what Washington should be doing in Africa. Some want our officials to do battle with entrenched European interests in a struggle for markets and

projects. Others would prefer the U.S. to be a minor commercial power with no political or strategic objectives; this theory holds that what is good for local African governments is good for U.S. business there. Almost no one is articulating the national or Western economic interests in Africa and relating it in a coherent way to our other regional interests.

A DEARTH OF POLICY RESOURCES

The argument for a more effective and durable African policy does not rest on the claim that U.S. African interests are eclipsing our other interests; it rests instead on the premise that our African interests are growing more rapidly than our influence—that the gap between official rhetoric and performance has grown dangerously. Washington has more things to do than ever before in the region: seeking peaceful change in southern Africa, forestalling communist influence with individual regimes, seeking access to selected military facilities, expanding the scope for human rights observance, supporting regional stability as a basis for development, obtaining increased access to petroleum and nonfuel minerals, and correcting a mushrooming imbalance of trade in the region. Yet the power of U.S. diplomacy is stagnant or declining. The resources behind American policy have not kept pace with the expansion of American promises and needs.

The resource problem will continue for as long as African policymakers, Congress, the media, and interest groups remain confused or in basic disagreement about U.S. regional interests. When officials remain reluctant to admit that Africa has become (and is inevitably) an arena of East-West rivalry, it is not surprising that they are ambivalent about maintaining security relationships with individual states. This is the mentality that sees future Vietnams or Irans whenever an arms supply relationship with a threatened government is considered. The proper role of U.S. naval presence in African waters will remain unsettled so long as there is more misunderstanding and suspicion about our Navy's motives than there is about Soviet aims in the region. American security-related programs such as arms-sales credits and military training are a minor fraction of all such activity in Africa, while our African efforts in the security field account for less than 10 percent of worldwide U.S. programs.

Carter administration officials have finally admitted that their programmatic resources are inadequate, and economic assistance levels are now rising somewhat. But if our purpose is to advance American interests and influence recipient government policies, U.S. diplomats are equipped with precisely the wrong kinds of aid policies. U.S. programs in Africa reflect a confusing range of bureaucratic guidelines, congressional restrictions, quixotic campaigns, and worthy humanitarian objectives. But a review of these priorities in foreign assistance policy suggests that no real decisions about priorities have been made. The only real decision has been the negative one of not utilizing assistance programs for any coherent foreign policy purpose. The heavy emphasis placed on food aid and assistance aimed at meeting the current needs of the rural poor ("basic human needs") almost rules out using aid as a total for the promotion of any U.S. interest—either developmental or political. American diplomats are to a large extent disarmed since they lack effective and flexible policy tools and are obliged to operate as though their job was to run a popularity contest from the highest moral ground available. Some of our proven friends in the region do not qualify for what Washington is offering; others are just not interested. Though the portion may be increasing slowly, less than 20 percent of U.S. aid to sub-Saharan Africa offers Washington any degree of flexibility to further bilateral relations interests with individual countries.

Most U.S. programs in Africa are spread too thin and are too small in scale to serve as a backdrop for an active regional diplomacy, no matter what the substantive content of that diplomacy may be. In 1979, U.S. bilateral aid accounted for only 7 percent of all official development assistance to black Africa: if the U.S. contribution to multilateral agencies is included, the total American share of African aid receipts rises to 11.6 percent. Furthermore, American assistance programs are widely dispersed; only nine of the 51 sovereign entities on the continent and nearby island nations did not receive their modest slice of U.S. assistance in fiscal year 1979, four of them being ineligible as OPEC (Organization of Petroleum Exporting Countries) members.

Even assuming that our only real interest is to promote African economic development—a rather bizarre assumption—the relationship between means and ends in U.S. policy remains fuzzy. A relatively large chunk of aid is sent routinely to socialist Tanzania, one of the world's most heavily assisted yet least developing countries. Meanwhile, the capitalist and pro-Western success story of the Ivory Coast is rewarded with virtually nothing from Washington. The amount of U.S. assistance that goes to countries with the lowest levels of gross domestic product (GDP) per capita is about the same as that provided for relatively wealthy ones. To take another example, last year only 29 percent of total U.S. aid went to countries growing faster than 5 percent annually—about the same proportion as went to those where real output is actually declining. Even sworn opponents would have a hard time arguing that Washington has clear preferences and plans for African development.

There are, of course, several forms of policy resources that can support U.S.-African diplomacy. The personal time and energy of senior officials and the president himself is one example. Washington's overall global prestige and demonstrated political will are obviously a central resource in policymaking. So, too, is the potential—if properly managed—for Washington to capitalize on the strengths and the pluralism of our open and multiracial society. The black American experience and culture, when projected into foreign policy, provide a basis for communication and nonracist symbolism that no other major power can match.

To the extent that these intangible ingredients exist and are coherently organized, Washington has the potential to compensate for its meager stock of tangible resources in African policy. In addition, we are lucky to have Western allies with African policies of their own. American regional strategy should take cognizance that our allies' interests and roles in Africa may be more important to them than ours are to us. But it is not possible to return to the comfortable phrases of the Lyndon Johnson-Dean Rusk era when the only abiding reality in U.S. policy was to push the Europeans as far in front of us as possible. It is simple self-delusion to argue in the African context of the 1980s that the only burdens worth bearing are those that are currently borne by our friends.

It is not just the Johnson-Rusk tradition that fails to measure up. The Cyrus Vance-Andrew Young litany of "Africa for the Africans" is a state of mind, not a policy. For much of the past few years, Washington has in fact been trying to conduct an ambitious regional policy on the cheap—side-stepping tough choices, avoiding exposure and redefining interests that get challenged, seeking the high ground first and last, manipulating atmospherics to suggest an identity of American and African interests, and pretending that the very existence of the West's private sector could serve as a surrogate for a coherent strategy. By the same token, there can be no return to the condescending and reactive spasms of interest (interspersed with neglect) of the Nixon-Ford era. The United States paid a price for Angola not only because there was no domestic base for an interventionist policy, but also because there was no diplomatic base in Africa for one.

In the coming decade, policymakers will need to develop a more careful calculation of the means-ends relationship in African policy. At the same time, the case for an activist regional policy must be based more explicitly on clearly defined American interests that can be understood and supported at home.

THE ECONOMIC STAKE

At first glance, Africa presents a confusing and seemingly contradictory economic picture to the investor or policymaker from overseas. On the negative side, the continent contains two-thirds of the world's poorest countries. Caught up in the triple nexus of soaring population growth, declining agricultural output, and rising energy prices, many African countries are going backwards by any realistic economic measure. Even nominal gross domestic product per capita (which ignores inflation) has declined in over a dozen countries during the 1970s. Per capita food production is estimated to be declining by 1.4 percent annually. Energy costs encourage people to burn whatever they can find for fuel; the effect of this practice, when combined with the pressure of animals on the land, is to help Africa's deserts spread (52 percent of the land is either desert or threatened by desertification). Inadequate transport systems greatly magnify the capital and energy costs of development, while also making it difficult even for food surplus countries to feed themselves. Population and urbanization growth rates are among the world's highest, while the region's literacy rate hovers around 20 percent.

Public policies tend in the main to support urban elites and the patronage requirements of insecure governments at the expense of other groups and goals. For a growing list of countries, the external debt service burden has reached crisis proportions, aggravating relations with creditor governments and firms. Governments that try to address the problem by economic self-discipline tend to be rewarded by riots and coups. Foreign investors need nerves of steel, or the prospect of splendid near-term returns, to enter such a climate. Trade prospects are hindered by the narrowness of national economies, the embryonic status of mass consumer markets, and wild fluctuations in export earnings that make imports possible.

But there is another side to this grim portrait that makes it unwise to ignore the African economy. Gross regional statistics mask almost more than they reveal of the substantial intraregional variations in economic performance. Some African countries have established solid records for sustained growth and competent economic management: Botswana, Cameroon, Kenya, Ivory Coast, Nigeria, South Africa, Gabon, and Algeria. Others demonstrate substantial potential because of their resource endowments once domestic or regional political woes can be overcome: Angola, Zimbabwe, Zaire, Zambai, and Sudan.

American performance in African export markets has been poor. It is not keeping pace with the existing growth of African markets, let alone with African market potential. In 1979, some 60 percent of U.S. exports to sub-Saharan Africa remained concentrated in South Africa and Nigeria; while these are admittedly the two dominant economies in the region, none of the other 45 economies of sub-Saharan Africa purchased more than $130 million of U.S. goods and technology. At a time of growing economic competition among the industrial democracies, black Africa's share of U.S. exports has fallen to a lowly 2.3 percent; by the same token, the

U.S. share of the African market has also fallen from 11.6 percent to 9 percent in the years 1970–77. For U.S. businesses, the sub-Saharan African market is no bigger than Australia's.

It is decidedly in the U.S. interest that over 75 percent of Africa's trade is with the Western industrial democracies. Little would be gained by trying to displace our European allies from their role and stake in Africa in order to remedy the lackluster American export record. The thrust of policy should be directed toward promoting development and an expanded U.S. share of a growing African market. It must be recognized, however, that the low level of U.S. direct investment will continue to hamper exports in the late 1970s a meager 3.2 percent of worldwide U.S. foreign direct investment was in Africa—2.4 percent if North Africa is excluded and a mere 1.2 percent if both North Africa and South Africa are excluded. This provides an extraordinary slender base for an American export offensive. Interestingly, mining and smelting ranked only third—after the petroleum and manufacturing sectors—as a magnet for American investors, despite growing U.S. dependence on imported nonfuel minerals.

There are important reasons why officials, exporters, and investors should be paying more attention to African opportunities. First, there is a growing trade imbalance with the region that now includes our second, fourth, and fifth largest sources of imported petroleum products. While U.S. exports have lagged during the 1970s, sub-Saharan Africa's share of U.S. imports has risen from 2.5 percent to 6.5 percent during the 1970–78 period. Both the volumes and the prices of our oil and mineral imports will continue to grow. In 1979 the overall U.S. trade deficit with Africa approached $20 billion, nearly double the deficit with Japan and over 50 percent of the worldwide deficit. There is little evidence yet of any countervailing trends in exports or investment earnings that might offset the widening gap.

A second reason for concern is that the U.S. private sector constitutes an important potential adjunct of regional policy in Africa. Government programs and activities, as previously noted, are not an adequate basis for U.S. influence. Washington must stimulate greater corporate involvement in Africa precisely because Washington itself has so little to offer. All too often we appear as an ephemeral power whose policies rest on rhetoric and rigidly bureaucratic programs. Greater U.S. trade and investment will mean more substantial links with African countries, more mutuality of interest, and greater influence in encouraging both development and political objectives.

The third reason for concern over the U.S. economic position in Africa is the growing American and Western dependence on its raw materials. In the 1980s, the United States will be substantially dependent on imports to meet its need for many of the major nonfuel minerals used in basic engineering, chemical, and electronic industries that are central to both the civilian economy and defense production. The situation is even more dramatic for our allies and competitors in Europe and Asia; these economies could not survive in recognizable form without mineral imports, many of them from Africa. Interrupted access, stagnant output, or cartel-like price management would have lesser but still substantial consequences.

Most African specialists, in and out of government, are content to note that the raw materials of the continent make "their region" more important. Little thought is given to the potential for an intra-allied resource scramble, much of which could occur in Africa. Still less thought is given to the conditions for expanding the development of the region's petroleum and mineral reserves, or to the global political implications of Western dependence on nonoil minerals. There is nothing obscure about the facts of African endowments of fuel and nonfuel minerals. The problem is that they are seldom aggregated in ways meaningful to policy; resource geologists and regional political analysts talk past each other. As a result, it would be an exaggeration to speak of the existence of a U.S. policy of any sort on strategic mineral imports. This must change in the 1980s.

The African mineral most widely recognized in the United States is oil. Nigeria, Libya, and Algeria together account of 40–45 percent of U.S. imports from OPEC members (the figure would be about 35 percent if non-OPEC imports were included). Africa accounts for about 20 percent of European Economic Community (EEC) crude imports. The list of lesser African producers—Egypt, Gabon, Angola, Tunisia, Congo, and Cameroon—is steadily growing, and it is possible that the 1980s will witness the emergence of another one or two major African producers. The continent is also the leading region in the supply of liquid natural gas (LNG) to world markets. The striking thing about African petroleum development is not its absolute scale: the continent currently produces only about 10 percent of Free World output of crude, and it accounts for an equivalent share of proven reserves. The significance of African oil lies in the fact that most of it is available for export because the region itself consumes a mere 2 percent of world consumption. In addition, as a relatively underexplored region, Africa has greater potential for oil discovery than most other areas. From the U.S. standpoint, there are additional advantages to African oil since it is relatively nearby and its quality is well suited to the way our refineries are geared to maximize output of gasoline.

Even so, Washington is not specifically dependent on Nigerian or Libyan oil. Even though they have location and quality advantages, it would be a matter of temporary inconvenience to switch sources, and only Libya of the African producers has the fiscal flexibility to withhold production from the market on a substantial scale. The U.S. interest in African oil is thus basically an integral part of our worldwide interest in maximizing the supplies that come to market. In addition, for balance of payments reasons, it is in the U.S. interest that American oil firms play their proper role in African oil development.

The case of Africa's other fuel minerals—coal and uranium—is somewhat different. The continent's proven and economically recoverable coal reserves are some 5 percent of the world's total, but nearly all of them are concentrated in South Africa. Under very conservative estimates of its reserves, South Africa ranks sixth in the world in hard coal reserves, outstripping such countries as Germany, Poland, and Australia. It is already a major source of steam coal imports for several European countries; by the mid-1980s South Africa is expected to be the third largest steam coal exporter after Australia and Poland. By itself, the Republic could meet half of the projected European steam coal deficit in the mid-1980s; alternatively, it could meet Japan's rapidly rising deficit several times over. The net U.S. interest in this trade involves a complex tradeoff between domestic energy and environmental factors, balance of payments concerns, and the energy security of our alliances.

The African continent possesses in excess of 25 percent of noncommunist uranium reserves (at prices up to $50/lb.), and it accounts in 1980 for about one-third of noncommunist output. Theoretically, many African countries are potential producers, but the region's actual share of future supplies will depend on worldwide demand and decisions taken by the Canadian and Australian authorities. At present, South Africa and Namibia jointly (no breakdown is available) account for some 61 percent of Africa's output, and they represent the second larest source of exports in the noncommunist world (after the United States). Niger's production is rising rapidly, and both South Africa and Namibia could probably double theirs. Africa's contribution to world uranium supplies (exports) is already three times as large as its share of world oil production, and the dependence of European and Asian countries on African supplies may grow further.

TABLE 1.—AFRICAN RESERVES AND EXPORTS, AND WESTERN IMPORT DEPENDENCE

	African percent of noncommunist reserves	African percent of noncommunist exports	U.S. import as percent of consumption [1]	EEC import as percent of consumption
Antimony	18	36	43	95
Asbestos	9	29	85	97
Bauxite	30	(2)	93	74
Chrome	98	51	90	100
Columbium	7	22	100	100
Cobalt	61	86	90	100
Copper	15	33	13	81
Gold	61	83	56	(3)
Iron ore	1	13	28	79
Manganese	79	61	98	100
Phosphate rock	40	55		99
Platinum group	98	85	89	100
Vanadium	92	88	25	99

[1] U.S. figures are for net import reliance and reflect domestic recycling.
[2] 12 (?).
[3] 85 (?).

Sources: Africa's Role in World Mineral Supply, 1974–77 (Special Studies Division, Minerals Bureau, Department of Mines of Republic of South Africa, June 1978); Phillip Crowson, Non-Fuel Minerals and Foreign Policy (London: Royal Institute of International Affairs, 1977); U.S. Bureau of Mines. Commodity Data Summaries, 1980. Base years range from 1976–77.

When it comes to nonfuel minerals, African output is frequently a major influence on world markets and African reserves a key part of potential world supplies. For some minerals the Soviet Union is the only alternative source of substantial exports. Since it is a relatively underexplored continent, Africa's mineral importance appears likely to grow. But this assumes a climate of confidence and stability that permits long lead-time projects (e.g., 10 years) to be successfully planned, financed, and brought into operation. In the meantime, the West's continued supply of needed African minerals is potentially vulnerable at several points—

ranging from ocean transport routes to rail and port congestion or disruption, labor disputes, a shortage of skilled managerial personnel, inadequate maintenance, or even the conscious withholding of supplies for political or price reasons.

The U.S. imports a steadily growing share of its requirements in minerals. African exports play an important role in meeting U.S. imports of: antimony (South Africa), bauxite (Guinea), chrome ore and ferrochrome (South Africa, Zimbabwe), cobalt (Zaire, Zambia, Morocco), industrial diamonds (South Africa, Zaire), gold (South Africa), manganese and ferromanganese (Gabon, South Africa), mercury (Algeria), palladium (South Africa), platinum (South Africa), chromium (Zaire), and vanadium (South Africa). The dependence of Europe and Japan on imports of these commodities from Africa is generally higher, and it includes such additional minerals as copper (Zaire, Zambia, South Africa), tin (Zaire, Nigeria, Rwanda, South Africa), iron ore (Liberia, Mauritania), phosphates (Morocco, Tunisia, Western Sahara, Togo, Senegal, South Africa), and asbestos (South Africa, Swaziland). In addition, African countries play an important role in the market for certain specialized minerals used in sensitive technologies (computers, telecommunications, avionics, electro- and fiber-optics, lasers, semiconductors) such as: beryllium (South Africa, Uganda), columbium (Nigeria, Zaire), germanium (Zaire, Namibia), and tantalum (Nigeria, Zaire). As the table suggests, there are a few areas of Western basic, chemical, electronic, and defense industries that are not affected by African production and mineral potential.

WHAT TO DO ABOUT IT

American officials habitually point out that the Soviets and their allies cannot offer what Africans need most: economic development. It is true that the Eastern bloc accounts for a pitiful 2 percent of all economic assistance to sub-Saharan Africa. But the American (and Western) comparative advantage only exists if we make use of it by coherently organizing the available economic and technological tools. Washington needs to stop thinking of African policy as a philanthropic venture and start defining U.S. interests in the economic relationship with Africa. Instead of trying to run rural welfare programs that bypass sovereign governments, the United States should lay aside such echoes of the white man's burden and press ahead with more mundane tasks: export promotion programs, investment incentives for business in African mining development, targeting aid toward regional infrastructure projects, and exploring the concept of industrial free zones with African leaders. The private sector needs to be consciously incorporated in a new approach. U.S. business cannot be held responsible for conducting foreign policy, but the time has come for Washington to recognize more clearly that what it does—or fails to do—affects overseas business activity and the nation's economic health. It is primarily the private sector that has the skills, technology, and financial power to advance the mutual interests of Africans and Americans.

A region that accounts for half the U.S. trade deficit and a major share of Western energy and mineral supplies deserves to be taken seriously. New attitudes, programs, and laws are needed. Today, Washington is more adept at export restrictions than export promotion; and African markets get exactly 2 percent of the meager Commerce Department export promotion funding. The Overseas Private Investment Corporation (OPIC) seeks to reduce through insurance the risk factors facing investors in developing countries, but this remains a largely passive undertaking. Washington continues to adhere to the stance that it will "neither promote nor discourage" overseas investment. There is little evidence of positive coordination among relevant economic agencies (AID, Ex-Im Bank, OPIC, Commerce, Treasury, Energy, Interior, and State itself) concerning African economic interests. American antitrust laws and other legislative hurdles make it downright difficult for the executive branch to orchestrate an economic program for Africa.

Without an energy policy, a minerals policy, or an industrial policy it will not be easy to develop a more effective African strategy. But at least we ought to know what not to do. First, Washington must resist simple-minded appeals to do battle with the Europeans and the Japanese for African markets and raw materials. Such an approach will fail—because their stake and their reach are superior to ours—and it plays into the hands of America's global adversary. But Washington should also stop expecting U.S. business to operate at a competitive disadvantage. This means improved commercial advising and intelligence, a strengthened commercial diplomacy backed at senior political levels, and specific policy shifts in export promotion, export finance, investment insurance, and taxation of foreign income.

Second, it is not acceptable to proclaim our growing need for Zairean cobalt, South African chrome, or Nigerian oil and leave it at that. African states do not need U.S. encouragement to flex their resource muscles, and we do ourselves no favors by groveling in our own vulnerabilities. The long-term goal is to reduce the potential for resource scrambles, market manipulation, and overreliance on any single source. Many of the remedies are, of course, domestic. In Africa, the basic objective should be to accelerate the development of oil and mineral reserves, if possible through a low-key but concerted effort with our major allies. We need to avoid becoming isolated outside the Giscardian triangle envisioned to include Europeans, Arabs, and Africans united against "superpower mismanagement" of North-South relations. Yet Washington also needs to strengthen allied resistance to political intimidation that could result from the resource vulnerability of European and Asian market economies.

Third, American policy elites should restrain their inclination to conceive of Africa in terms of ideological abstractions and political slogans. Profitable business can be done with avowedly Marxist regimes provided that they are not essentially Soviet puppets—in which case there may be overriding arguments for limiting official economic ties. Profitable business can also be done in both black Africa and white-ruled South Africa. As a matter of both common sense and political ethics, efforts to force Western enterprises and economies to choose between the two must be stoutly resisted. Given South Africa's enormous mineral resources and the close interlocking between the economies and mineral sectors of southern Africa, it is unlikely that the United States could carry either its allies or the neighboring black-ruled states with it in a policy of anti-South African trade and investment sanctions. This will be true unless the entire South African structure begins to disintegrate, in which event the point becomes moot.

In the absence of such a breakdown, would U.S. economic disengagement have any predictable effects at all in advancing the cause of nonviolent change and racial accommodation? Such a proposal represents a leap into the dark, based on the politically and morally unacceptable notion that whatever happens in South Africa without American involvement is going to be preferable to the situation if we stay. American and Western capitalism are on trial in many respects in Africa. For the American government to urge U.S. firms to plead nolo contendere in South Africa would represent a massive exercise in amoral defeatism.

DEFINING POLITICAL/STRATEGIC INTERESTS

The American view of the African environment is colored by a mix of laziness and ignorance, on the one hand, that finds it easier to superimpose familiar patterns than to explore for new ones; and, on the other hand, a set of relativist cliches that see Africa as different, unique, and comprehensible only "in African terms," and unaffected by the basic logic of international politics. These distortions explain the unproductive split of U.S. observers into "globalists" and "regionalists." The two schools have coexisted uneasily for years, their relative influence fluctuating with domestic moods and external events. Until mid-1979, the predominant Carter administration view has been "regionalist." All foreign conflicts were seen as potential Vietnams and all efforts to exercise U.S. muscle as either wrong or doomed. Cuban-style stabilization in Angola has been blessed, vetoes over U.S. policy have been handed out to Soviet/Cuban decision makers and guerrilla leaders, and Washington has adopted fence-sitting postures in places like Morocco. Though the "globalist" minority has raised its head intermittently, the dominant voice has argued that Soviet-Cuban adventurism in Africa is not a real problem: it can flourish only in conditions of chaos and power struggles where military instruments are decisive, and it will therefore be short-lived.

"Globalists," on the other hand, have been quick to spot future Angolas in the making each time a Soviet arms deal is announced, and equally quick to label groups and governments "Marxist" with the clear implication of direct Soviet influence or control. The presumption has been that African politics is almost infinitely malleable by determined outsiders and that, therefore, each Soviet move or Marxist slogan should be interpreted as a test of our manhood. Among many in Congress and the media the Rhodesian war has been portrayed largely in terms such as these.

Both groups profoundly misread African reality. As a distinguished American Africanist has argued, "there are no quick fixes for Africa's instability." The continent is in transition from a fragile postcolonial pattern of order to a future, undetermined one. African leaders face this process in an eclectic, experimental, but profoundly practical frame of mind. They care about results, and results have at least something to do with personal and political survival. Few African governments have the capacity to commit their societies irrevocably to any specific set of norms, relationships, or models. This indeterminate quality in African politics is best explained by the weakness and fluidity of cultural and political institutions.

Outsiders can operate successfully in the region only to the extent that they comprehend local power realities, and are capable of defining their interests (in markets, bases, human rights, or whatever) in terms that translate regionally. On the other hand, African leaders are well aware that external linkages and power balances can make a decisive difference in shaping their choices and influencing the process of change. Africans depend overwhelmingly on outside capital, imported skills and technology, and "borrowed" diplomatic and military power for the pursuit of their own goals. The natural instinct in African diplomacy is to obtain the maximum possible advantage from outside powers while safe-guarding as much autonomy as possible for local solutions and initiatives. It is widely recognized in Africa that the communist powers have little to offer in the development field, but it is also clearly appreciated that local power realities are influenced by force, physical coercion, and political intimidation. One chooses from those external linkages that are, in fact, available.

The future of Africa will be most influenced by those who participate with Africans in a host of day-to-day, often unglamorous activities that may appear to have no immediate payoff. Inevitably, outsiders will be asked to support regimes and policies that, on occasion, run counter to their own values and models. Thus, the difficult thing about conducting an effective regional policy is neither getting involved nor disengaging. The challenge is to acquire and retain a level of influence commensurate with one's interests. It is harder to stay in Africa than it is to go in or get out.

Americans find it hard to accept the limits on our real power to bring about political change in other countries; it is easier to proclaim an ambitous agenda and then dissociate ourselves if unpalatable compromises appear to be necessary. Three of Africa's most despicable regimes met their demise during 1979—not, as we are tempted to believe, because of growing acceptance of U.S. human rights concepts. Change occurred in Macias' Equatorial Guinea, Bokassa's Central African Empire, the Amin's Uganda because of (1) a bloody power grab by a political rival and former collaborator, (2) a case study in French military intervention, and (3) a military adventure by Tanzania's eversanctimonious leader, Julius Nyerere, who nonetheless owes his own post to efficient action by the British Royal Marines back in 1964.

Americans have no historical mandate to be a policeman in Africa, but neither does anybody else. Since the United States and Africa exist in a competitive world, and since some of our regional interests are becoming important, it is clearly unwise to rule out the military instruments of foreign policy. Whether the goal is to promote human rights or to counter Soviet-Cuban destabilization efforts, American restraint and the denial of support to friends will only bolster the local parties that are best organized and armed.

Yet relatively few situations lend themselves to direct, physical action. An effective response to Soviet-Cuban behavior in Africa will include many elements aimed at demonstrating that Washington knows what its interests are and how to back them in relevant ways. In practice, this means devoting significant resources to the objectives of development, greater stability, and an expanded capacity on the part of Africans to govern and administer. Economic assistance, manpower development, arms sales, and military training are important programs, but they are not enough. African policy must also draw from the state of the global political balance and from U.S. ability to devise worldwide energy and minerals policies. Finally, new policy concepts are needed to bring to bear in Africa the organizational, administrative, and entrepreneurial talents and experience—in American unions, companies, parties, universities, and interest groups—that make a plural and self-reliant society possible.

SOUTHERN AFRICAN CHOICES

For the first time since the Portuguese revolution of 1974, the shape of things to come in southern Africa is at least dimly discernible. It is a little early to proclaim a miracle in Zimbabwe (Rhodesia), but British diplomatic virtuosity in bringing about an internationally recognized government and an end to the war means a potential start toward the restabilization of a strife-torn region. The victory by a militant and Marxist guerrilla leader, Robert Mugabe, has led some to question whether this was quite the outcome that Margaret Thatcher had in mind when she grasped the Rhodesian nettle a year ago. No one yet knows whether Mugabe's pragmatism in the first half of 1980 can last, or whether he can impose himself and his views for the long pull.

But there is a larger significance to the Zimbabwe transition. The end of a costly war has salvaged one of Africa's strongest economies and administrative structures. Western diplomacy has removed a contested political vacuum (which it had, admittedly, helped to create) from the map of southern Africa. This reduces the possibilities for Moscow to exploit an indeterminate civil conflict in the name of "liberation." The chances for a Cuban-South African clash, Angolan style, have receded. The emerging leadership is neither pro-Soviet in inclination nor independent upon the Soviet-Cuban axis in its external ties. Moscow and Havana will have less access to Zimbabwe and its immediate neighbors than seemed possible a few months ago. Although guns and guerrillas played an important part in the conflict and were never absent from the minds of voters, the ultimate test of political legitimacy was a Western-sponsored and monitored election. This is as it should be.

The end of the Zimbabwe conflict is only the beginning of a new set of challenges for Western policy in southern Africa. In Namibia (South-West Africa), the low-level guerrilla conflict continues while the parties maneuver over two distinct political tracks—the internal track sponsored by South Africa on its own and an international track leading to recognized independence and sponsored by the UN, the frontline states, and the Western powers. Only the second track can end the war and the juridical conflict over the territory's status, and Washington should continue to press this approach. But it will fail unless or until Pretoria gains confidence that it can live with the outcome of a transition that it does not control unilaterally. Neither Pretoria nor the SWAPO guerrilla movement have much confidence in the concept of "free and fair" elections, and neither yet believes that it must make basic compromises. The task calls for Western finesse and credibility of a high order.

Southern Africa is a region of great potential, but the Western nations must remain engaged there during periods of strife and gloom if that potential is to be realized. We will hear a babble of voices adding up to a dissonant chorus, especially from within South Africa because that society is both more fragmented and more open than most African countries. Americans must learn to tolerate the babble, resisting the specious argument that a choice must be made between black and white or between interests and principles. In reality, American interests and principles cut across the shifting line between black and white-ruled Africa. Where it is possible to build or strengthen linkages between the peoples of South Africa and between South Africa and its neighbors, on conditions acceptable to the local parties, this should be done. It will be tragic if Washington follows the polarizing instincts of some AID officials and their academic conferees by seeking to "de-link" the region's economies along racial lines. These links represent more than the reality of South Africa predominance and white domination: they also represent a basis for development and, potentially, for accommodation. The frontline states themselves are showing greater pragmatism in this regard than more distant Africans and Westerners.

In order to capitalize on Moscow's current isolation and irrelevance in southern Africa, Washington and its allies should be concentrating their capital talents, and aid on the region as a whole. It would be foolhardy if American policymakers operated in the frontline states as though they consisted of easily distinguished hostiles and friendlies, using Marxist rhetoric as the litmus test. As Mozambique's policies make clear, there is an avid interest in Western ties and a highly developed survival instinct in the area. Let us build on it.

In South Africa, the continent's most dynamic capitalist economy is demonstrating the ability to generate resources for both internal growth and change toward a more equitable social order. For the first time in a generation, the obscure politics of Afrikanerdom are showing clear signs of a noteworthy flexibility. The Botha government has committed itself to a moderate reformist process whose ultimate end remains utterly unclear. Black politics is increasingly fragmented on tactical and leadership issues, but increasingly united in the confidence that change is coming through whatever combination of violent and nonviolent strategies is available. White politics are becoming less tribal and ideological, and more rational. The current fluidity does not make meaningful change certain, but it does make it possible. For the time being the Botha leadership has wide support among white voters, but the Afrikaner political establishment remains divided about the possibility of controlled change.

It is the Western task to encourage purposeful, evolutionary change toward a nonracial society in ways that work, without prejudging basic questions about the "ultimate" blueprint that ought to be resolved by South Africans. Common sense and fundamental American principles are the proper guide. If U.S. history has meaning for Africa, it is that a multiracial society with guarantees of individual and minority rights is possible and can work. As a democracy, the United States cannot endorse situations or constitutions that are racist in purpose of effect; nor can we endorse the abuse of Western norms by people dedicated to violence and uninterested in an open system. Our role, therefore, is to support and recognize progress that occurs and maintain the pressure for continued movement—not to expect instant miracles or bless as sufficient half-way measures.

Western policy will require a careful sophistication that is unlike anything so far witnessed in Washington. Pressure is necessary, yet the sources of effective and productive pressure are severely limited and they should not be wasted in largely symbolic gestures. Good timing and an appreciation of internal South African dynamics are essential, yet the outside world and domestic American society have clocks of their own. It is necessary to permit South Africans themselves to build their future, yet an absence of movement will guarantee that the issues become further internationalized. Despite these difficulties, the United States will find it even harder to walk away from the problem because South Africa is by its nature a part of the West. We see too much of ourselves and project too much of our domestic agendas there. The United States is the only major power that can be open and credible to all parties, and this in itself suggests an American role. In the final analysis, it matters very much how change occurs and who participates in it.

U.S. IMMIGRATION POLICIES

Mr. HUDDLESTON. Mr. President, on numerous occasions, as my colleagues will recall, I have stood on this floor to discuss issues relating to the immigration policies of the United States. A news story just off the Associated Press newswire has caught my attention today. I should like to bring it to the attention of this body.

Richard Schweiker, the Secretary of Health and Human Services, and our former colleague in the Senate, has just instituted and completed a survey on the issuance of social security cards in this country. One item that has resulted from that survey that is of interest is that Secretary Schweiker's investigators found that nearly one-half of the social security cards issued in New York City and Washington in the first 9 months of

1980 went to aliens, 20 percent of whom were in this country illegally or without work permits.

Mr. President, I submit that that does suggest the deplorable state of the immigration policies of this country and the implementation of those policies. I call my colleagues' attention to the fact that a few days ago, I, along with some nine other Members of the Senate, introduced legislation dealing with some of those problems and I commend that legislation to their attention.

I commend the distinguished Secretary of Health and Human Services, Mr. Schweiker, for immediately issuing orders to tighten up the issuance of social security cards and working with the Immigration and Naturalization Service in developing better procedures so that we can have some kind of order, some kind of control over the social security cards that are issued and to whom they are issued and can help straighten out the immigration problems that we have in this country.

Mr. President, I ask unanimous consent that this news release from the Associated Press by Mr. Christopher Connell be printed in the RECORD at this point.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY CARDS

(By Christopher Connell)

WASHINGTON.—Richard S. Schweiker, Secretary of Health and Human Services, ordered tighter controls Thursday on the millions of social security cards issued each year.

He said social security numbers are becoming "a de facto universal indentifier" and must be protected against fraud and misuse by illegal aliens and others.

Consequently, Schweiker said, blank social security cards will be removed from the agency's 1,300 field offices and a centralized card issuance system set up in its place.

The Social Security Administration, part of Schweiker's department, issues seven million new numbers and more than four million replacement cards each year.

Schweiker said the agency will work with the Immigration and Naturalization Service on "improved procedures to verify the authenticity of INS documents" that aliens use to get social security cards.

His actions followed a report from his inspector general that said the social security agency was doing a poor job keeping the cards out of the hands of illegal aliens and others not entitled to them.

Schweiker's investigators found that nearly half the social security cards issued in New York City and Washington in the first nine months of 1980 went to aliens, 20 percent of whom were in the country illegally or without work permits.

The auditors criticized social security's practice since 1974 of issuing "non-work" cards and numbers to aliens who need them for bank accounts, driver's licenses or other purposes, but who are not authorized to work here. Schweiker ordered a review of that policy.

FORMER SENATOR SAM J. ERVIN, JR., WRITES ON FORCED BUSING FOR RACIAL BALANCE PURPOSES

Mr. THURMOND. Mr. President, as I am sure my colleagues in the Senate are aware, I have always opposed the forced busing of schoolchildren for racial balance and have fought time and again within the Judiciary Committee, and here in the Senate, to stop this wrongheaded, wasteful, and destructive practice.

For many years, one of the principal national leaders in the fight to halt mandatory busing was Sam J. Ervin, Jr., of Morganton, N.C., my friend and distinguished former colleague in this body. Senator Ervin retired in 1975 after serving his Nation well for 2 years in the House, 6 years on the North Carolina Supreme Court as an associate justice, and 20 years in the U.S. Senate. Although Sam Ervin relinquished his leadership in public life, he has remained active as a private citizen—studying, writing, and lecturing on a number of national issues of constitutional dimension. I am proud to say that Sam Ervin was, as a U.S. Senator, and is today as a private citizen, one of the foremost scholars of the U.S. Constitution. Like myself, Senator Ervin believes that the Constitution is an enduring document of clearly defined principles that, if this Nation is to remain a nation ruled by law and not by human whims, must be strictly construed and faithfully applied by the judiciary.

Senator Ervin has recently completed an excellent, comprehensive article on the subject of forced busing. In his article, Senator Ervin examines that court-ordered remedy as it should be viewed under a careful, proper analysis of the equal protection clause of the 14th amendment and the Civil Rights Act of 1964. His conclusion, with which I wholeheartedly agree, is that mandatory busing solely for integration purposes not only is not required by the 14th amendment of the Constitution and the 1964 Civil Rights Act, but actually contravenes the plain language and express purpose of both these statements of the law of the land. On the other hand, the distinguished statesman from North Carolina also points out that the 14th amendment, as correctly applied in the 1954 Brown against Topeka Board of Education case, prohibits any State action that would, on account of race, bar a child from attending the nearest neighborhood school.

Mr. President, this scholarly treatise by Senator Ervin is one of the best statements I have been privileged to review on the subject of tyrannical, judicial activism, which has led to misinterpretations of the 14th amendment and the 1964 Civil Rights Act. In case after case, the Federal courts have been ignoring the plain language of the law. Instead, reformist judges have substituted their own egalitarian notions, so as to mandate pupil and teacher assignment remedies that are contrary to a proper reading of the law.

Mr. President, while Senator Ervin's article is lengthy, I believe it is well worth reading by all Senators, staff members, and others who are concerned with constitutional law issues. It is my hope that Congress will glean from writings, such as this outstanding piece by Senator Ervin, both the wisdom and the will to halt the deleterious practice of forced busing for racial balance, while insuring equal educational opportunity for all Americans.

Mr. President, I ask that this article be printed in the RECORD at the end of these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXCLUSION FROM NEIGHBORHOOD SCHOOLS OF CHILDREN AND THEIR FORCED BUSING FOR INTEGRATION: UNCONSTITUTIONAL FEDERAL TYRANNIES

The exclusion from their neighborhood schools and the forced busing of school children for integration purposes is a foolish, wasteful, and useless tyranny, which is outlawed by the very provision of the Constitution invoked by the Supreme Court to justify it, namely, the equal protection clause of the Fourteenth Amendment.[1]

MY ABIDING CONVICTIONS RESPECTING THE CONSTITUTION

Before explaining why this is so, I deem it not amiss to make certain observations. I have lived about four score and five years; I have spent a substantial part of my energy and time during these years in studying the Constitution, its history, and its objectives; I have acquired by my study abiding convictions respecting these matters; and I note that many Americans far wiser than I have entertained like convictions.

The Constitution is our most precious heritage as Americans. When it is interpreted and applied aright, the Constitution protects all human beings within our borders from anarchy on the one hand and tyranny on the other.

The wise British statesman, William Ewart Gladstone, rightly described the American Constitution as the most wonderful work ever struck off at a given time by the brain and purpose of man.[2]

WHY THE CONSTITUTION WAS WRITTEN AND ADOPTED

For ease or expression, I use the term Founding Fathers to designate those who framed and ratified the Constitution submitted by the Convention of 1787, and those who framed and ratified the amendments which have been added to it.

The Founding Fathers knew the history of the frustrating struggle of the people against arbitrary governmental power during countless generations for the right to self rule and to be free from tyranny, and understood the tragic lessons taught by that history.

As a consequence they comprehended these eternal truths: First, that "whatever government is not a government of laws is a despotism, let it be called what it may"; [3] second, that the "occupants of public office love power and are prone to abuse it"; [4] and, third, that what autocratic rulers of the people had done in the past was likely to be attempted by their new rulers in the future unless they were restrained by laws which they alone could neither alter nor nullify.[5]

The Founding Fathers desired above all things to secure to the people in a written Constitution every right they had wrested from autocratic rulers while they were struggling for the right to self rule and freedom from tyranny.

Their knowledge of history gave them the wisdom to know that this objective could be accomplished only in a government of laws, i.e., a government which rules by certain, constant, and uniform laws rather than by the arbitrary, uncertain, and inconstant wills of impatient men who happen to occupy for a fleeting moment of time legislative, executive, or judicial offices.

For these reasons, the Founding Fathers framed and ratified the Constitution, which they intended to last for the ages, to constitute a law for both rulers and people in

Footnotes at end of article.

peace and in war, and to cover with the shield of its protection all classes of men with impartiality at all times and under all circumstances.[6]

While they intended it to endure for the ages as the nation's basic instrument of government, the Founding Fathers realized that useful alterations would be suggested by experience.[7]

Consequently, they made provision for its amendment in one way and one way only, i.e., by combined action of Congress and the states as set forth in Article V. By so doing, they ordained that "nothing new can be put into the Constitution except through the amendatory process" and "nothing old can be taken out without the same process"; [8] and thereby forbade Supreme Court Justices to attempt to revise the Constitution while professing to interpret it.[9]

THE CONSTITUTIONAL SEPARATION OF POWERS

In framing and ratifying the Constitution, the Founding Fathers recognized and applied an everlasting truth embodied by the British philosopher, Thomas Hobbes in this phrase: "Freedom is political power divided into small fragments."

They divided governmental powers between the federal government and the states by delegating to the former the governmental powers necessary to enable it to operate as a national government for all the states, and by reserving to the states all other governmental powers.[10]

They divided among the Congress, the President, and the Federal judiciary the powers given to the federal government by giving to Congress the power to make federal laws, imposing on the President the duty to enforce federal laws, and assigning to the federal judiciary the power to interpret federal laws for all purposes and state laws for the limited purpose of determining their constitutional validity.[11]

In making this division of powers, the Founding Fathers vested in the Supreme Court as the head of the federal judiciary the awesome authority to determine with finality whether governmental action, federal or state, harmonizes with the Constitution as the supreme law of the land, and mandated that all federal and state officers, including Supreme Court Justices, should be bound by oath or affirmation to support the Constitution.[12]

THE DUTY OF SUPREME COURT JUSTICES

No question is more crucial to America than this: What obligation does the Constitution impose on Supreme Court Justices?

America's greatest jurist of all time, Chief Justice John Marshall answered this question with candor, clarity, and finality by his opinion in Marbury v. Madison and Gibbons v. Ogden. In these indisputably sound decisions, Chief Justice Marshall declared:

1. That the principles of the Constitution are fundamental, and are designed to be permanent.

2. That the words of the Constitution must be understood to mean what they say.

3. That the Constitution constitutes an absolute rule for the government of Supreme Court Justices in their official action.

4. That the oath or affirmation of a Supreme Court Justice to support the Constitution "is worse than solemn mockery" if he does not "discharge his duties agreeably to the Constitution of the United States.[13]

In elaborating his second declaration, Chief Justice Marshall said:

"As men whose intentions require no concealment generally employ the words which most directly and aptly express the ideas they intend to convey, the enlightened patriots who framed our Constitution, and the people who adopted it, must be understood to have used words in the natural sense, and have intended what they have said." [14]

This being true, Supreme Court Justices are forbidden to commit verbicide on the words of the Constitution while they are pretending to interpret them. I am indebted to Dr. Oliver Wendell Holmes for the expressive term verbicide. He declared in his Autocrat of the Breakfast Table:

"Life and language are alike sacred. Homicide and verbicide—that is, violent treatment of the word with fatal results to its legitimate meaning which is its life—are alike forbidden." [15]

The Founding Fathers undertook to immunize Supreme Court Justices against temptation to violate their oaths or affirmations to support the Constitution by making them independent of everything except the Constitution itself. To this end, they stipulated in Article III that Supreme Court Justices "shall hold their offices during good behaviour * * * and receive for their services a compensation, which shall not be diminished during their continuance in office."

In commenting upon the awesome power vested by the Constitution in Supreme Court Justices, Justice (afterwards Chief Justice) Stone made this cogent comment: "While unconstitutional exercise of power by the executive and legislative branches of government is subject to judicial restraint, the only check on our own exercise of power is our own sense of self-restraint." [16]

Many years after the adoption of the Constitution, Daniel Webster, one of the wisest of statesmen, made a caustic and correct comment upon public officials who undertake to substitute their personal notions for rules of law. He said:

"Good intentions will always be pleaded for every assumption of authority. It is hardly too strong to say that the Constitution was made to guard the people against the dangers of good intentions. There are men in all ages who mean to govern well, but they mean to govern. They promise to be good masters, but they mean to be masters." [17]

By this comment, Webster portrayed the judicial activist with accuracy. A judicial activist is a judge who interprets the Constitution to mean what it would have said if he instead of the Founding Fathers had written it.

The Constitution does not suffice, however, to check the unconstitutional exercise of power by Supreme Court Justices who are judicial activists because they are either unable or unwilling to subject themselves to the requisite self-restraint. As a consequence, they substitute their personal notions for constitutional precepts while pretending to interpret that instrument.

JUDICIAL ACTIVISM IS DESTRUCTIVE OF CONSTITUTIONAL GOVERNMENT

Many distinguished Americans, who understood and revered the Constitution, have rightly declared that judicial activism is destructive of the Constitution because it tends to substitute government by the personal notions of judges for the government of laws that instrument was ordained to establish. I quote three of the most famous of them.

George Washington, who served as President of the Convention which framed the Constitution before becoming the first President of our country under it, made this assertion in his Farewell Address:

"If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always over-balance in permanent evil any partial or transient benefit which the use can at any time yield."

Judge Thomas M. Cooley, author of Constitutional Limitations, declared:

"1. The meaning of the constitution is fixed when it is adopted, and it is not different at any subsequent time when a court has occasion to pass upon it.

"2. A court * * * which should allow a change in public sentiment to influence it in giving to a written constitution a construction not warranted by the intention of its founders would be justly chargeable with reckless disregard of official oath and public duty; and if its course could become a precedent, these instruments would be of little avail. * * * What a court is to do, therefore, is to declare the law as written, leaving it to the people themselves to make such changes as new circumstances may require." [18]

Benjamin N. Cardozo, Chief Judge of the New York Court of Appeals and Justice of the United States Supreme Court, stated in his enlightening treatise The Nature of the Judicial Process that "judges are not commissioned to make and unmake rules at pleasure in accordance with changing views of expediency or wisdom" and that "it would put an end to the reign of law" if judges adopted the practice of substituting their personal notions of justice for rules established by a government of laws.[19]

NO JUDICIAL DECISION MERITS RESPECT IF IT IS REPUGNANT TO THE CONSTITUTION

Some of those who condone judicial activism and verbicide assert that all decisions of the Supreme Court ought to be deemed sacrosanct, and that patriotism commands all citizens to refrain from criticizing them because criticism diminishes the respect of the people for the Court.

This assertion is intellectual rubbish. No judicial decision merits respect unless it is respectable, and no judicial decision is respectable if it flouts the Constitution which the judges participating in it are bound by oath or affirmation to support.

As Justice Frankfurter has so well declared, "judges as persons or courts as institutions are entitled to no greater immunity from criticism than other persons or institutions * * * Judges must be kept mindful of their limitations and of their ultimate public responsibility by a vigorous stream of criticism expressed with candor however blunt." [20]

Chief Justice Stone concurred with Justice Frankfurter's views by stating that "where the courts deal, as ours do, with great public questions, the only protection against unwise decisions, and even judicial usurpation, is careful scrutiny of their action, and fearless comment upon it." [21]

The most vigorous denunciation of judicial activism and verbicide by Supreme Court Justices is to be found in opinions of their Brethren. For example, Justice Jackson had this to say in his concurring opinion in *Brown* v. *Allen*, 344 U.S. 443, 535:

"Rightly or wrongly, the belief is widely held by the practicing profession that this Court no longer respects impersonal rules of law but is guided in these matters by personal impressions which from time to time may be shared by a majority of the Justices. Whatever has been intended, this Court also has generated an impression in much of the judiciary that regard for precedents and authorities is obsolete, that words no longer mean what they have always meant to the profession, that the law knows no fixed principles."

Justice Jackson added this scathing observation to his concurring opinion: "But I know of no way that we can have equal justice under law except we have some law." (344 U.S. at page 546)

Since Justice Jackson wrote his concurring opinion in 1952, the Supreme Court has vastly stepped up its judicial activism and verbicide. By so doing, it has made plain a truth which James Madison expressed as a belief to the Virginia Convention on June 16, 1788. At that time Madison said:

"Since the general civilization of mankind, I believe that there are more instances of the abridgement of the freedom of the people by gradual and silent encroachments of those in power than by violent and sudden usurpations."

Footnotes at end of article.

By constantly increasing judicial activism and verbicide, Supreme Court Justices have expanded for practical purposes the powers of the federal government in general and their own powers in particular far beyond the bounds to such powers set by the Constitution, and have converted the Supreme Court itself in large measure from a judicial tribunal in a government of laws into a judicial oligarchy whose decisions are controlled by the personal notions of its members.

As a consequence, the states have been largely reduced to meaningless zeros on the nations' map and virtually all the public activities of the people and many of their private activities, private preferences, and private thoughts have been directly or indirectly subjected to federal regulation.

Time and space preclude a statement of the impact of all their judicial activism and verbicide on constitutional government in America and the freedom of Americans. I shall, therefore, confine what I have to say on the subject to the decrees of the Supreme Court which sanction the exclusion from neighborhood schools and forced busing of school children for integration purposes. The Supreme Court asserts that these decrees are justified by the equal protection clause of the Fourteenth Amendment. The words and objective of this clause contradict this claim.

By practicing judicial activism and verbicide on this constitutional provision, the Supreme Court distorts it into conferring upon itself, inferior federal courts, and unelected federal bureaucrats the arbitrary power to deny school children of all races the right to attend schools in their neighborhoods and to order them to be bused to distant schools elsewhere to mix them in racial proportions pleasing to judges and bureaucrats, and thus makes innocent school children of all races the helpless and hapless pawns of judicial and bureaucratic tyranny.

The stark nature of this tyranny was revealed to a limited degree by news items of recent days emanating in Louisiana. According to these news items, a federal judge sitting in that state threatened to adjudge three white teenaged high school girls guilty of contempt of his court and to punish them accordingly.

Their offense was that they had continued to seek their education at their familiar neighborhood school instead of journeying by bus to an unfamiliar distant school elsewhere. In so doing they had allegedly disobeyed an order issued by the federal district judge commanding the state school board to deny them admittance to their neighborhood school and to bus them to the distant school elsewhere for integration purposes.

In a very real sense, all judges of inferior federal courts are servants of the federal judicial hierarchy headed by the Supreme Court. The federal district judge sitting in Louisiana undoubtedly acted under the conviction that his action was required by the forced busing decrees of Supreme Court Justices.

THE TRUE MEANING AND OBJECTIVE OF THE EQUAL PROTECTION CLAUSE

The Fourteenth Amendment became a part of the Constitution on July 21, 1868. When it is interpreted and applied right, its equal protection clause is one of the simplest and most salutary of the provisions of the Constitution.

The clause extends its protection to all persons of all races, colors, or classes who are similarly situated within the boundaries of any state. Its objective is to secure equality to such persons under the law of the state.[22] The clause specifies that no state "shall deny to any person within its jurisdiction the equal protection of the laws.[23]

By this phrase, the equal protection clause requires the laws of the state to treat all persons within its jurisdiction alike under like circumstances, both in the rights conferred and the responsibilities imposed.[24]

The clause applies only to states and to state officials acting under state law. Further than that, the clause does not go. It does not apply in any way to private individuals, or confer upon the federal government any power to control their conduct.[25]

Since all federal officers, including Supreme Court Justices, are bound by oath or affirmation to support the Constitution, no court, department, or agency of the federal government has any power to require a state or any state officer acting in its behalf to violate the equal protection clause. The Supreme Court has expressly ruled that Congress cannot do so.[26]

THE BROWN CASE

During the 86 years following the ratification of the Fourteenth Amendment, presidents, governors of states, Congress, state legislatures, and federal and state courts interpreted the equal protection clause to permit a state to segregate by law persons within its jurisdiction on the basis of race as long as the facilities which served them were equal.

The interpretation was knows as "the separate but equal doctrine." This doctrine did not originate in any Southern state. It had its genesis in Massachusetts. In 1849, the Supreme Judicial Court of Massachusetts created and applied it in *Roberts* v. *City of Boston*, 59 Mass. (5 Cush.) 198, when it rejected the plea of Senator Charles Sumner that the City of Boston be compelled to admit black children to a racially segregated school for whites.

By a 7 to 1 vote, the Supreme Court applied "the separate but equal doctrine" to the segregation of passengers on the basis of race in transportation in 1896 in *Plessy* v. *Ferguson*, 163 U.S. 537; and by a unanimous vote, the Supreme Court applied "the separate but equal doctrine" to the segregation of children in public schools on the basis of race in 1927 in *Gong Lum* v. *Rice*, 275 U.S. 78.

Justice Brown of Michigan wrote the opinion in *Plessy* v. *Ferguson* for a court composed of himself and Chief Justice Fuller of Illinois, and Justices Field of California, Harland of Kentucky, Gray of Massachusetts, Brewer of Kansas, Shiras of Pennsylvania, White of Louisiana, and Peckham of New York. Harlan dissented, and Brewer did not participate. Harlan based his dissent on the proposition that "our Constitution is color blind."

Chief Justice Taft wrote the opinion in *Gong Lum* v. *Rice* for an unanimous Supreme Court composed of himself and Justices Holmes and Brandeis of Massachusetts, Van Devanter of Wyoming, McReynolds and Sanford of Tennessee, Sutherland of Utah, Butler of Minnesota, and Stone of New York.

On May 17, 1954, the Supreme Court handed down its unanimous decision in *Brown* v. *Board of Education of Topeka*, 347 U.S. 483. By this ruling the Supreme Court adjudged "that in the field of public education the doctrine of separate but equal has no place." In its final analysis, the decision in the *Brown Case* is based upon the proposition that the equal protection clause of the Fourteenth Amendment forbids a state to consider race in assigning children in its public schools, and in consequence a state violates the clause if it excludes a child from any of its schools because of the child's race. Hence, the decision accepts as valid Justice Harlan's assertion in *Plessy* v. *Ferguson* that "our Constitution is color blind."

At the time the decision in the Brown Case was announced 17 states and the District of Columbia were maintaining segregated schools for black and white children.

It is no exaggeration to say that the decision of the Supreme Court in the Brown Case shocked the nation. In common with multitudes of other Americans, I doubted its validity and wisdom. Such a drastic change in the interpretation of the equal protection clause, I thought, ought to have been made by a constitutional amendment and not by judicial fiat.

Since the Supreme Court handed down its decision in the Brown Case, I have spent much energy and much time studying the origin, the history, the language, and the objective of the equal protection clause of the Fourteenth Amendment.

My study has constrained me to accept as valid these deliberate and definite conclusions:

The "separate but equal doctrine" is consistent with the origin and history of the equal protection clause.

Nevertheless, the "separate but equal doctrine" is inconsistent with the words and manifest purpose of the equal protection clause.

The equal protection clause requires the laws of a state to treat alike all persons in like circumstances within its borders both in respect to rights conferred and responsibilities imposed.

The objective of the equal protection clause is to insure equality under state law of all persons similarly situated within the borders of the state.

A state frustrates the equal protection clause and its objectives if it makes the legal right or legal responsibility of persons within its borders depend upon their race.

The Brown Case requires a state to assign its children to its public schools without regard to their race and invalidates any state law to the contrary.

Despite my original misgivings respecting it, the Brown Case constitutes a proper interpretation of the equal protection clause.

The equal protection clause governs state action only, and does not apply in any way to the conduct, dealings, associations, social activities, or racial preferences of individuals.

Finally, the equal protection clause contemplates that all persons shall enjoy equal civil liberties under state law, but does not entitle any persons of any race to any special privileges or preferences superior to those accorded to persons of other races by state law.

JUDGE PARKER'S EXPLANATION OF THE BROWN CASE AND THE EQUAL PROTECTION CLAUSE

When the Supreme Court made its decision in the Brown Case, it decided four separate cases which it had combined for the purpose of hearing and decision. After its decision, the Supreme Court remanded the four separate cases to the courts in which they had originated for further appropriate proceedings.

One of the four cases, Briggs v. Elliott, involved a challenge to the constitutionality under the equal protection clause of the public schools of Clarendon County, South Carolina. This case had originated in the United States District Court for the Eastern District of South Carolina and had been decided in the first instance by a three-judge district court composed of Circuit Judge Parker, and District Judge Waring and Timmerman.[27]

Circuit Judge John J. Parker, who afterwards served as Chief Judge of the United States Court of Appeals for the Fourth Circuit, was deemed by the bench and bar to be one of America's greatest jurists of all times.

After the Briggs Case was remanded to the United States District Court for the Eastern District of South Carolina by the Supreme Court for further proceedings, Judge Parker wrote what he called a per curiam opinion for the three judge court, which was then composed of himself, Circuit Judge Dobie, and District Judge Timmerman.

In this illuminating opinion, Judge Parker explained the Brown Case and the equal protection clause with correctness and clarity. In so doing, he said:

Footnotes at end of article.

"This Court in its prior decisions in this case, 98 F.Supp. 529; 103 F.Supp. 920, followed what is conceived to be the law as laid down in prior decisions of the Supreme Court, *Plessy* v. *Ferguson*, 163 U.S. 537, 16 S.Ct. 1138, 41 L.Ed. 256; *Gong Lum* v. *Rice*, 275 U.S. 78, 48 S.Ct. 91, 72 L.Ed. 172, that nothing in the Fourteenth Amendment to the Constitution of the United States forbids segregation of the races in the public schools provided equal facilities are accorded the children of all races. Our decision has been reversed by the Supreme Court, *Brown* v. *Board of Education of Topeka*, 349 U.S. 294, 75 S.Ct. 753, 757, which has remanded the case to us with direction 'to take such proceedings and enter such orders and decrees consistent with this opinion as are necessary and proper to admit to public schools on a racially non-discriminatory basis with all deliberate speed the parties to these cases.'

"Whatever may have been the views of this court as to the law when the case was originally before us, it is our duty now to accept the law as declared by the Supreme Court.

"(1–4) Having said this, it is important that we point out exactly what the Supreme Court has decided and what it has not decided in this case. It has not decided that the federal courts are to take over or regulate the public schools of the states. It has not decided that the states must mix persons of different races in the schools or must require them to attend schools or must deprive them of the right of choosing the schools they attend. What it has decided, and all that it has decided, is that a state may not deny to any person on account of race the right to attend any school that it maintains. This, under the decision of the Supreme Court, the state may not do directly or indirectly; but if the schools which it maintains are open to children of all races, no violation of the Constitution is involved even though the children of different races voluntarily attend different schools, as they attend different churches. Nothing in the Constitution or in the decision of the Supreme Court takes away from the people freedom to choose the schools they attend. The Constitution, in other words, does not require integration. It merely forbids discrimination. It does not forbid such segregation as occurs as the result of voluntary action. It merely forbids the use of governmental power to enforce segregation. The Fourteenth Amendment is a limitation upon the exercise of power by the state or state agencies, not a limitation upon the freedom of individuals.

"The Supreme Court has pointed out that the solution of the problem in accord with its decisions is the primary responsibility of school authorities and that the function of the courts is to determine whether action of the school authorities constitutes 'good faith implementation of the governing constitutional principles'." [28]

Judge Parker's sound explanation of the Brown Case and the equal protection clause was subsequently rejected by the judicial activists on the Supreme Court.

DE JURE AND DE FACTO SEGREGATION

The Brown Case rightly held that the federal government has no power whatever in respect to the assignment of students to the public schools of a state unless the state discriminates against a child by denying him admission to one of its schools solely because of his race.

Subsequent decisions correctly accept this principle as valid. Under it, segregation of the races in public schools is either de jure or de facto.

De jure segregation, which is subject to federal authority, is an existing condition of segregation in a public school resulting from intentionally segregative action on the part of the school board acting as a state agency and *de facto* segregation, which lies outside the bounds of federal authority, is an existing condition of segregation arising out of the custom of American families of different races to establish their homes in communities inhabited by other families of their respective races.[29]

THE COMPULSORY INTEGRATIONISTS AND THE DIE-HARD SEGREGATIONISTS

It is necessary to describe the political climate which prevailed in the United States during the years of the civil rights revolution. As I stated on occasions during that time, the constant preoccupation and agitation respecting race impaired our national sanity.

The spirit of moderation, tolerance, and mutual understanding ordinarily characteristic of Americans of all races and all walks of life was largely lacking. People of diverse views respecting racial matters engaged in furious, intolerant, and uncompromising controversies concerning them. These controversies erupted in political and legal battles, and sometimes in physical encounters.

For ease of expression, I call the extremists among one group compulsory integrationists, and those among the other die-hard segregationists. I was not happy with either the compulsory integrationists or the die-hard segregationists, and they were not happy with me. Some of the compulsory integrationists applied to me their most approbrious epithet "racist", and some of the die-hard segregationists called me a "flaming liberal."

Despite their violent disagreements in general, both the compulsory integrationists and the die-hard segregationists spurned by abiding conviction that the Constitution commands that men of all races shall enjoy equality under the law and forbids the grant of special legal rights and special legal privileges to men of one race denied to men of other races.

The thinking of the compulsory integrationists on this score was twisted awry. They had convinced themselves that members of the minority race were entitled to legal rights superior to those of members of the majority race, and their goal was to induce, if not to coerce, Congress and the federal judiciary and agencies to grant members of minority races such superior legal rights.

The die-hard segregationists were equally wrong. They were convinced that the legal status of members of the minority race ought to be inferior to that of members of the majority race, and they acted accordingly.

The compulsory integrationists claimed that they were merely seeking to eradicate from the hearts of all Americans the attitudes and inclinations they deemed to be racial prejudices or racial preferences. They were bent on accomplishing their objectives by the coercive power of law rather than by the persuasive power of reason or religion. The laws they sought, and in some instances secured, convert innocent external acts into illegal conduct upon the conclusion or supposition of fallible federal officers that the innocent external acts were done with racial discrimination or racial preference.

I strongly disagreed with the compulsory integrationists in this respect. I believed that the true function of law is to outlaw external acts which are evil, and not to regulate the thoughts of men, no matter how erroneous their thoughts may be.

Laws which make innocent external acts illegal solely on the basis of the internal thoughts which may accompany them are dangerous. They are, indeed, the stuff of which tyranny is made.

This is true because the administrators of such laws do not possess the clairvoyant power to determine what is in the human heart. As the Old Testament so well says in I Samuel, Chapter 16, verse 7, "The Lord seeth not as man seeth; for man looketh upon the outward appearance; but the Lord looketh on the heart."

I deemed the demands of the compulsory integrationists unwise for other reasons.

While I abhorred racial prejudice in all its aspects, I entertained the earnest belief that racial prejudice can be effectively removed from the human heart only by reason or religion. Furthermore, I rejected the notion that racial preference is synonymous with racial prejudice. In my judgment, racial preference is inseparable from liberty in some of the most intimate relationships and some of the most significant activities of men of all races.

I also entertained the earnest belief that the means by which the compulsory integrationists sought to impose their objectives on the people of our nation were incompatible with the purpose of the Founding Fathers in drafting and ratifying a written Constitution which divides governmental powers between the federal government and the states.

This purpose was explained with complete fidelity to truth by Chief Justice Salmon P. Chase in *Texas* v. *White*, 1 Wallace (U.S.) 725, when he said: "The Constitution, in all its provisions, looks to an indissoluble union composed of indestructible states."

The ultimate goal of the compulsory segregationists, I believe, was to reduce the states to meaningless and impotent zeroes insofar as the regulation of inter-racial relationships was concerned. Their immediate goal was undoubtedly to persuade federal courts and agencies by specious interpretations of the equal protection clause to compel the states to integrate all their schools racially and thus deny children of all races any liberty to choose the schools they attended.

I deplored the attitude and response of some die-hard segregationists toward peaceful demonstrations by members of the minority races who were seeking to obtain equality of rights under the law.

The First Amendment, which I revere, gives to both the wise and the foolish a constitutional right to engage in peaceable demonstrations to present their grievances, real or imaginary, to government or the public. Peaceable demonstrations have therapeutic value in all cases.

If the grievances are real, the peaceable demonstrations may persuade government to grant appropriate relief; and if they are imaginary they may relieve the demonstrators of their tensions, in whole or in part.

I abhorred the brutality which die-hard segregationists sometimes visited upon peaceful demonstrators during the civil rights revolution. I was outraged by the attack some die-hard segregationists made upon the demonstrators who were marching from Selma to Montgomery, and publicly stated that they were the most effective allies the compulsory integrationists had.

Both the compulsory integrationists and the die-hard segregationists disliked the Brown Case. The former did so because it adjudged that the equal protection clause forbade racial discrimination, but did not mandate racial integration; and the latter because it prohibited segregation in the future similar to that of the past.

THE CIVIL RIGHTS ACT OF 1964

Section 5 of the Fourteenth Amendment provides that "the Congress shall have the power to enforce, by appropriate legislation, the provisions of this article."

Ten years after the Brown Case, Congress exercised its power to enforce the equal protection clause insofar as it relates to the assignment of students to state educational institutions. It enacted Title IV of the Civil Rights Act of 1964.[30] Its purpose in so doing was to clarify the role of the federal government in the assignment of students to state schools and bring peace to an America troubled by the bitter controversies between

Footnotes at end of article.

the compulsory integrationists and the die-hard segregationists.

The Title rightly recognized as sound the ruling of the Brown Case that the equal protection clause forbids a state to practice racial discrimination in assigning students to its educational institutions, but does not empower federal courts or officials to compel states to integrate such institutions in racial proportions pleasing to them. Both the words of the Title and its legislative history are as clear as sunlight in a cloudless day.

Since it was in rapport with the equal protection clause, the Title was well designed to win the approbation of all Americans other than those who are wedded to the obsession that the Constitution should be construed to satisfy their personal notions rather than its own objectives.

By Title IV, Congress regulated what had become known as "desegregation" in public education.

By provisions of Section 401(a) and 407(a), which were incorporated in the Title as it was originally proposed and retained in the Title in its final formulation, Congress specified with exactness and completeness what the equal protection clause requires of the state in assigning children or students to its educational institutions, and the role, i.e., the function, of federal courts and federal officers in respect to this state activity.

Section 401(a) in its original and final form expressly declares that " 'desegregation' means the assignment of students to public schools and within such schools without regard to their race, color, religion, or national origin."

Section 407(a) in its original and final form explicitly denies the Attorney General power to bring legal proceedings to desegregate the educational institutions of a state unless children "as members of a class of persons similarly situated are being deprived by a school board of the equal protection of the laws," or an individual "has been denied admission to or not permitted to continue at a public college by reason of race, color, religion, or national origin."

Congress could not have found plainer words to enforce the equal protection clause and establish these principles as law for people and rulers alike:

1. The state's obligation in assigning students to its educational institutions is simply to make the assignment "without regard to their race, color, religion, or national origin."

2. The role, i.e., the function, of federal courts and federal officers is simply to enforce that obligation in case the state fails to perform it.

3. Federal courts and officers have no power in any event to order the state to assign students to its educational institutions on the basis of their "race, color, religion, or national origin."

While Congress was debating and formulating Title IV, many Senators and Representatives expressed concern with the increasing tendency of inferior federal courts and federal officers to order state school boards to assign students to their schools on a racial basis and thus compel them to integrate their schools racially instead of merely preventing racial discrimination.

To allay this concern, Congress added amendments to Title IV as originally proposed to make it doubly certain the Title would prohibit racial integration by the fiat of federal courts and federal officers as well as racial discrimination by the state in the assignment of students to state educational institutions.

One of these amendments was incorporated in Section 401(a) immediately after the Title's original and final definition of what constitutes "desegregation", and consisted of these words: "but 'desegregation' shall not mean the assignment of students to public schools to overcome racial imbalance."

The other amendment was incorporated in Section 407(a), and was expressed in this unmistakable language: "Provided that nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance, or otherwise enlarge the existing power of the court to insure compliance with constitutional standards."

The proviso did not contain any exception or create any limitation to its applicability. Hence, it applied to all racial imbalances, regardless of whether they resulted from de jure or de facto segregation. Since "all legislative powers granted to the United States" is vested in Congress by Article I, Section 1 of the Constitution, the subsequent nullification of the proviso by federal courts and federal executive officers constituted a gross usurpation of power denied them by the Constitution and statutes they were professing to interpret.

An illuminating colloquy concerning the proviso occurred between Senator Hubert H. Humphrey, the floor manager of the Civil Rights Act of 1964 in the Senate, and Senator Robert C. Byrd, on the floor of the Senate on June 4, 1964 during consideration of the Civil Rights Act of 1964.

Senator Byrd was distressed by the possibility that Title VI of the Act, which primarily governed state programs receiving federal financial assistance, might be utilized by federal courts or federal officers to coerce state school boards to engage in the forced busing of students.

Senator Byrd put this question to Senator Humphrey: "Can the Senator from Minnesota assure the Senator from West Virginia that under Title VI school children may not be bused from one end of the community to another end of the community at the taxpayers' expenses to relieve so-called racial imbalance in the schools?"

Senator Humphrey replied: "I do."

The colloquy continued as follows:

Senator BYRD. "Will the Senator from Minnesota cite the language in Title VI which would give the Senator from West Virginia such assurance?"

Senator HUMPHREY. "That language is to be found in another title of the bill, in addition to the assurances to be gained from a careful reading of Title VI itself."

Senator BYRD. "In Title IV?"

Senator HUMPHREY. "In Title IV of the bill."

Senator BYRD. "Will the Senator from Minnesota read that language in Title IV?"

Senator HUMPHREY. "Yes, I would be happy to do so. The provision merely quotes the substance of a recent court decision—the so-called Gary Case."

Senator Humphrey thereupon stated that the language under consideration was embodied in the proviso in Section 407(a), and read to Senator Byrd and the other members of the Senate the proviso verbatim in its entirety. The colloquy continued:

Senator BYRD. "What does the word 'herein' mean?"

Senator HUMPHREY. "It means within the Act."

Senator BYRD. "Does it mean the act or the title?"

Senator HUMPHREY. "It means the act. If the Senator would like to offer an amendment, if he believes we have not been sufficiently precise, I wish he would do so. As Senator in charge of the bill, I would entertain such an amendment."

Senator BYRD. "But would the Senator from Minnesota also indicate whether the words 'provided that nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance' would preclude the Office of Education (of the Department of HEW), under Section 602 or Title VI from establishing a requirement that school boards and school districts shall take action to relieve racial imbalance wherever it may be deemed to exist?"

Senator HUMPHREY. "Yes. I do not believe in duplicity. I believe that if we include the language in Title IV, it must apply throughout the act."

After elaborating the fact that the drafters of the proviso had modeled it on the language of Judge Beamer's opinion in *Bell* v. *School Board of Gary*, (D.C. Indiana, 1963) 213 F.Supp. 819, Senator Humphrey assured Senator Byrd in particular and the Senate in general that the proviso forbade federal courts and federal executive officers to require state school boards to bus students to effect the racial integration of schools. He did so by assertions which are intellectually indisputable. He said:

"I should like to make one further reference to the Gary Case. This case makes it clear that while the Constitution prohibits discrimination, it does not require integration. The busing of children to achieve racial balance would be an act to effect the integration of schools. In fact, if the bill were to compel it, it would be a violation, because it would be handling the matter on the basis of race and we would be transporting children because of race. The bill does not attempt to integrate the schools, but it does attempt to eliminate segregation in the school system." [31]

THE GREEN CASE

While the "separate but equal doctrine" was deemed constitutional, New Kent County in rural Virginia maintained two racially segregated schools, one a combined elementary and high school for blacks known as Watkins School and the other a combined elementary and high school for whites known as New Kent School.

In 1965, the County School Board of New Kent County adopted a freedom-of-choice plan for the assignment of children to its schools. This plan permitted every child, regardless of his race, to attend whichever school he chose, and provided him free transportation to enable him to do so.

In exercising their freedom of choice, all of the white students and 15 percent of the black children decided to attend New Kent School, and 85 percent of the black children elected to attend the Watkins School.

The Supreme Court repudiated the freedom-of-choice plan of New Kent County as unconstitutional under the equal protection clause in *Green* v. *County School Board of New Kent County*, (1968) 391 U.S. 430.

Although Title IV of the Civil Rights Act of 1964 had been the supreme law of the land for almost four years, the Green Case totally ignored its provisions, and dismissed the Act as a whole with the nonchalant remark that it simply indicated that Congress was "concerned with the lack of progress in school desegregation." [32]

When I was a small boy, my father, who revered the rule of law, took me to the old Supreme Court room in the Capitol at Washington and told me: "Here is where the Supreme Court sits. The Supreme Court will be faithful to the Constitution though the heavens fall." As a result of this childhood experience, I do not find it easy or pleasant to be critical of the Supreme Court, even when it practices verbicide on the words of the Constitution.

I have scrutinized the opinon in the Green Case on many occasions, and will reluctantly comment on it with complete candor.

The opinion reflects anger rather than calm reasoning, and illustrates judicial activism and verbicide run riot. It is replete with

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Footnotes at end of article.

specious arguments which bear virtually no relationship to the constitutional provision it undertakes to construe and apply.

It ignores the plain words of that provision which expressly restrict their coverage to the states, and applies them to those individuals who happen to be school children in assignment cases. It does this by adjudging that the equal protection clause denies these individuals the freedom to choose the schools they attend.

Its language reveals why the Justices impose this limitation upon the freedom of the children. The Justices apprehend that their natural inclination to have daily associates who are members of their own race will deter both black and white children from voluntarily mixing themselves in the schools in racial proportions pleasing to the Justices.

The opinion claims that the Court is merely applying the Brown Case and its implementing decision, Brown II, (1955) 349 U.S. 483. The Green Case does recognize these rulings of the Brown Case: First, the equal protection clause does make racial discrimination in public education unconstitutional; and second, that the equal protection clause confers no power whatever on the federal government to take any action in respect to the assignment of children to state schools unless the state discriminates against a child by excluding him from one of its schools on account of his race.

Otherwise the Green Case is totally repugnant to the Brown Case. It rejects the ruling of the Brown Case that the equal protection clause requires the state to ignore race in assigning children to its schools and to make such assignments solely on a nonracial basis, and adjudges that the clause compels the state to give priority to the race of children in assigning them to its schools and to make such assignments on racial basis.

It also rejects the ruling of the Brown Case that the equal protection clause merely empowers the federal government to prohibit an offending state from practicing further racial discrimination, and adjudges that the clause imposes upon an offending state the affirmative obligation to integrate all its schools racially.

The Green Case creates a special rule for the 11 states of the old Confederacy and the six nearby border states which were maintaining dual systems of racially segregated schools on May 17, 1954. These states, it declares, must destroy "root and branch" all vestiges of past racial discrimination by converting their former dual systems into unitary school systems. This obligation is consummated, it further declares, only when the racial mixture in its schools renders them unidentifiable as "white schools" or "negro schools" and makes them identifiable solely as "just schools."

The Supreme Court has subsequently defined a unitary school in less lucid terms as one in "which no person is to be effectively excluded from any school because of race or color." [33]

The Supreme Court's invalidation of freedom-of-choice in the Green Case cannot be reconciled with this definition. After all, however, judicial aberrations can never be reconciled with constitutional government.

The Green Case illustrates in graphic fashion the tragic truth that many men of good intentions entertain an insatiable desire to impose their personal notions on others, and cannot be safely trusted with unlimited and unsupervised governmental power.

The subsequent non-busing decisions of the Supreme Court followed the Green Case. They accepted its philosophy that the Constitution is color conscious rather than color blind, and its ruling that the equal protection clause obligates an offending state school board to take affirmative action to mix the races in its schools if both black and white children reside within its jurisdiction.

Footnotes at end of article.

Inasmuch as they follow the Green Case, a detailed analysis of those subsequent cases would not increase an understanding of the problems arising out of the forced busing of school children for integration purposes. Hence, further reference to them is omitted.

CHASTISING THE SOUTH

I use the term South to embrace the States of the Old Confederacy and the nearby border states having similar school laws. These states did not possess sufficient prophetic power to know in advance that the Brown Case was going to invalidate as unconstitutional under the equal protection clause the "separate but equal" doctrine which had been held valid in all governmental circles, federal and state, during the preceding 86 years. Consequently, they were still operating legally segregated dual systems of schools on May 17, 1954, the day of the Brown decision.

The compulsory integrationists initiated their activities by concentrating on the segregated schools of the South and disregarding segregation in schools elsewhere. By so doing, they enlisted the aid of politicians in other parts of the nation who found it politically profitable to chastise the distant South for its actual or supposed sins, and to ignore the similar shortcomings of those exercising governmental power in their own states.

The compulsory integrationists and their allies were delighted with the Green Case because it gave the Supreme Court's blessing to the chastisement of the South. In it, the Supreme Court Justices invented drastic new rules applicable to the South only, and ordered inferior federal courts sitting in the South to abandon the "deliberate speed approach" of Brown II, and compel state school boards in the South to obey the new rules at once.

Acting under the Green Case and subsequent Supreme Court decisions following it, federal courts sitting in the South and federal agencies, notably HEW, required state school boards to take various actions, some quite artificial and some quite expensive to state taxpayers, which they deemed likely to speed racial integration in their schools.[34]

I enumerate some of their requirements. They compelled state school boards to deny hundreds of thousands of children, black and white, admittance to their nearest schools, and to attend what they called satellite schools which they "clustered, grouped, or paired" with their neighborhood schools, often in distant and non-contiguous areas; to restructure the boundaries of districts and attendance zones to secure the maximum amount of racial mixing, often in ways incompatible with the terrain and customary routes of travel; to close existing schools in communities inhabited by families of one race, and to consolidate their student bodies with those of student bodies in schools in communities populated by families of the other race; and to build new schools in or adjacent to areas where families of both races resided.

All too often the interests and well-being of children, parents, taxpayers, and education were sacrificed to accomplish integration.

While the South was being treated in this fashion, the Supreme Court, inferior federal courts sitting in other parts of the land, and federal agencies virtually ignored racial segregation in the schools of the North, the East, and the West, notwithstanding such segregation in schools of their inner cities was usually far more pronounced than in southern communities.

Even after they abandoned "the separate but equal" doctrine in good faith and opened their schools without discrimination to students of all races, school boards in the South found little surcease from chastisement. This was true because racial imbalances in Southern schools were presumed to result from de jure segregation, while racial imbalances in Northern, Eastern or Western schools were either ignored or presumed to be caused by de facto segregation.

The disparity of treatment of the various areas of our country justifies this caustic comment. While the American Creed was proclaiming that our land was "one nation under God," the Supreme Court and federal agencies were ruling that the South and other parts of our country were not one nation under the Constitution.

The disparity of treatment prompted Senator John C. Stennis and me to offer two amendments, which passed the Senate. My amendment decreed that rules of evidence in school desegregation cases in all federal courts should be uniform. The Stennis Amendment commanded federal courts and agencies to apply to school segregation throughout the country identical regulations.

The Stennis Amendment provoked an indignant outcry from a few Northern Senators. Thereupon Senator Abraham Ribicoff, of Connecticut, as just a man as ever sat in the Senate, arose in support of the amendment. He declared, in essence, with much eloquence that the Stennis Amendment placed a mirror before Senators who favored integration in the South and disfavored it in the North, and enabled them to see their hypocrisy.

FORCED BUSING

I digress momentarily to emphasize a relevant psychological truth.

When contending groups who entertain different views and seek different ends use the same words to express their contradictory ideas and aims, they produce a lack of public understanding of their differences and the impact which the triumph of one group or the other will have on the way of life of our country.

Advocates and opponents of compulsory integration of schools have used the same word, "desegregation", to express their irreconciliable ideas and incompatible goals. The federal judiciary has added to the lack of public understanding by using the same word, "desegregation", as if it had a single definite meaning.

Opponents of compulsory integration habitually attribute to the word "desegregation" a meaning identical with that given to it by the Supreme Court in the Brown Case and Congress in Title 4 of the Civil Rights Act of 1964. To them, "desegregation" means the assignment of pupils to state schools without regard to their race. To the compulsory integrationists, on the contrary, "desegregation" means the assignment of students to state schools because of their race.

The differences between the two groups are not mere matters of semantics. They reflect a most serious conflict of ideas and demands in respect to the governmental powers delegated to the federal government and reserved to the states by the Constitution, and with respect to whether the Constitution forbids or countenances federal tyrannies which rob innocent children and their inoffending parents of freedom.

The contending groups agree on only one proposition, i.e., that the equal protection clause confers no power upon the federal government to take any action concerning the assignment of students to state schools unless the state commits racial discrimination by denying a child admittance to one of its schools solely on account of his race.

The contending groups insist, however, that the equal protection clause confers on the federal government totally divergent powers in respect to a state school board if it is guilty of racial discrimination in the manner specified.

According to the opponents of compulsory integration, the equal protection clause directs the federal government to require the offending state school board to remedy the consequences of its racial discrimination and to refrain from racial discrimination in the future; and according to the advocates of compulsory integration, the equal protection clause compels the federal government to assume complete control of the assignment

of students to schools subject to the jurisdiction of the offending school board, and to compel the board to assign students to its school in racial proportions to the maximum extent feasible.

I return to the narration of events.

Notwithstanding its drastic nature, the Green Case was not calculated to produce integration in the schools of the South to a degree pleasing to compulsory integrationists.

Their desire was frustrated by two factors. One, which had its genesis in what seems to be an inborn human characteristic, was the custom of American families of all races to establish their homes in communities inhabited by families of their respective races; and the other, which had its origin in a dislike for compulsory integration, was the tendency of American white families to flee from the inner cities to the suburbs.

Segregation in public schools resulting from these factors is obviously de facto segregation. It is caused by the exercise of free choice by individuals and not by segregative acts of state school boards.

Nevertheless, the origin of segregation in the public schools of these racially segregated residential communities has not usually exempted their schools from federal regulation under the principle that de facto segregation in state schools is not subject to federal jurisdiction. This has been true because these schools have ordinarily been located in state school districts larger than the residential communities they serve. As a consequence, the federal government has usually been able to assume jurisdiction over them either on the basis of evidence of racial discrimination in other schools of their district or on the basis of the assumption that the segregation in them represented racial imbalances presumed to result from the segregative acts of school boards.

The only practicable way for the federal government to integrate state schools in residential communities racially segregated by the voluntary choices of their places of abode by their inhabitants is to resort to forced busing of students.

The forced busing of students for these purposes involves these two successive acts of compulsion: First, denying school children admittance to their neighborhood schools; and, second, assigning and transporting them to schools elsewhere.

Although various reasons are given for it, the real objective of forced busing is to integrate the bodies rather than to enlighten the minds of school children.

Ordinarily forced busing involves an exchange of black and white children. Black students are barred from their neighborhood schools, and compelled to attend schools in communities inhabited by whites; and white children are barred from their neighborhood schools and compelled to attend schools in communities populated by blacks.

On April 20, 1971, the Supreme Court handed down its decision in *Swann* v. *Charlotte-Mecklenburg Board of Education*, 402 U.S. 1. By this decision, the Supreme Court adjudged for the first time that the federal judiciary may constitutionally employ forced busing as a tool of school desegregation.

The Swann Case was originally heard by Chief Judge J. Braxton Craven, Jr., in 1965. He ruled that the geographic zoning plan of the Charlotte-Mecklenburg Board of Education satisfied the equal protection clause as it had been interpreted in the Brown Case. In so ruling, he made this observation:

"This is another school case. Our adversary system of justice is not well-adapted for the disposition of such controversies. It is to be hoped that with the implementation of the 1964 Civil Rights Act the incidence of such cases will diminish. Administrators, especially if they have some competence and experience in school administration, can more likely work out with School Superintendents the problem of pupil and teacher assignment in the best interests of all concerned better than any District Judge operating within the adversary system. The question before this court, even within its equitable jurisdiction, is not what is best for all concerned but simply what are plaintiffs entitled to have as a matter of constitutional law. What can be done in a school district is different from what must be done." [35]

After Judge Craven's sound ruling, the Supreme Court handed down its decision in the Green Case and similar decisions in *Monroe* v. *Board of Commissioners*, (1968) 391 U.S. 430; *Alexander* v. *Holmes County Board of Education*, (1969) 396 U.S. 19; and *Carter* v. *West Feliciana Parish School Board*, (1970) 396 U.S. 1032. These cases ruled that state school boards in the South had an affirmative duty to eradicate at once "root" and "branch" all vestiges of segregation resulting from their former dual systems of schools and that they could do this only by mixing the races in their schools without delay to the maximum degree feasible.[36]

The Constitution had not been changed since Brown, but the Supreme Court Justices had altered their notions as to what was constitutional or desirable.

The Supreme Court did not spell out the rationale underlying its new decisions, or the reason why the Constitution now covered the South in a different way from the North, East, and West.

The inference concerning the rationale underlying the new judicial fiat was nevertheless inescapable. It was that the South had been practicing racial discrimination during all the times it had relied upon the "separate but equal doctrine", even though Supreme Court Justices had not been smart enough to know it until May 17, 1954, the day of the Brown Case.

Despite the humor in it, this rationale was legally sound. As Dean Samuel F. Mordecai, of the Old Trinity (now Duke University) Law School, was wont to say: "The law makes queer distinctions between the obligations it imposes on different categories of men. It requires the layman to know all the law, and the lawyer to know a reasonable amount of the law. But it doesn't require the judge to know a damned thing."

After the Supreme Court handed down the Green, the Monroe, the Alexander, and the Carter Cases, the Swann Case was reinstituted, and James B. McMillan, a conscientious and erudite United States District Judge, heard it.

As one of the inferior members of the federal judicial hierarchy, Judge McMillan was required to follow and apply in the re-instituted Swann Case the new rulings of the head of the federal judicial hierarchy, the Supreme Court.

The defendant in the Swann Case, the Charlotte-Mecklenburg Board of Education, had administrative jurisdiction of the Charlotte-Mecklenburg School system, which encompassed the City of Charlotte and Mecklenburg County, N.C., served the educational needs of the more than 600,000 people residing in them, and was the 43rd largest public school system in the United States.

The area allotted to the system was large, comprising 550 square miles and extending 22 miles east-west and 36 miles north-south. Seventy one percent of the people inhabiting the area were white and the other 29 percent were black.

The Charlotte-Mecklenburg School system operated 109 schools, and served more than 84,000 pupils. Of the 24,000 black children attending these schools, 21,000 attended schools within the City of Charlotte, and two-thirds of those 21,000—about 14,000—attended 21 schools, where the student bodies were either totally or more than 99 percent black.

After protracted hearings, Judge McMillan ruled that the Charlotte-Mecklenburg Board of Education was impermissibly operating a dual system of schools in violation of the Green Case and like decisions, and entered a "desegregation order" requiring it to assign administrators, teachers, and students to the schools throughout the system as nearly as practicable in racial proportions corresponding to the populaiton of the area, i.e., 71 percent white and 29 percent black.

By Judge McMillan's order, the Charlotte-Mecklenburg Board of Education was mandated to bus thousands of students an average "daily roundtrip" approximately "15 miles through central city and suburban traffic" to mix the races in its schools. Many of them were little tots.[37]

By the desegregation order, the Charlotte-Mecklenburg Board of Education was specifically commanded to do these things:

1. To deny thousands of students, both black and white, admission to their neighborhood schools.

2. To assign these children to clustered, grouped, paired, or satellite schools throughout the area in the racial percentages specified insofar as that was practicable.

The order expressly commanded that the Charlotte-Mecklenburg Board of Education transport to the schools to which they were assigned all students who did not live within walking distance of such schools.

The defendant appealed from the order to the United States Court of Appeals for the Fourth Circuit, which vacated the order and remanded the case to the District Court for further proceedings conforming to its opinion.

Although it deemed the order to be required in most respects by the decisions in the *Green Case* and those following it, the Circuit Court's ruling was based on its conviction that the busing it mandated was excessive, and for that reason not required to make the Charlotte-Mecklenburg system a "unitary" system within the purview of the *Green* and kindred cases. As the Circuit Court pointed out, the order increased by 39 percent for integration purposes the busing being used by the school board for educational purposes, and necessitated an increase of 32 percent in the school board's fleet of buses.[38]

The Supreme Court reversed the case on certiorari, and upheld Judge McMillan's order in its entirety.

Before discussing the constitutional infirmities in its ruling respecting the forced busing of school children for integration purposes, it is advisable to note what the Supreme Court adjudged in the Swann Case in respect to the other questions presented to it.

Like the opinions in the Green, Monroe, Alexander, and Carter Cases, the Supreme Court opinion in the Swann Case pays lip service to the Brown Case by asserting that it is following the decision in it. It does quite rightly assert that the federal judiciary acquires no power under the equal protection clause unless the state school board violates the clause (page 15); that its power in such case is limited to correcting the condition that offends the clause (page 15); and that its function in exercising its power is merely "to see that school authorities exclude no pupil on a racial minority from any school, directly or indirectly, on account of race" (page 23).

After making these assertions, the Supreme Court repudiated the Brown Case, and adjudged that when a state school board violates the equal protection clause its constitutional obligation to assign students to its schools without regard to race is forthwith converted into a constitutional obligation to assign all students to its schools on the basis of race and in so doing to mix them racially to the maximum extent feasible.

To decree this metamorphosis of the equal protection clause, the Supreme Court perverted the words and objective of the equal

Footnotes at end of article.

protection clause and nullified section 401 (a) of the Civil Rights Act of 1964 (42 U.S.C. section 2000c).

It perverted the words and objective of the equal protection clause by converting its prohibition of racial discrimination to separate the races into a requirement of racial discrimination to mix them.[39]

Section 5 of the Fourteenth Amendment provides that the Congress shall have the power to enforce, by appropriate legislation, the provisions of the Amendment.

When Congress enacted Title IV of the Civil Rights Act of 1964, it exercised this power insofar as it relates to the assignment of students to state schools. Its purpose in so doing was to define the role of the federal government in what had become known as "desegregation" of the schools, and restore a measure of racial peace to an America troubled by the bitter controversies between compulsory integrationists and diehard segregationists in respect to public school systems.

Section 401(a) of Title IV of the Civil Rights Act of 1964 (42 U.S.C. section 2000c) was in perfect rapport with the equal protection clause when it described desegregation as the assignment of students to state schools without regard to race. Consequently, it constituted the supreme law of the land under Article VI of the Constitution.

Hence the Supreme Court unconstitutionally nullified the supreme law of the land and thwarted the effort of Congress to bring some peace to a troubled America when it repudiated the definition of "desegregation" set out in section 401(a) of the Civil Rights Act of 1964 (42 U.S.C. section 2000c), and decreed that "desegregation" is the assignment of students to state schools on a racial basis.

Inasmuch as it holds that the forced busing of students is a constitutionally permissible way to integrate state schools, the Supreme Court decision in the Swann Case has other infirmities.

Two of its additional constitutional infirmities may be epitomized as follows:

1. The Swann Case adjudges that the federal judiciary has power to compel state school boards to violate the equal protection clause.

2. The Swann Case rules that the federal judiciary has power to apply the equal protection clause to individuals, notwithstanding its coverage is expressly restricted to states and state officials.

When it enters a forced busing decree, the federal district court initially commands the school board to divide the students in a particular district or attendance zone into two groups; to permit the students of the first group to attend their neighborhood schools in the district or zone; and to deny the students in the second group admission to such neighborhood schools.

The most sophisticated sophistry cannot wash out the plain truth that this initial command requires the school board to treat the students in the two groups, who are similarly situated because of their residences in the same district or zone, in a different manner, and that is exactly what the equal protection clause was put in the Constitution to prevent.

The forced busing decree secondarily commands the state school board to assign the students in the second group to schools in other areas and to transport them by buses to the schools to which it assigns them in order either to decrease the number of children of their race in their neighborhood schools or to increase the number of children of their race in the schools elsewhere.

Again, the most sophisticated sophistry cannot wash out the plain truth that the second command of the forced busing decree requires the state school board to deny the students in the second group admission to their neighborhood schools solely on account of their race, and that is exactly what the Supreme Court rightly ruled in the Brown Case is a violation of the equal protection clause.

A sound rule of constitutional and statutory construction is embodied in the Latin phrase expressio unius est exclusio alterius, meaning the expression of one thing is the exclusion of another. The equal protection clause provides that no state shall "deny to any person within its jurisdiction the equal protection of the laws." Manifestly the clause applies exclusively to states and public officers acting for them, and excludes individuals from its coverage.

Notwithstanding this, the forced busing decrees of federal district courts apply the equal protection clause as it is now interpreted by the Supreme Court to hundreds of thousands, perhaps millions, of public school students and their parents each school day. To maintain otherwise is to deny and defy obvious truth.

When it enters a forced busing decree, the federal district court orders the state school board to integrate its schools by the twofold process of denying selected groups of students admission to their neighborhood schools and by busing them to other schools elsewhere. These decrees clearly apply to these students and their parents because they subject them to punishment for contempt of court if they disobey them or obstruct their execution.

The direct application to the students of the first step in forced busing, i.e., their exclusion from their neighborhood schools, is too obvious to require any explanation. The application to students and parents of the second step, i.e., the busing itself, is more intricate, and is made more understandable by some elaboration.

While the judges responsible for the forced busing decrees are still snug in their beds, the parents of the students to whom the decrees apply are compelled to arise from their beds, and to arouse their children from their slumbers, prepare and serve them breakfasts, and send them outdoors, no matter how inclement the weather may be, to await the arrival of the buses. The students, who are often small tots, are compelled to take round trips, which are often long and wearisome, each school day between their homes and often distant schools in other communities. All of this is done to mix the bodies of the students in racial proportions the federal judiciary deems desirable.

Such unrestrained exercise of judicial power, I submit, has no rightful place in an America, which boasts in its national anthem that it is the land of the free, unless it is indispensable to the nation's well being.

No such case can be made for forced busing of students for integration purposes.

Let us examine the reasons advanced by the advocates of forced busing to justify it.

In the ultimate analysis, they are two in number. The first one, which is untrue as well as a rank insult to blacks, is that black children cannot possibly acquire an adequate education unless they have the coerced companionship of white children while they are attending school.

The second reason is that schools in communities predominantly inhabited by whites are academically superior to the schools in communities predominantly populated by blacks; that black children are, therefore, denied educational opportunities equal to those of white children; and that the only way to remedy past deficiencies in the education of black children and to secure them educational opportunities equal to those of white children is forced busing, which transfers some black children from inferior schools in black communities to superior schools in white communities, and some white children from superior schools in white communities to inferior schools in black communities. Advocates of forced busing exhibit no concern for the plight of the white children who are transferred by it from superior schools in white communities to inferior schools in black communities. They are indifferent to the inescapable conclusion that on the basis of their own premise this forced busing denies these children equal educational opportunities.

The reasons assigned by the advocates of forced busing are specious and not authentic. The only intelligent remedy for past deficiencies in education is remedial education; and the only intelligent way to secure equal educational opportunities for all children, black and white, is to establish adequate schools in all areas.

The substitution of forced busing for intelligent solutions of educational problems calls to mind the remark of Pope Julius III to the Portuguese monk: "Learn, my son, with how little wisdom the earth is governed."

In an effort to make forced busing more acceptable, the opinion of the Supreme Court in the Swann Case observed that the District Court had found that the forced busing trips of most elementary school students would take "not over 35 minutes at the most", and that about 39 percent of the nation's public school children were "transported to their schools by bus in 1969–1970 in all parts of the country."

The District Court's finding respecting the time required for the forced busing trips of elementary school students, it seems, was applicable to one way rather than round trips. Be this as it may, it did not embrace the time spent by such students at both ends of their journeys waiting for buses. The time expended in waiting for buses and traveling on them, I submit, is wasted, and ought to be utilized to enlighten their minds in classrooms in schools nearest their homes.

To be sure, state school boards necessarily bus multitudes of students from distant homes to the nearest schools available to them for educational purposes. The distinction between necessary busing for educational purposes and the unnecessary and wasteful forced busing sanctioned by the Supreme Court in the Swann Case is as wide as the gulf which yawns between Lazarus in Abraham's bosom and Dives in hell. The untold millions of dollars wasted in financing forced busing ought to be spent to improve school facilities, enlarge the teaching skills of teachers, and to provide students with learning aids.

The opinion of the Supreme Court in the Swann Case stamps with its approval the judicial discrimination of applying different rules of evidence to desegregation cases in the South and those in other parts of the nation. It does so by this ingenious observation: "In a system with a history of segregation the need for remedial criteria of sufficient specificity to assure a school authority's compliance with its constitutional duty warrants a presumption against schools that are substantially disproportionate in their racial composition."

A case can be made for the proposition that the Supreme Court's decision in the Swann Case also violated the supremacy clause of Article VI of the Constitution when it nullified the proviso of Section 407(a) of the Civil Rights Act of 1974 (42 U.S.C. section 2000c–6). This proviso forbids federal officers and courts to order transportation of students to achieve a racial balance in any school.

The defendant in the Swann Case had invoked this proviso as a prohibition on forced busing for integration purposes.

As the colloquy of June 6, 1964, between Senator Humphrey, the Senator in charge of the legislation in the Senate, and Senator Byrd, of West Virginia, and all the other legislative history of the legislation, reveals, Congress actually intended this proviso to outlaw forced busing for integration purposes. Moreover, a case can be made for the proposition that the words of the proviso,

properly interpreted, sufficed to achieve this congressional purpose.

Be this as it may, the Supreme Court nullified the proviso of Section 407(a) as it had the rightful definition of desegregation of Section 401(a) by arguments totally incompatible with both the words and the legislative history of these sections.

The first of these arguments was self-contradictory. It was that Congress enacted these sections "not to limit but to define the role of the Federal Government in the implementation of the Brown I decision." How Congress can define the role, i.e., the function of the federal government in a particular activity without defining the limits of its powers in respect to that role is a linguistic impossibility.

The second of these arguments is equally as baffling. It was that Congress inserted the proviso in Section 407(a) "to foreclose any interpretation of the Act as expanding the existing powers of federal courts to enforce the Equal Protection Clause." After stating this argument, the Supreme Court promptly expanded the powers of the federal judiciary in this respect by nullifying the limitation the proviso imposed on federal officers and federal courts.

In the final analysis of its confusing words, the third of these arguments was that in enacting the nullified sections, Congress was a bunch of legislative fools attempting to regulate something it had no constitutional authority to regulate, i.e., de facto segregation.[40]

During the times when the Supreme Court was concerned about racial segregation in public schools in the South and was ignoring racial segregation in public schools in other regions, I offered amendments to an education bill to outlaw forced busing for integration purposes.

In arguing unsuccessfully for the adoption of these amendments, I stated, in substance, that I wanted to warn Northern, Eastern and Western Senators that when the compulsory integrationists had reduced the South to a state of total vassalage, they would not emulate Alexander the Great and weep because there were no more worlds for them to conquer; but that, on the contrary, they would direct their efforts to the public schools of the North, East, and West.

My prophesy proved true. The Supreme Court finally realized that the equal protection clause applies to other parts of the country as well as to the South, and that forced busing constituted the only practical way of mixing the races in the public schools of the North, East, and West.

After the federal courts in these areas began to assume jurisdiction of suits for forced busing, a highly respected Northern Senator, who had spoken and voted against my amendments, offered a proposal to amend the Constitution to prohibit the forced busing of students to integrate public schools. I thereupon went to him and made this private comment: "I'm glad you've seen the light." He made this private response to me: "Yes. It's just as you predicted. They're goring my ox now."

After it announced its decision in the Swann Case, the Supreme Court rendered a number of other rulings upholding federal district court orders requiring the forced busing of public school students to integrate school systems in virtually all sections of the country where people of different races reside. These rulings are subject to the same infirmities as the Swann Case, and require no analysis in detail.[41]

The federal district courts, which are compelled to implement the Supreme Court's perversion of the equal protection clause, have not monopolized forced busing as an integrating tool. On the contrary, some federal officers have employed it on a massive scale.

From time to time, Congress has enacted laws authorizing grants of federal funds to state school boards to aid them in educating public school students, and has entrusted to federal executive agencies, such as HEW and the newly created Department of Education, the power to administer these grants in conformity with the congressional intent.

Congress enacted Section 601 of Title VI of the Civil Rights Act of 1964 (42 U.S.C. Section 2000d) to prevent discrimination in federal assisted programs, and not to achieve the integration of state schools. In so doing, it acted in harmony with the true meaning and real objective of the equal protection clause. This section provides:

"No person in the United States shall, on account of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

Unfortunately for constitutional government and freedom, federal executive agencies sometimes delegate the power to administer the grants Congress makes for educational purposes to officers employed by them who are, in reality, crusading bureaucrats. A crusading bureaucrat may be defined as a non-elected federal officer who exercises a mile of power for every inch of authority bestowed on him.

All too often the crusading bureaucrats to whom federal executive agencies delegate their power to administer congressional educational grants are, in reality, compulsory integrationists. They pervert the statutory prohibition of racial discrimination by state school boards receiving federal financial assistance into a positive command that all state school boards applying for or receiving such assistance must be racially integrated to the maximum extent feasible or at least in racial proportions pleasing to them.

They make their perversion of the Act of Congress effective by exploiting in alternative ways the financial needs of state school boards. They make grants without delay to school boards which willingly yield to their integrating objective and withhold or threaten to withhold grants from those which refuse or are reluctant to do so.

THE OBLIGATION OF THE PRESIDENT AND CONGRESS

Federal courts and federal officers are perpetrating these tyrannies on people of all races in all parts of our country where substantial numbers of children of diverse races live. Despite their pretenses to the contrary, they are seeking to compel racial integration, and not to prevent racial discrimination.

The tyrannies have no rightful place in an America which claims to be the land of the free. They are unconstitutional, wasteful, and useless. They ought to be ended. Those victimized by them cannot end them. But the President and Congress can.

The President and the members of Congress are bound by their oaths to support constitutional government and protect freedom. For this reason, they have the positive duty to end these tyrannies.

They ought not to be deterred from doing their duty because these tyrannies have been sanctioned by Supreme Court decisions. On the contrary, this fact should impel them to act without delay to end the tyrannies. They are the only beings on earth who possess the lawful power to do so.

Supreme Court decisions are the handiwork of fallible men. There is nothing sacrosanct in them. Supreme Court decisions merit respect only if they are respectable, and they are not respectable when they flout the true meaning and real objective of the equal protection clause.

The power of the President, acting alone, to end these tyrannies is more limited than that of the Congress. He has undoubted power, however, to end the tyrannies of the officers of the executive branch of the federal government. They are merely assisting him in performing his constitutional duty to take care that the laws of the nation are faithfully executed, and he can stop them from perverting those laws by annexing to them conditions repugnant to the congressional intent.

The power of Congress to end these tyrannies is virtually unlimited. The Founding Fathers knew the tragic truth that some public officials love power and are prone to abuse it, and inserted in the Constitution provisions adequate to prevent such abuse.

Article I, section 1, of the Constitution vests in Congress "all legislative powers" of the federal government. Hence, Congress may enact new laws sufficient to compel officers of the executive branch of the federal government to stop perverting old laws.

The Constitution confers upon the federal judiciary authority to restrain unconstitutional exercise of power by Congress, and upon Congress authority to restrain the unconstitutional exercise of power by the federal judiciary.

This assertion is undoubtedly shocking to some, especially compulsory integrationists, who believe the federal judiciary to be omnipotent and Congress to be impotent in the area under consideration.

Section 5 of the Fourteenth Amendment authorizes Congress to enforce, by appropriate legislation, the provisions of the equal protection clause, and Article III of the Constitution empowers Congress to regulate the jurisdiction of all federal courts inferior to the Supreme Court and the appellate jurisdiction of the Supreme Court itself.[42]

By virtue of these constitutional provisions, Congress has virtually complete power to enact laws specifying how the equal protection clause is to be enforced in accordance with its true meaning and real objective, and defining the jurisdiction of the federal courts in a manner requiring them to act accordingly.

By implementing these constitutional provisions in this way, Congress can put a virtual end to the judicial and bureaucratic tyrannies under consideration.

While I was serving in the Senate, I made remarks explaining these constitutional provisions, and introduced a bill which was aptly designed to use them to end these judicial and bureaucratic tyrannies. My remarks and bill are set out in pages 33,033 to 33,041 of the Congressional Record for November 5, 1969. I reintroduced the bill on other occasions with the co-sponsorship of Senator James B. Allen, of Alabama, one of the nation's wisest and most courageous Senator of all time.

In closing, I pray that the President and the Congress will prove their devotion to constitutional government and the freedom of Americans by ending the judicial and bureaucratic tyrannies I have been discussing. They cannot perform a more important task. When all is said, tyranny in a Republic is far more reprehensible than tyranny in a Monarachy.

FOOTNOTES

[1] The Constitution, Fourteenth Amendment, Section 1.

[2] William Ewart Gladstone: *Kin Beyond The Sea*, North American Review, September-October, 1878.

[3] The Writings and Speeches of Daniel Webster, National Edition, Vol. 2, page 165.

[4] George Washington: Farewell Address.

[5] *Ex Parte Milligan*, (1866) 4 Wall. (U.S.) 2, 120–121.

[6] Ibid.

[7] James Madison: *The Federalist* No. 43.

[8] Frankfurter, J.: *Ullman* v. *United States*, (1956) 350 U.S. 422, 428.

[9] Cardozo, C.J.: *Sun Printing and Publishing Association* v. *Remington Paper and Power Company*, 235 U.S. 338, 139 N.E. 470. See, also, *West Coast Hotel Co.* v. *Parrish*, (1937) 300 U.S. 379, where Justice Sutherland stated in a dissent: "The judicial function is that of interpretation; it does not include the power of amendment under the guise of interpretation. To miss the point of difference between the two is to miss all that the phrase 'Supreme law of the land' stands for and to

convert what was intended as inescapable and enduring mandates into mere moral reflections. If the Constitution, intelligently and reasonably construed in the light of these principles, stands in the way of desirable legislation, the blame must rest upon that instrument, and not upon the court for enforcing it according to its terms. The remedy in that situation—the only true remedy—is to amend the Constitution."

[10] The Constitution, in its entirety, and Amendment X.

[11] The Constitution, Articles I, II, and III.

[12] The Constitution, Articles III and VI.

[13] *Marbury* v. *Madison*, (1803) 1 Cr. (5 U.S.) 137, 176–180.

[14] *Gibbons* v. *Ogden*, (1924) 9 Wheat (22 U.S.) 1, 188.

[15] Dr. Oliver Wendell Holmes: *Autocrat of the Breakfast Table*, (The Limited Editions Club 1955) Chapter I, page 9.

[16] *United States* v. *Butler*, (1936) 297 U.S. 1, 78.

[17] I cannot provide a citation for Daniel Webster's comment. I found it many years ago among his papers. I copied it, but did not note at the time where I discovered it. After seeking in vain to discover the occasion of its making, I requested the Library of Congress to research the question. The Library advised me that it was unable to solve the problem because Webster's papers are so inadequately indexed.

[18] Judge Thomas M. Cooley: *Constitutional Limitations*, 8th ed., page 124.

[19] Benjamin N. Cardozo: *The Nature of the Judicial Process*, pp. 68, 136.

[20] Justice Frankfurter: *Bridges* v. *California*, (1941) 314 U.S. 252, 289.

[21] Alpheus Thomas Mason: *Harlan Fiske Stone, Pillar of the Law*, (1968 edition) page 398.

[22] What I say is the true meaning and real objective of the equal protection clause has been established by indisputable sound decisions of the Supreme Court, the inferior federal courts, and state courts. These decisions are virtually past numbering. I cite only a few of the sound Supreme Court cases: *Hernandez* v. *Texas*, (1954) 347 U.S. 475; *Traux* v. *Corrigan*, (1921) 257 U.S. 312; *Buchanan* v. *Warley*, (1917) 245 U.S. 60; *Kentucky* v. *Powers*, (1906) 163 U.S. 228; *Yick Wo* v. *Hopkins*, (1896) 118 U.S. 356; and *Civil Rights Cases*, (1883) 109 U.S. 3. See, also, *Banks* v. *Housing Authority of San Francisco*, 120 Cal. App. 2d 1, 260 P.2d 668, cert. den. 347 U.S. 974.

[23] Constitution, Fourteenth Amendment, Section 1.

[24] It is rightly stated in footnote 57 on page 775 of 16A *American Jurisprudence*, 2d Series, that "the decisions supporting this proposition are virtually limitless in number." It is also rightly stated in the same footnote that the following decisions "is a small sampling of them": *Hartford Steam Boiler Inspection and Insurance Co.* v. *Harrison*, (1937) 301 U.S. 459; *Old Dearborn Distributing Co.* v. *Seagram Distillers Corp.*, (1936) 299 U.S. 183; *Colgate* v. *Harvey*, (1935) 296 U.S. 404; *State Board of Tax Commissioners* v. *Jackson*, 283 U.S. 527; and *Corporation Commission of Oklahoma* v. *Lowe*, (1930) 281 U.S. 431.

[25] *District of Columbia* v. *Carter*, 409 U.S. 418; *Moose Lodge No. 107* v. *Irvis*, 407 U.S. 162; *United States* v. *Price*, 383 U.S. 787; *Burton* v. *Wilmington Parking Authority*, 365 U.S. 715; *Shelly* v. *Kraemar*, 334 U.S. 1; *United States* v. *Classic*, 313 U.S. 299; *Nixon* v. *Condon*, 286 U.S. 73; *Iowa-Des Moines National Bank*, 284 U.S. 239; *Corrigan* v. *Buckley*, 271 U.S. 323, *Traux* v. *Corrigan*, 257 U.S. 254; *Civil Rights Cases*, 109 U.S. 3; *Ex Parte Virginia*, 100 U.S. 339; *Virginia* v. *Rives*, 100 U.S. 313; and *United States* v. *Cruikshank*, 92 U.S. 542.

[26] *Townsend* v. *Shank*, 404 U.S. 282; *Graham* v. *Richardson*, 403 U.S. 365; and *Shapiro* v. *Thompson*, 394 U.S. 618. Indeed, the equal protection clause can not be used as a bludgeon to compel a state to violate any provision of the Constitution. *Sloan* v. *Lemon*, 413 U.S. 825.

[27] 98 F. Supp. 529, and 103 F. Supp. 920.

[28] 132 F. Supp. 776, 777.

[29] *Keyes* v. *School District No. 1*, (1973) 413 U.S. 189, 205; *Washington* v. *Davis*, (1976) 426 U.S. 229, 240; *Dayton Board of Education* v. *Brinkman*, (1977) 433 U.S. 406, 413.

[30] 42 U.S.C. Sections 2000a–2000h–6.

[31] *Congressional Record*, Vol. 110, Part 10, pp. 12, 713–12, 717. Although the provisions of Title IV of the Civil Rights Act of 1964 were in rapport with the true meaning and real objective of the equal protection clause, I voted against the Act for reasons stated by me in detail while the legislation was under Senate consideration. Some of these reasons had their origin in provisions of the Act, and others were prompted by apprehensions as to how it would be applied by courts and executive agencies.

While many of them are not germane to my specific subject, I deem it not altogether amiss to epitomize some of them in this note.

The Act is in irreconcilable conflict with the principle that all Americans of all races are entitled to equal rights under both federal and state laws. It deprives all Americans of precious rights for the supposed benefit of members of minority races, and it subordinates other precious rights of all Americans to demands made by or in the name of members of minority races.

To be sure, the Act pays some lip service to the concept of equality. In so doing, however, it is reminiscent of Anatole France's assertion: "The law, in its majestic equality, forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread."

The Act was devised with the understanding that in its practical administration it would be employed to extend to members of minority races special privileges not accorded to others. It is being so administered.

The Act violates with vengance the doctrine of the separation of powers, which wisely discountenances the merger of powers to make, enforce, and interpret laws in a single public official or single public body.

It does this by combining in the federal agencies charged with its administration and enforcement these discordant powers: (1) The legislative power to write regulations having the force of law; (2) the executive power to administer and enforce its provisions and these regulations, and to prosecute violations of them; and (3) the judicial power to judge and punish these violations.

The combination of these discordant powers in the federal agencies make them, in reality, judges in their own causes. As a consequence, they cannot act with the cold neutrality of the impartial judge, and those subjected to their jurisdiction are denied due process and fair play.

These provisions of the Civil Rights Act of 1964 are repugnant to my philosophy of government and my enduring conviction that freedom is the most precious value of civilization.

Apart from other considerations, they determined me to vote against the Act. There were other considerations. But they strongly reinforced my determination.

I had grave apprehensions as to how HEW, EEOC, and other federal executive agencies would interpret and apply the Act, and as to how the Supreme Court would react to the effort of its Title IV to put restraints on judicial and bureaucratic abuse of the equal protection clause in the assignment of students to state schools.

Another consideration arose out of my realization that the enactment of the Civil Rights Act was another step in the process by which the power-hungry federal government was undertaking to destroy the states as viable instruments of government and concentrate in itself the power to dominate the lives of Americans in virtually all respects.

This consideration has long been of profound concern to me. It ought to be of similar concern to every American who does not relish the prospect of having his status reduced to that of a galley-slave pulling an oar in the ship of state.

My gravest apprehensions have materialized since the passage of the Act. HEW, EEOC, and other federal executive agencies have stretched the drastic provisions of the Act far beyond the intent of Congress, and converted what it intended to be a prohibition of racial discrimination into a mandate for racial integration.

By so doing, HEW, EEOC, and other federal executive agencies have arrogated to themselves dictatorial powers, and are exercising them daily throughout our nation to impose their notions on states, subdivisions of states, educational institutions, industries, labor organizations, and individuals.

[32] 391 U.S. 430, p. 433, footnote 2. The *Green Case* is analyzed with candor, courage, and correctness by Lino A. Graglia in his *Disaster By Decree, The Supreme Court Decisions On Race And The Schools* (Chapter 5), which was published by the Cornell University Press and merits reading by all Americans who abhor judicial tyranny.

[33] *Alexander* v. *Holmes County Board of Education*, (1969) 396 U.S. 19. See, especially, headnote 1 of the report of this case in 24 L.Ed.2d, pp. 19, 20.

[34] Lino A. Graglia: *Disaster By Decree*, Chapters 1–6, pp. 1–103.

[35] *Swann* v. *Charlotte-Mecklenburg Board of Education*, (1965) 243 F. Supp. 667 affirmed 369 F.Ed 29 (1966).

[36] *Monroe* v. *Board of Commissioners*, (1968) 391 U.S. 450, which adjudged a "free transfer" plan to be invalidated by the equal protection clause, reinforces the holding of the *Green Case* that the desegregation of public schools demands that school children be robbed of their freedom, and demonstrates the falsity of any claim that federal courts which enter desegregation orders are not applying the clause to individuals in violation of its express declaration. In it, the Court declares: "We do not hold that 'free transfer' has no place in a desegregation plan. But like 'freedom of choice', if it cannot be shown that such a plan will further rather than delay conversion to a unitary, nonracial, nondiscriminatory school system, it must be held unacceptable." By these words, the Court makes a mockery of "freedom." No human being has any "freedom" if he has to exercise it according to the dictates of government.

[37] *Swann* v. *Charlotte-Mecklenburg Board of Education*, (1970) 431 F.2d., 138, 147.

[38] Judge McMillan's ruling in the *Swann Case* is reported in 311 F.Supp. 265 (1970), and the ruling of the Circuit Court vacating it in 431 F.2d 138 (1970).

[39] Lino A. Graglia: *Disaster By Decree*, Chapter 5, p. 59.

[40] In enacting Title IV of the Civil Rights Act, Congress was exercising its constitutional power to regulate *de jure* segregation in state schools. It was not usurping the power to regulate *de facto* integration in them. These assertions, I maintain, are established by both the language and legislative history of the Title. As a member of the Senate, I spent virtually every minute in that body while it was considering Title IV and heard virtually every word spoken by any Senator concerning it. By so doing, I acquired knowledge of the Act's legislative history first hand. After the Supreme Court granted certiorari to review the *Swann Case*, I joined Ernest F. Hollings, of South Carolina, and Representa-

tive Charles R. Jonas, of North Carolina, in filing with it as *amici curiae* a brief in behalf of the Chalotte-Mecklenburg Classroom Teachers. As uncompensated attorneys for them, we insisted that the exclusion of students from their neighborhood schools and their forced busing for integration violated the equal protection clause. In preparing the brief I made a meticulous study of the legislative history of Title IV. I was shocked by the Supreme Court's use of the *de facto* argument to invalidate a valid act of Congress, and made a second meticulous study of the legislative history of Title IV to determine whether the Supreme Court's insupportable argument had any basis whatever.

[1] By ignoring Title IV of the Act in the *Green Case* and nullifying it in the *Swann Case*, the Supreme Court exhibited its determination to impose the personal notions of its members in respect to matters having racial implications upon the people of our country, anything in the Constitution and laws of the United States to the contrary notwithstanding.

This is undoubtedly a drastic assertion. Its truthfulness is fully corroborated, however, by these additional decisions of the Supreme Court:

a. *South Carolina* v. *Katzenbach*, (1966) 383 U.S. 301.

b. *Katzenbach* v. *Morgan*, (1966) 384 U.S. 641.

c. *Jones* v. *Alfred H. Mayer Co.*, (1968) 292 U.S. 409; *Sullivan* v. *Little Hunting Park, Inc.*, (1969) 396 U.S. 229; *District of Columbia* v. *Carter*, (1973) 409 U.S. 418 (dicta); and *Tillman* v. *Wheaton-Haven Recreation Association*, (1973) 410 U.S. 431.

d. *Johnson* v. *Railway Express Agency*, (1975) 421 U.S. 454; *Runyon* v. *McCrary*, (1976) 427 U.S. 160; *McDonald* v. *Santa Fe Trail Transportation Company*, (1976) 427 U.S. 160.

e. *United States Steel Workers of America* v. *Weber*, (1979) 443 U.S. 193.

These decisions have been hailed in some quarters as enlightened judicial achievements. It would be more consonant with truth to call them amazing judicial performances. In each of them the Supreme Court committed linguistic mayhem or judicial verbicide on words of the Constitution, or words of an Act of Congress, or on words of both to reach their amazing rulings.

The explanation of these rulings is to be found in a story which may be apocryphal. Representative Timothy J. Campbell, who had been sent to the House by Tammany, sought to persuade President Grover Cleveland to sign into law a pet bill which he had induced Congress to pass. The President demurred on the ground the bill was unconstitutional. Congressman Campbell responded to the President's objection with this rhetorical question: "What's the Constitution between friends?"

When all is said, the Supreme Court did constitutional evil in these rulings to achieve ends it deemed beneficial to blacks and the country. These decisions were not concerned with the assignment of students to state schools. For this reason, I hold my comments on them to a minimum.

To understand the drastic impact of two of them, *South Carolina* v. *Katzenbach*, and *Katzenbach* v. *Morgan*, upon constitutional government in America, it is necessary to understand what the Constitution decrees concerning the power to prescribe qualifications for voting.

The power to prescribe qualifications for voting for state officers is reserved to the state by the Tenth Amendment. The power to prescribe qualifications for voting for federal officers is conferred upon the state and denied to Congress by these provisions of the Constitution: Article I, Section II, Clause 1; Article II, Section I, Clause 2; and the Seventeenth Amendment.

The constitutionality of the highly praised, but completely devious, Voting Rights Act of 1965 was upheld in *South Carolina* v. *Katzenbach*. In reaching this astonishing decision, the Supreme Court was compelled to make and did make these rulings.

a. That the absolute prohibition of congressional bills of attainder embodied in Article I, Section IX, Clause 3, and the due process clause of the Fifth Amendment afford no protection to a state, or its officers, or its citizens in their corporate or collective capacity.

b. That the power of Congress to enforce by appropriate legislation the Fifteenth Amendment's prohibition of racial discrimination in voting confers upon that body the autocratic authority to suspend for at least 5 years the constitutionally guaranteed powers of politically selected Southern States to prescribe qualifications for voting for both state and federal officers.

c. That the constitutional doctrine of the equality of the states is a worthless shibboleth which is effective only at the precise moment of a State's admission to the Union, and does not prevent Congress from robbing a state thereafter of constitutional powers other states exercise and thus reducing it to the status of an inferior state.

d. That Article III, Section II, Clause 2, empowers Congress to close to the politically selected Southern States condemned by the bill of attainder violative of due process all federal courts in the land except the United States District Court for the District of Columbia, and to vest in that faraway court exclusive jurisdiction of all cases in which the condemned states seek relief from the autocratic provisions of the Act.

South Carolina v. Katzenbach is irreconcilable with *United States v. Lovett*, (1946) 328 U.S. 303, and Ex Parte Milligan, (1866) 4 Wall. (U.S.) 2, 120–121.

The *Lovett Case* rightly invalidated a congressional bill of attainder applying to federal executive officers suspected of subversive leanings. The *Milligan Case* rightly ruled that the Constitution is an unalterable law for rulers and people alike at all times and under all circumstances, and that no notion involving more pernicious consequences was ever invented by the wit of man than that any of its provisions can ever be suspended.

Consistency may be either a jewel or the hobgoblin of little minds and fools. But it is neither to Supreme Court Justices.

The Supreme Court adjudged in *Katzenbach v. Morgan* that the power vested in Congress by Section 5 of the Fourteenth Amendment to enforce the equal protection clause by appropriate legislation confers on Congress the contradictory power to nullify the equal protection clause. In that case the Supreme Court made a ruling irreconcilable with the provisions of the Constitution governing the power to prescribe qualifications for voting, and its own sound interpretation of equal protection clause in *Lassiter v. Board of Education of Northampton County*. (1959) 360 U.S. 35. It declared that Section 5 of the Fourteenth Amendment empowered Congress to do these things:

a. To nullify a New York law which established a qualification for voting, namely, literacy in the English language, which was in harmony with the equal protection clause.

b. To substitute for the nullified New York law a federal qualification for voting, which Congress was forbidden to establish by all of the provisions of the Constitution governing the power to prescribe qualifications for voting.

The opinion which undertakes to rationalize this linguistic mayhem or judicial verbicide is intriguing, despite the disconsolation it gives to those who, like Chief Justice Marshall, believe the Supreme Court ought to interpret the Constitution to mean what it says.

It is simply this: When Congress exercises its power to legislate under Section 5 of the Fourteenth Amendment, the Supreme Court cannot inquire whether the congressional legislation offends the equal protection clause. It is limited to determining whether the legislation is calculated to prevent the state from violating the equal protection clause in the future.

Americans who cherish local government ought to pray that Congress will not carry the illogical ruling in *Katzenbach* v. *Morgan* to its logical conclusion. If it did, Congress would prevent all future violations of the equal protection clause by enacting legislation denying states the power to make, enforce, and interpret laws.

The Supreme Court ruled in *United States Steel Workers* v. *Weber* that an employer in an industry covered by Title VII of the Civil Rights Act of 1964 is authorized by it to discriminate in favor of black employees and against more senior white employees, notwithstanding Title VII expressly forbids all racial discrimination in all industries covered by the Title.

Jones v. *Alfred H. Mayer Company* may be described as the bellwether of the decisions cited in subdivisions 3 and 4. It was decided in 1968, and the other decisions merely follow its indefensible lead.

Undoubtedly the decision in the *Mayer Case* and the decisions which follow it have committed the most monstrous linguistic mayhem or judicial verbicide on the Constitution and Acts of Congress in the annals of America.

By these forbidden processes, the Supreme Court Justices have arrogated to Congress and themselves virtually unlimited power to punish every individual who refuses to make a contract with or to sell property to another individual anywhere in America if his refusal is motivated by racial discrimination or racial preference. In so doing, they reflect their purpose to eradicate by constitutional and legal perversions racial prejudice and racial preferences from the minds and hearts of Americans.

To confer their newly invented power on Congress and themselves, the Justices revamp the history and objectives of the Thirteenth Amendment and the Civil Rights Act of 1866 (42 U.S.C. Sections 1981, 1982); place upon that Amendment and that Act constructions totally repugnant to every word in them; and repudiate sound Supreme Court decisions of the past which span a period of 100 years and demonstrate the invalidity of the new construction.

It is worthy of note that some of the litigants argued for the same distorted construction of the Constitution in the Civil Rights Cases of 1883. The Supreme Court wisely rejected their argument by observing that these litigants were "running the slavery argument into the ground."

The Supreme Court further declared in those cases: "When a man has emerged from slavery, and by the aid of beneficient legislation has shaken off the inseparable concomitants of that state, there must be some stage in the progress of his elevation when he takes the rank of a mere citizen, and ceases to be the special favorite of the laws, and when his rights, as a citizen or a man, are to be protected in the ordinary modes by which other men's rights are protected." (109 U.S. 3, 27 L.Ed. 835, 844.)

One of America's most profound constitutional scholars, Charles Fairman, makes some cogent comments on the Mayer Case in his illuminating book "Reconstruction And Reunion 1864–88, Part I." This book is Volume VI of the *History of the Supreme Court of the United States*, which is being financed by the Oliver Wendell Holmes Devise.

Fairman states that in the Mayer Case, the Supreme Court "appears to have had no feeling for the truth of history" and "allowed itself to believe impossible things." (p. 1258)

To illustrate what "believing impossible things" is, Fairman invokes Chapter 5 of "Through the Looking Glass" by Lewis Carroll, the creator of Alice in Wonderland, and recounts the colloquy which occurs between Alice and the Queen after the Queen had been telling Alice how to remember "things that happened the week after next."

"I can't believe it," said Alice.

"Can't you?" the Queen said with a pitying tone. "Try again: draw a long breath, and shut your eyes."

Alice laughed. "There's no use trying," she said, "one can't believe impossible things."

"I daresay you haven't had much practice," said the Queen. (pp. 1298–1299, footnote 160.)

I cite and quote these observations of Fairman by the permission of The Macmillan Company, which holds the copyright of his book.

Disciples of linguistic mayhem or judicial verbicide glibly assert it proves that the Constitution is a living document. Not so. It proves that the Constitution is dead, and that Americans are being governed by the personal notions of Supreme Court Justices rather than by constitutional precepts.

Nobody denies the good intentions of the Justices. They undoubtedly believe their linguistic mayhems or judicial verbicides are superior to the handiwork of the Founding Fathers.

[42] Among the multitude of decisions adjudging that Congress has the power under Article III to define the jurisdiction of federal courts inferior to the Supreme Court are these: *Palmore* v. *United States*, (1973) 411 U.S. 389; *South Carolina* v. *Katzenbach*, (1966) 383 U.S. 301; *Sears, Roebuck & Co.* v. *Mackey*, (1956) 351 U.S. 427; *Lockarty* v. *Phillips*, (1943) 319 U.S. 182; *Plaquemines Tropical Fruit Co.* v. *Henderson*, (1898) 170 U.S. 511; *Ames* v. *Kansas ex rel Johnston*, (1884) 111 U.S. 449; and *Cary* v. *Curtis*, (1845) 3 How. (44 U.S.) 236. Among the many cases holding that Congress has the power under Article III to regulate the appellate jurisdiction of the Supreme Court are these: *United States* v. *Klain*, (1872) 13 Wall. (80 U.S.) 128; *Re Yerger*, (1869) 8 Wall. (75 U.S.) 85; *Ex Parte McCardle*, (1868) 7 Wall. (74 U.S.) 506; *Daniels* v. *Chicago R.I.R. Co.*, (1865) 3 Wall. (70 U.S.) 250; *Ex Parte Vallandigham*, (1864) 1 Wall. (68 U.S.) 243; and *Durousseau*, (1810) 6 Cr. (10 U.S.) 307.

BLEEDING THE FROST BELT

Mr. DIXON. Mr. President, today I again rise to speak to the issue of the imbalance in the flow of Federal dollars back to the States of the Midwest and Northeast.

Sadly, Mr. President, this chronic practice of inequity in the distribution of Federal dollars will continue unabated if current budget proposals are adopted without careful consideration of the effects on the older industrial areas of the Northeast and Midwest.

At this time I ask unanimous consent to have printed in the RECORD excerpts from a Chicago Sun-Times editorial which speaks to this serious problem.

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

[From the Sun-Times, Mar. 26, 1981]

BLEEDING THE FROST BELT

Almost a half century has passed since President Franklin D. Roosevelt began a massive recovery program for the chronically poor South and the undeveloped West. The richer states of the North paid the bill.

With their tax dollars, the Midwest and the Northeast built ports, dams, water projects, highways, military bases and rural electrification projects in the Sun Belt.

Times changed, but federal policies did not.

States in this region are suffering from high unemployment, aging plants, a shrinking tax base, impoverished schools and ailing transit systems, yet still they are subsidizing the boom in the South and the West.

From 1975 to 1979, the Midwest and Northeast sent the U.S. Treasury $165 billion more in taxes than it got in federal spending. During the same period, the Sun Belt got $112 billion more than it paid in taxes.

No state was bled as heavily as Illinois: In those five years it sent Washington $31.4 billion more than it got. And, despite its great industrial capacity, it ranks 45th among the states in per capita defense spending.

A new analysis of the Reagan budget by the bipartisan, Washington-based Northeast-Midwest Institute concludes it will aggravate the imbalance in federal spending and rapidly accelerate industrial decline in urban areas like Chicago. Some of its findings:

The administration proposes only modest reductions in huge, wasteful water projects in the South and West, including the $3 billion Tennessee-Tombigbee plan to close a portion of the Mississippi River. Yet there is no help for the aging water supply systems of the Midwest and Northeast.

Massive cuts in mass transit and rail subsidies will rob the Midwest of one of its major assets in the competition for industry. But highway programs that feed growth in developing areas will tool along virtually untouched—reaching $9 billion a year by 1983, three times as much as transit aid.

This backward approach is repeated in proposals to gut home weatherization and energy research projects. Both will be felt most severely in the Midwest and Northeast. Meanwhile, the administration ignores the exorbitant taxes energy-rich states extract for their oil, gas and coal. Texas alone will reap $33 billion in oil taxes from 1980 to 1990, most of it squeezed from the Midwest and Northeast. Congress has clear authority to whittle or even ban these state taxes.

Reagan wants to kill one federal program that is creating jobs and stimulating private investment in older cities (the Economic Development Administration) and slash a second (Urban Development Action Grants). Together, their annual cost is far less than annual spending on Sun Belt water projects.

RECEIPT OF THE ANNUAL REPORT OF THE OFFICE OF INSPECTOR GENERAL FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. THURMOND. Mr. President, as the President pro tempore of this body, I have received the annual report of the Office of Inspector General for the Department of Health and Human Services for the calendar year 1980. This report, which has been submitted pursuant to section 204(a) of Public Law 94–505, is available for review by my colleagues in my office.

RECEIPT OF THE 1980 ANNUAL REPORT OF THE ENERGY INFORMATION ADMINISTRATION OF THE DEPARTMENT OF ENERGY

Mr. THURMOND. Mr. President, as the President pro tempore of this body, I have received the annual report of the Energy Information Administration for the calendar year 1980. This report, which has been submitted pursuant to provisions of part B, section 57(a)(2) of the Federal Energy Administration Act of 1974, is available for review by my colleagues in my office.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations, without amendment:

S. Res. 107. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 786; to the Committee on the Budget.

By Mr. PERCY, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S. 786. A bill to provide for continuing U.S. participation in the International Development Association, to provide for U.S. participation in the African Development Bank, and for other purposes (Rept. No. 97–36).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

J. Lynn Helms, of Connecticut, to be Administrator of the Federal Aviation Administration.

(The above nomination reported from the Committee on Commerce, Science, and Transportation, with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—SENATE REPORT 97–35

Mr. GORTON. Mr. President, I ask unanimous consent that a star print of Senate Report 97–35 be made.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—S. 787

Mr. KENNEDY. Mr. President, I introduced the Energy Productivity Act of 1981 on March 24, 1981.

The title incorrectly describes the tax credit as "nonrefundable." In fact, title II of the legislation makes the credit refundable.

I ask unanimous consent that the bill be printed to change the term "nonrefundable" to "refundable" in the title.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and

second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS (for himself and Mr. PRYOR):

S. 859. A bill to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. QUAYLE:

S. 860. A bill for the relief of Sylvester G. Schneider; to the Committee on the Judiciary.

By Mr. PACKWOOD (for himself, Mr. BRADLEY, Mr. HEINZ, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PRYOR, Mr. COCHRAN, and Mr. RIEGLE):

S. 861. A bill to amend the Social Security Act to provide for a 6-year demonstration program of comprehensive community-based noninstitutional acute and long-term care services for the elderly and disabled; to the Committee on Finance.

By Mr. ARMSTRONG:

S. 862. A bill to amend the Potato Research and Promotion Act; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE (for himself, Mr. HEFLIN, and Mr. DECONCINI):

S. 863. A bill to establish a uniform law on the subject of bankruptcies; to the Committee on the Judiciary.

By Mr. EAGLETON (for himself, Mr. PERCY, Mr. MATHIAS, Mr. ROTH, Mr. CHILES, Mr. SASSER, Mr. PRYOR, Mr. LEVIN, and Mr. SARBANES):

S. 864. A bill to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency; to the Committee on Governmental Affairs.

By Mr. PRYOR (for himself and Mr. BUMPERS):

S. 865. A bill to amend the Small Business Act to provide that any change in regulations affecting the disaster loan provisions of such act shall not apply to applications for disaster loan assistance received before the effective date of the change; to the Committee on Small Business.

By Mr. BAUCUS (for himself and Mr. TSONGAS):

S. 866. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. MOYNIHAN:

S. 867. A bill to amend the Internal Revenue Code with respect to the tax treatment of Americans abroad; to the Committee on Finance.

By Mr. HEINZ (for himself, Mr. GARN, Mr. INOUYE, Mr. WILLIAMS, Mr. CRANSTON, and Mr. TSONGAS):

S. 868. A bill to amend the Export-Import Bank Act of 1945 to authorize the Bank to engage in the use of extraordinary measures of export finance to counter and ultimately discourage the use of such measures by other major trading countries; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DODD:

S. 869. A bill to place restrictions on military assistance and sales to El Salvador; to the Committee on Foreign Relations.

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 870. A bill to amend the Alaska Railroad Act to direct the Secretary of Transportation to sell the Yukon River barge service to the city of Nenana, Alaska; to the Committee on Commerce, Science, and Transportation.

By Mr. COCHRAN:

S. 871. A bill to simplify trade procedures regarding sales of U.S. products abroad, and for other purposes; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself, Mr. DOLE, Mr. HEINZ, and Mr. DANFORTH):

S. 872. A bill to amend title 38, United States Code, to extend the period of Vietnam era veterans' eligibility for readjustment counseling and related mental health services; to the Committee on Veterans' Affairs.

By Mr. BENTSEN:

S. 873. A bill to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Foreign Relations.

By Mr. GORTON (for himself, Mr. JACKSON, Mr. MCCLURE, and Mr. METZENBAUM):

S. 874. A bill to provide for additional protection of steelhead trout as a game fish, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 875. A bill to authorize the generation of electrical power at Palo Verde Irrigation District Diversion Dam, Calif.; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS:

S. 859. A bill to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes; to the Committee on Energy and Natural Resources.

(The remarks of Mr. BUMPERS appear earlier in today's RECORD.)

By Mr. PACKWOOD (for himself, Mr. BRADLEY, Mr. HEINZ, Mr. MATSUNAGA, Mr. MOYNIHAN, Mr. PRYOR, Mr. COCHRAN, and Mr. RIEGLE):

S. 861. A bill to amend the Social Security Act to provide for a 6-year demonstration program of comprehensive community-based noninstitutional acute and long-term care services for the elderly and disabled; to the Committee on Finance.

NONINSTITUTIONAL ACUTE AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND DISABLED ACT

Mr. PACKWOOD. Mr. President, I am introducing today, with Senator BRADLEY, a bill designed to create a new title XXI under the Social Security Act. The purpose of this bill will be to establish a 10 statewide demonstration program to test over a 6-year period the implementation of an organized system of noninstitutional long-term care services. This legislation is designed to assist persons 65 and over, and persons who are disabled. I am also pleased that Senators HEINZ, MATSUNAGA, MOYNIHAN, PRYOR, COCHRAN, and RIEGLE are original sponsors of this legislation.

No one questions the fact that the current health care system in this country is not adequately meeting the needs of millions of Americans. One of the greatest problems, which has been ignored both by the administration and the Congress, is the need for a comprehensive community-based noninstitutional long-term care system for the elderly and disabled. This need, which has long plagued the country, has been ignored both because of its complexity and cost. At present, the issue remains unresolved.

WHAT IS LONG-TERM CARE?

Long-term care is defined here as a range of health and social services needed or utilized by elderly and disabled persons over a prolonged period of time.

Historically, long-term care services have been delivered through institutional settings, regardless of the level of skilled care involved. As a result, older persons would frequently be placed in chronic care hospitals or nursing homes.

Long-term health care services should concentrate on, encourage, and emphasize the continual functional independence of an individual and his or her ability to function with existing impairments and disabilities. Such services are, in part, designed to prevent premature and unnecessary placement in a nuring home.

Elderly people often are institutionalized because the noninstitutional services they need do not exist, and because their economic and social situation is such that they cannot afford to remain in their own home and not necessarily because they require such care.

This problem is compounded by the institutional design of the current system. Once an individual reaches age 65, his or her chance is one/four of entering a nursing home. This chance increases to one/two when an individual reaches age 85.

PROBLEMS OF THE CURRENT SYSTEM

While it is understood that both medicare and medicaid programs have a definite bias toward placing an individual in a hospital or nursing home, medicare offers only one program to assist seniors and persons with disabilities to avoid premature placement in a nursing home—the home health care program.

Yet, the eligibility for this program contains restrictions that force people into hospitals before they can qualify for home health care.

The medicaid program presents yet another problem. Expenditures for nursing home care under the medicaid program have increased from approximately $800 million in 1967 to $6.4 billion in 1977, and are expected to increase to $11 billion by 1981.

During this 10-year period—1967–77—the number of nursing recipients has more than doubled. Further, while in 1964, 14.7 percent of persons age 85 and over were in nursing homes, in 1974, 25.3 percent of the 85-and-over population were in nursing homes. This problem is compounded by the fact that an estimated 10 to 25 percent of nursing home residents do not require the level of care provided, but cannot reenter the community because of—

First, the lack of supportive services necessary to assist them.

Second, a shortage of affordable housing in the community.

Third, the absence of any savings available to the individual, most of

which has been used to pay for nursing home care.

Fourth, the inadequacy of the individual's family's financial resources to provide assistance, due in part to cost and responsibility.

Fifth, the inability of a spouse to provide assistance often attributable to the fact that prolonged institutionalization of one spouse often prepared the remaining community spouse for entry into a nursing home.

Another important point to consider is that persons who are institutionalized will become increasingly less capable to care for themselves the longer they remain in a nursing home. In a recent report from the General Accounting Office, various factors influence an individual's placement into a nursing home, particularly in the medicaid program. For example:

First, there are presently no formal prescreening systems established to assess whether a patient entering a nursing home could be maintained in the community.

Second, current medicaid eligibility policies create financial incentives to use nursing home care rather than noninstitutional community-based services.

Third, for elderly persons eligible for medicaid who do not receive community-based long-term care services because of restrictive State medicaid programs, these eligible persons must enter a nursing home to receive long-term care services.

Fourth, the lack of adequate financial assistance for community long-term care services has had a detrimental effect on many elderly persons who do not want to enter a nursing home.

Fifth, once entering a nursing home, the likelihood of the individual returning to the community is reduced because individuals exhaust their income and assets to qualify for medicaid, and their attempt to return to the community becomes increasingly difficult.

One of the major problems with the current sociohealth care system is that it places people into specific entitlement groups. Those eligible for medicare are one entitlement group, those who qualify for medicaid represent another, and those eligible for title XX are yet another.

While it is true that there may be limited overlap among the different entitlement programs, for the most part what we have established is a social and medical care system for the elderly and disabled that separates people by age or income class. Therefore, while persons 65 and over are eligible for both medicare and medicaid, only very low-income seniors can qualify for medicaid, and thus benefit from both programs.

Yet, despite much public discussion and debate about the problems of long-term care, there has not been a serious legislative attempt to initiate an effective, noninstitutional, long-term care system since the implementation of medicare and medicaid. Rather than genuine reform, one finds incremental changes to a system which neither operates effectively nor efficiently.

This history of long-term care reform has resulted in a lack of available community-based, long-term care services for those in need. Also it has contributed to an unjustified increase in nursing home populations.

Another problem with the current long-term care system is the fact that too little attention has been focused on the role of the family in providing long-term care services. The characteristics of the American family today have changed dramatically from almost a decade ago. For example:

The divorce rate has doubled between 1955 and 1975.

The number of single-parent families has grown.

There is an increased trend toward labor force participation of women.

While families were once active as caretakers, many have assumed the role of a caresifter; that is, the family determines what amount of care they will provide to a senior based on the family's needs and not necessarily on what the senior needs.

GROWTH OF NURSING HOME EXPENDITURES

One of the primary problems in the area of long-term care has been the growth of nursing homes costs, as well as the number of persons who are inappropriately placed in such institutions. As mentioned earlier, it is estimated that somewhere between 10 and 40 percent of those residing in skilled nursing facilities do not require that level of care. This problem, combined with the fact that in fiscal year 1979, 44 cents out of every medicaid dollar went toward the payment of nursing home care which is reflected in a table I shall include at the end of my remarks, demonstrated that expenditures in this area have become a major governmental responsibility.

In two recent papers prepared by the staff from the Health Care Financing Administration for the National Commission on Social Security, two important points were raised:

First, medicaid's role in financing nursing home services nationally is particularly significant. In 1977, 48 percent (623,000) of all nursing home residents used medicaid funds as their primary source of payment. Of the 1977 total national nursing home bill of $18.4 billion, medicaid paid $6.2 billion. This represented 47 percent of all spending and 86 percent of public spending for nursing homes in 1977; and, second, in contrast, medicaid paid $179 million for home health services, less than 1 percent of total medicaid expenditures.

Thus, while Congress originally designed the medicaid program to spend a small portion of its funds on long-term care services—nursing homes—due to congressional and State government liberalizations, the program is now the primary payer for such services.

LONG-TERM CARE COSTS

The principal factors that have stagnated the growth and development of a community-based noninstitutional long-term care system has been both cost and financing. When medicaid began providing benefits in July 1966, it was assumed that financing for the program was sound. However, Congress found it necessary to increase medicare taxes by some 25 percent in order to meet hospital cost increases beyond what had been anticipated. This occurred less than 2 years into the program.

When medicaid conferees met in 1965, the cost of the medicare hospital insurance program was estimated to reach $4 billion in fiscal year 1974. In contrast, the actual expenditures for that year were $8.1 billion. While a portion of this $8.1 billion was attributable to benefit liberalizations enacted after the 1965 estimate was calculated, the impact of these changes was small. Therefore, it is not unfair to say that the 1965 estimates for fiscal year 1974 were almost 100 percent off.

Similarly, estimates of Federal costs for the medicaid program were also low. For example, it was estimated in fiscal year 1972 that the Federal cost for medicaid would be $1.7 billion. The actual costs for that fiscal year were $4.36 billion. Thus, it can be seen how underestimates by the Social Security Administration of the Department of Health, Education, and Welfare actuaries have caused congressional Members to become extremely cautious when examining new health-care initiatives.

Yet, despite this knowledge, Congress continued expansion of the medicare and medicaid programs. This has only added to the costs and confusion, and created a greater dependency upon the Federal Government.

FINANCING LONG-TERM CARE SERVICES

With respect to the issue of financing, it must be understood that the Federal Government cannot and should not be considered the only payer. Rather, alternate ways of financing institutional and noninstitutional services must be examined. Specifically, we must:

First, examine the present tax system, both State and Federal, to determine if changes could be made to assist and encourage families to help care for an elderly and disabled individual;

Second, determine if there is a way for private health insurance to begin to provide coverage of both institutional and noninstitutional long-term care services;

Third, analyze whether private employers who offer health insurance coverage to their employees presently provide long-term care benefits as part of that package of benefits, and in addition, assess the impact of requiring employers to offer certain long-term care benefits; and

Fourth, explore the possibilities of allowing individuals to establish separate individual health insurance (IHA) accounts, a concept similar to individual retirement accounts (IRA).

Because of the need to examine financing options which would not involve or would minimumly involve Federal funds, and considering the absence of a comprehensive national data base on noninstitutional long-term care services, the responsible step that should now be taken at this time from both a fiscal and research perspective, is to pursue

a long-term care approach that would establish such a national data base and also allow the Congress time to examine different program reimbursement and financing options.

Some attempts were made by the previous administration to address this problem; however, in one particular instance $1.5 million was distributed among 15 States as a means of encouraging them to develop a State plan on long-term care. The irony here is that there has not been and presently does not exist a Federal long-term care strategy. The time for taking a band-aid approach as an answer to this issue must stop now.

Based on the experience of underestimating the costs of the medicare and medicaid programs, the direction that I believe we must take now is one of caution. However, it is important that caution is now confused with inaction. For these reasons and those stated throughout, Senator BRADLEY and I have chosen the title XXI approach. The following pages will outline the specifics of the proposal.

TITLE XXI

The purpose of the legislation is to establish a new title XXI under the Social Security Act. This program would establish a 10 statewide demonstration program, to test over a 6-year period the implementation of an organized system of noninstitutional acute and long-term care services, both health and social services for persons 65 and over, and persons who are disabled.

For too long, Congress has been passing legislation that would establish separate entitlement programs for different population subgroups with little or no coordination. For example, there are various noninstitutional active long-term care benefits that persons with disabilities are eligible to receive that elderly persons who may have similar needs are not eligible for and vice versa. This kind of categorical approach has only hindered the ability of seniors and disabled persons to survive outside a nursing home setting. The approach suggested under title XXI is generic in design—that is, providing all noninstitutional acute long-term care services under one title and therefore eliminating much, if not all, of the overlap and duplication that now exists.

WHO IS ELIGIBLE?

The following outlines those persons who would be eligible for benefits under this title. Specifically, any person who is:

Age 65 and over; or

Disabled and who qualified for benefits under title II, XVI, or XVIII of the Social Security Act; or

Who is disabled and is eligible for medical assistance under a State's medicaid program.

BENEFITS

Under the title XXI program, the benefits package would include:

Intermittent nursing care.

Physical, speech, and occupational therapy.

Homemaker-home health aide services

Adult day services.

Respite services.

Case coordination.

Home help services.

Two important points must be addressed here. First, persons who are eligible to receive services under this title will not be able to receive these same services under "any" other program. Second, because this is a demonstration program, some States will be given greater flexibility through the demonstration program to provide different services than those presently listed. Such an approach is similar, in part, to what the State of New York is doing under their nursing home without walls program.

ASSESSMENT AND SCREENING

The title XXI demonstration program requires the establishment of a preadmission screening and assessment team (PAT). It is the purpose of a PAT to determine what kinds of services are necessary for a client to receive. The PAT also has the responsibility of developing a plan of care for each client, and periodically reviewing the needs of the individual.

As part of the demonstration, different team compositions will be tested. For example, utilizing a physician and a nurse, or a nurse practitioner and a physical therapist, or other kinds of PAT compositions to allow for appropriate testing. This is done to insure that there is not an "over" medical bias in the PAT capacity, and to also examine the costs of utilizing different PAT compositions in conducting both the assessment and care plan development.

Another important part of the PAT's responsibility under title XXI program requires that each person, both public and private-pay clients before entering a nursing home, be screened and assessed by the PAT to determine if such institutional care is necessary.

The title XXI proposal will require the PAT to work with hospital discharge planners—when possible—prior to the release of a patient to a SNF or ICF to make sure that individual does not enter a SNF or ICF unless absolutely necessary. While we ought not to prohibit private-pay clients from entering nursing homes, we can offer them alternatives to nursing home care that exist in the community.

REIMBURSEMENT METHODOLOGY

As part of the title XXI demonstration, three different reimbursement methodologies will be tested:

First, fee schedules.

Second, prospective reimbursement.

Third, capitation payments.

COPAYMENTS

Under the title XXI program, a copayment system will be tested for individuals participating in the program.

Such a copayment system will work as follows:

First, all persons who become qualified for medicaid will not be required to make any copayments;

Second, all persons with incomes of $12,000 or below will be eligible to receive 10 free visits before they begin to make copayments; and

Third, all persons with incomes above $12,000 will be required to make copayments to this program beginning with the first visit.

Title XXI represents that important step forward. Even though we are in the midst of the President's economic recovery plan, it is still possible to move forward on a comprehensive proposal such as we are suggesting. Without the kind of information that a title XXI demonstration would yield, we simply will not have the answers we need.

Mr. President, this legislation will give the Congress the needed data and information it needs. In addition, I believe this proposal will yield information on how to best correct some of the problems of fraud and abuse we presently face in the area of home health care.

Finally, Mr. President, I ask unanimous consent that the bill and the table referred to earlier be printed in full in the RECORD.

There being no objection, the bill and the table were ordered to be printed in the RECORD, as follows:

S. 861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Noninstitutional Acute and Long-Term Care Services for the Elderly and Disabled Act".

NONINSTITUTIONAL ACUTE AND LONG TERM CARE SERVICES FOR THE ELDERLY AND DISABLED

SEC. 2. The Social Security Act is amended by adding at the end thereof the following new title:

"TITLE XXI—NONINSTITUTIONAL ACUTE AND LONG-TERM CARE SERVICES FOR THE ELDERLY AND DISABLED

"PURPOSE OF TITLE

"SEC. 2101. (a) It is the purpose of this title—

"(1) to provide a comprehensive system of noninstitutional health, developmental, and social services for individuals with chronic disabilities, to ensure that such individuals are assisted in remaining in their own homes or communities, and therefore avoid unnecessary placement of such individuals in institutional facilities, and, where possible, to allow individuals in such facilities to return to their communities;

"(2) to test three different methods of reimbursement in order to determine the most cost-effective and efficient way of providing the services available under this title;

"(3) to assess the impact of the services provided under this title in aiding families in caring for individuals eligible for benefits under this title, and, to the extent possible, to determine if the provision of such services has encouraged such families to forestall placement of such individuals in nursing homes or other institutional facilities; and

"(4) to assess how systems serving both the elderly and the disabled can be combined in a coordinated and consolidated generic approach, thus eliminating the fragmented categorical design of the current long-term care system.

(b) It is not the purpose of this title to replace assessment systems, particularly those in place and being utilized by various disability programs.

"SCOPE OF BENEFITS

"SEC. 2102. (a) Each eligible individual (as determined under section 2103) shall be entitled to the following benefits:

"(1) Home health services.

"(2) Homemaker-home health aide services.

"(3) Adult day services.

"(4) Respite care services for up to 14 days, or 336 hours, in any calendar year.

"(5) Service coordination.

"(6) Home help services.

"(7) Other services which the Secretary determines may be of value to aged or disabled individuals, which shall be provided on a demonstration basis in one or more States to eligible individuals.

"(b) For purposes of this title—

"(1)(A) The term 'home health services' means the following items and services furnished to an individual which are furnished by a home health agency, by a center or agency for the handicapped, or by others under arrangements with them made by such entity, under a plan developed, approved, and periodically reviewed by a preadmission screening and assessment team (PAT) (as defined in section 2104) which items and services are, except as provided in clause (vi), provided on a visiting basis in a place of residence used as such individual's home—

"(i) part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse;

"(ii) physical, occupational, or speech therapy;

"(iii) medical supplies (other than drugs and biologicals), and the use of medical appliances, while under such a plan;

"(iv) drugs and biologicals necessary for the control of a disability (as determined under subparagraph (E));

"(v) in the case of a home health agency which is affiliated or under common control with a hospital, medical services provided by an intern or resident-in-training of such hospital under a teaching program of such hospital approved as provided in section 1861(b)(6) of this Act; and

"(vi) any of the foregoing items and services which are provided on an outpatient basis, under arrangements made by the home health agency, at a hospital, skilled nursing facility, or intermediate care facility, or at a rehabilitation center (within the meaning of section 1861(p)) which meets such standards as may be prescribed in regulations, and—

"(I) the furnishing of which involves the use of equipment of such a nature that the items and services cannot readily be made available to the individual in such place of residence, or

"(II) which are furnished at such facility while he is there to receive any such item or service described in division (I), but not including transportation of the individual in connection with any such item or service unless such transportation is included on a demonstration basis as authorized under subsection (a)(7);

excluding, however, any other item or service if it would not be included under section 1831(b) if furnished to an inpatient of a hospital.

"(B) The term 'home health agency' means a public agency or private organization, or a subdivision of such an agency or organization, which—

"(i) is primarily engaged in providing skilled nursing services and other therapeutic services;

"(ii) has policies, established by a group of professional personnel (associated with the agency or organization), including one or more physicians and one or more registered professional nurses, to govern the services (referred to in clause (i)) which it provides, and provides for supervision of such services by a physician or registered professional nurse;

"(iii) maintains clinical records of all patients;

"(iv) in the case of an agency or organization in any State in which State or applicable local law provides for the licensing of agencies or organizations of this nature, (I) is licensed pursuant to such law, or (II) is approved, by the agency of such State or locality responsible for licensing agencies or organizations of this nature, as meeting the standards established for such licensing;

"(v) has in effect an overall plan and budget that meets the requirements of section 1861(z); and

"(vi) meets such other conditions of participation as the Secretary may find necessary in the interest of the health and safety of individuals who are furnished services by such agency or organization.

"(C) The term 'social or health organization' means any organization or agency providing, directly or indirectly, social or health services to individuals eligible to receive services under this title.

"(D) The term 'center or agency for the handicapped' means—

"(i) a single- or multipurpose facility the function of which is to assist individuals having physical, mental, developmental, or emotional impairments to become more functional members of the community by providing programs or services which may include (but are not limited to) recreation, education, health care, social development, independent living, and physical rehabilitation (but excluding any facility the primary function of which is to provide residential care on a 24 hours per day basis); or

"(ii) any agency certified or licensed by the State as being an agency designed to assist individuals eligible for services under this title to reach their maximum level of independence.

"(E) The term 'desirability' means (i) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months (or, in the case of a child under the age of 18, a medically determinable physical or mental impairment of comparable severity), or (ii) blindness (as defined in section 216(i)(1)).

"(2)(A) The term 'homemaker-home health aide services' means services provided by a homemaker-home health aide who meets training guidelines specified by the State, or by a center or agency for the handicapped, to an individual, which are designed to maintain or increase the personal care of such individual and his home (not including the structure of the home) in a manner which promotes the functional independence of the individual and to avoid the need for institutionalization. Such services shall include—

"(i) personal care services designed to assist such individual in the activities of daily living such as bathing, exercising, personal grooming, and getting in and out of bed; and

"(ii) household care services such as maintaining a safe living environment, light housekeeping, and ensuring good nutrition (including the purchase and preparation of food).

"(B) The term 'homemaker-home health aide agency' means a separate agency, or a program which is part of a multi-purpose agency (including a county or local health department, a family or child welfare service agency, a multi-purpose senior center, a center or agency for the handicapped, or any similar agency), which meets guidelines specified by, and is approved by, the State as being capable of providing homemaker-home health aide services as defined in subparagraph (A).

"(3) The term 'adult day services' means services provided (other than care provided for the primary objective of providing medical services) on a regular basis, but less than 24 hours per day, in a multipurpose senior center, rehabilitation center, center or agency for the handicapped, or any other facility which meets guidelines specified by, and is approved by, the State, which are provided to an individual who is in need of social, training, or developmental activities during the daytime hours because of a functional impairment but does not require institutionalization, and which are provided for the purpose of assisting such individual to maintain a maximum level of independence. Such services may include (but are not limited to) provision of health care, recreation and educational activities, physical and vocational rehabilitation, and social, developmental, or independent living services.

"(4) The term 'respite care services' means services for an individual who is unable to care for himself on a full-time basis, which are provided on a temporary basis to such individual to provide relief for the person who normally cares for such individual. Such services shall be provided by persons who have met specific training guidelines specified by the State, and who are employed by a local public health department, a local agency participating in a State program established under title XX of this Act, a certified home health agency, a homemaker-home health aide agency, a center or agency for the handicapped, or any agency or organization which meets guidelines specified by the State for agencies which provide services described in the preceding sentence. Such services shall, when necessary and appropriate, be provided in addition to other services under this title to ensure that such individual receives a coordinated system of services designed to help that individual reach a maximum level of independence and to lessen such individual's dependence upon the individual who normally cares for him.

"(5) The term 'service coordination' means services, provided to an individual who has a developmental or other disability, which will assist such individual in gaining access to necessary social, medical, health, educational, and other services, including—

"(A) follow-along services which insure, through a continuing relationship between an agency or provider and such individual and the individual's family or guardian, that the changing needs of such individual and family relating to such disability are recognized and appropriately met; and

"(B) services which provide support to such individual, access to and coordination with appropriate service providers, information relating to available programs and services, and monitoring of such individual's progress.

"(6) The term 'home help services' means household care services (not including care of the structure of the home) such as maintaining a safe living environment, light housekeeping, and ensuring good nutrition (including the purchase and preparation of food), provided by an individual who meets such training requirements as may be developed by the State and approved by the Secretary.

"(7) The term 'institutional facility' means a hospital, a skilled nursing facility, or an intermediate care facility as those terms are defined for purposes of titles XVIII and XIX of this Act.

"ELIGIBILITY FOR BENEFITS

"SEC. 2103. (a) Every individual who resides in a State in which this title is in effect and who—

"(1) has attained age 65, is a resident of the United States, and is either a citizen or an alien lawfully admitted for permanent residence;

"(2) is disabled and is eligible for benefits under title II, XVI, or XVIII of this Act;

"(3) is disabled and is eligible for medical assistance under a State plan approved under title XIX of this Act; or

"(4) was an eligible individual under this title by reason of paragraph (2) or (3) but ceased to meet the requirements of such paragraph, but only if it is determined by a PAT designated under section 2104 that—

"(A) loss of benefits under this title would seriously jeopardize such individual's ability to continue to live in a noninstitutional community residence, and

"(B) such individual's income is not sufficient to allow him to provide for himself a reasonable equivalent of the services available to him as an eligible individual under this title;

is an eligible individual for purposes of this title.

"(b) Certification of eligibility under this section shall be made by the Secretary.

"PREADMISSSION SCREENING AND ASSESSMENT

"SEC. 2104. (a)(1) No eligible individual as defined under section 2103 shall be eligible to receive any benefits under this title, or any long-term care benefits under title XVIII of this Act, or any long-term care under a State plan approved under title XIX or XX of this Act, unless such individual has been screened and assessed in accordance with the provisions of this title, and has a plan of care (as defined in this section) under which the provision of such care or benefits is determined to be appropriate.

"(2) The purpose of such assessment and screening is to provide, through the use of a preadmission assessment and screening team (PAT), a thorough evaluation of each individual's health status, functional capabilities, and, where appropriate, home and family environment, to determine the types and frequency of services required by such individual in order to assure the achievement of the maximum level of independence by such individual, consistent with the availability and accessibility of such services in the community, and to include a plan for patient education to assure that such individual and his family understands what services are being provided to him, and why they are being provided.

"(b)(1) The PAT services shall be provided to every eligible individual. Such individual's physician shall be a member of the PAT whenever possible, and shall, in any event, be consulted with and kept informed by the PAT with respect to the plan of care developed by such team for such individual and shall be consulted as appropriate while the plan of care is implemented to ensure successful implementation. Other professionals involved in providing care to such individual shall be consulted with and kept informed by the PAT with respect to the plan of care. Such screenings and assessments shall include the following:

"(A) An initial screening to determine the need for and appropriateness of any acute or long-term care provided for or reimbursed under this title, or any long-term care provided for or reimbursed under title XVIII, XIX, or XX of this Act, that may be required by the individual at the time of initial referral.

"(B) The preparation of a plan of care for the individual based upon a thorough assessment of the individual's health status and functional capabilities. Such plan of care shall determine those acute and long-term care services (if any) which are most appropriate for the individual. Payment under this title shall not be made for any services unless such services are approved in the plan. Payment under title XVIII, and under State plans approved under title XIX or XX of this Act, shall not be made for any long-term care services unless such services are approved in the plan. Such plan shall also indicate the types of services required by such individual, the frequency of such services, and the frequency of reassessments by the PAT. Any change in the type or frequency of the services provided under the plan of care shall be preceded by a reassessment of such individual by the PAT. The PAT shall cooperate with any other person providing medical, health, social, or other services relevant to such individual's plan of care to ensure that other services appropriate to meeting the long-term care needs of such individual shall be incorporated into such plan of care so as to ensure maximum functional independence for the individual, and any change in such plan of care shall require agreement as to such change between the PAT and such other persons. If no such agreement can be reached, final authority for the plan of care shall rest with the PAT.

"(C) An ongoing assessment of the individual's status and appropriate update of the plan of care. An initial review of the plan of care shall be made within 30 days after the initiation of the plan of care and ongoing assessments shall be made at such times as the PAT determines to be necessary, but not less often than every six months for any individual aged 65 or over. Assessments shall be made in cooperation with any agency providing services to such individual under this title.

"(D) Supplying the individual or his representative with a list of all providers of services in the area who are qualified to provide services under this title which such individual may require, and, if such individual is unable to contact such a provider, contacting such a provider on behalf of such individual. In developing the plan of care, the PAT shall utilize, when possible and appropriate, services provided by volunteers, to ensure that such volunteer services are continued whenever possible.

"(E) Referral to any other appropriate services specifically designated for the elderly or disabled and available to such individual in his community, and coordination with community mental health centers with respect to services provided under the Mental Health Systems Act.

"(F) The collection, at the time the PAT performs the assessments and screenings, of relevant information with respect to such individuals for the purpose of developing a national data base. Such information shall include functional ability at the start of care, functional ability after care, and, to the extent possible, the extent and type of involvement by family and friends in the care of such individual. Such data shall remain confidential and be used to make comparisons with respect to the average number of visits required, the average length of a visit, the average cost per visit, the average cost per individual and per case, and any other information deemed necessary. Such data shall be broken down by demographic factors, health status, services provided, and other procedural factors as the Secretary determines to be appropriate.

"(G) In the case of an individual who is being discharged from an institutional facility, an assessment of such individual's place of residence in the community when appropriate and necessary; and such assessment shall be made in coordination with the discharge unit of such facility.

"(2) Such screenings and assessments shall be provided by a preadmission screening and assessment team (PAT) designated under subsection (c) without charge to the individual.

"(3) Except in the case of an individual who is a resident in an institutional facility, such screenings and assessments may be provided in the individual's place of residence, or, if the individual is capable of traveling to the location of the PAT, at such location.

"(c)(1) The Governor of each State shall designate the State agency or agencies which shall administer or supervise the administration of the PAT program in such State, and if more than one agency is so designated, the Governor shall determine the parts of such program which each shall administer and shall ensure cooperation among such agencies. Agencies so designated may include the State's department of health (or equivalent agency), the State agency designated under the State plan under title XIX of this Act, the State's department on aging (or equivalent agency), the State's department on mental retardation or developmental disabilities, the State's department for social services, or the State's department for the blind or visually handicapped. Such agency or agencies designated by the Governor shall coordinate the designation of preadmission screening and assessment teams (PAT) in as many areas of the State as such agency or agencies, and the Secretary, determine to be necessary. Such agency or agencies shall designate entities, in those areas, which shall be responsible for establishing the PAT. Such entities may include the State agency designated under the State plan approved under title XIX or XX, an area agency on aging, the discharge planning unit of a hospital, a local government's department of health, a rural health clinic, a health maintenance organization (HMO), a center or agency for the handicapped, a home health agency, or any similar entity, if such entity meets the requirements of this title for a PAT.

"(2)(A) The members of a preadmission screening and assessment team (PAT) may be full- or part-time employees of the entity establishing the PAT or may operate under contractual arrangements with the entity which will ensure the availability of appropriate personnel to conduct the required screenings and assessments.

"(B) The Secretary shall determine the composition of the PAT, and such composition shall initially vary in different States in order to assess the effectiveness of each such composition. In some States each PAT shall consist of at least—

"(i) a physician, who shall be the individual's personal physician or, if the individual has no personal physician or if such personal physician is unable or unwilling to participate in the PAT, shall be a physician designated by the entity establishing the PAT,

"(ii) a registered nurse or nurse practitioner, and

"(iii) a social services worker.

"(C) In other States the Secretary shall test other combinations of professionals as the members of a PAT in order to determine the most efficient and cost-effective mode of conducting preadmission screening and assessment. Such professionals may include, where necessary and appropriate, any of the following:

"(i) Any of the professionals listed in subparagraph (B).

"(ii) A physical, occupational, or speech therapist.

"(iii) A qualified professional in the field of mental retardation or developmental disabilities.

"(iv) a qualified professional in the field of blindness or visual impairment.

"(v) A volunteer senior citizen advocate.

"(vi) A volunteer advocate for the disabled.

"(vii) A qualified professional in the field of social work.

"(viii) Such other professionals as the PAT may determine to be necessary.

"(D) Any individual who is a member of, or consultant to, a PAT, shall meet such training requirements as may be developed by the State and approved by the Secretary.

"(E) In any case where a rural health

clinic has been designated as a PAT, a physician assistant or nurse practitioner (as defined in section 1861 (aa) (2)) may be a member of such PAT instead of a physician.

"(3) The plan of care for each individual shall be developed and agreed upon by the PAT and such individual (or such individual's representative where appropriate).

"(4) Each PAT within a State shall collect data with respect to individuals receiving services under this title or referred for other services by the PAT, utilizing a statewide uniform assessment instrument. Each State shall determine the type of uniform instrument it will use, but such instrument must contain at least the information required under subsection (b)(1)(F) and must be approved by the Secretary.

"(d) The Secretary shall reimburse any designated preadmission screening and assessment team (on a per visit basis), and any State, for the reasonable costs incurred by such PAT or State in carrying out its duties under this title. The per visit reasonable cost for providing services under this title shall be determined on a State-by-State negotiated rate basis between the Secretary and the appropriate State agencies, but the Secretary shall make the final determination of such rates.

"(e) Each PAT shall submit two copies of the plan of care developed by such PAT for an eligible individual to the Secretary, or the carrier (if any) having an agreement with the Secretary with respect to services provided to such individual, for the purpose of assisting the Secretary or the carrier to verify, prior to payment, that all bills submitted for services provided to such individual are for services consistent with the plan of care and authorized by the PAT.

"(f) If a State fails to carry out its duties under this title, the Secretary shall assume such duties and shall designate preadmission screening and assessment teams in such State.

"COPAYMENTS BY ELIGIBLE INDIVIDUALS

"SEC. 2105. (a) Subject to the provisions of subsection (b), copayments for any eligible individual shall be determined as follows:

"(1) Any eligible individual whose income is at or below the income level which would qualify such individual for benefits under the State plan approved under title XIX for the State in which he resides for a calendar year, if such individual were otherwise qualified for such benefits, shall not be required to make any copayment under this title for such calendar year.

"(2) Any eligible individual who does not meet the requirements of paragraph (1) who has an income for any calendar year which is less than $12,000, shall be required to make copayments with respect to benefits received under this title for services in an amount equal to 20 percent of the reimbursable amount (as determined under section 2106 (a)) for any such services received in such calendar year in excess of 25 visits.

"(3) Any eligible individual who does not meet the requirements of paragraph (1) who has an income for any calendar year which is $12,000 or greater, shall be required to make copayments with respect to benefits received under this title for services other than respite care services in an amount equal to 20 percent of the reimbursable amount (as determined under section 2106(a)).

"(b)(1) No eligible individual shall be required to make copayments under subsection (a) in any calendar year which are in excess of the applicable percent of his income for such calendar year as determined under the following table:

"Income:	*Applicable percent*
$0 to $3,500	0
$3,501 to $5,000	1
$5,001 to $8,500	2
$8,501 to $10,000	3
$10,000 to $15,000	4
$15,001 to $20,000	5
$20,001 to $30,000	6
$30,001 to $40,000	7
$40,001 or over	8

"(2) For purposes of this subsection the term 'income' means income as determined under section 1612(a) of this Act.

"(3) All income determinations under this title shall be made by the Secretary.

"(4) The Secretary shall collect such copayments as may be appropriate and shall deposit the amounts collected into the Federal Long-Term Care Trust Fund established under this title.

"PAYMENT OF BENEFITS

"SEC. 2106. (a)(1) The Secretary shall pay, on behalf of each eligible individual who incurs expenses for services with respect to which benefits are payable under this title, amounts as determined under paragraph (2), as the Secretary may determine to be appropriate.

"(2) For the purpose of demonstrating the feasibility and effectiveness of alternative methods of reimbursement under this title, the Secretary shall provide that such reimbursement be made on the basis of a fee schedule, a capitation basis, or on a prospective basis. Such methods of reimbursement shall be developed jointly by the Secretary and the appropriate State agencies as determined by the Governor. Such reimbursement shall reflect urban and rural differentials and shall be adjusted periodically to reflect changes in costs. Proposed methods of reimbursement shall be submitted to each unit of general purpose local government to allow providers in such area 30 days for comment. Such proposals shall be accompanied by an explanation of how the method was determined. The State shall issue final reimbursement methods within 60 days after reviewing and evaluating public comment received with respect to such methods after they have been approved by the Secretary.

"(3) The amount which may be paid under this title for adult day services in any State under paragraph (2) may not exceed 75 percent of the amount paid for intermediate care facility services under the State plan of such State approved under title XIX, as determined on a daily, monthly, or annual basis as the Secretary determines to be appropriate

"(b) No payment shall be made to any person under this title unless there has been furnished such information as may be necessary in order to determine the amounts due such person under this title for the period with respect to which the amounts are being paid, or for any prior period.

"(c) No payment may be made under this title with respect to any service provided to an individual unless such service is approved by a preadmission screening and assessment team in accordance with section 2104.

"(d) No payment shall be made to any person under this title unless such person agrees that the amount paid under this title shall be the full charge for such service, and that the eligible individual shall not be required to make any payment to such person for such service.

"USE OF CARRIERS AND STATE AGENCIES

"SEC. 2107. (a)(1) The Secretary may enter into agreements with carriers for the purpose of administering the benefits available under this title in the same manner in which such agreements are entered into under section 1842 for purposes of administering part B of title XVIII, to the extent consistent with the provisions of this title.

"(2)(A) Any agreement entered into under paragraph (1) shall provide that the carrier will transmit copies of all bills submitted for payment for services under this title to the PAT having responsibility over the plan of care for the individual with respect to whom such services were rendered.

"(3) Any person submitting a bill directly to the Secretary for payment for services under this title shall submit a copy of such bill to the PAT having responsibility over the plan of care for the individual with respect to whom such services were rendered.

"(b) The Secretary shall make an agreement with any State which is able and willing to do so, in the same manner as under section 1864, under which an appropriate State agency shall make determinations as to whether an agency or organization meets the requirements of this title as a provider of services.

"FEDERAL LONG-TERM CARE TRUST FUND

"SEC. 2108. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Federal Long-Term Care Trust Fund' (hereinafter in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in this title.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor and the Secretary of Health and Human Services, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Administrator of the Health Care Financing Administration shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Board of Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the Trust Fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be

acquired on original issue at the issue price, or by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Fund. Such obligations issued for purchase by the Trust Fund shall have maturities fixed with due regard for the needs of the Trust Fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the Trust Fund (except public debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

"(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

"(f) The Managing Trustee shall transfer to the Trust Fund on a periodic basis amounts from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in accordance with the provisions of section 2109.

"(g) There shall be transferred on a quarterly basis to the Trust Fund from the general fund of the Treasury the amounts withheld from payments to States under title XIX of this Act as required under section 2110.

"(h) The Secretary of Health and Human Services shall deposit into the Trust Fund all copayment amounts collected under section 2105.

"(i) There are authorized to be appropriated for each fiscal year to the Trust Fund such additional sums as may be necessary to ensure that sufficient funds are available in the Trust Fund to make all payments provided for by this title.

"(j) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the Secretary of Health and Human Services certifies are necessary to make the payments provided for by this title. and the payments with respect to administrative expenses in accordance with section 201(g)(1).

"TRANSFER OF FUNDS FROM TITLE XVIII TRUST FUNDS

"SEC. 2109. There shall periodically be transferred to the Federal Long-Term Care Trust Fund, from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund, as the secretary determines to be appropriate, amounts which the Secretary estimates to be the amounts which would have been expended from such Trust Funds for services defined in section 2102 during such period if this title had not been enacted.

"REDUCED PAYMENT TO STATES FOR LONG-TERM CARE SERVICES

"SEC. 2110. (a) The amount of the payment for each fiscal year under title XIX of this Act to be made to any State which participates under this title shall be reduced by an amount equal to—

"(1) 99 percent of the amount expended by such State for fiscal year 1980 under its State plan approved under title XIX for services defined in section 2102 provided to individuals who were, at the time they received such services, individuals described in section 2103(a); minus

"(2) the amount reimbursed to such State with respect to such services by the Federal Government under section 1903 for fiscal year 1980.

"(b) An amount equal to the amount of the reductions made under the provisions of subsection (a) shall be deposited into the Federal Long-Term Care Trust Fund in accordance with the provisions of section 2108.

"REGULATIONS OF SECRETARY

"SEC. 2111. The Secretary shall issue regulations as may be necessary to carry out the provisions of this title. Such regulations shall, to the extent feasible and consistent with this title, be coordinated with regulations issued under titles XVIII, XIX, and XX of this Act.

"ADMINISTRATIVE PROVISIONS

"SEC. 2112. Except where otherwise provided, the Secretary shall carry out the provisions of this title in the same manner as the Secretary is authorized to carry out the provisions of title XVIII of this Act, and any individual or other person shall have the same rights with respect to determinations made by the Secretary as are provided under title XVIII.

"PARTICIPATING STATES

"SEC. 2113. (a) This title shall be in effect only in ten States selected by the Secretary, which shall consist of one State in each of the ten regions of the Department of Health and Human Services.

"(b) With respect to eligible individuals residing in such States, no services or benefits which are services or benefits described in section 2102(a) may be provided to such individuals under any other program funded in whole or in part by Federal funds.".

MEDICARE AMENDMENTS

SEC. 3. (a) Title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"COORDINATION WITH TITLE XXI

"SEC. 1884. Notwithstanding any other provision of this title, no payment shall be made under this title to or on behalf of an individual who is an eligible individual under title XXI of this Act—

"(1) for any service defined in section 2102 of this Act; or

"(2) for any extended care services unless such individual undergoes a preadmission screening and assessment as provided in section 2104 of this Act, and the need for such services has been approved under such individual's plan of care under such section 2104.".

(b) Section 1861(e) of such Act is amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by redesignating paragraph (9) as paragraph (11); and

(3) by inserting after paragraph (8) the following:

"(9) provides an adequate referral service for patients with respect to services available to them under title XXI of this Act;

"(10) provides that every patient who is an eligible individual under title XXI of this Act, prior to discharge from such institution, shall be screened and assessed by a preadmission screening and assessment team designated under such title XXI if the physician attending such patient determines that such patient requires any services provided under such title XXI; and".

(c) Section 1861(j) of such Act is amended—

(1) by striking out "and" at the end of paragraph (14);

(2) by redesignating paragraph (15) as paragraph (17); and

(3) by inserting after paragraph (14) the following new paragraphs:

"(15) provides an adequate referral service for patients with respect to services available to them under title XXI of this Act;

"(16) provides that every patient who is an eligible individual under title XXI of this Act, prior to or upon admission to such institution, shall be screened and assessed by a preadmission screening and assessment team designated under such title XXI for the purpose of determining if care in such institution is appropriate for such individual; and".

MEDICAID AMENDMENTS

SEC. 4. (a) Section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (42);

(2) by striking out the period at the end of paragraph (43) and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (43) the following:

"(44) (A) provide that no service defined in section 2102 of this Act shall be provided or paid for under the State plan for any individual who is an eligible individual under title XXI of this Act; and

"(B) provide that no long-term care services shall be provided or paid for under the State plan for any individual who is an eligible individual under title XXI of this Act unless such individual has undergone a preadmission screening and assessment as provided in section 2104 of this Act, and the need for such services has been approved under such individual's plan of care under section 2104.".

(b) Section 1903 of such Act is amended by adding at the end thereof the following new subsection:

"(s) The amount otherwise payable under the preceding provisions of this section for each fiscal year shall be reduced as provided in section 2110 of this Act for States participating in title XXI.".

(c) The first sentence of section 1905(c) of such Act is amended by striking out "and" before "(4)" and by inserting before the period at the end thereof the following: ", (5) provides an adequate referral service for patients with respect to services available to them under title XXI of this Act, and (6) provides that every patient who is an eligible individual under title XXI, prior to or upon admission to such institution, shall be screened and assessed by a preadmission assessment and screening team designated under title XXI of this Act for the purpose of determining if care in such institution is appropriate for such patient".

SOCIAL SERVICES AMENDMENTS

SEC. 5. Section 2003(d)(1) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (J);

(2) by striking out the period at the end of subparagraph (K) and inserting in lieu thereof "; and"; and

(3) by inserting after subparagraph (K) the following:

"(L)(i) provide that no service defined in section 2102 of this Act shall be provided or paid for under the State plan for any individual who is an eligible individual under title XXI of this Act; and

"(ii) provide that no long-term care services shall be provided or paid for under the State plan for any individual who is an eligible individual under title XXI of this Act unless such individual has undergone a preadmission screening and assessment as provided in section 2104 of this Act, and the need for such services has been approved under such individual's plan of care under section 2104.".

LIMITATION ON FEDERAL PARTICIPATION IN CAPITAL EXPENDITURES WITH RESPECT TO PROVIDERS OF SERVICES UNDER TITLE XXI

SEC. 6. (a)(1) Section 1122(a) of the Social Security Act is amended by striking out "title V, XVIII, and XIX" and inserting in lieu thereof "titles V, XVIII, XIX, and XXI".

(2) Section 1122(d)(1) of such Act is amended by striking out "titles, V, XVIII, and XIX", by striking out "titles V, XVIII, and XIX", and by inserting in lieu thereof in each instance "titles V, XVIII, XIX, and XXI".

(3) Section 1122(d)(2) of such Act is amended by striking out "title V, XVIII, or XIX" and inserting in lieu thereof "title V, XVIII, XIX, or XXI".

(4) Section 1122(e) of such Act is amended by striking out "titles V, XVIII, and XIX" and inserting in lieu thereof "titles V, XVIII, XIX, and XXI".

(b) Section 1122 of such Act is amended by adding at the end thereof the following new subsection:

"(j) For purposes of this section the term 'health care facility' includes any entity providing services for which payment may be made under title XXI, and the term 'capital expenditure' includes the establishment of any such entity providing services for which payment may be made under title XXI without regard to the dollar amount involved.".

EFFECTIVE DATES; REPORTS

SEC. 7. (a) The amendments made by this Act shall become effective on January 1, 1982 and shall remain in effect until December 31, 1987.

(b)(1) The Secretary of Health and Human Services shall monitor the effect of the amendments made by this Act with respect to any changes in the utilization of inpatient services, any changes in the utilization of the various types of services provided under titles XVIII, XIX, XX, and XXI of the Social Security Act, and any other trends in costs or utilization rates of various services, and shall also test and evaluate the effects of implementing a copayment requirement beginning with the first visit as compared to a copayment requirement under such title XXI beginning after twenty-five visits. The Secretary shall submit an interim report to the Congress with respect to such monitoring not later than January 1, 1984, and a final report not later than January 1, 1988.

(2) The Comptroller General of the United States shall also conduct an ongoing evaluation of the effect of the amendments made by this Act with respect to utilization of services, and shall submit an interim report to the Congress with respect to such evaluation not later than January 1, 1984, and a final report not later than January 1, 1988.

(3) The reports submitted under paragraphs (1) and (2) shall each include a recommended strategy for implementing title XXI of the Social Security Act on a national basis, with particular emphasis on implementation at the State and local levels. Such reports shall include—

(A) an analysis of potential obstacles to such implementation;

(B) suggested legislative changes which may be necessary to ensure effective and efficient implementation; and

(C) a detailed plan for such implementation.

(4) The Office of Management and Budget shall prepare an analysis of the budgetary impact of the implementation of such title on a national basis, and shall submit an interim report to the Congress with respect to such analysis not later than January 1, 1984, and a final report not later than January 1, 1988.

GROWTH IN MEDICAID NURSING HOME EXPENDITURES

	In billions of dollars			Title 19 per dollar SNF/ICF cost
	Total title 19 expenditure	SNF expenditure	ICF/ICF/MR expenditures	
Fiscal year:				
1972	6.3	1.5		0.24¢
1973	8.6	2.0	1.1	.36
1974	10.0	2.0	1.6	.36
1975	12.3	2.4	2.2	.37
1976	14.1	2.5	2.8	.38
1977	16.3	2.7	3.5	.38
1978	18.0	3.1	4.3	.41
1979	20.2	3.5	5.4	.44

Mr. BRADLEY. Mr. President, I am pleased to join Senator PACKWOOD as well as Senators HEINZ, MATSUNAGA, MOYNIHAN, PRYOR, COCHRAN, and RIEGLE in introducing today a bill to create a new title—title XXI—of the Social Security Act. The purpose of this legislation is to demonstrate the feasibility of a comprehensive system of noninstitutional long-term-care services for the aged and disabled. Our emphasis here is on noninstitutional, for our intent is to insure that those Americans who are aged 65 and over and those who are disabled are assisted in remaining as functionally independent as possible in their own communities.

It has become increasingly obvious, Mr. President, that we must revise our policies governing the provision of services to those who require long-term care. Placing people in nursing homes may be appropriate in certain cases; but just as frequently such placements can have adverse social and economic effects on our elderly and disabled citizens, on our health care system, and on the public budget. This is especially true when the only reason people are in nursing homes is because adequate services are not available in their own community.

The evidence of the past 15 years of increasing nursing home usage at increasing public cost suggests the need for reevaluating our current long-term-care policies and programs. A look forward to the next two decades would seem to compel such a reevaluation. First, the United States is undergoing significant demographic change in the age composition of its population. Both the absolute numbers and the proportion of the population over 65 are on the rise. This year there are more than 25 million men and women over 65 years of age; by the year 2000, this number will rise to more than 32 million. In percentage terms, 9.8 percent of the population in 1970 was over 65; this figure rose to 11.2 percent in 1980 and is projected to be 12.2 percent by 2000. About 15 percent of these elderly are either bedridden or require assistance in the basic functions of daily living. As the post-World War II baby boom ages, the need for a comprehensive and efficacious long-term-care system will become more acute.

The pressures on our long-term care system created by an aging population will be compounded by the shifting composition of the labor force. As more women and young people enter the work force, the component of long-term care formerly supplied by the family will decrease. Public and private initiatives will be required to facilitate the working family's efforts to care for its aged and disabled members without having to resort to institutionalization.

The growth in the population in need of some long-term care services, combined with the absence of an effective system of noninstitutional long-term care, has already led to seriously inadequate living situations for many elderly and disabled individuals. First, a significant number of needy aged and disabled do not receive publicly provided services of any kind; they are unknown by our official systems of health and social services, coping as best they can. Some are doing well, with the help of friends and family; some are not. Many others are insufficiently or inappropriately served in hospitals and nursing homes. Finally, substantial numbers of individuals are overserved in their present locations. Nearly 1 million Americans are now residents of nursing homes, even though leading health experts estimate that thousands of them—anywhere from 10 to 25 percent—do not need this level of care. Moreover, because nursing homes are crowded with individuals who could more appropriately be served in noninstitutional settings, these same nursing homes do not have room for thousands of chronically impaired patients who are forced to remain in even more expensive acute care hospital beds. In both instances, the Government, through medicare and medicaid, pays a substantial portion of an unnecessarily costly bill.

The costs of this inefficient use of our institutional services are extremely high, from both a social and financial standpoint. Individuals placed in institutions suffer a variety of costs: They are uprooted from their homes, they are severed from normal contact with their family, friends, and community. They experience a serious loss of personal independence and the dignity and self-esteem which accompany it. In many cases there is even a loss of life-long possessions. I believe strongly that whenever possible such institutionalization and its disruptive effects should be avoided.

From a monetary standpoint, unnecessary nursing home placement also has a negative impact. The alarming escalation in the costs of nursing home care is an increasingly onerous burden on both the individual and the Government. In 1978, $8.8 billion in public money was spent on nursing home care; this figure will become $11 billion in 1981. In far too many cases individuals enter institutions as nonmedicaid private patients and then, shortly after, their resources depleted, they become medicaid eligible. The current portion of the Federal medicaid budget that goes to financing nursing home care is over 40 percent. Long-term care is the fastest growing part of medicaid. In 1970, only 25 per-

cent of medicaid funds went to nursing home payments.

The search for alternatives to inappropriate institutionalization is not made easy by the current confusion of programs and lack of a clear strategy which encourages and facilitates noninstitutional care. Both medicare and medicaid, for instance, have a strong institutional bias in the services they fund and the situations in which these services will be covered. Some services are paid for only if provided in a hospital or nursing home, but not in the individual's own home. Existing long-term care services are supported by differing funding streams and have widely ranging administrative arrangements, eligibility requirements and benefits. This fragmentation means that services for older and disabled people in need of long-term care will vary from community to community and State to State; they may be multiple, parallel, overlapping, noncontinuous or even not provided at all. The common denominator is confusion.

In seeking a clearer strategy for noninstitutional long-term care, we have focused on two questions:

How can we keep individuals out of hospitals and nursing homes when an institution is not needed?

How can we, at the same time, provide care to individuals in their homes or their communities and help them lead as independent lives as possible through support and self-care?

In title XXI, we are proposing an approach which we think may offer answers to these questions.

Under title XXI, noninstitutional long-term care services currently provided under medicare, medicaid, or social services—titles XVIII, XIX, and XX of the Social Security Act—would be combined and would be supplemented with certain additional services to create a more comprehensive set of community-based long-term care services. Home health care, homemaker-home health aides, adult day care, and respite care services would be covered. Any person who is aged 65 or over or who is disabled would be eligible for title XXI services.

The needs of each individual for services will be evaluated by a preadmission screening and assessment team (the PAT), composed of health and social service professionals. The purpose of the PAT is to devise a plan of care specifically tailored for each individual. The PAT's will also assist the individual in obtaining needed services and conduct periodic reassessments to update care. The PAT's will especially seek to divert persons away from skilled and intermediate nursing facilities and hospitals to community-based care whenever a less restrictive and less institutional level of care is more appropriate.

While the Federal Government will assume most of the costs of title XXI services, a copayment system will be tested for individuals participating in the program, in recognition of the very real need to control the long-term care budget. Those individuals whose incomes qualify them for medicaid will be exempt from copayments; those with incomes at $12,000 or less will be eligible for a specified number of free services before they begin to make copayments; and those with incomes above $12,000 will make copayments beginning with the first service. Thus the individual's share will be based entirely on his or her ability to pay.

As you can see, title XXI is a very ambitious program. Even as I have great hopes for the title XXI approach, our bill has been fashioned with the awareness that its concepts must be fully tested and that changes will likely be made as we proceed with its implementation. With this in mind, the bill we are introducing today calls for a 6-year, 10-State demonstration of the title XXI program.

The experience of these 10 States will provide Congress with the information upon which subsequent decisions can be based. By designing title XXI as a demonstration, we expect to be able to learn which program features, which provisions and conditions, best meet the needs of older and disabled Americans before embarking on the program nationwide. We know too little about the level of demand that may exist for these services, too little about the costs and financing arrangements and too little about the organizational aspects of screening and assessment teams and service delivery mechanisms. For these reasons, we have opted for a 6-year demonstration project on a sufficiently large scale so we will be able to recommend to our colleagues at the end of that time the adoption of a well-tested and well-proved concept as national policy.

Title XXI is not an entirely untested or unproved concept, however. We have found encouragement in the diverse projects now underway in various parts of the country which share numerous features with our title XXI legislation. They have demonstrated, each in different ways, that we can do a much better job in providing comfortable, safe and normal environments for the aged and disabled, and that we can do so in a cost-effective way. For many, a greater independence can be achieved through accessibility to a rather simple set of services and supports. If we can provide in the community a range of services which can help the elderly and disabled meet their needs for limited or temporary assistance, we will enrich their lives and our own as well.

In closing, I must again stress that institutional care is expensive, and that unnecessary institutional care is wasteful of both dollars and lives. Society's overreliance on and overuse of nursing homes has serious adverse economic, psychological and social effects on the elderly and disabled, their families and those third party payers, including the Federal Government, and ultimately the taxpayer, who share these burdens.

Mr. President, for these compelling reasons, I urge my colleagues to join us in support of this worthy and much overdue piece of legislation.

Mr. MOYNIHAN. Mr. President, I am pleased to join Senators PACKWOOD and BRADLEY in cosponsoring the Non-Institutional Acute and Long Term Care Services for the Elderly and Disabled Act of 1981. This legislation will create a new title XXI under the Social Security Act with the express purpose of establishing 10 statewide demonstration projects to implement and coordinate a system of noninstitutional long-term-care services for our chronically ill elderly and disabled citizens.

The idea of providing home health care services to elderly and disabled persons is not new. Indeed, organized home care services have existed in the United States since the last quarter of the 18th century. But real impetus for such activities has come only in the last two decades. During this latter period of development, there was a good deal of discussion about definitions. Should the health professions refer to "organized" or "coordinated" home care services? According to the Public Health Service's survey of coordinated home care programs, "coordinated" won out. The new accepted definition of home care is this:

> A coordinated home care program is one that is centrally administered, and that through coordinated planning, evaluation, and follow-up procedure provides for physician-directed medical, nursing, social, and related services to selected patients at home.

Essentially, this definition serves the purpose of this legislation. What is new is that we propose to assure these services on a statewide systematic basis with general Federal guidelines while leaving the "how to" up to those 10 chosen States.

It is more than interesting that today we suggest a return to a practice that was the norm 50 years ago. Again I quote from the Public Health Service's report:

> Until the emergence, in the last 50 years, of the hospital as the core for the provision of services for major illness, the home was the locale for medical treatment. The well-to-do patient rarely thought of going to the hospital and was treated at home by the physician, with the day-to-day care often the responsibility of the family. The attitude that only the poor or homeless went to the hospital was reflected in one of the three principles set forth by the Boston Dispensary in 1976. They established the first home care program stating: "Those who have seen better days may be comforted without being humiliated, and all the poor receive the benefit of a charity. The more refined as it is the more secret". Thus the Dispensary would provide the home care, and the needy could avoid the social stigma attached to institutional care.

Times have changed. We no longer view the hospital in this light. We all know of the CAT scanner and other sophisticated equipment used in our most prestigious institutions. We know this, and we want this. Hospitals now are places to make us well, and they are more convenient for doctors caring for their patients. However, in spite of our new view of the hospital, the question remains whether we all need this level of care: It is costly, and someone must pay for that CAT scanner and all the wonderful lifesaving equipment and highly trained personnel that we all want, and unfortunately may one day need. After all, our lives could depend upon it.

At the same time health care costs and available data provided by organizations, such as the New York Statewide Professional Standards Review Council,

Inc. and its 16 professional standards review organizations (PSRO's) in their two 1-day censuses taken in 1979 and 1980, do give us pause. The 1979 1-day census taken in 285 New York hospitals showed 3,961 people awaiting placement to lower levels of care for an average of 53 days at $200 per day (statewide average) to the medicare and medicaid programs. On February 28, 1980, the situation had worsened: 239 hospitals had 4,424 patients in acute care beds who did not require that level of care, an increase of 12 percent over the 1979 1 day census. The average length of stay was now 74.3 days, an increase of more than 57 percent over 1979. In 1980, the taxpayers and patients, through medicare and medicaid spent $240 million on unnecessary acute care services to maintain patients at levels that were determined to be inappropriate by the PSRO's. All of these patients required lower levels of care in skilled nursing homes, intermediate care facilities, and home care programs.

In my State, which has so often been the model for innovative health care programs, we recognized the backlog in our hospitals as well as the shortage of skilled nursing beds for these patients. In response to this need, a new law was passed establishing the "Nursing Home Without Walls" State demonstration program. The chairman of the New York State Senate Health Committee stated at the time:

> Many elderly were placed in nursing homes prematurely either because families could no longer care for them or the care available in the community was inadequate. Rather than meet the increasing demand for long term care through construction of more nursing homes, thus paying for bricks and mortar, available funds would be more appropriately directed toward provisions of patient care. It has been determined that approximately 20 percent of the cost of residential health facility care is allocated to capital costs. The physical and psychological benefits to the patient, as well as the fiscal benefits dictated the development of this alternative, non-institutional method of providing long term care.

New York State initially approved nine programs to participate in the home health care demonstration project serving the medicaid eligible population. The program has continued to grow.

Fortunately, the legislation that I am supporting today will go beyond the medicaid-only population. In addition to title XIX beneficiaries, who are disabled and eligible for medical assistance, persons 65 or older and disabled people qualifying for benefits under titles II, XVI, or XVIII can receive benefits under this program. All current noninstitutional home health care services under titles XVIII, XIX, and XX of the Social Security Act will be combined under the same act creating a new title XXI. Prospective clients will receive a comprehensive assessment and screening to determine which services they need to maintain or improve their health. Various reimbursement methods such as the prospective methodology used in the New York State program, will be used to test the program's ability to contain costs. In a period of rapidly rising health care costs, this 6-year demonstration will give us information that we need in providing health care for an aging population.

● Mr. PRYOR. Mr. President, I am pleased to join today with Senator PACKWOOD and others in cosponsoring legislation which provides for a 6-year demonstration program of noninstitutional long-term care services for the elderly and disabled.

Over the last two decades, definite progress has been made in the development of programs for the elderly. We have witnessed the establishment of a vast network of community-based programs such as multipurpose senior centers. We have also seen, throughout the years, the steady growth and expansion of nursing home facilities and services. Initiatives in most recent years have sought to refine the networks already set in place.

Unfortunately, Mr. President, while we have worked toward expansion of social services to the elderly, and have sought and achieved notable improvements in nursing homes throughout the country, we have consistently neglected to address what has now become a glaring gap in our long-term care policy. And we are now long overdue in establishing a comprehensive long-term health care policy for our Nation.

The cost of nursing home care services is the fastest growing category of all health expenditures. Expenditures for nursing home care services (combined public and private) in 1979 was just under $18 billion. If we are to continue our present health care delivery system without making the needed changes it is estimated that by 1990 combined public and private expenditures will reach $76 billion.

There is no doubt that a great deal of these nursing home care expenditures could be avoided—if there were some alternative to such costly institutional care. For this reason, it is imperative that we target our energies toward developing services between the two extremes that I mentioned earlier. It is in this middle section along the continuum of care where we must expand such things as home health services, homemaker home health aide services, adult day services, respite care, and many other invaluable services.

One provision of this bill which I know will have a dramatic effect upon the reduction of unnecessary institutionalization is the requirement, as a condition for participation in the medicare and medicaid programs, that all patients be screened before entering a nursing home to determine whether or not such care is really necessary.

I say that I know this provision will reduce unnecessary institutionalization, and in turn nursing home expenditures, because in 1978, during my days as Governor of Arkansas, we instituted a small project with these same requirements, hoping it would divert people from being inappropriately admitted into nursing homes. The results were dramatic. During a 5-month pilot period, 534 persons were referred for nursing home care through the regular social service channels. Two hundred and thirty of them were diverted through the preadmission screening process. Admittedly, this was a very modest project. But it certainly impressed upon me the difference a program such as this can make.

For these reasons, Mr. President, I am proud to join in cosponsoring this bill, and would like to commend Senators PACKWOOD and BRADLEY, my distinguished colleagues, for their efforts on behalf of the elderly and disabled of our country.●

● Mr. RIEGLE. Mr. President, I rise to state my cosponsorship for a bill introduced by my colleague, Senator PACKWOOD—the Non-Institutional Acute and Long-term Care Services for the Elderly and Disabled Act. This urgently needed legislation would amend the Social Security Act to provide a new title XXI, establishing a 6-year demonstration program of comprehensive, community-based, noninstitutional acute and long-term-care services for individuals aged 65 and over, and those with chronic disabilities.

There is nothing more debilitating and painful to a person who requires medical treatment than a long period of hospitalization or placement in an intermediate-care facility or related nursing institution. This long-term institutional placement is not only painful for the individual who must suffer the isolation from family, friends, and community activities; this experience also brings suffering upon the individual's family and friends who lose the opportunity to maintain contact with their loved ones. During this era of family fragmentation and rapid community change, we need to make every possible effort to insure that our health policies provide optimal services, are cost effective, and, also, encourage the integrity of families throughout the Nation.

One major purpose of this legislation is to provide eligible individuals a range of benefits that would minimize the time they need to spend away from their families in long-term-care facilities.

These services include home health, and homemaker health aide services, adult day care services and other benefits which will increase the likelihood of the aged and the disabled to be treated at home, in their communities.

In addition, this legislation has another important purpose. The act will mandate adequate assessment of individuals who must be placed in long-term care facilities to insure that these decisions are made in a careful and knowledgeable way. While it is true that some individuals are best cared for in an institutional context, there is nothing more tragic and wasteful than inappropriate institutionalization. It should be noted that nothing in this act will interfere with already existing assessment procedures that agencies utilize to determine the best service option for a given individual. Rather, this act will mandate the necessity of an adequate screening and evaluation procedure in localities where this critical decision-making is not already systematically utilized.

In considering the merits of this proposed legislation, my colleagues should also recognize the cautious, incremental nature of this act. The bill calls for a 6-

year demonstration period during which the feasibility of this comprehensive approach to long-term care in noninstitutional settings can be fully evaluated. During this interval we will assess the costs and efficiency of this new approach, and will then be in a realistic position to improve, expand, change, or reconsider long-term care services. For example, three different methods of reimbursement will be utilized by this act, to determine the most cost-effective and efficient way of providing services under title XXI.

Further, while the Congressional Budget Office has estimated that this bill may cost an additional $200 million, their estimates do not include offsets in other costs to the Federal Government. From 1966 to 1975, nursing home expenditures rose more than 500 percent. If this legislation is passed, the Federal Government may save considerably more than the cost of this program in inappropriate placements in long-term care, and in utilizing the family as a natural caring agent for the aged and the disabled. I emphasize again, that this proposal is a carefully designed experiment, that will permit us to test the benefits of a new comprehensive approach to long-term care in a realistic and cautious manner. Apart from the obvious humanitarian merits of this bill, I urge you consider the potential financial savings that may result. At this time of fiscal restraint, we must nevertheless be willing to support new initiatives that have a likely prospect of providing answers to difficult, and expensive problems.

Consolidating programs in a limited number of demonstration projects will offer an opportunity to test the merits of a coordinated approach to long-term care services. I urge your enthusiastic support for this proposal.●

● Mr. HEINZ. Mr. President, I am very pleased to join today with my distinguished colleagues Mr. PACKWOOD, Mr. BRADLEY, and others in introducing legislation to institute a critically needed system of community-based, long-term-care services. This legislation would create a new title XXI under the Social Security Act and will be tested through a 6-year demonstration program in 10 States.

The chairman of the Senate Special Committee on Aging, I am especially aware of the existing inaccessibility and barriers to appropriate noninstitutional care services for older Americans. These difficulties are also experienced by millions of younger disabled citizens. And the families of all are traumatically affected.

Mr. President, despite the billions of public dollars being currently spent on long-term care services—principally under the medicare, medicaid, and title XX programs—the needs of millions of individuals and families persistently fail to be met. Although hard evidence regarding unmet need is difficult to obtain, CBO estimates that in 1976, 1.4 to 2.2 million adults went without necessary home health care or day care, and by 1985, that estimate is expected to rise to 2.9 to 4.3 million.

The problems in the current system—or more appropriately, the current nonsystem—abound.

The present nonsystem of long-term care is highly fragmented, both in terms of financing and service delivery. A multitude of programs and agencies at the Federal, State, and local levels are involved in long-term care. HHS lists 26 different Federal programs that provide resources for persons with long-term-care needs. These 26 programs fund similar services as well as different services, but each has its legislatively mandated eligibility requirements, benefit coverage, regulations for provider participation, administrative structures, and service-delivery mechanisms. But all 26 operate fairly independently at each level of government.

The present nonsystem of long-term care is strongly biased in favor of institutional care. In 1978, 39.2 percent of medicaid expenditures—the principal source of public funding for long-term care—went for institutional care, while 1.1 percent was spent for home health services.

For the millions of families that wish to contribute to the care of a functionally impaired family member, there exists few supports to assist them in their efforts. To the contrary, the heavy financial burdens that individuals and families must bear under the current nonsystem encourages them to institutionalize their needy family member in order to receive financial and service assistance.

Because programmatic biases and barriers for families, many persons with some needs for long-term care receives inappropriate and unnecessary levels of care. CBO has estimated that at least 10 to 20 percent of all skilled nursing facility patients and 20 to 40 percent of all intermediate care facility residents are probably receiving unnecessarily high levels of care.

The current nonsystem of long-term care has created wide variations in long-term care services across the States. For example, the State of New York alone accounts for 81.2 percent of all home health service expenditures, and 58.3 percent of institutional long-term care services. On the other hand, Mississippi consumes only 0.1 percent of home health expenditures, and 1.8 percent of institutional long-term care services.

Costs of the current nonsystem of long-term care have been skyrocketing. From fiscal year 1965 to 1977, national expenditures for nursing home care alone grew from $1.3 billion to $12.6 billion, an increase of 869 percent. In more relative terms, national expenditures for nursing home care have grown from 3.3 percent of all national health expenditures in fiscal year 1965 to 7.8 percent of all national health expenditures in fiscal year 1977.

Mr. President, the bill we are introducing today would establish a very important service delivery model and provide some vital information upon which to proceed to address the critical concerns I have outlined. Title XXI would provide an array of less costly, and, we believe, more appropriate types of services for older and disabled Americans in need. Plans of care would be developed for each eligible client in order to insure that clients receive the most necessary and appropriate services for their needs. Most importantly, the title XXI demonstration would test three different reimbursement methodologies to discern the most cost effective way to finance these important services.

I do, however, have some concerns with this proposed title XXI legislation. Cost estimates of the long-term health care demonstration program are $1.2 billion for a 6-year period. It is my view that the Congress should undertake floor consideration of such costly legislation only after there has been a chance to observe the results of the current efforts to reduce spending and cut taxes. Should these efforts have their expected results, the economy will be revitalized, which will provide us with the added revenues to make new important programs more feasible.

In addition, there is a substantive reason to move very carefully and deliberately on the title XXI legislation. Just this past September, the Department of Health and Human Services awarded $12 million to 27 States to test new systems for providing long-term care health and social services to elderly and disabled Americans. As the Congress takes action on the title XXI legislation, we must be sure that we are not duplicating these channeling grants, or any other ongoing efforts.

Mr. President, I commend my distinguished colleague from Oregon and his staff for the vast amount of thorough, thoughtful effort devoted to the development of this legislation. This bill represents an extremely important step toward addressing some of the gravest, security-threatening problems facing many older and disabled Americans today.●

By Mr. ARMSTRONG:

S. 862. A bill to amend the Potato Research and Promotion Act; to the Committee on Agriculture, Nutrition, and Forestry.

POTATO RESEARCH AND PROMOTION ACT OF 1981

● Mr. ARMSTRONG. Mr. President, today I am introducing amendments to the Potato Research and Promotion Act of 1971. It established the National Potato Promotion Board and gave it the authority to assess potato producers up to 1-cent per hundredweight to fund advertising and marketing programs, export promotion, and research and development assistance

Although that assessment rate has remained constant since 1971, the consumer price index has risen over 100 percent. In order to continue providing this important marketing and research assistance, the National Potato Council feels it is necessary to change the method by which the assessment is calculated. This bill will allow the council to assess potato producers no more than one-half of 1 percent of the immediate past 10-year average price received by growers, as reported by the U.S. Department of Agriculture. This formula change will link the assessment to the value of potatoes themselves, rather than set it at an arbitrary level which inflation rapidly erodes.

Like the original assessment formula, this new formula will have to be approved by growers in a referendum; even then support is expected to be very strong. More than 97 percent of growers participate in the current program and, at the last annual meeting of the potato council, there was enacted a resolution of support for the new formula. The Potato Promotion Board has been of great assistance to growers in the past 10 years. It has created an industrywide merchandizing program, educated consumers with award-winning advertising, promoted potato exports and made important accomplishments in the area of potato research and development.

Mr. President, I urge my colleagues to join with me in supporting this measure, the text of which is reproduced here for their convenience, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Potato Research and Promotion Act of 1981."

REQUIRED TERMS IN PLANS

Section 308(e) of the Potato Research and Promotion Act (7 U.S.C. 2671) is amended by striking out all existing language and substituting the following: Providing that the board shall recommend to the Secretary and the Secretary shall fix the assessment rate required for such costs as may be incurred pursuant to subsection (d) of this section: *Provided*, That the rate of assessment for fiscal year 1982 and each year thereafter shall not exceed one-half of 1 percent of the immediate past ten year United States average price received by growers as reported by the United States Department of Agriculture.

REQUIREMENT OF REFERENDUM

Section 314 (7 U.S.C. 2623) of the Potato Research and Promotion Act is amended by the addition of the following statement: The failure of potato producers to approve an amendment to any Potato Research and Promotion plan shall not be deemed to invalidate the plan existing at the time amendments are being voted upon.●

By Mr. DOLE (for himself, Mr. HEFLIN, and Mr. DECONCINI):

S. 863. A bill to establish a uniform law on the subject of bankruptcies; to the Committee on the Judiciary.

UNIFORM BANKRUPTCY LEGISLATION

Mr. DOLE. Mr. President, the Senator from Kansas rises today to introduce on behalf of Mr. HEFLIN and Mr. DECONCINI and himself a bill making technical amendments to the Bankruptcy Reform Act of 1978. This bill, with some technical corrections, has the same provisions as S. 658, the technical amendments bill considered in the 96th Congress. Such provisions passed the Senate three times by unanimous consent last Congress.

Passage of the technical amendments bill is needed immediately to reduce the adverse and severe ramifications already plaguing the Nation's bankruptcy courts since the 1978 Bankruptcy Code went into effect.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO TITLE 11 OF THE UNITED STATES CODE

SECTION 1. (a) Section 101(2)(D) of title 11 of the United States Code is amended by striking out "or all" immediately after "business".

(b) Section 101(8)(B) of title 11 of the United States Code is amended by striking out the colon at the end thereof and inserting a semicolon in lieu thereof.

(c) Section 101(9)(B) of title 11 of the United States Code is amended by inserting "348(d), 502(e)(2)," immediately after "section".

(d) Section 101(14) of title 11 of the United States Code is amended by inserting "and" immediately after "trust,".

(e) Section 101(24) of title 11 of the United States Code is amended by striking out "stock broker" and inserting "stockbroker" in lieu thereof.

(f) Section 101(26)(B) of title 11 of the United States Code is amended—

(1) in clause (i), by striking out "the kind specified in subparagraph (A)(i) of this paragraph; and" and inserting "a kind specified in subparagraph (A)(i) of this paragraph; or" in lieu thereof; and

(2) in clause (ii), by striking out "separate" each place it appears and inserting "nonpartnership" in lieu thereof and by striking out "the kind specified in subparagraph (A)(ii)" and inserting "a kind specified in subparagraph (A)(i) or (A)(ii)" in lieu thereof.

(g) Section 101 of title 11 of the United States Code is amended—

(1) by redesignating paragraphs (35), (36), (37), (38), (39), and (40) as paragraphs (36), (37), (38), (40), (41), and (42) respectively; and

(2) by adding immediately after paragraph (34) the following new paragraph:

"(35) 'securities clearing agency' means person that is registered as a clearing agency under section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1), or whose business is confined to the performance of functions of a clearing agency with respect to 'exempted securities', as defined in section 3(12) of such Act (15 U.S.C. 78c(12)) for the purposes of such section 17A;".

(h) Section 101(36)(A)(xii) of title 11 of the United States Code, as so redesignated, is amended by striking out "is the subject of a registration statement" and inserting "is required to be the subject of a registration statement" in lieu thereof.

(i) Section 101(36)(B)(iii) of title 11 of the United States Code, as so redesignated, is amended by striking out "commodity" the second place it appears.

(j) Section 101(36)(B)(vi) of title 11 of the United States Code, as so redesignated, is amended—

(1) by striking out "certificate specified in clause (xii) of subparagraph (A)" and inserting "certificate of a kind specified in subparagraph (A)(xii)" in lieu thereof; and

(2) by striking out "the subject of such a registration statement" and inserting "required to be the subject of a registration statement" in lieu thereof.

(k) Section 101 of title 11 of the United States Code is amended by inserting immediately after paragraph (38), as so redesignated, the following new paragraph:

"(39) 'State' includes the District of Columbia and Puerto Rico, except for the purpose of who may be a debtor under chapter 9 of this title;".

(l) Section 101(41) of title 11 of the United States Code, as so redesignated, is amended to read as follows:

"(41) 'stockbroker' means person—

"(A) with respect to which there is a customer, as defined in section 741 of this title; and

"(B) that is engaged in the business of effecting transactions in securities—

"(i) for the account of others; or

"(ii) with members of the general public, from or for such person's own account;".

(m) Section 101(42) of title 11 of the United States Code, as so redesignated, is amended by striking out the period and inserting "; and" in lieu thereof.

(n) Section 101 of title 11 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(43) 'United States', when used in a geographical sense, includes all locations where the judicial jurisdiction of the United States extends, including territories and possessions of the United States.".

SEC. 2. Section 102(8) of title 11 of the United States Code is amended by striking out "continued" and inserting "contained" in lieu thereof.

SEC. 3. (a) Section 103(c) of title 11 of the United States Code is amended by striking out "stockholder" and inserting "stockbroker" in lieu thereof.

(b) Section 103(d) of title 11 of the United States Code is amended by striking out "except with respect to section 746(c) which applies to margin payments made by any debtor to a commodity broker or forward contract merchant".

SEC. 4. (a) Subsections (a)(1), (b)(1), and (c)(1) of section 108 of title 11 of the United States Code are each amended by striking out "and" each place it appears and inserting "or" in lieu thereof.

(b) Subsections (a), (b), and (c) of section 108 of title 11 of the United States Code are each amended by inserting "nonbankruptcy" immediately after "applicable" and immediately after "entered in a".

(c) Section 108(a) of title 11 of the United States Code is amended by inserting ", or any person to whose rights the trustee succeeds," immediately after "debtor".

(d) Section 108(c) of title 11 of the United States Code is amended by—

(a) Inserting after "bankruptcy court" the following: "or for taking other collection action, including levy,".

(b) Adding a new subsection (d) to read as follows:

"(d) If applicable law or an agreement suspends the period of limitation for assessing a tax liability of the debtor as of the commencement of a case under this title, such suspension shall not expire before 90 days following the earlier of—

"(1) termination or expiration of the stay under section 362 of this title, or

"(2) the date, determined under sections 362(b)(9) and 505(c) of this title, after which assessment of such tax liability is permitted.".

(c) Adding a new subsection (e) to read as follows:

"(e) If applicable law fixes a period for filing a petition or otherwise commencing an action in the United States Tax Court, or in a similar judicial or administrative forum under State or local law, and if any such act is stayed under section 362 of this title, such period shall not expire before 60 days after termination or expiration of the stay with respect to any such petition or action.".

SEC. 5. (a) Section 109(a) of title 11 of the United States Code is amended by striking out "in the United States," the first place it appears.

(b) Section 109(c)(5)(D) of title 11 of the United States Code is amended by striking

out "preference" and inserting "transfer that is avoidable under section 547 of this title" in lieu thereof.

(c) Section 109(d) of title 11 of the United States Code is amended by striking out "stockholder" and inserting "stockbroker" in lieu thereof.

SEC. 6. Section 303(b) of title 11 of the United States Code is amended by inserting "against a person" immediately after "case".

SEC. 7. Section 303(j)(2) of title 11 of the United States Code is amended by striking out "debtors" and inserting "debtor" in lieu thereof.

SEC. 8. Section 321(b) of title 11 of the United States Code is amended by striking out "a case" and inserting "the case" in lieu thereof.

SEC. 9. Section 322(b)(1) of title 11 of the United States Code is amended by inserting "required to be" immediately after "bond".

SEC. 10. (a) Section 326(a) of title 11 of the United States Code is amended by inserting "of this title" immediately after "7 or 11".

(b) Section 326(d) of title 11 of the United States Code is amended to read as follows:

"(d) The court may deny allowance of compensation for services or reimbursement of expenses of the trustee if the trustee failed to make diligent inquiry into facts that would permit denial of allowance under section 328(c) of this title or, with knowledge of such facts, employed a professional person under section 327 of this title.".

SEC. 11. Section 328(a) of title 11 of the United States Code is amended by striking out "unanticipatable" and inserting "not capable of being anticipated" in lieu thereof.

SEC. 12. (a) Section 329(a) of title 11 of the United States Code is amended by striking out "and" the first place it appears and inserting "or" in lieu thereof.

(b) Section 329(b)(1) of title 11 of the United States Code is amended by striking out "trustee" and inserting "estate" in lieu thereof.

SEC. 13. Section 330(a) of title 11 of the United States Code is amended——

(1) by striking out "to any parties in interest and to the United States trustee"; and

(2) in paragraph (1), by striking out "time, the nature, the extent, and the value of such services" and inserting "nature, the extent, the value of such services, the time spent on such services" in lieu thereof.

SEC. 14. Section 326(a) of title 11 of the United States Code is amended by striking out "but not in excess of $20,000, and one percent on any amount in excess of $50,000".

SEC. 14A. Section 330(b) of title 11 of the United States Code is amended by striking out "$20" and inserting in lieu thereof "$45".

SEC. 14B. Section 330 of title 11 of the United States Code is amended by adding at the end thereof the following new paragraph:

"(c) In a case under chapter 13 of this title the compensation paid to the trustee serving in the case shall not be less than $10 per month during the administration of the plan.".

SEC. 15. Section 341 of title 11 of the United States Code is amended to read as follows:

"§ 341. Notice

"There shall be given such notice as is appropriate, including notice to any holder of a community claim, of an order for relief in a case under this title.".

SEC. 16. (a) Section 342 of title 11 of the United States Code is amended to read as follows:

"§ 342. Meetings of creditors and equity security holders

"(a) In a case under chapter 7 or 11 of this title, within a reasonable time after the order for relief in a case under this title, there shall be a meeting of creditors.

"(b) In a case under chapter 13 of this title, the court may order a meeting of creditors.

"(c) The court may order a meeting of any equity security holders.

"(d) The court may not preside at, and may not attend, any meeting under this section."

(b) The table of sections for chapter 3 of title 11 of the United States Code is amended by striking out the items relating to sections 341 and 342 and inserting in lieu thereof the following:

"341. Notice.
"342. Meetings of creditors and equity security holders.".

SEC. 16A. Section 343 of title 11 of the United States Code is amended—

(1) by striking out "341(a)" and inserting "342" in lieu thereof; and

(2) by striking out "examiner" the last place it appears and inserting "examine" in lieu thereof.

SEC. 17. Section 344 of title 11 of the United States Code is amended by inserting "or in accordance with such regulations as may be promulgated by the Attorney General" immediately before the period.

SEC. 18. Section 345 of title 11 of the United States Code is amended by adding at the end thereof the following new subsection:

"(c) All entities with which such moneys are deposited or invested are authorized to deposit or invest such moneys as may be required under this section.".

SEC. 19. (a) Section 346(c)(2) of title 11 of the United States Code is amended by striking out "operation" and inserting "corporation" in lieu thereof.

(b) Section 346(f) of title 11 of the United States Code is amended by deleting "State or local".

(c) Section 346(g)(2) of title 11 of the United States Code is amended by striking out ", as adjusted under subsection (j)(5) of this section,".

(d) Section 346(j) of title 11 of the United States Code is amended by striking out paragraphs (3), (4), (5), (6), and (7).

SEC. 20. Section 347(a) of title 11 of the United States Code is amended by striking out "under chapter 129 of title 28" and inserting "under section 725 of title 31" in lieu thereof.

SEC. 21. Section 348(b) of title 11 of the United States Code is amended by striking out "means" and inserting "refers to" in lieu thereof.

SEC. 22. Section 349(b) of title 11 of the United States Code is amended—

(1) in paragraph (1)(B), by striking out "522(i)(2)" and inserting "522(h)(2)" in lieu thereof; and

(2) in paragraph (2), by striking out "522(i)(1)" and inserting "522(h)(2)" in lieu thereof.

SEC. 23. Section 350(b) of title 11 of the United States Code is amended by striking out "a" and inserting "A" in lieu thereof.

SEC. 24. Section 361(1) of title 11 of the United States Code is amended by inserting "a cash payment or" immediately after "make".

SEC. 25. (a) Section 362(a) of title 11 of the United States Code is amended—

(1) by inserting "and section 365 of this title" immediately after "of this section";

(2) in paragraph (1), by inserting "action or" immediately after "other"; and

(3) in paragraph (3), by inserting "or to exercise control over property of the estate" immediately after "estate" the second place it appears.

(4) in paragraph (8) by striking "court concerning the debtor" and inserting in lieu thereof "court or similar administrative or judicial forum under State or local law, concerning the debtor".

(b) Section 362(b) of title 11 of the United States Code is amended—

(1) in paragraph (3), by inserting "or to the extent that such act is accomplished within the period provided under section 547(e)(2) of this title" immediately after "title";

(2) in paragraph (4) by striking out "or" following "police" and inserting "and" in lieu thereof;

(3) in paragraph (6), by striking out "that are" and inserting "regarding" in lieu thereof, by striking out "commodity" immediately after "forward", and by inserting immediately before the semicolon the following: ", or, under subsection (a) of this section, of the setoff of any mutual debt and claim of a commodity broker, forward contract merchant, stockbroker, or securities clearing agency against the debtor for a margin payment, as defined in section 741 or section 761 of this title, or settlement payment arising out of a commodity contract, as defined in section 761 of this title, forward contract, or securities contract, as defined in section 741 of this title, against cash, a security, or other property held by such commodity broker, forward contract merchant, stockbroker, or securities clearing agency to margin, guarantee, or secure such commodity contract, forward contract, or securities contract";

(4) in paragraph (7), by striking out "said" and inserting "the" in lieu thereof and by striking out "or" the last place it appears;

(5) in paragraph (8), by striking out the period and inserting a semicolon in lieu thereof; and

(6) by adding at the end thereof the following new paragraphs:

"(9) under subsection (a) of this section, of the filing of any continuation statement or the refiling of any notice of a Federal tax lien required by nonbankruptcy law properly filed under such law before the date of the filing of the petition; or

"(10) under subsection (a) of this section, of the presentment of a negotiable instrument and the giving of notice of and protesting dishonor of such an instrument.".

(c) Section 362(c)(2)(B) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof

(d) Section 362(d)(2) of title 11 of the United States Code is amended—

(1) by inserting "under subsection (a) of this section" immediately after "property" the first place it appears; and

(2) in subparagraph (B), by inserting "in a case under chapter 11 of this title or to an effective plan in a case under chapter 13 of this title, as the case may be" immediately after "reorganization".

(e) Section 362(e) of title 11 of the United States Code is amended—

(1) in the first sentence by inserting "the conclusion of" immediately after "pending"; and

(2) by striking out the last sentence and inserting in lieu thereof the following: "The court shall order such stay continued in effect pending the conclusion of the final hearing under subsection (d) of this section if there is a reasonable likelihood that the party opposing relief from such stay will prevail at the conclusion of such final hearing. If the hearing under this subsection is a preliminary hearing, then such final hearing shall be commenced not later than thirty days after the conclusion of such preliminary hearing.".

(f) Section 362(f) of title 11 of the United States Code is amended by striking out "The" and inserting "Upon request of a party in interest, the", and by inserting "with or" immediately after "court,".

SEC. 26. (a) Section 363(a) of title 11 of the United States Code is amended by inserting "whenever acquired" immediately after "equivalents" and by inserting "and includes the proceeds, products, offspring,

rents, or profits of property subject to a security interest as provided in section 552(b) of this title whether existing before or after the commencement of a case under this title" immediately after "interest".

(b) Section 363(b) of title 11 of the United States Code is amended—

(1) by striking out "(b)" and inserting "(b)(1)" in lieu thereof; and

(2) by adding at the ending thereof the following new paragraph:

"(2) If notification is required under subsection (a) of section 7A of the Clayton Act (15 U.S.C. 18a) in the case of a transaction under this subsection, then—

"(A) notwithstanding subsection (a) of such section, such notification shall be given by the trustee; and

"(B) notwithstanding subsection (b) of such section, the required waiting period shall end on the tenth day after the date of the receipt of such notification, unless the court, after notice and hearing, orders otherwise.".

(c) Section 363(e) of title 11 of the United States Code is amended—

(1) by inserting ", with or without a hearing," immediately after "court"; and

(2) by striking out the last sentence.

(d) Section 363(f)(3) of title 11 of the United States Code is amended by striking out "such interest" the second place it appears and inserting "all liens on such property" in lieu thereof.

(e) Section 363(h) of title 11 of the United States Code is amended by striking out "immediately before" and inserting "at the time of" in lieu thereof.

(f) Section 363(j) of title 11 of the United States Code is amended by striking out "compenation" and inserting "compensation" in lieu thereof.

(g) Section 363(k) of title 11 of the United States Code is amended by striking out "if the holder" and inserting "the holder of such claim may bid at such sale, and, if such holder" in lieu thereof.

(h) Section 363(l) of title 11 of the United States Code is amended—

(1) by striking out "conditions" and inserting "condition" in lieu thereof;

(2) by striking out "a taking" and inserting "or the taking" in lieu thereof; and

(3) by striking out "interests" and inserting "interest" in lieu thereof.

(i) Section 363(n) of title 11 of the United States Code is amended—

(1) by striking out "void" and inserting "avoid" in lieu thereof;

(2) by striking out "voiding" and inserting "avoiding" in lieu thereof; and

(3) by amending the last sentence to read as follows: "In addition to any recovery under the preceding sentence, the court may grant judgment for punitive damages in favor of the estate and against any such party that entered into such an agreement in willful disregard of this subsection.".

(j) Section 363 of title 11 of the United States Code is amended by adding at the end thereof the following new subsection:

"(o) In any hearing under this section—

"(1) the trustee has the burden of proof on the issue of adequate protection; and

"(2) the entity asserting an interest in property has the burden of proof on the issue of the validity, priority, or extent of such interest.".

SEC. 27. (a) Section 365(b)(2)(A) of title 11 of the United States Code is amended by inserting "or an insider" immediately after "the debtor".

(b) Section 365(c)(1)(A) of title 11 of the United States Code is amended—

(1) by striking out "the trustee" and inserting "an entity other than the debtor or the debtor in possession" in lieu thereof; and

(2) by inserting "by virtue of the nature of such contract or least" immediately before ", whether".

(c) Paragraphs (1) and (2) of section 365(d) of title 11 of the United States Code are each amended by striking out "In" and inserting "Notwithstanding section 108(b) of this title, in" in lieu thereof.

(d) Section 365(d)(2) of title 11 of the United States Code is amended by inserting ", subject to the court's approval," immediately after "trustee" the first place it appears.

(e) Section 365(e) of title 11 of the United States Code is amended—

(1) in paragraph (1), by striking out "or lease" each place it appears and inserting ", lease, or applicable law" in lieu thereof; and

(2) in paragraph (2), by striking out "the trustee" and inserting "an entity other than the debtor or the debtor in possession" in lieu thereof.

(f) Section 365(f)(3) of title 11 of the United States Code is amended by inserting a comma immediately after "applicable law".

(g) Section 365(h)(1) of title 11 of the United States Code is amended by striking out "treat the lease" and inserting "treat such lease" in lieu thereof.

(h) Section 365(h)(2) of title 11 of the United States Code is amended by inserting "under such lease" immediately after "debtor".

(i) Section 365(h) of the United States Code is amended by addition of the following new subsection.

"(3) In the event that the leasee shall elect to treat the lease under this subsection as terminated any subleasee, leasehold mortgagee or similarly situated entity may elect to succeed to the right of the leasee to remain in possession.".

(j) Section 365(i)(2)(A) of title 11 of the United States Code is amended by striking out the comma after "may" and by inserting "under such contract" immediately after "debtor".

(k) Section 365(j) of title 11 of the United States Code is amended by inserting "to or for the benefit of the debtor" immediately before the period at the end thereof.

SEC. 28. Section 366(a) of title 11 of the United States Code is amended by inserting "of the commencement of a case under this title or" immediately after "basis".

SEC. 29. Section 501(d) of title 11 of the United States Code is amended by inserting "502(e)(2)," immediately before "502(f)".

SEC. 30 (a) Section 502(a) of title 11 of the United States Code is amended by inserting "general" immediately before "partner".

(b) Section 502(b) of title 11 of the United States Code is amended—

(1) by inserting "(e)(2)," immediately after "subsections";

(2) by inserting "in lawful currency of the United States" immediately after "claim" the second place it appears;

(3) in paragraph (1), by striking out ", and unenforceable against" and inserting "and" in lieu thereof;

(4) in paragraph (2), by inserting "other than unmatured interest due to an original issue discount of less than one-half of 1 percent of the stated redemption price at maturity multiplied by the number of full years from the date of original issue to maturity" immediately after "interest";

(5) by striking out paragraph (3) and redesignating paragraphs (4), (5), (6), (7), (8), and (9) as paragraphs (3), (4), (5), (6), (7), and (8) respectively;

(6) in paragraph (3), as so redesignated, by inserting "the" immediately after "exceeds";

(7) in paragraph (5), as so redesignated, by striking out "the claim" and inserting "such claim" in lieu thereof, by striking out the comma after "petition", and by inserting "or 523(a)(6)" immediately after "523(a)(5)";

(8) by amending paragraph (6), as so redesignated, to read as follows:

"(6) if such claim is the claim of a lessor for damages resulting from the termination of a lease of real property, such claim exceeds—

"(A) without acceleration, the greater of—

"(i) the rent reserved for the rental year during which such termination occurs; or

"(ii) 15 pecent of the rent reserved for the remaining term of such lease, not to exceed the rent reserved for the three years commencing with the rental year during which such termination occurs; plus

"(B) any unpaid rent due under such lease, without acceleration, on the earlier of—

"(i) the date of the filing of the petition; or

"(ii) the date on which such lessor repossessed, or the lessee surrendered, the leased property;"; and

(9) in paragraph (7), as so redesignated, by inserting "the claim of an employee" immediately before "for damages" by striking out "and" in subparagraph (A)(i) and inserting "or" in lieu thereof, by striking out "the" the first place it appears in subparagraph (B) and inserting "any" in lieu thereof, and by inserting a comma immediately after "such contract" in subparagraph (B).

(c) Section 502(c) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "the" before "fixing" and by striking out "closing" and inserting "administration" in lieu thereof; and

(2) in paragraph (2), by inserting "right to payment arising from a" immediately after "any" and by striking out "if such breach gives rise to a right to payment".

(d) Section 502(d) of title 11 of the United States Code is amended by striking out "section 542, 543, 550, or 553 of", by striking out "section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of", and by striking out "section 522(i), 542, 543, 550, or 553 of".

(e) Section 502(e)(1) of title 11, United States Code, is amended—

(1) by striking out "and (b)" and inserting ", (b), and (c)" in lieu thereof and by striking out the commas immediately before and immediately after "or has secured";

(2) in subparagraph (B), by inserting "or disallowance" immediately after "allowance"; and

(3) in subparagraph (C), by striking out "requests subrogation" and inserting "asserts a right of subrogation to the rights of such creditor" in lieu thereof, and by striking out "to the rights of such creditor".

(f) Section 502(h) of title 11 of the United States Code is amended by striking out "522(i)" and inserting "522" in lieu thereof.

(g) Section 502(i) of title 11 of the United States Code is amended to read as follows:

"(i) There shall be allowed a claim for any tax liability arising from payment from the estate of a claim for wages, salaries, or commissions, including vacation, severance, or sick pay, whether or not a proof of such claim is filed.".

(h) Section 502(j) of title 11 of the United States Code is amended to read as follows:

"(j) A claim that has been allowed or disallowed may be reconsidered for cause. A reconsidered claim may be allowed or disallowed according to the equities of the case. Reconsideration of a claim under this subsection does not affect the validity of any payment or transfer from the estate made to a holder of an allowed claim on account of such allowed claim that is not reconsidered, but if a reconsidered claim is allowed and is of the same class as such holder's claim, such

holder may not receive any additional payment or transfer from the estate on account of such holder's allowed claim until the holder of such reconsidered and allowed claim receives payment on account of such claim proportionate in value to that already received by such other holder. This subsection does not alter or modify the trustee's right to recover from a creditor any excess payment or transfer made to such creditor.".

SEC. 31. Section 503(b) of title 11 of the United States Code is amended—

(1) by striking out the comma immediately after "be allowed";

(2) in paragraph (1)(B)(i), by inserting "or required to be collected or withheld from another with respect to any payment made by or to the estate" immediately after "estate";

(3) in paragraph (1)(C), by striking out the comma immediately after "credit", and by inserting "incurred by the estate" immediately after "paragraph";

(4) in paragraph (2), by inserting "(a)" immediately after "330";

(5) in paragraph (3), by inserting a comma immediately after "paragraph (4) of this subsection";

(6) in paragraph (3)(C), by striking out the comma immediately after "case";

(7) in paragraph (5), by striking out "and" immediately after the semicolon;

(8) in paragraph (6), by striking out the period and inserting "; and" in lieu thereof; and

(9) by adding at the end thereof the following new paragraph:

"(7) the actual, necessary expenses, other than compensation and reimbursement specified in paragraph (2) of this subsection, incurred by a committee appointed under section 1102 of this title.".

SEC. 32. Section 505(a) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "or liability of an entity for" immediately after "or legality of" and by striking out ", whether or not paid, and whether or not contested before and adjudicated by a judicial or administrative tribunal of competent jurisdiction" and inserting "or paid" in lieu thereof;

(2) in paragraph (2)(A), by inserting "or liability of an entity for" immediately after "or legality of" and by striking out "or legality" and inserting ", legality, or liability" in lieu thereof; and

(3) in paragraph (2)(B)(i), by striking out "and" and inserting "or" in lieu thereof.

(4) by adding a new paragraph (3) to read as follows:

"(3) Notwithstanding subparagraph (B) of this paragraph, the court may offset against a claim for, or request for payment of, a tax liability any counterclaim with respect to such tax liability for the same taxable period, event, act (or failure to act) to which the claim or request for payment relates, and may, where appropriate, order a net credit or refund to be made to the estate. The preceding sentence shall not apply if, at the commencement of the case under this title, the debtor had filed suit for refund relating to such taxable period, event, act (or failure to act), and if the stay on continuation of such suit is terminated under section 362 of this title.".

SEC. 33. (a) Section 506(a) of title 11 of the United States Code is amended to read as follows:

"(a) An allowed claim of a creditor either secured by a lien on property in which the estate has an interest or that is subject to setoff under section 553 of this title is a secured claim to the extent of the value of such lien or to the extent of the amount subject to setoff, as the case may be, and, except to the extent that such creditor does not have recourse under any agreement or applicable nonbankruptcy law against the debtor on account of such claim, is an unsecured claim to the extent that the value of such lien or the amount so subject to setoff is less than the amount of such allowed claim. For the purpose of this subsection, value shall be determined in light of the purpose of the valuation and of any disposition proposed for such property and in conjunction with any hearing on disposition or use or on a plan affecting such creditor's interest.".

(b) Section 506(b) of title 11 of the United States Code is amended by inserting "for" immediately after "provided".

(c) Paragraphs (1) and (2) of section 506(d) of ttile 11 of the United States Code are amended to read as follows:

"(1) such claim was disallowed only under section 502(b)(5) or 502(e) of this title; or

"(2) such claim is not allowed secured claim due only to the failure of any entity to file a proof of such claim under section 501 of this title.".

SEC. 34. (a) Section 507(a) of title 11 of the United States Code is amended—

(1) in paragraph (3), by inserting a comma after "severance";

(2) in paragraph (4), by striking out "employee benefit plans" and inserting "an employee benefit plan" in lieu thereof.

(3) in paragraph (4)(B)(i), by inserting "each" immediately after "covered by";

(4) in paragraph (6), by inserting "only" immediately after "units";

(5) in paragraph (6)(A), by amending clauses (ii) and (iii) to read as follows:

"(ii) assessed within 240 days before the date of the filing of the petition; or

"(iii) not assessed before the commencement of the case but not prohibited, at the time of the commencement of the case, from being assessed under the applicable statute of limitations, other than a tax or customs duty of a kind excepted from discharge solely under section 533(a)(1)(B) or 523 (a)(1)(C) of this title;"; and

(6) in paragraph (6)(D), by striking out "earned from the debtor" and inserting ", or paid" in lieu thereof and by striking out "whether or not actually paid before such date,".

(b) Section 507(b) of title 11 of the United States Code is amended to read as follows:

"(b) Notwithstanding section 726(b) of this title, if the trustee provides, under section 362, 363, or 364 of this title, adequate protection of the interest of an entity other than the estate that has an interest in property of the estate or if the court finds that there is adequate protection of such interest by a lien on such property and if, not withstanding such protection, the holder of such interest has a claim allowable under section 503(b)(1) of this title arising from the stay of action against such property under section 362 of this title, from the use, sale, or lease of such property under section 363 of this title, or from the granting of a lien under section 364(d) of this title, then such holder's allowable claim shall have priority over every other claim of a kind specified in subsection (a)(1) of this section.".

(c) Section 507(c) of title 11 of the United States Code is amended by striking out "shall be treated the same" and inserting "has the same priority" in lieu thereof.

(d) Section 507(d) of title 11 of the United States Code is amended to read as follows:

"(d) If a claim of a kind specified in subsection (a)(3), (a)(4), (a)(5), or (a)(6) of this section is held by an entity other than the original holder of such claim, then such claim is entitled to priority under each such subsection, as the case may be, but only to the extent of the value actually transferred to or for the benefit of such original holder on account of the transfer of such claim by such original holder.".

SEC. 35. (a) Section 509(a) of title 11 of the United States Code is amended by striking out "subsections (b) and" and inserting "subsection (b) or" in lieu thereof, and by inserting "against the debtor" immediately after "a creditor".

(b) Section 509(b)(1) of title 11 of the United States Code is amended by striking out "of a" and inserting "of such" in lieu thereof.

(c) Section 509(c) of title 11 of the United States Code is amended by striking out "section 509 of this title" and inserting "this section" in lieu thereof.

SEC. 36. Section 510(b) of title 11 of the United States Code is amended to read as follows:

"(b) For the purpose of distribution under this title, a claim arising from rescission of a purchase or sale of a security of the debtor or of an affiliate of the debtor or for damages arising from the purchase or sale of such a security shall be subordinated to all claims or interests that are senior to the claim or interest represented by such security.".

SEC. 37. (a) Section 521(1) of title 11 of the United States Code is amended to read as follows:

"(1) file a list of creditors and, unless the court orders otherwise, a schedule of assets, liabilities, and equity interests, and a statement of the debtor's financial affairs;".

(b) Section 521(3) of title 11 of the United States Code is amended by inserting ", whether or not immunity is granted under section 344 of this title" immediately after "estate" the second place it appears.

SEC. 38. (a) Section 522(a)(2) of title 11 of the United States Code is amended by inserting ", or with respect to property that becomes property of the estate after such date, as of the date such property becomes property of the estate" immediately after "petition".

(b) Section 522(b) of title 11 of the United States Code is amended to read as follows:

"(b) Notwithstanding section 541 of this title, an individual debtor may exempt from property of the estate either—

"(1) property wherever located of a kind specified under subsection (d) of this section, unless the State law that is applicable to the debtor under paragraph (2) of this subsection specifically does not so authorize; or

"(2) any property or interest of the debtor in property, as of the date of the filing of the petition, to the extent that such property or interest is exempt or not subject to process or levy under Federal law, other than subsection (d) of this section, or is exempt or not subject to levy by a creditor, of only the debtor, on a simple contract whether or not such a creditor exists, under State or local law that is applicable on the date of the filing of the petition at the place in which the debtor's domicile has been located for the 180 days immediately preceding the date of the filing of the petition, or for a longer portion of such 180-day period than in any other place.".

(c) Section 522(c) of title 11 of the United States Code is amended to read as follows:

"(c) Unless the case is dismissed, property exempted under this section is not liable during or after the case for any debt of the debtor that arose, or that is determined under section 502 of this title as if such debt had arisen, before the commencement of the case, except—

"(1) a debt of a kind specified in section 523(a)(1), 523(a)(5), or 523(a)(6) of this title; or

"(2) a debt secured by a lien that is—

"(A)(i) not avoided under subsection (f) or (g) of this section or under section 544, 545, 547, 548, 549, or 724(a) of this title; and

"(ii) not void under section 506(d) of this title; or

"(B) a tax lien, notice of which is properly filed, whether or not such lien is avoided under section 545(2) of this ttile.".

(d) Section 522(d)(3) of title 11 of the United States Code is amended by striking out "that are".

(e) Section 522(e) of title 11 of the United States Code is amended—

(1) by striking out "exemptions" and inserting "an exemption" in lieu thereof;

(2) by striking out "with respect to such claim against property that" and inserting "to the extent of such claim with respect to property" in lieu thereof;

(3) by striking out "or (h) of this section to avoid a transfer, under subsection (g)" and by inserting ", (g), (h)," in lieu thereof; and

(4) by striking out "to exempt property, or under subsection (i) of this section to recover property or to preserve a transfer,".

(f) Section 522(f) of title 11 of the United States Code is amended—

(1) by striking out "exemptions" and inserting "an exemption" in lieu thereof; and

(2) in paragraph (2)(A), by inserting "jewelry, or" immediately after "crops,", and striking out ", or jewelry that are" after "musical instruments".

(g) Section 522(g) of title 11 of the United States Code is amended to read as follows:

"(g) Notwithstanding any waiver of an exemption, the debtor may avoid a transfer or recover a setoff of property of the debtor and exempt such property under subsection (i) of this section, whether or not the trustee attempts to recover such property or avoid such transfer, if—

"(1)(A) such transfer is avoidable by the trustee under sections 544, 545, 547, 548, 549, 724(a) of this title, or recoverable by the trustee under section 553 of this title;

"(B) such transfer was not a voluntary transfer of such property by the debtor; and

"(C) the debtor did not conceal such property; or

"(2) such transfer is in satisfaction of a lien of a kind specified in subsection (f)(2) of this section.".

(h) Section 522(h) of title 11 of the United States Code is amended to read as follows:

"(h)(1) The debtor's power to avoid a transfer or recover a setoff under subsection (f) or (g) of this section is subject to the limitations of section 550 of this title to which the trustee's power to avoid such a transfer or recover such a setoff under this title is subject.

"(2) Notwithstanding section 551 of this title, a transfer avoided or property recovered by the trustee or by the debtor may be preserved for the benefit of the debtor, if—

"(A)(i) such property otherwise would be exempt under subsection (i) of this section;

"(ii) such transfer was not a voluntary transfer of such property by the debtor; and

"(iii) the debtor did not conceal such property; or

"(B) such transfer is of a kind specified in subsection (f) of this section.".

(i) Section 522(i) of title 11 of the United States Code is amended to read as follows:

"(i) The debtor may exempt under subsection (b) of this section property disencumbered or recovered under subsection (f), (g), or (h) of this section to the extent the debtor could have exempted such property under subsection (b) of this section had such property not been encumbered, transferred, or set off.".

(j) Section 522(j) of title 11 of the United States Code is amended to read as follows:

"(j) The debtor may exempt a particular kind of property under subsection (i) of this section only to the extent that such exemption, plus the debtor's already claimed exemption of the same kind of property under subsection (b) of this section, does not exceed the limitation specified for such kind of property in subsection (b) of this section.".

(k) Section 522(k) of title 11 of the United States Code is amended—

(1) in paragraph (1), by striking out "(g)" and inserting "(i)" in lieu thereof; and

(2) in paragraph (2), by striking out "(h)" and inserting "(g)" in lieu thereof, and by striking out "or of recovery of property under subsection (i)(1) of this section,".

(l) Section 522(l) of title 11 of the United States Code is amended by striking out ", or may claim property as exempt from property of the estate" and by inserting after the second sentence thereof the following new sentence: "In the event of the debtor's death, a dependent of the debtor may claim property as exempt from property of the estate.".

SEC. 39. (a) Section 523(a) of title 11 of the United States Code is amended—

(1) in paragraph (2), by striking out "obtaining" each place it appears, and by striking out "refinance of credit," and inserting "refinancing of credit, to the extent obtained" in lieu thereof;

(2) in paragraph (3), by striking out "(6)" each place it appears and inserting "(7)" in lieu thereof;

(3) by amending paragraph (5) to read as follows:

"(5) to a spouse, former spouse, or child of the debtor, for support of such child, but not to the extent that such debt includes a liability designated as support unless such liability actually is in the nature of support;";

(4) by redesignating paragraphs (6), (7), (8), and (9) as paragraphs (7), (8), (9), and (10), respectively; and

(5) by inserting after paragraph (5) the following new paragraph:

"(6) to a spouse or former spouse of the debtor for alimony to, maintenance for, or support of such spouse, but not to the extent that such debt includes a liability designated as alimony, maintenance, or support, unless such liability actually is in the nature of alimony, maintenance, or support;".

(b) Section 523(b) of title 11 of the United States Code is amended by striking out "(8)" and inserting "(9)" in lieu thereof.

(c) Section 523(c) of title 11 of the United States Code is amended by inserting "of a kind" immediately after "debt" the first time it appears, and by striking out "(6)" each place it appears and inserting "(7)" in lieu thereof.

SEC. 40. (a) Section 524(a) of title 11 of the United States Code is amended—

(1) by striking out "any act" each place it appears and inserting "an act" in lieu thereof; and

(2) in paragraph (2), by inserting a comma immediately after "recover", by inserting "wherever located and by whomever held, whether directed toward the debtor or any other entity, and" immediately after "property of the debtor,", and by inserting ", except to the extent provided under section 522(c) of this title" immediately after "waived".

(b) Section 524(c)(4)(B)(ii) of title 11 of the United States Code is amended by striking out "redemption under section 722 of this title" and inserting "the terms and conditions of redemption by the debtor" in lieu thereof.

(c) Section 524(d) of title 11 of the United States Code is amended—

(1) in paragraph (1)(B)(ii), by inserting "and" immediately after the semicolon; and

(2) in paragraph (2), by striking out "subsection" the second time it appears and inserting "section" in lieu thereof.

SEC. 41. Section 525 of title 11 of the United States Code is amended by inserting "the" immediately before "Perishable".

SEC. 42. (a) Section 541(a) of title 11 of the United States Code is amended—

(1) by striking out "under" the second place it appears;

(2) by inserting "and by whomever held" immediately after "located";

(3) in paragraph (3), by inserting "329(b), 363(n)," immediately after "section";

(4) in paragraph (5), by striking out "An" and inserting "Any" in lieu thereof; and

(5) in paragraph (6), by striking out "and" and inserting "or" in lieu thereof.

(b) Section 541(c) of title 11 of the United States Code is amended—

(1) by inserting "in an agreement, transfer instrument, or applicable law" immediately after "provision"; and

(2) in paragraph (1)(B), by striking out "the taking" and inserting "taking" in lieu thereof and by inserting "before such commencement" immediately after "custodian".

(c) Section 541(d) of title 11 of the United States Code is amended by inserting "(1)" immediately after "(a)".

(d) Section 541(e) of title 11 of the United States Code is repealed.

SEC. 43. Section 542(e) of title 11 of the United States Code is amended by inserting "to turn over or" immediately before "disclose".

SEC. 44. (a) Section 543(a) of title 11 of the United States Code is amended by inserting ", product, offspring, rents, or profits" immediately after "proceeds".

(b) Section 543(b) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "held by or" immediately after "debtor", and by inserting ", product, offspring, rents, or profits" immediately after "proceeds"; and

(2) in paragraph (2), by inserting ", product, offspring, rents, or profits" immediately after "proceeds".

(c) Section 543(c) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "or proceeds, product, offspring, rents, or profits of such property" immediately after "property"; and

(2) in paragraph (3), by inserting "that has been" immediately before "approved".

(d) Section 543 of title 11 of the United States Code is amended by adding at the end thereof the following new subsections:

"(e) For purposes of this section, custodian shall not include an assignee under a general assignment for the benefit of the debtor's creditors that was appointed or took possession more than 120 days before the date of the filing of the petition, but the trustee or the court may nevertheless, and at any time, require such an assignee to file an accounting as set forth in subsection (b)(2) of this section.

"(f) For purposes of subsection (e), the term 'general assignment for the benefit of the debtor's creditors' means an assignment which is for the benefit of all of the debtor's creditors.".

SEC. 45. (a) Section 544(a) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "such" immediately after "obtained";

(2) in paragraph (2), by striking out "; and" and inserting "; or" in lieu thereof; and

(3) in paragraph (3), by inserting ", other than fixtures," immediately after "property", and by inserting "and has perfected such transfer" immediately after "purchaser" the second place it appears.

SEC. 46. Section 545 of title 11 of the United States Code is amended—

(1) in paragraph (1)(A), by striking out "is" immediately after "debtor";

(2) in paragraph (1)(C), by striking out "appointed" and inserting "appointed or authorized to take" in lieu thereof; and

(3) in paragraph (2), by striking out "on the date of the filing of the petition" each place it appears and inserting "at the time of the commencement of the case" in lieu thereof.

SEC. 47. (a) Section 546(a) of title 11 of the United States Code is amended in paragraph

(1) by striking out "and" and inserting "or" in lieu thereof.

(b) Section 546(b) of title 11 of the United States Code is amended by striking out "the trustee under section 544, 545, or" and inserting "a trustee under sections 544, 545, and" in lieu thereof.

(c) Section 546(c) of title 11 of the United States Code is amended—

(1) by striking out "the trustee" and inserting "a trustee" in lieu thereof;

(2) by striking out "right" the first place it appears;

(3) by inserting "of goods" immediately after "seller" the first place it appears;

(4) by striking out "of goods" immediately after "business," and inserting "that has sold goods" in lieu thereof; and

(5) in paragraph (2), by inserting "the" immediately after "if", and by striking out "an administrative expense" and inserting "a claim of a kind specified in section 503(b) of this title" in lieu thereof.

(d) Section 546 of title 11 of the United States Code is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding sections 544, 545, 547, 548(a)(2), and 548(b) of this title, the trustee may not avoid a transfer that is a margin payment, as defined in section 741 or 761 of this title, deposit, or settlement payment, made by or to a commodity broker, forward contract merchant, stockbroker, or securities clearing agency, that is made before the commencement of the case, except under section 548(a)(1) of this title.".

SEC. 48. (a) Section 547(a) of title 11 of the United States Code is amended—

(1) in paragraph (2), by inserting "including proceeds of such property," immediately after "law,"; and

(2) in paragraph (4), by striking out ", without penalty" and by inserting "without penalty" immediately after "payable".

(b) Section 547(b) of title 11 of the United States Code is amended by striking out "of property of the debtor" and inserting "of an interest of the debtor in property" in lieu thereof.

(c) Section 547(c) of title 11 of the United States Code is amended—

(1) in paragraph (2)(A), by inserting "by the debtor" immediately after "incurred";

(2) in paragraph (3), by striking out "of" the first place it appears and inserting "that creates" in lieu thereof;

(3) in paragraph (3)(B), by inserting "on or" immediately after "perfected" and by striking out "such security interest attaches" and inserting "the debtor receives possession of such property" in lieu thereof; and

(4) in paragraph (5), by striking out "of" the first place it appears and inserting "that creates" in lieu thereof and by striking out "all security interest" and inserting "all such security interests" in lieu thereof.

(d) Section 547(d) of title 11 of the United States Code is amended—

(1) by striking out "A" and inserting "The" in lieu thereof;

(2) by inserting "an interest in" immediately after "transfer of";

(3) by inserting "to or for the benefit of a surety" immediately after "transferred"; and

(4) by inserting "such" immediately after "reimbursement of".

(e) Section 547(e) of title 11 of the United States Code is amended:

(1) by amending paragraph (1) to read as follows:

"(1) For the purposes of this section, a transfer of property is perfected when either a bona fide purchaser from the debtor of real property, other than fixtures, or a creditor on a simple contract, against whom applicable law permits such transfer to be perfected, cannot acquire an interest in such real property or a judicial lien on personal property that is superior to the interest of the transferee."; and

(2) in paragraph (2)(C)(i), by striking out "and" and inserting "or" in lieu thereof.

(f) Section 547 of title 11 of the United States Code is amended by adding at the end thereof the following new subsection:

"(g) For the purposes of this section, the trustee has the burden of proving the avoidability of a transfer under subsection (b) of this section, and the creditor or party in interest against whom recovery or avoidance is sought has the burden of proving the nonavoidability of a transfer under subsection (c) of this section.".

SEC. 49. (a) Section 548(a) of title 11 of the United States Code is amended—

(1) in paragraph (1), by striking out "occurred" and inserting "was made" in lieu thereof; and

(2) in paragraph (2)(B)(ii), by inserting "or a transaction" immediately after "engaged in business".

(b) Section 548(b) of title 11 of the United States Code is amended by striking out "the debtor" each place is appears and inserting "such debtor" in lieu thereof.

(c) Section 548(c) of title 11 of the United States Code is amended—

(1) by inserting "or may retain" immediately after "lien on"; and

(2) by striking out ", may retain any lien transferred,".

(d) Section 548(d)(1) of title 11 of the United States Code is amended by striking out "becomes so far" and inserting "is so" in lieu thereof by striking out "such transfer could have been" and inserting "applicable law permits such transfer to be" in lieu thereof, and by striking out "occurs" and inserting "is made" in lieu thereof.

(e) Section 548(d)(2)(B) of title 11 of the United States Code is amended by striking out "or forward contract merchant" and inserting ", forward contract merchant, stockbroker, or securities clearing agency" in lieu thereof and by striking out "761(15)" and inserting "741 or 761" in lieu thereof.

SEC. 50. (a) Section 549(a) of title 11 of the United States Code is amended—

(1) by striking out "(b) and (c)" and inserting "(b) or (c)" in lieu thereof; and

(2) in paragraph (2)(A), by inserting "only" immediately after "authorized".

(b) Section 549(b) of title 11 of the United States Code is amended—

(1) by inserting "the trustee may not avoid under subsection (a) of this section" immediately after "involuntary case,";

(2) by striking out "that occurs" and inserting "made" in lieu thereof;

(3) by striking out "is valid against the trustee to the extent of" and inserting "to the extent" in lieu thereof; and

(4) by inserting "is" immediately before "given".

(c) Section 549(c) of title 11 of the United States Code is amended to read as follows:

"(c) The trustee may not avoid under subsection (a) of this section a transfer of real property to a good faith purchaser without knowledge of the commencement of the case and for present fair equivalent value unless a copy or notice of the petition was filed, where a conveyance of such real property may be recorded to perfect such transfer, before such transfer is so perfected that a bona fide purchaser of such property, against whom applicable law permits such transfer to be perfected, could not acquire an interest that is superior to the interest of such good faith purchaser. A good faith purchaser without knowledge of the commencement of the case and for less than present fair equivalent value has a lien on the property transferred to the extent of any present value given, unless a copy or notice of the petition was so filed before such transfer was so perfected ".

(d) Section 549(d)(1) of title 11 of the United States Code is amended by striking out "and" inserting "or" in lieu thereof.

SEC. 51. (a) Section 550(a) of title 11 of the United States Code is amended—

(1) by inserting "363(n)," immediately before "544";

(2) by inserting "553(b)" immediately after "549,"; and

(3) in paragraph (2), by striking out "immediate or mediate transferee of" and inserting "subsequent transferee of" in lieu thereof.

(b) Section 550(b)(2) of title 11 of the United States Code is amended by striking out "immediate or mediate" and inserting "subsequent" in lieu thereof.

(c) Section 550(d) of title 11 of the United States Code is amended—

(1) in paragraph (1)(A), by inserting "or accruing to" immediately after "by";

(2) in paragraph (1)(B), by striking out "value" and inserting "the value of such property" in lieu thereof;

(3) in paragraph (2), by striking out subparagraphs (D) and (E) and inserting in lieu thereof the following:

"(D) payment of any debt secured by a lien on such property that is superior or equal to the rights of the estate; and"; and

(4) in paragraph (2), by redesignating subparagraph (F) as subparagraph (E).

(d) Section 550(e)(1) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 52. Section 551 of title 11 of the United States Code is amended by striking out "but only with respect to property of the estate".

SEC. 53. Section 552(b) of title 11 of the United States Code is amended—

(1) by inserting "522," immediately after "506(c),";

(2) by striking out "a secured party enter" and inserting "an entity entered" in lieu thereof; and

(3) by striking out "except to the extent" and inserting "except to any extent" in lieu thereof.

SEC. 54. Section 553(b)(1) of title 11 of the United States Code is amended—

(1) by striking out "or 365(h)(1)" and inserting ", 365(h)(2), or 365(1)(2)" in lieu thereof.

SEC. 55. (a) Subsections (a) and (b) of section 554 of title 11 of the United States Code are each amended by inserting "and benefit" immediately after "value".

(b) Section 554(c) of title 11 of the United States Code is amended to read as follows:

"(c) Unless the court orders otherwise, any property scheduled under section 521(1) of this title not otherwise administered at the time of the closing of a case is abandoned to the debtor and administered for purposes of section 350 of this title.".

(c) Section 554(d) of title 11 of the United States Code is amended by striking out "section (a) or (b) of".

SEC. 56. (a) Chapter 5 of title 11 of the United States Code is amended by adding at the end thereof the following new section:

"§ 555. Defenses of the estate

"The estate shall have the benefit of any defense available to the debtor as against any entity other than the estate, including statutes of limitation, statutes of frauds, usury, and other personal defenses. A waiver of any such defense by the debtor after the commencement of the case does not bind the estate.".

(b) The table of sections for chapter 5 of title 11 of the United States Code is amended by adding at the end thereof the following new item:

"555. Defenses of the estate.".

SEC. 57. The table of sections for chapter 7 of title 11 of the United States Code is amended by striking out "Succesor" in the item relating to section 703 and inserting "Successor" in lieu thereof.

SEC. 58. (a) Section 702(b) of title 11 of the United States Code is amended—

(1) by inserting "held" immediately after "meeting of creditors"; and

(2) by striking out "341" and inserting "342" in lieu thereof.

(b) Section 702(c) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "of a kind" immediately after "claims"; and

(2) in paragraph (2), by inserting "a" immediately after "for".

(c) Section 702(d) of title 11 of the United States Code is amended by striking out "subsection (c) of".

SEC. 59. Section 703(b) of title 11 of the United States Code is amended by striking out "specified in section 701(a) of this title. Sections 701(b) and 701(c) of this title apply to such interim trustee" and inserting "and subject to the provisions of section 701 of this title" in lieu thereof.

SEC. 60. Section 704 of title 11 of the United States Code is amended—

(1) in paragraph (1), by striking out "up";

(2) in paragraph (7), by striking out "with the court and"; and

(3) by amending paragraph (8) to read as follows:

"(8) file interim reports, as circumstances justify, of the condition of the estate and make and file a final report and account of the administration of the estate with the court.".

SEC. 61. Section 705(a) of title 11 of the United States Code is amended by striking out "under section 341(a)" and inserting "of creditors held under section 342" in lieu thereof.

SEC. 62. Paragraphs (1) and (2) of section 707 of title 11 of the United States Code are each amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 63. Section 722 of title 11 of the United States Code is amended to read as follows:

"§ 722. Redemption

"(a) The debtor may redeem property under the provisions of section 524(c) of this title or subsection (b) of this section.

"(b) An individual debtor may, whether or not such debtor has waived such right, redeem from the holder of a lien that secures a dischargeable consumer debt, tangible personal property intended primarily for personal, family, or household use, if such property is exempted under section 522 of this title or has been abandoned under section 554 of this title, by paying in cash such holder at the time of redemption before the case is closed the amount of such holder's allowed secured claim.".

SEC. 64. (a) Section 723(a) of title 11 of the United States Code is amended by striking out "title" and inserting "chapter" in lieu thereof.

(b) Section 723(c) of title 11 of the United States Code is amended—

(1) by striking out "such case" each place it appears and inserting "such partner's case" in lieu thereof;

(2) by striking out "be property" and inserting "by property" in lieu thereof.

(3) by striking out "726(a)" and inserting "726" in lieu thereof; and

(4) by striking out "the kind" and inserting "a kind" in lieu thereof.

SEC. 65. (a) Section 724(b) of title 11 of the United States Code is amended—

(1) by striking out "and" the first place it appears and by striking out "taxes" and inserting "a tax" in lieu thereof;

(2) in paragraph (1), by striking out "such tax lien" and inserting "the lien securing such tax claim" in lieu thereof;

(3) in paragraph (2), by striking out "claims" and inserting "any holder of a claim of a kind" in lieu thereof;

(4) in paragraph (3), by inserting "tax" immediately after "allowed" and by striking out "that is";

(5) by redesignating paragraphs (5) and (6) as paragraph (6) and (7), respectively, and by inserting immediately after paragraph (4) the following new paragraph:

"(5) fifth, to any holder of a claim of a kind specified in sections 507(a)(1), 507(a)(2), 507(a)(3), 507(a)(4), and 507(a)(5) of this title, to the extent that such claim is not paid under paragraph (2) of this subsection;";

(6) in paragraph (6), as so redesignated, by striking out "fifth" and inserting "sixth" in lieu thereof, by inserting "tax" after "allowed", and by striking out "tax" immediately after "such" the third place it appears; and

(7) in paragraph (7), as so redesignated, by striking out "sixth" and inserting "seventh" in lieu thereof.

(b) Section 724(c) of title 11 of the United States Code is amended by striking out "creditor" and inserting "holder of a claim" in lieu thereof and by striking out "creditors" each place it appears and inserting "holders" in lieu thereof.

(c) Section 724(d) of title 11 of the United States Code is amended by striking out "whose priority" and inserting "the priority of which" in lieu thereof and by inserting "if such lien were" immediately after "the same as".

SEC. 66. Section 725 of title 11 of the United States Code is amended by inserting "of property of the estate" immediately after "distribution".

SEC. 67. (a) Section 726(a) of title 11 of the United States Code is amended—

(1) in paragraph (2)(A), by inserting ", 501(b), or 501(c)" immediately after "501(a)", and by adding "or" immediately after the semicolon;

(2) by striking out paragraph (2)(B) and redesignating paragraph (2)(C) as paragraph (2)(B);

(3) in paragraph (2)(B), as so redesignated, by inserting ", 501(b), or 501(c)" immediately after "501(a)";

(4) in paragraph (3), by inserting ", 501(b), or 501(c)" immediately after "501(a)", and by striking out "(C)" and inserting "(B)" in lieu thereof; and

(5) in paragraph (5), by inserting "or contract" immediately after "legal" and inserting "whichever is greater" immediately after "rate".

(b) Section 726(b) of title 11 of the United States Code is amended—

(1) by striking out "a particular paragraph" and inserting "each such particular paragraph" in lieu thereof; and

(2) by striking out "administrative expenses" each place it appears and inserting "a claim allowed under section 503(b) of this title" in lieu thereof, and by striking out "have" and inserting "has" in lieu thereof.

(c) Section 726(c) of title 11 of the United States Code is amended—

(1) in paragraph (1), by striking out "Administrative expenses" and inserting "Claims allowed under section 503 of this title" in lieu thereof; and

(2) in paragraph (2), by striking out "Claims other than for administrative expenses" and inserting "Allowed claims, other than claims allowed under section 503 of this title," in lieu thereof.

SEC. 68. (a) Section 727(a) of title 11 of the United States Code is amended—

(1) in paragraph (6)(C), by striking out "property" and inserting "properly" in lieu thereof;

(2) in paragraph (7), by inserting ", under this title or under the Bankruptcy Act," immediately after "another case"; and

(3) in paragraph (8), by inserting a comma immediately after "371".

(b) Section 727(c)(1) of title 11 of the United States Code is amended by inserting "the granting of a" immediately after "to".

(c) Section 727(e)(2)(A) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 69. (a) Section 728(c) of title 11 of the United States Code is amended by striking out the comma immediately after "taxable income".

(b) Section 728(d)(2) of title 11 of the United States Code is amended by inserting "otherwise" immediately after "is", and by striking out "otherwise immediately after "partner".

SEC. 70. Section 741 of title 11 of the United States Code is amended—

(1) in paragraph (2)(A), by striking out "holds" and inserting "has" in lieu thereof and by striking out "business as a stockbroker" and inserting "such debtor's business as a stockbroker," in lieu thereof.

(2) in paragraph (2)(B), by striking out "holds" and inserting "has" in lieu thereof;

(3) in paragraph (4), by striking out "at any time";

(4) in paragraph (4)(A)(i), by striking out "and that is" and inserting "from and that is the lawful" in lieu thereof;

(5) in paragraph (4)(A)(ii), by inserting "of a customer" immediately after "claim";

(6) by redesignating paragraphs (5) and (6) as paragraphs (6) and (8), respectively,

(7) by inserting immediately after paragraph (4) the following new paragraph:

"(5) 'margin payment' means payment or deposit of cash, a security, or other property, that is commonly known to the securities trade as original margin, initial margin, maintenance margin, or variation margin, or as a mark-to-market payment, or that secures an obligation of a participant in a securities clearing agency;";

(8) in paragraph (6), as so redesignated, by striking out "the aggregate of all of a customer's accounts that such customer holds" and inserting "all accounts of a customer that such customer has" in lieu thereof;

(9) in paragraph (6)(A)(i), as so redesignated, by inserting a comma immediately after "petition", and by inserting "any" immediately after "except";

(10) in paragraph (6)(A)(ii), as so redesignated, by inserting "in such capacity" immediately after "customer";

(11) in paragraph (6)(B), as so redesignated, by striking out "342" and inserting "341" in lieu thereof, and by inserting "in such capacity" immediately before the semicolon; and

(12) by inserting immediately after paragraph (6), as so redesignated, the following new paragraph:

"(7) 'securities contract' means contract for the purchase, sale, or loan of a security, including an option for the purchase or sale of a security, or the guarantee of any settlement of cash or securities by a securities clearing agency; and".

SEC. 71. Section 743 of title 11 of the United States Code is amended by striking out "342(a)" and inserting "341" in lieu thereof.

SEC. 72. Section 744 of title 11 of the United States Code is amended by inserting "but" immediately after "relief,".

SEC. 73. (a) Section 745(a) of title 11 of the United States Code is amended by inserting "the debtor for" immediately after "by".

(b) Section 745(c) of title 11 of the United States Code is amended by striking out "A" and inserting "Each" in lieu thereof.

SEC. 74. (a) Section 746(a) of title 11 of the United States Code is amended—

(1) by striking out "effects, with respect to cash or a security," and inserting "enters into" in lieu thereof;

(2) by striking out "with respect to such cash or security";

(3) by striking out "such date" and inserting "the date of the filing of the petition" in lieu thereof; and

(4) by strking out "effected" and inserting "entered into" in lieu thereof.

(b) Section 746(b) of title 11 of the United States Code is amended—

(1) by striking out "has a claim for" and inserting "transferred to the debtor" in lieu thereof; and

(2) in paragraph (2), by striking out "is".

(c) The section heading for section 746 of title 11 of the United States Code is amended to read as follows:

"§ 746. Extent of customer claims".

SEC. 75. Section 747 of title 11 of the United States Code is amended by striking out "such claim arose" and inserting "the transaction giving rise to such claim occurred" in lieu thereof.

SEC. 76. Section 749 of title 11 of the United States Code is amended—

(1) by striking out "Any" and inserting "(a) Except as otherwise provided in this section, any" in lieu thereof;

(2) by inserting "by the debtor" immediately before "of property";

(3) by striking out "except" and inserting "but" in lieu thereof;

(4) by inserting "such property" immediately after "trustee, and";

(5) by striking out "549, or 724(a)" and inserting "or 549" in lieu thereof; and

(6) by adding at the end thereof the following new subsection:

"(b) Notwithstanding sections 544, 545, 547, 548, and 549 of this title, the trustee may not avoid a transfer made before five days after the date of the filing of the petition if such transfer is approved by the Commission by rule or order, either before or after such transfer, and if such transfer is—

"(1) a transfer of a securities contract entered into or carried by or through the debtor on behalf of a customer, and of any cash, security, or other property margining or securing such securities contract; or

"(2) the liquidation of a securities contract entered into or carried by or through the debtor on behalf of a customer.".

SEC. 77. (a) Section 752(a) of title 11 of the United States Code is amended—

(1) by striking out "customers allowed" and inserting "customers' allowed";

(2) by inserting "of the kind" immediately after "except claims"; and

(3) by inserting "such" immediately before "customer property".

(b) Section 752(b)(2) of title 11 of the United States Code is amended by striking out "726(a)" and inserting "726" in lieu thereof.

(c) Section 752(c) of title 11 of the United States Code is amended to read as follows:

"(c) Any cash or security remaining after the liquidation of a security interest created under a security agreement made by the debtor, excluding property excluded under section 741(4)(B) of this title, shall be apportioned between the general estate and customer property in the same proportion as the general estate of the debtor and customer property were subject to such security interest.".

SEC. 78. Section 761 of title 11 of the United States Code is amended—

(1) in paragraph (2), by inserting "made" immediately after "commodity contracts";

(2) in paragraph (4), by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof;

(3) in paragraph (4)(D), by inserting ", or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by the debtor" immediately before the semicolon;

(4) in paragraph (9), by striking out "if the debtor is" each place it appears and inserting "with respect to" in lieu thereof;

(5) in paragraph (9)(A), by striking out "the debtor" each place it appears and inserting "such futures commission merchant" in lieu thereof and by striking out "the debtor's" and inserting "such futures commission merchant's" in lieu thereof.

(6) in paragraph (9)(B), by striking out "the debtor" each place it appears and inserting "such foreign futures commission merchant" in lieu thereof and by striking out "the debtor's" and inserting "such foreign futures commission merchant's" in lieu thereof;

(7) in paragraph (9)(C), by striking out "the debtor" each place it appears and inserting "such leverage transaction merchant" in lieu thereof, by striking out "the debtor's" and inserting "such leverage transaction merchant's" in lieu thereof, by inserting "or" immediately after the semicolon in clause (i), and by striking out "hold" in clause (ii) and inserting "holds" in lieu thereof.

(8) in paragraph (9)(D), by striking out "the debtor" each place it appears and inserting "such clearing organization" in lieu thereof;

(9) in paragraph (9)(E), by striking out "the debtor" each place it appears and inserting "such commodity options dealer" in lieu thereof and by striking out "the debtor's" and inserting "such commodity options dealer's" in lieu thereof;

(10) in paragraph (10), by striking out "at any time", by striking out "and that is" in subparagraph (A)(viii) and inserting "from and that is the lawful" in lieu thereof, and by striking out "based on such property" in subparagraph (B) and inserting "for which such property would be liable" in lieu thereof;

(11) in paragraph (12), by inserting a comma immediately after "property" and by striking out the comma after "credit";

(12) in paragraph (13), by striking out "217 of the Commodity Futures Trading Commission Act of 1974 (7 U.S.C. 15a)" and inserting "19 of the Commodity Exchange Act (7 U.S.C. 23)" in lieu thereof;

(13) in paragraph (14), by striking out "that is engaged";

(14) in paragraph (15), by striking out "or variation margin," and inserting "variation margin, or as a market-to-market payment," immediately before "including";

(15) in paragraph (16), by striking out "at any time"; and

(16) in paragraph (17), by striking out "the aggregate of all of a customers accounts" and inserting "all accounts of a customer" in lieu thereof, by striking out "holds" and inserting "has" in lieu thereof, by inserting "the" immediately after "(A)" in subparagraph (A), by inserting "in such capacity" immediately after "customer" in subparagraph (A)(ii), by striking out subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

SEC. 79. Section 762 of title 11 of the United States Code is amended by striking out "342" and inserting "341" in lieu thereof.

SEC. 80. Section 763(a) of title 11 of the United States Code is amended by inserting "the debtor for" immediately after "by" and by striking out "deemed to be" and inserting "treated as" in lieu thereof.

SEC. 81. (a) Section 764(a) of title 11 of the United States Code is amended—

(1) by inserting "by the debtor" immediately after "any transfer";

(2) by striking out "except" and inserting "but" in lieu thereof;

(3) by inserting "such property" immediately after "trustee, and"; and

(4) by striking out "is"each place it appears and inserting "shall be" in lieu thereof.

(b) Section 764(c) of title 11 of the United States Code is repealed.

SEC. 82. (a) Section 765(a) of title 11 of the United States Code is amended by striking out "notice under" and inserting "notice required by" in lieu thereof and by striking out "342" and inserting "341" in lieu thereof.

(b) Section 765(b) of title 11 of the United States Code is amended by striking out "commitment" and inserting "commodity contract" in lieu thereof.

SEC. 83. (a) Section 766(a) of title 11 of the United States Code is amended—

(1) by striking out "of" the first place it appears and inserting "held by the debtor for" in lieu thereof; and

(2) by inserting "to such customer" immediately after "distribution".

(b) Section 766(b) of title 11 of the United States Code is amended—

(1) by amending the first sentence thereof to read as follows: "if an open commodity contract is being actively traded as of the date of the filing of the petition, the trustee shall, as required by sections 765 and 766(c) of this title, transfer such commodity contract, if feasible, or close out such commodity contract on or before the last day of trading in such contract or on the first day on which notice of intent to deliver on such commodity contract may be tendered, whichever first occurs."; and

(2) by inserting "the" immediately after "rules of".

(c) Section 766(d) of title 11 of the United States Code is amended by striking out "such amount, then the" and inserting "the amount to which the customer of the debtor is entitled under subsection (h) or (i) of this section, then such" in lieu thereof, and by inserting "then" immediately after "trustee" the second place it appears.

(d) Section 766(h) of title 11 of the United States Code is amended by inserting "and except that a customer net equity claim based on a proprietary account, as defined by Commission rule, regulation, or order, may not be paid either in whole or in part, directly or indirectly, out of customer property unless all other customer net equity claims have been paid in full" immediately after "this section".

(e) Section 766(j)(2) of title 11 of the United States Code is amended by striking out "726(a)" and inserting "726" in lieu thereof.

SEC. 84. Section 901(a) of title 11 of the United State Code is amended—

(1) by inserting "341, 342," immediately after "301,";

(2) by striking out "552,";

(3) by striking out "547" and inserting "547(a), 547(b), 547(c), 547(d), 547(e)(1), 547(e)(2), 547(f), 547(g)" in lieu thereof;

(4) by striking out "1109" and inserting "1109(b)" in lieu thereof; and

(5) by inserting a comma immediately after "1111(b)".

SEC. 85. Section 902(2) of title 11 of the United States Code is amended by striking out "title, legal or equitable, to real property against which has been levied a special assessment or special tax" and by inserting "legal or equitable title to real property against which a special assessment or special tax has been levied" in lieu thereof.

SEC. 86. Section 903(2) of title 11 of the United States Code is amended by striking out "to" the first place it appears.

SEC. 87. Chapter 9 of title 11 of the United States Code is amended by striking out "SUBCHAPER II" and inserting "SUBCHAPTER II" in lieu thereof.

SEC. 88. (a) Section 921(c) of title 11 of the United States Code is amended by striking out "an" and inserting "any" in lieu thereof, and by striking out the comma after "petition" the second place it appears.

(b) Section 921 of title 11 of the United States Code is amended by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(c) Section 921(d) of title 11 of the United States Code, as so redesignated, is amended by striking out "subsection (d)" and inserting "subsection (c)" in lieu thereof.

SEC. 89. (a) Section 922(a)(1) of title 11 of the United States Code is amended by inserting "a" immediately before "judicial", and by inserting "action or" immediately before "proceeding".

(b) Section 922(b) of title 11 of the United States Code is amended by striking out "and

(g)" and inserting "(g), and (h)" in lieu thereof.

SEC. 90. (a) Section 927(a)(4) of title 11 of the United States Code is amended by striking out "if" and inserting "failure of" in lieu thereof, and by striking out "is not" and inserting "to be" in lieu thereof.

(b) Section 927(b) of title 11 of the United States Code is amended by inserting "of a plan under this chapter" immediately after "confirmation".

SEC. 91. Section 943(b) of title 11 of the United States Code is amended—

(1) in paragraph (4), by striking out "to be taken"; and

(2) by amending paragraph (5) to read as follows:

"(5) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that on the effective date of the plan each holder of a claim of a kind specified in section 507(a)(1) of this title will receive on account of such claim cash equal to the allowed amount of such claim; and".

SEC. 92. Section 945(a) of title 11 of the United States Code is amended by striking out "execution" and inserting "implementation" in lieu thereof.

SEC. 93. Section 1102(b)(1) of title 11 of the United States Code is amended by striking out "order for relief" and inserting "commencement of the case" in lieu thereof.

SEC. 94. (a) Section 1103(b) is amended—

(1) by inserting "having an adverse interest" after "entity"; and

(2) by adding at the end thereof the following: "Representation of one or more creditors of the same class as represented by the committee shall not per se constitute the representation of an adverse interest.".

(b) Section 1103(c) of title 11 of the United States Code is amended—

(1) in paragraph (3), by striking out "recommendations" and inserting "determinations" in lieu thereof, and by inserting "or rejections" immediately after "acceptances"; and

(2) in paragraph (4), by striking out ", if a trustee or examiner, as the case may be, has not previously been appointed under this chapter in the case".

SEC. 95. Section 1105 of title 11 of the United States Code is amended by striking out "estate, and" and inserting "estate and of the" in lieu thereof.

SEC. 96. Section 1106(b) of title 11 of the United States Code is amended by inserting ", except to the extent that the court orders otherwise," immediately before "any other".

SEC. 97. Section 1107(a) of title 11 of the United States Code is amended by inserting "serving in a case" immediately after "on a trustee".

SEC. 98. Section 1108 of title 11 of the United States Code is amended by inserting ", on request of a party in interest and after notice and a hearing," immediately after "court".

SEC. 99. Section 1111(b) of title 11 of the United States Code is amended to read as follows:

"(b)(1) Except where property of the estate that secures a claim is sold subject to section 363(k) of this title, abandoned under section 554 of this title, or surrendered to the holders of such claims, or is to be sold, abandoned, or surrendered under the plan—

"(A) a claim secured by such property shall be allowed or disallowed under section 502 of this title the same as if the holder of such claim had recourse against the debtor on account of such claim, whether or not such holder had such recourse, unless the class of which such claim is a part elects, by at least two-thirds in amount and more than one-half in number of allowed claims of such class, to be governed by subparagraph (B) of this paragraph; and

"(B) unless the aggregate value of the interests in such property of the holders of such claims is inconsequential, the class may elect, as provided under subparagraph (A) of this paragraph, that such claims of such class, whether or not the holders of such claims had recourse against the debtor and notwithstanding section 506(a) of this title, are secured claims to the full extent that such claims are allowed.

"(2) The provisions of paragraph (1)(A) of this subsection are limited to the purposes of this chapter and such paragraph does not in any other way alter, affect, or create any right or liability of any other entity.".

SEC. 100. (a) Section 1112(a) of title 11 of the United States Code is amended—

(1) in paragraph (2), by striking out "is an involuntary case originally commenced as an involuntary case under this chapter" in lieu thereof; and

(2) in paragraph (3), by striking out "on other than" and inserting "other than on" in lieu thereof.

(b) Section 1112(b) of title 11 of the United States Code is amended—

(1) in paragraph (5), by inserting "a request made for" immediately before "additional"; and

(2) in paragraph (8), by striking out "and" and inserting "or" in lieu thereof.

SEC. 101. (a) Section 1121(c)(3) of title 11 of the United States Code is amended by striking out "the claims or interests of which are" and inserting "of claims or interests that is" in lieu thereof.

(b) Section 1121(d) of title 11 of the United States Code is amended by inserting "made within the respective periods specified in subsection (c) of this section" immediately after "interest".

SEC. 102. (a) Section 1123(a) of title 11 of the United States Code is amended—

(1) by striking out "A" and inserting "Notwithstanding any otherwise applicable nonbankruptcy law, a" in lieu thereof;

(2) in paragraph (1), by inserting a comma immediately after "classes of claim" and immediately after "507(a)(6) of this title";

(3) in paragraph (3), by striking out "shall";

(4) in paragraph (5), by striking out "execution" and inserting "implementation" in lieu thereof;

(5) in paragraph (5)(G), by inserting "of" immediately after "waiving"; and

(6) in paragraph (6), by striking out "equity securities" the first place it appears and inserting "common stock" in lieu thereof.

(b) Section 1123(b)(2) of title 11 of the United States Code is amended by striking out "or rejection" and inserting ", rejection, or assignment" in lieu thereof and by striking out "under section 365 of this title" and inserting "under such section" in lieu thereof.

SEC. 103. Section 1124 of title 11 of the United States Code is amended—

(1) by amending paragraph (2)(A) to read as follows:

"(A) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of this title;"; and

(2) in paragraph (3)(B)(i), by striking out "and" and inserting "or" in lieu thereof.

SEC. 104. (a) Section 1125(a) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting ", but need not include such information about any other possible or proposed plan" immediately after "plan";

(2) in paragraph (2)(B), by inserting "the" immediately after "with"; and

(3) in paragraph (2)(C), by inserting "of" immediately after "holders".

(b) Section 1125(d) of title 11 of the United States Code is amended—

(1) by inserting "required under subsection (b) of this section" immediately after "statement" the first place it appears; and

(2) by inserting ", or otherwise seek review of," immediately after "appeal from".

(c) Section 1125(e) of title 11 of the United States Code is amended by inserting "acceptance or rejection of a plan" immediately after "solicits" and by inserting "solicitation of acceptance or rejection of a plan or" immediately after "governing".

SEC. 105. (a) Section 1126(b)(2) of title 11 of the United States Code is amended by striking out "1125(a)(1)" and inserting "1125(a)" in lieu thereof.

(b) Section 1126(d) of title 11 of the United States Code is amended by inserting a comma immediately after "such interests" the first place it appears.

(c) Section 1126(f) of title 11 of the United States Code is amended—

(1) by striking out "is deemed" and inserting in lieu thereof ", and each holder of a claim or interest of such class, are deemed";

(2) by striking out "solicitation" and inserting "solicitation" in lieu thereof; and

(3) by striking out "interest" and inserting "interests" in lieu thereof.

(d) Section 1126(g) of title 11 of the United States Code is amended by striking out "any payment or compensation" and inserting "receive or retain any property" in lieu thereof.

SEC. 106. (a) Section 1127(a) of title 11 of the United States Code is amended by inserting "of a plan" immediately after "After the proponent" and by inserting "of such plan" immediately after "modification".

(b) Section 1127(b) of title 11 of the United States Code is amended by striking out "the court, after notice and a hearing, confirms such plan, as modified, under section 1129 of this title, and circumstances warrant such modification and the court, after notice and a hearing, confirms such plan as modified, under section 1129 of this title" in lieu thereof.

SEC. 107. (a) Section 1129(a) of title 11 of the United States Code is amended—

(1) in paragraph (1), by striking out "chapter." and inserting "title." in lieu thereof;

(2) in paragraph (2), by striking out "chapter." and inserting "title." in lieu thereof;

(3) by amending paragraph (4) to read as follows:

"(4) Any payment made or to be made by the proponent, by the debtor, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in or in connection with the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the court as reasonable;";

(4) in paragraph (5)(A)(ii), by striking out the period and inserting "; and" in lieu thereof;

(5) in paragraph (5)(B), by striking out "The" and inserting "the" in lieu thereof;

(6) in paragraph (6), by inserting "governmental" immediately after "Any";

(7) in paragraph (7), by inserting "of claims or interests" immediately after "each class", and by striking out "creditor's" in subparagraph (B) and inserting "holder's" in lieu thereof;

(8) in paragraph (8), by inserting "of claims or interests" immediately after "each class"; and

(9) in paragraph (9)(C), by inserting "507(a)(1) that results from the sale of a capital asset, recapture of an investment tax credit, recapture of depreciation, or similar event or" immediately after "section";

(10) by amending paragraph (10) to read as follows:

"(10) If a class of claims is impaired under the plan, at least one class of claims that is impaired under the plan has accepted the plan, determined without including any acceptance of the plan by any insider or any class deemed to have accepted the plan under section 1126(f) of this title.".

(b) Section 1129(b) of title 11 of the United States Code is amended—

(1) by striking out "Notwithstanding section 510(a) of this title, if" and inserting "If" in lieu thereof;

(2) in paragraph (2)(A), by striking out "lien" each place it appears and inserting "liens" in lieu thereof;

(3) in paragraph (2)(B)(ii), by inserting "under the plan" immediately after "retain"; and

(4) in paragraph (2)(C)(i), by striking out "claim" and inserting "interest" in lieu thereof and by striking out "and the value" and inserting "or the value" in lieu thereof.

(c) Section 1129(d) of title 11 of the United States Code is amended—

(1) by striking out "a party in interest that is";

(2) by inserting "the application of" immediately after "avoidance of" the second place it appears; and

(3) by adding at the end thereof the following new sentence: "In any hearing under this subsection, the governmental unit has the burden of proof on the issue of avoidance.".

SEC. 108. (a) Section 1141(a) of title 11 of the United States Code is amended—

(1) by striking out "Except" and inserting "Notwithstanding section 510(a) of this title and except" in lieu thereof; and

(2) by striking out "any creditor or equity security holder of, or general partner in," and inserting "any creditor, equity security holder, or general partner in" in lieu thereof.

(b) Section 1141(c) of title 11 of the United States Code is amended to read as follows:

"(c) Except as provided in subsections (d)(2) and (d)(3) of this section and except as otherwise provided in the plan or in the order confirming the plan, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors, equity security holders, and of general partners in the debtor.".

SEC. 109. (a) The heading for section 1142 of title 11 of the United States Code is amended to read as follows:

"§ 1142. Implementation of plan".

(b) The item relating to section 1142 in the table of sections for chapter 11 of title 11 of the United States Code is amended by striking out "Execution" and inserting "Implementation" in lieu thereof.

(c) Section 1142(a) of title 11 of the United States Code is amended by striking out the comma after "plan" the second place it appears.

(d) Section 1142(b) of title 11 of the United States Code is amended by inserting "a" immediately after "by".

SEC. 110. Section 1144 of title 11 of the United States Code is amended by inserting "if and only" immediately after "revoke such order".

SEC. 111. (a) Section 1145(a) of title 11 of the United States Code is amended—

(1) by striking out "Except with respect to an entity that is an underwriter as defined in subsection (b) of this section, section" and inserting "Section" in lieu thereof;

(2) in paragraph (3), by striking out "or an affiliate";

(3) in paragraph (3)(B)(i), by inserting "or 15(d)" immediately after "13" and by inserting "or 78o(d)" immediately after "78m";

(4) by amending paragraph (3)(B)(ii) to read as follows:

"(ii) in compliance with the disclosure and reporting provision of such applicable section; and";

(5) in paragraph (3)(C), by striking out "two" each place it appears and inserting "one" in lieu thereof;

(6) in paragraph (3)(C)(ii), by striking out "180" each place it appears and inserting "90" in lieu thereof; and

(7) in paragraph (4), by striking out "stockholder" each place it appears and inserting "stockbroker" in lieu thereof.

(b) Section 1145(b) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "and except with respect to ordinary trading transactions of an entity that is not an issuer" immediately after "subsection";

(2) in paragraph (1)(C), by striking out "for" and inserting "from" in lieu thereof;

(3) in paragraph (2)(A)(i), by striking out "combination". and inserting "or combining" in lieu thereof; and

(4) in paragraph (2)(A)(ii), by striking out "among" and inserting "from or to" in lieu thereof.

(c) Section 1145(d) of title 11 of the United States Code is amended by striking out "commercial".

SEC. 112. (a) Section 1146(c) of title 11 of the United States Code is amended by striking out "State or local".

(b) Section 1146(d)(1) of title 11 of the United States Code is amended by striking out "and" and inserting "or" in lieu thereof.

SEC. 113. Section 1161 of title 11 of the United States Code is amended by striking out "341" and inserting "342" in lieu thereof.

SEC. 114. Section 1163 of title 11 of the United States Code is amended by striking out "qualified" and inserting "eligible, qualified," in lieu thereof.

SEC. 115. Section 1166 of title 11 of the United States Code is amended by striking out "the Interstate Commerce Act (49 U.S.C. 1 et seq.)" and inserting "subtitle IV of title 49" in lieu thereof.

SEC. 116. Section 1168(b) of title 11 of the United States Code is amended by inserting a comma immediately after "approval".

SEC. 117. Section 1169(c) of title 11 of the United States Code is amended by striking out "the Interstate Commerce Act (49 U.S.C 1 et seq.)" and inserting "subtitle IV of title 49" in lieu thereof.

SEC. 118. (a) Section 1170(a) of title 11 of the United States Code is amended by inserting "of all or a portion" immediately after "the abandonment".

(b) Section 1170(c) of title 11 of the United States Code is amended by inserting a comma immediately after "abandonment".

(c) Section 1170(d)(2) of title 11 of the United States Code is amended—

(1) by striking out "the abandonment of a railroad line" and inserting "such abandonment" in lieu thereof; and

(2) by striking out "termination" each place it appears and inserting "suspension" in lieu thereof.

SEC. 119. Section 1171(b) of title 11 of the United States Code is amended by striking out "such" and inserting "the same" in lieu thereof.

SEC. 120. Section 1173(a)(4) of title 11 of the United States Code is amended by striking out "compatible" and inserting "consistent" in lieu thereof.

SEC. 121. (a) Section 1301(b) of title 11 of the United States Code is amended by inserting "and may protest" immediately after "of" of the first place it appears.

(b) Section 1301(c)(3) of title 11 of the United States Code is amended by inserting "continuation of" immediately after "by".

(c) Section 1301 of title 11 of the United States Code is amended by adding the following new subsection:

"(d) The confirmation of a plan shall automatically grant relief from the stay provided by subsection (a) of this section to the extent that the plan proposes not to pay such claim.".

SEC. 122. (a) Section 1302(b) of title 11 of the United States Code is amended—

(1) in paragraph (2)(C), by striking out "and";

(2) by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) dispose of, under regulations issued by the Director of the Administrative Office of the United States Courts, monies received or to be received in a case under chapter XIII of the Bankruptcy Act; and".

(b) Section 1302(e) of title 11 of the United States Code is amended—

(1) in paragraph (1), by striking out "fix" and inserting "set for such individual" in lieu thereof;

(2) in paragraph (1)(A), by striking out "for such individual"; and

(3) in paragraph (2)(A), by striking out "of" and inserting "received by" in lieu thereof and by striking out "upon all payments" and inserting "of all such payments made" in lieu thereof.

SEC. 123. Section 1304(b) of title 11 of the United States Code is amended by striking out the comma immediately after "of the debtor".

SEC. 124. (a) Section 1307(b) of title 11 of the United States Code is amended by inserting a comma immediately after "time".

(b) Section 1307(c) of title 11 of the United States Code is amended—

(1) in paragraph (4), by inserting "a request made for" immediately before "additional";

(2) in paragraph (6), by striking out "and" immediately after the semicolon and inserting "or" in lieu thereof; and

(3) in paragraph (7), by inserting "other than completion of payments under the plan" immediately after "in the plan".

SEC. 125. (a) Section 1322(a)(2) of title 11 of the United States Code is amended by inserting a comma immediately after "payments".

(b) Section 1322(b) of title 11 of the United States Code is amended—

(1) in paragraph (2), by inserting ", or leave unaffected the rights of holders of any class of claims" immediately before the semicolon;

(2) in paragraph (4), by inserting "other" immediately after "claim or any";

(3) in paragraph (5), by striking out "maintenance of payments" and by striking out "on any unsecured claim or secured claim" and inserting "maintain payments on any claim" in lieu thereof;

(4) in paragraph (7), by inserting "subject to section 365 of this title," immediately before "provide", by striking out "or rejection" and inserting ", rejection, or assignment" in lieu thereof, and by striking out "under section 365 of this title" and inserting "under such section" in lieu thereof; and

(5) in paragraph (8), by striking out "any".

SEC. 126. Section 1323(c) of title 11 of the United States Code is amended by striking out "the plan as modified, unless the modification provides for a change in the rights of such holder from what such rights were under the plan before modification, and" and inserting "such plan as modified, unless" in lieu thereof.

SEC. 127. Section 1324 of title 11 of the United States Code is amended by striking out "the" the second place it appears.

SEC. 128. (a) Section 1325(a)(1) of title 11 of the United States Code is amended by inserting "the" immediately before "other".

(b) Section 1325(a)(4) of title 11 of the United States Code is amended by inserting ", and such plan represents the debtor's bona fide effort" immediately before the semicolon.

(c) Section 1325(b) of title 11 of the United States Code is amended by striking out "After confirmation of a plan," and inserting "Upon the filing of the case," and

striking out "any" the second place it appears.

SEC. 129. Section 1326(a)(2) of title 11 of the United States Code is amended by inserting "of this title" immediately after "1302(d)".

SEC. 130. Section 1328(a)(2) of title 11 of the United States Code is amended by striking out "523(a)(5)" and inserting "523(a)(3), 523(a)(4), 523(a)(5), 523(a)(6), 523(a)(7), 523(a)(8), 523(a)(9), and 523(a)(10)" in lieu thereof.

SEC. 131. Section 1328(e) of title 11 of the United States Code is amended—

(1) in paragraph (1), by inserting "by the debtor" immediately after "obtained"; and

(2) in paragraph (2), by striking out "knowledge of such fraud came to the requesting party" and inserting "the requesting party did not know of such fraud until" in lieu thereof.

SEC. 132. Section 1329(a) of title 11 of the United States Code is amended—

(1) by inserting "of the plan" immediately after "confirmation" and by striking out "a plan" and inserting "such plan" in lieu thereof; and

(2) in paragraph (3), by striking out the comma.

SEC. 133. Section 15102 of title 11 of the United States Code is amended by striking out "chapter" the first place it appears and inserting "title" in lieu thereof.

SEC. 134. Section 15103(f) of title 11 of the United States Code is amended—

(1) by striking out "324,"; and

(2) by inserting "342(b)," immediately after "326(b),";

(3) by inserting "1106(a)(1), 1108," immediately after "1105"; and

(4) by inserting "1302(b)(1), 1302(b)(3)," immediately after "1302(a),".

SEC. 135. Section 15322(b)(1) of title 11 of the United States Code is amended by inserting "required to be" immediately after "bond", by striking out "(2)", and by inserting "of this title" before the semicolon.

SEC. 136. Section 15324 of title 11 of the United States Code is amended by inserting a comma immediately after "a trustee".

SEC. 137. Section 15330 of title 11 of the United States Code is amended by adding at the end thereof the following: "The notice required under section 330 of this title shall be given to the United States trustee.".

SEC. 138. (a) Chapter 15 of title 11 of the United States Code is amended by inserting after section 15330 the following new section:

"§ 15342. Meetings of creditors

"In a case under chapter 13 of this title, the United States trustee may call a meeting of creditors. The court may not preside at, and may not attend, any meeting under this section.".

(b) The table of sections for chapter 15 of title 11 is amended by inserting immediately below the item relating to section 15330 the following new item:

"15342. Meetings of creditors.".

SEC. 139. Section 15343 of title 11 of the United States Code is amended by striking out "section 341(a)" and inserting "section 342 or 15342" in lieu thereof.

SEC. 140. (a) Section 15701(a) of title 11 of the United States Code is amended by striking out "trustee established" and inserting "trustees established" in lieu thereof.

(b) Section 15701(b) of title 11 of the United States Code is amended by striking out "such persons" and inserting "the members of such panel" in lieu thereof.

SEC. 141. (a) Section 15703(a) of title 11 of the United States Code is amended by striking out "specified in section 15701(a) of this title. Sections 701(b) and 107(c) of this title apply to such interim trustee." and by inserting "and subject to the provisions of sections 701 and 15701 of this title." in lieu thereof.

(b) Section 15703(b) of title 11 of the United States Code is amended by striking out "truste" and inserting "trustee" in lieu thereof.

SEC. 142. Section 15704 of title 11 of the United States Code is amended to read as follows:

"§ 15704. Duties of trustee

"The trustee shall—

"(1) if the business of the debtor is authorized to be operated, file with the United States trustee periodic reports and summaries of the operation of such business, including a statement of receipts and disbursements; and

"(2) make and file interim reports, as circumstances justify, on the condition of the estate with the United States trustee and make and file a final report and account of the administration of the estate with the United States trustee and the court.".

SEC. 143. Section 151102(b) of title 11 of the United States Code is amended by striking out "interest of" and inserting "interest," in lieu thereof.

SEC. 144. (a) Chapter 15 of title 11 of the United States Code is amended by inserting after section 151105 the following new sections:

"§ 151106. Duties of trustee and examiner

"A trustee shall perform the duties specified in sections 704(2), 704(4), 704(6), and 15704 of this title.

"(b) A trustee shall transmit a copy or a summary of any statement filed under section 1106(a)(4)(A) of this title to any creditors' committee, to any indenture trustee, to the United States trustee, and to any other entity as the court designates.

"§ 151108. Authorization to operate business

"Unless the court, upon the request of a party in interest or the United States trustee if there is no creditors' committee and after notice and a hearing, orders otherwise, the trustee may operate the debtor's business.".

(b) The table of sections for chapter 15 of title 11 of the United States Code is amended by inserting after the item relating to section 151105 the following new items:

"151106. Duties of trustee and examiner.
"151108. Authorization to operate business.".

SEC. 145. (a) Section 151302(a) of title 11 of the United States Code is amended by inserting ", or shall appoint a disinterested person to serve," immediately after "The United States trustee shall serve".

(b) Section 151302(b) of title 11 of the United States Code is amended to read as follows:

"(b) The trustee shall—

"(1) perform the duties specified in sections 704(2), 704(4), 704(6), and 15704 of this title; and

"(2) dispose of, pursuant to regulations issued by the Attorney General, moneys received or to be received in a case under chapter XIII of the Bankruptcy Act.".

TITLE II—AMENDMENTS TO TITLE 28 OF THE UNITED STATES CODE

SEC. 201. Section 151(c) of title 28 of the United States Code is amended by inserting a comma immediately after "suit".

SEC. 202. (a) Section 152 of title 28 of the United States Code is amended by adding at the end thereof the following:

"In recommending individuals to the President for appointment as bankruptcy judges, the Judicial Council of each circuit shall follow standards and procedures promulgated by the Judicial Conference of the United States. Such standards and procedures shall contain provision for public notice of all vacancies of bankruptcy judgeships. Further, such standards and procedures shall ensure that the Judicial Council gives due consideration to all qualified individuals, regardless of race, color, religion, sex, or place of national origin.".

(b) The Congress—

(1) takes notice of the fact that less than 2 per centum of bankruptcy judges are women, less than 3 per centum of bankruptcy judges are blacks, and only one bankruptcy judge is of Hispanic origin; and

(2) suggests that the President, in selecting individuals for nomination to bankruptcy judgeships created by this Act, give due consideration to qualified individuals without regard to race, color, sex, religion, or national origin.

SEC. 203. Section 155(a) of title 28 of the United States Code is amended to read as follows:

"(a) In each district having more than one bankruptcy judge, the judge in regular active service who is senior in continuous time of active service and under seventy years of age shall be the chief judge of the bankruptcy court, except that the age limitation shall not apply until April 1, 1984. If all the bankruptcy judges in regular active service are seventy years of age or older the youngest shall act as chief judge until a judge has been appointed and qualified who is under seventy years of age, but such a judge may not act as chief judge until he has served as a bankruptcy judge for one hundred and eighty days.".

SEC. 204. Section 158 of title 28 of the United States Code is amended by striking out "Court" and inserting "Bankruptcy court" in lieu thereof.

SEC. 205. (a) Section 160(a) of title 28 of the United States Code is amended by striking out "each circuit" and inserting "such circuit" in lieu thereof.

(b) Section 160 of title 28 of the United States Code is amended by adding at the end thereof the following new subsections:

"(d) A panel may exercise the powers of a bankruptcy court.

"(e) A single judge of a panel may enter an order if irreparable damage will result if such order is not entered. Such order shall remain in force only until the hearing and determination by the panel of three judges.".

SEC. 206. (a) Section 294(c) of title 28 of the United States Code is amended by striking out "district or bankruptcy judge" and inserting ", district, or bankruptcy" in lieu thereof.

(b) Section 294(d) of title 28 of the United States Code is amended by striking out "district judge or bankruptcy judge" and inserting "district, or bankruptcy judge" in lieu thereof.

SEC. 207. Section 295 of title 28 of the United States Code is amended by inserting a comma immediately before "district, or".

SEC. 208. Section 451 of title 28 of the United States Code is amended—

(1) in the first undesignated paragraph by inserting "and appellate panels created under section 160 of this title" before the period;

(2) in the first and third undesignated paragraphs by striking out "and" the second place it appears in each such paragraph and inserting a comma in lieu thereof and by striking out ", the judges of which are entitled to hold office for a term of 14 years", and

(3) in the third undesignated paragraph by striking out "Congress," and inserting "Congress" in lieu thereof and by striking out "and judge" and inserting "and judges" in lieu thereof.

SEC. 209. Section 456 of title 28 of the United States Code is amended—

(1) in the fourth undesignated paragraph by inserting a comma immediately after "district"; and

(2) in the fifth undesignated paragraph, by striking out the semicolon immediately after "each district judge" and inserting a comma in lieu thereof.

SEC. 210. Section 569(a) of title 28 of the

United States Code is amended by inserting "court" immediately after "of the bankruptcy".

SEC. 211. Section 571(b) of title 28 of the United States Code is amended by striking out "United States marshals, under regulations prescribed by the" and by striking out the comma immediately after "Courts".

SEC. 212. Sections 581(a) and 582(a) of title 28 of the United States Code are each amended by inserting ", without regard to the provisions of title 5 governing appointment in the competitive civil service," after "appoint".

SEC. 213. (a) Section 586(a) of title 28 of the United States Code is amended—

(1) in paragraph (5), by striking out "and" immediately after the semicolon;

(2) in paragraph (6), by striking out the period and inserting "; and" in lieu thereof; and

(3) by adding at the end thereof the following new paragraph:

"(7) administer oaths to and take the testimony of witnesses called to testify at meetings under title 11 or appoint a designee to so act.".

(b) Section 586(b) of title 28 of the United States Code is amended by striking out "trustee" the third place it appears and inserting "trustees to serve as standing trustee" in lieu thereof.

(c) Section 586(e)(2) is amended—

(1) by inserting "made to entities entitled" immediately after "payments" the first place it appears;

(2) in subparagraph (A), by striking out "of" and inserting "received by" in lieu thereof and by striking out "upon all payments" and inserting "of all such payments made" in lieu thereof;

(3) in subparagraph (B), by inserting "fee fixed under paragraph (1)(B) of this subsection" immediately after "the percentage"; and

(4) in subparagraph (B)(i), by striking out "individual" and inserting "individual's" in lieu thereof.

SEC. 214. Section 587 of title 28 of the United States Code is amended by adding at the end thereof the following: "The positions of such trustees shall not be in the Senior Executive Service.".

SEC. 215. (a) Section 604(a) of title 28 of the United States Code is amended—

(1) in paragraph (10), by striking out "(17)" each place it appears and inserting "(18)" in lieu thereof;

(2) by redesignating paragraph (17) as paragraph (18);

(3) by redesignating paragraph (13), as added by section 225(a)(2) of the Act of November 6, 1978 (92 Stat. 2549), as paragraph (17);

(4) by redesignating paragraph (14), as redesignated by section 225(a)(1) of the Act of November 6, 1978 (92 Stat. 2549), as paragraph (13); and

(5) by inserting immediately after paragraph (13) the following new paragraph:

"(14) Pursuant to section 1828 of this title, establish a program for the provision of special interpretation services in courts of the United States;".

(b) Subsection (f) of section 604 of title 28 of the United States Code, as added by section 225(b) of the Act of November 6, 1978 (92 Stat. 2549), is redesignated as subsection (h) and is amended by striking out "or remove a trustee appointed from the panel".

SEC. 216. Section 634(a) of title 28 of the United States Code is amended by inserting a comma after "salaries" the first place it appears and by striking out "rates for" and all that follows through "as amended" and inserting "an amount fixed in accordance with section 225 of the Federal Salary Act of 1967, subject to adjustment in accordance with such Act and section 461 of this title" in lieu thereof.

SEC. 217. (a) Section 773(c) of title 28 of the United States Code is amended by striking out "a circuit" and inserting "an appellate" in lieu thereof, and by striking out the parentheses around "but presents a substantial question".

(b) Section 773 of title 28 of the United States Code is amended by adding at the end thereof the following new subsection:

"(d) Court reporters appointed under this section shall be appointed in accordance with all of the standards and procedures applicable to appointments under section 753 of this title and shall be governed by the rules and regulations applicable to court reporters appointed under section 753 of this title. Mechanical means of recording proceedings may include stenomask, and contract reporters may be used in lieu of or in addition to court reporters appointed under this section. The Director of the Administrative Office of the United States Courts may negotiate contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).".

SEC. 218. (a) Section 1293(a) of title 28 of the United States Code is amended by striking out "decisions" and inserting "judgments, orders, and decrees" in lieu thereof.

(b) Section 1293(b) of title 28 of the United States Code is amended—

(1) by striking out "an appellate panel created under section 160 or";

(2) by striking out "district court of the United States" and inserting "district court of the United States," in lieu thereof; and

(3) by inserting ", and of appeals from interlocutory orders and decrees of an appellate panel created under section 160 of this title, a district court, and a bankruptcy court, but only by leave of the court of appeals to which the appeal is taken" immediately before the period.

SEC. 219. Section 1334(c) of title 28 of the United States Code is amended by striking out "that section" and inserting "this section" in lieu thereof.

SEC. 220. (a) Section 1471(a) of title 28 of the United States Code is amended by striking out "subsection" and inserting "subsection" in lieu thereof.

(b) Subsections (c) and (e) of section 1471 of title 28 of the United States Code are each amended by striking out "commenced" and inserting "pending" in lieu thereof.

(c) Section 1471(c) of title 28 of the United States Code is amended by inserting "or a proceeding arising under title 11 or arising in or related to a case under title 11" immediately after "title 11".

(d) Section 1471(d) of title 28 is amended by striking out "a district court or".

(e) Section 1471(e) of title 28 of the United States Code is amended by inserting ", and of all property, wherever located, of the estate in such case" immediately before the period at the end thereof.

SEC. 221. Section 1472(1) of title 28 of the United States Code is amended by striking out "principle" and inserting "principal" in lieu thereof.

SEC. 222. (a) Section 1473(a) of title 28 of the United States Code is amended by striking out "Except" and inserting "Notwithstanding any Act of Congress that confers venue in a specific district and except" in lieu thereof.

(b) Section 1473(c) of title 28 of the United States Code is amended by striking out "section" the first place it appears and inserting "subsection" in lieu thereof.

SEC. 223. Section 1481 of title 28 of the United States Code is amended by inserting "(a)" before "A" and by adding at the end thereof the following new subsection:

"(b) A contempt punishable by a bankruptcy court includes any act that is in violation of a stay under title 11.".

SEC. 224. Section 1482(b) of title 28 of the United States Code is amended by striking out "judgments, orders," and inserting "orders" in lieu thereof.

SEC. 225. Section 1827(i) of title 28 of the United States Code is amended by striking out "referee in bankruptcy" and inserting "bankruptcy judge" in lieu thereof.

SEC. 226. Section 1871(a) of title 28 of the United States Code is amended to read as follows:

"(a) Grand jurors in district courts and petit jurors in district courts and bankruptcy courts appearing pursuant to this chapter shall be paid the fees and allowances provided by this section. The requisite fees and allowances shall be disbursed, on the certificate of the clerk of the district court or of the clerk of the bankruptcy court, by the clerk of the district court in accordance with the procedure established by the Director of the Administrative Office of the United States Courts. Attendance fees for extended service under subsection (b) of this section shall be certified by the clerk of the district court only upon the order of a district judge or by the clerk of the bankruptcy court only upon the order of a bankruptcy judge.".

SEC. 227. Section 1923(b) of title 28 of the United States Code is amended to read as follows:

"(b) The docket fees of United States attorneys shall be paid to the clerk of the district court, the docket fees of United States trustees shall be paid to the clerk of the bankruptcy court, and all such fees shall then be paid by the clerks into the Treasury.".

SEC. 228. Section 1930(a)(1) of title 28 of the United States Code is amended by striking out the period after $60 and inserting "in the case of a single filing and $100 in a joint case" and by inserting a new (5) to read as follows: "For any proceeding in any case under title 11, $15.".

SEC. 229. Section 1962 of title 28 of the United States Code is amended by inserting "or bankruptcy court" immediately after "district court".

SEC. 230. Section 1963 of title 28 of the United States Code is amended—

(1) in each paragraph, by inserting "or bankruptcy court" immediately after "district court" the first place it appears;

(2) in the first sentence of the first undesignated paragraph, by inserting "with the clerk of the district court or the bankruptcy court, whichever is appropriate" before the period at the end thereof;

(3) by striking out "where registered" and inserting in lieu thereof "where entered".

(4) by adding at the end thereof the following new undesignated paragraph:

"An order of discharge or an order of confirmation in a case under title 11 which has become final may be registered in any other district by filing in the office of the clerk of the bankruptcy court of that district a certified copy of the order and when so registered shall have the same effect as an order of the bankruptcy court of the district where so registered and may be enforced in like manner.".

SEC. 231. Section 1964 of title 28 of the United States Code is amended by inserting "or bankruptcy court" immediately after "district court" each place it appears.

SEC. 232. Section 2075 of title 28 of the United States Code is amended by striking out "in cases under title 11" and inserting "in cases under title 11 and in proceedings arising under title 11 or arising in or related to cases under title 11" in lieu thereof.

SEC. 233. Section 2256(1)(C) of title 28 of the United States Code is amended by inserting "or under title 11" immediately after "title".

SEC. 234. (a) Section 1914 of title 28 of the

United States Code is amended by striking out subsection (d).

(b) The District of Columbia Code is amended—

(1) in section 15–701(a), by striking out "clerk of the United States District Court for the District of Columbia,";

(2) in section 15–703—

(A) by striking out "(b)" and subsection (a); and

(B) in the catchline of such section by striking out "Deposit for costs; security" and inserting in lieu thereof "Security";

(3) in section 15–704—

(A) in subsection (a) by striking out "(a)" and by striking out "United States District Court for the District of Columbia" and inserting in lieu thereof "the Superior Court of the District of Columbia"; and

(B) by striking out subsection (b);

(4) by striking out section 15–706;

(5) in section 15–712 by striking out "Any District of Columbia Court" and inserting in lieu thereof "The Superior Court of the District of Columbia and the District of Columbia Court of Appeals"; and

(6) in the analysis of sections for chapter 7 of title 15, by striking out the item relating to section 15–706.

TITLE III—AMENDMENTS TO THE ACT OF NOVEMBER 6, 1978

SEC. 301. The title of the Act entitled "An Act to establish a uniform Law on the Subject of Bankruptcies", approved November 6, 1978 (Public Law 95–598; 92 Stat. 2549) (hereinafter in this title referred to as the "Act") is amended to read as follows: "An Act to establish a uniform law on the subject of bankruptcies".

SEC. 302. The Act is amended by inserting after the enacting clause the following: "That this Act may be cited as the 'Bankruptcy Reform Act of 1978'.".

SEC. 303. Section 216 of the Act is amended by striking out "record" and inserting "records" in lieu thereof.

SEC. 304. Section 222 of the Act is amended by striking out "assistance" and inserting "assistants" in lieu thereof.

SEC. 305. Section 232 of the Act is repealed.

SEC. 306. Section 308(f)(3) of the Act is amended by striking out "C" and inserting "(C)" in lieu thereof.

SEC. 307. Section 402(c) of the Act is amended—

(1) by striking out "210," and inserting "205, 206, 207, 211, 213," in lieu thereof;

(2) by inserting "226," immediately after "225,"; and

(3) by inserting "248" immediately after "246,".

SEC. 308. (a) Section 403(a) of the Act is amended by striking out "this Act" and inserting "the provisions of this Act other than this subsection and subsections (b) and (d) of this section" and by striking out "the Act" and inserting "such provisions".

(b) Section 403(b) of the Act is amended by inserting "or after" immediately after "on".

(c) Section 403(e) of the Act is amended to read as follows:

"(e) Notwithstanding subsection (a) of this section—

"(1) the amount by which a fee exceeds $100.000 may not be charged under section 40c(2)(b) of the Bankruptcy Act in a case in which the plan is confirmed after September 30, 1979;

"(2) after September 30, 1979, all moneys collected for payment into the referees' salary and expense fund in cases filed under the Bankruptcy Act shall be collected and paid into the general fund of the Treasury; and

"(3) any balance in the referees' salary and expense fund in the Treasury on October 1, 1979, shall be transferred to the general fund of the Treasury and the referees' salary and expense fund acount shall be closed.".

SEC. 309. (a) Section 404(b) of the Act is amended to read as follows:

"(b) The term of a referee in bankruptcy who is serving on the date of enactment of this Act is extended to and expires on March 31, 1984, or when his sucessor takes office, and such person shall have the title United States bankruptcy judge. During the period commencing on October 1, 1979, and ending on March 31, 1984 (hereinafter in this title referred to as 'the transition period'), unless a bankruptcy judge is certified to be not qualified by the Chief Judge of the Circuit Court after a finding that such judge is not qualified is made by a merit screening committee established under subsection (c) of this section, such judge shall serve in the court of bankruptcy continued under subsection (a) of this section to which such United States bankruptcy judge was appointed, in the manner prescribed by this title. Section 8335(a) of title 5 of the United States Code shall not apply to United States bankruptcy judges during the transition period. During the transition period, United States bankruptcy judges shall be exempt from annual sick leave laws and regulations.".

(b) Section 404(c) of the Act is amended by striking out the first sentence and inserting in lieu thereof the following new sentence: "There shall be established for each judicial district a merit screening committee composed of the president or the designee of the president of the State bar association, the president or designee of the president of a local bar association for the area within the judicial district wherein a referee in bankruptcy maintains his official headquarters and the dean, or designee of the dean, of an accredited law school, if any, located within the judicial district or State, and if no such law school exists, then a lay member selected by the chief judge of the United States district court for the judicial district wherein the referee in bankruptcy maintains his official headquarters."

(c) Section 404(d) of the Act is amended by striking out "41,".

(d) Section 404(e) of the Act is amended by inserting immediately after the first sentence the following new sentence: "Bankruptcy judges for the district shall decide where the headquarters office of the clerk of the bankruptcy court shall be located.".

(e) Section 404 of the Act is amended by adding at the end thereof the following new subsections:

"(h) During the transition period, the powers granted under section 2071 of title 28 of the United States Code shall be exercised by the United States bankruptcy court of a district, exclusive of the district court of such district, for the purpose of promulgating local rules of procedure to be applicable in cases and proceedings before a United States bankruptcy judge of such court, and such powers shall be exercised for such purpose by the appellate panels created under section 160 of title 28 of the United States Code to be applicable in appeals before such an appellate panel.

"(i) During the transition period, section 155 to the extent it does not displace a designated chief judge, and sections 156, 157, 158, and 159 of title 28 of the United States Code, contained in section 201 of this Act, and the amendment contained in section 210 of this Act, shall apply to the courts of bankruptcy continued under section 404(a) of this Act the same as such amendments apply to the United States bankruptcy courts established under section 201 of this Act.".

SEC. 310. (a) Section 405(a) of the Act is amended—

(1) by striking out "such cases" the first place it appears and inserting "in all cases under title 11 or arising in or related to a case under title 11 pending during the transition period" in lieu thereof; and

(2) in paragraph (1)(C), by inserting ", except as provided in subsection (c) of this section" immediately before the period at the end thereof.

(b) Section 405(c)(2) of the Act is amended by inserting "240," immediately after "238,".

(c) Section 405(d) of the Act is amended by striking out "248" and inserting "247" in lieu thereof.

SEC. 311. Section 406(b) of the Act is amended by inserting immediately after the first sentence the following new sentence: "The recommendations may provide for a bankruptcy judge to serve in more than one contiguous judicial district or circuit.".

SEC. 312. Section 407(c) of the Act is amended by striking out "332" and inserting "333" in lieu thereof.

SEC. 313. Section 408 of the Act is amended by adding at the end thereof the following new subsection:

"(d) During the transition period, section 604(h) of title 28 of the United States Code does not apply to bankruptcy courts for districts listed in section 581(a) of such title.".

SEC. 314. Section 409(a)(1) of the Act is amended by striking out "September 30, 1983" and inserting "March 31, 1984" in lieu thereof.

TITLE IV—AMENDMENTS TO OTHER ACTS

SEC. 401. Section 19 of the Commodity Exchange Act (7 U.S.C. 24) is redesignated as section 20 of such Act.

SEC. 402. Section 4(e) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499d(e)) is amended—

(1) by inserting "under the Bankruptcy Act or been a debtor in a case filed under title 11 of the United States Code or received a discharge in such case" immediately after "bankrupt" the first place it appears; and

(2) by inserting "under the Bankruptcy Act or which has been a debtor in a case filed under title 11 of the United States Code" immediately after "bankrupt" the second place it appears.

SEC. 403. (a) Section 6(d) of the Securities Investor Protection Act (15 U.S.C. 78fff(d)) is amended by striking out "section 16(5)(A)" and inserting "section 16(4)(A)" in lieu thereof.

(b) Section 8(e)(4)(C) of such Act (15 U.S.C. 78fff2(e)(a)(4)(C)) is amended by striking out "section 9(a)(5))" and inserting "section 9(a)(4)" in lieu thereof.

SEC. 404. Section 605(a)(1) of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(1)) is amended by inserting ", except for cases under chapter 13 or chapter XIII as the case may be, which antedate the report by more than 6 years" immediately after "year".

SEC. 405. Section 151 of title 18 of the United States Code is amended by striking out 'mean" and inserting "means" in lieu thereof.

SEC. 406. Section 424(b)(3)(B) of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 934(b)(3)(B)) is amended by striking out "the Bankruptcy Act" and inserting "title 11 of the United States Code" in lieu thereof.

SEC. 407. Section 3468 of the Revised Statutes of the United States (31 U.S.C. 193) is amended by adding at the end thereof the following new sentence: "This section does not apply, however, in a case under title 11 of the United States Code or in a case arising in or relating to a case under such title.".

SEC. 408. At the end of section 456(a) of the Social Security Act, add the following:

"(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under the Bankruptcy Code or Bankruptcy Act.".

SEC. 409. Section 1961(1)(D) of title 18 of the United States Code is amended by inserting "or a case under the Bankruptcy Act" after "title 11."

TITLE V—RELATED PROVISIONS OF LAW

SEC. 501. Nothing in any provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a stockbroker or securities clearing agency from exercising a contractual right to liquidate a securities

contract or to cause the liquidation of a securities contract, nor shall any court issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right, unless such order is authorized under the provisions of the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.) or is required because of a threat to the national security. As used in this section, the term—

(1) "contractual right" includes, but is not limited to, a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency; and

(2) "securities contract" means a securities contract as defined in section 741 of title 11 of the United States Code.

SEC. 502. No provision of Federal or State law shall operate to prevent, stay, or otherwise prohibit a commodity broker or forward contract merchant from exercising a contractual right to liquidate a commodity contract or forward contract, or to cause the liquidation of a commodity contract or forward contract, and no court may issue any order preventing, staying, or otherwise prohibiting the exercise of such contractual right unless such order is required because of a threat to the national security. As used in this section, the term—

(1) "contractual right" includes, but is not limited to, a right set forth in a rule or bylaw of a clearing organization or a contract market or in a resolution of the governing board thereof; and

(2) "commodity contract" means a commodity contract as defined in section 761 of title 11 of the United States Code.

SEC. 503. During the period beginning on the date of the enactment of this Act and ending on April 1, 1984, the amendments contained in sections 222, 223, 224, 225, 226, and 236 shall apply to courts of bankruptcy continued by section 404(a) of the Act of November 6, 1978 (Public Law 95–589; 92 Stat. 2549).

SEC. 504. This Act may be cited as the "Bankruptcy Amendments Act of 1980".

SEC. 505. (a) Section 3 of the Military Personnel and Civilian Employees' Claims Act of 1964, as amended (78 Stat. 767, as amended; 31 U.S.C. 241), is amended as follows:

(1) By striking out "$15,000" in subsection (a)(1) and inserting in place thereof "$25,000".

(1) By striking out "$15,000" in subsection (b)(1) and inserting in place thereof "$25,000".

(b) The amendments provided in subsection (a) of this section shall apply to claims based upon damage to, or loss of, personal property which occurs after the date of the enactment.

By Mr. EAGLETON (for himself, Mr. PERCY, Mr. MATHIAS, Mr. ROTH, Mr. CHILES, Mr. SASSER, Mr. PRYOR, Mr. LEVIN, and Mr. SARBANES):

S. 864. A bill to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency; to the Committee on Governmental Affairs.

FINANCIAL INTEGRITY ACT OF 1981

● Mr. EAGLETON. Mr. President, I introduce today legislation intended to strengthen the internal accounting and administrative controls maintained by Federal agencies. This is not exactly a glamorous subject, but it is a vitally important area. Retiring Comptroller General Elmer Staats has called internal controls the "first line of defense against fraud, waste, and program abuse," and he is entirely right.

I introduced this legislation in the last Congress, along with Senators PERCY and MATHIAS. I am pleased that those Senators are again cosponsoring the legislation, along with Senators ROTH, CHILES, PRYOR, SASSER, LEVIN, and SARBANES. The number of cosponsors demonstrates a growing awareness of how serious the Federal Government's vulnerability to fraud, waste, and mismanagement is, and that improved internal controls could play an important part in the battle against those afflictions.

Beginning with the revelations about GSA in mid-1978, the public has been bombarded continually with headlines reporting the staggering level of fraud, waste, and mismanagement in Federal programs. In one stunning revelation, the Inspector General at Health, Education, and Welfare estimated that between $6.3 billion and $7.4 billion was misspent annually at his Department as a result of fraud, abuse, and waste—at a minimum. Surveying the entire landscape, an official of the General Accounting Office, knowledgeable in this area, estimated in 1978 that fraud in Federal programs ranged from $12 to $15 billion annually to perhaps as high as $25 billion.

This level of fraud, program abuse, and just plain waste in Federal programs is unacceptable. We cannot permit the squandering of billions of dollars at this time of double-digit inflation and scarce budetary resources. It fuels the fires of inflation. It robs Federal resources which might otherwise be available to meet legitimate—even pressing—needs. It promotes understandable public cynicism about all Federal programs, eroding support for these activities.

There is no miracle cure to these problems. A government as large as ours will never be perfectly administered, and there is a morally bankrupt, but widely held notion that stealing from the Government is somehow less bad than stealing from an individual.

But there are significant steps that can be taken to improve the situation, to insure that Federal programs are administered vigilantly, and those who hold and seek Federal office have an obligation to devise constructive approaches and solutions to the problem.

At about the same time that the GSA scandal was making daily news, a GAO report stated that poor internal controls are the No. 1 problem in Federal Government agencies. A preoccupation with detecting fraud and waste after the fact obscured the possibility that weakness in internal controls may have opened the door to abuses in the first place. As Mr. Staats has stated:

> Important as the detection of fraud, abuse and error is, detection should not be our primary concern as government managers. Our prime concern should be directed toward constructing systems of management control that will prevent fraud and abuse, make it more difficult, and decrease the likelihood of error and waste.

Horror stories where fraud, waste, and mismanagement can be directly attributed to inadequate internal controls abound. For example:

Over $25 million has been paid out erroneously because of internal control weaknesses in the supplemental security income program (GAO Report, August 9, 1979).

The Department of Justice cannot adequately monitor the collection of debts because its management information system does not provide accurate and comprehensive data on such debts (GAO Report, October 25, 1979).

An IG audit of logistics operations—office supply, warehousing, and purchasing—at one NASA installation disclosed a need for several improvements in basic internal controls. Major problems were that supplies were being procured at substantially higher prices than were available through GSA, and the inventory records and supply activity data were not being adequately maintained (NASA IG report for period ending September 30, 1979).

According to the IG in the Department of Commerce, internal controls in the Bureau of the Census payroll system were inadequate to prevent duplicate payments or identify fictitious employees. Neither was the system adequate to handle the volume of transactions projected in the 1980 census year (DOC IG report for period ending September 30, 1979).

A special audit by Inspectors General of 17 agencies, released in March 18, 1980, hearings before Senator CHILES' Subcommittee on Open Government, indicates that over the last 10 years, Washington-based Federal agencies bought $1.2 billion worth of new office furniture even though $373 million worth of new or slightly used furniture was in storage. Agencies have no management systems to determine what furniture they have on hand before buying new items. The audit also revealed that agencies spent $36 million on new furniture in the preceding 4 months despite a freeze imposed on such purchases by OMB and GSA.

These cases where the wrongdoing or problem was detected represent only the tip of the iceberg. The Comptroller General pointed to the existence of the iceberg in no uncertain terms testifying before the Senate Appropriations Committee early in 1979:

> Based on our work we believe that all of the agencies visited are vulnerable to fraud and abuse. This is because Federal headquarters, regional offices, and other field locations and grantees have inadequate internal controls over their operations. As a result, there is insufficient assurance that Federal funds spent at these locations are spent for the purposes intended. In fact, during our testing of selected internal control systems, we found Federal funds and equipment that had been abused and misused at most locations visited.

GAO reports a total of 130,000 cases of fraud and other illegal acts alleged against 21 major agencies in the 2½ years ending March 31, 1979. The Comptroller General has stated that these problems occur because of the lack of adequate internal controls over particular tasks that must be performed. Surely, sound internal controls could have greatly reduced this number.

There is a pressing need to return to basics: Strong integrated systems of accounting and administrative controls

to insure that Government employees know what to do and do it effectively, that funds are spent for what is intended, that maximum return is received for every dollar, and that services are delivered as promised.

In recent years, Congress has devoted considerable effort to making corporations and other private entities more accountable for their actions. In response to revelations concerning corporate bribery abroad, Congress enacted the Foreign Corrupt Practices Act. FCPA obligated the chief executive officers of corporations to verify that their corporations maintained internal control systems adequate to insure that such misuse of corporate funds was not occurring. Federal agency heads must be similarly accountable. It is necessary to convince Federal managers that the responsibility to deliver funds and services carries with it the obligation to do so in a financially responsible way. This requires blasting loose some ingrained attitudes. As Mr. Staats has said:

The reason internal control systems are in a state of disrepair is that top management has devoted most of its concern and emphasis to delivering funds and services and that effective controls over tasks and functions which lead to the delivery of these funds and services has had a low priority. Because of top management's insufficient concern for internal controls, middle management reflects this same indifference.

The legislation we introduce today would change that approach significantly. It provides that the head of each agency would be required by December 31 of each year, beginning in December 1982, to report on the adequacy of the agency's systems of internal accounting and administrative control. GAO and OMB are required to establish the format for such reports and, more importantly, to provide guidelines for performing control evaluations.

The agency heads would be required to certify that the agency's internal accounting and administrative control systems provided reasonable assurances that the objectives of internal accounting and administrative control as specified in the legislation were achieved. Any material weaknesses which prevent the agency head from expressing an unqualified opinion that those objectives were achieved must be identified and the plans and schedule for remedying those material weaknesses described in detail.

I am under no illusion that imposing these reporting requirements on agency heads will solve all the problems which have led to fraud and waste in Federal programs. However, if this legislation were enacted, I expect that the agency heads would assume more formal responsibility for the quality of the agency's internal accounting and administrative controls, with resulting improvements in agency operations likely from top to bottom. Enacting this legislation would also reflect Congress' recognition that the internal controls of Federal agencies are too important to be left to the accountants and auditors; literally billions of dollars are at stake, and the issue demands the attention of top management in the executive branch as well as the continuing oversight of Congress.

Mr. President, I ask unanimous consent that the text of the legislation be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Financial Integrity Act of 1981".

FINDINGS AND POLICY

SEC. 2. (a) The Congress hereby finds that—

(1) fraud, waste, and mismanagement have caused a serious crisis of confidence in Federal Government programs and agencies;

(2) fraud and errors in Federal programs are more likely to occur from a lack of effective systems of internal accounting and administrative control in the Federal agencies;

(3) effective systems of internal accounting and administrative control provide the basic foundation upon which a structure of public accountability must be built;

(4) effective systems of internal accounting and administrative control are necessary to provide assurance that Federal assets and funds are adequately safeguarded as well as to produce reliable financial information for the agency;

(5) systems of internal accounting and administrative control are necessarily dynamic and must be continuously evaluated and where necessary improved; and

(6) reports regarding the adequacy of the systems of internal accounting and administrative control of each Federal agency are necessary to enable the executive branch, the Congress, and the public to evaluate the agency's performance of its public responsibilities and accountability.

(b) It is hereby declared to be the policy of the United States that—

(1) each Federal agency must maintain effective systems of internal accounting and administrative control as a integral part of its management practices;

(2) the systems of internal accounting and administrative control of each Federal agency shall be evaluated on an ongoing basis and when detected, weaknesses must be promptly corrected; and

(3) all levels of management of the Federal agencies must involve themselves in assessing and strengthening the systems of internal accounting and administrative control to minimize fraud, errors, abuse, and waste of Government funds.

DEFINITIONS

SEC. 3. As used in this Act:

(a) The term "President" means the President of the United States.

(b) The term "Comptroller General" means the Comptroller General of the United States.

(c) The term "Director" means the Director of the Office of Management and Budget.

SEC. 4. Section 113 of the Accounting and Auditing Act of 1950, as amended (31 U.S.C. 66a), is amended by adding at the end thereof the following new subsection:

"(d)(1) To ensure that the requirements of subsection (a)(3) of this section are fully complied with, the head of each executive agency, which the Director determines to be covered by this subsection, shall prepare a report stating an opinion on the adequacy of the agency's systems of internal accounting and administrative control by Decemebr 31, 1982, and by December 31 following the end of each fiscal year thereafter.

"(2) The reports shall be signed by the head of each executive agency and addressed to the President. Such reports shall also be made available to Congress and the public.

"(3) By December 31, 1981, the Comptroller General, in consultation with the Director, shall establish a system of reporting and a general framework to guide the agencies in performing evaluations on their systems of internal accounting and administrative control. The Comptroller General, in consultation with the Director, may modify the format for the report or the framework for conducting the evaluations from time to time as deemed necessary.

"(4) Internal accounting and administrative controls are to be defined by the Comptroller General, and shall provide reasonable assurances that—

"(i) all obligations and costs were in compliance with applicable law;

"(ii) all funds, property, and other assets were safeguarded against waste, loss, unauthorized use, or misappropriation; and

"(iii) all revenues and expenditures applicable to agency operations were properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

Any inadequacy or material weaknesses in an agency's systems of internal accounting and administrative control which prevents the head of the agency from stating that the agency's systems of internal accounting and administrative control provided reasonable assurances that each of the objectives specified above were achieved shall be identified and the plans and schedule for correcting any such inadequacy described in detail.

"(5)(A) The Inspector General of an executive agency or, if no Inspector General exists for an agency, the head of the internal audit staff, shall receive and investigate any allegation that an employee of the agency provided false or misleading information in connection with the evaluation of the agency's systems of internal accounting and administrative control or in connection with the preparation of the annual report on the systems of internal accounting and administrative control.

"(B) If, in connection with any investigation under subparagraph (A), the Inspector General or the head of the internal audit staff, as appropriate, determines that there is reasonable cause to believe that false or misleading information was provided, he shall report that determination to the head of the agency.

"(C) The head of the agency shall review any matter referred to him under subparagraph (B) and shall take action under chapter 76 of title 5, United States Code, or such other disciplinary or corrective action as he deems necessary.".●

● Mr. SASSER. Mr. President, I rise to state my support for S. 864, The Financial Integrity Act of 1981, which I am cosponsoring. My congratulations to my distinguished colleague, Senator TOM EAGLETON, for introducing this bill to require Federal agency heads to take the responsibility for the adequacy of their agency's management control system and to make annual reports on it.

Now, more than ever before, when we in the Congress are in the throes of a budget-cutting fervor unequaled in our history, every effort should be made to achieve savings through good husbandry of the available resources. To quote Congressman JACK BROOKS, the distinguished sponsor of similar legislation in the House:

Management accountability has appeal to both ends of the political spectrum. Those

who want to make severe cuts in the Federal budget view improved management as one means of making those cuts, while the beneficiaries of the programs that might be cut view better management as a means of reducing their losses.

There is plenty of room for improvement in management control. A GAO study, released last August, showed that weaknesses in the internal control of the agencies can be blamed for billions of dollars that are lost annually through fraud, waste, and abuse.

The internal controls suggested by the GAO study amount to basic good management principles. In a New York Times article, reporter Steve Lohr noted:

These weaknesses, the GAO suggests, can be corrected without the application of complex management systems or fancy computer technology. Rather, the use of even rudimentary accounting and auditing procedures would greatly help. For instance, the agency found that at some Health Services Administration offices, mail containing cash receipts was collected, logged in and processed by one person. Having more than one person count the money contained in cash-holding envelopes is probably the simplest possible kind of control; it is the example almost always used to illustrate to beginning auditing students what internal control is." (New York Times, March 29, 1981: "The Big Push Is On To Make Government Watch Its Money")

One of the more spectacular examples of a breakdown in internal control is the case of the Urban Mass Transit Administration accounting clerk who managed to embezzle $800,000 by routinely adding his own name to the list of vouchers for payment which UMTA submitted to the Department of Treasury. That clerk would still be merrily driving Lincoln Continentals and giving large loans to his friends at the office if it had not been for an alert banker. The embezzler was regularly depositing large Federal checks, in amounts ranging between $55,000 to $315,000, in his bank account. It was the bank, not the agencies involved, that blew the whistle.

This case of fraud in the Federal agencies could have been avoided if internal control procedures had been instituted. The accounting clerk responsible for preparing the vouchers should not have had access to them after the certifying officer signed them. The officer doing the signing should have been more careful. And the vouchers themselves should have been marked so that additional entries could not be made. Yet, because simple procedures like these were not followed, $800 thousand slipped out of the control of the agencies responsible for the money.

The legislation introduced by Senator EAGLETON today, with my cosponsorship, seeks to strengthen the internal controls maintained by the Federal agencies. It is one more check against fraud, waste, and abuse in Government programs. Its objectives are similar to several other initiatives I have sponsored, including the GAO hotline, a successful effort offering a nationwide, toll-free number that concerned citizens can call to report instances of fraud and wrongdoing.

Legislation I have cosponsored, S. 591, to establish better procedures for the collection of outstanding debts owed the Federal Government, is another means of conserving resources through better management. I believe that these two bills go hand-in-hand in the effort to eradicate fraud, waste, and abuse through tighter controls.

We are already too far behind the private sector in instituting such basic management controls. Keeping an eye on the bottomline has not been the primary concern of the Government manager charged with delivering muchneeded services. However, the time has come for government to take a leaf from the ledger of private business, insofar as it is possible. Then more of our precious resources can go into the programs, where they belong.

The introduction of the Financial Integrity Act of 1981 is a step toward tightening up the management of Federal programs throughout the Government. I am pleased to support this legislation.●

● Mr. ROTH. Mr. President, I rise in support of the Financial Integrity Act of 1981. I commend Senator EAGLETON, the distinguished ranking member of the Governmental Affairs Committee, for his initiative in developing this legislation.

I believe this legislation, if implemented effectively, can help to improve the management of Federal programs and strengthen agency accounting systems. The bill has as its primary objective the improvement of internal agency control systems to prevent fraud, abuse, and waste in Government. The underlying premise of the bill is that inefficient or wasteful spending should be, to the greatest extent possible, prevented before it is allowed to happen. Greater efforts must be made to reduce to a minimum the opportunities for fraudulent activity and the ineffective financial procedures which exist in many Federal agencies. A little more care in designing agency administrative mechanisms can yield a great deal more savings down the road.

Mr. President, I view improvements in the efficiency of Government as a vital corollary to spending restraint. Simply stated, the Government must do more with what it has, and the elimination of fraud, abuse, and waste will make that possible. The Governmental Affairs will be considering a number of initiatives this year designed to improve the management of Federal programs. We plan to carefully consider the Financial Integrity Act and I look forward to working with the distinguished ranking member of the committee on the bill.●

By Mr. PRYOR (for himself and Mr. BUMPERS):

S. 865. A bill to amend the Small Business Act to provide that any change in regulations affecting the disaster loan provisions of such act shall not apply to applications for disaster loan assistance received before the effective date of the change; to the Committee on Small Business.

EQUITY FOR DISASTER RELIEF LOAN APPLICANTS

● Mr. PRYOR. Mr. President, today I am introducing on behalf of myself and Senator BUMPERS, legislation which amends the Small Business Act to insure equitable treatment of all applicants who have applied for loans under the emergency disaster relief program of that act. This bill provides that any change in regulations affecting the disaster loan provisions of this act would not apply to applications for disaster loan assistance received before the effective date of the change.

Let me take a minute to tell my colleagues about the recent actions which have prompted me to introduce this bill. As many of you may know, much of the United States was stricken by a devastating drought last summer. Many of our Nation s farmers suffered significant losses from this drought. The Small Business Administration declared much of the Southern region of the country a disaster area and implemented a disaster relief program.

The deadline for disaster relief applications was February 18, 1981. Almost a month later, on March 11, after some loans had been approved and funded, the Office of Management and Budget instructed the Small Business Administration to withhold further funding for disaster loan applications not yet approved.

Subsequently, on March 19, a new set of regulations governing disaster loans was issued by the Small Business Administration. The new rules reduced the amounts of physical disaster loans to not more than 60 percent of verified loss, imposed a credit elsewhere test on business disaster loans and limited economic injury loans to $100,000.

Mr. President, farmers in Arkansas—the State most severely affected by last summer's drought—as well as farmers in other affected States were caught completely by surprise since they had virtually been assured that this money would be forthcoming as a source of capital for planting this year's crop.

These farmers had met SBA's deadlines, filed their applications in good faith and were assured by everyone they talked to, including local SBA officials, that although approvals and funding might be a slow process, the money would eventually be forthcoming to fund approved loans.

These farmers had evidently read the same SBA literature that I had on the program. Nowhere could I find it written that the loans would be disbursed on a "first-come, first-served basis" as is the case with these loans.

The lack of employees to process the applications in a timely manner was not the fault of the farmers and yet they are being penalized for this, I am afraid.

Mr. President, in introducing this amendment I do not intend to argue the pros and cons of these new regulations, but rather point to the injustice done many farmers nationwide when the rules are changed in the middle of the game.

I have talked with many farmers lately who are in limbo about their future. Even if they should qualify for funding, they are not at all sure that the 60 percent will be enough to carry them through the year. Some who had arranged for temporary bridge loans at high interest rates to see them through until their SBA loan was approved, now

find themselves unable to pay this loan back and still unable to plant a crop.

Mr. President, 16,000 farmers may seem like a minute number of people to help. But, Mr. President, I am not sure just how often this country can afford to turn their backs on the small farmers. Someday there will not be 16,000 farmers left in this country to raise the food and fiber upon which we depend.

Mr. President, I urge quick action on this bill.●

By Mr. BAUCUS (for himself and Mr. TSONGAS):

S. 866. A bill to improve congressional oversight of Federal programs and activities by requiring greater specificity in setting program objectives, by requiring continuing information on the extent to which programs are achieving their stated objectives, by requiring periodic review of new authorizations of budget authority and tax expenditures, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

LEGISLATIVE OVERSIGHT ACT OF 1981

● Mr. BAUCUS. Mr. President, it is clear that this Congress will be judged by its ability to reform the complicated and, in many cases, unresponsive Federal bureaucracy. Citizens in my State of Montana and across the country are bewildered, frustrated, and just plain angry with the Federal Government. They have found it to be cumbersome, insensitive to their needs, and unable to respond to problems that often demand immediate attention.

I ran for the Senate in part because I believe the Federal Government can be reformed—that it can perform its essential functions without intruding upon the lives of citizens and the prerogatives of States. We must—and we can—abolish outdated agencies, eliminate excessive and anticompetitive regulations, reduce bureaucratic redtape, and design responsive programs.

To accomplish this critical task, Congress must focus more attention on its oversight responsibilities. In the past couple of years, there has been a flurry of congressional oversight activity. The last Congress saw several dozen oversight bills and hundreds of investigations. On the surface, it appears that the 96th Congress lived up to its billing as "the oversight Congress."

However, we must look beyond the impressive numbers, the raw statistics of oversight. We need to examine the quality of oversight, not merely its quantity. We must decide what we expect to accomplish in the conduct of oversight and how we are to judge our successes and failures.

In the 97th Congress, we will consider a variety of proposals to harness the Federal bureaucracy. Indeed, we could become the "regulatory reform Congress" if we seize this important opportunity.

We will consider some version of sunset—the notion that agencies and their programs will automatically cease to exist unless renewed by Congress.

We will examine the legislative veto—which would permit Congress to overturn specific agency regulations.

We will evaluate the requirement for regulatory analysis—a procedure which would force agencies to justify their regulations in public.

Properly drafted, all these regulatory reform proposals have merit. But, I fear they will not accomplish their ambitious goals. They share a common weakness in that they do not establish specific performance standards for the agencies. This is the problem I seek to correct with sunrise legislation.

Sunrise is relatively simple to implement and monitor. Under my legislation, cosponsored by Senator TSONGAS, proposals for new budget authority and new or increased tax expenditures would have to be accompanied by a statement of the planned objectives and annual accomplishments of the proposal. In addition, each agency administering such a program would have to supply an annual report indicating whether the agency is meeting its objectives.

In preparing the annual report, each agency would be required to emphasize the costs and accomplishments of its program, comparing its achievements with those of similar programs in and out of the Federal Government.

To assist agencies in preparing reports required by the act, the Comptroller General would compile a catalog of interrelated Federal programs—comparing costs, examining duplication, and identifying obsolescence.

Finally, the bill specifies that no agency authorization—for new budget or spending authority or new tax expenditures—may be for a period exceeding 5 years.

I urge my colleagues to join with me in support of this needed aspect of regulatory reform.●

By Mr. MOYNIHAN:

S. 867. A bill to amend the Internal Revenue Code with respect to the tax treatment of Americans abroad; to the Committee on Finance.

EXPATRIATES' TAX ACT OF 1981

● Mr. MOYNIHAN. Mr. President, the bill I am introducing today is the "Expatriates' Tax Act of 1981." It would cut taxes for Americans working abroad.

Today, an American citizen living in another country must pay taxes both to his country of residence and to the United States. We give him credit, to be sure, for most—but not all—of the taxes he pays to other countries. But we are the only OECD nation that insists that all of its citizens pay tax, wherever they reside. We are the only OECD nation whose citizens are subject to some double taxation. British, West German, French, and Japanese citizens are not.

Studies suggest that this practice depresses U.S. exports. Chase econometrics estimated last year that potential exports from the United States have been reduced by 5 percent, a figure that is disputed by economists at the Treasury Department.

But the debate about exports misses the essential point. The point is our tax laws are unfair. An American who lives abroad derives some benefit from his citizenship. But he does not make the same use of the Federal Government and of its services as a citizen who lives in this country; therefore, he should not have to pay as much in tax.

My bill provides an "80-percent exclusion;" 80 percent of an expatriate's income would be free from U.S. tax. The other 20 percent that is taxed would be taxed at low rates, as if that were the individual's entire income.

The bill applies only to income from foreign sources. But all income—including pensions—is covered, not just "earned income" as in other proposals.

To qualify for the exclusion, an American must be a "bona fide resident" of a foreign country, or he must have spent at least 330 full days abroad during a 12-month period.

Those are the essential provisions. There are details that I should mention. First, a taxpayer would be denied tax credits and ordinary deductions that should be charged against the income that is excluded. That means, for example, that a taxpayer could not claim all of his foreign tax credits; 80 percent of them are due to income that the United States does not tax.

But the exclusion would be optional. An American living in Sweden who decides he would be better off with a full foreign tax credit and no exclusion would be free to ignore the exclusion. He may save taxes by doing so.

Second, the bill does not apply to military men, foreign service officers, Peace Corps volunteers and other Federal workers. I gave this considerable thought, but decided that one cannot say about a soldier in Greece, for example, that he is not using the Federal Government to the extent that he would here. The Army base in Greece is indistinguishable from Army bases in North Carolina and Texas.

In addition, Government workers are not "expatriates." And there is a long history of treating them differently. Their overseas allowances are exempted from tax under section 912 of the Code. My bill would retain that section.

Third, the bill would take effect in 1981.

Mine is not the only bill on this subject. The Finance Committee voted last August to let any expatriate exclude his first $50,000 each year from tax. The $50,000 must be "earned income" and it must be from "export-related services," or the individual must live in a developing country.

But my bill has two virtues that the others do not. It is simple. There is no distinction between "earned" and "unearned" income. There is no need to figure out what the taxpayer does for a living or where he lives.

Also, some bills would let taxpayers choose either a flat dollar exclusion or a series of hardship allowances found in the tax laws under section 913. I would offer everyone an 80-percent exclusion and repeal section 913.

Another virtue: with my bill, Congress need not come back periodically and make adjustments for inflation. An 80-percent exclusion adjusts itself. Not so with a flat dollar exclusion: if inflation

is just 8 percent a year, $50,000 3 years from now will be worth only $39,691.

Obviously, this is important to the expatriate. It is also important to Congress, because it takes time to reopen each Code provision and debate about whether to amend it.

That is my bill.

Mr. President, I ask unanimous consent that the text of it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 867

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Expatriates' Tax Act of 1981".

SEC. 2. PARTIAL EXCLUSION FOR INCOME FROM SOURCES OUTSIDE THE UNITED STATES.

(a) IN GENERAL. Section 911 of the Internal Revenue Code of 1954 (relating to income earned by individuals in certain camps) is amended to read as follows—

"SEC. 911. INCOME FROM SOURCES OUTSIDE THE UNITED STATES.

"(a) GENERAL RULE.—There shall be excluded from taxation under this subtitle 80 percent of the income that a U.S. citizen

"(1) receives from sources within a foreign country or countries

"(2) during the portion of the taxable year that he meets the eligibility requirements of subsection (b).

"(b) ELIGIBILITY.—A U.S. citizen is eligible for the exclusion if

"(1) he establishes to the satisfaction of the Secretary that he is a bona fide resident of a foreign country, or

"(2) during any period of 12 consecutive months, he is outside the United States, its possessions and territories for at least 330 full days.

"(3) LIMITED WAIVER.—If, in the opinion of the Secretary,

"(i) a U.S. citizen is forced by war, civil unrest or similar conditions to return to the United States before he has met the requirements of this subsection, and

"(ii) the citizen could reasonably have been expected to have met those requirements,

then he shall be eligible for the exclusion for the period during which he was abroad.

"(c) EXCLUSION DOES NOT APPLY TO U.S. GOVERNMENT EMPLOYEES.—This section does not apply to income that is paid by the United States or any agency thereof to military or civilian officers or employees of the United States, or for service as a Peace Corps volunteer or volunteer leader.

"(d) DEDUCTIONS AND CREDITS DISALLOWED.—No deduction or credit against tax shall be allowed to the extent that it is properly allocable to income that has been excluded from tax under this section.

"(e) EXCLUSION OPTIONAL.—A U.S. citizen may elect to ignore the exclusion and to pay tax in any year as if there were no exclusion. The election shall be made in such manner as the Secretary may prescribe by regulation."

(b) CONFORMING AMENDMENTS.

(1) Section 7701(a) of the Internal Revenue Code (relating to definitions) as amended by adding a new paragraph at the end—

"(38) EARNED INCOME.—The term 'earned income' means wages, salaries or professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 30 percent of his share of the net profits of such trade or business, shall be considered as earned income."

(2) Sections 37(e)(9)(B), 63(e)(2), 105(h)(3)(B)(v), 879(a)(1), 1303(c)(2), 1304(c)(3), and 1348(b)(1)(A) are amended by striking out "section 911(b)" and inserting in lieu thereof "section 7701(a)(38)".

(c) CLERICAL AMENDMENTS.

(1) The table of sections for subpart B of part III of subchapter N of chapter I of such Code is amended by striking out the item relating to section 911 and inserting in lieu thereof the following:

"Sec. 911. Income from sources outside the United States."

(2) Section 43(c)(1)(C)(i) is amended by striking out "relating to income earned by individuals in certain camps outside the United States" and inserting in lieu thereof "relating to income from sources outside the United States".

(3) Sections 1302(b)(2)(A)(i), 1304(b)(1), 1402(a)(8), 6012(c), and 6091(b)(1)(B)(iii) are each amended by striking out "relating to income earned by employees in certain camps" and inserting in lieu thereof "relating to income from outside the United States".

SEC. 3. REPEAL OF DEDUCTION FOR CERTAIN EXPENSES OF LIVING ABROAD.

(a) IN GENERAL. Section 913 of such Code (relating to deduction for certain expenses of living abroad) is hereby repealed.

(b) CLERICAL AMENDMENTS.

(1) The table of sections for subpart B of part III of subchapter N of chapter 1 is amended by striking out the item relating to section 913.

(2) Section 43(c)(1) is amended, by striking out ", 913," as it appears in the title, by inserting "or" after the comma at the end of subparagraph (i), and by striking out subparagraph (ii).

(3) Section 6091(b)(1)(B)(iii) is amended by striking out "section 913 (relating to deduction for certain expenses of living abroad),".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1980.●

By Mr. HEINZ (for himself, Mr. GARN, Mr. INOUYE, Mr. WILLIAMS, Mr. CRANSTON, and Mr. TSONGAS):

S. 868. A bill to amend the Export-Import Bank Act of 1945 to authorize the Bank to engage in the use of extraordinary measures of export finance to counter and ultimately discourage the use of such measures by other major trading countries; to the Committee on Banking, Housing, and Urban Affairs.

COMPETITIVE EXPORT FINANCING ACT OF 1981

● Mr. HEINZ. Mr. President, financing is a vital part of any national export strategy. Particularly in the developing world, which receives 40 percent of our exports, financing has become a more critical factor in securing a sale than price, quality, and reliability of delivery.

The multilateral trade negotiations, concluded in 1979, have increased opportunities for U.S. exporters by clarifying the rules of the game which define and limit unfair trade competition. One major area of competition, however, remained outside the coverage of the Tokyo round of trade agreements. The United States did not attempt to have officially subsidized export credits included under the subsidies code, because it was claimed that such a subsidy was being handled within the OECD (organization for economic cooperation and development) export credit arrangement.

The arrangement, however, is little more than a gentlemen's agreement which has done little to restrain subsidies and predatory practices in export financing by our trade competitors. The current minimum rate of 7.75 percent is absurdly low in a period which the prime rate has been averaging 10 points higher. Still worse, the arrangement does not effectively cover the most predatory of all export credit practices, "mixed credits," which are a device through which foreign aid and export credits are combined to offer rates even lower than the minimum set in the arrangement. Countries such as Mexico and Argentina recently have been offered "mixed credits," so it would be difficult to argue that such credits serve a legitimate foreign aid function. Indeed, U.S. law expressly forbids this practice. Yet, it is an increasingly popular credit package among OECD exporters—particularly the French.

For 3 years the U.S. Government has been trying to negotiate a new, more sensible and workable international arrangement on officially supported export credits. And for 3 years our good faith efforts have been rebuffed.

In 1980 the issue of subsidized export credits was raised repeatedly in international forums by the Secretary of State and the Treasury Secretary. Finally, at the July economic summit conference in Venice, President Carter was able to obtain a commitment from his counterparts to satisfactorily resolve the question by the end of the year. Regrettably, that promise proved empty, as the December OECD conference on official export credits broke up with no progress whatsoever having been made.

The European Community under the Treaty of Rome is bound to speak with one voice on all trade issues when negotiating with nonmembers of the EC. But since all decisions within the EC must be reached by consensus, any obstinate member can exercise a veto over EC negotiating positions. Historically, on the issue of export credits, the French have exercised the veto. That was the case in December, as a French hard line against any sort of a comprehensive new arrangement prevailed.

Particularly when viewed from the perspective of the Venice summit commitment to resolve the issue, the OECD talks were a tremendous disappointment. The interest rate floor remains at 7.75 percent, without even the modest increase to 8.55 percent, which was at one time a part of the EC proposal. There was no progress on the U.S. proposal to revise the guidelines on "mixed credits." There was not even a commitment to try

to resolve these issues at the next meeting in May.

I believe that our trade competitors—and the French Government in particular—have refused to reach an agreement to end the cutrate and cutthroat competition in the subsidized export credits because they have concluded that the United States is not serious about defending its legitimate interests in the international trade arena.

Mr. President, the bill I introduce today, together with Senators GARN INOUYE, WILLIAMS, and CRANSTON, will provide Eximbank with resources to meet the predatory export credit subsidies of our foreign competitors. The $1 billion authorized for the purpose of meeting such competition should serve to disabuse our trade competitors of any illusions they hold about our seriousness.

I am sure that I speak for my colleagues when I say we would prefer to see a firm, workable international agreement to end unfair official export credit subsidies. And that is our purpose.

Mr. President, this bill is designed to foster negotiations. It would not take effect for 1 year after adoption, and the effective date could be postponed another 6 months if the President determines that an effective international agreement is near conclusion.

As I said in a recent letter to the President:

> The $1 billion authorized by this bill would be a dramatic signal to our export competitors that we are dead serious when we say that we want to end predatory financing once and for all. I would hope . . . that our allies—particularly the French—would see the logic and advantage of reaching a firm, workable agreement to end wasteful export credit subsidies. But I firmly believe that the best way to convince them of our seriousness is not with more rhetoric but with action—by putting subsidy money into our own export credit program if no agreement is reached. In other words, the best way to bring peace to the export credit arena is by making clear our willingness to wage an export credit war as the alternative to an agreement.

Mr. President, I sincerely hope this bill achieves its objective. There is really no justification for the current cutthroat and cut-rate competition in export credit subsidies. It is foolish. It is destructive of trust and amity among trading partners. Yet it persists. Hopefully, the message of this legislation will be heard abroad: That Congress is unwilling to accept continued foot-dragging and obstructionism on the part of our trade competitors, that now is the time for serious negotiations.

Mr. President, I ask unanimous consent that my letter to the President, the bill, and the section-by-section analysis be printed in the RECORD.

There being no objection, the bill, the section-by-section analysis, and the letter were ordered to be printed in the RECORD, as follows:

S. 868

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Competitive Export Financing Act of 1981".

SEC. 2. (a) The Congress hereby finds that—

(1) there is a growing tendency by the major trading partners of the United States to resort to the use of predatory financing arrangements to gain competitive advantage for their exporters;

(2) other major trading countries have been unwilling to negotiate an end to such practices and have rejected a series of United States proposals to strengthen provisions of the International Arrangements on Export Credits; and

(3) as a consequence of the unsuccessful conclusion of the export credit negotiations within the Organization for Economic Cooperation and Development in December 1980, measures to strengthen programs of the Export-Import Bank of the United States are required to insure continued United States export competitiveness and to bring other major trading countries back to the bargaining table for serious negotiations.

(b) It is the purpose of this Act to provide the authority for the Export-Import Bank of the United States to engage in the use of extraordinary measures of export finance to counter and ultimately discourage the use of such measures by other major trading countries.

SEC. 3. Section 2(b)(1)(A) of the Export-Import Bank Act of 1945 is amended by inserting after the third sentence thereof the following: "The Bank shall provide programs of export finance which are comparable in structure to those extraordinary official export credit measures offered by the principal countries whose exporters compete with United States exporters. Pursuant to such programs, the Bank shall offer export credit on rates, terms, and conditions competitive with those offered by other major trading countries. The Bank, at its discretion, shall use such programs to meet foreign official export credit competition until such time as the use of extraordinary measures of official export credit financing is proscribed in international agreements to which the United States is a party. For the purpose of this subsection, the term 'extraordinary measures of official export credit financing' shall include, but not necessarily be limited to, programs of highly concessional mixed credits, local cost financing, foreign currency financing, and lines of credit arrangements.".

SEC. 4. (a) There are authorized to be appropriated without fiscal year limitation, not to exceed $1,000,000,000 to achieve the purposes of the amendment made by section 3 of this Act.

(b) Within sixty days after section 3 of this Act becomes effective, and annually thereafter, the Export-Import Bank of the United States shall report to the Congress as to whether any additional appropriations or increases in overall commitment authority or annual ceiling levels are necessary to achieve the purposes of the Act.

SEC. 5. Section 3 shall take effect twelve months after the date of enactment of the Act. The President may defer the effective date of section 3 for an additional period of not to exceed six months if (1) he determines that international agreements have or will be concluded which put United States and foreign exporters in a substantially equal competitive position with respect to official export finance, and (2) he reports to Congress prior to and following such deferral period as to progress achieved in negotiating an end to predatory export financing.

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the legislation may be cited as the Competitive Export Financing Act of 1981.

Section 2 contains Congressional findings concerning the use by foreign governments of predatory financing practices, the failure of negotiations to limit such practices, and the need to strengthen the programs of the Export-Import Bank to insure continued U.S. export competitiveness. Section 2 further states the purposes of the Act to be to authorize the Bank to use extraordinary export finance measure to counter and ultimately to discourage the use of such measures by other countries.

Section 3 would amend the Export-Import Bank Act to require the Bank to provide export finance programs comparable in structure and competitive in other respects to the extraordinary official export credit measures offered by foreign competitor countries. The Bank would be authorized, at its discretion, to use such programs to meet extraordinary measures of official export credit financing, including, but not limited to, programs of highly concessional mixed credits, local costs financing, foreign currency financing and lines of credit, until the use of such financing is proscribed in international agreements to which the United States is a party.

Section 4 would authorize an appropriation of $1 billion to the Bank to achieve the purposes of section 3, and would require the Bank to report annually to Congress on the need for appropriations or increases in authority in order to achieve the purposes of the Act.

Section 5 provides that section 3 would take effect 12 months after enactment of this Act unless the President deferred the effective date an additional 6 months by determining that international agreements have or will be concluded which put U.S. and foreign exporters in a substantially equal competitive position with respect to official export finance, and reporting to Congress prior to and following such deferral period as to progress achieving in negotiating an end to predatory export financing.

U.S. SENATE,
Washington, D.C., March 19, 1981.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: While I support the economic program you submitted to Congress, I believe it is important that the full consequences of the proposed budget cuts be clearly understood so that other appropriate actions can be taken. One cut which particularly concerns me is the proposed reduction in the direct credit authority of the Export-Import Bank, although I believe there are a number of ways in which we can ameliorate the consequences of that proposal.

The importance of exports in improving our national economic picture is often ignored in policy discussions, and therefore it would be useful to review a few key facts.

We can point with pride to the fact that U.S. merchandise exports have grown twice as fast as the gross national product since 1972. As a result, the ratio of exports to GNP rose from 4.2 percent in 1972 to 7.5 percent in 1979. U.S. imports grew equally as fast, however, increasing in importance relative to GNP from 5.1 percent to 8.7 percent in the same years. Because imports have expanded since 1972 from a higher base than exports, the trade deficit has expanded sharply, with an aggregate deficit over the past five years exceeding $110 billion.

Our nation can ill-afford to relent in the fierce competition for international market share. During the decade of the 1970's, our share of world industrial exports (outside the U.S.) declined from over 21 percent to 17.5 percent. This was the most serious loss for any major industrial exporter, including the United Kingdom.

While Export-Import Bank financing is used in only 7 percent of our exports (compared to 35 percent for the Japanese and 29 percent for the French official export credit facilities), it can be critical in protecting our basic comparative advantage and market position in key high technology industries. Currently, the United States is losing significant numbers of exports to foreign subsidized industries, including aerospace, nu-

clear and conventional power generators, and machine tools. Particularly in the developing world, which received 40 percent of our exports, financing has become a more critical factor in securing a sale than price, quality, and reliability of delivery.

I am concerned, therefore, that inadequate credit limits for the Export-Import Bank over the next few years will do irreparable harm to the competitiveness of key U.S. industries. Since the Eximbank's credit restraint is not likely to be shared by our trade competitors, a number of consequences can be expected.

In order to take advantage of foreign export credit support, U.S. companies are likely to adopt one or more of the following strategies: (1) a shift to foreign procurement for major components of large capital goods; (2) long-term, off-shore subcontractor relationships, particularly in the case of airframe and aircraft engine manufacturers, and, (3) a shift to off-shore facilities for entire projects, which many multinational manufacturing and construction companies already have and more are likely to acquire.

What these likely corporate strategies add up to is a significant loss of U.S. jobs and tax revenue. Ironically, although large corporations are recipients of the majority of Eximbank support, it is the smaller U.S. subcontractors who are likely to be hurt the most. Boeing, for example, placed nearly $6 billion in subcontracts for parts and equipment to 3500 subcontractors and suppliers in 44 states during 1979. Approximately $3 billion of those purchases were for foreign aircraft sales.

The Congressional Budget Office has estimated that every $1 billion in export sales generates 40,000 to 50,000 jobs. The complement to that calculation is that every 50,000 unemployed Americans costs the Treasury $1 billion in lost revenue and transfer payments.

The French Government understands those calculations only too well. The OECD has estimated that France committed $2.34 billion to export credit subsidies in 1980.

Since 1978 the United States Government has been negotiating within the OECD to reach a multilateral agreement to end the cut-rate and cutthroat competition in officially-subsidized export credits. The aim has been to set new market-related minimum interest rates for government-supported export credits and to limit predatory export financing practices.

In 1980, that effort nearly bore fruit: every OECD country except France was ready to agree to a major strengthening of the International Arrangement on Export Credits in a way which would sharply reduce export subsidies. Unfortunately, the structure of the European Community enabled France alone to block such a step.

Mr. President, export credit subsidies are a wasteful burden on taxpayers in all major nations. We should be continuing our efforts to reach an international agreement to that end. But we need leverage to achieve that objective. To reduce Eximbank credits at this time, without some other compensatory action on our part, would be a signal to our foreign competitors that the United States is no longer serious about obtaining an international agreement and is not willing to press other countries, particularly France, on the point by matching their credit offers.

I would no more counsel unilateral disarmament as an approach to negotiating trade issues with our allies than I would recommend it for dealing with the Russians on global security; yet that is precisely what we are doing.

The OECD negotiations on export credit resume in May, and it is essential that we have the resources to maintain a strong position.

Bearing all these considerations in mind, including your credit limits for the Export-Import Bank, I would suggest the following strategy to strengthen the hand of our negotiating team:

(1) The United States Eximbank ought to pursue a strategy of derogating on term from the export credit Arrangement, with particular targeting on French export sales. The original Arrangement was basically a trade-off for the United States in which it gave up the advantage of its ability to finance long-term obligations in the U.S. bond market in return for a European and Japanese agreement to set minimum interest rates at a reasonable level; that is, not to subsidize. Obviously, the non-subsidy floor of 7.75 percent in 1976 is no longer a non-subsidy in 1981. In the meantime, the U.S. has maintained its export credit maturities at 10 years. One vehicle to get leverage, therefore would be to derogate and extend maturity on a selected basis on export cases where we are in competition with the French.

We also ought to try, to the degree possible, to concentrate available Exim credit to cases where we are in direct competition with the French. Both of these measures are designed to put significant pressure on the French, with the view of getting them to agree to reducing export credit subsidies.

(2) During the recently concluded Tokyo Round of Multilateral Trade Negotiations, the United States did not attempt to have officially-subsidized export credits included under the Subsidies Code, because it was claimed that such a subsidy was being handled within the OECD export credit Arrangement. However, with the failure of the European Community—particularly the French—to bargain in good faith on this issue, I believe a strong case should be made that subsidized official exports credits are an unfair trade practice that adversely affects us in third markets and that our government should seriously consider bringing a case against the offending parties, particularly the French, pursuant to Articles XXII and XXIII of the GATT and Section 301 of the Trade Act of 1974 as amended by the Trade Agreement Act of 1979.

(3) On March 26 I intend to introduce the Competitive Export Financing Act of 1981 which would authorize the appropriation of a special billion dollar contingency fund to be available for the Export-Import Bank's use in matching predatory export credit offers by U.S. trade competitors if no international agreement barring subsidy financing is reached within one year. The effective date could be further postponed another six months if the President determines that an effective international agreement is near conclusion.

The $1 billion authorized by this bill would be a dramatic signal to our export competitors that we are dead serious when we say that we want to end predatory financing once and for all. I would hope that this money will never have to be appropriated, that our allies—particularly the French—would see the logic and advantage of reaching a firm, workable agreement to end wasteful export credit subsidies. But I firmly believe that the best way to convince them of our seriousness is not with more rhetoric but with action—by putting subsidy money into our own export credit progam if no agreement is reached. In other words, the best way to bring peace to the export credit arena is by making clear our willingness to wage an export credit war as the alternative to an agreement.

Mr. President, I sympathize with your desire to cut the budget and to reduce the level of federal borrowing. But, I also believe that exports are simply too important to the U.S. economy to be left exposed to predatory financing ploys by our trade competitors. To reduce Eximbank's credit limit without also taking steps to induce our trade competitors to do likewise would be counterproductive to the long-range goals of employment and balanced growth for our economy which we both share.

I urge you to endorse the strategy I have suggested. I stand ready to assist you in every possible way to insure that your trade policy, as well as your economic policy, is a success.

Sincerely,

JOHN HEINZ.●

By Mr. DODD:

S. 869. A bill to place restrictions on military assistance and sales to El Salvador; to the Committee on Foreign Relations.

EL SALVADOR ASSISTANCE ACT OF 1981

● Mr. DODD. Mr. President, I introduce today a bill to place restrictions on military assistance and sales to El Salvador. I am concerned that our policy toward this nation has been cast heavily in terms of Soviet-American relations rather than in terms of the future course of El Salvador itself.

Under this legislation, U.S. military assistance and military advisers would be continued only if the President were to certify that five conditions are met. The bill requires the President to certify that the Salvadoran Government:

First, is not engaged in a consistent pattern of gross violations of internationally recognized human rights;

Second, has achieved substantial control over its own security forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

Third, is making continued progress in implementing essential economic and political reforms, including the land reform program;

Fourth, is committed to the holding of free elections at an early date; and

Fifth, has demonstrated its willingness to negotiate an equitable political resolution of the conflict with opposition groups.

I believe that much of the concern voiced by the American people about our involvement in El Salvador stems from its elevation to extraordinary prominence as a crisis before we have either a Latin America policy or a full team of sub-Cabinet leadership at the State Department.

I support the effort to restrict and eventually halt the flow of arms from the Soviet Union and Cuba to El Salvador. But external intervention is only part of the problem. The other part is the future of El Salvador, both as a nation and as a Central American neighbor of the United States.

The bill I introduce today addresses the latter question. I believe that Americans are concerned about human rights and the behavior of security forces in El Salvador. They care about social and economic reform and about sincere pursuit of political negotiations. They want to know that our involvement is as much directed toward the internal improvement of life in El Salvador as it is toward keeping out Soviet and Cuban influence.

Mr. President, I believe that the certifications required by this bill are consistent with policy statements offered by the Reagan administration. The mail I receive and the people I speak with con-

vince me that these points must be explicitly stated. As we work with the Duarte government, both the American people and the people of El Salvador will be the better for the understanding made clear in this resolution. These five points are a fair contract setting forth our terms of involvement.

With certification on these five points, we can pursue our assistance to El Salvador with the confidence that our intents are explicit. Without certification the legitimacy of U.S. assistance is in question, and deserves review by the Congress. If El Salvador is to be a symbol preceeding the fleshing-out of the Reagan foreign policy, it should be a clear and well-perceived symbol, worthy of our support.●

By Mr. STEVENS (for himself and Mr. MURKOWSKI):

S. 870. A bill to amend the Alaska Railroad Act to direct the Secretary of Transportation to sell the Yukon River barge service to the city of Nenana, Alaska; to the Committee on Commerce, Science, and Transportation.

ALASKA RAILROAD ACT AMENDMENT

Mr. STEVENS. Mr. President, I send to the desk a bill amending the Alaska Railroad Act to facilitate sale of the Alaska Railroad's barge service to the City of Nenana, Alaska.

This bill is necessary to implement a July 1980 decision of the Federal Railroad Administration (FRA) which directed the Alaska Railroad (ARR) to dispose of its barge fleet on the Yukon and Tanana Rivers. The Federal Railroad Administration, the Alaska Railroad, and the State of Alaska all support this legislation. The barge line supplies critical transportation service to this remote region of Alaska, and prompt consideration is necessary so that there is no interruption of service this spring. This legislation will also help to insure the city's ability to receive the necessary "Certificate of Convenience and Necessity" from the ICC.

Mr. President, this bill impacts an isolated part of the country, but in a big way. This measure is of primary importance to the people of the Tanana and Yukon River basins because there are no other freight services available to them.

I urge the prompt consideration of this legislation.

By Mr. COCHRAN:

S. 871. A bill to simplify trade procedures regarding sales of U.S. products abroad, and for other purposes; to the Committee on the Judiciary.

TRADE PROCEDURES SIMPLIFICATION ACT OF 1981

o Mr. COCHRAN. Mr. President, with our Nation's trade deficit hovering in recent years near the $30 billion mark, it is imperative that we seize upon every opportunity to encourage more American businesses to export. Exports are a vital part of our American economy, but we are falling further and further behind in our efforts to compete for profits in foreign markets.

Even though the United States remains the world's largest trading nation, with combined imports and exports of almost $394 billion in 1979, our share of the growing world trade market is declining annually. Only 10 percent of 250,000 American manufacturers currently export. Less than 1 percent of these firms control 80 percent of the export market. This leaves a tremendous untapped export potential made up of medium- and small-sized companies, many of which are deterred by Government obstacles to foreign trade. The Federal Government ought to be trying to help those who want to sell goods overseas rather than frustrating their efforts through confusing Government regulations. Especially during this time of high unemployment, we need to explore every alternative to increase job opportunities. Additional exports offer us such an opportunity; for each $1 billion in new exports, about 40,000 jobs are created.

Without question, the United States can increase its share of the export market through increased participation by small- and medium-sized businesses. To encourage them to venture into the export sector, the Federal Government must provide firm and precise guidelines as to what is and is not permitted in terms of economic activity overseas.

In past years, the application of antitrust laws to exporters has in many instances acted as an export barrier. One of the most consistent criticisms has been that no real guidelines exist to inform businesses of what is and is not permitted in the export sector.

To this end, I am introducing today the Trade Procedures Simplification Act of 1981. This bill is designed to help remove the uncertainty and confusion generated by extraterritorial application of our antitrust laws.

The lack of information about permissible export activity has discouraged many small businesses from getting into the export business. The basic aim of the Trade Procedures Simplification Act of 1981 is to encourage the issuance of comprehensive directions by the Department of Justice indicating its enforcement intentions concerning broad areas of export activity, keyed to specific product sectors and country markets. These disclosures would be available upon petition, and prosecution of those exporters who are conducting business in reliance on such directions would be prohibited. In addition, the Department of Commerce would provide legal assistance, for a reasonable fee, to smaller companies wishing to petition the Justice Department for such directions.

To insure business compliance with the directions, the Attorney General may seek an injunction when he determines that the exporter is acting outside the scope of the directions, when circumstances under which the directions were issued have substantially changed, or when he determines that the directions were issued upon inaccurate or fraudulent information. Congressional oversight is insured by requiring the Justice and Commerce Departments to report annually to Congress on all actions taken pursuant to this act as well as problems and suggested improvements in its operation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Procedures Simplification Act of 1981."

FINDING AND CONCLUSIONS

SEC. 2. (a) The Congress finds that—

(1) the unpredictable and conflicting nature of antitrust enforcement and interpretation by United States agencies has caused unnecessary confusion among exporters as to the scope of legitimate overseas activities;

(2) the antitrust laws relating to export sales are extremely complex; yet most small- and medium-sized companies likely to export do not as a practical matter have access to specialized legal advice in this area;

(3) the application of antitrust laws to exporting activities does not reflect critical differences in competitive conditions among various country markets for different products;

(4) the extension of court-made rules developed in the context of domestic commerce to overseas activities does not always reflect the intent of antitrust legislation, and needlessly inhibits legitimate needed export sales; and

(5) United States agencies applying antitrust laws to export sales do not sufficiently coordinate interpretation and enforcement practices among themselves, or with other agencies responsible for foreign policy, international trade policy, export promotion, and international monetary policy.

(b) The Congress concludes that—

(1) exporters should not be subject to conflicting demands by diverse United States agencies applying antitrust laws extraterritorially;

(2) United States agencies enforcing antitrust laws should help reduce uncertainty by informing small- and medium-sized companies in a clear, direct, and inexpensive manner, of conduct and structural arrangements which will not be subject to antitrust prosecutions if associated with the export of particular products or services to specific country markets during specified time periods;

(3) legal interpretations and enforcement practices associated with the application of antitrust laws to export activities, as well as the economic consequences of such interpretations and practices, should be communicated to Congress and the public in a timely and effective manner;

(4) conduct and structural arrangements of United States exporters which materially expand overseas sales should be permitted: *Provided,* That they do not have a substantial negative impact on our commerce with foreign nations or otherwise conflict with basic substantive principles and objectives of existing antitrust laws; and

(5) legal interpretations and enforcement practices associated with the application of antitrust laws to export activities should be developed in concordance with considerations underlying foreign relations, international trade and monetary policy, national security, and export promotion.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "structural arrangement" means a situation or course of action that affects the pattern of ownership or control in industry.

(2) The term "conduct" means a practice that may affect domestic competition but does not directly affect the structure of ownership or control in industry.

(3) The term "disclosure" means a statement published by the Attorney General or the Assistant Attorney General for the antitrust division under section 5(a) describing conduct and structural arrangements relating to export sales that will not be subject to criminal or civil prosecution under the antitrust laws.

(4) The term "antitrust laws" means the Sherman Act, the Federal Trade Commission Act, the Clayton Act, and any other Acts in pari materia.

STUDIES BY ATTORNEY GENERAL

SEC. 4. (a) The Attorney General, in consultation with the Secretary of Commerce and the heads of other United States agencies with enforcement responsibility under the antitrust laws, shall conduct studies to determine whether—

(1) the conduct and structural arrangements employed in various countries by various types and sizes of United States businesses to expand exports conflict significantly with basic antitrust principles; and

(2) a more liberal enforcement policy for overseas activities than would be appropriate for domestic transactions would impede thorough implementation of the legislative intent of the antitrust laws.

(b) On the basis of studies carried out under subsection (a), or other information available to the Department of Justice, the Attorney General shall identify conduct and structural arrangements associated with particular types of export sales which the Attorney General determines would not warrant criminal or civil prosecution under the antitrust laws by the Department of Justice.

(c) The initial studies made under subsection (a) shall be completed within one year after the date of enactment of this Act and shall be updated annually.

PROCEDURES

SEC. 5. (a) The Attorney General shall—

(1) publish a description of conduct and structural arrangements identified pursuant to section 4(b) as not meriting criminal or civil prosecution under the antitrust laws and shall make the published description available to all potentially interested exporters; and

(2) establish procedures to assure a prompt response to—

(A) petitions from individual exporters or classes of exporters for the issuance of descriptions under paragraph (1); and

(B) petitions from an individual exporter or group of exporters for the issuance of a statement of civil and criminal enforcement intentions concerning specific conduct in which the petitioner proposes to engage, or structural arrangements the petitioner proposes to establish, in connection with exports.

(b) The Secretary of Commerce may intervene at any time to request that the Attorney General publish a description under subsection (a)(1) with respect to conduct or structural arrangements or to reconsider a description published under such subsection. Within thirty days after receiving such a request from the Secretary, the Attorney General shall take whatever action he determines to be appropriate with respect to the request and inform the Secretary of the determination and action taken. The action of the Attorney General shall be final and shall not be subject to judicial review.

(c) The Attorney General shall establish appropriate forms and procedures for the purpose of—

(1) communicating disclosures issued under subsection (a) to affected parties;

(2) informing exporters of specific actions they must take to obtain disclosures pursuant to subsection (a), or to be deemed covered by disclosures made pursuant to subsection (a)(2);

(3) determining actions exporters have taken in reliance on such descriptions; and

(4) identifying problems associated with discharging the evaluation, disclosure, and monitoring functions authorized under this Act.

(d) Upon request, the Secretary of Commerce may, on a reimbursement basis, provide legal assistance to existing and potential exporters who are unable to obtain specialized antitrust counsel. Such assistance shall be limited to assistance in obtaining enforcement intention disclosures provided for under subsection (a)(2).

(e) Agency proceedings and agency actions (as defined in paragraphs (12) and (13), respectively, of section 551 of title 5, United States Code) under this Act shall not be subject to subchapter II of chapter 5 of title 5, United States Code (other than sections 552, 552a, and 552b).

COMPLIANCE BY EXPORTERS

SEC. 6. (a) Notwithstanding any other provision of law, an exporter shall not be subject to civil or criminal prosecution under the antitrust laws by any Federal agency if—

(1) the exporter, or group of exporters, notifies the Attorney General, pursuant to procedures established under section 5(c)(2), that the exporter or group intends to engage in conduct or to establish structural arrangements which have been designated by the Attorney General as conduct or structural arrangements not subject to civil or criminal prosecution under the antitrust laws, and the Attorney General does not object to the proposed conduct or arrangement within thirty days and inform such exporter, or group of exporters, of the specific reasons why the proposed conduct and structural arrangements are not covered by disclosures made pursuant to section 5(a); or

(2) the exporter requests a statement of civil and criminal enforcement intentions concerning a particular transaction pursuant to section 5(a)(2)(B), and within sixty days after the date of the request—

(A) receives an approval from the Attorney General, or

(B) does not receive an objection in writing from the Attorney General to the transaction setting forth the specific reasons why the transaction is in conflict with specific provisions of the antitrust laws.

(b) Whenever the Attorney General objects to proposed conduct or structural arrangements under paragraph (1) or (2) of subsection (a)—

(1) the Attorney General shall notify the exporter or group of exporters of such objections within thirty days (sixty days in the case of a request described in paragraph (2) of such subsection) of receiving notification regarding the proposed conduct or structural arrangements and shall notify the exporter or group of exporters involved that they may request that a hearing be held on the objections to the proposed conduct or structural arrangement;

(2) the exporter or exporters involved shall notify the Attorney General within fifteen days after receiving the objections if they wish to have a hearing;

(3) the Attorney General shall conduct any such hearing within thirty days after the date on which the request for a hearing under paragraph (2) is received by the Department of Justice;

(4) such hearing shall continue for no more than thirty days; and

(5) the Attorney General shall make the disclosure determination within fifteen days after the completion of such hearing, notify the exporter or group of exporters of the determination, and publish the determination.

(c) A determination by the Attorney General under subsection (b) shall be final and shall not be subject to judicial review.

INJUNCTIONS

SEC. 7. The Attorney General may request any United States district court to issue an injunction regarding a disclosure under section 5(a)(2) of this Act, when the Attorney General determines that—

(1) the activity of the exporter or group of exporters is acting outside of the scope of the disclosure;

(2) the circumstances under which the disclosure was issued have substantially changed; or

(3) the disclosure was issued upon inaccurate or fraudulent information.

REPORTS AND DISCLOSURES

SEC. 8. On December 31 of each year, the Attorney General, the Secretary of Commerce, and the heads of other United States agencies directly affected by disclosures under this Act shall each file with the Congress, and make public, a detailed report of—

(1) all actions by the appropriate department or agency, or by other interested public and private parties, taken pursuant to this Act;

(2) any problems associated with the implementation of this Act;

(3) the specific plans of the appropriate department or agency to carry out its responsibilities (if any) under the Act in the next fiscal year; and

(4) any recommendations for amendment of this Act.

By Mr. CHAFEE (for himself, Mr. DOLE, Mr. HEINZ, and Mr. DANFORTH):

S. 872. A bill to amend title 38, United States Code, to extend the period of Vietnam-era veterans' eligibility for readjustment counseling and related mental health services; to the Committee on Veterans' Affairs.

VIETNAM VETERANS' READJUSTMENT COUNSELING LEGISLATION

Mr. CHAFEE. Mr. President, today, I am introducing a bill to extend the period of Vietnam veterans' eligibility for readjustment counseling and related mental health services.

The purpose of this legislation is simple. It extends, from September 30, 1981, to September 30, 1984, the eligibility for veterans who served on active duty during the Vietnam era to seek readjustment counseling. Thus, it represents a 3-year extension of this program.

In my judgment, there are a number of compelling reasons why this program should be extended beyond the current expiration date of September 1981:

Although this program was established on a trial basis under Public Law 96-22 in June 1979, many of the so-called storefront rehabilitative facilities have been in operation for less than 18 months, and have not yet been able to provide their unique services to troubled Vietnam-era veterans;

The posttraumatic stress syndrome, which this program is designed to address, can manifest itself as many as 10 years after combat experience, making it reasonable to extend this program approximately 10 years beyond May 1975, when the last combat soldier was withdrawn from Vietnam;

Funded at about $12 million per year, this program is one of the least expensive in the veterans' budget category;

In my State of Rhode Island, and elsewhere in the country, the Vietnam veterans' readjustment counseling program is one of the most popular and deserving programs now offered veterans of the Vietnam conflict; and

At a time when the military is plagued with manpower problems, and the All-Volunteer Force is facing increasing problems in getting the quantity and quality of recruits needed, it is essential that we meet our obligations to the last war's veterans as a symbol of this Nation's commitment to its soldiers, sailors, and airmen.

Mr. President, it is my understanding that the Senate Budget and Veterans' Affairs Committees have restored an estimated $25 million deleted from the administration's budget request specifically to insure that this program is extended 1 additional year beyond the September 1981 delimiting date. This is certainly welcome news. I believe my colleagues have acted with both wisdom and compassion on this matter.

Nonetheless, in my judgment, the Vietnam-era veterans' readjustment counseling program and the Vietnam veterans' centers provide a sufficiently important service to veterans of our longest and most controversial war that the program and the centers deserve additional time to accomplish their worthy purpose. I urge my colleagues to keep the faith with the tens of thousands of Vietnam veterans who suffered deep psychological wounds from their experience in the Vietnam war by extending the readjustment counseling program through September 1984.

BRIEF HISTORY OF PROGRAM

Mr. President, the Vietnam-era veterans' readjustment counseling program, also referred to as Operation Outreach, was brought into being under Public Law 96-22 in June 1979. This comprehensive piece of legislation included authority for the Veterans' Administration (VA) to provide readjustment counseling and related mental health services to any veteran who served on active duty during the Vietnam era—that is, between August 1964 and May 1975.

The purpose of the counseling program is to provide psychosocial readjustment counseling for Vietnam-era veterans. The counseling program, conducted from Vietnam vet centers, is primarily directed at Vietnam combat veterans, and represents an attempt to help the veteran reenter the society from which he or she has withdrawn.

Nationwide, there are 9.8 million Vietnam-era veterans, 2.5 million of whom served in Vietnam. Approximately 700,000 of this number saw intense combat which resulted in over 57,000 being killed and over 400,000 wounded. In the State of Rhode Island, there are 55,000 Vietnam-era veterans, 17,000 of whom served in Vietnam. It has been estimated that 20 percent of the veterans who were in Vietnam are experiencing some sort of readjustment problems today, as a result of their experience in Vietnam.

Readjustment problems for the Vietnam veteran include interpersonal relationship problems, employment problems, family problems and problems in coping with daily life. Research on Vietnam veterans suggests that one in four is clinically depressed, 70 percent continue to have nightmares about Vietnam and 40 percent were divorced within 6 months of their return. The suicide rate for Vietnam veterans is 33-percent higher than their peer group, whereas the homicide rate is the same as the peer group, contrary to the media image of the Vietnam veteran.

Although the Vietnam-era veterans' readjustment counseling program was established almost 2 years ago, many of the 91 storefront counseling centers scattered across the country were not established and functioning until early or mid-1980. For example, in my State of Rhode Island, the vet center in Pawtucket did not commence operation until May 1980. Although the program has experienced extraordinary success in this short period of time—the Rhode Island center run by Wayne Smith and Bill Kelly has dealt with over 600 cases—the numbers of Vietnam-era veterans seeking readjustment counseling is increasing rather than decreasing. In short, the program simply has not had enough time to accomplish its purpose.

POSTTRAUMATIC STRESS SYNDROME

Mr. President, the purpose of the Vietnam-era veterans' readjustment counseling program, and of the vet centers, is to deal with a little understood malady known as posttraumatic stress syndrome. Medical research to date reveals that approximately 500,000 veterans of Vietnam are to this day markedly impaired by the aftereffects of their war experiences.

The core symptoms of this psychological condition are similar to those which were felt by thousands of veterans of World War II and Korea: Nightmares, depression, anxiety and fear, and severe detachment from others. For some individuals, this syndrome also includes alcohol or drug abuse, and physical condi- alcohol and drugs, as well as to arrests.

Just this month, the VA completed an 8-year, $2 million study conducted by a New York-based research team which showed that exposure to combat had a direct relationship to current abuse of alcohol and drugs, as well as to arrests, medical problems and stress-related emotional problems. The study's authors stated that—

> A decade after the peak years of the war, those who actually served in Vietnam are plagued by significantly more problems than their peers.

Among other things, the study discovered that:

While 70 percent of the veterans went back to school after leaving military service, only 20 percent of those who had served in Vietnam completed work for college degrees and only 7 percent of the black veterans completed college;

White-collar jobs were found by only 50 percent of the Vietnam veterans, while 54 percent of the veterans from the same era and 69 percent of the nonveterans had found white-collar jobs;

Unemployment was found to be a phenomenon affecting mainly black veterans. Over their postservice careers, black Vietnam veterans had more than three times as much unemployment as white Vietnam veterans. Moreover, black Vietnam veterans were found to have twice as much unemployment as black veterans who did not serve in Vietnam;

A total of 24 percent of the Vietnam veterans who had been involved in heavy combat were later arrested for criminal offenses, while 10 percent of those with light combat experience in Vietnam were later arrested. A total of 17 percent of other veterans from the Vietnam-era were later arrested and 14 percent of the nonveterans; and

The degree of alcoholism, drug abuse, medical and psychological problems attributable to Vietnam combat was found to be "statistically significant."

It is my understanding that one of the unique features of post traumatic stress syndrome is the fact that it has a long term or "delayed" form. What this means is that a combat veteran may return from overseas and go about his daily business for up to 10 years without showing any manifest symptoms of post traumatic stress. Time does not reduce his or her need for counseling, however, it simply postpones it. This is why it is essential that we give the readjustment counseling program and the vet centers the additional time they need to deal with this disabling syndrome.

Mr. President, the State of Rhode Island sent 17,000 of her sons and daughters to fight in Vietnam. Two hundred of these paid the ultimate price for their service to their country, and died in that far-off land. An additional 153 Rhode Island veterans of the Vietnam war have died since they saw combat in that conflict. Many of these veterans died of causes which can be linked directly to their service in Vietnam, and I believe it is extraordinary that our small State has lost almost as many Vietnam veterans after the war as it did during the war. These startling figures demonstrate the need for the vet centers and for readjustment counseling.

COST OF THE PROGRAM

Mr. President, it is clear that there is a national need for fiscal austerity, and veterans must be willing to share the burden of program budget cuts as much as anyone else. I support most of President Reagan's proposed budget cuts, and I share all of his concerns about cutting Federal expenditures.

However, in proposing that the Vietnam-era veterans' readjustment counseling program not be funded beyond September 1981, I believe that the administration has made a big mistake. It seems evident that there is a genuine need for this program. It also seems apparent that with a price tag of about $12 million per year, this is one of the least expensive programs in the veterans' budget category.

In the State of Rhode Island, this program employs three people, and costs $90,000 per year. With an average of 600 cases to date and 1,000 visits, this program costs $150 per case and $90 per visit. It is my understanding that the national

average cost per case and per visit is $320 and $99 respectively. While these costs are somewhat higher than Rhode Island's costs, they are still modest amounts to pay. Furthermore, with increased efficiencies being introduced into the Vietnam-era veterans' readjustment counseling program, the VA anticipates that costs per visit will probably be reduced to about $70 in the coming year.

We are not funding a vast bureaucracy here, and we are not paying for extensive facilities. What my bill does is to extend the readjustment counseling program and the vet centers for just 3 more years.

POPULAR AND DESERVING

Mr. President, earlier in my remarks, I referred to the Vietnam veterans' readjustment program as popular and deserving. In support of this statement, I shall include in the RECORD at the conclusion of my remarks articles from the New Paper and the Providence Journal, as well as two recent items from the Washington Post which explain better than I can just what this program does for the people it serves.

Having read over these articles, I think it is fair to say that the war in Vietnam was unlike any other war in our history. It was unpopular, controversial, and long.

It was a war that we were expected to win with technology and force, but we did not. It was a guerrilla war which was more intense and vicious than conventional warfare. With firefights and booby-traps, no one was safe or secure at any time. The Vietnamese who was your ally during the day could easily become your enemy at night. Vietnam was a poor people's war. Twenty-two percent of infantry units were black or hispanic but only 11 percent of the support units were black or hispanic.

The purposelessness of the war was reinforced by the fact that it was a 12-month war for everyone. The message to the Vietnam veteran was that the war was not important enough to stay and fight for longer than 12 months. In Vietnam, 75 percent of the Vietnam veterans thought the war was wrong or questionable. The homecoming of the Vietnam warrior was quite different from the soldiers in other wars. It was possible to leave Vietnam and, 72 hours later, to be at home; and you came home alone. The social or family atmosphere that was present on return ranged from indifference to outright hostility toward the returning soldier.

The special problems of the Vietnam veteran are related to the uniqueness of the Vietnam war. Vietnam veterans have had the experience of war, the brutalization and emersion in death and dying plus the additional stresses mentioned above which most veterans of World War II and Korea did not suffer.

The services offered at the Vietnam veterans' centers are specifically designed to deal with the problems of the Vietnam veteran. They include Outreach, counseling, and referral for Vietnam veterans and their families. Counseling includes individual, group and family counseling, and is directed at short-term rather than extended psychotherapy.

In my judgment, the cancellation of this program at this time, or placing it back into a department of the VA, represents a failure to understand the special nature of the Vietnam war and the special needs of the Vietnam veterans. It seems to me that the Vietnam veteran has earned the right to several additional years of readjustment counseling in a program that is specifically tailored to his or her needs.

KEEPING THE FAITH

In concluding my remarks, Mr. President, I would like to observe that this Nation's All-Volunteer Force has been challenged as never before with the problem of attracting young men and women of the quality and in the quantity that we need to keep our defenses strong.

In recent months, this Congress, and this country, have expressed an increasing willingness to expend vast sums of money to attract young people into the military services. My colleagues and I have introduced a number of bills designed to produce qualified recruits through the promise of educational, monetary and other incentives.

If I were a young person considering enlistment in the military services today, however, I would be very skeptical of the inducements offered by this Nation to its military personnel if I saw that the veterans of the last war were not adequately provided for. In my judgment, the manner in which we treat our veterans of previous wars will have great bearing on the decisions of those whom we are asking today, and whom we may have to ask in the future, to shoulder the burden of our Nation's defense.

Thus, beyond the legal and moral obligations we have to our Vietnam veterans, we have a practical obligation to keep the faith and provide them with the assistance they need to recover from the stresses of their wartime experiences.

Mr. President, as a combat veteran of World War II and of Korea, I know better than most that "in war, there are no unwounded." We have an obligation to assist those who were psychologically wounded, just as we do to help those who were physically wounded, as a result of their military service to their Nation in wartime. For these reasons, I urge my colleagues to support this bill, and to extend the Vietnam-era veterans' readjustment counseling program through September 1984. I ask unanimous consent that the text of the bill and the articles referred to earlier be printed in the RECORD.

There being no objection, the bill and the articles were ordered to be printed in the RECORD, as follows:

S. 872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 612A(a) of title 38 is amended by striking out "two years after the effective date of this section" and inserting in lieu thereof "before September 30, 1984".

[From the Washington Post, Mar. 26, 1981]

AMERICA'S MOST DESERVING VETERANS

When we suggested that the administration might round up some of its sacred cows for a more rigorous program of diet and exercise, we singled out the budget for veterans' programs. Only a fraction of these funds goes to the especially deserving—the victims of combat. Worse yet, while billions are still to be spent on ailments and benefits that have no connection with active military service, the administration plans to kill the one small program that is reaching out to help America's most desperate combat veterans—the mentally shocked men and women still haunted by the horrors of Vietnam.

As described in an Outlook report by staff writer Myra MacPherson, these troubled veterans have found personal relief in a basic program of storefront vet centers. There, in the company of each other, a chemistry similar to that of Alcoholics Anonymous meetings has worked to soothe stresses that have resisted other rehabilitation efforts. There are 91 of these modest little meeting rooms, most of them manned by fellow Vietnam veterans who have known firsthand the trauma of coping, during and after, with an unpopular war.

They have known all along what was pointed out just this week in a $2-million, eight-year study: that the veterans of combat in Vietnam are plagued by significantly more emotional, social, educational and job-related problems than those who were not in battle. They have known, too, that the women in this war have been suffering from the same delayed stress syndrome: flashbacks, depression, alienation, guilt.

The penny wisdom of closing these counseling centers is obvious: You are talking here about $30 million at most, when nearly $8 billion will be spent next year on a veterans' hospital system that provides free care for any ailment, service-connected or not; and when another $4 billion will be spent on pensions for veterans with no service-connected disabilities. With all this federal fat around for the trimming, why kill a program so financially insignificant that it doesn't even show up in the main federal budget book but means so much to so many genuinely deserving combat veterans?

There are bipartisan efforts under way in Congress to rescue the counseling centers. Sen. Gary Hart (D-Colo.) and Rep. Margaret M. Heckler (R-Mass.) have been pressing for inclusion of the money and so far, so good: The Senate Budget Committee has approved funds for the program, and the full Senate should uphold that action; the House Budget Committee is scheduled to take up the matter today, and here, too, this proposal deserves solid support.

[From the NewPaper, Mar. 18–25, 1981]

PRISONERS OF PEACE

(By Chris Vaughan)

Last Thursday night, a single car accident claimed the life of a Rhode Island man.

Road conditions were not a factor: it was not raining, nor was it snowing. Visibility was good. Yet Wayne Smith could not be too surprised, because the man was a Vietnam veteran.

Smith, a counselor at the Vietnam Veterans Center in Pawtucket, knows the figures. The victim became part of a startling statistic: over 66,000 Vietnam veterans have died since coming home, roughly 10,000 more than the number of soldiers killed in America's 13-year presence in Vietnam.

Wayne Smith understands the numbers because he has been a part of it. He is a veteran of a year's tour of duty as a combat medic in Vietnam, a position associated with a life expectancy of "about three hours," according to Smith, who was never wounded in battle.

He also understands why the single car accident that took a man's life last Thursday was probably not completely accidental. Wayne Smith understands because he too was a victim of Vietnam after the fact.

Unlike a significant percentage of the esti-

mated 500–700,000 Vietnam Veterans who suffer from a similar delayed stress disorder. Smith has beaten back the depression and anger of his Vietnam experience to become a valuable member of society. It wasn't easy—he had to defeat a drug habit and spend three years in prison following his return—but relatively early access to readjustment counseling put him on the path to a bachelor's degree in psychology and a new life.

His worries are not over; he is reluctant to start a family after having been exposed in combat to the defoliating chemical Agent Orange, which is suspected of causing genetic disorders. But he has a job (40 percent of combat vets are unemployed) and he is still alive (Vietnam vets have a suicide rate 25–30 percent higher than the rest of their age group).

Smith's job with the Vietnam Veterans Center, one of 91 storefront-style out-reach centers that have sprung up nationwide following a successful 10-year fight for federal funding, is in jeopardy. When President Reagan revealed his budget last week, the relatively paltry $10 million allocated to Vietnam veterans this year was not included.

That means the 91 "Operation Outreach" centers will close, and the 50,000 veterans and significantly affected relatives, spouses and girlfriends currently utilizing the services of the readjustment clinics will have to find help elsewhere.

Yet they may not be the biggest losers. "When the center is gone, it's all the vets who've never been to Pine Street (the center's location) who're gonna be the real losers," says veteran Robert Guyer, whose life was "set in a straighter line" by group counseling at the Rhode Island Vietnam Vet Center.

Indeed, the readjustment counseling has not been around long enough to attract the attention of many veterans experiencing what psychologists call "post traumatic stress disorder"—recurring anxiety over Vietnam-related events—and Vietnam veteran advocates say the program has not been given a fair chance to demonstrate its value.

"We'll be damned if we're going to let them get away with it," proclaims Bobby Muller, director of Vietnam Veterans of America. "I think we can count on a tremendous groundswell of response from the American people . . . I will not even consider the possibility that (the outreach centers) are going to go away."

Muller's response alone will not keep the centers open, however, and Smith is resigned to what he sees as a "return to business as usual" thinking on the part of the government: "It appears definite that the Reagan administration is going to terminate this program, just like many others."

Smith is philosophical about the defeat. "I'm not going to have any trouble getting a job. Nor will the other staff members (Lou-Ann Nixon and fellow counselor and veteran William Kelly) but I feel extremely bad for all the vets in need of this kind of counseling."

In essence, the counseling provides vets with an opportunity to talk about their experiences and release the anger they feel—dangerous, self-directed anger that results in suicides and mysterious single car accidents.

"These rap groups are the strongest tool we have in dealing with stress," says Smith. "These men need to share the pain, to share the horrors, to get past it and share the growth process of human development."

"All it takes is to put Vietnam and their experiences into the proper perspective. People come back and have a real need to talk about what's going on, what has happened to them."

"It used to be I'd have strong anxiety problems—I'd blow up in a minute," recalls Vet Center client Guyer. "But the center got me out of that. They helped put me together again."

Guyer identified a syndrome many veterans of America's longest war complain of: no one wants to talk about Vietnam. John Montgomery, a lawyer who served 14 months in an artillery unit in Vietnam, had no problems readjusting to American society, but he too is irked by this.

"When I came back and had some interviews with law firms I put my Vietnam experience on my resume to explain the two-year gap," he said. "Nobody asked about Vietnam. Not one. It's like a big national embarrassment. It bothers me that nobody asked about it."

America's apparent indifference to the plight of Vietnam veterans is part of the problem, as vets see it. A bumper sticker displayed in Smith's office at the Pawtucket center summarizes the sentiment: "The Vietnam Vet: First the Draft, Now the Shaft."

"Once again, after a series of other setbacks, Vietnam vets are being denied the chance to reintegrate with society," Smith laments. "These men are very sensitive to this political system. Most love this country and most are extremely loyal. And, unfortunately, most will continue to withdraw within themselves.

"It's no accident that there have been more deaths among Vietnam vets since Vietnam than there were in the war."

Operation Outreach has been an unqualified success in Rhode Island—as far as it goes. The "great majority" of the Vet Center's patrons are doing well, Smith says, and no one who has visited the local vet center has committed suicide. Yet seven Vietnam veterans died in Rhode Island in January. Smith thinks the Vet Center could have helped them. No one will ever know.

And no one will know what the national program would do, since it is apparently doomed. Only an intense lobbying effort can salvage Operation Outreach, says Muller, who has identified readjustment centers as the "number one priority" of the lobbying effort being led by Rep. Tom Daschle, chairman of the Congressional Caucus of Vietnam-era veterans.

"We're going to start by neutralizing the administration to assure that if we're successful legislatively, we're not going to have a veto," Muller says. "They've taken away not part of the program, but everything. '00 percent. They've got to give us something."

If any concessions at all are gained, the readjustment centers will be first in line. In budget cutting times, it is difficult to predict who will prevail. If the outreach centers are abolished, Vietnam veterans must turn to the Veterans Administration, which suffers from its association with the government in the minds of Vietnam vets, who have come to mistrust the system that made them outcasts.

"Vietnam veterans do not generally think of the VA as a friend," Smith notes. "Some believe there is animosity from older (World War II- and Korea-era) vets. My sense is that there is just indifference. People don't care."

[From the Washington Post, Mar. 15, 1981]

PULLING THE RUG FROM UNDER VIETNAM VETS AGAIN

(By Myra MacPherson)

Bruce is 33 but he looks ancient. Deep circles; a thin, gaunt face. And of course, the mouth. It is wired together. Bruce, drunk, carefully picked up a gun one night, sat on the john and tried to blow his brains out. The bullet went through his neck and twisted and came out, shattering his jaw.

The Vietnam veteran grew up in Los Angeles, mostly alone, from a broken family. His one interest was art. "I had taken the entrance exams to art school but I decided to go in the service. It was just something you had to do."

After he returned home, Bruce developed cancer, Hodgkin's disease. Today he wonders about Agent Orange: "Hill 327 was stripped while I was there. I watched them spray every morning."

The cancer has been in remission for several years but Bruce, who went back to art school and got a good graphics job with a top advertising agency, eventually slid into alcohol and lost his job. One night he decided that all was pointless.

Today, eight months after his suicide attempt, Bruce has moved into a steady Thursday night rap group at a Vet Center in Los Angeles. Doctors are reshaping his jaw. One recent night, speaking through the bizarre-looking face guard doctors have fashioned for his jaw, Bruce told a group of wide-eyed college students about a war that is ancient history to them.

For years Bruce resisted blaming Vietnam for any of his problems. "I thought it was a cop-out." Only recently did he realize he had to talk out the past so that he could get on with the future.

"I had a lot of pent-up feelings against the government; how they're doing nothing on Agent Orange. It's very hard for me to become some rah-rah member of a group. I'm essentially a loner. But I have this drive to go to those Thursday night sessions. If those centers go, I would survive but I could name at least five guys who might not. They are the one place vets can let it all out with other vets."

Bruce has stopped drinking; smokes only a little pot. "I now feel I want to live." He pauses. "I don't want to 'X' it. . ."

The men who come to the storefront Vet Centers across the country are in their thirties: average age, 33. Some still have the look of easy youth; others stare from haunted, old men's eyes. They are survivors of Vietnam—our nation's most unpopular, troubled and divisive war—and, most crucially, survivors of their hassled and hapless homecoming.

Last week, outrage raced coast to coast in 91 counseling centers. For 10 years veteran activists had fought for psychological readjustment help. Finally, in 1979, Congress came through. Most of the centers are barely a year old.

Skeptical Republicans on Ronald Reagan's transition team toured several centers and ended up recommending that they be given a chance. But now Reagan is axing them—his Office of Management and Budget called for obliterating them by September—even as the President pins medals on Vietnam veterans, an act many of them see as a flag-waving attempt to prime another generation of youths for new, massively funded military adventures.

Just as the lavish homecoming for the hostages returning from Iran surfaced smouldering anger among Vietnam veterans, two crucial and intertwined resentments are reflected in the outrage of many veterans at the gutting of their centers. One is a deep distrust of the government. "If they close in September, this will be viewed as another instance of the government lying to them," says William Mahedy, a former Army chaplain in Vietnam who now runs the Vet Center in San Diego.

The veterans' second, equally deep-seated resentment is aimed at their antiwar collegiate peers who evaded the war and now turn their backs on them. David Stockman, OMB's program-cutting wunderkind, is just their age, 34. He spent the war in Harvard's divinity school—which conveniently carried a 4–D deferment—but never entered the clergy. "That son of a bitch," muttered a highly decorated former paratrooper, now an attorney. "There he was yelling, 'Hell no, we won't go,' but making no sacrifices for his beliefs, and now he's gutting our programs."

As federal funding goes, the $12 million

annual readjustment counseling program—operated through the Veterans Administration but away from its facilities—is barely enough to stock the centers with styrofoam coffee cups. But the veterans where hardly in a position to quibble when Congress appropriated funds for "Operation Outreach" in 1979. After all, Congress had rejected the proposal four times previously.

The overall cuts in the VA's budget are modest compared to other agencies'. The White House fact sheet stresses there will be no reduction in medical personnel serving patients directly and no reduction in compensation payments for the service-connected disabled. However, the Vietnam veteran stands to lose not only the psychological readjustment counseling programs but also job development programs and Legal Services aid. "All these cuts leave the Vietnam veterans without any government-supported advocacy programs," contends David Addlestone, director of the National Veterans Law Center.

The VA itself feels the Vet Centers are expendable and argues that it is not cutting anything, merely withdrawing its pre-Reagan request to extend them. Although the pilot programs were originally funded for two years, the intent of the legislation was to review them in September for one year's further funding. The Reagan budget would kill them off without any review. The centers have seen 40,000 veterans and, as one center leader said, "More are coming out of the woodwork all the time."

There are 9 million Vietnam-era veterans. Of these, 2.5 million served in Vietnam. Even the VA, for years insensitive to their psychological problems, estimates that half a million of those veterans suffer emotional problems in varying degrees.

There is a fancy name for what troubles so many veterans—Post Traumatic Stress Disorder. The Diagnostic and Statistical Manual, the bible for psychiatrists, now recognizes it as a legitimate disorder.

The stress was caused in large part by coming home to a hostile and indifferent society. Antiwar sentiment at home made this war unique in American history. The veteran faced "the antagonism and hostility of an entire people who, almost without knowing it, confused the warrior with the war," says Charles Figley, a social psychologist, Vietnam vet and leading expert on the delayed stress of veterans.

The problem was acute for those who returned from Vietnam to college campuses at the height of the antiwar demonstrations. Even the most successful today tell of being ridiculed by professors and peers.

Fred Downs, who wrote a critically praised book, "The Killing Zone," and works for the VA, lost an arm in Vietnam. One day as riots swirled around campus, he was walking to class when an antiwar demonstrator noticed his hook. "Did you lose your hand in Vietnam?" Downs replied yes.

"Serves you right," said the student.

Many became closet veterans. "We were the fascist pigs, scorned by the girls," said one. The major sexual-favors slogan of the time said it all: "Girls only say 'yes' to boys who say 'no.' "

There is a pervasive myth that Vietnam veterans are crybabies, asking for special programs not afforded past GIs. But in fact, there was extensive and prolonged treatment for the millions of World War II GIs who returned with war neuroses. A 1955 National Academy of Sciences study stated that one in three World War II veterans suffered some neurotic problems (as compared to one in four Vietnam vets). Congress passed laws providing large-scale psychiatric counseling, both federally administered and community-based. And according to the VA's official history, the program was successful "because it met with the wholehearted cooperation of local, county and state medical services throughout the nation."

Today many of the minorities and unskilled, promised a trade by the Army, face chronic unemployment. They returned when times were hard and jobs scarce. For several years after Vietnam, the GI bill was greatly inferior to that for World War II and Korean vets.

Congress, mirroring the public's attitude, treated the veterans' special needs with yawning indifference. Unlike the returned heroes of World War II who won elective office, only a handful of their generation now in Congress (the 82 members born since 1942) had any service. Just five saw combat.

One of them, Don Bailey (D-Pa.), fiercely hawkish says, "There are Vietnam veterans who have not succumbed to humiliation as a price for acceptance in society; who do not feel that in order to be accepted by this nation they must criticize what they did in Southeast Asia."

Others came home doves, feeling the war was a total waste, but still doing a burn at the way society treated them. The centers are often filled with young men who couldn't wait to sign up at 18, hell bent to "kill a Commie for Christ." Death and destruction in a war that quickly held no meaning for them turned many into cynics. They returned saying, "It don't mean nothin'."

"I call Vietnam an undigested lump of life," says William Mahedy, the San Diego Vet Center leader. "It just does not digest in the system. And that is what we at the centers are attempting to do."

Tim is a handsome, younger Robert Redford, a successful builder and struggling Hollywood actor with several national commercials to his credit.

A year ago he came to the center. He could not understand his depressions, his inability to stick to anything. Through the center, Tim began to realize his resentment at society.

"Hey, I was good at what I did. In any other war I would have been a hero." He felt no guilt. "Wait a minute. Well, maybe. . . ." There was that one Sunday morning. A group of monks were threading through the jungle in saffron robes. Tom radioed permission to shoot. The response was that he could do what he wanted. After all, there had been stories that the Viet Cong sometimes dressed as monks. Tim turned his helicopter and shot. "I looked down—and I saw one of them crawling away from his leg. I said, 'That's enough.' " Only 10 years later did he confront that episode. "It was wrong. I can finally say it now."

Soul music fills the D.C. center on Pennsylvania Avenue SE, just a few blocks from the Congress which long ignored special bills for Vietnam veterans.

Dennis, red-haired, in his Amoco windbreaker, races in on a work break from the gas station. "I was disabled and I haven't collected on my money. I tried for six years to get it straightened out. I come here and in two hours they did more for me than any of those people at the VA did in six years."

Leon, a black from Pittsburgh, has a deep voice and has worked in broadcasting. "If they didn't have the Vet Center experience I'd probably be in jail." Out of work, he smolders with hatred at the "white system." Talking about it at the center was instant therapy. He remained on as a volunteer counselor. The other day he got a job offer from a local radio station.

One CETA worker, about to lose his job in the budget cuts, sits with a group across the street at Johnny's Cool Breeze Restaurant. "I was shunned by the friends I grew up with because I came out of the service with $1,000 to show for three years. They're all buying homes, finished grad school and now I don't even have a job. I'm three years behind and I'm not ever going to catch up."

During the war, the government proudly reported that combat stress was down this time around. Any grunt will quickly give you one reason: "We were stoned."

James, at the Cool Breeze, said, "I wasn't on nothin' when I went there but in Vietnam you had a choice: getting high on hard drugs or hard liquor. Heroin was plentiful, falling out of trees. You see someone get blown away and, hey, you smoke some OJs [marijuana, of very strong quality in Vietnam] and hey, man, that's cool."

Leon: "We use to make pillows out of it. Fill up our back packs with reefer in its natural form. Them weeds was all over."

Unlike their collegiate counterparts, who also routinely got high, many came back addicted. The Army and, for a long time, the VA did little to recognize the problem or to help.

Jack McCloskey, a wounded and decorated veteran leader of the San Francisco Vet Center, says body counts are a recurring subject in his rap sessions. "They would set up competition. The company that came in with the biggest body count would be given in-country R & R [rest and recreation] or an extra case of beer. Now if you're telling a 19-year-old kid it's okay to waste people and he will be rewarded for it, what do you think that does to his psyche? Over there it was orders. Now, years later, they are reflecting on it."

Larry hides behind his sunglasses, never taking them off. ("I'm better now; I used to wear hats all the time.") He has a master's degree, two laboring jobs and is trying to sort out his life.

"I never talked about the war before," he says in a San Diego center, "because there was no solution. The dynamics of the war were such that we never came out of it well.

"We created a sick child."

They are mavericks, the men who run the centers. Most have some psychological training. All centers have at least one veteran. They do not fit easily into clinicians' white coats or bureaucratic pigeonholes. This is both their strength and weakness. They have the vital rapport with veterans but often lack the ability to administer in a way that pleases the VA's bureaucrats.

"Body counts," sighs Angel Almedina, in New York. "They're back to body counts." He rebels at having to make out reports. What they lack in expertise, the center men make up in irreverence and a fervent commitment that rivals "MASH's" Hawkeye.

Almedina grew up in a Harlem barrio ("I'm just a spic from Harlem, honey,"). He is barely 5 feet 3, with long, curly hair. In Vietnam he developed a drug habit. Almedina rolls up his sleeve and displays an arm the color and texture of a Madame Tussoud wax figure. "Look, baby, no marks. Been clean since '72."

Almedina talks street talk to guys who know no other language. "A dude comes in the other day. The VA sent him to us. Said he was hopeless. Never talked. We gave him space, let him go. He was with blacks and Latinos and he felt at home. Now you can't shut him up."

Across the country, in Los Angeles, is Shad Meshad, who pioneered the Vet Center concept a decade ago. He turned down the job of directing the VA program, but runs the West Coast region.

A medical service officer in Vietnam, Meshad was shot down in a helicopter. "I split my head. I was scalped." Meshad pulls back the bangs he wears to hide the scars. "I could feel my whole face slipping. Like an old basset hound, my face just kind of fell down. I tied a bandana around it to hold it up."

Years of painful operations on his head

and back, six months of "terrible readjustment problems," turned Meshad into a zealot for the veterans. "You know the $12 million for the centers? I figured it out. That was about what it cost for 12 minutes of firepower back in Vietnam in 1969," he says caustically.

There is some inevitable ego tripping and hyperbole in Vet Center leaders, but for the most part they have functioned well in one very crucial, neglected area. It is that amorphous ability to make "contact," to reach people when others cannot. It is the same mysterious value that Alcoholics Anonymous has for people who went through years of psychiatry to no avail and then became faithful AA converts.

It is a quality that seems lost on the present VA administration. Reagan has not even appointed a head of that lumbering institution to date.

One VA spokesman, Stratton Appleman, says, "We figure the centers aren't that productive." Appleman, career Air Force for 23 years, shows no enthusiasm for the centers. "When people need psychological help they can certainly get it from the VA."

Center supporters argue that the VA dumps a lot of their patients on the centers and that the reason the centers were needed in the first place is that the VA makes no attempt at outreach. They claim that one-third of VA physicians are foreign-trained, that much of the personnel are not Vietnam veterans and that in may cases there is resistance to the concept of delayed stress.

Some Vietnam veterans feel the centers call attention to only the troubled. "Most veterans are functioning, productive members of society," says William Jayne, a former Marine rifleman. "Operation Outreach—which I see as a 'too little, too late' program—may be very helpful in some cases, but what bothers me most is that the program seems flawed by its predisposition to view the veterans as helpless, hapless victims."

The Vet Centers will not go away without a fight. For the first time, both public sentiment and lobbying clout is turning toward the Vietnam veteran. The American Legion—once anathema to turned-off Vietnam vets—is now on their side as Vietnam veterans sign up as members.

Bills were, in fact, voted out of the House Veterans Affairs Committee last week for a two-year extension of the Vet Centers.

James Webb, a Vietnam combat veteran and author of the Vietnam novel "Fields of Fire," is minority counsel for the House committees. "My hope," he says, "is that all the members who called at the time of the hostages and said, 'Is there something we can do for the Vietnam veteran?' will realize this is at least one small place where they can put their money where their mouth is."

In the '60s, 16 million young Amricans beat the draft through student deferments, exemptions, legal technicalities and systematic evasion. Vietnam was a class war—and the blue collar and ghetto soldiers of yesterday do not forget.

The talk in many centers is of another draft. Veterans are divided. Some are for it as the only fair way out of the grossly inequitable volunteer Army. Others—including blacks and Latinos who were drafted the last time—are sending another message.

Angel Almedina sits with a group of Vietnam veterans in Manhattan's West End bar, near Columbia University. Twelve years ago, all was unrest there—sit-ins, occupying dean's offices, marches, demonstrations. Now all is quiet. Two young men, with bookbags and peach fuzz, drink beer. The Vietnam veterans suddenly look very, very old.

"For the next war," says Almedina, nodding to the college students, "he don't go and he don't go." Then he looks across the counter. "The guy making the pizza, he go; the guy in the kitchen washing dishes, he go."

The argument for the draft is a good one: If everyone has to go, senators' sons and bank presidents' sons, maybe that will slow down the next involvement.

"But hey, man," says one black yet, "it just ain't gonna happen. The ones with pull ain't gonna go."

America lost the upper middle class in the Vietnam War. They may have lost the working class today. The legacy of Vietnam veterans—unemployment, psychological problems—is a far greater deterrent, some believe, than a new souped-up GI bill is an incentive for joining.

Spending billions for hardware while cutting programs for Vietnam veterans is hardly the way to sell a whole new generation on signing up for the next Big One.

[From the Providence (R.I.) Journal, Mar. 8 1981]

LONELY, ANGUISHED VETERANS FIND THE VIETNAM WAR IS NEVER OVER

(By Wayne Worchester)

Paul Hart clenched his fists and squeezed them hard. The skin across his knuckles went white and his forearm began to shake.

"I have this rage," the young man said. "This anger that I don't know what to do with.

"I'd like to step into that room there, where all those people are, and just shout, y'know? I'd like to say, 'Hey. Stop what you're doing, you sons of bitches. Stop and listen. Look at me. Me. I am a Vietnam veteran. I fought for you. I damned near got killed for you. You owe me. Goddammit! You owe me.' "

"What do they owe you? What do you want from them?"

"I want them to say, 'Thank you.' That's it. I want to hear, 'Thank you.' "

He stopped then. He opened his fists, and the anger in his eyes turned quietly to sadness. "Then I want it to be like it was," Hart said. "I want to feel normal again, like I did before I went to Nam."

For Paul Hart and thousands of combat veterans like him, the war in Vietnam is not over.

It has only moved to private fronts and become the stuff of vivid nightmares and flashbacks, a source of anger and frustration, a cause of long bouts of depression, loneliness, a sense of worthlessness and a feeling of alienation.

Clinically the problem is known as post-traumatic stress disorder, a delayed response to extraodinary stress, not just to the pressures of combat, but to the entire experience of Vietnam and its aftermath.

It was a unique and intensely personal war, and it generated some unique and intensely personal problems.

DEROS, the Date of Expected Return from Overseas System, helped make it so. The system was unique to the war in Vietnam. Every soldier sent there after the earliest years of the conflict knew before he left exactly when he would return—not when the war was over; not when his company was relieved in the field; but when he had done his job for just one year. For each soldier the war in Vietnam had a definite beginning and a definite end. In many respects, that made it his war, and at an average age of about 19—a period of adolescence in which his personality, his sense of himself as an individual, was still developing—it was his own lonely problem.

A soldier trained with one group of strangers, then went to war with other strangers, and when the DEROS said it was time go home, he went home, not with the men he fought beside and befriended, but with more strangers from other units who happened to have the same departure date. He left Vietnam the way he went there, quickly and abruptly.

"This was a war in which you could literally go from firefight to fireplace in 24, 48 or 72 hours," said one combat veteran. "That in itself was too much. There was no effort made to help vets come to grips with what we had been through. There was no support. None of the guys you'd lived with and fought side by side with were there with you trying to become civilians again. There was no buffer against the shock of fighting in the bush on Wednesday and being home on Saturday. It was a logical extension of the DEROS."

"All you had to do," said Paul Hart, "was hold it all in, suppress everything that was going on inside you. Don't flip out. Keep body and soul together. Keep you mouth shut, and it would end."

"At some point, every Vietnam vet has to deal directly with what happened to him," said Michael Manoog Kaprielian, a combat veteran. "You can only keep it in for so long. Something triggers it, sooner or later.

"I'd gotten a degree last May and prepared my resume and sat down with a career counselor. She looked at the resume and said, 'This period here, 1969–1973 with the Navy and the years when you served in Vietnam and were cited for bravery and all that. I think for that period, you should just put down 'military service.' I really wouldn't mention Vietnam."

"That's what did it for me. It forced me to stop and think about what had happened and what's still going on," Kaprielian said. "I've been preoccupied with the whole thing. I've seen every movie about Vietnam; read every book and most of the major news coverage of the war and the issues involved.

"As Vietnam veterans, we are a reminder of an era that the country would rather not remember, and we've been made to feel personally ashamed for that.

"There's been this convenient media image of the Vietnam veterans in which he is one of two stereotypes. He's either whacked out on drugs or he's a time-bomb. No middle ground. People tend not see us as individuals who went through hell and are trying to find a way to lead a normal life.

"That image is what the career counselor was reacting to. She was trying to help me by getting me to disavow a portion of my life. I am not proud of our role in Vietnam. But I am damned proud that I survived it.

"The thing is, we're all veterans of Vietnam to one degree or another," he said. "People who've written books about the turmoil of the '60s and early '70s note that many, many of the people who were involved in the era, protesting it, working against the war, think of themselves as survivors, too.

"You see, you didn't have to be in the military to be affected by Vietnam. It was a national experience. Everyone has a reaction to it. I think we're really just beginning to understand the ramifications of that. What everyone wants is to be able to forget about it or at least put it where they don't have to look at it.

"It's as though the entire country had a candid picture taken of itself and then decided that it didn't really like the way the picture looked. No way are we going to let that picture into the family album."

A study by the military in 1969 concluded that while battle-induced mental disorder—combat fatigue—claimed one United States soldier in every 10 in World War II, only one soldier in 100 was affected during the Vietnam war.

In World War II, the incidences of combat fatigue declined as combat drew to a close and the war neared an end. But as the Vietnam war began to wind down early

in the 1970s, the incidences of combat-induced disorders began to increase, and after the war ended, the number of cases began to rise dramatically.

A two-year study done for the Disabled American Veterans called The Forgotten Warrior Project estimated that by 1978 approximately 500,000 Vietnam veterans—roughly half of all those who served in combat—had begun to show related symptoms of stress that were profound enough to seriously impair their lives.

The statistics bear that out:

The suicide rate among Vietnam veterans is approximately 33 percent higher than it is for the general population. In fact, one study done in 1979 and quoted in literature from the Disabled American Veterans organization says the number of veterans who have killed themselves since the end of the war surpasses the total of more than 58,000 who died in combat in Vietnam.

Of those veterans who married before going to Vietnam, 38 percent were divorced within six months of their return.

The number of Vietnam veterans hospitalized for alcoholism or drinking problems has more than doubled in the past seven years.

The Forgotten Warrior Project also predicted that the number of combat-disorder victims would continue to increase until 1985 and that unless some program were devised to help them, the symptoms of delayed combat stress—the nightmares and flashbacks, the anger, frustration, loneliness, depression and alienation—would, for many veterans, become an almost unchangeable part of their personalities.

In 1979, after eight years of wrangling with politicians who kept tacking unrelated riders and amendments to pertinent veterans' legislation, advocates finally got an $11.2-million program called Operation Outreach through Congress.

The program provides for 91 community-based counseling and referral centers staffed with Vietnam combat veterans intimately familiar with the problems that beset their colleagues.

The Vet Center in Rhode Island is located at 72 Pine St., Pawtucket. Since last May, when the center opened, its four-member staff has had contact with between 2,000 and 3,000 Vietnam vets from Rhode Island and Southeastern Massachusetts.

In his final budget, former President Carter requested that Operation Outreach be extended for two years beyond its expiration date this September and that the program be given an annual $12.4 million operating budget, plus $11.2 million to cover annual contract fees.

Most recent reports indicate that the Reagan administration is considering scrapping the program in its efforts to pare the federal budget.

"That's all we need," said Paul Hart. "I read that and I picked up the newspaper and threw it. One more kick in the teeth, you know?"

"I was in the Army," he said. "I'd joined to fight for my country, and that was what I was going to do. I was 18 and right out of high school in 1969. I volunteered for the infantry and then I volunteered to walk point, you know? Lead man, the first one into it.

"I was okay for a while, but then it got to me. I got too wound. Too nervous and tight, you know? Too paranoid. That's how it was. That's the way I had to be over there to survive. Never knew who the enemy was. Or where he was. He could be 15 feet away and you might not know it. He could be next to you and you wouldn't recognize him.

"Sometimes a woman or a kid would be rigged up with an explosive. That kind of thing. There were times when the enemy would take women and children and try to use them as a shield. If I was on point and something moved, I shot it. One time, I sprayed the bush and killed two 12-year-old boys. That's how it was over there.

"I wasn't as worried about saving my own neck as I was about the guys behind me. Their lives depended on how sharp I was up front. Life expectancy of a point man in the bush in Vietnam was what? Matter of minutes? Seconds? Something like that. I'd walked point for almost six months. And I couldn't take it any more.

"One of the guys had wanted to walk point, so we traded jobs. I lugged his M79 grenade launcher. He got killed.

"Later, in Tai Nin, a green captain was walking point and he took us right into an enemy bunker complex.

"Twelve of us were wounded: B-40 rockets. Three were killed. We were stuck there for 18 hours—18 hours—from about 3 in the afternoon until 9 in the next morning—and, God, it was murder. I wanted to get at them. I was out of it, just waiting there in the dark. We dug in, and I stood up by my foxhole all night long with a claymore plunger in my hand hoping to hell some of 'em would cross the wires and set off a trip flare so I could trigger the mines. All night I waited for the * * *. I'd been wounded in the ankle and they'd killed some of my buddies. But nothing happened. Nothing. We got air support and cover in the morning, and we got out.

"Sometimes . . . sometimes, I think I'd like to go back, you know? Finish it. Get it done, the way they should have let us. There were times when we were told we weren't supposed to load our weapons for a particular patrol. There were freefire zones, and then zones that were part of the war but that you couldn't fight in. Like it was some kind of game we were dying in. Sometimes, I think I'd pay $10,000, if I had $10,000, just to be able to go back there with an M16."

Hart left combat and hobbled around on crutches at a military base for several months finishing his tour of duty in Vietnam. "There was 'incoming' all the time. We were always being rocketed. It was like still being in the war, but not being able to fight back, you know?"

Hart said that during exit processing at a military base in California, "The medical staff told us, 'If you've got any problems we want to hear about them, but in most cases it's going to mean you'll be here with us for anywhere from two weeks to three or four months.'

"By the time I got to California, all I wanted to do was go the rest of the way home. I mean, this close to it, I wasn't going to mess up my chances. So I kept my mouth shut like everyone else, and two days later I was back home in Rhode Island.

"The plane put down at Green Airport, and I just sat there. Everybody got off but me. I wasn't even sure where I was. I could see my parents inside the terminal, you know? But I couldn't move. The stewardess finally came back and told me I had to leave. I got off the plane and just looked around. At the sky and the ground—I wanted to kiss the ground. I was real glad to be back, but there was no big welcome. Just my parents.

"I'd expected to be treated like a hero, but they saved that for the hostages. I had fought for my country. I'd been there when I was needed, but there were no brass bands and ticker-tape parades and speeches.

"Instead, we've been called baby-killers and murderers and we've been spit on. Yeah, literally. Happened to me in a bar a while after I was home. I was with a couple high-school friends. They got me out of there in a hurry.

"I'd been home a while. It was near the Fourth of July, 1970, and I was driving down the road in my town with a friend and some kid lit off a big firecracker, an M-80 or something. I let go of the wheel and dove to the floor of the car. My friend grabbed the wheel. I thought I was in a firefight again."

"I've never left Vietnam. Not really. Maybe some day I will. I hope so. I've lost jobs because I couldn't get along with the bosses. I've been divorced. Crowds get me wound up. I have a hard time in traffic, you know? I see somebody who's Oriental and I tighten up; the palms of my hands get all sweaty and I'm right back in the bush.

"The Vet Center was a help. There are guys there, other vets, who understand what Vietnam was all about. You don't have to explain what it was like. And I go to the Vets Hospital for therapy and medication all the time now.

"I get some disability comp for my ankle, but the government keeps telling me I don't qualify for compensation under post-traumatic stress disorder. There was this rule that the problems had to be identified within a year of leaving the military, but nobody told us about that when it mattered.

"After, I had interviews with Army shrinks and everything. They kept saying that any problems I had were because of my ankle.

"Fact is, they don't want to spend the money, and they don't want to know about the problems. They want to forget about Vietnam. So do I, but I can't. Not yet."

Neither can John Colter. But he has found a place, a perspective, for his experiences in Vietnam. But then, his war in Vietnam was different and so was he.

At 24; Colter was older than most who went to Vietnam. He was married and already a veteran with three years of Army service behind him. "I'd been out of the service since 1964. I thought what we were doing in Vietnam was right. I was dead wrong, in retrospect, but I believed all of the crap at the time, and I thought maybe I'd become a career soldier."

Colter went on active duty in January, 1967, early in the war. He trained with a group of highly motivated men, a unit of the Army Air Cavalry, went to war with them and probably would have returned with them. As it happened, he came back alone after only about two months in Vietnam. He was severely wounded and that kept him at a stateside military hospital for six months. "It made a helluva difference, looking back at it," Colter said, "because I didn't go directly from combat to home like most guys did."

Colter was the first man in his unit to be hurt. A single enemy soldier about 120 feet below Colter's reconnaissance helicopter fired his machine gun at the aircraft. Seventy-nine bullets hit the helicopter and left holes like ragged stitching on a steel boot. Three of the 79 punched a 2½-inch diameter hole through Colter's right thigh, severing the sciatic and tibia nerves. The result was what's known as "drop foot." Colter needs a leg brace to hold his foot perpendicular to his leg. Two major operations and a protracted period of physical therapy failed to correct the disability.

But convalescence did keep Colter at a military hospital for about six months before he was discharged, so his transition from military life to civilian was more gradual than it was for Paul Hart and the majority of veterans.

"This was the early part of the war, too," Colter said. "Public opinion on Vietnam still was sharply divided, but not like it was going to be. And Vietnam wasn't a war that we had lost yet. Some guys from a veterans' post near the hospital would come down and take a couple of us out once in a while and get us tanked up.

"There were a couple of instances of criticism because of Vietnam, but I just said to myself, 'What the hell? I don't have to sink to their level,' and I walked away.

"Most of the time, it wasn't like that. If anything, it was almost the opposite. No

brass bands and parades or anything, but I remember walking into a deli in New York. I was wearing my leg brace, you know, and I was in uniform because I was staying at the hospital and still hadn't been discharged. But I walked in at noon when the place was packed. People were three deep at the counter and I'd get served first. Try to pay and you couldn't. Somebody'd already covered it.

"Bars were the same way. Just stop in quietly and order a beer, and before you know it, there's three or four beers there: Everybody's wanting to buy and the problem is how to get out of the place without getting loaded.

"It was nice, in that respect.

"My major complaint is that I wasn't counseled in any way," Colter said. "I would like to have been warned about the sorts of problems to expect.

"Nobody told me that because of the brace I wouldn't be able to walk on the beach with my kids. Or that I wouldn't be able to chase a kite with them. Those are little things," Colter said, "but dammit, they really get to you.

"I got divorced and went through a long period of anger, frustration and self-pity, and I was working on a pretty good drinking problem. There's a hotel room I can think of that has a real deep gash in one of its walls because of that. I'd been drinking and I was in one of my moods. I pulled the brace off my leg and threw it at the wall as hard as I could.

"The problems I had were predictable," Colter said, "and yet all any medical staff ever told me was, 'Don't worry about the brace. Your pants will cover it.'

"It's all a sonofabitch, and most of us don't get through it without help from somebody. I was lucky, in a lot of respects. Timing. The hospital. And some good friends. And I've spent some time with other vets in rap sessions at the center in Pawtucket.

"You do learn to live with it, but you don't forget any of it."

When a car backfires, Colter still jumps.

When the spring rain falls in torrents, he thinks about the monsoon in Southeast Asia.

And he has the same nightmare three or four times each month.

Each time, he wakes from his sleep pummeling and flailing the air. He is back on a green knoll in Vietnam trying to get out of his helicopter. The enemy soldier's 79 bullets had brought it down.

When the chopper lurched from the sky, the door gunner fell and let go of his weapon. Colter sees it still, a vision from the same nightmare: An AR-15 automatic rifle sticking straight up in an obscure green hillside.

The pilot and door gunner were left dazed and defenseless by the crash. Colter tried to stand, and it was only then that he realized he had been hit. "I slipped and crawled down the side of the helicopter, carrying my AR-15, and I tried to stand up, but I kept falling down. I don't know whether the guy was firing at me. I just don't remember. It all happened too fast. I stayed there on my belly, prone, about 100 feet away, and let go."

Colter's gunfire ripped through the enemy soldier in a ragged line that started in the dirt at the man's feet, ended in the air over his head, and left him collapsed in a lifeless pile of blood, flesh and bone.

The tension slipped from Colter then and he began to shake in a backwash of adrenalin. And pain. "That's when it really started to hurt," Colter said. "When it was over."

By Mr. BENTSEN:

S. 873. A bill to strengthen Federal programs and policies for combating international and domestic terrorism; to the Committee on Foreign Relations.

OMNIBUS ANTITERRORISM ACT OF 1981

● Mr. BENTSEN. Mr. President, the world continues to be plagued by acts of senseless violence. Last weekend another act of international terrorism took place in Bangkok and yet another American citizen was wounded. Earlier last weekend another airplane was hijacked and 8 of our citizens were among the 50 hostages taken. This kind of wanton attack on the citizens of this country, or of any nation, has to be brought to a halt and brought to a halt now. Today I am introducing my Omnibus Antiterrorism Act of 1981 to do something to prevent the reoccurrence of this kind of needless and merciless violence.

Mr. President, there have been more than 3,000 terroristic acts committed since 1968, 2,700 people have been killed and 6,000 wounded or hurt. In the aggregate these statistics make it appear that the problem has gotten out of control and that terrorists think they can attack innocent people wherever and whenever they want. A problem of international scope, such as this one, requires a unified policy for our own country and that will also provide leadership for other countries of the world. My bill provides for just such action.

But no national policy is going to deter any international terrorist unless it includes some provisions to make it clear that we intend to deal with them as they planned to deal with innocent people. My bill includes a provision which sets forth the terms under which the court can lock up a person charged with an act of terrorism, prior to their trial. Any person who undertakes, or plans to undertake, an act which is violent or dangerous to human life and is related to assassination, murder, sabotage, or kidnaping, ought to be prepared to wait in jail for action on their case.

I believe that every person in this country is entitled to due process of law but I also believe that any person who espouses their clear intentions to take violent action cannot be routinely set free to carry out their threats. I believe that if a person claims they are going to engage in such behavior we ought to believe what they say and stop them from carrying out that threat and killing or injuring innocent human beings.

While current Federal law provides penalties for the actual acts of terrorism, my bill will establish penalties for clear threats or plans to carry out terroristic acts. Whoever knowingly, willfully and maliciously, or with reckless disregard for the safety of human life, threatens to do a felonious act and who has an apparent determination and will to carry out the threat, can be fined, imprisoned or both.

The Members of the Senate may remember that in the spring of 1977, 12 terrorists virtually held our Nation's Capital hostage for 3 days. A news reporter was killed, a member of the City Council was shot and wounded and more than 120 people were held at gunpoint during the siege. Twelve people planning this kind of attack might have been stopped if we had prosecuted them for their plans. If we had, at least one man would still be alive and, with the penalties I recommend, these heinous criminals would still be in jail for the plan. As it is, even after a conviction on eight counts of armed kidnaping, conspiracy to commit armed kidnaping and assualt with a deadly weapon, at least one of these men is today walking the streets again. I do not want to ever see this kind of ludicrous situation arise again.

My bill also sets penalties for aircraft sabotage. It seems that terrorists have taken to kidnaping aircraft in order to make their demands known. I intend to fine these people up to $10,000 and lock them behind bars for 20 years if they damage, disable, or interfere with the operation of any aircraft. My bill would provide for the same penalties for the destruction of air navigation facilities or acts against crew members or passengers of an aircraft. I want the people who are planning this kind of violence to know precisely what will await them if they ever try to carry out their threats.

As I said earlier, we are dealing with an international problem here and it will take broader measures to be effective against international terrorism. My bill provides for a "hit list" of countries that support international terrorism. If a country chooses to support this kind of violence then we ought to make it clear that they are going to have to pay a price for it.

The first thing we will do, when a state is placed on this list, is immediately cancel the visas of students of that country who are studying in America. I am sick and tired of seeing those students, invited into our country to share in our educational system and to share our wealth and hospitality, turning right around and kicking us in the face. I am tired of those students protesting our Government, disrupting our citizens lives, and making us look like fools. If they are so convinced that they are right I will be the first to defend their rights to say what they believe. But if they are not citizens of our country then let them go back home and say it.

Placing a country on the list will also allow the President several other options for action, depending on the circumstances surrounding the support the country offers. First, the President can immediately withdraw all foreign aid to that country. He is given the authority to stop all checks that are not yet in the mail and to insure that no more are written until they get off the list. He can also cancel any pending or existing sales, credits, or guarantees of defense materials. He can cancel any current or future export licenses for commodities or technical data with military potential and he can withdraw any duty-free status extended to a country. America has long been supplying the world with goods and services from paper clips to ships. And we will remain committed to doing so, but only to those countries who join in the fight against the rising tide of international terrorism. Give these countries the choice: Take the terrorists, or take our aid.

My plans go further, Mr. President. Since so many of these incidents get their start from airports with inadequate security standards, I propose that we take things into our own hands and start to independently assess the adequacy of security at foreign airports. My bill requires DOT to survey foreign airport security and to report to Congress. Where we find inadequate precautions we will notify the appropriate country and give them 60 days to get up to standard. If they do not we will post the names of these airports in all American airports and the Secretary of Transportation will be authorized to withdraw the operating authority of U.S. airlines to that airport.

In order to encourage foreign countries to get up to standard, this bill authorizes DOT to give technical assistance to the foreign country but also allows us to receive reimbursement for our expenses in doing that.

My legislation also helps coordinate Federal action on terrorism by providing a report, developed by the administration, on the state of our ability to deal with terroristic incidents. Further, after a new incident does occur, the President is to provide a report to the Congress, on the adequacy of our response to the action and to recommend legislation to alleviate further incidents arising from the same circumstances.

Again, since this is an international problem, the proposed legislation encourages the President to seek international agreements to assure more effective international cooperation in combatting terrorism and allows him to offer substantial U.S. assistance in developing such agreements.

Mr. President, I fear that if we do not take steps, and take them soon, that the twisted minds of those people who plan these inhumane acts of senseless violence will sense that they are free to act at will. My bill will signal to them that the retribution will be sure and swift and that those countries who might have given them refuge will be placed on notice that the United States of America will not tolerate any more support for them. I hope the Senate will act quickly on my bill so that we can turn this situation around.●

By Mr. GORTON (for himself, Mr. JACKSON, Mr. MCCLURE, and Mr. METZENBAUM):

S. 874. A bill to provide for additional protection of steelhead trout as a game fish, and for other purposes; to the Select Committee on Indian Affairs.

DECOMMERCIALIZATION OF STEELHEAD TROUT

Mr. GORTON. Mr. President, the bill I am introducing today—the Steelhead Trout Protection Act—will provide the protection from commercial exploitation that our Nation's finest game fish deserves.

For roughly 50 years, the State of Washington treated steelhead trout exclusively as a game fish and enforced its laws on that subject almost without exception. In 1974, a Federal district court limited that enforcement to non-Indians. Since that date, with increased commercial fishing by treaty Indians, the steelhead harvest has not only declined substantially, but the cost of enforcing a dual system has exceeded the entire gross value of the commercial Indian steelhead catch.

Mr. President, steelhead is basically a sea-run form of the rainbow trout which migrates to the ocean where it feeds for 1 to 4 years before returning to its parent stream to spawn. Most wild steelhead in Washington State spend 2 years in a stream, reaching a size of 6 to 8 inches, before making their ocean journey. After spending 2 years in the food-rich marine environment, most steelhead return as 6- to 8-pound adults. A few fish may remain in the ocean for 3, or even 4 years, reaching adult sizes of over 30 pounds.

There are two major races of steelhead found in the State of Washington. Winter-run steelhead enter freshwater as adult fish from November through June, peaking in numbers in December and January. They inhabit most streams in western Washington which drain into Puget Sound or the Pacific Ocean. Summer-run steelhead usually enter freshwater as adult fish from May through September, although a few leave the ocean as early as February and may remain in the parent stream up to a full year before spawning. Summer-run steelhead are found in limited numbers in some Puget Sound and coastal rivers and in larger numbers in the Columbia River system.

Steelhead are highly prized by sports fishermen and are considered to be the finest trophy trout. There are approximately 130,000 anglers who fish for steelhead in the State. These anglers fish an average of 4.54 days to catch one steelhead and spend $103.47 in pursuit of each steelhead creeled, according to 1977 harvest data.

There are approximately 180 streams with fishable populations of steelhead, but only 35 major streams provide an annual harvest of over 1,000 fish each.

Few steelhead are caught in the ocean by recreational or commercial fishermen. The fisheries for this species usually takes place in the parent stream, where they are so avidly sought by recreational fishermen.

In 1925 steelhead were classified as "game fish" by the State legislature, thus prohibiting their commercial catch in freshwater. In 1933, when the present Department of Game was formed, renewed efforts were made by sportsmen and conservationists to make steelhead a game fish in both fresh and saltwater.

This was accomplished by the newly formed Game Commission which prohibited the commercial taking or sale of steelhead.

In 1974, Federal district courts in both Oregon and Washington held that treaty tribes have a right to harvest half of the salmon and steelhead. It permitted treaty Indian fishermen to commercially fish for, and sell, steelhead trout in the State of Washington. That decision was modified by the Supreme Court in 1979 without affecting the treaty Indian right to fish commercially for steelhead.

The Federal Government itself spent over $700,000 last year simply to help manage the resulting dual system. Those costs are greater than the commercial value of the resource being caught by the Indians. That value is small when compared to the far greater harvest of salmon. Moreover, the management system is unable to divide the harvest on an equal basis between treaty tribes and the sportsmen. The following table shows the steelhead harvest division for seven major rivers in western Washington during the 1979–80 fishing season:

River	Indian	Non-indian
Elwah	1,346	153
Hoh	2,994	1,526
Nisqually	1,599	2,764
Queets	2,298	473
Quileutee	5,864	4,708
Quinault	4,207	160
Skagit	4,199	3,152

My bill would, first of all, decommercialize steelhead trout—that is it would designate steelhead as a national game fish and make its commercial interstate transportation illegal under Federal law. Second, the bill puts all fishermen in the State on an equal footing, making State laws and regulations governing the harvest, transportation and sale of steelhead applicable to treaty Indian fishermen, just as they are to every one else. Thus, the bill addresses the problem completely, cutting off the entire commercial market and allowing the State to prohibit the commercial gillnet fishery.

Mr. President, I would like to point out that this bill in no way affects the tribes treaty rights of access to fish at their usual and accustomed places (United States against Winans), nor can treaty fishermen be required to pay general State licensing fees to engage in the fishery (Tulee against Washington).

Furthermore, I do not believe that a taking of any treaty right results from this bill. As the U.S. Supreme Court clearly pointed out, the tribes' treaty right is only for that quantity of anadromous fish that will provide them with a "moderate standard of living." This bill does not affect the tribes' rights to commercially harvest the far more abundant salmon resource or affect their ability to obtain a moderate standard of living from their treaty share of salmon. Nevertheless, a section has been added to the bill to address any claim of a taking.

It is important to note that this bill provides the States the flexibility to recognize unique or hardship situations that treaty tribes might find under this bill. The bill allows the States to enter into written agreements with a tribe to establish different laws or regulations as to the taking and possession—but not sale—of steelhead trout by tribal members on Indian reservations.

Mr. President, the sportsmen who seek steelhead trout have waited long enough. The steelhead resource itself has waited long enough. This is simply not a species which is appropriate for commercial harvest or sale. This bill recognizes these facts—it makes steelhead the national game fish that it should be, available to all people on an equal basis.

By Mr. HAYAKAWA (for himself and Mr. CRANSTON):

S. 875. A bill to authorize the generation of electrical power at Palo Verde Irrigation District Diversion Dam, California; to the Committee on Energy and Natural Resources.

PALO VERDE IRRIGATION DISTRICT, CALIFORNIA

Mr. HAYAKAWA. Mr. President, I am introducing today together with my colleague from California, Senator CRANSTON, legislation that will permit the Palo Verde Irrigation District in California to construct a hydroelectric generating plant at the Palo Verde Diversion Dam on the Colorado River. The Water and Power Resources Service constructed the dam in 1957 to replace an aging, temporary structure which the district used to divert water from the Colorado to irrigate its more than 100,000 acres in the Palo Verde Valley in southern California.

In those days of energy abundance, it was not practical to include generating facilities at small, low-head dams so the authorizing legislation retained the exclusive right to develop the energy potential with the Federal Government. Today, as we make every effort to declare our independence from foreign energy resources, it is essential that every promising source be developed, particularly when that source is clean, pollution-free hydroelectric power.

While this is a small plant, producing perhaps 50 to 60 million kilowatts of energy each year, the many possibilities of constructing these small plants throughout the United States will make significant inroads on the necessity of purchasing foreign petroleum.

This legislation will specifically permit the Palo Verde Irrigation District to utilize the Palo Verde Diversion Dam and any necessary related facilities for the development, generation, transmission, and disposal of electric power and energy notwithstanding the provisions of the 1954 legislation which retained the exclusive right in the United States. The district has already retained engineering consultants to undertake the study and design of the project and the Water and Power Resources Service has advised us that they have no objection to the district's proposal.

We strongly support the district's plans and hope that it can be considered quickly by Congress so they can proceed without delay.

ADDITIONAL COSPONSORS

S. 267

At the request of Mr. INOUYE, his name was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 270

At the request of Mr. SCHMITT, the Senator from Missouri (Mr. DANFORTH), the Senator from Wyoming (Mr. SIMPSON), the Senator from Indiana (Mr. LUGAR), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of S. 270, a bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain radio services and to provide certain deregulation of such radio services, and for other purposes.

S. 351

At the request of Mr. WALLOP, the Senator from Idaho (Mr. SYMMS), the Senator from Oklahoma (Mr. NICKLES), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of S. 351, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work.

S. 360

At the request of Mr. WEICKER, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 360, a bill to amend the Internal Revenue Code of 1954 to improve productivity and employment by promoting capital investment in small business, and for other purposes.

S. 391

At the request of Mr. CHAFEE, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 391, a bill to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying agents, informants, and sources and to direct the President to establish procedures to protect the secrecy of these intelligence relationships.

S. 613

At the request of Mr. THURMOND, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 613, a bill to amend section 1951 of the United States Code, and for other purposes.

S. 622

At the request of Mr. INOUYE, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 622, a bill to control the export of hazardous wastes.

S. 664

At the request of Mr. CHILES, the Senator from Oklahoma (Mr. BOREN), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 664, a bill to amend section 481(d) of the Foreign Assistance Act of 1961.

S. 732

At the request of Mr. NUNN, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 732, a bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice.

SENATE JOINT RESOLUTION 10

At the request of Mr. HUDDLESTON, the Senator from Kansas (Mr. DOLE), the Senator from Missouri (Mr. EAGLETON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Nebraska (Mr. EXON), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Oregon (Mr. HATFIELD), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Indiana (Mr. QUAYLE), and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of Senate Joint Resolution 10, a joint resolution to establish a Commission on Presidential Nominations.

SENATE JOINT RESOLUTION 12

At the request of Mr. INOUYE, the Senator from New Mexico (Mr. DOMENICI), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Kansas (Mr. DOLE), were added as cosponsors of Senate Joint Resolution 12, a joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE CONCURRENT RESOLUTION 9

As the request of Mr. DOMENICI, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

At the request of Mr. DOMENICI, the Senator from Ohio (Mr. METZENBAUM) was withdrawn as a cosponsor of Senate Concurrent Resolution 9, supra.

AMENDMENT NO. 27

At the request of Mr. GLENN, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of amendment No. 27 proposed to Senate Concurrent Resolution 9, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

AMENDMENT NO. 29

At the request of Mr. BUMPERS, the Senator from Maryland (Mr. SARBANES), the Senator from Arkansas (Mr. PRYOR), the Senator from Michigan (Mr. RIEGLE), the Senator from Nebraska (Mr. EXON), the Senator from Arizona (Mr. DECONCINI), the Senator from Vermont (Mr. LEAHY), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors to Amendment No. 29 intended to be proposed to Senate Concurrent Resolution 9, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983.

SENATE RESOLUTION 107—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. PERCY, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 107

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 786, a bill authorizing United States participation in the Sixth Replenishment of the Resources of the International Development Association ("IDA"), authorizing United States participation in the African Development Bank ("AFDB"), and for other purposes. Such waiver is necessary to allow the authorization of appropriations for fiscal year 1981 for the first installment of the United States contribution to the Sixth Replenishment of the Resources of the International Develop-

ment Association and the first portion of the United States subscription to the capital stock of the African Development Bank.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was accomplished prior to May 15, 1980, by the action of the Committee on Foreign Relations in reporting S. 2422, a bill containing authorization language identical to that contained in S. 786. S. 2422 was passed by the Senate on June 16, 1980, by a vote of 53 to 24, but due to the failure of the House of Representatives to take final action on S. 2422, the legislation has had to be reintroduced in the 97th Congress and reconsidered by the Committee on Foreign Relations and the Senate. The Committee on Foreign Relations reaffirmed its decision taken in 1980 by ordering S. 786 reported favorably with amendments conforming the bill to S. 2422 as passed by the Senate on June 16, 1980. In order for the Senate to proceed to consider S. 786, it is necessary to waive the requirement that S. 786 have been reported prior to May 15, 1980.

Authorization of appropriations for fiscal year 1981 is necessary in order for the United States to participate in the Sixth Replenishment of IDA prior to the commencement of fiscal year 1982. The internationally negotiated replenishment of IDA cannot become effective without congressional authorization of the full United States contribution and appropriation of the first installment of the United States contribution. Fourteen other donor nations provided temporary advance contributions to IDA pending completion of United States legislative action on IDA–VI, enabling IDA to continue lending through March 1981.

Other donors have stated that they will provide no additional "bridge financing" until United States legislative action is completed. Administration testimony states that prompt congressional action is necessary in order to avoid a lapse in IDA lending and potentially severe impacts on United States foreign policy and the international economy.

Authorization of appropriations for fiscal year 1981 is also necessary in order for the United States to join the African Development Bank when other non-African countries join, which is expected to occur in May. If the United States is not prepared to join when other non-African countries are admitted to membership, the United States will be unable to name a United States citizen to the Board of the AFDB and United States companies, which currently win about 9 per centum of AFDB financed procurement, will lose the opportunity to bid for procurement financed by AFDB, until after the United States joins the Bank.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

Mr. HUMPHREY. Mr. President, for the information of the Senate and the public I would like to announce a change in the scheduling of a public hearing before the Subcommittee on Energy Regulation.

The hearings previously scheduled for Wednesday, April 22 and Thursday, April 23, 1981, on amendments to the Powerplant and Industrial Fuel Use Act are rescheduled for Friday, April 24, 1981, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Regulation room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding the hearings, you may wish to contact Mr. Howard Useem or Ms. Marilyn Burkhardt at 224–5205.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. LUGAR. Mr. President, Senator GARN and I would like to announce the first set of hearings for the Housing and Urban Affairs Subcommittee on the reauthorization housing programs.

The hearings will be held in room 5302 of the Dirksen Senate Office Building:

10 a.m., April 7, the Federal role in home finance. An exploration of the Federal role in secondary financing markets, alternative mortgage instruments, FHA mortgage insurance and meeting the home finance needs of the eighties.

9 a.m., April 21, reauthorization hearing. General testimony on the issues to be considered in the housing amendments of 1981 by Secretary Pierce and others.

9 a.m., April 22, assisted housing. Consideration of various proposals to reform the section 8 program and the other Federal subsidized housing programs.

9 a.m., April 23, regulatory reform. A discussion of the ways in which regulation increases the cost of housing, of the manner in which Federal regulation has reduced the effectiveness of the community development block grant program, and methods for reducing the cost of compliance with Federal regulations.

9 a.m., April 24, housing block grants. An exploration of the opportunities offered by housing block grants.

We invite interested parties to submit testimony for the record.

SUBCOMMITTEE ON FOREIGN AGRICULTURE POLICY

Mr. BOSCHWITZ. Mr. President, I wish to announce that hearings have been scheduled before the Agriculture Subcommittee on Foreign Agricultural Policy on the subject of U.S. agricultural exports. Agricultural exports have been one of the bright notes in our balance of trade picture, and the subcommittee has invited distinguished representatives of business and commodity groups to give an overall perspective of the U.S. agricultural export business, and what they foresee in the future for an increased export volume.

The hearings will be held on Wednesday, April 8, beginning at 10 a.m., in room 324, Russell Building. Anyone wishing further information should contact Denise Alexander of the Agriculture Committee staff at 224–0014.

ADDITIONAL STATEMENTS

THE ECONOMIC WISDOM OF ARTHUR OKUN

● Mr. KENNEDY. Mr. President, a year ago last month, the death of Arthur Okun deprived the Nation of one of its most brilliant and articulate economists.

At the time of his death, Mr. Okun had virtually finished the manuscript of a major new analysis of our economic crisis. That manuscript was prepared for publication by his colleagues at the Brookings Institution, and has just been published.

Mr. Okun's book, "Prices and Quantities," is a major contribution to our better understanding of the complex economic issues we are facing this year. I believe his analysis will be of interest to all of us, and I ask that an announcement by the Brookings Institution summarizing highlights of the publication may be printed in the RECORD.

The announcement follows:

[From the Brookings Institution, Mar. 26, 1981]

"ARTHUR OKUN'S LAST STUDY EXPLAINS FAILURE OF TRADITIONAL POLICIES TO CURB INFLATION"

During the past decade, efforts to manage aggregate demand have done little to slow inflation even in times of economic slack. It seems clear that economists' traditional assumptions about short-run wage and price flexibility are no longer valid for most of the industrial world, since inflation remains quite unresponsive to shifts in macroeconomic policy. What is going on?

Before his untimely death in March 1980, Arthur M. Okun had nearly completed a comprehensive study of key aspects of stagflation that have defied explanation by either Keynesian analysis or monetarist and "rational expectations" models. Brookings will publish the 367-page study, titled Price and Quantities: A Macroeconomic Analysis, on March 26. Some highlights follow.

Okun addresses the most critical controversy in modern economics: Why do wages and prices respond so sluggishly to changes in market conditions? This failure to respond quickly and easily to monetary and fiscal restraint is what makes inflation so stubborn and so painful to reduce.

One school of thought emphasizes the responsibility of inflationary expectations, built up through a long history in which monetary and fiscal policy failed to exert the necessary discipline over markets. While not denying a role to such expectations, Okun provides a comprehensive analysis of why it is in the very nature of wages and prices in most modern labor and product markets not to respond easily and quickly to changes in economic conditions. When demand falls in those markets, it is output rather than prices and wages that declines. Okun documents the microeconomic foundations that underlie the inertia of inflation. He concludes that demand restraint must be supplemented by an incomes policy and other devices to speed up the inherently sluggish response of wages and prices.

Okun depicts a world in which administered prices cover most of the economy. They are basically cost-oriented, made by adding a markup to cost. Rather than an evil manifestation of monopoly, these cost-oriented prices represent an efficient adaptation of society to a world of thousands of complex products with varying characteristics. Continuous shopping for absolutely the best bargain doesn't pay. Consumers build up loyalty to and knowledge about particular supplies. Suppliers in turn keep customers by treating them fairly, and treating them fairly means closely relating prices to costs. Paradoxically, in a world of free markets it is not good business to charge all this market will bear.

In such a world, a slump offers a businessman little incentive to search for bargain-hunters. He knows that if he finds them he will not be able to hold onto them when times improve. Similar incentives to maintain long-run customer relations keep a businessman from trying to squeeze out the last penny during a boom. As a result, cost-oriented markup pricing holds down inflation in its early stages. It makes inflation slow to start but also hard to stop.

This is all the more true in labor markets, where employers and employees have investments in each other and in the job. Costs incurred for training and experience pay off best for both parties only if the worker con-

tinues to work for the same employer. Personnel managers in both union and nonunion shops look to the long run. They recognize that taking advantage of a weak labor market by cutting wages below the accepted norm will earn a high quit rate and rapid turnover when the labor market tightens. As a result, firms often keep more workers than they need during a slump in sales. If things get worse, they will lay off low-seniority workers and close the hiring window rather than cut back on wages, even without a union to force them.

The implicit contract that avoids wage-cutting is an efficient means of cementing career relationships between workers and employers. It embodies fairness, reflected in wages following other wages and wages responding to the cost of living. But again, it makes inflation very hard to uproot once it has started.

Okun characterizes the implicit contracts in both career labor markets and customer product markets as an "invisible handshake." While such business practices are efficient for firms, they complicate management of the economy as a whole. The growing importance of implicit contracts has increased the number of markets in which wages and prices are insensitive to short-run changes in the demand for labor and goods. In these circumstances, restrictive monetary and fiscal policies have the undesired effect of reducing output and increasing unemployment while doing little to slow inflation.

Americans use dollars as their score-keeping system, their planning and costing system, and their means of setting prices. There is only one objective way for a business to find a cost, and that is to learn what it has already paid out. Historical costs are the only kind of measure an accountant can deal with. But they become inappropriate in an inflationary world.

As people realized that the world had become inflationary and that even recessions would not drive inflation down, they began to adapt their institutions and practices. We saw not only a shift to so-called LIFO inventory accounting but also a shift to LIFO pricing. Automobile prices that had been keyed to the model year now change monthly and weekly. Firms that had accepted fixed-price orders for products a year or two in advance, or even decades in the case of Westinghouse, abandoned that practice.

We began to index. With cost-of-living escalators in wage contracts and with even prices geared to the cost of living, the CPI—with all its mortgage and medical care weights—has become an alternative to the dollar yardstick. But without confidence in the stability of money, our economic system could never have progressed beyond the primitive stage of barter. The cost of inflation is impairment of that confidence and a retrogression toward barter—a crawl away from money.

Because indexing guarantees that inflation that gets into one part of the system will spread through the rest all the faster, any such adaptation to inflation is not a cure but part of the disease. Prompt and comprehensive indexing throughout the economy is an impossibility. Partial indexing in most circumstances contributes to inflation and in all circumstances makes it more inequitable.

Indexing of wages is sometimes recommended as a way to improve equity. That argument ignores the fact that if workers are granted indexed wages, the prices of the goods they produce will respond much more to any acceleration of consumer prices. Disturbances in the real incomes of workers who are not indexed will be magnified. Everyone who gains assurance of keeping up with the cost of living adds to the price level risk of those who remain uninsured. Thus, indexing creates a hot potato that can be passed from one group to another but cannot be cooled off.

Because indexing offers no escape from inflation, public policy must aim at stabilizing the value of money and resolving the conflict between stable prices and maximum production. Okun rules out supply-side economics as a useful solution, however important it may be from other standpoints. The links in the chain of supply-side effects—from increased capital formation, to increased productivity, to competition that lowers prices, and to the consequent feedback on wages—are too long and too fractional to affect the inflation rate by substantial amounts, even over a five-year period. Okun suspects that curbing inflation would do more to revive productivity than a direct stimulus to productivity could do to slow inflation.

He recommends a diversified attack on inflation built around fiscal-monetary restraint, microeconomic actions affecting prices and costs, and incomes policies. Fiscal-monetary policies should aim to slow the growth of nominal GNP along a path consistent with slowing inflation. Taken alone, such a commitment would slow wage increases or price markups only very gradually, but it would support bond prices, reduce the attractiveness of gold and real estate as inflation hedges, and otherwise help renew confidence in money.

The second part of a diversified strategy would cut into inflation through the government's microeconomic actions that directly affect prices and costs. Payroll taxes on employers, for example, work as hidden sales taxes on consumers. Like sales taxes, they add to prices. So do floors on agricultural prices, on pay for workers on government contracts, and regulatory floors on some transportation prices. Changes in these taxes and price floors do not simply produce one-time changes in the price level. They work themselves into the CPI and are perpetuated through the wage-price spiral.

Finally, Okun concludes that some form of incomes policy—or a series of incomes policies—will be necessary if inflation is to be tamed during the 1980s. In his judgment, tax-based incomes policies stand attractively on a middle ground between moral suasion and wage-price controls. Even the most wisely conceived tax-based incomes policy would be subject to leakages and to significant administrative costs. But Okun would expect it to shine as a paragon of efficiency in comparison to the social costs of unemployment and slack as a cure for chronic inflation.●

A KANSAN REASSURES THE NATION: DR. DENNIS S. O'LEARY

● Mr. DOLE. Mr. President, on Monday afternoon, the work of this body came to a sudden halt. The Senator from Kansas joined his colleagues off the Senate Chamber to watch television, and the horrifying events of that day. One by one they were reported. Understandably, some parts of the story were changed or contradicted, as others were sadly confirmed.

That evening, a numbed American public awaited the definitive medical report on our President, James Brady, Secret Service Officer Timothy J. McCarthy, and District of Columbia Policeman Thomas Delahanty. With his natural grace, professional demeanor, and unfailing patience, Dr. Dennis O'Leary, the dean of clinical affairs at George Washington University Hospital, reassured a distressed nation.

Dr. O'Leary grew up in Fairway, Kans., a suburb of Kansas City. He later attended Harvard College, and Cornell Medical School and has had an unusually distinguished career. Before his tenure at George Washington University Hospital, Dr. O'Leary was the director of the Coagulation Research Laboratory at Walter Reed Army Medical Center.

Needless to say, we Kansans are proud of the way Dr. O'Leary has handled himself in a difficult and necessarily high-profile situation. Yesterday morning the Kansas City Star published an insightful story on the doctor, and I ask that this article be printed in the RECORD.

The article follows:

DOCTOR'S EXPERTISE PUT HIM IN FRONT OF CAMERAS

(By Robert Engleman and Mark Fraser)

WASHINGTON.—Out of the anonymity of academic medicine emerges Dr. Dennis S. O'Leary, Shawnee Mission High School Class of '56, calm eye in a hurricane of national emergency and, for the moment at least a hot media property.

As a spokesman for George Washington University Hospital, where President Ronald Reagan is hospitalized along with two others who were wounded in Monday's assassination attempt, O'Leary has come off as if he were the president's press secretary instead of James Brady, who lies in the hospital with a critical head wound.

What struck a host of network commentators Monday afternoon was how this 43-year-old hospital medical director could walk into a lecture room full of seething Washington media—which had gone for hours with little information on the wounded president of the United States—and satisfy almost everyone with his informational delivery.

"Good job," presidential aide Lyn Nofziger told O'Leary after the news briefing. Friends called that night to tell him he had been "awesome."

It was not as if he had never spoken publicly before. O'Leary told The Kansas City Times on Tuesday afternoon in his first newspaper interview since the Reagan shooting. The debate team at Shawnee Mission was "a very good one," after all, and the hospital had had some media relations before someone tried to shoot the president.

O'Leary's father, Ted O'Leary, was a reporter for The Times in the 1940s and now writes book reviews for The Star. He also serves as a Midwestern correspondent for Sports Illustrated.

By coincidence, the elder O'Leary's first job was as a basketball coach at George Washington University, where his son now holds a top administrative post.

"This place is very crisis-oriented," Dennis O'Leary said. "We've been involved in every local disaster in the last 10 years. Maybe someday there'll be a mess-up, but so far nobody's let us down here."

Still, there never has been anything quite like Monday afternoon, when O'Leary and other hospital officials were interrupted at a routine meeting by a telephone caller relating the assassination attempt and the president's arrival at the university hospital.

"We all made a beeline for the emergency room, where the resuscitative effort was already under way," O'Leary said.

As dean of clinical medicine at the teaching hospital, O'Leary's assignment Monday was coordinating the four surgeons who worked on the president. In a meeting later Monday afternoon with White House aides Edwin Meese, James Baker and Nofziger and Sen. Paul Laxalt of Nevada, it was decided that only a physician could exode sufficient authority to satisfy the waiting media, and O'Leary was the only one with a complete picture of all the injuries and life-saving efforts.

"I've always known the major lecture hall, Room 101, but I had never seen it like this," O'Leary said of his nervous entrance into the makeshift press room. Reporters and equipment people were especially testy, he said, because they had not been allowed into the hospital and had been told nothing about the president's condition.

"I felt like I had stepped onto the planet Mars," O'Leary said. "There was this sea of 150 to 200 people, every one of them with some piece of equipment—cameras, flashbulbs, boom mikes, tripods. They were spread out in front of me 100 degrees. It was dazzling."

The White House had suggested prepared notes but O'Leary said: "That's not my style. It wouldn't have sounded as authentic."

Later, the doctor was glad to get positive reviews of the performance, but at the time, he said. "My goal was to begin it and finish it and not blow it too bad."

The new conference was so impressive to those who watched that at least one medical colleague said he fears it will hasten the day that the university loses O'Leary to some larger job.

"My fear is that at some point he'll end up with a national position," said Dr. Bryan Arling, who worked under O'Leary in the early 1970s. "He's that superior. He's just a superstar."

O'Leary laughed off that idea and said that he likes the hospital job and that only "something very special" would be able to take him away from George Washington University.

His wife, Dr. Margaret O'Leary, works at the hospital as an intern, though she is expecting a child within weeks. O'Leary has three other children by a former marriage.

He said he and his wife would like to make their home in the Midwest someday. His wife also is a Midwesterner, from Indiana.

"It's a superb city," O'Leary said of Kansas City. "I'd really like to live in the Midwest again."●

THE EMERGING FOREIGN POLICY OF THE REAGAN ADMINISTRATION

● Mr. METZENBAUM. Mr. President, on March 30, in an address to a meeting of the Jewish National Fund, Senator EDWARD KENNEDY raised a series of very important issues with regard to the emerging foreign policy of the Reagan administration.

Senator KENNEDY questioned the wisdom of our providing military assistance to a government in El Salvador that has failed to apprehend the killers of American nuns and labor union officials.

He expressed profound skepticism about an approach to South Africa that opens the way for Soviet gains in the rest of the African continent.

He spoke out strongly against alining this Nation once again with antidemocratic regimes in Latin America and elsewhere and he expressed his outrage at attempts in this body to play off poor children in America against the hungry people of the world.

But Senator KENNEDY's main theme was the administration's confused, contradictory, and counterproductive beginnings in the crucial area of Middle East policy.

Senator KENNEDY said:

The new administration has already done the wrong thing. They have embarked on the most excessive rearmament of the enemies of Israel in modern times. They have sent mixed signals on the Camp David peace process, claiming to support it while acquiescing in European efforts to undercut it. And instead, of a policy for energy security, the administration is pursuing a policy of increasing dependence on foreign oil.

Mr. President, I believe that Senator KENNEDY's thoughtful remarks should be brought to the attention of the Senate.

The statement follows:

ADDRESS OF SENATOR EDWARD M. KENNEDY, MARCH 30, 1981

Thank you, Rabbi Berkowitz.

This occasion has a special meaning for me. It is a privilege to be with so many friends at the 80th Anniversary assembly of the Jewish National Fund. And it is a particular privilege to meet with you in New York, which brings back many happy memories.

A year ago, in my presidential campaign, I had the honor to visit Rabbi Berkowitz and to appear before his congregation. I shall never forget that afternoon and the thousands who joined us in his beautiful temple. We shared our hopes for the country and our dreams for peace in the Middle East.

And two days later, in the New York primary, we won one of the greatest victories of our campaign. I was thinking of Rabbi Berkowitz, of so many of you, and of people like you when I recalled the poet's words at the Democratic convention in New York City and said: "What golden friends I had."

I also remember that day, fifteen years ago, when the Jewish National Fund dedicated the John F. Kennedy monument and Peace Forest in the Judean hills above Jerusalem. In 1975, I went to Israel to visit that monument again. I walked through the forest. I saw the miracle of that magnificent memorial—of millions of trees reaching out across Eretz Israel and stretching their branches under the sky of Zion. The living memorial of the Peace Forest commemorates not only the life of my brother, but the ideals for which he stood and the unbreakable bond between our two nations in which he so deeply believed. All those who contributed to the forest have heard and heeded the words of Leviticus: "Ye shall come into the land and ye shall plant."

I have an abiding admiration for the cause of the Jewish National Fund and your commitment to the Land of Israel. You have helped to transform the hard, unyielding rock and the wind-swept desert into acre after acre of fertile soil and mile after mile of flowing canals. Your work is truly God's work as you fulfill the ancient promise to Abraham and give beauty and bounty to the Holy Land of the Bible. As Rabbi Berkowitz has written: "No such attachment of a people to a land exists anywhere in the world. The relationship is unprecedented and without analogy. How can one understand or explain it? Perhaps the answer lies in the Bible, the first written record of the Union of Israel, the land and the people."

We meet this morning at a time of concern over the direction of our government's policy in the Middle East and in almost every other region of the world.

Before discussing the Middle East, let us look across the globe.

In El Salvador, the Administration has embarked on an unconditional military adventure that is clearly unnecessary and unwise.

We all oppose the shipment of arms into El Salvador from countries that are actual or potential adversaries of the United States. But we must not let their transgressions trap us in a wider war.

I believe we should halt all American military aid to El Salvador until strict conditions are met. There must be a complete investigation of the brutal murders in recent weeks of the American missionaries and two American labor representatives in El Salvador. There must be progress toward a negotiated solution. And there must be effective guarantees against any military coup. American aid must not be misused to maintain the power of a military dictatorship in El Salvador.

We must condemn the violence and the terror from whatever quarter they may come. But we must never give our support to a regime that stands by, while American nuns and American labor organizers are beaten and killed.

In other parts of Latin America, the Administration has put the United States on the side of the repressive regimes and ruthless dictatorships. That is wrong in principle, and it will not work as policy. I oppose the Administration's abandonment of human rights. We must never surrender America's heritage as "the last best hope" of people everywhere yearning to be free.

In Africa, the Administration has announced their plan to lift the Congressional ban on covert American involvement in Angola's civil war. And they have aligned themselves publicly with the Apartheid government of South Africa. Their policies are not only insensitive. They are inconsistent and they will prove to be ineffective.

How can any Administration that sees the Soviet Union as a threat adopt a policy toward South Africa that invites new Soviet advances into Angola and all the rest of Africa?

I oppose the Administration's sudden new detente with South Africa. That policy is an insult to all Americans who care about civil rights and human freedom. And I oppose any Administration plan to honor the leaders of South Africa with a state visit to the United States.

On foreign aid, we saw a cruel attempt last Friday on the Senate floor by supporters of the Administration to pit the sick and the hungry of the world against the school children of America. I do not believe that food should be a weapon of foreign policy or of budget policy. The economic condition of the United States is difficult but it is not so desperate that we must worsen the worst sufferings of our fellow human beings. We need not take crusts of bread from the hands of starving families in Africa and Asia in order to provide school lunches for children in America. That sort of false and selfish trade-off has never been American policy in the past, and I do not intend to let Senator Jesse Helms make it our policy for the future. America must be, as it has always been, a generous and not a callous country.

Nowhere are the stakes of foreign policy greater than in the Middle East.

Four days from now, the Secretary of State will travel to Egypt, Israel, Jordan and Saudi Arabia. Yet seldom in the last generation has there been greater uncertainty about American policy in that region of the world.

It is time for the United States to be clear about its objectives in the Middle East. And it is time for the United States to carry out these objectives consistently, reliably and effectively.

First, we must assure the security and prosperity of Israel, our strongest friend and surest ally in the entire region. We cannot and must not jeopardize Israeli security by supplying offensive arms to its mortal enemies.

Second, we must promote peace and stability in the Middle East. Israel and Egypt are strategic cornerstones in the broader peace we must seek. The Camp David Accords are a historic achievement. We cannot and must not set them aside in a futile effort to appease those sworn to an unholy war against the Holy Land of Israel. Nor can we allow the Soviet Union or its surrogates to undermine a just and lasting peace in the Middle East.

Third, we must achieve full energy security for ourselves and our allies, by reducing and finally eliminating the crushing burden of our dependence on foreign oil. We cannot and must not indenture ourselves indefinitely to the Arab oil barons, and open ourselves and our allies to Arab oil blackmail.

On each of these issues, the new Administration has already done the wrong thing.

They have embarked on the most extensive rearmament of the enemies of Israel in modern times. They have sent mixed signals on the Camp David peace process, claiming to support it while acquiescing in European efforts to undercut it. And instead of a policy for energy security, the Administration is pursuing a policy of increasing dependence on foreign oil.

Today energy security equals national security. Only by putting our energy house in order can we free our foreign policy from OPEC pressure. Only an energy-secure America can do what is in America's true interest. Only an energy-secure America can do what is right for the security of Israel and the Middle East.

The lesson of Iran is clear. We must assure our security and end our energy dependence before new and unpredictable events catch us short and unprepared again.

Energy security begins at home—with obvious steps that can and should be taken now. We must do all we can to cut our consumption of oil. Instead the Administration has decided to cut our conservation and solar programs. They want a deep slash of 75 percent in programs that could save 25 times as much oil as the nuclear subsidies they favor. I oppose the Administration proposal to increase nuclear subsidies while neglecting energy conservation.

Next, we must fill the Strategic Petroleum Reserve without delay to protect against sudden cutoffs of foreign oil—and our allies must do the same. If that reserve was filled, we could face the Arabs without flinching. This Administration has apparently decided to leave storage domes in Louisiana unfilled. That is a reckless gamble with out national security. The Administration must be on notice: we will not settle for a strategic reserve in name only that could sustain America's economy for only 20 days. There can be no retreat from that commitment.

We must also work with the less developed nations of the world to find new sources of oil. The World Bank has proposed a program of oil exploration outside the Middle East. It was wrong for the Administration to kill that program—and it is wrong to treat endless price increases as the substitute for a sound energy policy.

Energy independence is more than a matter of our own national security. On it will ultimately depend our hopes for peace and stability in the Middle East.

Those hopes are very much in danger now.

I oppose the Reagan Administration's decision to sell advanced military equipment with obvious offensive capability to Saudi Arabia. I agree with Rabbi Berkowitz that "submitting to Saudi Arabia's demands can only prove dangerous to Israel's security, perilous to the cause of Middle East peace, and hazardous to America's strategic interests."

I voted against the sale of 62 sophisticated F–15 fighter aircraft in 1978, because they would endanger the security of Israel. In fact, the F–15 sale generated so much concern that the Carter Administration promised explicitly to draw the line there—and never to increase the offensive capability of aircraft in the Saudi arsenal. Without those assurances, Congress would surely have disapproved the sale.

A new Administration must not repudiate the solemn obligations of the United States Government. We are not talking about some technical "enhancement" of the F–15. We are talking now about the most advanced Sidewinder missiles and about extra fuel tanks which would permit the Saudi F–15's to range far wider to attack the territory of Israel.

And we now learn that there is even more to come. The Administration is considering aerial refueling capabilities and AWACS planes to give Saudi Arabia not just early warning of attack, but a command platform in the air that could guide attacks against Israel. America must never give the Saudis or any other nation the power to defeat Israeli air defenses. And I pledge to oppose absolutely the AWACS plane sales to Saudi Arabia.

The Administration is pursuing a policy based on a false premise. More arms cannot buy or bribe the Arab states into a peace settlement in the Middle East. Just two weeks ago, two Saudi newspapers reacted to criticism of the latest arms deal by admitting—and I quote—that "the Saudi government does indeed plan to equip its army in order to liberate the plundered lands."

The Reagan Administration claims that it is pursuing an anti-terrorist strategy. Then let them stop selling offensive arms to Saudi Arabia, which spends nearly $400 a million a year to finance the terrorists of the PLO—and only last week gave the PLO another $27 million for joining the Taif declaration of holy war against Israel.

The Administration claims that it wants peace in the Middle East. Then let them stop selling offensive arms to Saudi Arabia, which fiercely opposes the Camp David peace process.

Instead of giving the Saudis a needless offensive military capability, we must recognize their real security needs. We must pursue a stable, independent and pro-western Saudi Arabia, but our relationship with the Saudis cannot be a one-way street. We are entitled to expect Saudi cooperation and not rejection of the peace process. We are entitled to expect the reality, not a charade, of oil price restraint and oil supply reliability in the Middle East.

Saudi Arabia does face an external threat from the Soviet Union, South Yemen and possibly Iran and Iraq. I support American supplies of the defensive arms to meet this threat. But of this we must be certain: that the defensive arms we supply to Saudi Arabia, Egypt, or other Middle East states must always be aimed in the right direction—and never against Israel.

That must be our policy on arms—and that must be our policy on oil. We must never barter the future and freedom of Israel for a barrel of Saudi oil.

Finally, the United States must reaffirm and revitalize its own commitment to the Camp David peace process. We must not permit our allies to undermine that process. The latest European initiative on the Middle East, as Abba Eban reminds us, can only encourage a radical hard line among the Palestinians. The PLO must never play a role in the negotiations until it has renounced absolutely and forever the oath to destroy Israel.

American policy must not only reject the wrong route to a negotiated peace. We must also reopen the right road to peace.

I call upon the Reagan Administration to appoint without delay a new special negotiator to succeed Sol Linowitz and to press ahead now with the discussions mandated by the Camp David Accords. At this time of change and turbulence in the Middle East, we cannot afford protracted delays in those negotiations. This week, on his trip to the Middle East, Secretary Haig must give his unequivocal endorsement of the Camp David process to Israel and to Egypt.

In a few weeks, Jews will be celebrating the Passover ceremony, teaching their children again of the liberation of the Jewish people. It is a dream as ancient as Moses and as modern as David Ben Gurion. It is a dream that still lives everywhere in Israel and in the John F. Kennedy Peace Forest, which stands on the ground where Jewish Freedom Fighters stood and died opposing Roman oppression two thousand years ago. Four times in the Book of Exodus, the pledge of liberty is made to the people of Israel. And four times during the Passover Seder, a cup of wine is raised to symbolize that pledge.

This year, when the cup is raised, let us renew our convenant with Israel and our own pledge of peace.

For peace is all that Israel asks.

Peace, as the prophet Micah wrote, so that "they shall sit, every man under his vine and under his fig-tree, and none shall make them afraid."

Peace, as the Torah teaches, so that "the desert shall rejoice and blossom as the rose . . . and they that wait upon the Lord shall renew their strength."

Let us pledge to pursue that peace together. Let us seek the age-old dream as a guiding star. Let us raise the cup of Passover, and say for all time: "Next year in Jerusalem." ●

NICARAGUA

● Mr. ZORINSKY. Mr. President, I view the administration's announcement regarding the issue of assistance to Nicaragua as a very positive act. It is finally the administration's acceptance of the principle that indeed it is in the best interests of the United States to furnish economic assistance to Nicaragua.

My colleagues may be wondering about what they have just heard from me, given my well-known position on Nicaragua. They may be wondering about such a statement, especially on the morning after the announcement of the administration's suspension of assistance because of the determination that Nicaragua is involved in assistance to the guerrilla left in El Salvador. The explanation is relatively simple.

The announcement in reality is nothing new. It is merely a continuation of the suspension of the $15 million in assistance announced several weeks ago, pending the State Department's further monitoring of developments. Of course, I could question why the determination is being made at this particular point in time when the State Department now openly admits that it has "no hard evidence of arms movements through Nicaragua during the past few weeks," and that the Nicaraguan response to U.S. efforts to get them to halt support of the guerrillas has been "positive."

I would rather, however, not dwell on this negative aspect of the questionable timing and evidence and concentrate on what I see as the very positive developments with regard to our present and future relationship with Nicaragua. The administration, by yesterday's action, is leaving the door open for further assistance to Nicaragua in recognition of the stake we have in helping the moderate forces in Nicaragua steer their nation on a pluralistic political and economic course.

By making the determination, the administration could have demanded immediate repayment of $40 million in loans but it did not. Another positive development is that the State Department is going to monitor the situation for the purpose of determining the resumption of assistance. The administration also is considering the resumption of other development assistance as well as vitally needed Food for Peace funds. Finally, for fiscal year 1982, the administration is proposing over $33 million in

economic assistance. All this is indicative that the administration's action coincides with the objectives that I fought so long and hard to attain in our Nicaragua policy. U.S. assistance funds are an important instrument to strengthen the moderate and democratic forces such as the private sector, that exist and continue to function in Nicaragua. If I and many of my colleagues on both sides of the aisle, had not been making these points last year, it would not have been possible for the State Department to have come to this position today. No doubt we are using the carrot in the case of Nicaragua, but the State Department has finally realized that the carrot cannot be allowed to decay to the point where it becomes valueless with regard to our policy interests.

I know that yesterday's announcement is being heralded by certain Senators as a final cutoff of funds to Nicaragua. They have worked hard to self-fulfill a prophecy that Nicaragua will go down the road to Marxism and ally itself firmly with Cuba.

This is indeed what will happen if we pull the rug out from under our friends in Nicaragua. But I have been contending, and now I am happy to see more resolve in the State Department on this point, that support of the moderate sectors of Nicaraguan political and economic life is a major tenet of our relationship with Nicaragua. The mechanism for supporting and strengthening this moderate sector is through the economic assistance program. Sixty percent of our foreign assistance to Nicaragua goes to the private sector so that the economic and political system has a chance of staying on a pluralistic course.

It is a constant struggle for these people in Nicaragua. They are locked in a struggle with radical elements who want to steer the Nicaraguan revolution to the far left. The private sector and other moderate elements have not given up and we cannot give up on them. They are staying in the battle and so should we through our economic support.

Yes, I see some very positive developments over what might be initially interpreted as a negative act by the State Department. I urge the administration to keep its objective focus on Nicaragua so that economic assistance, in all its facets, can quickly be resumed. That clearly is in the best interests of the United States in Nicaragua as well as in the entire Central American region.●

SUSPENSION OF AID TO NICARAGUA

● Mr. PELL. Mr. President, the administration's decision to officially suspend the remaining $15 million in economic assistance to Nicaragua causes me to question both the rationale and the timing of the action. The decision to invoke the legislative restrictions on assistance contradicts what the administration, both privately and publicly, has been saying in the past months with regard to Nicaragua's activity in El Salvador.

Administration officials have acknowledged that the flow of arms from Nicaraguan territory has slowed perceptively and that the Nicaraguan Government has taken concrete measures against those supporting the guerrillas.

Even yesterday's announcement by the State Department acknowledged that the United States has "no hard evidence of arms movements through Nicaragua during the past few weeks," and that the Nicaraguan response to U.S. pressures to stop assistance to the guerrilla left has been "positive."

If the administration was so certain that the Nicaraguans were that deeply involved in the flow of arms to the Salvadoran insurgent movement, why was the determination not made in those hectic days of January and early February?

Taking this action at this particular point in time when the Nicaraguans are obviously cooperating with us certainly is not in the best interests of the United States.

I realize that the administration's action is not all negative. The U.S. Government could have called for the repayment of $40 million in loans but it did not.

Furthermore, I am encouraged that the State Department has indicated that it will continue to monitor the situation with the intention to resume assistance, pending continued improvement of the situation. The indication that the administration is considering the resumption of Food for Peace and other development aid shortly is another hopeful sign.

This is the approach we should be taking. We need more of the carrot than more of the stick. We need to continue to support our friends in Nicaragua, those in the private sector and the others who are determined to see Nicaragua take a moderate pluralistic course.●

INTERVIEW WITH PAUL MAYCOCK

● Mr. KENNEDY. Mr. President, I would like to bring to the attention of my colleagues an excellent interview with Paul Maycock in a recent issue of Solar Times.

Mr. Maycock was formerly director of the Department of Energy's Photovoltaic Division. He was an excellent administrator in that position and I am optimistic that, under his leadership, the Renewable Energy Institute will develop into an effective, responsible voice of the renewable energy industry.

The interview with Mr. Maycock follows:

INTERVIEW WITH PAUL MAYCOCK

(As director of DOE's Division of Photovoltaic Energy Systems, Paul Maycock managed the nation's PV programs and acquired the reputation of a free-wheeling orator who would ride the lecture circuit in the cause of photovoltaics. Recently Maycock left DOE to take up the reins of the fledgling Renewable Energy Institute where he hopes to convert the concept of renewable energy from a social issue to a business commodity. He recently completed a book with Edward Stirewalt entitled: "Photovoltaics: Sunlight to Electricity in One Step" which is being published by Brick House. Interviewed by Solar Times correspondent Lyndon Stambler, Maycock spoke with candor concerning photovoltaic activities in this country.)

SOLAR TIMES. What are the most promising PV technologies?

MAYCOCK. The near term will continue to be sliced single crystal silicon. Next is the semicrystalline process being developed at Solarex, Crystal Systems in Boston, and Wacker in Germany. Instead of making a large single crystal, a large multi-crystal is produced and sliced. That cuts the crystal cost about in half. It also cuts the energy consumption significantly. If you can use a less pure material, the raw material cost can be cut by a factor of five. Solarex has announced a silicon purifying facility that makes solar grade silicon—not semiconductor grade—that will be cast into blocks and made into semicrystalline arrays.

SOLAR TIMES. PVs are competitive in remote areas. What are the main obstacles to making PVs competitive in the U.S.?

MAYCOCK. We have a very efficient utility system, using low cost coal that is heavily subsidized by the government, low cost nuclear heavily subsidized by the government, and oil. Assets were created with energy when it was cheap. Now, as utilities look at their new capacity, they find a new nuclear facility costs them 12c a kilowatt hour, a coal facility is 12c, and oil is 20c or 30c. They then look at renewables. They're finding that photovoltaics, wind, and other sources will break even in the next five years for central generation. The reason it is not competitive now is that we do not have large numbers of people using diesel generation for power. I'm not talking about backup diesel generators at a hospital or in someone's basement. I'm talking about diesel generators that run two-thirds of the time. And there are 10-million of those operating around the world, burning fuel at an average price of $2.50 a gallon.

SOLAR TIMES What about people who say PVs are a 21st century technology?

MAYCOCK. Some people are ignorant. Let me give them the benefit of a doubt. Often times they are referring to a 20% penetration and having it be as viable as coal or nuclear for baseload. They are not addressing the international market at all. They do not accept the concept of the distributed market at all. And if you take that bias, then they're correct. If you say: "When will photovoltaics have 20% of the central utility power in the United States and be fully economic against coal and nuclear?" it is a 21st century technology. But they're forgetting all the other markets that already are economic. Right now the first utility-owned and fully economic photovoltaic system will be about 1988. It will probably occur in California.

SOLAR TIMES. There are many approaches to cell production. Which applications will the different kinds of cells have?

MAYCOCK. I think it's analogous to the computer world. Four generations of IBM computers now are being used. You're going to have a mix of technologies. You can buy cadmium sulfide today. You can buy ribbon today. You can buy semicrystalline and you can buy single crystal. Low efficiency, very low cost devices will be used where you have low cost indigenous labor for installation and low cost land. You go to high efficiency where you have maximum cost of land, maximum labor, and so on. There's always going to be a group of conservatives who are going to buy the tried and true old thing. And there's going to be a group of entrepreneurs who will buy the new. We'll see about five generations of product before we get to the end point.

SOLAR TIMES. What is the time frame?

MAYCOCK. I envision roughly three cycles. The present cycle is all silicon with some crystallinity. This first cycle will peak between now and 1985. Starting about 1983, you will see concentrators and films beginning to get market share. They'll peak between 1983 and 1988. Then the last cycle will start around 1985 with very efficient concentrators; 25 to 40% efficient. And inexpensive 15% films. The silicon single crystal will disappear and it will be films and concentrators. That will be the pot of gold.

SOLAR TIMES. Do you think that a lot of companies are taking a wait-and-see attitude toward PV development?

MAYCOCK. If you call putting $40-million a year into PVs wait-and-see. There really are two approaches. One is to go all the way to the market place and gain market share right now. Clearly Lindmayer is doing that at Solarex. Arco appears to be playing that strategy. They're shipping a megawatt this year. There's another strategy that says, spend a lot of money, but be sure you've got the technical hook for the next generation. That appears to be what Solar Power is doing. Now the second phase is the group of companies that are investing heavily but are not aggressively marketing for market share. They're turning away orders. That's Mobil-Tyco. Motorola has purposely kept its plant at a very small capacity while it learns about the market. The third strategy is curiosity. Look around, spend some money, and watch for the real breakthrough. An example, which most people don't even know about, is Eastman Kodak. Eastman has several professionals working on film devices. Their minimum sized plant will be a gigawatt because films come out that way.

SOLAR TIMES. Will it be easy to enter the market later on?

MAYCOCK. Take Westinghouse as an example. Been doing research on dendritic web forever; had one or two pullers getting pretty good quality web; pretty good throughput; and if you run it through the computer it looked cheaper than anything else. What did they do? They said if we could take a couple utilities—and they went to four—and get them to give us a long term commitment to buy at a price and performance, we don't need any other customers. So they announced with Southern Cal Edison and PG&E a 10 year program to produce 25 gigawatts a year. Twenty-five nuclear reactors a year worth with only two customers. That gives management a real warm feeling.

SOLAR TIMES. You talk about the effect of concentration on the industry. Can you comment on that?

MAYCOCK. At the moment it's not concentrated, but it will go through the 300 company proliferation and then collapse back down to a handful of key players. This is a commodity. You're not going to have more than five players with 80% of the market when we get to $10-billion a year. I'm talking about array manufacturers.

SOLAR TIMES. What kind of market penetration do you see in the U.S. by 1990?

MAYCOCK. It's awfully hard to forecast. It will probably be about one-fifth of a quad. By the mid 1990's it will be between one and five quads.

SOLAR TIMES. Who are the cell producers, what share of the market do they have, and who will be the winners?

MAYCOCK. The latter I can't predict, but the producers and their market shares are listed in my book. It's rapidly changing.

Right now Solarex is number one and Arco and Solar Power are a close number two. Number three is pretty hard to pin down. There are a lot of companies with very similar production levels. It's hard to measure the newcomer Semix. It's a genuine independent company, with an independent product and it will probably be number three by next year. The one I have a hard time sorting out is the real production capacity of Mobil-Tyco. I believe they shipped 200 KW last year—that's much more that most people would allow—and that they're capable of shipping a megawatt this year. Capacity additions are coming: Solarex has announced 25 MW. Semix has annonuced 25 MW. Capacity additions are coming at two or three times the market. If very many companies do that, were virtually assured that the market's going to double every year as forecast. The mix is going to change very quickly.

SOLAR TIMES. What about people who say at the Renewable Energy Institute and how will you bridge DOE and REI?

MAYCOCK. The same sort of goals that I had for photovoltaics. I want to have a no nonsense spokesperson for all of the renewable options. But I do not want to distort their present cost, their present capabilities, or their present problems. I want to treat it as a business venture. I think if we do that we can get around the antinuclear mystique, the environment mystique, and some of the things that obviously are going to bother the Reagan Administration. The reason I wanted to do it through a non-profit research institute was because that is something other than the government doing it and I think that's what the Reagan Administration is saying: all right industry, put up or shut up.

SOLAR TIMES. Many people have commented on the social impact of solar. Is anyone listening?

MAYCOCK. Not as much as the Amory Lovins of the world would want you to. I think it's primarily indicated by the fact that I can't find a representative who got elected on solar energy. And if the people were listening to the solar advocates, there would be a half dozen representatives who got elected on the cause of solar energy. There are very few true solar advocates around in the Congress. Ottinger is one of the few that genuinely appears to be a solar advocate. Gary Hart appeared for awhile that he might be, but he's more defense spending than he is solar. If the advocates were getting through, you'd expect that advocacy to show up in the representative part of the government, and it hasn't shown yet.●

THE INACCURACY OF CONGRESSIONAL BUDGET OFFICE FORECASTS

● Mr. JEPSEN. Mr. President, in recent days we have heard a lot of talk from the Congressional Budget Office about the implausibility of the Reagan administration's forecast of how the economy will respond to its economic program.

I would like for my colleagues to keep in mind that when the CBO criticizes the administration's economic forecasts it speaks from a forecasting record which is hardly noteworthy. According to a recent study of CBO's forecasting record by the U.S. Chamber of Commerce, CBO's forecasting record is very poor indeed. For this reason, I would urge my colleagues to take CBO's criticisms of the President's economic forecast with a very large grain of salt.

The study follows:

AN EVALUATION OF THE CONGRESSIONAL BUDGET OFFICE FORECASTS

INTRODUCTION

The economic forecasts made by the Congressional Budget Office (CBO) have over the past few years served as a major, if not the single most important basis for the assumptions governing the conduct of public policy, particularly in the fiscal and monetary areas. Nevertheless, the CBO's forecasts have exhibited a very poor record, not only in terms of their ability to track actual developments, but also by comparison with other major forecasting models. Furthermore, the origins of this problem clearly lie in the theoretical assumptions used by the CBO, which are clearly not commensurate with recent developments in economic theory, or empirically tenable given the actual performance of the economy.

THE CBO'S FORECASTING RECORD

Table 1 (Appendix) summarizes the record of CBO forecasts made one year in advance, for real growth, inflation, unemployment and the size of the Federal budget. It is evident that the CBO has consistently underpredicted the inflation rate, while typically overpredicting real output. Only in FY 1977 did the CBO overpredict the inflation rate. Otherwise, a comparison of the forecasts and actual results shows that the CBO predicted a steady-state rate of inflation in the 5% range for FY 1978–79, and predicted a gradually rising inflation rate only after marked price volatility had made the steady-state inflation assumptions obsolete. The dubiousness of the CBO's inflation forecasts becomes even more graphic when earlier predictions made in 1976 of a steady state 6% inflation extending into the early 1980's are compared with actual developments. Although the CBO was operating with an assumption of constant inflation over the course of the business cycle, what actually took place in 1976–80 was a period of intermittent growth accompanied by continously accelerating inflation.

Similarly, the CBO forecasts have tended to consistently overpredict the rate of real GNP growth. As with the inflation forecasts, predictions made one year in advance (Table 1) are somewhat more accurate than long term forecasts (Tables 2 and 3). Nevertheless, even CBO forecasts made one year in advance assumed much stronger GNP growth than actually occurred.

The CBO errors with respect to unemployment are somewhat less consistent than their errors with respect to inflation and real output growth. In several instances, the CBO overpredicted the unemployment rate (Table 1, FY 1979 and FY 1981). However, more usually, the CBO underpredicted the unemployment rate, which is to be expected given its corresponding overestimations of GNP. In Tables 2 and 3, the long term forecasts for the unemployment rate are revealed to be too low in every year. The CBO was, of course, not the only forecaster to go off-track in predicting unemployment, since the dramatic increases in labor force participation especially among women and minorities during the late seventies were largely unforseen, and inherently almost impossible to predict.

Given the assumptions that were made about inflation, real output growth and unemployment, it is hardly surprising that the CBO underpredicted the size of the Federal budget in all but one of the forecasts reported in Table 1 through 3. The only instance in which the CBO overpredicted the budget (Table 1, FY 1977) is also anomalous in other respects, since in this simulation the CBO also overestimated the inflation rate; a lower than expected inflation rate would slow the upward pressure on the Federal budget because of the resulting lower outlays on indexed programs and inflation-sensitive expenditures such as government purchases. For every other forecast except this one, however, pretty much the opposite process appears to have biased CBO estimates downward. Because of underprediction of inflation, the CBO also underpredicted outlays in inflation-sensitive areas. Similarly, because of underprediction of unemployment the CBO underestimated outlays on transfer payments, and because of overprediction of GNP the CBO overestimated the size of the tax base. In the long term forecasts (Tables 2 and 3) the CBO's record was particularly weak, with forecast errors approaching the $100 billion mark. In addition to its inability to accurately track secular trends in the Federal budget, the CBO also failed

to take into account further upward pressure on expenditures stemming from discretionary outlays.

It is also significant that the CBO's forecasting record has been noticeably poorer over the past few years than those of the major econometric forecasting services, Data Resources, Wharton EFA and Chase Econometrics.

THEORETICAL ASSUMPTIONS

To a large degree, the CBO's forecasting track record is tracable to the nature of the theoretical assumptions in the model. In essence, the CBO's model is a neo-Keynesian "accelerator" model in which investment and real output growth are fundamentally determined by changes in aggregate demand. Demand-led growth assumptions in turn have a series of implications for macroeconomic policy. In particular, the CBO's assumptions strongly support the concept of countercyclical demand management through fiscal and monetary expansion; several CBO reports specifically recommend increases in outlays to compensate for the slackening of nongovernmental demand. Furthermore, the underlying thrust of many CBO reports has been to recommend increases in Federal spending ratified by loose monetary policies by the Federal Reserve Board. The forecasts based on these policy recommendations have typically been associated with rising real output growth, investment, decreasing unemployment and a stable steady-state inflation rate.

The policy experience of the 1970's, however, strongly undermines the empirical basis of the CBO's theoretical assumptions. On two occasions, in 1972–73 and in 1977–79, the United States experimented with reflationary monetary and fiscal strategies, which were clearly commensurate with the basic policy framework advocated by the CBO. However, neither experience was particularly successful. In 1972–73, the reflationary policies achieved a temporary impressive surge in the real growth rate, which reached 11% during the first quarter of 1973, but the boom ultimately proved unsustainable. By the latter part of 1973 the economy was feeling the effects of the fiscal-monetary "overheating": the 1972 boom was rapidly tapering off in the face of overbuilt inventories and pervasive financial instability. The second experiment in reflation, under the Carter Administration, proved even less successful. Demand-expansive monetary and fiscal policies starting in 1977 were associated with a decrease in the growth rate, following an initially strong recovery after the 1974–75 recession, and accelerating inflation which probably contributed to the depression of the growth rate.

Not only does the historical record fail to justify the CBO's sanguine prognostications, the adverse ancillary implications of heavy spending are almost totally ignored. Crowding out—the tendency of the public sector to absorb an increasing share of total resources, and the corresponding tendency of the Treasury to cut into capital markets to finance the deficit are largely absent in the CBO's economic scenario. Taxflation, the tendency of inflation to accentuate individual tax burdens, is only accorded lip service. Although the CBO acknowledges the existence of fiscal drag caused by excessive taxation, among its listed policy choices has been to counteract the effects of fiscal drag through higher governmental deficits.

Interestingly enough, the effects of tax cuts and higher governmental expenditure on the economy are assumed to be roughly co-equal in CBO reports, presumably because they allegedly exert the same multipliers on aggregate demand.

In the CBO's framework, equal dollar amounts of increased spending and reduced taxes exert essentially the same stimulative effects on the economy. The entire pantheon of negative effects on GNP of higher spending through higher interest rates and other channels is not visible in the CBO model, nor are the greater increases in investment stemming from reductions in tax rates.

Given the theoretical advances made in these areas over the past few years, the CBO appears to have been living in an anachronistic world in which economic theory was halted at its level of the early sixties, and never progressed beyond the accelerator models that were current at that time.

In sum, the CBO has not acquired a strong record for reliability and this in itself traces back to the presence of any number of unrealistic assumptions in their model. Under the circumstances, policy makers in charge of decisions about the budget would do well to take the views of other forecasters into consideration.

TABLE 1.—CBO FORECASTS MADE 1 YR IN ADVANCE[1]

[Budget figures in billions of current dollars, others in percent]

	Forecast	Actual	Error	
			Absolute	In percent
Fiscal year 1977:				
GNP	7.0	4.9	+2.1	+42.9
CPI	7.1	6.5	+0.6	+9.2
Unemployment	6.4	7.0	−0.6	+9.1
Budget	$419.9	$402.7	+$17.2	+4.3
Fiscal year 1978:				
GNP	5.6	4.4	+1.1	+27.2
CPI	5.9	7.6	−1.7	−22.4
Unemployment	5.9	6.9	−0.1	−1.7
Budget	$445.0	$450.8	−$5.8	−1.3
Fiscal year 1979:				
GNP	4.7	3.2	+1.5	+46.8
CPI	6.0	11.4	−5.4	−47.4
Unemployment	6.2	5.8	+0.4	+6.7
Budget	$494.0	$493.6	−$0.4	0
Fiscal year 1980:				
GNP	2.4	−0.1	+2.5	NM
CPI	7.8	13.5	−5.7	−42.2
Unemployment	6.8	7.2	−0.4	−5.6
Budget	$551.0	$579.6	−$28.6	−4.4
Fiscal year 1981:[2]				
GNP	2.0	0.9	+1.1	+122.2
CPI	8.9	12.5	−3.6	−28.8
Unemployment	8.0	7.8	+0.2	+2.6
Budget	$619.0	$662.7	−$43.7	−6.4
Average error:				
GNP			1.7	59.8
CPI			3.4	30.0
Unemployment			0.3	5.1
Budget			$19.1	3.3

[1] In conjunction with fiscal years as listed.
[2] Figures for fiscal year 1981 are CBO forecasts in the 1st column, and forecasts in the President's budget in the 2d column.

Source: Congressional Budget Office, "Five Year Budget Projections," various years.

TABLE 2.—CBO FORECASTS MADE 3 YR IN ADVANCE[1]

[Budget figures in billions of current dollars, others in percent]

	Forecast	Actual	Error	
			Absolute	In percent
Fiscal year 1978:				
GNP	7.0	4.4	+2.6	−59.1
CPI	7.0	7.6	−0.6	−8.0
Unemployment	5.4	6.0	−0.6	−10.0
Budget	$448.0	$450.8	−$2.8	−0.6
Fiscal year 1979:				
GNP	5.5	3.2	+2.3	+71.8
CPI	5.3	11.4	−6.1	−53.5
Unemployment	5.3	5.8	−0.5	−8.6
Budget	$467.0	$493.6	−$26.6	−5.6
Fiscal year 1980:				
GNP	4.8	−0.1	+4.9	
CPI	5.7	13.5	−7.8	−57.8
Unemployment	5.7	7.2	−1.5	−20.8
Budget	$528.0	$579.6	−$51.6	−8.9
Fiscal year 1981:[2]				
GNP	4.3	0.9	−3.4	+377.8
CPI	7.1	12.5	−5.4	−44.2
Unemployment	6.6	7.8	−1.2	−15.4
Budget	$604.0	$662.7	−$58.7	−8.9
Average error:				
GNP			3.3	188.8
CPI			5.0	40.9
Unemployment			1.0	13.7
Budget			$34.9	6.0

[1] Associated with fiscal years as listed.
[2] For fiscal year 1981 figures in the 1st column are CBO forecasts, and figures in the 2d column are from the President's budget.

Source: Congressional Budget Office.

TABLE 3.—CBO FORECASTS MADE 3 YR IN ADVANCE[1]

[Budget figures in billions of current dollars, others in percent]

	Forecast	Actual	Error	
			Absolute	In percent
Fiscal year 1979:				
GPN	5.7	3.2	+2.5	+78.1
CPI	6.8	11.4	−4.6	−40.6
Unemployment	4.8	5.8	−1.0	−17.2
Budget	$480	$493.6	−$13.6	−2.8
Fiscal year 1980:				
GNP	5.3	−0.1	+5.4	N.M.
CPI	4.8	13.5	−8.7	−64.4
Unemployment	4.8	7.2	−2.4	−33.3
Budget	$491	$579.6	−$88.6	−15.3
Fiscal year 1981:[2]				
GNP	4.8	0.9	+3.9	+433.3
CPI	5.5	12.5	−7.0	−56.0
Unemployment	5.2	7.8	−2.6	−33.3
Budget	$563	$662.7	−$99.7	−15.0
Average error:				
GNP			3.9	255.7
CPI			6.8	53.6
Unemployment			2.0	27.9
Budget			$67.3	10.3

[1] Associated with fiscal years as listed.
[2] For fiscal 1981, figures in the 1st column are CBO forecasts and figures in the 2d column are from the President's budget.

Source: Congressional Budget Office. ●

MAKING THE ALL-VOLUNTEER FORCE WORK: A NATIONAL SERVICE APPROACH

● Mr. ARMSTRONG. Mr. President, Prof. Charles Moskos of Northwestern University has long been regarded as perhaps the most knowledgeable military sociologist in the United States. His most recent paper, entitled: "Making the All Volunteer Force Work: A National Service Approach," presented at an evening dialog at the Woodrow Wilson International Center March 19, will cement that reputation further.

I do not agree with all the points Professor Moskos makes in his paper. But I am convinced that it is the most significant contribution yet to the dialog on the future of the All-Volunteer Force. Senators can gain much from reading it. I ask that it be printed in the RECORD.

The presentation follows:

MAKING THE ALL-VOLUNTEER FORCE WORK: A NATIONAL SERVICE APPROACH

(By Charles C. Moskos)

Since January 1973 the United States has sought to accomplish what it has never attempted before—to maintain over two million persons on active military duty, along with an expanded reserve force, on a voluntary basis. Nine years after the end of conscription, the all-volunteer force (AVF) has been analyzed, attacked, and defended in a seemingly endless series of books, reports, articles, and Congressional hearings. The commentators tend to divide into two groups. On the one side, there are those who convey the belief that the AVF is a success which requires only incremental changes in management policies and recruitment incentives. On the other hand, there are those who see little prospect of a viable defense force short of returning to a form of compulsory military service. I place myself in neither camp.

I will present a viewpoint of military manpower anchored in the concept of voluntary national service. This contrasts with the policies of both the systems analysts-cum-econometricians, who have been the architects of the present AVF, and the bring-back-the-draft traditionalists, who are coming more into the forefront. A national service AVF is premised on the moral and practical desirability of a socially representative military force. To put it in somewhat pretentious terms, I am arguing for a paradigmatic shift in our understanding of the AVF.[1]

Let us turn briefly to the facts of the AVF experience. The most important, but least commented upon, effect of the shift to the AVF has been the sharp decline in active-duty force levels, from over 2.6 million in the early 1960s to slightly over two million in 1981. To maintain an active-duty force even at this reduced level, with attendant understrength units, the military must recruit between 350,000 and 400,000 enlisted persons annually. One in three service entrants do not complete initial enlistments for reasons of job inaptitude, indiscipline, personality disorders, and the like. On top of this attrition, desertion rates are double those of pre-Vietnam levels. A growing number of skilled technicians are leaving the military; retention of qualified people in the career force has become an acute problem. Army reserve components are hundreds of thousands below the manpower requirements set by Congress.

In addition to quantitative problems, there are qualitative concerns in manning the AVF. A few illustrative facts should suffice. In 1964, the last year before the war in Vietnam, 39 percent of military entrants placed in mental aptitude categories I and II compared with 26 percent in 1980. In 1964, 15 percent placed in category IV, the lowest level from which the military can recruit, compared with 33 percent in 1980. Less than half of the Army's male recruits in 1980 came in with a high school diploma. The college-educated enlisted man has virtually disappeared. Since the draft ended, the proportion of young marrieds in the junior enlisted force has about doubled. The growing number of enlisted marrieds is all the more noteworthy in that it runs directly counter to national patterns, where the clear trend is toward later marriage.

Representational concerns have also been raised about the AVF. The various services differ in their racial composition. In 1980, blacks accounted for 29.2 percent of the Army, 20.2 percent of the Marine Corps, 14.0 percent of the Air Force, and 10.1 percent of the Navy. These percentages include both officers and enlisted personnel. A disproportionately white officer corps with a disproportionately minority enlisted component will be one of the sociological considerations in the military leadership of the 1980s. The issue of racial content has been most prominent in the Army, the largest of the services. Blacks made up 11.8 percent of Army enlisted personnel in 1964, 17.5 percent in 1972, and 32.5 percent in 1980. Total minority content in the Army's enlisted ranks in 1980 comprised 40.8 percent.

It is a well recognized fact that the educational levels of blacks in America have trailed behind those of whites. But the intersection of race and education is quite different among entrants in the all-volunteer Army. Since the end of the draft, the proportion of non-prior service male entrants with a high school diploma has been 64 percent for blacks compared with 53 percent for whites. In point of fact, today's Army enlisted ranks is the only major arena in American society where black educational levels surpass those of whites, and by a significant degree. Whereas the black soldier seems fairly representative of the black community in terms of education and social background, white entrants of recent years are coming from the least educated sectors of the white community. In other words, the all-volunteer Army is recruiting not only a disproportionate number of minorities, but also an unrepresentative segment of white youth, who are more uncharacteristic of the broader social mix than are our minority soldiers.[2]

The rising minority content in the Army actually masks a more pervasive shift in the social class bases of the enlisted ranks. There can be no question that since 1973 the Army has undergone a social transformation in its enlisted membership. The real question is how high-powered commissions, well-financed studies, and Department of Defense assessments come up with the opposite conclusion.[3] To foster policies that accentuate the tracking of lower-class youth into the military, especially the ground combat arms, is perverse. This is not to argue that the make-up of the enlisted ranks be perfectly calibrated to the social composition of the larger society, but it is to ask what kind of a society excuses its privileged from serving in its military.

The military has always recruited large numbers of youth, of all races, who had no real alternative job prospects. It will always continue to do so. But present trends toward labeling the Army as a recourse for America's underclasses are self-defeating for the youth involved, precisely because they counter the premise that military participation is one of broadly based national service. Whatever successes the military had as a remedial organization for deprived youth were largely due to the armed forces being legitimated on other than overt welfare grounds, such as national defense, patriotism, citizenship obligation, even manly honor. In other words, those very conditions peculiar to the armed forces which serve to resocialize poverty youth toward productive ends depend directly upon the military not being defined as a welfare agency or an employer of last resort. It will be increasingly difficult for the AVF to avoid such a characterization, even if unfair, unless enlisted membership reflects more of a cross-section of American youth.

It can no longer be a question that the enlisted ranks of the AVF are much less representative of middle-class youth than the military of the peacetime draft era. It is, however, another kind of question whether this is good, bad, or irrelevant.

The strongest evidence bearing upon the

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effects of social background on soldierly performance deals with enlisted attrition. The striking finding is that high school graduates are twice more likely than high school dropouts to complete their enlistments. Most revealing, this finding changes little when mental aptitude is held constant. Analyses of enlisted evaluation reports show the same pattern. High school graduates significantly outperform high school dropouts; higher mental health levels do better than lower mental levels, but education is a much better predictor than mental level. Studies of unauthorized absences and desertions show such behavior is most likely to occur among those with the least education, coming from broken homes, and having been in trouble with the law before service entry.[4] The evidence is also clear that on measures of enlisted productivity, higher educated service members do better in low skill jobs as well as in high skill jobs.[5]

The crucial aspect of military manpower is the effect of social composition on combat performance. From an historical standpoint, the evidence is clear that military participation and combat risks in World War II were more equally shared by American men than in either the wars of Korea or Vietnam. (The draft per se is thus no guarantee that there will be class equity in military participation.) In fact, soldiers in World War II reflected a higher socio-economic background than that of the general population. More to the point, careful studies of combat soldiers in World War II and the Korean War showed that, in the aggregate, soldiers with higher education were rated as better fighters by peers and immediate supervisors.[6] Surveys of AVF soldiers report high levels of disaffection from the military system (comparable to what was found among military prisoners in World War II!)[7] One researcher concluded that the AVF was drawing from the most socially alienated segments of the youth population, thereby raising questions of soldierly commitment in the event of hostilities.[8]

By no means does being middle class or educated make one braver or more able. There are many outstanding members in the AVF who come from impoverished backgrounds. But our concern must also be with the chemistry of unit cohesion which requires an optimum blend of talents and backgrounds. Research evidence serves to confirm the observations of commanders and NCOs who remember the draft period; middle-class and upwardly mobile youth enriched the skill level and commitment of military units in peace as well as in war.[9]

REVIEWING THE OPTIONS

A marketplace philosophy underpinned the rationale of the 1970 Report of the President's Commission on an All-Volunteer Force ("Gates Commission Report").[10] A pattern was set and adopted by which primary reliance for manning the AVF was to be determined by supply and demand variables in the labor force. This implied a redefinition of military service away from an institutional format to one more and more resembling that of an occupation.[11]

Whether under the rubric of systems analysis or econometrics, such a redefinition of military service is based on a set of core assumptions. First, there is no analytical distinction between military systems and other systems, especially no difference between cost-effectiveness analysis of civilian enterprises and military services. Second, military compensation should as much as possible be in cash, rather than in kind or deferred (thereby allowing for a more efficient operation of the marketplace). Third, military compensation should be linked as much as possible to skill differences of individual service members. Fourth, social cohesion and goal commitment are essentially unmeasurable (thereby an inappropriate object of analysis). Fifth, if end-strength targets are met in the AVF, notions of citizenship obligation and social representativeness are incidental concerns.

The fixation on end-strength figures is the hallmark of the econometric approach to military manpower. It is disconcerting to hear manpower policymakers assert attrition is not a problem as long as end-strength goals are reached. This has led the Department of Defense to adopt a sieve model of recruitment. Those who cannot perform are screened after service entry on the grounds this is more cost-effective than denying enlistment to some who might perform. This ignores the tremendous organizational costs on the military system caused by excessive personnel turbulence, not to mention the human costs of accepting and then expelling marginal recruits. It is perplexing when policymakers attribute the difficulties of the AVF to Congressional mandates raising accession standards, rather than reexamining their own agnosticism on the correlation between quality of service members and mission performance.

Even on its own terms, there are serious questions as to the efficacy of an econometric approach to the AVF. Large raises in military pay for lower enlisted personnel, a central Gates Commission recommendation, were the principal rationale to induce persons to join the AVF. This has turned out to be a double-edged sword, however. Youth surveys show that pay motivates less-qualified youth (for example, high school dropouts and graduates with poor grades) to join the armed services, but has a negligible effect on college-bound youth.[12] Any policy based on increases in pay to the lower enlisted will only aggrevate the present trend to recruit at the margin. The paradox is that this "front loading" of compensation toward the junior ranks has dramatically compressed the pay scale of the enlisted force. Once upon a time NCOs measured their incomes and perquisites against those of the soldiers they led, and felt rewarded; now they see a relative decline of status within the service and compare their earnings against civilians, and feel deprived.

The solution to the AVF's manpower problems will not be found in "catch-up" across-the-board pay raises. There is some question as to whether or not military pay—especially at the junior enlisted level—has in fact lagged behind civilian wages over the recent past.[13] We are also confronted with the anomaly that retention was higher in the pre Vietnam era when the real buying power of the career force was less than what it is today. It must also be kept in mind that service benefits and entitlements cannot be maintained at present levels if military salaries are to be competitive with civilian wages. The heightened concern of military members with compensation in recent years, moreover, can be attributed at least in part, to the overtly monetary emphasis that has prevailed in the implementation of the AVF.

What about management steps that could be taken to improve manpower utilization within the all-volunteer framework?[14] Unfortunately, few proposals in this vein—a kind of sub-optimal approach—address the core issue: getting young qualified men into the combat arms and related tasks. Neither lowering physical or mental standards, nor increasing the number of women, nor greater reliance on civilian personnel or older military personnel, suit the imperatives of the combat arms, warships, and other deployable units.

Underlying many of the difficulties of the AVF is a source of enlisted discontent that had no real counterpart in the peacetime draft era. This is post-entry disillusionment resulting from unrealistic expectations as to what the military would offer. The peacetime draftee never held high expectations on what he would encounter and therefore was not unpleasantly surprised; indeed, he might often—at least in hindsight—find the Army favorable on its own terms. In all-volunteer recruitment, a consistent theme has been on the self-serving aspects of military life—that is, what the service can do for the recruit in the way of pay and training in skills transferable to civilian jobs. Post-entry disillusionment speaks directly to the excessive attrition rate. The irreconcilable dilemma is that many assignments—by no means exclusively in the combat arms—do not have transferability to civilian jobs.

The difficulties of the AVF have led to renewed talk of restoring conscription. A return to the draft would pose anew the question of who serves when most do not. Under present manpower requirements, less than one in five males would be drafted or otherwise serve in the military. If women were to be drafted, the proportion of youth serving would, of course, be smaller. One of the factors that operated favorably for the peacetime draft during the 1950s was that, because of the small youth cohort (the maturing "Depression babies") and the large size of the active force, over three-quarters of eligible men served in the military. This fostered a legitimization of the peacetime draft. In actuality, a higher proportion of men were drafted in the peacetime 1950s than during the Vietnam War.

To have a workable conscription also requires a national consensus as to its need, especially within the relevant youth population. Such a consensus does not presently exist, even in the wake of events in Iran and Afghanistan. A draft could lead to turbulence on college campuses, and make ROTC units again an object of attack. Moreover, if compulsion is used, many will attempt to avoid induction, which will bring other problems. Even under a seemingly "fair" lottery system, decisions would have to be made which will corrode the induction system. These would include determination of conscientious objection and ersatz physical disabilities. That the rate of non-compliance under the reintroduced draft registration of 1979 will probably never be known does not inspire confidence in the probability of an equitable system of conscription.[15]

In any event, only a small and, by definition, unlucky minority would ever be called to serve. Although I am one of those former draftees who look upon conscription as a moral good, a bungled draft would leave us in worse straits than even the undesirable status quo In a peacetime situation, we must make the AVF work rather than find ourselves embroiled in a debilitating draft controversy

NATIONAL SERVICE AND THE AVF

The central issue remains: Is there a way to meet military manpower needs without direct compulsion or excessive reliance on cash inducements for recruits? I believe there is. First, link federal aid for higher education to a program of voluntary national service, including military-reserve duty or civilian work. Second, introduce a GI Bill for the AVF. Third, construct a two-track military personnel and compensation system which differentiates between a short-term volunteer and one who make a long-term commitment. The interactive effect of these proposals deal with the "three R's" of military manpower: recruitment, retention, and the reserves. The total costs of these proposals could easily be contained within present federal outlays, and would probably be lower.

The framework advanced here departs from the systems analysis and labor substitution approaches to the AVF. The starting point is not how are empty spaces to be filled, but rather how can a substantial number and cross-section of American youth serve their country. To stretch a little and to

Footnotes at end of article.

borrow from the fashionable economic terms of the moment, I am suggesting a supply-side rather than a demand-side model of military manpower. Or, to phrase it yet another way, how can we obtain the analogue of the peacetime draftee in the all-volunteer era? The AVF, if it is to survive, must attract those middle-class and upwardly-mobile American youth who would find a temporary diversion from the world of school or work tolerable, and perhaps even welcome.

Educational Benefits in Conflict with the AVF. The major barriers to more effective recruitment have been the elimination of the GI Bill in 1976 and concurrent expansion of federal assistance to college students. Congress has created a system of educational benefits which offers more to those who do not serve their country than to those who do. Under the Veterans Educational Assistance Program (VEAP), which replaced the GI Bill, the government matches, within prescribed limits, voluntary contributions made by service members. It is estimated that governmental expenditures for VEAP will be under $90 million annually. But, for 1980 alone, federal aid to college students exceeded $5.2 billion.

The funds allocated to civilian students in major assistance programs in 1980 (in billions) were: Pell Grants (formerly Basic Educational Opportunity Grants), $2.444; Supplemental Educational Opportunity Grants, $0.370; College Work-Study Program, $0.550; National Direct Student Loans, $0.301; and Guaranteed Student Loans, $1.609. With passage in 1978 of the Middle Income Student Assistance Act (MISA), eligibility for Pell Grants can extend to families earning $27,000 annually. Also under MISA, there is no need requirement for the Guaranteed Student Loan Program. The Work-Study Program is becoming a major source of graduate student support. A college student who can establish self-supporting status, moreover, is eligible for most federal assistance programs. Such governmental policies can hardly be thought of as part of a poverty program. In effect, we have created a GI Bill without the GI.

It is surprising that no public figure thought to tie such student aid to any service obligation on the part of the youths who benefit. A program of voluntary national service should be introduced on a step-by-step basis over the next five years. In the interim, those who enlist in military reserve units or perform a term of civilian service would have priority for federal aid to college students; in time, participation in such national service would become a prerequisite for eligibility for federal post-secondary school assistance. Only persons medically exempt from national service would not be held to this standard.

The preferred conditions of such national service should be broad but light, rather than narrow but heavy. The aim is for inclusiveness in youth participation but maximum decentralization and minimum costs. The following is set forth as one way to meet these standards. To be eligible for federal post-secondary educational or job training aid, a youth would be required to serve a short period—say three months—in an unpaid capacity. Most likely, recruitment into labor intensive tasks would be handled by voluntary associations, welfare agencies, nonprofit institutions, schools, hospitals and the like. Tasks should be in pursuits for which there is a demonstrable need, but that otherwise are not being performed.[18] National service could also entail self-selected tasks, for example, driving the aged to medical or shopping facilities.

Decisions as to whether or not a specific task would meet service criteria would be the responsibility of local national service boards, whose members themselves are volunteers (albeit not youth). Salaries would be received only by clerical help at regional board levels and staffers at a headquarters office. The decentralized system of the old selective service boards is the obvious parallel.

To go a step farther, one can envision a state of affairs whereby national service, an earned attribute, would replace ascribed characteristics, such as race or sex, as the basis of affirmative action. At the least, persons who complete national service ought to have priority in federal employment. It may be that we can come to a realization that many of the things we need as a nation we can never afford to buy. If we are to have them, we must give them to ourselves.

Provisions of a GI Bill for the AVF. Concurrent with linking federal educational assistance beyond high school to national service, we should introduce post-service educational benefits for members of the AVF along the lines of the GI Bill following World War II. In this way maximum federal educational benefits will be allotted to those who serve on active duty. A person who enlists in the armed forces and honorably completes an obligated period of active duty would receive three academic years of educational support for two years of service, and four academic years of support for three years of service. The entitlements of an AVF GI Bill would include the costs of tuition and fees up to $2,500 per academic year, and a subsistence stipend of $250 per month.[17] Such entitlements would also require an appropriate reserve obligation, say three or four years, following active duty.

The maximum direct costs of such an AVF GI Bill would probably be under $1.25 billion a year.[18] There would also be substantial countervailing reductions in the net costs thanks to a lower attrition rate, smaller recruitment outlays, an end to combat arms bonuses and VEAP, and, most likely, fewer lower-ranking service members with families.[19] With these savings, the net costs of a GI Bill would be under $.5 billion annually—less than a sixth of present federal expenditures for college-assistance programs. Moreover, because members will not be eligible for GI Bill benefits until completion of at least two years of active duty, there will be no outlays whatsoever in the first phase of an AVF GI Bill. In point of fact, the initial two years of a GI Bill program will result in considerable savings in the military manpower budget.

It is a virtual article of faith among manpower analysts that bonuses are a more cost-effective enlistment tool than a GI Bill. Yet estimates are that one billion dollars annually would be required in enlistment bonuses to meet the new accession standards set by Congress.[20] Even if costs are comparable, a GI Bill is still to be preferred over enlistment bonuses. Whereas a GI Bill carries with it the positive symbolism of one of America's most successful social programs, enlistment bonuses crassly emphasize the cash-work nexus. A GI Bill recipient can receive his or her entitlement only after completion of honorable service, while there is no practical way to recover bonus money from one who fails to complete an enlistment. In theory and practice, enlistment bonuses are inextricably linked with the strategy of recruiting at the margin; a GI Bill, in theory certainly, in practice to be determined, seeks to attract youths heretofore not in the recruitment pool. Enlistment studies do consistently show that GI Bill type incentives hold greater attractiveness than enlistment bonuses among high school youth.[21] One way out of the conundrum of enlistment bonuses versus GI Bill may simply be to offer enlistees an either/or choice.

One argument against the GI Bill is that it will reduce retention among first termers the military would like to see remain in the service. It should be noted, however, that career retention problems have been aggrevated since the end of the GI Bill in 1976. Special career provisions in conjunction with a GI Bill would complement, not undermine, career incentives.[22] A cash-out feature might be offered in lieu of GI Bill benefits at the time of reenlistment. A career soldier's GI Bill might be passed on to family members. Or a career soldier can use his GI Bill to take a "sabbatical" involving an engineering or science curriculum for future technical work in the military. Unlike straight GI Bill benefits which should be funded by the Veterans Administration, funding of in-service educational programs properly falls within the defense budget.

Two general principles should always be kept in mind in appraising recruitment and retention proposals. First, recruitment incentives must be kept as simple as possible (almost as much for the recruiter's sake as for the recruit). The other side of "flexibility" in GI Bill proposals is complications for potential enlistees. Second, reenlistment incentives can be fairly involved with many choice points. One will never go wrong overestimating the grasp career service members have of compensation packages.

Citizen Soldier and career soldier: Complementary Roles. The definition of military service in the all-volunteer context needs overhauling as much as does the machinery of military recruitment. The armed services can set up a two-tier personnel and compensation system recognizing a distinction between a "citizen soldier" and a "career soldier." (Soldier as used here refers, of course, to sailors, airmen, and marines.)

The career soldier would initially enlist for a minimum of four years.[23] He or she would receive entitlement and compensation in the manner of the prevailing system, but there would be significant pay increases at the time of the first re-enlistment and throughout the senior NCO grades. The basic premise of the career track is to decompress enlisted pay scales. Many career persons would be trained in technical skills, though others would make up the future cadre in a variety of military specialities. In certain skill areas with extreme shortages, extra reenlistment bonuses will be required. The establishment of diverse GI Bill options for the career force has already been mentioned. The career force must also be given adequate housing and food allowances and reimbursement for government-ordered travel. Steps such as these would go a long way toward the retention of the experienced and trained personnel required for a complex and technical military force.

The citizen soldier would enlist for two years of active duty (the term of the old draftee) and be assigned to the combat arms, low-skill shipboard duty, aircraft security guards, routine maintenance, clerical work, and other labor-intensive positions. Except for clerical work, these are the kind of assignments in today's AVF where recruitment shortfalls, attrition, and desertion are most likely to occur. Active-duty pay for the citizen soldier would be lower—say by one third—than that received by the career soldier of the some rank. Other than the GI Bill, the citizen soldier would receive no entitlements such as off-base housing or food allowances. This would reduce the frequency of marriage and single parents at junior enlisted levels and restore unit cohesion in the barracks. Because there would be no presumption of acquiring civilian skills in the military, the terms of such service would be honest and unambiguous, thus alleviating a major source of post-entry discontent in the AVF. A college or graduate education, or vocational training, in exchange for two years of active duty would be the means to attract highly qualified soldiers who can learn quickly, serve effectively for a full tour, and then be

Footnotes at end of article.

replaced by similarly qualified recruits. There is also the consideration that lower-paid citizen soldiers might make a generous GI Bill more politically acceptable to the public and Congress.

One feature of the two-track system presented here is that, because of the higher active-duty compensation in the career track, some of the two-year joiners will opt for the longer commitment once in the service. This will further reinforce retention in the career force. But the overwhelming number of citizen soldiers will undoubtedly leave active duty after two years and, if they take advantage of the GI Bill, go on to the reserves—a preferred outcome. For without much greater reliance on prior-service personnel, there seems to be no way to salvage Army reserve components in an all-volunteer context. The dominant econometric model of the AVF relies on the mistaken notion that long initial enlistments are always to be preferred over short enlistments. Thirty-six percent of all enlisted entrants in 1964 signed for four or more years compared with 61 percent in 1980. Yet with the high attrition rate, the personnel turnover is greater now than it was in the peacetime draft era.[24]

We do not want to be so overwhelmed with data, so bedeviled with rival sets of numbers, that the key policy choices are hardly understood, much less addressed. It appears that as the Defense Department's technical competence to deal with personnel data expands, its actual ability to deal with manpower issues declines. The grand design is to make governmental subsidies of higher education consistent with the ideal that citizen obligation ought to become part of growing up in America. Such a realization would also clarify the military's role by emphasizing the larger calling of national service. The architects of the present AVF have failed to consider these kinds of issues, but we must.

FOOTNOTES

[1] For some parallel observations, see also Jerald G. Bachman, John D. Blair, and David R. Segal, *The All-Volunteer Force* (Ann Arbor: University of Michigan), 1977; *The Uses and Abuses of Analysis in the Defense Environment: A Conversation with R. James Woolsey* (Washington, D.C.: American Enterprise Institute, 1980; Morris Janowitz, "The Citizen Soldier and National Service," *Air University Review*, Vol. 31 (Nov.-Dec., 1979), pp. 2–16; John B. Keeley, ed., *The All-Volunteer Force and American Society* (Charlottesville: University Press of Virginia, 1978); Lewis Sorley, "Prevailing Criteria: A Critique," in Sam C. Sarkesian, ed., *Combat Effectiveness* (Beverly Hills, Calif.: Sage, 1980), pp. 57–93; David R. Segal and Joseph J. Lengermann, "Professional and Institutional Considerations," *Ibid.*, pp. 154–185; William L. Hauser, "The Will to Fight," *Ibid.*, pp. 186–211; Stephen D. Wesbrook, "The Potential for Military Disintegration," *Ibid.*, pp. 244–278.

[2] Corroboration of the finding that minority youth entering the AVF come from higher socio-economic backgrounds than white entrants is found in an extensive survey of youth participation in the labor market. See, Choongsoo Kim, and others. *The All-Volunteer Force: An Analysis of Youth Participation, Attrition, and Reenlistment* (Columbus: Ohio State University, Center for Human Resource Research, 1980, mimeographed).

[3] "There is no evidence to suggest that the armed forces are now or are in danger of becoming a 'poor man's Army'." Defense Manpower Commission. *Defense Manpower* (Washington, D.C., GPO, 1976), p. 176. "The evidence presented here thus shows that the American military has not been nor is it becoming an army of the poor or the black." Richard V. L. Cooper, *Military Manpower and the All-Volunteer Force* (Santa Monica, Calif.: Rand, 1977), p. 231. "The quality of the active force is generally comparable with that of the draft era. . . . Concerns that the active force would not be representative of the society at large have not yet materialized." Office of the Assistant Secretary of Defense, *America's Volunteers* (1978, mimeographed), p. 162. "Current mental and physical standards for both enlistment and reenlistment are higher now than during the draft or the early days of the AVF." *Annual Report of the Secretary of Defense*, FY1979, p. 331.

[4] Timothy F. Hartnagel, "Absent Without Leave: A Study of the Military Offender," *Journal of Political and Military Sociology*, Vol. 2 (1974), No. 2, pp. 205–220. D. Bruce Bell and Beverly W. Bell, "Desertion and Antiwar Protest," *Armed Forces and Society*, Vol. 3 (1977), No. 3, pp. 433–443.

[5] Cooper, *op. cit.*, p. 139. Those scoring higher on entrance tests are also more likely to pass the military skill qualification tests, which measure ability to perform common military jobs. Department of Defense, *Implementation of New Armed Services Vocational Aptitude Battery and Actions to Improve the Enlistment Standards Process*, Report to the House and Senate Committees on Armed Services, December, 1980. Studies conducted by the Training and Doctrine Command of the U.S. Army show that mental group levels are significantly correlated with abilities of soldiers to quickly and correctly identify silhouettes of enemy weapons, tanks, and aircraft.

[6] For the World War II data, see Samuel A. Stouffer and others, *The American Soldier: Combat and Its Aftermath* (Princeton University Press, 1949), pp. 36–41. On the Korean War, see Roger L. Egbert and others, *Fighter Spirit: An Analysis of Combat Fighters and Non-Fighters*, HumRRO Technical Report 44 (Washington, D.C., Human Resources Research Organization, 1957, mimeographed). See also A. Hoiberg and N. H. Berry, "There's No Doubt About It, A Diploma Goes a Long Way for Combat Efficiency, *Marine Corps Gazette* (September, 1977); and Juri Toomepuu, "Literacy as a Measure: An Argument for High Quality Military Manpower," *National Defense* (Jan.–Feb., 1979, pp. 47–56).

[7] David R. Segal, Barbara Ann Lynch, and John D. Blair, "The Changing American Soldier: Work-Related Attitudes of U.S. Army Personnel in World War II and the 1970s," *American Journal of Sociology*, Vol. 85 (1979), pp. 95–108.

[8] Stephen D. Wesbrook, "Sociopolitical Alienation and Military Efficiency," *Armed Forces and Society*, Vol. 6 (1980), No. 2, pp. 170–189.

[9] A survey of Army officers found 77 percent of all respondents reacted negatively to the quality of the volunteer soldier. The study reported that "dissatisfaction with soldier quality became stronger with decreasing rank and increasing proximity to troops." *U.S. Army War College Study on Officer Professionalism* (Carlisle Barracks: Army War College, 1979, mimeographed), p. 12.

[10] *The Report of the President's Commission on the All-Volunteer Force* (Washington D.C.: Government Printing Office, 1970). See also, Cooper, *op cit.*; Sar A. Levitan and Karen Cleary Alderman, *Warriors at Work: The Volunteer Armed Force* (Beverly Hills, Calif.: Sage, 1977); Martin Binkin and Irene Kyriakopoulos, *Paying the Modern Military* (Washington, D.C.: Brookings Institution, 1981).

[11] Charles C. Moskos, "From Institution to Occupation: Trends in Military Organization," *Armed Forces and Society*, Col. 4 (1977) No. 1, pp. 41–50.

[12] *Youth Attitude Tracking Study* (Chicago: Market Facts, 1977), pp. 123–127.

[13] It has become part of accepted wisdom that civilian pay raises have exceeded those of the military during the later part of the 1970s. A report of the General Accounting Office (GAO), however, states enlisted pay has increased faster than civilian pay (based on indexes of hourly wages in manufactures); from 1976 to 1980, enlisted military pay increased 45 percent versus 28 percent for civilians. GAO, *Preliminary Analysis of Military Compensation Systems in the United States and Five Other Countries*, FPCD–81–21 (dated December 31, 1980), p. 6. Similary, it has often been stated that hundreds of thousands of military families are eligible for food stamps. A GAO report, however, estimates that for 1980 only 19,700 military members were potentially eligible for food stamps. GAO, "Military Personnel Eligible for Food Stamps," FPCD–81–27 (GAO letter to Senator Sam Nunn, dated December 9, 1980).

[14] Martin Binkin and Shirley J. Bach, *Women in the Military* (Brookings Institution, 1977); Martin Binkin with Herschel Kanter and Rolf H. Clark, *Shaping the Defense Civilian Work Force* (Brookings Institution, 1978); and Martin Binkin and Irene Kyriakopoulos, *Youth or Experience: Manning the Modern Military* (Brookings Institution, 1979).

[15] The Selective Service System claimed 93 percent of 3,880,000 registrants registered during the 1980 first phase. A GAO report concurred that the Selective Service figures were "reasonable." GAO, *Evaluation of the Recent Draft Registration*, FPCD–81–30, dated December 19, 1980. A careful reading of the report, however, leads to a less sanguine interpretation. (1) GAO states 91 percent of potentials registered. (2) Of these, 98 percent were valid registrations. (3) Of these, 92 percent were traceable (based on a sample who gave telephone numbers). Thus, 10.8 percent of potential registrants were non-registrants or non-valid registrants (419,816 persons); and 18.0 percent were non-registrants, non-valid registrants, or non-traceable registrants (696,664 persons).

[16] Current information on the status of legislation and developments of national service proposals are found in the *National Service Newsletter*, edited by Donald J. Eberly. See also, William R. King, *Achieving America's Goals: The All-Volunteer Force or National Service*." Report prepared for the Committee on Armed Services, U.S. Senate, 95th Cong., 1st sess. (GPO: 1977; Congressional Budget Office, *National Service Programs and Their Effects on Military Manpower and Civilian Youth Problems* (GPO: 1978); and Potomac Institute, *National Youth Service: What's At Stake* (Washington, D.C.: Potomac Institute, 1980).

[17] Over a half dozen "GI Bill" bills have been introduced in the 97th Congress. Only the Armstrong-Bennett bill contains a tuition feature, thereby retaining a key element of the GI Bill of World War II. The tuition and stipend amounts proposed in this paper are adopted from the Armstrong-Bennett bill. My proposal differs only in that a reserve requirement is included for GI Bill eligibility.

[18] The sum of $1.25 billion for total annual costs of the proposed AVF GI Bill is based on the following calculations. The sum to be given to each person who uses the GI Bill is estimated at an average of $10,000 per veteran. This was the estimate given by the Veterans Administration for S. 2020, a G.I. Bill introduced in the 96th Congress which contained more generous entitlements than the Armstrong-Bennett bill of the 97th Congress. *Hearings before the Committee on Veterans Affairs*, U.S. Senate, 96th Congress, 2nd sess., June 19, 1980, p. 25.

Comparative costs of the World War II GI Bill are informative. The GI Bill of that era paid up to $500 per academic year for tuition, fees, and books plus a $75 monthly stipend for a single veteran. The costs of the World War II GI Bill came to about $2,500 per veteran (2,232,000 participants at a total

cost of $5.5 billion). See, Keith W. Olson, *The GI Bill, the Veterans, and the Colleges* (University Press of Kentucky, 1974), p. 59. Multiply this sum by four to take inflation into account, and we also come up with a figure close to $10,000.

In steady-state recruitment for a two million active-duty force, about 375,000 enlistees are required annually (less if attrition were lowered). About sixty percent of first termers—or 225,000 persons—will leave active duty under honorable conditions. Assume half of these—or 112,500 persons—will matriculate in college (a proportion higher than the national average). $10,000 times 112,500 approximates $1.25 billion.

Note all assumptions err on the side of greater than probable costs. An informal study by the Congressional Budget Office requested by Senator Sam Nunn on an earlier and more generous GI Bill proposal concluded costs would be $.945 billion annually. "Appraisal of Professor Moskos' Version of a Proposed AVF GI Bill," draft paper, dated April 18, 1980.

[19] Potential countervailing reductions in the annual costs of an AVF GI Bill include:

Attrition Savings: (50,000 fewer attritees at savings of $10,000 each), $500,000,000.

Recruitment Savings in Recruitment of the Active Force: (50,000 high quality enlistees—category IILA. HSG—at savings of $2,000 each), $100,000,000.

Termination of VEAP and Enlistment Bonuses, $100,000,000.

Other Savings: (lower reserve recruitment outlays; less loss time for unauthorized absences and desertions; fewer soldiers with dependents), $50,000,000.

Total, $750,000,000.

[20] Congressional Budget Office, *Resources for Defense* (GPO: Jan. 1981, p. 87.

[21] The table below is based on a 6,000 survey sample of high school youth and is adopted from *Youth Attitude Tracking Study*, Spring 1980 (Washington, D.C.: Market Facts). The higher the score, the greater the indicated propensity to enlist.

Incentive	Quality index[1]			Race	
	High	Medium	Low	Black	White
Current pay	1.25	1.49	1.56	1.43	1.43
$200 month pay raise	1.64	2.11	2.01	1.96	1.91
$5,000 bonus	2.05	2.15	2.12	2.07	2.18
Current VEAP	1.80	1.97	1.91	1.90	1.92
Noncontributory VEAP	1.94	2.03	1.96	1.99	1.99
1-yr tuition for 1-yr service[2]	2.09	2.21	2.09	2.55	2.12

[1] Based on composite index of high school grades and number of math/science courses taken.
[2] Survey conducted fall, 1978. Question item not included in spring, 1980, survey.

Surveys of undergraduates at Northwestern University (private and predominantly white) and Morgan State University (public and predominantly black) in 1980 found that a four-year GI Bill—full tuition and $500 monthly—in exchange for two years of military service had greater enlistment appeal than $2,500 monthly recruit pay. An insightful discussion on the relative value of post-service educational benefits and high recruit pay is Bachman, Blair, and Segal, *op. cit.*, pp. 145–148.

In order to determine the effectiveness of educational benefits as enlistment incentives, Congress authorized the recruiting commands to conduct an experiment during 1980–81. Recruiters in specified locales will be able to offer qualified enlistees a non-contributory and generous post-service educational package, for example ($1,200 for tuition and $300 monthly for subsistence) for each year of an enlistment.

At least two difficulties present themselves in trying to generalize from the results of this "test" to the appeal of an AVF GI Bill. First, a local enlistment campaign even with an "ultra-VEAP" can never match the positive symbolism of a simple, across-the-board, and nationwide GI Bill.

Second, an operational difficulty is posed by the requirement that only high school graduates who score in the top half of the mental distribution are eligible for the new educational benefits. This means in practice that the recruiter, lest he disappoints and loses a potential regular enlistee, is hesitant to mention the new educational offerings until after he knows the candidate's aptitude score. Caught in a classic minimax bind, the recruiter pushes the new educational package only to those candidates who would probably have come in the door anyway. Paradoxically, then, precisely because the test program is limited to high quality youths, it cannot be widely used to tap the new pool of recruits for whom it was intended.

[22] An educational package available in one of the test areas described above is that if the enlistee chooses to reenlist, he would have three options regarding his educational benefits: (1) keep the entitlement until leaving the service, (2) receive a lump sum equal to 60 percent of the dollar value of the entitlement, or (3) transfer all or part of the entitlement to a spouse or dependent.

[23] Coming at the same problem from another direction, William Schneider, Jr., proposes a two-layer system consisting of five-to-eight year enlistees with only a small number of these entering the career force. See, Schneider, "National Defense," in Eugene J. McAllister, ed., *Agenda for Progress* (Washington, D.C.: Heritage Foundation, 1981), pp. 31–32. My proposal addresses the excessive attrition rate which Schneider ignores. Schneider's proposal has the advantage of addressing the burgeoning costs of military retirement. One could conceive of a three-tier personnel system which combines features of both proposals: (1) two-year enlistees for labor intensive work at low salary but with GI Bill benefits, (2) four-to-eight year enlistees with good salaries who would be the yeomanry of the enlisted force, and (3) a small number of career NCOs with retirement entitlements.

[24] It is estimated that personnel turnover is 10 percent higher in the AVF era than during the draft era of the early 1960s. Congressional Budget Office, *The Costs of Defense Manpower* (GPO: January, 1977), p. 24.●

NORTHERN IRELAND ARMS EMBARGO

● Mr. D'AMATO. Mr. President, I come before this body today to reaffirm my stand against resuming the sale of U.S.-manufactured weapons to the Royal Ulster Constabulary (R.U.C.) in Northern Ireland. It is my belief that lifting the ban before a full review of the situation has been completed would be incorrect.

On February 24 of this year I conveyed my thoughts on this subject to President Reagan. I indicated to the President that my recent visit to violence-torn Northern Ireland had afforded me an opportunity to meet with representatives of both sides of the issue and to realize that a peaceful solution to the problems there must be our main objective. I further called on the administration to continue the ban on arms sales while a peaceful settlement was sought.

Mr. President, the White House has emphasized that the President, too, desires a peaceful solution to the unrest that overshadows Northern Ireland and its people. The Reagan administration is holding to the policy of not approving licensing for the sale of handguns to the Royal Ulster Constabulary.

It is clear we must look toward an equitable solution which promotes peace and which all parties involved in the conflict can accept as fair. It is my hope today that this body will do all within its power to support the Reagan administration on this very vital international issue.●

ASSASSINATIONS OF TURKISH DIPLOMATS

● Mr. THURMOND. Mr. President, I rise today to condemn the savage acts of terrorism accredited to the so-called Secret Liberation Army of Armenia against Turkish diplomats.

Mr. President, with the recent assassination attempt against President Reagan, there has been considerable comments made against such acts of violence. Therefore, I would like to take this opportunity to remind my colleagues in the Senate of the vicious attacks that have been made on Turkish diplomats in recent years.

Since 1974, 17 Turkish diplomats and/or their family members have been murdered in cold blood. Instances of such killings have occurred in Europe, Australia, and—I regret to report—in the United States as well. In 1973, a Turkish Vice-Consul was assassinated in Los Angeles. In addition, on October 12, 1980, a building owned by the Turkish delegation of the United Nations was bombed. A few weeks later a travel agency belonging to an American citizen of Turkish descent was also bombed. In both bombing cases, the Secret Liberation Army of Armenia claimed responsibility.

Mr. President, the pro-Soviet attitude of members of this terrorist organization is a matter of great concern to me. It would appear that the Secret Liberation Army of Armenia may well belong on the list of terrorist organizations reportedly receiving Soviet backing, as well as Soviet blessings. At an April 1980, press conference in Beirut, Lebanon, representatives of the Secret Liberation Army of Armenia used a completely Marxist vocabulary, and espoused virulent anti-American slogans.

Mr. President, I ask that an article which appeared in the March 1, 1981, edition of the Christian Science Monitor be printed in the RECORD at the conclusion of my remarks.

The article follows:

TURKEY'S VICTIMS OF TERRORISM

Turkey is understandably dismayed that its allies do little more than shrug their shoulders when Turkish diplomats abroad fall victim to terrorist gunmen, who identify themselves as Armenians.

This has happened no fewer than 16 times since a Turkish vice-consul in Los Angeles was assassinated there in 1973. The most recent killings were earlier this month in Paris, where two diplomats from the Turkish Embassy to France were gunned down.

Turks note that most of the Western world—and not only the Western world—kept alive its protest for the entire period that US diplomats were held hostage in Iran. Why (they ask) is there no similarly sustained protest when Turkish diplomats,

entitled to the same immunities as the Americans in Tehran, are killed with barbarous regularity? Why do not the host governments (they ask further) react more vigorously to track down, apprehend, and punish the murderers?

For the Turks, it is all the harder to understand when the host governments are fellow members of NATO. Turkey, astride the straits which give the Soviet Navy access to the Mediterranean and the oceans beyond, is vital to the alliance. If the proposed increase in US military aid for Turkey is any indication, Turkey is also earmarked for an important role in US security plans for Southwest Asia—which includes the Gulf.

It follows that Soviet interests are served by anything that: (1) drives a wedge between Turkey and its North American and European allies; (2) helps strengthen the isolation of Turkey with which its historical past of Ottoman imperialism burdens it; or (3) contributes to the internal destabliization of the modern Turkish state. Interestingly Moscow has remained silent about the assassinations. There is no evidence that they were actually Soviet-organized, but the Soviets doubtlessly count the net effect as a plus for them.

There are others, too, who probably rub their hands. These include: the most fanatically right-wing Greeks and Greek Cypriots, whose anti-Turkish prejudice from the past is kept alive by the Turkish occupation of part of Cyprus; Kurdish nationalists, who harbor a long grievance for the discriminatory way (they claim) the Kurds (or "mountain Turks") are treated in eastern Turkey, and the most fanatical Palestinians who resent Turkey's diplomatic relations with Israel.

The shadowy gunmen—who boast over the telephone of belonging to the Secret Armenian Army for the Liberation of Armenia—are apparently pursuing a vendetta over half a century old. They want vengeance for the documented suffering of Armenians at Ottoman Turkish hands, particularly during World War I. Armenians everywhere tend to keep that cruel memory alive. But Armenians as a worldwide community are not, to their credit, advocates of terrorism. Least of all against innocent diplomats of a generation not even born as long ago as World War I.●

BUD SELIG, OF THE MILWAUKEE BREWERS: B'NAI B'RITH'S SPORTSMAN OF THE YEAR

● Mr. KASTEN. Mr. President, it is not often that one can see sports celebrities, public officials, leading clergymen, top journalists, and even a newly returned hostage hero all gathered on the same platform to pay tribute to a man who is none of those things.

But that happened recently in Milwaukee.

The outpouring of gratitude and affection was directed at Allan H. "Bud" Selig, president of the Milwaukee Brewers Baseball Club, who was presented the International B'nai B'rith Sportsman of the Year Award for his distinguished contributions to the world of sports.

Hundreds of Milwaukeeans turned out to say "thank you" to the man who brought baseball back to their city—and in the process raised $60,000 to further B'nai B'rith's youth activities.

All this rather amazed Bud Selig, who is so modest and unassuming that he refuses to let his picture or biography appear in the Brewers' Guide.

"Imagine anyone paying $100 to see me," Selig said when he learned the testimonial dinner was a sellout. "I wouldn't even pay half that to see myself."

But if it were not for Bud Selig, baseball-loving Milwaukeeans would be faced with dreary springs and summers without their favorite pastime. From the time in 1965 when the Milwaukee Braves were moved to Atlanta, the young auto dealer refused to believe that Milwaukee could—or would—do without major league baseball.

He worked tirelessly to bring baseball back to Milwaukee—even persuading the Chicago White Sox to play several games in Milwaukee County Stadium in 1968.

In 1970, Bud Selig and his partners were able to achieve their dream by buying the Seattle Pilots for $11 million and moving the American League franchise to Milwaukee as the Brewers.

It was a tough struggle for several years. The team played badly; attendance was dismal.

But by 1978, the team—and the fans—came alive. The Brewers have been—and are—real pennant contenders. Spring and summer once again are euphoric times in Milwaukee.

That is why Bud Selig's friends came to cheer when B'nai B'rith made him their sportsman of the year.

As Bud Lea, sports columnist for the Milwaukee Sentinel, wrote recently:

A successful owner of an automobile dealership, Selig didn't need a baseball team to get his kicks. He got into sports because he wanted to bring major-league baseball back to Milwaukee, the city he loved. He has become successful because he is a competitor in his own business and likes the thrill of a contest.

Bud Selig's story is a true American success story. I am proud to relate it, and proud too that a close friend of mine has been singularly honored for the great good he has done for his community, both on the field and off.

Mr. President, I ask that several newspaper editorials pertaining to this award be printed at this point in the RECORD.

The editorials follow:

[From the Milwaukee Journal, Feb. 17, 1981]

SLUGGER SELIG

Many staunch Brewer fans are dreaming of a pennant this year, none more so than Allan (Bud) Selig, president of the Milwaukee Brewers. And if skill and tenacity bring a championship to Milwaukee, none on the club will deserve more credit than Selig.

For in more ways than one can count, the energetic, cigar chomping Selig is the Milwaukee Brewers. He is the tireless worker who was determined to return major league baseball to Milwaukee when others were ready to give up. He is the man who has shepherded a "Keystone Kops" expansion team into a consistent pennant contender. He personifies the axiom that what goes on off-the-field is often as important to a team as what happens on the field.

Thus, it is fitting that the leaders of professional baseball and the International B'nai and B'rith service organization will honor Selig Thursday as the 1981 Sportsman of the Year. It's a high honor for a leader who consistently hits a very long ball.

[From the Milwaukee Sentinel, Feb. 25, 1981]

A BENEFICIAL TRIBUTE

The International Sportsman of the Year award given to Allan (Bud) Selig by the B'nai B'rith Foundation last Thursday night no doubt will have an honored place in the Milwaukee Brewer president's trophy room.

Like a Frank Merriwell of the front office, Selig overcame overwhelming odds and through herculean efforts was a powerful force in one of baseball's biggest victories—bringing a major league team back to a city that had been abandoned by the big leagues.

But an even more significant reward for his service to the community and the state will be passed on to hundreds of boys and girls.

Proceeds from the dinner, at which 750 persons paid $100 a plate to honor Selig, will be used to help finance B'nai B'rith youth programs throughout the state, among them, a youth leadership camp at Mukwonago.

It's a worthy cause and Selig is a model of leadership worthy of emulation.

SELIG DISPLAYED COURAGE

(By Bud Lea)

Courage is a lonely road, and each man must plot his own steps.

The tough guys will tell you that courage is walking into a left hook for the privilege of returning the compliment. Or standing all alone in the middle of a football field and watching a punt hang over your head while a wave of tacklers comes pressing straight at you.

Mention ownership of a professional sports franchise, and nobody talks about courage. The smart guys will tell you that baseball owners are rich and spoiled people who are in it only for their own ego gratification.

Those who have followed the history of the Milwaukee Brewers can tell you that courage is more than muscle. And it begins with Bud Selig.

Selig and his Teams, Inc., partners bought the bankrupt Seattle Pilots in 1970 for $11 million, which at that time was the highest price ever paid for a major-league franchise.

Opening day in Milwaukee was not exactly the social highlight of the 1970 baseball season. When it was time to put up or shut up, Andy Messersmith and the California Angels mowed down the Milwaukee Brewers, 12–0, before 32,237 curious customers at County Stadium.

"I remember looking out on the field that day and saying, 'Oh, my God, what have we done?,'" Selig recalled Thursday. "We were bad. We were really bad. We had inherited a bankrupt expansion club. We had no front office.

"Two years later, it was even worse. Our attendance dipped to 600,000. I was worried that we might not make it in 1972. It was scary. That's when we needed a lot of courage, a lot of vision, a lot of dreams. That's all we had."

Selig's nickname became Budget, not Bud, and he spent seven years of agonizing frustration trying to make ends meet. He worked day and night trying to sell Milwaukee and Wisconsin fans on the idea that his Brewers could step in where the Braves had stepped out. It was a hard sell. The Brewers were not loved. Not until they won.

"I finally felt a great amount of satisfaction in 1978," Selig continued. "I still remember driving home after a Saturday night game with the New York Yankees. It was the night Larry Hisle hit two home runs off Rich Gossage, and we beat the Yankees. We had a standing-room-only crowd. All of a sudden, after all of those years of mediocrity, we were the talk of the baseball world. We had the town turned on. I couldn't believe this was happening. I guess I was in shock."

Selig is a fan, not an owner, according to Dick Hackett, the team's marketing director. "He lives and dies with every game," Hackett said. "When he listens to the games on the radio, he looks so worn out that you would have thought he played the game. In the early years, he saw something that he

wasn't proud of, and it nearly drove him crazy."

Cecil Cooper called Selig a legitimate fan who knows the game. "I've sat up there with him when I was injured, and he really gets into a game," the Brewers first baseman said. "I think that's good."

A successful owner of an automobile dealership, Selig didn't need a baseball team to get his kicks. He got into sports because he wanted to bring major-league baseball back to Milwaukee, the city he loved. He had become successful because he is a competitor in his own business and likes the thrill of a contest.

Ego trip? Well, you won't find Selig's biography in the Brewers' media guide. "He won't let me use it," said Brewers publicity director Tom Skibosh. "He said Harry Dalton deserves the credit for putting together a winner here."

You'd think Selig would be packing his bags for spring training in Arizona and taking full advantage of being boss of the Brewers, but he is not. Selig will get ready for the season working from his stadium office.

Selig, the man who brought baseball back to Milwaukee, was honored Thursday night as B'nai B'rith's international sportsman of the year at the Marc Plaza Hotel. Baseball Commissioner Bowie Kuhn was there. So was Howard Cosell, Gov. Dreyfus, Mayor Maier, County Executive O'Donnell, and an old friend, former Green Bay Packer great Willie Davis.

The proclamations and honors were handed out left and right, and a capacity crowd of 750 turned out for the $100-a-plate affair.

It was a deserving honor for Bud Selig. If it hadn't been for him, the game between the Policemen and Firemen would have been the biggest attraction each summer at County Stadium.●

AT LONG LAST SOME GOOD NEWS ABOUT PROGRESS ON THE VA'S AGENT ORANGE STUDY

● Mr. CRANSTON. Mr. President, section 307 of Public Law 96–151—the Veterans' Health Programs Extension and Improvement Act of 1979—mandated the VA to conduct an epidemiological study of veterans who were exposed to agent orange in Vietnam. The Director of the Office of Technology Assessment (OTA) has a mandated responsibility, pursuant to subsection (a)(2)(b)(ii) of that section, to report periodically to the appropirate committees of the Congress on the status of the OTA's approval of the protocol for the VA's agent orange study.

Regrettably, Mr. President, the reports submitted prior to yesterday by the OTA Director described a situation in which—because a protest was lodged against the VA's initial action to solicit a contractor to design the protocol for the study—the OTA had made no progress because there was no protocol to consider. However, yesterday I received the most recent report of the OTA Director dated April 1, 1981, which stated that the VA, after being totally cleared by the GAO on February 2, 1981, with respect to the protest—as I reported in a statement in the RECORD on February 6, 1981, 2050–2053, has made great progress with respect to reconsidering the original bids and will very likely be able to negotiate the contract for the study's design within the next 2 weeks. My colleagues should note that the Director indicates that the VA will include, as a condition of this contract, an instruction that the preliminary work on the study's design be completed within 90 days of the award of the contract.

Thus, I believe that we finally have reason to be encouraged that we will be making tangible progress toward finding answers to the very compelling concerns of Vietnam veterans who are worried about how their exposure to agent orange in Vietnam may be affecting their health today. Finally, the process that the Congress envisioned when the VA's agent orange study was mandated in December of 1979 is beginning.

This truly is good news for Vietnam veterans and the concerned public.

Mr. President, I ask that the OTA Director's letter be printed in the RECORD at this point.

The letter follows:

OFFICE OF TECHNOLOGY ASSESSMENT,
Washington, D.C., April 1, 1981.

Hon. ALAN CRANSTON,
Ranking Minority Member, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: I am writing to you as part of the Office of Technology Assessment's responsibilities under P.L. 96–151, the Veterans' Administration Health Resources and Programs Extension Act of 1979. Under the provisions of the Law, I am to inform appropriate Committees of the Congress about progress being made in the Veterans' Administration's epidemiologic study of possible long-term health effects suffered as a result of exposure to phenoxyacid herbicides (Agent Orange) in Vietnam.

An initial step in the VA study is the placing of a contract for its design. VA initiated that process more than one year ago, but progress was slowed by a protest entered against the Agency's procedure. The General Accounting Office was directed by a court to investigate the bid protest, and in January the GAO decided in favor of the VA.

By the time the challenge had been resolved, a long period of time had passed since the original bids had been prepared. VA was concerned that some of the bidders might no longer want to compete for the contract or that changes in personnel might have made some bidders unable to satisfy the requirements of the contract. Additionally the passage of time meant that cost estimates would have to be revised. After the GAO decision, VA contacted the bidders and asked for information about interest, personnel, and costs. All of the bidders responded that they remain interested in being considered for the contract.

The original submissions from the bidders were reviewed last year by a panel of Federal experts. VA has distributed the bidder's original submissions plus the reviewing panel's comments plus the most recent submissions to the panel members. The panelists are being asked to consider whether or not the new submissions should change the ranking or the numerical scores of the bidders. VA expects that the panel will decide about ranking and scores within the next two weeks, and that the Agency will then be able to negotiate the contract.

The contract will ask for completion of a preliminary study plan within 90 days. The preliminary plan will then be reviewed by a number of organizations, including OTA. Dr. Richard Remington, Dean of the School of Public Health, University of Michigan, last year agreed to serve as chairman of an OTA panel to review the study plan. I am pleased that Dr. Remington remains willing to serve. He and the OTA will be prepared to select additional panel members when we have a better idea about when the plan is to be made available.

After this long delay, it is encouraging to see the process moving along. I want the OTA to be as helpful as possible in this important matter, and if you have any questions about its role please call me or Michael Gough of the OTA Health Program.

Sincerely,

JOHN H. GIBBONS.

DEWITT WALLACE

● Mr. MOYNIHAN. Mr. President, on last Monday evening, March 30, DeWitt Wallace died of pneumonia at his home in Mount Kisco, N.Y. Though not especially well known to most Americans, I dare say that almost every literate person in this country, indeed in the world, has on occasion read, enjoyed, and profited from Reader's Digest, which Mr. Wallace founded in February 1922.

We have become so accustomed to having Reader's Digest at hand that we can scarcely think of doing without it. The idea of condensing articles and publishing them in a handy and readable magazine now appears to be nothing more than commonsense, a thought that would come to anyone's mind. But when Mr. Wallace first thought of doing such a thing in 1918, his idea was treated with something less than enthusiasm, and even with a little scorn.

But Mr. Wallace knew that his idea was sound. He had faith in himself, and he had the courage, business savvy, and good old-fashioned pluck to proceed on his own, taking his idea and transforming it into an immensely successful business. Today his magazine has a monthly press run of 30.5 million, published in 16 languages, and sold in 163 nations.

Mr. Wallace was more than an editor and businessman. He was a distinguished citizen, a patriot, a philanthropist, and a man with an active interest in politics. He was the friend of two Presidents, and an enthusiastic supporter of the Republican Party. Through the Reader's Digest Foundation, which Mr. Wallace established, he gave generously to scores of charities and institutions.

We mourn the passing of Mr. Wallace. He stands as proof that this country of ours is indeed a land of opportunity for those who seize it. He was a truly distinguished American, a great New Yorker. We will remember him always.

Mr. President, a very intriguing and beautiful piece about Mr. Wallace appeared in the New York Times of April 1. I ask that it be printed in the RECORD.

The article follows:

DEWITT WALLACE, FOUNDER OF READER'S DIGEST, IS DEAD

(By Alden Whitman)

DeWitt Wallace, who conceived and edited a pocket-sized magazine that as Reader's Digest became the most widely read magazine in the world, died of pneumonia at his home in Mount Kisco, N.Y., on Monday night at the age of 91.

Founded in February 1922 amid predictions from editors that it would never last, Reader's Digest was an immediate success. Today its circulation is 30.5 million copies a month to more than 100 million readers in 163 countries. In February it come out with its first Hindi edition, bringing to 16 the num-

ber of languages in which the magazine is published.

Its editorial formula of condensing significant articles from other publications that provide in each issue a pleasing mixture of inspiration, humor, sex, science and self-improvement was frequently criticized as culturally middle-brow and socially conservative.

Far from disputing the assessment, Mr. Wallace found it just, and argued that it expressed the American mind.

UPLIFTING READERS' LIVES

He also insisted that the magazine sought to uplift and ameliorate the lives of its readers and conditions in their countries. As examples, he cited its campaign for safe automobile driving, for family planning, for a public attack on venereal diseases and against cigarette smoking. The admitted emphasis in articles on these subjects, as in most Digest articles, was on individual enterprise.

On a less controversial plane was Mr. Wallace's conviction that most readers in the fast-paced society developing out of World War I had neither the time nor the inclination to pursue long and involved articles, no matter how important. The policy he pioneered in the Digest—brief articles, short sentences, simple words—was adopted by others in the United States and abroad.

Neither Mr. Wallace nor his wife and cofounder, Lila Bell Acheson Wallace, imagined that their handiwork would make them millionaires. They formed the Reader's Digest Association, splitting the stock 51 percent for Mr. Wallace and the rest for his wife.

Mrs. Wallace, who served as the magazine's co-chairman from 1922 until 1973, was at his bedside when he died.

SPENT HEAVILY ON MAGAZINE

Over the years the association's two stockholders became millionaires many times over and spent vast sums on the magazine, its subsidiaries and its employees in order to hold down their tax liabilities.

In addition, the Wallaces, who had no children, gave away, through the Reader's Digest Foundation, handfuls of money to charities and institutions that they deemed worthy. They also disposed of some of their association stock to key executives.

The precise dimensions of the Wallace fortune were never made public, but it was sufficient to permit benefactions of $10 million here and there, plus a splendid home in Westchester County and a superb collection of modern art held in the Digest's name.

Despite his eminence as an editor, publisher and shaper of opinion, Mr. Wallace shied away from fame. As a result, he was an almost shadowy figure outside the Digest. There, however, his presence was keenly felt, for the magazine was an extension of its proprietor and his curiosity about the commonplaces of life. This curiosity was the source of "— And Sudden Death," one of the Digest's most widely read articles.

ORIGIN OF FAMOUS ARTICLE

Driving about Westchester County one afternoon, Mr. Wallace stopped in an Armonk garage and asked its owner, in the course of conversation, whether he had seen any bad auto wrecks lately.

"He told me plenty," Mr. Wallace recalled of the garage man's gruesome tales. Fascinated, the editor got in touch with J. C. Furnas, already at work on a traffic article for the Digest, and ordered him to do a dramatic piece on the necessity of safe driving.

The result was a grim and grisly article published in the issue of August 1935. Proofs were sent to 5,000 publications, many of which reprinted it. The Digest circulated four million reprints. It did much to establish the magazine as a public-interest periodical.

One of Mr. Wallace's earliest prescriptions for the Digest was that it contain "articles of lasting interest." One such turned out to be "The Facts Behind the Cigarette Controversy," published in July 1954. The first of several pieces on the relationship of cigarettes and lung cancer, it created an enormous stir and led other publications to devote space to the subject.

One of those ultimately affected was Mr. Wallace. A heavy smoker who had given up numerous times, he became convinced that he should really stop what he called "this dastardly habit." And he did.

AMID BOOKS AND PRAYERS

William Roy DeWitt Wallace was born in St. Paul on Nov. 12, 1889, the fifth child of the Rev. Dr. James Wallace, president of the Presbyterian-related Macalester College, and Janet Davis Wallace, a minister's daughter. The boy, whose first condensation was to shorten his name from William Roy DeWitt, was reared amid books and family prayers.

Scholastic aptitude, however, eluded him, as he concentrated on sports in his youth. After two indifferent years at Macalester, which he entered in 1907, DeWitt, who had further shortened his name to Wally, transferred to the University of California at Berkeley.

In the interval between Minnesota and California, the youth worked in an uncle's bank at Monte Vista, Colo. Reading the current magazines in the fall and winter of 1910–11, he kept a card file of the high point of articles that interested him. That was the genesis of Reader's Digest.

The idea that articles could be digested for profit took further root after two years at Berkeley—he did not get a degree—and four years as a sales-letter writer in the book division of the Webb Publishing Company in St. Paul.

PRINTED A BOOKLET FOR FARMERS

Observing that the United States Department of Agriculture and its bureaus produced excellent free pamphlets for farmers, he left his job at the age of 23, borrowed some money and printed his own booklet, an annotated listing of these publications that he entitled "Getting the Most Out of Farming."

Mr. Wallace sold his self-help booklet to banks for distribution to their farmer-depositors. While he was peddling his wares to banks in the West—he marketed 100,000 of his 120-page booklets—the notion of digesting magazine articles came to him.

He was unable to do anything about it until after World War I, in which he was wounded while serving with the Army in France. In what proved to be a fortuitously long recovery from the wound, he practiced pruning magazine articles and realized how easily they could be trimmed.

Back in St. Paul as a civilian in the spring of 1919, Mr. Wallace spent six months getting up a dummy issue of Reader's Digest. It contained 31 articles from a variety of magazines, including "Is Honesty the Best Policy?" "The Art of Opening a Conversation" and "How to Regulate Your Weight."

EARLY OFFER WAS REJECTED

Full of enthusiasm, Mr. Wallace dispatched copies of his advertisingless dummy to publishers in the East. He was willing to give the Digest to anyone who would keep him as editor, but his offer was rejected as ridiculous.

Only William Randolph Hearst was slightly encouraging, saying that the magazine might in time circulate 300,000 copies a month. Mr. Wallace was discouraged and put his dummy aside to work as a publicity man for Westinghouse.

Meanwhile, he became engaged to Lila Bell Acheson, a clergyman's daughter and the sister of a college friend. Attractive, capable and ambitious, she renewed her fiance's interest in the Digest, and when he was dismissed by Westinghouse in an economy wave, he took up the magazine project.

Soliciting subscriptions by mail, he wrote to teachers and clubwomen. By the time he and Miss Acheson were married in October 1921, he had $5,000 in provisional subscriptions, enough to put out the first issue.

The Wallaces opened an office under a Greenwich Village speakeasy at 1 Minetta Lane and shaped the contents of Volume I, Number 1. It contained 31 articles, many from the dummy issue of 1920. Although the magazine was amateurish by current standards, it drew praise from readers, and additional subscriptions. By 1926, there were 30,000 subscribers; three years later, the figure reached 290,000.

For the first several years, Mr. Wallace was the magazine's only condenser. To keep overhead down, his "office was the New York Public Library, where he laboriously boiled down magazine articles in longhand.

The cribbing cost him nothing since permission to reprint was readily given. John Bainbridge, a Wallace biographer, quoted one editor of the period as explaining, "We figured he was just another guy with a crackpot idea." Other editors believed that it was good publicity to get an article, albeit heavily cut, into the Digest.

In the 1930's, however, when the Digest's circulation rose markedly above a million, editors were less willing to be charitable, and Mr. Wallace began paying for reprint rights. Also in the 30's, Mr. Wallace began planting magazine articles that the Digest would later abstract. About the same time, the editor started commissioning original articles for his magazine from staff writers called "roving editors."

Within a year of the Digest's start, the Wallaces moved its office to a garage in Pleasantville, in Westchester County, near the magazine's present site in Chappaqua. In the shift to Chappaqua, the magazine built a Georgian-style brick headquarters building that reflected the Early American architectural and decorating tastes of Mr. Wallace.

Mr. Wallace was a conservative Republican, close to Presidents Dwight D. Eisenhower and Richard M. Nixon, and the Digest reflected his attitudes, which were strongly anti-Soviet Union and anti-Communist. He employed a number of prominent anti-Communists, including Stanley High, Max Eastman and Eugene Lyons.

The Digest at first contained no advertising and, indeed, often warned its readers about the possibility of chicanery in advertising claims. By 1955, however, rising production costs obliged Mr. Wallace either to increase the subscription price or to accept ads. He chose the latter, although barring liquor and tobacco advertisements.

Descriptions of Mr. Wallace varied. His wife once told a group of editors that he was unpredictable. Most people called him shy.

"Yes, shy like a bulldozer," one editor remarked.

LEARNED HOW TO FLY

He was also frugal. Memos to staff members often arrived on the back of a used envelope. He clicked off unused lights. For years he drove a rather battered car. His one travel extravagance was a private plane, which he learned to fly and in which he cruised, usually at 2,000 feet, while gathering editorial thoughts.

Mr. Wallace disliked social life. His idea of a night out was to escort his wife and a few guests to the opera. He preferred to entertain at home, where his dinner parties were quiet and elegant and usually involved his editors and their families.

The Wallaces lived in a three-story house of native stone set on a hillside overlooking Byram Lake in Mount Kisco. Called High Winds, it was designed by Mrs. Wallace. There was a stone tower on the 100-acre estate where Mr. Wallace maintained an office that he used when he was not at the Chappaqua headquarters.

Mr. Wallace underwent abdominal surgery at the Columbia-Presbyterian and Medical Center about three weeks ago.

Besides his wife, he is survived by his 96-year-old brother, Robert, who lives in Bradenton, Fla. A private memorial service will be held Monday.

Mr. Wallace was once asked what he thought might be a fitting epitaph. He replied:

"The final condensation."●

THE HUMBLE U.S. SOYBEAN

Mr. COCHRAN. Mr. President, there has been a good deal of discussion lately concerning limitations on automobile imports from Japan. Numerous proposals are floating around the Hill—some call for "voluntary" restrictions, some would mandate such restrictions. There apparently is some disagreement within the administration about the desirability of any restrictions, and certainly there is disagreement here in Congress.

I am concerned about the effect that any mandatory controls would have on our position as the world leader in international trade. We are the world's largest trading nation. In 1979, we had combined imports and exports of $394 billion. This comprises some 17.9 percent of our GNP and constitutes a major factor in our economic well-being.

We must, therefore, consider all of the repercussions which might flow from restrictions on automobile imports.

An article appeared in the Christian Science Monitor recently which addreses the possible effect that auto restrictions would have on our soybean and other agricultural exports to Japan which deserves our careful attention.

I ask that the article be printed in the RECORD.

The article follows:

HUMBLE U.S. SOYBEAN BETTER MONEYMAKER THAN A TOYOTA

(By Jonathan Harsch)

Soybeans, along with such derivative as tofu, miso, and tempeh, may still sound foreign to American supermarket shoppers. Yet today it would be hard to call any product more American than the soybean.

Based on booming sales at home and abroad, or on the industry's firm commitment to free-market principles, the versatile bean ranks as a serious rival to apple pie as a symbol of America.

But soybean producers warn that unless this country practices the free trade it preaches, the soybean bonanza may be lost. Specifically, they warn against using import controls to protect the U.S. automobile industry because such controls would likely bring retaliatory measures against major U.S. exports, such as soybeans.

The producers point out—in the words of one spokesman—that is dealing with Japan, the European Community, and Scandinavia, "while we have a $9 billion trade deficit in autos . . . our trade surplus in agricultural products exceeds $14 billion."

Despite such impressive earnings, soybeans growing in their long rows, with two or three small round beans per shriveled pod, may look like so many weeds to the uninitiated. But soy oil is used in more than 80 percent of all U.S. margarine, cooking oil, and salad oil. Since extracting a pound of soybean oil yields 4.7 pounds of high-protein meal as a byproduct, this "bonus" is widely used to improve the quality of baked goods and boost the protein content of a great variety of foods. And as if that weren't enough, it also is used around the world in livestock feed.

The cash value of the US soybean crop also makes it a key American product rather than a foreign curiosity. Despite being a relative newcomer to the US crop list, last year's soybean harvest was worth more than $15 billion, making it the largest cash income-earner for US farmers.

Soybeans also are the leading agricultural export commodity, accounting for $8.6 billion of last year's $40.5 billion in US agricultural exports. Soybean exports are expected to double over the next 10 years, giving them a still-larger share of the trade as world food demands escalate due to both population growth and demand for higher-protein diets.

Yet soybean producers are worried about the future, seeing the chief threat coming from government interference with free-market forces.

The soybean's newcomer status has worked to its advantage in one important way, according to producers. Unlike more traditional farm products, soybeans remain almost entirely free of government "meddling." Production has never been complicated by the target price, reserve, or set-aside programs used to adjust supply and prices for other farm commodities.

"The soybean industry in America has evolved around a free world market," American Soybean Association president Frank Ray told the Senate Agriculture Committee recently. "The basic laws of supply and demand in the world marketplace have signaled farmers when to increase production, and we feel those laws should be allowed to continue to work in the future."

To keep soybeans unencumbered by government programs, Mr. Ray is asking Congress to enact a new provision in the 1981 farm bill to prohibit the US Department of Agriculture from imposing restrictions that "would interfere with normal soybean marketing." He also is pressing for congressional action to prevent the government from imposing selective embargoees on agricultural exports—such as the current Soviet grain embargo.

To keep pace with world demand, the 630,000 US soybean producers last year contributed $7.8 million to fund private research and market-development activities. But they add that the government must increase rather than cut its own programs to expand foreign markets. The way to reduce costly income-support payments to American farmers, say soybean producers, is to return to spending 0.3 percent of annual agricultural export value on expanding markets overseas—rather than the government's present 0.1 percent, which leaves the US far behind its major competitors.●

CIGARETTE SAFETY ACT—S. 51

● Mr. CRANSTON. Mr. President, on January 6, 1981, I, along with Senator TSONGAS, reintroduced the Cigarette Safety Act, S. 51. The bill would give the Consumer Product Safety Commission the ability to address the leading cause of fire deaths and fire injuries in this country—forgotten cigarettes. On the average, cigarette-caused fires result in 44 deaths and 112 injuries every week.

No one is more aware of these statistics than the doctors and nurses which specialize in burn care. For this reason, I am particularly pleased to share with my colleagues the endorsement the American Burn Association has given to this legislation. The association is holding its annual meeting this week in Washington, D.C.

The text of the association's endorsement follows:

AMERICAN BURN ASSOCIATION ANNOUNCES SUPPORT OF BILLS TO REDUCE CIGARETTE TOLL

WASHINGTON, D.C.—The American Burn Association has announced its support of pending legislation intended to reduce the incidence of cigarette-related fires in the United States.

ABA support of the Cigarette Safety Act of 1981 was announced by Charles E. Hartford, M.D., President of the national organization of burn care specialists, at the Association's 13th Annual Meeting, taking place this week at the Sheraton Washington Hotel. In announcing support of the Act, Dr. Hartford noted his group's hopes that passage of the legislation would reduce the nation's annual toll from smoking-related burn injury, estimated at over 2,000 deaths, 5,800 injuries and $200 million in economic losses.

The proposed law, introduced as S. 51 by Senator Alan Cranston (D-CA) and as HR 1854 by Representative Joseph Moakley (D-MA), would mandate the Consumer Product Safety Commission to develop a performance standard for cigarettes to reduce their capacity for igniting fires in upholstered furniture and mattresses. Preliminary research by the National Bureau of Standards' Center for Fire Research indicates that certain changes in cigarette construction characteristics may reduce ignition propensity, while other studies point to alterations in the content of cigarette paper as a promising approach.

"The nation's 10 burn centers are all too familiar with the devastating injuries that can result from fires ignited by dropped cigarettes", commented Dr. Hartford in reporting the ABA's endorsement. "We feel that the Consumer Product Safety Commission should have the opportunity to determine whether these tragedies can be reduced through the development of an appropriate standard."

Over 1200 burn care specialists from the United States, Canada, Latin America and overseas are in Washington this week to share clinical expertise and research findings on the treatment and prevention of severe burn injury, the third leading cause of accidental death in the United States. Since its creation in 1967, the American Burn Association has developed a membership of over 2,000 physicians, nurses, physical and occupational therapists and others involved in burn care, education and prevention.●

THE AFL–CIO ON U.S. SERVICE EXPORTS

● Mr. INOUYE. Mr. President, the AFL–CIO has long been acutely sensitive to the international competitiveness of the United States. While I have not always agreed with its proposals to halt the declining competitiveness of American industry, I believe that it must be conceded by everyone that it understood better than most groups the international economic trends which more than a decade ago signaled the end of U.S. industrial primacy and that it tried to do something about it. Wisely, organized labor did not fall prey to the academic tendency to dismiss the significance of trade and balance-of-payments deficits but rather it comprehended immediately that the trend was ominous and would be long lasting.

On February 17, 1981, the AFL–CIO issued policy resolutions on various international economic issues. Of particular interest to me was the fact that it ad-

dressed for the first time the matter of services in international trade.

The trade in services, or invisibles as they are commonly called, was in large part responsible for the slim current account surplus the United States enjoyed last year in spite of another terrible deficit in the merchandise account. Only recently has the service sector begun to receive the attention its economic significance warrants, and even now very little research has been undertaken on this subject.

Addressing this important issue, the AFL–CIO made the following point:

The proclamation of U.S. service industries and service jobs should be a major goal of international negotiators, and clear definitions of the service goals and analysis of the service impact should receive wide public debate before any multilateral negotiations go forward.

I concur completely with this information.

I am particularly interested in the services issue because last year I introduced S. 3003, the Service Industries Development Act, to strengthen the domestic service sector and to promote U.S. service exports. There were 2 days of hearings on this bill, and I intend to reintroduce it in the near future to stimulate further discussion of service exports.

I ask that the statement of the AFL–CIO on the international trade in services be printed in the RECORD.

The statement follows:

STATEMENT

The U.S. steel industry has been suffering from a series of import assaults throughout the past two decades. A variety of restraint mechanisms were put in place for basic steel, and for specialty steel. Industry, labor and government efforts have led to international discussions at the Organization for Economic Cooperation and Development and to a series of import relief attempts. A trigger price mechanism was applied with some success and extended last year. Specialty steel was so damaged by imports that a quota was instituted and, in 1980, a "surge" mechanism was used to restrain the sudden upsurge of imports. Fabricated steel failed to get much attention, but provisions for monitoring have been made.

In 1980, employment in the steel industry fell to the lowest levels since the Depression as a result of recession, technological change and continued high levels of imports. Tripartite efforts have sought capital and technological improvements and the unions support modernization and improvements in the places where plants now exist.

SERVICES

Services have begun to gain new attention because the international balance of payments includes capital flows and many payments that are not for goods. These short-term payments are lumped together into a category called "services." Transportation payments for airlines and shipping are traditional concerns of unions. Because of the exportation of jobs, unions have raised questions about the use of foreign carriers for many years. Now, as international companies seek to expand operations abroad in banking, insurance, films, hotels, building and construction, credit card operations and a host of other "services"—the billions of dollars involved become a major concern for the United States.

Services are covered by the Trade Act of 1974 and 1979, but few negotiations have been concluded except on a bilateral basis on specific problems. Definitions of "services" are hazy and conflicting, and the use of the term as a catch-all has led to confusion about U.S. income from services. Transportation—both shipping and airlines—have been in deficit in most of the 1970s. The reason for the surplus in "services" is that capital flows—income largely from profits of oil companies abroad—are a major item.

Job exports may accompany great gains in income from services. Foreign investment, for example, may lead to the right to foreign-accrued dividends. Higher-priced oil has not increased U.S. jobs, even though dividends for global oil companies have boosted the service account in the balance of payments. American seamen know that exports of jobs accompanies foreign-flag shipping, while the "U.S." owners make profit gains. Similar experiences occur in runaway films and runaway jobs in all types of industries.

Many service efforts are not only job-producing but also create benefits for the U.S. and its companies abroad. But U.S. companies face fierce competition, both at home and abroad from foreign, often state-owned, service industries. There is a clear national interest in promoting and protecting U.S. service industries.

Some service industries, such as computer industries and credit card companies, are already the subject of international negotiations. When the companies protested that more and more countries are interfering with the transfer of information across national lines, the U.S. began to participate in negotiations on "transborder data flows." This has become a complicated issue, usually discussed in international trade and payments terms about "free trade" and "protection." The economic problems of the companies are acute.

But the issues of privacy, national security and other problems affecting non-trade functions, however, have a political and social impact that international trade negotiations fail to weigh adequately. The impact on labor has been ignored, because it is virtually impossible to quantify the results or the relationships. But in the new technological world of telecommunications and transborder data flows, labor has an interest that should be identified clearly and taken into consideration.

Section 301 of the Trade Act of 1974 specifically provides for action by the U.S. whenever a foreign government's practices create unjustifiable or unreasonable barriers to U.S. commerce. This provision was used successfully, for example, on a bilateral basis in an insurance case in Korea and unsuccessfully in an insurance case against the Soviets. The U.S. has few restrictions, while other countries have many and are adding to them. Thus, the need for a clearer understanding of the implications of service negotiations is essential.

The United States should try to solve short-term service industry problems promptly on a bilateral basis. The U.S. should define the terms and study the problems of international service interchange before it engages in any overall negotiations. The promotion of U.S. service industries and service jobs should be a major goal of international negotiators, and clear definitions of the service goals and analysis of the service impact should receive wide public debate before any multilateral negotiations go forward.

GENERALIZED SYSTEM OF PREFERENCES

Under Title V of the Trade Act of 1974, more than $20 billion in imports of products and parts of products from 140 developing countries and territories received special zero tariff status in the past five years. In 1980, more than $6 billion in imports of products were granted special zero tariff privileges or "preferences." At an average tariff rate of 9 percent, that amounts to about $540 million worth of foreign aid.

The purpose of the program was to help development by aiding poor countries to become competitive in trade. Mutual benefits for the U.S. and the developing countries were supposed to be determined. Studies show, however, that the preferences continue long after industrialization and competitiveness have been achieved by newly industrialized countries. Meanwhile, domestic industries already suffering from import injury are further damaged.●

THE APPOINTMENT OF FRANK WHETSTONE

● Mr. BAUCUS. Mr. President, it is with the greatest pleasure that I bring to the attention of my colleagues in the Senate the appointment of Frank Whetstone, a native Montanan, to the International Boundary Commission. I am very happy with this event for several reasons: First, of course, I am glad to see national recognition of Montanans by appointment to key posts in the executive branch of Government. Second, Frank Whetstone's reputation for ability and integrity is known to all his friends and acquaintances—and those not fortunate enough to fall in that category should know him by that reputation. Third, I am very pleased to see a Montanan appointed to a key post regarding our relations with Canada.

My State borders on three Canadian provinces, and the trade and flow of people across that border is enormous. Now a Montanan will have responsibility for that border. It is a big responsibility, but Frank Whetstone I know is up to it and will fulfill his duties with enthusiasm, efficiency, and fairness.

I want to congratulate Frank for his appointment. The administration is to be commended for making an excellent choice.●

DIABETES: THE THIRD LARGEST KILLER DISEASE

● Mr. BAUCUS. Mr. President, I wish to focus your attention today on one of the most serious afflictions of the American people, diabetes mellitus, our Nation's third leading cause of death by disease.

Recent years have brought unprecedent advancements in medical science, especially in the area of diabetes research. This does not mean that the effort should be relaxed. Instead, a more intense, accelerated program is required if this world wide affliction is to be obliterated.

Diabetes is an affliction of relatively low visibility whose full seriousness must be brought into clear focus. Its tragic impact upon Americans is not adequately recognized today, nor the immediacy of the need to provide relief brought into perspective.

Here are a few startling statistics about this serious affliction:

Over 10 million Americans and their families are directly affected by this disease, 22,000 of whom live in Montana;

Over 300,000 Americans die each year because of diabetes and its complications;

Diabetics are 25 times more prone to blindness than nondiabetics;

Diabetics are 17 times more prone to kidney disease than nondiabetics, and

Diabetics are twice as prone to heart disease than nondiabetics.

As you can see, diabetes robs many citizens of their lives and deny many more of the opportunity to live fully and productively.

Its prevalence is increasing at a rate of 6 percent each year. Of all Americans born today who live to be 70, 1 in 5 will suffer its ravages.

There is no cure, although treatment with special diet, exercise, medication, and insulin has extended their average life expectancy. Research has yet to discover its cause, even though it is now known to be genetically transmitted.

Clearly we face a long, difficult fight in overcoming this affliction. To overcome it, we will need to fully support a coordinated Federal effort in research, treatment, education, and, ultimately, prevention.

Congress has responded to this health threat by passing legislation establishing the National Diabetes Advisory Board. The Board's purpose is to advise and assist both Congress and the Secretary of Health and Human Services in the implementation of a long-range plan to combat the disease. The plan expands and assures coordination of the national research effort and accelerates the development of programs for diabetes control.

Also, through the combined efforts of many dedicated individuals and organizations, including the members and leaders of the American Diabetes Association and the Juvenile Diabetes Foundation, effective diabetes research, treatment and control programs have been established.

The framework for a coordinated effort has been set into place. This work must be pushed forward, obstacles must be removed. One of these is the critical need for adequate research facilities and resources. Without these even the best biomedical research facilities will be unable to work, and treatment programs of life and death importance to millions will be further delayed.

I strongly urge my colleagues to maintain and strengthen their support for this vital work.●

A BAD USE OF THE RECIPROCITY PRINCIPLE

● Mr. PELL. Mr. President, in the conduct of American foreign affairs, the principle of reciprocity has broad validity. International economic pacts, for example, inevitably require mutual concession. And arms control negotiations can succeed only through the acceptance of comparable limits on each side. But the reciprocity principle is not absolute. Only one principle is: That U.S. foreign policy should be shaped to serve American national interests, broadly defined.

Yesterday, the administration denied permission to a foreign visitor—Georgi Arbatov, the Soviet Union's leading specialist on United States-Soviet relations—to extend his visit in the United States for the purpose of participating in a scheduled television debate on the respected public affairs program, "Bill Moyers' Journal." Two other prominent Soviet officials were to take part, along with three knowledgeable Americans, including our colleague, Senator SAM NUNN. In announcing this decision, a State Department spokesman invoked the reciprocity principle, pointing to the Kremlin's unwillingness to allow American officials comparable access to Soviet television.

Mr. President, one cannot deny that the Soviet Union is a closed society. That indeed is the source of conflict in United States-Soviet relations. Were the Soviet Union open and democratic—as an open society must inevitably be—the relationship between the two superpowers would undoubtedly be far less fraught with danger, and perhaps even friendly. But we must deal with facts as they are. The Soviet Union is a stern authorization society, which admits of little diversity in viewpoint and which is unlikely to be altered in the slightest by the curtailment of Mr. Arbatov's visit. Meanwhile, the administration has given the impression of acting in a petty fashion; and the American people, who pay for a strong national defense to protect a free society in which debate can occur, have been denied the opportunity to witness what would surely have been an instructive discussion. It seems fair to caution that in the process of defending ourselves against the Soviets, we should also be sure not to emulate them.

I ask to have printed in the RECORD an article from today's New York Times describing this incident.

The article follows:

STATE DEPT. DENIES VISA EXTENSION, KEEPING RUSSIAN FROM TV DEBATE

(By Bernard Gwertzman)

WASHINGTON, April 1.—The Reagan Administration has denied a visa extension to the Soviet Union's leading expert on the United States to keep him from participating in a televised debate, State Department officials said today.

The officials said that the decision, cleared with Secretary of State Alexander M. Haig Jr., was made yesterday in response to Moscow's refusal to allow American representatives to appear on Soviet television.

"BILL MOYERS' JOURNAL" AT ISSUE

The Soviet official, Georgi A. Arbatov, who is head of the Institute of United States and Canadian Studies and a member of the Communist Party's policy-making Central Committee, has been in the United States since March 25 on a visa that expires next Sunday.

He had applied for an extension so that he and two other Soviet public figures could appear in a Soviet-American debate on April 10 on the "Bill Moyers' Journal" program over the Public Broadcasting Service.

Yesterday, the Soviet Embassy and Mr. Moyers were informed by the State Department of the decision not to renew Mr. Arbatov's visa.

Mr. Arbatov, reached by phone in Atlanta where he was speaking to a foreign policy group, said the whole affair was "ridiculous."

"I didn't want to impose myself on anyone," he said. "I didn't invite myself to Bill Moyers's show. Now I understand a bit more about the policies of the new Administration than I knew before."

He said that he wanted to avoid overexposure on this trip and had declined invitations to such network programs as "Issues and Answers" produced by ABC News, "Face the Nation" by CBS News and "Today" by NBC News.

It was not clear, Mr. Arbatov said, whether the Moyers show would now go on. According to a Soviet Embassy official, the State Department said two other participants who were still in Moscow could still come, but it was uncertain whether they would.

The three Americans who were to take part in the program are: Senator Sam Nunn, Democrat of Georgia; William G. Hyland, a specialist on the Soviet Union formerly employed by the Central Intelligence Agency and later by the State Department and the National Security Council; and Strobe Talbott, diplomatic correspondent for Time magazine.

Mr. Moyers said that he had been in touch with officials in the State Department for several weeks about the planned debate and that the decision to prevent Mr. Arbatov from appearing "can only confirm my impression that they want to keep this debate off the air."

"THIRD-RATE AND PARANOIAC"

"It is a petty action that results in senior American officials acting as if they were bureaucrats in a third-rate, paranoiac, totalitarian country," he said. "Of course, the Soviets don't allow Americans to run around their country meeting the public and press. They are a closed society intolerant of any opinion except the official view of reality."

He said that a senior State Department official had told him that "they simply want to get Arbatov out of this country because he's been receiving so much coverage for his views."

"I replied that the department was cutting off its nose to spite its face because this was the one event in Arbatov's visit in which he would be challenged by three authoritative and knowledgable Americans who are not afraid to stand up to Soviet propaganda," Mr. Moyers said.

"In these dangerous times both sides should welcome every opportunity to air our differences," he added. "Unfortunately the mentality of the 1950's is loose in the State Department today, a mentality that leads us to act like our adversaries instead of like Americans."

A producer for Mr. Moyers said that it was uncertain what would now happen. There is consideration, she said, to having the Soviet participants debate by satellite from Moscow.

On the Soviet side, Mr. Arbatov was to be joined by Mikhail A. Milshtein, a retired general who is an arms control expert in Mr. Arbatov's institute, and Vitaly I. Kobysh, a journalist who is on the staff of the International Information Department in the Central Committee.

STATE DEPARTMENT GIVES REASON

A State Department spokesman, in giving the reason for refusing to extend Mr. Arbatov's visa, said:

"Soviet officials, including Dr. Arbatov, have made frequent appearances on American television in recent weeks. Americans have no access to Soviet television or other Soviet media. Our embassy in Moscow has repeatedly asked that our charge d'affaires, Jack F. Matlock Jr., be allowed to appear on Soviet television. But so far without success.

"Given the lack of reciprocity, we consider it inappropriate to grant the visa extension to Dr. Arbatov solely for the sake of another television appearance."

Another State Department official said Soviet officials had made at least 13 television appearances in the United States in recent weeks.

The news of the refusal to extend Mr. Arbatov's visa came as Ambassador Anatoly F. Dobrynin met with Mr. Haig for the second time in a week on overall relations. It was not known whether the Arbatov matter was raised.

In another reciprocity gesture, Mr. Dobrynin was barred by the Reagan Administration from having his limousine drive into

the State Department garage, a practice permited him in the past but not to other ambassadors who arrived for appointments. Mr. Dobrynin arrived today at the regular diplomatic entrance.●

AUTHORIZATION FOR SENATORS TO INTRODUCE BILLS, RESOLUTIONS, AND STATEMENTS, AND COMMITTEES TO FILE REPORTS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on Friday, April 3, 1981, between the hours of 9 a.m. and 5 p.m., Senators may be permitted to introduce bills, and submit resolutions and statements and committees to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, AND THE ACTING PRESIDENT PRO TEMPORE TO TAKE CERTAIN ACTION DURING RECESS

Mr. BAKER. Mr. President, I ask unanimous consent that during the recess of the Senate over until Friday, April 3, and Tuesday, April 7, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred and that the Vice President, the President pro tempore and the acting President pro tempore be authorized to sign duly enrolled bills and resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW UNTIL TUESDAY, APRIL 7, 1981 AT 11 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that, when the Senate convenes on tomorrow, it immediately stand in recess until the hour of 11 a.m. on Tuesday, April 7, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 11 a.m. tomorrow.

The motion was agreed to; and at 7:41 p.m. the Senate recessed until tomorrow Friday, April 3, 1981, at 11 a.m.

CONFIRMATIONS

Executive confirmations confirmed by the Senate April 2, 1981:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Philip D. Winn, of Colorado, to be an Assistant Secretary of Housing and Urban Development.

Emanuel S. Savas, of New Jersey, to be an Assistant Secretary of Housing and Urban Development.

DEPARTMENT OF TRANSPORTATION

Arthur E. Teele, Jr., of Florida, to be Urban Mass Transportation Administrator.

DEPARTMENT OF JUSTICE

Carol E. Dinkins, of Texas, to be an Assistant Attorney General.

D. Lowell Jensen, of California, to be an Assistant Attorney General.

Theodore B. Olsen, of California, to be an Assistant Attorney General.

EXTENSIONS OF REMARKS

SALVADORAN REFUGEES

HON. ANTHONY TOBY MOFFETT
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. MOFFETT. Mr. Speaker, because of the violence in El Salvador, thousands of Salvadorans are seeking refuge in the United States. The following article outlines the fate of many of these refugees in their attempts to lead a more secure and safe life in the United States. The article is from the March 2, 1981, New York Times.

The article follows:

U.S. RETURNS ILLEGAL IMMIGRANTS WHO ARE FLEEING SALVADOR WAR

(By John M. Crewdson)

LOS ANGELES, March 1.—Refugees from the fighting in El Savador are streaming into the United States in ever greater numbers, in many cases having sold all they own to finance the difficult, expensive and illegal journey from their Central American homeland. But they are being sent home again nearly as fast as they are captured, to what many of them fear may be mistreatment or death.

Lawyers working in behalf of the Salvadorans say that, in an effort to keep them from clogging the overloaded immigration system, the Immigration and Naturalization Service sometimes does not tell the refugees that they have the right to have a deportation hearing or to seek political asylum, or it intimidates them into foregoing these procedures.

One Mexican immigration official in Tijuana said last month that some of the Salvadorans apprehended in this country had simply been sent back across the border by American officers.

A spokesman for the United States immigration service, Verne Jervis, said that this practice would be illegal but denied that it was going on. Mr. Jervis said that while there "might be some violations" by local offices of the service, he was unaware of widespread trampling on the Salvadorans' rights.

In the fiscal year that ended in September, 11,792 Salvadorans were apprehended by the immigration service, up from 7,890 four years before. Border Patrol Agents estimate that for every illegal alien they catch, from two to five others manage to evade detection, which would place the number of new arrivals at 25,000 to 60,000 a year.

The Salvadorans are only one small group among the uncounted people entering the United States illegally south of the border. But they are the only ones for whom church groups and others are seeking a temporary haven in this country. Unlike the hundreds of thousands of Mexicans who commute here each year to work, the Salvadorans are driven not by poverty but by war, and for them the prospect of returning home holds far more anguish.

In January, alarmed by an unconfirmed report that some refugees sent home in December had been murdered by right-wing "death squads" shortly after they arrived in San Salvador on Christmas morning, 42 Salvadorans at the immigration service's detention facility in El Centro, Calif., 150 miles southeast of here, released a statement saying they had begun a hunger strike to underline their appeal for asylum from "the political situation which presently exists" in El Salvador.

The report of the Christmas murders, which has gained currency among Salvadoran exiles in this country, remains unconfirmed. But many of those knowledgeable about conditions in El Salvador say there is little doubt that some number of those sent home by the immigration service have been killed, as victims of random violence if not as specific targets of the left or right.

"It just stands to reason," said Millard Arnold, who was deputy assistant Secretary of state for human rights in the Carter Administration. "The odds are some of them are going to be killed."

Prof. Blase Bonpane, a sociologist and Latin American expert at California State University here, went further. "There is no doubt in my mind that somewhere between 5 and 10 percent of those who are returned are executed, because the Government had something on them, a member of a union or something," he said.

Some of the refugees, among them teachers and trade unionists, say their names have appeared on what purport to be "death lists" circulated by various right-wing "terror squads." But United States immigration officials say most of those they apprehend seem to be associated with no political faction. "They've seen the fighting," said one, "but they're generally uninvolved in it. They're just frightened."

Whatever their reasons for leaving, the identities of those who are caught once they arrive here are made known to the Salvadoran Government. Before they can be "repatriated," at a cost to the Federal Government of about $300 apiece, officials of the immigration service said, the refugees are interviewed by the Salvadoran Consul General in Los Angeles to confirm their nationality. When they arrive home, according to Professor Bonpane, they are interviewed again and asked "to give some kind of explanation" for having left the country. He said he had seen films of such interviews, adding that "the level of abuse is frightening."

A spokesman for the United States Embassy in San Salvador said that he had heard many reports of mistreatment or killing of Salvadorans returned from the United States, but that he had no evidence that any of the reports were true. But Mr. Arnold said the State Department had repeatedly asked the embassy whether it could confirm or disprove the reports and was told, "No one really knows, the situation is so chaotic."

REPORTS OF PEOPLE MISSING OR DEAD

Among the Salvadorans in this country, it seems, almost everyone knows, or has heard of, someone who has been sent back and is now missing or dead. Mario Vasquez, a Los Angeles lawyer representing a 27-year-old Salvadoran mechanic who has been awaiting deportation at El Centro for 13 months, said his client had received a letter from his mother reporting that two friends sent back to El Salvador a few weeks earlier had been killed.

Such reports are spread mainly through the mail and by word of mouth, but there are also occasional telephone calls from home. It was such a call to a refugee at El Centro, from someone who had been detained there whom he knew only as "Carlos," that provided the Salvadorans with their first account of the rumored Christmas massacre.

The rumor swept through the camp and was passed on to a reporter for El Diario, the Spanish-language newspaper in New York City, which published a brief account Jan. 4. It was later picked up by other Spanish-language newspapers, but none of the published reports contained any confirmation.

Documents of the Immigration and Naturalization Service made available to The New York Times showed that a group of 25 Salvadorans left here Dec. 24 aboard Western Airlines Flight 746, spent the night at the Mexico City airport and arrived in San Salvador on Christmas morning aboard a Costa Rican airliner. Twelve of the Salvadorans were returning under orders of deportation and the rest as "voluntary returnees."

BODIES ALONG THE ROAD

"Carlos," the man who telephoned El Centro with news of the incident, was said to have been among those aboard the plane who somehow escaped death, and the list of passengers includes three persons with that first name. The man reportedly said he had returned to the airport the morning after his arrival and had recognized the bodies of some of his fellow passengers lying along the road.

The immigration service rejected a request by The New York Times, made under the Freedom of Information Act, for the home addresses of those who returned on Christmas Day, saying it was concerned that any inquiries in El Salvador about their well-being might jeopardize their lives.

As is true of all illegal aliens, no one knows how many Salvadorans are living in the United States. Community services officials here estimate that there are 100,000 to 300,000 in the Los Angeles area alone, and there are also sizable Salvadoran communities in San Francisco and the District of Columbia.

The flow of refugees abated somewhat last summer, after the deaths from dehydration of 13 Salvadorans who had crossed the border into Arizona without sufficient water, a case that was widely reported in El Salvador. But immigration officials say the refugees are once again arriving at a rapid pace.

The route they follow leads through Guatemala and Mexico, which as a result are now confronted with illegal immigration problems of their own, and the journey is an expensive one. Rings that specialize in smuggling Salvadorans charge from $1,000 to $1,700 for passage to Los Angeles and $500 more for a trip to the East Coast. Because they come with the intention of remaining here until the Salvadoran conflict

is resolved, many of the refugees sell their houses and personal possesions to pay their way. If they are captured and returned home, there is often nowhere for them to go.

Not many of the refugees appear to be applying for political asylum, which requires a showing that the applicant has a specific reason to fear that he will be harmed upon returning home, for example because of membership in a particular political group. The immigration service has no reliable figures, but some estimates place the total number of applicants as low as 400.

Even though there may be more who could meet the criteria for asylum, the great majority of the refugees are probably not qualified under a strict interpretation of the rules requiring a threat of political persecution. "They say they left because they don't want to take sides," said John Weis, an El Centro lawyer who has many refugees among his clients. "But they're caught in the middle, and they feel that they're in real danger."

STATUS OF TEMPORARY REFUGE

United States law also provides, however, for giving temporary refuge to aliens unable to return home because of "civil war or catastrophic circumstances." Such status has been conferred at different times on citizens of Vietnam, Laos, Uganda and, most recently, on Nicaraguans after the fall of the Government of President Anastasio Somoza Debayle. Last fall, President Carter ordered the admission of more than 150,000 Cubans and Haitians who had landed in Florida in boats.

A coalition of Congressmen, religious organizations and other groups, among them the National Council of Churches, the United States Catholic Conference and the American Civil Liberties Union, has been urging the State Department to follow the same policy in admitting the Salvadoran refugees. In a letter to Secretary of State Edmund S. Muskie in January, the coalition quoted Phillip Sargisson, the Central American representative of the United Nations High Commission on Refugees, as having declared that "anyone who comes out of El Salvador today deserves refugee status."

When the Carter Administration left office, according to Millard Arnold, the former State Department official, it was "very, very close to working out a compromise" that would have allowed the Salvadorans to remain here temporarily, not through any official action but simply by not sending them home.

The plan was endorsed, he said, by the department's human rights bureau, after reports that more than 10,000 people of El Salvador's 4.5 million people had been killed there last year, a figure Mr. Arnold termed "an enormous number of deaths in a country that size." But he said that it was rejected by other State Department officials concerned that it might suggest that the United States, which had been pushing for a political settlement of the Salvadoran conflict, "did not have faith in the ability of the Salvadorans to resolve their own problems."

There were also concerns, he said, that such a policy might lead to a still greater influx of refugees, and that the arrangement would be "difficult to police" since it might be impossible to distinguish Salvadoran citizens from other Central and South Americans.

Of the nearly 12,000 Salvadorans arrested last year, only 2,378 were formally deported, suggesting that a large number were returned through what the immigration service calls "voluntary departure," an agreement by an illegal alien to return home without demanding the deportation hearing, with its expensive and time-consuming appeals process, to which he is entitled. Without a large number of voluntary returns, immigration experts agree, the overloaded adjudication system would quickly collapse.

The immigration service is required to provide all those it arrests with a written notice of rights, including the right to free legal counsel. But lawyers working with the Salvadorans say they are convinced that the options are not being fully explained by immigration officials.

REASONS FOR RETURNING QUESTIONED

"I.N.S. would like people to return voluntarily without going through the system," said Mr. Weis, the El Centro lawyer. Another lawyer, William H. Steiner of Los Angeles, questioned why so many Salvadorans were agreeing to return home voluntarily "When they've risked their lives and spent their life savings to go 2,500 miles to get here."

"It's a safe assumption," he said, "that they were forced back."

Mr. Steiner said he had seen some voluntary departure agreements signed with an "X" by Salvadorans who could neither write nor read what they were signing. In "practically every case," Mr. Weis said, his clients withdrew their agreements to return home after being told of the available alternatives.

There are also accounts of instances in which the advice of rights has been followed by what Mr. Steiner termed "mental coercion." "They're told if they want a hearing or asylum they'll have to stay in jail, or that their relatives will be arrested," he said.

"You'll get an overzealous border guard who says, 'You either go back or we'll lock you away for the rest of your life,'" Mr. Arnold said. "So the poor fellow elects to go back."●

WELCOMES UMC YOUNG REPUBLICANS

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. BAILEY of Missouri. Mr. Speaker, it was my great pleasure to meet on March 24 with 18 young college Republicans from the University of Missouri at Columbia. These YR's were in Washington to attend the 1981 Young Republican Leadership Conference sponsored by the Young Republican National Federation and to participate directly in seminars and discussions ranging from practical politics to polling to foreign and economic policy.

I found these young men and women inordinately well informed, concerned, and involved citizens. Meetings such as I had with these college students confirm my optimism for the future of our Nation and highlight the quality of leadership which will guide our democracy into the 21st century.

As I am sure we will be hearing a lot more in the years to come from these student leaders, I am pleased to share their names with my colleagues:

Susan L. Hutchison, Terry L. Inman, Robert E. Riesmeyer, Jeanne L. Early, Sue L. Goller, Patricia M. Becker, Lisa K. Dale, Ken Long, Janet S. Placek, Jane M. Gilbert, Jeffrey D. Byrne, Bruce Singer, Penelope Nixon, David Barklage, Bryan L. Forbis, Josh Zahn, Gretchen Collins, and Doug Butler.●

FIRST CONGRESS OF THE INTERNATIONAL PHYSICIANS FOR THE PREVENTION OF NUCLEAR WAR

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. FISH. Mr. Speaker, today I would like to bring to the attention of my colleagues the social, economic, and psychological consequences of a nuclear war as viewed by the First Congress of the International Physicians for the Prevention of Nuclear War. This is the last proceeding of the first congress which I will place in the CONGRESSIONAL RECORD.

I believe that the physicians have been very perceptive in their conclusions regarding the psychological impact on individuals who live in the threatening context of a possible nuclear war. The desensitivity and disbelief which individuals adapt in order to cope with the possibility of a nuclear war help explain why there is not greater fear of such an occurrence. I am hopeful that the efforts of the international physicians will bring greater awareness to the public of the awful consequences of a nuclear war.

The concluding remarks of the first congress remind us that a nuclear war is not inevitable and that rational men can find other means to settle differences. As the physicians note, war is a product of the mind which can be created and prevented by a selective use of the human functions of thought and action.

The material follows:

THE SOCIAL, ECONOMIC, AND PSYCHOLOGICAL COSTS OF THE NUCLEAR ARMS RACE AS RELATED TO HEALTH NEEDS

PREFACE

The health of mankind is inseparably connected with social, economic, and psychological strengths. The greatest risk of the arms race to health is that it increases the likelihood of nuclear war. Even without such a war, precious human, social, medical, and economic resources are presently diverted unproductively to the nuclear arms race, and this diversion adversely affects health.

SOCIAL COSTS

Any social undertaking of the magnitude of the arms buildup is bound to affect social structure and social values, regardless of the bases on which that society is built. In par-

ticular, activities develop which generate further pressure for more arms and thus establish a dangerous cycle. Moreover, as the scale of effort increases relative to the size of the social institutions and strength of values around it, these become subverted and re-oriented to reflect the same unproductive and impoverishing priorities and values inherent in the building of arms.

ECONOMIC COSTS

Consideration of economic issues ranges beyond the special expertise of physicians. However, we believe that they cannot be completely ignored. The diversion of a major portion of the world's economic resources for armaments increases the likelihood of nuclear war that would result in death and disability for much of the world's population. This is the ultimate health cost of the arms race, and would devastate economic and social organization. The arms build-up weakens the application of existing knowledge, technology, and resources to the prevention and treatment of health problems that currently affect large numbers of the world's population. The arms race increasingly burdens much of the world's population who live in less developed countries. These countries can least afford to use their scarce resources for arms and will suffer grave health and social consequences in doing so. Of greatest importance is that use of economic resources for armaments diminishes development of knowledge, technology, and manpower that could address global ecological and overpopulation problems. The strains these problems place on the world's limited resources will result, if not resolved, in dire health consequences, and in themselves increase the likelihood of a nuclear war.

PSYCHOLOGICAL COSTS AND EFFECTS

As physicians we can speak about human psychological responses with confidence based on our professional knowledge and experience. Nuclear arms have created a new reality for humanity with profound and widespread psychological effects. The consequences of the use of nuclear weapons defy human comprehension because of the enormity of their destructiveness. This danger grows steadily more acute as nuclear weapons production continues. Studies indicate among other effects, that living in this threatening context is undermining confidence in the possibility of a meaningful personal future. Further studies are needed of the psychological impact of the nuclear arms race upon various groups both in societies which possess nuclear weapons as well as in those that do not.

Living with the possibility of imminent annihilation in a massive nuclear exchange creates an unprecedented threat to individual human beings. Not only does one have to deal with the possibility of one's own agony or sudden death, but one must also confront the potential destruction of all that one loves—humanity itself—forever.

We have identified several psychological mechanisms which can have short term adaptive value for the individual in protecting himself from such disturbing emotions as terror and guilt. At the same time these defense mechanisms increase the likelihood that nuclear war will actually occur by impairing realistic perspectives of those who possess nuclear arms. This prevents the development and use of measures that could take control of the arms race.

(1) Avoidance. The problem is regarded as too big to handle, too overwhelming, too technical. We leave it to others, to the leaders and the experts, to solve. We become numbed and turn away.

(2) Drawing upon old ways of thinking. In the face of the terror evoked by an adversary we seek security as humanity has traditionally done through developing ever more dangerous weapons in increasing numbers, and from spurious notions of strength dominated by false concepts of winning and losing. Such thought patterns have become outmoded by the realities of nuclear weapons.

(3) Fear and impulsivity. The climate of terror created by the super power confrontation engenders a vicious cycle of fear and mistrust. Fear destroys the capacity for rational thinking and adaptive discrimination and promotes panic-driven, impulsive actions. Such actions provoke fear and similar panic responses in adversaries that further escalate the danger of conflict.

(4) Perceptual distortion. As a response to threat, regression to archaic thinking patterns occurs that divides the world into percepts of total goodness and total evil. An adversary comes to be perceived as an enemy that is completely evil, a process which impedes the discovery of areas of common purpose, and reduces the ability to deal realistically with actual threat or danger from this or other sources.

(5) Dehumanization. In order further to justify our hostility toward the adversary we deny to its leaders and people any human value or worthy motives. The distorted perception of human beings as inanimate objects tends to remove inhibitions against destroying them. The impersonality of graphs and pins on targets, or charts of megatonnage and throw weights (in fact the whole obscene jargon of the nuclear weapons race), destroys not only the appreciation of the humanity of an adversary, but one's own humanity as well.

CONCLUDING REMARKS

War is not an inevitable consequence of human nature. War is a result of interacting social, economic and political factors; it has been a social institution widely used over time to manage conflicts.

To argue that wars have always existed and that this social phenomenon cannot be eliminated ignores history, which has demonstrated a human capacity to change institutions and practices which are no longer useful or are socially destructive. Slavery, cannibalism, dueling, and human sacrifice are among the practices which the human race has recognized to be improper and has abandoned.

The genocidal nature of nuclear weapons has rendered nuclear war obsolete as a viable means for resolving conflict. Because inter-group tensions and conflicts are innate and thus inevitable, effective means for conducting and resolving conflict are indispensable. Human beings have developed and widely used such methods as avoidance/withdrawal, assertive non-violent behavior, unilateral initiative inviting reciprocation, competitive coexistence, negotiation, arbitration, and cooperation.

Rationality and foresight are unique human characteristics which have enabled individuals and groups to override primitive responses, to anticipate future consequences of behavior and, to choose courses of action which offer maximal ultimate benefit.

Wars begin in the mind, but the mind is also capable of preventing war.●

RADIO FREE EUROPE'S POLISH LANGUAGE SERVICE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. DERWINSKI. Mr. Speaker, on March 18, I was privileged to hear the testimony of Mr. Zygmunt Michalowsky, Director of the Polish Service of Radio Free Europe, before the Subcommittee on International Operations. Mr. Michalowsky's words were eloquent and moving; he described the development of the present political events in Poland and the role of RFE in reporting the news of these events to the people of Poland.

Two-thirds or more of the adult population of Poland—approximately 16 million people—listen more or less regularly to Radio Free Europe and the rest know of the broadcasts by word of mouth, Mr. Michalowsky said. It is not always understood that RFE and Radio Liberty, its sister radio which broadcasts to the U.S.S.R., are actually surrogate radio stations of the countries they cover. They provide internal news to the populations of the Eastern Communist countries denied to them by their governments. News from and about Poland, as Mr. Michalowsky pointed out, comprises 65 percent of the content of the Polish Service of RFE.

To illustrate the effect of RFE's broadcasts to Poland, Mr. Michalowsky brought with him from Munich an issue of an unofficial publication, widely distributed in factories in southern Poland, entitled "The Bulletin of Lower Silesia." This publication was dated July 1980, when the strikes began to spread in Poland, and gave the daily schedule of RFE broadcasts. It contained the following introduction:

> RFE is the only radio station carrying full information service concerning our country. Irrespective of whether we agree with RFE commentaries or not, the radio station is often the only source of information about all that is really going on here.

RFE reports local news, Mr. Michalowsky pointed out, fills in omissions in the official media and describes foreign reactions to Polish events. It has emphasized from the outset that negotiation rather than force is the way to solve labor and social conflicts and that "one must govern with the people and not against them." RFE also repeats innumerable "samisdat" publications which have made their way out of Poland.

Mr. Charles Ablard, Acting Chairman of the Board for International Broadcasting, which oversees RFE and RL, also testified on March 18. He paid homage to the Polish Service of RFE by quoting two Polish Commu-

nist Party officials. A spokesman for the central committee, according to Mr. Ablard, explained last December official efforts to relax domestic censorship, by saying:

We want the people of Poland to know not only from Radio Free Europe what is going on.

More recently, according to Mr. Ablard, a former member of the Polish Communist Party Politburo, Mr. Grudzien, former party chief of Katowice Province in southern Poland, disclosed publicly that he had first learned last summer of the outbreak of strikes elsewhere in Poland from RFE broadcasts.

Mr. Michalowsky and Mr. Ablard's examples of testimonials on the efficacy of Radio Free Europe were most instructive. Their testimony reinforced my belief that these radios—RFE and RL—are extremely powerful forces in the radio war which we are waging with the Soviet Union and its Communist allies. I think if you could have heard the testimony, you would have agreed.●

THE UNITED STATES AND THE LAW OF THE SEA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. GILMAN. Mr. Speaker, several weeks ago, we learned that the administration called for a full policy review of the U.S. position in the Conference on the Law of the Sea and that the administration abruptly dismissed several experts from the U.S. delegation's leadership. These two events occurred on the eve of the opening of the 10th session of the Conference that opened in New York at U.N. headquarters on March 10. Many of us had looked forward to this session of the Conference to resolve the few remaining issues in the text of the draft convention. That text consists of more than 300 articles and reflects substantial consensus among the 150 participating states.

Therefore, the effects of these abrupt changes in the U.S. Government's position in regard to the Conference have been of great concern to me and have had a severe impact upon the morale of the Conference.

Mr. Alan James, a retired U.S. Foreign Service officer and consultant to the Department on the Law of the Sea Conference has provided an excellent and thoughtful discussion of the impact of the changes in U.S. posture on the Conference in his March 25 article in Newsday, "Let's Get Up Steam for the Law of the Sea." I commend this article to the attention of my colleagues and request that the full text of the article be inserted at this point in the RECORD.

LET'S GET UP STEAM FOR THE LAW OF THE SEA

(By Alan G. James)

When the 10th session of the 3rd United Nations Conference on the Law of the Sea opened in New York March 9, delegates from more than 150 participating countries were jittery and despondent.

Last summer in Geneva the conferees—with the United States concurring—had agreed that the 10th session should see the conclusion of negotiations and the adoption of a convention on all the uses of ocean space. But delegates were stunned to learn from the press, on the eve of the session, that the United States would not agree to the adoption of a convention at the New York meeting, and that Ambassador George H. Aldrich, acting head of the U.S. delegation, and other professionals on the delegation had been dismissed by the Reagan administration.

Reactions of delegates ranged from concern that the United States intended to scuttle the longest, largest, most complex and possibly most important diplomatic negotiations in postwar history, to uncertainty about how far the Reagan administration would go in repudiating the bipartisan policies of four previous presidents who had committed the United States to achieving a widely acceptable comprehensive treaty on the Law of the Sea.

The abrupt and unexpected change in leadership of the U.S. delegation disturbed delegates deeply, because personal relationships are, arguably, more important at this conference than at other international negotiations. One factor that has facilitated progress has been the mutual trust and respect that the really influential delegates have developed for each other over many years.

During 3½ years as chief negotiator on seabed mining issues and as deputy to Ambassador Elliot Richardson, Aldrich earned the respect and admiration of the conference for being a tough, fair, and resourceful negotiator. Supporters and antagonists of U.S. positions alike were, therefore, chagrined to learn that he had been discharged, particularly at this late stage.

No one contests the prerogative of the new U.S. administration to review the bidding or to put a new man in charge of the delegation. But virtually all delegates—friends of the United States, and those who have been our toughest opponents—were appalled by the clumsiness and poor timing of the decisions.

Actually, the incoming administration had been put on notice last November that the 10th session would begin on March 9. Yet it allowed three months to pass before addressing either the substance of the negotiations or the major associated personnel question of who would succeed Richardson. A little more concern for coherent diplomatic procedure would have ensured that at least the most pressing decisions concerning our participation in these important international negotiations were taken deliberately and in good time.

There is no doubt that the administration sacked these officials despite their effectiveness because it felt they were closely identified with an international list (albeit hardheaded) approach to the law of the sea. It is also evident that the administration deemed them unable or undisposed to execute its policies. All Americans should be disturbed by the assumption that a career public servant is incapable of executing the policies of the government because he worked closely with the outgoing administration, especially in such a bipartisan matter as the Law of the Sea.

This assumption strikes at the heart of the concept of an apolitical professional service—a concept fundamental to good government. To react to pressure from special interests like the seabed mining lobby by firing officials whom it does not consider sufficiently responsive to its own interests sets an even more dangerous precedent.

At United Nations headquarters in New York, negotiations and meetings are taking place, but at dead slow speed. Delegates are waiting to learn what the United States is prepared to talk about. There seems to be a disposition on the part of the developing countries of the Group of 77 and other delegations to make the best use of the session under the circumstances. But the U.S. delegation is in a state of confusion and without clear guidance.

The text that delegates had hoped to put in final form in New York this spring is a long, complex document of more than 300 articles and eight annexes. Being a delicate balance of interlocking compromises that attempts to reconcile the divergent interests of coastal states, maritime states (those with substantial merchant and naval fleets) and landlocked states, the text is not, of course, a perfect document. But it goes a long way toward protecting vital U.S. interests.

It ensures right of unimpeded passage for U.S. warships and aircraft through straits (such as Gibraltar, Hormuz and Molucca), archipelagos and the 200-mile exclusive economic zones of coastal states. Our exclusive right to oil, natural gas and fish within 200 miles of our coasts is fully safeguarded. The agreed definition of the continental shelf ensures that we will have sovereignty over all mineral resources as far out as our continental shelf extends—which could be up to 500 miles.

Other provisions for protecting the marine environment (for example, our coastal waters), for the conduct of marine scientific research and for peaceful settlement of disputes arising out of the convention are, by any objective standard, to our net national advantage. The provisions of the draft convention offer a better prospect for a rule of law on the seas than has been known for centuries.

The most controversial part of the draft convention concerns the proposed regime of mining the deep seabed. There, at depths of 18,000 feet or more, lie nodules—potato-sized objects rich in the ores of nickel, cobalt, and manganese—in quantities sufficient for possibly centuries of consumption by U.S. industry.

The seabed mining system is a carefully crafted compromise between the two original extreme positions. The market-economy industrial countries, which would put up all the money for the mining, preferred maximum freedom from international control. The poorer Group of 77 wanted all mining to be conducted by an international body. The compromise is known as the "parallel system." Under it, private companies and an "enterprise," the operating arm of the proposed International Seabed Authority, would each be empowered to conduct mining in separate sites under the general regulation of the authority.

The original U.S. strategy had been to complete satisfactorily the negotiations on a number of key issues, agree to the adoption of a convention, then sign it and encourage others to do so, withholding ratification until a Preparatory Commission had fin-

ished its work on the rules, regulations and procedures of the International Seabed Authority and the United States could make a final judgment on the workability of the system. Meanwhile, it was hoped, the other provisions of the convention—navigation, resource exploitation rights, pollution prevention measures and the like—would ripen into customary international law, thus building precedents that would protect U.S. interests in the oceans, even if a treaty never came into force.

This sensible plan has been put in limbo by the U.S. decision to delay the negotiations. If this postponement is intended to permit a serious examination of the negotiations, however tardy, well and good. The conference can be put in motion again.

But there is an understandable fear at the conference and among U.S. law-of-the-sea experts that the review is simply a pretext of ultra-nationalists to scuttle the treaty. The Reagan Administration has promised that the review will be carried out in good faith and without preconceptions. We hope that it will also be expeditious. Let us also hope that those conducting it will take a broad approach, weighing the totality of U.S. interests in the oceans, unswayed by the pleadings of any special-interest groups.

Let us hope, too, that they will decide that the negotiations are worth pursuing and that a good-faith effort should be made to improve the seabed mining provisions while holding firm on the many other provisions that are so clearly in our interests. If further negotiations should prove that we cannot achieve a seabed mining regime that protects our economic interests and encourages investment, that is one thing. But the effort should be made. Going it alone is a prescription for trouble. For underdeveloped nations, which believe that the mineral resources of the deep seabed belong to all, might be angered by unilateral exploitation of them. In retaliation, they might take over U.S. assets.

The United States originally advocated a conference on the law of the sea to protect our vital national interests now and for a long time to come—not for idealistic notions about world government, but for calculated reasons of state. The political, economic and technological developments in the 1960s that led us to try to find ways to stop pollution and overfishing and remove threats to the freedom of movement of our military forces are as relevant today as then.

If realism and objectivity guide those conducting the U.S. policy review, the worst fears of delegates to the Law of the Sea Conference will have been proved groundless. Since U.S. national interests must always transcend lesser considerations, those of us who have been associated with the long effort to produce a charter for the seas, as well as those still so engaged, must do whatever we can to ensure a result that truly promotes U.S. national objectives on the oceans of the world.●

HOMEOWNERSHIP AND MORTGAGES

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. DONNELLY. Mr. Speaker, today I have filed three bills intended to put and keep homeownership within the reach of more families.

The first of the bills will make more money available for home mortgages. It will allow banks and thrift institutions to establish a new category of savings account. Money placed in these accounts may be invested solely in mortgages on owner-occupied houses. To attract savings, the interest on these accounts will be tax free.

The second bill will permit savings and loan associations to offer "reverse annuity mortgages." This is specifically intended to assist retired and widowed homeowners who now must sell their homes or obtain a conventional mortgage if they hope to gain access to the equity in their property. With a reverse annuity mortgage, the lending institution uses the value of the loan to obtain an annuity for the homeowner. The annuity will return a steady income, either for a fixed number of years or for life. The reverse mortgage would be paid off when the house is sold, either by the homeowner or by his estate.

The third bill provides a refundable tax credit to tenants for the portion of their rent that is paid in local property tax. This is an issue of basic fairness. Renters have been excluded from the property tax credit only because their tax is paid indirectly. Besides correcting a serious inequity in our tax laws, passage of this bill should assist renters in saving for the down payment on a house if they decide to buy. It will also diminish the tax incentives for condominium conversions which are driving so many tenants out of their present homes.

Owning a home was until recently a standard part of the American dream. Economic conditions have turned that dream into a nightmare for young and old alike. The program I have introduced today will help restore that dream without creating new expensive programs or bureaucracies.●

CONGRESSWOMEN'S CAUCUS LOOKS AT THE BUDGET CUTS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mrs. SCHROEDER. Mr. Speaker, a number of individuals and organizations have requested information from the Congresswomen's Caucus on the impact of President Reagan's budget cuts on women.

The Women's Research and Education Institute (WREI) of the Congresswomen's Caucus has done such an analysis. I thought my colleagues would be interested in seeing how the budget cuts in AFDC, medicaid, food stamps, child nutrition, and fuel assistance will affect women.

PRELIMINARY ASSESSMENT OF THE IMPACT ON WOMEN OF THE ADMINISTRATION'S PROPOSED BUDGET

INTRODUCTION

This paper provides highlights of an evaluation of the impact on women of the fiscal year 1982 budget revisions, most of which involve a reduction in budget outlays. (A more complete report will follow.) These revisions are designed to slow inflation, stimulate the economy, and promote private saving and investment. Strengthening national defense is another primary goal. Whether the objectives of the budget revisions will be realized is beyond the scope of this paper. Instead, it focuses on cuts in program areas that disproportionately affect women, especially older women.

Millions of women will be seriously affected by proposed cuts in the broad areas of (1) education, training, employment and social services; (2) health; (3) income security; and (4) the administration of justice. Poor, near-poor, and minority women and their children will be hardest hit. In fact, a disproportionate share of the budget reductions are directed at programs in which women have a heavy investment. Fully one-third of the $44 billion reduction in budget outlays come from just two program areas—health and income security—that are largely designed to meet the needs of poor people. Women predominate among the poor; for every 100 men with incomes below the poverty level, there are 140 women. At the upper ages, the differences are more extreme: for every 100 poor older men (65 plus) there are 232 women.

Although some programs, largely defense, are targeted for increased expenditure, women will not experience any appreciable gains from those programs. Jobs may be created by increased outlays for defense; however, they are not likely to be jobs for which a significant number of women—particularly poor women—are now qualified.

Following is a program-by-program review of reductions that will disproportionately affect women.

It should be stressed that, in many cases, information on the impact of these cuts is seriously deficient. Neither the Administration, the Congressional Budget Office, appropriate government agencies nor groups affected by these cuts have been able to assess adequately the nature or the magnitude of the potential impact of some cuts. This weakness is especially apparent with respect to the minimum Social Security benefit. There are no available data on the characteristics of a large percentage of minimum beneficiaries, the income distribution of minimum beneficiaries, the contribution that the minimum benefit makes to financial well-being, or the number of persons who would be forced into poverty by its elimination.

Informed judgment about the appropriateness of other proposed cuts is impossible because of the lack of adequate information.

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) (IN FUNCTION 600)

AFDC is a state-administered welfare program that provides cash benefits to needy families with dependent children. The maximum is determined by states, under federal guidelines. The Federal Government provides matching funds for benefits and administration.

Among the Administration proposals are the following:

Count the income of all household members in determining benefits;

Require states to establish "workfare" programs under which beneficiaries must work in return for AFDC payments;

Limit child-care expense deductions; standardize work-related expenses; reform earned income disregards;

Require states to determine AFDC benefits based on previous actual income.

Impact on women

Reductions in AFDC outlays will most definitely affect women. Over ninety percent (93%) of the AFDC recipients are women and their children. Over 80 percent of all single parent households are headed by women; one third of these households are in poverty. According to Administration estimates, 400,000 families would lose all AFDC benefits; 258,000 families would have their benefits reduced. (These families account for one-sixth of all AFDC families.) Not only will these families lose all, or part of their AFDC families, but many of them will lose Medicaid benefits, as well, because they live in states where eligibility for Medicaid is predicated on eligibility for cash assistance.

Comment: The vast majority of AFDC recipients have incomes lower than the current poverty level. Reducing AFDC benefits, as proposed, would reduce program expenditures; however, some savings would be offset by increase in the cost of other programs, namely food stamps and subsidized housing.

Through these changes, the Administration aims to determine welfare needs more accurately, reduce fraud and abuse, eliminate payments to higher income families, and improve incentives to work. The proposed reductions, however, will not necessarily accomplish these objectives without drastically affecting the well-being of many women and children.

Presumably, the persons forced off the AFDC rolls are to enter the workforce. It is worth noting that almost 40 percent of all poverty-level female headed families with no husbands present had some work experience in 1979. The large majority of these women (69%) were service workers, including private household workers, or clerical and sales workers.

The money that these women earned was obviously inadequate to support them and their families, or they would not be poor. It is unrealistic to expect that many women will be able to offset a loss of AFDC benefits by additional earnings. Some may be able to increase the number of hours worked, but the low-paying occupations in which most of them work offer little opportunity for economic advancement. Moreover, employment opportunities for non-working poverty-level female householders are typically slim. These women tend to have few job-related skills; should they be able to find employment, it will be largely in unskilled and low-paying occupations.

The "workfare" requirement will do little, if anything, to promote the private-sector employability of those AFDC recipients who lack education and skills. There is no evidence that work relief programs have facilitated a significant transfer to paid employment. Rather, this requirement is regarded by many as a punishment for receiving AFDC benefits.

MEDICAID (IN FUNCTION 550)

Medicaid, a joint federal and state program, is designed to provide medical assistance to low-income persons who cannot afford medical care. States must extend eligibility to recipients of cash benefits from AFDC and SSI. In addition, they may provide Medicaid assistance to other groups. Eligibility criteria and services are state-determined; hence, there is wide variability among states in Medicaid programs.

The Administration proposes to place a cap on future increases in federal Medicaid outlays. Federal expenditures for 1981 would fall $100 million below the current estimate for 1981. Expenditures would be increased by five percent in 1982 and thereafter adjusted according to cost-of-living increases. States would be permitted to change reimbursement levels and modify criteria for eligibility and the range of services.

Impact on women

The cap on federal Medicaid expenditures will shift much of the burden for medical care to states and localities. About half of the states now face deficits in Medicaid programs. Thus, there seems to be little doubt that states and cities will be forced to tighten eligibility requirements and cut back on services.

Women and their children will be hard hit by cuts in Medicaid. Older women may suffer greatly. In 1979—

61 percent of all Medicaid recipients—or 11 million people—were women;

34 percent of all Medicaid recipients were under age 15;

36 percent of all households covered by Medicaid were headed by a female with no spouse present. Another 19 percent were nonfamily households headed by a woman;

Females 65 and older comprise 6 percent of the total population, but 12 percent of the Medicaid population. About 2.1 million Medicaid recipients were older females;

Nursing home care is the largest single health liability for older persons (AARP/NRTA). If long-term care costs are cut, the impact on older women, who comprise the large majority of the nursing home population, may be especially severe. Medicaid covers about 60 percent of the daily expenditures for nursing home care. (About 40 percent of all Medicaid expenditures go for nursing home care.)

Comment: Low-income persons will still require medical care, even with a cut-back in services. Currently, the medical needs of the indigent are not being met, and the inadequacy of care will be greater if states are unable to compensate for reduced federal expenditures. Medicaid presently serves just 39 percent of the population living below the poverty level. Only 34 percent of all older females living in poverty are covered by Medicaid.

If states introduce more restrictive eligibility criteria, the working poor may be most affected. At the present time, only 21 percent of the population with incomes between 100 and 125 percent of the poverty level are covered by Medicaid. Many of these are the working poor. Should states decide to provide Medicaid services only to recipients of public assistance, persons in this income range could lose their Medicaid benefits. It is unlikely that they would be able to afford adequate medical care on their own.

The impact of the proposed Medicaid cuts should also be considered in the context of proposed cuts in AFDC, which are discussed elsewhere in this paper. It is women who will be most drastically affected by the double whammy of losing AFDC benefits and, as a result, also losing Medicaid benefits.

The long-term costs of Medicaid cuts do not appear to have been considered by the Administration. Future demands on medical services can be expected if indigent people do not receive prompt and preventive medical attention. Such costs may more than offset the Medicaid savings.

FOOD STAMPS (IN FUNCTION 600)

Food Stamps subsidize the food purchases of households that have a net income below the poverty level and assests of less than $1500. The Administration proposes, among other changes, to lower the gross income eligibility to 130 percent of the poverty level, reduce food stamp allotments for those families whose children get free school lunches, and use monthly and retrospective accounting. Some 2 to 3 million people (400,000 to 600,000 families by CBO estimates) may be dropped from the food stamp rolls if these proposals are enacted.

Impact on women

Six out of 10 food stamp households are headed by women, many of whom are elderly. Women would thus be clearly affected by food stamp reductions. For example, households with school-aged children, 5 to 18—which would lose more in benefits than most other groups—account for over half of all recipient households, according to the latest census figures. These households are generally headed by females with no husband present.

CHILD NUTRITION (IN FUNCTION 600)

Child nutrition programs include the national school lunch programs, the breakfast program, the special milk program, child care and summer feeding programs, and special nutrition programs. The Administration proposes eliminating or substantially cutting most federal child nutrition programs.

Impact on women

As many as 700,000 women may be eliminated from Women, Infant and Child (WIC) programs that provide food packages to pregnant low-income women, infants and children. (100,000 women are currently on the waiting list for WIC programs.)

About 1.6 million children may be affected by the reductions in the national school lunch programs. (Another 360,000 would be affected by cuts in the breakfast program.) This cut may also have a disproportionately heavy impact on women. Households with a female head and no husband present comprise 26 percent of all households but 48 percent of all households with a free or reduced price school lunch. Reducing subsidies for school lunches will force an increase in school lunch prices. According to the National Urban Coalition, the working poor who qualify for reduced price lunches would have to pay 60 cents per lunch instead of 20 cents. Many households, especially those with several children, may not be able to afford this increase.

Comment: Reducing outlays for meal programs has short-, and long-term consequences. In the short-run, there may be hungry and undernourished children. The consequences may be especially evident in the long run, when the costs of providing medical care to the inadequately nourished, particularly those dropped from WIC programs, become evident.

FUEL ASSISTANCE (IN FUNCTION 600)

The Administration proposes consolidating funding for energy assistance into a block grant and cutting the budget by 25 percent. This cut would reduce average fuel assistance benefits at a time when energy

costs are soaring. The full impact of these revisions depends largely on how states respond and may, therefore, vary significantly among the states.

The National Urban Coalition warns of an increase in the number of households with utility bills greater than their monthly income during heating months. The consequences of this development could be disastrous, especially among the elderly who risk hypothermia from the cold.

Impact on women

The Fuel Assistance Program was designed to help the poor meet their heating needs; because 58 percent of all households below the poverty level are headed by females with no spouse present, any reduction in fuel assistance could be expected to affect women disproportionately. How many fuel assistance recipients are women, however, is not known.●

TRIBUTE TO VERY REV. INNOCENT LOTOCKY

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. HERTEL. Mr. Speaker, I wish to pay tribute to the Very Reverend Innocent Lotocky, OSBM, whom Pope John Paul II has named bishop of the Ukrainian Rite Catholic Diocese of Chicago. Bishop Lotocky was consecrated on March 1, 1981, in Rome, Italy.

Bishop Lotocky was pastor of Immaculate Conception of the Blessed Mary Parish in Hamtramck, Mich., and local superior of the order of St. Basil the Great, OSBM, since 1962. He now serves from the diocese seat in Chicago; the Diocese of Chicago includes the State of Michigan and extends westward to the coast.

Bishop Lotocky was born November 3, 1915, in Ukraine. He studied for the priesthood at the Basilian Monastery in Krechov, Ukraine; at Krystynopol, Ukraine; and in Czechoslovakia, where he was ordained in 1940. He completed his doctoral dissertation in Vienna in 1945.

Since his arrival in the United States in 1946, Bishop Lotocky has served as: Master of novices, provincial superior of the American province, and as a parish pastor in New York and Chicago.

I know the American people, including the nearly 1 million Ukrainian Rite Catholics in the United States and the approximately 15,000 in the Detroit area, will join me in extending sincere congratulations and warmest wishes for well-being.●

ECONOMICS WITHOUT HUMANITY EQUALS RETRENCHMENT

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. MOFFETT. Mr. Speaker, I think I speak for a majority of Democrats when I say we are willing to accept the magnitude of the cuts recommended by President Reagan. The outstanding difficulty we have with his program, however, is that some of the cuts are immensely difficult to justify on the basis of cost effectiveness or basic social justice. We believe it is possible and appropriate to shape a budget which satisfies the test of cost-benefit analysis and which is consistent with the dictum of St. Matthew:

That you have done unto the least of these, my brother, you have done unto me.

The Reagan budget removes some of the inequitable subsidies from the Federal budget—attacking farm price supports, advocating highway, airport, and bargeway user fees, and the like. We will all benefit from this shift in philosophy. Other cuts do not stand up well to even the most casual examinations. One example:

President Reagan seeks to cut the women, infants, and children's program which provides a pregnant, needy woman with $395 per year of nutritional supplements. The alternative, of course, is spending $500 per day for hospital monitoring of low birth weight babies, whose conditions are caused by mothers whose diets are inadequate.

Regrettably, the Reagan budget has singled out the poor and the most vulnerable in a variety of areas—low-income energy assistance, health care for the poor, the nutrition programs—where Government service represents both compassion by the Nation and a wise social investment in the future. These programs often represent the difference between an individual living on the margin, and his complete disappearance as a contributor to society.

The Reagan budget, once you get past the philosophical overlay, is a retrenchment on our commitment to those people. It is economics without humanity, cuts which will haunt us in the months and years to come.

Mr. Speaker, one of the most eloquent analyses of the Reagan budget appeared last Sunday in the New York Times. I urge the Members from both parties to read these thoughtful comments. We can find true fat in the budget without the massive retreat called for by the Reagan/Stockman doctrine. I hope we have the heart and decency to rearrange the priorities contained therein:

[From the New York Times, Mar. 29, 1981]

CHARITY

What has Ronald Reagan declared war on? If, as first appeared, the enemy is America's economic straits, then many of us, suspending neutrality or partisanship, are willing to enlist. But increasingly we're dogged by the suspicion that he also has another enemy in mind: the philosophy of social justice this country has evolved over the last 50 years.

"I don't think people are entitled to any services," says Budget Director Stockman. Martin Anderson, the President's chief domestic adviser, says, "People are quite benevolent. That's good. But it's quite a different thing for people to demand that they have a right to a certain amount of income or services." And elsewhere the Administration says that services chopped out of the Federal budget can be supplied by the states, or business or volunteers.

In other words, there is no such thing as social obligation. There is only charity—someone else's charity. If that is the Administration's philosophy, it deserves to be denounced.

First, some semantic business. Standing alone, the budgeteers' word "entitlements" certainly does sound arrogant. The poor are not constitutionally entitled to any services they deem necessary. But there are some things people should not have to beg for.

Food, for instance, or safe housing, or a lawyer when there's trouble. Would Mr. Stockman or Mr. Anderson deny a sick person access to a hospital emergency room? Surely not. Is that an entitlement to medical services? Call it what you will.

Americans are a generous people, exceedingly generous. Carl Bakal has written that our collective private philanthropy comes to about $180 a day for each man, woman and child in the nation. In Canada, it's $35. There is a vast role for private philanthropy; there may even be a case for enlarging it. Maybe, when Federal job programs are chopped back, industry could help pick up the slack. Maybe, when funding for legal services is eviscerated, private law firms could step in. Maybe. But two problems get in the way.

If this idea of charity, of supplanting Federal social justice with private voluntary action, is sincere, then why does the Administration not pursue it?

The genial host, corporate persuader and Great Communicator in the White House needs no lessons in stimulating the private sector. Has he invited the heads of the 100 biggest companies to the White House to encourage them to create a private job program large enough to offset his budget cuts? Has he assembled partners from large law firms and urged them to provide surrogate legal services?

No. Which raises the suspicion that his Administration is much less interested in proving theories than in abandoning social welfare altogether.

Even if the Administration now injected action into this theory of voluntarism, it would not suffice.

Deep down, society knows that. Consider jobs. Franklin Roosevelt wrote to a friend in 1934 that "I cannot say so out loud yet, but I hope to be able to substitute work for relief." In 1965, Lyndon Johnson and Henry Ford II launched their then-celebrated, soon-forgotten JOBS program. Richard Nixon, Gerald Ford and Jimmy Carter all had similar ideas. One after another, under

the pressure of this merger or that retrenchment, they disappeared.

But assume that a voluntary jobs program could work. How much more can voluntarism do, generally? Federal spending constitutes three-fourths of the total spent for social welfare. Even if Mr. Reagan could mobilize every one of the 800,000-odd charitable institutions, he could not begin to replace Government's role in providing services that help people ranging from alcoholics to lactating mothers.

The Federal Government has undertaken so many services because society has learned that the states alone cannot combat hunger, that volunteers alone cannot provide minimal medical care. Society has turned to the Federal Government because it is the logical place to address such needs, through the organization of voluntary programs like VISTA, or the Foster Grandparent program that Mrs. Reagan has taken to heart.

That Washington is the logical place doesn't mean it is necessarily efficient, or effective, or even humane. But to say "no entitlements," or "let the states do it," or "let the private sector do it" is a barely varnished way of saying "Don't do it." And that is not a war against inflation. It is a war against the poor.●

STEELHEAD TROUT PROTECTION ACT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. BONKER. Mr. Speaker, I rise today to introduce legislation designed to protect steelhead trout, one of the great game fish in the United States. Several States have traditionally recognized the tremendous game fish characteristics and recreational value of steelhead. These States currently ban the commercial harvest of steelhead trout and require that such fish be taken only with sport fishing equipment. Such a prohibition formerly was in effect in the Pacific Northwest. In 1974, *United States* v. *Washington*, the so-called Boldt decision, changed that. This decision made it possible for Indians to net between 45,000 to 55,000 steelhead commercially—thus denying sportsmen the right to sport fish for this exciting game fish.

I believe the Federal Government has an obligation to address this situation. Congress, in enacting the Black Bass Act, intended to assist the States in the enforcement of States statutes which prohibit the commercial taking of any species of game fish.

These Federal court decisions, allowing the commercial netting of steelhead trout by the tribes have had detrimental effects on sport fishing, on the economy of the affected States, and on the ability of those States to manage the species effectively and uniformly.

That is why I today am introducing the Steelhead Trout Protection Act.

This legislation allows a State to prohibit the commercial taking of steelhead both on and off Indian reservations, so that all fishermen are treated in a like manner. It also allows a State to enter into a written agreement with an Indian tribe to establish different regulations as to the taking of steelhead by tribal members on reservation land, thus giving the States the flexibility to allow Indian fishing for ceremonial and subsistence purposes.

The Indian tribes are given the authority to license sport fishermen who wish to fish for steelhead on the tribes' Indian trust land or in waters within the exterior boundary of the tribes' reservation. They also are given authority to enforce regulations on tribal lands. The tribes, however, would not be allowed to regulate the taking of steelhead in a manner inconsistent with State law.

This legislation is not intended to work a hardship on tribal fishermen. The rights of tribes to license and manage fees to sports fishermen on Indian lands may well be more valuable to the tribes than the current commercial fishery for steelhead.

The U.S. Court of Claims has been given exclusive jurisdiction to hear any cases based on any alleged taking of Indian treaty rights. Any such claim resulting from this legislation may be filed by an affected Indian treaty tribe. In considering the value of such a claim for compensation, the Court of Claims shall reduce the value of any commercial fishery by the new right to license sports fishermen.

I believe the tradeoff for tribes will adequately compensate them. This legislation is fair, and is designed to protect one of our great natural fish resources.

I hope my colleagues will join me in this effort.●

THE SUFFERING REFUGEES

HON. MIKE LOWRY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. LOWRY of Washington. Mr. Speaker, yesterday I joined a number of my colleagues in addressing the problem of violence in El Salvador. Today, I would like to say a few words about some of the victims of the violence. Much has been said about the more than 10,000 deaths in El Salvador in 1980. That figure is, indeed, shocking and tragic. It is shocking and tragic that every day more people are killed—that the war has not stopped even if we do not read about it as often as we used to.

Regrettably, there are thousands more victims of the violence in El Salvador. These men, women, and children—young and old—live with the memories of their lost family members and of their former ways of life. Reports of 80,000 to 110,000 within El Salvador are heard. In addition, some 300,000 Salvadorans have fled to Honduras in the past 2 years. These people tell of villages being burned, people being tortured, homes destroyed, family members being hunted. The number of people involved and the conditions upon which they are forced to exist wrenches the hearts of all of us.

Assessing guilt is not my aim here. Often drawing attention to a problem in a graphic way can serve as a catalyst for change. Surely, our sending military arms and advisers is not improving the plight of these people—nor is it drawing them any closer to a resumption of their former lives.

This tragic situation is addressed in the following article from the April 1981, World Press Review which I would like to add to my comments.

THE SUFFERING REFUGEES—A WAR'S FORGOTTEN VICTIMS

(By Luiz Fernando Emediato)

Dulce Nombre de Maria may never forget the scene of her father's death: his chest torn open, the blood flowing, and her mother screaming. Dulce Nombre de Maria (Sweet Name of Mary) is barely five years old, but she might as well have lived a century in hell. At a wretched refugee center in San Salvador operated by the Roman Catholic Church, she doesn't react when one of the 500 other children calls her over to play. Dulce's mother, in the strong voice of a woman hardened by suffering, recalls how her husband was tortured for hours before he died.

These are innocent victims of war—wives, young children, and aged parents of guerrillas. Some of them are peasants chased off their lands. After roaming the countryside, fleeing war and death, they have found the weak protection of the Church. Because El Salvador is not officially at war these destitute people are not eligible for aid from international institutions such as the United Nations.

Diplomats estimate that there are 100,000 to 110,000 war refugees in El Salvador. The Government puts the number at 80,000, about half of whom are being helped by the Red Cross. The rest are either under the protection of the Church or still wandering. In the past two years 300,000 Salvadorans have fled to Honduras. But the most persecuted group—some 4,000 who are linked, related, or sympathetic to the guerrillas—are still in San Salvador, under protection of the Ecumenical Salvadoran Association for Humanitrian Service and Aid, a Church agency.

Theirs is the country's major refugee center, located in the San José de la Montana seminary, until recently the seat of the Archdiocese of San Salvador. Now the Apostolic Administrator, Don Arturo Rivera y Damas, has moved elsewhere, causing fear among the refugees because the bishop's presence had assured them a degree of protection. Every morning and afternoon Government agents or right-wing commandos appear at the gates to see if they recognize any of the new arrivals.

The first group of refugees came to the seminary in March 1980. They were welcomed by Archbishop Oscar Arnulfo Romero, who was assassinated seventeen days later. He is venerated as a saint, and his tomb in the cathedral is covered with notes thanking him for miraculous cures and divine favors. The number of refugees at the seminary began to grow after Msgr. Romero's death and has continued to swell in direct proportion to repression by the Armed Forces and the paramilitary groups, principally in rural areas.

Some twenty babies have been born in the seminary—without medical assistance because doctors who used to care for the refugees ended their service after right-wing vigilantes killed one of them and threatened the others. There is no medicine, and children suffer from diarrhea, worms, measles, chickenpox, colds, and mycosis. There is rarely any milk; only beans. There is no running water, and there are no beds.

A member of the Church's refugee agency reports, "So far only three countries have sent help—England, Holland, and Germany. Some private institutions, such as Caritas and the World Council of Churches, have also helped. But we need more aid, especially food and medicine." There is little hope for relief unless a state of civil war is declared.

A Church volunteer reports that the refugee centers have been raided. She recalls that the President of the military-civilian junta, in a radio speech, called the centers "sanctuaries for subversives." Then, she says, "they came and dragged away a refugee—just a boy—and beat the priest who tried to protect him. The boy was found dead later."

The guerrillas' offensive, which began in January, split the Salvadoran Church in two. The most prudent Church officials pulled back, while the boldest formed the Msgr. Romero People's Church Coordinating Committee (CONIP), which the junta subsequently accused of being in league with leftist guerrillas. Only after considerable prodding does Don Rivera y Damas talk about the split. "If we remain divided," he says, "we end up helping those who seek a disunited Church."

He will not venture a guess concerning the outcome of the bloody conflict between the Left, the Right, and the Government. But he is sure of one thing: Although the guerrilla offensive was ineffective, it wasn't defeated. "The violence will continue with widespread sacrifice and suffering. As long as there is injustice there cannot be peace."●

ENTERPRISE DEVELOPMENT AND TARGETED TAX CUTS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. NOWAK. Mr. Speaker, a great debate is taking place today across our Nation about the efficacy of targeted tax cuts designed to aid the development of small- and medium-sized firms in distressed areas. I recently reintroduced a refined version of my bill, H.R. 390—the Job Expansion and Urban Development Act of 1981, which is one of the targeted approaches being discussed.

Underlying the targeting strategy is the belief that while broad-based, across-the-board tax incentives are needed to speed investment and increase productivity in our business community as a whole, at the same time we must provide special, supplemental incentives to meet the special needs of our older central cities.

However, of the various bills introduced to achieve this targeting effect all mainly address the need for tax code changes. It is becoming increasingly apparent, as this debate unfolds, that this approach is too narrow and ignores the dynamics of enterprise development.

Deregulation and tax reduction alone cannot spur enterprise development in distressed areas. Deregulation and tax reduction alone cannot and should not entirely replace urban economic development programs designed to provide funds for infrastructure and up-front capital for the purchase of plant and equipment and for working capital.

Targeted tax incentives should be a supplement to our economic development diet, not the whole meal.

The Enterprise Development Act of 1981 (H.R. 2965)—the successor to my H.R. 390—which I have introduced this week seeks to provide a more balanced approach to our urban economic revitalization efforts.

Title I of this act would insure the continuity of the Economic Development Administration's (EDA) role in urban revitalization by consolidating the EDA authorities under the Public Works and Economic Development Act of 1965. This consolidation would enable EDA to continue its broad range of economic development activities, patterned after the current title IX programs targeted to areas suffering from long-term economic deterioration.

Under title IX, eligible areas devise a local economic development strategy, subject to EDA approval. EDA then commits itself, in effect, to single or multiyear block grant funding to the local agency for implementing the plan. Title IX works well, as a device for targeting limited Federal aid to areas of need while giving localities control over their destinies.

The title IX strategy is consistent with President Reagan's belief in both the block grant approach and the need for returning more responsibility to localities.

From my own experience with a title IX effort in Buffalo and western New York, I know that this can work. The operative agency, the Erie County Industrial Development Agency, with EDA assistance, has created a Regional Development Corp. to conduct a revolving loan program.

This is geared toward providing financial assistance to growth-oriented industrial and high technology firms to help them supplement funding from the private marketplace.

In the Buffalo area, the RDC leveraged $4 million in EDA money, for instance, to generate $17.2 million in private financing to 22 locally controlled small manufacturers. This resulted in the retention or creation of 1,038 jobs.

I believe EDA—particularly in its title IX efforts—has proven itself to be too valuable an economic development tool to totally eliminate, as the administration has suggested. However, title I of my bill (H.R. 2965) would provide a compromise alternative by retaining the best EDA tools while scaling down its annual budget by more than 50 percent.

The funding provided by title I of my bill, when coupled with the targeted tax incentives in title II, represent a coherent, streamlined approach to urban economic revitalization.

For example, H.R. 2965 also amends the Small Business Investment Act of 1980 to encourage small business investment companies (SBIC's) to invest in small firms located in targeted job expansion zones. SBIC's can now borrow money from the Small Business Administration at a ratio of 3 to 1 or 4 to 1 public to private dollars. My bill would enable them to invest on a 4 to 1 or 5 to 1 basis, with the SBA coordinating and monitoring lending to smaller firms located within the zones.

The targeting criteria for establishing the zones in H.R. 2965 are similar to the criteria in H.R. 390, but more restrictive. The criteria include levels of poverty, unemployment, lag in per capita income and job lag.

The tax portion of H.R. 2965 is identical to H.R. 390, except the refined version provides an incentive to firms which establish employee stock ownership plans (ESOP's). Due to various tax provisions, ESOP's help firms raise capital and allow employees to get a piece of the action. The net result can lead to higher productivity and investment. H.R. 2965 allows firms to deduct an amount equal to 50 percent of the total compensation paid all its employees, if such amount is used to purchase securities to he held by the ESOP trust.

The other tax incentives included in H.R. 2965 would:

First, stimulate new investment by providing increased depreciation allowances.

Second, provide a 5-percent investment tax credit on new structures placed in service by a qualified business in a targeted zone. This will encourage new construction and business and development.

Third, increase the amount of used property eligible for the investment tax credit from $100,000 to $400,000.

Fourth, provide for a 25-percent investment tax credit on the rehabilitation of commercial buildings.

Fifth, help startup companies through a refundable investment tax credit of up to $100,000.

Sixth, expand the present targeted jobs tax credit to stimulate training and employment of the long-term, hard-core unemployed residents of economically deteriorated cities.

Mr. Speaker, I believe H.R. 2965 is a sound, integrated approach to enterprise development in distressed areas.

The combination of EDA title IX seed moneys and the tax incentives will go a long way toward providing small- and medium-sized firms with capital needed for growth and also stimulate construction and building rehabilitation in our older communities.

The scenario would result in a not-so-vicious circle: Smaller firms and startup firms—which generate the most new jobs in our economy—will be encouraged as funds are made available for infrastructure improvements and access to low cost capital loans is assured.

The refundable investment tax will immediately improve internal cash flow generation.

As the firms begin to prosper and make profits, the other tax incentives will encourage investment in new/used equipment, new/rehabilitated buildings. Firms will receive a job tax credit for hiring additional employees and these employees may benefit from stock ownership if the firms utilize an ESOP to purchase machinery or buildings.

This package of investment tools in H.R. 2965 recognizes the facts of life about the birth and maturation of business enterprises in distressed areas. I believe it offers an important, unique and somewhat revolutionary approach to one of the most intractable problems confronting our Nation—revitalizing chronically distressed urban areas.●

POOR TREATMENT OF GOVERNMENT EMPLOYEES WILL HURT REAGAN'S POLICIES

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. BARNES. Mr. Speaker, in last Sunday's Washington Post Haynes Johnson wrote an exceptionally fine column about the misguided Government policies which constantly harass top-flight Federal personnel and encourage them to abandon public service. In the President's efforts to combat waste, he gives short shrift to the talent that exists already within Government—talent which is crucial if he hopes to implement his policies.

I include the Haynes Johnson column in the RECORD for the information of my colleagues. It gives us something to think about as we deal with issues affecting Federal employees in this Congress, and cuts through the simplistic rhetoric that we hear so often.

The article follows:

[From the Washington Post, Mar. 29, 1981]

EMPLOYE FRUSTRATION DRAINING BEST BRAINS OUT OF GOVERNMENT

(By Haynes Johnson)

We've been through waste and fraud week, another president's attempt to capitalize on the public's fed-up feeling about government. And, yes, to do something about it.

Ronald Reagan's team says its campaign against waste and fraud will be led by a new group, "The President's Council on Integrity and Efficiency." Despite that stern Prussian-like title, the effort is worthy and the internal governmental problem real enough. But this highly publicized Reagan campaign, no less than others ordered by his presidential predecessors, masks a greater form of governmental waste.

What's happening inside the government today presents a problem worse than waste and more serious than fraud. The evidence points to a tragic breakdown of the government service itself. If the voices this reporter has been hearing recently are correct, the nation faces a governmental crisis all the more dramatic and damaging because it seems so little understood or discussed. Even though it has been building for years, you don't hear presidents warning about this crisis. They are, you see, part of the problem.

The waste I'm talking about involves the loss of many of the government's best people; the crisis comes from the deterioration of morale and rising frustration at all levels of the U.S. workforce.

Last week the president of the largest union representing federal employes talked openly about a confrontational mood among his membership that could lead to wildcat strikes and slowdowns throughout the government. Even top management officials are discussing the possibility of forming executive unions. A sense of anger and anxiety comes through conversations with government employes of both high and low rank. And the flow of talent out of the government continues.

Stop any top U.S. official on the streets of Washington these days, one of them says, and ask when that person will complete the 25 years of service making him eligible for early retirement. "He'll immediately tell you, not down to the year or the month—but to the exact day," this official remarks. "I think the government is heading down the road to a disaster. Within five years the group of supergrade people that are now betweeen the ages of 50 and 60 will all be gone. The best of them are gone already. . . . The next president of the United States will turn to his top government people and say, 'Do this,' and he'll find no one able to get it done."

That respected official, who entered government service under Eisenhower, found himself rather startled at the apocalyptic tone of his remarks, "but I just can't find any cause to feel other than deeply dismayed today." In that, he seems sadly typical of many others.

From New Year's Day through the first week in March, the federal Office of Personnel Management received 38,000 retirement papers from federal employes—twice the average monthly rate of retirements, according to the Bureau of National Affairs.

A government study completed before the new year provides disturbing evidence of the rapid departure rate in the government's key managerial echelon—officials who oversee two million civilian employes, a budget of more than $600 billion, and whose decisions have a profound effect on all American citizens.

"The retirement rate for career employes at the Executive Level V pay ceiling," the study says, "has increased from 17.6 percent of those eligible to retire during the 12 months ending in March 1978 to an astonishing 57.1 percent during the 12 months ending in March 1980."

Not even the dullest set of statistics about federal retirements can cloak an ominous trend—unless, that is, you are among those who believe all U.S. bureaucrats are as bad as recent presidential candidates have depicted them and think the answer to the woes of govenment is to dismantle it all.

The problem inside the government extends into every area of the workforce. "The bottom line is morale is very low and frustration is very high," says Kenneth Blaylock, national president of the American Federation of Government Employes, the largest federal workers' union. "Government employes—and that includes managers—feel they've been kicked and kicked and kicked.

. . . Now they're forced to pay the price again with a 4.8 percent pay raise in a time of 12 percent inflation and cuts in retirement benefits."

His point about pay and benefits touches a sore nerve among all federal employes. A special commission that recently completed a study of executive government salaries found a direct link between low pay and increasing difficulties of attracting and retaining outstanding people for top U.S. positions.

The commission also found that salaries of key U.S. officials in the three branches of government have fallen dramatically behind the corresponding managerial groups in private business. In addition, in most cases Congress has not allowed annual increases called for in a salary-cost-of-living act for top officials, placing those people sigificantly behind what they had promised legally. "The resulting compression of salaries," the commission adds, "has created the anomalous situation in which up to seven tiers of management are now being paid identical salaries."

The complaints about pay and benefits are real enough, but the grievances within the government are more serious than economic issues—and they go beyond the present emotional state of fears, rumors and resentments spurred by the Reagan administration's blueprint for federal hiring freezes, pay caps, reductions in force and slashing or junking of government programs and agencies. Another top U.S. official, whose work has drawn praise from a number of presidents, both Democrat and Republican, and who is now highly placed within the White House operation, says we are approaching the end of "a decade of despondency for bureaucrats." He fears the period ahead could worsen.

Ronald Reagan was not the first candidate to run against the bureaucracy and then have to lead it as president. Richard Nixon and Jimmy Carter sounded similar themes, and encountered similar problems in power. Reagan's presidential task is even more delicate, for it is his fate to preside

over the government at a time when respect for public officials has declined even further and the concept of public service continues to generate greater expressions of public cynicism.

Reagan's gifts for conciliation and leadership will be put to a critical test in his handling of the federal workforce. He can attempt to inspire it and begin rebuilding a national sense of public service or he can witness a further disintegration in an already dispirited federal establishment. Before Reagan took office, a veteran bureaucrat, Bertrand M. Harding, who headed the National Civil Service League, said he hoped the new president and his people would put aside all their campaign rhetoric about "faceless bureaucrats." As he said, "for better or worse, these 'faceless' persons belong to the president and for the moment are all the glue he has to keep the government together."

The danger is the glue is coming unstuck.●

LANTOS LAUDS CARPENTER'S BRAVERY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. LANTOS. Mr. Speaker, America is shocked and saddened by the senseless violence which continues in our political process. As an American by choice, I recognize the need for accessible leadership. But, this type of violence undermines the very pillars which support our democratic form of government. I join with my colleagues from both sides of the aisle in a call to eliminate this cancer on the American soul.

There is an actor in this tragedy who played a heroic role in subduing the would-be assassin. He is a man who deserves our thoughts and prayers as he remains hospitalized in Georgetown University Hospital. I am speaking of Mr. Alfred Antonucci, a citizen who demonstrated tremendous courage in the confusion of Monday's events. Mr. Antonucci is a decent American who has worked in the labor movement since the thirties. He is a man committed to his country and to his union. As the business agent and president of Carpenters Local 1750, of Cleveland, Ohio, he knows the realities of life as a hard working citizen. On Monday he demonstrated the most noble aspects of the American character.

I would urge all of my colleagues to join with me in applauding the courage of this fine citizen. For those of us who may not be aware of the actions of Mr. Antonucci, I enclose the following article from the Wednesday morning edition of the New York Times:

MAN WHO TACKLED SUSPECT IS ILL

WASHINGTON, March 31.—Alfred Antonucci, an Ohio labor official who was apparently among the first people to tackle John W. Hinckley Jr., the man charged with the attack on President Reagan, was hospitalized with severe chest pains two hours after the incident.

Mr. Antonucci, who was in fair condition today at Georgetown University Hospital, is a 68-year-old carpenter from the Garfield Heights section of Cleveland and a member of the Building and Construction Trades Department of the American Federation of Labor and Congress of Industrial Organizations.

Eileen Antonucci, his daughter-in-law, said in a telephone interview from Aurora, Ohio, that Mr. Antonucci had said that he was roughed up in the melee that followed the assassination attempt. She said that Secret Service agents and local police officials later questioned her father-in-law for about an hour and a half.

President Reagan was leaving the Washington Hilton Hotel, where he had spoken to the labor union group when he was wounded. Mr. Antonucci and a friend had arrived at the hotel too late to hear the President and were standing outside as Mr. Reagan left.

"He said the guy was standing right in front of him with his hands in his pocket," the daughter-in-law said. She said that she and her husband, Dominic, first learned that Mr. Antonucci had tried to subdue Mr. Hinckley from friends who had recognized him from television film of the assassination attempt.

"My husband went down to Washington this morning," she said. "I talked to him at 11 A.M. while he was at the hospital and he said that his father is still very emotional every time he starts to talk about it."

Christina Puc, a spokesman for the hospital, said Mr. Antonucci was admitted there at 5:23 P.M. yesterday after he complained of chest pains.

"He was apparently suffering from cardiac arrhythmia," she said, referring to an irregularity in the rhythm of the heartbeat. "He is in fair condition. Only his immediate family is permitted to see him."

Mr. Antonucci's wife, Joan, who was with him at the labor union gathering, visited her husband in the hospital.●

NATURE OF EL SALVADOR GUERRILLAS

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. FOGLIETTA. Mr. Speaker, on March 2, 1981, the Washington Star printed an article about a small group of political prisoners in El Salvador. It is poignant in its description of the manner in which these people became involved in the leftist activity which is destroying their country, their homes, and their families.

Becasue I believe it may help put in perspective the composition of the people against whom the U.S.-aided government in El Salvador is warring, I would like to call it to the attention of my colleagues and hereby submit it for consideration today. The underlining for emphasis is my own.

FOR SALVADORAN PEASANTS, WAR IS MATTER OF SURVIVAL

(By Bernard Diederich)

They stood on the stage of the auditorium of the 4th Brigade, a green-painted camp surrounded by new high barbed-wire fence and concrete watch-towers in a little barren valley misnamed el paraiso, paradise.

And for these emaciated, barefoot peasants, many of them suffering from sores and illnesses, the camp of the Salvadoran military in the Northern Department of Chalatenango bordering with Honduras was paradise after what they had been through.

The government said they had been part of the leftist movement trying to overthrow the government. An officer pointing to the dejected looking collection of this country's peasantry, 52 men and women and 30 children, said, "They are guerrillas."

The government calls them arrepentidos, repenters, and a local newspaper said they had surrendered at La Reina, a small town in the hills a dozen miles away, because they were "tired of fleeing in the mountains after their leaders had abandoned them."

The peasants on the stage tell a story of this guerrilla war. Their concern was sheer survival, they insist. Unfortunately for many, the way in which they choose to survive often is translated into a political affiliation without any idea of its ideological content. They are pressured by right and left. Some, like the people on the stage, become tired of fleeing and give up.

Peasants on both political sides move from village to village seeking shelter and food until there is no longer any place to go. None of these people on the stage appeared to be politicized. Each said in a quiet voice. "We just want peace and work."

Victor America, 34, looked 50. "I had hardly any land. I just grew a little corn." His wife with vacant eyes nursed their seventh child and said in a hardly audible voice, "The subversives, they took the last of our corn. We have nothing." One of her daughters had open sores on her head.

Arturo Mendez Vasquez was silenced by his handsome white-haired wife, the mother of 10 children, who said, "We just want peace, nothing more, just peace." An officer, not unfriendly, even sympathetic, asked a young man, a son of Mendez, "You were a militiaman, right?" Like most of these peasants he was quick to please and nodded his head. His mother said quietly, "No he wasn't."

One old man with calloused hands who didn't even know his age said, "We are tired of fleeing through the hills and starving. The subversives made us cut wood and fetch water, and the woman had to make tortillas."

A young man said none of them bore arms in the hills. "They promised us arms, but they didn't give us any." Added another youth, "Maybe they didn' trust us."

There was no way of knowing whether they were telling the truth. The peasants have learned that survival can mean saying the right thing at the right time.

Their admitting to be members of the BPR told more about their situation. The BPR, Revolutionary Popular Bloc, was founded in 1975 as a mass organization and grew rapidly among trade unions and peasants. The BPR enjoyed its greatest strength in the impoverished countryside, but when this non-guerrilla organization, which was aided by the Jesuit priests, linked up in the late 1970s with the guerrillas to the FPL—Popular Liberation Forces—the poor peas-

ant members automatically became members of that leftist force.●

AMENDING THE FEDERAL AIRPORT ACT

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. BENJAMIN. Mr. Speaker, I am introducing legislation today to amend section 16 of the Federal Airport Act of November 25, 1947.

The Federal Airport Act of 1947 deeded land to the city of Gary, Ind., to be used for airport purposes. The Gary airport now proposes to convey a portion of its land to the Indiana Toll Road Commission for construction of the Cline Avenue South Interchange which fulfills responsibilities invoked by Public Law 95-599 and Public Law 96-106.

Section 16 of the 1947 Federal Airport Act provides that the land could only be used for airport purposes or it would automatically revert to Federal ownership.

This bill releases the city of Gary from that condition and authorizes the Secretary of Transportation to approve conveyance of the land to the Indiana Toll Road Commission.●

U.S. DEPORTATION OF EL SALVADORANS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. BROWN of California. Mr. Speaker, despite the efforts of many of us here in Congress, this administration continues to send military aid to the junta of El Salvador. Thus, we are, in effect, aiding the continuation of the violence there.

Many El Salvadorans have been fleeing that violence torn country, crossing the borders into neighboring Honduras, and also coming north to the United States. Instead of empathizing with their plight, the United States has seen fit to deport them, without due process, back to the very circumstances they fled.

I urge my colleagues to review the following article and to consider their actions should they be confronted with a similar situation:

[From the Newsletter of the Religious Task Force on El Salvador, January-February 1981]

SALVADORANS IN DANGER OF DEPORTATION

Human rights activists share increasing concern over the plight of illegal Salvadoran refugees who have fled political repression. At least 500,000 undocumented Salvadoran aliens are now living in the United States with new arrivals daily. Most of these refugees are landless peasants who have exchanged "plows for mops and trays" as they perform service jobs in areas around Washington, DC, Los Angeles, and San Francisco. The Immigration and Naturalization Service is engaged in a concerted effort to deport these people back to their violence-torn country.

As evidence of internal political repression mounts, pressure has been exerted upon the Immigration and Naturalization Service and the State Department to grant these refugees "extended voluntary departure" status. On April 24, members of Congress wrote acting Secretary of State Warren Christopher that he "advise the Attorney General and the Commission of Immigration to halt the deportation of Salvadoran nationals until stability returns to that suffering country."

The State Department's response was to praise the moderate, reformist military dominated junta and to state that "special treatment can not be justified at this time" for Salvadorans.

According to the Immigration and Naturalization Service Operating Instructions, guidelines exist to authorize the extension of departure time for aliens when compelling humanitarian factors would make deportation unconscionable. Consequently, persons who receive extended voluntary departure are entitled to receive work authorization and certain government benefits. The use of this permission, however, has reflected how U.S. policy would prefer to view the internal strife in other countries, rather than a realistic view. For example, Cubans who fled to the U.S. in hopes of a better life were considered political refugees, while Haitians, subject to torture and well-documented repression in their country, have been treated as refugees and deported. Nicaraguans who supported former President Somoza received extended time in the U.S. while those who fled Somoza's regime were allowed less than a month of asylum here.

Many of the Salvadorans presently in the United States have fled from their country to escape possible death for demanding social changes—redistribution of the wealth, higher wages, and basic human rights. The U.S. government continues to deport them despite protests of human rights organizations and immigration law offices which testify that deportees are often taken into custody upon their return for questioning and face possible arrest or worse by the government.

It seems clear that U.S. immigration policy is being interpretated with geo-political, rather than Humanitarian considerations, especially since 10,000 Salvadorans have been assassinated in the past year.●

VOLUNTEER SPIRIT CHARACTERIZES SIERRA MADRE IN LIBRARY EXPANSION

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. ROUSSELOT. Mr. Speaker, we all express our appreciation to those who get funding without the Government's help.

As a matter of fact I say "fantastic." When the citizens of Sierra Madre, a city in my district, found their library to be lacking in size and serving capacity, expansion seemed to be the answer. But there also seemed to be no money to do that.

When seeking funds for this expansion they found that, with the passage of proposition 13, the amount of money available to the library from the city was significantly reduced. The limited funds that the city does have are already allocated to several major maintenance projects related to the library's roof and heating/air-conditioning system.

It became obvious, then, that any funds for an expansion program have to come from the community itself. This was an appropriate approach in keeping with the volunteer spirit that characterizes Sierra Madre. In fact, Sierra Madre's very first library was built in 1887 with $3,000 raised entirely by voluntary contributions from 40 families.

This early library continued to be operated by a citizen's association until 1910 when it was turned over to the city. The Sierra Madre Room Group was organized in 1980 to develop plans for raising funds to expand the library.

Even with declining budgets, the community's use of the library continues to expand. In the past 25 years the number of volumes has gone from 18,000 to 47,000 and periodicals subscribed to have escalated from 79 to 180. This current fund drive will make it possible to meet present and future needs with increased efficiency.

I am sure that my colleagues will join me in applauding the citizens of Sierra Madre for their community serving efforts. In this time of national economic strife with the need of restraint in the growth of tax spending, Sierra Madre is a shining example of American determination and certainly warrants recognition.●

IN SUPPORT OF DR. ERNEST W. LEFEVER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. DERWINSKI. Mr. Speaker, confirmation of Dr. Ernest W. Lefever's nomination as Assistant Secretary of State for Human Rights and Humanitarian Affairs will be considered shortly by the Senate. Support for his candidacy is growing. I am placing in the CONGRESSIONAL RECORD, an endorsement of Dr. Lefever from the Committee for a Balanced Human Rights Policy, Box 432, Rockville, Md. 20850, as part of the committee's statement of purpose.

The committee's statement reads as follows:

STATEMENT OF PURPOSE

The Committee for a Balanced Human Rights Policy was established to promote a balanced, constructive and responsible human rights policy consistent with the interests of the United States and the Free World.

One of the promises made by President Reagan in the course of his campaign was that the direction of U.S. foreign policy in the area of human rights would be changed. Polls had indicated widespread concern by the American people that human rights considerations had been allowed to influence and even determine policy toward Third World and allied countries—often in a manner inconsistent with U.S. and Free World security interests. Questions were raised by a substantial segment of the American electorate concerning an apparent "double standard" in the application of human rights policy. While numerous voices were raised—both inside and outside the government—in protest of violations in certain pro-Western Latin American, African and Asian countries, little public outcry was heard concerning such outrages as were occurring in Cambodia, Ethiopia, Cuba, Eastern Europe, the Soviet Union and other countries subject to Marxist rule.

Responding to these concerns, and in fulfillment of the popular mandate he received on November 4, 1980, President Reagan has designated Dr. Ernest W. Lefever as Assistant Secretary of State for Human Rights and Humanitarian Affairs. Dr. Lefever, we believe, is fully qualified to restore balance in the nation's human rights policy, and will implement policies and programs designed to strengthen human rights around the world consistent with the freedom and independence of the United States and its allies.

DR. LEFEVER: A LIFETIME DEVOTED TO HUMAN RIGHTS

Dr. Lefever is founder and president of the Ethics and Public Policy Center of Washington, D.C., an independent research organization.

He received a B.D. and Ph.D. in Christian ethics from Yale University, spent six summers as a volunteer in work camps serving the needs of slum children in Philadelphia, unemployed persons in Kansas and migratory laborers on the West Coast—long before such social and civil rights work became fashionable.

In 1942, he helped relocate the first Japanese-Americans from a California internment center. For three years after World War II, he was a field director for the World's YMCA, helping resettle prisoners of war.

In 1948, 1949 and 1966, he visited Czechoslovakia, Hungary, the Soviet Union, Poland and East Germany. Reflecting on his visits to Eastern Europe and the Soviet Union, Dr. Lefever has noted "a deplorable tendency in America to forget, overlook, or downplay the Eastern European victims of Communist oppression. For this reason, I favor a balanced human rights policy which addresses itself in the first instance to the most grievous and brutal assaults on human dignity and freedom."

An ordained minister for 40 years, Dr. Lefever has visited over 85 countries, has written or edited 14 books on morality, ethics and foreign policy, and has lectured widely at home and abroad.

DR. LEFEVER'S STATEMENT ON HUMAN RIGHTS, MARCH 6, 1981

I am committed to pursue a vigorous and humane foreign policy. Human rights are an inescapable concern in all our foreign policy deliberations. Human freedom and dignity are most seriously violated by direct and indirect aggression, the imposition of foreign control on other people, external subversion, genocide and terror. Totalitarian Communist states are the greatest violators of the full range of human rights. Soviet-bloc regimes not only brutalize their own people, but some of them are exporting their repressive system by subversion and terrorism.

The U.S. Government should use all appropriate means needed to defend and extend freedom, including private persuasion, public condemnation and withholding of trade, which may be necessary and consistent with our security and that of our allies.

We Americans may not always agree on methods, but we are united in our commitment to enlarging the frontiers of freedom and respect for human rights around the world.

ANALYSIS OF DR. LEFEVER'S HUMAN RIGHTS POLICY

Dr. Lefever is clearly committed to deepening and broadening the concept of human rights around the world—both among friends and adversaries. As the Washington Star has accurately pointed out, "Dr. Lefever considers human rights the heart of American foreign policy."

However, Dr. Lefever recognizes that their are gradations of repressiveness among countries, just as there are gradations of good and evil. His belief, in accordance with that of an overwhelming majority of Americans, is that the implementation of a human rights policy should, first and foremost, be consistent with the freedom and independence of the U.S. and its Free World allies.

Consistent with this belief, he has written in "Policy Review" that "the greatest threat to human rights comes from messianic totalitarian regimes whose brutal grip brooks no opposition." He has written critically of the manner in which "human rights activists" have tended "to underestimate the totalitarian threat to the West * * *. In their preoccupation with the minor abridgement of certain rights in authoritarian states, they often overlook the massive threat to the liberty of millions * * *. It would be a great irony if Washington in the name of human rights were to adopt a policy that would deliver 35 million largely free South Koreans into virtual slavery."

It is interesting to note that Dr. Lefever's adversaries, in their recent statement of oppostion to his confirmation, have found this balanced and realistic "worldview" a premary point of concern and disagreement with Dr. Lefever. To wit:

"Ernest Lefever's opposition to 'the human rights standard' rests on his conviction that the greatest threat to peace and freedom in the world today comes from Soviet-backed totalitarianism."

One can only conclude that those adversaries believe that Chile, El Salvador and the Republic of the Philippines are the "greatest threat to peace and freedom in the world today."

But Dr. Lefever's concern about human rights extends to countries other than those of the Marxist bloc. He concurs fully with Ambassador Jeane Kirkpatrick that in relations with friendly, although authoritarian regimes struggling against subversion by totalitarian forces, "U.S. policy could effectively encourage this process of liberalization and democratization * * * aimed at producing gradual change * * *" Such a policy, according to Dr. Lefever, should first and foremost "advance human rights by strengthening our resolve and our resources to defend our allies who are threatened by totalitarian aggression and subversion;" secondly, should make use of "quiet diplomatic channels at appropriate times and places;" and, thirdly, through the maintenance of "a regional stability conducive to responsible political development and mutually beneficial economic intercourse * * * broaden the range of cultural and political choice."

In conclusion, it is clear from Dr. Lefever's written and spoken statements that he is deeply committed to "enlarging the frontiers of freedom and respect for human rights around the world." That, in doing so, he will recognize Soviet-backed totalitarianism as the most dangerous threat to human rights, and that he will seek to liberalize and reform regimes allied to us through diplomatic suasion and joint political and economic intercourse and development. This policy, we believe, is one that is balanced, consistent with U.S. and Free World interests and in accordance with President Reagan's commitments and position on human rights.

WE ENDORSE

The individuals and organizations listed below are representative of over 20 million Americans concerned with the nation's human rights policy. Many of them trace their ancestry to countries presently under Marxist totalitarian control, or subject to subversion by Soviet-backed forces. Consequently, they have had a consistent and continuous record of interest and advocacy of human rights for all peoples suffering under repressive regimes.

It is our belief that Dr. Ernest W. Lefever has dedicated his life towards those selfsame principles of freedom, democracy and independence on which this country is based. Dr. Lefever, in our opinion, is eminently qualified to assume the position of Assistant Secretary of State for Human Rights and Humanitarian Affairs.

We extend our endorsement to Dr. Lefever and urge the Members of the Senate to unanimously confirm Dr. Lefever's appointment.

Dr. Edward Yambrusic—President, National Confederation of American Ethnic Groups (17 national groups; 33 National and State organizations).

Dr. Mikulas Ferjencik—President, Czechoslovak National Council of America.

John Hebling—German American National Congress.

Istvan Gereben—Executive Secretary, Coordinating Committee of Hungarian Organizations in North America (representing 15 national organizations).

Dr. Igor Glagolev—Director, Association for Cooperation of Democratic Countries.

Dr. Yuri Olkhovsky—Congress of Russian Americans, Inc.

John J. Kossiak—President, Byelorussian Congress Committee of America.

Dr. John B. Genys—Lithuanian American Council, Inc.

Dimiter Baharoff—President, Bulgarian National Front in the U.S.

Dr. Valentina Kalynyk—President, Americans to Free Captive Nations.

Gunars Meierovics—American Latvian Association in the U.S.A., Inc.

Cecilia Bros—President, American Ethnic League.

Laszlo Pastor—Chairman, Executive Committee, American Hungarian Federation.

Dr. Julian Hutnyk—President, Carpathian Alliance.
Maido Kari—Estonian American National Council.
Rev. Baan Vitez—President, World Federation of Hungarian Freedom Fighters.
Dr. Mychajlo Kushnir—Organization for Defense of Four Freedoms for Ukraine.
Dr. Alexander Ronnet—President, Romainian American National Congress.
Albert Karali—President, Coalition for a Free Russia.
M. Karkaj—President, Ukrainian Committee of America.
Dr. George Radojevich—President, Serbian American Committee.
Dr. Le Phuoc Sang—President, American Coalition of Asian Pacific Organizations.
Dr. Laszlo Varga—President, Federation of Free Hungarian Jurists.
Prof. Andrew Ehrenkreutz—President, North American Studies Center for Polish Affairs.
W. Rostrigin—President, Cossack American Nationalists in the U.S.
Dr. Konstanty Hanff—President, "Wolna Polska".
Quac Vien Bieu—President, Chinese American Committee for Social Justice.
Dr. A. Bonifacie—President, Croatian National Association.
Dr. Doan Le Phoung Hoang—Secretary General, Indochinese American Coalition for Human Rights.
Ulana Mazurkevich—President, Human Rights for Ukraine Committee.
Dr. Jan Morelewski—Chairman, East European Studies Center.
Dr. E. Paprikoff—President, Bulgarian Liberation Front.
Tibor Helcz—President, Federation of Hungarian Former Political Prisoners.
Horst Ulich—President, East German Association of the U.S.
Joseph Bosilvich—Chairman, Croatian Human Rights Committee.
Prof. Brutus Coste—President, Truth About Romania Committee.
Dr. Buong Phuc Hung—President, Vietnamese National Front for Restoration of Vietnam.
Dr. Nguyah Huynh—President, Vietnamese American Coalition for Democratic Values.
Laszlo Sirchich—Chairman, National Committee of Hungarians from Czechoslovakia.
Eugene Gymesy Kasas—President, World Federation of Hungarian Artists.
Baothong Minh—United Community of Boat People.
Ha Cong Minh—Hao Buddhist Community for National Restoration of Vietnam.
Dr. Istvan Eszterhas—Chairman, Committee of Hungarian Liberation.
Paul Fenchak—President, Ukrainian Education Association, Inc.
Prof. Anthony Bouscaren—Chairman, Syracuse Captive Nations Committee.
Frank Simko—President, Hungarian Freedom Fighters Federation, New York Chapter.
John Basarab—Director, Ukrainian National Information Service.
Prof. Askold Skalsky—Editor, "News from Ukraine".
Dr. Walter Dushnyck—Editor, "The Ukrainian Quarterly."
Alexandra Schwed—Ukrainian Anti-Defamation League of Philadelphia.

Many of the organizations listed above include nationwide chapters and affiliates too numerous to list—totalling over 1000 organizations. Organizations are listed for identification purposes.●

SUPPORT OF PRESIDENT REAGAN'S BLOCK GRANT PROGRAM

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. RUDD. Mr. Speaker, those of us who are truly interested in righting the economic ills of our Nation by restoring sound fiscal policies, are concerned by the number of voices we hear crying out about the number of needy Americans who they say will be left out in the cold if the President's program for consolidating categorical social welfare grants into block grants is approved. Nothing could be further from the truth.

The fact is that although the President's budget sharply slows the rate of growth of social welfare programs, the actual spending levels recommended for fiscal years 1981 and 1982 Health and Human Services' budgets exceed those of previous years. Funds will be consolidated and delivered for apportionment by the States according to their specific priorities. How anyone can call this sensible move toward direct Government insensitive is incomprehensible. It seems more accurate that those who are loudly protesting that people will suffer from this move, are really bent on unraveling the administration's package solution to soaring social welfare spending.

A chart of the growth in Federal spending for social programs shows a dramatic incline during the last decade. Between 1970 and 1980, outlays went from approximately $90 billion to more than $300 billion for welfare programs. No one believes that this increase is due to corresponding growth in the number of people requiring assistance. This huge debt has been the result of shortsighted liberal spending policies which have fostered an amalgamation of federally administered programs which seek to blanket the Nation's social concerns at an outrageous cost to the taxpayers. With the last election, the taxpayers have signaled that their limit of tolerence has been exceeded.

Meeting critical social needs while cutting administrative costs is the goal, and consolidation of 40 categorical grants into 4 block grants addressing basic objectives will save more than $1 billion in administrative funds. I wholeheartedly support the President's budget proposals, specifically the block grant programs, as consistent with his promise to protect essential social programs while carrying out the mandate of the people to limit the influence of the Federal Government and reduce the growth of Government spending.●

SALVADORANS TELL OF FEAR

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. GARCIA. Mr. Speaker, as the violence and instability in El Salvador continues, the real victims in that country's battle become more apparent: its people. The campesinos, the shopkeepers, the laborers, and the teachers are caught in a power struggle over which they have no control. They are the byproducts of a faltering society. Many Salvadorans have, therefore, been forced to leave their country for political reasons. I do not believe that it is fair to turn back these refugees because they do not have proper documentation, at least not until they have pleaded their cases before the U.S. Government. They must be given due process. For the benefit of our colleagues, Mr. Speaker, I insert in the RECORD a copy of an article from the Los Angeles Times regarding this issue.

SALVADORANS TELL OF FEAR

(By Laurie Becklund and Paul Nussbaum)

More than a dozen Salvadorans who have applied for political asylum in the United States have been staging an intermittent hunger strike since Jan. 1 at a U.S. Border Patrol detention camp in El Centro "to dramatize our plight," a member of the group said Wednesday.

Members of the group said in telephone interviews that they have refused many of their meals to demonstrate their fear of being returned to violence-wrached El Salvador, and to demand reduced bonds and speedier hearings.

Harry Malone, the U.S. Immigration and Naturalization Service official in charge of detention and deportation at the camp, said he had received a statement from the group demanding that their asylum hearings be speeded up but he denied that any detainee had consistently refused to eat. "Everybody's at lunch right now," he said.

The Salvadorans described the hunger strike as "intermittent," saying that everyone was eating or abstaining from meals as he chose.

The protest was set off by a telephone conversation one of the Salvadorans in El Centro had with a friend who had been flown back to El Salvador at Christmas on a routine deportation flight.

"He said he saw bodies alongside the highway to the airport in San Salvador the next morning and that he recognized some of them from the flight," said Ricardo Hernandez, 20.

Hernandez said he left El Salvador in December after he was fired from his factory job during a strike and threatened by a factory manager when he sought severance pay. "He told me he was the brother-in-law of a junta member and he had the power to have people killed," Hernandez said.

About 9,500 persons have died in El Salvador during the past year because of political violence.

Lawyers representing the men held press conferences in San Diego and Los Angeles to demand that "the men be treated as

human beings and not as criminals." They said the men's bonds, set at $2,000 to $4,000, should be lowered to allow their release.

Because formal deportation hearings, particularly political asylum cases, can take months or years, the attorneys said, their clients want to work to support their families in El Salvador while their cases are being processed.

"We are not criminals," said Mauricio Castellanos, 30. "I am a professional man and was about to receive my license to practice law. But there are others here who were in the National Guard, or teacher's unions, or farmers. We're all afraid to go back—that much we have in common.

"And we all feel like dogs in a cage. We can't work. We can't go back. We can't do anything."

Because of increasing violence in El Salvador, church and lawyers groups have pressed the Carter Administration to grant what is termed "extended voluntary departures" to all Salvadorans in the United States. That status, which was granted to Iranians after the overthrow of the Shah Mohammed Reza Pahlavi and to Nicaraguans before the fall of dictator Anastasio Somoza, would allow them to stay here until the danger in El Salvador diminishes.

When a delegation of U.S. Roman Catholic bishops met with President Carter Dec. 22, the delegation reported that Carter had promised to consider the matter. However, a few hundred Salvadorans a week continue to be returned to El Salvador from Los Angeles alone, an immigraton official said.●

U.S. CONTRIBUTIONS TO THE PLO

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. SCHUMER. Mr. Speaker, I would like to bring to the attention of the House a serious breach of commitment by the Reagan administration in formulating its foreign policy. If this is really an administration committed to stamping out global terrorism, then why does the administration's State Department authorization bill allow U.S. payments to the United Nations to be funneled to the Palestinian Liberation Organization?

From the beginning of this administration we have been told that the fight against international terrorism would be a top priority. The previous administration's excessive concern for human rights had contributed to the erosion of America's power in the world. The new emphasis on stamping out international terrorism was hailed as the key to reversing this decline. No terrorist act would go unnoticed, and none would be ignored.

Given this well-publicized position, it is hard to understand why the administration's bill omits a provision added by the Congress to the last State Department authorization bill, which prohibited any distribution of U.S. funds to U.N. organizations that are merely fronts for PLO activities—namely, the Committee on the Exercise of the Inalienable Rights of the Palestinian People, and the Special Unit on Palestinian Rights.

Although the administration's bill has been introduced in the Senate, the House Foreign Affairs Committee is drawing up its own bill. I have already introduced a separate bill which will make permanent the prohibition on distribution of U.S. funds to the PLO. I strongly urge the Foreign Affairs Committee to incorporate this prohibition in its bill. Should the committee report a bill that does not contain such a provision, I will offer the prohibition as an amendment at the appropriate time. My colleague from New York, Senator MOYNIHAN, will introduce a similar amendment in the Senate next week.

I need not remind the Members of this body of the terrorist practices of the PLO. This is an organization which bombs schoolhouses and gladly takes credit for it. It is an organization which has as its foremost goal the elimination of an entire country and its people. To allow U.S. money contributed to the United Nations—an organization that is supposed to be dedicated to world peace—to be funneled to such a terrorist gang would be unconscionable.

Is this any way to fight international terrorism?●

THE PLIGHT OF SALVADORAN REFUGEES

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. RATCHFORD. Mr. Speaker, as the horrible civil strife in El Salvador drags on, many have found it easy to ignore the very human factor in this affair. Every day large numbers of Salvadorans have sought to enter the United States out of fear that they and their families are no longer safe under the repressive Duarte regime.

Rightwing elements in that violence torn nation have undertaken systematic acts of physical abuse and murder against many individuals or organized groups perceived to be a threat to the central government. Death squads regularly roam the cities and the countryside in pursuit of those on their hit list that are to be eliminated or tortured. The story of one such targeted individual is captured in the following statement recently released by the Council on Hemispheric Affairs. This Government, Mr. Speaker, must be prepared to assist the unfortunate victims of this violent conflict forced to flee their homeland.

The story of Tulio Mendoza Figueroa and the many like him is but further evidence of a government unable or unwilling to restrain elements in its armed forces bent on ruthless violence. As a nation unalterably commited to the protection of human rights, we can no longer condone or foster this unfortunate situation.

Mr. Speaker, I insert the following statement of the Council on Hemispheric Affairs into the CONGRESSIONAL RECORD:

STATEMENT OF THE COUNCIL ON HEMISPHERIC AFFAIRS

An estimated 30,000 Salvadorans have fled to the United States since the beginning of 1980. Most of them arrive with little or no money and are forced to enter the country illegally, as it is nearly impossible for them to obtain visas. Having fled the mounting political violence and the threat from rightwing death squads in El Salvador, the U.S. is deporting them at an estimated rate of 400 per month from the Los Angeles area alone.

The case of Tulio Mendoza Figueroa, a school teacher who fled his home on December 26, when he learned his name was on the "hit list" of a local death squad, is typical of many refugees arriving in the U.S. Mendoza was a member of ANDES (Asociacion Nacional de Educadores Salvadorenos), the major teachers' union in El Salvador. The teaching profession, like every other which attempts to organize to protect its rights, has been subjected to brutal repression by the armed forces and by the right wing death squads. Mendoza's only crime was to have been a member of ANDES, which like almost all the other independent unions has joined the opposition umbrella group.

Mendoza and two other teachers learned from a former student, who held his teachers in high esteem, that they were to be killed. The student who warned them was a member of the death squad which was to have carried out the murders. The three hurriedly left the country with Mendoza's family, travelling by bus through Guatemala into Mexico. Unable to find work and running short of money, Mendoza left his family in Guadalajara and pushed north with the other two. The three were arrested by the U.S. Border Patrol while attempting to cross near Tijuana, and were told that unless they signed an agreement to return to El Salvador voluntarily, they would spend a year in jail and "suffer a lot." Having run out of money, and without any knowledge of U.S. law, they signed.

A rumor reached the detention center where they were being held that of the 60 Salvadorans who had been sent back at Christmastime, 42 had been killed by the security forces upon arrival. Terrified, the detainees tried to annul their "voluntary" agreements and contracted lawyers in the community. It was only then that Mendoza learned that, by law, the Immigration and Naturalization Service (INS) must provide all those arrested with written notice of their rights, which include the right to a deportation hearing, the right to seek political asylum, and the right to legal counsel. By signing the "voluntary" agreement, they had forfeited these rights and could be sent back to El Salvador.

This is exactly what happened to Mendoza's two friends. Unable to raise the bond money required for more than one of them, the detainees elected Mendoza to be released so that he could publicize the plight of the refugees. Mendoza was released pending a hearing (he was able to retract the de-

parture agreement) on his request for political asylum. He says his two friends were sent back to San Salvador on February 12. He has not heard from them since.

Mendoza and his compatriots in this country are convinced that if forced to return, they would be killed, or at best forced underground. The official INS procedure for all returnees is to make their identity known to the Salvadoran government, and then to fly them back to San Salvador. In El Salvador, they are subjected to a government interview to determine why they left the country.

One American university professor, who has seen films of these interviews, describes the level of abuse as "frightening," and said that "there is no doubt in my mind that somewhere between 5% and 10% of those who are returned are executed, because the government had something on them, a labor union or something." Millard Arnold, a former State Department official, says, "It just stands to reason. The odds are that some of them are going to be tortured or killed." Despite the mounting evidence of danger, the deportations continue.

U.S. immigration law provides for the safety of foreign nationals endangered by "civil war or catastrophic circumstances" in their home countries. Under this provision, the State Department could issue a blanket exemption from immigration requirements for Salvadoran refugees. Many of these refugees, like Mendoza, have specific reasons (membership in a "hostile" labor union, etc.) to fear political retribution should they return, and would thus be eligible for political asylum. Others who left because they feared the growing violence would affect them could be protected by being granted what the INS terms "extended voluntary departures," which would allow them to remain until the danger at home has lessened. The U.S. seldom before has sent refugees back into a situation of civil war, where they face grave dangers. The treatment of Salvadorans is almost unprecedented, but apparently not without motive.

In the case of El Salvador, political considerations arising from the Reagan administration's near-paranoia about alleged communist influence in Central America have overruled humanitarian concerns, with the result that innocent civilians are being sent back to almost certain persecution, if not to their deaths. Requests for blanket "extended voluntary departures" must originate with the State Department. But State thus far has consistently ignored pleas by a coalition of members of Congress, religious organizations and other civic groups, as well as from its own Human Right Bureau, to grant the Salvadorans refugee status.

The United States has, of course, been generous in offering asylum to refugees from communist and other "unfriendly" governments (in the past, the "extended departure" provision has been applied to refugees from Vietnam, Laos, Iran and—most recently—Nicaragua), because in doing so it confirmed the evil nature of these nations. But to admit refugees from El Salvador that are equally deserving of asylum would seriously undermine the already controversial position the U.S. has taken in support of the military-civilian junta there. It would be tantamount to conceding what opponents of the U.S. policy have claimed all along—that the ruling junta in fact condones many of the human rights abuses occurring there, and is guilty of persecuting its own citizens.

It appears that the much vaunted Reagan "consistency" in foreign policy has taken another blow from its own morally inconsistent manner of implementation. By making a distinction between refugees from so-called communist nations and from allies who are nominally anti-communist, the U.S. is blatantly ignoring the humanitarian intent of the Refugee Act of 1980, which states that ". . . . it is the historic policy of the United States to respond to the urgent needs of persons subject to persecution in their homelands."●

TRIBUTE OF THE BOY SCOUTS OF AMERICA

HON. WALTER E. FAUNTROY

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. FAUNTROY. Mr. Speaker, last year more than 2 million Cub Scouts in the United States joined in celebrating the golden anniversary of the Cub Scout program of the Boy Scouts of America.

The Cub Scout program was officially instituted in 1930 in order to provide for younger boys the fun of home centered activities which would involve their families and friends. The objectives of the Boy Scouts of America and cub scouting for boys 8 through 10 are character development, citizenship training, mental and physical fitness, and fun and adventure. During the golden anniversary year, the 30 million Cub Scouts joined the program to participate in the excitement and life-lasting experience of scouting.

The scouting movement has been active in the Washington, D.C. area since scouting, as developed by Lord Baden-Powell in England, arrived in America in 1910. The first scouting constitution and bylaws for the area were adopted in 1911. The local council was incorporated on May 12, 1922, as the District of Columbia Council, subsequently changed to the National Capital Area Council. Since its beginning the council has organized scouting to fully involve parents, leaders and organizations in the District of Columbia and nearby Virginia and Maryland.

Early records of the National Capital Area Council indicate Cub Scout packs were organized beginning in 1930 and the growth of this younger boy program has continued to the present time. At the end of 1980, over 27,000 Cub Scouts were registered in the Washington, D.C., region. They participate in activities in 734 packs located in 17 counties between Fredericksburg, Va., the District of Columbia, and Frederick, Md.

Cub scouting has not severed its ties with the past and has continually evolved to keep up with the ever-changing needs of America's boys and their families. Historical material regarding the early activities of Cub Scouts in the National Capital Area Council is currently being researched. Some Cub Scout packs are developing a history of their packs which material can be preserved for the future, and many units which have been in operation for decades—some over 40 years—are trying to locate former members. Such research has developed information, such as the Cub Scout pack formed at Fort Myer, Va., in April 1931, which was a mounted unit.

Activities during the golden anniversary to help Cub Scouts celebrate their 50th birthday included hundreds of celebrations on the unit level and program events to help them remember the past, consider the present, and plan for the future.

This same enthusiasm continues in the 51st year of cub scouting. As a former scout, I am proud to endorse and support the scouting program. I invite you to join me in saluting the Cub Scouts of America for their contributions to helping strengthen our communities, and indeed our Nation.●

SPACE, PROGRESS AND DEFENSE

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. NEAL. Mr. Speaker, as the United States prepares to launch its first Space Shuttle, it is time, I think, to take stock of our space program and the need to continue it. The cost of the program over the years has been a subject of some criticism, and there are now among us those who consider it a luxury we can ill afford.

But as we continue to consider the part space exploration and utilization should have in our national priorities, I believe we must look beyond those blinding dollar marks in the sky, as it were, and reflect on the advisability, if not the necessity, of maintaining our leadership in this technology.

I was very much interested by two articles which appeared on the same day, March 22, in the Washington Post and the Washington Star. The Post article, by Henry Fairlie, dealt with the Space Shuttle and its relation to the future of the National Aeronautics and Space Administration. The Star commentary, by Lt. Gen. Daniel Graham, U.S. Army, retired, was based on an interview in which the general discussed space-age warfare.

I commend the two articles to my colleagues and insert them in the RECORD at this point:

[From the Washington Post, Mar. 22, 1981]

WHERE IS THE SPACE SHUTTLE TAKING US?

(By Henry Fairlie)

There was television, of course, in Europe in the 15th century. Since there was televi-

sion, there was a "Today Show." It advertised itself with the slogan, "We are in the Dark Ages. Now make light of them."

On the morning of Aug. 3, 1492, it carried the ususal kind of interviews: "What and what not to tell the priest at confession" and "Why serfs shouldn't jog on empty stomachs." But between them, that morning, was something unusual. "Kit Columbus sails from Palos today," said Joanna Paulina, a nun whom the church had put in charge of the program after the beatification of St. Barbara.

Grouchy merchants all over Europe turned away to gaze at their rancid medieval butter melting into the holes of their fork-split medieval muffins. "Haven't their Most Christian Majesties something better to spend their money on?" they grumbled. "It probably all comes out of the taxes which we now pay to Castile." And their rancorous medieval wives agreed.

It is not different today with the Space Shuttle.

No matter that their children were then playing with models of the Nina, the Pinta and the Santa Maria in their filthy medieval bath water: "Sixty Minutes" the Sunday before had exposed the fact that all three ships were unseaworthy, and it was an article of faith of the church that "Sixty Minutes" was infallible. Had not Danielus Ratherasmus, a tense monk, said that Columbus could not reach the Indies?

The first flight of the Space Shuttle, two weeks from now, will be an extraordinary event. Yet where it is not just greeted with a yawn, people seem to be like jackals, hoping that it will nosedive to earth.

One ought not to have to argue, at this late hour, the importance of man's exploration of space. Both its immediate and practical results and its far-reaching if unforeseeable consequences are already and will be dramatic. They have already changed our lives, even just in the technological spinoffs. They will radically alter our concept of ourselves. In the exploration of space, we are driving very deep.

It is put very simply in NASA's own description of its mission, as prescribed by Congress, in its 223-page Program Plan, 1981-1985, which deserves anyone's study. "Space science deals with the most fundamental questions we can ask about ourselves, our origins and our destiny. Who are you? Where did we come from? Where are we going? Are we alone?"

Who does not pause at those questions, and especially at the last? It is not too much to say that, in the exploration of space, science is asking questions about God. I can even forgive George Will his occasional choice of dinner guests because he is one of the few commentators who is intellectually and even spiritually alert to the depth of the concerns to which we are reaching as we journey into space.

Again one can turn to NASA's own description of its mission. It "seeks to understand the origin and evolution of the universe." The questions to which it reaches are "at the core of human concern since the most primitive times." Those questions are exact. "What are the size, scope and structure of the universe? What is our place in it? How did it begin? Is it unchanging or does it evolve; and will it have an end?" One has only to ask: In what other program, prescribed and funded by Congress, are such questions put? Put with the real hope of finding the answers now, outside "the dirty basement windows of the atmosphere?"

But let us stay with the shuttle. It is too easy to think of it only as a toy. After all, it's a bus. But even simply as a bus, consider where it will take us.

Part of NASA's mission is its life sciences program. This program seeks, among other things, "to ensure the health, safety, well-being and effective performances of humans in space." The furtherest purpose of this program is that it will "ultimately break human dependence on earth's environment." Space will become a habitable place for us.

My own application to be on the first shuttle which will carry reporters into space is treated with a clear if affectionate lack of seriousness. Gentle references to my age, and to the fact that an open-heart patient may not be the best risk up there, leave me with no answer. Yet if I am really to be "at large," what lesser place should be my beat? I should be on that bus.

But if we are to understand what the shuttle means, there are more immediate functions to ponder. Unless David Stockman has his way, 1984 will be an astonishing year.

The exploration of space will by then be beginning to accelerate. One need not mention here every new adventure which will be started. It is enough just to say, for example, that the fourth, fifth, sixth and seventh spacelabs will be launched. But among the new initiatives will be the launching of the space telescope.

This will be the first permanent observatory in space. It will be the most powerful telescope ever built. It will be put into orbit, and it will be long-lived. It will be serviced by the shuttle.

If one thinks of the telescopes available to Galileo, it is not less than breathtaking to think of this telescope, 2.4 meters in diameter, traveling around in space, and again outside our dirty basement windows. It could not be put into orbit, and given its long life to do its amazing work, if a shuttle did not service it. And in 1984 also the third shuttle is meant to be available.

But there is, of course, much more than the shuttle will do. The first shuttle this year, if all goes well, will carry a large-format camera up. This camera will "provide stereoscopic, panchromatic imagery, with a resolution of approximately 10 meters." But the essential point is that all of NASA's missions—including the scientific and the technological, including the observation of earth, of our environment and sources of energy—cannot be carried much further without the shuttle.

The shuttle is only one element in the regular space transportation system which is now to be developed. The whole system includes the spacelabs, the shuttle and the "inertial upper stage." This last may simply if inadequately be described as a boost to the shuttle when it is already up. It will extend its range. We may think of Columbus as he gazed with his trained seaman's eye at his three vessels, adjusting their sails for their uncharted voyage and wishing for an inertial upper stage atop the rigging.

The extent and complexity of NASA's programs is barely known or understood by most people. Even if one takes only the 13 spacelabs which are supposed to be launched by 1985, each will serve one of the individual programs in NASA's several missions.

From the life sciences mission to the astrophysics mission to the earth observation mission, all affecting our immediate lives as well as man's furthest futures, it is these which the space transportation system will carry out. To imagine continuing the exploration of space with no shuttles is to imagine flying on a commercial airline with no ground crews to service its planes.

If you still are not interested in the largest questions which are being asked in space, then you can at least come down to earth with a sharp bump. Among the many missions which NASA undertakes is the development of the advanced aircraft we will use here: "to improve the usefulness, performance, speed, safety and efficiency of civil and military aircraft vehicles, and to preserve U.S. leadership in aeronautical science and technology." This program will next year begin the development of the technology, for example, needed for fire-resistant material which will reduce the dangers of aircraft crashes.

That would seem to be a program whose impact is immediate enough to us all.

And if the shuttle does indeed nosedive to earth two weeks from now? We ought not to smirk at the disaster. We ought to consider what would be one of its causes. The space program depends on the long-range development of the most sophisticated technology. It has for years now been subject to erratic funding and arbitrary cuts in its budget. If the shuttle crashes, it will be our fault.

Columbus had to go begging round the courts of a still medieval Europe to find the funding for his first journey. When he was at last given it by Isabella and Ferdinand, it cost them the same as one of their court balls. Our vision sometimes seems to be as narrow as 500 years ago.

[From the Washington Star, Mar. 22, 1981]

Moving Into Space-Age Warfare

(By Daniel Graham)

Lt. Gen. Daniel Graham, USA retired, was director of the Defense Intelligence Agency until 1976. He served as a defense adviser to Ronald Reagan during the presidential campaign. He is co-chairman of the Alliance for Peace Through Strength, an adjunct of the American Security Council.

This is excerpted from an interview with journalist Dan Gregory.

Gregory: The plan selected by President Carter for deploying MX missiles has come under attack. Your views?

Graham: The problem is that MX is the grotesque child of bad strategy. It's grotesque to take a missile that's designed for counterforce—that is, to hit certain of the most dangerous Soviet weapons before they can hit you—and then deploy it in a system that is supposed to absorb all the effects of those weapons before you fire. That's a grotesquery, from a military standpoint.

And then to put $50-60 billion into that grotesquery is absolutely stupid. The MX deployment scheme should be rejected, not because its going to endanger the pronghorn antelope or the desert tortoise, but because it is the final offspring of very bad strategy.

They say we need the MX to protect because the Minuteman has become vulnerable. If I were a Minuteman missile I wouldn't consider the MX to be doing much about my vulnerability. How do you protect the Minuteman from its vulnerability? Well, the best thing to do is to defend. Get some kind of effective defense. How best to do that is the way that puts the most doubt in the Soviet general staff's mind: With a space-born defense.

Look at it this way. What do you do by putting out more things for the Soviets to shoot at? That's what you do with MX. There's one missile and you go to great ex-

pense to move it around to 23 different places that it might fire from. The worst problem you give the Soviets, assuming they can't figure out where the missile is, is that they have to shoot at 22 more things than they would have liked to have to shoot at. How do they solve that problem? They add 44 more warheads to their inventory—because two warheads dedicated to each one of those targets will insure—85, 90 percent insure—that it will be destroyed. So the Soviets have a pure arithmetic problem, the way we've been going about things.

But look what happens if you add an active defense. Now, I'm not talking about a perfect one that says "no missiles hit the ground," but just one that takes out any significant portion, say 10, 20 per cent of the Soviet striking force. Now the Soviets don't know how many of their warheads would get through and, what's worse for them, they don't know which ones would get through. And now you've got a formula that's not straight arithmetic, it's all full of permutations, combinations, and probabilities, which sharply reduces any assurance in the Soviet general staff's mind that they could attack MX or our bombers or our submarines in port with any assurance. And that doubt in the mind of the aggressor is the essence of deterrence, so that's how you repair your deterrent.

Q: Even as it came into being, many people accepted MAD (mutually assured destruction) only as a stop-gap until improved technology would provide something more concrete in the way of strategic protection. Is MAD now obsolete or is it becoming so?

A: There was about a year in the history of man when MAD looked like it might work. And even Khrushchev thought so for awhile. But it only lasted for a year that there was any possibility of MAD working because then technology began to make these weapons usable in a true military fashion rather than in the sort of "I'm going to blow up your city if you blow up my city," context.

Yes, we are at a real watershed in military affairs. If the United States does not change its strategic framework of thinking about these things, and allows the contest to remain in that technical area where the Soviets have learned how to compete very well and, as a matter of fact, beat us in those technologies because their mass more than makes up for what small technical advantages we have, then the Soviets are bound to win it. They're bound to win that contest and their strategic superiority over the United States will grow.

We must recognize the strategic watershed we have reached and put together a new strategic framework that is compatible with both the historical situation and the technical situation we're in today. If we don't do that I'm afraid we're not going to succeed and we're just going to fall further and further behind the Soviets.

If the Reagan administration's budget is simply a matter of incremental add-ons to all the various programs in the Pentagon, many of which—all of them were conceived within the framework of bad strategy (some of them are still good even though conceived within the framework of a bad strategy) but if that's all we do, just add to programs already going instead of making those fundamental changes required, we can wind up after five years or a decade of putting tremendous funds into those programs being worse off than we are today.

Q: You have predicted a major change of emphasis in this country's nuclear strategy within the decade, away from . . .

A: Away from straight destructive nuclear offensive capability to a sophisticated combination of defense and offense. And if done properly it is my contention that it's going to be cheaper than trying to meet the Soviets in the "mass" contest for masses of missiles and masses of airplanes and masses of ships and so forth. We've got to end-run them technologically but that we won't do unless we change the strategic framework in which we think.

I told you that within 10 years we will change. The problem is that if we don't change soon enough within the 10 years we are going to continue to allow the Soviets advantages that are going to be very detrimental to the Western world and the United States.

We can establish a space-borne defense against Soviet nuclear threats quicker, with less money and with more popular support than we can do anything else to change the strategic balance. I see signs all over now that we're likely to go in that direction provided we can overcome a lot of bureaucratic turfguarding and program managers' biases toward ongoing programs.

Q: You are referring to laser satellites?

A: I am referring to a thorough-going space effort which would involve some small, manned military vehicles in space that are multipurpose, could do a number of things including defending the installations we already have in space, satellites and so forth, inspecting Soviet satellites, destroying Soviet satellites if necessary, and intercepting some portion of a Soviet attack force using high-powered chemical lasers.

In addition, there is the possibility of what really constitutes a highpowered one-shot laser minefield. It's a satellite that you put up in the way of a Soviet attack that would shoot down great numbers of Soviet missiles and warheads if they tried to fire at us, a satellite that you could put up in times of danger.

I would couple the whole thing with the first steps toward acquiring solar energy platforms which would allow us, on an unlimited basis, to acquire power that's not dependent upon the OPEC nations or, as a matter of fact, upon any non-replenishable source of carbon fuels.

All of these things in a package are well within our technical grasp and if we do it we will re-establish strategic superiority over the Soviet Union or anybody else, and, furthermore, help to solve other basic strategic problems in the United States, such as our energy problem.

Q: You're talking about a radical departure. And the Soviets are ahead of us in anti-satellite technology.

A: In the application of space technology to military matters they lead us because they have been doing this and they have an anti-satellite capability. The technology that they're using is relatively primitive, it's no problem in terms of sheer technology. But they're ahead of us in applying the available technology to the problem of attacking objects in space.

We can overcome that very quickly and go well beyond them, and move the contest in a number of ways that even the most dovish American ought to agree with me are good.

One is, you move the contest with the Soviets out of the realm of sheer mass of offensive capability, into the high-technology arena where the United States should be able to and, I am convinced, will be able to stay ahead of the Soviets, and that's in a contest to control cislunar space.

Secondly, you reduce the urge to constantly stockpile more and more offensive nuclear weapons which, I understand, is a great problem for many.

The third thing is, you move the first and perhaps the only battle in a future central war into outer space where you're not blowing off chunks of the face of the planet.

But from a strictly military point of view, the greatest advantage is that you force the Soviets to compete with the United States in an arena in which they compete badly, and that is in high technology.

Somebody is going to establish a strategic superiority in space. The Soviets know that. They're working on it very hard. And we, with far better tools at hand to establish that dominion, have failed to do so. And we must—because if we don't, they will and from then on, whoever controls that high ground of space is going to have a tremendous edge, no matter what other level of confrontation occurs.●

ALLIES NEED TO INCREASE THEIR DEFENSE EFFORTS

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. COURTER. Mr. Speaker, over the past decade, we have watched the Soviet Union, our principal adversary, make immense strides in furthering their global interests at the expense of Western security. The massive Soviet buildup in tanks, aircraft, naval vessels, and strategic weapons, coupled with their outrageous behavior in Afghanistan and use of proxy forces in the Third World, requires a strong and united Western response, especially at a time when Poland is threatened. Unless our country, along with our NATO allies, Japan, and other pro-Western nations, take meaningful actions to bolster their defenses, the Soviets may win, not necessarily through war, but by outright intimidation. The "Finlandization" of Western Europe is surely a top Soviet goal.

Mr. Speaker, our Nation has borne the brunt and cost of defending the free world, since the end of World War II. Our Nation, with its Armed Forces and National Treasury, continues to underwrite the West's security. We devoted 5.2 percent of our GNP to the defense of the free world in 1980 and spent nearly 25 percent of our national budget in the areas of defense and international security assistance. Despite pledges from our allies of a 3-percent increase in real terms in their defense budgets, very few came even close to attaining that important goal. This trend cannot continue. Nothing is more dear or costly than defending one's independence and liberty. The primary ingredient is the national will to do so.

Mr. Speaker, I would like to submit for the RECORD an article that addresses the subject of allied defense expenditures, written by an outstanding defense analyst, Dr. Wayne Schroeder

of the Heritage Foundation. I believe that he makes some cogent points with regard to this issue that we can all learn from.

ALLIES NEED TO INCREASE DEFENSE EFFORTS

Although it appears inadvisable for the Reagan Administration to pressure them at this time, Japan and members of the NATO Alliance must assume greater responsibility for their own defenses, either physically or financially, according to analysts at The Heritage Foundation.

"Certainly, our allies cannot be expected at this time to raise their real growth in defense spending up to an order of magnitude approaching that of either the Soviet Union or their American ally," the defense experts write in the current issue of National Security Record.

"However, the U.S. (should) seek from its allies a consensus as to the seriousness of the Soviet threat, the inadequacy of past plans and programs, and a commitment to increase their defense burden gradually—in spite of economic stringencies, which the U.S. also faces."

Paying for their collective security has been a growing point of contention in recent years between the nations of the West, the Heritage analysts say. "Throughout the past three years, the commitment of NATO's allies to the defense of Western Europe has been gauged in terms of whether or not they were meeting the 1978 pledge to a three percent annual real growth in defense spending. By late 1980, however, it became apparent that due to low economic growth, high inflation, and budgetary constraints, most of our European allies would fail to meet the three percent real growth pledge in 1981."

"Rather than couching the NATO defense spending issue for our European allies primarily in terms of whether they are meeting an arbitrary, fixed percentage increase in defense spending each year, U.S. policy should seek to define exactly what areas in the NATO Long-Term Defense Plan and in European defense programs are in need of increased funding, and adopt an approach which squarely states European defense spending will have to rise far above the three percent real growth level."

While financial problems may plague Western Europe, Japan has no such economic justification for its posture, with its five percent annual inflation rate, a $14 billion trade surplus, an auto industry that is overwhelming Detroit, and an expanding volume of overseas investment. Because its July 1980 pledge to increase defense spending by 9.7 percent was substantially reduced in December, Japan's new defense budget will barely compensate for inflation, the Heritage analysts say.

The analysts conclude, "It is true that many Western nations are now in a period of great economic difficulty. Unfortunately, there is no assurance that these difficulties will soon pass away—indeed, they may worsen before they get better. The true measure of leadership for the U.S. is to act now—in the midst of a critical economic and budgetary crisis of its own—to increase substantially its defense spending and revise * * * security policies. * * * Such action will signal to our allies that we are serious about redressing the military imbalance, and that they, too, can join in this task, provided the political will exists to do so."

National Security Record is published monthly by The Heritage Foundation, a Washington-based public policy research institute.

COMPARATIVE DEFENSE SPENDING FOR THE 10 WEALTHIEST WESTERN NATIONS

Nation	As percent of GNP	1980 U.S. dollars (in billions)
United States	5.2	142.7
United Kingdom	4.9	24.4
France	3.9	20.2
Netherlands	3.4	5.2
West Germany	3.3	25.1
Belgium	3.3	3.7
Australia	2.8	3.9
Italy	2.4	6.6
Canada	1.7	4.2
Japan	0.9	9.0

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IT IS TIME FOR A CONFERENCE OF THE INDUSTRIAL DEMOCRACIES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. MICHEL. Mr. Speaker, over 1 year ago I called for the formation of a conference of the industrial democracies in which questions of mutual interest could be discussed and debated. I based that idea on the fact that although we have such forums as NATO, the United Nations, and regional organizations, there is at present no international group, composed of members sharing basic political and economic values where economic, political, military, social, and philosophical matters can be discussed.

We need such a conference. A recent article in the Wall Street Journal tells why.

At this point I insert in the RECORD, "Discord in the West—Economic Difficulties Beyond Arms Budgets Strain NATO Alliance" from the Wall Street Journal, April 1, 1981:

DISCORD IN WEST—ECONOMIC DIFFERENCES BEYOND ARMS BUDGETS STRAIN NATO ALLIANCE

(By Eric Morgenthaler)

BRUSSELS.—In a sprawl of low buildings on the outskirts of town are the headquarters of the North Atlantic Treaty Organization. It is the administrative center of the Western defense alliance, a sort of transatlantic Pentagon.

These days, however, many of the people inside are sounding more as though they worked in a transatlantic Treasury. They are talking of inflation and unemployment interest rates and oil prices, social security and welfare, trade and aid, and the problems of spurring economic growth.

Their talk is anything but idle. Many analysts in Europe and the U.S. think that such pocketbook issues may well be among the most important—and most divisive—problems facing the NATO alliance over the next decade.

"Economic policy is vital, and it relates directly to our security policy," says a senior economist at NATO. "A successful economic policy may have to be the very basis of a resurgent defense policy."

That possibility matters to the United States as it tries to persuade the NATO allies to increase their defense spending at a time when their sluggish economies are forcing many of them to slash popular social programs. But the problem goes beyond the question of spending, or not spending, on defense: It involves a thicket of economic strains that threaten, many Westerners feel, to weaken and divide the alliance for years to come.

GUNS AND BUTTER

Those strains start with the age-old quandary of guns versus butter, a choice that many European countries, with their expanding economies, haven't really had to confront since the post-World War II period.

The strains extend to such globally sensitive issues as trade with the Soviet bloc (which is more important to Europe than to the U.S.) and reliance on Middle East oil (the Europeans are more dependent on it). There also are a number of intra-alliance issues, ranging from competing interest rates and possibly protectionism to the fact that the unhappy economic climate is pitting ally against ally in a fierce race for shrinking world markets.

"The main point is there is going to be a hell of a lot of hassle on a number of economic issues," says David Watt, director of the London-based Royal Institute of International Affairs.

Mr. Watt believes that because of such problems as the slowdown in Western growth, the continuing fallout from the oil-price jumps since 1973, the weakness of the dollar in recent years and "the rather clumsy handling of all these issues by the Carter administration," Washington faces a much more difficult situation than the last two or three administrations have had.

A COMPLICATING FACTOR

Its task is complicated by Europe's being stronger and more assertive, both economically and politically, than it used to be. "If you compare it with the '50s or '60s, the whole situation has changed," says Helmut Hubel, who is with the German Foreign Policy Research Institute, a think tank in Bonn. "The economic strength of the European states has grown so much."

The world view of many European states also has changed—and moved somewhat away from the American vision of things. "There's a real problem of a divergence of opinion on what are the underlying trends in world affairs—one of which is The Threat," says Gregory Flynn, assistant director of the Paris-based Atlantic Institute for International Affairs.

The threat, of course, is that from the Soviet Union. The Europeans call for continued emphasis on strategic-arms limitation and other elements of detente while Washington seems to be putting detente on the back burner in favor of an arms buildup.

"What America sees frequently as Europeans' being unwilling to carry their share of the defense burden," Mr. Flynn says, is precisely what the Europeans see as their right to have more of a say in alliance policy making.

DIFFICULT TRADEOFF

The argument over sharing the burden is exacerbated by Europe's economic troubles. These days, more money for guns, which is what Washington seems to want from the Europeans, could well mean less money from butter. But for a European politician, whose countrymen have long been accus-

tomed to the butter of benevolent social programs, that trade-off isn't as easily made as it might be for an American.

"I don't think people in Europe would understand having to cut back social-welfare programs in order to make more money available for defense spending," says a defense planner in Bonn. "In Europe, much more than in the U.S., we need a sound, stable social atmosphere to prepare people for defense expenditures."

For decades now, the countries of Europe have built their extensive and popular range of social programs on the assumption of ever-increasing economic growth. Now that growth is trailing off, says one senior American diplomat, those programs have become "an albatross" and "an intense political handicap" for many European leaders. They also are a large problem for those who would raise defense outlays.

"For the past 30 years or so, you were able to combine the other priorities in public expenditure with defense," observes Christoph Bertram, director of the London-based International Institute for Strategic Studies. But today, he adds, "the perimeters of economic experience which have governed European society for 30 years are no longer valid"—and that means hard questions over public spending.

"At a time when you are trying to combat recession and fight inflation by reducing public expenditures, you can't keep the defense budget untouched," Mr. Bertram says. Because many Western leaders are trying to do precisely that, he suggests, "defense, by trying to be a sacred cow at a time when everything else is being cut, is risking becomeing more and more controversial."

Aside from the basic differences over defense spending, there are other economic friction points that could hamper NATO's ability to act cohesively in a crisis, analysts warn. One that is often mentioned, but whose significance is hotly disputed, is the trade ties between Western Europe and the Soviet bloc.

"It's very difficult, because we have to combine a lot of conflicting objectives," says a foreign-ministry official in Paris. "In West Germany and France, there is a view that through trade, the Eastern-bloc societies are changing. It's a very protracted process, but it may lead to some evolution in those societies." Thus, trade with the Soviet bloc "isn't a purely economic question" for France, he says. "It's more a political one."

But that doesn't reassure the Americans. Most recently, they have voiced considerable concern as negotiations have proceeded over a proposed 3,600-mile pipeline to deliver Soviet natural gas to Western Europe.

A MATTER OF LEVERS

What worries the U.S. is that if the transaction goes through, the Soviets by 1990 could be providing 10% to 12% of the natural-gas needs of the West European nations outside Scandinavia—30% in West Germany's case.

"There's always some suspicion in the U.S. that our trade with the Soviet Union could be a lever for the Soviets against us," says Mr. Hubel of the institute in Bonn. "But we think it's also a lever for us against the Soviets. It's a two-way commitment, a measure for stabilization. The Soviets could sell us gas, but they're highly interested in our technology—they really need it."

Wherever one stands on East-West trade, it's clear why it's an issue that affects NATO. But there are other issues where the link may be less obvious, for they involve trade or relations between the NATO countries themselves.

Many of those controversies are the stuff of everyday global economic life—disputes over a country's monetary or trade policy, say, or over the subsidizing of troubled industries—and in times of healthy growth, they usually don't cause much of a stir. But during an economic slowdown such as the current one, as countries everywhere scramble globally for business to save jobs at home, such spats can become major political rows.

Thus, officials in several European countries now and complaining loudly about high U.S. interest rates—which, they say, are luring investors' funds away from Europe. "One reason we are so slow in recovering economically is the tremendously high interest rates in the U.S.," says W. F. van Eekelen, under minister of defense in the Netherlands. He adds, however, that "NATO really isn't set up to handle that sort of debate."

CARLUCCI'S SPEECH

Washington seems determined to try to reassert U.S. leadership—in defense, as well as in economic affairs. It made that clear a few weeks ago with a tough call from Frank C. Carlucci, deputy secretary of defense, for the NATO allies to follow the Reagan lead and increase their defense outlays.

"The United States cannot be expected to improve and strengthen U.S. forces in Europe unless other allies increase their own contribution to the combined defense effort," Mr. Carlucci told a defense conference in Munich. "Nor can the United States, unaided, bear the burden of promoting Western interests beyond Europe."

Although there is confusion in Europe over just what Washington wants in the way of spending, it is already apparent that most European nations, faced with their own deep economic worries, aren't in any hurry to meet the administration's call.

"I think Carlucci is misreading Europe if he thinks tough talk is making a great impression," says Klaas de Vries, a socialist member of the Dutch Parliament, a long time defense-spending critic and chairman of the Parliament's defense committee. "It was a very insensitive speech. And it focuses the attention of the Europeans far more on determining what their own priorities are than it induces them to follow the leader."

Which is simply one way of saying that—for political, economic and social reasons—difficult times lie ahead for the NATO alliance. A senior American diplomat has another way of saying it. As the U.S. gears up to sell its allies on greater defense spending, he observes, "one has the net impression that it is going to be the same —— old tired, uphill battle."●

KANSAS STATE UNIVERSITY WILDCATS

HON. JIM JEFFRIES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. JEFFRIES. Mr. Speaker, many of you may have seen the March 23, 1981, issue of Sports Illustrated which features Rolando Blackman of the Kansas State basketball team on the front cover.

The Kansas State Wildcats have always been noted for their speed and agility despite the size of the players and have the reputation of a team not to be taken lightly.

The Wildcats have indeed made this year an exciting season for sports fans of my district, and even though the Kansas State Wildcats did not make the final four to qualify for the NCAA title, I would like to extend my congratulations to them for advancing as far as they did and praise them for the valiant try.

Under the direction of Coach Jack Hartman for the past 11 years, the Kansas State Wildcats have certainly proven not only to Kansas but to the Nation that they are contenders and will undoubtedly be back again. Good luck next year, Jack, and congratulations on a fine 1980-81 season.

For the benefit of my colleagues who did not see the Sports Illustrated story, the article follows:

K-State coach Jack Hartman's squad is in his image—quiet, colorless, collected; a friendly hardware dealer camouflaging the mind of a crafty terrorist. Down by 12 points against San Francisco, Hartman had replaced his struggling star, Rolando Blackman, with Brazil's own Eduardo Galvao, who despite being called "Edweirdo" by his teammates, was instrumental in the Wildcats' 64-60 victory. Then, against Oregon State, Hartman went from Edweirdo back to Rolando, who showed his appreciation by sinking the gamer with two seconds left.

Before that happened Kansas State plugged along 10 points in arrears until 6' 7" Center Ed Nealy and his backup, Les Craft, wore down Johnson and forced him into fouls and turnovers so that the 'Cats could proceed on a 16-6 tear and tie the game at 48 with 3:23 to play, precisely the point at which Johnson fouled out for the 51st time in his career. "We were working our butts off," said Craft. Not to mention Johnson's, a feat of some magnitude.

Now it was a chess game between masters. And, as Miler said, "You don't beat a Jack Hartman team making mistakes. They're too smart." Miller elected to slow things down, but the Wildcats fouled Charlie Sitton, who, being a rookie, missed on the one-and-one. Kansas State then held the ball down to 10 seconds when Blackman, the Olympian from Brooklyn, backed Mark Radford to the baseline, where they were joined by Blume. "He made a good strong move and I cut him off," said Radford. "Then he made another strong move."

It was the second one—Blackman spinning in the air from 16 feet, swish—that did it. "I had the good release," Blackman said. "I wasn't even aware that anyone was on me. It was just me and the rim."●

AN ANALYSIS OF THE REAGAN BUDGET—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. McDONALD. Mr. Speaker, now that the dust is settling on President Reagan's budget proposal and time for analysis of some of the actual figures

has transpired, a picture is developing which does not portend a hopeful future, through we all certainly wish the contrary were true. The distinguished economist, Murray Rothbard, recently published an article entitled "The Reagan Budget Fraud" in the World Market Perspective, March 19, 1981, issue. Mr. Rothbard is a key member of the Austrian school of economics. Although he is perhaps subject to criticism for support of what might be termed extreme libertarian views with an antidefense bias; nevertheless, his analysis is one that is excellent in scope and depth. I strongly commend it to the attention of my colleagues. The following is the first part of the article that is to appear in a two-part series:

THE REAGAN BUDGET FRAUD

(By Murray Rothbard)

"Reagan New Deal," and "Reagan Revolution!" proclaim the headlines. As the media prattle on about "massive tax and budget cuts" and an "historic" change in American politics rivalling that of FDR, conservatives are mobilizing for a great confrontation while liberals organize for a last-ditch defense of the millions of poor who are supposed to be thrown out into the street. Both sides can relax, however. For there is no Reagan Revolution. There is no budget cut; there is no tax cut. The whole brouhaha is sound and fury, signifying nothing. Nothing is happening.

THE BUDGET CUT THAT IS NOT

The myth propounded by the Reagan Administration is that he has proposed a "massive" budget cut for fiscal 1982 amounting to a whopping $41.6 billion. Even at face value, no sensible person could possibly refer to such a piddling 5.6 percent cut (from a total spending of $736.9 billion) as "massive" or historic. We might be entitled to say, however, that such a cut would be a nice, if hardly earth-shaking "new beginning." But there is no cut. For estimated total federal spending for fiscal 1981 is $655.2 billion; President Reagan's proposed 1982 budget comes to $695.3 billion, which, in my old-fashioned arithmetic, amounts to a $40.1 billion or 6.1 percent increase, not a cut.

When is a cut not a cut? In the old days, before the voodoo semantics of public relations entered the fray, a "budget cut" meant exactly that: a cut in the budget from one year to the next. Thus, President Eisenhower cut his first full year's budget from $74.3 billion in fiscal 1953 to $67.8 billion in fiscal 1954—a real, genuine cut of $6.5 billion or 8.7 percent. That, in old-fashioned parlance, was a budget cut.

The Reagan flim-flam, in contrast, takes not Mr. Carter's last budget, but Carter's projected increase for fiscal 1982, as the point of reference. Carter had projected an increase from his estimated $657.8 billion in fiscal 1981 to $729.7 billion in 1982, and the Reagan "cuts" are made out of the proposed increase.[1] In other words, Reagan is in no honest sense "cutting the budget"; he is merely increasing the budget at a lower rate than Mr. Carter had proposed. The "budget cut" is a fraud. No one at the time called the first Eisenhower budget a "revolution"; in fact, liberals hailed Eisenhower for preserving the New Deal-Fair Deal and conservatives at the time attacked him bitterly for the same reason. Yet, if Reagan had only cut the budget to the same degree as the self proclaimed "moderate" Eisenhower, he would have weighed in with a $600.6 billion budget, not his "historic" $695.3.

In fact, a better gauge of the sincerity of Mr. Reagan's budget-cutting is to compare his 1982 budget with the last full Carter budget, for fiscal 1980 (Oct. 1, 1979–Sept. 30, 1980). We would then be contrasting the last budget under Carter's complete control with the first one totally under President Reagan. Estimated total spending for fiscal 1980 was $579.6 billion. This gives us a $115.7 billion increase over the last two years, or a 10 percent annual budget increase of Reagan over Carter. That's a "cut"?

FORFEITING 1981

Before analyzing the 1982 Reagan budget in more detail, we should not completely skip over the Reagan stepchild, 1981. The new President, after all, has eight months out of fiscal 1981 to cut this year's budget; one would think that was plenty of time. Indeed, before taking office, Reagan promised faithfully to institute his income-tax cut retroactive to January 1, and his young Galahad of a budget-cutter, David Stockman, was talking about a $14 billion cut in the fiscal 1981 budget. All that is now forgotten: the tax cuts have been put forward to July 1, and the budget cuts proposed for 1981 have been pared to a scarcely discernible $2.6 billion.[2]

Indeed, the true role of the Reagan Administration in relation to the free market and conservatism was presaged in early February. Hardly was the new President installed when the Reagan team persuaded most of the conservative Republicans in Congress, many of whom had voted against increases in the public debt limit all their lives, to go along with Reagan's proposed $50 billion increase in the limit. It was rather pitiful to see hardened anti-debt Congressmen say that since they trusted Mr. Reagan to cut the budget, they would reluctantly vote to give him a chance. In this way, politics triumphs over principle. Is the destiny of the Reagan Era to be the killer of the hard-money dream?

THE $3–6 BILLION BOO-BOO

In a way, it was merely a funny incident, but it also chillingly revealed the political-bureaucractic mentality at work. Scarcely a week after President Reagan had delivered his February 18 State of the Union message, the Administration discovered that Stockman, their budget wunderkind, had somehow mislaid $3 to $6 billion from the Carter 1982 estimates, and that therefore they would have to "cut" that much more from the increase to come in at their target of $695.5 billion. The humor comes from the embarrassment and the continued insistence of the Reagan aides that, for political reasons, the President could not have admitted any uncertainty in the seeming precision of his budget figures. As his press secretary put it, "If the trumpet sounds an uncertain note, then who can prepare for battle? Who indeed? But if the trumpet really is uncertain, and it only fakes certainty, what happens when the mistake and the pretense are uncovered? Won't things then be much worse? But of course politicians, in their relentless scramble for advantage in today's news, are ever heedless of tomorrow. We the people have to pick up their pieces.

The chilling aspect is the instant cover up and ruthless buckpassing reminiscent of the Watergate era. When the boo-boo surfaced, everyone in the White House hastened to put the blame on Stockman. "Those are Dave Stockman's numbers." Each aide, plus of course the President, must be protected at all times. And yet, as Harry Truman once said, "The buck stops here"—in the Oval Office. It was Reagan's message, Reagan selected his advisers, and therefore he must shoulder the blame. Or is President Reagan's role in this administration merely to be a "good communicator" to be trotted out to soft-soap the American public?

THE 1982 BUDGET

The first thing to be said about the proposed 1982 budget is that nothing is abolished. Most programs have their rate of increase reduced; a few programs are really cut; and a few more are increased even over the Carter projections. But nothing is really abolished, not even the Council on Wage and Price Stability, a totally ineffective agency which always served as a sinister threat of wage-price controls hanging over the market. Certainly, the wage-price monitoring program has been abolished, but the cut of $1.5 million and the firing of 135 employees hardly makes a dent in the swollen federal bureaucracy.

Abolition serves a purpose even greater than the massive budget cuts that would follow. For a mere cut, even a large cut, keeps the bureaucracy in place, ready for a later comeback. Parkinson's Law decrees that any bureaucracy tends to grow and grow, unless checked sternly by outside forces—for example, by slashing its budget. But if an agency is abolished, the bureaucracy disappears and will no longer serve as a nucleus for future raids on the taxpayer.

During his campaign, Ronald Reagan promised to abolish two new and calamitous Cabinet departments: the Department of Education and the Department of Energy; all that is conveniently forgotten. The mammoth synfuel boondoggle remains, though some of its functions will be shifted out of the Energy Department.

Let us take just one of the 83 programs where the Reagan Administration has trumpeted its "cuts"—the widely and justly hated food stamp program. Food stamps have been accelerating rapidly and monstrously over the last decade: from $551 million in fiscal 1970 to $5.5 billion in fiscal 1978 (a tenfold increase in eight years) to $8.7 billion two years later. The 1981 food stamp budget is estimated at $10.95 billion; Reagan's 1982 proposal is $10.45 billion. This piddling 4.6 percent cut is in sharp contrast to the Administration's phony selfproclaimed 16.2 percent decrease, which again comes from using Carter's projected 1982 figure instead of actual 1981 expenditures. Moreover, if we compare Reagan's 1982 food stamp budget to the last full Carter figures of 1980, we get a 10 percent annual increase in food stamp expenditures from Carter to Reagan.

Not only that: if we take the projected figures for the rest of the Reagan era, we get a food stamp expenditure of $11.06 billion in

[1] Even on its own terms, the Reagan budget only "cut" by $34.4 billion, not $41.6; the other $7.2 billion were simply tacked on arbitrarily by the Reagan people to the Carter proposals to provide for allegedly "adequate defense." So we have a minor fraud within a larger one.

[2] Once again, the officially estimated cut is padded by Reagan's tacking on an arbitrary $1.3 billion for "adequate defense" before counting his own cut.

fiscal 1985, a 5.8 percent increase over fiscal 1982. So that instead of food stamps being cut further, we are to eliminate the measly cut over 1981 by the year 1983, and then food stamps will continue growing. This is the Reagan Revolution?

But again: the Reagan Administration's phony figures enable it to claim a healthy 20.3 percent cut in food stamp spending by 1985—because it persists in using as a reference point what Carter's budget would have been. For how many years can we continue to blame Jimmy Carter for current heavy spending? When does President Reagan become accountable?

When tackling food stamps, of course, the Reagan forces would be facing two sets of powerful enemies: the highly paid class of social workers, bureaucrats, and other professional "friends of the poor"; and the untouchable farmers, as well as retail stores, all of whom are heavily subsidized by this ten-plus billion dollar boondoggle.

The press has given some attention to the Sacred Seven, programs where Reagan has not even dared to reduce the Carter increases for 1982. Total annual cost to the taxpayer of the Sacred Seven programs is a colossal $210 billion. Leading the pack is Social Security, at an annual cost of $140 billion—an inherently fraudulent program that was sold to the public as old age "insurance." In reality Social Security imposes a regressive double tax on the poor, first to "contribute" to a fund which is quickly dissipated, and then to pay the tax on the ever-greater benefits. The program is widely recognized as bankrupt, yet not a thing is being done to get us out from under it. Moreover, the alleged "savings" of $1.7 billion from abolishing minimum monthly payments and payments to young adult students, turns out, when we cut through the familiar phony reckoning, to be an actual increase for these programs of $19.1 billion in 1982. Overall, Social Security payments rose by 14.3 percent last year; the reason is that these benefits are indexed for inflation, courtesy of the taxpayer—a courtesy not extended to other pensioners or wage-earners across the country.

Another "social safety net" untouched by Reagan is the $45.4 billion Medicare program, which is responsible for much of the enormous increase in medical and hospital costs that plague all of us except the elderly recipients of the program.

Still another Reagan sacred cow is the veterans' benefit program, most of which aids veterans with non-existent disabilities. As recently as 1975, then Congressional aide David Stockman denounced the fact that many Congressmen "openly admit to holding their noses when the annual $12 billion is appropriated for the Veteran's Administration"; the difference is that the annual sum, by now doubled to $25 billion, is now sequestered by Stockman as an untouchable program. This despite the fact that the VA runs with notorious inefficiency the largest hospital system in the Western world.

Because of its $3-6 billion boo-boo, the Reagan Administration is finally biting the bullet and proposing an $800 million cut in Veterans Administration programs. But should we be grateful for this belated 3 percent cut, when Professor Cotton Lindsay, a leading young economist, has shown that $8.2 billion—over ten times that amount—could be saved next year on veterans' programs if the benefits were merely limited to those the law had intended to help?

Some sacred cows are apparently so untouchable that they were not even listed as such by government or media. The outrageous tobacco price-support and acreage restriction program remains untouched—apparently in deference to North Carolina's Senator Jesse Helms. The Defense Department budget increases right away by $5.8 billion, with promises of much more to come. I am not stressing this area since the Reagan campaign had always promised big defense increases. But are we to assume that this huge area, marked throughout by extraordinarily inefficient cost-plus programs, includes no waste whatsoever?

A particularly aggravating, and extremely costly, untouchable program is federal employee pensions. Not only is federal pay high and tenure secure, but civilian government employees may retire after 30 years and immediately start collecting their hefty pensions, regardless of age. Military employees have an even sweeter deal: they can start collecting pensions after only 20 years' service. What is more, while most of us can't have our pensions indexed for inflation, government pensioners have their payments adjusted twice yearly as the cost of living rises. It is true that Reagan's State of the Union Message proposed reducing this inflation adjustment to once yearly, to match the Social Security recipients, but, as one budget-cutting Reagan aide admitted: "We won't really push for the change. Some things are just for show."

The particularly aggravating thing about government pensions is that they thwart the democratic process. One of the best features of democracy is that it allows the public to kick the rascals out—to get politicians and bureaucrats they don't like out of the public trough. But with automatic pensions in place, we no longer have that luxury. We simply can't get rid of any of them.

Another disquieting feature of the budget is a tendency to proclaim "savings" to the taxpayer only by placing higher costs on the public in other ways. Thus, $100 million is to be "saved" on the Coast Guard by levying compulsory fees on boat owners. A fee is another form of tax. More importantly, Reagan proposes to reduce by $630 million the subsidy to the U.S. Postal Service. But the allegedly "independent" Postal Service will simply offset this by raising postal rates unconscionably or by eliminating Saturday mail service, which they have been itching to do for a long time. So are we to lose as letter-writers what we save as taxpayers? Yet there is no sign from this Administration of the truly free-market and budget-saving solution: to dismantle the hideously costly and inefficient Postal Service altogether, and to allow private firms to carry the mail—a service that is now unfortunately illegal.

Finally, little is being done by the Reagan budget-cutters about many free-spending federal items that are, conveniently, off-budget, and therefore not subject to Congressional scrutiny. In addition to the $55 billion deficit announced by Jimmy Carter for 1981, there is a no less than $47 billion deficit being spent on "off-budget programs" such as the Federal Financing Bank, and on "government-sponsored enterprises" such as numerous mortgage loan programs.

THE TAX CUT THAT ISN'T

Just as the budget cut is a myth, so is the alleged "tax cut." The media have been ballyhooing the tax program as the acid test for "supply-side" economics: taxes of the wealthy have been cut drastically, say the media, and we'll see whether savings, investments and productivity increase dramatically as a result.

The problem with this common judgment is everything: taxes are not being cut, and the wealthy are getting less of a tax break than anyone else. The highly publicized 10 percent across-the-board income tax cut next year, for example, is by no means across-the-board. An individual making $200,000 a year will receive only a 3.4 percent cut; the $10,000 person will get a 15.3 percent reduction. A big problem is that the top-bracket tax on dividends and interest was not cut from 70 percent to 50 percent as Reagan had promised.

It is true that Reagan projects a $45 billion reduction in income taxes in 1982 as a result of the scheduled cuts. However, these reductions will be more than offset by two unpublized but crucial items: the rise in Social Security taxes, and "bracket creep," by which inflation moves us all into higher brackets, there to be socked by a higher tax. Social Security tax and bracket creep will more than offset any cuts, so that tax receipts will rise by $50 billion in 1982.

The Reagan Administration has failed to deliver on its promise to index our taxes so as to avoid bracket creep. It has also failed to cut at all the disastrous capital gains tax or the corporate income tax. How can savings and investment increase substantially while these crippling taxes are still in place and intact?

True, a more accelerated depreciation will now be permitted, and this is welcome relief. But the benefits will be concentrated on the old highly capitalized industries with long-lived capital; the modern, new and progressive industries which have the greatest potential for growth have already been depreciating at the new maximum rates. They should have been aided by the government, at long last, permitting any rate of depreciation that a firm deems to be appropriate.

Moreover, the President leaves intact one of President Carter's worst innovations: the misnamed "windfall profits tax" on oil, which is really a steeply graduated excise tax on crude oil at the wellhead. How are we supposed to achieve self-sufficiency in crude oil production when this tax will be operating with crippling effect? The Administration answer to this betrayal is: "We need the money." Indeed.

Some tax rates are actually going up. The already ailing airline industry especially will get hit. The federal tax on aviation fuel will be more than doubled to 20 percent, the tax on airline passenger tickets will be nearly doubled to 9 percent, and a new tax of 5 percent will be slapped on air-freight. Every airline passenger and shipper will soon be suffering the effects.

The Reagan program is not a tax cut, and it is not a test of "supply-side" economics. It is a sham. As the President admitted in his State of the Union Message, referring to the much-vaunted three-year, 30 percent income tax cut, "It's only a reduction in the tax increase already built into the system."●

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EL SALVADOR: THE VICTIMS OF VIOLENCE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. STUDDS. Mr. Speaker, in yesterday's CONGRESSIONAL RECORD, I and many of my colleagues discussed the question of violence in El Salvador. Today, we want to talk about the thousands of victims of that violence.

More than 12,000 people have been killed in El Salvador since the military and the Christian Democratic Party assumed control of the junta in January of last year. Tens of thousands more have been forced to seek shelter in refugee camps located within El Salvador itself, across the northern border in Honduras, or in other parts of Central America. In addition, Salvadorans have come in increasing numbers to the United States in search of temporary safety from the violence and danger at home.

Last January, I traveled to Honduras, along with Representatives ROBERT EDGAR and BARBARA MIKULSKI, to examine first hand the effect which the current situation in El Salvador has had on the Salvadoran people, and on other countries in Central America. The U.N. High Commission on Refugees estimates that more than 20,000 Salvadoran refugees now live in Honduras, surviving on food provided by international relief agencies and on the charity of Honduran peasants who are desperately poor themselves.

Representatives MIKULSKI and EDGAR traveled to the border region, itself, to talk to many of these refugees, and found them living in conditions of terrible malnutrition and poverty. Similar conditions exist in refugee camps within El Salvador.

Last year, the American public was shocked to learn of the discovery of more than a dozen bodies in the Arizona desert; bodies of Salvadorans seeking refuge from the violence of their own country. Today, Salvadorans make up the second largest group of individuals entering the United States illegally. Unlike many others from around the hemisphere, they are motivated not simply by a desire to seek improvement in their own economic status, but instead many are coming because they fear their lives are in danger at home. Many have found their names, or the names of friends, on the lists of people targeted for death. They know, far better than others, that death can come in El Salvador quickly, irrationally, and from almost any source. The fear of many about returning home is genuine, and no one familiar with the violence of El Salvador can suggest there is no basis for such a fear.

To date, the response of the current administration to the victims of violence in El Salvador has been to urge the European Economic Community to delay sending food to refugees in El Salvador—because some of it might be eaten by guerrillas—and to continue deporting hundreds of Salvadorans monthly to an uncertain fate at home.

I submit that the United States can and should do better. A nation that can afford to send millions of dollars worth of guns to an outlaw military can afford to send large quantities of food and medicine to comfort those fleeing the violence which is, in large measure, perpetrated by that military; and a nation as large and as wealthy as ours can afford at least as well as Costa Rica and Mexico to provide shelter and safety for those who fear they may lose their lives if they return to El Salvador.●

A RATIONAL ALTERNATIVE TO SYNFUELS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Ms. MIKULSKI. Mr. Speaker, the words "district heating" or "cogeneration" are new to many Americans. Cogeneration is an alternative to the usual way of generating electricity by producing two products: electricity and higher temperature heat. District heating is a form of cogeneration which refers to a pipeline network which connects residential, commercial, and industrial buildings and utilizes a single thermal energy source to meet three needs: Hot water, space heating, and process steam needs. District heating is used widely in Europe, the Soviet Union, and Japan. It is now used by about a third of the Swedish and Danish populations, serves 70 percent of Soviet urban heat demand, and is supplied in West Germany through 474 central heating networks. There are estimates that district heating, if implemented in the United States now, could save 1 to 2.5 million barrels of oil or natural gas equivalent a day by the year 2000. A number of utilities in the United States are exploring or implementing projects: Northern States Power in two cities in Minnesota; Detroit Edison in Detroit, Mich.; United Illuminating in Bridgeport, Conn.; Pepco in Washington, D.C.; Public Service Electric & Gas in northern New Jersey; Philadelphia Electric Co. in Philadelphia, and many municipal utilities in small communities.

The article I am inserting today from the Baltimore Sun of February 2 will be of interest to everyone who is interested in energy conservation and as the author, Neal Peirce terms district heating, "A Rational Alternative to Synfuels."

A RATIONAL ALTERNATIVE TO SYNFUELS

WASHINGTON.—Here is a perfect example of how the Reagan administration could curb wasteful, inflationary government spending, assure a more stable U.S. energy future and channel more investment and jobs into hard-pressed urban centers.

First: Follow the counsel of Office of Management and Budget Director David Stockman and "throttle back" on the incredibly expensive synthetic fuels subsidy program. Congress last year authorized synfuels development at an initial $20 billion, with a suggestion of $68 billion more later.

Second: The administration could encourage, with minimal federal money, a proven, century-old technology called district heating—a method which could eventually provide low-cost heat and hot water and cooling to the vast majority of America's homes and businesses.

National support for synfuels is thin. Westerners rightly fear coal and oil shale exploitation that would pollute their air, consume scarce water supplies and promote energy boom towns for which they would have to provide most of the expensive new public facilities. Easterners foresee a massive diversion of scarce capital out of their economically pressed region. Environmentalists bemoan a program that would inject cancer-causing chemicals into the atmosphere. Last year Mr. Stockman characterized synfuels as a "multi-billion dollar program (that) would not appreciably ease our energy problems."

District heating, by contrast, had an old-style American entrepreneurial birth 104 years ago when an inventive Lockport, New York, tinkerer named Birdsill Holly decided it would be a smart, economic idea to produce steam that could do double duty—to heat buildings and run the pumps of fire engines. So he built a boiler in his basement, ran steam pipes across his neighbors' lawns to the fire station and down Chestnut Street to nearby homes.

District heating flowered for a few decades in America, to a peak of about 150 systems in 1909. Then it tapered off as oil and gas for individual building heating became cheap and plentiful. Its remnants may be found today on college campuses and military bases and in a handful of aged city steam systems.

But the Europeans, we are now reminded by the Council for International Urban Liaison, took district heating seriously. It now supplies one-third of all space and water heating needs in Scandinavia. The Soviet Union has 67 times our installed district heating capacity. Most modern systems employ hot water, a system now considered more economical, practical and safer than steam.

Today, by various scientific estimates, 50 to 90 percent of U.S. heating and hot water needs, plus considerable air conditioning, could be satisfied by district heating. Immense investments in water pipes would be required to hook up the country's homes and businesses. But the costs would be a fraction of the trillion-dollar-plus capital demands of a full-scale synfuels development.

"If you add up the total amount of waste energy produced by all the electric power plants in the country," says Damascus, Maryland, district heating expert Theodore Taylor, "there's more than enough waste energy to heat the entire United States." The reason: The kinetic energy derived

from an electric turbine represents only 30 percent of the energy potential of a conventional fuel burn. The remaining energy is released as steam or hot water. Yet if recaptured in pipes, in the process called cogeneration, 85 to 90 percent efficiency of the fuel is achieved. And hot water can be economically transported for distances of up to 20 miles.

Cities or suburbs could build their own power plants to burn coal or garbage and transfer the hot water produced by pipelines to their residents. Homes and businesses could use the hot water in lieu of hot water heaters, and also circulate it through radiators for heating, or through radiators with forced air systems for the same effect.

District heating systems could save the equivalent of 55 percent of the country's current oil imports by 2000, supporters say. Unlike synfuels, the technology is of a proven, "off the shelf" variety. And since the systems would require thousands of semi- and low-skill jobs to build, they would create jobs for people where they live—in the cities—instead of creating intense demand for workers and scarce scientists to build questionable synfuel facilities in isolated Appalachian coal or Western oil shale areas. Finally, district heating would make older cities more economical, competitive places to live and do business.●

JEWISH HERITAGE WEEK

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. FAUNTROY. Mr. Speaker, it was with enthusiasm that I joined my distinguished colleague from New York, Congressman JOSEPH ADDABBO, as a cosponsor of House Joint Resolution 155, to authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as Jewish Heritage Week.

House Joint Resolution 155 passed last Thursday, March 26, 1981, and signals this body's commitment to the mutual respect and understanding for all peoples and cultures which is so necessary in making the ideals of America a reality.

The passage of House Joint Resolution 155 had particular meaning for me as I listened to a prayer rendered at a tribute dinner given for me by my constituents this past weekend. In the prayer, Dr. Michael Berenbaum, of the Jewish Community Council of Greater Washington, gave thanks to God for the tolerance and pluralism that is and must continue to be our blessing in America.

Mr. Speaker, I now bring this prayer to the attention of my colleagues. It is a prayer symbolic of America and one which embodies the message of Jewish Heritage Week:

PRAYER OF DR. MICHAEL BERENBAUM

It is perhaps only in America that I as a Jew can pray out of the tradition of the rabbis of the people of Israel for a Christian minister who is my representative in Congress, despite the knowledge that we have and will continue to disagree about how to achieve many of the same goals that we share as precious. Yet we strive together to build a society of justice and integrity, of compassion, and beneficence, one that is sensitive to the needs of the poor, open to the pluralistic traditions, free of racism and bigotry of any kind from which both of our peoples have suffered so brutally in the past and present. On God and God of our ancestors I pray that we join for the sake of your name in kindling light in a world of darkness, hope where there is despair, unity where there is division, compassion where there is self-centeredness, healing where there is sickness. And if we do not succeed in full, grant meaning to our struggle together.

This is a time of peril in our Nation's history, an hour of reassessment, a period of searching and division, yet also one of opportunity and promise. In this moment in history, the responsibility not only of high office, but of real leadership to his people, has fallen upon this Congressman and minister of God.

Grant him the wisdom to realize what is right, the power to achieve that which is good, the humility to know that thou alone art judged, and the sensitivity to bring us all together in the future.

Teach him to seek unity rather than division, to combine the passion born of the knowledge of injustice with the compassion which is kindled by the knowledge of Thee. Guide him to seize the opportunity and to assume the responsibility of healing in an hour of malaise, to give vision in a time of darkness and to retain hope for the poor and underprivileged in a moment of despair.

God, we ask You to guide this Congressman and minister to unite people who have historically known the anguish of suffering who could sing in the fields of slavery by the promise of redemption, who have understood full well the meaning of indignity and injustice by death and destruction, and the hope of the promised land. Let our history of suffering unite us rather than divide us. Let the passion for justice that we share, born in the injustice we experienced in isolation, be a force which brings us together for a common task rather than one that separates us in the pockets of division created by the sensitivities that our histories have developed.

United our voices in condeming violence, terrorism, and hatred, the mindless murder of children whether in Atlanta or Maalot—but let us be certain that the tone of our voices and the content of our words do not encourage more violence and give comfort to those who are its source. As your profit Jeremiah has said:

"Let not the wise man glory in his wisdom, neither let the mighty man glory in his might, let not the rich man glory in his richness, but let him that glory in this that he understandeth and knoweth. Me, that I am the Lord that exercises mercy, justice, and righteousness for in these things I delight sayeth the Lord." (IX: 22)

The power has been given; the opportunity is now to offer that which we have in your service in justice, with mercy and in the quest for righteousness. We pray that we will prove equal.●

THE INFANT NUTRITION RESOLUTION

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. HARKIN. Mr. Speaker, today my distinguished colleague from New York, Congressman BENJAMIN GILMAN, and I are introducing a House resolution expressing support for the World Health Organization's (WHO) and UNICEF's International Code of Marketing of Breast Milk Substitutes. The purpose of the WHO-UNICEF code is to contribute to the provision of safe and adequate nutrition for infants, by the protection and support of breast feeding. The code also seeks to insure the proper use of breast milk substitutes when they are necessary or desired.

This code deserves our strong support for one basic reason—it exemplifies the concern of the American people for improving the health and well-being of infants throughout the world. Children raised under conditions of poverty and poor sanitation are, of course, particularly vulnerable to the disease and high rates of malnutrition associated with improper bottle feeding. In the words of James Grant, executive director of UNICEF:

In the crucial first few months of life, breast-feeding is usually the young child's life-line. And the recent drift toward the bottle feeding of babies, a drift for which the industrialized world has provided both the example and the means, has cost tens of thousands of young lives * * *.

In part, the campaign for breast feeding must also be a campaign to regulate those who promote and sell commercial infant formula to mothers who do not need it, cannot afford it, and are unable to safely use it.

In addition, the WHO-UNICEF code deserves our support because it offers us the chance to promote self-reliant development in the Third World and enhance U.S. relations with developing countries—who are very deeply committed to enactment of the code—without spending an extra dime of the taxpayers money. Many of our European allies are also quite strongly committed to the code; indeed, at present only the United States seems to be in doubt as to the importance of the code.

Many of my colleagues are undoubtedly aware of the tragic increases in infant malnutrition, disease, and morbidity which are associated with bottle feeding under the unsuitable socioeconomic conditions which are prevalent in the Third World. Nonetheless, let me briefly summarize the situation as it has unfolded in the last few years.

Breast milk has historically been the sole source of nutrition for newborn infants. Even with the addition of

solid weaning foods at an age of approximately 6 months, breast feeding has traditionally been continued as an important supplementary source of nourishment for up to 2 years or more. Modern science has been unable to improve upon or even duplicate the life-giving properties of human milk, and it remains the optimal source of infant nutrition, in all circumstances, for the first 6 months of life. The chemcial composition of breast milk contains a host of anti-infective properties, which protect infants against allergies and disease. Breast feeding also provides a unique emotional bond between the baby and the nursing mother, and, according to many health professionals, a relatively effective means of child spacing. In our country, infant formulas have, in general, supplied an adequate, if not completely comparable, substitute for women who choose not to breast feed. The same cannot be said for most areas in the developing world, where unsanitary water supplies, lack of refrigeration and sterilization equipment, illiteracy and extreme poverty make such products unsuitable for safe use.

In recent years, however, health workers, nutritionists, church workers, development specialists, and international health agencies have called attention to the rapidly increasing substitution of artificial formula products for breast milk, in precisely the unfavorable socioeconomic conditions where its use is most hazardous. Numerous studies bear out these observations, as well as the significantly higher rates of malnutrition, disease and death among bottle-fed babies. According to Dr. Halfdan Mahler, Director-General of WHO:

> Evidence from the Third World indicates that infants breast fed for less than six months, or not at all, have a mortality five to ten times higher in the second six months of life than those breast fed for six months or more.

Misuse of commercially prepared formulas commonly occurs when contaminated water supplies are mixed with the powdered formula, negating its potential benefits. One study in Chile found that nearly 80 percent of the bottles examined were seriously contaminated. Illiteracy, inadequate knowledge of hygiene, and instructions that are frequently in foreign languages make written instructions on product labels worthless. Purchasing a sufficient quantity of infant formula in areas where proverty is rampant often requires 30 to 70 percent of the family's income. A report from Barbados revealed that 80 percent of bottle feeding mothers were diluting formula to make a 4-day supply stretch anywhere from 5 days to 3 weeks. Dr. Derrick Jelliffe, a prominant pediatrician with years of experience in developing countries and currently a professor at UCLA's School of Public Health, estimates that the misuse of artificial feeding methods results in approximately 10 million unnecessary cases of malnutrition or death each year.

Why are so many Third World mothers abandoning the costless and nutritionally superior method of breast feeding in exchange for the expensive and dangerous practice of artificial feeding?

Scientists cite several causes, including urbanization, changing social attitudes, and an increased number of women working outside the home. Perhaps the most predominant factor, however—and certainly the most avoidable—is the aggressive and inexcusable mass promotion of formula by the infant formula industry. Posters, product labels, and billboards sell the image of a healthy, well-nourished infant to a population whose desire for a higher standard of living erroneously persuades them to make misguided decision. Free samples distributed indiscriminately in maternity wards and clinics encourage abandonment of the traditional practice of breast feeding. Resuming the lactation process when the supply of free promotional samples expires can be difficult, and often impossible.

Donations from the formula industry of needed equipment and cash for medical institutions,—as well as a variety of personal gifts for doctors, nurses, and administrators—compels a sense of obligation. In an effort to reciprocate, health workers and medical institutions often display and disseminate promotional materials, thereby granting artificial feeding the de facto seal of approval of the highly respected health community. Company employed mothercraft nurses or medical representatives, often clothed in uniforms deceptively similar to that of hospital personnel, make special visits to new mothers, who are often unaware that their primary purpose is to sell their company's product. Otherwise well-intentioned salespeople, motivated at least in part by bonuses and commissions, frequently misjudge the ability of their customers to use infant formula safely.

Despite such excesses in promotion and the subsequently high rate of product misuse, withdrawal of breast milk substitutes from the market is not the answer. A small percentage of women are physically unable to breast feed, and all women deserve the right to choose their preferred means of feeding. But in the interests of infant health, the choice should be an informed one. Informed choice is currently very difficult to achieve because of the success of one-sided promotional campaigns initiated by the infant formula industry.

No one can hold the formula industry responsible for the unfortunate conditions which prevail in developing countries. But the aggressive, high-powered promotion of a product so predictably damaging when used under poverty conditions is not justifiable. Our economic system is based on the premise of private enterprise supplying the needs of consumers—but not on the creation of such needs through misleading propaganda.

Church, consumer, nutrition, and health organizations have recognized the importance of this issue and brought it to the attention of industry and governments. While such communication has resulted in some modifications of industry practices, self-regulation has proven insufficient to the task of developing appropriate marketing policies. Third World governments, lacking funds and sophisticated regulatory apparatus, often feel somewhat helpless and isolated facing foreign-based multibillion-dollar companies, which appear to have the support of their own governments in Europe, North America, and Japan. To those in search of a workable solution, it became clear that the issue needed to be addressed in the international arena.

In October of 1979, the World Health Organization and UNICEF held a 4-day meeting on infant and young child feeding in Geneva, Switzerland. This landmark meeting brought together experts in nutrition and medicine, and representatives of member governments, international organizations, the infant formula industry, and consumer groups, for the purpose of summarizing existing knowledge about infant feeding and discussing what steps could be taken to decrease malnutrition and infectious diseases. The meeting passed, by consensus, a far-reaching series of recommendations, calling for a halt to most types of infant formula promotion and for the implementation of measures to facilitate the practice of breast feeding and the use of appropriate—low-cost, locally produced—weaning foods. The recommendations have since been endorsed by the executive boards of WHO and UNICEF and by numerous respected domestic health organizations, including the American Medical Association and the Academy of Pediatrics.

While maintaining a public show of cooperation with WHO and UNICEF, the formula industry soon began to voice its opposition to various restrictions implicit in the recommendations of the October meeting. In various statements, including early 1980 testimony before the House Subcommittee on International Economic Policy and Trade, industry spokespersons began to distance themselves from the guidelines set forth by WHO and UNICEF. It became clear to concerned health personnel and member governments that the World Health Organization

needed to develop the 1979 recommendations into a formalized code of conduct

At the May 1980 World Health Assembly, nearly 60 governments spoke strongly in favor of a marketing code. A resolution calling upon the Secretariat of WHO to draft such a document was passed without dissent. Over the next 8 months the staffs of WHO and UNICEF convened numerous consultative sessions with member nations, scientists, industry, and church and consumer groups, refining and redrafting the proposed code in light of the comments of all parties. A final draft version of the code was presented to the January 1981 WHO executive board meeting, where it was passed by unanimous consent. The board's current 30 nation membership includes Great Britain, France, Canada, Norway, New Zealand, and the Netherlands.

The final draft now goes to the World Health Assembly this May for final ratification. It is significant to note that the code lacks any mechanism for enforcement, relying entirely on the moral suasion of recommending to member governments that they enact its provisions into their respective domestic laws or regulatory frameworks—as appropriate in keeping with the "social and legislative framework" of each nation. The board's resolution does make clear, however, that the adoption of an international code represents only a bare minimum step among the range of measures needed to adequately respond to what is acknowledged by virtually everyone—excepting the infant formula industry—to be a major health hazard and a cause for needless suffering by large numbers of infants. James Grant of UNICEF again sums up the need for the WHO-UNICEF code succinctly and convincingly:

> If implemented by governments, and observed by the commercial world, [the WHO-UNICEF Code] might mean that infants in many developing countries need not fall victim to the fashion for bottle feeding.

Grant concludes:

> If all of us in the international community who are working to promote and protect the practice of breast feeding are successful, we will save one million infant deaths each year in the eighties.

It is with both sadness and some astonishment that I note that the three leading American manufacturers of infant formula do not appear to share the concerns of the international health community. Abbot Laboratories, Bristol-Myers, and American Home Products have recently announced their intention to lobby for U.S. Government opposition to the WHO-UNICEF code. This is quite disturbing to me—both because of my longstanding confidence in the American business community's willingness and ability to act responsibly, and because of the frequently repeated statements by the companies in question that they would cooperate with and abide by the WHO-UNICEF initiatives.

Because the U.S. infant formula industry has chosen, in my opinion, irresponsibly, to oppose ratification of the WHO-UNICEF code, my colleague Mr. GILMAN and I are introducing this House resolution, expressing the sense of Congress that the United States should support and vote in favor of the code at next month's World Health Assembly. The resolution also calls for U.S. representatives to the WHA to oppose any weakening amendments which might be offered—none are expected—to encourage the American formula companies to abide by the code and to encourage other governments to call on their formula manufacturers to similarly respect the code. Finally, the resolution calls for cooperation with developing countries in their efforts to develop health standards and programs designed to implement the objective of this code.

Passage of this resolution would send a simple but very clear message that Americans remain firmly and fully committed to combatting world hunger, malnutrition, and disease. I urge my colleagues to join with Mr. GILMAN and myself in cosponsoring this resolution and in insuring its early passage.●

WELCOME TO OUR NEWLY NATURALIZED AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. GILMAN. Mr. Speaker, it is with sincere pleasure that I congratulate the 159 Rockland County residents of New York's 26th Congressional District who have recently chosen to become citizens of the United States, with all of the privileges, freedoms, and responsibilities that American citizenship entails.

Our Hudson Valley region in New York State is proud of its newest citizens and I invite my colleagues to join in welcoming the following newly naturalized Americans and extending to them our best wishes for a happy and prosperous life in their new homeland:

Annamma Joy Abraham, Fredy Rafael Abreu, Edward Niiapa Adom, Dora Felicity Adom, Rose Aghshikian, John Alexandra, Maria Perez Alpert, Aracelis Agustina Arias, Subhashini Reddy Bandaru, Ramon Eligio Bare, Elsa Mercedes Baret, Louis Carlos Battiata, Roberto Arcenas Batuigas, Immacula Belizaire, Gerard Hilarion Bellevue, Harpreet Singh Bhalla, Rafiq Bidewy, Sharon Lee Borgatti, Justine Marie Boursiquot, Samuel Brach.

Marie Gladysse Cajuste, Rosemarie Carioscia, Mayra Elena Castillo, Amrose Chand, Aurora Chantel, Pei-Chun Chiang, Mary Teresa Fitzgerald Chownes, Jennifer Antoinette Condon, Rose Marie Corriolant, Birgitt Culver, Ann Marie DeLeo, Delias Demande, Ramona Diaz, Wesner Dorvelus, Antonio Ampoon Dugaduga, Jean Marc Duroseau, Paul Esperance, Elimelech Fixler, Dvora Rivka Fixler, Sonia Parrenas Floresca, Gloria May Forrest, Winbert Forrest, Rita Fruntino.

Monica Garcia, Edline Marie Garland, John William Garrigan, Marie Marielle Garrigan, Maria Georgescu, Edith Grunhut, Luz Marina Gutierrez, Dieter Hans Hartmann, Barbara Ywk-Kuen Ip, Yury Ismestieff, Deenamma Jacob, Sammi Pacco Joseph, Annakutty Kallukulam Josphkunju, Mathai Joy, Moishe Katz, Zaka Ullah Khan, Samuel Kis, Leah Kis, Berta Kolonski, Lydia Kozuhar-Novikov.

Helena Kukla, John Kurian, Catalina Scalona Lagrimas, Yolette Lecorps, Kay Kyung Ui Lee, Kenneth Kiho Lee, Aizik Leibovitch, Pearl Leibovitch, Alla Levit, Vladimir Gregory Levit, Thomas Linares, Quetlie Linse, Juana Maria Liranzo, Jean Uyan-Rong Liu, Lily Liu, Trinidad Salome Lopez, Jayanti Mahapatra, Angelo Maida, Santiago Marquez, Ramon Martelo.

Filomena Martinez, Anna Mathurin, John McGee, Anne Mesida Mesidor, Josephine Antonio Miranda, Reynaldo Vinluan Miravite, Cesar Ismael Munoz, Sarvejit Mohan Narang, Sergei Nemchinov, Myong Cha Nivans, Jacques Demosthene Noel, Rivka Ostreicher, Brian Owens, Eduardo Evidente Pavon, Juan Antonio Payan, Jose Odalis Pena, Angela Altagracia Pena, Monette Pierre, Robert Pierre-Antoine.

Vincent Pileggi, Angela Quattrochi, Carol Dawn Reddy, Edgar Edmundo Restrepo, Beresford Alton Robinson, Jeannie Rodriguez, Jose Miguel Rojas, Aron Rubin, Judith Samet, Luis Manuel Santana, Rolando Villaroman Santiago, Carmen Marquez Santiago, Fe Caridad Encarnacion Sarangay, Ignazio Scaglione, Gaby Schettini, Galina Schuetz, Donna Schwartz, Miriam Senderowitz, Aruna Jay Shah, Suhag Shashikant Shah,

Nordchi Schmuel David Silber, Frances Soliveres, Rivky Spitzer, Alma Lidora Stewart, Herman Barrington Stewart, Ramy Sultan, Allan I-Luen Sun, Liberacion Alconis Tamondong, Jacob Tapiero, Anita Tapiero, Octavie Tarte, Annamma Thomas, Chu-Yuan Ting, Bella Aquino Tomelden, Serge Valbrun, Jose Manuel Vargas, Marcos Antonio Vargas, Flora Eduvijes Velastegui, Domenico Vicario, Themistocles Christos Vrachnos.

Vasiliki Vrachnos, Esther Wagner, Pinchas Yechezkal Wagner, Elisabeth Walentin, Christel Gertrud Wegner, Haddassa Weis, David Weis, Henney Weis, Eliandra Ester Shand West, Irma Pagayunan Wierer, Lai Mei Au Yeung, Theodoros Ziotis, Triantafyllia Ziotis, Gemil Zulme, Robert Zusman.●

RESTORING TAXPAYER'S FAITH IN THE AMERICAN SYSTEM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, it has become increasingly obvious over the past several years that the American people are tired of financing government overregulation and waste with their tax dollars. Mr. W. David

Stedman, chairman of the board of Stedman Corp. in Asheboro, N.C., is an active and eloquent proponent of tax relief at all government levels. A letter Mr. Stedman recently wrote to the Honorable Dan K. Moore, chairman of the Governor's Blue Ribbon Study Commission on Transportation Needs and Financing in North Carolina, is an excellent illustration of the philosophy that will restore the taxpayer's faith in the American system of government.

DEAR GOVERNOR MOORE: I am sorry that I am unable to be present Wednesday for the report of your Commission of Transportation Needs and Financing. I have, however, read the report carefully. I compliment you and the members of your Commission on all the hard work you have done and on your personal commitment to the welfare of this state. I have no doubt that much work needs to be done on the highway system as your Commission has so ably pointed out.

As important as all this is, I would like to suggest, however, that the real priority issue confronting North Carolinians is not transportation but the level of taxation. The tax burden of North Carolina citizens cannot be isolated to state taxes only. These same people also carry the burden of city, county and federal taxes. This total tax burden now consumes approximately forty-four percent of the average person's income. Just how much are the citizens willing to pay for the cost of government? I shall have to let other citizens speak for themselves, but as for me I am unalterably opposed to any further increase in the tax burden of our citizens. I refer to the percent of our income represented by the total tax burden.

In the medieval days, the feudal lords required that the serfs work forty percent of their time for the state. Obviously, we are already working forty-four percent of our time for government. So great is this problem that I have come to the position that no matter how worthwhile any new program is, if it increases the tax burden as a percentage of income, it must be either denied or other expenses in government must be curtailed to make room for it. In fact, I think it is essential that the tax burden be decreased through the years to come rather than increased further.

Now, accepting as fact that our highways do need the attention which your Commission proposes, the question is, "How do we get it done without further increasing our taxes?" May I suggest two alternatives:

1. Raise taxes on gasoline and perhaps other items as suggested in your report and lower taxes elsewhere by a compensating amount.

2. Continue the gasoline and related taxes as are, combine the highway fund with the general fund, set priorities of expenses as needed and cut the budget elsewhere to accommodate these priorities.

One can take the position that the net result of either of these two alternatives is to shift the burden of the cost of the highway program back to the people through the general fund and thereby ignoring the "user pays" principle, a principle long utilized in connection with the highway fund.

I think, therefore, the time has come when we should re-examine the "user pays" principle. While it is basically a fine concept, I have come to the conclusion that the term is one used mostly for convenience when talking about highway expenditures. Consider the following:

1. The people of North Carolina probably participate more completely in the use of the state highways and roads than any other item of state expense. Even those who don't own cars pay through the fares of public transportation. The "user pays" principle is reasonably approached by the very nature of this situation; i.e., general use by everybody of the state road system.

2. We seem to apply the "user pays" principle when it suits our convenience, as in the highway fund, but don't apply it where it doesn't suit this convenience, as in the higher education fund. Whereas most of our citizens use our highways in one form or another, less that twenty-five percent go to our state universities and colleges. Yet all citizens are taxed for the benefit of the relative few who do go to these state supported institutions. It is also important to note that the cost of this higher education is greater than the highway fund. If the "user pays" principle were used in this very significant budget item of higher education, the university system as we know it would probably be destroyed. We simply could not afford the massive higher education system we now have. How is it we can justify forcing people who never would or can go to college to pay the cost of others who do go? Yet we do it. I believe it is clear that a general tax for everbody to support the highway system, which is used by nearly everyone, is much fairer than a general tax to support our system of higher education which is used by only one fourth of our citizens.

3. The same argument can also be applied to our system of community colleges and technical schools.

4. The same argument, although in a lesser degree, can also be applied to our general education program. There are many people in this state who do not have a high school education, but who are paying taxes to keep up the system for those who do use it. Even here, the "user pays" principle does not work completely either.

To get back to my earlier point, the overriding consideration in the whole picture is the excessive level of tax burden our people now carry. This must be reduced rather than increased. I support good maintenance and proper expansion of our highway system and urge that we put these items into a priority structure with other items of importance and work it all out within our present total tax structure. Otherwise, I cannot in good conscience, accept it, and I don't believe the people of North Carolina will accept it either.

In my opinion, there is a way to do it without increasing our taxes if we only have the will to do it. Surely we shall have to cut back on other things, but if the priorities tell us that this is the thing to do, then so be it.

Thank you again, Governor, for your commitment and hard work in this matter. Please know that I love North Carolina, too, and will do everything in my power to support those programs and causes which I believe are to the ultimate best interest of our citizens.

Sincerely,

W. D. STEDMAN.●

LEGAL SERVICES: REGULATIONS FOR WHAT?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. MICHEL. Mr. Speaker, in all the discussion about the President's decision to cut funds for Legal Services, there has not been much said about the view of society that those who run this agency bring to their task. Walter Pincus of the Washington Post recently disclosed the fact that Legal Services is proposing regulations that would enforce a perverse philosophy on the taxpayer.

At this point I wish to insert in the RECORD, "Legal Service Corp. Suits Itself, Waves Red Flag at Reagan" by Walter Pincus, the Washington Post, March 30, 1981.

LEGAL SERVICES CORP. SUITS ITSELF, WAVES RED FLAG AT REAGAN

(By Walter Pincus)

"They have put a gun to their head and pulled the trigger."

That was the way one conservative caller last week described the comprehensive civil rights regulations proposed earlier this month by the Legal Services Corp. and published in the March 23 Federal Register (page 18055).

They include all the rules that drive Reagan conservatives crazy—nondiscrimination against homosexuals, requirements for bilingual employes, affirmative action plans to guarantee employment of women and minorities at levels that reflect "appropriate labor force characteristics," and inclusion of drug addiction and alcoholism as diseases that would qualify someone as being a "handicapped person" and, thus protected from discrimination.

LSC, you must remember, is the nonprofit corporation that supports legal services for the poor by distributing $300 million in federal grants and contracts to local organizations, which use the money to pay for lawyers and other legal specialists in almost every county across the nation.

President Reagan has long had a distaste for the federally supported legal services program, and his administration, as part of the budget-cutting effort, has marked LSC for elimination next year.

An LSC official conceded that the agency's board was aware that the proposed regulations, developed before the White House termination plan was announced, would be a red flag for the Reaganites. But LSC decided to put the rules out for comment anyway because "this was our position."

The purpose of the proposed rules, according to the notice, "is to prevent discrimination by legal services programs supported in whole or in part by Legal Services Corp. funds in the delivery of services or in employment. . . ."

The proposed rules, which for the most part codify procedures in effect since LSC's establishment in 1974, add a prohibition against discrimination by reason of "sexual orientation." That phrase, an LSC official said, refers to homosexuals.

The agency, she added, decided to prohibit discrimination against homosexuals because similar policies have been adopted by

the District of Columbia and other state and local entities.

The rules, however, also bar recipients of LSC funds from having "any contractual or other relationship" with other agencies or organizations including "labor unions, (or) organizations providing or administering fringe benefits to employees of the recipient . . ." if the agencies discriminate against specified groups, including homosexuals.

That provision, according to my outraged caller, "would eliminate the Catholic Church groups." Not so, according to the LSC official, and if it did, the rule would be altered. "That is why we have put it out for comment."

Another provision that's bound to draw criticism is one that says a recipient of LSC funds cannot "make a preemployment inquiry as to whether an applicant is a handicapped person or as to the nature of or severity of a handicap except where the examination or inquiry is related to an essential job function."

What about drug addiction and alcoholism, which LSC includes as characteristics of a certain kind of "handicapped person"? On first blush, the LSC official said a lawyer certainly could be questioned, but there was doubt about other job applicants.

Fund recipients under the rules would be required to provide bilingual employes, "not limited to clerical positions" in "any area where 5 percent of the eligible population are members of a minority language group." They also must provide informational literature in the appropriate languages and post signs in those languages. The percentage requirement was taken from the federal voting rights law, which requires ballots to be bilingual in areas where 5 percent of the population speaks a language other than English.

Grant recipient that have 50 or more employes must have an affirmative action plan approved by LSC's director of office of equal opportunity. Before producing such a plan, the recipient must, "determine if underutilization on the basis of race, national origin or sex occurs in any job category or unit of its workforce" using a formula supplied by LSC.

Its plan must include "goals and timetables to correct underutilization of women and minorities." In those instances where a recipient is found to have an employe "workforce or segment of the workforce not on parity with the relevant labor market," approval of higher authorities would be needed before any vacancies were filled.

In the Carter years, LSC's rules would have raised a few eyebrows; today they may hasten the lowering of the boom.●

RED SMITH ON HANDGUNS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. BINGHAM. Mr. Speaker, Red Smith, who is probably the dean of American sportswriters and certainly one of the most highly respected, sees "no valid reason why possession of handguns should not be prohibited by law."

In yesterday's New York Times, Mr. Smith concluded a column on the attempted assassination of President Reagan with the following pithy paragraphs:

Inevitably the attempted assassination revived talk about strengthening gun-control laws, a campaign that has not had ardent support from the President up to now. Wouldn't this experience alter his views?

Maybe, maybe not. The fact is, there is no valid reason why possession of a handgun should not be prohibited by law, though that would not keep the weapons out of the hands of assassins and other criminals.

Handguns are not sporting goods like rifles and shotguns. They are not used for any normal kind of hunting, not even trap shooting. Target-practice competition could be held with toy guns and rubber-tipped darts. The only practical civilian use for pistols and revolvers is shooting people.

This being the case, the law ought to ban these weapons. Such a law may make it more difficult for a wife, in a moment of pique, to plug her ever-loving helpmeet. It would be observed by the law-abiding and ignored by the lawless. President Reagan, who has waved plenty of six-shooters around playing cowboy in the movies, is perfectly aware of that.

Mr. Smith, the bill that does what you advocate is numbered H.R. 40.●

COGENERATION LEGISLATION

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. HEFTEL. Mr. Speaker, today I am pleased to introduce legislation which I feel will have a significant impact on our Nation's energy conservation effort. The bill, the Cogeneration and Small Power Production Deregulation Act of 1981 is intended to streamline those aspects of the 1978 National Energy Act which have constrained the full use of cogeneration by America's industries and utilities.

The United States is faced with an energy problem of unprecendented dimensions. As the present war between Iraq and Iran clearly demonstrates, our Nation is perilously dependent on highly unstable and uncertain foreign supplies of oil. Energy now has a direct and significant impact on our foreign policy and our domestic economy. It is essential then that strategies be devised and implemented to deal with the energy problem in the short term. We feel that a cornerstone of any energy strategy must involve increased conservation. Since America's industries and utilities consume well over half of all energy utilized in the country, we believe that an aggressive energy conservation effort in the industrial and utility sectors is essential to our Nation's energy future.

Cogeneration is perhaps the most important and readily accessible source of industrial conservation in the near term. The highly acclaimed work, "Energy Future," by Harvard Profs. Daniel Yergin and Robert Stobough, describes cogeneration as "industry's North Scope." Very simply, cogeneration is the production of two forms of useful energy from one fuel source, leading to a more efficient use of the primary energy. A number of studies estimate that perhaps over 20 percent of total industrial energy presently used in the United States could be saved through cogeneration. Our European allies are already effectively using this conservation technology. For example, cogeneration acounts for approximately 27 percent of all electric power used in West Germany, as compared with less than 5 percent in the United States. Interestingly, the United States once relied on cogeneration for a significant measure of its electricity needs. In 1922, for example, 22 percent of all our electricity came from industrial cogeneration. However, declining electricity prices and inexpensive oil led to a marked decline in the role cogeneration played.

Mr. Speaker, the legislation I am introducing today is aimed at encouraging utility cogeneration by removing those barriers in the Public Utility Regulatory Policies Act of 1978 which discourage utilities from owning and operating cogeneration plants. By removing these barriers, utilities will have been given a significant incentive to cogenerate, which will in turn maximize the energy efficiency of their power generation. A second major aspect of this legislation is intended to increase the efficiency of oil and gas use by America's industries. By modifying those aspects of the 1978 Powerplant and Industrial Fuel Use Act, which to now have prohibited, the use of oil and gas in industrial cogeneration facilities, I hope to encourage the more efficient use of these precious resources. Eventually, cogeneration using coal, biomass, synthetic fuels, and other energy sources will be used with great efficiency by industry and utilities. For now, oil and gas fired cogeneration will allow us to bridge a major gap in our Nation's conservation effort until such time as these other cogeneration methods are ready and other renewable energy sources are adequately developed.

It is important that we provide regulatory incentives to once again establish cogeneration as a major energy-saving technology. This proposal represents a first step to modifying those regulations which to date have unnecessarily restricted the utilization of cogeneration by industry and by utilities. I look forward to working with you and our colleagues in fashioning a comprehensive energy policy in which cogeneration occupies a major role. Our current energy dilemma requires no less than our full commitment to this challenge.

Mr. Speaker, for the benefit of our colleagues, I am including a Washington Post editorial on cogeneration

which appeared in the September 8, 1980, edition. The editorial discusses the merits of the technology of cogeneration and the need to proceed expeditiously with regulatory changes to encourage its development. The editorial follows:

[From the Washington Post, Sept. 8, 1980]

AN ENERGY SOURCE READY AND WAITING

Like the trolley car and the ceiling fan, a process known as cogeneration is another energy-saving technology that, although once commonplace, disappeared in the march of time, a casualty of "progress." Its enormous potential is finally beginning to be appreciated again. Unfortunately, industries, utilities and state power commissions are simultaneously discovering that a variety of energy regulations unintentionally inhibit its use.

Cogeneration is an alternative to the familiar way of generating electricity by producing electricity together with a large amount of low-temperature "waste heat." Cogeneration produces two products: electricity and useful, higher-temperature heat. That way, much more usable energy is extracted from the same amount of fuel, and energy is conserved.

Since the easiest and cheapest way to use that heat is in an industry that needs a lot of steam, cogeneration facilities are most attractive at industrial sites. Early in this century many American industries produced all the energy they needed by this means. However, as electric utilities grew and the price of electricity fell, most decided to leave the business of making electricity to the utilities.

As the cost of fuel for making electricity has soared in the last few years, cogeneration has slowly begun to be seen as an attractive alternative to conventional electrical plants. One recent study estimated that cogeneration could save the equivalent of almost two million barrels of oil a day, or more than one-quarter of current U.S. electricity consumption.

What is holding back the realization of this enormous savings? The greatest barriers are laws and regulations that discourage utilities from owning and operating cogeneration plants. Because of these, most such facilities are owned by businesses, which are generally reluctant to get involved in the heavily regulated and unfamiliar world of producing energy.

Utilities are far better suited to do the job. They are already in the business of making and selling energy. They are equipped to raise the needed capital. They have the experience to design and build the plants, to operate and maintain them at lowest cost and to obtain the necessary government permits.

Another major hold-up is restrictions that prohibit the use of oil and gas in cogeneration facilities. The most efficient cogeneration technologies today can be run only on oil or gas, though eventually the means will be developed to use coal, biomass and synthetic fuels. In the meantime, the restrictions have the unintended effect of wasting precious fuels.

As in so many other areas of energy policy, government needs to "unwrite" a lot of regulations to start saving more energy. Though utilities have been slow to appreciate its potential, cogeneration is so economically attractive that if they can be set free to get into this business, and encouraged by a few state utility commissions, the marketplace should do the rest.●

HELP ATLANTA

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. MURPHY. Mr. Speaker, last week, I introduced House Concurrent Resolution 99. This resolution expresses the sense of Congress that the Secretary of the Department of Health and Human Services, acting under the Child Abuse Prevention and Treatment Act, and other Federal officials should cooperate with State and local officials in their efforts to solve the recent murders of black children in Atlanta, Ga., and to provide for the safety and well-being of the children in Atlanta who are threatened by this crisis. I wish to take this opportunity to briefly explain the thrust of House Concurrent Resolution 99, and solicit your support.

The recent murders of children in Atlanta, Ga., represent one of the most heinous episodes in the history of the United States. Unfortunately, solving these killings will only resolve the superficial criminal element of this crisis. Beneath the surface lie festering psychological scars which will long survive the apprehension of the person or persons responsible for these killings, House Concurrent Resolution 99 seeks to offer assistance to State and local officials as they grapple with these scars.

The National Center on Child Abuse and Neglect, established under the Child Abuse Prevention and Treatment Act of 1974, has been the focal point of Federal efforts to combat child maltreatment since its inception. It is capable of pulling together the resources necessary to assist the States and local governments as they attempt to treat and provide services to children and families in which the threat of maltreatment exists. The purpose of its activities has been to help States insure that children who have been exposed to the threat of abuse grow to lead normal and productive lives.

Action by the National Center, utilizing its network of resources, could clearly assist the State and local government in providing the services that these children and their families will need in order to cope with the stress under which they have lived for so many months. I do not intend to infer that the families of the slain children have been abusive or neglectful families. Rather, I believe that the stress that these children are experiencing is closely akin to the stress generated by living in an abusive home environment. Each child must constantly ask, "Who can I trust? Who will be next? Will it be me?" It is my belief that the National Center on Child Abuse and Neglect is in the unique position of being able to provide assistance to the State of Georgia, and the city of Atlanta, as they provide appropriate services to these children and their families. Successful passage of this resolution will mean that the National Center will be able to respond to any request for assistance by Georgia officials.

It is in this spirit that I seek your bipartisan support. Please join me by cosponsoring this message to the children and families of Atlanta, Ga., that the Members of Congress are concerned and willing to do whatever they can to see them through this period of stress. I need not remind you that the 21st body of a slain black child was discovered yesterday. With each day, the stress grows more severe. If you will join me, please contact my staff of the Subcommittee on Select Education. Your support will be greatly appreciated. Thank you.●

EL SALVADOR POLICY IS WRONG

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Ms. MIKULSKI. Mr. Speaker, I am absolutely opposed to the present administration policy in El Salvador because I think it is wrong. It is not in the best interests of our Nation. It is not in the best interests of El Salvador—particularly those thousands of Salvadorans who have become refugees as a result of the violence. These refugees have been uprooted from their homes and been subjected to unspeakable horrors—all in the name of stopping communism.

On January 9, 1981, I traveled to Central America as part of a delegation sponsored by the Unitarian-Universalist Service Committee. Congressman GERRY STUDDS and Congressman EDGAR were also part of that delegation. We traveled through Costa Rica, Nicaragua, and Honduras. I took every opportunity to speak to people who had been in El Salvador recently; and I also traveled to the Honduran border for extensive meetings with Salvadoran refugees who had fled to that village.

In these meetings, I learned that the uniformed military forces of El Salvador are using American equipment to carry out a deliberate policy of terror against an unarmed civilian population. The soldiers of El Salvador arrive in American helicopters to kill and torture men, women, and children. During my interviews with the refugees, I asked "Who does this?" Always they answered, "It is the military." Again and again I asked, "Does the

Left do this?" "No" they told me—"They do not kill children."

I have said that I believe that our policy in El Salvador is morally wrong. It is morally wrong for this country to lavish arms on a government that cannot or will not stop its own troops from making war against its own people. It is morally wrong to offer U.S. helicopters that will be used to gun down peasants. It is morally wrong to use a small helpless country in our own backyard to send a message of toughness to Moscow.

I would like to insert in the RECORD excerpts of my interviews with the refugees.

A VOICE. The woman previously that we talked to is named Crecensia. We're talking with Maria.

[Portions in foreign language.]

A VOICE. She says that she would like to tell us the following, that many of her family were killed, so many that she doesn't even remember all their names now.

She said I'd like to speak first about my brothers and sisters and she just mentioned about five people who had been killed.

[Portions in foreign language.]

A VOICE. She said six of her—well, two of her sisters and four of her cousins, all women, were killed and were found naked. One of those women was pregnant.

[Portions in foreign language.]

A VOICE. And these women have left children.

[Portions in foreign language.]

A VOICE. One woman left two children, the other woman left three children orphans, but they haven't been able to find them all yet, so they haven't accounted for all of them. They do not know where they all are.

[Portions in foreign language.]

A VOICE. About nine or seven months ago, they killed one of her family, and the child that was left, one of the children that was left was an infant, and is now in the hospital of a nearby town, and is close to death.

[Portions in foreign language.]

A VOICE. The women were bathing in the river when the military found them and they took them into the woods, and then later they were found.

That's all she's going to say right now.

[Portions in foreign language.]

A VOICE. She says she personally saw them kill children and rape children from ten years of age and older, and then they would also take their bayonets and make what they call mincemeat out of them.

[Portions in foreign language.]

A VOICE. She said with the guns they would shoot at their faces.

[Portions in foreign language.]

A VOICE. And disfigure the people.

[Portions in foreign language.]

A VOICE. She said even going to the mountainside you weren't safe because they would have these huge machines that would climb up the mountainsides and try and get them, and they would set up their mortars and shoot at the villages.

A VOICE. Did the Left ever do those things?

[Portions in foreign language.]

A VOICE. No, they didn't.

[Portions in foreign language.]

A VOICE. No, they haven't done those kinds of things.

[Portions in foreign language.]

A VOICE. What she was saying is they would cut people's stomachs open and put salt and coffee inside their stomachs as a mocking.

[Portions in foreign language.]

A VOICE. They would open up the people's stomachs, the women's stomachs as if they were iguanas to take the child out as if they took out the eggs of an iguana.

[Portions in foreign language.]

A VOICE. And that is what I saw, and that is what I have to say.

The woman that just spoke was named Marcella. She is 45 years old.

[Portions in foreign language.]

He doesn't want to give his name.

A VOICE. This man had a wife and seven children, and one day 15 armed men arrived, some in civilian clothes, and some in army uniforms.

[Portions in foreign language.]

A VOICE. The government of Salvador is saying that the United States is helping them, and the man just expressed fear that that aid is going to be used against the people across the border in his country in Salvador, and he is afraid that once they keep on pushing people out they are going to come across the border and use that same armament here in this country.

A VOICE. He is afraid that they are going to take the military aid that the United States Government is giving and use that also to cross the Honduran border in pursuit of the Salvador refugees?

A VOICE. Exactly, yes. That's exactly what he's afraid of.

A VOICE. Is it the helicopters?

[Portions in foreign language.]

A VOICE. He said, yes, we fear the helicopters because they are up in the sky and they shoot at us.●

WHAT DOES ATLANTA TEACH US?

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. DOUGHERTY. Mr. Speaker, the entire Nation is in a state of shock and disbelief following yesterday's assassination attempt on the life of our new President. Our hearts cry out for an end to the violence in our streets which threatens the very foundations of America. Our people have shown remarkable resilience throughout the many violent attacks on our national leaders in this century. But today we truly wonder how much more we can take and not lose our national sanity.

On the same tragic day that our President was gunned down in a Washington street, the body of yet another young black child was discovered in Atlanta, making a grim total of 21 children who have been slaughtered in that city by a savage psychopath.

I cannot find the words to describe the sense of sorrow and helplessness I feel for this Nation and I am struggling to find a sense of hope. A renowned news columnist from my city of Philadelphia has described the tragedy in Atlanta far better than I can and he finds hope in the prospect that we will share an "overriding concern which believes that what hurts one hurts the other." I want to share with my colleagues the words of Chuck Stone in an article he wrote for the February 17, 1981 edition of the Philadelphia Daily News:

WHAT DOES ATLANTA TEACH US?

(By Chuck Stone)

The more gruesome Atlanta's nightmare has become, the wider a national sense of helplessness has spread.

Businesswoman Olivine McCoy probably mirrored a prevailing frustration when she asked in a pain-choked whisper, "What can we do?"

She has shared those mother's anguish. Seven years ago, her youngest son, Tyrone, was killed in a senseless homicide.

"Praying is good and I'm happy people are doing that," she reflected. "But it's not catching the murderers."

Even with those limitations, McCoy still supports prayer vigils and other publicly expressed alliances.

Symbols may not solve a crisis, but they're important. Atlanta mothers need to believe a nation cares for their children. National unity didn't get the hostages released in Iran. But the depths of that love comforted their wounds.

Atlanta's civic heart has been infected with a criminal abscess that will not easily be healed.

The murders of 17 black children in 19 months—almost one per month—in a predominantly black city headed up by a black administration has unleased a tidal wave of paranoia among black families. Who's out to get them?

When a boiler in a black housing project exploded, few were convinced it was accidental.

Struggling to preserve an inner calm, the city administration reached the outer limits of civic sanity weeks ago.

It has been now reduced to finding bodies instead of catching murderers.

In this kind of vacuum of frustration, the bizarre feeds on the unknowing.

Talk show callers are reliving their dreams in which a particular face or house keeps recurring. Weirdos paint color books of visions.

Psychics have been deputized. Only fortune cookies have not been pressed into service.

Yet, Americans of good will continue to offer hard-nosed strategies. Daily News reporter Kitty Caparella was the first to suggest that a team of trained dogs be used, and they were sent to Atlanta from Philadelphia.

Police Inspector Bernard Small has discussed with Atlanta police a sensible plan to use child-sized featherweight boxers as bait for the killers.

With out-of-state detectives, state investigators and the FBI scouring Atlanta for that one thread that ties the murders together, two one-word questions blanket the city like a circling swarm of vultures.

Who? Why?

The 17 victims are all black. Are their deaths the twisted work of a sick racist or a normal-looking, respectable-acting psychotic?

Some authoritative callers and responsible writers are convinced these kids could not have been murdered so easily if they had not been lured by a guileless-appearing authority figure, somebody they trusted.

What more commanding authority figure than a person in uniform?

White? Some have narrowed it to that one chromatic dimension. That theory suffers from one fault.

Random black-on-black crime has done more to wipe out black kids and desecrate black women today than an army of white racists.

In Philadelphia, some of the most ghastly murders and rapes imaginable in the black community are being committed by black men.

In Atlanta, the possibility of one black pyschopathic killer running around loose holds as much water as one city-uniformed white racist stalking those kids.

Again, we are forced to return to the emptiness of our ignorance and the futility of no clues.

If we can hold on to our commonsense long enough before it surrenders to hysteria, we can retain the lessons Atlanta teaches us.

First, organized terror knows no racial boundaries. There is no immunity to depravity whether orchestrated by one fiend or organized by a mob of demented thugs. No defense can be mounted against the planted bomb, the stealth of the rapist or the assissin's plot.

In the Middle East, innocent women and children are systematically murdered. Businessmen are kidnapped in Europe, elderly white women are murdered in Columbus, Ga., black men are assassinated in Buffalo and their hearts ripped out, and the bodies of 33 white boys tortured and murdered in Illinois by John Wayne Gacy Jr. were eventually dug up. At any time anywhere, organized terror can strike any of us.

Secondly, parents have got to be more lovingly protective about their children. In a couple of instances in Atlanta, parents didn't report children missing immediately because it was normal for them not to be at home at a certain time. Parents should know their children's schedule with the same authority as they sign a check.

Thirdly, we ought to be quicker about spotting possible trends.

By the time five kids were missing, Atlanta authorities should have been climbing their municipal walls and offering huge rewards.

Yet there was no great national outcry. The headlines didn't scream. Are five missing kids to be cherished less than 17? Life has been cheapened. We seem to require bigger numbers before we get excited.

To contain the barbarianism within us, we must not rely on occasional prayers or offers of assistance.

The hope of Atlanta, as does the hope of America, lies not in the sponsorship of official prayer breakfasts and longer Sunday morning sermons.

Rather, our peace comes only with the embrace of an overriding concern which believes that what pains one hurts the other. What debauches me eventually destroys you.

That's what makes our humanity indivisible. The cold partitions of color, religion and class ultimately will dissolve in the warmth of our oneness.

If President Reagan can become the forceful exponent of that vision, nothing will come between us and the power of its affection.

Mr. Speaker, surely today we can agree with this outstanding black news columnist that "terror knows no racial boundaries" and that "there is no immunity to depravity whether orchestrated by one fiend or organized by a mob of demented thugs". Indeed, in the words of Chuck Stone, "No defense can be mounted against the planted bomb, the stealth of the rapist, or the assassin's plot." He believes with all his heart that when our people "embrance an overriding concern which believes * * * that what debauches me eventually destroys you" then the "cold partitions of color, religion, and class ultimately will dissolve in the warmth of our oneness". Let us pray that it is true.●

AGRICULTURAL LAND RESOURCES ACT OF 1981

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. JEFFORDS. Mr. Speaker, today I am introducing the Agricultural Land Resources Act of 1981, in order to further local and State efforts to address the continuing permanent conversion of agricultural land to nonagricutlural uses.

The act builds on the intent of Congress expressed in House Concurrent Resolution 92, which already has 80 cosponsors, and goes further to spell out:

The overall national policy that Federal programs should be administered, except where precluded by law, in a manner that will not cause the unnecessary, irreversible conversion of agricultural land to other nonagricultural uses, and that will not conflict with local or State programs to protect agriculture;

The role that the Secretary of Agriculture should carry out to cooperate with other Federal agencies whose programs may influence the conversion of agricultural land and to report to Congress on how Federal programs could be redesigned to assure the retention of productive agricultural land;

The responsibility of the Secretary to provide technical assistance to any State, locality, or qualifying nonprofit organization which desires to develop farmland retention programs or policies; and

The specific charge to the Secretary to implement educational programs and disseminate educational materials emphasizing the importance of productive agricultural land, and to designate one or more agricultural land information centers.

I was very encouraged by the testimony provided in hearings of the Conservation, Credit, and Rural Development Subcommittee of the House Agriculture Committee, in which several witnesses urged the Congress to seek swift passage of a bill such as I am introducing today. They further recommended that such a bill be made an important part of the 1981 farm bill.

I also was very encouraged by the testimony provided to the full committee earlier this week by Secretary of Agriculture John Block, and the explanatory notes that he provided for the administration's farm bill language. It is very timely to include an agricultural land resources title in the farm bill, and the bill I am introducing today is consistent with the position of the Secretary.

As Secretary Block said at the national agricultural lands study workshop in Chicago in February, the agricultural community has to convince the rest of the Nation of the dangers to farmland of unchecked urban development.

He said:

> In the next 20 years we cannot realize a 60- to 85-percent increase in demand for U.S. agricultural products while urbanizing 3 million acres of productive land each year and maintaining current low productivity rates.

At the same time, I know Secretary Block and many of my colleagues understand that decisions about managing and improving the productive capacity of the agricultural land resource belong primarily to citizens and to their local and State governments. Where they request technical assistance or educational materials or background data, the Department of Agriculture should be ready to provide it. Where they call for further information or research, the Department of Agriculture should be ready to seek it. Where they speak up that a Federal program of any kind may be unnecessarily bringing about the irretrievable conversion of agricultural land resources that are important to them, the Department of Agriculture and the Office of Management and Budget should be ready to cooperate with the appropriate agencies in making sure the programs blend with rather than conflicting with the local and State interests or objectives.

The bill I am introducing today calls for no new agency or institution. It calls for no new expenditure of Federal funds. It simply encourages that the Federal Government operate its programs and facilities in a little different way so that this Nation's strategically important ability to produce food and fiber is not unknowingly or unnecessarily compromised. It simply sends a signal to local and State governments that we will begin to help them in their growing efforts to maintain a productive agriculture.

This one bill will not solve the whole problem; I am considering further legislation, along with other Members, that might address such other elements as economic research, tax, and other incentives to farm on good land

and build on other land, and other possible shifts in programs and assistance.

Yet this bill will set the overall stage for a responsive, well coordinated effort to provide the agricultural land resource assistance needed for a permanent agriculture. I am pleased that Secretary Block has agreed to make this kind of title an important segment of the 1981 farm bill. It blends well with initiatives in soil and water conservation, commodity programs, and the like. I encourage all of you to support such a title with the language that I have suggested.●

WOMEN'S RESEARCH AND EDUCATION INSTITUTE

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mrs. BOGGS. Mr. Speaker, the Women's Research and Education Institute of the Congresswomen's Caucus, in an effort to determine the impact of the proposed budget revisions on women, has prepared analyses of a number of these cuts. I thought my colleagues would be interested in seeing the reports on student benefits and the proposed tax cut.

GUARANTEED STUDENT LOANS (IN FUNCTION 500)

Loans to students and parents from private and state lenders are guaranteed against default by the Guaranteed Student Loan Program. Eligible recipients include any student enrolled at least half-time in a post-secondary education program. Interest charges are paid by the federal government while the students are in school; a 7 to 9 percent interest rate is charged upon leaving. The Administration proposes to:

Take into account other forms of aid, including familial, and limit the loan to the remaining "assessed" need;

Eliminate the in-school interest subsidy;

Eliminate all federal subsidies, except the default guarantee, for parental loans.

The Congressional Budget Office estimates that the needs requirement would reduce the eligible population by approximately 50 percent. However, there is no guarantee that the number of participants would be reduced, since only about one-third of the eligible population currently borrows.

Impact on Women: It is not clear that cuts in this program would have a direct disproportionate impact on women. One objective of the proposed changes is to ensure that the GSL's go to students who truly need them. Possibly, the children of female-headed households, whose incomes fall well below that of other households, would have a high probability of qualifying for these loans. However, lenders might be more reluctant to provide sufficient capital if loans were made on the basis of need. Thus, these same students might face considerable difficulty in obtaining loans.

Comment: The GSL program must also be considered in relationship to the proposed elimination of the student Social Security benefit. Cuts in the latter program are discussed elsewhere in this paper; however, we might repeat that a very high percentage of student Social Security beneficiaries are the children of widows. Although no estimates are available, it is likely that students who are—or would have been—eligible for student Social Security benefits will apply instead for a GSL. Cutbacks in the GSL program might make it difficult for some of these students to transfer to GSL, especially if the pool of available loan capital for needy students is reduced.

PELL GRANTS (IN FUNCTION 500)

The Pell Grant (formerly the Basic Educational Opportunity Grant) program provides grants to low-income undergraduate college or post-secondary vocational/technical school students enrolled at least half-time. Grants vary in amount, depending on the family's discretionary income. Among the proposed changes are the following for fiscal year 1981:

Maintaining the maximum grant at $1,750;

Rescinding an inflation adjustment in the family cost-of-living allowance; and

Requiring students to contribute $750 to their educational expenses.

These changes would be retained in 1982. In addition, the Administration proposes that the:

Assessment rate on discretionary income be increased; and

State and local tax deductions used in determining family contributions be eliminated.

Impact on Women: Lower-income persons constitute the majority of Pell Grant recipients. The Congressional Budget Office concludes that most of the overall reduction would affect these students. Some 575,000 fewer students would receive grants in fiscal year 1982 than are currently receiving them. In addition, the average benefit would be about $150 less than it is now.

The impact on women is by no means self-evident. A disproportionately high percentage of low-income families are headed by women. Their children (and children of other low-income families) should receive preferential treatment in the grant award process. Benefit levels to the truly needy, however, will drop. This development, combined with reductions in other forms of student assistance, may have a very negative impact on female-headed households.

Comment: Moderate- and middle-income families would also be affected by these reductions; however, according to the CBO, "even awards for the most truly needy would fall behind previous levels." The demand for other types of assistance will probably increase, although cuts in these programs may make it difficult for many students to obtain adequate financing.

INCOME TAX RATE REDUCTION

With the aim of encouraging savings and investment, and improving the incentive to work, the Administration proposes to cut personal income tax rates by 10 percent a year over the next 3 years.

Impact on Women: Enactment of this proposal would do very little to help the vast majority of those millions of women (some 21 million) who are not part of a married couple. The Congressional Budget Office estimates that only 3.3 percent of the Administration's proposed tax reductions would benefit taxpayers with incomes below $10,000, the income category in which 60 percent of all female householders with no spouse present and 70 percent of widows are found. Less than 14 percent of the proposed tax reductions would benefit those with incomes between $10,000 and $20,000, the range in which the incomes of 28 percent of female householders and about 20 percent of widows fall. More than four-fifths (84 percent) of the benefits of the proposed tax reductions would go to taxpayers with incomes of more than $20,000, a group into which only 12 percent of female householders and 10 percent of widows fall.

For women in the nearly 40 percent of all married couples with incomes over $25,000, the cuts in the tax rates should be helpful, especially in cases where both spouses work. A reduction in the marginal tax rates does lessen the tax impact of a second salary. Nevertheless, the Congressional Budget Office has pointed out that a reduction in tax rates is not as effective in reducing the "tax on marriage" as would be other suggested approaches targeted specifically to the marriage tax.

APPENDIX

POVERTY IS A WOMEN'S ISSUE

1. Three out of every 5 persons with incomes below the poverty level are women. Two out of every 3 older persons living in poverty are women.

2. Female-headed families with no husband present comprise only 15 percent of all families, but 48 percent of all poverty families.

3. Female-headed families with no husband present comprise 11 percent of all households and 27 percent of all poverty households. Another 31 percent of all poverty households are female nonfamily households.

3a. The poverty rate for female-headed families with no husband present is more than triple that of all families. At 64 percent, the poverty rate for households headed by young (aged 15-24) women is seven times the poverty rate for all families.

4. Black female-headed families with no husband present are particularly likely to be poor. Black families headed by young women are especially disadvantaged.

5. The median income of all women aged 14 and older is well below half that of their male counterparts. This income differential widens in the middle years.

6. Older women are concentrated in the lowest income brackets. Seven out of every 10 widows, most of whom are older women, had incomes of less than $10,000 in 1979.

7. In general, women are much more likely than men to live in central cities. Older women in central cities outnumber men by a wide margin. (Figure 5.) Thus, cuts in aid for apparently gender-neutral city services could disproportionately affect women.

8. Households headed by women are far more likely than other households to be benefiting from federally-assisted programs.

9. Poor women who work are concentrated in the lowest paying kinds of jobs with few opportunities for increasing their income.●

FAMILY ENTERPRISE PRESERVATION ACT

HON. E. THOMAS COLEMAN

OF MISSSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. COLEMAN. Mr. Speaker, not long ago, Senator NANCY KASSEBAUM introduced S. 574, the Family Enterprise Preservation Act which would ease the burden of taxes on family farm enterprises and other small businesses. It is with great pleasure that Mr. ROBERTS and I offer this bill for the consideration of the House of Representatives.

The family farm has changed greatly during the past decade. Farm values have increased dramatically as inflation has driven up the cost of buying farmland. It is extremely difficult for young people to enter farming on their own.

Mr. Speaker, I have recently heard from young people in my district—who earnestly want to farm—describe the difficulty they expect to face because of the current unfair, confiscatory inheritance taxes.

Land, machinery, and other production costs are quickly becoming insurmountable for the young farmer, especially when coupled with exorbitant interest rates. For these reasons it is absolutely necessary that Congress act to assure that farms can be passed on from one generation to another without losing the greatest asset of the estate, the land.

Under current law the owner of a family enterprise often is forced to sell a portion of the estate to pay taxes. This must be corrected.

This bill would clearly safeguard the family farm enterprise by excluding the first $750,000 from Federal estate taxes. The bill would allow the $750,000 exclusion as long as the farm or business accounted for at least half of the estate.

To discourage any kind of windfall to the survivors of an estate, the legislation also provides for a payment of the excluded taxes if the estate is sold within 5 years of the original owner's death. For each year after that, 10 percent of the property's value would be protected from estate taxes.

As the Senator from Kansas noted when S. 574 was introduced, this legislation would be extremely beneficial to farm wives. They are as involved as their husbands in the day-to-day operations of a family farm, but when their husbands die they are often forced to sell the farm in order to pay estate taxes. No consideration is given, under current law, to the fact that these women are fully capable and willing to continue farming on the family estate.

Mr. Speaker, this legislation is essential to preserving the family farm in America and I urge my colleagues to give it rapid and favorable consideration.●

PROPOSED BUDGET CUTS EFFECT ON WOMEN

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mrs. HECKLER. Mr. Speaker, the Women's Research and Education Institute, the research arm of the Congresswomen's Caucus, has prepared analyses of the impact on women of the administration's proposed budget cuts. The areas under consideration include education, selected social security benefits, and health programs. I insert in the RECORD statements by the institute relating to these issues:

PROPOSED BUDGET CUTS EFFECT ON WOMEN

HOUSING ASSISTANCE—FUNCTION 600

The housing programs targeted for reduction subsidize the housing costs of lower-income families in rental units. The Administration proposes to:

Reduce the long-term budget authority for FY81;

Rescind new commitments for FY82 by more than $9 billion;

Increase over a five-year period the maximum tenant rent payment from 25 to 30 percent of income; and

Reduce funding levels for public housing modernization.

A large proportion of new rental units (perhaps as many as 75 percent in 1979) is subsidized by the federal government. Consequently, the budget decisions may have a substantial impact on the supply of housing in the coming years.

Unsubsidized housing is increasingly out of the reach of low-income persons. A reduction in support, therefore, can be expected to restrict further the housing available to this income group. The National Urban Coalition estimates that 125,000 people faced with displacement or living in unsubsidized housing will be unable to obtain decent, affordable housing.

Impact on Women: Two-thirds of all households in publicly owned or other subsidized housing in 1979 were headed by women. (Some 64 percent of all householders living in subsidized housing were 65 years or older. Sex breakdowns by age are not available; however, the majority are probably women.) Persons currently residing in subsidized housing will not be affected by reductions in capital outlays for such housing, at least while the existing units remain livable.

Estimates of the characteristics of persons who might be inconvenienced or harmed by the proposed reductions in capital outlays for subsidized housing, or by cuts in public housing modernization, are not available. If, however, the population in need of subsidized housing or housing improvement reflects the population currently living in such housing, then the majority of persons would be women.

Again, because the majority of tenants in subsidized housing are female householders, the proposed rent increase would have a disproportionate impact on women. $5,325 was the median income of female-headed families, with no husband present, who lived in subsidized housing in 1979. (The median income for nonfamily households headed by women was only $3,845.) Although the proposed rent increase might seem modest, it could mean economic hardship to those persons who are already straining to make ends meet.

The proposed rental increase should also be viewed within the context of proposed reduction in other programs, namely AFDC. The combined impact of simultaneous cuts in several programs could be devastating for low-income people.

BLOCK GRANTS

The Administration proposes to consolidate 26 health service programs, 13 social service programs, and low-income energy assistance into four block grants to states. The FY82 level of funding would fall some 25 percent below that for FY81. In fact, taking inflation into consideration, the funding reduction would in effect be greater than 25 percent.

A wide range of programs would be affected by consolidation, among which are home health services, primary health care centers and services, mental health, drug abuse and alcoholism services, family planning services, and Title XX social services (which include day care).

Impact on Women: The magnitude of the impact depends largely on how states respond to consolidation. However, a substantial reduction in services can be expected, since there is little evidence that many states would be able to compensate for the cut in federal funding. Moreover, many of these programs were established because states and localities were not meeting certain needs in the first place.

The Majority of the programs proposed for consolidation are targeted toward poor and low-income persons. As noted repeatedly throughout this paper, women predominate among the poor. Thus, they may be disproportionately affected by any cut in services. Some programs, such as day care and employment services, may mean the difference between welfare dependency and self-support, particularly for women. If these services are not available, greater welfare dependency could be the only alternative.

Comment: The long-term consequences of a reduction in some of the proposed block grant services, such as maternal and child health, could be extremely costly (e.g., an increase in untreated health problems, an increase in the already alarmingly high teenage pregnancy rate, etc.). A large portion of the anticipated savings from consolidation might be offset by future expenditures that could have been prevented by timely intervention.

Projected savings in administrative costs might not be as great as estimated, because states and localities would have to develop administrative systems for work that is now done on the federal level. With 40 programs being administered by 50 states, accountability would be extremely difficult.

THE LEGAL SERVICES CORPORATION—FUNCTION 750

The Legal Services Corporation (LSC) was established in 1974 to provide legal assistance to the poor in civil matters. Under present law, LSC is authorized to provide free legal services to persons at or below 125 percent of the poverty guidelines established by the Office of Management and Budget. There are more than 300 local Legal Services programs; the LSC reported

that one million legal services cases were closed in 1979.

The Administration proposes to eliminate funding for the Legal Services Corporation entirely, beginning in FY 1982. ($321 million was appropriated for LSC in FY 1981.) Under the Administration's proposal the states could fund legal aid for the poor from the proposed consolidated social services block grants if they chose to do so.

Impact on Women: The disproportionate impact on women of eliminating the Legal Services Corporation is clear, since more than two-thirds of Legal Services clients are female. It is likely that at least 15 percent of these women are over 60 years of age—the percentage is probably greater.

Comment: If the Administration's proposals both to eliminate the Legal Services Corporation and to fund major social services programs in block grants at a reduced level of support are adopted, continuing access on the part of the poor to legal assistance in civil matters is likely to depend on the answers to two questions:

1. What budget priority will states assign to legal aid to the poor, given overall reductions in federal funding for a range of social services?

2. Will—as the Administration has suggested—large numbers of private attorneys undertake to help fill the vacuum with "pro bono" legal work for the poor?

If the anwers to these questions prove to be "no," there is a third—and fundamental—question:

Can people reasonably be expected to abide by the laws if they themselves are effectively denied legal recourse because they cannot afford the services of lawyers?

ELEMENTARY AND SECONDARY EDUCATION PROGRAMS—BLOCK GRANTS IN FUNCTION 500

The Administration proposes that most federal aid for elementary and secondary education be consolidated into block grants. Among the programs involved are two large categorical grant programs: Title I of the ESEA, which currently funds over $3 billion in grants for services to disadvantaged students, and approximately $1 billion in grants for programs for handicapped children. Also included would be a number of other smaller programs, among them the Women's Education Equity Act programs, currently funded at $10 million, and the Equal Educational Opportunity programs authorized by Title IV of the 1964 Civil Rights Act. 28 percent ($13 million) of the latter's funds are currently targeted for assistance and training to end sex discrimination in education. (The Administration also proposes to end "impact aid" for school districts having a concentration of federally-assisted low-income housing.)

Under the Administration's plan, these and other programs would be combined into block grants, one to states and one to local education agencies (LEA's). 1981 funding would be cut by 25 percent of current appropriations; in FY82, there would be a small (7 percent) increase over this reduced 1981 level. States and localities would have wide discretion in allocating the block grant funds.

Impact on Women: Since nearly 60 percent of poor families with school-age children are female-headed, a large percentage of the children served by Title I programs are certain to be from female-headed families. The National Urban Coalition estimates that a 25 percent reduction in funding for the kinds of education programs now funded under Title I could mean that as many as 1.5 million children would be eliminated from such programs.

Eliminating the federal impact aid targeted to school districts with a significant concentration of federally-assisted low-income housing could have a pronounced effect on the schools attended by children of female-headed families, since 58 percent of all families in public or federally-subsidized housing are female-headed. (Two-thirds of all households in such housing are female-headed.)

Women could also be noticeably affected by cuts in education for handicapped children, since mothers are mostly likely to bear the heaviest burden of responsibility for their care. Local school boards faced with allocating a substantially reduced education budget might choose to cut back severely on education and training programs for the handicapped, since "special education" can be more than twice as expensive per child as "regular" education. Moreover, to the extent that education and training equip handicapped children to lead more independent lives in adulthood, failure to provide that education could have serious implications for their mothers in the long run.

Since 71 percent of all elementary and secondary teachers are female, women would be disproportionately affected by reductions in the number of teaching jobs. It has been estimated that 64,460 teacher positions would be eliminated under the Administration's proposed education budget; this translates into 45,000 jobs lost by women teachers.

Women would unquestionably be affected by cuts in programs to end sex discrimination in education. Educational opportunities play an important role in determining the economic status of women in adulthood, and there is still a long way to go before educational inequities based on sex are eliminated. WEAL points out that in 1978 women were only 11 percent of all participants in vocational training programs leading to higher-paying, traditionally male, jobs.

Comments: The Administration proposals will mean a real cut in funds for education programs (The Congressional Budget Office estimates at least 20 percent in 1982, even if the "best case" administrative savings are achieved) unless the states and localities can—and are willing to—make up the difference. Although federal funds have accounted for only about one-tenth of all annual spending on elementary and secondary education, the Administration's proposed reduction in federal support would mean the loss of very large dollar amounts for many states.

The question is whether states and localities, many of which are already having a hard time making ends meet, could—or would—increase taxes to make up for the loss of federal support, and whether they would, in any case, be likely to embrace present federal priorities in targeting funds for the education of disadvantaged and handicapped children. Another question: with a shrunken budget, how much priority would be given to programs to end sex discrimination, especially in light of the fact that the vast majority of high-level school administrators are men?

CETA—FUNCTION 500

The Comprehensive Employment and Training Act (CETA) provides funds to state and local governments for employment and training programs. The Administration proposes eliminating all Public Service Employment (PSE) jobs by the end of 1981. The jobs targeted for elimination include those funded by Title II-D, which addresses structural unemployment, and Title VI, which addresses cyclical unemployment. Some 315,000 PSE slots will be lost. In fact, however, the number of persons may be somewhat higher, since more than one person may fill a PSE slot in a given year. According to the Congressional Budget Office, natural attrition will take care of about half of the jobs; in the other half, workers would be fired, laid off, or perhaps absorbed into other public employment positions.

Impact on Women: Although women will not be disproportionately affected by these PSE cuts, the impact on women should not be minimized. About one-third of the PSE job holders, or some 100,000 persons, are women. Many of these women are structurally unemployed (i.e., unskilled, undereducated, etc.) and have moved from welfare rolls to employment only because of PSE opportunities. It will not be easy for such women—many of them only partially trained—to find employment in the private sector, especially in view of the fact that no proposals to open up private sector jobs for PSE employees have been introduced. Access to other forms of economic assistance, as an alternative to PSE employment, is threatened by other proposed budget cuts. Even though the number of women affected is relatively small, especially when compared to the number affected by cuts in such programs as AFDC, the PSE cuts can be regarded as an erosion of the employment gains that women have managed to make in recent years.

The impact of these cuts may extend to other women, as well. According to Wider Opportunities for Women, about one-fifth of all women's employment programs depend on monies from Titles II-D and VI of CETA. Cuts would limit opportunities for women to increase their employability, thus restricting employment options in the short and long run. In addition, many other programs that benefit women (e.g., displaced homemaker services, women's health clinics, and the like) are staffed by CETA employees. Many of these programs operate from hand to mouth, and whether they could afford to replace a CETA employee is questionable.

Comment: The long-range consequences of these proposed cuts should also be considered. According to preliminary estimates cited by the Congressional Budget Office, CETA participation does increase post-CETA-employment earnings. PSE employees in state and local government jobs have enabled states and localities to stretch limited resources in providing services. Without PSE employees, a cut in some services might ensue. An increase in spending for public assistance and food stamps may also be expected. Unemployment compensation costs will increase, while Social Security and federal tax revenues will decline.

SOCIAL SECURITY MINIMUM BENEFITS—FUNCTION 600

Social Security recipients are currently entitled to a minimum benefit of $122 a month, regardless of the amount of covered earnings. Although this benefit does not ensure an above-poverty-level income, it does provide a higher income than many sporadic, discontinuous, or low-earning workers would otherwise have received. The Administration proposes to eliminate it.

Impact on Women: Elimination of the minimum Social Security benefit would clearly affect older women. About three-fourths of the beneficiaries—some 2.3 mil-

lion persons, many of them black—are women.

Comment: The proposed cuts are designed to eliminate payments to "double dippers" and persons with substantial income from other sources (e.g., spouse's earnings). The Administration argues that the truly needy would not be adversely affected by this reduction because such individuals would be eligible for Supplemental Security Income (SSI) if they are not already receiving it, or higher benefits if they are.

The recommendation to eliminate the minimum benefit was based on a 1977 General Accounting Office attempt to identify minimum beneficiaries. GAO found that some 15 percent of the beneficiaries were also receiving federal pensions. The average pension was $900 a month. However, 20 percent of these were receiving federal pensions of $250-$499 a month. In some instances, the minimum Social Security benefit might make the difference between a poverty- and above-poverty-level existence.

According to GAO, another 30 percent of the minimum beneficiaries have substantial other income. It is important to note that "substantial" merely means "ineligible for SSI." The benefits of persons with incomes above the SSI maximum (about 75 percent of the federal poverty level for single persons) would be only partially offset by SSI.

Eighteen percent of minimum beneficiaries are receiving SSI. GAO is unable to tell us anything at all about 26 percent of the minimum beneficiaries. GAO believes that a "significant" portion of this 26 percent has substantial other income; however, the validity of this conclusion is very much in question. It was based on a supplemental survey of 89 minimum beneficiaries in Los Angeles, California.

It may be that eliminating this benefit will not cause undue harm to the poor (who will transfer to SSI) or to persons with adequate other sources of income. It is the near poor—many of whom are women—who may experience substantial income reductions if their Social Security minimum benefit is eliminated. Further research on the characteristics and income of minimum beneficiaries is clearly warranted before this benefit reduction is approved.

SOCIAL SECURITY BENEFITS FOR STUDENTS—FUNCTION 600

The Administration proposes to phase out Social Security benefits to unmarried, full-time students aged 18 to 21, who are dependents of retired, disabled, or deceased workers. Almost 800,000 students were receiving such benefits in 1979.

Impact on Women: Widows attempting to support and educate their children will be especially affected by this phase-out. Over half of the student beneficiaries are children of deceased male workers. (The remainder are children of retired or disabled male and female workers.)

Comment: According to the Congressional Budget Office, the median income for families with student beneficiaries was only 71 percent of the median income for all families with unmarried full-time college students between the ages of 18 and 21. It is by no means clear that families of student beneficiaries could assume the additional burden of educating these children. A woman receiving a Social Security widow's benefit would truly be between a rock and a hard place if her student child or children no longer received Social Security student benefits. Taking a job, or working longer hours, in order to earn more money for college bills could cause her widow's benefit to be reduced or eliminated.

The Administration contends that Social Security students benefits duplicate other federally-funded education assistance programs. Some students might benefit from other educational assistance programs. However, the CBO analyses reveal that most low-income student beneficiaries of Pell Grants (formerly Basic Educational Opportunity grants, discussed elsewhere in this paper) are already receiving the maximum allowed under that program. Moreover, estimated additional outlays for Pell Grants for 1982 will offset only about two percent of the Social Security savings.

Low-income students—who come from families that are generally not preferred borrowers—may also have difficulty obtaining Guaranteed Student Loans (GSL's), especially if the GSL loan capital is substantially reduced.●

TO THE AMERICAN LIBERAL FROM A FORMER VIETNAM LIBERAL

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. McDONALD. Mr. Speaker, it is usually away from the Halls of Congress that we find something in our travels worthy of sharing with all our fellow Americans. Such was the case for me, when I recently read the New York Times Magazine of March 29, 1981. The title of the article: "A Lament for Vietnam."

Everybody is familiar with Solzhenitsyn's "The Gulag Archipelago," but as Doan Van Toai, the author of "A Lament for Vietnam," points out, there was such a thing as "The Vietnamese Gulag." He should know. He wrote it.

I earnestly hope that all those who read this CONGRESSIONAL RECORD, and especially the liberals of the Nation's press who constantly berate those of us who are sincere and dedicated anti-Communists, that they will sharpen their pens, to make the testimony of Doan Van Toai, heard far and wide.

Here is the testimony of one who marched in streets of both Saigon and Berkeley. Here is one who worked in a bank in his land of Vietnam and at the same time, gave secret information to support the Communist Vietcong. Here is one who witnessed the facade of Harrison Salisbury parroting the Communist line for U.S. acceptance by media and the general public.

And then came the rude awakening. Doan Van Toai became the victim of the ideology and the Communist leaders who promoted the massacre of his fellow—peace at any price—liberals. The rude awakening began when his former salary, while working at a bank, was reduced by 90 percent. Then he went to prison. There the list of former ideologues, peace activists, Buddhist peace marchers, and others, who promoted Communist victory, met their deaths—one by one.

Probably the most devastating item in this New York Times article, is the author quoting Mai Chi Tho, a member of the Central Committee of the Communist Party of Vietnam, directing his remarks to a selected group of political prisoners including author Doan Van Toai:

But we won and the Americans were defeated because we convinced the people that Ho Chi Minh is the great man, that Nixon is a murderer and the Americans are the invaders . . . the key factor is how to control people and their opinions. Only Marxism-Leninism can do that. None of you ever see resistance to the Communist regime, so don't think about it. Forget it. Between you—the bright intellectuals—and me, I tell you the truth.

I earnestly hope all will pay heed to the message of this article:

A LAMENT FOR VIETNAM

(By Doan Van Toai)

When the Communists took over North Vietnam in 1954, a million refugees fled to the South. I personally heard stories of their incredible suffering. But, along with other South Vietnamese, I refused to believe them. A generation later, I could not believe Solzhenitsyn's book "The Gulag Archipelago," either. I dismissed it as anti-Communist propaganda. But by 1979, I had published my own book, "The Vietnamese Gulag." Can those who have suffered the horror of Communism ever convince those who have not experienced it?

From 1945, when I was born in the village of Caivon in Vinh Long province, 100 miles south of Saigon, until I left Vietnam in May 1978, I never enjoyed peace. My family's house was burned three times in the war against the French. To escape the fighting, my parents moved from one village to another throughout my youth. Like the majority of Vietnamese patriots, they joined the resistance forces fighting the French. As I grew up, I myself saw how the peasants were oppressed by the local officials of the successive Saigon regimes, how they were victimized by the French bombardments. I learned the history of my country's thousand-year struggle against Chinese occupation and its century-long effort against Western domination. With this background, my compatriots and I grew up with a hatred of foreign intervention.

When the students at Saigon University elected me vice president of the Saigon Student Union in 1969 and 1970, I participated in the different peace efforts, leading student demonstrations against the Thieu regime and against American involvement. I published a magazine called Self-Determination, and traveled in January 1971 to California to give antiwar lectures at Berkeley and Stanford. For my activities, I was arrested and jailed many times by the Thieu Government.

During that period, I believed that I was fulfilling my commitment to peace and the independence of my country. I had faith, too, in the program of the National Liberation Front (N.L.F.), which led the revolutionary resistance in South Vietnam. I hated Saigon's rulers, men like Gen. Nguyen Van Thieu, Gen. Nguyen Cao Ky, Gen. Dang Van Quang—former soldiers of the French colonial army. These were the men whom the French had recruited in the

1940's to help destroy the Vietnamese resistance. They had risen over the years to become leaders themselves, but they commanded no respect from the people. Because of their lack of popular support, they were predisposed to rely on foreign forces.

As a student leader, I felt I had to pursue the aspiration of the Vietnamese people for democracy, freedom and peace. Naively, I believed that the Hanoi regime at least had the virtue of being Vietnamese, while the Americans were foreign invaders like the French before them. Like others in the South Vietnamese opposition movements, I believed that our Communist compatriots in the North would be more amenable to compromise and easier to work with than the Americans. Moreover, I was hypnotized by the personal sacrifices and devotion the Communist leaders had demonstrated. Ton Duc Thang, former President of North Vietnam, for example, had been imprisoned for 17 years in a French jail. I was hypnotized also by the political programs advocated by the N.L.F., which included a domestic policy of national reconciliation, without risk of reprisal, and a foreign policy of nonalignment. Finally, I was influenced by progressive movements throughout the world and by the most prestigious intellectuals in the West. My impression was that during the 1960's and early 70's the leaders of the American peace movement shared my convictions.

These convictions endured through the signing of the 1973 Paris peace accords and the subsequent collapse of the South Vietnamese Government two years later. When liberation was imminent, I was the one who told friends and relatives not to flee. "Why do you want to leave?" I asked. "Why are you afraid of the Communists?" I accepted the prospect of enduring harships to rebuild my country and I decided to stay in Vietnam and continue working as a branch manager at a Saigon bank, where I had been for more than four years, writing secret reports about the economic situation in South Vietnam for the N.L.F. (After leaving the university, I had not been drafted by the South Vietnamese Government because I was the only son in my family. And I had not joined the Vietcong because the N.L.F. felt I could serve a more useful role providing financial reports from the bank.)

Several days after Saigon fell, the Provisional Revolutionary Government, formed by the N.L.F., asked me to join the finance committee, a group of intellectuals whose job it was to advise the Government on matters of economic policy. I complied willingly, taking a pay cut of 90 percent. My first assignment was to help draw up a plan for confiscating all the private property in South Vietnam. Shocked, I proposed that we should expropriate only the property of those who had cooperated with the former regime and those who had used to war to become rich, and that we distribute it in some fashion to the poor and to the victims of the war, Communist and non-Communist alike. My proposals, of course, were rejected. I was naive enough to think that the local cadres were mistaken, that they misunderstood the good intentions of the Communist Party leaders. I had many fights with them, believing as I did Hanoi's previous statement that "the situation in the South is very special and different from that of North Vietnam." A few months before the liberation of Saigon, Le Duan, the First Secretary of the Communist Party, had said, "The South needs its own policy."

In the end, I could not obey the order to help arrange the confiscation of all private property, a plan that was subsequently carried out. Such a scheme had nothing to do with fulfilling the aspirations of the South Vietnamese, and it went against my conscience. I decided to resign. But no one resigns in a Communist regime. The implication of nonconformity is intolerable to Communists. When I submitted my resignation, the chief of the finance committee warned me that my action "would only serve as propaganda to excite the people; here we never do it that way." Several days later, while I was attending a concert at the great National Theater (formerly the National Assembly Hall, which my fellow students and I had occupied so many times under the Thieu regime), I was arrested. No charges were made, no reasons were given.

After the fall of Saigon, many progressive intellectuals and former antiwar-movement leaders believed that the new Vietnamese regime would bring internal democracy and freedom from foreign domination. They believed that the new regime would pursue that best interests of the people, honoring its promise to carry out a policy of national reconciliation without fear of reprisal. Far from adhering to their promises, the Vietnamese rulers have arrested hundreds of thousands of individuals—not only those who had cooperated with the Thieu regime but even those who had not, including religious leaders and former members of the N.L.F.

Vietnam today is a country without any law other than the arbitrary directives of those in power. There is no civil code. Individuals are imprisoned without charges and without trial. Once in jail, prisoners are taught that their behavior, attitude and "good will" are the key factors in determining when they may be released—whatever crimes they may have committed. As a consequence, prisoners often obey the guards blindly, hoping for an early release. In fact, they never know when they may be released—or when their sentences may be extended.

How many political prisoners are there in Vietnam today? And how many of them have died in prisons during the first six years of Communist rule? Nobody can know the exact numbers. The United States Department of State has said there are from 150,000 to 200,000 prisoners; Vietnamese refugees estimate about one million. Hoang Huu Quynh, an intellectual, a graduate of Moscow University, who served as a director of a technical school in Ho Chi Minh City (formerly Saigon), recently defected to France during his Government-sponsored tour of European countries. He told the French press: "There are at least 700,000 prisoners in Vietnam today." Another witness, Nguyen Cong Hoan, a former member of the reunified National Assembly, which was elected in 1976, who escaped by boat in 1978, said that he himself knew "about 300 cases of executions" in his own province of Phu Yen. In 1977, officials in Hanoi insisted that only 50,000 people, who posed the greatest threat to national security, had been arrested. But Prime Minister Pham Van Dong said, in the French magazine Paris Match, on Sept. 22, 1978, "In over three years, I released more than one million prisoners from the camps." One wonders how it is possible to release more than a million after having arrested only 50,000.

When I was arrested, I was thrown into a three-foot-by-six-foot cell with my left hand chained to my right foot and my right hand chained to my left foot. My food was rice mixed with sand. When I complained about the sand, the guards explained that sand is added to the rice to remind prisoners of their crimes. I discovered that pouring water in the rice bowl would make the sand separate from the rice and sink to the bottom. But the water ration was only one liter a day for drinking and bathing, and I had to husband it carefully.

After two months in solitary confinement, I was transferred to a collective cell, a room 15 feet wide and 25 feet long, where at different times anywhere from 40 to 100 prisoners were crushed together. Here we had to take turns lying down to sleep, and most of the younger, stronger prisoners slept sitting up. In the sweltering heat, we also took turns snatching a few breaths of fresh air in front of the narrow opening that was the cell's only window. Every day I watched my friends die at my feet.

In March 1976, when a group of Western reporters visited my prison, the Communist officials moved out all the prisoners and substituted North Vietnamese soldiers. In front of the prisons, one sees no barbed wire, no watchtowers, only a few policemen and a large sign above the entrance that proclaims Ho Chi Minh's best-known slogan: "Nothing Is More Precious Than Liberty and Independence." Only those detained inside and those who guard them know what kind of place is hidden behind that sign. And every prisoner knows that if he is suspected of planning to escape, his fellow inmates and relatives at home will be punished rather than he himself.

We will never know precisely the number of dead prisoners, but we do know about the deaths of many well-known prisoners who, in the past, never cooperated with President Thieu or the Americans: for example, Thich Thien Minh, the strategist of all the Buddhist peace movements in Saigon, an antiwar activist who was sentenced to 10 years in jail by the Thieu regime, then released after an outpouring of protest from Vietnamese and antiwar protesters around the world. Thien Minh died in Ham Tan prison after six months of detention in 1979. Another silent death was that of the lawyer Tran Van Tuyen, a leader of the opposition bloc in the Saigon Assembly under President Thieu. This well-known activist died in Communist hands in 1976, although as late as April 1977, Prime Minister Pham Van Dong was telling French reporters that Tuyen was alive and well in a re-education camp. One of the greatest losses has been that of the famous Vietnamese philosopher Ho Huu Tuong. Tuong, a classmate of Jean-Paul Sartre's in Paris in the 1930's was perhaps the leading intellectual in South Vietnam. He died in Ham Tan prison on June 26, 1980. These men were arrested, along with many others among the most prominent and respected South Vietnamese, in order to pre-empt any possible opposition to the Communists.

Some American supporters of Hanoi have ignored or rationalized these deaths, as they have the countless other tragedies that have befallen Vietnam since 1975. It is more than likely that they will continue to maintain their silence in order to avoid the profound disillusionment that accepting the truth about Vietnam means for them. Yet if liberty and democracy are worth struggling for in the Philippines, in Chile, in South Korea or in South Africa, they are no less worth defending in Communist countries like Vietnam. Everyone remembers the numerous demonstrations protesting United

States involvement in Vietnam and the war crimes of the Thieu regime. But some of those people who were then so passionately committed to democratic principles and human rights have developed a strange indifference now that these same principles are under assault in Communist Vietnam. For example, one antiwar activist, William Kunstler, refused to sign a May 1979 open letter to the Socialist Republic of Vietnam in which many former antiwar activists, including Joan Baez, protested Hanoi's violations of human rights. Kunstler said, "I don't believe in criticizing socialist governments publicly, even if there are human-rights violations," and, "The entire Baez campaign may be a C.I.A. plot." This statement reminds me of the argument used by the Thieu regime to suppress opposition: "The peace movements and the opposition activists are all the Communists' lackeys."

There are other illusions about the current regime in Vietnam about which people should be disabused. Many people believed that Ho Chi Minh was primarily a nationalist and that the Vietnamese Communists were and are independent of the Soviet Union. I believed the same before they took over South Vietnam. But portraits of Soviet leaders now adorn public buildings, schools and administrative offices throughout "independent Vietnam." in contrast, one never saw pictures of American leaders even during the so-called puppet regime of President Thieu. The degree of subordination the present Government feels toward its Soviet patron is suggested by a famous poem by the well-known Vietnamese poet To Huu, a member of the Politburo and president of the Communist Party Committee of Culture. Here we have an opportunity to listen to a high ranking Vietnamese weep on the occasion of Stalin's death:

Oh, Stalin! Oh, Stalin!
The love I bear my father, my mother, my wife, myself
It's nothing beside the love I bear you,
Oh, Stalin! Oh, Stalin!
What remains of the earth and of the sky!
Now that you are dead.

It may seem incredible that such a poem could have been written in Vietnam, which is known for the strength of its family traditions and its feeling for filial piety. Yet this poem occupied a prominent place in a major anthology of contemporary Vietnamese poetry recently published in Hanoi.

Moreover, Le Duan, First Secretary of the Communist Party, said in his political report to the reunified National Assembly in 1976: "The Vietnamese revolution is to fulfill the internationalist duty and the international obligation," and to do so, in the words of the 1971 party platform, "under the leadership of the Soviet Union." The glorification of Soviet life is, in fact, a major goal of Communist Vietnam's censorship policy.

Immediately after the fall of Saigon, the Government closed all bookshops and theaters. All books published under the former regimes were confiscated or burned. Cultural literature was not exempt, including translations of Jean-Paul Sartre, Albert Camus and Dale Carnegie. Margaret Mitchell's "Gone With the Wind" was on the list of decadent literature as well. The new regime replaced such books with literature designed to indoctrinate children and adults with the idea that the "Soviet Union is a paradise of the socialist world."

Another argument made at times by Western apologists has to do with freedom of religion in Vietnam. One article in the new Constitution of Vietnam, adopted this year, declares that "the regime respects the liberty of the believers and also the liberty of the nonbelievers." In regard to this article, Le Duan has repeatedly proclaimed: "Our present regime is a million times more democratic than any other in the world." The reality, though, is suggested by an incident involving the desecration of a Buddhist pagoda, in which a nude woman, on orders from the Government, entered the pagoda during a worship service. When Thich Man Giac, a prominent Buddhist leader, protested, the Government used the opportunity to try to discredit the Buddhists as enemies of democracy—specifically, of the freedom to disbelieve. Thich Man Giac, who had served as liaison between the Buddhists and the Communist Government, escaped Vietnam by boat in 1977 and is now living in Los Angeles.

All of those who supported the N.L.F. in its struggle should be aware of how they were betrayed and deceived. When Harrison Salisbury of The New York Times visited Hanoi in December 1966, the leaders in Hanoi told him: "The direction of the struggle in the South is by the South and not by the North." Pham Van Dong, Prime Minister, said to Salisbury: "No one in the North had this stupid, criminal idea in mind" that the North wanted to annex the South.

Yet in a victory-day celebration speech made on May 19, 1975, Le Duan said, "Our party is the unique and single leader that organized, controlled and governed the entire struggle of the Vietnamese people from the first day of the revolution." In his political report to the reunified National Assembly in Hanoi on June 26, 1976, Le Duan said: "The strategic task of the revolution in our country in the new stage is to achieve the reunification of our homeland and to take the whole country rapidly, vigorously and steadily to socialism, and Communism."

In 1976, the Provisional Revolutionary Government formed by the N.L.F. was abolished, and South and North Vietnam were reunified under Communist rule. Today, among 17 members of the Politburo and 134 members of the Central Committee of the Vietnamese Communist Party, not a single one is from the N.L.F. (there are several members who had been North Vietnam Communist Party representatives with the N.L.F.). Even Nguyen Huu Tho, former chairman of the N.L.F., holds only the post of acting President of State, a ceremonial position that involves greeting visitors and participating in festivals. But his position will be abolished under the new Constitution.

Listen to Truong Nhu Tang, 57 years old, a founder of the N.L.F., former Justice Minister of the Provisional Revolutionary Government, more recently one of the boat people. Tang escaped in November 1979 and is now living in Paris. He told reporters of his experience in a news conference in Paris in June 1980. Twelve years earlier, he said, when he had been jailed by the Thieu regime for his Communist activities, his father came to visit. "Why," he asked Tang, "have you abandoned everything—a good job, a rich family—to join the Communists? Don't you know that the Communists will betray you and persecute you, and when you finally understand, it will be too late to wake up?" Tang, an intellectual, answered his father: "You would do better to keep quiet and accept the sacrifice of one of your sons for democracy and our country's independence. . . ."

After the Tet offensive in 1968, Tang was exchanged for three American colonels who had been prisoners of war held by the Vietcong; then he vanished into the jungle with the N.L.F. He has visited many Communist and third-world countries on behalf of the N.L.F. during the war. Tang said in his news conference: "I was well aware that the N.L.F. was a Communist-dominated national united front and I was naive enough to believe that Ho Chi Minh and his party would place national interests above ideology and would place the interest of the Vietnamese people above the party's. But the people and I were wrong."

Truong Nhu Tang told of his own knowledge of the way Communist ruling circles operate: "The Communists are expert in the arts of seduction and will go to any length to woo you over to their side, as long as they don't control the Government. But once they are in power they suddenly become harsh, ungrateful, cynical and brutal." Tang summarized current conditions in Vietnam: "The family is divided, society is divided, even the party is divided."

Looking back now on the Vietnam war, I feel nothing but sorrow for my own naïveté in believing that the Communists were revolutionaries worthy of support. In fact, they betrayed the Vietnamese people and deceived progressives throughout the world. The responsibility for the tragedies that have engulfed my compatriots is mine. And now I can only bear witness to this truth so that all former supporters of the Vietcong may share their responsibility with me.

While I was in jail, Mai Chi Tho, a member of the Central Committee of the Communist Party, addressed a selected group of political prisoners. He told us: "Ho Chi Minh may have been an evil man; Nixon may have been a great man. The Americans may have had the just cause; we may not have had the just cause. But we won and the Americans were defeated because we convinced the people that Ho Chi Minh is the great man, that Nixon is a murderer and the Americans are the invaders." He concluded that "the key factor is how to control people and their opinions. Only Marxism-Leninism can do that. None of you ever see resistance to the Communist regime, so don't think about it. Forget it. Between you—the bright intellectuals—and me, I tell you the truth."

And he did tell us the truth. Since 1978, the Vietnamese-Communists have occupied Laos, invaded Cambodia and attacked Thailand, while the Soviet Union has invaded Afghanistan. In each of these depredations, the Communists have portrayed themselves, incredibly, as liberators, saviors, and bulwarks against foreign aggression. And each time, world opinion has remained relatively quiescent.

But in Vietnam, people often remark: "Don't believe what the Communists say, look instead at what they have done." One South Vietnamese Communist, Nguyen Van Tang, who was detained 15 years by the French, eight years by Diem, six years by Thieu, and who is still in jail today, this time in a Communist prison, told me: "In order to understand the Communists, one must first live under a Communist regime." One rainy evening in Saigon's Le Van Duyet prison, he told me: "My dream now is not to be released; it is not to see my family. My dream is that I could be back in a French prison 30 years ago." This is the one wish of a 60-year-old man who has spent his entire adult life in and out of prison fighting for the freedom and the independence of his country. At this moment, he may already

have died in his cell or have been executed by the new rulers.

The Vietnamese people wish to achieve the real revolution; they do not want Communism. The measure of popular hatred for the Communists is that thousands of Vietnamese have abandoned their historical attachment to the land. Under French colonial domination, throughout the long war years, even during the catastrophic famine of 1945 when two million starved to death, Vietnamese simply did not willingly leave their homeland—the land of their ancestors' graves. The recent outpouring of refugees is a direct result of the terror of the present regime. Listen to another refugee, Nguyen Cong Hoan, former N.L.F. agent and member of the new unified Assembly elected in 1976: "This current regime is the most inhuman and oppressive [Vietnam] has ever known." Hoan escaped by boat in 1977, after abandoning his position in the Communist Assembly. "The Assembly," he declared, "is a puppet, the members know only how to say yes, never how to say no."

Among the boat people who survived, including those who were raped by pirates and those who suffered in the refugee camps, nobody regrets his escape from the present regime. I am confident that the truth about Vietnam will eventually emerge. It is already available to those who wish to know it. As Solzhenitsyn has said, "Truth weighs as heavy as the world." And Vietnam is a lesson in truth.●

THE PLIGHT OF REFUGEES FROM EL SALVADOR

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. WEISS. Mr. Speaker, thousands of refugees from the violence in El Salvador could be forced to return to their war-torn homeland unless the United States gives them temporary refuge. The current policy of the U.S. Immigration and Naturalization Service is to force as many as 400 refugees to return to El Salvador each month. Once in El Salvador, some refugees face retribution from their government and all are thrown again into the dangerous situation they sought to escape.

An article which appeared recently in the New York Times provides a thorough explanation of the problems faced by Salvadoran refugees, and of the poor response thus far by U.S. officials. The Secretary of State could initiate a procedure which would grant temporary shelter to these refugees, and a letter urging him to do so was sent 3 weeks ago by myself and 19 of my colleagues. In spite of the urgent importance of offering a temporary haven to Salvadoran refugees, documented in the article which follows, the Secretary of State has failed to take such action.

The issue is of serious concern to us all. I urge my colleagues to carefully consider the information provided by this article.

[From the New York Times]

U.S. IS SENDING HOME SALVADORAN ILLEGAL IMMIGRANTS

(By John M. Crewdson)

LOS ANGELES, March 1.—Refugees from the fighting in El Salvador are streaming into the United States in ever-greater numbers, in many cases having sold all they own to finance the difficult, expensive and illegal journey from their Central American homeland. But they are being sent home again nearly as fast as they are captured, to what many of them fear may be mistreatment or death.

Lawyers working in behalf of the Salvadorans say that, in an effort to keep them from clogging the overloaded immigration system, the Immigration and Naturalization Service sometimes does not tell the refugees that they have the right to have a deportation hearing or to seek political asylum, or it intimidates them into forgoing these procedures.

One Mexican immigration official in Tijuana said last month that some of the Salvadorans apprehended in this country had simply been sent back across the border by American officers.

A spokesman for the United States immigration service, Verne Jervis, said that this practice would be illegal but denied that it was going on. Mr. Jervis said that while there "might be some violations" by local offices of the service, he was unaware of widespread trampling on the Salvadorans' rights.

In the fiscal year that ended in September, 11,792 Salvadorans were apprehended by the immigration service, up from 7,890 four years before. Border Patrol Agents estimate that for every illegal alien they catch, from two to five others manage to evade detection, which would place the number of new arrivals at 25,000 to 60,000 a year.

The Salvadorans are only one small group among the uncounted people entering the United States illegally south of the border. But they are the only ones for whom church groups and others are seeking a temporary haven in this country. Unlike the hundreds of thousands of Mexicans who commute here each year to work, the Salvadorans are driven not by poverty but by war, and for them the prospect of returning home holds far more anguish.

In January, alarmed by an unconfirmed report that some refugees sent home in December had been murdered by right-wing "death squads" shortly after they arrived in San Salvador on Christmas morning, 42 Salvadorans at the immigration service's detention facility in El Entro, Calif., 150 miles southeast of here, released a statement saying they had begun a hunger strike to underline their appeal for asylum from "the political situation which presently exists" in El Salvador.

The report of the Christmas murders, which has gained currency among Salvadoran exiles in this country, remains unconfirmed. But many of those knowledgeable about conditions in El Salvador say there is little doubt that some number of those sent home by the immigration service have been killed, as victims of random violence if not as specific targets of the left or right.

"It just stands to reason," said Millard Arnold, who was deputy assistant secretary of State for human rights in the Carter Administration. "The odds are some of them are going to be killed."

Prof. Blase Bonpane, a sociologist and Latin American expert at California State University here, went further. "There is no doubt in my mind that somewhere between 5 and 10 percent of those who are returned are executed, because the Government had something on them, a member of a union or something," he said.

Some of the refugees, among them teachers and trade unionists, say their names have appeared on what purport to be "death lists" circulated by various right-wing "terror squads." But United States immigration officials say most of those they apprehend seem to be associated with no political faction. "They've seen the fighting," said one, "but they're generally uninvolved in it. They're just frightened."

Whatever their reasons for leaving, the identities of those who are caught once they arrive here are made known to the Salvadoran Government. Before they can be "repatriated," at a cost to the Federal Government of about $300 apiece, officials of the immigration service said, the refugees are interviewed by the Salvadoran Consul General in Los Angeles to confirm their nationality. When they arrive home, according to Professor Bonpane, they are interviewed again and asked "to give some kind of explanation" for having left the country. He said he had seen films of such interviews, adding that "the level of abuse is frightening."

A spokesman for the United States Embassy in San Salvador said that he had heard many reports of mistreatment or killing of Salvadorans returned from the United States, but that he had no evidence that any of the reports were true. But Mr. Arnold said the State Deparment had repeatedly asked the embassy whether it could confirm or disprove the reports and was told, "No one really knows, the situtation is so chaotic."

REPORTS OF PEOPLE MISSING OR DEAD

Among the Salvadorans in this country, it seems, almost everyone knows, or has heard of, someone who has been sent back and is now missing or dead. Mario Vasquez, a Los Angeles lawyer representing a 27-year-old Salvadoran mechanic who has been awaiting deportation at El Centro for 13 months, said his client had received a letter from his mother reporting that two friends sent back to El Salvador a few weeks earlier had been killed.

Such reports are spread mainly through the mail and by word of mouth, but there are also occasional telephone calls from home. It was such a call to a refugee at El Centro, from someone who had been detained there whom he knew only as "Carlos," that provided the Salvadorans with their first account of the rumored Christmas massacre.

The rumor swept through the camp and was passed on to a reporter for El Diario, the Spanish-language newspaper in New York City, which published a brief account Jan. 4. It was later picked up by other Spanish-language newspapers, but none of the published reports have contained any confirmation.

Documents of the Immigration and Naturalization Service made available to The New York Times showed that a group of 25 Salvadorans left here Dec. 24 aboard Western Airlines Flight 746, spent the night at the Mexico City airport and arrived in San Salvador on Christmas morning aboard a Costa Rican airliner. Twelve of the Salvadorans were returning under orders of deportation and the rest as "voluntary returnees."

BODIES ALONG THE ROAD

"Carlos," the man who telephoned El Centro with news of the incident, was said to have been among those aboard the plane who somehow escaped death, and the list of passengers includes three persons with that first name. The man reportedly said he had returned to the airport the morning after his arrival and had recognized the bodies of some of his fellow passengers lying along the road.

The immigration service rejected a request by The New York Times, made under the Freedom of Information Act, for the home addresses of those who returned on Christmas Day, saying it was concerned that any inquiries in El Salvador about their well-being might jeopardize their lives.

As is true of all illegal aliens, no one knows how many Salvadorans are living in the United States. Community services officials here estimate that there are 100,000 to 300,000 in the Los Angeles area alone, and there are also sizable Salvadoran communities in San Francisco and the District of Columbia.

The flow of refugees abated somewhat last summer after the deaths from dehydration of 13 Salvadorans who had crossed the border into Arizona without sufficient water, a case that was widely reported in El Salvador. But immigration officials say the refugees are once again arriving at a rapid pace.

The route they follow leads through Guatemala and Mexico, which as a result are now confronted with illegal immigration problems of their own, and the journey is an expensive one. Rings that specialize in smuggling Salvadorans charge from $1,000 to $1,700 for passage to Los Angeles and $500 more for a trip to the East Coast. Because they come with the intention of remaining here until the Salvadoran conflict is resolved, many of the refugees sell their houses and personal possessions to pay their way. If they are captured and returned home, there is often nowhere for them to go.

Not many of the refugees appear to be applying for political asylum, which requires a showing that the applicant has a specific reason to fear that he will be harmed upon returning home, for example because of membership in a particular political group. The immigration service has no reliable figures, but some estimates place the total number of applicants as low as 400.

Even though there may be more who could meet the criteria for asylum, the great majority of the refugees are probably not qualified under a strict interpretation of the rules requiring a threat of political persecution. "They say they left because they don't want to take sides," said John Weis, an El Centro lawyer who has many refugees among his clients. "but they're caught in the middle, and they feel that they're in real danger."

STATUS OF TEMPORARY REFUGE

United States law also provides, however, for giving temporary refuge to aliens unable to return home because of "civil war or catastrophic circumstances," Such status has been conferred at different times on citizens of Vietnam, Laos, Uganda and, most recently, on Nicaraguans after the fall of the Government of President Anastasio Somoza Debayle. Last fall, President Carter ordered the admission of more than 150,000 Cubans and Haitians who had landed in Florida in boats.

A coalition of Congressmen, religious organizations and other groups, among them the National Council of Churches, the United States Catholic Conference and the American Civil Liberties Union, has been urging the State Department to follow the same policy in admitting the Salvadoran refugees. In a letter to Secretary of State Edmund S. Muskie in January, the coalition quoted Phillip Sargisson, the Central American representative of the United Nations High Commission on Refugees, as having declared that "anyone who comes out of El Salvador today deserves refugee status."

When the Carter Administration left office, according to Millard Arnold, the former State Department official, it was "very, very, close to working out a compromise" that would have allowed the Salvadorans to remain here temporarily, not through any official action but simply by not sending them home.

The plan was endorsed, he said, by the department's human rights bureau, after reports that more than 10,000 people of El Salvador's 4.5 million people had been killed there last year, a figure Mr. Arnold termed "an enormous number of deaths in a country that size." But he said that it was rejected by other State Department officials concerned that it might suggest that the United States, which had been pushing for a political settlement of the Salvadoran conflict, "did not have faith in the ability of the Salvadorans to resolve their own problems."

There were also concerns, he said, that such a policy might lead to a still greater influx of refugees, and that the arrangement would be "difficult to police" since it might be impossible to distinguish Salvadoran citizens from other Central and South Americans.

Of the nearly 12,000 Salvadorans arrested last year, only 2,378 were formally deported, suggesting that a large number were returned through what the immigration service calls "voluntary departure," an agreement by an illegal alien to return home without demanding the deportation hearing, with its expensive and time-consuming appeals process, to which he is entitled. Without a large number of voluntary returns, immigration experts agree, the overloaded adjudication system would quickly collapse.

The immigration service is required to provide all those it arrests with a written notice of rights, including the right to free legal counsel. But lawyers working with the Salvadorans say they are convinced that the options are not being fully explained by immigration officials.

REASONS FOR RETURNING QUESTIONED

"I.N.S. would like people to return voluntarily without going through the system," said Mr. Weis, the El Centro lawyer. Another lawyer, William H. Steiner of Los Angeles, questioned why so many Salvadorans were agreeing to return home voluntarily "when they've risked their lives and spent their life savings to go 2,500 miles to get here."

"It's a safe assumption," he said, "that they were forced back."

Mr. Steiner said he had seen some voluntary departure agreements signed with an "X" by Salvadorans who could neither write nor read what they were signing. In "practically every case," Mr. Weis said, his clients withdrew their agreements to return home after being told of the available alternatives.

There are also accounts of instances in which the advice of rights has been followed by what Mr. Steiner termed "mental coercion." "They're told if they want a hearing or asylum they'll have to stay in jail, or that their relatives will be arrested," he said.

"You'll get an overzealous border guard who says, 'You either go back or we'll lock you away for the rest of your life,'" Mr. Arnold said. "So the poor fellow elects to go back."●

A LAMENT FOR VIETNAM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. MICHEL. Mr. Speaker, those who worked to see to it that the South Vietnamese Government was finally conquered by the tanks of the Communist North Vietnamese Army have much to answer for. Despite overwhelming evidence of the brutality of Communist dictatorship in Vietnam today, those who told us that such a dictatorship was what the Vietnamese people wanted are curiously silent about their terrible error.

I commend to their attention an article appearing in the New York Times Sunday Magazine, entitled "A Lament for Vietnam."

At this time I insert "A Lament for Vietnam" by Doan Van Toai, the Sunday New York Times Magazine, March 31, 1981.

A LAMENT FOR VIETNAM

(By Doan Van Toai)

When the Communists took over North Vietnam in 1954, a million refugees fled to the South. I personally heard stories of their incredible suffering. But, along with other South Vietnamese, I refused to believe them. A generation later, I could not believe Solzhenitsyn's book "The Gulag Archipelago," either. I dismissed it as anti-Communist propaganda. But by 1979, I had published my own book, "The Vietnamese Gulag." Can those who have suffered the horror of Communism ever convince those who have not experienced it?

From 1945, when I was born in the village of Caivon in Vinh Long province, 100 miles south of Saigon, until I left Vietnam in May 1978, I never enjoyed peace. My family's house was burned three time in the war against the French. To escape the fighting, my parents moved from one village to another throughout my youth. Like the majority of Vietnamese patriots, they joined the resistance forces fighting the French. As I grew up, I myself saw how the peasants were oppressed by the local officials of the successive Saigon regimes, how they were victimized by the French bombardments. I learned the history of my country's thousand-year struggle against Chinese occupation and its century-long effort against Western domination. With this background, my compatriots and I grew up with a hatred of foreign intervention.

When the students at Saigon University elected me vice president of the Saigon Student Union in 1969 and 1970, I participated in the different peace efforts, leading student demonstrations against the Thieu regime and against American involvement. I published a magazine called Self-Determina-

tion, and traveled in January 1971 to California to give antiwar lectures at Berkeley and Stanford. For my activities, I was arrested and jailed many times by the Thieu Government.

During that period, I believed that I was fulfilling my commitment to peace and the independence of my country. I had faith, too, in the program of the National Liberation Front (N.L.F.), which led the revolutionary resistance in South Vietnam. I hated Saigon's rulers, men like Gen. Nguyen Van Thieu, Gen. Nguyen Cao Ky, Gen. Dang Van Quang—former soldiers of the French colonial army. These were the men whom the French had recruited in the 1940's to help destroy the Vietnamese resistance. They had risen over the years to become leaders themselves, but they commanded no respect from the people. Because of their lack of popular support, they were predisposed to rely on foreign forces.

As a student leader, I felt I had to pursue the aspiration of the Vietnamese people for democracy, freedom and peace. Naively, I believed that the Hanoi regime at least had the virtue of being Vietnamese, while the Americans were foreign invaders like the French before them. Like others in the South Vietnamese opposition movements, I believed that our Communist compatriots in the North would be more amenable to compromise and easier to work with than the Americans. Moreover, I was hypnotized by the personal sacrifices and devotion the Communist leaders had demonstrated. Ton Duc Thang, former President of North Vietnam, for example, had been imprisoned for 17 years in a French jail. I was hypnotized also by the political programs advocated by the N.L.F., which included a domestic policy of national reconciliation, without risk of reprisal, and a foreign policy of nonalignment. Finally, I was influenced by progressive movements throughout the world and by the most prestigious intellectuals in the West. My impression was that during the 1960's and early 70's the leaders of the American peace movement shared my convictions.

These convictions endured through the signing of the 1973 Paris peace accords and the subsequent collapse of the South Vietnamese Government two years later. When liberation was imminent, I was the one who told friends and relatives not to flee. "Why do you want to leave?" I asked. "Why are you afraid of the Communists?" I accepted the prospect of enduring hardships to rebuild my country and I decided to stay in Vietnam and continue working as a branch manager at a Saigon bank, where I had been for more than four years, writing secret reports about the economic situation in South Vietnam for the N.L.F. (After leaving the university, I had not been drafted by the South Vietnamese Government because I was the only son in my family. And I had not joined the Vietcong because the N.L.F. felt I could serve a more useful role providing financial reports from the bank.)

Several days after Saigon fell, the Provisional Revolutionary Government, formed by the N.L.F., asked me to join the finance committee, a group of intellectuals whose job it was to advise the Government on matters of economic policy. I complied willingly, taking a pay cut of 90 percent. My first assignment was to help draw up a plan for confiscating all the private property in South Vietnam. Shocked, I proposed that we should expropriate only the property of those who had cooperated with the former regime and those who had used the war to become rich, and that we distribute it in some fashion to the poor and to the victims of the war, Communist and non-Communist alike. My proposals, of course, were rejected. I was naive enough to think that the local cadres were mistaken, that they misunderstood the good intentions of the Communist Party leaders. I had many fights with them, believing as I did Hanoi's previous statement that "the situation in the South is very special and different from that of North Vietnam." A few months before the liberation of Saigon, Le Duan, the First Secretary of the Communist Party, had said, "The South needs its own policy."

In the end, I could not obey the order to help arrange the confiscation of all private property, a plan that was subsequently carried out. Such a scheme had nothing to do with fulfilling the aspirations of the South Vietnamese, and it went against my conscience. I decided to resign. But no one resigns in a Communist regime. The implication of nonconformity is intolerable to Communists. When I submitted my resignation, the chief of the finance committee warned me that my action "would only serve as propaganda to excite the people; here we never do it that way." Several days later, while I was attending a concert at the great National Theater (formerly the National Assembly Hall, which my fellow students and I had occupied so many times under the Thieu regime), I was arrested. No charges were made, no reasons were given.

After the fall of Saigon, many progressive intellectuals and former antiwar-movement leaders believed that the new Vietnamese regime would bring internal democracy and freedom from foreign domination. They believed that the new regime would pursue the best interests of the people, honoring its promise to carry out a policy of national reconciliation without fear of reprisal. Far from adhering to their promises, the Vietnamese rulers have arrested hundreds of thousands of individuals—not only those who had cooperated with the Thieu regime but even those who had not, including religious leaders and former members of the N.L.F.

Vietnam today is a country without any law other than the arbitrary directives of those in power. There is no civil code. Individuals are imprisoned without charges and without trial. Once in jail, prisoners are taught that their behavior, attitude and "good will" are the key factors in determining when they may be released—whatever crimes they may have committed. As a consequence, prisoners often obey the guards blindly, hoping for an early release. In fact, they never know when they may be released—or when their sentences may be extended.

How many political prisoners are there in Vietnam today? And how many of them have died in prisons during the first six years of Communist rule? Nobody can know the exact numbers. The United States Department of State has said there are from 150,000 to 200,000 prisoners; Vietnamese refugees estimate about one million. Hoang Huu Quynh, an intellectual, a graduate of Moscow University, who served as a director of a technical school in Ho Chi Minh City (formerly Saigon), recently defected to France during his Government-sponsored tour of European countries. He told the French press: "There are at least 700,000 prisoners in Vietnam today." Another witness, Nguyen Cong Hoan, a former member of the reunified National Assembly, which was elected in 1976, who escaped by boat in 1978, said that he himself knew "about 300 cases of executions" in his own province of Phu Yen. In 1977, officials in Hanoi insisted that only 50,000 people, who posed the greatest threat to national security, had been arrested. But Prime Minister Pham Van Dong said, in the French magazine Paris Match, on Sept. 22, 1978, "In over three years, I released more than one million prisoners from the camps." One wonders how it is possible to release more than a million after having arrested only 50,000.

When I was arrested, I was thrown into a three-foot-by-six-foot cell with my left hand chained to my right foot and my right hand chained to my left foot. My food was rice mixed with sand. When I complained about the sand, the guards explained that sand is added to the rice to remind prisoners of their crimes. I discovered that pouring water in the rice bowl would make the sand separate from the rice and sink to the bottom. But the water ration was only one liter a day for drinking and bathing, and I had to husband it carefully.

After two months in solitary confinement, I was transferred to a collective cell, a room 15 feet wide and 25 feet long, where at different times anywhere from 40 to 100 prisoners were crushed together. Here we had to take turns lying down to sleep, and most of the younger, stronger prisoners slept sitting up. In the sweltering heat, we also took turns snatching a few breaths of fresh air in front of the narrow opening that was the cell's only window. Every day I watched my friends die at my feet.

In March 1976, when a group of Western reporters visited my prison, the Communist officials moved out all the prisoners and substituted North Vietnamese soldiers. In front of the prisons, one sees no barbed wire, no watchtowers, only a few policemen and a large sign above the entrance that proclaims Ho Chi Minh's best-known slogan: "Nothing Is More Precious Than Liberty and Independence." Only those detained inside and those who guard them know what kind of place is hidden behind that sign. And every prisoner knows that if he is suspected of planning to escape, his fellow inmates and relatives at home will be punished rather than he himself.

We will never know precisely the number of dead prisoners, but we do know about the deaths of many well-known prisoners who, in the past, never cooperated with President Thieu or the Americans: for example, Thich Thien Minh, the strategist of all the Buddhist peace movements in Saigon, an antiwar activist who was sentenced to 10 years in jail by the Thieu regime, then released after an outpouring of protest from Vietnamese and antiwar protesters around the world. Thien Minh died in Ham Tan prison after six months of detention in 1979. Another silent death was that of the lawyer Tran Van Tuyen, a leader of the opposition bloc in the Saigon Assembly under President Thieu. This well-known activist died in Communist hands in 1976, although as late as April 1977, Prime Minister Pham Van Dong was telling French reporters that Tuyen was alive and well in a re-education camp. One of the greatest losses has been that of the famous Vietnamese philosopher Ho Huu Tuong. Tuong, a classmate of Jean-Paul Sartre's in Paris in the 1930's was perhaps the leading intellectual in South Vietnam. He died in Ham Tan prison on June 26, 1980. These men were arrested, along with many others among the most prominent and respected South Vietnamese, in

order to pre-empt any possible opposition to the Communists.

Some American supporters of Hanoi have ignored or rationalized these deaths, as they have the countless other tragedies that have befallen Vietnam since 1975. It is more than likely that they will continue to maintain their silence in order to avoid the profound disillusionment that accepting the truth about Vietnam means for them. Yet if liberty and democracy are worth struggling for in the Philippines, in Chile, in South Korea or in South Africa, they are no less worth defending in Communist countries like Vietnam. Everyone remembers the numerous demonstrations protesting United States involvement in Vietnam and the war crimes of the Thieu regime. But some of those people who were then so passionately committed to democratic principles and human rights have developed a strange indifference now that these same principles are under assault in Communist Vietnam. For example, one antiwar activist, William Kunstler, refused to sign a May 1979 open letter to the Socialist Republic of Vietnam in which many former antiwar activists, including Joan Baez, protested Hanoi's violations of human rights. Kunstler said, "I don't believe in criticizing socialist governments publicly, even if there are human-rights violations," and, "The entire Baez campaign may be a C.I.A. plot." This statement reminds me of the argument used by the Thieu regime to suppress opposition: "The peace movements and the opposition activists are all the Communists' lackeys."

There are other illusions about the current regime in Vietnam about which people should be disabused. Many people believed that Ho Chi Minh was primarily a nationalist and that the Vietnamese Communists were and are independent of the Soviet Union. I believed the same before they took over South Vietnam. But portraits of Soviet leaders now adorn public buildings, schools and administrative offices throughout "independent Vietnam." In contrast, one never saw pictures of American leaders even during the so-called puppet regime of President Thieu. The degree of subordination the present Government feels toward its Soviet patron is suggested by a famous poem by the well-known Vietnamese poet To Huu, a member of the Politburo and president of the Communist Party Committee of Culture. Here we have an opportunity to listen to a high ranking Vietnamese weep on the occasion of Stalin's death:

Oh, Stalin! Oh, Stalin!
The love I bear my father, my mother, my wife, myself
It's nothing beside the love I bear you,
Oh, Stalin! Oh, Stalin!
What remains of the earth and of the sky!
Now that you are dead.

It may seem incredible that such a poem could have been written in Vietnam, which is known for the strength of its family traditions and its feeling for filial piety. Yet this poem occupied a prominent place in a major anthology of contemporary Vietnamese poetry recently published in Hanoi.

Moreover, Le Duan, First Secretary of the Communist Party, said in his political report to the reunified National Assembly in 1976: "The Vietnamese revolution is to fulfill the internationalist duty and the international obligation," and to do so, in the words of the 1971 party platform, "under the leadership of the Soviet Union." The glorification of Soviet life is, in fact, a major goal of Communist Vietnam's censorship policy.

Immediately after the fall of Saigon, the Government closed all bookshops and theaters. All books published under the former regimes were confiscated or burned. Cultural literature was not exempt, including translations of Jean-Paul Sartre, Albert Camus and Dale Carnegie. Margaret Mitchell's "Gone With the Wind" was on the list of decadent literature as well. The new regime replaced such books with literature designed to indoctrinate children and adults with the idea that the "Soviet Union is a paradise of the socialist world."

Another argument made at times by Western apologist has to do with freedom of religion in Vietnam. One article in the new Constitution of Vietnam, adopted this year, declares that "the regime respects the liberty of the believers and also the liberty of the nonbelievers." In regard to this article, Le Duan has repeatedly proclaimed: "Our present regime is a million times more democratic than any other in the world." The reality, though, is suggested by an incident involving the desecration of a Buddhist pagoda, in which a nude woman, on orders from the Government, entered the pagoda during a worship service. When Thich Man Giac, a prominent Buddhist leader, protested, the Government used the opportunity to try to discredit the Buddhists as enemies of democracy—specifically, of the freedom to disbelieve. Thich Man Giac, who had served as liaison between the Buddhists and the Communist Government, escaped Vietnam by boat in 1977 and is now living in Los Angeles.

All of those who supported the N.L.F. in its struggle should be aware of how they were betrayed and deceived. When Harrison Salisbury of The New York Times visited Hanoi in December 1966, the leaders in Hanoi told him: "The direction of the struggle in the South is by the South and not by the North." Pham Van Dong, Prime Minister, said to Salisbury: "No one in the North had this stupid, criminal idea in mind" that the North wanted to annex the South.

Yet in a victory-day celebration speech made on May 19, 1975, Le Duan said, "Our party is the unique and single leader that organized, controlled and governed the entire struggle of the Vietnamese people from the first day of the revolution." In his political report to the reunified National Assembly in Hanoi in June 26, 1976, Le Duan said: "The strategic task of the revolution in our country in the new stage is to achieve the reunification of our homeland and to take the whole country rapidly, vigorously and steadily to socialism, and Communism."

In 1976, the Provisional Revolutionary Government formed by the N.L.F. was abolished, and South and North Vietnam were reunified under Communist rule. Today, among 17 members of the Politburo and 134 members of the Central Committee of the Vietnamese Communist Party, not a single one is from the N.L.F. (there are several members who had been North Vietnam Communist Party representatives with the N.L.F.). Even Nguyen Huu Tho, former chairman of the N.L.F., holds only the post of acting President of State, a ceremonial position that involves greeting visitors and participating in festivals. But his position will be abolished under the new Constitution.

Listen to Truong Nhu Tang, 57 years old, a founder of the N.L.F., former Justice Minister of the Provisional Revolutionary Government, more recently one of the boat people. Tang escaped in November 1979 and is now living in Paris. He told reporters of his experience in a news conference in Paris in June 1980. Twelve years earlier, he said, when he had been jailed by the Thieu regime for his Communist activities, his father came to visit. "Why," he asked Tang, "have you abandoned everything—a good job, a rich family—to join the Communists? Don't you know that the Communists will betray you and persecute you, and when you finally understand, it will be too late to wake up?" Tang, an intellectual, answered his father: "You would do better to keep quiet and accept the sacrifice of one of your sons for democracy and our country's independence. . . ."

After the Tet offensive in 1968, Tang was exchanged for three American colonels who had been prisoners of war held by the Vietcong; then he vanished into the jungle with the N.L.F. He has visited many Communist and third-world countries on behalf of the N.L.F. during the war. Tang said in his news conference: "I was well aware that the N.L.F. was a Communist-dominated national united front and I was naive enough to believe that Ho Chi Minh and his party would place national interests above ideology and would place the interest of the Vietnamese people above the party's. But the people and I were wrong."

Truong Nhu Tang told of his own knowledge of the way Communist ruling circles operate: "The Communists are expert in the arts of seduction and will go to any length to woo you over to their side, as long as they don't control the Government. But once they are in power they suddenly become harsh, ungrateful, cynical and brutal." Tang summarized current conditions in Vietnam: "The family is divided, society is divided, even the party is divided."

Looking back now on the Vietnam war, I feel nothing but sorrow for my own naïveté in believing that the Communists were revolutionaries worthy of support. In fact, they betrayed the Vietnamese people and deceived progressives throughout the world. The responsibility for the tragedies that have engulfed my compatriots is mine. And now I can only bear witness to this truth so that all former supporters of the Vietcong may share their responsibility with me.

While I was in jail, Mai Chi Tho, a member of the Central Committee of the Communist Party, addressed a selected group of political prisoners. He told us: "Ho Chi Minh may have been an evil man; Nixon may have been a great man. The Americans may have had the just cause; we may not have had the just cause. But we won and the Americans were defeated because we convinced the people that Ho Chi Minh is the great man, that Nixon is a murderer and the Americans are the invaders." He concluded that "the key factor is how to control people and their opinions. Only Marxism-Leninism can do that. None of you ever see resistance to the Communist regime, so don't think about it. Forget it. Between you—the bright intellectuals—and me, I tell you the truth."

And he did tell us the truth. Since 1978, the Vietnamese-Communists have occupied Laos, invaded Cambodia and attacked Thailand, while the Soviet Union has invaded Afghanistan. In each of these depredations, the Communists have portrayed themselves, incredibly, as liberators, saviors and bulwarks against foreign aggression. And each time, world opinion has remained relatively quiescent.

But in Vietnam, people often remark: "Don't believe what the Communists say, look instead at what they have done." One

South Vietnamese Communist, Nguyen Van Tang, who was detained 15 years by the French, eight years by Diem, six years by Thieu, and who is still in jail today, this time in a Communist prison, told me: "In order to understand the Communists, one must first live under a Communists regime." One rainy evening in Saigon's Le Van Duyet prison, he told me: "My dream now is not to be released; it is not to see my family. My dream is that I could be back in a French prison 30 years ago." This is the one wish of a 60-year-old man who has spent his entire adult life in and out of prison fighting for the freedom and the independence of his country. At this moment, he may already have died in his cell or have been executed by the new rulers.

The Vietnamese people wish to achieve the real revolution; they do not want Communism. The measure of popular hatred for the Communists is that thousands of Vietnamese have abandoned their historical attachment to the land. Under French colonial domination, throughout the long war years, even during the catastrophic famine of 1945 when two million starved to death, Vietnamese simply did not willingly leave their homeland—the land of their ancestors' graves. The recent outpouring of refugees is a direct result of the terror of the present regime. Listen to another refugee, Nguyen Cong Hoan, fromer N.L.F. agent and member of the new unified Assembly elected in 1976: "This current regime is the most inhuman and oppressive [Vietnam] has ever known." Hoan escaped by boat in 1977, after abandoning his position in the Communist Assembly. "The Assembly," he declared, "is a puppet, the members know only how to say yes, never how to say no."

Among the boat people who survived, including those who were raped by pirates and those who suffered in the refugee camps, nobody regrets his escape from the present regime. I am confident that the truth about Vietnam will eventually emerge. It is already available to those who wish to know it. As Solzhenitsyn has said, "Truth weighs as heavy as the world." And Vietnam is a lesson in truth.●

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT HONORS JACK GREASBY WITH RETIREMENT DINNER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 2, 1981

● Mr. ANDERSON. Mr. Speaker, on April 10, 1981, at the Chalon Mart Restaurant in Los Angeles, the Southern California Rapid Transit District will be honoring the retirement of one of its most distinguished employees, Jack Greasby.

Jack was born on January 9, 1922, in Mangum, Okla. After his 1940 graduation from Mangum High School, he entered the National Guard and was mobilized into service for World War II. He was assigned to the 179th Infantry of the 45th Division, U.S. Army. While in the service, he married the former Frances Fuqua. He rose to the rank of sergeant, and while operating an Army motor pool developed the expertise that would lead to a career in public transportation.

Jack and his wife moved to California in 1947, where his first job was as a trolley driver with Los Angeles Transit Lines, the company that was later to become the Southern California Rapid Transit District. He was promoted to clerk, then cashier, and then assistant manager. He next assumed the responsibilities of the El Monte Division manager, and in 1978 became transportation superintendent in downtown Los Angeles.

Upon retirement from the Southern California Rapid Transit District, Jack and his wife will be moving to Houston, Tex., where he will be lending his expertise to the Houston Metropolitan Transit Authority as assistant director of transportation. Before that assignment starts, however, Jack and Frances will leave on May 10 for a vacation that will celebrate their 40th wedding anniversary. They will also celebrate their first honeymoon, which was delayed by military, family rearing, and employment obligations. They are indeed a fortunate pair to be on a honeymoon after 40 years of marriage.

My wife, Lee, joins me in wishing the best of success in the years ahead to Jack, Frances, and their children John, Jr., Charles, and their youngest son Glenn, whom I am privileged to have as my namesake.●

SENATE—*Friday, April 3, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable CHARLES E. GRASSLEY, a Senator from the State of Iowa.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 3, 1981.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHARLES E. GRASSLEY, a Senator from the State of Iowa, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. GRASSLEY thereupon assumed the chair as Acting President pro tempore.

RECESS UNTIL 11 A.M. ON TUESDAY, APRIL 7, 1981

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate stands in recess until 11 a.m., Tuesday next.

Thereupon, at 11:01 a.m., the Senate recessed, under the order of Thursday, April 2, 1981, until Tuesday, April 7, 1981, at 11 a.m.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of April 2, 1981, the Secretary of the Senate, on April 3, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received are printed at the end of the Senate proceedings.)

SIXTH ANNUAL REPORT OF THE NUCLEAR REGULATORY COMMISSION—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 41

Under the authority of the order of the Senate of April 2, 1981, the Secretary of the Senate on April 3, 1981, received the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Environment and Public Works:

To the Congress of the United States:

I transmit for the information of the Congress the Sixth Annual Report of the Nuclear Regulatory Commission as required by Section 307(c) of the Energy Reorganization Act of 1974 (42 U.S.C. 5877).

The period covered is fiscal year 1980, ended September 30, 1980, with occasional treatment of events occurring after that date.

RONALD REAGAN.

THE WHITE HOUSE, *April 3, 1981.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–856. A communication from the Deputy Secretary of Agriculture, transmitting, pursuant to law, a final report on facilities for food and agricultural research; to the Committee on Agriculture, Nutrition, and Forestry.

EC–857. A communication from the Executive Associate Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the apportionment of an appropriation on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC–858. A communication from the Secretary of Defense, transmitting, pursuant to law, eight reports of violations of the Anti-Deficiency Act; to the Committee on Appropriations.

EC–859. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, nine reports of violations of the Anti-Deficiency Act; to the Committee on Appropriations.

EC–860. A communication from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report on the adequacy of pay and allowances of the Armed Forces; to the Committee on Armed Services.

EC–861. A communication from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report on the pay adjustment mechanism for military personnel; to the Committee on Armed Services.

EC–862. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, a report covering certain property to be transferred to the Republic of Panama in accordance with the Panama Canal Treaty of 1977; to the Committee on Armed Services.

EC–863. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the second annual report on the Board of the National Credit Union Administration; to the Committee on Banking, Housing, and Urban Affairs.

EC–864. A communication from the Chairman of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the annual report of the Council for calendar year 1980; to the Committee on Banking, Housing, and Urban Affairs.

EC–865. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the future of rail services in the Northeast; to the Committee on Commerce, Science, and Transportation.

EC–866. A communication from the Secretary of the Interior, transmitting, pursuant to law, the Federal Coal Management Report for fiscal year 1980; to the Committee on Energy and Natural Resources.

EC–867. A communication from the Acting Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, supplemental data to the previously submitted quarterly report on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; refinery activities; and inventories for the period October through December 1980; to the Committee on Energy and Natural Resources.

EC–868. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to March 31, 1981; to the Committee on Foreign Relations.

EC–869. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, a report on the activities of the Commission during calendar year 1980 under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–870. A communication from the Acting Assistant Secretary of Commerce for Administration, transmitting, pursuant to law, a report on a proposed new system of records for the Department for implementing the Privacy Act; to the Committee on Governmental Affairs.

EC–871. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report of the Board on its activities under the Government in the Sunshine Act for calendar year 1980; to the Committee on Governmental Affairs.

EC–872. A communication from the Acting Inspector General, Department of Energy, transmitting, pursuant to law, the annual report of the Office of Inspector General, Department of Energy, for calendar year 1980; to the Committee on Governmental Affairs.

EC–873. A communication from the Vice President for Corporate Communications of the National Railroad Passenger Corporation, transmitting, pursuant to law, the annual report of the Corporation on activities under the Freedom of Information Act for calendar year 1981; to the Committee on the Judiciary.

EC–874. A communication from the Chairman of the National Council on the Handicapped, transmitting, pursuant to law, the first annual report of the National Council

on the Handicapped; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 105. Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 694.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BAUCUS:

S. 876. A bill to encourage the use in programs under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), in the export credit sales program, and in the commodity donation program, of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. INOUYE (for himself, Mr. CANNON, and Mr. LONG):

S. 877. A bill to authorize appropriations for certain maritime programs of the Department of Commerce for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS:

S. 876. A bill to encourage the use in programs under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), in the export credit sales program, and in the commodity donation program, of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities; to the Committee on Agriculture, Nutrition, and Forestry.

POTENTIAL OF PROTEIN BYPRODUCTS

● Mr. BAUCUS. Mr. President, the bill I am introducing today would direct the Secretary of Agriculture to consider the potential of using protein byproducts to meet the food needs of developing countries.

This legislation is identical to a bill introduced in the House by Representative BEDELL and my friend and colleague from Montana, Representative MARLENEE.

The United States currently exports food products to a number of developing nations through the food for peace programs, the export credit sales program, and other programs. My bill would direct the Secretary of Agriculture to consider including protein byproducts in our export and donation programs.

Protein byproduct, commonly called mash, comes from the production of alcohol fuel from agricultural commodities, like wheat and corn. It is the residue from the distilling of alcohol fuel.

In my home State of Montana, a concerned and ambitious group of farm wives—members of Women Involved in Farm Economics—WIFE—has perfected the use of this protein byproduct in baking traditional food products such as bread, cakes, and other flour-based products. These products, however, improve on traditional recipes by increasing the protein and nutritional value of the food products.

Mr. President, the potential for protein byproducts is too great to be overlooked. If developed, protein byproducts could be a real way for families in developing countries to stretch their food dollars.

Also, the savings in shipping costs could provide a substantial benefit to our economy. Protein byproduct is concentrated—which means the same nutritional value in a quantity of wheat or corn can be provided by a lesser quantity of protein byproduct.

The thought of providing a high protein food product to developing countries without any increase in handling, storage or transportation is too significant a benefit to overlook.

Mr. President, I would again like to commend the members of the Montana chapter of WIFE and the members of the South Carolina WIFE chapter for their cooperative effort in promoting the use of protein byproduct. To help demonstrate the potential of protein byproduct for food production, I ask that the following selected WIFE recipes be entered into the RECORD.

There being no objection, the recipes were ordered to be printed in the RECORD, as follows:

Renewed Grain is a high-protein mash flour that is made from the residue of making alcohol from grain. Renewed Grain is 2 to 3 times higher in protein content than regular flour and can be made from most grains. The name Renewed Grain has been registered with the trademark office. Receipts in this booklet have been made with Renewed Grain high-protein wheat mash flour unless otherwise indicated.

This recipe booklet is presented to you courtesy of the Valley County WIFE organization, Glasgow, Mont.

MASH BREAD

1 cup white flour;
1 cup whole wheat flour;
1 cup renewed grain flour;
½ cup milk;
¼ cup water;
2 T. brown sugar;
1 cake yeast;
2 T. salt;
2 T. shortening.

Crumble yeast in ¼ cup lukewarm water. Scald milk. Add salt and brown sugar. Let cool. Combine milk and water mixtures. Add whole wheat flour and beat well. Add the melted shortening. When mixed in, add white flour and renewed grain flour gradually.

Lightly flour bread board. Turn dough out on it and knead well. Place dough in greased bowl, oil top, and cover. Let rise until double in bulk. Punch down. Let rise again. Place into oiled bread pans. Let rise until doubled in bulk. Bake at 425 for 10 minutes, turn down to 375 and bake for 40 minutes.

ZUCCHINI BREAD

3 eggs;
2 cups zucchini;
2 cups sugar;
1½ tsp. vanilla;
1 cup oil.

Mix these ingredients in a saucepan and boil.

1½ cups renewed grain flour;
2 cups whole wheat flour;
1 tsp. baking soda;
½ tsp. baking powder;
1 tsp. salt;
1 tsp. cinnamon.

Mix these dry ingredients in a bowl. Blend with above mixture. Add ½ cup crushed nuts. Bake at 350 for one hour.

By Mr. INOUYE (for himself, Mr. CANNON, and Mr. LONG):

S. 877. A bill to authorize appropriations for certain maritime programs of the Department of Commerce for fiscal year 1982, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MARITIME AUTHORIZATION

● Mr. INOUYE. Mr. President, everyone, I believe, supports the President's objective to reduce Government spending, provided that in the process, we do not jeopardize essential services and public policy objectives which are prescribed in laws which Congress has enacted over the years.

One of these policies, of course, is set out in section 1 of the Merchant Marine Act of 1936, as amended. That section states that it is necessary for the national defense and development of our foreign and domestic commerce that the United States shall have a merchant marine which, among other things, is:

Sufficient to carry a substantial portion of our waterborne export and import foreign commerce, and to provide shipping service essential for maintaining the flow of such commerce at all times;

Capable of serving as a naval and military auxiliary in time of war or national emergency; and

Supplemented by efficient facilities for shipbuilding and ship repair.

The reasons why we need the kind of merchant marine mandated by the 1936 Act, go to the very heart of the economic prosperity and survival of our country. It would therefore be national folly to assign anything less than "priority" to the task of achieving these objectives.

Our merchant fleet not only serves as an essential supply line for U.S. forces throughout the world in peace and war, it also minimizes political pressures that could be brought to bear against the United States if we are forced to depend on foreign maritime powers for shipping services.

There is, after all, no guarantee that the United States will be able to purchase all the shipping we need. There may be nations, or blocs of nations, who

believe it is in their best interests to prevent the United States from trading during a crisis.

Since the end of World War II the United States has become increasingly dependent on import sources for minerals and metals which are esssential for our national defense and industrial base. Of 91 nonfuel minerals listed by the U.S. Bureau of Mines, the United States has a net import of 66. And with respect to 25 of those we import more than 50 percent.

Aluminum, for example, which ranks next to steel as the largest tonnage metal industry, is produced from bauxite. We import about 95 percent of our bauxite, and it comes principally from such countries as Jamaica, Guyana, Surinam, the Dominican Republic, Haiti, Guinea, and Australia.

In 1942, 25 percent of all vessels carrying bauxite from Surinam and Guyana—then our sole import source—were sunk by German submarines in the Caribbean and the Gulf of Mexico.

We import about 90 percent of our chrome and 100 percent of our manganese and cobalt, and all, except a modest amount from Mexico, is waterborne.

It is also significant to note that with the exception of the imports from Canada and Mexico, all of them must for the most part move by dry bulk carrier.

The reasons for our maritime policy are therefore quite clear and compelling, in my judgment.

Is the U.S. merchant marine as presently constituted capable of fulfilling the vital national role which that policy intends it should?

Tankers: U.S.-flag carriage of our oil imports is near an all time low;

Dry-bulk vessels: Dry-bulk cargoes comprise about 40 percent of our foreign trade, yet less than 2 percent of it moves on U.S. bottoms. Our dry-bulk fleet consists of 18 small vessels averaging over 25 years of age;

Liners: According to the latest MARAD report, the U.S. Fleet continued its steady decline in the share of our containerized cargo trade; and

Shipbuilding mobilization base: Our present shipbuilding base is composed of 24 shipyards (excluding Sun Ship, Inc.). There has been a precipitous decline in capability and a broad loss of mobilization flexibility. Some 30,000 skilled shipyard workers, and another 90,000 in supporting activities face the prospect of unemployment over the next several years.

Over 2 years ago, the British publication Maritime Weekly summarized the situation as follows:

The U.S., as the world's largest trading nation, not only lacks a merchant fleet commensurate with its true requirements, but will shortly lack the means to achieve it.

Mr. President, when the previous administration's budget for the Maritime Administration for fiscal year 1982 was submitted to the Congress, many of us felt it was barely adequate to arrest the serious decline of the U.S. merchant marine. Nevertheless, those of us who felt this way were inclined to go along with the requested funding levels because we expected Congress to complete its work and make the necessary recommendations to revitalize our merchant marine. In the meantime, the funding levels requested in the January 1982 budget request would, if nothing more, hold the line against further erosion of the industry.

We were therefore dismayed with the present administration's budget request which substantially undercut even the barely adequate funding levels requested by its predecessor.

Most significantly, the administration has proposed no funding for the construction differential subsidy (CDS) program, whereas the Carter budget requested $107 million.

CDS is based on the difference between United States and foreign shipbuilding prices, and is paid to U.S. shipyards. The Merchant Marine Act of 1970 established the major national policy objective of maintaining a base of efficient shipbuilding and ship repair facilities.

Mr. President, if the CDS program is not funded in fiscal year 1982, and $92 million of CDS funds already appropriated for fiscal year 1981 are deferred, as the administration proposes to do it will mean that two dry bulk ships which would have been built will not be; that national defense features will not be added to certain existing commercial vessels as authorized by law; and CDS funds will not be available to pay for the changes to tankers which are required by the Port and Tanker Safety Act of 1978.

Mr. President, in addition to the $107 million of CDS funding, the administration proposes another $8.8 million of reductions in essential MARAD programs. In total the administration's revised request is $115,884 million less than its predecessors.

I realize the administration has said that "alternatives to existing maritime subsidy policies are currently under consideration," and all of us hope they will soon be forthcoming. Such a contingency cannot, in my judgment, justify such drastic curtailment of such essential programs, however.

Accordingly, Mr. President, Senators CANNON, LONG, and myself are today introducing legislation to authorize funding the program of the Maritime Administration at the minimal levels requested in the January 1982 budget submission to Congress.●

● Mr. LONG. Mr. President, I join with Senators CANNON and INOUYE in introducing legislation to authorize appropriations for certain maritime programs of the Department of Commerce.

The State of Louisiana has extensive shipbuilding and repair facilities which have played a major role in the development of our Nation's maritime fleet and naval forces.

I believe this legislation is minimally necessary to maintain our ship mobilization base.

In January of this year the previous administration submitted a bare bones budget for the programs of the Maritime Administration. Many of us felt that it was barely adequate to arrest the serious decline in our merchant marine. Nevertheless we were inclined to go along with the requested funding levels because we expected Congress to complete its work and make the necessary recommendations to revitalize our merchant marine.

The present administration has, however, proposed further reductions of $115.88 million. Of that amount the most serious is the complete elimination of funds for the construction differential subsidy, that is, $107 million.

Mr. President, the administration has told us that whatever harm this cut would do to our shipyard mobilization base would be more than offset by an expanded naval building program.

Just last week, the Shipbuilders Council of America testified before the Merchant Marine Subcommittee, and had the following to say about the administration's claim:

The exact dimensions of the Administration's expanded naval building plan have yet to be publicly announced, but from all indications it contemplates a "balanced mix" of 30 new ships per year. The average over the past five years has been closer to 16 per year. On this basis, the naval workload demand on the private sector of the U.S. shipbuilding industry could approximately double, but with the lead time involved in the contracting of sophisticated warships, the full impact of naval orders will not be felt for at least three years. Additional commercial ship construction work will clearly be required to sustain these yards at an economical level.

Mr. President, until we come up with a concrete definite alternative to the present system of encouraging U.S.-ship construction, it is essential that Federal assistance be maintained.●

ADDITIONAL COSPONSORS

S. 158

At the request of Mr. HELMS, the Senator from Georgia (Mr. MATTINGLY), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Alabama (Mr. DENTON) were added as cosponsors of S. 158, a bill to provide that human life shall be deemed to exist from conception.

SENATE JOINT RESOLUTION 33

At the request of Mr. HELMS, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Wyoming (Mr. WALLOP), the Senator from Montana (Mr. MELCHER), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of Senate Joint Resolution 33, a joint resolution to establish a Commission to plan for the 200th anniversary celebration of the birth of our Constitution.

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GARN. Mr. President, I am pleased to announce that the Banking, Housing, and Urban Affairs Committee will conduct a comprehensive review of major banking and consumer protection laws enacted by Congress in recent years—affecting everything from truth-in-lending to money market mutual funds.

It is important for Congress to step back and reassess what we already have done to consumers and the financial community as a basis for formulating policies to cope with the rapidly changing economic environment of the 1980's. This type of comprehensive review is virtually unprecedented. All too often, Congress simply passes new laws in a willy-nilly fashion, piling new mistakes on top of old ones, without looking at the consequences of laws already on the books.

The committee will hold seven hearings between April 28 and May 19, involving representatives from the banking, thrift, money market mutual fund, securities, and financial services industries, as well as Federal regulators, consumer groups, and academicians. Information gleaned from these hearings could well establish the groundwork for banking and consumer legislation for the next few years.

Special attention during the hearings will be given to the problems of the thrift industry in a high interest economy and the impact of the rapid growth of money market mutual funds on insured depository institutions.

As interest rates have risen in the past year and a half, many thrift institutions have suffered a continuous decline in earnings. The result has been that they have been limited in their ability to provide mortgage credit in an amount and at a price necessary to satisfy consumer's needs.

The hearings will provide the committee with information about the increasing shift of savings to money market mutual funds and the effects of such growth on competing financial institutions and on monetary and economic policy. Money market mutual funds have afforded small investors with an opportunity to earn more interest in a highly inflationary environment but, through the use of third-party checking and other bank-type services, they have raised questions about the historical separation of banking and securities activities.

As one Senator who is opposed, in principle, to over-regulation of any institution or industry, it is not my purpose to seek to impose new regulations on money market funds. However, in a free market system, it is important to insure that unfair advantage is not given to any institution or industry offering the same sort of services as another institution or industry by the uneven application of regulations.

The hearings also will further the Reagan administration's efforts to identify and eliminate burdensome and unnecessary regulations which fuel the Nation's inflation rate. One of my personal concerns is the truth-in-lending law, which presently requires businesses and lenders to provide consumers with more financial information than they can reasonably use. The costs of additional time and paperwork to comply with the law are, of course, passed on to the consumer in the form of higher prices.

In the spirit of the Reagan administration's commitment to a new beginning, I expect the committee hearings to give us a better idea of which laws work and which do not—with the overall objective of helping to promote new growth and competitive vigor in the financial industry.

The schedule of hearings—to be held in 5302 Dirksen Senate Office Building—includes: April 28—Federal financal regulators; May 6—banking industry and financial services representatives; May 7—thrift industry representatives and State financial institution regulators: May 13—money market mutual fund and securities regulators; May 14—money market mutual fund and financial industry representatives; May 18—consumer credit regulators and consumer group and industry representatives; and May 19—former thrift industry regulators and academicians.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that Deputy Secretary of Agriculture Richard Lyng will testify before the Committee on Agriculture, Nutrition, and Forestry on the reauthorization of the food stamp and commodity distribution program on Monday, April 6 beginning at 9:30 a.m. in room 324 Russell Building. Also, I wish to advise the Senate that David Stockman, Director of the Office of Management and Budget will testify before the committee on the food and agriculture budget for fiscal year 1982 on Thursday, April 9, beginning at 2 p.m. in Room 324 Russell Building.

Anyone wishing further information should contact the Agriculture Committee staff at 224–2035.

ADDITIONAL STATEMENTS

POLAND—THE PROLETARIAT CHALLENGE TO THE COMMUNIST BOURGEOIS

Mr. ROBERT C. BYRD. Mr. President, the ongoing crisis in Poland presents the international community with a classic study of the contradictions between the theory and actual practice of communism. We are witnessing the so-called revolution of the proletariat coming full circle.

On March 29, 1981, we were greeted with news stories that the Kremlin had charged the solidarity union, representing 10 million Polish industrial workers, with being counterrevolutionary and an enemy of the state.

The official Soviet news agency, Tass, in expressing the deepening concern within the Soviet leadership over events in Poland, raised the following alarm:

Solidarity itself is following the path of transformation into a political party hostile to Polish Communists and the Government.

Leaders of the Soviet Union and its Eastern European allies, East Germany and Czechoslovakia in particular, have urged Polish authorities to crack down on the solidarity government.

I find these events particularly illuminating since the proletariat, or the industrial worker, is supposedly the foundation upon which a truly Communist state is built.

One only has to read the Communist Manifesto, written by Karl Marx and Friedrich Engels, to appreciate the contradictions inherent in the Eastern bloc's alarm over events in Poland. In the chapter on bourgeois and proletarians the following commentary can be found:

> From time to time the workers are victorious (in their struggle against the Bourgeois), but only for a time. The real fruit of their battles lies, not in the immediate result, but in the ever expanding union of the workers. This union is helped on by the improved means of communication that are created by modern industry and that place the workers of different localities in contact with one another. It was just this contact that was needed to centralize the numerous local struggles, all of the same character, into one national struggle between classes. But every class struggle is a political struggle. . . .

What an irony that this commentary should be a prophecy not only for Communist Poland, but the entire Eastern bloc as well. One only has to recall that Solidarity began as a small, almost obscure, union in the shipyards of Gdansk. Today, it has grown to encompass 10 million industrial workers from the coal miners of Silesia to the factory workers in nearly all the major cities of Poland.

If one were to believe Soviet propaganda, I suppose the West should feel secure in the knowledge that somehow we have the capability to organize 10 million Polish workers in an attempt to subvert the socialist systems of Eastern Europe. However, despite all of this propaganda, it cannot conceal the fact that the proletariat of Poland represents a fundamental threat to the underpinnings of Communist ideology. This is the real threat to the Soviet Union and its Allies—one which the Soviets understand only too well.

The present situation in Poland does have an historical base. It has been 64 years since the first Communist state was established through the overthrow of Czar Nicholas II in the Bolshevik Revolution of 1917. According to Marxist-Leninist theologians of the time, this

historic occasion was to have set in motion a chain of events leading to the dictatorship of the proletariat and eventually to a completely classless society.

Yet, during this span of 64 years, the proletariat has remained the exploited proletariat in the Eastern bloc, only now they labor under the Communist system. Far from evolving into the dictatorship of the proletariat or into classless societies, we have seen the emergence and perpetuation of new elites—a Communist bourgeoisie. Comprised of political and military loyalists to the party line, the Communist bourgeoisie enjoy a standard of living far beyond the reach or the dreams of the proletariat in their countries. They maintain dachas, feast on caviar, are driven around in limousines, and generally enjoy all the amenities of life.

Contrary to Eastern Europe under communism, the worker of the West has evolved into a major political and economic force in the capitalist system. Through the trade union movement, the laborer in the West has increased his purchasing power and with it, access to a wide variety of consumer goods. This is not to say that all inequities for the Western worker have been resolved. However, his counterpart in the Eastern bloc is faced with a declining quality of life. He, or members of his family, spend numerous hours in food lines waiting to purchase the barest necessities. Few consumer goods are within his financial reach. Yet, the leadership of the Eastern bloc does not endure the same hardships.

This is the fundamental issue involved in Poland, and this is what is so threatening and so frightening for the Soviet leadership. Poland today is not Hungary of 1956 which the Soviets invaded to suppress a revolt of intellectuals and students. Poland today is not Czechoslovakia of 1968 where Soviet tanks were used to roll back the liberalization of the "Prague Spring." Poland today is not Afghanistan, a neutral, Third World country for which the Soviets have always had imperialist designs.

Poland today is 10 million industrial workers who want a greater voice in the running of their unions and a greater voice in controlling their own destinies. And this creates a dilemma for the Soviets. It is one thing to turn guns on students and intellectuals. It is quite another to turn guns on the proletariat, the so-called foundation of the Communist state.

The Soviet bloc is nothing more than a collection of governments comprised of dictatorial elites. V. I. Lenin, on page 441 of volume XXV of his collected works (second edition) defined dictatorship in the following manner:

> The scientific concept of dictatorship means nothing more than unlimited government, unrestrained by any laws or any absolute rules and supporting itself directly by force. Nothing other than that is the meaning of the concept of dictatorship.

It is apparent this has been the central dogma for the dictatorial elite of the Soviet Union—beginning with the rule of Josef Stalin. The maintenance of this status is the overriding concern of the Soviet leadership even if it means it has to be accomplished at the expense of the workers and peasants. The historical expansionist policies of the Russian leaders have always taken primacy over the welfare of the proletariat. Little has changed since the czars.

SECRETARY OF STATE ALEXANDER HAIG'S TRIP TO THE MIDDLE EAST

Mr. ROBERT C. BYRD. Mr. President, the Secretary of State is embarking upon his first overseas diplomatic mission to one of the most troubled regions of the world—the Middle East. I want to wish him the very best for a successful trip.

News reports announcing the Secretary's trip emphasized his intention to heighten awareness among the moderate Arab States, such as Saudi Arabia, to the Soviet threat in the region and the U.S. resolve to respond firmly to that threat. However, as I am sure the Secretary will soon discover, he will be traveling to a region of the world which has markedly differing perceptions as to what are the threats to peace and stability in the area.

The Secretary will be traveling to the Middle East at a time when:

The Egypt-Israeli peace talks are at an impasse over the issue of Palestinian autonomy;

Iran and Iraq are still locked into a seemingly intractable war which could threaten the West's oil lifeline;

Jordan and Syria have become increasingly hostile neighbors;

The Soviets continue to accupy Afghanistan, and their presence and role in Ethiopia, South Yemen, and Libya is viewed with varying degrees of concern;

The Israelis are in the midst of preparations for national elections in the early summer; and

Lebanon continues to be torn asunder by a multitude of internal and external forces.

In Saudi Arabia, the Secretary will find that resolution of the Palestinian question is high on that country's agenda and the Saudis are deeply concerned over the potential spread of radical Islamic fundamentalism as espoused by the Khomeini regime in Iran. On the issue of the Middle East peace settlement, he will find the Saudis preoccupied by the formal annexation of Jerusalem as Israel's eternal capital and the proliferation of settlements on the West Bank. In other words, Arab-Israeli issues will take precedence over the Soviet occupation of Afghanistan or the presence of a Marxist regime in South Yemen.

In Israel, the Secretary will find a country beset by serious economic difficulties. The price of oil, the need to replace strategic bases in the Sinai with ones in the Negev, and defense expenditures which comprise 40 percent of the Israeli budget have contributed to an inflation rate which is now estimated to be 140 percent a year. While the vast majority of Israelis favored the Camp David agreement and the Egypt-Israeli peace treaty, many are now wondering whether the economic price of peace has been too high. In addition, Israel is still confronted with terrorist raids, launched by the Palestinian Liberation Organization which has yet to retreat from its commitment to destroy the State of Israel.

The administration's proposed sale of AWACS and enhancement of F–15's previously sold to Saudi Arabia, has heightened concern in Israel that this would significantly increase Arab military capability.

In Egypt, he will find a President who shares this administration's concern for Soviet influence in the region. In addition, the present stalemate in negotiations with Israel on the autonomy issue has created some internal difficulties for President Sadat.

Jordan still views the Camp David agreement with suspicion, foreclosing any option to legitimate negotiations on the west bank and Palestinian issue.

Thus, the Secretary of State will be visiting a region of the world which is highly complex in its politics. I am confident the Secretary will listen carefully to the concerns of all parties. I know that I am joined by all my colleagues in wishing him success.

MIDDLE EAST CONFLICT

● Mr. LEVIN. Mr. President, one Middle East conflict has now burst, again, into flames—flames which may well consume the entire region unless action is taken soon. I refer to the current crisis in Lebanon in which Syria is shelling Lebanese villages. For years we have ignored Lebanon, hoped that in some way the situation would resolve itself and go away. Well, it is clear now—as it should have been for years—that it will not be easily resolved and it will not just go away.

When I visited the Middle East last December, I went to Lebanon—the first American Senator to do so in years. I was struck then by the human suffering and the political instability which tormented that once beautiful land. In my report on that trip, I suggested that "the U.N. role must be expanded, and the United States should initiate discussions in the U.N. Security Council to determine the possibilities for such an expansion."

I also shared with my colleagues and President Reagan my belief that "the Syrians will have to leave." As far as I know, however, no steps were taken by the new administration to move ahead in these areas. The results of that inaction are now all too clear. The bloody town of Zahle and the people who live there are now paying the price for our neglect.

But, Mr. President, I believe it is still possible to take action which can help this troubled country. President Sarkis has called on the Syrians to stop their shelling and remove their forces. So far there has been no response from Syria. The failure to respond constitutes interference in Lebanon's internal af-

fairs. Secretary Haig is leaving today for a visit to this area. In a letter I had delivered to him today, I made some suggestions about the role our Government might play in this area. I hope those suggestions will be heeded and that action will be taken. And I ask unanimous consent that the text of that letter appear in the RECORD at this point.

The letter follows:

U.S. SENATE,
Washington, D.C., April 3, 1981.

Hon. ALEXANDER HAIG,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: As you embark on your trip to the Middle East, the region is once again teetering on the brink of disaster. I refer specifically to the current conflict in Lebanon which threatens to consume that nation and possibly spread to other states in the area.

Mr. Secretary, on my recent visit to the Middle East, I was particularly struck by the tragedy which is Lebanon today—with the human misery and political instability which has transformed a once lovely land into a bleeding nation filled with suffering. America simply must do everything it can to moderate the conflict that rages there now.

In that context, I am informed that President Sarkis has formally commanded, in his capacity as Commander in Chief of all forces in Lebanon, that the Syrian troops stationed there cease the shelling of civilian areas and withdraw from certain areas in Lebanon. I understand that he is particularly concerned about restoring some degree of moderation to the troubled city of Zahle. Despite the clear order of President Sarkis, Syrian forces have neither ceased their shelling nor taken any steps toward withdrawing from the areas he specified.

I hope, Mr. Secretary, that you will do everything possible to help assure that President Sarkis' order is, in fact, executed. In this context I believe that, during your trip, you should arrange to meet with Syrian officials in Saudi Arabia to discuss with them the situation in Lebanon. I would also hope that you might communicate to Saudi officials our interest in securing their cooperation in persuading Syria to honor the order of President Sarkis and cease shelling and begin an orderly withdrawal from whatever portions of Lebanon he might enumerate.

Mr. Secretary, what we are seeing in Lebanon now is nothing more nor less than interference in the affairs of a sovereign nation by an external power. Given your views on foreign intervention, I am sure you will do everything you can to assist Lebanon in securing Syrian compliance with their requests.

Sincerely,

CARL LEVIN.●

DOE ALCOHOL FUEL PROGRAM

● Mr. BAUCUS. Mr. President, today I would like to add my support to that of many of my colleagues who are asking President Reagan and the Secretary of Energy to carry out the loan guarantee program under title II of the Energy Security Act. I joined many of these same Senators in writing to Secretary Edwards in February asking that the intent of Congress be carried out in awarding these loan guarantees. I ask that a copy of our letter to Secretary Edwards be inserted at this point in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., February 3, 1981.

Hon. JAMES B. EDWARDS,
Secretary of Energy,
Washington, D.C.

DEAR MR. SECRETARY: We are, like you, committed to reducing this nation's dangerous dependence on foreign sources of oil as quickly as possible. We strongly believe that, if we are to be successful, the United States must develop a diversified energy supply system, and employ a wide variety of technologies and feedstocks. Of all the domestic alternatives now under consideration, the production of alcohol fuel from biomass has significant near-term potential for contributing to the nation's high grade liquid fuel needs.

As you are aware, the Congress recognized this important potential of alcohol fuels in passing the Energy Security Act, Title II which authorized the awarding of loan guarantees for alcohol fuel production of these funds for a total of approximately $1.2 billion (the equivalent of what the U.S. spends in five (5) days on oil imports). To date, fifty-seven applications have been filed, and sixteen firms have been invited to negotiate on final guarantees. Consequently, there remains both a significant number of worthy projects interested in applying for funding in a new solicitation, and a substantial amount of funds remaining to be obligated.

Mr. Secretary, it was the intent of Congress in authorizing and appropriating these funds that worthy projects would be selected and awarded as expeditiously as possible so that construction could begin and the "first generation" of alcohol fuel plants could begin commercial operation. The goal of maximum private sector participation is one we all share, but loan guarantees are necessary at this stage in order to bridge the psychological risk factor that still remains with respect to alternative energy projects. With the completion of these "first generation" facilities, full participation by the financial community will follow.

The loan guarantee program is not a subsidy, but an important investment in the nation's energy future. At a time of increasing uncertainty and instability in the world's oil producing regions, it is even more critical than ever before that we put our words into action. For this reason, we respectfully urge that you: (1) expedite the current negotiations so that commitments can be made as soon as possible and project construction can begin; and (2) promptly announce a new solicitation to commit the remainder of the loan guarantee funds for commercialization of alcohol fuel production.

Thank you in advance for your consideration of this request.

Sincerely,

Bob Dole, James A. McClure, Larry Pressler, Charles E. Grassley, Wendell H. Ford, Quentin N. Burdick, Max Baucus, J. Bennett Johnston, John Glenn, Gary Hart, Strom Thurmond, Charles H. Percy, Rudy Boschwitz, David Durenberger, Walter D. Huddleston, John Melcher, Edward M. Kennedy, Howard M. Metzenbaum, Lloyd Bentsen.

Mr. President, as the above letter states, I believe the support for alcohol fuel projects provided under the Energy Security Act is important in breaking the barrier of hesitation facing private investors. I am sure that once the viability of these alternative energy facilities is realized, the financial community will follow with their wholehearted support of the industry.●

SEPARATION OF POWERS—UPHOLDING THE CONSTITUTIONALITY OF CONGRESSIONAL ACTION ACT

● Mr. BAUCUS. Mr. President, insuring the efficiency and effectiveness of Government programs is one of my top priorities. Overseeing how the Department of Justice exercises its litigation authority is a primary responsibility of mine. As the ranking minority member of Judiciary's Separation of Powers Subcommittee, I am particularly concerned about the Department's effectiveness in defending the constitutionality of laws passed by Congress.

Unfortunately, the Department of Justice's effectiveness in meeting its obligation to defend congressional actions is impaired by the fact that they sometimes refuse to defend the constitutionality of certain provisions of laws. In response to this problem, I have introduced S. 285, the Separation of Powers—Upholding the Constitutionality of Congressional Action Act.

Mr. President, S. 285 requires the Attorney General to advise Congress when the Department of Justice intends to refrain from defending the constitutionality of a law passed by Congress. It is equivalent to title IV of S. 284, which I previously introduced as an omnibus measure containing several reforms in the management of litigation in the Federal Government. S. 285 is a companion measure to Congressman LEVITAS' bill, H.R. 1134, and it echoes provisions which were adopted in the Department of Justice Appropriation Authorization Acts for 1979 and 1980.

S. 285 responds to a relatively novel and questionable assertion of authority by the Department of Justice. Until 1970, there were very few instances in which the Department of Justice declined to defend significant Federal legislation. Principally, those few instances occurred when the Department declined to defend laws which it considered to infringe the President's removal power. Since 1970, however, the Department has asserted expansive authority in these areas, in two respects. It has increased sharply the frequency with which it declines to defend statutes which it views as infringing Presidential powers, such as legislative veto provisions. Second, it has asserted an unprecedented authority to decline to defend statutes which do not affect Presidential powers at all.

Last year, I chaired oversight hearings which focused on one particular assertion of authority to decline to defend statutes which do not affect Presidential powers. My subcommittee reviewed Department of Justice documents, took testimony from Justice Department officers, and obtained the views of the Attorney General and the Senate legal counsel on a number of key legal questions.

I was somewhat concerned by what was revealed in those hearings. First, it appeared that there was serious doubt where the Department of Justice gets the authority it asserts. Certainly the framers of the Constitution did not provide such authority and Congress never gave it by statute. The Justice Department could not point to any significant in-

stance, before the last administration, when it declined to defend a statute which had no effect on Presidential powers. Past Attorneys General had foresworn such authority, scholarly commentary was critical of it, and there were strong constitutional objections to it.

Second, in a particular case where the Department recently asserted its authority, League of Women Voters against FCC, the value of its doing so was highly questionable. Inside the Department, the Office of Legal Counsel had advised against asserting the authority. Congressional leaders asked the Department to reconsider its assertion. When it failed to change its position, the Senate reluctantly appeared as amicus in the case which the Department refused to defend, and the court dismissed the case on the grounds argued by the Senate. The case is now on appeal.

If the Senate had not appeared in that case, the court would likely have struck down the statute in the absence of any defense of it. This raises the specter of the Department of Justice acting as an ultimate reviewing authority on statutes, deciding which shall survive and which shall be struck down, and allowing some to be struck down which a neutral and politically independent court would preserve. Of course, one may hope that this case was not a typical instance of departmental action of the kind. However, the departmental officials who testified at our oversight hearings last year did not leave the impression that what happened could not happen again; they continued to defend their actions in the case.

In light of these concerns about the authority asserted by the Department of Justice, S. 285 is a measured and appropriate response. It does not legitimize or validate the authority asserted by the Department, but provides a means for close oversight. It sends a signal to the Department about Congress' concern. It forewarns Congress so that appropriate steps can be taken in particular cases where the Department declines to defend statutes. Finally, it insures the preparation of a record of the Department's assertions of authority, should further action by Congress be necessary.

S. 285 makes permanent a notice requirement which has been included in the last two Department of Justice appropriation authorization acts. The Department has not found that requirement onerous. On the contrary, Assistant Attorney General for the Civil Division Alice Daniel told us during the oversight hearings that the procedures required by those past provisions "are working well." Whether they are working well enough is something that may need to be addressed again in the future, but for now, S. 285, which merely continues those provisions, is a basic minimum step in this area.●

CONFLICTING VIEWS ON THE VALUE OF THE CLEAN AIR ACT

● Mr. BAUCUS. Mr. President, I would like to insert in the RECORD today two articles recently published in the Washington Post which present widely divergent views on the value of the Clean Air Act.

The first article, entitled "The Clean Air Act Is Worth It," was written by Leon G. Billings, a former aide to Senator Muskie.

Mr. Billings is known well by students of the legislative history of the Clean Air Act. Born and bred in Montana, Leon worked as a staff director for Senator Muskie's environmental subcommittee during the sixties and seventies, the formative years of the Clean Air Act debate.

Mr. Billings was recently recognized for his efforts when he was presented the Second Biennial Philip A. Hart Award in honor of three distinguished individuals for outstanding work in improving urban and working environment.

The second article, to which Mr. Billings responds, was written by Mr. Ben Wattenberg, whose political expertise needs no introduction in these Chambers. Mr. Wattenberg's article, a provocative attack on the Clean Air Act is entitled, "A Healthy Society, Getting Healthier."

The articles follow:

[From the Washington Post, Apr. 2, 1981]

THE CLEAN AIR ACT IS WORTH IT

(By Leon G. Billings)

"Would the Clean Air Act have been passed in the form that it was a decade ago if lawmakers hadn't been health-mongered by environmental activists hit-listing the 'dirty dozen' legislators while predicting that a Silent Spring of poisonous degradation was just over the smoggy horizon?"

Not quite the way I would phrase the debate, but that's how Ben Wattenberg, "the Democrats did it themselves" polemicist, put it on this page ["A Healthy Society, Getting Healthier," March 25].

Wattenberg is not alone in the attempt to revise history in order to make a point. Many would tell you that the Clean Air Act has been tried and found guilty on all counts: primary cause of inflation; major cause of reduced productivity; significant contributor to unemployment; important factor in balance of payments deficit, and declining international competitiveness; and, most heinous, the real reason business does not have any capital to invest in "reindustrialization."

These are all debatable points. I won't concede any of them. And the prosecution of the Clean Air Act obviously bears the burden of proof.

Wattenberg, however, goes beyond all of these allegations to make another point: Dirty air is good for your health. That is a conclusion one can draw from Wattenberg's argument that there is a direct relationship between recent "findings" of gain in life expectancy and the kind of contamination currently found in our environment.

In 15 years of exposure to this issue, I have never before heard the argument that a more polluted planet is a healthier planet. But, obviously, if there are greater pollution and more pollutants and improved life expectancy, one must conclude that a positive correlation exists.

So much for facetiousness. There is a much more significant and troubling point to the Wattenberg polemic: The contention that absent "good evidence of important health or life expectancy gains due to clean air regulation" there ought to be major relaxation if not outright repeal of the Clean Air Act. Why? Because the act "costs" an alleged $30 billion a year to implement. (According to the Air Quality Commission, it's more likely to be $20 billion and won't reach that until late in the decade.)

If during air pollution alerts, sick kids and old folks were dying on the street; if normally healthy people were suffering from acute respiratory ailments; if people were suffering acute cardiac distress, then, and only then, we should have Wattenberg's "laws and tough ones," according to this reasoning.

That certainly is a clear choice for the American people. A barn-door strategy that only results in an after-the-fact cleanup is clearly an option for Congress (albeit 10 to 100 times more expensive than a preventive regulatory strategy).

Current law is premised on two concepts: first, there is a whole lot we don't know about air pollution, but we have reason to believe that it isn't good for you and that certain sensitive groups in society are especially vulnerable to levels of dirty air that simply don't bother the great majority of Americans.

Second, before air becomes so filthy that draconian cleanup measurements would be needed, we ought to do the best we can with our pollution-control technology and community planning to clean up dirty areas and avoid dirtying up clean areas.

These concepts have met with some success. A lot of cleanup has been purchased. And a great deal of new pollution has been avoided. The auto industry (foreign and domestic) is producing cars that are immensely cleaner than 15 years ago; and, as a bonus, we got lead out of gasoline, out of the air and out of our lungs.

Many cities are now cleaner than ever. Only those with overwhelming growth have failed to keep pace—but absent the Clean Air Act, the result would have been much worse.

Significant advances in technology have been made. And, in some cases, the new technology has improved productivity and reduced energy costs. So, is this the time to take the pressure off? I think not.

Of course, the Clean Air Act has deficiencies. No statute so far reaching in its effect could be faultless. But I can remind Wattenberg that the test of the Clean Air Act is not as he defines it. It has been something very different, best defined not by "health-mongering environmental activists" (many of whom are more interested in parks than people), but by a U.S. surgeon general in the Lyndon Johnson administration.

Dr. William Stewart, testifying on April 19, 1967, before Sen. Muskie's pollution subcommittee on the health effects of air pollution, summed up that test this way:

"Today, thanks to many advances in protecting people against disease, we are able in the health professions to think about the positive face of health—the quality of individual living. . . . Being healthy is not just being unsick. . . . In controlling air pollution for the benefit of health, we are working toward an environment that is not only safe, but conducive to good living."

Ben Wattenberg—meet Dr. William Stewart.

[From the Washington Post, Mar. 25, 1981]

A HEALTHY SOCIETY, GETTING HEALTHIER

Once in a while a set of findings comes along that could explode like a bomb in the public arena. One is that life expectancy in the United States has been going way up. Not just those marginal numbers about infant survival, either.

In the last dozen years, the gain in life expectancy for adults has even surpassed that made between 1940 and 1954 with the introduction of antibiotics. In fact, the recent rate of gain exceeds that of any other time in this century.

In the 1940s, for instance, a typical 45-year-old American could expect to live to age 72. The most recent data show a typical 45-year-old living to age 77—an increase in life expectancy of more than 18 percent.

The increases at the older ages are even more dramatic because of the lowered death rate from heart disease and stroke. A person who is 65 today can expect to survive to age 81.

The life-expectancy projections for the rest of this century may turn out to be even more significant. Prof. Eileen Crimmins of the California Institute of Technology has studied the relevant medical data and says it is likely that "we have entered a new era of mortality decline, one concentrated at the older ages." She projects that someone who is 65 years old in the year 2000 will survive to age 87.

Her estimates are pretty high, but they are not even close to those made by the respected French demographer, Jean Bourgeois-Pichot who says that 65-year-olds in Western countries should expect to live almost to age 100 by the year 2000. A recent report from the World Health Organization verifies the direction of the changes, if not the actual numbers.

All of this leads to a striking, if subversive, notion: We live in a healthy society, getting still healthier. That you will notice is directly contrary to the notion that we live in an unhealthy society, getting still unhealthier.

We have heard about air pollution, water pollution, noise pollution, toxic wastes, carcinogens, low-level radiation, nuclear hazards, DDT, cyclamates, ozone layers and stress—to just begin a long, long list. We have heard that "the enemy is us." American economic effort has been described as "the Gross National Pollution."

This perceived unhealthiness has, of course, generated a small army of lawmakers making laws. After all, we live in a responsive society; sooner or later, our legislators respond to perceived conditions.

Now the perception will change—or at least it should. We have to accept the fact that we live in a healthy society, getting healthier. Are we any longer capable of facing up to the good news?

First to face that music should be the environmentalists. Have they perhaps built their castle on sand? They have in recent years helped change industry, politics, culture and birth rates by drumming home one simple notion: Modern society is hazardous to your health.

That notion was accepted by legislators, professors, students and a lot of people who read the article in the paper that said that designer jeans caused cancer. The result has been a bewildering array of environmental laws and regulations, some quite sensible, some bizarre.

But the question before the house is not whether there are some environmental conditions that seriously harm us. Of course there are, and there ought to be laws and tough ones.

The real question is: What kind of laws would we have if prevailing opinion urged us to improve an already healthy society instead of screaming "stop poisoning the planet"?

A case in point: Would the Clean Air Act have been passed in the form that it was a decade ago if lawmakers hadn't been healthmongered by environmental activists hitlisting the "dirty dozen" legislators while predicting that a Silent Spring of poisonous degradation was just over the smoggy horizon?

That law costs the public and private sectors about $30 billion a year. Yet, eminent scientists, in and out of government, today ask whether there is any—repeat, any—good evidence of important health or life-expectancy gains due to the clean-air regulations.

Pittsburgh cleaned up its air decades before the rest of us. A good thing, too. But there has been no evidence that the once-smoky city improved its health any faster than the rest of the United States.

What sketchy evidence exists begs this question: Is the Clean Air Act worth the whole $30 billion, or could some some of that money be spent on other things with better payoffs? (The sharp gains in life expectancy began well before the new environmental laws took hold.)

So now, a new premise: What will be the ripples from the idea that we live in a healthy society, getting healthier?

One such ripple will be prosaic and difficult: There will be greater chaos in the Social Security system as estimates have to be changed to account for increased life expectancy. Brace yourselves for screeds that denounce this heartless society for maltreating its elderly. Better yet, put away more of your own bucks for your own retirement.

Other ripples operate at another level. We were told that ours was a sick society. We were even warned that it might be irresponsible to bring children into such a world. We were told that we should lower our expectations. We were told that America was over the rim, a decaying, polluted suburb of history.

We were told a lot of things that weren't so. We should each, typically, have many extra years left to think about that.●

LET US SUPPORT PRESIDENT REAGAN'S RECOVERY

● Mr. D'AMATO. Mr. President, a horrifying and unconscionable act occurred earlier this week when a would-be assassin's bullet struck and injured President Ronald Reagan and three other men as they emerged from the Washington Hilton Hotel here in our Nation's Capital. The events evoked from all of us nightmares of the tragedies involving the numerous other public servants in our Nation's history who have been victimized by senseless violence of this kind.

Mr. President, it would be a fine display of support for the President and the others injured in Monday's shooting, if we would all heed a suggestion put forth by one of my constituents, Mr. Leo A. Boller, of Little Neck, N.Y. Mr. Boller has suggested that all flags throughout the Nation be prominently displayed and motor vehicle lights be lit today, April 3, 1981, as a gesture of unified patriotism in this time of crisis.

To this end, I urge my congressional colleagues and fellow citizens throughout the Nation to join with us this day in displaying our collective desires for a quick and complete recovery for President Reagan and those who were with him this past Monday.●

NOMINATIONS

Executive nominations received by the Secretary of the Senate April 3, 1981, under authority of the order of the Senate of April 2, 1981:

BUREAU OF LAND MANAGEMENT

Robert F. Burford, of Colorado, to be Director of the Bureau of Land Management, vice Frank Gregg, resigned.

DEPARTMENT OF COMMERCE

Raymond J. Waldmann, of Maryland, to be an Assistant Secretary of Commerce, vice Abraham Katz, resigned.

DEPARTMENT OF ENERGY

William Stewart Heffelfinger, of Virginia, to be an Assistant Secretary of Energy (Management and Administration), vice William Walker Lewis, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Edward N. Brandt, Jr., of Texas, to be an Assistant Secretary of Health and Human Services, vice Julius Benjamin Richmond, resigned.

DEPARTMENT OF STATE

John J. Louis, Jr., of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Kingdom of Great Britain and Northern Ireland.

ENVIRONMENTAL PROTECTION AGENCY

Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency, vice Douglas M. Costle, resigned.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Louis O. Giuffrida, of California, to be Director of the Federal Emergency Management Agency, vice John W. Macy, Jr., resigned.

SOCIAL SECURITY

John A. Svahn, of Maryland, to be Commissioner of Social Security, vice William J. Driver, resigned.

IN THE AIR FORCE

Lt. Gen. George H. Sylvester, U.S. Air Force (age 53), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

HOUSE OF REPRESENTATIVES—*Monday, April 6, 1981*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, as we are aware of the actions of violence in our Nation and pressured by the threats of discord in our world, remind us of the purposes for which we were created. Teach us again of our responsibility to seek after righteousness and live in peace and concord with all people. May we turn our hearts, souls, and minds to follow Your way—the path of understanding, forgiveness, and reconciliation one with another. Guard us against false pride, and open to us instead the wonder of Your presence, that filled with Your spirit, we may go forth in service and good will to others this day and every day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

CONVEYING CERTAIN INTERESTS IN PUBLIC LANDS TO THE CITY OF ANGELS, CALIF.

The Clerk called the bill (H.R. 618) to convey certain interests in public lands to the City of Angels, Calif.

There being no objection, the Clerk read the bill, as follows:

H.R. 618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Secretary of the Interior (hereafter in this Act referred to as the "Secretary") shall convey by quitclaim deed, subject to the conditions in section 3 of this Act, to the city council of the City of Angels, California (hereafter in this Act referred to as the "council"), or, if the council so designates, to a trustee (hereafter in this Act referred to as the "trustee") which the council may designate pursuant to section 8 of this Act, all right, title, and interest, including any future interests described in sections 6 and 7 of this Act, of the United States in and to 601.51 acres of land in Calaveras County, California, further described as Mount Diablo meridian:

Township 3 North, Range 13 East
Section 28:
Lots 1 and 2,
North half southwest quarter,
Southwest quarter southwest quarter,
Section 29: East half southeast quarter,
Section 33:
Lots 1 through 4, 6, 16 through 18, Northwest quarter northwest quarter,
Northeast quarter southeast quarter,
Section 34:
Lot 2,
Northwest quarter southwest quarter,

including mineral surveys 356, 370, 479, 743, 1245, 1345, 2036, 2682, 3040, 3065, 3066, 3067, 3068, 3085, 3882, and 4449.

SEC. 2. The council or the trustee shall notify, within one year after the date of enactment of this Act, all individuals or other legal entities which appear, as of the date of such notice, upon the secured tax rolls of Calaveras County, California, as the owners of lands referred to in the first section of this Act, or of interests in such lands—

(a) of the conveyance by the United States of its interests in such lands under the first section of this Act,

(b) of the possible defect in the title to such lands or interests resulting from such interests of the United States,

(c) of the possible interests in such lands arising out of the mining laws of the United States, and identified pursuant to the operation of section 6 of this Act, and

(d) of the opportunity to remedy such defect under this Act.

SEC. 3. The conveyance referred to in the first section of this Act shall be made without consideration, but shall be made upon the following conditions:

(a) The council or the trustee shall convey, at any time after two years from enactment of this Act, the interests conveyed to it under the first section of this Act to individuals or other legal entities—

(1) which have submitted to the council or the trustee an application for such interests, and

(2) which appear, or which are the heirs, successors, or assignees of individuals or other legal entities which appear upon the secured tax rolls of Calaveras County, California, as of July 1, 1978, as the owners of the lands or interests with respect to which such application was submitted.

(b) The conveyed property shall remain subject to all encumbrances, if any, existing on the date of enactment of this Act, including easements, servitudes, leases, and rights-of-way, except those encumbrances that are related to interests in mining claims which may be extinguished pursuant to sections 6 and 7 of this Act.

(c) Conveyance of the conveyed property shall be conditioned upon and subject to the right of mining claimants whose rights and interests were initiated pursuant to the mining laws prior to entry and patent under the Townsite Act (43 U.S.C. 711 et seq. (repealed)), and who initiate patent procedures pursuant to section 6 of this Act which result in the issuance of a patent under the mining laws.

SEC. 4. Any administrative or recording costs incurred with respect to any conveyance made by the council or the trustee under section 3 of this Act shall be borne by the party to whom such conveyance is made.

SEC. 5. Any of the interests conveyed under the first section of this Act which do not appear on the secured tax rolls of Calaveras County, California, as of July 1, 1978, shall be conveyed to the council, if held by the trustee, and held or disposed of by the council for the benefit of the City of Angels, California.

SEC. 6. (a) Any unpatented mining claim located within those lands described in the first section of this Act recorded pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), for which the claimant has not made application for patent within two years after the date of the enactment of this Act shall be conclusively deemed to be abandoned and shall be void and all interests in such claim shall be deemed to have reverted to the United States for the purpose of this act: *Provided, however,* That upon a showing that a mineral survey cannot be completed within said two-year period, the filing of an application for a mineral survey, which states on its face that it was filed for the purpose of proceeding to patent, shall be acceptable for the patent application purpose of this section if all other applicable requirements under the general mining laws and other laws have been met and if the applicant subsequently prosecutes diligently to completion his application for patent.

(b) Final rejection of any patent application filed under section 6 of this Act shall cause to lapse and be void the condition imposed by section 3(c) of this Act in the grant to any person receiving conveyance of lands embracing all or part of the mining claim which was the subject of the rejected patent application.

SEC. 7. For the purposes of this Act, any unpatented mining claim located within those lands described in the first section of this Act which on the date of enactment of this Act was not recorded pursuant to section 314 of the Federal Land Policy and Management Act of 1976, or which is not maintained by the annual filings required by section 314 of said Act, shall be conclusively deemed abandoned and shall be void, in accordance with the provisions of section 314 of said Act, and all interests in such claim shall be deemed to have reverted to the United States upon such failure to record or annually file.

SEC. 8. The trustee designated by the council pursuant to section 1 of this Act shall be an individual, residing in Calaveras County, California, capable under the laws of that State to act in the capacity of trustee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

PROVIDING EXCEPTION TO REQUIREMENTS OF ACT OF AUGUST 30, 1890, WITH REGARD TO CERTAIN LANDS IN RIVERSIDE COUNTY, CALIF.

The Clerk called the bill (H.R. 1528) to provide an exception to the requirements of the act of August 30, 1890 (26 Stat. 391; 43 U.S.C. 945), with regard to certain lands in Riverside County, Calif.

There being no objection, the Clerk read the bill, as follows:

H.R. 1528

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the proviso in the paragraph entitled "FOR GENERAL EXPENSES OF THE GEOLOGICAL SURVEY:" in section 1 of the Act of August 30, 1890 (26 Stat. 391; 43 U.S.C. 945), shall hereafter be inapplicable to lands in section 18, township 2 south, range 4 east, San Bernardino meridian, Riverside County, California, that were conveyed by the United States by patent numbered 969694, patent numbered 844747, and patent numbered 657564.

SEC. 2. The reservation to the United States of rights-of-way for ditches and canals constructed by the authority of the United States, recited in patents listed in the first section of this Act shall be of no further force and effect with regard to the lands covered by those patents.

The bill was ordered to be engrossed, and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

BUDGET COMMITTEE TO BEGIN MARKUP OF 1982 BUDGET

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, this morning the Honorable JAMES R. JONES of Oklahoma, the chairman of the House Committee on the Budget publicly announced the chairman's mark from which this committee will begin tomorrow in the markup of our budget for fiscal 1982.

The chairman's mark is the result of long and careful studies, assiduous analysis, painstaking, even agonizing efforts to find reductions in expenditures. It embraces about half of those expenditure reductions requested by the administration without change and includes additional reductions, while restoring certain programs otherwise marked for extinction or drastic reduction such as early childhood nutrition, basic educational programs, skill training for jobs in the private sector, health and nutrition programs for young and old, and various programs trying to replace welfare with work.

The total result would be that, based upon the same set of assumptions, the chairman's mark upon which the committee will begin consideration tomorrow would cut spending by $5 billion more than it would be cut under the Stockman proposal. It would reduce the tax cuts from those proposed by Mr. Stockman, the so-called Kemp-Roth plan, by some $19 billion in its impact upon the Treasury.

The total deficit then would be reduced by something like $25 billion below the Stockman-Reagan figure. We think that is extremely important in a day when deficits are prone to cause higher interest rates and more inflation. The Jones budget proposals are certainly creative, constructive, and responsible. They are worthy of the serious consideration of all Members. We hope they may earn and achieve a degree of bipartisan support.

CONGRATULATIONS TO CHAIRMAN JIM JONES ON HIS FINE WORK ON THE BUDGET

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I congratulate the work of Congressman JIM JONES of Oklahoma, chairman of the Budget Committee, for his work and announcement today of the Democratic alternative to the Reagan budget. The Democratic budget corrects the course of the Democratic Party by addressing the economic concerns of middle America, but does not abandon the needs of the poor and the disadvantaged.

Chairman JONES' budget proposals not only cut more deeply than those proposed by the President, but will result in a deficit for 1982 which is smaller by half than the President's. I urge my colleagues on both sides of the aisle to closely scrutinize and thoroughly assess Mr. JONES' budget and when it becomes clear that this is a highly constructive response to our fiscal problems, to support it as enthusiastically as I do.

MOMENT OF TRUTH FOR STUDENT AID

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. PEYSER. Mr. Speaker, we are nearing the moment of truth for student aid in this country. We have been fighting this battle since the first report of what the administration's budget would do to young people going to college or in college today, the poor and the middle income.

Fortunately, Mr. Speaker, I am delighted to hear that the Budget Committee is considering making a number of changes that are going to make these programs be able to continue. It is my hope that the Budget Committee's action will follow that and that the House will follow that.

Mr. Speaker, today I am entering into the RECORD letters from Moravian College in Congressman RITTER'S district; San Jose State University in Congressman EDWARDS' district; Johns Hopkins University in Congresswoman MIKULSKI'S district; Cornell College in Congressman TAUKE'S district; and Wesleyan University in Congressman GEJDENSON'S district.

In closing, Mr. Speaker, a message at the bottom of the letter from Moravian College from their philosophy professor says:

One cannot revitalize America by forcing students out of colleges and colleges out of existence.

MORAVIAN COLLEGE,
Bethlehem, Pa., March 24, 1981.

Hon. PETER PEYSER,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PEYSER: I have been teaching Philosophy at Moravian College for the last 15 of the college's 174 years of existence. Twelve years older than my own alma mater, Colgate University, Moravian too continues to provide a strong liberal arts education for students of superior ability. Without continued support from the Federal government at least ⅓ of our students simply could not afford to stay.

Moravian College, last year depended on Federal aid to students for over one-third of its tuition income. One-half of our students needed an average guaranteed direct loan of $2000 and one third received Pell Grants.

We would tighten our belts if we could, but I share one secretary with four other departments, go to only one academic conference each year and use the least expensive texts for my classes. The students too are doing their share as my son who graduated from college last year and my daughter who is now in college can attest.

One cannot revitalize America by forcing students out of college and colleges out of existence.

Sincerely,

CHRISTOPHER W. RUSSELL,
Department of Philosophy.

SAN JOSÉ STATE UNIVERSITY,
San Jose, Calif., March 24, 1981.

Representative PETER PEYSER,
House Education and Labor Committee,
Cannon House Office Building, Room 301, Washington, D.C.

DEAR MR. PEYSER: As I'm sure you are aware, we in Student Financial Aid are presently preparing for the 1981-82 Academic Year. And, as I'm sure you are also aware, we are unable to take any action until such time as Congress makes some decisions as to allocations for the various federal student aid programs.

At San Jose State University we have almost 3,000 students receiving Basic Educational Opportunity Grants (BEOG's). Unless the $911 million in supplementary appropriations is approved, our estimates show that as many as 75 percent of our most needy students will be unable to continue their education. In addition, unless the appropriation is approved quickly, we will be unable to notify students of their award, perhaps causing many of them to halt their education totally. Moreover, we currently have over 1,600 students who each receive an average of $2,400 in the Guaranteed Student Loan (GSL) program. If the proposed cuts and restrictions are approved, only 1,000 students will be eligible to divide $1.5 million for an average loan of $1,500.

With the costs of living and education rising so rapidly, the proposed cuts in financial aid programs will be disastrous to countless numbers of students and Higher Education will return to the days when only the rich elite can attend.

As a former educator, financial aid professional, and a constituent, I urge you to give your total support to a speedy release of appropriations and to a reprioritizing of governmental funds to include not only the "truly needy" but those who will, as a result of cutbacks, become the needy.

Sincerely,

BART ASTOR,
Financial Aid Counselor.

JOHNS HOPKINS UNIVERSITY,
Baltimore, Md., March 25, 1981.

Hon. PETER A. PEYSER,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN PEYSER: Please let me respond to your recent letter asking if we at Johns Hopkins are willing to take an active part in preventing the decimation of the student loan program (GSL and NDSL) as proposed in the recently announced budget of the Reagan Administration. The answer is yes.

While I have considerable sympathy for efforts directed at capping the eligibility for these loans so that they may not, in fact, be "loans of convenience" I am painfully aware of the very great importance of these two programs to our students here at Johns Hopkins, graduate and undergraduate, and to students all across the country in the independent colleges and universities whose historical contribution to American education and American life has been so great.

The Johns Hopkins University is a member of the National Association of Independent Colleges and Universities, of the Consortium on Financing Higher Education, of the American Association of Universities, of the American Council on Education, and of numerous other college and university groups with offices in Washington, D.C. Representatives of my office have been working closely with these associations and their staffs in recent weeks to provide every possible assistance in the effort to which you so admirably have dedicated your interest.

I hope that all of us working together can convince the Administration and the cognizant committees of the House and Senate of the vital importance of this program to the continuing opportunity of so many of our bright young people, to enter higher education or to complete the work that they may have already begun. There is no more important National resource. In the phrase which was repeated to me by one of my assistants who sat with you at the NAICU/GRAC meeting in Washington in early February, "the education of the next generation of Americans is no special group." Please be assured of my support for what you are attempting to accomplish and of our commitment to it.

Sincerely.

STEVEN MULLER.

CORNELL COLLEGE,
Mount Vernon, Iowa, March 27, 1981.

Mr. PETER A. PEYSER,
House of Representatives, 301 Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN PEYSER: I certainly applaud your leadership efforts in the fight to sustain the student assistance programs of the government.

The proposals before the Congress have the potential to wreak havoc on higher education in general and on the private sector in particular. At Cornell alone some $1.5 million of our $8 million annual budget comes directly from federal student assistance programs.

If a student's freedom of choice is to be safeguarded, continuing financial assistance is an absolute necessity.

Although there are many specific proposals that could be very deleterious to the financing of higher education, allow me to illustrate my concern by indicating the impact of just one of these items; the $25,000 income cap for the Guaranteed Student Loan program.

This year 472 Cornell students (50.6 percent of the student body) partly financed a year at Cornell through guaranteed loans totaling $933,238.

These figures include 132 loans totaling $268,101 to students from families with incomes above $25,000 and, in addition, another 41 loans for $93,750 to students who did not even ask for financial aid—presumably the families also are above the $25,000 figure.

Imposition of a $25,000 income cut-off would have meant the loss of $361,851 in financing for 173 students attending Cornell this year.

Cornell along with 12 other premier midwestern colleges form the Associated Colleges of the Midwest—one of the oldest higher education consortiums in the nation. The impact on these 13 colleges for this academic year would have seen over 6,000 students (roughly one-third the total enrollment) forfeit more than $13 million in guaranteed student loans if the $25,000 income test had been enacted.

These figures clearly support the need to take another look at the proposed reductions. This is made particularly obvious in light of the fact that I have limited my discussion to but one specific in but one program out of many specifics in many higher education programs being considered for reduction.

I hope this information is helpful in your efforts and if we can be of any further assistance feel free to call on me or Mr. Frank Krivo, a member of my staff who has responsibility and expertise in this area and who has been in contact with your Mr. Williams.

Sincerely,

PHILIP B. SECOR,
President.

WESLEYAN UNIVERSITY,
Middletown, Conn., March 30, 1981.

Hon. PETER A. PEYSER,
House of Representatives, 301 Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN: Your letter telling us of your determination to fight for strong student aid programs was very heartening.

You may be sure that we at Wesleyan University will continue to do everything we can to be helpful in what must be a major national effort to preserve Federal loan and grant programs which are essential to our students.

Please call on us if we can be helpful in your efforts.

Sincerely,

COLIN G. CAMPBELL,
President.

RETIREMENT BENEFITS FOR DIVORCED SPOUSES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, today I am introducing two bills to amend the civil service and military retirement systems.

Under present law, survivors benefits are optional and the retiree may unilaterally waive survivors benefits at the time of retirement. Similarly, a divorced spouse is prohibited from receiving survivors benefits, even after a long-term marriage. This policy ignores the economic contribution of former spouses of Federal employees, the majority of whom are homemakers.

Recent social changes make it necessary to revamp retirement policy as it applies to divorced spouses. Since 1974, all but two States have adopted some form of no-fault divorce, which has eliminated the traditional defenses against divorce. As a result of this move to no-fault, the divorce rate has doubled, with limited, if any spousal support or alimony provided. Moreover, alimony offers no protection for old age since it ceases with the death of the wage earner.

As a result of these developments, certain retirement laws have changed to provide greater protection to divorced spouses.

In 1965, Congress amended the Social Security Act to provide benefits for divorced spouses married 20 years or more. The 1977 Social Security Amendments reduced the marriage requirement from 20 to 10 years.

In 1980, Congress enacted the Foreign Service Act (Public Law 96-465) to permit divorced spouses to receive a pro rata share of the retirement annuity and survivors benefits subject to

court review, modification, or rejection.

A major policy question before us is whether spouses should have a right to a portion of the retirement benefits earned during the marriage. Should pension plans continue to emphasize benefits for retired workers solely, or should they significantly expand protection for workers' spouses? This question and the way we answer it forces us to reevaluate the traditional role of wife, mother, and homemaker, and to determine its value in our society. If it is valueless, we must take appropriate steps to educate young women to prepare for a full-time, lifelong, participation in the paid work force. If we determine that there is some benefit to society from the traditional homemaking role, we must change those aspects of our legal and social systems which penalize women for choosing that role.

The bills I introduce today are based upon the premise that marriage is an economic partnership and that the retirement credits earned during the marriage should be shared upon divorce. It is my contention that the spouse makes a significant contribution toward the employee's ability to earn the wage and consequently receive the pension.

These bills would make survivors benefits mandatory unless the retiree, spouse, and former spouse (if any) elect in notarized signed writing to waive survivors benefits.

It also would entitle a divorced spouse married 10 years or more to a pro rata share of the retirement and survivors benefits. The exact amount of the former spouse annuity would depend upon the number of years of marriage that overlap with the creditable years of service. The former spouse married during the entire period of creditable work years would be entitled to a maximum of 50 percent of the retirement benefits.

This legislation would tie the entitlement to retirement benefits to the divorce proceedings. The pro rata formula contained in the bills could be adjusted or rejected by the divorce courts. This permits the courts to review each case upon its own merits.

The provisions are prospective for those who become divorced after enactment. Spouses who remarry before age 60 would lose their entitlement to a pro rata share of the retirement benefits. Moreover, a former spouse, previously married to another Federal employee or member of the armed services, would only be entitled to one survivor annuity.

In the 95th Congress, Public Law 95-366 was enacted to require the Civil Service Commission—now the Office of Personnel Management—to honor court orders that divide the civil service retirement annuity during a divorce action. While this was an improvement in Federal law, it was a limited remedy. Since it did not apply to survivors benefits, the court ordered retirement benefits cease after the death of the retiree. Since Federal employees are not automatically covered by social security, homemaker spouses are left without even these minimal retirement benefits for their old age.

Unlike civil service personnel, military members do not pay into the military retirement system. However, since 1957 members of the armed services have made mandatory contributions for social security coverage. While this gives military spouses more retirement protection than is available to civil service spouses, it is inadequate protection. First, the former spouse cannot draw social security benefits until the military member retires and begins collecting social security. Since military members frequently retire at an early age and begin another career in midlife, many work well beyond age 65, which prevents a former spouse from receiving social security benefits.

Second, for surviving spouses entitled to both spousal benefits under the survivors benefits plan (SBP) and social security dual benefits are limited by statute. One-half of the amount of social security benefits attributable to the member's military service is offset from the SBP payments.

Third, social security was never intended to be the sole source of retirement income for the elderly. Rather, it was intended to supplement pension benefits and savings. The average monthly social security benefit for women is $230—$2,760 annually; 48 percent of the unmarried women who depend solely on social security have incomes that fall below the poverty level.

Finally, frequent moves prevent a military wife from accumulating employment tenure that would entitle her to her own retirement benefits. Private employers are also wary of hiring a military wife because her husband will inevitably be reassigned to another duty station. Traditions and customs within the military community have also discouraged military wives from working.

Retirement issues are women's issues since a majority of those over 65 are women. Women outnumber men 2 to 1 in the rapidly expanding population over age 75. Contrary to the myth that most older people are married and living in families, the majority of older women are widows, while most older men are married and living with their wives, frequently younger women who are second wives. In 1978, there were 8 million unmarried women over age 65, compared with 2 million unmarried men.

Older women are the fastest growing poverty group in America; 72 percent of the elderly poor are widowed, divorced, or never-married women. Median income for these women is $3,087 for those over 65 and $4,533 for those between 55 and 65. Even though these women living below the poverty level would like to work to supplement their meager incomes—most find it difficult to find jobs and others are too sick or too old to work. Only 9 percent of women over 65 are employed, and 29 percent of women 55 or older.

Most of these women have not always been poor, but their circumstances have deteriorated with advancing age. What happens to them is not inevitable, but rather the result of discrimination throughout their lives which strikes its cruelest blow at the end. It is my view that our retirement systems contribute to the economic impact of sex discrimination and punishes women for their traditional roles in society.

We are a society which places value on home and family, encouraging women to stay at home and take care of their children. Yet one of the most severe forms of economic discrimination is that we fail to attach an economic value to this service. The feature of pension portability and earned rights for the homemaker is essential if spouses are to have a choice whether to work inside or outside the home.

Congress must determine whether it wants to continue a public policy which deprives a long-term spouse of retirement benefits following divorce. Congress must decide who is responsible for the welfare of these spouses. Should they be entitled to a share of the retirement benefits earned during the marriage or should they be relegated to the poverty rolls, dependent upon food stamps, welfare, and medicaid, at the taxpayers' expense. Earnings sharing provides a reasonable remedy to the problem of these older women.

SECRETARY DONOVAN EXPRESSES HIS OPINION

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Montana. Mr. Speaker, a dialog occurred last Thursday in the House Education and Labor Committee between myself and Secretary of Labor Donovan which I should like today to describe briefly to this House. Later I will submit the transcript of that committee's meeting.

Secretary Donovan was espousing his theory that America became great because of new machinery, capital formation, investment and profit. I departed from that, saying I thought that helped make America rich but most particularly it made a few Americans rich. I told Secretary Donovan I thought what made America great was the fact that we were able through

our genius to distribute that wealth among the American people.

Mr. Speaker, Secretary Donovan said to me, in effect, Congressman, that is how they do it in Russia.

Now, Mr. Speaker, it has been a long time, I guess 30 years, since those kinds of charges have been leveled on Capitol Hill. I do not know if ever before a Cabinet-level official has expressed that as his theory of this Government.

THE GREAT ORANGE SQUEEZE OF 1981—PART II

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, today I am introducing legislation to reform the agricultural marketing order program.

This program is an outstanding example of a well-intentioned idea gone awry.

A program intended to support small farmers in many cases now protects large agricultural domination of the food market.

A system designed to benefit the public now excludes the public from major decisions which affect our pocketbook and our health.

So, now we have growers who are using subsidized water—paid for by taxpayers—which is delivered through irrigation systems—paid for by taxpayers—to grow crops which are destroyed in order to inflate food prices—which are paid by taxpayers.

And this is justified as preserving the free enterprise system?

My legislation will reform the marketing program, as recommended by many experts who have studied its misguided impacts.

My bill will require that at least half the marketing boards be composed of consumers, and that members of the boards can require that public hearings be conducted before we again witness the purposeful destruction of hundreds of thousands of tons of food as we are seeing this year in California.

My bill will also increase the voice of the small farmer in the decisionmaking process.

I am very pleased that the chairman of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, Congressman FRED RICHMOND, has joined me in introducing this legislation.

This bill is in the consumer's best interest, it is in the farmer's best interest, and it would end the unwarranted intrusion of the Federal Government into the private sector in a manner which obstructs the orderly operations of the marketplace.

MORE SPARING USE OF WORD "BIPARTISAN" URGED

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, oftentimes there are words in the English language which are so misused or overused that they gradually become meaningless. Before long, you just do not hear them anymore.

One very descriptive word, I fear, is headed for such a fate. It is the word, "bipartisan." It is most often couched in the phrase: "The spirit of bipartisan cooperation."

I think this word is a favorite of the Budget Committee majority. When talking about drafting a budget resolution, they always refer to bipartisan cooperation. The truth is that the majority is doing all of the drafting. The extent of our participation is attending their press conferences to find out what is being done, along with the rest of the country.

The Ways and Means Committee also overuses the term. Their definition is: "Your tax bill is out and ours is in."

The Democratic leadership seems to think bipartisanship lasts only as long as the President's popularity. To him the term "bipartisan cooperation" is synonymous with the term "smokescreen".

I personally fear for the word "bipartisan." I would hate to see it become a trite, meaningless expression. That is why I am not using it much these days.

I would suggest more sparing use by those on the other side as well, so that when it does apply, we will all sit up and take note.

DEMOCRATIC BUDGET PROPOSAL

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I just want to commend my Republican leader for his remarks. I do not know if he was on the floor a few minutes ago when the majority leader took the floor and was presenting a new proposal, a new Democratic proposal from himself and the gentleman from Oklahoma where they have found additional budget cuts or I should say additional tax cuts and budget cuts and they are going to give us a whole new proposal and throw out the Reagan economic recovery program.

Well, Mr. Speaker, I can recall the majority leader taking the floor at the time of the second budget resolution last year and chastising me for saying that the Democratic proposal was a sham, that they were balancing the budget, after every newspaper in the country had said the Democratic proposal is going to balance the budget.

□ 1215

Well, lo and behold, 6 months later we looked at the budget and we were $50 billion in debt. I think that we are getting the same old game as last year.

Mr. Speaker, let us give the President a try. The American people want us to go along with his economic recovery program. I think we owe it to the country to give him a chance.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from New York (Mr. SOLOMON) has expired.

THE BUDGET COMMITTEE'S ALTERNATIVE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that I may be allowed to address the House for 1 minute.

The SPEAKER. Without objection, the gentleman from Arkansas (Mr. ALEXANDER) is recognized.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I would like to ask the gentleman from New York (Mr. SOLOMON) if he has apprised himself of the information that the chairman of the Budget Committee articulated this morning at the announcement.

Mr. SOLOMON. Mr. Speaker, if the gentleman will yield, I listened very carefully to what the gentleman from Texas (Mr. WRIGHT) had to say on the floor, and I said that if he has found additional moneys, we should not be reinstating cuts; we ought to be using them to bring down the deficit and balance the budget.

Mr. ALEXANDER. Mr. Speaker, I would like to advise the gentleman that the chairman of the Committee on the Budget, the gentleman from Oklahoma (Mr. JONES), was very fair and statesmanlike in his response to questions about Mr. Stockman and the budget that has been sent to the Hill, and before our Republican colleagues on the other side of the aisle declare the Democratic alternative to be a sham and a fraud, I would like for the gentleman and for his colleagues to at least advise themselves of the facts before they reach that conclusion.

Mr. SOLOMON. I would be more than glad to do that, but I have heard this gentleman from Arkansas state on the floor that we need to balance the budget, and I appreciate the gentleman's support.

What I am just saying is that if we have found additional revenues, let us use them to balance the budget. Let us not reinstate any cuts. Let us try and live with the President's budget. Let us give him a chance.

Mr. ALEXANDER. Mr. Speaker, I direct the gentleman's attention to the budget document filed today by the committee.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 6, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in the Rules of the House of Representatives, I have the honor to transmit a sealed envelope from The White House, received in the Clerk's Office at 12:23 p.m. on Friday, April 3, 1981 and said to contain a message from the President wherein he transmits the sixth annual report of the Nuclear Regulatory Commission covering fiscal year 1980.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, U.S. House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

SIXTH ANNUAL REPORT OF NUCLEAR REGULATORY COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interior and Insular Affairs and the Committee on Energy and Commerce:

To the Congress of the United States:

I transmit for the information of the Congress the Sixth Annual Report of the Nuclear Regulatory Commission, as required by Section 307(c) of the Energy Reorganization Act of 1974 (42 U.S.C. 5877).

The period covered is fiscal year 1980, ended September 30, 1980, with occasional treatment of events occurring after that date.

RONALD REAGAN.

THE WHITE HOUSE, *April 3, 1981.*

PORTSMOUTH PROJECT

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. McEWEN. Mr. Speaker, as you know, the Budget Committee will mark up the fiscal 1982 budget authorization bill on April 6 and 7, including Department of Energy funding for the Portsmouth, Ohio, gas centrifuge project.

It is absolutely essential that the administration's requested budget be maintained in order to keep the project on schedule. The first phase of production from the gas centrifuge was delayed from 1988 to 1989 because of budget revisions under the Carter administration. This $149 million reduction resulted in an increased cost for plant construction of at least $200 million. Similar cost increases would occur if there is another delay in construction.

Mr. Speaker, another effect of this delay was to jeopardize industry involvement. Manufacturers of needed parts and equipment are receiving a signal of uncertainty regarding the project. One manufacturer has already announced a slowdown in its commitment to the project while it tries to read the intent of Congress. At the encouragement of the Federal Government, private industry has already invested over $125 million in capital costs for equipment and plant construction. The Government has required a commitment through phase 2 of this project that represents $400 to $500 million of private industry capital. Further delays will have serious financial consequences and threaten the entire project and will probably precipitate total abandonment by private sources.

Mr. Speaker, the enrichment program is also a moneymaker for the U.S. trade balances. The United States will not continue to serve our foreign customers if they perceive that the United States does not have the capacity to meet their needs. The U.S.S.R., France, and others provide enrichment services as our competitors. We must keep our enrichment capacity more efficient and growing.

Loss of our customers would mean the loss of a significant contribution to our balance of payments. It would also defeat the goals of U.S. nonproliferation policy should our customers turn to foreign sources. Yet we have been reducing our production of enriched uranium and drawing down our reserves in reaction to a perceived reduction in near-term demand. This is shortsighted and may become a self-fulfilling prophecy for the long term despite electric utility and DOE projections of increasing demand for enriched uranium which argue for the speedy completion of the Portsmouth project.

In summary, Mr. Speaker, any budget reductions will result in further slippage in construction schedules as well as cause contractors who are vital to the timely completion of the project to reevaluate their participation in the project. In addition, any further deferrals will result directly in increased costs to the ratepayer, the endangering of our foreign enrichment sales and the loss of American jobs.

When the Budget Committee considers this project in the markup sessions, I urge careful scrutiny of any budget revisions which would cause unnecessary and costly delays in the completion of the uranium enrichment program.

THE 1981 HOUSING ACT

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, the bill I am introducing this morning reauthorizes for fiscal year 1982 the primary housing and community development programs administered by the Department of Housing and Urban Development and the Farmers Home Administration. Fifteen cosponsors, all members of the Subcommittee on Housing and Community Development, join me in offering this essential piece of legislation.

It is no secret that I believe the budget proposed by the Reagan administration launches a war against inflation which is a rich man's war and a poor man's fight. Nothing demonstrates this more graphically than comparing this administration's proposal for fiscal year 1982 budget authority to support our assisted housing programs with the budget authority appropriated by Congress for fiscal year 1981. Most of the families who benefit from these programs survive on incomes that are less than 25 percent of the area median income. Many of these families will be hurt by proposed cuts in programs operated by agencies other then HUD. Most significantly, the administration proposes a new budget authority for the assisted housing program which is more than 60 percent less than last year's appropriation. Last year Congress appropriated enough funds to assist 255,000 additional low-income families to find decent, safe, and sanitary housing. The administration proposes only 175,000 additional families to be assisted with fiscal year 1982 funds.

The Members who are cosponsors of this bill could not stand idly by and support the wholesale reduction of programs that are targeted primarily to low-income and elderly families who are slipping through the gaping holes in the so-called safety net. We are determined that the programs which Congress carefully designed to address the needs of our low-income citizens and of our financially distressed communities be preserved and funded at levels that will assure meaningful progress in meeting critical needs.

First, in proposing $28.627 billion in budget authority for the assisted housing programs, the national com-

mitment to helping the Nation's poor to find decent, safe, and sanitary housing is reasserted. This amount would be adequate to assist 250,000 additional low-income families. Given the marginal incomes of many families who live in assisted housing and the reductions in disposable income that will occur because of proposed reductions in alternative forms of Federal assistance, the bill does not assume adoption of the administration's proposal to increase the tenant's contribution to rent from 25 percent to 30 percent of income. Those increases, as modest as they might appear to middle-income families, would cause significant hardship to the over 50 percent of all section 8 and public housing tenants who have extremely low incomes—below 25 percent of area median income. Since the national vacancy rate for rental housing is at the lowest level in over 25 years, the bill does not assume that a reduction in the amount of Federal support for the construction of new or rehabilitated assisted housing units is appropriate at this time. The evidence is that the demand is growing, not shrinking.

An important component of our efforts to make more housing available for truly needy low-income families is the assurance that below-market financing will be available through the Government National Mortgage Association special assistance functions. The bill is consistent with the administration's recommendation that an additional $2.7 billion in budget authority is necessary to support a total program of $3.6 billion in mortgage purchase commitments. Without this support, we estimate that 874 multifamily projects in the FHA processing pipeline as of February 14, 1981, will be halted in their tracks.

The bill contains $3.96 billion in budget authority for the community development block grant (CDBG) program and $675 million for the urban development action grant (UDAG) program. These effective programs should be retained as separate functions and at reasonable funding levels. The CDBG program is used by communities to address broad community development needs. The availability of these funds and the program requirements have been instrumental in assisting communities to develop multiyear strategies for addressing both community development and low-income housing needs. Given the administration's proposal to eliminate the Economic Development Administration, and several other programs that have been used to revitalize and rehabilitate communities, CDBG is more vital now than ever. The primary focus of the UDAG program is to retain jobs, to stimulate additional employment opportunities and to leverage private investment in distressed communities. To date, no valid justification for the merger of UDAG with CDBG has been presented. I believe any merger will vitiate the effectiveness of these two distinct tools for stimulating community revitalization.

The bill limits the Federal Housing Administration's insuring authority to $44 billion in fiscal year 1982. The FHA should operate as a demand program, and not be subject to credit limitations. However, if a limit is established it should be sufficient to account for the greater demand placed on the FHA programs during periods of economic downturn. The administration has proposed a $35 billion limitation. There is a deep concern that this lower limit indicates a change in Federal policy and that the proposed restriction of the FHA programs is intended to direct credit away from housing. This should not be done without fully investigating the critical role of the Federal Government in facilitating access to housing credit for moderate- and middle-income persons. In periods of restricted mortgage credit such as 1974, 1975, 1979, and 1980, FHA's proportion of total insuring activity increases. The FHA programs are often the only mechanism by which middle-income or first-time home buyers can enter the homeownership market. Given the past history of the FHA programs, it is unreasonable to assume, as the administration does, that the FHA insuring activity for 1982 should be restricted to the same level as 1981 or that private mortgage insuring companies will be able to serve those borrowers who currently use the FHA programs.

This bill also provides an authorization adequate to subsidize an additional 110,660 housing units for rural low- and moderate-income families in fiscal year 1982. This is a lower level of assistance than the Congress provided in 1980 and 1981, but at least it will maintain a modest level of assistance for rural Americans who are among the poorest and worst housed citizens in the Nation. Under current law, 60 percent of the loan amounts authorized in connection with these units must go to low-income families—those whose income is under 80 percent of the area median income, 30 percent of this amount must go to families who have less than 50 percent of the area median income. The remainder must go to families whose incomes are just above 80 percent of area median income and who are lacking decent, safe, and sanitary housing. In addition to these units, the bill provides an authorization of $57 million in grant assistance for very low-income persons, including the elderly and domestic farm laborers.

For the first time since enactment of title V of the 1949 Housing Act, this bill provides authorizations for appropriation of all rural housing subsidies. For 1982, the bill provides an authorization of $379.1 million in new contract authority for interest credit, rental assistance, and homeownership subsidies for rural low- and moderate-income families. This method of authorization assures conformance to the Budget and Accounting Act and eliminates back-door financing practice applicable to the rural housing programs which has been criticized in recent years.

The bill also includes a $200 million authorization for the Department of Energy low-income weatherization program—a program that is critical if Federal financial incentives to encourage energy conservation among families with incomes too low to take advantage of energy tax credits are to continue. The decontrol of oil and the impending decontrol of gas prices may well stimulate energy conservation efforts on the part of above-moderate-income individuals who have the access to capital to finance such investments or who have a tax liability high enough to take advantage of the tax credit. However, a large segment of the lower income population is simply unable to take advantage of the tax credit. Without practical weatherization work available through the DOE program—or grants available through the Solar Energy and Energy Conservation Bank—most low-income families will be unable to reduce their energy consumption and their utility bills. The weatherization program makes sense.

Finally, the bill extends for 1 year the basic insurance authorities of the Federal Housing Authority, extends the Federal crime insurance, riot reinsurance and flood insurance programs for an additional 2 years, and makes minor changes in the law affecting the National Institute of Building Sciences.

In closing, I believe this bill is a reasonable response to present conditions. It reaffirms our national commitment to decent housing, particularly for our most vulnerable citizens, and will provide critical assistance for restoring the vitality of our urban and rural communities.●

SAVE OUR CHILDREN: THE TRAGEDY OF ATLANTA

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DYMALLY) is recognized for 5 minutes.

Mr. DYMALLY. Mr. Speaker, it is certainly fitting that the Congress of the United States should pause in the conduct of business to protest the tragic situation in Atlanta and to memorialize the children who have lost their lives. It is fitting because these are not only black children, not only Atlanta's children; they are America's children. They are our children.

It is beyond our capacity to imagine the sickness that would cause a human being to murder defenseless children. It is beyond our ability to truly know the grief of the families of these children. It is beyond our imagination to know the fear that must pervade every waking moment of every parent and child in Atlanta.

Over 20 children are dead or missing. And because of the media coverage that has been given to this tragedy, much of the Nation mourns, much of the Nation is outraged.

Nothing can replace these children. Nothing can compensate for their loss. But their importance is not diminished—indeed, their too short lives may be given meaning—if their deaths cause us to recognize that they are not the only children whose lives are lost. They are not the only children to be threatened.

It is human nature to repond to what we know, to what we see, to what is forced upon our consciousness. We hear no outrage over the children we do not see. We express no indignation over the children whose names are not eulogized on television and in the newspapers.

Every year, thousands of youngsters go to jail. Every year, thousands of teenagers die from homicide, alcohol, and drugs. Every year, babies die from freezing, or malnutrition, or lack of health care. Our children are in the streets, with no education, no recreation, no jobs. They are without supervision, while their parents work at jobs that pay too little, or cope with the despair of having no job at all. Many homes are cold and dark, and there is no food on the table. More parents than we want to know about live in dread that their child will not come home tonight.

These are our children. Our children are dying right here in Washington, D.C. They are dying in New York and Chicago, in Detroit and Kansas City, in Los Angeles and San Francisco.

It is not enough for us to set aside a few moments to remember the children of Atlanta. If we are sincere in our distress and concern, then this entire legislative session should be made a memorial to these innocent victims of abuse.

It is not just one mad individual who is killing our children. And I do not believe that cutting food stamps, school lunches, nutrition programs, educational funds, and job programs will cure the sickness of our Nation's soul. It is the sickness of which the Prophet Jeremiah spoke:

They know no bounds in deeds of wickedness;

They judge not with justice the cause of the fatherless, . . . and they do not defend the rights of the needy.

Shall I not punish them for these things? says the Lord, and shall I not avenge myself on a nation such as this?

We must decide whether to let our children live. If we cry, let us cry for all the lost children. Let us weep for ourselves.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. DYMALLY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Mr. HARTNETT) and to include extraneous matter:

Mr. FINDLEY.
Mr. CHENEY.
Mr. DORNAN of California.
Mr. SHUMWAY.
Mr. MARLENEE.
Mr. MICHEL in two instances.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. SOLARZ in two instances.
Mr. YATRON.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. STOKES in three instances.
Mr. RANGEL.
Mr. ECKART.
Mr. MURTHA in three instances.
Mr. CORRADA.
Mrs. SCHROEDER in three instances.
Mr. MILLER of California in two instances.
Mr. MCDONALD.
Mr. WILLIAMS of Montana.
Mr. HAWKINS.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on April 2, 1981, present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 182. Joint resolution to designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era."

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 7, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1009. A letter from the Deputy Secretary of Agriculture, transmitting the final report on the agricultural research facilities study, pursuant to section 1462 of Public Law 95-113; to the Committee on Agriculture.

1010. A communication from the President of the United States, transmitting a request for an appropriation language change for fiscal year 1981 and budget amendments for fiscal year 1982 (H. Doc. No. 97-42); to the Committee on Appropriations and ordered to be printed.

1011. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a report on the adequacy of pay and allowances of the Armed Forces, pursuant to 39 U.S.C. 1008(a); to the Committee on Armed Services.

1012. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a report on the pay adjustment mechanism for military personnel, pursuant to section 802 of Public Law 96-342; to the Committee on Armed Services.

1013. A letter from the Acting General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 37, United States Code, to provide to members of the Armed Forces a pay increase of 5.3 percent; to the Committee on Armed Services.

1014. A letter from the Chairman, Federal Financial Institutions Examination Council, transmitting the Council's 1980 annual report, pursuant to section 1006(f) of Public Law 95-630; to the Committee on Banking, Finance and Urban Affairs.

1015. A letter from the Secretary of Transportation, transmitting a report on the future of rail services in the Northeast, pursuant to section 703 of Public Law 96-448; to the Committee on Energy and Commerce.

1016. A letter from the Acting Administrator, Energy Information Administration, Department of Energy, transmitting volume 3 of the Administration's annual report for 1980, pursuant to section 57(a)(2) of the Federal Energy Administration Act of 1974, as amended; to the Committee on Energy and Commerce.

1017. A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for fiscal year 1982, and for other purposes; to the Committee on Foreign Affairs.

1018. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered

into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1019. A letter from the Secretary of the Interior, transmitting the annual report on Federal coal management for fiscal year 1980, pursuant to section 8B of the Mineral Lands Leasing Act, as amended; to the Committee on Interior and Insular Affairs.

1020. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the Land and Water Conservation Act of 1965, as amended, and for other purposes; to the Committee on Interior and Insular Affairs.

1021. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed transfer of certain property to the Republic of Panama, pursuant to section 1504(b) of Public Law 96-70; to the Committee on Merchant Marine and Fisheries.

1022. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the fiscal years 1982 and 1983 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1023. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the Secretary of the Army to undertake further engineering and design of water resources development projects upon transmittal of a report to Congress recommending implementation of such projects; to the Committee on Public Works and Transportation.

1024. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to amend the act approved August 8, 1972, Public Law 92-367 "To authorize the Secretary of the Army to maintain and update periodically the National Inventory of Dams"; to the Committee on Public Works and Transportation.

1025. A letter from the Chairman, Civil Aeronautics Board, transmitting a draft of proposed legislation to amend title IV of the Federal Aviation Act of 1958 and to eliminate unnecessary subsidy payments, and for other purposes; to the Committee on Public Works and Transportation.

1026. A letter from the Secretary of Health and Human Services, transmitting the fifth annual report on the child support enforcement program, pursuant to section 452(a)(10) of the Social Security Act; to the Committee on Ways and Means.

1027. A letter from the Chairman, International Trade Commission, transmitting the 25th quarterly report on trade between the United States and the nonmarket economy countries, pursuant to section 410 of Public Law 93-618; to the Committee on Ways and Means.

1028. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to eliminate free medical care for merchant seamen, to permit closure of Public Health Service hospitals, and for other purposes; jointly, to the Committees on Energy and Commerce and Merchant Marine and Fisheries.

1029. A letter from the Acting Comptroller of the United States, transmitting a report on DOD's use of remotely piloted vehicle technology (MASAD-81-20, April 3, 1981); jointly, to the Committees on Government Operations and Armed Services.

1030. A letter from the Acting Comptroller of the United States, transmitting a report concerning selected Navy Department activities (AFMD-81-30, April 3, 1981); jointly, to the Committees on Government Operations and Armed Services.

1031. A letter from the Comptroller General of the United States, transmitting a report on Federal onshore oil and gas exploration and development (EMD-81-40, February 11, 1981); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX (for himself and Mr. FORSYTHE):

H.R. 3016. A bill to give permanent effect to the provisions of the Fishermen's Protective Act of 1967 relating to the reimbursement of U.S. commercial fishermen for certain losses incurred incident to the seizure of their vessels by foreign nations; to the Committee on Merchant Marine and Fisheries.

By Mr. FAZIO:

H.R. 3017. A bill to amend title 10 of the United States Code to allow the Secretary concerned to take into consideration various factors in determining the amount of space in military medical facilities programed for retired members of the uniformed services and their dependents; to the Committee on Armed Services.

By Mr. GONZALEZ (for himself, Mr. ST GERMAIN, Mr. FAUNTROY, Mr. PATTERSON, Mr. LAFALCE, Mr. BLANCHARD, Mr. LUNDINE, Ms. OAKAR, Mr. VENTO, Mr. GARCIA, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. D'AMOURS, Mr. SCHUMER, Mr. FRANK, and Mr. WILLIAM J. COYNE):

H.R. 3018. A bill to amend and extend certain Federal laws which establish housing and community and neighborhood development and preservation programs, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs.

By Mr. HOWARD:

H.R. 3019. A bill to amend the Internal Revenue Code of 1954 to allow a refundable tax credit for amounts paid for increases in electricity under automatic fuel adjustment clauses as a result of the shutdown of nuclear power generating facilities; to the Committee on Ways and Means.

By Mr. JONES of Tennessee (for himself, Mr. DE LA GARZA, Mr. WAMPLER, and Mr. JEFFORDS):

H.R. 3020. A bill to insure necessary funds for the implementation of the Federal Crop Insurance Act of 1980; to the Committee on Agriculture.

By Mr. MARLENEE (for himself and Mr. WEAVER):

H.R. 3021. A bill to authorize the Secretary of Agriculture to convey certain national forest system lands, and for other purposes; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. MILLER of California (for himself and Mr. RICHMOND):

H.R. 3022. A bill to amend the Agricultural Adjustment Act to provide for consumer participation in the administration of marketing orders for agricultural commodities; to provide that certain procedures be applied by an agency making a rule or regulation in the administration of a marketing order; and for other purposes; to the Committee on Agriculture.

By Mr. PRICE (for himself and Mr. DICKINSON):

H.R. 3023. A bill to authorize appropriations to the Department of Energy for fiscal year 1982 for conservation, exploration, development, production, sale, and use of the naval petroleum reserves and naval oil shale reserves; to the Committee on Armed Services.

H.R. 3024. A bill to amend section 7227 of title 10, United States Code, to provide for the furnishing of routine port services at no cost to naval vessels of a friendly foreign country when, by agreement or custom, such services are provided reciprocally to visiting naval vessels of the United States; to the Committee on Armed Services.

By Mr. RAHALL:

H.R. 3025. A bill to amend the Railroad Retirement Act of 1974 to double the amount of earnings permitted to persons receiving disability annuities; to the Committee on Energy and Commerce.

By Mr. RINALDO:

H.R. 3026. A bill to amend the Federal Rules of Criminal Procedure and the Federal Rules of Appellate Procedure to provide for postconviction proceedings in certain criminal cases; to the Committee on the Judiciary.

H.R. 3027. A bill to amend the Immigration and Nationality Act to authorize certain courts which have naturalization jurisdiction to retain up to $20,000 of the fees collected in naturalization proceedings held in such courts in any fiscal year; to the Committee on the Judiciary.

H.R. 3028. A bill to amend title 38, United States Code, to require that home and mobile home loans may not be guaranteed by the Administrator of Veterans' Affairs unless an approved smoke detector has been installed in the residential structure involved; to the Committee on Veterans' Affairs.

H.R. 3029. A bill to amend the Internal Revenue Code of 1954 to increase to $500 the dividends which may be excluded from the gross income of an individual; to the Committee on Ways and Means.

H.R. 3030. A bill to amend the Internal Revenue Code of 1954 to treat certain charges for waste treatment services as deductible State or local taxes; to the Committee on Ways and Means.

H.R. 3031. A bill to prevent the retroactive assessment of certain deficiencies in the case of employees of the Panama Canal Zone Government or of the Panama Canal Company; to the Committee on Ways and Means.

H.R. 3032. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 3033. A bill to amend the Tariff Schedules of the United States by repealing item 807.00 relating to certain articles assembled abroad from fabricated components which are products of the United States; to the Committee on Ways and Means.

H.R. 3034. A bill to amend the Internal Revenue Code of 1954 and title II of the Social Security Act to provide a full exemption (through credit or refund) from the employees' tax under the Federal Insurance Contributions Act, and an equivalent reduction in the self-employment tax, in the case

of individuals who have attained age 65; to the Committee on Ways and Means.

H.R. 3035. A bill to amend the Internal Revenue Code of 1954 to exclude each year $10,000 of pensions and annuities from the gross income of individuals who have attained age 65; to the Committee on Ways and Means.

H.R. 3036. A bill to amend the Internal Revenue Code of 1954 to provide individuals a refundable credit against income tax for maintaining a household a member of which is an individual who has attained the age of 65; to the Committee on Ways and Means.

H.R. 3037. A bill to amend the Trade Act of 1974 to make certain changes in procedures applicable to Presidential actions to provide relief to U.S. industries from injuries caused by import competition, and for other purposes; to the Committee on Ways and Means.

H.R. 3038. A bill to protect the interest of consumers and provide information to consumers regarding the effective use of smoke detectors through the establishment of smoke detector placement demonstration projects, to require the Consumer Product Safety Commission to take into account the results of such projects in connection with the promulgation of certain consumer product safety standards, and for other purposes; jointly, to the Committees on Energy and Commerce and Science and Technology.

H.R. 3039. A bill to amend chapter 73 of title 10, United States Code, to provide that a former spouse of a member of the uniformed services who is married to such member for 10 years or more shall be entitled to a portion of such member's retired pay and to a portion of the annuity of any surviving spouse of such member, and for other purposes; to the Committee on Armed Services.

H.R. 3040. A bill to provide that a former spouse of a Federal employee who is married to such employee for 10 years or more shall be entitled to a portion of such employee's annuity and to a portion of the annuity of any surviving spouse of such employee, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS of Montana:

H.R. 3041. A bill to amend the Gun Control Act of 1968 and the Omnibus Crime Control and Safe Streets Act of 1968 to improve the administration of Federal firearm laws, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. NEAL:

H. Con. Res. 105. Concurrent resolution expressing the sense of the Congress that women should not be subject to registration, or involuntary induction, under the Military Selective Service Act; to the Committee on Armed Services.

By Mr. RODINO:

H. Con. Res. 106. Concurrent resolution to provide for the printing of the brochure entitled "How Our Laws Are Made"; to the Committee on House Administration.

H. Con. Res. 107. Concurrent resolution to provide for the revised printing of the House document entitled, "The Constitution of the United States of America, as amended"; to the Committee on House Administration.

H. Con. Res. 108. Concurrent resolution to provide for the printing of the publication entitled, "U.S. Immigration Policy and the National Interest"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

32. By the SPEAKER: A memorial of the House of Representatives, Commonwealth of Pennsylvania, relative to Poland; to the Committee on Foreign Affairs.

33. Also, memorial of the Legislature of the State of Alaska, relative to honoring military personnel still listed as missing from the Vietnam war at the Tomb of the Unknown Soldier; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FAZIO:

H.R. 3042. A bill for the relief of Edmundo Jose Alagao; to the Committee on the Judiciary.

By Mr. NEAL:

H.R. 3043. A bill for the relief of Elinor R. Chandler; to the Committee on the Judiciary.

By Mr. SOLOMON:

H. Res. 123. Resolution to commend Agents McCarthy and Parr and Officer Delahanty for their unselfish courage and patriotism during the recent attempt on the life of the President of the United States; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 27: Mr. NELLIGAN, Mr. RINALDO, Mr. ROEMER, and Mr. SENSENBRENNER.

H.R. 44: Mr. FRANK.

H.R. 151: Mr. CONYERS.

H.R. 644: Mr. DAVIS and Mr. WOLF.

H.R. 911: Mr. SMITH of Alabama, Mr. CAMPBELL, and Mr. WHITEHURST.

H.R. 1005: Mr. ATKINSON.

H.R. 1034: Mr. CORCORAN.

H.R. 1100: Mr. SIMON.

H.R. 1133: Mr. BAILEY of Pennsylvania, Mr. BEVILL, Mr. COLLINS of Texas, Mr. DENARDIS, Mr. DERWINSKI, Mr. GINGRICH, Mr. GRADISON, Mr. HUTTO, MR. LAGOMARSINO, Mr. LOTT, Mr. MINISH, Mr. MOTTL, Mr. PAUL, Mr. PETRI, Mr. ROE, Mr. SOLOMON, Mr. SPENCE, and Mr. WILLIAMS of Ohio.

H.R. 1206: Mr. CORCORAN, Mr DAVIS, and Mr. EDWARDS of Oklahoma.

H.R. 1207: Mr. EDWARDS of Oklahoma and Mr. DAVIS.

H.R. 1353: Mr. MINETA, Mr. STARK, Mr. ROE, Mr. LEE, Mr. PRICE, and Mr. MAZZOLI.

H.R. 1540: Mr. DICKINSON.

H.R. 1603: Mr. EVANS of Iowa, Mr. HOWARD, Mr. GREGG, Mr. CHENEY, Mr. MOORE, Mr. LEWIS, Mr. MCCOLLUM, Mr. STANGELAND, Mr. TAUZIN, Mr. HUGHES, Mr. CHAPPELL, Mr. BEARD, Mr. RUDD, and Mr. WEBER of Minnesota.

H.R. 1643: Mr. BAILEY of Missouri, Mr. SHELBY, Mr. O'BRIEN, Mr. WILSON, Mr. FORSYTHE, Mr. WON PAT, Mr. KINDNESS, Mr. MONTGOMERY, Mr. PARRIS, Mr. WALKER, Mr. DANNEMEYER, and Mr. BROWN of Ohio.

H.R. 1711: Mr. MCCLOSKEY.

H.R. 1918: Mr. SKEEN.

H.R. 2156: Mr. BONER of Tennessee and Mr. DUNN.

H.R. 2163: Mr. BAILEY of Missouri, Mr. SMITH of Alabama, Mr. PASHAYAN, Mr. JEFFRIES, Mr. LENT, Mr. HILER, Mr. DAUB, Mr. COLEMAN, Mr. HARTNETT, and Mr. CAMPBELL.

H.R. 2385: Mr. LUKEN, Mr. WOLPE, Mr. LEHMAN, and Mr. MILLER of California.

H.R. 2431: Mr. WEBER of Minnesota, Mr. PANETTA, Mr. CHAPPIE, Mrs. SCHNEIDER, Mr. GILMAN, Mr. ROE, and Mr. GUARINI.

H.R. 2456: Mr. GUYER, Mr. SHUMWAY, Mr. PEPPER, Mr. LOTT, Mr. LIVINGSTON, Mr. WORTLEY, Mr. BAFALIS, Mr. COLLINS of Texas, Mr. LOWERY of California, Mr. HALL of Ohio, Mr. FIELDS, and Mr. MCKINNEY.

H.R. 2805: Mr. ENGLISH, Mr. DANIEL B. CRANE, Mr. FORSYTHE, and Mr. LEBOUTILLIER.

H.J. Res. 202: Mrs. SMITH of Nebraska, Mr. HORTON, Mr. CRAIG, Mr. GRISHAM, and Mr. LEBOUTILLIER.

H. Con. Res. 50: Mr. GILMAN and Mr. LANTOS.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

46. By the SPEAKER: Petition of the Legislature of Erie County, N.Y., relative to local content requirements for domestic automobile sales; to the Committee on Energy and Commerce.

47. Also petition of the Mid-South Health Professional Association, Memphis, Tenn., relative to proposed budget cuts for health and social services programs; to the Committee on Energy and Commerce.

48. Also, petition of the administrative staff of the Memphis (Tenn.) Health Center, Inc., relative to funding for community health centers and related health programs; to the Committee on Energy and Commerce.

49. Also, petition of the Board of Chosen Freeholders, Burlington County, N.J., relative to construction of a Veterans' Administration hospital at Camden, N.J.; to the Committee on Veterans' Affairs.

50. Also, petition of the National Association of State Departments of Agriculture, Las Cruces, N. Mex., relative to quotas on import of casein; to the Committee on Ways and Means.

51. Also, petition of the Legislature of Erie County, N.Y., relative to the use of regional instead of national standards in the Federal-State extended unemployment compensation program; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

H.R. 2606—THE NEED FOR WATER PRICING REFORM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MILLER of California. Mr. Speaker, last week I introduced the Water Pricing Reform Act which would eliminate many of the excessive and counterproductive subsidies in the Federal water program which encourage inefficient uses of our dwindling water resources.

There is general consensus among every dispassionate observer that such reforms are long overdue. If realistic pricing can be justified to promote conservation of energy, we certainly should apply that lesson to water which is developed at tremendous cost to the taxpayer.

Many business analysts share this view. In the February 23, 1981, issue of Fortune magazine, Julia Vitullo-Martin has written a comprehensive essay on the need for water pricing reform very similar to that which I have proposed in H.R. 2606. I suggest that my colleagues read this important article.

The article follows:

ENDING THE SOUTHWEST'S WATER BINGE—FEARS TO THE CONTRARY, THERE'S NO REAL SHORTAGE YET—AND WON'T BE IF THE PRICE OF WATER IS ALLOWED TO SEEK ITS OWN LEVEL

(By Julia Vitullo-Martin)

To most Americans the semiarid and desert regions of the Southwest evoke sharply contrasting images—the old one of cowboys roaming the dusty terrain in search of waterholes, and the more recent one of verdant new communities whose growth is dizzying even by Sunbelt standards. The whole region, which stretches from western Texas to the southern California coast, seems a threatened paradise, with agriculture, industry, and urbanization fast approaching the limits dictated by scant rainfall.

The statistics sound scary. Arizona claims that its supply of water already falls short of its needs by 2.3 million acre-feet a year; an acre-foot of water, or 326,000 gallons, is enough to cover an acre to a depth of one foot. California is said to have a shortage of three million acre-feet, and West Texas four million.

Yet profligate waste goes on amid all the water worries: gardeners in Beverly Hills hosed down sidewalks during the 1978 drought; farmers routinely use irrigation water far more lavishly than they really need to; desert developments like Arizona's Fountain Hills feature enormous fountains—in this case the world's largest, shooting water skyward at 7,000 gallons a minute. Arizona, the second-fastest-growing state in the country with an estimated population jump of 53% during the Seventies, ranks eighth in the nation in per capita water use.

BILLIONS FOR DAMS

The waste goes on because the Southwest's water is underpriced. As Fortune said of the entire country 15 years ago ("Water Shortage Is a Frame of Mind," April 1965), the Southwest is not running out of water—it's running low on cheap water. The region's problems differ from those of large parts of the Northeast and Midwest currently suffering water shortages; these are a temporary affliction caused by subnormal rainfall in parts of the country that usually get more than they need. In the Southwest, limited rainfall is a permanent condition. But subsidies—mainly from the federal government, which has spent tens of billions on dams and canals—have kept the price artificially low. Because water is priced far below its replacement cost—the cost of providing additional supplies—it is being squandered.

The Southwest's reaction to its artifical water shortage is to cry out for even more federal spending, on projects ranging from the one-third-completed, $2.2-billion Central Arizona Project to a $26-billion dream of bringing water from the Mississippi to western Texas. The proposed budget for fiscal 1982 that the Reagan Administration inherited contains at least $1 billion for western water projects—and gives the new President an opportunity to show he is serious about cutting federal spending. The same opportunity was bungled by Jimmy Carter, who in the early days of his administration made a "hit list" of water projects, a lot of them in the West, and then bowed to political pressure and allowed many of them to go ahead.

NEEDED: A WATER MARKET

New projects could be avoided for years if the price of water were allowed to move toward its replacement cost, which is 50 times what some farmers are currently paying. This would happen if all users whose water supplies exceed their needs were allowed to sell to those who don't have enough. Amazingly, the buying and selling of water is restricted in most of the region, and this encourages those with a surplus to use it wantonly.

The reform of water pricing would cause widespread economic dislocation in the short run as marginal farms and other enterprises closed, profitable farms were forced to shift crops, mines were revamped to conserve more of the water they use, and homeowners pondered their gardens, swimming pools, and way of life. But these changes, many of the region's economists argue, would not halt the Southwest's growth, nor would they cause general hardship. Instead, the Southwest would begin to use water more intelligently, as it eventually must, and the rest of the country would stop underwriting its development.

Water subsidies take several forms in the Southwest, depending on where the water comes from. Wells are generally the preferred source, since groundwater is often right under the user's land and there for the taking. In this case there is no direct subsidy at all, unless the landowner's pumps run on subsidized electricity. The other source is surface water from streams, rivers, lakes, and reservoirs, most of which is subsidized directly and heavily. Some surface-water projects are financed by state governments. But the most important projects—with the most generous subsidies—are federal.

Federal water, like energy before the OPEC price explosion of 1973, is priced far below its replacement cost. Water from new federal projects would cost at least $160 an acre-foot if the price covered construction of dams and canals at today's inflated costs, plus the operation and maintenance of these facilities. But few agricultural users of federal water pay anything remotely as high. Farmers in California's Central Valley pay only $3.50 an acre-foot.

NOT A PENNY FOR INTEREST

One obvious reason is that most of the water comes from projects built years ago, at a fraction of today's costs, by the Water and Power Resources Service (WPRS), the federal agency concerned with western water supplies. But that's far from the whole story. By law, the fees collected by the WPRS, formerly called the Bureau of Reclamation, cover only costs defined as "reimbursable." Under this formula users repay some of the funds advanced to build the projects, but not all. Nor does Washington get a penny of interest on construction funds used in irrigation projects—quite an omission in a time of high interest rates.

The fees do not even cover the government's operating and maintenance costs. Many projects are designed to control floods as well as to supply water, and the law bars WPRS from charging users—even farmers in a flood plain—for any part of a project attributable to flood control. Finally, irrigation water is priced according to the ability of farmers in each area to pay. Small wonder, then, that many federal projects aren't taking in enough to cover even their narrowly defined reimbursable costs. California's Central Valley Project loses $79,000 a day.

The full extent of the federal water bonanza will never be known, since the figures are buried in various parts of the budget, but it is undoubtedly huge. According to the Department of the Interior, the federal subsidy is worth about $1,500 per acre in California's giant Westlands district, or $3.4 million for a typical 2,200-acre farm. In the Central Valley, the subsidy is worth $1,100 per acre, or $2.7 billion for the entire area.

At the turn of the century, when Congress passed the Reclamation Act, it made sense for the rest of the country to help underwrite development in the Southwest. The region couldn't be opened up without water, and few private groups had the capital to finance projects themselves. But as the recent economic growth suggests, the region no longer needs favored treatment. Subsidies, moreover, are a needless drain on the federal government when it is running huge deficits. And underpriced water, whether from federal projects or any other source, is bad for the Southwest.

DRIP, NOT DITCH

Because water is so cheap, its use is based on its price and not its supposed scarcity. Many farmers, for example, use inferior land to grow low-value crops that require

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

large amounts of water, like alfalfa and sorghum. Similarly, many farmers use cheap, open-ditch systems of irrigation, which use almost six times as much water as the more expensive sprinkler systems, and 100 times as much as drip irrigation, which allocates controlled amounts of water to each plant. The General Accounting Office concluded in a 1976 study that more than 50% of all the country's irrigation water is wasted.

Water-saving irrigation systems require a relatively large capital investment—roughly $1,000 per acre for drip systems—but in the long run, farmers can come out ahead by increasing their yield per acre-foot of water or growing higher-value crops. So long as water is cheap, however, many farmers see little reason to make the switch. As a result, the Southwest's farm economy as a whole is producing less food than it might, and less wealth. The Rand Corp. estimated in 1978 that California alone was losing between $60 million and $370 million annually from the inefficient use of water.

Farmers are not the only careless users of water. The Los Angeles region today bothers to clean up only 60,000 acre-feet a year of its 550,000 acre-feet of potentially reusable wastewater, while insisting that the state build a $1-billion canal to bring south another 600,000 acre-feet from the northern part of the state. Even state governments were wasteful. About a fourth of the 1.2 million acre-feet of the water sent west each year in California's unlined and uncovered Coachella Canal is lost; it seeps into the ground or evaporates.

The West's extravagant use of water has also reduced water quality to the point that some farmland—including land in California's San Joaquin Delta, one of the most productive agricultural regions in the country—is being poisoned by waterborne salts. State and federal projects take so much fresh water from the delta to send south that its water table has been dropping, permitting ocean water to move farther into the water table from San Francisco Bay. Similarly, the naturally saline Colorado River is so overused by the time it leaves the Southwest and enters Mexico that its water is highly salty—too salty for agricultural use, says Mexico.

GRANDFATHERING THE RIGHTS

If the Southwest is to avoid a true water shortage from which it might never recover, the waste will have to stop. The way to stop it, as with any limited commodity, is to introduce the discipline of the marketplace.

It is impossible to create a market for water as efficient as the market for pork bellies or Seventh Avenue dresses. For one thing, it would be politically difficult if not illegal to sweep away the great patchwork of water rights granted over the years to farmers, cities, industry, and political jurisdictions. These rights, which in many cases still have decades to run and involve prices ludicrously below replacement costs, would have to be "grandfathered." The only exception might be water from sources that are "overappropriated," most notably the Colorado River. The total claims on this river's water, though never fully exercised, exceed the total flow into the Southwest by at least two million acre-feet and therefore may someday have to be cut across the board.

Within a context of grandfathered water rights, many of the blessings of the law of supply and demand could be realized. Any user who had too much water, or excess water rights, would be permitted without restriction or red tape to sell to those who need water. Sellers could demand whatever the traffic would bear, even though they might reap enormous windfall profits during the remaining years of their water rights. A political uproar might result, but the advantage would outweigh any flagrant profiteering as well as the widespread litigation the new system might cause. This is because the newly traded water, its price moving toward replacement cost, would be used carefully.

Since a new conservation ethic would take hold, it would be possible to take another step: to impose a temporary moratorium on all new government water projects, state or federal. Not until genuine scarcities loomed would any additional new dams and aqueducts be built, and only if users were charged water fees that fully reimbursed the public treasury.

PROTECTING THE COMMON SUPPLY

The new system would have one untidy but unavoidable complication: it would have to include strict regulation of groundwater usage. Under relatively free-market conditions, farmers and other users would have a stronger incentive to use this water, which is often the cheapest available. But if they pumped more than before, they would be taking more from the common supply. And because ground and surface water are interconnected—surface water has a tendency to move to replace depleted groundwater—anyone who pumped out groundwater might in effect be taking neighbors' surface water.

Even today users in arid areas are pumping out more groundwater than nature replenishes. If a farmer's electric power costs are low, he may pay as little as $3 per acre-foot to tap the stuff in an area with a high water table. In depleted areas, like those north of Tucson, his costs can be high—about $45 per acre-foot—as he drills down 700 feet or more to find his water. But even that is cheap compared with what new surface water might cost in a free market.

Any reform of water pricing, therefore, would have to be accompanied by some kind of restraint to keep users from depleting the common groundwater. The water table is falling in at least some sections of all western states. Pima, the county around Tucson that relies entirely on wells, is pumping groundwater five times as fast as nature replenishes it. The Ogalala Aquifer—one of the country's largest underground resevoirs, extending 160,000 square miles under eight states—gets recharged hardly at all. West Texans, who are heavy users, are "mining" its water at the rate of four million to six million acre-feet a year.

Some economists, including William Martin at the University of Arizona, see nothing wrong with using water faster than nature replenishes it. "There's no reason to avoid mining water any more than we avoid mining coal, or copper, or any depletable resource," says Martin. "Economically, resources do us no good just lodging in the ground."

Nevertheless, depletion can and should be restricted. This can be done by limiting the amount of water each landowner can lift, much as England limits grazing on common pasturelands. The English are very specific about how many cows can be grazed on which commons, and violators are subject to prosecution. Similarly, a landowner would be restricted to pumping so many acre-feet per year from the groundwater basin beneath his property. The restrictions would be enforced just as they are now; a landowner would complain to the state if he thought a neighbor was taking more than his share. But because the temptation would be greater, the enforcers could expect to be a lot busier.

A PERMIT FROM STEVE REYNOLDS

Water markets already exist to a limited extent in the Southwest, although transfers tend to be expensive and subject to red tape. One of the best systems operates in New Mexico, which permits the buying and selling of ground- and surface-water rights among holders in basins containing 90% of the state's water.

Anyone wishing to buy or sell water need only apply for a permit from state engineeer Steve Reynolds and show that the transfer will not impair a third party. Once granted a permit, he can buy and sell his water rights as he wishes. When the market became active two decades ago, marginal farms began to sell water to municipalities, and in recent years even profitable farms have been selling to industry. Copper mines in western New Mexico have bought up 75% to 90% of the water, paying up to $3,000 an acre-foot for rights that cost only $50 to $70 an acre-foot in the 1950s.

But there's a hitch in New Mexico's market system and those of most other states: it's difficult to sell off what economists call the "conserved surplus"—the water left over when a farmer or any other user manages to use less water than before. Frequently he does this simply by eliminating waste that, if proven, would have been subject to criminal penalties. Under law, the "conserved surplus" is supposed to be forfeited so others can use it, and not sold.

Fortunately, "conserved surplus" has a narrow definition, and means water saved without any change in the way the land is used. New Mexico farmers can easily sell water—and avoid a run-in with Reynolds—by putting the land to a different use, or even by growing another crop. If they stick to the same crops, however, thay cannot sell any of the water they save unless they are prepared to go through the cumbersome process of proving they were not wasting it in the first place. The practical effect is that even in New Mexico, farmers who want to go on producing the same crops have insufficent incentive to conserve.

AN OBVIOUS BUYER

Most economists who push for a free market want to permit users to sell any water they have, conserved surplus and all. Richard Howitt, an economist at the University of California at Davis, suggests that if all California farmers were able to sell the water they didn't need, enough water might be freed up to eliminate the need for more government water projects, at least in the near future. "No one knows," he says, "what farmers would do if they were given clear title to their water and permitted to sell it. But suppose the farmers of the Imperial Valley wanted to sell some of their water—say 300,000 acre-feet. An obvious buyer would be the Metropolitan Water District of Southern California, which has the system in place for transporting the water cheaply. The farmers would make a profit, and the water district would get more water."

The Southwest's farmers, mining companies, and even city dwellers tend to dread any proposals for ending the era of cheap water, fearing a crippled or distorted economy. Such fears are unfounded or exaggerated. City dwellers have the least to worry about, since the average household uses only one acre-foot of water a year. Were the price of water for residential users in Los Angeles to rise, say, 2½ times from its

present $225 an acre-foot, the average monthly water bill would be $47. That's almost twice what homeowners using the same amount of water would pay in eastern cities, but hardly out of line considering the enormous cost of bringing water long distances in the West.

TOO GOOD TO THROW AWAY

Economist Lee Brown of the University of New Mexico argues the full market pricing would induce more southwestern cities to treat waste water, which can then be used for most purposes other than drinking or swimming. "We'll get reclaimed water," says Brown, "when scarcity is properly reflected in a market signal." Albuquerque has seen no such signal and continues to throw away its used water. Lubbock, Texas, which sits atop the rapidly depleting Ogallala Aquifer, reclaims every drop it can—about 58 acre-feet a day. In California's Orange County, where the groundwater table has also been falling and ocean water has begun to displace it, a local water district is spending no less than $196 an acre-foot to reclaim waste water, which is then pumped into the ground to hold back the intruding ocean water.

The Southwest's mines require tremendous amounts of water: 25 gallons to produce a pound of copper. Even water at $160 an acre-foot, however, would not put the mining industry out of business. Some companies have already been forced to buy land at up to $2,500 an acre just for the groundwater, and then must pay pumping and delivery costs of $40 to $80 per acre-foot to lift it. Furthermore, mines have the technology to reuse about 30% of their water, and higher prices would induce them to recycle even more than they do now.

But what about agriculture, which uses about 90% of the West's water? Most experts doubt that calamity is in the cards. The University of Arizona's Martin says that without additional water at subsidized prices, 25% of Arizona's acreage would go out of production. But by his estimate, the net value of the farm crop would fall only 12%.

THE HAND ON THE SPIGOTS

There may be less time for facing up to the Southwest's water problems than is commonly realized. Just to the north, in the states that lie upstream on the Colorado, water usage is rising. The rise could turn into a surge if a lot of share-oil plants, which consume tremendous quantities of water, get built. If this happens, upstream "donor" states will claim more Colorado River water than they have to date. It is only because of the nonexercise of these claims that the Southwest has been spared a shortage under the present wasteful pricing system.

Even before those shale-oil plants begin to appear to the north, Ronald Reagan may show his hand on water policy in ways that the Southwest may not like. If Reagan's policies in his Sacramento days are any guide, he will finish up construction projects already under way but initiate no new ones. When he was stumping California as a candidate, Reagan applauded water projects, but while he was governor not a single new dam or aqueduct was started. Since Governor Reagan turned down the water spigots, there's no reason to believe that President Reagan will keep them wide open.●

REAUTHORIZATION OF SECTION 7 OF THE FISHERMEN'S PROTECTIVE ACT OF 1967

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. BREAUX. Mr. Speaker, I am introducing today a bill to extend section 7 of the Fishermen's Protective Act of 1967. That provision of law assures the continued viability of our distant-water fishing fleets in the face of persistent threats of illegal seizure by foreign nations. Under section 7, an insurance program provides for the reimbursement of certain losses suffered by U.S. flag commercial fishermen as a result of such seizures.

That distant-water tuna and shrimp fleets of the United States make an important contribution to our national economy. The Congress and the executive recognized that fact when they enacted the Fishermen's Protective Act in 1954. By several extensions of the act, the Federal Government reaffirmed its commitment to these vital sectors of our fishing industry.

This bill would extend section 7 of the act. A failure to continue the insurance program beyond its current October 1, 1981, expiring date would certainly result in the loss of our distant-water fleets to nations which would offer essential financial security.●

CATHOLICS AND EL SALVADOR

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. DORNAN of California. Mr. Speaker, during the past few weeks, there has been a chorus of indignation on the part of certain members of the American Catholic hierarchy regarding the Reagan administration's foreign policy position on El Salvador. Criticism of the Duarte government has been sustained, vociferous, and often vitriolic. At the same time, the silence surrounding the activities of the leftist Marxist guerrillas has been deafening. Virtually ignored have been the remarks of Salvadoran Archbishop Arturo Rivera y Damas regarding the Marxists:

The left has lost support because the people saw that they were more interested in obtaining power than in fulfilling hope for the people.

Also ignored have been the observations, critical of the Marxists, of former Archbishop Oscar Romero:

When I returned from Rome in April [1979], I found their bombs in the cathedral. Our popular groups had been taken over by the far left. They want the Church to support everything, not only justice but all their strategies.

Why this selective indignation on the part of certain members of the American Catholic hierarchy which is in stark contradiction to the views of the Salvadoran hierarchy? A recent article, March 31, 1981, in the Washington Star by syndicated columnist Georgie Anne Geyer should shed considerable light on this entire controversy and is worthy of close attention by all Members of Congress as well as the Catholic hierarchy. I would like to submit G. A. Geyer's hard-hitting essay for the RECORD:

[From the Washington Star, Mar. 31,1981]

AMERICAN CATHOLICS ARE BEING USED ON EL SALVADOR

(By Georgie Anne Geyer)

Salvadoran Archbishop Arturo Rivera y Damas, whose own reformist credentials are impeccable, said last week: "The left has lost support because the people saw they were more interested in obtaining power than in fulfilling . . . hope for the people."

The president of the temporary government, Napoleon Duarte, is the most prominent and respected Catholic in the country and founder of the Christian Democrat Party. He is fighting to hold things together until elections in 1982.

Figures just out on the first year of his government's massive land reform show not only that it is working but that production has even remained stable in this turbulent year.

And yet—and yet—this last week has seen demonstrations throughout the United States unprecedented since the Vietnam War. They were waged largely by Roman Catholics, and they were all against Rivera, Duarte and the land reforms.

Perhaps most ironically, they were mourning the first anniversay of the assassination of Archbishop Oscar Romero, who was murdered in his chapel, probably by the far right. They were doing all this in his name.

But how many of the mourners and the manipulative activists actually knew Romero, a man I revered, or know the endless, dangerous and unique complexities of Salvadoran politics and society?

FAR LEFT TAKES OVER

When I interviewed Romero in August 1979, for instance, he was bitterly critical of the Marxists. "When I returned from Rome in April, I found their bombs in the cathedral," he said. "Our popular groups had been taken over by the far left. They want the church to support everything, not only justice but all their strategies."

He was equally critical of—and determined to make a change in—the "theology of liberation," which reached its quintessence in El Salvador and which in effect, makes Christianity and Marxism almost interchangeable.

"If 'liberation' is only temporal, that is not complete," the archbishop commented. "I've always said that such a 'liberation' is not Christian. It must be total—social, yes, but eternal and transcendent."

It is true that Romero hated the far right, which is as much the author of the bloody carnage in El Salvador as the left. Only a month before his death, he wrote a now famous letter to the American bishops begging them to fight against American military aid to the right. But what people are

not remembering is that he was a balanced man of the humane center and was against both extremes.

His relationship with the American church is one reason for the little less than extraordinary reaction by American Catholics last week. The terrible murders of the four American Catholic women in El Salvador, probably also by the right, is another. As one church leader described the effect of the murders here, "The death of the four became the symbol of thousands and thousands of dead there that you never heard about."

At the same time, El Salvador is the first test of "reverse missions," the church's policy, developed during the last five to six years, of feeding back to home countries information about the peoples and countries where it has missions.

CONTROL THE MILITARY

Now, there is no question that the savage military in Salvador has to be changed or destroyed—that there must be elections, that this slaughter of the innocents must end. But is the activist Catholic position a wise one? The answer to that may lie in these questions:

Why are virtually none of the activist American Catholics supporting the archbishop there? President Duarte? The Christian Democrats? By ignoring and disparaging the Catholic leadership in El Salvador, are the Americans really supporting what the people there want?

Why are the Catholic missionaries and other American church leaders not supporting land reform? Why indeed do many of them belong to the American protest group, the Committee in Solidarity With the People of El Salvador, that has as its No. 1 priority the dismantling of the land reform? Could it not be that the church people are accepting the word and position of the far left, which wants to destroy all other organizations so that it can preside?

MARXIST CLERGY

Are they willing to recognize the fact, as the Vatican certainly has, that there are many clergy there, in particular many European Jesuits, who frankly describe themselves as "Christian-Marxists" of various incarnations? Do they, in effect, know what confused messages they are responding so tumultuously to?

Many Catholic activists say they want political participation for the people of El Salvador as well as economic participation, yet they are less than entirely moral when they refuse to take the hard responsibility for the structure of that participation. Many of them, to put it bluntly, are being used.●

CONVEYANCE OF FOREST SERVICE LANDS

HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MARLENEE. Mr. Speaker, today my colleague from Oregon, Mr. WEAVER, and I introduced legislation that will permit the Forest Service to convey, by quitclaim deed, certain small parcels of national forest system land which cannot be practicably disposed of in any other manner. Lands which may be disposed of are: First, road right-of-way which are no longer needed by the United States; second, parcels of 5 acres or less which were innocently encroached upon by persons who relied in good faith on erroneous surveys; and third, parcels of 40 acres or less, but worth less than $150,000, that are interspersed with, or adjacent to, mineral patents.

Upon creation of the national forests, the Forest Service came to administer lands which are scattered and of little or no practical use for national forest system purposes. The Forest Service estimates they hold 200,000 tracts of land of which the size, shape, and/or location make them difficult to administer.

For example, many mineral patents are no longer held for their mineral value, and the land is now supporting ranches, power sites, industrial plants, and vacation homesites. Intermingled with these sites are unpatented public lands of varying shape and size owned by the Forest Service and acquired upon creation of the national forests. Such lands are of little benefit to the Forest Service.

Another example showing the need for this legislation are the 50,000 title claim cases existing on national forest lands. Such cases arise when persons acquire land through innocent occupancy or good faith trespass and a subsequent survey finds these lands overlap Forest Service property. Oftentimes such claims are of an acre or less in nature and were the result of improper line survey or an error in the title or land description. At present, such cases must be resolved through long and cumbersome administrative procedures or by Congress. The proposed legislation would provide for an orderly transfer of title on such properties.

Similar legislation was introduced last Congress by the gentleman from Oregon (Mr. WEAVER) and had the full support of the Forest Service. Although the legislation easily passed both the House and Senate, it was vetoed by the President due to an amendment added by the Senate in the closing hours of the 96th Congress. The amendment did not relate to the transfer of land by the Forest Service, but rather related to operations of the Alaska Railroad.

Let me assure my colleagues that the proposed legislation is not a land giveaway. Nor will such land transfers adversely impact upon the national forest system. The legislation assures that only small land parcels may be transfered and does not permit the Secretary of Agriculture to convey any lands within the National Wilderness Preservation System.

Mr. Speaker, this legislation is straightforward and has a wide base of support, and we urge our colleagues to join us in cosponsorship.●

BASING OF MX MISSILE

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. CHENEY. Mr. Speaker, a recent New York Times article describing the preliminary Office of Technology Assessment report on the various basing modes for the MX missile neglected to fully address the thrust and conclusions of the OTA study. Dr. Peter Sharfman, of the OTA, has written the Times to correct any misunderstanding which might emerge as a result of this article. I offer both the Times article and Dr. Sharfman's letter for the benefit of my colleagues:

[From the New York Times, Mar. 11, 1981]

STUDY FOR CONGRESS BACKS BASING MX MISSILES ABOARD SUBMARINES

(By Richard Halloran)

WASHINGTON, March 10.—A Congressional assessment of the MX missile asserted today that the current plan to base it on land would leave it vulnerable to Soviet attack and suggested instead that the missile be put aboard small submarines.

A long-awaited report by the Office of Technology Assessment said that the Air Force's plan to scatter 200 of the intercontinental nuclear missiles among 4,600 concrete shelters across Utah and Nevada would severely disrupt life there.

The analysis, which was presented to the House Subcommittee on Public Lands, also asserted that the present basing plan would cause large-scale harm to the environment and to economic ventures in those states.

LIKELIHOOD OF SURVIVAL

On the other hand, the study said that putting the missiles aboard small submarines was technically feasible and would make the missiles highly likely to survive a Soviet attack. It contended that the missiles could retain their accuracy if fired from submarines and that the cost would be competitive with the land-based plan. Estimates of that cost vary from $35 billion to $100 billion.

The analysis, which was requested last year by members of Congress who were skeptical of the Air Force's plan, immediately became ammunition for opponents of the deployment in Utah and Nevada. Representative James D. Santini, a Democrat and Nevada's sole Congressman, said that the analysis "provided the first objective assessment that we have vitally needed." Mr. Santini has supported the missile program but opposed basing it in his state.

WEINBERGER STILL SKEPTICAL

The analysis was published just as Secretary of Defense Caspar W. Weinberger again expressed his skepticism about the land-basing plan. "It's got an element of the unreal in it," he told a Senate committee yesterday. "There's no question about that."

Mr. Weinberger, who presented the Reagan Administration's military budget to the House Armed Services Committee today, said that a panel of prominent people outside the Pentagon, whom he did not name, would review the basing issue and make recommendations to him by June.

The new study, which took more than seven months to complete, came from the Congressional agency staffed by scientific and technical specialists that has the task of giving Congress independent, non-partisan analyses of technical questions. The study of the MX missile was done at the request of Senator Ted Stevens, Republican of Alaska, and Representative Morris K. Udall, Democrat of Arizona, both critics of the land basing plan.

The briefing was presented to the subcommittee today as an interim report, with a final report due in May. At the outset, the presenters of the report, led by Peter J. Sharfman, a specialist in defense and arms control, cautioned that no basing plan avoided all problems.

They focused one section of their report on the issue of vulnerability, which the Air Force contends would be assured by constantly moving each missile from shelter to shelter in a giant "shell game."

The report said that hiding the missile from sophisticated sensors and detectors required "the equivalent of a new technology." The report continued, "One cannot have confidence in the success of this new technology before actual hardware is constructed and tested in the field. Even then, lingering doubts would remain."

Even small doubts would be important, the study said, because "the Soviet Union could easily attack all the MX missiles" if the system broke down.

Moreover, MX would become increasingly vulnerable to Soviet attack unless the United States had an agreement with Moscow to limit the number of Soviet nuclear warheads. The most recent strategic arms limitation agreement has not been ratified.

The analysts estimated that the Soviet Union could have 6,000 to 7,000 warheads by 1990 and 11,000 to 12,000 by 1995. "By the year 2000," the report said, "the Soviet inventory could be so large that 15,000 or more could be aimed at an MX deployment."

The United States would have to build 360 missiles and 8,250 shelters by 1990 and 544 missiles and 12,500 shelters by 1995 to have 100 missiles survive a Soviet nuclear attack and be ready to fire back, the report said.

On the other hand, the assessment said, building a large number of small submarines, carrying two or four missiles each and patrolling in the deep ocean near the United States would be "highly survivable" without additional naval protection.

[From the New York Times, Mar. 12, 1981]

To the EDITOR:

I am writing to correct a misleading statement which your story in the March 11 *Times* made about the findings of the ongoing Office of Technology Assessment study of MX Missile basing. The story incorrectly stated that OTA suggested that basing MX on small submarines would be preferable to the current Air Force plan. In fact, OTA does not believe that it is possible to make such a choice only on the technical grounds that our study is considering.

The story omitted a description of the problems which OTA found would result from basing MX on small submarines. The small submarines, while they are indeed technically feasible and highly likely to be survivable, could probably not be deployed until the 1990s because of shortages of experienced shipyard capacity, critical materials, and critical manpower. Assuring missile accuracy would also be more difficult than with land-basing. These problems could be overcome with enough time and money, but adequate time and money might also do much to deal with the problems associated with the current Air Force plan. The story correctly reviewed OTA's cautions about the possible vulnerability of land-based MX, but omitted our warning that small submarines could have a vulnerability in common with Trident submarines if an unforeseen anti-submarine threat developed in the future.

We explicitly stated at the conclusion of our briefing: "Thus we see that all available modes of basing MX pose serious problems. We at OTA have not ranked these basing modes, because the choice of MX basing depends in the last analysis on what kinds of problems the U.S. is most willing to face. That is necessarily a political judgment."

PETER SHARFMAN,
Director,
MX Missile Basing Project.●

THE SECOND ANNUAL SPRING PREMIERE AWARDS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MURTHA. Mr. Speaker, it is a pleasure for me to mention the upcoming dinner of the United Black Service Clubs of Johnstown and to help honor the men and women being recognized for their contributions to the community.

Mr. Allen P. Andrews, chairman of the service clubs notes the dinner is an attempt to bridge a gap in fellowship that should continue to strengthen the bonds of fellowship between the black and white communities to make the total community of Johnstown a better place to live.

Certainly, it is through efforts such as this and the individual work of the people being honored, that we can all join in promoting a nation of harmony that is working and pulling together to meet our common needs and goals. Our future as a nation rests on all of us pulling together, for it will not be one ethnic, racial, or religious group that will make progress in the coming years, it must be all of us—regardless of those characteristics—that improve our world.

Please let me note the seven people being honored at this April 25 dinner who certainly meet this standard of excellence in service to the community and their fellow citizens.

Homer M. Burton—Mr. Burton has given his time and effort constantly over the past 50 years to promote and develop the black community and has been an individual leader in promoting community togetherness in the Johnstown area.

B. T. Du Pont—Mr. Du Pont has shown his special caring about people and their future through his constant volunteer work in service organizations including the NAACP, the Pennsylvania Human Relations Commission, the Boy Scouts, and Mount Aloysius Junior College.

Perry Holloway—Mr. Holloway has worked to blend the efforts of the black community with local labor and political groups to promote a united progress that helps the community to pull together and work together for common goals.

George Minno—Mr. Minno is a banker in Johnstown who has devoted considerable portions of his time to promoting public development, and has been a leader in the efforts to develop economic growth, jobs, and community development in Johnstown.

Christopher C. Quarles—Mr. Quarles is now retired, but he continues his lifelong efforts to improving Johnstown and the black community. He worked as a businessman, but his true love has been the people of the community and their improvement which he has shown through his active participation in the NAACP.

Dorothy Robinson—Miss Robinson is involved in banking in the Johnstown area and has used that position not simply as a job but as an opportunity to work with the churches and people of the Johnstown community to help solve financial problems and keep churches and community groups active.

Ruth Whitehead—Mrs. Whitehead has been a regular contributor to efforts and causes within the black community and has given regularly of her time to community projects and her church, the Shiloh Baptist Church.

I certainly extend my congratulations to these people for their excellent examples of individual contributions to the community, and I know we can all count on their continuing efforts to improve our community and help our fellow citizens.●

THE WATER PRICING REFORM ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MILLER OF California. Mr. Speaker, a recent article in the Christian Science Monitor illustrates that reform of Federal water pricing would be wholly consistent with the budgetary goals of the Reagan administration.

I have introduced legislation, the Water Pricing Reform Act, H.R. 2606, which would largely end the unjustified subsidization of water in the West. Most of the farmers in the reclamation program can afford to pay a reasonable price for the water, as my bill would require, and their assumption of this obligation would reduce the sizable cost to power users, municipal and industrial users—who already

pay full cost plus interest on their water—and also the general taxpayer who will ultimately pick up the cost of these projects which we have always been told will pay for themselves.

My proposal would inject some sound financial management into a system thoroughly distorted by Federal financial interference. Water, like energy, will be more efficiently utilized when its price is subject to the marketplace and actual costs. With price inducing greater conservation, the demand for additional water storage and transportation facilities might well decrease, and costs to taxpayers would be reduced even more.

The article follows:

A FEDERAL SUBSIDY SO FAR MISSED BY BUDGET CUTTERS—IRRIGATION

(By Brad Knickerbocker)

WASHINGTON.—It seems like a perfectly good Republican idea: Provide a federal subsidy only to the extent that it is truly needed, and make the recipients pay their fair share whenever possible.

This argument, which underlies much of the Reagan administration's budget-cutting these days, is being thrown back at the White House in an attempt to drastically reduce a large government expenditure in President Reagan's home region—federal subsidies for farm irrigation.

The General Accounting Office (GAO) recently reported that farmers in the West who receive water from federal irrigation projects pay only a small fraction (less than 10 percent on average) of its cost.

In one central California project area, for example, farmers pay only $7.79 per acre-foot of water (about 325,000 gallons). The full cost is $86.54, with taxpayers picking up the balance. Multiplied by the millions of acres served by such projects in the West and the vast amount of water involved, the total federal subsidy adds up to several billion dollars.

The original intent of water reclamation law was to encourage westward settlement and regional development. But there is growing agreement with the GAO conclusion that "those goals have been reached and the projects should now be reevaluated in the light of current economic and social conditions."

The GAO recommends that the Interior Department rethink the way it arrives at water charges. The rate charged for each irrigation area is determined, in large part, by how much the department figures the farmers can afford to pay.

Rep. George Miller (D) of California has introduced legislation requiring that construction and operating costs be recovered from water users.

Irrigation is a program where the subsidies just grew and grew, and now we find billions of dollars in taxpayers' money being used to subsidize some of the wealthiest agricultural interests in the United States," says Mr. Miller.

The issue is a key part of broader water policy questions that will have to be faced by Congress and the new administration.

One is the growing controversy over whether federally irrigated farm land should be reserved for "family farms" of modest size (160 acres per family member), as Congress originally intended. Studies consistently have shown that much of this land already is held by large farming interests, including absentee corporations.

One recent Interior Department study notes that fewer than 3 percent of farm operators control nearly one-third of the land in federal reclamation areas.

Last year the House and Senate could not agree on legislation setting new acreage limits. Sources close to the issue expect it to be resolved in favor of increased limits, reflecting the "economies of scale" possible on large farms.

Another growing concern is water conservation and the long-range environmental effects of massive irrigation. Among the points of concern are ground water shortages in Arizona and other parts of the West, increasing salinity as a result of irrigation in California's San Joaquin Valley, and the wisdom of damming more rivers to cultivate land of marginal agricultural value.

The Interior Department has found that increasing the price of irrigation water to more accurately reflect its true cost would result in farmers using it much more efficiently. Congressman Miller likens this to deregulating the price of oil and gas in order to encourage conservation of those valuable resources.

Interior Secretary James Watt says "the marketplace" should govern energy development in the United States. Congressman Miller seems determined to find out if the Reagan administration will apply the same standard to using the nation's water resources.●

HONORING 1981 SLOVENIAN MEN AND WOMEN OF THE YEAR

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. ECKART. Mr. Speaker, Slovenian culture, dramatic arts, music, and social arts flourish in the Cleveland area today due in large part to the efforts of the Federation of Slovenian Homes.

Recently, at the Federation of Slovenian Homes awards banquet, 10 outstanding contributors to the Slovenian community were honored. Their dedication and energy are so exemplary that I wish to honor them here.

Andy Hervatin is the 1981 Slovene Man of the Year representing the American-Slovenian Club. He was a driving force in organizing the club in 1946 and was its first president.

He is active in several fraternal organizations and Slovenian clubs and is currently organizing a pensioners club. He and his wife, Edith, live in a house he built himself.

Antonia Stokar is the Slovenian National Home of Maple Heights' Woman of the Year. She has been active with many Slovenian organizations, particularly the Slovenian National Home.

She and her late husband, Frank, have nine children. She has worked at the Cleveland Worsted Mills and the Richman Bros., Co.

The Slovenian Workmen's Home on Waterloo's Woman of the Year is Mary Furlan.

Born in Cleveland, Mary has also lived in Yugoslavia. She has been a member of the Slovenian National Benefit Society and the Progressive Slovenian Women of America for over 45 years. She is the widow of Louis Furlan.

Tony Sustarsic is Man of the Year of the Slovene Society Home of Euclid. Active with the Slovene Hall since he was a child, Tony has given a lifetime of service to the community.

A World War II veteran, he was a founding member of the Euclid Vets Club. He and his wife Helen have two children and two grandchildren.

The West Side Slovene Home has chosen Anna Jesko as its Woman of the Year. Known as the "West Side Reporter" to her friends, Anna has written over 500 articles for Slovenian newspapers.

She has been a member of several Slovene organizations for over 50 years and was a founder of the Club of the West Side Lodges.

June Price is Woman of the Year of the St. Clair Slovenian National Home. A popular and respected singer, she has used her talents for Slovenian culture and causes since her early teens.

Her voice has enlivened Slovene benefits, festivals, singing groups, and operas and she also is active in many Slovene societies.

The Slovenian National Home in Newburgh has chosen Robert Zura as Man of the Year. Bob is an air traffic controller who is active not only in the Slovene community, but also in political and civic events in Parma. He and his wife Mary have three children.

Rose Slapnik is Woman of the Year from the West Park Slovene Home. She has been a member for 20 years and is especially active in bringing new members to the club. Rose and her husband Adolph have three children and five grandchildren.

The Collinwood Slovenian Home Man of the Year is John Primozich. John has been a director of the home for the past 3 years. He and his wife Vera have one son.

Vidi Kumse is the Woman of the Year of the Slovenian National Home of Lorain. She has been active in many Slovene womens' groups since emigrating to Lorain from Yugoslavia in 1907.

She and her husband John will celebrate their 70th wedding anniversary this year.

Mr. Speaker, I am pleased to join in honoring these 10 fine citizens of the Slovenian community. Their hard work and enthusiasm is commendable. Their heritage has enriched these Men and Women of the Year, and they have enriched their community and their country.●

CETA WORKS FOR AMERICA

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. HAWKINS. Mr. Speaker, Hilda Bynum, 46 years old and handicapped, works as a blood donor recruiter in rural Buncombe County, N.C. Unemployed for the past 11 years, she is now able to earn $3.39 an hour as a participant in a CETA training and employment program.

"CETA has given me hope," she says, "has helped me to stand up and say, 'I can get a job. I can do something with my life. I am somebody.' CETA doesn't give you something for nothing, only the incentive to go out and do for yourself."

Shelley Johnson also benefits from a CETA program. She has moved off welfare and is supporting a 9-year-old daughter with the stipend she receives from her CETA sponsored part-time job at the San Bernardino County Economc Development Agency. When not working at the agency, she receives word processing training. At completion of the program, she could land a job with a starting salary of $1,100 a month.

If the administration has its budget slashing way, Hilda, Shelley and roughly 330,000 others will soon lose their jobs, along with the pride and independence their individual CETA programs provide them. The President has already deferred title II(d) and YACC moneys, and rescinded title VI PSE funds. This has caused immediate and serious repercussions. Many people have already lost their jobs, many small programs have been forced to close their doors, and many families at the borderline of poverty have given up the hope that CETA provides and moved onto welfare. If the administration continues to push further and alter the CETA legislation—as they threaten to do—these negative effects will be greatly multiplied.

These actions make no sense whatsoever, especially from an administration which claims to want to put Americans back to work. These large cuts in CETA will result in more unemployed people, not less. Training opportunities for those who need it the most will be greatly diminished, the long-term unemployed will be denied one of the few opportunities they have for substantive employment, and the cycle of poverty will become even more entrenched.

That CETA works has been clearly borne out by the statistics. Almost half a million of this Nation's most seriously disadvantaged people moved from CETA programs into unsubsidized employment last year. This is exactly the purpose of a training and employment program, yet the administration wishes to sharply curtail CETA. To state that these cuts, made in the name of fiscal austerity, will be counterproductive, is to belabor the obvious.

CETA workers are not only helping themselves through their training and work experience; they are also helping the Nation by performing needed tasks and services which would otherwise go undone, paying taxes, and lowering the unemployment and welfare rolls. In a sluggish economy, this Nation has a vested interest in increasing employment as much as possible. A full-employment society not only benefits the individual worker, it means that the American economy is functioning at a high and productive level.

Economic recovery cannot come about by forcing thousands of Americans out of productive employment and onto welfare. Economic recovery cannot be achieved by condemning the long-term unemployed to a life without hope or work. Economic recovery cannot be achieved by eliminating skills training opportunities for the underemployed and unemployed. Economic recovery will not be attained by making insignificant budgetary savings now, while insuring economic and personal catastrophe in the near future.

I have introduced two measures, House Resolutions 111 and 120, which would counter the Reagan deferral of title II(d) and rescission of title VI funds. Support of these measures is vitally important since the Department of Labor has already begun to implement the deferrals and rescissions. Many thousands of people have already lost their jobs because of this accelerated implementation, and many thousands more will soon be out of work and on the streets. We must support House Resolutions 111 and 120, and put America back to work.●

H.R. 3007

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. SHUMWAY. Mr. Speaker, as a result of last Monday's tragic attempt on the life of the President, on Thursday I introduced legislation (H.R. 3007) to close a glaring loophole in the Gun Control Act of 1968. As I am certain each Member of the House is now aware, the .22 caliber handgun used in the attempted assassination was assembled in Miami of parts imported from Germany. The gun itself could not have been imported; its parts were.

Mr. Speaker, this exception to existing prohibitions on the importation of "Saturday Night Specials" not only makes no sense, but, as we have just seen, can have deadly implications. My bill, therefore, provides that the importation of parts of firearms shall be illegal if the assembled firearm is already prohibited by law. Illegal parts should be treated in the same manner as the illegal "whole."

I am not proposing additional gun control. I am suggesting, rather, that if existing law were consistently and strictly applied, we might substantially reduce the number of cheap handguns annually made available in this country. I urge my colleagues to join in sponsorship of this effort.●

TUITION TAX CREDITS: A SCHOLAR'S VIEW

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MICHEL. Mr. Speaker, it is not necessary for me to give in detail the academic credentials of sociologist James S. Coleman, author of the famous "Coleman Report" which did so much to shape educational policy in this country. Dr. Coleman has recently studied the nonpublic school system in the United States. It would seem from reports based on early drafts of his study that tuition tax credits will be money well spent by the Government.

For more details, I suggest you read "Private High Schools Are Better Than Public, Study Concludes" by Dan Morgan, the Washington Post, April 3, 1981, which I insert in the RECORD at this time:

PRIVATE HIGH SCHOOLS ARE BETTER THAN PUBLIC, STUDY CONCLUDES

(By Dan Morgan)

A major study by sociologist James S. Coleman concludes that Catholic and other private high schools provide a better education than public ones do, and in some respects are less racially segregated. The study is certain to cause controversy in U.S. educational circles.

Coleman, whose 1966 report on educational opportunity became one of the decade's most debated documents on schools, based his latest findings on data covering 58,728 students in 1,015 high schools.

The report was compiled for the National Center for Education Statistics, a branch of the Department of Education. It is one of the most extensive examinations of nonpublic schools ever sponsored by the federal government.

Although officials of NCES described the report yesterday as a "draft . . . still subject to change," it has been sharply attacked by supporters of public schools who fear that the findings could strengthen the case for tax credits to families paying tuition for private schools.

Coleman went on record in favor of tuition tax credits as early as 1978, saying they would widen the school options of low-income black parents.

President Reagan has promised to fight for tuition tax credits that would aid families that send their children to parochial or private schools. But a major storm is brewing over this, with public-school backers saying that Reagan's policy is to slash funds for schools serving poor and minority children and transfer the savings to middle-class families through tax credits.

David Sweet, assistant administrator of NCES, said yesterday that "we would not say we fully support each and every conclusion" reached by Coleman. And an internal NCES evaluation of the Coleman study obtained by the Washington Post "urges the author(s) to take less liberty with the data and provide a more complete picture" of one of the issues dealt with.

"The statistical techniques used here are out of date, and I think nearly every expert in the field would say that the method has to overestimate the quality of private schools," said Robert L. Crain, an educational sociologist and author who now works at the Rand Corp. "If you took a high school student body which came from families of above-average income, those kids would do well in either a public or private school. There is no evidence in this report that makes me think they would do any better in private school."

Coleman, a University of Chicago sociologist, is affiliated with the National Opinion Research Center, which has the contract to gather data for a massive federally financed survey of high school sophomores and seniors.

About one high school out of four in the United States is non-public, but only about one of 10 students in grades 9 through 12 attends these facilities. By far the largest number of the private school students—900,000 of 1,359,000—attend Catholic parochial schools.

To gather the data, the National Opinion Research Center examined school records, tested thousands of students and interviewed administrators.

According to Coleman, "the evidence is that private schools do produce better cognitive outcomes that public schools. When family background factors that predict achievement are controlled, students in both Catholic and other private schools are shown to achieve at a higher level than students in public schools."

In a warning that critics already have seized on, however, Coleman acknowledges that factors other than family background could affect achievement.

"Coleman has mixed up cause and effect," a critic said. "These kids are in Catholic schools because they have high scores. They don't have high scores because they're in Catholic schools. This is not a minor problem; it's huge."

Also certain to provoke controversy is Coleman's finding that "Catholic schools more nearly approximate the 'common school' ideal of American education than do public schools," in that achievement levels of children with different backgrounds are more nearly alike in Catholic than in public schools.

Coleman also challenges a major contention of critics of tuition tax credits, who assert that the aid would intensify racial segregation. Coleman argues, on the basis of computer models, that there would be a slightly higher percentage of blacks and Hispanics in private schools after the first year of such aid than are there now.

He argues that this would be constructive because "the public sector is by far the most segregated" on a school-for-school basis.

In his analysis, Coleman concluded that individual private schools are less likely to be racially segregated than individual public schools, although public schools have a considerably higher percentage of black enrollment than Catholic schools nationally. Coleman reports that public and private schools now enroll about the same percentages of Hispanics.●

FORMER MEMBER SUPPORTS LEGAL SERVICES

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. WILLIAMS of Montana. Mr. Speaker, I am very pleased to share with my colleagues a letter from a former Member of this body, Arnold Olsen, who writes of his support for the Legal Services Corporation. In addition to being a former Member of this body, Mr. Olsen is in an ideal position to observe the Legal Services Corporation as he is the judge of the Second Judicial District of the State of Montana. He makes a good argument by invoking the preamble of the U.S. Constitution where it states that one of the purposes of this great Union is to establish justice. The Legal Services Corporation has helped establish a measure of justice, or at least access to the judicial system, for the people of our country who otherwise would not have it because of the excessive costs. I commend him for his observations and hope my colleagues will take a minute to read his comments:

DISTRICT COURT OF THE
STATE OF MONTANA,
Butte, Mont., March 27, 1981.

Hon. PAT WILLIAMS,
U.S. House of Representatives,
Washington, D.C.

DEAR PAT: As a member of the Judiciary, and presiding in the District Court of the Second Judicial District of the State of Montana, I would like to express my personal and professional opinion in regard to House Bill 2506 relating to the Reauthorization of the Legal Services Corporation.

It is my understanding the Corporation is operating under a $321 million appropriation for the year 1981, and I urge the Reauthorization of the Corporation, together with an appropriation in, at least, the area in which it is now funded, in order that the poor, the low income, and those families with earnings below poverty level may obtain legal counsel and receive the equal and just treatment to which they are, of right, entitled.

The Legal Services Program has provided these individuals with able and competent legal counsel and has immeasurably assisted the court in the administration of justice. This is an extremely sensitive area, and their civil rights must be protected at all costs. Without counsel, such civil rights are jeopardized, endangered and violated. The program in my opinion has more than proven its worth; and, without it, funding from other sources would be impossible to obtain.

I believe that the legislation presently before Congress, dealing with the Reauthorization of the budgeting of the Legal Services Corporation is vital and essential, and I would appreciate your positive assistance towards the approval of such legislation.

I sincerely hope that you will give positive effect to the Preamble of the Constitution of the United States. "We the people of the United States, in order to form a more perfect union, *establish justice*, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this constitution for the United States of America;" by establishing justice for the poor who under on circumstances could afford to pay for it themselves.

Very truly yours,

ARNOLD OLSEN,
District Judge.●

VIOLENCE

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. HUBBARD. Mr. Speaker, with the recent tragic events here in the Nation's Capital, I wish to share with my colleagues a timely letter from my constituent, Mr. Bert Jody, Jr., of Paducah, Ky. Mr. Speaker, I submit the following:

The article by Mr. Kilpatrick strikes a responsive chord on my part. I travel at times to Washington as well as to other cities in this country on business. I do not walk the streets of those cities, nor visit their attractions, simply because I do not wish to be robbed, beaten, or possibly killed by someone that Judge Bazelon might term "an unfortunate product of his social environment."

I am concerned with staying alive to support my family. I am frightened for my daughter, a senior in college, who must go out alone to earn a living in some "war zone."

The mood of my friends and peers is turning ugly. We are collectively fed up with paying the price in fear and innocent lives lost to street toughs and "crazies" like Steve Judy and Ted Bundy and then paying the price of endless appeals to maintain these killers on death row for years.

The thought strikes me that if we did not permit tens of thousands of unskilled persons to enter this country, we would not be packing those same tens of thousands into slums to become desperate enough to commit acts of violence against society. Who knows, we might even lower the unemployment ratio.

Frankly, the sociological excuses made for these animals do not interest me, I have abided by the laws of this country for fifty years. The question is, when is government, established to secure the rights of the law abiding, going to stop coddling the lawless and start protecting the innocent for real?

I am like Mr. Kilpatrick. My heart doesn't bleed for them. I've been robbed.

With best regards, I remain,

Yours very truly,

BERT JODY, Jr.

Well said.●

REMARKS BY BETHLEHEM STEEL CORP. CHAIRMAN DONALD H. TRAUTLEIN

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MURTHA. Mr. Speaker, on Monday, March 30, I had the pleasure to serve as master of ceremonies for the annual Talus Rock Girl Scout Council dinner. We were honored to have as our speaker this year Donald H. Trautlein, chairman of the board of Bethlehem Steel Corp.

Mr. Trautlein, in his remarks, made an extremely positive presentation of the role of Scouting in helping to promote the role of women in today's society. Mr. Trautlein said that while we know all citizens are not exactly equal, we do have equality of opportunity, and added:

And that is what's important about the women's movement: not that women should succeed to positions that have been traditionally dominated by men; not that women should leave the home and hearth in favor of careers; but rather that they should have equal opportunities to do so if they so choose.

Girl Scouting can, and does—help to prepare young women for such opportunities. It helps by teaching them useful skills, by providing basic vocational training, and by helping them acquire the patterns of disciplined thought that can serve them well throughout their lives.

Mr. Trautlein went on to note that from his perspective with one of the Nation's leading corporations that the outlook was excellent for women today choosing to develop careers in the business world.

I can tell you that those prospects are immeasurably better today than they ever were in the past. For example, when I started out in the accounting profession, there were very few trained woman accountants around. Not so today. In fact, we have about fifty women in accounting, supervisory, and administrative-type functions in Bethlehem's Accounting Department.

After citing some statistics on the increase of women receiving Ph. D. degrees and moving through medical, law, and graduate schools, he added:

All the statistics add up to the same conclusion: we are in the midst of a virtual revolution, a tide that is sweeping women into positions of importance, influence, and prestige that were hardly dreamed of only a few years ago.

Mr. Trautlein added that he thought future job prospects were favorable for women, and added the formula he foresaw making those careers even more likely.

There is no question about it. Women are making progress, and we want them to keep on making progress. We still have a long way to go, and I can assure you that we're far from satisfied. But there's another problem, and it's pretty fundamental. I'm referring to the fact that we can't hire women or anybody else for jobs that they aren't qualified to fill.* * *

Here again, it comes down to a matter of direction and training early in life—in the family, in the schools, and in organizations such as girl scouting. That's where girls need the kind of guidance that will expand their career horizons as women.

I believe Mr. Trautlein's comments served very well to indicate the importance of the Girl Scouts in the coming decade. I appreciated him joining us in Johnstown, and am very pleased to further distribute his excellent comments through these remarks.●

THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MILLER of California. Mr. Speaker, I am introducing legislation today to correct serious abuses in the Federal agricultural marketing program which artificially inflate food prices, undermine the competitive market system, injure consumers, and encourage the squandering of vital national resources. I am very proud to have Congressman FRED RICHMOND, chairman of the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition as a cosponsor of this bill.

The Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.) establishes a program providing for the issuance of marketing orders with respect to numerous crops by the Secretary of Agriculture. These orders were designed to reduce the fluctuating volume and price of certain crops during the uncertain years of the Great Depression. The benefits of this stabilization, it was believed, would accrue to both farmers—who would enjoy regularized prices—and consumers—who would benefit from the regular availability of the product.

But like so many well-intended Federal programs, this one has gone awry. A program intended to support small farmers in many cases now protects large agricultural domination of the market. A system to benefit the public from major decisions excludes the public from major decisions which affect our pocketbooks and our health.

The marketing orders have become a mass of intertwined Federal regulations and restrictions, frustrating the entrepreneur, assuring rather than preventing market capture. And this very system nourishes itself off still more consumer financing through the program of taxpayer subsidies to agricultural users.

These were some of the findings of the Federal Trade Commission staff report, "Agricultural Cooperatives" in 1975. Like too many thoughtful studies, this one has languished, its criticisms unpublicized and its recommendations ignored. Marketing orders, the report concluded, may:

* * * generally overstimulate production, keep unnecessary numbers of growers in industry, and protect inefficient operations by artificially inflating prices. Such economic costs may outweigh any advantages that orders may actually have (214-125) * * *. Marketing orders do have potential and actual effects counter to consumers' interests * * *. Surely there should be consideration of alternative methods which would not so clearly lead to societal costs from the misallocation of resources.

These warnings went unheeded by the Congress. And today, in the Central Valley of California, there are hundreds of thousands of tons of navel oranges rotting in the Sun or otherwise disposed of to keep them out of the supermarkets of this country. As much as 25 percent of the crop may be withheld from consumers. This has occurred in the past. Between 1960 and 1968, 58.1 percent of lemons were diverted from the domestic fresh fruit market, and during the 1960's, 19.5 percent of the almond crop was kept from consumers. So, too, with 25 percent of Ocean Spray's 1973 cranberry crop, and 25 percent of the cling peach crop—81,000 tons—in 1976. While 1981 will be a bumper year for oranges, consumer prices will increase by 12 percent in the markets. The USDA reported in 1975 the marketing order program definitely inflated prices to consumers.

Why is this unconscionable waste taking place? And why is the Federal Government, and particularly the Department of Agriculture, not only sanctioning this immoral destruction of food but contemplating legal action against private entrepreneurs who simply want to sell the food they have labored to grow?

Again, the 1975 study provided the answer: "Orders are used to engage in a form of price discrimination. The fresh market price is kept up by limiting supplies". The effect of the orders is also to restrict entry to the agricultural market and extend monopolistic control of our food production.

There is a pernicious aspect to this situation which is only now becoming appreciated, but which includes a taxpayer subsidy to growers which encourages crop over production, and that is the provision of heavily subsidized irrigation water.

Irrigation subsidies are another of those well-intended Federal programs identified by the Reagan administration which is not doing what it is supposed to do. We thought we were underwriting the perpetuation of small, family farms in the United States; now we find that the taxpayers are really underwriting some of the largest agri-

business operations in the country with billions of dollars in taxpayers' subsidies. Those subsidies, and the availability of water provided by those projects, have combined to encourage the planting of crops covered by marketing orders. More subsidies are one of the reasons there was a massive movement of orange growers into the Central Valley in California.

So now we have growers who are using subsidized water—paid for by taxpayers—delivered through irrigation projects—paid for by taxpayers—to grow crops, a significant portion of which are periodically destroyed in order to inflate prices—paid for by taxpayers.

And this system is justified as preserving the free enterprise system.

My legislation would correct the worst abuses in the marketing order program. It would change the present system whereby an officer of the U.S. Government—the Secretary of Agriculture—delgates authority to influence the availability of food and market price to a group of people with a strong proprietary interests in the decisions they are making.

Philisophically, I strongly object to this principle because the Government should not intrude into the private economic sphere solely for the purpose of enriching one class of citizens at the enormous financial expense of all others unless there is some overwhelming national interest. But in the case of marketing orders, those interests—protecting small farmers against domination, preserving entry to farming, assuring availability of a product to the consumer—are being undermined rather than strengthened.

I particularly object to the virtual exclusion of qualified consumer spokespersons from the marketing decisions.

The consumer is affected by inflated prices.

The consumer is affected by reduced product availability.

The consumer is affected by the use of his tax money to underwrite this irrigation and crop marketing system.

And yet the consumer is excluded from the decisionmaking process entirely under the current law.

My bill would require that at least 50 percent of the marketing boards appointed by the Secretary be composed of consumers or representatives of consumer organizations. In addition, my bill would require a public hearing on any rule by the board when demanded by one-third of the board in order to permit a thorough public notice and discussion of the proposal.

I think it is very important to note the current exclusion of consumers from decisions by private interests acting in the name of, and with the power of Government. Except for a restricted procedural hearing at the time an order is promulgated, at which anyone may appear, consumers are denied any standing regarding rules implementing the order, including weekly decision regarding the withholding of the crop from the market.

Consumers may not seek judicial review of these decisions, and under current regulations cannot participate in any modification of an order, rule or regulation. (7 CFR 900.1 et seq.)

As the 9th circuit found in *Rasmussen* v. *Hardin* (461 F.2d 595, 9th Cir. 1972):

> The whole scheme of the act is to raise the prices of agricultural products to, and keep them at, levels fixed by the Secretary, and to establish "orderly" marketing of them. Bluntly stated, that means, in part, marketing freed to a very large extent from price competition. It is arguable that the immediate, and possibly the longrun, interests of consumers are contrary to these goals * * *. Nowhere in the act can we find an express provision for participation by consumers in any proceeding. We are convinced that this is no accident.

It is time that Congress corrected that accident, whether intentional or not. This Congress cannot sanction anticonsumer actions by special interests.

My bill would also protect the smaller farmer by requiring that orders be approved by 66⅔ percent of producers rather than by producers controlling 66⅔ percent of the crop. The current provisions permits a very large grower to act to the detriment of smaller farmers and perhaps to the detriment of the industry and the Nation as well.

Lastly, my bill will require the Secretary to investigate methods for utilizing the produce withheld from the market in both domestic and foreign food assistance programs. Surely there must be a better way to utilize the products of American agriculture than allowing millions of pounds of fruit and vegetables to be destroyed while millions of people throughout the world go hungry. Assuming that we do continue the process of withholding products from the market in some reasoned manner, there is no reason that we should not attempt to establish a means for assuring that all available food is appropriately utilized.

A small portion of the potentially consumable fruit which has been withheld from this year's market has been donated to charitable groups, including the Community Food Coalition in my own district of Contra Costa County. But there are far more people, both in our own country and world-wide who could utilize a large portion of the nutritious food which currently is wasted because of the marketing order program.

Mr. Speaker, my legislation is an effort to introduce a measure of balance into the marketing order program—to consider the needs of millions of consumers and taxpayers as well as serving the interests of farmers who profit from this program. This balance is lacking in the program today, and as a result, the program strays far from sound policy. I would hope that the administration continues its review of the marketing order system, and that the Congress will address this clear case of federal regulatory intrusion into the free market system to the detriment of consumers.●

ADDRESS BY NTSB CHAIRMAN, JIM KING, ON GAS PIPELINE SAFETY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. ANDERSON. Mr. Speaker, tomorrow morning, our Surface Transportation Subcommittee will begin hearings on gas and liquid petroleum pipeline safety. I believe that a recent address by Jim King, Chairman of the NTSB, to the Society of Gas Operators, on this same subject is an excellent invitation to cooperation between Government and industry—an invitation, which if accepted, will speed the drive toward less Government regulation. Chairman King's message is one which could apply to a number of industries which feel burdened by regulation:

The statement follows:

STATEMENT BY JAMES B. KING, CHAIRMAN, NATIONAL TRANSPORTATION SAFETY BOARD

Thank you.

I am delighted to be here tonight. I am particularly happy to be talking with you at a quiet time of your choosing rather than in the midst of a crisis.

It is also undeniably a pleasure to be speaking to an organization that represents an industry proud of its commitment and accomplishments in the field of safety. Your industry, more than any other mode of transportation with which we work at the Safety Board, has consistently shown the most responsiveness to our suggestions for solving safety problems.

And let me be clear about this. I'm not saying this now just to be a gracious guest. I've said it many times before, including congressional hearings. We are grateful for your willingness to tackle safety issues in a timely fashion. That, in turn, has meant that we have been encouraged to make recommendations for safety corrections directly to you—rather than to the Department of Transportation for a regulatory fix. The truth is that you can do it better and you can do it faster and that's why I want to talk to you this afternoon about the current regulatory climate.

Most of you are keenly aware of the President's temporary freeze on new regulations. While it may be too early for us to see any great effect yet, let me assure you there are already dramatic changes. The slowdown in regulation is reflected by the Federal Register, the document in which all regulatory actions must be published. During the last months of 1980, each day's issue consisted of 2 or 3 volumes with 800 to 1200 pages of light reading. This month, we are seeing daily issues of the Federal Register just

over one hundred pages—a mere shadow of its former self.

The regulatory freeze postponed new regulatory actions for 60 days to provide time for reevaluating their importance and effect upon industry and the public. This action prevented hundreds of new regulations from taking effect as scheduled and postponed additional hundreds of proposals which were ready for publication.

A subsequent presidential order set the pattern for new regulation. Essentially, agencies must weight the costs against the expected benefits of their proposals. After they've done that, they are required to justify why lower-cost alternatives, if any, were rejected.

Further, regulatory agencies must now initiate reviews of existing regulations using the principles established for justifying new regulations. I have no doubt that you will see substantially less rulemaking activity by Federal agencies, except possibly actions to eliminate many existing regulations.

This may be good news for many of you. It is also the reason why I view this as a period of opportunity and challenge.

I am convinced that this new direction in Federal regulatory action carries with it certain assumptions about industry's future role. It certainly increases industry's responsibility to attain—and maintain—expected levels of public safety. Nevertheless, opportunities for your industry to actively participate in molding your future with respect to the federal regulations under which your operate, appear to be without bounds.

As with many agencies, the Materials Transportation Bureau, will soon begin the mandated review of its existing regulations—those requirements under which you have operated for more than 10 years. This process will be now not only to the MTB, but also to your industry. I believe that this offers great opportunity for you to work with the MTB and provide practical direction to its efforts.

An early review of the existing regulations by the gas industry to identify those that increase costs without improving the safety of constructing, maintaining, or operating your facilities should be initiated promptly. Documentation of regulatory costs which produce no safety benefit, filed with a petition for elimination, most likely would be accepted gratefully by the MTB. This would also serve to direct MTB's initial focus upon an area of needed relief.

During this early review of the regulations, your industry also should seek to identify those regulations which provide safety guidance to gas operators whose staffs are unable to make technical determinations about the safety benefits of these requirements.

Your review should identify those regulations which provide guidance for actions reasonably necessary to achieve and maintain safe operations and those determined essential for restricting the types and uses of materials in natural gas systems.

To illustrate, I don't believe that anyone in this room would advocate the discontinuance of standards for welding lengths of steel pipe together or standards for forming steel into pipe by welding. These standards were developed over many painstaking years of effort to eliminate a problem of considerable magnitude in the 30's, 40's, and even into the 50's. Continuance of welding requirements applicable to all of the industry is essential for numerous small gas operations as a recommended, proven procedure for maintaining the progress accomplished by industry. You have all but eliminated this essential procedure as a cause of leaks or accidents.

Another example of regulations which should be maintained is design criteria for plastic pipe. While changes to existing criteria may be desirable, continuance of criteria to guide the industry is essential. To your credit, the present requirements were established by your industry prior to the development of Federal regulations. This was done because technical data about the performance of plastic materials under pressure over time was inadequate. While considerable research and additional testing has been conducted which some believe may justify relaxing the existing restrictions, there are still not sufficient data to predict the effect of pressure and time to the degree possible with steel. This is an area which you would not want individual experimentation by some gas operators because the results could reduce public acceptance of this material for use in gas distribution operations and possibly inspire increased government requirements.

Continued vigorous support of your policy of employing voluntary action to identify and correct safety problems and then motivating individual operators to implement corrective action is essential if reduced Federal involvement is to continue beyond this Administration. The extent of your future freedom from Federal safety regulation is now in your hands. While past experience demonstrates that you have the ability and, more importantly, the desire to develop codes and guidelines, and to motivate most of your industry to adhere to your standards, a major obstacle to your success is the lack of an effective means for collecting the types of leak and accident data required for identification of existing and emerging safety problems.

Presently, the MTB collects data about gas industry leaks and accidents. The Safety Board, like the gas industry, knows that the types of data collected, as well as the procedures for collecting and analyzing these data, are woefully inadequate for safety problem identification. Recently, the Safety Board published two reports concerning uses of MTB's pipeline safety data system. One, a study on plastic pipe failures, provided some limited insight into possible safety problems associated with the use of this material in gas distribution systems. The primary finding was that the types of data collected and the MTB's management of this data failed to identify whether the types and frequency of plastic pipe failures were significantly different from that of steel.

The other study, an analysis of the uses of the pipeline safety data by the MTB, provided the basis for what we hope will be a new data system for identifying and collecting the types of information that can be used for safety problem identification and compliance program management. I submit to you that this function properly belongs with the Federal government so that all matters affecting safety are in a central repository. This helps all of us. Additionally, I urge that your industry actively encourage the MTB to identify the types of data which should be collected by performing a data-use analysis. A properly structured data collection system operated by the federal government would provide that missing element essential to your industry's future ability to operate in a reduced regulatory environment.

Despite some obstacles I have cited, none of the new initiatives I am advocating should be difficult to achieve. Your history has demonstrated that you can provide effective leadership for improving the safety of gas operations.

Prompt action by the gas industry to provide its customers with an early warning about gas leaks lead to the universal introduction of odorants into distribution gas mains. More recent efforts resulted in standardizing the design and use of plastics for gas mains and services. Present efforts are stimulating increased emphasis on reducing excavation damage to gas pipelines.

Nevertheless, I am sure that each of you well recognize that without some governmental involvement, there is no way that the industry can require that even the most obvious safety precautions be taken by all persons who operate gas distribution systems. For instance, it is only in the last few years that many of the small gas operators (master meter if you will) such as trailer park owners, low-rent housing projects, and liquefied petroleum gas operators have made substantial safety improvements to their facilities. The challenge confronting the industry is to develop a process in which the benefits of government regulations can be effectively used to promote safe operations throughout the industry.

Within this new era of less regulation by government, there are several improvements toward which I hope you will be directing your efforts. New methods for providing increased guidance and technical advice to small operators must be developed. An existing process and publication may offer substantial opportunity for early accomplishment of this objective—the American Society of Mechanical Engineers' Gas Piping Standards Committee and the Guide published by this Committee. While the present efforts of this Committee are directed toward assisting gas operators to comply with Federal regulations, this activity could be quickly and easily redirected to develop practices required for safe operation. I am told that there have been efforts within this Committee to encourage the development of guidance beyond compliance with Federal regulations, but little has been accomplished to date. With the present direction of Federal regulations, it appears the time may now be ripe for such work, and I for one encourage you to act on this matter at this time.

The need for industry to participate in the development of an industrywide data-reporting system has already been discussed. I want to emphasize that this is an area which should be promptly and vigorously pursued since much of your future success will depend upon this system.

Development of a means to rapidly shut off the flow of gas resulting from ruptures in high pressure service lines should also be accomplished. Excess flow valves presently available appear to hold promise for accomplishing this objective; but without industry support for these devices, many gas operators will not install them, I am told. The Safety Board has advocated the development and installation of devices capable of detecting gas flows in excess of expected customer demands and upon detection of such conditions, closing off the flow of gas at or near the main. If you feel that existing devices are not adequate to accomplish this desirable objective, then do you think you have a responsibility to perform the testing and research necessary for development of a device capable of attaining this objective? If not, then you may find yourself in the posi-

tion of saying you were unwilling to act without federal intervention.

And last, there are unquestionable economic and safety reasons for the industry to develop new programs and support effective existing programs capable of reducing excavation damage or underground gas facilities. Improvements in this area, more than any other, would favorably improve the gas industry's record for safety achievement.

I urge you to take the lead in this new era of de-regulation and seize this opportunity to demonstrate your capability for effective leadership in the field of public safety. The regulatory pendulum now is swinging in a direction often urged by regulated industries—away—but you should recognize that action by your industry is required to eliminate the impetus for the pendulum's reversal. Even if the government philosophy swings back in years to come, you'll be ahead of the game if you've used the time wisely to maintain your impressive track record for effective safety action without the need for a governmental "helping hand."

I would like to thank you for having me with you today and permitting me to have the honor to serve you at the Safety Board.●

STATEMENT OF HON. BALTASAR CORRADA ON THE ATTEMPT AGAINST THE LIFE OF PRESIDENT REAGAN

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. CORRADA. Mr. Speaker, it is with a sense of deep outrage and disbelief that I speak today on the attempt made on Monday, March 30, on the life of President Reagan. Once again our Nation has gone through a wrenching experience, one during which we must ask ourselves what makes our society so prone to violence. Why are we particularly susceptible to violent acts against our leaders when those same leaders are elected in a democratic process which is the envy of the rest of the world? It is sad that our efforts to preserve freedom in an open and democratic society should result in the abuse of that freedom by irresponsible elements in our midst.

Mr. Speaker, I was in Puerto Rico when the first news reports came out on the attack on the life of the President and as the rest of our fellow Americans, the people of Puerto Rico were outraged and perplexed at this senseless act.

Puerto Ricans share the Nation's pride in our democratic system which protects a person's right to freedom of expression and beliefs and thus they join with all other Americans in deploring this despicable act against our President. For that is the strength and power of this great country; that once the democratic process has taken place, we stand united behind our President. We may disagree over some of the policies that he seeks to implement, but we stand firm in our support of him as the duly elected President of our Nation.

As information becomes available, it is clear that the assailant is a seriously disturbed young man. It is against this kind of irrational individuals that we are less protected. For in their imbalanced psyche they transpose a personal grievance to a public figure such as the President and then seek to confront and destroy it.

Our thoughts and prayers are with the President and also with Press Secretary Jim Brady, Secret Service Agent Timothy McCarthy, and District Police Officer Thomas Delahanty. May God protect and speed them on to a complete and full recovery. And we should also make a prayer for our Nation; that as a result of this terrible experience we may gain in compassion, understanding and commitment to resolve our differences through debate and compromise, not through violence.●

AN ANALYSIS OF THE REAGAN BUDGET—PART II

HON. LARRY McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. McDONALD. Mr. Speaker, the following is the second part of a two-part series entitled "The Reagan Budget Fraud," by Murray Rothbard published in the World Market Perspective, March 19, 1981, issue. It is an excellent analysis by this Austrian economist and seems to put President Reagan's proposals in perspective. Though one would desire the picture painted to be more attractive, the harsh realities of our future must be faced.

I commend part two of the article to the attention of my colleagues:

AN ANALYSIS OF THE REAGAN BUDGET—PART II

THE PRESIDENT EXPLAINS

The President's February 5 fireside chat to the nation, presaging his budget message, has won him the accolade of "good communicator." But it was something else: a typical model of conservative economies, in its good and bad features. For the President began his talk with an excellent analysis of what is ailing the country; how the federal government has swollen like a cancer since the 1950s, how it has expanded out of control, and how inflation has grown and the dollar shrunk as a result of the government's printing money to pay for its deficit. Reagan also showed how unemployment has increased along with inflation, and how high taxation has crippled our incentives to work, save and invest.

OK, fine. But then what? What policy recommendations flowed from Mr. Reagan's incisive analysis? Are we therefore supposed to slash and roll back Leviathan government, cut spending and taxes back at the very least to the levels of the 1950s? Are we even supposed to begin this task? No, indeed. Typical of conservatives, the policy conclusions seem to bear no relation whatever to the analysis. Instead, gears are suddenly shifted, and now we are supposed only to lower the rate of increase of government spending. Budget cuts, Mr. Reagan assured us, would not "reduce total government spending to a lower level than was spent the year before." Instead, "the budgets will increase as our population increases and each year we'll see spending increases to match that growth."

But this is a feeble justification indeed for the betrayal of Reagan's own insight, for his failure to match the analysis of what has gone wrong. In the first place, as Reagan himself said in the early part of his speech, our population has only increased 23 percent since 1960 while the federal budget has grown by 528 percent. So why not at least roll back federal spending to the 1960 level adjusted by population growth? Secondly, the 1982 Reagan budget rises by 6.1 percent. Is Mr. Reagan claiming that the U.S. population will be increasing by that much in one year? (Annual rate of population growth is now about 1.0 percent per year.)

The unspoken but real argument for these increases is that federal spending must rise to keep up with inflation, so that spending will be maintained in real terms. But since the spending of the American public is not indexed for inflation, why should the federal government reap this advantage? Especially when government is itself the cause of inflation? In fact, a sharp and real cut in federal spending will give the government, at long last, an incentive not to inflate: for higher prices will cut into the real spending of every federal agency. But that, alas, is not to be under Mr. Reagan.

IGNORING MONEY

Perhaps the most disturbing aspect of all the flim-flam and ballyhoo about the Reagan program is the lack of attention to what the President himself has admitted to be the cause of inflation: the government's printing of money. Yet, money creation and the Federal Reserve as its creator have been almost ignored. In his State of the Union Message, Mr. Reagan spoke vaguely about "consulting regularly" with the Fed, making the Fed's "job easier in reducing monetary growth," and achieving "stable and moderate growth patterns in the money supply."

None of this, however, is good enough by a long shot. For one thing, the man who continues as chairman of the Fed with Reagan's blessing, Paul Volcker, has achieved neither stable nor slow monetary growth so far. Ever since Volcker pledged stable and slow growth in October 1979, Federal Reserve actions, and the resulting money supply, have been unprecedentedly erratic and volatile.

More important, the Reagan program of gradually reducing the rate of money growth until a "moderate" level is achieved is not going to work. Gradualism won't work, now less than ever. Gradualism has helped wreck the Thatcher policies in Great Britain.

Gradualism won't work for two vital reasons. First, because any cessation of monetary growth, gradual or sudden, will inevitably bring about a recession. A recession is painful but necessary to eliminate the grave distortions of investment and production brought about by the inflationary boom. It is important for the recession to be deep enough, and to be over quickly. If the brakes are slammed on, and the government

interferes no longer, then the recession will be deep enough to be cleansing but over so swiftly that little pain will be suffered in the process. But President Reagan has adopted Milton Friedman's Pollyanna theory that recession can be totally avoided if the growth of the money supply is reduced only in tiny, gradual amounts. Gradual reduction of money growth will either be so gradual that nothing will happen and inflation will bubble along merrily, or else a recession will come that is not deep or cleansing enough but will be prolonged indefinitely. We will have the worst of both worlds, as we had partially in the recession of 1973-75.

But we are not being prepared for recession in the Reagan program, and so its unexpected onset is bound to drive the Administration back into volatile monetary expansion, to the accompanying jeers of all nonconservatives.

Secondly, the time is past for gradualism, even if it could have worked earlier. For, in the past two decades, the public has woken up: we all realize that inflation will continue permanently, and so we all accelerate our purchases to try and stay ahead of inflation. These "inflationary expectations" fuel inflation beyond the rate of monetary increase. Fifteen or twenty years ago the public did not expect inflation deep in its bones. But now we do, and therefore the market does; and hence gradualism is simply not enough. No one is going to pay attention to honeyed promises, theories and jawboning; only the slamming on of the monetary brakes, permanently and not just for a few months, will do the job of reversing monetary expectations and stopping inflation.

But the Reagan program shows no sign of tackling the problem of money or inflation. To stop inflation now, with our inflationary expectations, the government must stop its own inflating of money, period, and must do so in such a way as to make its new-found policy credible. But to stop printing money, and to make itself credible, it must engage in fundamental reform of itself: first, by getting Congress to pass a law ordering the Federal Reserve to buy no more assets ever again, and to repeal the notorious Monetary Contol Act which provides for inflationary lowering of bank reserve requirements. Instead, Congress must freeze reserve requirements permanently at present levels. But more than that: a fundamental reform means stopping the Fed from resuming its inflationary course, which at the least means a return to the gold standard, so that money is a market commodity again rather than pieces of paper that can be multiplied *ad infinitum* by the federal government.

Nothing less will work, but there is nothing of this in the Reagan program.

FOOLING THE PUBLIC

The true nature of the Reagan program is discernable behind the ballyhoo. The Administration hopes to escape the really hard choices: to avoid genuine budget cuts, tax cuts, slamming on the money brakes or going back to a commodity money. It hopes to achieve an end to inflation by acting as if all these things were being done. The point of the Reagan program is to fool the public and the market; if we are successfully conned, the Reagan people hope inflationary expectations will disappear, and inflation will indeed be moderated. The success of the Reagan plan is grounded in wholesale deception.

So far the con seems to have worked, temporarily at least, among my friends and colleagues in the hard-money, free-market movement, most of whom seem to have turned into a self-appointed cheering squad for the Reagan Administration. People who should know better are hailing Reagan's "disinflationary psychological impact," the "favorable economic climate" he will bring, and the campaign promises the President is supposed to have kept. James Sinclair asserts that "Reagan, Regan and Volcker have been saying exactly the right things, which are exactly the wrong things for gold," and my old friend Dr. Mark Skousen persists in claiming significant future reductions in inflation and "improvements in the economic climate."

Reagan may well be saying the right things, but, in the manner of politicians everywhere, he is doing the wrong ones. The market might be fooled for a few months, but it has been burned too long and too often by politicians not to be deeply and healthily skeptical. Very soon the facts will triumph over hype and hoopla. Even the Reagan Administration projects a $45 billion deficit for next year, and if history is any guide, it will really be a lot higher. How does the Administration expect to finance it? If by selling bonds to the public, interest rates will be pushed to all-time highs, private investments will be crowded out of the capital market, and a steep recession will arrive at the same time as continuing inflation. We will suffer from the Thatcher syndrome of accelerating government spending while chronic recession and unemployment hit the private sector. If the deficit is financed by new reserves created by the Fed—surely the most likely scenario—then the money supply and inflation will accelerate still more.

The bottom line is that the Reagan program is all talk and no action. In short order, the market will discover this, will realize that all we are getting is retread Nixon-Ford economics, and inflation will resume its accelerating course. The interesting question is: will my friends in the hard-money movement wake up before, or later than, the market?●

COMMONSENSE ON EL SALVADOR

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MICHEL. Mr. Speaker, the Committee for the Free World, a distinguished group of intellectual and religious leaders has recently shown its support for the policy of President Reagan toward El Salvador. At a time when emotionalism, ignorance, political hysteria, and ideological opportunism seem to be getting front-page attention concerning El Salvador, it is good to know that commonsense—and common decency—still have a place in analysis of our foreign policy.

At this point I wish to insert into the RECORD the full page statement of the Committee for the Free World, as it appeared in the New York Times, Monday, April 6, 1981.

[From the New York Times, Apr. 6, 1981]

WE—A GROUP OF INTELLECTUALS AND RELIGIOUS LEADERS—APPLAUD AMERICAN POLICY IN EL SALVADOR.

In what the State Department accurately describes as "a textbook case of indirect armed aggression by Communist powers," El Salvador has been under military attack by a coalition of guerrilla groups whose ability to wage war depends on weapons supplied by the Soviet Union through such client states as Cuba, Nicaragua, Vietnam, and others.

That these guerrillas, dominated by the Salvadoran Communist party and other Marxist-Leninist factions, should be getting weapons from the Soviet bloc is not surprising. If they succeed in taking over El Salvador, another country in this hemisphere would be added to Cuba and Nicaragua as instruments of the further expansion of the burgeoning Soviet empire. Nicaragua, for example, is among the few countries to have acquiesced in the Soviet invasion of Afghanistan, and Cuban troops have been used in Africa and the Middle East to serve in the coming to power of parties subservient to the Soviet Union.

The fact that the Soviet bloc has been pouring arms into the arsenals of the guerrillas in El Salvador is, then, not surprising. What is surprising is the support the guerrillas have received from liberals and socialists both in the United States and abroad.

These non-Communist apologists for the guerrillas tell us—and themselves—that the war in El Salvador is caused by intolerable local conditions and not by outside intervention. Yet the government in El Salvador, backed and encouraged by the United States, has been working to improve those conditions, It has inaugurated a program of land reform so extensive that the extreme Right has turned against it with as much murderous vehemence as the extreme Left. Without intervention by the Soviet bloc there would be less violence and a better chance for the reforms to take hold, as well as for the present government to bring the anti-democratic Right under control. Indeed, we believe that only American protection, and aid, will make it possible for the Salvadorans now to create their own free and stable society, secure against depredations of both Left and Right.

The apologists also tell us, and themselves, that the insurgents are supported by the people of El Salvador. Yet the failure of the most recent military offensive launched by the guerrillas is acknowledged even by their allies in Cuba and Nicaragua to mean that they have not succeeded in enlisting popular support.

The apologists also tell us, and themselves, that by opposing the guerrillas the United States is aligning itself with the forces of "right-wing repression" and against the forces of "progressive change." Yet it is the government of El Salvador that today represents progressive change. As for the guerrillas, similar movements which have come to power in Cuba, Vietnam, and Cambodia have brought not "progressive change" but totalitarian regimes far more repressive than even the most repressive of the regimes they have replaced. Moreover, being so much more ruthless in dealing with opposition than those earlier regimes, they are much less likely to be liberalized. Nor are they likely to be overthrown in their turn by movements genuinely seeking greater democratization and more protection for human rights.

Finally, the apologists tell us, and themselves, that "another Vietnam" is in the making in El Salvador. Yet there is little likelihood that American military and economic aid to the government in El Salvador will lead either to the commitment of large numbers of American troops or to a defeat of the forces we are trying to help.

There is, however, a sense in which El Salvador could become another Vietnam. If we abdicate and allow the Soviet bloc to force a Communist regime into existence there, El Salvador will suffer the same hideous fate that has befallen Vietnam since that country was unified under totalitarian Communist rule: a new Gulag, thousands upon thousands of refugees driven into the sea, the destruction of any hope for future liberalization, and the creation of another armed instrument of Soviet imperialism.

Because the United States has a vital stake not only in holding the line against Soviet expansionism and the totalitarian horrors that follow in its train but also in helping the Salvadoran government to strengthen democratic institutions through free elections and further land reform, we deplore the misguided support being given by non-Communists to the forces opposing these aims. We applaud the determination of the United States government to assist the government of El Salvador which is working, against armed opposition, to build a more stable and equitable society and thereby add to the sum of freedom in the world.●

CONTINUING WORDS FROM VIETNAM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. MURTHA. Mr. Speaker, it is vital to the future of U.S. foreign policy that we continue to study the past to learn from our successes and our mistakes.

I want to share with the Members a column written by Mr. William F. Buckley, Jr., which reminds us of some valuable lessons to keep in mind about Vietnam:

VIETNAM'S GULAG IS TOO FAMILIAR TO ABSORB

The New York Times has shown courage and integrity in publishing an article ("A Lament for Vietnam," New York Times Magazine, March 29) by a South Vietnamese (Doan Van Toai) now affiliated with Tufts University, where he is writing a book about his experiences. They are illuminating, and tragic.

Toai was a South Vietnamese dissident—one of those Vietnamese the American peace movement cheered along as they deplored American intervention in Vietnam, denounced the regime of President Thieu and confidently urged their countrymen to cooperate with the insurgents and the liberating armies of Ho Chi Minh, secure in the knowledge that when Western forces were finally extruded, peace, freedom, democracy and harmony would come again, after 300 years, to Indochina.

When the North Vietnamese tanks rolled in, Toai was a member of the cheering section and because he had had banking experience, was assigned the job of helping to expropriate "all private property." Surely you don't mean *all* private property, he asked. Surely you mean only the property of those who cooperated with Thieu and the Americans, and those who got rich off the war?

NOT THE METROPOLITAN CLUB

When he was directed to confiscate the land even of indigent peasants he balked, and resigned from the Communist Party. He did not know that resigning from the Communist Party in a Communist country is different from resigning from the Metropolitan Club.

So: the old, hauntingly familiar story—how many tales of Gulag can we absorb? Albert Jay Nock once wrote that the difficulty with pornography is that copulative fancies are finite. So, really, are tales of torture. I give, therefore, only the first three sentences of his account of his ordeal. "When I was arrested, I was thrown into a 3-foot-by-6-foot cell with my left hand chained to my right foot and my right hand chained to my left foot. My food was rice mixed with sand. When I complained about the sand, the guards explained that sand is added to the rice to remind prisoners of their crimes." You can take it from there.

Or, you can go the macro route. How many political prisoners like Toai are there today in South Vietnam? The State Department estimates 150,000 to 200,000. Vietnamese refugees estimate one million. A recent Moscow-trained defector, an academic who served as a director of a technical school, says "at least 700,000." In 1977, Hanoi insisted that the figure was (a mere) 50,000. But Prime Minister Pham Van Dong said, in the magazine Paris Match in 1978, "In over three years, I released more than 1 million prisoners from the camps." Toai comments: "One wonders how it is possible to release more than a million after having arrested only 50,000."

One wonders about other things. The figures quoted above, to convey reality to Americans, should be multiplied by 10 for comparison. If you take the figures of the defecting intellectual, which lie at roughly midpoint between the refugees' figures and the State Department's, you have the equivalent of 7 million Americans in concentration camps.

Had enough?

Not Toai. He doesn't understand American apathy now, contrasted with American excitement when the (relatively) trivial derelictions of Thieu (fighting a civil war) were exposed. He finds little interest, in America, in the ideological thoroughness of the Vietnamese revolution, very little curiosity about the utter disappearance of Vietnamese sovereignty. Such is their vassalage to the Soviet Union that a national struggle for liberation from foreign control is symbolized by the dirge composed by the new poet laureate To Huu, president of the Communist Party Committee of Culture, who celebrates the anniversary of Stalin's death with the words:

Oh, Stalin! Oh, Stalin!
The love I bear my father, my mother, my wife, myself.
It's nothing beside the love
I bear for you.
Oh, Stalin! Oh, Stalin!
What remains of the earth and of the sky!
Now that you are dead.

I don't know about the earth and the sky, but can infer that much has happened to Vietnamese poetry since the fall of Saigon, but not much—Joan Baez and a few of her companions being notable exceptions—by way of expiation from Americans who backed the positions of Doan Van Toai the innocent, and fortunately were spared the vicissitudes of his re-education.●

THE PEOPLE RESPOND—PART IV

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. GARCIA. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a statement which exemplifies the concern people are feeling over the proposed budget cuts. President Reagan's economic plan would not affect every segment of this society equally; minorities and the poor would have to shoulder the greatest suffering while businesses and the rich would be favored disproportionately. As part of my continuing crusade against the inequities in the proposed economic plan, I am inserting today's statement to show that there are still citizens who are concerned over the impact of this plan.

NATIONAL COUNCIL OF LA RAZA,
Washington, D.C., March 19, 1981.

Hon. ROBERT GARCIA,
House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. GARCIA: On behalf of the National Council of La Raza (NCLR), I would like to bring to your attention our concerns regarding the Reagan Administration's economic proposals. NCLR is one of the largest Hispanic constituency-based organizations in the country, with more then 125 affiliated community organizations representing more than one million Hispanic Americans.

Our communities are greatly concerned about the budget cuts proposed by the Administration because many of these cuts will most severely affect or totally eliminate "opportunity-creating" programs while preserving some "dependency-producing" programs. Sixty percent of the proposed cuts will affect poor people.

The National Council of La Raza supports continuation of critical assistance programs such as public assistance and Food Stamps, and reformation of these programs to decrease their tendency to institutionalize dependency. But we are even more gravely concerned about cuts in critical opportunity-creating programs. Many of these programs will not just be cut back, they will be eliminated. These programs provide means by which low- and moderate-income Americans can improve their own status and strengthen their communities—programs like the Neighborhood Self-Help Development Program of the Department of Housing and Urban Development (HUD), like the Legal Services Corporation, and like certain economic development efforts of the Economic Development Administration, the Farmers Home Administration, and the Community Services Administration. The critical employment and training programs of the Department of Labor, authorized under the Comprehensive Employment and Training Act (CETA) and the Youth Employment Demonstration Projects Act (YEDPA) now are also threatened.

Experience has also taught us to fear the concept of "block grants," with no targeting, no set-asides, no requirements that programs meeting essential human needs be continued. Without a mandate that services be targeted to those with the greatest need—low-income, disadvantaged, and minority Americans—the states may well use these block grants to replace other federal funds no longer available. Moreover, political constituencies more powerful than the poor are all too likely to receive primary consideration. Finally, subcontracts to community-based organizations—groups committed to meeting the needs of their local residents, and uniquely capable of reaching minority and low-income target groups—appear likely to decrease drastically.

These are not unwarranted fears. Studies of HUD's Community Development Block Grant programs and of the CETA programs operated by state and local governments greatly concern us. These studies show that the shift from "categorical" programs to block grant programs has resulted in a significant decrease in services to the poor, to minorities, and to the chronically unemployed.

It is now clear that low- and moderate-income people, including most Hispanics, will suffer disproportionately should these proposed cuts become a reality. For these reasons, the National Council of La Raza urges your opposition to the proposed across-the-board budget cuts. Let cuts be made equitably, and let tax cuts be designed not to favor only those with the highest incomes. Federal funds must be targeted to those with the greatest need, and must protect those who rely on federal intervention due to their lack of political power. Critical opportunity-creating programs should be expanded, not reduced, so that dependency will not increase. Unless this is done, we can only foresee significant increases in the number of Amercians requiring public assistance and other dependency producing services.

The National Council of La Raza urges you to support alternative methods of controlling unnecessary government costs, without abrogating the Federal Government's responsibility to protect the rights of, and encourage opportunities for, the poor, the minority, and the disadvantaged.

We further urge you to oppose the Reagan Administration's block grant proposal because it will not target funds to those in greatest need as efficiently as existing categorical programs.

These proposed cuts are expecially disturbing at a time when the defense budget is increasing. Our concern for national security is no less than the Administration's. But it is time for our allies, some of whom now enjoy a higher standard of living than the U.S., assume more of our common defense burden.

Both a balanced budget and an increase in military capability can be achieved. Alternative approaches can be used, such as:

Implementation of General Accounting Office (GAO) recommendations which could save $4 billion in the Department of Defense's operating costs;

Implementation of another GAO report recommendation for saving $14 billion throughout the federal sector by implementing better management procedures;

Development of new sources of energy in order to reduce America's dependency on foreign oil, which is a chief cause of inflation;

Containment of hospital costs;

Medicare approval of generic rather than prescription drugs;

Readjustment of the Consumer Price Index and Cost of Living Adjustments to more accurately reflect today's living conditions;

Reduction or elimination of certain tax expenditures, such as the oil depletion allowance and the interest exemption on industrial development bonds;

Reformation of pension plans; and

Collection of unpaid taxes on dividends and savings accounts.

The Hispanic community has already sacrificed for too long. We have the lowest level of educational attainment in the nation, a higher-than-average unemployment and poverty level, and in some states the highest incidence of housing discrimination.

We urge you to carefully analyze the proposed remedy for our economic ills. The medicine may be worse than the disease.

Your very truly,

RAUL YZAGUIRRE,
President.●

EL SALVADOR—316 TO 6

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mrs. SCHROEDER. Mr. Speaker, my colleagues might be interested to know that during February and March my mail ran 316 to 6 against U.S. military aid to El Salvador.●

NEEDY VERSUS THE TRULY NEEDY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. STOKES. Mr. Speaker, thank you for allowing me to address my colleagues about the inherent misleading Reagan administration rhetoric about assistance for the "truly needy." This term has become a code word for the Reagan budget cuts and movement to promote them.

Mr. Speaker, I contend that this particular code is designed to cloud the potentially devastating impact of budget cuts to the poor and the disadvantaged in this Nation. Accordingly, it is our responsibility to unmask and decipher this and other code words before we give the budget any consideration.

The rhetoric of the Reagan administration is that the President's proposed budget cuts, especially those to the various social programs, will not hurt those who are truly needy but only those who incorrectly are labeled currently as needy but who really are not. Such a position from this Nation's Chief Executive is irresponsible and potentially dangerous. Further, it shows a lack of vision and insensitivity to the human conditions outside the purview of the White House.

Embedded in this position is the illusion that the many Americans who currently receive benefits from Federal social programs, those who will be the victims of the President's budget ax, are not needy.

Mr. Speaker, this cold and remote stance will affect human beings, who although employed, need Federal assistance to survive. Since they are a part of this Nation, they are entitled to assistance from their Government.

Mr. Speaker, while officials at the White House are preoccupied with the lipservice on how the truly needy will not be hurt and how it is necessary to cut out waste, fraud, and abuse in Federal programs, who will take care of the working mother who cannot feed her school-age children because the school lunch program has been slashed? What will happen to the low-income family of four who have shrinking buying power because of inflation when they have to go to the grocery store? And, Mr. Speaker, who will aid the sick who happen to be poor when they have to suffer because medical assistance has been eliminated for them?

Mr. Speaker, hunger, sickness, and injustice has no respect for superficial delineations such as the truly needy. Similarly, there is no such thing as being somewhat needy or quasi-needy. All of the people needing assistance, can be called as Mr. Reagan phrases it "truly needy." But, if Mr. Reagan has his way, there will be no assistance or safety net for these Americans from their own Government. This is wrong.

So that my colleagues will not blindly accept the Reagan propoganda about the truly needy, I would like to enter an article in the RECORD written by Mr. W. Shepherdson Abell. In that article, Mr. Abell discusses the problems of the needy and those persons who the President would cast aside as not being entitled to Federal assistance.

The article follows:

[From the Washington Star, Mar. 15, 1981]

A DAY IN THE LIFE OF THE "TRULY NEEDY"

A new phrase, the "truly needy," has crept into the political vernacular. If the phrase is not redundant—what does it mean to be "needy," but not "truly" needy?—it is deceptive.

For it implies that there are large numbers of people presently receiving welfare, food stamps, medical assistance and other benefits who are called needy (presumably by softhearted bureaucrats), but who really are not. And it further suggests that the Stockman budget cuts won't hurt those who are "truly" needy. It would be exceedingly convenient if these notions were right. I believe that both are dangerously wrong.

Perhaps it all depends on definitions. I note that a senior administration official (who, for reasons that will readily become apparent, declined to be named) was asked by a reporter a couple of weeks ago to

define "truly needy," and answered that a "working definition" was someone who "would not survive without government assistance." I would like to think that he was speaking figuratively, that you could qualify for the Reagan welfare program even if you couldn't prove that you would die next week if the check arrived late. But just what did he have in mind? Who is "truly needy"? Where do you draw the line?

We have at least a tentative answer to that question in the State of Maryland, as a result of the work of the 1979 Governor's Commission on Welfare Grants, which I was privileged to chair. Our task was simple: to try to fix the cost of maintaining a minimum decent standard of living in Maryland.

Our studies indicated that a family of three, consisting of a mother and two young children (the most typical size and composition of a welfare family in our state) would find it impossible to manage a minimally decent life on less than about $470 per month—assuming the family received the maximum allotment of food stamps ($37 for a family at that income level) and full Medicaid benefits. That was in October 1979.

You might be interested in knowing what the Commission (which consisted of a school teacher, two businessmen, two bankers, two lawyers, a doctor, and a realtor, not exactly a group of mushy-headed liberals) thought should go into a minimal standard of living. We used the Thrifty Food Plan, which the U.S. Department of Agriculture says is the rock-bottom food budget for a nutritionally adequate diet: $163 per month for our family of three. (Some food experts at USDA say this food budget cannot provide an adequate diet for anyone but a trained nutritionist, but we opted for it anyway.)

Rent, including heat and electricity, was set at $197. We made no allowance for a car, of course, but did allow each family member one public transportation ride per week. We cut virtually all clothing repair and cleaning, reading materials, recreation, tobacco, alcohol, allowances, life insurance, birthday or Christmas gifts. We excluded nearly all medical costs as they could be covered by Medicaid.

You can see why we felt we arrived at a bare bones budget. The state government recently estimated that the figures should be increased by about 16 per cent to allow for the rise in costs of the component items from 1979 to 1981; that would bring the need level to about $40 per month for a family of three, assuming full food stamp and medical benefits.

Before the administration and the Congress put their collective axe to the nation's social programs, they might do well to consider these facts: (1) the present welfare check of $270 furnished by the State of Maryland to our hypothetical family goes only half way toward meeting that minimum cash requirement; and (2) in Maryland alone, there are at least 30,000 people in family units whose monthly income, together with food stamps and Medicaid, leaves them below the minimal standard of living, but who do not qualify for welfare under existing standards.

The key point is that, if our assessment of need is a fair one, any family of three with less than $540 per month to live on is needy, even if it receives the maximum in food stamps and free medical care. (Dissenters are invited to point out the "fat" parts in our monthly budget.)

But let's suppose we were too liberal—about 10 per cent high. Let's peg the level of need for a family of three at $500 per month. Would any of the Reagan cuts affect a family at this level?

FROM THEIR MOUTHS

You bet they would. Welfare reductions would affect this family—especially if it happened to have, say, a high school senior aged 18. The proposed cap on Medicaid will either make such a family in Maryland altogether ineligible for the program, or reduce covered services (which would have to be paid out of some source such as the monthly food budget), or both. Cuts in the food stamp allotments and some other proposed "adjustments" would almost literally take food out of this family's mouths. So would school lunch cutbacks.

So when we talk of trimming waste from these programs, let us not be under any illusions. There is waste, to be sure, and eligibility limits for some programs may be too high.

The Reagan proposals would trim benefits for many who undoubtedly can survive without them. But the proposed cuts would also reduce benefits to many people who desperately need them.

We are not just talking about surfers in California who use food stamps to buy beer and wine (by the way, someone had better tell the "senior officials" to stop using that one: by law, food stamps cannot be redeemed for beer or wine). Nor are we talking about strong men who would rather loaf and drive Cadillacs than work (I don't know about other states, but the vast majority of Marylanders on welfare are women and children, and hardly any of them drive cars; it is pretty hard to make the payments on $270 per month).

Many of these cuts would hit people who clearly are in need. As for those cuts which take from recipients who are not "truly needy," you might expect to hear the administration propose to use the savings from those reductions to increase benefits to the truly needy. You don't; no Robin Hoods here.

So, Mr. President and Mr. Stockman, please be candid and clear about what is being proposed. There is a respectable case to be made for drastic budget cuts. There is a case to be made for structuring those cuts to affect a wide range of programs.

If you must, tell the poor that the country cannot afford to pay as much as it has in the past for their benefits. Tell them that the programs need to be simplified, that eligibility has to be tightened. Tell them that it is sounder policy to cut back now, so that everyone—including themselves—will be more prosperous in the future.

Just don't tell them they aren't "needy."

I have a recurrent fantasy, which is that, by some miracle of modern technology, David Stockman were suddenly to find himself unemployable, with two children to raise and an income of $300 per month. He might still be a believer in supply-side economics. Knowing his reputation for a well-disciplined intellect, I can imagine that he might even persuade himself that it would be in the public interest to reduce his own benefits. But I doubt he would say that he didn't need the money.●

DIABETES: THE SILENT KILLER

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. FAUNTROY. Mr. Speaker, I am pleased to be a cosponsor of House Joint Resolution 84, which designates the week of October 5-11, 1981, as National Diabetes Week.

This disease, the third largest cause of death in our Nation, has stricken 150,000 people in the District of Columbia. Across our Nation, approximately 10 million Americans suffer from diabetes and 600,000 new cases are diagnosed each year. Regrettably, the incidence of this life-threatening disease appears to be increasing.

Diabetes is a disease whose cause is unknown and while treatment is available, its effectiveness is dependent upon early diagnosis of the ailment. As a result, it is imperative that the American public be educated in recognizing the early warning signals of the disease, and that funds be available for research so that one day soon its cause and a lasting cure may be found.

The American Diabetes Association, Inc., has made an invaluable contribution in both education and research. I would like to share with my colleagues a partial listing of the activities of the Washington, D.C., area affiliate of this national organization as listed in its annual report:

RESEARCH

Research grants are awarded to provide scientists from leading medical schools with equipment and technical assistance for the study of the cause of diabetes and the search for its cure. Funding from the Washington, D.C. Area Affiliate is granted after careful peer review of all applicants by the Affiliate's Research Committee. Beginning in 1981, the Affiliate will sponsor the "E. Clarence Rice Fellowship", (Dr. Rice founded the Diabetes Association of the District of Columbia in 1964), to fund a young physician for one year in a diabetes-related research project under an established local investigator.

PUBLIC EDUCATION

The Washington, D.C. Area Affiliate educates the general public to recognize the seriousness of diabetes and to know its warning signs. The affiliate employs a nurse and dietitian who present community-based education programs to schools, senior citizen centers, and government agencies. We provide speakers for women's clubs, church groups and service organizations. Each spring the Affiliate participates in health fairs reaching thousands of area citizens and our public service announcements are seen and heard on the major metropolitan TV and radio stations.

PATIENT EDUCATION

Monthly nutrition classes, the Diabetes Education Core Course, and our Annual Education Seminar are highlights of the D.C. Area Affiliate's Patient Education Program. Our nurse and dietitian are available to answer medical and diet-related ques-

tions. Our professional committees have published nutritional supplements to the standard ADA exchange list and booklets designed to educate the diabetic in the self-management of his or her disease. In addition, the Affiliate Support Groups—Parents of Diabetics, Adult Group and Young Adult Group—meet regularly to discuss pertinent issues, share experiences, and hear lectures by guest speakers.

PROFESSIONAL EDUCATION

To assure continuing improvement in the care of diabetic patients, the Affiliate sponsors educational programs for physicians, nurses and dietitians which keep the health care team abreast of the latest developments in research and treatment methods.

Finally, diabetes is a disease which brings a great deal of stress, concern, and uncertainty into the lives of those it afflicts. Dr. Elliot P. Joslin, an early pioneer in the research and treatment of this illness, stated:

Diabetes is a disease which depends on the honesty and intelligence of the patient for successful treatment. It develops character, for to follow the rules involves self-control.

During National Diabetes Week we will resolve not only to educate and seek a cure to this affliction; but also pause to offer our support, and recognize the courage, of our fellow citizens who bear the burden of this affliction.●

SISTER MARY BENEDICT AND THE FRANCISCAN HANDMAIDS OF MARY SERVE IN HARLEM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues an article written in the New York Times, dated March 1, 1981, describing members of the Franciscan Handmaids of Mary. They are a group of black nuns in Harlem, dedicated to serving the children, poor, and elderly in the community. A dear and longtime friend of mine, Sister Mary Benedict, is a member of the Franciscan Handmaids of Mary. Her compassion, not only for the poor and disadvantaged, but for all humanity, has made her one of the most outstanding citizens in my district. I would like to commend her and all the sisters for their role in helping to make the area in which they work a safer and better place.

The article follows:

ORDER OF BLACK NUNS DEVOTES ITS LABORS TO HARLEM

(By Laurie Johnston)

Sister Hyacinth, untethered by her long, dark blue skirts and veil, shuttles a blue station wagon among Harlem's parochial schools, picking up children of working parents for safekeeping after school. Mornings, this Franciscan Handmaid of Mary shepherds the aged to clinics or does errands for the housebound.

Between her obligations at the Convent of St. Benedict the black, the short and sturdy nun also helps at the Joseph P. Kennedy Jr. Community Center, 134th Street and Lenox Avenue. She headed its Senior Citizens' Center before turning after-school chauffeur and caretaker.

"Sometimes, when there's vacation or a short school day, I just boil up a big pot of macaroni at the convent and keep 20 or 40 children playing safely in the yard," she said with a twinkle behind her eyeglasses.

Sister Hyacinth, who was born Olive Thomas on St. Thomas, in the Virgin Islands, but grew up in Harlem, is one of 27 New York members of the Franciscan Handmaids of Mary. The only predominantly black order of Franciscans, it was founded to teach black children in Savannah in 1916 but moved its headquarters to Harlem in 1922.

Of the 700 black nuns now in this country, 500 are in their own three orders, according to the Rev. Mother Loretta Theresa, the Handmaids' mother-general. (The other are the Baltimore-based Oblate Sisters of Providence and the Holy Family Sisters in New Orleans).

The Handmaids were invited north, by the late Francis Cardinal Hayes, when blacks were first flowing into Harlem and Black Roman Catholic clergy were rare. The current Catholic population in the area's seven black parishes is 5,000 to 10,000, according to the Office of Black Ministry of the New York Archdiocese. The Handmaids' present membership reflects the Caribbean and West Indian immigration.

The mother house, 15 West 124th Street, is a bastion of serenity and self-discipline a block or two from the bustle of Lenox Avenue and 125th Street and the hustle of gambling clubs and narcotics "markets."

Among residents of the mother house is Mother Dorothy, a former mother-general, who moved north with the Savannah group. Another is Sister Bernadette, a tiny, elderly seamstress who for years has made priests vestments, dressed dolls and church statuary and provided curtains, aprons and pillows for the Kennedy center.

Next door to the mother house, in what had been the Handmaids' training center when they had novices to train, the nuns operate Harlem's only Catholic residence for working women.

At Misericordia Hospital in the Bronx, Sister Joseinda teaches pediatric nursing. Sister Maria Goretti Mannix is archdiocesan superintendent of elementary schools for Manhattan. Several Handmaids teach in parochial schools in Harlem and elsewhere in the city.

On Staten Island, the Handmaids have a camp and a novitiate with the order's only current postulant—who is white. (They have had white novices before but none took final vows.) The camp provides summer vacations to 300 children from Harlem, the South Bronx and Bedford-Stuyvesant area of Brooklyn.

St. Benedict the Black's Day Nursery, where the Handmaids supervise 68 children, is in the Kennedy center, near one of Harlem's best apartment areas and the Harlem Hospital medical complex.

Describing the waiting list as "unreal," Mother Miriam Cecilia, the director, notes that "maybe about 9 percent are Catholic."

"But most will go on to parochial schools so they have to pass skill tests," she said. "Small as they are, they all have formal work. The parents tell us, 'We don't want them to play all day.'"

A scarcity of candidates makes the Handmaids something of an endangered species. From a peak of 80 in 1967 the membership has dropped to 38, with a median age of 60. Besides the 27 in New York, others conduct two schools in North Carolina, one in South Carolina and one in Kingston, Jamaica.

The Handmaids—not a mendicant order—depend mainly on nursery school tuition fees ($35 weekly), salaries of sisters teaching elsewhere and annual bazaars and garden parties. Sister Hyacinth asks $5 a week for after-school service but, she said, "Some parents say, 'I'll pay you next week,' and others can't pay at all."

Although both residence and camp "need a lot of repairs," Mother Loretta Theresa said, "we can't in good conscience charge the young ladies or poor children what we need."

Last year the Handmaids of Mary were co-recipients—with Eddie Bonnemère, the jazz pianist and liturgical composer—of the archdiocesan Black Ministry's Pierre Toussaint Medallion for community service and spiritual leadership.

This evening, as a 65th-anniversary benefit for the Handmaids and their work, a concert of Dr. Bonnemère's music will be presented at Avery Fisher Hall. And, six or seven Handmaids will be singing in his Jesu Choir. They nearly always are when the choir sings his jazz masses at vespers at St. Peter's Lutheran Church the first Sunday of each month.●

THE ILLUSION OF AMERICAN OMNIPOTENCE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mrs. SCHROEDER. Mr. Speaker, in the short time that Alexander Haig has been Secretary of State he has, on more than a single occasion, echoed Theodore Roosevelt's boast of the 1890's. "No triumph of peace is quite so great as the supreme triumphs of war." Roosevelt was seeking war with England, Spain, Chile, any war, in order to bolster American prestige and strengthen our military.

Recently I came across Dennis Brogan's essay, "The Illusion of American Omnipotence," which was originally published in the December 1952 Harper's magazine. Mr. Brogan's essay ought to be added to Secretary Haig's reading list, perhaps on a daily basis.

Remember that Mr. Brogan was writing during the Korean war, just after the so-called fall of China, and only 7 years from the close of World War II.

Part 1 follows:

THE ILLUSION OF AMERICAN OMNIPOTENCE

(By D. W. Brogan)

I am writing this on the Pacific Coast, before the election, but in the conviction that the result of the election will very little affect the problem that I want to discuss. Even if the Republicans should make a clean sweep, even if the State Department is cleaned out, from the Secretary to the doorkeepers, even if the Pentagon is purged

from the Joint Chiefs of Staff to the leaders of the rescue teams who find lost visitors, one problem of American policy will remain: the problem of the existence, in the American mind, of what I call the illusion of omnipotence. This is the illusion that any situation which distresses or endangers the United States can only exist because some Americans have been fools or knaves.

Such a situation may exist because of conditions about which the United States has, and will have, little to say. For America, powerful though she is, is not omnipotent. A great many things happen in the world regardless of whether the American people wish them to or not. I deeply regret this state of affairs; like Bertrand Russell, I would gladly settle for an American hegemony; but we are not representative characters, and American hegemony not only does not exist, but is not even universally expected or desired.

I should, perhaps, say that the illusion of omnipotence to which I refer is not shared by all Americans. Nothing could be sillier than to attribute to nearly 160,000,000 people one common attitude, or to assume, as many European intellectuals do, that there is such a thing as "what the American people are thinking." Nevertheless, the idea that I am trying to describe is expressed by Senators and columnists, by candidates, by preachers, by people overheard in taverns and club cars, in drugstores and restaurants—the idea that the whole world, the great globe itself, can be moving in directions annoying or dangerous to the American people only because some elected or non-elected Americans are fools or knaves. When something goes wrong, "I wuz robbed" is the spontaneous comment—the American equivalent of that disastrous French cry, "Nous sommes trahis."

It should also be said that I am not reproaching the American people, or even any important fraction of them, with the sort of mere arrogance that the British displayed in the nineteenth century, the arrogance that made the humiliation of the Boer War so refreshing to the rest of the world. There would be plenty of justification for reproach if the American people were as pleased with themselves today as the English were around the time of Queen Victoria's Diamond Jubilee. But except in the Tribune Tower and a few other strongholds of the spirit of Jefferson Brick, Americans are not overflowing with self-satisfaction.

It would not be surprising if they were self-satisfied. For twice, in a not very long lifetime, America has redressed the balance of history. But for American intervention in the first war, it would have ended in a draw. But for American intervention in the second (which began with Lend-Lease, not with Pearl Harbor), Hitler would have had, with his Axis partners, a free hand. One result of this would, in the long run, have been war with the United States; but that long-run consequence matters little in this context. What does matter is that what stopped the Second and the Third Reich was American power. By 1945—with the greatest fleet, the greatest air force, and one of the two greatest armies in the world—the United States had become a world power such as had never been seen before. Never had plowshares been beaten into swords so fast and on so large a scale.

And never were swords beaten back into plowshares as fast as in 1945. As a demonstration of power, and of pacific intention, the scenario was perfect. The crowd that formed a conga line round the White House on V-J Day represented the American temper of August 1945 to perfection. So did Mr. Leo Crowley cutting off Lend-Lease; so did the immediate pressure to end all the controls and get the boys home. True, there was the atomic bomb—but the thought that there would soon be a world in which the atomic bomb would be a very present hope would have shocked nine Americans out of ten. The war had been won; the facist menace had been destroyed. True, there was no such mood of high hope as in 1919; but the lesson of 1919 was not lost. America would not again take mere victory for enough, would not again walk out on the job.

And America has not walked out on the job. American policy since 1945 has, on the whole, been wise, far-seeing, magnanimous. Compare it with the policy of the years after the first war, with the policy of the years of Harding and Coolidge, and the growth in wisdom and responsibility is remarkable. Had there not been such a growth, the Kremlin would have won without firing a shot.

It is partly because the American people feel—rightly—that they have used their great power generously, that in 1952 they are perplexed, distressed, angry and to some extent deluded. Why is it that, given the power, given the generosity of its use, the United States should be involved in the Korean mess? Why should so great a part of the world have passed into hostile hands? Why should the United States still be in danger, know the irritation of the draft in "peacetime," suffer, in Korea, one of the most humiliating of American military defeats, and nominate, for the Presidency, a soldier not merely or mainly as a reward, but because the times seem to call for a soldier in the White House?

It is my opinion that one reason for American distress is the American belief in American invulnerability and American omnipotence.

II

Belief in American invincibility is, on the whole, a good thing. A corresponding English belief in 1940, without nearly as much material justification for it, probably changed the history of the world. "The English always win, don't they?" asked my intelligent four-year old son. The English won, but at a cost that has taken away the taste for victory. The Russians won too, but in the recent past they had lost. Probably the only people in the world who now have the historical sense of inevitable victory are the Americans. This belief, in its most extravagant, or McCormick, form, assumes that America doesn't need friends. In the less romantic, or Taft, form, it assumes that America doesn't need friends much. But even in the case of people who laugh at the Colonel and swear at the Senator, there is a lingering suspicion that there must be something grossly wrong when American policy suffers rebuffs; when, in spite of American opinion and interests, things go awry.

That grave mistakes have been made need not be doubted. As Mr. Walter Lippmann keeps on reminding his fellow-countrymen, one of the most obvious was the decision to exploit the victory at Inchon, regardless of the natural interest of the Chinese Communist government, of any Chinese government, in the arrival of a victorious American army on the Yalu. For that decision, Mr. Truman, Mr. Acheson, and General MacArthur are responsible, in that order. (For the actual military dispositions, General MacArthur is responsible, unless we are, belatedly, to blame Lincoln for the errors of General John Pope before Second Manassas.) That a naive view of the world was displayed at Yalta, and long before Yalta, by many powerful Americans, is true. Eyes were kept on the conniving British Empire, as they are still kept by Colonel McCormick, Mr. George Sokolsky, and others—eyes which had better have been directed elsewhere. But even had those eyes been more prudently fastened upon Russia, even had American policy been controlled by a Richelieu or a Bismarck, some of the present disillusionment would have occurred at the same. For America, the most powerful nation in the world, was not omnipotent and a great many things in the world were going on and going their own way regardless of the views of the American people.

For, great as is American power, it is not so great as to quell, by its mere existence, all opposition. In the good old days an English fleet could sail into the Bay of Naples and tell that able Bourbon, King Charles III, that he could be neutral or have his capital blown up around his ears. In the good old days before the "good neighbor" policy, the United States (or the United Fruit Company, if they could be distinguished) could lay down the law in the Caribbean. As Cleveland's Secretary of State said, the fiat of the United States was law in America, if the United States chose to insist.

But those days are gone. The United States could insist if she wanted to, but at excessive political cost. Even that American by-blow, the Republic of Panama, can defy Washington, up to the point where the safety of the United States is directly and indisputably involved. These facts are accepted. Yet a great many Americans, when China gets out of hand, or into the wrong hands, think this can only be because of some gross error or even crime on the part of the official rulers of America. Even so simple an explanation as that Chiang made the mistake denounced in all the military textbooks, and exemplified in the careers of Jefferson Davis and of Hitler, of commanding at long range and through favorites, is ignored. People feel that Chiang's defeat (a disaster for America, I freely admit) must have been due to American folly or American treason. People refuse to believe that it might have had other, more important causes, above all the one admirably described by Senator Tom Connally: "If he's a generalissimo, why doesn't he generalize?"

The Chinese situation is, at the moment, the most important of these American preoccupations and causes of bewilderment. But the sense of bewilderment is visible in some American attitudes toward Europe too. Why hasn't Marshall aid won over the French Communists—that is, ended a schism in French society going back to the Commune of 1871, if not to the Commune of 1793? Why hasn't it converted "Red Emilia," the Italian district that was in a violent revolutionary uproar in Wilson's first term? Why is it not certain that the inhabitants of the "People's Republic of Germany," after being fought over, and driven here and there, and after having had their social structure destroyed, following the disillusionments caused by the collapse of the Hohenzollerns, the Weimar Republic, and the Thousand-Year-Reich, will welcome slogans admirably designed for Cincinnati or Oakland? In such perplexities there is embedded, at the foundation perhaps, the illusion that the world must go the American way if the Americans want it strongly

enough and give firm orders to their agents to see that it is done.

III

This illusion of omnipotence is best illustrated by a very common American attitude toward the Chinese Revolution. In this attitude—apparently the dominant one at the moment—there is a curious absence of historical awe and historical curiosity. The Chinese Revolution, an event of immense importance, is often discussed as if it were simply a problem in American foreign and domestic policy and politics. The Communist triumph in China is discussed as if it were simply the result of American action or inaction, the result of the mistakes, and worse than mistakes, of General Marshall, Secretary Acheson, President Roosevelt, and the Institute of Pacific Relations; and as if the Communists or the Russians would not have "captured" China had American policy been represented and controlled by Representative Judd—or even, perhaps, by Senators Cain and Jenner.

Is this not to display the belief in American omnipotence in very striking form? What is going on in China affects the oldest civilization now in existence. It affects about a fifth of the human race. It must have roots, deep roots, in the Chinese problem as seen by the Chinese. This is no matter of a regime imposed by Russia on a helpless small nation like Romania or Hungary. It is a historical phenomenon that may turn out to be more important than the Russian Revolution. It may well turn out, also, to be disastrous for us and for China. But the first thing to notice is the size of the phenomenon; to notice, for example, that there are five Chinese for every two Americans. What inherent necessity is there that the decision in China is, was, or ever will be in American hands?

It is not only a matter of scale. There is distance. China is six thousand miles from the Pacific Coast of America. How was and is American power to be effectively exercised at that distance? I anticipate one answer—that Russian power is being exercised, and that it was Russian power (in the absence of American power because of American folly and treason) that "took over" China. This is not demonstrated and in this crude and popular form is not probable. But even if it were true, Russia is not six thousand miles from China. Russia has had a common frontier with China for three hundred years, and as Russia's center of industrial gravity moves eastward, Russian power gets nearer China and can be more readily exercised there. In a straight contest for control of China between the United States and the U.S.S.R., with the Chinese regarded as vile bodies, the U.S.S.R. would hold the trumps. To ignore that is to show the attitude of mind of those who have complained that, at Yalta, F.D.R. "permitted" Russia to become a Pacific power. Russia was a Pacific power before the United States existed. And she was and is an Asiatic power, which the United States is not. Lake Baikal and Lake Superior are on different continents. Vladivostok and Peiping are not.

But the real lack of historical reverence and realism is in the assumption that Russia "took over" China as she took over Poland. Even if we assume that there is as united an opposition to Communist rule in China as I believe there is in Poland, the scale of the taking-over ought to impose reflection. By what miracle was it done? Could General Hurley or General Chennault have prevented it? Would a sounder understanding of what the Communists were have prevented the Communist triumph? If it would have, then China is a more torpid body, more open to mere manipulation, than it is pleasant to think. If so great an event as the Chinese Communist Revolution could have been prevented by a different American policy, China is "a corpse on the dissecting table," as Charles Gavan Duffy said of Ireland after the Famine. In that case, Mao and Stalin may dissect it and make a monster of it like Dr. Moreau in H. G. Well's prophetic story. If it was taken over as easily as all that, it will be kept taken over even more easily.

There is some reason to believe and to hope that it is not quite as simple as this. We are in danger of being obsessed with the important and indisputable fact that world Communism is a real and potent force and that it is controlled from Moscow. We tend, therefore, to see the hand of Moscow everywhere and attribute to it an initiating and dominant role that may not always be justified. The Chinese Revolution, we should remember, has been going on longer than the Russian Revolution. Sun Yat-sen was the successful leader of a revolution when Lenin was an obscure and not too hopeful exile in Switzerland. But, I shall be told, that was a different Chinese Revolution; that was the good Chinese Revolution, the one that deposed the Manchu dynasty and abolished the pigtail and the binding of feet; that was the revolution which was inspired and encouraged by American missionaries and American-trained students. But isn't it a truism of history that when you start a revolution, you can't be sure where it is going and how far?

It wasn't Lenin who overthrew the Tsardom or Robespierre who stormed the Bastille. In a long, bloody, and profound revolution, the extreme party has many advantages. It may not win; it may not stay victorious; the Jacobins learned that. But it may destroy the old order, the old ruling classes, the rival revolutionary parties, Social Revolutionists or Birondins. It doesn't need, in a genuine revolutionary situation, outside aid, outside doctrine, though it may get and benefit by both. The Chinese Communists got aid; they got doctrine. They probably benefited by both (though in 1927 they might have done better without either). But to deny that the Chinese Communists are a large, native Chinese party is to fly in the face of all the evidence. Their leaders may be docile tools of Moscow, but that doesn't alter the fact that the Chinese Communist party which survived the Kuomintang war against it, which survived the "long march," is a formidable indigenous party. On the record, it seems to have been the most formidable indigenous party—the one that, had both the U.S.A. and the U.S.S.R. stayed out, might have won anyway.

Could it have been prevented from defeating the Kuomintang by the provision of "massive and controlled" American aid? I have already suggested that the Russians could play that game too, and their aid could have been both more massive and controlled than the American. But even assuming that they did not so react to open American intervention in a civil war against their political allies, in a neighboring country, how was the aid to be made massive and how was it to be controlled?

Does anyone think that a continuation of what arms aid had been given, or even a stepping-up of such aid, would have done the trick? The Washington wit who said that supplying arms to Chiang was simply a round-about way of Lend-Lease to the Chinese Communists was a jester, possibly frivolous; but he was not altogether wrong. Lend-Lease to Britain, Lend-Lease to Russia was direct and massive aid to coherent, united, and combative governments. It was not aid to a divided party in a country torn and tired by a generation of foreign and domestic war. More aid to Chiang might have prolonged the war; it might have saved the situation south of the Yangtse; but would it have brought conquest of the Communists by Chiang's forces?

And how was American aid to be controlled—except by exercising a degree of American authority which would not only have inflamed the *amour propre* of the Generalissimo, but would have deprived the Kuomintang of its last political asset, its claim to be "nationalist," to represent the independence of China? Could the aid have been effective without active American participation—without keeping the Marines in China, without sending in more troops, without, in fact, involving the United States in a greater Korean war? Does anyone who remembers the temper of the American people in 1945, from the White House and Capitol to churches and bars, believe that such a policy was politically practicable?

I have been in America every year since 1944 with the exception of 1949. I have sometimes been twice in America in one year. I have been in all regions. At no time before the Korean war did I find anything like the resolution to make great sacrifices to save China which alone could have saved China.●

THE REAGAN ADMINISTRATION'S SHIFT TOWARD SOUTH AFRICA

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. STOKES. Mr. Speaker, Thank you for giving me this opportunity to comment on what I view as an alarming and apparent shift in our foreign policy toward South Africa and that apartheid government. From my perspective, the actions of the Reagan administration to this date with regard to South Africa, amount to a clarion call that the United States is ready to either reverse or modify the pro-African policies of the Carter administration.

These signals have been received with anger and disillusionment by black-African countries, especially oil rich Nigeria, as well as among black Americans. Conversely, the same signals have been received by the South Africans who are elated about the prospect of being accepted by the United States. To me, Mr. Speaker, the signals constitute a comedy of grave errors on the part of the Reagan administration.

Mr. Speaker, I am adamantly opposed to a foreign policy shift, however shrouded as being subtle, in favor of the oppressive government in Pretoria. This apartheid government is notorious around the globe for its inexcusable human rights violations and overt

practices of racism against blacks in South Africa as well as acts of aggression in neighboring countries like Angola, Namibia, and Mozambique. In view of these blatant violations and disregard of human life and rights, we must not shift our policies toward South Africa until their policies and government are drastically changed.

But, Mr. Speaker, President Reagan is seemingly blind to this just and moral obligation and has divorced himself of the ramifications of his actions with regard to South Africa. What the Reagan administration seems to be looking at is not the horrid Pretoria government but at our own self-interest. Even high ranking administration officials freely articulate the self-centered rhetoric that we should base our policies toward South Africa on our own self-interest in terms of defense and resources instead of on South Africa's apartheid policies of racial segregation and oppression.

To be concise, Mr. Speaker, the signals we are sending show a shift of U.S. interest from the quality of human existence for the people of South Africa to the quality of military strategy. With this pronouncement, we will be taking the stance that America, the self-proclaimed champion of human rights is no longer concerned with that but rather has regressed to the callous policy of being concerned only about military and economic superiority.

Mr. Speaker, the stance that these signals imply are wrong. While they may well help us win the grand prize in terms of help with defense and resources, they will relegate us to the booby prize in terms of the principles of human rights and equality.

Now, Mr. Speaker, the signals that I have alluded to are quite visible. When put together, we have the harsh reality of the priorities of the Reagan administration in terms of Third World countries and South Africa.

The first signal, Mr. Speaker, is the rumor possibility of the Reagan administration inviting Prime Minister Botha to visit Washington.

The second signal occured 2 weeks ago when we welcomed a group of high-ranking military officers from South Africa including the army's intelligence chief to this country. The official explanation for this was that we didn't know who they were when they applied for their visas.

The third, and probably most disturbing signal, was when U.N. Ambassador Jeane Kirkpatrick broke with tradition and met secretly with South Africa's top military intelligence officials. Others who met with them were the Deputy Director of the Defense Intelligence Agency, Maj. Gen. Richard Larkin and an official of the National Security Council.

Mr. Speaker, these signals, when put together are wrong and most importantly dangerous. I ask my colleagues to think about these signals and the ramifications. To enhance this consideration, Mr. Speaker, I insert an article in the RECORD written by Mr. Clayton Fritchey on our apparent shift and signals to South Africa.

[From the Washington Post, Mar. 16, 1981]

A WORRISOME TILT TOWARD SOUTH AFRICA

(Clayton Fritchey)

SALISBURY, ZIMBABWE.—It is hard to exaggerate the dismay of black Africa over what it regards as the Reagan administration's tilt toward white South Africa.

Here, in the region dominated by the "frontline" nations of southern Africa (Zambia, Zimbabwe, Tanzania, Mozambique, Botswana, Angola), the concern is especially acute, for their fate is inexorably involved with the future of the Pretoria government.

Ever since the election of Ronald Reagan, there have been hitherto suppressed fears in this part of the world that the new U.S. president would reverse or modify the pro-Africa policies of former president Carter, particularly his effort to liberate Southwest Africa (now Namibia) from long domination by South Africa.

These fears have now been confirmed by President Reagan's first statement on South African relations: "As long as there's a sincere and honest effort being made [to end apartheid], we should be trying to be helpful. Can we again take the other course? Can we abandon a country that has stood beside us in every war we've ever fought, a country that is essential to the free world, that has minerals?"

It was not surprising that these comments were promptly hailed in Johannesburg by Prime Minister P. W. Botha and other South African officials. Headlines in the Johannesburg press proclaimed: "U.S. Will Not Leave South Africa in the Lurch."

Washington, it was reported, had reversed the American policy of the past two decades. One report said, "Not only is it virtually the opposite of that adopted by the Carter government, but it is even more friendly than the policy of Richard Nixon."

The distress in black Africa was deepened by the fact that Reagan's remarks coincided with the start of a United Nations debate on South Africa's latest refusal to agree on a date to implement an independence plan for Namibia, where native liberation forces have been fighting South African troops for independence.

Reagan's statement is seen as the first step in a retreat from that plan, which was proposed in the first instance by the United States, along with Britain, France, West Germany and Canada. It called for a ceasefire supervised by U.N. peace-keeping forces, to be followed by elections and the drafting of a constitution, also under U.N. auspices.

South Africa accepted the proposal in principle nearly three years ago but has always found an excuse for not putting it into effect. At a recent Geneva conference, it was accused of stalling until Reagan came to power.

On the heels of Reagan's new statement, the U.N. General Assembly, by a vote of 114 to 0, condemned South Africa for blocking a settlement and called for sanctions by the Security Council. The United States abstained, but there is little doubt that it will veto sanctions when the council acts.

The reaction in black Africa to Reagan's views was summed up by the times of Zambia, which faithfully reflects official opinion. "America," it said, "cannot be a true friend of free Africa. Reagan's remarks have dashed any such hope. . . . Reagan has sold the conscience of the American people for investments in and profits from South Africa."

In friendly Kenya, where the United States is counting on bases for its Indian Ocean military operations, The Nation of Nairobi said, "It is obvious that Mr. Reagan has already come around to the ill-conceived view that stability in South Africa is essential to the promotion of Western interests in the region as a whole."

Noting Reagan's statement that South Africa was making a "sincere and honest effort" to stamp out apartheid, The Nation asked, "Whom is he kidding?"

The front-line nations are not in a position to strike back at the United States, except by turning to Russia for help, but the Times of Zambia is urging Nigeria to use the "oil weapon" against America.

Although few Americans are aware of it, Nigeria is the second-largest oil supplier to the United States—so much so that last year the U.S. trade deficit with Nigeria was around $13 billion, the largest the United States has ever had with any trading partner.

Moreover, Nigeria has been selling its oil to the United States at a price substantially below what it could get on the spot market. Nonetheless, when President Shagari of Nigeria visited the United States a few months ago, he pointedly said, "We cannot allow businesses to accrue profits from us which they will then use to support the oppression of our brothers in South Africa."

The Organization of African Unity, representing 51 of the continent's black nations, is also dedicated to the independence of Namibia. So the question seems to be: Should the United States risk alienating all of black Africa in order to ingratiate itself with an ever more isolated white South Africa?●

THE NEED FOR A NEW AMERICAN POLICY TOWARD SOUTH AFRICA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. SOLARZ. Mr. Speaker, last week I introduced comprehensive legislation, H.R. 3008, which would bring critical aspects of our policy toward South Africa in line with our frequently expressed condemnation of the legally sanctioned system of racism which exists in that Nation.

This bill, which is the product of 2 years of hearings and research I conducted as chairman of the Subcommittee on Africa, has four parts: First, establishment of a set of legally enforceable fair employment standards for American firms operating in South Africa with more that 20 employees; second, a ban on loans by U.S. banks to the South African Government or its parastatal entities, except for loans made for educational, housing, or health facilities which are available on a totally nondiscriminatory basis in areas open to all population groups; third, public disclosure of U.S. bank

loans to any South African corporation; and fourth, a ban on the importation into the United States of the South African krugerrand or any other gold coin minted or offered for sale by the South African Government.

REASONS FOR THE BILL

South Africa offers the world a unique example of systematic, legally enshrined discrimination on the basis of race. Of the 24 million people who live in South Africa, only the 4 million whites enjoy full political, legal, and economic rights. Millions of blacks have been stripped of their citizenship and arbitrarily assigned to ethnically based homelands which have remained in a state of perpetual underdevelopment. Blacks are consigned to an inferior educational system in which per pupil spending is roughly one-tenth of the spending in white schools. Blacks and other nonwhite South Africans have been uprooted from their homes in order to allow white citizens to move in.

To keep the country locked into a policy of white supremacy, the Government refuses to allow political participation by nonwhites in parliamentary elections. The Government has shown no desire to discuss the possibility of political power-sharing arrangements which would include Asians, coloreds, and blacks, as well as whites. Nor has the Government recognized that by pursuing its present policies it greatly increases the chances of serious and sustained violence in South Africa. While supporters of the present South African regime call it a bastion against the advance of communism, the truth is that it is the very existence of the apartheid policies of the South African Government which constitutes the greatest incentive for Communist expansion in Southern Africa.

In the final analysis, a political resolution of South Africa's problems will come from within South Africa, not from the United States or any other outside nation. Yet given the large amount of economic interaction between our two countries, there are a number of steps we could take which would have a significant symbolic and substantive impact upon events in South Africa.

We should take those steps for humanitarian, as well as strategic reasons. In the first place, the apartheid system in South Africa is repugnant to our own democratic principles. Second, South Africa's racial policies are assailable on strategic grounds. It is inconceivable that a small minority in South Africa will be able to continue indefinitely the denial of political rights to the majority of its people solely on the basis of race. It is therefore in the enlightened self-interest of the United States, in terms of our future relations with South Africa as well as many other African and Third World countries, to distance ourselves from the South African regime and demonstrate in meaningful and concrete terms our affinity with the legitimate aspirations of nonwhite South Africans.

I believe we can achieve that goal through the legislation I have introduced.

THE ECONOMIC RELATIONSHIP

The United States maintains extensive economic ties with South Africa. The 350 American compaines in South Africa employ nearly 100,000 workers, of whom about 70 percent are black. The book value of the American corporate investment is about $2 billion, making the American stake in South Africa second only to that of Great Britain. In addition, U.S. trade with South Africa reached almost $3.5 billon in 1979, making us South Africa's largest trading partner.

While some American firms have been in the forefront of progressive reforms at the workplace, many others are only paying lip service to fair employment principles. The Sullivan Code, a statement of fair employment principles drawn up by the Reverend Leon Sullivan of Philadelphia and signed by over 100 companies in South Africa, has provided some momentum for equal employment opportunity. But the Sullivan Code is voluntary, and as Reverend Sullivan himself has testified, many of its signatories have honored the code more in the breach than in the observance. Indeed, that is one of the reasons Reverend Sullivan has spoken out in favor of a mandatory code.

On a study mission to South Africa last summer, I found that the overwhelming majority of blacks with whom I spoke felt that the United States should withdraw all investment, or at least prohibit new investment, in South Africa. Significantly, they also said that if those measures could not be achieved and U.S. firms were to remain in their country, those companies should abide by a fair employment code which eliminates racial bias and provides equal opportunity in the workplace.

Whatever the advantages of disinvestment by American firms may be, disinvestment is clearly not politically feasible at this time. There are, however, a number of other actions Congress could take which would have a constructive impact on the prospects for peaceful change in South Africa and which would be well received by the majority of the people in that country.

FAIR LABOR CODE

The bill I have introduced sets out seven fair employment principles which American companies with more than 20 employees must adhere to: No segregation at the workplace; equal employment; equal pay; establishment of minimum wage and salary structure; increased representation of nonwhites in managerial, supervisory, and administrative jobs; improvement of the quality of employees' lives outside the workplace; and labor union recognition and fair labor practices.

The bill empowers the Secretary of State, with help from corporations, labor unions, and other interested parties in South Africa and the United States, to monitor compliance with these principles. Failure to comply would result in the following penalties: loss of the right to enter into any contract with the U.S. Government; loss of the right to export any goods or technology directly or indirectly to South Africa; loss of the right to receive any tax credit or deduction for any income, war profits, or excess profits taxes paid or accrued to South Africa; and loss of the use of any services of the Export-Import Bank.

The adoption of this enforceable code of fair employment for American firms in South Africa should not be viewed as legitimizing our corporate presence there. Nor should it be seen as a catalyst for wholesale, immediate change in South Africa. An effective fair employment code can, however, make a meaningful difference in the lives of the men and women who work for American firms and can send an unmistakable signal that our country does not countenance South Africa's system of racial discrimination.

BANK LOANS

Another component of my legislation is a ban on American bank loans to the South African Government or its parastatal institutions, except for any loans made for educational, housing, and health facilities which are available on a totally nondiscriminatory basis in areas open to all population groups. Some American banks have had the foresight to suspend all loans to the South African Government. Other American banks have taken a different approach and have thereby helped to provide financial and psychological sustenance for the apartheid regime.

The South African Government has hailed the loans it has received from American banks as evidence of its international creditworthiness and respectability. South Africa says these loans are used to support black development—but always in the context of separate development, rather than for facilities accessible to and benefiting all population groups. It is simply unacceptable for American banks to directly promote a policy of racial separation through these loans.

My bill does not bar loans from U.S. banks to private entities in South Africa. It does, however, mandate disclosure of the amount, purpose, and recipient of these loans. The American people have a right to know the full

extent of our economic cooperation with South Africa.

KRUGERRAND SALES

Finally, my legislation would bar the importation into the United States of the krugerrand or any other gold coin minted or offered for sale by South Africa. Current holders of these coins would be allowed to keep or sell them.

Since the U.S. Government removed the restrictions on the purchase of gold by American citizens in 1975, South Africa has flooded the U.S. market with krugerrands. In 1978 and 1979, Americans purchased nearly half of all the krugerrands sold by South Africa. In 1978 this amounted to nearly $600 million and in 1979 the figure totaled over $800 million.

South Africa has used the sale of krugerrands to help push the cost of gold to abnormally high levels. While the resulting upsurge in gold prices has been the principal stimulus in the resurgence of the South African economy, South Africa has not used its increased wealth to promote genuine social change.

As gold prices have risen, the South African Government has not undertaken any steps to dismantle apartheid, institute a nondiscriminatory franchise, end residential segregation, terminate its homelands policy, or put large sums of money into black education and social services. The majority of the Government's increased earnings has gone into defense expenditures and major industrial and commercial projects run by the Government, and to expand social services for whites—not blacks.

By barring the importation of the krugerrand, Congress will prevent South Africa from draining away precious foreign exchange from our country in a manner which supports apartheid. A prohibition on krugerrand sales will symbolize to black South Africans that the United States is increasingly allied with their struggle for human rights, social justice, and complete political equality.

WAIVER PROVISIONS

The legislation allows for termination or waiver of various provisions to meet changing circumstances. The President may waive fair employment provisions of the bill upon a Presidential determination that enforcement would harm the national security interest of the United States. Congress would then have 60 days to overturn that decision by a joint resolution of disapproval. In addition, the fair employment guarantees in the bill would no longer apply if the President determined that the Government of South Africa has terminated its system of racial discrimination.

Provisions of the bill governing bank loans and krugerrand sales would be waived for up to 1 year if the President determines that the Government of South Africa has made sustantial progress toward the full participation of all the people of South Africa in the social, political, and economic life of that country, and toward an end to discrimination based on race or ethnic origin. This waiver could also be overturned by joint action of the House and Senate within 60 days.

The multifaceted, measured approach I have outlined here will not work miracles in South Africa. It can, however, demonstrate to the majority of the people of that country that the United States is willing to act, as well as speak out, against the day-to-day horrors of the apartheid system. It can demonstrate to many of our friends on the African Continent—including such strategically important nations as Nigeria, Kenya, and Zimbabwe—that the United States shares their view that South Africa's racial policies ar unacceptable.

Passage of the bill would have a beneficial effect within South Africa and would help us shore up our relationships throughout the continent. Not incidentally, it would undermine efforts of the Soviet Union to portray us as defenders of the apartheid system while itself posing as an advocate of human dignity and freedom.

ARGUMENTS ON THE OTHER SIDE

Some opponents of this type of legislation make the claim that quiet diplomacy will prove more effective than mandated restrictions on commercial activity. But those who advocate a course of gentle persuasion and voluntarism toward South Africa carry a particularly heavy burden of proof. For 32 years, since the Nationalist Party came to power in South Africa, the United States has pursued quiet diplomacy—and the situation inside South Africa has not significantly improved. When change does come to South Africa—as it inevitably will—the United States may wind up paying a heavy price for leaving the impression, our public pronouncements notwithstanding, that we would not offer meaningful opposition to the apartheid system.

Another critique of bills regulating our commerce with South Africa comes from those who claim it is wrong to single out South Africa when many other African nations, not to mention other countries elsewhere, have engaged in a systematic denial of human rights and escaped any punitive action by the United States. In fact, over the past several years, Congress has passed legislation directed against the Central African Empire, Uganda, Zaire, Cuba, Chile, Argentina, Vietnam, Cambodia, and other nations—in an effort to improve human rights or simply to express American abhorrence over the way people in these nations have been treated. Having imposed on these countries sanctions ranging from reduction in military assistance to elimination of economic aid and trade, Congress would certainly be justified now in placing modest restrictions upon our commerce with South Africa.

I believe the bill I have introduced would serve both our sense of national purpose and our national interest. I would very much welcome the support of other Members for this legislation.●

SPEECH BY MICHAEL NOVAK TO THE UNITED NATIONS HUMAN RIGHTS COMMISSION IN GENEVA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. KEMP. Mr. Speaker, the distinguished Michael Novak is an acute and principled observer of modern society. As author, philosopher, and theologian, he demonstrated his acuity again recently in Geneva, when he addressed the United Nations Human Rights Commission as a representative from the United States.

Mr. Novak discussed the right to development in terms of the experience of the United States. He pointed out that, as in this country, the increase of wealth and well-being of the world's people ultimately stems from freedom and democratic institutions—economic freedom no less than political and religious freedom, and economic democracy no less than political democracy.

I find it heartening to hear such an analysis from representatives of this country. It signals the beginnings of a new approach to international development and foreign policy, one which offers hope for all people. I commend Michael Novak's excellent speech to my colleagues.

Mr. Chairman, in addressing this item, my delegation finds it useful to translate the phrase "right to development" into terms rooted in our own experience. We are quite conscious of the fact that only two hundred years ago, our nation was a colony of a great European power. Our population numbered four million. Even one hundred years ago, our nation was a poor nation, full of promise, but quite undeveloped. In 1881, there were no airplanes, automobiles, electric lights, radios. The poverty of our frontier settlements and even of most of our cities was legendary.

In 1881, Mr. Chairman, no one spoke of a "right to development." But our nation had an opportunity to develop, perhaps even a responsibility to develop. Our people knew that a responsibility to develop was imposed on them by their own capacities and blessings, and by their new ideas about political economy. They thought they were bound to begin "novus ordo seclorum" a new order of the ages, not in their own name only but in the name of all.

Development is, then, an idea—an idea which entered the history of nations only in relatively recent times. When Julius Caesar first came to Geneva, he came by conveyances not much different from those used in

every century afterwards until early in the nineteenth century. Only then did the first steam railroad come into existence. Between Caesar's time and the year 1800, economic development occurred but only slowly. There was not much new under the Sun.

In the year 1800, this planet supported barely 800 million persons. Famines occurred in major cities, on the average, every fifteen or twenty years. Medical science was primitive. The average age of mortality for a male in France was approximately twenty-four and of a female twenty-seven. In 1800, not a thousand families in all of Germany had an income of one thousand dollars. In France, the land then described in "Les Miserables," ninety percent of all citizens used eighty percent of their income solely for bread—bread alone.

Mr. Chairman, poverty and lack of development have been the main fact of human history. The first "inquiry into the nature and causes of the wealth of nations" did not occur until Adam Smith undertook it in 1776. Smith may properly be called the father of the idea of international economic development. Much, of course, has been learned since then. But that was the decisive breakthrough. Wealth does have causes. Wealth can be created. The human race can learn how to escape from famine, misery, ignorance, and fear.

Mr. Chairman, the fundamental purpose of democratic capitalism—the vision that sustains my nation and a score of others—is to reduce the material suffering of all humankind. To increase the wealth of all nations, so that all individuals may use their freedom as they choose.

Democratic capitalism holds that a rising tide lifts every boat. The rising prosperity of the poor engenders new economic skills, enlarges markets, brings fresh dynamism and invention in important ways, societies prosper from the bottom up.

So it is with nations, the larger the number of developed and wealthy nations in the world, the better for all. Development is not a zero-sum game. Before 1899, when the first oil well was dug in Titusville, Pennsylvania, the world did not enjoy the wealth available from petroleum. With each decade since then, the entire world has become richer. Wealth constantly expands through new inventions, new methods, and new types of economic activism. Most of the things we today call resources were not known to be resources 200 years ago. The human spirit—in invention and creativity—bring the unknown into the circle of knowledge. It is in the interests of all for all nations to become economically alive, vital, prosperous. The rising wealth of all nations is a valid social goal.

Mr. Chairman, political activism is only one kind of activism. It is chiefly economic activism that produces wealth.

Developing nations have enormous needs for legions of economic activists—highly motivated, skillful, disciplined by profit and loss, able to produce sustained increments of real growth, able to compete with others in the marketplace, such activists can be educated and trained. But they also require the support of their surrounding culture, and sufficient liberty from political bureaucracies to do their job. Mr. Chairman, religious liberties are important. Political liberties are important. But so are economic liberties.

Mr. Chairman, in this commission we have heard transnational corporations maligned. But no single institution has been so responsible for the great leap forward of economic development in this century as the private business corporation. The large business corporation is relatively new in history. The private independent transnational corporation is even newer. The very first American transnational was Tiffany's, the jeweler, which opened a Paris branch one hundred years ago. The second, a few years later, was Singer sewing machines.

Such cooperative enterprises have shown that the state is not the only instrument of development. Private individuals in voluntary association can also meet social challenges, pursue social goals, and heighten the common good. Corporations are founded for economic purposes, but they are not economic institutions only. They are creatures of certain free political systems, on which they depend for their right to exist at all. They further depend on certain moral-cultural values and structures of law, without which they cannot function and apart from which they make no sense. Business corporations, therefore, have economic effects, political effects, and moral cultural effect. Their directors need to respect local conditions. But those who desire to share in the great benefits brought by transnational corporations must also respect the economic, political, and moral-cultural conditions on which they depend.

Mr. Chairman, we have heard distinguished delegates in this room speak of "obscene profits," are we to understand that losses are virtuous? Where there are not profits, there can be only losses or stagnation. But these are the exact opposite of development. Development itself is a form of profit—a reasonable return on investments made, a reasonable growth, a reasonable surge forward. We recognize that both profits and losses can be judged by a rule of reason. A reasonable rate of return is just; a reasonable amount of losses must, in some years, be expected. But, on the whole, an economy without profit is an economy without development.

These considerations are necessary, Mr. Chairman, if we are to clarify the thicket of issues hidden in the theory of development. How is wealth created? What constitutes development? What—to paraphrase Adam Smith—are the nature and the causes of development? These issues are complex. The perspective of those who approach them—whether in the marxist, in the traditional, or in the liberal world—are many. The concept of "development" is itself in need of development. The fact of development in certain nations under certain conditions is clear. But theories as to why such development has occurred are not clear.

Mr. Chairman, theories about development are many, and the places in which the United Nations discuss the complex aspects of development are also many: UNCTAD, UNIDO, UNDP, the IBRD including IDA, the UNGA itself, and other organizations such as the IMF and GATT. Mr. Chairman, the human rights of the individual as outlined in the universal declaration are already difficult enough for this commission to deal with. Moreover, these rights of the individual are by no means insignificant for the success of development.

Of course, when we speak of development, in the Human Rights Commission, the key issue before us is the relationship to be established between cultural, political, and economic rights. The views of my delegation are shaped not only by our own history, but also by observation of other experiments in other nations. We cannot accept the view that before civil and political rights can be fully accorded to a people, an ideal economic order must first be established. We do not believe with Dostoevsky's grand inquisitor: "First Bread, Later Liberty." Our road to development lay in trusting economic liberty first, in unleashing human energies from which bread—and more than bread—came. Totalitarians who take away political and civil rights in the name of bread, more often than not, produce less and less bread and—in addition—never do restore the rights they have usurped. In our close observation of the nations, Mr. Chairman, we see that totalitarianism produces bread as poorly as it produces civil and political liberties.

By contrast, we observe that some nations which are small, or poor in natural resources, but strong in their dedication to the disciplines and freedoms of economic markets, show spectacular economic progress in a relatively short period of time. Sometimes such regimes are authoritarian, not democratic. But we observe that, often enough they evolve in a democratic direction. No socialist nation on the Soviet model has yet experienced a revolution of political and civil rights in the direction of democracy, but other nations have. We believe that when citizens have economic liberties, inevitable pressures lead toward greater political and civil liberties. This is precisely why totalitarian regimes are stubbornly opposed to economic liberties. Their economies stagnate under strangling and suffocating bureaucracies, but they do not dare to bestow economic liberties—for in their train all other liberties follow.

History teaches even young nations lessons. History show a close relationship between various types of human rights. History shows that those people who have the right to choose their political and cultural activities, will exercise their inherent good sense to choose the economic activities which will most benefit them. On the other hand, those governments which think little of the individual worth of the human being, and deny their citizens the right to choose their own economic activities, also suppress political and civil rights. Thus, all these rights and liberties turn out to be very closely connected, but in complex ways. Such reflections as these guide our delegation in considering matters related to the right to development.

Finally, Mr. Chairman, we should point out that our conviction, based on real experience and practical observation, can scarcely be altered by such documentation as E/CN 4/1421, which is unbalanced and lacking in intellectual rigor. For example, the discussion of transnational corporations ignores the real benefits wrought by such corporations, in favor or hypothetical speculations on what transnational corporations might do. Throughout the study an effort is made to buttress points by arbitrarily selecting quotes or examples, while ignoring other points of view. We hope that parts II and III of the study will show greater rigor—and simple commonsense.

Mr. Chairman, in 1200 there were only eight hundred million persons on this planet. For all too many, life was nasty, brutish and short. Today, this planet must support 4.5 billion persons, whose lifespan has increased, on the average, by at least thirty years. The problem this planet faces in increasing its productivity to find food, clothing, schools, medicines for all its children is immense. The secrets of how to develop are known—so development is clearly an opportunity. Many nations have become economically alive, inventive, creative, hard-

working and dynamic. All nations wish to become so all without exception need to grow in knowledge, technique, capital investment, and new forms of economic activism.

The growing wealth of the poorer nations does not detract from the success of those nations which developed earlier. Moreover, a developing world economy offers incentives to every single participant.

The people of the United States wish to see the wealth of all nations increase. Particularly important to them in this regard is the lot of the very poorest nations, and of the very poor within every nation. Acute poverty prevents citizens from being economically active. The economic inactivity of millions makes the world far less productive and far less prosperous than it can yet become. Our own experience teaches us that mass markets prosper only when a minimal floor has been established under every citizen. Only then can all participate in the economic activism from which the wealth of the world springs.●

A PROGRAM TO REDUCE HIGH INFANT DEATH RATES

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. STOKES. Mr. Speaker, I would like to take this opportunity to address my colleagues in the House on an issue of great importance affecting many communities throughout the Nation—high infant mortality rates among the poor and minority newborns.

As many of my colleagues know, the administration has proposed that Federal funds for maternal and child health services be reduced and combined into a health services block grant. I have grave reservations on this attempt to downgrade the importance of the Federal responsibility and financing of health services to poor and underserved pregnant women, who run the highest risk of having complicated and dangerous deliveries.

Mr. Speaker, if the Congress decides to reduce funding for maternal and child health and limit Federal funds for medicaid, we will experience more pregnant women with reduced access to quality medical care and high rates of infant mortality especially for poor and minority newborns. The latest figures available from the National Center for Health Statistics show that in 1978, minority infants in the Nation's 10 largest cities had an average infant death rate of 22.7 deaths per 1,000 live births; a rate that was more than 1½ times higher than the national average.

INFANT MORTALITY, WHITE AND NONWHITE PER 1,000 LIVE BIRTHS FROM BIRTH TO YEAR IN 1978

	White	Nonwhite
Baltimore	20.0	24.7
Detroit	16.0	25.3
Chicago	15.3	27.0
Philadelphia	15.0	22.0
Dallas	13.0	23.0
New York	13.3	21.0
Houston	13.2	20.0
Los Angeles	13.0	18.0
San Antonio	12.7	26.0
San Diego	12.3	14.7

In a large part, high infant mortality rates are related to the high rate of teenage pregnancies, poor nutrition for pregnant women and the newborn, and a failure of pregnant women to seek early prenatal care.

As you know, the title V program is this Nation's oldest existing health care program, which is now in great need of reform. I urge my colleagues to consider a number of reforms that I have included in H.R. 2507, the Maternal and Infant Health Care Services Act of 1981. This legislation pays particular attention to the following issues:

First, establishes a national goal to reduce infant mortality to 9 infant deaths per 1,000 live births by 1990;

Second, develops a comprehensive needs assessment and planning responsibilities for regional high infant mortality areas in conjunction with the State maternal and child health agency;

Third, emphasizes the development of comprehensive care providers to upgrade existing services sites to increase the availability of medical care to high risk mothers and infants; and

Fourth, encourages States to improve their medicaid State plans to increase reimbursement and services to medicaid eligible pregnant women and their newborns.

Mr. Speaker, the long-range potential results of improving the delivery of medical services to pregnant women and their newborns can help to reduce infant deaths and the high cost of hospitalizations for many newborns. In certain communities throughout the Nation including: Newark, Oakland, Houston, and Washington, D.C., have reduced infant mortality rates through better coordination of health services and programs for pregnant women and newborns. In these communities the minority infant death rates were as high as 35 to 40 per 1,000 live births, but were reduced to only 21 to 26 per 1,000 live births. These communities established blue ribbon commissions to concentrate on planning programs to educate pregnant women to take better care of themselves; emphasized early prenatal care; and provided more physician and nursing care to areas identified as high infant mortality areas. The legislation that I have introduced will assist more inner-city and rural areas to combat high infant death rates resulting in improved health status of the entire Nation. I urge that each of my colleagues give full consideration of this bill and its early enactment.●

IMPACT OF FEDERAL FUNDING FOR FAMILY PLANNING

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 6, 1981

● Mr. CRANE. Mr. Speaker, a few weeks ago I introduced a bill, H.R. 2446, prohibiting use of Federal funds under title X of the Public Health Act to support any institution that provides abortion counseling or services to unmarried minors without parental consent. This legislation is simply designed to prevent a wage-earner's tax dollars from subsidizing agencies which may trample on his rights as a parent.

Even the Supreme Court acknowledges the wisdom of this policy. In a 6-to-3 ruling on March 23, 1981, the Court upheld a Utah law requiring notification of parents before a minor may obtain an abortion.

Mrs. Susan Roylance, vice president of United Families of America, testified yesterday before the Senate Committee on Labor and Human Resources in favor of provisions which would require institutions to honor parental prerogatives as a precondition for receipt of Federal funds. I commend Mrs. Roylance's testimony to all of my colleagues, particularly those who may be considering cosponsoring H.R. 2446.

TESTIMONY OF SUSAN ROYLANCE, VICE-PRESIDENT OF UNITED FAMILIES OF AMERICA

[Charts are not printed in RECORD]

MR. CHAIRMAN: Continuing to fund Planned Parenthood Program in an effort to solve the problem of teenage pregnancy could be compared to appropriating funds to the American Petroleum Institute for additional gasoline to help put out a raging forest fire.

The facts I will present to you today will dramatically demonstrate the accuracy of the comparison.

I come before you today as a taxpaying citizen, and a mother of four teenagers—with more children who will yet be teenagers. And yes, all my children were wanted and planned!

My personal experience with government family planning services has been limited to clinics operated by the Planned Parenthood Federation of America. I became aware of this organization in 1976, and very closely acquainted with their programs from 1977 through the present. This experience was gathered from residency in three states: Washington, Oregon, and Utah.

My active involvement with Planned Parenthood began at a meeting conducted by Planned Parenthood officials at a local Planned Parenthood clinic in Kennewick, Washington. At this meeting I received copies of Planned Parenthood's national

goals, and several pamphlets designed to counsel young teenagers about sexual behavior and the availability of contraceptive and abortion services.

Among the goals presented by Planned Parenthood (in a national publication) were:

1. Providing contraceptive services through the school health programs, and

2. Providing portable abortion clinics (at public expense) to increase abortion availability in areas where hospitals refuse to perform abortions.

Two pamphlets produced by Rocky Mountain Planned Parenthood were available free of charge at this clinic for girls and boys in their early teens. They were "The Perils of Puberty" for girls, and "You've Changed the Combination" for boys. (I have seen these pamphlets in many other Planned Parenthood clinics.)

These, and other pamphlets, condoned masturbation and prostitution, suggested the use of alcohol for relief of menstrual cramps, discussed homosexuality as an experimental stage of development, and described abortion as a routine, simple medical procedure.

The posters on the walls, and the literature which was available seemed to emphasize that children were an unwanted commodity in our community, and anyone who produced children was not "responsible".

As a mother, I found the pamphlets very offensive, and totally unacceptable for teaching my children about sex. And I was concerned with the attitudes which could result from promoting these philosophies among all teenagers.

At the Planned Parenthood meeting I described earlier, we received a paper indicating that our local clinic was funded 70 percent by public funds—38 percent from federal grants. I concluded that this was not an appropriate use of my tax dollars, and decided to investigate the matter further.

Subsequently, I have visited Planned Parenthood clinics in three different states, testified at numerous hearings against the public funding of Planned Parenthood, and participated in the drafting and subsequent passage of legislation in the state of Utah (SB 3) which will prevent public funds from being used to provide contraceptive or abortion services to unmarried minors without parental consent.

In hearings before the Utah State Legislature, Planned Parenthood used extensive statistical data to back up their claim that there was a serious need to reduce the state's fertility rate—and that the funding of Planned Parenthood would accomplish that goal. In response to their testimony I began to look into our states' fertility and pregnancy rates. I discovered, quite by accident, that Planned Parenthood's claim that Utah had a high teenage pregnancy rate, when compared to other states, was false. In fact, I learned that the Utah rate was one of the lowest in the nation. The use of outdated, low projection figures had been used to produce a misleading statistic. These figures were used to justify the need for increased funding for family planning services in the state of Utah.

This discovery whetted my appetite—and I plunged into a rather extensive research of pregnancy rates in the United States. I wanted to see if there could be any correlation between the increased public funding of family planning services—and the increase in teenage pregnancy rates. With the help of a new home computer, statistical experts who were friends, and a neighborhood graphic artist, I have prepared some charts to demonstrate my findings. This research is only preliminary, but it represents considerable time and expense. The expense was covered by donations from concerned citizens, none of which was more than $100, and none of which was tax dollars.

It was very difficult to obtain data, and some of the data from different sources conflicted. The most difficult figures to obtain were the federal dollars spent for family planning services. I would suggest that if any private company knew as little about where its money is going as does the federal government, it would have been bankrupt long ago.

The first chart (see Figure 1, attached) shows the fertility rates and pregnancy rates for the United States. Although other factors such as fetal deaths, and miscarriages can be a part of the pregnancy rate, I excluded these additional data for two reasons: 1) The data was almost impossible to obtain in sufficient enough quality to produce a meaningful comparison, and 2) The data which was available did not affect the rate significantly. Therefore, the pregnancy rate is made up of live births and abortions per 1000 females ages 15 to 19. Since abortion figures were not available before 1972, the pregnancy rate for 1970 is probably too low. However, the trend which is established from 1972 through 1978 is very clear.

Interestingly, after exhaustive efforts to gain accurate, complete data through the federal government failed, I finally called the Alan Guttmacher Institute, the research arm of Planned Parenthood, to obtain the needed information. The figures I was furnished by them make it very difficult to understand Ms. Wattleton's contention that pregnancy rates are declining.

Chart #2 (see Figure 3, attached) shows the relationship between two variables: expenditures of family planning dollars, and the teenage pregnancy rate. I think this chart is the perfect illustration of the statement, "a picture is worth a thousand words."

I want to make it perfectly clear that I recognize there are many forces at work which might influence a rise in pre-marital sex and consequently a rise in teenage pregnancy. Among these are the media, (TV and movies which show increasingly suggestive sexual relationships more frequently), the "new morality", the discovery of new methods of contraception which supposedly reduce the risks of pregnancy, etc.

However, we cannot ignore the implications of these statistics. A statistics professor in Utah correlated the figures on which the chart is based. They are cross-lag correlations, which take into account the fact that an appropriation one year will probably have the greatest effect on the pregnancy rate two years later. The correlation coefficients for this data (for the years 1972 through 1978) are:

Comparing appropriations and abortion rates	0.928
Appropriations and pregnancy rates	.882
Pregnancy rates and abortion rates	.978

Any correlation coefficient above .870 is significant.

The third chart (Figure #4 on this page) compares the pregnancy rates of Oregon and Utah. Oregon and Utah are similar in many ways, shown in Figure #5 (see attachment). However, in one area they are significantly different, the amount of dollars appropriated for family planning services. Oregon's appropriations are almost double Utah's, when you divide the appropriation by the total population. I have personally visited Planned Parenthood clinics in both Oregon and Utah, and they are significantly different in their entire approach to the problem. The Oregon clinics are filled with posters showing the dangers of overpopulation, with an emphasis on abortion. Because of public opposition, Utah's Planned Parenthood clinics have had to modify their approach.

One can almost predict the rise or fall in either states pregnancy rates when compared with the increase or decrease of Title X appropriations (as shown in Figure #5).

Following this comparison, I collected data on other states which were similar in nature. I chose 15 states with 100 or less people per square mile, less than a 3% black population, and less than a 70 per 1000 teenage pregnancy rate in 1970 (so that one would not confuse a high pregnancy rate with a pre-existing problem.

To obtain a single index for the key problems we are examining I added the abortion rate and the illegitimate rate to provide a new number I call the "problem rate".

The relationship of "problem rate" to expenditures was then examined for 1979. Those states above the median in Title X dollars per thousand teenage population were compared to those states below the median. The average problem rate was over one and one half times greater in those states with the greater expenditures of Title X funds. Again, we see evidence that use of Title X funds create, rather than reduce, problems for our teenagers.

Only one state, besides Utah, had an actual reduction in the pregnancy rate at any time in the years between 1970 and 1979. That state was South Dakota. In addition to a pregnancy rate reduction, there had been a reduction in Title X appropriations. I was extremely interested in discovering what had prompted the appropriation reduction in South Dakota, and called the Right to Life organization in that state, to see if they could give me additional information.

I was informed that the citizens of South Dakota united to prevent their tax dollars from being used for any program or organization which accepted or promoted abortion. Elected public officials who had supported abortion were replaced. Because there is a perceived connection between Planned Parenthood and abortion the people of South Dakota have demanded a reduction in Title X funding. Consequently, the subsequent reduction in the teenage pregnancy rate provides further evidence of the relationship between Title X funding and teenage pregnancies.

Many local and federal officials have claimed an inability to affect the programs of Planned Parenthood. Local officials defer all operational details of Planned Parenthood's family planning programs to Planned Parenthood because they are federally funded. Federal officials on the other hand, cannot account for the activities because the money is administered locally. Planned Parenthood is ostensibly a private organization, but it is largely funded by taxpayer dollars.

Attempts by parents to view and evaluate the materials available through Planned Parenthood clinics in various states, have been repeatedly denied even though these materials and films are largely paid for with public funds.

One thing that is absolutely certain is that Planned Parenthood is accountable to

no one: Its officers are not elected and they are not responsible to those who provide the money to pay their salaries. But even more significantly, they profit personally from the expansion of Family Planning programs, increased pregnancies, and increased acceptability of abortions. It would be hard to imagine a clearer case of conflict of interest than Planned Parenthood provides.

This is perhaps one of the most tragic examples of another expensive, unwanted and unnecessary government program which continually produces results opposite to those for which the program was designed.

Until such time as it can be conclusively proven that the benefits outweigh the liabilities, we recommend that you discontinue the Title X programs in the interest of the teenagers of the future.

UNITED STATES 1970–78 FAMILY PLANNING DOLLARS WITH TEEN PREGNANCY RATES

[All figures are for 15–19 year old females]

Year	1,000's	Births	Abortions	Out of wedlock	Federal funding (in millions)	(Rate is figured per 1,000 15–19-year-old females) Fertility rate	Pregnancy rate	Abortion rate	Illegitimate rate	Problem rate	Dollars per 1,000
1970	9,437	644,708	.....	190,400	.....	68.32	68.32	.....	20.18	20.18	.....
1971	9,712	628,000	.....	194,100	$80.000	64.66	64.66	.....	19.99	19.99	$8,240
1972	9,939	616,280	191,000	202,300	99.420	62.01	81.22	19.22	20.35	39.57	10,000
1973	10,120	604,096	231,890	205,000	137.280	59.69	82.61	22.91	20.26	43.17	13,570
1974	10,253	595,466	279,700	210,800	142.780	58.08	85.36	27.28	20.56	47.84	13,930
1975	10,345	582,238	325,780	222,500	148.220	56.28	87.77	31.49	21.51	53.00	14.330
1976	10,440	558,744	362,680	225,000	157.140	53.52	88.26	34.74	21.55	56.29	15,050
1977	10,415	559,154	397,720	240,000	184.620	53.69	91.87	38.19	23.04	61.23	17,730
1978	10,366	543,407	418,790	240,000	217.771	52.42	92.82	40.40	23.15	63.55	21,010

Population: U.S. Bureau of Census, CPR—Series P25, No. 876, Government Printing Office 1980, Table 1.
Birth Data: NCHS, Vol. 1, Natality, for the years 1970–1975, GPO, 1977, 1978 and 1979. Births, 1976: NCHS, "Final Natality Statistics, 1976," Monthly Vital Statistics Report, Vol. 26, No. 12, 1978. Births, 1977: NCHS, "Final Natality Statistics, 1977," Monthly Vital Statistics Report, Vol. 27, No. 11, 1979. Births, 1978: NCHS, "Final Natality Statistics, 1978," 1980, Monthly Vital Statistics Report, Vol. 29, No. 1, 1980.
Abortion Data: Alan Guttmacher Institute, 360 Park Avenue South, New York, N.Y. 10010 (212–685–5858).
Out of Wedlock Data: The U.S. Fact Book, Bureau of the Census, Department of Commerce, 98th Edition, Page 61, Table 87.
Federal Funding: Compilation Prepared by the Department of Health and Human Services for the Senate Labor and Human Resources Committee.

AN OREGON-UTAH COMPARISON

	Oregon	Utah
Population:		
Metropolitan [1] (percent)	61.2	79.6
Non-metropolitan [1] (percent)	38.8	20.4
Black [2] (percent)	1.3	.1
Per square mile [3]	24	15
Income: Per capita [4]	$4,660	$4,022
Education:		
Illiteracy [5] (percent)	.6	.6
High school graduates [6] (percent)	60.0	67.3
College graduates [6] (percent)	11.7	14.0
Family planning:		
Number of clinics (1979) [7]	65	10
Family planning dollars per 1,000 total population (1977)	$513.64	$235.50
Title X Dollars: [7]		
1976	$971,650	$204,730
1977	$1,196,257	$289,199
1978	$1,224,524	$868,408
1979	$1,486,357	$554,324

[Rate is figured per 1,000 15–19 year old females]

	1977	1978	1979
Total family planning dollars divided by 15–19 year old female population: [7]			
Oregon	$10,680.87	$10,836.50	$13,038.22
Utah	$4,073.23	$12,231.10	$7,698.94
Pregnancy rate: [8]			
Oregon	88.84	88.77	89.83
Utah	72.07	71.32	76.44
Abortion rate: [8]			
Oregon	41.49	39.32	41.20
Utah	12.45	9.68	13.35

[1] U.S. Bureau of the Census, U.S. Census of Population, 1970, vol. 1, part A.
[2] 1978 "U.S. Fact Book," Dept. of Commerce, page 31, table 35.
[3] 1978 "U.S. Fact Book," Dept. of Commerce, page 11, table 10.
[4] U.S. Bureau of the Census, Current Population Reports, series P–25, No. 54.
[5] 1978 "U.S. Fact Book," page 138, table 222.
[6] U.S. Bureau of the Census, "U.S. Census of Population," 1960 and 1970, vol. I.
[7] Health Services Administration, Rockville, Md.
[8] Data obtained from State health vital statistics departments.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 7, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 8

8:45 a.m.

Labor and Human Resources

Business meeting, to mark up S. 648, authorizing funds for fiscal year 1982

for certain youth programs under the Comprehensive Employment Training Act (CETA).
4332 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1114 Dirksen Building

Armed Services
Military Construction Subcommittee
To continue hearings on S. 834, authorizing funds for fiscal year 1982 for military construction programs of the Department of Defense.
212 Russell Building

9:30 a.m.
*Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy shipbuilding programs.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Science and Technology Policy, Council on Environmental Quality, and the U.S. Regulatory Council.
S-126, Capitol

*Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Securities and Exchange Commission, Office of the U.S. Trade Representative and the Equal Employment Opportunity Commission.
S-146, Capitol

Labor and Human Resources
To hold hearings on S. 799, authorizing funds for certain public health professional education and nurse training programs of the Department of Health and Human Services, and S. 801, authorizing funds through September 30, 1984, for the National Health Service Corps of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Foreign Agricultural Policy Subcommittee
To hold oversight hearings on U.S. agricultural export policies.
324 Russell Building

Appropriations
Transportation and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Administrative Conference of the United States, Federal Elections Commission, Office of Federal Procurement Policy, Domestic Policy Staff, U.S. Tax Court and the Committee for Purchase From the Blind and Other Severely Handicapped.
1318 Dirksen Building

Budget
Business meeting, to continue markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 720, authorizing additional funds for the Corporation for Public Broadcasting for fiscal years 1984, 1985, and 1986.
235 Russell Building

Energy and Natural Resources
*Water and Power Subcommittee
To hold hearings on S. 306, authorizing funds for fiscal year 1982 for the construction, operation, and maintenance of specified hydroelectric powerplants at various existing water projects.
3110 Dirksen Building

Environment and Public Works
To hold oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building

Foreign Relations
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for foreign assistance programs, receiving testimony from public witnesses.
4221 Dirksen Building

Rules and Administration
To hold hearings on Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

10:30 a.m.
Governmental Affairs
To hold hearings on S. 591, to provide incentives for the Federal Government in their debt collection efforts.
3302 Dirksen Building

11:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on the Naval submarine shipbuilding program.
424 Russell Building

1:30 p.m.
*Governmental Affairs
To hold hearings on the nomination of Gerald P. Carmen, of New Hampshire, to be Administrator of General Services.
3302 Dirksen Building

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for programs of the Department of Health and Human Services.
1114 Dirksen Building

Energy and Natural Resources
To hold hearings on the nominations of R. Tenney Johnson, of Maryland, to be General Counsel of the Department of Energy, William H. Coldiron, of Montana, to be Solicitor of the Department of the Interior, Garrey E. Carruthers, of New Mexico, to be Assistant Secretary for Land and Water Resources, Department of the Interior, G. Ray Arnett, of California, to be Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, and Robert E. Burford, of Colorado, to be Director of the Bureau of Land Management.
3110 Dirksen Building

Foreign Relations
To hold hearings on S. 849, authorizing funds for fiscal years 1982 and 1983 for the International Communication Agency, S. 847, authorizing supplemental funds for fiscal year 1981, and authorizing funds for fiscal years 1982 and 1983 for the Board for International Broadcasting, and on proposed legislation authorizing funds for fiscal year 1982 for the Arms Control and Disarmament Agency.
4221 Dirksen Building

Joint Economic
Monetary and Fiscal Policy Subcommittee
To hold hearings on the President's proposed program for economic recovery.
457 Russell Building

APRIL 9

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, focusing on Navy aircraft/weapons procurement program.
1223 Dirksen Building

9:00 a.m.
Select on Intelligence
Budget Subcommittee
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1982 for intelligence activities of the United States.
S-407, Capitol

*Special on Aging
To hold oversight hearings to determine if certain energy assistance programs are meeting home insulation needs of elderly victims of extreme heat and cold.
457 Russell Building

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings to review the strategic minerals and materials research policy of the United States.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on proposals to require a balanced Federal budget.
2228 Dirksen Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for the Domestic Volunteer Services Act.
4232 Dirksen Building

Rules and Administration
Business meeting, to consider pending legislative and administrative business.
301 Russell Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Guard and Reserve Forces construction programs, Department of Defense.
1224 Dirksen Building
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Transportation, and to review the Administration's proposed budget recommendations for transportation programs.
S-126, Capitol
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Internal Revenue Service, and the savings bond division of the Bureau of the Public Debt.
1318 Dirksen Building
Armed Services
To hear and consider the nomination of Lawrence J. Korb, of Virginia, to be an Assistant Secretary of Defense, and routine military nominations.
212 Russell Building
Budget
Business meeting, to continue markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on proposed legislation authorizing funds for the International Investment Survey Act.
235 Russell Building
Environment and Public Works
To continue oversight hearings on the implementation of the Clean Air Act.
4200 Dirksen Building
Foreign Relations
To hold hearings on the recent events in El Salvador.
4221 Dirksen Building
Rules and Administration
To continue hearings on Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building
2:00 p.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the administration's proposed budgetary recommendations for food and agriculture programs.
324 Russell Building
Appropriations
Treasury, Postal Service and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1972 for the Council of Economic Advisers, National Security Council, and the Council on Wage and Price Stability, and to receive testimony from public witnesses.
1318 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Offical Conduct.
6226 Dirksen Building
3:00 p.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To continue oversight hearings, in closed session, to review the strategic minerals and materials research policy of the United States.
S-407, Capitol

APRIL 10

9:30 a.m.
Labor and Human Resources
To resume hearings on proposed authorizations for fiscal year 1982 for health professions block grants and preventive health block grants.
4232 Dirksen Building
10:00 a.m.
Budget
Business meeting, to continue markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building
Foreign Relations
To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for foreign assistance programs, receiving testimony from Administration officials on foreign assistance to Africa.
4221 Dirksen Building
10:30 a.m.
Judiciary
To hold hearings on S. 114, establishing criteria for the imposition of the death penalty for Federal crimes.
2228 Dirksen Building

APRIL 14

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 16

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 20

10:00 a.m.
Judiciary
To hold hearings on S. 816, to limit the ability of foreign governments to sue for damages for antitrust violations in U.S. courts.
2228 Dirksen Building

APRIL 21

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy/Marine Corps procurement, operations, and maintenance programs.
1223 Dirksen Building
9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed authorizations for housing programs.
5302 Dirksen Building
9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Communication Agency, Arms Control and Disarmament Agency, and the Federal Trade Commission.
S-146, Capitol
Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Judiciary
To hold hearings on proposed legislation, making a defendant liable only for damages caused by sales and proportionate portion on damages attributable to sales by a nonconspirator.
2228 Dirksen Building
10:30 a.m.
Armed Services
Sea Power and Force Projection Subcommittee
Closed business meeting, to begin mark up of S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.
224 Russell Building
2:00 p.m.
*Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 receiving testimony from public witnesses.
S-146, Capitol
Armed Services
Preparedness Subcommittee
Closed business meeting, to resume markup of S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.
212 Russell Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 22

8:00 a.m.
Governmental Affairs
To hold oversight hearings on the activities of the U.S. Postal Service, and to receive a report from the Postmaster General
3302 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building
*Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the legal Services Corporation, Federal Communications Commission, American Bar Association and the Commission on Civil Rights.
S-146, Capitol
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed authorizations for housing programs.
5302 Dirksen Building
9:30 a.m.
Appropriations
Agriculture and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, Commodity futures Trading Commission, Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, Department of Agriculture.
1223 Dirksen Building
*Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency
1318 Dirksen Building
Commerce, Science, and Transportation
Science, Techology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building
Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building
10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for NATO infrastructure/European construction programs.
1224 Dirksen Building

APRIL 23

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Navy/Marine Corps manpower and reserve programs.
1223 Dirksen Building
9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, and the Indian Health Service, Department of the Interior.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed authorizations for housing programs.
5302 Dirksen Building
Judiciary
Separation of Powers and Constitution Subcommittees
To hold joint hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 18, and Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building
9:30 a.m.
Judiciary
Regulatory Reform Subcommittee
To hold hearings on proposed legislation, to require Federal agencies to analyze the effect of rules to improve their effectiveness and decrease their compliance costs and to provide a periodic review of regulations.
2228 Dirksen Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain social services block grants.
4232 Dirksen Building
*Special on Aging
To hold oversight hearings on the implementation of the Older Americans Act.
5110 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the State Code of Official Conduct.
6226 Dirksen Building

APRIL 24

9:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed authorizations for housing programs.
5302 Dirksen Building
Judiciary
Separation of Powers and Constitution Subcommittees
To continue joint hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building
9:30 a.m.
*Energy and Natural Resources
*Energy Regulation Subcommittee
To hold hearings on proposed amendments relating to off-gas provisions (Sec. 301a), and on all aspects of the Powerplant and Industrial Fuel Use Act (Public Law 95-620).
3110 Dirksen Building
10:00 a.m.
Governmental Affairs
Federal Expenditures Subcommittee
To hold oversight hearings on the implementation of the Federal procurement system.
3302 Dirksen Building

APRIL 27

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building
*Judiciary
To resume hearings on S. 114, establishing criteria for the imposition of the death penalty.
2228 Dirksen Building
10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
6226 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To hold oversight hearings on alleged fraud and abuse in the operation of home health care services.
3302 Dirksen Building
Small Business
To hold hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building
1:00 p.m.
Finance
Oversight of the Internal Revenue Service Subcommittee
To hold oversight hearings on recent IRS regulations under the Internal Revenue Code relating to family farms and other family businesses.
2221 Dirksen Building

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building
9:30 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to review major banking and consumer protection laws, focusing on Federal financial regulators.
5302 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the hazardous materials transportation program, the natural gas pipeline safety program and the hazardous liquid pipeline safety program.
235 Russell Building

Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Governmental Affairs
To hold hearings on S. 10, to establish a Commission on More Effective Government.
3302 Dirksen Building
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building
Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building
Small Business
To continue hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Treasury.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 29

8:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To resume hearings on the U.S. Postal Service proposal to expand the present ZIP code system to a 9-digit ZIP code.
5110 Dirksen Building

9:00 a.m.
*Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission on Security and Cooperation in Europe, Small Business Administration, and the Federal Maritime Commission.
S-146, Capitol
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Middle East/Rapid Deployment Force (RDF) construction programs, and to receive a briefing on intelligence matters.
1224 Dirksen Building
Governmental Affairs
To hold hearings on pending nominations.
3302 Dirksen Building
Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and solar energy programs of the Department of Energy.
1114 Dirksen Building
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for Middle East/Rapid Deployment Force (RDF) construction programs, and to receive a briefing on intelligence matters.
1224 Dirksen Building
Environmental and Public Works
Transportation Subcommittee
To hold hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and other related measures
4200 Dirksen Building

APRIL 30

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Navy research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building
Banking, Housing and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on proposed authorizations for the Export Administration Act and the international affairs programs of the Treasury Department.
5302 Dirksen Building
Judiciary
To hold hearings on S. 255, to encourage American innovation by restoring the patent system as it affects certain products subject to premarket testing by the Federal Government.
2228 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and other related measures.
4200 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol
Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold hearings on S. 30, to require each Federal agency to pay interest on contract payments more than 30 days overdue.
3302 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 4

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force posture programs.
1223 Dirksen Building

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 41, proposed constitutional amendment relating to affirmative action.
2228 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade and Tourism Subcommittee
To hold hearings to examine the Federal role in international tourism promotion.
235 Russell Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

MAY 5

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building
Small Business
To hold hearings on the Small Business Administration's size standards proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Rules and Administration
To resume hearings on S. Res. 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol
Banking, Housing and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
235 Russell Building

MAY 6

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air force procurement programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on banking industry and financial services representatives.
5302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development.
S-126, Capitol

MAY 7

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for fossil energy programs, domestic energy supply programs, and Federal leasing, Department of Energy.
1224 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on thrift industry representatives and State financial institution regulators.
5302 Dirksen Building
Labor and Human Resources
Handicapped Subcommittee
To resume hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

MAY 11

10:00 a.m.
Labor and Human Resources
Business meeting, to consider proposed legislation authorizing funds for the Developmental Services and Facilities Construction Act.
4232 Dirksen Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

MAY 12

9:30 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautices and Space Administration.
1224 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the Implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
457 Russell Building

MAY 13

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force manpower and Reserve programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on money market mutual fund and securities regulators.
5302 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain international programs of the Department of State.
S-126 Capitol

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on money market mutual fund and financial industry representatives.
5302 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia
1114 Dirksen Building

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for foreign operation programs, receiving testimony from congressional and public witnesses.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 18

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force operations and maintenance programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on consumer credit regulators and consumer group and industry representatives.
5302 Dirksen Building

MAY 19

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on former thrift industry regulators and academicians.
5302 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 1

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on overall intelligence matters.
1223 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

JUNE 3

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on programs of the Central Intelligence Agency.
1223 Dirksen Building

JUNE 4

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on programs of the National Security Agency.
1223 Dirksen Building

JUNE 8

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on roposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on defense intelligence programs.
1223 Dirksen Building

JUNE 10

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on special programs of the Air Force.
1223 Dirksen Building

JUNE 11

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on command, control and communication programs and intelligence related activities of the Department of Defense.
1223 Dirksen Building

CANCELLATIONS

APRIL 8

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on proposed legislation authorizing funds for fiscal year 1982 for the National Aeronautics and Space Administration.
235 Russell Building

10:00 a.m.
Rules and Administration
To resume hearings on Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

APRIL 9

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for strategic petroleum reserve programs, the Energy Information Administration, naval petroleum reserve programs, emergency preparedness and gas rationing programs, Department of Energy.
1114 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Federal Trade Commission, Commission on Civil Rights, and the Board for International Broadcasting.
S-146, Capitol

1:15 p.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Post Office and Civil Service Committee on the use of consultants by the Federal Government.
311 Cannon Building

APRIL 21

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Commercial Motor Vehicle Safety Act.
235 Russell Building

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business meeting.
2228 Dirksen Building

APRIL 22

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain development and regional programs of the Department of State.
S-126, Capitol

APRIL 23

10:00 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

HOUSE OF REPRESENTATIVES—*Tuesday, April 7, 1981*

The House met at 12 o'clock noon.

The Reverend James J. Benson, United Methodist Church, Hicksville, N.Y., offered the following prayer:

Good morning, Father. Before Your sons and daughters begin their deliberations, we pause to say thank You for another day of opportunity, a day in which great things can be done in Your world by those obedient to Your will. Comfort, dear Lord, the personal lives here present so that with steady hearts and minds they may be free to address the concerns presented to them. Guide them as they seek to be sensitive to the real needs of our Nation. Grant them great strength and resolve so that they may be agents of reconciliation in our world. Enable them to use the gifts and graces You have given them so that they may govern our people wisely, justly, with love and with mercy. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

CONFIRMING CONVEYANCE OF CERTAIN REAL PROPERTY BY CENTRAL PACIFIC RAILWAY CO. AND SOUTHERN PACIFIC CO. TO A. C. TABER AND HIS WIFE, MARY TABER

The Clerk called the bill (H.R. 1543) to confirm a conveyance of certain real property by Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber.

There being no objection, the Clerk read the bill as follows:

H.R. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subject to section 3 of this Act, the conveyance described in section 2(a) of this Act involving certain real property in Alameda County, California, is hereby confirmed in the successors in interest to A. C. Taber and his wife, Mary Taber, the grantees in such conveyance, with respect to all interests of the United States in the rights to the real property described in section 2(b) of this Act. Portions of the real property described in section 2(b) formed part of the right-of-way granted to the Union Pacific Railroad by the United States by the Pacific Railroad Act of 1862 (12 Stat. 489).

SEC. 2. (a) The conveyance confirmed by this Act was made by a deed dated October 29, 1942, by the Central Pacific Railway Company and Southern Pacific Company to A. C. Taber and his wife, Mary Taber, and recorded on November 5, 1942, book 4297, page 388, Alameda County records.

(b) The real property referred to in the first section of this Act is certain real property in Alameda County, California, described as follows:

All that portion of the 400-foot right-of-way of the Central Pacific Railway Company in section 7, township 4 south, range 1 east, Mount Diablo base and meridian, lying south of the southerly line of the right-of-way of the State highway and north of a line that is parallel with and 25 feet at right angles, northerly from the center line of the main track of the Western Pacific Railroad Company, as now located, excepting therefrom that portion conveyed to the Department of Public Works of the State of California by condemnation recorded November 1944, book 4625, page 186, instrument Numbered RR-69436, Alameda County records.

SEC. 3. (a) Nothing in this Act shall—

(1) except to the extent specified in section 2 of this Act, diminish the right-of-way referred to in the first section of this Act to a width of less than 50 feet on each side of the center of the main track or tracks established and maintained by the Central Pacific Railway Company, Southern Pacific Company, or their predecessors in interest, on the date of the enactment of this Act; or

(2) validate or confirm any right or title to, or interest in, the land referred to in the first section of this Act arising out of adverse possession, prescription, or abandonment, and not confirmed by conveyance by the Central Pacific Railway Company or Southern Pacific Company before the date of the enactment of this Act.

(b) There is reserved to the United States all oil, coal, or other minerals in the land referred to in the first section of this Act, together with the right to prospect for, mine, and remove such oil, coal, or other minerals under such rules and regulations as the Secretary of the Interior may prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

THE REVEREND JAMES J. BENSON

(Mr. LENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LENT. Mr. Speaker, it is a great pleasure and an honor to welcome as our guest chaplain today, the Reverend James J. Benson, pastor of the United Methodist Church in Hicksville, N.Y. I know my colleagues join me in thanking Pastor Benson for his message of inspiration. His thoughtful words offer real benefit to all of us.

The Reverend Benson's prayer gives us an indication of why his pastorates with the United Methodist Church have been so outstanding.

Born in Scranton, Pa., the Reverend Benson received his M.A. in divinity from the Drew Theological Seminary in 1956.

His first pastorate was with the United Methodist Church in Monticello, N.Y. Five years later, the congregation of the United Methodist Church in Yonkers, N.Y., called him as their pastor. He served that church for 7 years, before becoming the pastor of the United Methodist Church in Hicksville, N.Y., 14 years ago.

Throughout his ministry, the Reverend Benson has given of himself to the utmost in attending to the needs of his congregation and of his community. In his pastorate at Hicksville, for example, the Reverend Benson has been president of the Helping and Directing (HAD) drug program in Hicksville, vice president of the East Plains Mental Health board of directors, and president of the Mid Island Ecumenical Council.

Some indication of the widespread admiration, affection, and respect the Reverend Benson commanded may be gained from the fact that in 1971 he was honored as man of the year by the Knights of Columbus in Hicksville.

Mr. Speaker, the Fourth Congressional District of New York, which I have the honor to represent, is more fortunate to have had the devoted service of the Reverend James J. Benson for the past 14 years.

It is with mixed emotions, however, that I learn that Pastor Benson will be leaving his church at Hicksville later this year. In June he will become the district superintendent for the Connecticut Central District of the United Methodist Church in Hamden, Conn. As a member of the Bishops Cabinet, the Reverend Benson will have the responsibility of supervising the 55 churches in the Connecticut Central District.

I know that while we regret his departure, Pastor Benson's many, many friends on Long Island join me in offering congratulations to him and in extending our very best wishes for the future to him, his lovely wife Lee, and to their two children James and

Judith. We will miss the inspirational leadership of the Reverend Benson and his compassionate devotion to the service of others which so distinguished his ministry in Hicksville.

But we know the United Methodist Church will benefit as the talents and abilities of the Reverend Benson are applied to challenges in a broader field.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO THE U.S. MERCHANT MARINE ACADEMY

The SPEAKER. Pursuant to the provisions of title 46, United States Code, section 1126c the Chair appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members on the part of the House:

Ms. FERRARO of New York; and

Mr. CARNEY of New York.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER laid before the House the following communication from the Honorable WALTER B. JONES, chairman, Committee on Merchant Marine and Fisheries:

COMMITTEE ON
MERCHANT MARINE AND FISHERIES,
Washington, D.C., February 24, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, the Capitol, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Public Law 301 of the 78th Congress, I have appointed the following Members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Merchant Marine Academy for the year 1981.

The Honorable Mario Biaggi of New York;

The Honorable Brian J. Donnelly of Massachusetts; and

The Honorable Paul N. McCloskey of California.

As Chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

WALTER B. JONES, *Chairman.*

STOP INFLATION

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr Speaker, the latest official figures show that inflation is still roaring along at a ferocious rate. At the wholesale level, prices are surging at an annual rate of more than 16 percent.

Inflation like this was unthinkable just a few years ago. Now, I am shocked that so many in Congress accept high inflation as normal in our economy, despite the suffering this inflation causes home-buying families, the elderly, small businessmen, the poor, and the average wage earner.

Sure, let us balance the budget and cut spending. But let us also give Americans some room to breathe, by giving the President the authority to invoke temporary, mandatory wage, and price controls.

After so long on the inflation treadmill, it is just not enough to keep telling Americans to be patient.

ADMINISTRATION SHOULD NOT DESTROY WORK INCENTIVES FOR WORKING POOR

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute.)

Mr. BONIOR of Michigan. Mr. Speaker, all Americans share the common goal of putting Americans back to work again. We share with the administration the desire to reinvigorate our economy and to create opportunities and incentives for all persons to be gainfully employed. However, it should be noted that the administration has presented a set of proposals to change the aid to families with dependent children, which would substantially reduce the incentives for the working poor to keep their jobs. The administration would have the Congress reduce the deductions for work-related expenses and child care in the calculations of benefits, count the earned income tax credit against benefits, and reduce benefits after the parent has worked 4 months.

Mr. Speaker, according to a recent study from the center for the study of welfare policy, the average working AFDC mother with two children in Michigan, having worked more than 4 months would still be under the poverty line under the administration proposals and she would be only $4 better off than a nonworking AFDC mother with two children. Currently, she is over $100 better off each month than the nonworking mother. Mr. Speaker, we in Congress—and the American people—should not allow the administration to destroy the work incentives for the working poor. The administration proposals subvert our collective effort to get America working again.

ADMINISTRATION DISCOURAGES WORKING MOTHERS BY REMOVING INCENTIVES

(Mrs. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOGGS. Mr. Speaker, in my State of Louisiana working mothers receiving aid to families with dependent children often work at low wages in order to provide the basic necessities of life for their families. We in Congress and many private sector persons and institutions share the goal of encouraging such hard-working people to maintain their jobs in order that they can continue to contribute to the well-being of their families and to break the cycle of poverty and dependence. The administration's proposals to count the earned income tax credit against benefits, to reduce deductions for child-care and work-related expenses, and to reduce benefits after working 4 months will discourage such people from maintaining their jobs in my home State.

A recent study of the administration's proposal from the University of Chicago shows that the average working AFDC mother with two children in Louisiana earns only $150 a month, but it is an amount vital to the livelihood of her family. Mr. Speaker, under the administration's proposal, she would have at her disposal no more money than the AFDC mother with two children but with no earned income after she had worked 4 short months. Mr. Speaker, we cannot allow the incentive to work for the working poor to be undercut if we wish to cooperate in getting the economy on a sure footing.

TIME FOR FAIRNESS IN ADMINISTRATION TAX CUT PROPOSALS

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, last Wednesday I testified before the House Ways and Means Committee to discuss with them the administration's tax cut proposals.

I discussed with them what I felt were the inequities of that proposal. It showers tremendous benefits toward the rich and the large corporations while not providing any real tax relief for the middle income wage earner and the small business people.

I also discussed with the committee the importance of getting back to some basics in our tax laws. In our tax system, we rely on voluntary compliance. People will continue to file their tax returns and pay their taxes only if they have respect for the tax system itself—that is, people must feel they are being treated fairly, and these days they are not. There are some storm clouds brewing on the issue of tax fairness and we better pay attention to them. Our tax system has turned to what should have been a very simple civic duty of paying taxes into a bureaucratic thicket for most Americans.

We have used the revenue system in this country as a clothes hanger to try to accomplish every economic and social good, and it is ruining that system. Too many auto mechanics,

secretaries, cabdrivers, office workers, and farmers who work hard find that they are paying a higher effect tax rate than some of America's largest corporations and many of America's richest citizens. That is why I encouraged the House Ways and Means Committee to include in their discussions the good old-fashioned notion of fairness.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORT ON H.R. 2614, DEFENSE DEPARTMENT SUPPLEMENTAL AUTHORIZATION

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services have until midnight, Thursday, April 9, to file a report on H.R. 2614, the fiscal year 1981 Department of Defense supplemental authorization bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

VOTING RIGHTS EXTENSION

(Mr. RODINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RODINO. Mr. Speaker, today I am introducing legislation that would extend for 10 years the Voting Rights Act of 1965 and amend those absolutely essential provisions that have made this law the most successful Civil Rights Act ever passed by the Congress.

My proposal has three major provisions:

First, it would continue for 10 years section 5 of the act. Without extension of this preclearance requirement, we will regress to where the law was before 1965, a condition that was both unsatisfactory and ineffective.

Second, it would amend section 2 of the act so that plaintiffs in voting rights suits would have to prove that actions by State and local governments had resulted in voting discrimination. This change is necessary to restore the law to where it was—and to what Congress intended—before a Supreme Court ruling last year.

Third, this legislation would put the bilingual provisions of the act on the same timetable as other special sections of the law.

Mr. Speaker, not to extend the law, the major provisions of which will expire in August of 1982, will risk undoing gains that have been so beneficial to minorities and have given so much life and meaning to the principles of equality and fairness that are the very foundation of our Nation.

I fully expect that this legislation will receive the same bipartisan support that it has enjoyed since it was given birth in this body back in the days when the former chairman of the Judiciary Committee, Mr Celler, and the ranking Republican minority member, Mr. McCulloch of Ohio, introduced this legislation.

To that end, I understand similar legislation to mine is being introduced in the other body today.

This legislation is needed, and it is right.

SLAUGHTER OF LEBANESE CHRISTIANS MUST END

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the tenuous stability of wartorn Lebanon has been severely shattered. Syrian occupation forces make a travesty of international justice with their latest brutal attack on Lebanon's Christian community. Syrian troops, backed by PLO terrorists, mounted a ruthless campaign last week which so far has left more than 150 dead and 500 wounded. Families huddle without food inside their homes, terrified of walking Beirut's embattled streets. The brutality of Syrian and PLO actions poses a serious threat to peace and stability in the wartorn Middle East.

Yesterday in Jerusalem Secretary of State Alexander Haig made the following statement:

> We view the brutality of Syrian action against the Christian enclave as a very, very serious turn of events which is unacceptable by any measure of appropriate international standards.

I commend Secretary Haig and call upon the administration to take immediate and effective action to safeguard the survival of Lebanon's beleaguered Christian community and to take all appropriate steps to expel Syria's brutal occupation army from Lebanon.

ADDITIONAL SMALL SAVER TAX RELIEF

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, today I am introducing major tax relief legislation for small savers, featuring tax-free interest for senior citizens, up to a $1,000 permanent savings interest exclusion for all other individuals, and up to $2,000 for couples filing jointly.

In addition to providing much needed economic relief for the small saver—the majority of which are age 55 or older—my bill seeks to stimulate our Nation's declining savings rate. By the end of 1978, the rate of disposable income savings in the United States reached a 30-year low of under 5 percent—far less than any other Western democracy.

The importance of savings to productivity and our overall economy cannot be overstated. One-third of all the capital in this country is made available through personal savings. Without adequate savings, there cannot be sufficient investments in industry, small business, and home construction. The result is higher consumer prices and increased unemployment.

Last year, we made major legislative strides benefiting the small saver. I offer my proposal as the next step.

□ 1230

MAJORITY BUDGET PROJECTION

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I listened very intently this morning to the majority leader and the chairman of the House Budget Committee, both of whom appeared on national television to explain the Democratic budget proposal.

Their discussions of a balanced budget were novel. I heard something to the effect that had it not been for higher interest rates, inflation, OPEC, unemployment, poor productivity, and the eruption of Mount St. Helen's the budget this year would be balanced. And I suppose had it not been for Sun spots and the flooding of the Yangtze River we might even have had a surplus.

I do not know how much farther you can spread the blame.

The fact is that the Democrats have been notorious for juggling their budget figures.

In fiscal year 1980 they started out with an estimated deficit of $29 billion, raised it to $46 billion and actually wound up the year with a deficit of $60 billion.

In fiscal year 1981 they began with an estimated deficit of $15 billion, then boosted it to $27 billion, and are now talking about it being $51 billion, with 5½ months left in the year.

And people wonder why we are skeptical. My advice to this House and to the public is to take a close look at the majority's projections, and do it quickly. They have a tendency to dissolve before your very eyes.

REGULATORY REFORM IN THE AUTO INDUSTRY

(Mr. DUNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNN. Mr. Speaker, yesterday the President presented the report of his task force on the U.S. automobile industry. This report shows a recogni-

tion on the part of the administration of the economic depression now weighing on the U.S. automakers and their employees.

The President deserves praise for his swift action in dealing with regulatory reform. The industry and the economy need speedy revision of the regulatory system, and the proposals of the task force start this process in motion.

Nonetheless, as regulatory reform is just part of my own legislative package, it is only just part of what must be done to effectively bring our auto industry back to worldwide competitiveness. Tax legislation must be enacted to incite demand for U.S.-built cars in the short term, and to facilitate retooling and other major capital efforts by our automakers for the long term.

The administration is already on record in support of liberalized depreciation allowances for manufacturers. Tax credits must be employed to stimulate the sales of automobiles. The effects of high interest rates must be decreased by use of a tax credit toward interest on auto loans, and, of course, by the control of Government spending. The plight of auto parts suppliers must be recognized and helped by extending carryback provisions in the Tax Code.

Regulatory reform is necessary, but simply not enough. I look forward to working with the administration and with my colleagues in the Congress on further measures aimed at lifting this industry out of its crisis.

There can be no comprehensive national economic recovery without help for an industry with hundreds of thousands unemployed and whose economic condition touches so many across the country.

RENEWED OUTBREAK OF VIOLENCE IN LEBANON

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I rise to express deep concern over last week's outbreak of the worst violence in Lebanon since the cease-fire in 1976. At last count over the weekend, the death toll had reached more than 150, and more than 500 left wounded.

Moreover, I must condemn the indiscriminate shooting and killings by the so-called peacekeeping Syrian Army in Christian sectors both within Beirut and outside. The continued wholesale shelling of Christian residential areas by the Syrian-Arab forces long after their formal commander, Lebanese President Elias Sarkis, had ordered them to stop shooting is both reprehensible and tragic. These actions make a mockery of the original purpose for the Syrian-Arab forces' arrival in Lebanon 5 years ago and for their continuing presence—to restore peace in this strife-torn country. It is also a severe blow to the hopes of achieving permanent peace throughout Lebanon—a country ravaged by violence far too long.

PARENTS ANONYMOUS

(Mr. NELLIGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELLIGAN. Mr. Speaker, in our efforts to control excessive Federal spending, it would be my hope that we will not cut spending to the point that no money remains for the activities of Parents Anonymous. Parents Anonymous is the largest single treatment resource for abusive parents and abused children, as well as those parents who are afraid of abusing their children. This group has 1,200 chapters in the United States as well as a U.S. military affiliate in Europe, and one of these chapters is located in my own congessional district. More than 50,000 families are in touch via the Parents Anonymous hotline, which enables callers to receive support and information.

Parents Anonymous is able to service a family at an annual cost of $50, compared to a $1,500 annual cost spent by social service agencies to provide similar services. The Parents Anonymous national program maintains its programs for less than $500,000 annually, and I am pleased to say taxpayers are getting their money's worth while at the same time protecting children from parental abuse and neglect.

PARRIS FIGHTS FOR TWICE-A-YEAR COLA

(Mr. PARRIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PARRIS. Mr. Speaker, much concern has been directed my way by many anxious and wary citizens who have responded to recent legislation introduced in the other body which proposed reduction of the twice-a-year cost-of-living adjustment for retired Federal employees under the age of 65. This outcry of distress is coming from elderly citizens who have suddenly realized that their well-thought-out plans for retirement have the potential of being marred. It is not that they object to making their contribution to society, it is that they have already contributed greatly up to this point and have looked forward to the day when they could relax comfortably and enjoy the fruits of their accomplishments. In other words, the safety net of programs of which the President spoke in his statement of February 18 should certainly extend to the pension benefits earned by retired civil servants.

There are several reasons why many believe a change in the COLA would be unfair and unjust. First of all, some Federal employees are placed on mandatory retirement plans where they have to retire before the age of 65. For example, special agents of the FBI are required to retire at the age of 55. Air traffic controllers, of which there are 17,000, are forced to retire at age 55, to name only two organizations affected. Is it fair to penalize these persons who would rather stay at their jobs until the age of 65 and also have a very difficult time in gaining further employment? I would submit that this is not an equitable situation.

Another factor that may not have been considered by the author of the reduction proposal is that, for many persons, one of the incentives to accept Federal employment is the retirement benefit. By making Government jobs less attractive, we will certainly lose some of our most competent individuals. We must make the Federal sector of employment competitive with the private sector in order to retain and encourage the most qualified people in the field to enter and to stay.

We must also consider the extensive hardship and disappointment that our elderly citizens may have to endure after having made future life plans around an income that had been promised them early in the stages of their careers. At this late point in time they would be told to alter these plans, that what they had counted on and had expected to secure them in a supposedly nonhectic, peaceful time of life, can no longer be relied upon. They have already gone through the stage in life where one scrimps and saves. Do they deserve to go through that again? Not at this point in life.

Please let us not break a promise that has already been made. It is a moral obligation that should be binding on all of us.

Mr. Speaker, I am not exaggerating these claims. This is the way it has been presented to me by concerned and upset citizens. Let us not alter or upset the lives of those who have already contributed to society and who have previously been secure in the knowledge that the future they have made for themselves will continue to exist.

SANCTIONS AGAINST SOVIET UNION IF THEY INVADE POLAND

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, the tension in Poland continues. It is more important than ever that the process

of compromise and negotiation be allowed to develop between the Polish Labor Solidarity Movement and the Polish Government without Soviet interference.

However, ominous signs are coming from the Kremlin and reports now say the Kremlin is planning not a naked, blatant invasion, but a "creeping intervention." Military maneuvers have increased the presence of Soviet and East German troops in and around Poland. The Russians have developed an independent transport and communications network. They can now move without the Poles even knowing it.

We must continue to insist that the Soviets know of our firm commitment to allow the Polish people to resolve their own disputes and that, in the event of Soviet military action in Poland, the United States should work in conjunction with its NATO allies, Japan, and Australia, to discontinue loans and credits to the Soviet Union.

I have sponsored a resolution to do that and I ask the support of my fellow Members. America and her allies should not finance the Soviet economy while they destroy security in Europe.

AFRICAN REFUGEE RELIEF DAY

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, as a cosponsor of House Joint Resolution 202, and as a former Peace Corps volunteer in Somalia, I believe that recognizing April 9 as African Refugee Relief Day is an excellent way of drawing attention to the fact that over one-half of the world's refugees are in Africa—with 1 million in Somalia alone.

I am pleased that the administration of President Reagan has noted the importance of African issues in the fabric of our foreign policy by naming Ambassador Jeane Kirkpatrick to head the U.S. delegation to the April 9 and 10 International Conference on Assistance to Refugees in Africa, which will be held in Geneva, Switzerland. Another indication of the President's interest in African issues is the current trip by Chester Crocker, Assistant Secretary of State for Africa-designate to a number of states including Angola, Nigeria, Zaire, South Africa, Mozambique, and Zimbabwe.

Mr. Speaker, while the African refugee situation points up the difficulties facing some of the nations on that continent, we must also keep in mind the enormous political and economic vitality of Africa. To give just two examples, Nigeria is the second largest supplier of oil to the United States, and we depend on African producers for the vast majority of our requirements for such vital minerals as ferrochromium and cobalt.

SOLOMON INTRODUCES RESOLUTION PRAISING AGENTS McCARTHY AND PARR AND OFFICER DELAHANTY

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, I would like to call attention of our colleagues that directly following the 1-minutes this morning, one of the first orders of business will be a resolution which I introduced which will commend Secret Service Agents McCarthy and Parr and Police Officer Delahanty for their courageous efforts in saving the life of our President. I would welcome the participation of my colleagues in paying tribute to these brave Americans.

ANOTHER CARTER BUDGET

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, a few weeks ago, President Reagan stood before the U.S. Congress and talked to us about his conviction that there is nothing wrong with the American economy that we cannot fix with sound economic policy. His sense of optimism and his pledge to work in close touch with the Congress and the American people to fashion a monetary, fiscal, tax, and regulatory policy package that would lead this country toward price stability and higher levels of economic growth, were welcomed that night not only by the Congress but also by the American people.

□ 1245

Yet today the Budget Committee, of which I am a member, rejected President Reagan's program for economic recovery and accepted the Democratic party's budget, which, in effect, is another Carter budget. In fact, it was put together by President Carter's staffers. It is putting off tax reform until 1982. It is calling for higher taxes in 1981 on the American people. It calls for higher spending—except on defense. Not surprisingly, the budget projects that in 1982 we are going to have more unemployment, higher inflation, high double-digit interest rates and, in general, more of the stagflation that has been gripping the Western democracies' economies for some time.

This budget is pessimistic. I think it lacks the essential sense of optimism that President Reagan has about the future of the American free enterprise system. It rejects his belief that the American people would respond to sound economics, to a restoration of a sound dollar and incentives in the economy for both labor and capital, and get America moving again.

Considering the specifics in the Democratic budget, its sense of pessimism about the future of the country is perhaps understandable. But President Reagan is not asking my colleagues in the majority to abandon their whole world view overnight. All he asks is that they do not obstruct his own efforts to enact a program for economic recovery and ending inflation. Unfortunately, the budget of the majority signals their intention to do just that. It is another Carter budget.

A MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 61. Joint resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day."

The message also announced that the President pro tempore, pursuant to Public Law 96-374, appointed Mr. STAFFORD to be a member, on the part of the Senate, of the National Commission on Student Financial Assistance; also Dr. David Gardner, from private life, was appointed to the above-mentioned Commission.

EXTENDING DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION ACT OF 1980

Mr. RODINO. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the Senate bill (S. 840) to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, fiscal year 1980, for a certain period, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. McCLORY. Mr. Speaker, reserving the right to object, I take this action because I want to inquire of the chairman concerning the matter that he proposes to bring up. I think this relates to the authorization of the Department of Justice since the authorization expired last Sunday. This legislation which the gentleman requests to bring before the House now would enable the Department of Justice to carry on certain activities which might otherwise lapse, activities which were

recounted in the other body when this legislation was acted upon last week.

Would the gentleman explain what the resolution would do?

Mr. RODINO. If the gentleman will yield, the gentleman is correct.

I would merely point out that the Department of Justice is currently operating on a continuing resolution for its fiscal year 1981 authorization. Public Law 96-397 simply extended to April 5, 1981, the Department's 1980 authorization. This bill would extend those authorities to September 30, 1981.

Mr. Speaker, the House was unable to consider the Department of Justice's fiscal year 1981 authorization bill during the last session of Congress because of various scheduling problems. A continuing resolution was therefore enacted to permit the Department to carry on many of its vital activities. The resolution, however, lapsed on April 5, 1981.

The Department of Justice has assured us that it can continue to function effectively if the authorities contained in the fiscal year 1980 Authorization Act are continued to the end of this fiscal year. What we need today is this simple bill. Because the first continuing resolution expired on April 5, 1981, it has been argued that authority to conduct certain Department activities would not exist after that date. Therefore, I intend to offer an amendment to the bill to insure that there will be no hiatus in the Department's authority through the 1981 fiscal year. I urge my colleagues to support the bill and the amendment I intend to offer.

Mr. McCLORY. Further reserving the right to object, I yield to the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. I thank the gentleman from Illinois for yielding.

On April 5, 1981, because Congress did not act last week to extend the Justice Department's authority, a number of authorities expired. I would like to point out a few of them.

First, authority for the FBI to conduct undercover operations in all areas of their investigative responsibilities expired.

Second, authority to expend funds by the FBI to protect the President and the Attorney General expired.

Third, authority to hire motor vehicles for the Drug Enforcement Administration for their undercover operations expired.

Fourth, the Bureau of Prisons lost its authority to expend funds for assisting State and local governments to improve their correctional systems.

Fifth, the Attorney General's authority to expend funds for certain emergency situations was curtailed.

Sixth, the authority to pay rewards by the FBI, Drug Enforcement Administration, Immigration and Naturalization Service, and Bureau of Prisons expired.

Seventh, the authority for the U.S. Marshals to expend funds to provide for the supervision of U.S. prisoners in non-Federal institutions were curtailed.

Eighth, the authority to permit the U.S. Marshals to bring to the United States from foreign countries persons charged with a crime expired.

Ninth, the specific authority to expend funds by the FBI to collect, acquire and classify records and exchange them with authorized Federal, State, local, and other institutions expired.

Tenth, the authority for the Attorney General to expend funds regarding the conduct of certain investigations requested by the Department of State was curtailed.

Eleventh, the reprograming restrictions this Congress has placed on the movement of funds from one program to another to improve fiscal discipline within the Department lapsed.

Twelfth, the requirement that the Attorney General report to Congress any policy change in the enforcement of the law which is the responsibility of the Department also lapsed.

There is at least 1½ day hiatus from the expiration of the authority that I have outlined until the present time. I am wondering if the gentleman from Illinois or the distinguished chairman of the Judiciary Committee will be offering an amendment to try and cure whatever has occurred during this hiatus period?

Mr. McCLORY. I can say to the gentleman that an amendment will be offered before the passage of S. 840.

Mr. SENSENBRENNER. Will the gentleman yield further?

Mr. McCLORY. Yes.

Mr. SENSENBRENNER. I wish this bill would have been taken up last week so this gap did not occur. I recall the gentleman from Illinois urging that that be done, as did I. But I think that it is better late than never, so I would hope that this bill would be enacted promptly.

Mr. McCLORY. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 840

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the authority, and any limitation on authority, contained in the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, shall continue in effect with respect to activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) until September 30, 1981.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. RODINO) is recognized for 1 hour.

Mr. RODINO. Mr. Speaker, I merely wanted to state that the gentleman from Wisconsin (Mr. SENSENBRENNER) ought to be advised, since he made reference to the fact that he would have hoped that the bill might have been considered last week, that while we had this under consideration, there was no request from the Department of Justice until last week, and last week there were only pro forma sessions in the House. As a result, it was impossible to take this matter up. This is the earliest date. The problem of the lapse is being rectified in this manner and by an amendment to the bill sent over by the other body.

Mr. Speaker, I yield to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I rise in support of S. 840 and the amendment to that bill that the gentleman from New Jersey intends to offer. As amended, S. 840 would continue in effect the authority provided under the Department of Justice Appropriation Authorization Act for Fiscal Year 1980 from April 6, 1981, to the end of the fiscal year.

We are all painfully aware of the urgent need for immediate enactment of this bill. Last September, when we considered the first continuing resolution for the Justice Department for this fiscal year, this body was apprised of the vital activities which would cease upon any lapse in their authorization. At that time, we acted promptly and responsibly to insure that there would be no such lapse. In a similar manner, the other body passed S. 840 before the first continuation expired at midnight on April 5. Unfortunately, despite my expressions of grave concern, this body adjourned without taking the same action last week. Now we are considering this important legislation 2 days after the continuing authorization expired.

Mr. Speaker, because speedy action on S. 840 and the amendment of the gentleman from New Jersey is imperative. I strongly support their immediate passage, but not without voicing this mild protest. This approach to fulfilling our legislative responsibilities by extending an earlier extension must, and hopefully will, cease following the enactment of this bill.

Mr. RODINO. Mr. Speaker, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. RODINO

Mr. RODINO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RODINO: Page 2, strike out line 2 and insert in lieu thereof the following: "thereof) during the period

beginning on April 6, 1981, and ending immediately before October 1, 1981.".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New Jersey (Mr. RODINO).

The amendment was agreed to.

The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the Senate bill, as amended.

The question was taken; the Speaker announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 368, nays 2, not voting 62, as follows:

[Roll No. 21]

YEAS—368

Addabbo	Chappell	Evans (DE)
Akaka	Cheney	Evans (GA)
Albosta	Chisholm	Evans (IA)
Alexander	Clausen	Evans (IN)
Anderson	Clinger	Fary
Andrews	Coats	Fascell
Annunzio	Coleman	Fazio
Anthony	Collins (IL)	Fenwick
Applegate	Conte	Ferraro
Archer	Corcoran	Fields
Ashbrook	Coughlin	Findley
Aspin	Courter	Fish
Atkinson	Coyne, James	Fithian
AuCoin	Craig	Flippo
Badham	Crane, Daniel	Florio
Bafalis	Crane, Philip	Foglietta
Bailey (PA)	Crockett	Foley
Barnard	D'Amours	Ford (TN)
Barnes	Daniel, Dan	Forsythe
Bedell	Daniel, R. W.	Fountain
Bellenson	Danielson	Fowler
Benedict	Dannemeyer	Frank
Benjamin	Daub	Frenzel
Bennett	Davis	Frost
Bereuter	de la Garza	Fuqua
Bethune	Dellums	Garcia
Bevill	DeNardis	Gaydos
Biaggi	Derwinski	Gejdenson
Bingham	Dicks	Gephardt
Blanchard	Dingell	Gibbons
Boggs	Dixon	Gilman
Boland	Donnelly	Ginn
Boner	Dorgan	Glickman
Bonior	Dornan	Gonzalez
Bonker	Dougherty	Goodling
Bowen	Downey	Gore
Breaux	Dreier	Gradison
Brinkley	Duncan	Gramm
Brodhead	Dunn	Gray
Brooks	Dwyer	Green
Broomfield	Dyson	Gregg
Brown (CA)	Early	Grisham
Brown (CO)	Eckart	Gunderson
Brown (OH)	Edgar	Guyer
Broyhill	Edwards (AL)	Hagedorn
Burgener	Edwards (CA)	Hall (OH)
Burton, John	Edwards (OK)	Hall, Sam
Burton, Phillip	Emerson	Hamilton
Butler	Emery	Hammerschmidt
Byron	English	Hance
Campbell	Erdahl	Hansen (ID)
Carman	Erlenborn	Harkin
Carney	Ertel	Hatcher
Hawkins	McHugh	Schulze
Hefner	McKinney	Schumer
Heftel	Mica	Seiberling
Hendon	Michel	Sensenbrenner
Hertel	Mikulski	Sharp
Hightower	Miller (CA)	Shaw
Hiler	Miller (OH)	Shelby
Hillis	Mineta	Shumway
Holland	Minish	Shuster
Hollenbeck	Mitchell (MD)	Skeen
Holt	Moakley	Skelton
Hopkins	Molinari	Smith (IA)
Horton	Mollohan	Smith (NE)
Howard	Montgomery	Smith (NJ)
Hubbard	Moore	Smith (OR)
Hughes	Moorhead	Snowe
Hunter	Morrison	Snyder
Hutto	Mottl	Solarz
Hyde	Murphy	Solomon
Ireland	Murtha	Spence
Jacobs	Natcher	St Germain
Jeffords	Neal	Stangeland
Jeffries	Nelligan	Stanton
Jenkins	Nelson	Stark
Jones (NC)	Nichols	Staton
Jones (OK)	Nowak	Stenholm
Kastenmeier	O'Brien	Stokes
Kazen	Oakar	Stratton
Kemp	Oberstar	Studds
Kildee	Obey	Stump
Kindness	Ottinger	Swift
Kogovsek	Panetta	Synar
Kramer	Parris	Tauke
LaFalce	Patman	Thomas
Lagomarsino	Pease	Traxler
Lantos	Pepper	Trible
Latta	Perkins	Udall
Leach	Petri	Vento
Leath	Peyser	Volkmer
LeBoutillier	Pickle	Walgren
Lee	Porter	Walker
Lehman	Price	Wampler
Leland	Pritchard	Washington
Lent	Rahall	Watkins
Levitas	Railsback	Waxman
Lewis	Ratchford	Weber (MN)
Livingston	Regula	Weber (OH)
Loeffler	Reuss	Weiss
Long (MD)	Rhodes	White
Lott	Richmond	Whitehurst
Lowery	Rinaldo	Whitley
Lowry	Ritter	Whittaker
Lujan	Roberts (KS)	Whitten
Luken	Roberts (SD)	Williams (MT)
Lundine	Robinson	Williams (OH)
Lungren	Rodino	Winn
Marlenee	Roemer	Wirth
Martin (IL)	Rogers	Wolf
Martin (NY)	Rose	Wolpe
Matsui	Rostenkowski	Wortley
Mattox	Roth	Wright
Mavroules	Roukema	Wyden
Mazzoli	Rousselot	Wylie
McClory	Roybal	Yates
McCollum	Russo	Yatron
McCurdy	Sabo	Young (AK)
McDade	Savage	Young (FL)
McDonald	Sawyer	Young (MO)
McEwen	Scheuer	Zablocki
McGrath	Schroeder	

NAYS—2

Collins (TX)	Paul

NOT VOTING—62

Bailey (MO)	Guarini	Pashayan
Beard	Hall, Ralph	Patterson
Bliley	Hansen (UT)	Pursell
Bolling	Hartnett	Quillen
Bouquard	Heckler	Rangel
Chappie	Hinson	Roe
Clay	Huckaby	Rosenthal
Coelho	Johnston	Rudd
Conable	Jones (TN)	Santini
Conyers	Lederer	Schneider
Cotter	Long (LA)	Shamansky
Coyne, William	Madigan	Shannon
Daschle	Markey	Simon
Deckard	Marks	Smith (AL)
Derrick	Marriott	Tauzin
Dickinson	Martin (NC)	Taylor
Dymally	McCloskey	Vander Jagt
Fiedler	Mitchell (NY)	Weaver
Ford (MI)	Moffett	Wilson
Gingrich	Myers	Zeferetti
Goldwater	Napier	

□ 1300

The Clerk announced the following pairs:

Mr. Zeferetti with Mrs. Schneider.
Mr. Weaver with Mr. Napier.
Mr. Shamansky with Mr. Madigan.
Mr. Roe with Mr. Bailey of Missouri.
Mr. Conyers with Ms. Fiedler.
Mr. Santini with Mr. Hartnett.
Mrs. Bouquard with Mr. Johnston.
Mr. Rosenthal with Mrs. Heckler.
Mr. Simon with Mr. Gingrich.
Mr. Ford of Michigan with Mr. Conable.
Mr. Tauzin with Mr. Mitchell of New York.
Mr. Markey with Mr. Myers.
Mr. Shannon with Mr. Taylor.
Mr. Derrick with Mr. Smith of Alabama.
Mr. Rangel with Mr. Pashayan.
Mr. Dymally with Mr. Beard.
Mr. Huckaby with Mr. Chappie.
Mr. Patterson with Mr. Bliley.
Mr. Ralph M. Hall with Mr. Deckard.
Mr. Guarini with Mr. Goldwater.
Mr. Clay with Mr. Hansen of Utah.
Mr. Cotter with Mr. Dickinson.
Mr. Daschle with Mr. Marriott.
Mr. Jones of Tennessee with Mr. Pursell.
Mr. William J. Coyne with Mr. Rudd.
Mr. Coelho with Mr. Quillen.
Mr. Long of Louisiana with Mr. McCloskey.
Mr. Moffett with Mr. Martin of North Carolina.
Mr. Wilson with Mr. Vander Jagt.

Mr. EMERSON changed his vote from "nay" to "yea."

So the Senate bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE SPEAKER TO REFER EXECUTIVE COMMUNICATIONS, NOTWITHSTANDING ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until April 27, 1981, the Speaker be authorized, pursuant to clause 2, rule XXIV, to refer executive communications to the appropriate committees when received.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMENDING AGENTS McCARTHY AND PARR AND OFFICER DELAHANTY FOR UNSELFISH COURAGE AND PATRIOTISM

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from the further consideration of the resolution (H. Res. 123) to commend Agents McCarthy and Parr and Officer Delahanty for their unselfish courage and patriotism during the recent attempt on the life of the

President of the United States, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. SOLOMON. Mr. Speaker, reserving the right to object. I do not object to the content of this resolution, since I submitted it, but House Resolution 123 is identical to a Senate resolution which was introduced by Senator PAUL LAXALT and passed by the Senate on Thursday.

It commends Secret Service Agents Jerry Parr and Timothy McCarthy and Washington Police Officer Thomas Delahanty for their courage and patriotism in protecting the President of the United States last week.

Mr. Speaker, I think it is clear to all Americans that if it were not for the bravery of these men, last week's tragedy would have been an even greater tragedy. When the shots rang out, they placed themselves directly in the line of fire to shield the President. That took real guts, Mr. Speaker, and I think this Congress should go on record praising this act of sheer courage.

At the same time, Mr. Speaker, my resolution calls the Nation's attention to the fact that for every act of life-endangering heroism that receives public acclaim, there are literally hundreds of equally courageous acts performed every day by law enforcement officers all over this country. The men and women in uniform who patrol our streets and highways and guard our neighborhoods, risk their lives every day to protect us—and for the most part, they do it without headlines, honors or acclaim. My resolution calls attention to the courageous actions of the security officers protecting the President not because it is an exceptional situation, but because it is representative of the kind of unselfish bravery which is exhibited daily by heroes in uniform in every State, county, city, and town all over America.

God bless them all.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. Further reserving the right to object, I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as a former police officer for 23 years in the city of New York and as a grateful American—I rise today to lend my total support to the pending resolution saluting the heroic actions of Federal and local law enforcement personnel in last Monday's assassination attempt on President Reagan.

The resolution singles out two men in particular for their actions. The first is Secret Service Agent Tim McCarthy—the man who is actually credited with saving the life of President Reagan. It was McCarthy who literally threw himself in the path of one of the bullets intended to kill the President. Agent McCarthy sustained serious wounds but all indications are that he is recuperating satisfactorily if not excellently.

District of Columbia Police Officer Thomas Delahanty also is cited by name in this resolution for his acts of high bravery in the moments after the assassination attempt. Despite enduring a serious gunshot wound of his own—Delahanty contributed significantly to the apprehension of the assailant—one Mr. Hinckley. Accounts at the scene stated that Delahanty actually helped tackle Hinckley.

The highest commendation must go to Agent Parr of the Secret Service whose lightning fast reaction in pushing the President into his limousine saved the President from further harm. Equally as important was his perhaps lifesaving decision to have the President directed immediately to George Washington University Hospital rather than the original destination—the White House.

And one should not overlook the work of Secret Service Agent Unrue who skillfully drove the Presidential limousine out of the danger zone and to the hospital.

Secret Service agents by and far represent the cream of the law enforcement crop. They are responsible for guarding the life of the most powerful leader in the world. In this work, they must be ever vigilant—ever protective—ever sacrificing. The outstanding response work of the Secret Service detail at the Washington Hilton this past Monday has earned the lasting respect of all the people of the Nation.

Today we pay tribute to the Secret Service and the District of Columbia Police Department. Let us use this occasion to reiterate our prayers for President Reagan's continued progress toward a full recovery—as well as for Press Secretary Brady who continues to make remarkable progress.

Law enforcement officers are often overlooked for their work. What is routine for a law enforcement officer—can be lifesaving for an individual. President Reagan learned this last Monday. Law enforcement officers seek to be recognized as the professionals they are. Today we salute the exemplary work of a small number of Federal and local law enforcement personnel who saved the life of the President of the United States. Let us use this occasion to pause and thank our State and local law enforcement personnel for the fine work they are doing every day in the streets of our towns, villages, and cities.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from New York (Mr. BIAGGI) for his remarks.

Let me just say that every Member of this House knows of the fine service the gentleman from New York gave to the city of New York when he was a police officer. He certainly is a living example of what we are talking about today.

Mr. COURTER. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the ranking minority member of the subcommittee.

Mr. COURTER. Mr. Speaker, I thank the gentleman very much for yielding.

I just want to associate myself with the comments of the gentleman in the well, the gentleman from New York (Mr. SOLOMON). I think that bringing this resolution to the floor was the proper thing to do. I know that I talked with the gentleman from New York a few times before about this, and I am very, very happy to be in a position to assist the gentleman in bringing the resolution up in an expedited fashion for consideration.

Mr. Speaker, I think it is extremely important for Americans at this time to remember these three individuals who performed their duty so outstandingly. Again I congratulate the gentleman from New York (Mr. SOLOMON) for bringing this to our attention.

Mr. SOLOMON. Mr. Speaker, the gentleman from New Jersey (Mr. COURTER) along with the gentleman from New York (Mr. GARCIA), was extremely helpful in assisting us in drafting the resolution, and we thank him very much.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, I, too, wish to congratulate the gentleman from New York (Mr. SOLOMON) for his special attention and his leadership in this effort, and I realize this could not have been done without the cooperation of the gentleman from New York (Mr. GARCIA), who was very instrumental in the effort and who appreciates and understands the point of the resolution. I think it is obvious that the gentleman's sentiments express those of all the Members of the House.

Mr. SOLOMON. Mr. Speaker, I likewise thank the gentleman from Illinois (Mr. DERWINSKI), who is also the ranking minority member of the full committee.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I, too, rise in support of the resolution and commend both the gentlemen from New York (Mr. SOLOMON and Mr. GARCIA), for their efforts in bringing this matter to the attention of the

House. It is certainly appropriate at this time that we bestow deserving honors on those who have given so much for our Nation during the recent attempt on the life of our President.

To Agent McCarthy and Officer Delahanty go the prayers and thanks of our entire Nation for their courageous fulfillment of their duties in protecting the President.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN).

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I am most happy to yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, I would like to commend the gentleman from New York for offering this resolution as well as the chairman of the subcommittee for dealing with the resolution so expeditiously.

It should be noted, however, that there are two, unmentioned, unsung heroes who played key roles in accosting the assailant of the President, Press Secretary Brady, the Secret Service agent, and the District of Columbia police officer. Mr. Alfred Antenucci, president of the Carpenter's Local 1750 and Mr. Frank McNamara, president of Millwright Union Local 1871, both of whom are from my hometown of Cleveland, heroically tackled the assassin, obviously risking their lives. Mr. Antenucci suffered heart seizure following his intervention. He is recuperating in Georgetown University Hospital. Mr. McNamara apparently did not incur any injuries.

Mr. Speaker, the spirit of this resolution speaks not only to saluting law enforcement personnel, but also to the citizen on the street who chooses to become involved in the prevention of violent crime. Both Mr. Antenucci and Mr. McNamara are exemplary individuals who were not afraid to lend their assistance in a perilous situation. Their bravery deserves our respect and our applause.

Mr. Speaker, I thank the gentleman very much for yielding to me.

Mr. SOLOMON. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. OAKAR) for her comments, and let me just say that we did not deliberately leave their names out.

I also had a secret agent, who is a constituent of mine from the very small village of Schaghticoke, N.Y., who was also one of those participants. I just felt that we did not want to dilute the meaning of this resolution for those three, but we certainly pay tribute to all of them, as I said in my resolution.

Mr. SOLOMON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 123

Whereas those charged with the duty of protecting our Nation's leaders place their lives in jeopardy every day of their service;

Whereas these people perform their duty in an anonymous manner except during times of national crisis when the eyes of the country are focused on them;

Whereas on March 30, 1981, in the city of Washington, Agent Timothy J. McCarthy of the United States Secret Service and Officer Thomas K. Delahanty of the Metropolitan Police Force suffered critical injuries in the line of duty while protecting the President of the United States; and

Whereas the unselfish and skillful efforts of all these men in helping to save the life of the President placed their own lives in the greatest peril: Now, therefore, be it

Resolved, That the United States House of Representatives commends Agent McCarthy and Officer Delahanty for their courageous actions on behalf of the Nation and prays for their speedy recovery and commends Agent Jerry Parr for his phenomenally quick action and judgment in time of crisis and further commends all of the brave men of the Presidential protective detail who acted to save the life of the President of the United States on March 30, 1981.

SEC. 2. The Clerk of the House of Representatives shall transmit copies of this resolution to Agents McCarthy and Parr and Officer Delahanty.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Mr. Speaker, before passage of this resolution, I would just like to say that it was a sad day last Monday, probably one of the saddest days in our history, but out of sadness comes the heroism of the three persons of whom we speak.

I am also delighted to report that as most of us have read, the President's press secretary, Mr. Brady, answered the question yesterday when they asked him who he worked for, and his response to them, which I think was quite appropriate, was: "I work for the President, and who is asking those stupid questions?"

So he seems to be well on his way to recovery.

Mr. Speaker, I want to commend my colleague, the gentleman from New York (Mr. SOLOMON), for this resolution, and I am very hopeful that we will never have to pass a resolution of this type again.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AFRICAN REFUGEE RELIEF DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 61) to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. DIXON. Mr. Speaker, reserving the right to object, the House is being asked to consider Senate Joint Resolution 61, asking the President to designate April 9 as African Refugee Relief Day.

As the sponsor of this resolution, it has been my privilege to have the sponsorship of more than 230 Members of the House.

This Thursday and Friday, the United Nations is sponsoring a conference on assistance to refugees in Africa in cooperation with the Organization for African Unity.

It is my hope that increased public awareness of the grave refugee problems in Africa will result in greater support for those agencies, as well as stronger humanitarian assistance from our Government.

For the record, I would like to include in the RECORD a listing of those agencies recognized by the State Department and United Nations for their work in providing care and relief to refugees in Africa.

HOW CAN YOU HELP AFRICAN REFUGEES

There are private relief agencies throughout the country that are working to provide food, medicine, and other assistance to refugees in Africa. All of these groups are recognized by the State Department or the United Nations for their work in this field. In every instance, contributions to these groups should specify: "for African refugees."

United Nations High Commissioner for Refugees, 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036.

American Friends Service Committee, 1501 Cherry Street, Philadelphia, Pa. 19102. Patricia Hunt.

Baptist World Alliance, 1628 16th St., N.W. Washington, D.C. 20009. Erna Redlich.

Catholic Relief Services—USCC, 1011 First Avenue, New York, N.Y. 10022. Beth Griffin.

Food for the Hungry International, 7729 E. Greenway Road, Scottsdale, Ariz. 85260. Gregory Whitney.

International Rescue Committee, P.O. Box 16, New York, N.Y. 10108. Mr. Crimes.

Mennonite Central Committee, 21 South 12th Street, Akron, Pa. 17501. Ray Brubacher.

Oxfam-America, 302 Columbus Avenue, Boston, Mass. 02116. Ahmed Farah.

Seventh Day Adventist World Service, 6840 Eastern Avenue, N.W., Washington, D.C. 20012. Milton Nebblett.

World Concern/Crista International, P.O. Box 33000, Seattle, Wash. 98133. Nadine Court.

World Vision International, 919 W. Huntington Drive, Monrovia, Calif. 01016. Dr. Tony Atkins.

Southern Baptist Convention, Foreign Mission Board, P.O. Box 6597, Richmond, Va. 23230. Dr. John Cheyne.

Africare, 1601 Connecticut Ave., N.W., Washington, D.C. 20009. Dr. Joseph Kennedy.

American Red Cross, 17th and D Streets, N.W., Washington, D.C. 20006. Joseph Alponte.

Care, 660 First Avenue, New York, N.Y. 10016. George Krause.

Church World Service, 475 Riverside Drive, New York, N.Y. Robert Powell.

International Christian Aid, A Ministry of Evangelism Center, P.O. Box 250, Glendale, Calif. 91209. Mark Bass.

Lutheran World Relief, 360 Park Avenue South, New York, N.Y. 10010. Roland Shaffer.

Operation California, 336 Foothills Road, Beverly Hills, Calif. 90210. Richard Waldren.

Save the Children Federation, 48 Wilton Road, Westport, Conn. 06880. Bilge Reid/Sheila Schwartz.

U.S. Committee for Somali Refugee Relief, 1900 L Street, N.W., No. 707, Washington, D.C. 20036. Martin Ganzglass.

World Relief Corporation, P.O. Box WRC, Wheaton, Ill. 60187. Bill Hewitt.

Assemblies of God Foreign Service Committee, Division of Foreign Missions, 1445 Boonville Avenue, Springfield, Mo. 65802.

Mr. DIXON. Mr. Speaker, I withdraw my reservation of objection.

● Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of Senate Joint Resolution 61, which requests that the President designate April 9, 1981, as African Refugee Day.

The purpose of this commemorative day is to highlight attention to the precarious plight of over 4 million refugees in Africa and to encourage public support for private relief agencies involved in assisting the refugees with food and medical supplies.

In responding to the African refugee crisis, the United Nations General Assembly on November 25, 1980, called on the Secretary-General to convene an international conference to mobilize assistance for refugees in Africa. This meeting, convened by the Secretary-General in close consultation with the Organization of African Unity and the United Nations High Commissioner for Refugees, will be held in Geneva, Switzerland, on April 9 and 10, 1981. The Conference will be at the ministerial level and attended by governments, international organizations, and nongovernmental organizations all concerned with finding the ways and means to solve this major humanitarian problem.

Accordingly, I would like to share with my colleagues the January 28, 1981, ICARA report entitled: "World To Focus Attention on African Refugees."

WORLD TO FOCUS ATTENTION ON AFRICAN REFUGEES

The International Conference on Assistance to Refugees in Africa (ICARA)—to be held in Geneva, 9–10 April—will be the first major world meeting of its kind to focus attention primarily on the plight and needs of the African refugees.

Called for by the United Nations General Assembly in its resolution of 25 November 1980, ICARA's objectives, as explained by the Secretary-General of the United Nations Dr. Kurt Waldheim are:

To focus public attention on the plight of refugees in Africa;

To mobilize additional resources for refugee programmes in Africa;

To assist countries of asylum and strengthen their ability to cope better with the extra burden placed on their services and facilities.

Participating in ICARA will be member states of the Organization of African Unity (OAU) and the United Nations. National liberation movements recognized by the OAU and the UN will participate in the Conference as will do several non-governmental organizations (NGOS), intergovernmental organizations (IGOS) and the information media, all who have in the past been seized of the African refugee problem, and were engaged in various measures of solving it.

Previous conferences dealing with the African refugee problem were held at the OAU and Pan-African levels—one in Addis Ababa, 1967 and the other in Arusha, Tanzania, twelve years later. The salient achievements of these conferences were to define clearly the refugee problem in Africa, and to underline the will and determination of the African countries to assist refugees.

Referred to as the Conference on the Legal, Economic and Social Aspects of the African Refugee Problem, the Addis Ababa OAU Conference in 1967 led to the drafting and subsequent adoption in 1969 of the OAU Convention Governing the Specific Aspects of Refugee Problems in Africa.

The OAU Convention incorporated the traditional definition of the term "refugee", as stated in the earlier 1951 Convention and the 1967 Protocol Relating to the Status of Refugees. It went a step further, however, in clarifying that "the term refugee shall also apply to every person who, owing to external aggression, occupation, foreign domination or events seriously disturbing public order in either or part or in whole of his country of origin or nationality, is compelled to leave his place of habitual residence in order to seek refuge in another place outside his country of origin or nationality".

The flux condition of Africa in the early seventies—the intensification of the liberation struggle, especially in southern Africa, internal conflicts as well as inter-territorial disputes in a number of other regions led to an unprecedented growth of refugee numbers on the continent. By the middle of the seventies decade, the refugee problem in Africa, had clearly assumed emergency proportions. One year alone, 1976, for instance, saw an increase of over 700,000 refugees in Africa, establishing that with every passing day, about 2,000 Africans turned refugees or displaced persons—a rate of growth well over 2 times the world average of 800 refugees created per day.

RECOGNITION

The first Pan African Conference on Refugees in 1979, was held therefore against the background of great concern, at both the continental and international levels, about the rising refugee tide in Africa. It was considered that given their own great economic difficulties, the African refugee asylum countries were finding themselves extremely hard put to cope effectively with the daily refugee influxes which were imposing and extra burden on their services and facilities.

Sponsored by the OAU, the United Nations, High Commissioner for Refugees (UNHCR) and the United Nations Economic Commission for Africa (ECA), the Pan African Conference therefore met not only to review the refugee situation in Africa, but also to find ways and means of promoting permanent and effective solutions. Consequently, the OAU countries initiated the call for an international conference to deliberate and act on the African refugee crisis, a call which was met by the United Nations General Assembly in its resolution to convene ICARA.

ICARA comes therefore at a time of heightened recognition of the fact that Africa has the largest and fastest growing refugee population in the world today. Over one half of the world's refugees are in Africa. Africa's refugees who numbered one million in 1975, increased to 3.7 million in 1977 and to 5 million in 1980, their numbers having multiplied by a factor of five in as many years.

The International Conference also comes in the wake of yet another realization that most of the African refugee asylum countries, plagued by their own critical social and economic problems—the droughts, food deficits, rising energy and other import costs on which they depend, debt repayments and balance of payment difficulties—need aid for themselves, to keep their economies and social institutions surviving, just as much as they need support to cope with the added refugee emergency.

In their 1969 Convention, the OAU countries had made the emphatic declaration that, "No person shall be subjected by a member state to measures such as rejection at the frontier, return or expulsion, which would compel him to return or remain in a territory where his life, physical integrity or liberty would be threatened."

On account of this generosity and open-door commitment, a number of African countries—for example, Somalia with 1.5 million, Sudan with 490,000, Zaire with 400,000 and Cameroon with 266,000 refugees have had to handle massive influxes of people who seek asylum and refuge. They acted responsibly, realistically and resolutely, giving asylum to the numbers who kept on coming and growing. They set a good example of respecting international treaties on the granting of asylum, and especially observing the principle of nonrefoulement.

All in all, the African countries showed a tremendous goodwill towards the suffering refugees in the continent. But goodwill alone, it is now tragically clear, is not enough, which is why the forthcoming ICARA is so important, to ensure that there will be adequate resources for better and more effective provision, coordination and management of the services that the African refugees require to feel at home and self-actualizing wherever they are.

Between the statement and the realization of this ideal, there is long shopping list for refugees in Africa. Refugees administrative and managerial services need boosting in the asylum countries so that counselling services for refugees in the continent may

be satisfactorily continued and extend; roads and other transport and communications networks in the refugee areas need in some cases to be established, and in others to be improved and constantly maintained so that food, medicine, and other essential supplies may reach refugees expeditiously where and when they are needed.

Hospitals, health centres, clean water supplies, and the necessary tools of production need to be made available especially in the remote and usually arid rural areas of Africa where the bulk of the refugees are found. Education, employment and other self-advancement opportunities need to be more reliably provided for the refugees so that they may be made to shed off the frustrating sense of anomie which the refugee condition has normally given them.

In the countries like Tanzania where successful rehabilitation and integration programmes for refugees have been effected, in Somalia where emergency operations for refugees are underway, as well as in the others like Zimbabwe and Uganda where refugees have been repatriated to their homeland and are facing the challenging task of reconstruction, the need is expressed even more to assist governments in their meritorious and expensive commitments.

Above all, international mobilization of assistance to African refugees, which should also involve introduction of positive legislative measures and continuous education of the public in all the countries of the world, should make it possible for refugees at all times, and anywhere they are, to retain confidence in the sense of their human worth, as fully participatory, respected and welcome members of the communities in which they find themselves.

MASSIVE SUPPORT

It is expected, therefore, that rather than any polemics dominating the planned conference, it is the sincere and practical concern about the suffering and fate of the millions of refugees in Africa—most of them women and children—that will excercise the hearts and minds of all participants.

Indeed, what is required is expression of international sympathy and solidarity with the African refugees, but also marshalling of massive financial and material support, involving billions of dollars over the years, to refugee aid in Africa. And since the African countries, on their own, do not have requisite resource power, the principle of collective international responsibility towards solution of the refugee problem in Africa is justifiably invoked. At the very least, it is expected that those who have more will give more to a solution of the African refugee emergency which left unsolved, threatens global repercussions.●

● Mr. RANGEL. Mr. Speaker, I rise in support of Senate Joint Resolution 61, a bill authorizing the President to proclaim April 9, 1981, as "African Refugee Relief Day."

The massive number of refugees has been a problem of immense magnitude in Africa, yet it is overshadowed by U.S. concerns in other parts of the world. The refugee population on the African continent is an estimated 4 to 5 million, and still growing.

Most refugees have found sanctuary in neighboring countries. These host countries, due to desperate economic conditions, have been unable to adequately provide the basic needs for their own citizens, let alone the refugees.

The refugee assistance given by African countries, in the context of their limited resources is substantial and generous, despite the negative effect this generosity has on their own development programs.

Relief efforts are not keeping pace with the rate at which the problem is multiplying. Essential life sustaining services such as food, water, and clothing are needed because these countries of asylum are taxed to the maximum, and are unable to meet these basic human needs.

The magnitude of the refugee problem is awesome, not only because of the sheer numbers involved, but also because of the potential for the political and economic havoc which the problem poses.

Prospects for these people and countries look even bleaker with such negative outside factors as drought, mounting energy costs, food deficits and world recession.

These African nations cannot effectively cope with such an overwhelming burden. In order for these countries and their inhabitants to survive our immediate assistance is absolutely essential.

On April 9 and 10, 1981, the Organization of African Unity and the United Nations High Commissioner for Refugees will convene an international conference in Geneva, to develop a plan of action to respond to this grave crisis.

I hope that this conference will lead to greater international participation and involvement. Recognition of this refugee problem on a worldwide basis is desperately needed for any successful changes to take place.

I thank Congressman DIXON for his work on this issue, and I urge passage of this resolution.●

● Mr. GRAY. Mr. Speaker, Senate Joint Resolution 61 is meant to increase the awareness of the plight of our 4 million refugees on the continent of Africa.

As a cosponsor of this resolution, I am pleased to share with my colleagues an article that vividly describes the conditions of the refugees in Somalia.

[From the Philadelphia Tribune, Apr. 3, 1981]

TWO MILLION REFUGEES STARVING IN AFRICA

(By Joseph C. Kennedy)

"Somalia is a disaster zone. Every fourth person in the country is a refugee. The strain on the economy, the water, the grass, the trees, is destroying the country."

Those were the words of a Somali woman working with an international organization in Mogadishu.

Since the United States began negotiating to establish naval and air bases at the port of Berbera on the Indian Ocean as a response to the Soviet build-up in the Persian Gulf, Americans are beginning to hear more about Somalia. Few Americans are aware, however, that there are more refugees in Somalia than in any other single place in the world—more than the boat people of Cambodia and Vietnam.

Somalia, located on the northeast coastal and other limited areas, agriculture, and livestock grazing is possible but two-thirds of the Texas-sized country is rocky, semi-arid, without surface water. The same drought which ravaged the Sahel from 1969-75, struck Somalia, uprooting hundreds of thousands. Over the past year, rainfall has been meager; once again, drought and starvation may exist.

To this harsh land, refugees are streaming in at the rate of 3,000 per day, fleeing from the fighting in the Ogaden—a vast grassland, with widely spaced wells and watering holes, ceded to Ethiopia by the British in 1954, contested by Somalia. (Since the 16th century, Christian Amharas, and Somali and Oromo Muslims have struggled for this area. Twice in recent times, 1964 and 1977, there has been full-scale war.) Since 1978, Ethiopia has totally dominated the struggle.

Today there are nearly two million refugees in Somalia. At least 700,000 have moved in with relatives, drifted into the towns and in general absorbed themselves into the Somali society of 3½ million. Over 1.3 million are in the camps.

The refugees in the camps are mainly nomadic pastoralists. Few are skilled. Sixty-one percent are children, 30 percent are women. Of the nine percent male population, most are elderly or ill. Many of the able-bodied men have been killed. Many remain in the Ogaden fighting or attempting to hold on to the family herds. Some of the refugees have walked a month to get to the camps. Most arrive with nothing.

The camp, Sabaa'd, is 31 kilometers west of Hargeisa, the second largest city in Somalia.

One of the major problems at Sabaa'd is the lack of tree branches. The typical nomadic house is made by sticking branches into the the ground, bending and tying the branches together at the top, then covering them with straw mats (now with burlap, canvas, plastic, tarpaulin, anything which is available). The refugees have come so suddenly there has not been time to collect branches.

In all the camps there are desperate needs—water, sanitation facilities, food, health facilities and shelter. Agabar in the West Galbeed (northwest region) is typical. Sand and dust blow across the camp. Ten thousand tents housing 50,000 refugees stretch as far as the eye can see, looking like ant hills in the distance.

Camp Agabar is located near a river. At this time of the year, though, the river is dry. A few feet below the surface there is water. Children and women sit in the river bed, digging through the sandy soil until they hit a trickle of water. Sitting with their feet in the water they use a small can to fill a larger one-gallon can. Making five or six trips a day, they carry this water the half-kilometer to the camp.

There is a general hospital, with seven wards, and a TB hospital. All of the structures are built of tree limbs. Some of the walls are covered with mud; others are totally open. The canvas roofing is held on by large tree boughs. This day there are 122 patients (including 30 malnourished children suffering from marasmus and kwashiorkor, caloric and protein deficiencies). At the general hospital and the seven clinics around the camp, about 800 outpatients are seen every day. Malnutrition, bronchitis,

whooping cough, malaria, dysentery, measles and dehydration are prevalent. There is neither enough medicines nor enough health personnel. Fifteen percent of the people need therapeutical assistance 30 percent need supplemental feeding. During one recent month, there were 103 deaths.

For the past six months, there has been little meat or milk at Agabar. There has been no "supplementary" (fortified cereal for baby pablum) for a month and a half, no sorghum or tea for two months. In a country where no alcohol and little coffee is consumed, going without tea is one of the greatest sacrifices.

World Food Program projections are made every three months, but the numbers of incoming refugees increase each day, so projections are usually off. When the food does not arrive on time, the Somalia government dips into its own central stores, which provide food for the general population, to feed the refugees, depriving the citizens themselves there is little food throughout the country, however, as a consequence of the light rains of 1979, and so the food shortages persist in the camps.

One of the bright notes at Agabar is the children and the primary school. Wearing a mishmash of clothing, long pants, short pants, skirts, wraparounds, barefoot or in rubber sandals, they come running, chasing the vehicle, waving, smiling, turning away shyly, like children everywhere.

There are 56 Somali teachers for 2,200 pupils in 22 classrooms. The children go to school from 7 A.M. to noon, six days a week. A regular curriculum of math, history, Arabic, Somali and the Koran is offered.

The school is defined by a large circle of thorn brush. Here the children sit on rocks so they can use their knees for desks. Pencils, exercise books and a blackboard have been provided by the United Nations High Commission for Refugees. The classrooms for grades one through four are separated by small stacks of stones.

This situation at Agabar is repeated at the other camps. The government of Somalia has struggled valiantly. The army, university students, Somali volunteers have answered the call. The administration of the camps is remarkable.

At the central government level, there is a National Commission for Refugees under the direction of the minister of local government and rural development. A commissioner of refugees is secretary of this commission, which includes the ministers of health, education, agriculture, mineral and water research, finance and representatives from other related ministries.

Administration at the regional level is under regional commissioners, supported by a staff which parallels the services represented at the national level. The 34 camps, ranging in size from 32,000 to 50,000, are in four of the country's 16 regions. West Galbeed has eight camps. Hiran 10, Gedo 12 and Lower Shabellie three.

Camp administration is headed by a commandant with an administrative cadre responsible for food distribution, housing and planning, health, education, water and security.

At Agabar, administrative personnel number about 250, including 30 volunteer self-help teachers, 83 volunteer self-help health workers and 50 "victory pioneers," who help with security. Camps are broken into five subdivisions, starting with sections (400 persons per section) to the smallest division, units (10 households per unit). Through committees which exist at each subdivision, there is a heavy involvement by the refugees in managing their own affairs. The complicated task of food distribution and allocation by family is handled by the refugee committees, for example. In spite of the excellent administrative structure and personnel, the government and people of Somali are still being overwhelmed.

In September 1979, the Somalia government declared a state of emergency, and sent out a world wide appeal for assistance. The international community has begun to respond: the Swiss have provided a technical team; Australia, nurses; the British and French, physicians. The European Economic Community has donated vehicles. The World Food Program, WHO, UNICEF, Oxfam, the Mennonites are involved. The US has provided nearly $28 million in assistance for food, transportation, medicines and shelter. The UN High Commission for Refugees is coordinating the effort. The response has been encouraging, but not sufficient to meet the needs.

The government of Somalia, with the assistance of a UN commission, has identified short-term and long-term needs, which will require $277 million. UNICEF estimates $175,000 per camp will be needed to provide adequate water supplies to the refugees.●

● Mr. DERWINSKI. Mr. Speaker, I rise in support of Senate Joint Resolution 61 designating April 9, 1981, as "African Refugee Relief Day."

Nearly 1 million Africans are now located in 32 refugee camps with an additional 3 million in 27 locations on the continent of Africa. They are suffering from the lack of food, shelter and the necessary resources to sustain themselves. These refugees are totally dependent on international relief effort if they are to survive.

As the Organization for African Unity and the United Nations High Commissioner for Refugees convene in Geneva on April 9 and 10 to develop a plan of action, I feel it is most fitting that we designate April 9, 1981 as African Refugee Relief Day. Through massive public awareness programs we can make the difference between life and death for the millions of refugees now suffering in Africa.

I feel that once the American people are informed of the conditions now existing in Africa, made aware of the facts and become knowledgeable as to what success could be achieved in overcoming this situation with their assistance, they will respond to the needs of the African refugees as they did with Cambodian relief.●

● Mr. ERDAHL. Mr. Speaker, tomorrow I will be traveling to Geneva, Switzerland, to participate in an International Conference on African Refugees. It is certainly fitting that the Congress go on record as proclaiming "African Refugee Relief Day" for April 9 as this conference is meeting.

With some 4 million refugees Africa today has the most serious refugee problem of any continent. The developed nations meeting in Geneva will be reviewing ways the international community can relieve the suffering of these displaced persons. I am pleased to participate because the United States plans to offer a substantial pledge of assistance for use over the next 2 years. There are whole civilizations in Africa that face extinction unless we respond meaningfully to their need. Millions of people in Somalia, Ethiopia, Kenya, Uganda, the Sudan, Zimbabwe, and elsewhere have been displaced by war, drought, and famine.

Most of the refugees are women and children. They are the future of Africa and the permanent damage that can be caused by severe malnutrition can be both physical and mental. This damage is irreversible and our need to act is now. There is no better way for us to invest in the future security of the world than by responding to the millions of refugees in Africa and giving them hope for a future.

Thank you.●

● Mr. FAUNTROY. Mr. Speaker, it is with a sense of urgency that I join with my distinguished colleague from California, Congressman JULIAN DIXON, in cosponsoring House Joint Resolution 202 (S.J. Res. 61), to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day."

The more than 4 million refugees on the continent of Africa, predominantly women and children must have our support. They are innocent victims of armed conflict, drought, and political unrest and should point out to us the need for the nonviolent resolution of conflict and the human cost of increasted militarization.

It is also important to note that the many African countries impacted by refugee populations have met their responsibilities with a superb demonstration of humanitarian concern. While this is true, the African countries so impacted generally lack sufficient resources to provide the necessary relief and to carry on much-needed development efforts.

It is for this reason that the Congressional Black Caucus in our constructive alternative budget has called for and restored $32 million to migration and refugee assistance for a recommended total of $585 million and has called for the earmarking of 20 percent of these funds for refugees on the African Continent.

Such a budget commitment and the passage of House Joint Resolution 202 (S.J. Res. 61) will signal to the world our country's commitment to the tragedy unfolding in Africa.●

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 61

Whereas there are more than four million refugees on the continent of Africa, and more than half of the world's refugees are African;

Whereas these refugees, who are primarily women and children, have typically crossed hundreds of miles to escape the ravages of armed conflict, drought, and political unrest;

Whereas world attention has focused on the plight of the more than one million refugees in Somalia who have fled the war in Ogaden, are suffering greatly from disease and malnutrition, and are being housed in overcrowded camps in which more than 90 per centum of the refugees are women and children;

Whereas approximately twenty-seven African countries are confronted with refugee problems, and generally lack sufficient resources to provide these victims with necessary sustenance; and

Whereas the Organization for African Unity and the United Nations High Commissioner for Refugees will convene an international conference in Geneva on April 9 and 10, 1981, to develop a plan of action to respond to this grave crises: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day" and calling upon the people of the United States to observe such day by (1) increasing there awareness of the plight of African refugees; and (2) foregoing one meal and using the funds that otherwise would have been spent on such meal to make contributions to recognized private voluntary agencies providing care and relief for such refugees.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1330

REPRINTING OF "INTERNATIONAL INFORMATION FLOW: FORGING A NEW FRAMEWORK"

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 97) to authorize the reprinting of the report entitled "International Information Flow: Forging a New Framework," and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 97

Resolved, That there shall be reprinted for the use of the Committee on Government Operations one thousand copies of the report entitled "International Information Flow: Forging a New Framework".

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, House Resolution 97 authorizes the reprinting of 1,000 additional copies of the report entitled, "International Information Flow: Forging a New Framework" (H. Rept. 96-1535) for use of the Committee on Government Operations.

The Government Printing Office estimates that the cost of these 1,000 copies will be $1,103.05. This report was issued just 3 months ago, and the committee's initial supply of 1,350 copies has been exhausted. Industry, concerned Government officials, and the general public have continually expressed a desire to acquire this document. Furthermore, the Subcommittee on Government Information and Individual Rights of the Committee on Government Operations will be conducting hearings during this spring on the bill, H.R. 1957, which resulted from the recommendations in the report. Both the hearings and consideration of H.R. 1957 will clearly enhance the further demand for this report.

Mrs. MARTIN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to my colleague from Illinois for debate purposes only.

Mrs. MARTIN of Illinois. I thank the gentleman for yielding. Just for the record, on this and the resolution to follow, each member of the majority and minority of the Committee on House Administration supported these regulations.

● Mr. BROOKS. Mr. Speaker, I want to thank the House Administration Committee and particularly the gentleman from Pennsylvania (Mr. GAYDOS) for bringing this resolution to the House floor. We are all reluctant to take any action that would increase costs but we also have an obligation to make our reports available to the public.

Our total supply of the report was exhausted in 3 months. It deals with a subject of great importance to industry and Government, as well as the general public. We can expect renewed requests for the report since another round of hearings on the international data flow was held just last week by the Subcommittee on Government Information and Individual Rights. Witnesses at those hearings testified that the report has been of great value and influence in helping us respond to the problems raised by new communications technology. We need these additional copies, and I hope the resolution will be approved.●

Mr. GAYDOS. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF REPORT ON FIRST CONCURRENT RESOLUTION ON THE BUDGET

Mr. GAYDOS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 105) approving the printing of additional copies of the report accompanying the first concurrent resolution on the budget for fiscal year 1982, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 105

Resolved, That there be printed for use by the House Committee on the Budget one thousand additional copies, at a cost not to exceed $1,200 of the House report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1982".

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 1 hour.

Mr. GAYDOS. Mr. Speaker, House Resolution 105 approves the printing of 1,000 additional copies of the report to accompany the first concurrent resolution on the budget for fiscal year 1982, for the use of the House Committee on the Budget.

At this time, a cost estimate is not available since the report has not been written and filed in its final form. However, the language of this resolution provides that the cost of the additional reports shall not exceed $1,200. Based on the demands for this type of document during previous years and the present interest in it, the Committee on the Budget believes that its initial supply will quickly be exhausted and its wishes to have an adequate supply of the report available as the House begins consideration of the first concurrent resolution on the budget. This document will be in great demand during consideration of this resolution and during the reconciliation process.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to

revise and extend their remarks on the two resolutions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

PROVIDING FOR DISTRIBUTION OF ICA FILM: "IN THEIR OWN WORDS"

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2884) to provide for the distribution within the United States of the International Communication Agency film entitled: "In Their Own Words," as amended.

The Clerk read as follows:

H.R. 2884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461)—

(1) the Director of the International Communication Agency shall make available to the Administrator of General Services a master copy of the film entitled "In Their Own Words"; and

(2) the Administrator shall reimburse the Director for any expenses of the Agency in making that master copy available, shall secure any licenses or other rights required for distribution of that film within the United States, shall deposit that film in the National Archives of the United States, and shall make copies of that film available for purchase and public viewing within the United States.

(b) Any reimbursement to the Director pursuant to this section shall be credited to the applicable appropriation of the International Communication Agency.

The SPEAKER pro tempore. Is a second demanded?

Mr. DERWINSKI. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. FASCELL) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2884 as amended, a bill which would provide for distribution within the United States of an International Communication Agency film. Normally, films and other publications of this Agency are produced only for dissemination abroad. This one, I feel, is of special interest and educational value to U.S. citizens.

The film is entitled, "In Their Own Words." It tells the story, as seen through the eyes of the refugees who came by boat to Florida, of the Cuban boatlift from Mariel Harbor on April 21, 1980. It gives insights into life in Cuba and provides a perspective on the Cuban refugee situation which may not always be covered by our own domestic media.

This legislation as amended would allow the International Communication Agency to make a master copy of the film available to the Administrator of General Services. The Administrator would, in turn, reimburse the ICA for its expenses in providing the master copy domestic rights or any licenses required for the film's distribution within the United States, and would then make copies of the film available for public purchase through its National Audio Visual Center.

I urge my colleagues to support this legislation.

Mr. Speaker, I yield now to the distinguished chairman of the full Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 2884, as amended by the Committee on Foreign Affairs last week. The bill provides for the distribution within the United States of the International Communication Agency film entitled "In Their Own Words." The film documents the mass exodus of Cuban refugees from Mariel Harbor, Cuba to the United States last spring. Interviews were conducted with some of the 125,000 Cuban refugees who participated in the sea shuttle to the Florida coast. Firsthand accounts of the events were provided by the fleeing Cubans, who described their departures and their aspirations for a future in America.

Normally, films produced by the International Communication Agency are not made available to the U.S. public. Congress, however, does have the authority to approve such films for distribution within the United States, and has done so in the past. Previous examples include films about George Meany, Lyndon Johnson, and Margaret Mead. It is believed that "In Their Own Words" will be of significant interest to the American people in describing the events and motivations which impelled the Cubans to leave their homeland.

The amendment adopted by the Committee on Foreign Affairs simply designates the General Services Administrator as the person who will reimburse the ICA for any expenses of the Agency, incurred in the distribution of the film. The movie will be available for purchase and for viewing within the United States. Mr. Speaker, I urge the adoption of the bill.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2884, to permit the International Communication Agency to release for public use inside the United States its film "In Their Own Words." Almost a year ago, a phenomenon of exceptional drama and importance unfolded in Cuba. Thousands upon thousands of people of all walks of life, once again, chose freedom from communism. At first they sought assylum in the Peruvian Embassy in Havana, until it figuratively burst at the seams. Then Fidel Castro permitted them and other Cubans to leave the country legally, calling the refugees human garbage and saying good riddance.

The 10,000 Cubans who sought refuge on Peruvian Embassy grounds were an acute embarrassment to Castro. The thousands of others who chose to follow them in leaving Cuba stung him further. In an effort to reduce the damage to his image inflicted by these events, Castro injected into the stream of everyday Cubans leaving his socialist country, a number of convicted criminals, mental patients, perverts, and DGI agents.

But it is important to recognize that the vast majority of individuals that eventually flowed from Cuba—more than 110,000 people—were ordinary Cuban citizens. The people who created problems in the camps were, by and large, the professional troublemakers who Castro injected into the stream. He certainly has made a lot of trouble for us, there is no doubt about that. But, that cannot obscure the greater fact, that the exodus of those thousands of working class Cubans from the worker's paradise demonstrated to the world the truth about conditions in Cuba. They revealed the hollowness of Castro's claims about conditions in his country—and, of course, those same claims made by his supporters in Moscow and around the world.

This film, "In Their Own Words," is the story of those Cubans who gave up everything, suffered deprivations that most of us can only imagine, and en-

dured the dangers of the voyage by sea. Some of those who survived testified before the cameras in their own words about the realities of Cuba today. The American people should see and hear that testimony.

Finally, it would be useful for Americans to see an example of the kind of work the International Communication Agency does. The Agency has done a fine job. "In Their Own Words" is an eloquent statement originally intended for the overseas audience. The folks at home should witness that production also.

Mr. Speaker, I now yield such time as he may consume to the chief sponsor of the bill, the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. I thank the gentleman from Illinois, and I thank him, too, for his kind words.

Mr. Speaker, as the author of H.R. 2884, I want to take this opportunity to thank the chairman of the Committee on Foreign Affairs, Mr. ZABLOCKI, and the ranking minority member, Mr. BROOMFIELD, as well as the chairman of the Subcommittee on International Operations, Mr. FASCELL, and the ranking Republican member, Mr. DERWINSKI, for their leadership and cooperation in the favorable and timely reporting of this legislation.

It was just 1 short year ago that more than 100,000 brave Cubans risked their lives to escape Castro's Cuba for a chance to find freedom and a better life in this country. Contrary to the impressions of some media coverage, the vast majority of these people were not criminals, misfits, or mental cases. They have found new homes and jobs and are already making positive contributions to our society and Nation as their forerunners have done for more than 20 years.

As we reflect on the first anniversary of the Cuban boat lift from Mariel, we should look beyond our domestic concerns and for the real lessons of this historic event from the refugees themselves. The International Communication Agency's brilliantly produced and directed film "In Their Own Words" gives the Cuban refugees an opportunity to tell their story. The story of what motivates a human being to so willingly abandon the socialism of Cuba, their family and friends and the only life most of them have ever known for freedom and for a chance to succeed or fail on their own.

H.R. 2884 would allow this significant film to be made available for purchase and public viewing within the United States. While I understand the reasoning behind the basic prohibition against wholesale domestic release of all ICA projects, I do believe that in certain cases the messages they send abroad about this Nation, our values and our way of life are of equal importance to our citizens. At the same time it builds support and a better understanding for the important work of the U.S. International Communication Agency.

Mr. Speaker, I would like to point out that this important film was brought to my attention by a constituent of mine, Mr. Giuseppe A. Yannuzzi; of Congers, N.Y. As he stated in his letter to me about this film—

It is very important that the people of the United States be aware of the main reasons of the recent Cuba exodus.

Accordingly, I urge your full support for passage of H.R. 2884.

Mr. DERWINSKI. Mr. Speaker, I now yield 3 minutes to the gentleman from Wisconsin (Mr. ROTH), the new but dynamic, vigorous, and take-charge type of member of our committee.

Mr. ROTH. I thank the distinguished gentleman from Illinois, who has such unique insight, for yielding 3 minutes to me.

Mr. Speaker, I want to extend and associate myself with the remarks of the minority Member and all of the different speakers who have spoken on this issue this morning. I support H.R. 2884 and thank my colleague, the gentleman from New York (Mr. GILMAN) for his fine work on this measure. H.R. 2884 authorized the domestic presentation of the International Communication Agency film entitled "In Their Own Words." The film, as we have heard, is made up of the interviews of many of the hundreds of thousands of Cuban refugees who came to the United States last year. This film is important because it allows the refugees to explain their reasons for leaving Cuba and their dreams and hopes for a new and better life in America. Beyond this I think a principle is involved that transcends the film.

We spend billions of dollars on defense, and appropriately so, and many times I believe we are neglecting the most powerful weapon in our arsenal. The powerful weapon that is the idea of what people think is still the most potent weapon of all. All others, in my opinion, fade into insignificance when compared with it.

The gentleman from New York (Mr. GILMAN) has recognized this principle and addressed the legislation, and we thank him very much for filling this void. Many times we lose I think by default and by forfeiture in the most crucial and meaningful battle of all, the battle for men's minds. Those who would make themselves our adversaries in their propaganda portray America as exploiters, racists, warmongers, and sadists. We counter their propaganda with the truth.

That is why this legislation is so important. Let the people know the truth and all will be well.

We in this Congress must concentrate on this issue more and more. We have an obligation to let the people throughout the world get our side of the story, too.

Mr. Speaker, I hope that all of our colleagues will join in supporting this legislation of the gentleman from New York (Mr. GILMAN).

Mr. DERWINSKI. Mr. Speaker, I have no further requests for time.

Mr. FASCELL. Mr. Speaker, I want to particularly associate myself with the very cogent remarks of the gentleman from Wisconsin (Mr. ROTH) in his observation with respect to the most important, if not the most important, arsenal which our form of government has in the competition which we face in the world. This film very aptly demonstrates what we really have and how it should be made available in order to demonstrate to people around the world what the United States really means. It is very important, it seems to me, also for our people in this country to have an opportunity to fully appreciate the same message.

I also commend the gentleman from New York (Mr. GILMAN) for taking the leadership in sponsoring this bill. This is not just an ordinary film, Mr. Speaker, which we seek to have released; it is a very important story we are telling the rest of the world and Americans should know what that message is.

Mr. Speaker, I have no further requests for time.

● Mr. BROOMFIELD. Mr. Speaker, I, too, support this bill, H.R. 2884, to release the ICA film, "In Their Own Words," for viewing domestically. This message of the ordinary Cuban citizens who fled from Cuba in numbers exceeding 100,000—until Castro stanched the hemorrhage—is a powerful one. The vivid story of the people who lived through the Castro nightmare that is Cuba today and risked everything to escape should be shared with the American people.

Well over a 100,000 Cubans became boat people, turning their backs on their homeland. What is it that makes so many people do such a dangerous and heartrending thing? The Communists have the answer. The Cuban refugees testify to that fact and ICA has put it on film. Let Americans see this film.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL) that the House suspend the rules and pass the bill H.R. 2884, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is ther objection to the request of the gentleman from Florida?

There was no objection.

TREATMENT BY THE SOVIET UNION OF DR. VIKTOR BRAILOVSKY AND HIS FAMILY

Mr. ZABLOCKI, Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 50) expressing the sense of the Congress that the Soviet Union should provide proper medical care for Viktor Brailovsky and permit him and his family to emigate to Israel, urging the President to protest the continued suppression of human rights in the Soviet Union, and for other purposes, as amended.

The Clerk read as follows:

H. CON. RES. 50

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all the right to freedom of thought, conscience, and religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe commits the signatory countries to respect individual rights and fundamental freedoms, in particular to "deal in a positive and humanitarian spirit" with the applications of persons wishing to emigrate to rejoin relatives;

Whereas the Soviet Union signed the Final Act of the Conference on Security and Cooperation in Europe, is a party to the Universal Declaration of Human Rights, and has ratified the International Convenant on Civil and Political Rights;

Whereas Viktor Brailovsky was dismissed from his position as a doctor of computer science at the Institute of Electronic Control Machines in 1972 as a result of requesting permission to emigrate;

Whereas Viktor Brailovsky has been continually harassed by Soviet authorities for the past eight years;

Whereas Soviet officials have searched Viktor Brailovsky's home and confiscated invaluable scientific papers and Jewish cultural materials;

Whereas Viktor Brailovsky organized the Moscow Seminar for Jewish Scientists and published the unofficial Jewish journal, Jews in the U.S.S.R., for which he was arrested and kept under investigation in April of 1980;

Whereas Viktor Brailovsky bravely led a group of over two hundred and thirty other Soviet Jewish refusniks in an appeal to President Leonid Brezhnev for free emigration of Soviet Jews on the eve of the Madrid Conference in November of 1980;

Whereas Viktor Brailovsky was arrested and imprisoned in connection with this activity and his other efforts to encourage free emigration;

Whereas Viktor Brailovsky was in ill health when arrested and has not been receiving proper medical treatment for a serious liver ailment while in prison;

Whereas Soviet authorities have commenced questioning and investigation of Viktor Brailovsky and have extended the period of investigation for two months due to his serious condition; and

Whereas Viktor Brailovsky is in need of immediate and adequate medical attention: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights, the Union of Soviet Socialist Republics should provide proper medical care for Viktor Brailovsky and permit him and his family to emigrate to Israel to join his brother and his family.

SEC. 2. The Congress urges the President, acting directly or through the Secretary of State or other appropriate executive branch officials—

(1) to continue to express at every suitable opportunity and in the strongest terms the opposition of the United States to the imprisonment and treatment of Viktor Brailovsky; and

(2) to inform the Soviet Union that the United States, in evaluating its relations with other countries, will take into account the extent to which these countries honor their commitments under international law, particularly with respect to the protection of human rights.

SEC. 3. The Clerk of the House of Representatives shall transmit copies of this resolution to the Soviet Ambassador to the United States and to the Chairman of the Presidium of the Supreme Soviet Socialist Republics.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. I yield myself so much time as I may require.

Mr. Speaker, I rise in support of House Concurrent Resolution 50, as amended, expressing the sense of the Congress that the Soviet Union should provide medical care for Viktor Brailovsky and permit him and his family to emigrate to Israel, it urges the President to protest the continued suppression of human rights in the Soviet Union, and for other purposes.

The resolution was unanimously approved by the Committee on Foreign Affairs last week after previously being considered by the Subcommittee on Human Rights and International Organizations. I would like to commend the chairman of that subcommittee, the Honorable DON BONKER, for his interest and continuing efforts on behalf of human rights matters, and also our colleague from New York, the Honorable HAMILTON FISH, who is the chief sponsor of the measure.

House Concurrent Resolution 50 points up the gross insensitivity of the Soviet Union and its lack of concern for the fundamental rights of Viktor Brailovsky, a Soviet citizen who is incarcerated there, Brailovsky, who is in very serious health, was thrown in prison without being given essential medical attention.

Viktor Brailovsky's activities in support of free emigration policies for Soviet citizens, jeopardized what little freedom he did enjoy. He was arrested, and remains jailed, although he has not been charged with any crime. The real crime is that the Soviets have imprisoned him and denied him essential medical help.

House Concurrent Resolution 50 is a humanitarian plea to the Soviet Union urging that Brailovsky be granted access to medical expertise to alleviate his threatened health conditions. In addition, the resolution calls on the Soviets to permit Brailovsky and his family to emigrate to Israel. It takes note of Soviet violations of human rights and Soviet renegings on its international legal obligations. Further, the resolution emphasizes that such renouncement of agreements as the Helsinki accords and other international human rights documents, will be taken into account when the United States assesses its relations with other nations. The President and other officials are encouraged to raise U.S. concerns and voice displeasure over the handling of the Brailovsky case, at every possible opportunity.

Mr. Speaker, I urge the adoption of House Concurrent Resolution 50.

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Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to concur wholeheartedly with the gentleman from Wisconsin (Mr. ZABLOCKI) in extending my appreciation to the gentleman from New York (Mr. FISH) for initiating this legislation.

Mr. Speaker, August 1 of this year will mark the sixth anniversary of the signing in Helsinki, Finland, of the Final Act of the conference on Security and cooperation in Europe (CSCE), more commonly referred to as the Helsinki accords. In considering this resolution, we should recall the observation made during the Helsinki signing ceremony by then President Ford that the Conference adopting the final act would be judged, "Not by the promises we make, but by the promises we keep." As we all know, many of these commitments have not

been honored, especially by the U.S.S.R. and its Eastern bloc allies.

Some of the most important provisions of the Helsinki agreement pertain to human rights and, inter alia, the freer flow of people across national boundaries. specifically, the final act stipulates that governments must handle exit visa applications as expeditiously as possible and, not modify the rights and obligations of the applicant or his family. Furthermore, in connection with the fundamental right to emigrate, special reference is made to other human rights documents, including the International Covenant on Civil and Political Rights.

With that as backdrop, I invite my colleagues' attention to the specifics of the human rights case addressed in this resolution.

Mr. Viktor Brailovsky, a doctor of computer science, lost his position as a computer scientist at the U.S.S.R.'s Institute of Electronic Control Machines in 1972. Why? Simply because he requested permission to emigrate. Since that time, he has been harassed frequently by Soviet authorities.

Because of his efforts to encourage free emigration, Brailovsky is now in prison. Worthy of note in this regard was Brailovsky's leadership of a group of Soviet Jewish refusniks who, on the eve of the Helsinki Review Conference in Madrid in November 1980, appealed to President Brezhnev for free emigration of Soviet Jews.

In ill health when arrested, Brailovsky has not been receiving, during his imprisonment, adequate medical treatment for a serious liver ailment. This resolution expresses the sense of the Congress that the Soviet Union should provide him with appropriate medical care.

House Concurrent Resolution 50 also calls upon the Soviet Union to allow Mr. Brailovsky and his family to emigrate to Israel to join his brother and his family. Additionally, it urges the President to continue expressing at every appropriate opportunity the U.S. opposition to the incarceration and treatment of Mr. Brailovsky and inform the U.S.S.R. that the United States, in assessing its relationships with other countries, will take into consideration how they honor their commitments under international law, especially with respect to human rights.

In short, Mr. Speaker, this resolution asks the Soviet Union to honor human rights commitments embodied in the Helsinki accords, as well as in two other human rights documents it is a party to—the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights.

I urge its immediate adoption.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I am grateful that the members of the Foreign Affairs Committee unanimously supported House Concurrent Resolution 50 and have taken prompt action on this vital resolution. I would particularly like to express my appreciation for the efforts of the distinguished subcommittee chairman, Mr. BONKER, and Chairman ZABLOCKI, in bringing the plight of Viktor Brailovsky before the Congress.

The imprisonment and treatment of Viktor Brailovsky is more than a case of official Soviet repression and harassment of Soviet Jews. Viktor Brailovsky has been a leader of the Soviet refusenik movement for 8 years. Since his initial efforts to emigrate with his wife and family in 1972, Viktor has made invaluable contributions to Soviet Jewish culture and science. By publishing the unofficial Jewish cultural journal, "Jews in the U.S.S.R.," Viktor kept Soviet Jews aware of Western Jewish writing and of their own rich cultural history. Since the loss of his job as a doctor of computer science, teaching, and researching in Moscow, Viktor held seminars in his home every Sunday to inform other scientists who shared his fate of the latest developments in various fields. On many occasions, Western scientists spoke at the Brailovsky home.

Prior to his arrest last fall on false charges of "slandering the Soviet State," Viktor had been in ill health. His stay in prison has seriously impaired his liver ailment. Treatment has been inadequate, and the investigation of his case has been moving slowly. An extension of 2 months has already been granted due to his inability to answer questions and the lack of evidence against him. Recent reports indicate that questioning of other refuseniks about Viktor's activities has not led to any basis for filing formal charges.

Soviet authorities have not stopped with the arrest of Viktor Brailovsky. Viktor's wife, Irina, was warned that she will be expelled from Moscow if she continues to host the Sunday seminars. Many of the Jewish refusenik scientists who participate in the seminars were visited by KGB agents just last week. The agents strongly suggested that they no longer participate in the seminars or they might share the fate of Brailovsky.

Equally distressing to the cause of Soviet Jewry and the hope that emigration policies will be modified to permit freer and more open emigration is the recent arrest of two long-term refuseniks from Kiev, Vladimir Kislik and Kim Fridman. In July 1980, Kislik was arrested for "petty hooliganism" and spent 15 days in jail. It is feared that he now may face more serious charges of malicious hooliganism, which could lead to a 5-year jail sentence. Fridman, who is in poor health, has been arrested and charged with parasitism. Both men have been trying for many years to join their wives and families in Israel.

Mr. Speaker, these recent activities and the incarceration of Viktor Brailovsky are ominous signs of an official crackdown on the entire Soviet Jewish emigration movement. After a year of great hope in 1979, when over 50,000 Soviet Jews were allowed to emigrate, emigration was cut by more than half in 1980. I am still concerned that long-term refuseniks are being ignored, harassment of key Jewish teachers continues, and official Soviet policy toward Soviet Jews gives little hope for many who suffer from repression and the denial of their right to emigrate.

Mr. Speaker, I was to give a statement yesterday in conjunction with the annual Call to Conscience Vigil, which enables Members of Congress to demonstrate their support for individuals and families who wish only the ability to emigrate to join the free world. The prisoner of conscience whom I chose for my statement exemplifies the courage and commitment of Soviet Jews. His current plight is representative of the extraordinary difficulties faced by these people. He is the man we speak of today, Viktor Brailovsky.

I can think of no more fitting statement on his behalf than the one which the entire Congress will make today by approving House Concurrent Resolution 50. I urge my colleagues to support this resolution, which will make it clear to Soviet officials that the U.S. Congress will act on such violations of human rights, and that Congress and the administration will consider these incidents in conducting its relations with the Soviet Union

Mr. LEACH of Iowa. Mr. Speaker, I yield to the gentleman from New York (Mr. GILMAN), who has taken a leading role on this resolution, such time as he may consume.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Concurrent Resolution 50, sponsored by the gentleman from New York (Mr. FISH), which calls upon the Soviet Union to allow Dr. Viktor Brailovsky and his family to emigrate from the Soviet Union, and to provide Dr. Brailovsky with adequate medical care while he remains in the hands of the Soviet authorities.

Mr. Speaker, it has been more than 9 years since Dr. Brailovsky and his family first asked for permission to leave the Soviet Union for the State of Israel. As Jews, they felt that they could not live under the restrictions the Soviet Government places on living a religious life in that country. But they were refused permission, as

thousands of Jews have been refused, on spurious security grounds.

Dr. Brailovsky, a top Soviet mathematician, responded to this refusal by becoming active in the movement of Jews within the Soviet Union who have been refused permission to leave—the refuseniks. These people, who usually lose their jobs when they make their desire to leave the Soviet Union known, meet together to maintain their intellectual faculties in seminars, and Dr. Brailovsky became a leader of that seminar. He participated in hunger strikes, published the journal "Jews in the U.S.S.R.," was involved in a sit in, and, generally, worked to focus attention on the problem he shared with many thousands of his coreligionists.

Just before the opening of the Madrid review conference on the Helsinki agreement, Dr. Brailovsky was arrested by the Soviet authorities. He has not been formally charged, but when he was arrested he was in poor health and he continues to be in poor health. This resolution is being considered today because of grave fears for Dr. Brailovsky's life if he remains in prison without adequate medical care.

Mr. Speaker, I have written to Soviet President Brezhnev and to Ambassador Dobrynin about the case of Dr. Brailovsky and his family. I renew my call that Dr. Brailovsky be set free, and I hope my colleagues will support this resolution.

Mr. LEACH of Iowa. Mr. Speaker, the right to emigrate is an important international right, and it is particularly unfortunate when any country violates that privilege, particularly when there are implications, as in this case, that anti-Semitism is involved.

I would urge my colleagues to adopt this resolution.

There being no further requests for time, I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may require to the gentleman from Washington (Mr. BONKER), chairman of the Subcommittee on Human Rights and International Organizations.

Mr. BONKER. Mr. Speaker, House Concurrent Resolution 50, as amended, introduced by my colleague, Mr. FISH, expresses the sense of the Congress that the Soviet Union should provide proper medical care for Viktor Brailovsky and permit him and his family to emigrate to Israel, and urges the President to protest the continued suppression of human rights in the Soviet Union.

Viktor Brailovsky, a prominent computer scientist, has been harassed by the Soviet authorities for years because of his active work on behalf of independent scholarship and free thought in the Soviet Union.

Among his other accomplishments, Mr. Brailovsky organized the Moscow Seminar for Jewish Scientists and published the underground Jewish journal, "Jews in the U.S.S.R." He also led a group of over 230 other Soviet Jewish refuseniks in an appeal to President Brezhnev for emigration of Soviet Jews.

Mr. Brailovsky is a member of the New York Academy of Sciences, and a member of the American and British mathematical societies.

Mr. Brailovsky was in ill health when he was arrested, and has received little medical treatment for a serious liver ailment while in prison. Humanitarian considerations alone demand that he be released from prison.

Mr. Speaker, the case of Viktor Brailovsky is the same old ugly story. The Soviet authorities and the KGB make life unbearable for their brilliant thinkers and scholars, then prevent them from leaving the Soviet Union to join family and friends in Israel or the West. Brailovsky's arrest is a particular loss to the Jewish intellectual community because of his outstanding service in their behalf.

I would like to quote Viktor's wife, Irini Brailovsky, as she reflected on her husband's arrest in a recent interview. Irini Brailovsky is also a computer scientist. She has also been harassed and bullied by the Soviet police for continuing her husband's work.

Viktor Brailovsky was arrested because he wanted to remain true to himself; he did not want to deterioriate spiritually or to submit to the order that he abandon his scientific calling. He was arrested because he hung on and helped others to hang on—dozens of our friends. He was arrested because he remained a pure and honorable man. My husband is in prison for a reason simple enough to be understood by a child. The authorities failed in their attempts to frighten him, to crush him morally, and to entangle him in the sticky cobweb of the KGB.

By expressing our concern about the particular case of Viktor Brailovsky, and by reasserting our support for the Helsinki accords, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights, the U.S. Congress is giving voice to thousands of Soviet dissidents who cannot speak.

Mr. Speaker, I wish to commend Mr. FISH for introducing House Concurrent Resolution 50. The Subcommittee on Human Rights and International Organizations favorably reported the resolution by unanimous voice vote on March 26, 1981. The full Committee on Foreign Affairs favorably reported the resolution by unanimous voice vote on April 2.

I commend House Concurrent Resolution 50 to my distinguished colleagues, and urge unanimous passage of the bill.

Mr. ZABLOCKI. Mr. Speaker, I yield as much time as he may require to the gentleman from Florida (Mr. FASCELL), chairman of the Subcommittee on International Operations as well as Chairman of the European Commission on Cooperation and Security, also known as the Helsinki Committee.

Mr. FASCELL. Mr. Speaker, I rise in support of this resolution and join the sponsorship of the distinguished gentleman from New York (Mr. FISH), who is the prime sponsor of this resolution. This resolution is important because of its humanitarian significance to the individual who is named in the resolution and who deserves the encouragement and support of all of us, as well as the decent consideration of the government under whose jurisdiction he happens to be; it also signifies and symbolizes the horror which is faced by all other people in the Soviet Union in the same difficulty, the thousands of refuseniks, thousands of Jews, and others who suffer religious persecution and harassment, people who have been jailed simply because they want their government to respect the international agreement which they signed at Helsinki for cooperation and security in Europe. That agreement holds out to the world a set of decent principles to guide man, fundamental of which is human dignity and independence and the right of the individual, all of which has been ignored in significant degrees by the Soviet Union, not only in the Brailovsky case, but in thousands of other cases and it still goes on.

The immigration of Jews from the Soviet Union is reduced, it goes up a little bit, and then it is reduced again. They turn it on and off as a political spigot whenever it suits them without regard to the fantastic impact it has on the individuals and their families, both inside the Soviet Union and outside the Soviet Union. Those who are on the list for years and years and years suffer harassment of all kinds before they leave. They lose their jobs. their children are harassed. They are abused in school. They are charged with all kinds of crimes. They are considered, if they express their own opinions, as guaranteed under all concepts of international law and particularly the Helsinki accords—if they express their opinion in any of these matters of rejoining their families or speaking out for their rights—they are considered as either criminals or psychopaths. That is the treatment accorded by the great Soviet Union toward the individual.

This resolution again reminds us and reminds the world that the Soviet Union has invaded Afghanistan and threatens Poland because they fear every single concept which deals with human dignity; because any expression of the individual regarding himself, his family, or his own thoughts and dignity they see as a threat to

their institution. It is the one great vulnerability they have.

Mrs. FENWICK. Mr. Speaker, will my colleague yield?

Mr. FASCELL. I will be delighted to yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding.

I would like to add my voice to those we have heard here. Dr. Brailovsky is a distinguished man, but I think we have all learned some lessons in this century, and that is that until we can care with equal passion for those who are not so famous, not so well known, the famous will never be safe. Whether it is a matter of terrorism or assassination, until we stand together as human beings consoling and helping, and where we can rescuing the helpless, we will never do well by the leaders and the distinguished people of this world.

I think of all of the people who have come before our Commission, of which my colleague from Florida (Mr. FASCELL) is chairman. I remember a young Jewish girl who had been in prison because she had tried to help some Pentacostalists. The parents had been in prison because they tried to teach their children their religion. I remember all the many figures, including Amalrik, who was so tragically killed before the Helsinki Conference in Madrid. These figures pass before us, and now here is another one, ill, and there is nothing we can do except to speak here and to urge every person in this country who belongs to any kind of an organization to get their organization also to write on his behalf. Whether they are groups of engineers, architects, scientists, or computer scientists, any organization has great influence, I have found, in the Soviet Union. That is what we ought to mobilize here, something that we know is effective.

But we must also do this for the not so famous if we want to see justice in this world. This new empire—the Soviet Union—does not send people to be slaves in the ships as ancient empires did. It sends them to the psychiatric hospital or to prison. And this is what has happened to Dr. Brailovsky.

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Mr. FASCELL. I thank the gentlewoman from New Jersey for her continuing leadership and dedication in the cause of human rights and as a valued member of the Helsinki Commission which she created.

I yield to the distinguished gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks he has made about the broad significance of this resolution, the continuing effort that must be made not only for Dr. Brailovsky but for others in the same situation, for others in the future who will find themselves in the same situation unless we continue to speak out.

Mr. FASCELL. I thank the gentleman for his contribution.

Mr. Speaker, I want to commend the distinguished gentleman from Washington (Mr. BONKER), who is the chairman of the Subcommittee on Human Rights and International Organizations. He has, since I have known him and since he has been on the Committee on Foreign Affairs, been a vital leader, totally dedicated to the cause of human rights, and continues his interest even now with the thorough and prompt consideration of this resolution. We are all grateful to him for his leadership and participation in this very important issue.

● Mr. HUGHES. Mr. Speaker, I am particularly proud to be a cosponsor of House Concurrent Resolution 50 which passed the House today. Never has it been more important for those of us fortunate enough to live in a democracy to voice our support for those who must suffer the consequences of tyranny.

While our actions today cannot force the Soviet Union to permit the emigration of Dr. Brailovsky and his family, while it cannot force them to give him adequate medical care or humane treatment, it does forcefully inform Soviet officials that we do care and we are watching. It says in the clearest possible way that we in the Congress will not permit the abridgement of human rights anywhere in the world to go unnoticed.

Dr. Brailovsky first began speaking out against Soviet harassment of Jews wishing to emigrate in 1972. Like many before it, his application to leave with his family was denied. As usual in such cases, his knowledge of scientific secrets was cited as the reason for denial of his exit visa.

Brailovsky then began working on "Jews in the U.S.S.R.," an unofficial journal devoted to Jewish history, culture, and religion in the Soviet Union, Israel, and around the world. He became active in the refusenik program and was a leader of the Moscow Sunday seminar created to facilitate discussion of scientific and other matters among Soviet Jews who had been prevented from emigrating.

When the Soviet Union finally granted him permission to leave in 1976 they engaged in even greater cruelty. They denied his wife permission to leave with him. Dr. Brailovsky refused to leave without her and the rest of his family. This now all too familiar attempt to separate the Brailovskys violates the Helsinki accords and is a gross abuse of fundamental international human rights.

On November 13 of last year, Viktor Brailovsky was arrested. Concern for his health and for his safety grows daily.

His wife has not been allowed to visit him and her inquiries along with others of us who are concerned, have been ignored.

We all know of the injustices suffered by Soviet Jewry, of their struggle to practice their religion and to emigrate to countries where they do not have to deny their almost 6,000-year-old heritage. It is therefore, especially fitting that we have passed this legislation on the last week we are in session before Passover, the Jewish "Festival of Freedom." This holiday commemorates Israel's deliverance from enslavement in Egypt over 3,200 years ago, as recounted in Exodus.

Viktor Brailovsky and his family have been singled out by Soviet authorities for daring to stand up to injustice. They are a symbol of all that living in a land of oppression, of totalitarian rule, means. Let us hope that this is the last Passover that Viktor Brailovsky will be spending in a Soviet jail and that next Passover, for Viktor Brailovsky and all Soviet Jewry it will truly be a "Festival of Freedom."●

● Mr. WAXMAN. Mr. Speaker, the start of the Madrid Conference last November foreshadowed the hope of a new thread of cooperation between the Soviet Union and the United States. The purpose of the meeting was to review the Helsinki Final Act and to reaffirm the commitment of both countries to the goals of international stability and world peace. But on the very eve of the Conference, this mood of optimism was shattered by the Soviet refusal to recognize the indivisibility of human rights—perhaps the most important tenet in the Helsinki agreement. Just 3 days after the Madrid Conference convened, the world witnessed the arrest of Dr. Viktor Brailovsky by Soviet officials—obstensibly for his crime of "slandering the Soviet State," in actuality for his desire to emigrate to Israel and his refusal to be silenced.

A world renown cybernetist, Dr. Brailovsky lost his job and faced continual harassment and frequent arrests from the moment in 1972 that he first made known his intention to emigrate. Although stripped of his professional status, Dr. Brailovsky proved that while the authorities could attempt to suppress his professional actions, they could never restrain his hopes or his determination. Refusing to allow Soviet repression interfere with his dedication to science, he continued to publish in prominent Soviet journals. Dr. Brailovsky also organized and ran the Moscow seminar for Jewish scientists—a group of scientist refuseniks who met weekly at his home to discuss the latest advancements in their respective fields.

In an effort to promote cultural awareness and self-identity among other Soviet Jews, Brailovsky edited an unofficial magazine, "Jews in the U.S.S.R." Although the journal was devoted strictly to cultural and historical aspects of Jewish life, it had long been a target of suppression for the Kremlin. Last April, Dr. Brailovsky and his wife Irina were arrested in connection with the publication. While they were eventually released, both remained under investigation. In spite of this, as a leader in the emigration movement, he initiated a courageous appeal on behalf of some 230 other refuseniks to President Breshnev requesting the free emigration of Soviet Jews. This action ultimately led to Dr. Brailovsky's final arrest on November 13.

Presently, Viktor Brailovsky is in a Moscow prison. His health is rapidly deteriorating and reports confirm that he is not receiving proper medical care. His wife has been denied permission to see him and her inquiries as to his physical condition remain unanswered. Despite his increasingly failing health, Brailovsky still faces the possibility of up to 3 years in a labor camp for his crimes, while Irina's efforts to continue the scientific seminars have been met with severe intimidation by the secret police.

Mr. Speaker, the timing of Viktor Brailovsky's arrest is compelling evidence that Soviet officials want to make an example of his plight—to make the fate of Dr. Brailovsky serve as a warning to other dissidents who refuse to silence their hopes and grievances. Yet these acts of repression will not work. If anything, there are more Soviet Jews who want to leave than ever before.

Our responsibility is clear. Together, we must reaffirm our dedication to the goal of human rights. House Concurrent Resolution 50 is a major step. It declares our firm demand, as the Congress of the United States, that Dr. Brailovsky and the more than 200,000 other Soviet Jews who remain prisoners of conscience be freed. I am especially gratified by the support this resolution—the first of its kind in this Congress—has commanded, and want to thank the gentleman from New York, Representative HAMILTON FISH, JR. who led this effort, and the gentleman from Washington, Representative DON BONKER for bringing this resolution to the floor. It is a powerful statement of our principles and our concern—and I am honored to have been a cosponsor of this initiative. I deeply hope our action today will lead to freedom for the Brailovskys.●

● Mr. FINDLEY. Mr. Speaker, I rise in support, as a cosponsor, of House Concurrent Resolution 50, regarding the Soviet treatment of Dr. Viktor Brailovsky and his family.

Viktor and Irina Brailovsky, with their children, have been trying to emigrate from the U.S.S.R. since 1972. The result of their endeavor has been abuse and mistreatment by the Soviet authorities. Rather than being able to join his brother who lives in Israel, Viktor Brailovsky has been subjected to repeated arrests, interrogations, and imprisonment while his home has been searched and his personal papers—including books on Jewish history and culture—confiscated.

Soon after the Madrid Review Conference on Security and Cooperation in Europe opened in November 1980, the Soviet authorities again arrested Viktor Brailovsky. This time it was for his appeal to President Leonid Brezhnev to permit his own family and more than 230 other Russian refuseniks to emigrate. What a tragic irony that, at the same time East and West were meeting to review the Basket III human rights observance to which all including the U.S.S.R. had committed themselves at Helsinki, the Soviets were, once more, blatantly violating every concept of human freedom and dignity.

The Madrid Conference is still in progress. It is important that we signal, by passing this resolution, not only the Soviet Union but every signatory of the Helsinki agreement that we care about human rights and that we care about Viktor Brailovsky and others like him. We are today reminding the Soviet Union that we are aware of Dr. Brailovsky's plight, that we will not forget him, and that we want his freedom and the freedom of other refuseniks to emigrate from the Soviet Union.●

● Mr. CORRADA. Mr. Speaker, I rise in support of House Concurrent Resolution 50, a resolution urging the Soviet Union to provide proper medical care for Dr. Victor Brailovsky and to permit him and his family to emigrate to Israel.

Dr. Brailovsky is to be commended and praised for his efforts on behalf of 230 Soviet Jews when he urged President Brezhnev to allow them to emigrate. For his efforts he was jailed, although no formal charges have been brought against him. He is in poor health and the circumstances under which he is imprisoned can only help to aggravate his condition.

The Soviet Union is punishing Dr. Brailovsky for his courage and zeal in helping his fellow men in achieving the life-long dream of every Jew in the Soviet Union; the right to emigrate to Israel where they may practice their faith without fear of persecution and imprisonment. That dream is now being denied to him in a case in which the Soviet Union stands to gain nothing by its actions but the reproach of the rest of the world. The Soviet Union can show its commitment to the Helsinski agreements by insuring that proper medical care is given to Dr. Brailovsky and by allowing him and his family to emigrate to Israel.

I urge all my colleagues to join me in support of House Concurrent Resolution 50.●

● Mr. SMITH of New Jersey. Mr. Speaker, the continued detention of Dr. Viktor Brailovsky, his wife, and children is just another sign of the heartlessness of the Soviet system.

Back in February we in this House discussed the matter of the Brailovskys. I am very glad the House is taking this opportunity to pass a resolution on this vital matter.

Mr. Speaker, the Brailovskys asked to leave for Israel some 9 years ago. Their answer has been unnecessary prosecution and a complete violation of their rights under the declaration of human rights and the Helsinki accords. Ironically, the Soviet constitution and laws also supposedly guarantee their rights; yet, tragically, they have been ignored.

Mr. Speaker, as a testament to human rights we should pass this resolution, asking the Soviet authorities to release Viktor and Irina Brailovsky, together with their children, and allow them to emigrate. This is only simple justice.

The other day we learned the fate of another dissident, the Estonian patriot Juri Kukk. We raised the matter of his imprisonment also. We discussed that question on the floor of this House.

Now Juri Kukk is dead in a slave labor camp. His crime was his desire to see his country free.

None of us wants to see Viktor Brailovsky suffer the same fate. Yet the Soviet authorities are holding him prisoner, refusing to address his medical needs.

I believe this is the sort of thing we in conscience have to protest—and, God willing, we must prevent.

Mr. Speaker, I believe the passage of this resolution will help bring home to the Soviet authorities the great and serious nature of this matter. I hope it will spur our State Department to take all possible steps to secure the release of Dr. Viktor Brailovsky, his wife Irina, and their children, and to expedite their emigration to Israel.●

● Mr. PORTER. Mr. Speaker, I join my distinguished colleague from New York to rise in support of House Concurrent Resolution 50, urging the Soviet Union to provide Dr. Viktor Brailovsky with proper medical care—and to allow him and his family to emigrate to Israel.

I wish to reiterate my previous remarks of February 5, 1981, and urge the United States, either through the President directly or through the Secretary of State or other appropriate executive branch officials, to express to the Soviets our opposition to Dr.

Brailovsky's treatment and imprisonment; and to remind the Kremlin that the United States will consider countries' records in honoring human rights commitments when evaluating future relations.

Mr. Speaker, the Congress and the President have a responsibility to bring before the world the torture that Soviet Jews have experienced at the hands of their government and to bring to bear every effort to release them from this tyranny of Soviet persecution.●

● Mr. GLICKMAN. Mr. Speaker, as a cosponsor of House Concurrent Resolution 50 and as one who has worked for nearly 4 years now to bring attention to the plight of Viktor Brailovsky and his family, I rise to urge all of my colleagues to join in approving this resolution. We must send a signal to the Soviet Union that international agreements are to be kept, not broken. We must remind the Soviets that human rights as protected under the Helsinki agreements remain of great concern to the American people and to our Government.

For nearly a decade, Dr. Brailovsky and his wife, Irina, have sought permission to emigrate from the Soviet Union to Israel to join his brother, Mikhail. But—in spite of specific references in the Helsinki accords to reunification of families—those requests have been denied. In fact, in the instance when Dr. Brailovsky was granted permission, in 1976, pemission for his wife and children was denied. Clearly, he did not see that as a viable option given his experience with emigration officials. Leaving alone would have likely left him separated from his wife and children for years and, possibly, forever.

To bring attention to this blatant violation of the provisions of the Helsinki Pact, Brailovsky and others appealed to Soviet President Brezhnev for exit permits on the opening day of the Madrid Conference to review compliance with the Helsinki agreement. As a result, he has been jailed purportedly for having slandered the Soviet state. Since being imprisoned, he has not been given adequate medical treatment for a liver ailment and requests by his wife for an opportunity to visit him and for information with regard to his health have been denied.

As fellow signators of the Helsinki accords, we have an obligation to see that the protections embodied therein are not routinely and blatantly ignored. Unfortunately, the situation facing the Brailovsky family is not unique. Instead, imprisonment and harassment have become routine responses to refusal to accept rejections of requests for exit visas.

Dr. Brailovsky is to be commended for his willingness to stand up for his rights and those of others. Passage of this resolution will show that this House stands behind his courageous efforts to see the Helsinki agreements implemented.●

● Mr. DERWINSKI. Mr. Speaker, I am pleased to join with my colleagues in offering my support for House Concurrent Resolution 50, which expresses our concern for the proper treatment of Dr. Viktor Brailovsky and requests that the Soviet authorities allow him and his family to join their relatives in Israel. Brailovsky, a prominent refusenik scientist, was arrested for slandering the Soviet state. Since his arrest, Dr. Brailovsky has fallen ill, and Soviet authorities have not provided him with adequate medical care.

For many years, I have participated in various efforts to bring case histories of Jewish familes, who have not been permitted to emigrate to Israel to join their families, to public attention. We cannot forget these dissidents who are continuing to be victimized within the Soviet borders by repressive internal policies of that nation's leaders.

I have directed special attention to the plight of Vladimir Kislik, who along with thousands of other Soviet Jews, remains separated from his family. On March 19 of this year, Vladimir Kislik was again arrested on hooliganism charges of misbehavior with a woman. He remains imprisoned in a jail in Kiev, and his future remains unknown. I have requested that our chargé d'affaires in Moscow and our State Department monitor this situation and make a special effort to see that Vladimir Kislik be released.

The continued incarceration of Viktor Brailovsky and Vladimir Kislik and many others, are examples of the continuing repression by Soviet authorities of Jews whose sole crime is a desire to be reunited with their families and to enjoy their religious freedoms. Constant attention must continue to be directed to the inequities of the Soviet emigration system so that conditions will improve for those Soviet Jews, like Viktor Brailovsky and Vladimir Kislik, who have been separated from their families by political boundaries.

It is my hope that this resolution will show the Soviet Union that the United States is deeply concerned over the fate of Viktor Brailovsky and Vladimir Kislik and other Soviet citizens who are only exercising their basic human rights. I urge the adoption of House Concurrent Resolution 50.●

● Mr. OTTINGER. Mr. Speaker, I rise in support of House Concurrent Resolution 50, urging the Soviet Union to provide proper medical care for Dr. Viktor Brailovsky and permit him and his family to emigrate to Israel. The resolution also urges the President to protest the continued suppression of human rights in the Soviet Union.

Dr. Brailovsky was arrested last November because of his leadership in the emigration movement and because he would not allow the Soviet system to shackle his commitment to freedom of scientific expression. Dr. Brailovsky has a serious liver condition which has drastically deteriorated during his confinement. He requires immediate medical treatment which the Soviet authorities have denied. I strongly protest this abhorrent action by the Soviets.

Dr. Brailovsky has made invaluable contributions to international science. The Soviets are attempting to quash the indominable spirit that made those contributions possible. House Concurrent Resolution 50 demands that the Soviets fulfill their responsibilities as a signator of the Universal Declaration of Human Rights and the Conference on Security and Cooperation in Europe to deal in a positive and humanitarian spirit with applications of persons wishing to emigrate to rejoin relatives. I urge my colleagues to join me in support of this resolution.●

● Mr. BROOMFIELD. Mr. Speaker, the human rights record of the Soviet Union is one of recorded history's most deplorable and this resolution, in a very personal sense, illustrates why.

Viktor Brailovsky is a computer scientist who lost his job in 1972 when he first applied for emigration. Regularly harassed by Soviet authorities from that time on, he is now in ill health in a Soviet prison.

The official charge leveled against Brailovsky at the time of his arrest was defaming the Soviet State and public order. The real reason, however, is best summarized by his wife, Irina, who says that it must be because of my husband's refusal to sit still and keep quiet about our plight and the plight of tens of thousands of other Soviet Jews who want to emigrate and cannot. Strongly buttressing that contention is the fact that Brailovsky's latest detainment came hard on the heels of his leadership of a group of 237 other refusniks who, on the opening day—November 11, 1980—of the Helsinki Review Conference in Madrid, signed an appeal to President Brezhnev demanding exit permits.

The U.S.S.R.'s actions against Brailovsky constitute a blatant flouting of both the letter and spirit of three human rights documents the Soviets are obliged to honor. I am referring specifically to the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, as well as the human rights provisions contained in Basket III of the Helsinki accords.

Mr. Speaker, House Concurrent Resolution 50 expresses the sense of Congress that the Soviet Union should provide Brailovsky with adequate

medical care for his serious liver ailment. It also calls upon the U.S.S.R. to permit Mr. Brailovsky and his family to emigrate to Israel to join his brother and his family. Is that too much to ask of a signatory to the Helsinki agreement? The best answer to that question is a unanimous vote of approval for this compassionate initiative offered by our colleague from New York (Mr. FISH).●

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the concurrent resolution.

The SPEAKER pro tempore (Mr. BONIOR of Michigan). The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to House Concurrent Resolution 50.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended, and the concurrent resolution was agreed to.

The title was amended so as to read: "Expressing the sense of the Congress that the Soviet Union should provide proper medical care for Viktor Brailovsky and permit him and his family to emigrate to Israel, urging the President to protest the continued suppression of human rights in the Soviet Union, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

IMPLEMENTING OBJECTIVES OF THE INTERNATIONAL YEAR OF DISABLED PERSONS, 1981

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the House concurrent resolution (H. Con. Res. 55) expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons, 1981.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 55

Whereas a new era in recognition of human rights and universal respect for these rights has begun;

Whereas the United Nations General Assembly had declared 1981 as the International Year of Disabled Persons;

Whereas the United States has made great strides during the last decade in improving the lives of thirty-five million American citizens with physical and mental disabilities;

Whereas there is still much to be done to open doors for disabled persons;

Whereas the United States recognizes the need for further progress in strengthening public understanding and awareness of the needs and aspirations of disabled persons; and

Whereas the United States Council for the International Year of Disabled Persons is coordinating public and private participation during the International Year of Disabled Persons: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should take all steps within his authority to implement, within the United States, the objectives of the International Year of Disabled Persons (1981), as proclaimed by the United Nations General Assembly Resolution 31/123 of December 16, 1976, as well as the goals of the Federal Interagency Committee which coordinates the activities for the International Year of Disabled Persons within the Federal Government.

SEC. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the President.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 55, introduced by my distinguished colleague on the Foreign Affairs Committee, Mr. WINN, expresses the sense of the Congress that the President should take all steps within his authority to implement domestically the objectives of the International Year of Disabled Persons.

Amidst growing international concern for the world's 450 million disabled, the U.N. General Assembly in 1976 declared 1981 as the International Year of Disabled Persons. The International Labor Organization reported last year that about 10 percent of the world's population are seriously disabled by blindness, deafness, polio, leprosy, and other debilitating diseases. The purpose of calling for an international year to recognize the disabled is to improve public awareness about the disabled and about opportunities available to them. In addition, the International Year of Disabled Persons seeks to promote their full participation in society.

Although we have been a world leader in broadening opportunities for the some 35 million Americans with physical and mental disabilities, a great deal remains to be done both here and abroad. Our active involvement in promoting observance of the international year and in the implementation of the world plan of action will contribute to greater recognition of the special problems facing the disabled and of ways to help them more fully participate in society.

Mr. Speaker, I wish to commend Mr. WINN for introducing House Concurrent Resolution 55, of which I am a cosponsor. The Subcommittee on Human Rights and International Organizations favorably reported the resolution by unanimous voice vote on March 26, 1981. The full Committee on Foreign Affairs favorably reported the resolution by unanimous voice vote on April 2. I strongly urge my colleagues to lend their full support to House Concurrent Resolution 55.

I would like to yield to the distinguished chairman of the full committee, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Concurrent Resolution 55, expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons, 1981. The resolution was unanimously approved by a voice vote in the Committee on Foreign Affairs last week.

The purpose of the year of the disabled is to highlight the plight of those individuals around the world who must cope and function with some sort of physical or mental disability. An estimated 500 million people, which is approximately 10 percent of the global population, suffer some kind of disability. The objective of the year is to foster an awareness of the special needs of the disabled, the contributions they can offer, and to help them develop to their fullest potential.

The diverse needs and limitations of the disabled must be recognized. It is important to heighten understanding of the problems confronting the disabled, and to develop a sensitivity to their problems. Efforts will be made to develop programs and advance the interests of the disabled in the short run, as well as the long run, in a very pragmatic manner. The United Nations resolution which created the Year of the Disabled, set forth a conceptual framework of the world plan of action stressing "full participation and equality." During the year, activities will address primary health care, disability prevention, and rehabilitation—including training, counseling, and the development of special technical aids.

The primary thrust of the year is at the national level, however, activities are to be undertaken at the regional and international levels as well. Links are to be established among national committees, with the Secretariat of the Year of the Disabled, and will also include involvement of the specialized agencies of the United Nations. An international symposium is planned, emphasizing action-oriented technical assistance in the disability field, which

will focus on technical cooperation among developing nations for the benefit of the disabled.

Throughout the year, and after, attention should be paid to encouraging participation of the disabled in the decisionmaking process affecting them, as well as eliciting the involvement of other key groups, such as unions and political parties.

House Concurrent Resolution 55 calls on the President to do what he can to implement and promote the objectives of the International Year of the Disabled within the United States. It is sincerely hoped that 1981 will prove a new beginning toward easing the lives of the disabled, and promoting their integration into the mainstream of society.

Mr. Speaker, I wish to commend my colleague on the committee, Hon. LARRY WINN, the primary sponsor of this important measure, and urge adoption of House Concurrent Resolution 55.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Iowa (Mr. LEACH).

Mr. LEACH of Iowa. Mr. Speaker, at the outset, I wish to commend two of Congress most distinguished Members, Representative LARRY WINN and Senator BOB DOLE, for sponsoring this resolution regarding the International Year of Disabled Persons, 1981. Both have overcome serious handicaps and are inspirational examples of what disabled persons can accomplish when given the opportunity. They are living testaments that a physical handicap need not be an occupational impediment.

The United Nations General Assembly (UNGA) declared in 1981 as the International Year of Disabled Persons (IYDP), with special emphasis on fully integrating the disabled into the lives of their countries.

While recognizing that the problem of disability is global, the U.N. believes the solutions must be specific and suited to regional and local situations. Thus, the purpose of this resolution is to urge the President to take all possible steps within his authority to implement within the United States IYDP objectives, as well as the goals of the Federal Interagency Committee coordinating IYDP activities within the Federal Government.

Tremendous gains have been made in the United States over the last decade in bettering the lives of 35 million American citizens with physical and mental disabilities. Although much still remains to be done here, even more must be done elsewhere in the world. World Health Organization consultants told U.N. officials last year that disability would become a major problem during the balance of this century and stressed the need for worldwide research and surveys implemented at the local level. Of particular importance in this regard is the need to focus attention on disabilities caused by preventive diseases like measles and polio and the need to give highest priority care to refugees the world over.

Mr. Speaker, every so often a legislative proposal comes before us that is compelling in the concerns it addresses. House Concurrent Resolution 55 is that kind of an initiative and is in keeping with this country's human rights tradition and the IYDP's theme of "full participation and equality" for those who are disabled.

I unreservedly recommend it to my colleagues for approval.

At this point I would like to yield such time as he may consume to the gentleman from Kansas (Mr. WINN).

Mr. WINN. I thank the gentleman from Iowa for yielding, and I thank the gentleman from Washington (Mr. BONKER) and the chairman of the Committee of Foreign Affairs (Mr. ZABLOCKI) from Wisconsin for their kind remarks.

Mr. Speaker, the United Nations has declared 1981 as the International Year of Disabled Persons, establishing as a theme the full participation of disabled persons in the lives of their respective countries.

It has urged each member state to formulate objectives and programs to accomplish those objectives, bearing in mind, of course, that such programs must remain appropriate to the society and stage of development.

While Americans can take great pride in the progress we have made over the past 10 years in improving the quality of life for the approximately 35 million Americans with physical and mental disabilities—progress which has established this Nation as the world leader in increasing opportunities for the disabled—much work remains to be done. Our participation in the observance of the International Year of Disabled Persons will go far, I believe, toward increasing public awareness of the unique needs of our disabled citizens and to increase the active involvement of the general population to help increase those opportunities.

My legislation, House Concurrent Resolution 55, recognizes this very important International Year of Disabled Persons, as well as the two primary groups involved in its promotion: The U.S. Council for the International Year of Disabled Persons and the Federal Interagency Committee.

The U.S. council is a nonprofit organization formed by private initiative to promote the United Nations observance. It urges the nearly 1,800 communities, States, corporations, and national organizations it represents to make meaningful commitments during this year to achieve the long-term goals of and for disabled citizens. They are striving to continue our progress in the areas of opportunities for the disabled that have established America's leadership as a defender of human rights and a Nation advanced in biomedical research, accident and disease prevention, and technological application.

The Federal Interagency Committee, the second organization involved in coordinating the International Year of Disabled Persons, seeks to coordinate U.S. policies to maximize cooperation and minimize overlap in Federal programs. It seeks as well to promote awareness of the needs of the disabled in identifying and developing all Federal programs.

As a nation committed to human rights, to the dignity of all citizens, to equality of opportunity, especially in areas over which our citizens have no control, we cannot fail to set the example that we have traditionally set in this endeavor, and to take the lead as we always have, symbolized in this case by our full participation in and observance of the International Year of Disabled Persons.

I urge the support of my colleagues in approving House Concurrent Resolution 55.

Mr. LEACH of Iowa. I thank the gentleman for his comments, and I yield 3 minutes to the gentleman from Michigan (Mr. DUNN), who has taken such initiative in helping in his State with the problems of the handicapped.

Mr. DUNN. Mr. Speaker, as chairman of the Greater Lansing Council for the International Year of Disabled Persons (IYDP), I am honored to urge passage of House Concurrent Resolution 55, which recognizes the IYDP and its sponsors, the U.S. Council for the IYDP and the Federal Interagency Committee. I am a cosponsor of House Concurrent Resolution 55.

The United Nations has declared 1981 as the International Year of Disabled Persons to promote the full participation in the life of our society of America's citizens with physical or mental disabilities.

In recognition of this challenge, a group of concerned citizens formed the U.S. Council for the IYDP. The council, a nonprofit organization located in the Nation's Capital, has developed national leadership by forming a board of directors of disabled and nondisabled representatives of the corporate community and of public interest groups. The board is chaired by David T. Kearns, president of Xerox Corp.

The Federal Interagency Committee, the second organization involved in coordinating the International Year of Disabled Persons, was established by the direction of the White House domestic policy staff, to coordinate U.S. policies to maximize cooperation and minimize overlap in Federal programs. It seeks to promote awareness

of the needs of disabled in identifying and developing all Federal programs.

The council and the interagency committee hope to build on the progress that has already been made toward establishing America's leadership as a defender of human and civil rights and as a Nation advanced in biomedical research, accident and disease prevention and technologicial application.

During the 1970's disabled Americans began to see physical barriers come down. Ramps and curb cuts are more common now. Transportation systems adapted for persons with disabilities are providing increased mobility and independence. Education and employment opportunities are expanding for both the physically and mentally handicapped. Medical and technological breakthroughs and improving the human condition.

The 1970's was a beginning that is by no means complete. Much more needs to be done. We must each do our part to help bring the remaining barriers down.

I have hired two disabled persons in my Washington, office—one who is confined to a wheelchair from a sporting accident and one who lost a limb in the Vietnam war.

For anyone who knows the crowded conditions that Capitol Hill staff serve under, they know that there is not much room for those of us who can walk normally to maneuver and certainly much less for a person in a wheelchair. There were some skeptics among my staff members who were not sure that it would be possible to accommodate disabled persons under those circumstances. There were others, however, including me, who felt that it was all simply a matter of attitude—If you want it done, you do it.

The first barrier that we had to overcome was to find handicapped housing—housing that is accessible to a wheelchair. I must say that I have been disappointed to find such a lack of handicapped housing in the Nation's Capital. In fact, the young man who is confined to a wheelchair has been forced to begin work later than he wanted because it took him so long to find handicapped housing. The second barrier we had to overcome was finding appropriate office furniture that would accommodate a wheelchair. Property supply said that they had no desks for a handicapped person. We have also worked that out.

I must admit, however, that it has been the drive and perseverence of the young staffer who is disabled more than anything else that has enabled him to come work for me. It is a shame that society as a whole has not done more to make way for disabled persons. But at least progress is being made.

The second young man I have hired, to coordinate my activities as chairman of the Greater Lansing Council for the IYDP, is a Vietnam veteran who lost his leg in the Vietnam war.

I serve on the House Veterans Committee and I have worked closely with the Disabled American Veterans of America and the Paralyzed Veterans of America. The Veterans' Affairs Committee daily addresses the needs of thousands of disabled veterans.

As a member of the Subcommittee on Hospitals and Health Care of the House Veterans' Affairs Committee, I have asked for oversight hearings on prosthetic and spinal cord research. Congressman RON MOTTL, chairman of the subcommittee, has enthusiastically agreed to hold those hearings which will take place sometime in November of this year.

On April 24 and 25, the planners of the IYDP in the State of Michigan are holding a conference. I will be attending that meeting and chairing a meeting of all handicapped groups in the Greater Lansing area to map out plans for our local promotion of the IYDP.

I believe that each of us can do something to promote access for disabled persons to mainstream them into society. But perhaps the most important contribution we can each make is to look at our own attitude toward disabled persons in our community, at home or at work.

For ultimately, the best any one of us can do and the most a disabled persons asks from us is to be treated as an equal. Fittingly, the IYDP logo represents two people in a position of equality joining hands in solidarity and support of each other.

This is what we hope to accomplish during this year of special recognition for disabled persons, and we believe that the resolution before us today will help to foster that goal.

I urge passage of the resolution.

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Mr. LEACH of Iowa. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of House Concurrent Resolution 55, a measure urging the President of the United States to implement the goals and objectives of the International Year of Disabled Persons, and I commend the gentleman from Kansas (Mr. WINN) for bringing this measure to the floor this afternoon.

In proclaiming 1981 as the International Year of Disabled Persons (IYDP), the United Nations called upon governments, organizations, and people all over the world to focus on improving the condition of the world's 450 million persons with physical or mental disabilities.

In our own Nation, these efforts are coordinated by the U.S. Council for the IYDP, a nonprofit organization formed by private initiative, and the Federal Interagency Committee, established by the White House domestic policy staff to coordinate U.S. policies to maximize coordination of IYDP Federal programs. Among the goals of this joint effort to promote full participation in American life by the disabled are:

Expanded educational opportunity;

Improved access to housing, buildings, and transportation;

Greater opportunity for employment;

Expanded and strengthened rehabilitation programs and facilities;

Purposeful application of biomedical research aimed at conquering major disabling conditions;

Reduction in the incidence of disability through accident and disease prevention;

Increased application of technology to ameliorate the effects of disability; and

Expanded international exchange of information and experience to benefit all disabled persons.

Our Nation can be proud of the vast strides that have already been made in opening all facets of American life and society to the disabled, and of the major medical advances in the treatment and prevention of disabling conditions that have been achieved. Great progress has been made in our own lifetimes toward improving the quality of life for the physically and mentally handicapped. However, there is still much to be done before the door is open wide for all of America's 35 million disabled persons.

Full participation by our Nation in the activities of the International Year of Disabled Persons will bring greater understanding and acceptance of the handicapped not as disabled Americans but as Americans with a disability. As a nation long committed to equality of opportunity and respect for the individual dignity of each and every citizen, we cannot fail to take the lead in the world-wide effort to provide participation by the disabled through efforts to guarantee full participation of disabled Americans in the life of our Nation.

The President and the Congress have already affirmed their commitment to the International Year of Disabled Persons. The year 1981 offers a unique opportunity to spark programs, activities, and greater understanding that will continue throughout the decade of the eighties and beyond, and that will benefit all Americans, regardless of whether or not they are disabled.

Accordingly, I am pleased to join in support of this resolution, and urge my colleagues to cast their votes in

favor of this measure and in favor of enhancing the lives of the disabled throughout our Nation.

Mr. BONKER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, first of all I want to thank the chairman of the subcommittee for bringing this to the floor, and to all those who have joined in cosponsoring it.

Obviously, Mr. Speaker, this is the kind of resolution and the kind of action that we should all take, and will take unanimously in this House. But, it does pose a real question for me, Mr. Speaker, that I think we ought to take a minute to think about, because the United States has been one of the leaders in this field of understanding the problems of the handicapped in our country. Here we are today, about to pass a resolution supporting the International Year of Disabled Persons, and at the same time, Mr. Speaker, we are about to cut 25 percent of the budget from the rehabilitation services as being recommended by Mr. Stockman, the Director of OMB. We are about to cut 25 percent of the handicapped children's program in this country, and somehow it does not seem to add up to the right figures because, if we are so concerned about the International Year of Disabled Persons, and I really believe we are concerned, how in the world do we justify making these kinds of cuts in the budget that is coming before this Congress within the next month? I hope that all of us remember, when this budget reaches the floor, the way we vote today to support the International Year of Disabled Persons, because it seems to me that we will not be very true to ourselves if we support this measure and then vote to cut hundreds of millions of dollars away from the handicapped programs in this country.

Mr. Speaker, I support the resolution, and I am also going to support the effort to get these moneys back in the budget. I thank the gentleman for yielding.

Mr. BONKER. Mr. Speaker, I thank the gentleman for his comments.

Mr. Speaker, I will just remind the House that this resolution is an expression of the Congress that the President should take all steps within his authority to implement within U.S. objectives the International Year of Disabled Persons. This is a resolution that has been proclaimed by the U.N. General Assembly, Resolution 31-123, of December 16, 1976, as well as the goals of the Federal Inter-Agency Committee, which coordinates the activities for the International Year of Disabled Persons within the Federal Government.

Mr. McCLORY. Mr. Speaker, I would like to take this opportunity to express my strong support for House Concurrent Resolution 55, which focuses attention on the year 1981, as the International Year of Disabled Persons and my particular concern for the disabled child. The goals of this program to establish full participation of handicapped adults and children in their communities are commendable.

During the years I have been in Congress, we have made substantial progress toward improving the quality of life for the physically and mentally disabled. There is still much to be accomplished. In my view this resolution will increase citizen awareness of the contributions these people are eager to make to society and will draw attention to the opportunities available to them. Hopefully, the adoption of this resolution will aid our efforts in the Congress and other parts of the public sector and will be complemented by every community which utilizes the talents and services of these individuals.

Recalling the efforts and progress made by the International Year of the Child during 1979, we can go even further in turning our attention to those disabled children who need and want to grow into useful and happy adults. In the goal plans for the International Year for Disabled Persons as outlined by the U.N. resolution, emphasis must be placed in several areas as they relate to disabled children. Educational and health care activities aimed at the prevention of disability among children can be a first step. Government can coordinate efforts with the private sector to provide direct services to children with disabilities such as encouragement and participation in recreational activities, opportunities for educational advancement consistent with a level of ability and need, and supporting rehabilitation programs designed to utilize talents and energy so often evident in these children. Continued research into efficient transportation to schools and children's social activities is urged. We need the interest, cooperation, and technical research from the industrial community that would provide for the biomedical engineering assistance to make life a little less complicated for these developing children.

Mr. Speaker, I take this occasion to call to the attention of the Members of this body the forthcoming Interparliamentary Union Conference taking place in Manila, the Philippines, between April 19 and April 25.

One of the subjects to be discussed by the Committee on Education, Science, Culture, and the Environment is the International Year for Disabled Persons established under the sponsorship of the United Nations. Clearly, disabled persons and particularly disabled children are a primary cause for concern and for appropriate legislative, administrative, and executive action by all governments. In addition, it seems even more important for those of us who serve in Government to draw public attention to the need for private individuals and organizations to involve themselves with the cause of disabled persons. The attitudes and the concerns which we individually express and which are embodied in our private and combined actions in the private sector hold forth the greatest hope for easing the plight of the disabled.

Mr. Speaker, it seems important also to recognize that to the extent possible disabled persons prefer to be treated like other individuals regardless of their disability. The tremendous accomplishments of persons without sight or hearing or full control of their physical being are legion. In respect to these accomplishments we should remember to pay special tribute to them by acknowledging the talents, the skills, and the substantial contributions of such individuals—competing against others who have no such disabilities.

Mr. Speaker, above all let us not overpromise or commit ourselves to goals or actions which we cannot fulfill. Working together the disabled and able bodied can achieve much. Indeed, that should be the combined task which we undertake during the International Year of Disabled Persons.

● Mr. SANTINI. Mr. Speaker, they are now debating House Concurrent Resolution 55, the International Year of Disabled Persons. Attached is a statement, if you would like to speak on it. Otherwise, I will have it entered into the RECORD.

Mr. Speaker, I rise in support of House Concurrent Resolution 55, which calls upon the President to take all appropriate steps to recognize and address the needs of disabled persons.

As the father of a handicapped child, I have a personal awareness of and sensitivity to the needs of disabled individuals. Only recently has the public become aware of the needs of the handicapped and has Congress responded to these needs through such legislation as Public Law 94-142.

I am delighted that the United Nations has now chosen to make the needs of the disabled an international priority. Through means such as the removal of architectural barriers and the removal of discrimination against the handicapped in employment the disabled can become fully integrated into our society. I ask that during 1981, as part of the International Year of the Disabled, the United States continue its efforts on behalf of the handicapped. Passage of House Concurrent Resolution 55 will be the first step toward insuring the full involvement of the disabled in our society.●

● Mr. COELHO. Mr. Speaker, as proclaimed by the United Nations Gener-

al Assembly, 1981 is the International Year of Disabled Persons, and it is fitting and proper that we approve House Concurrent Resolution 55 expressing the sense of the Congress that the objectives of this special year be implemented within the United States.

Great strides have been made in recent years in enhancing the lives and the opportunities of those who have disabling or handicapping conditions and in furthering public awareness about the capabilities and the potential of those with such conditions. But a great deal remains to be done.

As one who has a potentially disabling condition, I know whereof I speak when I state that the "handicapped" and the "disabled" are no different from other people. I have epilepsy, but I have not let it hold me back in life, even though it has certainly affected my life in many ways. I know from my personal experience that every individual, regardless of physical health, has talents, interests, hopes and aspirations, and that every individual has something to contribute to the good of our society. Sometimes the greatest handicap or hurdle we have to overcome is not our own physical condition so much as it is the attitudes and expectations others have about us.

In this International Year of Disabled Persons, let all of us commit ourselves to keeping our minds open and to educating others about the potential of all persons and the rights of all to realize that potential. This year, let us commit ourselves to helping in any way we can—whether in government or out—to make it possible for those with disabilities to show the rest of the world not what those disabilities are, but what our abilities and capabilities are.●

● Mr. CORRADA. Mr. Speaker, I rise in support of House Concurrent Resolution 55, expressing the sense of this Congress with respect to implementing the objectives of the International Year of Disabled Persons.

The United States has, in the past, taken an active role in assuring the equal rights of disabled persons, and this year we are joined in worldwide effort through the United Nation's designation of 1981 as the "International Year of Disabled Persons." This initiative will draw special attention to the needs of a very special population, highlighting ongoing programs designed to allow the disabled to follow a meaningful career, and illustrating ways each individual can become involved in improving their participation in American life.

Currently, there are over 36 million disabled persons in the United States alone, persons who have an enormous amount of determination, perseverance and drive. Through this international year, we hope to heighten public awareness of their rights, capabilities, achievements and needs, recognizing that they too have hopes and desires for the future, that their goals are attainable, and that they have a vital contribution to make to our society.

President Reagan has echoed the United Nations action by establishing the Federal Interagency Committee for the International Year of Disabled Persons. This committee will serve to coordinate public and private, State and local efforts to insure "full participation and equality" for the disabled as is set out in the United Nations proclamation.

This Congress has previously indicated its sensitivity to the plight of the disabled—the Education of the Handicapped Act, the Vocational Rehabilitation Act, and others are strong reaffirmations of the rights of all citizens to their share of opportunity in our great Nation. I have joined my distinguished colleague JOE MOAKLEY as a cosponsor of H.R. 3345, the Equal Employment for the Handicapped Act to further remove discrimination against the disabled.

I urge my colleagues to join with me to approve House Concurrent Resolution 55, to bring attention to our 36 million disabled and to reiterate this body's commitment to equal opportunity for all.●

● Mr. WALGREN. Mr. Speaker, today we are considering House Concurrent Resolution 55, requesting the President to implement the objectives of the International Year of Disabled Persons.

As a cosponsor of this resolution, I feel the year is an important recognition of the substantial handicapped population of our country. Only in recent years have the handicapped been encouraged to join the mainstream of our society. And only through laws and court orders were they given such basic rights as access to education and public buildings.

In the past, this country has too often chosen to ignore the problems of the disabled. In a sense, these people are the last to gain visibility and receive equal rights.

We sometimes forget that we are all only temporarily able-bodied. An accident could disable any of us at any time. So when we plan for the handicapped, we are indeed planning for ourselves and our children.

I hope that during this year we will increase awareness of the contributions as well as the problems of the disabled. It is important that the designation of the year, which is largely ceremonial, be accompanied by activities and legislation promoting awareness and filling the needs of this group.

In particular, I am concerned about the fate of benefits to the disabled. No one could be more "truly deserving" of aid than the severely disabled. Administration proposals would reduce aid to those with interrupted work histories. We should evaluate these proposals with an understanding of the difficulties of these handicapped persons—who often are lucky to be able to work at all.

I hope this resolution will be followed by true awareness, not just rhetoric. The Congress and the President can make this truly the International Year of Disabled Persons, if they will.●

● Mr. MINISH. Mr. Speaker, I am proud today to lend my support to House Concurrent Resolution 55 which expresses the sense of the Congress that the President take appropriate measures within the United States to attain the objectives of the International Year of Disabled Persons, 1981. It is my hope that my colleagues in our distinguished body concur with me on this matter.

The International Year of Disabled Persons was proclaimed in 1977 by a resolution of the 31st regular session of the General Assembly of the United Nations. The intent of this honorary year is to nurture the participation of those suffering from physical or mental disabilities so they might be fully integrated into society. It is estimated that 450 million people throughout the world live with a physical or mental disadvantage. In accordance with the United Nations resolution, all of the member states of the General Assembly were requested to establish programs. To date, 60 countries have created programs to commemorate the year.

I believe that the establishment of a program in the United States is important and that we here in Congress can take the initiative in formulating that program and in disseminating it to the American public by approving this resolution. As noted in the Presidential Proclamation for the International Year of Disabled Persons, there are currently 35 million disabled Americans. These individuals represent a grossly underutilized resource of our great Nation. If we can only develop and sustain the full participation of this group into our society, the whole of society will benefit from the total increase of skills, energy, and commitment to our national well-being.

The method which I favor for aiding disabled persons is the independent living services. The independent living concept encourages disabled people to exert control over their personal living arrangements, to participate in peer counseling, and to actively participate in the administration of the support services which they need to live and function as independently as possible within their own community. Such a method lends itself to disabled people residing in small housing units, with

support services nearby, instead of large institutions. The former method encourages and nurtures independent lifestyles for those capable of the adjustment.

Mr. Speaker, it is indeed not only in the interest of disabled Americans, but indeed of all Americans, if we implement the objectives of the International Year of Disabled Persons as expeditiously as possible.●

● Mr. BIAGGI. Mr. Speaker, I rise to join my colleagues to voice my support for the resolution before us. House Concurrent Resolution 55, calling upon the President to take appropriate steps to recognize 1981 as the International Year of Disabled Persons.

Our consideration of this legislation today causes me to pause and reflect upon how far we have come in addressing the needs of the disabled community in this Nation since I first came to Congress in 1969. One of the first amendments I sponsored was to the 1970 Urban Mass Transportation Act, which prohibited Federal funds from going to transit systems which were not accessible to the handicapped and elderly. That amendment served as a conduit for a number of additional legislative initiatives which would further secure the rights of disabled people in the workplace, in our educational systems and on public transportation systems.

Today we face an even greater challenge than we did in the 1970's when we approved programs which would allow handicapped people full access to productive and healthy lives as viable members of society. Our everdecreasing financial resources have resulted in mass disruptions in services to handicapped children and adults since we have created Federal mandates without providing adequate Federal funds to meet these mandates.

For example, since the enactment of Public Law 94-142, the Education for All Handicapped Children Act in 1975, legislation I cosponsored, the costs of educating a handicapped child have risen 112 percent, not including transportation, lunch or overhead costs. On the other hand, Federal funds received by New York City have only risen from $5 million to an expected $12 million in fiscal year 1981—merely 4 percent of the cost of special education and related services.

There are three essential problems with funding of Public Law 94-142: First, Congress has never appropriated the full amount authorized which should be 40 percent in fiscal year 1982, but in fact has not risen above 12 percent. Second, the distribution formula does not take into account regional differences in costs associated with the education of the handicapped. While the national per pupil expenditure has risen from $1,400 to roughly $1,992, this is only 65 percent of the costs of educating the same child in New York City, where we spend on the average $8,000 per child. Finally, enrollment figures for the purposes of claims lag actual enrollment by 2 years. The number of children served by special education in New York City grew by 10,000 in 1979, 20,000 in 1980, and an additional 20,000 in 1981. Basing a claim on last year's October and February enrollment will not include all costs associated with over 30,000 children.

Our experience with this one program has demonstrated the dramatic need for adequate Federal funds for our handicapped programs. I have joined my colleagues on the Select Education Subcommittee in contacting our House Budget and Appropriations Committee members to alert them to this problem. If we cannot make the appropriate commitment to these programs, then a major rethink on the goals and structure of our programs for the handicapped must occur. It is both fiscally unfair and unworkable to create requirements which we cannot realistically expect to fulfill.

Nonetheless, our commitment to full equality for disabled citizens cannot be allowed to falter. Our original goal of assuring the handicapped access to all aspects of society has in large part been met, not only on the Federal level, but on the State and local level as well. We have an obligation—both social and moral—to insure equal opportunity to handicapped citizens, whether it be on the Federal, State, or local levels.

I join with my colleagues today in urging support for this resolution which will assure that the International Year of the Disabled will receive all due attention by our Government and in States and localities around the country. This is the year to demonstrate just how far we have enabled our disabled population to progress and to reaffirm our support for full civil and human rights for all citizens, regardless of their handicap. I urge approval of House Concurrent Resolution 55 and hope my fellow members will join me in their support of this most worthy resolution.●

●Mr. MURPHY. Mr. Speaker, I would like to take this opportunity to commend my distinguished colleague from the State of Washington, Chairman DON BONKER, and the members of the Committee on Foreign Affairs, along with the sponsors of this resulution, for their initiative in enabling the United States to continue to focus on the plight of disabled persons as one of its national priorities.

It is only fitting that this Congress, representing the people of the United States, lead the world in addressing the needs of all handicapped persons and in encouraging them to fully participate in society.

In order to adequately address the plight of the disabled, we must keep in mind that handicapped children can be self-sufficient, taxpaying members of society in their adult years if we provide them with appropriate educational programs during their preschool and school years. When these programs are provided in the early stages of a child's development we may be preventing additional or more severe handicaps and the need for costly remedial or maintenance programs which would occur later in life.

It is my hope that my colleagues on both sides of the aisle will not abandon us in this commitment by attempting to curb immediate Federal spending. Rather, I would hope that they show their support for this investment in the future of all handicapped individuals which in turn is the future of our country.●

Mr. BONKER. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. (Mr. BONIOR of Michigan). The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 55).

The question was taken.

Mr. PEYSER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 364, nays 2, not voting 66, as follows:

[Roll No. 22]

YEAS—364

Addabbo	Brinkley	Daniel, R. W.
Akaka	Brodhead	Danielson
Albosta	Brooks	Dannemeyer
Alexander	Broomfield	Daub
Anderson	Brown (CA)	Davis
Andrews	Brown (CO)	de la Garza
Annunzio	Brown (OH)	Dellums
Anthony	Broyhill	DeNardis
Applegate	Burton, John	Derwinski
Archer	Burton, Phillip	Dicks
Ashbrook	Butler	Dingell
Aspin	Byron	Donnelly
Atkinson	Carman	Dorgan
AuCoin	Carney	Dornan
Bafalis	Chappell	Dougherty
Bailey (MO)	Chappie	Downey
Bailey (PA)	Cheney	Dreier
Barnard	Chisholm	Duncan
Barnes	Clausen	Dunn
Bedell	Clinger	Dwyer
Beilenson	Coats	Dyson
Benedict	Coelho	Early
Benjamin	Coleman	Eckart
Bennett	Collins (IL)	Edwards (CA)
Bereuter	Collins (TX)	Emerson
Bethune	Conable	English
Bevill	Conte	Erdahl
Biaggi	Corcoran	Ertel
Bingham	Courter	Evans (DE)
Blanchard	Coyne, James	Evans (GA)
Boggs	Coyne, William	Evans (IA)
Boland	Craig	Evans (IN)
Boner	Crane, Daniel	Fary
Bonior	Crane, Philip	Fascell
Bonker	Crockett	Fazio
Bowen	D'Amours	Fenwick
Breaux	Daniel, Dan	Ferraro

Fiedler	LeBoutillier	Rousselot
Fields	Lee	Roybal
Findley	Lehman	Russo
Fithian	Lent	Sabo
Flippo	Levitas	Santini
Florio	Lewis	Savage
Foglietta	Long (MD)	Sawyer
Foley	Lowry	Scheuer
Ford (MI)	Lujan	Schneider
Ford (TN)	Luken	Schroeder
Forsythe	Lundine	Schulze
Fountain	Madigan	Schumer
Fowler	Markey	Seiberling
Frank	Marlenee	Sensenbrenner
Frenzel	Martin (IL)	Shamansky
Frost	Martin (NC)	Sharp
Fuqua	Martin (NY)	Shaw
Garcia	Matsui	Shelby
Gaydos	Mattox	Shumway
Gejdenson	Mavroules	Shuster
Gephardt	Mazzoli	Simon
Gibbons	McClory	Skeen
Gilman	McCollum	Skelton
Ginn	McCurdy	Smith (AL)
Glickman	McEwen	Smith (IA)
Goldwater	McGrath	Smith (NJ)
Gonzalez	McHugh	Smith (OR)
Goodling	McKinney	Snowe
Gore	Mica	Snyder
Gradison	Mikulski	Solarz
Gramm	Miller (CA)	Solomon
Gray	Miller (OH)	Spence
Gregg	Mineta	St Germain
Grisham	Minish	Stangeland
Guarini	Mitchell (MD)	Stanton
Gunderson	Moakley	Stark
Guyer	Molinari	Staton
Hagedorn	Mollohan	Stenholm
Hall (OH)	Montgomery	Stokes
Hall, Ralph	Moore	Stratton
Hall, Sam	Moorhead	Studds
Hamilton	Morrison	Stump
Hammerschmidt	Mottl	Swift
Hance	Murphy	Synar
Hansen (ID)	Murtha	Tauke
Harkin	Natcher	Tauzin
Hartnett	Neal	Thomas
Hatcher	Nelligan	Traxler
Hawkins	Nelson	Trible
Hefner	Nichols	Udall
Heftel	Nowak	Vander Jagt
Hendon	Oakar	Vento
Hertel	Oberstar	Volkmer
Hightower	Obey	Walgren
Hillis	Ottinger	Walker
Holland	Panetta	Wampler
Hopkins	Parris	Washington
Horton	Patman	Watkins
Howard	Patterson	Waxman
Hubbard	Pease	Weber (MN)
Hughes	Pepper	Weber (OH)
Hunter	Perkins	Weiss
Hutto	Petri	White
Hyde	Peyser	Whitehurst
Ireland	Pickle	Whitley
Jacobs	Price	Whittaker
Jeffords	Pritchard	Whitten
Jeffries	Rahall	Williams (MT)
Jenkins	Railsback	Williams (OH)
Johnston	Ratchford	Winn
Jones (NC)	Reuss	Wirth
Jones (OK)	Rhodes	Wolf
Kastenmeier	Richmond	Wolpe
Kazen	Rinaldo	Wortley
Kemp	Ritter	Wright
Kildee	Roberts (KS)	Wyden
Kindness	Roberts (SD)	Wylie
Kogovsek	Robinson	Yates
Kramer	Rodino	Yatron
LaFalce	Roemer	Young (AK)
Lagomarsino	Rogers	Young (MO)
Lantos	Rose	Zablocki
Latta	Rostenkowski	Zeferetti
Leach	Roth	
Leath	Roukema	

NAYS—2

McDonald	Paul

NOT VOTING—66

Badham	Burgener	Coughlin
Beard	Campbell	Daschle
Bliley	Clay	Deckard
Bolling	Conyers	Derrick
Bouquard	Cotter	Dickinson
Dixon	Lederer	Pashayan
Dymally	Leland	Porter
Edgar	Livingston	Pursell
Edwards (AL)	Loeffler	Quillen
Edwards (OK)	Long (LA)	Rangel
Emery	Lott	Regula
Erlenborn	Lowery	Roe
Fish	Lungren	Rosenthal
Gingrich	Marks	Rudd
Green	Marriott	Shannon
Hansen (UT)	McCloskey	Smith (NE)
Heckler	McDade	Taylor
Hiler	Michel	Weaver
Hinson	Mitchell (NY)	Wilson
Hollenbeck	Moffett	Young (FL)
Holt	Myers	
Huckaby	Napier	
Jones (TN)	O'Brien	

□ 1430

The Clerk announced the following pairs:

Mr. Rosenthal with Mr. Young of Florida.
Mr. Jones of Tennessee with Mr. O'Brien.
Mr. Rangel with Mr. Michel.
Mr. Lowery of California with Mr. Napier.
Mrs. Bouquard with Mrs. Heckler.
Mr. Clay with Mr. Livingston.
Mr. Derrick with Mr. Quillen.
Mr. Dymally with Mr. Pashayan.
Mr. Cotter with Mr. Lungren.
Mr. Huckaby with Mr. Weaver.
Mr. Conyers with Mrs. Smith of Nebraska.
Mr. Leland with Mr. Taylor.
Mr. Long of Louisiana with Mr. Rudd.
Mr. Roe with Mr. McDade.
Mr. Shannon with Mr. Mitchell of New York.
Mr. Wilson with Mr. Hansen of Utah.
Mr. Edgar with Mr. Myers.
Mr. Daschle with Mr. Gingrich.
Mr. Moffett with Mr. Hollenbeck.
Mr. Regula with Mrs. Holt.
Mr. Porter with Mr. Badham.
Mr. Pursell with Mr. Beard.
Mr. Fish with Mr. Bliley.
Mr. Green with Mr. Hiler.
Mr. McCloskey with Mr. Erlenborn.
Mr. Loeffler with Mr. Deckard.
Mr. Dickinson with Mr. Coughlin.
Mr. Dixon with Mr. Burgener.
Mr. Edwards of Oklahoma with Mr. Campbell.
Mr. Emery with Mr. Edwards of Alabama.
Mr. Lott with Mr. Marriott.

So (two thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LUNGREN. Mr. Speaker, on rollcall No. 22, I was unavoidably detained, as I was at a meeting of the Attorney General's Office of the Justice Department. Had I been present, as a cosponsor of this bill, I would have voted "yea."

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on March 13, 1981, the President approved and signed a bill of the House of the following title:

H.R. 2166. An act to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program.

PERMISSION FOR COMMITTEE ON THE BUDGET TO HAVE UNTIL 5 P.M., THURSDAY, APRIL 16, 1981, TO FILE REPORT TO ACCOMPANY CONCURRENT RESOLUTION ON THE BUDGET

Mr. JONES of Oklahoma. Mr. Speaker, I ask unanimous consent that the Committee on the Budget may have until 5 p.m., Thursday, April 16, 1981, to file its report to accompany the concurrent resolution revising the congressional budget for fiscal year 1981 and setting forth the congressional budgets for fiscal years 1982, 1983, and 1984.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERSONAL EXPLANATION

Mr. DeNARDIS. Mr. Speaker, on Thursday, March 26, because of an important meeting with one of my constituents, I was delayed in reaching the House floor for rollcall vote No. 20, concerning the designation of April 26, 1981, as a "National Recognition Day for Veterans of the Vietnam Era." If I had been present, I would have voted "yea."

JOHN B. SLINEY

(Mr. DeNARDIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DeNARDIS. Mr. Speaker, on Friday, April 3, 1981, First Selectman John B. Sliney died. His death brought great sadness and a deep sense of loss to his friends, family, and the entire town of Branford, Conn., which he served as first selectman for 18 years. In all, his career in elected office spanned more than a half century.

He served on the Branford Board of Education for more than 40 years and finally ran for first selectman in 1963—a job he was reelected to regularly and held until his death.

He was an exceptionally dedicated public servant who spent his life working and caring for the people of Branford—who returned to him respect, affection, and appreciation for his concern and dedication.

He will be missed by his family, who have my deepest sympathy—and by all the residents of Branford who were

also part of his family—and who are all sorrowing today.

I am submitting, to be included with my remarks, an article by Patrick J. O'Leary, a reporter for the New Haven Journal Courier, who has covered Branford for 10 years. It is a wonderful tribute to John Sliney as a human being which well describes the respect and love John B. Sliney earned from all people:

[From the New Haven Journal Courier, Apr. 7, 1981]

REPORTER WON'T FORGET BRANFORD'S J. B. SLINEY

(By Patrick J. O'Leary)

BRANFORD.—I don't know when I first met John B. Sliney, the first selectman of Branford as far back as most people remember. It just seems like I've known him forever.

Sliney died Friday at St. Raphael's Hospital after a stroke March 20. The loss is a personal one.

John B. Sliney was the kind of politician who could survive nine terms as chief executive of the town and be contemplating a 10th term at 83 years of age. Among his proudest accomplishments was bringing Hospice, a special care center for terminally ill cancer patients, to town. Although up to his elbows with the newest state and federal mandates on local government, he still found time to drive his horse and buggy, his grandchildren at his side.

Horses and buggies were the tools by which he learned one of his most important lessons, he once said. His father, John T. Sliney, taught his four sons that hard work was a proud occupation.

"We were told that care and feeding of the horses and cleaning the carriages came first," Sliney once told me, leaning back in his chair in his Branford Town Hall office, his hands laced behind his head. "Our supper came after the work was done."

John B. never forgot that lesson. It became his philosophy of life.

His father also taught him public service was among the highest callings. The elder Sliney served as first selectman, a member of the Board of Education and representative in the General Assembly, almost unheard of accomplishments for an Irish-Catholic Democrat in a Republican stronghold.

His Irish-Catholic New England stock also served him well. He practiced brotherhood long before it became fashionable. We shared a hymn book at special services at St. Stephen's AME Zion Church when the church, with a predominately black congregation, moved to its new location.

He commented that Town Hall was surrounded by edifices of other faiths, symbols of Colonial times.

My first recollections of the man were when I met him in town Hall when I first started on my beat. He struck me as being a crustly sort of man. But soon, it seemed like I'd known him forever. I was impressed with his humility, fairness and kindness.

Observers noticed his sharing of power with Daniel Cosgrove. But these two shared more than political power. They shared a close friendship. The friendship went back to their grandparents and parents and held fast through years of involvement in town affairs.

"Sliney was perhaps the first person in Branford to know I was born," Cosgrove recalled. "My father was on his way to get a trolley car to visit my mother (who had just given birth to Daniel) in the hospital when he met Sliney and his father on their way to a blacksmith shop. I guess you could say our friendship started then." Sliney was probably in his early 20s then.

But through the years, the town changed. He worried when urban ills became suburban problems and longed for the charm and grace of a small New England town of a bygone era. He worried about the elderly and young couples caught by inflation, and about the unemployed. He talked about trying to keep the cost of government down.

Sliney is gone, but I don't think the town will ever forget him. Even if it did, I couldn't forget John B. Sliney.

REVISED 1982 PRESIDENTIAL BUDGET, WITH SPECIFIC PROPOSALS FOR FISCAL YEARS 1981 AND 1982 AND TARGETS FOR 1983 THROUGH 1986—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-41)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed.

(For message, see proceedings of the Senate of today, Tuesday, April 7, 1981.)

RESOLUTION STATING THE SENSE OF CONGRESS ON REFUGEES FROM EL SALVADOR

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, today I am introducing for myself and 12 of our colleagues a House resolution expressing the sense of the House that refugees from El Salvador should be given temporary haven in the United States. Current policy is to detain, deport, and return these refugees to the dangerous situation in El Salvador which they fled. Unless the Immigration and Naturalization Service grants the refugees what is formally called extended voluntary departure status, thousands of refugees could be forced back to their war-ravaged nation.

The INS is now deporting an estimated 400 refugees each month and has estimated that as many as 60,000 Salvadorans fled El Salvador and came to the United States in 1980 alone. More than 11,000 refugees are currently being detained in refuge centers in several locations across the Nation.

Extended voluntary departure status has been granted routinely in several cases in recent history, including those involving Vietnamese, Laotians, Nicaraguans, and Iranians. The procedure used to do so was for the Secretary of State to recommend to the Commissioner of the INS that such status be provided. The Commissioner then acted on behalf of the Attorney General of the United States in formally granting this temporary shelter provision.

Many refugees can not now return to their homes in El Salvador, having been forced to abandon them by the ongoing fighting. They have no immediate prospects for resettlement and little hope of resuming the lives they were forced to flee. Several reports from El Salvador indicate that some refugees face retribution from their Government when they are returned by the U.S. Government. I believe it is vital that we offer these refugees a temporary haven until the situation in El Salvador improves sufficiently to allow them to return and reside safely there.

This is an urgent problem which grows increasingly critical with every day that it does not receive appropriate attention. As the fighting continues in El Salvador the flow of refugees to the United States also will continue. The resolution that I am introducing today is a way of addressing this problem immediately.

I urge my colleagues to join me in supporting this resolution. Doing so will help remedy a serious problem for Salvadoran refugees residing in this country and restore the traditional American policy of aiding displaced victims of war.

A copy of the resolution follows:

H. RES. 126

Resolution expressing the sense of the House of Representatives that extended voluntary departure status should be granted to El Salvadorans in the United States whose safety would be endangered if they were required to return to El Salvador

Whereas ongoing fighting between the military forces of the government of El Salvador and opposition forces is creating potentially life-threatening situations for innocent nationals of El Salvador;

Whereas the Immigration and Naturalization Service estimates that as many as 60,000 nationals of El Salvador fled from El Salvador and entered the United States in 1980;

Whereas such Service in 1980 has detained more than 11,000 of such nationals and is deporting to El Salvador approximately 400 of such nationals each month;

Whereas deportation of such nationals could be temporarily suspended, until it became safe to return to El Salvador, if the Attorney General, upon the recommendation of the Secretary of State, provides such nationals with extended voluntary departure status; and

Whereas such extended voluntary departure status has been granted in recent history in cases of nationals who fled from Vietnam, Laos, Iran, and Nicaragua: Now, therefore, be it

Resolved, That it is the sense of the House that the Secretary of State should recommend to the Attorney General that extended voluntary departure status be granted to aliens who are nationals of El Salva-

dor and that the Attorney General should exercise his discretion and grant such status to such aliens until the situation in El Salvador has changed sufficiently to permit their safely residing in that country.

MORE DOCUMENTATION ON STUDENT AID CUTS AND THEIR IMPACT

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous matter.)

Mr. PEYSER. Mr. Speaker, today I have a letter with 1,500 signatures, all from Upsala College, N.J., in Congressman RODINO's district, all of whom are speaking out on the problems of the cuts in student aid and their impact on that college.

Today, Mr. Speaker, I was going to start putting into the RECORD letters from parents and students themselves, of which we now have hundreds and hundreds, in order to state their own case. I find, however, on reading these letters that they are so personal and expose so much of the individual problems financially that I do not think it would be fair for me to put them into something like the CONGRESSIONAL RECORD. But I do want to state that their needs are great. These are working people, middle-income people, who are going to be forced to take their children out of school unless we in the Congress can react positively to reinstate the funds that have been slashed by the administration.

Mr. Speaker, the letter from Upsala College is as follows:

UPSALA COLLEGE,
East Orange, N.J., March 25, 1981.

Hon. PETER A. PEYSER,
Committee on Education and Labor, House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR MR. PEYSER: The enclosed petitions have been signed by more than 1,500 students, faculty, and friends of Upsala College. We are sending them to you as a realistic indicator of the very serious threat to the education of these students which will exist if the Administration's proposed reductions in student financial aid are legislated by the Congress.

Upsala's students are largely from lower, lower-middle, and middle income families which have been particularly hard-hit by the inflation of the past several years. In many cases, these Upsala students are the first members of their families to attend college. Their attendance has been made possible by significant personal and family sacrifice, by generous institutional scholarships, and by the federal and state grant, loan, and employment programs. If the Basic Grant and Guaranteed Student Loan Programs are curtailed, there will be no funds to replace them. We estimate, conservatively, that as many as 200 Upsala students—almost 20% of our enrollment—will be forced to withdraw from the College because of lack of funds. We urge you not to let this happen to these young, aspiring Americans.

We do not dispute the Administration's contention that the Guaranteed Student Loan Program as presently operating is subject to abuse. We believe, however, that abuse can be controlled by a fine-tuning of the eligibility requirements and a careful monitoring of loans in repayment. We urge you not to let the axe fall on this program which has been so instrumental in eliminating wealth as an entrance requirement for higher education.

We hope that the enclosed petitions will serve to convey to you and your colleagues the continued need for federal support of student financial aid. We the undersigned as well as our truly needy students will appreciate your efforts on behalf of higher education.

Sincerely yours,

PICHON P. Y. LOH,
Professor of Political Science and East Asian History.
ELIZABETH CARR HAMLIN,
Director of Financial Aid.

PERSONNEL PROBLEMS OF THE ARMED FORCES

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, nowadays everybody has a solution to the Armed Forces' personnel problem. Some of them will without doubt be helpful. All too many, though, see the problem as one which will melt away with the application of money.

It is therefore a pleasant surprise to have come across an assessment of the problem which is intelligent without being pedantic, persuasive without being emotional, and right on target in its description of service people and their families.

I do not know who wrote this editorial, but whoever the author is, high praise is due and is accorded by this Member.

I insert "The Way It Is," an editorial in the March 23, 1981, issue of Navy Times, in the RECORD at this time:

[From the Navy Times, Mar. 23, 1981]

THE WAY IT IS

One of these days, Congress will have approved the last major piece of benefits legislation the services can expect for a while.

At some point, the services also will have done about all they can to improve the quality of military life.

Then it will be up to members to decide whether they want to pursue service careers or try their luck in the civilian world.

The choice probably never will be an easy one. Despite the improvements already made and those the new Congress is likely to approve, nobody stands to get rich on military compensation. And in spite of the services' best efforts to remove the "irritants" of military life, some are built into the system and cannot be eliminated.

It is the nature of the work that it always will require some people to work long hours under unfavorable conditions. To make matters worse, the workload probably never can be spread evenly.

Some people always will be moved more often than they would like. Families will have to be separated often. When they are together it will not always be in the most attractive places.

No matter how much housing is improved, some people will live part of their lives in substandard quarters in undesirable locations.

Service people never will enjoy the degree of freedom some of their civilians neighbors have. They always will be subject to more discipline. Their careers will be more closely regulated. They will have less say in assignments. And they never will have the luxury of walking off the job at whatever moment they decide they have had enough.

Most important, perhaps, service people always must live with the knowledge that if the world erupts into war, they will be the first to face the dangers.

To those who have been in service for any length of time, all of this is obvious. But we're not sure that some younger members have the same understanding.

INTRODUCTION OF THE GOVERNMENT COST REDUCTION ACT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Government Cost Reduction Act. I have been working on this legislation for the last 2 years because I believe that making the Federal Government more efficient is an essential element to the overall effort to reduce the size of the Federal tax burden.

Ronald Reagan was elected President because, in part, many Americans had lost faith in the Federal Government. Many of our fellow taxpayers thought they were receiving an inadequate amount of Government services in exchange for their hard-earned money. There was a widely held belief that the Government in Washington was squandering enormous sums of money on waste, fraud, abuse, high living, inefficiency, and paper.

I have been around the Federal Government long enough to know that this belief, while exaggerated, has a large kernel of truth. While I do not think the incidence of criminality is very high, I do think that antiquated procedures, unthinking management, cumbersome regulations, and useless paperwork reduce the efficiency and effectiveness while raising the cost of Government.

The Government Cost Reduction Act would remove many of the disincentives which now stand in the way of heightened productivity. It would establish new incentives for all employees to increase their efficiency and effectiveness. It would organize the currently haphazard way in which we collect productivity data, establish work force levels, and set goals. It would involve employees at all levels and encourage worker participation. And, very important, the bill does not

require us to spend money to save money.

Passage of the bill tomorrow will not result in a less expensive and more productive Federal Government the day after. On the other hand, the bill will create the types of institutional forces necessary to reduce the size of Government over the next few years.

One more point must be made. Our national economy is weak and unable to continue to support a Federal Government growing at its current rate. The Reagan administration has been spreading the myth that the Federal Government is the cause of the present economic uncertainty. This myth can be sustained by neither empirical nor theoretical data. Nevertheless, it is deeply engrained in the thinking of this administration.

The passage of the Civil Service Reform Act and the Inspector General Act have been significant steps in increasing the efficiency of the Federal Government. This bill will complete the process by creating permanent incentives to less costly Government. With the passage of this bill, Congress will do all it can to make the Federal Government efficient. Doing so will not, however, revitalize our economy. Other steps are needed to do that.

Saying that Government inefficiency is not the cause of economic weakness is not to say that Government inefficiency should not be wiped out. It should and that is why I urge speedy action on this legislation.

I am including for the RECORD a section-by-section summary of the bill:

GOVERNMENT COST REDUCTION ACT—SECTION-BY-SECTION ANALYSIS

TITLE I. GENERAL PROVISIONS

Sec. 101. *Statement of Purpose.*—Establishes the general purposes of the Act to be reduction in cost of government and improvement in government productivity. These purposes are to be met by: increasing incentives for higher productivity; centralizing responsibility for productivity improvement; increasing employee participation; and improving measurement and evaluation efforts.

Sec. 102. *Definition.*—Defines terms used throughout the bill.

TITLE II. AGENCY PROGRAM APPRAISAL

Subtitle A. Establishment of Appraisal System

Sec. 201. *Identification of Programs and Long-term Program Goals.*—The initial step in establishing agency appraisal systems is the classification by agencies of their activities into programs, and the establishment of long-term goals for each program. In making these determinations, agencies must consult with their own employees and with congressional committees and interested groups.

Sec. 202. *Management Information; Program Performance Indicators.*—Once programs have been identified and program goals established, agencies must collect data on program performance and cost control, including indicators of effectiveness, quality, responsiveness, and timeliness of service.

Subtitle B. Annual Program Appraisal

Sec. 211. *Management Improvement Plans; Proposed Annual Program Objectives and Cost Reduction Objectives.*—Using program performance indicators, agencies are required to develop and submit to the President, by June 1 of each year, an annual management improvement plan which includes program performance and cost reduction objectives for each program. This plan should specify those programs most in need of improvement. The development of this plan is a "bottom up" process involving employees at all levels in developing, articulating, and gaining commitment to the annual objectives.

Sec. 212. *Establishment of Annual Program Objectives and Cost Reduction Objectives.*—Based on the agency plans submitted, the President, in discussion with each agency head, determines which priority programs to monitor during the fiscal year. The agency head is required to monitor the remaining programs within the agency.

Sec. 213. *Implementation of the Management Improvement Plan.*—Agencies implement their management improvement plans during the fiscal year. At the close of the fiscal year, each agency reports on its success in meeting its objectives. Recognizing that external circumstances can force changes in objectives during the year, provision is made for revising objectives.

Sec. 214. *Agency and Program Performance Appraisal.*—At the end of each fiscal year, the President rates each agency and the high priority programs which he has been monitoring on the degree to which they have been successful. The agency head also rates the programs for which he alone has been responsible. The ratings are used to determine the amount of money available within each program for all employee benefits, including bonuses, awards and promotions.

Sec. 215. *Employee Participation.*—Throughout the process of plan development and implementation, agency management is required to seek the participation of employees.

Subtitle C. Employee Benefits Based on Program Ratings

Sec. 221. *Benefits Covered.*—The employee benefits which are subject to increase or decrease based on program success include Senior Executive Service performance awards, merit pay increases, cash awards, quality step increases and rates of promotions.

Sec. 222. *Employee Benefits Based on Program Ratings.*—The rating of program success, under section 214, determines the relative size of benefits for employees working on the program. Based on these ratings, employee benefit money is reallocated among programs within an agency. However, no one program can receive more than twice the amount of employee benefit money which it would otherwise receive. Such benefits should be equitably distributed among those employees, both supervisors and non-supervisors, who have been responsible for program success. This provides a form of Federal "profit-sharing" under which group effort is rewarded.

TITLE III. COST SAVINGS

Sec. 301. *Cost Savings.*—A large disincentive to more cost-conscious management is the notion that, if a manager does not spend the program's whole appropriation, the program will be punished in the next budget. Hence, there is no incentive to achieve cost savings. This title allows for the return of part of the cost savings back to the program as an incentive for reducing costs. Cost savings are defined as the money saved from the amount appropriated without a reduction in program service or quality. The savings must be initiated as a result of management improvement and the impact of such savings on the program will not result in higher future costs.

Sec. 302. *Report of Cost Savings.*—As savings occur, agencies report savings to the President on a quarterly basis. The President reviews the agency reports to assure that the cost savings meet the statutory requirement.

Sec. 303. *Disposition of Cost Savings.*—. After the President verifies the cost savings, half are returned to the Treasury, 10% can go for bonuses for employees of the program responsible for the savings and the balance goes to other authorized agency purposes. Since the cost savings provisions operate on a quarterly basis, a special fund is autorized to provide for disposition of fourth quarter savings.

TITLE IV. WORK FORCE PLANNING

Sec. 401. *Establishment of Work Force Planning Systems.*—While titles II and III deal with incentives for better productivity, titles IV and V require the development of management systems to determine staffing needs and to measure productivity. By October 1, 1985, agencies are required to develop work force planning systems capable of determining staffing needs for given levels of work.

Sec. 402. *Certification of Work Force Planning Systems.*—All work force planning systems must be pilot tested by the agencies for one year. Subsequent to testing, agencies must seek certification by the Office of Personnel Management (OPM). After certification, the system must be used by the agency for budget formulation, reorganization and contracting out determinations.

Sec. 403. *Demonstration Projects.*—As work force planning systems are certified, OPM is required to test whether these systems can substitute for agency personnel ceilings and classification systems now in use.

TITLE V. COST ACCOUNTING AND PRODUCTIVITY MEASUREMENT

Sec. 501. *Cost Accounting Systems.*—A second management system necessary to enhance productivity and cost reduction is cost accounting. Cost accounting systems, which must be established by each agency by October 1, 1985, will determine the unit cost for each good or service produced by the government. These accounting systems will be consistent with program structure and the work force planning systems.

Sec. 502. *Productivity Measurement Systems.*—A third management system is a productivity reporting system which will be established by October 1, 1985. This system should be used to assess government-wide productivity and to compare the productivity of functions which are common to several agencies. Once the OPM system is established, the existing Bureau of Labor Statistics system will be terminated.

Sec. 503. *Clearinghouse.*—OPM will also be required to establish a central clearinghouse for information on productivity improvement in government.

Sec. 504. *Employee Participation Procedures.*—In addition, OPM will encourage agencies to develop procedures to increase employee participation in agency management.

TITLE VI. CAPITAL INVESTMENT FUNDS

Sec. 601. *Capital Investment Accounts.*—A third major productivity incentive of the bill authorizes agencies to establish funds to finance capital improvements, costing less than $100,000 which generate sufficient savings to repay the cost of purchase within four years.

Sec. 602. *Project Approval.*—The general criteria for approval of capital investment projects are established with the requirement that the justification of the project be subject to independent review within the agency prior to approval.

Sec. 603. *Audits.*—After funding a capital investment project, the agency will be required to monitor and audit the project to insure that cost savings are achieved.

Sec. 604. *Role of Office of Management and Budget (OMB).*—OMB will regulate the expenditure of capital investment funds and the distribution of cost savings achieved.

TITLE VII. ADDITIONAL INCENTIVES FOR INCREASED PRODUCTIVITY

Sec. 701. *Minimize Reductions in Force.*—OPM is required to issue regulations to minimize the number of employees losing their jobs as a result of productivity improvement. Nothing sours employees on productivity improvement more than the idea that, by being more productive, they will lose their own jobs.

Sec. 702. *Grade Protection.*—OPM is charged with assuring that managers who reduce their staff requirements through productivity improvement do not get downgraded as a result.

Sec. 703. *Employee Performance Appraisal.*—Contribution to agency success in meeting program objectives and cost reduction goals are made an integral component of the individual performance appraisals of all employees.

Sec. 704. *Cost Comparisons for Contracting Out of Work.*—To ensure that government work is contracted out only when real cost savings can be achieved, employees are permitted to challenge decisions to contract out work and to demonstrate that such work could be performed as efficiently and effectively by the employees themselves.

Sec. 705. *Extension of Certain Provisions to Other Personnel Systems.*—Requires the President to extend the Act to governmental units not directly covered.

Sec. 706. *Employee Bonuses for Cost Savings Suggestions.*—Provides that any employee who discloses waste and fraud within the operations of his agency shall be eligible to receive from the Inspector General or other designated official an award of $10,000 or 1% of savings, whichever is less.

TITLE VIII. MISCELLANEOUS PROVISIONS

Sec. 801. *Centralization of Productivity Functions.*—Requires the President to centralize the government's management, reorganization, and productivity functions to avoid duplication and diffusion of responsibility.

Sec. 802. *Applicability of Certain Military Activities.*—Excludes certain * * *.

Sec. 803. *Use of Contractors.*—Generally, forbids the use of contractors in implementing the Act. This avoids the problem of agencies failing to treat productivity improvement seriously.

Sec. 804. *Absorption of Costs within Available Funds.*—Requires agencies to absorb any new costs associated with this Act into their existing appropriation.

Sec. 805. *Coordination with Government Budgetary Process.*—Requires that the information and management systems developed under this Act be coordinated with the budgetary process in order to avoid duplication.

Sec. 806. *Effective Date.*—The effective day is October 1, 1981.

LEGAL SERVICES CORPORATION

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, in the name of cutting costs and getting Government out of areas best handled by the private sector, the Reagan administration has proposed to eliminate funding for the National Legal Services Corporation. The effect of this decision would be to deny millions of poor people throughout this country legal advice and civil representation that they would not otherwise be able to afford. In my opinion, zero-budgeting the Legal Services Corporation cannot be justified as saving money or improving service. Rather, it is a flagrant attack on the rights of poor people to equal access to justice under the law. Nothing is more fundamental to our democratic system than the proposition that all persons are equal before the law. We cannot allow this basic principle to become a mockery by letting legal services quietly fade away. Without legal assistance, only the affluent will be able to afford equal justice under the law.

The Legal Services Corporation is not an expensive, inefficient program. In fiscal year 1981, it was modestly funded at $321.3 million, an amount equal to just under 1/5000 of proposed defense spending in fiscal year 1982. With this $321.3 million, the LSC provided grants to 323 locally run, community-based programs. These programs, in turn, employed 5,000 attorneys, as well as support staff, and operated 1,200 neighborhood offices. Legal services personnel work at wages well below those in the private sector. All told, the LSC in 1980 provided assistance to 1.2 million of the 30 million Americans living at or near poverty level. This works out to Federal spending on legal assistance of just over $10 per poor person. Personally, I do not think that $10 per poor person is too high a price to pay for upholding one of the fundamental principles on which this country stands.

The great majority of Legal Services Corporation cases are individual problems of so-called poverty law. Characteristically, they involve family matters, housing complaints, income maintenance or consumer issues. Most legal services clients are women; and a substantial percentage are black, Hispanic, or Indian.

Legal services attorneys are specially trained to deal with the needs of the poor and their expertise has drawn the praise of both liberal and conservative legal experts. American Bar Association president, William Reese Smith, recently stated that the "continuation of the [Legal Services] Corporation is a matter of great public interest" and cited the Corporation as "a unique and remarkable example of government and the private sector working together to solve society's problems." Smith has also joined many other legal experts who feel that the private sector cannot effectively provide the services now handled by LSC lawyers. He recently said:

> I think we have found through the efforts of the organized bar in yesteryear that a purely voluntary effort on the part of the organized bar is not likely to do the job. We need core support which is provided by these poverty professionals.

If the Legal Services Corporation is zero budgeted, or block granted, as some have proposed, there is no doubt that we will see a major drop in the legal services now available to the poor. Financially pressed States do not have the funds to support a decentralized version of the Legal Services Corporation. Nor could private attorneys afford to take on the responsibility of providing extensive legal service to those who cannot afford to pay. The Legal Services Corporation now operates with a remarkable 3 percent overhead and its lawyers are the recognized specialists in poverty law. I do not believe that the level of service it now provides could be easily replicated.

The Legal Services Corporation has been most criticized by its opponents for its occasional class action suits on behalf of poor or under-represented groups. I maintain that the LSC's class action suits have been an important part of their contribution to the principle of equal justice under the law. Class action suits seek to eradicate systematic injustices and in truth are a cost and time effective way of representing many clients who have the same claim. By filing class action suits, LSC attorneys have decreased the load on our already overburdened judicial system. I think the LSC's class action suits have proven to be an effective and legitimate means for insuring that the rights of the poor are represented in the continuous evolution of Government policy.

Mr. Speaker, I urge that all Members of this House take a good hard look at the fine service that the Legal Services Corporation provides. In its 7 short years of existence, the LSC has evolved into a modest, cost-effective program that has reached millions of low-income Americans and helped them solve some of the most important problems in their lives.

The Legal Services Corporation has proved its value many times over as the heart of an effective delivery system of legal services to the poor. If we are to stand by the all-important

principle that all persons should have equal justice under the law, the Legal Services Corporation must remain intact. I urge all Members to give it their full support.

GAO FINDS WASTE IN DEFENSE CONTRACTING

(Ms. FERRARO asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. FERRARO. Mr. Speaker, I have recently received a report from GAO that disturbed me a great deal and I believe it should be brought to the attention of my colleagues. This report, "Controls Over DOD's Management Support Service Contracts Need Strengthening" (MASAD-81-19), documents serious and pervasive problems in the Department of Defense's use of consultant and management support contracts. Similar problems were uncovered in a GAO report issued last year concerning consulting-type contract arrangements by civilian agencies.

While I support spending what is necessary for a strong national defense, I do not believe the taxpayers of this Nation are willing to permit waste and mismanagement in DOD in the name of defense while budgets are slashed for mass transit, school lunches, and food stamps for the elderly. We must never compromise our national security. But, before we eliminate funds for the needy, for the cities, for the elderly in our Federal budget, we should see how much money is going to consultants working on costly projects of questionable use.

A larger question raised by this most recent report concerning wasteful consulting contracts is the ability of the Defense Department to perform its defense mission. According to GAO, "several of the contracts have preempted DOD's prerogative in directing national defense and in management and direction of the Armed Services." This is not the first time the specter of a defense establishment dominated by private interests has been raised. President Eisenhower warned us of the growing danger from the military-industrial complex 20 years ago. I hope we are wise enough to heed the warning of a great military man who saw the problem developing from the inside and felt it was important enough to warn the American public about in his farewell speech to the Nation.

The following excerpt from the GAO digest gives an idea of the types of wasteful and dangerous problems GAO found with DOD consulting contracts as well as how pervasive these problems really are:

The Department of Defense (DOD) spend at about $2.6 billion in fiscal year 1979 on all types of contract management support services. These services range from relatively simple studies to aid in management decisions to contracts involving complex engineering support services for major weapon systems.

Proper use of these services can be a normal, legitimate, and economical way for DOD to satisfy its mission requirements. GAO reviewed 256 contracts for management support services valued at about $175.4 million. These contracts were randomly selected, and GAO believes its findings are representative of the total universe of management support contracts.

In spite of the continuing attention being focused on the use of contract consultants, serious and pervasive problems continue to exist, and will continue until DOD takes the initiative to address them. Contractors are playing a significant role in identifying needs and thus, in effect, are articulating and performing defensive management functions. The result is that DOD is weakening its ability to perform in-house work essential to fulfillment of its defense mission. Much of the work is currently being performed by former DOD employees.

This increasing reliance on contractors has raised the following additional issues:

Extensive contract awards resulting from unsolicited proposals, (102 contracts review valued at $25 million.)

Significant involvement of former DOD officials and employees in contracts. (131 contracts reviewed valued at approximately $52.6 million.)

Continuous renewal of contracts. (146 contracts reviewed valued at $149.2 million.)

Instances of questionable need for and use made of the contract services. (44 contracts reviewed valued at approximately $6.8 million.)

Overuse of sole-source awards. (211 contracts reviewed valued at approximately $156.7 million.)

Extensive contract modification. (176 contracts reviewed with modifications valued at approximately $73.8 million.)

Previously, the focus of attention has been on problems with consulting services as defined by the Office of Management and Budget (OMB). GAO found the above problems in all types of management support services reviewed; therefore, GAO believes that the management controls outlined in OMB Circular A-120 should be applied to professional and management support services, and special studies and analyses. Also, there is a need to provide visibility over these services in the budgetary displays.

An assessment of DOD's capability to perform all essential management functions in-house under existing personnel ceiling constraints is needed to achieve effective actions for the problems brought out in this report. GAO is currently reviewing the issue of personnel ceilings Government-wide and will provide further insight on this issue at a later time.

I intend to carefully scrutinize the issues raised by GAO in a joint hearing with the Senate Subcommittee on Civil Service, Post Office and General Services of the Governmental Affairs Committee later this month. I urge my colleagues to carefully question the use of contract consultants during budget consideration and the appropriations and authorization process.

GAO recommends budget visibility as the first step in controlling wasteful consulting contracts. Believe it or not, despite widespread notoriety over the past few years we still do not know how many tax dollars will be spent this year on consulting and other contracts.

The $174 million worth of contracts reviewed by GAO represented 2,077 staff years. This means that at DOD alone there are 30,788 invisible management support services employees. When you include other categories of contracts in all Federal agencies you find a hidden bureaucracy of hundreds of thousands of employees all paid for by tax dollars. We must bring this invisible expense out of the shadows. We must not continue to exclude this multibillion dollar expenditure from public scrutiny.

MORE ABOUT MOBIL

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BEDELL. Mr. Speaker, in the CONGRESSIONAL RECORD of February 25, I placed a statement that was headlined: "Bedell to Mobil: Put Up or Shut Up." In that article, I pointed out that Mr. Allan Murray, president of Mobil Oil's marketing and refining division was quoted in the Washington Post as speaking out against Government financing of energy projects while Mobil has been getting and continues to get Government funding to help prove the commercial viability of a Mobil catalyst used to convert methanol to high octane gasoline.

Recently I received a letter from Mobil in which they claim that my statement "presented a completely distorted view of Mobil's role and Mobil's intentions in the areas of synfuels technology and synfuels projects." Their letter alleges that I took out of context a quote from Mr. Murray.

As I noted in my statement, the Washington Post had reported that the Mobil executive's view of Federal financing of synthetic fuels projects is as follows:

What's going to happen is if I have a good idea, I'm going to do it myself; if I have a lousy idea, I'm going to get the government to finance it so I don't lose any money.

My correspondent at Mobil does not question the accuracy of that quote, but does suggest that reading the quote in the context of the entire article will somehow change its meaning. I doubt that.

Mr. Speaker, I request that the letter I received from Mobil, along with the complete text of the Post article, be entered in the RECORD at the conclusion of this statement, so that the taxpayers can see if the quote was taken out of context, and can decide for themselves whether or not Mobil is

indeed feeding at the public trough while at the same time criticizing the Government for providing such programs.

Adding insult to injury, in fact, is the report by the Associated Press last week that Mobil has applied once again for additional financing by the Synthetic Fuels Corporation. I am seeking further information about this latest effort by Mobil to obtain money from a program they say they do not like, and I will share that information with my colleagues as it becomes available.

Returning to the Mobil letter, there was apparently some misunderstanding as to the meaning of the word "develop" as it applies to the Mobil catalyst, ZSM-5. As their letter points out, the taxpayers spent about $3 million, compared to Mobil's outlay of $1 million, for the cost of development of a pilot plant to test the methanol to gasoline process using the catalyst.

In my statement, I also noted that the U.S. Government is spending $10 million to help build a demonstration plant in West Germany. This pilot project in West Germany is to further test and prove the value of the Mobil process using this same catalyst.

In both these projects, even though the taxpayers of our country are laying out more money than Mobil for these projects to prove the value of the Mobil catalyst in the processes, Mobil, not the Government, retains the rights to any patents developed. It is true that Mobil is required to license the process to others, and to pay a portion of the resultant royalties to the Government. But after those payments have reached double the Government's costs—$20 million, with no interest or adjustment for inflation—all further royalties will go solely to Mobil.

How can anyone possibly believe that it is proper for the Government to take taxpayers money and pay a larger share than Mobil for pilot projects to prove the commercial value of a Mobil process, and then agree that Mobil should be allowed to retain all the patents, so long as they pay a portion of the royalties to the Government, but only until such time as double the Government's investment has been paid, after which Mobil will get to keep all of the royalties?

The Mobil letter indicates that the news reports of Mobil receiving almost $400 million from the New Zealand Government to build a plant there are a fiction, and the final contracts for materials and services to be provided by Mobil have not yet been negotiated. I appreciate their pointing out these facts, and I look forward to receiving more information of the New Zealand deal, since American taxpayers have been helping to fund these pilot projects to prove the Mobil process.

The Mobil letter would seem to object to the question posed in my previous statement. Noting Mr. Murray's remarks as quoted in the following news article, my question was based upon his statement and the fact that the Federal Government has made substantial investments in projects to prove the Mobil process, as well as entering into further commitments under the synthetic fuels program. I asked:

So, what is Mr. Murray telling us about the coal-to-gasoline project involving Mobil's ZSM-5 catalyst? And what is he telling us about the government's $25 million participation in a new joint venture with Mobil, announced last December in the second round of the Synfuels Program awards? $25 million, by the way is the largest award allowed by law.

Could it be that Mobil has conned the government into investing in a turkey? Or have they simply decided to grab for all the dollars they can?

It seems to me that this is a logical question.

Apparently, Mobil does not consider it to be a turkey, for which I am glad, since the taxpayers have footed the bill for such a large part of the commercial demonstration costs.

But if it is neither a turkey or a con, how does Mobil reconcile the statement made by their Mr. Murray with the company's desire to have the Government pay such a large part of the costs of this project?

I believe the word "catalyst" in one paragraph of my previous statement should be changed so that the last three paragraphs would read:

It takes some nerve for an oil company with $3.25 billion in annual profits to put the arm on the American public for an additional $10 million to develop their process and then to mount a public relations campaign criticizing government funding of energy research projects. Perhaps this is the same kind of nerve that is required of those who would take risks on new ventures.

If this is so, I recommend that Mobil take a dose of its own medicine. If the process is as good as their ads claim, and government support is as bad as the company claims, then the Mobil Oil Corporation ought to put its own money where its mouth is.

It seems to me that this is a pretty clear case. I believe Mobil ought to either put up or shut up.

Mr. Speaker, I did not really expect Mobil to shut up. When a major oil company with $3,250,000,000 in profits for 1980 can get the taxpayers to fund part of their pilot plant projects to prove their processes; and when that same oil company can run ads all across the country, as tax deductible expenditures, telling everyone how great their process is without mentioning the fact that the taxpayers paid a large part of the cost of pilot plants to prove the process; how could anyone expect them to shut up?

But neither do I believe it is proper for an elected representative to let these things occur without letting the taxpayers know how their money is being spent.

As long as the Government continues to help finance projects for Mobil Oil Corp., whose poverty I question, and whose appreciation for this help from the taxpayer is absent from their ads—which not only fail to mention these Government payments but go so far as to criticize the Government programs—and whose executives make statements like those in the enclosed Washington Post article, I do not plan to shut up either.

MOBIL OIL CORP.,
New York, N.Y., March 20, 1981.

Hon. BERKLEY BEDELL,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. BEDELL: Your remarks on Mobil's activities in the field of synthetic fuels appearing in the February 25, 1981 Congressional Record, are replete with serious errors of fact. We fear you have been misled by unreliable information sources, so much so that the statement presented a completely distorted view of Mobil's role and Mobil's intentions in the areas of synfuels technology and synfuels projects.

In the interest of setting the record straight we present the following facts:

The remarks in question repeatedly contend Mobil has received government assistance in the development of the ZSM-5 catalyst. Mobil has never received any financial assistance from the government in developing the catalyst. The catalyst was discovered, developed and is manufactured by Mobil. The government was not involved in any phase of these activities.

Mobil commercialized the catalyst for use in the refining and petro-chemicals industry in the early 1970's. When the company discovered that ZSM-5 catalyst could be used to convert methanol to gasoline it spent a substantial amount of money on the early development of this process.

In 1975, in response to government appeals for programs to improve the country's synfuels capabilities as early as possible, Mobil brought this technology to the government's attention. The government subsequently shared part of the cost of development of the methanol to gasoline process. In those funding contracts between Mobil and the government, Mobil's share was about $1 million and the government's share was about $3 million. Those figures are small when compared to the many millions of dollars the company has spent over the years in additional development of the technology.

With regard to the pilot project in West Germany, which is jointly being run by the U.S. Government, the German government, two German private companies and Mobil, the statement overlooks essential facts. It is true that the U.S. government's share of the cost of this project is $10 million. What is totally ignored is:

1. That, as part of the agreement, Mobil will license the process to others.

2. That the contract calls for Mobil to repay the U.S. government twice the $10 million (or $20 million) from future royalties we derive from licensing the process.

3. That the cost to Mobil of supplying the specific catalysts to be used at the pilot plant is placed at $7 million, and the value of this Mobil contribution is acknowledged in the contract.

As for the portion of the statement dealing with the New Zealand project:

1. It says Mobil is receiving almost $400 million from New Zealand for building the facility there. The fact is New Zealand has not paid Mobil any funds, and the $400 million fee is a fiction.

2. We have shared, on a 50-50 basis, all costs with the New Zealand goverment on all studies done to date on that project.

3. We expect to negotiate contracts for materials and services which Mobil will provide, and for which we will be paid. These arrangement are yet to be worked out.

4. We, together with the New Zealand government, expect to be equity shareholders in the construction and operation of the plant.

Further, we'd like to point out that the quote of a Mobil executive, taken from his remarks reported in the February 23, 1981, Washington Post, was totally out of context. Using it this way makes a case that Mobil is grabbing for government dollars, while the paragraph that preceded those words in the Post article makes it clear that he was saying there is a proper—although limited—role for government in the developing synfuels industry.

Finally, with regard to the government's decision to negotiate a cooperative agreement with Mobil for a coal-to-gasoline project, the suggestion that Mobil has conned the government into investing in a turkey is unwarranted. It is clearly recorded in our proposal that Mobil would be committed to spending in excess of $45 million or about double the government's maximum expenditure in just this early phase of that venture. Furthermore, Mobil will be obligated to repay the government funding when the project comes on stream. This attests to the judgment of both the government and Mobil that this is a promising synfuels venture that merits our capital commitments to make it move forward.

Mr. Bedell, now that you have the correct facts, we feel confident that you will want to set the record straight, giving appropriate visibility to these clarifications by inserting them in the Congressional Record.

Sincerely,

J. J. WISE,
Vice President, Planning,
Mobil Research and Development Corp.

[From the Washington Post, Feb. 23, 1981]

MOBIL SUPPORTS PROPOSAL TO END SYNFUEL GRANTS

(By William H. Jones)

Mobil Corp., the nation's second-largest petroleum company and a major new corporate resident of metropolitan Washington, made its first presentation to local securities analysts last week since moving its U.S. marketing and refining headquarters to Fairfax County from mid-Manhattan.

Allan Murray, president of the firm's worldwide marketing and refining operations, took the occasion to express his personal support of President Reagan's proposal to eliminate federal grants to corporations for synthetic-fuel projects.

"The man who is going to make the money ought to lose it," he told the Washington Society of Investment Analysts. Murray emphasized his view that synthetic fuels must be developed as part of an overall national strategy for future energy resources. But the role of government should be limited to initial, pure research, he added.

"I do believe, however, that it would be a mistake for this nation to get involved with any financing when you get beyond the research stage. . . What's going to happen is if I have a good idea, I'm going to do it myself; if I have a lousy idea, I'm going to get the government to finance it so I don't lose any money," Murray told the analysts.

Under the Reagan administration's reordering of the budget and proposed spending cuts, Department of Energy synfuels grants would be eliminated after fiscal 1982, and the new Synthetic Fuels Corp. is supposed to emphasize development by the private sector instead of government for a savings of $2.7 billion of fiscal 1986.

Murray said the only exception should be government guarantees against sudden price decisions by the oil-producing countries, designed to drive a synthetic fuels operation out of business.

Mobil, which also owns the depressed Montgomery Ward retail chain, currently has more than 1,000 employes in the Washington area after moving its U.S. headquarters here last year. Murray heads the domestic operation as well as the firm's overseas refining arm, from offices in New York.

"They love it here," Murray said of the new Mobil residents in metropolitan Washington.

In answer to a question, Murray said emphatically that Mobil has no intention of unloading its Montgomery Ward retail chain, which reported a loss of $133 million last year. He said Ward will move to centralized checkouts in some stores and close unprofitable units but that the retailer "is basically strong."

Ward was hurt more severely during last year's recession than some other large retailers because its ratio of credit sales is higher, and its borrowing had more short-term maturies than competitors. As interest rates hit record levels, Ward's profitability from credit operations was pinched sharply.

THE CRISIS IN POLAND

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAUB. Mr. Speaker, the world's attention focuses on the tense situation in Poland, I feel it is imperative for the House to address itself to this crisis. Recent reports indicate that Warsaw Pact forces in and around Poland are at the height of readiness, and maneuvers by these forces are already 3 weeks beyond their expected expiration date of mid-March. Some informed sources feel that perhaps as many as 25,000 troops are involved in these maneuvers.

I am therefore introducing a resolution today expressing the sense of the House that the United States could not remain indifferent to any external aggression or internal repression against the people of Poland. This resolution further states that such developments would have serious consequences for East-West relations.

I have consulted with the State Department on the language of this resolution, and they have stated that it is in line with administration policy.

Since I feel that it is necessary to demonstrate our support behind the President in actions he may take to prevent the conduct we are concerned about, a provision is included to that effect in this resolution.

I ask all of my distinguished colleagues to join me in this resolution.

DEMOCRATIC-CONTROLLED BUDGET COMMITTEE'S FIGURES

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, President Reagan's package for economic recovery has just received its first defeat in the House Budget Committee by a 13-to-17 vote, all Democrats with the exception of Representative GRAMM from Texas voting against the President's package.

I have reference to voting on the aggregate figures presented in the President's budget. Instead of adopting the President's figures that would put us on the road to economic recovery, the Democratic-controlled committee has adopted those figures presented by Chairman JONES.

Why the administration's figures rather than those proposed by the chairman? There are several reasons: Chairman JONES did not like OMB's numbers—he did not like CBO's, and he did not like the results of his own first two sets of assumptions.

He sent to CBO—no, he had to send them a third set before he received the numbers he presented to us. Now, I personally cannot give too much credence to his figures since they were arrived at in such a manner. I elect to go with OMB since they have a specific charter from this Congress and the American people to give us their best advice on this subject.

We cannot forget there was an election last November and the people voted overwhelmingly for Ronald Reagan. Why? Because the American people did not like the direction in which their country was heading and they wanted a change and he promised them a change. He did not say, elect me and I will give you more and more spending, necessitating higher and higher taxes, and bringing on higher and higher inflation. No, he said, I am opposed to these things and I will do what I can to change them. He promised them less Government, less Federal regulation and redtape, more dependence on the individual American and less dependence on Government, more productivity and greater competitiveness in the world marketplace.

After that election and even before his inauguration—Ronald Reagan started putting together a package, a package to accomplish what the people indicated they wanted from Government. This package has many

integral and vital parts—the tax part and the budget part being two of the most vital parts. Certainly, he cannot give this country the new direction it so desperately needs without these two parts being adopted without significant change.

Does the Democrat budget proposed by Chairman JONES give us that change? Well, take a look at the numbers and answer your own question. His aggregate spending outlays will go from the $632 billion provided for in the fiscal year 1981 resolution passed last November to $713.5 billion in fiscal year 1982. This would give us an increase in spending by the Federal Government of $133.9 billion in just 2 years. To get some idea of the magnitude of this increase, one merely needs to recall that the total, I repeat, total spending of the Federal Government never reached the $100 billion mark for 1 year until the second year of the Kennedy administration. Yet, spending under the Jones proposal would increase spending over 1980 by $133.9 billion.

Is this the turnaround the people wanted and the country so desperately needs? I think not. The Jones proposal will not, admittedly reduce inflation. According to his own projections, inflation will remain in the double-digit range—12 percent for 1982. I thought high inflation is the one thing the people wanted brought under control, the same with higher unemployment. His projections would give us higher unemployment. Why?

The answer lies in the fact that he merely nibbles at the problems and does not take a whole bite. His spending aggregate is up considerably over the President's. There is no meaningful reversal of past policies.

As a matter of fact in glancing at his budget last night, I find he is restoring $8.345 billion in reductions that the President had recommended. The bloc grant concept of returning many of these functions to the States—where they could be performed cheaper and with less redtape—has been scuttled.

Taxes would be decreased by a net of only $30.5 billion and new taxes in the amount of $7.6 billion would be added to the Government take. These reductions would not become effective until 1982 and would be passed around in a manner which obviously would be to gain votes—as has been the case in the past several tax reduction bills—rather than to cure the ills now facing our rapidly fading and once very competitive economy. The Reagan tax reductions would be for $53.9 billion ($51.3 net) and would be directed at awakening that sleeping giant and putting people back to work in the private sector, producing goods and services to add to our GNP and to increase our productivity.

This cannot be accomplished when we permit the inflationary bracket creep in our tax laws and they would continue under the Jones proposal.

Interest rates would remain in the 12 percent bracket and they must come down if inflation is to come down.

I could go on and on but in the interest of time I will not.

EXEMPTING STATES AND CITIES FROM WINDFALL PROFITS TAX

(Mr. ANDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON. Mr. Speaker, I am introducing today, with Mr. LUNGREN, Mr. MATSUI, and Mr. ROUSSELOT, a bill to allow the exemption of all revenues of all States and cities from the windfall profit tax. The legislative history makes it clear that this was the intention of Congress when the tax was first enacted.

Late last year, the Internal Revenue Service issued regulations which subject the State of California to the tax on part of their oil production revenues, because of the unique type of net profits agreement which the State has with private companies to extract oil from public lands.

I have been working with the city of Long Beach and the California State Lands Commission since last November to find a solution to this problem. The text of this bill has been worked out by attorneys from the Joint Committee on Taxation, the Treasury Department, and a Washington firm which California hired specifically for this purpose.

Mr. Speaker, the issue of imposing the windfall profit tax on the States was debated thoroughly last year. I am hopeful that we can pass this bill quickly. In the Senate, the two California Senators have introduced identical legislation.

□ 1445

GENERAL LEAVE

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on House Concurrent Resolution 55, which was agreed to by the House today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PROPOSED SALE OF F-15 ENHANCEMENT EQUIPMENT TO SAUDI ARABIA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

GENERAL LEAVE

Mr. KEMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous matter on the subject of my special order today and that of Mr. BLANCHARD of Michigan.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEMP. Mr. Speaker, Congress will soon be asked to consider whether the United States should sell Saudi Arabia enhancement equipment for the F-15 jet fighter aircraft scheduled for delivery to Riyadh at the end of this year, and probably whether we should also sell the Saudis an early warning system—in all likelihood AWAC's—to complement their capabilities.

In conjunction with my distinguished colleague from Michigan (Mr. BLANCHARD) I have requested this special order today to allow Members to join with me to express our concerns regarding this proposed sale.

I admire and support President Reagan for his commitment to process the security of Israel and to Camp David and for his firm belief—which I share—that Israel is first and foremost a strategic asset of the United States. The Israeli people could ask for no more loyal friend than President Reagan.

At the same time, I support the President's desire to improve our relations with Saudi Arabia. The potential exists for our two countries to coordinate our efforts to provide for the defense of Saudi Arabia and the Persian Gulf. It is my sincere hope that the United States and Saudi Arabia find and exploit the significant opportunity to work together.

Thus it is not our purpose today to suggest that the United States should ignore the legitimate defense needs of Saudi Arabia. It is not our purpose to subvert the good relations between our two countries.

Rather, I want to raise some questions, and express my reservations concerning the content and timing of this sale.

In 1978, this country agreed to provide Saudi Arabia 60 F-15 aircraft. I was opposed to that sale because I believed that Saudi Arabia had done nothing to demonstrate their support for our American security interests.

Congress approved the sale but only upon the express representation that the enhancement equipment now contemplated would not be forthcoming. While Saudi Arabia now claims that it never agreed to such a restriction, nei-

ther did it protest when Harold Brown told the Congress:

The aircraft can carry three external fuel tanks, but *the plane requested by Saudi Arabia will not be equipped with special features that could give it additional range. Specifically, the planes will not have conformal fuel tanks* (fastpacks) . . . Saudi Arabia has not requested that the plane be outfitted with Multiple Ejection Racks (MER 200) which would allow the plane to carry a substantial bomb load. *The U.S. will not furnish such MERs . . . Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F-15s.* (Italic supplied; letter to Senate Foreign Relations committee, May 9, 1978).

And in testimony before the Senate Foreign Relations Committee, Secretary Brown stated that the United States had no intention of selling the Saudis AWACS or Hawkeye in the future. (May 9, 1978.)

Now the administration has proposed to sell conformal fuel tanks (CFT) to increase the range of the F-15. According to the Manufacturer (McDonnell Douglas) the addition of conformal fuel tanks to an F-15 flying an air superiority mission enhances its flight radius 79 percent, extends the F-15's interdiction capability 93 percent, and improves its loiter capability 65 percent when under a close air support mission. (McDonnell Douglas Aircraft Co. publication, "FASTPACK Conformal Fuel Tanks (CFT) the Eagle Enhancers" April 1980, p. 7.)

In Middle Eastern geopolitics, this means that an F-15 with a 1-ton bomb and two CFT's could take off from a coastal Saudi air base, a run into the Israeli heartland, and land at the Saudis' forward airbase of Tabuk on the return. Alternatively, an F-15 with three external tanks and no bombs could make the same run, flying protective cover for other Arab attack planes. (Richard Witkin "Israelis Ponder Strategic Effect of F-15's Sale to Saudis" New York Times May 31, 1978).

While the administration has reportedly deferred a decision on selling bomb racks—multiple ejection racks or MER 200's—such racks are fairly simple in design and easily fabricated—as are other necessities for ground attack—suggesting that the Saudis could buy the needed equipment elsewhere to give the F-15 clear ground attack capability.

The AIM-9L Sidewinder missile proposed for sale is an infrared air-to-air missile with all aspect capability, providing an improved air attack versatility over the AIM 9-P-3 missile originally included in the sale.

And finally, the administration has tentatively agreed to provide Saudi Arabia an airborne early warning aircraft system—reportedly AWACS.

AWACS has an air refueling capability, and would allow radar surveillance of areas of 200 statute miles or more. Should that AWACS be configured with the capacity to direct and control interceptor action, the added capability given the Saudi F-15's would be formidable.

I must say flat out that I am mystified why the United States would give the Saudis AWACS. There are already two AWACS in Saudi Arabia, but they are controlled and flown by U.S. personnel. It seems to me that if there are going to be any more AWACS in the Middle East, they too should be controlled by U.S. personnel.

It is not my purpose today to turn my back on Saudi Arabia. On the contrary I hope that in the future the Saudis will join the United States in helping resolve those differences and disputes in the Middle East which stand in the way of peace and prosperity.

I supported the Camp David accords and that basis and hoped fervently that Saudi Arabia and Jordan would have joined the process, despite misgivings. Unfortunately not only did they reject the accords, but they attacked Mr. Sadat, they attacked Camp David, and joined in a declaration of jihad (holy war) against Israel.

The crucial question remains: How does the sale of this equipment to Saudi Arabia fit into overall U.S. strategic planning in the Persian Gulf? I am concerned, Mr. Speaker, that the timing and content of the proposed sale may overly reflect the legacy of the previous administration, rather than an integral part of a well-considered Reagan policy toward the Persian Gulf.

On Friday of last week, Secretary of State Haig departed for a tour of the Middle East. One of the purposes of his mission is to discuss with the government leaders of that region the strategic concerns that our nations share, and to lay the groundwork for achieving a consensus on how those concerns are to be defined and defended.

I believe that two pervasive considerations must govern the development of the Reagan administration's strategy regarding the Middle East and the Persian Gulf.

First, Israel's value as a strategic and reliable democratic asset to the United States and the free world, is beyond dispute. For this reason, our commitment to Israel's security is resolute and unwavering and let me add I think President Reagan and his administration will be the best friends Israel has ever had.

Second, never before has the threat posed by the Soviet Union to the security of the region been so starkly apparent as now, when Soviet troops have occupied nearby Afghanistan, Soviet arms supplies enable Iraqi troops to wage war on Iran, Soviet bases have been established in Syria and the Horn of Africa, and Cuban and East German troops provide support for the Communist government of South Yemen.

One would think that the Government of Saudi Arabia would be particularly apprehensive of these developments. One would think that the Saudis would want to coordinate efforts to provide a regional defense against this growing threat. But to date, the Saudis have given no indication that they appreciate how crucial it is for the security of their nation to work with the United States to defend our mutual security interests.

We thought back in 1978 that agreeing to sell the Saudis the F-15's—the most sophisticated American weaponry every sold an Arab State—would result in a Saudi commitment to the security interests we hold in common. Instead we have seen the Saudis time and again act as antagonists, opposing rather than supporting our interests.

The record of the recent past discloses repeated instances where Saudi Arabia has taken positions adverse to the United States. We cannot condone bankrolling the PLO's terrorist activities, such as Saudi Arabia has consistently done. We cannot allow ourselves to remain vulnerable to an interruption in oil supply, despite Saudi Arabia's opposition to our intention to build a strategic petroleum reserve and Saudi threats to reduce oil production as we proceed with those plans. We cannot be thwarted in our need to project American power into the Persian Gulf to protect the vital interests of the West including as necessary the establishment of American bases in the area, which Saudi Arabia has opposed. We cannot condone resolutions condemning our attempt to rescue our countrymen held hostage in Iran, such as that signed by Saudi Arabia in Islamabad in May of last year. And the cause of peace and stability is surely not served by Saudi Arabia's irrational opposition to the Camp David process.

Thus it is ironic—that the Saudis profess to regard the United States willingness to sell them F-15 enhancement equipment a test of the relationship between our two countries. What is being tested here, our commitment to Saudi Arabia's legitimate defense needs, or our willingness to take the path of least resistance? I put it to you that the United States may fail that test if we do not insist upon reciprocity.

Political understanding must precede a military buildup. Supplying sophisticated weaponry to the Saudis will not induce them to see that we have common security interests. On the contrary, we may undermine our own credibility if we appear to be rewarding the Saudis for working against us.

And let us put to rest the old refrain that if we do not sell them the desired equipment, somebody else will.

Certainly it is possible that if we deny the conformal fuel tanks and advanced missiles, the Saudis may cancel their order of F-15's and purchase substitute capabilities elsewhere.

Which leaves us to wonder—so what?

The United States is not in the business of arms merchandising.

The possibility that other markets may exist is not a reason for granting a sale. If it were, we would be selling armaments indiscriminately to the highest bidder. No. If we elect to sell armaments to Saudi Arabia, we should do so because we have concluded that it is in America's interest to bolster Saudi defenses in this manner—and not because we are afraid of losing the sale to someone else.

A sale of sophisticated weaponry is fundamentally a political act, signifying that we have determined that the action is in furtherance of our national security interests. That is the only criterion upon which this proposed sale should be evaluated.

Mr. Speaker, I believe that the burden of proof is on Saudi Arabia to demonstrate why the United States should want to bolster Saudi military capability through the sale of F-15 enhancement equipment. Until Saudi Arabia is prepared to give a clear demonstration of their commitment to peace and to mutual security interests, until we are satisfied that the armaments we supply will be dedicated to regional defense and not an anti-Israeli offensive, we should be in no hurry to consummate this sale.

Mr. Speaker, I would like to yield to my friend from Michigan (Mr. BROOMFIELD), for whom I have such a high regard, who is such a staunch friend of Israel and the ranking Republican on the Foreign Affairs Committee. He would like to express his thoughts at this moment. After that I would like to switch to my other friend from Michigan on the other side of the aisle (Mr. BLANCHARD).

Mr. BROOMFIELD. Mr. Speaker, I thank the gentleman from New York for yielding. I would like to indicate my strong support for the gentleman's remarks and also the remarks of the gentleman from Michigan (Mr. BLANCHARD), and thank them for bringing this matter to the floor, which is extremely important to all of us and to our country as it affects the Middle East.

One of the areas that disturbs me goes back, of course, to the previous administration where this equipment for the F-15's was granted, or at least it was indicated by the Carter administration following the November election. As far as the AWACS, that was another decision made in December.

Of course, the permission has to be granted by Congress and those resolutions have not been forthcoming. I hope that in view of the sensitivity in the Middle East right now, and what is going on in Afghanistan and Poland, that the administration would rethink this situation of providing AWACS to Saudi Arabia.

This really disturbed me when I heard this was under consideration. In fact, I do not believe the United States should sell AWACS to any country. I think the importance to the U.S. national security interests are so overwhelming that we should retain control for the U.S. Government. That is why I want to join with the gentleman from New York (Mr. KEMP) in saying it would be my hope, because we are interested in the security and the stability of that area, that we remain in the Middle East indefinitely with the AWACS that we have there without selling them to either Saudi Arabia or anyone else.

So I am not going to take much more of my colleagues time. I do have an extended speech that I will put in the RECORD.

Again I want to congratulate my colleague from New York (Mr. KEMP) and my colleague from Michigan (Mr. BLANCHARD) for bringing this important message and matter before the Congress. I would hope that this sends a signal to the administration that there are many of us sincerely concerned about this proposed sale.

Mr. Speaker, reports persist that the Reagan administration plans to implement the Carter administration's commitment to sell the airborne warning and control system—AWACS—to Saudi Arabia. These reports concern me since this would be a foreign policy decision I would consider unwise and one I would oppose.

It was only on March 6, 1981, that the administration announced its intention to sell the Saudi conformal fuel tanks and AIM-9L air-to-air missiles for their F-15 aircraft. In the same announcement, the administration said it had agreed to sell to Saudi Arabia aerial surveillance aircraft, subject to further determination of their specific requirements. It is difficult to believe that a careful determination of Saudi Arabia's requirements has now been made in the short interval of 1 month. Such a decision should only be the product of thorough study and extensive consultation with Congress.

Neither has occurred; if it had, I am sure the administration would not propose a sale of AWACS to Saudi Arabia. The transfer of this military equipment would destabilize the Middle East arms balance and threaten the security of Israel. It is a transfer which I feel confident that the majority of Members in both Houses would block.

The AWACS, or the E-3A aircraft, combines jet aircraft mobility with advanced radar techniques to provide low level and long range surveillance, threat detection, and assessment in all kinds of weather and over all kinds of terrain. Moreover, it is a command and control aircraft that is capable of coordinating complex, diverse, and simultaneous air operations, including support of tactical air missions to enhance ground capabilities. The E-3A can remain on extended alert, launch on warning, and keep track of the developing air situation, all of which increases its survivability.

In brief, AWACS in Saudi airspace can take a deep look into unfriendly territory, detect and assess the significance of military movements, and direct an attack against them. Although territory unfriendly to Saudi Arabia could mean Iran or Iraq, it could also mean Israel, against whom King Khalid declared a jihad or holy war last January. An Israeli tank could not move 20 feet without the Saudis knowing should they obtain the E-3A. This detection capability in Arab hands would deprive the Israelis of any opportunity to preempt strikes against it by hostile neighbors. To rob a nation of Israel's geographic size and population of the possibility of preemption would doom it to devastation. The greatest Israeli skill and courage could not overcome the numbers of advanced Syrian, Iraqi, and other Arab aircraft were they directed by Saudi AWACS.

Israel's qualitative military edge, which Secretary Haig has stated it is in U.S. interests to support, would vanish once the AWACS were in Saudi inventory. And no number of additional F-15 or F-16 aircraft in the Israeli Air Force—even on concessional terms—could restore this critical edge.

U.S. interests would, in fact, best be served by an indefinite continuation of current American arrangements regarding the AWACS with Saudi Arabia. The U.S. Air Force has deployed four E-3A aircraft to the desert kingdom since shortly after the outbreak of the Iran-Iraq war. The presence of U.S. AWACS has deterred attacks against Saudi Arabia and it has also provided us with an important surveillance and threat detection capability in the region. Should the United States sell the AWACS to the Saudis, it is apparently not at all certain that the Saudis would even share the data output with us. Moreover, there are no indications that the Saudis intend to be at all forthcoming regarding United States access to Saudi military facilities or prepositioning which are important to assuring U.S. interests in the Persian Gulf. Again, the Saudis appear intent on defining their security in ways that exclude U.S. security concerns.

Therefore, I urge the administration to reconsider, if it has indeed already made a decision, the sale of AWACS to Saudi Arabia. This sale runs counter to U.S. interests and I oppose it.

Rather than transferring the AWACS to Saudi Arabia, which would only fuel the Mideast conflict, the United States should devote itself to promoting a just and fair peace in the region.

Mr. KEMP. I thank my colleague for his comments and for his leadership over these last 25 years in foreign affairs and foreign policy.

I am now delighted to yield such time as he may need at this point to my colleague from Michigan (Mr. BLANCHARD), who has a similar interest in this subject.

Mr. BLANCHARD. Mr. Speaker, I want to commend the gentleman from New York (Mr. KEMP) for his persistence on this issue and his courage at a difficult time in trying to portray this issue of the sale of auxiliary equipment and AWACS to the Saudi Arabians. I rise to express my concern on this item, and most particularly, before I begin, to express the reasons why I think this is an unwise action.

I would like to join in extending the offer of support for a strong bipartisan foreign policy to the new administration and to its leaders here on the other side of the aisle. As my colleagues know, this issue relating to the F-15's and AWACS is not a new issue really. In fact, it existed under the previous administration, and a number of us were put in the position of having to echo the same kinds of criticism of the previous President.

On March 6 the Reagan administration confirmed plans to sell Saudi Arabia conformal fuel tanks and advanced Sidewinder air-to-air missiles for the 60 F-15 jet fighters that the Saudis ordered from the United States in 1978. In addition, reports indicate that the administration intends to sell the Saudis advanced surveillance AWACS aircraft in the near future.

These proposed sales are foolish and ill timed for a number of reasons.

The sale of this equipment would constitute a serious new escalation of arms into this very delicate and sensitive region of the world.

The sale represents yet another attempt to court friendship with other nations through the sale of highly sophisticated military weapons.

Because of internal security problems in Saudi Arabia, the presence of such sophisticated weapons in that country could jeopardize U.S. strategic interests and those of our established allies, if those weapons ever fell into the wrong hands.

Saudi Arabia alone simply cannot insure its own security, regardless of whether they possess the F-15's and this additional equipment.

The sale would ultimately place a much greater security burden on our oldest and staunchest ally in the region, the State of Israel.

Making the sale now would represent a reversal of the past U.S. commitment not to sell this equipment and would send precisely the wrong signal to the rest of the world about the credibility of past U.S. commitments.

Let me take a moment to touch on a few of these points in greater depth.

The history of the U.S. commitment not to sell the Saudis F-15 enhancement equipment dates back to the Carter administration. Back in 1978, when former President Carter proposed the sale of 60 F-15 jet fighters to Saudi Arabia, his Secretary of Defense said that the Saudis would not be equipped with "any system or armaments that could increase the range or enhance the ground attack capability of the F-15's." Last fall as a Presidential candidate Ronald Reagan criticized President Carter for proposing the sale of additional F-15 equipment to the Saudis, citing the need to uphold past U.S. commitments. However, 6 months later, and only 3 months into his term in office, President Reagan has reversed himself in proposing the sale of auxiliary fuel tanks and advanced Sidewinder missiles for the Saudi F-15's. The administration may even go a step further and propose that we provide the Saudis with advanced AWACS radar planes which, when used in conjunction with enhanced F-15's, will provide dramatically increased offensive capabilities to the Saudis.

The fact is, if the administration hopes to demonstrate its willingness to stand by U.S. commitments, it should pay closer attention to the historical record. In 1978, when Congress grudgingly went along with the Carter administration's request to sell the F-15's to the Saudis, it did so with the expectation that such a sale might lead the Saudis to support the Camp David peace process. I might add that I opposed the sale of the F-15's at that time because I was concerned that we were not getting any assurances from the Saudis of their willingness to play a role in the peace process. Unfortunately, in the past 2 years, we have received very little in return for the F-15's. The Saudis have not indicated any willingness to play a constructive role in helping to support the Camp David accords. In fact, earlier Saudi Arabia led the Islamic nation in calling for a holy war against Israel, and they continue to provide massive amounts of funding for the Palestine Liberation Organization.

Certainly we should be doing everything we can to improve our relations with Saudi Arabia, and encourage them to become more actively involved in the Mideast peace process. However, in order to develop a healthy and lasting relationship with the Saudis, we must make it clear that such a relationship is a two-way street. The Reagan administration has shown some indication that they favor greater linkage in our foreign policy decisions. However, I am concerned that this latest proposal to sell equipment to Saudi Arabia appears to be a departure from this policy.

Obviously the sale of such sophisticated equipment to the Saudis will also pose a new and serious threat to our closest ally in the Middle East, the State of Israel. The mere presence of such potentially offensive equipment would force the Israelis to counter with new contingency plans that will require greater investments in their military budget at a time when military spending already occupies too large a percentage of Israel's gross national product. What a terrible shame it would be if in the name of a stronger U.S. presence abroad we undermined our most reliable and effective ally in the Middle East, the State of Israel. I cannot help but wonder if this sale would even have been proposed if Israel had oil wells.

Peace in the Middle East took a giant step forward when Israel and Egypt agreed to the Camp David accord. We must do everything we can to build upon the Camp David agreements by encouraging other moderate Arab States to get involved in the peace process. We must make it clear to states like Saudi Arabia, and perhaps Jordan, that we are willing to build meaningful alliances with them in return for their efforts toward peace in the region. However, neither peace in the Middle East, nor the long-term interest of the United States are served by providing Saudi Arabia with this highly sophisticated F-15 enhancement equipment. I hope that President Reagan and his administration will reconsider this proposal, and I urge my colleagues to step forward and join me in expressing opposition to this sale.

Mr. KEMP. If the gentleman would just let me take back my time for a moment, I was pleased to see that Secretary of State Haig suggested in the New York Times the other day that part of the reason that he was going to the Middle East would be to try to work out with Israel an arrangement where the $600 million of FMS (foreign military sales) would be turned from a sale into an outright grant, that he was suggesting that that might be a proposal. I do not think that we would do anything to discourage that. I certainly would not look upon that as a concessionary loan, but as something that would be very much needed by Israel at this time, along with more important electronic equipment to help patrol their borders and

air space. Nonetheless, the Government has raised a real point that this might tip the balance, as I pointed out in my remarks a little bit earlier.

Mr. BLANCHARD. I think that is evidence of the fact this does kind of up the ante in the Middle East, the fact we feel the need to offer Israel additional moneys for credits for equipment.

Mr. KEMP. That would be helpful though, would the gentleman not agree?

Mr. BLANCHARD. Absolutely helpful. But I wonder whether we would be tendering it but for the fact that we are going to expand the range of the F-15's, give them the additional missiles and go forward with the idea of AWACS. I realize that some of the arguments relate to the Soviet intrusion in the area, but I am afraid in reaction to a very real threat, the Soviet Union, we may be creating problems among not only our ally, Israel, but a potential ally, Saudi Arabia. I say potential because I think there are a number of things that are going to have to happen before you and I can really say that the Saudis are, indeed, our allies.

Mr. KEMP. One thing that I would say the Saudi Arabians would have to do is to stop arming the PLO to the extent that they are.

I saw the other night on ABC's show "20-20," Geraldo Rivera did an hour long show on Soviet support, financing and exporting of terrorism in the Middle East and throughout the world by training the PLO and providing money. It was a remarkable show and I think it is one of the best TV documentaries I have see in a long time in identifying the Soviet's role in encouraging terrorism throughout the world. But it should also be made public that not only is the Soviet Union arming and supporting and financing the PLO, but so is Saudi Arabia, $150 million a year.

Mr. BLANCHARD. I was pleased to see the gentleman call for renunciation of their earlier declaration. As the gentleman meant to say, and certainly implied, this idea of waging a holy war against Israel, which is what the Saudi Government has subscribed to, is not the kind of signal we want from someone that we hope will join the peace process relating to Camp David and Middle East stability.

I do have a few more remarks that I would like to present if the gentleman will allow me to proceed.

Mr. KEMP. I would be glad to.

Mr. BLANCHARD. We have a number of colleagues who want to speak, and I would simply like to highlight a few items for the record here, because this is a very serious issue, one that has continued for several years. Again, this is not a partisan issue, but it is one which all of us are going to have to monitor very carefully.

The fact is that in 1978 when the Congress went grudgingly along with the Carter administration's request to sell F-15's, it did so with the expectation that such a sale might lead to the Saudis supporting the Camp David accords, and the Saudis, by the way, had not indicated any willingness to play a constructive role in the Camp David process. They have talked about leading the Islamic nations into a holy war, and they continue, as the gentleman from New York (Mr. KEMP) pointed out, to provide massive funds to the Palestine Liberation Organization.

Obviously we should improve our relations with the Saudis, but it has to be a two-way street. I like the idea of linkage in foreign policy, and the Reagan administration has talked about this. Here is an example of where it ought to be employed.

Obviously the sale of this equipment poses a new threat to the State of Israel. The mere existence of this equipment requires Israel to counter with a whole new set of contingency plans which are not only straining a very important ally, but upping the ante in terms of dollars and cents in the defense spending in the Middle East.

I think it would be a terrible shame if in the name of a stronger U.S. presence abroad if we undermine in any way our most reliable and effective ally in the Middle East. I cannot help but wonder if this would be occurring but for the existence of all of that oil in Saudi Arabia, and it concerns me very deeply.

I hope that we, along with the administration, can do everything possible to encourage going forward with the Camp David process and understand that our plan must contain the long-range interests for our country, for the Middle East, and for our dear friend, Israel. I sincerely hope, sincerely hope that, and I will do everything I can to cooperate in hoping that the administration will reconsider, reconsider its proposal before it is too late.

Mr. KEMP. I thank my friend from Michigan for his comments. I might add that they were right on target. They come from a sincere conviction as to this issue.

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He is not someone who has only recently made up his mind, and I look forward to working with him on this bipartisan foreign policy that this Nation should have and this Congress should reflect.

I might add for the record, as someone who is familiar with the Reagan foreign policy, President Reagan has given strong support to Camp David. The one area of the recent campaign in which President Reagan gave support to Mr. Carter was on the basis of his high marks for helping bring together Egypt and Israel and starting the process through Camp David toward peace in the Middle East.

I am glad that this administration has been so forthright and candid in supporting a previous administration's attempt to begin a step-by-step process whereby the parties directly involved in the dispute and in that area of the world can work out an arrangement. Frankly, Camp David has been quite successful, particularly on the Sinai. We do not know how it is going to play itself out, but I think this Congress would be well advised to go along with the administration, or vice versa, in supporting Camp David. I would like to see that process ongoing, as I think my friend from Michigan would.

Let yield to my friend from New York (Mr. GILMAN), whose friendship I am so grateful for.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I want to take this opportunity to thank my colleagues, the gentleman from New York (Mr. KEMP) and the gentleman from Michigan (Mr. BLANCHARD), for their leadership on this issue and for arranging this special order this afternoon to discuss the proposed sale of F-15 enchancement equipment to Saudi Arabia.

As a member of the Committee on Foreign Affairs, I have followed closely the events taking place in the Middle East. In 1978, I participated in the committee hearing process and heard with my own ears the justifications and assurances that we provided to the Congress in order to gain approval for the sale of sophisticated F-15 aircraft to Saudi Arabia. At that time I expressed my belief that there was little justification to provide such an advanced fighter-bomber. Only after strict assurances from the administration that no advance enhancement equipment would be provided did the Congress reluctantly agree to the sale. Now today, we are being asked to forget those assurances and provide that same controversial equipment.

The United States does have a legitimate interest in helping Saudi Arabia maintain its security and stability. It is in our interest, through friendly relations with Saudi Arabia, to help keep the oil flowing and to influence and moderate other nations in the region. This is the very justification used in seeking our support for the original aircraft sales. But it is also true now, as then, that this relationship must be a two-way street.

We have every right to expect that in return Saudi Arabia would at least suspend their attacks on President Sadat and the Camp David accords and encourage the various parties to seek a moderate solution. Instead, they continue their attacks. At the January 26, 1981, Islamic Summit Conference in Taif, Crown Prince

Fahd went so far as to urge his Islamic brothers to mobilize "their spiritual, cultural, political, and material capabilities in a true and untiring 'jihad' (Holy War) with all the lofty meanings of the Islamic concept of jihad to confront and repell aggression and restore our holy places and usurped land." I ask you, if this is their attitude 2 years after we provided the F-15's, what can we expect 2 years from now?

From a military standpoint, I fail to see how the addition of long-range fuel tanks and sophisticated new missiles will significantly enhance the security of Saudi Arabia. The traditional threat from Iraq has been defused by the Iran/Iraqi war and has even given way to improved ties through Arab solidarity. Any threat from the Soviet Union will remain since the Saudis will continue to be vulnerable to their superior numbers and experience.

On the contrary, I believe that this proposed sale would increase tension and the risk of broad-scale conflict. Israel could not afford to ignore such a potential new threat. The elimination of this threat would undoubtedly become a priority item to any battle plan insuring Saudi participation in future conflicts.

Saudi Arabia has called this proposed sale a test of our friendship. In order to balance this friendship with Israel, we have offered them some $600 million in new arms credits. As Washington Post columnist Philip Geyelin recently pointed out in an article entitled, "A Saudi Quid for the F-15 Quo?"—

And so the Mideast arms race spirals on, with no clear answer as to how the additional arms fit into U.S. strategic planning.

Mr. Geyelin ends his commentary with the one remaining and as yet unanswered question:

What has the United States so far received—or can reasonably expect to receive—in return?

Until that question is answered, I must express my grave reservations about the proposed sale of equipment of this nature to Saudi Arabia.

For the information of my colleagues, I would like to insert the entire March 27 article by Mr. Geyelin at this point in the RECORD:

A SAUDI QUID FOR THE F-15 QUO?

(By Philip Geyelin)

To understand the dynamics of the Middle East arms race—and its essential mindlessness, as well—you have only to put this question to almost any defense expert, in or out of office:

Why did the United States originally agree to sell 60 of its most sophisticated military aircraft, the F-15 fighter-bomber, to Saudi Arabia, and why is it now ready to significantly enhance both the range and firepower of this plane by adding fuel tanks, advanced air-to-air Sidewinder missiles and other support aircraft and equipment?

The answer: Because the Saudis want them.

Next question: Why do the Saudis need this capacity to strike at targets 1,000 miles away? The answer, almost unanimously, is that they don't. So why, once again, are we doing it? At this point the conversation comes full circle: The answer is that the Saudis are insisting on it.

Strictly speaking, of course, that is only part of the explanation. The other part is that the United States, for reasons that make almost no sense in military terms, cannot bring itself to say "no" to Saudi Arabia.

Now it is true that along the way, in the case of the F15s, the United States has said no. President Carter explicitly promised not to sell the fuel tanks, missiles and all the rest when he was fighting a close and bruising battle with Congress for approval of the sale of the aircraft in 1978. Israel and the American Jewish community were violently opposed.

And then again, when the Saudis began pressing for the "extras" last year, some 68 senators expressed their opposition in a letter to the White House. That would have been more than enough to kill the sales under a procedure that permits either house of Congress 30 days to veto such transactions. Just 10 days before last November's election, in what was obviously an effort to reassure Israeli supporters, Carter publicly promised "no change" in his original commitment not to upgrade the F15s' capabilities.

One is left with the clear impression that the Reagan administration in now reversing Carter policy—that this is a partisan matter, reflecting the new administration's greatly enlarged concern for Mideast, and Persian Gulf, security, and consequent willingness to accede to Saudi demands in a way that the Carter administration would not.

That is what the public record suggests. But the private record suggests quite the contrary. According to former high officials in a position to know, almost immediately after the election, the Saudis once again began pressing their case for the extra gear for the F15s with renewed urgency. And the Carter administration was ready, in the middle of the presidential transition, to go along, at least most of the way.

Quiet overtures, in fact, were made to the Reagan transition team. An offer was made to make it a bipartisan affair, with the president-elect giving his tacit approval in a way that would have taken both the outgoing and the incoming administration off the political hook.

But the Reagan camp reportedly was not yet ready to take the plunge, although there was strong support among Reagan's military and foreign policy advisers for upgrading the F15s. The Carter administration thereupon decided against going it alone.

"We never did make a binding commitment to the Saudis," says one former Carter official. "But the written record if published, would certainly imply that we were ready to go forward. If we had been reelected, we would probably be doing pretty much what the Reagan administration is doing now."

The effect of all this is to make the F15s pretty much of a non-issue. What seemed to be shaping up as another battle royal, with Democratic Sens. Kennedy, Cranston and Biden leading the opposition, is likely to be not much of a fight.

The Reagan administration is putting it about, in its dealing with American Jewish leaders, that it is only doing what the Carter administration was prepared to do. The Israelis, sensing the force of that argument and not being eager for a losing confrontation with the new American administration, are registering only perfunctory opposition.

One reason: As an offset to the supposedly new military capacity being conferred upon Saudi Arabia, Israel will receive some $600 million in new arms credits from the United States.

And so the Mideast arms race spirals on, with no clear answer as to how the additional arms fit into U.S. strategic planning to meet what the Reagan administration perceives to be an increasingly dangerous Soviet threat to the area.

There are undoubted Saudi defense needs—for defensive weapons such as the far less sophisticated and more immediately useful F5s, which the United States has furnished Egypt. The question remains what use Saudi Arabia has for the hottest and hardest-to-handle offensive aircraft in the American arsenal. If it is a matter of prestige—of ingratiating a vital oil producer, one with a potentially constructive role to play in the Palestinian issue—a further question remains. What has the United States so far received—or can reasonably expect to receive—in return?

Mr. GILMAN. I thank the gentleman for taking the time to bring this before us today.

Mr. KEMP. I thank the gentleman for his comments. I was particularly pleased that he couched them in very moderate terms insofar as he suggests that Saudi Arabia is a potential friend and ally and force for moderation in the Middle East. That was welcomed by this Member because I think we must influence foreign policy, as the gentleman from Michigan pointed out earlier, by establishing some conditions on those relationships.

I think this administration, frankly, has gone a long way toward reversing earlier trends toward—well, I will not use the word "appeasement"—but in the show the other night on "20-20," I would say to my colleagues, that was so remarkable by Geraldo Rivera, at the end of the hour-long documentary, they interviewed a young Christian Lebanese leader who was fighting off, literally, genocide against Christian communities of Lebanon. He was crying out to the world the fact that there were no Christian nations anywhere supporting his attempts to help his people survive, and the only nation in the world that was helping the Christian Lebanese community was Israel, and how grateful he was for that.

But he told the story of how, when the American Ambassador was murdered by the PLO in 1977 and they dumped his body in a garbage pail and this country protested, causing the PLO to ship the body of the U.S. Ambassador to the United States, we sent a long telegram of thanks for his cooperation to Yasser Arafat. This young Christian Lebanese leader said that is not complacency, that is an act of complicity. I agree.

I hope within the space of the next few days to put the whole script of that "20-20" show into the RECORD to bring to the attention of our colleagues, I would say to my friend from Michigan, that remarkable show.

Mr. BLANCHARD. If the gentleman would yield, I saw that same show and was so moved, as you were.

I do want to mention one thing regarding the new President. I think his offer of friendship and support to Israel should be well received by all of us because Israel is a democratic ally that has proven to be effective in the Middle East, in a very unstable part of the world. But I would not want to let my silence equate my feelings about Mr. KEMP's support of Israel with Mr. Reagan's.

You, sir, have a track record on this issue which is proven as reliable and strong support for Israel. President Reagan has a number of statements. He has yet to prove himself on this point. I think that should be pointed out because I found, in looking at the statements of our new President, that they look very much like those of the previous President, and like him, he did not have a track record here either. They were Governors.

Mr. KEMP. I want to reclaim my time for a moment because the gentleman is going to have an hour, and if he wants to, he can establish his concerns about what this administration is going to do or not going to do in the Middle East or with regard to Israel.

It is my belief that, as I said earlier in my remarks, that this President and this administration will turn out to be very good friends of Israel. I talked to the President about this personally, and I do not now want to get into a debate over what may or may not happen. It is my belief that President Reagan should be taken on his own word, and he has a pretty good record of carrying out his campaign promises.

Mr. ADDABBO. Will the gentleman yield?

Mr. KEMP. I will yield to my chairman. I served on the Defense Subcommittee on Appropriations under my good friend from New York (Mr. ADDABBO) and it is a pleasure to be in a position to yield to someone for whom I have such high regard and respect.

Mr. ADDABBO. Thank you very much. The feeling is mutual. We do miss you on Defense Appropriations. We may disagree, but we disagree with total friendship.

I want to compliment the gentleman from New York (Mr. KEMP) and the gentleman from Michigan (Mr. BLANCHARD) for bringing this matter to the floor and to the public's attention. I think it is very important. It has been lost in the news media by the budget cuts and the other debates and the near tragedy of last week.

I was one among many here in the House who opposed the original sale of the F-15 because we knew this was just a foot in the door for a greater arms buildup and a possible arms race, as we see it.

We commend and support the President's move for greater military aid to Israel. But again, that is only a small part. This is a more serious thing because, again, the F-15 as presently configured is a good defensive weapon, as the gentleman, having served on the Defense Appropriations Subcommittee, knows.

But with the enhancement of the additional weaponry and the tanks, it becomes a great offensive weapon. The enemies of Saudi Arabia are not that far. The only one they will now be able to reach will be Israel. The present configuration gives them sufficient defense against their closest enemies.

So I commend the gentleman from New York (Mr. KEMP) again, and the gentleman from Michigan (Mr. BLANCHARD) for bringing this to our attention. I do hope he will carry the message of this House—and I know he has the confidence in the administration—of the importance and the feelings of many of us in the House.

Mr. Speaker, I rise to voice my disapproval of the proposed sale of additional F-15 equipment to Saudi Arabia and AWACS, and express my deepest concern for the safety and welfare of the State of Israel, due to the Reagan administration proposal of March 6, in which it announced it intended to sell Saudi Arabia certain accessory equipment for the F-15 air superiority fighter aircraft which it had purchased in 1978 from the United States. My concern for the well-being of Israel is heightened because I fear that the related equipment—conformal fuel tanks to extend the range and flying time of the aircraft, and the AIM-9L Sidewinder air-to-air missiles, highly accurate and far more lethal then previously sold to Saudi Arabia—could seriously jeopardize the safety and peace of Israel. For the present Saudi's F-15's are sufficient for its defense. It is a decision by the administration that can only lead to an arms race, an arms race which would only result in needless instability in the Middle East.

Mr. Speaker, I firmly believe that the current political situation in the region precludes any such deals at this time. I also firmly believe the future repercussions of this sale will be most damaging to the economy and security of Israel and that President Reagan should adhere to the Carter administration's assurances to Israel that it "would not sell other systems or armaments that would increase the range or enhance the ground attack capability of the F-15."

It is clear to us present today that the intent of the sale, to provide Saudi Arabia with better defensive weapons, may be totally different from the possible effect if those weapons are suddenly used in an offensive display, seriously undermining the sanctity of Israel, and I respectfully urge President Reagan to seriously reconsider his proposal and urge my colleagues not to approve the sale.

One of my greatest fears is an arms race developing in the Middle East. Israel is in no position economically to enter into a situation in which it will be forced to purchase more and more military equipment to counter similar purchases by Saudi Arabia. An arms race will mean less security and contribute to an already crucial situation in Israel. It is a race that it cannot possibly win, and one in which Saudi Arabia would be most happy to enter.

Some have made the argument in favor of the sale that the United States must sell the equipment to enable the Saudi's to protect their oil resources from internal or external threat. That argument disturbs and angers me because it is obvious that the new weapons will have no discernible effect against the greatest threat to their resources—the Soviet Union—and it is foolhardy, judging from past experiences with Iran, to think that sophisticated weapons could possibly prevent the overthrow of the government.

It is obvious that the administration lives in the fantasy of past mistakes in international affairs in which it was assumed that one could apply military solutions to political problems. There is no one who can guarantee what type of government, pro-United States, anti-United States, or violently opposed to Israel, will be in control of those weapons 1 year or 5 years from now, nor is there anyone who can say with full assurance that current ties to the United States for military security will continue tomorrow or next year, or prevent Saudi Arabia from attacking Israel.

It seems like only yesterday that we gathered at the White House to watch the historic signing of the monumental Camp David accords. As we watched that sunny day, ourselves witnessing history, we all felt that this agreement would be the cornerstone of a lasting peace in the Middle East.

It seems those who approve of the sale have very short memories, for the Saudi's have yet to endorse that agreement or the Egyptian-Israeli peace treaty. Rather than working to encourage stability in the region, a stability which would benefit everyone, and working closely with its neighbors to adhere to the agreements, Saudi Arabia has done just the opposite, joining radical Arab States in denouncing the accords and breaking relations with Egypt. I do not understand the logic in assuming such a nation would not in any way be compelled to attack Israel, perceived

threat or not. It is a chance that at the present time, under the current military and political situation, cannot be allowed to take place.

Mr. Speaker, respected colleagues, I urge you again to study the future ramifications of such a sale. Study before you make your decision to vote yes or no to the sale as to what the past has shown us about past internal instability in the Middle East and how it has affected our Nation. We have arrived at a situation where less is better and more—whether it be planes, missiles, or fuel tanks—can only serve to undermine a peace many have worked so hard for.

Mr. KEMP. I appreciate my friend's statement. I would say I think it is because of the concern registered in the Congress on both sides of the Capitol that the bomb racks were not placed on those F-15's. If you put bomb racks on there, with Sidewinder missiles and the new fuel tanks, you would have had a potent offensive attack weapon that could be used to reignite war in the Middle East.

So I think it is wise that some of us are raising these issues. I know it will be taken in the right spirit down Pennsylvania Avenue.

I yield to my friend from Pennsylvania.

Mr. DOUGHERTY. I thank the gentleman for yielding.

Mr. Speaker, I rise today to oppose the planned sale of AIM-9L air-to-air missiles and fuel and sensor tactical (FAST) packs to Saudi Arabia for the 60 F-15's they purchased from us in 1978. In addition, the proposal to sell some AWACS radar observation planes to this Arab nation is of greater concern to me. These sales are alarming because they undermine the security of Israel, our strongest and most dependable ally in the unstable region of the Middle East.

Some of my colleagues may be of the opinion that Saudi Arabia would never use these sophisticated weapons against Israel. But I ask them: How can we trust a nation that has not accepted the peace treaty between Egypt and Israel, has financed the terrorist Palestine Liberation Organization, has led a financial boycott of Egypt, opposes use of the Suez Canal by Israeli ships, and has called for a holy war to be waged against the State of Israel?

All of these recent actions of Saudi Arabia aside, there exists the possibility in the future, given their instability, of a takeover by radical forces from within or outside the country. Then look where the offensive F-15's and the AWACS would be. Violent enemies of Israel could use the AWACS to detect any troop and plane movements of the Israeli army from hundreds of miles away. Obviously, this enhances the Saudi offensive capability, and with F-15's, they could attack quickly and efficiently the condensed Israeli population. Needless to say, the reason the Saudis could travel the long distances to their targets in Israel would be the fuel tanks we are planning to sell them now.

Certainly we could even things up by selling more advanced equipment to the Israelis. But they already spend an extremely large portion of their budget on defense, and their triple-digit inflation could not likely survive increased spending in this regard. How can we possibly expect Israel to keep pace with the oil-rich Saudis in buying military weapons from the United State or any other nation? It is a race the Israelis cannot win.

Mr. Speaker, there are a number of additional reasons why we should not sell this equipment to Saudi Arabia. For one, it shows that the United States is willing to forgo past commitments when an Arab oil country threatens to reevaluate our relationship with them. What future promises or treaties will we go back on if one of our supposed moderate allies in the Middle East talks of reducing their oil supply to our country? Second, the word of the United States obviously suffers with such an occurrence. Who will believe any commitments we make in the future with other nations? Very few, I would think.

One can also ask whether this equipment will really help the Saudis defend themselves against aggressors when it is their offensive capability that is so drastically increased. How will the sales affect any future peace negotiations in the Middle East, and finally, what benefits will the United States receive from this in its relations with a Saudi Arabian Government that has often joined forces with other countries to fight Israel, and calls now for a holy war against the Israelis?

Mr. Speaker, the United States cannot sell this sophisticated weaponry to such a government. It will result in our ally Israel being placed in a dangerous security position, and could also upset the fragile Middle East peace process that is vitally important to all nations of the world.

□ 1530

Mr. NELLIGAN. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Speaker, I thank the gentleman for yielding. I wish to compliment my friend from New York (Mr. KEMP) and also the gentleman from Michigan (Mr. BLANCHARD) on the enlightened articulation on this very important subject which I have heard here in the House this afternoon.

Many Americans have voiced skepticism about the proposed sale of the AWACS and offensive weaponry to Saudi Arabia for use with F-15 fighter bombers.

They are wary of the vague assurances by the Saudis that they will hold down the price of oil—and help in the quest for peace in the Middle East—in return for sale of American weaponry.

These promises have remained unfulfilled in the past. But I am willing once more to give the Saudis an opportunity to reciprocate American assistance by playing a positive role in that troubled area of the world.

I am willing to accept that assurance because I believe the overriding American security interests at stake make it necessary to do so.

The fact that I do not plan to oppose the sale at this time does not signal an abandonment of my unequivocal support of Israel. That democratic nation, in addition to being our moral partner, also is an important strategic asset to the United States in the Middle East, particularly if the United States is to counter the escalating Soviet threat there.

I look forward to the time when Saudi Arabia becomes a true force for peace and there is no need to continue this tragic scramble for the increasingly powerful instruments of war.

It is my hope that the sale of this weaponry may help bring that day closer.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I rise today with deep concern and grave questions about the proposed arms sale to Saudi Arabia of Sidewinder missiles and conformal fuel tanks, as well as AWACS (airborne warning and control systems).

Is the Soviet threat to Saudi Arabia enough justification to conduct business that is in direct violation of assurances to Congress and to Israel? As the gentleman from New York (Mr. KEMP) pointed out when the original F-15 sale was proposed, the United States gave assurances that no offensive add-on equipment would be sold to Saudi Arabia.

Is the sale going to affect the staggering price of Saudi oil? How could it lead to moderation of oil prices that have risen from $12 a barrel in 1978 to $37 a barrel in 1981?

We must bear in mind the open hatred harbored by the Saudi Government for President Anwar Sadat and his work toward an Arab-Israeli peace treaty. Saudi leaders have called for a jihad, or holy war against Israel. In the past 32 years, three of the four wars Saudi Arabia has been involved in were against the Israelis.

The Saudis have been, and continue to be, a major opponent of the Camp David accords.

In light of all this, I ask, Are we justified in selling our missiles and fuel

tanks and warning systems to this country?

Mr. KEMP. I thank the gentleman for his comments.

Mr. Speaker, I am delighted to yield to my friend from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I thank the gentleman from New York and the gentleman from Michigan for arranging this very important public statement for this most unfortunate situation.

Mr. Speaker, I strongly oppose the proposed sale of offensive enhancements for the F-15 fighters sold to Saudi Arabia in 1978. I am even more vehemently opposed to the sale of airborne warning and control radar planes (AWACS) to a nation that, first, does not need this weaponry for its defense and, second, does its utmost to oppose our peace efforts in the Middle East.

It is incredulous to me that the new administration would consider providing weaponry that could prove devastating to Israel, without the slightest assurance from the Saudis that these arms would not be used offensively toward Israel. The lack of assurance from the Saudis implies that these arms would, in time of conflict, prevent Israel from adequately providing for its defense.

Two years ago, the sale of F-15's was approved by Congress on the assurance that the Saudis would not acquire these offensive accessories and that the Saudis would be a force for moderation in the Middle East. Instead, the Saudis have led the rejectionist states in calling for a jihad against Israel, and have continued to be the major financier of the PLO.

Supplying the F-15 enhancements and AWACS would not only be a mockery of the administration's expressed intention to combat terrorism, but would reward the Saudis for opposing the Camp David peace treaty. Without insisting on a quid pro quo, the perception of a weak United States is inevitable. A coherent overall Middle East policy would help us resist the sense of appeasement that is associated with this sale. Certainly, the expectation of maintaining the flow of oil at a moderate price has not come about in the past.

Having air-to-air missiles and conformal fuel tanks for the F-15's will not stabilize Saudi Arabia. Nor will AWACS eliminate the internal threat to the Saudi regime. Furthermore, we may again find ourselves with neither the friends nor the weapons that were to protect our own national interests.

When Israel becomes militarily vulnerable, the Soviet threat to the Persian Gulf will be strengthened. Reality dictates that both Israel and the Saudis have a common interest to combat Soviet expansionism in the region. The Saudis will realize this only when its best interests will be served by doing so, and I believe that the United States must play a major role in promoting that recognition.

No offer of increased military aid to Israel can adequately reduce the threat that AWACS in the immediate region can pose to Israel's security. These radar planes can detect high-flying objects within a 35-mile radius and low-flying objects within a 250-mile radius. They can differentiate among 600 targets, analyze the data, and relay commands to ground forces and other aircraft. The range and sophistication of the radar would seriously threaten the Israeli Air Force by monitoring Israeli defenses, and would severely diminish or eliminate the strategy of preemptive strikes.

Upon notification of either of these sales by the Department of Defense, I will work toward the passage of a resolution of disapproval to stop these sales that would only result in the further destabilization of this vulnerable part of the world.

Mr. KEMP. Mr. Speaker, at this time I have to attend an emergency budget session, and the gentleman from Michigan (Mr. BLANCHARD) is going to take over the time.

I yield to the gentleman from Michigan so that he will then have an opportunity to make sure that Mr. COURTER, Mr. DENARDIS, and Mr. EMERSON have a chance to speak.

The SPEAKER pro tempore. The time of the gentleman from New York (Mr. KEMP) has expired.

ADDITIONAL ARMS SALES TO SAUDI ARABIA OPPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BLANCHARD) is recognized for 60 minutes.

Mr. BLANCHARD. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. MAVROULES).

Mr. MAVROULES. Mr. Speaker, let me thank the gentleman from Michigan (Mr. BLANCHARD) and also commend the gentleman and the gentleman from New York (Mr. KEMP) for their vision and foresight in putting together this very important special order.

Mr. Speaker, I rise to express my opposition to the possible sale of additional weapons to Saudi Arabia. As expressed by one policy analyst, such a sale represents a litmus test of American-Saudi relations.

How many times have we heard that before?

At least in this instance, the proposed sale of additional weapons to the Government of Saudi Arabia does not make sense. If the Congress is going to have any say in this matter, it should be an emphatic, no.

It is ironic, but while we debate gun control and violence in the United States, we are simultaneously promoting an arms shipment contrary to our efforts to promote peace and stability in the Middle East—an effort made more difficult these days by the events in Lebanon.

If indeed arms sales to Saudi Arabia are a litmus test of American support and good intentions, then surely we have already passed that test. Since 1976, the United States has sold more military equipment to Saudi Arabia than to any other non-NATO country. The total is more than $22 billion in weapons. In 1980, their purchases of our military equipment and construction amounted to about $5 billion.

Where the Saudi Government needs assistance for purely defensive purposes, we have offered our hand and our equipment. However, with the F-15 already in their inventory, we have given the Saudis more than just a defensive weapon.

At the time of the 1978 F-15 sale, the Congress was assured, by then Defense Secretary Harold Brown, that additional components giving the F-15's greater offensive capabilities, would not be sold to Saudi Arabia.

A letter went to the Chairman of the Senate Foreign Relations Committee, Senator John Sparkman, pledging that—

> Saudi Arabia has not requested nor do we intend to sell any systems or armaments that would increase the range or enhance the ground attack capability of the F-15.

Equipped with extra fuel tanks, and the Sidewinder air-to-air missile, as has been proposed, these F-15's would be capable of an offensive thrust anywhere in the Middle East.

While I do not question the integrity of the leaders of Saudi Arabia, should war break out in the region there would be intensive pressure from other Arab Nations upon the Saudis to use these weapons. In such a provocative environment, the ability of the United States to exercise any control over the use of these weapons would be limited at best.

Also discussed as part of the arms sale is the E-3A AWACS advance warning and control system aircraft. The AWACS represents our most sophisticated electronic equipment and radars. Its look-down radars represent the most advanced form of the state of the art and the security of this sophisticated equipment should be a concern.

Mr. Speaker—is history repeating itself with an American President proposing to sell a Middle-East nation sophisticated military technology?

When the F-14's were sold to Iran in the early 1970's, the Congress was assured that the technology of these aircraft would be secure. Yet, one of the first consequences of the Islamic revolution was a compromising in F-14 security. There is evidence that Soviet

agents were able to obtain the highly classified F-14 manuals containing the most sensitive details of F-14 operations capability.

While we all support stability for the present Saudi Government, we have learned from Iran that we cannot assume anything. And so, I must lean on the side of caution in any discussion on the transfer of our country's most sensitive military technology.

To quote the report of some Middle East experts "the strains caused by accelerated industrialization, accompanied by liberalization of the kingdom's social or political institutions, may provoke a violent reaction" against the present Government.

Further, there is concern that:

Many sectors of Saudi society, from religious ascetics to those with rising expectations about the benefits of oil wealth, may end up increasingly dissatisfied with an uneven development program that goes too far and simultaneously not far enough.

As with Iran, a very conspicuous arsenal of Western arms may create a resentment within Saudi Arabia which will prove to be destabilizing for the regime.

All of us in this Congress want to see peace in the Middle East. And, all of us want good relations with Saudi Arabia. The Saudis supply 17 percent of the world's oil production, and I do not question the need of the United States to provide reasonable assistance to that Government.

However, the new round of arms sales is in no one's interest. The assumption that if we sell them weapons, they will sell us oil is based on a simplistic understanding of the region, its economy, and its needs.

For these reasons, the military sales does not make sense, and accordingly our response in Congress must be to reject the sales in the strongest possible terms.

Mr. BLANCHARD. I thank the gentleman for his eloquent observations and his participation.

Mr. Speaker, I now yield to the gentleman from New Jersey (Mr. COURTER).

Mr. COURTER. Mr. Speaker, I believe that it is very important that the Congress take a long, hard look at the proposed sale of AWACS aircraft and additional AIM 9-L Sidewinder missiles and fast pack fuel tanks for Saudi Arabia's air force.

Several questions come to mind. Why do the Saudis need the AWACS aircraft? This airborne warning and control system aircraft is already on station in Saudi Arabia under U.S. Air Force Auspices. Of course, the security of Saudi Arabia is of major importance to us, but I feel that this aircraft can be put to its most beneficial use by remaining under American control while guarding the skies over Saudi Arabia. This aircraft is too valuable to be placed in the arsenals of nations outside of NATO and our own. The fact that the Saudis want them is not strong enough justification. We have and will continue to demonstrate our friendship for the Royal Kingdom, but this must be compatible with our national security. While AWACS is not an offensive aircraft per se, it is a tempting target for saboteurs. I am not convinced that the Saudi Government could give assurances of the planes safety. It must be remembered that we almost sold these aircraft to Iran. Had we done so, almost assuredly that system (AWACS) would have been compromised. With regard to the add-ons to the F-15's, former Secretary of Defense Brown gave Congress written assurances that the F-15's Saudi Arabia sought would be strictly for defensive purposes. While I applaud the administration's decision not to include additional bomb racks, I am concerned about the new fuel tanks that will give the Saudis enhanced range for their aircraft: Range that could take their aircraft well into striking distance of Israel. The AIM 9-L Sidewinder missiles, for air-to-air combat, will give the Saudis an enhanced potential against the air forces of states in the region.

To threaten Israel with these systems makes no sense, for it is Israel who is our most important strategic asset in that region. Oil may be expensive but true friendship is priceless. When we threaten Israel's security we ultimately threaten our own. Mr. Speaker, we cannot and should not accommodate the Saudis for the sake of their fragile pride and vanity. Saudi Arabia's best bet is to permit the United States the full extent of its options in that area, including greater access to Saudi facilities, for our mutual benefit. Second, the Saudis must eventually come to realize that it is the Soviet Union, not Israel, that threatens her security. Israel could be a great friend of the Saudis, if the Saudis would only let this happen. It is a shame that Saudi Arabia has chosen to tarnish its name, by association and direct support of the terrorist PLO, rather than take a constructive role in the peace process.

Mr. BLANCHARD. Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I thank the gentleman for yielding. I commend him for his initiative, because I think it is essential that we make clear today and in relation to the opposition that exists in this House and in the country, to a further explosion of the arms race in the Mideast.

The administration is making a very grave error in a number of ways. First, they are proposing to send to Saudi Arabia some of the most sophisticated offensive weaponry that exists in the world today. They send it in a manner that makes Israel one of the few clear likely targets. That in and of itself touches off an arms race which is hardly in the economic interests of Israel or other countries in the region. It undermines the very stability the administration says it wants to promote. We are trying through our diplomacy to persuade the forces in the region that have been at swords' points with each other to make the kind of statement that can only come in an atmosphere of mutual good faith.

□ 1545

When we armed the Saudis, despite the fact they have sworn and continue to swear hostility to the state of Israel and most recently hosted a conference where a "jihad" was called for, that was exactly what we ought not to have been doing, if we want to try to force an atmosphere in which negotiations can take place.

It is a very grave error for us to be at this point injecting these arms. It is a particular error because the sale of this offensive weaponry goes directly counter to the solemn promises made by the American Government and made by the U.S. Congress and the promises made on the part of the executive branch to Israel. Having the American commitment not to sell offensive weapons to Saudi Arabia so blatantly disregarded is hardly conducive to permitting the kind of attitude toward Israel that we would like to see in future negotiations. We are endangering the security and peace in the Middle East by this move.

We have the statement that the Government of Saudi Arabia is to be rewarded by its moderation, but in this instance the moderation is entirely on the part of the State of Israel. The degree of moderation on the part of Saudi Arabia is changed not one whit, not at all.

We have been told that they contribute to the process of the peace negotiations. They have obstructed those negotiations to whatever extent they could. They have shown no moderation whatsoever with respect to the Middle East.

It was earlier suggested that Israel should be grateful to the administration and grateful to the Secretary of State. Perhaps we should all be grateful that he went to the Middle East and did not declare himself in line for accession to the Saudi Arabian throne. Certainly there is no precedent in this that offers any security to the State of Israel.

The fact is that Israel finds itself vis-a-vis Saudi Arabia in a state of hostility and belligerence through no fault of Israel's. In contradiction to solemn promises made by the American Government, we now hear that our Government proposes to sell to the Saudis, Israel's enemies by their

own declaration, this degree of weaponry. It is a very grave error. It undermines the peace and security of the Middle East, and I very much hope that the administration will change its mind and cancel the sale of the AWAC's and the air-to-air-missiles, the sale of the tanks, the Sidewinder missiles, and all those elements that will simply further escalate an already unacceptable level of tension in the Middle East.

Mr. BLANCHARD. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. FRANK).

Let me indicate, in response to the question of escalation and the whole idea of being an arms merchant to the world, something that we have been concerned about for quite some time, that it is aggravated by the fact that the people who make the F-15's have actually promoted them in brochures, like they were promoting Calvin Klein blue jeans, to governments around the world who might like the offensive capability and power of such sophisticated weaponry.

At this point I would like to yield to the gentleman from Connecticut (Mr. DENARDIS).

Mr. DENARDIS. Mr. Speaker, as we discuss the decision to enhance the offensive capability of the Saudi fleet of American-made F-15's, I believe we should consider two general principles of politics and policy which are involved here. One is the principle that decisions ought to be reflective of national policy, and hopefully that policy is clear, rational, and consistent. The second principle is that we ought to maintain the ability to distinguish levels of friendship among our friends.

It is clearly the national policy of the United States to support the security of Israel, which is seen as an integral part of our own national security. It is a policy which has the enthusiastic support of a great majority of Americans. The problem with enhancing Saudi F-15's with an offensive capability and the problem with selling that country a sophisticated and effective early-warning radar plane is that no one can offer acceptable assurances that the equipment will not end up in a future Arab-Israeli war.

We know that Saudi Arabia has participated in past wars against Israel, and we know how sensitive Saudi Arabia is to pressures from the Arab world to gang up on Israel.

It would be wrong for the United States to expose the Saudis to the inevitable pressure they would experience to turn their sophisticated equipment on Israel should a war break out. The policy of supporting Israel's security is of a far higher order than trying to make friends of the Saudis, in this Member's opinion. The policy of higher precedence must affect decisions, and this is not the case with the proposed sale of this new equipment.

The second principle of politics involved here, Mr. Speaker, is the clear and precise ability to rank and rate one's friends in the international arena. We need to employ a kind of thermometer so we can record the degree of friendship and make decisions when we have to choose among alleged friends.

The United States should have the best working relationship we possibly can have with Saudi Arabia. After all, we are mindful of the fact that they sell us huge quantities of oil and they spend vast amounts of dollars earned on those sales on American goods and services. Thousands of Americans are currently working in Saudi Arabia on that country's massive development and industrialization program.

However, in a letter to President Reagan which was signed by a number of freshmen Members of the House, we commented on the fact that a reluctant Congress in 1978 was convinced that the original sale of F-15's was going to lead to Saudi concessions in areas vital to U.S. security and interests. We then proceeded to suggest that the record contained no evidence of such concessions, and I quote from the letters:

> The United States has a right to insist, in its own national interest, that Saudi Arabia assume an anti-Soviet leadership role in the Middle East, drop its threats to reduce oil production, support the Camp David agreement, abandon its hostility toward Egypt, cease aiding the PLO, and curb its call for a holy war against Israel.

Mr. Speaker, we should limit the sale of the best equipment we have for our best friends, and we should not be ashamed to demand signs of friendship from those who come to purchase sophisticated weapons.

These, then, are two basic reasons I oppose the offensive enhancement of the Saudi military.

I would sum up by saying that the two basic reasons I oppose the offensive enhancement of the Saudi military are, as stated, that both under the present Government of Saudi Arabia, and certainly under an Islamic revolutionary government, should something like that occur in the future, this enhancement of their offensive capability must be viewed as a threat to Israel's security and in turn to our own security, and second, Saudi Arabia's grades on the friendship test have not been sufficiently high to warrant sophisticated U.S. weaponry.

Mr. BLANCHARD. Mr. Speaker, I thank the gentleman from Connecticut (Mr. DENARDIS) for his concern and his participation.

Mr. Speaker, I might inquire, how much time do I have left?

The SPEAKER pro tempore. The gentleman from Michigan (Mr. BLANCHARD) has 43 minutes remaining.

Mr. BLANCHARD. Mr. Speaker, I yield to the gentleman from Oregon (Mr. WYDEN).

Mr. WYDEN. Mr. Speaker, I rise today to speak out against the sale of sophisticated offensive weaponry to Saudi Arabia for the F-15 fighter plane.

To sell Saudi Arabia advanced military equipment at this time would be a breach of our commitment to Israel. Even more important, to inject advanced arms into Saudi Arabia would further destabilize an already extremely volatile region.

In 1978 when the original deal to sell the Government of Saudi Arabia 62 F-15's was completed, Congress was given specific written assurances that Saudi Arabia would not be supplied with sophisticated offensive weaponry for these planes. At that time we also assured the Government of Israel that these planes would be merely for defensive purposes. The AIM-9L Sidewinder missile and the FAST pack are state of the art offensive weapons. To sell these weapons to Saudi Arabia would not only violate specific written commitments to Congress, but also would bring into question the credibility of our Government's conduct of foreign policy toward all nations.

Clearly, our very integrity is at stake. Just as seriously, going abroad will further destabilize a region that thirsts for stability.

As events have shown, we must worry about the fate of the people of the Persian Gulf as a whole. The Government of Saudi Arabia is not threatened by any external factors. Afghanistan lies 1,000 miles away. The Government of Saudi Arabia is well enough armed to defend itself against an attack by the only neighboring Soviet-bloc state—South Yemen.

The real threat to Saudi Arabia is internal instability. The better approach to helping Saudi Arabia deal with the instability of its own government is to counsel domestic reforms, and to provide social and economic aid if needed. They do not need greater and greater amounts of military aid.

The lesson we learned in Iran should teach us what not to do. In the 1970's we injected vast amounts of military equipment into Iran hoping that we could create a strong American fortress in the center of the volatile Persian Gulf. The Iranian revolution showed us that military aid does not solve a country's internal problems.

We must not allow the misguided fears of the present administration to cause another debacle for American foreign policy like that which occurred in Iran.

The question we face today is whether more arms—sophisticated, offensive weapons—will speed peace and stability in the Middle East. I think not.

As a country we must work for peace in this valuable area rather than

building up the number of weapons which already exist.

Selling these weapons also violates a commitment. That further diminishes U.S. integrity among friend and foe alike, and makes it more difficult for America to play a constructive role in global affairs; a role that speaks for peace, not contributes to destruction, distrust, and hate.

Mr. EMERSON. Mr. Speaker, will the gentleman yield?

Mr. BLANCHARD. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Speaker, I thank my friend, the gentleman from Michigan, for yielding, and I wish to associate myself with the remarks of the distinguished gentlemen from New York (Mr. KEMP), and from Michigan (Mr. BLANCHARD).

Mr. Speaker, I rise to express reservation about the administration's proposed sale of additional arms to Saudi Arabia. I want to be certain, before the sale goes forward, that we are proceeding within the context of a coherent Middle East policy.

I shall leave to those more schooled in the fine nuances of foreign policy the details of how we achieve greater stability in the Middle East, but I would propose two broad guidelines: First, we have every right to expect greater responsibility on the part of the Saudis. Now, this might take the form of more restraint in the pricing of Saudi oil, but it should most assuredly take the form of having them stop bankrolling that pernicious terrorist organization, the PLO.

Second, and most importantly, our historic commitment to the security of our staunch ally, Israel, must not be diluted. Accordingly, I will be watching very closely over the next few weeks to see the administration's spokesmen conclusively demonstrate the clear need for this sale, consistent with our overall policy in the Middle East and that the security of Israel will not be impaired by this transaction.

Finally, I find disquieting the reports that the Saudis are making this sale the litmus test of true "friendship" for Saudi Arabia by the United States. Craven responses to veiled threats must never become the hallmark of our foreign policy. With these considerations in mind, I shall listen with great interest as the administration makes its case.

Mr. BLANCHARD. Mr. Speaker, I thank the gentleman from Missouri (Mr. EMERSON) for his participation.

Mr FORD of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BLANCHARD. I yield to the gentleman from Tennessee.

Mr. FORD of Tennessee. Mr. Speaker, I too, would like to join with my colleague and associate myself with the remarks of my good friend, the gentleman from Michigan (Mr. BLANCHARD), as well as my colleague, the gentleman from New York (Mr. KEMP).

I would state, Mr. Speaker, that when we examine the President's proposal to sell the F-15's and the air-to-air missiles to Saudi Arabia, this Congress must ask the basic question: At what cost to America?

While the sale of sophisticated military hardware may boost our defense manufacturers and may even lower our export deficits, I believe there are hidden expenses in this proposed arms sale that force us to the question: At what cost to America?

In the face of a crippling American vulnerability because of our dependency on foreign oil, the President has presented Congress with an economic plan which proposes to eliminate the initiatives to spur this Nation's energy self-sufficiency by cutting mass transit funds, scrapping the solar energy research, and eliminating synthetic fuels. And at what cost to America? Are we not even more at the mercy of the OPEC nations?

The administration says that $3 billion is too much money to fill the strategic petroleum reserves. This reserve today holds 118 million barrels of oil. If the Saudis alone decide to embargo their oil shipments to the United States, the present reserve would only last 40 days.

At what cost to America are we abandoning our independent energy supplies? There is little doubt that the Saudis are valuable allies. They face increasing internal problems in their society and are threatened by turmoil and conflict throughout the neighboring region.

□ 1600

But is the sale of some of our country's most sophisticated military hardware really going to help boost the internal security of Saudi Arabia as is the American administration's claim? The President asked us to forgo our most important recent foreign policy achievement in peace, and at what cost to America? At the cost of escalating the arms race in a sensitive region of the world. At the cost of abandoning the Camp David framework. At the cost of asking the Israelis to spend even more money on defense when their inflation rate stands now at approximately 130 percent.

The President even asked us to give up some of the power and prestige of this country that we can wield in the name of peace. At what cost to America does the Reagan administration fail to demand Saudi's recognition of the Camp David accords in exchange for our arms? Have we forgotten less than 1 month ago prominent Saudi leaders renewed their call for a holy war to wipe out Israel from the face of the Earth?

Here, as in El Salvador, we are presented with the Reagan administration's approach to conflict resolution—the military answer. Here, as in El Salvador, we are presented with serious issues which demand more than a military response. At what cost to America does the administration propose to offset the sale of these weapons to the Saudis with $600 million of military credits to the Israelis?

Is this country ready to abandon our national energy policy, to give up our responsibility as peacemakers, and to adopt a role as armed merchants to the world? I say, Mr. Speaker, the cost to America is too high to permit this proposed arms sale to go through. I recommend that this Congress reject the sale of this offensive weaponry to the Saudis and request the President to return with a package designed to meet the defensive needs of the Saudi people.

Mr. BLANCHARD. Mr. Speaker, I thank the gentleman for his remarks on this subject.

I now yield such time as he may consume to the gentleman from Pennsylvania (Mr. FOGLIETTA).

Mr. FOGLIETTA. I thank the gentleman from Michigan for yielding. I also thank the gentleman from Michigan (Mr. BLANCHARD) and the gentleman from New York (Mr. KEMP) for bringing this matter before this body today.

Mr. Speaker, any action by the United States affecting the Middle East must be examined in light of our paramount objectives in that region, that is, insuring the survival of our ally, the State of Israel, and protecting the steady flow of oil from the Persian Gulf.

Now that the Camp David accord has given us hope for a negotiated settlement and a lasting peace in the Arab/Israeli conflict, we must be particularly careful not to undermine the perilously delicate balance of power. I firmly believe that the Reagan administration's proposed sale of AIM-9L air-to-air missiles, fuel and sensor tactical packs, and the airborne warning and control system to Saudi Arabia presents a real and imminent danger to the stability of the region by providing the Saudis with offensive capabilities vis-a-vis Israel.

Saudi Arabia has been urging us to provide these systems in order to bolster their defense against possible Soviet aggression and to provide tangible evidence of our friendship. The Carter administration stated categorically that any direct Soviet military action in the Persian Gulf region would be met with the mobilization of American Forces and an immediate response to the endangerment of our increasingly vital energy sources, hence, the creation of the Rapid Deployment Force. I think my colleagues would agree that the Reagan administration is at least as committed to the protec-

tion of our interests in this area and this fact should be proof enough of our friendship and assure the Saudis of our defense of their security in the face of a possible Soviet threat.

The Reagan administration has also declared its fundamental commitment to the safety of the State of Israel. The Israelis have already requested additional military aid in the form of 15 F-15 fighters to respond to the increment in Saudi offensive capability resulting from this proposed arms deal.

If we go though with the Saudi arms sale we will surely be obliged to comply with this request to bring our ally Israel into parity. Such an unnecessary escalation of an already tense situation would be unwise and I strongly oppose it.

Mr. BLANCHARD. I thank the gentleman for his participation.

Mr. Speaker, at this time I would like to yield such time as he may consume to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I want to commend at the outset our two distinguished colleagues, the gentleman from Michigan (Mr. BLANCHARD) and the gentleman from New York (Mr. KEMP) for providing us with the opportunity of addressing this very critical and important issue. I also want to associate myself fully with the very learned and eloquent statement made by the gentleman from Massachusetts (Mr. MAVROULES). I think that, indeed, all of the statements made by Members on both sides of the aisle have so well and so eloquently set forth the factual opposition to the proposed sale of these enhancement materials and equipment to the Saudis, and I do not want to take the time of the House at this point to repeat those arguments. I share those arguments fully.

What I do want to address very briefly is the question of the administration's judgment in this matter, and I raise the issue advisedly. Our good friend, the gentleman from New York (Mr. KEMP) stated earlier that he has no question in his mind but that Ronald Reagan, the President of the United States, is the best friend that the State of Israel and the Israelis could have. I believe that. I share that sentiment fully.

The question that I have is the same question that I had during the prior administration. There was never any question in my mind but that President Carter was wholeheartedly supportive of the State of Israel, its people, and its survival. However, even though he was one of the architects of the Camp David accords, there were times—and the sale of the F-15's to Saudi Arabia in 1978 was one of those occasions—when his judgment and the judgment of that administration were seriously in question and, indeed, were criticized by Members on both sides in this House.

I think that such an occasion presents itself at this time in regard to the Reagan administration, and I think that the Members again on both sides of the House raised this issue.

Those who participated in this debate have served not only the Nation well, but I think are serving the President and the administration well, because I think there was a great danger in their being persuaded that whatever you decide to do is right and is sound simply because you have made it. I think that the President and his advisers may find themselves in that situation now.

Of course, I think it is important to remember that Israel's very survival lies and depends upon the American people, the United States, and its President making sound judgments. I think that this administration is in the process of making a terribly wrong decision if its goes through with the proposal to sell this enhancement equipment to the Saudis. I would hope that the administration would note well that its friends and, indeed, its supporters on that side of the aisle, many of them, have raised the most important questions about this proposal.

I would hope that for all of the good and factual reasons, as well as for the credibility of the administration itself, that it will review and rethink its position and decide that in the best interests of the United States and the best interests of the entire region in the Middle East that the soundest thing to do is not to go through with this proposal.

Mr. Speaker, I thank the gentleman from Michigan in the well (Mr. BLANCHARD) for providing me with this opportunity.

Mr. BLANCHARD. Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN of North Dakota. Mr. Speaker, I, too, want to commend the gentleman from Michigan (Mr. BLANCHARD) and the gentleman from New York (Mr. KEMP) for providing a forum to discuss this very important issue.

Mr. Speaker, the airborne warning and control system E-3A aircraft is the most advanced airborne intelligence equipment of its type in the world. From an altitude of 30,000 feet, this system can detect up to 600 targets from a distance of 250 miles. It can direct sophisticated fighter planes to their targets, and do a number of other things which not long ago would have been considered miraculous.

The AWAC is our system. We developed it, we paid for it, and we are using it in the defense of our Nation and of our allies. we have entrusted this system to no one besides NATO.

Now, the administration is considering the sale of these aircraft to Saudi Arabia, along with F-15 enhancement systems.

Saudi Arabia is a country in a troubled part of the world. How would this military equipment be used? By whom? Against whom? Who would gain access to the operating and repair manuals which can compromise the secrecy of this technology?

We do not know.

Nor do we know the impact another infusion of American arms would have on internal factions within Saudi Arabia, or on the relations between the Arab States and our Israeli allies.

We do know that Saudi Arabia has opposed the Camp David accords. We do know that the Saudis have called for a holy war against Israel. We might assume that the presence of AWACS and enhanced F-15's in the Saudi arsenal could increase pressures on that country to become involved in any confrontation between other Arab States and Israel.

Not long ago we were told that sales of sophisticated American weaponry to the Shah of Iran was no cause for concern. We learned otherwise.

I urge the President to think again before embarking down this road. It is not clear how this arms sale would contribute to peace. It is clear how it might contribute to war.

It is not clear what we might gain. It is very clear what we might regret.

Mr. BLANCHARD. I thank the gentleman for his participation.

Mr. Speaker, I now yield such time as she may consume to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I rise today in opposition to a proposed arms sale agreement between the United States and Saudi Arabia. If implemented, the agreement would provide the Saudis with sophisticated offensive weaponry for their F-15's in exchange for $600 million in new arms credits for Israel. In addition, the administration is contemplating the sale of Airborne Warning and Control Systems—AWACS, for short—to Saudi Arabia in return for rumored Saudi participation in a regional defense concept with the United States in the Persian Gulf.

All of us in the Congress must be deeply concerned about the escalation of the arms race in the Middle East—an arms race that could ultimately defeat the very cause of peace that we are pursuing. What logic is there to arming Arab allies before they have made concessions on major issues, rather than after such concessions have occurred? Even agreement on the reported regional defense, if true, would not justify the proposed arms sale in light of recent history.

There are those who have argued that the sale of offensive armaments—

the F-15's and AWACS—would be a show of good faith and would lead to major Saudi concessions on Middle East issues. History shows that this is not likely to occur. While President Carter, in his message to Congress in 1978, said that the F-15 sale would advance the cause of moderation and cement the ties between Saudi Arabia and the United States, this has clearly not occurred in the last 3 years. The spirit of the 1978 agreement, approved by a reluctant Congress, has not been met.

The historical record of our relations with Saudi Arabia on matters pertaining to arms sales and diplomatic concessions is not encouraging to our prospects for success. Their government remains adamently opposed to the Camp David peace process. In addition, they continue to provide a major portion of the financial backing for the PLO and its terrorist activities. As recently as January 1981, Saudi Arabia called for a holy war against Israel at the Islamic conference. Is this the policy of moderation that we hoped for in 1978? Clearly, the answer is "No." And that is why the spectre of American-made F-15's pointing toward Israel from Saudi airbases is directly threatening and unacceptable.

There are those who have argued that the sale of armaments, in conjunction with additional arms credits to Israel, would keep the balance of power in the Middle East in Israel's favor. Thus, they contend, the arms sale would not pose a direct threat to Israel's survival. Once again, we must ask ourselves about the logic of such reasoning. How can we justify adding new offensive capabilities to a government that has become more unstable since 1978? The goal of the administration's proposal is to meet the Soviet threat in the Middle East. But at what price?

A well-reasoned editorial in this morning's New York Times notes the problems that the Secretary of State is facing. It says:

A few honest words from the Saudis would certainly improve the Reagan administration's case for the proposed arms sales. Mr. Haig's explanations so far have been extremely vague * * *. The fact is that he, too, is eager to give the Saudis almost anything they want—missiles and fuel tankers to extend the reach of the promised F-15 fighters and now the AWACS electronic surveillance aircraft that can spy over the entire region. He wants Congress to approve these sales for the bonds they may create with the Saudi military and for the basing rights that may evolve for American Forces.

Congress has the obligation, Mr. Speaker, to insist on ironclad agreements before the fact. We need not and should not accept some vague future concessions. We are still waiting for the moderate Saudis to take the lead in pressing for Arab negotiation with Israel—a fundamental goal of the Camp David peace process. We are still waiting for them to stop financing the PLO and denouncing Israel. We look for a larger role by the Saudis in pressing for Middle East stability. I sincerely hope that we shall now see some of these changes. But—in view of the past—let us be realistic about the present.

□ 1615

Mr. BLANCHARD. I thank the gentlewoman for her participation in this special order.

I now would like to yield to the gentleman from New York (Mr. CARMAN).

Mr. CARMAN. Mr. Speaker, I rise to associate my remarks with the previous speakers who have expressed apprehension concerning the proposed sale of arms to Saudi Arabia.

In a region such as the Middle East where we face a frightening degree of instability there seems to be little justification to provide the Saudi Arabian Government with new offensive capabilities.

It is furthermore essential that U.S. policy take cognizance of the significance of a strong and secure Israel. Our commitment to the Israelis should recognize that Israel is a strong block in the defense of the United States.

It is evident the sale of these proposed weapons could prove to be a hazardous addition to an already inflamed situation. It is comparable to pouring gasoline on a combustible material.

In this light, I would like to insert in the RECORD the following editorial published in the Tuesday, April 7, 1981 edition of the New York Times:

DRIVE A BARGAIN WITH THE SAUDIS

By persuading President Sadat to let a thousand American troops join a peacekeeping force in the Sinai Peninsula, Secretary of State Haig has assured the survival of the Camp David accords and reaffirmed American sponsorship of the Israeli-Egyptian entente. Thus he reaches Saudi Arabia this morning as a protector of Israel as well as a suitor for oil. It is time to insist that the Saudis end their scornful treatment of Camp David as part of a wider diplomatic bargain that justifies their purchase of ever more sophisticated American weapons.

The Saudis contend that their growing economic and military ties to the United States represent only an anti-Soviet alignment. But in making their air force dependent upon American supplies and training, they are in fact contributing to American influence in the region and thus to the security of Egypt and Israel. The sooner they own up to that reality, and drop even the pretense of a "holy war" against Israel, the smoother will be their American connection. It is hard to believe that the Saudis' diplomatic doubletalk still fools any Palestinians thus protecting the House of Saud against subversion or revolt. Indeed, if the Saudi monarchy cannot survive open accommodation with Israel, it is hardly a safe depository for all that dangerous hardware.

A few honest words from the Saudis would certainly improve the Reagan Administration's case for the proposed arms sales. Mr. Haig's explanations so far have been extremely vague. His expressed regard for President Carter's "committments" would be touching if he had not enthusiastically kicked over so many other diplomatic traces.

The fact is that he, too, is eager to give the Saudis almost anything they want—missiles and fuel tanks to extend the reach of the promised F-15 fighters and now the Awacs electronic surveillance aircraft that can spy over the entire region. He wants Congress to approve these sales for the bonds they may create with the Saudi military and for the basing rights that may evolve for American forces.

What Congress should also want in return is a Saudi diplomacy that legitimizes Arab negotiation with Israel. The Saudis should be encouraged to continue to mediate regional disputes, as in their defense of Jordan against Syria last year. They have a role in the effort to restore effective government in Lebanon. And they need to contribute more to international aid programs that help poor nations struggling to pay for oil.

The Israelis resent the buildup of Saudi power, but not because they cannot defend against it. What frightens them most is the Western rush to appease the Saudis' oil wealth. An Israel afraid of diplomatic isolation will not in the end negotiate generously with even the most moderate Arabs. If Mr. Haig aims to contain Soviet influence in the Middle East, he needs allies who will at least speak to each other.

Mr. BLANCHARD. Mr. Speaker, at this time I yield to the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I am greatly concerned over the request by Saudi Arabia for additional hardware for its F-15 fighter planes and value this opportunity to join my House colleagues in this special order.

I remind my colleagues that when the Congress approved the F-15 sale in 1978 it was with the assurance, from then Secretary of Defense Harold Brown, that no additional sales would be made to the Saudis which would improve the attack capability of these aircraft. As one of the strong opponents of this sale, I had great difficulty believing that additional requests would not be made.

Indeed, the legitimacy of these fears was demonstrated last year when the Carter administration indicated its interest in granting additional sales. Today we have reached a very disturbing point because the administration has publicly announced its willingness to go ahead with selling the additional hardware. This decision becomes all the more alarming when viewed in light of recent press reports of tentative plans also to sell the Saudis five AWACS electronic surveillance planes and seven KC-135 aerial tankers.

I believe that this proposed arms deal would give the Saudis a very dangerous one-two punch ability that threatens Israel's security. The proposed sale of fuel pods, advanced missiles and other equipment for the Saudi F-15's would substantially increase the offensive capability of these planes. Beyond the obvious danger of

equipping them with missiles, the additional equipment would extend the range of the F-15's such that the Saudis could attack Israel from any point in Saudi Arabia.

The AWACS would give them the most advanced detection and command aircraft in the world. This plane is capable of isolating defense forces with its powerful range and sophisticated computerized techniques. The New York Times last Friday, April 3, carried the more ominous news that the Saudis might be allowed to keep four AWACS now operating there as a result of the Iraqi conflict until delivery of five such planes could be made in 1985.

The proposed sale of the F-15 hardware is particularly distressing in light of the recent history of congressional concern over this matter. I certainly acknowledge that the new administration has the prerogative to review and alter policies of the previous administration. However, given that Congress approved the initial sale of the F-15's only after strong assurances that they would not be equipped offensively, a strong presumption must rest with rejecting any additional sales. Alteration of this policy would only be justified if international conditions had changed to a sufficient degree to alter previous practices. I do not believe these changes have occurred.

I also do not believe that there are any compelling arguments which justify creating such an unstable condition for Israel, our most reliable ally in the Middle East. There has been great concern over Soviet expansionism in the Persian Gulf area. I am also greatly concerned by these developments. However, I do not believe that additional military sales to the Saudis will end these Soviet efforts. In this very volatile region the equipped F-15 and AWACS would greatly alter the regional balance of power. However, these sales would not significantly reduce any Soviet threat. If the Soviets make the decision to go beyond Afghanistan, these F-15's and AWACS, in the entire scope of the world military balance, would serve as only a minimal deterrent.

What could provide a powerful deterrent and have a very positive effect on the region as a whole, would be a change in policies by the Saudi Government to aid the peace effort. Currently this Government has shown no inclination to back away from its support of the PLO, an organization committed to the destruction of Israel, and the Saudis continue to oppose the peace efforts undertaken as a result of the Camp David Accords. If we are even considering the sale of these powerful weapons to this country, then a definitive change in policy seems to be the minimum that we should expect. The Saudis refusal to make these concessions means that we are selling offensive weapons to a country which is not our friend and is threatening the survival of our ally Israel. An additional consideration is what this sale means for the economy of Israel. The administration has also announced that we will sell Israel $600 million of additional weaponry. This to me is a clear acknowledgment of the additional demands the Saudi sale will place on Israel's defense system. It is important to note that 40 percent of Israel's budget is already spent on defense and further escalation of these demands will only further strain Israel's economy. To risk this, without clear and significant concessions on the part of the Saudis, cannot be tolerated.

One month ago, I expressed my grave concerns over the proposal on the sale of F-15's in a letter to Secretary Haig. At that time, I expressed the hope that on his trip to the Middle East, now underway, the Secretary would receive some assurance from the Saudis of a change in policy toward the Camp David peace process. The text of the letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 9, 1981.

Hon. ALEXANDER HAIG,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to express my grave concern over the State Department's recently announced decision to supply Saudi Arabia with additional military hardware for the U.S.-made F-15 fighter planes. As you may know, since coming to Congress in 1978, I have publicly voiced my opposition to providing the Saudis with any such advanced military capability, and strongly opposed the original sale of the planes. When the Carter Administration indicated it was considering the sale of this additional hardware last June, I was among the first Members of Congress to voice my objections on the House Floor. I know that my strong concerns reflect firmly held beliefs of many of my constituents about the peril of this course of action.

You are no doubt aware of the commitment made in 1978 to the Congress by the Carter Administration when the decision to sell the planes was made. Former Secretary of Defense Harold Brown publicly promised the Senate Foreign Relations Committee that a further attack capability for the F-15s would not be requested and the U.S. had no intentions of providing it. On the basis of that commitment, the Congress did not disapprove the sale. While this promise was made by the Democratic Administration, and you have every right to review such a commitment, I do not believe that a Congressional action involving an issue of this magnitude can be lightly overlooked. That promise was made primarily because of the threat perceived by many in Congress which an additional attack capability could have on the security of the State of Israel. Congressional concerns quite rightly were focused on the potential use of these planes against Israel by Saudi Arabia, and the fact that any additional hardware which increased the planes' attack capability would seriously affect Israel's security interests. Thus, the recent determination to provide air-to-air missiles and extra fuel tanks—which has the effect of increasing the possibility of an attack on Israel—thus goes directly counter to the promises made to Congress.

In this regard I am aware that the Department has also announced a proposed $600 million in additional arms sales credits to Israel, presumably so that the Israelis' fears about enhancing the Saudi attack capability might be assuaged. In so doing, it appears that the Administration is acknowledging that the sale of this hardware does bring further security problems for Israel. It is not possible for me to judge at this time whether the additional funds will prove to be sufficient to the Israelis for making whatever security adjustments they will feel are necessary to meet this new escalation and whether their currently strained economy can handle the additional debt such a proposal brings. What this does show however, is that we are now undertaking an action that could have the effect of further escalating the arms race in this volatile part of the world. I am also concerned that one result of this sale will be an adverse effect on the negotiations for a Middle East peace that have been ongoing under the Camp David Accords.

Another strong concern about this policy is that we are supposedly doing this to show the Saudis that we regard them as our friends and that we are wiling to pass a test of friendship by acceding to their request. Certainly, the ever present spectre of their oil reserves confronts us at every turn. However, I think we can legitimately raise the question of how good a friend they are to the U.S. by seeking from them some sign that they are willing to pursue actively a policy of peace in the Middle East to help stabilize the volatile situation there. To date there has been no evidence that the Saudis have ceased to support those groups desirous of destroying the State of Israel through terrorism, or that they see as a legitimate use of their power the strenghtening of the peace process which Camp David has begun. I would hope that you might receive some sign from the Saudi government in your forthcoming trip to the Middle East that they will actively change their current stance on these matters.

Finally, I would ask you to clarify for me whether the Department is also contemplating pressure on our allies to follow the same course of providing military aid to Saudi Arabia. There have been press reports in recent months, for example, that the U.S. would welcome the sale of battle tanks and other weapons systems which the Saudis are seeking from West Germany. I view with alarm the prospect of an escalating arms supply race in the Middle East, and do not believe that it is in U.S. interests actively to urge our allies to undertake such a course.

Mr. Secretary, I am firmly committed to the maintenance of traditional U.S. policy which recognizes the justifiable concerns of the state of Israel, our most reliable ally in the Middle East. I believe that this is the most effective way to assure U.S. security interests in this part of the world, and hope that our future Middle East policies will reflect a similar concern.

Sincerely,

BILL GREEN,
Member of Congress.

Mr. Speaker, I believe these decisions are escalating the tensions and the arms race in the Middle East. This sale would take unwarranted risks with the security of Israel and would only lead to further instability in this

volatile region. The Saudis did not deserve to get these planes in 1978, and there certainly is no rationale for further equipping them in 1981.

Mr. BLANCHARD. I thank the gentleman.

I now yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS. Mr. Speaker, I thank my colleague for yielding and I rise to express a very strong support for our most important ally in the Middle East, the country of Israel. I personally believe that the issue before us today may very well raise throughout the Middle East the credibility of our country.

If we have a friend in the Middle East, that consistent friend is Israel. It seems to me it is about time we began to establish a new pattern in the world of consistency where our friends know that we can be relied upon.

Mr. BLANCHARD. I thank the gentleman.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. ANDERSON). Is there objection to the request of the gentleman from Michigan?

There was no objection.

● Mr. PHILIP M. CRANE. Mr. Speaker, I am opposed to the possible sale of advanced military equipment to Saudi Arabia. Though Saudi Arabia is a long-standing friend of the United States, and ardently anti-Communist, I do not believe that this proposed sale constitutes the proper approach to solving our regional problems. In addition to the fact that the sales will prove destabilizing in a region of great tension, a change of government might result in the seizure and use of the equipment contrary to our interests. Present U.S. capabilities, linked with improved access and basing in the region, provides the best means of countering possible increased threats.

DESTABILIZING

The offer is destabilizing because the equipment is unnecessary. Saudi Arabia does not require the degree of protection afforded by the elements of the proposed sale. The Saudis have neither the population nor the technological base to absorb such advanced equipment. Further, the capability gained may well encourage other neighboring states to acquire more sophisticated aircraft to counter the Saudis and thereby fuel an arms race that would only serve to increase already high tension in the region. Additionally, the question of Israel's security comes to mind. One nation in the region has proved itself a tried and true ally of the United States—Israel. It is this modern day Sparta which serves as a bulwark against Soviet encroachment and Communist subversion in the region. Supply of such equipment as the airborne warning and control systems (AWACS), even if not as well equipped as those aircraft used by the United States and NATO, and even if restricted from operating near Israel, constitutes an erosion of Israel's superiority. Actions by the previous administration made in the name of some ill-defined greater good have already seriously jeopardized U.S. global interests. Reversal of the U.S. position with regard to Taiwan is but one example. Can we afford to weaken an asset of such unique proportions as Israel? Most emphatically, no.

CHANGE OF GOVERNMENT

Who can forget Iran and the ascent of the Ayatollah Khomeini? Considering the demographics of Saudi Arabia and anticipating the impact of increased exposure to Western education, a revolt against the monarchy is not beyond the realm of possibility. Should the Arabian Peninsula's only kingdom fall to a radical regime pursuing policies opposed to our interests, what would become of the advanced and sensitive equipment provided to the present government? In Iran, the Soviets were able to compromise U.S. supplied electronics, missiles, and F-14 aircraft. Soviet access to U.S. equipment used in Saudi AWACS and F-15 aircraft would give them additional research and development advantage. What value is there in providing advanced equipment in a situation where its compromise will only harm our long-range interests and capabilities?

U.S. PRESENCE IS BEST DEFENSE

U.S. capabilities linked with increased access to bases in the Arabian peninsula provide the best approach to address Saudi Arabia's regional security problems. Existing intelligence capabilities allow us to monitor the situation and provide necessary assistance. Increased U.S. presence, in the form of base access or rights in Saudi Arabia, would be the ideal solution. Basing arrangements with the Persian Gulf States are also a viable solution. An American presence will stabilize the area while preserving complete control over military capabilities. If continued flights of the U.S. Air Force AWACS now operating over Saudi airspace are of significant intelligence value to America, we should conclude an arrangement to maintain those operations.

In conclusion, before we embark on the augmentation of another nation's military capabilities, it is essential that we meet three basic criteria. First, we must define U.S. foreign policy objectives. Second, we must develop a strategy to implement that policy. Finally, we must support those nations which will provide the capabilities to carry out that strategy. I must conclude that the proposed sale does not meet these three criteria and therefore it should be withdrawn.●

● Mr. GRAY. Mr. Speaker, I appreciate the opportunity to join with my colleagues on both sides of the aisle today in expressing our concern about the Reagan administration's proposal to sell highly sophisticated, offensive weaponry to Saudi Arabia.

I am concerned, Mr. Speaker, on more than one level.

First, I am concerned because the administration's action is a reversal of U.S. policy as stated when we first sold the F-15 fighter bomber to Saudi Arabia. At that time, the Carter administration, in consultation with the Congress, determined that the F-15's would not be outfitted then or in the future with the sophisticated offensive tools which the Reagan administration now seeks to provide.

It would appear to me that the proposal to sell advanced missiles, bomb racks, an aerial refueling capacity, and the Airborne Warning and Control Systems (AWACS) completely reverses the established policies reached 3 years ago. Such a reversal might very well prove detrimental not only to the security of the State of Israel, but to the general stability of the entire Middle East.

Second, I am concerned because I fear that this proposal is born from the regrettable tendency on the part of the new administration to view foreign policy issues within the context of the East-West conflict. The end result is that we are pouring more and more cargoes of sophisticated weapons into this and other regions of the world, at a time when international rhetoric is becoming increasingly strident, and when such arms can be seen as only a challenge to peace.

Third, Mr. Speaker, I am concerned because although I recognize the administration's claim that this upgrading of the F-15's is necessary to maintain the friendship of Saudi Arabia, we have yet to secure an adequate answer from the administration as to what we are getting in return for this sale.

Are we getting a huge reduction in the price we pay for foreign oil? Are we getting assistance for U.S. peace efforts in the Middle East? Are we getting assistance in combatting international terrorism? Are we getting an end to the call for a royal war, or jihad, against the nation of Israel?

No, Mr. Speaker, I fear that at this time we are getting none of these, and I would suggest to the administration that friendship is a two-way street. It is based on some sort of mutuality which we must continue to build between our two Governments and people.

Whatever the immediate benefits might be, Mr. Speaker, in terms of improved relations with Saudi Arabia,

they will be no bargain for the United States unless we get some positive answers to these questions.

And certainly, Mr. Speaker, they will be no bargain if such alleged benefits come at the expense of Israel's military or economic security.●

● Mr. MARKEY. Mr. Speaker, I would like to join my colleagues in opposition to the sale of military equipment for the 62 F-15 fighter planes in Saudi Arabia. Much has been said about this issue in the past weeks, and I would like to highlight some additional considerations.

The sale of AIM-9L missiles, conformal fuel tanks, AWACS, and aerial refueling tankers is unwise from a foreign policy perspective. F-15's are highly sophisticated fighter planes and pose a serious threat to the State of Israel. The U.S. commitment to Israel cannot be compromised. Though the Saudis are a relatively moderate state in a region of extreme instability, their position vis-a-vis Israel should trouble us all. The Saudis have actively supported the Palestine Liberation Organization, a terrorist group that plays no constructive role in the Middle East peace process. The Saudis have opposed the Camp David accords. The Saudis, only last month, called for a holy war, or Jihad, against the State of Israel. I recognize the need to maintain cordial relations with the Saudis, but these trends disturb me. We should not get caught again in the same predicament we faced when the Shah fell. At that time, the Ayatollah Khomeni used our military equipment contrary to our own security interests.

I would also like to bring to your attention an illuminating section of a recent Washington Post open letter by Hobart Rowen.

* * * the shrewd Yamani told his Arab questioner that the Saudis, with huge reserves, must approach things differently, maintaining moderate prices along with a good supply so that the West won't be driven too quickly into developing oil substitutes. Their policy is based on no special consideration of, or love for, the United States. Rather, it involves a search for a price high enough to reflect "the true price of oil," Yamani said, but not so high as to cause a rush of energy research and investment that might knock the Saudis out of the oil business too soon.

The conclusions of this article are telling. Clearly, the sale of F-15 equipment will not bring further oil pricing concessions from the Saudis beyond their limited self-interest in keeping the price of oil low. It is folly to conduct our foreign policy on the basis of our voracious need for OPEC oil. We need to get conservation on the fast track. We need to develop alternative energy sources now. We cannot wait until Sheik Yamani or his successor raises oil prices once again.

The implications of this sale are far reaching and unfortunate. By such a sale, the United States is sacrificing the security of Israel for illusory gains.●

● Mr. McHUGH. Mr. Speaker, I would like to commend my colleagues who are participating in this discussion of the Reagan administration's decision to sell additional equipment to Saudi Arabia that will enhance its F-15's, and to reiterate my strong opposition to the decision.

There are many reasons for opposing this sale, Mr. Speaker, some of which have already been mentioned. However, there are three reasons for opposing the decision that seem especially compelling to me.

First, as my colleagues will recall, the original decision to sell F-15's to Saudi Arabia in 1978 was only made after extended discussion and debate. I opposed selling F-15's to Saudi Arabia at that time, and I was disappointed that the Senate voted against rejecting the proposed sale. However, important concessions were made by the Carter administration during the course of that debate. Secretary of Defense Brown gave a particularly significant assurance at that time:

Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F-15.

Unfortunately, these assurances have now been abandoned by the Reagan administration. The fuel and sensor tactical (FAST) packs that it is proposing to sell to Saudi Arabia will increase the range of the F-15's significantly, and the new Sidewinder missile which it is proposing to sell, the AIM 9-L, will provide these aircraft with an enhanced attack capability.

In short, the proposed sale would increase the range and firepower of the F-15's that we have previously agreed to sell Saudi Arabia, and will thus increase the danger they pose to Israel. It is very regrettable that the Reagan administration has chosen to ignore previous assurances given to Congress and, at least implicitly, to Israel. The credibility of our word as a nation should not be breached except in the most extraordinary of circumstances, and I see nothing that would justify it in this case.

Second, I am opposed to this sale because of the inherent instability of most Arab governments in the Middle East, including the Government of Saudi Arabia. As we have seen in the past, arms that are provided to unstable governments sometimes fall into the wrong hands. In this connection, the example of El Salvador comes to mind. The Reagan administration has expressed serious concern about the infiltration of arms to leftist guerrillas in El Salvador from countries such as Vietnam and Ethiopia. Yet, most of these arms are of American origin. They were supplied by us originally to unstable governments in Ethiopia and Vietnam, and they are now being used against a government that we support in El Salvador.

Although the United States has an interest in promoting good relations with the present Government of Saudi Arabia, we have no assurances that it will survive over the long term. As the seizure of the Grand Mosque in Mecca last year suggests, there is some popular resentment against the present government. Thus, it is conceivable that these weapons will fall into the hands of a future regime that may prove far more radical and dangerous to Western interests.

Finally, this sale does nothing to serve the cause of peace in the Middle East. It simply continues a massive arms buildup that has been going on for many years in this tense region. This is a dangerous policy, Mr. Speaker, as the Government of Israel itself has noted.

The Reagan administration has agreed to provide additional arms to Israel in order to encourage its tolerance of the proposed sale to Saudi Arabia. As Foreign Minister Yitzhak Shamir has pointed out, however, this does not really represent a solution:

The President, the Secretary of State and the Secretary of Defense believe that it is possible to redress the damage by supplying weapons systems to Israel under special conditions. To our regret, we must state that we do not see this as a solution, or as a way out.

The state of Israel will not be able—even from the economic point of veiw—to withstand such an arms race.

Mr. Shamir deplored what he called a massive flow of all types of weapons, including the most advanced, into this region from every possible source: the United States, the Soviet Union, and the European countries. These massive quantities of weapons do not strengthen the West in this region; they do not serve any positive purpose, but they do jeopardize peace and endanger Israel.

In short, the proposed sale does not reflect a creative policy designed to resolve the fundamental underlying problems of the region. Instead, it reflects a continuation of a tired policy of attempting to purchase friendship in the region through the sale of arms. Yet, as we have seen most recently in Iran, any short-term advantages of this massive arms buildup is likely to be transitory.

For these three reasons alone, Mr. Speaker, it is clear to me that the proposed sale is a mistake, and I would hope that both the Senate and the House will pass resolutions disapproving the sale.●

● Mr. WALGREN. Mr. Speaker, I want to express my deep concern about the Reagan administration's intention to sell certain military equipment to Saudi Arabia. The equipment

in question would greatly enhance the offensive capability of the F-15 aircraft sold to the Saudis in 1978 and the military threat faced by Israel on a number of fronts.

Both the Israelis and the Saudis are our friends, and they deserve our support to safeguard their mutual defense. But there is a great danger that blindly supplying weapons to antagonistic neighbors will result in war and destruction between our friends.

I have serious unresolved doubts about the wisdom of the Reagan administration's proposed sale. We must do all we can to lessen instability in this region, and I fear this sale will add to that instability by making it easier for armed conflict among countries that are considered our friends.

Mr. Speaker, as a Member of Congress who has long expressed misgivings about the advisability of introducing military weapons into political, religious, and economic conflict, I hope we examine this proposed sale with special care.●

● Mr. LEHMAN. Mr. Speaker, the proposed sale of offensive accessories for F-15 fighters and of AWAC's, in particular, to Saudi Arabia raises grave doubts about the security of Israel. It is essential that Israel maintain a strong defense capability. I believe that we must reassess the terms of our foreign military credit sales program to Israel, and have testified to that effect before the House Foreign Affairs Subcommittee on Europe and the Middle East, chaired by my friend and colleague from Indiana, the Honorable LEE HAMILTON. The text of my statement follows:

STATEMENT BY HON. WILLIAM LEHMAN

Mr. Chairman, I appreciate the opportunity to testify before you today for the purpose of expressing my views on the Administration's 1982 foreign assistance requests.

The Foreign Operations Subcommittee of Appropriations, of which I am a member, will later have the responsibility for appropriating the economic and military portion of our aid to Israel and other countries in the Middle East, and will have to do so in the context of the changing regional balance of power in that part of the world.

The intensified arms flow from the United States and elsewhere into the region is cause for great concern. I refer to the recent arms sales to Jordan, and the proposed sale of offensive enhancements for F-15 fighters, and of Airborne Warning and Control System planes to Saudi Arabia. These sophisticated U.S. weapons, with the continuing flow of arms from Europe and the Soviet Union to other nations hostile not only to Israel, but to the best interests of the United States, creates further instability in the Middle East and invites the erosion of the qualitative edge that has been Israel's necessity.

In view of this situation, a realistic adjustment to our foreign military credit sales program for Israel is essential.

Under the foreign military credit sales program, the United States has traditionally offered to Israel a 50% grant. The amount forgiven in past years—$500 million—represented one-half the usual $1 billion in FMS credits. Retaining the 50% grant formula in the Administration's fiscal year 1982 request of $1.4 billion would raise the grant portion to $700 million and provide an additional $200 million. This would not necessitate any increase in the overall FMS level.

In addition to continuing the 50% formula that has been a part of the military aid to Israel in recent years, I urge the Subcommittee to authorize the remaining $700 million non-grant portion in such a way that Israel would receive $400 million as a direct credit loan, and $300 million in off-budget financing through the Federal Financing Bank. The direct loan would then be handled in a similar manner to the budget authority that has been proposed for Egypt.

By taking drastic measures to reduce its own defense expenditures, Israel has demonstrated a willingness to reduce its military preparedness in accord with the peace treaty with Egypt. The introduction of a new class of weaponry into its immediate region will, however, require that Israel reassess its security needs. The improved terms I have suggested will give Israel the chance to maintain its austere monetary policies and still adequately provide for its defense.

Israel continues to give attention to economic stabilization. As a result of eliminating subsidies on basic necessities, imposing a government job freeze, and other restrictive measures, Israel has for the first time in five years, experienced a four to five per cent increase in per capital growth in 1980. In light of these factors, I believe that a degree of economic relief is well earned. It would also serve as a reaffirmation of congressional support for the measures which Israel must take to face its security risks. I would hope that the increased grant that Secretary of State Haig has offered Israel will at least meet the figures I have suggested.

Our support is not a one-way benefit. The strategic importance of Israel to the United States is a fact. Israel is a proven ally, the only democratic nation in the Middle East, and a nation not subject to violent or fanatic revolution.

In terms of the Soviet threat, Israel is our linchpin against Soviet expansion in the region. When Israel becomes militarily vulnerable, the Soviet threat to the Persian Gulf will be strengthened. Until we are able to have a conventional military presence in the Mideast, Persian oil will, ironically, depend upon maintaining the regional security and stability that Israel is best able to provide. The supply of weapons to the Saudis can be a repetition of what happened to our arms to Iran, where now we have neither friends nor the weapons that were to protect our own national interests.

A clear overall U.S. policy toward the Middle East and Persian Gulf would help us all to better address the issues before us. To impose a serious threat to Israel's defense without putting forth any coherent objectives promotes policies contrary to our own best interests.

Supplying F-15 enhancements and AWACS to the Saudis, in terms of U.S. interests, raises grave doubts regarding the Middle East regional balance of power. The request for improved FMS terms for Israel does not remove these concerns but is a necessary measure to support our proven friends and to reduce the risks to our nation's vital interests.●

● Mr. KILDEE. Mr. Speaker, I would like to join my colleagues in expressing my opposition to the sale of FAST packs and AIM 9L's to Saudi Arabia for their F-15's. As has been previously mentioned, there are serious issues involved. I question the necessity of the sale, and I would point out that it can only introduce a further element of insecurity into the Middle East.

I question the necessity of doubling the range of the F-15's. How will that increase the defense capabilities of Saudi Arabia? Is it not more likely that the new capability will be directed externally rather than being used for defense? I would point out that, if nothing else, the increased range will cause grave concern for Israel's military planners. Increasing military aid to Israel cannot possibly counter the feeling of insecurity inherent with the upgrading of Saudi Arabia's F-15's. An escalation of weapons sophistication of both sides of the equation can only contribute to increased tensions and a further destabilization of the situation in the Middle East.

I would also like to bring attention to the fact that the executive branch is going back on a written commitment that was made to the Congress only 3 years ago. At that time, the executive branch assured us that the very equipment that we are talking about today would not be given to the Saudis. The original sale of the F-15's would have been disapproved without those assurances. I personally feel that such a commitment is just as important as any commitment made to our allies. If the executive branch finds it inconvenient to honor commitments made to our own legislative branch, who is to say that it will not renege on commitments made to foreign governments.

This action is indicative of a deeper, systemic problem. The attitude of some of those who make our foreign policy can only be characterized as condescending. They think that the Congress is a superfluous, often bothersome, adjunct to their role. I would hasten to remind them that we have a role defined by the Constitution. We are elected to serve as the voice of the people. Democracy protects us from the abuses of basic rights. Our country was founded on the principle that we would be governed by what the majority felt was in the national interest. I condemn an attitude that says we cannot trust the majority and their elected representatives.

I now wonder what the next request will be 3 years from now. Could it be multiple ejection bomb racks for the F-15's? How would Israel counter such an escalation? We have a strong commitment to the security of Israel. In 1978, I felt that we were compromising that commitment. I feel the same way today and see the possiblity of further

compromises in the future. It is unlikely to happen all at one time but through the type of incrementalism we see today.●

● Mr. DONNELLY. Mr. Speaker, I have grave doubts about the Reagan administration's decision to sell conformal fuel tanks and Sidewinder air-to-air missiles to complement the F-15 strike eagles the Carter administration agreed to sell to the Saudis in 1978.

I believe that such a policy can result in potential disaster for the Saudis, our ally Israel, and the United States. Let me explain my misgivings in this regard.

The royal family in Saudi Arabia face many uncertainties in the years ahead. While blessed with vast petroleum reserves, the Saudi nation suffers persistent tremors of instability. Islamic revivalism, regional in-fighting, and a large contingent of foreign workers on its soil, are reminders of this troubling instability in the Saudi nation. In this context, I suggest most strongly that it is unwise to introduce some of our Nation's most advanced weapon systems into this scenario.

We cannot lose sight of Israel's security as we review the administration's proposal. The ties of religion, culture, and shared history that bind our two nations together must not be dismissed by short-range policy decisions. The Israelis have every right to be concerned with the proposed sale. The fuel tanks for the F-15's give this most sophisticated fighter aircraft in the world an increased range of 1,000 miles. The Sidewinder missiles are also state-of-the-art systems that upset the existing strategic equation in the Middle East and Persian Gulf. We must be sensitive to how such a sale is perceived by other nations, both allies and adversaries. Rumors that the administration is actively considering the sale of air warning and control (AWAC) aircraft to the Riyadh regime inspire even greater concern and apprehension.

These planes, as presently configured in the NATO and U.S. forces, have the potential to pinpoint Israel's troop locations and aircraft paths, thereby effectively degrading the effectiveness of these essential components of Israel's defenses. Even if Saudi Arabia itself did not use such data for malicious purposes, it is not outside the realm of possibility that another nation or political entity could obtain such strategic information by surreptitious means. In such an unpleasant situation, Israel would have legitimate justification to respond with full military force to preempt any such mission hostile to Israel's survival.

It is not in our country's interests to meet the Saudis request for offensive armament for the F-15's already promised. There are more constructive means to further our relationship with the Riyadh regime than by providing sophisticated weapon systems. The proposed sale may harm that relationship if it serves as catalyst for greater instability in that nation and surrounding region.

We must not jeopardize the security of our faithful ally Israel with such a near-sighted policy. On this, the Congress must stand strong and resolute.●

● Mr. STARK. Mr. Speaker, I appreciate this opportunity to express my opposition to the proposed sale of F-15 offensive equipment and Airborne Warning and Control System (AWACS) aircraft to Saudi Arabia.

It seems that the Reagan administration has been lulled, like the Carter administration, into believing that arming Saudi Arabia to the teeth will enchance regional stability and cement our friendship with a valuable oil producer. One has only to look at the history of our involvement with Iran to see that this policy is ill-advised and ultimately detrimental to our national security.

Before approving any type of arms sale to Saudi Arabia, we must ask: Will this equipment enhance the security of Saudi Arabia and the Middle East?

It is painfully obvious that the proposed sale of F-15 equipment and AWACS aircraft will do neither. While it is possible that Saudi Arabia might be threatened by South Yemen, Iran, Syria, or Libya, its present arsenal is adequate to protect against any such attack. In the face of a broad-based attack by the U.S.S.R. all the military equipment in the Middle East would not save the Saudis; the nation would be dependent on the Western powers for protection.

One thing is clear—the offensively equipped F-15's and the AWACS aircraft could be used to attack Israel. The sale of fuel equipment for the F-15's would permit Saudi aircraft to operate out of any base in Saudi Arabia against any target in Israel. The AWACS aircraft, which far surpasses any warning and control system in Israel's arsenal, would permit a sophisticated, coordinated air attack on Israel by Jordanian, Syrian, or Saudi aircraft. Saudi AWACS deployed well within Saudi air space could conduct surveillance on all of Israel.

I do not believe we should risk the security and confidence of Israel, and the stability of the Middle East, in return for the short-lived good will of Saudi Arabia. If Saudi Arabia is truly willing to enhance regional stability and cement its friendship with the West, then Saudi Arabia must show some good will in return—perhaps in the form of support for the Camp David agreements and more reasonable OPEC pricing policies. Until these things occur, Saudi Arabia should not even be considered as a purchaser of advanced F-15 equipment and AWACS aircraft.●

● Mr. ALBOSTA. Mr. Speaker, I rise today concerning the Reagan administration's plans to sell Saudi Arabia conformal fuel tanks and Sidewinder air-to-air missiles for the 60 F-15 fighter aircraft the Saudis ordered from America 2 years ago, and, secondly, concerning reports of late that the administration is planning to sell advanced AWAC aircraft to the Saudis.

My point, briefly stated, is this: Either sale would be contrary to the best interest of all parties; America, Israel, and Saudi Arabia. Not only will the sales fail to increase the security of either Middle East country, but they are likely to lead to greater instability in the region.

The new material being sought by the Saudis and contemplated by the Reagan administration should be balanced not only against its risk to world stability, but against our long-standing friendship with Israel, which is still the only stable democracy in the Middle East.

Mr. Speaker, how can this country, the one that sponsored the Camp David accords, be a party to such a sale?●

● Mr. COUGHLIN. Mr. Speaker, I must reluctantly but firmly take exception to the suggested sale of sophisticated new offensive equipment to Saudi Arabia for its F-15 fighter-bombers. Selling enhanced fuel-carrying tanks and advanced Sidewinder air-to-air missiles for the Saudi fighter-bombers is asking for trouble.

In short, the argument against these sales is basic and sound. The United States has and should continue to provide Saudi Arabia with arms it requires for defense. It should not supply equipment the primary purpose of which is offense, not defense.

In 1978, the Congress and the Israeli Government were assured in writing by the executive branch that the sale of F-15's to Saudi Arabia would not be followed by the sale of offensive systems now in question.

If time and circumstances conspire to negate written assurances—so be it. But let it be for good and compelling reasons. In this instance, however, time and circumstances conspire to warn us that now more than ever it is imperative that we keep this written commitment.

Providing the most advanced version of our Sidewinder air-to-air missile, in concert with the conformal fuel tanks, would make the Saudis' F-15's into formidable offensive weapons. If we are concerned with the Saudis' defensive capabilities, I am certain there are other missiles which can be considered—sold, of course, without the enhanced fuel-carrying capabilities.

I fear we are going off into a new and dangerous direction by this approach. Have we already forgotten the lesson of Iran? Here, supposedly was a

stable country, a nation considered our friend, with a ruler who was being supplied with sophisticated weaponry—some of it much too sophisticated as a matter of fact. Where is that equipment now?

Of course, the Saudis are our friends and our allies in the Middle East. I am disappointed, however, that the Saudis are the ones who, and I use the word guardedly, warned us not to fill our strategic petroleum reserve. I am disappointed that the Saudis, in trying to play the good guy role in the Middle East, have been less than forthcoming in the entire matter of oil pricing and their own specific interests in the actions of the oil monopoly.

If the Saudis really are our friends, they will recognize—however reluctantly—that they are far better off without these new and dangerous offensive weapons. They will realize that the United States, regardless of the administration in office, is still their best friend. They will understand that the Soviet Union will use every pretext, such as the introduction of offensive weapons, to undermine the Saudi Government and promote a puppet regime.

In the final analysis, there is a cardinal rule that too many nations in the world have learned is only too true: Do not give the Russian Bear any excuse or pretext for it to hug you. It is a deadly embrace you never escape.●

● Mr. LANTOS. Mr. Speaker, the time has come to put aside once and for all the illusion that we can enhance our national security by selling our most secret military equipment to the same OPEC nations whose exorbitant oil prices pose a constant threat to our economy.

The most recent and ill-considered such proposal is for the sale of four AWACS radar and command planes to the Government of Saudi Arabia. The AWACS are America's most advanced and sophisticated non-nuclear weapons system. The AWACS radar can detect any airplane within 250 miles, and the AWACS powerful computers can track and display information on the size, altitude, identity, speed, and direction of 240 planes. The AWACS can be equipped with a variety of top-secret devices for enciphering transmissions, signal intelligence, and electronic countermeasures. The Soviet Union has no equivalent aircraft. Our NATO forces will only receive their first AWACS this year, and it will be several years before all the AWACS scheduled for deployment in the United States can be completed and put into operation.

The technological edge that can be provided by the AWACS will be critical to our conventional forces in the years immediately ahead. NATO troops in Europe and outnumbered and outgunned by the Warsaw Pact. The AWACS give us the ability to compensate in part for these disadvantages by maintaining control of the air in the event of war. But the AWACS can only play this vital role in deterring Soviet forces if its technology remains secret. Should the AWACS security be compromised, the value of the plane, and the enormous amount of money we have invested in its development, would be largely lost.

That is precisely the danger posed by the planned sale of AWACS to Saudi Arabia. This sale would place both the planes and the training manuals for their top secret equipment in the hands of a government whose long-term stability and allegiance to the West is at best uncertain. In fact, the Saudis have in the past threatened to turn to the Soviet Union for assistance if their demands for American weapons were not met.

Several years ago a number of my colleagues warned against selling F-14's and Phoenix missiles to Iran. Then, as now, the State Department and Defense Department assured the Congress that the buyer was a reliable and secure ally. Within 30 months, however, the Shah had fallen, and the training manuals for these advanced systems, and possibly the weapons themselves, were compromised. The last administration also agreed to sell AWACS to Iran; fortunately for the United States we learned how mistaken this decision was before the planes were actually delivered.

The General Accounting Office has warned:

> If the Soviets should gain access to the AWACS they could move ahead, in the opinion of the Director of Central Intelligence, some five to seven years in certain technologies. More immediately they could learn how to jam any now contemplated AWACS technologies.

That is a chance we cannot afford to take.

Our continuing failure to deal effectively with the energy crisis has made the stability of Saudi oil supplies, and thus the stability of the Saudi Government, of importance to the United States and the West. But the disastrous recent history of our relations with Iran demonstrates beyond dispute that the acquisition of modern weaponry does little if anything to strengthen such regimes. An AWACS flying at 30,000 feet will not be able to warn the Saudi Government about Moslem fundamentalism or unrest in the oilfields. Neither conformal fuel tanks for their F-15's nor aerial tankers will extend the ability or willingness of the Saudis to eliminate the corruption that pervades their country. Sidewinder missiles would be of no value in defending the Grand Mosque from another takeover by Moslem fanatics. The greatest threat to the Saudi Government and to the continued production of Saudi oil is and will remain internal unrest and subversion. These dangers are very real, but Star Wars technology is not going to solve the social and religious problems of a basically feudal society.

This sale also poses a grave and warranted threat to the security of Israel and to the stability of the already turbulent Middle East. Israel itself has neither planes nor ground-based radar capacity comparable to the AWACS. A single AWACS flying 50 miles inside Saudi Arabia could detect and track every plane flying in Israeli airspace, and could coordinate airstrikes against civilian or military targets in Israel by Syrian or other hostile Arab forces. During the Vietnam war the use of an unsophisticated airborne command center increased the kill ratio of American war planes by 500 percent. A similar increase in the effectiveness of attacking Arab Air Force would be disastrous for Israel. Had the Saudis had an AWACS in 1976, they could have alerted the Palestinian terrorists at Entebbe and prevented the heroic Israeli rescue of the hostages being held there.

I call on the administration to reject, as contrary to American national interest, this latest Saudi demand for offensive weapons.●

● Ms. FIEDLER. Mr. Speaker, the proposed sale of enhanced equipment for F-15 fighter planes to Saudi Arabia would be the wrong weapons, going to the wrong nation, at the wrong time. I would like to stress my strong opposition to an arms sale that is both against U.S. interests in the Middle East and threatens the security of the State of Israel.

Saudi Arabia is a most stubborn opponent of the Camp David accords and has opposed U.S. efforts to being peace to the Middle East. Saudi Arabia has devoted itself to the elimination of Israel since 1948. Saudi Arabian forces have fought against Israel in the many wars in the Middle East. The effect of the sale of this equipment—long-range fuel tanks and long-range air-to-air guided missiles—seems to suggest that the attitudes of Saudi Arabia toward Israel have not changed and that this new equipment may well be used to carry out the same old anti-Israeli aims.

Administration spokesmen have indicated that several E-3A AWACS or E-2C Hawkeye airborne radar and command centers may be added to the sale of F-15 equipment. This would further compound the threat to Israel. Even if all these weapons and aircraft are not used in battle against Israel, the very fact of their existence in the Middle East will force the Israelis to purchase and maintain military equipment to guard against this new Saudi threat. Because of the sophisticated nature of the equipment being offered to Saudi Arabia, it will be expensive for Israel to counter it, further strain-

ing the already troubled Israeli economy. This is a most unfair reward for the risks the Israelis have already taken for the cause of a just and lasting peace in the Middle East.

We cannot say that these weapons will not be used against our friends in Israel. We cannot say that these aircraft will not be transferred to another nation in the future, for in the past, U.S.-designed aircraft have been passed from air force to air force in the Islamic world with barely a change of paint, despite their sales agreements having the same no resale provision as will cover the proposed sale. We cannot say there is no chance these weapons will not be used against U.S. interests or forces—the example of the billions of dollars of sophisticated weapons sold to Iran stands out as a lesson. Above all, we surely cannot say that the sale of this equipment will bring stability and security to the Middle East. That is an illusion, and a most dangerous illusion at that.●

● Mr. BRODHEAD. Mr. Speaker, I join with many of my colleagues in opposition to the administration's planned sale of offensive F-15 weaponry and AWACS to Saudi Arabia. This sale will jeopardize the security of Israel and I feel that there is a serious question whether it is in the strategic interests of the United States.

We need only look at the situation in Iran to see the possible consequences of providing this advanced equipment to Saudi Arabia. The sophisticated planes and missiles we sold to the Shah are now in the hands of the Ayatollah Khomeini. In fact, it is ironic that the previous administration originally recommended selling AWACS to Iran but was dissuaded from doing so by congressional opposition. It is no secret that the Saudi Government is of questionable stability, and if it falls, the weaponry we have sold will be in the hands of people hostile to our country and to Israel. In a region as vital to U.S. interests as the Mideast, we can ill afford to face another unfriendly government, especially one possessing some of the most advanced arms available in the world today.

The sale is being promoted as a means of allowing the Saudis to defend themselves against aggression. Yet the weapons already sold to the Saudis are more than sufficient to permit them to resist attack from other nations in the region, and who could seriously believe that the Saudis would be able to defend themselves against direct aggression from the Soviet Union? However, the new equipment will make Saudi Arabia an offensive power, and in particular will enhance its ability to attack Israel. In fact, AWACS will put every plane in Israel within the scope of Saudi radar, and would make it possible for the Saudis to coordinate air attacks against Israel by Syria, Jordan, and Iraq. It is within Congress' power to prevent this scenario from developing, and we should do so.

In 1978, when the previous administration requested and obtained permission to sell F-15's to Saudi Arabia, Congress approved the sale on the basis of assurances that the offensive equipment now in question would not be provided. It seems to me that the same wisdom which led Congress to insist upon those assurances should guide us in our consideration of the current request. If anything, opposition to this request should be stronger because of the addition of AWACS. I hope that the Foreign Affairs Committee will move swiftly to report a resolution disapproving this sale once it is formalized, and I will look forward to strongly supporting such a measure when this matter comes again before the House.●

● Ms. FERRARO. Mr. Speaker, the Reagan administration is seriously considering the sale of advanced AWAC—airborne warning and control—aircraft to Saudi Arabia. Such a move, especially following on the heels of the administration's decision, announced March 6, to sell the Saudis air-to-air missiles for the 60 F-15's they have ordered from the United States, would pose a grave threat to Israeli security, the stability of the volatile region, and our own interests in the Middle East.

The fall of the Shah of Iran should have taught us the dangers of overarming nations threatened more by internal discontent than external aggression. For years we supplied advanced weapons to Iran on the theory that the sales would strengthen Iran and thereby stabilize the region. That policy failed because it was not accompanied by adequate and timely recognition of political realities.

Lest we have a similar fate befall Saudi Arabia, careful precautions must be taken. We should not even consider selling more advanced weapons like Sidewinder missiles or the AWACS without first getting Saudi agreement to cooperate in bringing peace to the region. Specifically, the Saudis must terminate all support, financial and political, for the PLO's terrorist activities, and they must withdraw their opposition to the Camp David peace process.

In an editorial published today, the New York Times expresses the view that in return for any weapons sales, the United States should get from the Saudis diplomatic efforts to legitimize Arab negotiations with Israel. As the Times points out, any attempt "to contain Soviet influence in the Middle East" will require cooperation between Israel and Saudi Arabia. The Saudis must make clear their willingness to reach an accommodation with the Israelis if we are to bring stability to the Middle East.

Following is the full text of today's Times editorial. I commend it highly to my colleagues:

[From the New York Times, Apr. 7, 1981]

DRIVE A BARGAIN WITH THE SAUDIS

By persuading President Sadat to let a thousand American troops join a peacekeeping force in the Sinai Peninsula, Secretary of State Haig has assured the survival of the Camp David accords and reaffirmed American sponsorship of the Israeli-Egyptian entente. Thus he reaches Saudi Arabia this morning as a protector of Israel as well as a suitor for oil. It is time to insist that the Saudis end their scornful treatment of Camp David as part of a wider diplomatic bargain that justifies their purchase of ever more sophisticated American weapons.

The Saudis contend that their growing economic and military ties to the United States represent only an anti-Soviet alignment. But in making their air force dependent upon American supplies and training, they are in fact contributing to American influence in the region and thus to the security of Egypt and Israel. The sooner they own up to that reality, and drop even the pretense of a "holy war" against Israel, the smoother will be their American connection. It is hard to believe that the Saudis' diplomatic doubletalk still fools any Palestinians, thus protecting the House of Saud against subversion or revolt. Indeed, if the Saudi monarchy cannot survive open accommodation with Israel, it is hardly a safe depository for all that dangerous hardware.

A few honest words from the Saudis would certainly improve the Reagan Administration's case for the proposed arms sales. Mr. Haig's explanations so far have been extremely vague. His expressed regard for President Carter's "commitments" would be touching if he had not enthusiastically kicked over so many other diplomatic traces.

The fact is that he, too, is eager to give the Saudis almost anything they want—missiles and fuel tanks to extend the reach of the promised F-15 fighters and now the Awacs electronic surveillance aircraft that can spy over the entire region. He wants Congress to approve these sales for the bonds they may create with the Saudi military and for the basing rights that may evolve for American forces.

What Congress should also want in return is a Saudi diplomacy that legitimizes Arab negotiation with Israel. The Saudis should be encouraged to continue to mediate regional disputes, as in their defense of Jordan against Syria last year. They have a role in the effort to restore effective government in Lebanon. And they need to contribute more to international aid programs that help poor nations struggling to pay for oil.

The Israelis resent the buildup of Saudi power, but not because they cannot defend against it. What frightens them most is the Western rush to appease the Saudis' oil wealth. An Israel afraid of diplomatic isolation will not in the end negotiate generously with even the most moderate Arabs. If Mr. Haig aims to contain Soviet influence in the Middle East, he needs allies who will at least speak to each other.●

● Mr. LUKEN. Mr. Speaker, I find the sale of the supplemental equipment for the F-15 plane to the Saudis even more objectionable now than I did when the sale was originally an-

nounced by the previous administration. This action does not promise this country nor the people of the Mideast any hope that we are closer to peace for that troubled region.

My opposition to this action is based on large part on the effects this will have on Israel. We should never forget that to this day, Israel is still the only democracy in that region of the world, even as it experiences another election for the stewardship of that country. Israel is a strategic asset to the United States and through the years has been the only country that has demonstrated steadfast support for our policies in the Mideast and throughout the world. The sale of the supplemental equipment to the Saudis presents Israel with ominous prospects for its security and therefore the security of the U.S. interests in that region as well.

We should never forget that the original sale of the F-15's to Saudi Arabia was agreed to by the Senate only after the previous administration had promised that the supplemental equipment would not be sold. Now we are confronted with this new request. It is inevitable that we must ask ourselves, what are the corresponding actions by the Saudis to further the cause for peace in the Mideast. Have the Saudis agreed to halt support for terrorism, in particular the support for the PLO? Has Saudi Arabia agreed to support the establishment of U.S. military bases in the Persian Gulf area? Finally, have the Saudis given any indication that they are willing to support or explore the paths to peace presented to all in the Camp David accords? In each case, Mr. Speaker, we can only answer no. Regretfully, we are faced with the situation of providing to the Saudi Government additional military equipment, with no promise of actions to be taken by Saudi Arabia to further the cause of peace.

I am, moreover, truly dismayed to learn that the Reagan administration is now favorably considering the sale of the AWACS, the airborne warning and control system airplane. This is a highly sophisticated and guarded part of our military arsenal. Clearly, in the event of armed conflict these AWACS would make it extremely difficult for Israel to prepare or fight without its enemies enjoying a significant tactical advantage. This action poses a new danger for Israel's existence and an unnecessary danger for the security of the United States.

It is the combination, the package, of these two projected actions of the administration, which would, together pose a threat to the security of both Israel and the United States, and would be a grave threat to world peace.

I would also like to include in my remarks a letter sent by the Jewish Community Relations Council of Cincinnati to President Reagan on this subject. I fully agree with the concerns expressed in this very eloquent letter:

JEWISH COMMUNITY RELATIONS
COUNCIL OF CINCINNATI.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: On behalf of the Jewish Community Relations Council of Cincinnati, we urge you to recognize the grave consequences of the proposed sale of supplemental equipment to be used by Saudi Arabia on its F-15 warplanes.

American credibility is at the very core of the Middle East peace process. The pledge by the previous Administration to the Senate not to supply offensive equipment for the Saudi F-15s must be upheld, if American commitment is to have any meaning whatsoever.

Moreover, such a sale to the Saudis will in no way diminish the internal security problems of the Saudis, nor will it effectively enable Saudi Arabia to defeat a Soviet threat; will tend to escalate the existing tensions in the Arab-Israeli conflict, adding to a destabilization in the Middle East; will contribute to a runaway arms race in the area; and will tend to alter the regional military balance of power.

We ask that you consider thoroughly the effect of this arms sale upon our only democratic ally in the Middle East, the State of Israel. Not only will this sale produce disastrous economic consequences for Israel but, more importantly, it will jeopardize her already tenuous security. By weakening Israel we only strengthen the Soviet hand.

In closing, we ask that you examine the propriety of providing the aforementioned weaponry to a country who has called for a Holy War against Israel; financially supports international terrorism; and who, to date, has rejected the Camp David peace process. In our eyes, nothing that Saudi Arabia does can in any way be helpful to American security.

Very truly yours,

MALCOLM BERNSTEIN.●

● Mr. WAXMAN. Mr. Speaker, in the next few days, President Reagan will ask Congress to approve the sale of enhanced equipment—fuel tanks and air-to-air missiles—for the 62 F-15's we provided Saudi Arabia in 1978. If approved, this sale would only compound the error we made them to acquiesce in Saudi demands for American military equipment in the absence of any commitment on their part to serve our political, economic, and strategic interests. Once again, we find ourselves held hostage over Arab oil, prevented from exercising our best judgment on an issue of fundamental importance. On this basis alone, the sale should be rejected.

A careful evaluation of every other consideration leads to the same conclusion. In and of themselves, without this new equipment, the F-15's already destined for Saudi Arabia pose a strategic threat to Israel's security. Saudi Arabia has participated in four Arab wars of aggression against Israel's survival. There is no reason to believe the F-15's will not, in the next war, be used against the Israeli Air Force.

In 1978, the Carter administration made explicit and—to this moment—binding assurances to Congress that this very equipment, which increases the lethal capabilities of the F-15's, would not be made available to the Saudis. This pledge was made precisely because such weapons would seriously erode the margin of superiority Israel must have to win the next war.

The violation of this pledge also calls into doubt American credibility and honor. Nowhere in the world are our words and intentions more important. By reversing our position on this key issue, the Reagan administration has compromised the value of our commitments to other nations.

There are other disturbing factors in this proposed arms sale. To further augment Saudi defenses, the administration may provide that country with advanced radar and surveillance equipment, such as AWACS. American pilots have, since the outbreak of the Iran-Iraq war, flown AWACS on behalf of the Saudis to alert them to any threats to their country. Should this equipment be placed in the hands of the Saudis alone, it could easily be used to monitor all of Israel's defense activities. Nothing could be more dangerous.

To compensate for these concerns, the administration intends to sell Israel additional F-15's, and to give Israel some additional capability, as yet undefined, to detect any strategic threat from the Saudi flank posed by the newly equipped F-15's. This is shortsighted and inadequate. It merely escalates the Mideast arms race at a higher balance of terror, increasing the instability in the region. In addition, Israel, which is swamped in debt, and which suffers from triple-digit inflation, hardly needs hundreds of millions of dollars of increased obligations imposed by the United States.

What must be stressed, however, is that this sale should be rejected by Congress not simply because it threatens our strongest ally in the region, or because it violates a pledge by the President of the United States. Congress should veto this sale because it does not serve our national interest.

Our highest priority in the region is to preserve and expand the treaty of peace between Egypt and Israel, and to draw other Arab nations into the peace process. Even though the Saudis are demanding these weapons from the United States as a demonstration of our support and goodwill, we are not receiving anything in return to help us with our political objectives. We have obtained no promise from the Saudis to support Camp David. To the contrary, Saudi Arabia has renewed its call for jihad, or holy war, against Israel. The Saudis have not of-

fered to encourage Palestinian moderation in any respect. Instead, they will continue to finance the PLO, the world's foremost terrorist organization.

It is almost inconceivable that such a transaction would be proposed without receiving political assurances from the Saudis on these key points. But this indeed is the case. In so doing, we have refused to apply what little leverage available to us—repeating the mistake the President made in 1978 to supply these weapons in the first place without a quid pro quo from the Saudis to cooperate with us in waging peace in the Middle East. This fundamental error in judgment will only work to our detriment.

The administration will argue that the Soviet threat to the Persian Gulf, by virtue of its invasion of Afghanistan, and growing instability in the region from the Iranian revolution and the war with Iraq, all underscore the need for us to supply the Saudis with these weapons. Even if these were our sole concerns, it must be asked whether the F-15's will be helpful. Many analysts have concluded that the Saudi armed forces are top-heavy in equipment, and weak in basic defense capabilities. The fuel tanks and missiles will do nothing to strengthen the Saudis' ability to defend the oil fields against invasion, or protect the kingdom's borders. The equipment is offensive, not defensive, in nature and will probably be used first against Israel, not the Soviet Union, and not against other Arab radicals.

Saudi security can best be provided not by a blank check for American weapons, but by an invitation for the United States to share in Saudi Arabia's defense. An American presence in the region would be the strongest deterrent at the least risk to Israel's security.

I had hoped we would have learned from our experience in 1978 not to use our most sophisticated weapons as the sole means of trying to achieve our political objectives—particularly in the Middle East. The Saudis wish to enjoy a special relationship with America. But they want to do it at the expense of our interest in securing peace—an interest which the Saudis should themselves recognize—and at the expense of the security of our ally, Israel. The administration's plans demonstrate that it has not learned these lessons. The Saudis can only come back again in the future, asking for more weapons, and we will be forced to give it to them, for nothing in return. We are allowing ourselves to be a party to our own extortion. Congress should not acquiesce in this arrangement. We have the power to stop it. I urge my colleagues to reject it.●

● Mr. EDGAR. Mr. Speaker, in retrospect, it seems as if all too short a time has passed since we were discussing a plan to sell F-15 fighter planes to Saudi Arabia. Although only 3 years have elapsed since the original proposal, we now discover that, like the economy, a considerable inflation has set in: we are asked now to approve the sale of additional hardware such as FAST packs, advanced air-to-air Sidewinder missiles, possibly AWACS, bomb racks and other support equipment. In 1978 we were persuaded to support the administration's policy by assurances that the F-15's would be used for defense purposes only, as means to repel invaders from Saudi territory. Now, a different administration wants to convince us that despite the dangerous new offensive capabilities involved, we need not be concerned by the Saudis' ability to inflict lethal damage within a 1,000-mile radius. Which countries would bear the brunt of such a new power?

Although the issue of a seriously increased threat to Israeli security is a most important one, one can argue against the proposal on many other grounds. Perhaps foremost among them is the stimulus we would give to an already intense arms race, spurring a further escalation in the current massive arsenals. There surely will be others besides Israel who will feel threatened by the Saudi offensive capability, such as Oman; and so, a new arms spiral would begin. It would be extremely short-sighted of us to ignore the effect such an arms policy has on the economies and societies of these countries. We take a grave risk in so altering the fragile Mideast military balance.

Another reason for concern is the destabilizing effect such arms might have on Saudi Arabia itself, and its conservative society. There appear to be enough parallels between Saudi Arabia and Iran to make a real examination of the detrimental effects very necessary. Can Saudi Arabia realistically absorb such technical, sophisticated equipment and provide the manpower to operate it? What about domestic repercussions and the allocation of resources away from social needs and rising expectations, compounded by strains resulting from quick industrialization and the liberalization of political/social institutions?

Proponents of the sale often mention the need for evenhandedness in our dealing with the various countries of the Middle East. Yet, even as the sale of offensive hardware is presented as a litmus test of our relations with Saudi Arabia, some attention should be given to U.S. needs and a reciprocity on the part of Saudi Arabi in deferring to our national interests also. What about Saudi support for our peace efforts in the Middle East? Saudi influence up to now unfortunately has been used to reduce Arab participation in the peace process, and as a focal point of criticism against Egypt. Yes, Saudi Arabia has kept the oil flowing (a decision guided in part by its own self-interest), but we in turn have sold them over $22 billion worth of military equipment, more than to any other non-NATO country. The Saudis have persisted also in their call for a jihad against Israel, a staunch ally, and such action can hardly be in our best interests.

The United States should not be party to the Mideast arms spiral merely because an ally has demanded it of us. It is one thing to respond to Saudi Arabia's legitimate defense needs, but quite another to provide offensive weapons which only can be used against other allies in that same troubled area.●

● Mr. ARCHER. Mr. Speaker, I wish to add my support today to the eloquent statements of my colleague from New York, JACK KEMP. I have grave concerns over the wisdom of this sale to Saudi Arabia—particularly if the proposed package includes AWACS aircraft. I cannot see how the sale of conformal fuel pods, AIM 9-L missiles, aerial refueling aircraft, and AWACS stabilizes the Saudi Government, or even more importantly, how it bolsters our own strategic interests in this vital region. This sale can only serve to undermine the security of our one steadfast democratic ally in the Middle East—the State of Israel.

Throughout the first few months of the Reagan Presidency, I have been greatly encouraged by the more realistic approach we have been pursuing—not only in confronting our economic problems, but in how we view our role as the leader of the free world. In Latin America we have not hesitated to expose Cuban subversion. We are finally holding the Soviet Union responsible for its support of international terrorism. At the United Nations, we are no longer hesitating to condemn the most outrageous rhetoric of the Third World and the Soviet bloc. Therefore, it simply does not make sense to me, that as we reject a policy of appeasement in the rest of the world, we are still handling our relations with Saudi Arabia as if we are incapable of rejecting any demand they make of us.

Saudi Arabia has been insisting that we sell some of the most sophisticated technology in our arsenal and yet in a number of areas, she has refused to help support our own interests in the region—despite the fact that the Saudi Government recognizes all to well that they cannot survive in a Middle East dominated by the Soviet Union. At the same time that the Saudis demand a stockpile of military equipment and spare parts, they have also opposed the filling of our Strategic Petroleum Reserve. They have opposed our efforts to obtain basing rights in the

Arabian peninsula. They have opposed the Camp David peace process and led the Rejectionist Front's condemnation of our one true friend in the Arab world—Anwar Sadat. Friendship implies a two-way relationship—giving and taking—but the Saudis have thus far seemingly shown that they know only how to take.

We all recognize the importance of maintaining good relations with Saudi Arabia. We all support America's commitment to protect the Saudi Government. The question is, Does this sale actually strengthen that government? I think a careful analysis of the threat to Saudi Arabia leads one to conclude that it does not. AWACS, conformal fuel tanks, and AIM 9-L missiles cannot help them defend their oil fields. In the final analysis, the Saudis cannot defend themselves from any major threats from the Soviets, or even their current friends, the Iraqis, no matter how much equipment we provide them. We should not delude ourselves—only the United States in conjunction with our western allies has the ability and will to counter Soviet or radical Arab military moves on the oil fields. Furthermore, the most ominous threat to the Saudi Government is not from external aggression, but rather from internal subversion. State-of-the-art aircraft technology is not going to stabilize the government or protect it from rioting in the streets.

Some proponents of this sale have argued that we must reward the Saudi royal family for restraining OPEC oil prices. I believe this view represents a serious misreading of Saudi oil policy. Sheikh Yamani himself recently indicated that his country's oil pricing policy is based on a hard-headed assessment of Saudi Arabia's own best economic interests.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD at the conclusion of my remarks an article by Peter Lubin which recently appeared in the National Review. This article raises a number of important questions regarding the nature of our relationship with Saudi Arabia.

Mr. Speaker, my strongest concerns over the sale stem from the threat it poses to our own security interests. By providing the Saudis with the advanced technology of the AWACS aircraft, we are running too great a risk that the system's secrets will be compromised by defection, accident, diversion of technical manuals, or Soviet intelligence activities. The compromising of F-14 and Phoenix missile technology in Iran provides us with a recent example of the risks we take whenever we provide this type of sensitive technology.

Finally, I am deeply concerned over the implications of this sale for Israel. Saudi forces have been involved in three of the four Arab-Israeli conflicts. In a future war there would be tremendous pressure by the other Arab nations on the Saudis to commit their enhanced F-15's and their AWACS to the battle. The Israeli airforce is certainly capable to meeting a challenge from any single Arab State, but it would be hard pressed in a confrontation with the combined Arab air forces—especially if these Arab forces can take advantage of the force-multiplier effect provided by Saudi AWACS. This sale is not the proper signal to be sending at this time.

I urge President Reagan and his advisers to reexamine and scrutinize the impact of this sale. At a time when the President has embarked on a policy of restoring America's ability to counter the Soviet threat, it is crucial that we do not weaken an ally and risk compromising our most sensitive military technology simply because the Saudis make demands upon us that have little to do with their vital security interests. Thank you, Mr. Speaker.

[From the National Review, Mar. 20, 1981]

TAMING THE SAUDIS

(By Peter Lubin)

When the Carter Administration was finally put out of its misery last November, there was gloom among the Al Saud, the family that owns and rules Saudi Arabia. The Saudis had enjoyed four uninterrupted years of bullying and bamboozling the American government. The lead role (in a star-studded cast) was played by Jimmy Carter, who gushed with gratitude whenever the Saudis, for cold financial reasons, temporarily raised oil production. A supporting role was played by National Security Adviser Brzezinski, who confided to the New York Times last March that we had no reason either to "fear or deplore" an "Islamic renaissance," and who envisioned a natural partnership with Islam to protect the Gulf. (No wonder a journalist in Riyadh described Brzezinski as "a man after Crown Prince Fahd's own heart.") There was Secretary of the Treasury Miller, who winged his way to Saudi Arabia in November 1979 hoping, as he put it, to convince "our friends" in the Gulf that there was no reason to raise prices further after the gigantic boost of the previous June ("It's unrealistic not to expect some upward adjustment in prices," said a chastened Mr. Miller on the plane home). There was Secretary of Energy Duncan, whose Saudi pilgrimage took place in late February 1980, to beg for royal assent to our Strategic Petroleum Reserve (permission denied). And on location in Riyadh there was Ambassador John C. West. Mr. West began his service by obtaining a job for a close friend, Crawford Cook, in the Saudi lobbying machine, and ended his tour with a valedictory that admonished, not the Saudis, but his own government for failing to satisfy every Saudi demand.

All this abasement before the Saudis has taken place in an atmosphere of myth, cliché, and received ideas in which Saudi Arabia is repeatedly described as "moderate," "pro-Western," and "friendly." No evidence is ever adduced for these epithets, but they stick nonetheless. On a recent CBS program on Saudi Arabia, for example, Ambassador West described U.S.-Saudi relations as "good faith, good friendship, and what I call that special relationship." An unsuspecting listener might assume that West had evidence for this. Unfortunately, that listener would be wrong.

The OPEC quasi-cartel operates to mulct the West of tens of billions more each year than would be received were there no limit on, and manipulation of, supply by its members. And the key villain is Saudi Arabia, because that country, not Libya, not Nigeria, not Venezuela, is keeping many millions of barrels off the world market. It is foolish to applaud the Saudis for producing "close to capacity" when they have deliberately and severely restricted that capacity themselves. The Saudis have broken every agreement on oil they have entered into since the Teheran Agreement of 1971. As energy economist Morris Adelman puts it: "There were repeated unilateral revisions, and it [the Teheran Agreement] was finally discarded in September 1973 . . . Sheik Yamani pronounced a classic epitaph: 'We in Saudi Arabia would have liked to honor and abide by the Teheran agreements, but . . .'" Under cover of the "oil embargo" in 1973-74 came the fourfold rise in price. In 1974 the Saudis kept promising to lower prices, and "they repeatedly raised prices. Twice Mr. Kissinger flew into Riyadh and announced that he and his friend the King agreed, prices should be lowered. Each time prices were raised" (Adelman).

In 1974 the United States undertook to guarantee Saudi security, and the Saudis agreed to produce at current capacity, a promise never kept. In late 1978 the Saudis extracted a further American pledge—not to fill the Strategic Petroleum Reserve. In turn the Saudis would keep production up close to 10.5 million barrels a day. So they did—for seven weeks. On January 20, 1979, as Iranian production collapsed, the Saudis slashed their output by a full two million barrels. In the ensuing panic buying and spot-market runup, prices rose more in five weeks than they had in the previous five months. Having accomplished their aim, the Saudis raised production by one million barrels. Again Adelman:

"The net result of Saudi maneuvers, concerted with their neighbors between October 1978 and mid-1980, [was] to increase the price of oil from $12 to $30 [now $32 and up]. At any moment they could have put the price down to any desired level by raising output to capacity, announcing they would maintain that output and even increase it by gradually investing to raise capacity."

The Saudis are the major obstacle to an American presence in the Gulf. They expect us to defend them, but only on their terms, with the means they choose, no matter how difficult or dangerous that makes our task. The Saudis are terrified of any resolute display of American power near them; thus they sponsored a resolution at Islamabad in May condemning the American hostage rescue attempt. By hiring Pakistani mercenaries, by buying German tanks and French planes, they hope to build an armory that will make them independent and able to keep the Americans from establishing a presence nearby. They do not seem nearly as concerned about the Soviet over-flights they permit to Aden and Ethiopia, and they have allowed Soviet-built tanks to be unloaded at Saudi ports for transshipment to Iraq.

While the Saudis have backed Iraq's invasion, though Iraq is linked to the Soviets, the Saudis are not benevolently inclined toward smaller neighbors. Saudi Arabia is

the leading local bully and troublemaker, detested and feared by Oman and the sheikhdoms. The Saudis backed the Marxist-supported Dhofar rebellion. They have pressed territorial claims on both Abu Dhabi and Oman. They have meddled with American arms shipments to North Yemen, which led the Yemenis to look to the Soviet bloc for arms.

SAUDI MODERATION

On Israel the Saudis are as implacable as Syria or Iraq. Twice in recent months they have called for jihad, a word that, despite the attempt of our State Department to give it a soothing gloss, means exactly what it says: warfare by all means, including military force. The flavor of Saudi "moderation" can be gauged from their description of Jerusalem as "purely a genuine Arab and Islamic city. Thus it has been for thousands of years, and thus it should remain forever." Loyalty to a fellow Moslem (who massacred his Christian subjects) has led the Saudis to give refuge to Idi Amin. The Saudis subsidize the most notorious of terrorists; the Arab who recently killed 15 and wounded 85 by bombing a hotel in Kenya escaped, his deed accomplished, to Saudi Arabia.

All this activity, however, is muffled in a vast Saudi disinformation and propaganda effort, aided by Westerners with financial ties to the Saudis. There are two themes. The first is, "we are doing you a favor" by "producing more oil than we [need, want]" so "don't jeopardize this 'special' relationship." Note Yamani's recent interviews: "Don't take the Saudis for granted" (Wall Street Journal); "We're gotten no sign of appreciation for everything we've done" (New York Times): "We are America's number one friend" (Time). By dint of constant repetition, journalists and politicians come to believe this nonsense.

But the evidence shows otherwise. The Saudis are not doing us any favors. Saudi pricing in OPEC, like the pricing of its fellows, is based on their calculation of their "perfect" (optimal monopoly) price. That price will tend to maximize their total revenues over time. Each OPEC member determines its "perfect" price at any moment by taking into account the size of its reserves, its current surplus or deficit, the value of its foreign currency holdings and investments, and the likely production response of its fellows in OPEC. Absent Western pressure, that is all OPEC need worry about. Of particular concern to the Saudis is demand elasticity for oil. As the producer with the largest reserves (whose value they wish to protect), the Saudis must worry about too precipitous a rise in prices, and thus too precipitous a drop in demand. These considerations, not some phony melodrama starring "hawks" and "moderates," are what OPEC price differentials are all about.

Nor are the Saudis "producing more than they need." Detailed studies of Saudi revenues and expenditures show that they always manage not only to squander the surplus funds that may initially be accumulated, but end up needing more. There is every reason to believe that the phenomenal waste, corruption, and extravagance of recent years will continue. Nor have the Saudis ever chosen to lessen current revenues. They may have to, however, when Iran and Iraq resume pre-war production levels. Otherwise, there is a possibility of price-cutting and the destruction of OPEC. The Saudis, having previously threatened to cut as many as seven million barrels a day, will at that point cut a few million at most, and expect to be applauded.

Yamani's claim that by slashing production Saudi Arabia could receive as much current revenue as at a higher level of production is demonstrably false, yet none of the journalists he tells this to has bothered to point it out. Demand elasticity is high, and growing. Professor Robert Pindyck of MIT has noted that every 5 percent rise in oil prices results in a drop in demand of between 1 percent and 1.8 percent. Another way of understanding this is that for every OPEC cut in supply of between 1 percent and 1.8 percent in the total amount of oil available in the non-Communist world's market, OPEC can impose a price rise of 5 percent and still "clear the market" (have demand equal supply) so as to avoid problems of glut and price-cutting.

Suppose the Saudis were to cut production by four million barrels. That represents about 7.5 percent of non-Communist world production (assuming Iran and Iraq are exporting at prewar levels; othewise four million barrels represent about 8 percent). Using the lower figure for demand elasticity would permit the Saudis a price rise on the six million barrels they did produce of about 38 percent. Using the higher figure, the rise is less than 25 percent. In either case, the Saudis stand to lose tens of billions of dollars annually. And the expensive infrastructure for natural gas collection requires a minimum oil production of eight and one-half million barrels. The Saudi subsidy to the PLO, aid to Syria and Jordan, and other pan-Arab aid amounts at most to a few billion. That offers a measure of the financial sacrifice they are willing to make on behalf of fellow Arabs. Why should we believe that the Saudis would suddenly—for "political" reasons—risk the loss of many times that amount?

Such threats tell us a lot about the Saudis. A friend would never say: "Saudi Arabia alone . . . is in a position to inflict very severe damage on the world economy as a whole or a selected group of nations . . . Definitely, I'm not threatening. You threaten when you need to. Among friends, I don't think we are threatening."

Yamani's bluster is as hollow as his bonhomie. For as a number of economists and other commentators have noted, there is no "oil weapon." A study "demystifying" the oil weapon was made by Douglas Feith in Policy Review (Winter 1981). Being fungible oil cannot be selectively denied to one country or group of countries. The only way to "punish" is to cut production massively, and that would harm any producer far more than any potential victim among the importing nations. It might also have unforeseen political consequences. If there are sound economic reasons for raising the price of oil or cutting production, such a price rise, or such a cut, will take place in any case. If such a price rise or production cut is made to "punish" (i.e., employed as a "weapon") then by definition it would go against, rather than promote, the economic interest of the producer instituting it. Otherwise it would have been made for that economic reason. Unlike Khomeini, the Saudis have not shown a taste for self-inflicted wounds.

OUR GOAL: SAUDI COOPERATION

Our policy should be to obtain, not the chimera of Saudi "goodwill," but Saudi cooperation, however unwilling that cooperation will be, on bases, on oil, and on other matters. Policy should be rooted in understanding that: (1) Wahhabi Islam regards the Christian West with hostility, but that need not concern us overmuch; (2) there is no "oil weapon", (3) the Saudis are not "doing us favors", (4) politically, economically, and socially Saudi Arabia remains a primitive tribal kingdom, advanced only in the bankbook sense; (5) the Soviet Union has strengthened its grip on the Saudi perimeter; (6) Saudi Arabia may have to be "saved in spite of itself," and while we understand the Saudis are incapable of protecting themselves, their vulnerability must be brought home to them; (7) the Saudis must be disabused of their inflated notion of their own significance vis-à-vis America and the West; (8) taming the Saudis will demand both intelligence and imagination, but the risks from further appeasement are too great not to make the attempt.

A drastic change in our policy toward Saudi Arabia is essential, beginning with a change in attitude. Diplomatic personnel posted to Riyadh should be chosen so that those with a chronic case of furor arabicus (a peculiar nervous disease first diagnosed by J. B. Kelly in "Arabia, the Gulf, and the West"), are carefully selected out. Cabinet members should no longer rush to Riyadh, seeking the royal indulgence. No more dancing attendance upon Yamani on his various tours. Instead of misplaced gratitude, Washington can by appropriate comments demonstrate a real "appreciation" of all the Saudis have been doing in OPEC.

We should proceed with plans for whatever bases we deem necessary—in the Sinai, in Oman, and elsewhere—explaining to Riyadh that we have no intention of courting disaster simply because the Saudis may be displeased. There is a basic conflict here that cannot be blinked. The Saudis fear such bases nearby because they would have an intimidation value (which, of course, is a further point in their favor).

Washington has been worrying aloud about the stability of Saudi Arabia ever since the collapse of the Shah. The Saudis, in turn, have been quick to react with a propaganda barrage: Saudi Arabia is very different from Iran; the Saudi royal family is revered by all its subjects; its devotion to Islam is profound; and so on. Both American worry over, and Saudi insistence upon, the "stability" of Riyadh are beside the point. Saudi stability is not intrinsically desirable to anyone but the Saudis. Continued rule by the Al Saud, or the continued existence of Saudi Arabia in its present borders, may or may not best serve the interests of the oil-consuming world. If firm Saudi rule promotes Western access to Persian Gulf oil at reasonable prices, then let it be encouraged. But it may be that a severe shock to Saudi complacency, or even a sustained effort to keep the Saudis off balance, would serve Western interests better.

The smug belief of the Saudis that no matter how they behave we will be there to protect them is revealed in a statement Yamani made to an interviewer from Time: "You are not protecting us. When you send your airplanes, you are defending your own interests." The Saudis have not yet understood the significance of General Petrovsky in Ethiopia, Cubans and East Germans in South Yemen, Soviet treaty links and base rights in Syria and Iraq, PLO training in Baku, Tashkent, and Simferopol. It is long past time to heighten their sense of unease. Further, we should make the distinction between protection of oilfields in the physical sense and protection of a regime or a country. Since the Iranians are now in no position to harm the Saudi oilfields, one simple and elegant way to demonstrate our studied insouciance as well as make clear our dis-

pleasure with Saudi behavior would be to recall our Airborne Warning and Control Systems, on the grounds that we need them for our own use (we possess only twenty in all).

As for the Saudi demand for additional equipment for the F-15s that Mr. Carter granted them, that demand should either be rejected out of hand or put under indefinite "review" until such time as Saudi behavior has drastically changed. At the time of the original plane sale, both the Saudis and the Carter Administration offered assurances that the equipment now sought (bomb racks, Sidewinder missiles, fuel tanks) would not even be asked for, much less granted. But the Saudis are convinced that in their case such commitments are meaningless. So great is their contempt for us that they no longer bother to conceal it. Prince Faisal stated on "Meet the Press" that no Iraqi planes are being sheltered in Saudi Arabia; Ambassador Alhegeland recently denied that Soviet-built weapons have been unloaded for Iraq in Saudi ports. Both men knew that Western intelligence sources have confirmed these activities; neither thought it worth his while even to obfuscate.

The equipment demanded cannot be used by the Saudis effectively against the Soviet Union. If used at all, it will be used against its lesser neighbors (Oman, the littoral sheikhdoms), against Israel, or possibly against Western forces should they move decisively into the region. As far as the Israelis go, even if they decide (for reasons of their own) not publicly to oppose the sale, that is no reason for it to go through. Such weaponry makes much likelier a Saudi role in another Arab-Israeli round, and in that case virtually guarantees an Israeli pre-emptive strike. Such a capitulation would dishearten the Omanis, who hate and fear the Saudis and have been ready to serve the West but may now be intimidated by a display of Saudi power.

But the main reason for denying the Saudis the equipment is that they regard the sale as "an important test case in relations between the two countries." Exactly. After two years of uninterrupted and astronomical price hikes, after the resolution condemning our rescue mission, after the efforts to deny us bases, after the open calls for jihad and support for terrorism, after backing the Iraqi invasion of Iran, after meddling with our arms supplies to North Yemen and facilitating Soviet bloc supplies to Iraq, after the attempt to throttle our Strategic Petroleum Reserve, after all this the Saudis want to test whether America will jump once again through the Saudi hoop. If we do so, we will signal that nothing has changed, and that we continue to adhere to the "doctrine of common interest" so lucidly analyzed by J. B. Kelly:

"All that the constant reiteration of the doctrine of common interest achieves is to convince the Middle Eastern oil-producing states that the West needs them as much as (or even more than) they need the West, thereby confirming them in the hauteur and their illusions of power."

Rejecting the Saudi demand would be the first step in forging a coherent strategy for protecting the West's interests. The immediate response will be Saudi bluster and bluff, of the kind Crown Prince Fahd offered in the newspaper Al Hawadith: "We are not compelled to be friends of the Americans. There are many doors wide open to us, be it on the military, technological or economic level . . . . We can easily replace the Americans."

WHO NEEDS THE GULF

But Pakistani mercenaries, German tanks, and Tornado fighters will not really fill the bill. Weapons suppliers are not as easily interchangeable as Fahd pretends to believe. The American equipment already acquired by the Saudis would be greatly diminished in usefulness without easy access to American spare parts, American technical help, American training. And only the United States offers Saudi pilots extensive training on simulators.

Should they proceed, nonetheless, not to yield on policy but attempt to replace us with European arms suppliers, we have the means to obtain European cooperation. In the end the United States could do without oil from the Gulf; Western Europe and Japan cannot. It is to our allies' advantage that the Saudis be brought to heel, even if they choose not to admit it publicly. They may distance themselves from our effort (out of fear) but should not interfere with it. We have a right to ask from those for whom we are protecting the Gulf that they not persist in currying Saudi favor at our expense. The American people may grow weary of safeguarding oil to keep German or French or Japanese industry humming, if those same Germans or French or Japanese make that job more difficult.

The Saudis will also attempt a rhetorical rally of the Third World. But the speciousness of that concept can be exposed. A farmer in Senegal or Brazil has more to gain from our efforts to protect access to, and hold down prices of, Saudi (and OPEC) oil through political pressure even than the Europeans.

The Arab oil states, not least the Saudis, also employ the Arab-Israeli dispute as the perfect diversionary tactic. How dare the West raise the little matter of oil pricing and production (here the face of Faisal or Fahd assumes an aggrieved air, and eyes are raised heavenward) when the "Palestinian problem" has not been solved to Arab satisfaction? But as J. B. Kelly has noted, even if we posit the total disappearance of Israel, our problem with the oil states would be exactly the same.

The past two years have given us a good dose of what the Muslim Middle East, unadorned, is all about. The Saudi regime's legitimacy comes from force and the threat of force. Not surprisingly, it responds only to pressure, not to blandishments.

As long as the Saudis believe that our only reaction to their behavior will be "economic" (i.e., to conserve oil, and to look for non-OPEC sources), they will behave without any constraints. In the long run, a decade or more away, our problem with OPEC may well be solved. In the short run, we must protect the major oilfields and apply pressure to hold down prices and hold up production. That is why any energy policy must include a strategy for taming the Saudis.●

● Mr. GARCIA. Mr. Speaker, with respect to the proposed arms sale to the Saudis, I am deeply concerned that the United States might be buckling under to oil blackmail. Moreover, I am deeply concerned that this move would come at the expense of the security of our long-term friend, the State of Israel, and simultaneously increase the instability of the Middle East.

It seems odd that current American foreign policy has become so—dare I say controlled?—by the threat of an oil embargo.

We are not merely discussing the sale of weapons to the Saudis but, rather, offensive weapons. At a time when the internal stability of Saudi Arabia is much in doubt, should we risk another Iran? I can understand Saudi Arabia wanting to protect itself from its erratic neighbors in Libya and Yemen as well as from the threats from the Soviet Union. But, why must we sell offensive arms to a nation which just a few weeks ago witnessed several of its leaders calling for a holy war against Israel? I submit that we must not.

These highly sophisticated weapons will open all of Israel to Saudi radar. We will, no doubt, eventually have to extend our military sales to Israel to permit it to defend itself at a time when that nation is more in need of economic stability and peace than expansion of its arms purchases.

Will we receive anything from the Saudis in return? It is becoming obvious that they need a market for their oil as much as we need their oil. So let us stop this poker game. Let us get on with promoting peace by encouraging the Saudis to support the Camp David accords, to discontinue their support for terrorist PLO activities, and to guarantee—for the long term—oil sales without the constant threat of an embargo.

I will not support this arms deal. I urge my fellow Members of Congress to carefully consider what this proposal means to the security of Israel, to America's image as a strong world leader if we should give in to another Saudi litmus test, and to the stability of a very vital region.●

● Mr. SANTINI. Mr. Speaker, I rise to express my opposition to the proposed sale of fuel and sensor tactical (FAST) packs and AIM-9L air-to-air missiles for the F-15's purchased by Saudi Arabia.

I oppose this sale for the following reasons:

(a) Saudi Arabia has called for a jihad—holy war—against Israel. The enhancement of the F-15's will give Saudi Arabia the ability to launch an offensive attack against Israel and thus encourage the military aspects of a jihad.

(b) With this new equipment, Saudi Arabia will also be able to monitor all of Israel's military activities, including locating troops, aircraft, tanks, and artillery pieces. Israel's security will undoubtedly be threatened by such a sale.

(c) In 1978, the original sale of the F-15's was justified on the grounds that it was to be for totally defensive purposes. To change direction now and provide Saudi Arabia with offensive weapons is to ignore the will of the Congress. In addition, the commit-

ments and word of the United States are now in question.

(d) Selling weapons to Saudi Arabia in the past has not made the price or supply of oil more secure. In fact, in part due to the position of Saudi Arabia, we have not built up our strategic petroleum reserve, which would be in the best interests of the United States.

(e) Selling these weapons has proved to be a destabilizing influence in the Mideast. Saudi Arabia has given huge sums to Jordan and Syria. Saudi Arabia has also been a leader in the punishment of Egypt for participating in the peace talks. They have not worked for peace in the region.

(f) Saudi Arabia does not need these weapons for its defense. There have been no signs of aggressive intent from South Yemen, Iran, Syria, and Libya.

In conclusion, I see no reason for the Congress to support this sale, which could be of such detriment to one our staunchest allies, Israel.●

● Mr. MATTOX. Mr. Speaker, it defies all logic for us to nourish our ties with democratic Israel, our staunchest ally in the Middle East—and at the same time, sell offensive weapons to Saudi Arabia, whose avowed goal is to wipe Israel off the face of the map.

If we bow to the Saudis' wishes and sell them the fuel tanks and Sidewinder air-to-air missiles for the F-15 jet fighter aircraft they possess, we will only be fueling the instability in the Middle East. We will be doing this in defiance of the intent of Congress when the original sale of F-15's was consummated. Then the strong congressional opposition was overcome only because of assurances given by the administration that the fighter aircraft would not be equipped as a long-range offensive attack plane.

The administration is also reported to have under consideration the sale of AWACS or E-3A airborne command centers to Saudi Arabia. This would be a real quantum leap into destabilization. Because their troop movements would be under constant surveillance, the Israelis would justifiably feel more imperiled, leading to greater and greater defense expenditures.

So far Saudi Arabia has disdained the peace process set in motion by the Camp David accords. Why then are we rewarding them with the weapons that could very well undo that peace process? Mr. Speaker, it is not logical.●

● Mr. BOLAND. Mr. Speaker, anyone interested in the cause of peace in the Middle East must view with concern the Reagan administration's proposed sale of advanced aviation equipment to Saudi Arabia.

As my colleagues know, the administration has indicated a desire to sell the Saudis advanced radar, extra fuel tanks, and AIM 9-L air-to-air missiles for the 62 F-15 fighter aircraft purchased in 1978. This equipment will significantly increase both the range and the firepower of these aircraft. In addition, the administration has proposed that sophisticated airborne early-warning aircraft, the E-3A AWACS, be sold to the Saudis. The AWACS will greatly improve the capability of Saudi Arabia to monitor the movement of Israeli military forces. Taken together, the upgrading of the Saudi F-15's and the acquisition of the AWACS aircraft would represent an enhancement of the military capability of Saudi Arabia that could only be viewed with apprehension by Israel.

Mr. Speaker, no one can argue that the Saudis do not have a legitimate need for military equipment with which to defend their country. It is clearly in the best interests of the United States to encourage peace and stability not only in Saudi Arabia, but in the entire Middle East region. That is why the F-15's were sold in the first place. The additional equipment being sought will not, however, promote stability. It is not primarily defensive in nature. The improved F-15's will impair security in the Middle East by triggering a new arms race, not only in Israel, but in other nations bordering the Persian Gulf. We owe Israel, our oldest and most able ally in the Middle East, something better than arming one of its avowed enemies with sophisticated military equipment that is primarily offensive in nature.

I hope that the administration will reconsider and not submit the proposed sale to Congress for approval. I do not believe that the sale is in the best interests of the United States or of the cause of peace and I urge my colleagues to oppose it.●

● Mr. JAMES K. COYNE. Mr. Speaker, like many of my colleagues here today, I am gravely concerned that the administration's planned sale of conformal fuel tanks and Sidewinder air-to air missiles to Saudi Arabia unduly exacerbates an already tense situation in the Mideast. Before the administration goes ahead with its sale, it ought to carefully consider the ramifications of this move. There is no region in this world more volatile or less stable than the Mideast.

As the events of the last 2 years have starkly demonstrated, the Mideast no longer merely pits Arab against Israeli. Time and again in the recent past, the fighting in the Mideast has pitted Arab against Arab. The new F-15 offensive capability Saudi Arabia stands to acquire will provide one Arab faction with a weapon heretofore unknown among the competing Arab countries. It not only poses a threat to peace and stability vis-a-vis the Israelis, but looms as a distinct threat to the peace and stability of the entire region.

Saudi Arabia has been a long and valued ally of this country, Mr. Speaker, and I do not want the administration to in any way imperil our relationship with the Saudis. At the same time, however, I am concerned that the proposed sale of F-15 offensive weaponry will undermine much of the American-led conciliation and peacemaking in that part of the world.●

● Mr. RINALDO. Mr. Speaker, it is disturbing to note that the administration has announced that it will sell Saudi Arabia extended range conformal fuel tanks and Sidewinder air-to-air missiles for the fleet of 60 F-15 jet fighter aircraft the United States sold to the Saudis in 1978.

Additionally, the administration has indicated that the United States will eventually sell Saudi Arabia aerial refueling tankers as well as surveillance aircraft, possibly including the sophisticated AWACS airborne radar plane.

The fighter plane accessories will greatly enhance the lethality of the F-15's, and will bolster Arab military power in the volatile Middle East, further threatening the security of Israel. It will significantly expand the combat radius, strength, and the ground attack capability of the F-15.

The Saudis have called in the past for a "holy war" to wrest control of Jerusalem from Israel, and by providing them with this added military equipment we are further aggravating tensions between the two nations and making it more possible for Saudi Arabia to launch a devastating attack against Israel.

When Congress debated the wisdom of providing the F-15 to Saudi Arabia 2 years ago, the Pentagon advised us that Saudi Arabia had not requested and that the United States did not intend to sell any other systems or armaments that would increase range or enhance the offensive potential of these aircraft. It was made clear at that time that Saudi Arabia needed the jet fighters to defend itself against attack.

With that understanding in mind, it is clear that the Saudis do not need to enhance the range and firepower of their F-15's and, to, in effect, bring Israel within closer striking distance.

I urge the administration to reconsider its decision to sell this equipment to the Saudis.●

● Mr. EDWARDS of Oklahoma. Mr. Speaker, I am greatly disturbed by the administration's announced intention to sell Saudi Arabia conformal fuel tanks and advanced Sidewinder air-to-air missiles for its F-15 fighters. Such sophisticated equipment will greatly increase the firepower and range of the F-15's. The Saudi request, if granted, could undermine significantly Israel's ability to defend itself.

Mr. Speaker, it is undeniable that the Saudi rulers continue to see Israel

as a principal adversary. As recently as last month, Saudi officials called for a holy war against Israel. Three times in the past 30 years Saudi Armed Forces have been employed against Israel. Saudi Arabia has led the Arab League condemnation of the Camp David accords, has broken diplomatic relations with and withheld economic support to Egypt, and has steadfastly refused American proposals to participate in the peace talks. Moreover, it has increased its financial and diplomatic support for the Palestine Liberation Organization. In short, Saudi Arabia has played anything but a constructive role in the search for a lasting peace in the Middle East.

Ostensibly this sale will contribute to American security interests in the Persian Gulf by providing the Saudi Air Force with greater deterrent capability against a Soviet thrust in the region. But 62 F-15's, sophisticated and formidable as they are, would be incapable of blunting a determined Soviet attack on Saudi oilfields or on the Straits of Hormuz. The more immediate threat to the region stems from Soviet forces in Afghanistan, which pose a direct threat to Pakistan and Iran, not Saudi Arabia.

Given the instability of the region, one cannot discount the possibility that this highly sophisticated U.S. equipment could fall into the wrong hands, thus compromising American military secrets, if the sale goes forward. In particular, the stability of the current Saudi regime is not very reassuring. The takeover of the Grand Mosque in the fall of 1979 is only one indication of the vulnerability of the Saudi ruling family.

The principal advantage Saudi Arabia will gain by the augmentation of its F-15 squadrons is directed against Israel, Mr. Speaker. This is why the proposed sale worries me so greatly and why I believe it is ill advised. Extending the range of the F-15's from 450 miles to 1,000 miles will enable Saudi Arabia to launch attacks from deep within its territory against any target in Israel, with more devastating force than the Saudis now possess. Judging from past behavior, I would not expect the Saudis to act alone, but in concert with other Arab nations in a coordinated attack on a broad front. Quite obviously, precision attacks by heavily armed, long-range Saudi F-15's would severely complicate Israeli defense efforts.

Mr. Speaker, I find it very disturbing that there has been no quid pro quo from Saudi Arabia in response to U.S. willingness to bolster its security. In fact, since the initial sale of F-15's received congressional approval in 1978, Saudi actions have illustrated belligerence. Indeed, oil blackmail has played, and continues to play, a prominent role in Saudi foreign policy. After the 1978 sale, for example, Saudi Arabia put considerable pressure on the United States not to build its strategic oil reserve, and threatened to cut back production if the warning was disregarded. Recent statements by Saudi oil minister Sheik Yamani indicate that Saudi moderation of oil prices is designated to reduce incentives to search for petroleum substitutes, thereby prolonging U.S. dependence on Saudi Arabian oil.

In light of Saudi Arabia's statements and actions, one is entitled to the conclusion that it holds no special regard for the United States. This is not surprising given the differences in history, religion, culture, and political traditions of the two countries. But the United States and Israel do have a special relationship, tied as we are by religious, cultural, and political values and traditions. Let us not forget that Israel is the only pro-Western democratic nation in the Middle East. Its security must be of paramount and overriding importance to U.S. objectives in the region. It is proper to enhance the security of other Middle East countries who are opposed to Soviet expansion, but not to the extent that Israel's security is thereby complicated if compromised. I join my colleagues in opposing this sale.●

● Mr. MOLINARI. Mr. Speaker, I am privileged to have the opportunity today to take part in a special order concerning the sale to Saudi Arabia of sophisticated offensive weaponry for the F-15 fighter planes. When the Carter administration proposed the original F-15 sale in 1978, it convinced a reluctant Congress that the United States would benefit through forthcoming Saudi concessions in areas vital to U.S. security and interest. I am therefore calling on the administration to review their decision to sell air-to-air missiles, extra fuel tanks, and aerial surveillance aircraft to the Saudi Arabian Government, and take into consideration actions toward the United States since the 1978 weapons sale.

True Saudi willingness to cooperate with the United States is most accurately reflected in Saudi oil policy. However, instead of supporting oil price moderation, Saudi Arabia instigated the rapid escalation of OPEC oil prices after the Iranian revolution, and has continued its threats to reduce oil production. The Saudi Arabians also threatened the Carter administration with oil cutbacks if the President complied with the congressional mandate to resume filling the strategic petroleum reserve, a stance of completely unwarranted interference with American policy. While Saudi Arabia moderated its oil prices to a minor degree after the 1978 F-15 sale, international analysts believe it did so more to assert its own independence within OPEC, rather than aid the American oil consumer.

When former President Carter proposed the 1978 arms sale to the Senate, he wrote in a letter that the sale of planes to Saudi Arabia "would cement their ties to the United States and advance the cause of moderation in the area." However, instead of supporting the first peace agreement to be reached between Israel and Egypt, the Saudis opposed the peacemaking efforts of the United States by leading the Arab League in condemning the treaty and organizing an economic and political boycott of Egypt. In May 1979, President Sadat fiercly attacked the Saudi Arabian rulers for their continued efforts to sabotage the peace treaty, charging the Saudi Government with paying several Arab governments to break off diplomatic relations with Egypt.

The Saudi Arabians have redoubled their support of the PLO since the signing of the Camp David agreement. Currently, they provide major financial assistance to the PLO and support its terrorist activities against Israel.

As recently as January 1981, Arabia led the Moslem States at the Islamic Conference at Taif in calling for a jihad or holy war against Israel. At the same conference, Saudi Arabia severely pressured Turkey to sever its relations with Israel. In a revealing moment, Crown Prince Fahad himself participated in an Islamic prayer for the aid of Allah in "cleansing Jerusalem of the Jews."

I believe that today's editorial in the New York Times sums up quite well what we should expect from the Saudis in return for selling more sophisticated weaponry. Today the Times called for the Saudi Arabian Government to drop their pretense of a holy war against Israel. The Times goes on to say:

> It is hard to believe that the Saudi's diplomatic doubletalk still fools any Palestinians, thus protecting the House of Saud against subversion or revolt. Indeed, if the Saudi monarch cannot survive open accommodation with Israel, it is hardly a safe depository for all that dangerous hardware.

Therefore, before future plans are finalized to sell weapons to the Saudis we must in return receive some concessions. These should include upholding the agreements of the 1978 arms deal, dropping their claim of a holy war against Israel, and legitimize Arab negotiations with Israel. Such a posture would increase moderation and stabilization in Middle Eastern affairs, and would serve in the best interests of the United States, Israel, and the pursuit of world peace.●

● Mr. SYNAR. Mr. Speaker, this Nation has no more important ally in the Middle East than the State of Israel. And nowhere in the world does the threat of war pose more danger to the United States and our allies than in the Middle East. Yet this administration proposes to sell our most so-

phisticated air weaponry to the avowed enemies of our Israeli allies.

I do not doubt the necessity of developing better relations with the Arab States of the Middle East. Nor would I oppose providing defensive weaponry to those Arab States as a means of stabilizing cooperative governments. However, I have several questions about the reasoning behind the proposed sale of state-of-the-art offensive weapons to a nation which has openly opposed the Camp David peace initiative.

For example, why is it in the U.S. national interest to equip the Saudis with F-15 fighter-bombers capable of striking targets 1,000 miles away? How is the cause of Middle East peace served by arming the Saudis with "all aspect" Sidewinder missiles? And what does the United States expect to gain from the Saudis in return for our generosity?

Frankly, Mr. Speaker, I can think of no logical answers to these questions. I would hope the current administration is prepared to enlighten the Congress and the American people as to the wisdom of their proposal. If we are to become the arms merchants of the Middle East, let us know precisely what return we can expect on our investment.●

● Mr. ASPIN. Mr. Speaker, in response to renewed Saudi requests, the administration is proposing to sell to Saudi Arabia so-called conformal packs which would lengthen the range and increase the bomb-carrying capability of F-15 fighters sold to Saudi Arabia in 1978. This proposal is contrary to the interests of the United States. It violates the precepts of statesmanship advanced by Secretary Haig during his confirmation hearings before the Senate Foreign Relations Committee just 2 months ago. The proposal answers no security need of Saudi Arabia, and the United States stands to receive no benefit from yielding to Saudi pressure for these arms.

On January 9, 1981, Secretary of State Alexander Haig told the Senate Foreign Relations Committee that consistency, reliability, and balance should characterize American foreign policy. None of these virtues is evident in the proposal to sell Saudi Arabia conformal packs for the F-15: quite the reverse.

It is inconsistent. We have decided to refuse this equipment on at least two previous occasions, when the F-15's were first sold to Saudi Arabia in May 1978 and again in July 1980.

We would be unreliable. Administration spokesman assured the Congress and our Israeli allies that—

The plane requested by Saudi Arabia *will not be equipped* with special features that could give it additional range. (Emphasis added.)

By "balance" Secretary Haig said he meant that decisions should take into account a variety of pressures. This decision responds only to Saudi pressures and not to our interests regarding Israel, other potential allies in the Persian Gulf, Egypt, or the general interest in reduction of arms exports.

How supplying the F-15 with longer range will advance any Saudi security interest is obscure. It is peculiar enough that an aircraft whose most important combat characteristic is all-weather performance should have been supplied to a country whose skies are nearly always clear. The F-15's 450-mile combat radius is adequate to cover virtually any part of Saudi airspace even from central basing in the capital city of Riyadh. If the conformal packs extend the aircraft's radius to 1,000 miles, where do the Saudis mean to fly it?

If in fact the F-15 is intended to be improved in order to upgrade its usefulness for air defense, what do the Saudis mean to protect? One lesson of the Iraq-Iran war is the extraordinary difficulty of severely damaging oil production and transport with air attacks. Both the Iraqis and the Iranians have attacked each other's ports and pipelines by air without doing much damage.

Who is the potential attacker? A cursory glance at the map makes Saudi Arabia look vulnerable to military assault: Long borders without topographical obstacles, a thinly spread population, a central location rimmed by hostile, heavily armed, more populous countries envious of Saudi oil wealth.

But as a British Prime Minister once remarked, cursory glances at the map lead to a great deal of misapprehension. In fact Saudi Arabia is an island in an uncrossable sea of sand. None of its potential enemies can really reach its vitals, and they have proved they cannot. In 1979 the Marxist foothold in South Yemen could scarcely mount an operation 10 kilometers into North Yemen, much less overcome the logistical difficulties of Rub al-Khali, the "Empty Quarter."

As for Iraq, given the glacial pace at which it advanced into Iran against trifling opposition, it would take months to reach anyplace in Saudi Arabia.

Syria tried to cross the border into Jordan in 1970 and received a severe drubbing for its pains. This year Syria restrained itself to posturing on Jordan's border. Its armed forces are in no shape for a campaign across Jordan into Saudi Arabia.

Improving the F-15 serves solely to provide Saudi Arabia's insecure princes with an illusory safety. The danger to the throne stems from home dissatisfaction—the specter of rioters in the streets against whom high-performance jet aircraft will be useless.

Now one might suppose that fulfilling Saudi Arabia's request for the conformal packs would represent a quid pro quo for some Saudi act. The administration has not confided what something we might get for breaching our promises and playing along with the illusions of Saudi princes, but we can imagine that the administration hopes that the Saudis will restrain oil prices or that they will use their influence in the Arab world to advance our causes.

If indeed some such bargain underlies the administration proposal to upgrade the Saudi F-15's, it is a particularly naive and foolish one. The Reagan administration may be the new boys on the block, but they can review the files of their predecessors.

Selling arms to Saudi Arabia is not necessary to make them moderate their oil price rises. I held hearings in the last Congress on what makes OPEC pricing decisions tick. While the executive branch tends to believe that all the Saudis want to do is conserve their oil on the principle that oil in the ground is the best bank account, the record clearly shows otherwise.

Having trained at Harvard Business School, Saudi Arabia's Oil Minister can calculate quite nicely the level of output that maximizes the present value of Saudi oil combined with their portfolio of investments and currency holdings in the West. This calculation shows them that excessive production cuts are contrary to their interest and has made the Saudis repeatedly try to slow the explosion of OPEC prices.

In 1973 or 1974 the Saudis even offered to Secretary Kissinger to hold the line at a price of $7 to the barrel, fearing too rapid a surge in prices. He turned them down.

Despite administration predictions that Saudi Arabia would hold its production to 8.5 million barrels a day or even reduce output when the Iranian revolution cut world supplies in 1979, in fact the Saudis expanded by 1 million barrels per day and peaked at over 10 million barrels per day. This does not sound as though the executive branch's energy experts have a good understanding of Saudi motivations which would allow them to determine that sales of conformal packs for F-15's will help us in the oil game.

There is only one escape from the trap of dependence on Saudi oil. It is not kowtowing to the arms mania of princes. It is cutting our use of oil.

We also ought to know better than to rely on Saudi promises that if we help them they will use their influence with Arab brethren. Saudi Arabia has little enough influence with neighboring Arab countries, whose rulers fear Saudi hegemony. The littoral countries of the Arabian Peninsula look outward on the Persian Gulf and the Red Sea, not inward toward

Riyadh. Mecca is an object of spiritual, not political, reverence.

Whatever influence the Saudis do have in the Moslem countries, we know from bitter experience that they cannot be counted on to use it on our behalf. After the 1979 border skirmish between North and South Yemen, we responded to Saudi request for military aid to North Yemen which they offered to pay for. The aid program we put together lacked sense—we were supplying $40,000 per active soldier of the North Yemeni Army, and $400,000 per literate one—but despite our largesse the Saudis did not keep their end of the bargain. They held up both payments and arms shipments by imposing unacceptable conditions on North Yemen.

It is seldom clear whether this and past Saudi behavior is the result of deviousness or merely of the Saudi royal family's inability to make and hold to policy decisions, which become pawns in the family's internal rivalries for power and influence. But it is clear that the Saudis will not try to advance American objectives in return for our arms. At most they will use their entree into our arsenals as a means of lording it over other Arabs—as they did with North Yemen.

In short, the sale of F-15 conformal packs to Saudi Arabia is not in line with a sound foreign policy, cannot contribute measurably to Saudi security, and offers no benefit that the United States can count on. Appeasing the Saudis' voracious appetite for modern weapons is no policy for a world leader.●

● Mr. EDWARDS of California. Mr. Speaker, I would like to take this opportunity to express my concern over the administration's plan to sell sophisticated arms to Saudi Arabia.

I find the plan to provide conformal fuel tanks and Sidewinder air-to-air missiles for the 60 F-15 jet aircraft which the Saudis have ordered inappropriate. It has become apparent recently that they also intend to provide AWACS equipment in addition to the above-mentioned armaments.

In my mind, the supplying of these arms represents a threat to the security of Israel. Consequently, I am totally opposed to this sale and will gladly support a resolution of disapproval when it is introduced by a member of the Foreign Affairs Committee.●

● Mr. HALL of Ohio. Mr. Speaker, early this year, religious leaders of Saudi Arabia called for a jihad, or holy war, against Israel. In calling for this war, they prayed to God asking for help to "cleanse Jerusalem of the Jews." Two months later, the administration confirmed its intent to sell Saudi Arabia AIM-9L air-to-air missiles and fuel and sensor tactical (FAST) packs for the 62 F-15 jet fighter aircraft the United States had agreed to sell to Saudi Arabia in 1978. I am deeply concerned with the offensive capability the F-15 jets will have with this new equipment. Therefore, I join with my colleagues in opposition to these sales.

In 1978, when Congress approved the original sale of the F-15's to Saudi Arabia, the jets were to be equipped with the AIM-7 Sparrow missile and the AIM-9 Sidewinder missile. Congress received written assurances from the Carter administration that there would be no other sales of "* * * systems or armaments that would increase the range or enhance the ground attack capability of the F-15."

Now, the sale of these extra-large fuel tanks and bomb racks will increase the range and firepower of the jets, bringing great concern to Israel. Saudi Arabia has been one of the greatest opponents of the Camp David accords and this sale could weaken the Arab-Israeli peace process.

The original sale in 1978 was a gesture of friendship on the part of the United States. In response to our good will, the Saudis raised their price of oil from roughly $13 to $32 a barrel. Now what are we to expect from our good will this time?

I doubt this sale will lead to oil price moderation or increased Saudi production. I challenge this dangerous policy of appeasement, even in the face of Saudi threats to cut oil production. An escalated arms race is not a desirable policy for the United States to promote in the Middle East. This sale will only heighten anxiety in an already tense area of the world, intensifying Israeli concern.

It has never been our policy to support regimes which wish to "cleanse Jerusalem of the Jews." Thus, it is most important that all my colleagues stand together in opposition to this sale.●

● Mr. LUNDINE. Mr. Speaker, I rise to join my colleagues today in expressing deep concern over the proposed sale of AIM-9L air-to-air missiles and fuel sensor tactical packs to Saudi Arabia for use on the 60 F-15's sold by the United States in 1978. Proceeding with this proposed sale can only serve to escalate the arms race in the Middle East without contributing to overall progress toward a long-term settlement of the Arab-Israeli dispute.

Sale of this equipment will violate an express commitment made in 1978 by the United States to Israel when the original F-15 sale was made to the Saudis. At that time, the United States indicated that the sale of F-15's was made solely to contribute to the ability of Saudi Arabia to defend itself against external threats from the Soviet Union and South Yemen. Effective defensive capability for the Saudis against these and any other credible potential adversaries remains intact without the sale of this advanced equipment. What this newly proposed sale will do, if permitted to go forward, is to add a destabilizing offensive possibility to the Saudi military capability which will provide a real and perceived threat to the security of Israel. This, in turn, will heighten tensions in the Middle East and leave the Israelis little recourse but to invest in countermilitary measures to check the Saudi escalation.

The long-term interest of the United States and our Western Allies is best served by a situation which provides a military balance between Israel and her adversaries until a framework for peace can be agreed upon and implemented. A major step forward toward peace in the Middle East occurred over the past 4 years with signing of the Camp David Peace Accord by Israel and Egypt. The Saudis, however, have not supported the peace initiative which grew out of the Camp David accords. In fact, they have been outspoken in their opposition to the accord. This raises legitimate questions regarding the advisability of proceeding with a sale which no one can deny places in the Saudi grasp an offensive capability which could result in an escalation, and not a moderation, of tensions in the Middle East. Moreover, the policy course the Reagan administration intends to pursue over the next 4 years in the Middle East is not yet clearly delineated. I would maintain that this sale without the benefit of such a carefully defined policy is ill advised.

The painful course of events in Iran over the past 3 years should further caution us against a policy in the Middle East which has a potential of promoting instability within the region. In Iran, in an effort to provide a buffer to check Soviet advancement in the Middle East, the United States provided a steady stream of advanced military equipment, thereby accelerating technology transfer and industrial moderation. We have already witnessed internal dissension within Saudi Arabia similar to that which eventually led to the downfall of the Shah in Iran. Sales of sophisticated military equipment and technology which further encourage the Saudi ruling family toward a rapid course of modernization and westernization can seriously threaten domestic and regional political and social stability.

No one would deny that fostering friendly relations with Saudi Arabia is very important to the United States, both because of the leadership role the Saudis exercise within OPEC and the importance of political stability in the Middle East. Nonetheless, friendship must be a two-way street, whereby the Saudis must recognize the paramount importance of a stable and secure situation in the Middle East, which includes the well-being of the

state of Israel. This proposed sale, in my opinion, reflects an insensitivity to one part of this equation.

In summary, Mr. Speaker, I would urge a careful reexamination of the proposed sale by this administration. I join efforts of my colleagues here today and in upcoming days to oppose this sale because I am convinced that it is counterproductive to progress toward a lasting peace in the Middle East.●

● Mr. FLORIO. Mr. Speaker, I am pleased that Mr. BLANCHARD and Mr. KEMP have called for this special order, so that we may express our concern about the dangerous implications of the proposed sale of F-15 enhancement equipment to Saudi Arabia. The proposed sale is contrary to both the long and the short term interests of the United States, Saudi Arabia, and Israel.

With this additional offensive equipment, Saudi Arabia will be able to monitor all of Israel's military activities. Israeli air superiority will be severely weakened. Moreover, the F-15 enhancement equipment represents a dangerous threat to the Middle East peace process.

There are additional compelling reasons for us to question the merits of the proposed sale. The sale will not strengthen the security of Saudi Arabia nor will it increase the stability of the entire region. Furthermore, there is no evidence that the sale will lead to oil price moderation or increased Saudi oil production.

The implications of the addition of yet another of the world's most sophisticated military devices to the Saudi arsenal are so dangerous, that I join with my colleagues in urging a halt to the proposed sale.●

● Mr. FROST. Mr. Speaker, I am disappointed with the administration's decision to upgrade Saudi Arabia's F-15 fleet and to sell her the AWAC system.

In one grand sweep, the administration has managed to renege on a promise made to Israel in 1978; it has tilted the balance of power in the Middle East toward Israel's longstanding enemies; and, it has placed the United States in the anomalous position of arming both sides in one of history's most deadly conflicts.

And for what purpose?

We have been led to believe that upgrading the Saudi's F-15's will strengthen her from possible attack by the Soviet Union. By doing so, we are told, the sale will have a stabilizing effect on the Middle East.

This rationale is sadly misguided. Since when does it make sense to deal with instability by raising the stakes in an already volatile situation?

Since when does it make sense to strengthen an Arab nation by enabling it to destroy Israel?

Israel has long been one of our most valuable allies. It is strategically located. Its military force is the strongest in the Middle East. It has an intelligence operation that has on several occasions channelled critical information to the United States and to Arab nations.

Does the administration propose to embark on a policy that rewards our allies by putting weapons into the hands of their adversaries?

And what advantages are to be gained from this sale? The United States has received no guarantees from the Saudis that our generosity will be in the form of military facilities or base rights on Saudi soil. We have no assurances that F-15's will not be targeted against Israel, or that the AWACS will not be used to coordinate an Arab invasion of Israel.

Nor have the Saudis reciproacted by recognizing the right of Israel and her people to live in safety. They have not committed themselves to the Camp David process, or to any effort that promises a meaningful resolution to the Arab-Israeli conflict.

Instead, they have championed the cause of the Palestine Liberation Organization—a body dedicated to the destruction of Israel.

The administration is sadly mistaken if it believes this decision will entice the Saudis away from the PLO. It will have the opposite effect—it will enable them to remain at arms-length from the peace process without fear of reprisal from their good friend the United States.

The United States must not put itself up for sale to the highest bidder. Friendship is a two-way street. The Saudis must understand that there is something to be gained from an alliance with the United States, but that nothing is to be gained that will work to the detriment of Israel.

I urge my colleagues to carefully consider the consequences of this decision. There are far better ways of improving our position in the Middle East. I urge that we instruct the administration to search for other options, instead of taking the easy way out and jeopardizing the State of Israel in the process.●

● Mr. TRAXLER. Mr. Speaker, in 1978 I opposed the sale of F-15 fighter planes to Saudi Arabia. Then I was told that these planes were needed by Saudi Arabia for defensive measures. I was also assured that the United States would not sell the Saudis multiple ejection bomb racks, FAST packs, AIM-9L's, KC-135 tankers or E-2C or E-3A AWACS command/radar planes. I am concerned that now the Reagan administration wants to sell these very same offensive weapons to the Saudis.

The addition of the FAST packs and the AIM-9L's will greatly improve the offensive capability of the Saudi Air Force. The 1978 sale of F-15's to the Saudis did not improve the stability of the region as the supporters of this sale had indicated. Certainly the sale of this sophisticated weaponry will only escalate the Middle East tensions. There is no threat to Saudi Arabia at this time to justify this sale. I urge that the Reagan administration reconsider this possible sale especially in light of its possible impact on Israel and the stability of the entire Middle East region. After the sale of the F-15's in 1978, we saw a rise in the price of oil from $12 to $32 a barrel, Saudi Arabia has continued to be a leading opponent to the Camp David accords and the Saudis have rejected American base arrangements in the Arabian Peninsula. I question whether the sale of these weapons will accomplish its proposed goals of deterring the Soviets in the Middle East or improving the position of the United States there.●

● Mr. WIRTH. Mr. Speaker, I rise to voice my opposition to the proposal to provide Saudi Arabia with additional military equipment for their F-15 aircraft, and the sale of airborne warning and control system (AWACS) E-3A aircraft, which is currently under consideration by the Reagan administration.

I have spoken previously on the floor against the sale of F-15's to Saudi Arabia because I felt that this sale would seriously jeopardize the delicate military balance in the Mideast, and our commitment to the peaceful settlement of the confrontation and hostilities there. The Congress went through a long and intense debate over the decision to sell 60 of our topline fighter/bombers to Saudi Arabia as a part of a package deal of sophisticated armaments to the Mideast. The Congress received assurances from both the Secretary of Defense and the State Department that these aircraft were for defensive purposes only and would not constitute a threat to Israel. Furthermore, we were assured that these planes would not be fitted with the sophisticated add-on equipment which the F-15 is designed to carry. Now the Reagan administration is considering the request by the Government of Saudi Arabia for the same equipment which we were assured would not be provided. In addition, the sale of the AWACS now being considered would give the Saudis the threatening capability to monitor Israeli activity from airspace safely inside Saudi Arabia.

There is only one nation threatened by the supply of armaments to Saudi Arabia—Israel. To supply these additional arms systems would be a direct contravention of the assurances made by the previous administration to the Congress in 1978. While we are working to bring Egypt and Israel closer together for the conclusion of the Camp David peace treaty, it cannot be in our

best interests to escalate the tension of the region by arming Saudi Arabia.

We must act rationally and responsibly, as a nation, if we are to insure that Israel remains a vital, democratic state and that the problems in the Mideast are resolved in an equitable and peaceful manner. I urge my colleagues in the House to join me in expressing to the Reagan administration our opposition to the pursuit of this proposal, which is contrary to American interests in the Mideast.●

● Mr. ERTEL. Mr. Speaker, the Reagan administration is considering the sale of weapons to Saudi Arabia which will substantially increase the pace of the arms race in the Middle East. The weapons currently under consideration include conformal fuel tanks and air-to-air missiles, which would increase the firepower and range of the Saudi's fleet of F-15 missiles, and the AWACS warning system, adding to defensive warning capabilities. I am particularly concerned about the implications of the sale of the F-15 enhancer weapons, significantly adding to the offensive power of the Saudi air force.

First, I contend that Saudi Arabia does not need these enhancer weapons. Saudi Arabia is a small country with weak defense forces, and would be unable to counter a major Soviet attack even with the F-15 enhancer weapons. A buildup of the American presence in the Middle East is probably the best way to ensure against the prospects of a Soviet attack, not the sale of the proposed weapons.

Second, the sale of these weapons certainly will lead to a new round of arms buildup in the Middle East. Conformal fuel tanks would increase the range of Saudi jets to 1,000 miles, placing most of Israel within direct reach of Saudi weapons and forcing Israel to match this new offensive level. Other nations, more radical and not necessarily pro-Saudi, would also be encouraged to increase their weaponry systems to counter the new Saudi offensive threat. In short the new Saudi systems would be used to justify an increase in arms throughout much of the Middle East.

Therefore, I am opposed to the sale of conformal fuel tanks and air-to-air missiles to Saudi Arabia. This sale cannot be expected to increase Saudi security, but it can lead to an unnecessary spiraling of arms buildup and a more devastating potential war in the Middle East.●

● Mr. BIAGGI. Mr. Speaker, I am participating in today's special order to convey my strong opposition and profound concern about this administration's proposal to sell advanced missiles, fuel and sensor packs to Saudi Arabia for use on the 62 F-15 fighter planes that the Saudis are currently purchasing from us.

Our discussions today are among the most important that we have undertaken in the 97th Congress. I will state categorically that whatever short-term benefits we feel we can derive from the Saudis in making this sale, will be completely negated by the harm we will do to our relations with our beloved friend and critically strategic ally Israel.

Let us first examine what is being proposed by the administration. It was 1978 when former President Carter first proposed—and the Senate later approved—the initial sale of advanced F-15 fighters to Saudia Arabia. Much concern was registered at that time relative to the offensive capability of these planes. Now 2 years later—the administration is proposing to greatly enhance offensive potential of the Saudis by equipping these aircraft with sophisticated Sidewinder missiles, extra fuel tanks, and bomb racks. The administration is also proposing to provide the Saudis with the highly technical airborne warning and control system, AWACS E-3A aircraft. In a military sense—AWACS would double the capacity of the F-15's we have already provided.

Let us examine in more detail the relationship between Saudi Arabia and Israel. Only last month, Saudi Arabia lent its support to a statement calling for a holy war against Israel. Saudi Arabia has and continues to refuse to endorse the Camp David peace accord. Finally, and perhaps the most dangerous point to be made is the Saudi's longstanding financial support of the Palestine Liberation Organization—a group whose primary objective is to destroy Israel.

In a more historical setting—Israel in its 33 year history has fought four bitter, bloody wars. Saudi Arabia has participated in three of them. The sale of this sophisticated equipment to the Saudis greatly enhances their ability to wage an individual attack against Israel or adds considerably to a more comprehensive Arab initiative against Israel.

This sale sends the wrong type of American message to the volatile Middle East. It places us in the position of bolstering the arms race in that region, for if we in fact provide these weapons to the Saudis, we will be forced to provide new military aid to Israel. We are unraveling the already precarious balance of power which exists in the Middle East. That balance of power is based on the strength and security of Israel. If we are arming Saudi Arabia—a noted foe of Israel—we are placing Israel at a potential military disadvantage.

It is also important to note that we are getting very little in return for this commitment of arms. There is no reason to feel that this sale will lead the Saudis to endorse the Camp David agreements. On the issue of oil—much ado has been made about the Saudis "moderate" oil pricing policies—and that should be considered as a justification for this sale. Consider this fact: in 1978 the price of a barrel of Saudi oil was $12.70. Today it is $32 or nearly triple the price. Is this something we should reward?

Finally in our discussions today, let us consider the nation we are proposing to sell these arms to—Saudi Arabia. There is reason to be concerned about their internal stability. The attempted seizure of the Grand Mosque in Mecca resulted in security reverberations felt around the world. We have no assurances that all is stable and secure even today in Saudi Arabia. This must be given the most serious consideration.

It is appropriate that we conduct this special order today as Secretary of State Haig visits Saudi Arabia. He just concluded talks in Israel and I am certain he heard first hand of Israel's concern about the sale of arms to Saudi Arabia.

To sell F-15's, improvement equipment, and AWACS systems to Saudi Arabia is not the way to reaffirm our friendship with Israel—it is a regressive step away from the triumphs of the Camp David accord. It is a poor investment of American money. We are getting very little in return as compared to the overall risks. For all these reasons I urge that the Senate vote down this proposal—and this administration shift its Middle East priorities away from a new arms race and back to peace and stability in this region.●

● Mr. AuCOIN. Mr. Speaker, last fall, I joined with other Members of the House in writing to the President to oppose a rumored sale to Saudi Arabia of equipment to enhance the capability of that Kingdom's 60 F-15's. Wisely, the administration at that time chose not to move ahead with the transaction. Little, if anything, has changed over the past 6 months: not conditions in the region, not the buyer, and certainly not the reasons why the sale is not in our best national interests.

Some say the region is unstable and we must shore up the Saudi defense capability. But let there be no doubt. This sale will not make Saudi Arabia more secure from internal or external threats. Nor is there any possibility that enhanced F-15's will enable the Saudi's to defeat a Soviet thrust into the region. In fact, this sale will only increase instability within Saudi Arabia and the Middle East.

Some say the sale will somehow strengthen the Arab-Israeli peace process. But let me remind my colleagues. Saudi Arabia has been and continues to be a leading opponent of the Camp David accords. We were assured in 1978 when the original sale of F-15's was approved that the planes

would promote Saudi moderation and involvement in the peace process. Since then however, Saudi Arabia has continued its support for the terrorist Palestine Liberation Organization, the Kingdom's leaders have called for jihad against Israel and it has condemned the Egypt-Israel peace treaty. To sell Saudi Arabia additional offensive equipment for its F-15's will not encourage moderation and would only reward intransigence.

Some who are legitimately concerned about the flow of oil from Saudi Arabia argue that the sale will assure a continuing supply of crude. But it is clear the sale will not lead to oil price moderation or increased Saudi production. If anything, it will appear to be appeasement in the face of Saudi threats to cut oil production. Because of a current world surplus of oil, Saudi Arabia is reported to be considering production cutbacks to prop up the current price of oil, even though it could assist in rolling back recent OPEC price increases to ease inflationary pressures in the West. No such effort is contemplated or expected.

Moreover, I should point out that after the F-15 sale in 1978, Saudi Arabia threatened to cut back on oil production if the Carter administration continued to build up a strategic petroleum reserve as mandated by the Congress. There can be little doubt that there is little give in the Saudi position on oil supplies.

Mr. Speaker, these are but three of the very sound reasons why this sale is not in our best interests, or those of Saudi Arabia or Israel. Last fall the proposed sale was canceled for these same reasons. Little has changed and I urge my colleagues to again reject this deal.●

● Mr. BOLLING. Mr. Speaker, I wish to go on record as disapproving the sale of any additional equipment to Saudi Arabia for the 60 F-15 jet fighter aircraft the Saudis ordered from the United States in 1978.●

● Mr. LENT. Mr. Speaker, it is with a sense of deep urgency that I join my colleagues in expressing strong opposition to the decision of President Reagan to sell additional F-15 equipment to Saudi Arabia; equipment which would give those highly advanced aircraft a greatly enhanced offensive capability. I congratulate my colleagues, the gentleman from New York (Mr. KEMP), and the gentleman from Michigan (Mr. BLANCHARD), for their efforts in arranging for this special order. I trust that it will serve its purpose in alerting the Reagan administration, and, indeed, the Nation to the seriousness of the problems this unfortunate decision has created.

I might say that I did everything in my power to block the original sale of the F-15's to Saudi Arabia in 1978. I am just as determined to prevent this further enhancement of Saudi Arabia's military capability. Indeed, I have already introduced a resolution, House Concurrent Resolution 90, to block this sale, and I urge my colleagues to support it. I have also written a letter to President Reagan expressing my opposition to the sale in the strongest terms.

Unfortunately, the Reagan administration now appears to be compounding its original error. This past week, we heard reports that the administration has tentatively decided to provide still more arms for the Saudis, in the form of five advanced AWAC surveillance planes.

Mr. Speaker, I regard these proposals as a most dangerous foreign policy mistake on the part of President Reagan and his foreign policy advisers. It disturbs me deeply that they do not seem to recognize the consequences of their action. In fact, the State Department's official justification for providing the Saudis with this added weapons capability is that there is a serious deteroriation in security conditions in the Middle East-Persian Gulf area.

Mr. Speaker, I ask the State Department how creating a greater security imbalance in the area can help prevent deterioration in security conditions? There is no question in my mind that adding to the Saudis weapons capability does create a security imbalance. Already we hear reports that Israel—understandably—is seeking additional F-15's and intelligence equipment from the United States to counter the additional weapons threat from the Saudis. If Saudi Arabia gets this equipment, its F-15's will be able to hit any target in Israel from any base in Saudi Arabia. No wonder Israel feels the need to add to its defenses. Why should not Israel feel threatened?

Nor would Israel be alone. Egypt, Iraq, and Iran also are capable of coming under Saudi Arabian attack with this new equipment. You can be certain they will all be seeking additional arms to meet this new menace.

In selling this military equipment to the Saudis, the United States is stimulating a new arms race in this most volatile part of the world. That certainly contributes to a further deterioration in security.

Mr. Speaker, there are two other important problems involved in this proposed sale. First, there is no doubt in my mind that the world will regard this as another attempt to appease one of the OPEC oil producers. Saudi Arabia, one of the leading oil producers of the world, has recently been threatening to reduce production in order to force oil prices still higher. It is a tragic error to believe that selling arms to the Saudis would appease their appetite for higher oil prices. Three years ago we were assured the sale of the F-15's would persuade the Saudis to moderate their oil price policies. In those 3 years, under Saudi Arabia's leadership, OPEC has more than doubled the price of crude oil, causing untold world financial problems. Such are the rewards of appeasement.

Second, and perhaps even more important, is the fact that if this sale is permitted, it will break a most solemn commitment made by the U.S. Government in 1978 to the U.S. Congress and to Israel. We were assured that if the F-15's were sold to the Saudis, no additional offensive equipment for the planes would be permitted to go to Saudi Arabia. Now, the Reagan administration wants to break this solemn commitment. I find that deplorable, and a foreign policy error of the worst kind.

Mr. Speaker, we are united here on the floor of the House in sending a strong protest to the President. I hope he will reconsider his unfortunate move. But, it appears at this time that it will be necessary for the Congress to take action to prohibit the sale of these additional weapons.

Mr. Speaker, I noted earlier in my remarks that I had introduced a resolution to prevent this sale. In the strongest terms I call upon my colleagues to support his move. We can prevent the Reagan administration from committing a grievous foreign policy error. We must stop the sale of additional arms to Saudi Arabia.●

● Mr. HERTEL. Mr. Speaker, the Middle East has time and again proven itself to be one of the most unstable areas in the world. To combat Soviet adventurism in that area we sold billions of dollars of our finest weaponry to our most stable, stalwart ally. Of course, that was Iran. It is obvious that we have not learned from our past mistakes. In light of the vast purchase of offensive weaponry that Saudi Arabia has made, its population would appear to be incapable of holding forces for the tanks and aircraft it has already obtained. One must question whether the Saudi Government is stockpiling weapons for future transfer to other countries or organizations.

The United States made this error in Iran and we should not repeat this error with the Saudi Government. Certainly there are major differences between the House of Saud and the Shah in terms of governmental administration, yet there are unsettling parallels. There are underlying potentials for inherent instability in this region which date back centuries, which can erupt without warning among ancestral rivals.

I am not convinced the sale of this weaponry adds anything to the defense of Saudi Arabia. Furthermore, anticipating the worst case, should some unexpected political upheaval

topple the present Saudi Government, this stockpile of some of the most advanced American weaponry could fall into the hands of fanatic revolutionaries or neighboring states with affiliations to the Soviet Union.

Alternatively, one can fashion numerous scenarios involving offensive use of these weapons which are not only nonconcurrent but directly opposed to U.S. interests. It is no understatement that Saudi Arabia rejects the Camp David accords and has been given to calls for jihad against Israel and the isolation of Egypt. Sale of these offensive weapons will have a dangerously destabilizing effect on this region. There is no doubt that this sale is an unquestionable threat to the existence of our ally, Israel. In the short term our country may be retrieving petro dollars for weapons, but is it worth precipitating an arms race in the Middle East which could lead to the destruction of our foreign oil supply and our few friends in this region?●

● Mr. BLILEY. Mr. Speaker, it appears that the administration intends to go through with the sale of F-15 fighter aircraft to Saudi Arabia. Many of my distinguished colleagues have raised questions, and expressed doubts, as to whether this is the wise and prudent course of action. Regardless of your views on this question, I urge you to join me in reaffirming our commitment to the continued existence and security of the State of Israel.

Israel is the lynchpin of the Middle East; the only stable democracy on whom the United States can depend. Throughout her history, Israel has remained a staunch and faithful ally of the United States. A strong, stable Israel acting as a bastion against radical and Communist aggression is essential to peace and continued American influence in the area.

Let us make it clear to Israel, her friends, and her adversaries that the United States will not tolerate aggression against Israel.

Let us reaffirm our commitment to never acquiesce in the establishment of a radical Palestinian State in the Middle East for without question it would fall under the control and dominance of the Soviet Union and threaten the very existence of Israel.

Let us never forget Isreal's faithfulness to the United States. We owe her no less.

Mr. Speaker, President Reagan has given America a new beginning both at home and abroad. Let us renew our commitment to the people of Israel as an integral part of that new beginning.●

● Mr. LEBOUTILLIER. Mr. Speaker, the United States has announced its intention to offer to Saudi Arabia a multibillion-dollar arms package to enhance the offensive capability of the 62 F-15 air superiority jet fighters ordered from the Carter administration in 1978.

While the exact details of this sale have yet to be announced, it is already clear the United States is going to considerable lengths to improve Saudi Arabia's offensive capability. To date the following items have been included in the package: First, the free world's most advanced short-range, infrared air-to-air missile, the Sidewinder AIM-9L; second, conformal fuel and equipment pods which will more than double the combat radius of the F-15 and make it possible to strike any target in Israel from any base in Saudi Arabia; and third, five AWACS—airborne warning and control system—enabling Saudi air forces to monitor Israeli defenses in depth and to coordinate any air offensive against Israel.

I have stood in opposition to this sale from the very outset and I now take this occasion to reaffirm my record on the matter.

Generally speaking, if the F-15/AWACS agreement should be approved, the stability of both Isreal and Saudi Arabia would be threatened. Moreover, the Soviet Union would be afforded increased opportunities to penetrate the Middle East and the adjacent land and sea areas. Without question, such developments would endanger vital U.S. interests and cannot be permitted.

To cancel the proposed arms sale—and to forestall these potential developments—I have taken the following actions.

On February 25—10 days before the offer of sale was announced by the administration—I joined a bipartisan group of 19 members of the House Foreign Affairs Committee in writing Secretary of State Alexander Haig, Jr., to express opposition to the possible sale of offensive equipment for the F-15's. In this letter, five principle arguments were set forth. In the first instance, it was pointed out that the proposed sale would go against assurances given Congress in 1978 by Secretary of Defense Harold Brown that offensive equipment would not be transferred to Saudi Arabia. Second, repeated Saudi attacks on President Sadat and the Egypt-Israel peace treaty—in addition to renewed calls for a holy war—jihad—against Israel—undermine America's real and legitimate interests in the Middle East. While Saudi Arabia labels the F-15 sale a test of friendship, such actions call into question the reciprocity of that friendship. Third, potential threats to Saudi Arabian security have actually diminished since 1978—witness the Iraq-Iran war—and today no country would be deterred from attacking Saudi Arabia solely because of this equipment. Fourth, the sale of the F-15's would have an adverse impact upon the security of Israel—America's principle strategic asset in the Middle East. Finally, the security of Saudi Arabia would be threatened in a regional conflict because Israeli security requirements may call for preemptive operations against the F-15's.

In short, the message to Secretary of State Haig was clear: the vital interests of the United States, Israel, and Saudi Arabia may all be adversely affected if this sale is allowed to go forth.

I also cosponsored House Concurrent Resolution 90 on March 24 in an attempt to stop the sale of this additional war material to Saudi Arabia. House Concurrent Resolution 90 states the disapproval of the U.S. House of Representatives of the proposed sale to Saudi Arabia of AIM-9L air-to-air missiles and the FAST auxiliary fuel and equipment pods for the F-15 fighter aircraft ordered by Saudi Arabia.

Most recently, I joined a bipartisan group of 13 Members of Congress on March 26 in signing a letter to President Reagan expressing concern that, by selling these arms to Saudi Arabia, the United States would appear to bow to Saudi demands without regard for its own strategic and economic interests. In this letter, particular emphasis was given to five key areas where Saudi Arabia initiated policies contrary to U.S. security and interests.

First, after the Iranian revolution, Saudi Arabia instigated rapid escalation of OPEC oil prices, has continued threats to reduce oil production, and has threatened reprisals if the President complied with a congressional mandate to resume filling the strategic petroleum reserve.

Second, while President Carter linked this arms sale to the cause of moderation in the Middle East, Saudi Arabia has opposed America's peacemaking efforts, has condemned the Egypt-Israel treaty, has organized an economic and political boycott of Egypt, and has paid several Arab governments to break off diplomatic relations with Egypt.

Third, Saudi Arabia finances the PLO—an international terrorist organization—to the tune of $1 million a day. The PLO is a major source of instability in the region and stands in opposition to the security and interests of not only Israel, but also the United States.

Fourth, in January, 1981, Saudi Arabia led the Moslem states at the Islamic Conference at Taif in calling for a holy war—jihad—against Israel. At the same conference, Saudi Arabia pressured Turkey to reduce its relations with Israel to the level of Second Secretary.

Fifth, after the 1978 arms sale, the White House and Pentagon officials indicated the ultimate objective of the agreement was to secure military bases

in Saudi Arabia. However, in spite of increased U.S. concern over the Soviet role in the Persian Gulf region, the Saudis have consistently and adamantly refused to satisfy this condition.

In short, the F-15/AWAC sale to Saudi Arabia has not led to more friendly relations with that kingdom. Rather, it has been yet another instance where concessions were exacted from the United States without regard to U.S. interests or security. Such actions—not friendly by any measure—only serve to endanger the long-term interests of all parties involved. And it ultimately endangers the pursuit of world peace.

Mr. Speaker, if the Saudis could be relied upon to oppose Soviet aggression in the Middle East, I would welcome any attempt to improve their capability to do so. However, it is my judgment that the history of the past decade must make one hesitant to judge affirmatively in the matter. Until Saudi Arabia drops its threats to reduce oil production, lends support to an Egypt-Israel peace agreement, abandons its hostility toward Egypt, ceases aid to the PLO, curbs its call for a holy war against Israel, and allows U.S. forces access to military bases in Saudi Arabia, arms sales to that country will have no positive benefit to either the security or the interests of the United States. To secure the national interest is, after all, what U.S. foreign policy is all about. To achieve less is either folly or appeasement. In either case, prospects for good are nonexistent.●

● Mr. HOLLENBECK. Mr. Speaker, I rise to join my colleagues in expressing my serious reservations over the proposed sale of conformal fuel tanks and Sidewinder air-to-air missiles to Saudi Arabia for their fleet of American F-15 fighter aircraft. I would also like to express my concern over reports indicating that the administration is currently considering the sale of advanced AWACS aircraft to the Saudis.

I firmly believe that the United States must never take any action which could undermine the security or stability of Israel—our only long-term democratic ally in the Middle East. Because the sale of this sophisticated equipment could potentially endanger both Israel's security and stability, I view this proposal with great alarm. In the hands of Israel's enemies, I know that this equipment would hamper Israeï's ability to counter a military threat.

The sovereignty, security, and integrity of the State of Israel is a moral imperative and serves the strategic interests of the United States. For this reason, I urge the administration to deny the Saudi request for this advanced equipment.●

● Mr. FISH. Mr. Speaker, I join my colleagues today in expressing my reservations over the proposed sale of advanced American weapons systems to Saudi Arabia.

Today, we are facing an escalation in the quantity as well as the quality of the weapons systems which may be offered for sale to Saudi Arabia. Sidewinder AIM-9L missiles and Airborne Warning and Control Systems aircraft are, without doubt, the technolgy of the future. NATO will start to introduce AWACS into its forces only this year. The Sidewinder all-aspect missile is the state-of-the-art in air-to-air weaponry. I fear that the sale of these weapons will result in all the other nations of the region—and not just Israel—seeking comparable weapons from our country, from Europe and from the Soviet Union. Foreign Minister Shamir does not believe it possible to redress the damage to Israel.

The AWACS is such a sophisticated aircraft that I doubt Saudi forces will be able to handle it without American advisers on board. And that leads me to another concern: Americans are flying AWACS right now in the Persian Gulf region, and the planes bear the U.S. Air Force insignia on their wings. Will Americans one day also be flying AWACS bearing the Saudi Royal Air Force insignia?

And what will happen once Americans are phased out of the Saudi training program? What control will we retain over this super-secret, super-sophisticated aircraft? I am worried about the transfer of such technology to a nondemocratic, relatively unstable regime. We learned what could happen to American weaponry already—when the Shah fell and our sophisticated systems in Iran were compromised.

Mr. Speaker, Saudi Arabia is an important oil-producing state. But let us remember that oil and petrodollars do not buy internal stability. And let us remember that in supporting the Saudi Government, we cannot ignore the effect these arms sales could have in destabilizing the whole region—Saudi Arabia included.

Finally, let us never forget the danger to our Nation's own security should these weapons systems ever fall into the wrong hands. For these reasons, I believe we must oppose the sale of the Sidewinder missiles, AWACS, and other sophisticated weapons systems to Saudi Arabia.●

● Mr. GLICKMAN. Mr. Speaker, recent reports indicate that the Reagan administration is considering the sale of advanced E-3A Sentry aircraft to Saudi Arabia. The administration would be making a grave mistake if the sale took place.

The E-3A Sentry airborne warning and control system (AWACS) is one of the world's most sophisticated aircraft. It provides airborne surveillance and communications capabilities through the use of special avionics and a large surveillance radar installed in a modified Boeing 707 airframe. It can remain on station for 6 hours at 1,000 nautical miles from base. The system can detect high-flying objects within a 350-mile radius and low-flying objects within a 250-mile radius. The E-3A is obviously highly technical and could play a strategic role in any Middle East or Persian Gulf conflict.

Maintenance of a strong U.S. presence in the Persian Gulf is an absolute necessity. Without it we could not assure access to petroleum production in that area, nor could we effectively counter the increasingly dangerous threat posed not only by the Soviets, but also by extremist Islamic groups. The administration believes that these strategic interests would be enhanced by the sale of the E-3A's to Saudi Arabia. The case is simply not convincing. Given the high level of technology that the aircraft represents, it is imprudent to transfer that kind of technology to other nations, regardless of their relationship to us. Imagine the scenario had the late Shah—a longtime ally—bought an E-3A which would now be in the hands of the Khomeini regime. A safer approach for the administration to pursue would be to encourage the use of U.S.-owned and operated E-3A's to provide necessary surveillance in the area. Allies—like Saudi Arabia—should feel secure with the information that would be provided. They also should understand our hesitancy about shifting control in these uncertain times.

I can understand the administration's desire to insure a friendly climate for U.S. interests in the Persian Gulf. We stand to benefit if strong ties with those strategic allies are maintained. It would be all-advised, however, for the E-3A to be sold to Saudi Arabia thereby transferring one of our most highly technical defense systems.●

● Mr. LOWERY of California. Mr. Speaker, in 1978, the Carter administration justified the sale of 62 F-15 fighter planes to Saudi Arabia as wholly defensive in nature, and assured the Congress that it would not sell the Saudis any other systems or armaments that would increase the range or enhance the ground attack capability of the F-15. The recent decision to supply Saudi Arabia with AIM-9L air-to-air missiles and conformal fuel tanks converts these F-15's to offensive weapons, hence, contradicting the very purpose for which they were initially being provided.

Unquestionably, a strong Israel is in the best interests of the United States. The proposed sale of add-on equipment to Saudi Arabia must be considered with this primary tenet in mind.

Clearly, the Reagan administration's program to expand military cooperation with Middle East nations is in the

best interests of the United States and Israel. The Soviet invasion of Afghanistan, the turmoil of the Iranian revolution, the Iran-Iraq war, and the Soviet presence in South Yemen and Ethiopia underscore the instability in the region.

In confronting Soviet designs in the Persian Gulf, the administration and the Congress must act decisively and cautiously. Several questions should be addressed before any sale of additional equipment is consummated with Saudi Arabia:

First. Will this sale enhance the security of Saudi Arabia or will it increase instability within the region?

Second. Will the sale lead to oil price moderation or will it appear that the United States is bowing to Saudi threats to cut oil production?

Third. Will the sale strengthen the Arab-Israeli peace process or will it act to further deteriorate relations in the Middle East?

Fourth. Is the best way to confront Soviet adventurism in the gulf through a series of bilaterial arms sales or by establishing a strong U.S. naval presence along with United States military bases in the Arabian peninsula?

My intention is not to offer specific answers, but to raise these issues to illustrate the complexity of the problem at hand. To sell Saudi Arabia additional offensive equipment for its F-15's may be promoting instability in the region rather than bolstering security. In the interests of the United States, Israel, Saudi Arabia and the entire Middle East, I encourage the Reagan administration and my colleagues to reexamine this issue in light of the foregoing questions.●

● Mr. KRAMER. Mr. Speaker, I rise to express my concern, shared by many other Members of this and the other body, about administration plans to sell Saudi Arabia military equipment which will augment that nation's offensive capabilities.

It seems to me that the basic question which needs to be asked in this debate is what purpose is intended to be served by making this highly sophisticated equipment available to Saudi Arabia? What imminent threat is that nation subject to which demands this level of support from the United States? Is it likely that Iran or Iraq will soon launch an assault against Saudi Arabia; if so, is this level of equipment essential to repel such an assault? Are the Soviets now aiming their sights at the Saudi oil fields? If that is indeed the case, then can we assume that the delivery of this equipment will be sufficient to stave off that threat?

If it is in our national interest to prevent Saudi Arabia from falling under Soviet domination—and I believe it is—can we best assure realization of that objective by delivering our highest military technology to the Saudis, when there is substantial question as to whether it can be effectively used by Saudi forces and further question as to whether it might be used in ways not intended by the United States? Or, should we be focusing on other alternatives to meet our primary objective in the area, such as augmenting our own presence to deter further Soviet adventurism?

We must not lose sight of the principal issue in the debate over whether the Saudis have been friends in moderating oil price hikes, or foes of our Mideast peace efforts; whether we should proffer this equipment as an inducement to future Saudi support or withhold it in recognition of Saudi Arabia's past actions which may have been contrary to our policies in the Mideast; whether we should stand up to veiled blackmail threats or take what steps are necessary to preserve our economy from the further shocks of drastically increased oil prices.

The principal issue here is, does Saudi Arabia require this highly sophisticated equipment, which has only been made available to our NATO allies, to meet an imminent threat against its borders? What assurances do we have that the equipment will be used for such defensive purpose only? Given the experience in Iran, how can we be sure that this equipment will not end up in enemy hands—either through diversion or loss? Will those assurances in fact require increased U.S. presence in the area at some point in the future? If, ultimately, we can only guarantee protection of our national security interests through our own presence, what advantage do we gain by making available to a government which many feel is unstable at best, unfriendly at worst, military technology which may further destabilize this critical area; which may constitute a more serious threat to our longtime ally, Israel, than a deterrent to the Soviet Union or other potential attackers; and which may end up in our adversary's hands?

I submit, Mr. Speaker, that the burden of proof rests with the administration to show that this equipment is necessary to meet a very real threat against Saudi Arabia, and that it will tangibly result in meeting our own national security interests in the Middle East.●

● Mr. SOLARZ. Mr. Speaker, like many of my colleagues, I was deeply disturbed by the decision of the Reagan administration to sell Saudi Arabia sophisticated new hardware for its F-15 aircraft. To provide Saudi Arabia with air-to-air missiles and supplemental fuel tanks, as the President has proposed, would jeopardize the air superiority which has been the linchpin of Israeli security. I believe that those of us pledged to preserve the safety and survival of Israel must resist the sale of this new weaponry to Saudi Arabia.

Three years ago, I strongly opposed the Carter administration's efforts to sell the F-15's to Saudi Arabia. I felt then, as I do now, that Saudi possession of these advanced fighter aircraft held potentially ominous consequences for Israel. Although opponents of the sale in the Congress were unable to block the sale of F-15's in 1978, we did succeed in exacting explicit assurances from the highest officials of the executive branch that we would not give the Saudis additional equipment such as the AIM 9-L air-to-air missile or supplemental fuel tanks which would make the aircraft even more dangerous to Israel.

Without these ironclad guarantees from Secretary Brown, Congress would never have approved the initial sale of the F-15's. Yet within weeks of taking office, the Reagan administration has declared itself unbound by these assurances and has been unwilling to respond in any meaningful way to Israel's legitimate concern about providing the Saudis with the deadliest air-to-air missile in the world.

The Reagan administration cites changing circumstances to justify the sale of this new equipment to Saudi Arabia. But the fact of the matter is there is simply no external threat to Saudi security which requires the acquisition of an offsensive capability for the F-15's. Indeed, the Saudi security situation has probably improved since 1978 as a result of the Iran-Iraq war. It is far less likely that either of these two combatants would attack Saudi Arabia while they are at war with each other. Nor is there any other nation in the region which poses a significant threat to Saudi security.

The administration argues that Saudi Arabia's possession of the new equipment will help to counter any future Soviet thrusts in the region. While the possibility of Soviet military moves in the Persian Gulf must be taken seriously, it is simply disingenuous to assert that the Saudis can deter such an attack—with or without new air-to-air missiles and fuel tanks. Clearly, only the United States can thwart a Soviet move on the gulf.

Furthermore, while the United States certainly has an important stake in the stability of Saudi Arabia, we must recognize that the most serious challenge to Saudi rule comes from within the country. Our experience in Iran should have indelibly impressed upon us that arming a nation to the skies with the most advance weapons in our arsenal offers scant protection against dissolution of a government from internal tensions.

Another contention habitually advanced on behalf of arms sales to the Saudis is Saudi Arabia's alleged moderating influence in the Middle East.

This assertion resurfaces with astonishing regularity in each American administration. Yet, as Israeli Foreign Minister Yitzhak Shamir recently noted:

Saudi Arabia has participated in all the wars against Israel. It orchestrated the conference which declared jihad against us. It is the major financier of the PLO's terrorism. It works persistently and aggressively against the peace process. Any additional military equipment given to it will ultimately serve all of the extremist elements in the region that oppose peace and stability.

That is the record President Reagan proposes to reward with new lethal hardware for the F-15's. And, to make matters worse, the administration intends to provide this equipment without any assurances whatsoever from the Saudis that they will support the peace process and refrain from financing the terrorist activities of the PLO.

In military terms, the new missiles and fuel tanks will allow the Saudis to strike at any target in Israel. They will permit the Saudis to keep the F-15 aloft for 3 hours, rather than one half-hour, as is presently the case. They will significantly increase the number of bombs which each plane can drop. And they will give Saudi Arabia a critically important tactical capability: The new missiles can be launched from any direction, thereby making it much easier for Saudi pilots to down Israeli planes.

To make matters even worse, it now appears that the National Security Council has approved and sent to the President's desk a proposal to sell five ultrasophisticated, AWACS electronic surveillance aircraft to Saudi Arabia. The addition of AWACS to the Saudi arsenal will constitute even more of a threat to Israel's security than the fuel tanks or the AIM 9-L missiles. Without leaving Arab territory, these aircraft can monitor Israel's entire airspace, coordinate attacks against Israel by all of the air forces of the eastern front confrontation states—Syria, Jordan, Iraq, and Saudi Arabia—and provide valuable intelligence data on Israeli ground troop positions.

The administration must realize that providing this new equipment to the Saudis seriously compromises the security of our only reliable democratic ally in one of the most volatile regions of the world. How does President Reagan intend to redress the imbalance he is about to create? Remarkably, by announcing he would sell Israel planes it has had a standing offer to buy—at rates it cannot afford.

Israel has purchased 40 F-15's from the United States, and has so far chosen not to exercise an option it had been given by the Carter administration to buy up to 20 more. President Reagan now says Israel can buy 12 F-15's from our country—which it has had the right to do for the last 2 years—and proposes to help Israel finance the purchase of these planes by providing it with a $600 million loan which Israel would be required to repay at market rates of interest. Since Israel could have gotten these planes by borrowing the necessary money on its own, it would have long since done so, if it had been able to afford them. But given the fact that it is already drowning in debt, and simply cannot afford to pay back such large sums at prevailing rates of interest, Israel is unlikely to find President Reagan's suggested compensation of $600 million in nonconcessional credits for 12 more F-15's a viable way to acquire these essential aircraft.

The President's offer, I am afraid, is a political gesture calculated to silence Israel's defenders rather than to shore up Israel's defenses. If the administration is genuinely interested in compensating Israel for the additional security threat created by the sale of offensive equipment to Saudi Arabia, the least it should do is give Israel the funds to buy the 12 additional F-15's on a grant or concessional basis.

In view of the grave consequences that the proposed sale would have for Israel's security, as well as the administration's failure to provide meaningful compensation, I joined a majority of my colleagues in the House Foreign Affairs Committee in sending a strongly worded letter to Secretary of State Haig stating our unequivocal rejection of the plan to provide Saudi Arabia with these weapons. It is our intention to introduce a resolution of disapproval to block the sale immediately after President Reagan formally notifies the Congress that the sale is going forward.

The effort to defeat this sale will be a difficult battle. But it is an effort which we must, in good conscience, undertake and press vigorously. Congress has a responsibility to honor what the President has unfortunately overlooked—our commitment to the security of Israel. We simply cannot let the President's decision go unchallenged.●

● Mr. McGRATH. Mr. Speaker, I join with my colleagues in opposing the proposed sale of enhanced F-15 equipment to Saudi Arabia, and I want to commend my colleagues, the gentleman from New York (Mr. KEMP) and the gentleman from Michigan (Mr. BLANCHARD), for taking this special order to address this critical issue.

On March 10, I joined with Representative NORMAN LENT in sponsoring a resolution to disapprove the proposed sale. Even before the sale of AWACS became part of the sale, I was convinced that the sale would be a serious foreign policy mistake, and I am still hard-pressed to find one single reason to justify it.

As in 1978, when the original sale of F-15's to Saudi Arabia was approved by Congress, the Saudis are calling this latest sale, "an important test case in relations between the two countries." I am still waiting for the first evidence that friendship with Saudi Arabia is not a one-way street.

In a recent article in National Review, Peter Lubin aptly stated:

After two years of uninterrupted and astronomical price hikes, after the resolution condemning our rescue mission, after the efforts to deny us bases, after open calls for jihad and support for terrorism, after backing the Iraqi invasion of Iran, after meddling with our arms supplies to North Yemen and facilitating Soviet bloc supplies to Iraq, after the attempt to throttle our Strategic Petroleum Reserve, after all this, the Saudis want to test whether America will jump once again through the Saudi hoop.

In 1978, the Carter administration stated in writing that it had no intention of supplying Saudi Arabia any systems or armaments which would increase the range or enhance the ground attack capability of the F-15. This proposed sale clearly violates the assurances given Congress less than 3 years ago, and threatens this Nation's credibility. The sale will not enhance the Saudis' self-defense capabilities, because it faces no immediate external threat. It will, however, give the Saudis the capability of striking anywhere in Israel, and given the Saudis' strong opposition to the Camp David accords and militant statements regarding Israel, there is justifiable concern about Israel's future security. The addition of AWACS to the package further adds to the dangers inherent in the proposed sale.

Mr. Speaker, in the past several years, we have seen few evidences of Saudi Arabia's goodwill. It is still clear that Saudi Arabia is bent upon doing what it is in Saudi Arabia's best interest to do. If this sale is approved, what will be the next test of America's friendship?●

● Mr. FORSYTHE. Mr. Speaker, I rise today to add my protest to the proposed sale of offensive weapons to Saudi Arabia.

When the United States originally sold the F-15's to Saudi Arabia in 1978, the executive branch assured the Congress and the Israeli people that additional equipment to enhance the military capability of the F-15's would not be sold to Saudi Arabia. That commitment is now in danger of being violated.

The proposed sale is being explained as a means of countering activities of the Soviet Union in the Middle East and as a means of stabilizing the region. However, the Saudis face no threat of invasion from South Yemen, Libya, Iran, Iraq, or its other neighbors and it is not credible that the Soviets would attack Saudi Arabia from an Afghanistan base. Indeed, if the Soviets were to attack the Saudi oilfields, such an act would be construed as a direct threat to the Western world.

The Saudis would not be able to repel such an attack, even with the additional capability which would be provided by the sale of the AIM-9L air-to-air missiles and the fuel and sensor tactical (FAST) packs. Only the United States could do so. A more constructive means of deterring Soviet aggression in the Middle East and stabilizing the area is to strengthen United States bases and naval operations in the Persian Gulf area.

In addition, the sale of this military hardware seriously threatens the security of Israel. With the AIM-9L's and FAST packs, Saudi Arabia would be capable of hitting Israeli defenses and targets with greater force from more secure bases within Saudi Arabia. And Saudi Arabia does remain a threat to Israel. Saudi leaders continue to voice their opposition to the Israeli state and to call for a holy war against Israel.

The Saudis have said that the AIM-9L's and FAST packs sale is a test of U.S. friendship. I remind the Saudi Government that friendship is a two-way street. On our side, we would like to see Saudi Arabia support the Egypt-Israel peace treaty and halt their attacks on President Sadat.

We cannot allow our foreign policy or the safety of our allies to be held hostage to the demands for tests from other countries. Our credibility is at stake. We have already pledged to Israel that this type of military hardware would not be sold to Saudi Arabia. We cannot retreat from that position.●

● Mr. PORTER. Mr. Speaker, with respect to the prospective addition of fuel tanks and offensive capabilities to Saudi Arabia's F-15 order, let me say this:

We have heard the potential threat to Israel implicit in this sale explained. We have been reminded of the 1978 executive branch promise not to add precisely this equipment to the Saudi contract. And warnings have been voiced that this material may someday end up in the hands of enemies not only of Israel, but perhaps even enemies of the United States. Mindful of these caveats, I would like to add my own concerns.

I am pleased by this administration's efforts to prevent Soviet expansion into the crucial Middle East. And I know that we all share the conviction that nothing would better serve the twin causes of peace and Western security than a firm—if quiet—alinement between the moderate Arab states, the United States, and Egypt and Israel. Conscious of the regional conflicts there, I realize that this alinement will not be achieved easily. I do believe, however, that it is possible. We must then ask ourselves whether or not this sale hastens the coming of that alinement. I think that it does not.

The timing of this offer, coming so soon after Crown Prince Fahd's call for a jihad against Israel gives one pause. Will this sale not be interpreted as an unspoken signal that this Nation will not prod the Saudis toward peace? Will this sale not be interpreted even by some as an endorsement of Saudi negativism? If indeed the Saudi threats are merely rhetorical—as some have told us—we must seriously inquire of ourselves whether we wish to reward even rhetoric which plainly does not serve the cause of peace.

Three years ago, President Carter assured Congress that the F-15 sale would bring the Saudis into the Camp David process. This has not ocurred. In fact, the sale seems to have had no effect save perhaps to retrench Saudi opposition to the Eygptian-Israeli peace.

Mr. Speaker, I do not know whether or not I could support this sale in a climate of greater Saudi cooperation. I know that I cannot in the absence of any indication that Saudi cooperation is in sight.

We have a long-standing and close relationship with the Saudis. We have a vested interest in their stability and sovereignty. Our friends in Arabia should accept the genuineness of this concern and allow the United States to play its ineluctable role of guarantor in good faith. I am mindful of the great Saudi hunger for absolute independent self-defense; however, I recall an equally great American desire for an energy insurance policy called the strategic petroleum reserve, and the Saudi obstruction of its rapid development last year. It is time for both parties to this relationship to acknowledge the very great interdependence between us.

I am not opposed to legitimate Saudi defense growth. I am against increasing both Saudi latitude and capability for offensive potential against a central American ally in the region, in the absence of a firm agreement on peaceful intent.

Should the Saudis receive the F-15 enhancement materials they seek now, then it will become especially important that airborne warning and control system aircraft not be made available to them for purchase as well. Our closest and oldest European allies rely upon enhanced F-15's with AWACS for their tactical air defense and offense. NATO is only this week receiving its first alliance-owned AWACS aircraft.

Providing this powerful system—the marriage of America's best two technological marvels of the air—to the Saudis on a bilateral basis should only be considered in the event of an international emergency of a most dire nature.

Rather, we should continue indefinitely air defense coverage currently afforded the Saudis by American Air Force AWACS now based in Saudi Arabia. In fact, I would welcome a formal American commitment to this "eye in the sky" role as a first step toward effective integrated regional defense. The aircraft themselves, however, as well as final determination of how and against whom the intelligence from them is used, must remain with this Nation while our presence there in this unarmed mode symbolizes our absolute dedication to Saudi protection.

Should the argument be made that a rejection of these sales indicates a lack of U.S. friendship, my colleagues should note that there are over 4,000 Americans already in Saudi Arabia in advisory and technical defense roles, with more soon to follow as the Saudi F-15 wing begins arriving from McDonnell-Douglas with its corps of maintenance people. Our Army Corps of Engineers is also involved in over $10 billion worth of military infrastructure projects in Saudi Arabia, representing the largest American commitment to a foreign power since Vietnam. Our friendship and close relationship to the Saudis is being proved every day.

Mr. Speaker, at this point in time the potential for positive developments in the Middle East is great. As we negotiate the long road ahead we need always keep an eye on the horizon and our ultimate destination of effective and peaceful interdependence between the United States and its Mideast friends. Let us not begin down that path with a step in the wrong direction.●

● Mr. OTTINGER. Mr. Speaker, I rise in strong opposition to the administration's proposal to sell offensive components for 62 F-15's to Saudi Arabia. The implications of this sale for Israel's security and our security are indeed ominous.

The very arguments that were used to justify the original sale of 62 F-15's in 1978 are being used today by President Reagan to justify selling the additional components. These arguments are less valid today than they were 3 years ago.

In 1981, as in 1978, we are told that the Saudi's considered the sale of advanced weaponry as a test of their friendship with the United States. Yet they consistently reject U.S. base arrangements on the Arabian Peninsula, condemn the Egypt-Israel peace treaty, contribute financially, politically, and militarily to the most rejectionist of Arab States. For the Saudis, friendship is not reciprocal.

As to the argument that the sale will encourage the Saudis to moderate their positions on the Arab-Israel conflict, one must note the Saudi regime's call for a jihad, holy war, against Israel only 1 month ago. Indeed, since the original sale of F-15's in 1978,

Saudi intransigence to the Middle East peace process has grown. The same goes for moderating their position on oil pricing and production. Just after the 1978 sale, the Saudis threatened to cut back on oil production if President Carter continued to build up a strategic petroleum reserve as mandated by Congress. It is clear that whatever weapons we sell to Saudi Arabia, they will continue to use their oil weapon against us.

The administration argues that the Saudis must be adequately equipped to resist external threats from the Soviet Union, Iran, or other Arab nations. This might have held some credence in 1978, but today it is simply ludicrous. There is virtually no likelihood of an invasion of Saudi Arabia from other Arab countries. Iran and Iraq are preoccupied with each other, and Iraq and the Saudis have established a rapprochement since 1978. Moreover, the Saudis will not be able to use the F-15's against Soviet targets because they are too far away.

The argument that this sale is wholly defensive in nature is most bothersome to me. The sale of these components will permit Saudi aircraft to operate out of any base in Saudi Arabia against any target in Israel. The enhanced F-15's will severely undermine Israel's air superiority. In another coordinated Arab attack against Israel, our best ally in the Middle East would not only have to resist conventional forces but also deploy aircraft to defend against strikes by the F-15's. This will raise the level of Israel's required military preparedness even further, escalating tensions between Israel and her Arab neighbors.

Mr. Speaker, the United States must not repeat the errors it made in Iran by selling too much advanced weaponry to an unstable client faced with internal discontent rather than external threats. This proposal is ill advised, will not enhance Middle East stability or U.S. interests, and I strongly urge my colleagues to support any resolutions of disapproval with respect to this sale.●

● Mr. HUGHES. Mr. Speaker, I rise today to join my colleagues in expressing deep concern over the recently proposed arms sale to Saudi Arabia which would include airborne warning and control system E-3A aircraft. Until now, only the U.S. Air Force and NATO have been provided with AWACS. Such a sale to Saudi Arabia will mark the first time the system would appear in the arsenal of a Middle East state.

According to a recent press account, U.S. AWACS now on temporary assignment in Saudi Arabia can see any object moving at more than 80 miles an hour within a 250-mile radius. That article, which appeared in the San Francisco Chronicle, went on to say, "if there is a Mercedes moving along the highway, the AWACS can see it."

The plane has look-down radar which can see downward and differentiate moving targets from terrain or background clutter. This radar can detect up to 600 targets and the onboard computers on the planes can define at least 240 in terms of size, altitude, identity, speed, and direction.

According to Department of Defense analysts, the recent sale of AWACS to NATO will have the effect of more than doubling NATO's entire interceptor force. In a major exercise conducted at Nellis Air Force Base in Nevada, two E-3A's were able to coordinate 134 friendly aircraft and stand off 274 enemy planes.

Clearly the sale of these extraordinary planes to Saudi Arabia will threaten the balance of power in the Middle East. Their presence in Saudi Arabia presents the Israelis with a grave and difficult situation since AWACS far surpass any equipment in Israel's air force. AWACS could see all of Israel's airfields, aircraft, and defense systems and could coordinate attacks against Israeli installations by Syria, Jordan, and other Arab states.

The friendship of Israel has always been highly valued by our country. Many of us believe that it is important not only strategically, but also morally, to strongly support the only democracy in the Middle East. Recent tragic experience in selling sophisticated weapons to politically unstable Middle Eastern nations should make us even more careful in determining what weapons we will sell to which nation.

And, indeed, we should be asking ourselves why we are selling these arms to Saudi Arabia, since we are just this year making them available to our NATO allies. Does Saudi Arabia permit the stationing of American troops in the region? Have the Saudis agreed to moderate their oil pricing or supply policies? Have they cooperated in the Camp David accords? Do they refuse financial support to the PLO terrorist activities? The answer to all of these questions is no.

What then is the quid pro quo for this plane sale? In a column by Evans and Novack published in yesterday's Washington Post, it was pointed out that West Germany and other NATO states that have been sold AWACS automatically share with the United States all data picked up by the radar ships. Apparently no such arrangement has yet been negotiated with the Saudi Government.

I oppose the sale of AWACS to the Saudis. It is an improvident decision. Indeed, once again we find ourselves in the position of giving much and getting little, a position this President promised would not occur in his administration. I also oppose the sale because it undermines the State of Israel, a trusted and valued ally, and because I believe it will lead to even greater instability in an already dangerously unstable part of the world.●

● Mr. BEDELL. Mr. Speaker, Secretary of State Alexander Haig stated in his confirmation hearing that there are three essentials to American foreign policy: consistency, reliability, and balance. By selling offensive jet fighter equipment to Saudi Arabia and by proposing to sell them AWAC aircraft, the administration has managed to undermine all three.

Consistency is undermined because the arms sale will weaken the Camp David peace process. The Camp David accords remain as yet the best hope for a comprehensive peace settlement. American interests in the Middle East should only be pursued when in harmony with the accords. Unfortunately, Saudi Arabia continues to lead Arab opposition to Camp David, while punishing President Sadat by withholding economic and diplomatic aid. These arms sales will thwart the Camp David peace process by rewarding Saudi intransigence.

America's reliability will be undermined because the administration is threatening to break solemn promises to both Congress and the Government of Israel. In 1978, when the initial F-15 fighter sale was proposed, President Carter gave explicit assurances that add-on offensive systems would not be included in any future sales. I have already spoken out sharply against the administration's policy reversals in regard to the Law of the Sea negotiations. Regrettably this renunciation of past commitments was not an isolated incident. There is now the real danger that American negotiators will be handicapped by a perceived lack of credibility, particularly when commitments are expected to run from one administration to the next.

Finally, the goal of balancing our Middle East interests will be undermined because these arms sales will fuel that region's arms race at a time of tension and instability. The Iraq-Iran War, for example, continues unabated. Indeed the Saudis are reported to be arming the Iraqis. As a result, Iran may well view Saudi Arabia, armed with offensive F-15 equipment and AWACS, as a strategic threat. Under these conditions, it simply makes no sense to spur a military buildup.

Based on these three fundamental precepts of foreign policy, I urge the administration to honor its commitments and halt its sales of offensive weaponry to Saudi Arabia.●

● Mr. FOWLER. Mr. Speaker, I come before you today to strongly oppose the proposed sale of auxiliary parts for the F-15 fighter-bombers to Saudi Arabia.

The proposal to sell the Saudis extra fuel tanks and missiles, and the possi-

bility of future sales of the airborne warning and control systems (AWACS) E-3-A airborne command centers, raises grave questions.

Fueling another arms race in the Middle East will further strain the economy of the region, will exacerbate tensions, and will place greater emphasis on military solutions to the political problems of the area. None of these will contribute to the stability, prosperity, and cooperation in the Middle East that are the necessary conditions for peace and the achievement of other American objectives in the region.

In 1978, I opposed the sale of 60 F-15 fighter-bombers to Saudi Arabia. At that point, I did not feel that the Saudis had any legitimate self-defense needs for one of the most sophisticated aircraft in the world. Today, I still am not convinced of their need. Be that as it may, at the time of the original sales we were assured that the United States would not support any upgrading of the range or weapons capabilities of the Saudi F-15's that would increase Israel's vulnerability to these aircraft. Now, of course, we are being asked to support precisely such a move.

We must not hastily approve any action that could severely damage the security of Israel, our oldest and most stable ally in the Middle East. We must act in the interests of an overall peace in the Middle East, and we must act in the interests of the United States. In my view, these two are closely related.

I ask you, my colleagues, to please join in the effort to block this proposed sale of arms to Saudi Arabia.●

● Mr. SMITH of New Jersey. Mr. Speaker, the Middle East is, without a doubt, the most explosive part of the world. Here are many nations with a very real sense of their own history who are still struggling with their new independence, who have great grievances—real and imagined—and who, in some instances, are getting very wealthy on the money paid for their oil. These countries are military dictatorships, feudal monarchies, or one party states. There is only one democracy—Israel.

Our State Department has announced its approval of a plan to upgrade the F-15's we have sold Saudi Arabia, equipping them with Sidewinder missiles and refueling capability. Now we are also going to sell the Saudis four AWAC aircraft, very sophisticated equipment that we rather jealously guard.

I know the arguments that Saudi Arabia needs this capability for defensive purposes after the Soviet invasion of Afghanistan and events in Iran. But it seems to me that we are increasing risks and dangers, not lessening them

First, let us take the matter of what these planes are going to be used for. The Saudis say they want them to repel possible aggression against themselves or the states of the Persian Gulf. All well and good. However, we know these planes can be used against Israel. With the refueling capacity they would be given, the Saudi F-15's would reach Israeli airspace.

I know the Saudis deny this will happen. But Israel, I think, has reason to be concerned.

The Saudis have not been a voice for peace and conciliation in the Middle East. Saudi oil money is being used to underwrite Yasir Arafat and the PLO. The Saudis have publicly proclaimed this fact. Some will argue the Saudis are only trying to buy off radical elements. But the Saudi Government is certainly playing with fire in this subsidizing of one of the most radical forces in the Middle East. The Israelis are not going to be reassured by Saudi promises when the murderers of their women and children are being paid by the people we propose to give these weapons and new planes to.

What about the AWAC planes? The radar equipment of these planes can be used to assist the warplanes of other Arab States in raids on targets inside Israel. In announcing the sale of these planes to the Saudi Arabians, the State Department has taken a major step toward escalating tensions in the Middle East. I firmly believe the result of this step will be an increase in Israeli preparedness; in other words, yet more tension in an area where there is already too much tension.

The Israeli Government has already said it opposes the sale of the AWAC planes. The Israelis were willing to accept the missiles and fuel tanks on the F-15's, but they are not willing to put up with the AWAC planes. I am not saying we ought to bend our policy to the desires of Israel—what I am saying is that we should take their fears into account, since they are our allies, and since they may increase their own defense capabilities as a result of this action.

With elections in Israel occurring next month we should use this opportunity to reassure the Israelis about their security. We want to expand the peace process in the area. This is what we are endangering. Whichever party wins the Israeli elections may feel it cannot make the extra moves on the road to peace after the sale of these aircraft, and the decision on enhancing the capabilities of the F-15's.

Second, what have the Saudis given us in return for this aircraft? We have asked the Saudis for access to their bases, so we can develop a regional policy of resistance to Soviet advances. The Saudis have refused. Even at this time they are still refusing. Now the Saudis say they want our aircraft for defense, yet they refuse to cooperate with us in arranging this defense. I would feel a great deal more secure myself if we had some way of keeping our eyes on the sophisticated weaponry we are giving the Saudis. Yet the Saudi Government still refuses us base rights in their country.

The Saudis have also played their own game on the price of oil. While they have sometimes opposed the massive increases other OPEC members have asked for, the Saudis have never been consistent in the matter of oil prices. As often as not they have been strong supporters of price hikes. This, of course, is their right, but it is something we have to think of when we are discussing our ties with Saudi Arabia.

Nor have the Saudis been very helpful in the Middle East peace negotiations. They have not joined the Camp David process—if anything, they have been among its most intransigent opponents. We have said on occasion we were trying to win the Saudis over by giving them these weapons they asked for—at any rate, that was the rationale the Carter administration used when it sold the Saudis the F-15's in the first place. Yet the Saudis have never participated in making peace. They supported the expulsion of Egypt from the Arab League. Last January, just before the inauguration of President Reagan, the Saudi Crown Prince urged a "holy war" to drive the Israelis from Jerusalem.

I hardly think the attitude of the Saudis is such that we should rush to give them weapons, or enhance the weapons they have, when we do not get mutual concessions.

My final point in considering this sale is the matter of the stability of the Saudi monarchy. We have seen what happened in Iran, where we thought the Shah was very strong. Saudi Arabia is a feudal monarchy rapidly being modernized. There are great tensions and stresses in Saudi society. Students who study abroad return discontented. Saudi women are dissatisfied. There are a great number of foreign workers in Saudi Arabia, particularly Palestinians, who are radicalized, and opposed to the Saudi monarchy.

We could find ourselves in a position similar to that we found ourselves in when Vietnam and Iran fell to hostile forces. A large part of our sophisticated equipment fell into the hands of those who are enemies of the United States. I do not want to see this happen again. A radical Arab regime, taking power in Saudi Arabia, could use our weapons against Israel or the states of the Persian Gulf. We would have created our own monster.

When we consider this arms deal we have to take into account the best interest of all the nations concerned—Saudi Arabia, Israel, but most of all ourselves. We have to ask: Is this truly in the national interest?

I believe, very firmly, in having good relations with Saudi Arabia and with the Arab world. However, I do not know if this constant increase in weaponry is what is going to assist us in this job of getting on well with the Arabs.

I know the argument the Saudis can buy from other arms producers if we will not sell to them. But the fact they want our weapons gives us some leverage. If the Saudis want to buy 400 fully armed Mirage fighters from the French, that is their business. However, I think the Saudi Government definitely wants our AWAC planes.

Therefore, Mr. Speaker, I think we should approach this matter with a great deal of caution. I cannot vote to give the Saudis these AWAC planes. I hope a majority in both Houses is opposed to this sale. Unless and until the Saudis show some signs of moderation and of being willing to open their bases to us, I would not support going ahead with the sales of the AWACS. I also feel we should reconsider the matter of arming the F-15's and giving them enhanced fuel capability.

Putting more arms into the troubled Middle East is not a wise thing to do. I would like our State Department to consider all this very carefully. I hope Secretary Haig does not commit us to irrevocable steps while in the Middle East.

There are difficult choices before us. This is one of them. I would like to thank the arrangers of the special order, Congressman BLANCHARD and Congressman KEMP, for giving us the opportunity to express our concern on this vital matter.●

● Mr. BINGHAM. Mr. Speaker, I join with my colleagues in this special order to speak out against the as yet unannounced intention of the Reagan administration to sell conformal fuel tanks, air-to-air missiles, in-flight refueling equipment and tankers, and AWACS surveillance planes to Saudi Arabia. The National Security Council was reported to have recommended such sales to the President last week, and formal notification to the Congress could follow later this month. It is my earnest hope that the President will not approve these sales, and that he will pay close attention to the sentiments expressed in this discussion today. The new administration has made much of the importance it attaches to the U.S. relationship with Israel, which it considers a key ally in an area of the world where tensions constantly run very high. Yet these sales pose a serious, direct threat to the security of this ally, and only the most compelling need for this additional equipment would justify them. It seems to me highly unlikely that such a need can be demonstrated.

The United States has already agreed to sell 62 of our most sophisticated fighter airplanes to Saudi Arabia, but only after assurances were provided to opponents of the sale in the Congress that no additional equipment which would enhance the offensive capability of these airplanes would be sold. Selling such equipment now would rip that pledge to shreds, and despite the fact that the current administration cannot be considered bound to the promises of its predecessor, it does jolt the entire system of congressional review of arms sales. If these sales are sent forward, any future administration pledge in connection with an arms sales will have to be regarded with deep skepticism.

But most importantly, providing this additional equipment for Saudi F-15's clearly would threaten Israel. The fuel tanks alone would increase the flight radius of the airplanes by 79 percent, and the in-flight refueling capability would allow them to fly virtually anywhere in the Middle East. The entire country of Israel would be within reach of the Saudi Air Force, and Israeli strategic planners would have to devote some part of their defensive assets to protect against this new threat. Some Saudi forces or equipment have been used in every Arab war on Israel, and the Saudis recently led the way in a pan-Arab conference which called for beginning a new jihad, or holy war, against this valiant democracy. While the Saudis must know that a direct attack on Israel would surely subject them to devastating counterattack, it seems highly likely that the Saudis would be strongly tempted to make much of their weapons stockpile available to other Arab confrontation states in the event of another war against Israel.

Perhaps the most threatening part of this arms package are the five AWACS surveillance aircraft. These converted 707 jets have the most advanced look-down radar in the world which can track the flight paths and communications of hundreds of airplanes as well as ground forces. These airplanes would be force multipliers, increasing the effectiveness of the F-15's significantly and improving the communications, command and control capabilities of the Saudi Armed Forces tremendously. The Carter administration had made it a policy, and I think it is a good and sensible policy, not to be the first to introduce to a region sophisticated equipment which would create a new or significantly higher combat capability. It would be a great mistake to abandon this principle in this case, especially since the Saudi's need for these planes is highly doubtful and their ability to operate them even more questionable.

Mr. Speaker, about 6 weeks ago I helped to draft and circulate a letter to the Secretary of State cautioning against sales of additional F-15 equipment to Saudi Arabia. Nineteen members of the Foreign Affairs Committee of the House joined in sending that letter, and I am sure if it had been known at that time that the administration was preparing to recommend the sale of AWACS to the Saudis, even more members of the committee would have signed. I would like to include the text of that letter at the conclusion of these remarks.

I urge the Reagan administration to rethink its position on this matter. The equipment the Saudis want is probably beyond their absorptive capacity and surely unnecessary for their real defensive needs. It would upset the strategic balance in the region, guarantee that the Saudis would be drawn into any future conflict in the region, and would touch off a new arms race that Israel does not have the money to win but cannot afford to lose.

HOUSE OF REPRESENTATIVES,
Washington, D.C., Feb. 25, 1981.

Hon. ALEXANDER HAIG, Jr.,
Secretary,
U.S. Department of State,
Washington, D.C.

DEAR MR. SECRETARY: We write to you as Members of the House Foreign Affairs Committee to express our serious concerns about the possible sale to Saudi Arabia of sophisticated offensive equipment for its F-15 jet fighters.

You will recall that, at the time of the original purchase of the planes in 1978, the Congress was given explicit and unequivocal assurances that offensive equipment, including fuel tanks and bomb racks which increase the range and firepower of the aircraft, would not be transferred to Saudi Arabia.

We recognize that the United States has a very real and legitimate interest in the security and stability of Saudi Arabia, and especially in the potential role of the Saudis as a moderating influence on other nations of the region with which our relations are less friendly. The Saudis have called the sale yet another "test" of our friendship for them. Friendship is reciprocal. While they are not reluctant to make demands upon us, the Saudis nonetheless continue to attack President Sadat and the Egypt-Israel peace treaty as well as making repeated calls for a holy war (jihad) against Israel. We should, in this regard, like to know what assurances Saudi Arabia has given the United States of any significant changes in its attitude and position towards Egypt and Israel.

The sale of this equipment would not significantly enhance the security of other nations with which we have close and enduring ties. There simply is no external threat to Saudi security that requires the acquisition of an offensive capability for the F-15s. To the contrary, developments since 1978 have actually diminished any potential threats to Saudi security. Whereas, in 1978, it may have been plausible to argue that Saudi Arabia needed the F-15s to defend itself against a possible Iraqi attack, in the wake of the ongoing Iran-Iraq war and the rapproachment between Saudi Arabia and Iraq, it is less likely that Iraq will be either willing or capable of undertaking such an attack. There is no other country in the region which might be deterred from launching an attack against Saudi Arabia because of this equipment.

The sale of this offensive equipment, despite the absence of a compelling Saudi need for it, will have severe adverse implications for Israel's security. The maintenance of air superiority is essential to the survival of Israel. Today Saudi aircraft largely lack the range and capability to attack Israel and thus would not be a major factor in a war. The potential use of the Saudi F-15s in another Arab-Israeli war will immeasurably complicate Israel's defensive problems. Israel will have to further stretch its already outnumbered air force and divert some of its aircraft from other essential missions in order to defend against the possibility of Saudi air attacks.

It should also be recognized that the provision of the new equipment may very well diminish, rather than enhance, Saudi security. Once the F-15s become an offensive threat against Israel, they could very well become the target of a preemptive attack at the outbreak of any regional hostilities. This will make it more likely that Saudi Arabia will be drawn into any conflict.

In view of the grave reservations expressed above, we urge you to seek the broadest possible consultation with the appropriate committees in both houses of the Congress before a final determination is made about Saudi Arabia's request. With the information we have now, we do not believe that this sale should be allowed.

Sincerely,

BENJAMIN S. ROSENTHAL,
JONATHAN B. BINGHAM,
STEPHEN J. SOLARZ,
BENJAMIN A. GILMAN,
DANTE B. FASCELL,
DON BONKER,
SAM GEJDENSON,
DAN MICA,
GEORGE W. CROCKETT, Jr.,
EDWARD J. DERWINSKI,
DENNIS E. ECKART,
LARRY WINN, Jr.,
TOM LANTOS,
HOWARD WOLPE,
BOB SHAMANSKY,
MICHAEL D. BARNES,
ROBERT K. DORNAN,
GERRY E. STUDDS,
JOHN LEBOUTILLIER,
Members of Congress.●

● Mr. VENTO . Mr. Speaker, thus far the administration has been fortunate in its foreign policy decisions. They have taken actions without a thorough review of the full implications and possible negative reactions. However, it is only a matter of time before this habit of shooting from the hip leads us to a foreign policy disaster.

In its decisions on El Salvador, the administration failed to consider the presence of U.S. troops with the OAS peace-keeping force already in the country. In the case of arms for Saudi Arabia, the administration is once again making decisions without properly analyzing the situation.

The Reagan administration decisions to sell advanced equipment for the Saudi Arabian F-15's is an ill-considered policy, which is good neither for the United States, nor for Saudi Arabia, nor for peace in the Middle East.

The 1978 agreement to provide Saudi Arabia with F-15's provided the Saudis with a capability adequate for their own defense needs. Since that time, the United States has deployed two battle groups in the Indian Ocean, thereby increasing our capability to provide additional assistance to the Saudis if needed.

The currently equipped Saudi F-15's are sufficient for the defense of that country. The range of the Saudi F-15 already provides for the interception over the Persian Gulf of any enemy aircraft attempting to attack the cities or oilfields of Saudi Arabia. The addition of the conformal fuel tanks is not justified for defensive needs.

The proposed sale to the Saudis of the improved Sidewinder missiles also goes beyond defensive needs. The Saudi F-15's already have Sidewinder missiles with a pursuit-intercept capability. This capability is adequate for dealing with most aircraft in the area. However, the new Sidewinder would make a big difference in a dog fight with one type of aircraft in the area—the F-15's of the Israeli Air Force.

The impact of these proposed sales on Israel is the central issue. Although the F-15 enhancement of the Saudi airfleet would serve no defensive need for Saudi Arabia, the F-15's with conformal fuel tanks and advanced Sidewinders would be capable of providing air cover for Arab air forces. This is not in accord with the agreement under which the F-15's were originally provided.

The concern for stability of the Middle East is further heightened when one considers the new proposal to provide the Saudi Government with the E-3A AWACS, the early warning aircraft. Currently only we operate this aircraft in the area. The principal functions of our patrols is not only to provide advance warnings for our carriers in the area but also to warn the Saudis of any possible attacks on them. To provide Saudi Arabia with these aircraft will duplicate the American effort and would enhance their F-15's effectiveness in any Arab-Israeli context.

One must question whether in order to maintain stability in the Middle East, our Government will not be forced to provide the Israelis with more and better equipment? Obviously the Israelis believe so. According to the New York Times, Israel has asked the United States for an outright gift of an additional 15 F-15 fighters as well as access to an American spy satellite.

The sale of the advanced equipment to Saudi Arabia will cause us to be whipsawed back and forth between the nations of the Middle East. After the sale to Saudi Arabia, come the demands of Israel, then will come the demands of other nations such as Egypt. The requests for more and better weapons will continue to escalate and will only end in their utilization.

While I do not question the intentions nor integrity of the current Saudi Government with regards to their plans for this advanced equipment, we must look ahead to future potentialities. The Saudi Government is a monarchy based on filial succession. As such, it faces great strains on its stability from the conflict between modernization and tradition. These conflicts and the resultant instability will be heightened during times of succession. The sale to the Saudis of equipment, which is basically offensive in nature, is similar to throwing gasoline on a fire. The Saudis have every right to equipment that provides them with an adequate defensive capability. However, it is apparent that this proposed sale extends beyond defense. In an area as volatile as the Middle East, this sale is unwise. New situations arise and governments and their guarantees change. One need only consider the current value of the guarantees of the Shah of Iran to realize this.

The current equipment of the Saudi F-15's is enough to provide for their defensive needs. Current administration policy gives the ultimate defense of Saudi cities, oilfields, and people through our aircraft carriers in the area. The additional equipment, which we propose to sell to Saudi Arabia will not add to the stability of the Middle East and may well be a destabilizing factor in this area. As such, the sale of this equipment is imprudent and should not occur.●

● Mr. EVANS of Delaware. Mr. Speaker, I join my colleagues in urging the administration to give extremely careful consideration to the critical issues surrounding the decision to provide additional military equipment, particularly that with an offensive capability, to Saudi Arabia.

In 1978, the United States agreed to sell a number of F-15 fighters to Saudi Arabia with explicit understanding that the planes would not be fitted with any other systems or armaments that would increase their range or enhance their ground-attack capabilities. The Carter administration described the sale of the F-15's as a litmus test of our good will and friendship with Saudi Arabia. In return, we hoped Saudi Arabia would adopt a more moderate position toward the peace process in the Middle East and recognize the desirability of maintaining a balanced set of relations with the United States. The Congress was told in 1978 that the Saudis would be more supportive of the peace process, they would soften their strong criticism of President Sadat's courageous initiative, they would reduce their support for the PLO, and they would use their influence within OPEC to stifle the radical call for higher oil prices. The developments in the Middle East in recent years, however, have not led to a more attractive climate for negotia-

tions or any meaningful degree of cooperation on the oil-pricing question.

Several years have passed and I have seen little from the Saudi Government to follow through with the assurances given the Congress. We must ask ourselves about the initiatives and actions of the Saudis since 1978. There has been very little progress toward alleviating the tensions between Israel and her neighbors. The Saudis have enthusiastically condemned the Israel-Egyptian peace treaty. They have broken relations and led the Arab economic boycott against Egypt. Saudi Arabia has refused to join the negotiating framework envisioned in the historic Camp David agreement. They oppose the use of the Suez Canal by Israeli ships and have repeatedly called for a holy war against the sovereign State of Israel.

They continue to finance the PLO and other despicable terrorist organizations. Furthermore, I have serious concerns that such sale of offensive weapons to Saudi Arabia may have a destabilizing effect on Middle East politics rather than the intended impact. I do not believe that this administration wants to be in a position of destabilizing this most troubled part of the world, and strongly feel we must take a long hard look at the long-term results of this action before implementing this decision.

From a diplomatic standpoint, their condemnation of our rescue mission in Iran and the decision to allow Soviet supplies to be shipped through their territory to Iraq are particularly disturbing. At the same time they have granted overflight rights to Soviet planes, the Saudis have rejected American proposals for military bases on the Arabian peninsula. Finally, the Saudis bear a major share of the responsibility for the OPEC pricing policies that are creating devastating economic problems for every oil-consuming nation in the world. In summary, I see very little that the Saudis have done to help the United States over the last several years.

I believe the sale of additional weapons to Saudi Arabia should occur only after careful analysis is given to the possible consequences of such a decision on the United States and our most important strategic ally in the region, Israel. There may in fact be important diplomatic and military interests which will be served by this proposed sale. I, however, will be obliged to oppose this proposal unless the United States receives concrete and binding indications that the Saudis have adopted a more benign and constructive attitude toward U.S. interests in the Middle East. I intend to support Secretary Haig's effort to define a so-called strategic consensus among the friendly nations in the Middle East. I would have greater confidence in Saudi Arabia's role within this consensus if they would formally recognize Israel's legitimate right to exist, participate in the Camp David process, and exercise some additional responsibility in establishing OPEC pricing policies.

Israel's value as a strategic asset and a stable ally to the United States should be absolutely clear to every American, as well as to the leadership in Saudi Arabia. My attitude on this proposal will be dependent to a major degree on the type and firmness of the commitments made by the Saudis to work with the United States and our allies in a constructive and balanced manner. The Reagan administration's strategic approach toward the Middle East will require a commitment to a shared set of goals and policies by countries like Saudi Arabia. Once again, I must state that I have deeply serious reservations regarding the sale of sophisticated arms to Saudi Arabia and hope the Saudis will provide concrete assurances of their willingness to move forward in cooperation with the United States.●

● Mr. OBERSTAR. Mr. Speaker, in 1978 the Carter administration assured Congress that the 62 F-15 fighters to be sold to Saudi Arabia would not at any time be outfitted with offensive capability.

I opposed that sale, but Congress approved it, largely on the strength of those administration assurances. Those promises were an integral part of the process by which the sale was made at all.

Congress probably would not have approved the sale if it had known that 3 years later it would be confronted by a request that the United States sell Saudi Arabia long-range fuel tanks and advanced air-to-air missiles for the F-15's.

These modifications will provide Saudi Arabia with the ability to attack Israel from any airbase within Saudi Arabia—as well as bring Egypt into range.

Mr. Speaker, it is in the interest of the United States to insure the survival and territorial integrity of the Mideast's only democratic and most pro-American Nation—Israel.

Proponents of the sale believe that it will strenghten the pro-Western Saudi royal family and give Saudi Arabia the ability to defend itself against Soviet aggression. I feel there is very good reason to expect that if these modified aircraft are ever used, they will be used against Israelis, not against Soviets or their satellites.

Certainly, we have a great interest in Saudi security, but providing F-15 aircraft with long-range offensive capability does nothing to counter internal instability any more than American technolgy could prevent the downfall of the late Shah of Iran.

Even without this sale, the Saudis will still be receiving more American arms than is good for regional stability, Israel, or world peace.

In 1980 the Saudis purchased about $5 billion in military equipment and construction from the United States. In the last 6 years we have sold more military equipment to the Saudis than to any other non-NATO country.

We do not need to break specific promises made to the American people and to the world in 1978 in order to provide Saudi Arabia with AIM-9L air-to-air missiles and fuel and sensor tactical packs.

I appreciate this opportunity to share with my colleagues some thoughts on arms sales to the Mideast and want to commend our colleagues Mr. BLANCHARD and Mr. KEMP for sponsoring these special orders.●

● Mr. YOUNG of Missouri. Mr. Speaker, plans proposed by the Reagan administration to sell Saudi Arabia offensive equipment to enhance the performance of their F-15 fighter planes are a matter of grave concern that will affect the security of the entire Middle East region.

The administration has said it will sell Sidewinder air-to-air missiles and long-range fuel tanks to the Saudis for use on some 63 F-15's they obtained in 1978.

This plan could lead to increasing the arms race in the Middle East by making it necessary for Israel to strengthen its own defenses. Furthermore, the planned equipment sale is contrary to pledges and assurances made in 1978 when the United States sold the F-15's to the Saudis.

At that time, then-Secretary of Defense Harold Brown sent a letter to the chairman of the Senate Committee on Foreign Relations in which Mr. Brown stated:

> Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground capability of the F-15.
>
> • • • The government of Saudi Arabia has assured us that it has no aggressive intentions against any state, that it will use the F-15 aircraft only in furtherance of its legitimate self-defense, and that it will employ the aircraft offensively.
>
> • • • They have assured us that they intend scrupulously to comply with these prohibitions and restrictions. The record of Saudi Arabia in this respect is excellent. However, should the assurances be violated, the United States can take appropriate action, including suspension of services and of delivery of spare parts and other military equipment. Without such services the usability of the F-15 would degrade rapidly.

That was the essence of Secretary Brown's statement. Looking back at those statements now, I have to think these assurances are mere words and that it is time for the United States to take appropriate action. Rather than selling the Saudis the additional hardware that they are requesting, we should hold them to their own original word and agreement.

I am particularly concerned that the Saudis are calling this sale a test of our friendship for them at the same time they have been making statements calling for a holy war (jihad) against Israel and continually refusing to join in efforts for a long-term Middle East peace.

I am hoping the administration will reconsider this proposed sale in terms of the possible damage this could do to the delicate balance of power in the Middle East. I also would like to see the administration maintain continuity with past U.S. policy to staunchly support Israel's need for fully defensible borders from outside aggression.●

● Mrs. SCHNEIDER. Mr. Speaker, I would like to express my concern with the possible surge in the Middle East arms race that might result from the sale of equipment to increase the offensive capability of F-15 aircraft going to Saudi Arabia.

The proposed sale of equipment would not significantly enhance the security of Saudi Arabia, and is an example of the tendency to remedy urgent policy problems, requiring long-range solutions, with military hardware.

While the administration is justifiably concerned with the possibility of external threats to the Saudis and must be especially sensitive to the potential role of Saudi Arabia as a moderating influence on other nations of the region, I am not convinced that there is any external threat to the security of Saudi Arabia that would require the acquisition of offensive capability for the F-15 at this time.

I oppose this sale in its present terms and urge that additional negotiations and discussion take place before the sale is finalized. A continuing arms spiral will sacrifice short-term security for future economic disaster.●

● Mr. FRANK. Mr. Speaker, opposition to the administration's proposed sale of offensive equipment for the F-15's purchased by Saudi Arabia continues to grow in the House as the details become known to Members.

Yesterday, in a special order called by the gentleman from Michigan (Mr. BLANCHARD) and the gentleman from New York (Mr. KEMP), nearly 80 Members joined in a bipartisan effort to express concern over the implications of the proposed sale.

Recently, the administration announced its plans to add AWACS—airborne warning and command center system—or E-3-A sentry early detection planes to the already announced package. I oppose the selling of any additional equipment to the F-15's, as promised by the former Secretary of Defense, but find it particularly appalling that the administration would propose the transfer of AWACS or E-3-A sentry systems.

Thirty-eight Members on both sides of the aisle have joined me in an effort to bring our concerns to the attention of the President by signing the letter which follows. AWACS and E-3-A sentry systems are the world's most technologically advanced detection equipment. Why is it that the United States should be compelled to sell AWACS or E-3-A sentry aircraft to Saudi Arabia, who has sworn to fight against Israel?

I take this opportunity to reprint the letter to President Reagan outlining the reasons for opposing the sale of advanced warning equipment to Saudi Arabia. The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 6, 1981.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR PRESIDENT REAGAN: The Administration's plans to allow the sale of Fuel and Sensor Tactical (FAST) packs and AIM-9L air-to-air missiles for the F-15s for Saudi Arabia have caused considerable concern. Reports that several Airborne Warning and Control System (AWACS) or E3A Sentry detection and command aircraft will be added to this sale causes still greater concern.

The implications of the addition of yet another of the world's most sophisticated military devices to Saudi Arabia's arsenal are so dangerous that we feel they require your careful review. As you must be aware, once operational within Saudi airspace, these systems will be able to detect high-flying objects within a 350-mile radius and low-flying objects within a 250-mile radius. These detection systems can differentiate between 600 targets, analyze the data, and relay commands to ground forces or to other aircraft. With this equipment, Saudi Arabia will be able to monitor all of Israel's military movements, including troops, aircraft, tanks, and artillery pieces. Such information in the hands of Israel's enemies would bring an entirely new and insidious dimension to the Arab-Israeli conflict.

Besides the obvious objections to this sale because of its security threat to Israel, there are other compelling reasons to question the wisdom of supplying the Saudi Arabian government with this equipment. Some have questioned whether this equipment is in the best security interests of the United States. Still others have questioned whether arming Saudi Arabia presents some of the same risks to the U.S. as did the arming of the Shah's Iran. Finally, there is the question of the political significance of this sale on future peace negotiations.

The answers to these questions, in addition to the problems of security for Israel lead us to believe that the addition of AWACS of E3A Sentry early detection systems would be a mistake. We ask you to deny the Saudi request.

Sincerely,

Barney Frank, Claude Pepper, Henry A. Waxman, Bill Brodhead, Jim Blanchard, Stanley Lundine, Toby Moffett, Margaret M. Heckler, Frederick Richmond, Tom Lantos, James Oberstar, Richard Ottinger, Stephen J. Solarz, Les AuCoin, Thomas M. Foglietta, Anthony Beilenson, Jerry M. Patterson, Charles E. Schumer, Jim Santini, Bill Ratchford, Edward P. Boland, Norman D'Amours, Dan Glickman, Howard Wolpe, Matthew McHugh, Benjamin Rosenthal, Jim Mattox, James J. Florio, Hamilton Fish, Jr., Les Aspin, Tom Harkin, George C. Wortley, Ted Weiss, Bob Edgar, Dennis E. Eckart, Martin Frost, Silvio O. Conte, Eugene V. Atkinson, Charles F. Dougherty.●

● Mr. GOLDWATER. Mr. Speaker, I wish to join my colleagues in expressing my concern over the proposed arms package for Saudi Arabia.

I believe the proposed sale is neither in the best interest of the Saudis themselves or the long-term prospects for stability and peace in that troubled area.

First, the Saudis have neither the technological capability nor the trained manpower to utilize sophisticated systems such as AWACS. Second, the imminent danger to the Saudi oil fields is within, not without their borders.

It is difficult to contrive a realistic scenario of an invasion for which these advanced arms systems would be a viable repellant. Where would the invasion come from? The Iranians? They are having troubles of their own with the Iraqis and it is highly unlikely that they have the capability of launching an attack on a new front.

Oman presents no threat. It is certain that the Israelis and the Egyptians would not launch an unprovoked attack, and it is hard to envision Syria successfully forging its way across the deserts of Jordan to be the invading army.

That leaves two possible dangers to the oil fields: The Soviet Union and terrorists. In the first instance, the Saudis could never realistically expect to repel such an attack by themselves regardless of the number of sophisticated planes or warning systems in their arsenal. In the second instance, fuel extenders, Sidewinder missiles and AWACS will do nothing to thwart the internal threat of terrorism. That can only be fought with more conventional weapons and the staging ground would be from within the Saudi's borders.

In short, there has got to be a realistic assessment of what the Saudi defense needs are, and concurrent with the assessment, we have got to convince them that they themselves have much to lose if the oil fields are shut down. Certainly the West would be hurt if the oil supply were cut off, but so would the Saudi's, and their best insurance against such a disaster is cooperation in the search for peace and a coordinated deterrent against Soviet aggression and internal terrorism.

Admittedly, we need Saudi oil. But what we and they have apparently failed to admit is that they need us also. They may point to the possibility of the French or Germans filling the gap in terms of arms supply, but then, arms without manpower is neither a deterrent nor a defense.

Reason should tell both the Saudis and the United States that coopera-

tion is to our mutual benefit. Stability and peace is to our mutual benefit. Keeping the oil fields open is to our mutual benefit.

But an escalation of unnecessary types of arms such as those discussed in the proposed sale while ignoring real needs is courting mutual disaster. We cannot let the facts and the realities be obscured by rhetoric.

Recognition of the truth that we both have much to gain and much to lose must be a first step in a new working relationship.●

● Mr. ATKINSON. Mr. Speaker, the Reagan administration is presently weighing the possibility of selling Saudi Arabia equipment that would enhance offensively the F-15 jets that were sold to them by the United States in 1978.

At that time, Mr. Speaker, it was clearly enunciated by the Carter administration in writing to the Congress that offensive capability would not be sold to the Saudi Government because of the strategic imbalance this would create in the Middle East.

Now the Reagan administration proposes to sell fuel and sensor tactical (FAST) packs and AIM-9L air-to-air missiles for these F-15's. This move could prove to be a devastating one to our friends in Israel, who have every reason to fear Saudi Arabian inclinations to use these weapons against our strongest ally in the region.

The Saudi Arabian Government has done nothing to promote peace in the Middle East. On the contrary, since the sale of the F-15's to them in 1978, the Saudis have completely cut off the Egyptians after the Camp David peace accords were signed, opposed the opening of the Suez Canal to all nations, doubled their support of PLO terrorists' activities, and continue to increase the price of oil to the Western democracies. This is hardly the record of a friendly, peace-loving country.

Mr. Speaker, I see no reason for the United States to abandon a proven friend—Israel—to gain a dubious advantage with a government whose attitudes toward peace and progress are questionable, and more often than not openly hostile to the forces of peace.

Appeasement of Saudi demands is an unacceptable policy for this Nation. Arming Saudi Arabia with the sophisticated weapons that have been suggested will only give heart to those nations which oppose a peaceful settlement of Middle East problems.

Evidence continues to mount that the present regime in Saudi Arabia is weak and divided. Do we want to risk a similar situation to that which occurred in Iran when American equipment was overtaken by the successors to the Shah?

Would it not be a better policy for Saudi Arabia to drop its opposition to the State of Israel, join with Egypt in the Camp David peace accords, end support of the PLO, and put its own domestic house in order before it is too late? Peace is always the best policy and the mightiest weapons we can give the Saudi Arabian Government today are our good offices and commitments that could come from a true partnership in peace. Egypt has certainly found that policy to be beneficial and stabilizing. It is time for some sanity in the Mideast arms race. It is time to stop arming our adversaries and near adversaries. Wisdom of the years and good sense should make it clear that furnishing additional offensive equipment to Saudi Arabia will only defeat our real goals of peace, prosperity, freedom and partnership for the nations of the Middle East.

I call upon this Congress and our President to reject the Saudi request for these arms. America is being watched by many nations of the world. If we are to continue the spirit of Camp David we must not encourage arms proliferation in the Middle East. It is a time for leadership. I hope this Congress and our President will hold fast to a positive, long-term peace objective. Denial of the Saudi arms sale would be a constructive first step.●

● Mr. BAILEY of Pennsylvania. Mr. Speaker, it has recently come to our attention that the Reagan administration has confirmed its intention to sell sophisticated military equipment to Saudi Arabia. Among that combat equipment are 60 F-15 jet fighter aircraft. Additionally we have heard reports that advanced Side Winder missiles are included. Perhaps the most significant decision appears to be a desire to sell American AWACS to this Middle Eastern country.

Lest anyone doubt the effectiveness of these weapons when used together, there is probably nothing anywhere in the world, including within the Soviet arsenal, that can match their capability.

I wish, therefore, to inject a note of caution. History has taught us many lessons, with perhaps Iran providing the best analogy for application here. Although the Saudis have in many ways cooperated with us, and although their leadership is facing a certain amount of potential turmoil, at least at home, I sincerely hope we will not forget lessons of the past and the ominous portent for Israeli and Egyptian security and their friendship to us in the future.

Israel is an ally; an ally which is a democracy and whose greatest contribution to the human family is their stand for human rights. President Sadat of Egypt is easily one of the most charismatic and effective leaders of this century.

Combined with the Soviet desire to penetrate and establish their presence in the Middle East, all these variables dictate the necessity for extreme caution. I hope the administration will reconsider this decision with an eye to reaffirming America's vital interest in the Middle East, since it cannot be separated from Israel's and Egypt's concerns. Nor can they be based on a naive interpolation of the political environment faced by all these nations at home.

Our desire to counteract Soviet forces in the area should not be the sole or uninformed basis for making hasty decisions that may eventually result in our own technology being lost to the Soviets or in its being compromised in any form.●

● Mr. PHILLIP BURTON. Mr. Speaker, I rise to denounce the proposed sale of sophisticated weaponry to Saudi Arabia. This dangerous action makes an offensive military power of a nation dedicated to the destruction of the State of Israel.

I am especially disturbed by the inclusion of the highly advanced AWACS aircraft. This system would markedly reduce, if not eliminate, the Israelis' current advantage in the air. It is appalling that the United States would supply such aircraft to a nation whose crown prince has called for a holy war against Israel and which gives aid and comfort to the terrorist PLO. We must realize that Saudi Arabia is dependent on the United States for defense against any major attack—the weaponry we are selling them is not for defense, but instead can only be intended for use against Israel.

I join my colleagues calling on President Reagan to reconsider the decision to sell this deadly equipment to Saudi Arabia.●

● Mr. CONTE. Mr. Speaker, I would like to join my fellow Congressmen in opposing the sale of F-15 enhancement equipment to Saudi Arabia.

I fully understand that the Saudis have been helpful in moderating oil prices against OPEC's desires. I also recognize that the Saudis can buy the necessary equipment elsewhere. However, I remain opposed to this sale because of the threat that it poses to Israel, by severely undermining her air superiority and in enabling Saudi Arabia to hit any Israeli target with greater force from bases located much deeper within Saudi Arabia.

In 1978, the Carter administration approved, and Congress ratified, the sale of the F-15's to Saudi Arabia, with the conditions that certain offensive equipment, which would increase the range and firepower of the aircraft, would not also be sold. The original F-15 sale was made both to reward our friend, Saudi Arabia, and to enhance the security of Saudi Arabia. However, it must be balanced by the maintenance of a U.S. commitment to an important ally—Israel—not to sell the enhancement equipment,

and thereby avoid the possibility of destabilizing the entire region.

I know that this is a difficult issue. But in view of the fact that this equipment poses such a potential threat to Israel, I must oppose this sale, even though I recognize the importance of Saudi Arabia to our national interests.●

Mr. BLANCHARD. Finally, for the record, this important question of the sale of equipment and AWACS to Saudi Arabia, several points should be repeated.

It has been said that the Saudi moderation on oil prices is the reason to give them our most sophisticated equipment. But I think we can make a strong case that the Saudi moderation on oil prices, as even revealed by Sheik Yemani, is due to the fact that they have such a huge reserve of oil that to allow it to be priced much higher would certainly lead to the development of alternate energy sources and, therefore, end the income that that country, that tiny kingdom, family country, would reap from oil.

It has also been said from time to time by defenders of this proposed military transaction that the Israeli Government has no objection, our allies, those brave people of that democracy of Israel, that its leaders have no objection to the sale. I think as a matter of record it should be indicated that they do object, and as indicated most recently by Deputy Defense Minister Zipori when he said that the sale of AWACS to Saudi Arabia would "strip Israel naked to Arab intelligence."

As we have indicated throughout this special order, this issue is, indeed, a bipartisan issue. I know it was very difficult for the gentleman from New York (Mr. KEMP) particularly at this delicate moment when we are all concerned about the President's health, to step forward and express his concern on this sale. I want to say, even though he has had to depart for an important emergency meeting, that I do want to extend my gratitude to Congressman KEMP for his participation and his courage in stepping forward on this important issue.

But, as one from the opposite side of the aisle, I think it needs to be said again on the record that while the President and his new administration has said all sorts of things about their commitment to Israel or their commitment to democracy in the Middle East, or their commitment to a strong policy to bring about peace in the Middle East, now is the time for performance. There is no track record by the President. He has never cast a single vote on the question of a military policy in the Middle East or anywhere else. Only time will tell. We hope for sure that things will work out and that our policies will be intelligent, pro-democracy, and pro-U.S. security in the Middle East. But there is not enough record to go on for us to be celebrating any change in administrations.

I must indicate that for the record because, in all fairness, we were very quick to criticize the previous President on these matters, and the most, the strongest criticism we echoed was relating to the very transaction we rise to oppose today, a transaction supported by the new administration.

Let me mention in summation the enhanced equipment for the F-15's and the AWACS will not guarantee defense for the Saudi Arabians. It will make them a more viable partner in an Arab alliance which could potentially harm Israel. But the nation of Saudi Arabia is not going to have any guarantees of defense by this sophisticated equipment whatsoever.

Second, our security, when we transfer our most sophisticated equipment to another country, especially in a trouble spot of the world, is jeopardized. We have no justification to transfer such sophisticated equipment to a county like Saudi Arabia, especially when we have been willing to loan them the equipment with our technicians to protect them.

Third, the arms escalation. We had better watch out. We had better be careful about the whole notion of being an arms merchant. It may make for good business and profits for many of our companies, but I do not think we serve the cause of peace by selling weapons to one group, and then telling the other we are going to give them more money to buy other weapons. We have to be careful as we review our relationships with our allies and we review our concern about the Soviet Union, that we not go around the world arming everyone in the name of a strong foreign policy.

Another item that has to be reiterated is the fact that this proposed sale places enormous pressure on the only democracy and the only long-lasting ally in the Middle East, Israel. Let us think about how many democracies there really are in the world these days. The truth is very few, very few indeed. It is no way to treat an ally to force them to spend more and more money and develop more and more contingency plans for their own defense because we think this might help us in some unannounced, undefined, unagreed way with a very unstable government. It also represents a complete reversal of the position of the U.S. Government on this equipment that would enhance the striking power and the effectiveness of the F-15's, a reversal of a commitment made by the previous administration, and a reversal of the commitment made by candidate Reagan only a few months ago. No circumstances have changed between September and this date to justify a reversal of that commitment.

Finally, the linkage that is necessary to bring to bear those who may be moderate in the Middle East bring them to bear in enhancing the Camp David accords is missing from this transaction. It is most important to encourage moderate nations in the Middle East to be helpful and supportive in bringing about cooperation and understanding and arrangements for peace in the Middle East, not just because we want oil, but because our foreign policy should always be directed toward promoting peaceful resolution of conflicts.

I sincerely believe that the U.S. role in promoting peace in the Middle East is ill served by this proposed transaction. Therefore, we will serve the Nation and our own Nation of Americans in so doing. So I would respectfully urge the President, the Secretary of State, and the Secretary of Defense, in the name of good government, and democratic and strong and rational and peaceful foreign policy, to reverse their decision to sell this equipment. I know that dozens and dozens of my colleagues, many of whom spoke today, and others who will submit statements for the RECORD agree. We feel they are wrong, and the time to say so is now, before it is too late.

Mr. Speaker, I yield back the balance of my time and thank the Speaker for his patience.

□ 1630

ALCOHOL FUELS TRANSFER ACT OF 1981

The SPEAKER pro tempore (Mr. BLANCHARD). Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, today, I am introducing legislation, the Alcohol Fuels Transfer Act of 1981, to amend the Energy Security Act to grant the Synthetic Fuels Corporation the authority to provide loan guarantees for projects for the production of alcohol fuels and other fuels derived from biomass and municipal wastes.

I strongly support President Reagan's plan to get the Government out of the energy business and eliminate the alcohol fuels and biomass programs in DOE and USDA in order that we reduce Federal spending, particularly for activities which can and should be performed by the private sector. However, I am convinced that in order for the alcohol fuels industry to survive, the loan guarantee portion of our alcohol fuels and biomass programs must be saved.

This is why I propose modifying the authority of the Synthetic Fuels Corporation in order that alcohol fuels and biomass projects—including small projects—be eligible for synfuel loan

guarantees for construction of these production facilities. It is because I believe that these alternative fuels offer the opportunity to increase our domestic energy production in a decentralized and timely manner, thereby allowing areas of our country to become energy self-sufficient, that I am introducing the Alcohol Fuels Transfer Act of 1981.

The legislation I am introducing calls for no new agency or institution. It calls for no new expenditure of Federal funds. It simply consolidates our alternative fuels programs within the budgetary edicts of President Reagan. In fact, during testimony before the Energy and Commerce Committee's Subcommittee on Energy Conservation and Power, on which I serve, Secretary Edwards, in response to questioning, expressed the view that he had no strong opposition to such a transfer of authority. Under this legislation, the goals and objectives of DOE's Office of Alcohol Fuels will be to continue the development of alcohol fuels use by developing new production methods as provided by the President's program for economic recovery.

While the tax credits and excise tax exemption coupled with the decontrol of crude oil prices will, I believe, make gasohol competitive with gasoline at the same pump, investors entering this business may need to secure this kind of financing for a project before being able to take advantage of the various tax incentives. Without a Federal loan guarantee, such financing may only be available to large investors. Alcohol fuels projects rely on proven technology and the economic feasibility can be estimated relatively accurately; however, until more of these plants are on line and members of the investment community can actually, as they have testified, "kick the tires on the thing," there will continue to be an unwillingness in the private sector to make such loans.

I am optimistic about the future of the alcohol fuels industry, and I believe that Reagan administration programs will encourage this infant industry, critical to the Midwestern corn-growing areas and the Nation as a whole. It is, however, the duty of the Congress to insure that an appropriate workable system of energy supplies is available to the American people. We cannot rule out the possibility of further upheavals in the Middle East and the resulting disruption in our oil supplies. In light of the uncertainties surrounding our oil supplies and the time lag which exists for synfuel production, I believe that the continuance of this loan program for the next few years represents a sensible approach.

I ask my colleagues to support such a consolidation of our alternative fuels programs in order that alcohol fuels and biomass technology can increasingly contribute to the energy independence of our country.●

THE GENEVA CONFERENCE ON REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 10 minutes.

● Mr. CROCKETT. Mr. Speaker, this evening, the U.S. delegation to the United Nations Conference on Assistance to Refugees in Africa will leave for the Conference, to be held in Geneva, Switzerland, April 9 and 10, 1981. This delegation will be headed by Jeane Kirkpatrick, U.S. Ambassador to the United Nations.

Because of my deep concern for this issue, I originally requested from the Speaker that my name be considered as a congressional member of this delegation. However, since it was announced that Ambassador Kirkpatrick would lead the delegation, and since the Congressional Black Caucus has called for her resignation, I believe it would be inappropriate for me to participate in the delegation.

I enclose for the benefit of my colleagues the text of my letter to the Speaker explaining my actions:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 6, 1981.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: Thank you very much for your kind offer to designate me as a Congressional Member of the United States Delegation to the International Conference on Assistance to Refugees in Africa, Geneva, April 9–10, 1981.

As you know, I am extremely interested in reaching a solution to the problems of African refugees, and have taken part in several Foreign Affairs Committee and Subcommittee on Africa actions in this area. My initial interest in attending this Conference, when the U.S. delegation was to be headed by Vice President Bush, reflects this keen concern.

However, due to the events of the past week, Vice President Bush will no longer head the delegation. Instead, the U.S. Ambassador to the United Nations, Jeane Kirkpatrick, will head the delegation. I cannot in good conscience be a part of such a delegation.

The Congressional Black Caucus has called for the resignation of Ambassador Kirkpatrick, who recently met with a high-ranking member of the South African Security/Intelligence establishment, in violation of U.S. policy in support of the United Nations arms embargo against South Africa. Ambassador Kirkpatrick's meeting offended the nations of Black Africa and Black Americans who are concerned with U.S.-Africa policy, and signals a very negative direction in U.S. relations with Africa.

I believe it would be inappropriate for me to participate as a member of Ambassador Kirkpatrick's delegation under these circumstances, and respectfully request that my name be withdrawn from consideration.

Once again thank you for your consideration.

Sincerely,

GEO. W. CROCKETT, Jr.,
Member of Congress.●

VOTING RIGHTS EXTENSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, today I am introducing legislation that would extend for 10 years the Voting Rights Act of 1965 and amend those absolutely vital provisions that have made this law the most successful civil rights measure ever passed by the Congress.

My proposal has three major provisions:

First, it would continue for 10 years section 5 of the act. This section requires that State and local governments that historically have discriminated against minority voters preclear changes in election procedures with the U.S. Department of Justice or with the U.S. district court in Washington, D.C., to show that the changes will not discriminate.

Second, it would amend section 2 of the act so that plaintiffs in voting rights suits would have to prove that actions by State and local governments had resulted in voting discrimination, regardless of the jurisdictions' intent.

Third, this legislation would continue for 7 years the requirement that voting assistance be provided in languages other than English when there is a substantial number of citizens who could not vote effectively without such help.

As I noted, Mr. Speaker, the Voting Rights Act has been the most successful civil rights legislation we have ever enacted. Under the law, registration and voting by black and Hispanic citizens has risen dramatically. Under this law, the number of minority elected officials has increased substantially. Not to extend the law, the major provisions of which will expire in August of 1982, would risk undermining or undoing these gains that have been so beneficial to minorities and have given so much life and meaning to the principles of equality and fairness that are the very foundation of this Nation.

Now, I know that some persons point to the accomplishments of the act and then question the need for extension. They also say that the preclearance procedure is unfair to one region of the country and they contend the preclearance terms of the law should be applied nationwide.

The Voting Rights Act is national in scope. It bans voting discrimination across the land. It bans literacy tests—East, West, North, South. Section 5

now applies to 24 States or parts of States in all sections of the country.

Much has been made of the fact that the Justice Department objects to only a small fraction of the changes submitted to it for clearance. Over the 15 years of the act, the Department has objected to some 800. This is indeed a small percentage of the total. But each objection represents a protection of minority rights and the avoidance of a lawsuit. The Department's judgments have been sensible and sensitive under both parties, and the clearance procedure has placed no undue burden on the Department or on the entities to which it applies.

To sum up, Mr. Speaker, these extensions are just and necessary.

First, extension of section 5 would continue to require preclearance in those jurisdictions in which discriminatory acts have been proved. There is no necessity for such clearance in other jurisdictions. Without extension, we will regress to where the law was before 1965, sole reliance on law suits, a condition that was unsatisfactory and ineffective and, indeed, gave rise to the Voting Rights Act.

Second, section 2 needs amending to restore the law to where it was before the Supreme Court ruling last year in City of Mobile against Bolden. That decision suggested that specific proof of discriminatory purpose was required for a voting suit to be successful. Legislative history shows that Congress intended that proof could rest on either discriminatory result or purpose. This amendment will restore the original meaning of the law and make section 2 comport with section 5.

Third, the bilingual provisions are to expire in 1985. It is logical to put these provisions on the same timetable as other special sections of the act.

Mr. Speaker, I fully expect that this legislation will receive the same bipartisan support that it has enjoyed since it was given birth in this body by Manny Celler and Bill McCulloch.

To that end, Senator MATHIAS and Senator KENNEDY are introducing similar legislation in the other body today.

This legislation is needed, and it is right.●

INCOME TAX WITHHOLDING FOR AGRICULTURAL EMPLOYEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today reintroducing legislation that I first sponsored in the last Congress to require income tax withholding for agricultural employees. I believe this reform would benefit both workers and the Federal Government without causing undue inconvenience to employers.

Under current law, most employees have a proportional amount of their paychecks withheld in order to assist them in prepaying their income taxes. This permits the Government to make use of the taxes they owe, and it enables the individual employee to avoid a large payment to the Internal Revenue Service every April. This method of tax collection has worked efficiently and to the benefit of employees, employers, and Government for several decades.

Agricultural employees were originally exempted from withholding for good reason. The migratory nature of their work, along with the scattered and very low pay they received, made withholding unnecessary and inefficient. It also posed an additional paperwork burden for employers. Thus, it made little sense to go through the process of withholding from individuals who, most likely, would not owe taxes at the end of the year in any event.

Today, however, a number of factors have come together to alter this situation significantly. Primarily, the rapid rate of inflation and increased wages have pushed farm employees into higher tax brackets. They now face the reality of owing the Government a potentially substantial amount that must be paid at one time, by April 15. If they are to avoid this tremendous financial burden, the Federal Government will have to treat them like other workers and have income withheld from their paychecks throughout the year.

Withholding for agricultural employees would provide important benefits for the Nation as well. The more difficult it is for people to pay their taxes, the less likely it is that they will in fact comply with the law. Unfortunately, statistics compiled by the Treasury Department and the General Accounting Office indicate that over one-third of all agricultural workers do not file tax returns at all. Treasury estimates that $1.3 billion of income goes unreported by farm employees.

Given those figures, it is not surprising that the Joint Committee on Taxation estimates that my legislation would increase revenues by over $300 million in the first year of implementation and from $16 to $19 million in succeeding years. Over a 5-year period, this would mean a reduction in Federal budget deficits of $383 million. With our efforts currently concentrated on balancing the budget, we cannot ignore these substantial figures.

There is little doubt that withholding is a very effective method of increasing the legitimate reporting of taxable income. Studies by the Treasury Department have cited withholding as the most important step that can be taken to reduce noncompliance with the income tax. In fact, the General Accounting Office, in a 1975 report entitled "Mandatory Tax Withholding Recommended for Agricultural Employees," urged that Congress, for the sake of both employees and the Federal Government, extend the benefits of withholding to agricultural workers.

My bill is designed to affect only those employees for whom the FICA tax is already withheld. Thus, it would not impose an unreasonable additional paperwork burden on farmers. This is the approach recommended by GAO. The support that has been given to the bill by the United Fresh Fruit & Vegetable Association, as well as the Monterey County, Calif., Farm Bureau in my own area, indicates that farmers recognize the need for withholding for their employees. Certainly, it would be a top priority of mine that the Government avoid creating an excessive paperwork load for employers in the implementation of this legislation.

I believe my bill is a sound, practical approach to this problem, and I would strongly urge my colleagues to join me in supporting this approach. Following is the text of my legislation:

H.R. 3104

A bill to amend the Internal Revenue Code of 1954 to provide that agricultural labor which is subject to FICA tax withholding shall also be subject to withholding for income tax purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (2) of section 3401(a) of the Internal Revenue Code of 1954 (defining wages for purposes of income tax withholding) is amended to read as follows:

"(2)(A) in any medium other than cash for agricultural labor; or

"(B) in cash for agricultural labor unless (i) the cash remuneration paid in the calendar year by the employer to the employee for such labor is $150 or more, or (ii) the employee performs agricultural labor for the employer on 20 days or more during such year for cash remuneration computed on a time basis; or"

(b) Section 3401 of such Code is amended by adding at the end thereof the following new subsection:

"(g) AGRICULTURAL LABOR.—For purposes of subsection (a)(2), the term 'agricultural labor' has the meaning given such term by section 3121(g)."

(c) The amendments made by this Act shall apply to remuneration paid on or after January 1, 1981.●

CONTINUED HELP NEEDED FOR VIETNAM VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I was astounded recently when I read, in a veterans organization briefing paper which came to my office, that up to one-third of the prison population of the United States is composed of Vietnam-era veterans.

Surely, I thought, this must be a typographical error or an unintended misstatement of fact. I took the trouble to check with the person who wrote the briefing paper. He could not personally confirm the figure, but he directed me to the National Council of Churches' incarcerated veterans program, which operates under Government funding.

No, said the director of the program. At least one-third of the prison population is composed of veterans of all wars. The figure for Vietnam-era veterans is somewhere between 25 and 30 percent, she said.

Then she dropped the other shoe.

Total suicides among Vietnam-era veterans exceed the number of Americans killed in the Vietnam war. That is counting only those who took their lives in the United States, not those who died abroad. Three years ago, the number was 42,000 plus. Since that time it has, by extrapolation, passed the 46,000 battle deaths of the conflict.

One of every four Vietnam combat veterans not incarcerated has at least one arrest on his or her record. Their divorce rate is at least 30 percent higher than that of the population as a whole. Their unemployment rate is astronomically high. Their abuse of alcohol and other drugs, their sense of isolation from the mainstream, their struggles with post-traumatic stress, their experience with agent orange—whether medically documented or not—add up to a generation of American veterans beset with more problems than the survivors of any other war in our history.

I would hasten to say, Mr. Speaker, that my comments are not an indictment of the Vietnam veteran. They are instead an indictment of the insensitivity of our society, and regrettably of its government, which now seems poised to shirk other aspects of our responsibility to these men and women who served their country in a time of need.

Mr. Speaker, let me give you some examples. Under the Reagan plan the incarcerated veterans project is recommended for elimination. The program expends about $100 per veteran reaches, I am told. It costs from $15,000 to $20,000 a year, depending upon the State, to confine a veteran in prison. The return on rehabilitation or prevention, therefore, is $150 to $200 to $1.

The veterans cost of instruction program on college campuses; the targeted technical assistance program; the VA outreach program to deal with post-traumatic stress disorders; the disabled veterans outreach program—all aimed specifically at Vietnam-era and disabled veterans—are recommended by the Reagan administration not for the budget-cutting ax, but for the guillotine.

Mr. Speaker, I do not say that the Congress has abandoned the Vietnam veteran, for I believe we have been sensitive in the past to his or her needs. I do not think, however, that we have been able and willing to recognize that the Vietnam veteran bears a scar never before borne by any American in uniform—defeat at the hands of an enemy, and a lack of appreciation, if not indifference, by the Nation he or she served. Not even the Confederate soldier suffered this humiliation.

There may well be, as some contend, social and other factors that contribute to the prison population factors that I have recited. It may be, and indeed is said, that the Vietnam veteran was drawn from that portion of our society that is most likely to run afoul of the law. It is true, without question, that Vietnam veterans fall in that age grouping which dominates prison population anyway. But it also is without question, in my mind, that neglect has been causative; that neglect continues; and that it will be compounded if these programs are eliminated.

Mr. Speaker, at the present time we depend upon an all-voluntary military service to defend our Nation. If we break faith with those who have served in other times of national crisis, including the Vietnam war, what have we to offer honorably to the prospective recruit of 1981?

And how, Mr. Speaker, if need becomes necessity, could we in good conscience draft another generation into service while we had not yet met our national obligation to those who answered the call to duty in Vietnam?

I do not advocate extravagance in the veterans programs, any more than I would advocate waste in any branch or agency of the Federal Government. But, Mr. Speaker, there sometimes are terrible social consequences from false thrift. We found the financial means to fight the Vietnam war. I believe we must find the means, by cutting the budget elsewhere, to care for those who still suffer from the consequence of service to their country.

Mr. Speaker, they saw their duty clearly, and did it. We cannot, as the body with the clear responsibility of providing for their care, do anything less.●

THE IMPORTANCE OF THE EXPORT-IMPORT BANK

(Mr. VENTO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VENTO. Mr. Speaker, on March 18, William Faulkner, vice president of the American Hoist & Derrick Co. of St. Paul, Minn., presented a thoughtful statement on behalf of the American League for Exports and Security Assistance before the Subcommittee on International Finance, Trade, Investment and Monetary Policy, of the Committee on Banking, Finance and Urban Affairs on which I am privileged to serve my third term.

The principal points in Mr. Faulkner's statement are:

First. The Export-Import Bank has been an effective and necessary instrument to support American exports and jobs. In 1980, the Bank supported $18.2 billion in U.S. exports which translates into a job impact of 724,000. A State-by-State breakdown of the jobs supported by Eximbank is attached to Mr. Faulkner's statement.

Second. The Bank has been a profitable institution, earning $3 billion in profits and paying $1 billion to the U.S. Treasury.

Third. A unilateral reduction in Eximbank lending authority, as recommended by the administration will, without any restraint on the part of our trading partners, result in lost sales and lost jobs for American workers. This will make the unemployment, inflation, and budgetary problems facing the country worse, not better.

Fourth. Our trading partners are offering their exporters far more liberal credit terms than Eximbank. Typically, the terms are longer and the interest charges lower. The very day Mr. Faulkner testified, the Washington Post reported a major new Japanese campaign to increase exports, including the use of more appealing Export-Import Bank loans and long term low-interest loans.

Mr. Speaker, we all wish to support initiatives to cut the budget and reduce inflation. Mr. Faulkner is no exception. However, he offers some interesting facts and potential consequences about the unilateral reductions proposed in the Eximbank programs. He also offers some very constructive alternatives which I sincerely hope the administration and the Congress will give careful consideration to in this area.

I include Mr. Faulkner's statement and accompanying charts in the RECORD at this point:

STATEMENT OF WILLIAM B. FAULKNER

Mr. Chairman, members of this committee, we are delighted to testify on the Eximbank legislation pending before this Committee. Our organization—the American League for Exports and Security Assistance, Inc.—represents 31 corporations and four unions, all committed to a common goal—increasing exports and jobs created by exports. These corporations employ some 800,000 Americans in all 50 states and the unions have over 4 million dues-paying members.

Mr. Chairman, we recognize the economic situation in this country requires a reduction in huge government deficits. We applaud the President for acting decisively in this area. We are confident the Congress will act responsibly and make cuts where the benefits do not match the costs.

We fully support the burden sharing argument, that all segments of society should share the burden of these budget cuts—business and labor, rich and poor, etc. That argument cannot be successfully challenged. Apparently, it has persuaded many business groups, including the Chamber, the Business Roundtable, and the NAM from speaking against the proposed cuts in Eximbank. We seriously considered adopting that same course. However, upon close examination the issue of Export-Import Bank financing isn't that simple. The issue is whether or not it is in our national economic interest to cut unilaterally one of the few instruments our exporters have which allows them to remain competitive in world markets and thereby to employ millions of American workers who produce for the export market.

We honestly believe a careful analysis of the facts would lead to the conclusion that unilateral reductions in lending authority of the Eximbank would seriously:

Undermine our competitive position;

Cause more unemployment;

Increase inflation;

Worsen our balance of trade position;

Undermine any possibility of reaching an international agreement on export financing terms; and

Have little or no effect on the Federal Budget.

Let us examine these conclusions so as to understand how they were determined.

First, reducing Eximbank lending authority has very little influence on actual government spending.

Exim is in the Federal Budget in an unusual way. Many would argue that Exim should not be in the budget at all. The Bank is audited each year by the GAO in accordance with generally accepted accounting principles. It has been a profitable institution. In 47 years of operation, profits of $3 billion have accrued after paying all of its operating costs, and over $1 billion of these profits have been paid to the U.S. Treasury as dividends. In 47 years the Bank has written off only $8.3 million or 0.02 percent of $34.9 billion of disbursements in its direct loan program. This is a record of success, not failure. Clearly under any normal banking procedures loans are considered assets and the record of this Bank indicates they are indeed repaid with interest.

In any event, the dollar figure in the budget each year on Exim is simply the estimated net cash flow of the Bank for that year; i.e., the difference between the Bank's estimated revenues (repayments and interest on previous loans and receipts of loan commitment fees and insurance premiums) and the Bank's estimated expenses (actual disbursements on loan commitments, guarantees and insurance, interest on borrowings, and administrative expenses). Thus, a cut in Eximbank program authority results in a disproportionately small cut in Federal Budget figures. Each $1 billion reduction in the Bank's lending authority reduces budget figures by only about $100 million in the year when the cut is made.

On the opposite side, the benefit side, however, the Export-Import Bank has made a significant positive contribution to the health of the U.S. economy. Its programs have successfully boosted U.S. exports thereby creating additional jobs and corporate profits, which in turn generate increased Federal, state and local tax revenues. For example—

In fiscal year 1979, the Bank's programs supported $13.6 billion of U.S. export sales. In 1980, the Bank supported exports of $18.2 billion.

These exports generated, maintained or supported 554,000 American jobs in 1979 and 724,000 jobs in 1980 (every billion dollars of exports supports 40,000 U.S. jobs). These workers and their companies, paid billions of dollars in federal, state, and local taxes.

The Bank pays dividends to the U.S. Treasury out of its earnings. In 1979, the Bank paid $35 million in dividends. To conserve funds, Exim for the first time omitted a dividend for 1980 to Treasury even though 1980 operations were profitable ($109.7 million). But cumulative dividends for 1979 and prior years have exceeded $1 billion.

Thus, we believe the calculation is clear. The benefits of cutting Export-Import Bank financing are mainly psychological—taking something away from business, from the rich, to balance cuts in programs which help the poor.

But the costs fall directly on the American working man—who loses his job because his company can no longer compete in the international marketplace, and upon the U.S. budget—because this worker no longer pays taxes, but instead draws unemployment compensation.

We have examined the Export-Import Bank's direct effect — state-by-state — through the life of the Bank on exports and the direct job relationship to those exports. Table 1 gives a state-by-state breakdown of the results. For the job impact we used the Labor Department estimated ratio of 40,000 jobs created for every $1 billion in exports. Admittedly, this is an estimate. Other estimates by Treasury and others suggest the job-export relationship is closer to 60,000 jobs per $1 billion in U.S. exports. In my own company—American Hoist and Derrick—I can say that between 35 and 40 percent of the work force at AmHoist depend for their jobs on our exports. Our exports in turn, depend heavily on support from the Bank. I can cite some personal experiences in which our company has lost sales because of non-competitive export financing.

The United States faces fierce competition from European and Japanese producers in almost every sector, including high technology sectors. Their products are fine quality. On large ticket items—cranes, derricks, aircraft, heavy machinery, the credit terms are often the determining factor in who makes the sale. As indicated in the GAO report, foreign credit institutions are generally far more generous than the Eximbank. At the end of 1979, the latest full year in which data are available, Japanese MITI had export supporting policies outstanding of $460 billion; Hermes of Germany $42 billion and the U.S. Export-Import Bank, $10 billion. This explains in large part why the Japanese had a trade surplus in manufactured goods of $72 billion in 1979, Germany $59.2 billion, while the U.S. had a deficit of $2.1 billion. These data and the comparative export business financed by various export credit institutions are shown in Table 2 of the appendix.

There has been much publicity that the Bank is "owned" so to speak by a few major export oriented companies in the aerospace industry. This is misleading. It is misleading in that, over the history of the Bank, commitments have been made to over 9,000 suppliers in all 50 states. A review of these commitments suggest that small and large export oriented companies in all 50 states have received vital export financing from the Bank. Also, as representatives from the aerospace industry have pointed out, an airplane such as a Boeing 747 or a Lockheed 1011 is not made exclusively in Seattle or Burbank. There are thousands of suppliers and subcontractors spread across the land for each of these aircraft. Thus, if we lose an aircraft sale because of noncompetitive or inadequate export financing it means lost jobs all over America, not just in Seattle or Burbank.

Another assumption we seriously question is that if Eximbank direct loans are cut, the private banking institutions would pick up the slack and (a) the sale would be made anyway; and (b) we would benefit our budget. Increasingly, the availability of favorable financing has become a key element in making an export sale of major capital equipment. Under today's high interest rates in the private sector, concessionary financing is more vital than ever. Many of our international trading competitors, notably the French, Germans, British, and Japanese are aggressively providing concessionary financing assistance to their exporters despite the intention of reducing and eliminating such subsidies which formed the basis for the Tokyo Round GATT negotiations and the OECD export credit Arrangement. In 1980 official government support was behind 39 percent of Japanese exports, 35 percent of British, 34 percent of French, while only 18 percent of U.S. exports received official support. These negotiations failed mainly because we had no real weapons to negotiate with and the foreign nations were not about to give up their advantage on financing terms which could cost them sales and jobs.[1] Today, in the direct loan program the Bank is only mildly competitive with its world counterparts which almost universally provide 85 percent loan cover after a 15 percent cash payment and at interest rates of 7.75 percent for developing countries, 8.5 percent for intermediate, and 8.75 percent for developed countries. Eximbank interest rates have been generally 8.75 percent for non-aircraft and 9.25 percent for aircraft, with cover averaging only about 65 percent and 47 percent respectively. The GAO study discusses in detail the constraints which prevent the Eximbank from consistently offering competitive financing for U.S. exports.

"Additionality" of U.S. Exim programs, especially direct lending, is very high; e.g., sales which would have gone to foreign suppliers if Eximbank had not provided financing assistance. This was confirmed by a January, 1980 Treasury Department study, which concluded that, in fiscal year 1978, Exim's "additionality" on lending programs was over 70 percent. In these cases, financing was the major determinant of the sale.

If the ultimate aim of the Administration's proposal is, as it appears to be, to phase out the government's role in export financing, it should be aware that the result (which all the market economics or competitive theories in the world will not prevent) will inevitably be the loss of billions of dollars of U.S. export sales as well as the loss of thousands of American jobs.

Unless these jobs can be quickly absorbed in other sectors of the economy, the government will have less revenue, greater expenditures for unemployment compensation and higher budget deficits, the very opposite of the intended goal.

Thus, we really believe the Administration is unintentionally hurting its own cause by

[1] Comptroller General, Report to the Congress on "Financial and Other Constraints Prevent Eximbank from Consistently Offering Competitive Financing for U.S. Exports". April 30, 1980.

sharp unilateral cuts in Export-Import Bank lending authority.

We suggest that this Committee carefully review the economic ramifications of the Administration's proposals before rushing to judgement on the issue.

We, like you, are caught in an apparent dilemma on this issue. On the one hand, we fervently believe that a fully competitive Eximbank is vital to our national economic interests. On the other hand, we recognize the President's concern for preserving intact his initiative to cut the budget.

We have a few suggestions which we believe may help resolve the dilemma. One suggestion is to encourage the Bank to issue directly long term tax exempt securities to raise its capital, just as the World Bank does to raise capital. We believe that funds from the major export corporations, insurance and banking institutions would be attracted to such securities; this would be prudent for the investor, beneficial to the corporations while providing the Bank with sufficient long-term financing to compete with Hermes in Germany, COFACE in France, MITI in Japan and ECGD in the U.K. It would not involve any budgetary cost to the U.S. Treasury. The World Bank has been raising its capital this way since its inception.

Second, to qualify for the tax deferral benefits of the Domestic International Sales Corporation (DISC) provisions of the IRS Code, at least 95 per cent of the corporation's assets must be export-related. If Congress mandated that a portion of the deferred DISC income must be invested in Eximbank securities, it would be consistent with the DISC legislation while providing a renewable source of private funding from the very people who benefit most from the Bank and from DISC. We suggest the Committee may wish to ask the Treasury (and Ways and Means Committee) to study how DISC deferred assets could be channeled into our Export-Import Bank.

We also suggest that the Bank be permitted to follow normal accounting procedures of a normal banking institution. Currently Eximbank is charged with an expense when it makes a commitment to loan funds, without having disbursed a penny. There is no offsetting receivable to offset this "expense", even though the Bank has an excellent record of repayment. The only offset to current expenses is repayment of previous loan agreements. Thus, in any period when the Bank is expanding its loan commitments, it will appear, from its current accounting practices, to be losing billions of dollars when in fact it is earning money and paying dividends to the Treasury. This is nonsensical. If any other banking institution followed these accounting rules, it would cause a run on its bank. Furthermore, under these accounting rules, if the Bank shut down for two years, it would still show a budgetary loss of $2½-$3½ billion. That can't be what the Administration wants. If the Bank were able to follow normal acceptable accounting standards we doubt whether there would be any issue over the Bank's effect on the budget. We suggest that the Committee ask the Accounting Standards Principles Board and/or the GAO to compare Eximbank accounting practices with those of the World Bank and commercial banking accounting procedures.

Mr. Chairman, this concludes my statement. We have tried to be responsible and constructive in our remarks. We understand the Administration's theory, but we honestly believe that the unilateral reductions in Eximbank lending authority are based on faulty assumptions and will, if enacted or carried out by the Administration, be harmful to our international competitive position and to our domestic economy. We thank you for your patience and will be happy to answer any questions you may have.

TABLE 1.—U.S. EXPORTS FINANCED BY EXPORT-IMPORT BANK BY STATE AND ESTIMATED JOBS DIRECTLY CREATED THEREBY AS OF JANUARY 31, 1981

[Dollars in millions]

State	Number of Eximbank commitments	Amount of Eximbank commitments [1]	U.S. export value	Estimate U.S. jobs [2]
Alabama	72	$47.9	$61.4	2,456
Arkansas	26	203.2	205.1	8,204
Arizona	50	99.3	116.3	4,652
California	442	6,604.8	11,078.5	443,140
Colorado	55	42.3	58.5	2,340
Connecticut	308	1,202.4	1,906.0	76,240
District of Columbia	41	137.3	160.5	6,420
Delaware	28	619.2	696.2	27,848
Florida	661	863.3	959.1	38,364
Georgia	247	696.7	974.8	38,992
Hawaii	7	12.8	12.8	512
Iowa	125	120.9	151.1	6,044
Idaho	22	418.4	506.9	20,276
Illinois	278	4,132.2	5,277.1	221,084
Indiana	148	322.1	387.6	15,504
Kansas	165	180.9	246.5	9,860
Kentucky	36	69.7	74.1	2,964
Louisiana	193	267.5	402.3	16,092
Massachusetts	458	800.8	919.4	36,776
Maryland	85	167.6	241.1	9,656
Maine	12	5.7	6.0	240
Michigan	391	2,087.6	2,289.2	91,368
Minnesota	302	1,063.3	1,158.5	46,340
Missouri	174	344.3	503.1	20,124
Mississippi	25	78.9	83.0	3,320
North Carolina	210	281.3	356.4	14,256
North Dakota	22	20.4	20.8	832
Nebraska	53	37.6	39.2	1,568
New Hampshire	23	12.1	13.3	532
New Jersey	632	1,547.7	2,014.3	80,572
New Mexico	10	22.4	22.8	912
Nevada	1	0.3	0.8	32
New York	36	14.8	18.1	724
Ohio	3	1,497.4	1,716.7	68,668
Oklahoma	139	311.3	430.6	17,224
Pennsylvania	155	2,987.4	4,038.2	161,528
Puerto Rico	25	37.5	37.6	1,504
South Carolina	164	103.0	130.4	5,216
South Dakota	3	1.1	1.2	48
Tennessee	79	121.1	148.6	5,944
Texas	828	2,205.5	2,907.4	116,296
Utah	30	22.4	30.7	1,228
Virginia	75	167.5	210.4	8,416
Vermont	17	8.8	12.9	516
Washington	421	5,509.7	12,471.2	498,848
Wisconsin	918	1,919.2	2,276.6	91,064
West Virginia	8	4.1	4.5	180
Wyoming	1	.075	.075	4
Various [3]	778	14,121.4	16,140.9	645,636

[1] Includes direct loans, guarantees, insurance, discount loans and other types of Exim cover for U.S. exports.
[2] Based on Treasury and CBO estimates of 40,000 jobs associated with each $1 billion in U.S. exports.
[3] Various supplies from multiple States.

Source: Export-Import Bank of the United States.

COMPARISON OF BERNE UNION MEMBERS' EXPORT FINANCING

[In millions of U.S. dollars]

	Total income		Surplus deficit		Total business		Short term		Medium term		Long term	
	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978	1979
Exim (United States)	829.2	865.9	152.4	145.7	9,490.5	12,927.8	1,973.0	2,266.0	4,466.3	6,818.4	3,051.2	3,843.4
ECGD (United Kingdom)	331.4	360.9	(11.9)	(186.8)	35,116	33,428	26,642	25,835	5,395	3,716	416	163
Hermes[1] (Germany)	280.7	373.8	71.6	98.7	14,961.4	14,504.8	10,522.9	10,460.4	2,502.3	1,027.2	1,936.3	3,017.2
COFACE (France)	531.9	619.1	(41.1)	(365.9)	30,663.8	32,152.3	11,840.2	13,982.9	10,688.8	9,160.0	602.7	727.3
EDA (Canada)	14.1	14.9	5.6	2.9	2,533	1,772	990.6	1,225	1,540	547	2	
EID/MITI (Japan)	87.0	102.9	(44.4)	9.1	31,813.8	39,355.8	26,189.9	31,766.3	2,259.2	4,939.4	2,825.0	2,558.1
SACE (Italy)	110.2	146.8	20.2	9.4	8,703.2	8,017.5					[2] 7,171.5	6,200.3

[1] Short, medium and long term includes buyer credits.
[2] Not broken down into short, medium, or long term.

COMPARATIVE BALANCE OF MERCHANDISE TRADE[1] 1970–80

[In billions of dollars]

Period	United States	France	Federal Republic of Germany	Japan	United Kingdom	Canada
1970	0.1	−0.8	4.3	0.4	−2.4	−2.3
1975	3.7	−1.0	15.3	−2.1	−9.4	−2.4
1976	−14.7	−7.4	13.8	2.4	−9.8	−0.2
1977	−36.4	−5.5	16.6	9.7	−6.3	0.9
1978	−39.5	−2.5	20.7	18.2	−6.8	1.2
1979	−37.3	−7.1	12.2	−7.7	−12.0	0.8
1980	−36.4	[2] −18.0	[2] 5.6	[2] −14.5	[2] −7.6	[2] 3.8
Trade Balances of Manufactured Goods						
1970	2.3	1.5	13.3	12.5	5.4	−1.0
1975	15.9	8.9	29.6	41.7	8.1	−8.7
1976	7.6	4.9	42.1	51.2	7.9	−8.1
1977	−1.8	8.0	46.9	63.0	9.6	−7.3
1978	−12.3	9.6	53.5	74.2	7.7	−6.6
1979	−2.1	11.5	59.2	72.0	3.5	−10.4
1980 (Jan. to June)	3.9	([3])	32.3	41.6	1.8	−4.6
Imports of Petroleum and Products						
1973	8.7	3.9	5.7	6.9	4.1	1.2
1975	28.4	11.0	11.8	21.0	9.3	3.5
1976	36.5	13.3	14.0	23.3	10.0	3.5
1977	47.1	13.9	14.8	26.0	8.8	3.3
1978	44.3	13.2	16.1	25.7	8.7	3.3
1979	62.7	19.4	26.7	38.2	11.1	4.1
1980[4]	80.0	29.0	36.0	58.0	14.0	6.0

[1] Exports fob; Imports cif.
[2] First three quarters at annual rate.
[3] Not available.
[4] Estimate based on first three quarters 1980.

Source: Commerce Department, International Economic Indicators, December 1980.●

THREAT TO THE LIBRARIES OF THE COUNTRY

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, this week is National Library Week, designated by Congress to focus attention upon the importance of libraries in the lives of American citizens. I am proud that Congress has been of significant assistance to the libraries in our schools, in our communities, and in our institutions of higher learning. As we look at the Federal role in the past we see programs that have been successful and dollars well spent. But now it seems the administration would like us to cut back in our aid to libraries by reducing appropriations for the Library Services and Construction Act, the title IV-B of the Elementary and Secondary Education Act, and title II of the Higher Education Act.

Besides the more ominous overtones of the cuts (that is the lessening of citizen access to information, essential in a democratic society), the practical effects of these cuts would be so devastating to libraries that the savings would hardly be worth it. According to a survey conducted by the American Library Association, a 25-percent cut in funds for ESEA title IV-B would have a major impact on every school district in the country. Only 6 out of 74 respondents to the survey said their State or locality could fill the gap left by a cut in Federal funds. Teaching would suffer if materials are not kept up to date, in a decent library to back up the curriculum. Small schools would really be hard hit and private school participation would definitely drop. All this damage to a program that has time after time received overwhelmingly popular support in the Congress. By a great majority, the respondents were also opposed to the inclusion of this program in the State education bloc grant program that the administration has proposed for fiscal year 1982. Among the many valid reasons for not including this program in such a package were:

When funds for equipment have to compete with funds for salaries, salaries will always win;

Specific State mandates such as special education will be funded first, making it difficult for libraries to compete;

Libraries would not be able to plan long range;

In a bloc grant situation, the funding tends to be highly political with the program with the best public relations receiving the most funds.

And many more. In the long run, this might be one of the most expensive budget cuts Congress could enact.

A 25-percent cut to the Library Services and Construction Act programs could be equally damaging. A just completed evaluation of LSCA title I for the Department of Education concluded that the program has made significant contributions and continues to be needed. If cut, the impact would be immediate, since LSCA is not advance funded. Since fiscal year 1981 funding is available only through June 5, the Department has prorated allocations to the States and will provide only 72 percent of the funds until Congress makes a further decision on the fiscal year 1981 funding. Many State libraries have already been affected, especially those which provide essential public services in sparsely

populated areas. Oregon, for instance, has eliminated its $80,000 book budget and imposed a hiring freeze to cope with the shortfall. My own State of Kentucky would lose $245,879. Let me remind you that these are dollars to provide library services to disadvantaged persons in both urban and rural areas, to the institutionalized, to the handicapped, to persons of limited English-speaking ability, and to the aging.

I am also opposed to the proposed rescission of funds for title IIA of the Higher Education Act, which provides grants to academic libraries for the acquisition of books, periodicals, and other library materials and for establishing networks. In 1979, the average cost of an economics or sociology book was $43.57, a 47-percent increase over the year before. Inflation has ravaged library budgets and the Federal dollars are a real help to our academic institutions. I just do not think the administration has made a good enough case for wiping out these programs that the American people really need and want. On the contrary, the administration talks of the great need for an excellent national defense and yet recent reports on the All-Volunteer Army indicate that almost 4 percent of the enlistees read at below the fifth-grade level and more than 25 percent of new enlistees have difficulty reading their training manuals.

The administration speaks to the need for a productive work force, yet in a Wall Street Journal article on January 22 it was stated that—

> The lack of literate workers is creating problems for a variety of industries . . . poorly educated workers are contributing to the U.S.'s productivity difficulties.

I could continue, for the importance of the survival of this Nation's libraries cannot be overstated. But I conclude in asking you to listen to the librarians and concerned individuals when they come to your offices this Library Legislation Day, for their concern is in the national interest.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MITCHELL of New York (at the request of Mr. MICHEL), for today and tomorrow, on account of illness in the family.

Mr. DERRICK (at the request of Mr. WRIGHT), for today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HARTNETT) to revise and extend their remarks and include extraneous matter:)

Mr. COLLINS of Texas, for 45 minutes, on April 8.

Mr. CORCORAN, for 5 minutes, today.

Mr. ASHBROOK, for 10 minutes, today.

(The following Members (at the request of Mr. BLANCHARD) to revise and extend their remarks and include extraneous matter:)

Mr. OTTINGER, for 5 minutes, today.

Mr. CROCKETT, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WILLIAM J. COYNE, for 15 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. BINGHAM, for 10 minutes, today.

(The following Member (at the request of Mr. ANDERSON) to revise and extend his remarks and include extraneous matter:)

Mr. NEAL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROOMFIELD, and to revise and extend his remarks during the special order by Mr. KEMP today.

Mr. VENTO, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,320.

(The following Members (at the request of Mr. HARTNETT) and to include extraneous matter:)

Mr. KEMP.
Mr. ROUSSELOT.
Mr. CARMAN.
Mr. PHILIP M. CRANE.
Mr. SMITH of New Jersey.
Mr. MICHEL in two instances.
Mr. TAUKE.
Mr. CONABLE in two instances.
Mr. WHITEHURST.
Mr. ROTH.
Mr. GILMAN in three instances.
Mr. LOTT.
Mr. GOODLING in two instances.
Mr. EVANS of Iowa.
Mr. BADHAM.
Mr. LAGOMARSINO in two instances.
Mr. COLLINS of Texas in three instances.
Mr. BLILEY.
Mr. CHAPPIE.
Mr. DANNEMEYER in four instances.
Mr. MCDADE.
Mr. FINDLEY.
Mr. ASHBROOK in three instances.
Mr. MARRIOTT.
Mr. STANTON of Ohio.
Mr. DERWINSKI.
Mr. ROBERTS of South Dakota.

(The following Members (at the request of Mr. BLANCHARD) and to revise and extend their remarks:)

Mrs. SCHROEDER in five instances.
Mr. BEILENSON.
Mr. GRAY.
Mr. ROEMER in 10 instances.
Mr. KASTENMEIER.
Mr. VENTO.
Mr. STOKES.
Mr. FORD of Michigan in three instances.
Mr. HAMILTON.
Mr. MAZZOLI.
Mr. WEAVER.
Mr. YATRON.
Mr. BOLLING.
Mr. SANTINI.
Mr. GUARINI in four instances.
Mr. OTTINGER in three instances.
Mr. FOWLER.
Mr. BAILEY of Pennsylvania.
Mr. KOGOVSEK.
Mr. IRELAND.
Mr. WEISS in five instances.
Mr. BONER of Tennessee.
Mr. SKELTON.
Mr. HUBBARD.
Mr. GEPHARDT in two instances.
Mr. DORGAN of North Dakota.
Mr. JENKINS.
Mr. LEHMAN.
Mr. HAWKINS in 10 instances.
Mr. YOUNG of Missouri.
Mr. SIMON.
Mr. EVANS of Indiana in two instances.
Mr. MCDONALD in five instances.
Ms. OAKAR in two instances.
Mr. JONES of North Carolina.
Mr. RAHALL.
Mr. SHELBY.
Ms. FERRARO.
Mr. REUSS.
Mr. NEAL
Mr. EDWARDS of California.
Mr. CONYERS.
Mr. GAYDOS.

ADJOURNMENT

Mr. ANDERSON. Mr. Speaker, I move that the house do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 8, 1981, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1032. Communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1981 and amended appropriation language for fiscal year 1982 (H. Doc. No. 97-43); to the Committee on Appropriations and ordered to be printed.

1033. A letter from the Executive Associate Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Justice for "Salaries and expenses, U.S. Attorneys and Marshals," for fiscal year 1981, has been reapportioned on a basis that indicates the ne-

cessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1034. A letter from the Secretary of Defense, transmitting eight reports of violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1035. A letter from the Deputy Secretary of Defense, transmitting nine reports of violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1036. A letter from the Acting General Counsel, U.S. General Accounting Office, transmitting a report on the status of budget authority that was proposed for rescission, but for which Congress failed to pass a rescission bill; to the Committee on Appropriations.

1037. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the effectiveness and reduce the cost of programs under the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Education and Labor.

1038. A letter from the Acting Director of ACTION, transmitting a draft of proposed legislation to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Education and Labor.

1039. A letter from the Chairman, National Council on the Handicapped, transmitting the annual report of the National Council on the Handicapped, pursuant to section 401(6) of the Rehabilitation Act of 1973 as amended; to the Committee on Education and Labor.

1040. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to consolidate Federal assistance to States for health promotion and disease prevention, to provide greater flexibility to States in administering health promotion and disease prevention programs, and for other purposes; to the Committee on Energy and Commerce.

1041. A letter from the Secretary of Transportation, transmitting a report on the study of the cost-benefit analysis of increased natural gas pipeline safety regulation, pursuant to section 110 of Public Law 96-129; to the Committee on Energy and Commerce.

1042. A letter from the Acting President, Overseas Private Investment Corporation, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation; to the Committee on Foreign Affairs.

1043. A letter from the Secretary of Labor, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1044. A letter from the Acting Administrator, United States Environmental Protection Agency, transmitting the Agency's annual 5-year plan for research, development, and demonstration, pursuant to section 5 of Public Law 94-475, together with the comments of the Science Advisory Board, pursuant to section 8(c) of Public Law 95-155; to the Committee on Science and Technology.

1045. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to consolidate Federal assistance to States for health services, to provide greater flexibility to States in administering health services programs, and for other purposes; jointly to the Committees on Energy and Commerce, Education and Labor, and Ways and Means.

1046. A letter from the Acting Comptroller General of the United States, transmitting a report on efforts to measure the undocumented alien population (GGD-81-56, April 6, 1981); jointly, to the Committees on Government Operations and the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON (for himself, Mr. LUNGREN, Mr. MATSUI, and Mr. ROUSSELOT):

H.R. 3044. A bill to clarify the intent of Congress with respect to the exemption of the economic interests of State and local governments from the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. ANDREWS:

H.R. 3045. A bill to amend the Economic Opportunity Act of 1964 to extend the authorizations of appropriations contained in such act, and for other purposes; to the Committee on Education and Labor.

H.R. 3046. A bill to amend the Older Americans Act of 1965 to extend the authorizations of appropriations contained in such act, and for other purposes; to the Committee on Education and Labor.

By Mr. BAFALIS:

H.R. 3047. A bill to amend section 1951 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. BEILENSON (for himself, Mr. JONES of North Carolina, Mr. BEDELL, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BRODHEAD, Mr. BROWN of California, Mr. BURGENER, Mr. CLINGER, Mr. DELLUMS, Mr. DERWINSKI, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. FAZIO, Mr. FORSYTHE, Mr. FRANK, Mr. GREGG, Mr. GUYER, Mrs. HOLT, Mr. HUGHES, Mr. HYDE, Mr. JACOBS, Mr. JEFFORDS, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LONG of Maryland, Mr. LOWERY of California, Mr. MCCLOSKEY, Mr. MCKINNEY, Ms. MIKULSKI, Mr. MINETA, Mr. MOAKLEY, Mr. NEAL, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. RICHMOND, Mr. ROE, Mr. ROUSSELOT, Mr. SCHEUER, Mr. SEIBERLING, Mr. SIMON, Mr. STARK, Mr. STOKES, Mr. THOMAS, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, Mr. WILSON, and Mr. YATES):

H.R. 3048. A bill to provide for the control of the importing into, and the exporting from, the United States of elephants and elephant products; to the Committee on Merchant Marine and Fisheries.

By Mr. BIAGGI:

H.R. 3049. A bill to increase the interest exemption to $1,000 in the case of taxpayers who are not elderly, to exclude from gross income all interest in the case of taxpayers who are elderly, to make permanent the exemption of certain interest income from tax, and for other purposes; to the Committee on Ways and Means.

By Mr. EDWARDS of California (for himself, Mr. COELHO, Mr. DANIELSON, Mr. FRANK, Mr. GARCIA, Mr. KOGOVSEK, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY, Mr. PEPPER, Mr. RICHMOND, and Mr. STUDDS):

H.R. 3050. A bill to amend the Internal Revenue Code of 1954 to provide tax reform and tax incentives for individuals and businesses; to the Committee on Ways and Means.

By Mr. BLANCHARD:

H.R. 3051. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to provide mandatory social security coverage for all Members of Congress and other employees in the legislative branch, and for all new employees of the United States (and its instrumentalities) outside of the legislative branch; to the Committee on Ways and Means.

H.R. 3052. A bill to amend title XVI of the Social Security Act to provide for a more complete exchange of information between the Secretary of Health and Human Services and the Immigration and Naturalization Service with respect to all aliens who are applicants for or recipients of supplemental security income benefits, and to amend section 212 of the Immigration and Nationality Act to provide for the exclusion from the United States of aliens who are determined by the Attorney General to be likely to receive such benefits within 6 months of their entry; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. CHAPPIE:

H.R. 3053. A bill to require that certain lands in the Shasta National Forest be managed for uses other than wilderness; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. COLEMAN:

H.R. 3054. A bill to amend title 11 of the United States Code to require that bankruptcy courts grant relief from stays of acts against agricultural commodities held as property of estates in bankruptcy; to the Committee on the Judiciary.

By Mr. CONABLE:

H.R. 3055. A bill to amend the Internal Revenue Code of 1954 to provide that meals furnished by employers to employees which are excluded from income shall not be subject to employment taxes; to the Committee on Ways and Means.

By Mr. CONABLE (for himself and Mr. JENKINS):

H.R. 3056. A bill to amend the Internal Revenue Code to permit foreign pension plans to invest in the United States on a nontaxable basis; to the Committee on Ways and Means.

By Mr. CORCORAN:

H.R. 3057. A bill to amend the Energy Security Act to authorize the Synthetic Fuels Corporation to provide loan guarantees for projects for production of alcohol and other fuels from biomass and municipal wastes, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Agriculture, and Energy and Commerce.

By Mr. JAMES K. COYNE (by request):

H.R. 3058. A bill to amend the Federal Reserve Act to authorize the Board of Governors of the Federal Reserve System to impose reserve requirements on money market mutual funds; jointly, to the Com-

mittees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. DANIEL B. CRANE:

H.R. 3059. A bill to repeal section 1725 of title 18, United States Code, which prohibits mailable matter on which no postage has been paid from being deposited into letter boxes; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. DANIELSON:

H.R. 3060. A bill to amend section 3006A of title 18 of the United States Code to provide protection against personal liability to the officers and employees of certain defender organizations providing representation under the Criminal Justice Act; to the Committee on the Judiciary.

By Mr. DORNAN of California:

H.R. 3061. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 3062. A bill to amend the Internal Revenue Code of 1954 to reduce the maximum individual income rate to 50 per centum; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 3063. A bill to amend the Clean Air Act to require certain areas to be designated as class III for purposes of the provisions of that act relating to nondegradation of air quality, and for other purposes; to the Committee on Energy and Commerce.

By Mr. EVANS of Georgia:

H.R. 3064. A bill to insure the confidentiality of information filed by individual taxpayers with the Internal Revenue Service pursuant to the Internal Revenue Code and, at the same time, to insure the effective enforcement of Federal and State criminal laws and the effective administration of justice; to the Committee on Ways and Means.

H.R. 3065. A bill to protect taxpayers' privacy regarding third-party recordkeepers summoned to produce records of taxpayers and at the same time to insure effective, efficient enforcement of Internal Revenue Service third-party summons; to the Committee on Ways and Means.

H.R. 3066. A bill to simplify trade procedures regarding sales of U.S. products abroad, and for other purposes; jointly to the Committees on Foreign Affairs and the Judiciary.

By Mr. EVANS of Georgia (for himself and Mr. ARCHER):

H.R. 3067. A bill to amend title 18 of the United States Code to provide a mandatory death penalty for the killing or attempted killing of the President if a firearm is used in the offense, and for other purposes; to the Committee on the Judiciary.

By Mr. EVANS of Iowa:

H.R. 3068. A bill to amend the Soil Conservation and Domestic Allotment Act to provide the additional financial assistance to producers who remove cropland from production in order to install conservation measures; to the Committee on Agriculture.

H.R. 3069. A bill to provide that under any set-aside or diversion program for agricultural commodities, lands set-aside or diverted must be selected, in part, on the basis of the contribution such set-aside or diversion will make to soil conservation; to the Committee on Agriculture.

By Mr. FINDLEY (for himself, Mr. WINN, Mr. HORTON, Mr. MURPHY, Mr. STOKES, Mr. PEPPER, Mr. FRANK, Mr. KILDEE, and Mr. VENTO):

H.R. 3070. A bill to amend the Internal Revenue Code of 1954 to allow a credit for amounts paid by deaf or speech-impaired individuals for use of toll telephone service by means of teletypewriters, and to allow such individuals a deduction for the purchase and installation of such teletypewriters; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. LENT, Ms. MIKULSKI, Mr. MADIGAN, Mr. SCHEUER, and Mr. MOFFETT):

H.R. 3071. A bill to amend the Noise Control Act of 1972, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FORD of Tennessee (for himself, Mr. BEARD, and Mr. JONES of Tennessee):

H.R. 3072. A bill to designate the control tower at Memphis International Airport the Omlie Tower; to the Committee on Public Works and Transportation.

By Mr. GEPHARDT:

H.R. 3073. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit for contributions to certain investment accounts, to exempt the earnings on such accounts from tax, and to exempt from tax certain distributions from such accounts; to the Committee on Ways and Means.

By Mr. GEPHARDT (for himself and Mr. DUNCAN):

H.R. 3074. A bill to amend section 103(b)(6) of the Internal Revenue Code of 1954 to increase the exemption from the industrial development bond provisions for certain small issues; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 3075. A bill relating to the tariff treatment of tuna packed in airtight containers; to the Committee on Ways and Means.

By Mr. GOODLING:

H.R. 3076. A bill to consolidate educational assistance programs for refugees; to the Committee on Education and Labor.

By Mr. GOODLING (for himself and Mr. FORD of Michigan):

H.R. 3077. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide for the issuance of commodity allowances by the U.S. Department of Agriculture for the purchase of domestic agricultural commodities by schools to carry out school feeding programs in lieu of the purchase and distribution of commodities to the States by the U.S. Department of Agriculture, and for other purposes; jointly, to the Committees on Education and Labor and Agriculture.

By Mr. GONZALEZ (for himself and Mr. SCHUMER):

H.R. 3078. A bill to provide supplemental authority to the Secretary of Housing and Urban Development for the purpose of providing annual contributions for the operation of low-income housing projects; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GREEN (for himself, Mrs. CHISHOLM, Mr. WINN, Mr. JOHN L. BURTON, Mr. LAFALCE, Mr. ADDABBO, Mr. FLORIO, Mr. ZEFERETTI, Mr. GARCIA, Mr. MITCHELL of Maryland, Mr. CLAY, Mr. STOKES, Mr. DORNAN of California, Mr. PEPPER, Mr. FAZIO, Mr. PATTERSON, Mr. ROE, and Mr. RINALDO):

H.R. 3079. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for real estate taxes imposed on tenants; to the Committee on Ways and Means.

By Mr. GUARINI:

H.R. 3080. A bill to amend title II of the Social Security Act to provide that wife's or mother's insurance benefits may be paid to an individual, on the basis of having a nondisabled child in care, until such child finishes high school (or attains age 19 while still in school) instead of only until such child attains age 18 as is provided in existing law; to the Committee on Ways and Means.

H.R. 3081. A bill to amend title II of the Social Security Act to eliminate the offset against social security benefits which is presently imposed in the case of spouses and surviving spouses receiving certain Government pensions; to the Committee on Ways and Means.

H.R. 3082. A bill to amend the Internal Revenue Code of 1954 to increase to $7,500 the maximum deduction for contributions to retirement savings; to the Committee on Ways and Means.

By Mr. SAM B. HALL, JR.:

H.R. 3083. A bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JENKINS:

H.R. 3084. A bill to amend title II of the Social Security Act to permit a State to modify its coverage agreement so as to exclude services performed in any year by an election official or election worker if the remuneration paid for such services is less than $300 (instead of only if such remuneration is less than $100 as at present); to the Committee on Ways and Means.

H.R. 3085. A bill to amend the Internal Revenue Code of 1954 to provide for employee stock ownership plans, and for other purposes; to the Committee on Ways and Means.

H.R. 3086. A bill to amend the Internal Revenue Code to change certain accounting rules related to inventory, and for other purposes; to the Committee on Ways and Means.

By Mr. KOGOVSEK:

H.R. 3087. A bill to amend section 502 of the Federal Mine Safety and Health Act of 1977 to require the Secretary of Labor to conduct a compliance assistance visit at any coal or other mine within 15 days after receiving a request for such visit from the operator of the mine; to the Committee on Education and Labor.

By Mr. LANTOS:

H.R. 3088. A bill to amend title 18 of the United States Code to prohibit the importation of parts of certain firearms and for other purposes; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 3089. A bill to amend the Public Safety Officers' Benefits Act of 1976 to eliminate the requirement that parents of deceased public safety officers be financially dependent on such officers in order to qualify for death benefits; to the Committee on the Judiciary.

H.R. 3090. A bill to amend title 5 of the United States Code to change the date of the legal public holiday of Memorial Day from the last Monday in May to May 30; to the Committee on Post Office and Civil Service.

By Mr. LEWIS (for himself, Mr. MCDADE, Mr. CONTE, Mr. DAUB, Mr. DREIER, Mr. MARRIOTT, Mrs. SNOWE, Mr. STANTON of Ohio, Mr. WILLIAMS of Ohio, Mr. WEBER of Ohio, Mr. IRELAND, and Mr. NOWAK):

H.R. 3091. A bill to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy; to the Committee on Small Business.

By Mr. MARRIOTT:

H.R. 3092. A bill to facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits; to the Committee on Interior and Insular Affairs.

By Mr. MARTIN of North Carolina (for himself and Mr. HOLLAND):

H.R. 3093. A bill to amend the Internal Revenue Code of 1954 to provide for increased savings and investment by individuals through a tax-deferred rollover account; to the Committee on Ways and Means.

By Mr. MAVROULES:

H.R. 3094. A bill to modify the navigation project for Lynn Harbor, Mass.; to the Committee on Public Works and Transportation.

By Mr. MICA:

H.R. 3095. A bill to provide for the establishment of a national cemetery in the Withlacoochee State Forest in Sumter County, Fla.; to the Committee on Veterans' Affairs.

By Mr. MICHEL:

H.R. 3096. A bill to increase the penalties and eliminate parole for those offenses in which a firearm is used and violence or the threat of imminent violence was involved, and for other purposes; to the Committee on the Judiciary.

By Mr. MINISH:

H.R. 3097. A bill to give the Federal Reserve Board authority to impose reserves on money market mutual funds; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. MITCHELL of Maryland:

H.R. 3098. A bill to provide for the establishment of the Federal Protective Service for the protection of property under the jurisdiction of the General Services Administration, to provide for the pay and training of the members of such service, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. MITCHELL of Maryland (for himself, Mr. CLAY, Mrs. COLLINS of Illinois, Mrs. CHISHOLM, Mr. DYMALLY, Mr. GUARINI, Mr. STOKES, Mr. WEISS, Mr. CONYERS, Mr. DIXON, Mr. PATTERSON, and Mr. BONIOR of Michigan):

H.R. 3099. A bill to establish Federal policies designed to minimize the involuntary displacement of individuals from housing and to provide additional assistance for those who have been so displaced; jointly, to the Committees on Banking, Finance and Urban Affairs and Public Works and Transportation.

By Mr. MOTTL:

H.R. 3100. A bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings; to the Committee on Ways and Means.

H.R. 3101. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the exclusion from gross income of dividends received by individuals; to the Committee on Ways and Means.

H.R. 3102. A bill to amend the Social Security Act to provide for a national catastrophic health insurance program, to amend the Internal Revenue Code of 1954 to provide for a tax on removal of natural resources from Federal lands to pay for such program, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

H.R. 3103. A bill to improve part B of the medicare program with respect to the hearing requirement applicable to a carrier, the determination of reasonable charge, and the amount of payment made under such part; jointly, to the Committees on Ways and Means and Energy and Commerce.

Mr. PANETTA:

H.R. 3104. A bill to amend the Internal Revenue Code of 1954 to provide that agricultural labor which is subject to FICA tax withholding shall also be subject to withholding for income tax purposes; to the Committee on Ways and Means.

Mr. PORTER:

H.R. 3105. A bill to amend section 1751 of title 18, United States Code, to provide the death penalty for killing a Federal officer or employee in the commission of a Presidential assassination, kidnaping, or assault, and for other purposes; to the Committee on the Judiciary.

H.R. 3106. A bill to amend title 18, United States Code, to prohibit licensed importers, licensed manufacturers, and licensed dealers from selling or otherwise transferring ownership of handguns to any persons or entities who are not licensed importers, licensed manufacturers, licensed dealers, or governments; to the Committee on the Judiciary.

H.R. 3107. A bill to amend chapter 44 of title 18 of the United States Code to extend and strengthen the mandatory penalty feature of the prohibition against the use of deadly or dangerous weapons in Federal felonies, and for other purposes; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.R. 3108. A bill to amend title 18, United States Code, to regulate polygraph and other detection of deception examinations and prohibit certain practices with respect thereto for the purpose of protecting the privacy rights of employees and individuals seeking employment with employers engaged in any business or activity in or affecting interstate commerce while permitting such employers to use such examinations to protect their businesses and control property losses attributable to employee theft and other acts of misconduct; to the Committee on the Judiciary.

By Mr. RICHMOND:

H.R. 3109. A bill to amend and extend the Food Stamp Act of 1977, as amended; to amend and extend the commodity distribution provisions of the Agriculture and Consumer Protection Act of 1973, and for other purposes; to the Committee on Agriculture.

H.R. 3110. A bill to amend the Older Americans Act of 1965 to establish demonstration projects designed to furnish nutritional services to older persons through the use of elementary and secondary school facilities; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 3111. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1982, and for other purposes; to the Committee on the Judiciary.

H.R. 3112. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes; to the Committee on the Judiciary.

By Mr. SANTINI:

H.R. 3113. A bill directing the Secretary of the Interior to convey certain lands to the city of Henderson, Nev.; to the Committee on Interior and Insular Affairs.

By Mr. SANTINI (for himself, Mr. HANSEN of Utah, Mr. MURPHY, Mr. RAHALL, Mr. KOGOVSEK, and Mrs. BYRON):

H.R. 3114. A bill to facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits; to the Committee on Interior and Insular Affairs.

By Mrs. SCHEUER (for himself, Mr. BLANCHARD, Mr. BROWN of California, and Mr. WALGREN):

H.R. 3115. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1982, and for other purposes; to the Committee on Science and Technology.

By Mr. SCHROEDER (for herself, Mr. ALEXANDER, Mr. CLAY, Mr. DAN DANIEL, Mr. DANIELSON, Mr. DICKS, Mr. DOWNEY, Ms. FERRARO, Mr. FOLEY, Mr. GEPHARDT, Mr. HEFNER, Mr. MATTOX, Ms. OAKAR, Mr. ROSE, Mr. SIMON, Mr. SOLARZ, Mr. WHITEHURST, and Mr. WRIGHT):

H.R. 3116. A bill to amend title 5, United States Code, to establish a program for cost reduction and productivity improvement for Federal employees and agencies, and for other purposes; jointly, to the Committees on Post Office and Civil Service and Government Operations.

By Mrs. SCHROEDER (for herself, Mrs. HECKLER, Ms. FERRARO, Mrs. CHISHOLM, Mrs. BOGGS, Ms. MIKULSKI, and Ms. OAKAR):

H.R. 3117. A bill to provide effective programs to assure equality of economic opportunities for women and men, and for other purposes; jointly, to the Committees on Armed Services, Education and Labor, Energy and Commerce, the Judiciary, Post Office and Civil Service, and Ways and Means.

By Mr. SOLOMON:

H.R. 3118. A bill to deny the foreign tax credit on foreign oil related income; to the Committee on Ways and Means.

By Mr. STANGELAND:

H.R. 3119. A bill to amend the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STANGELAND (for himself, Mr. DASCHLE, Mr. ROBERTS of South Dakota, and Mr. HANCE):

H.R. 3120. A bill to establish a price support program for the 1981–85 crops of sunflower seeds; to the Committee on Agriculture.

By Mr. STARK:

H.R. 3121. A bill to amend title 23, of the United States Code to direct the State of California not to restrict the use of any lane on certain Federal-aid highways in California to high-occupancy vehicles; to the Committee on Public Works and Transportation.

By Mr. WHITE:

H.R. 3122. A bill to amend section 106 of title 4 of the United States Code relating to State taxation of the income of residents of another State; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.R. 3123. A bill to authorize the U.S. Customs Service to institute methods to facilitate and expedite passenger inspections at entry points; to the Committee on Ways and Means.

By Mr. WON PAT:

H.R. 3124. A bill to amend the Organic Act of Guam to provide for removal by recall of certain elected officials, and to au-

thorize initiatives and referenda; to the Committee on Interior and Insular Affairs.

By Mr. ANDREWS:

H.J. Res. 224. Joint resolution to recognize Senior Center Week during "Senior Citizen Month" as proclaimed by the President; to the Committee on Post Office and Civil Service.

By Mr. BROWN of Ohio (for himself, Mr. HALL of Ohio, and Mr. GRISHAM):

H.J. Res. 225. Joint resolution to designate the week beginning June 1, 1981, and ending June 7, 1981, as "Management Week in America"; to the Committee on Post Office and Civil Service.

By Mr. BLANCHARD:

H. Con. Res. 109. Concurrent resolution expressing the sense of Congress with respect to the Baltic States; to the Committee on Foreign Affairs.

By Ms. OAKAR:

H. Con. Res. 110. Concurrent resolution to call on the administration to give certain instructions to the Attorney General's Task Force on Violent Crime; to the Committee on the Judiciary.

By Mr. DAUB (for himself, Mr. MICHEL, Mr. LOTT, Mr. RHODES, Mr. KEMP, Mr. VANDER JAGT, Mr. GUYER, Mr. HARKIN, Mr. CONTE, Mr. PARRIS, Mr. GOODLING, and Mr. NELLIGAN):

H. Res. 124. Resolution expressing the sense of the House of Representatives that the United States could not remain indifferent to any internal repression or external aggression against the people of Poland and that such developments would have serious consequences for East-West relations; to the Committee on Foreign Affairs.

By Mr. FINDLEY (for himself, Mr. WINN, Mr. HORTON, Mr. MURPHY, Mr. STOKES, Mr. PEPPER, Mr. FRANK, and Mr. GUYER):

H. Res. 125. Resolution providing for centrally located teletypewriter facilities in the House to permit Members of the House of Representatives to communicate with deaf, hearing-impaired, and speech-impaired individuals; to the Committee on House Administration.

By Mr. WEISS (for himself, Mrs. CHISHOLM, Mr. DOWNEY, Mr. FAUNTROY, Mr. HARKIN, Mr. MCKINNEY, Mr. MITCHELL of Maryland, Mr. OBERSTAR, Mr. PICKLE, Mr. ROSENTHAL, Mr. SEIBERLING, Ms. OAKAR, Mr. STUDDS, Mr. BARNES, and Mr. CONTE):

H. Res. 126. Resolution expressing the sense of the House of Representatives that extended voluntary departure status should be granted to El Salvadorans in the United States whose safety would be endangered if they were required to return to El Salvador; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BADHAM:

H.R. 3125. A bill for the relief of Daniel D. Cole; to the Committee on the Judiciary.

H.R. 3126. A bill to direct the Secretary of the Department in which the U.S. Coast Guard is operating to cause the vessel "Sky Lark" to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. DANIELSON:

H.R. 3127. A bill for the relief of Staff Sergeant Anne M. Fisher, U.S. Army Reserve; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 3128. A bill for the relief of William Greerson; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 3129. A bill for the relief of Alick A. de Montmorency; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 3130. A bill for the relief of Antonino H. Calon, M.D.; Celia P. Calon, M.D.; and Maritoni Calon; to the Committee on the Judiciary.

By Mr. SCHUMER:

H.R. 3131. A bill for the relief of Pepi Traub; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 52: Mr. EVANS of Indiana and Mr. PICKLE.

H.R. 157: Mr. SIMON, Mr. GRAMM, Mr. LAGOMARSINO, Mrs. HOLT, Mr. PARRIS, Mr. EVANS of Georgia, Mr. WALKER, Mr. BAILEY of Missouri, Mr. BUTLER, Mr. BADHAM, Mr. BARNARD, Mr. GUYER, MR. ROBERT W. DANIEL, JR., Mr. HYDE, Mr. GINGRICH, Mr. SOLOMON, Mr. LOTT, Mr. LUNGREN, Mr. RUDD, Mr. WHITTAKER, Mr. WINN, Mr. LEBOUTILLIER, Mr. NICHOLS, Mr. FINDLEY, Mr. HUCKABY, Mr. CHAPPELL, Mr. HARTNETT, Mr. LIVINGSTON, Mr. REGULA, Mr. JOHNSTON, Mr. PORTER, and Mr. FRENZEL.

H.R. 158: Mr. DERWINSKI, Mr. FORSYTHE, Mr. EVANS of Georgia, Mr. COLLINS of Texas, Mr. BADHAM, Mr. STRATTON, Mr. JOHNSTON, Mr. WINN, Mr. WILSON, and Mr. JAMES K. COYNE.

H.R. 214: Mr. HOWARD.

H.R. 215: Mr. STANGELAND, Mr. ROE, and Mr. SYNAR.

H.R. 248: Mr. ADDABBO, Mr. BARNES, Mrs. BOUQUARD, Mr. FRENZEL, Mr. PRITCHARD, Mr. ROUSSELOT, Mr. WHITEHURST, Mr. WINN, Mr. VENTO, Mr. SAWYER, and Mrs. FENWICK.

H.R. 269: Mr. SAWYER and Mr. STUMP.

H.R. 280: Mr. SMITH of Alabama.

H.R. 284: Mr. SMITH of Alabama.

H.R. 450: Mr. DANIEL B. CRANE, Mr. WINN, Mr. LOTT, Mr. MCDONALD, Mr. BADHAM, Mr. CHAPPELL, Mr. BUTLER, and Mr. BAFALIS.

H.R. 465: Mr. BAILEY of Pennsylvania.

H.R. 476: Mr. ERTEL.

H.R. 484: Mr. LAFALCE.

H.R. 556: Mr. GEPHARDT, Mr. MINETA, Mr. BRODHEAD, Mr. DONNELLY, Mr. HEFTEL, and Mr. ZABLOCKI.

H.R. 565: Mr. STARK.

H.R. 567: Mr. GINGRICH.

H.R. 637: Mr. DERWINSKI, Mr. SOLOMON, and Mr. GINGRICH.

H.R. 645: Mr. CAMPBELL, and Mr. JAMES K. COYNE.

H.R. 646: Mr. JAMES K. COYNE.

H.R. 654: Mr. MOORE, Mr. SKEEN, Mr. HOPKINS, Mrs. BYRON, and Mr. RUDD.

H.R. 886: Mr. LONG of Maryland.

H.R. 911: Mr. GOODLING, Mr. SPENCE, and Mr. BAILEY of Pennsylvania.

H.R. 1006: Mr. FORD of Tennessee.

H.R. 1266: Ms. OAKAR.

H.R. 1290: Mrs. SCHNEIDER, Mr. PASHAYAN, Mr. GINGRICH, Mrs. BOUQUARD, and Mrs. BOGGS.

H.R. 1294: Mr. FOUNTAIN.

H.R. 1297: Mr. KAZEN.

H.R. 1298: Mr. KAZEN.

H.R. 1458: Mr. JAMES K. COYNE.

H.R. 1541: Mr. PATTERSON.

H.R. 1596: Mr. MATSUI.

H.R. 1646: Mr. BAILEY of Pennsylvania, Mr. BEILENSON, Mr. GRAY, Mr. SIMON, Mr. STOKES, and Mr. SUNIA.

H.R. 1663: Mrs. SCHNEIDER, Mr. BAILEY of Pennsylvania, Mr. DOWNEY, Mr. PATTERSON, Mr. ROSENTHAL, Mr. MCHUGH, Mr. PANETTA, Mr. MINETA, Mr. MILLER of California, Mr. MATSUI, Mr. COELHO, Mr. DYMALLY, Mr. DANIELSON, Mr. ROYBAL, Mr. EDWARDS of California, Mr. BEILENSON, Mr. OTTINGER, and Mr. SMITH of New Jersey.

H.R. 1686: Mr. OTTINGER, Mr. BEDELL, Mr. BONIOR of Michigan, Mr. BROWN of California, Mr. JAMES K. COYNE, Mr. ECKART, Mr. EDGAR, Mr. FAZIO, Mr. FORSYTHE, Mr. GUYER, Mr. HOWARD, Mr. IRELAND, Mr. MAVROULES, Mr. MCKINNEY, Mr. MURPHY, Mr. SIMON, Mr. STOKES, Mr. VENTO, Mr. WEAVER, Mr. WHITEHURST, Mr. WOLPE, AND Mr. WYDEN.

H.R. 1703: Mr. PHILIP M. CRANE AND Mr. STUMP.

H.R. 1723: Mr. BONER of Tennessee.

H.R. 1769: Mr. SEIBERLING.

H.R. 1778: Mr. MCKINNEY.

H.R. 1779: Mr. MCKINNEY.

H.R. 1819: Mr. BONKER, Mr. HUBBARD, Mr. LEWIS, Mr. MINETA, Mr. NEAL, Mr. SEIBERLING, and Mr. WILLIAMS of Montana.

H.R. 1911: Mr. GRAMM, Mr. BLILEY, and Mr. HENDON.

H.R. 1914: Mr. GINGRICH, Mr. MOTTL, Mr. SIMON, and Mr. SOLOMON.

H.R. 1935: Mr. CONYERS.

H.R. 1951: Mr. ROSENTHAL.

H.R. 1956: Mr. HANSEN of Utah.

H.R. 2024: Mr. RAHALL.

H.R. 2031: Mr. SPENCE and Mr. WILLIAMS of Montana.

H.R. 2036: Mr. HILER, Mr. GUYER, Mr. SIMON, Mr. NEAL, Mr. PATTERSON, Mr. BARNES, Mr. PRITCHARD, Mr. FRANK, Mr. LAFALCE, Mr. DAUB, Mr. MILLER of California, Mr. AKAKA, and Mr. CHAPPELL.

H.R. 2037: Mr. EDWARDS of Oklahoma.

H.R. 2262: Mr. COELHO.

H.R. 2319: Mr. SMITH of Iowa, Mr. SAVAGE, Mr. WON PAT, Mr. STANGELAND, Mr. BEVILL, Mrs. BOUQUARD, Mr. BEDELL, Mr. FORSYTHE, Mr. NEAL, Mr. FARY, Mr. ADDABBO, Mr. JOHNSTON, Mr. RICHMOND, Mr. D'AMOURS, Mr. LOWERY of California, Mr. KOGOVSEK, Mr. IRELAND, Mr. FISH, Mr. WHITEHURST, Mr. EVANS of Georgia, Mr. SANTINI, and Mr. MARRIOTT.

H.R. 2327: Mr. DAUB.

H.R. 2334: Mr. WEISS, Mr. CONYERS, Ms. FERRARO, and Mr. SWIFT.

H.R. 2352: Mr. FISH, Mr. PORTER, Mr. BONKER, Mr. GUYER, and Mr. WALGREN.

H.R. 2388: Mr. FIELDS.

H.R. 2421: Mr. GRAMM.

H.R. 2422: Mr. GRAMM and Mr. WHITEHURST.

H.R. 2423: Mr. GRAMM, Mr. WHITEHURST, and Mr. WILSON.

H.R. 2424: Mr. GRAMM and Mr. WHITEHURST.

H.R. 2425: Mr. GRAMM and Mr. WHITEHURST.

H.R. 2428: Mr. LEE.

H.R. 2451: Mr. JAMES K. COYNE and Mr. BAFALIS.

H.R. 2509: Mr. ARCHER, Mr. AUCOIN, Mr. BARNARD, Mr. BLILEY, Mrs. BOGGS, Mr. CAMPBELL, Mr. CHAPPELL, Mr. COLLINS of Texas, Mr. CORCORAN, Mr. DOUGHERTY, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. FAZIO, Mr. FOUNTAIN, Mr. GINN, Mr. GRADISON, Mr. GRAY, Mr. SAM B. HALL, Mr. HEFNER, Mr. HOLLAND, Mr. HUCKABY, Mr. HUTTO, Mr.

JOHNSTON, Mr. LEHMAN, Mr. LIVINGSTON, Mr. MADIGAN, Mr. MONTGOMERY, Mr. PASHAYAN, Mr. RINALDO, Mr. ROEMER, Mr. RUDD, Mr. SENSENBRENNER, Mr. SHELBY, Mrs. SMITH of Nebraska, Mr. STENHOLM, Mr. TAUZIN, Mr. WEBER of Minnesota, Mr. WHITEHURST, Mr. WHITLEY, and Mr. YOUNG of Alaska.

H.R. 2512: Mr. BAILEY of Pennsylvania.

H.R. 2522: Mr. EVANS of Georgia.

H.R. 2523: Mr. MURPHY, Mr. WILLIAMS of Montana, and Mr. CORRADA.

H.R. 2556: Mr. WINN, Mr. LAGOMARSINO, Mr. HANSEN of Idaho, and Mr. DANIEL B. CRANE.

H.R. 2618: Mr. GRAMM, Mr. HUBBARD, Mr. BEVILL, and Mr. STUMP.

H.R. 2921: Mr. DANNEMEYER, Mr. GUYER, Mr. HAMMERSCHMIDT, Mr. KOGOVSEK, Mr. LELAND, Mr. SOLOMON, Mr. WHITEHURST, and Mr. LOTT.

H.R. 2923: Mr. GEJDENSON.

H.J. Res. 2: Mr. CARNEY, Mr. LEWIS, and Mr. TRIBLE.

H.J. Res. 33: Mr. BAFALIS.

H.J. Res. 66: Mr. SMITH of Alabama.

H.J. Res. 128: Mr. BAFALIS, Mr. DANIEL B. CRANE, Mr. MCDADE, Mr. TRAXLER, Mr. WEAVER, Mr. WHITEHURST, Mr. BOWEN, Mr. LEACH of Iowa, and Mr. WATKINS.

H.J. Res. 141: Mr. FLORIO, Mr. BONIOR of Michigan, Mr. TAYLOR, Mr. HOWARD, Mr. SUNIA, Mr. WON PAT, Mr. STENHOLM, Mr. ROBINSON, Mr. YOUNG of Missouri, Mr. ANDREWS, and Mr. CLAY.

H.J. Res. 160: Mr. LOWERY of California, Mr. HORTON, Mr. JAMES K. COYNE, and Mr. TRAXLER.

H.J. Res. 197: Mr. BEDELL, Mrs. CHISHOLM, Mr. CORCORAN, Mr. DIXON, Mr. FAZIO, Mr. FORSYTHE, Mr. FRANK, Mr. GUARINI, Mr. GUYER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LOWERY of California, Mr. MADIGAN, Mr. MINETA, Mr. MOTTL, Mr. PEPPER, Mr. RAILSBACK, Mr. RICHMOND, Mr. RUSSO, Mr. SCHEUER, Mr. SIMON, Mr. SMITH of Oregon, Mr. VENTO, Mr. WAXMAN, Mr. YATRON, and Mr. YOUNG of Alaska.

H.J. Res. 211: Mr. BROYHILL, Mr. JACOBS, and Mr. O'BRIEN.

H. Con. Res. 17: Mr. PURSELL, Mr. BAILEY of Missouri, Mr. HOLLAND, Mr. EVANS of Delaware, Mr. ROEMER, Mr. MYERS, Mr. PARRIS, Mr. MATTOX, Mr. WON PAT, Mr. ST GERMAIN, Mrs. COLLINS of Illinois, Mr. RUSSO, Mr. EVANS of Iowa, Mr. LAFALCE, Mr. LEE, Mr. SKELTON, Mr. RINALDO, Mr. LUKEN, Mr. BROWN of California, Mr. YATRON, Mr. TAYLOR, Mr. COURTER, Mr. MARTIN of North Carolina, Mr. LENT, Mr. BAILEY of Pennsylvania, Mr. ZABLOCKI, Mr. O'BRIEN, Mr. DENARDIS, and Mr. MARRIOTT.

H. Con. Res. 27: Mr. WILSON, Mr. BROWN of California, Mr. LOWRY of Washington, Mr. WIRTH, Mr. DIXON, and Mr. MOAKLEY.

H. Con. Res. 79: Mr. PHILIP M. CRANE.

H. Con. Res. 91: Mr. SMITH of New Jersey, Mr. PEPPER, Mr. PATTERSON, Mr. ROUSSELOT, Mr. RITTER, Mr. GOLDWATER, Mrs. HECKLER, Mr. ROE, Mr. BAILEY of Missouri, Mr. LEBOUTILLIER, Mr. DANNEMEYER, Mr. FOGLIETTA, Mr. MURPHY, Mr. MCDADE, Mr. MCKINNEY, Mr. LEACH of Iowa, and Mr. JAMES K. COYNE.

H. Con. Res. 96: Mr. DORNAN of California, Mrs. FENWICK, Mr. MARKEY, Mr. AUCOIN, Mr. WHITEHURST, Mr. HARKIN, Mr. WEISS, Mrs. HOLT, Mr. BEILENSON, Mr. EDGAR, Mr. MOLINARI, Mr. FORSYTHE, Mrs. SCHROEDER, Mr. ERDAHL, Mr. JEFFORDS, Mr. RICHMOND, Mr. EDWARDS of California, Mr. LOWRY of Washington, Mr. JACOBS, Mr. ROE, Mr. HYDE, Mr. COLLINS of Texas, Mr. MCCLOSKEY, Mr. DENARDIS, Mr. VENTO, Mr. TRAXLER, Mr. PEPPER, Mr. HERTEL, Mr. ECKART, Mr. GREGG, and Mr. LEHMAN.

H. Res. 55: Ms. FERRARO.

H. Res. 79: Mr. PEPPER, Mr. GUYER, Mr. HYDE, Mr. STARK, Mr. LANTOS, Mr. CORRADA, Mr. MURPHY, Mr. WON PAT, Mr. HUGHES, Mr. OTTINGER, and Mr. DORNAN of California.

H. Res. 112: Mr. LELAND, Mr. FAUNTROY, Mr. EDWARDS of California, Mr. WOLPE, Mr. FORD of Michigan, Mr. DOWNEY, Mr. RANGEL, Mr. OTTINGER, Mr. RICHMOND, Mr. WEISS, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. DORGAN of North Dakota, Mrs. SCHROEDER, Mr. BEILENSON, Mrs. CHISHOLM, Mr. ROSENTHAL, Mr. VENTO, Mr. OBERSTAR, and Mr. ST GERMAIN.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

52. By the SPEAKER: Petition of the Governing Board, Inter-Tribal Council of Michigan, Inc., Sault Ste. Marie, relative to the Community Services Administration; to the Committee on Education and Labor.

53. Also, petition of the Board of County Commissioners, St. Louis County, Minn., relative to El Salvador; to the Committee on Foreign Affairs.

SENATE—*Tuesday, April 7, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

Let us pray.

Almighty God, as human government is ordained by Thee to be Thy minister for good, grant that the Senate this day shall be guided by the wisdom of Thy word.

Thou hast said:

When the righteous are in authority, the people rejoice; but when the wicked rule the people groan.—Proverbs 29: 2 (R.S.V.).

Give Thy servants the desire and determination to legislate righteously.

Thou hast said:

A righteous man knows the rights of the poor; a wicked man does not understand such knowledge.—Proverbs 29: 7 (R.S.V.).

May the business done in this place conform to Thy justice and equity.

Our Father in heaven, we thank You for the good news from the hospital, and we commend to Thee the President and Mr. Brady and the others and their families.

Let Thy wisdom and love pervade this place and Thy law infuse our hearts and minds for Thy glory and in Thy name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. BAKER. I thank the Chair.

Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have a request from the distinguished Senator from Kansas for a period of time. If there is no problem from the standpoint of the minority leader, I will yield now out of my time or I can reserve it and yield it after the minority leader's remarks.

If I may, Mr. President, while I still have the floor, I yield now 3 minutes to the distinguished Senator from Kansas.

The PRESIDENT pro tempore. The Senator from Kansas is recognized.

DESIGNATING APRIL 9, 1981, AS "AFRICAN REFUGEE RELIEF DAY"

Mrs. KASSEBAUM. Mr. President, I send a joint resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. RUDMAN). The clerk will state the resolution by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 61) to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, I have cleared this resolution with Mr. BIDEN, the ranking member on the Judiciary Committee, and there is no objection from this side.

There being no objection, the Senate proceeded to consider the joint resolution, and without objection, the joint resolution will be considered to have been read the second time at length.

Mrs. KASSEBAUM. Mr. President, in Geneva this week U.N. Ambassador Kirkpatrick will represent the American people at a conference sponsored by the United Nations and the Organization of African Unity on measures to increase the assistance given to African refugees.

No one who has seen the condition of the African refugees, mostly women and children, can be unconcerned about their plight.

Refugees in Africa pose a particularly difficult challenge to the international community, as many of the host nations are themselves quite poor and suffer from food shortages.

An inadequate transportation network creates difficulties in delivering food from the outside to the refugees in time, and massive starvation has been avoided only through the extraordinary efforts and competence of the private voluntary organizations through which relief has been channeled.

The origins of the African refugee crisis are varied, as are the solutions. The challenge before the international community is to provide for the basic human needs of the refugees while engaging in efforts to bring about the long-term political solutions that will enable the refugees to return home.

With the independence of Zimbabwe, for example, refugees from the surrounding countries were able to return to their homes and begin to reconstruct their lives in peace.

Congressmen JULIAN DIXON and JACK KEMP were joined by 141 other Members of the House of Representatives in introducing a resolution asking the President to designate April 9, the opening day of the conference, as "African Refugee Relief Day" and asking Americans to increase their voluntary contributions to the private voluntary organizations through whom much of the relief efforts have been channeled.

My office has worked closely with the House sponsors, and I am pleased today to introduce an identical resolution in the Senate. This resolution is an important symbol to the world of American interest in African refugees.

It is also a symbol of our appreciation of the dedicated and self-sacrificing efforts of the employees of the voluntary organizations. These men and women undertake, for only modest salaries, to work under the most difficult and unpleasant conditions in remote parts of Africa to provide for the needs of their fellow man.

In some parts of the continent, the hardships are aggravated by a breakdown of law and order so that considerable personal bravery is required by these men and women.

I urge all my colleagues to support this resolution which I offer on behalf of myself and Senators THURMOND, KENNEDY, MATHIAS, TSONGAS, DODD, EXON, PERCY, HAYAKAWA, LEVIN, GLENN, and CRANSTON.

Mr. President, I have sent the resolution to the desk and have asked for its immediate consideration. My request has been cleared on both sides of the aisle and with the joint leadership of the Judiciary Committee.

(By request of Mrs. KASSEBAUM, the following statement was ordered to be printed in the RECORD:)

AFRICAN REFUGEE CONFERENCE

● Mr. KENNEDY. Mr. President, I am pleased to join in cosponsoring this resolution designating April 9 as "African Refugee Relief Day," to mark the opening of the International Conference for Assistance to Refugees in Africa.

The conference is being held under the auspices of the United Nations High Commissioner for Refugees to focus worldwide attention on the estimated 3 to 5 million refugees spread across 25 nations in Africa. Half of the world's refugees are in Africa, yet their plight is least understood by the international community.

The goal of the conference, to be held at the United Nations in Geneva, is to gain the support of the international community in providing basic humani-

tarian assistance to African refugees as well as to increase international awareness of their plight. This resolution is offered in support of these goals.

Mr. President, as former chairman of the Subcommittee on Refugees and of the full Judiciary Committee, I can say the United States has had a proud record in responding to the needs of refugees around the world. When refugee emergencies have arisen, we have responded. When humanitarian assistance has been required, we have offered a helping hand. And when resettlement opportunities have been called for, we have opened our doors.

This resolution recognizes this humanitarian tradition. It affirms our concern for the millions for homeless people in Africa, and the special and urgent needs they have today.

As ranking minority member of the Judiciary Subcommittee on Immigration and Refugee Policy, I am pleased that the chairman, my distinguished colleague from Wyoming (Mr. SIMPSON), is dispatching a member of the subcommittee staff to monitor the African Refugee Conference in Geneva next week and to report to the subcommittee on its work. I commend the administration for its efforts to respond favorably and generously to the UNHCR's call for assistance. And I pledge my continued support for all of these efforts in the Senate.

Mr. President, I ask that excerpts from the UNHCR report on the African Refugee Conference be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

REFUGEES IN AFRICA: A COUNTRY-BY-COUNTRY SURVEY

INTRODUCTION

In 1970, the number of refugees in Africa was estimated at three-quarters of a million; by 1980 it was estimated at 5 million and it is still growing.

One in every two refugees in the world is from Africa; that is, of the 10 million refugees around the world, half are in Africa. The total number of African refugees now exceeds the population of many African countries.

The largest refugee problem on the continent is in the Horn of Africa. In Somalia, the refugee population has now exceeded the one million mark. In Djibouti, 12% of the population are refugees. Elsewhere on the continent, the civil war in Chad caused hundreds of thousands of women and children to flee into Cameroon, Nigeria and Sudan.

The categories of assistance normally accorded to refugees by the United Nations are as follows:

Emergency assistance (for new refugees). This includes short-term, rapidly implemented measures of immediate relief including provision of basic necessities such as food, shelter, clothing and blankets, household utensils and equipment and basic health care.

Intermediate assistance. This includes interim relief measures aimed at consolidating the infrastructure and laying the foundation for long-term solutions.

Long-term solutions. These consist of activities leading initially to the economic self-sufficiency of the group concerned and ultimately to voluntary repatriation or to the social, economic and administrative integration of the refugees into their area of residence.

The magnitude of the refugee problem in Africa has made it necessary for the United Nations to convene an International Conference on Assistance to Refugees in Africa, to be held on 9–10 April 1981 in Geneva.

One of the major objectives of the Conference is to obtain additional resources to enable African countries to meet the already burdensome responsibility of hosting several million refugees. The Conference will also attempt to focus the attention of the international community on the plight of African refugees.

ALGERIA, MOROCCO AND TUNISIA

UNHCR works in these countries for European refugees in need of constant assistance, since most of them are aged and many are physically and socially handicapped; for refugees from Latin America who require assistance towards local settlement; and for African refugees, mostly students, who are provided with educational assistance or temporary allowances pending their placement in educational institutions or in employment. These three categories number some 3,000 individuals and the Office spent some US $150,000 in these countries in 1980. UNHCR also reviewed in 1980 the situation of refugees from Western Sahara in Algeria who will be assisted under the General Programmes in 1981.

ANGOLA

There are at present about 73,000 refugees in Angola, of whom 18,000 are Zairians, 50,000 are Namibians and 5,000 are South Africans.

In addition to its assistance to these groups, UNHCR was also responsible for measures facilitating the return and rehabilitation of some 100,000 (50,000 in 1979 and 50,000 in 1980) Angolans who returned from Zaire. It is anticipated that this movement will be followed by that of many more Angolans still living in Zaire. Plans are under discussion for the construction of a transit centre near Luanda which might receive up to 1,500 returnees from Zaire or elsewhere.

Although the majority of Zairean refugees in Angola have returned to their homeland following the decree of June 1978, some 18,000 have chosen to stay behind and UNHCR is cooperating closely with the government in measures for their permanent settlement.

The needs of Namibian refugees, arriving in increasing numbers in Angola, have been a source of constant concern to UNHCR. Efforts have been directed towards meeting the immediate needs of these refugees while seeking also to provide them with the means, albeit limited, of attaining greater self-sufficiency. Despite the best efforts of UNHCR and other agencies, the situation of these refugees remains critical.

UNHCR spent some US $4.8 million in Angola in 1980.

BOTSWANA

The year marked a major change in the refugee situation in Botswana. The number of refugees in the country had increased steadily throughout 1979, due to new arrivals from Zimbabwe, whose nationals accounted for as many as 96% of the 23,000 refugees at the end of the year. But with the Lancaster House Agreement, which brought the civil war in Southern Rhodesia to an end, the flow was dramatically reversed. UNHCR supervised the repatriation from Botswana of 18,200 Zimbabweans in early 1980. Some 1,700 Zimbabwean refugees had already repatriated by their own means. The Government of Botswana now uses the facilities created for Zimbabweans at the Dukwe settlement for rural and urban refugees in Botswana for whom no other durable solution had been found. Agricultural activity continues, while other refugees received training in skills such as carpentry and tailoring.

The emphasis on educational assistance to Southern African refugee students has remained a priority in Botswana. The Education Resource Centre now situated at Dukwe continues to offer remedial programmes and correspondence courses to refugees. Classes also began early in 1980 at two secondary schools constructed with financial assistance from UNHCR.

The refugee population in Botswana now stands at some 3,400 persons.

The total UNHCR allocations for refugees in Botswana amounted to US $3.27 million in 1980.

BURUNDI

The number of refugees in Burundi, most of whom are of Rwandese origin, is estimated at some 234,590. A large proportion of these refugees live in urban areas and most of them are jobless. UNHCR has focused its efforts on improving their lot through the establishment of small family businesses or through apprenticeships. Local settlement assistance has also included appropriations to cover costs incurred in transferring refugees in the capital, Bujumbura, to rural settlements, wherever this solution was feasible. UNHCR also provides assistance for refugee schools.

At the request of the Government of Burundi, UNHCR plans to contribute to the cost of building a hospital in the province of Ruigi where the presence of a large number of Rwandese refugees has placed a considerable strain on local medical and other services.

UNHCR spent some US $400,000 in Burundi in 1980.

CAMEROON

(United Republic of)

Following events in Chad, tens of thousands of Chadian refugees crossed the Chari River and entered the northern province of Cameroon. They concentrated in and around the town of Kousseri, increasing the population (formerly 10,000) more than eleven-fold. The new influx of refugees drove UNHCR's initial budgetary estimates for 1980 up from US $0.5 million to US $8.8 million.

The number of refugees is now estimated by the Government at 266,000.

CENTRAL AFRICAN REPUBLIC

The total number of refugees in the Central African Republic is estimated at 7,000.

With the arrival in spring 1979 of 1,000 refugees from Chad, UNHCR obligated US $83,000 from the Emergency Fund in response to the Government's appeal for assistance in meeting the needs for this group. In mid-1980, a UNHCR mission visited the Central African Republic to review the situation, in view of the continued arrival of refugees from Chad.

Following this mission another US $300,000 has been drawn from the Emergency Fund to face the first needs of the 6,000 newly arrived refugees from Chad.

DJIBOUTI

The continued movement of refugees into Djibouti during 1980 drove the total number of refugees there to over 42,000.

Refugees now constitute a sizeable percentage (about 12%) of Djibouti's total population.

Many of the refugees are of rural background, but their settlement in agriculture is largely impracticable due to the harsh climatic conditions, which have been further aggravated by persistent drought in this area of Africa.

Many Ethiopian refugees of urban background continue to live in precarious conditions in the capital city. Those enjoying refugee status number over 4,100, but many thousands more are living unidentified

among the local population. Their presence weighs heavily upon the economy of the country, particularly in view of the low living standards and high unemployment rate (as high as 50%). Intensified efforts have, therefore, been made by UNHCR to promote counselling services. Many of these refugees are students for whom the only solution lies in placement in schools or colleges in other countries. Meanwhile, plans are under way for a transit centre designed to house refugees and improve their chances of resettlement through some vocational training.

UNHCR's total budget for Djibouti in 1980 was around US $4.87 million.

EGYPT

The estimated number of refugees of concern to UNHCR in Egypt remained unchanged at some 5,000. Of the 1,200 that receive regular monthly assistance, 400 are destitute and aged refugees of European origin; the remainder are African, mostly from Ethiopia. For the resident European caseload, assistance measures have been directed towards the local integration of refugees through job placement, the establishment or consolidation of small businesses, provision of shelter, medical care and counselling services. Financial assistance in the form of annuities has been provided for aged and destitute cases. The vast majority of African cases receive educational assistance including vocational/technical training, and this has remained a major priority. The resettlement abroad or refugees residing in Egypt, including the younger stateless cases of European origin, continues to prove difficult, but a number of African refugees who have completed their education are being successfully resettled and efforts are being made to find employment in the area for others.

UNHCR spent US $1.3 million in Egypt in 1980, the bulk on education.

ETHIOPIA

In 1980 it was reported that several thousand Ethiopians who sought refuge in neighbouring countries as a result of internal unrest and natural disasters were returning to their country of origin.

Towards the end of the year UNHCR provided funds for an initial assistance project to benefiit some 10,000 returnees. The project, valued at some US $1.3 million, covers the construction of reception centres and provision of immediate relief to the returnees, together with distribution of self-sufficiency packages to facilitate the rehabilitation of the returning population.

It is expected that greater numbers of Ethiopian refugees will be repatriated in the near future.

GABON

The number of refugees in Gabon is estimated at some 30,000. With the change of regime in Equatorial Guinea, spontaneous repatriation of Guineans was carried out under UNHCR auspices. UNHCR also continued to provide limited assistance of various kinds, mainly for educational purposes.

UNHCR's revised allocations for 1980 amounted to US $240,000.

GHANA

In Ghana, where refugees, originating mostly from southern Africa, number some 200, emphasis has been placed on educational assistance. Scholarships at primary and lower secondary level are being provided, and assistance to individual refugees, many of whom are without employment, is continuing. In view of the severely limited labour market, assistance needs are increasing, though efforts are being made towards attaining durable solutions in place of immediate aid, notably through the promotion of counselling.

UNHCR spent nearly US $200,000 in Ghana in 1980.

KENYA

At the beginning of 1980, there were some 5,800 refguees in Kenya of whom 3,500 were Ugandans. The remainder consisted of Ethiopians and Rwandese and smaller groups of various origins. During the first four months of 1980, the most significant change in the refugee population was the repatriation of about 2,000 Ugandans to their country and an influx of a small group of Ethiopian and Rwandese refugees into Kenya. As in previous years, assistance was provided towards the local integration of individual refugees, for educational and vocational training, for counselling services and supplementary assistance was provided for destitute refugees. The refugee population in Kenya now stands at some 3,500 persons.

UNHCR spent over US $2 million in Kenya on these activities and on the voluntary repatriation programme.

LESOTHO

The total number of refugees in Lesotho is estimated by the Government of Lesotho at 10,000. As a result of the continuing process relating to the determination of refugee status some 2,000 of these had been formally granted asylum. In 1980, as in previous years, UNHCR assistance has been extended also to persons awaiting the official determination of their refugee status by the Government. UNHCR continues to focus on providing additional educational facilities at the secondary and technical levels to enhance employment prospects for refugees, and also to encourage the authorities to continue their liberal admission policy towards Southern African refugee students.

The UNHCR allocations for refugees in Lesotho amounted to US $589,600 in 1980.

MOZAMBIQUE

The dramatic developments in Zimbabwe brought major changes to the refugee situation in Mozambique. Following the Lancaster House Agreement in December 1979, the repatriation of Zimbabweans was begun under UNHCR auspices. During the first phase of the repatriation, aimed at the return of refugees prior to the general election at the end of February 1980, some 11,000 Zimbabweans in Mozambique were repatriated with UNHCR assistance. Another 15,000 went home when the organized repatriation programme resumed after the elections in April 1980. In addition, large numbers of Zimbabweans in Mozambique have returned to their country on their own.

UNHCR's allocations for Mozambique, including for the repatriation programme, amounted to US $11.7 million in 1980.

Since the departure of the Zimbabwean refugees there are no UNHCR-sponsored organized refugee settlements in Mozambique and emphasis is now being placed on assistance to individual refugees coming mainly from South Africa.

The refugee population in Mozambique now stands at some 100 persons.

NIGERIA

According to the Government there are at present some 110,000 refugees in Nigeria, of whom some 104,920 Chadian refugees would require UNHCR-co-ordinated assistance. Other UNHCR activities in Nigeria include the provision of scholarships for refugee students from Southern Africa and legal and counselling services. Nigeria also became UNHCR's largest African donor, in 1980, with a contribution of nearly US $1 million towards the Office's programme in Zimbabwe.

RWANDA

The refugee population in Rwanda is estimated at some 10,150 mainly from Burundi and Uganda. UNHCR's activities in this country include the provision of emergency relief to new refugees and educational assistance, at lower secondary, higher secondary, technical and university levels. UNHCR's 1980 budget in Rwanda amounted to some US $300,000.

SENEGAL

The number of refugees, of various origins, residing in Senegal was estimated at the beginning of 1980 at 5,000 UNHCR contributed to the implementation of a fishery project which helped achieve self-sufficiency for a group of refugees. The Office's total expenditures in 1980 were about US $820,000.

SOMALIA

"The biggest refugee problem in the world" is how the High Commissioner described, the crisis in Somalia where, according to the government, continuing influxes have brought about 1.3 million refugees to 30 camps and 7 transit centres in 4 regions of the country.

In 1978 the High Commissioner launched an appeal for funds on behalf of refugees in the Horn of Africa. Several hundred thousand refugees in Somalia benefited from nearly US $11 million raised in the course of 1978 and 1979. At the same time technical assistance was ensured from a number of governmental and non-governmental agencies, which today provides some 250 experts in various fields.

The current UNHCR programme of US $41.8 million for 1981 was planned for an estimated camp population of 900,000 persons. However, the continued and massive influx has necessitated an upward revision of assistance requirements.

The $400,000 newly arrived refugees will require some US $8,270,000 for immediate nonfood assistance, over and above the amounts already set aside. The food deficit for 1981 is estimated at some 163,915 million tons. There will also be need for further supplementary food for vulnerable groups and extension of educational and vocational facilities in the camps.

Provision of an adequate supply of potable water is a major concern of the assistance programme. The polluted river water is a threat to the health situation of the refugee population. At present, short-term water supply is being provided to the camps through the co-operation of a number of voluntary agencies. The situation, however, remains unsatisfactory. A UNHCR/UNICEF project for a long-term supply of safe water will continue in 1981 and will be completed in 1982.

Progressive orientation of the UNHCR programme towards self-reliance is a major objective. An amount of US $4.15 million has been earmarked in 1981 to develop agricultural projects, animal husbandry and other self-help schemes.

SUDAN

Sudan continues to host the second largest refugee population in Africa. The Government estimates that there are 490,000 refugees in the country. The strain on the resources of the country, due to the presence of such large numbers of refugees, was further aggravated by the concentration of a significant portion of them in the urban centres, such as Khartoum, Gedaref, Kassala and Port Sudan.

Faced with the risk of being forced to divert funds and attention from pressing development tasks, the Sudanese Government decided to relocate unemployed refugees to organized semi-urban or rural settlements where opportunities would be created for the refugees to achieve self-sufficiency. In order to cope with its enormous task, the government declared 1980 as the "Year of the Refugee in the Sudan", and launched a world-wide campaign culminating in an International Conference on Refugees, in Khartoum in June 1980. The objectives of

this campaign were to settle all refugees in organized settlements, to solve the problems of urban refugees, to tackle the problems of dependent groups such as orphans, widows, the aged and the handicapped, and to harmonize refugee settlements with those of the local people by integrating them into overall plans for regional development.

UNHCR's assistance programme in the Sudan has concentrated on supporting the establishment of these organized settlements. These would essentially be of three types: rural settlements based primarily on individual farming; rural settlements based primarily on wage employment in several of the large irrigation projects in the eastern provinces; and semi-urban settlements. In all cases, UNHCR's assistance comprises provision of housing, communal facilities such as dispensaries, schools and water supply, the transportation of refugees to the new sites, agricultural inputs, and meeting the running costs for an initial period. Food is being provided by WFP for a period of about two to three years.

To cope with the needs of urban refugees, UNHCR helped run the Refugee Counseling Service, which assists urban refugees to overcome their immediate problems and arranges educational and vocational training for them.

UNHCR's 1980 budget in the Sudan was over US $11 million.

SWAZILAND

The influx of refugees into Swaziland from South Africa continues unabated. UNHCR continues to promote self-sufficiency through local integration measures, which should eventually settle almost 5,000 refugees from South Africa at the Ndzevane Rural Settlement in south-eastern Swaziland, on land being provided by the Government. Efforts to provide educational assistance to refugee students continue. Refugees without specific skills are being assisted through the provision of vocational and technical training and the further expansion of these facilities is planned for during 1981.

The total UNHCR allocation for refugees in Swaziland amounted to US $1,141,600 in 1980.

The estimated refugee population is some 10,000 of whom 5,047 persons are registered.

TANZANIA

(United Republic of)

There are at present some 140,000 refugees in Tanzania consisting of some 130,000 from Burundi and other groups of various origins including Zaireans, Malawians and South Africans.

UNHCR activities in Tanzania focus on assistance to organized rural settlements, particularly those for refugees from Burundi at Ulyankulu and Mishamo. Since the population of Ulyankulu had grown to a level beyond the economic capacity of the settlement, some 23,000 refugees had been transferred to a new settlement at Mishamo and Ulyankulu was re-organized to provide for more effective use of the existing facilities and a better distribution of the most fertile agricultural plots. Following the re-organization of the settlement, the remaining refugees in Ulyankulu have achieved a level of self-sufficiency comparable to the local population and the settlement was handed over to the government on 28 June 1980.

In the meantime, the population of Mishamo by the end of March 1980 rose to about 28,000. The settlement made good progress during the year, with the refugees themselves working actively in clearing, tilling and planting the land, and in constructing their own houses and communal facilities.

In addition to programmes for refugees in rural settlements, assistance towards the local integration of individual refugees in the form of supplementary aid, educational assistance, counselling programmes and for the promotion of resettlement and voluntary repatriation, was provided to various refugees, including southern African refugee students.

Towards the end of the year, the Tanzanian Government announced its decision to grant citizenship to some 35,000 refugees, mainly of Rwandese origin. This major development—the first occasion in Africa when such a large number of persons in exile have so dramatically ceased to be refugees was welcomed by the High Commissioner, whose representatives were present at the naturalization ceremonies.

UNHCR's total allocations for Tanzania in 1980 amounted to US $6.5 million.

UGANDA

The refugee population in Uganda is estimated at about 112,400 comprising 78,000 Rwandese, 34,000 Zairean and smaller groups of various origins. Prior to the events of 1979, most of the refugees, whether integrated in urban areas or living in eight organized rural settlements, were virtually self-sufficient. However, the disruption caused by the events of 1979 affected both groups of refugees, many of whom were displaced. In addition, an estimated number of 265,000 Ugandans were displaced within the country.

As a result, the assistance programme for refugees has focused on providing for the repair and reconstruction of established refugee settlements. In addition, assistance in the form of supplementary aid, counselling services, education and local integration measures for individual urban refugees has had to be substantially increased.

UNHCR spent nearly US $2 million in Uganda in 1980. In addition, some US $6.5 million were received in response of the High Commissioner's appeal, launched in July 1979 to provide assistance to displaced Ugandans, returnees and refugees. This special programme, which continued during 1980, will shortly be phased out.

ZAIRE

The total number of refugees in Zaire is estimated at some 400,000. Angolan refugees, the largest refugee group, numbered some 215,000; there are also over 100,000 Ugandan refugees. Other groups include 11,000 Burundi, 22,000 Rwandese and 1,800 Zambians. UNHCR's efforts have focused largely on promoting their local integration and self-sufficiency, particularly through rural settlements. Measures to improve agricultural production, water supply and health care were taken. However, efforts for the Ugandan refugees took the form of relief aid, pending more durable solutions for their plight.

During most of 1980, UNHCR continued to pursue the rehabilitation programme for Zairean repatriates who had returned to their homes following the proclamation of an Amnesty Law in June 1978. Assistance included the distribution of food, seeds, agricultural tools, blankets, kitchen utensils and a major medical programme.

UNHCR's expenditures in Zaire in 1980 were of the order of US $7.5 million.

ZAMBIA

There are at present some 33,500 refugees in Zambia consisting of some 18,000 Angolans, 5,000 Zaireans and other smaller groups of refugees like Namibians and South Africans.

UNHCR is presently assisting the development of a large refugee settlement in Meheba for some 9,000 Angolans, 600 Zaireans and 150 Namibian refugees. The settlement will be handed over to the Government at the end of 1981. UNHCR has a large education assistance programme for refugees in Zambia and is in the process of consolidating and improving the counseling services in the country in order to make them more responsive to the refugees' individual needs. More emphasis is also being placed on assisting refugees to find employment opportunities as well as to create self-help projects for individuals or small groups.

UNHCR's total allocations for Zambia in 1980 amounted to US $6.94 million.

ZIMBABWE

Following the agreement signed in December 1979 at the end of the Lancaster House Conference in London, UNHCR was requested by the Government of the United Kingdom to undertake the over-all co-ordination of the international effort to assist in the repatriation of Zimbabwean refugees.

In the first phase of the repatriation, aimed at the return of refugees prior to the elections at the end of February 1980, over 33,000 refugees were repatriated under UNHCR auspices: some 18,200 from Botswana, 11,000 from Mozambique and over 4,000 from Zambia. Additional numbers of refugees returned to their country on their own. A network of transit centers was established with UNHCR's financial support to provide temporary accommodation and assistance to returnees. The repatriation resumed after the independence of Zimbabwe and by the middle of October 1980 a total of 69,000 persons had been repatriated with UNHCR's help. Repatriation is now terminated except for a number of individual Zimbabweans in various countries who, for reasons such as studies, wish to stay abroad longer.

Events in Zimbabwe over the past years had serious effects on the rural areas of the country where the majority of the population lives. Health clinics and schools were seriously damaged, agricultural land ruined, livestock numbers sharply reduced, animal disease became widespread and crop production was severely disrupted by two seasons of drought. In addition to the returning refugees, nearly a million people are estimated to have been displaced internally during the war.

After an interagency mission to Zimbabwe in April 1980 the High Commissioner issued an appeal to the international community for a US $110 million assistance programme over a period of 12 months. In addition, food needs were estimated at 113,000 metric tons. The programme, co-ordinated by UNHCR, includes transporting returning refugees and displaced persons to their homes, and assisting them to repair, reconstruct, and re-equip them; agricultural assistance in the form of seeds, tools and fertilizers; and a comprehensive training programme for farmers. Help will also be provided to restore damaged water supply systems and repair rural roads and bridges. The programme further includes the repair and restoration of community facilities, notably rural health clinics and primary schools, the provision of necessary equipment and supplies and the training of staff. Specialized facilities will be established for the handicapped, orphans and the aged.●

Mr. LEVIN. Mr. President, I am happy today to join Senator KASSEBAUM and the other Senators sponsoring the resolution asking President Reagan to designate April 9 as "African Refugee Relief Day."

The problem of hunger in Africa is growing. People of Africa are suffering the ravages of continuing wars and damaging weather, leaving 27 African countries confronted by desperate people seeking shelter and food.

Our great Nation owes its support to the African people in the face of this suffering.

This resolution expressed the support of the Senate in two ways: It encourages

those convening in Geneva under the auspices of Organization for African Unity and the United Nations High Commissioner for Refugees on April 9 and 10 to develop a much needed plan of action to cope with the immense refugee crisis in Africa. It also encourages American citizens to make a real contribution by foregoing a meal and contributing the cost of the meal to African refugee relief with the cost of the meal.

Senator KASSEBAUM's resolution is a reflection of what has made this country great. We are a nation that cares about people.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the joint resolution be held at the desk for the remainder of the day for any further cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S.J. Res. 61) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The Senate joint resolution, together with its preamble, reads as follows:

S.J. RES. 61

Whereas there are more than four million refugees on the continent of Africa, and more than half of the world's refugees are African;

Whereas these refugees, who are primarily women and children, have typically crossed hundreds of miles to escape the ravages of armed conflict, drought, and political unrest;

Whereas world attention has focused on the plight of the more than one million refugees in Somalia who have fled the war in Ogaden, are suffering greatly from disease and malnutrition, and are being housed in overcrowded camps in which more than 90 per centum of the refugees are women and children;

Whereas approximately twenty-seven African countries are confronted with refugee problems, and generally lack sufficient resources to provide these victims with necessary sustenance; and

Whereas the Organization for African Unity and the United Nations High Commissioner for Refugees will convene an international conference in Geneva on April 9 and 10, 1981, to develop a plan of action to respond to this grave crises: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day" and calling upon the people of the United States to observe such day by (1) increasing their awareness of the plight of African refugees; and (2) foregoing one meal and using the funds that otherwise would have been spent on such meal to make contributions to recognized private voluntary agencies providing care and relief for such refugees.

Mrs. KASSEBAUM. I thank the Chair.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have a request to yield time to the distinguished Senator from New Hampshire, the distinguished Senator from Minnesota, and the distinguished Senator from Washington, and rather than impose further on the minority leader's time I wish to make this statement.

ORDER FOR A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the recognition of the minority leader under the standing order the Senate have a period for the transaction of routine morning business for a period not to exceed 30 minutes in length in which Senators may speak for not more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I yield to the minority leader my time remaining under the standing order.

RECOGNITION OF THE MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, how much time do I have?

The PRESIDING OFFICER. Thirteen minutes and 40 seconds

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

AFGHANISTAN: STALEMATE AND BRUTALITY

Mr. ROBERT C. BYRD. Mr. President, the Soviet Union is perpetuating a brutal military and political stalemate in Afghanistan. The Soviets hope the world will come to accept their illegal occupation of another sovereign nation and go on to other matters. But they have failed to broaden the political base of their proxy regime led by Babrak Karmal. They have failed to build an effective Afghan military force responsive to their dictates. They are totally unable to legitimize their presence.

Yet, they have so far succeeded in their primary goal: To remain there. Soviet tyranny is perpetuating itself indefinitely. Soviet brutality is widening its reach day by day. Determined to tough it out, they want the normalization of their destruction of the sovereignty of Afghanistan.

Despite the continuation of active armed resistance, the Soviet military presence guarantees their control of the key population centers, the communication network and major roads.

Despite a variety of diplomatic initiatives by many nations over the last year, the Soviets remain unresponsive. This is so even though they have suffered significant damage to their international image. It is so even though they continue to bear a significant economic penalty imposed by the U.S. grain embargo.

Soviet intransigence on the Afghanistan question was reiterated by Soviet President Brezhnev before the 26th Soviet Party Congress in Moscow in March of this year. It was reinforced by his negative response to an innovative proposal recently made by French President Giscard d'Estaing. It was repeated subsequently in a bellicose statement by "Soviet leading circles" in Tass which charged that American actions are now making an Afghan political settlement more difficult.

The continued Soviet occupation of Afghanistan, and the daily commission of acts of brutality toward the Afghan people, is an international scandal. It must remain on the top of the international agenda until a political solution acceptable to the Afghan people is achieved. This solution must satisfy two basic standards: The removal of Soviet troops and self-determination for the Afghan people. Any proposal, any mechanism, any process which accomplishes these goals should be vigorously supported by the United States. Any conclusion which perpetuates Soviet control of Afghanistan must be rejected.

MILITARY SITUATION

The Soviet occupation is now in its 16th month. There was a brief period last June when the Soviet announced the withdrawal of 5,000 troops, when it seemed that an end to the occupation was possible. But these hopes were quickly dashed. The announcement turned out to be a propaganda offensive aimed at softening any anti-Soviet consensus among the allied summit conference in Venice. Shortly afterward, it became clear that the troops which were withdrawn were those not considered useful in the Afghan environment. These included antinuclear and antiair forces. They were replaced by considerably more useful forces. In fact, the initial Soviet force included a substantial number of reservists, and they have been replaced by seasoned regular soldiers. They continue to maintain a force of over 85,000 troops in Afghanistan, with some 30,000 more just over the Soviet border.

Soviet forces have consistently upgraded their organization and equipment to deal with the stubborn Afghan resistance. Their increased involvement was necessary because they have made little progress in molding the Afghan Army into an effective instrument. Defections and rebellions have reduced it to perhaps 25,000, a third of its size prior to the invasion. The Soviets have had to take all antitank and antiaircraft weapons, as well as dynamite, away from the Afghan Army because the ordnance was being diverted to the freedom fighters.

Since the Soviets cannot rely on the Afghan Army, they are trying to control the countryside themselves. This has required the introduction of a sizable helicopter gunship force—240 at last count—and the utilization of coordinated helicopter-tank operations. There is also evidence of Soviet use of incapacitating and lethal chemical agents.

The initial Soviet intention seems to have been to secure the key population centers and lines of communication while building the Afghan Army into a force capable of controlling the rural areas. Instead, it appears that the Soviets effectively control no more than 25 percent of the nation. All Soviet convoys travel as military operations with air cover and special communications. Soviet forces have had to continually engage in sweep and destroy operations in virtually every province in the country.

Soviet troops have reportedly retaliated brutally against villages suspected of harboring Afghan armed resistance. As the inability of Soviet troops to search out and destroy the resistance becomes obvious, reports are growing of indiscriminate massacres of innocent villagers by Soviet troops, as well as looting, rape, and black market operations.

In several major provincial capitals, the Afghan resistance operates freely, particularly in the central area of the cities.

The strength of the resistance is not easily measured. Some analysts feel the stalemate will favor the Soviets over time. They see the situation facing the freedom fighters becoming more desperate due to shortages of weapons, ammunition, and particularly food. They anticipate a collapse of the movement as the outward flow of refugees and constant Soviet operations take their toll. These observers say the next few months will be critical. Other analysts argue that with an assured supply of weapons, the guerrillas can hold out indefinitely. They think the resistance is becoming better organized.

Despite these uncertainties, the resistance has engaged virtually the whole Afghan population. The people show no promise of ever accepting Soviet rule. There remains a large reserve of manpower and the generally spontaneous, uncoordinated and countrywide nature of the resistance is its great strength.

Thus, it is probable that the military stalemate will not end without a major infusion of additional Soviet troops. The Soviets cannot deliver a knockout punch because of the nature of the terrain and the lack of a central command for the resistance.

POLITICAL SITUATION

The most glaring aspect of Soviet failure in Afghanistan is the inability to create an Afghan Government with any popular support. The regime installed by the Soviets, with Babrak Karmal at its head, is a powerless facade. Soviet advisers operate at all levels of government. No decision is reached without Soviet approval. Karmal has been unable to put together a nationwide united front to provide legitimacy and a political base. He has been unable even to reconcile the warring factions of the Afghan Communist party. The split between the two dominant factions of this party has continued to rage. There have been credible reports of three major coup attempts, the most recent last October, by elements of the Khalqi faction against the Karmal-led Parcham faction. Karmal's base of support has been shrinking rather than growing.

The clear evidence of this failure is the swelling tide of refugees flowing into Iran and Pakistan. There are now over 1.6 million refugees in camps in Pakistan. This means that more than 10 percent of the Afghan population has voted with its feet. And the flow is accelerating. A new monthly record was set in January 1981 when 143,000 Afghans fled their country. The February exodus continued at a high rate of about 120,000.

Additional proof of this failure are the draconian means being used to bolster the size of the Afghan Army. House to house impressment gangs have been reported taking boys as young as 14 in Kabul. Soviet military offensives reportedly return from the countryside, their only visible achievement the capture of new recruits for the army. Last September, a new draft law extended the term of service for soldiers and police already serving—a move which generated more restlessness in the ranks. The French press reported in January that Afghanistan military conscripts, whose terms have been extended, have threatened to revolt and join the rebels en masse.

To try to offset the diminishing size of the army, the regime has attempted to develop local militia units called "Defense of the Revolution Battalions." Even with offers of high pay to youngsters to join these units, they are critically undermanned.

There are some indications the Soviets may replace Karmal with someone more able to produce a viable government and unified party. Evidence of this was contained in an unusual article in the January 1981 issue of an official Soviet journal. The article warned of impending "catastrophe" if the Karmal government did not modify its harsh attempts to transform Afghan society. It said the regime must enlist the active support of the various tribal and religious groups, particularly the nomads, which constitute a large portion of the population. The journal warned the regime not to engage in indiscriminate operations against these groups, which it said were a vital and cohesive core of the nation's social fabric.

This analysis, along with Soviet unwillingness to commit the substantial additional troops necessary to wipe out all resistance, indicates the Soviets intend to keep trying political techniques to consolidate their rule. This would include patching up the warring factions of the Communist party, perhaps with a new leader drawn from the dominant Kalqui group. It would include the long-term rebuilding of the army, the administration and the popularity of the government.

There are, nevertheless, continuing reports of a long-haul Soviet strategy to "Sovietize" some of Afghanistan's major institutions. Moscow is working hard to reform the Afghan educational and legal systems along the lines of the Soviet model. This includes retraining of elementary school teachers in a new Soviet-developed curriculum. Relatively large numbers of Afghan students have been enrolled in Soviet higher educational institutions over the last year. An agreement reached last August, for instance, called for the enrollment of 1,500 students in such institutions over the next few months. The brightest students are not permitted to accept scholarships to Western universities, but are reportedly forced to go to the Soviet Union instead. Other reports repeat this theme for legal institutions. It is said that the entire Afghan legal system, which was Western oriented, has been revamped. All appeal courts have been abolished. Judges are being appointed for their political views, not legal training. In February, Kabul radio said two large delegations of attorneys and judges traveled to the Soviet Union to deepen their knowledge of Soviet legal techniques.

The Sovietization of Afghanistan continues in the economic sphere. Economic ties between the two countries have been strengthened in trade, aid, and project development. The Soviet Union is now supplying 80 percent of Afghanistan's foreign aid. In 1980, Soviet-Afghanistan trade amounted to some $670 million. In 1981, the total is expected to more than double to around $2 billion. The Soviets are building permanent facilities to service their troops in Afghanistan, and are busy creating better transportation access from the Soviet Union. They have built three bridges across a strategic river and are planning a railroad as well.

COST OF THE SOVIET ADVENTURE

The most serious damage resulting from the Soviet adventure in Afghanistan has been to their international image. If the world community permits the issue to be forgotten, the other economic and human costs seem affordable. Although the outlays of their defense operation are hard to measure, no more than 1 percent of the annual defense budget is reportedly involved. The estimated extent of their losses, dead and wounded, varies from 5,000 to 10,000 troops. And from what we know of the Soviet system, there is a complete lack of public pressure from any part of society to pull out their troops. This leaves only international economic and political pressure to force a change in the situation. The chief economic pain has resulted from the U.S. grain embargo. For this reason, as I have stated many times, the embargo must not be lifted. Indeed, we should consider expanding it where alternative sources of supply are not readily available to the Soviets. We have also tightened controls on the export of advanced technology and we have curtailed Soviet fishing rights and commercial airline service. A measure of economic pain must eliminate any Soviet illusion that the passage of time will normalize their occupation of Afghanistan. Aggression cannot be regarded as normal.

There are, Mr. President, many countries which agree with us that the invasion and occupation of Afghanistan must remain at the top of the international agenda. There are many countries which agree with us that the Soviets must continue to bear an economic burden for their continuing violation of Afgan sovereignty.

All major international bodies have condemned the Soviet action and called for Soviet troop removal. In the United Nations, resolutions along these lines passed overwhelmingly in January 1980, by a vote of 104 to 18, and in November 1980 by a vote of 111 to 22. Afghanistan will be on the U.N.'s agenda at its next session this fall.

The Islamic Conference of Foreign Ministers condemned the occupation in January and again in May 1980. The conference has expelled the Karmal regime. The same decision was reached by the Foreign Ministers of the European Common Market, the Association of Southeast Asian Nations, and the Inter-

parliamentary Union. The countries of Southwest Asia and the Middle East, including Saudi Arabia, Egypt, Pakistan, Iran, and the Persian Gulf States, have been particularly strong in the condemnation of the Soviet invasion.

Recently, there have been other promising diplomatic moves geared toward initiating a political settlement of the Soviet occupation. On February 11, U.N. Secretary General Kurt Waldheim appointed a special representative to attempt to get negotiations started. Also in February, the 95-nation Non-Alined Foreign Ministers Conference met in New Delhi and called for a political settlement of the Afghanistan crisis on the basis of, first, the withdrawal of foreign troops and, second, respect for the independence, sovereignty, and nonalined status of Afghanistan.

And perhaps the most interesting proposal was made by French President Giscard d'Estaing. He has called for an international conference on Afghanistan. The French idea is a simple one: Convene a conference in which the United States, Soviet Union, Egypt, Pakistan, China, and Iran all pledge not to intervene in Afghanistan's internal affairs. The Soviets, having been thus assured that external interference in Afghanistan's affairs was prohibited, would pull out and go home.

What has been the Soviet response to all these initiatives? They have rejected any serious peace process. The Soviet position has been to attempt to legitimize the status of their puppet government in Afghanistan by attempting to achieve bilateral negotiations between it and Pakistan and Iran. The ostensible reason for these negotiations is to discuss the alleged interference in Afghan affairs by outside nations, the key pretext for the Soviet occupation. Its real purpose is simply to give international currency to the Karmal government.

The Soviet line was clearly explained by Soviet President Brezhnev in his speech to the 26th Communist Party Congress. He explicitly rejected any discussion of the situation in Afghanistan as an internal matter. He was ready to negotiate an accord with the West to demilitarize the Persian Gulf region. While his idea of an accord would remove any effective Western military presence, he would exempt the Soviet presence in Afghanistan from the conference table. He said, and I quote:

> Concerning our proposals on the Persian Gulf, sometimes it is said that they cannot be separated from the question of the presence of a Soviet military contingent in Afghanistan. What can be said about this? . . . We do not object to the questions connected with Afghanistan being discussed in conjunction with the questions of security in the Persian Gulf. Naturally here only the international aspects of the Afghan problem can be discussed, not internal Afghan affairs.

On February 17, the French received the Soviet response by letter. Although the French have not yet made the text public, President d'Estaing said on February 10 that although it did not constitute a formal rejection, it reaffirmed the traditional Soviet position. To clarify matters, Karmal gave a press conference in Moscow on February 22—he killed the French proposal with kindness: Essentially, he said, the French President means well but Afghanistan's internal situation is simply not an international matter. Specifically, he rejected "any international coloring to the nonexistent Afghan problem."

Mr. President, on March 19, Tass, the official Soviet press agency, attacked President Reagan's support for the Afghan resistance. The statement blamed the United States for actions which "complicate still more the situation in Southwest Asia." It said these so-called actions would "lead to new difficulties on the road to political settlement in connection with Afghanistan."

And that is Soviet policy today. It is the perpetuation of aggression and brutality. The Soviets seem to act as if there are only two other, unsatisfactory, options available to them. First, they might try to pacify the countryside, eliminate the resistance, and compel the people to accept their rule. This would require perhaps a doubling of their current force, upward of 200,000 troops. The second possibility, Soviet troop withdrawal, would be instant suicide for the present Karmal regime. Prior to any withdrawal, the Soviets want to build the military and political structures which would constitute a survivable regime responsive to their direction. But they have not made any progress in creating these structures. And so they remain, maintaining a modicum of countrywide presence, strategic control of the cities and infrastructure. They will wait the world out, hoping we will acquiesce over time. But there is a third possibility—Soviet acceptance of a peace process which will result in an Afghan political conclusion.

U.S. POLICY

There must be a political solution in Afghanistan. The United States should continue to call the world's attention to Soviet aggression there. We should continue to support the diplomatic efforts of the French, the Islamic nations, the U.N. and any other legitimate group. These initiatives should be directed at ending the occupation and achieving true self-determination for the Afghans.

We should support any effort which holds the promise of bringing these results, and we should keep the economic pressure on and consider upping the ante. We should continue to provide adequate assistance through the U.N. to ease refugee pressures on Pakistan, and do whatever is necessary to assist the Pakistanis in their active role among the Islamic nations and in the U.N. Finally, we should avoid giving the Soviets any reason for justifying their presence. It does not appear that the demise of the resistance is at hand. Virtually the whole Afghan population rejects the Soviet presence, rejects its puppet regime, rejects its attempts to rebuild the army along Soviet lines. U.S. provision of military aid to the resistance would be of minimal effect and would allow the Soviets to broadcast U.S. interference. They would be quick to legitimize their presence as a counterweight to this external interference.

Further, provision of U.S. military aid would frame the situation into a United States-Soviet superpower confrontation. Many other nations are involved. The damage to Soviet prestige in the Islamic world, for instance, is not the result of U.S. policy or action. It is a natural reaction to Soviet invasion and continued violation of a nonalined nation's sovereignty. Those nations do not want to be pushed into taking sides in a superpower conflict.

Let us not help the Soviets out of their dilemma. Let us keep making their present policy painful for them. Let us encourage a political solution which returns Afghan sovereignty back to Afghanistan; which permits the reinstatement of a truly independent and nonalined nation state; which ends Soviet tyranny in South Asia; and which, ultimately, would allow United States-Soviet relations to go forward in a more constructive fashion.

SENATOR ROBERT C. BYRD'S APPEARANCE ON "FACE THE NATION"

Mr. ROBERT C. BYRD. Mr. President, I appeared on "Face the Nation" on the CBS Television Network last Sunday. I ask unanimous consent that the transcript of that program—in which George Herman of CBS News was the moderator, and John Mashek, of U.S. News & World Report, and Phil Jones of CBS News constituted the panel—be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FACE THE NATION

(Sunday, April 5, 1981, CBS Television Network, 11:30 a.m.–12 Noon, e.s.t. and the CBS Radio Network, 12:30 p.m.–1 p.m., e.s.t.)

GUEST. Senator ROBERT C. BYRD (D., W. Va.), Senate Minority Leader.

CORRESPONDENTS. George Herman, CBS News, Moderator; John Mashek, U.S. News & World Report, Phil Jones, CBS News.

PRODUCER. Joan Barone.

ASSOCIATE PRODUCER. Jim McGlinchy.

ORIGINATION: WASHINGTON, D.C.

Mr. HERMAN. Senator Byrd, you have watched the country facing one emergency in the past week, the attempted assassination try at President Reagan. Now we may be facing another kind of emergency, foreign emergency in Poland. Do the week's events give you confidence that we'll be able to handle this overseas emergency in good style?

Senator BYRD. Yes, I'd have to answer in the affirmative. I've had some problems with respect, for example, to the visits by Mr. Haig and Mr. Weinberger out of the country at this particular critical moment, especially in view of the fact that the Administration itself has raised the level of concern and has spoken quite often about the, quote, grave consequences, close quote, of an invasion, and we have heard from many sources that an invasion may be imminent. And for these two top persons, and especially the Secretary of State—and I don't know who made the decisions—for these two to leave at this particular time when the President is convalescing, I think it certainly leaves the perception that we may not be quite so concerned as we have indicated, and that we're going about business as usual in the same old way.

It seems to me that this may be the wrong perception, but other than that, I should think that the way the Administration handled the crisis surrounding the President's assassination was about as good as could be done. I would have no—I could not fault the Administration in any way. I think it gave the appearance that it was in control. I think the Vice President acted as a mature, poised individual, and the President came through as his friendly self. I think he acted with courage and it, I think, gave a very good impression of the Government's handling of that situation and that crisis.

ANNOUNCER. From CBS News Washington, a spontaneous and unrehearsed news interview on Face the Nation, with Senate Minority Leader Robert Byrd, Democrat of West Virginia. Senator Byrd will be questioned by CBS News Congressional Correspondent Phil Jones, by John Mashek, a Correspondent for U.S. News and World Report, and by the Moderator, CBS News Correspondent George Herman.

Face the Nation is produced by CBS News, which is solely responsible for the selection of today's guest and panel.

Our previously announced guests, Representative James R. Jones, Democrat of Oklahoma, Chairman of the House Budget Committee, and Edwin Meese III, Counsellor to the President, will appear at later dates.

Mr. HERMAN. Senator Byrd, in your first answer you said that the departure of Secretaries Weinberger and Haig overseas leaves the perception that we may not be as concerned as we have indicated about the events in Poland. Do you think that this is something which could lead, as Senator Percy said last week, to misperceptions on the part of the Soviet Union, dangerous misconceptions?

Senator BYRD. I don't—there's no way to know, but I just think that the overall perception with friend and foe alike is that we're not as organized, we're not as sure of what we should be doing at a time like this—we have spoken about the grave consequences of an invasion by the Soviets into Poland, and yet at a time when that invasion may be imminent, these two top department heads go about business as usual. I just feel that the trips could have been delayed. I think the countries in the Middle East would have understood, especially with respect to Mr. Haig, and that the President, who is convalescing at the moment, would have been better served if he had had these two men, who represent the top team, here all the time during these critical moments.

I hope that there will be no invasion, but I think the perception might very well be that we're really not as concerned as we say, that we talk one way and act another, and that we're going about as usual when we should be demonstrating our concern by keeping the team here and being prepared with those top men here to aid and advise and counsel the President in the event that that invasion should occur.

Mr. MASHEK. Well, Senator, you questioned Secretary Haig's appointment in the first place, then you voted against his confirmation in the Senate. He's been embroiled in controversies since the Administration took over. Do you think that his effectiveness has been irrevocably impaired?

Senator BYRD. I don't think his effectiveness has been irrevocably impaired. I think it has been impaired, but I think that lost ground can be regained, but I think it's going to require a looking forward, rather than looking backward. I think that the Secretary of State is going to have to concentrate on his role, his responsibilities of being the topmost formulator of foreign policy, and I think that personal interests are going to have to be subjugated on the part of everybody who is involved here—and in the national interest. The national interest is not served if personal interests interfere.

I believe that there have been too many voices speaking for the Administration in the area of foreign policy, and during the campaign we heard a good bit of criticism of the Carter Administration, and some of it quite rightly, to the effect that there were voices in the White House, there were voices in the State Department, and nobody spoke with a single voice.

Mr. Haig himself indicated that what we needed in our foreign policy was continuity, balance and consistency, and we haven't seen that consistency and we need to see it, and I think that our friends, our foes, the American people alike would be better served if we were to show that consistency, if the President were to be the foremost spokesman, if Mr. Haig were to be the foremost formulator of foreign policy, and if some of the other voices lowered themselves.

Mr. JONES. Senator, going back to whether or not Secretaries Haig and Weinberger should be out of the country at this particular time, you have access to intelligence reports of this country—as one of the Senate leaders, you are supposedly kept informed—do you think the situation is so serious that these two men should be here in Washington today?

Senator BYRD. We have been given every reason to believe that an invasion may be imminent. We've seen the Soviets moving into their airports in Poland. We've seen them in the war games. We've seen the war exercises extended. There is every indication that they may be getting themselves into place to conduct an invasion, and with all of these signals, with all of the statements on the part of the Administration concerning the, quote, grave consequences, close quote, that would result from an invasion, it seems to me that in these hours when invasion was, early on, at least—last Friday, perhaps—expected to take place, that the President should have his top team here.

Mr. MASHEK. Well, in the event there is an invasion, or if there is just creeping occupation, which could happen, Senator, what really are the viable options left open to the United States?

Senator BYRD. I suppose we don't have too many; certainly from the military standpoint, I don't think of any, and I think the Administration has ruled out any military options. The options seem to present themselves in the diplomatic channels and in the economic area.

Mr. HERMAN. Let me ask you, acting for the moment as a sort of an Administration spokesman, this crisis that you're so worried about has been threatening us now for a month—threatening Poland, I should say, but by implication threatening the whole free world. Surely the contingency plans are all worked out; they've foreseen most of the possible emergencies; why does it need continuing presence of the two Secretaries after this long period of planning?

Senator BYRD. Well, we've seen the evolution, as you say, occurring over a period of some time, but we've seen a buildup; we've seen an intensification, and——

Mr. HERMAN. But we've feared the invasion for a month now.

Senator BYRD. And if the invasion would produce such grave consequences, as we're told it would, then it seems to me that the President's top team should be here at a time when he is convalescing. Now, perhaps they can return quite quickly, but it seems to me that the perceptions that this kind of activity leaves with our friends, and with foe alike, is that what does the United States mean by all this? They talk of grave consequences, they talk of their concern, and now they're off to business as usual on trips that could be delayed, and I just think that the perceptions are not good.

Mr. JONES. But then how do you respond to Secretary Weinberger, who says that he's going to be right there close to many of the defense people for our NATO allies, and that that's reassuring in itself? He doesn't have to send cables off and make phone calls; he can talk to them face-to-face.

Senator BYRD. I think still the perceptions are there, and especially with respect to the Secretary of State, in view of the fact that military options have apparently been ruled out, and quite properly so, I would say.

Mr. JONES. So then your criticism is really more with the Secretary of State for his trip?

Senator BYRD. Not of him personally. I don't know who made the——

Mr. JONES. Of the trip, his trip?

Senator BYRD. I don't know who made the decision that they go.

Mr. JONES. But that's where you're aiming your criticism, at that trip of the Secretary of State?

Senator BYRD. I think it was bad judgment to make that decision that those two men go at this time.

Mr. HERMAN. Well, since we're laying so much emphasis, not so much on actual planning as on perception, what do you think the perception of our European allies is? What is your own perception of the performance of Secretary Haig during the crisis last week?

Senator BYRD. Well, perhaps not an A plus performance, but on the other hand, there are those who feel that he was at his post of duty. He misunderstood the Constitutional requirements concerning succession, but I know that he called me in my office and gave me a briefing on how the President was coming along, and so I think he fulfilled certain responsibilities well. How he may have appeared before the cameras might not have left the best impression, but still it's not fatal to his role as Secretary of State, and I think that we ought to look ahead. After all, his first responsibility is to help in the formulation of foreign policy, and perhaps he can do that, and he can perhaps do it——

Mr. HERMAN. Is he a good Secretary of State?

Senator BYRD (continuing). Perhaps do it well. He has a lot of experience. He is admired and respected by our European allies, and he has some considerable talents that he can bring to bear, and I would just hope that he would bring them to bear, concentrate on the job, and that the rest of us then would try to assist him in that regard, because if he succeeds, then our country succeeds.

Mr. JONES. You indicated at the time of his confirmation vote that—I think to use your words, that Mr. Haig lacks fundamental understanding of and sensitivity towards the balance of powers between Congress and the Executive Branch of Government. Have you changed your assessment any from that comment?

Senator BYRD. No, I have not, but that's beside the point now. He has been confirmed. I didn't attempt to influence any other Senators on how they voted on the confirmation. I simply made up my own judgment. I don't believe that the confirmation process is a pro forma one. I think we have a very serious responsibility as Senators to develop those confirmations through hearings and make judgment, because, after all, we are the elected representatives of the people, and that's the only place that the people have a voice in connection with nominations and appointments.

And so that is behind us. I think, as I said then, that our foreign policy has to be bipartisan. I intend for it to be bipartisan as far as I'm concerned. I will encourage that, and I wished, and still wish, the Secretary of State well, because he has been confirmed, he has a job to do, and that's behind us. Now I think that we have got to work together to formulate a bipartisan foreign pol-

icy and to implement it—implement the kind of policy that will best serve the nation.

Mr. MASHEK. Well, Senator, in dealing with the Soviets, should we continue the ban on the export of grain sales, or perhaps our relationship with the Soviet Union ought to be looked at in a whole new attitude. What's your feeling about that?

Senator BYRD. I think we should continue the grain embargo. It is hurting the Soviets. Mr. Brezhnev himself has spoken about the failures of the agricultural economy. The Soviets have drawn down their grain reserves. They've drawn down their foreign currency reserves. They're hurting. And if it's hurting, I think we ought to keep on hurting them. After all, the invasion of Afghanistan has not been lifted, and the sales of grain that would otherwise have gone to the Soviets have not been lost. They've gone to other countries, Mexico, Japan, Taiwan, the People's Republic of China, and so on. And so I think that not only should we maintain that embargo, but I think that we should continue to keep the screws tight, because the Soviets respond only to power, and I think that we ought to continue to look across the board, and if the invasion of Poland occurs, I think it will require an even greater assessment.

Mr. JONES. On that very subject, should we sell arms to China if the Soviets invade Poland, as some Administration officials are now talking about?

Senator BYRD. I think it's something that we ought to consider, but I think that we ought to do what's in the best interest of the United States in the short run and in the long run. If two weeks ago, if a month ago, if six weeks ago it would have been in the best interests of the United States to provide arms to China, that's perhaps what we ought to do, but I don't think that ours ought to be a policy of simple reaction here; well, if the Soviets go into Poland, we will sell arms to China. What does that have to do with the invasion of Poland?

I think we best be very careful that we don't leave the impression with the People's Republic of China that we're simply out to use the Chinese.

Mr. JONES. Would such a sale do that?

Senator BYRD. Well, it could leave that impression. Perhaps it's in the best interests of the United States. I have said early on that we perhaps ought to consider some military sales of conventional weapons to the Chinese, but I said this a long time ago. I don't think that we should implement this policy now, suddenly, just on the basis of an invasion of Poland. If it's in the best interest of the United States that we do it entirely aside from that, then we ought to proceed with it. I think we have to be careful that the Chinese don't get the impression that they're just being used.

I think that up to now they have felt that we have mutual interests and that we should have mutual concerns regarding the Soviet Union and its intentions, its expansionist policies; but we don't want them to get the idea that we're going to use them as a so-called China card.

Mr. JONES. Well, just let me clean this up and then we can move on. You think at this point, then, that we should do what, maybe look into the possibility but not move forward now?

Senator BYRD. I wouldn't rule out a continued assessment of such a policy. This would constitute a major policy determination on the part of the Administration, and, as such, I think it ought to be developed through consultations with the Congress, because the Congress certainly should have a large voice in the implementation of that policy if it were to be decided upon.

Mr. MASHEK. Senator, I'd like to turn to a subject that's of paramount interest to the people in your state. Given the grave economic conditions in the country today, how long can we really endure a coal strike?

Senator BYRD. We can't really endure it very long. It will impact upon the economy of the state and of the nation. I would hope that the leaders on both sides would get together as soon as possible again and renew their negotiations. Coal has a very important contribution to make to the national economy and to the national energy picture.

Mr. MASHEK. And if they don't get together, when should the Administration then move in with Taft-Hartley?

Senator BYRD. Well, I hope they get together.

Mr. HERMAN. Do you think it is the intention of the Bituminous Coal Operators' Association to use this deadlock to break the industry-wide bargaining and start going in coal mine by coal mine trying to break the solid front?

Senator BYRD. I don't think so. I don't see any indications of that.

Mr. HERMAN. Why do we have the strike when everybody is suffering? I mean, who is going to gain from it, or was it poor negotiations, or what's the problem?

Senator BYRD. Why do we have a strike?

Mr. HERMAN. Yes.

Senator BYRD. The miners voted against the contract.

Mr. HERMAN. Well, I understand, but——

Senator BYRD. That's the simple answer. As to what their motivations were, as to their reasons, I'm not privy to that.

Mr. HERMAN. You did not have any role? You were not consulted, despite your interest in——

Senator BYRD. I've had no role, I have no role, and I should have no role. I have no business getting into those things.

Mr. MASHEK. Senator, the Administration's relatively easy victory in the Senate last week on the budget has led many people to believe that the Democratic Minority is in disarray and that they're, very frankly, just about ready to rubber-stamp the President's program. What's your reaction to that?

Senator BYRD. I can understand that perception as one looks down from the galleries.

Mr. JONES. How about looking at the votes?

Senator BYRD. But the Minority was not in disarray. The Minority held strategy caucuses. It decided what amendments should be offered, how much the amounts would be in each amendment, the order of offering the amendments, who would offer the amendment, and it held together very well.

Mr. MASHEK. But, Senator, the final——

Senator BYRD. Out of 47 votes, we were able to deliver 44 on the Veterans' Health Service Amendment, 44 on the second Veterans' Health Service Amendment, and right on down. We decided to endorse about 10 or 12 amendments. There were about 28 amendments offered by Democrats. Obviously, any Senator has the right to offer any amendment he wishes, but on those amendments that we endorsed, we had good support.

Mr. HERMAN. But wasn't that a fall-back position? Wasn't your original intention to form a unified counter budget that all the Democrats could support as a package?

Senator BYRD. No. No, that was never our intention. We intended to——

Mr. HERMAN. Should it have been?

Senator BYRD. No. We intended from the start to support the overall spending levels that the President recommended—the dimensions and scope of the budget cuts—but within those dimensions, we determined that there were selective areas involving people who would otherwise fall through the President's safety net, and we attempted through our amendments to save them from falling through—the veterans, children with respect to school lunches, the old folks with respect to the minimum social security payment, the middle income people with respect to their children who need to go to college and who won't be able to get loans, and those were the groups that were defeated. The arithmetic was there. The Republicans have 53 Senators. If they can hold them all, as they were able to do, then the arithmetic counts.

Mr. HERMAN. Well, you couldn't even hold the Democrats when there was a Republican Minority.

Senator BYRD. But it wasn't the Democrats who were defeated. It was the old folks, it was the veterans, it was the school children, it was the college kids, and it was the nation, because there is no energy program, other than the program of price, that the Administration has enunciated.

Mr. HERMAN. But, Senator, when Republican Senator Chafee proposed an amendment to restore some of the cuts, not even the Democrats could be united behind him to support him, starting with a Republican amendment.

Senator BYRD. Some of those items that were in his amendment had been endorsed by the Democrats, that's true, but it was the mix of items in his amendment, I think, that kept us from getting more Democrats on that particular amendment.

Mr. JONES. Senator, earlier in this broadcast, when asked about the week's events and the assassination attempt, you said that the President had, quote, acted in his friendly self. I'd like to have your assessment of, from a political point of view, how this is all going to impact on the President's ability to get his economic package through Congress?

Senator BYRD. The President is a very likeable, personable man. He communicates well. He has a personality that is magnetic. We are all sympathetic with respect to what has happened. But with respect to the programs, they're entirely aside from our sympathies toward the individual himself.

Mr. JONES. So it's not going to help him?

Senator BYRD. I don't think that this sympathy will translate into votes. We must be objective when it comes to determining the issues.

Mr. HERMAN. On the other hand, do you agree with Senator Laxalt, who said the President's absence from the scene must be short because we need his supersalesmanship to put the program across?

Senator BYRD. I don't think that what has happened will translate into votes. Our responsibility, when it comes to voting on the issues, is to weigh the issue and determine what is good, what is bad for the country, and in doing that, we will act absolutely independently of our high regard, our respect and our sympathies for the President of the United States.

Mr. HERMAN. Thank you very much, Senator Byrd, for being our guest today on Face the Nation.

ANNOUNCER. Today on Face the Nation, the Senate Minority Leader, Robert Byrd, Democrat of West Virginia, was interviewed by CBS News Congressional Correspondent Phil Jones, by John Mashek, a Correspondent for U.S. News and World Report, and by the Moderator, CBS News Correspondent George Herman.

Face the Nation has been sponsored by I.B.M.

Next week, another prominent figure in the news will Face the Nation.

This broadcast was produced by CBS News.

Face the Nation originated from Washington, D.C.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Three minutes and forty-six seconds.

Mr. ROBERT C. BYRD. Mr. President, I yield 1 minute back to the distinguished majority leader and I will yield the remainder of my time to Mr. PRYOR.

Mr. BAKER. Mr. President, I thank the

Senator. I thank him for honoring my request to recover a minute, which I now yield to the Senator from Minnesota.

EL SALVADOR

Mr. DURENBERGER. Mr. President, recently we observed the first anniversary of the martyrdom of Archbishop Romero of El Salvador, who was murdered while saying mass at a hospital chapel in the capital city of San Salvador. Even those who had become numbed by the regularity with which Salvadorans suffer from torture, murder, and other violence were horrified by the particular brutality of so outrageous an act. Archbishop Romero was widely known for his courageous work among the poor and his concern for the future of his country. Like Thomas Becket many centuries earlier, he was cut down with an almost gratuitous contempt for decency while in the conduct of his holy office solely because his convictions and his character were found meddlesome by a few men.

It was thus not surprising that the anniversary of his death should occasion, as it did, an outpouring of concern by many Americans over our policy in El Salvador. In death as in life, the Archbishop was a focal point for those who feel deeply about the need for reform in El Salvador and elsewhere.

All of us in this Chamber and elsewhere in the Government are aware of how vitally most Americans are concerned about events in El Salvador. We are in the midst of a major national debate touching upon many questions, ranging from the proper role of the United States in world affairs to the prospects for peace in El Salvador. The demonstrations last week are one aspect of this debate, as are the numerous letters which we receive daily from our constituents.

I am deeply concerned, however, that far too much of the current debate is characterized on each side by incomplete information, selective attention to detail, and outright misrepresentation. Too often in our discussions of foreign policy, we fall into the trap of scoring debating points rather than seeking a consensus based upon a full and mature understanding of the issues. This tendency is compounded when we deal with areas of the world, such as Central America, with which far too many of us are sadly unfamiliar.

Given the events of the past two decades, it is no longer a civics-book platitude that the American public determine our foreign policy. It is the public, and not we in government, who ultimately set the pace and direction of our foreign policy, and it is therefore imperative that all of us, in government and out, be as fully informed as possible. When national debates over crucial policy questions are based on information which is as accurate and complete as possible, our policy and our people both benefit. When such debates are couched in polarized views of incomplete information, however, or fed by the opportunistic escalation of opinion into rhetoric, our policy suffers. Indeed, much of the erraticism in the conduct of our foreign policy for which we have justly been criticized can be ascribed to our tendency to seek black-and-white analyses of highly complex issues.

There are many grounds for debate over our current policy in El Salvador Mr. President. There are seldom any clear choices in foreign policy, and the consequences of error are always significant. Therefore, people are always rightly concerned about the particular choices which we make in situations which appear ambigous.

Informed, well-motivated and reasonable people can question, and are now questioning, such things as the wisdom of additional military assistance to the Government in El Salvador. Many people are legitimately concerned about some of the rhetoric with which we have announced and promoted our latest policy initiatives. Many persons can recognize the inherent dilemma posed by dealing with any government in a country as deeply troubled as El Salvador. These are valid questions, Mr. President, and opinions can reasonably be expected to differ on such complex issues. Fortunately, such questions have set the tenor for much of the debate thus far.

But these questions and these concerns are a far cry from some of the statements being made by so-called experts on El Salvador who are more interested in fostering hysteria and abrogating any U.S. foreign policy role than in addressing significant and valid questions. I am particularly disturbed by the systematic mythmaking which passes for analysis and which often leads to a wanton disregard for the truth. I am distressed that many of those who accuse the United States of seeking overly simplistic policies are themselves prone to fall back on equally simplistic assumptions, to offer equally simplistic solutions, and to paint with their brush all those who would offer a more judicious and informed critique of the situation.

If we as a nation are going to debate this issue, I believe that we should address our attention to the issues which bear upon the reality of the situation, rather than falling back on myths which are not accepted even by the most telling critics of our policy. In other words, let us confine the debate to sensible issues, rather than seeking to escalate the debate into polarized views which have no purpose other than to attract an audience.

I wish, therefore, Mr. President, to address several of the myths which are now current among some of the critics of U.S. policy. If we can dismiss these myths once and for all, it should be possible to proceed with legitimate and productive discussion. Let me take these myths one by one.

THE MYTH OF PRESIDENT DUARTE AS A DICTATOR

It is commonly claimed by many critics that President Jose Napoleon Duarte is at best a stooge fronting for extremists, and at worst a brutal man who does not merit our support. Not long ago, for instance, the St. Paul Pioneer Press quoted a member of the Committee for Solidarity, a Minnesota group which protests current U.S. policy, as follows:

> The talk of Cuban and Soviet support (for rebels) is a smokescreen intended to obscure the real situation. That situation is accurately described as a popular struggle for liberation by the El Salvadoran people against a most brutal military dictatorship.

Mr. President, I am frankly astounded that this myth enjoys any currency, for even the most prominent critics of our policy in El Salvador have attested to President Duarte's character. It is widely known that President Duarte was himself arrested and tortured by the security forces of El Salvador in 1972, following his successful campaign for the presidency in an open election. If any person has reason to detest right-wing repression in El Salvador, it is Jose Napoleon Duarte. As Senator EAGLETON noted on the floor of the Senate on March 17, 1981, Senor Duarte is one of the few leaders in El Salvador with a legitimate claim to broad support among the people.

Many of those who have known President Duarte, or lived under his regime, are quick to praise the man even if they do not agree with U.S. policies. For instance, former agrarian leader Leonel Gomez, who is currently hiding in exile in the United States in fear of rightist terror, states in the Boston Globe that President Duarte is honest and seeks the best for his country. Equally, former Ambassador Robert White, whose abrupt dismissal by the Reagan administration I criticized, has repeatedly stated that President Duarte is engaged in struggling with the extreme right as well as the extreme left.

Perhaps the best indications of President Duarte's efforts to bring reform and peace to his country are to be found in his own words and deeds. He has undertaken the most impressive land reform in recent history; he has instituted banking reforms in order to lend substance to his land reforms; he has seen to the appointment of an election board; and he has repeatedly condemned the terror and violence practiced by rightist elements in Salvadoran society.

In a December 1980 interview with the German magazine Der Speigel, which was excerpted in the Washington Star on March 8, 1981, President Duarte explicitly accused the oligarchy and the security forces of practicing terror for 50 years of Salvadoran history, and he made clear that he does not intend to become a willing partner to any U.S. military actions, no matter how farfetched such actions might be. Perhaps the most explicit statement of President Duarte's views can be found in the Los Angeles Times of December 14, 1980. I would like to quote President Duarte at length:

> No one can ignore the fact that the situation the country finds itself in today is the product of 50 years of injustice . . . these people of privilege are the ones responsible for generating the structure of violence in this country . . . they have perpetrated fraud after fraud in all elections, thus frustrating and radicalizing the people of El Salvador . . . and when the people have no hope,

they seize upon violence as the only way of confronting violence. This is the legacy that these men of the extreme right have left the people of El Salvador.

Mr. President, I find it fantastic that anyone could believe or argue that a man such as President Duarte is a rightist dictator or that he will countenance the very repression and economic injustices that he both recognizes and condemns. To those who hold that President Duarte is well-intentioned but ultimately too weak to hold the center against extremists from the right and left, let me note that his government has successfully withstood months of terror, three strikes, several coup attempts, and a failed offensive by leftist guerrillas. In short, Mr. President, the Duarte government is clearly both reformist and viable, and it merits our support. Debate within this country is more properly focused on the kinds of support which we should lend the Duarte government than on specious claims of the repressive character of those now in power. Let me therefore turn to another myth.

THE MYTH OF POPULAR SUPPORT FOR BENIGN LEFT

This myth, of course, often follows from the first. It is frequently held that the leftist forces in El Salvador are simple freedom fighters and agrarian reformers who enjoy wide support among an allegedly repressed population. Once again, the facts—including those offered by many critics of both the United States and President Duarte—indicate otherwise.

Let us first set the nature of the leftist opposition in context. As President Duarte makes clear, El Salvador has suffered from 50 years of rightist repression, and people have therefore been against the Government. It is equally true that a substantial portion, if not the majority, of the vicious terrorism plaguing El Salvador comes from right-wing death squads and their paid thugs who in many cases have infiltrated the security forces. I am not disputing that rightist terror is a major problem in El Salvador, perhaps in the long run the major problem facing the country.

What I do dispute, however, is that notion that the people of El Salvador have joined with the left to overthrow the Duarte government in a popular liberation movement. To the contrary, a population which has suffered so much that it has little left to lose actually sat out the so-called final offensive which was thrown by the left in January of this year. In the words of Ambassador White, "the left gave a war and nobody came." Surely, if there were widespread support for the guerrillas the population would at least have participated in the general strike which was demanded. Instead, the entire offensive was a failure from beginning to end because the leftists did not garner the support of the people.

Archbishop Romero's successor, Bishop Arturo Rivera y Damas, the Apostolic Administrator of El Salvador, has addressed the same point. Shortly after the failure of the final offensive, he was quoted as follows in the St. Paul Pioneer Press:

> We cannot affirm that the civilian population is with the government, but it is a fact that it is more accepting of it, at least as the lesser evil. It is evident that a majority of the population does not support solutions based on violence . . . I am not in favor of repression, but I think people want tranquility, in order to work.

This statement, of course, does not indemnify or support the Duarte government. Such reticence is perhaps understandable from a man who has seen 1 archbishop, 11 priests, many hundreds of lay workers, and 4 missionaries murdered by elements of the extreme right. But the statement is all the more powerful therefore in its recognition that the Salvadoran people do not support the left. The point is clear: The people of El Salvador want peace, not violence. They want work, not war. They want food, not guns. And they feel that their best chances lie with the Government and not with the left. This is not the stuff of a "popular liberation movement."

Just as important, Mr. President, is the nature of the leftist opposition itself. It is one thing to note that it enjoys little support. It is another to assume that it is a benign group of humanitarians bent on domestic reform, even if its merits are not widely recognized by the Salvadoran population. Yet many Americans assume that the leftist opposition can be so characterized.

Once again, the history of leftist opposition has to be put into context. As Bishop Rivera y Damas himself noted, many of those who have joined the guerrillas are genuinely well motivated and seek the best for the country as they see it. Given the history of El Salvador through the regime of General Romero, this is understandable. Equally, many Americans note that Guillermo Ungo, President Duarte's running mate in the 1972 elections and later a member of the first junta which overthrew the military regime in October 1979, has joined with other mainstream Social Democrats in forming the Democratic Revolutionary Front, which is allied with other leftist opposition groups. From this fact it is often assumed—falsely—that the character of the leftist opposition is in fact reformist rather than militant and radical.

Again, those most familiar with situation, including many Salvadoran activists, disagree with such an assessment. Leonel Gomez, the agrarian leader who fled El Salvador in fear of assassination by the right, refers in the Boston Globe to Guillermo Ungo and the other socialists who resigned from the first junta as "naive political animals," who do not recognize the nature of the leftist opposition. In his words:

> If the left takes over, I doubt they will give power to these civilians who now speak for them. There is a small, very aggressive radical sector in the guerrilla left that I think may take over. That is my main fear.

Similarly, Bishop Rivera y Damas is quoted in the New Republic, a magazine not noted for its conservative bias, as saying that the left has "never been clear and specific with the people."

Indeed, the editorial staff of the New Republic has specifically concluded that the armed population in El Salvador is controlled by Leninists who are using terror to establish a radical, anti-Western Communist regime. To those who feel that the Social Democrats in the FDR may serve to moderate the radicals, the New Republic responds as follows:

> The flaw in this approach is that Ungo leads only a small splinter in the opposition coalition, is excluded from the central military directorate that controls it, and is allied with at least three well-armed guerrilla factions who believe strongly in the relation between power and guns. Ungo has no guns, only friends. If Ungo's side wins, it is doubtful that even Willy Brandt will be able to save him from his friends. That leaves Duarte.

Moreover, Ambassador White, in a recent debate with Jeanne Kirkpatrick, the new Ambassador to the United Nations, was equally explicit in his condemnation of the leftist opposition in El Salvador. He feels that—

> The ultimate enemy of Western civilization and of the U.S. in El Salvador is a Marxist-Leninist group which is dedicated to the overthrow of the Duarte government by force.

Indeed, Ambassador White, who is perhaps the most prominent critic of President Reagan's policies in El Salvador, draws a telling contrast between the leftist opposition and the Duarte government. Let me quote him at length:

> No leader of the leftist forces, no representative of the left—whether it be Ungo or Mallorgo or Oquelli or whoever—has ever stated, and I have asked that they do so publicly, has ever criticized, has ever made any effort to stop the leftist forces from murdering, from kidnapping, from assassinating. The left takes bus drivers out of their vehicles and guns them down in front of people.
>
> The day that Dr. Ungo condemns that, he starts to gain some moral authority in my eyes. The government of Napoleon Duarte, on the other hand, and many of the moderate military officers, have explicitly condemned the excesses of the security forces.

Even Archbishop Romero, whose name is often used by those who wish to condemn both the Duarte government and the policies of the United States, had no illusions about the nature of the armed leftist opposition in El Salvador. As Georgie Anne Geyer notes in a recent editorial in the Washington Star, the Archbishop was bitterly critical of the Marxists during an August 1979 interview. In a particularly insightful and much-overlooked statement, the Archbishop said:

> When I returned home in April, I found their bombs in the cathedral. Our popular groups had been taken over by the far left. They want the church to support everything, not only justice but all their strategies.

Finally, Mr. President, while it is difficult to apportion with any precision the shares of blame for all the violence which has made El Salvador so miserable, it is clear that the left does bear considerable responsibility. The Baltimore Sun recently noted that rather than the 6,000 fatalities cited by President Reagan as arising from leftist terror and violence,

State Department critics believe that the true figure—as boastfully claimed by the left itself—is "only" 4,017.

Admittedly, this represents only one-third of the total fatalities in the past 18 months. But it is clear that the left considers and has long employed terrorism as its most effective weapon. Moreover, this is not a recent development, as I can testify from my own experience. In January 1976, while I was visiting San Salvador, Roberto Poma, the president of the Salvadoran Tourism Institution, was kidnapped and subsequently murdered. I walked through the blood and broken glass which littered the quiet residential street of San Salvador on which he was ambushed, kidnapped, and his bodyguards killed. Significantly, the left immediately took credit for this crime, hoping thereby to terrorize the Salvadoran middle class.

In other words, it makes no sense to overlook the reality of leftist terror when discussing El Salvador. I agree that terrorism from the right is a major problem in El Salvador. But more importantly, I hold that terrorism in general is a crime against all Salvadorans, whether it originates from the right or from the left. Too often, the victims of terror are the farmers, merchants, and peasants who want nothing more than to be left alone.

In short, Mr. President, the pattern in El Salvador is strikingly familiar to those who remember earlier Communist revolutions, whether in Russia or Vietnam or Afghanistan. What began as a reform and opposition movement created by years of brutality and repression has been taken over from within by an equally brutal and repressive group who are waiting to take command of the country. Just as the populist Kerensky regime was displaced and eventually liquidated by a Bolshevik minority in the Russian revolution, there is a grave risk that Guillermo Ungo and his colleagues in the relatively moderate Democratic Revolutionary Front will be displaced and liquidated by a Leninist minority which has assumed control of the DRU and the FMLN. Given this, and given the manifest lack of popular support for the leftist opposition, it is evident that those who hold that the Duarte government is confronted by a popular liberation movement have succeeded in creating still another myth. Let me turn to a third.

THE MYTH OF SOVIET AND CUBAN NEUTRALITY

Ever since the publication of the State Department white paper on February 23, 1981, many people have either refused to believe or downplayed the significance of the overwhelming evidence that Cuban, Nicaraguan, Russian, and Vietnamese authorities have conspired to ship massive quantities of arms to the Salvadoran left. As one would expect, the white paper was greeted with pious denials by the Soviets and others, including the FMLN.

I am disturbed that many Americans are apparently convinced that their own Government can never tell the truth while the Soviet Government can never tell a lie. It is as though the white paper was a predictable product of a Reagan administration which has been presumed since the election to side with the right and use "traditional" right-wing condemnation of Soviet influence as a tool. The reality is far different, however, not the least because the evidence of Soviet interference is clear and overwhelming.

Once again, Mr. President, let us put the significance of these arms shipments in proper context. Few Americans are going to claim that the arms shipments precipitated the violence in El Salvador, or that Cuban and other foreign meddling is the primary cause of a long-standing pattern of violence. The basic causes of the conflict in El Salvador are indigenous to El Salvador. They date back more than 50 years and they are rooted in the pattern of structural violence which Jose Napoleon Duarte and the other reformists are committed to eliminate. Our own Government has acknowledged as much on several occasions.

For instance, Under Secretary of State Walter Stoessel recently testified before the Senate Appropriations Committee that:

> While the guerrillas in El Salvador are externally supported, they also feed on domestic ills. These include years of repressive and unresponsive governments and inequitable distribution of resources and life opportunities. For this reason, the major emphasis of our assistance program for El Salvador is economic rather than military.

Equally, Ambassador Kirkpatrick agrees that:

> El Salvador is a country with profoundly inequitable distribution of wealth and status, a largely illiterate population, miserable poverty, and a negative political tradition.

In other words, the Cuban arms and Cuban paramilitary intervention did not cause the conflict to break out in the first place. But such activities did occur, and they did add fuel to the fire. The influx of arms gave the armed leftist opposition the means by which to carry out the January offensive, and it substantially threatened the stability of the only decent government El Salvador has had in many years.

While one can argue about the proper U.S. response to this intrusion by outside Communist states, one cannot and should not deny that it has occurred or that it merits some serious thought. One again, support for this comes from some surprising sources.

The New Republic editorial staff has concluded that:

> The left's arms do indeed come from the Soviet bloc and its leaders do indeed meet in Havana. But that is not sufficient reason for opposing them. The reason to oppose them is because of what they intend to do—which is to turn El Salvador into another Cuba.

Once again, Mr. President, let me stress that this assessment comes not from the Government, nor from the Reagan administration, but rather from a magazine which has been known for years for its liberal rather than its conservative point of view.

Equally, former Ambassador White, who has publicly stated his belief that our current policy in El Salvador is both disproportionate and counter-productive, fully accepts the necessity to counter outside interference. In his debate with Jeanne Kirkpatrick, White stated:

> We have seen over the last few days or weeks a great emphasis on the enemy without. I applaud this Administration for emphasizing that danger and for sealing off El Salvador from this influx of arms from communist and communist-related countries. . . . However, that traffic has been if not entirely stopped, ninety-nine percent stopped. Now is not the time to emphasize military assistance.

Finally, in testimony before the House Appropriations Committee on February 25, 1981, the Rev. J. Bryan Hehir, who represented the U.S. Catholic Conference, both recognized and condemned Soviet and Cuban interference in El Salvador. This statment, of course, came from an organization which has been deeply disturbed about some of our recent policies in El Salvador. Once again, however, concern and disagreement did not lead to abandoning the truth. Reverend Hehir, like Ambassador White and others, recognizes what the real issues are and resists the temptation to press his viewpoints through the vehicle of mythology. Let me now turn to a fourth, and final, example of the myths which warp our debate of U.S. policy.

THE MYTH OF A U.S. QUEST FOR SIMPLISTIC SOLUTIONS

The final myth in some ways follows from the first three. It is widely claimed by many critics that the U.S. Government does not recognize the complexity of the situation in El Salvador, and that it seeks merely to prop up a regime, no matter how unpopular, which will be friendly to U.S. interests. Indeed, the more radical persons who hold to this view believe that we would favor, whether implicitly or explicitly, a rightist coup in El Salvador. Once again, massive evidence simply does not bear out this myth.

In many respects, the decisions of the Reagan administration represent marginal changes in the policy first set out by Jimmy Carter. As noted earlier, Under Secretary Stoessel has stressed that the great bulk of our aid is economic in nature, and it is designed to address the pressing problems of Salvadoran poverty, both directly and indirectly by sustaining the land and banking reforms of the Duarte government.

This bears repetition, for it is most singular that an avowedly conservative administration is actively supporting a program of reform in El Salvador that many American conservatives would doubtless find shocking.

Just as important, spokesmen for the Government have repeatedly made clear that we support democratic change, human rights, reforms, and whatever electoral solution the Salvadorans themselves choose to adopt. William Dyess, principal spokesman for the State Department, made this clear on February 18 of this year. Five days later, the white paper explicitly noted the long history of rightist repression in El Salvador and clearly stated that the U.S. Government supports measures directed against the

Salvadoran right as well as the left. On March 4, Secretary Haig, responding to the underground news conference of rightist terrorist Maj. Roberto D'Aubuisson, stated that we will not support a rightist government installed by the coup d'etat promoted by D'Aubuisson. In short, Mr. President, our Government has made as clear as possible its support for reform, for elections, and for whatever peaceful solution the Salvadorans themselves adopt.

Perhaps the most comprehensive statement of our position occurred on March 3, 1981, when Gen. Vernon Walters, acting as special envoy to Latin American countries, met at length with President Carlos Andres Perez of Venezuela and the Dominican political leader Jose Francisco Pena Gomez. General Walters assured these regional leaders that our Government desires a negotiated rather than a military solution to the violence in El Salvador; that we look forward to elections; that we will actively support a pluralistic society and government which represent all sectors of the Salvadoran polity; and that our concern which prompted the white paper and the overseas tours of various envoys was with Cuban and Soviet meddling.

In short, Mr. President, it is simply not true that we wish to promote any particular electoral outcome in El Salvador or that we are ignorant of the highly complex nature of this tragic situation.

THE REAL ISSUES IN THE DEBATE

Mr. President, I have spent considerable time atempting to dispel a number of myths which warp the current debate over U.S. policy in El Salvador and throughout Central America in general. Admittedly, this has been more in the nature of brush-clearing than of proposing solutions. I would like therefore briefly to outline what I believe to be the real essence of the debate and my own views on the matter.

First, as former Ambassador White, Representative CLARENCE LONG, and Archbishop James Hickey have all noted, the principal issue which separates all those concerned about El Salvador is the question of military versus economic assistance. It is simply specious to claim that the United States should wash its hands of the entire matter and cut off all aid. To do so is simply to promote more starvation rather than less, to foster misery rather than peace. El Salvador faces grievous problems of unemployment, capital flight, net disinvestment, and poverty. An elimination of all assistance, both economic and military, as proposed by a few people, is shortsighted and even inhuman.

There is, however, considerable concern over whether further military assistance will not prove counter-productive. It might lead, according to this vein of thought, to a decreased emphasis on the process of economic reform and recovery. It might also promote more rather than less violence. It might encourage the rightists, or those who favor a simply military solution, to force President Duarte out of power. Less dramatically, it might shift the balance of power within the ruling coalition more in favor of Colonel Gutteriez and his supporters rather than President Duarte and his allies.

These are all legitimate questions. While I do not currently share all the fears of those who propose a complete cessation of military aid, I recognize and understand such concerns. Indeed, I have written to Secretary Haig myself, seeking assurances that we will not lose sight of the ultimately political and economic nature of the problems in El Salvador. I look forward to a debate on this subject, for it addresses perhaps the core issue, it will prove informative, and it will result in a more comprehensive understanding of a highly complex and highly important matter.

Second, there is the issue of Cuban, Nicaraguan, Soviet, and other interference, and how best to handle such involvement. Once again, informed and concerned people have addressed the key points in this issue. Many persons believe, for instance, that the steps taken by President Carter on January 17, 1981, to restore nonlethal military assistance and to provide as well $5 million worth of lethal military equipment were sufficient. Such persons hold that these arms were all that was needed to replenish what was used to counter the January offensive, and that once the balance was restored we could look forward to further progressive work by the Duarte government. While I believe myself that somewhat more was needed, the point raised by these persons is worthy of debate.

A second school of thought holds that President Carter's decisions required the supplemental step, taken by President Reagan, of publishing a detailed accounting of outside interference. In other words, these people believe that it was necessary both to restore the military balance between the government and the armed opposition, and to demonstrate to the world our awareness of outside interference, coupled with our condemnation of such acts. There is considerable merit to this point of view.

Finally, of course, there are those who hold that both of the preceding steps were necessary, but that they needed as well to be bolstered by a substantial increase in our own military support. This, of course, has proved the most contentious point in this issue.

Third, there is the issue of U.S. military advisers. Opinion is divided along clear lines here, with one side fearful that an attack on our advisers will impel us to begin an incremental process of inevitably greater involvement. The other side, of course, believes that our advisers are necessary both to provide the technical training necessary to operate and maintain helicopters and other complex equipment and to provide some rudimentary education in the rules of engagement, fire discipline, and so forth. The latter training, it is felt, will eventually result in far fewer casualties caused by excessive force. While it will not end the fighting, it may result in fewer fatalities among those unfortunate enough to be caught in the crossfire.

Again, this issue is clearly debatable. My communication with Secretary Haig specifically addressed this point, for many of my constituents are deeply disturbed over the presence of advisers in El Salvador, and I can understand this concern. Vietnam is an example of gradual involvement which grows out of hand, and it is an example few of us will ever forget. While I do not believe that there is anything mechanistically inevitable about the decisions taken by our Government, and while I believe that the experience of Vietnam is the greatest deterrent against a repetition of such a catastrophe, I once again feel that this is an issue which deserves debate.

Finally, of course, there is the issue of contingency planning. Many people wish that we could more clearly state what responses we will make to any number of possible events, such as an attack on the U.S. presence, a new offensive, a growth of rightist influence, and so forth. Again, this is a point which bears debate, keeping in mind that we cannot overspecify the future and that we should not list every conceivable response which we might take to every conceivable contingency. To do so is to play into the hands of those who wish us ill.

Ultimately, Mr. President, the question of U.S. policy in El Salvador has few black and white answers. Like any matter of foreign policy, it represents a series of hard decisions taken in ambiguous circumstances for purposes that are often unclear until events have more fully developed. The role of a national debate is therefore to provide guidance, to set limits, and to raise questions. This is a crucial element of foreign policy, and one which we ignore at our peril. In other words, I encourage debate, for it is in debate, both here in Congress and throughout America, that we will find our strength and set our policy.

I do not encourage, however, rhetoric for the sake of rhetoric, or myth for the sake of rabble rousing. I am struck by the fact that much of what has passed for debate has in fact been the indiscriminate and repetitious resort to demagoguery and myth making. I am also struck by the fact that much of this myth making seeks to draw for support upon persons, such as Ambassador White or Leonel Gomez or Archbishop Romero, whose views have little if anything in common with those of the chief myth makers. Indeed, there is considerable consensus between critics and supporters of this Government's policies.

It is agreed that President Duarte represents the best chance for El Salvador to come to peace with itself. The debate separating critics and supporters of President Reagan's policy is over the kind and amount of support which we should provide to President Duarte, and not whether such support is merited at all.

It is agreed that the armed leftist opposition in El Salvador represents neither the wishes nor the best interests of the Salvadoran people themselves. Instead, it is agreed that the core of the leftist opposition is to be found in a cabal of Leninists, relying upon terror and violence, who seek to emulate Cuba and other Communist nations. The real debate separating critics and supporters of President Reagan's policies is over how best to isolate and deal with these

terrorists, through military assistance or through reforms that eliminate the grievances upon which they depend for sustenance.

In other words, there is both consensus and disconsensus. There is, in short, the basis for a productive debate, one which might result in the alteration of our foreign policy just as readily as it might result in its continuation. Mr. President, let us get on with this debate, but let us insure that it is in fact a debate rather than the blind resort to slogans that are suited only to bumper stickers.

To conclude, Mr. President, I would like to cite my own beliefs insofar as I can outline them. Senators will remember that I testified before the Foreign Relations Committee and later worked very hard in this Chamber in order to secure passage of the supplemental funding for Nicaragua. I stated at the time that many of us might have preferred to see another government than the Sandinistas assume power after Anastasio Somoza was overthrown by a populace that detested him. However, the reality was that we had to deal with the Sandinistas and not with some preferred alternative. To my mind, what was important then, and is important now, is to recognize that we in this country have for far too long simply overlooked what happens in Latin America. We have pursued a foreign policy based in equal parts on panic and neglect, ignoring reality and confusing the support of fragile governments with the friendship of populations. Thus, I urged the passage of funding for Nicaragua in hopes that it would provide the seed money for needed reforms, that it would preserve a centrist element within a country that was increasingly radical, and that it would maintain some measure of American influence in a country that desperately needed help from all available sources.

Since the passage of that bill, Nicaragua has not behaved in a way that would endear it to most Americans, of whatever political conviction. It has attempted to foster armed insurrection beyond its own borders. It has abused the civil and human rights of many of its own citizens, including Jose Esteban Gonzalez, the noted human rights critic who suffered so badly under Somoza. It has periodically shut down and harrassed the staff of La Prensa, the one newspaper preserving a modicum of independence from the Sandinista party line. It has increasingly made clear its Marxist convictions.

But I do not regret my role in securing assistance for Nicaragua. The decision to provide this funding was a straight gamble, and it was taken long after our neglect had precluded any other options. As such, it was worth it simply on those terms alone. But just as important, while Nicaragua is not as democratic and pro-American as we might wish, it certainly is not as communistic and anti-American as it could be. It is not another Cuba. As I often explain, on a scale of 1 to 5, with one and five representing the extremes and three as the preferred outcome, Nicaragua can be viewed as a four. This is unfortunate, but clearly not so unfortunate as if it were a five. And the proper U.S. policy in the rest of Central America could result in a three.

By the same token, El Salvador can currently be envisioned as a two. All Americans who care for basic human rights and who hope for peace and prosperity in Central America are rightly disturbed over the continued terror in El Salvador. The reforms of the Duarte government need further implementation, and the abuses of the security forces must be brought under control and ended altogether.

However, the country has clearly changed, and changed for the better, since the days of the oligarchy when 2 percent of the population controlled 70 or more percent of the land. While much remain to be done, we should not under-rate what has been done or express despair that unrealistic expectations have not yet been met. In this regard, I was struck by an article in last Sunday's Washington Post, noting that many critics are upset that only 283 of 315 farms have thus far been taken over by the government in phase I of the land reform program. Mr. President, I contend that it would be very difficult for any country, much less one only now emerging from years of oligarchic control, to accomplish an 87 percent completion rate of so ambitious a program in so short a time. Rather than noting that the glass is half empty, let us be pleased that it is half full, particularly since the Romero and preceding governments would have broken the glass altogether.

In other words, let us give credit to the Duarte government for moving El Salvador so far along the road to reform. And I mean this literally, for it is the lack of consumer credit that is now most hampering further implementation of the land reform program. Changes of such magnitude as President Duarte is trying to accomplish require two things above all: time and material resources. We have it in our power to give him a substantial measure of each. It requires that we be realistic about the situation, that we not demand more than can be accomplished by any government, and that we can provide further economic assistance.

Let us be clear about this, Mr. President. We have the opportunity to deal with a situation in El Salvador that is very different from that which we faced last year in Nicaragua. In Nicaragua, it was too late to encourage reform by the time we noted the existence of problems, and we were therefore left with only short-term and last-minute gambles in hopes of preserving a democratic option. In El Salvador, a wise foreign policy can act before the fact and encourage precisely what those of us who sympathize with changes most want: meaningful reforms, greater economic welfare, political liberty, independence from any outside influence, and peace.

Ever since the Puebla Conference of Latin American Bishops in 1979, the Roman Catholic Church, which is enormously influential in Latin America, has recognized that there must be, in the words of the conferees, an "option for the poor." The church has faced up to its responsibilities in a region of the world where far too many people suffer needlessly from economic injustice, political persecution, and feudal terror.

Pope John Paul II, speaking in Brazil in 1979, was more explicit about this point. As he reminded us then:

> Anyone who reflects on the reality of Latin America, as it presents itself at this moment, is led to agree that the realization of justice on this continent faces a clear dilemma: either it will come through profound and courageous reforms, according to principles that express the supremacy of the dignity of man, or it will come—but without lasting result and without the forces of violence.

Mr. President, there is clear need for "profound and courageous reforms" throughout much of Latin America, and in El Salvador specifically. President Duarte has recognized this need and has acted upon it with dignity and with courage. It may be too late; the forces of violence may yet run their course, without lasting result and without benefit. The stream of casualty figures from El Salvador makes this a clear possibility.

But let us not abandon this challenge before we know the outcome; let us not consign future generations of Central Americans to an endless cycle of repression from the right and terror from the left; let us work together, here in this country and with appropriate figures in Latin America, profoundly and courageously, to bring about reforms. Above all, therefore, let us debate our course and then set out upon that course. Let us not waste our time and the lives of Salvadorans with endless sloganeering. The issue is far too important for us to be diverted by those who wish to promote their own narrow aims through catering to mythology.

Mr. President, I ask unanimous consent to have printed in the RECORD a recent article in the New Republic, the editorial by Georgie Anne Geyer in the Washington Star, and my letter to Secretary of State Haig.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C., March 6, 1981.

Hon. ALEXANDER HAIG,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Having closely followed events throughout Central America for the past few years, I am greatly encouraged that we have recognized the crucial importance of this region. As President Reagan pointed out in his speech to the nation on October 19, 1980, no area of the world should have a higher priority than the place where we live, the Western Hemisphere. For too long, we pursued a policy of apathy and neglect, prompting many Central American and Caribbean countries to turn elsewhere for guidance and assistance. Consequently, I am most pleased to see us resume the initiative in our relations with these countries.

I am particularly gratified by our recognition that stopping Cuban and Soviet penetration is not enough. Many Central American governments are caught in a race between revolution and reform. As you and the President have made clear, it is imperative that we work to provide the economic and political support necessary to solve the pressing problems in this region.

As the recent State Department white paper makes clear, this is particularly true in El Salvador. The need for the reforms introduced by the Duarte government is mani-

fest, and it is not surprising that such reforms are opposed by the extreme left as well as the extreme right. Significant reform reduces the attractiveness of the radical option, and it represents a blow to the aspirations of Cuban and other adventurers. Therefore, reform must continue. It is the best means of fighting radicalism. That significant progress has been made in this regard was strongly indicated by the failure of the January offensive. Few Salvadorans were willing to join the rebels.

But more must be done if the American public as well as the citizens of El Salvador are to understand the issue and support the efforts of the Duarte government. A government that faces the doubts of its citizens is crippled. Likewise, a foreign policy that is not supported by a wide spectrum of opinion is hampered. I am concerned that the sudden rush to El Salvador of U.S. journalists inexperienced in Central American affairs can cause such constraints to develop.

In short, Mr. Secretary, your policy is in trouble unless there is clear evidence that rightist as well as leftist terror is being dealt with.

I support our policy in El Salvador. I believe that President Reagan has recognized and acted upon a major challenge to hemispheric security. I support his call for increased economic assistance to the government of El Salvador. I am pleased that he has publicized the information about Cuban, Vietnamese, and Soviet subversion, dramatically illustrating that an unstable situation has been worsened by our adversaries.

It is imperative that additional steps be taken soon. Specifically, I would ask that you convey to the Duarte government the urgency of demonstrating full cooperation in the investigation of the murders of Maura Clarke, Jean Donovan, Ita Ford, and Dorothy Kazel. You already know how important this would be to many in this country. I would also ask that you and other spokesmen for the government continually emphasize to all Americans that our support for the government of El Salvador means that we are fully committed to the process of reform rather than the attitudes expressed by Major D'Aubisson and others. I thought Frederick Chapin did it well on March 5.

And finally it would be reassuring to many to know that the decision to send United States military personnel carries with it a commitment not to panic, not to overreact, not to alter the policy course of ensuring a moderate, representative, and stable government in the event of an attack on this U.S. presence.

The recent election demonstrated clearly that we have a rare opportunity to restore this country's strength and return a measure of assertiveness, control, and reliability to our foreign policy. It would be an immeasurable tragedy if this opportunity were lost because the American public became polarized over the issue of El Salvador. Continued reassurance that we do not intend to convert the situation in El Salvador into a military operation—whether through American arms or American troops—can go a long way toward preserving the current consensus, particularly if such reassurance is coupled with tangible evidence of progress by the Duarte government.

Very truly yours,

DAVE DURENBERGER,
U.S. Senate.

AMERICAN CATHOLICS ARE BEING USED ON EL SALVADOR

(By George Anne Geyer)

Salvadoran Archbishop Arturo Rivera y Damas, whose own reformist credentials are impeccable, said last week: "The left has lost support because the people saw they were more interested in obtaining power than in fulfilling . . . hope for the people."

The president of the temporary government, Napoleon Duarte, is the most prominent and respected Catholic in the country and founder of the Christian Democrat Party. He is fighting to hold things together until elections in 1982.

Figures just out on the first year of his government's massive reform show not only that it is working but that production has even remained stable in this turbulent year.

And yet—and yet—this last week has seen demonstrations throughout the United States unprecedented since the Vietnam War. They were waged largely by Roman Catholics, and they were all against Rivera, Duarte and the land reforms.

Perhaps most ironically, they were mourning the first anniversary of the assassination of Archbishop Oscar Romero, who was murdered in his chapel, probably by the far right. They were doing this in his name.

But how many of the mourners and the manipulative activists actually knew Romero, a man I revered, or know the endless, dangerous and unique complexities of Salvadoran politics and society?

FAR LEFT TAKES OVER

When I interviewed Romero in August 1979, for instance, he was bitterly critical of the Marxists. "When I returned from Rome in April, I found their bombs in the cathedral," he said. "Our popular groups had been taken over by the far left. They want the church to support everything, not only justice but all their strategies."

He was equally critical of—and determined to make a change in—the "theology of liberation," which reached its quintessence in El-Salvador and which, in effect, makes Christianity and Marxism almost interchangeable.

"If 'liberation' is only temporal, that is not complete," the archbishop commented. "I've always said that such a 'liberation' is not Christian. It must be total—social, yes, but eternal and transcendent."

It is true that Romero hated the far right, which is as much the author of the bloody carnage in El Salvador as the left. Only a month before his death, he wrote a now famous letter to the American bishops begging them to fight against American military aid to the right. But what people are not remembering is that he was a balanced man of the humane center and was against both extremes.

His relationship with the American church is one reason for the little less than extraordinary reaction by American Catholics last week. The terrible murders of the four American Catholic women in El Salvador, probably also by the right, is another. As one church leader described the effect of the murders here, "The death of the four became the symbol of thousands and thousands of dead there that you never heard about."

At the same time, El Salvador is the first test of "reverse missions," the church's policy, developed during the last five to six years, of feeding back to home countries information about the peoples and countries where it has missions.

CONTROL THE MILITARY

Now, there is no question that the savage military in Salvador has to be changed or destroyed—that there must be elections, that this slaughter of the innocents must end. But is the activist Catholic position a wise one? The answer to that may lie in these questions:

Why are virtually none of the activist American Catholics supporting the archbishop there? President Duarte? The Christian Democrats? By ignoring and disparaging the Catholic leadership in El Salvador, are the Americans really supporting what the people there want?

Why are the Catholic missionaries and other American church leaders not supporting land reform? Why indeed do many of them belong to the American protest group, the Committee in Solidarity With the People of El Salvador, that has as its No. 1 priority the dismantling of the land reform? Could it not be that the church people are accepting the word and position of the far left, which wants to destroy all other organizations so that it can preside?

MARXIST CLERGY

Are they willing to recognize the fact, as the Vatican certainly has, that there are many clergy there, in particular many European Jesuits, who frankly describe themselves as "Christian-Marxists" of various incarnations? Do they, in effect, know what confused messages they are responding so tumultuously to?

Many Catholic activists say they want political participation for the people of El Salvador as well as economic participation, yet they are less than entirely moral when they refuse to take the hard responsibility for the structure of that participation. Many of them, to put it bluntly, are being used.

[From the New Republic, Mar. 21, 1981]

SALVAGING EL SALVADOR

The first thing that needs to be said about El Salvador is that it is not Vietnam. It needs to be said because from the op-ed pages to Capitol Hill the specter of Vietnam hovers over the El Salvador debate. El Salvador is not the first "new Vietnam" sighting. Since the fall of Saigon in 1974 there have been many. Angola, Ethiopia, and Afghanistan were thought destined to be Soviet Vietnams. Cambodia was to turn into Vietnam's Vietnam. And now there is El Salvador.

In fact, there has been only one Vietnam, and El Salvador is different in three crucial respects. First, instead of a succession of swaggering tin-horn generals, we're backing a civilian Christian Democratic president, José Napoleon Duarte, who won the presidency nine years ago in the only fair election El Salvador has had in 50 years. (He subsequently was denied the office, tortured, and exiled by the military.) Second, instead of a popular enemy living in jungles and villages where "the people are like water and the army is like fish," the Salvadoran guerrillas last year called three general strikes which all failed. And this year, to quote former US ambassador to El Salvador Robert White, they gave a war and no one came. Third, instead of half a million US conscripts, we're sending 54 non-combatant advisers, volunteers from a volunteer army. Importing the memory of Vietnam into El Salvador is an exercise in emotion, not analysis.

The second thing that needs to be said is that El Salvador is not Poland. Ronald Steel put that proposition in these pages last week: "The question raised in El Salvador today is, in essence, not very different than that raised in Poland. Can a relatively weak country within the sphere of influence of a great power be allowed to go through its own social revolution?" The assumption here is that sincerity requires a single attitude toward all social revolutions. It is a false assumption. Sincerity—and wisdom—require that revolutions, like all political events, be judged according to the value of their means and ends. The Polish labor revolution is a non-violent movement seeking to create (again) socialism with a human face. In El Salvador, the armed opposition has shown little evidence of a human face. It is controlled by Leninists (Marxists is a term more aptly applied to bookish types) using terror to establish a radical, anti-Western communist regime. We have no moral qualms about supporting Poland's revolutionaries and opposing El Salvador's.

The Reagan administration has based US opposition to the guerrillas on the grounds that they are merely surrogates for the Soviet Union and Cuba. The State Deparment's European blitz to peddle copies of its "Com-

munist Interference in El Salvador" has been justly ridiculed as a replay of a discredited Vietnam argument and as an exercise in hypocrisy, given American willingness to intervene on the other side. The left's arms do indeed come from the Soviet bloc and its leaders do indeed meet in Havana. But that is not sufficient motive for opposing them. The reason to oppose them is because of what they intend to do—which is to turn El Salvador into another Cuba. That is not in the interest of the United States. If we believe anything about democracy and pluralism, we must believe it is not in the interest of El Salvador. And given the miserable failure of the left to gain support for its strikes and its "final offensive," there is good evidence that the Salvadoran people don't believe it is in their interest either.

The real dilemma for Americans in El Salvador lies in facing the fact that the right is just as brutal and hostile to democratic values and human rights as the left. Our values, and our interests, demand support for the center. The problem is that the civil war has bisected the political spectrum and the line runs right through the center.

When Duarte won the presidency in 1972 his vice presidential running mate was a Social Democrat, Guillermo Ungo. Ungo joined the civilian-military junta that overthrew the right-wing dictatorship in October 1979. He subsequently quit and joined the guerrillas. He has been instrumental in getting support for the left from European Social Democrats and from Mexico. They see the tide of revolution in Central America as irresistible. Their strategy is to acquiesce to the inevitable and try to strengthen the moderating forces in the leftist coalition to keep the post-revolutionary government from becoming too radical. The flaw in this approach is that Ungo leads only a small splinter in the opposition coalition, is excluded from the central military directorate that controls it, and is allied with at least three well-armed guerrilla factions who believe strongly in the relation between power and guns. Ungo has no guns, only friends. If Ungo's side wins, it is doubtful that even Willy Brandt will be able to save him from his friends.

That leaves Duarte. Since the 1979 coup, American policy under Carter and Reagan has been to support the civilian-military junta as the best hope for the center. Operating under conditions of virtual civil war, it has achieved genuine change. Before the land reform about half of all agricultural land was owned by a tiny oligarchy. With two decrees in 1980 the government transferred more than half of that property to peasant cooperatives and individual sharecropper families. (Compare this achievement to the fact that in Chile all the land reform under presidents Frei and Allende redistributed approximately the same percentage of the land.) More than half the peasantry is newly enfranchised. And the junta has backed up land reform by nationalizing the banks and extending credit to the new owner-farmers.

The problem with Duarte is that he does not have full control over the forces nominally under command. El Salvador has a system of semi-autonomous militias. The national guard, the treasury and customs police, and the national police all have decentralized commands and often act on behalf of powerful local landlords. The State Department estimates that about 20 percent of the regular security forces are sympathetic to the extreme right. There is no evidence that Duarte is. His problem is weakness vis-a-vis his allies. The only solution is to strengthen him. And the way to do it is with aid.

The economic aid that the administration is sending is desperately needed, especially in the face of leftist attempts to destroy the harvest and rightist attempts to disrupt the newly formed cooperatives. In any case, any society undergoing such extensive land reform can expect declines in production (although surprisingly these have been mild thus far) as old agricultural patterns change and as some economies of scale are lost.

Military assistance is more problematic. The principal purpose is to counter the hundreds of tons of equipment that the left has recently received, to replenish the stores spent by the junta in stopping the January offensive, and to ensure that the left does not achieve a military victory. It is true that some arms may fall into the wrong hands and strengthen the extreme right. But it is also true that the US, by making it clear to the army that it can only acquire what it needs through Duarte, strengthens his hand vis-a-vis his military. As a civilian and Christian Democrat with few personal allegiances in the armed forces, Duarte needs this lever to extend some control over the military and to marshal support for his reform program.

The modest aid proposed by the administration seems reasonable. But it must be accompanied by clearly spelled out conditions. First, continuation of the land reform program, in particular speeding up the tedious task of assigning and distributing titles for the land already transferred. (According to the AFL–CIO, Duarte is proceeding in good faith to acomplish this task.) Second, early elections and an attempt to wean some of the left-of-center democratic elements into a centrist coalition. Third, as much pressure as Duarte and the regular military can exert to restrain the right-wing death squads. Fourth, and most important, a clear understanding by the military that a coup means they are on their own and no longer will receive American support.

Our quarrel with the current Reagan policy is not with its actions but with its talk, which makes that last condition—that we will not tolerate to declare that preventing a leftish victory in El Salvador is a test case of born-again American will and prestige. The current situation in El Salvador is too fluid, the actors too unpredictable for us now to make a solemn commitment to prevent a leftist victory. Our policy must be to do whatever we can to build and reunite the center. But it is possible that the center will collapse, leaving only a choice between the extreme right and the extreme left. As Duarte himself said this week, that would result in an inevitable leftist victory, unless the United States sent in ground troops in support of the right. In that case, the US would find itself in a land war not merely against a small guerrilla army, but against an aroused population. Now that would be another Vietnam. It would tear this country apart again and undo a decade of psychological rebuilding of our unity and national purpose. It would likely prove to be military, and certainly moral, disaster. If the center collapses we might have to withdraw our aid and hope that the Mexicans and Social Democrats have some luck in moderating the victorious left into something closer to a Nicaragua than a Cuba. The point is that we must retain the option of changing our policy down the road, if necessary, not only to avoid disaster, but to give us today some leverage with any rightists contemplating a coup.

Drawing lines in the sand is a high-stakes move meant for Soviet consumption. The balance of forces in El Salvador is too precarious for our policy there to be distorted by such gestures. El Salvador is very small and very complex. Any US policy there must be grounded in Salvadorean realities. We have little chance of succeeding in El Salvador if we try to shape its future with our eyes fixed on Moscow, on Warsaw, or on Vietnam.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The Senator's time has expired. However, under the previous order, we are now entering a period for routine morning business, and the Senator from Arkansas is recognized.

NATIONAL VOLUNTEER WEEK

Mr. DURENBERGER. Mr. President, volunteers are part of a tradition older than our Nation. In fact, one of the qualities of our citizens that has set the United States apart from other societies has been the willingness of individuals to contribute their time, their talents, and their resources to help others. No other country can match ours for the involvement of private citizens in delivering services and playing a role in public policy.

April 26–May 2 has been proclaimed "National Volunteer Week." As a lifelong advocate of voluntarism—and, as a lifelong volunteer—I want to urge my colleagues to join me in this national celebration of the many contributions volunteers make every day.

The tradition of contributing time and talent has been especially strong in my State of Minnesota. One out of every two Minnesotans is involved in a voluntary activity. The dollar worth of these volunteers is hard to calculate. It is not unusual, for example, for a Meals-on-Wheels volunteer in Minnesota to drive 300 miles a month delivering meals. Services like that would be impossible without volunteers. Our society would certainly be much poorer were it not for the generosity of millions of volunteers.

Those contributions that so many in our country have come to rely on, though, are being threatened. Inflation, cuts in Government spending, and changing demographics are making it more and more difficult for voluntary organizations to meet their present goals. At the same time, those same factors are making it more imperative that voluntary groups not only achieve their current goals, but expand their services.

Voluntary groups provide a unique service delivery alternative to Government. They are more sensitive to individual and local needs and they are far more cost-efficient than Government. Many studies have demonstrated that a $1 contribution to a voluntary action organization provides the equivalent of $3 or $4 in services to people.

The redirection of the national Government that we are now undertaking depends, in large measure, on a parallel effort to encourage greater voluntary action. Voluntary groups will not and should not replace the national Government; they can and should, however, become an alternative to Government-provided services.

The National Government must encourage the continued development of voluntarism and volunteerism through the measures that I and many others have urged. Among other things, we must change the Tax Code to encourage more charitable contributions and to recognize

the true value of a volunteer's time and noncash contributions.

Just as Government is being called on to change, so too must the voluntary organizations themselves. They must encourage consumer choice in the selection of services, then respond to those decisions. They must challenge their volunteers to meet the changing needs of people. More than anything, they must be willing to experiment with diverse services and delivery systems.

In summary, we need a national dialog on the voluntary sector, its relationship with Government and the for-profit sector and its future. I cannot think of a better way to celebrate the myriad contributions of volunteers than to begin the dialog that will assure an even stronger and more productive future for our country's volunteer organizations.

Mr. DURENBERGER. Mr. President, I thank the majority and minority leaders.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. PRYOR.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the minority leader for yielding to me.

Mr. President, how much time do I have?

The PRESIDING OFFICER. Two minutes and 25 seconds.

CONTROLS OVER DOD'S MANAGEMENT SUPPORT SERVICE CONTRACTS NEED STRENGTHENING

Mr. PRYOR. Mr. President, I am pleased to present to the Senate today a report prepared by the General Accounting Office at my request which examined the Department of Defense use of consulting and related services.

Mr. President, it is my opinion that this report indicates that in the Department of Defense the methods used to award these consulting contracts are sloppy, shabby, and, in many cases, incestuous. The Department of Defense will spend in excess of $70 billion for contracts, or over 60 percent of total Federal procurement dollars this year. These figures illustrate the importance and necessity of thorough consideration of how and why these dollars are being spent.

The General Accounting Office reviewed 256 contracts, all selected at random, for management support services valued at about $175 million. They found that despite continuing attention being focused on the use of consulting and related types of services that "serious and pervasive" problems continue. In fact, GAO found that contractors were not only playing a significant role in determining defense contracting needs—a function I assumed would be performed by Department personnel—but were also performing defense management functions. This and other findings made by the GAO raise serious questions in my mind as to whether the Department of Defense is properly utilizing its contractor work force and also, whether such use is in the best interests of our Nation. But most critically, who is actually setting defense policy for our country?

Among the concerns and issues raised by the GAO in this report are:

The impact of extensive contractor use on DOD—GAO found that reliance of DOD on contractor support has a snowballing effect. As contractors acquire knowledge of DOD's operations, they literally become assured of subsequent, continuous sole source contracts. The result is that contractors are exercising substantial influence over the scope and direction of work performed. In fact, several contract arrangements reviewed by GAO appear to have preempted DOD's prerogative in directing national defense and in management and direction of the armed services.

Illustrative of this result was the sole source award of a contract for the Office of Secretary of Defense to review Army support unit requirements for the first 30 days of a NATO war. Reliance on contractors for critical defense requirements raises serious questions about the role of contractors in vital defense activities.

The second area of the GAO study was the impact of unsolicited proposals. Approximately 40 percent of the contracts reviewed were unsolicited. While the fact that a contract award was based on an unsolicited proposal does not make the award improper, the fact that so many contracts were the result of unsolicited proposals raises questions whether they are being used to: First, subvert the competitive process; second, encourage work that may not be important relative to DOD's mission needs and priorities; third, abrogate DOD's responsibility over the scope and direction of work related to defense management; or, fourth, are not truly unique or innovative. These questions are especially disturbing in the light of the fact that DOD contract awards resulting from unsolicited proposals are over twice the proportion found in civilian agencies in the earlier GAO report.

Another area that GAO looked into, Mr. President, was the revolving door problem. The involvement of former DOD military and civilian employees in contracts with DOD is extensive—51 percent of the contracts reviewed involved former employees in capacities of top management and technical levels. This aspect of the GAO review raises a number of questions: First, are former top level DOD officials improperly using their influence in securing contracts with DOD for their own benefit as opposed to the Government's benefit? Second, is DOD adequately planning and training personnel to insure their capability to perform essential work? and third, how objective is the work of former employees in areas where they were formerly involved while at DOD?

The other serious impact shown by the study, Mr. President, was the continuous nature of many contracts. Almost 57 percent of the contracts reviewed were renewed repeatedly. One contract, again, no competition, awarded sole source by the Air Force, has been repeatedly renewed for the last 28 years and to date no study has been performed on the related costs involved in contracting out the work versus performing the contract work in-house. Where the work is of a recurring nature the absence of cost comparisons and competition illustrates the poor management that presently results in the waste of millions of dollars every year.

As to the questionable need or value of services contracted for—of the 256 contracts reviewed, GAO considered 44 to be of questionable value in terms of DOD's priorities and mission. Illustrative is a contract awarded sole-source by the Office of the Secretary of Defense for "studies of nonpecuniary factors in the Federal approach to pay comparability and the feasibility of monetizing these nonpecuniary factors for consideration in the pay comparability process."

When a DOD official was asked by GAO staff if this was an impossible task he replied, "That's what makes it interesting." He went on to state that the intent of the study was to obtain support to "derail" proposed legislation on pay comparability. In my opinion it is well outside DOD mission and responsibility to spend its appropriated funds for such a purpose.

The excessive use of sole-source awards—sole-source awards were found to be the rule rather than the exception; 82 percent of the contracts reviewed were awarded sole-source without any competition. The primary factors cited by the GAO for this situation were—continuous contractual relationships, large number of unsolicited proposals, and the involvement of former employees in contract performance.

The fact that 82 percent of the contract awards were sole-source is a sad commentary on DOD's commitment for cost minimization. I consider it a disservice to all taxpayers. Competition has been shown to save an average of 20 percent of a contract's cost, and the 20 percent at DOD represents a substantial amount of taxpayer money.

In sum, Mr. President, the GAO report describes a very disturbing situation at the Department of Defense. I am pleased that the distinguished chairman of the Senate Subcommittee on Civil Service, Post Office, and General Services, Mr. STEVENS and the distinguished chairwoman of the House Subcommittee on Human Resources, Congresswoman GERALDINE FERRARO of New York have set a hearing on this report on April 29.

Mr. President, I ask unanimous consent that the summary from the GAO report be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

The Department of Defense (DOD) spent about $2.6 billion in fiscal year 1979 on all types of contract management support services. These services range from relatively simple studies to aid in management decisions to contracts involving com-

plex engineering support services for major weapon systems.

Proper use of these services can be a normal, legitimate, and economical way for DOD to satisfy its mission requirements. GAO reviewed 256 contracts for management support services valued at about $175.4 million. These contracts were randomly selected, and GAO believes its findings are representative of the total universe of management support contracts.

In spite of the continuing attention being focused on the use of contract consultants, serious and pervasive problems continue to exist, and will continue until DOD takes the initiative to address them. Contractors are playing a significant role in identifying needs and thus, in effect, are articulating and performing defense management functions. The result is that DOD is weakening its ability to perform in-house work essential to fulfillment of its defense mission. Much of the work is currently being performed by former DOD employees.

This increasing reliance on contractors has raised the following additional issues:

Extensive contract awards resulting from unsolicited proposals. (102 contracts reviewed valued at $25 million. See p. 11.)

Significant involvement of former DOD officials and employees in contracts. (131 contracts reviewed valued at approximately $52.6 million. See p. 13.)

Continuous renewal of contracts. (146 contracts reviewed valued at $149.2 million. See p. 16.)

Instances of questionable need for and use made of the contract services. (44 contracts reviewed valued at approximately $6.8 million. See p. 19.)

Overuse of sole-source awards. (211 contracts reviewed valued at approximately $156.7 million. See p. 21.)

Extensive contract modification. (176 contracts reviewed with modifications valued at approximately $73.8 million. (See p. 29.)

Previously, the focus of attention has been on problems with consulting services as defined by the Office of Management and Budget (OMB). GAO found the above problems in all types of management support services reviewed; therefore, GAO believes that the management controls outlined in OMB Circular A–120 should be applied to professional and management support services and special studies and analyses. Also, there is a need to provide visibility over these services in the budgetary displays.

An assessment of DOD's capability to perform all essential management functions in-house under existing personnel ceiling constraints is needed to achieve effective actions for the problems brought out in this report. GAO is currently reviewing the issue of personnel ceilings Government-wide and will provide further insight on this issue at a later time.

RECOMMENDATIONS

GAO has issued over 30 reports during the past 20 years identifying deficiencies related to the use of consulting services. One of the major issues identified was the failure to obtain adequate competition in awarding procurement contracts for these services. Additionally, the Congress has repeatedly voiced concern over the lack of competition in awarding these contracts. Normally, GAO is opposed to legislative remedies for problems that should be resolved administratively. However, GAO believes this problem is serious enough in DOD to warrant legislative action.

Accordingly, GAO recommends the Congress, as an interim measure, consider legislation which would minimize the funding of sole-source contracts for management support services and the funding of such contracts resulting from unsolicited proposals. One way to accomplish this might be to establish quotas for a period of 2 to 4 years. For example, the Congress might provide that not more than 50 percent of the total dollars spent by an agency for management support service contracts may be used to fund sole-source contracts. This figure could be adjusted in future years until a more acceptable balance is achieved.

The Director of OMB should:

Extend the management controls outlined in OMB Circular A–120 to other categories of management support services.

Assure that agencies identify all requested funds to be used for management support services and provide this information to the Congress. Such identification would provide the basis for the Congress to review agencies' use of such services as well as provide a base from which to control funds available for such services. GAO believes that OMB could satisfy this recommendation by extending the requirements of OMB Bulletin No. 80–13 for the types of management support services identified in this report.

The Secretary of Defense should take the following actions:

Required DOD activities to establish an independent review board to assure the highest level review of proposed contract awards and modifications over $100,000 for management support services. This independent assessment is particularly critical for those contracts to be performed by former DOD employees.

Identify functions being performed by contractors which are governmental in nature, and determine personnel needs and develop ways to meet those needs.

Identify management support services which are not governmental in nature and which are required on a continuing basis. For each service, an assessment should be made of current in-house capability, the possibility of acquiring such capability, and the relative costs involved in performing the work in-house versus contractor support.

AGENCY COMMENTS

Although this report was furnished to DOD for comment, it did not provide written comments before the issuance of this report. GAO received DOD's oral comments, but was told that DOD was amending its response and the oral comments could not be relied on.

OMB agreed in comments provided to GAO that the report makes a strong case for more stringent controls to eliminate weaknesses in and curtail abuses of DOD's procurement of management support services. However, OMB does not totally agree with GAO's recommendations. OMB believes that legislation is not necessary to solve the problems with contracting for management support services. It is currently considering issuing an OMB bulletin and a revision to an existing circular which it believes will correct the problems illustrated in this report.

GAO believes OMB's planned actions, if carried out, are commendable, but several of its suggested actions will not result in meaningful improvements in contracting for management support services.

OMB intends to eliminate the majority of improper sole-source awards by removing the incentives to use unsolicited proposals for management support service contracts. In GAO's opinion, this proposed action will result in fewer unsolicited proposals but will not have a major impact on the number of sole-source awards. GAO continues to believe legislation is necessary to correct this longstanding problem.

OMB does not believe that a specific entry (budget line item) for consulting services within the object classification schedules for each agency account in the budget is necessary, appropriate, or practicable. GAO's recommendation for budgetary identification does not require a specific entry for management support services.

GAO's report clearly demonstrates that the problems identified are not restricted to consulting service contracts alone but instead, are prevalent throughout the entire universe of management support service contracts. With the implementation of OMB Bulletin No. 80–13, budgetary identification of consulting services is already required. GAO believes that OMB could satisfy this recommendation by extending the existing requirement to include the types of management support services identified in this report and providing the information to the Congress.

Finally, OMB believes that review and approval of management support service contracts by a level above the sponsoring activity will provide sufficient control. GAO continues to believe that review and approval by an independent board is a more desirable approach. Such a board or boards would have no direct benefit from the outcome of their decision and would bring management support services under a proper degree of independent and objective scrutiny.

Mr. PRYOR. Mr. President, the magnitude of procurement spending entered into by the Federal Government requires that oversight be aggressive. Further, it requires detailed examination and thorough consideration in the budgetary and appropriations process. To address these needs I have introduced S. 719, the Consultant Reform and Disclosure Act of 1981. In this effort I must pay tribute to those of my colleagues who have joined me in this call to action by cosponsoring this legislation. At this point, my cosponsors include Senators PROXMIRE, DECONCINI, WILLIAMS, BAUCUS, SIMPSON, BURDICK, EAGLETON, RIEGLE, LEVIN, PERCY, SASSER, COCHRAN, BUMPERS, MOYNIHAN, HEFLIN, and METZENBAUM.

Very simply stated, this legislation would address the areas of abuse and waste within the procurement process by a sunshine/disclosure approach.

I hope others of my colleagues will join as cosponsors of this bill and at this time I ask unanimous consent that a summary of S. 719 be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CONSULTANT REFORM AND DISCLOSURE ACT OF 1981

MAJOR PROVISIONS

Clarifies the authority of agencies to appoint experts and consultants pursuant to title 5, section 3109 U.S.C. Requires that OPM assume a more active oversight and reporting role in relation to the use of appointments by agencies.

Defines consulting services, management and professional services, and special studies and analyses as the universe to which most provisions apply.

Requires the publication of all consulting services, management and professional service, and special study and analysis contracts in excess of $10,000 in the Commerce Business Daily prior to award. Also requires notification and justification of all subsequent modifications which increase the contract value by $25,000 to be sent to the respective Inspector General or comparable official.

Requires basic attribution information to be included in reports prepared pursuant to a consulting service, management and pro-

fessional service, or special study contract and in agency-prepared reports which include substantial portions of such contractor-prepared reports.

Requires the evaluation of consulting, management and professional service, and special study and analysis contracts which exceed a value of $50,000. Special attention is focused on performance according to the terms of the contract and deviations from cost and time as specified in the original contract.

Organizational conflict of interest determinations are required which are to be applied on a test basis—for three years—at the Departments of Energy and Transportation, and the Environmental Protection Agency. Actual conflicts and appearances of conflict are addressed in regard to consulting, management and professional service, and special study and analysis contracts only. Where an adverse determination is made the contractor will have an appeal procedure.

Line item identification in the budget submitted by the President to Congress is required for consulting service, management and professional service, and special study and analysis procurement requests. Agencies will also be required to explain these requests in the budget justification process.

The Federal Procurement Data System is codified.

Agency contract listings for all contracts entered into within the preceding 12 months, and contracts which are active, are required to be maintained and be made available to the public for inspection. Such listing will be updated quarterly.

Written justifications for consulting service, management and professional service, and special study and analysis contracts are required to be maintained by the agencies and are to be made available to the public.

All contracts, unless classified for national security purposes, are to be considered public documents and thus available for inspection by the public unless disclosure is prohibited by law.

ORDER TO PROCEED IMMEDIATELY TO CONSIDERATION OF BUDGET WAIVER RESOLUTION

Mr. BAKER. Mr. President, I announced earlier that, at the appropriate time following the disposition of the period for the transaction of routine morning business, it was my intention to proceed to consideration of Calendar Order No. 44, a bill to authorize the supplemental appropriation for 1981 for procurement of military equipment.

Mr. President, in a moment, I shall propound a unanimous-consent request in respect of the supplemental, which has been cleared on both sides. In preparation for that, I ask unanimous consent that the Senate proceed immediately to the consideration of Calendar Order No. 46, the budget waiver, to accompany that measure.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, there is no objection on the side to proceeding immediately to consideration of the budget waiver.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET ACT WAIVER

The Senate proceeded to consider the resolution (S. Res. 105) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 694, which was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 694, a bill to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and for research, development, test, and evaluation, and to increase the authorized personnel strength for military and civilian personnel of the Department of Defense, and for other purposes.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 694, as reported by the Committee on Armed Services.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR CONSIDERATION OF S. 694 AND FOR TIME LIMITATION AGREEMENT THEREON

Mr. ROBERT C. BYRD. Mr. President, in response to an earlier statement, I say to the distinguished majority leader, there is no objection to securing the consent of the Senate at this time to proceed to the consideration of the supplemental appropriations bill for fiscal year 1981 if he wishes to propose the request now.

Mr. BAKER. I thank the distinguished minority leader.

Mr. President, in view of that statement by the distinguished minority leader, I ask unanimous consent that, after the closing of the routine morning business, the Senate turn immediately to the consideration of Calendar Order No. 44 and that there be a time limitation as follows of consideration of that measure: Four hours on the bill, equally divided between the Senator from Texas (Mr. TOWER) and the Senator from Mississippi (Mr. STENNIS); that there be a time limitation of 2 hours to be equally divided on an amendment to be offered by the Senator from Arkansas (Mr. BUMPERS) dealing with the proposed deauthorization of the battleship *New Jersey;* that there be a time limitation of 1 hour to be equally divided on amendments in the first degree, 30 minutes to be equally divided on amendments in the second degree, 20 minutes to be equally divided on all motions, appeals, or points of order if the same are submitted; and that the agreement be in the usual form.

Mr. ROBERT C. BYRD. Mr. President, I am sure the distinguished majority leader meant to say all debatable motions.

Mr. BAKER. Mr. President, I thank the distinguished minority leader. All debatable motions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the distinguished minority leader and I thank the Senator from Washington for forbearing his statement so I could make the request of the Senate today.

(Mr. GORTON assumed the chair.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATIONS AUTHORIZATION ACT, 1981

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Calendar Order No. 44, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 694) to authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and for research, development, test, and evaluation, and to increase the authorized personnel strength for military and civilian personnel of the Department of Defense, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment, as follows, to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Department of Defense Supplemental Authorization Act, 1981".

TITLE I—PROCUREMENT OF AUTHORIZATION AND APPROPRIATIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. (a) In addition to the funds authorized to be appropriated under title I of the Department of Defense Authorization Act, 1981, funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $128,000,000; for the Navy and Marine Corps, $47,600,000; for the Air Force, $716,625,000.

MISSILES

For missiles: for the Army, $27,000,000; for the Air Force, $228,269,000; for the Marine Corps, $10,700,000.

NAVAL VESSELS

For naval vessels; for the Navy $172,100,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $796,000,000; for the Marine Corps, $11,300,000.

(b) Of the total amount authorized to be appropriated in subsection (a) for the XM–1 Main Battle Tank, the sum of $336,700,000 may not be obligated or expended unless and until the Secretary of Defense certifies in writing to the Committees on Armed Serv-

ices of the Senate and the House of Representatives that (1) the durability performance results of the RAM-D testing program for such tank do not present an unacceptable level of risk in terms of satisfying the Army's operational mission requirements, and (2) such results support the procurement of such tanks in a number greater than the 360 for which funds were appropriated before the date of the enactment of this Act.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Authorization Act, 1981, funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $79,500,000; for the Navy (including the Marine Corps), $139,900,000; for the Air Force, $339,200,000; for the Defense Agencies, $41,000,000.

TITLE III—ACTIVE FORCES

INCREASE IN AUTHORIZATION OF END STRENGTHS

SEC. 301. Section 301 of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1082), is amended to increase the active duty personnel end strengths of the Navy, Marine Corps, and Air Force by striking out "537,456", "188,100", and "564,500" and inserting in lieu thereof "540,456", "190,600", and "569,000", respectively.

TITLE IV—RESERVE FORCES

INCREASE IN AUTHORIZATION OF AVERAGE STRENGTHS

SEC. 401. Section 401(b) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1084), is amended to increase the number of Reserve component members authorized to serve on full-time active duty with the Marine Corps Reserve for the purpose of organizing, administering, recruiting, instructing, or training by striking out "67" and inserting in place thereof "133".

TITLE V—CIVILIAN PERSONNEL

INCREASE IN AUTHORIZATION OF END STRENGTH

SEC. 501. Section 501(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1085), is amended by striking out "986,000" and inserting in place thereof "1,010,600".

TITLE VI—MILITARY TRAINING STUDENT LOADS

INCREASE IN AUTHORIZATION FOR AIR NATIONAL GUARD OF THE UNITED STATES

SEC. 601. Section 601(a)(9) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1087), is amended by striking out "1,930" and inserting in lieu thereof "2,509".

TITLE VII—MILITARY CONSTRUCTION

ARMY

SEC. 701. (a) In addition to the amounts authorized for acquisition and construction by title I of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1749), the following amount is authorized for the location specified:

UNITED STATES ARMY, EUROPE

Various Locations, $1,800,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $1,800,000.

NAVY

SEC. 702. (a) In addition to the amounts authorized for acquisition and construction by title II of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1752), the following amount is authorized for the location specified:

UNITED STATES MARINE CORPS

Marine Corps Air Station, El Toro, California, $2,000,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $2,000,000.

AIR FORCE

SEC. 703. (a) In addition to the amounts authorized for acquisition and construction by title III of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1756), the following amounts are authorized for the locations specified:

AIR TRAINING COMMAND

Laughlin Air Force Base, Texas, $4,700,000.

STRATEGIC AIR COMMAND

K. I. Sawyer Air Force Base, Michigan, $540,000.

SPECIAL PROJECT

Various Locations, Special Project, $50,000,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $55,240,000.

DEFENSE AGENCIES

SEC. 704. (a) In addition to the amount specified for minor construction projects by section 403 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1761), the Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $900,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purposes of subsection (a) the sum of $900,000.

MILITARY FAMILY HOUSING

SEC. 705. Section 510(a) of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1767), is amended—

(1) by striking out "$276,100,000" in clause (1) and inserting in lieu thereof "$260,078,000"; and

(2) by striikng out "$1,880,760,000" in clause (2) and inserting in lieu thereof "$1,896,782,000".

AIR NATIONAL GUARD OF THE UNITED STATES

SEC. 706. In addition to the amount specified in section 701(3)(A) of the Military Construction Authorization Act, 1981 (Public Law 96-418 Stat. 1774), the Secretary of Defense may establish or develop facilities for the Air National Guard of the United States in an amount not to exceed $6,500,000.

LIMITATIONS APPLICABLE TO USE OF FUNDS

SEC. 707. (a) Authorizations contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1749), in the same manner as if such authorizations had been included in that Act.

(b) For the purposes of the limitations set forth in section 603 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1768), the amounts authorized to be appropriated for titles I through V of that Act shall be deemed to be increased, respectively, by the amount authorized to be appropriated by section 601 through 605.

MODIFICATION OF PRIOR YEAR AUTHORIZATION FOR FAMILY HOUSING UNITS AT TINKER AIR FORCE BASE

SEC. 708. (a) Section 501(c) of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 940), is amended by striking out "three hundred thirty-two units" in the item relating to Tinker Air Force Base and inserting in lieu thereof "two hundred units".

(b) The authorization for construction of, or acquisition of sole interest in, family housing units at Tinker Air Force Base, Oklahoma, contained in section 501 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 940), as amended by subsection (a), is hereby modified to authorize construction of such family housing units on base at Tinker Air Force Base.

TITLE VIII—MISCELLANEOUS PROVISIONS

AMENDMENTS RELATING TO CONTINUOUS SUBMARINE DUTY INCENTIVE PAY

SEC. 801. (a) Section 301c of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "(1)" after "(a)";

(B) by striking out "subsection (b)" in the first sentence and inserting in lieu thereof "subsection (c)";

(C) by striking out paragraph (2) and inserting in lieu thereof the following:

"(b)(1) Subject to regulations prescribed by the President, a member who is entitled to basic pay is also entitled to continuous submarine duty incentive pay under this subsection instead of submarine duty incentive pay authorized under subsection (a) of this section if such member holds or is in training leading to a submarine duty designator, remains in the submarine service on a career basis, and meets the requirements of paragraph (2) of this subsection."; and

(D) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively;

(2) in subsection (b), as designated by clause (1)(C)—

(A) by striking out "subsection (b)" in the third sentence of paragraph (3), as redesignated by clause (1)(D), and inserting in lieu thereof "subsection (c)";

(B) by inserting after "title" each time it appears in paragraphs (2) and (3), as redesignated by clause (1)(D), "less, in the case of an officer, periods as an enlisted member prior to initial appointment as an officer"; and

(C) by inserting after the first comma in paragraph (4)(A)(i), as redesignated by clause (1)(D), "while serving as an operator or crew member of an operational submersible, including undersea exploration and research vehicles,";

(3) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively;

(4) by striking out "subsection (b)" in subsection (e), as redesignated by clause (3), and inserting in lieu thereof "subsection (c)"; and

(5) by striking out "subsection (a)" in subsection (f)(1), as redesignated by clause (3), and inserting in lieu thereof "subsection (b)".

(b) The amendments made by this section shall take effect as of January 1, 1981.

(c) Persons who become eligible for continuous submarine duty incentive pay for any period during the fiscal year ending September 30, 1981, by virtue of the amendments made by this section shall be paid exclusively from funds heretofore appropriated for such fiscal year for the payment of pay and allowances of members of the Navy (Department of the Navy Account: Military Personnel, Navy Appropriation Symbol No. 1711453).

ACCRUED LEAVE

SEC. 802. Section 10 of the Military Pay and Allowances Benefits Act of 1980 (Public Law 96-579; 94 Stat. 3359) is amended—

(1) by inserting "(a)" after "SEC. 10. "; and

(2) by adding at the end thereof the following new subsection:

"(b) The amendment made by subsection (a) shall be effective in the case of any member of the Armed Forces assigned to a deployable ship, mobile unit, or other duty designated for the purpose of section 701(f) of title 10, United States Code, after September 30, 1979.".

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest

the absence of a quorum and I ask unanimous consent that the time consumed be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ARMSTRONG). Without objection, it is so ordered.

Mr. TOWER. Mr. President, November 4 marked the end to nearly a decade of neglect and indifference about the military capability of the United States vis-a-vis that of the Soviet Union. In the late 1960's and early 1970's, funds which normally would have been used to modernize our Armed Forces were diverted instead to support our activities in the Vietnam war. In the mid and late 1970's, many defense programs lost out to competing demands to fund the ever-increasing number of social programs.

Nonetheless, the Soviet Union, in the last 10 years, has undertaken a massive military buildup to modernize nearly every segment of its strategic and conventional arsenal. This, coupled with the Soviet invasion of Afghanistan, confirmed the worst fears of the American people about the genuine motivations of the Soviet Union. It raised doubts in the minds of most Americans about the sincerity of the Soviet Union's expressed desire to achieve détente with the United States, and it caused many Americans to question the adequacy of our defense spending.

Mr. President, on November 4, we received the answer of the American people loudly and clearly. They are deeply concerned and disturbed about the ability of our Armed Forces to respond effectively to situations which affect our national security interests. They are concerned about whether the United States is still perceived around the world to be the preeminent military power which they know must be the case if the United States is to negotiate with its potential adversaries from a position of strength. They are concerned that, as a result of the neglect and indifference on defense matters which characterized the last decade, the United States may now be viewed incorrectly around the world as a nation which has neither the resolve nor the ability to respond to events which challenge its national interests.

Mr. President, the American people recognize and we in the Senate should recognize that in order to preserve peace and check the expansionist activities of the Soviet Union and her surrogates around the world, the United States must have, and—equally important—must be perceived to have the national will and the military ability to respond quickly and decisively to events which threaten our national security interests and those of our allies.

I reject the notion that we need to prove our military might and national resolve on a battlefield with the blood of our young men. To the contrary, the billions of dollars which we allocate to national defense are designed to avert war by assuring our potential adversaries that a military confrontation with the United States is, for them, a losing proposition.

The primary mission of our Armed Forces is to preserve peace and avoid the needless sacrifice of American lives. It is only when we have failed in this effort that our Armed Forces are called upon to fulfill their secondary mission which is to restore peace. It is only because we value life so much that we are willing to spend billions of dollars on defense to deter those who would otherwise challenge us in a conflict which would inevitably result in the loss of many lives on both sides.

The American people are not naive. They observe in their own daily experience—whether in business dealings or otherwise—that the results of any serious negotiations more often than not favor those who negotiate from a position of strength rather than one of weakness. It is, therefore, not perplexing at all to the vast majority of American people that to deal effectively with the Soviet Union, the United States must not only have but also be perceived to have the military and economic might, coupled with the national resolve, to face up to the Soviet Union eyeball to eyeball.

It is our military and economic strength and our willingness to use it, if necessary, which the Soviet Union understands and which is our best insurance policy for peace. The American people have not forgotten the more notable case studies of Hungary, Czechoslovakia, and more recently Afghanistan, which serve to remind us of the unsavory consequences which befall those who deal with the Soviet Union from a position of weakness.

Mr. President, I share the concern of the American people about the present quality and quantity of our military personnel and the equipment which they must use—particularly in light of the accelerated production schedules and impressive technological advances which the Soviets have made in their military hardware. The United States must always be prepared to meet the enemy on its own terms if ever the situation requires.

To satisfy this requirement after nearly a decade of neglect, the United States will have to resolve in the near term some very serious manpower, readiness, and weapons modernization deficiencies which currently plague our Armed Forces. No matter how much money we spend, it will be years before we have in place the ships, submarines, strategic and tactical aircraft, missile systems, tanks, and numerous other weapons systems which are required to modernize our Military Forces properly. It currently takes—

Approximately 8 years to construct a nuclear carrier;

Approximately 6 years to construct a cruiser;

Approximately 7 years to construct a Trident submarine;

At least 7 to 9 years to develop a new generation of strategic bombers; and

At least 7 more years before we have a modernized strategic missile system.

One can see, therefore, that we cannot afford to delay any longer our efforts to get these weapons systems in place as quickly as possible while simultaneously addressing our serious manpower and readiness problems. The American people have indicated their support for these initiatives not unmindful of the significant expenditures which will have to be made. It is now time to get on with the serious task at hand.

Mr. President, the Reagan administration has indicated to the Soviet Union that the United States will no longer react passively and sheepishly to world events which affect directly or indirectly the interests of the United States or those of its allies. The Reagan administration supports the notion that peace through strength should be our national objective.

Consistent with this objective, President Reagan has requested that we add $3.04 billion to that already authorized and appropriated in fiscal year 1981 to provide funding for some of the more urgently needed manpower, readiness, and weapons modernization initiatives which were seriously underfunded under the Carter administration's fiscal year 1981 request.

The Committee on Armed Services is well aware of the fact that simply throwing money at the Department of Defense will not, in and of itself, result in a significantly improved fighting force. The committee is also aware that, even though the American people have indicated their willingness to pay the price required to have a strong military capability, they will require that their scarce dollars are invested in a way that will insure the greatest return.

This is why the committee has taken great pains to recommend funding for only those programs for which the administration has provided a clear and convincing justification. The committee has found that most of the administration's requests were sufficiently justified to overcome the traditional reluctance of the committee to support supplemental authorizations.

For a variety of reasons, however, the committee found several of the administration's funding requests to lack sufficient justification and recommends that the Senate—

Disapprove $146 million requested for the reactivation of the aircraft carrier *Oriskany;*

Deny $96 million which represents the administration's proposal to procure seven additional F–18 aircraft above the currently funded 53 aircraft;

Approve $15.2 million of the $21.8 million DOD request to provide full long-lead funding to support construction of an LSD–41 in fiscal year 1982; and

Provide that $336.7 million of the total fiscal year 1981 supplemental request for procurement of additional XM–1 main battle tanks may not be expended unless and until the Secretary of Defense certifies in writing to the Committee on Armed Services that he is satisfied with the results of the proposed durability testing to be conducted by the Department of the Army.

The administration requested supplemental funding in the total amount of $3.04 billion. If the Senate approves the committee's recommendations which are reflected in the Department of Defense fiscal year 1981 supplemental authorization bill before the Senate, the administration's request will be reduced from $3.04 billion to $2.8 billion—a reduction of $238 million.

Mr. President, this is the first significant legislative initiative by this new administration designed to improve the quality of our fighting forces. I strongly urge my colleagues to give this terribly important matter their unequivocal support.

Mr. President, at this time I would like to express my thanks to the Senator whom I expect to be recognized immediately following, Senator STENNIS, for many years the distinguished chairman of the Committee on Armed Services, who has been enormously cooperative in expediting the consideration and reporting out of the committee of this bill. He has demonstrated his usual statesmanship on defense matters, and I would like to thank him for his wonderful cooperation.

Mr. STENNIS. Mr. President, I yield myself such time as I may use which, I assure the Senate, that I will not speak at length.

I certainly appreciate the very generous remarks of the Senator from Texas (Mr. TOWER) with reference to our relationship and our continued working together on these matters, and I join with him in the sponsoring of the items of the bill.

Mr. President, as he explained, they supplement and bring forward and hasten the day of consummation of these programs that will end the current fiscal year program or end that program now, the fiscal 1981 program.

There are additional sums for various reasons, as he described. They include some items, a few items, that were not a continuation of active programs, programs that are already in being, that will be developed later. I know of one item, the battleship, which will be stricken, as I understand, which will be called up, so I will be heard from on that.

I am supporting the bills as it is drawn now, Mr. President. I think these funds are necessary, and I subscribe to including the battleship item that I have mentioned.

I subscribe to what the Senator says about the inability to solve these problems in connection with our military preparedness merely by throwing money out, throwing money to the Pentagon, which is the way he expressed it. But we also have funds from time to time that do not go directly to the Pentagon. Money is not the primary problem. The people of America have been willing to spend the necessary money.

Frankly, I said years before, each time when the bill came up, that the weak part of the program was the personnel, and that is still true. I do not say that trying to blame anyone, but it is a matter that is hard to get in its proper perspective, hard to prove adequately, hard to get over to the membership of the body and the American people the need, I think, of a certain source of manpower, quality power. But those things will continue to be worked on. I think our present President, Mr. Reagan, will give it more attention when there is a chance.

I trust that sometime soon there will be the emergence of an additional source of manpower that will insure more of the quality line, particularly for our valued Army.

So I will be here during the entire discussion of this bill, Mr. President, which is my intention as well as other members of the committee, of course. I will at that time feel free to make any remarks that I may desire.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, this time will be charged to Senator TOWER.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I would like to speak briefly in support of the fiscal year 1981 DOD supplemental bill as reported by the Senate Armed Services Committee.

This bill is a very important piece of legislation, and its passage will mark the beginning of that restoration of the margin of safety articulated by President Reagan as the foundation for his new defense programs.

As every Member has heard so often, our defenses indeed are running down, down especially in comparison with the increasing trend of Soviet defense expenditures.

The Soviet Union has continued for 15 years, consecutive years, on a massive military buildup, and that buildup is beginning to have a very noticeable adverse effect on the overall military balance.

Also third country capabilities have sprung up throughout the world. This poses a new challenge to our defense equation. For example, Libya now possesses sophisticated military forces. Conceivably they could be used against the United States or allied interests in some part of the world.

It is indisputable that our defense posture is less secure than it was 3 years ago. 5 years ago. 10 years ago.

We, as a nation, simply must respond, and respond now or the military balance will shift even further against us.

It is up to Congress at this very moment to get the President's new program moving by approving first this bill and, subsequently, its companion appropriation bill.

I shall not take the time of the Senate to summarize the items in the bill. That is done most adequately in the committee report. Instead I shall address those parts of the bill which fall within the jurisdiction of the Subcommittee on Strategic and Theater Nuclear Forces of which I am the chairman.

The only additions above the amended request were $8.3 million in R.D.T. & E., and $18.9 million in procurement for programs which are classified within the Department of the Air Force. I assure my colleagues that while I cannot disclose the factual basis and justification for these programs they were considered very carefully by the Committee on Armed Services.

Last year, during the consideration of the original fiscal year 1981 request, the committee expressed interest in protecting the option to have an early preprototype demonstration of the Army's LoADS ballistic missile defense systems. The Reagan administration request, therefore, for $36.1 million for R.D.T. & E. in the ballistic missile defense systems technology line was for exactly that purpose, and I commend the administration for stepping forward on this issue. The LoADS program is the most near-term of the Army high technology BMD, that is ballistic missile defense, programs.

The supplemental request also adds $67.6 million for the ground-launched cruise missile program. As you will recall, this program is vital to redressing the long-range theater nuclear force balance in Europe, and the NATO modernization program which provides for the deployment of the GLCM and the Pershing II missile. The deployment of these weapons systems in the future is a symbol of alliance unity.

Much of the funding requested in the supplemental is to cover cost growths related to technical problems in the cruise missile launcher as well as software problems, as well as the procurement of additional equipment for meeting training requirements. This funding is necessary to insure that there is no slip in the IOC in Europe, somewhere in the area of 1983 as agreed upon in the historic December 1979 NATO agreement.

I would also note that the supplemental requests $55.5 million to purchase used commercial Boeing 707 aircraft as part of the program to provide six airborne range instrumentation aircraft and one airborne launch control center aircraft along with reengining kits for existing C–135 aircraft. The procurement of these aircraft with many flying hours left on their airframes and the procurement of engines which will be set back to zero hours is a good example of ways in which defense requirements can be met at reduced cost. The committee will continue this process of investigating the purchase of used aircraft with long airframe life left and also leasing options to reduce costs associated with the purchase of new aircraft.

The supplemental also requests $20 million for research related to EMP hardening of B–52 aircraft. In fact, this step was recommended by our committee last year. These funds will permit electromagnetic pulse and associated nuclear effects tests on the B–52's which will carry our air-launched cruise missile force. Hopefully, an extensive modification program will not be necessary, but we will not know until these tests are completed. We must conduct these tests.

In summary, there are no major new strategic initiatives in the fiscal year 1981 supplemental request, but there are important funding requirements which must be met to keep important programs going at the proper pace.

Mr. President, as I conclude this statement I would like to observe comments that have come from senior members of

the Department of Defense with respect to shipbuilding of naval vessels in yards other than those located in the Continental United States of America. The statements while indefinite in context, nevertheless indicate that there may well be some thinking within the Department that foreign shipyards could be employed to build U.S. warships.

Mr. President, I have seen this issue raised many times. I am unalterably opposed to any American warship being built in a foreign shipyard, and I forewarn my colleagues that that matter will be so objectionable to me and a number of my colleagues that I state here and now that I would likely mount a filibuster on the floor of this historic Chamber to prevent any such action.

I think the Department of Defense has a responsibility to help restore America's industrial base—and that includes our shipbuilding capacity, particularly that for naval warships.

In closing, Mr. President, I would like to commend the chairman of the Senate Committee on Armed Services and the ranking member for the innovation of a new subcommittee system designed along the lines of roles and missions. We are now well along in the hearings in preparation for the 1982 bill, and it is my observation that this new committee structure is working not only as intended by its chairman but in a most efficient manner, and one which addresses with, I think, greater scrutiny each and every element of the defense program.

Returning to the supplemental before us today, I assure my colleagues that it has received careful scrutiny of the committee and the membership individually as well as the Senate, and I, therefore, urge adoption of this legislation.

Mr. THURMOND. Mr. President, I rise in support of the pending bill, S. 694, the fiscal year 1981 defense procurement authorization supplemental bill. This bill includes urgently required Defense Department needs that have been recommended by President Reagan. I applaud the action of our chairman of the Senate Armed Services Committee, Senator TOWER, for his expeditious handling of this highly important bill.

In my view it is critical that the United States move quickly to strengthen its defense forces. With the Soviets threatening to invade Poland, we need to let the world know that we will not shrink from our role as leader of the free world. We must act from a position of strength or we will find ourselves unable to act at all.

This bill sends the Nation and the rest of the world a message. It is a message of commitment—commitment to the defense of free people. We are going to improve our defense forces to guarantee that we are second to none. No one must doubt our resolve.

This supplemental represents one of the first initiatives of the Reagan administration to begin rebuilding our national defense structure. Defense Secretary Caspar Weinberger testified before our committee on this legislation to the effect that these proposals would accelerate and enhance steps to strengthen our Military Establishment.

AIRCRAFT AND VEHICLES

Mr. President, the major procurement items in this legislation include $892 million for aircraft procurement and $807 million for tracked combat vehicle procurement.

The bulk of the aircraft procurement account is for spares to support planes already in the inventory. Another major item in this account is $55.5 million to procure used Boeing 707 aircraft in lieu of purchasing new planes for military missions and to provide low cost modification kits for existing C–135 aircraft.

In the combat tracked vehicle account, the funds will be used to procure M–60A3 tanks, M–1 tanks and the infantry fighting vehicle.

RESEARCH PROGRAMS

The committee has also approved and recommended to the full Senate $599 million for research, development, and testing projects. These programs are essential if our Nation is to continue its technology growth.

MILITARY CONSTRUCTION

Mr. President, I might mention briefly the matter of military construction, since as chairman of the Military Construction Subcommittee I have a special responsibility in that area. S. 774, which Senator HART and I introduced by request, was the Department's request for supplemental military construction authority and has been incorporated into the committee's action on S. 694. The Department requested $83 million in new construction authority for badly needed construction projects. We are recommending that $66 million in new authority be granted and that the fiscal year 1981 Military Construction Authorization Act be amended to accommodate the $17 million difference. Details are in the committee's report and I would be happy to respond to questions if there are any.

Mr. President, it is a real pleasure for me, as a Member of the majority party in the Senate, to support this bill. Chairman TOWER and the splendid staff that he has assembled on the Armed Services Committee have handled this bill swiftly and professionally.

● Mr. EAST. Mr. President, the funds which we are considering today are those intended for the security and defense of our country. There purpose is therefore intimately related to one of the fundamental purposes of our Government, to "provide for the common defense."

The need for additional defense expenditures should be obvious. For the last decade the Soviet Union has increased its defense efforts at a rate of 3 percent or more per year, while our efforts in the same area have declined by a total of 11 percent in the same period. By 1979 the U.S.S.R. was spending 50 percent more on defense than the United States.

The 1980's began, Mr. President, with the United States facing strategic inferiority to the Soviet Union. At the same time the military, political, economic, and diplomatic challenges to our country are greater than at any time since the end of World War II. Valuable allies in Iran and Nicaragua are gone, and their countries are in the hands of hostile forces.

We have rejected the bonds of friendship and alliance with the Republic of China on Taiwan, but we have not yet developed similar ties with Communist China, and it remains debatable that we can or should do so. Our dependence on foreign oil and other strategic minerals and materials is of vital importance to our viability as a nation, as a world power, and as a society.

The Soviet Union, on the other hand, shows every sign of expansion and dynamism as a world power, while we are in retreat and withdrawal. While the Soviets have serious internal political and economic problems, they also continue to threaten other states. In Afghanistan the Soviet Army continues to occupy the territory and suppresses the freedom of this nation, and they remain less than 300 miles from the Persian Gulf. The Soviets are also engaging at this very moment in the most threatening maneuvers and political actions and statements thus far observed in regard to Poland and the nascent labor movement in that country. The Soviet support for terrorism and guerrilla warfare all over the world is becoming well known after too many years of being ignored.

Mr. President, I believe that it is absolutely necessary to support the supplemental defense budget for our national defense, not only because of the need for the particular programs it involves, but also because of the signal our acceptance of it will send to the Soviet Union, that we as a nation are resolved to meet aggression and tyranny with the forceful response that they deserve.●

UP AMENDMENT NO. 55

(Purpose: To eliminate entitlement to continuing submarine duty incentive pay in certain cases not intended to be included in the committee amendment)

Mr. TOWER. Mr. President, I send a technical amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. GOLDWATER). The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an unprinted amendment numbered 55.

Mr. TOWER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 9, insert "and" after the semicolon.

On page 12, strike out lines 10 through 14.

On page 12, line 15, strike out "(C)" and insert in lieu thereof "(B)".

Mr. TOWER. Mr. President, this amendment deletes a sentence from the bill which would have a spending impact clearly not intended by the Committee on Armed Services. The deleted sentence implies an amendment which the committee did not approve, but which the committee may consider at a later date. Its removal is without prejudice. It would have assisted submariners with prior enlisted time and is not directly related to the technical amendments in the bill.

I have discussed this matter with Sen-

ator STENNIS. It is simply a technical amendment. It reflects the intent of the committee. It is my understanding that Senator STENNIS is prepared to accept the amendment.

Mr. STENNIS. Mr. President, that is correct. This is a technical amendment to which we join in asking approval.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas (Mr. TOWER).

The amendment (UP No. 55) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time consumed be charged to both sides on the bill.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield to the Senator from Nebraska such time as he may use.

Mr. EXON. Mr. President, I thank my friend from Mississippi.

Mr. President, I proposed an amendment to the current bill during markup by the Manpower and Personnel Subcommittee. The purpose of my amendment was to provide a significant pay increase effective July 1, 1981, for senior enlisted personnel and to make other changes which will directly enhance retention. Last week the Department of Defense formally proposed a 5.3-percent, across-the-board military pay raise for July 1. By across the board it is meant that the base pay and the basic allowance for quarters and the basic allowance for subsistence for each individual rank would be raised by 5.3 percent.

Under the administration's proposal, a new recruit would receive a basic pay increase of $26.57 per month; a master sergeant or senior chief petty officer would receive a $74.90 increase in basic pay per month; and a colonel would receive a $169.08 increase in basic pay per month. In my view, this proposal does not meet the needs outlined by the Department of Defense.

In its letter of March 31, 1981, forwarding the proposed 5.3-percent pay increase, the General Counsel of the Department of Defense says:

> It is estimated that enactment of this proposal would allow the armed forces to retain about 15,000 more careerists by the end of fiscal year 1982, thereby reducing the demand for accessions. Alternatively, it would allow the armed forces to be more selective in the reenlistment process, thereby further improving the quality of their non-commissioned officer corps. With the American youth population declining each year, the importance of retention of experienced personnel in the armed forces cannot be overemphasized.

Mr. President, the Department of Defense seems to be saying that increasing the monthly pay of a master sergeant by $74.90 and increasing the pay of a colonel by $169.08 will both contribute to improved retention of noncommissioned officers. I find that logic very hard to follow. It makes no sense to me to increase the pay of privates and generals at this time when everyone will receive some form of cost-of-living increase in October of this year.

The Manpower and Personnel Subcommittee has held hearings on military compensation matters during this congressional session and the last. It has received consistent testimony on the need to increase pay for senior enlisted personnel. For example, Maj. Gen. William Usher, Director of Personnel Plans for the Air Force, testified:

> There is legitimate cause for concern over the inadequate pay differentials for members who are expected to assume greater rank and responsibilities without commensurate economic rewards. However, I think it would be a grave mistake to try to reduce pay compression by depressing pay raises for first-term enlisted members, as some have proposed. . . . We can hardly expect to attract and retain quality people unless we can demonstrate our intent to provide them a standard of living comparable to that enjoyed by their civilian counterparts. Therefore, I firmly believe that resolution of the pay compression problem must be accomplished through a separate pay raise additive to the annual comparability increase.

Mr. President, I do not necessarily agree with General Usher's comments that pay raises targeted to specific problems by rank or skill cannot be dealt with by reallocating the annual October 1 pay raise toward those problem areas. I do agree that if a pay raise is to become effective in July of 1981, it must be enacted soon. I do agree that such a special pay raise should be directed toward problems in the current pay structure. And I am concerned about further delays in achieving this goal.

One of the main problems facing military personnel managers is the need to increase the senior experience level of the enlisted ranks; that is, those personnel with over 10 years of service. First-term retention rates are relatively high, but it is among second- and third-term personnel where increased retention is critically needed to increase the numbers of senior noncommissioned officers. The Navy's ability to man the growing number of new ships now entering the fleet, as well as to expand its size in the future, will depend on its ability to retain more people with over 10 years experience and to bring back into the Navy petty officers with previous experience. I believe that when considering a mid-year pay raise of this sort the Congress should target these increases to the areas of greatest need. Most people seem to agree in principle that this concept is correct and now is the time to do something about the problem. The NCO's are the backbone and muscle of today's Armed Forces and they also have suffered the most from pay policies during the last few years.

The frontloading of first-term pay over the past several years has resulted in pay compression in the enlisted ranks. The ratio of a senior sergeant's pay to a recruit's pay has declined by 50 percent since 1964. So, if someone decides to stay in the military service as a senior noncommissioned officer, he must do so without the substantial increases in pay that once were provided. At the same time, he must assume a more demanding leadership role, especially in light of the quality problems in the junior enlisted ranks. So, we are asking these dedicated and talented people to assume additional responsibilities without significant increases in pay and without the significant privileges that used to be associated with the NCO ranks. The Defense Department continues to say that they recognize this pay compression problem. Yet they never propose a solution to it and action is long overdue. Last year, Congress gave the Secretary of Defense authority to reallocate up to 25 percent of last year's 11.7-percent pay raise; however, not one dime was reallocated. Congress expected the Secretary of Defense to identify the specific pay problems, but he did not. Now, with a new administration, testimony indicates that this reallocation authority will never be used. If the problems with the structure of military pay are to be solved, it will have to be the Congress which provides the solutions.

My amendment proposed a July 1, 1981, pay raise that would be limited to senior enlisted personnel:

Sergeant's (pay grade E–5) will receive 5.3 percent;

Staff sergeants and sergeants first class (pay grades E–6 and E–7) will receive 6.3 percent;

Master sergeants and sergeants major (pay grades E–8 and E–9) will receive 7.3 percent.

My amendment also included two other smaller pay adjustments. Much military flying duty, particularly helicopter flying in the Army, is assigned to warrant officers. Yet, warrant officers who are pilots are not entitled to the same flight pay as are commissioned officers. This results in an inequity, where a helicopter flight commander who is a warrant officer receives less flight pay than an officer who is not in command of a flight. My amendment would provide the same aviation career incentive pay for commissioned officers and warrant officers.

Second, last year Congress passed legislation designed to improve the management of and increase experience levels in the officer corps. Part of that legislation authorized the Secretaries of the Military Departments to continue captains and Navy lieutenants in technical fields on active duty until 20 years of service. However, under the current pay tables such an officer would receive no increase in pay based on his length of service in the military after he had com-

pleted 14 years of service. My amendment would continue to provide longevity pay increases for such personnel through 20 years of service.

The pay raises in my amendment apply only to military personnel and the amendment does not include other increases in pay for junior enlisted personnel or officers. Mr. President, at this time when we are considering a midyear pay raise, I do not feel it necessary to include junior enlisted people in pay grades E–1 through E–4. Currently there are enlistment bonuses available to cover critical skills where shortages exist. The same is true for officers. In fact, the Defense Department has not yet begun to pay the aviation continuation bonus for pilots because of disagreements within the Pentagon—even though Congress granted the authority for its payments last year. However, I am not precluding other subsequent actions to increase pay in skill areas where there are shortages or even across the board.

My amendment would cost about $150 million in fiscal year 1981 and about $500 million in fiscal year 1982. In contrast, the Department of Defense proposal would cost about $400 million in 1981 and $1.9 billion in 1982—that is, the administration's proposal would cost over three times as much but would give a lower pay raise to senior NCO's. If the Congress decides that further increases are warranted, there are funds earmarked in the fiscal year 1982 budget for subsequent increases in pay. However, if we cannot implement the policy of targeting military pay raises to achieve the best result at this time—a midyear pay raise—it will be very difficult to ever accomplish this goal.

Mr. President. I have received assurances from the Senator from Iowa (Mr. JEPSEN), the chairman of the Manpower and Personnel Subcommittee, that the subcommittee will give speedy consideration to my proposal. Knowing his interest and dedication to military personnel matters, I believe we will be able to join together in this proposal in the end.

I would hope that the distinguished chairman of the Armed Services Committee would add his assurance that the committee will consider my proposal, as I know he shares my general concern in this area.

Mr. President, because of these assurances, I will not offer my amendment at this time, but will continue to work toward the goals I have outlined here on the floor and in the committee. I am confident that we will be able to bring my proposal back to the Senate in the near future, and I hope and expect at that time, we will bring the committee's endorsement of such a proposal, or something quite near to it, in the future.

Mr. TOWER. Mr. President, I yield myself 2 minutes.

Let me say that I thank the Senator from Nebraska for his presentation and bringing this matter to the attention of the Senate. As he well knows, his proposal has considerable merit and reflects a lot of the thinking that is currently going on in the Armed Services Committee.

In general, the approach is probably a viable alternative to the DOD's across-the-board formula and is supported by many members of the committee.

The Senator from Nebraska has my assurance that the committee will focus in on this problem and his suggestion will be very carefully considered along with other suggestions along the same line.

Mr. EXON. Mr. President, I thank the chairman of our Armed Services Committee. As he knows, this is a critical area. I am sure that the Armed Services Committee will be focusing in on this.

I very much appreciate the comments of the distinguished chairman.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 56

(Purpose: To delete funding for the MX missile system)

Mr. PRESSLER. Mr. President, I send an amendment to the desk for the purpose of laying it down, and then ask that when we resume——

Mr. TOWER. Mr. President, if the Senator will permit, what we would like to do is permit the Senator from South Dakota to lay his amendment down and make it the pending business when we reconvene.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an unprinted amendment numbered 56.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 6, line 5 delete "$339,200,000" and insert "$334,200,000" in lieu thereof; and delete "$41,000,000" and insert "$39,000,000" in lieu thereof.

Mr. BAKER. Mr. President, I understand now that the Pressler amendment is the pending business.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I believe it would best serve the purposes of the Senate, in view of certain meetings which are about to occur, if we were now to recess the Senate for a brief time.

Before I make a unanimous-consent request, may I remind Senators that the National Geographic is scheduled to take the annual picture of the Senate, which is authorized by a resolution of the Senate, at 2 o'clock sharp. I urge all Members to be present and in their seats well in advance of that time. Wives of Members are invited to be present and sit in the gallery at a place to be designated for them.

RECESS UNTIL 1:45 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:45 p.m. today.

There being no objection, the Senate, at 12:35 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUMPHREY).

ORDER OF PROCEDURE

Mr. TOWER. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time consumed not be charged to either side in the debate on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I take this opportunity to remind Senators that the picture of the Senate, authorized by a resolution adopted by this body, will occur at 2 o'clock. I hope all Members will make preparations to be in their seats promptly at 2.

Mr. President, I ask unanimous consent that the time consumed from the reconvening of the Senate at 1:45 until the completion of the picture taking not be charged against the limitation previously imposed against the pending measure.

The PRESIDING OFFICER (Mr. SCHMITT). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I announce to my colleagues that I am advised that the National Geographic photographers will take a series of eight photographs. They will begin at 2 o'clock or as close to that as possible.

I understand that the wives of some Members have been attending a luncheon, in honor of Mrs. Reagan, in the Russell Building. I am sure all my colleagues will understand and agree that if we run a few minutes past 2 o'clock awaiting the attendance of wives and husbands, that will not be a mark of disrespect to our friends at the National Geographic but, rather, great concern for our future welfare. [Laughter.]

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate will be in order. Senators will take their seats and cease conversation.

The majority leader is recognized.

NOTICE OF BRIEFING ON WEDNESDAY ON THE SPACE SHUTTLE

Mr. BAKER. Mr. President, I thank the Chair.

Mr. President, while I instruct the Sergeant at Arms to inquire of the attendance of all Senators and Senators' wives who may wish to be in this photograph, I have an anouncement I would like to make on behalf of the distinguished Senator from Ohio (Mr. GLENN).

Senator GLENN wishes to say that there will be a briefing on the Space Shuttle by representatives from NASA on Wednesday, tomorrow, at 10 a.m. in room 412 of the Russell Building and at 2 p.m. in room 2228 of the Dirksen Building. Senator GLENN, I believe, indicates that not only will Members be welcome at those briefings, but so will their staffs.

Mr. President, I yield to the Senator from Ohio.

Mr. GLENN. Mr. President, if the Senator would yield momentarily. I have had a number of requests, and I know Senator SCHMITT has had a number of requests, so we jointly worked together on this and set up a briefing tomorrow at the 10 a.m. and 2 p.m times. As far as we are concerned, everybody is welcome—family, friends, staff, whoever may wish to attend. They will have models, a little movie of what is going to transpire on the flight, and some of the things that are planned on later shuttle flights. I think it should prove very interesting for everyone.

Mr. SCHMITT. Mr. President, will the majority leader yield to me?

Mr. BAKER. Mr. President, I am happy to yield to the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, anyone who needs information on scheduling, give the Commerce Committee staff a call. But, basically, there will be a DOD airplane leaving around Thursday noon, and a NASA airplane leaving very early Friday morning, very early in the a.m. There will be briefings associated with both of those flights in flight.

Mr. BAKER. Mr. President, I thank both of our distinguished astronauts, the distinguished Senator from Ohio (Mr. GLENN) and the distinguished Senator from New Mexico. I cannot help but point out that, as a class, astronauts are the most overrepresented group in society in the United States.

Mr. President, if I might have a report from the Sergeant at Arms.

Mr. President, I am advised that we are not quite ready and, for the moment, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BAKER. Mr. President, could we have order?

The VICE PRESIDENT. The Senate will be in order. Senators will take their seats.

PHOTOGRAPH OF THE SENATE

Mr. BAKER. Mr. President, I wish to announce to all Members that if they take their seats we are prepared, I believe, to go forward with the pictures. There will be a series of eight photographs. On previous occasions, we have experimented variously at the request of my friend, the present minority leader, on whether we face the camera or face forward. As far as I can tell, it has not made any difference either way. So, Mr. President, I leave that to the discretion of Members, but the cameras are in this corner. As I say, there will be eight exposures. So I will take my seat now and at the conclusion of the eight exposures we will resume.

(At this point, photographs of the Senate were taken.)

(Mr. DENTON assumed the chair.)

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1981

The Senate resumed consideration of S. 694.

The PRESIDING OFFICER. The Senate will be in order.

The Chair recognizes the Senator from Texas.

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. TOWER. Let me ask the Senator from South Dakota if he wishes to discuss his amendment.

Mr. PRESSLER. I am asking for the yeas and nays, but I will discuss it if the Senator wishes. I wish to seek the yeas and nays. I might also say——

Mr. TOWER. Mr. President, I withdraw what I just suggested.

Mr. PRESSLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. Mr. President, I rise to offer an amendment to this fiscal year 1981 supplemental authorization for the Department of Defense with some reluctance.

I have long supported strengthening of U.S. national security and, indeed, I am one of the strongest proponents of a better defense. In fact, I have a 100-percent record in national defense matters from groups that rate Senators and Congressmen on national defense. This is the case for my years in the House and in the Senate, according to those groups that rate Members of Congress in terms of their votes for a strong national defense and who believe in the threat the Soviets pose against our country.

However, I am a great skeptic of the MX program. We have had several years of debate about the MX. We do not know where it will be located. In fact, we are building a system that we do not know where or how it will be deployed. I cannot find out, as a U.S. Senator, where the MX will be built. First, we were told that it would be built on a railroad bed underground. Next, we were told that the MX would not be built underground on tracks but, rather, the MX would be put on hard-surface roads above ground.

Also there is a plan for the deployment of the MX by sea, a plan that has much merit. Most recently we were told that there is a blue ribbon committee in the Pentagon studying how to deploy the MX missile. Almost monthly I hear a different report as to where the MX might be located or how it will be developed.

Mr. President, the defense budget is enormous, and in most areas it is necessary. It is beyond the comprehension of many people to fathom the size of a budget projected to exceed $200 billion within a short time. Thus we must be careful in analyzing the Defense Department budget, just as we are with all budgets of all agencies and programs. Perhaps we need to be more careful with defense spending in order to avoid the feeling some might have that money is being squandered in the name of a strong defense.

Coming from South Dakota, I remember well the ABM system which was declared obsolete on the day it was operational, and that troubled me a great deal, since that system was built in our sister State of North Dakota. I fear the MX, too, may well be obsolete by the time it is built.

In any event, Mr. President, I am offering this amendment to reduce the fiscal year 1981 defense supplemental by a mere $7 million. Some say this is not the proper vehicle to pursue these concerns. Some say that deletion of funds for the MX should occur on a later bill. But I feel very strongly that if the Senate were to go forward with this $7 million reduction for the MX in this particular supplemental, it would be a clear signal to the Pentagon that many people are concerned about the validity of the MX, first of all, and second of all that we would like to know where it is going to be located before moving ahead with more expenditures.

The $7 million is the total of the amount which the committee report indicates will be provided as supplemental money for the MX missile research, development, test, and evaluation program. It does not seem right that on top of the

$1.5 billion already available that we should now be asked to add the $7 million more. Surely the $1.5 billion program can be managed within the existing authorization for the rest of this fiscal year.

Let me say a few words about alternatives. If we are to build several thousand miles of hard-surface roads for the MX, why do we not locate those roads in a place where we can have some civilian use for them? If 9,000 miles of railroad are to be built for this system, could not such track be built for hauling grain, or for transcontinental carriers? Our railroads are much in need of rehabilitation. Could we not camouflage missile cars and move them around on the same tracks?

The current plan we are told may involve building several thousand miles—up to 9,000 miles of hard-surface roads. Our interstate highway program is becoming obsolete. Could we not plan to put this military system to civilian uses? Does the Pentagon and its blue ribbon committee deciding where to locate the MX include persons who have a concern for our national transportation system and the application of some military systems to civilian use?

If we are going to spend this kind of money, literally tens of billions of dollars, it seems to me we should be considering civilian applications in the area of transportation.

Civilian transportation of agricultural products, other products, as well as people should be feasible on the roads or railroads used to occasionally shuttle the MX missile around.

Mr. STENNIS. May we have quiet? This is a matter of vast consequence, as I understand, and I am sure the membership will be interested in it.

The PRESIDING OFFICER. The Senator's point is well taken.

Mr. PRESSLER. I thank my colleague from Mississippi.

Mr. President, it has also been proposed that the areas currently serving the Nation with Minuteman missile complexes might be appropriate locations for the MX deployment, or at least deployment of some part of the system. Let me say that I am not committed to that. I have asked the Pentagon what their plans are for the Minuteman missile sites in western South Dakota. I am a great supporter of the strategic value of Ellsworth Air Force Base in my State. But my State has not spoken in terms of its willingness to take the MX if that is an option. I have not suggested that. What I am suggesting is that before we continue spending supplemental funds on this MX program we find out where we are going to deploy it. Indeed, I am told that if it is going to be deployed at sea, that certain plans will have to be significantly changed. Another portion of the system might even be deployed on wide-bodied cargo planes, I am told.

Mr. President, in those States in the Southwest where it has been indicated the MX would be located, there has been much opposition, even though that part of the country is very much attuned to most military proposals. They do not know now where the Pentagon proposes to locate the MX.

This is a program which is now estimated to cost over $53 billion and according to some estimates could exceed $100 million. That is a lot of money in terms of our budget and taxpayers' dollars. Therefore, we should be sure that we wring every possible benefit from this huge expenditure if it is going to be made.

Mr. President, I think this amendment could send a clear signal to the Pentagon and the White House that the Senate wants some answers before the MX program goes forward.

Is this system going to be obsolete by the time it is built? There are some who argue it is already obsolete. The American people have a right to know what is being done with so much of their money.

With that, Mr. President, I conclude my opening statement on this amendment to eliminate the requested $7 million supplemental for the current fiscal year for the MX. If the amendment is accepted, it will be telling the American people that we are being extremely careful with their tax dollars and we will not spend those dollars until we are convinced they are being wisely spent.

Also, Mr. President, I have had some discussions concerning my own State of South Dakota. I have not endorsed the MX overall program, I must say very frankly. I have not said that we want the MX in South Dakota. But I understand that some of the western sites are being considered. If they are, I would like to be told with more clarity.

So all of these things bring me to the conclusion that we should delete this supplemental funding for the MX in this particular bill.

Mr. President, that concludes my statement.

Mr. TOWER. Mr. President, I yield myself such time in opposition to the amendment as I may require.

Mr. President, the Senator from South Dakota has mentioned a number of potential basing modes that have already been rejected as being totally impractical. I do not know why he is concerned about those. I would suggest he ask his staff to look into these various methods he has discussed here because most have already been rejected and will not even be considered.

I would like to ask the Senator from South Dakota if he believes that the Commission should make a decision absent the kind of information we seek with this authorization.

Mr. PRESSLER. I must say how high a regard I have for my friend from Texas in the area of his military expertise as chairman of the Armed Services Commitee. Also, I would like to say I prefer to see the recommendation of the Commission before we are asked to spend still more money for this missile system. We are being told "Give us the money to go forward."

Mr. TOWER. How can they make a rational decision if we do not provide the funds for them to make important studies?

Mr. PRESSLER. May I finish my answer? We are being asked to continue to appropriate money to build the MX missile without being told where it will be located, how deployed, whether on surface roads, missile silos, or at sea. We have not been told what State it will be in. I think it is unfair to the taxpayers to be spending this kind of money without some answers to those questions. I see no reason why we cannot have the answers today. I have been trying to get the answers for several months. I have been writing letters and making calls. I have been given the runaround as a U.S. Senator. I want some answers to those questions.

Mr. TOWER. I might say that if the Senator is thinking about sending a message to the DOD, he is behind time. The Armed Services Committee has already done that. In fact, we authorized a basing mode. The new administration wanted to review that decision and they are currently in the process of doing so. Although Congress has directed an MPS basing mode there is disagreement between and among various people on the deployment mode. There is virtually no disagreement on the need for the missile. What the Senator from South Dakota proposes to do is to arrest the modernization of our entire intercontinental ballistic missile force just at a time when we are losing essential equivalence in strategic capability with the Soviet Union. He wants us to delay still further, which would increase the vulnerability the United States will face through the decade of the eighties. To adopt this amendment will be irresponsible in the extreme on the part of the United States Senate.

Mr. GOLDWATER. Will the Senator yield for a question?

Mr. TOWER. I yield.

Mr. GOLDWATER. What is the amount of money the Senator is mentioning in his amendment? Is it $7 million?

Mr. PRESSLER. It is $7 million.

Mr. GOLDWATER. What, precisely, would that $7 million do in the program? Mind you, I think we have made a mistake all along in using the term MX because MX is merely a follow-on inside for the Minuteman missile. The basing mode is something we have to discuss separately. I have to agree with my chairman. Although I am not in complete agreement with the basing mode, I am in complete agreement with the need for the new missile. I am afraid that taking that much money out of it at this time would work a hardship. Am I correct?

Mr. TOWER. The Senator from Arizona is absolutely correct. I might note that what the Senator proposes to do in his amendment is to deny information on blast and radiation effects that are important to all U.S. nuclear missiles, including Tridents, ALCM, GLCM, Pershing II, Minuteman, and Titan, as well as the MX. So with a pretty broad brush in the process of sending what he thinks might be a message to DOD, he is sending a message to the Soviet Union that we are not serious about maintaining an adequate stratgeic capability in this country to deter them from a first strike.

Mr. GOLDWATER. Will the Senator yield for a question?

Mr. TOWER. I yield.

Mr. GOLDWATER. I remember when he first came here that the Senator from Utah was trying to stress the need for a modernized Minuteman missile. Many of us went along with him, but we have yet to do anything about it. We still have the same old Minuteman sitting in the holes out in the West that we put there so long ago. In my humble opinion, and, as I say, I am not sold on this basing mode, we have to have a new intercontinental missile. I think eliminating $7 million is going to slow down the beginning of the manufacture of these new missiles. If you are talking of $30, $40, or $50 billion, you might be getting at the basing mode.

I cannot support the amendment. I feel too strongly that we have to have these new missiles. We will decide where they go.

Mr. WARNER. Will the Senator yield?

Mr. TOWER. I yield such time as the Senator from Virginia may desire.

Mr. WARNER. Mr. President, this is a matter that falls within the jurisdiction of my subcommittee. I have taken a very close look at it. I would like to express to my distinguished colleague, the Senator from South Dakota, that there is a proper time and a proper procedure by which this Chamber will someday address itself to the pros and cons of the MX system. I urge my colleagues, however, to oppose this amendment because this amendment not only is not the right way to do it but it will subtract vital information from the ultimate debate on the system.

I can be more specific.

The Senator from South Dakota wishes to strike $7 million and there are two components to the $7 million. First, there is the $5 million which represents research and development funds for the Air Force to keep a program funded which is going on right at this minute, and that program is for the specific purpose of determining how well a missile can be hidden. In other words, the $5 million is to provide data of the kind which the blue ribbon committee will require when it reconvenes next week.

I am certain that the distinguished Senator does not wish to deny information, either to this committee or to the U.S. Senate, when that information will be integral to any decisionmaking on the MX system. The $5 million applies to various basing modes and will help tell us how successful the United States, under all of these modes, can conceal the missile.

Then, as the distinguished chairman mentioned, $2 million will be for a study of the thermal and blast effects upon the missile itself. That is totally apart from any basing consideration. It goes to the missile, which I think almost everyone in this Chamber will agree is necessary for the United States to bring into production, depending upon the basing mode of that missile.

By supporting this amendment, the Senator will deny the Defense Nuclear Agency the moneys needed to provide a test program for the study of thermal and blast effects not only on the MX missile but, as the distinguished chairman said, on a series of missiles utilized by the United States in our deterrence defense system.

I fervently urge the distinguished Senator from South Dakota to reconsider pressing this amendment at this time.

Mr. PRESSLER. Will my colleague yield?

Mr. WARNER. Yes.

Mr. PRESSLER. Let me say what a great regard I have for my colleague from Virginia. I have enjoyed working with him on the arms control issue, since I am the chairman of the Arms Control Subcommittee and he heads an important Armed Services subcommittee which touches this area. But let me ask him, is it not possible for the Defense Department to move forward on the strength of the $1.5 billion appropriation that they already have for the MX? Surely, $7 million will not halt this work. Would it not be good to send a clear signal?

Mr. President, I ask unanimous consent to have printed in the RECORD an article dated March 1, 1981, concerning remarks of the President with regard to the MX, from the Washington Post.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Q. A number of leaders from western states, including some of your strong supporters, oppose the MX fixed-rail siting because it's going to use up so much range land. How do you feel about that?

A. I have to tell you that, while I can't claim that I've had enough input to make a final decision on anything, I'm not enamored of that fixed-rail system. I believe the missile is necessary. I don't believe in the basing method that has been suggested so far.

Q. Because of the land use?

A. It's not only that. It's so elaborate, so costly, and I'm not sure that it is necessary or would be effective. It's again an indication of this whole effort, such as in the SALT talks, to have verifiability so you create a great, elaborate costly system in which you can hide the missile except that the enemy has to know that the missile is there. And it doesn't make much sense to me.

Q. Does that mean that the sea-based option is under active consideration?

A. Oh, I think there are any number of them, ranging all the way from silos such as we presently have. Silo, sea-based, they're all being looked at.

Q. So the siting question. You've been committed to the missile, but the siting of it is still a wide-open question as far as you're concerned?

A. Yes.

Mr. PRESSLER. I say to the Senator that we are so far down the road in building this missile that it seems very strange to me that we cannot get some answers, that we do not know where we are going to put this costly thing, which may cost over $100 billion. We are building this weapon, and we do not know what we are going to do with it.

I wish to reiterate that, in regard to South Dakota, I do not advocate bringing the MX missile to our State. More work is needed to determine the feasibility of building an MX system with civilian applications, such as roads or railroads to shuttle the mobile missile as well as civilian traffic. Perhaps we would participate if we could hear and see these studies. That is a decision the people of South Dakota would have to make and for which they need more information.

Mr. WARNER. I reply to my distinguished colleague by saying that President Reagan was entitled to the opportunity to review not only this program but also all the defense programs to determine whether or not, in fact, they did work toward his goal of restoring the margin of safety in our overall defense system.

We cannot expect him to be in office a mere 90 or 120 days and make all these decisions carefully within that brief period of time, particularly with a new Secretary of Defense and a new deputy secretary for purposes of research and development; and we have not even had a hearing on him as yet.

This team, which is working informally, is attempting, as rapidly as it can, to gather a data base for a decision by the Defense Secretary as well as the President. These two small sums are an integral part of the factfinding process so that they can develop a record to take to Congress, as well as the Nation, to substantiate whatever decision they may come up with with respect to the basing mode.

Again, I call my distinguished colleague's attention to the $2 million. Is it his intention to press for the deletion of that sum?

Mr. PRESSLER. Yes, that is my intention. It is part of my amendment.

It seems to me that we are talking about a relatively small amount. I am sure that the Department of Defense, with an existing $1.5 billion appropriation for this program, in this time of budget austerity, could do without that $2 million. In any event, the total of $7 million would send a signal. I know of no other way to do it as a Senator. I have tried to get a briefing. I have tried to talk to people. I am told, "We don't know." Even the President of the United States does not know how to deploy this.

Mr. TOWER. We are already sending a signal. We have asked for a report. The Secretary of Defense has appointed the Townes committee to study and review the whole matter of the basing mode.

The signal that the Senator from South Dakota is going to send is one to the Soviet Union of a lack of determination on our part to maintain an adequate strategic capability.

I yield to the Senator from Utah such time as he may require.

Mr. GARN. I thank the Senator from Texas.

Mr. President, I oppose this amendment.

The Senator from Arizona mentioned that when I first came to this body and was a member of the Armed Services Committee, the very first concern I had was for the growing strategic imbalance. At that time, as a freshman Senator, I tried to accelerate the development of the MX missile, on the basis that the basing mode could be argued about and disputed, but that no one should dispute the need that we should proceed with the development and procurement of the missile while the basing mode debate was going on.

At the same time, I stopped for a year

and a half an intent by the Carter administration to stop the production line of Minuteman III and to disperse that team. Unfortunately, I could not keep it going longer.

I felt strongly that President Ford made a serious mistake in 1976 by not making a decision to go ahead with the building of the missile. He deferred that until after the 1976 election. In addition, he deferred the decision on the B–1 until after the 1976 election.

Unfortunately, he lost the election. I am sure that if he had been elected, he would have proceeded with both, but he did not.

Then we had Jimmy Carter dilly-dally for 3 years before making a decision on even building a missile, let alone the basing mode, and he canceled the B–1. So he effectively cut off one leg of the triad by leaving us with an aging B–52, and then he opened this window of vulnerability to an even longer period of time, while the Soviet Union has SS–17's and SS–19's, with 4.6-ton warheads, and 10.5-ton warheads on the SS–18.

Also, I am more directly involved than any other Senator in this body because a major portion of this system is proposed to be deployed in my State, and I do not want it in my State. I wish it were not necessary to have an MX, and I do not want the socioeconomic or environmental problems that will occur from building the biggest manmade public works project in the history of the world.

I went through it during an entire campaign last year, with my opponent saying he would lay his body before the MX and stop it and Senator GARN would not.

Well, that is true. I do not want it there, and I wish it would go away. I wish we did not have to have it. But it is irresponsible to continue to delay year after year after year.

During my entire 6-year term, we have delayed, the window of vulnerability has become wider, the Soviets have become stronger, and we have become weaker.

It is not a matter of $7 million, I say to my distinguished colleague from South Dakota. It is a matter of sending signals that, once again, we are trying to delay it.

I cannot emphasize enough that nobody is more involved than I am and wish it would go away, but I cannot play politics with the national defense. We need the MX missile, and as rapidly as we can get it. I wish there were some alternatives to putting it in my State of Utah.

Most of the seabased options are not viable. The SOM system is the most Rube Goldberg, stupid concoction that scientists ever thought up. It is a concept.

It does not have any research and development to speak of, no accurate cost data. It probably would take longer than the MX to deploy.

I cannot emphasize strongly enough that while we continue to make a decision and give the Reagan administration time to review the various alternatives as to how we should base it, there should not be 1 day of delay in continuing the development of the missile itself while we debate the basing mode.

I say to my distinguished colleague from South Dakota, as one who has lived with the MX, literally, about 20 hours a day for the last 3 years, with a massive amount of data in my office, on microfilm and everything else, that if he would like a briefing I would be glad to talk to him. There is something about the MX every day. There is a headline or an editorial in our papers. I have never had a request to talk about the MX. So I make that offer to my colleagues. We can talk for days about the MX.

I will make the point once more, and then I will conclude:

Let us not delay the development of the MX missile. This country is in danger, and we will have a decision on the basing mode by June.

Even though I do not want it in my State—I would love to give it to JOHN TOWER, in Texas, or someplace else—the national security has to come first, over State interests. If we are not able to find a suitable alternative or to modify this system, I am going to be willing to take it, whether I want it or not, because we cannot let the Soviets continue to build that strategic gap. I have six children, and I would like to have that threat removed.

Mr. TOWER. Mr. President, I thank the distinguished Senator from Utah for his very statesmanlike approach on this issue. It is typical of him and his zeal to defend the United States against external adversaries.

It is my intention to move to table this amendment once all the time has expired or has been yielded back.

Mr. President, I yield to the distinguished Senator from Mississippi such time as he requires.

Mr. STENNIS. I thank the Senator.

Mr. President, I commend the Senator from South Dakota for his interest and concern in this matter. He is well within his rights and his responsibility in submitting this amendment or any other amendment.

The matter of the MX has been before the Senate for 3 or 4 years, and the membership has been given assurances before that we are going to make progress, and so forth, and the matter comes back without much advancement in position.

I believe it is well that someone not on the committee bring attention through an amendment. However, in deference to the Senator, I believe this is a matter that should proceed, after years of our committee having gone into the most extensive kind of hearings and thorough consideration and weighing the matter, as has the Pentagon, in the great concern that is brought about by the need and by the problem of the basing mode.

Mr. President, it is a fact that this money relates to preliminary research and development with respect to the hiding, the concealment, of our missiles. After they are located at a certain spot $2 million of the $7 million goes to some experimental work with reference to concussion blasts and nuclear radiation.

Unfortunately, we have been delayed all this time on the basing mode, the location, as referred to by the Senator from Utah. Other matters are still pending, and we are waiting for a decision. I believe it is due January 15, according to the latest testimony. For all this time, excellent work has been going forward on the missile itself. There has been no undue delay. To suspend it awaiting a basing mode decision would be grave error. It would be lost time which could not be recaptured; and in that way, it would be a great mistake.

I believe that our committee has fully covered the facts of the situation and the need, and the committee has a correct position.

Mr. PRESSLER. I thank my colleague from Mississippi. I see him frequently on Wednesday mornings at the prayer breakfast, and I see him on many other occasions, and he is one of the most distinguished Members of this body.

Also, I have extremely high regard for the views of the Senator from Utah.

Nevertheless, Mr. President, I conclude by saying that I feel that by cutting this $7 million for the MX, we will be sending a signal to the Pentagon. We will not be stopping the program, because there is $1.5 billion in the budget.

Also, I should clarify my position with regard to South Dakota. I do not necessarily want the MX in South Dakota. Overall, I believe that our people would rather not have them. But if they are to build roads or railroads, this is something very much needed in my State and of course the United States as a whole. I hope we can find a civilian use for some of these great expenditures we are making.

I believe it is very strange for our country to be in the process of building something which is so expensive and we have no idea how we are going to deploy it. The President of the United States said on March 29 that we do not know where it is going to be deployed.

Mr. President, I have asked the distinguished Senator from Texas if we might have a 10-minute quorum call before the start of this vote, and with that in mind, I suggest the absence of a quorum, to be charged to my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time, and I suggest the absence of a quorum, on the time of the Senator from South Dakota, after which time it is my intention to move to table the amendment offered by the Senator from South Dakota.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. TOWER. Mr. President, I move to lay on the table the amendment proposed by the Senator from South Dakota (Mr. PRESSLER).

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table

the amendment of the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Maryland (Mr. MATHIAS), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Are there other Senators in the Chamber desiring to vote?

The result was announced—yeas 79, nays 15, as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—79

Abdnor	Ford	McClure
Andrews	Garn	Melcher
Armstrong	Glenn	Mitchell
Baucus	Goldwater	Moynihan
Bentsen	Gorton	Murkowski
Boren	Grassley	Nickles
Bradley	Hart	Nunn
Bumpers	Hatch	Packwood
Burdick	Hawkins	Percy
Byrd, Harry F., Jr.	Hayakawa	Pryor
Byrd, Robert C.	Heflin	Quayle
Cannon	Heinz	Randolph
Chafee	Helms	Rudman
Chiles	Hollings	Sarbanes
Cochran	Huddleston	Sasser
Cohen	Humphrey	Schmitt
Cranston	Inouye	Simpson
D'Amato	Jackson	Specter
Danforth	Jepsen	Stafford
DeConcini	Johnston	Stennis
Denton	Kasten	Stevens
Dixon	Laxalt	Symms
Dole	Leahy	Thurmond
Domenici	Levin	Tower
East	Long	Wallop
Exon	Lugar	Warner
	Mattingly	

NAYS—15

Baker	Kassebaum	Pressler
Boschwitz	Kennedy	Proxmire
Dodd	Matsunaga	Riegle
Eagleton	Metzenbaum	Tsongas
Hatfield	Pell	Weicker

NOT VOTING—6

Biden	Mathias	Williams
Durenberger	Roth	Zorinsky

So Mr. TOWER's motion to lay on the table Mr. PRESSLER's amendment was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET RESOLUTION OF RECONCILIATION AND INSTRUCTIONS

Mr. BAKER. Mr. President, the requests I am about to make have been cleared, I believe, on the minority side.

I observe that the minority leader is on the floor.

On Thursday, the Senate had final consideration and passage of Senate Concurrent Resolution 9. I ask unanimous consent now, Mr. President, that the Secretary of the Senate be authorized to make the following modifications to Senate Concurrent Resolution 9 to make the resolution mathematically consistent and to conform with the actions taken by the Senate.

Mr. ROBERT C. BYRD. Mr. President, may the clerk state the modifications?

The PRESIDING OFFICER. The modifications will be stated.

The legislative clerk read as follows:

On page 2, line 17, strike "$52,144,000,000" and insert in lieu thereof, "$52,825,000,000."

On page 2, line 19, strike "$59,023,000,000" and insert in lieu thereof, "$59,228,000,000."

On page 12, line 10, strike "$3,462,000,000" and insert in lieu thereof, "$3,243,000,000."

On page 12, line 11, strike "$3,400,000,000" and insert in lieu thereof, "$3,200,000,000."

On page 12, line 12, strike "$4,210,000,000" and insert in lieu thereof, "$4,011,000,000."

On page 12, line 13, strike "$4,161,000,000" and insert in lieu thereof, "$3,961,000,000."

On page 15, line 17, strike "$150,000,000" and insert in lieu thereof, "$1,050,000,000."

On page 15, line 18, strike "$101,000,000" and insert in lieu thereof, "$301,000,000."

On page 15, line 19, strike "$196,000,000" and insert in lieu thereof, "$600,000,000."

On page 15, line 19, strike "$167,000,000" and insert in lieu thereof, "$367,000,000."

On page 20, line 20, strike "$710,000,000" and insert in lieu thereof, "$195,000,000."

On page 20, line 22, strike "$7,861,000,000" and insert in lieu thereof, "$8,383,000,000."

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, the request has been cleared on the minority side. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, I have two more requests and I believe these have been cleared as well. I submit them for the consideration of the distinguished minority leader.

I ask unanimous consent, Mr. President, that the Secretary of the Senate be authorized to make other technical and clerical changes to Senate Concurrent Resolution 9.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 9, as modified, be printed in today's RECORD in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (S. Con. Res. 9), as modified, reads as follows:

Resolved by the Senate (the House of Representatives concurring), That H. Con. Res. 448, Ninety-sixth Congress, second session, adopted November 20, 1980, shall be revised pursuant to sections 304 and 301 of the Congressional Budget Act of 1974, by adding at the end thereof new sections 9, 10, and 11, as follows:

"RECONCILIATION

"SEC. 9. (a) Congress hereby determines and declares that it is necessary to make changes in enacted laws in order to reduce budget authority by $14,667,000,000, and outlays by $2,353,000,000, in fiscal year 1981; to reduce budget authority by $52,825,000,000, and outlays by $36,945,000,000, in fiscal year 1982; and to reduce budget authority by $59,228,000,000, and outlays by $47,694,000,000, in fiscal year 1983.

"(b) The Committees on Appropriations of the House and Senate shall report not later than June 5, 1981, legislation to reduce previously enacted appropriations by $13,300,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981; by $3,200,000,000 in outlays for fiscal year 1982; and $1,800,000,000 in outlays for fiscal year 1983.

"(c) Not later than May 31, 1981, the committees named in subsections (c)(1) through (c)(29) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsections (c)(1) through (c)(29) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

"SENATE COMMITTEES

"(1)(A) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $163,000,000 in fiscal year 1981; to reduce budget authority by $474,000,000 and outlays by $928,000,000 in fiscal year 1982; and to reduce budget authority by $659,000,000 and outlays by $618,000,000 in fiscal year 1983; and

"(B) the Senate Committee on Agriculture, Nutrition, and Forestry shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $645,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; and $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983.

"(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; and to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983.

"(3) The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $6,146,000,000 in budget authority and $133,000,000 in outlays for fiscal year 1981; $15,460,000,000 in budget authority and $958,000,000 in outlays for fiscal year 1982; and $18,412,000,000 in budget authority and $2,274,000,000 in outlays for fiscal year 1983.

"(4)(A) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $150,000,000 and outlays by $150,000,000 in fiscal year 1982 and to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1983; and

"(B) The Senate Committee on Commerce, Science, and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as

follows: $1,558,000,000 in budget authority and $884,000,000 in outlays for fiscal year 1982 and $1,598,000,000 in budget authority and $1,328,000,000 in outlays ffor fiscal year 1983.

"(5) The Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,071,000,000 in budget authority and $106,000,000 in outlays for fiscal year 1981; $3,714,000,000 in budget authority and $3,404,000,000 in outlays for fiscal year 1982; and $3,660,000,000 in budget authority and $3,628,000,000 in outlays for fiscal year 1983.

"(6)(A) The Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982 and to reduce outlays by $900,000,000 in fiscal year 1983; and

"(B) the Senate Committee on Environment and Public Works shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $4,935,000,000 in budget authority and $793,000,000 in outlays for fiscal year 1982; and $3,035,000,000 in budget authority and $1,872,000,000 in outlays for fiscal year 1983.

"(7)(A) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $295,000,000 in fiscal year 1981; to reduce budget authority by $4,354,000,000 and outlays by $9,354,000,000 in fiscal year 1982; and to reduce budget authority by $4,494,000,000 and outlays by $10,870,000,000 in fiscal year 1983; and

"(B) the Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $96,000,000 in budget authority and $112,000,000 in outlays for fiscal year 1982 and $114,000,000 in budget authority and $132,000,000 in outlays for fiscal year 1983.

"(8) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,050,000,000 in budget authority and $301,000,000 in outlays for fiscal year 1982 and $600,000,000 in budget authority and $367,000,000 in outlays for fiscal year 1983.

"(9)(A) the Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982 and to reduce outlays by $414,000,000 in fiscal year 1983; and

"(B) the Senate Committee on Governmental Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,776,000,000 in budget authority and $4,690,000,000 in outlays for fiscal year 1982 and $6,360,000,000 in budget authority and $6,388,000,000 in outlays for fiscal year 1983.

"(10) The Senate Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982 and $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983.

"(11)(A) the Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $39,000,000 and outlays by $49,000,000 in fiscal year 1981; to reduce budget authority by $658,000,000 and outlays by $622,000,000 in fiscal year 1982; and to reduce budget authority by $1,601,000,000 and outlays by $1,495,000,000 in fiscal year 1983; and

"(B) the Senate Committee on Labor and Human Resources shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,388,000,000 in budget authority and $414,000,000 in outlays for fiscal year 1981; $10,303,000,000 in budget authority and $7,928,000,000 in outlays for fiscal year 1982; and $12,363,000,000 in budget authority and $10,913,000,000 in outlays for fiscal year 1983.

"(12) The Senate Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $97,000,000 in budget authority and $67,000,000 in outlays for fiscal year 1981; $526,000,000 in budget authority and $390,000,000 in outlays for fiscal year 1982; and $564,000,000 in budget authority and $541,000,000 in outlays for fiscal year 1983.

"(13)(A) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $14,000,000 and outlays by $14,000,000 in fiscal year 1981; to reduce budget authority by $32,000,000 and outlays by $32,000,000 in fiscal year 1982; and to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1983; and

"(B) The Senate Committee on Veterans' Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $414,000,000 in budget authority and $375,000,000 in outlays for fiscal year 1982 and $397,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1983.

"HOUSE COMMITTEES

"(14)(A) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $163,000,000 in fiscal year 1981; to reduce budget authority by $232,000,000 and outlays by $693,000,000 in fiscal year 1982; and to reduce budget authority by $400,000,000 and outlays by $362,000,000 in fiscal year 1983; and

"(B) the House Committee on Agriculture shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $645,000,000 in budget authority and $3,000,000 in outlays for fiscal year 1981; $3,243,000,000 in budget authority and $3,200,000,000 in outlays for fiscal year 1982; and $4,011,000,000 in budget authority and $3,961,000,000 in outlays for fiscal year 1983.

"(15) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; and to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983.

"(16) The House Committee on Banking, Finance and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $7,146,000,000 in budget authority and $143,000,000 in outlays for fiscal year 1981; $14,139,000,000 in budget authority and $808,000,000 in outlays for fiscal year 1982; and $16,534,000,000 in budget authority and $1,669,000,000 in outlays for fiscal year 1983.

"(17) The House Committee on the District of Columbia shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $39,000,000 in budget authority and $40,000,000 in outlays for fiscal year 1982 and $56,000,000 in budget authority and $64,000,000 in outlays for fiscal year 1983.

"(18)(A) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $808,000,000 and outlays by $725,000,000 in fiscal year 1982 and to reduce budget authority by $1,681,000,000; and outlays by $1,532,000,000 in fiscal year 1983; and

"(B) the House Committee on Education and Labor shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,282,000,000 in budget authority and $372,000,000 in outlays for fiscal year 1981; $8,578,000,000 in budget authority and $6,733,000,000 in outlays for fiscal year 1982; and $10,035,000,000 in budget authority and $8,968,000,000 in outlays for fiscal year 1983.

"(19)(A) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $176,000,000 and outlays by $110,000,000 in fiscal year 1981; to reduce budget authority by $695,000,000 and outlays by $1,011,000,000 in fiscal year 1982; and to reduce budget authority by $903,000,000 and outlays by $1,537,000,000 in fiscal year 1983; and

"(B) the House Committee on Energy and Commerce shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $764,000,000 in budget authority and $19,000,000 in outlays for fiscal

year 1981; $4,885,000,000 in budget authority and $4,088,000,000 in outlays for fiscal year 1982; and $5,251,000,000 in budget authority and $4,846,000,000 in outlays for fiscal year 1983.

"(20) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,050,000,000 in budget authority and $301,000,000 in outlays for fiscal year 1982 and $600,000,000 in budget authority and $367,000,000 in outlays for fiscal year 1983.

"(21) The House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $331,000,000 in budget authority and $84,000,000 in outlays for fiscal year 1981; $815,000,000 in budget authority and $369,000,000 in outlays for fiscal year 1982; and $796,000,000 in budget authority and $564,000,000 in outlays for fiscal year 1983.

"(22) The House Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982 and $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983.

"(23)(A) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $39,000,000 and outlays by $39,000,000 in fiscal year 1981; to reduce budget authority by $242,000,000 and outlays by $242,000,000 in fiscal year 1982; and to reduce budget authority by $479,000,000 and outlays by $479,000,000 in fiscal year 1983; and

"(B) the House Committee on Merchant Marine and Fisheries shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $147,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1982 and $60,000,000 in budget authority and $32,000,000 in outlays for fiscal year 1983.

"(24)(A) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982 and to reduce outlays by $414,000,000 in fiscal year 1983; and

"(B) the House Committee on Post Office and Civil Service shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,737,000,000 in budget authority and $4,650,000,000 in outlays for fiscal year 1982 and $6,304,000,000 in budget authority and $6,324,000,000 in outlays for fiscal year 1983.

"(25)(A) The House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982 and to reduce outlays by $900,000,000 in fiscal year 1983; and

"(B) the House Committee on Public Works and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $6,446,000,000 in budget authority and $1,033,000,000 in outlays for fiscal year 1982; and $5,122,000,000 in budget authority and $2,697,000,000 in outlays for fiscal year 1983.

"(26) The House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $82,000,000 in budget authority and $35,000,000 in outlays for fiscal year 1981; $78,000,000 in budget authority and $39,000,000 in outlays for fiscal year 1982; and $90,000,000 in budget authority and $59,000,000 in outlays for fiscal year 1983.

"(27) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $97,000,000 in budget authority and $67,000,000 in outlays for fiscal year 1981; $526,000,000 in budget authority and $394,000,000 in outlays for fiscal year 1982; and $564,000,000 in budget authority and $541,000,000 in outlays for fiscal year 1983.

"(28)(A) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $14,000,000 and outlays by $14,000,000 in fiscal year 1981; to reduce budget authority by $32,000,000 and outlays by $32,000,000 in fiscal year 1982; and to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1983; and

"(B) the House Committee on Veterans' Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $414,000,000 in budget authority and $375,000,000 in outlays for fiscal year 1982 and $397,000,000 in budget authority and $404,000,000 in outlays for fiscal year 1983.

"(29)(A) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93–344, sufficient to reduce budget authority by $36,000,000 and outlays by $195,000,000 in fiscal year 1981; to reduce budget authority by $3,659,000,000 and outlays by $8,383,000,000 in fiscal year 1982; and to reduce budget authority by $3,591,000,000 and outlays by $9,373,000,000 in fiscal year 1983; and

"(B) the House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $978,000,000 in budget authority and $994,000,000 in outlays for fiscal year 1982 and $1,294,000,000 in budget authority and $1,312,000,000 in outlays for fiscal year 1983.

"SEC. 10. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

"Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

"The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

"It is the sense of the Senate that Senate committees instructed in section 9(c)(1) through (c)(13) of this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as the resolution is agreed to in the Senate; and

"It is the further sense of the Senate that Senate committees should report the legislation required by section 9(c) of this resolution as agreed to in the Senate, except to the extent that the amounts referred to may be modified in conference with the House of Representatives, by May 31, 1981.

"SEC. 11. The Senate Committee on Governmental Affairs should report changes in laws within the jurisdiction of that committee which would reduce the costs to the Government which result from waste, fraud, and abuse. Savings in appropriations and expenditures from trust funds from such statutory changes are estimated to be $700,000,000 in budget authority and $1,300,000,000 in outlays in fiscal year 1982 and $1,000,000,000 in budget authority and $2,000,000,000 in outlays in fiscal year 1983.".

Mr. BAKER. Mr. President, I thank the managers of the bill and I thank the minority leader.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1981

The Senate continued with the consideration of the bill.

Mr. TOWER. Mr. President, those are all the amendments that I know of that Senators intended to offer to the supplemental appropriation bill, with the exception of the amendment of the Senator from Arkansas. I would suggest that he avail himself of that opportunity now as there may not be time later.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BUMPERS. On my time.

The PRESIDING OFFICER. The Chair will inform the Senator that the Senator has no time——

Mr. STENNIS. Mr. President, I yield time to the Senator.

UP AMENDMENT NO. 57

(Purpose: To prohibit use of funds in connection with the reactivation of the battleship U.S.S. *New Jersey*)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment numbered 57.

On page 5, between lines 17 and 18, insert the following new subsection:

"(c) None of the funds authorized to be appropriated by this title may be used to carry out any work in connection with the reactivation of the battleship United States ship *New Jersey*.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum, on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, the amendment at the desk is very simple. I believe almost every Member here has seen the "Dear Colleague" letter, and they have heard this debate before on the floor of the Senate.

This amendment would prohibit the use of $89 million in the fiscal year 1981 defense supplemental appropriation from being used to reactivate the 38-year-old battleship *New Jersey*.

I offer this amendment because it makes no more economic or military sense to proceed with the reactivation of the *New Jersey* today than it did last year, when the Senate and the House conference committees deleted the funds for this project in the 1981 defense budget.

I know that my colleagues are familiar with most of the arguments that were made last year as to why we should or should not reactivate one or more of these World War II battleships in the course of the next few years. So I will be as brief as I can on this amendment and try to point out that it will not serve our goal of using limited resources in the most efficient and effective manner for a strong national defense.

I wish to emphasize that I am not asking that the $89 million be taken out of the budget. All I am asking is that we not spend that $89 million to reactivate the *New Jersey*—at least, not now. It is my belief—and it is my principal argument here—that the money required to reactivate the *New Jersey* can be more effectively used elsewhere. The proponents argue that reactivation of the *New Jersey* would be a simple and inexpensive "quick fix" to the Navy's problems, that it would be an effective weapons platform, and that it would be a highly visible symbol of American resolve.

Unfortunately, even a cursory review of the facts shows that the *New Jersey* would be an expensive, highly vulnerable vessel of questionable military utility which would simply siphon off very scarce Navy manpower from the newer and more effective ships which we are going to build and which I intend to support.

Let us talk about some of the costs of this ship and its reactivation. In the fiscal year 1981 budget debated last year, it was estimated that the reactivation would cost $270 million, with the overhaul to be completed within 12 months. I want to reemphasize those figures. Last year, it was estimated that it would cost $270 million and that it could be done in 12 months. Understand that that was what we called a class F estimate, which is something not too far from flying over a ship in a helicopter and saying, "I believe it will cost about $270 million to reactivate that ship."

We have two former Secretaries of the Navy in the U.S. Senate—the distinguished Senator from Virginia (Mr. WARNER), who I notice has just left the floor, and the distinguished Senator from Rhode Island (Mr. CHAFEE), who will be here in a moment to speak in support of this amendment. He will make the argument that a class F estimate is not good enough for the U.S. Senate to say, with any degree of precision or definiteness, that these figures are accurate.

We started off last year with a total estimated cost of $270 million, and by last fall, it was up to $294 million. Today, in this supplemental, the estimate, which is still a class F estimate, is $326 million, and the job is now supposed to take 21 months.

No one in this body honestly believes that we are going to reactivate the *New Jersey* for $326 million. Nobody in this body actually believes that this job is going to take 21 months. Everything inside that ship will have to be torn out, including every inch of wiring. That ship was commissioned in 1943, under World War II conditions and with WW II technology, long before the days of guided missiles and new types of charges designed to penetrate the thickest of thick hulls.

I know that the *New Jersey* has three hulls on it, 16 inches thick, and that it is a majestic ship. It is a very heavy ship. It is a beautiful thing to see out on the ocean. But that is not what we are voting on here. We are not voting on beauty or majesty. We are voting on how we can spend our defense dollars to provide the U.S. Navy with the most cost effective and most serviceable ships to keep the sea lanes open.

The Navy is basically structured for one purpose today, and that is to keep the sea lanes open so that we can get men and materials to any place in the world; and the Soviet Union's Navy is designed to do one thing, and that is to deprive us of that right and that capability.

The Chief of Naval Operations, Admiral Hayward, conceded yesterday before the Appropriations Subcommittee on Defense that this new, projected total cost of $326 million is nothing more than a ball park estimate and that the Navy would not be able to get a firm fix on the cost until it actually broke the seals on the *New Jersey* and saw what had to be done.

Mr. President, I am simply asking the U.S. Senate not to jump into a project without having any better estimate and not knowing what shape that ship will be in once they break the seals. We need a class A or class B estimate so that we can know what we are actually voting on.

Who here knows what we are going to put on the ship? They say there are going to be some guided missiles on it. They say they are going to leave those big guns on it which have a capacity to shoot 20 miles. Admiral Hayward also said yesterday that the current plans are for the battleship *New Jersey* to be an "austere" air and weapons platform, but that its capabilities would be significantly increased at the time of its first overhaul. So even if the $326 million figure were accurate, it would only represent a fraction of the money that ultimately is going to be spent on this one ship.

The battleship *New Jersey* is 41,000 tons. The new guided missile nuclear cruiser, the U.S.S. *Arkansas*, is a *Virginia*-class cruiser of 11,400 tons. I know that the Senator from Texas (Mr. TOWER) will agree with me that the four *Virginia*-class ships are magnificent. Senators should go and see these ships. They have the most modern technology. They have the most modern command and control centers in the U.S. Navy and awesome firepower. They also have awesome ability to defend themselves and to defend a battle task group headed by an aircraft carrier.

One need not spend very much time aboard a new nuclear cruiser and hear the commanding officer of that ship state its capacity before being sold on the effectiveness of that ship. At my age, I am not opposed to everything that is getting old, but reactivation of the 38-year-old *New Jersey* does not really make much sense.

We are all in a big sweat to build our Navy. We are trying to reach a 550- or 600-ship Navy, and I intend to vote for it. I consider the Navy to have been the stepchild of the defense forces of this country for the past many years.

At one time when I was in Newport News, I asked Admiral Kidd, who was commander of all our Atlantic Forces, "Admiral, if you had a choice between a *Nimitz*-class aircraft carrier and a warehouse full of spare parts, which would you take?"

He said, "Senator, that's no contest. I'll take the spare parts."

You cannot resurrect 1904's technology. If you are not going to use 1904's technology, on which the whole construction of the battleship *New Jersey* is based, we are going to have to reconfigure everything.

Finally, I want my colleagues to think about this: This is just a downpayment on the life-cycle costs of that ship. It is going to cost $60 million a year to operate. Assuming, as the Navy does, an additional service life of 15 years, the American taxpayers are being asked to spend $900 million, which obviously is underinflated, to keep the battleship *New Jersey* afloat.

That figure says nothing about the 2,000 badly needed men who could man 4 ships the size of the U.S.S. *Virginia*, with the comparable firepower of this ship, 500 men to man one of those ships, and 2,000 for this one, and the U.S.S. *Virginia* has a life expectancy twice as long as that of the *New Jersey*.

I know that persuasive and compelling arguments based on the *New Jersey*'s armor, can be made for this reactivation. But I believe most Navy people will tell you that the thickness of the hull is not what is important about a ship. What is important is the weaponry it carries to defend itself. If it has the ability to electronically confuse guided missiles or destroy them, if it has the ability to determine what is in the air, what is on the surface, and what is under the water, and to eliminate the threat before it

can be destroyed, that is what is important and what today's ships are built to do.

Some proponents of this reactivation say the *New Jersey* would be the most survivable ship in the U.S. Navy.

Now, that is hard for me to believe. I think that is based more on that 16-inch hull than it is anything else. And it is hard for me to believe that, with today's munitions and the munitions that the Soviet Union has, that this ship, even with that hull, is going to be all that survivable.

It is a very big ship—three times the length of a football field—but look at some of the Soviet weaponry. There is, first of all, the Styx missile, with a range of 25-nautical miles. It is deployed on four separate Soviet ships type. Will the Styx missile destroy the U.S. *New Jersey*?

Then there is the Shaddock. It is deployed by the Soviet's five ship types and it has a range of 250 miles, its a cruise missile. And there is the Siren, a missile with a 60-mile range. Then there is the SSN–7, with a range of 30 miles, which is on all the Soviet Charlie class submarines. And then there is the SSN–12, with a 300-mile range on the Kiev class aircraft carrier. Then there is the Soviet cruise missiles, the Kipper the Kangaroo, and the Kelt. They can be launched from the Blinder, the Bear, and the Badger airplanes.

So let me again remind my colleagues that we have a ship here which is not really all that survivable. My guess would be that the *Virginia* class cruisers and other ships in the Navy would probably be just as survivable—maybe more so—with a much longer lifespan for the same amount of money.

You know, the *New Jersey* was brought out of mothballs in 1950 for the Korean war. We had already locked it up after World War II. We brought it out in 1950 and then deactivated it in 1957. Then we brought it out again in 1968 for the Vietnam war.

Let me give you a brief review of what it did in the Vietnam war. It had a very limited utility value there. After spending somewhere between $25 million and $50 million in 1968, which now translates into $326 million, it was sent to Southeast Asia, where it faced no enemy air or sea forces. We could patrol up and down the Vietnam coast, bombarding the coastline with a reasonable assurance that no MIG's and no Soviet submarines were going to give us a minute's trouble. And they did not.

So there is the *New Jersey*, recently activated, patrolling 20 miles outside the Vietnam coast with its big 16-inch guns. But its effectiveness was so limited because of the 20-mile radius of the guns that the Navy finally just pulled it out.

Why? The Vietcong simply moved inland a couple of miles. They knew what the range of those guns were—20 miles. The *New Jersey* did not dare move in any closer for fear that Vietcong gunnery along the coast of Vietnam would destroy the ship. It was vulnerable then, even with no aircraft or submarines to worry about. But now, the proponents say it is the most survivable ship in the U.S. Navy.

Those shells were costing $2,000 each. They were not hurting anybody and they were not hitting anybody. So the *New Jersey* came home to be put back in mothballs just 20 months after being reactivated.

The U.S. Navy currently is short 20,000 midgrade skilled enlisted personnel and 2,600 middle grade officers. Last year, more than half of the service's midgrade petty officers who had reenlisted for a second tour changed their minds and left the Navy after 8 years. Although there are some encouraging signs that the recent pay increases may help the Navy's retention problem, only time is going to produce the experienced, seasoned sailors and officers necessary to man the kind of fleet we are talking about building.

Let us not dilute the manpower we have by placing 2,000 men on a ship with a highly questionable ability to defend itself, when we could man four ships with similar firepower with the same number of people.

It would take 90 officers and 1,950 enlisted men to man the *New Jersey*. And I can tell you that we have four ships tied up down in Newport News because we do not have the personnel to man those ships.

There has been some concern in the papers, and the Armed Services Committee has held some hearings on whether the United States has the industrial shipbuilding capacity to build all the ships scheduled to enter Navy inventories over the next 10 years.

We ought to recognize that reactivation of the *New Jersey* would require a major effort of almost 2 years in an American shipyard, and that obviously it is going to consume a lot of people and a lot of money that could otherwise be freed up to build other more efficient, more effective ships.

Mr. President, I do not consider myself to be any more or any less cost conscious that any other Member of the Senate. I am for defense. I am not for quite as much defense as this new administration is requesting, but I will vote for the lion's share of it. It will question every weapons system to make certain that it is cost effective and that the taxpayers and the men in the services are getting the benefit of the best technology.

For all the reasons I have outlined and others, Mr. President, I would consider reactivation of the *New Jersey* one of the least cost-effective things the Navy could do. This is not going to make America that much more secure. There are alternatives that would make us much more secure. Bear in mind that we still have a shortage of spare parts; and that we have a shortage of maintenance personnel.

I am not taking the $89 million away from the Navy. They could reprogram this money for things they want and need. And I want them to have it.

So I want to summarize by saying that you are dealing with a $326 million figure here that everybody knows is right off the top of somebody's head. The Navy says it. They do not mind admitting it.

Moreover, you do not know what you are going to get with this money. You do not know the weaponry; you do not know the capability. The Navy is going to leave those 16-inch guns on board, and you have already seen how effective those 16-inch guns were in Vietnam.

As a result, we ought to at least postpone this decision and let the Armed Services Committee get a definitive estimate on what it is going to cost and what we are going to get for the money in fiscal year 1982.

The distinguished Senator from Texas, in the Armed Services Committee, made the motion to take the aircraft carrier *Oriskany* out of this supplemental, and I applaud him for that, I think. I have never had the same reservations and objections about the *Oriskany* that I have had about the battleships *Iowa* and *New Jersey*. The *Oriskany* might very well have provided a new flight deck for us in a short period of time, and would have served a visible and effective role in the Navy. But I cannot understand taking a 38-year-old ship of World War II technology out of mothballs and spending perhaps $326 million, or maybe $500 million.

The reason I think the Senator from Texas made the move he did was because the cost estimates kept increasing to the point where it was over a half-billion dollars to reactivate that aircraft carrier. I applaud him although I never had the objections to the *Oriskany* that I do to the *New Jersey* or the *Iowa*. But if I had known those cost figures were going to escalate the way they did, I might have felt differently about it.

Now, I am prepared to yield 5 minutes or such time as the Senator from Wisconsin may wish. Is the Senator from Wisconsin prepared to go now?

Mr. PROXMIRE. I am prepared, but I understand the Senator from Texas wants to respond.

Mr. BUMPERS. I yield the floor. I reserve the remainder of my time.

Mr. TOWER. Mr. President, there are so many things which have been said by the distinguished Senator from Arkansas that I can take issue with. Nonetheless, I will confine myself to responding, to relatively few of those. I know there are other members of the committee on the floor who would like to address themselves to these issues as well.

First, the Senator from Arkansas said that the Marines did not think the *New Jersey* was worth anything to them. The Marines thought otherwise, and General Barrow has been one of the strongest supporters of this. I do not know whether the Senator from Arkansas has ever been in Vietnam or whether he was there during the hostilities. I was and I was with the Third Marine Division up in that area and had the opportunity to visit with General Davis up there. They were very pleased with the new dimension that the 16-inch guns gave to them. Here is General Davis' report—if the Senator from Arkansas wants to contradict this he has got to take on the Marine Corps, the guys actually fighting over there.

Mr. BUMPERS. As a former Marine that is going to be tough for me to do.

Mr. TOWER. Let me read what Gen. R. G. Davis, commanding general of the Third Marine Division, said:

Accuracy. The 16"/50 GFCS has been consistently more accurate and more responsive to spots than any other Naval Gunfire control system used in Vietnam.

Penetration. The 16" projectile has a greater ability to penetrate hard targets than any other naval gun, artillery piece or air dropped weapon.

All-Weather Capability. Although there were many days when adverse weather prohibited air support of ground units, this weather did not restrict the use of naval gunfire support from the New Jersey.

Improved Morale. Since the arrival of the battleship in Southeast Asia, the mere fact of its presence has had a noticeable effect on the morale of friendly troops.

Now, that says a great deal for the 16-inch gun. Those are the Marines talking, so obviously they disagree with the Senator from Arkansas.

But the 16-inch guns alone are not what we are talking about. Let us talk about other aspects of this ship.

The Senator from Arkansas, who assisted in the launching of that ship, the U.S.S. *Arkansas*, said about that ship, "a magnificent guided missile cruiser with an unbelievable amount of firepower. You talk about majesty in motion, that ship is a magnificent ship."

Mr. President, I am delighted that the Senator feels that way about the U.S.S. *Arkansas*. It is a good ship. But let me make a comparison or two here. It has no armorplating and no offensive strike capability other than those provided by its 5-inch guns. It takes 5 years to build one, and it would cost $1.2 billion to $1.6 billion in fiscal year 1982 dollars.

We are talking about 21 months and $326 million to reactivate the *New Jersey*. Let us look at the comparison of the offensive capabilities.

The *Arkansas* has two ASW helicopters; two SAM/ASW missile launchers; two 5-inch guns; two triple torpedo tubes; and two close-in weapons systems.

On the other hand—by the way, it has no armor—the *New Jersey* has 9 16-inch guns; 20 5-inch guns; 4 close-in weapons systems; 16 Harpoon missiles; and 32 Tomahawk missiles. The 16-inch guns, the Harpoon missiles and the Tomahawk missiles are force projection weapons. The Tomahawk missile with its 700- to 900-mile range is a force projection weapon, and the Harpoon is an antishipping weapon.

I might also note that the Senator from Arkansas said it would take 2,000 men. The Navy estimates are around 1,567. That would leave additional space on that ship because you are not putting the full complement that you would have on it in its old configuration for a large detachment of Marines. This will be an excellent system for forcible entry, and would afford a great force projection dimension to our rapid deployment capability.

So, in terms of cost-effectiveness we are really getting, I think, a cost-effective system here.

The Senator from Arkansas repeatedly calls it a 38-year old system. When you are talking about ships, you deal with service life. Let us not be misled by that. It is easy to mislead people, and this is misleading.

The service life of the *New Jersey* is a little over 13 years; the average service life of all the *Iowa*-class battleships is 10.7 years. The average service life of all the combat vessels in the U.S. Navy is approximately 15 years, so the remaining three *Iowa*-class battleships have a lower average service life even than the *New Jersey* which has a longer service life than any of the others. The *New Jersey* has a shorter service life than the average combatant vessel of the U.S. Navy today.

Now, this is a golden opportunity to utilize something that is useful. People want us to save money on defense, to go the most cost-effective way, to get the biggest bang for the buck. This is the way to do it because in this battleship you have got a flexible platform for the addition of all sorts of modern systems and an enormous amount of firepower. It will have more firepower than anything else in the fleet except the aircraft carrier.

It will be the most survivable surface vessel afloat. There is nothing wrong with that 12-inch hull, and my friend from Arkansas gave it 4 more inches than it needed. Actually above decks there is some 16 inches of armorplating.

It makes a highly survivable vessel. The reason we do not put a 12-inch hull on them anymore is because we cannot afford to. The CGN, the praises of which have been sung here by the Senator from Arkansas, has no armorplating. So we are looking at a far more vulnerable system there.

Looking at it overall, without going into all of the details, I think we should conclude that this is an enormously cost-effective program. We can still bring the *New Jersey* in for almost one-fourth the cost of one CGN. That is a pretty good buy.

Friends and neighbors, and I hope the people of the United States, will applaud us for our efforts to make use of something that we know can have a viable capability for the remainder of this century.

Mr. BUMPERS. Mr. President, I thought the Senator from Wisconsin wanted to speak.

Mr. TOWER. I will go ahead and use some time on this side.

I yield to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment proposed by the distinguished Senator from Arkansas. I think he is just as wrong as he can be.

Mr. President, the Navy is desperately short of ships. We have about 450. We need between 600 to 700 ships.

With Mideast problems and the need for a strong Indian Ocean presence, we need more ships, especially for purposes of patrolling that area.

Now, as to this particular ship, the *New Jersey* can be reactivated in about 21 months. The cost is attractive, between one-fourth and one-fifth the cost of a new one. A new ship would cost $1.5 billion. This ship can be remodeled for about $326 million.

The *New Jersey* will add significant capability to the fleet. It can be used as a cruise-missile platform in which it could carry 32 Tomahawks, plus 16 Harpoon missiles.

It has heavy firepower, 16-inch guns, to support landing forces.

It has a potential flagship capability for a rapid deployment force.

It can maintain a presence with Third World countries.

It can fill in for carriers when they are drawn down; it can refuel other ships, including its own escorts.

Mr. President, the *New Jersey* is the fastest, the most survivable, and has the greatest endurance of any nonnuclear ship in the fleet.

Why not do this? Why spend $1.5 billion when we can spend $326 million and do the job? It just does not make sense to do otherwise.

Now, some of those who oppose this say you cannot get the manpower. I want to say that the military pay raises have increased enlistments and retention. Furthermore, this particular ship has a fascination for people who want to go in the Navy. It has high interest from recruits. Over 300 people have already volunteered to serve on this ship.

Adm. Harry Train, the commander of the Atlantic Fleet, says he will guarantee a crew of 1,500 people. That is what it takes.

The skill levels for sailors manning the *New Jersey* are not as high as some ships. It is a nonnuclear ship, and it will not require the skilled manpower that would be necessary in certain other ships.

This reactivation is supported by prominent naval and defense officials, and I think they know more about it than the public generally because they are experts in it.

The Chief of Naval Operations last year supported it in spite of the fact that the administration was against it. The administration last year was wrong. The administration this year is right. They are supporting it. Admiral Hayward is again supporting it this year.

General Barrow, the Commandant of the Marine Corps, supports it; the Secretary of the Navy, the Honorable John Lehman, supports it; the Secretary of Defense, the Honorable Caspar Weinberger, supports it; and last year it was approved by the House and Senate authorization committees. We only lost it here finally by, I believe, three votes.

Mr. President, this is an opportunity to help the taxpayers of this country. This is an opportunity to get a ship and get it quickly, a ship of the kind this Navy needs, and we are unwise if we do not go forward and build this ship at one-fourth to one-fifth the cost of a new one.

Someone said that this would be an old ship even if it was remodeled. That is not true. The Navy says they could do this work and bring it up to date to produce a modern vessel by spending less than $350 million instead of spending $1.5 billion.

Mr. President, I hope that the amendment of the Senator from Arkansas does not pass and that the Navy will be given the word to go forward. We need to go forward. We need more ships and we need them now, not later.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 5 minutes on this matter.

Mr. President, this is a repeat matter in many ways. We had it up last year. The Senator from Arkansas brought it up.

There used to be a highly respected saying of, "Use what you have." I still have a pretty strong belief in that concept, especially when the Navy comes in and proposes that they use one of the old ships rather than push for a new one. Usually it is the other way.

Last year I voted on this same ship on the basis of priorities of money and manpower. I voted against it. It had an appeal to me then of a kind, and rather solid. But on the basis of priorities I thought it did not have any place in the bill last year.

Now the situation is different. We have more money than we had last year. We have a new chairman. We have better prospects on manpower. I really think it is worth the money, it is worth the experiment, and it is a very valuable weapon of its kind. Of course, times have changed a lot since it was built. I understand it is one of the finest pieces of shipbuilding we ever had up to its time. There is a basis now for making it into a cruise missile carrier, and also to be used for VSTOL aircraft, which I think we should emphasize and press for.

I think it is worth the money and I would like to see it move forward. I am convinced that it will have some value and it might be of splendid value when put to further uses or if similar ships can be redone.

For the reasons I have given, I am satisfied with it myself and do not support this amendment, even though offered in the best of faith for some reasons that have to be met, those which the Senator from Arkansas gave to challenge this item. But I believe in its prospective usefulness. It is certainly worth the try. I hope under those circumstances we will defeat the amendment.

The PRESIDING OFFICER (Mr. ABDNOR). The Senator from Arkansas.

Mr. COHEN. Mr. President?

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield time.

Mr. COHEN. I believe our time is under the control of the Senator from Texas. I will take my own time.

Mr. President, just about a year ago Adm. Tom Hayward, the Chief of Naval Operations, said the United States enjoyed what he called a slim margin of superiority over the Soviets in any worldwide naval engagement. Admiral Hayward's predecessor, Adm. Jim Holloway, had been able to say the very same thing for each of the 4 years he was Chief of Naval Operations.

But this year the message changed. This year the calculations came out differently. This year Adm. Hayward came before Congress and told us and the American people in very stark and sobering language that the United States no longer held a clear margin of superiority over the Soviet Union. Soviet military power and influence had grown so much that even though our forces had continued to improve, the Soviet's gains were so great that any discernable U.S. advantage had been overcome. In his view the final outcome of any balance-of-power calculation between us and the Soviet Union had to be viewed as "muddy." As former Secretary of Defense Brown put it—

> As we built, they built. When we stopped, they kept building.

I think Admiral Hayward's grim message added a sad and depressing chapter to our country's naval history.

The Soviet Union has never been ambiguous in its goals—to impose a collectivist philosophy on the nations throughout the world. This is a doctrine to which they are devoted and dedicated.

But in recent years we have seen the expression of its goals become bolder and the extension of its power more arrogant and ruthless.

In part, I think that we in the United States are responsible for this imbalance, this growing imbalance, in global power because we let self-doubt seize us by the throat and we allowed confusion to flow through our national veins. Our disorientation and indecision have been taken by our enemies and allies alike as evidence of a lack of military power and the absence of any moral purpose. But I think there is time to reverse this decline if we have the will and commitment to reverse it. As our new Secretary of the Navy has stated recently:

> It must be clearly understood by all members of the services, by all officials in the Government, and by the American public that our national security demands maritime superiority and nothing less; no euphemisms, no fancy academic hedgewords.

Nothing less. Maritime superiority.

That brings us to today's discussion. I do not think the Senator from Arkansas is in opposition to getting more ships into the fleet as quickly as possible. But I think he is erroneous when he suggests that anyone on the Armed Services Committee or anyone in the Pentagon is suggesting that there is a simple, inexpensive quick fix. There is no such thing as a simple, inexpensive quick fix today. But we do have to ask the question, how does the *New Jersey* reactivation cost compare with some of the alternatives?

Three-hundred million dollars is certainly not inexpensive. It is expensive by any standards. But, as compared to the U.S.S. *Arkansas*, it is not. If the U.S.S. *Arkansas* were built today, it would cost between $1.2 billion and $1.6 billion in 1982 dollars. So we must again ask, expensive as compared to what?

In terms of its age, again the Senator from Arkansas talks about a 36-year-old ship. Well, that is not how long it was used—its actual service life—which Senator TOWER pointed out was less than 14 years. According to the Senator from Arkansas, we cannot resurrect the 1940's technology, and I agree. We also cannot resurrect 1940's quality, and that is something that the *New Jersey* possesses—quality in terms of its armament and capabilities in terms of its speed and firepower.

I will tell the Senator from Arkansas if the Navy were only going to reactivate the *New Jersey* and put it out to sea as it is now, I would not support it. We are going to reactivate it and put it to sea in a way in which it will be competitive, and even superior, to what we have to face on the open seas.

I was frankly surprised that the Senator from Arkansas was going to suggest that he might even give consideration to supporting the *Oriskany*.

Our committee held some hearings on this proposed reactivation, and the very same arguments that have been used against the reactivation of the *New Jersey* have suddenly been used to favor possibly the reactivation of the *Oriskany*, that is, we would get an added platform in a short time.

The fact is that the evidence before the committee showed that the *Oriskany* was maybe 4 years away, not 2, at a cost of over $500 million in a class F estimate.

So, I do not know how the Senator from Arkansas would be in a position to even lend moral support to the reactivation of the *Oriskany*, when in fact, the evidence would indicate it would not be a new platform in a short time, but in a very long time.

That is really the reason we are calling for the reactivation of the *New Jersey*. We can get it out in 21 months. Six months will be needed for planning and the balance of that time to do the actual work.

I would urge my colleagues to reject the amendment of the Senator from Arkansas and to authorize the funding for the *New Jersey* to give us a ship that will have firepower, endurance, durability, and flexibility.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. BUMPERS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 32 minutes remaining.

Mr. BUMPERS. I yield such time as the Senator from Rhode Island desires.

Mr. CHAFEE. Mr. President, I realize the Armed Services Committee has given serious consideration to this matter, but let us not think that the Armed Services Committee is infallible or that the Secretary of the Navy, the Defense Department, or anyone else is infallible. Let us look at the Senate report of June 20, 1980, not quite a year ago, from the Armed Services Committee dealing with the ship *Oriskany*.

As you will recall, Mr. President, at that time the Armed Services Committee came to this floor recommending that two ships be pulled out of mothballs and reactivated. They were the *Oriskany*, an aircraft carrier, CV–34, and the *New Jersey*.

Here is what they had to say about the *Oriskany*:

> The committee recommends authorization of $304 million for reactivation of an Essex class carrier—40,000-ton displacement—the U.S.S. *Oriskany* (CV–34).
>
> The funding provides for activation and repair of the Oriskany and installation of critical communications and other equipment required to assure compatibility with current fleet standards. The actual ship

overhaul will require 15 to 18 months with deployment anticipated in 1983. This is in contrast to 5 to 6 years required for new ship construction. The expected service life is approximately 5 years.

Do those words not ring a bell? This is the Armed Services Committee talking a year ago:

The reactivation of the Oriskany is an effective near-term measure to increase fleet resources at reasonable cost. The addition will provide some interim relief of the strain on current naval forces. . . .

So, there you have it. Now let us hear what the committee had to say a year later. This is the committee that had told us that it would take 15 to 18 months. And by the way, the Appropriations Committee knocked out the *Oriskany* and knocked out the *New Jersey*. Then the Armed Services Committee rethought the matter. This is what they had to say this year, not even a full 12 months later:

The request for $146 million for advanced material procurement to commence reactivation of *Oriskany* is denied. The committee feels that the estimates of the length of time required to fully activate *Oriskany* of 34 to 42 months from full authorization in fiscal year 1982, do not constitute a credible near-term improvement in the Navy's offensive capability.

Mr. President, what happened to this estimate? In 1 year, they say 15 to 18 months; the next year, it suddenly leaped to 34 to 42 months.

The report goes on:

The modest improvement in capability that is provided in a ship that already has some 26 years of active service life does not justify the added strain that will be placed on the Navy personnel system by the requirement to provide over 2,000 ship's company personnel in the mid-1980's, nor does it justify the expense reflected in the total reactivation cost estimates of $518 million which have risen from an initial estimate of $305 million.

Now, Mr. President, anybody can make mistakes, and we recognize that. This is a hard-working committee that tries to be careful and, indeed, they are careful. But they made a mistake on the *Oriskany* and, Mr. President, they are making the same mistake on the *New Jersey*.

We have heard the distinguished senior Senator from Maine just say that the *New Jersey* will be reactivated in 21 months. Now, Mr. President, we all recognize that we like to be optimistic and we try to be optimistic. But the suggestion that the *New Jersey* will be ready in 21 months is completely unrealistic.

Mr. COHEN. Will the Senator yield?

Mr. CHAFEE. Yes, I yield.

Mr. COHEN. Is he suggesting that the committee made a mistake in rejecting the *Oriskany*?

Mr. CHAFEE. I said that a year ago the committee came to this floor recommending the *Oriskany* with all the persuasive powers at their command. A year later, they have reversed this position. Less than a year ago, they said to us on the *Oriskany* that the actual ship overhaul would take 15 to 18 months. Less than a year later, they come back and tell us it will take 34 to 42 months.

A year ago I was opposed to the reactivation of the *Oriskany*, as was the Senator from Arkansas. As the Senator will recall, we did not go to a vote on that issue because we were defeated in the first amendment we attempted on the floor which was to deny funding to proceed with reactivation of the *New Jersey*. That amendment failed. I think the vote was 40 to 51. The *New Jersey* and the *Oriskany* were subsequently knocked out in the Appropriations Committee, however.

The point I am making here, Mr. President, is that the committee made a mistake last year in connection with the *Oriskany*. They recognized their mistake this year. But I think the same kind of careful thought should be applied to the *New Jersey* now as was applied to the *Oriskany*.

The committee is fallible, as any committee is.

Mr. COHEN. Mr. President, on the issue of the *Oriskany*, the committee acted on evidence that was presented to it last year and, on further investigation, found that there was a great deal of difference between the testimony of a year ago and that of this year. I think the committee ought to be commended for acting responsibly in this case and saying, yes, there has been a significant change in the time required to reactivate. There has not been a significant change in the time required for the *New Jersey*; the *New Jersey* is in considerably better shape than the *Oriskany*. That is the reason the committee rejected the *Oriskany* reactivation this time.

Mr. CHAFEE. Let us take a look at the estimates that come forward here in the latest report. The estimates for the *New Jersey* state that it will take $326 million and 21 months. Well, last year, the distinguished Senator from Arkansas said:

Let's put $1 million, let's put $2 million into a study of these ships and see if they can be brought back. Let's get some hard facts.

But we could not get those hard facts. No one accepted the $1 million or $2 million offer. The Committee on Armed Services was not satisfied with that. They wanted to proceed.

Now, how hard are these facts? I have here in my hand a conversation with Adm. Thomas B. Hayward on naval preparedness in the 1980's, by the American Enterprise Institute, hardly a subversive organization. On page 18, Admiral Hayward is saying:

We could generate a lot of offensive capability with these warships. It takes, however, about a half-billion dollars to overhaul and thoroughly modernize a battleship.

A half billion dollars. Yet this estimate is for $326 million, which indicates that these figures we are getting are not very firm. One figure is from the committee, the other is from the Chief of Naval Operations of the U.S. Navy.

Mr. President, that is the first point. The first point is that the estimates are soft. The second point is that the ship is estimated to have a useful life of 15 years, as I understand it from the committee. The language that they used is, "a credible near term offensive addition." That is the same language, practically verbatim, that they used last year with the *Oriskany*. But on the *Oriskany*, they were talking about 5 years; for the *New Jersey*, they say it is 15 years.

Mr. President, let us set those arguments aside. The primary problem facing the U.S. Navy today is personnel—not only the attraction, but the retention of the finest people we can get. You might have picked up the newspaper today and seen that the House Budget Committee eliminated the 5.3-percent military pay raise that was in the President's budget. This bodes ill for the retention of personnel in the military services.

Mr. President, you have noted that the amendment of the Senator from Arkansas does not eliminate this money. The money is left in the defense budget, and I think that is a wise move. I think that this is the kind of money that should be used for other ships or, indeed, if it can be moved from this section into personnel, then it can be used even more appropriately. Personnel is the area we have to concentrate on.

Personnel is a problem that goes back into the early seventies and it is a problem today. I was most disturbed, as I believe the members of the Committee on Armed Services who are present here today were, about the rejection in the House Budget Committee of that 5.3-percent military pay raise.

This ship is going to take—it seems to me the estimates vary—between 1,500 and 2,000 men. When you count all the support personnel, it will be easily 2,000 men. Yet we have personnel problems in manning the ships we have to have, Mr. President.

I think the wisest thing that the Senate could do this afternoon is adopt the amendment proposed by the Senator from Arkansas. Let us get our manpower problems under control. If we are building ships, let us build ships for the future.

It is said this reactivation costs no more than a frigate. Well, let us get a frigate. Let us get a frigate that will last 30 years, not a remodeled battleship that is older than the Secretary of the Navy, and has a vastly more limited life.

So, Mr. President, I support the amendment of the distinguished Senator from Arkansas and hope that the Senate will adopt it.

I yield back my time to the Senator from Arkansas.

Mr. WARNER. Mr. President, having control on this side, I yield myself such time as may be necessary.

Mr. President, the Senate Armed Services Committee has recommended approval of the administration request for funds for reactivating of the U.S.S. *New Jersey*.

The committee's rationale as stated in the committee report is that:

The Navy will gain an extremely credible near-term offensive addition at a cost roughly equivalent to that. . . . (of) a frigate.

The reactivation of the *Iowa*-class battleships would provide highly survivable, multipurpose offensive weapons systems that are clearly the equal of any battle cruiser the Soviets could deploy in the next decade.

The facts are that the *New Jersey* is in excellent condition; it is not an old ship in terms of active service life. It can be brought back into service within 21 months with a modern, updated weapons suite including: Tomahawk cruise missiles; Harpoon antiship cruise missiles; the Phalanx close-in weapons system; modern electronic warfare and radar equipment; and a modern communications package. It is the most survivable ship afloat today.

The issues in question are as follows:

COST

The argument has been made that the cost estimates are soft and unreliable and we are likely to have a major cost overrun.

It is true that the cost estimates are class F estimates. However, they were prepared by the Ship Cost Estimating and Analysis Division of Naval Sea Systems Command. They were prepared by economists, analysts and engineers who have substantial experience in this area. The Navy has experience in reactivation of the *New Jersey*. It was estimated that the reactivation of the *New Jersey* in 1967—class F estimate—would cost $24 million—1967 dollars. The actual cost was $21 million, or 12.5 percent under the estimate and it took 1 year. The reactivation was approved in August 1967, and the *New Jersey* fired her first shots off Vietnam in September 1968. The pricing is thus based on known condition and past experience. The estimates for the addition of the modern weapons system, environmental systems, and habitability improvements are based on the Navy's experience with other ships which have been modernized with the same systems—that is, Phalanx close-in weapons system, sewage pollution control equipment, conversion to Navy distillate fuel.

Furthermore, to replicate the *New Jersey* under today's conditions would cost an estimated $2 to $3 billion. In fact, the U.S.S. *Arkansas* (CGN-41), a nuclear-powered guided missile cruiser that is about one-fifth the size of the *New Jersey* and currently has no offensive capability, aside from two 5-inch guns, and no armor for increased survivabiilty, would cost about $1.5 billion and would take some 5 years to construct.

AGE

The argument has been made that the *New Jersey* is an "old" ship—World War II vintage.

While it is true that the ship was commissioned in 1943, in terms of service life the *New Jersey* is a young ship, having been in active service for a total of 13½ years. This valuable investment was layed-up, or mothballed, at considerable expense so that she could be brought back to service when needed. The average age of the total of the four Iowa-class battleships is, in fact, even less at 10.7 years. The average age of the current Navy fleet is just under 15 years.

1940'S TECHNOLOGY

The argument has been made that we should not spend money on 1940's technology to meet the threats of the 1980's.

The answer to this is simply that the *New Jersey* will be outfitted with the most modern weapons systems available. The ship itself, as it exists at this moment, provides the survivable and mobile platform for those weapons systems.

The Tomahawk antiship and land-attack cruise missile is so new that the first ship will only receive it next year.

The Harpoon antiship cruise missile is the most modern available to the United States.

The other weapons systems are the same as those on our most modern combatants.

MANPOWER

The argument has been made that with the current shortage of experienced Navy manpower we should use our scarce manpower resources on new and more effective ships.

The answer to this argument is two-fold. First, there are no new and more effective ships available. It takes from 5 to 7 years to build a new combatant and, therefore, there is no more effective ship than a battleship with modern weapons systems such as those planned.

The second answer to the manpower issue is that there is every likelihood that the *New Jersey* can be manned without harming the fleet.

The proposed crew of the *New Jersey* would represent less than three-tenths of 1 percent of the Navy's 500,000 personnel. The Congress has recognized the manpower problem and has taken effective action to solve the problem including:

The Nunn-Warner bill;

The doctor's bill;

The 11.7-percent across-the-board pay raise; and

The fair benefits package.

Also, there are several manpower initiatives that are likely to be approved this year including further compensation initiatives and a GI bill.

The trends have been positive in recent months. Retention of career personnel is up considerably and the return of prior enlisted personnel to the Navy has gone up from 800 a month to over 1,000 a month.

The Chief of Naval Operations has testified that the manpower requirements can be met.

SUMMARY

Mr. President, in sum I believe that the reactivation of the *New Jersey* is a sound proposal. It will provide a highly capable ship in the near term and at a modest cost.

The administration supports this program, the Navy supports this program, and the Armed Services Committee supports it.

I urge my colleagues to defeat the amendment of the Senator from Arkansas.

With the permission of the distinguished Senator from Rhode Island, former Secretary of the Navy and former colleague for many years, may I propound some questions?

Mr. CHAFEE. Certainly, Mr. President.

Mr. WARNER. Mr. President, great emphasis has been placed by the former distinguished Secretary of the Navy on the fact that we have only a class F estimate with which we are going before the Senate to justify bringing this ship out of inactive status. I am certain that the distinguished Senator from Rhode Island understands what makes up a class F estimate. My question to him is as follows: Does he recall another battle in this Chamber in which, ironically, the two of us, again, were on opposite sides, and the ship was the U.S.S. *Saratoga*? And does he recall the estimate class for that ship, which he supported sending to the Philadelphia Naval Shipyard?

I wish to refresh the memory of the Senator from Rhode Island. It was a class F estimate on which the distinguished Senator from Rhode Island, very persuasively, in this Chamber, managed to get sufficient votes to send that ship to the Philadelphia Naval Shipyard. And he was joined by no other than the distinguished Senator from Arkansas, who, likewise, supported the rehabilitation of the U.S.S. *Saratoga*, based on a class F estimate.

My question today, to both distinguished Senators, is this: If class F is so insufficient for this ship, why was it sufficient for the U.S.S. *Saratoga?*

Mr. CHAFEE. I will reply to the distinguished Senator from Virginia, who is very well respected in these areas. He had an outstanding career as Secretary of the Navy. He is making a splendid contribution to the Armed Services Committee and is a most effective member.

Mr. WARNER. I learned under the tutelage of the Senator from Rhode Island for 3 years, as his chief apprentice.

Mr. CHAFEE. The Senator could not have had better training. [Laughter.]

I wish to make a couple of points. So far as the *Saratoga* is concerned, it was not a question of whether the *Saratoga* should be overhauled or not. The *Saratoga* was going in for an overhaul. So let us get on with the job. The question was whether it should go to Newport News or Philadelphia. But there was no question about it being overhauled; whereas, this is a fundamental question as to whether to proceed at all with this battleship.

Second, if the Senator will review the record carefully, I did not speak on the floor in connection with the *Saratoga*, to the best of my memory. If I did, I will be corrected. But I do not recall it, and my remarks must have been brief. Undoubtedly, they were persuasive. I voted for it; there is no question about that.

This is the point, Mr. President: We have here an estimate by the Committee on Armed Services that the overhaul of this vessel will be $326 million. Here is the Chief of Naval Operations—and I do not know who can be referred to more than the Chief of Naval Operations—speaking at a group that is "in" these days. Who is more "in" than the American Enterprise Institute? That is the inner sanctum. This is what the Chief of Naval Operations says:

> It takes, however, about a half billion dollars to overhaul and thoroughly modernize a battleship.

"About" does not get you down to $326 million.

Mr. WARNER. Mr. President, I have the floor, and I yielded for a question.

Mr. BUMPERS. Mr. President, will the Senator from Virginia allow me, on my time, to give an answer to the question raised about the *Saratoga*?

Mr. WARNER. I yield.

Mr. BUMPERS. The *Saratoga* was an aircraft carrier which was 20 years old. It had been on duty for 20 years. What we were voting on—and I would vote again tomorrow to do the same thing—was to what we call SLEP the *Saratoga*, which is to extend its life expectancy.

Here is a ship that the commanding officer knows about. He knows every little rust spot on that ship. We extended the life of the *Saratoga* by 15 years by sending it to Philadelphia to extend the life expectancy.

A class F estimate is always questionable, but the Navy has never opened and inspected the *New Jersey*, and it has been in mothballs for 12 long years. That thing may be a rust bucket for all we know.

Mr. WARNER. I respectfully disagree with the Senator. The U.S. Navy Board of Inspection and Survey inspected the *New Jersey* in 1977 and found the hull and machinery in excellent condition. That Board declared the *New Jersey* fit for further service.

Mr. President, I point out that the argument is being used that a class F estimate is so worthless that it cannot substantiate the justification for bringing this ship out. Yet, it was used as a basis for the SLEP program, a program costing in excess of $500 million—money approved by this body on the basis of a class F cost estimate.

It is interesting that the Senator brings up the commanding officer, because, to show the interest of the Department of the Navy, a former commanding officer of the *New Jersey*, a former chief weapons engineer aboard the *New Jersey*, and some of the main battery officers who served on the *New Jersey* are going to be among those who will work on it while she is in the yard.

With respect to the issue of manpower, we likewise had the same issue in connection with the *Saratoga*. There, it was irrefutable that, by virtue of the *Saratoga* going to the Philadelphia Naval Shipyard, some 1,500-plus sailors were removed from the active fleet. If the manpower argument is so persuasive in connection with the *New Jersey*, why did it fail in connection with the *Saratoga*? I ask that of the distinguished Senator from Rhode Island.

Mr. CHAFEE. We are going back some time in the arguments so far as the *Saratoga* is concerned.

I believe the point was that, in connection with the *Saratoga*, the argument for Newport News was that it could be overhauled at a so-called home port, where there would be sleeping quarters for the personnel.

Mr. WARNER. To refresh the distinguished Senator's recollection, there were insufficient qualified shipfitters in Philadelphia to maintain the workload at a pace desired by the Navy. Therefore, 1,500-plus sailors were literally pressed into duty aboard that ship in Philadelphia, removing them from the active fleet for almost 3 years.

Mr. CHAFEE. I do not recall all the arguments back and forth as to the *Saratoga*. I was not deeply involved in that. I voted for the Philadelphia overhaul.

However, I think we should get on with the problem we have here. The question is this: Do we as a government, as representatives of the people, who want strong armed services, want to spend a half billion dollars overhauling a ship and getting it into commission—a ship which, at best, even with the most optimistic answers of the proponents, will have a 15-year life—when we can spend the money and get what we should be getting, a modern ship?

Let us not play around with sounding glorious trumpets for past memories by getting on with a ship that we have not inspected.

Mr. WARNER. Will the Senator yield on my time?

Mr. CHAFEE. I yield.

Mr. WARNER. What is it that you are going to get for $326 million in terms of a modern ship?

Mr. CHAFEE. You are not going to get anything, either a modern ship or an overhaul of this ship, for $326 million, according to the Chief of Naval Operations, and you are not going to get anything in 21 months. I think we all recognize that.

I am surprised that we have estimates coming in that this ship can have turrets taken off, can be overhauled, and can have this retrofitting that has to be done in 21 months. That is less than 2 years. I do not know who dreamed up that figure.

I believe we should move on. If we should have frigates, let us get them. But let us not be dealing with ships that are out of style and costly to operate.

Mr. WARNER. How many frigates can you get for $326 million?

Mr. CHAFEE. I do not think you can get one.

Mr. WARNER. No. You are right. You cannot.

Mr. CHAFEE. You are not going to get this ship.

Mr. WARNER. You are getting a powerful ship for this figure—with the reactivation of the *New Jersey*.

I believe it is in the RECORD already, but if it is not, I ask unanimous consent to have printed in the RECORD a letter from the Secretary of the Navy, dated April 2 of this year, to Senator COHEN, which states why and how this ship can be brought out in 21 months.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE NAVY,
Washington, D.C., April 2, 1981.

Hon. WILLIAM S. COHEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR COHEN: This letter is in response to your request to verify the briefing materials on the reactivation of the carrier *Oriskany* and the battleship *New Jersey* which were left with your staff last evening. That material shows a cost of $89m in FY 81 and $237m in FY 82 for the *New Jersey*.

All of the information provided in that briefing material was approved by me and is as accurate as we can make it. To review, it is our intention to do the following to *New Jersey:*

Upgrade habitability.

Update radars by adding the SPS 49 Air Search Radar.

Provide 2–4 helo spots aft.

Convert to Navy distillate fuel.

Add: Sewage collection capability, eight armored box launchers for Tomahawk (32 missiles), four Quad Cannisters for HARPOON (16 missiles), four Close-in Weapons Systems (Anti-Cruise Missile Rapid Fire Gun Systems), AN/SLQ 32 Electronic Warfare System and Modernized communication.

Of course, as with any overhaul of this nature, there may be certain unanticipated problems which we uncover that could require a change in our cost estimate. Such problems may cause us to come back to you later. However, based on our recent inspections and on our past experience in reactivating this ship, we are not presently aware of any significant problems that could affect the level of funding and will immediately report to you any significant deviations from cost estimate and delivery schedule.

I noted that the briefing sheets did not include the time involved in completing Phase I of the battleship reactivation. We have estimated that once we have an approved program we would require six months planning time and fifteen months of industrial effort.

I regret the confusion caused by the differing numbers presented in the past. Questions relating to the VLS options for Phase I left unsettled the advisability of removing the no. 3 turret in Phase I or Phase II. Those uncertainties are now resolved and are reflected in the information above.

You have my personal assurance that I will closely monitor the cost and delivery time of this reactivation.

Sincerely,

JOHN LEHMAN.

Mr. COHEN. Mr. President, will the Senator yield?

Mr. WARNER. I yield.

Mr. COHEN. I was interested in the response of the Senator from Rhode Island, when he said:

Who believes that you can reactivate this ship in 21 months?

In fact, I am told that the ship was built in 1 year and 1 day. The testimony from the Navy now is that they can reactivate it in less than 2 years.

Second, so far as the cost estimates are concerned, in 1968 we completed a reactivation of the *New Jersey*. There was then an estimate of approximately $24 million to reactivate, and the Navy spent only $21 million, or 12.5 percent under the estimated cost. So they do already have a record.

Third, the Senator from Texas indicated in his statement that they are going to use some of the same people to reactivate it this time as they did in the late 1960's, when they came under cost with a class F estimate.

Mr. WARNER. And at that time the reactivation was accomplished in 12 months. Am I correct?

Mr. COHEN. That is correct.

Mr. CHAFEE. But, gentlemen, gentlemen. You are not suggesting on the floor of the Senate that this reactivation is anything similar to the last reactivation? What they did in the late 1960's, in effect, was to take this battleship out of mothballs. They did not make any significant changes to it. But you are proposing putting a whole series of missiles on it. Certainly the Senator from Maine is not sug-

gesting that this is a similar operation to that in 1968, is he?

Mr. COHEN. I am not suggesting it, but I am suggesting that they have a proven record of reactivating it once, and this reactivation will be much more significant. Still, it will not take a great deal more time to put on the firepower described by the Senator from Texas. Moreover, the afterturret will not be removed, but will remain in operation along with the weapons system modernizations.

I want to touch on a point made by the Senator from Virginia. I do not understand the manpower argument because that is raised when the Senator from Rhode Island suggests that because they are going to kill the 5.3-percent pay raise in the House, they are necessarily going to kill the manpower initiatives. Then is he suggesting we come back to this body and say that because they killed the manpower initiatives, we should delay taking any action on rebuilding our force structure? You should not look at the existing manpower programs and then shape the shipbuilding to conform with it. You have to go forward with a reconstruction program and then deal with the manpower that is needed.

Congress has gone on record in recent years with the Nunn-Warner bill, which has had a tremendous impact on retention of petty officers; in addition, we have had the doctors' bill, and we have had the 11.7-percent pay raise of last year. We have taken the initiatives needed to help the Navy retain personnel.

I do not believe we should say, "Look at our manpower and then build our fleet of ships to conform to the manpower." Let us build the ships first, and make the manpower conform to the ships.

Mr. WARNER. Mr. President, I point out to the distinguished Senator from Rhode Island that the turrets are not to be removed under the program that is proposed. They will all remain intact.

I should like to go back with my distinguished colleague, the former Secretary of the Navy, and refresh his recollection as to when he became Secretary. I believe it was in January or February 1969. This ship then joined the fleet, under the operational control of the then Chief of Naval Operations. Am I correct?

Mr. CHAFEE. That is correct.

Mr. WARNER. Would the Senator from Rhode Island care to comment on the distinguished record of that ship during the time it was on active duty?

Mr. CHAFEE. I certainly will. It was a very fine ship, but we did not keep it.

Mr. WARNER. Does the Senator——

Mr. CHAFEE. Let me answer the question. You have opened the floodgates, and you will get the flood.

The ship proved ineffective in the mission for which it was designed—ineffective in the Vietnam war.

It was tremendously costly to operate. It required a very substantial number of crew, I would say over 1,500 men, and we deactivated it. It was not worth it. It was a fiasco, truly.

Mr. WARNER. Will the Senator yield?

Mr. CHAFEE. And the Senator knows this well. We sent it back into mothballs.

Mr. WARNER. Mr. President, if the Senator would yield, does he recall which watch it was sent back into mothballs under? Was it his or mine? It happened to have been my watch after he departed. And I will never forget the circumstances under which this ship was deactivated.

I respectfully contest the statements made by the distinguished Senator from Rhode Island. The ship was very effective. As a matter of fact, it was so effective that we were ordered to take it out of active service because its belligerency and its antagonism was impeding the progress of the peace talks at that time.

Mr. CHAFEE. It was so effective, you sent it to Bremerton.

Mr. WARNER. I beg the Senator's pardon.

Mr. CHAFEE. It was so effective, you sent it to Bremerton.

Mr. WARNER. Against my recommendations. I went down and personally saw the Secretary of Defense and was ordered from the White House that that ship should be deactivated because it was impeding the peace negotiations.

Mr. CHAFEE. Mr. President, I wonder if the Senator from Arkansas would yield me 3 minutes.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. WARNER. Mr. President, I yield the floor at this time.

Mr. BUMPERS. Mr. President, I yield to the Senator from Rhode Island such time as he may need.

Mr. CHAFEE. Mr. President, this is very serious business. I do not think we want to get back into the 1960's and the 1970's. Let us look at what is happening right now.

Last year, the Senate Armed Services Committee stated the following in its report dealing with the *New Jersey*, in which they asked for $294 million, and you can correct me if the weapons suit was vastly different. I believe it included a missile system of Harpoon and Tomahawk missiles. They stated the activation overall would require about 12 months.

Mr. President, this is what the Armed Services Committee said last year. This year, they are saying 21 months and it is obvious that these figures are very, very fuzzy. They said, with firmness, last year that it would take 12 months and was going to only cost $294 million. Now, the figure is up to $326 million and the time has gone to 21 months.

Mr. President, I think all of us who deal with ship construction and major ship overhauls know that there is nothing more inaccurate than an estimate on how long it is going to take to do something to a ship. You can take the figure you get and double it and you will probably be close to it.

So, Mr. President, I think that what we want to do is proceed with the ships that we need in the Navy, proceed with the frigates or whatever the Armed Services Committee decides we need for the long haul, and not use our money and not use our energy and not use our manpower in a ship that, at best, has very limited usefulness.

I thank the Senator from Arkansas for yielding.

Mr. BUMPERS. Mr. President, I promised the Senator from Wisconsin 5 minutes. He has been on the floor from time to time. I do not see him now. I will just take a couple of minutes and hope that perhaps he will show up in the meantime. I will, Mr. President, if I may, just make a couple of comments.

The Senator from Virginia has asked the Senator from Rhode Island what kind of ship he can get for $326 million and the Senator from Rhode Island honestly and correctly replied, "Not much." But he also correctly and honestly replied—

You are not going to get the *New Jersey* for $326 million, either.

Last year, in May, when we debated this on this floor, the Navy was asking that both the *Oriskany* and the *New Jersey* be retrofitted, taken out of mothballs and reactivated. I will give you three guesses—and you will miss—as to how much the Navy said it would cost to reactivate both of those ships. The figure was $560 million. Two fine ships, one of the most majestic battleships ever to sail the ocean, the *New Jersey*, and a fine aircraft carrier which would give us a new deck, both for $560 million.

And now the Navy says—

We no longer want the *Oriskany* because the cost of it alone is about $525 million, but we still want the *New Jersey* at a cost of $326 million.

Mr. President, and distinguished colleagues, we are talking about, in 10 months, the Navy changing its estimates from $560 million to $900 million for the two ships. I applaud the Armed Services Committee for voting to eliminate the *Oriskany*. In 1967, when the Navy said they wanted to reactivate the battleship *New Jersey*, they pointed out a whole host of things that they thought they might occur and they gave the U.S. Senate a cost estimate.

Now back in those days we did not have inflation like we have now. And those changes, the things they found when they took that ship out of mothballs, because of some effort on their part, did not really cost too much to redo. I will just give you just a brief summary.

SUMMARY

1. The *New Jersey's* reduction gears had developed cracks, where the rim and the wedge join, prior to its last lay-up.

2. All but two of the outboard line shaft bearings are lignum vitae. When this type bearing is placed out of commission, provisions must be made to keep the staves wet. This prevents their drying out. It was found that this was not done at the time to lay-up. All the wood staves had dried up and became loose in their bushings.

3. Several bearings for vital engine room equipments, including the main engines, were found to be wiped or oversize to a degree that they required replacement.

A few examples are:

a. Twenty bearings in the eight Ship Service Turbo Generators.

b. Fourteen bearings in the 12 Main Feed Pumps.

c. Forward and aft bearings on the number two HP turbine and the after bearing of number three turbines.

4. Due to the numerous cracks in their depths, found in the propellers, all four required replacement. This caused considerable delay in drydock.

5. The packing from the 5 inch gun recoil piston rod assemblies had not been removed. This packing entrapped moisture which, over

New Jersey's ten year lay-up, caused considerable pitting. All these assemblies required extensive repairs or replacement.

6. When the 16 inch gun counter, recoil cylinder packing was removed during deactivation, it had been cut. This rendered the packing worthless for re-use. It took several weeks before a manufacturer was found who would make new packing.

7. One of the most serious discrepancies found was that, at some unknown time, the port 16 inch gun of number-one turret had locked with the number-two turret.

When the shipyard went to order a replacement trunnion bearing, it was found that none was available in the Navy supply system. A bearing was finally borrowed from the U.S. Army at the Aberdeen Proving Grounds which keeps a 16-inch gun for test purposes.

And the list goes on and on.

Does anybody believe that we are going to reactivate this ship for $326 million? Does anybody believe it is going to be done in 21 months? The history is just so conclusively otherwise.

Now let me finally make this point. We are leaving $3 million in this budget, in this supplemental, for research and development and to find out the condition of the *New Jersey* and to come back to the U.S. Senate with a business-like proposition and say, "Members of the Senate, this ship is going to cost *x* number of dollars."

Now it is not easy to vote against the battleship *New Jersey*, one that has World War II fame, at a time when the people of this country are really up in arms about our defense posture. They want to spend more money, but they want a lean, trim Army, Navy, Marine Corps and Air Force. They do not want us to spend money foolishly. They want us to spend money wisely and they want the biggest bang for their buck.

We are leaving $3 million in here so the Navy can go down there and cut into the ship and find out what kind of shape it is in. We are not reactivating a ship for the Vietnam war. All you had to do then was take it out of mothballs and even then you saw the problems the Navy ran into. But that is just peanuts compared to what proponents are talking about doing to this ship. It is going to have an entirely different firepower system. Every wire in that ship will have to be torn out and replaced to accommodate the whole new systems that are going to be put in it.

If last year you could get both of these ships for $560 million and 10 months later they are going to cost $900 million, I invite you to consider what the U.S.S. *New Jersey* is ultimately going to cost us.

So, Mr. President, all I am asking for, and I might be the first one to vote for the *New Jersey*, but I would like to know what they are going to put on it and I would like to have some definitive cost estimate before we embark on such a mammoth undertaking.

Mr. President, I suggest the absence of a quorum on my time, unless the other side wishes to be heard.

Mr. HARRY F. BYRD addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). Will the Senator withhold his quorum call request?

Mr. BUMPERS. I rescind my request for the quorum call.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Will the Senator from Texas yield for a question?

Mr. TOWER. I yield to the Senator for a question.

Mr. HARRY F. BYRD, JR. The committee report states the total procurement for fiscal year 1981 and fiscal year 1982 amounts to $326 million for the *New Jersey* reactivation. I assume that the $326 million quoted in the report is the total cost to reactivate the *New Jersey*.

Mr. TOWER. That is the total estimated cost. There is $89 million of that included in fiscal 1981 so that we can advance the time of introduction into the inventory.

Mr. HARRY F. BYRD, JR. And while the committee report mentions the total amount for the 2 years, fiscal 1981 and fiscal 1982, the ship will not be in operation until 1983, but this would still be the total cost; is that right?

Mr. TOWER. That is the estimate, I would say to the Senator from Virginia, that this is the Navy's current estimate. I would have to say in all honesty that it could turn out to be more than that. I would, of course, like to see a repeat of the happy experience we had when we reactivated it in the first place. It cost 12.5 percent below the original estimate. I cannot say to what extent we might go over that cost. Nonetheless, I would say even if the final cost is substantially over the current Navy estimate, and anything is possible when one considers the cost of a modern cruiser, the reactivation of the *New Jersey* battleship is an excellent way to invest money and give us a bigger bang for the buck because of the flexibility that we have in adding new and modern systems to this already formidable platform.

Mr. HARRY F. BYRD, JR. Does the Senator from Texas feel reasonably certain that this ship can become operational in 21 months?

Mr. TOWER. I feel reasonably sure it can.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. I wonder if the Senator from Texas would respond to the statement made by Admiral Haywood that the cost would be $0.5 billion. I recognize that that was a statement he made, about $0.5 billion, so I am not going to pin him down to $0.5 billion. But, nonetheless, it is a long way from $326 million.

Mr. TOWER. What is the date Admiral Haywood made that statement?

Mr. CHAFEE. This was in June of 1980, which was a far earlier statement.

Mr. TOWER. All I can say is that the Secretary of the Navy, John Lehman, has endorsed the $326 million figure in a letter to the committee, dated April 2, 1981, only 5 days ago. So I would have to accept the Secretary of the Navy's position as being the latest one stated.

Mr. WARNER. Mr. President, will the Senator from Texas yield?

Mr. CHAFEE. It is my turn now.

I want to ask just one more question, if I might, of the Senator. What bothers me, I want to ask the chairman of the committee again, is this discrepancy that comes in the two reports, the report of last year and the report of this year on time. What has taken place that has changed these estimates so drastically? In other words, last year, and I read from the report of the Armed Services Committee in which it stated that the *New Jersey* activation, the anticipated service life is 15 years, and the time to overhaul, to accomplish this activation, will require about 12 months, and yet a year later, less than a year later, the same committee tells us—and I understand there is less work anticipated—that it will take 21 months.

I wonder if the chairman could give us any help with those differences in time. As I understand it, the activities that were planned last year were far more ambitious than this year.

First, am I correct that last year you did plan to take off the turret, did you not, under that plan?

Mr. TOWER. That is incorrect. Last year we did not plan to take off the turret.

Mr. CHAFEE. And now that was going to take 12 months. Suddenly you do not take off the turret which, of course, is tremendously difficult, and yet it is going to take 21 months. What is the problem? Why are the figures so drastically different?

Mr. TOWER. I think because what was contemplated at the time was not the kind of program which is contemplated now. In other words, these are different systems.

Mr. CHAFEE. Can I read from the report?

Further, the funding allows for installation of a modern electronic warfare suite, a close-in weapon system (Phalanx radar-controlled gun), and additional missile systems consisting of Harpoon and Tomahawk missiles. The nine 16-inch guns and the two 5-inch guns will be retained. The activation overall will require about 12 months with possible initial deployment in 1982. The anticipated service life of the *New Jersey* is 15 years.

Mr. TOWER. Let me respond to the Senator from Rhode Island by saying that the original Navy estimate was 12 months for the overhaul as opposed to the overhaul now, and the fact of the matter is that the Navy had not actually planned to remove the turret in last year's estimate and does not plan to remove it now.

Mr. CHAFEE. Here I read, and I am talking about the exact same words in the 1980 report, "The activation overhaul will require about 12 months." This year's language, "The reactivation will take 21 months."

Mr. TOWER. An additional 6 months of that are in planning. Which was not included in last year's estimate. So we go through a 6-month planning process on that.

Mr. CHAFEE. I see.

The point I want to make, Mr. President, is I know the members of the Committee on Armed Services——

Mr. TOWER. We are actually looking at about 3 months more than what the original estimate was, 3 months.

Mr. CHAFEE. I share the concern of the members of the Committee on Armed Services about building up our fleet, and I think we have definitely got to get more ships and good ships in service.

It just seems to me a pity putting this type of money into a very expensive operation which is going to take considerable time which, I think when we are through, is going to cost closer to $.5 billion to get a ship which in its optimistic view as to estimates will have a service life of 15 years when we can get a fine ship, whether it is a frigate or something else that comes along, for this $.5 billion that will serve our Navy with credibility and excellence for close to 30 years.

So, Mr. President, it is for those reasons, plus the manpower reasons—and I am deeply concerned about the treatment of this budget in the House. As was pointed out, the House eliminated the 5.3-percent pay raise, and that just sends warning signals, Mr. President. I think we just have to invest every nickel we can in our personnel and our ships that are going to be here for many years to come.

I have completed my statement, and the Senator from Arkansas has the remainder of the time.

Mr. BUMPERS. Mr. President, I am reluctant to conclude the debate at this point. I promised the Senator from Wisconsin 5 minutes and we have been trying to find him without much success. I hate to delay the Senate any further.

I am now informed that he no longer wants to speak, so I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Texas.

Mr. TOWER. Mr. President, I am prepared to yield back the remainder of my time. However, let me say that much has been made of the manpower problems here. We are going to have to expand our end strength in order to man the number of ships in the Navy. We are looking at a 600-ship Navy at the minimum, possibly a 700-ship Navy.

This is going to result in increases in strength. But I might note the increase in strength for this ship has already been authorized, and in this supplemental there is a provision for an additional expansion of end strength in the services. So our manpower problem is something we are going to solve as we go along if we are to man any of these additional ships we expect to bring into the inventory. So I am not going to minimize the manpower problem at all. It is a very serious problem, and we are going to have to approach it on a comprehensive basis to solve it.

The first thing is the retention rate. We are making some progress on that, and I trust we will make more.

Then I think we are going to have to examine our overall manpower and reserve requirements and determine at some point in time, even if we decide to man only a 600-ship Navy and an Army of only 16 divisions, that we are going to have to go to the draft. We may have to do that.

So far as the United States and the United Kingdom are concerned, they are the only NATO powers that do not have a compulsory draft. But let us postpone that question for down the road.

Suffice it to say that we are going to do everything we can to resolve these manpower problems, but the additional end strength has already been authorized for this ship.

Mr. President, I am prepared to——

Mr. BAKER. Mr. President, before the Senator yields back his time will he yield to me to make an inquiry? May I inquire as to how many more amendments there are that the managers of this bill know of and how soon we may expect to reach final passage?

Mr. TOWER. We do not know of any amendments.

Mr. BAKER. Mr. President, I hope we can reach final passage.

Mr. CHAFEE. Mr. President, I will just take 1 minute. The manpower point we are making here—and I share the concerns of the Senator from Texas—is that this massive ship takes extra men to run it. They are needed to operate the suite of weapons that are on it as opposed to a smaller ship designed to be more efficient in terms of manpower. All Navy ships now, with their gas turbines and a host of other manpower-saving qualities about them, are designed to operate with as few people as possible.

The *New Jersey* was built in an era when manpower was not a cause of concern; 2,500 to 3,000 people made no difference. We had the men. But we do not have them now. We lack the people to operate this massive type of ship with the numbers of weapons that will be aboard it. That is the crux of the manpower argument that we face in reactivating this ship.

Mr. TOWER. Mr. President, I will only say that this ship was designed for a crew of around 2,700. We expect to operate it with 1,000 less than that. Actually, the figure given now is 1,562 men. We would not exceed that very much if we did exceed it. It would give the ship a capacity for carrying a sizable detachment of Marines, which will add to our forward deployment capability in the near term.

Mr. BUMPERS. Mr. President, I would like to make one further point. That is that this ship has a speed, unless the Navy does something different than what they have done in the past and there is no indication from anything I have seen that they can, such that this battleship cannot keep up with carrier task force. It will require its own battle group. I wanted to make that point.

Mr. TOWER. Mr. President, in looking at supervisory personnel, the Navy advises us that approximately 36 percent of the personnel on the battleship will be supervisory as opposed to approximately 46 percent on a CGN and approximately 67 percent on a frigate. So I think we are getting some economy in terms of skilled and experienced personnel.

Mr. COHEN. Will the Senator yield?

Mr. TOWER. I yield to the Senator from Maine.

Mr. COHEN. I have a copy of a letter that purportedly was sent to the Senator from Arkansas dated July 15, 1980, in which the question on the speed of the *New Jersey* was discussed. Quoting from "Jane's Fighting Ships" the letter listed a maximum speed of 35 knots, a figure which is consistant with that provided by the Navy for the U.S.S. *New Jersey*, which is comparable to any other ship in our inventory.

Mr. BUMPERS. Who is that letter from?

Mr. COHEN. From Howard Serig, Jr. I will withhold it, if the Senator does not recall having received it. My only reason for discussing this letter was to permit Senator BUMPERS, the addressee, an opportunity to respond to some of the more interesting comments made by Mr. Serig.

Mr. BUMPERS. Who is the author?

Mr. COHEN. A private citizen who has spent a considerable amount of time with naval matters, who is a maritime economist, who read the debates of a year ago.

Mr. BUMPERS. I guess I have letters from private citizens in my State who do not want it at all.

Mr. COHEN. Apparently the Senator does not read his mail as carefully as I do.

Mr. Serig rebutts some of the arguments that were made last year in the colloquy concerning the past service of the *New Jersey*.

The point I would like to make is that a table was included in this particular letter which listed the top speeds of the *New Jersey* and the *Eisenhower*, the *Nimitz*, the *Kennedy*, *America*, the *Enterprise*, and several other Navy surface ships. Again, the source of the data is "Jane's Fighting Ships", and you will find that the statement the Senator made that *New Jersey* would not be able to keep up with an aircraft carrier is erroneous. The battleships and the aircraft carriers have all demonstrated top speeds of around 35 knots.

Mr. TOWER. The Navy certified that the battleship will keep up with a carrier task force. There is no question about that.

Mr. BUMPERS. Mr. President, I hate to prolong this, but I want to say first of all that the Senator from Texas said that the cost of a CGN is now up to something like $800 million, even though the *Arkansas* and the *Virginia* cost $360 million. I assume the $800 million is the inflated price as to what those ships would cost now.

Mr. TOWER. If the Senator will yield, I will clarify that. I was speaking in 1982 dollars. The CGN costs $1.2 billion to $1.6 billion in 1982 dollars according to the Navy. I think we ought to compare 1982 dollars with 1982 dollars.

Mr. BUMPERS. But the Senator said that a CGN would cost between $1.2 billion and $1.5 billion. I do not know what the figure ought to be. Maybe the Senator from Maine would like to say who is right.

Mr. COHEN. Those were 1982 dollars in terms of what it would cost to build

those ships today. 1982 would be $1.2 to $1.6 billion.

Mr. BUMPERS. Let us get back to the speed of the *New Jersey*. The private citizen had the best intentions, but I am looking at information from the U.S. Navy. It says the *New Jersey* has eight Babcox-Wilcox boilers, four shafts with Westinghouse geared turbines, 212,000 horsepower, with a speed of 33 knots.

The Senator from Maine says the *New Jersey* would be the fastest ship we have. That is going to come as a great surprise to some of the people on these *Nimitz*-class carriers because they are used to going 40 knots and above.

Mr. PROXMIRE. Mr. President, I support the purpose of the amendment of my colleague from Arkansas. I will vote for it. I want to commend him for taking this step. The Navy does not need a battleship in this day and age. Battleships will no more improve our defense than would the horse cavalry. Unfortunately this amendment does not go far enough. It should reduce the amount of the supplemental bill by the amount requested for the battleship. It makes no sense to say that the Navy cannot use this money for a battleship but the Navy can use it for something else.

We should not be giving the Navy shopping around money. It is as if a child came up to the parent and said, "Dad, or Mom, I would like $100 to buy a pair of high buttoned shoes for my wardrobe." And the parent responds by saying, "You don't need high buttoned shoes because they are out of date and no longer useful, but here is $100 to shop around and see what else you can buy."

How ridiculous it is in a time when we are trying to reduce the budget and eliminate the deficit, a time when we are trying to reduce Government expenditures and eliminate waste, a time when we are reducing and eliminating social programs because we can no longer afford them—how ridiculous in such a time to be handing over shopping around money to the Navy.

How can we justify saying to a Government agency that we do not need programs for which you have requested funds, but here are the funds, spend them anyway?

The fact that a number of us apparently are willing to do just that, is a sign of the times. It demonstrates that the momentum that has built up in favor of strengthening our defenses has become a stampede. It suggests that we are prepared to throw money at the Pentagon in order not to get run over by those who are clamoring for a greater defense budget, whether or not it contributes to greater defense.

Picture, if you will, all of us on horseback galloping along in front of the stampede. One brave soul turns to the others and shouts, "I'm sure glad we are going this way, but shouldn't we slow down a little bit?" and then spurs his horse and gallops on with the rest.

I favor strengthening the defense program. Over the years I have called attention to numerous areas of waste in defense. It makes no sense then and it makes no sense now to spend taxpayers' money on unnecessary, ineffective military programs.

We are not improving our national security by voting money to take a battleship out of mothballs. Telling the Navy not to spend money for that purpose while giving it the money to spend for some unknown purpose is irresponsible and indefensible.

Nevertheless, I shall vote for this amendment because I doubt if the Navy could find anything else as wasteful as reviving the battleship. The battleship. They have to be kidding. But if we say no battleship but keep the money, we make a clear copout.

Mr. MITCHELL. Mr. President, I support the Bumpers amendment which would delete from this supplemental authorization the $92 million proposed for long-lead purchases for the reactivation of the battleship *New Jersey*.

I strongly believe our naval forces must be updated and expanded. There is no question that the growth of Soviet naval power over the past decade—coupled with our manpower shortages and the reduced resources we have devoted to our own naval forces—today find us in a situation in which we must make up for lost time, and mount an aggressive effort to upgrade the fleet. I have supported legislation with that goal in mind in the past and I will continue to give it my strong support this session.

It is for that reason that I rise to support the Bumpers amendment. This amendment would delete from the bill funds proposed for a purpose which will not add to our naval capabilities. Instead, the proposed reactivation of the *New Jersey* will drain needed resources at a time when we should be focusing on the modernization of the fleet, not on retrofitting aged battleships.

The *New Jersey* is a 38-year-old battleship which has been mothballed since 1957 except for a 1-year stint of action in the Vietnam war.

The proposal to finance its retrofitting with modern weapons at an overall cost of $255 million did not survive conference with House of Representatives last year.

If we had unlimited funds with which to finance each and every desirable addition to our Armed Forces, and if we had the manpower to amply man every ship of the fleet with plenty of seamen left over, the proposal to reactivate the *New Jersey* would warrant debate, along with a number of other, lesser priorities.

But the fact is that we do not have unlimited funds, and most importantly, we simply lack the manpower to adequately man our modern vessels. We cannot afford the investment of a minimum of 1,300 seamen on a ship whose age will always make her more vulnerable to modern missiles, whose service life expectancy is not more than 15 years, and whose mission remains ill-defined.

At a time when the chairman of the Armed Services Committee has suggested that we may well need a 700-vessel fleet, or even more, at a time when our military manpower strategy demands ever more funding and ever more attractive recruitment incentives, it makes no sense to reactivate an old ship, at a total cost which remains unknowable, and for purposes which remain undefined when we have other priorities and far more urgent ones.

When up to half the Navy's F–14's cannot fly because of a lack of spare parts, when many ships already at sea are reported to lack the manpower on board to qualify them as combat-ready, the diversion of resources for such a purpose is indefensible.

There are no reliable cost estimates of the total costs of reactivating this battleship. Last year, the claim was made that reactivation would cost $294 million, and of this the Senate appropriated $255 million. This year's report contains the information that a total of $326 million will be needed.

Last year, the Senate was informed that the principal argument for this proposal was the speed with which the reactivated ship could join the fleet. Last November, during debate on the Defense appropriations bill, we were assured it would be seaworthy within 12 months. Yet this year, a scant 6 months later, we find that reactivation will take at least 21 months.

Last year, there was no compelling evidence that either the cost estimates or the time estimates were based on hard data. And the changes in the last 6 months make it clear that there is no better data available today than there was last year. If the principal purpose of reactivation is to procure a short-term, inexpensive vessel, then the change in the time and cost estimates ought to be of concern to every one of us.

And most importantly, despite the action of the Congress in improving military pay and recruitment incentives, there is no compelling evidence that enlistments have taken a sufficiently drastic upturn to assuage our manpower shortage.

I support increased military readiness. I support increased recruitment efforts and improved manpower programs. I will vote for funds that effectively lead to those goals. But I do not believe we are doing any favor to the armed services of our country or to our military readiness posture by simply rubber-stamping each and every request that is made, with no concern as to its costs, its timeliness, its purpose or our ability to properly take advantage of it.

In this case, we are asked to reactivate an old ship—38 years old—at a cost which has risen substantially since last July, and with a delivery date which has stretched out by 75 percent since last November. And the mission for this ship remains undefined.

I simply do not believe that this is the best possible use of our limited defense dollars. The urgent need for modern vessels comparable to the Soviet naval forces makes it imperative that we devote our resources and our time to meeting that challenge. I do not think reactivating an old ship represents a sufficiently clear priority at this time for us to devote funds to that purpose.

I hope the amendment will be adopted.

Mr. TOWER. Mr. President, does anybody else wish to be heard?

Mr. BUMPERS. I am prepared to yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. BUMPERS. Mr. President, I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. GOLDWATER). Is there a sufficient second?

Mr. TOWER. Mr. President, I move that the amendment of the Senator from Arkansas be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Arkansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Oregon (Mr. PACKWOOD) and the Senator from Indiana (Mr. QUAYLE) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Nebraska (Mr. ZORINSKY), the Senator from New Jersey (Mr. BRADLEY) and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 69, nays 23, as follows:

[Rollcall Vote No. 79 Leg.]

YEAS—69

Abdnor	Ford	Mathias
Andrews	Garn	Mattingly
Armstrong	Glenn	McClure
Baker	Goldwater	Melcher
Bentsen	Gorton	Moynihan
Boren	Grassley	Murkowski
Boschwitz	Hart	Nickles
Burdick	Hatch	Nunn
Byrd, Harry F., Jr.	Hawkins	Percy
Byrd, Robert C.	Hayakawa	Pressler
Cannon	Heflin	Riegle
Chiles	Heinz	Rudman
Cochran	Helms	Schmitt
Cohen	Hollings	Simpson
Cranston	Huddleston	Specter
D'Amato	Humphrey	Stennis
Danforth	Jackson	Stevens
DeConcini	Jepsen	Symms
Denton	Johnston	Thurmond
Dixon	Kassebaum	Tower
Dole	Kasten	Wallop
Domenici	Laxalt	Warner
East	Long	
	Lugar	

NAYS—23

Baucus	Kennedy	Pryor
Bumpers	Leahy	Randolph
Chafee	Levin	Roth
Dodd	Matsunaga	Sarbanes
Eagleton	Metzenbaum	Stafford
Exon	Mitchell	Tsongas
Hatfield	Pell	Weicker
Inouye	Proxmire	

NOT VOTING—8

Biden	Packwood	Williams
Bradley	Quayle	Zorinsky
Durenberger	Sasser	

So the motion to lay on the table Mr. BUMPERS' amendment (UP No. 57) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

Mr. TOWER. Mr. President, we cannot hear the ruling of the Chair on the motion to table.

The PRESIDING OFFICER. The Senate will be in order. Senators who are in the well will please remove themselves or the Chair will start naming names.

The motion to table is agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I inquire of the distinguished majority leader as to what the business is for the remainder of the day and for the week.

Mr. BAKER. I thank the distinguished minority leader.

As soon as we have final passage of this measure, there will be no more votes tonight.

It is my hope that we can lay down the export trading bill tonight but have no debate on it. It will be the pending business after we dispose of the leadership time, special orders, and routine business in the morning.

I expect that tomorrow we will have a reasonably busy day with that and other routine matters. It will not be a late day. We will take care of minor details as they may come up on Thursday, and it is my hope that we can arrange a pro forma session of the Senate on Friday.

Mr. ROBERT C. BYRD. I thank the Senator.

DEPARTMENT OF DEFENSE SUPPLEMENTAL APPROPRIATION AUTHORIZATION ACT, 1981

The Senate continued with the consideration of S. 694.

● Mr. HART. Mr. President, I generally support the bill as reported, and I recommend that my colleagues do likewise. We need to move rapidly to address some specific deficiencies in our defense establishment, and this bill does that effectively. Especially beneficial are its provisions to:

Provide more spares for military equipment. In the past, we have underinvested in spares, with the result that too much of our equipment is often inoperable. Increased spending for spares is a necessary part of our attempts to increase readiness.

Increase manpower levels to allow the services to benefit from improved retention.

Increase several Navy R. & D. programs, especially the highly important program to upgrade the Mark-48 torpedo.

The committee made several major changes in the bill which improve it substantially over the Defense Department's request. These include:

Adding long-lead funds for the LSD-41, in preparation for full authorization in fiscal year 1982. The Navy had not planned to request this ship before fiscal year 1983. We cannot afford such delays in building up our deficient amphibious lift capability.

Eliminating funds for reactiviating the carrier *Oriskany*. The escalating costs of the reactivation, coupled with the Navy's unimaginative plan for an all A-4 air wing which would have tied the *Oriskany* to a large carrier, made the originally attractive reactivation plan cost-ineffective. As the committee report states, this action in no way reflects negatively on the desirability of new construction light carriers. The funds saved by canceling the *Oriskany* reactivation could in fact be profitability applied to authorizing a new light carrier in the fiscal year 1982 bill.

Restructuring the funds requested for increased production of the M-1 tank. It increasingly appears that the M-1 betrays a service fascination with technological complexity at the price of reliability, maintainability, and ruggedness. Technical uncertainties often remain as a system begins production, and the Army is making valiant efforts to ascertain whether the M-1 is reliable. Nevertheless, both the turbine engine and the highly complex fire control system may eventually prove to be unfixable, resulting in a tank with inherently poor readiness. The committee's action prudently paces the program to permit these issues to be resolved according to evidence yet to be accumulated. It may, in addition, be necessary to begin consideration of alternatives, such as a new model of the M-60 with special armor.

Despite these and other positive elements of the bill, some of the programs do need further consideration. Three prominent programs in particular appear to require in-depth reevaluation:

Recommissioning of the battleships. While the Marines do need improved landing fire support, the battleships are increasingly presented as multipurpose warships, capable of independent operations. As World War II demonstrated, battleships are highly vulnerable to enemy aircraft, and they are also likely to be quite vulnerable to modern submarines. It is not clear they will be cost-effective investments, especially since they require large crews. The cruisers of the *Salem* class might provide comparable or superior gunfire support for the Marines at substantially less operating cost.

The F-18 naval fighter. The committee wisely denied funding to increase the F-18 buy, but it is increasingly apparent that the entire program should be canceled, as I urged several years ago. The cost is escalating at a high rate, to the point where the superior F-14 may be less expensive. The aircraft continues to encounter serious technical problems. Replacing the F/A-18 with more F-14's, A-7's, and AV-8B's might both save money and provide a more capable force.

The Army's infantry fighting vehicle. This vehicle continues to appear inadequate for the modern battlefield, thanks to its inadequate armor, lack of a quick-reaction antitank weapon, and high sil-

houette. It is by most accounts inferior to the Soviet BMP which has been in the field for over 10 years. A combination of variants of the proven M–113, coupled with a heavy IFV such as the Israeli Merkava derivative, might provide far better capability at equivalent or less cost. The Army's continued support for the IFV program appears to be yet another case of failing to think conceptually about the future battlefield.

I hope the committee and the Senate as a whole will consider these programs carefully in relation to the fiscal year 1982 bill. We cannot hope to improve our defense simply by increasing the budget, without careful analysis of what we are buying and how it relates to the battlefield.●

Mr. TOWER. Mr. President, if there are no further amendments, I ask for third reading.

The PRESIDING OFFICER. Without objection, the committee amendment in the nature of a substitute is agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. TOWER. Mr. President, I do not intend to ask for the yeas and nays. I am prepared to have a voice vote.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 694) was passed, as follows:

S. 694

An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Supplemental Authorization Act, 1981".

TITLE I—PROCUREMENT OF AUTHORIZATION AND APPROPRIATIONS

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. (a) In addition to the funds authorized to be appropriated under title I of the Department of Defense Authorization Act, 1981, funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $128,000,000; for the Navy and Marine Corps, $47,600,000; for the Air Force, $716,625,000.

MISSILES

For missiles: for the Army, $27,000,000; for the Air Force, $228,269,000; for the Marine Corps, $10,700,000.

NAVAL VESSELS

For naval vessels: for the Navy $172,100,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $796,000,000; for the Marine Corps, $11,300,000.

(b) Of the total amount authorized to be appropriated in subsection (a) for the XM–1 Main Battle Tank, the sum of $336,700,000 may not be obligated or expended unless and until the Secretary of Defense certifies in writing to the Committees on Armed Services of the Senate and the House of Representatives that (1) the durability performance results of the RAM–D testing program for such tank do not present an unacceptable level of risk in terms of satisfying the Army's operational mission requirements, and (2) such results support the procurement of such tanks in a number greater than the 360 for which funds were appropriated before the date of the enactment of this Act.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Authorization Act, 1981, funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $79,500,000; for the Navy (including the Marine Corps), $139,900,000; for the Air Force, $339,200,000; for the Defense Agencies, $41,000,000.

TITLE III—ACTIVE FORCES

INCREASE IN AUTHORIZATION OF END STRENGTHS

SEC. 301. Section 301 of the Department of Defense Authorization Act, 1981 (Public Law 96–342; 94 Stat. 1082), is amended to increase the active duty personnel end strengths of the Navy, Marine Corps, and Air Force by striking out "537,456", "188,100", and "564,500" and inserting in lieu thereof "540,456", "190,600", and "569,000", respectively.

TITLE IV—RESERVE FORCES

INCREASE IN AUTHORIZATION OF AVERAGE STRENGTHS

SEC. 401. Section 401(b) of the Department of Defense Authorization Act, 1981 (Public Law 96–342; 94 Stat. 1084), is amended to increase the number of Reserve component members authorized to serve on full-time active duty with the Marine Corps Reserve for the purpose of organizing, administrating, recruiting, instructing, or training by striking out "67" and inserting in place thereof "133".

TITLE V—CIVILIAN PERSONNEL

INCREASE IN AUTHORIZATION OF END STRENGTH

SEC. 501. Section 501(a) of the Department of Defense Authorization Act, 1981 (Public Law 96–342; 94 Stat. 1085), is amended by striking out "986,000" and incerting in place thereof "1,010,600".

TITLE VI—MILITARY TRAINING STUDENT LOADS

INCREASE IN AUTHORIZATION FOR AIR NATIONAL GUARD OF THE UNITED STATES

SEC. 601. Section 601(a)(9) of the Department of Defense Authorization Act, 1981 (Public Law 96–342; 94 Stat. 1087), is amended by striking out "1,930" and inserting in lieu thereof "2,509".

TITLE VII—MILITARY CONSTRUCTION

ARMY

SEC. 701. (a) In addition to the amounts authorized for acquisition and construction by title I of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1749), the following amount is authorized for the location specified:

UNITED STATES ARMY, EUROPE

Various Locations, $1,800,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $1,800,000.

NAVY

SEC. 702. (a) In addition to the amounts authorized for acquisition and construction by title II of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1752), the following amount is authorized for the location specified:

UNITED STATES MARINE CORPS

Marine Corps Air Station, El Toro, California, $2,000,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $2,000,000.

AIR FORCE

SEC. 703. (a) In addition to the amounts authorized for acquisition and construction by title III of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1756), the following amounts are authorized for the locations specified:

AIR TRAINING COMMAND

Laughlin Air Force Base, Texas, $4,700,000.

STRATEGIC AIR COMMAND

K. I Sawyer Air Force Base, Michigan, $540,000.

SPECIAL PROJECT

Various Locations, Special Project, $50,000,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $55,240,000.

DEFENSE AGENCIES

SEC. 704. (a) In addition to the amount specified for minor construction projects by section 403 of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1761), the Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $900,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purposes of subsection (a) the sum of $900,000.

MILITARY FAMILY HOUSING

SEC. 705. Section 510(a) of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1767), is amended—

(1) by striking out "$276,100,000" in clause (1) and inserting in lieu thereof "$260,078,000"; and

(2) by striking out "$1,880,760,000" in clause (2) and inserting in lieu thereof "$1,896,782,000".

AIR NATIONAL GUARD OF THE UNITED STATES

SEC. 706. In addition to the amount specified in section 701(3)(A) of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1774), the Secretary of Defense may establish or develop facilities for the Air National Guard of the United States in an amount not to exceed $6,500,000.

LIMITATIONS APPLICABLE TO USE OF FUNDS

SEC. 707. (a) Authorizations contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1749), in the same manner as if such authorizations had been included in that Act.

(b) For the purposes of the limitations set forth in section 603 of the Military Construction Authorization Act, 1981 (Public Law 96–418; 94 Stat. 1768), the amounts authorized to be appropriated for titles I through V of that Act shall be deemed to be increased, respectively, by the amount authorized to be appropriated by sections 601 through 605.

MODIFICATION OF PRIOR YEAR AUTHORIZATION FOR FAMILY HOUSING UNITS AT TINKER AIR FORCE BASE

SEC. 708. (a) Section 501(c) of the Military Construction Authorization Act, 1980 (Public Law 96–125; 93 Stat. 940), is amended by striking out "three hundred thirty-two units" in the item relating to Tinker Air Force Base and inserting in lieu thereof "two hundred units".

(b) The authorization for construction of,

or acquisition of sole interest in, family housing units at Tinker Air Force Base, Oklahoma, contained in section 501 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 940), as amended by subsection (a), is hereby modified to authorize construction of such family housing units on base at Tinker Air Force Base.

TITLE VIII—MISCELLANEOUS PROVISIONS

AMENDMENTS RELATING TO CONTINUOUS SUBMARINE DUTY INCENTIVE PAY

SEC. 801. (a) Section 301c of title 37, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "(1)" after "(a)";

(B) by striking out "subsection (b)" in the first sentence and inserting in lieu thereof "subsection (c)";

(C) by striking out paragraph (2) and inserting in lieu thereof the following:

"(b)(1) Subject to regulations prescribed by the President, a member who is entitled to basic pay is also entitled to continuous submarine duty incentive pay under this subsection instead of submarine duty incentive pay authorized under subsection (a) of this section if such member holds or is in training leading to a submarine duty designator, remains in the submarine service on a career basis, and meets the requirements of paragraph (2) of this subsection."; and

(D) by redesignating pargraph (3), (4), and (5) as paragraph (2), (3), and (4), respectively;

(2) in subsection (b), as designated by clause (1)(C)—

(A) by striking out "subsection (b)" in the third sentence of paragraph (3), as redesignated by clause (1)(D), and inserting in lieu thereof "subsection (c)"; and

(B) by inserting after the first comma in paragraph (4)(A)(i), as redesignated by clause (1)(D), "while serving as an operator or crew member of an operational submersible, including undersea exploration and research vehicles,";

(3) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively;

(4) by strfiking out "subsection (b)" in subsection (e), as redesignated by clause (3), and inserting in lieu thereof "subsection (c)"; and

(5) by striking out "subsection (a)" in subsection (f)(1), as redesignated by clause (3), and inserting in lieu thereof "subsection (b)".

(b) The amendments made by this section shall take effect as of January 1, 1981.

(c) Persons who become eligible for continuous submarine duty incentive pay for any period during the fiscal year ending September 30, 1981, by virtue of the amendments made by this section shall be paid exclusively from funds heretofor appropriated for such fiscal year for the payment of pay and allowances of members of the Navy (Department of the Navy Account: Military Personnel, Navy Appropriation Symbol No. 1711453).

ACCRUED LEAVE

SEC. 802. Section 10 of the Military Pay and Allowances Benefits Act of 1980 (Public Law 96-579; 94 Stat. 3359) is amended—

(1) by inserting "(a)" after "SEC. 10."; and

(2) by adding at the end thereof the following new subsection:

"(b) The amendment made by subsection (a) shall be effective in the case of any member of the Armed Forces assigned to a deployable ship, mobile unit, or other duty designated for the purpose of section 701(f) of title 10, United States Code, after September 30, 1979.".

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

A bill to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes."

Mr. STEVENS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator will suspend while Senators leave the Chamber.

Mr. TOWER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendment to S. 694.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that the bill as passed to printed in full, with amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, in which Senators may speak up to 5 minutes each, for not to exceed 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOBART TAYLOR, JR.

Mr. PELL. Mr. President, Hobart Taylor, Jr., died of amyotrophic lateral sclerosis this past April 2 at Lyford Cay in the Bahamas.

A brilliant and wise lawyer, he was well known to many of us as a friend and as a colleague in one of the many roles in Government or business he filled with such distinction. Among his Government responsibilities were those of Special Counsel to President Kennedy's Committee on Equal Employment Opportunity, Special Assistant and Associate Legal Counsel to President Johnson, and Director of the Export-Import Bank. Amongst the great business corporations of which he was a director were Westinghouse, Aetna Life Insurance, the Great Atlantic & Pacific Tea Co., Standard Oil of Ohio, Eastern Airlines, and Burroughs Corp.

Particularly important from the viewpoint of his family and friends, he was a gentleman of taste, discernment, and learning. His two lovely homes in Washington and Middleburg were filled with elegant objects d'art which gave pleasure to those who had the good fortune to visit him.

All of us who knew him or whose lives were touched by him extend our condolences to his widow, Carole Angermeier Taylor; his sons, Hobart and Albert Taylor; his mother, Mrs. Charlotte Wallace Taylor; his former wife, Mrs. Lynette Taylor; and his stepchildren, Edward Rader and Teresa Warner, and grieve with and for them in this great loss.

I ask unanimous consent to have printed in the RECORD a sensitive appraisal of him by his old friends Broadus Butler and George Reedy, as well as the obituary that appeared in the Washington Star of April 5, 1981.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOBART TAYLOR, JR., 60, DIES; WAS COUNSEL TO PRESIDENTS

Hobart T. Taylor, businessman, corporate director, political and civic activist and legal counsel to Presidents Kennedy and Johnson, died Thursday at Layford Cay in the Bahamas of amyotrophic lateral sclerosis. He was 60.

With the Kennedy White House, Mr. Taylor served as special counsel to the President's Committee on Equal Employment Opportunity and acted as its executive vice chairman until 1965. He also held the position of special assistant to then-Vice President Lyndon Johnson. In 1964 President Johnson named him associate White House legal counsel.

In those posts, Mr. Taylor was a liaison to the executive branch for blacks and other minorities who had begun demanding more legal rights. Generating jobs in the private sector and banishing discrimination in the public and private employment markets were considered his chief preoccupations.

Mr. Taylor left the White House in 1965 to become the director of the Export-Import Bank of the United States.

Returning to private practice in 1968, he was a partner with the firm of Dawson, Riddell, Taylor, Davis and Holroyd until 1979 when he became counsel for Jones, Day, Reavis and Pogue of Washington.

A native of Texarkana, Texas, Mr. Taylor received a bachelor's degree from Prairie View State College in 1939 and a master's from Howard University in 1941. He took a doctorate of law degree in 1943 from the University of Michigan where he was editor of the Michigan Law Review. He also held four honorary degrees.

He was admitted to the Michigan Bar in 1944 and named shortly thereafter research assistant to the chief justice of Michigan. He was subsequently promoted to the post of assistant prosecuting attorney and corporation counsel for Michigan's Wayne County.

He was named president of the Beneficial Life Insurance Co. of Detroit in 1959.

Mr. Taylor's extensive business interests included board of director memberships in Aetna Life Insurance, A&P, Standard Oil of Ohio, Westinghouse, National Urban Corp., Eastern Airlines and the Burroughs Corp.

Mr. Taylor held alumni awards from his three alma maters and service awards from the National Urban League, the National Association for the Advancement of Colored People, the National Business League, the Jewish Federation Council of Los Angeles and the U.S. departments of Labor and Navy. In 1969 he was designated a Commandeur de l'ordre National de la Republique de Cote d'Ivoire (Ivory Coast) and in

1973 was the first American black to our South Africa as a visiting lecturer and guest of the South African Foundation.

He was a member of the Democratic National Committee, vice chairman and trustee of the Wolf Trap Foundation for the Performing Arts, governor and a member of the executive committee of the American National Red Cross, trustee with the U.S. Supreme Court Historical Society and member of the Commission on Postal Service and the President's Commission on Executive Exchange under President Carter.

He leaves his wife, Carole; his former wife, Lynette; his mother, Charlotte Wallace Taylor of Houston; two sons, Hobart III and Albert; a stepson, Edward Rader, and a stepdaughter, Teresa Warner.

A memorial service is scheduled for 4 p.m. Friday at the Washington Cathedral, Massachusetts and Wisconsin avenues NW.

The family suggests that expressions of sympathy be in the form of contributions to the Hobart Taylor Jr. Memorial Fund at the Baylor University Medical College, Houston, Texas.

OUR FRIEND HOBART

(By Broadus Butler)

Hobart Taylor, Jr., was a friend—not an ordinary friend—but a complex enigma to most of his friends, because he demanded that they rise to the challenges of the times and demonstrate in his own person how these challenges could be met and coverted into opportunities for the kinds of achievements which combined personal greatness with genuine national service.

Hobart finished Prairie View College at age 18 and at age 22, he had completed both a Masters Degree at Howard University and an Bachelor of Laws degree at the University of Michigan. He was appointed a research assistant to the Michigan State Supreme Court immediately upon graduation and served both in private practice and in the office of Wayne County Prosecutor, first as Assistant Prosecuting Attorney and then as Chief of the Civil Division. In 1958, he organized the law firm of Taylor, Patrick, Bailer and Lee. But as fate would have it, each of the partners was so brilliant and exceptional in his own right that each had to respond to a special calling which combined public and private service. Hobart's was extra special, and into it he called his partners, his friends and their friends, provided they brought with them three requirements: high intellect, mature energy, and a capability to produce real results. Those who brought those qualities to Hobart received in return an unparalleled quality of loyalty that seemed to be inexhaustable.

Hobart's very special calling came in 1961 when out of the friendship begun between his father, Speaker Sam Rayburn and Vice President Lyndon Johnson and out of the long personal knowledge of both the Vice President and the Speaker of Hobart's exceptional talents, Hobart was called to Washington where for the first time in the long history of Federal responsibility for Civil Rights to the nation, the Vice President combined enforcement of the law with maximum encouragement to the corporate sector and to the educational community to exercise voluntary initiative to minimize the need for that enforcement.

He placed both faces of that difficult coin in the hands of Hobart Taylor, Jr., by appointing him Special Assistant to the Vice President, Executive Vice Chairman of the President's Committee on Equal Employment Opportunity and Executive Vice Chairman of the President's Plans For Progress Committee. The Kennedy tragedy of November 1962 brought the Vice President to the Office of President and Hobart to the role of Associate Counsel to the President, with the combined responsibilities more firmly supported by both President Lyndon B. Johnson and Vice President, Hubert H. Humphrey. In 1964, he broadened his services to the international areas in service to developing countries as a Director of the Export-Import Bank.

All across the country—mostly early in the morning and very late at night—friends received calls from Hobart. Some friends he knew and some friends personally he had not yet met. But to him, they were friends of his calling; and, if they were not, they soon would be. His calling was simple, change the traditional practices of job discrimination into new and creative opportunities for minorities and women to participate fully in the mainstream of American productivity without discrimination. Hobart created honorable ways for corporate America to do that voluntarily, and he on occasion required that it be done, even involuntarily. Within a year, more than 363 companies had signed pledges to do it voluntarily, and that voluntarism for the first time gave substantive meaning to "affirmative action." On the preparation side, the education and training institutions had to be transformed in attitude and in curricular orientation to bring to that affirmative action by business and industry an educated and trained cadre from the heretofore denied minority and female person. To accomplish that task, he forged the strongest pattern of cooperation between predominantly Negro institutions, major universities and corporate entities which has ever existed. And it was all done to open new educational opportunities with the insurance of transferability into career and professional employment.

Of equal importance to the positive statistical changes which were engendered was an atmosphere generated by Hobart which was translated into legislation with the enthusiastic support of business, industry and education, which placed into the Civil Rights Act of 1964 a specific provision to transform the President's Committee on Equal Employment Opportunity into a statutory Commission on Equal Employment Opportunity and which continued the voluntary effort from Plans For Progress into the National Alliance of Businessmen.

It took friends from all walks of life in meeting after meeting both national and local. It took private corporate and philanthropic commitment and federal and state cooperation and legislation to forge that accomplishment; but more than that, it took two very special friends to understand each other and to keep the mission firmly on track when both were misunderstood even by the multitude of other friends across the nation who now were producing and fulfilling opportunities.

I hope that some day American history will properly record that in the field of actual translation of domestic civil and humane goals into constructive and rewarding realities for the greatest number of people, in every calls and condition of life, President Lyndon Baines Johnson was the most productive and empathetic of Presidents. He himself created that to the guidance, counsel and productivity of Hobart Taylor, Jr., which helped to make him so. History also should some day record that Hobart Taylor, Jr., was the most successful Negro Presidential staff aide in the actual record of real gains across the entire spectrum of civil rights goals. This was so because President Johnson backed up his own commitment by directing all of the resources imagery and powers of the Presidency to assure the things which Hobart's role required beyond his own creative ingenuity for success. That combination had never existed before in the Executive Branch or anywhere in the Federal government, because that quality of friendship had never existed between any President and a Negro member of his staff.

Each now has gone to a transcendent reward which shall endure undiminished through the ages. Now it is left to the dedication of their friends to collectively fulfill the final requirement of justice to which both brought great service. Even that final requirement was articulated in May 1963 when Vice President Johnson was honored with a distinguished Service Award by the National Press Club and those two friends put together a brief speech which contained this telling passage:

"But we would be doing ourselves and our country a disservice if we assumed that those successes meant that full and complete justice has been achieved. Quite the contrary! Justice is not a partial thing which can be measured in terms of percentages. Any degree of injustice is complete injustice. Until we achieve complete justice, we can regard progress only as a series of steps toward that goal. Each step should hearten us; but should not lull us into self-satisfaction that the job has been done."

We now face a nation and a world which presents to us a sober reminder of that wisdom. Those of us who commit ourselves among his friends—and we are legion—have Hobart to inspire within us a new determination to complete his dream for all of us. He wanted us all to be as complex, enigmatic, bright and moving as he was and as God gives us the courage to be. All that he asked is that in the time remaining to us, we, in our own way, produce opportunities and challenges for others and add another step towards justice for all as he did in his own way.

TRIBUTE TO HOBART TAYLOR

(By George Reedy)

Hobart Taylor was a classic example of the right man, in the right place, at the right time. In the 1960's, the struggle to secure equal entitlement for all men and all women reached a crucial stage. The walls erected by bigotry had been battered heavily by courageous pioneers leading people who refused to be denied any longer their rightful place in the sun. One final push was needed so dreams would become legal reality reinforced by the creation of structures dedicated to the eradication of the ugly blot of prejudice in our society.

The final push required leaders who were rare. They had to be men and women who were deeply sensitive to historic injustices that had divided the United States since early times. At the same time, they had to be men and women who had transcended bitterness and understood the pressing need for solution rather than revenge. Hobart Taylor was that kind of man and his collaboration with Lyndon B. Johnson in the Senate, in the vice presidency, and the White House, was one of history's more fortunate turns.

The friendship between the two men had rich results. Hobart Taylor served Lyndon B. Johnson as a lawyer not only in the field of civil rights but in many other areas of governmental problems. Happily, Lyndon Johnson was a man who knew how to take his advice. It is obvious of the problems to which the two addressed themselves are still far from a solution. But long and decisive steps have been taken toward the ultimate goal of a society where men and women are judged solely on their merits and Hobart Taylor should be recorded in the chronicles of humanity as a major and driving force in that progress.

Mr. CRANSTON. Mr. President, I join the Senator from Rhode Island in paying tribute to Hobart. He was a neighbor of mine, with his family, when I

first came to the Senate 12 years ago. I became well acquainted with him and his family. They were very good friends and very helpful to me in my initial period in Washington, in the Senate.

He had an outstanding record of public service in many, many ways. He was of great service in the White House and in many other roles in public life and private life.

I simply want to pay my respects to him and to express my sympathy to his wonderful family. He leaves some very fine members of his family to carry on in his tradition.

COMMITTEE ON ARMED SERVICES RULES OF PROCEDURE

Mr. TOWER. Mr. President, on March 26, 1981, the Committee on Armed Services adopted certain revisions to its rules of procedure. These revisions are designed to clarify various procedures of the committee and to insure that the committee's rules are not inconsistent with the Standing Rules of the Senate.

In accordance with rule XXVI 2 of the Standing Rules of the Senate, I ask unanimous consent that the complete text of the rules of procedure for the Committee on Armed Services be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

COMMITTEE ON ARMED SERVICES

RULES OF PROCEDURE

(Adopted March 26, 1981)

1. Regular Meeting Day and Time. The regular meeting day of the committee shall be each Thursday at 10:00 a.m., unless the committee or the chairman directs otherwise.

2. Additional meetings. The chairman may call such additional meetings as he deems necessary.

3. Special meetings. Special meetings of the committee may be called by a majority of the members of the committee in accordance with paragraph 3 of Rule XXVI of the Standing Rules of the Senate.

4. Open Meetings. Each meeting of the committee, or any subcommittee thereof, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the committee or a subcommittee thereof on the same subject for a period of no more than fourteen (14) calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated below in clauses (a) through (f) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the committee or subcommittee when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States,

(b) will relate solely to matters of committee staff personnel or internal staff management or procedure;

(c) will tend to charge an individual with a crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;

(d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(f) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

5. Presiding Officer. The chairman shall preside at all meetings and hearings of the committee except that in his absence the ranking majority member present at the meeting or hearing shall preside unless by majority vote the committee provides otherwise.

6. Quorum. (a) A majority of the members of the committee are required to be actually present to report a matter or measure from the committee.

(b) Except as provided in subsections (a) and (c), and other than for the conduct of hearings, six members of the committee shall constitute a quorum for the transaction of such business as may be considered by the committee.

(c) Three members of the committee, one of whom shall be a member of the minority party, shall constitute a quorum for the purpose of taking sworn testimony, unless otherwise ordered by a majority of the full committee.

(d) Proxy votes may not be considered for the purpose of establishing a quorum.

7. Proxy Voting. Proxy voting shall be allowed on all measures and matters before the committee. The vote by proxy of any member of the committee may be counted for the purpose of reporting any measure or matter to the Senate if the absent member casting such vote has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded.

8. Announcement of Votes. The results of all rollcall votes taken in any meeting of the committee on any measure, or amendment thereto, shall be announced in the committee report, unless previously announced by the committee. The announcement shall include a tabulation of the votes cast in favor and votes cast in opposition to each such measure and amendment by each member of the committee who was present at such meeting. The chairman may hold open a rollcall vote on any measure or matter which is before the committee until no later than midnight of the day on which the committee votes on such measure or matter.

9. Subpoenas. Subpoenas for attendance of witnesses and for the production of memoranda, documents, records, and the like may be issued by the chairman or any other member designated by him, but only when authorized by a majority of the members of the committee. The subpoena shall briefly state the matter to which the witness is expected to testify or the documents to be produced.

10. Hearings. (a) Public notice shall be given of the date, place and subject matter of any hearing to be held by the committee, or any subcommittee thereof, at least 1 week in advance of such hearing, unless the committee or subcommittee determines that good cause exists for beginning such hearings at an earlier time.

(b) Hearings may be initiated only by the specified authorization of the committee or subcommittee.

(c) Hearings shall be held only in the District of Columbia unless specifically authorized to be held elsewhere by a majority vote of the committee or subcommittee conducting such hearings.

(d) Witnesses appearing before the committee shall file with the clerk of the committee a written statement of his proposed testimony at least 24 hours not including weekends or holidays prior to a hearing at which he is to appear unless the chairman and the ranking minority member determines that there is good cause for the failure of the witness to file such a statement.

(e) Confidential testimony taken or confidential material presented in a closed hearing of the committee or subcommittee or any report of the proceedings of such hearing shall not be made public in whole or in part by way of summary unless authorized by a majority vote of the committee or subcommittee.

(f) Any witness summoned to give testimony or evidence at a public or closed hearing of the committee or subcommittee may be accompanied by counsel of his own choosing who shall be permitted at all times during such hearing to advise such witness of his legal rights.

(g) Witnesses providing unsworn testimony to the committee may be given a transcript of such testimony for the purpose of making minor grammatical corrections. Such witnesses will not, however, be permitted to alter the substance of their testimony. Any question involving such corrections shall be decided by the chairman.

11. Nominations. Unless otherwise ordered by the committee, nominations referred to the committee shall be held for at least seven (7) days before being voted on by the committee. Each member of the committee shall be furnished a copy of all nominations referred to the committee.

12. Real Property Transactions. Each member of the committee shall be furnished with a copy of the proposals of the Secretaries of the Army, Navy, and Air Force, submitted pursuant to 10 U.S.C. 2662 and with a copy of the proposals of the Director of the Federal Emergency Management Agency, submitted pursuant to 50 U.S.C. App. 2285, regarding the proposed acquisition or disposition of property of an estimated price or rental of more than $50,000. Any member of the committee objecting to or requesting information on a proposed acquisition or disposal shall communicate his objection or request to the chairman of the committee within thirty (30) days from the date of submission.

13. Legislative Calendar. (a) The clerk of the committee shall keep a printed calendar for the information of each committee member showing the bills introduced and referred to the committee and the status of such bills. Such calendar shall be revised from time to time to show pertinent changes in such bills, the current status thereof, and new bills introduced and referred to the committee. A copy of each new revision shall be furnished to each member of the committee.

(b) Unless otherwise ordered, measures referred to the committee shall be referred by the clerk of the committee to the appropriate department or agency of the Government for reports thereon.

14. Except as otherwise specified herein, the Standing Rules of the Senate shall govern the actions of the committee. Each subcommittee of the committee is part of the committee, and is therefore subject to the committee's rules so far as applicable.

15. Powers and Duties of Subcommittees. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full committee on all matters referred to it. Subcommittee chairmen shall set dates for hearings and meetings of their respective

subcommittees after consultation with the chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full committee and subcommittee meetings or hearings whenever possible.

GENOCIDE IS AN INTERNATIONAL CRIME

Mr. PROXMIRE. Mr. President, the Genocide Convention has been before the U.S. Senate for 31 years. During this time, every major as well as minor point has been carefully scrutinized many times. Yet the convention's opponents continue to criticize it.

Today I would like to address the critics assertion that genocide is not a proper subject for treatymaking, which must deal only with external affairs. They argue that genocide is not an international crime; treatment by a state of its nationals is a matter of domestic jurisdiction.

There is no basis, Mr. President, for this argument. From a historical perspective, international treaties have dealt with human rights since the 16th century. In the 19th century, the United States itself participated in a number of treaties regulating the slave trade. Moreover, the United States has ratified treaties relating to activities of its own citizens when those activities have an international character—natural conservation, narcotics, public health. And certainly, Nazi actions during World War II and the subsequent Nuremberg Tribunal demonstrated that genocide was quintessentially an international concern.

In the last 50 years, U.S. treatymaking shows a long line of activity in areas having a direct impact on subjects of domestic concern. Examples of such agreements include the Conventions for the Regulation of Whaling (1931 and 1946); the International Convention for the Prevention of Pollution of the Sea by Oil (1954); the Convention on Narcotic Drugs (1961); the Tokyo Convention on Offenses and Certain Other Acts Committed on Board Aircraft (1963); and the Hague Convention for the Suppression of Unlawful Seizure of Aircraft (1970).

In the international system, Mr. President, as within nations and smaller systems, a crime is what that system defines it to be. The commission of genocide, involving mass action, is necessarily of concern to the community of nations if only because it threatens the stability of the international order. Genocide was proclaimed "a crime under international law" by U.N. General Assembly Resolution 96(I), in December of 1946. To date, 85 countries have ratified this Convention on the Prevention and Punishment of the Crime of Genocide thereby making it clear that genocide is considered to be a crime against the law of nations.

Mr. President, the only way this hideous crime can be controlled is through a united policy of condemnation by the world community. As the leader of the Western World, it is our duty to take part in this condemnation of the crime of genocide, just as we took the lead in guiding the convention through the United Nations after the Second World War. I urge my colleagues to support the passage of the Genocide Convention and reaffirm our country's long commitment to human rights by ratifying this important treaty.

OIL COMPANIES' ACQUISITIONS OF MINING COMPANIES

Mr. BRADLEY. Mr. President, the sudden flurry of merger activity between oil companies and mining companies is cause for sober reflection. I do not think that bigness is necessarily bad or that the Congress should dictate private investment decisions. However, these mergers are strong evidence that the petroleum industry is in good financial health, to say the least; that subsidies and tax benefits to this industry are unnecessary; and that while we sing the budget song on Capitol Hill, we just might be missing an economic power grab of historical proportions. I convey not only my fears but those of many businessmen who have called me alarmed that their companies might be the next victim of a takeover bid.

Mergers between oil and coal companies are not new. Oil company diversification into coal production began on a large scale in 1963, when Gulf Oil acquired Pittsburg and Midway Coal. Since then many other oil and gas companies have entered the coal industry, some via mergers such as Conoco with Consolidated Coal in 1966 and Occidental with Island Creek Coal in 1969, others via new entries into the coal business such as Exxon with its Exxon Coal in 1970 and Arco with its Thunder Basin Coal in 1977. The pace of acquisition appears to have accelerated recently. In 1 week in March, SoCal offered $4 billion for Amax and Sohio bid $1.8 billion for Kennecott. Seagrams attempted, apparently unsuccessfully, to buy St. Joe Minerals for $2 billion—$2 billion that the liquor distiller had made on the sale of oil properties.

U.S. oil and gas companies produced about 19 percent of the Nation's coal in 1978, the latest data now available. These 46 firms also owned about 23 percent of recoverable coal reserves in this country. The eight major oil companies (Exxon, Texaco, Standard of Indiana, Shell, Arco, Mobil, and Standard of California) together produced less than 3 percent of the Nation's coal in 1978 and together owned about 7 percent of recoverable coal reserves. Manipulation of coal markets by oil and gas companies at this level of patricipation appears unlikely.

However, to insure that proposed corporate mergers receive careful attention by the FTC and Justice Department, the Congress passed the Hart-Scott-Rodino amendment to the Clayton Act. Effective in 1978, this legislation requires large firms to notify the FTC and DOJ in advance of closure on a proposed deal. The FTC's premerger notification office has 15 days to review the case—30 days if the offer is other than a cash deal. DOJ has the same opportunity. Either agency can file in Federal court for a preliminary injunction blocking the proposed merger. All premerger notifications are strictly confidential to avoid stock market manipulation. One can only assume that each of the recent merger proposals has been submitted to the FTC and the Department of Justice.

Only if these proposed mergers receive careful scrutiny for possible anticompetitive implications can we believe that the public will be protected from monopolistic behavior. If budget cuts or lax enforcement of antitrust laws jeopardize the effectiveness of these safeguards, we should press the warning siren. An antitrust division that fails to scrutinize one of the bigger mergers in our Nation's history is an antitrust division that is prepared to give away much to special interests and it could be a prelude to actions which will devastate the public lands and the consumer alike.

Another troubling aspect of these mergers is one of perception. These large purchases—billions of dollars cash—make it all too evident that some sectors of the U.S. economy are cash rich while others struggle to pay rising energy prices. Also, the memory is fresh of oil company executives supporting crude oil decontrol with implicit and explicit promises that oil company profits would be ploughed back into oil production. One could easily have gotten the impression that oil production in this country after decontrol would increase dramatically, when we all knew that the best we could hope for was a temporary respite from the inevitable production decline. These mergers are evidence that revenues from decontrol are not going exclusively into oil exploration and development. This specific perception problem would have been less severe had the oil company executives said frankly that they would invest—as might be expected—in the projects that yield their shareholders the greatest return on their investment.

This lack of candor, combined with the oil industry's enormous economic and political power, makes me wonder whether our resources will be developed soundly with an eye to future generations as well as the bottom line. Since the oil industry focuses on the bottom line, public officials must protect the interests of the next generation. Public officials in this administration, or any administration must recognize their special responsibility to protect the environment against great private pressures and to recognize that antitrust activity in the resource area is more important than in almost any other area.

Mr. President, what should we conclude from these mergers? First of all, large companies growing larger are not necessarily bad. If the capabilities of one company complement the potential of another, then public and private interests may coincide. We should be encouraged that the capital necessary to drill for oil, mine coal, develop solar energy, and produce synthetic fuels is available to our energy industry.

Second, I certainly would not want anyone other than corporate management to decide how to spend their reve-

nues. Along with the freedom to invest as they see fit goes the responsibility for failure. Public interests are served when private incentives encourage responsible investment.

Third, I do not believe that rich industries should be prohibited from investing in any other industry, as long as they play by the antitrust rules established by law. And it is here, Mr. President, where I begin to have concerns. While the share of coal production currently controlled by oil and gas companies suggest that we have little cause for alarm today, we have not recently heard from the referees. Does the silence emanating from the FTC and Department of Justice indicate that they have examined these mergers for anticompetitive implications and agree that we have no cause for concern? Or does it indicate that the referees are asleep? I, and perhaps the American people as well, would like to hear from the referees.

The final conclusion we should draw from these mergers is that the energy industry appears to be doing quite well. Despite the moaning we heard 2 years ago about the need for cash to explore and drill for more oil, the windfall profit tax does not appear to have had the depressing effects predicted by the industry. Indeed, these mergers suggest that the cash-rich industry may be receiving too many benefits from the Federal Government. In light of these mergers, should tax breaks still be given for exploration and well development costs? Is this the time to eliminate the last remnants of the percentage depletion allowance? And, Mr. President, why should the Federal Government provide subsidies in the form of loan guarantees to such energy companies as Texaco, Tosco, Occidental, Mobil, Union Oil, Ashland, Tenneco, Phillips, and Sohio? These are among the many firms who have applied to the Synthetic Fuels Corporation for subsidies to seek new sources of energy. May I suggest that investments in human capital, in railroads and seaports—so blatantly neglected by the Reagan budget—may be from the Nation's perspective better uses of scarce capital.

So, Mr. President, I speak today to raise the public policy issues surrounding these mergers. I do not condemn the energy companies for diversifying into coal and for providing mining companies with needed capital. But, I call on the FTC and Department of Justice to fulfill their responsibility to the American people, and I question the need for any subsidies to the energy companies; they appear to be doing just fine without our help.

THE SUCCESS OF EMPLOYEE STOCK OWNERSHIP

Mr. LONG. Mr. President, I would like to call to the attention of my colleagues a recent article that appeared in the Wall Street Journal. This article reports on the success of employee stock ownership in the Chicago & North Western Transportation Co.

As we begin to focus on incentives for expanding and renewing this Nation's productive resources, I hope that we will keep in mind this fine example of employee stock ownership and that we will take the time to ask just who will be the long-term beneficiaries of such incentives. If we are to have a strong free enterprise system over the long term, we would be well advised to enact incentives not only for expanded capital investment but for expanded capital ownership as well.

A recent study (from the National Bureau of Economic Research) indicates that for the majority of American families their most important asset is now their right to someday draw a social security payment from the Federal Government—a transfer payment. That is a poor showing for a nation that prides itself on a strong private property approach to economic matters. This is one of the reasons why I have long been an enthusiastic supporter of expanded ownership and particularly of plans that enable working Americans to gain a stake in the enterprise for which they work.

As a step in that direction, I am preparing to introduce legislation that would expand the incentives for corporations to finance their growth or their transfers in ownership in such a way that employees will have an opportunity to own stock in the companies for which they work. I urge Senators to cosponsor this badly needed legislation.

It is my hope that we can support the President's effort to reduce the cumbersome size to which the Federal Government has grown. Yet it is clear that unless we work to build economic self-sufficiency and more net worth into the American population, in the future we will be forced to rely more and more upon welfare, social security and various other Government transfer payments to care for the needs of the American people.

Unless we are to endorse the "trickle-down" approach of the past, we must begin to encourage techniques of finance (such as employee stock ownership plan financing) that will encourage American business to spread the benefits of economic growth more broadly among the American people (and particularly among working Americans).

What would be the long-term effect of beginning to transform this troubled economy of ours into one in which working Americans have the interest and the incentive of capital ownership? At the very least, a program of expanded ownership would bring with it a better understanding of how a free enterprise system works, and a greater awareness of the costs and the tradeoffs of Government programs.

Expanded ownership could also have a positive effect on our relationship with other nations. We need a working model of what we would advocate for other nations. It is shortsighted for us to expect others to move in the direction of a private property, free enterprise economy when we ourselves have such a poor distribution of productive wealth. It would be helpful if we could show people all over the world how our increasing prosperity spreads out and reaches people in all walks of life. We have the opportunity to do that with a broad-based program of expanded ownership.

In addition, as this article indicates, employee stock ownership can have a positive effect on labor-management relations. This is hardly surprising; we all know that ownership counts. It can create a climate wherein a unity of interest and incentive can emerge. If a company succeeds, its success is widely shared, and its eventual success or failure is placed in the hands of those upon whom its success or failure will largely depend. If we want to get the most "bang-for-the-buck" from new incentives for capital investment, we should insure that those new incentives are coordinated with incentives for expanded capital ownership.

I recommend to my colleagues that they read this article and that they join as cosponsors of the bill I will soon introduce ttiled "The Expanded Ownership Act of 1981."

I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME WORKERS AT THE C&NW FIND POSITIONS ASTOUNDINGLY REWARDING

(By John Curley)

When Chicago & North Western Transportation Co. was sold to its employes for $50 a share in 1972, Mary L. Brawka, a statistician, bought 30 shares for sentimental reasons. "My whole family worked for the railroad," she says. "It was part of me."

The investment turned out to be a gold mine. A boom in the value of the stock has changed her life and the lives of thousands of other C & NW employes. An original investment of $1,000 is worth $72,000 today.

"I never could have sent my daughters to law school and medical school without that stock," says Mrs. Brawka, who earns $20,000 a year. She still has about $60,000 of stock left. Jeff Green, a yardmaster who makes $25,000 a year, figures his original investment of a few thousand dollars is worth $90,000 today. "When I retire, I'll buy some land in Texas and watch the armadillos," he says.

A BIG SPLIT

The initial issue of 72,000 shares in 1972 quickly soared to $660 a share and was split 60-for-one. After languishing below $10 for a few years, the stock began rising again in 1978. Yesterday, the stock closed at $58 bid.

The stock's price has risen because investors see C & NW as a survivor in the Midwest. (The Rock Island is liquidated and the Milwaukee Road is down to a third of its original size.) The company has also been slicing off unprofitable lines and plowing money back into equipment.

UNAWARE MILLIONAIRES

"There are a lot of millionaires walking around that company, and some don't even know it," says James G. Smith, a broker for Davis, Skaggs & Co. in San Francisco. About half of the 4.4 million shares outstanding are held by one-third of the 11,000 employes.

Many in the company say the stock has helped management-employe relations. But sudden wealth has brought problems, too. One high-ranking officer fears kidnapping. A director of special operations gripes about the $24,000 he paid in taxes on the sale of 3,000 shares. For some employes, capital gains taxes can be more than their annual salaries. As a result, many don't want to sell, preferring instead to leave the stock to their children.

Another problem is jealousy. Raymond

Ucciferri, an engineer with about $214,000 of stock, says envious fellow workers tried to sabotage his car by putting screws and bolts in the tires. Nobody has been hurt, though.

"Some guys call me money-hungry," he says. "I tell them, 'Yeah, but it sure tastes good.'"

UNITED PARCEL SERVICE INNOVATES

Mr. CANNON. Mr. President, during the course of congressional debate on the question of trucking deregulation last year, one theme was expressed time and time again. We were told in no uncertain terms that there are two things in the trucking business that are inherently unprofitable. One is transportation of small packages and the other is providing service to rural and isolated communities. Yet, day-after-day and year-after-year one company—United Parcel Service—does nothing but provide transportation of small packages and it offers service to virtually every community throughout the United States.

Some of my friends in the trucking industry will argue that UPS is the exception that proves the rule. From everything I can tell, however, the record of United Parcel Service simply proves that a combination of superior service at competitive rates is the key to success. Indeed, the service provided by UPS is so well respected that the traditional suggestion, usually made in jest, that we turn the postal service over to UPS, is becoming a virtual cliche. UPS has always been an innovator and a leader in the motor carrier industry.

It comes as no surprise, then, that UPS is the first major trucking firm to utilize a very important provision of the Motor Carrier Act of 1980 that will ultimately lead to a much more competitive transportation system in this country. I am referring to the provision in the new law which allows motor carriers to increase or decrease their transportation rates without interference from the Interstate Commerce Commission, so long as the change stays within a zone prescribed in the statute. UPS has recently filed for a general rate increase of 4.2 percent.

Mr. President, you may wonder why I would rise in praise of a rate increase. I assure you that I am not endorsing increased transportation rates. But I am genuinely pleased to see a motor carrier taking advantage of the freedom that is guaranteed by the new law.

The concept of increased rate freedom for motor carriers is premised on the belief that competition itself will be an effective regulator of prices within the industry. I think that this principle is validated by the fact that UPS has opted for an increase that is far less than that which they are actually able to take under the provisions of the Motor Carrier Act. In short, then, I would congratulate United Parcel Service for this innovative decision and hope that we will see more use of the zone of rate freedom by other carriers in the future.

While on the subject, I wish to bring to the attention of the Senate one other activity that UPS has been involved in and which provides very exciting possibilities for fuel conservation in the future. I am talking about its joint effort with Texaco to develop a vehicle engine that has extraordinary new capabilities. The engine is called the UPS 292SC. Incredibly, it is designed to run equally well on either gasoline or diesel or any mixture of the two. It has also been tested to run on alcohol, gasohol, and apparently can even run on motor oil. There was a very interesting article published recently in the Commercial Car Journal describing this engine and the potential energy and environmental benefits. I ask unanimous consent, Mr. President, that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ENGINE OF THE FUTURE!

(By Dave Ritchie)

Billions of dollars and as many or more words have been expended by governments, manufacturers, "think-tank" research groups, famous technical wizards, obscure backyard inventors and assorted kooks and shysters to promote an alternative engine concept.

Some experts say we ought to get rid of all gasoline engines and replace them with diesels. Others favor more exotic stuff. At times the list of possible alternatives has included rotary engines, gas turbines, steam power, Stirling engines, electrics, hybrids, flywheel power and special fuels such as alcohols, hydrogen and even peanut oil.

With so much being said about the need for an alternative engine, it's ironic that no one has actually come up with one that gives the least hint of practicality. No one, that is, but the unlikely combination of a major U.S. oil company and the world's largest commercial vehicle fleet.

In the incredibly short span of under three years, United Parcel Service and Texaco, Inc. have pooled their talents to produce a six-cylinder motor that combines the best qualities of both gasoline and diesel power so well that for the short term, at least, it promises to be that much-sought-after Holy Grail—a true alternative engine.

The engine is called the UPS 292 SC. It's so new that only one exists in a UPS vehicle. There's another now being tested on a dynamometer at Texaco's Beacon, N.Y., research center; and a third is undergoing durability tests at Ricardo Consulting Engineers, Ltd. in England. Parts for perhaps 10 or 12 more exist in an unfinished state. Not more than 1500 miles and a couple of hundred dyno hours have been accumulated on the three engines running now. But results so far are very impressive.

For example: The UPS 292 SC isn't a gas engine, as we know it. Nor is it a diesel. But it runs equally well on both gasoline and diesel fuel . . . or any mixture of the two. It has also run on other liquid fuels—alcohol, gasohol, even (once by accident) 10W-40 motor oil—though no serious testing has been done with these yet.

None of the fuels it is capable of burning require any engine changes or modifications. It's simply a case of filling the tank with whatever happens to be available and turning the key to start.

Speaking of starting, the UPS 292 SC has spark plugs and a distributor like a gas engine; and fuel injectors like a diesel. But like neither engine, it needs no choke, glow plugs or ether to get going on the coldest of mornings. Again, it's simply a case of turning the key.

Revving fairly high (over 3,000 rpm), the engine is as peppy and tractable as any similar-size gas job. But it gets diesel-style fuel economy along with inherently low exhaust emissions. Unlike a diesel, however, it's light in weight and low in vibration. In fact, it's built on a production gas engine block assembly, so it's a natural for retrofitting in gas power applications.

This curious combination of diesel and gas engine characteristics, along with an amazingly unfussy appetite for almost any liquid fuel, is exactly what led UPS to Texaco in the first place.

Since the 1940s, Texaco had been developing something called TCCS (Texaco Controlled-Combustion System). Its original objective was to eliminate engine "knock" or detonation due to the relatively poor quality of gasoline available at that time. Back then all refiners were working on solutions to the knock problem. Most, Texaco included, ultimately chose to alter the fuel's chemistry, thus producing higher and higher octane "antiknock" gasolines.

But a few engineers at Texaco thought the same result could be achieved by changing the engine, instead of the fuel. By combining the fuel injection system of a diesel with the ignition system of a gasoline engine, along with special intake porting to initiate—and a deeply cupped piston to intensify—a cyclone-like swirl of gases in the combustion chamber, they came up with an engine concept that required neither high octane nor high cetane fuel ratings. In fact, the engine proved insensitive to both.

To understand what that means, it's necessary to realize that as far as fuels are concerned, octane and cetane ratings are really opposite ends of the same yardstick. Octane numbers measure a fuel's ability to resist detonation or self-ignition. Cetane ratings describe how easily a fuel will self-ignite. A fuel that's high in one will be extremely low in the other, and vice-versa.

To put it another way, in gasoline engines, preignition and detonation are undesirable. So a high-octane fuel is required. But diesel engines virtually depend on detonation for auto-ignition. Consequently high cetane is a must. In between the two types of fuels is a wide range of liquids with octane and cetane values too low to be useful in either gas or diesel engines.

In the Texaco combustion system, however, ignition is taken care of by a powerful, long duration spark. This does away with the diesel's need for a high-cetane fuel and the extremely high compression ratios necessary to generate the heat of ignition. At the same time, Texaco's system eliminates detonation by burning the fuel only as fast as it is injected into a tornado of swirling air in the combustion chamber. So the fuel's octane rating also becomes unimportant.

What is important is that by designing the knock out of the engine, instead of out of the fuel, Texaco had devised a combustion system that takes advantage of all sorts of liquid fuels, including gasoline, diesel and the relatively unrefined "wide boiling range" fuels that separate them.

This one unique quality perhaps more than any other, made the TCCS concept extremely attractive to UPS engineers, who in the mid-'70s began frantically searching for a practical alternative to the 35,000 gasoline engines that power the fleet's familiar brown "package cars."

For years the company had been evaluating various small diesels inside-out and upside-down. And while they credited diesel power with excellent fuel economy, the fleet's automotive people found it wanting in many other crucial areas.

Existing small diesels were too heavy, too noisy, too slow, too expensive and too difficult to retrofit into their large gas-powered fleet, said a company spokesman—publicly.

Coming at a time when small diesels were

just being "discovered" by pseudo-experts as the "obvious" answer to the nation's deteriorating energy situation, such news was unwelcome in many quarters.

Meanwhile, UPS engineers and Texaco research people were getting together to see if any of the gas engines used by the package fleet could be easily modified to the TCCS concept. Two years of preliminary lab work, including a full program of experimental single-cylinder engine tests, resulted in last winter's announcement that a small number of prototype engines would be built on the six-cylinder 292-cu. in. GM block which powers a large part of the UPS fleet (see *CCJ*, Feb. '80, pg. 103).

The UPS 292 SC engine shown here is one of the first prototypes to be completed. The "SC" stands for "stratified charge." And though the engine does indeed make use of the stratified-charge principle, it should not be confused with other more complicated, less successful stratified charge designs.

With the exception of cam, lifters and pistons, the basic engine block is a stock GMC 292. Crankshaft, bearings and rods are all standard. The pistons are special high-compression (13:1 vs. stock 8:1) slugs with deep-cup combustion chambers machined into their crowns. At top dead center they all but contact the cylinder head, forcing the already rapidly whirling intake air charge to speed up like a skater in a scratch-spin as it crowds into the confined diameter of the cup.

To prevent the valves from fouling the pistons in such close quarters, the cam has a quick-lift, low-overlap profile designed to operate with commercially available hydraulic roller lifters.

The cast iron cylinder head is all-new. It was designed to accommodate Texaco's special port shapes that impart an initial 10,000-rpm spin to air entering the cylinders on the intake stroke—as well as the precise location of injectors and spark plugs prescribed by Texaco research engineers—into a package already encumbered by existing stud pushrod hole, oil and coolant passage patterns. This work, and also the casting, machining, engine assembly and initial run-ins were carried out by Ricardo Consulting Engineers, Ltd. in England.

Most of the external changes are visible from the right side of the engine. Conspicuous at front is a new Ricardo-designed gear case that provides drive and mounting for both ignition distributor and the Stanadyne Roosa Master fuel injection pump. Special metallurgy changes made by Stanadyne allow critical parts of the fuel-lubricated pump to operate without damage on "dry" fuels such as gasoline. Pressure lines snaking out of the pump head lead to each cylinder's pencil injectors, in close proximity to which are nestled the spark plugs.

The Texaco Ignition System (TTIS) uses a high frequency alternating spark current, the duration of which corresponds to a number of degrees of crankshaft rotation rather than a relatively constant split-second of discharge time as in conventional systems. The distributor rotor is an off-the-shelf item, but the distributor cap has extra-wide segments inside to transfer the long-duration spark current. Both spark timing and duration are controlled by electronic "black box" circuitry, and the system is triggered by electrical impulses from each of the engine's injector nozzles.

Since the speed and power of the engine are controlled by the amount of fuel injected, rather than by a throttle, intake manifold vacuum isn't sufficient to operate a power brake system. A diaphragm-type vacuum pump from an Olds diesel has been mounted on the engine's original mechanical fuel pump boss (below and to the rear of the injection pump) and is operated by an eccentric on the camshaft.

Hanging off the left side of the engine is a simple plenum-type intake manifold and split exhaust headers, the outlets of which eventually join in a single exhaust system. The split exhaust has no special significance for the 292 SC except to avoid a single manifold's tendency to crack from repeated expansion and contraction at high mileages.

Installed in one of UPS' P-600 package cars, the new engine weighs only 50 lbs. more than the standard GM 292-cu. in. gas engine it replaces. Vehicle changes to accommodate the installation were minor, confined to such things as a new throttle cable, new wiring to ignition components, new fuel lines, filters and pump, new exhaust pipe, and the inclusion of certain long-life components such as a heavy-duty air cleaner and silicone rubber hoses.

Since August when the installation was made, UPS has been busy running the 292 SC-powered vehicle side by side with an identical but conventionally powered truck over various courses devised by the company's engineering department to simulate typical stop-and-go package delivery cycles. Increases in fuel economy over the standard engine have varied anywhere from approximately 20 percent during open highway operation to 142 percent at idle.

Idle exhaust emissions have been found to be within New Jersey's and California's current light-duty and Oregon's heavy-duty gas engine standards—without any add-on emission control devices. Noise levels, while slightly higher than the standard gas-powered vehicle, are well within BMCS' maximum for exterior noise, and just on the allowable maximum for interior noise—again with no special countermeasures taken.

A complete rundown of the engine's test record is available in SAE Paper #801429 by J. M. Lewis of UPS and W. T. Tierney of Texaco. Suffice to say, this editor recently participated in a side-by-side test run in which the UPS 292 SC beat the standard powerplant by over 45 percent in miles-per-gallon as measured by fuel consumption counters accurate to a hundredth of a gallon over a 4.7-mile stop-and-go course. Just to make sure this wasn't a fluke, a second run of 3.1 miles' length registered a whopping 53 percent advantage in mpg—favoring the 292 SC.

The new UPS engine is absolutely fascinating. It sounds a little like a diesel, due to the rap of the fuel injection system. But it isn't nearly as loud. It ran smoothly and vibrated less than the standard gas engine in the control vehicle. But that may have been because the gas job was started up from cold. Any difference in power, performance or pickup between the 292 SC and the GM engine on which it is based was virtually undetectable.

UPS plans to have 10 more prototypes built within six months for further development and testing. After that, if all goes well, 500 more will take to the road for fleet-wide evaluation. Eventually, the entire 35,000-vehicle fleet could be converted, but UPS is taking things one step at a time.

The real beauty of the engine isn't so much its flawless success—though that certainly amounts to plenty—but in the apparent potential that lies ahead. Keep in mind the UPS 292 SC is just in the first prototype—and probably a crude one at that. No fine tuning for economy, emissions, noise or performance has really been attempted.

Its most profound significance is that it can make use of just about any liquid fuel, including "contaminated" mixtures of gas and diesel, and the so-called "wide boiling range" cuts that take only half the refinery energy to produce as unleaded gasoline.

The UPS 292 SC—or something very much like it—could be the engine of the future . . . and not just for UPS.

MAYOR GORDON PAQUETTE, BURLINGTON, VT.

Mr. LEAHY. Mr. President, recently Gordon Paquette, mayor of Burlington, Vt., for 10 years, left office. Burlington is my hometown and Mayor Paquette is a close personal friend of mine and my family. Like all Burlingtonians, I admire and appreciate the work he has done during the past decade. Largely because of his efforts, vision and dedication, Burlington is now one of the most desirable cities in the country.

On behalf of my family and myself I want to wish Gordy Paquette and his lovely wife Mary the very best and to express the appreciation of all Burlingtonians and all other Vermonters for his efforts.

I ask unanimous consent to include in the RECORD at this point very appropriate editorial comments made by our hometown paper, the Burlington Free Press, regarding Mayor Paquette. They express the feelings of so many of us.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAYOR KNOWN AS FIGHTER FOR PROGRESS

During his five terms in office, former Mayor Gordon Paquette, who lost his bid for a sixth term to Bernard Sanders in a stunning upset, won a reputation as a champion of progress for the city by supporting projects that would make it more attractive to residents and visitors.

He laid his political career on the line on several occasions to insure that his proposals won voter approval.

His administration spanned a period of mushrooming growth in Chittenden County. He spent much of the time in developing appropriate responses to the boom. That much federal money was poured into the city to assist it in meeting demands for services and facilities is largely due to his finesse in dealing with government agencies.

The development of Burlington Square during his tenure brought a substantial amount of new revenue into city coffers. The complex is the largest taxpayer in the city.

Recognizing the need to revitalize the city's downtown business district to preserve its reputation as the state's major retail shopping center, he threw his weight behind the plan to create the Church Street Marketplace and campaigned hard for approval of a bond issue to make it a reality. During his last year in office, he oversaw the first phase of the pedestrian mall's construction. The remainder of the work is scheduled for completion this year. Once finished, it is expected to add new flavor to downtown shopping.

Paquette was one of the prime movers in the development of the Chittenden County Transportation Authority in 1973 when the Burlington Rapid Transit Co. went out of business in June of that year. He lent the city's moral and financial support to the transit system which provides service to Winooski, South Burlington, Essex Junction, Essex and the city. The authority's buses will serve the Church Street Marketplace when it is completed.

Paquette's administration ran the city efficiently and provided essential services without making heavy demands on the taxpayers. Only this year did Paquette seek a hefty 65-cent hike in the tax rate and the increase, as much as anything else, probably contributed to his defeat at the polls.

His successor will have some rather large shoes to fill when he tries to cope with the

problems that will develop in the next two years.

Even though Paquette may feel humbled by his defeat in the city election at the hands of a newcomer to Burlington politics, he can look back at a record of solid accomplishments during his 10-year tenure with a good deal of satisfaction.

For that, the citizens of the community owe him their thanks.

JUAN TRIPPE, FOUNDER OF PAN AMERICAN WORLD AIRWAYS

Mr. CANNON. Mr. President, I wish to give recognition to the passing of Juan Trippe, founder of Pan American World Airways. He is recognized as the pioneer of over-ocean flying and as the dean of airline executives around the world.

The founder of Pan Am in 1927, Mr. Trippe guided his company for more than four decades until his retirement on May 7, 1968, as chairman and chief executive. He served as honorary chairman and as an active member of the board of directors until his retirement from the board on May 13, 1975.

On October 19, 1927, when Pan Am made its first flight, it had $300,000 in assets and a 90-mile route between Key West, Fla., and Havana, Cuba. At the time of Mr. Trippe's retirement as chairman, Pan Am had assets of more than $1,000,000,000 and a route system of some 80,000 miles linking the United States with some 85 lands on 6 continents.

In addition to scheduled commercial services, the corporation Mr. Trippe organized now operates an international chain of hotels, is the prime contractor to the Air Force at Cape Kennedy and the down-range tracking stations, markets aircraft for business and private use, and provides essential airlift in support of U.S. Government commitments throughout the world. Under Mr. Trippe's direction Pan Am was the first airline to fly across the Pacific, was first across the Atlantic, first to order and fly American-made jets, and first to order the Boeing 747.

He has been decorated by more foreign governments than any other private American citizen. His career has been marked by continuing efforts to bring air travel within the means of the average man.

Mr. Trippe organized Pan American Airways in March 1927, and America's first international air carrier was born. Even while corporate details were being worked out, Pan Am was awarded the United States as well as the Cuban airmail contract between Havana and Key West, Fla. Mr. Trippe had already assembled a staff and had purchased two Fokker trimotor land planes. He met deadlines, launching the 90-mile flight from Key West to Havana on schedule on October 28. Within a year the fledgling airline, now with 118 employees and 5 aircraft, began to expand its routes southward, pushing across the Caribbean to South America. The step-by-step development of an airways network through Latin America was underway.

On November 22, 1935, Mr. Trippe saw his plans to conquer the oceans begin to assume reality when Pan Am's Martin M–130 flying boat, the *China Clipper,* rose from San Francisco Bay, and proceeded to Hawaii. From there it continued on an island-hopping route to the Philippines.

When war broke out in Europe, the character of Pan Am's transatlantic operation changed. The clippers now were filled with important diplomatic and military passengers and high-priority cargo.

From the moment of the attack on Pearl Harbor, Pan Am went on a war footing, abandoning temporarily plans for commercial expansion. The airline helped train military crews in long-range flight. Its bases were put at the disposal of the Armed Forces and its aircraft were operated for the military. Special air services across both the Atlantic and Pacific were established to supply the fighting fronts. When peace returned, the company resumed its route development and on June 17, 1947, another long-range Trippe plan reached fruition when Pan Am opened the first scheduled round-the-world service.

We all owe a debt of gratitude to this able man and I am sure my colleagues join me in mourning his passing.

TRIBUTE TO W. GORDON LEITH, A FARMER COOPERATIVE LEADER

Mr. DOLE. Mr. President, I pay tribute today to one of the truly gifted farmer cooperative leaders of recent decades. I refer to W. Gordon Leith, corporate vice president and secretary of Farmland Industries, who retires on June 8 after more than 30 years of service to that organization and a lifetime commitment to the farm cooperative movement. It has been a pleasure and honor to know Gordon personally and to follow his many accomplishments.

Gordon has provided wise counsel to Farmland's four presidents and helped make it the largest farmer cooperative in the country. His thorough knowledge of business practices is matched by a keen understanding of and strong commitment to the principles of cooperation.

He is unbending in his conviction that farmer cooperatives can survive and grow only if they remain true to these principles, a message that he has articulated not only within the farmland system but throughout the farmer cooperative community. In the process, Gordon has developed a national and international reputation as one of the few great cooperative philosophers of the day. The cooperative movement has been enriched by his vision, his energy and his commitment.

Mr. President, the farm community will lose a truly great cooperative thinker when Gordon Leith retires on June 8. Those of us who represent U.S. agriculture in Washington salute his leadership and wish him the best in the years ahead.

AVIATION TECHNOLOGY NEEDS

Mr. CANNON. Mr. President, on February 17, 1981, the day before the administration presented its fiscal year 1982 budget plan, I summarized in detail my view of the urgency for renewed support of NASA's aviation research and technology development programs in order to check the recent decline in our aviation industry's world leadership.

You will recall that my motivation was not based upon lost prestige for our Nation. Rather it was based upon future lost jobs for our people—hundreds of thousands at stake. It was based upon future lost contribution to our net trade balance—billions of annual dollars at stake.

It was based upon future flight of airline capital abroad for purchase of foreign large transport aircraft, rotorcraft, commuter aircraft—billions of dollars at stake.

No, Mr. President, it is not a chauvinistic clamor for retention of world leadership in aviation that drives me.

Rather it is the duty of any of us who can understand the factors that determine the soundness of our economy to stand up in support of those national investments which are necessary to that strong economy which always has been, and I hope always will be, the foundation for our Nation's standard and quality of life.

Subsequently to my address on February 17, two very opposite developments occurred and are continuing. For one thing the new administration has proposed a national budget for fiscal year 1982 which provides a 9-percent increase over the fiscal year 1981 budget while containing a 4-percent decrease in current dollars for aeronautics programs.

This is about a 14-percent real decrease in level of effort. To do this to vital research activities underlying the one industry which has provided the largest net contribution of any sector of our economy to our trade balance, about $13 billion in 1980, which alone accounts for about half a million employees in every State of the Union, constitutes a questionable judgment.

Mr. President, the other development since my address of February 17 has been the breadth of response from the many leaders of industry who are foursquare behind my plea that this Congress and this Government provide the research and technology development investment that yields such vast benefits to our economy. Let me extract and quote a few representative remarks, and with your consent, include those complete responses in the RECORD.

From Harry J. Gray, chairman of United Technologies:

The aeronautics industry, indeed, is a significant contributor to U.S. well-being. Continued leadership is essential both economically and militarily. I view with concern the rising challenge from Europe and Japan. I am confident of our ability to prevail in a fair competition, but it seems that others can twist the rules to suit their convenience. Certainly, lack of a consistent, coordinated U.S. policy has hamstrung our efforts.

From Ed Cortright, president, Lockheed-California Co.:

I am reasonably familiar with the government/industry teamwork, which has characterized U.S. leadership in aviation since the Wright Brothers. There is no doubt in my mind that this teamwork must continue if

we are to retain the many benefits which have accrued to our nation over the years from our leadership in aviation. As strong as our industry is, it is not prepared to assume responsibility for the vast amount of research carried out under government sponsorship within the magnificently equipped government laboratories.

From Brian H. Rowe, senior vice president and group executive, General Electric:

Such a massive change in the NASA aeronautical propulsion program may disrupt some of the important work in advanced aeronautical technology. I am concerned that a continuing change in the government role in support of advanced aeronautical technology may lead to a weakening of the competitiveness of the U.S. aircraft engine industry in the future.

From Arthur J. Burrows, vice president, Avco Corp.:

Unless something is done to assist the "private-profit" aerospace industry of the United States in a manner comparable to the way the rest of the world assists their aerospace industry, it is difficult to see how we can continue to survive.

From Lionel D. Alford, president, Boeing Military Airplane Co.:

There is no question but that we face an increasing competitive environment from foreign companies backed by government financing. The only way for companies in the United States to maintain leadership is to lead in new technology; and as you have stated, that means investments both by the companies and our Government.

From Chester A. Rembleske, vice president engineering, Beech Aircraft Corp.:

There is no doubt that foreign competition is rapidly closing the technological advantage that the U.S. has held since the very beginning of the aviation industry.

From R. A. Fuhrman, Lockheed Missiles and Space Co., Inc.:

First, I concur wholeheartedly with your view that it would be tragic for the United States to lose its long standing preeminence in the commercial aircraft market. Your Senate talk ably reviews the importance of the industry to our national economy and our international trade. I also agree that a soundly conceived, well-executed program of research and development is necessary to the maintenance of our leadership.

From Allen E. Puckett, chairman, Hughes Aircraft Co.:

However, it is also true that the aeronautical component of NASA's budget has decreased in priority over the years while space activities have received most of the attention. I might hope that in the present process of budget scrubbing it will be possible to re-examine the aeronautical content of the NASA budget and to recognize its very direct contribution to the economic health of the country.

From John B. Jackson, president, Federal Systems Division, IBM:

We must foster an environment which encourages innovation and technical excellence by U.S. companies. That in turn will allow us to start to overcome our balance of trade and balance of payments problems.

From John C. Brizendine, president, Douglas Aircraft Co.:

Inadequate funding of aeronautics research and development has damaged our ability to attain national objectives of greater productivity, true economic growth, and improved international competitive posture.

From Paul G. Schloemer, group president, Parker Hannifin Corp.:

Aeronautics is one of the few remaining areas where our nation has a leadership position. I am personally convinced that continuing the policies of recent years will lead to further deterioration of our industry's position vis a vis foreign competition.

From I.G. Hedrick, presidential assistant for corporate technology, Grumman Aerospace Corp.:

The aircraft industry and our position of world leadership in it is one of our country's most valuable assets and should be jealously guarded. It is one of the few remaining areas where a U.S. product is considered, worldwide, to be the best—in performance, in quality, and in competitive costs.

From John J. Casey, chairman, Braniff International:

Unquestionably, your analogy as to the potential of our industry taking the same path as the United States automobile industry . . . is indeed one that cuts to the very heart of our existence. It is mandatory we initiate all necessary programs to ensure our country's dominance during these crucial economic conditions.

From Robert B. Ormsby, president, Lockheed-Georgia Co.:

There are three NASA programs, in particular, which the Lockheed-Georgia Company wishes to see accelerated and which I would like to bring to your attention. These are: the propfan development program, the advanced composite materials development effort, and the fundamental research activity in the NASA laboratories.

Mr. President, I find it both perplexing and troublesome that so many leaders of industry see the clear economic value of increased Government investment in aeronautics technology for the national economy, while an administration elected to strengthen that economy proposes instead to weaken an industry which is contributing so much to our economy. I sincerely hope that describes nothing more serious than a temporary lapse of good judgment.

And I hope further, Mr. President, that my colleagues will join with me to correct that lapse. This will require my colleagues' support on the Budget Committee, the Appropriations Committee, and on the floor of this Chamber for the NASA fiscal year 1982 budget level already proposed by the Commerce Committee under the able direction by my valued colleague, Chairman BOB PACKWOOD, coupled with the keen insight of Senator JACK SCHMITT, chairman of the Subcommittee on Science, Technology, and Space.

INTERNATIONAL TERRORISM ACTIVITIES FOSTERED BY THE SOVIET UNION

Mr. THURMOND. Mr. President, there is now extensive evidence that the Soviet Union and two of its chief surrogates—Cuba and the Palestinians—have provided the majority of the weapons, training programs, and sanctuary for a worldwide terror network aimed at the destabilization of Western society. This situation is spelled out in detail in "The Terror Network," a new book by Claire Sterling to be published in April by Reader's Digest Press/Holt, Rinehart, and Winston.

An article adapted from Miss Sterling's book appeared in the New York Times magazine on March 1, 1981.

Mr. President, I will briefly summarize this article to bring it to the attention of my colleagues in the Senate.

Miss Sterling reminds us that terrorists use violence not to punish their victims, but to intimidate their audience; to impose their political will on others by force when they cannot do it by democratic means. Leftwing terrorism is not built upon authentic revolutionary goals of justice and equity for the working class. Rather, it seeks everywhere to dismantle free societies, forcing constitutional governments to behave like police states.

There is a multitude of disparate terrorist groups operating throughout the world today, Mr. President. All are indigenous to their countries, and all began as offshoots of relatively nonviolent movements that promote certain political, economic, religious or ethnic principles. But now more than 140 such terrorist bands from 50-odd countries on 4 continents are linked together in a conspiratorial network, assisting one another and receiving indispensable aid from the Soviet Union and its proxy states.

The heart of the Soviet strategy is to provide this terrorist network with the goods and services necessary to undermine the industrialized democracies of the West—especially the United States of America.

Thus we find, Mr. President, that this network is now, in large measure, made up of men and women superbly trained in such countries as Cuba, Lebanon, or Hungary. They move about the world, armed to the teeth with modern Soviet weapons. Just recently, the State Department charged that the Russians and the Moscow-backed government in Afghanistan had provided the hijackers of a Pakistani airliner with additional weapons and had interfered with negotiations for release of the hostages.

Further, it should not go unnoticed that none of the major terrorist attacks have been directed against the Soviet Union or any of its satellites or client states.

What can be done about this, Mr. President? Governments under siege can directly confront the Soviet Union, Cuba and the Palestinians, using the weapons of diplomacy and trade, to halt the transfer of terrorist goods and services, as we are doing in El Salvador.

They can mobilize world opinion against the network, as Secretary of State Alexander M. Haig, Jr. did in his first news conference in office, and raise the issue in the United Nations and other international forums. Given the dimensions of the problem, it seems unlikely that the West and the Soviet Union can settle any other issues between them as long as world terrorism goes unchecked.

Mr. President, I ask unanimous consent that the text of Miss Sterling's article, entitled Terrorism: "Tracing the International Network," which appeared in the March 1, 1981 issue of The New York Times Magazine, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TERRORISM: TRACING THE INTERNATIONAL NETWORK

(By Claire Sterling)

Four well-groomed men bearing sawed-off shotguns approach a car on a busy street in Milan; bullets rip through the body of the passenger, chief of one of the city's largest hospitals. The Red Brigades, the nation's most-feared terrorist group, claims responsibility. In Northern Ireland, a band of armed men uses explosives to blast its way into the castle of Sir Norman Stronge, an 86-year-old Protestant leader and long time speaker of Northern Ireland's Parliament; the bodies of Sir Norman and his son, James, 48 years old, are found later, bullets through their heads, and guerrillas of the Irish Republican Army (I.R.A.) say it was their work.

Such incidents—these two within the last few weeks—are the stuff of everyday headlines. But last month, at his first news conference as Secretary of State, Alexander M. Haig, Jr., made them the focus of diplomatic confrontation. He warned that international terrorism had become "rampant," and he charged the Soviet Union with consciously seeking to "foster, support and expand" terrorist activities around the world. Specifically, he accused Moscow of "training, funding and equipping" those who kill for political profit.

The reaction to Secretary Haig's charges was in many ways predictable. The Soviet Union called such talk "a gross and malicious deception" and insisted that the "control center of international terrorism" was, in fact, the Central Intelligence Agency headquarters in Langley, Va. Journalists who interviewed Government intelligence experts—including some C.I.A. aides—quoted officials to the effect that there was no hard evidence to support Mr. Haig's accusations. And many Americans shook their heads despairingly at what sounded to them like nothing more than an old cold warrior's refrain, a broadside political attack against a safe and familiar target.

Until a few years ago, I might have been among those head-shakers. Generations of Americans, raised on Depression fare, find it hard to shake off a belief in the aspirations of the political left. But I have spent the last two and a half years researching leftist terrorist groups, talking to government officials and police in 10 countries from Sweden to Lebanon, examining court records and interviews in the public prints. I now know better. There is massive proof that the Soviet Union and its surrogates, over the last decade, have provided the weapons, training and sanctuary for a worldwide terror network aimed at the destabilization of Western democratic society.

The network, as described by dozens of captured terrorists and volumes of courtroom testimony, consists of a multitude of disparate terrorist groups, helping out one another and receiving indispensable aid from not altogether disinterested outsiders.

A few years ago, the C.I.A. reported that more than 140 such terrorist bands from 50-odd countries on four continents were linked in one way or another.

One example: On July 26, 1974, a customs inspector at the Orly airport in Paris discovered that Yutaka Furuya, a passenger on a flight from Beirut was carrying several forged passports, $10,000 in counterfeit money and papers tying him to the Japanese Red Army terrorist group. It turned out he was on his way from a Palestinian base in Lebanon to kidnap a wealthy Japanese businessman in West Germany, and that he was to have logistic support from the German Red Army Faction.

After his arrest, fellow Japanese terrorists occupied the French Embassy in The Hague and demanded Furuya's release. They used explosives stolen by a Swiss anarchist group from a military depot in Zurich, and they were directed by Carlos the Jackal, a Venezuelan who was running terrorist operations in Europe from George Habash's Popular Front for the Liberation of Palestine.

Such connections within the terrorist network have long been evident. What is now beginning to emerge is the degree to which the links in this network have been purposefully forged—and continue to be maintained—by the Soviet Union and its two chief proxies in this regard, Cuba and the Palestinians.

Not until Secretary Haig's charges, and a similar statement a day earlier by the President of Italy, Alessandro Petrini, had any Western government publicly accused Moscow of a major role in fostering the network. Most of the governments under siege are still reluctant to do so. They are unwilling to risk their relationship with Moscow—or with the oil-rich nations supporting the Palestinian connections of the network. They also seem to want conclusive proof that the Soviet Union has created and is the phantom mastermind of these terrorist bands.

It's not that simple. Such direct control of the terrorist groups was never the Soviet intention. All are indigenous to their countries. All began as offshoots of relatively nonviolent movements that expressed particular political, economic, religious or ethnic grievances.

Moreover, some of the support Moscow hands out in the third world goes to anticolonial groups that are militant but not terrorist. Time and again, however, authentic left-wing liberation movements slip over the line from organized resistance to terrorist violence. That line is hard to define, as is the very concept of terrorism itself. Lenin's definition—"the purpose of terror is to terrorize"—is a useful beginning. The terrorist uses violence not to punish the victim but to intimidate the audience, to impose his political will by force when he cannot achieve it by democratic means.

The heart of the Russians' strategy is to provide the terrorist network with the goods and services necessary to undermine the industrialized democracies of the West. More than half of the international terrorist attacks since 1968, according to the C.I.A., have taken place in Western Europe and North America. The most deadly have come in a strategic crescent from Turkey westward through Italy and up to Ireland. And, as Italy's Red Brigades have made clear, the ultimate objective is "the supreme symbol of multinational imperialism," the United States.

It is not happenstance that none of the major terrorist attacks have been directed against the Soviet Union or any of its satellites or client states.

Some terrorist bands have suffered their share of setbacks in the last year or two. In Turkey, for example, "The Anarchy"—the warfare between left and right terrorists that accounted for 4,000 deaths in 1980—has almost ground to a halt since the new military regime took over. More than 21,000 alleged terrorists, more or less evenly split between left and right, have been jailed. In Spain, estimates of the number of hardcore Basque terrorists in Eurkad ta Askatasuna (E.T.A.) remain at between 100 and 200, but there have been signs of public disenchantment. Early last month, the murder of a nuclear engineer led to widespread antiterrorist protests; a few days later, however, the demonstrations turned in E.T.A.'s favor after a suspected terrorist died while being held by the police.

Still, it is dangerous to draw conclusions from apparent symptoms of weakness in the terrorist network. Public knowledge of the workings of a particular terrorist band usually comes from one that is in trouble, whose members have been arrested and are talking. Moreover, some terrorist groups have flourished during these same years; the Provisional I.R.A., for example, has been able to maintain between 200 and 250 fully armed members in spite of the growing war-weariness within its Roman Catholic constituency.

The network, with Moscow's aid, has come a long way in the last decade. Once dependent upon large numbers of ill-equipped amateurs untrained in modern guerrilla tactics, the network is now in large measure made up on professionals, superbly trained, moving about the world in yachts and helicopters, flush with money picked up in multi-million-dollar kidnappings and bank robberies, armed with walkie-talkies, electronic eavesdropping devices—and even heat-seeking, ground-to-air Strela missiles. They have strings of safe houses at home and established gateway routes to assured sanctuaries abroad. It takes only a handful of them to paralyze a nation.

The roots of the terrorist network can be traced directly to the Tricontinental Congress held in Havana in January 1966. More than 500 delegates passed resolutions emphasizing the need for close collaboration between "socialist countries"—i.e., the Soviet Union and its satellities—and "national liberation movements." Significantly, resolutions covered not only third-world groups but also "democratic workers and student movements" of Western Europe and North America. The delegates' purpose, they said, was to devise "a global revolutionary strategy to counter the global strategy of American imperialism."

It was, unmistakably, a call for a Guerrilla International. And the call was heeded. Ten months later, a new cluster of more than a dozen training camps for guerrilla fighters from all over the world was opened in Cuba. The man in charge was Col. Vadim Kotchergin of the K.G.B. It was the first major move by the Soviet Union in the emergence of the Guerrilla International.

To be sure, Fidel Castro had been operating his own schools for guerrillas since 1961, starting with recruits from Latin America and Africa. By 1964, Palestinians and Europeans had jointed the ranks. But the addition of Colonel Kotchergin's camps added a new dimension. The men who were trained in these camps provided the first generation of leadership for the terrorist decade to come.

The stage was set in 1968, that amazing year when, from Berkeley to Tokyo, a generation born after the last great war declared its own war on society in a brief but stunning show of strength. The whole planet seemed to be lurching leftward toward revolution. Then, it was over, and the vast majority who had lived through the experience left it behind. But many of those with a true vocation for revolutionary violence had found one another.

These beginners knew nothing of the terrorist trade; they lacked money, weapons, fast getaway routes and safe havens abroad. We will never know how far they might have gone on their own, because they were never really left on their own. By 1970, any aspiring terrorist band could count on Cuba or the Palestinian resistance.

The revolutionary decade of the 1960's had been focused in Latin America as Fidel Castro preached his gospel of spontaneous,

popular revolution. But that vision had faded as the Soviet presence in Cuba increased, and now the fulcrum of revolution had moved to the Middle East.

The Palestinians now had their own camps for foreigners. Starting in Syria, Lebanon and Jordan, they spread over the decade to South Yemen and then down into Moscow's new African client states, Angola and Mozambique. The Palestinians also set up such camps in Algeria and in Libya, with the help of Libyan money and literally billions of dollars' worth of Soviet armament. Cubans taught in most of these camps, East Germans in many, North Koreans in some.

It was in South Yemen, however—by then a Soviet satellite state tightly controlled by the K.G.B.—that a kind of postgraduate school in international terrorism emerged. The list of foreign guests in the camps around Aden included members of West Germany's Baader-Meinhof gang, Italy's Red Brigades, the Basque E.T.A., the Provisional I.R.A., the Japanese Red Army, the Tupamaros of Uruguay and the Turkish and Iranian undergrounds.

For most of them, the hosts were George Habash and his military commander, Wadi Haddad, of the Marxist Popular Front for the Liberation of Palestine. It was this group, more than any other among the half-dozen in the Palestine resistance, that was most committed to internationalizing the struggle with Israel. The group's strategy; to develop a multinational terrorist hit team that would force their cause upon the world's attention. One early operation, carried out jointly with El Fatah through Black September, was the massacre at the Olympic Games in Munich in 1972. Soon, however, the Habash-Haddad front, operating out of Aden, went its own way. Among its missions: The raid on a meeting in Vienna of the Organization of Petroleum Exporting Countries in December 1975 in which 11 Arab oil ministers were taken hostage; the occupation of the French Embassy in the Netherlands in September 1975; the destruction of the West German Embassy in Stockholm in February 1976; the hijacking of a French plane to Entebbe in June 1976 and of a Lufthansa plane to Mogadishu in Somalia in October 1977,

A second major watershed in Moscow's support of the terrorist network came after the October War of 1973. For the first time, the Arab military performance was impressive enough to persuade leaders such as the P.L.O.'s Yasir Arafat that there was some chance of a diplomatic road to peace. The most intransigent foes of a negotiated settlement with Israel reacted by forming the Palestine Rejection Front. And the Soviet Union, committed to an anti-Israel policy, began to lavish ever greater financial and logistical support on the rejectionists.

The Cubans started arriving in large numbers to train guerrillas in the Middle East. At the same time, Moscow organized extensive military and guerrilla courses for the Palestinians—in the Soviet Union and in East Germany, Czechoslovakia, Hungary and Bulgaria. By 1977 more than 50 such courses a year were running in the Soviet bloc, 40 of them within the Soviet Union itself, involving thousands of guerrilla cadets. In addition, all the Palestinian guerrilla formations—totaling more than 16,000 men—are today wholly armed with Soviet bloc weapons.

Throughout this period, the Russians insisted that such support of the Palestinian cause was simply a matter of supporting an indigenous liberation movement; they have denied any connection between the support and any international terrorist activities. In reality, however, there has been a straight transfer of terrorist skills and equipment from Moscow to the Palestine resistance to the terrorists of Europe and beyond, with the knowledge and assistance of the Russians themselves.

Soviet-bloc arms were being shipped from Eastern Europe to the Middle East, then transshipped to Western European terrorists through a Bulgarian staging post or via Libya. (The imprisoned co-founder of Italy's Front Line, Fabrizio Giai, said: "Never—never!—could the Palestinians have delivered Kalashnikovs and other Soviet-bloc weapons to us or anybody else without the Soviet Union's permission.") And privileged sanctuaries for German, Spanish and Italian terrorists were sprouting up all over Eastern Europe. Four German terrorists wanted for the 1977 kidnapping and murder of the industrialist Hanns-Martin Schleyer, for example, were tracked down by West German detectives taking sunbaths on a beach in Bulgaria. Top Italian terrorists were practically commuting to Prague. And the movement of personnel and tactics between and among the Russians, the Palestinians and the individual national terrorist groups was growing ever greater and more sophisticated.

The record of Soviet involvement with the terrorist network is clear, as in the case histories of the three target nations cited below.

TURKEY

Masked gunmen burst into cafes. "Are you rightist or leftist?" they would demand, and then slaughter one side or the other—or both. Anybody sitting at a ground-floor window, watching television, became fair game for the terrorists. Entire cities took sides: Erzurum, near Turkey's border with Iran, was rightist; Kars, on the Russian border, was leftist. One dared not journey from one to the other.

In 1977, 250 political murders were committed in Turkey; in 1979, the number reached 1,500; last year it climbed above 4,000—the world's worst case of raging terrorist warfare. Not until the army took over power last summer and started its massive arrests of suspected terrorists did the bloodshed begin to diminish.

There were a host of logical reasons for the violence in Turkey. A closed, medieval Islamic society had been suddenly transformed by Kemal Ataturk's post-World War I revolution, swept into the modern age, but political corruption had rotted the beginnings of parliamentary government. Endemic poverty and a 50 percent youth unemployment had stirred textbook urban unrest. Leftist revolutionary groups appeared. But the explanation for the burst of terrorism in Turkey is to be found elsewhere: in the Soviet Union.

Vladimir N. Sakharov used to work for the K.G.B.'s Department VIII, which encompasses the Arab states, Afghanistan, Iran, Yugoslavia, Albania, Greece and Turkey. When he defected in 1971, he told American interrogators about three major Soviet missions in his zone. They were:

1. To sabotage Saudi Arabia's oil fields and, if possible, dislodge its pro-Western monarchy.

2. To build terrorist cells in the Arab oil sheikdoms around Kuwait and the Persian Gulf, offering scholarships and guerrilla training in the Soviet Union.

3. To mount—as reported in John Barron's book "KGB"—a "brutal campaign of urban terrorism, kidnapping and assassination against Turkey."

Generally speaking, Turkey has rated little public attention in the Western world. Yet it is a land mass of enormous importance, the North Atlantic Treaty Organization member charged with defending the eastern entrance to the Mediterranean; its strategic importance to the West has increased dramatically since the fall of the Shah in Iran. Turkey has been coveted by the Russians since the days of the first czars.

According to Sakharov, the latest expression of that desire began in the early 1960's when the K.G.B. began recruiting promising young left-wing Turks for a terrorist movement. They were eventually shipped secretly to Syria for guerrilla training, with the arrangements made by two K.G.B. agents working out of the Soviet Embassy in Damascus. Turkey's terrorist cadets soon were enrolled in other Palestinian camps, from Lebanon and Jordan to South Yemen, and taken in hand by Habash and Haddad. By 1970, a group of them had already been caught by police in the act of mounting a terrorist hit. Time and again in the years that followed, Turkish graduates of Palestinian camps—Russian-supervised or located in Russian-run South Yemen—were picked up as they made their way back home, loaded down with Soviet-bloc weapons.

For the most part, these newly trained terrorists joined a sprawling youth group called Dev Gene and its military arm, the Turkish Peoples Liberation Army. Its bombings, shootings, holdups, kidnappings and killings of police brought about the declaration of martial law in 1971. Two years later, the Turkish Army kept its word and held free elections. Meanwhile, the Liberation Army and its smaller associates in the left-wing underground had dug deeper, built up enormous new arsenals of Soviet-bloc weapons (40,000 guns were seized by police over the next four years) and tightened its ties with the Habash-Haddad front.

The Palestinians, too, had worked assiduously under martial law to build up terrorist cadres in Turkey. As their noted hijacker Leila Khaled proudly announced to the Istanbul daily Hurryet on May 26, 1971, Habash's Popular Front for the Liberation of Palestine (P.F.L.P.) was "sending instructors to Turkey in order to train Turkish youth in urban guerrilla fighting, kidnappings, plane hijackings and other matters . . . in view of the fact that it is more difficult than in the past for the Turks to go and train in P.F.L.P. camps abroad." The P.F.L.P. "has trained most of the detained Turkish underground members," she added.

Eventually the leftist terrorists of Turkey came to be splintered among dozens of Marxist revolutionary bands. But rightist terrorism has a clearer profile. It belongs to Col. Arpasian Turkes, whose Paramilitary Idealists are also known as the "Gray Wolves"—they howl when their leader appears before them. The colonel was a late starter in political terrorism, depending initially on a neo-Nazi party. By the time he turned his Gray Wolf terrorists loose in the early 1970's, he could justifiably claim to be responding to Communist provocation. The terrorists left-wing retaliated, and the two-way kill rate rose inexorably. Right-wing military officers supplied weapons to right-wing killers, while the Soviet Union accelerated shipments to the leftists. Huge consignments of Soviet-bloc arms were smuggled in from Bulgaria, trucked overland or shipped by sea. On June 3, 1977, Turkey's security officers stopped the Greek cargo vessel Vasoula in the Bosporus, coming from Varna, Bulgaria. She was carrying 67 tons of armaments, much of it earmarked for the left-wing underground in Turkey. The Turkish Government's protest to Bulgaria got nowhere.

Late in 1978, martial law was imposed again, but the level of violence continued to soar. The terrorism was producing a corpse an hour when the army once again took over the nation last summer. As was true in its earlier interventions in 1960 and 1971, the armed forces said they were seeking to rescue, rather than replace, a democratic order under siege. They kept their promise those

times, restoring civilian rule, and most observers are reasonably sure they will do so again. Meanwhile, the terrorist kill rate has dropped from one an hour to one a week.

NORTHERN IRELAND

When Northern Ireland's shooting war started in 1969, the Protestants had all the guns. The Roman Catholic Provisionals had nothing but a few moldering weapons left from the I.R.A.'s storied battle for freedom, about half a century before. They had to rely at first on American weapons—trickling in, three or four at a time, in the false bottoms of suitcases—and on American dollars.

The millions of Irish Americans who bankrolled the Provos thought they were supporting a continuation of the conflict that ended in 1922 with Ireland's winning its independence from Great Britain. The Protestant majority in the six Northern counties still under British control had been freezing Roman Catholics—many of them wretchedly poor—out of jobs, housing and public life. The I.R.A. presented itself as engaged in an open and aboveboard war against religious persecution: a war to reunite the North with the South.

In fact, as the Provisional I.R.A.'s newspaper, An Phoblacht, has made clear, it was and remains a war "to demolish the colonial regime in the Northern war zone and the Quisling regime in the Free State of Ireland"—in other words, a war against both North and South. It was also a war to "educate the workers to destabilize capitalism and international imperialism," as the Provos told Controinformazione, the house organ of Italy's Red Brigades.

The I.R.A. has come a long way since its early days of dependence upon the United States. Fund raising is mostly done at home nowadays, by means of protection packets, brothels, massage parlors and bank stickups. And the incoming hardware is largely Soviet made. It took only a few years to make the transformation with the help of the international terror network.

The first definitive signal the Provos received that their weapons shortage might be ending came in the autumn of 1971. An unknown man, using the all purpose name of "Mr. Freeman," dropped by to say that 4.5 tons of modern arms made in Czechoslovakia might be available. Maria McGuire, who wrote a book about life among the Provos, later reported that one of their leaders, David O'Connell, wandered on the Continent from Paris to Berne to Amsterdam to make the connection, "followed by the Czech and Soviet secret police." Then he made contact with Omnipol, an arms factory in Prague run by the Czech security police, who in turn had been tightly controlled by the K.G.B. since the 1968 Soviet invasion. O'Connell eventually did order 4.5 tons of bazookas, rocket launchers, hand grenades and the like, but the 166 crates were intercepted by police in Amsterdam. While the Provos were shattered by the loss of their first big arms consignment, their source was assured from that point on.

By then, the I.R.A. was getting to be a focus of worldwide revolutionary interest second only to the Palestinian resistance. The first I.R.A. contingents were dispatched to Jordanian guerilla camps in 1969 and were soon drawn into George Habash's inner circle. In October 1971, Provo leaders were guests of honor in Florence at the historic conference that started Europe's Guerrilla International.

Assembled by Giangiacomo Feltrinelli, the radical Italian millionnaire publisher, and the ultra-left Potere Operaio (Workers Power), delegates from 14 countries agreed to coordinate international terrorist plans. It was, according to British and Irish Government sources, an unprecedented and dangerous development.

The keynote address, on the Palestinian resistance, was given by Italy's radical Marxist thinker, Antonio Negri. The delegates then spent a full day listening to the I.R.A.'s Seamus Costello as he analyzed the experience of Europe's oldest guerrilla army. Arrangements were made at the meeting to smuggle weapons in heavy trailer trucks across the Continent to the I.R.A.

In May 1972, I.R.A. leaders sat in at the first international terrorist summit, organized by George Habash in Baddawl, Lebanon. And two months later, in Paris, Habash's Palestinian Front and the armed bands of 12 other nationalities signed a formal "Declaration of Support" for the Provisional I.R.A. Fifty Provos were selected for advanced guerrilla training in Lebanon. Before long, there was a steady flow of I.R.A. men to South Yemen for work with Wadi Haddad. There, on the shooting range, in Haddad's private movie house at camp, they mingled with the men at the top.

The connection began to pay off at once. During 1972, the Habash-Haddad front held a series of secret meetings in Dublin, organizing the multinational terrorist team that would operate under Carlos the Jackal. When a million dollars' worth of weapons were divided up among them, the Provisionals got the lion's share. Soon, Carlos himself was taking the trouble to procure explosives for the Provos from an anarchist weapons supply in Zurich. Italy's Red Brigades hailed the I.R.A. as "an unrenounceable point of reference for generalized warfare of the European continent." The operational plans of Cuban intelligence for 1972 stipulated that "Cuba would train the I.R.A. in terror and guerrilla warfare tactics." Col. Mummar el-Quaddafi of Libya offered "arms and support for the revolutionaries of Ireland." Within a year the cargo vessel Claudia steamed out of Tripoli toward the coast of Ireland bearing 250 Kalashnikov rifles and other weapons—five tons of the very best Soviet bloc hardware—for the I.R.A. It was seized by the Irish Navy.

By 1976, the Provos were training in Libyan guerrilla camps, as they were still doing last year. Eyewitnesses have reported their presence at such sites as Tokra, northeast of Benghazi, where Cuban instructors offer the world's most advanced courses in sabotage, and at Camp Az-Zauiah studying weaponry, explosives, sabotage and psychological warfare with guerrillas from West Germany, Spain, Greece and Brittany.

Every move to arm and train the I.R.A. has pushed it further toward its ultraleft benefactors, who see Northern Ireland as a prized battleground. Civil war in the six counties puts great strains on the United Kingdom, which is interlocked with the entire Western structure of trade, industry, banking and military alliances. No wonder that the Soviet Union, as early as 1972, was sponsoring a worldwide campaign "against British repression in Ireland," piloted by hoary front groups like the International Union of Students, the World Federation of Democratic Youths and the World Peace Council.

All this has brought Northern Ireland closer than any other country in the West to the kind of conflict that Marxist revolutionaries call a civil war of long duration. And the Provos show no signs of wanting to reach a political settlement.

Like the most extreme of their Protestant counterparts, they have consistently blocked every possible peaceful solution. In 1973 they helped kill off a power-sharing plan in a new Northern Ireland Assembly by planting 48,000 pounds of explosives. "We see no future in power-sharing," they said. Later in 1973 they helped consign the promising Sunningdale agreement to oblivion by breaking their own cease-fire—the last they would ever agree to—after just three weeks. "There is absolutely no question of another cease-fire or truce," they later declared. In the summer of 1979, they killed off the best proposition yet for a federated Ireland, "the Fitzgerald plan," by blowing up Lord Mountbatten on his fishing boat.

The Fitzgerald plan was "unacceptable" they said flatly, a week after Mountbatten's death. Their spokesman was Ruairi O'Bradaigh, an I.R.A. man of 30 years' standing and president of their lawful political arm, the Provisional Sinn Fein. "We do not want a confederation of the South with the North," he declared. "Nor do we want an independent Ulster. We want a general dismantling of the existing establishments in the Irish Republic and Ulster both."

What then does the Provisional I.R.A. have in mind for its own version of a free and united Ireland? "We want a Democratic Socialist Republic," replied O'Bradaigh, something "third-worldish," a bit like "Allende's Chile," flavored with thoughts from Colonel Qaddafi's "Green Book," "similar to Communism but not exactly like it"; Marxist in analysis, if not necessarily in practice, designed to "nationalize industries, control the means of production and distribution and take over agriculture under state-run cooperatives"; emphatically "not German Social Democracy" and not quite a dictatorship of the proletariat either, but almost. "We could not risk having parties around who want to bring colonialism back. There would have to be a reckoning with them."

Meanwhile, as the Provos keep saying, the 12-year-old war must go on. By late 1978, the Roman Catholic Bishop of Londonderry observed: "The Catholic community, like the whole community in the North, is sick and tired of the Provisional I.R.A." But it is doubtful whether the Provos take much notice. They do not really require to be loved. They never did need more than a few hundred professional guerrillas to hold down a British army 30 or 40 times their size. So long as they can count on the international terror network for hardware and sanctuary, their civil war can probably last in perpetuity.

ITALY

In May 1975, Carlo Fioroni, a 31-year-old Italian high-school teacher, was arrested in Switzerland while attempting to change $100,000 of Italian ransom money into Swiss francs. Back in Italy, Fioroni was convicted and imprisoned for his role in the terrorist kidnapping and murder of his closest friend. Four years later, from his prison cell, he provided the public with its first authentic look inside the Italian terrorist movement.

During that same year, 1979, a judge in Padua offered his prognosis of the nation's political health: "It seemed to me that . . . a tragic moment was approaching for the community—insurrection and civil war." There was a terrorist attack somewhere in the country once every three hours.

Fioroni described a complex political-paramilitary structure that was Europe's most sophisticated model of modern revolutionary warfare. His revelations sent shock waves through the nation.

Throughout the decade, Italians had been sure that their terrorist affliction was a native cancer, free of foreign influence. To be sure, Italy lacked the religious confrontation that had ignited Ireland or the ethnic hatred that had fired Basque terrorism. But, as expert analysts pointed out, it did offer causes enough for the outbreak: The nation had been relentlessly misgoverned for 30 years. Social and economic deformities abounded. Moreover, Italy's Communist Party, the largest in the West, had been moving toward partnership with the political establishment, leaving a huge revolutionary vacuum on the left.

Thus, left-wing intellectuals of the left refused to perceive the terrorists as anything but misguided revolutionaries and resolutely closed their eyes to possible foreign links. Italy's allies shared this view. As late as 1978, the C.I.A. refused an Italian Government request for help in finding the kidnapped former Premier, Aldo Moro, on the ground that there was no evidence that the Italian Red Brigades had any international connections.

In fact, the Italian terrorists were intimately connected with the global terrorist network. Their apparatus had two tiers. One was an open and legal political arm, the Autonomous Area, operating seminars, international conferences, counterculture bookshops and a chain of private broadcasting stations. Its leaders were the intellectual gurus of Italy's left. The other tier was a secret, terrorist branch. It included dozens of different units—the Red Brigades, with 500 armed members, and smaller bands, such as Front Line, with 200 to 300 more. The two tiers were mutually supporting, with a so-called Second Society of hundreds of thousands of law-abiding citizens offering the terrorists acceptance and protection. And whole apparatus was closely linked to the Soviet Union and its terrorist surrogates, seeking to destabilize a major Western democracy.

Fioroni was the first important member of the underground to talk publicly about its connections with the I.R.A. and the German and Basque terrorists. Not until 1980 was the Soviet link first established: Half the founding leaders of the Red Brigades and several top leaders of the Autonomous Area had been trained by the K.G.B. in special camps in Czechoslovakia before 1968. Patrizio Peci, a former member of the Red Brigades' High Strategic Command, then confirmed that this training of cadres had continued througout the 1970's.

Peci added: "All the arms reaching the Italians, of whatever make or provenance save those taken from policemen and Carabinieri, were coming from a single distribution center stocked by Palestinian formations." Consignments picked up off the Lebanese coast and off-loaded in Venice, he said, had been divided among Italians, Germans, I.R.A. Provisionals and Spanish Basques.

More than 1,000 accused terrorists were in prison by the end of 1980, and some 100 of them made detailed confessions. Police raids turned up scores of safe houses, tons of weapons and archives covering 10 years of terrorist growth. "Operationally speaking, the worst is over," Gen. Umberto Capuzzo, the national commander of the Carabinieri, said a few weeks ago. Yet even as he spoke, there was evidence that his optimism might have been misplaced. New terrorist incidents have occurred. And the deadly curve seems to be rising again.

The nations of Europe have made a start on a coordinated approach to combatting the international terrorist network—a kind of counterterror network. The interior ministers of all 10 Common Market nations, along with those of Spain, Austria and Switzerland, have been meeting periodically on the matter for nearly three years. They have found ways: harmonizing their technical procedures, from car-plate identification to fingerprinting, and sharing their computerized information.

West Germany's computers in Weisbaden, for instance, now give officials throughout Europe access to 10 million items of information on the life histories, travels, dental work, reading habits and musical preferences of known terrorists all over the world. Other nations are creating similar data banks. There has also been an increased exchange of antiterrorist expertise as more nations set up their own special commando units modeled on West Germany's Leatherheads (the G.S.G. 9), Britain's celebrated S.A.S. and the French Gendarmerie's Intervention Group (G.I.G.N.).

But direct action against individual terrorists cannot do the job alone. Leaders of the target nations are beginning to recognize the need to deal with the larger groups of law abiding citizens who lend the terrorists support—the accomplices among whom, as Mao put it, the terrorist can swim like fish in the sea. The technique of establishing such a two tier structure, as in Italy, has had a broad application among European terrorists.

The way was pointed more than a century ago, in Czarist Russia, by a Moscow revolutionary named Nicholas Ishutin. It was he who first suggested the combination: an underground terrorist force operating within the protective ring of an open political party of law-abiding citizens. The public arm preaches revolution, covers for the underground, shields it from the police. The terrorists are presented as authentic—if sometimes "misguided"—revolutionaries. And they need not fear informers because of what the Mafia calls Omeria, the law of silence.

The willingness of Secretary Haig and the President of Italy to go public with charges of Soviet involvement in the terrorist network may lend strength to a public-information attack on the two-tier technique. What is needed is extensive public debate—in the media, at the universities, among intellectuals in general—cutting through old romantic concepts. Left-wing terrorism is not built upon authentic revolutionary goals of justice and equity for the working class. It seeks everywhere to dismantle free societies, forcing constitutional governments to behave like police states. And civilians paired with the terrorists are peculiarly exposed to manipulation by the network's Soviet sponsor.

For all the value of government crackdowns and educational programs, these terrorists have noticeably improved their self-protective apparatus and tactics. Smaller bands are emerging, less vulnerable to infiltration, less susceptible to public pressure, and armed with the latest technological weapons of destruction.

There remains the other option open to governments under siege, the option they have been so loath to take. They can directly confront the Soviet Union, Cuba and the Palestinians, using the weapons of diplomacy and trade to halt the transfer of terrorist goods and services. They could attempt to mobilize world opinion against the network, raising the issue in the United Nations and other international forums. They could bring economic pressures on Moscow and the network's other linchpins.

In fact, given the dimensions of the problem, and the danger it poses to free nations everywhere, it seems hardly credible that the Soviet Union and the West can settle any other issues between them so long as the issue of world terrorism goes unresolved.

SENATOR PAUL LAXALT

Mr. THURMOND. Mr. President, because my distinguished colleague, Senator PAUL LAXALT of Nevada, is a longtime personal friend of President Ronald Reagan, there has been much media comment about the Laxalt-Reagan relationship.

A March 29, 1981, article by writer Phil Gailey in the Washington Star expresses much of my sentiment about the valuable role my Nevada colleague is playing in trying to turn around past unwise national policies.

As Americans, we can all give thanks for a dedicated patriot like Senator LAXALT who has such a unique position and can directly advise the President in the effort to solve our problems and insure less Government intervention into the life of the average citizen.

Mr. President, in order to share this excellent news story with my colleagues, I ask unanimous consent that this viewpoint be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NICE GUY PAUL LAXALT TRYING TO USE CLOUT "SELECTIVELY"

Paul Laxalt, the Senate's genial hotline to President Reagan, says he values his friends over power. Since landing in the center of power on Nov. 4, when his old friend Ronald Reagan won the White House, the Republican senator from Nevada has been gathering plenty of both.

When Laxalt speaks, people listen. So he is being careful not to abuse his influence on either end of Pennsylvania Avenue—a task made easier by his style and nature.

He has made a special effort not to undermine Senate Majority Leader Howard Baker. He has refused to allow himself to be used by fellow conservatives to drag the president into some right-wing political thickets at a time when Reagan is trying to keep attention on his economic program. And he has declared a moratorium on speaking engagements in an effort to hold down his public profile and to stay out of the news as much as possible.

Laxalt, the Senate's all-around nice guy, can be counted on to help out his colleagues on personal matters. Sen. Edward M. Kennedy, a liberal Democrat, used Laxalt to extend an invitation to Reagan to a memorial service being planned to honor Kennedy's late brother Robert. And Laxalt made sure the president understood the importance of attending a dinner honoring Sen. Strom Thurmond, the old conservative warhorse from South Carolina.

"If there's some matter a colleague might find it awkward to express to the president, I will insert myself on a selective basis," said Laxalt, whose friendship with Reagan goes back to the '60s when both were governors of neighboring states.

"On a typical day a senator will come to me and say he has been unable to get a response from the State Department, or some other office, and I try to help out if I can. And there always are invitations people want me to take to the president. I give him the ones I think are important."

As Reagan's long-time friend and confidante, Laxalt has been walking the line between old friendships and new power with hardly a wobble.

"Paul does everything with grace," said Sen. Orrin Hatch, R-Utah. "He knows almost instinctively what the president is thinking and feeling. With me he has got a lot of influence, I'd do almost anything he asked me to."

Laxalt said he is "very comfortable with the way I have been handling his unique status. "My relationship with the president is more personal than political, and I try to be careful not to abuse it," said the senator, who managed Reagan's presidential campaign and belongs to Reagan's "kitchen cabinet" of advisers.

A Senate friend says: "Paul doesn't have to tell the president what he thinks about something because they both think alike on most things anyway."

Laxalt, a silver-haired conservative who wears red turtle-hide boots that are as hard to find these days as a colleague who speaks ill of him, offers his advice to the president when asked, uses his influence to do small

favors for his colleagues on both side of the aisle and tries to serve as Reagan's "eyes and ears in the Senate."

Some Senate watchers had predicted that Laxalt would play this latter role at the expense of Baker, the new majority leader. But so far that hasn't happened.

Far from challenging Baker's leadership, Laxalt has strengthened it. It was Laxalt who nominated Baker for the post after some Republican ideologues, who have never forgiven the Tennessee senator for supporting the Panama Canal treaties, tried to mount a movement to block Baker's ascension to the top Senate job.

And when some Republican senators tried to use him early on to make an end run around Baker, Laxalt refused to play along. "The one thing I won't do (with his White House connection) is to invade the prerogatives of Howard Baker," he said. "I don't want anybody to think they can go around the leadership through me."

Laxalt's deference, no doubt, has made life easier for Baker. He views Laxalt's special relationship with Reagan as a "valuable asset" to the Senate and adds, "Paul has invented a role for himself that is unique and is playing it exquisitely."

Baker, who invited Laxalt to sit in on all Republican leadership meetings, said he relies on the Nevada senator "extensively" in formulating Senate strategy and for "conveying the Senate view to the president and his inner circle."

Laxalt delivers both the bad and good news to his friend in the Oval Office. Last week, for example, Laxalt told Reagan that his credibility was on the line with some farm state senators on the issue of the grain embargo.

Reagan opposed the embargo during the presidential campaign but has been reluctant to lift it since taking office despite reminders of his campaign pledge to do just that.

"I try to give the president readings on the pulse of the Senate and the grain embargo is one example," he said. "I indicated to him the very intense feeling by some senators who view it as a matter of his credibility."

Some Republican conservatives would have preferred Laxalt as their Senate leader. But that's not his style. Unlike many of his colleagues, he has never sought power through the traditional route of committee chairmanships or large staffs.

"Paul is not interested in the mechanics and kind of responsibilities that go with leadership posts," said one Republican senator. "He prefers to exercise influence through personal relationships. In fact, some people think he is a little lazy. But he doesn't care about titles and all that. He knows he has influence with the president and can use it when he wants to."

Michael K. Deaver, a top Reagan aide, calls Laxalt "the strongest outside influence" on the president. The senator says he tries to use that influence "selectively."

For example, he confided to some of his Republican colleagues in the Senate his unhappiness with some of Secretary of State Alexander M. Haig's choices for top State Department posts. But when asked why he didn't go to Reagan with his objections, Laxalt said he wasn't about to run to the president every time he disagreed with a personnel decision."

"Paul knows that Reagan doesn't particularly care for some of the people his Cabinet officers selected for jobs, but they both understand that who conducts the orchestra is more important than who is playing clarinet or flute," said one Republican senator.

But another Republican colleague grumbled that Laxalt had refused to use his influence with Reagan to get more "true conservatives" named to key administration posts. "It was a well-known fact that during the transition you needed to touch base with Paul on job appointments," said this senator. "Some good names were brought to his attention, but there were very few he would push for."

More recently, Laxalt has disappointed some right-wingers by going along with Baker's effort to keep such controversial issues as abortion and school prayer off the Senate agenda, a decision that has the White House's blessing.

Still, in their hearts they know, as Sen. Jesse Helms put it, that Laxalt "reflects the president's thinking, he's a nice guy and his philosophy is right."

Paul Weyrich of the Committee for the Survival of a Free Congress believes conservatives should be a little more understanding of Laxalt's situation.

"I have always found him willing to respond to any conservative effort," said Weyrich. "The problem now is that he has incredible pressure on his time. He's a conduit to the president for everyone from me to Ted Kennedy."

RARE II REVIEW ACT OF 1981

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the text of the bill S. 842, the RARE II Review Act of 1981, which I introduced on March 31, 1981, be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 842

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "RARE II Review Act of 1981".

SEC. 2. The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation (hereinafter referred to as "RARE II"); and

(2) Congress has received the RARE II final environmental statement issued January 4, 1979, and has received Executive Communication 1504 of April 16, 1979, recommending certain areas for inclusion in the National Wilderness Preservation System.

SEC. 3. (a) No justice, judge, or court of the United States shall have jurisdiction to hear, determine, or review, or to issue any writ, process, order, rule, decree, or comment with respect to the legal or factual sufficiency of the RARE II final environmental statement (dated January 1979).

(b) The provisions of this section shall apply with respect to any order of a court, department, or agency of the United States or of any State whether issued before or after the enactment of this Act: *Provided,* That this section shall not be construed to limit judicial authority to determine the authority of the Secretary of Agriculture to conduct RARE II in areas subject to the provisions of the Eastern Wilderness Act of 1975 (Public Law 93–622, 88 Stat. 2096).

SEC. 4. (a) The Congress hereby determines and directs that with respect to national forest lands west of the one hundredth meridian:

(1) the RARE II review and evaluation of national forest lands, except those lands remaining in the further planning category upon enactment of this Act or those lands recommended for wilderness, shall be deemed, for the purposes of all land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976 (Public Law 94–588), to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System;

(2) lands recommended for wilderness in the RARE II final environmental statement but not placed into the National Wilderness Preservation System by Act of Congress before January 1, 1985, shall after that date no longer be considered as recommended for wilderness and shall be governed by the provisions of paragraph (1) of this section and section 7 of this Act; and

(3) lands remaining in further planning upon enactment of this Act and (A) not recommended for wilderness by September 30, 1985, or (B) recommended for wilderness by September 30, 1985, but not placed into the National Wilderness Preservation System by Act of Congress before January 1, 1988, shall after those respective dates no longer be considered as remaining in further planning or recommended for wilderness and shall be treated as lands governed by the provisions of paragraph (1) of this section, and section 7 of this Act.

SEC. 4. (b) The Congress hereby determines and directs that with respect to national forest lands east of the one-hundredth meridian:

(1) areas which were subject to the RARE II review and recommended for wilderness, shall become Wilderness Study Areas as defined in the Eastern Wilderness Act (88 Stat. 2096, Public Law 93–622) upon enactment of this Act: *Provided* That such areas shall after January 1, 1983, notwithstanding any other provision of law, be managed for uses other than wilderness, unless Congress otherwise directs, and shall be deemed, for the purposes of all land management plans required for such areas by the Forest and Rangeland Renewable Resource Planning Act of 1974 as amended by the National Forest Management Act of 1976 (Public Law 94–588) to have been given adequate consideration of the suitability of such areas for inclusion in the National Wilderness Preservation System.

(2) areas subject to the RARE II review and not recommended for wilderness shall be managed for uses other than wilderness, unless Congress shall otherwise direct, and shall be deemed, for the purposes of all land management plans required for such areas by the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976 (Public Law 94–588) to have been given adequate consideration of the suitability of such areas for inclusion in the National Wilderness Preservation System.

SEC. 5. Unless expressly authorized and directed by Congress, the Secretary of Agriculture shall not conduct any further statewide, regional, or national roadless area review and evaluation of National Forest System lands for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

SEC. 6. The designation of any wilderness area shall not lead to the creation of protective perimeters or buffer zones around any such wilderness area. The fact that nonwilderness activities or uses can be seen or heard from areas within a wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

SEC. 7. The Secretary of Agriculture shall not review any National Forest System lands for inclusion in the National Wilderness Preservation System unless expressly authorized by joint resolution of Congress adopted after the effective date of this Act; and no such lands shall be managed for protecting their suitability for possible wilderness designation unless authorized to be reviewed pursuant to this section.

DISASTER LOAN ASSISTANCE

Mr. PRYOR. Mr. President, last Thursday I introduced S. 865, a bill to amend the Small Business Act to provide equity for disaster relief applicants. At that time, I inadvertently failed to request unanimous consent to have the text of the legislation printed in the RECORD. I therefore request unanimous consent that the text of S. 865 be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 865

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 7 of the Small Business Act (15 U.S.C. 636(c)) is amended by adding at the end thereof the following new paragraph:

"(4) Notwithstanding section 5(b)(6) and any other provision of law, any application for assistance under paragraph (1), (2), or (4) of subsection (b) shall be acted upon by the Administration under the rules and regulations in effect on the date such application is received by the Administration. For purposes of the preceding sentence, the determination of the rules and regulations in effect on a certain date shall be made without regard to any rule or regulation prescribed after such date."

MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of April 2, 1981, the Secretary of the Senate on April 6, 1981, received a message from the President of the United States submitting sundry nominations; which were referred to the appropriate committees.

(The nominations received on April 6, 1981, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REVISED BUDGET PROPOSALS FOR FISCAL YEAR 1982—MESSAGE FROM THE PRESIDENT—PM 42

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents; which, pursuant to the order of February 19, 1981, was referred jointly to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, the Committee on Rules and Administration, the Committee on Small Business, the Committee on Veterans' Affairs, and the Select Committee on Indian Affairs:

To the Congress of the United States:

On March 10, 1981, I forwarded to the Congress a fully revised 1982 Budget with specific proposals for fiscal year 1981 and 1982 and clearly stated targets for 1983 through 1986. I have already submitted to the Congress the supplemental budget requests, rescissions and deferrals for 1981 and budget amendments for 1982 necessary for the Congress to act upon my proposals.

My Budget Reform plan, first presented February 18th and submitted in detail on March 10th, was one of four parts of my comprehensive program for the Nation's economic recovery. The Budget plan called for substantial budget savings and a redirection of Federal Government activities. It included more than 200 proposals for spending reductions, user charges and off-budget savings that are necessary to put the Federal Government on a path toward fiscal responsibility.

We have already provided extensive information on the proposed budget savings. However, I want to be sure that the Congress and the American people fully understand the reasons for the planned budget savings. Accordingly, I have directed the Office of Management and Budget to compile a document to make available additional details on the specific savings proposals.

I hope that this information will be useful to the various committees and subcommittees of the Congress as they consider my proposals.

RONALD REAGAN.

THE WHITE HOUSE, *April 7, 1981.*

MESSAGES FROM THE HOUSE

At 11:19 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that pursuant to section 451(a) of Public Law 96-374, the Speaker appoints as members of the National Commission on Student Financial Assistance the following Members on the part of the House: Mr. CLAY and Mr. BAILEY of Missouri; and the following from private life: Mr. John Brademas, of New York, and Mr. Kenneth Ryder, of Massachusetts.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 618. An act to convey certain interests in public lands to the city of Angels, Calif; and

H.R. 1528. An act to provide an exception to the requirements of the act of August 30, 1980 (26 Stat 391; 43 U.S.C. 945), with regard to certain lands in Riverside County, Calif.

At 1:45 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that pursuant to Public Law 301 of the 78th Congress, the chairman of the Committee on Merchant Marine and Fisheries has appointed the following Members on the part of the House to serve as members of the Board of Visitors to the U.S. Merchant Marine Academy for the year 1981: Mr. BIAGGI, Mr. DONNELLY, Mr. MCCLOSKEY, and Mr. JONES of North Carolina, ex officio.

The message also announced that pursuant to the provisions of title 46, United States Code, section 1126c, the Speaker appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following Members on the part of the House: Ms. FERRARO and Mr. CARNEY.

At 3:45 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has passed the following joint resolution:

S.J. Res. 61. Joint resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day."

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1543. An act to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co. to A. C. Taber and his wife, Mary Taber.

HOUSE BILLS REFERRED

The following bills were read twice by unanimous consent, and referred as indicated:

H.R. 618. An act to convey certain interests in public lands to the city of Angels, Calif.; to the Committee on Energy and Natural Resources.

H.R. 1528. An act to provide an exception to the requirements of the act of August 30, 1980 (26 Stat. 391; 43 U.S.C. 945) with regard to certain lands in Riverside County, Calif.; to the Committee on Energy and Natural Resources.

H.R. 1543. An act to confirm a conveyance of certain real property by the Central Pacific Railway Co. and Southern Pacific Co., to A. C. Taber and his wife, Mary Taber; to the Committee on Energy and Natural Resources.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-875. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act and the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

EC-876. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual animal welfare enforcement report; to the Committee on Agriculture, Nutrition, and Forestry.

EC-877. A communication from the Deputy Secretary of Defense, transmitting, pursuant

to law, reports on eight violations of the Anti-Deficiency Act occurring between 1969 and 1980; to the Committee on Appropriations.

EC-878. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Weak Internal Controls Make Some Navy Activities Vulnerable to Fraud, Waste, and Abuse"; to the Committee on Armed Services.

EC-879. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "DOD's Use of Remotely Piloted Vehicle Technology Offers Opportunities for Saving Lives and Dollars"; to the Committee on Commerce, Science, and Transportation.

EC-880. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for certain maritime programs for fiscal years 1982 and 1983; to the Committee on Commerce, Science, and Transportation.

EC-881. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on a cost-benefit analysis of increased natural gas pipeline safety regulation; to the Committee on Commerce, Science, and Transportation.

EC-882. A communication from the Secretary of Energy, transmitting notice of a review of a municipal waste comprehensive plan, pursuant to law; to the Committee on Energy and Natural Resources.

EC-883. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the fifth annual report on the child support enforcement programs; to the Committee on Finance.

EC-884. A communication from the Chairman of the United States International Trade Commission, transmitting, pursuant to law, the annual report on trade between the United States and the nonmarket economy countries; to the Committee on Finance.

EC-885. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international agreements other than treaties, entered into by the United States within the past 60 days; to the Committee on Foreign Relations.

EC-886. A communication from the Acting Commissioner of the Immigration and Naturalization Service, transmitting, pursuant to law, orders suspending deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-887. A communication from the Chairman of the National Council on Educational Research, transmitting, pursuant to law, notice that tne annual report of the Council is incomplete and will be delayed by 2 months; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Joseph Robert Wright, Jr., of New York, to be Deputy Secretary of Commerce.

Raymond A. Peck, Jr., of the District of Columbia, to be Administrator of the National Highway Traffic Safety Administration.

(The above nominations reported from the Committee on Commerce, Science, and Transportation with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

NOMINATION OF RAYMOND A. PECK

● Mr. DANFORTH. Mr. President, I rise today to support the nomination of Raymond A. Peck, Jr., to be Administrator of the National Highway Traffic Safety Administration (NHTSA).

Mr. Peck has been asked to fill a job which is important to the health and safety of the American public and to our national economy. Deaths and injuries on our public highways have reached staggering proportions. The National Safety Council reports that during 1980 alone more than 53,000 men, women, and children were killed and over 2,000,000 people suffered disabling injuries in automobile accidents. The direct and indirect cast to society of these deaths and disabling injuries is astronomical.

In 1979 motor vehicle accidents cost $35.8 billion in lost wages, medical expenses, insurance administration costs, and property damage. Additional indirect costs stem from society's assumption of financial support through social security and other Government programs for crash victims and their dependents or survivors.

In light of these figures, no one should underestimate the importance of promoting motor vehicle safety. Government has a legitimate and essential role to play in promulgating practical regulations designed to reduce the numbers of people killed and maimed on the Nation's highways. Mr. Peck has assured the Senate that he recognizes NHTSA's vital role and will strive to further it.

Recent history notwithstanding, there is no reason why NHTSA should not be able to work harmoniously with the private sector, particularly the automobile industry. Safety can and should be demanded of all manufacturers who wish to sell their products to American motorists. In view of the generally superior safety records of cars built in America, the domestic auto makers will be making a grave mistake if they fail to seize the opportunity to take the lead on auto safety. This is not a time for minimal compliance with, or elimination of, safety regulations, but rather a time for affirmative leadership in auto safety design. If traffic deaths continue to increase as automobiles get smaller and more fuel efficient, it could well turn out that, in just a few years, the market may demand better auto safety as suddenly as it demanded better fuel economy. Foresight is the key.

Regardless of who has the lead, basic auto safety cannot be treated as an option, like fancy hubcaps. Where the industry fails to provide basic needs, NHTSA should provide practical regulations. While it is, of course, legitimate for NHTSA to consider the present crisis in the domestic industry, the companies' financial difficulty should not be used as an excuse for rolling back presently existing safety regulations.

I am sure I speak for all of my colleagues in wishing Mr. Peck well. His job will be difficult. He should realize, however, that if NHTSA fails to demand basic auto safety, the Congress will be called upon to step in and mandate auto safety by law.●

By Mr. PERCY, from the Committee on Foreign Relations:

Thomas J. Pauken, of Texas, to be Director of the ACTION Agency (together with majority and additional views) (Exec. Rept. 97-6).

(The above nomination reported from the Committee on Foreign Relations with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Lionel H. Olmer, of Maryland, to be Under Secretary of Commerce for International Trade.

William H. Morris, Jr., of Tennessee, to be an Assistant Secretary of Commerce.

Richard T. Pratt, of Utah, to be a member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1981.

Richard T. Pratt, of Utah, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1985.

John S. R. Shad, of New York, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1982.

John S. R. Shad, of New York, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1986.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CANNON:

S. 878. A bill to amend the Internal Revenue code of 1954 to provide an investment tax credit for the installation of certain fire prevention equipment; to the Committee on Finance.

By Mr. GORTON (for himself and Mr. JACKSON).

S. 879. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin each year on the last Sunday in March rather than the last Sunday in April; to the Committee on Commerce, Science, and Transportation.

By Mr. HATFIELD:

S. 880. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Finance.

By Mr. RUDMAN (for himself, Mr. WEICKER, Mr. HATCH, Mr. HUDDLESTON, Mr. BAUCUS, and Mr. HAYAKAWA):

S. 881. A bill to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy; to the Committee on Small Business.

By Mr. DURENBERGER (for himself and Mr. JEPSEN):

S. 882. A bill to amend the Privacy Act of 1974 to impose additional restrictions on

the maintenance and disclosure of mailing lists by Government agencies; to the Committee on Governmental Affairs.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S 883. A bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks, of California; to the Committee on Environment and Public Works.

By Mr. HELMS:

S. 884. A bill to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ:

S. 885. A bill to amend sections 593, 7701, and 856 of the Internal Revenue Code with respect to tax treatment of loans secured by stock in cooperative housing corporations; to the Committee on Finance.

By Mr. ANDREWS (for himself and Mr. BURDICK):

S. 886. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Louis L'Amour; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ANDREWS:

S. 887. A bill for the relief of Tore Johansen; to the Committee on the Judiciary.

By Mr. DURENBERGER (for himself, Mr. PACKWOOD, Mr. HATFIELD, Mrs. KASSEBAUM, Mr. LEVIN, Mr. HEINZ, Mr. MOYNIHAN, Mr. MELCHER, Mr. MATSUNAGA, and Mr. TSONGAS):

S. 888. A bill to provide effective programs to assure equality of economic opportunities for women and men, and for other purposes; to the Committee on Finance.

By Mr. LONG (for himself, Mr. ROTH, Mr. BENTSEN, and Mr. WALLOP):

S. 889. A bill to amend the Internal Revenue Code of 1954 to reduce the capital gains tax on the sale of certain interests in qualified small corporations; to the Committee on Finance.

By Mr. SCHMITT (for himself, Mr. GRASSLEY, Mr. LAXALT, Mr. SPECTER, Mr. DECONCINI, Mr. HATCH, Mr. SIMPSON, Mr. EAST, Mr. DENTON, Mr. NUNN, Mr. ZORINSKY, Mr. BURDICK, Mr. LUGAR, Mr. STEVENS, Mr. PRESSLER, Mr. KASTEN, Mr. THURMOND, Mr. HARRY F. BYRD, JR., Mr. GARN, Mr. MCCLURE, Mr. TOWER, Mr. GOLDWATER, Mr. HELMS, Mr. ARMSTRONG, Mr. SYMMS, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. WARNER, Mr. JEPSEN, Mr. MATTINGLY, Mr. ABDNOR, Mr. ANDREWS, Mr. NICKLES, Mr. D'AMATO, and Mr. QUAYLE):

S. 890. A bill to amend title 5, United States Code, to improve procedures for the issuance of agency rules; to the Committee on the Judiciary.

By Mr. ROTH (by request):

S. 891. A bill to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ROTH (for himself and Mr. CHILES) (by request):

S. 892. A bill to amend the Federal Grant and Cooperative Agreement Act; to the Committee on Governmental Affairs.

By Mr. ROTH (by request):

S. 893. A bill to amend and extend the authority of the President to reorganize the executive branch of the Government under chapter 9 of title 5, United States Code; to the Committee on Governmental Affairs.

By Mr. CANNON (for himself, Mr. SCHMITT, Mr. LAXALT, and Mr. ANDREWS):

S. 894. A bill to exempt rural electrical cooperatives from fees under the Federal Land Policy and Management Act of 1976; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS (for himself, Mr. KENNEDY, Mr. BIDEN, Mr. CHAFEE, Mr. CRANSTON, Mr. METZENBAUM, Mr. MOYNIHAN, and Mr. WEICKER):

S. 895. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes; to the Committee on the Judiciary.

By Mr. BAKER (for himself and Mr. SASSER):

S. 896. A bill to designate the control tower at Memphis International Airport the "Omlie Tower"; to the Committee on Commerce, Science, and Transportation.

By Mr. THURMOND:

S. 897. A bill to permit members and former members of the uniformed services who are entitled to retired or retainer pay and who have not elected to participate in the survivor benefit plan under subchapter II of chapter 73 of title 10, United States Code, for a limited period, to participate in such plan, and for other purposes; to the Committee on Armed Services.

By Mr. PACKWOOD (for himself, Mr. STEVENS, Mr. GOLDWATER, and Mr. SCHMITT):

S. 898. A bill to amend the Communications Act of 1934 to provide for improved domestic telecommunications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS:

S. 899. A bill to provide a noncontributory educational program for veterans and members of the Armed Forces of the United States in order to recognize satisfactory and honorable service, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HEINZ:

S. 900. A bill to assure that job skills training, and employment opportunities are furnished through Opportunities Industrialization Centers and other community based organizations of demonstrated effectiveness in certain block grant programs involving the creation of urban jobs in enterprise zones, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATFIELD:

S. 901. A bill to preserve and protect the Georgetown Waterfront for the recreational use of the public; to the Committee on Energy and Natural Resources.

By Mr. COCHRAN:

S. 902. A bill to assure consumers an adequate supply of cotton, rice, and soybeans at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. QUAYLE:

S. 903. A bill to amend title 18, United States Code, to provide increased penalties for any person convicted of using a firearm to commit certain Federal crimes or carrying a firearm during the commission of such crimes, and for other purposes; to the Committee on the Judiciary.

S. 904. A bill to amend title 18 to provide penalties for the assault or murder of Presidential and Vice Presidential staff members; to the Committee on the Judiciary.

By Mr. PRESSLER:

S. 905. A bill to require the inspection of imported meat and meat food products, to require the grading of meat and meat food products, to require the Secretary of Agriculture to establish a labeling system for meat and meat food products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HUMPHREY (for himself and Mr. LEVIN) (by request):

S. 906. A bill to authorize certain transactions involving the acquisition and disposal of strategic and critical materials for the national defense stockpile; to the Committee on Armed Services.

By Mrs. KASSEBAUM (for herself, Mr. THURMOND, Mr. KENNEDY, Mr. MATHIAS, Mr. DODD, Mr. TSONGAS, Mr. EXON, Mr. PERCY, Mr. HAYAKAWA, Mr. LEVIN, Mr. GLENN, and Mr. CRANSTON):

S.J. Res. 61. Joint resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day"; considered and passed.

By Mr. DOLE (for himself and Mr. JEPSEN):

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981 as "National Cystic Fibrosis Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON:

S. 878. A bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for the installation of certain fire prevention equipment; to the Committee on Finance.

TAX CREDIT FOR INSTALLATION OF CERTAIN FIRE PREVENTION EQUIPMENT

Mr. CANNON. Mr. President, a major drain on our economy and the lives of our fellow citizens is the occurrence of fire. The number of fires in the United States, and the resulting death rates per capita, are among the highest in the industrialized world.

In 1979 alone, there were 2.7 million fires reported and 90,000 reported injuries. In addition to the human tragedies that are untold in these preliminary statistics of the U.S. Fire Administration, the economic implications from fires in that 1 year are also staggering: Over $5 billion in direct property losses and more than $15 billion in other costs such as insurance premiums and fire department protection.

These sad figures suggest a problem of national proportions, with huge social and economic costs. On a number of occasions, the Congress has addressed this situation, including creating the U.S. Fire Administration (under the Federal Emergency Management Agency) to work towards reducing U.S. fire losses. In 1979, the Congress reauthorized programs under the Federal Fire Prevention and Control Act of 1974 and directed the Fire Administration to conduct a study of the effectiveness of smoke detectors, heat detectors, and sprinkler suppression systems in saving lives, preventing injuries, and limiting property damage in fires.

The report to Congress and the President by the Fire Administration was released last month and reveals widespread public acceptance of detectors, improving technologies in remote alarm systems, and technological breakthroughs that will bring affordable sprinkler systems into residences.

But, in the meantime, the death toll will continue until sprinkler systems are considered as essential to a building's construction as a floor or ceiling.

The purpose of the legislation that I am introducing today is to provide tax

incentives for the installation of fire protection features in such buildings as profitmaking nursing homes and boarding houses for the elderly and other health care facilities, hotels, high-rise buildings, restaurants, clubs, lounges, and other commercial facilities.

Specifically, S. 878 would amend the Internal Revenue Code of 1954 to provide an investment tax credit to those businesses for the installation of 14 categories of fire prevention equipment including automatic sprinkler systems, fire detection systems (including smoke detectors), fire alarm systems (including remote alarm systems), fire separation walls, fire doors, fire pumps, equipment for the programing of elevators (with standby power to assure operation and access for firemen during a blaze), and any fire-ready rooms or closets containing firefighting tools and supplies.

These specific items would be eligible for investment tax credit (ITC) treatment. Businesses would be allowed a credit against their income tax liability for 10 or 20 percent of the cost of their qualifying investment in fire prevention equipment. Sprinkler systems—the most effective fire stopper—would qualify for a 20-percent credit. Among the remaining categories, any fire prevention property that does not currently qualify for the investment tax credit would qualify for a 10-percent credit. Any such property that does currently qualify for the ITC would be entitled to an additional 10-percent credit, for a total of 20 percent. These latter provisions are patterned after the business energy investment credits.

In order to minimize the amount of lost Federal revenues, these incentives are designed to be limited, but effective. A further limitation on cost is a sunset provision which would end the credit in 5 years, giving adequate time to retrofit or to install protective measures in existing or planned structures. At the end of the 5-year period, the Congress would be free to assess the effectiveness of the incentive and to decide if it should be continued.

While smoke detectors are generally inexpensive and are now found in half the homes in America, and while technological innovations are making residential sprinkler systems affordable at 1 to 2 percent of the cost of a new home, installations in the commercial structures targeted by this legislation are far more expensive propositions. Given the current economic realities facing the United States, a limited tax incentive is warranted for businesses which must often provide for the safety of dozens, hundreds, or thousands of people at a time.

It is my hope that the residential sprinkler technology will catch on since it has now been more affordable than ever before.

I would now like to add a personal note as to my growing interest in fire protection. Besides the fact that the Federal Emergency Management Agency is under the legislative purview of the Committee on Commerce, Science, and Transportation, of which I am ranking minority member, I have shared the anguish of my colleagues over the senseless deaths and injuries of many elderly persons in nursing homes across this land.

National estimates supplied for me by the Fire Administration reveal an astounding average of 4,872 nursing home fires and 89 deaths per year during the 1977–79 period. The effect of fire on the aged is even worse than these grim statistics reveal, however. These figures do not include fires and deaths in boarding houses catering primarily to elderly clientele or halfway houses and facilities for the physically or mentally handicapped with a large share of elderly persons. There are great numbers of elderly persons in these latter types of housing who are unprotected from the grim reaper which comes as fire.

In 1979 testimony before the House Select Committee on Aging, Subcommittee on Health and Long Term Care, former U.S. Fire Administrator, Gordon Vickery, explained that many care facilities for the aged escape building and fire safety code requirements; namely those facilities which are unlicensed by the States. Vickery stated flatly:

> I am suggesting that the fire protection required for these occupancies is not sufficient to adequately protect persons who are physically or mentally limited . . . . [T]he levels of fire protection contained in the residential section of building and fire codes are not adequate to protect de-institutionalized occupants housed in boarding homes throughout this country.

The absence of sprinklers in nursing homes was also cited as a major factor in deaths in nursing home fires studied in a 1978 report by the Urban Institute and the National Fire Protection Association.

While the 20 nursing homes in Nevada have, thus far, been spared the grief that has befallen homes in other States, we have not been spared the tragedy and loss occasioned by hotel fires. My general concern over fires in elderly care facilities has now been riveted into a recognized need for legislation. Nearly 100 people have lost their lives in Nevada hotels in the past 5 months. In the MGM Grand fire of November 21, 1980, 84 people perished and in the Las Vegas Hilton fire of February 10, 1981, another eight died.

As part of an exemplary effort to see that these tragedies never repeat themselves, a distinguished panel of Nevadans appointed by Gov. Robert List has compiled a list of recommendations, including tax incentives to help with the financial burden of retrofitting these hotels with fire protection equipment. In its report of March 11, 1981, the Governor's Commission on Fire Safety Codes specifically stated:

> The Commission further recommends that the Congressional Delegation of the State of Nevada move toward the development of reasonable incentives for the private sector for retroactive application of new fire and life-safety features. This could translate into tax incentives such as investment credits, accelerated depreciation schedules and tax credits. The Commission further urges the Congressional Delegation to consider calling national committee hearings in this regard and to submit appropriate bills in the United States Senate and the United States House of Representatives.

State legislation responsive to these recommendations is being formulated and discussed in Nevada at this time. The step that I am taking today on the Federal level will also be helpful to the cause of fire prevention.

With 550 hotels and motels in Nevada, my State plays host to 22 million tourists from the other 49 States who visit those hotels and motels. The legislation being introduced in the form of S. 878 is important to every other Senator who should never want to see in their own States the loss of life and property that has befallen Nevada recently. No State is immune from fire tragedy. Two weeks after the MGM Grand holocaust, 26 hotel guests in a Stouffer's Inn in Harrison, N.Y., died.

The time is tragically right for consideration and passage of this bill. It comes at a time when we read almost weekly of another nursing home fire, another restaurant or club inferno, another hotel blaze. S. 878 is being introduced in the wake of the congressionally mandated report by the U.S. Fire Administration on fire protection systems and the recent report of the Nevada Governor's Commission on Fire Safety Codes. The limited and carefully circumscribed tax incentives provided by this legislation are vitally important to helping end the devastation wrought by fire in this Nation.

By Mr. GORTON (for himself and Mr. JACKSON):

S. 879. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin each year on the last Sunday in March rather than the last Sunday in April; to the Committee on Commerce, Science, and Transportation.

LEGISLATION TO EXTEND DAYLIGHT SAVING TIME

Mr. GORTON. Mr. President, the bill I am introducing today would begin daylight saving time a month earlier every year. Now daylight saving time begins on the last Sunday in April. This bill would have it begin on the last Sunday in March.

The history of uniform time zones in this country is long, complex, and fascinating. Established standards of time within the United States first came into use in 1883. United States and Canadian railroads that year adopted a four-zone system to govern their operations and reduce the confusion resulting from some 100 conflicting local Sun times observed in terminals across the country.

During World War I, agitation for "daylight saving" which had been successfully tried in Europe and which was advocated as a measure to conserve fuel and increase national efficiency, led Congress to make time standards a matter of Federal legislation. The resulting Standard Time Act and the duties of the Interstate Commerce Commission under it rested on the commerce clause and the weights and measures clause of the Constitution.

The act approved on March 19, 1918, was entitled, "An act to save daylight and

to provide standard time for the United States." It served a twofold purpose. It divided the territory of the continental United States into five zones—eastern, central, mountain, Pacific, and Alaska. It also provided that the standard time of each zone should be advanced 1 hour for 7 months of each year, beginning on the last Sunday in March and ending on the last Sunday in October, so that during that period the standard time in each zone should be 1 hour in advance of the mean astronomical time of the degree of longitude governing each zone, respectively. That is exactly what this bill proposes.

Mr. President, there have been numerous changes in the daylight saving time system since the original 1918 legislation. Except during wartime, daylight saving time was an option left to the various States. By the summer of 1961, daylight saving time had spread to areas with a total population of roughly 102 million people (about 56 percent of the population) comprising all or parts of 27 States and the District of Columbia.

But the confusion attending the annual change from daylight saving time and back at some points or areas while others maintained standard time was aggravated by a number of factors, including the wide differences in length of the daylight saving periods observed in different places.

The 89th Congress enacted the Uniform Time Act of 1966 which amended and supplemented the 1918 act. One of the many features of this bill was the adoption of April to October daylight saving time. The principal reason for these dates was that those were the dates in use by 90 percent of the people then observing daylight saving time.

In 1973, Congress enacted the Emergency Daylight Saving Time Energy Conservation Act of 1973 (Public Law 93-182)—providing for year-round daylight saving time. The following year Congress provided for an 8 month daylight saving time period, from the last Sunday in February until the last Sunday in October. The year after that the Nation returned to 6 months of daylight saving time. These time changes and their effects were studied and provide support for the bill I am introducing today.

Mr. President, there are several reasons for enactment of this legislation. There are reasonable grounds to believe that advancing daylight saving time will produce modest gains in the areas of energy conservation and traffic safety. But the two principal reasons for making this change are: First, that it is a step toward combating this Nation's rapidly rising violent crime rates; and second, that it conforms the start of daylight saving time to the reality of most peoples' lifestyles and preferences.

As the March cover stories for both Time and Newsweek demonstrate, violent crime is mounting. In February, Chief Justice Warren Burger warned about a reign of terror in American cities. It is a fundamental responsibility of both the States and the Federal Government to take actions within their proper spheres of authority which will combat this violent crime epidemic. Expanding daylight saving time is one modest piece in the larger puzzle of actions this Congress can take to fight violent crime.

The administration's final report on the operation and effects of daylight saving time (July 1975) showed that there was consistently less violent crime for DST periods when compared with similar periods of standard time. Furthermore, the data from Washington, D.C., during the periods studied showed decreases in violent crime of 10 to 13 percent. The high correlation between hourly patterns of violent crime and daylight is strong support for increasing the duration of daylight saving time.

An independent reason for an earlier start for daylight saving time, Mr. President, is that it is popular. It conforms to the desires of the majority of people in this Nation. The administration's study of daylight saving time showed that of the people who had an opinion of 8 months daylight saving time, as opposed to 6 months, almost twice as many preferred the longer period. In April, the beginning of spring, a longer evening of daylight is far more valuable to the vast majority of our people than daylight between 5 and 6 in the morning.

Mr. President, I am aware that there are some areas across the country that are content with the 6-month daylight saving time period. I have attempted to take a modest approach in this bill and seek an extension of only 1 month of daylight saving time rather than 2. A 2-month extension—that is, beginning daylight saving time on the last Sunday in February—would provide a symmetrical daylight to darkness system. Thus, sunrise and sunset at the start of daylight saving time would be the same time as at the end of daylight saving time in October. Although I acknowledge the logic and increased benefits of an 8-month system, my bill only seeks a 7-month system. It returns us to the daylight saving time system originally established by the 1918 act. This should adequately address the concerns of those areas of the country that have reservations over increased daylight saving time. It poses a minimal amount of dislocation, while presenting us with the potential for significantly reducing violent crime, and at the same time, more adequately corresponding to the living styles and preferences of the majority of our Nation's people.

By Mr. HATFIELD:

S. 880. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the world peace tax fund) to receive these tax payments; to establish a world peace tax fund board of trustees; and for other purposes; to the Committee on Finance.

WORLD PEACE TAX FUND ACT

● Mr. HATFIELD. Mr. President, today I am reintroducing the World Peace Tax Fund bill to amend the Internal Revenue Code of 1954 in order to provide a way for conscientious objectors to elect to have their tax payments spent for nonmilitary purposes.

As each of us know, from the large volume of mail and personal visits from those conscientiously opposed to war, our present tax system is working a grievous injustice against people who, while not required to bear arms, must still pay for others to do so and for the continuing and widening arms race. Requiring taxes for current military outlay from people whose moral and spiritual background and framework forbid them participation in violent means of conflict resolution is a dark blot upon our national human rights policy.

It is my strong conviction that we as a body should move to permit citizens opposed to war on moral and theological grounds, and who have entered responsibly into the rigors of demonstrating conclusively their conscientious status, the opportunity to have that portion of their income, estate, and gift taxes normally spent by the military directed to peace-related activities instead.

William Penn argued this very issue with the English monarch in 1711. Since the first Congress this matter has been upon the legislative agenda. But today, as the specter of nuclear conflagration widens, and we as a nation become more ensnared by the worldwide arms race, it is not only an issue of equity but of urgent moral policy. It is time to declare in an unequivocal fashion that we as a nation give support to peacemakers. It is time to extend the long honored principle of conscientious objection to payment of taxes for the military. No citizen should be forced to violate compelling opposition to violence. And, yet, today citizens in each of our States are under threat of imprisonment if they persist in following the highest good that they know. Others of our constituents are choosing to earn less money than they could in order to maintain a nontaxable income level.

The World Peace Tax Fund Act would not lower total tax payments or diminish tax obligations, as many current deductions now do. Rather, it recognizes deep convictions and removes the awful dilemma facing conscientious objectors to disregard their moral beliefs or disobey the laws of the land. Under this measure, conscientious objection would be determined by the criteria established by the Selective Service Act.

Those who qualify, then, may choose to have an appropriate percentage of their tax dollars transferred by the Treasury into a trust fund to be established by the bill. The percentage would be figured each year according to the amount of budgeted "current military outlay."

An estimated 0.5 to 9 percent of income taxpayers would use the World Peace Tax Fund checkoff if it became law. This is based on the membership of the Church of the Brethren, Mennonites and Quakers—Friends—who are the principal supporters of WPTF, and have a combined membership of 540,000. A survey taken at the time of the Calley sentence in 1971 by Harris indicated 9 percent thought a soldier not justified

in shooting an enemy in war, and is the only indication known of a poll of the public at large on conscientious objection.

The WPTF fund would be approximately $180,058,000 if 0.4 percent of income taxpayers used the fund and $4,501,450,000 if 10 percent used it.

This fund, administered by a board of citizens appointed by the President and Congress, would disburse funds to programs of a peace-related nature.

The 1979 World Peace Tax Fund bill has been redrafted to include several new activities which would be eligible to receive these transfer funds. The National Academy of Peace and Conflict Resolution, which had a 2-year study commission authorized in the Educational Services Act of the 95th Congress, would be a most fitting recipient. Another concordant option added to this version is a "retraining of workers displaced by conversion from military production." These alternatives are bold symbols as well as practical ways to begin to redirect our energies as a nation committed to bringing a wider peace in our troubled world.

The denominational church support for this bill is wide and growing: The U.S. Catholic Conference, an organization of Catholic bishops, declared in 1973:

We encourage legislative efforts which offer citizens, who object for reasons of conscience to paying taxes to support military programs, the option of allocating a portion of their tax payment to fund peace and development oriented programs.

The 10-million-member Methodist denomination, while not a traditional "peace church," such as the Quakers, Mennonites, or the Brethren, supports the world peace tax fund concept. William Willoughby, of the Washington Star, reported from Portland, Oreg., on May 5, 1976:

The General Conference of the United Methodist Church, the country's second largest Protestant denomination gave its endorsement to individuals who, for reasons of conscience, withhold a portion of their tax dollars which would be used for war and promoting the arms race.

The action, included in a comprehensive resolution on world peace and matters directly related to it, is reflective of a growing feeling in many churches in the United States that they should not be forced into supporting programs with which they have strong moral and theological conflicts.

It does hold as one of its official statements the assertion that "what the Christian citizens may or may not do is to obey persons rather than God, or overlook the degree of compromise in even our best acts, or gloss over the sinfulness of war."

The resolution said, "Christian teaching supports conscientious objection to all war as an ethically valid position." It also asserts that ethical decisions on political matters must be made in the context of the competing claims of Biblical revelation, church doctrine, civil law, and one's own understanding of what God calls him or her to do.

Further, the resolution, approved by the General Conference of the United Methodist Church, states:

We therefore, support all those who conscientiously object; to preparation for or participation in any specific war on all wars; to cooperation with military conscription; or to the payment of taxes for military purposes; and we ask that they be granted legal recognition.

The United Church of Christ passed a supportive resolution during its 1977 general synod meeting:

Whereas, we look for guidance from the life, teaching and suffering of Jesus; his passion for human well-being; his solidarity with the vulnerable against the false order of the day; his embodiment of peacefulness and courage in his ministry; his readiness to stand against the imperialism of his day with the whole of his life, and

Whereas, we must look for alternatives to war to settle international conflicts, and;

Whereas, a bill to establish a World Peace Tax Fund, i.e., H.R. 4897 and S. 880, has been introduced in Congress which would amend the Internal Revenue Code to provide that taxpayers conscientiously opposed to participation in war may elect to have their income, estate, or gift tax payments spent for nonmilitary purposes, and;

Whereas, we recognize the dilemma of conscientious objectors who wish to pay their full share of taxes but cannot accede to thus participating in war which is against their beliefs, and;

Whereas the Quaker, Brethren, Mennonite and United Methodist churches have already acted in this area;

Therefore be it resolved that the 11th General Synod of the United Church of Christ gives full support to the swift passage of legislation establishing a World Peace Tax Fund and urges individual members of the UCC to write their appropriate legislators.

Possibly the most compelling affirmative statement to date came from the October 7 and 8, 1978, New Call to Peacemaking Conference in Green Lake, Wis.:

This meeting, a cooperative effort of Brethren, Friends and Mennonites, was called to renew the Historic Peace Churches' commitment and promotion of nonviolence as a way of life. This statement represents a distillation of the resolutions and recommendations developed by 27 small groups, each of which met four times during the course of the Conference. Prior to the Green Lake Conference there were some 26 regional conferences in 13 regions involving more than 1,600 people.

CONFRONTING MILITARISM AND THE ARMS RACE

Because our security is in Jesus Christ, we reject reliance on "national security." We reaffirm our membership in Christ's kingdom and in the global community by denouncing national and military idolatry. Because the earth is the Lord's we declare that the resources presently wasted on national military systems in all countries should be transferred to meet the genuine needs of the world's people.

CONVERSION TO A PEACE ECONOMY

With awareness of the destructive, wasteful, and inflationary effects of military-related expenditures, we support:

1. Research and action toward economic conversion to non-military production, with assistance for those who are temporarily unemployed during the process.

2. Transfer of tax monies from the military budget to programs meeting human needs.

WAR TAX RESISTANCE

1. We call upon members of the Historic Peace Churches to seriously consider refusal to pay the military portion of their federal taxes, as a response to Christ's call to radical discipleship.

2. We challenge ourselves and also our congregations and meetings to uphold war tax resisters with spiritual, emotional, legal, and material support.

3. We call on our church and conference agencies to enter into dialogue with employees who ask, for reasons of moral conviction, that their taxes not be withheld.

4. We suggest that alternative "tax" payments be channeled into a peace fund initiated by the New Call to Peacemaking or into existing peace funds of constituent groups.

5. We call on our denominations, congregations and meetings to give high priority to the study of war tax resistance in our own circles and beyond.

WORLD PEACE TAX FUND

In keeping with our past support of alternative service provisions for conscientious objectors to the draft, we urge support for congressional enactment of a World Peace Tax Fund as an alternative to compulsory financial support of war and preparation for war.

Thomas Jefferson said, in the Virginia Statutes of Religious Freedom in 1799, that—

To compel a man to furnish contributions of money for propagation of opinions which he disbelieves, is sinful and tyrannical.

I am strongly persuaded that this bill is sound in its approach to the reduction of tyranny against a certain portion of our population.

Legally, it has precedent in the selective service statutes which have recognized an individual's right to alternative civilian service. Federal courts have also exempted individuals, for religious reasons, from social security taxes.

PRECEDENTS FOR TAX EXCEPTIONS FOR CONSCIENTIOUS OBJECTORS

First. Section 1402(e) of the Internal Revenue Code provides an exemption from payment of self-employment taxes for duly ordained, licensed or commissioned ministers and members of religious orders, or for Christian Science practitioners upon their filing an application for exemption together with a statement that they are conscientiously opposed to, or because of religious principles, they are opposed to participation in an insurance plan like that provided by the Social Security Act.

Second. Section 1402(h) of the Internal Revenue Code similarly relieves members of qualified religious faiths, primarily the Amish, of the duty to pay the social security tax. By this code provision, enacted in 1965, Congress acknowledged and accommodated the conscientious objection of the Amish, to participation in insurance plans. The tax exemptions provided by section 1402(e) and 1402(h) of the Internal Revenue Code were modeled after the exemption of conscientious objectors from the draft.

Third. The revised conscription bill of February 24, 1864, contained provision for conscientious objectors which allowed them to be considered noncombatants "or shall pay the sum of three hundred dollars to such person as the Secretary of War shall designate to receive it, to be applied to the benefit of the sick and wounded soldiers," U.S. Statutes at Large, 38th Congress, 1st session, XIII, page 9.

Fourth. In 1863 Secretary of War Stanton made the following proposition to the Society of Friends, Baltimore. He proposed to create a special fund for the benefit of the Freedman and to exempt Friends from military service upon the payment of $300 into this fund. Such

payment may not be as in other cases to the district provost marshal, but to his fiscal agent at Washington to be credited on his books to the Freedman, and that Friends can have the disbursement of it through their own agents, and laborers.

Fifth. A memorial of the Society of People, commonly called Shakers, contained a brief statement of the principles and reasons on which their objections and conscientious aversion to bearing arms, hiring substitutes, or paying an equivalent in lieu thereof, are founded, in 1818, addressed to the Legislature of New Hampshire.

We are not ungrateful to God for the privileges and freedom we enjoy, nor do we forget the patriotic Legislature of 1808, who considered our conscientious scruples, and sacred rights in the fifth section of the militia bill; and concurred with the constitution and rights of man, that we should, and of right ought to be exempt from military duty, and from all equivalents on that account.

Morally, the fund not only nurtures the individual conscience opposed to war, but it acknowledges the deeper held and recently elucidated American social commitment to peace.

Tangibly, the peace fund is a way this Nation, following the lead of President Carter, can speak out for human rights and the sanctity of life, and call into question our high expenditures to arm ourselves and the world. It is a way that we can show our commitment to a SALT III reduction in nuclear arms levels and greater security for our country and the world.

And finally, the world peace tax fund allows those who are personally committed to nonviolence to practice it legally in the support of the kind of compassionate human service which has always been our best defense.

This bill is similar to House bill H.R. 4897, introduced in the 1st session of the 95th Congress by Representative RONALD V. DELLUMS of California with 28 cosponsors. It is my understanding that the bill will be reintroduced shortly in the House.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "World Peace Tax Fund Act."

SEC. 2. WORLD PEACE TAX FUND.

(a) CREATION OF TRUST FUND.—There is hereby established within the Treasury of the United States a special trust fund to be known as the "World Peace Tax Fund" (hereinafter referred to as the "Fund"). The Fund shall consist of such amounts as may be transferred to the Fund as provided in this section.

(b) TRANSFER TO FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

(1) IN GENERAL.—There are hereby transferred to the Fund amounts equivalent to the sum of the amounts designated during the fiscal year by individuals under sections 2210, 2506, and 6099 of the Internal Revenue Code of 1954 for payment into the Fund. Such amounts shall be deposited into the Fund, and shall be available only for the purposes provided in section 8 of this Act.

(2) METHOD OF TRANSFER.—The amounts transferred by paragraph (1) shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates by the Secretary of the Treasury of the amounts, referred to in paragraph (1), received in the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent that prior estimates were in excess of or less than the amounts required to be transferred.

SEC. 3. INCOME TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to returns and records) is amended by adding at the end thereof the following new part:

"PART IX—DESIGNATION OF INCOME TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND

"SEC. 6099. DESIGNATION BY INDIVIDUALS.

"(a) IN GENERAL.—Every eligible individual (other than a nonresident alien) whose income tax liability for any taxable year is $1 or more may designate that his income tax payment for that year shall be paid into the World Peace Tax Fund established by section 2 of the World Peace Tax Fund Act.

"(b) DEFINITIONS.—As used in this section—

"(1) ELIGIBLE INDIVIDUAL.—

"(A) IN GENERAL.—The term 'eligible individual' means an individual who certifies on his return of tax that he is conscientiously opposed to war in any form, and who—

"(i) has been exempted from combatant service and training in the Armed Forces of the United States as a conscientious objector under section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)), or prior corresponding law, or

"(ii) demonstrates to the satisfaction of the Secretary that he is conscientiously opposed to participation in war in any form within the meaning of such section.

"(B) VERIFICATION.—The Secretary may require any taxpayer who makes a designation under subsection (a) to provide such additional information as may be necessary to verify his status as a person conscientiously opposed to participation in war in any form.

"(C) CHALLENGE OF STATUS.—If the Secretary determines that a taxpayer who makes the designation provided for by subsection (a) is not entitled to make that designation, then the Secretary may bring an action, in the United States district court for the district in which that taxpayer has his residence, for a declaratory judgment as to whether the taxpayer is entitled to make that designation as a person conscientiously opposed to participation in war in any form.

"(2) INCOME TAX LIABILITY.—The term 'income tax liability' means the amount of the tax imposed by chapter 1 on an individual for any taxable year (as shown on his return) reduced by the sum of the credits (as shown on his return) allowable under subpart A of part IV of subchapter A of chapter 1, other than the credit allowed by section 31.

"(3) INCOME TAX PAYMENT.—The term 'income tax payment' means the amount of taxes imposed by chapter 1 and paid by or withheld from an individual for any taxable year not in excess of his income tax liability.

"(c) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year,

"(1) at the time of filing the return of the tax imposed by chapter 1 of such taxable year, and

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary.".

(b) CLERICAL AMENDMENTS.—The table of parts of subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following:

"Part IX.—DESIGNATION OF INCOME TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND.".

(c) QUESTION PLACED ON RETURN; INSTRUCTIONS.—

(1) Subpart B of part II of subchapter A of chapter 61 of such Code (relating to income tax returns) is amended by adding at the end thereof the following new section:

"SEC. 6017B. WORLD PEACE TAX FUND DESIGNATION INFORMATION.

"Each return with respect to the tax imposed by chapter 1 shall include the question 'Are you conscientiously opposed to participation in war in any form?', together with an opportunity to respond affirmatively or negatively to the question. Each publication of instructions with respect to such return shall include an explanation of the purpose of the World Peace Tax Fund and the criteria for determining whether one meets the requirements of section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)), and shall state that only a person who meets those criteria may indicate an affirmative response to that question on the return and may make the designation provided by section 6099.".

(2) The table of sections for such subpart is amended by adding at the end thereof the following new item:

"Sec. 6017B. World Peace Tax Fund designation information.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to—

(1) taxable years beginning after December 31, 1978, and

(2) any taxable year ending before January 1, 1979, for which the time for filing a claim for refund or credit of an overpayment of tax has not expired on the date of enactment of this Act.

(e) RULES APPLICABLE TO RETURNS OF TAX FOR TAXABLE YEARS ENDING BEFORE JANUARY 1, 1979.—

(1) PENALTIES FOR FAILURE TO PAY TAX.—Any civil or criminal penalty imposed on an individual for failing or refusing to pay all or a part of the tax imposed by chapter 1 of the Internal Revenue Code of 1954 shall be vacated and set aside if the person upon whom the penalty was imposed—

(A) pays the tax due (with interest), and

(B) establishes to the satisfaction of the Secretary of the Treasury that his failure or refusal to pay was based upon his conscientious objection to participation in war in any form within the meaning of section 6(j) of the Military Selective Service Act (50 U.S.C. App. 456(j)) or prior corresponding law.

(2) DISPOSITION OF AMOUNTS COLLECTED.—There are hereby transferred to the Fund amounts equal to the sum of the amounts paid into the Treasury by persons under the provisions of paragraph (1).

SEC. 4. ESTATE TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) IN GENERAL.—Subchapter C of chapter 11 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 2210. DESIGNATION OF ESTATE TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND.

"(a) IN GENERAL.—An eligible individual (within the meaning of section 6099(b)(1)) may elect that the tax imposed by section 2001 on his taxable estate shall be transferred when paid to the World Peace Tax

Fund established under section 2 of the World Peace Tax Fund Act. The election may be made by the executor or administrator of the estate under written authority of the decedent.".

(b) CLERICAL AMENDMENT.—The table of contents for subchapter C of chapter 11 of such Code is amended by adding at the end thereof the following:

"Sec. 2210. Designation of estate tax payments for transfer to World Peace Tax Fund.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to the estates of decedents dying after December 31, 1978.

SEC. 5. GIFT TAX PAYMENTS TO WORLD PEACE TAX FUND.

(a) IN GENERAL.—Subchapter B of chapter 12 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new section:

"SEC. 2506. DESIGNATION OF GIFT TAX PAYMENTS FOR TRANSFER TO WORLD PEACE TAX FUND

"(a) IN GENERAL.—An eligible individual (within the meaning of section 6099(b)(1)) may elect that tax imposed by section 2501 shall be transferred when paid to the World Peace Tax Fund established under section 2 of the World Peace Tax Fund Act.".

(b) CLERICAL AMENDMENT.—The table of contents for subchapter B of chapter 12 of such Code is amended by adding at the end thereof the folowing:

"Sec. 2506. Designation of gift tax payments for transfer to World Peace Tax Fund.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to gifts made after December 31, 1978.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) CERTIFICATION BY COMPTROLLER GENERAL.—As soon after the close of each fiscal year as may be practicable, the Comptroller General shall determine and certify to the Congress and to the President the percentage of actual appropriations made by the United States from the Federal Funds Budget during the preceding fiscal year which were made for a military purpose. The certification shall be published in the Congressional Record upon receipt by the Congress.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated each year a certain portion of the Fund to the World Peace Tax Fund Board of Trustees for obligation and expenditure in accordance with the provisions of this Act. This portion is determined by applying the percentage figure derived in subsection (a) above to the money transferred to the Fund in each fiscal year, and adding to that sum all moneys in the Fund previously authorized to be appropriated to the Board of Trustees but not yet appropriated. Moneys remaining in the Fund shall accrue interest according to the prevailing rate in long-term Government bonds.

(c) SURPLUS COVERED INTO GENERAL FUND.—The remaining portion of the Fund is authorized to be appropriated to the general fund of the Treasury of the United States. No part of the money transfered to the general fund under this subsection shall be appropriated or any expenditures, or otherwise obligated, for military purposes.

SEC. 7. BOARD OF TRUSTEES.

(a) ESTABLISHMENT OF BOARD.—There is established a World Peace Tax Fund Board of Trustees (hereinafter referred to as the "Board") which shall be composed of 11 members appointed as follows:

(1) nine members, not more than five from the same political party, appointed by the President, by and with the advice and consent of the Senate, from among individuals who have demonstrated a consistent commitment to world peace and international friendship and who have had experience with the peaceful resolution of international conflict; and

(2) two members, who shall also meet the above criteria, one of whom shall be appointed by the President pro tempore of the Senate from among the Members of the Senate, and one of whom shall be appointed by the Speaker of the House of Representatives from among the Members of the House, and both of whom shall serve ex officio.

(b) TERMS OF OFFICE.—The term of office of each member of the Board shall be six years, except that the term of office for four members initially appointed under subsection (a)(1) shall be three years. Members may serve until their successors are appointed, except that if any member appointed under subsection (a)(2) ceases to serve as a Member of Congress, his term of office on the Board shall terminate at the time he ceases to serve as a Member of Congress. Each member shall be eligible for reappointment for one additional term, but no person shall serve for more than twelve years as a member of the Board. Six Trustees shall constitute a quorum.

(c) FILLING OF VACANCIES.—Any vacancy in the membership of the Board shall not affect its powers and shall be filled in the same manner in which the original appointment was made. The term of office of any person appointed to fulfill the unexpired term of a member shall consist of the unexpired portion of such member's term.

(d) CHAIRMAN.—The Board shall elect a Chairman from among its members.

SEC. 8. DUTIES OF THE BOARD.

(a) PAYMENTS.—The Board may make payments as authorized by appropriation Acts, by way of grant, loan, or other arrangement, under such conditions and upon such terms as it considers necessary.

(b) RESEARCH FUNDS; NONDOMESTIC PROGRAMS.—Funds designated for the purpose of research may be directed to governmental or nongovernmental, national, or international organizations. Funds for nondomestic programs involving the providing of goods and services shall be restricted in distribution to the United Nations and associated agencies.

(c) ELIGIBLE ACTIVITIES.—Activities eligible to receive money from the Board shall include but not be limited to:

(1) the National Academy of Peace and Conflict Resolution;

(2) research directed toward developing and evaluating nonmilitary and nonviolent solutions to international conflict;

(3) disarmament efforts;

(4) retraining workers displaced by conversion from military construction;

(5) international exchanges for peaceful purposes;

(6) improvement of international health, education, and welfare; and

(7) programs for providing information to and education of the public about the above activities.

(d) APPLICATIONS.—The Board shall publish regulations for the submission of applications for funds by persons and agencies, and shall determine the eligibility of such persons and agencies to receive payments or loans. Before approving the application of any such person or agency the Board shall determine, after a comprehensive review of all the functions and activities of the person or agency requesting approval, that such functions and activities have a nonmilitary purpose.

(e) SUBMISSION OF BUDGET.—The Board shall submit its budget to the Congress, shall report to the President and to the Congress annually on its activities, and shall provide a complete accounting of all funds received and disbursed pursuant to this Act.

(f) DISPLACEMENT OF OTHER FUNDS.—It is the intent of this Act that the Fund shall not operate to release money for military expenditures which, were it not for the existence of the Fund, would otherwise have been appropriated for nonmilitary expenditures.

SEC. 9. SUBMISSION OF BUDGET.

Notwithstanding any other provision of law, the Comptroller General shall carry out the activities and review of the Board which would be carried out by the Office of Management and Budget if the Board were an agency within the executive branch of the Government; and may establish such requirements as he deems necessary to carry out his authority under this section. The Office of Management and Budget shall not have jurisdiction over the Board. The Board shall submit its budget, requests for appropriations, and related reports to the Congress in accordance with such requirements and procedures as the Comptroller General may establish.

SEC. 10. POWERS AND ADMINISTRATIVE PROVISIONS.

(a) COOPERATION OF OTHER AGENCIES.—Each department, agency, and instrumentality of the Federal Government, including independent agencies, is authorized and directed to cooperate with and furnish to the Board, to the extent permitted by law, upon request made by the Chairman, such information as the Board may require to fulfill its duties under this Act.

(b) EXECUTIVE DIRECTOR; EXPERTS AND CONSULTANTS.—Subject to such regulations as the Board may adopt, the Chairman may—

(1) appoint and fix the compensation of an Executive Director and such additional staff personnel as he deems necessary; and

(2) procure temporary and intermittent services to the same extent as authorized by section 3109 of title 5, United States Code.

(c) COMPENSATION.—Members of the Board shall be compensated at the maximum rate permitted by law under the General Schedule for Government employees or consultants, on a per diem basis, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board.

SEC. 11. DEFINITIONS.

For the purposes of this Act—

(1) "military purpose" means any activity or program conducted, administered, or sponsored by an agency of the Government which effects an augmentation of military forces, defensive and offensive intelligence activities, or enhances the capability of any person or nation to wage war,

(2) "actual appropriations for military purpose" includes but is not limited to amounts appropriated by the United States in connection with—

(A) the Department of Defense;

(B) the Central Intelligence Agency;

(C) the National Security Council;

(D) the Selective Service System;

(E) activities of the Department of Energy that have a military purpose;

(F) activities of the National Aeronautics and Space Administration that have a military purpose;

(G) foreign military aid, and foreign economic aid made available to any country for the purpose of releasing local funds for military activities; and

(H) the training, supplying, or maintaining of military personnel, or the manufacture, construction, maintenance, or development of military weapons, installations, or strategies;

(3) "agency" means each authority of the Government of the United States, whether or not it is within or subject to review by another agency, but does not include—

(A) the Congress; or

(B) the courts of the United States; and

(4) "person" includes an individual, partnership, corporation, association, or public or private organization other than an agency.

SEC. 12. SEPARABILITY.

If any section, subsection, or other provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.●

By Mr. RUDMAN (for himself, Mr. WEICKER, Mr. HATCH, Mr. HUDDLESTON, Mr. BAUCUS, and Mr. HAYAKAWA):

S. 881. A bill to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy; to the Committee on Small Business.

SMALL BUSINESS INNOVATION RESEARCH ACT OF 1981

Mr. RUDMAN. Mr. President, today I am introducing a bill with Senators WEICKER, HATCH, HUDDLESTON, BAUCUS, and HAYAKAWA, to amend the Small Business Act so as to significantly strengthen the role of this Nation's smaller, technology based firms in federally funded research and development projects. The issue addressed in this legislation is one which plays an underlying role in the ability of this Nation to maintain its national security, to achieve energy independence, increase productivity, and preserve the quality of life we all enjoy. Our national strength and confidence in these areas depends upon maintaining a leading role in technological superiority. In a time characterized by our declining productivity and an increasing inability of our Nation to compete in the world economy, it is our feeling that technological development holds the best hope for putting this Nation back on its feet and in a position of preeminence in the world market once again.

The President has made it clear that the initial thrust of this administration will be to focus on the various methods of stimulating the economy and enhancing our national productivity. Historically, individuals, and small businesses have been responsible for a major portion of the significant innovations in this country. The importance of small business and the role it must play in this effort is clear. Numerically, 97 percent of all U.S. business is considered small business. Small business accounts for approximately one-half of private employment in this country and 43 percent of the gross national product. In my home State of New Hampshire, for example, smaller businesses employ nearly 87 percent of the work force. But perhaps even more importantly, small business has traditionally been a leader in the field of innovation and technology. A recent study by the Office of Management and Budget found that from 1953 to 1973 almost half of all major U.S. innovations came from firms with less than 1,000 employees. This fact takes on a larger meaning when one considers that the Senate Small Business Committee has found that almost 50 percent of American economic growth stems from technological innovation and that traditionally, small firms have produced innovations and technical breakthroughs more efficiently than some of the larger businesses. In addition, small, high-tech firms have been shown by the National Science Foundation to be far more cost effective than larger companies when engaging in research, producing up to 24 times more innovations per research and development dollar.

The 1977 OMB study concluded that small business firms have inadequate access to Federal research and development moneys and that "our country will lose significant high technology capabilities" in the absence of a concerted effort to increase small business research and development awards. The study also found that larger businesses, those with more than 1,000 employees use four times the number of research and development employees to develop and market the same number of innovations. Despite these facts, small business' share of Federal research and development funds is still about the same as it was 4 years ago: between 3 and 4 percent of the total Federal research and development effort. This legislation would establish within all major Federal agencies with research and development budgets in excess of $100 million a proven mechanism, based on the successful National Science Foundation small business innovative research program, to facilitate small business participation in Federal research and development projects.

There can be little doubt that over the years small business has served as the economic backbone of this Nation and has compiled an impressive record in job creation and employment growth. This is particularly true of technology-based firms. In 1979, Prof. David L. Birch of the Massachusetts Institute of Technology prepared a study for the Department of Commerce on the "job generating process." In that report he concluded that small businesses with less than 21 employees created 66 percent of all new jobs in the private sector between 1969 and 1976. The study was based on a sample of 5.6 million businesses, representing 80 percent of all private sector employment. Firms with 250 or less employees produced 90 percent of the 6.8 million jobs created from 1965 to 1976. A similar study in Canada, conducted by the Canadian Federation of Independent Businesses, found that those businesses with fewer than 21 employees created 72 percent of all new jobs in that nation for the period 1969 to 1977.

Mr. President, I am a dedicated advocate of the free enterprise system, and in no way an opponent of big business. Nor do I care to shut off funds for valuable university research. But, I do believe it is necessary for us to look at methods of giving small business its fair share of Federal research and development dollars considering its proven ability to offer possibilities for the future of technological development.

During the past decade, the growth of productivity in the United States has been well below that of all leading industrial nations, most notably, Japan and Germany, even though both nations rely heavily on foreign oil and pay more for their energy than we do. With the current decline in our research and development spending and the consequent reduction in new technologies, we must use the limited resources in a way which insures maximum benefits. I believe the answer lies in a comprehensive and coordinated approach to improving our methods of producing innovative technology. Hence, this bill simply requires that agencies having research and development budgets over $100 million establish a small business innovation research (SBIR) program to enable small firms to develop new products and processes that fall within areas of national need as designated by the agency. The program is modeled after the highly successful National Science Foundation small business program which provides for a three-phased approach to funding small, high technology firms. The Small Business Innovation Research Act provides for the following developmental stages:

PHASE I

Small businesses submit proposals to the appropriate agency concerning that agency's research and development objectives. Those judged by the agency to be the most promising projects would receive up to $50,000 to determine if the research is technically feasible.

PHASE II

If the initial research proves successful and the idea marketable, additional funding ranging from $100,000 to $500,000 would be provided. Special consideration would be given to those proposals that attract the attention of outside, private capital.

PHASE III

Actual production and marketing is financed by private capital. In other words, the Government pays for the research on the Federal objectives, while private capital pays for the commercial applications of the research.

In conclusion, I feel it is important to note that this program would require no additional Federal money. Rather, since the lion's share of the Federal grants are partially contingent upon a demonstrated interest in the project within the private sector, and private capital bears the risk of transferring the technology to the marketplace, the legislation attempts to use Federal research and development funds in a way most likely to result in the development and commercialization of new technologies. Redirection of Federal priorities and aid to a failing economy are two cornerstones of President Reagan's administration. The Small Business Innovation Research Act will help build the foundation necessary to support the President's goals.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Small Business Innovation Research Act of 1981".

SEC. 2. (a) The Congress finds that—

(1) technological innovation creates jobs, increases productivity, competition, and economic growth, and is a valuable counterforce to inflation and the United States balance-of-payments deficit; and

(2) while small business is the principal source of significant innovations in the Nation, the vast majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories.

(b) Therefore, the purposes of this Act are—

(1) to stimulate technological innovation;

(2) to use small businesses to meet Federal research and development needs; and

(3) to increase private sector commercialization of innovations derived from Federal research and development.

SEC. 3. Section 9(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) to develop and maintain a source file and an information program to assure each qualified and interested small business concern the opportunity to participate in Federal agency Small Business Innovation Research programs;

"(5) to coordinate with participating agencies a schedule for release of SBIR solicitations, and to prepare a master release schedule so as to maximize small businesses opportunities to respond to solicitations;

"(6) to independently survey and monitor the operation of SBIR programs within participating Federal agencies; and

"(7) to report annually to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives on the SBIR programs of the Federal agencies and the Administration's information and monitoring efforts related to the SBIR programs.".

SEC. 4. Section 9 of the Small Business Act is amended by adding at the end thereof the following new subsections:

"(e) For the purpose of this section—

"(1) the term 'Federal agency' means an executive agency as defined in section 105 of title 5, United States Code, or a military department as defined in section 102 of such title;

"(2) the term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency and any small business for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government;

"(3) the term 'Small Business Innovation Research program' or 'SBIR' means a program under which a portion of a Federal agency's research or research and development effort is reserved for award to small business concerns through a simplified, standardized acquisition process having a first phase for determining, insofar as possible, the technical and economic feasibility of ideas proposed under the program, and a second phase, the awarding of which shall take into consideration the potential commercial applications of the research or research and development, to further develop the proposed idea to meet the particular agency needs; and a third phase where private capital pursues commercial applications of the research or research and development; phase three may also involve follow-on production contracts with some agencies for products or processes intended for use by the United States Government; and

"(4) the term 'research' or 'research and development' means any activity which is (A) a systematic study directed toward fuller scientific knowledge of the subject studied; (B) a systematic study directed specifically toward applying new scientific knowledge to meet a recognized need; or (C) a systematic application of new scientific knowledge toward production of useful materials, devices, and systems or methods, including design, development, and improvement of prototypes and new processes to meet specific requirements. Such term does not include studies related to the social sciences or the humanities.

"(f) Each Federal agency which has a research or research and development budget in excess of $100,000,000 for any fiscal year beginning with fiscal year 1982 shall expend not less than two-thirds of 1 per centum of such budget for fiscal year 1982, not less than six-tenths of 1 per centum for fiscal year 1983, and not less than 1 per centum of such budget for all subsequent fiscal years with small business concerns specifically in connection with a Small Business Innovation Research program which meets the requirements of this Act and regulations issued hereunder. Funding agreements with small business concerns for research or research and development which result from competitive or single source selections other than under an SBIR program shall not be counted as meeting any portion of the percentage requirements of this section.

"(g) Each Federal agency required by subsection (f) to establish a Small Business Innovation Research program shall in accordance with this Act and regulations issued hereunder—

"(1) establish an agency Small Business Innovation Research program;

"(2) determine categories of projects to be in its SBIR program;

"(3) issue SBIR solicitations in accordance with a schedule determined cooperatively with the Small Business Administration;

"(4) receive and evaluate proposals resulting from SBIR proposals;

"(5) select awardees for its SBIR funding agreements;

"(6) administer its own SBIR funding agreements (or delegate such administration to another agency);

"(7) make payments to recipients of SBIR funding agreements on the basis of progress toward or completion of the funding agreement requirements; and

"(8) make an annual report on the SBIR program to the Small Business Administration.

"(h) In addition to the requirements of subsection (f), each Federal agency which has a budget for research or research and development in excess of $20,000,000 for any fiscal year beginning with fiscal year 1982 shall establish goals specifically for funding agreements for research or research and development to small business concerns, and no goal established under this subsection shall be less in annual dollars than the amount of research or research and development awards made to small businesses in 1981.

"(i) Each Federal agency required by this section to have an SBIR program or to establish goals shall report annually to the Small Business Administration the number of awards pursuant to grants, contracts, or cooperative agreements over $10,000 in amount and the dollar value of all such awards, identifying SBIR awards and comparing the number and amount of such awards with awards to other than small business concerns.

"(j)(1) The Administrator of the Office of Federal Procurement Policy, in conjunction with the Small Business Administration, shall promulgate and issue appropriate regulations, in accordance with the provisions of subsections (f), (g), and (h) and within one hundred and twenty days after the date of enactment of the Small Business Innovation Research Act of 1981, for conduct of Small Business Innovation Research programs within the Federal Government.

"(A) provide for simplified standardized and timely SBIR solicitations, proposals, and evaluation processes; and

"(B) require Federal agencies to coordinate SBIR solicitation release schedules with the Small Business Administration.

"(2) The National Science Foundation and the Small Business Administration shall furnish the Administrator of the Office of Federal Procurement Policy advice and assistance in the promulgation of regulations under this section.".

SEC. 5. The amendments made by this Act do not authorize the appropriation of funds.

Mr. WEICKER. Mr. President, I am pleased to join with Senator RUDMAN in introducing the Small Business Innovation Research Act of 1981.

Last year, delegates to the White House Conference on Small Business ranked innovation high on their list of priorities for small business. Recognizing this concern, the Small Business Committee, which I chair, created a special Innovation and Technology Subcommittee. This subcommittee is chaired by my very able colleague, Senator RUDMAN.

The bill we are introducing today, I believe, addresses not only the concerns raised by the White House Conference participants, but goes to the heart of solving what is a very real problem for our country today. And that is our rapidly falling rate of productivity and innovation.

During the last decade, productivity levels in the United States have fallen well below those of all leading industrial nations. At the same time, there has been a sharp upturn in the annual growth rate of out trade competitors, most notably, Japan and Germany.

A decrease in innovation has sadly, gone hand in hand with this sag in our productivity. I would venture a guess that it is this slowndown in innovation—this lag in the development of new technologies—that is the major cause of dulling of our competitive edge in the world market.

The Small Business Innovation Research Act of 1981 is designed to help solve these problems. It will increase productivity by encouraging businesses to engage in the kind of enterprises that create new jobs and tax revenues at a rapid rate. At the same time, it will help to reduce inflation by generating new technologies, which in turn will lead to more and better products for less.

Mr. President, the innovation problem is a complex one. Over the past several years, research by the Small Business Committee has shown that small businesses provide more than half of all major innovations. Small firms traditionally produce up to 24 times more innovations per R. & D. dollar than larger companies. The ratio of innovations to sales is one-third greater in small high-technology companies than in larger

ones, and the cost per R. & D. scientist is about half as much.

Big businesses, on the other hand, are increasingly reluctant to begin new work on innovation. William Norris, chairman of the board of Control Data Corp., acknowledged this reluctance at a recent conference on technological innovation sponsored by the National Governors' Association. As he put it:

> Many big corporations, with their vast resources and well established markets, are for the most part avoiding risks and are primarily increasing profits by emphasizing improvements in existing products. The rising cost of innovation, investor pressure for immediate earnings and greater uncertainty of an unstable economy have increased the tendency of large corporations to avoid the risks associated with truly major innovative products or services.

Clearly then, big business is not going to provide the answer to our productivity/innovation problem. The solution must be to somehow make it possible for smaller firms—which have already shown they can provide more than their share of ideas, at a lower cost—to pick up the slack.

While many small, innovative companies are clamoring to try out their new ideas, they are faced with the problems of raising sufficient private capital to begin. Because high technology concerns—which have a far greater need for outside financing than other businesses—are perceived as a high-risk venture, investors are often unwilling to fund them. Although some of these firms have recently been more successful in attracting capital, many still go begging.

Our bill attacks this problem by creating legislation that would require Federal agencies with R. & D. budgets over $100 million to establish a Small Business Innovation Research (SBIR) program within their agency. This program's purpose would be to enable small firms to develop new products and processes that fall within areas of national need as designated by the agency. The SBIR concept is modeled after the highly successful National Science Foundation small business program, which provides for three-phased funding of small, high-technology firms. This funding would take place as follows:

PHASE I

Small business concerns would be invited to submit to an agency research proposals concerning that agency's R. & D. objectives. Of the proposals submitted, those judged by the agency to be most promising would be funded up to $50,000 to determine if the research is technically feasible.

PHASE II

If the initial research proves successful and the idea appears workable, additional funding ranging from $100,000 to $500,000 would be provided. Phase II proposals that have attracted the attention of outside, private capital are given special consideration in the evaluation process.

PHASE III

Actual production is financed by private capital.

In summary, the Government pays for the research on the Federal objectives (phase I and II) and private capital pays for the commercial applications of the research (phase III).

Implementation of the program would call for each qualifying agency to set aside 1 percent of its total, annual R. & D. budget for small business. It would be phased in over 3 years to allow agencies ample time to prepare their programs and to make whatever organizational adjustments are necessary. Each agency would select its own research topics, conduct its own periodic solicitations, and make its own awards.

The Small Business Administration would play a significant role in the oversight of this program by coordinating the release of program solicitations and monitoring the awarding of grants. The SBA in turn will report to the Small Business Committee, which will take an active part in seeing that the program is implemented fully and correctly.

The program would require no additional Federal money. Rather, it would use our limited R. & D. funds in the way most likely to result in tangible economic benefits. I believe it is uniquely suited to our current needs since the lion's share of the Federal grant is partially contingent on a show of interest by the private sector, and private capital bears the greater cost of production and commercialization.

If enacted, this legislation would develop the largely untapped potential of our existing small, high-technology companies, and help get new technologies into the marketplace.

In Japan, research and development is already a top priority. That country's Ministry of International Trade and Industry recently said that Japan's future economic security will be achieved through technological innovation. It further recommended that the government increase its R. & D. budget consistent with a long-term vision for technological development. While Japan formerly borrowed, applied, and improved upon imported technologies—many of them American—it is now planning to develop its own.

We must begin now to do the same. The Small Business Innovation Research Act affords us a unique opportunity to do just this. While the program envisioned in this bill will greatly assist Federal agencies in meeting their R. & D. objectives, it will also do much more. By using our most efficient resource—the small, high-technology firm—to develop new products and processes, the program will benefit inventors and investors—both public and private—as well as society as a whole.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 883. A bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks, Calif.; to the Committee on Environment and Public Works.

IMPROVEMENTS ON REDBANK AND FANCHER CREEKS, CALIF.

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to authorize the Secretary of the Army to construct improvements on Redbank and Fancher Creeks in California. This is the same legislation which Senator HAYAKAWA and I sponsored in the 96th Congress and is identical to H.R. 2321 introduced in the House recently by Congressmen PASHAYAN and COELHO.

The Redbank and Fancher Creeks, their tributaries and related streams are located on the western slope of the Sierra Nevada Mountains. Because the streams are uncontrolled, flooding has occurred frequently over the past 30 years. The most serious flood damage occurred in 1969 and resulted in Fresno County being declared a national disaster area. Lesser damages occurred in 1938, 1952, 1955, 1956, 1965, 1972, and 1978.

In 1956 Congress authorized a project investigation for the Redbank and Fancher Creeks stream system, and in 1977 the district engineer of the corps recommended Federal participation in a project to protect the Fresno-Clovis area. In July 1980, the Board of Engineers for Rivers and Harbors approved the project, having a 1.6 to 1 benefit/cost ratio.

The proposed project is a straightforward flood control project with several small detention reservoirs. The principal features include a 13,000-acre-foot reservoir on Fancher Creek, a 1,500-acre-foot reservoir on Redbank Creek, and an enlarged Big Creek Reservoir.

In addition to flood protection, the Redbank-Fancher Creeks project will produce significant water conservation and groundwater management benefits. Under current requirements, project costs will be shared with the Federal Government providing $41,600,000, the State $9,477,000 and local authorities $6,023,000 plus all the operation and maintenance costs.

The Redbank-Fancher Creeks project is supported by the county of Fresno, the cities of Fresno and Clovis, the Fresno Irrigation District, the Fresno Metropolitan Flood Control District, the Kings River Conservation District, the California Water Commission and the California Department of Water Resources. I am unaware of any controversy surrounding the project or any environmental objections to it.

I hope the 97th Congress will move forward with early authorization of the Redbank-Fancher Creeks project to avoid unnecessary project delays and resulting increased costs to the taxpayers.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 883

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army, acting through the Chief of Engineers, substantially in accordance with the plans and subject to the conditions recommended by the Chief of Engineers, is authorized to construct the project for flood control on Redbank and Fancher, Creeks, California: Report of the Board of Engineers for Rivers and Harbors, dated July 30, 1980, at an estimated cost of $42,000,000.

By Mr. HELMS:

S. 884. A bill to revise and extend programs to provide price support and pro-

duction incentives for farmers to assure an abundance of food and fiber, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURE AND FOOD ACT OF 1981

Mr. HELMS. Mr. President, the Senate Committee on Agriculture, Nutrition, and Forestry is nearing the conclusion of a month-long schedule of hearings on the future of Federal farm programs and related topics. Current farm and food statutes expire in 1981, and the Agriculture Committee has actively sought the options of specialists in both the public and private sectors as to the course agricultural policy should take in the years head.

Drawing extensively from the hearings and upon completion of almost a year of policy research and assessment, I am pleased to introduce today the Agriculture and Food Act of 1981.

Before discussing the specifics of my legislation, I would offer a perspective of the long view. In the first place, why should there be Government farm programs at all—what is their justification? Second, where does the Nation stand in 1981 in terms of Federal agricultural policy—how did we reach this point? Where should we be headed in terms of farm policy?

The essential purpose of any successful farm policy has always been to try to provide a basic stability in the the agricultural sector so that farmers may establish their planting and marketing strategies efficiently and effectively. And, because farmers must make such decisions well in advance of the return they receive from the sale of their crops—and in the face of inherently unpredictable forces such as weather and world market conditions—Federal farm policy has sought to provide a basic stability in the form of income assurances such as loan rates, target prices, reserves, and other mechanisms.

Farmers benefit by such elements of predictability in an inherently unpredictable business, and so does the consuming public, as evidenced by the fact that America is blessed with an abundance of food unimagined elsewhere in the world—and at costs to the consumer, in terms of a percentage of disposable income, less than anywhere else.

Mr. President, it is important to note that consumers have nothing to fear from increased farm prices. Only 6 cents of the cost of a 1-pound loaf of bread represents the actual cost of the wheat in it. The amount the consumer pays includes the cost of labor, processing, and distribution of the product. In fact, if other factors remained constant, the price of wheat would have to be $25 per bushel—better than a fivefold increase—to push the price of bread up to $1 a loaf.

In fact, for all food products, the farm share of the average food dollar is only 39 cents. In 1980, the cost of the labor in food products exceeded the share of the cost that went to farmers for growing the food in the first place.

Everyone should be aware that farmers are the ultimate consumers—the least able of any in the economic chain to pass their cost through because of the very nature of harvest economics and market forces. Because of this, farmers will never be in a position to make profits unless and until the general economy is brought under control.

In a very real sense, then, the problems which farmers face today have very little to do with defects in agricultural commodity legislation. Farmers are being devastated by inflation, rampant regulation, and other forces beyond their control.

However, policy management and initiatives of the past 4 years have resulted in unreasonable high levels of Government regulation and manipulation of agricultural production, prices, and incomes. These policies have resulted in a return of the United States to the status of a residual supplier of grain to the world, reduced producer prices and incomes, hiked production costs, and increased Government expenditures, thereby reducing the most efficient utilization of the productive capacity of the American farmer.

The paramount feature of farm policies, from the time of the Great Depression until the late 1960's, was direct Government involvement in farmers planting and marketing decisions. Starting with the Agriculture Act of 1970 and continuing through the Agriculture and Consumer Protection Act of 1973, and culminating in the Food and Agriculture Act of 1977, Congress has gradually shifted the course of American agriculture away from that kind of direct Federal involvement in the farmer's business.

The 1977 act firmly established the predominance of market orientation in agricultural policy. The bill I offer today continues that progression toward the goal of minimizing Government interference in agriculture and maximizing the farmers' opportunity to derive a fair profit from the marketplace.

As we undertake our efforts to reauthorize farm programs, I should mention that farm commodity legislation must have as little cost to the taxpayers as possible. The severe budget crisis now with us—and which will continue to be with us in the decade ahead—has created a situation in which public support for costly programs of any kind is greatly diminished.

Indeed, the budget situation may be the most fundamentally important dynamic with which we must deal, and it certainly gives adequate cause for us to design farm programs in such a way as to assure that treasury costs will be minimal. To ignore that dynamic could threaten all farm programs and expose farmers to the prospect of a return to roller coaster economic conditions or burdensome production controls.

While the 1977 act is certainly a milestone in establishing basic market orientation of Federal farm policy, it has permitted Federal manipulations which have made real profits for farmers elusive. While it creates conditions where profitability is possible, its defect is that it does not encourage a psychology of profitability for farmers.

Too often the policy of the past 4 years has been to keep farmers barely marginal, dependent upon Government payments for survival. It is time to look ahead to a market dynamic which provides producers the full return they deserve.

As opposed to the down-side price protection of target prices, my legislation offers the up-side price encouragement of an unfettered farmer-owned reserve and expanded exports.

My legislation reallocates the resources of the Government from the maintenance of farm subsistence to the enhancement of farm profitability. Its outlook is upbeat, forward-looking, and as progressive as the free enterprise system itself.

As the principal challenge of Federal farm policy makes its transition from the management of surpluses to the management of shortages, a market-oriented, farmer-held reserve, in conjunction with a recoverable nonrecourse loan, can be the fundamental mechanism for an effective farm policy that provides profits for farmers, and that does not cause price distortions damaging to consumers.

The central focus of Federal farm policy for appropriate commodities should be such a farmer-held reserve and nonrecourse loan. If a reserve is allowed to function properly, reliance upon target prices is unnecessary. With target prices unnecessary we can reduce emphasis upon the need for income transfer and maintenance as the central focus of farm policy, and establish profits in the marketplace instead. And, we can significantly reduce treasury exposure of our programs at the same time.

Farmers and traders will be able to calculate their planting and marketing strategies on predictable market forces and upon events which can be anticipated much more effectively than the current mix of Federal manipulations and the marginal income subsistence psychology that has recently come to dominate farm policy thinking.

A production, supply-side orientation to the management of farm policy can meet the challenges of the 1980's by emphasizing the importance of production for a profit, market forces, and a minimum Federal manipulation of those forces.

If we establish the farmer-held reserve under conditions which the Federal Government has little opportunity for manipulation—and then only in the most unusual of circumstances—we can set the conditions where farmers will once again be in control of their affairs. Yet, we will have used the Government to establish conditions which are predictable, and which utilize the advantages of the free enterprise system in keeping production in balance with demand.

This is truly a supply-side agricultural program which I propose today. An economic incentive for the producer is the surest way of assuring the consumer of an abundant supply of food. What is more important, a strong and healthy agricultural sector with farmers making profits will accrue to the benefit of the entire economy.

Self-styled consumer organizations can be expected to view with alarm my proposal. I suspect that they will complain that my program offers price enhancement to farmers. To them I say that is precisely correct: and it is long overdue.

My bill will not artificially inflate prices, but it will allow market forces to work their will. That means that while the reserve and nonrecourse loan assures farmers of an opportunity to obtain prices which cover their costs of production, it also means that the very existence of the reserve will prevent prices from being artificially high. With the loan rate established at a fixed percentage of the market price, it will assure a proper balance of commodities in the reserve.

So, my bill will enhance the role of the private sector in American agriculture. The farmer will be free to make a profit and to make the planting, production, and marketing decisions which he is uniquely qualified to make. The Government can provide the reserve mechanism and the loan without manipulations and adjustments, confining its energies to disseminating necessary information, promoting international trade, and carrying out basic research and other functions beyond the scope of the individual.

Mr. President, this legislation demonstrates that the scope of American agriculture and all who depend on it is truly broad. My legislation encompasses a host of farm-related topics, and I will attempt to summarize its various provisions. It is important to view these provisions as a total package, however, rather than isolating any single detail.

COMMODITY PROGRAMS

In the dairy program, the price support for milk will be set at between 75 and 90 percent parity, with semiannual adjustments at the discretion of the Secretary of Agriculture. This should provide an additional measure of flexibility for the Secretary to adjust the support price to the appropriate level relative to the demand for dairy products.

This legislation extends current authority for supporting wool and mohair without change.

Wheat, feed grains, rice and soybeans will have their loan rate levels calculated as a percentage of a 5-year moving average of annual cash market prices for each commodity, not counting the high year and low year. Such a system will assure the crop producer that interim financing will be available at a level which will not interfere with market operations or force the Government to acquire burdensome stocks.

The percentages for feed grains, rice, and soybeans will be 75 percent of this moving average in 1982, and from 65 to 85 percent of this average in 1983 and following years. For wheat, the loan rate will be not less than 85 percent of this market average, consistent with the current relationship of support levels between crops. The Secretary shall consider such factors as world demand and cost of production in setting these levels, and in no case may the loan rates fall below the 1981 levels.

A paid land diversion will replace the less cost-effective set-asides and normal crop acreages of the expiring act. Target prices are not reauthorized, and disaster payments will be replaced by Federal crop insurance. For the first time in history, soybeans will be legally designated a basic commodity and will be specifically exempted from inclusion in the farmer-held reserve, as producers have requested.

In cotton, the current formula for calculating loan rates is retained, except that the minimum is increased to 55 cents per pound and target prices are not reauthorized. As in other commodities, a paid land diversion is authorized to the exclusion of other production control measures. The Secretary of Agriculture will be required to offer a recourse loan on seed cotton.

In peanuts, authority for the current program is extended through 1985, except that the price support for quota peanuts shall not be less than $650 per ton, safely below the current market price. A minimum annual poundage quota of 1.44 million tons is established, with authority to increase that amount for domestic needs or to allow for previous undermarketings. The deadline for contracting additional peanuts produced outside the quota is moved to April 15.

In cases of unintentional violations of peanut marketing procedures, my legislation places the authority for adjusting penalties upon the ASCS State and county committees where that authority belongs. Responsibility for storage loans and field supervision is vested specifically in the appropriate grower associations. In addition, my bill includes a new feature in law which permits peanut farmers and cooperatives to redeem peanuts from loan. This provision makes the peanut program better able to allow farmers to take advantage of favorable market conditions and can reduce the administrative and regulatory costs of the program.

Certainly, this program is structured differently from the other commodity programs, as it has historically been, and reasons for the differences remain valid. Peanuts are a specialty crop produced in a limited geographic area. The strict production controls of the program, which have been overwhelmingly endorsed by producers in referendums, have kept costs to the taxpayers virtually nil.

I might add, parenthetically, that the same is true for tobacco.

GRAIN RESERVES AND AGRICULTURAL EXPORTS

For the life of the farm bill, the Secretary of Agriculture is authorized to offer a higher loan rate for grain going into the farmer-owned reserve, as was done for the first time last year. Once farmers take out this loan on grain under the producer storage program it may not be "released" or sold until market prices reach a level calculated as the national average of the full cost of producing the grain, including land value and a return to management.

The cost of storage will be paid until market prices reach 115 percent of this "release" level, in order to less abruptly phase out the incentives for holding the grain. There would be no "call" price, the level at which the Government forces producers to sell the grain or borrow money to repay the loan. However, the Secretary of Agriculture would have the flexibility to establish rates of interest charged on loans.

While this may sound complicated, the net effect is simple. It places the producer in the driver's seat in terms of marketing decisions. It assures the consumer that there will be stocks of grain on hand when we encounter times of shortfall. It assures that the Government could not interfere with the reserve to artificially force down market prices. It provides income protection to the producer, but from the marketplace, not the U.S. Treasury.

Another forward-looking provision of this bill is appointment of a task force to study the concept of farm income protection insurance. Some have suggested this concept as an alternative to existing commodity programs, and we in Congress need further research into the suitability of such a system.

Current authorities for the farm storage program will be extended for the life of the farm bill. In addition, certain grain inspection authorities now vested in the Federal Government could be transferred to the States.

In keeping with our increased market orientation, my bill places increased emphasis on agricultural exports. An export credit revolving fund will be established to facilitate loans to commercial buyers on a continuing basis. As a means of controlling Federal outlays, appropriations for the fund are phased in over a period of 3 years.

My bill allows for a congressional veto of bilateral agreements covering agricultural commodities and extends the life of Public Law 480 through 1985.

When it comes to international marketing, our producers can compete with anyone in the world, as long as the rules of trading are fair. On those occasions when our competitors are unfairly subsidizing their exports to the detriment of the United States, we must be bold and firm to equalize this treatment. For these occasions, my legislation would authorize use of an export subsidy program to counter unfair practices abroad.

In addition, when our own Nation imposes export embargoes which single out the agricultural sector to bear the burden of foreign policy, then the farmer deserves protection. In addition to remedies in current law, this legislation authorizes payments to producers to make up the price differential if products are sold at depressed prices following something short of an across-the-board embargo.

Such a system would force the architects of our foreign policy to consider the costs of such a drastic and essentially unfair measure, as well as the perceived benefits. This remedy is preferable to tinkering with our basic commodity programs which were not designed to deal with foreign policy considerations.

Drastic increases in the loan rate in excess of market-clearing levels, for example, would make it even more difficult to market abroad the domestic surplus created by export embargoes, and could be even more damaging than the agricultural embargo itself.

FOOD STAMPS

Another vital issue which this legislation addresses is food stamps. I will highlight several of the most significant pro-

visions of the bill I am introducing today.

The purchase requirement, which was in place until 1977, will be reinstated, except for the elderly, blind, and disabled. This will require participants with some income to contribute a percentage of their incomes in exchange for food stamps of larger denominational value, while households with little or no income would not be required to pay anything. Such a requirement would result in substantial savings of tax dollars and will focus assistance on those least able to help themselves. Further, it restores the nutritional focus of the program rather than the income transfer focus which the program has taken on since the purchase requirement was eliminated in 1977.

One of the most frequently cited examples of abuse of the food stamp program has been the artificial splitting of households. Since those who pay for room and board are eligible for food stamps, some household members have "split off" to pay other members their room and board in order to file for food stamps separately. My bill would exclude all boarders from participation and would require related members of a single household to apply as one household, except that elderly parents could apply separately.

Individualized allotments, as proposed in my legislation, would allow the Secretary to tailor the USDA thrifty food plan to more accurately meet the nutritional needs of a specific household or a specific individual. Depending on age and sex, some people will need more and some less than the standard thrifty food plan in current law and, by individualizing allotments, true dietary need would be taken into account. The thrifty food plan currently assumes a four-person household with two middle-aged parents and two elementary school-aged children. This is then adjusted merely to reflect differing household sizes, not ages or sex of family members.

I am proud that my legislation will lead to the establishment of a workfare program in each State, so that able-bodied recipients must be available for community service work as a condition for participation. Simple equity demands that beneficiaries of Federal assistance perform useful tasks in exchange for those benefits. This proposal is modeled after the successful reforms in work experience programs implemented by President Ronald Reagan in the welfare program during his term as Governor of California.

My legislation will also prohibit a household from becoming eligible for food stamps or increases in food stamp benefits as a result of a member of that household going on strike. Working American taxpayers should not be required to subsidize other Americans who have consciously and voluntarily chosen not to work.

As another means of targeting assistance to the most truly in need, participation of nonworking recipients—except the elderly, blind, and disabled—would be limited to those with gross incomes of 100 percent of the poverty level or less. Households with some earned income would be permitted to earn 115 percent of the poverty level and still be eligible for participation.

In order to eliminate overlap, the duplications between the free school lunch and food stamp programs would be eliminated. During fiscal year 1982, the average monthly food stamp allotment change per student during the school year would be $11.50, and the average monthly free school lunch subsidy per student will be about $23.

My legislation will also require that a new recipient receive benefits for that part of the month for which assistance is needed. Under current law, a recipient certified at the end of the month still receives the full month's benefits, and prorating of the first month's benefits will more accurately apportion them to identified need.

This legislation also addresses the extensive fraud present in the program. I propose that we amend current law to make an individual found through a State administrative fraud hearing to be guilty of defrauding the program ineligible to receive further food stamp benefits for a full year following the hearing. Under current law, that disqualification period is just 3 months. Any individual found guilty of fraud by the courts, as opposed to a State administrative hearing, shall be ineligible for a minimum of 12 months. The maximum period of ineligibility in current law would be eliminated.

Under current law, in order to regain eligibility for food stamps once the disqualification period is over, an individual need do nothing more than pay back to the Federal Government the value of the food stamps he stole. He pays no interest, no penalty. That is not what I consider much of a disincentive to defraud the program. The legislation I am introducing today would require that anyone found defrauding food stamps pay back double the value of the food stamps he stole, either through cash payments or reductions in future benefits.

The legislation will also extend for the life of the farm bill the Secretary's authority to purchase and distribute surplus commodities for institutions, disaster relief, and needy families on Indian reservations and the U.S. Trust Territory of the Pacific Islands. Certain penalties for fraudulent misuse of these commodities are imposed.

Prior to our committee's consideration of the food stamp program, I will be proposing additional recommendations aimed at correcting a number of other abuses identified by our committee during food stamp hearings on March 16 and April 1.

These provisions taken as a whole, should serve to bring a well-intended program back into balance which can be supported by all Americans, without doing harm to the most truly needy.

AGRICULTURAL RESEARCH, EXTENSION, TEACHING, AND RESOURCE CONSERVATION

Some of the Nation's most cost-effective expenditures are made in the arena of agricultural research. Consistent with the current administration's philosophy, my legislation lends strong support to these truly worthwhile investments.

My proposal will reaffirm and strengthen the Federal-State partnership which is a bulwark of our efforts in research, extension, and teaching; while reducing unnecessary regulations.

Many highly respected economists advise us that we are entering an era of shortages, rather than the surpluses we have previously encountered. In past years, when such dire predictions have been made, farmers aided by technology from public and private research have abundantly responded to meet our needs. Today, however, the research base upon which we have relied for so long has been dangerously drawn down, as Federal support for agricultural research has lagged or been diverted to other pursuits. My legislation restores once more a priority on productivity.

I join with my distinguished colleague from Montana, Senator MELCHER, in endorsing further efforts in animal health science research. Other areas of emphasis include forestry, alternative fuel from renewable sources, nutrition education, higher education in agricultural sciences, and international agriculture. The terms of the Joint Council on Food and Agricultural Sciences and the National Agricultural Research and Extension Users Advisory Board are extended another 5 years, with the additional task of not only coordinating programs but making them more effective.

A number of schedule changes are made to conform to budgetary needs and an additional Assistant Secretary of Agriculture is authorized. Funds for support of agricultural research, extension and teaching would be authorized to be taken from permanent appropriations. Such an investment in our Nation's future productivity is long overdue.

My legislation also makes strides forward in the area of resource conservation. In order to target our limited Government assistance to the area where need is greatest, this bill authorizes a special areas conservation program. This program will target financial and technical assistance to areas having erosion and water management problems so severe that they are a major concern at the national level.

The Secretary of Agriculture will designate areas of crucial need. He will prepare a report, working with local people, that outlines the problems and the planned treatment strategies to remedy them.

The basis for providing financial and technical assistance to individual farmers and ranchers will be a long-term contract based on the farmer's conservation plan, as approved by the Secretary and the local soil and water conservation district. This is a well-proven method that assures the farmer of scheduled assistance and also assures the taxpayer that the conservation objectives will be achieved. The Secretary is directed to use existing delivery systems.

This legislation makes needed amendments in the small watershed program which provides flood protection and other valuable functions. On occasions when the Federal Government requires

that losses of fish and wildlife habitat resulting from small watershed projects should be mitigated, then the Federal Government should be permitted to pay a part of the cost of this mitigation.

As many rural citizens know, the conflicts and delays of water project policy during the past 4 years has been a disaster for rural America. My legislation will expedite the time-consuming and frustrating review process by raising the approval authority of the Secretary from $1 to $3 million.

Energy-generating components of small dams are expected to become increasingly important to the development of rural America in the years ahead. The bill will allow such a component to be considered in the cost-benefit ratio of a project, whether for resource conservation and development or a small watershed project.

Finally, my bill recognizes and makes possible voluntary work on applying conservation measures. There are a number of contributions which can be made as a result of private initiative, but again Federal regulations may interfere. My legislation will authorize the use of volunteers for conservation work without regard to civil service requirements. Voluntary service, of course, will be unpaid, but transportation, lodging and subsistence could be provided by the Secretary of Agriculture for those contributing to this worthy effort, and the volunteers would be covered for injuries on the job.

Mr. President, I recognize that this legislation is truly comprehensive and broad-ranging. Even this legislative package cannot fully capture the diversity and strength of American agriculture. However, it raises for public debate many issues which I believe are of signal importance. I am not necessarily wedded to its every detail, but I hope that Senators and the public will weigh and evaluate the provisions of this bill with these thoughts in mind.

This legislation is consistent with the free-market philosophy of myself and the Reagan administration, but it is even more than that. In a practical sense, I genuinely believe that this program offers the best hope for farmers to make real profits in the years to come.

At the current time, farmers receive the predominance of their income from the marketplace, while a small portion comes from the Government for certain commodities. Given the attitudes of the public and the restraints on public coffers, direct Government assistance can only be expected to stabilize, if not, in fact, to decline.

A much more promising alternative is to pursue higher prices in the international marketplace, the major source of increased farm revenues when those have historically occurred. The need for that increased profitability is critical, as family farmers face the ravages of inflated production costs, increased interest rates, and unmanageable debt loads. There is no time to lose.

At the outset of our hearings a month ago, I told our members that this task demanded our best efforts to determine priorities. The legislation I introduce today clearly places top priority on the marketplace as the means for enhancing the profitability of the American farmer.

I ask unanimous consent that this bill, along with a section-by-section analysis, be printed in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Agriculture and Food Act of 1981.

TITLE I—DAIRY

DAIRY BASE PLANS

SEC. 101. Effective on January 1, 1982, section 8c(5)(B) of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, 7 U.S.C. 608c(5)(B), is further amended by striking all that follows the comma at the end of the clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year, and (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order.".

LEGAL STATUS OF PRODUCER HANDLERS

SEC. 102. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendment made by the Agriculture and Food Act of 1981 as it was prior thereto.

MILK PRICE SUPPORT

SEC. 103. Section 201(d) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"(d) Effective for the period beginning on the effective date of the Agriculture and Food Act of 1981 and ending September 30, 1985, the Secretary is authorized to adjust the support price of milk at the beginning of each semiannual period after the beginning of the marketing year to reflect any substantial change in the parity index during the immediately preceding semiannual period. Any adjustment under this subsection shall be announced by the Secretary not less than thirty days prior to the beginning of the period to which it is applicable.".

TRANSFER OF DAIRY PRODUCTS TO VETERANS HOSPITALS AND THE MILITARY

SEC. 104. Section 202 of the Agricultural Act of 1949, as amended, is amended by striking out "1981" in subsections (a) and (b) and inserting in lieu thereof "1985".

DAIRY INDEMNITY PROGRAM

SEC. 105. Section 3 of the Act of August 13, 1968 (82 Stat. 750, as amended; 7 U.S.C. 450 1) is amended by striking out "1981" and inserting in lieu thereof "1985".

TITLE II—WOOL AND MOHAIR

EXTENSION OF PRICE SUPPORT PROGRAM

SEC. 201. Section 703 of the National Wool Act of 1954, as amended, is amended by—

(1) striking out "1981" in subsection (a) and inserting in lieu thereof "1985"; and

(2) striking out "1981" in subsection (b) and inserting in lieu thereof "1985".

TITLE III—WHEAT

LOAN RATES AND LAND DIVERSION PAYMENTS FOR THE 1982 THROUGH 1985 CROPS

SEC. 301. Effective only for the 1982 through 1985 crops of wheat, title I of the Agricultural Act of 1949, as amended, is amended by adding after section 107A a new section 107B as follows:

"SEC. 107B. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases on the 1982 through 1985 crops of wheat at such level, not less than the higher of $3.20 per bushel or 85 per centum of the average market price of wheat in the United States, as determined by the Secretary, during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and purchases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the supply of wheat, demand therefor (both domestic and world), estimated carryover, and the cost of producing wheat.

"(b)(1) The Secretary may make land diversion payments to producers of wheat if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(2) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(c) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(d) The Secretary is authorized to issue such regulations as the Secretary determines

necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this Section through the Commodity Credit Corporation.

"(f) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing, on a fair and equitable basis, in payments made under this section.".

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

Sec. 302. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1982 through 1985 crops of wheat.

NONAPPLICABILITY OF PROCESSOR AND EXPORTER CERTIFICATE REQUIREMENTS

Sec. 303. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period July 1, 1973, through May 31, 1986.

FINALITY OF DETERMINATIONS

Sec. 304. Section 405 of the Food and Agriculture Act of 1977 is amended by striking out "1981" and inserting in lieu thereof "1985."

SUSPENSION OF QUOTA PROVISIONS

Sec. 305. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

Sec. 306. Section 407 of the Food and Agriculture Act of 1977 is amended by striking out "1981" and inserting in lieu thereof "1985".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

Sec. 307. Section 408 of the Food and Agriculture Act of 1977 is amended by striking out "1981" and inserting in lieu thereof "1985".

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

Sec. 308. Section 107 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1982 through 1985 crops of wheat.

TITLE IV—FEED GRAINS

LOAN RATES AND LAND DIVERSION PAYMENTS FOR THE 1982 THROUGH 1985 CROPS

Sec. 401. Effective only for the 1982 through 1985 crops of feed grains, title I of the Agricultural Act of 1949, as amended, is amended by adding after section 105A a new section 105B as follows:

"Sec. 105B. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases on the 1982 crop of corn at such level, not less than $2.40 per bushel, as is equal to 75 per centum of the average market price of corn in the United States, as determined by the Secretary, during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and purchases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period. The Secretary shall make available to producers loans and purchases on the 1983 through 1985 crops of corn at such level, which shall be not less than 65 per centum nor more than 85 per centum of the average market price of corn in the United States, as determined by the Secretary in the manner described in the first sentence of this paragraph, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains in the United States after taking into consideration the supply of feed grains, demand therefor (both domestic and world), estimated carryover, and the cost of producing corn, except that such level of loans and purchases shall not be less than $2.40 per bushel.

"(2) The Secretary shall make available to producers loans and purchases on each of the 1982 through 1985 crops of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act: *Provided*, That in the case of oats, the level of loans and purchases shall be not less than 75 per centum of the level that loans and purchases are made available for corn, and in any year in which the production of oats is estimated by the Secretary to be less than the level of production for the 1980 crop year the level of loans and purchases shall be not less than 80 per centum of the level that loans and purchases are made available for corn, and on each of the 1982 through 1985 crops of grain sorghums at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1) The Secretary may make land diversion payments to producers of feed grains if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grans to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(2) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(c) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(d) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(f) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing, on a fair and equitable basis, in payments made under this section.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

Sec. 402. Section 105 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1982 through 1985 crops of feed grains.

TITLE V—UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSION OF MARKETING QUOTAS AND RELATED PROVISIONS

Sec. 501. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to upland cotton of the 1982 through 1985 crops.

COTTON PRODUCTION INCENTIVES; LOAN RATES AND LAND DIVERSION PAYMENTS FOR THE 1982 THROUGH 1985 CROPS

Sec. 502. Effective only for the 1982 through 1985 crops of upland cotton, except as otherwise provided herein, section 103 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (g) as follows:

"(g)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to producers nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (i) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period, or (ii) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths quoted for Strict Middling one and three-thirty seconds inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average Northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot market for Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9): *Provided*, That in no event shall such loan level be less than 55 cents per pound. If for any crop the average Northern European price determined under clause (ii) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (i) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (i) of the first sentence of this paragraph. The loan level

for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection, shall, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months: *Provided*, That such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six month period. *Provided further*, That whenever the Secretary determines that the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of the law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available;

"(B) If a special quota has been established under this subsection during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (A) of this paragraph or the amount required to increase the supply to 130 per centum of the demand;

"(C) As used in clause (B) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four hundred and eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established; and

"(D) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

"(3) Any upland cotton imported into the United States while a special quota is in effect shall be regarded as having been imported under such quota and shall not be subject to import duties that would be applicable to such upland cotton in the absence of a special quota.

"(4) Notwithstanding any other provision of law, the foregoing provisions of this subsection with respect to extension of the loan period and to proclamation of the special quota shall become effective upon the effective date of the Agriculture and Food Act of 1981 even though the cotton may be of a crop prior to the 1982 crop.

"(5)(A) The Secretary may make land diversion payments to producers of upland cotton if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determmining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(B) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(6) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(7) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(8) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(9) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall apply to payments under this subsection.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing, on a fair and equitable basis, in payments made under this subsection."

"(11) The Secretary shall make available to producers recourse loans on seed cotton at such levels and under such terms and conditions as the Secretary determines necessary.".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Section 603 of the Food and Agriculture Act of 1977 is amended by striking out "1982" and inserting in lieu thereof "1986".

MISCELLANEOUS COTTON PROVISIONS

SEC. 504. (a) Section 604(b) of the Food and Agriculture Act of 1977 is amended by striking out "1981" and inserting in lieu thereof "1985".

(b) Sections 103(a) and 203 of the Agricultural Act of 1949, as amended, shall not be applicable to the 1982 through 1985 crops.

SKIPROW PRACTICES

SEC. 505. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1981" in the last sentence and inserting in lieu thereof "1985".

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 506. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, as amended, shall again become effective as preliminary allotments for the 1986 crop.

TITLE VI—RICE

LOAN RATES AND LAND DIVERSION PAYMENTS FOR THE 1982 THROUGH 1985 CROPS

SEC. 601. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (i) as follows:

"(i) Notwithstanding any other provision of law—

"(1) The Secretary shall make available to producers loans and purchases on the 1982 crop of rice at such level, not less than $8.01 per hundredweight, as is equal to 75 per centum of the average market price of rice in the United States, as determined by the Secretary, during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and purchases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period. The Secretary shall make available to producers loans and purchases on the 1983 through 1985 crops of rice at such level, which shall be not less than 65 per centum nor more than 85 per centum of the average market price of rice in the United States, as determined by the Secretary in the manner described in the first sentence of this paragraph, as the Secretary determines will not substantially discourage the exportation of rice and will not result in excessive stocks of rice in the United States after taking into consideration the supply of rice, demand therefor (both domestic and world), estimated carryover, and the cost of producing rice, except that such level of loans and purchases shall not be less than $8.01 per hundredweight.

"(2) The Secretary may make land diversion payments to producers if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife

agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(4) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(5) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(6) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(7) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(8) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing, on a fair and equitable basis, in payments made under this subsection.".

SUSPENSION OF MARKETING QUOTAS AND OTHER PROVISIONS

SEC. 62. Sections 351, 352, 353, 354, 355, 356, and 377 of the Agricultural Adjustment Act of 1938, as amended, shall not be applicable to the 1982 through 1985 crops of rice.

CONFORMING AMENDMENT

SEC. 603. Section 705 of the Food and Agriculture Act of 1977 is amended by striking out "1981" and inserting in lieu thereof "1985".

TITLE VII—PEANUTS

ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

SEC. 701. (a) Subsections (a) and (e) of section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(a) and (e)) shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Effective for the 1982 through 1985 crops of peanuts, subsection (c)(1) of the section 358 of such Act (7 U.S.C. 1358(c)(1)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof a colon and the following: "*Provided further*, That the peanut acreage allotment for the State of New Mexico shall not be reduced below the 1977 acreage allotment as increased pursuant to subsection (c)(2) of this section.".

NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; AND DEFINITIONS

SEC. 702. Effective only for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) is further amended by adding at the end thereof the following new subsections:

"(k) Not later than December 1 of each year, the Secretary shall announce a national acreage allotment for peanuts for the next crop taking into consideration projected domestic use, exports, and a reasonable carryover, except that such allotment shall not be less than 1,614,000 acres.

"(l) Not later than December 1 of each year, the Secretary shall announce a minimum national poundage quota for peanuts for the next marketing year. The minimum national poundage quota for any crop shall be 1,440,000 tons increased by such additional quantity as the Secretary estimates will be necessary to meet the requirements for domestic edible and seed uses during the next marketing year.

"(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut acreage allotment by the farm yield determined in accordance with subsection (m) of this section.

"(o)(1) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm base production poundage multiplied by a factor determined by the Secretary, such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year. The poundage quota so determined, beginning with the 1982 crop for any farm, shall be increased by the number of pounds by which marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the farm poundage quota.

"(2) A quantity of peanuts equal to the quantity of peanuts undermarketed in any year may be produced and marketed in any subsequent year or years (undermarketing carry forward) and such quantity of peanuts shall be considered quota peanuts, except that in order to qualify for an undermarketing carry forward in any year a producer must have planted an acreage on the farm to peanuts in the preceding year equal to or greater than 50 per centum of the acreage allotment for the farm for peanuts for such preceding year.

"(3) In no case may the total marketings of a producer exceed actual production from the farm acreage allotment.

"(4) Notwithstanding the foregoing provisions of this subsection, if the total of all increases under paragraph (1) of this subsection in individual farm poundage quotas exceeds 10 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10 per centum of the national poundage quota.

"(p) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year, any peanuts which are marketed from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the farm acreage allotment;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENT

SEC. 703. Effective for the 1982 through 1985 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358a) is amended—

(1) by striking out in subsection (a) ", if he determines that it will not impair the effective operation of the peanut marketing quota or price support program,";

(2) by striking out "may" each place it appears in subsection (a) and inserting in lieu thereof "shall"; and

(3) by adding at the end thereof the following new subsections:

"(i) Notwithstanding any other provision of this section, transfers shall be on the basis of the farm base production poundage, and the acreage allotment for the receiving farm shall be increased by an amount determined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm.

"(j) Notwithstanding the provisions of subsection (b)(1) of this section, farm acreage allotments and marketing quotas for peanuts may be transferred from one county to another in the same State in the case of any State in which the total farm peanut acreage allotment is 11,000 acres or less.".

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective only for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359) is amended—

(1) by inserting "(1)" after the subsection designation "(a)";

(2) by striking out in the first sentence of subsection (a)(1) of such section, as designated by clause (1) of this section, "75 per centum of the support price for" and inserting in lieu thereof "120 per centum of the support price for quota";

(3) by inserting after the first sentence of subsection (a)(1) of such section, as designated by clause (1) of this section, the following new sentence: "The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are placed under loan at the additional loan rate under the loan program made available under section 108(b) of the Agricultural Act of 1949 and not redeemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of subsection (l) of this section.";

(4) by striking out "normal yield" in subsection (a)(1) of such section, as designated by clause (1) of this section, and inserting in lieu thereof "farm yield";

(5) by adding at the end of subsection (a)(1) of such section as designated by clause (1) of this section the following new paragraph:

"(2) The Secretary shall authorize, under

such regulations as he shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations which were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight which do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy."; and

(6) by adding at the end of such section the following new subsections:

"(f) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(g) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(h) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(i) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced, except that if any handler contracts with a producer for additional peanuts at a price equal to or more than 105 per centum of the loan level of quota peanuts such peanuts may be utilized as quota peanuts if (1) such contract is approved before April 15 of the year in which the crop is produced, and (2) all of the producer's quota peanuts have been contracted for before or at the same time that the producer's additional peanuts are contracted for.

"(j) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to April 30 of the calendar year following the year in which such additional peanuts were harvested, the area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts.".

REPORTS AND RECORDS

SEC. 705. Section 805 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRESERVATION OF UNUSED ALLOTMENTS

SEC. 706. Section 806 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRICE SUPPORT PROGRAM

SEC. 707. Effective for the 1982 through 1985 crops of peanuts, title I of the Agricultural Act of 1949 is amended by adding after section 107 a new section 108 as follows:

"SEC. 108. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops of peanuts at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act, and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year from which the level of support is being determined, except that the level of price support for the 1982 through 1985 crops shall not be less than $650 per ton. The levels of price support so announced may not be reduced by any deductions for inspection, handling, or storage, but the Secretary may make adjustments for location of peanuts and other adjustments authorized by section 403 of this Act.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops of peanuts. In determining the support level for additional peanuts, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, but in no case may the level of price support for additional peanuts be set at a level which the Secretary estimates would result in the Commodity Credit Corporation incurring a loss on the price support program for additional peanuts for the marketing year concerned. The Secretary shall announce the level of price support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of price support, so announced, is to be in effect.

"(3)(A) In carrying out paragraphs (1) and (2) of this subsection, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative which is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938, as amended. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938, as amended.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(i) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (i) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts, and (ii) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i) of this subparagraph. Notwithstanding any other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.".

TITLE VIII—SOYBEANS

PRICE SUPPORT FOR THE 1982 THROUGH 1985 CROPS

SEC. 801. Effective only with respect to the 1982 through 1985 crops of soybeans, title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section 114 as follows:

"SEC. 114. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases on the 1982 crops of soybeans at such level, not less than $5.02 per bushel, as is equal to 75 per centum of the average market price of soybeans in the United States, as determined by the Secretary, during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and pur-

chases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period. The Secretary shall make available to producers loans and purchases on the 1983 through 1985 crops of soybeans at such level, which shall be not less than 65 per centum nor more than 85 per centum of the average market price of soybeans in the United States, as determined by the Secretary in the manner described in the first sentence of this subsection, as the Secretary determines appropriate in relation to competing commodities after taking into consideration the supply of soybeans, demand therefor (both domestic and world), estimated carryover, and the cost of producing soybeans, except that such level of loans and purchases shall not be less than $5.02 per bushel.

"(b) Notwithstanding any other provision of law establishing a producer storage reserve program, soybeans shall not be considered an eligible commodity for such a program, and the Secretary shall not authorize payments to producers to cover the cost of storing soybeans.

"(c) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of loans and purchases the Secretary may, nevertheless, make such loans and purchases in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(d) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

CONFORMING AMENDMENT

SEC. 802. Section 408(c) of the Agricultural Act of 1949, as amended, is amended by inserting "soybeans," immediately before the word "tobacco".

TITLE IX—GRAIN RESERVES; STORAGE FACILITY LOANS

PRODUCER STORAGE RESERVE PROGRAM FOR WHEAT AND FEED GRAINS

SEC. 901. Subsections (a) through (e) of section 110 of the Agricultural Act of 1949, as amended, are amended to read as follows:

"(a) The Secretary shall make available a program under which producers may store wheat and feed grains so as to promote orderly marketing for an extended period of time. The Secretary shall establish adequate safeguards to assure that commodities held under the program shall not be used in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(b) In carrying out the producer storage program, the Secretary may provide original, extended, or supplemental price support loans for wheat and feed grains at such level of support and under such terms and conditions as the Secretary determines are necessary to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing of the commodities involved. Among such other terms and conditions as the Secretary may prescribe by regulation, the program shall provide for (1) repayment of such loans in not less than three years; (2) payment to producers of such amounts as the Secretary determines appropriate to cover the cost of storing wheat and feed grains held under the program, such payments to continue until the maturity date of the loan or until the market price for the commodity involved equals or exceeds 115 per centum of the price specified in clause (5) of this subsection, whichever occurs first; (3) a rate of interest determined by the Secretary based upon the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except the Secretary may waive or adjust such interest in such manner and at such times as the Secretary deems necessary to promote the orderly marketing of wheat and feed grains; (4) recovery of amounts paid for storage, and for the payment of additional interest or other penalties, fees, or charges in the event such loans are repaid by producers before the maturity date of the loan and before the market price for wheat or feed grains has reached the price levels determined under clause (5) of this subsection; and (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity involved has attained a level which, as determined by the Secretary, equals or exceeds the average adjusted cost of production for the commodity involved for the three crop years immediately preceding the crop year for which the determination is made. The adjusted cost of production for the commodity involved for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall include (i) variable costs, (ii) machinery ownership costs, (iii) general farm overhead costs, (iv) return for management comparable to the normal management fees charged by other comparable industries, and (v) land value, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(c) The Secretary shall not require producers to repay loans made under the producer storage program prior to the maturity date of such loans for reasons of increases in market prices above the levels determined under clause (5) of the second sentence of subsection (b) of this section, except that the Secretary may require producers to repay loans made under this section prior to the maturity date thereof if the Secretary determines that emergency conditions exist which require that such commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports such determination and the reasons therefor to the President, the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least 14 days before taking such action.

"(d) The Secretary shall announce the terms and conditions of the producer storage program as far in advance of making loans as practicable. In such announcement, the Secretary shall specify the quantity of wheat or feed grains to be stored under the program which the Secretary determines appropriate to promote the orderly marketing of such commodities.

"(e) Notwithstanding any other provision of law, except as otherwise provided under section 302 of the Food Security Wheat Reserve Act of 1980 and section 208 of the Agricultural Trade Suspension Adjustment Act of 1980, whenever the producer storage program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 130 per centum of the price determined under clause (5) of the second sentence of subsection (b) of this section: *Provided*, That such restriction shall not apply to—

"(1) sales of such commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

"(2) sales or other disposals of such commodities under (A) the fifth and sixth sentences of section 407 of this Act; (B) the Act of September 21, 1959 (73 Stat. 574, as amended; 7 U.S.C. 1427 note), and (C) section 813 of the Agricultural Act of 1970; and

"(3) sales of corn for use in the production of alcohol for motor fuel at facilities that—

"(A) begin operation after January 4, 1980, and

"(B) whenever supplies of corn are not readily available, can produce alcohol from agricultural or forestry biomass feedstocks other than corn,

when sold at not less than the price at which producers may repay producer storage loans and redeem corn prior to the maturity dates of loans, as determined under clause (5) of the second sentence of subsection (b) of this section, or, whenever the fuel conversion price (as defined in section 212 of the Agricultural Trade Suspension Adjustment Act of 1980) for corn exceeds such price, at not less than the fuel conversion price.".

CONFORMING AMENDMENT

SEC. 902. Section 208(c)(2)(B) of the Agricultural Trade Suspension Adjustment Act of 1980 is amended by striking clause (i) and inserting in lieu thereof the following:

"(i) if there is a producer storage program in effect for the commodity, at not less than 130 per centum of the price determined under clause (5) of the second sentence of section 120(b) of the Agricultural Act of 1949, or".

FARM STORAGE FACILITY LOANS

SEC. 903. Section 4(h) of the Commodity Credit Corporation Charter Act (62 Stat. 1070, as amended; 15 U.S.C. 714b(h)) is amended by striking out "1981" and inserting in lieu thereof "1985".

TITLE X—MISCELLANEOUS

SPECIAL GRAZING AND HAY PROGRAM

SEC. 1001. Section 109 of the Agricultural Act of 1949, as amended, is amended by—

(1) amending subsection (a) by striking out "1981" and inserting in lieu thereof "1985";

(2) amending subsection (d) by striking out "acreage set-aside" and inserting in lieu thereof "land diversion"; and

(3) adding a new subsection (g) at the end thereof to read as follows:

"(3) For purposes of subsection (c) of this section the farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no program payment yield for wheat was established for the farm in the previous crop year, the Secretary is authorized to determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.".

ENFORCEMENT UNDER THE WHEAT AND WHEAT FOODS RESEARCH AND NUTRITION EDUCATION ACT

SEC. 1002. Section 1711 of the Wheat and Wheat Foods Research and Nutrition Education Act is amended to read as follows:

"SEC. 1711. (a) The several district courts of the United States are vested with jurisdic-

tion specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued pursuant to this title. Any civil action authorized to be brought under this title shall be referred to the Attorney General for appropriate action: *Provided*, That nothing in this title shall be construed as requiring the Secretary to refer to the Attorney General violations of this title whenever the Secretary believes that the administration and enforcement of the program would be adequately served by administrative action pursuant to subsection (b) of this section or suitable written notice or warning to any person committing such violation.

"(b)(1) Any person who violates any provisions of any order or regulation issued by the Secretary pursuant to this title, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of him thereunder, may be assessed a civil penalty by the Secretary of not less than $500 or more than $5,000 for each such violation. Each violation shall be a separate offense. In addition to or in lieu of such civil penalty the Secretary may issue an order requiring such person to cease and desist from continuing such violation or violations. No penalty shall be assessed or cease and desist order issued unless such person is given notice and opportunity for a hearing before the Secretary with respect to such violation, and the order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate United States court of appeals.

"(2) Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under paragraph (b)(1) of this section may obtain review in the court of appeals of the United States for the circuit in which such person resides or has his place of business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found. The findings of the Secretary shall be set aside only if found to be unsupported by substantial evidence.

"(3) Any person who fails to obey a cease and desist order after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review pursuant to the procedures specified in paragraphs (b)(1) and (2) of this section, of not more than $500 for each offense, and each day during which such failure continues shall be deemed a separate offense.

"(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.".

DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

SEC. 1003. Title XVIII of the Food and Agriculture Act of 1977 is repealed.

FARM INCOME PROTECTION INSURANCE PROGRAM STUDY

SEC. 1004. (a) It is the sense of Congress that the concept of farm income protection insurance should be studied in order to determine whether such a concept might provide the basis for an acceptable alternative to the commodity price support, income maintenance, and disaster assistance programs currently administered by the United States Department of Agriculture for the benefit of American farmers. Toward this objective, the Secretary of Agriculture shall appoint a special task force to study and report upon such concept.

(b) The special task force appointed by the Secretary shall be composed of the following: a total of three representatives of agricultural commodity organizations and general farm organizations, three representatives of the private insurance industry (including stock companies, mutual companies, agents, or brokers), two full-time farmers, one official of the Federal Crop Insurance Corporation, one official of the Agricultural Stabilization and Conservation Service, two individuals from appropriate academic fields, and the designated representative of the Secretary of Agriculture. The designated representative of the Secretary shall serve as the chairman of the special task force.

(c) The study conducted by the special task force shall include, but not be limited to, an analysis of the following:

(1) the characteristics of a farm income protection insurance program;

(2) the feasibility of such a program as a substitute for the commodity price support, income maintenance, and disaster assistance programs administered by the Department of Agriculture for the American farmer;

(3) the appropriate roles of the private insurance industry and the Federal Government in the development, implementation, and administration of such a program;

(4) alternate mechanisms for administering such a program;

(5) the acceptability of such a program to farmers; and

(6) the costs associated with the development and implementation of such a program.

(d) Not later than eighteen months following enactment of this Act, the special task shall transmit to the Committee on Agriculture, Nutrition, and Forestry of the United States Senate and the Committee on Agriculture of the United States House of Representatives copies of the report on farm income protection insurance and any legislative changes that the special task force recommends for purposes of establishing a farm income protection insurance program. Minority views, if submitted in a timely manner, shall be included in the report prepared and transmitted by the special task force.

(e) The Secretary of Agriculture shall provide such staff personnel, clerical assistance, services, materials, and office space as may be required to assist the special task force in carrying out its duties.

(f) In conducting its study and preparing its report and recommendations, the special task force may obtain the assistance of Department of Agriculture employees, and, to the maximum extent practicable, the assistance of employees of other Federal departments or agencies who may have relevant expertise in the areas of insurance, income maintenance, disaster assistance, agriculture, program management, and program evaluation.

(g) Members of the special task force shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services under this section, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

(h) The special task force shall be dissolved forty-five days after submission of the report required in subsection (d) of this section.

STATE AGENCY AUTHORITY FOR GRAIN INSPECTIONS AT EXPORT LOCATIONS

SEC. 1005. The first sentence of section 7(e)(2) of the United States Grain Standards Act (7 U.S.C. 79(e)(2)) is amended by inserting "(A)" before "which was performing", and by inserting after "1976," the following: "or (B) which performed official inspection at an export port location at any time prior to such date and was designated under subsection (f) of this section on the date of the enactment of this clause to perform official inspections at locations other than export port locations,".

TITLE XI—AGRICULTURAL EXPORTS

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

SEC. 1101. The Commodity Credit Corporation Charter Act (15 U.S.C. 714–714p) is amended by adding at the end thereof the following new section:

"SEC. 20. Agricultural Export Credit Revolving Fund.—

"(a) There is hereby established in the Treasury a revolving fund to be known as the Agricultural Export Credit Revolving Fund, which shall be available without fiscal year limitation, for (1) use in carrying out the provisions of section 5(f) of this Act, and (2) making loans for the construction or acquisition of facilities in foreign countries to improve the capacity of such countries for handling, marketing, processing, storing, or distributing agricultural commodities produced in and exported from the United States.

"(b) All sums received by the Corporation from the liquidation of loans made to carry out the purposes described in subsection (a) of this section shall be added to and become a part of such fund together with funds appropriated to such fund.

"(c) There are authorized to be appropriated to the Agricultural Export Credit Revolving Fund $300,000,000 for the fiscal year ending September 30, 1982, $500,000,000 for the fiscal year ending September 30, 1983, and $700,000,000 for the fiscal year ending September 30, 1984.

"(d) The Secretary shall submit an annual report to the Congress not later than December 1 of each year with respect to the export credit sales program carried out by the Corporation in the last fiscal year. Such report shall include the names of the countries extended credit under such program, the total amount of such credit in the case of each such country in such fiscal year, and a discussion and devaluation of the market development activities of the Corporation under this Act during such fiscal year. The first such report shall be submitted to the Congress not later than December 1, 1982.

"(e) The revolving fund created by this section is abolished effective October 1, 1985, and all unobligated money in such fund on September 30, 1985, shall be transferred to and become part of the miscellaneous receipts account of the Treasury.".

CONGRESSIONAL VETO OF BILATERAL COMMODITY SUPPLY AGREEMENTS

SEC. 1102. If the Government of the United States concludes a bilateral international agreement, other than a treaty, involving a commitment on the part of the United States to assure access by a foreign country or instrumentality thereof to United States agricultural commodities or products thereof on a commercial basis, the President shall immediately report such agreement to the Congress, setting forth in detail the terms of and reasons for negotiating such agreement. Such agreement shall not become effective if, within 30 calendar days of continuous session of Congress after the date of

receipt by the Congress of such report, both Houses of Congress adopt a concurrent resolution disapproving such agreement. In the computation of such 30-day period, there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die.

SPECIAL STANDBY EXPORT SUBSIDY PROGRAM

SEC. 1103. (a) In order to discourage foreign countries or instrumentalities thereof from using subsidies to promote the exportation of agricultural commodities, the Secretary of Agriculture is authorized and directed to formulate a special standby export subsidy program for agricultural commodities or products thereof produced in the United States. Such program shall be designed to neutralize the effects of export subsidy programs instituted by foreign countries or instrumentalities thereof to encourage exports of their agricultural commodities to foreign markets other than the United States.

(b) The Secretary shall implement the special standby export subsidy program formulated under subsection (a) of this section only after the President—

(A) makes a determination under section 301 of the Trade Act of 1974 (19 U.S.C. 2411), as amended, that action by the United States is appropriate to obtain the elimination of an act, policy, or practice of a foreign country or instrumentality that results in—

(i) substantial displacement of United States exports of agricultural commodities to foreign markets, or

(ii) prices for agricultural commodities in foreign markets materially below prices which suppliers of the same agricultural commodities produced in the United States must charge in order to supply such commodities to the same market;

(B) makes a determination that such act, policy, or practice of the foreign country or instrumentality concerned involves the use of export subsidies to encourage exports of such country's or instrumentality's agricultural commodities to foreign markets other than the United States;

(C) fails to reach a mutually acceptable resolution through consultations with the foreign country or instrumentality concerned; and

(D) is authorized under the dispute settlement procedures specified in the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade to undertake an export subsidy program to counter the export subsidies on agricultural commodities employed by the foreign country or instrumentality concerned: *Provided*, That the United States is obligated by international agreement to receive such authorization before undertaking measures to counter such export subsidies.

(c) In carrying out the special standby export subsidy program pursuant to subsections (a) and (b) of this section, the Secretary of Agriculture is authorized to use the funds and facilities of the Commodity Credit Corporation.

AGRICULTURAL EMBARGO RELIEF

SEC. 1104. Section 208 of the Agricultural Trade Suspension Adjustment Act of 1980 is amended by—

(1) amending subsection (a) to read as follows:

"(a) If the President or other member of the executive branch of Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law, and if such suspension or restriction of the export of an agricultural commodity is imposed other than in connection with a suspension of or restriction on all exports from the United States to such country or area of the world, and if the Secretary of Agriculture determines that such suspension or restriction will result in a surplus supply of such commodity that will adversely affect prices producers receive for the commodity, the Secretary shall act to mitigate the adverse effect on prices by either—

"(A) establishing a gasohol feedstock reserve of the commodity, as provided in subsection (c) of this section, if the commodity is suitable for stockpiling in such a reserve;

"(B) establishing a food security reserve of the commodity, as provided in subsection (d) of this section, if the commodity is suitable for stockpiling in such a reserve;

"(C) making payments available to producers of the commodity, as provided in subsection (e) of this section; or

"(D) undertaking any combination of the measures described in clauses (A), (B), and (C) of this subsection.".

(2) inserting "(1)" after the subsection designation "(b)" and adding at the end of such subsection a new paragraph as follows:

"(2) Within thirty days after the export of any agricultural commodity to a country or area is suspended or restricted as described in subsection (a) of this section, the Secretary of Agriculture shall announce whether payments provided for in this section will be made on such commodity, and, if such payments are to be made, the Secretary shall also announce the average market price per unit received by producers for the commodity during the thirty-day period ending on the date of imposition of the export suspension or restriction."; and

(3) redesignating subsections (e), (f), (g), and (h) as (f), (g), (h), and (i), respectively, and inserting after subsection (d) a new subsection (e) as follows:

"(e)(1) The amount of the payment to which an eligible producer under this section shall be entitled to receive shall be the product of (A) the amount by which the average market price per unit of the commodity received by producers during the twelve-month period immediately following the date of imposition of the export suspension or restriction is less than the average market price per unit of the commodity received by producers during the thirty-day period immediately preceding the date of the imposition of the export suspension or restriction, and (B) the number of units of the commodity sold by the producer during the twelve month period immediately following the date of imposition of the export suspension or restriction: *Provided*, That, if the export suspension or restriction is in existence for a period of less than twelve months, the average market price per unit of the commodity received by producers after the imposition of the export suspension or restriction shall be the average market price per unit of the commodity received by the producer during the duration of the export suspension or restriction, and the quantity of the commodity eligible for the payments provided for in this section shall be that quantity sold by the producer during the duration of the export suspension or restriction. Any payments due producers under this section shall be paid within fifteen months of the date of imposition of the export suspension or restriction.

"(2) The Secretary of Agriculture is authorized to issue such regulations as are deemed necessary to carry out the provisions of this subsection, including regulations defining eligible producers and what constitutes a sale under this subsection.".

P.L. 480 EXTENSION

SEC. 1105. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "1981" in section 409 and inserting in lieu thereof "1985".

TITLE XII—FOOD STAMPS

PURCHASE REQUIREMENT

SEC. 1201. (a) Section 3(b) of the Food Stamp Act of 1977 (7 U.S.C. 2012(b)) is amended by inserting before the period at the end thereof "and any amount to be paid by such household for such allotment".

(b) Section 7(d) of the Food Stamp Act of 1977 (7 U.S.C. 2016(d)) is amended by striking out the third and fourth sentences.

(c)(1) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of law, households, other than households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of the Social Security Act, shall be charged for the allotments issued to them, and the amount of such charge shall represent a reasonable investment on the part of the household, but in no event more than 33 per centum of the household's income, except that—

"(1) allotments may be issued without charge to households with an income of less than $30 per month for a family of four under standards of eligibility prescribed by the Secretary; and

"(2) the Secretary shall provide a reasonable opportunity for any eligible household to elect to be issued an allotment less than the allotment authorized to be issued to such household under subsection (a) of this section.

The charge to be paid by any eligible household electing to exercise the option described in clause (2) of the preceding sentence shall be an amount which bears the same ratio to the amount which would have been payable under this subsection for an allotment issued to such household under subsection (a) as the allotment actually issued to such household bears to the allotment that would have been issued to such household under such subsection.

"(d)(1) Funds derived from the charges made for allotments shall be promptly deposited, in a manner prescribed in the regulations issued pursuant to this Act, in a separate account maintained in the Treasury of the United States for such purpose. Such deposits shall be available, without limitation to fiscal years, for the redemption of coupons.

"(2)(A) The Secretary shall by regulation prescribe the manner in which funds derived from the distribution of coupons (charges made for allotments) shall be deposited by coupon issuers. Such regulations shall contain provisions requiring that coupon issuers promptly deposit such funds in the manner prescribed by the Secretary, except that such regulations shall, at a minimum, require that (i) such deposits be made at least weekly, and (ii) upon the accumulation of a balance on hand of $1,000 or more, such deposits be made within two banking days following the accumulation of such amount.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating the regulations issued under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(3)(A) Coupon issuers receiving funds derived from the distribution of coupons (charges made for allotments) shall be deemed to be receiving such funds as fiduciaries of the Federal Government, and such coupon issuers shall immediately set aside all such funds as funds of the Federal Government. Funds derived from the distribution of coupons (charges made for allotments) shall not be used, before the deposit of such funds in the manner prescribed by the Secretary, for the benefit of any person, partner-

ship, corporation, association, organization, or entity other than the Federal Government.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of violating subparagraph (A) of this paragraph shall be fined not more than $10,000 or a sum equal to the amount of funds involved in the violation, whichever is the greater, or imprisoned not more than ten years, or both, except if the amount of such funds is less than $1,000, then such issuer shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(4)(A) The Secretary shall by regulation require that upon the deposit, in the manner prescribed by the Secretary, of funds derived from the distribution of coupons (charges made for allotments), coupon issuers shall immediately send a written notice to the State agency, accompanied by an appropriate voucher, confirming such deposit. In addition to such other information deemed by the Secretary to be appropriate, such regulations shall require that such notice contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of such coupon issuer derived from the distribution of coupons (charges made for allotments) during the deposit period;

"(iii) the amount of the deposit;

"(iv) the name and address of the depository; and

"(v) an oath or affirmation signed by the coupon issuer or, in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in such notice is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide the notice required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any notice required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(5)(A) The Secretary shall by regulation require each coupon issuer at intervals prescribed by the Secretary, but not less often than monthly, to send to the Secretary, or his designee, a written report of the issuer's operations during such period under the food stamp program. In addition to such other information deemed by the Secretary to be appropriate, the regulations shall require that the report contain—

"(i) the name and address of the coupon issuer;

"(ii) the total receipts of the coupon issuer derived from the distribution of coupons (charges made for allotments) during the report period;

"(iii) the total amount of deposits made by the issuer of funds derived from the distribution of coupons (charges made for allotments) during such period;

"(iv) the name and address of each depository receiving such funds from such issuer; and

"(v) an oath or affirmation, signed by the coupon issuer, or in the case of a corporation or other entity not a natural person, by an appropriate official of the coupon issuer, certifying that the information contained in the report is true and correct to the best of such person's knowledge and belief.

"(B) Any coupon issuer, or any officer, employee, or agent thereof, convicted of failing to provide any report required under subparagraph (A) of this paragraph shall be fined not more than $3,000, or imprisoned not more than one year, or both.

"(C) Any coupon issuer, or any officer, employee, or agent thereof, who knowingly provides false information in any report required under subparagraph (A) of this paragraph shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(6) The Secretary may by regulation require State agencies to provide periodic reports to the Secretary, or his designee, containing a consolidation of the respective coupon issuer's notices to such State agencies at such intervals as the Secretary in his discretion deems appropriate.

"(7) The Secretary and the United States Postal Service shall jointly arrange for the prompt deposit of funds collected by the United States Postal Service on behalf of a State from charges made for coupon allotments.".

(2) The heading for section 8 of such Act (7 U.S.C. 2017) is amended to read as follows:

"VALUE OF COUPON ALLOTMENT AND CHARGES TO BE MADE"

(d) Section 15(a) of such Act (7 U.S.C. 2024(a)) is amended by inserting "purchase by and" before "issuance".

(e)(1) Section 18(a)(1) of such Act (7 U.S.C. 2027(a)(1)) is amended by inserting after the second sentence the following new sentence: "Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 8(d)(1) of this Act.".

(2) Section 18(b) of such Act (7 U.S.C. 2027(b)) is amended—

(A) by striking out the first sentence and inserting in lieu thereof the following: "In any fiscal year the Secretary shall limit the value of coupons issued which is in excess of the value of coupons for which households are charged, to an amount which is not in excess of the portion of the appropriation for such fiscal year which is transferred in accordance with subsection (a) of this section to the separate account refererd to in such subsection."; and

(B) by adding at the end thereof the following new sentence: "If the Secretary determining that any of the funds in such separate account are no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury.".

DEFINITION OF HOUSEHOLDS; BOARDERS; RELATEDNESS OF HOUSEHOLD MEMBERS

SEC. 1202. Section 3(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(1)) is amended—

(1) by striking out in clause (1) of the first sentence "or else pays compensation to the others for such meals,";

(2) by striking out in clause (2) of the first sentence "or else live with others and pay compensation to the others for such meals"; and

(3) by adding at the end thereof the following new sentence: "In any case in which one or more parents and one or more children of such parent or parents are living together, such living arrangement shall be considered one household for purposes of this Act unless one of the parents is 60 years of age or older.".

REPEAL OF DINE-OUT PROVISION

SEC. 1203. Clause (3) of section 3(g) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(3)) is amended by striking out "private establishments" and all that follows down through "prices,".

INFLATION ADJUSTMENT OF THE THRIFTY FOOD PLAN

SEC. 1204. Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking out clauses (4), (5), and (6) in the second sentence and inserting in lieu thereof the following: "(4) adjust the cost of such diet every January 1 to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding September 30, and".

INDIVIDUALIZED ALLOTMENTS

SEC. 1205. Section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)), as amended by section 1204, is further amended by striking out the period at the end of the second sentence and inserting in lieu thereof a comma and the following: "(5) make adjustments for household composition with respect to the age and sex of the members of the household.".

LOW INCOME ENERGY ASSISTANCE

SEC. 1206. Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by inserting "and" at the end of clause (9); and

(2) by striking out the comma after "program" in clause (10) and all that follows down through "assistance" at the end of clause (11).

WORKFARE PROGRAM

SEC. 1207. (a) Section 6(d)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(1) is amended—

(1) by striking out "or" at the end of clause (iii); and

(2) by striking out the period at the end and inserting in lieu thereof a semicolon and the following: "or (v) refuses without good cause to accept an offer of employment, under a workfare program established under section 11(e)(20), made by a State, a political subdivision of a State, a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973 (29 U.S.C. 812 et seq.), or any other public employer at a wage not less than the Federal minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C.(a)(1)).".

(b) Section 11(e) of such Act (7 U.S.C. 2020(e)) is amended—

(1) by striking out "and" at the end of paragraph (18);

(2) by striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(20) that the State agency shall establish and carry out a workfare program, in accordance with regulations issued by the Secretary pursuant to subsection (m) of this section, to provide employment to enable households to satisfy the requirements of section 6(d)(1)(v) of this Act.".

(c) Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is further amended by adding at the end thereof the following new subsection:

"(m) Not later than sixty days after the effective date of this subsection, the Secretary shall issue regulations regarding the establishment and operation by State agencies of a workfare program which makes available public employment described in section 6(d)(1)(v), including regulations providing that such program—

"(1) may provide job counseling to insure that such members are matched with the most suitable employment available, taking into consideration the experience, training, and capabilities of such members;

"(2) may allow verified job search activities by each such member, not to exceed eight hours per week, as a credit for work performed;

"(3) may assist such members to obtain suitable employment outside such program;

"(4) shall not require any such member participating in any such workfare program for any week to work any hours during such week which when added to any other hours worked by such member for compensation in

cash or in kind in any other capacity during such week exceed forty hours; and

"(5) shall not be used by any employer to fill a job vacancy created by the action of such employer in laying off or terminating the employment of any regular employee not participating in any such workfare program in anticipation of filling the vacancy so created by hiring any employee participating in any such workfare program.".

(d) Section 16(a) of such Act (7 U.S.C. 2025(a)) is amended by striking out "and (5) fair hearings" and inserting in lieu thereof "(4) fair hearings, and (5) workfare programs established under section 11(e)(20) of this Act".

(e) Section 17(e) of such Act (7 U.S.C. 2026(c)) is amended—

(1) by striking out "and" before "the program's relative fairness"; and

(2) by striking out the period at the end and inserting in lieu thereof a comma and the following: "and the operation of a workfare program established under this Act, with particular emphasis upon the extent to which such workfare program reduces the need for food stamp benefits and helps to achieve the purposes of this Act.".

ADJUSTMENTS OF DEDUCTIONS

SEC. 1208. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) by striking out the first and second sentences and inserting in lieu thereof the following: "In computing household income, the Secretary shall allow a standard deduction of $85 a month for each household, except that the monthly standard deduction for households in Alaska shall be $145, in Hawaii $120, in Guam $170, in Puerto Rico $50, and in the Virgin Islands of the United States $75."; and

(2) by striking out the colon before the proviso in clause (2) of the fourth sentence and all that follows down through the end of such clause and inserting in lieu thereof a comma and the following: "except that the amount of such excess shelter expense deduction may not exceed $115 a month in the forty-eight contiguous States and the District of Columbia, and may not exceed $200 in Alaska, $165 in Hawaii, $140 in Guam, $40 in Puerto Rico, and $85 in the Virgin Islands of the United States, or".

DISALLOWANCE OF DEDUCTIONS FOR EXPENSES PAID BY THIRD PARTY

SEC. 1209. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is further amended by adding at the end thereof the following new flush sentence: "A household shall not be entitled to a deduction for dependent care, excess shelter expense, or excess medical expense to the extent that such care or expense was paid for or on behalf of the household by a third party.".

PERIOD OF DISQUALIFICATION; REPAYMENT REQUIREMENT

SEC. 1210. Section 6(b) of the Food Stamp Act of 1977 (7 U.S.C. 2051(b)) is amended—

(1) in the first sentence—

(A) by striking out "three" in clause (1) and inserting in lieu thereof "twelve"; and

(B) by striking out "six and not more than twenty-four months, as determined by the court," in clause (2) and inserting in lieu thereof "twelve"; and

(2) by inserting "double" before "the value of" in clause (B) of the fourth sentence.

AGE CRITERIA FOR DEPENDENT CHILDREN

SEC. 1211. Paragraph (2)(B) of section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(B)) is amended by striking out "twelve" and inserting in lieu thereof "six".

ELIGIBILITY OF STRIKERS

SEC. 1212. (a) Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) by striking out ", unless the household was certified for benefits under this Act immediately prior to such employment"; and

(2) in paragraph (4)—

(A) by striking out the colon at the end of the first proviso and inserting in lieu thereof a comma and the following: "but in no case may a household receive increased benefits under this Act as a result of a member of such household participating in a strike:"; and

(B) by striking out the colon at the end of the second proviso and all that follows down through the end of the sentence and inserting in lieu thereof a period.

(b) Section 6 of such Act (7 U.S.C. 2015) is further amended by striking out subsection (i).

ELIGIBILITY DISQUALIFICATION ON BASIS OF GROSS INCOME

SEC. 1213. (a) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1212(b), is further amended by adding at the end thereof the following new subsection:

"(i) No household, other than a household containing a member who is sixty years of age or over or who is receiving supplemental security income benefits under title XVI of the Social Security Act or disability payments under title II of such Act, shall be eligible to participate in the food stamp program for any month in which the reasonably anticipated monthly gross income of such household for the certification period involved exceeds the greater of—

"(1) one-twelfth of the nonfarm income poverty guidelines prescribed by the Office of Management and Budget for a household equal in size to the household requesting certification; and

"(2) in the case of a household with earned income, the sum of the amount described in paragraph (1) and an amount equal to 15 per centum of such amount (to compensate for taxes, mandatory deduction from salary, and work expenses).

For purposes of this subsection, the term 'gross income' means an amount equal to household income as determined pursuant to section 5(d) of this Act and without regard to deductions authorized in section 5(e) of this Act.".

(b) The amendment made by subsection (a) shall apply for the purpose of determining the eligibility of households to receive food stamp benefits in any period beginning after the effective date of this section for which such household applies to be certified to receive such benefits.

MODIFICATION OF PROVISIONS RELATING TO VALUE OF ALLOTMENT

SEC. 1214. Subsection (a) of section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended to read as follows:

"(a)(1) The face value of the allotment which State agencies shall be authorized to issue to any household certified as eligible to participate in the food stamp program shall be an amount equal to the cost to such household of the thrifty food plan, reduced—

"(A) in the case of any household not charged for an allotment under this Act, by an amount equal to not more than 33 per centum of the household's income, as determined under section 5 of this Act, and

"(B) in the case of any household containing a member who attends a school which participates in the national school lunch program (carried out under the National School Lunch Act (42 U.S.C. 1751 et seq.)), by an amount determined under the provisions of paragraph (2) of this subsection.

The amount determined under this paragraph shall be rounded to the nearest whole dollar.

"(2) The value of the allotment of any household containing a member who attends a school which participates in the national school lunch program (carried out under the National School Lunch Act) shall be further reduced by an amount equal to an amount determined by multiplying—

"(A) the amount equal to the part of one-eighth of the monthly thrifty food plan for a family of eight persons, allocable per meal in a month, by

"(B) the national average of meals per month available under the national school lunch program during the preceding nine-month school year (as determined by the Secretary), by

"(C) the number of the members of the household eligible to receive meals under the national school lunch program, by

"(D) a national average school attendance factor prescribed by the Secretary.

In carrying out the provisions of this paragraph, the Secretary shall prescribe a national average school attendance factor based on the best available data. Any reduction in a household's allotment determined under this paragraph shall be applicable only to the nine months of each year which generally correspond to the school year of the State concerned, as determined by the State agency concerned.

"(3) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the minimum allotment for households of one and two persons shall be $10 per month.".

PRORATING OF BENEFITS

SEC. 1215. Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017), as amended by section 1201(c)(1), is further amended by adding at the end thereof the following new subsection:

"(e) The value of the allotment issued to any eligible household for the initial month or other period for which an allotment is issued to such household shall be a value which bears the same ratio to the value of the allotment for a full month or other period for which the allotment is issued as the number of days (from the date of the application) remaining in the month or other period for which the allotment is issued bears to the total number of days in the month or other period for which the allotment is issued. As used in this subsection, the term 'initial month' means (1) the first month for which an allotment is issued to a household, and (2) the first month for which an allotment is issued to a household following any period of more than thirty days during which such household was not participating in the food stamp program under this Act after a previous participation in such program.".

TERMINATION OF PROHIBITION FROM COUNTING VALUE OF COUPON ALLOTMENT AS INCOME FOR CERTAIN PURPOSES

SEC. 1216. Subsection (b) of section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017(b)) is amended to read as follows:

"(b) The value of the allotment provided any eligible household which is in excess of the amount charged such household for such allotment may not be considered income or resources for the purposes of any Federal, State, or local law relating to taxes.".

OUTREACH

SEC. 1217. (a) Paragraph (1) of section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)) is amended by striking out clauses (A), (B), and (C) and inserting in lieu thereof "not conduct food stamp outreach activities with funds provided under this Act;".

(b) Section 16(a) of such Act (7 U.S.C. 2025(a)), as amended by section 1207(d), is further amended—

(1) by striking out clause (1); and

(2) by redesignating clauses (2), (3), and (4) as clauses (1), (2), and (3), respectively.

RESTORATION OF WRONGFULLY DENIED BENEFITS

SEC. 1218. Section 11(e)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(11)) is amended by striking out the semicolon at

the end and inserting in lieu thereof "based upon receipt of a request from a household for restoration of an allotment, except that any allotment or portion thereof for any period of time more than forty-five days before the date such request is received by the State agency shall not be restored;".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1219. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking out "and not in excess of $9,739,276,000 for the fiscal year ending September 30, 1981" and inserting in lieu thereof "not in excess of $10,439,276,000 for the fiscal year ending September 30, 1981; not in excess of $11,341,152,000 for the fiscal year ending September 30, 1982; not in excess of $11,738,154,000 for the fiscal year ending September 30, 1983; not in excess of $11,674,366,000 for the fiscal year ending September 30, 1984; and not in excess of $11,898,594,000 for the fiscal year ending September 30, 1985".

COMMODITY DISTRIBUTION PROGRAMS: EXTENSION OF AUTHORITIES, PENALTIES FOR FRAUD, AND MISCELLANEOUS PROVISIONS

SEC. 1220. (a) Section 4 of the Agriculture and Consumer Protection Act of 1973 is amended—

(1) by striking "1978, 1979, 1980, and 1981" in the first sentence of section 4(a) and inserting in lieu thereof "1982, 1983, 1984, and 1985"; and

(2) by adding at the end of section 4 the following new subsection:

"(c) Whoever embezzles, willfully misapplies, steals, or obtains by fraud any agricultural commodity or the product of any such commodity, or any funds, assets, or property derived from the donation of any such commodity, provided under this section, section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agricultural Act of 1965 (7 U.S.C. 1446a-1), whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains any such commodity, product, funds, assets, or property to his own use or gain, knowing such commodity, product, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodity, product, funds, assets, or property are of a value of $100 or more, be fined not more than $10,000 or imprisoned for not more than five years, or both, or if such commodity, product, funds, assets, or property are of a value of less than $100, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.".

(b) Subsection (a) of section 5 of such Act is amended to read as follows:

"(a) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') to which reference is made in section 4 of this Act, the Secretary of Agriculture shall pay to each State agency administering any such program, for each of the fiscal years 1982 through 1985, out of funds appropriated for such purpose from the general fund of the Treasury, an amount equal to the amount of the administrative costs incurred by State and local agencies in operating such program, except that the funds paid to any such agency in any fiscal year may not exceed an amount equal to 15 per centum of the amount appropriated for the provision of commodities to State agencies for such program.".

REPEAL OF INCREASES IN DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS AND MEDICAL DEDUCTIONS FOR THE ELDERLY AND DISABLED

SEC. 1221. Sections 104 and 105 of the Food Stamp Act Amendments of 1980 (94 Stat. 358) are repealed.

EFFECTIVE DATE

SEC. 1222. (a) Except as provided in subsection (b), the amendments made by this Act shall become effective on January 1, 1982.

(b) The amendments made by sections 1207(c), 1219, and 1221 shall become effective on the date of enactment of this Act.

TITLE XIII—REAUTHORIZATION OF THE AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

REAFFIRMATION OF FEDERAL-STATE PARTNERSHIP

SEC. 1301. Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3102) is amended—

(1) in paragraph (2) by inserting "extension, and teaching," after "research," the first and second time that word appears;

(2) by striking paragraphs (3) through (7) and inserting in lieu thereof the following:

"(3) reaffirm the unique partnership between the Federal Government and the States, and emphasize that this partnership, through legislation and cooperative agreements, has been eminently successful;

"(4) reaffirm that the Federal-State relationship, through agricultural research, teaching, and extension, has provided the United States with the most productive and efficient food and agricultural system in the world; and

"(5) emphasize that the productivity and efficiency of this system may be increased by:

"(A) improving and strengthening the Federal-State partnership;

"(B) reducing unnecessary regulations; and

"(C) improving the cooperation among all who are involved in the food and agricultural sciences."

DEFINITIONS

SEC. 1302. Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) in paragraph (2) by inserting ", and includes the continuum of basic, applied, and developmental research" before the semicolon;

(2) in paragraph (8) by striking out "social" and all that follows through the semicolon and inserting in lieu thereof the following:

"the physical science and the social science considerations of—

"(A) agricultural, aquacultural, and forestry production, processing, and marketing;

"(B) conservation and management of natural resources including soil, water, forests, rangeland, and wildlife and fisheries management;

"(C) home economics, human nutrition, and family life;

"(D) food safety and quality;

"(E) international food and agriculture;

"(F) rural community development;

"(G) agriculturally related issues including transportation, energy, the environment, and weather; and

"(H) youth development, including 4-H clubs;"; and

(3) by striking out paragraph (14) and inserting in lieu thereof the following new paragraphs:

"(14) the term 'cooperating forestry schools' means those institutions eligible to receive funds under the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962;

"(15) the term 'teaching' means the formal classroom and laboratory instruction and training in the food and agricultural sciences conducted at colleges and universities and leading to baccalaureate and higher degrees; and

"(16) the term 'State cooperative institutions' or 'State cooperative agents' means institutions or agents designated by—

"(A) the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

"(B) the Act of August 30, 1890 (26 Stat. 417; 7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act;

"(C) the Act of March 2, 1887 (24 Stat. 440; 7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

"(D) the Act of May 14, 1914 (38 Stat. 372; 7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act;

"(E) the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(F) subtitle E of this title.".

JOINT COUNCIL ON FOOD AND AGRICULTURE SCIENCES

SEC. 1303. (a) Section 1407(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended by striking out "five" and inserting in lieu thereof "ten".

(b) Section 1407(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(b)) is amended to read as follows:

"(b) The Joint Council shall be composed of not fewer than twenty-five representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, including land-grant colleges and universities; other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching; State agricultural experiment stations; State cooperative extension services; agencies within the Department of Agriculture which have significant research, extension, or teaching responsibilities; the Office of Science and Technology Policy; and other Federal agencies determined by the Secretary to be appropriate. Members shall be appointed for a term of three years by the Secretary from nominations made by the organizations and agencies described in the preceding sentence. The terms of members shall be staggered. At least one-half of the members of the Joint Council shall be appointed by the Secretary (insuring that regional differences are properly considered) from among distinguished persons engaged in agricultural research, extension, and teaching programs at land-grant colleges and universities and State agricultural experiment stations. To insure that other agricultural institutional views are considered by the Joint Council, two of the members of the Joint Council shall be appointed by the Secretary from among persons who are distinguished representatives of other colleges and universities having a demonstable capacity to carry out food and agricultural research, extension, and teaching. The Joint Council shall be jointly chaired by the Assistant Secretary of Agriculture responsible for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council.".

(c) Section 1407(d)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(1)) is amended to read as follows:

"(1) The primary purpose of the Joint Council is to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving planning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes.".

(d) Section 1407(d)(2)(E) of the National Agricultural Research, Extension, and Teach-

ing Policy Act of 1977 (7 U.S.C. 3122(d)(2)(E)) is amended by striking out "efforts" and all that follows through "planning" and inserting in lieu thereof "of the food and agricultural sciences, by using the existing regional research, extension, and teaching organizations of State cooperative institutions to provide regional planning and coordination.".

(e) Section 1407(d)(2)(G) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(2)(G)) is amended to read as follows:

"(G) submit a report, not later than June 30 of each year—

"(i) specifying the Joint Council's recommendations on priorities for food and agricultural research, extension, and teaching programs;

"(ii) delineating suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs; and

"(iii) specifying the levels of financial and other support needed to carry out such programs.

Each such report shall be submitted to the Congress, the Secretary of Agriculture, and the constituent organizations of the Joint Council. Minority views, if timely submitted, shall be included in such report.".

(f) Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is amended by adding at the end thereof the following new subsection:

"(e)(1) The Federal Advisory Committee Act (5 U.S.C. app.) shall not apply to the Joint Council.

"(2) The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.".

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1304. (a) Section 1408(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(a)) is amended by striking out "five" and inserting in lieu thereof "ten".

(b) Section 1408(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(b)) is amended—

(1) by striking out "twenty-one" and inserting in lieu thereof "twenty-five", and

(2) by amending paragraph (1) to read as follows:

"(1) eight producer members representing various geographical regions and production interests, including forestry and aquaculture," and

(3) by adding at the end thereof the following:

"Such members shall be appointed to serve staggered terms."

(c) Section 1408(f)(2) of the National Agricultural, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(f)(2)) is amended—

(1) in subparagraph (E) by striking out "October 31" and inserting in lieu thereof "July 1", and

(2) in subparagraph (F) by striking out "March 1 of" and inserting in lieu thereof "February 20 of".

FEDERAL-STATE PARTNERSHIP AND COORDINATION

SEC. 1305. (a) Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124) is amended to read as follows:

"FEDERAL-STATE PARTNERSHIP AND COORDINATION

"SEC. 1409. (a) A unique partnership arrangement exists in food and agricultural research, extension, and teaching between the Federal Government and the governments of the several States whereby the States have accepted and have supported, through legislation and appropriations—

"(1) research programs under—

"(A) the Act of March 2, 1887 (24 Stat. 440; 7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

"(B) the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(C) subtitle E of this title;

"(2) extension programs under the Act of May 14, 1914 (38 Stat. 372; 7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act; and

"(3) teaching programs under—

"(A) the Act of July 2, 1862 (12 Stat. 503; 7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

"(B) the Act of August 30, 1890 (26 Stat. 417; 7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act; and

"(C) the Act of June 29, 1935 (49 Stat. 436; 7 U.S.C. 427 et seq.), commonly known as the Bankhead-Jones Act.

This partnership in publicly supported agricultural research, extension, and teaching involving the programs of Federal agencies and the programs of the States has played a major role in the outstanding successes achieved in meeting the varied, dispersed, and in many cases, site-specific needs of American agriculture. This partnership must be preserved and enhanced.

"(b) Section 3648 of the Revised Statutes (31 U.S.C. 529) and section 3709 of the Revised Statutes (41 U.S.C. 5) shall not apply to contracts, grants, and cooperative agreements made by the Secretary to further the Federal-State research, extension, and teaching partnership pursuant to the program specified in subsection (a) of this section. The Secretary may convey title to expendable and nonexpendable equipment and supplies, and other tangible personal property, to a contractor or a recipient of funds if such contractor or such recipient purchases such equipment, supplies, and property with contract, grant, or cooperative agreement funds, and if the Secretary, in his discretion, determines that so conveying title will further the objectives of the Department of Agriculture.".

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the item relating to section 1409 and inserting in lieu thereof the following new item:

"SEC. 1409. Federal-State partnership and coordination."

SECRETARY'S REPORT

SEC. 1306. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by striking out "February 1" and inserting in lieu thereof "January 1".

SUPPORT FOR THE JOINT COUNCIL AND THE ADVISORY BOARD

SEC. 1307. Section 1412(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127(a)) is amended to read as follows:

"(a) To assist the Joint Council and the Advisory Board in the performance of their duties, the Secretary may appoint, after consultation with the co-chairmen of the Joint Council and the chairman of the Advisory Board—

"(1) a full-time executive director who shall perform such duties as the co-chairmen of the Joint Council and the chairman of the Advisory Board may direct and who shall receive compensation at a rate not to exceed the rate payable for GS-16 of the General Schedule established in section 5332 of title 5, United States Code; and

"(2) a professional staff of not more than five full-time employees qualified in the food and agricultural sciences, of which one shall serve as the executive secretary to the Joint Council and one shall serve as the executive secretary to the Advisory Board.".

ADDITIONAL ASSISTANT SECRETARY OF AGRICULTURE

SEC. 1308. (a) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended by adding at the end thereof the following new subsection:

"(c) In addition to the Assistant Secretaries of Agriculture now provided for by law, there shall be one additional Assistant Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture, and who shall carry out such duties as may be prescribed by the Secretary of Agriculture."

(b) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Agriculture by striking out "(5)" and inserting in lieu thereof "(6)".

PROGRAM FOR COMPETITIVE, SPECIAL, AND FACILITIES GRANTS FOR AGRICULTURAL RESEARCH

SEC. 1309. (a) Section 2(b) of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i), is amended—

(1) by inserting after the third sentence the following:

"For purposes of the preceding sentence, high priority research shall include—

"(1) basic research aimed at the discovery of new scientific principles and techniques that may be applicable in agriculture and forestry;

"(2) basic and applied research in the various plant sciences;

"(3) basic and applied research in the various animal sciences;

"(4) basic and applied research in the various soil and water sciences and natural resources field;

"(5) basic and applied research in the field of human nutrition; and

"(6) research to develop new, promising crops, such as guayule and jojoba."; and

(2) by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987,".

(b) Section 2(c) of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i(c)) is amended—

(1) in paragraph (1) by inserting "research foundations established by land-grant colleges and universities," after "land-grant colleges and universities,"; and

(2) in paragraph (2)—

(A) by inserting ", research foundations, established by land-grant colleges and universities," after "land-grant colleges and universities", and

(B) by inserting ", such research foundations," after "such colleges and universities".

(c) Section 2(d) of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i(d)) is amended—

(1) by striking out "the purchase of equipment" and all that follows through the dash and inserting in lieu thereof "the renovation and refurbishment (including energy retrofitting) of research spaces in buildings or spaces to be used for research, and the purchase and installation of fixed equipment in such spaces. Such grants may be used for new construction only for auxiliary facilities and fixed equipment used for research in such facilities, such as greenhouses, insectaries, and research farm structures and installations. Such grants shall be made to—";

(2) in paragraph (1) by striking out "available; and" inserting in lieu thereof "available;".

(3) in paragraph (2) by striking out the period and inserting in lieu thereof a semicolon; and

(4) by inserting after paragraph (2) the following new paragraphs:

"(3) each cooperating forestry school not described in paragraph (1), in an amount which is equal to 10 per centum of the funds received by such school under the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a et. seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(4) each college eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417; 7 U.S.C. 321 et seq.), including Tuskegee Institute, in an amount which is equal to 10 per centum of the funds received by such college under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.".

AMENDMENTS TO THE RESEARCH FACILITIES ACT OF 1963

SEC. 1310. Section 4(a) of the Act of July 22, 1963 (77 Stat. 90; 7 U.S.C. 390c(a)), is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987,".

FEDERAL SUPPORT OF HIGHER EDUCATION IN THE FOOD AND AGRICULTURAL SCIENCES

SEC. 1311. (a) Section 1417(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(a)) is amended to read as follows:

"(a)(1) The Secretary of Agriculture shall promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs.

"(2) The Secretary of Education shall delegate to the Secretary of Agriculture the authority to carry out all functions and duties under the Act of June 29, 1935 (49 Stat. 436; 7 U.S.C. 427 et seq.) applicable to the activities and programs for which funds under section 22 of such Act are available to the Secretary of Agriculture.".

(b) Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is further amended by redesignating subsections (b), (c) and (d) as (c), (d), and (e), respectively, and inserting a new subsection (b) to read as follows:

"(b)(1) The Secretary may make grants to land-grant colleges and universities, and to other colleges and universities having a demonstrable capacity to carry out food and agricultural teaching, for a period not to exceed five years—

"(A) to strengthen institutional capacities to respond to State, national, or international educational needs in the food and agricultural sciences;

"(B) to attract students and educate them as needed in the food and agricultural sciences, and to attract needed professionals to provide for their professional improvement in the food and agricultural sciences;

"(C) to design and implement innovative food and agricultural educational programs; and

"(D) to facilitate cooperative agreements between two or more eligible institutions to maximize the use of faculty and facilities to improve their food and agricultural teaching programs.

Such grants shall be made without regard to matching funds, but each recipient institution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used.

"(2) The Secretary may make competitive grants to colleges and universities for a period not to exceed five years—

"(A) to develop or administer programs to meet unique food and agricultural educational problems; and

"(B) to administer and conduct specialized programs to attract individuals for undergraduate and graduate programs and to administer and conduct graduate fellowship programs to meet regional and national objectives in the food and agricultural sciences.

Such grants shall be made without regard to matching funds provided by recipients.".

(c) Section 1417(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(d)), as redesignated by subsection (b) of this section, is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987,".

TRANSFER OF FUNCTIONS

SEC. 1312. (a) There are hereby transferred to the Secretary of Agriculture all the functions of the Secretary of Education and of the Department of Education under the Act of August 30, 1890 (26 Stat. 417; 7 U.S.C. 321 et seq.).

(b) There are hereby transferred to the Department of Agriculture the offices of the Department of Education established under the Act of August 30, 1890 (26 Stat. 417; 7 U.S.C. 321 et seq.).

ALCOHOL AND INDUSTRIAL HYDROCARBONS

SEC. 1313. The sixth sentence of section 1419(a) of the Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(a)) is amended—

(1) by striking out "four", and

(2) by striking out "and September 30, 1982" and all that follows through the period at the end thereof and inserting in lieu thereof the following: ", September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987: *Provided*, That the total amount of such appropriations shall not exceed $40,000,000 during the ten-year period beginning October 1, 1977, and shall not exceed such sums as may be authorized by law for any fiscal year subsequent to such period: *Provided further*, That not more than a total of $5,000,000 may be awarded to the colleges and universities of any one State.".

NUTRITION EDUCATION PROGRAM

SEC. 1314. The second sentence of section 1425(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(b)) is amended to read as follows: "Funds for carrying out the provisions of this subsection shall be distributed as follows:

"(1) One per centum shall be available to the Secretary for the administration of this subsection; and

"(2) The remainder shall be allocated to the States as follows:

"(A) Ten per centum of the available funds shall be distributed equally among all States; and

"(B) The remainder shall be allocated to each State in an amount that bears the same ratio to the total amount to be allocated as the population of the State living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted under section 625 of the Economic Opportunity Act of 1964 (86 Stat. 697, as amended; 42 U.S.C. 2971d)), bears to the total population of all the States living at or below 125 per centum of the income poverty guidelines, as determined by the last preceding decennial census at the time each such sum is first appropriated: *Provided*, That, notwithstanding the foregoing, out of funds made available annually to carry out the provisions of this subsection up to the amount of funds last appropriated annually for such purpose prior to the enactment of the Agriculture and Food Act of 1981, each State shall be entitled to an allocation equal in proportion to the amount it received under such appropriations in relation to the amounts received by the other States.".

ANIMAL HEALTH AND DISEASE RESEARCH DEFINITIONS

SEC. 1315. Section 1430 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3192) is amended by deleting paragraph (1) and substituting in lieu therefor the following: "(1) the term 'eligible institution' means State agricultural experiment stations and accredited colleges of veterinary medicine;".

ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

SEC. 1316. Section 1432(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194(a)) is amended by striking "five" and inserting in lieu thereof "ten".

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1317. (a) Section 1434(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(b)) is amended to read as follows:

"(b) Funds appropriated under this section shall be awarded in the form of grants, for periods not to exceed five years, to eligible institutions.".

(b) Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended by adding at the end thereof the following new subsection:

"(c) In order to establish a rational allocation of funds appropriated under this section, the Secretary shall establish annually priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the recommendations made in connection with the Joint Council, the Advisory Board, and the Board. Any recommendations made in connection with such consultation shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, the Joint Council, the Advisory Board, and the Board shall consider the following factors:

"(1) any health or disease problems which cause or may cause significant economic losses to any part of the livestock production industry;

"(2) whether current scientific knowledge necessary to prevent, cure, or abate such a health or disease problem is adequate; and

"(3) whether the status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem.

"(d) The Secretary shall, to the extent feasible, award grants to eligible institutions on the basis of the priorities established pursuant to subsection (c).

"(e) In the case of multiyear grants, the Secretary shall distribute funds to grant recipients on a schedule which is reasonably related to the timetable required for the orderly conduct of the research project involved.".

EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1318. (a) Section 1444(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(c)) is amended by striking out "administrative head for extension" and inserting in lieu thereof "extension administrator".

(b) Section 1444(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(d)) is amended by striking out "submitted by the proper officials of such institution" and inserting in lieu thereof "submitted, as part

of the State plan of work, by the State director of the cooperative extension service".

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1319. Section 1458 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291) is amended—

(1) by inserting "(a)" immediately after the subsection designation; and

(2) by adding at the end thereof new subsections (b) and (c) to read as follows:

"(b) The Secretary of Agriculture shall draw upon and enhance the resources of the land-grant colleges and universities, and other colleges and universities, for developing linkages among these institutions, the Federal Government, international research centers, and counterpart agencies and institutions in both the developed and less developed countries to serve the purposes of agriculture and the economy of the United States and to make a substantial contribution to the cause of improved food and agricultural progress throughout the world.

"(c) The Secretary may provide specialized or technical services, on a reimbursable basis, to colleges and universities carrying out international food and agricultural research, extension, and teaching activities. All funds received in payment for furnishing such specialized or technical services shall be deposited to the credit of the appropriation from which the cost of providing such services has been paid or is to be charged.".

AUTHORIZING FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS

SEC. 1320. (a) Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311 (a)) is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987.".

(b) Section 1463(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(b)) is amended by striking out "and $220,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof" "$220,000,000 for the fiscal year ending September 30, 1982, $230,000,000 for the fiscal year ending September 30, 1983, $240,000,000 for the fiscal year ending September 30, 1984, $250,000,000 for the fiscal year ending September 30, 1985, $260,000,000 for the fiscal year ending September 30, 1986, and $270,000,000 for the fiscal year ending September 30, 1987,".

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION PROGRAMS

SEC. 1321. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking out "and $350,000,000 the fiscal year ending September 30, 1982, and inserting in lieu thereof "$350,000,000 for the fiscal year ending September 30, 1982; $360,000,000 for the fiscal year ending September 30, 1983, $370,000,000 for the fiscal year ending September 30, 1984, $380,000,000 for the fiscal year ending September 30, 1985, $390,000,000 for the fiscal year ending September 30, 1986, and $400,000,000 for the fiscal year ending September 30, 1987,".

RESTRICTION ON TREATMENT OF INDIRECT COSTS

SEC. 1322. Subtitle K of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311–3316) is amended by adding at the end thereof the following new section:

"RESTRICTION ON TREATMENT OF INDIRECT COSTS

"SEC. 1471. (a) Funds made available by the Secretary of Agriculture under—

"(1) the Act of March 2, 1887 (24 Stat. 440; 7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

"(2) the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962;

"(3) section 1433 and section 1434 of this Act; and

"(4) subsection (c)(2) and subsection (d) of section 2 of the Act of August 4, 1965 (7 U.S.C. 450i);

shall not be subject to reduction for indirect costs incurred by the recipient involved.

"(b) No indirect costs shall be charged against funds made available by the Secretary of Agriculture in connection with cooperative agreements between the Department of Agriculture and State cooperative institutions if the cooperative program or project involved is of mutual interest to all the parties and if all the parties contribute to the cooperative agreement involved. This section does not preclude requiring appropriate payment of indirect costs incurred in connection with incidental contracts and grants between the Department of Agriculture and State cooperative institutions.".

COOPERATIVE STATE FORESTRY

SEC. 1323. (a) Section 1 of the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a), commonly known as the McIntire-Stennis Act of 1962, is amended by adding at the end thereof the following: "It is also recognized that the provisions of this Act are essential to assist in providing the research background which undergirds the Forest and Rangeland Renewable Resources Planning Act of 1974, the Renewable Resources Extension Act of 1978, and the Soil and Water Resources Conservation Act of 1977.".

(b) Section 2 of the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a–1), commonly known as the McIntire-Stennis Act of 1962, is amended by adding at the end thereof the following: "If more than one institution within a State are certified as qualifying for assistance, then it shall be the responsibility of such institutions in agreement with the Secretary of Agriculture, to develop complementary programs of forestry research for the State.".

(c) Section 5 and section 6 of the Act of August 10, 1962 (76 Stat. 806; 16 U.S.C. 582a–4, 582a–5), commonly known as the McIntire-Stennis Act of 1962, are amended to read as follows:

"SEC. 5. (a) The Secretary shall prescribe such regulations as may be necessary to carry out this Act and to furnish such advice and assistance through a cooperative State forestry research unit in the Department of Agriculture as will best promote the purposes of this Act.

"(b) The Secretary shall appoint a council of not fewer than 16 members which shall be constituted to give representation to Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest industries, the forestry schools of the State-certified eligible institutions, State agricultural experiment stations and volunteer public groups concerned with forests and related natural resources. The council shall meet at least annually and shall submit a report to the Secretary on regional and national planning and coordination of forestry research within the Federal and State agencies, forestry schools, and the forest industries, and shall advise the Secretary on the apportionment of funds. The Secretary shall seek, at least once each year, the advice of the council to accomplish efficiently the purposes of this Act.

"SEC. 6. Apportionments among participating States shall be determined by the Secretary after consultation with the council appointed under section 5. In making such apportionments, consideration shall be given to pertinent factors including non-Federal expenditures for forestry research by State-certified eligible institutions, areas of non-Federal commercial forest land, and the volume of timber cut annually. Three per centum of such funds as may be appropriated shall be made available to the Secretary for administration of this Act.".

ADDITIONAL AGRICULTURAL RESEARCH SUPPORT

SEC. 1324. The second sentence of section 32 of the Act of August 24, 1935 (49 Stat. 774; 7 U.S.C. 612c) is amended—

(1) by striking out "and (3)" and inserting in lieu thereof "(3)"; and

(2) by changing the period to a semicolon and inserting the following: "and (4) support food and agricultural research, extension, and teaching in order to meet the challenge of providing adequate food and fiber production for the United States and the world.".

EXCESS FEDERAL EQUIPMENT

SEC. 1325. Section 202(d)(2) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 84; 40 U.S.C. 483(d)(2)) is amended—

(1) in subparagraph (C) by striking out "or";

(2) in subparagraph (D) by striking out the period and inserting in lieu thereof "; or"; and

(3) by inserting at the end thereof the following new subparagraph:

"(E) property furnished by the Secretary of Agriculture to State and county extension services engaged in cooperative agricultural extension work under the Act of May 8, 1914 (7 U.S.C. 341 et seq.), to State agricultural experiment stations receiving funds under the Act of March 2, 1887 (7 U.S.C. 361a et seq.), and to colleges and universities receiving funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.) or the Act of August 30, 1890 (7 U.S.C. 321 et seq.).".

TITLE XIV—RESOURCES CONSERVATION

Subtitle A—Special Areas Conservation Program

FINDINGS

SEC. 1401. Congress finds that—

(1) studies by the Department of Agriculture indicate that billions of tons of soil are eroded annually from non-Federal lands in the United States, much of which represents soil eroded from cropland;

(2) nearly one-half of the four hundred and thirteen million acres of cropland have soils with moderate, high, or very high risk of damage by sheet and rill erosion;

(3) the severity of erosion-related problems varies widely from one geographic area to the next;

(4) some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-related problems;

(5) solutions to such chronic erosion-related problems should be tailored to address the local social, economic, environmental, and other conditions unique to the area involved to ensure that the goals and policies of the Federal Government are effectively integrated with the concerns of the local community;

(6) certain range and pasturelands in the United States are producing less than their potential and therefore their productive capacity could be substantially improved by application of intensified range and pasture management practices; the protection of these lands is essential to controlling erosion, improving ecological conditions, enhancing wildlife and riparian habitats, improving water quality and yield, and meeting the need to produce food and fiber in a manner that is more energy efficient; and

(7) there is a need for—

(A) reducing seepage from on-farm and off-farm irrigation ditches and conveyance systems;

(B) improving water conservation and utilization; and

(C) installing measures to capture on-farm irrigation return flows.

FORMULATION AND IMPLEMENTATION OF SPECIAL AREAS CONSERVATION PROGRAM

SEC. 1402. (a) The Secretary of Agriculture (hereinafter in this subtitle referred to as the Secretary) shall establish a program for the conservation of soil, water, and related resources in special areas designated pursuant to section 1403 (hereinafter referred to as "designated special areas") by providing technical and financial assistance to owners and operators or groups of owners and operators of farm, ranch, and certain other lands at their request. Such assistance with respect to State, county, and other public land shall be limited to those lands that are an integral part of a private farm operating unit and under the control of the private land owner or operator.

(b) To carry out the program established under this subtitle, the Secretary may enter into contracts with owners and operators of farm, ranch, or other land in a designated special area having such control over the land as the Secretary deems necessary. Any such contract may be entered into with respect to land in a designated special area which is not farm or ranch land only if the erosion-related problems of such land are so severe as to make such contracts with respect to such land necessary for the effective protection of farm or ranch land in that designated special area. Contracts under this subtitle shall be designed to provide assistance to the owners or operators of such farm, ranch, or other land to make voluntary changes in their cropping systems which are needed to conserve or protect the soil, water, and related resources of such lands, and to carry out the soil and water conservation measures needed under such changed systems and uses.

(c) The basis for such contracts shall be a conservation plan approved by the Secretary and the soil and water conservation district in which the land on which the plan is to be carried out is situated. The Secretary shall provide to the landowner or operator, at their request, such technical assistance as may be needed to prepare and submit to the Secretary a conservation plan—

(1) which incorporates such soil and other conservation practices and measures as may be determined to be practicable to protect such land from erosion or water-related problems,

(2) which outlines a schedule for the implementation of changes in cropping systems or use of land or of water and of conservation measures proposed to be carried out on the farm, ranch, or other land during the contract period,

(3) which is designed to take into account the local social, economic, and environmental conditions, which will help solve the particular erosion or water-related problems of the designated area,

(4) which may allow for such varying levels of conservation application as are appropriate to address the problems and may be developed to cover all or part of a farm, ranch, or other land as determined to be necessary to solve the conservation problems,

(5) which may include practices and measures for enhancing fish and wildlife and recreation resources and for reducing or controlling agricultural-related pollution, and

(6) which identifies those conservation systems and measures, including planned grazing systems, needed to improve vegetative conditions, reduce erosion, and conserve water on range and pasturelands.

(d) Under any contract entered into under this subtitle, the land owner or operator shall agree—

(1) to carry out the plan for the owner's or operator's farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to subsection (f);

(2) to forfeit further payments under the contract and refund to the United States all payments received thereunder, including interest, upon violation by the owner or operator of the contract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board for the district in which the lands are located, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds, including interest, or accept such payment adjustments as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract; and

(3) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract.

(e) In return for an agreement by the landowner or operator under this section, the Secretary shall agree to share the cost of carrying out the conservation measures set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest. The portion of the costs to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the installation and, if applicable, the maintenance of the conservation treatment under the contract, including the cost of labor. The Secretary shall determine the amount of the shared costs to be borne by the Federal Government, taking into consideration the social and economic conditions unique to each designated geographic area and the degree of conservation to be achieved. The Secretary shall determine the maximum amount of cost-share assistance that may be provided to any single recipient. If adjustments from cultivated crops to permanent vegetative cover or changes in crop varieties are undertaken as conservation treatment, financial assistance may be provided with regard to the income lost as a result of such land use or crop adjustments.

(f) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest and may agree to such modification of contracts previously entered into as the Secretary may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to other similar conservation, or commodity programs administered by the Secretary.

(g) The Secretary may also enter into contracts with landowners or operators for the purpose of maintaining any conservation treatment established under this subtitle or other conservation treatment which has been adequately established, and to provide such assistance as is necessary to retain the treatment on the land. The provisions and administration of such contracts shall be in accordance with the requirements set forth in subsections (b) through (f).

PROGRAM TO BE DIRECTED AT SPECIFIC PROBLEMS

SEC. 1403. (a) The program established under this subtitle shall be directed toward identifying and correcting such erosion-related or water management-related problems as may exist within each designated special area. Assistance under this subtitle may be provided to any geographic area of the United States only if such area is first designated by the Secretary as having severe and chronic erosion-related or water management-related problems.

(b) In identifying a geographic area as a designated special area under this subtitle, the Secretary shall prepare and publish a report setting forth an assessment of the problems, objectives, and priorities in such area, and a schedule for the implementation of the program under this subtitle. The Secretary shall indicate in such report how the program as developed with respect to such area takes into consideration ongoing programs of Federal, State, and local agencies, including soil conservation districts, relating to soil and water conservation, pollution abatement, or the improvement or protection of forest land. The Secretary shall, within existing authorities, assure that all Department of Agriculture programs operating in a designated special area complement the conservation objectives outlined for such area.

CONTRACT LIMITATIONS

SEC. 1404. Special areas may be designated pursuant to section 1503 of this subtitle at any time within 10 years after the date of enactment of this Act. Contracts authorized by subsections (b) and (g) of section 1402 of this subtitle may be entered into at any time within 10 years after the designation of the special area to which they relate. Such contracts may not exceed 10 years in duration, and the amount of contracts that may be entered into in any one fiscal year shall not exceed such amounts as may be provided for in advance in appropriations Acts.

NOTIFICATION OF COMMITTEES OF CONGRESS

SEC. 1405. The Secretary shall submit a copy of each special area report developed and published pursuant to section 1403(b) of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the United States Senate and to the Committee on Agriculture of the United States House of Representatives.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 1406. In carrying out the provisions of this subtitle, the Secretary may utilize the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the technical services of the Department of Agriculture, soil and water conservation districts, and other State or local agencies. The Secretary may utilize the services and facilities of the Commodity Credit Corporation in carrying out the functions and responsibilities of the Secretary under this subtitle.

IMPROVEMENT OF TECHNOLOGY

SEC. 1407. The Secretary may expend funds directly or through grants for such research as is needed to assist in developing new or improving existing technologies for controlling erosion or water-related problems in designated special areas.

RULES AND REGULATIONS

SEC. 1408. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1409. There are authorized to be appropriated annually, to be available until expended, such sums as may be necessary to carry out the program authorized by this subtitle.

REPORT TO CONGRESS

SEC. 1410. The Secretary shall submit a report to Congress by January 1, 1986, and at each five-year interval thereafter, concerning the operation of the program provided for in this subtitle. Such report shall contain an evaluation of the operation of such program and shall include recommendations for such additional legislation as may be necessary to solve identified soil, water, and related resources problems in areas designated by the Secretary under this subtitle and to utilize new technology and research related to such problems.

PROTECTION OF PARTICIPANTS

SEC. 1411. No person shall be disqualified

from participating in, or suffer any forfeiture or reduction in benefits under, any other program administered by the Secretary by virtue of participation in the program provided for in this subtitle.

Subtitle B—AMENDMENTS TO THE SMALL WATERSHED AND RESOURCE CONSERVATION AND DEVELOPMENT PROGRAMS

AMENDMENTS TO SMALL WATERSHED PROGRAM

SEC. 1412. (a) Section 2 of the Watershed Protection and Flood Preservation Act (16 U.S.C. 1002) is amended by changing the period at the end thereof to a semicolon and inserting the following: "or any Indian tribe or tribal organization, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b), having authority under Federal, State, or Indian tribal law to carry out, maintain, and operate the works of improvement.".

(b) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is further amended by striking out "$1,000,000" and inserting in lieu thereof "$3,000,000".

(c) Section 3(6) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003(6)) is amended by inserting after the word "wildlife," the word "energy.".

(d) Section 4(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1004(1)) is amended by changing the semicolon at the end thereof to a colon and inserting the following: *"Provided further,* That the Secretary shall be authorized to bear an amount not to exceed one-half of the costs of the land, easements, or rights-of-way acquired or to be acquired by the local organization for mitigation for fish and wildlife habitat losses, and that such acquisition is not limited to the confines of the watershed project boundaries;".

(e) Section 5(3) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(3)) is amended by striking out "$1,000,000" and inserting in lieu thereof "$3,000,000".

(f) Section 5(4) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(4)) is amended by striking out "$1,000,000" and inserting in lieu thereof "$3,000,000".

AMENDMENT TO RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

SEC. 1413. Section 31 of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010) is amended by inserting after the words "dams and reservoirs," the words "developing energy resources,".

Subtitle C—VOLUNTEERS FOR CONSERVATION

AUTHORIZATION FOR USE OF VOLUNTEERS

SEC. 1414. The Secretary of Agriculture, hereinafter in this subtitle referred to as the Secretary, is authorized to recruit, train, and accept without regard to the civil service and classification laws, rules, or regulations, the services of individuals without compensation as volunteers for and in aid of interpretive functions, visitor services, conservation measures and development, or other activities related to matters administered by the Secretary through the Soil Conservation Service. The Secretary is authorized to provide for incidental expenses of such volunteers for items such as transportation, uniforms, logging, and subsistence.

STATUS AS FEDERAL EMPLOYEES

SEC. 1415. (a) Except as provided in subsection (b) of this section such volunteers shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, and Federal employee benefits.

(b) For the purpose of the tort claim provisions of sections 2671 through 2680 of title 28 of the United States Code, and for the purposes of chapter 81 of title 5 of the United States Code, relating to compensation to Federal employees for work-related injuries, volunteers under this subtitle shall be deemed employees of the United States.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1416. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TITLE XV—EFFECTIVE DATE

SEC. 1501. Except as otherwise provided herein, the provisions of this Act shall become effective October 1, 1981.

SECTION-BY-SECTION ANALYSIS OF AGRICULTURE AND FOOD ACT OF 1981

TITLE I—DAIRY

Section 101. Dairy base plans.

Section 101 establishes permanent authority for seasonal base plans under milk marketing orders and allows the authority for class I base plans to expire at the end of 1981. However, any class I base plan currently in existence may remain effective through December 31, 1984. A temporary provision which mandates hearings on proposed amendments to milk marketing orders if one-third of the producers request such hearings and a temporary provision which requires the Secretary of Agriculture to consider the level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs as a criteria for setting the price of milk would also be allowed to expire at the end of 1981.

Section 102. Legal status of producer handlers.

Section 102 makes it clear that the legal status of producer handlers under the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, is not changed by the elimination of the authority for class I base plans under section 101 of the Agriculture and Food Act of 1981.

Section 103. Milk price support.

The bill allows the Secretary of Agriculture to support the price of milk at a level between 75 and 90 percent of parity. Section 103 provides discretionary authority for the Secretary of Agriculture to make adjustments in the support price of milk at the beginning of each semiannual period after the beginning of the marketing year to reflect any substantial change in the parity index during the immediately preceding semiannual period. Any such adjustment shall be announced not less than thirty days prior to the beginning of the period to which it is applicable.

Section 104. Transfer of dairy products to veterans hospitals and the Military.

Section 104 extends for calendar years 1982 through 1985 current authority for making dairy products owned by the Commodity Credit Corporation available for transfer to veterans hospitals and the military.

Section 105. Dairy indemnity program.

Section 105 extends for fiscal years 1982 through 1985 current authority for making indemnity payments to (1) dairy farmers and manufacturers who sustain losses as a result of pesticide residues in cows, milk, or dairy products and (2) dairy farmers who sustain losses as a result of their cows or milk having been contaminated by nuclear radiation or residues of chemicals or toxic substances which were not used contrary to applicable regulations or labeling instructions.

TITLE II—WOOL AND MOHAIR

Section 201. Extension of price support program.

Section 201 extends for calendar years 1982 through 1985 current authority for establishing support prices of wool and mohair.

TITLE III—WHEAT

Section 301. Loan rates and land diversion payments for the 1982 through 1985 crops.

Section 301 requires the Secretary of Agriculture to make available to producers loans and purchases on the 1982 through 1985 crops of wheat at a level equal to or greater than 85 percent of the average market price of wheat in the United States during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and purchases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period. The level of loans and purchases for any of the 1982–1985 crops of wheat, however, shall not be less than $3.20 per bushel. This section also extends current authority for the Secretary to make land diversion payments to producers of wheat.

This section, in effect, eliminates authority for target prices, deficiency payments, set-asides, and disaster payments for the 1982–1985 crops of wheat.

Section 302. Suspension of marketing quotas and producer certificate provisions.

Section 302 provides that authority, which has been suspended for the 1977–1981 crops of wheat, for wheat marketing quotas and producer certificates shall not be applicable to the 1982–1985 crops of wheat.

Section 303. Nonapplicability of processor and exporter certificate requirements.

Section 303 provides that marketing certificate requirements for processors and exporters of wheat shall not be applicable through May 31, 1986. Such requirements have not been applicable since July 1, 1973.

Section 304. Finality of determinations.

Section 304 extends through the 1985 crops current law which establishes that determinations made by the Secretary of Agriculture or the Commodity Credit Corporation with respect to facts constituting the basis for any commodity program payment, loan, or price support operation, shall be final and shall not be reviewable by any other officer or agency of the Government.

Section 305. Suspension of quota provisions.

Section 305 suspends authority regarding wheat marketing quotas and penalties for crops of wheat planted for harvest in the calendar years 1982 through 1985. Such authority has not been applicable to the 1977–1981 crops of wheat.

Section 306. Application of terms in the Agricultural Act of 1949.

Section 306 extends for the 1982 through 1985 crops of wheat and feed grains the applicability of the terms "support price", "level of support", "level of price support", "price support", "price support operations" and "price support program" (contained in the Agricultural Act of 1949) to the loan and purchase operations of the wheat and feed grains programs authorized in the Agricultural Act of 1949. Such terms have been applicable to the 1977–1981 crops.

Section 307. Commodity Credit Corporation sales price restrictions for wheat and feed grains.

Section 307 extends for the marketing years for the 1982 through 1985 crops of wheat and feed grains current law which prohibits the Commodity Credit Corporation from selling its stocks of wheat and feed grains at less than 115% of the current national average loan rate for the commodity concerned.

Section 308. Nonapplicability of section 107 of the Agricultural Act of 1949 to the 1982 through 1985 crops of wheat.

Section 308 provides that the provisions of the wheat price support program contained in section 107 of the Agricultural Act of 1949 shall continue to be inapplicable to the 1982 through 1985 crops of wheat.

TITLE IV—FEED GRAINS

Section 401. Loan rates and land diversion payments for the 1982 through 1985 crops.

Section 401 requires the Secretary of Agriculture to make available to producers loans and purchases on the 1982 crop of corn

at 75% of the average market price of corn in the United States during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and purchases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period. The Secretary shall establish the levels of loans and purchases for the 1983 through 1985 crops of corn at not less than 65% nor more than 85% of the average market price of corn, such average market price to be determined as described in the preceding sentence. The levels for any of the 1982 through 1985 crops of corn, however, shall not be less than $2.40 per bushel. Loans for other feed grains shall be set at levels that the Secretary determines is fair and reasonable in relation to the loan level for corn, except that loans for oats would be required to be set at not less than 75% (80% if oat production is estimated to be less than the 1980 production) of the loan level for corn. This section also extends current authority for the Secretary to make land diversion payments to producers.

This section, in effect, eliminates authority for target prices, deficiency payments, set-asides, and disaster payments for the 1982 through 1985 crops of feed grains.

Section 402. Nonapplicability of section 105 of the Agricultural Act of 1949 to the 1982 through 1985 crops of feed grains.

Section 402 provides that the provisions of the feed grains price support program contained in section 105 of the Agricultural Act of 1949 will continue to be inapplicable to the 1982 through 1985 crops of feed grains.

TITLE V—UPLAND COTTON

Section 501. Base acreage allotments; suspension of marketing quotas and related provisions.

Section 501 extends for the 1982 through 1985 crops of upland cotton current provisions of law which suspend the application of cotton marketing quotas and acreage allotments.

Section 502. Cotton production incentives; loan rates and land diversion payments for the 1982 through 1985 crops.

Section 502 extends for the 1982 through 1985 crops of upland cotton the current provisions of law for establishing the loan level for upland cotton, except that the minimum loan level is set at 55 cents per pound and provision is made for mandatory recourse loans on seed cotton. This section retains current authority for the extended loan and the special limited global import quota for upland cotton, with an additional provision that specifies that upland cotton imported into the U.S. while a special quota is in effect shall not be subject to import duties.

This section, in effect, eliminates authority for target prices, deficiency payments, set-asides, and disaster payments for the 1982–1985 crops of upland cotton.

Section 503. Commodity Credit Corporation sales price restrictions.

Section 503 extends for the marketing years for the 1982 through 1985 crops of upland cotton current law which prohibits the Commodity Credit Corporation from selling its stocks of upland cotton at less than 115 percent of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton.

Section 504. Miscellaneous cotton provisions.

Section 504 extends for the 1982 through 1985 crops of cotton the applicability of the terms "support price", "level of support", "level of price support", "price support", "price support operation', and "price support program" (contained in the Agricultural Act of 1949) to the loan and purchase operations of the upland cotton program authorized in the Agricultural Act of 1949. Such terms have been applicable to the 1977–1981 crops. This section provides that the provisions of the upland cotton price support program contained in section 103(a) of the Agricultural Act of 1949 shall continue to be inapplicable to the 1982 through 1985 crops of upland cotton. Finally, this section provides that the requirement to support the price of cottonseed and soybeans at levels whereby the two commodities will compete on equal terms on the market shall continue to be inapplicable to the 1982 through 1985 crops.

Section 505. Skiprow practices.

Section 505 provides that rules governing skiprow patterns which were in effect for the 1971 through 1981 crops of cotton shall also apply to the 1982 through 1985 crops of cotton.

Section 506. Preliminary allotments for 1986 crop of upland cotton.

Section 506 establishes that the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, shall again become effective as preliminary allotments for the 1986 crop of upland cotton.

TITLE VI—RICE

Section 601. Loan rates and land diversion payments for the 1982 through 1985 crops.

Section 601 requires the Secretary of Agriculture to make available to producers loans and purchases on the 1982 crop of rice at 75 percent of the average market price of rice in the United States during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and purchases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period. The Secretary shall establish the levels of loans and purchases for the 1983 through 1985 crops of rice at no less than 65 percent nor more than 85 percent of the average market price of rice, such average market price to be determined as described in the preceding sentence. The level for any of the 1982 through 1985 crops of rice, however, shall not be less than $8.01 per hundredweight. This section also extends current authority for the Secretary to make land diversion payments to producers.

This section, in effect, eliminates authority for target prices, deficiency payments, set-asides, and disaster payments for the 1982 through 1985 crops of rice.

Section 602. Suspension of marketing quotas and other provisions.

Section 602 suspends for the 1982 through 1985 corps of rice the provisions of law relating to allotments, marketing quotas, marketing quota penalties, and apportionments of the national acreage allotment.

Section 603. Conforming amendment.

Section 603 extends for the 1982 through 1985 crops of rice the applicability of the terms "support price", "level of support", "level of price support", "price support", "price support operation", and "price support program" (contained in the Agricultural Act of 1949) to the loan and purchase operations of the rice program authorized by the Agricultural Act of 1949.

TITLE VII—PEANUTS

Section 701. Annual marketing quota and state acreage allotment.

Section 701 provides that provisions of law pertaining to the proclamation of an annual marketing quota for peanuts and the apportionment of the State acreage allotment among counties shall not apply to the 1982 through 1985 crops of peanuts. This section also continues for the 1982 through 1985 crops of peanuts current provisions of law that the peanut acreage allotment for New Mexico shall not be reduced below the 1977 acreage allotment as adjusted.

Section 702. National acreage allotment; national poundage quota; farm poundage quota; and definitions.

Section 702 extends for the 1982 through 1985 crops of peanuts current law pertaining to the national acreage allotment, the national poundage quota, and the farm poundage quota with the following three modifications. First, the minimum national poundage quota for the marketing year for any crops of peanuts shall be 1,440,000 tons increased by such additional quantity as the Secretary of Agriculture estimates will be necessary to meet the requirements for domestic edible and seed uses during the next marketing year. Second, a producer's cumulative undermarketings for one or more previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) may be added to the farm poundage quota, provided, that (1) the producer planted an acreage on the farm to peanuts in the preceding year equal to or greater than 50% of the acreage allotment for the farm for peanuts for such preceding year; (2) the total marketings of the producer does not exceed the actual production from the farm acreage allotment; and (3) if the total of all increases because of undermarketing carry forward in individual farm poundage quotas exceeds 10% of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10% of the national poundage quota. Third, seed peanuts for the production of "green" peanuts of unique strains which are not commercially available may be exempt from marketing penalties.

Section 703. Sale, lease, and transfer of acreage allotment.

Section 703 extends for the 1982 through 1985 crops of peanuts current law regarding the sale, lease, and transfer of acreage allotments, except that acreage allotments and marketing quotas may be transferred without regard to county boundaries in States which have less than a total of 11,000 acres in farm peanut acreage allotments.

Section 704. Marketing penalties; disposition of additional peanuts.

Section 704 extends for the 1982 through 1985 crops of peanuts current provisions of law regarding marketing penalties and the disposition of additional peanuts with the following modifications. First, the Secretary of Agriculture is required to authorize ASCS State and county committees to reduce or waive penalties for unintentional violations of the prescribed peanut marketing procedures.

Errors in weight which do not exceed one-tenth of 1 percent in the case of any marketing document shall not be considered marketing violations except in cases of fraud or conspiracy. Second, the deadline before which contracting for additional peanuts must be completed is moved from June 15 to April 15 of the year in which the crop is produced.

Additional peanuts not contracted for before April 15 are eligible for sale to handlers only if the producer consents to such sale. Third, producers are permitted to redeem additional peanuts from loan at prices equal to or more than 105 percent of the loan level of quota peanuts. Fourth, the area marketing associations shall have complete authority for selling additional peanuts under loan in instances where such peanuts are sold at prices equal to or greater than the Commodity Credit Corporation's minimum sales price.

Section 705. Reports and record.

Section 705 extends for the 1982 through 1985 crops of peanuts current requirements that all farmers engaged in the production of peanuts keep records subject to examination by USDA and submit such information when asked to do so.

Section 706. Preservation of unused allotments.

Section 706 extends for the 1982 through 1985 crops of peanuts current law which provides that the current farm acreage allotment shall not be preserved as history acreage unless for the current year or either of the two preceding years an acreage sufficient to produce 75 percent of the farm poundage quota was actually devoted to peanuts.

Section 707. Price support program.

Section 707 extends for the 1982 through 1985 crops of peanuts the current law providing a two-tiered price support program for peanuts with the following modifications. The loan levels for 1982 through 1985 crops of quota peanuts shall be established at the discretion of the Secretary of Agriculture, but not at a level less than $650 per ton. The Secretary is provided with authority to adjust the loan level for any crop year after taking into consideration such things as increases in the index of prices paid by farmers, interest, taxes, etc. The support price for "additional" peanuts shall be set at a rate estimated to result in no program losses to the Commodity Credit Corporation. Warehouse storage loans and field supervisory functions must be carried out by grower associations operated primarily for such purposes. Cooperatives engaged in handling, shelling, or dealing in peanuts in any manner, other than handling peanut price support activities for the Commodity Credit Corporation (CCC), are barred from conducting loan activities through a loan agreement with CCC. Finally, the Secretary shall require area marketing associations to establish accounting polls for purposes of providing certain protections to CCC against program losses.

TITLE VIII—SOYBEANS

Section 801. Loan rates for the 1982 through 1985 crops.

Section 801 requires the Secretary of Agriculture to make available to producers loans and purchases on the 1982 crop of soybeans at 75% of the average market price of soybeans in the United States during three years of the five-year period ending at the end of the marketing year immediately preceding the marketing year for which the level of loans and purchases is applicable, excluding the year in which the average market price was the highest and the year in which the average market price was the lowest in such period.

The Secretary shall establish the levels of loans and purchases for the 1983 through 1985 crops of soybeans at no less than 65% nor more than 85% of the average market price of soybeans, such average market price to be determined as described in the preceding sentence. The level for any of the 1982 through 1985 crops of soybeans, however, shall not be less than $5.02 per bushel. The section also specifies that soybeans shall not be considered an eligible commodity for the producer storage reserve program and that the Secretary shall not make payments to producers to cover the cost of storing soybeans.

It should be noted that this section moves the provisions establishing the soybean price support program from title II to title I of the Agricultural Act of 1949, thus making soybeans a "basic agricultural commodity" as opposed to a "designated nonbasic agricultural commodity".

Section 802. Conforming amendment.

Section 802 amends current law to add soybeans to the list of "basic agricultural commodities".

TITLE IX—GRAIN RESERVES; STORAGE FACILITY LOANS

Section 901. Producer storage reserve program for wheat and feed grains.

Section 901 continues the producer storage reserve program with the following modifications. The Secretary of Agriculture is required to set up a producer storage reserve program for both wheat and feed grains. The Secretary is given discretionary authority to provide original, extended, or supplemental loans at such level of support as he determines is necessary to encourage producers to participate in the program.

The repayment period of such loans shall not be less than three years and the interest rate shall be based upon the rate of interest charged the Commodity Credit Corporation by the U.S. Treasury.

The Secretary is given discretionary authority to waive or adjust the interest rates. The release price for the commodity involved is set at the average adjusted cost of production, including land value, for the preceding three-year period. Storage payments shall be made to producers until the maturity date of the loan or until the market price for the commodity involved equals or exceeds 115% of the release price.

Once such level is reached, storage payments shall end. Authority for a call price is eliminated, as well as all references to minimum or maximum quantities of grain to be stored under the program.

The Secretary of Agriculture, however, could call reserve loans if he determines that an emergency exists which requires that the commodity be made available to meet urgent domestic or international needs and he reports his determination to the House and Senate Agriculture Committees 14 days before the call.

Finally, this section prohibits the Commodity Credit Corporation from selling any of its stocks of wheat or feed grains at less than 130 percent of the release price whenever the producer storage reserve program is in effect.

Section 902. Conforming amendment.

Section 902 provides that, if a producer storage reserve program is in effect for the commodity, wheat or feed grains held in a gasohol feedstock reserve established under section 208 of the Agricultural Trade Suspension Adjustment Act of 1980 shall not be disposed of by the Secretary of Agriculture at a price less than 130 percent of the release price, except that the commodity may be sold at not less than the release price if such commodity is to be used in the production of alcohol for motor fuel.

Section 903. Farm storage facility loans.

Section 903 extends the current authority for farm storage facility loans through the end of fiscal year 1985.

TITLE X—MISCELLANEOUS

Section 1001. Special grazing and hay program.

Section 1001 extends current authority for the special grazing and hay program through crop year 1985.

Section 1002. Enforcement under the Wheat and Wheat Foods Research and Nutrition Education Act.

Section 1002 provides for administrative penalties and sanctions (with judicial review thereof) in the administration and enforcement of the provisions of the Wheat and Wheat Foods Research and Nutrition Education Act.

Section 1003. Department of Agriculture advisory committees.

Section 1003 repeals title XVII of the Food and Agriculture Act of 1977 which established requirements relating to the creation, operations, and activities of USDA advisory committees. The provisions of current law dealing with the creation, operations, and activities of all federal advisory committees continue to apply.

Section 1004. Farm income protection insurance program study.

Section 1004 directs the Secretary of Agriculture to appoint a special task force for purposes of studying the concept of farm income protection insurance and reporting to Congress its findings regarding the suitability of such a concept as the basis for an alternative to the current price support, income maintenance, and disaster assistance programs offered by USDA.

Section 1005. State agency authority for grain inspections at export locations.

Section 1005 permits the Administrator of the Federal Grain Inspection Service to delegate authority, under certain circumstances, to a State agency to perform official inspection at export port locations within the State if such State agency performed official inspections under the U.S. Grain Standards Act at an export port location at any time before July 1, 1976, and such State agency is presently designated to perform official inspections at locations other than export port locations.

TITLE XI—AGRICULTURAL EXPORTS

Section 1101. Agricultural Export Credit Revolving Fund.

Section 1101 establishes in the U.S. Treasury an Agricultural Export Credit Revolving Fund to be used for purposes of making short term commercial loans to foreign purchasers of U.S. agricultural commodities and intermediate term commercial loans for the construction or acquisition of facilities in foreign countries that create a new demand for U.S. agricultural commodities. The seed money for the fund is provided through appropriations of $300 million, $500 million, and $700 million in fiscal years 1982, 1983, and 1984, respectively. Repayments of loans made under USDA's direct export credit programs shall be included in the Fund. The Secretary of Agriculture is required to make annual reports to Congress detailing the operations of the Fund. Authority for the Fund expires at the end of fiscal year 1985.

Section 1102. Congressional veto of bilateral commodity supply agreements.

Section 1102 provides for a two-House Congressional veto of any bilateral international agreement, other than a treaty, which involves a commitment on the part of the U.S. to assure access by foreign countries or instrumentalities thereof to U.S. agricultural commodities on a commercial basis.

Section 1103. Special standby export subsidy program.

Section 1103 directs the Secretary of Agriculture to formulate a special standby export subsidy program for purposes of neutralizing the export subsidy programs employed by foreign countries to stimulate sales of their agricultural commodities in third-country markets. The Secretary is required to implement such an export subsidy program only after the President (1) makes a determination that sales of U.S. agricultural commodities are being substantially adversely affected by the acts of foreign countries; (2) makes a determination that such acts include the use of export subsidies; (3) fails to reach a mutually acceptable resolution through consultations with the foreign country concerned; and (4) is authorized under the dispute settlement procedures specified in international agreements (if applicable) to undertake an export subsidy program to counter the export subsidies employed by the foreign country concerned.

Section 1104. Agricultural embargo relief.

Section 1104 obligates the Secretary of Agriculture to mitigate the adverse effects on prices generated by the imposition of foreign policy or national security export controls on agricultural commodities.

If such agricultural export controls are imposed other than in connection with a prohibition of all U.S. exports to the country concerned and if the Secretary determines that prices for the agricultural commodities are adversely affected thereby, the Secretary shall initiate one or more of the following measures: creation of a gasohol feedstock reserve (as already provided for under current law), creation of a food security reserve (as already provided for under current law).

or payments to producers which make up the difference between pre-embargo and post-embargo prices. The pre-embargo price shall be the average market price of the commodity involved during the thirty days immediately prior to the date of imposition of the export controls.

The post-embargo price shall be the average market price of the commodity involved during the duration of the export controls or the twelve-month period immediately following the date of imposition of the export controls, whichever is shorter. Such payments will be made on the quantity of commodity sold by the producer for the period of time from the imposition of the export controls until the export controls are lifted or for a period of twelve months after the date of imposition of the export controls, whichever is shorter.

Section 1105. P.L. 480 extension.

Section 1105 extends the current authority for P.L. 480 programs through December 31, 1985.

TITLE XII—FOOD STAMPS

Section 1201. Partial restoration of the purchase requirement; increase in the benefit reduction rate.

The purchase requirement, eliminated by the Food Stamp Act of 1977, required recipient households to spend a portion of their incomes on food by requiring them, as a condition of participation, to purchase the food stamps which had a greater value—"bonus"—than the purchase requirement. This section restores the purchase requirement mechanism to the food stamp program as in the previous program, but exempts the elderly, blind, and disabled. Additionally, the section changes the present assumption that 30% of household income is spent for food by increasing this to 33% in order to more accurately reflect the percentages of income which low-income households usually spend. This figure—the benefit reduction rate—is the percentage by which food stamp benefits are reduced for each additional dollar earned by the household and would generally be the amount paid for food stamps under the reinstituted purchase requirement.

Section 1202. Splitting of households; boarders and related members.

Section 1202 excludes all boarders from participation in the food stamp program. Similarly, this section requires household members related to one another to apply as one household with the exception that elderly parents (60 years of age or older) may apply separately.

Section 1203. Eliminates dine-out.

This section eliminates the current provision of law which allows certain categories of food stamp recipients to use food coupons to pay for meals in authorized restaurants.

Section 1204. Actual, rather than projected, inflation.

This section repeals the liberalized indexing formula adopted in 1980 for determining annual adjustments in the Thrifty Food Plan. The 1980 Amendments would calculate that adjustment based on nine months of actual increases in the cost of the Thrifty Food Plan plus three months of projected, or anticipated, increases. This section will adjust the cost of the Plan on January 1 based on cost increases for the twelve months ending the preceding September 30.

Section 1205. Individualized allotments.

This section allows the Secretary of Agriculture to make adjustments in the value of the Thrifty Food Plan to reflect more accurately the food needs of individuals of different ages and sex.

Section 1206. Inclusion of low income energy assistance as income.

This section allows low income energy assistance cash payments to be counted as income for purposes of determining food stamp benefits.

Section 1207. National workfare program.

This section requires that each State establish a workfare program whereby able-bodied recipients must be available for community service work as a condition for participation in the food stamp program.

Section 1208. Adjustments of deductions.

This section freezes the standard deduction at the current level of $85 per month and excess shelter and dependent care deductions at $115 per month, eliminating the annual inflation adjustment. The value of the Thrifty Food Plan and the poverty guideline will continue to be adjusted annually for inflation, however. The deductions for Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands will be frozen at present levels of $145, $120, $170, $50, $75 for standard deductions, respectively, and $200, $165, $140, $40, and $85 for excess shelter, respectively.

Section 1209. Third party payments.

This section clarifies current law that households are not allowed to receive deductions from gross income for expenses that are paid on behalf of the household by a third party.

Section 1210. Disqualification from participation.

This section increases from 3 to 12 months the period of disqualification from participation following determination of fraud by a State agency. The section also sets the period of disqualification at a minimum of twelve months in the case of an individual found guilty by a court of fraud involving food stamp coupons. It also requires repayment of double the amount of coupons fraudulently received before a person is eligible to participate again in the program.

Section 1211. Work registration.

This section changes the work registration provisions to lower the age of a dependent child (from twelve to six) which exempts the mother of that child from the requirement to register for work under the requirements set forth under the Food Stamp Act.

Section 1212. Strikers.

This section prohibits a household from becoming eligible for food stamps—if not already so eligible—as a result of a member going on strike, or from receiving increased benefits as a result of that member going on strike.

Section 1213. Gross income limitation at poverty line.

This section limits participation of non-working recipients (except elderly, blind, and disabled) to those with incomes not in excess of 100 percent of the poverty level. Households with earned income (again excluding elderly, blind, and disabled) would be permitted to earn 115 percent of the poverty level without being disqualified from participation in the program.

Section 1214. School lunch overlap.

This section eliminates the duplication between the free school lunch and food stamp programs by reducing the value of the allotment a household is entitled to receive based upon the number of children receiving school lunches and the per person, per meal value of the Thrifty Food Plan for a family of eight. Additionally, the section increases the benefit reduction rate from 30 to 33 percent for those not affected by the reinstatement of the purchase requirement (the elderly, blind, and disabled).

Section 1215. Pro-rating of first month's benefits.

This section requires that the first month's food stamp benefits be pro-rated to reflect the portion of the month for which assistance is received.

Section 1216. Elimination on exclusion of food stamps as income.

This section repeals the present law provision which prevents food stamps from being counted as income for purposes of determining eligibility in public assistance or welfare programs.

Section 1217. Outreach.

This section eliminates all Federal funding under the Food Stamp Act for food stamp outreach.

Section 1218. Restoration of wrongfully denied benefits.

This provision would limit the period for recovering benefits wrongfully denied or terminated to 45 days from the date a request for restoration of benefits is received by the State agency.

Section 1219. Reauthorization.

This section increases the authorization level for FY 81 to $10,439,276,000 and sets future authorization levels at $11,341,152,000 for FY 82; $11,738,154,000 for FY 83; $11,674,366,000 for FY 84 and; $11,898,594,000 for FY 85.

Section 1220. Commodity distribution programs: extension of authorities, penalties for fraud, and miscellaneous provisions.

This section extends through fiscal year 1985 the Secretary's authority to purchase and distribute commodities to institutions, supplemental feeding programs, disaster areas, summer camps for children, needy families on Indian reservations and the U.S. Trust Territory of the Pacific Islands.

The section also provides for penalties for fraudulent misuse of commodities, and extends through fiscal year 1985 the authorization of the Secretary to pay administrative costs of State and local agencies under the commodity supplemental food program.

Section 1221. Liberalized deductions.

This section repeals the increases in dependent care deductions for working adults and medical deductions for the elderly and disabled which are due to take effect on October 1, 1981.

Section 1222. Effective date.

This section provides that the amendments made by this title shall become effective on January 1, 1982, except that the requirement that the Secretary promulgate regulations under the workfare provision, the changes in authorizations for appropriations, and the repeal of the expansion of certain deductions shall be effective upon enactment.

TITLE XIII—AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY

Section 1301. Reaffirmation of Federal-State partnership.

Section 1301 reaffirms the unique partnership arrangement existing between the Federal Government and the States in agricultural research, extension, and teaching. The section broadens the purposes of the Act to state that the productivity and efficiency of the food and agricultural sciences may be enhanced by the strengthening of the Federal-State partnership in agricultural research, extension, and teaching; reducing unnecessary regulations; and improving cooperation in the food and agricultural sciences.

Section 1302. Definitions.

Section 1302 sets forth clearer definitions of the terms: agricultural research, food and agricultural sciences, cooperating forestry schools, teaching, and state cooperative institutions and state cooperative agents.

Section 1303. Joint Council on Food and Agricultural Sciences.

Section 1303 extends the term of the Joint Council on Food and Agricultural Sciences from five to ten years. It fixes the number of members of the Joint Council at 25 members. The section emphasizes that regional differences will be considered in selecting members of the Joint Council. At least one-half of the members appointed by the Secretary shall be from land-grant colleges and universities and State agricultural experiment stations. Section 1303 redirects the primary purposes of the Joint Council from that of coordinating programs to that of bringing about more effective agricultural research, extension, and teaching. It also requires that existing state cooperative insti-

tutions provide regional planning and coordination.

The section requires the Joint Council to submit its reports to the Secretary on June 30 instead of December 31 and changes the nature of the report to more clearly recommend priorities, suggested areas of responsibilities and financial levels for such research, extension and teaching programs.

Finally, this section exempts the Joint Council from the provisions of the Federal Advisory Committee Act.

Section 1304. National Agricultural Research and Extension Users Advisory Board.

Section 1304 extends the term of the National Agricultural Research and Extension Users Advisory Board from five to ten years. It also increases the membership of the Board from twenty-one to twenty-five, allowing an additional four producer members from various geographic areas to be appointed to the Board; and it provides that the terms of Board members shall be staggered.

Finally, the section changes the timing of the Board's recommendation to the Secretary from October 31 to July 1, and its report to Congress from March 1 to February 20.

Section 1305. Federal-State partnership.

Section 1305 enumerates the primary statutes that effect the Federal-State partnership arrangement; removes contracts, grants, and cooperative agreements made by the Secretary to further the Federal-State partnership from section 3648 of the Revised Statutes (31 U.S.C. 529) and section 3709 of the Revised Statutes (41 U.S.C. 5); and allows the Secretary to convey title to property purchased with funds under such contracts, grants and cooperative agreements if that will further the objectives of the Department of Agriculture.

Section 1306. Secretary's report.

Section 1306 requires the Secretary to submit his report on the Nation's agricultural research, extension, and teaching activities to the President and Congress on January 1 instead of February 1.

Section 1307. Support for the Joint Council and Advisory Board.

Section 1307 requires the executive director of the Joint Council and the Users Board to be full time and provides for an executive secretary for both the Council and the Board.

Section 1308. Additional Assistant Secretary of Agriculture.

Section 1308 creates an additional Assistant Secretary of Agriculture to be appointed by the President, with the advice and consent of the Senate, who would carry out such duties as may be prescribed by the Secretary of Agriculture.

Section 1309. Program of competitive, special, and facilities grants for agricultural research.

Section 1309 amends section 2 of the Act of August 4, 1965 (79 Stat. 431; 7 U.S.C. 450i) to more clearly specify the meaning of high priority research within subsection (b) of that Act; to extend the authorization of appropriations for competitive research grants through fiscal year 1987; to make research foundations established by land-grant colleges eligible for special grants under subsection (c) of that Act; and to change the emphasis of facilities grants from purchasing equipment, supplies and land to renovating, refurbishing or retrofitting existing buildings and spaces, and to include cooperative forestry schools and 1890 colleges as institutions eligible to receive these facilities grants.

Section 1310. Amendments to the Research Facilities Act of 1963.

Section 1310 extends the authorization of appropriations under the Research Facilities Act of 1963 for another five years (from FY 1983 to FY 1987).

Section 1311. Federal support of higher education in the food and agricultural sciences.

Section 1311 requires the Secretary of Agriculture to promote and develop a higher education program in the food and agricultural sciences and obligates the Secretary of Education to relinquish the remainder of his responsibilities under the Bankhead-Jones Act not transferred to the Secretary of Agriculture by the Food and Agriculture Act of 1977.

This section further authorizes the Secretary to make grants to land grant colleges and universities and other colleges and universities having a demonstrable capacity to carry out food and agriculture teaching to strengthen institutional capacity, attract and educate students in food and agricultural sciences, design innovative programs, and facilitate cooperative agreements.

The Secretary would also be authorized to make competitive grants to colleges and universities to develop and conduct unique and specialized programs. Section 1311 also extends the authorization of appropriations for higher education grants for another five years (from FY 1983 to FY 1987).

Section 1312. Transfer of functions.

Section 1312 transfers the Morrill-Nelson Act agricultural teaching funds and the accompanying functions from the Secretary of Education to the Secretary of Agriculture.

Section 1313. Alcohol and industrial hydrocarbon.

Section 1313 extends the authorization of appropriations for research grants in the production and marketing of alcohol and industrial hydrocarbons from agricultural products for another five years and increases the amount of funds an eligible institution may receive over the full ten-year period of the authorization from $3 million to $5 million.

Section 1314. Nutrition education program.

Section 1314 establishes a formula by which funds shall be distributed for the nutrition education program. The formula stipulates that one percent of the funds will be for administration, ten percent to be distributed equally among all States and the remainder to be allocated in relation to the amount of population in the State living at or below 125 percent of the poverty level. In addition, if future funding is reduced from current levels, such a reduction will be a proportioned reduction in appropriations.

Section 1315. Animal health and disease research definitions.

Section 1315 defines the term eligible institution under the animal and health and disease research program to mean State agricultural experiment stations and accredited colleges of veterinary medicine.

Section 1316. Animal Health Science Research Advisory Board.

Section 1316 extends the term of the Animal Health Science Research Advisory Board from 5 to 10 years.

Section 1317. Appropriations for research on national or regional problems.

Section 1317 requires the Secretary to establish priority lists of animal health and disease problems of national or regional significance and to make grants to support research on specific national or regional animal health or disease problems on the basis of such priorities, to the extent feasible.

Section 1318. Extension at 1890 land-grant colleges including Tuskegee Institute.

Section 1318 makes technical changes in the provisions authorizing appropriations for extension activities at 1890 land-grant colleges, including Tuskegee Institute.

Section 1319. International agricultural research and extension.

Section 1319 requires the Secretary of Agriculture to utilize the land-grant colleges and universities, and other colleges and universities, to develop linkages among these institutions, the Federal government, and international research centers in order to serve developed and underdeveloped countries to improve food and agricultural progress worldwide. The section also authorizes the Secretary to provide, on a reimbursable basis, technical assistance to such American institutions carrying out these activities.

Section 1320. Authorization for appropriations for existing and certain new agricultural research programs.

Section 1320 extends the authorization for appropriations for agricultural research and agricultural experiment station programs for an additional five years (from FY 1983 to FY 1987).

Section 1321. Authorization for appropriations for extension programs.

Section 1321 extends the authorizations for appropriations for cooperative extension programs for an additional five years (from FY 1983 to FY 1987).

Section 1322. Restriction on treatment of indirect costs.

Section 1322 provides that funds made available by the Secretary of Agriculture under the Hatch Act, the McIntire-Stennis Act, grants for research on animal health and disease (sections 1433 and 1434 of Title XIV of the Food and Agriculture Act of 1977), and subsections (e)(2) and subsection (d) section 2 of the Act of August 4, 1965 (7 U.S.C. 450i) shall not be subject to reduction for indirect costs incurred by the recipient. This section also provides that indirect cost shall not be charged against funds made available by the Secretary under cooperative agreements with state institutions if the project is of mutual interest to all the parties and they all contribute to the cooperative agreement involved.

Section 1323. Cooperative State forestry.

Section 1323 amends the McIntire-Stennis Act of 1962 to make minor changes, to provide for appointment by the Secretary of Agriculture of a 16-member forestry council to advise the Secretary in administering the cooperative State forestry program, and to expand the factors to be considered in making apportionment of funds under that Act.

Section 1324. Additional agricultural research support.

Section 1324 amends section 32 of the Act of August 24, 1935 (49 Stat. 774; 7 U.S.C. 612c), to make funds available under that Act from customs duties on agricultural products, also available to support agricultural research, extension, and teaching programs.

Section 1325. Excess Federal equipment.

Section 1325 amends the Federal Property and Administrative Services Act of 1949 to exempt from the general prohibition on Federal agencies obtaining excess personal property for purposes of furnishing such property to their grantees property furnished by the Secretary of Agriculture to State and county extension services, State agricultural experiment stations and land-grant colleges and universities.

TITLE XIV—RESOURCE CONSERVATION

Subtitle A—Special areas conservation program

Section 1401. Findings.

Section 1401 sets forth the reasons for establishing a special areas conservation program.

Section 1402. Formulation and implementation of special areas conservation program.

Section 1402 requires the Secretary of Agriculture to establish a program for the conservation of soil, water, and related resources in special, designated areas which have severe soil and water management problems. A conservation plan containing a strategy for dealing with the particular problem is developed with the approval of the Secretary and the local soil and water conservation district. This plan becomes the basis for long-term contracts which may be entered

into by the Secretary and land owners in the designated area. The land owner agrees to abide by the conservation plan in exchange for financial assistance from USDA.

Section 1403. Program to be directed at specific problems.

Section 1403 provides that the program shall be applicable to areas having severe erosion and water management related problems, as designated by the Secretary of Agriculture. The basis for area designation and funding is an assessment report prepared by the Secretary of the problems, objectives and priorities for treatment in such area. Such report shall be developed by existing USDA employees and local people and shall consider the extent to which existing programs contribute to the overall program objectives.

Section 1404. Contract limitations.

Section 1404 provides that special areas may be designated during a period of 10 years after enactment of this subtitle and that the maximum length of a contract is 10 years.

Section 1405. Notification of committees of Congress.

Section 1405 requires the Secretary of Agriculture to submit a copy of the report described in section 1403 which is the basis for area designation to the Senate and House agriculture committees.

Section 1406. Utilization of services and facilities.

Section 1406 authorizes the Secretary of Agriculture to use existing delivery systems in carrying out the provisions of this subtitle, including ASCS committees, soil and water conservation districts, State or local agencies, and the Commodity Credit Corporation.

Section 1407. Improvement of technology.

Section 1407 authorizes funding for needed research as a part of the conservation treatment package for the designated area.

Section 1408. Rules and regulations.

Section 1408 authorizes the Secretary of Agriculture to prescribe regulations as may be necessary to carry out the provisions of this subtitle.

Section 1409. Authorization for appropriations.

Section 1409 authorizes appropriations as may be necessary to carry out the special areas conservation program. Program funding will be based on Congress's annual appropriation.

Section 1410. Report to Congress.

Section 1410 requires the Secretary to evaluate the special areas program and to report such evaluation to Congress by January 1, 1986, and at each five-year interval thereafter.

Section 1411. Protection of participants.

Section 1411 prevents a participant in the program under this subtitle from being disqualified for other programs administered by the Secretary or having their benefits reduced under those programs.

Subtitle B—Amendments to the small watershed and resource conservation and development programs

Section 1412. Amendments to small watershed program.

Section 1412(1) makes all Indian tribes eligible to become sponsors of small watershed projects; (2) permits the Federal government to share the costs of mitigating fish and wildlife habitat losses resulting from small watershed projects when Federal regulations require such mitigation; (3) speeds up the review process for small watershed projects by raising the approval authority of the Secretary of Agriculture from $1,000,000 to $3,000,000; and (4) allows an energy generating component of a small watershed project to be considered in the cost-benefit ratio of the project.

Section 1413. Amendment to resource conservation and development program.

Section 1413 allows an energy generating component of a resource conservation and development project to be considered in the cost-benefit ratio of the project.

Subtitle C—Volunteers for conservation

Section 1414. Authorization for use of volunteers.

Section 1414 authorizes the use of volunteers for conservation work without regard to civil service requirements. Volunteers shall not be paid, but the Secretary of Agriculture may provide incidental expenses such as transporting volunteers to the work site, and providing lodging and subsistence at the work site.

Section 1415. Status as Federal employees.

Section 1415 provides that volunteers shall not be deemed to be Federal employees and thus shall not be subject to Federal employee regulations. However, the volunteers shall be deemed to be Federal employees for purposes of receiving compensation for work-related injuries and for purposes of the Federal Tort Claims Act.

Section 1416. Authorization for appropriations.

Section 1416 authorizes appropriations as may be necessary to carry out the provisions of this subtitle.

TITLE XV—EFFECTIVE DATE

Section 1501. Effective date.

Section 1501 provides that the Act shall become effective October 1, 1981, except as otherwise provided in the Act.

By Mr. HEINZ:

S. 885. A bill to amend sections 593, 7701, and 856 of the Internal Revenue Code with respect to tax treatment of loans secured by stock in cooperative housing corporations; to the Committee on Finance.

TAX TREATMENT OF LOANS FOR COOPERATIVE HOUSING CORPORATIONS

● Mr. HEINZ. Mr. President, I am introducing a bill today that would allow loans secured by stock in cooperative housing corporations to be bought and sold on the secondary mortgage market in the same way as other home loans. The 96th Congress authorized the Federal Home Loan Mortgage Corporation to include cooperative membership loans in its secondary market. Due to several technical provisions of the Internal Revenue Code, the Mortgage Corporation has not been able to begin its cooperative membership loan program. The proposed legislation eliminates these barriers.

Congress has long recognized the need for the financing of cooperative membership shares. In 1974, Congress authorized HUD to insure membership loans in cooperatives whose blanket mortgages are insured by the Department. In 1978, the Federal Home Loan Bank Board's charter was amended, allowing federally chartered savings and loans to make cooperative membership loans on terms similar to other types of home loans. Subsequently, in 1979 and 1980 respectively, the Mortgage Corporation and the Federal National Mortgage Association were authorized to include cooperative membership loans in their secondary markets.

Unfortunately, very few cooperative membership loans have been made. It is understandable in today's mortgage market that few lending institutions are willing to tie up scarce funds in long-term loans. Hence the secondary mortgage market is a necessary complement to any successful home loan program. As Congress determined when it passed the original authorizing legislation 2 years ago, the Mortgage Corporation's cooperative membership loan purchase program is an essential component in making competitive loans available to cooperative homeowners.

The Mortgage Corporation acts as a secondary market for conventional mortgage loans by purchasing these loans and selling securities representing ownership interests in pools of loans. The Corporation's major mortgage sales instrument is its participation certificate. For participation certificates to continue to be uniformly acceptable to purchasers, it is necessary for all loans backing the certificates to qualify under section 593 and section 7701 as well as section 856 of the Internal Revenue Code as real property. These sections of the code offer savings associations and real estate investment trusts tax incentives to invest in real estate.

Technically, in a cooperative housing corporation, real property is held by the corporation, not by members of the cooperative. The proposed legislation, first, amends Internal Revenue Code section 593 to allow cooperative membership to qualify as real property for the purpose of determining reserves of bad debts of savings associations, second, amends Internal Revenue Code section 7701 to allow cooperative membership loans to be included in the assets test for savings associations to qualify as "domestic building and loan associations" and third, amends Internal Revenue Code section 856 to put cooperative loans on the same footing with other home loans with regard to investment by real estate investment trusts.

The proposed legislation will have no revenue impact. Savings associations and real estate investment trusts have no difficulty meeting requirements to invest in real property. The proposed legislation will not increase the tax incentive offered. Rather, it will increase the likelihood that cooperative memberships are financed by savings and loans.

The popularity of cooperative housing, especially as a moderate-cost alternative, is on the increase. Cooperative housing provides a feasible and financially sound way for families of all income ranges to become homeowners. Tenant-sponsored cooperative conversions offer apartment dwellers a way of remaining in their apartments and neighborhoods, while gaining the greater sense of security and permanence which comes from homeownership.

Mr. President, Congress enacted the Mortgage Corporation's cooperative membership loan purchase program 2 years ago. I urge my colleagues to give this bill their favorable consideration, and to act promptly so that financing can be readily available for the purchase of cooperative membership shares. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TAX TREATMENT OF LOANS SECURED BY SHARES OF STOCK IN COOPERATIVE HOUSING CORPORATIONS

SEC. 101. Section 593(d)(1) of the Internal Revenue Code of 1954 is amended by inserting after "proceeds of the loan" the following: "or secured by stock in a cooperative housing corporation (as defined in Section 216)".

SEC. 102. Section 7701(a)(19)(C)(v) of the Internal Revenue Code of 1954 is amended by inserting after "nonprofit basis for residents," the following: "stock in cooperative housing corporations (as defined in Section 216),".

TITLE II—TAX TREATMENT OF INVESTMENT BY REAL ESTATE INVESTMENT TRUSTS IN LOANS SECURED BY STOCK IN COOPERATIVE HOUSING CORPORATIONS

SEC. 201. Section 856(c)(6)(B) of the Internal Revenue Code of 1954 is amended by inserting after "(including interests in real property and interests in mortgages on real property)" the following: ", stock in a cooperative housing corporation (as defined in Section 216)".

SEC. 202. Section 856(c)(6)(C) of the Internal Revenue Code of 1954 is amended by inserting after "options to acquire land or stock in a cooperative housing corporation improvements thereon," the following: "in a cooperative housing corporation (as defined in Section 216),".●

By Mr. DURENBERGER (for himself, Mr. PACKWOOD, Mr. HATFIELD, Mrs. KASSEBAUM, Mr. LEVIN, Mr. HEINZ, Mr. MOYNIHAN, Mr. MELCHER, Mr. MATSUNAGA, and Mr. TSONGAS):

S. 888. A bill to provide effective programs to assure equality of economic opportunities for women and men, and for other purposes; to the Committee on Finance.

ECONOMIC EQUITY ACT

Mr. DURENBERGER. Mr. President, this morning I am introducing, on my own behalf and on behalf of Senators PACKWOOD, HATFIELD, KASSEBAUM, LEVIN, HEINZ, MOYNIHAN, MELCHER, and MATSUNAGA a bill to provide equal economic opportunities for women.

From the day that Isabella sold her jewels to finance the Columbus voyage, women have made unique contributions to the quality of American life. Unfortunately, we have been slow to give women a fair opportunity to share the benefits of the society they have worked to create.

It took more than a century for women in many parts of the country to gain the basic right to enter contracts and own property.

It took 143 years for women to win the right to vote.

Even in 1980, more than two centuries after the Declaration of Independence, women are still restrained by a system of laws and regulations that deny them equal access to economic opportunities.

Statistics tell some of the story. Women earn only 59 percent of what men earn—and that percentage has actually decreased over the past 15 years. Of the 441 occupations listed by the U.S. Census Bureau, women are concentrated primarily in the 20 lowest paid job classifications. One out of every three families which depends on a woman for its sole source of support lives in poverty. In fact, although women comprise only 42 percent of the labor force, they comprise 66 percent of those living in poverty.

This is the kind of disparity that should shock the conscience of any nation founded on the principle of equal opportunity. But the real tragedy is that Federal laws and regulations are a primary, if not the primary barrier to economic opportunity for millions of women. While we pride ourselves on being a nation of laws rather than of men, we are still, to a large extent, a nation of laws made by men. No woman has ever served on the Supreme Court. Only 22 have ever served on the Federal bench in its 200-year history.

There have been 1,716 Senators since the beginning of the Republic; only 12 have been women. The result has been a pattern of Federal policies that seem neutral on their face, but when applied to real world situations create deep disparities between the opportunities available to men and those available to women. Statistics tell only part of the story. The real impact of this legal discrimination is measured in the way it affects the lives of average people. As persuasive as broad statistics may be, the real impact of these provisions on the personal lives of women makes the most telling case for the legislation we introduce this morning.

Because she enters the work force at an earlier age, the average woman must work several years longer than the average man to gain vested right to pension benefits.

Present law permits a working husband to unilaterally terminate his wife's survivorship benefits. The wife has no appeal, and she is not entitled to notice.

Discrimination in Federal regulations is so pervasive that the interim report of the Justice Department task force on sex discrimination required 346 pages just to summarize its findings.

We talk of marriage as an equal partnership. But for retirement and inheritance tax purposes, a working husband's income is considered his income, and the noneconomic contribution of the traditional housewife counts for nothing. This is true under laws authorizing individual retirement accounts, which allow the working husband to claim the benefits of that account but deny the same right to the nonworking wife.

It is equally true under Federal estate tax laws, which require farm widows to pay staggering inheritance taxes to preserve property these women worked side by side with their husbands to develop. The widow's tax ignores the reality of the "family farm." The word "family" is as essential as the word "farm," and labors to yield a stable family are as important as labors to increase the yield of the land. There is no real way to measure the degree to which the burden of the widow's tax has contributed to the 50-percent decline in the number of family farms that took place during the 1970's. But anyone who has lived in rural America can bear witness to the impact of the tax on the residents of their community.

A married couple with two children receives preference over a widow with a family of the same size in qualification for Federal farm assistance.

Despite a decade of divorce law reform, wives still have no claim whatsoever to pension survivorship benefits they accrued throughout 10, 15, or 20 years of marriage. Those benefits stay with the husband and often end up flowing to a second wife. Courts are powerless to apportion those benefits even where all parties request that it be done.

As incredible as it may seem, military inheritance laws continue to give a preference to brothers over sisters, fathers over mothers, sons over daughters. Although substantial progress has been made in this respect, statutes governing promotion opportunities continue to differentiate between men and women. And most women enlistees continue to be focused in the lowest grades and lowest skilled MOS.

Despite extreme publicity surrounding child support and alimony awards, the economic benefits granted women in divorce proceedings go uncollected in a staggering 50 percent of the cases.

Finally, society has done very little to grant displaced homemakers the kind of assistance given other disadvantaged segments of the population. Nor has it recognized the economic benefits that would flow from fostering the kind of day-care system that would allow millions of women who desire to work to enter the mainstream of the American economy.

Just about every woman in this country will face one or more of these barriers at some time in her life. For most, they form a succession of roadblocks that progressively steal the quality of economic opportunity that most of us take for granted. Consider the life history of an all too typical American woman:

Enters the labor force at 18: Discovers she must work 7 years to qualify for the same pension rights that most men acquire after 4 to 5 years of work.

Marries and bears children: Her ability to pursue a career—if she wants to do so—is restricted by the cost and availability of day care. By remaining in the home, she forfeits her right to qualify for individual retirement benefits.

She divorces at age 40: Husband unilaterally terminates her survivorship benefits. She faces no more than a 50-percent chance of collecting maintenance or child support granted in the divorce decree. She enters the labor force with few skills and little job experience. She cannot qualify for programs such as the targeted job tax credit that are designed to assist disadvantaged groups overcome barriers to labor force entry.

As an unmarried household head, she is entitled to a standard deduction of $2,300—compared to the $3,400 that applies to married couples and surviving spouses.

Or she is an agricultural wife who suffers the death of her husband after 20 years of marriage. If the husband's death was accidental, she may lose her survivorship benefits if he elected to claim those benefits within 2 years of his death. She must pay estate taxes on the farm she contributed equally to develop. She cannot qualify for any of the remedial provisions in the estate tax law because she was a nonworking wife, and made no economic contribution to the farm. If she chooses to try and keep the farm, she finds herself at the bottom of the preference list for Federal farm credit assistance.

These are only a few examples, but they are a representative sample of the economic obstacles that confront American women throughout their lives. It is a situation that cannot endure in a nation of conscience, and a situation we intend to change.

The bill I introduce this morning—the Economic Equity Act of 1981—is the most comprehensive economic rights package ever introduced in the U.S. Senate. It will not resolve every source of economic discrimination that exists in this country, but it will insure that Government plays a constructive role in removing roadblocks to economic opportunity, rather than a destructive role in creating or maintaining those roadblocks.

The 75-page bill alters Federal law in 7 critical areas—tax and retirement rights, child and dependent care, military service, farm credit and agricultural taxation, accessibility of insurance, maintenance and child support, and the Federal regulatory process. Its provisions—which I will detail more fully in a moment—were developed by myself, Senator PACKWOOD and Senator HATFIELD over a 12-month period. In that development process we are indebted to dozens of women's groups from Minnesota, Oregon and throughout the Nation, who gave their time freely to develop innovative solutions to the economic problems that have plagued our society throughout our lifetimes. I want to offer special gratitude to the groups that endorsed the bill prior to its introduction.

Those groups include the National Women's Political Caucus, the Women's Equity Action League, the National Education Association, Working Women, the National Council of Jewish Women, the Older Women's League, the Organization of Chinese American Women, the American Association of University Women, the National Council of Negro Women, Inc., the National Federation of Business and Professional Women's Clubs, Displaced Homemakers Network, Inc., the National Hookup of Black Women, Inc., and the League of Women Voters. I ask unanimous consent that letters of endorsement from these groups be printed in full in the RECORD at the conclusion of this statement.

The Economic Equity Act is intended to embody the best available thinking on how to address the economic inequalities confronting American women. There are areas, like social security, which the bill does not address. But in bypassing these areas for the moment, we are not deprecating their importance. We are only suggesting that workable solutions to these problems have not yet been refined to the point where we can begin legislative action. We hope to use the EFA to stimulate discussion in these areas, and develop new approaches that can be embodied in the bill in future months.

The Economic Equity Act is a challenge both to the Congress and to the conscience of the American people. We are truly at a turning point in American history, a point where the Nation is finally taking the bitterly difficult actions necessary to restore the strength of an economy that has been the standard of the world for a century and a half. But "America's New Beginning" must be a beginning for all Americans. Every person in this Nation suffers a personal loss when the economic contribution of half our population is restrained by archaic laws and regulations. The time has truly come for us to begin anew, and to insure that in America's second 200 years, we will indeed be one Nation, with equal opportunity for all.

I ask unanimous consent that the bill and a summary be printed in full in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Equity Act".

TITLE I—TAX AND RETIREMENT MATTERS

DEDUCTION FOR CONTRIBUTIONS TO INDIVIDUAL RETIREMENT PLANS

SEC. 101. (a) GENERAL RULE.—Paragraph (2) of section 219(c) of the Internal Revenue Code of 1954 (relating to married individuals) is amended to read as follows:

"(2) MARRIED INDIVIDUALS.—

"(A) COMPUTATION OF MAXIMUM DEDUCTION.—The maximum deduction under subsection (b)(1) shall be computed separately for each individual who is married (within the meaning of section 143(a)).

"(B) COMMUNITY PROPERTY LAWS.—This section shall be applied without regard to any community property laws.

"(C) HIGHER COMPENSATION USED.—In the case of a married individual who has no compensation or whose compensation is less than that of the individual's spouse, the maximum deduction under subsection (b)(1) shall be determined as if such individual's compensation were the same as that of such individual's spouse.".

(b) TREATMENT OF ALIMONY AS COMPENSATION.—Paragraph (1) of section 219(c) of such Code (defining compensation) is amended by inserting before the period at the end thereof the following: "and periodic payments includible in gross income under section 71".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

JOINT AND SURVIVOR ANNUITY REQUIREMENTS

SEC. 102. (a) AMENDMENTS TO ERISA.—

(1) Section 205 of the Employee Retirement Income Security Act of 1974 (relating to joint and survivor annuity requirement) is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) A plan which provides that the normal form of benefit is an annuity shall, with respect to any participant who under the plan is credited with at least 10 years of service for vesting purposes under section 203 and who dies before the annuity starting date, provide a survivor's annuity for the participant's spouse—

"(1) which begins on the annuity starting date (determined as if the participant had lived until the earliest retirement age under the plan, or the participant's actual date of death if later, and had retired on such date prior to death), if the spouse is living on such date, and

"(2) the payments under which are not less than the payments which would have been made under the survivor's annuity to which such spouse would have been entitled if the participant had terminated employment on his date of death, had survived and retired on such annuity starting date, and had died on the day following such date.".

(2) Subsection (e) of section 205 of such Act is amended to read as follows:

"(e) A plan shall not be treated as satisfying the requirements of this section unless, under the plan—

"(1) each participant has a reasonable period (as prescribed by the Secretary of the Treasury by regulations) before the annuity starting date during which he may elect in writing (after having received a written explanation of the terms and conditions of the joint and survivor annuity and the effect of an election under this subsection) not to take such joint and survivor annuity,

"(2) such an election will not be effective unless the spouse of the individual (as of the time such election is made) consents in writing to such an election and such consent is witnessed by a plant representative or a notary public.".

(3) Subsection (f) of section 205 of such Act is hereby repealed.

(b) AMENDMENTS OF THE INTERNAL REVENUE CODE OF 1954.—

(1) Paragraph (11) of section 401(a) of the Internal Revenue Code of 1954 (relating to qualified pension, profit-sharing, and stock-bonus plans) is amended by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following:

"(B) A plan which provides that the normal form of benefit is an annuity shall, with respect to any participant who under the plan is credited with at least 10 years of service for vesting purposes under section 411(a) and who dies before the annuity starting date, provide a survivor's annuity for the participant's spouse—

"(i) which begins on the annuity starting date (determined as if the participant had lived until the earliest retirement age under the plan, or the participant's actual date of death if later, and had retired on such date prior to death), if the spouse is living on such date, and

"(ii) the payments under which are not less than the payments which would have been made under the survivor's annuity to which such spouse would have been entitled if the participant had terminated employment on his date of death, had survived and retired on such annuity starting date, and had died on the day following such date.".

(2) Subparagraph (E) of section 401(a)(11) of such Code is amended to read as follows:

"(E) A plan shall not be treated as satisfying the requirements of this section unless, under the plan—

"(i) each participant has a reasonable period (as prescribed by the Secretary by regulations) before the annuity starting date during which he may elect in writing

(after having received a written explanation of the terms and conditions of the joint and survivor annuity and the effect of an election under this paragraph) not to take such joint and survivor annuity,

"(ii) such an election will not be effective unless the spouse of the individual (as of the time such election is made) consents in writing to such an election and such consent is witnessed by a plan representative or a notary public.".

(3) Subparagraph (F) of section 401(a)(11) of such Code is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning more than one year after the date of the enactment of this Act.

PROHIBITION AGAINST ASSIGNMENT NOT TO APPLY IN DIVORCE, ETC., PROCEEDINGS

SEC. 103. (a) AMENDMENT OF ERISA.—Subsection (d) of section 206 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(3) Paragraph (1) shall not apply in the case of a judgment, decree, or order (including an approval of a property settlement agreement) relating to child support, alimony payments, or marital property rights, pursuant to a State domestic relations law (whether of the common law or community property type), which—

"(A) creates or recognizes the existence of an individual's right to receive all or a portion of the benefits to which a participant's designated beneficiary would otherwise be entitled under a pension plan,

"(B) clearly identifies such participant, the amount or percentage of such benefits to be paid to such individual, the number of payments to which such judgment, decree, or order applies, and the name and mailing address of such individuals, and

"(C) does not require such plan to alter the effective date, timing, form, duration, or amount of any benefit payments under the plan or to honor any election which is not provided for under the plan or which is made by a person other than a participant or beneficiary.".

(b) AMENDMENT OF THE INTERNAL REVENUE CODE OF 1954.—Paragraph (13) of section 401(a) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply in the case of any judgment, decree, or order pursuant to a State domestic relations law if such judgment, decree, or order is described in section 206(d)(3) of the Employee Retirement Income Security of 1974.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

LOWERING OF AGE LIMITATION FOR MINIMUM PARTICIPATION STANDARDS

SEC. 104. (a) AMENDMENT OF ERISA.—Subparagraphs (A)(i) and (B)(ii) of section 202(a)(1) of the Employee Retirement Income Security Act of 1974 are each amended by striking out "25" and inserting in lieu thereof "21".

(b) AMENDMENT OF THE INTERNAL REVENUE CODE OF 1954.—Subparagraphs (A)(i) and (B)(ii) of section 410(a)(1) of the Internal Revenue Code of 1954 are each amended by striking out "25" and inserting in lieu thereof "21".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning more than 90 days after the date of the enactment of this Act.

ACCRUALS CONTINUE WHILE INDIVIDUAL ON APPROVED MATERNITY OR PATERNITY LEAVE

SEC. 105. (a) AMENDMENT OF ERISA.—Subsection (b) of section 202 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(5)(A) For purposes of this section and sections 203 and 204, for each week of an approved maternity or paternity leave, the individual shall be deemed to have performed 20 hours of service for the employer.

"(B) For purposes of subparagraph (A), the term 'approved maternity or paternity leave' means any period (not to exceed 52 weeks) during which the individual is absent from work if—

"(i) such absence is by reason of the birth of a child of the individual or for purposes of caring for a child of the individual, and

"(ii) such absence is approved by the employer.

"(C) Subparagraph (A) shall not apply unless the individual continues to perform service for the employer after the end of the approved maternity or paternity leave or offers to do so but is not reemployed by the employer.".

(b) AMENDMENT OF THE INTERNAL REVENUE CODE OF 1954.—Subsection (a) of section 410 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(6) APPROVED MATERNITY OR PATERNITY LEAVE.—

"(A) IN GENERAL.—For purposes of this section and section 411, for each week of an approved maternity or paternity leave, the individual shall be deemed to have performed 20 hours of service for the employer.

"(B) APPROVED MATERNITY OR PATERNITY LEAVE DEFINED.—For purposes of subparagraph (A), the term 'approved maternity or paternity leave' means any period (not to exceed 52 weeks) during which the individual is absent from work if—

"(i) such absence is by reason of the birth of a child of the individual or for purposes of caring for a child of the individual, and

"(ii) such absence is approved by the employer.

"(C) INDIVIDUAL MUST CONTINUE TO PERFORM SERVICES AFTER THE LEAVE.—Subparagraph (A) shall not apply unless the individual continues to perform service for the employer after the end of the approved maternity or paternity leave or offers to do so but is not reemployed by the employer.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning more than 1 year after the date of the enactment of this Act.

ZERO BRACKET AMOUNT FOR HEADS OF HOUSEHOLDS

SEC. 106. (a) IN GENERAL.—Subsection (d) of section 63 of the Internal Revenue Code of 1954 (relating to zero bracket amount) is amended to read as follows:

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle the term 'zero bracket amount' means—

"(1) $3,400 in the case of—

"(A) a joint return under section 6013,

"(B) a surviving spouse (as defined in section 2(a)), or

"(C) the head of a household (as defined in section 2(b)),

"(2) $2,300 in the case of an individual who is not married, who is not a surviving spouse (as so defined), and who is not the head of a household (as so defined),

"(3) $1,700 in the case of a married individual filing a separate return, and

"(4) zero in any other case.".

(b) CONFORMING AMENDMENTS.—

(1) TAX RATE TABLE.—Subsection (b) of section 1 of such Code (relating to tax imposed on heads of households) is amended by striking out the table therein and inserting in lieu thereof the following new table:

"If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	14% of excess over $3,400.
Over $5,500 but not over $7,600	$294, plus 16% of excess over $5,500.
Over $7,600 but not over $9,800	$630, plus 18% of excess over $7,600.
Over $9,800 but not over $12,900	$1,026, plus 22% of excess over $9,800.
Over $12,900 but not over $16,100	$1,708, plus 24% of excess over $12,900.
Over $16,100 but not over $19,300	$2,476, plus 26% of excess over $16,100.
Over $19,300 but not over $24,600	$3,308, plus 31% of excess over $19,300.
Over $24,600 but not over $29,900	$4,951, plus 36% of excess over $24,600.
Over $29,900 but not over $35,200	$6,859 plus 42% of excess over $29,900.
Over $35,200 but not over $45,800	$9,085 plus 46% of excess over $35,200.
Over $45,800 but not over $61,700	$13,961, plus 54% of excess over $45,800.
Over $61,700 but not over $82,900	$22,547, plus 59% of excess over $61,700.
Over $82,900 but not over $109,400	$35,055, plus 63% of excess over $82,900.
Over $109,400 but not over $162,400	$51,750, plus 68% of excess over $109,400.
Over $162,400	$87,790, plus 70% of excess over $162,400.".

(2) WITHHOLDING.—Paragraph (1) of section 3402(f) of such Code (relating to withholding exemptions) is amended—

(A) by striking out "and" at the end of subparagraph (F),

(B) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and the word "and",

(C) by adding at the end thereof the following new subparagraph:

"(H) in the case of an employee who is the head of a household (as defined in section 2(b)) and who elects the application of this subparagraph, an additional zero bracket allowance.", and

(D) by inserting "or (H)" after "(G)" in the last sentence thereof.

(3) FILING.—Paragraph (1) of section 6012(a) of such Code (relating to persons required to make returns of income) is amended—

(A) by inserting ", is not the head of a household (as defined in section 2(b))," immediately before "and" in subparagraph (A)(i),

(B) by striking out "or" at the end of subparagraph (A)(ii),

(C) by striking out the period at the end of clause (iii) and inserting in lieu thereof a comma and "or", and

(D) by inserting immediately after clause (iii) of subparagraph (A) the following new clause:

"(iv) who is the head of a household (as defined in section 2(b)) and for the taxable year has gross income of less than $5,400.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1980.

MILITARY RETIREMENT

SEC. 107. (a)(1) Chapter 73 of title 10, United States Code, relating to annuities based on retired or retainer pay, is amended by adding after subchapter II the following new subchapter:

"SUBCHAPTER III—FORMER SPOUSE SHARE OF RETIRED OR RETAINER PAY

"Sec.
"1461. Definitions.
"1462. Former spouse share of retired or retainer pay.
"1463. Reduction in retired or retainer pay.
"1464. Spousal agreements and court orders.
"1465. Nonpreemption of State law.

"§ 1461. Definitions

"In this subchapter and in subchapter II of this chapter:

"(1) 'Former spouse' means a former wife or husband of a member or former member who was married to that member or former member for not less than ten years during which that member or former member performed creditable service.

"(2) 'court' means a court of a State or of the District of Columbia.

"(3) 'Court order' means a court decree of divorce or annulment, or a court order or court approved property settlement agreement incident to a final court decree of divorce or annulment. which orders that a portion of the retired or retainer pay of a member or former member, or a survivor annuity based on the service of such member or former member, be paid to a former spouse by the member or former member, by the Secretary concerned, or by the Governmnt.

"(4) 'Pro rata share', in the case of a former member entitled to retired or retainer pay, means the percentage that is equal to the perecentage that (A) the number of years during which the former spouse was married to the member or former member during the creditable service of that member or former member is of (B) the total number of years of such creditable service.

"(5) 'Spousal agreement' means any written agreement between a member or former member and that member or former member's spouse or former spouse which is in writing and acknowledged before a notary public.

"(6) 'Creditable service' means service credited to a member or former member for the purpose of determining the eligibility of that member or former member for retired or retainer pay.

"§ 1462. Former spouse share of retired or retainer pay

"(a) Unless otherwise expressly provided by any spousal agreement or court order described in section 1464 of this title, a former spouse of a member or former member who is entitled to retired or retainer pay is entitled to an annuity—

"(1) if married to the member or former member throughout the creditable service of the member or former member, equal to 50 percent of the retired or retainer pay of the member or former member; or

"(2) if not married to the member or former member throughout the creditable service of the member or former member, equal to the former spouse's pro rata share of 50 percent of the retired or retainer pay of the member or former member.

"(b) The amount of retired or retainer pay used for the computation of an annuity under this section shall be determined after any reduction in such retired or retainer pay required under section 1452 of this title.

"(c) A former spouse is not qualified for an annuity under this section if before the commencement of the annuity the former spouse remarries before becoming 60 years of age.

"(d)(1) An annuity of a former spouse under this section commences on the later of the day after the member or former member upon whose service the annuity is based becomes entitled to retired or retainer pay or the first day of the month in which the divorce or annulment involved becomes final.

"(2) Such annuity and the right to such annuity terminate—

"(A) on the last day of the month before the former spouse dies or remarries before becoming 60 years of age; or

"(B) on the date the retired or retainer pay of the member or former member upon whose service the annuity is based dies.

"(e) A former spouse is not entitled to an annuity under this subchapter based upon the service of a member or former member unless the former spouse elects to receive it instead of any other annuity to which the former spouse may be entitled under this chapter or any retirement system for Government employees on the basis of a marriage to someone other than the member or former member.

"§ 1463. Reduction in retired or retainer pay

"The retired or retainer pay of a member or former member shall be reduced by the amount of an annuity under this subchapter paid to a former spouse of that member or former member based on the service of that member or former member. Such reduction shall be disregarded in calculating any annuity under subchapter II of this chapter and in calculating any reduction in retired or retainer pay under section 1452 of this title.

"§ 1464. Spousal agreements and court orders

"(a)(1)(A) In the case of any member or former member who has a former spouse who is covered by a court order or who is a party to a spousal agreement—

"(i) any right of the former spouse to an annuity under section 1462 of this title in connection with the retired or retainer pay of the member or former member, and the amount of any such annuity; and

"(ii) any right of the former spouse to a survivor annuity under subchapter II of this chapter, and the amount of any such annuity,

shall be determined in accordance with that spousal agreement or court order, if and to the extent expressly provided for in the terms of that spousal agreement or court order.

"(B) This paragraph shall not apply in the case of any spousal agreement or court order which, as determined by the Secretary concerned is inconsistent with the requirements of this chapter.

"(2) Except with respect to obligations between members or former members and former spouses, payments under this chapter which would otherwise be made to a member or former member based upon that member or former member's service shall be paid (in whole or in part) by the Secretary concerned to another natural person to the extent expressly provided for in the terms of any order or any court decree of legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of legal separation.

"(3) Paragraphs (1) and (2) shall apply only to payments made under this chapter for periods beginning after the date of receipt by the Secretary concerned of written notice of such decree, order, or agreement, and such additional information and such documentation as the Secretary concerned may require.

"(b) Any payment under this subsection to any person bars recovery by any other person.

"(c) No spousal agreement or court order involving a member or former member may provide for an annuity or any combination of annuities under this subchapter which exceeds the amount of the retired or retainer pay of the member or former member, nor may any such court order relating to an annuity under this subchapter be given effect if it is issued more than 12 months after the date the divorce or annulment involved becomes final.

"(d) After the death of a member or former member, a court-order may not adjust the amount of the annuity of a former spouse under this subchapter or subchapter II of this chapter.

"§ 1465. Nonpreemption of State law.

"The 10-year requirement of section 1461 (1) of this title, or any other provision of this chapter, shall not be construed to affect the rights of any spouse or person formerly married to a member or former member may have, under any law or rule of law of any State or the District of Columbia, with respect to the retired or retainer pay of the member or former member.".

(2) The table of subchapters at the beginning of chapter 73 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"III. Former Spouse Share of Retired or Retainer Pay ..... 1461".

(b) Section 1447 of title 10, United States Code, relating to definitions applicable to the Survivor Benefit plan, is amended—

(1) by striking out "by the person providing the annuity" in paragraph (2) and inserting in lieu thereof "in accordance with section 1448(a)(3) of this title"; and

(2) by adding at the end thereof the following new paragraph:

"(6) 'Former spouse', 'pro rata share', 'spousal agreement', 'court order', and 'creditable service' have the meanings given such terms in section 1461 of this title.".

(c)(1) Subsection (a) of section 1448 of title 10, United States Code, relating to the application of the Survivor Benefit Plan, is amended—

(A) in paragraph (2)—

(i) by inserting "except to the extent otherwise provided under paragraph (3)," in

(ii) by striking out "is married" both places it appears and inserting in lieu thereof "is married, has a former spouse,"; and

(iii) by striking out ", unless he elects" in clause (A) and all that follows through "that pay";

(B) by inserting "except to the extent otherwise provided under paragraph (4)," in clause (B) after "(III)"; and

(C) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

"(3)(A) Before becoming eligible for retired or retainer pay, a married person eligible under paragraph (1)(A) to participate in the Plan and such person's spouse may jointly elect not to participate in the Plan, to participate in the Plan at a reduced level, or to provide an annuity for a dependent child but not for the spouse. Any such election shall be in writing and shall be acknowledged before a notary public. In the event the marriage is dissolved following an election to participate at such a reduced level and the spouse qualifies as a former spouse, the base amount used in calculating an annuity as a former spouse under section 1450 of this title may not exceed the base amount designated under this subparagraph. An election under this subparagraph not to participate in the Plan is irrevocable if not revoked before the date on which the person first becomes entitled to retired or retainer pay.

"(B) A person eligible under paragraph (1)(B) to participate in the Plan who is married may not make an election under subclause (iii) of such paragraph to participate in the Plan at a reduced level or to provide an annnuity for a dependent child but not for the spouse without the agreement of the spouse. Any such agreement shall be in writing and shall be acknowledged before a notary public. In the event the marriage is dissolved following an election for participation in the Plan at a reduced level and the spouse qualifies as a former spouse, the base amount used in calculating any annuity of the former spouse under section 1450 of this title may not exceed the base amount designated under this subparagraph. An election under this subparagraph is irrevocable if not revoked before the end of the 90-day period referred to in such subparagraph.

"(C) If a person who is eligible to participate in the Plan has a former spouse, the person and such former spouse may jointly

elect by spousal agreement under section 1464 of this title not to participate in the Plan with respect to an annuity under section 1450 of this title for that former spouse if the election is made (i) before the end of the 12-month period after the divorce or annulment involving that former spouse becomes final, or (ii) at the time the person becomes eligible to participate in the Plan, whichever occurs first. Such an election is irrevocable after the expiration of the time described in the preceding sentence for the making of such election.

"(4) Regulations prescribed under section 1455 of this title may authorize a person eligible to participate in the Plan to make an election under paragraph (3) without the person's spouse or former spouse if the person establishes to the satisfaction of the Secretary concerned that the person does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse or former spouse.".

(2) Subsection (b) of such section is amended by striking out "who is not married" and inserting in lieu thereof "who is not married, does not have a former spouse,".

(3) Subsection (d) of such section is amended by striking out "to which the otherwise eligible spouse" an all that follows and inserting in lieu thereof "which the member would have received if he had been eligible for that pay on the day before he died, based upon his years of active service. If such member has a former spouse at the time of death, the Secretary concerned shall pay to the former spouse an annuity equal to 55 percent of the amount of the annuity which would have been payable to the former spouse under section 1462 if the member had been eligible for retired or retainer pay on the day before he died, and the annuity of the surviving spouse under the preceding sentence shall be reduced by the amount of the annuity paid to the former spouse.".

(4) Such section is further amended by adding at the end thereof the following new subsection:

"(f)(1) In the case of any person providing an annuity under the Plan for a former spouse—

"(A) such person may elect, or

"(B) a spousal agreement or court order may provide for

an additional annuity under the Plan for any other former spouse or spouse surviving the person, if the person satisfactorily passes a physical examination as prescribed by the Secretary concerned.

"(2) Neither the total amount of annuity or annuities under this subsection with respect to any person participating in the Plan, nor the annuity or annuities for any one surviving spouse or former spouse of such person under the Plan, may exceed 55 percent of the full amount of the person's retired or retainer pay.

"(3)(A) In accordance with regulations prescribed under section 1455 of this title, the person involved may provide for an annuity under this subsection—

"(i) by a reduction in the retired or retainer pay or an allotment from the basic pay of the person,

"(ii) by a lump sum payment or installment payments, or

"(iii) by any combination thereof.

"(B) The present value of the total amount to accure to the United States under subparagraph (A) to provide an annuity under this subsection shall be actuarially equivalent in value to such annuity, as calculated upon such tables of mortality as may from time to time be prescribed for such purpose under section 1455 of this title.

"(C) If a former spouse predeceases the person involved or remarries before attaining age 60 (or, in the case of a spouse, the spouse does not qualify as a former spouse upon dissolution of the marriage)—

"(i) if a reduction in retired or retainer pay or allotment of basic pay under subparagraph (A) is in effect for that spouse or former spouse, the retired or retainer shall be recomputed and paid as if it had not been reduced or the basic pay allotment terminated, as the case may be, and

"(ii) any amount accruing to the United States under subparagraph (A) shall be refunded, but only to the extent that such amount may have exceeded the actuarial cost of providing benefits under this subsection for the period such benefits were provided, as determined under regulations prescribed under section 1455 of this title.

"(D) Under regulations prescribed under section 1455 of this title, retired or retainer pay shall be recomputed (or an allotment of basic pay terminated or adjusted), and a refund provided (if appropriate), in a manner comparable to that provided under subparagraph (C), in order to reflect a termination or reduction of future benefits under this subsection for a spouse in the event a former spouse of the person involved dies or remarries before attaining age 60 and an increased annuity is provided for that spouse in accordance with this chapter.

"(4) An annuity payable under this subsection to a spouse or former spouse shall commence on the day after the person dies and shall terminate on the last day of the month before the spouse or former spouse's death or remarriage before attaining age 60

"(5) Section 1451(c) of this title shall not apply to any annuity under this subsection, unless authorized under regulations prescribed under section 1455 of this title.".

(d) Section 1450 of title 10, United States Code, relating to beneficiaries under the Survivor Benefit Plan, is amended—

(1) in subsection (a)—

(A) in clause (1), by inserting after "or widower" the following: "and any eligible former spouse"; and

(B) in clause (2), by striking out "if the eligible widow or widower is dead, dies, or otherwise becomes ineligible" and inserting in lieu thereof "if the eligible widow or widower and any eligible former spouse are dead, die, or otherwise become ineligible";

(2) in subsection (b), by inserting "or former spouse" after "widow or widower" each place it appears; and

(3) by striking out the first two sentences of subsection (e) and inserting in lieu thereof "If no annuity under this section is payable to a widow or widower because of subsection (c), any amount deducted from the retired or retainer pay of the deceased under section 1452 of this title shall be refunded to the widow or widower. If, because of subsection (c), the annuity payable to the widow or widower is less than the amount established under section 1451 of this title, the annuity shall be recalculated under that section.".

(e)(1) Paragraph (1) of subsection (a) of section 1451 of title 10, United States Code, relating to the amount of annuities under the Survivor Benefit Plan, is amended to read as follows:

"(1)(A)(i) Subject to paragraphs (2) and (3), the monthly annuity payable to a widow or widower who is entitled under section 1450(a)(1) of this title to an annuity shall be—

"(I) 55 percent of the base amount, as adjusted from time to time under section 1401a of this title, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(A) of this title; or

"(II) a lesser percentage (determined by the Secretary of Defense in accordance with subsection (d) of the base amount, as adjusted from time to time under section 1401a of this title, on or after the date the person becomes entitled to retired pay under chapter 67 of this title, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(B) of this title.

"(ii) Notwithstanding clause (i), the amount of an annuity calculated under clause (i) for a widow or widower in a case in which there is also a surviving former spouse who qualifies for an annuity under section 1450(a)(1) of this title may not exceed 55 percent (or the applicable percentage determined in accordance with subsection (d)) of the portion (if any) of the base amount that remains available under subsection (e)(2).

"(B) Subject to paragraphs (2) and (3), the monthly annuity payable to a former spouse who is entitled under section 1450(a)(1) of this title to an annuity shall be a pro rata share of the amount of an annuity of a widow or widower computed under the first sentence of subparagraph (A)(i).

"(C) The monthly annuity payable to a dependent child who is entitled under section 1450(a) of this title to an annuity shall be—

"(i) 55 percent of the base amount, as adjusted from time to time under section 1401a of this title, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(A) of this title; or

"(ii) a lesser percentage (determined by the Secretary of Defense in accordance with subsection (d)) of the base amount, as adjusted from time to time under section 1401a of this title, on or after the date the person becomes entitled to retired pay under chapter 57 of this title, if the annuity is provided by virtue of eligibility under section 1448(a)(1)(B) of this title.".

(2) Paragraph (2) of such subsection is amended by inserting "female former spouse" after "widow" both places it appears.

(3) Paragraph (3) of such subsection is amended by striking out "widow or widower" each place it appears and inserting in lieu thereof "widow, widower, or former spouse".

(4) Subsection (c) of such section is amended by striking out "section, or section 1448(d) of this title," and inserting in lieu thereof "subchapter".

(5) Such section is further amended by adding at the end thereof the following new subsection:

"(e)(1) Except for an annuity provided by virtue of section 1448(f) on this title, the maximum annuity or combination of annuities under this section (or under section 1448(d) of this title) with respect to any member or former member may not exceed 55 percent of the full amount of the member or former member's retired or retainer pay.

"(2) Once an annuity has been provided for under the Plan for any former spouse, an annuity may thereafter be provided for under the Plan with respect to a member or former member only for that portion (if any) of the maximum base amount of the member or former member which is not committed for survivor benefits for any former spouse whose prospective right to such annuity has not terminated by reason of death or remarriage.".

(f) Section 1452 of title 10, United States Code, relating to reductions in retired or retainer pay, is amended—

(1) in subsection (a)—

(A) by striking out "a spouse and a dependent child" in the first sentence and inserting in lieu thereof "a former spouse" and by inserting "and former spouse (if any)" after "in favor of his spouse";

(B) by inserting "or an eligible former spouse and a dependent child" in the second sentence after "an eligible spouse and a dependent child"; and

(C) by inserting "or former spouse" in the third sentence after "eligible spouse";

(2) in subsection (b), by inserting "or former spouse" after "spouse" each place it appears;

(3) in subsection (e), by inserting "or former spouse" after "spouse"; and

(4) by adding after subsection (h) the following new subsection:

"(1)(1) For each full month after a former spouse of a member or former member dies or remarries before attaining age 60, the retired or retainer pay of the member or former member, if reduced to provide an annuity for the former spouse under the Plan, shall be recomputed and paid as if the annuity had not been so reduced, unless an election is in effect under paragraph (2).

"(2) Subject to section 1451(e) of this title, the member or former member may elect in writing within one year after receipt of notice of the death or remarriage of the former spouse to continue the reduction in order to provide a higher annuity under the Plan for a spouse of the member or former member.".

(g) Section 1455 of title 10, United States Code, relating to regulations to carry out the Survivor Benefit Plan, is amended—

(1) by inserting "and subchapter III of this chapter" after "this subchapter";

(2) by striking out paragraph (1) of such section and inserting in lieu thereof the following:

"(1) provide that the member and the spouse and former spouse (if any) of the member shall, before the date the member becomes entitled to retired or retainer pay, be informed of the elections available under section 1448(a) of this title and the effects of such elections; and".

(h)(1) Any member of the uniformed services who on the effective date of this Act has a former spouse shall receive retired pay at a reduced rate and provide a survivor annuity for such former spouse under subchapter II of chapter 73 of title 10, United States Code, as amended by this Act, if—

(A) the member so elects by means of a spousal agreement, or

(B) a court order so provides.

(2)(A) If the member has not become entitled to retired pay on or before the effective date of this Act, an election under subsection (h)(1)(A) may be made, or a court order under subsection (h)(1)(B) may be issued, at any time before the member becomes so entitled.

(B) If the member is entitled to retired pay on or before the effective date of this Act, an election under subsection (h)(1)(A) may be made, or a court order under subsection (h)(1)(B) may be issued, within such period after such effective date as the Secretary concerned may prescribe.

(C) In any case in which a member is married and has been married for more than one year, an election under subsection (h)(1)(A) may only be made with the written concurrence of the spouse of the member.

(D) For purposes of applying chapter 73 of title 10, any such election or court order shall be treated the same as if it were a spousal agreement or court order under section 1464 of such title.

(3)(A) An election under subsection (h)(1)(A) may provide for a survivor benefit based on all or any portion of that part of the retired pay of the member which is not designated or committed as a base amount (as such term is defined in section 1447(2) of such title) for survivor benefits for a spouse or any other former spouse of the member. The member and the spouse of the member may make an election under paragraph (3) of section 1448(a) of such title before the member becomes eligible to participate in the Survivor Benefit Plan under such section for the purpose of allowing survivor benefits to be provided under this subsection.

(B) A court order under subsection (h)(1)(B) may provide for an annuity for a former spouse which does not exceed that former spouse's pro rata share of 55 percent of the full amount of the retired pay of the member.

(4) The amount of the reduction in the retired pay of the member under this subsection shall be determined in accordance with section 1452 of such title and shall be effective as of—

(A) the commencing date of the retired pay in the case of an election under subsection (h)(2)(A); or

(B) the effective date of this Act, in the case of an election under subsection (h)(2)(B).

(5) In the case of a member who died before the effective date of this Act after becoming entitled to retired pay and who—

(A) at the time the member became entitled to retired pay was married and did not elect to participate in the Survivor Benefit Plan;

(B) subsequently was divorced from the spouse who was the member's beneficiary under the Survivor Benefit Plan at such time; and

(C) died without a beneficiary under the Survivor Benefit Plan,

the individual to whom the member was married at the time the member became entitled to retired pay shall be entitled to an annuity under the Survivor Benefit Plan as if married to the member at the time of death if the individual is qualified as a former spouse.

(6) For the purposes of this subsection:

(A) The terms "former spouse", "spousal agreement", "court order", and "State court" have the meanings given such terms in section 1461 of title 10, United States Code.

(B) The terms "uniformed services" and "Secretary concerned" have the meanings given such terms in section 101 of title 37, United States Code.

(C) The term "member" includes a former member entitled to retired pay.

(D) The term "'retired pay" includes retainer pay.

(i)(1) This section and the amendments made by this section shall take effect at the end of the 120-day period beginning on the date of the enactment of this Act.

(2)(A) Subchapter III of chapter 73 of title 10, United States Code, as added by this section, shall apply in the case of any individual who after the effective date of this section becomes a former spouse (as defined in section 1461(1) of such title) of an individual who becomes entitled to retired or retainer pay after the effective date of this section.

(B) Except to the extent provided in subsection (h), the provisions of the Survivor Benefit Plan (subchapter II of such chapter) regarding the rights of former spouses to receive survivor annuities shall apply in the case of any individual who after the effective date of this section becomes a former spouse (as defined in section 1461(1) of title 10, United States Code) of a member or former member of the uniformed services.

CIVIL SERVICE SPOUSE RETIREMENT PROVISIONS

SEC. 108. (a)(1) Section 8331 of title 5, United States Code, relating to definitions for purposes of civil service retirement, is amended by adding at the end thereof the following new paragraphs:

"(23) 'court' means any court of any State or of the District of Columbia;

"(24) 'court order' means any court decree of divorce or annulment, or any court order or court approved property settlement agreement incident to any court decree of divorce or annulment which orders that a portion of the annuity of an employee or Member, or survivor benefit based on the service of such employee or Member, be paid to that spouse by such employee or Member, the Director of the Office of Personnel Management, or the Government;

"(25) 'former spouse' means a former wife or husband of an individual who was married to such individual for not less than 10 years during periods of service by that individual which are creditable under section 8332 of this title;

"(26) 'pro rata share', in the case of any former spouse of any individual, means a percentage which is equal to the percentage that (A) the number of years during which the former spouse was married to the individual during the creditable service of that individual is of (B) the total number of years of such creditable service; and

"(27) 'spousal agreement' means any agreement between an individual and that individual's spouse or former spouse which is in writing and acknowledged before a notary public.".

(2) Such section 8331 of title 5, United States Code, is further amended—

(A) by striking out "and" at the end of paragraph (21), and

(B) by striking out the period at the end of paragraph (22) and inserting in lieu thereof a semicolon.

(b)(1) Subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement, is amended by inserting after section 8341 the following new section:

"§ 8341A. Former spouse annuities

"(a)(1) Unless otherwise expressly provided by any spousal agreement or court order under section 8345(k) of this title, a former spouse of an employee or Member retired under this subchapter is entitled to an annuity—

"(A) if married to the employee or Member throughout that employee's or Member's period of creditable service, equal to 50 percent of the annuity (determined without regard to the reduction under paragraph (5) of this subsection) to which such employee or Member is entitled, or

"(B) if not married to the employee or Member throughout the period of creditable service, equal to that former spouse's pro rata share of 50 percent of such annuity.

"(2) A former spouse shall not be qualified for an annuity under this subsection if before the commencement of that annuity the former spouse remarries before becoming 60 years of age.

"(3) The annuity of a former spouse under this subsection commences on the later of the day the employee or Member upon whose service the annuity is based becomes entitled to an annuity under this subchapter or the first day of the month in which the divorce or annulment involved becomes final. The annuity of such former spouse and the right thereto terminate on—

"(A) the last day of the month before the former spouse dies or remarries before 60 years of age; or

"(B) the date the annuity of the employee or Member terminates (except in the case of an annuity subject to paragraph (5)(B)).

"(4) No spousal agreement or court order under section 8345(k) of this title involving any employee or Member may provide for an annuity or any combination of annuities under this subsection which exceeds the annuity of the employee or Member, nor may any such court order relating to an annuity under this subsection be given effect if it is issued more than 12 months after the date the divorce or annulment involved becomes final.

"(5)(A) The annuity payable to any employee or Member shall be reduced by the amount of an annuity under this subsection paid to any former spouse based upon the service of that employee or Member. Such reduction shall be disregarded in calculating the survivor annuity for any spouse, former spouse, or other survivor under this subchapter, and in calculating any reduction in the annuity of the employee or Member to provide survivor benefits under subsection (b) or section 8341(b)(1) of this title.

"(B) If any disability annuitant whose annuity is reduced under subparagraph (A) becomes reinstated or reappointed in the civil service, the pay of that annuitant shall

be reduced by the same amount as the annuity would have been reduced if it had continued. Amounts equal to the reductions under this subparagraph shall be deposited in the Treasury of the United States to the credit of the Fund.

"(6) Notwithstanding paragraph (3), in the case of any former spouse of a disability annuitant—

"(A) the annuity of that former spouse shall commence on the date the employee or Member would qualify on the basis of the employee's or Member's creditable service for an annuity under this subchapter (other than a disability annuity) or the date the disability annuity begins, whichever is later, and

"(B) the amount of the annuity of the former spouse shall be calculated on the basis of the annuity for which the employee or Member would ottherwise so qualify.

"(b)(1) Subject to any election under section 8339(j) of this title and unless otherwise expressly provided by any spousel agreement or court order under section 8245(k) of this title, if a former employee or Member who is entitled to receive an annuity is survived by a former spouse, the former spouse shall be entitled to a survivor annuity—

"(A) if married to the employee or Member throughout the creditable service of the employee or Member, equal to 55 percent of the full amount of the employee's or Member's annuity, as computed under section 8339 of this title, or

"(B) if not married to the employee or Member throughout such creditable service, equal to that former spouse's pro rata share of 55 percent of the full amount of such annuity.

"(2) A former spouse shall not be qualified for an annuity under this subsection if before the commencement of that annuity the former spouse remarries before becoming 60 years of age.

"(3) An annuity payable from the Fund to a surviving former spouse under this subsection shall commence on the day after the annuitant dies and shall terminate on the last day of the month before the former spouse's death or remarriage before attaining age 60. If such a survivor annuity is terminated because of remarriage, it shall be restored at the same rate commencing on the date such remarriage is terminated if any lump sum paid upon termination of the annuity is returned to the Fund.

"(4)(A) The maximum survivor annuity or combination of survivor annuities under this section (and section 8341(b)) with respect to any employee or Member may not exceed 55 percent of the full amount of the employee's or Member's annuity, as calculated under section 8339 of this title.

"(B) Once a survivor annuity has been provided for under this subsection for any former spouse, a survivor annuity may thereafter be provided for under this subsection (or section 8341(b)), with respect to an employee or Member only for that portion (if any) of the maximum available which is not committed for survivor benefits for any former spouse whose prospective right to such annuity has not terminated by reason of death or remarriage.

"(C) After the death of an employee or Member, a court order under section 8345(k) of this title may not adjust the amount of the annuity of any former spouse under this subsection.

"(5)(A) For each full month after a former spouse of an employee or Member dies or remarries before attaining age 60, the annuity of the employee or Member, if reduced to provide a survivor annuity for that former spouse, shall be recomputed and paid as if the annuity had not been so reduced, unless an election is in effect under subparagraph (B).

"(B) Subject to paragraph (4)(B), the employee or Member may elect in writing within one year after receipt of notice of the death or remarriage of the former spouse to continue the reduction in order to provide a higher survivor annuity under section 8341(b) of this title for any spouse of the employee or Member.

"(c)(1) In the case of any employee or Member providing a survivor annuity benefit under subsection (b) for a former spouse—

"(A) such employee or Member may elect, or

"(B) a spousal agreement or court order under section 8345(k) of this title may provide for,

an additional survivor annuity under this subsection for any other former spouse or spouse surviving the employee or Member, if the employee or Member satisfactorily passes a physical examination as prescribed by the Office of Personnel Management.

"(2) Neither the total amount of survivor annuity or annuities under this subsection with respect to any employee or Member, nor the survivor annuity or annuities for any one surviving spouse or former spouse of such employee or Member under this section and section 8341 of this title, shall exceed 55 percent of the full amount of the employee's or Member's annuity, as computed under section 8339 of this title.

"(3)(A) In accordance with regulations which the Office shall prescribe, the employee or Member involved may provide for any annuity under this subsection—

"(i) by a reduction in the annuity or an allotment from the pay of the employee or Member,

"(ii) by a lump sum payment or installment payments to the Fund, or

"(iii) by any combination thereof.

"(B) The present value of the total amount to accrue to the Fund under subparagraph (A) to provide any annuity under this subsection shall be actuarially equivalent in value to such annuity, as calculated upon such tables of mortality as may from time to time be prescribed for this purpose by the Office.

"(C) If a former spouse predeceases the employee or Member or remarries before attaining age 60 (or, in the case of a spouse, the spouse does not qualify as a former spouse upon dissolution of the marriage)—

"(i) if an annuity reduction or salary allotment under subparagraph (A) is in effect for that spouse or former spouse, the annuity shall be recomputed and paid as if it had not been reduced or the salary allotment terminated, as the case may be, and

"(ii) any amount accruing to the Fund under subparagraph (A) shall be refunded, but only to the extent that such amount may have exceeded the actuarial cost of providing benefits under this subsection for the period such benefits were provided, as determined under regulations prescribed by the Office.

"(D) Under regulations prescribed by the Office, an annuity shall be recomputed (or salary allotment terminated or adjusted), and a refund provided (if appropriate), in a manner comparable to that provided under subparagraph (C), in order to reflect a termination or reduction of future benefits under this subsection for a spouse in the event a former spouse of the employee or Member dies or remarries before attaining age 60 and an increased annuity is provided for that spouse in accordance with this subchapter.

"(4) An annuity payable under this subsection to a spouse or former spouse shall commence on the day after the employee or Member dies and shall terminate on the last day of the month before the former spouse's death or remarriage before attaining age 60.

"(5) Section 8340 of this title shall not apply to any annuity under this subsection, unless authorized under regulations prescribed by the Office.

"(d)(1) Section 8345(f) of this title shall not apply—

"(A) to any annuity payable under subsection (a) or (b) to any former spouse if the amount of that annuity varies by reason of a spousal agreement or court order under section 8345(k), or an election under section 8339(j), from the amount which would be calculated under subsection (a)(1) or (b)(1), as the case may be, in the absence of such spousal agreement, court order, or election; and

"(B) to any annuity payable under subsection (c).

"(2) A former spouse is not entitled to an annuity under this subchapter based upon the service of an employee or Member unless the former spouse elects to receive it instead of any other annuity to which the former spouse may be entitled under this subchapter or any retirement system for Government employees on the basis of a marriage to someone other than the employee or Member.".

(2) Section 8332 of title 5, United States Code, relating to creditable service, is amended by adding at the end thereof the following new subsection:

"(m)(1) Service of an employee or Member shall be considered creditable service for purposes of applying provisions of this subchapter relating to former spouses if such service would be creditable—

"(A) under subsection (k)(1) or (2) but for the fact an election was not made under subsection (k)(1) or a special contribution was not made under subsection (k)(2), and

"(B) under section 8334(d) but for the fact that a refund of contributions has not been repaid unless the former spouse received under this subchapter a portion of the lump sum (or a spousal agreement or court order provided otherwise).

"(2) A former spouse shall not be considered as married to an employee or Member for periods assumed to be creditable service under section 8341(d)(2) of this title.".

(3)(A) Section 8341(b) of title 5, United States Code, relating to survivor spouse annuities, is amended by adding at the end thereof the following new paragraph:

"(4) Notwithstanding the preceding paragraphs in this subsection and subsection (d), the amount of the annuity calculated under this subsection for a surviving spouse in any case in which there is also a surviving former spouse who qualifies for an annuity under section 8341A(b) with respect to the same employee or Member may not exceed 55 percent of the portion (if any) of the base for survivor benefits which remains available under section 8341A(b)(4)(B).".

(B) Section 8341(d) of title 5, United States Code, relating to survivor spouse annuities in the case of death in service, is amended by adding at the end thereof the following new sentence: "Any surviving former spouse shall be entitled to an annuity under section 8341A(b) as if the employee or Member died after being entitled to an annuity under this subchapter.".

(4)(A) Section 8342(a) of title 5, United States Code, relating to lump-sum benefits, is amended by striking out "is entitled" and inserting in lieu thereof "(and any former spouse of such employee or Member, in accordance with subsection (j)) are entitled".

(B) Section 8342 of title 5, United States Code, is amended by adding at the end thereof the following:

"(j) Unless otherwise expressly provided by any spousal agreement or court order under section 8345(k) of this title, the amount of an employee's or Member's lump-sum credit payable to a former spouse shall be—

"(1) if the former spouse was married to the employee or Member throughout the period of creditable service, 50 percent of the lump-sum credit to which such employee or Member would be entitled in the absence of this subsection, or

"(2) if such former spouse was not married to the employee or Member throughout the period of his creditable service, an amount equal to such former spouse's pro rata share of 50 percent of such lump-sum credit.

The lump-sum credit of the employee or Member shall be reduced by the amount of the lump-sum credit payable to the former spouse.".

(5) Section 8344 of title 5, United States Code, relating to annuities and pay on reemployment, is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) The Office shall prescribe regulations to provide for the application of this section in any case in which an annuitant has a former spouse entitled to an annuity under section 8341A of this title.".

(6) The table of sections for subchapter III of chapter 83 of title 5, United States Code, is amended by inserting after section 8338 the following new item:

"8341A. Former spouse annuities.".

(c)(1) Section 8339(j) of title 5, United States Code, relating to election of survivor annuities, is amended to read as follows:

"(j)(1)(A) Except to the extent provided otherwise under a written election under subparagraph (B) or (C), if at the time of retirement an employee or Member is married (or has a former spouse who has not remarried before attaining age 60), the employee or Member shall receive a reduced annuity and provide a survivor annuity under section 8341(b) for the employee's or Member's spouse or a survivor annuity under section 8341(b) for the former spouse, or a combination of such annuities, as the case may be.

"(B) At the time of retirement, a married employee or Member and the employee's or Member's spouse may jointly elect to waive a survivor annuity for that spouse under section 8341(b) (or under section 8341A(b) if the spouse later qualifies as a former spouse under section 8332(25)), or to reduce such a survivor annuity by designating a portion of the annuity of the employee or Member as the base for the survivor benefit. Any such election shall be in writing and shall be acknowledged before a notary public. In the event the marriage is dissolved following an election for such a reduced annuity and the spouse qualifies as a former spouse, the base used in calculating any annuity of the former spouse under section 8341A(b) may not exceed the portion of the employee's or Member's annuity designated under this subparagraph.

"(C) If an employee or Member has a former spouse, the employee or Member and such former spouse may jointly elect by spousal agreement under section 8345(k) to waive a survivor annuity under section 8341A (b) for that former spouse if the election is made (i) before the end of the 12-month period after the divorce or annulment involving that former spouse becomes final or (ii) at the time of retirement, whichever occurs first.

"(D) The Office of Personnel Management may prescribe regulations under which an employee or Member may make an election under subparagraph (B) or (C) without the employee's or Member's spouse or former spouse if the employee or Member establishes to the satisfaction of the Office that the employee or Member does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse or former spouse.

"(2) The annuity of an employee or Member providing a survivor benefit under section 8341(b) (or section 8341A(b)), excluding any portion of the annuity not designated or committed as a base for any survivor annuity, shall be reduced by 2½ percent of the first $3,600 plus 10 percent of any amount over $3,600. The reduction under this paragraph shall be calculated before any reduction under section 8341A(a)(5).

"(3) An annuity which is reduced under this subsection or any similar prior provision of law to provide a survivor benefit for a spouse shall, if the marriage of the employee or Member is dissolved, be recomputed and paid for each month during which the employee or Member is not married (or is remarried if there is no election in effect under the following sentence) as if the annuity had not been reduced, subject to any reduction required to provide a survivor benefit under section 8341 (b) or (c). Upon remarriage the retired employee or Member may irrevocably elect, by means of a signed writing received by the Office within one year after such remarriage, to receive during such marriage a reduction in annuity for the purpose of allowing an annuity for the new spouse of the annuitant in the event such spouse survives the annuitant. Such reduction shall be equal to the reduction in effect immediately before the dissolution of the previous marriage (unless such reduction is adjusted under section 8341A(b)(5)), and shall be effective the first day of the first month beginning one year after the date of remarriage.

"(4) The Office shall, on an annual basis—

"(A) inform each employee and Member of the rights of election under this subsection; and

"(B) to the maximum extent practicable, inform spouses or former spouses of employees and Members of their rights under this subchaper.".

(2) Section 8339(k)(1) of title 5, United States Code, relating to annuities for individuals having insurable interests, is amended by inserting after "an unmarried employee or Member" the following: "who does not have a former spouse for whose benefit a reduction is made in the employee's or Member's annuity".

(3) Section 8341(b)(1) of title 5, United States Code, is amended by striking out "unless the employee or Member has notified the Office" and all that follows and inserting in lieu thereof the following: "unless an election has been made under section 8339(j)(1) or, in the case of remarriage, an election has not been made under section 8339(j)(3).".

(4) Section 8344(a) of title 5, United States Code, relating to annuities and pay on reemployment, is amended by striking out "unless, at the time of claiming the increase payable under subparagraph (A), the annuitant notifies the Office of Personnel Management in writing that he does not desire the survivor annuity to be increased" and inserting in lieu thereof "unless the annuitant and the annuitant's spouse jointly elect to the contrary at the time in a written election acknowledged before a notary public".

(d) Section 8345(j) of title 5, United States Code, relating to court orders concerning the dissolution of marriage, is amended to read as follows:

"(j)(1)(A) In the case of any employee or Member who has a former spouse who is covered by a court order or who is a party to a spousal agreement—

"(i) any right of the former spouse to any annuity under section 8341A(a) in connection with any retirement or disability annuity of the employee or Member, and the amount of any such annuity;

"(ii) any right of the former spouse to a survivor annuity under section 8341A (b) or (c), and the amount of any such annuity; and

"(iii) any right of the former spouse to any payment of a lum-sum credit under section 8342;

shall be determined in accordance with that spousal agreement or court order, if and to the extent expressly provided for in the terms of that spousal agreement or court order.

"(B) This paragraph shall not apply in the case of any spousal agreement or court order which, as determined by the Office of Personnel Management, is inconsistent with the requirements of this subchapter.

"(2) Except with respect to obligations between employees or Members and former spouses, payments under this subchapter which would otherwise be made to an employee or Member based upon the employee's or Member's service shall be paid (in whole or in part) by the Office to another individual to the extent expressly provided for in the terms of any order or any court decree of legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of legal separation.

"(3) Paragraphs (1) and (2) shall apply only to payments made under this subchapter for periods beginning after the date of receipt by the Office of written notice of such decree, order, or agreement, and such additional information and such documentation as the Office may require.

"(4) Any payment under this subsection to an individual bars recovery by any other individual.

"(5) The 10-year requirement of section 8331(25), or any other provision of this subchapter, shall not be construed to affect the rights any spouse or individual formerly married to an employee or Member may have, under any law or rule of law of any State or the District of Columbia, with respect to an annuity of an employee or Member under this subchapter.".

(e)(1) Any current or former employee or Member in the Civil Service Retirement and Disability System who on the effective date, has a former spouse shall receive a reduced annuity and provide a survivor annuity for such former spouse under section 8341A(b) of title 5, United States Code, if—

(A) the employee or Member so elects by means of a spousal agreement, or

(B) a court order so provides.

(2)(A) If the employee or Member has not retired under such system on or before the effective date, an election under subsection (e)(1)(A) may be made, or a court order under subsection (e)(1)(B) may be issued, at any time before retirement.

(B) If the employee or Member has retired under such system on or before the effective date of this Act, an election under subsection(e)(1)(A) may be made, or a court order under subsection (e)(1)(B) may be issued, within such period after the effective date as the Office of Personnel Management may prescribe.

(C) In any case in which an employee or Member is married and has been married for more than one year, an election under subsection (e)(1)(A) may only be made with the written concurrence of the spouse of the employee or Member.

(D) For purposes of applying subchapter III of chapter 83 of title 5, United States Code, any such election or court order shall be treated the same as if it were a spousal agreement or court order under section 8345(k) of title 5, United States Code.

(3)(A) An election under subsection (e)(1)(A) may provide for a survivor benefit based on all or any portion of that part of the annuity of the employee or Member which is not designated or committed as a base for survivor benefits for a spouse or any other former spouse of the employee or Member. The employee or Member and the employee's or Member's spouse may make an election under section 8339(j)(1)(B) of title 5, United States Code, prior to the time of retirement for the purpose of allowing survivor benefits to be provided under this subsection.

(B) A court order under subsection (e)

(1)(B) may provide for an annuity for a former spouse which does not exceed that former spouse's pro rata share of 55 percent of the full amount of the annuity of employee or Member.

(4) The amount of the reduction in the employee's or Member's annuity shall be determined in accordance with section 8339(b)(2) of title 5, United States Code. Such reduction shall be effective as of—

(A) the commencing date of the employee's or Member's annuity, in the case of an election under paragraph (2)(A), or

(B) the effective date of this Act, in the case of an election under paragraph (2)(B).

(5) In the case of an employee or Member who died before the effective date of this Act after becoming entitled to an annuity and who—

(A) at the time the employee or Member became entitled to an annuity was married and did not elect not to provide for a survivor annuity for any surviving spouse under section 8339(j)(1) of title 5, United States Code;

(B) subsequently was divorced from the spouse to whom the employee or Member was married at the time of retirement;

(C) died and was not married at the time of death, the individual to whom the employee or Member was married at the time the employee or Member retired shall be entitled to an annuity under section 8341 of title 5, United States Code, as if married to the member at the time of death if the individual is qualified as a former spouse.

(6) For purposes of this section, the terms "former spouse", "employee", "Member", "court order", and "spousal agreement" have the same meanings as when used in subchapter III of chapter 83 of title 5, United States Code.

(f)(1) The provisions of this Act shall take effect beginning on the 120th day after the date of the enactment of this Act.

(2) The preceding subsections of this section regarding the rights of former spouses to any annuity under section 8341A(a) of title 5, United States Code, shall apply in the case of any individual who after the effective date of this Act becomes a former spouse of an individual who separates from the service after such date.

(3) Except to the extent provided in paragraph (5), the provisions of this section regarding the rights of former spouses to receive survivor annuities under subchapter III of chapter 83 of such title 5 shall apply in the case of any individual who after the effective date of this Act becomes a former spouse of a current or former employee or member in the Civil Service Retirement and Disability System.

DISPLACED HOMEMAKERS TAX CREDIT

SEC. 109. (a) Paragraph (1) of section 51(d) of the Internal Revenue Code of 1954 (relating to members of targeted groups) is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma and "or,"; and

(3) by adding at the end thereof the following new paragraph:

"(H) a displaced homemaker (as defined by paragraph (7) of section 3 of the Comprehensive Employment Training Act Amendments of 1978 (29 U.S.C. 802)).".

(b) Paragraph (4) of section 51(c) of such Code (defining wages) is amended by striking out "1981" and inserting in lieu thereof "1986".

(c) The amendments made by subsection (a) shall apply with respect to amounts paid or incurred after December 31, 1980, in taxable years after such date.

TITLE II—DAY CARE PROGRAM

CREDIT FOR CERTAIN HOUSEHOLD AND DEPENDENT CARE EXPENSES

SEC. 201. (a) ALLOWANCE OF CREDIT.—Subsection (a) of section 44A of the Internal Revenue Code of 1954 (relating to expenses for household and dependent care services necessary for gainful employment) is amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—In the case of an individual who maintains a household which includes as a member one or more qualifying individuals (as defined in subsection (b)(1), there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the product of—

"(1) the employment-related expenses paid by such individual during the taxable year, multiplied by

"(2) the greater of—

"(A) the percentage equal to—

"(i) 60 percent, reduced by

"(ii) 1 percent for each $500 of such individual's adjusted gross income for such taxable year, or fraction thereof, which is in excess of $10,000, or

"(B) 20 percent.".

(b) CREDIT MAY EXCEED TAX LIABILITY.—Section 44A of such Code is amended—

(1) by striking out subsection (b), and

(2) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively.

(c) DOLLAR LIMITATION.—Subsection (c) of section 44A of such Code (as redesignated by subsection (b)) is amended to read as follows:

"(c) DOLLAR LIMITATION.—

"(1) IN GENERAL.—The amount of the employment-related expenses incurred during any taxable year which may be taken into account under subsection (a) shall not exceed—

"(A) $2,500 if there is one qualifying individual with respect to the taxpayer for such taxable year, or

"(B) $5,000 if there are two or more qualifying individuals with respect to the taxpayer for such taxable year.

"(2) CHILD UNDER 2 YEARS OF AGE.—If a qualified individual with respect to the taxpayer is under 2 years of age for any part of the taxable year, paragraph (1) shall be applied by substituting '$3,700' for '$2,500' and '$7,500' for '$5,000'.".

(d) EARNED INCOME LIMITATION.—Paragraph (2) of subsection (d) of section 44A of such Code (as redesignated by subsection (b)) is amended to read as follows:

"(2) SPECIAL RULE FOR SPOUSE WHO IS A STUDENT OR INCAPABLE OF CARING FOR HIMSELF.—

"(A) IN GENERAL.—In the case of a spouse who is a student or a qualifying individual described in subsection (b)(1)(C), for purposes of paragraph (1), such spouse shall be deemed for each month during which such spouse is a full-time student at an educational institution, or is such a qualifying individual, to be gainfully employed and to have earned income of not less than—

"(i) $210 if subsection (c)(1)(A) applies for the taxable year, or

"(ii) $420 if subsection (c)(1)(B) applies for the taxable year.

In the case of any husband and wife, this paragraph shall apply with respect to only one spouse for any one month.

"(B) SPECIAL RULE FOR CHILD UNDER 2.—If subsection (c)(2) applies to a taxpayer, subparagraph (A) shall be applied by substituting '$315' for '$210' and '$630' for '$420'.".

(e) COORDINATION OF ADVANCED PAYMENT OF CREDIT; TABLES.—Section 44A of such Code is amended by adding at the end thereof the following new subsections:

"(g) TABLES.—The amount of the credit allowed by this section shall be determined under tables prescribed by the Secretary.

"(h) COORDINATION OF ADVANCE PAYMENTS OF CREDIT.—

"(1) RECAPTURE OF EXCESS ADVANCE PAYMENTS.—If any payment is made to the individual by an employer under section 3508 during any calendar year, then the tax imposed by this chapter for the individual's last taxable year beginning in such calendar year shall be increased by the aggregate amount of such payments.

"(2) RECONCILIATION OF PAYMENTS ADVANCED AND CREDIT ALLOWED.—Any increase in tax under paragraph (1) shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit (other than the credit allowed by subsection (a)) allowable under this subpart.".

(f) ADVANCE PAYMENT OF CREDIT.—Chapter 25 of such Code (relating to the general provisions of employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3508. ADVANCE PAYMENT OF CREDIT FOR HOUSEHOLD AND DEPENDENT CARE EXPENSES.

"(a) GENERAL RULE.—Except as otherwise provided in this section, every qualified employer making payment of wages to an employee with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment to such employee equal to such employee's dependent care advance amount.

"(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this section, a dependent care eligibility certificate is a statement furnished by an employee to an employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 44A for the taxable year,

"(2) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(3) states whether or not the employee's spouse has a dependent care eligibility certificate in effect, and

"(4) contains such other information as the Secretary may prescribe by regulations.

A certificate shall be treated as being in effect with respect to a spouse if such a certificate will be in effect on the first status determination date following the date on which the employee furnishes the statement in question.

"(c) DEPENDENT CARE ADVANCE AMOUNT.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(1) on the basis of—

"(A) the employee's wages from the employer for such period, and

"(B) the employment-related expenses paid by the employee during such period, and

"(2) in accordance with tables prescribed by the Secretary which indicate that portion of the credit allowed the employee under section 44A which is attributable to such period.

"(d) QUALIFIED EMPLOYER.—For purposes of this section, the term 'qualified employer' means an employer who employs more than 50 individuals at any time during the calendar year in which the wages are paid.

"(e) SPECIAL RULES. Under regulations prescribed by the Secretary—

"(1) payments made by an employer under subsection (a) shall be treated in the same manner as provided in section 3507(d), and

"(2) the provisions of section 3507(e) shall apply to dependent care eligibility certificates.".

(g) REFUNDABILITY OF THE CREDIT.—Subsection (b) of section 6401 of such Code (relating to amounts treated as overpayments) is amended to read as follows:

"(b) EXCESSIVE CREDITS.—If the amount allowable as credits under section 31 (relating to tax withheld on wages), section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil), section 43 (relating to earned income credit), and section 44A (relating to expenses for household and dependent care services necessary for gainful employment) exceeds the tax imposed by subtitle A (reduced by the credits allowable under subpart A of part IV of subchapter A of chapter 1, other than the credits allowable under sections 31, 39, 43, and 44A), the amount of such excess shall be considered an overpayment. For purposes of the preceding sentence, any credit allowed under paragraph (1) of section 32 (relating to withholding of tax on nonresident aliens and on foreign corporations) to a nonresident alien individual for a taxable year with respect to which an election under section 6013 (c) or (h) is in effect shall be treated as an amount allowable as a credit under section 31.".

(h) CONFORMING AMENDMENTS.—

(1) Paragraph (5) of section 44A(e) of such code (as redesignated by subsection (b) of this Act) is amended by striking out "subsection (c)(1)" and inserting in lieu thereof "subsection (b)(1)".

(2) Section 44C(b)(5), 44D(b)(5), 44E (e)(1), 55(b)(2), and 56(c) of such Code are amended by striking out "and 43" and inserting in lieu thereof "43, and 44A".

(3) Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended to read as follows:

"(4) ERRONEOUS CREDIT.—If on any return or claim for refund of income taxes under subtitle A there is an overstatement of the credit allowable by section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil), section 43 (relating to earned income), or section 44A (relating to expenses for household and dependent care services necessary for gainful employment), the amount so overstated which is allowed against the tax shown on the return or which is allowed as a credit or refund may be assessed by the Secretary in the same manner as in the case of a mathematical or clerical error appearing upon the return, except that the provisions of section 6213(b)(2) (relating to abatement of mathematical or clerical error assessments) shall not apply with regard to any assessment under this paragraph.".

(4) Paragraph (8) of section 6012(a) of such Code (relating to persons required to make returns of income) and paragraph (7) of section 6051(a) of such Code (relating to receipts for employees) are each amended by inserting "or section 3508 (relating to advance payment of household and dependent care credit)" after "credit)".

(5) Subsection (d) of section 6302 of such Code (relating to mode or time of collection) is amended by adding at the end thereof the following new paragraph:

"(3) For treatment of dependent care advance amounts as payment of withholding and FICA taxes see section 3508(d).".

(6) Subsection (a) of section 53 of such Code (relating to limitation of credit allowed by section 44B based on amount of tax) is amended—

(A) by inserting "and" at the end of paragraph (5),

(B) by striking out ", and" at the end of paragraph (6) and inserting in lieu thereof a period, and

(C) by striking out paragraph (7).

(7) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments) is amended by striking out "44A,".

(i) The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

EXCLUSION OF DEPENDENT CARE ASSISTANCE FROM THE INCOME OF EMPLOYEES

SEC. 202. (a) EXCLUSION FROM INCOME.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from income) is amended by redesignating section 128 as section 129 and inserting after section 127 the following new section:

"SEC. 128. DEPENDENT CARE ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for dependent care assistance to such employee if the assistance is furnished pursuant to a program which is described in subsection (d).

"(b) EARNED INCOME LIMITATION.—

"(1) IN GENERAL.—The amount excluded from the income of an employee under subsection (a) for any taxable year shall not exceed—

"(A) in the case of an employee who is not married at the close of such taxable year, the earned income of such employee for such taxable year, or

"(B) in the case of an employee who is married at the close of such taxable year, the lesser of—

"(i) the earned income of such employee for such taxable year, or

"(ii) the earned income of the spouse of such employee for such taxable year.

"(2) SPECIAL RULE FOR CERTAIN SPOUSES.—For purposes of paragraph (1), the provisions of section 44A(e)(2) shall apply in determining the earned income of a spouse who is a student or incapable of caring for himself.

"(c) PAYMENTS TO RELATED INDIVIDUALS.—No amount paid or expenses incurred during the taxable year of an employee by an employer in providing dependent care assistance to such employee shall be excluded under subsection (a) if such amount was paid directly to an individual—

"(1) with respect to whom, for such taxable year, a deduction is allowable under section 151(e) (relating to personal exemptions for dependents) to such employee or the spouse of such employee, or

"(2) who is a child of such employee (within the meaning of section 151(e)(3)) under the age of 19 at the close of such taxable year.

"(d) DEPENDENT CARE ASSISTANCE PROGRAM.—

"(1) IN GENERAL.—For purposes of this section a dependent care assistance program is a separate written plan of an employer for the exclusive benefit of his employees to provide such employees with dependent care assistance. The program must meet the requirements of paragraphs (2) through (6) of this subsection.

"(2) ELIGIBILITY.—The program shall benefit employees who qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of employees who are officers, owners, or highly compensated, or their dependents. For purposes of this paragraph, there shall be excluded from consideration employees not included in the program who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective-bargaining agreement between employee representatives and one or more employers, if there is evidence that dependent care benefits were the subject of good-faith bargaining between such employee representatives and such employer or employers.

"(3) PRINCIPAL SHAREHOLDERS OR OWNERS.—Not more than 25 percent of the amounts paid or incurred by the employer for dependent care assistance during the year may be provided for the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the year) owns more than 5 percent of the stock or of the capital or profits interest in the employer.

"(4) NO FUNDING REQUIRED.—A program referred to in paragraph (1) is not required to be funded.

"(5) NOTIFICATION OF ELIGIBLE EMPLOYEES.—Reasonable notification of the availability and terms of the program must be provided to eligible employees.

"(6) STATEMENT OF EXPENSES.—The plan shall furnish to an employee, on or before January 31, a written statement showing the amounts paid or expenses incurred by the employer in providing dependent care assistance to such employee during the previous calendar year.

"(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' means the payment of, or provision of, those services which if paid for by the employee would be considered employment-related expenses under section 44A(c)(2) (relating to expenses for household and dependent care services necessary for gainful employment).

"(2) EARNED INCOME.—The term 'earned income' shall have the meaning given such term in section 43(c)(2), but such term shall not include any amounts paid or expenses incurred by an employer for dependent care assistance to an employee.

"(3) EMPLOYEE.—The term 'employee' includes, for any year, an individual who is an employee within the meaning of section 401 (c)(1) (relating to self-employed individuals).

"(4) EMPLOYER.—An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (3).

"(5) ATTRIBUTION RULES.—

"(A) OWNERSHIP OF STOCK.—Ownership of stock in a corporation shall be determined in accordance with the rules provided under subsections (d) and (e) of section 1563 (without regard to section 1563(e)(3)(C)).

"(B) INTEREST IN UNINCORPORATED TRADE OR BUSINESS.—The interest of an employee in a trade or business which is not incorporated shall be determined in accordance with regulations prescribed by the Secretary, which shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(6) UTILIZATION TEST NOT APPLICABLE.—A dependent care assistance program shall not be held or considered to fail to meet any requirements of subsection (d) merely because of utilization rates for the different types of assistance made available under the program.

"(7) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any amount excluded from income by reason of this section.".

(b) EXCLUSION FROM WAGES.—

(1) EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX.—Subtitle C of such Code is amended by striking out "section 127" in section 3121(a)(18) (relating to the Federal Insurance Contributions Act), section 3306 (b)(13) (relating to the Federal Unemployment Tax Act), and section 3401(a)(19) (relating to collection of income at source on wages) and inserting in lieu thereof "section 127 or 128".

(2) SOCIAL SECURITY ACT.—Subsection (q) of section 209 of the Social Security Act (defining wages) is amended by striking out "section 127" and inserting in lieu thereof "section 127 or 128".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.

TITLE III—ARMED FORCES

AMENDMENTS TO TITLE 10, UNITED STATES CODE

SEC. 301. (a)(1) Section 4712(d) of title 10, United States Code, is amended by striking out clauses (1) through (9) and inserting in lieu thereof the following:

"(A) A beneficiary named in the will of the deceased to receive the property.

"(B) The surviving spouse or legal representative.

"(C) A child of the deceased.

"(D) A parent of the deceased.

"(E) A brother or sister of the deceased.

"(F) The next of kin of the deceased.".

(2) Paragraph (2) of section 4713(a) of such title is amended by striking out clauses (A) through (I) and inserting in lieu thereof the following:

"(A) A beneficiary named in the will of the deceased to receive the property.

"(B) The surviving spouse or legal representative.

"(C) A child of the deceased.

"(D) A parent of the deceased.

"(E) A brother or sister of the deceased.

"(F) The next of kin of the deceased.".

(b)(1) Section 5896(a) of such title is amended—

(A) by striking out "male" each place it appears in clauses (1) and (2);

(B) by striking out "male officers of the Naval Reserve and eligible women officers appointed under section 5581 of this title before the effective date of the Defense Officer Personnel Management Act" in clause (3) and inserting in lieu thereof "officers";

(C) by striking out "male officers of the Naval Reserve and Women Officers appointed under section 5581 of this title before the effective date of the Defense Officer Personnel Management Act" in clause (4) and inserting in lieu thereof "officers";

(D) by striking out "or the Medical Service Corps" in clauses (3) and (4) and inserting in lieu thereof "the Medical Service Corps, or the Nurse Corps";

(E) by inserting "and" at the end of clause (3);

(F) by striking out the semicolon at the end of clause (4) and inserting in lieu thereof a period; and

(G) by striking out clauses (5), (6), (7), and (8).

(2) Section 5896 of such title is further amended by striking out subsection (b) and redesignating subsections (c) through (f) as subsections (b) through (e), respectively.

(c)(1) Section 5897 of such title is amended—

(A) by striking out "Male officers" at the beginning of clauses (1) through (4) of subsection (b) and inserting in lieu thereof "Officers";

(B) by striking out clauses (5), (6), and (7) of subsection (b);

(C) by redesignating clause (8) of subsection (b) as clause (5); and

(D) by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) A board convened under this chapter that recomends officers of the Naval Reserve in the grade of lieutenant or lieutenant (junior grade) in the Medical Corps, the Judge Advocate General's Corps, the Chaplain Corps, the Dental Corps, the Medical Service Corps, or the Nurse Corps for promotion shall certify in its report that, in the opinion of a majority of the members of the board, the officers recommended are selected as fitted to assume the duties of the next higher grade.".

(2) Section 5898 of such title is amended—

(A) by striking out "(a)" at the beginning of subsection (a) and by striking out ", except as provided in subsection (b) of this section," in the second sentence of such subsection; and

(B) by striking out subsection (b).

(d) Section 5899 of such title is amended—

(1) by striking out "male officer of the Naval Reserve, or a woman officer appointed under section 5581 of this title before the effective date of the Defense Officer Personnel Management Act," and inserting in lieu thereof "officer of the Naval Reserve" in subsection (a);

(2) by striking out "male" each place it appears in subsection (b); and

(3) by striking out subsections (c) and (d) and redesignating subsections (e) through (h) as subsections (c) through (f), respectively.

(e)(1) Section 6403 of such title is repealed.

(2) The table of sections at the beginning of chapter 573 of such title is amended by striking out the item relating to section 6403.

(f)(1) Section 9712(d) of such title is amended by striking out clauses (1) through (9) and inserting in lieu thereof the following:

"(A) A beneficiary named in the will of the deceased to receive the property.

"(B) The surviving spouse or legal representative.

"(C) A child of the deceased.

"(D) A parent of the deceased.

"(F) A brother or sister of the deceased.

"(F) The next of kin of the deceased.".

(2) Paragraph 2 of section 9713(a) of such title is amended by striking out clauses (A) through (I) and inserting in lieu thereof the following:

"(A) A beneficiary named in the will of the deceased to receive the property.

"(B) The surviving spouse or legal representative.

"(C) A child of the deceased.

"(D) A parent of the deceased.

"(E) A brother or sister of the deceased.

"(F) The next of kin of the deceased.".

(g) The amendments made by this section shall become effective on October 1, 1981.

REPORT OF THE SECRETARY OF DEFENSE

SEC. 302. The Secretary of Defense shall transmit to the Congress each year, not later than January 31, a report analyzing the status of women in the armed forces of the United States during the preceding calendar year. The Secretary shall include in such report—

(1) detailed information, by armed force, on (A) the number of women serving on active duty and in the reserve forces, (B) the distribution of women by grade, (C) the number of promotions by grade received by women, (D) the distribution of women by military specialty held by women, and (F) the types of duty assignments held by women and the number in each; and

(2) detailed information on any discrimination which exists in the armed forces based solely on sex and recommendation for any action necessary to eliminate such discrimination.

TITLE IV—ESTATE TAX ON AGRICULTURAL PROPERTY AND FARM LOANS

INCREASE IN UNIFIED CREDIT

SEC. 401. (a) CREDIT AGAINST ESTATE TAX.—

(1) IN GENERAL.—Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800".

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 2010 is repealed.

(B) Subsection (a) of section 6018 (relating to estate tax returns by executors) is amended—

(i) by striking out "$175,000" in paragraph (1) and inserting in lieu thereof "$600,000",

(ii) by striking out paragraph (3), and

(iii) by redesignating paragraph (4) as paragraph (3).

(b) CREDIT AGAINST GIFT TAX.—

(1) IN GENERAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800".

(2) CONFORMING AMENDMENT.—Subsection (b) of section 2505 is amended to read as follows:

"(b) PHASE-IN OF CREDIT.—

"In the case of gifts made in:	Subsection (a)(1) shall be applied by substituting for '$192,800' the following amount:
1981	$47,000
1982	70,800
1983	96,300
1984	121,800.".

(c) EFFECTIVE DATES.—The amendments made—

(1) by subsection (a) shall apply to the estates of decedents dying after December 31, 1980, and

(2) by subsection (b) shall apply to gifts made after such date.

VALUATION OF CERTAIN FARM AND OTHER BUSINESS REAL PROPERTY

SEC. 402. (a) DEFINITION OF QUALIFIED REAL PROPERTY.—Subsection (b) of section 2032A of the Internal Revenue Code of 1954 (defining qualified real property) is amended by adding at the end thereof the following new paragraphs:

"(4) RETIRED AND DISABLED DECEDENTS.—

"(A) IN GENERAL.—If, on the date of death of the decedent, the decedent did not otherwise meet the requirements of paragraph (1)(C) with respect to any property, and the decedent—

"(i) was eligible to receive old-age benefits under title II of the Social Security Act, or

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C) shall be applied by substituting 'the date on which the decedent became eligible to receive old-age benefits under title II of the Social Security Act or became disabled' for 'the date of the decedent's death'.

"(B) DISABLED DEFINED.—For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(5) SPECIAL RULE FOR SPOUSES WHO ARE QUALIFIED HEIRS.—In the case of any qualified real property which was acquired by a qualified heir who is the spouse of the decedent and which does not otherwise meet the requirements of paragraph (1)(C) upon the death of such spouse, such real property shall be treated as meeting the requirements of paragraph (1)(C) if such spouse was engaged in the active management of the operation of the business at all times during—

"(A) the 10-year period ending on the date of death of the spouse, or

"(B) the period beginning on the date of death of the decedent and ending on the date of death of the spouse.".

(b) CESSATION OF QUALIFIED USE.—

(1) IN GENERAL.—Paragraph (7) of section 2032(o) of the Internal Revenue Code of 1954 (defining cessation of qualified use), is amended to read as follows:

"(7) CESSATION OF QUALIFIED USE.—For purposes of paragraph (1)(B)—

"(A) IN GENERAL.—Real property shall cease to be used for the qualified use if—

"(i) such property ceases to be used for the qualified use set forth in subparagraph (A) or (B) of subsection (b)(2) under which the property qualified under subsection (b), or

"(ii) except as provided in subparagraph (B), during any period of 8 years ending after the date of the decedent's death and before the date of the death of the qualified heir, there has been periods aggregating 3 years or more during which—

"(I) in the case of periods during which the property was held by the decedent (other than periods during which the decedent was an individual described in subsection (b)(4)(A)(i) or (ii)), there was no material participation by the decedent or any member of the family in the operation of the farm or other business, and

"(II) in the case of periods during which the property was held by any qualified heir, there was no material participation by such qualified heir or any member of his family in the operation of the farm or other business.

"(B) 15-YEAR ACTIVE MANAGEMENT.—If an eligible qualified heir elects, at such time and in such manner as the Secretary may prescribe, to have provisions of this subparagraph apply to any real property—

"(i) the provisions of clause (ii) of subparagraph (A) shall not apply to such property, and

"(ii) such property shall cease to be used for the qualified use if the fiduciary or the eligible qualified heir or any member of his family did not take part in the active management of the farm or other business at all times during the period beginning on the date of death of the decedent and ending on the earlier of—

"(I) the date of death of the qualified heir, or

"(II) the date which is 15 years from the date of death of the decedent.

"(C) ELIGIBLE QUALIFIED HEIR.—For purposes of this paragraph, the term 'eligible qualified heir' means—

"(i) any qualified heir with respect to real property the qualified use for which is a farming purpose described in subparagraph (c) of subsection (e)(5), and

"(ii) in any other case, a qualified heir who, on the date of death of the decedent—

"(I) is the spouse of the decedent,

"(II) has not attained the age of 21,

"(III) is a student described in subparagraph (A) or (B) of section 1519(e)(4), or

"(IV) was disabled (within the meaning of subsection (b)(4)(B)) for a continuous period ending on such date.".

(2) CONFORMING AMENDMENT.—Subsection (e) of section 2032A of such Code (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) ACTIVE MANAGEMENT.—The term 'active management' means the making of the management decisions of a business (other than the daily operating decisions).".

(c) REPEAL OF $500,000 LIMITATION.—Subsection (a) of section 2032A of the Internal Revenue Code of 1954 (relating to value based on use under which property qualifies) is amended to read as follows:

"(a) VALUE BASED ON USE UNDER WHICH PROPERTY QUALIFIES.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States; and

"(2) the executor elects the application of this section and files the agreement referred to in subsection (d)(2),

then, for purposes of this chapter, the value of qualified real property shall be its value for the use under which it qualified, under subsection (b), as qualifies real property.".

(d) CLARIFICATION OF RENTAL TO FAMILY MEMBERS.—Subsection (b) of section 2032A of the Internal Revenue Code of 1954 (defining qualified real property) is amended by inserting "by the decedent or member of the decedent's family" after "qualified use" each place it appears in paragraph (1).

INTEREST RATE ON EXTENDED PAYMENTS OF ESTATE TAXES

SEC. 403. Section 6601 of the Internal Revenue Code of 1954 (relating to interest on underpayment, nonpayment, or extension of time for payment of tax) is amended by—

(1) redesignating subsection (k) (relating to no interest on certain adjustments) as subsection (l), and

(2) adding immediately after subsection (j) a new subsection (k) to read as follows:

"(k) INTEREST RATE ON PORTION OF ESTATE TAX EXTENDED UNDER SECTION 6166.—

"(1) IN GENERAL.—If the time for payment of an amount of tax imposed by chapter 11 is extended as provided in section 6166, interest on the portion of such amount which does not qualify for the 4-percent rate under subsection (j), shall (in lieu of the annual rate provided by subsection (a)) be paid at a rate determined under paragraph (2). For purposes of this subsection, the amount of any deficiency which is prorated to installments payable under section 6166 shall be treated as an amount of tax payable in installments under such section.

"(2) INTEREST RATE.—The rate of interest under this subsection shall be the lesser of—

"(A) 6 percent, or

"(B) a rate determined in the same manner as under section 6621 except that subsection (c) thereof shall be applied by substituting '75 percent' for '90 percent'.

The rate determined under subparagraph (B) shall not be less than 4 percent.

"(3) TREATMENT OF PAYMENTS.—In any case where this subsection and subsection (j) apply with respect to the amount of tax imposed by chapter 11 which is extended as provided in section 6166, any payment of a portion of such amount shall be allocated to the 4-percent portion in accordance with paragraph (3) of subsection (j) and any remaining amount shall be treated, for purposes of computing interest for periods after such payment, as reducing the amount to which this subsection applies.", and

(3) striking out "For purposes of this subsection," in paragraph (2) of subsection (j) and inserting in lieu thereof "For purposes of this subsection and subsection (k),".

FARM LOANS

SEC. 404. The second sentence of section 303(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)) is amended by striking out "are married or".

TITLE V—NONDISCRIMINATION IN INSURANCE

SHORT TITLE

SEC. 501. This title may be cited as the "Nondiscrimination in Insurance Act".

FINDINGS AND POLICY

SEC. 502. (a) The Congress finds that discrimination based on race, color, religion, sex, or national origin, by any insurer which is engaged in commerce or whose activities affect commerce, in connection wih any application for, or the terms, conditions, rates, benefits, or requirements of insurance policies and contracts (including annuity or pension contract) (1) burdens the commerce of the Nation, (2) impairs the economic welfare of large numbers of people who rely on the protection of such policies and contracts, (3) constitutes an unfair trade practice which adversely affects commerce, and (4) makes it difficult for emloyers to comply with Federal laws prohibiting such discrimination against their employees.

(b) The Congress therefore declares that it is the policy of the United States that no insurer shall, on the basis of the race, color, religion, sex, or national origin of any individual or group of persons, (1) refuse to make insurance available to any applicant for insurance, (2) with respect to insurance contracts to which this title applies, treat any such applicant or insured differently than any other applicant or insured with respect to the terms, conditions, rates, benefits, or requirements of any such insurance contract, or (3) commit any other discriminatory action prohibited by this title. It is further the policy of the Congress that this title shall not affect the responsibility and authority of States to regulate the business of insurance, or any regulation or order of any State agency concerning or applicable to the business of insurance, if such regulation or order is consistent with and does not prevent compliance with this title.

DEFINITION

SEC. 503. For purposes of this title—

(1) The term "commence" means trade, traffic, commerce, transportation, transmission, or communication between a place in a State and any place outside thereof; or within the District of Columbia or a territory or possession of the United States; or between points in the same State but through a point outside thereof.

(2) The term "discriminatory action" means action by an insurer which is unlawful under this title and contrary to the policy stated in section 502.

(3) The term "insurance" means any arrangement (whether by contract, policy, binder, reinsurance, or otherwise) whereby an insurer (including any governmental agency) will provide benefits (whether by reimbursement, periodic or lump-sum payments, or otherwise) in case specified events occur in connection with death, disability, medical conditions, attainment of specified age, retirement from employment, economic loss, theft, or other events customarily dealt with in insurance policies and contracts (including annuity or pension contracts) relating to life, accident and casualty, theft, retirement, liability, health, disability, or economic loss.

(4) The term "insured" means any person who is insured under, or is or may be an applicant for insurance under, a contract of insurance issued or to be issued by the insurer.

(5) The term "insurer" means any person (A) who provides insurance to others or otherwise engages in the business of insurance and (B) whose activities (i) affect commerce, (ii) utilize facilities of the United States Postal Service, (iii) utilize any facilities used in commerce by any person, or (iv) result in a discriminatory action carried on under color of any law, statute, ordinance, or regulation, or required, permitted, or sanctioned, or supported with funds provided, by the United States, any State or political subdivision, or any agency or officer thereof; and includes such person's agent.

(6) The term "activities affect commerce" means any activity which directly or indirectly relates to, impinges upon, or involves any activity in commerce, and includes any governmental activity.

(7) The term "person" includes one or more individuals, governments, and agencies of the United States or of any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries.

(8) The term "sex" means the gender of the insured and includes pregnancy, childbirth, or related medical conditions of a female insured, except that nothing in this title shall be deemed to amend section 701(k) of the Civil Rights Act of 1964.

(9) The term "State" includes a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

UNLAWFUL DISCRIMINATORY ACTIONS

SEC. 504. (a) It shall be unlawful discriminatory action for any insurer, because of the race, color, religion, sex, or national origin of any person or any group of persons, to do any of the following with respect to any person who after the effective date of this title applies or may apply for a contract of insurance or is an insured under a contract

of insurance made after the effective date of this title—

(1) to refuse to make, or to refuse to negotiate, or otherwise make unavailable or deny, or delay receiving and processing an application for, or contract of insurance of the type ordinarily made by such insurer; and

(2) to treat such applicant or insured differently than the insurer treats or would treat any other applicant or insured with respect to the terms, conditions, rates, benefits, or requirements of such insurance contract.

(b) It shall be an unlawful discriminatory action for any insurer—

(1) to utilize any statistical table (whether of mortality, life expectancy, morbidity, disability, disability termination, or losses) or any other statistical compilation as a basis for any action which is contrary to this section;

(2) to discriminate in any manner against any person because such person has opposed any practice made unlawful by this title or because such person has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, hearing, or litigation under this title; or

(3) to make, print, or publish, or cause to be made, printed, or published, any notice, statement, or advertisement, relating to insurance coverage that such insurer provides or will provide, indicating any preference, limitation, specification, or discrimination based on the race, color, religion, sex, or national origin of any person or group of persons, or an intention to make any such preference, limitation, specification, or discrimination.

(c) With respect to all contracts of insurance existing on the date this title becomes effective—

(1) it shall be an unlawful discriminatory action for any insurer after the effective date of this title—

(A) to charge or collect premium payments or contributions which become due after the effective date of this title; or

(B) to determine the amount of or to pay to any insured or other beneficiary under an insurance, annuity, or pension contract any periodic or lump-sum payment after the effective date of this title;

if such charge, collection, determination, or payment, is based, directly or indirectly, either on race, color, religion, sex, or national origin of any person or group of persons, or on any statistical table whose use would, if applied to contracts made after the effective date of this title, violate any provision of this section; and

(2) the insurer may modify the premium and contribution rates and may increase but not decrease the periodic and lump-sum payments under such existing contracts insofar as they are due after the effective date of this title, if clearly necessary to comply with the nondiscrimination requirements of this title (and if the State agency having jurisdiction to regulate the business of insurance concurs that the modification requested by the insurer is clearly necessary to comply with such requirements and authorizes such modification), but such insurer need not refund any portion of the premiums and contributions which were payable to the insurer prior to the effective date of this title nor pay any additional amounts for the benefits which were payable by the insurer prior to the effective date of this title.

(d) Nothing in this title shall be deemed to prevent an insurer who regularly provides insurance coverage solely to persons of a single religious affiliation from continuing to provide insurance solely to persons of that religious affiliation.

STATE OR LOCAL ENFORCEMENT PRIOR TO JUDICIAL ENFORCEMENT UNDER THIS TITLE

SEC. 505. (a) If an alleged discriminatory action occurs in a State, or political subdivision thereof, which has a State or local law prohibiting such discriminatory action and establishing or authorizing a State or local authority to grant or seek relief from such discriminatory action or to institute criminal proceedings with respect thereto upon receiving written notice thereof within 180 days after the alleged discriminatory action occurs, the provisions of this section shall apply.

(b) It is the purpose of this title to accord to State and local authorities the primary opportunity to enforce the State or local laws prohibiting such discriminatory action before an aggrieved person may invoke the judicial remedy provided under section 506 of this title. Therefore, no suit shall be filed under section 506 before the expiration of 60 days after the State or local authority has receiving the notice specified in subsection (a), unless any proceeding begun by the State or local authority after such notice has been earlier terminated (except that such 60-day periods shall be 120 days during the first year after the effective date of such State or local law). The notice of the alleged discriminatory action to commence such State or local proceedings shall be filed within the time prescribed by such State or local law, provided such prescribed time is not less than 180 days after the alleged discriminatory action occurred. If any State or local authority imposes any requirement for the commencement of such proceedings other than a requirement that a written and signed statement of the facts upon which the charge of the alleged discriminatory action is based be filed within 180 days after the alleged discriminatory action occurred, the proceeding shall be deemed to have been commenced for the purposes of this section at the time such statement is filed with the appropriate State or local authority. Depositing such statement in the United States mail by certified or registered mail addressed to the State or local agency shall be equivalent to such filing. Where the alleged discriminatory action is continuing in character, the 180 days shall be computed from the last day on which such continuing discriminatory action occurred.

CIVIL ACTION BY OR ON BEHALF OF AGGRIEVED PERSON

SEC. 506. If the State or political subdivision thereof in which the alleged discriminatory action occurred does not have a State or local law which complies with subsection 505(a), or if the State or local authority has failed within 60 days after receiving the notice prescribed in section 505 to either (1) institute and diligently prosecute a proceeding pursuant to section 505, or (2) enter into a conciliation agreement to which the aggrieved person is a party, a civil action against the insurer may be brought by or on behalf of such person. Such civil action may be instituted in any State court having jurisdiction under State law or in a United States district court having jurisdiction under section 508 of this title. No suit under this section may be filed after the expiration of 180 days following the alleged discriminatory action, except that in a case where the aggrieved person has instituted proceedings with a State or local authority pursuant to section 505 and such authority either has notified the aggrieved person that the proceedings under the State or local law have been terminated, or has failed to comply with clauses (1) or (2) of this section within 60 days after receiving the notice prescribed in section 505, the suit under this section may be filed not later than 90 days thereafter, or 180 days after the occurrence of the alleged discriminatory action, whichever is later. Where the alleged discriminatory action is continuing in character, the 180 days shall be computed from the last day on which such discriminatory action occurred. Upon the complainant's application and in such circumstances as the court may deem just, the court may appoint an attorney for such complainant and may authorize the commencement of the action without the payment of fees, costs, or security. Upon request of the State or local authority or any party to the suit, the court may stay further proceedings for not more than 60 days pending the termination of State or local proceedings described in section 505.

CIVIL ACTION BY THE ATTORNEY GENERAL INVOLVING ISSUES OF GENERAL PUBLIC IMPORTANCE

SEC. 507. Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title, and such denial raises an issue of general public importance, the Attorney General may bring a civil action in any United States district court having jurisdiction under section 508 of this title, by filing with it a complaint setting forth the facts and requesting such relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or persons responsible for such pattern or practice or denial of rights, as the Attorney General deems necessary to insure the full enjoyment of the rights granted by this title.

JURISDICTION

SEC. 508. Any civil action under this title instituted in a United States district court shall be brought, without regard to the amount in controversy in the United States district court of any judicial district in the State in which (1) the alleged discriminatory action occurred, (2) the insurer's principal office is located, (3) the insurer maintains and administers records relevant to the alleged discriminatory action, (4) the insurer resides or is located, (5) the insurer is incorporated or has a designated agent for service of process, or (6) the insurer transacts business. The case shall be heard at the earliest practicable time and expedited in every way. If no judge is promptly available to hear and decide the case, the chief judge or acting chief judge of the district shall so certify to the chief judge of the circuit who shall promptly designate a district or circuit judge of the circuit to hear and determine the case.

JUDICIAL RELIEF

SEC. 509. (a) If the court determines that the insurer, whether public or private, has committed a discriminatory action, the court may—

(1) enjoin the respondent from committing any discriminatory action in the future;

(2) order the respondent to amend the insurance contract to conform with the requirements of this title;

(3) require the respondent to reimburse the aggrieved person for all actual damages sustained by such person, either in an individual capacity or as a member of a class, including reimbursement for excess rates paid or inadequate benefits received as a result of a discriminatory action;

(4) require the respondent to pay punitive damages, in addition to the actual damages under paragraph (3), of not more than $25,000 for each individual plaintiff and not more than $800,000 in the case of a class action;

(5) allow the person aggrieved such reasonable attorney fees as part of the costs assessed against the respondent, as the court in its discretion deems proper;

(6) order such other equitable relief, including temporary or preliminary relief pending final disposition of the case, as the court may deem appropriate; and

(7) utilize the sanction of contempt to enforce its orders under this section.

(b) In determining the amount of punitive damages under subsection (a)(4), the court shall consider, among other relevant factors, the amount of actual damages awarded, the frequency and persistence of the respondent's failure to comply with requirements of this title, the respondent's resources, the number of persons affected, the extent to which the respondent was enriched through its discriminatory action, and the extent to which the respondent's failure to comply was intentional.

INAPPLICABILITY

SEC. 510. Nothing in this title shall be deemed to—

(1) modify any provision in the Social Security Act;

(2) modify any provision in any law or Executive order prohibiting discrimination in employment on the basis of an individual's race, color, religion, sex, or national origin; or in any rule, regulation, order, or agreement under such law or Executive order; or

(3) exempt or relieve any person from any liability, duty, penalty, or punishment under any present or future law of any State or political subdivision thereof, other than any such law which purports to require or permit the doing of any act which would be a discrimi'natory action under this title.

EFFECTIVE DATE

SEC. 511. This title shall become effective on the ninetieth day after the date of the enactment of this Act.

TITLE VI—REGULATORY REFORM AND SEX NEUTRALITY

REVIEW OF REGULATIONS

SEC. 601. (a) The head of each Federal administrative agency shall conduct a review of the regulations of that agency designed to assure that such regulations are sex neutral.

(b) All rules, regulations, documents, and other writings of Federal administrative agencies shall, to the extent practicable, use words that are neutral as to gender unless the subject matter specifically applies only to one sex or the words used do not result in sex-based discrimination.

AMENDMENT TO TITLE 1, UNITED STATES CODE

SEC. 602. (a) Section 1 of title 1 of the United States Code is amended by striking out "words importing the masculine gender include the feminine gender as well;".

(b) Title 1 of the United States Code is amended by inserting a new section 1a immediately after section 1 thereof, as follows:

"SEC. 1a. Unless the Congress specifically provides that this section shall be inapplicable to a particular Act or provision, all words of the Act or provision importing one gender include and apply to the other gender as well.".

TITLE VII—STUDY OF ENFORCEMENT OF ALIMONY AND CHILD SUPPORT PAYMENTS

STUDY AUTHORIZED

SEC. 701. (a) The Attorney General shall undertake thorough study of the appropriate role of the Federal Government in the enforcement of delinquent payments of alimony, child support, and property settlement orders against an absent spouse or parent, with particular consideration of—

(1) the problems created by varying State and local jurisdictions in the enforcement of such orders; and

(2) the appropriate actions which the Federal Government can take to assure the timely payments of alimony, child support, and property settlements.

(b) The Attorney General shall prepare and submit to the President and to the Congress not later than one year after the date of enactment of this Act a report of the study required by this section together with such recommendations, including recommendations for legislation, as the Attorney General deems appropriate.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

DURENBERGER-PACKWOOD-HATFIELD ECONOMIC EQUITY ACT OF 1981

TITLE I—TAX AND RETIREMENT MATTERS

Individual Retirement Accounts

Background

Homemakers are ineligible for retirement benefits in their own right. They are not covered by any employment-related retirement plans such as Social Security. Nor are they allowed to establish individual retirement accounts.

Under present law, an employed person who is not covered by any other pension plan—public or private—may establish an Individual Retirement Account (IRA). The individual may make a tax deductible contribution in an amount equal to 15 percent of gross income up to a maximum of $1,500 per year. If the eligible individual has a non-working spouse, the maximum contribution rises to $1,750 per year. But an individual (i.e. homemaker) with no income *cannot* establish an individual retirement account in her own right.

Current statistics show that an increasing number of women are entering the labor market. It will naturally follow that more women will be covered by pension plans as this trend continues. However, there is no individual protection for women who choose to remain at home, typically to raise a family. Under current law, a homemaker has no choice but to depend on the wage-earning spouse for retirement security.

Proposal

This provision would permit a non-working spouse to establish an individual retirement account in her (or his) own right. The income of the working spouse would be the basis for determining the allowable contribution.

The following table illustrates the proposed changes:

Income (add to determine total couple income)	Present IRA allowable for individual	Present IRA allowable for individual and spouse	Proposed IRA allowable for individual and spouse
$5,000 plus 0	$750	$750	$1,500
$10,000 plus 0	1,500	1,500	3,000
$10,000 plus $1,000	1,500+150	(1)	3,000
$11,000 plus 0	1,500	1,650	3,000
$12,000 plus 0	1,500	1,750	3,000

[1] Ineligible.

This "IRA for homemakers" would allow a non-working spouse the opportunity to set aside a *reasonable* fund for retirement years.

This provision, in effect, recognizes the status of the non-working spouse as an individual, rather than the "extension" of the working spouse.

In addition, we would provide that alimony income be counted as compensation income for the purpose of determining the maximum contribution to an IRA. This amendment would allow divorced persons receiving alimony to be able to set aside and deduct a portion of their alimony payments as a contribution to an IRA.

Heads of households

Background

Heads of households are unmarried persons who provide a home for a child or elderly parent and a majority of support for that dependent. They are usually divorced or widowed women caring for minor children. Heads of households thus have the burden of maintaining a home and caring for dependents without the advantage of two wage-earning adults.

Prior to 1975, heads of households could use the standard deduction (now zero bracket amount) used by married couples.

Beginning with the Tax Reduction Act of 1975, however, heads of households have been given a smaller zero bracket amount than married couples. Under current law, heads of households are entitled to a $2,300 zero bracket amount. Married couples filing jointly are entitled to a $3,400 ZBA.

Proposal

To amend the Internal Revenue Code to provide that the zero bracket amount for heads of households be equal to that of married couples filing jointly: $3,400.

We should not place tax penalties on heads of households. They have even greater financial pressures than married couples. Eighty-four percent of heads of households are women; 22.2 percent are non-white. Practically no heads of households units have two earners, yet more than 50 percent of married couples have two earners.

We discriminate against heads of households in the Tax Code. We allow a smaller zero bracket amount for a group of taxpayers who have the same kinds of expenses, with typically lower incomes, than married couples. In 1978, the average income for a head of household was $10,308; for married couples it was $20,544. Married couples have incomes that average almost twice that of heads of households, yet heads of households have the same financial obligations of supporting a dependent and maintaining a home. This provision of our legislation would end the gross discrimination in the Tax Code against heads of households.

Displaced homemakers

Background

Displaced homemakers are persons who have spent many years in the home caring for family members, and subsequently lost their source of support through separation, divorce, death or disability of the spouse. There are an estimated 3.3 million displaced homemakers nationwide.

The displaced homemaker finds the adjustment process to their new lives overwhelming. Most of them have few marketable skills, and if they have worked, it was usually in the early years of their marriages. They need financial stability, training, and jobs in order to make the adjustment.

The transition from homemaker to wage earner is difficult to make, but imperative to the survival of most women who find themselves suddenly divorced, separated or widowed. Employers have been unwilling to credit displaced homemakers with previous work experience or transfer volunteer skills into employment qualifications.

Displaced homemakers who can find jobs frequently settle for low-skilled, low paying jobs which require little or no training and provide little or no opportunities for advancement.

There is an urgent need to bring these women into the work force.

Proposal

To amend the Internal Revenue Code to extend the targeted jobs tax credit for five years and to add displaced homemakers to the list of eligible hirees.

Under current IRS law, employers may elect to take a tax credit when they hire an individual from a targeted group of hard-to-employ persons. (Economically disadvantaged youths, SSI recipients, vocational rehabilitation referrals, economically disadvantaged Vietnam-era veterans).

This tax credit mechanism provides an incentive for employers to seek out individuals from these qualifying groups for employ-

ment. Frequently, this incentive results in the employment of trainable persons who lack the credentials and/or job experience to land the job without the tax incentive.

This incentive for private industry encourages employment of hard to place individuals in the private sector, where they are offered opportunities for training and upward mobility.

Adding displaced homemakers to the list of eligible hirees provides an incentive for employers to give extra consideration to this targeted group.

Private pension reform

Background

Older women are the fastest growing poverty group in America. And our present retirement income system does little to alleviate that situation.

Under private pension systems, women are penalized if they leave the labor force to rear children, and/or if they divorce. It is no wonder that 81% of women over 65 not living with relatives live below the poverty line.

The 1974 Employees Retirement Income Security Act (ERISA), was passed to insure that workers who participate in pension programs receive the benefits for which they are eligible. While that law contains significant improvements for pension recipients by providing minimum standards for participation, vesting, funding, and administration of pension plans, ERISA fails to address the differing needs of women.

Because employed women tend to be young, work part-time or part year, are concentrated in sales and service jobs, and interrupt their service for family obligations, most working women receive no pension coverage. The majority of employed women are not covered because they are concentrated in occupations that offer no pension plans at all. In fact, only 21% of women workers are covered by pension plans, compared to 49% of men. And just 13% of all working women actually receive their pension benefits.

The Economic Equity Act attempts to remedy some of these problems.

Proposal

1. Women As Workers:

Women in the 20 to 24 age bracket have the highest labor force participation rate among women—68.3% in 1978, projected to increase to 76.8% by 1985. Yet existing pension law fails to take into account the fact that women enter the labor force at an earlier age than men. This section of the bill would more closely equate the impact on the male and female segments of the labor force by lowering the age of participation in pension plans from 25 to 21. This would have a dramatic impact on women.

Any employer who wishes to get the tax benefits which go with having a company pension plan must meet the requirements of the Employee Retirement Income Security Act of 1974, as amended, and the relevant portions of the Internal Revenue Code. Existing law requires employers with qualified plans to allow an employee to participate in the pension plan on the latter of two dates: the day the employee reaches age 25 or the day the employee completes one year of service. An employee who begins work at age 18, for example, must work a minimum of seven years with the same employer before acquiring the right of pension participation. Conversely, one who enters the labor force at 24 must work only one year for the same right.

2. Women As Mothers:

Many women take extended "breaks-in-service" from a particular job in order to tend to family responsibilities. Even if they return to the same job, they lose pension credits which they had accumulated before leaving. This portion of the bill would allow companies who agreed to a one-year maternity or paternity leave, to count that period as a year of service for vesting, benefit and participation accrual.

3. Women As Wives and Widows:

Because of inequities that employed women face in the pension system or in careers as homemakers, most women are largely dependent on their spouse's pension to ensure adequate retirement income. But survivors' annuities pay only if a set of conditions are met, taking into account marital status, retirement age, and age of death. Because all of the specific conditions must be met, only 5 to 10% of surviving spouses actually receive the benefits, according to the National Women's Political Caucus.

ERISA requires private pension plans to offer optional joint and survivor annuities. There is no requirement, however, that the spouse be consulted or even informed of the wage earner's decision to terminate the survivor benefit. Because benefits under the joint plan are lower in order to compensate for the survivor annuity, many workers opt for the single life annuity and thus fail to provide for the spouse.

The Economic Equity Act states that the joint and survivor option will be automatic unless both spouses agree in writing not to elect the joint and survivor option.

Another provision of the bill requires that a survivor's benefit shall be paid to the participant's spouse, if the participant is vested and dies before retirement. This annuity shall not be less than the amount the survivor would have received if the vested participant had died after retirement. Currently, if a participant dies before he retires, the survivor benefit can be withdrawn. Many women suffer tremendously because of this law.

A similar provision relates to survivor benefits in a non-accidental death. The law presently states that if a participant in a pension plan dies from a non-accidental death within two years of his joint and survivor election, those survivor benefits can be denied.

It is not unusual for individuals stricken with terminal diseases, like cancer, to perish less than 24 months from the date on which the disease was diagnosed. With heart disease, the problem is even more pronounced. Most heart attacks are sudden, and unexpected. Yet a legitimate joint and survivor election, occurring less than two years before the fatal attack, can be disregarded. The provision eliminates language which is inconsistent with the universal provision of survivorship.

4. Women As Former Spouses:

This provision under private pensions recognizes marriage as an economic partnership, and establishes pensions as a legitimate property right. A similar protection was granted to spouses and former spouses under the 1965 amendment to the Social Security Act. (See Public Pension Reform section for complete description.)

Public pension reform

Background

The plight of the so-called displaced homemaker is becoming well-recognized in a society where nearly one of every two marriages ends in divorce. These divorced or widowed women who have devoted many years to maintaining the home and family often suffer serious consequences when they attempt to gain outside employment, or receive their rightful pension or retirement benefits.

Contrary to the popular myth of the merry divorcee, only a few are wealthy. Alimony is received by just 4 percent of divorced women. Furthermore, statistics indicate that while 89 percent of single-parent families are headed by mothers, three-quarters of these women received no child support from fathers. For even this minority of women, alimony and child support are no substitute for a vested pension interest. Both cease with the death of the employed or retired spouse.

Congress began to address this issue by amending the Social Security Act in 1977, providing pension benefits to divorced wives married 10 years or more. However, even these basic protections are not afforded a significant number of women married to civil service or military employees or employees enrolled in many private pension plans. For military and civil service employees, their spouses do not automatically receive Social Security. Thus, they discover once they are divorced, the wives lose all claim to retirement pay and survivor's benefits, as well as any right to health insurance benefits.

A recent victim of this policy as it pertains to the U.S. government's Foreign Service was Jane Dubs, who served beside Adolph Dubs for 30 years until their divorce in 1976. When Mr. Dubs was killed while serving as Ambassador to Afghanistan in 1979, she was refused any part of his survivor's benefits. Instead, the money went to the second Mrs. Dubs, his wife of only three years. This, despite the fact that the first Mrs. Dubs, like most Foreign Service homemakers was a vital resource, enriching the overseas communities with thousands of hours of donated services as a foreign emissary's wife.

Cultural, legal and linguistic barriers, as well as the constant international mobility of her husband's job prevent the Foreign Service wife from seeking employment outside the home. Yet divorced Foreign Service wives, after long years of unpaid government service abroad, have no employment record, no modern skills, no social security, no shared annuity, no survivor benefits, and often exhorbitantly expensive medical insurance.

Fortunately, this situation was remedied with the passage of an amendment to the Foreign Service Act in September 1980, which was introduced by Congresswoman Schroeder and myself.

Proposal

Included in the Economic Equity package is legislation similar to that in the Foreign Service Act, which will help address the inequities faced by divorced and widowed spouses of Civil Service and military employees.

The provision would:

Entitle women who were married to civil service or military employees for at least 10 years the right to a pro rata share of the benefits earned during marriage. This provision is subject to court review and modification, depending on the divorce settlement. However, the legislation demands that courts must view pensions as a valid property right. Many have not done so in the past. As a result, many of these women find that the retiree walks away from the divorce with a full retirement plan and health insurance, while the spouse walks away with nothing. Furthermore, even in cases where the courts have awarded partial retirement benefits, no court has considered the survivor's benefit as property to which the former spouse is entitled.

Mandate survivor's benefits unless the spouse and former spouse choose to waive receipt of such. Currently, an employee may opt out of survivor's benefits already agreed to, without notification of the spouse or former spouse. This legislation would require that employee and spouse or former spouse (if any) agree in writing to forego the survivor's benefit plan.

These proposals will not cost the taxpayer additional funds. Rather, they will allow a fair redistribution of retirement and survivor's benefits between the partners in marriage.

It is ironic that these outdated laws have been hardest on the woman who devotes herself entirely to the role of mother and homemaker. It is unconscionable that they should be "rewarded" in this manner. Certainly, it is time we viewed marriage as an economic partnership.

TITLE II—DAY CARE PROGRAM

Background

The role of women in the labor market, and its subsequent effects on the pattern of family life in America, has changed dramatically over the past twenty years.

At present, more than half the children under 18 years of age in the United States have mothers in the labor force. Our country's most prevalent family type is now the two-parent, two-wage earner family. If we add to this group the many single-parent families in which the sole parent (most likely a woman) works, then the "typical" American family in the 1980's is the one with working parents.

These statistics suggest the ever-growing demand for quality day care for our nation's children. As more mothers of young children enter the work force, more children are in need of quality care. We need more, and better, quality day care facilities. We need child care centers at places of employment, where parents can be close to their pre-school children. And we need to create incentives for employers to provide child care and cover child care costs for employees.

Proposal 1

To amend the Internal Revenue Code to allow employers to provide child care assistance as a tax-free fringe benefit to employees. Under current law, employers may offer a variety of tax-free fringe benefits to employees—health insurance, legal insurance, educational expenses, life insurance.

This child care assistance fringe benefit would be provided in the form of a direct payment, by an employer, for child care expenses incurred by an employee. Or it could take the form of child care services provided by an employer to the employee.

This section of the Economic Equity Act seeks to encourage a non-governmental solution to a major family economic concern.

The premise embodied in this proposal is that private employers should be encouraged to provide child care benefits for employees.

Employer-provided day care can be very effective in answering the needs of working parents. It provides a secure environment for children, close to their parents. And it encourages the establishment of new, quality facilities tailored to the needs of the particular work force.

Proposal 2

Current law allows a tax credit of 20 percent of expenses for care of dependent children under age 15 and spouses or other dependents who are incapable of self-care, provided the expense is incurred to enable the taxpayer to be gainfully employed or in active search of gainful employment.

The maximum amount creditable annually is $2,000 for one dependent (that is, a credit of $400) and $4,000 for the care of two or more dependents (a credit of $800). The credit is not refundable.

The Economic Equity Act creates a sliding scale refundable tax credit between 20 percent and 60 percent. People whose adjusted gross income is $10,000 could claim the full 60 percent tax credit. A $30,000 adjusted gross income would receive a 20 percent child care credit.

In addition to the sliding scale, taxpayers with an adjusted gross income of $10,000 would be eligible to receive their refundable credit on a monthly or quarterly basis.

Finally, this provision would increase the maximum amount creditable annually to $2,500 for one dependent and $5,000 for two or more dependents.

TITLE III—ARMED FORCES

Background

The number of women choosing military service as a career option has increased dramatically in recent years. The percentage of women in military service increased one hundred percent—from 1.08% to 7.5%—between 1968 and 1980. In absolute numbers, women in the military increased from 38,000 in 1968 to 150,000 in 1980. By 1985, that number will swell by an additional 80,000 to 11.9% of the military forces.

Guaranteeing equality of economic opportunity is as important in the public sector as in the private sector, and the military is an important segment of public sector employment. Women who volunteer their time in the country's service deserve the same benefits and promotional opportunities as their counterparts. Unfortunately, Federal statutes governing military benefits and promotion have been one of the prime examples of sex discrimination in the U.S. Code.

Reforms signed into law in 1980 isolated and eliminated 80 separate statutory sections of the U.S. Code which denied economic equality to women in military service.

Unfortunately, the bill failed to resolve four important instances of economic discrimination in military service. The Economic Equity Act Addresses these remaining provisions.

Proposal

1. Four sections of the Code specify promotions procedures for Naval and Marine Corps Reserve officers, distinguishing between situations in which "male officers" shall be recommended for promotion and those in which "female officers" shall be recommended. The Economic Equity Act eliminates these distinctions.

2. Current law grants the Secretary of the Navy special authority to eliminate women officers from active duty status in the Naval and Marine Corps Reserve. Separate provisions governing the elimination of women officers has no place in the Code. Women Reserve officers should be eliminated from active status under the same relative conditions that would require the retirement or discharge of a male officer on the active list. The Economic Equity Act eliminates this distinction.

3. Current law establishes special rules for distributing the assets of deceased members of the Air Force and Army. As remarkable as it may seem, present law gives preference, as distributees, to sons over daughters, to fathers over mothers, and to brothers over sisters. The Economic Equity Act removes these preferences by creating a distribution formula based on three classes—children, parents, siblings.

4. The fourth proposal of the Economic Equity Act requires the Secretary of Defense to make an annual report to Congress concerning the status of women in the Armed Forces. This report must include statistics on

a. the number of women serving on active duty and Reserve;

b. the distribution of women by grade;

c. the number of promotions by grade for women;

d. the military specialities held by women;

e. the types of duty assignments given to women.

The report must also include recommendations on actions necessary to eliminate discrimination based on sex in promotion and economic benefits.

TITLE IV—ESTATE TAX ON AGRICULTURAL PROPERTY AND FARM LOANS

Background

The average life span of a woman in America exceeds the life span of a man by nearly eight years. The failure of the Federal Estate Tax to adequately consider this social and biological fact has brought untold hardship to rural women throughout the United States.

A family farm is a special economic unit. It merges the concepts of home and business, and success in each of these aspects is essential to the success of the farm. Unfortunately, the Federal Estate Tax fails to reflect this reality.

The surviving spouse—normally a woman—has to find a way to pay an estate tax levied against the highest commercial use of the land, rather than its actual use. There are exceptions, but to qualify, a spouse must establish that she "materially participated" in the management of the farm. No one who lived on a farm would question the material participation of a farm wife. But under present law, she is often deemed to have no contribution unless she actually managed the farm, or made a financial contribution to it.

This ignores the reality of the "family farm" style. The word "family" is as essential as the word "farm", and labors to yield a stable family are as important as labors to increase the yield of the land.

It is essential to revise the laws and regulations controlling assessment of the Estate Tax to remove the implied bias against a woman's contribution to the farm.

Proposal

1. Present tax law requires that farm property be assessed for taxation at its highest possible use. In other words, farm property is taxed as if it were the location of an office building, a shopping center, housing development, or some similar commercial use. In the Tax Reform Act of 1976, Congress granted limited relief by permitting up to $500,000 in farm property to be taxed at special valuation (i.e., its value as farm land rather than commercial property) if certain stringent conditions were met. But with the rapid increase in land values over the past five years, the benefit of this $500,000 exemption has been rapidly eroding. The Economic Equity Act adopts the principle that land used as farm land should be taxed as farm land. It removes the $500,000 "cap" and taxes all farm land qualifying for special valuation on its actual value as farm land.

2. The "special use valuation" rule has been of previous little help to farm widows because criteria used to determine eligibility grants no credence to the noneconomic contribution of a farm wife. To qualify for special valuation, either the heir and/or the decedent must have "materially participated" in the conduct of the farm for five years prior to the date of the decedent's and continually subsequent the decedent's death, save a three-year grace period. The IRS has defined material participation as, in effect, economic participation. The result? Material participation discriminates entirely against women and senior citizen farmers.

The Economic Equity Act makes several significant changes in the material participation requirement.

First, the bill provides that the material participation requirement need only be met until the date upon which the decedent retires or becomes disabled. Because the present statute refers to material participation during an eight-year period ending on the date of death, the lower estate tax is unavailable for the estate of a decedent who may have materially participated in the farm, but who retired or became disabled more than three years before his or her death. Clearly, present law discriminates against the elderly and disabled farmer. This bill, therefore, looks to the date of retirement or disability, rather than the date of death, for purposes of the material participation test.

Second, the bill provides an "active management" test, rather than a material participation test, with respect to farm or other business real property included in the gross estate if the property had been inherited from a spouse and had qualified for special valuation in that spouse's estate. "Active management" is defined to mean the making of management decisions of a business, other than the daily operating decisions. Often a surviving spouse who did not "materially participate" during the lifetime of the de-

cedent will become involved in the operation of the farm or business after the decedent's death, but may not actually "materially participate" in the business. Currently, the lower estate tax is unavailable for the estate of a surviving spouse who does not materially participate for a period of three years after the decedent's death.

Third, the bill provides that an agent of the qualified heir may engage in the active management of the farm or where the qualified heir was a surviving spouse of the decedent, a minor, a student or is disabled in the case of other property where an agent is employed. This is designed to aleviate perceived problems of surviving spouses and minor or disabled relatives (and relatives of the decedent who are students). Such persons might desire to maintain ownership of the business or farm and continue active management through an agent, but not "materially participate" in the operation of the business.

3. The Economic Equity Act raises the existing $175,000 exemption from estate taxation to $600,000. This would lift the gross of estate taxation from 94 percent of all estates—at a cost of about one-half of one percent of federal revenues.

4. In early 1980, the interest rate on deferred estate tax payments jumped from 6 percent to 12 percent. The impact of this change on families struggling to meet tax payments has been extremely severe, and the net gain to the federal government minimal. The EEA would return the interest rate on deferred payments to the lower of 6 percent or 75 percent of prime. This is consistent with a tax policy designed to encourage continued family farm ownership, rather than discourage it.

TITLE V—NON-DISCRIMINATION IN INSURANCE

Despite progress in combatting sex discrimination in American society over the past decade, significant gaps remain. Perhaps none is so large and pervasive as that discrimination which occurs in the insurance marketplace.

This provision recognizes a national policy which has been appropriately reaffirmed over the past 20 years: That discrimination on the basis of race, color, religion, sex or national origin is unfair and unlawful. In the proposed Non-Discrimination in Insurance Act, which is a part of the Economic Equity Act, that policy is stated. As it should be; for it is fundamentally unfair to stereotype individuals on these bases. Different and unequal treatment of like individuals cannot be tolerated in the employment sector. Neither can it be tolerated in the insurance marketplace.

In the abstract, continuation of discriminatory policies in insurance is discouraging. But in its practical ramifications, it is even more distressing. For in an era in which over 40 percent of the workforce is women—and some 60% of those women work out of economic need—denial of access to insurance at fair rates can have severe economic consequences.

For example, today there are reported to be 7.7 million single-parent families headed by women. These families are wholly dependent on females for financial support. Yet, the availability and scope of insurance for them are minimized and the rates often maximized because of their sex. This policy can effectively prohibit women from achieving the basic insulation from financial loss which is the benefit of insurance.

This is only one example of the effects of a sex-based classification in insurance. Cited here are a few others as they occur in various types of insurance:

In disability, many types of insurance benefits available to men are not available to women. While coverage has improved over the past few years, in some states, disability coverage is not available to women on any terms, at any price. In other states where it is available, its cost is significantly greater.

In health, waiting periods are usually much longer for women, and benefit periods shorter. According to a report on sex discrimination in insurance prepared by the Women's Equity Action League, it is not uncommon to find that, despite higher premiums paid by women, the benefits they receive are much lower. Pregnancy coverage, despite its centrality to women's insurance needs, is often unavailable.

In life insurance, coverage for women is often limited in scope and availability. Certain options, commonly available to men, have been restricted to women.

The same justification for differential rates can be made for discrimination against blacks because white persons as a group have a longer life expectancy than black persons as a group. However, such discrimination is now, and should be, totally rejected.

It must be understood that there is no objection to basing a life insurance policy on longevity. However, if sex is the only criterion used to determine longevity, it is clearly unfair and relatively unreliable. Instead of merging sex with all the other criteria effecting life expectancy, the industry has chosen to concentrate exclusively on it. The industry has virtually ignored other, more accurate classification criteria, such as smoking habits, family health history, physical condition, recreational and occupational activities.

Recent investigations have demonstrated that some employer-sponsored life insurance charged women more for pension coverage on the assumption they would live longer, but charged them as much as men for life insurance. They thus ignored sex differences when they would have helped women. According to a study completed by Dr. Charles Laycock, a University of Chicago law professor, some companies make a smaller allowance for sex differences in life insurance, where the difference helps women, than in annuities, where the difference helps men.

Two years ago the Supreme Court, in the so-called Manhart decision, ruled it unlawful to treat "individuals as simply components of a racial, religious, sexual or national class". While this ruling applies only to employer-operated insurance plans, the proposed bill expands the prohibition to private and individual plans, as well.

The insurance industry has claimed that some 19 states have already adopted a model regulation of the National Association of Insurance Commissioners which supposedly accomplishes the same objective as this legislation. Thus, the need for Federal legislation is eliminated, according to the industry.

However, this model regulation does not touch on the aspects of disparate rates and benefits—merely availability and scope. And even this incomplete regulation was watered-down further by several of the 19 states which eventually adopted it. If it is discovered that the states are indeed doing their jobs with respect to offering fair and just insurance policies and rates, and enforcing such, I would have no hesitancy to withdraw my support for this legislation. The bill is designed to encourage the states to adopt nondiscriminatory policies.

It is important to stress here that the Nondiscrimination in Insurance Act will in no way remove authority from the states to regulate the insurance industry. No federal mechanism for administration or enforcement is established, and not one bureaucrat would spring into being as a result of this bill.

Classification by sex is clearly not a business necessity, as some parts of the insurance industry would have us believe. It was adopted by the industry only 30 years ago as a *convenient*, though incomplete, method of classifying risks. While it may require minor cost adjustments in some policies and practices, such an argument cannot be used as a defense for discrimination.

Again, researchers have helped dispel a myth commonly touted by the insurance industry; that if sex differences are ignored, one sex will subsidize the other, the subsidizing sex will quit buying insurance, throwing off the necessary balance in insurance pools. If that were true, according to Professor Laycock, we would have encountered the same problems with respect to all the other groups for which the insurance industry does not compute separate actuarial tables.

We have discussed previously the differential in longevity statistics between blacks and whites. But whites have not quit buying life insurance. Rich people live longer than poor people, but rich people have not quit buying life insurance. The difference in life expectancy between highly and poorly educated women is greater than the difference between the sexes, but educated women have not quit buying life insurance. The difference in life expectancy between married and single men is greater than the difference between the sexes, but married men have not quit buying life insurance.

These and other examples demonstrate that differences in group averaged of this magnitude do not cause many members of the lower risk group to go uninsured, and no unmanageable problems result. Where unisex automobile insurance is used, as it has been in three states, it has worked; no unmanageable problems result, and rate changes between the sexes have been insignificant.

I am hopeful that it will not require the pressure of the Courts, of civil rights and women's groups, and of public opinion to convince the insurance industry to treat its policyholders without discrimination on the basis of sex. Support of a significant number and type of groups representing the public, including the American Association of University Women, the AFL–CIO, the National Federation of Business and Professional Women, as well as the Leadership Conference on Civil Rights, are supportive of this legislation. I will use that support to help assure that a policy adopted by Congress some 16 years ago will also be applied in the insurance marketplace.

TITLE VI—REGULATORY REFORM

Proposal

To require the head of each federal administrative agency to conduct a review of agency regulations, to rewrite those which make sex-based distinctions so that they are sex neutral, and to refrain from promulgating future regulations which contain distinctions reflecting unequal treatment of men and women.

This section would codify a Presidential directive of August 26, 1977, requiring all executive departments and agencies to identify "regulations, guidelines, programs, and policies which result in unequal treatment based on sex and to develop proposals to change any laws, regulations and policies which discriminate on the basis of sex." Compliance with the directive has been uneven, but many agencies have made impressive gains.

The Justice Department Task Force on Sex Discrimination has made a comprehensive review of the Federal Code, and isolated several hundred regulations containing meaningful gender-based distinctions.

The Economic Equity Act gives the Presidential directive the force of law. It provides a permanent mandate to agencies, and requires administrators to use the regulatory process to reform discriminatory regulations within their purview. It will significantly strengthen the hand of the Justice Department in carrying out its oversight function.

TITLE VII—STUDY OF ENFORCEMENT OF ALIMONY AND CHILD SUPPORT PAYMENTS

Background

There are no reliable statistics on the number of women unable to collect the child support or alimony rights they received in dissolution of marriage. But pilot studies from 1979 suggest that child support payments remain uncollected in a staggering 22 percent of all divorces.

For tens of thousands of divorced women, particularly those with young children, the alternative to alimony and child support is welfare.

Varying state laws, and the problems involved in pursuing a defaulting spouse across state and jurisdictional lines are at the heart of the problem.

Proposal

To direct the Department of Justice to undertake a study of the problems created by varying state laws in the enforcement of child support, alimony and property settlement decrees.

The Department is directed to define the scope of the problem, analyze the issues it presents, and make policy recommendations.

Mrs. KASSEBAUM. Mr. President, I am extremely pleased to add my name to the Women's Economic Equity Act of 1981. This measure is designed to correct a number of features of current law which work to the detriment of women. Over the years, Congress has made substantial progress toward eliminating provisions of the law which overtly discriminate against women, and this measure contributes to this ongoing effort. More importantly, this bill addresses provisions of the law which have the practical effect of treating women inequitably. We are only now beginning to realize that many laws which are gender neutral on their face have, in fact, a disproportionate impact on women.

In most cases, these laws are based on assumptions which—in a growing number of instances—do not hold true today. Unfortunately, legislative modifications to reflect changing circumstances are often slow in the making. The Women's Economic Equity Act constitutes an important step toward updating outmoded provisions of the law as they pertain to women.

For example, our perceptions about the role of women in our economic life have undergone significant change. In large part, this change is due to increasing female participation in the paid labor force. However, we are beginning to acknowledge that unpaid work in the home and community also has substantial economic value.

In addition, we are finding that the rapid increase in the divorce rate over the recent past has a decidedly negative economic impact on women. This trend has significant public policy implications not only with respect to the plight of older divorced women who have spent their adult years as homemakers, but also with respect to younger women who generally receive custody over minor children. As a rule, child support payments are quite small and even nonexistent in a substantial percentage of cases. A parallel trend, explained in part by the increase in the incidence of divorce, is the growth in the number of female-headed households. Between 1970 and 1977, the number of such households increased by 35 percent. In 1977, households headed by women constituted approximately 47 percent of all poor families.

We are also beginning to recognize that the financial problems associated with aging are very much the problems of women. The U.S. population as a whole is growing older, with the most rapid growth occurring among women in the 65 or older age group. We must begin now to prepare for the challenges which will be presented by demographic changes projected at the turn of the century. Already we face a situation where older women as a group are among the very poorest in our society.

Taking all these factors into consideration, the economic focus of this legislation is both appropriate and timely. This measure represents an important step toward making our laws more sensitive and responsive to the needs and concerns of women. Senator DURENBERGER has already discussed the major provisions of this legislation, and I do not want to be repetitive. However, I would like to highlight a couple of the thrusts of the measure in which I have a particular interest.

First, this bill contains several provisions designed to improve retirement income and pension coverage of women. Both working women and homemakers experience a number of problems in making adequate provision for retirement. Obviously, there are a number of reasons these difficulties exist, not all of which can be addressed by a single piece of legislation. However, by expanding instances in which women may build pension and retirement credits and by offering additional protection to surviving and divorced spouses, this measure begins the process of change. In my view, it is essential that we start now to reform our retirement income systems in a way which will assure that younger women will not be faced in their later years with the economic hardships now experienced by many older women.

Another general concern addressed by this legislation is the impact of Federal estate tax policies on older women. Last month, I chaired a hearing of the Senate Special Committee on Aging which examined this issue. The theme which recurred throughout all of the testimony presented was the fact that the farm woman faces a nearly impossible task in "proving" that her work has been of any value at all to the operation. As a result, many farm women are forced to sell all or a portion of their farm property simply to pay estate taxes. Women who inherit small family businesses experience similar difficulties. Clearly, our current estate tax policies are not good for women, and they are not good for America's family farm and small business enterprises.

I have introduced separate legislation to address this and other concerns I have with respect to estate taxes. There is obviously a great deal of interest in correcting current inequities in this area, and I am optimistic that we can develop a workable solution as further attention is given to the various approaches which have been suggested.

In closing, I want to commend Senator DURENBERGER for his efforts in designing this legislation. I am extremely supportive of the goals of this measure and look forward to participating in the process of refining and expanding the options presented. In addition to providing the impetus for positive and practical changes in current laws, this legislation will also serve to generate thinking about other ways in which its goals might be furthered.

● Mr. HATFIELD. Mr. President, clearly, in economically difficult times, it is often the woman—as homemaker or employee, widow or divorcee—who suffers most.

Even now, in the most developed country in the world: American women, 53 percent of the population, still are not the equals of men before the law.

Women earn only 59 percent of what men earn. Of the 441 occupations listed by the U.S. Census Bureau, women are concentrated primarily in the 20 lowest-paid job classifications.

The economic plight of today's American woman is even greater than it was a few decades ago. In the last 50 years, the number of families headed by women has tripled. Almost 1 family in 3 is headed by a woman, compared to about 1 in 18 headed by a man.

One out of three of these families which depend on women for their sole source of support, live below the poverty line. This figure compares to 1 out of 19 husband-wife families, and 1 out of 9 maintained solely by men. In fact, according to a study by the National Advisory Council on Economic Opportunity:

All other things being equal, if the proportion of the poor who are in female-headed families were to increase at the same rate as it did from 1967 to 1977, they would comprise 100 percent of the poverty population by about the year 2000.

Today, women are 42 percent of the labor force, yet they comprise over 66 percent of the people living in poverty.

Older women, the fastest growing poverty group in America, suffer under inequitable social security and pension laws.

Despite their tremendous contribution to home and family, homemakers have no legal or economic status, and little or no protection upon retirement or disability. In many States, and in the Federal Government, laws on support, poverty, pensions, divorce, and/or inheritance discriminate against the homemaker.

In order to help remedy these inequities, I have introduced, along with Senators DURENBERGER and PACKWOOD, a package of legislation entitled The Economic Equity Act of 1981.

According to recent testimony before the Senate Labor and Human Resources Committee by Wider Opportunities for Women:

The economic status of women after marital dissolution, the continuing patterns of sex discrimination which keep women in poorly paid dead-end occupations, the pattern of discriminatory hiring practices, the lack of commitment by education and training systems to eliminate sex discrimination in the preparation of women for work, and the "dual career" needs women must try to meet are the barriers which make and keep women poor.

It is not surprising then, that despite the fact that the percentage of those living in poverty has declined since 1960, from 35 percent to 25 percent, women and minorities were virtually unaffected by gains in jobs and earnings, according to U.S. Department of Labor statistics.

The Economic Equity Act of 1981 proposes reforms in pension and tax policy, in insurance and Government regulations, which will help eliminate unequal treatment in the economic arena. This is legislation which does not impose greater Government control, nor increase significantly the cost to taxpayers, but rather helps to remedy discriminatory laws which perpetuate economic disadvantage to women in our society.

I would like to commend my colleague from Minnesota for his initiative with respect to the Economic Equity Act. Bringing together numerous legislative proposals within a single bill underscores the economic plight of women in a way that will help assure it gains the attention it deserves.

There are two particular areas within the act where I believe reforms in existing law are critical: Public and private pensions, and insurance.

It is no secret to the older woman that she is now a member of the fastest growing poverty group in America. In fact, some 81 percent of women over 65 not residing with relatives live below the poverty line. Inequities in pension laws are part of the reason for that dismal statistic.

Federal law now denies women divorced from civil service and military employees a share of their former husband's pension or survivor's benefits. These divorced women are often left penniless after devoting years to the role of wife and homemaker.

This provision permits a divorced spouse, married 10 years or more, to receive a portion of the retirement and survivor's benefit earned during the marriage, subject to court review.

Congresswoman SCHROEDER and I guided into law a similar provision as it applies to former spouses of the Foreign Service. I am confident that this provision, too, will be enacted, which recognizes marriage as an economic partnership.

With respect to private pensions, Mr. President, several reforms are included in the act. Among them is the right of widows whose spouses die before retirement to receive benefits that had been vested. Under existing law, if an employee dies before retirement, all funds paid into the pension system are lost, leaving the widow with nothing.

Another provision of the Economic Equity Act would outlaw discrimination in insurance on the basis of sex. This provision extends to all other forms of insurance a recent Supreme Court decision prohibiting gender as a legitimate factor in employment-related policies.

Studies have found that in disability coverage, for example, many types of benefits available to men are not available to women. In health insurance, waiting periods are usually much longer for women, and benefit periods shorter. For many women as single heads of households, insurance is no longer a luxury but a necessity.

My able colleague, Senator PACKWOOD, as chairman of the Commerce Committee, will play a critical role in this legislation. I look forward to working together with him on this issue.

It is indeed discouraging that the economic plight of women in 1981 is even more serious than it was a few decades ago. It is time we ended this needless suffering under the weight of inequitable laws. I believe passage of the Economic Equity Act is the first step in that direction.

Mr. President, I ask that the description of the pension and insurance portions of this legislation be included here.●

● Mr. PACKWOOD. Mr. President, I am pleased to be introducing today, with Senators DURENBERGER and HATFIELD, the Economic Equity Act of 1981.

This bill was assembled with the advice and assistance of a variety of interest groups: League of Women Voters, National Federation of Business and Professional Women, Women's Equity Action League, American Association of University Women, National Women's Political Caucus, Older Women's League, Displaced Homemakers Network, National Council of Jewish Women, National Council of Negro Women, National Education Association, National Hook Up of Black Women, Inc., Working Women, and several others.

The Economic Equity Act of 1981 addresses 11 areas of importance to women in this country today.

The list is not inclusive. This is not a wish list of all the changes we would like to make. The issues we have chosen to include in the Economic Equity Act are, however, inequities which should be corrected today.

There are more than 44 million American women active in the labor force. One out of seven families in America today is headed by a woman. More than half the children under 18 years of age have mothers in the labor force.

Yet these women, working to provide support and stability for their families, working to provide income vital for the survival of their families, face severe economic discrimination.

The median income women who work full time is about 59 percent that of men in similar categories.

Women continue to be concentrated in traditional female occupations. More than half of all working women are clustered in only two occupational groups: Clerical workers and service workers.

Women do not receive equal treatment under our current pension laws. We propose to change that.

Women heads of households are treated inequitably under our current tax laws. We propose to change that.

Displaced homemakers—more than 3 million nationwide—can find no jobs, are left without income, without marketable skills. The Economic Equity Act proposes a tax credit to encourage employment of these individuals.

Working women with young children cry out for more, and better, day-care facilities. They need financial help to offset the enormous costs of day care relative to their salaries. The Economic Equity Act proposes to include day care as an employer-provided fringe benefit, like other benefits such as health insurance, life insurance, and legal insurance.

Women who choose to remain at home, with no outside income, have no mechanism under current law to provide for their own retirement. Many women are left homeless and pensionless at retirement age. We propose to allow those women to establish their own individual retirement accounts.

Mr. President, the issues we address in the Durenberger-Packwood-Hatfield Economic Equity Act are the tip of the iceberg. All we ask for in this legislation is that women be allowed the same opportunities under the law that men now enjoy.●

● Mr. MOYNIHAN. Mr. President, perhaps no social change of the past generation has been more dramatic or will have more profound consequences than the increased participation of women in economic life. The data are impressive indeed. Today, over 44 million women are part of the work force, nearly double the number of working women only 20 years ago. Almost 9 million women provide the sole means of financial support for their families. Three out of every five married couples are now two-earner households. And 35 percent of these two-earner families would have incomes below $15,000 if the wife quit her job.

Federal law, however, has not kept apace of this important change. Instead, they are pervaded by biases that reflect the social mores and assumptions of a time when women were less than equal participants in the work force. Simply put, these laws are inequitable and untenable. It is thus, with a great deal of pride, that I rise to cosponsor the Economic Equity Act of 1981, legislation that does much to restore fairness and equality to our laws.

The Economic Equity Act makes a number of specific changes that eliminate statutory discrimination against women. It changes pension laws so that women can plan their retirement as soon as they begin to work. It changes estate tax law so that the unique position of farm widows is recognized, and it raises the exemption from estate taxes from the current $175,000 to $600,000. The act makes day care more affordable by increasing the refundable child care tax credit from 20 percent to 60 percent. By extending the targeted jobs credit to displaced homemakers, this act improves the employment possibilities for women who have been out of the work force for some time. And the act takes steps to end the unfair gender-based distinctions that continue to afflict Federal regulations.

This is an important but modest bill. It does not, for example, address the structural problems in the job market that result in continued concentration of women in low-paying pink-collar jobs. It works no massive changes in law or society. Instead, the Economic Equity Act makes small changes that are long past due, and it will take us far down the road to insuring equal treatment for women. It should be passed quickly.●

● Mr. HEINZ. Mr. President, I am pleased to join today my distinguished colleagues Mr. DURENBERGER, Mr. PACKWOOD, Mr.

HATFIELD, and others in introducing the Economic Equity Act of 1981. This bill addresses a broad spectrum of economic and social issues, recognizing that congressional action is necessary to correct current statutory and regulatory deficiencies in the treatment of women and men. I wish to stress that the Economic Equity Act is important to all Americans. The language of the bill, while targeted to remove obstacles which impede progress toward economic equality for many women, is gender neutral to allow men who suffer from untenable classifications based on sex to benefit from its provisions as well.

Mr. President, many current laws and regulations contain features that discriminate against women—employed women, women who stay out of the work force to raise families, single heads of households, and older women. The Economic Equity Act embodies the fundamental principle of equality for all under the law. The bill also recognizes that progress should and can be made in areas uniquely within the jurisdiction of this body, and I urge my colleagues to seriously examine this legislation.

Mr. President, because of the scope of the Economic Equity Act, I would like to take a moment to single out some of the provisions of particular importance.

As chairman of the Senate Special Committee on Aging, I am especially aware of inequities in the law which undermine the retirement security of women. More than 60 percent of Americans over 65 are women. Of these, 66 percent are living alone. Furthermore, by the year 2020 the swelling senior population will be even more heavily weighted toward women—especially widowed women. This legislation encompasses retirement protection for homemakers, working women and wives, and survivors of working spouses. Focusing on the special needs of women seeking to provide a dependable and adequate retirement income for themselves, this bill would modify current law to overcome barriers to pension savings during working years. These important retirement issues require a more detailed exposition.

ERISA

The Employee Retirement Income Security Act (ERISA) sets requirements for employers who offer pension plans to their employees. However, ERISA provisions do not recognize several major women in the work force.

EARLIER PENSION PARTICIPATION

Women enter the work force at an earlier age than men; the highest labor force participation rate for women occurs in the age bracket 20–24—68.3 percent in 1978, expected to rise to 76.8 percent in 1985. Current ERISA provisions do not guarantee women the right to participate in pension coverage at the ages when they are most active economically. More importantly, even those women with long term employment in large corporations build up less pension credit than male colleagues because women tend to work in lower paying jobs. Both of these facts underscore the need to amend ERISA to permit earlier pension plan participation. This bill would lower the mandated participation age to 21, or, for those over 20, after 1 year of service.

PREGNANCY BREAKS IN SERVICE

Working women often leave employment to raise a family or fulfill traditional family responsibilities. Such breaks in service limit the total pension credit that a woman earns, and may even cause her to lose all previously earned vesting credit. This legislation would create a "pregnancy break in employment" rule similar to that available to employees who must leave their jobs to enter the armed services. When women return to the same employer, they would retain all previous credit earned for the 10 year time period needed to acquire the legal, nonforfeitable right to receive a pension.

SURVIVOR PROTECTION

ERISA does not require that employers offer survivors' benefits to employees until after the employee retires. Surviving spouses are therefore deprived of benefits through simple oversight when their husbands do not include survivor provisions after their retirement. This legislation would simply mandate that employers provide survivors' protection before retirement. In the same vein, pension benefits are currently terminable at the option of the pensioner alone. This bill would permit termination only with the consent of the spouse.

PENSIONS AS MARITAL PROPERTY

In the event of divorce, the husband's pension entitlement remains his alone unless the pension is apportioned by judicial decree. Pensions are not considered to be a part of the marital estate. Since ERISA pension benefits are paid from deferred earnings, and earnings are a part of the joint property of the couple, this bill would require that courts recognize the principle that pension benefits are presumptively a part of the marital estate.

ARMED AND CIVIL SERVICES

Given that a sizable minority of women would not be covered under the preceding provisions relating to ERISA pensions because their spouses are employed in the military or civil services, this legislation would apply relevant provisions proposed for ERISA to military and civil service retirees and their spouses.

INDIVIDUAL RETIREMENT ACCOUNTS

Individual retirement accounts (IRA's) are available to persons not covered by emplover pension plans. Because most nonunionized workers are not covered by employer pension plans, and most women workers are not members of unions, the Economic Equity Act proposes to provide more adequate retirement income for these individuals.

HIGHER CONTRIBUTIONS

The current IRA schedules which allow a percentage of IRA contributions to be deducted from the individual's income tax are inadequate basis for encouraging the funding of an adequate pension. In addition, current law penalizes married couples where only one spouse has compensation income. This bill would raise the current dollar amounts for the deduction, while permitting single-earner couples to count their individual contributions to their IRA on the basis of the single earner's salary.

ALIMONY

Another problem has been that alimony does not fall within the definition of compensation income for purposes of the individual reitrement account deduction. Divorced women are thus denied an apportunity to provide for their own retirement security when their income consists chiefly of alimony payments. The Economic Equity Act would include alimony as compensation income so that divorced women may take advantage of the IRA deduction to set aside savings for their old age.

Mr. President, I would like to turn now from retirement issues to other equally important areas addressed by the Economic Equity Act. In the following section, I will outline the predicaments of several specific groups of women, and the solutions proposed by this legislation to those groups' particular dilemmas.

WORKING MOTHERS

Congress has been cognizant of the growing numbers of lower-income mothers who, because of difficult economic circumstances feel compelled to enter the work force. However, legislation enacted in the past by this body to provide a tax credit for dependent care is simply ineffective.

The dependent care tax credit was instituted to serve two purposes: First, helping lower income working parents afford the child care expenses they incur while trying to maintain a minimal standard of living for their families; and second, recognizing child care as a business expense necessary for earning income. To date, however, the tax benefits have greatly favored those families using the credit as a business credit over those using it as a means of affording child care.

Several simple statistics illustrate the fact that this situation must be remedied. In 1978, 83 percent of the tax benefits went to families earning over $12,000, the threshold for the Bureau of Labor Statistics' lower family budget. However, 63 percent of the 8.5 million female heads of husehold have children under 18; and, 30.1 million children under 18 have mothers who work.

The current tax credit has two major flaws. First, the alloted percentage of costs credited is not adequate to meet child care costs for many low-income families. Second, poorer heads of households lack ready cash, and cannot await the end of the year to receive the available credit to pay for their dependent care costs.

The Economic Equity Act would institute a sliding scale approach to the amount of credit available to each family. A greater percentage of costs would be credited to lower income families than to higher income families, and lowest income families would have the credit payable immediately from their Federal withholding tax. The sliding scale approach would extend the benefits of the tax credit to more families. In addition, more private sector day care providers should become available to meet the numerous options sought by families in need of child care.

DISPLACED HOMEMAKERS

A disadvantaged group of particular concern are displaced homemakers—

those women who, after productive years as homemakers, enter the labor market without particular skills or prior employment history. This legislation would include the over 3 million displaced homemakers within the targeted groups covered by the targeted jobs tax credit, so that employers would be compensated for hiring and training this group of women.

RURAL WOMEN

Rural women, whose struggles to maintain the integrity of their family farms following the death of their spouse are frequently defeated by excess taxation or biased credit preferences, would also be assisted by this bill. Briefly, this legislation would amend the Federal estate and gift tax to recognize the special contributions of farm wives to the management of the agricultural property. It would also amend current law to eliminate credit preferences based on marital status while retaining a system based on the number of dependents.

Mr. President, I would like to congratulate Senator DURENBERGER, Senator PACKWOOD, Senator HATFIELD, and their staffs for their insightful and comprehensive work on this bill. I commend them for adopting this approach—one which seeks to eliminate inequities through careful and critical changes in current provisions of the United States Code and Federal Agency Regulations. I am proud to join today in the introduction of the Economic Equity Act of 1981, which marks one more important step toward our goal of equality for all. I am confident that my distinguished colleagues will give all due and serious consideration to this vitally important legislation.

Thank you.●

By Mr. LONG (for himself, Mr. ROTH, Mr. BENTSEN, and Mr. WALLOP):

S. 889. A bill to amend the Internal Revenue Code of 1954 to reduce the capital gains tax on the sale of certain interests in qualified small corporations; to the Committee on Finance.

AMERICAN INNOVATION AND EMPLOYEE STOCK OWNERSHIP ACT OF 1981

Mr. LONG. Mr. President, it gives me great pleasure today to join my distinguished colleagues from Delaware, Texas and Wyoming in introducing a proposal to change our tax laws—a change that will, we believe, encourage increased investment, innovation, and productivity. What we are proposing is that the current capital gains tax for individuals and corporations be reduced by 50 percent in the case of investments in small businesses that are partly owned by their employees and that fulfill a basic research and development expenditure requirement.

The basic long-term capital gains tax deduction recognizes the importance of encouraging investment. The increase of the deduction to 60 percent in the Revenue Act of 1978 has proven successful in increasing the availability of investment capital. But the current deduction has not, we believe, proven sufficient to encourage the amount of investment that we believe necessary to promote new, innovative companies.

Under our proposal, the deduction for individuals would be increased to 80 percent, leaving 20 percent to be taxed as ordinary income. For corporations, the alternative tax would be reduced from 28 percent to 14 percent. To qualify for this special capital gains treatment, the investment would be required to be in a small company that has shared a portion of its stock ownership with its employees. In addition, the corporation must have expended an average of 2.5 percent of its gross revenues on research and development expenditures for the 3 prior taxable years, or for the taxable year during which it has been operating if the corporation is less than 3 years old.

It would be to everyone's advantage for our tax laws to encourage investment in small, innovative companies. These companies have been shown to be the most innovative and job-creating sector of the economy. For example, a much-cited National Science Foundation study found that small firms are 24 times more innovative per research dollar than firms employing 10,000 or more employees. In a related finding, the Commerce Department reports that innovation accounted for 45 percent of economic growth in the United States from 1929 to 1969. In addition, a 1979 study from the Massachusetts Institute of Technology found that firms with under 500 employees generated 86.7 percent of all new jobs in the United States.

The creation of new businesses is vital to the economy. New firms not only provide most of the growth in the Nation's employment level, they also provide new blood to the business world—new ideas that may ultimately grow into new industries. The encouragement of new ideas and new companies is important if we are to provide a sound base for general economic expansion and job creation.

However, new companies are presently starved for investment capital. Entrepreneurs find the acquisition of capital the principal hurdle they must overcome in starting a business. A recent survey by the National Federation of Independent Business found that a lack of capital is the principal problem now faced by new companies. Traditional lending institutions are generally wary of such companies. Loans to such firms are risky. The size of such loans, compared with the cost of processing and administration, makes them relatively unattractive. Entrepreneurs generally must turn to other sources for startup financing.

We feel that our proposal would address this problem while also helping to accomplish several closely related objectives. By providing a tax incentive to the investor, this bill would make it easier for individuals who have innovative ideas to obtain venture capital for new enterprises.

It is important to the encouragement of new businesses that the incentive be directed to investors rather than to the company itself. This is due to the simple fact that small, new companies are not very responsive to tax incentives. If a business has a small, or zero, tax liability—as is often the case for new enterprises—otherwise seemingly attractive allowances and credits have little effect. But if an investor in a new company can qualify for a lesser rate of tax on his or her capital gain, then it becomes more attractive for such an individual to put money into such companies, despite the higher risks generally associated with them.

Thus, this bill provides a mechanism whereby a new firm or an ongoing relatively small firm, can attract investment capital to enable it to reach a position where it can attract more cautious, institutional sources of financing. In effect, these incentives should help to get new businesses "off the ground."

In addition, this bill would stimulate badly needed research and development. It would also increase interest in employee stock ownership by requiring a substantial degree of employee stock ownership as a condition for the investor's gain to qualify for favorable capital gains treatment. Thus, a company will be better able to attract and retain qualified, motivated employees—another essential ingredient in the launching of a new enterprise. Providing employees "a piece of the action" should help stimulate employee interest and productivity at a key point in a new company's existence while also providing employees with an opportunity to acquire stock at the outset of their employer's existence.

To qualify as a small business, a company must meet at least two of the following three requirements: Total gross revenues of not more than $30 million; net worth of not more than $15 million; no more than 1,000 full-time employees.

To qualify under the employee ownership criterion, 25 percent or more of the nonmanagement employees of the business must own an amount of shares equal to at least 15 percent of the total outstanding shares of the company. Nonmanagement personnel are all employees other than officers and members of the board of directors of the company. This provision insures that lower-level managerial and support staff as well as hourly employees will share in ownership of the company. A corporation is considered to have met the employee ownership criteria if the requirements are met within 18 months following the investor's acquisition of the securities.

Under our proposal, employee ownership can be achieved in any of a number of ways. An employee stock ownership plan (ESOP) is one obvious method; but stock could, for example, be distributed by giving shares as bonuses or selling stock to employees at discounted prices.

Mr. President, this bill has three important characteristics that we would like to briefly explain. First, because of the sequence of the revenue flow of a new company, the bill will result in a net positive flow of funds to the Treasury. When an investor or a group of investors first invest in a company, they generally do so with the expectation that they will not be able to sell a portion of their shares in the company for several years. During this period, of course, the company has hired personnel, invested in plant and equipment and research and development, and undertaken other activities that generate tax revenues.

This economic activity must, of course, take place before any of the original in-

vestors can sell their shares at a profit, realize capital gain, and take advantage of this special tax treatment. In the interim, a chain of new economic activity has occurred which will contribute to the generation of additional tax revenues. Thus, this bill should result in a net revenue gain to the Treasury.

Second, the provision we are proposing addresses the problems of productivity and employee stock ownership in a new way. For a new company, its most critical phase is its first several years. It is during this crucial time that a company needs all the skills, creativity, ingenuity, and energy that its employees and management can muster. Productivity and innovation are the result of a team effort, with employees and management working together to make the company successful. Employee stock ownership can be a crucial key to creating such dedication and motivation at this early stage in a company's existence.

In terms of motivation, the merit of employee stock ownership can be easily summarized: ownership counts. It can summon up a common determination to succeed. It creates a climate wherein a unity of interest and incentive can emerge. If a company succeeds, its success is widely shared, and its eventual success or failure is placed in the hands of those upon whom its success or failure will largely depend.

This bill should help fill a void. It creates a strong, new incentive for a company to share ownership among its empoyees at a point when employee motivation is most critical to the company's success. And by enabling employees to acquire stock at the outset of the company's existence, employees will be well positioned to realize the maximum appreciation in the value of the stock in the company.

Third, the bill approaches the goal of employee stock ownership in a new way. Previous efforts to encourage employee stock ownership have focused primarily on ESOPs. ESOPs are a technique of corporate finance intended to encourage companies to finance their growth—or transfers in ownership—so as to share ownership with the employee group. This proposal, however, provides an incentive for investors and management to share stock ownership in any number of ways including ESOPs.

By creating favorable capital gains treatment for the sale of stock in companies in which ownership has been shared with the employees, investors have a strong incentive to dilute their ownership interest by setting aside a block of shares for employees.

It may be useful to give an example of the effect of our proposal in practice. In the typical situation, an innovator with no record of business experience cannot secure conventional lending and, thus, must turn to a group of investors. If the group invests, they may do so in exchange for as much as 75 to 85 percent of the shares in the company. Typically, the innovator will retain 15 to 25 percent ownership. The favorable tax treatment provided by this bill will encourage the investor group to set aside another 15 percent or more for employees. When the company has hired employees, these shares could be offered to the employees—for example, at concessional prices—or such shares could be acquired on the employees' behalf via an ESOP.

Having now obtained investment capital, the innovator proceeds to hire employees, invest in plant machinery, and market the product or service. By the third or fourth year of business, the company generally has begun to make a profit and pay taxes. At this point, several of the initial investors typically will choose to sell some of their shares—for example, in order to reinvest in other start-up ventures. It is anticipated that these investors may sell these shares—or a portion thereof—to the employees—for example, through an ESOP. In fact, an ESOP may provide a ready in-house market for the stock, thereby enabling an investor to withdraw his funds for use elsewhere while also enabling the employees to acquire an even greater stake in the enterprise they helped to build.

Under our proposal, at that time the investors would be eligible for an 80-percent capital gains deduction. Thus, only 20 percent of their capital gains would be taxed. To be eligible for this treatment, they need only show that at the time of their investment, the company was a qualified small business, that it has distributed its pool of employee shares—within the permissible 18-month period—so that at least 25 percent of the employees own at least 15 percent of the shares and that the R. & D. expenditures requirement has been met.

Mr. President, this is a bill to stimulate American innovation, small business, and employee stock ownership. It says to those creative men and women with new ideas that we want them to try out their ideas in the marketplace. In addition, our proposal says to this crucially important innovative group that the Federal Government will provide you with more favorable tax treatment if you will share your success with those who help you succeed—that is, your employees.

Mr. President, the creation of innovative, new technologies and businesses based on them is at the heart of America's industrial renewal and growth. A principal problem for such new businesses is finding risk capital—investors who are willing to commit their funds to back the realization of new ideas.

This bill goes to the root of these problems, Mr. President, and we commend it to the attention and cosponsorship of our colleagues.

● Mr. ROTH. Mr. President, I am pleased to join my distinguished colleague RUSSELL LONG today to introduce the American Innovation and Employee Stock Ownership Act of 1981.

This measure would reduce in half the caiptal gains tax rate for individuals and corporations for investments in small businesses which are at least partly owned by their employees.

Under present law, 60 percent of a long-term capital gain is exempt from taxation, and the maximum capital gains tax is 28 percent. Under this bill, the exemption for capital gains will be increased to 80 percent, reducing the maximum capital gains tax rate to 14 percent.

Mr. President, the new businessman faces two major problems in creating an organization to make and market his product. The first and most critical problem is capital: where and how to find the capital to invest in his new enterprise. The second is manpower: how to attract able managers an skilled technicians to work for him.

The bill I am cosponsoring today helps solve both these problems. By reducing taxes for investors in firms which are partially employee owned, it permits new firms to attract investment capital, and by encouraging the distribution of share ownership among production employees, it would help new companies attract skilled manpower.

In order to qualify for the bill's special capital gains treatment, the investment must be made in a small business which meets at least two of the following requirements: total gross revenues of not more than $30 million; net worth of not more than $15 million; and no more than 1,000 employees.

In addition, in order to qualify under the employee stock ownership requirements, 25 percent or more of a company's employees must own at least 15 percent of the outstanding shares of the company.

Mr. President, America is in the grip of a productivity crisis. During the 1950's and until 1965, U.S. productivity was growing at about 3 percent a year. But since the beginning of last year, output per hour of work has been falling almost 2 percent a year.

There are many causes. One of them, I believe, is that excessive taxation and regulation make it difficult for new companies to enter the market with new products.

The development and commercialization of new technology in the United States has followed a unique pattern. Studies indicate that while major companies or colleges have been responsible for most of the significant new technological developments, their actual commercialization has been pioneered by new or small independent firms, not by the large inventing firm.

Yet there are many obstacles in the way of the inventor—whether independent or part of a larger firm—as he attempts to strike out on his own.

First, new companies needing only small amounts of capital are often not of interest to venture capitalists who would rather concentrate their resources on a few larger ventures.

Second, partly because of the scarcity of venture capital, such investors typically seeks very high shares of the ownership of new firms as a price for their investment, and typically also seek to liquidate their investment with a profit within a relatively short period—roughly 4 or 5 years.

Third, investors are lured by investments which can offer substantial tax advantages, or which can offer very large or fast return in terms of appreciation or income. Real estate, oil and gas, and other forms of investment particularly in an inflationary environment divert investors from more productive forms of investment, such as financing new businesses.

Fourth, truly massive sources of capi-

tal, the pension funds, do not find new ventures attractive. Because ERISA regulation make trustees personally responsible for bad investments, and because of the "prudent man" rule, pension fund investment is biased toward established enterprises, which are already favored by tax laws. For example, entrepreneurs most frequently rely on personal savings and family equity as the basis for their new venture. But existing enterprises can write off such venture expenses from their taxable sales income.

Finally, the venture capital market is a relatively underdeveloped one. The concept of venture capital in itself is rather new. Because of the punitive tax treatment of capital gains during the mid-seventies, venture capital sources almost dried up. The 1978 reduction in this tax has greatly increased the availability of venture capital. This has led some to conclude that there is now an adequate supply. But this is not the case. Anyone who talks to entrepreneurs seeking to organize companies to market new products will soon learn that there are not enough sources of capital willing to take risks on new ventures.

Mr. President, I believe that we can and must contribute to the reindustrialization of America by creating a new climate for saving, investing, and risk taking. This cannot be done by increasing Government's role. It can only be done by reducing the cost of Government by eliminating unnecessary regulation, and by reducing taxes in order to stimulate creative economic activity.

The legislation I am sponsoring today will encourage the investments needed to stimulate the innovation and productivity this country needs to revitalize America.

However, although I am introducing this measure today, I do not intend to pursue it until the President's tax proposals are acted upon by the Congress. Our first job, our first order of business, must be to expedite passage of the President's across-the-board 10-percent tax cut proposal for the working men and women of this country. This proposal is focused exclusively on moving the economy ahead in the long run.

And so I have agreed with my distinguished colleague, Senator LONG, not to offer the measure we are introducing today as an amendment to the President's tax package. Rather, we shall wait until the President introduces his second tax bill later this year as he has pledged to do.●

Mr. BENTSEN. Mr. President, it gives me great pleasure to join my distinguished colleagues in introducing legislation that would stimulate the formation of innovative new business ventures and employee ownership.

It has been amply demonstrated that most major innovations have stemmed from small companies—that new, smaller companies formed to exploit an innovative new product or process are a key to our Nation's economic vitality.

A report on research and innovation prepared as part of the Joint Economic Committee's special study on economic change found that—

> Small firms (with less than 1,000 employees) were responsible for almost one-half of the most significant new industrial products and processes during the period 1952–73.

The study, concluded under my chairmanship of the committee, found that—

> Businesses with less than 100 employees contributed almost one-quarter of the innovations and that small firms produced four times as many innovations for each dollar invested in R. & D. as did medium-sized firms and 24 times as many innovations per R. & D. dollar as large firms employing more than 10,000 employees.

The importance of the smaller companies is underscored by the 1977 report of the Office of Management and Budget which concludes that "while companies with fewer than 1,000 employees received only 8 percent of the Federal R. & D. dollar, those companies were responsible for about 50 percent of the major technical innovations over a 20-year period."

Thus I suggest that the question that is posed for Federal policy is how to stimulate the formation of these innovative smaller firms—those with the greatest innovation and R. & D. "productivity?" What tax law changes should be made to create a climate in which innovators and entrepreneurs can more easily actualize their inventions and ideas in the marketplace?

New companies, particularly companies based on technological innovations, and particularly such companies centered in the new high-tech growth areas such as Silicon Valley in California, and in my own State of Texas, have two essential requirements at the point of startup. First, they must attract investment capital, second they must attract skilled management and production employees.

The bill I and my colleagues are introducing today would help a new company achieve both objectives. The long-term availability of risk capital for investment in innovative new enterprises would be increased through a cut in the capital gains tax for qualifying firms, and employee participation in ownership would be stimulated by requiring a substantial degree of employee stock ownership as a condition for obtaining the favored capital gains tax treatment.

Under the bill, the deduction for individuals would be increased to 80 percent leaving 20 percent taxable as ordinary income. For corporations, the alternative tax would be reduced from 28 percent to 14 percent. To qualify for this treatment the investment would have to be in a small company that had diversified share ownership among its employees, and which can demonstrate a certain level of investment in research and development.

To be considered small a company must have at least two of the following characteristics:

Total gross revenues of not more than $30 million;

Net worth of not more than $15 million; and

Not more than 1,000 employees.

To qualify under the employee ownership criterion, 25 percent or more of the nonmanagement employees of the business must own at least 15 percent of the total shares of the company. We define nonmanagement personnel as all employees other than officers and members of the board of directors of the company.

To qualify under the R. & D. criterion, the company would have to spend an amount equal to 2.5 percent of its gross revenues for the prior 3 years, or if a corporation has not been operating for 3 years, for the years during which it has been operating.

As my colleagues have pointed out, we believe the bill will not have an adverse effect on tax revenues. That is because initially new, technologically innovative companies usually expect an investment duration of 4 to 5 years before being able to sell their shares and realize capital gain. During this period the company in which they invested would have spent a good deal on plant and equipment. R. & D. and wages—all creating new taxable revenue flows.

Mr. President, the new tax legislation taking shape gives up a valuable opportunity to lay the foundation for the innovative growth of our economy during the 1980's and 1990's. We must pursue a course that looks forward to the new technologies, not one that looks back to the preservation of the old. Mr. Peter Sprague, chairman of the National Semiconductor Corp., said when testifying on April 2 to the Ways and Means Committee on behalf of the Alliance for American Innovation, that—

> We are propelled, inevitably, by the application of technological innovations whose importance to the future cannot be exaggerated. Just as the steel industry has supplied the bones and the energy industry the muscle of the 19th and 20th century industrial revolution, so microelectronics and its off-shoots will supply the nervous system and logic of the 21st century revolution.

American ingenuity is not dead. To the contrary, too much government and short-term thinking have taken away many of the incentives to do enough research, to develop new techniques, and to modernize plant and equipment. As much as 40 percent of America's economic growth in the past three decades has been attributed to industrial innovation. We have too much at stake now to ignore the opportunity to stimulate the establishment of creative, new, highly innovative and entreprenerial firms.

By Mr. SCHMITT (for himself, Mr. GRASSLEY, Mr. LAXALT, Mr. SPECTER, Mr. DECONCINI, Mr. HATCH, Mr. SIMPSON, Mr. EAST, Mr. DENTON, Mr. NUNN, Mr. ZORINSKY, Mr. BURDICK, Mr. LUGAR, Mr. STEVENS, Mr. PRESSLER, Mr. KASTEN, Mr. THURMOND, Mr. HARRY F. BYRD, JR., Mr. GARN, Mr. MCCLURE, Mr. TOWER, Mr. GOLDWATER, Mr. HELMS, Mr. ARMSTRONG, Mr. SYMMS, Mr. HAYAKAWA, Mr. HUMPHREY, Mr. WARNER, Mr. JEPSEN, Mr. MATTINGLY, Mr. ABDNOR, Mr. ANDREWS, Mr. NICKLES, Mr. D'AMATO, and Mr. QUAYLE):

S. 890. A bill to amend title 5, United States Code, to improve procedures for the issuance of agency rules; to the Committee on the Judiciary.

REGULATORY REDUCTION AND CONGRESSIONAL CONTROL ACT OF 1981

Mr. SCHMITT. Mr. President, I am pleased to join today with 34 of my col-

leagues in introducing the Regulatory Reduction and Congressional Control Act. I am particularly pleased to have as cosponsors the chairman of the Subcommittee on Agency Administration, Senator GRASSLEY; the chairman of the Subcommittee on Regulatory Reform, Senator LAXALT; and the distinguished chairman of the Judiciary Committee, Senator THURMOND.

The legislation, which I have previously introduced in the 95th and 96th Congress, would establish a 60-day period in which there would be an opportunity for congressional disapproval of proposed agency rules. The bill, however, carefully avoids imposing the excessive burden of mandating the review of all rules. It simply opens up the rulemaking process to appropriate but limited participation by the elected representatives of the people. Regulatory lawmaking, as exercised by the executive branch and independent agencies, must become more responsive to the Congress, particularly when its costs have grown to be so great.

Inflation has finally become recognized as our Nation's No. 1 problem, and the significant contribution that Federal regulation has made to inflation has become well known. The landmark study of Prof. Murray Weidenbaum, formerly of the Center for the Study of American Business at Washington University in St. Louis, and now Chairman of the Council of Economic Advisers, demonstrates that regulatory costs imposed by the Federal Government on the private sector alone amounted to approximately $103 billion for fiscal year 1979. This figure is approximately equal to one-fifth of the Federal budget but is not subject to any systematic procedure of congressional scrutiny. The legislative veto will insure that the Congress has an opportunity to examine costly new rules and to determine whether the expenses they impose, on the public are warranted.

MAJOR PROVISIONS

First, at the time of final publication, proposed rules would be transmitted to each House of Congress for referral to the appropriate standing committee. Whether the committee evaluates the rule or conducts a hearing is entirely discretionary. It is important to note the bill does not require any congressional action whatsoever.

The bill simply provides that proposed regulations will be transmitted to the Congress before going into effect. All regulations will go into effect automatically after 60 calendar days of continuous session unless one House of Congress has adopted a resolution of disapproval.

Second, any Member may introduce a resolution of disapproval with regard to a proposed rule, such a resolution would be referred to the appropriate committee. On those occasions when a committee determines that a proposed rule is inconsistent with law or congressional intent or that a proposed rule represents an excessively costly approach to the problem being addressed, a resolution of disapproval may be reported.

Third, should a committee fail to take any action on a resolution of disapproval after 45 calendar days of continuous session from the date of its introduction, a motion may be made to discharge the committee from further consideration of a resolution if supported by one-fifth of the Members of the House in which it was introduced. Debate on a motion to the House in which it was introduced. Debate on a motion to discharge a committee would be limited to 1 hour, while debate on a resolution of disapproval would be limited to 2 hours.

Fourth, if a resolution of disapproval is passed by one House, it will be sent to the other House of Congress where, if no further action is taken within 30 days, the proposed rule will be disapproved. However, the other House retains the right to reject the resolution of disapproval, in which case the rule will go into effect. This procedure, unlike the strict one-House veto, allows both Houses of Congress to be involved in any action on a proposed rule.

Fifth, rules which may have been in effect for months or years would also be subject to review by the Congress. Passage of a resolution of reconsideration would require an agency to reconsider an existing rule and, within 180 days after passage of such a resolution, repromulgate the rule. This procedure will permit the Congress to target for repromulgation specific rules already on the books. These rules would then be subject to congressional review and possible veto, according to the procedures summarized above.

NEED FOR LEGISLATION

This legislation will provide Congress with a valuable tool for assuring that executive branch and independent agency rules are a true expression of congressional intent.

Let me review for a few moments the reason that this legislation is required. Recent years have witnessed an unprecedented eruption of regulations and regulatory bureaucracies which impact on almost every facet of the lives of the citizenry.

The American citizen, the small businessman, and Government itself are staggering under an increasingly heavy load of regulations. People have a general perception that the regulatory bureaucracy is out of control. There is a mandate to the Congress to do something about reestablishing control of the regulatory process and to reform existing regulations.

The size of this massive burden can be appreciated by recognizing that at the Federal level there are 44 independent regulatory agencies plus 1,240 boards, commissions, et cetera. These organizations employ over 100,000 individuals responsible for controlling the lives of our citizens. The cost to the taxpayers to finance these Federal bureaucracies is equally large, growing from just over $2 billion in 1974 to an estimated $3,500,000,000 in 1977. The total cost to the economy has been estimated to be as much as $200 billion annually when costs to both the public and private sectors are considered.

There is little question that in recent decades Congress has increasingly given up much control over the "making of law" to the regulatory agencies. This loss of constitutional congressional authority has occurred through the passage of legislation that calls for the "promulgation" of rules and regulations that supposedly will cure some social ill. Subsequent congressional oversight over the rules and regulations so "promulgated" has been inconsistent. While there have been a few examples of good congressional oversight, most has been lost in the press of other duties. Thus, the constitutional concept of the separation of powers between the legislative and executive branches of Government has been seriously blurred and compromised.

Mr. President, the concept of returning to the elected representatives of the people the control over governmental decisionmaking has become a familiar one in recent years. Several years ago the Congress passed the Congressional Budget and Impoundment Control Act to reassert its control over the Federal budget process. The legislation which I am introducing today would likewise employ a set of procedures to reestablish congressional control in the area of regulatory rulemaking by executive branch agencies.

It has been contended that with an administration in power that is committed to less regulation, the Congress has little need for increased control over the regulatory apparatus. This is a relatively shortsighted view that overlooks the fundamental conflict between the bureaucracy and the legislative branch concerning the exercise of regulatory authority. The crucial question facing the Congress is which branch of Government will retain ultimate control over the use of authority granted to the Congress by the Constitution; and subsequently, delegated by the Congress to an assortment of Federal agencies and departments. The regulatory policies of this administration or any other have little bearing on this underlying and fundamental question. The legislation I am introducing, however, answers this question emphatically that it is the Congress that will be responsible for the exercise of delegated lawmaking authority.

While the public may be spared 4 or more years of activist regulatory policies under the current administration, there is no guarantee that a future administration will not once again seize on its regulatory authority as a means of imposing nonlegislated policies on the American public. The existence of a congressional veto procedure would insure that this usurpation of congressional authority cannot ever again occur.

Mr. President, there has been a substantial amount of controversy over the question of the constitutionality of the legislative veto. During recent testimony before the House Committee on the Judiciary, I discussed in some detail my views on this issue, and I would ask that this testimony be inserted in the RECORD at the end of my statement.

In my view, the constitutional issue is one that can only be decided by the courts. But until such time as the courts do reach a final determination, I think the Congress can move ahead confidently on this legislation in light of the favorable views expressed by the courts in past legislative veto decisions.

I urge my colleagues to join in supporting this effort to restore congressional accountability for the lawmaking functions that have been delegated away to nonelected officials over the past

several decades. This is what our constituents are asking for when they plead for relief from excessive regulation. Let us hope the 97th Congress will respond to that call with the passage of this legislation.

I ask unanimous consent that the text of the bill and my testimony be printed in the RECORD at this point.

There being no objection, the testimony and the bill were ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR HARRISON SCHMITT BEFORE THE HOUSE COMMITTEE ON THE JUDICIARY, MARCH 24, 1981

Mr. Chairman: Thank you for offering me the opportunity to testify before this Committee on the issue of regulatory reform. As you may know, I am the sponsor of a bill, S. 382, The Regulatory Reduction and Congressional Control Act of 1981, that would provide for the use of a Congressional veto of rules promulgated by both independent agencies and the departments under the Administrative Procedures Act.

I believe that an objective consideration of the rationale underlying the proposals contained in the bill will demonstrate that legal objections heretofore raised against other congressional review mechanisms are inapplicable. The Constitutional purpose of S. 382, to bring the administrative rulemaking process under control, is complementary to the President's similar objective as reflected in Executive Order 12291.

Section 3 of S. 382 would amend the Administrative Procedure Act, 5 U.S.C. 551 et seq., by adding a new chapter entitled "Congressional Review of Agency Rulemaking" which would establish what has come to be called a one-and-a-half House veto over administrative rules. That is, proposed final agency rules would have to be submitted to Congress and would become effective if within 60 days one House passes a resolution of disapproval and within 30 days thereafter the other House does not pass a resolution disapproving the resolution of disapproval. The amendment also establishes a mechanism to trigger reconsideration of already effective rules.

Thus, S. 382 deals exclusively with the administrative rulemaking process. It does not involve or intrude in any way upon the executive decisionmaking process. Rather, it is a proper extension of Congressional control over the constitutional lawmaking process which has received judicial approval in both this and closely related contexts. It is no more than another aspect of the historic practice of cooperative interaction of the Legislative and Executive branches from the time our nation began the business of governing in 1789.

WHO WRITES THE LAWS?

What appears to be lost in the current debate over how to control the nation's bureaucracy, and the manner of that control, is a perception of the true nature of the rulemaking authority of administrative agencies. Rulemaking power is of course the dominant feature of the modern administrative agency. Though the promulgation of rules has been a normal feature of American government from its very inception, it is only during the present century that rulemaking authority has brought about a shift in the center of gravity of lawmaking. The advent of the modern administrative state has brought with it a magnitude of legislation unforeseen by the Founding Fathers. As a consequence, Congress has not been able to directly perform its now greatly expanded tasks of regulation and guardianship of the public weal. It has been required to delegate the task of legislation to its administrative creations. Today, administrative legislation dwarfs the primary legislation functions of Congress.

Moreover, as a consequence of this development, modern statutes delegating rulemaking authority, as a result of the complexity and breadth of the subject of regulation, have blurred the line between principle and detail. Because of the vastness of the current delegations, the legislative mandate is a mere skeleton; what is left to the delegate are not minor details, but the formulation of many of the essential principles in the law as well. Rulemaking today extends to the essence of the legislative scheme. In many instances, the rules and regulations may be of greater practical importance to those subject to an agency than are the broad provisions laid down by the Congress.

Further, properly promulgated rules and regulations have the same legal effect as statutes. Their provisions have the force of law and they are backed by the same sanctions as statutes, including in many instances the criminal sanctions designed to coerce obedience to the law. Thus while administrative legislation may be only quasi legislation (See, *Humphreys Executor* v. *United States*, 295 U.S. 602 (1935)), since its provisions are subordinate to administrative actions relative to those enacted by the legislature, this does not alter the fact that its impact is comparable to that of statute law itself.

The source of this enormous administrative power must at all times be kept in mind, however. Legislative power exists as a result of an act of delegation. This is true even of the Congress which has been vested with limited legislative power by the Constitution. An administrative agency possesses rulemaking authority because a statute has delegated such authority. Without a statutory delegation, an agency does not have power to promulgate substantive rules and regulations. For an agency to be vested with authority to affect substantive rights and obligations through rules and regulations, rulemaking power must be delegated to it expressly. See, e.g., *Brannan* v. *Stark*, 342 U.S. 451 (1952).

The validity of the modern practice of broad delegations of Congressional lawmaking authority is not in doubt. *Yakus* v. *United States*, 321 U.S. 414 (1944); *Lichter* v. *United States*, 334 U.S. 742 (1948); *Amalgamated Meat Cutters* v. *Connally*, 337 F. Supp. 737 (D.D.C. 1971) (3-judge court). What appears to have been obscured, however, is the fact that judicial validation of such extensive delegations has not changed the essential nature of what is being delegated and the process of which is a part: rulemaking remains lawmaking even when it is performed by an administrative agency; and lawmaking remains a task committed by the Constitution to the Congress. Ultimate constitutional accountability for legislation rests with the legislature. Although many of the needs of modern government have required that Congressional responsibility for lawmaking be shared with Executive branch agencies, the ultimate constitutional responsibility, and therefore control, remains with the Congress.

The essential legislative nature of substantive administrative rulemaking is well established in law. The issue has arisen in cases in which courts have been faced with the question of the applicability of procedural due process requirements to rulemaking proceedings of administrative agencies. The uniform answer of the courts has been to treat the administrative exercise of legislative powers similarly to the direct exercise of power by the legislature. The agency was found to be no more bound by constitutional procedural requirements than the legislature itself when it enacts a statute. Since procedural due process does not limit the legislature, the same principle has been consistently applied where rulemaking powers were exercised under legislative delegation. As one court has put it: "in legislation, or rulemaking, there is no constitutional right to any hearing whatsoever." *Willapoint Oysters* v. *Ewing*, 174 F.2d 676, 694 (9th Cir. 1949).

The leading case in this regard is the Supreme Court's decision in *Bi-Metallic Co.* v. *Colorado*, 239 U.S. 441 (1915). There the Court sustained an order of the State Board of Equalization increasing the value of all taxable property in Denver by 40 percent, without an opportunity being afforded affected taxpayers to be heard before the order was made. The agency order plainly deprived the taxpayers of property but the Court rejected their claim that due process required an opportunity to be heard. Justice Holmes speaking for the Court analogized the agency's action to direct action by the legislature: "If the result in this case had been reached as it might have been by the State's doubling of the rate of taxation, no one would suggest that the Fourteenth Amendment was violated unless every person affected had been allowed an opportunity to raise his voice against it" *Id.* at 445. Since the Constitution does not require legislative acts to be done in a town meeting or assembly of the whole, it similarly does not require due process procedural requirements when such legislative authority is validly exercised by a delegate administrative agency.

The Court has since confirmed that when a proceeding is classified as rulemaking, due process ordinarily does not demand procedures more rigorous than those prescribed by Congress. See *Vermont Yankee Nuclear Power Corp.* v. *NRDC*, 435 U.S. 519, 524, N.1, 542, n.16, (1978). It has reaffirmed that Congress is under no requirement to hold an evidentiary hearing prior to its adoption of legislation, and that "Congress need not make that requirement when it delegates the task to an administrative agency." *Bowles* v. *Willingham*, 321 U.S. 503, 519 (1944), citing Bi-Metallic approvingly.

The clear import of these cases is that the nature of lawmaking does not change once there has been a valid delegation of authority to an agency. If Congress had not enacted the Administrative Procedure Act, agencies would be free to administratively legislate in the same manner that Congress makes laws. Conversely, Congress can, and has, legislated general, minimum procedural requirements for rulemaking, in the Administrative Procedure Act, and more specific, detailed requirements with regard to certain regulatory programs. See, e.g., the hybrid rulemaking procedures applied to Federal Trade Commission trade regulation rulemaking proceedings, 15 U.S.C. 57a (1976). This is in obvious recognition that the vast legislative authority conferred on non-elected, essentially unaccountable administrators needs to be confined and controlled.

More importantly, the source of this authority to impose limiting procedures stems from Congress' exclusive control of the legislative process for which it is ultimately responsible under the Constitution. The constitutional obligation to control the legislative process does not end until that process is complete. Sharing the process with the Executive does not transform its nature and invest it with an executive hue. Execution of the law, and therefore exclusive executive responsibility, begins when there is a law to execute. A substantive agency rule becomes a law when only the procedures prescribed by the Congress for its promulgation are fulfilled.

This analysis is plainly confirmed by the only judicial decisions to date to reach the merits of statutory provisions providing for Congressional review mechanisms. A close reading of those cases supports the principle of plenary Congressional control of agency lawmaking.

COURT DECISIONS ON THE LEGISLATIVE VETO

Despite almost fifty years of experience with the legislature veto, the courts have

only recently begun to examine its constitutional standing on a case-by-case basis. The Supreme Court has never formally ruled on the matter. In a pair of recent cases, the Court of Claims and the Court of Appeals for the Ninth Circuit split on the constitutional merits of single house negative veto provisions in different contexts. In *Atkins* v. *United States*, 556 F.2d 1028 (Ct. Cl. 1977), *cert. denied*, 434 U.S. 1009 (1978), the Court of Claims upheld the constitutionality of the one-house veto in the Federal Salary Act, U.S.C. §§ 351, et seq. In *Chadha* v. *Immigration and Naturalization Service*, 634 F.2d 406 (9th Cir. 1980), a three judge court of appeals panel struck down section 254 (c)(2) of the Immigration and Nationality Act, 8 U.S.C. § 1254(c)(2), which allowed either House to overturn a decision by the Attorney General to suspend an order deporting an alien for reasons of hardship. The significant, principled difference between the two decisions is that the Court of Claims viewed the veto under the Federal Salary Act as operating in a traditional legislative sphere whereas the veto applicable to suspensions of deportation was held to constitute an unwarranted Congressional intrusion into execution of the laws and judicial review. This distinguishing feature between the two cases makes it apparent that there would be judicial support for the review procedure contained in section 3 of S. 382.

The legislative veto in general raises a number of serious questions under various specific and significant constitutional provisions or principles including (1) the provisions of article I, section 7, clauses 2 and 3, (the Presentation Clause) which makes the President a participant in the lawmaking process and accords him power to veto not only every bill, but also every "order, resolution, or vote to which the concurrence of the House and Senate may be necessary"; (2) the allocation to the President in the "take care" clause of article II, section 3—as augmented by article II, section 1, clause 1, vesting in him the "executive power"—of the power of execution of statutes as enacted; and (3) the disability and incompatibility clause in article I, section 6 which separates members of Congress from administrative functions. In addition, if the congressional veto device takes the mode of the one-house veto, or the committee veto, rather than the mode of the concurrent resolution, the bicameralism requirement for statute making and statute modification set forth in article I, section 7, is arguably violated. These problem areas are generally referred to as the Presentation Clause argument, the Separation of Powers argument, and the Bicameralism argument, respectively.

As indicated, although the Supreme Court has yet to pass on the constitutionality of the legislative veto, two lower cases, a recent opinion of former Attorney General Griffin Bell, and the Executive practice under the Impoundment Control Act of 1974, provide a framework for analyzing these arguments.

ATKINS V. UNITED STATES

In *Atkins* v. *United States*, 556 F.2d 1028 (1977), *cert. denied*, 434 U.S. 1009 (1978), 140 federal judges challenged the constitutionality of the veto provision contained in the Federal Salary Act, 2 U.S.C. §§ 351, et seq. Under that Act, all or part of the presidential recommendations regarding executive, legislative, and judicial rates of pay become effective automatically within a specified time unless: (1) Congress by law establishes pay rates different from those recommended; (2) either House of Congress disapproves all or part of recommended rates; (3) or both.

The Senate disapproved the President's recommendation and the judges sued arguing that the Senate's action was invalid as violating the Presentation Clause, the Separation of Powers doctrine, and the principle of bicameralism. The court, by a 4–3 vote, rejected these arguments and sustained the constitutionality of the one-house veto under the Federal Salary Act.

The court held that the principle of bicameralism is not violated because rejecting presidential recommendations to increase salaries is a form of legislative activity which does not require the affirmative concurrence of both Houses since the effect of such action is not to make law but rather to preserve the status quo. Similarly, there was no nullification of the presidential veto since the Executive had his opportunity to veto the Federal Salary Act which established the veto device in the first place. Moreover, the concurrence of both Houses was not constitutionally required where only presidential recommendations are involved. Finally, the court held that the application of the one-house veto in these circumstances did not violate the Separation of Powers doctrine. To begin with, the court reasoned the doctrine was never intended and did not operate to create a strict compartmentalization of powers between branches. Rather, it was designed to prevent the concentration of too much power in one branch and the consequent weakening of the other branches. The setting of rates of pay, the court found, is basically a legislative function. Under the Federal Salary Act the function is conditionally delegated to the Executive. Since there was no irrevocable commitment of power, the President in recommending rates of pay was acting as an agent of the Congress. The legislative veto under the Federal Salary Act did not enforce any law or appoint any agents to enforce the law and thus did not intrude into the Executive's domain of administration of the law. Accordingly, the one-house veto in the circumstances of that case was a permissible device in aid of legislation in basically a legislative matter.

CHADHA V. IMMIGRATION AND NATURALIZATION SERVICE

In *Chadha* v. *Immigration and Naturalization Service*, 634 F.2d 408 (9th Cir. 1980), a three judge panel unanimously struck down section 254(C)(2) of the Immigration and Nationality Act, 8 U.S.C. § 1254(c)(2), providing for a one-house veto of agency suspensions of deportation. Here, the exercise of the veto by the House of Representatives operated to revoke the Attorney General's suspension order and to deport a person to a country which the Attorney General had found would impose real hardship on the deportee. The veto device in these circumstances, the court held, violated "the constitutional doctrine of separation [of powers] because it is a prohibited intrusion upon the Executive and Judicial branches." Id., at 420.

CHADHA IS NOT DISPOSITIVE

Recently some persons have suggested that the outcome in *Chadha* will decide this issue. In my view such a result is unlikely. That argument would have significance only if one legislative veto device necessarily invalidated all such provisions. This position is undercut by the fact that the Ninth Circuit confined *Chadha* to the facts of the case before the court. The *Chadha* panel stated:

"Although the practicality of alternative to legislative disapproval in other situations raises difficult questions, we are not here faced with a situation in which the unforeseeability of future circumstances or the broad scope and complexity of the subject matter of an agency's rulemaking authority preclude the articulation of specific criteria in the governing statute itself. Such factors might present considerations different than those we find here, both as to the question of separation of powers and the legitimacy of the unicameral device." (634 F.2d at 432–433.)

ATTORNEY GENERAL BELL AND THE EXECUTIVE REORGANIZATION ACT

Attorney General Griffin Bell's opinion examines the constitutionality of the legislative veto in the Executive Reorganization Act of 1977, 5 U.S.C. § 906. (See Opinion of the Attorney General, January 31, 1977). Under that Act, the President may formulate plans for reorganizing executive branch agencies which reorganizations go into effect unless disapproved by either House within 60 days of their submission to Congress. The veto in this context, he concluded, was constitutional.

For Attorney General Bell the critical question was not whether the scheme for implementing executive branch reorganizations adhered strictly to the legislative chronology outlined in the Presentation Clause. Deviations from the pattern laid out there were not ipso facto barred by the Constitution. In line with the rationale of the decisions in Atkins and Chadha, the Attorney General was of the view that such deviations, i.e., the one-house veto, were permissible if they did not impinge on the separation of powers and its corollary, the system of checks and balances. In other words, if the veto device did not alter the constitutional allocation of power between the legislative and executive branches, i.e., if the presidential veto is effectively preserved and the principle of bicameralism is respected, procedural variations in the process of lawmaking were not unconstitutional. The Attorney General indicated that the Presentation Clause is not violated by this procedure because the President has ultimate veto power in his formulation of the reorganization plan. Characterizing the principle of bicameralism as the "right of each House of Congress that there be no change in the law without its consent," the Attorney General concluded that this principle is respected because no reorganization plan can take effect if opposed by either House, that is, the status quo is preserved. The doctrine of separation of powers is not abridged because there is no assumption by Congress over administration of the law and, consequently, no invasion of the traditional role of the executive branch.

In line with the courts in Atkins and Chadha, the Attorney General stressed that his opinion was limited to the provision under review. He distinguished the President's option not to submit a reorganization plan with situations created by statutes that provide for subsequent resolutions disapproving presidential actions in the administration of ongoing programs. The pressures of an ongoing program with prior commitments force the President to act, he alleged. Legislative veto devices in these situations require the President to take actions that are acceptable to Congress in ways that subject presidential decisions to increased Congressional influence and effectively compromise control over his actions. According to Attorney General Bell, these statutes frustrate the constitutional check of the presidential veto in violation of Article I and contravene the doctrine of separation of powers. Of course, in the case of rulemaking, these arguments are balanced by the Congressional responsibility to oversee delegated legislative activity.

Finally, I would draw your attention to Executive branch practice and acquiescence to the requirements of section 1012 of the Impoundment Control Act of 1974, 31 U.S.C. 1402, which authorizes the President to reserve appropriated monies from obligation only if Congress within 45 days approves a "rescission bill" effectively rescinding previously granted budget authority. The reason for the rescission process ultimately adopted was explained by a key spokesman on the legislation as follows: "Inasmuch as a rescission represents the undoing of what Congress previously enacted, it is entirely appropriate that no rescission be authorized except by affirmative vote of both Houses." (Prepared remarks of Representative Bolling in offering the conference report, House Report No. 93–924, on June 18, 1974, reprinted in committee print entitled "Congressional Budget and

Impoundment Control Act of 1974, Public Law 93-244: Legislative History", Senate Committee on Government Operations, 93d Congress, 2d Session (December, 1974), page 1917.) The Executive appears to have had no difficulty, in principle, in complying with this requirement.

CONCLUSION

As you are aware, S. 382 would subject only agency rulemaking to Congressional review and possible veto. It does not affect in any way agency decisional processes in furtherance of the execution of laws enacted by Congress nor does it interfere with quasi-judicial agency decisionmaking. Thus, S. 382 comes within the rationales of the existing cases, former Attorney General Bell's opinion on reorganization initiatives and practices under the Impoundment Control Act I have just described. In particular, the circumstances and rationale of the *Atkins* case comes factually close to S. 382 while those considerations which led the court in *Chadha* to strike down the veto device involved there are far removed from agency action under the Administrative Procedures Act that is to be covered by the bill.

Further, since my proposal effectively implicates both Houses of Congress in the decision to veto an agency rulemaking, the Bicameralism argument against some forms of the legislative veto loses its force.

Also, there would be no nullification of the presidential veto since the passage of a resolution of disapproval merely preserves the status quo.

Finally, and most importantly, the thrust of my proposal impacts exclusively on the essence of the legislative function: the setting of policy for the nation. Indeed, there is no way to divorce Congressional policymaking and legislative origination (U.S. Constit. Art. I, sec. 1: "All legislative Powers . . . shall be vested . . . Congress. . . .") from the authority delegated to agencies to promulgate administrative legislation consistent with the Congressionally determined policy decision.

Let me conclude by reiterating my fundamental perception of the issue. Substantive rulemaking by administrative agencies is a delegated legislative function that remains part of the legislative process and is subject to such procedural requirements, limitations and conditions as Congress sees fit to impose in order to preserve the integrity of that process as well as to fulfill its constitutional responsibility as the ultimate Federal lawmaker. As there is no irrevocable commitment of rulemaking power. Agencies exercising delegated lawmaking authority are acting as agents of the Congress. In line with *Atkins* and contrary to the *Chada* situation, the veto provision in S. 382 does not enforce any law or appoint any agents to enforce any law and does not adversely affect judicial review. S. 382 does not intrude into the Executive's power to administer the law or the Judiciary's right to review and interpret it. Accordingly, legislative veto embodied in S. 382 is a permissible device in aid of legislation in a legislative context.

S. 890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Regulatory Reduction and Congressional Control Act of 1981".

(b) It is the finding of the Congress that the steady usurpation of legislative powers by Federal agencies represents a clear and dangerous challenge to the constitutional provisions establishing the separation of powers between the legislative and executive branches of the Government. In making this finding, the Congress has determined that—

(1) there is an urgent requirement for a legislatively approved uniform procedure to oversee the rulemaking activities of the executive branch of the Federal Government, and such a uniform procedure will preserve and protect the constitutional doctrine relating to the separation of powers between the legislative and executive branches of the Government;

(2) there is an urgent need for the legislative branch to supervise the Federal agencies in the exercise of the limited legislative powers which have been delegated by the legislative branch to the executive branch;

(3) the often arbitrary exercise of the powers granted to the executive branch has seriously eroded the confidence of the citizens of the United States in the executive branch and thereby has weakened the confidence of the citizenry in our system of Federal Government;

(4) there is a need for greater participation by the public in the decisionmaking process which occurs during the exercise of the properly mandated regulatory powers of the executive branch, and such public participation can best be accomplished by making Federal agencies more responsive to the need of citizens for participation in and information about regulatory activities;

(5) the citizens of the United States are in need of protection from the often unnecessary, arbitrary, and capricious actions of Federal agencies, particularly when such actions result in significant economic burdens; and

(6) the legislative branch of the Federal Government, the branch of the Government which is closest and most responsive to the needs and will of citizens, must reassert on behalf of the people the constitutional right of the people to be secure from unreasonable and arbitrary actions of the executive branch which result from the usurpation by the executive branch of the powers granted by the people to the legislative branch of the Government.

IMPROVEMENTS IN REGULATORY PROCEDURES

SEC. 2. (a) Section 551 of title 5, United States Code, is amended—

(1) by amending paragraph (4) to read as follows:

"(4) 'rule' means the whole or part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy or to describe the organization, procedure, or practice requirements of an agency and includes—

"(A) the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor, or of valuations, costs, or accounting, or practices bearing on any of the foregoing; and

"(B) any amendment or revision of such an agency statement;";

(2) by striking out the word "and" after the semicolon in paragraph (13);

(3) by striking out the period at the end of paragraph (14) and inserting a semicolon and "and"; and

(4) by adding after paragraph (14) the following new paragraph:

"(15) 'emergency rule' means a rule which is temporarily effective prior to the expiration of the otherwise specified periods of time for public notice and comment under this subchapter and which was duly promulgated by an agency pursuant to a finding that delay in the effective date thereof would—

"(A) seriously injure an important public interest,

"(B) substantially frustrate legislative policy and intent, or

"(C) seriously damage a person or class of persons without serving any important public interest.".

(b) The last sentence of section 553(b) of such title is amended to read as follows: "Except when notice or hearing is required by statute, this subsection does not apply—

"(A) to rules of agency organization, procedure, or practice;

"(B) to any interpretative rule or general statement of policy unless the interpretative rule or general statement of policy will have general applicability and a substantial impact on the substantive rights or obligations of persons outside an agency; or

"(C) when the agency for good cause finds that public notice and comment are unnecessary due to the routine nature or matter or insignificant impact of the rule, or that an emergency rule should be promulgated.

An agency which finds that clause (A), (B), or (C) of this subsection applies to a rule shall publish in the Federal Register with the final rule a statement of such finding and a brief description of reasons for such finding. The provisions of clauses (A), (B), and (C) of this subsection shall not preclude an agency from—

"(i) inviting persons representing different points of view to submit comments,

"(ii) creating an advisory committee to report, or

"(iii) using such other devices to obtain suggestions,

regarding the content of a proposed rule prior to general notice or rule making.".

(c) Section 553 of such title is amended by redesignating subsection (e) as subsection (f), by striking out subsections (c) and (d), and by inserting immediately after subsection (b) (as amended by subsection (b) of this section) the following new subsections:

"(c) Except as provided in subsection (e) with respect to an emergency rule, and after notice required by this section, the agency shall give interested persons not less than 60 days to participate in the rule making through submission of written data, views, or arguments with or without opportunity for oral presentation. The agency may extend the 60-day period if the agency determines that such period is insufficient to permit diligent interested persons to prepare comments or that other circumstances justify an extension of such period. After consideration of the relevant matter presented, the agency shall incorporate in the rules adopted a concise general statement of their basis and purpose. When rules are required by statute to be made on the record after opportunity for an agency hearing, sections 556 and 557 of this title apply instead of this subsection.

"(d) Unless a longer period of time is required by law or provided in the rule—

"(1) a rule may become effective immediately—

"(A) if the rule grants or recognize an exemption to, relieves a restriction from, or repeals a rule; or

"(B) if the agency finds, under clause (A), (B), or (C) of subsection (b) of this section, that such subsection does not apply to the rule; and

"(2) any other rule shall take effect only in accordance with section 802 of this title.

"(e) On the date on which an agency issues an emergency rule, the agency shall commence rule making proceedings in accordance with subsections (b) and (c) of this section, except that the period for public participation in the rule making shall be limited to 45 days, and within 15 days after the close of the period for public participation the agency shall issue a recommended final rule to take effect as provided under subsection (d). Unless earlier withdrawn by the agency or earlier set aside by court action, an emergency rule shall expire on the date on which the recommended final rule issued under the preceding sentence relating to such emergency rule either may become effective under section 822 of this title or is disapproved under such section.".

CONGRESSIONAL REVIEW

SEC. 3. (a) Title 5 of the United States Code is amended by inserting immediately after chapter 7 the following new chapter:

"Chapter 8—CONGRESSIONAL REVIEW OF AGENCY RULE MAKING

"Sec.
"801. Definitions.
"802. Congressional review of agency rules.
"803. Reconsideration of agency rules.
"804. Procedures for consideration of resolutions.

"§ 801. Definitions.

"For purposes of this chapter—

"(1) the term 'agency' has the same meaning as in section 551(1) of this title, and includes the functions excluded from the definition of such term under subparagraph (H) of such section;

"(2) the term 'rule' has the same meaning as in section 551(4) of this title;

"(3) the term 'emergency rule' has the same meaning as in section 551(15) of this title;

"(4) the term 'resolution of disapproval' means a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: 'That the disapproves the recommended final rule issued by dealing with the matter of , which rule was transmitted to the Congress on .', the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description as may be necessary to identify it, and the fourth blank being filled with the date of transmittal of the rule to the Congress; and

"(5) the term 'resolution for reconsideration' means a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the directs to reconsider its rule dealing with the matter of which is found at .', the first blank being filled with the name of the resolving House, the second blank being filled with the name of the agency issuing the rule, the third blank being filled with the title of the rule and such further description which may be necessary to identify it, and the fourth blank being filled with the citation to the rule in the agency records.

"§ 802. Congressional review of agency rules

"(a) The provisions of this section do not apply to—

"(1) a rule granting or recognizing an exception or relieving a restriction or repealing a rule;

"(2) a rule of agency organization, practice, and procedure;

"(3) a rule relating to agency management or personnel; or

"(4) to any interpretative rule or general statement of policy unless the interpretative rule or general statement of policy will have general applicability and a substantial impact on the substantive rights or obligations of persons outside an agency; or

"(b)(1) Notwithstanding any other provision of law, any final rule subject to this section shall be considered a recommendation of the agency to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(2)(A) A recommended final rule of an agency shall not become effective if within 60 days of continuous session of Congress after the transmittal of the recommended final rule to the Congress under paragraph (3) of this subsection, one House of Congress agrees to a resolution of disapproval of the rule and at the end of 30 additional days of continuous session of Congress after the transmittal of the resolution of disapproval to the other House, such other House has not adopted a resolution disapproving such resolution of disapproval.

"(B) A recommended final rule may become effective—

"(i) on the 61st day of continuous session after the transmittal of the recommended final rule to the Congress under paragraph (3) of this subsection if neither House of Congress has agreed to a resolution of disapproval of the rule within the preceding 60 days of continuous session of Congress; or

"(ii) if one House of the Congress has agreed to a resolution of disapproval of the rule, on the date on which the other House of Congress agrees to a resolution disapproving such resolution of disapproval if such resolution of the other House is adopted within 30 days of continuous session of Congress after the transmittal of such resolution of disapproval from the other House.

"(C) A recommended final rule shall be considered to have been disapproved on the 31st day of continuous session of Congress after the transmittal of a resolution of disapproval of the rule from one House of Congress to the other House if such other House has not, within the preceding 30 days of continuous session of Congress, adopted a resolution disapproving such resolution of disapproval.

"(3) On the day on which a recommended final rule is published in the Federal Register, an agency shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives—

"(A) a copy of the complete text of such recommended final rule;

"(B) a summary statement, written in clear language, of the problem requiring remedial Federal action for which such final rule is being recommended; and

(C) a summary of the economic impact of the recommended final rule which estimates, to the extent practicable, the costs imposed by the recommended final rule upon the various sectors of the economy affected by the rule.

"(c)(1) Each committee of the Senate and the House of Representatives having legislative jurisdiction over the subject matter with which a recommended final rule is concerned may review any recommended final rule and the materials transmitted to the Senate and the House of Representatives with such rule under subparagraphs (B) and (C) of subsection (b)(3) of this section for the purpose of determining whether the recommended final rule contains any provision which—

"(A) violates any provision of law;

"(B) is in conflict with judicial decisions;

"(C) goes beyond the mandate of the law which the rule is designed to implement;

"(D) is redundant, overlapping, or inconsistent with provisions of another rule;

"(E) would seriously injure an important public interest; or

"(F) is inconsistent with congressional intent.

"(2) If a committee of the Senate or the House of Representatives determines, with respect to a recommended final rule, that it contains a provision which meets the criteria described in paragraph (1) of this subsection, the committee may report a resolution of disapproval of such rule. A committee may report a resolution of disapproval of a recommended final rule based on such factors (other than the matters described in paragraph (1) of this subsection) as the committee finds appropriate.

"(3) This subsection does not affect the right of any Senator or Member of the House of Representatives to introduce a resolution of disapproval of a recommended final rule.

"(d) If a recommended final rule which was being promulgated subject to a statutory time limit for rule making is disapproved under this section, the agency promulgating the recommended final rule is not relieved of its responsibility for adopting a recommended final rule, but any statutory time limit shall apply to such renewed rule making only from the date on which the rule is disapproved under subsection (b)(2)(B) of this section.

"(e)(1) If a recommended final rule of an agency is disapproved under this section, the agency may issue a recommended final rule which relates to the same acts or practices as the disapproved rule. Such recommended final rule—

"(A) shall be based upon—

"(i) the rule making record of the recommended final rule disapproved by the Congress; or

"(ii) such rule making record and the record established in supplemental rule making proceedings conducted by the agency in accordance with section 553 of this title, in any case in which the agency determines that it is necessary to supplement the existing rule making record; and

"(B) may reflect such changes as the agency considers necessary or appropriate.

"(2) An agency, after issuing a recommended final rule under this subsection, shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives in accordance with subsection (b) of this subsection, and such rule shall only become effective in accordance with such subsection.

"(f) Congressional inaction on or rejection of a resolution of disapproval shall not be deemed an expression of approval of such rule.

"§ 803. Reconsideration of agency rules

"(a)(1) Each committee of the Senate and the House of Representatives having legislative jurisdiction over the subject matter over any rule of an agency which is in effect may periodically review the rule for the purpose of determining whether the rule contains any provision which meets the criteria described in section 802(c)(1) of this title.

"(2) If a committee of the Senate or the House of Representatives determines, with respect to any rule of an agency which is in effect, that such rule contains a provision which meets the criteria described in section 802(c)(1) of this title, the committee may report a resolution for reconsideration of such rule. A committee may report a resolution of reconsideration of a rule based on such factors (other than the matters specified in section 802(c)(1)) as the committee finds appropriate.

"(3) This subsection does not affect the right of any Senator or Member of the House of Representatives to introduce a resolution for reconsideration of a rule.

"(b) If either House of the Congress adopts a resolution for reconsideration of a rule which is in effect, the rule shall lapse within 180 days after the date on which the resolution is adopted unless recommended again by the agency. Unless excepted by section 553(a) of this title, the agency shall, not less than 60 days prior to again recommending such a rule, give notice of a proceeding to consider its recommendation. The notice and proceeding shall comply with subsections (b) and (c) of section 553 of this title, except that the provisions of section 553(b)(3) of this title shall not be available to the agency and the agency shall hold a hearing for oral presentations. Any rule recommended pursuant to this subsection within 180 days of the passage of the resolution or reconsideration shall take effect only as provided in section 802 of this title, and during the period for congressional review provided in that section the reconsidered rule may remain in effect.

"§ 804. Procedures for consideration of resolutions

"(a) The provisions of this section, paragraphs (4) and (5) of section 801, subsection (c) of section 802, and subsection (a) of secton 803 are enacted by Congress—

"(1) as an exercise of the rule making power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval, resolutions disapproving a resolution of disap-

proval in the other House, and resolutions for reconsideration; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(b) Resolutions of disapproval, resolutions disapproving a resolution of disapproval in the other House, and resolutions for reconsideration, shall, upon introduction, be immediately referred by the presiding officer of the Senate or the House of Representatives to the committee of the Senate or the House of Representatives, as the case may be, having legislative jurisdiction over the subject matter of the rule to which the resolution relates.

"(c)(1)(A) If the committee to which a resolution of disapproval has been referred does not report such resolution within 45 days of continuous session of Congress after the date of transmittal of the recommended final rule to which such resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(3) If the committee to which a resolution disapproving a resolution has been referred does not report such resolution within 20 days of continuous session of Congress after the date of transmittal of the resolution of disapproval from the other House, it shall be in order to move to discharge the committee from further consideration of the resolution disapproving the resolution of disapproval.

"(C) If the committee to which a resolution for reconsideration has been referred does not report such resolution within 45 days of continuous session of Congress after the date of introduction of such resolution, it shall be in order to move to discharge the committee from further consideration of the resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a resolution of disapproval, a resolution disapproving a resolution of disapproval in the other House, or a resolution for reconsideration, as the case may be, has been reported with respect to the same rule); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(d)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval, a resolution disapproving a resolution of disapproval in the other House, or a resolution for reconsideration shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution with respect to a rule, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order.

"(3) Debate on a resolution with respect to a rule shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not in order. An amendment to, or motion to recommit the resolution is not in order.

"(e) For the purposes of this chapter—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session.".

(b) The table of chapters for part I of title 5, United States Code, is amended by inserting immediately after the item relating to chapter 7 the following:

"8. Congressional Review of Agency Rule Making."

(c) The provisions of chapter 8 of title 5, United States Code, shall supersede any other provision of law governing procedures for congressional review of agency rules to the extent such other provisions are inconsistent with such chapter.

EFFECTIVE DATE

SEC. 4. This Act and the amendments made by this Act shall take effect two years after the date of enactment of this Act.

Mr. GRASSLEY. Mr. President, I am pleased today to join Senator SCHMITT in the introduction of the Regulatory Reduction and Congressional Control Act of 1981.

This legislation addresses the serious problem of overregulation caused by abuses of authority by Federal agencies through the mechanism of amending the Administrative Procedures Act to allow Congress the opportunity of orderly review of proposed regulations before they take effect. In addition to this opportunity to review, Congress is given the ability to control the use of this delegated legislative authority through the exercise of a veto over those proposed regulations that it finds abusive.

Congressional veto is not a concept new to our Government. This body first enacted a veto provision in 1932. Since that time we have written 269 congressional veto or review provisions into law. This is a trend which is accelerating. In 1980 alone 38 new such provisions were approved.

It is not surprising that veto is growing in its usage. The acceptance of veto is growing in direct response to the growth of the power of the new fourth branch of our Federal Government, the unelected regulatory bureaucracy.

We all know the horror stories of the abuses of excessive Government regulation. No Member of Congress can return home without being sought out by a constituent for help in correcting some injustice or another being wrought upon him by a Federal agency.

As a Member of Congress for the past 7 years the most frustrating and unjustified of these cases brought to me are also perhaps the most common—those in which the agencies, in exercising the authority we delegate to them to draft substantive regulations, exceed that authority and delve into areas beyond the scope of congressional intent.

I say these cases are frustrating because it is very cumbersome and difficult to get control over an agency once it has embarked upon an illegal activity of this nature.

I would be the first to admit that Congress is not without blame in creating this problem.

Increasingly Congress has passed laws which are little more than frail skeletons of policy upon which the meat of substantive law is provided by administrative agencies.

These agencies no longer draft regulations as mere guidelines for enforcement of legislative mandates, but are rather de facto acts of substantive legislation themselves.

The question is, What method of oversight should be available to Congress to prevent agencies from running amuck with this power which is only lent to them by the Congress in the first instance?

At present, we are faced in most instances, with the inenviable choice of embarking upon the lengthy and cumbersome task of passing new legislation to tell the agency that we meant what we said the first time, or choosing to allow some injured third party to call the courts to the rescue for an ex post facto determination perhaps years down the road.

We must endeavor to develop a broad-based legislative approach to allow Congress an efficient and expeditious method of insuring that the regulatory authority it grants to administrative agencies is properly exercised.

I believe that the bill we are introducing today provides that effective approach.

I recognize that despite the extensive approval and use of veto mechanisms by this body in the past, there are some Members who have raised concern over the constitutionality of legislative veto.

While I recognize that we must uphold our oath of office by not knowingly supporting legislation which would violate the Constitution, it is time to admit that collectively we long ago determined that the question of consitutionality associated with congressional veto was not so serious as to prevent virtually every Member of Congress from participating in congressional veto activities by either voting for bills containing ad hoc veto provisions, or participating in votes on veto provisions already on the books. Who among us raises the question of constitutionality when we go to the floor to vote the approval of a foreign arms sale under the Arms Export Act, or to voice our will on rescissions or deferrals under the Budget Act? Indeed, no Member of the Senate refused to vote to veto the President's recommendations to increase our own salaries because of concerns over the constitutionality of such an action.

I am convinced that to meet the constitutional test we need only limit the scope of coverage of agency actions to which our veto applies. So long as we apply our veto coverage only to delegated legislative authority, and not to traditional executive branch activities of enforcement, we do not violate the Constitution.

Justice White noted in concurring remarks in a 1976 Supreme Court decision:

I would not view the power of either House to disapprove as the equivalent to legislation or to an order, resolution, or vote requiring the concurrence of both Houses . . . the provision for congressional disapproval of agency regulations does not appear to transgress the Constitutional design, at

least where the President has agreed to legislation establishing the disapproval procedure or the legislations passed over his veto, *Buckley* v. *Valeo*, 424 U.S. 1.

I say, that it is time to put the constitutional arguments behind us. If the longstanding practice of Congress in enacting veto provisions, and the policy of virtually every Presidential administration to follow the letter and spirit of those provisions despite rhetoric to the contrary, is in fact unconstitutional, then it is time that the Supreme Court has told us so. The Court will certainly have opportunity to do so in the near future as it has in the past. But in the meantime, let us move ahead with a meaningful, efficient, comprehensive veto provision to regain effective control over the lawmaking authority we delegate to others. Such a move will strengthen, not weaken, the separation of powers.

In conclusion, I invite the remaining Members of this body who have not already done so, to join Senator SCHMITT and me in the cosponsorship of the Regulatory Reduction and Congressional Control Act of 1981. Over one-third of the Senate has already done so, and nearly half of the House of Representatives has cosponsored a similar measure introduced by Congressman LEVITAS.

The Judiciary Committee's Subcommittee on Agency Administration, which I chair will hold hearings on this bill on April 22. Half of the members of both that subcommittee and the full committee have cosponsored this measure, and I am certain we will be reporting it out favorably very soon for positive action by the full Senate.

By Mr. ROTH (by request):

S. 891. A bill to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, and for other purposes; to the Committee on Governmental Affairs.

ANNUAL COST-OF-LIVING ADJUSTMENTS TO CIVIL SERVICE ANNUITIES

● Mr. ROTH. Mr. President, I am introducing today, by request, a proposal to amend chapter 38 of title 5 of the United States Code. This legislation is part of the administration's economic package and would provide for annual cost-of-living adjustments to civil service annuities. I am introducing the proposal so that there may be a specific bill to which interested Senators and the public may direct comments.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis and the letter from the Director of the Office of Personnel Management to the President of the Senate dated March 17, 1981.

There being no objection, the bill, analysis, and letter were ordered to be printed in the RECORD, as follows:

S. 891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8340(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) The Office shall in January of each year determine the percent change in the price index published for December of the preceding year over the price index published for December of the year prior to the preceding year.

"(2) If in any year the percent change determined under paragraph (1) indicates a rise in the price index, then effective March 1 of such year, except as provided in subsection (c) of this section, each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change computed under paragraph (1), adjusted to the nearest one-tenth of 1 percent.".

SEC. 2. Section 8340(c)(1) of title 5, United States Code, is amended to read as follows:

"(1) The first increase (if any) made under subsection (b) of this section to an annuity which is payable from the Fund to an employee or Member who retires, to the widow or widower of a deceased employee or Member, or to the widow or widower of a deceased annuitant whose annuity has not been increased under this subsection or subsection (b) of this section, shall be equal to the product (adjusted to the nearest one-tenth of 1 percent) of—

"(A) one-twelfth of the applicable percent change computed under subsection (b) of this section, multiplied by

"(B) the number of months (counting any portion of a month as a month) for which the annuity was payable from the Fund before the effective date of the increase, or in the case of a widow or widower of a deceased annuitant whose annuity has not been increased under this subsection or subsection (b) of this section, the number of months since the annuity was first payable to the annuitant.".

SEC. 3. The amendments made by this Act shall take effect on the date of enactment and shall apply to annuities which commence before, on, or after the date of enactment.

STATEMENT OF PURPOSE AND JUSTIFICATION

To accompany a draft bill to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, and for other purposes.

The draft bill would amend the Civil Service Retirement law to provide that retirement benefits would be adjusted once a year (on March 1) based on the percentage increase in the Consumer Price Index. Under current law, these adjustments are made twice a year, on March 1 and September 1.

The change to annual cost-of-living adjustments is part of the President's "Program for Economic Recovery," and is included in his revised budget for fiscal year 1982. Under present law, virtually every group that receives Federal benefits indexed to the CPI receives automatic inflation adjustments on an annual basis. Payments for Social Security, food stamps, veterans' pensions, and Federal employees' work injury compensation, for example, are adjusted annually. It is clearly unfair for retired civil servants to receive more frequent adjustments than these other groups, so the draft bill would replace the current semi-annual adjustments with a single, annual adjustment.

The change to annual adjustments would significantly reduce Federal expenditures in keeping with the President's program to reduce and control the Federal budget. Outlays for Civil Service Retirement would be reduced by $510 million in fiscal year 1982 and by over $2 billion during the next five years.

In addition, comparable savings would result under various other Federal retirement systems which would follow the pattern set by the Civil Service Retirement law. These include military retired pay, the Foreign Service Retirement System, and the CIA Retirement System.

SECTION-BY-SECTION ANALYSIS

To accompany a draft bill to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, and for other purposes.

The first section of the bill would amend section 8340(b) of title 5, United States Code, to provide annual instead of semi-annual cost-of-living adjustments for Civil Service annuities. The September adjustments would be eliminated, and the March adjustment would increase annuities by the percent change in the Consumer Price Index (CPI) for December of the preceding year over the CPI for the previous December.

Section 2 of the bill would make a conforming change in section 8340(c)(1) of title 5, United States Code, to provide that the pro rata increase in the first cost-of-living adjustment in each Civil Service annuity would be an amount equal to one-twelfth rather than one-sixth of the amount of the cost-of-living increase for each month that the annuity was payable before the effective date of the increase. Section 2 would also correct a technical oversight in the description of individuals whose annuities are to be prorated, to include a widow or widower of an annuitant who dies before receiving the first cost-of-living adjustment in his or her annuity. This change would make it clear, in keeping with the intent of the Omnibus Reconciliation Act of 1980, that all annuities which have commenced between increases are to be prorated.

Section 3 of the bill provides that the bill would be effective on the date of enactment, and would apply to all annuities, including those already payable.

U.S. OFFICE OF
PERSONNEL MANAGEMENT,
Washington, D.C., March 17, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Office of Personnel Management submits herewith a legislative proposal "To amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, and for other purposes." We request that you refer this proposal to the appropriate committee for early consideration and favorable action.

This proposal is part of the President's "Program for Economic Recovery," and is included in the President's budget for fiscal year 1982. Estimated savings of $510 million for the Civil Service Retirement System will result in fiscal year 1982 if the proposal is enacted. In addition to the anticipated savings, the proposal would make cost-of-living adjustments under the Civil Service Retirement System consistent with the annual adjustment granted under Social Security.

The Civil Service Retirement law currently provides for two cost-of-living adjustments each year, one in March and one in September, based on increases in the Consumer Price Index (CPI). This system of semi-annual adjustments is more liberal than virtually all non-Federal pension plans. These semi-annual adjustments are responsible in significant part for the unfunded liability of the Retirement Fund and for the public's perception that Federal retirement benefits are unjustifiably more liberal than retirement benefits in the non-Federal sector. To put the Fund on a sounder financial basis and to provide uniformity with other Government retirement programs, we propose that cost-of-living adjustments to Civil Service annuities be made once a year, in March.

At present, cost-of-living increases for Civil Service annuities are granted in September and in March based on the percent rise in the CPI over a designated six-month period. Under our proposal, the September 1981 increase would be foregone and the March 1982 increase would be determined by the percentage rise in the CPI from De-

cember 1980 to December 1981. The timing and the method of determining the increase would be the same as now employed, except it would take place once instead of twice a year.

Assuming that the draft legislation would be enacted before the September 1981 increase that would otherwise take place, estimated savings in the first five years for the Civil Service Retirement System are as follows:

[In millions]

Fiscal year:	Savings in outlays
1982	$510
1983	424
1984	389
1985	366
1986	367
Total	2,056

Under Public Law 96-342, enactment of this proposal for Civil Service Retirement would automatically have the effect of shifting the military retirement system to the same annual adjustment mechanism. The savings in military retired pay are estimated by the Department of Defense as follows:

[In millions]

Fiscal year:	Savings in outlays
1981	$68
1982	380
1983	284
1984	219
1985	174
1986	146
Total	1,271

The Office of Management and Budget advises that enactment of this legislative proposal would be in accord with the program of the President.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely yours,

ARCH S. RAMSAY,
Acting Director.●

By Mr. ROTH (for himself and Mr. CHILES) (by request):

S. 892. A bill to amend the Federal Grant and Cooperative Agreement Act; to the Committee on Governmental Affairs.

AMENDMENT OF FEDERAL GRANT AND COOPERATIVE AGREEMENT ACT

● Mr. ROTH. Mr. President, I am introducing today for myself and Mr. CHILES, by request, a proposal to revise the Federal Grant and Cooperative Agreement Act (41 U.S.C. 501 et seq.). The act distinguishes between Federal procurement and assistance, and provides guidance to Federal agencies on the use of contracts, grants, and cooperative agreements. It was signed into law on February 3, 1977.

Since passage of the act, great progress has been made in the agencies to improve their use of the assistance and procurement instruments. As agencies learn when to use a grant and when a procurement relationship would be more appropriate, improved efficiency in Federal program operations will result. In addition, potential assistance recipients will know better how and why the Federal assistance system operates as it does, improving relationships among the levels of government and between the Federal Government and companies or nonprofit groups.

The act contains provisions authorizing the Director of the Office of Management and Budget to exempt individual assistance transactions from its requirements. The legislation I am introducing today would extend that authority which expired in March of this year. I am introducing the proposal so that there may be a specific bill to which interested Senators and the public may direct comments.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with an explanation of the bill and the letter of the Director of the Office of Management and Budget to the President of the Senate concerning the legislation.

There being no objection, the bill, explanation, and letter were ordered to be printed in the RECORD, as follows:

S. 892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10(d) of the Federal Grant and Cooperative Agreement Act of 1977 (Public Law 95-224; 41 U.S.C. 501 note) is amended by deleting the sentence: "This authority shall expire one year after receipt by the Congress of the study provided for insection 8 of this Act.".

EXPLANATION OF A BILL TO AMEND THE FEDERAL GRANT AND COOPERATIVE AGREEMENT ACT

(41 U.S.C. 501 note; section 10(d), Public Law 95-244)

The Act distinguishes two principal Federal purposes of procurement and assistance and instructs Federal agencies on when to use procurement contracts, grants, and cooperative agreements. While these general instructions are normally to be followed, authors of the Act recognized that situations might occur where lack of flexibility in the application of general instructions could lead to adverse consequences. For this reason, the Director of OMB was given authority to except individual transactions or programs from this provision of the Act. This exception authority is scheduled to expire in March 1981.

OMB has used this authority sparingly, and only three exceptions have been made:

1. Non-financial transfers were excluded from the provisions of Section 504, to avoid creation of unnecessary formal grant instruments.

2. General Revenue Sharing was excepted, to avoid creating more than 38,000 grant instruments, and to avoid legal interpretations that might apply normal governmentwide grant policies to GRS.

3. Counted Cyclical Fiscal Assistance was excepted, to avoid potentially creating several thousand grant instruments, and to avoid legal interpretations that might apply normal governmentwide grant policies to counter cyclical assistance.

Continuation of the OMB exception authority is being requested for three reasons:

1. There is some question as to the duration of the exceptions granted to date. If they were to expire with the basic authority, General Revenue Sharing might be required to use formal grant instruments and adhere to other restrictive grant policies and nonfinancial transfers could be encumbered by unnecessary paperwork and formality.

2. Executive branch flexibility is needed to permit the continued rational tailoring of this general statute to a complex universe of transactions.

3. The exception authority is useful in testing alternatives, on a controlled basis, on outstanding issues related to implementation of the classification scheme established in the Act.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., April 1, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a draft of legislation to revise the Federal Grant and Cooperative Agreement Act (P.L. 95-224, 41 USC 501 et seq.). The Act distinguishes between Federal procurement and assistance, and provides guidance to Federal agencies on the use of contracts, grants, and cooperative agreements.

The Act authorizes the Director of OMB to except specific programs or transactions from the provisions of the Act. This exception authority, however, will expire in March 1981. The proposed amendment simply deletes the expiration sentence in the section authorizing the Director of OMB to except specific programs or transactions from the provisions of the Act, leaving a continuing authority to grant exceptions, if necessary. This would avoid the unnecessary confusion and inflexibility that could result if the authority lapses.

We urge prompt and favorable consideration of this legislation.

Sincerely,

DAVID A. STOCKMAN,
Director.●

By Mr. ROTH (by request):

S. 893. A bill to amend and extend the authority of the President to reorganize the executive branch of the Government under chapter 9, United States Code; to the Committee on Governmental Affairs.

REORGANIZATION ACT OF 1981

● Mr. ROTH. Mr. President, I am introducing today, by request, legislation to extend the reorganization authority of the President. The bill builds upon the previously enacted reorganization statute which expired earlier this month. I am introducing the proposal so that there may be a specific bill to which interested Senators and the public may direct comments.

The proposed legislation would extend for 4 years, from the date of enactment, the authority of the President under chapter 9 of title 5, United States Code, to submit reorganization plans to Congress proposing the reorganization of agencies in the executive branch. Reorganization authority has been granted to Presidents since it was first proposed by Franklin Delano Roosevelt in the late 1930's. The authority has lapsed on occasion but most Presidents have been able to use the reorganization process to shape the executive branch.

The Federal Government now consists of a multitude of diverse agencies employing over 2.8 million civilian employees with an annual payroll of some $50 billion. In the area of Government regulation alone, 90 Federal agencies have some regulatory responsibilities. The 11 Cabinet agencies and EPA issued more than 5,000 rules in 1980 and nearly $4 billion was spent in fiscal year 1980 on regulatory activities.

The complexity of the structure of the Federal Government, the wide variety of Federal programs and functions, and the rapidly changing nature of Federal program administration make it imperative that the President have the tools to restructure the executive branch. The public expects the President, working with

the Congress, to take action which really rationalizes the way the Government is organized.

Often in the past, the reorganization process has failed to work as effectively as it should. Effective reorganization is not simply a shifting of boxes on an organization chart or the shuffling of Government employees from one building to another. Real reform must involve sensitive decisions on how our tax dollars can return the most for each dollar invested.

I believe the reorganization authority can be used to make Government work better. Despite the importance of reauthorizing the Reorganization Act, I believe that perhaps the best and most effective means of providing strong citizen support for reform of Government would be through the creation of a citizens' commission similar to the Hoover Commission of the 1950's. The Governmental Affairs Committee has before it a bill Senator TOM EAGLETON and I introduced to create such a commission, and our committee will seriously review the legislation over the coming weeks.

Mr. President, I ask unanimous consent that the Reorganization Act of 1981 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 893

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Reorganization Act of 1981".

EXTENSION OF AUTHORITY

SEC. 2. Section 905(b) of title 5, United States Code, is amended to read as follows:

"(b) A provision contained in a reorganization plan may take effect only if the plan is transmitted to the Congress within four years of the date of enactment of the Reorganization Act of 1981.".

PERIOD FOR CONSIDERATION OF PLAN

SEC. 3. Chapter 9 of title 5, United States Code, is further amended—

(1) by striking out "thirty calendar days" in section 903(c) and inserting in lieu thereof "60 calendar days";

(2) by striking out "sixty calendar days" in such section and inserting in lieu thereof "90 days";

(3) by striking out "sixty-day" in section 906(c) and inserting in lieu thereof "ninety-day";

(4) by striking out "45 calendar days" in section 910(b) and inserting in lieu thereof "75 calendar days"; and

(5) by striking out "45 calendar days" in section 911 and inserting in lieu thereof "75 calendar days".

INFORMATION TO ACCOMPANY PLANS

SEC. 4. Section 903(b) of title 5, United States Code, is amended by adding at the end thereof the following new sentences: "If the reorganization provided for in a plan requires the promulgation of an executive order, presidential directive, or other administrative action, a draft of each such order, directive or action shall accompany such message. The President shall also submit such further background or other information as the Congress may require for its consideration of the plan."

RESTRICTIONS ON CONTENTS OF PLANS

SEC. 5. (a) Section 905(a) of title 5, United States Code, is amended—

(1) by inserting "or renaming an existing executive department" immediately after "a new executive department" in paragraph (1);

(2) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting immediately after paragraph (4) the following new paragraph:

"(5) creating a new agency which is not a component or part of an existing executive department or independent agency;".

(b) Section 904(1) of such title is amended by inserting ", subject to section 905," immediately after "may".

METHOD OF APPROVAL OF PLANS

SEC. 6. (a) Section 906(a) of title 5, United States Code, is amended to read as follows:

"(a) Except as otherwise provided under subsection (c) of this section, a reorganization plan is effective—

"(1) if each House of Congress, within 90 calendar days of continuous session of Congress after the date on which such plan is transmitted to it, adopts a resolution stating in substance that the House favors the reorganization plan; or

"(2) upon the expiration of such 90-day period unless, within such period, in a vote on final approval of such a resolution in either House, such resolution fails to be adopted."

(b) Section 906(c) of such title is amended by striking out "if both Houses of Congress have defeated a resolution of disapproval" and inserting in lieu thereof "if both Houses of Congress have approved a resolution of approval".

(c) Section 909 of such title is amended by striking out the matter within the quotation marks and inserting in lieu thereof the following: "That the favors the Reorganization Plan Numbered transmitted to the Congress by the President on , 19 ."

By Mr. CANNON (for himself, Mr. SCHMITT, Mr. LAXALT, and Mr. ANDREWS):

S. 894. A bill to exempt rural electrical cooperatives from fees under the Federal Land Policy and Management Act of 1976; to the Committee on Energy and Natural Resources.

EXEMPTION FROM RIGHT OF WAY REQUIREMENTS FOR ELECTRIC COOPERATIVES AND RURAL TELEPHONE COOPERATIVES

Mr. CANNON. Mr. President, I introduce for appropriate reference a bill to provide an exemption from the right-of-way payment requirements on the public lands for rural electric cooperatives and rural telephone cooperatives. I am joined in sponsoring this bill by Senators LAXALT, ANDREWS, SCHMITT, and DOMENICI.

Title V of the Federal Land Policy and Management Act of 1976 provides for payment for rights of way over the public lands. A fair market value payment is required by the section. The terms and conditions for such payments were completed last July and the Bureau of Land Management has begun to implement the regulations. The regulations include both an initial installation fee and an annual rental based on fair market value.

The requirement of fair market value for use of the public lands is a sound basic public policy position. However, as with any such policy, there are circumstances which may merit a somewhat different approach or an exemption. I believe a strong case can be made for an exemption in the case of rural electric and rural telephone cooperatives.

Rural electric and rural telephone cooperatives provide a most important service in the sparsely populated and remote corners of this Nation. Typically in the West, these cooperatives must cross the public lands to provide this service. Also typical is the fact that the cooperatives have long powerline requirements and small market areas. These lines are the major overhead cost to the cooperative. Anything which substantially increases these costs, particularly on an annual basis, imposes new paperwork burdens on the cooperatives and adds to the power and telephone costs for the customer of these cooperatives. Power customers already pay rates 12-percent higher, on a nationwide average, than customers of investor owned utilities.

A comparison of cooperative and investor-owned power utilities is instructive. Investor-owned utilities average about 35 to 36 customers per mile of power line while a coperative averages only about 4.5 customers per mile of line. Investor owned utilities generate revenues of about $36,600 per mile while cooperatives average less than $3,000 in revenues per mile. The rural power consumer is already at a disadvantage, without the addition of more overhead for the utilities bringing in the power.

A cooperative in Nevada may service an area 10,000 miles square, of which 90 percent may be federally owned.

The rationale of the Department of the Interior appears to be that since the cooperative, like other entities, raises revenues through service charges and is not tax or donation supported, it should be required to pay the right-of-way charge as other corporations would. I fear, however, that it is not good public policy to place the rural power and telephone customer at a severe rate disadvantage and the rural cooperative under a burden not shared by its investor owned counterparts. The rural customer already helps pay for the management of the Federal lands through the taxes he or she pays but will be required to pay again through higher power rates for the right-of-way charges to the cooperative, which must realistically be passed on to him. I believe this decision by the Department of the Interior deserves a closer look and I urge an early and careful review of this bill.

By Mr. MATHIAS (for himself, Mr. KENNEDY, Mr. BIDEN, Mr. CHAFEE, Mr. CRANSTON, Mr. METZENBAUM, Mr. MOYNIHAN, and Mr. WEICKER):

S. 895. A bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes; to the Committee on the Judiciary.

VOTING RIGHTS ACT AMENDMENTS OF 1981

● Mr. MATHIAS. Mr. President, today we are writing what I hope will be the last chapter in the very long and difficult saga that has occupied this Nation for well over a century: The struggle to guarantee the right to vote to all Americans. Today, for myself and Senators KENNEDY, BIDEN, CHAFEE, CRANSTON, METZENBAUM, MOYNIHAN, and WEICKER, I introduce a bill to extend the Voting Rights Act of 1965.

Basically, my bill would:

Extend until August 1992, the temporary provisions of the Voting Rights Act, including section 5, the preclearance provision;

Provide for 7-year extension of the language minority protections added in 1975, and;

Amend section 2 of the act to clarify the burden of proof in voting discrimination cases and thus remove the uncertainty caused by the failure of the Supreme Court to articulate a clear standard in City of Mobile against Bolden.

In 1870, the 15th amendment was added to the Constitution. Section 1 set out this simple, unequivocal command:

> The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

By providing a specific constitutional provision protecting the right to vote, the Reconstruction Congress established access to the ballot as a right just as fundamental and precious as those inscribed in the Bill of Rights by our Founding Fathers. Incorporating this principle into our organic law constituted a solemn promise that our society would not tolerate racial barriers in the way of Americans seeking access to the voting booth. But just to make sure there would be no two ways about it, section 2 of the 15th amendment specifies that:

> The Congress shall have power to enforce this article by appropriate legislation.

Unfortunately, despite the unambiguous language of the 15th amendment, its promise has never been fully redeemed. In fact, it has often been repudiated and ignored. Not until Dr. Martin Luther King, Jr. and his companions in the civil rights movement prevailed against the brutal, ugly forces arrayed against them in Selma, Ala. in 1965 did Congress take decisive legislative action as required by the amendment, to signal that systematic violations of the 15th amendment would no longer be tolerated. With the enactment of the 1965 Voting Rights Act, black Americans finally began to collect on what Dr. King called the "promissory note of the Constitution."

There is no question that much has been accomplished under the Voting Rights Act. In the past 16 years, we have witnessed dramatic increases in minority registration and voting. The number of blacks registered to vote in South Carolina, Alabama, Mississippi, Louisiana, Georgia, Virginia, and parts of North Carolina has doubled since 1965. And, in the period between the 1976 and 1980 Presidential elections, Hispanic registration increased by 30 percent nationwide and 44 percent in the Southwest. Real political participation has become a fact of life in areas where politics used to be a game of charades enjoyed by a select few.

Clearly a great deal has been achieved, but this is no time to rest on our laurels. More remains to be done. The increases in black and Hispanic voting figures do not tell the whole story.

Although minorities are registering in greater numbers, sophisticated dodges such as at-large elections, racial gerrymandering, annexations and even changes in polling places, have been devised to dilute the impact of their vote. As the U.S. Supreme Court recognized in the Allen case:

> The right to vote can be affected by a dilution of voting power, as well as by an absolute prohibition on casting a ballot.

Section 5 of the 1965 Voting Rights Act requires Federal review of proposed changes in State and local election laws. It has been our most effective tool to date in blunting the impact of these voter dilution procedures, and it takes on added importance in light of the reapportionments dictated by the 1980 census which reflect trends expected to be more pronounced in the 1990 census. Without section 5, there will be no effective means of insuring that the growth in minority voting power anticipated under both censuses will not be minimized by racial gerrymandering and similar procedures. In the absence of section 5, we would be caught in a time warp and returned to the bad old days when the only way to combat voting discrimination was to attack it on a case-by-case basis. As the Supreme Court noted in *South Carolina* v. *Katzenback*, 383 U.S. 301 (1966), taking this tedious, time-consuming approach meant that:

> Even when favorable decisions have finally been obtained, some of the States affected have merely switched to discriminatory devices not covered by the Federal decrees or have enacted difficult new tests designed to prolong the existing disparity between white and Negro registration.

But, unless we act by August 6, 1982, section 5 will no longer apply to several jurisdictions of special concern. Twice before, the act faced such a threat. And, on both occasions, Congress met the challenge.

In submitting the bill today, we are simply carrying out our clear constitutional duty to provide "appropriate legislation" to enforce the terms of the 15th amendment. If we fail to act on this legislation now, we will put in jeopardy not only 16 years of hard-won progress, but, we will also put in jeopardy the solemn oath to uphold the Constitution, which each of us took when elected to the Senate of the United States.

I ask unanimous consent that the full text of the Voting Rights Act Amendments of 1981 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voting Rights Act Amendments of 1981".

SEC. 2. Section 4(a) of the Voting Rights Act of 1965 is amended by—

(1) striking out "seventeen" each time it appears and inserting in lieu thereof "twenty-seven"; and

(2) striking out "ten" each time it appears and inserting in lieu thereof "seventeen".

SEC. 3. Section 2 of the Voting Rights Act of 1965 is amended by striking out "to deny or abridge" and inserting in lieu thereof "in a manner which results in a denial or abridgement of".

SEC. 4. Section 203(b) of the Voting Rights Act of 1965 is amended by striking out "August 6, 1985" and inserting in lieu thereof "August 6, 1992".●

● Mr. KENNEDY. Mr. President, I am very pleased to join with Senators MATHIAS, BIDEN, CHAFEE, CRANSTON, METZENBAUM, MOYNIHAN, and WEICKER today in introducing the Voting Rights Amendments of 1981. Our bill will extend the essential protections of the historic Voting Rights Act. It will insure that the hard won progress of the past is preserved, and that the effort to achieve full participation for all Americans in our democracy will continue in the future.

Two days ago, in Selma, Ala., thousands of Americans marched across the Edmund Pettus Bridge. They commemorated that historic turning point 16 years ago, when Dr. Martin Luther King, joined by Americans of all races and creeds, persuaded our people to confront their conscience and fulfill the guarantees of the constitution.

From that effort came the Voting Rights Act of 1965. President Lyndon Johnson hailed its enactment as a "triumph for freedom as huge as any ever won on any battlefield." His prediction has been fulfilled. The act has restrained the shameful blight of voting discrimination. Minorities now enter the polls, participate in elections and win office themselves in parts of the country where they had long been denied the most basic right in a democratic society—the right to vote.

As the result of the Voting Rights Act of 1965, hundreds of thousands of Americans can now vote and, equally important, have their vote count as fully as the votes of their fellow citizens. Hundreds of men and women from racial and ethnic minorities now hold public office in places where that was once impossible.

Twice before, in 1970 and 1975, the crucial provisions of the act have been extended. Each time the act has come under attack. But each time, the Congress on a bipartisan basis, has come to its rescue, with the support of Americans from every part of the country. And in 1975, the act's protection was also extended to Hispanic Americans and other language minorities who have been the victim of similar discrimination in the right to vote.

I personally count my role in the passage of the Voting Rights Act and its extensions as among the most important responsibilities I have undertaken in this body.

Now this landmark legislation is again imperiled. The most successful modern civil rights law is in danger of falling victim to its own success. Unless we act, its crucial safeguards will no longer protect those who have relied upon them the most.

The protections of the act will expire in August of next year. Therefore, today we are introducing legislation to extend the full force of this historic law for 10 years, so that the extensive reapportion-

ment following the 1990 decennial census will be conducted under its aegis. The crucial role which the act plays in assuring fair reapportionment was the reason for the last extension of the act through 1982, in order to encompass the 1980 census.

To appreciate the legacy of the Voting Rights Act and the need for its continued vigor, an understanding of its history is essential. Traditionally, black Americans were denied the franchise throughout the South. After statutory bars were lifted, the main device was denial of voter registration—by violence, by harassment, and by the use of literacy tests or other screening methods. Civil rights groups and the Justice Department challenged those barriers repeatedly in the courts. The Civil Rights Act of 1957 and 1960 authorized the Attorney General to seek injunctions, and the bills also established a complex process to enroll black voters.

But case-by-case litigation proved wholly inadequate. Justice Department attorneys were thinly spread among numerous lawsuits in many different jurisdictions. The Government's burden of proof required massive resources to document discrimination in each case. By the time a court enjoined one scheme, the election had often taken place, local officials had devised a new scheme, or both. The enforcement of the law could not keep up with the violations of the law.

Finally, after long frustration and tenacious resistance, Congress acted to affirm our fundamental principles by passing the Voting Rights Act in 1965.

The legislation operates in two ways. First, it contains special remedies applicable to States or counties covered by the so-called trigger formula of section 4. If, in either the 1964 or 1986 Presidential elections, the jurisdiction had a literacy test or similar device and if less than half of its electorate was registered or voted, then it is covered under section 4. The use of "tests or devices" is suspended and the Attorney General is authorized to send in Federal examiners to register voters or Federal observers to monitor the conduct of elections.

Under section 5, these covered jurisdictions must preclear any changes in voting or election laws with either the Attorney General or a Federal court in the District of Columbia. The Attorney General or the court, is required to withhold approval until the submitting jurisdiction shows that the change will not be discriminatory.

Second, the act applies a general nationwide prohibition of discriminatory practices. Section 2 permits private or government lawsuits to be filed anywhere in the country to challenge such practices. And the Attorney General may ask the court to impose the same remedies—examiners, observers, a ban on test or devices, and preclearance of new laws—which apply automatically to areas covered by the section 4 trigger.

Once covered, a State or county can remove itself from coverage immediately by showing a Federal court that it had not in fact used its test or device to discriminate. Alternatively, a covered jurisdiction can remove itself from special coverage after a specified number of years by showing the court that for such a period it had not used tests to discriminate.

The initial effort to implement the Voting Rights Act focused on black registration. More than a million black citizens were added to the voting rolls from 1965 to 1972. It is not surprising, therefore, that to many Americans, the act is synonymous with achieving minority registration. But registration is only the threshold hurdle to full, effective participation in the political process. As the Supreme Court said in its interpretation of the act:

> The right to vote can be affected by dilution of voting power, as well as by absolute prohibition on casting a ballot. (*Allen* v. *Brd. of Elections*. 393 U.S. 544, 565)

Opponents of the dramatic rise in registration have sought to cancel the impact of the new black vote. A broad array of dilution schemes have been tried. Elective posts were made appointive; election boundaries were gerrymandered: majority runoffs were instituted to prevent victories under a prior plurality system; at-large elections were substituted for single-member election districts, or combined with other sophisticated rules to prevent an effective minority vote. The ingenuity of such schemes seems endless. Their common purpose has been to neutralize the gains made at the ballot box under the act.

Congress anticipated this response. The preclearance provisions of section 5 were designed to halt such efforts. Upholding the constitutionality of section 5, the Supreme Court noted:

> Congress knew that some of the States covered by section 4(b) of the act had resorted to the extraordinary stratagem of contriving new rules of various kinds for the sole purpose of perpetuating voting discrimination in the face of adverse Federal court decrees. Congress had reason to suppose that these States might try similar maneuvers in the future in order to evade the remedies for discrimination contained in the act itself. (*South Carolina* v. *Katzenbach*, 383 U.S. 301, 335)

Once the Supreme Court made clear that the act required review of any new laws in covered areas which could directly or indirectly impair the right to vote, section 5 became both the centerpiece of the Voting Rights Act and the main target of efforts to undermine it.

Each time that Congress has extended the special coverage of the Voting Rights Act, it has had to balance a record of impressive progress against disturbing evidence of continuing discrimination. Many officials in covered areas have shown a desire not only to observe the letter of the law, but to act according to the spirit of the law. Others have continued to circumvent the act by failing to submit changes or by implementing changes which had been disapproved. Many changes to which the Attorney General has objected show a determined effort to find new ways to disregard the law and deny minorities a fair role in the electoral process.

In the coming debate, we will hear once more the arguments against the act that we have heard in the past.

We will be told that it is a drastic departure from the principles of our Federal system. But the Supreme Court has agreed that Congress was faced with a drastic situation and that the law contains reasonable remedies that are fast, efficient and effective.

We will be told that the special provisions are no longer justified, because so much progress has been made. But the gains in registration and the impressive elections of minority officials have often been the direct result of the protections of the act. We have come a long way since 1965. But our task is not finished. Continued progress toward equal opportunity in the electoral process will be halted if we abandon the act's crucial safeguards now.

I am concerned about the need for further progress. But I am even more concerned about the risk of losing what has already been won. Those who fought the battles know how fragile the victories are. Without the preclearance of new laws, many of the advances of the past decade could be wiped out overnight with new schemes and devices.

The impressive rise in registration could be threatened by the prospect of reregistration requirements—ostensibly to purge old records. The Attorney General has objected to such efforts where the timing and method were clearly discriminatory.

In recent years there has been a steady number of objections under section 5. In fact, while more than 800 proposed changes have been objected to since 1965, well over half of those objections have been entered since the last time the act was extended in 1975. Even that substantial number may seem small in comparison to the total volume of laws submitted for approval. But it was always assumed that most submissions would be routinely approved. Congress aimed at catching those which do seriously harm minority rights.

I am convinced that the hearings on this legislation will again show a disturbing pattern of submissions which have been disapproved. All too often, the background of those changes—the absence of an innocent explanation, or the departure from past practice as minority voting strength approaches a new level—demonstrates a continuing intent to dilute the minority vote, and a continuing need for the act.

Many of the practices are complex and subtle. Sophisticated rules regarding at-large elections may seem part of the everyday rough-and-tumble of American politics—tactics used traditionally by the "ins" against the "outs." However, we must view such schemes in the context of repeated efforts to perpetuate past voting discrimination, and to undermine the results of the Voting Rights Act.

We will also be told that the act should be applied across the Nation, and that it is wrong to use a double standard against one section of the country. That is simply incorrect. The general provisions of the act do operate in every State. Even the special coverage under the trigger formula of section 4 is not regional.

It now applies to all or parts of some 24 different States throughout the country. The preclearance provisions of section 5 apply literally to the four corners of the Nation: From counties in Hawaii and Alaska to parts of New York and several New England States; from Arizona to the Deep South. Of course the major impact has been in the South. But submissions under section 5 have been required from many other parts of the country. In 1974, the New York State redistricting plan for New York City was disapproved by the Attorney General and had to be revised.

Moreover, our bill would also continue the general provisions of section 2, which permits suits to be filed against voting discrimination anywhere in the country. A separate section of the bill would clarify that provision.

Until the Supreme Court decision in Mobile against Bolden last spring, a violation of section 2 could be established by a variety of direct or indirect evidence concerning the context, the nature, and the result of the practice in question. This position had been unanimously supported by the Supreme Court in White against Register in 1973. In Mobile, the Court's plurality opinion suggested that direct proof of explicit intent was a necessary element to establish a violation of the act. That, of course, is usually an impossible task. Because of the absence of a clear standard for section 2 violations after the Bolden decision, it is important for Congress to clarify this provision. We should expressly restate the earlier understanding of Congress and the courts that section 2 violations can be established by direct or indirect evidence showing the discriminatory circumstances of the challenged practice.

Our bill will also extend the provisions added to the act in 1975 to protect the voting rights of other minority groups. At that time, the special coverage of section 4 and the preclearance procedures of section 5 were expanded to cover the voting rights of Hispanics, native Americans, Asians-Americans, and Alaskan Natives. As a result of these changes, coverage was extended to Texas, Alaska, and parts of California, Colorado, Florida, and several other States.

The 1975 amendments also mandated bilingual elections in almost 200 counties throughout the country with a significant number of citizens who speak a minority language, but have only limited literacy in English. For them, elections conducted wholly in English are a formidable barrier to participation in the political process.

While these provisions will not in fact expire until 1985, opposition to them as well has been announced. Congress should carry out its commitment to provide a substantial period for these protections to have their full impact. Our bill will extend them also through 1992, so that they will apply to reapportionment and elections following the 1990 census.

These provisions are now an integral part of the Voting Rights Act. In 1975, we acknowledged our obligation to erase discrimination against Hispanic Americans and other minorities.

The Civil Rights Commission and representatives of those minority groups presented clear and convincing evidence of voting discrimination before we acted in 1975. Since that time, Hispanic voting participation has increased dramatically—by more than 38 percent in California, 41 percent in Colorado, and 64 percent in Texas, according to a detailed study of the 1976 and 1980 elections by the Southwest OTER Education project.

In the same 5 years, the Attorney General has objected to 125 proposed changes in State and local laws in Texas which would have had a discriminatory impact.

Clearly, these provisions, too, must be preserved.

Mr. President, I am sure that Congress will examine this issue thoroughly. But, in the end, the protection of the Voting Rights Act must be preserved. If we fail to renew its core provisions, we will strike a cruel blow against all those who seek a political system free from discrimination.

We must keep faith with the millions of Americans who look to this act for the protection of their basic political rights. We must not risk a return to the conditions we struggled so long to change. We must not turn back the clock.

It was 16 years ago that Lyndon Johnson came before us and challenged us to join with him in the historic pledge that "we shall overcome?" This is not the time to retreat or to surrender.●

By Mr. BAKER (for himself and Mr. SASSER):

S. 896. A bill to designate the control tower at Memphis International Airport the Omlie Tower; to the Committee on Commerce, Science, and Transportation.

MEMPHIS AIRPORT LEGISLATION

Mr. BAKER. Mr. President, my distinguished colleague from Tennessee (Senator SASSER) and I are today jointly offering a measure to recognize the enormous contributions to our State and region and to the development of commercial aviation across our country by two famous aviation pioneers, Phoebe and Vernon Omlie.

We offer this legislation, in conjunction with our Tennessee colleagues in the House, and at the request of the Memphis-Shelby County Airport Authority.

The purpose of the measure is to name the new air traffic control tower at the Memphis International Airport the "Omlie Tower," in honor of these pioneers.

For my colleagues' edification in this regard, allow me to note that it was the Omlies, who were among the great aviation barnstormers of our history, who, in 1922, first established flight operations in Memphis—an action which led to the creation and development of a commercial airfield in Memphis a few years later.

All of us are aware of the contributions of the barnstormers in fostering an understanding and appreciation of commercial aviation.

But the Omlies did even more. In the catastrophic flood of the Mississippi River in 1927, they airlifted food, medicine, and other supplies to hundreds left homeless. In addition, they were of invaluable assistance in helping locate those persons stranded by the flood and also in identifying levees in danger of collapse.

Furthermore, Mrs. Omlie spent two decades in Government service, beginning with her appointment by President Franklin Roosevelt in 1933 as the special assistant for air intelligence of the National Advisory Committee for Aeronautics.

I would simply conclude by noting that, as we all marvel later this week at the technological and human magnificence manifested in our Space Shuttle program, we would do well to remember that such would not be possible were it not for the aviation pioneers of a previous generation, such as Phoebe and Vernon Omlie.

The Memphis community and the aviation community is in full support of this measure and I am hopeful my colleagues will be also.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the air traffic control tower at the Memphis International Airport is designated and shall hereafter be known as "Omlie Tower". Any reference in a law, map, regulation, document, or other paper of the United States to such control tower shall be held and considered to refer to "Omlie Tower".

● Mr. SASSER. Mr. President, it is with great pleasure that I join my senior colleague from Tennessee in introducing S. 896 which would rename the control tower at Memphis International Airport in honor of Vernon and Phoebe Omlie.

Throughout their long careers, the Omlies worked unfailingly to further the growth of the airline industry in the United States for both private and commercial purposes. They recognized that the growth of the aviation industry was inevitable, and their vision became reality. The industry surely owes its thanks to the Omlies for their pioneering efforts on its behalf, as they were instrumental in helping to gain public acceptance of aviation.

Starting as a barnstormer and stuntman in a field that was usually reserved for male participants, Mrs. Omlie went on to establish an impressive list of firsts that are to her credit: The first woman to be issued a transport license; the first to fly in the national air tour, sponsored by Henry Ford, and the first to be granted a mechanics license from the Department of Commerce, among other impressive achievements.

Mrs. Omlie settled in Tennessee in 1922 with her husband, Capt. Vernon Omlie. They worked toward the establishment of the largest flying school in the South at one of the first airfields, Mid-South Airport in Memphis. The Omlies exhibited great courage and compassion during the great Mississippi flood of 1927 by flying emergency missions to the

stricken areas and dropping medicine and food to the homeless.

Mrs. Omlie also had many years of outstanding service to the U.S. Government. Under President Franklin Roosevelt, Mrs. Omlie served on the National Advisory Committee for Aeronautics. After the untimely death of Mr. Omlie in a 1936 airplane crash, Mrs. Omlie worked for the research and development of high air safety standards. Mrs. Omlie continued her work for the Government, in the Civil Aeronautics Administration until her retirement in 1952.

The Omlies were far ahead of their time. Their vision and determination to bring aviation to the people of this country are to be commended. As citizens of this country, we all owe them, and others like them, a heartfelt thanks for helping to make our lives a little easier because of the convenience of air travel. It is my hope that the Senate will join me in honoring Mr. and Mrs. Omlie—great, and pioneering Americans.●

By Mr. THURMOND:

S. 897. A bill to permit members and former members of the uniformed services who are entitled to retired or retainer pay and who have not elected to participate in the survivor benefit plan under subchapter 11 of chapter 73 of title 10, United States Code, for a limited period, to participate in such plan, and for other purposes; to the Committee on Armed Services.

LEGISLATION TO AMEND THE MILITARY SURVIVOR BENEFIT PLAN LAW

Mr. THURMOND. Mr. President, on September 21, 1972, the 92d Congress enacted landmark legislation to establish the military survivor benefit plan (SBP) with the passage of Public Law 92–425. This law provided the military retiree an opportunity to participate in a cost-sharing program whereby his widow, in the event of his death, would be provided a nominal annuity which the retiree helps to finance while he is alive.

Unfortunately, this law had so many inequities that the majority of retirees declined to participate. It was estimated by the Defense Department in February 1979 that approximately 557,364 eligible retirees declined to participate. This number is even greater today.

Mr. President, since the enactment of the survivor benefit plan law on September 21, 1972, the Congress has removed a great many of the inequities. With a more equitable program, many thousands of the retirees would now like to participate by contributing a part of their retirement pay each month for their widow's annuity. Since 1972, Congress has enacted several laws (Public Law 93–155, Public Law 94–496, Public Law 95–397, and Public Law 96–402) which have dramatically improved the original survivor benefit plan.

Consequently, I am today introducing a bill which will provide an open enrollment period of 270 days, effective 90 days after enactment of the law. During this period, eligible retirees will be given an opportunity to participate for the first time since the last open period in 1974. The Defense Department and others will have a 90-day period to publicize the open period before the effective date. Since retirees will be allowed to enroll at this late date a penalty will be included in my proposal. A new participant will have to pay into the plan for 1 year before coverage begins for his beneficiaries. If he dies during that year, the proposal provides for a refund of the money he has contributed to the plan.

Mr. President, it is important to summarize the improvements made by the 93d, 94th, 95th, and 96th Congresses in the survivor benefit plan. Although these improvements were made during the last 8 years, there was no open enrollment period for retirees to take advantage of these changes. Many of the most serious earlier objections to the plan have been removed.

The following are some of the improvements which removed many of the inequities since the program was established in 1972:

a. Public Law 94–496 eliminated the requirement that a participant would have to continue to pay into the plan even though his wife died first. This "pay forever" provision, which was one of the most significant inequities, was one of the primary reasons retirees declined to participate. Removal of this lifetime obligation should have been sufficent to justify an open enrollment period at the time.

b. Public Law 94–496 reduced from two years to one year the length of time a retiree must be remarried before the second wife is eligible for the survivor benefit plan benefits.

c. Public Law 95–397 eliminated the social security offset/integration for the working widow. This was an improvement; however, further changes are still required in this area. Whether a 62-year old widow is working or not, there should be no offset based on her own earnings.

d. Public Law 95–397 reinstated the Survivor Benefit Plan to widows receiving dependency Indemnity Compensation (DIC), whose DIC was terminated because of remarriage after age 60. However, the DIC offset to SBP is still an undesirable provision to these widows who are eligible for both benefits. This problem has been partly alleviated by Public Law 96–402, which allows a totally disabled retiree to suspend enrollment in the SBP.

e. Public Law 96–402 partially removed one of the major objections to the SBP. It reduced the social security offset to SBP by capping it at 40 percent of the SBP amount. A widow is now assured of receiving at least 60 percent of the SBP benefits regardless of the amount of social security received.

f. Public Law 96–402 also resolved another adverse aspect of SBP. It provided for computing the cost to the retiree in the same manner as it is computed for the civil service retiree for same coverage. Previously, the cost to the militray retiree each month was more than the cost to the civil service retiree for the same coverage.

Mr. President, these significant changes to remove the inequities in the SBP mandate an open enrollment period. The importance of open enrollment legislation is such that it warrants special and separate legislation. In the past, open enrollment has been a small part of bills recommending multiple changes to the SBP. It was often overshadowed by more vital provisions. It is time for the open enrollment period to be allowed to stand or fall on its own merits. The Congress has not seriously addressed this issue in the past 8 years, although SBP bills in the 94th, 95th, and 96th Congresses contained open enrollment provisions.

The basic objective of SBP is to prevent any widow of a military retiree from ever being without a source of income. The Defense Department previously deferred to the wishes of the Congress on the open enrollment period. In my judgment, the 97th Congress must give this issue more serious consideration. We must help prevent many military widows from the same poverty stricken existence now being experienced by about 40,000 military widows, known as the " forgotten widows," whose husbands died prior to the SBP program. Over half a million current retirees should be given an opportunity to participate in SBP to prevent this type of existence for their widows.

Mr. President, the following provisions are contained in my proposal:

First, a specific opening and closing date for enrollment for eligible retirees, not to exceed 270 days beginning 90 days after enactment of this bill into law.

Second, a retiree who desires to enroll would be required to be enrolled with deductions from his pay each month for 12 months before his/her beneficiaries would be eligible for the annuity. This is a penalty provision for delayed enrollment. If the retiree dies during this 12-month waiting period, the survivor's estate would be refunded only that amount of money which had been deducted from the retiree's retired pay or otherwise paid to the Government for the SBP.

Third, initial SBP cost would be calculated based on the participant's retired pay at the time the individual elects participation.

Fourth, a provision to allow those who are currently enrolled in SBP at less than the maximum coverage (55 percent of retired pay) to increase their level of participation with a corresponding increase in retired pay reduction. For those individuals increasing their level of participation, a 12-month waiting period would be imposed before the beneficiary would be eligible for the increased portion of the annuity. If the retiree dies during the waiting period, the beneficiary, or the estate, would receive benefits at the original rate and be refunded the amount deducted from the retiree's pay during the unfulfilled waiting period.

Fifth, a provision allowing those currently enrolled to decrease their level of participation with a corresponding decrease in retired pay reductions, if a lower option exists under the current law. There would be no refund of past money deducted from retired pay.

Sixth, a provision allowing total disenrollment from SBP 180 days after the retiree has notified his finance center. There would be no refund of past money deducted from retired pay. Additionally, the beneficiary must provide certification of concurrence with the withdrawal to the appropriate finance office presumably by a notarized affidavit, as may be prescribed by the Secretary of the

military department. After receipt by the finance office, there would be a 180-day waiting period before withdrawal is effective during which time a participant could change his or her mind.

I strongly urge my distinguished colleagues to support this vital measure. It is only fair to a half million retirees who should be allowed to participate in SBP after so many changes have been made in the SBP law by the Congress in the past 8 years. This bill will help prevent many military widows from existing in poverty in their old age.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 897

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) any member or former member of the uniformed services who is entitled to retired or retainer pay on the date of the enactment of this Act and who did not elect to participate in the survivor benefit plan provided for under subchapter II of chapter 73 of title 10, United States Code (hereinafter in this Act referred to as the "Plan"), may elect, within 270 days after the effective date of this Act and subject to the provisions of this Act, to participate in the Plan if otherwise eligible to participate.

(2) In any case in which such member or former member elects under authority of paragraph (1) to participate in the plan, the election shall not become effective until the monthly retired or retainer pay of such member has been reduced in accordance with the provisions of section 1552 of title 10, United States Code, for a period of at least twelve months after the date of the election. If the member or former member dies after electing to participate in the Plan but before the monthly retired or retainer pay of such member or former member has been reduced for twelve or more months, an amount equal to the amount of the reductions made in the retired or retainer pay of such member shall be paid to the estate of such member or former member.

(3) Any member or former member of the uniformed services described in paragraph (1) whose retired or retainer pay is being reduced under section 1436(a) of title 10, United States Code, or who is depositing amounts under section 1438 of such title, may elect within 270 days after the effective date of this Act—

(A) to participate in the Plan and continue his participation under chapter 73 of such title as in effect on September 20, 1972, except that the total of the annuities elected may not exceed 100 percent of his retired or retainer pay; or

(B) to participate in the Plan and, notwithstanding section 1436(b) of title 10, United States Code, terminate his participation under chapter 73 of such title as in effect on September 20, 1972.

A member or former member of the uniformed services who makes an election under clause (B) of this paragraph is not entitled to a refund of amounts previously deducted from his retired or retainer pay under chapter 73 of title 10, United States Code, as in effect on the day before the date of the enactment of this Act, or any payments made thereunder on his behalf.

(b)(1) Any member or former member of the uniformed services who is participating in the Plan but who elected to provide an annuity in an amount less than the amount of the maximum annuity authorized under the Plan may, within 270 days after the effective date of this Act and subject to the provision of this Act, elect to provide an annuity at the maximum amount or at an amount greater than the amount in effect on the day before the date of the enactment of this Act but less than the maximum amount permitted under the Plan.

(2) In any case in which such member or former member elects under authority of paragraph (1) to increase the amout of the annuity of any beneficiary named by such member or former member, the beneficiary shall not become eligible for the increased portion of the annuity unless the monthly retired or retainer pay of such member has been reduced in accordance with section 1552 of title 10, United States Code, by an additional amount on account of the election of the increased annuity for a period of not less than twelve months after the date of such election. If the member or former member dies after making an election under the authority of paragraph (1) to increase the amount of an annuity but before the monthly retired or retainer pay of such member or former member has been reduced by such additional amount for twelve or more months, an amount equal to the amount of the increased portion of the reductions made in the retired or retainer pay of such member shall be paid to the estate of such member or former member.

(c) Any member or former member of the uniformed services who is participating in the Plan may, within 270 days after the effective date of this Act and subject to the provision of this Act, elect to terminate participation in the Plan if the beneficiary who is the beneficiary under the Plan on the date of the enactment of this Act agrees in writing to the proposed termination.

(2) An election made under paragraph (1) to terminate participation in the Plan shall not become effective for a period of 180 days after notice of the election is received by the Secretary concerned together with the written approval of the beneficiary required under paragraph (1). The election shall become void if before the expiration of such 180-day period the member notifies the Secretary concerned in writing that such member wishes to revoke the election or the beneficiary notifies the Secretary concerned in writing that the beneficiary wishes to revoke approval of such election.

(3) The monthly retired or retainer pay of a member of the uniformed services who makes an election under paragraph (1) to terminate participation in the Plan shall continue to be reduced under section 1552 of title 10, United States Code, until the election becomes final.

SEC. 2. An election under this Act to reduce an annuity or to terminate participation in the Plan does not authorize the refunding of any reductions which were made in the retired or retainer pay of any member or former member of the uniformed services before the day on which such election becomes final.

SEC. 3. Any requirement under this Act regarding the reduction of the retired or retainer pay of a member or former member of the uniformed services for any period shall be deemed to have been met if such member is not entitled to that pay for any period and deposits in the Treasury the amount that would otherwise have been deducted from his pay for that period, unless he is called or ordered to active duty for a period of more than 30 days, in which event such requirement shall be waived for the period he is on active duty.

SEC. 4. As used in this Act, the terms "uniformed services" and "Secretary concerned" have the same meanings prescribed for such terms in paragraphs (3) and (5), respectively, of section 101 of title 37, United States Code.

SEC. 5. This Act shall become effective 90 days after the date of enactment.

By Mr. PACKWOOD (for himself, Mr. STEVENS, Mr. GOLDWATER, and Mr. SCHMITT):

S. 898. A bill to amend the Communications Act of 1934 to provide for improved domestic telecommunications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1981

● Mr. PACKWOOD. Mr. President, for 3 years the Committee on Commerce, Science, and Transportation has been working on legislation containing comprehensive amendments to the Communications Act of 1934. It has been our view that Congress, not the courts or the Federal Communications Commission, should establish national communications policy. In March of 1979, the ranking member of the Communications Subcommittee, Senator GOLDWATER, and Senators SCHMITT, PRESSLER, and STEVENS introduced S. 622, the Telecommunications Competition and Deregulation Act of 1979. At the same time, our colleagues, Senators CANNON and HOLLINGS introduced S. 611, Communications Act Amendments of 1979.

After extensive hearings, lengthy written submissions, and long discussions, S. 2827, the Communications Act Amendments of 1980, was introduced by myself, Senators CANNON, HOLLINGS, GOLDWATER, and SCHMITT. Although I was not completely satisfied with all the provisions in that bill, I was willing to proceed to a full committee markup. The committee did not schedule a markup and, shortly thereafter, I directed the committee staff to review all legislation, both House and Senate, and make recommendations on how to proceed during the 97th Congress.

We decided to proceed with separate bills addressing specific areas of the Communications Act that required amendment rather than placing them all in one bill. Therefore, on January 27, 1981, Senator SCHMITT introduced S. 270, the Radio Deregulation Act of 1981. That same day, Senator GOLDWATER introduced S. 271, the International Record Carrier Competition Act of 1981. On March 3, 1981, Senator GOLDWATER introduced S. 601, the Television Licensing and Renewal Act of 1981 and on March 27, 1981, I introduced S. 821, the the Federal Communications Commission Reauthorization Act of 1981.

Today, with Senators GOLDWATER, SCHMITT, and STEVENS, I introduced the Telecommunications Competition and Deregulation Act of 1981. This bill represents our best judgment on the appropriate role for competition and deregulation in the provision of national telecommunications. Undoubtedly, this bill will be amended as it proceeds through the legislative process. This subject is so complicated and important to our Nation that it takes the work of many people to reach the right conclusions.

Recently, the Justice Department failed to settle the antitrust suit against A.T. & T. Additionally, in district court of New Jersey the Justice Department

asked that the FCC's deregulation of A.T. & T. not be done until that company is restructured. In light of these events, we believe it is important to proceed with comprehensive domestic telecommunications legislation. We will schedule hearings as soon as the Senate schedule permits, and proceed to markup as soon as possible thereafter.

Mr. President, I ask unanimous consent that the bill, and a summary of it be printed in their entirety in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Telecommunications Competition and Deregulation Act of 1981".

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"Sec. 235. Transitional provision of certain facilities and services.
"Sec. 236. Determination of basic telecommunications services.
"Sec. 237. Ownership of cable television systems."

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301.—311.

TITLE IV—CONFORMING AMENDMENTS

Sec. 401. Title 18.
Sec. 402. Clayton Act.
Sec. 403. Transition of Commission authority.
Sec. 404. Applicability of antitrust laws.
Sec. 405. Effective date.

FINDINGS

SEC. 2. The Congress hereby finds and declares that—

(1) rapid advances in telecommunications technologies are making possible competition among providers of telecommunications services; and

(2) competition is a more efficient regulator than government of the provision of diverse telecommunications services and, as competition continues to develop, deregulation of telecommunications carriers and services should occur.

TITLE I—GENERAL

REDESIGNATION AND REFERENCE

SEC. 101. Sections 1 through 5 of the Communications Act of 1934 (and all cross references thereto), hereinafter referred to as the "1934 Act" (47 U.S.C. 151) are redesignated as sections 101 through 105, respectively.

PURPOSES—FEDERAL COMMUNICATIONS COMMISSION

SEC. 102. Section 101 of the 1934 Act, as redesignated by section 101, is amended to read as follows:

"PURPOSES OF THE ACT; FEDERAL COMMUNICATIONS COMMISSION

"SEC. 101. For the purpose of making available, so far as possible, to all the people of the United States, rapid, efficient, nationwide, and worldwide telecommunications services with adequate facilities at reasonable charges or prices; for the purpose of the national defense and security and emergency preparedness; for the purpose of promoting safety of life and property through the use of telecommunications; for the purpose of encouraging competition in the provision of telecommunications; for the purpose of encouraging continuing improvement in the use of technologies and for the purpose of promoting interstate and foreign commerce in telecommunications services, there is hereby created a commission to be known as the Federal Communications Commission, which shall be constituted as hereinafter provided, and which shall execute and enforce the provisions of this Act.".

APPLICATION OF ACT

SEC. 103. Section 102 of the 1934 Act, as redesignated by section 101, is amended to read as follows:

"APPLICATION OF ACT

"SEC. 102. (a) The provisions of this Act shall apply to and the Commission shall exercise jurisdiction with respect to: All interexchange and foreign telecommunications and all transmission of electromagnetic energy by radio, which originates or is received within the United States; the licensing and regulating of all radio stations as hereinafter provided; and all persons engaged within the United States in such telecommunications or such transmission of energy by radio.

"(b) Except as otherwise provided in title II, and subject to the provisions of section 301 of this Act, nothing in this Act shall be construed to apply or to give the Commission jurisdiction with respect to charges or prices, practices, services, facilities, or regulations for or in connection with exchange telecommunications services.".

DEFINITIONS

SEC. 104. Section 103 of the 1934 Act, as redesignated by section 101, is amended to read as follows:

"DEFINITIONS

"SEC. 103. For the purposes of this Act, unless the context otherwise requires, the term—

"(1) 'Affiliate' means any carrier or entity which owns or controls another carrier or entity, is under direct or indirect common ownership or control with another carrier or entity, or is owned or controlled by another carrier or entity.

"(2) 'Amateur station' means a radio station operated by a duly authorized person interested in radio technique solely with a personal aim and without pecuniary interest.

"(3) 'Basic telecommunications service' means the provision to the general public on a universal basis of the minimum transmission capability necessary for two-way telecommunications services including basic telephone service.

"(4) 'Basic telephone service' means a basic telecommunications service which allows natural persons to communicate with each other by voice over intraexchange, interexchange or foreign telecommunications facilities.

"(5) 'Broadcast station', 'broadcasting station', or 'radio broadcast station' means a radio station equipped to engage in broadcasting.

"(6) 'Broadcasting' means telecommunications by radio intended to be received by the general public, directly or by the intermediary of relay stations.

"(7) 'Chain broadcasting' means simultaneous broadcasting of an identical program by two or more connected stations.

"(8) 'Commission' means the Federal Communications Commission.

"(9) 'Construction permit' or 'permit for construction' means that instrument of authorization required by this Act or the rules and regulations of the Commission made pursuant to this Act for the construction of a station or the installation of apparatus for the transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission.

"(10) 'Corporation' includes any corporation, joint-stock company, or association.

"(11) 'Exchange telecommunications' means telecommunications which both originate and terminate within the same exchange telecommunications area.

"(12) 'Exchange telecommunications area', 'exchange area', or 'exchange' means a geographic area configured by a State commission for telecommunications purposes.

"(13) 'Foreign telecommunications' or 'foreign transmission' means telecommunications or transmission from or to any place in the United States to or from a foreign country, or between a station in the United States and mobile station located outside the United States.

"(14) 'Great Lakes Agreement' means the agreement for the promotion of safety on the Great Lakes by means of radio in force and the regulations referred to therein.

"(15) 'Harbor' or 'port' means any place to which ships may resort for shelter or to load or unload passengers or goods, or to obtain fuel, water, or supplies. This term shall apply to such places whether proclaimed public or not and whether natural or artificial.

"(16) 'Information' means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or other symbols.

"(17) 'Information service' means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information which may be conveyed via telecommunications, except that such service does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

"(18) 'Interexchange telecommunications' means telecommunications between a point

or points located in one exchange telecommunications area and a point or points located in one or more other exchange areas, including the origination and termination of such telecommunications within each such separate exchange area.

"(19) 'Land station' means a station, other than a mobile station, used for radio communication with mobile stations.

"(20) 'Licensee' means the holder of a radio station license granted or continued in force under authority of this Act.

"(21) 'Mobile service' means the radiocommunication service carried on between mobile stations and land stations, and by mobile stations communicating among themselves.

"(22) 'Mobile station' means a radio-communication station capable of being moved and which ordinarily does move.

"(23)(A) 'Operator' on a ship of the United States means, for the purpose of parts II and III of title III of this Act, a person holding a radio operator's license of the proper class as prescribed and issued by the Commission.

"(B) 'Operator' on a foreign ship means, for the purpose of part II of title III of this Act, a person holding a certificate as such of the proper class complying with the provisions of the radio regulations annexed to the International Telecommunication Convention in force, or complying with an agreement or treaty between the United States and the country in which the ship is registered.

"(24) 'Person' includes an individual, partnership, association, joint-stock company, trust, corporation, or any Government agency.

"(25)(A) 'Radio officer' on a ship of the United States means, for the purpose of part II of title III of this Act, a person holding at least a first or second class radiotelegraph operator's license as prescribed and issued by the Commission. When such person is employed to operate a radiotelegraph station aboard a ship of the United States, such person is also required to be licensed as a 'radio officer' in accordance with the Act of May 12, 1948.

"(B) 'Radio officer' on a foreign ship means, for the purpose of part II of title III of this Act, a person holding at least a first or second class radiotelegraph operator's certificate complying with the provisions of the radio regulations annexed to the International Telecommunication Convention in force.

"(26) 'Radio station' or 'station' means a station equipped to engage in radio communication or radio transmission of energy.

"(27)(A) 'Radiotelegraph auto alarm' on a ship of the United States subject to the provisions of part II of title III of this Act means an automatic alarm receiving apparatus which responds to the radiotelegraph alarm signal and has been approved by the Commission.

"(B) 'Radiotelegraph auto alarm' on a foreign ship means an automatic alarm receiving apparatus which responds to the radiotelegraph alarm signal and has been approved by the government of the country in which the ship is registered: *Provided*, That the United States and the country in which the ship is registered are parties to the same treaty, convention, or agreement prescribing the requirements for such apparatus. Nothing in this Act or in any other provision of law shall be construed to require the recognition of a radiotelegraph auto alarm as complying with part II of title III of this Act, on a foreign ship subject to such part, where the country in which the ship is registered and the United States are not parties to the same treaty, convention, or agreement prescribing the requirements for such apparatus.

"(28) 'Regulated telecommunications service' or 'regulated service' includes regulated basic telephone service or any regulated basic telecommunications service designated by the Commission pursuant to section 236, or the provision of telecommunications facilities for which no alternative is reasonably available as determined by the Commission.

"(29) 'Resale' means the reoffering, with or without adding value, by any person for a profit of any telecommunications service which has been obtained from a carrier.

"(30) 'Safety convention' means the International Convention for the Safety of Life at Sea in force and the regulations referred to therein.

"(31) (A) 'Ship' or 'vessel' includes every description of watercraft or other artificial contrivance, except aircraft, used or capable of being used as a means of transportation on water, whether or not it is actually afloat.

"(B) A ship shall be considered a passenger ship if it carries or is licensed or certified to carry more than 12 passengers.

"(C) A cargo ship means any ship not a passenger ship.

"(D) A passenger is any person carried on board a ship or vessel except (i) the officers and crew actually employed to man and operate the ship, (ii) persons employed to carry on the business of the ship, and (iii) persons on board a ship when they are carried, either because of the obligation laid upon the master to carry shipwrecked, distressed, or other persons in like or similar situations or by reason of any circumstance over which neither the master, the owner, nor the charterer (if any) has control.

"(E) 'Nuclear ship' means a ship provided with a nuclear powerplant.

"(32) 'State' means the several States and includes the District of Columbia and the territories and possessions of the United States.

"(33) 'State commission' means the commission, board, or official (by whatever name designated) which under the laws of any State has regulatory jurisdiction with respect to exchange telecommunications services.

"(34) 'Station license', 'radio station license', or 'license' means that instrument of authorization required by this Act or the rules and regulations of the Commission made pursuant to this Act, for the use or operation of apparatus for transmission of energy, or telecommunications, or signals by radio, by whatever name the instrument may be designated by the Commission.

"(35) 'Tariff' means a schedule governing any generally applicable charge, characteristic, regulation, or practice associated with a regulated telecommunications service.

"(36) 'Telecommunications' means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information, by means of electromagnetic transmission, with or without benefit of any closed transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of such information) essential to such transmission.

"(37) 'Telecommunications carrier' or 'carrier' means any person, including any government or quasi-government entity, which owns or controls telecommunications facilities used by any person to provide telecommunications services. A person engaged in any nontelecommunications activities, in providing any information service, or information software, in producing or marketing customer-premises equipment, which person is fully separated from any affiliated regulated carrier, or a person engaged in broadcasting, or in providing any cable television service, shall not, insofar as such person is so engaged, be deemed a carrier except that nothing in this paragraph relating to cable television service shall be construed to affect any authority of any State or local government, as such authority exists on the date of enactment of the Telecommunications Competition and Deregulation Act of 1981. The shared use of telecommunication equipment, facilities, or services among Government agencies, or the provision of telecommunications equipment, facilities or services by any Government agency to any other Government agency shall not be sufficient to deem such Government agencies to be a carrier.

"(38) 'Telecommunications facilities' means transmission facilities under common ownership or control with such facilities.

"(39) 'Telecommunications service' means the offering for hire of telecommunications facilities, or of telecommunications by means of such facilities. Such term does not include sharing.

"(40) 'Transmission of energy by radio', 'radio transmission of energy' or 'transmission of electromagnetic energy by radio' means the transmission of electromagnetic energy through space without benefit of a closed transmission medium and includes both such transmission and all instrumentalities, facilities, and services incidental to such transmission.

"(41) 'Transmission facilities' means equipment (including wire, cable, microwave, satellite, and fibre-optics) which transmit information by electromagnetic means or which directly support such transmission, but does not include customer-premises equipment.

"(42) 'United States' means the several States and territories, the District of Columbia and the possessions of the United States.".

TITLE II—DOMESTIC TELECOMMUNICATION

FINDINGS/TRANSITION PLAN

SEC. 201. (a) STATEMENT OF FINDINGS.—The Congress hereby finds and declares that—

(1) the basic goals of the 1934 Act continue to be valid, and it is in the public interest to continue efforts to attain these goals;

(2) basic telecommunications services must and can be provided and maintained at reasonable charges or prices in an environment of increased competition through appropriate financial and procedural safeguards incorporated into statutory and regulatory policies and industry relationships;

(3) although complete deregulation of all interexchange telecommunications carriers and services may eventually be achieved pursuant to the amendments made by this Act, regulation of carriers which own or control telecommunications facilities in any geographic area or market for which there is no reasonably available alternative as determined by the Commission or which provide basic telecommunications service should continue until an alternative facility is reasonably available or the universal provision of basic telecommunications service at reasonable prices can be assured through marketplace competition;

(4) current and projected public, business, and governmental needs for additional and enhanced telecommunications and information services and equipment are highly diverse;

(5) advances in technology can make possible new and diverse telecommunications services and equipment previously unavailable to the public and can satisfy specialized consumer needs;

(6) modern efficient interexchange telecommunications services are essential to interstate and foreign commerce; technological and other advances have largely removed any valid or meaningful distinction between interstate interexchange and intrastate interexchange telecommunications; and differing policy and regulatory treatment of

interexchange telecommunications based on State boundaries would create artificial and irrational barriers burdening interstate and foreign commerce and reducing important public benefits;

(7) the characteristics of the United States telecommunications industry which evolved during the development of essentially universal basic telephone service cannot adequately provide for the creativity, technological and service innovation, responsiveness to consumer needs, operating efficiencies, and related factors required to exploit fully technological opportunities beneficial to the consumer;

(8) decisions of the courts and the Commission have indicated a clear need for congressional guidance;

(9) increased competition in the supply of telecommunications and information services and equipment and selective deregulation have already produced significant benefits for the telecommunications and information consumer;

(10) further competition and deregulation can result in increased benefits to the consumer and additional opportunity to exploit new technologies and should be explicitly encouraged through appropriate statutory policies and guidelines; and

(11) an orderly transition is necessary to achieve the purposes of this Act.

(b)(1) TRANSITION PLAN.—The Commission shall establish a plan to carry out the provisions of this title to foster marketplace competition and to implement deregulation on the dates specified therein (or where no date is specified at the earliest practicable date), for interexchange telecommunications services, equipment and carriers.

(2) TRANSITION PLAN REQUIREMENTS.—The transition plan established pursuant to subsection (a) shall provide for—

(A) the classification of carriers (pursuant to section 203 of the 1934 Act) to carry out the policy of this title;

(B) the establishment and implementation of an accounting system (pursuant to section 220 of the 1934 Act);

(C) a procedure (pursuant to sections 227 and 228 of the 1934 Act) to implement the provisions of this title relating to the formation of fully separated affiliates and to monitor compliance with such provisions; and

(D) practices and procedures for exchange access charges (pursuant to section 222 of the 1934 Act).

TECHNICAL AMENDMENT

SEC. 202. The heading for title II of the 1934 Act is amended to read as follows:

"TITLE II—DOMESTIC TELECOMMUNICATIONS".

POLICY

SEC. 203. Section 201 of the 1934 Act is amended to read as follows:

"STATEMENT OF POLICY

"SEC. 201. It is the policy of the United States to rely wherever and whenever possible on marketplace competition on the private sector to provide all telecommunications services, and thereby to reduce and eliminate unnecessary regulation including the regulation of telecommunications services to the extent there is a reasonably available alternative for such service. Marketplace competition will result in technological innovation, operating efficiencies, and availability of a wide variety of telecommunications technologies that are now or may become available in the future, and will promote the equitable and efficient use of such technologies to provide services to all geographical areas of the United States. Where competition does not now exist, it is the policy of the United States to encourage the development of such competition, and pursuant to an appropriate transition in accordance with this Act, to deregulate telecommunications services while establishing appropriate safeguards to prevent anticompetitive practices, and adverse impact upon the national defense and security and emergency preparedness. Whenever the Commission finds it necessary to regulate the provision of basic telephone or basic telecommunications services in order to ensure their universal and reasonable availability, or to regulate facilities for which there is no reasonably available alternative, such regulation shall be minimal and strictly in accordance with this Act. Prior to the deregulation of basic telephone or basic telecommunications service in any particular geographic area or market, the Commission must find that such basic telephone or basic telecommunications service will continue to be universally and reasonably available. Unless the Commission in any particular case shall find otherwise, it shall be presumed that there are no basic technological, operational, or economic factors which would necessarily preclude the provision of any telecommunications service under conditions of competition.".

AUTHORITY OF COMMISSION

SEC. 204. Section 202 of the 1934 Act is amended to read as follows:

"AUTHORITY OF THE COMMISSION

"SEC. 202. (a) The Commission shall exercise only so much of the powers conferred upon it under this title as is essential to the purposes of this Act, and shall revise, reduce, or eliminate any rule or regulation prescribed pursuant to this title with respect to any telecommunications service or carrier operating in any market or geographic area as competition develops.

"(b) The Commission shall have continuing authority over the provision of regulated telecommunications services and carriers.

"(c) In addition to any other authority which the Commission may exercise under this Act, the Commission shall have authority to regulate any dominant-regulated carrier and its affiliates (other than any fully separated affiliate) for the purpose of—

"(1) dealing with anticompetitive practices between any fully separated affiliate and the dominant-regulated carrier or its affiliates; and

"(2) protecting users of telecommunications services in connection with dealings between any dominant-regulated carrier, and its affiliates and any fully separated affiliate.

"(d) Except as provided in sections 227 and 228, nothing in this Act is intended to preclude management personnel of a dominant-regulated carrier from directing the operations of any dominant-regulated carrier, any affiliate and any fully separated affiliate, except that costs of such direction shall be properly allocated to any dominant-regulated carrier, its affiliates or fully separated affiliate.

"(e) The Commission shall assure that the implementation of the amendments made by the Telecommunications Competition and Deregulation Act of 1981 shall not result in unreasonable charges for basic telephone service. The Commission shall have the authority to adopt, whenever necessary, a mechanism such as a surcharge on access charges established pursuant to section 222 in order to accomplish the purposes of this subsection.

"(f) Except as provided in sections 229(b)(1) and 237, the Commission shall not prevent or limit the use of any technology or improvement in the provision of telecommunications services.

"(g) The Commission shall not have any authority to include in any license issued under title III any term or condition which is inconsistent with any limitation imposed upon the regulatory authority of the Commission in this title.".

CLASSIFICATION OF CARRIERS

SEC. 205. Section 203 of the 1934 Act is amended to read as follows:

"CLASSIFICATION OF CARRIERS

"SEC. 203. (a) Not later than 30 days after the date of enactment of the Telecommunications Competition and Deregulation Act of 1981, the Commission shall identify, and cause to be published in the Federal Register, a list of those carriers which serve more than 50,000 main and equivalent stations and which on the date of enactment of the Telecommunications Competition and Deregulation Act of 1981 were deriving revenues from the procedures established by the telephone industry to allocate the costs and divide the revenues associated with the provision of basic telephone service, commonly known as separations and settlements and division of revenues. Carriers identified under this subsection shall be classified as regulated carriers.

"(b) The regulated carrier which is referred to in section 229 shall be further classified as a dominant-regulated carrier.

"(c)(1) The Commission, upon its own motion or upon petition, shall classify or reclassify as a regulated carrier any carrier subject to this Act which owns or controls telecommunications facilities for which there is no reasonably available alterative or which provides any other regulated service. In determining whether there is no reasonably available alternative, the Commission shall consider, among other things, the number of unaffiliated providers of facilities, the extent of facilities available in any market, and the ability of the providers to make facilities readily available in a reasonable time period.

"(2) The Commission shall, upon its own motion or upon petition, classify or reclassify as a dominant-regulated carrier any regulated carrier which is dominant in the provision of telecommunications services in a substantial percentage of the total number of markets or submarkets for telecommunications services.

"(3) The Commission may, upon its own motion or upon petition, reclassify any dominant-regulated carrier as a regulated carrier, and any regulated carrier as an unregulated carrier.

"(d) Any interexchange carrier not classified as a regulated carrier shall be deemed an unregulated carrier.".

RESALE

SEC. 206. Section 204 of the 1934 Act is amended to read as follows:

"RESALE OF TELECOMMUNICATIONS SERVICES

"SEC. 204. (a) (1) Except as otherwise provided in this Act, neither the Commission, nor any State commission shall regulate the resale of any telecommunications service.

"(2) No regulated carrier may establish or enforce any restrictions on the resale or other use of any service provided by such carrier.

"(3) If a quasi-governmental entity which has a statutory monopoly for the delivery of letters offers any telecommunications service by resale or otherwise, such entity shall meet the requirements of section 227 with regard to its provision of such telecommunications services. Nothing herein shall be construed to authorize such entity or affiliate to provide the electronic delivery of messages to nonaffiliates.

"(b) No dominant-regulated carrier may engage in any resale activity other than through a fully separated affiliate.".

CARRIER REQUIREMENTS

SEC. 207. Section 205 of the 1934 Act is amended to read as follows:

"PRESCRIPTION OF CARRIER REQUIREMENTS

"SEC. 205. (a) Consistent with the purposes of this Act and the policy of this title, the Commission may—

"(1) prescribe different requirements for different regulated carriers, or

"(2) exempt carriers in whole or in part, from the requirements of this title,

if it finds that such different requirement or exemption is consistent with the public interest.

"(b) The Commission shall not have the authority, with respect to unregulated carriers (including any fully separated affiliate of a dominant-regulated carrier), to impose any requirements which are not specifically provided in this title.".

TECHNICAL AND CONFORMING

SEC. 208. Section 206 of the 1934 Act is amended by—

(1) amending the heading to read as follows:

"LIABILITY OF CARRIERS FOR DAMAGES; RECOVERY OF DAMAGES";

(2) inserting "(a)" immediately before the first sentence thereof; and

(3) striking "common" wherever it appears therein and substituting "regulated".

TECHNICAL AND INTERCONNECTION

SEC. 209. (a) Section 207 of the 1934 Act is amended by—

(1) redesignating such section and all cross references thereto as subsection (b) of section 206;

(2) striking the heading thereof; and

(3) striking "common" wherever it appears therein and by substituting "regulated".

(b) Title II of the 1934 Act, as amended, is further amended by inserting immediately after section 206 thereof the following new section:

"INTERCONNECTION

"SEC. 207. Every telecommunications carrier, any entity or affiliate described in section 204(a)(3)—

"(1) shall, if a reasonable request is made, establish interconnection of its regulated service—

"(A) with any telecommunications carrier;

"(B) with any telecommunications facility or private telecommunications system; and

"(C) with any customer premise equipment which is owned or leased by a customer of such dominant-regulated carrier, regulated carrier, or exchange carrier and which meets such standards as the Commission may establish under section 234(c)(1); and

"(2) may not discriminate in an unreasonable or anticompetitive manner with respect to the charges, terms, and conditions for interconnection.".

PROVISION OF REGULATED SERVICES

SEC. 210. (a) Section 208 and all cross references thereto of the 1934 Act are redesignated as section 225(a).

(b) Section 225, as so redesignated by subsection (a), is amended by—

(1) amending the heading to read as follows:

"COMPLAINTS TO THE COMMISSION; INVESTIGATIONS; ORDERS FOR PAYMENT OF MONEY";

and

(2) striking "common" wherever it appears therein and substituting "regulated".

(c) Title II of the 1934 Act, as amended, is further amended by inserting immediately after section 207 thereof the following new section:

"PROVISION OF REGULATED SERVICES BY TELECOMMUNICATIONS CARRIERS

"SEC. 208. Every telecommunications carrier shall make available, upon reasonable request therefor, any regulated telecommunications service and shall establish just, reasonable, and nondiscriminatory tariffs for and in connection with such service, and any such tariff that is unjust or unreasonable, or that results in any unjust or unreasonable discrimination, preference, or advantage with respect to any person (including any fully separated affiliate), class of persons, or locality for or in connection with like telecommunications services is hereby declared to be unlawful.".

INFORMATION ON CHARGES, ETC.

SEC. 211. (a) Section 209 of the 1934 Act and all cross references thereto of the 1934 Act are redesignated as subsection (b) of section 225.

(b) Section 225(b) as so redesignated is amended by striking the heading thereof, and by inserting "regulated" immediately before "carrier".

(c) Title II of the 1934 Act, as amended, is further amended by adding immediately after section 208 thereof the following new section:

"INFORMATION ON TELECOMMUNICATIONS OPERATIONS AND CHARGES AND PRACTICES

"SEC. 209. (a)(1) It shall be the duty of every telecommunications carrier which provides regulated telecommunications services to provide to the Commission and to make available for public inspection such information relating to such services, and in such form and at such times as the Commission may prescribe, and as is necessary to the Commission in the exercise and performance of its powers and duties under this Act. The Commission may impose different filing, notification, and information requirements upon different carriers, and shall have due regard for and may impose a lesser degree of reporting requirements on telecommunications carriers which serve less than 50,000 main and equivalent stations.

"(2) Every carrier shall assure the continuing accuracy and completeness of information provided to the Commission under paragraph (1). Whenever such information is no longer substantially accurate and complete in all significant respects, the carrier shall as promptly as possible and in any event within such reasonable time as the Commission shall prescribe, amend such information or furnish such additional or corrected information as may be appropriate.

"(b) Within such reasonable time as the Commission shall prescribe, every regulated carrier shall file with the Commission, publish, and make available for public inspection tariffs for regulated telecommunications services between the different points on its own system, and between points on its own system and points on the systems of interconnecting carriers when a through route has been established, whether such charges are joint or separate, and showing the practices and regulations affecting such charges. Such tariffs shall contain such other information, and be kept open for public inspection in such places, as the Commission may by regulation require. Each such schedule shall give notice of its effective date, and each such telecommunications carrier shall furnish such tariffs to each of its interconnecting carriers.

"(c)(1) Unless otherwise provided by or under authority of this Act, no regulated carrier shall engage or participate in regulated telecommunications services unless tariffs have been filed and published in accordance with the provisions of this Act and with the regulations made thereunder.

"(2) No regulated carrier shall—

"(A) charge, demand, collect, or receive a greater, lesser, or different compensation for any telecommunications service or for any service in connection therewith, between the points in any such tariff than the charges specified in the tariff then in effect;

"(B) refund or remit by any means or device any portion of the charges so specified; or

"(C) extend to any person any privileges or facilities, or employ or enforce any regulations or practices affecting such charges, except as specified in such tariff.".

TARIFFS

SEC. 212. (a) Section 210 of the 1934 Act and all cross references thereto are redesignated as section 230.

(b) Section 230 as is redesignated by subsection (a) is amended by striking "common" wherever it appears therein.

(c) Title II of the 1934 Act, as amended, is further amended by inserting immediately after section 209 thereof the following new section:

"TARIFFS

"SEC. 210. (a)(1) Except as provided in subsection (b), no new or revised tariff proposed by any regulated carrier for regulated telecommunications services (including interconnection arrangements under section 207) shall take effect until it has been either accepted, accepted with conditions, or finally approved by the Commission.

"(2)(A) Not later than 90 days after the date of filing with the Commission of a proposed tariff, the Commission shall make an initial determination as more particularly set forth in subparagraph (B), or shall set forth specific requirements for additional information or justification. Whenever the Commission has set forth such requirements, it may extend such period for not more than an additional 90 days.

"(B) The Commission may—

"(i) accept a tariff as filed;

"(ii) condition the acceptance of a tariff upon compliance with such requirements as it determines necessary to carry out the policy of this title; or

"(iii) reject a tariff, if it determines that such tariff is prima facie unlawful.

"(3) During such period or extended period, the Commission may offer assistance to facilitate public negotiation between the carrier proposing such tariff and any other interested party or parties opposing such tariff in order to arrive at a mutually agreeable tariff. Any mutually agreeable tariff may be recommended to the Commission, which recommendation shall not be binding upon the Commission, but which the Commission shall duly consider in deciding whether to accept, accept with conditions, or reject the tariff initially proposed.

"(4) The Commission shall give public notice whenever making an initial determination under paragraph (2). Upon timely request therefor by the carrier initially proposing such tariff, or by any other interested party or parties for good cause shown (unless, where the Commission has rejected the proposed tariff, such carrier shall object), the Commission shall hold a hearing concerning the lawfulness of such initially proposed tariff. In any such hearing the burden of proof to show that the initially proposed tariff is just and reasonable shall be upon the carrier initially proposing such tariff, and the Commission shall decide the matter as expeditiously as possible.

(5) Pending any hearing under paragraph (4) of this subsection, any tariff accepted or accepted with conditions by the Commission shall have effect. Any tariff rejected by the Commission shall have no effect, and any lawful tariff previously in effect for the same or like telecommunications service shall remain in effect.

"(6) Upon completion of any hearing under paragraph (4) of this subsection, the Commission may accept, accept with conditions, or reject such tariff as initially proposed. Any tariff rejected by the Commission shall have no effect, and any lawful tariff previously in effect for the same or like telecommunications service shall remain in effect.

"(b)(1) Any regulated carrier may, subject to any reasonable accounting order or rule as prescribed by the Commission, elect to file any new or revised tariff pursuant to this subsection. Subject to the provisions of paragraph (2) of this subsection, such

tariff shall take effect on the effective date specified in such filing, unless the Commission for good cause shall specify by rule or in any particular case a longer period, not to exceed 30 days.

"(2) The Commission shall give public notice of the filing of such new or revised tariff within 15 days of such filing. Any party in interest may file with the Commission, within such reasonable time as the Commission shall specify, but in no event later than 30 days from the date of such notice, a petition for hearing concerning the lawfulness of such tariff, which petition shall set forth specific allegations of fact sufficient to show that the petitioner is a party in interest and that the tariff constitutes a prima facie violation of the provision of this title. The petitioner shall serve a copy of such petition upon such carrier, which carrier shall have the opportunity to reply within a reasonable period of time as specified by the Commission. Not later than 30 days from the time for filing such reply, the Commission, on the basis of the tariff and pleadings filed or on the basis of other information within the knowledge of the Commission, shall either grant or deny such petition. Whenever the Commission shall grant such a petition it shall hold a hearing concerning those issues raised in the petition which the Commission determines are substantial and material questions relating to such violation. Upon completion of such hearing, the Commission shall either accept, accept with conditions, or reject such tariff, and shall make findings of fact and conclusions of law with respect to the allegations set forth in the petition.

"(c) Neither the Commission nor any State commission shall consider revenues from unregulated activities.

"(d) The Commission may exempt any regulated carrier from the provisions of this section and section 209.".

COPIES OF CONTRACTS

SEC. 213. Section 211 of the 1934 Act is amended to read as follows:

"COPIES OF CONTRACTS TO BE FILED

"SEC. 211. (a) Every regulated carrier subject to this Act shall file with the Commission copies of all contracts, agreements, or arrangements with other carriers, or with carriers not subject to the provisions of this Act, in relation to any regulated telecommunications service.

"(b) The Commission shall have authority to require the filing of any other contracts, agreements, or arrangements of any regulated carrier and shall have authority to exempt any such carrier from submitting copies of such minor contracts, agreements, or arrangements as the Commission may determine.".

TECHNICAL

SEC. 214. Section 212 of the 1934 Act is amended by inserting "regulated" immediately before "carrier" and "carriers" wherever it appears therein.

VALUATION OF CARRIER PROPERTY

SEC. 215. (a) Section 213(a) of the 1934 Act is amended to read as follow:

"VALUATION OF CARRIER PROPERTY

"SEC. 213. (a) After opportunity for hearing, the Commission, where necessary for the proper administration of this Act, and in particular for the purposes of section 222 of this title, may make a valuation, as of such date as the Commission may designate, of all or of any part of the property owned or used by any regulated carrier, and by any regulated exchange carrier which originates, terminates, or transfers interexchange or foreign telecommunications.".

(b) The first sentence of subsection (c) of section 213 of the 1934 Act is amended to read as follows: "The Commission may at any time require any regulated carrier and any exchange carrier referred to in subsection (a) to file with the Commission a statement showing the original cost at the time of dedication to telecommunications use of all or of any part of the property owned or used by such carrier.".

(c) Section 213(e) of the 1934 Act is amended by striking "common" and substituting "regulated".

(d) Section 213(g) of the 1934 Act is repealed.

(e) Section 213(h) and all references thereto (if any), timely request therefor by the carrier initially proposing such tariff, or by any other interested party or parties for good cause shown (unless, where the Commission has rejected the proposed tariff, such carrier shall object), the Commission shall hold a hearing concerning the lawfulness of such initially proposed tariff. In any such hearing the burden of proof to show that the initially proposed tariff is just and reasonable shall be upon the carrier initially proposing such tariff, and the Commission shall decide the matter as expeditiously as possible.

"(5) Pending any hearing under paragraph (4) of this subsection, any tariff accepted or accepted with conditions by the Commission shall have effect. Any tariff rejected by the Commission shall have no effect, and any lawful tariff previously in effect for the same or like telecommunications service shall remain in effect.

"(6) Upon completion of any hearing under paragraph (4) of this subsection, the Commission may accept, accept with conditions, or reject such tariff as initially proposed. Any tariff rejected by the Commission shall have no effect, and any lawful tariff previously in effect for the same or like telecommunications service shall remain in effect.

"(b)(1) Any regulated carrier may, subject to any reasonable accounting order or rule as prescribed by the Commission, elect to file any new or revised tariff pursuant to this subsection. Subject to the provisions of paragraph (2) of this subsection, such tariff shall take effect on the effective date specified in such filing, unless the Commission for good cause shall specify, by rule or in any particular case a longer period, not to exceed 30 days.

"(2) The Commission shall give public notice of the filing of such new or revised tariff within 15 days of such filing. Any party in interest may file with the Commission, within such reasonable time as the Commission shall specify, are redesignated as section 213(c).

CONSTRUCTION, ACQUISITION OR OPERATION

SEC. 216. Section 214 of the 1934 Act is amended to read as follows:

"NOTICE AND APPROVAL OF FACILITIES CONSTRUCTION, ACQUISITION, OR OPERATION

"SEC. 214. (a) Upon notification to the Commission, any regulated carrier which is not also a dominant regulated carrier may—

"(1) undertake the construction of any new interexchange transmission facilities or of any extension thereof;

"(2) acquire or operate any such facility or extension thereof; or

"(3) engage in telecommunications over or by means of such new facility or extension.

"(b)(1) The Commission may by rule or order require a dominant-regulated carrier to obtain from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, extension, acquisition, operation, or use of any new or extended interexchange facility, or will be served by the discontinuation, reduction, or impairment of regulated telecommunications services.

"(2) Nothing in this section shall be construed to require a certificate or other authorization from the Commission for any installation, replacement, or other changes in plant, operation, or equipment, other than new construction, which will not impair the adequacy or quality of service provided.

"(3) The Commission may, upon application, authorize in whole or in part a long-term facilities construction plan for a dominant-regulated carrier. Upon authorization of such plan such carrier shall not be required to obtain separate certification under paragraph (1) of this subsection for each element of such plan. This Commission may condition any authorization upon appropriate safeguards and submission to the Commission of periodic reports in such form and containing such information as the Commission may require in order to monitor the implementation and operation of such plan. The Commission shall take all appropriate steps to ensure that such plan is being carried out under such safeguards as the Commission shall have established.

"(c) The Commission shall have power to issue a certificate for the facilities or plan for which application was made; to refuse to issue a certificate; to issue a certificate for a portion or portions of a facility or plan, or extension thereof, or discontinuance, reduction, or impairment of service, described in the application. The Commission may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require. After issuance of such certificate a dominant-regulated carrier may, without securing approval other than such certificate, comply with the terms and conditions contained in or attached to the issuance of such certificate and proceed with the construction, extension, acquisition, operation, or discontinuance, reduction, or impairment of service authorized thereby. Any construction, extension, acquisition, operation, discontinuance, reduction, or impairment of service contrary to the provisions of this section may be enjoined by any court of competent jurisdiction upon suit of the United States, the Commission, any affected State commission, or State, or any party in interest.

"(d) Upon petition or upon its own initiative, the Commission may, after full opportunity for a hearing, authorize or require by order any dominant-regulated carrier which is party to such proceeding to provide itself with adequate facilities, and to extend its facilities, for the expeditious and efficient performance of its service as a carrier of regulated services. No such authorization or order shall be made unless the Commission finds, as to such provision of facilities, or as to such extension, that such provision or extension is reasonably required in the interest of public convenience and necessity or, as to such extension of facilities, that the expense involved therein will not impair the ability of such carrier to perform its duty to the public.

"(e) It shall be lawful for telecommunications carriers jointly to meet, plan and agree, under the auspices of the Commission, on matters affecting the design, maintenance, management, development, and coordination of telecommunications networks necessary to the joint provision of end-to-end through services. Nothing in this subsection shall be construed to require that routine nondiscriminatory contacts among carriers necessary to each or execute the joint decisions made under the auspices of the Commission also be conducted under such auspices, and nothing in this subsection shall be construed as exempting any carrier from the antitrust laws for any action taken by such carrier which is a violation of such laws when taken by a single carrier.

"(f) The Commission may, upon appropriate request, authorize temporary or emergency augmentation of facilities or services or discontinuance, reduction, or impairment

of facilities or services without regard to the provisions of this section.

"(g)(1)(A) Any dominant-regulated carrier and its affiliates providing regulated telecommunications services shall maintain and file with the Commission a description of the operational protocols and technical interface requirements for connection with or use of any regulated telecommunications services, and report regularly to the Commission—

"(i) any material change relating to such protocols, or interface requirements which has been adopted or implemented, or which is required by the specific design or development of any service, facility, or equipment including any information or technical requirements relating to the capacity of services, facilities, or equipment to function effectively and efficiently if connected to any telecommunication service or facility furnished by a dominant carrier;

"(ii) summaries of construction programs or activities intended to maintain, extend, or expand the regulated services or facilities of any dominant-regulated carrier (or any other regulated carrier if the Commission shall so order), if such information affects the interconnection of service offerings of competing carriers or persons seeking interconnection with the services or facilities of such dominant-regulated carrier or such other regulated carrier; and

"(iii) such additional information relating to any regulated services, the disclosure of which the Commission determines to be necessary on its own initiative or in response to a petition submitted by any interested person.

"(B) Information required to be filed under subparagraph (A) may not be disclosed to a fully separated affiliate until filed.

"(2) In any case in which a submission to the Commission is required under paragraph (1), any person may obtain the information which is the subject of such submission upon reasonable request and payment of reasonable copying and processing fees, unless the Commission determines that the furnishing of such information would be detrimental to the national defense and security or to the emergency preparedness of the Nation.

"(3) The Commission shall prescribe procedures to implement this subsection not later than 180 days after the date of enactment of the Telecommunications Competition and Deregulation Act of 1981.".

TECHNICAL

SEC. 217. The first sentence of section 215 (a) of the 1934 Act is amended by striking "common carrier" and substituting "regulated carrier".

TECHNICAL

SEC. 218. Section 217 of the 1934 Act is amended by striking "common".

TECHNICAL

SEC. 219. The first sentence of section 218 of the 1934 Act is amended by inserting "regulated" before "carriers".

RECORDS AND ACCOUNTS

SEC. 220. (a) Section 220(a) of the 1934 Act is amended to read as follows:

"(a)(1) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by regulated carriers subject to this Act, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys.

"(2) Not later than the first anniversary of the date of enactment of the Telecommunications Competition and Deregulation Act of 1981, the Commission shall prescribe, and within the period prescribed by the Commission all regulated carriers shall comply with, guidelines of general applicability relating to accounts, records, and memoranda which shall be designed at a minimum to accomplish a complete allocation of all revenues and costs, including joint and common costs, between regulated goods and services and unregulated goods and services. The Commission may require any regulated carrier to establish and maintain such other separate accounts and supporting records and memoranda as the Commission determines necessary to carry out the purposes of this Act.".

(b) Section 220(b) is amended to read as follows:

"(b)(1) The Commission shall establish and prescribe—

"(A) the classes of property used by any regulated carrier for the provision of telecommunications services which are subject to the regulatory authority of the Commission under this title or to the regulatory authority of any State Commission; and

"(B) the methods by which investments in such classes of property may be recovered.

"(2) The methods specified in paragraph (1)(B) may include capital recovery schedules or percentage depreciation schedules. Such methods shall—

"(A) provide for the full recovery of any unrecovered amount of invested capital not later than the end of the remaining life of the property involved;

"(B) permit not more than the full amount of invested capital to be recovered;

"(C) for property used by a regulated carrier, include, as an allowable operating expense for ratemaking purposes, depreciation computed under any accelerated methods selected by such regulated carrier, except that (i) the initial selection shall apply only to property placed in service on or after the first day of the first calendar year which begins after the date of the enactment of the Telecommunications Competition and Deregulation Act of 1981; and (ii) any subsequent changes in such selection shall apply only to property placed in service on or after the date of such selection; and

"(D) for property already in service on the first day of the first calendar year which begins after the date of the enactment of the Telecommunications Competition and Deregulation Act of 1981, include as an allowable operating expense for ratemaking purposes such amounts as may be necessary to recover all embedded invested capital through the use of the remaining life method of capital recovery.

"(3) Any determination of the remaining life of property under paragraph (2) shall take into consideration competition, changes in technology, and remaining economic life.".

(c) Subsection (d) of section 220 of the 1934 Act is repealed.

(d) Subsections (e) through (j) of section 220 of the 1934 Act and all references thereto (if any), are redesignated as subsections (d) through (i), respectively.

(e) Subsection (g) of section 220 of the 1934 Act as is redesignated by subsection (d) is amended by adding at the end thereof the following new sentence: "The Commission shall have due regard to the different sizes of carriers in prescribing forms or guidelines under this section.".

TECHNICAL

SEC. 221. Section 221 of the 1934 Act is amended by—

(1) striking "telephone company" each place it appears, and substituting "carrier";

(2) striking "telephone companies" each place it appears, and substituting "carriers";

(3) striking "company" each place it appears and substituting "carrier";

(4) striking "companies" each place it appears and substituting "carriers"; and

(5) striking "TELEPHONE COMPANIES" in the heading and substituting "CARRIERS".

ACCESS CHARGES

SEC. 222. Title II of the 1934 Act is amended by inserting the following after section 221:

"EXCHANGE ACCESS CHARGES

"SEC. 222. (a) It is the purpose of this section to establish a system of exchange access fees for the use of the services and facilities of exchange carriers by telecommunications carriers and other customers, in order to—

"(1) achieve equality of treatment among all telecommunications carriers and other customers using the services of each exchange carrier through direct or indirect interconnection for the distribution of interexchange telecommunications and to prevent subsidies from exchange services to interchange services;

"(2) assure that payments and assignments of costs relating to access to exchange telecommunications services and facilities by telecommunications carriers and other customers are carried out in a manner which is open to public examination and which ensures accountability to the public;

"(3) achieve flexibility in accommodating changes in market conditions and technology;

"(4) establish incentives for efficient investment decisions and technological choices; and

"(5) ensure that exchange carriers are compensated equitably for the costs of distributing interexchange telecommunications through the use of exchange services and facilities in order to ensure the continued universal availability of basic telephone service provided by exchange carriers at reasonable charges.

"(b)(1) The Commission shall at the earliest practicable date establish a Joint Board pursuant to section 410(c) to assist, after consultation with the telecommunications carriers and other interested parties, in ascertaining and apportioning the costs of providing access to exchange facilities for the origination and termination of interexchange services.

"(2) The Joint Board shall appoint and fix the pay of such personnel as may be necessary to assist the Joint Board in carrying out its functions under this section.

"(c) Notwithstanding any other provision of this Act, decisions of the Joint Board pursuant to subsection (b) of this section shall be binding upon the commission unless the Commission determines it to be arbitrary or capricious or otherwise not consistent with the policy or purposes of this Act.

"(d) The Commission, in consultation with the Joint Board, shall establish practices to ascertain and apportion costs of providing access to exchange facilities for the origination and termination of interexchange services which shall be uniform for comparable types of interconnections. The Commission shall establish the form for records, accounts and memoranda to be kept by carriers providing such exchange access, including special forms and practices for small exchange carriers to facilitate the filing and processing of such carriers' tariffs, including the ability to file joint tariffs.

"(e) Each exchange carrier providing access shall file with the Commission a tariff governing the charges, practices and conditions or shall, subject to the provisions of subsection (f), establish charges, practices and conditions for the use of its exchange telecommunications facilities by any telecommunications carrier or carrier providing foreign telecommunications services, any affiliate or other part of such exchange carrier and any private telecommunications system engaged in interexchange telecommunications which are prescribed by the Commission or computed in accordance with procedures prescribed by the Commission.

"(f)(1) In the case of any exchange carrier which, together with affiliates, serves not more than 50,000 main and equivalent stations where a State certifies to the Commission that it has established a program in accordance with the uniform practices set forth by the Commission consistent with

this section to regulate exchange access arrangements, charges, regulations, or practices, the Commission shall delegate authority with respect to all exchange access arrangements, charges, regulations, or practices to the State commission of the State within which such exchange carrier charges. Upon petition of any affected person showing that regulation of exchange access by a State commission is not in compliance with uniform practices established by the Commission, the Commission may prescribe just and reasonable exchange access arrangements, charges, regulations, or practices.

"(2) In the calculation of access charges for the carriers specified in paragraph (1) and for other exchanges identified by the Commission, the Commission may permit the use of averaged cost schedule rather than data from individual cost studies where the Commission determines such method to be appropriate and consistent with this section.

"(3) In any case in which charges for the use of the facilities of exchange carriers are imposed on a usage basis, the provisions of this title shall not be construed to restrict the authority of State commissions to include in such charges any use of the exchange telecommunications facilities involved which, at the option of the subscriber involved, originates or terminates interexchange telecommunications service. Such charges shall not discriminate between the use of such facilities for interexchange telecommunications service and exchange telecommunications service.

"(g) The Commission shall promulgate the standards, procedures, and criteria for access charges established under this section not later than 2 years after the date of enactment of the Telecommunications Competition and Deregulation Act of 1981.".

ADDITIONS TO 1934 ACT

SEC. 223. Title II of the 1934 Act, as amended, is further amended by adding at the end thereof the following new sections:

"EXCHANGE TELECOMMUNICATIONS AREA

"SEC. 226. (a) Subject to Commission review, it shall be the responsibility of each State commission to configure exchange telecommunications areas within the borders of each such State. Any such configuration existing as of January 1, 1981, shall be deemed to conform with the criteria set forth in subsection (b). Any reconfiguration by any State commission on or after the date of enactment of the Telecommunications Competition and Deregulation Act of 1981 shall be in accordance with the criteria set forth in subsection (b).

"(b) Any reconfiguration of an exchange area by a State commission shall be in accordance with the following criteria of this subsection:

"(1) any such area may encompass one or more contiguous local exchange networks serving common social, economic, and other purposes, even where such configuration transcends municipal boundaries or partially overlaps another exchange area;

"(2) every point within a State shall be included within an exchange area;

"(3) no such area which includes part or all of one standard metropolitan statistical area shall include a substantial part of any other standard metropolitan statistical area, unless the Commission shall otherwise allow; and

"(4) except with approval of the Commission no exchange area located in one State shall include any point located within another State.

"FULLY SEPARATED AFFILIATE

"SEC. 227. (a) A fully separated affiliate of a dominant-regulated carrier shall—

"(1) have no more than one member of its governing board who is a member of the governing board or officer or employee of such dominant-regulated carrier;

"(2) have no officers or employees in common with any such dominant-regulated carrier; and

"(3) maintain books, records, and accounts separate from any such dominant-regulated carrier which identify all transactions with such dominant-regulated carrier and prepare financial statements which are in compliance with Federal financial reporting requirements for publicly held corporations.

"(b) A fully separated affiliate may enter into any contract, agreement, arrangement, joint venture, partnership, or other manner of conducting business with its dominant-regulated carrier or any affiliate provided that any—

"(1) sale, exchange, or leasing of property between the parties;

"(2) lending of money or other extension of credit between the parties or between the fully separated affiliate and a third party directly or indirectly guaranteed by the dominant-regulated carrier;

"(3) furnishing of goods, services and facilities between the parties; or

"(4) transfer to, or use by, or for the benefit of the fully separated affiliate of any assets of the dominant-regulated carrier;

shall be on a fully auditable and compensatory basis, and shall in addition be subject to the requirements established in section 202(e), subsection (c) of this section, and subsections (c) (3), (4), (5) and (d) of section 228. Such conduct of business shall be pursuant to contract and shall be reported to the Commission under such rules as the Commission determines necessary. The Commission shall make such contracts, or portions of contracts, available for public inspection to the extent necessary to ensure proper enforcement of this section.

"(c) In addition to the requirements of section 207 and section 208, the conduct of business by any dominant-regulated carrier (other than any person who owns or controls a dominant-regulated carrier) or any affiliate with any fully separated affiliate shall be carried out in the same manner as such business is conducted between such carrier or affiliate and any nonaffiliate in that the conduct of business between a dominant-regulated carrier (other than any person who owns or controls a dominant-regulated carrier) or any affiliate and any fully separated affiliate shall not be based upon, or include, any preference or discrimination arising out of affiliation.

"(d) Notwithstanding the provisions of subsection (b), no dominant-regulated carrier and its fully separated affiliates shall—

"(1) directly or indirectly own real or personal property except international telecommunications facilities or property, either jointly or in common; or

"(2) engage in any joint sales or marketing of any service, facility, or equipment (except for advertising for which each party pays its pro rata share).

"(e)(1) No dominant-regulated carrier shall be deemed to have established a fully separated affiliate unless and until the commission, upon petition by the dominant-regulated carrier and after an expedited hearing in which any interested party may join, finds that the relationships of such dominant-regulated carrier with the fully separated affiliate or affiliates comply with the requirements of this section.

"(2) Not later than 45 days after the date of enactment of the Telecommunications Competition and Deregulation Act of 1981, the Commission shall establish procedures for the expeditious consideration of petitions filed under this section. Such regulations shall provide that final action on any such petition shall be taken by the Commission not later than 180 days after filing.

"(f) A dominant-regulated carrier shall not disclose to any fully separated affiliate any commercial information acquired in its provision of regulated telecommunications services which would provide an unfair competitive advantage. The Commission may require that specific categories of information (such as directory listings and similar information) shall be made generally available at the same time and at reasonable, nondiscriminatory charges, terms, and conditions.

"(g) The Commission shall promulgate rules and regulations to carry out this section not later than 180 days after the date of enactment of this section.

"ARRANGEMENTS RELATING TO RESEARCH, DEVELOPMENT AND MANUFACTURING ACTIVITIES OF THE AMERICAN TELEPHONE AND TELEGRAPH COMPANY; TRANSITION TO FULL SEPARATION

"SEC. 228. (a) Until such time as the American Telephone and Telegraph Company and its affiliates (hereinafter referred to in this section as 'AT&T') establish fully separated affiliates pursuant to this section and section 227, the provisions of this section shall apply in any case in which AT&T engages in research and development and manufacturing and related functions or activities. Nothing in this section shall prohibit or otherwise restrict any dominant-regulated carrier, affiliate or fully separated affiliate from exercising its independent, prudent business judgment in connection with business conducted with nonaffiliates.

"(b)(1) Before AT&T may offer any telecommunications service or customer premises equipment on an unregulated basis, it must file with and obtain from the Commission approval of a plan demonstrating its proposed method of compliance with the requirements of this section, the requirements of subsection (a)(2) of section 220, and section 227.

"(2) Not later than 180 days of the filing of such plan, the Commission shall enter an order approving the plan or stating the specific parts of the plan which conflict with the provisions of this section or the rules prescribed hereunder. AT&T may file an amended plan, and the Commission shall enter an order approving or disapproving of the amended proposal within 30 days of its filing.

"(c)(1) Not later than the fourth anniversary of the date of enactment of the Telecommunications Competition and Deregulation Act of 1981, the final assembly including all aspects integral to final assembly of any equipment which is required to be offered exclusively by a fully separate affiliate shall be provided by a fully separate affiliate or acquired from unaffiliated persons.

"(2) Not later than the fourth anniversary of such date of enactment any activity relating to equipment design information used in such final assembly or relating to software programing which are required to be offered exclusively through a fully separate affiliate shall be performed by a fully separate affiliate or a nonaffiliate.

"(3) Not later than the sixth anniversary of such date of enactment any subassembly (including any subassembly specific research and development) within such final assembly of equipment required to be offered exclusively through a fully separate affiliate shall be performed through a fully separate affiliate or a nonaffiliate, except that nothing in this subsection shall, at any time thereafter, be construed to prohibit the fully separated affiliate from acquiring any subassembly from A.T. & T. if A.T. & T. also sells the same type of subassembly to nonaffiliates at the same charges and on the same terms and conditions.

"(4) Not later than the eighth anniversary of such date of enactment the manufacturing, including any related functions or activities of any basic component within such final assembly, of equipment required to be offered exclusively through a fully separate affiliate shall be performed through a fully

separated affiliate or a nonaffiliate, except that nothing in this subsection shall, at any time thereafter, be construed to prohibit the fully separated affiliate from acquiring any manufacturing of any basic component from A.T. & T. if A.T. & T. also sells the same types of basic component to nonaffiliates at the same charges and on the same terms and conditions. Thereafter, all applied research, development, manufacturing, or any related functions or activities in support of unregulated telecommunications equipment used in support of any unregulated service shall be conducted through a fully separated affiliate or a nonaffiliate.

"(5) There shall be established an assets evaluation board, composed of three members as follows: one representative each selected by the Commission and A.T. & T. and a third member selected by the first two. The Board shall determine the value of any assets transferred from A.T. & T. to any fully separated affiliate pursuant to this section and section 227. Evaluations of such Board shall be binding upon the Commission and upon State commissions. Any failure of the Board to take action shall not delay any such transfer.

"(6)(A) The Commission may grant waivers pursuant to subparagraph (B) of the time requirements of this subsection for a period not to exceed six months. The Commission may not grant more than two waivers for any one functional category.

"(B) The Commission may grant a waiver under this subsection where the Commission determines that, because of labor strikes, war, severe economic depression, or acts of God, A.T. & T. cannot timely meet the requirements of this subsection.

"(d)(1) During the applicable time periods established in subsection (c), the services or equipment (including any subassembly, basic component, and research and development) which are subject to any such time period—

"(A) shall be furnished to any fully separated affiliate for an amount which is fully compensatory and which is not less than the cost allocated to such service or equipment in connection with regulated activities carried out by A.T. & T., except that in no case shall such amount be less than the charges for which similar services and equipment would be or are transferred in the marketplace between nonaffiliates; and

"(B) any business which is conducted in connection with any such service or equipment shall be on the same terms and conditions under which similar services and equipment would be or are transferred in the marketplace between nonaffiliates.

"(2) In any case in which any conduct of business relating to any service or equipment specified in paragraph (1) is conducted at charges, terms, and conditions which are more favorable to the recipient than the charges, terms, and conditions under which similar services or equipment would be or are transferred in the marketplace between nonaffiliates, the requirements of paragraph (1) shall not apply if A.T. & T. demonstrates to the Commission that the charges, terms, and conditions involved in the conduct of business result from more efficient operation and lower direct costs, and do not result from the allocation of common overhead or other similar factors.

"(e) The Commission shall not have any authority to establish any requirements relating to—

"(1) the structure or organization of any affiliate or fully separated affiliate;

"(2) any activities of a dominant-regulated carrier or person who owns or controls a dominant-regulated carrier which this Act requires to be conducted by a fully separated affiliate; or

"(3) the conduct of business between any dominant-regulated carrier or affiliate and any fully separated affiliate;

which are not consistent with any provision of this section, or section 202, 227, or 229, which establish requirements relating to such structure or organization or to such conduct of business.

"(f) Not later than 180 days after the date of enactment of this subsection, the Commission shall prescribe such rules and regulations as may be necessary to carry out the provisions of this section.

"AMERICAN TELEPHONE AND TELEGRAPH COMPANY 1956 CONSENT DECREE

"SEC. 229. (a) The final judgment of January 24, 1956, of the United States District Court for the District of New Jersey involving the American Telephone and Telegraph Company and its affiliates (United States against Western Electric, No. 17-49), shall not act as a bar to the American Telephone and Telegraph Company and any affiliates from providing any telecommunications service, telecommunications equipment, customer-premises equipment or information service or from engaging in any other business incidental to such activities, except that any such activity not otherwise permitted by such decree which is not a regulated telecommunications service shall be conducted by fully separated affiliates as specified in this title.

"(b)(1)(A) Notwithstanding any other provision of this Act, and except as provided in subparagraph (B) and subsection (e), AT&T or any affiliate thereof (including any fully separated affiliate of AT&T) may not provide (within any area in which AT&T is providing exchange telecommunications service) cable service, mass media service, or mass media product through any facility which is owned or controlled by AT&T or any affiliate (including any fully separated affiliated).

"(B) The provisions of this subsection shall not be construed to prohibit AT&T or affiliates other than any affiliate offering services under subsection (e) (including any fully separate affiliate) or AT&T from—

"(i) leasing or otherwise providing facilities for the provision of any cable service, mass media service, or mass media product (in accordance with subsection (c)) to any nonaffiliate.

"(ii) providing any broadband telecommunications service which does not involve program origination or mass media service; or

"(iii) transmitting television or radio broadcasting signals as a carrier (which does not include the provision of cable service).

"(2) In any case in which AT&T or any affiliate (including any fully separated affiliate) provides facilities for the provision of any mass media service or mass media product, AT&T, any affiliate, or fully separated affiliate shall make such facilities available on a nondiscriminatory basis to any person who originates or otherwise provides any mass media service or mass media product and who makes a reasonable request for the use of such facilities.

"(c) Nothing in any amendment made to this Act by the Telecommunications Competition and Deregulation Act of 1981 (other than the provisions of subsection (b)(1)(A) of this section and section 237) shall be construed to affect—

"(1) the authority of the Commission to establish rules or requirements relating to the offering of cable service by exchange carriers (or any entity affiliated with any such carrier) directly to subscribers located in their service areas; or

"(2) any rules of the Commission, relating to the offering of such service, which are in effect on the date of the enactment of the Telecommunications Competition and Deregulation Act of 1981.

"(d)(1) Except as provided in paragraph (2) and in subsection (b), the provisions of this section shall not be construed to limit or restrict the manner in which, or the extent to which, AT&T or an affiliate which is subject to the consent judgment or decree specified in subsection (a) is permitted to engage in, or is engaging in, any activity in accordance with the terms of such judgment or decree on the date of the enactment of the Telecommunications Competition and Deregulation Act of 1981.

"(2) This subsection shall not be construed to authorize or permit AT&T or affiliate to offer any service, facility, or product—

"(A) except to the extent, and in the manner, such offering is authorized or permitted by any other provision of this section; and

"(B) except for any customer-premises equipment which is in use on the date of the enactment of the Telecommunications Competition and Deregulation Act of 1981, and which is regulated by the Commission or by any State commission.

"(e) Notwithstanding any other provision of this Act, AT&T may, through a fully separated affiliate other than any fully separate affiliate which provides any telecommunications service, telecommunications equipment, customer-premises equipment or information service or which engages in any other business incidental to such activities, provide the services described in subparagraphs (B), (C), and (D) of paragraph (2) of subsection (f).

"(f) For purposes of this section—

"(1) The term 'cable service' means the retransmission of any television or radio broadcasting signal, or program origination, for distribution by cable or any other closed transmission medium to multiple subscribers who pay to receive such service.

"(2) The term 'mass media' includes television and radio broadcasting, pay television, and printed or electronic publications (including newspapers, periodicals, and any service or product like or similar to a newspaper or periodical). Such term does not include—

"(A) telephone number or address listings and directory assistance (limited to telephone number, address, and business category);

"(B) weather, time, or sports information;

"(C) any information service which AT&T or any affiliate was engaged in on April 7, 1981; or

"(D) printed or electronic directory advertising.

The Commission shall have authority to determine in disputed cases whether any proposed service or product is a mass media service or product.

EMPLOYEE PROTECTION

SEC. 224. (a) For purposes of this section the term—

(1) "employee" means any employee of a dominant-regulated carrier, or of any affiliate;

(2) "regular employee" means any full-time or part-time employee whose employment is expected to be permanent; and

(3) "transferred employee" means any employee transferred to a fully separated affiliate by a dominant-regulated carrier or by any affiliate.

(b) If a dominant-regulated carrier or any affiliate transfers an employee to a fully separated affiliate, then such transferred employee shall not be deprived of his employment, salary or wages, or seniority rights during the 5-year period following the date of such transfer. The requirements of this paragraph shall continue to apply in any case in which the fully separated affiliate retransfers such transferred employee to the dominant carrier or to any affiliate, except that any such retransfer shall not have the effect of extending the 5-year period specified in the preceding sentence.

(c)(1) A transferred employee shall be entitled to receive payment (in addition to his regular salary or wages) from the fully separated affiliate to which he is transferred for

reasonable travel expenses and reasonable moving expenses incurred by him or any of his dependents if—

(A) such transferred employee changes his domicile as a result of such transfer; and

(B) the distance between the new work location of such transferred employee and the former domicile of such transferred employee exceeds the distance between the former workplace of such transferred employee and such former domicile by 35 miles or more.

(2) If a collective-bargaining agreement applicable to a transferred employee provides transfer benefits which differ from the benefits available to such transferred employee under paragraph (1), then such transferred employee may select the benefits which shall apply. Such selection shall be made through notice to a dominant-regulated carrier or any affiliate involved before the end of the 10-day period following the date on which such transferred employee receives notice of his transfer to a fully separated affiliate. If such transferred employee does not furnish such notice before the end of such 10-day period, then benefits under the collective-bargaining agreement shall apply.

(d) Any pension benefits, health or disability benefits, death benefits, or insurance benefits to which a transferred employee is entitled shall not be restricted, limited, or reduced as a result of his transfer to a fully separated affiliate, except that the requirements of this paragraph may be superseded by the terms of any collective-bargaining agreement between such fully separated affiliate and any labor entity representing the employees of such fully separated affiliate.

(e)(1) Except as provided in paragraph (2), any collective-bargaining agreement between a dominant-regulated carrier or any affiliate, and any labor entity representing the employees of such a dominant-regulated carrier or affiliate shall continue to apply to any transferred employee during the complete term of such agreement.

(2) A fully separated affiliate, or any person who owns or controls such fully separated affiliate, and any labor entity representing the employees of such fully separated affiliate may enter into a collective-bargaining agreement at any time after the establishment of such fully separated affiliate. Any such agreement—

(A) shall supersede the terms and application of any collective-bargaining agreement specified in paragraph (1); and

(B) shall supersede the requirements of this subsection to the extent such requirements otherwise would apply to such fully separated affiliate.

(f)(1) Except as provided in paragraph (2), if a regular employee is transferred to a fully separated affiliate by a dominant-regulated carrier or by any affiliate, and such regular employee is discharged for other than cause during the 7-year period following the date of such transfer, then such regular employee shall be entitled to receive compensation from such fully separated affiliate in an amount which is not less than the amount of compensation such regular employee would have been entitled to receive from such a dominant-regulated carrier or such affiliate if such dominant-regulated carrier or such affiliate discharged such regular employee for other than cause immediately before the date of such transfer.

(2) If a collective-bargaining agreement between a fully separated affiliate and any labor entity representing the employees of such fully separated affiliate is in effect at the time a regular employee is discharged in the manner specified in paragraph (1), and such collective-bargaining agreement applies to such regular employee and provides benefits which differ from the benefits available to such regular employee under paragraph (1), then such regular employee may select the benefits which shall apply. Such selection shall be made through notice to the fully separated entity before the end of the 10-day period following the date of such discharge. If such regular employee to the fully separated entity before the end of such 10-day period, the benefits under the collective-bargaining agreement shall apply.

(g) If any transferred employee is the subject of a layoff during the 7-year period following the date of the transfer of such transferred employee to a fully separated affiliate, then such transferred employee shall have the first right of rehire in his occupational specialty (or its equivalent) during the 2-year period following the date of the layoff of such transferred employee, except that such right shall not apply unless such transferred employee is physically able, and equipped by training and experience, to perform the duties of the work available. Such fully separated affiliate shall maintain lists of employees who have been separated from employment through layoffs. Such lists shall contain sufficiently detailed information to enable such fully separated affiliate to comply with the requirements of this subsection.

(h) A dominant-regulated carrier or any affiliate shall not reduce the salary or wages of a regular employee, or separate such regular employee from employment through layoff or termination, during the 6-month period immediately before the establishment of a fully separated affiliate by such dominant carrier or by such affiliate unless—

(1) such regular employee consents to such action; or

(2) such action is not related to the establishment of such fully separated affiliate.

(i) The provisions of this section shall not apply to any employee who is transferred to a fully separated affiliate after the 7-year period following the date of the establishment of such fully separated affiliate.

(j) Nothing in this section shall be construed to restrict, limit, or eliminate the authority of a dominant carrier, an affiliate, or a fully separated affiliate to discharge an employee, or take any disciplinary or other action against an employee, for cause.

(k) For purposes of the enforcement or protection of rights, privileges, and immunities granted or guaranteed in this section, employees shall be entitled to the same remedies as are provided by the National Labor Relations Act in the case of employees covered by such Act. The National Labor Relations Board and the courts of the United States (including the courts of the District of Columbia) shall have jurisdiction and power to enforce and protect such rights, privileges, and immunities in the same manner as in the case of enforcement of the provisions of the National Labor Relations Act.

ADDITION TO 1934 ACT

SEC. 225. The 1934 Act is amended by inserting the following:

"PROTECTION AND RESTORATION OF ESSENTIAL TELECOMMUNICATIONS

"SEC. 233. (a) The Commission, shall consult with appropriate Federal departments and agencies, in order to coordinate the development and establishment of arrangements among regulated interexchange and carriers providing foreign telecommunications for such mutual backup, restoration and interconnection of each other's services as may be necessary to avert public peril or disaster or to ensure the continuity of telecommunications essential to the national defense and security and the prompt restoration of any such telecommunications which may be interrupted by the failure or disruption of the facilities of any one or more such carriers.

"(b) The President shall have authority to require any carrier subject to the provisions of this Act to furnish telecommunications services or facilities to any Federal agency if the President determines that—

"(1) the provision of such services or facilities is necessary and appropriate to promote the national defense and security or the emergency preparedness of the Nation; and

"(2)(A) there is a threat of war with a foreign nation, the Nation is at war with a foreign nation, or there exists a state of public peril or disaster or other national emergency; or

"(B) in order to provide for the national defense and security or the emergency preparedness of the Nation, there is an immediate need for such services and facilities, and such need cannot be met through reliance upon any other source of supply.

"(c) The provisions of section 606(e) shall apply in the case of any determination made by the President under this section.

"(d) The President shall coordinate any Government program for enhancing the survivability of exchange, interexchange and facilities used to provide foreign communications and protection against unauthorized interception of telecommunications traffic, ensuring, where appropriate, the availability of such programs to all telecommunications carriers willing and able to participate in such programs.

"(e) The Chairman of the Commission shall designate one of the Commissioners to serve as the 'Emergency Preparedness Commissioner' who shall be responsible for the carrying out of the provisions of this section.

"(f) The Chairman of the Commission shall appoint an advisory council of not to exceed 15 members to examine the structure, policy and needs of Federal telecommunications management for national security and emergency preparedness under deregulation.

"CUSTOMER-PREMISES EQUIPMENT AND INFORMATION SERVICES

"SEC. 234. (a) Except as provided in this title, neither the Commission nor any State shall regulate the production, marketing, or other provision of customer-premises equipment or information services.

"(b)(1) Not later than 180 days after the date of enactment of the Telecommunications Competition and Deregulation Act of 1981, the Commission shall prescribe regulations providing for separate pricing on a fair market value basis of customer-premises equipment or information services, or cable services as defined in section 229(e)(1) when offered in conjunction with a regulated service by a regulated carrier, including an exchange carrier; thereafter, such carriers shall provide such equipment or services only on an unbundled basis in accordance with such regulations.

"(2) Nothing in paragraph (1) shall be construed to prohibit any State commission from allowing an exchange carrier to offer to residential customers a basic lifeline service within an exchange.

"(c)(1) the Commission may establish and enforce such minimum uniform technical standards for customer-premises equipment as are necessary to prevent technical or operational harm to carrier facilities.

"(2) The Commission may establish requirements relating to labeling of customer-premises equipment to indicate the country of origin and to provide such other consumer information as the Commission determines will be of significant interest.

"(d) The use of any information processing capability in support of the provision of a telecommunications service and for the management or control or operation of a telecommunications system or management of a telecommunications service shall not be deemed the provision of an information service within the meaning of this Act.

"(e)(1) No later than the second anniversary of the date of enactment of the Telecommunications Competition and Deregulation

Act of 1981, no dominant-regulated carrier shall provide any customer-premises equipment or any information service, except through a fully separated affiliate.

"(2) Nothing in this section shall be construed to authorize any dominant-regulated carrier to engage in any activity described in paragraph (1) which it was not lawfully providing on the date of enactment of the Telecommunications Competition and Deregulation Act of 1981 other than through a fully separated affiliate.

"TRANSITIONAL PROVISION OF CERTAIN FACILITIES AND SERVICES

"SEC. 235. (a) The Commission may require any unregulated carrier to continue to interconnect its telecommunications facilities with any person for a reasonable period of time upon petition showing that withdrawal of such interconnection would result in an unreasonable hardship on such person. The authority to require interconnection under this Act shall cease no later than the second anniversary of the date of enactment of the Telecommunications Competition and Deregulation Act of 1981.

"(b)(1) Each regulated carrier shall continue to provide under tariff, on an unbundled basis pursuant to section 234(b), any telecommunications service which such carrier is providing on the date of enactment of the Telecommunications Competition and Deregulation Act of 1981 for a period of not less than 2 years from such date, unless the Commission in any particular case shall extend such time for a period of not to exceed 2 years.

"(2) Not later than 2 years after the date of enactment of the Telecommunications Competition and Deregulation Act of 1981 or by such extended time, the Commission shall have determined—

"(A) which of the telecommunications services described in paragraph (1) shall continue under regulation as a regulated telecommunications service, and

"(B) which of such services shall be provided as an unregulated service.

"(c) Subject to the provisions of subsection (b)(1) of section 234 relating to unbundling, any customer-premises equipment which is being provided by any carrier under tariff on the date of enactment of the Telecommunications Competition and Deregulation Act of 1981 shall continue to be made available under tariff for a period of not less than 2 years from such date, unless the Commission in any particular case shall extend such time for a period of not to exceed 2 years.

"DETERMINATION OF BASIC TELECOMMUNICATIONS SERVICES

"SEC. 236. (a) The Commission, in accordance with the provisions of subsection (b), may determine what basic telecommunications services, in addition to, or in lieu of, basic telephone service should as a matter of the public interest be universally available at reasonable charges, prices, terms or conditions, whether competitively provided or not.

"(b)(1) Any person may petition the Commission for a hearing to classify any interexchange telecommunications service as among those services described in subsection (a). The Commission shall grant such petition upon a showing that the telecommunications service is generally recognized as necessary to promote the general welfare of the general population and to promote the safety of property (insofar as such service relates to the capability of a substantial majority of all the people of the United States to communicate with one another by telecommunications).

"(2) Upon granting any petition described in paragraph (1), the Commission shall hold a hearing to determine whether such service should be universally available at reasonable charges, prices, terms or conditions and whether regulated in whole or in part to ensure such availability. Absent a showing to the contrary, it shall be presumed that unregulated marketplace competition will universally provide such service. The burden shall be on any party advocating regulation to demonstrate clearly and convincingly that regulation is necessary to ensure universal availability at reasonable charges, prices, terms or conditions.

"(c) The Commission may review any determination that any basic telecommunications service shall be regulated to ensure universal availability at reasonable charges, prices, terms and conditions. Upon making a determination that regulation is no longer necessary to ensure such availability the Commission shall terminate regulation of such service.

"OWNERSHIP OR CONTROL OF CABLE TELEVISION SYSTEMS

"SEC. 237. (a) No regulated telecommunications carrier (including an exchange carrier regulated by a State) shall also engage in the provision of cable services (as defined in section 229(e)(1)) in the same operating area, unless the Commission, in any particular case, shall otherwise permit, but only upon a sufficient showing that such provision by a regulated carrier will provide significant additional media diversity and competition. In any particular case, the Commission shall require conditions which foster the purposes and policy of this Act.

"(b) Whenever permitting any regulated carrier and any exchange carrier to provide in the same operating area cable services in addition to regulated services or exchange services, the Commission shall require that a reasonable number of channels be made available for lease on a nondiscriminatory basis to nonaffiliates.

"(c) Notwithstanding the provisions of this section, telecommunications carriers serving rural areas with low population densities, as defined by the Commission, may provide cable television services subject to appropriate conditions which the Commission shall prescribe. The Commission shall prescribe regulations to carry out the provisions of this subsection not later than 180 days after the date of enactment of this section.".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. Section 406 of the 1934 Act is amended by—

(1) inserting "regulated" immediately before "carrier" where it first appears therein, and

(2) striking "interstate" where it first appears therein and substituting "interexchange".

SEC. 302. Section 407 of the 1934 Act is amended by inserting "regulated" immediately before "carrier" wherever it appears therein.

SEC. 303. Section 409(g) of the 1934 Act is amended by striking "common" wherever it appears therein and substituting "regulated".

SEC. 304. Section 410(c) of the 1934 Act is amended by—

(1) striking "common" wherever it appears therein and substituting "telecommunications", and

(2) striking "interstate and intrastate" and substituting "interexchange and intraexchange".

SEC. 305. Section 411(b) of the 1934 Act is amended by inserting "regulated" immediately before "carrier" wherever it appears therein.

SEC. 306. Section 412 of the 1934 Act is amended by striking "common".

SEC. 307. Section 413 of the 1934 Act is amended by inserting "regulated" immediately before "carrier" therein.

SEC. 308. Section 415 of the 1934 Act is amended by inserting "regulated" immediately before "carriers" or "carrier" wherever they appear therein.

SEC. 309. Section 416 of the 1934 Act is amended by inserting "regulated" immediately before "carrier" therein.

SEC. 310. (a) Section 503(a) of the 1934 Act is amended by—

(1) striking "interstate" wherever it appears and substituting "interexchange";

(2) striking "common" wherever it appears therein; and

(3) inserting "regulated" immediately before "carrier" wherever it appears therein.

(b) Subsection (b)(2)(A) of such section is amended by striking "common" and substituting "telecommunications".

SEC. 311. Section 605 of the 1934 Act is amended by striking "interstate" wherever it appears therein and substituting "interexcharge".

TITLE IV—CONFORMING AMENDMENTS

TITLE 18

SEC. 401. Section 2510(10) of title 18, United States Code, is amended by striking out "'common carrier' by section 153(h) of title 47 of the United States Code" and substituting "'telecommunications carrier' by section 103(38) of the Communications Act of 1934".

CLAYTON ACT

SEC. 402. Section 11(a) of the Clayton Act (15 U.S.C. 21(a)) is amended by striking "common carriers engaged in wire or radio communication or radio transmission of energy" and substituting "telecommunications carriers as defined in section 103(38) of the Communications Act of 1934".

TRANSITION OF COMMISSION AUTHORITY

SEC. 403. All orders, determinations, rules, regulations, permits, contracts, certificates, and privileges, which, pursuant to the provisions of title II and III of the 1934 Act, as amended—

(1) have been issued, made, granted, or allowed to become effective by the Federal Communications Commission; and

(2) were in effect prior to the enactment of this Act,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Commission, by any court of competent jurisdiction, or by operation of law.

APPLICABILITY OF ANTITRUST LAWS

SEC. 404. Nothing in this Act shall be construed to affect the applicability of the antitrust laws of the United States or any defenses or remedies (including structural remedies) available thereunder or as expressing in any manner any sense of the Congress with regard to any pending or future litigation or defenses and remedies relating to such litigation to which any person affected by this Act may be a party.

EFFECTIVE DATE

SEC. 405. Except as otherwise provided in this Act, the provisions of this Act shall take effect upon the date of enactment of this Act.

SUMMARY OF THE TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1981

1. Policy.—Establishes as national policy the promotion of marketplace competition, deregulation, and reliance on the private sector to provide telecommunications services.

2. Regulated Services.—Basic telephone service, which includes long distance and local telephone service, will continue to be regulated until the FCC can ensure the universal and reasonable availability without such regulation. All other telecommunications services, unless they involve facilities for which there is no reasonably available

alternative, will be deregulated pursuant to a transition period.

3. FCC Jurisdiction.—Federal jurisdiction is extended over all long distance services. State jurisdiction continues over local services. Under present law, the Federal Government regulates interstate long distance services. Individual states regulate local service and long distance service that originates and terminates within their borders.

4. Transition Plan.—The bill requires the FCC to establish a plan to carry out the provisions of the Act. The plan would: identify which carriers should be deemed "regulated" carriers; classify AT&T as a "dominant carrier"; establish a uniform accounting system for regulated and dominant carriers; establish procedures relating to the formation of separate subsidiaries; and establish procedures to develop a charge for use of local telephone exchange facilities by all companies in the long-distance business. Time periods are specified in the bill for the implementation of each requirement.

5. Degree of Regulation.—The FCC is ordered to reduce regulation as competition develops in particular geographic markets.

6. Classification.—Within 30 days after enactment, the 23 telephone companies which serve more than 50,000 telephones will be identified by the FCC as "regulated" carriers. Carriers which own or control facilities for which there is no reasonably available alternative will also be subject to regulation. Carriers not within these categories will be unregulated. AT&T will be provided an additional classification as a dominant-regulated carrier. The Commission will have continuing authority to classify and reclassify carriers, depending upon the services provided and the extent to which any regulated carrier is dominant in the provision of telecommunications services in a substantial percentage of the total number of markets or submarkets for telecommunications services.

7. Regulated Carriers Information Filing Requirements.—The FCC will have the authority to require "regulated" carriers to file information relating to regulated operations. These carriers will also be required to file tariffs (rates) for regulated services.

8. Tariffs.—In order to expedite tariff proceedings, carriers are given two options for implementing new or revised tariffs for regulated services. Under the first option the carrier files the proposed tariff with the Commission and the Commission must act on the tariff within 90 days but it is permissible to extend that period for an additional 90 days.

Under option two, the carrier may file a new or revised tariff with the Commission which shall take effect when the carrier wants it to so long as the carrier keeps track of how much is received from its customers under the tariff. The Commission acting on its own motion can delay the effective date for up to 30 days.

The Commission may exempt any regulated carrier from the requirements of this section and the information filing requirements.

9. Facilities Construction Approval.—Any regulated carrier, other than AT&T, may begin construction of new transmission facilities upon notification to the Commission. The FCC is given the discretion to require AT&T to obtain FCC approval before new construction can begin. However, AT&T may be allowed to submit long-term facilities plans as is the practice under present law. Termination or reduction of regulated services will be subject to FCC approval.

10. Network Planning.—Because of concern for technical maintenance of the telephone network and to discourage creation of duplicating networks, telephone companies and their competitors, both regulated and unregulated, are authorized to meet, plan, and coordinate the telephone network. There is no provision in the existing Act for such such planning and coordination because telephone service has been a monopoly service.

Technical information necessary for competitors to connect with the regulated network is required to be filed with the Commission and may not be disclosed to the fully separated affiliate until it has been filed. This will prevent AT&T from inhibiting its competition through nondisclosure or disclosure only to its subsidiary, of the technical information necessary to connect to the network.

These provisions assure that all persons desiring to use the telephone network to provide service or to sell products have equitable access to information about that network whether or not they are affiliated with AT&T. An example of the type of information required to be disclosed is the technical information describing the physical and electrical characteristics of the network. Another example would be the planned availability of network facilities, such as the number and type of new circuits planned for a market. Therefore, AT&T is prohibited from either favoring its subsidiary or discriminating against its competitors by manipulating information necessary to gain access to the network.

11. Records and Accounts.—One year after enactment, the FCC and regulated carriers shall implement an accounting system to allocate all revenues and costs between regulated and unregulated goods and services. This is to prevent a regulated monopoly from being able to subsidize its nonregulated (competitive) subsidiary. The FCC shall establish new depreciation schedules to permit regulated carriers to recover their capital costs over a shorter period.

12. Access Charge.—The FCC is directed to establish a system of charges for use of local telephone facilities that will (1) ensure that all long distance carriers and other customers are treated equally; and (2) ensure the continued universal availability of basic telephone service at reasonable rates. A Joint Board, comprised of four state regulatory commissioners and three FCC commissioners will work with the FCC to develop practices and procedures to accomplish these objectives. In addition, the FCC is authorized to adopt a mechanism such as surcharges on the access charge to assure that implementation of this bill does not result in unreasonable increases in basic telephone rates.

13. Fully Separated Affiliate (Subsidiary).—AT & T must provide competitive services, which do not include basic telephone service (long distance and local), through a fully separated affiliate. Organizational and behavioral requirements and prohibitions are prescribed to govern the relationship between AT&T and its fully separated affiliates in order to preclude the possibility of cross-subsidies. The FCC must find that the affiliates have met the requirements of the Act before the affiliates can offer unregulated services.

14. Western Electric/Bell Laboratories.—After a transition period of 8 years, Bell Laboratories research and Western Electric's manufacturing of competitive, deregulated telecommunications equipment is required to be fully separated from the research and manufacturing of equipment utilized in regulated services. During the transition, behavioral requirements and prohibitions are imposed on Western Electric and Bell Laboratories. Specific Western Electric and Bell Laboratories activities that support competitive activities are transferred to the fully separated affiliate at particular times during the transition. These requirements lead to a fully separated affiliate with its own sales, marketing, maintenance, operations, applied research, development, and manufacturing. Any transfer of assets from the regulated part to a deregulated subsidiary will be evaluated by an assets evaluation board consisting of three members, one selected by the FCC, one by AT&T and the third by the other two.

15. Consent Decree.—The 1956 Consent Decree is modified to allow AT&T to offer unregulated competitive telecommunications services and equipment through fully separated affiliates. However, AT&T is prohibited from offering cable service or mass media service (defined below) through any transmission facility which is owned or controlled by AT&T or its fully separated affiliate. AT&T would be permitted to provide printed or electronic advertising (yellow pages), weather and time information, and sports through a second separate affiliate that does not also offer transmission services, sell equipment or offer other unregulated services. Mass media services are defined as TV and radio, pay TV, and printed or electronic publications (including newspapers and periodicals or similar services).

16. Essential Telecommunications.—FCC shall coordinate with Federal departments and agencies, arrangements for services during emergencies and in the national defense. The President shall have the authority to require telecommunications carriers to furnish services or facilities. An advisory council shall be appointed to examine structure, policy and needs of Federal telecommunications management for national security and emergency preparedness under deregulation.

17. Customer-Premises Equipment (i.e., telephones, switch boards) and Information Services.—The FCC and the states are precluded from regulating these activities. AT&T can only offer these services or equipment through a fully-separated affiliate.

18. Transition.—Presently regulated services (i.e., WATS) will continue under regulation for a period of 2 years which may be extended an additional 2 years by the FCC.

19. Basic Telecommunications Services.—The FCC is given the authority to determine which services, in addition to basic telephone service, should be universally available and whether regulation is needed to ensure their universal availability. The bill anticipates continued regulation of basic telephone service (long distance and local) for the foreseeable future.

20. Antitrust Disclaimer.—The bill contains language specifically disavowing any intent to affect the applicability of the antitrust laws and any pending antitrust litigation.

21. Employee Protection.—Employment rights of employees affected by the separated affiliate requirement will be protected.

22. Co-Located Telephone Company Cross-Ownership.—Generally, telephone companies are prohibited from providing cable television service in the same area in which they provide telephone service, except upon a showing to the FCC in a particular case that significant additional media diversity will result. An exemption from this general restriction is contemplated for sparsely populated areas.●

By Mr. HOLLINGS:

S. 899. A bill to provide a noncontributory educational program for veterans and members of the Armed Forces of the United States in order to recognize satisfactory and honorable service, and for other purposes; to the Committee on Veterans' Affairs.

VETERANS' EDUCATIONAL ASSISTANCE FOR MILITARY SERVICE

● Mr. HOLLINGS. Mr. President, I am sending to the desk a bill entitled "Veterans' Educational Assistance for Military Service." It is a well-known fact that the military services of this Nation are experiencing severe difficul-

ties in recruiting high-quality, highly motivated young men and women and that our inability to adequately man our forces is cause for grave concern about our national security. I believe, and sincerely hope, that the new educational benefits provided by this bill will attract increased numbers of high school graduates into the services and will assist the services in retaining the career middle-grade noncommissioned officers needed to train and lead our fighting men.

Under the provisions of this bill, veterans could receive education assistance payments of up to $400 per month for up to a total of 36 months while attending an approved educational institution. Eligibility for benefits at this level would be attained through a number of active duty and Reserve service options. For example, a young man could enlist for 2 years of active duty and agree to serve 2 years of Active Reserve service and 2 years of individual Ready Reserve service and become eligible for the maximum benefits commencing at the time he is honorably discharged from active duty. A longer period of active duty would reduce the Reserve obligation. A person who is honorably discharged after 6 years would be eligible for the maximum benefits with no Reserve service obligation.

A unique feature of this bill is that it also provides education benefits for persons who serve in the Reserve Forces without having served on active duty. While the benefits for eligible reservists are one-half of what is provided to active service veterans, they are still substantial and should prove to be an attractive recruitment incentive. While manpower problems in the Active Forces are severe, the Reserves are experiencing even greater difficulties in filling their ranks. I believe that this bill can go a long way toward providing the needed incentives to draw young men and women into the Reserve Forces.

Active duty personnel are also eligible for benefits under this program and can receive monthly payments commensurate with the percentage of an academic course load that they pursue. If, for example, a soldier at Fort Jackson, S.C., attends college classes on a part-time basis at the University of South Carolina in Columbia and takes 25 percent of a full academic load, he would receive $100 per month, or 25 percent of the maximum monthly entitlement. He could commence such a program after 1 year of active duty.

I believe, however, that the feature of this bill which will have the greatest appeal to our career military people is a provision which provides for transferability of benefits. As written, the bill would enable a person eligible for education benefits to transfer these benefits to one or more of his dependents—but not to exced the 36-month/$400 level. I believe that this will provide an extremely valuable retention incentive for many of the very important middle-grade noncommissioned officers. An alarmingly large number of these small unit leaders are presently leaving the services because they cannot afford to send their children to college on the military pay they receive. This bill can provide them the assist they need to educate their children while continuing in a career that most of them prefer.

Mr. President, the Congress has moved decisively in recent years to provide our military forces with the modern, high technology equipment they need to at least keep abreast of the Soviets in a material sense. But, as we all know, we are now at a crisis point with regard to military manpower. I believe that we must now move resolutely to remedy this problem if the security of this Nation is to be assured. I believe this bill can be a major step in that direction.●

By Mr. HEINZ:

S. 900. A bill to assure that job skills training, and employment opportunities are furnished through opportunities industrialization centers and other community based organizations of demonstrated effectiveness in certain block grant programs involving the creation of urban jobs in enterprise zones, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

YOUTH SKILLS ACT OF 1981

● Mr. HEINZ. Mr. President, I am very pleased to introduce legislation today which is designed to improve the job skills of our Nation's youths, and to do so by utilizing the truly productive sector of our society—the business community—to achieve that goal. This legislation would utilize organizations such as the opportunities industrialization centers (OIC), which have already demonstrated their effectiveness, to provide unskilled young people with real jobs that will provide both a sense of self-worth and marketability in the private sector.

Mr. President, my proposal would work in the following manner. It would establish the authority of OIC and other national community based organizations of demonstrated effectiveness to develop programs of skill training and job placement to work as subgrantees, in block grant funding provided to the States for the purposes of taking school dropouts and other unemployed youth in urban and rural America, training them, and putting them in real jobs.

Additionally, my proposal will provide that OIC and other groups of demonstrated effectiveness in the delivery of employment and training services shall be eligible for subcontracts from contractors receiving Federal funds and tax incentives to create jobs through the Departments of Energy, Transportation, Commerce, Housing and Urban Development, Agriculture, and Defense.

Mr. President, I am proud to introduce this legislation today because I see a ripe opportunity offering itself to be taken advantage of, for the benefit of our unemployed, untrained, and unskilled youths, white and black, living in our cities, and in our rural areas. Our new administration has asked us to tap all of our resources in an attempt to put our country back on course, and I think that we will all agree that our greatest resource is our youth. Our administration has seen fit to dismantle programs, social programs that just have not worked. Why? Because, in a well intentioned, but unfortunately misguided way, these programs were developed and implemented in vacuums. We just did not use our resources.

The last 20 years has given us a tremendous amount of practical experience when it comes to community based programs. Some have failed, some have succeeded, but all were started with the intention of meeting a crying need. One of these programs was started in an abandoned jailhouse, one cold January day in 1964. That jailhouse being a stark presence of what could be at the end of a desperate, lonely road for many of our inner city youth.

That January day in that jailhouse was the beginning of what could be, and has now become for over 21,000 people since 1964. The possession of a marketable skill, a job, and of equal importance the sense of dignity in knowing that one can be self sufficient. This was a dream of the Reverend Leon Sullivan, a dream that has survived and lived.

It has lived through proving its worth, its willingness to work hard and long for its people, and to do its job. Mr. President, without the vision of Reverend Sullivan we would not be where we are today. I dare say that we would have a far, far heavier load to carry on our decisions regarding youth employment without the vision of Reverend Sullivan.

We have learned our lesson well, Mr. President. We need to rely on our truly productive partner in society, our business community to work with us in making our youth productive. In addition, I believe that my proposal is consistent with the administration's desire to transfer oversight responsibility for training and implementation to establish community based organizations like the Opportunities Industrialization Centers, founded and operated by the Reverend Leon Sullivan and other community-based organizations of demonstrated effectiveness.

These organizations are the prime example of community-based organizations which can and have identified the problems of youth unemployment many years ago. Rev. Leon Sullivan has long provided the vision and leadership for his great organization, and has more than proven his track record, and in turn the ability to implement this proposal.

Mr. President, we have heard a number of questions regarding our commitment to unemployed youth. We have our opportunity to prove our real commitment with this legislation. We have an opportunity to provide more than lip service, more than make-work, more than throwing money at the problem.

Mr. President, we have an opportunity to do more than waste the taxpayers money. We have an opportunity to make a difference, jointly with Reverend Sullivan's OIC and other credible community based organizations. Mr. President, we can make a difference. We can make a credible difference. Let us not let our opportunity slip from our grasp.

I urge my colleagues to join me in supporting a program that encourages local resources to work hand in hand with us in destroying the terrible plague of our youth, unemployment.●

By Mr. HATFIELD:

S. 901. A bill to preserve and protect the Georgetown Waterfront for the recreational use of the public; to the Committee on Energy and Natural Resources.

LEGISLATION RELATING TO A CERTAIN AREA ALONG THE POTOMAC RIVER

● Mr. HATFIELD. Mr. President, the legislation that I am proposing today will enable the Congress to resolve a long-standing issue in the National Capital region and fill in a gap in the protected shoreline along the Potomac River. The waterfront land south of Georgetown within the District of Columbia is the only portion of the northern bank of the Potomac between Cumberland, Md., and the city of Washington that has not been made into parkland for the use and enjoyment of the public.

Senators may be familiar with the unfortunate conglomeration of parking facilities, smoke stacks, and garbage trucks that presently line the river between the Key Bridge and Rock Creek.

The creation of a park at this 20-acre waterfront site has been blocked because the 6 privately owned acres present developers with an attractive investment opportunity should the small plot be filled with a mix of commercial and high-income residential development.

Economic realities being what they are, national interests in protecting this plot of land are in danger of being overwhelmed by the profit motive. This bill, very simply, would authorize the Secretary of the Interior to accept donation of the 6 privately owned acres or arrange with the owners an exchange or transfer of the land for Federal property of equal value. Minor differences in the relative land value could be made up by a cash payment by either party.

When my attention was first drawn to this issue 2 years ago, I was alarmed by the lack of vision being exercised in planning for the inevitable metamorphosis of the area. It appeared that everyone in authority in the National Capital region simply had given up on attempts to create a continuous, total park along the entire shoreline of the Potomac River within Washington, D.C. Federal planning guidelines, water management policies, national interests, and the needs of the citizens of the city all were pushed to the background for a time, and no thought was given to whether or not the Congress might see fit to assist in protecting the area.

For these reasons, I introduced a bill in the 96th Congress to authorize the purchase of the privately owned land along the Georgetown Waterfront and to give all the people and agencies involved in planning for the future of this important area the time necessary to think through all of the issues involved. That bill was meant to raise our sights a little higher, to enable us to consider all the options available rather than only the least offensive ones.

That process has borne fruit and the legislation which I am introducing today reflects changes that have been suggested. The new bill will place the Congress firmly behind efforts by the administration to explore exchanging land rather than making an outright purchase.

Let me explain the importance of this legislation. The Georgetown Waterfront should be preserved for the people. It is the most beautiful spot of Potomac River frontage in the Capital. The Potomac bends at this point, and the views up the river and downstream are unmatched for their scenic drama. It is a place for residents of the city, and visitors alike, to get away from the hustle and bustle of the urban environment. Such locations are becoming fewer and fewer.

Men and women of vision have preceded us in planning a city in which key land areas have been maintained for public use and to memorialize our national heritage. The Georgetown Waterfront is one of the few remaining parcels of land within the Capital City on which future generations can raise similar memorials. Some have suggested a combination of parkland and commercial development. While on its surface, this might appear to be a reasonable idea, a walk around the area makes clear that the parkland would be a narrow strip of green space between K Street and the river, 160 feet wide. The commercial development, on the other hand, would cover the only portion of the land that is wide enough to support any significant structures at all. At best, the park would be only enviable landscaping for luxury residences.

Moreover, development of the area would place enormous strain on an area that is already overly congested. Planners have been quoted as stating that existing development plans, excluding the waterfront area, will increase the population density by 10,000.

Furthermore, the area lies in the Potomac River flood plain. Since 1924 the land has been inundated 17 times, 13 times to a very substantial degree. Federal guidelines do not permit development on land such as this which is under its control.

Those who wish truly to protect for all the people this last area of abused land along the Potomac have only one option. It is the same opportunity that was seized by courageous planners in the past who made the Nation's Capital a place of beauty and a people's city. I urge my colleagues in the Senate to join me in supporting this legislation and hasten the day when the Georgetown Park will be a reality. It is inconceivable that we should allow this opportunity to preserve the riverfront, and to avoid more crowded development, to pass.●

By Mr. COCHRAN:

S. 902. A bill to assure consumers an adequate supply of cotton, rice, and soybeans at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

UPLAND COTTON, RICE, AND SOYBEAN ACT

● Mr. COCHRAN. Mr. President, today I am introducing a bill to be considered as part of the overall farm legislation which Congress will address this year. The bill contains six titles: Title I—Cotton; Title II—Rice; Title III—Soybeans; Title IV—Partial Embargo Protection; Title V—Export Credit Revolving Fund; and Title VI—A Farm Income Protection Framework.

Mr. President, before going into the specific provisions of this bill, I would like to spend a few minutes reviewing the history of farm legislation so we can have a better appreciation of the program we have today.

The primary justification for Government involvement in agriculture is that an adequate food supply is a human necessity and essential to national economic and political stability.

Unfortunately, agricultural production is subject to the vagaries of weather, insects and disease—problems which are to a large degree beyond the control of farmers.

We do not know with any degree of certainty the level of production until after the crops have been harvested each year. Often efforts to increase production by expanding acreage result in a decline because of poor yields. Conversely, a reduction in acreage could lead to increased production because of excellent growing conditions.

Farmers are at the mercy of the final outcome both here and the major producing regions around the world. Each is too small to affect the total and simply must take whatever price the market offers.

In the absence of Government programs, agriculture would be resigned to boom and bust cycles.

When supplies are large and prices low compared with cost of production, an individual farmer often expands production in an effort to increase cash receipts and lower per unit cost of production. This individual strategy simply puts further downward pressure on prices eventually forcing some farmers out of business.

This method of adjusting supply leaves us vulnerable when additional production capacity is needed to offset a series of poor crop years.

Having farmers going into and out of production because of variations of nature is not acceptable and, indeed, is dangerous if we are to continue to provide adequate supplies of food and fiber.

Legislation establishing price support and production adjustment programs was first enacted in 1933 after farm journals and farm organizations failed during the 1920's to get farmers to voluntarily reduce production and thus strengthen market prices.

Since that time, Congress has established a number of programs intended to soften the impact of production and marketing uncertainty on agriculture.

Until the 1960's Government efforts to provide stability to most agricultural commodities used price supports and direct controls over production and marketing in the form of acreage of allotments and marketing quotas.

However, during the 1960's the use of loan rates to support both prices and income resulted in levels that inter-

fered with the market. The Commodity Credit Corporation accumulated large stocks of many commodities that became extremely expensive to taxpayers.

This led to a distinction between price support and income support prices that culminated with the establishment of target prices in the Agriculture and Consumer Protection Act of 1973. This allowed loan rates to be put at levels that would allow markets to clear while providing farmers with income protection through target prices when the world supply and demand conditions resulted in low market prices.

The concept was to adjust target prices by changes in costs. This would maintain an adequate level of income protection while at the same time be an incentive to Government to keep supply in line with demand so the market prices would average above the target prices. If the Government through its set-aside and acreage diversion programs is successful, then there are no deficiency—target priced—payments.

The Food and Agriculture Act of 1977 went one step further for grains with the establishment of a farmer-held reserve program. Direct payments to grain producers in the form of storage payments and interest waivers on loans were made to encourage them to hold grain in reserve until the market price reached the release level. This allows excess grain to be pulled off the market when it is creating depressed prices and held until production can be adjusted or demand increases sufficiently to strengthen prices to the release level.

This allows us to protect the income of grain farmers while at the same time holding a sufficient quantity in reserve to meet variation due to weather.

So, over the years commodity programs have been altered as conditions change. For most commodities, we have gone from direct Government controls of acreage allotments and marketing quotas to programs that allow greater individual freedom for farmers to make decisions and for the market to allocate resources.

Over the years producers and consumers have benefited from programs that provide protection to farmers from production and marketing uncertainty.

Farmers have benefited from the price and income protection; consumers have benefited from ample supplies of food at reasonable prices, and our economy has benefited from the expansion of agricultural exports.

The obvious success of these programs from the standpoint of the general public is evident by the fact that the consumers in this country pay only about 17 percent of their income for food. This is the lowest of any country in the world. By comparison the U.S.S.R. pays 45 percent, Japan, 25.5 percent, and Great Britain, 24.4 percent.

Our comparative trade advantage for food and fiber has long been recognized, but its importance to our economy has never been greater than now. This year we expect to sell nearly $48 billion of agricultural products in foreign markets for a net agricultural trade of around $30 billion.

This means that net agriculture exports will offset about one-third of our oil imports this year. Without agricultural trade, our economy would be in even more difficulty.

Unfortunately, there seems to have been some reluctance to operate the programs to sustain an economically healthy agricultural sector. Rapid increases in input costs without corresponding efforts to increase the income support framework nor adjust supplies in an effort to get a higher market price has put farmers in the most serious financial difficulty since the 1930's.

We have an opportunity this year to make adjustments in the farm legislation. With the current budget constraints, it is going to be a challenge to come up with provisions which provide market prices sufficient to allow our farmers to operate at a fair and reasonable return. We simply must find the most efficient way to keep the agriculture economy strong.

Let me turn now to the specific bill I am introducing today. As I mentioned in my opening remarks, it contains six titles. I would like to briefly highlight each.

TITLE I—COTTON

The bill continues the market oriented approach that has served the cotton industry well in recent years, while at the same time has reduced Government costs.

It is a 4-year bill, applicable to the 1982 through 1985 crops of upland cotton.

Loan rates: It continues the price support loans program under which the loan level is set at 10 to 15 percent below the average market prices for cotton in both the United States and foreign markets.

The bill increases the minimum loan from 48 to 55 cents per pound.

Target prices: Cotton does not have a farmer-held reserve program to absorb stocks when prices are depressed. Thus, it is necessary to maintain target prices to provide the same degree of protection.

Target prices have been a part of the cotton program since 1973. Prior to then the direct Government expense for income support to cotton farmers averaged around $800 to $900 million per year. Since target prices were included there has never been a deficiency payment. This is an indication to me that the program is working well.

Target prices are continued in the bill with adjustments based on cost of production. The bill changes the cost from a cost-per-pound to a cost-per-acre basis. This removes yield variability from the computation.

Under the current procedure, the average yield per acre is included in the computation. This results in abnormally high cost per pound when yields are low and low cost per pound when yields are higher than normal. Basing the adjustment on per acre cost will provide a more stable and reasonable adjustment path.

Special import quota: It continues the provisions under which a special import quota is triggered whenever the market price exceeds 130 percent of the average market price in the previous 36 months.

Since this measure was enacted in 1977, two special quotas have been imposed. Both have been in the last 12 months. Less than 15,000 bales were entered mainly because prices are usually high because of short supplies relative to demand.

The longer staple lengths of cotton—1⅛ inches and up—coming in under the special quota are subject to a duty of 3.5 cents—drops to 1.75 cents in January—per pound. This duty created concerns from the milling industry because it added unexpected cost. This bill would make imports under the special quota free of duty.

National program acreage: The national program acreage concept is continued in the bill. This acreage level is computed each year to represent the acreage needed to meet expected domestic and export demand and any desired change in stocks. It is then prorated to individual farms based on production history. This level of acreage then becomes the basis for program participation.

This bill simply changes the date which the Secretary must announce the national program acreage level from December 15 to November 1. This corresponds to the final date for announcement of the loan level and is desirable since most farmers make plans in the fall for the next year.

Acreage set-aside: Under current law the Secretary has the authority to establish a set-aside requirement and to impose a limitation on the acreage that can be planted to cotton. The penalty for noncompliance is the loss of eligibility for loans and target price protection. Most analysts believe that the set-aside is the most cost effective way to achieve an acreage adjustment when necessary because there are no dificiency payments if the program is successful and market prices strengthen.

The current set-aside approach needs to be improved because it is based on the acreage planted in the same year that the set-aside is being imposed. Thus a farmer could actually expand his plantings of cotton—set aside the required percentage based on that planted acreage and still be in compliance.

The bill changes the set-aside provision to assure that the reduction imposed comes from cotton acreage. This is achieved by specifying that the percentage reduction must be made from last year's plantings. It also contains some flexibility for the Secretary to make adjustments to account for normal crop rotation and poor weather in the previous year.

Paid diversion: The bill continues the authority of the Secretary to use a paid acreage diversion approach if deemed necessary.

Offsetting and cross-compliance: Farmers were caught off guard and in many cases penalized by the Secretary's use of cross-compliance procedures authorized under the 1977 act. Offsetting compliance refers to the situation when a farmer has two farms and is required to be in compliance on both farms to receive program benefits on either. Cross-compliance refers to the situation when a farmer plants more than one program crop and has to be in compliance on all crops to be eligible for benefits on any commodity.

This bill eliminates these requirements.

Seed cotton loans: The Secretary has

for several years used his discretionary authority to offer producers recourse loans on seed cotton prior to ginning and marketing of cotton. A recourse loan is one which must be repaid, that is, the individual does not have the option of letting the Government take over the cotton in lieu of loan repayment. The latter type loan is called a nonrecourse loan and is the type provided on regular cotton loans.

This bill requires the Secretary to make seed cotton loans.

Disaster payments: Cotton disaster payments would be discontinued except in those areas where crop insurance is not available.

TITLE II—RICE

The rice provisions of the bill will complete the transition of the rice program from the acreage allotment and marketing quota program to a market oriented program where all rice producers who participate in the program would be eligible for program benefits.

Under the 1977 act, a farmer could produce and market rice without penalty, but only farmers with rice allotments were eligible for program benefits and then only on that produced on the allotment acreage.

Target prices: Target prices are continued. However, the bill provides for adjustments based on cost per acre rather than cost per pound as is the case under current law. The remainder of the adjustment mechanism remains the same as current law.

Rice loan: The rice loan level would continue to be based on 75 percent of the target price. However, the bill raises the floor from $6.31 per hundredweight to $8.00.

Acreage adjustment mechanism: The bill terminates rice acreage allotments and replaces them with a national program acreage concept, which is the same as cotton, wheat, and feed grains under the 1977 act.

The bill gives the Secretary authority to restrict price acreage by requiring rice farmers to reduce planting from last year. He also has discretion to make further adjustments to reflect normal crop rotation and weather.

Disaster payments: Rice disaster payments would be discontinued except in those areas where crop insurance is not available.

TITLE III—SOYBEANS

The Government has never been heavily involved in the soybean industry, with the program consisting only a loan rate to help in orderly marketing. This title continues that concept.

Soybean loan rate: The bill establishes a market price formula similar to cotton to determine the loan rate. The formula is 75 percent of the average Chicago cash price on the preceding 5 years. The bill also puts a floor of $5.02 for the loan.

Prohibitions: First. The Secretary shall not require participation in any production adjustment program for soybeans or any other commodity as a condition of eligibility for price support loans.

Second. The Secretary may not establish a reserve storage program for soybeans.

Third. The Secretary may not impose an acreage adjustment program for soybeans.

TITLE IV—EMBARGO PROTECTION

Under existing law, if exports of a commodity are embargoed because of short supply the Secretary is required to increase the loan rate to 90 percent of parity.

This bill provides for compensation to farmers if a partial embargo is imposed for any other reason. There is no compensation if there is a total trade suspension or if the exports to the country or area are less than 3 percent of total U.S. export for the commodity embargoed.

The compensation provided for in the bill under a partial embargo would be based on the market prices just prior to the embargo. A payment would be made on the quantity sold during the embargo times the difference between the price prior to the embargo and the price for which the product was sold.

If a payment limitation is imposed, then a farmer could receive a Commodity Credit Corporation loan equal to the pre-embargoed average market price.

It also requires the Secretary to compensate firms for losses in connection with sales contracts which cannot be carried out as a result of the suspension.

TITLE V—EXPORT CREDIT FUND

Until 3 years ago, USDA administered with Commodity Credit Corporation funds and export credit program. Since then the administration has substituted a loan guarantee program.

The bill provides for the establishment of an export credit revolving fund utilizing repayments from previous export credit loans.

Furthermore additional funds could be added through the appropriations process.

TITLE VI—FARM INCOME PROTECTION

The program provisions for each commodity provide the Secretary with sufficient variables or policy levers to keep supply and demand for agricultural commodities at a level that will provide market prices where farmers can operate at a fair and reasonable return.

This title of the bill specifies the way in which Congress expects the Secretary to run the program.

The language is as follows:

It is the purpose of this title to establish a farm program framework under which the supply and demand for wheat, feed grains, upland cotton, and rice will be maintained at levels designed to achieve market prices for commodities that permit the producers of such commodities to operate at a fair and reasonable profit.

In carrying out the purpose of this title, the Secretary of Agriculture shall utilize the authorities conferred upon him under existing laws, including the provisions of this act, the commodity loan and purchase programs, producer storage reserve programs, and programs under the Agricultural Trade Development and Assistance Act of 1954.

The Secretary of Agriculture shall formulate a specific program for each year to carry out the purpose of this title during such year and publicly announce such program not later than March 1. The Secretary shall include in such announcement the specific authority he proposes to utilize, and how such authority is to be utilized, in order to achieve, during the marketing year concerned, a market price for each commodity named in subsection (a) equal to or greater than the established (target) price for such commodity.

Mr. President, this bill provides the administration with all the tools needed to maintain a healthy and prosperous agricultural economy. If they are used properly, the result will be achieved in the marketplace with minimum cost to Government.●

By Mr. QUAYLE:

S. 903. A bill to amend title 18, United States Code, to provide increased penalties for any person convicted of using a firearm to commit certain Federal crimes or carrying a firearm during the commission of such crimes, and for other purposes; to the Committee on the Judiciary.

S. 904. A bill to amend title 18 to provide penalties for the assault or murder of Presidential or Vice Presidential staff members; to the Committee on the Judiciary.

LEGISLATION RELATING TO CRIMES COMMITTED WITH FIREARMS

● Mr. QUAYLE. Mr. President, all Americans were shocked by the events of last week. Once again, an American political leader was the target of an assassin's bullet.

Fortunately, President Reagan and the other three victims of that horrible incident survived and are reported to be recovering well, However, our sense of outrage and horror lingers on, as well it should.

I am today introducing two pieces of legislation that will express our outrage and, hopefully, help to deter the repetition of such senseless acts of violence. The first is an amendment to title 18, section 294 of the United States Code that will provide increased penalties for any person convicted of using a firearm or a knife to commit certain Federal crimes or carrying a firearm or a knife during the commission of such crimes. In the case of a first conviction, the increased penalty will consist of a mandatory 5 years imprisonment in addition to the punishment provided for the commission of whatever felony or crime is involved. A second conviction will carry with it an additional and mandatory 10 years imprisonment. In the case of a third or subsequent conviction, this bill provides for an additional and mandatory 15 years to life imprisonment.

Mr. President, in the wake of last week's incident, we have heard the predictable calls for strong gun control legislation. I have never been convinced of the wisdom of such legislation. I do, however, believe that strong and mandatory punitive measures, such as I am proposing today, can be an effective deterrent against crimes committed through the use of firearms.

The second bill I am introducing today is an amendment to title 18, section 1751 of the United States Code to extend the protection of the Presidential Assassinations Act to staff members who travel with the President or the Vice President on official business. As the tragedy that befell President Reagan's press secretary, James Brady graphically

illustrated, these staff members are often in danger equal to that of the President and the law enforcement officers assigned to protect him. I see no reason to exclude such staff members from the protection of the full legal penalties of the Presidential assassination statute.

The bill also makes mandatory the sentence imposed on those individuals convicted of violating the Presidential assassination statute. As in my other bill, mandatory sentencing means that such individuals are ineligible for parole, probationary or suspended sentencing. They will serve out the full term of the sentence imposed by law.

Mr. President, our feelings of cold rage at the attempted assassination of the President should not diminish in the coming months, but should be broadened to include all acts of murderous violence taking place daily in our society. In a recent column, George Will suggested that such feelings of rage about assaults on the social order "not only are justified but are indispensible to civilization." Mandatory sentencing is one way to express our rage, and to provide a strong deterrent to such tragic crimes.

I urge my colleagues to support these measures.●

By Mr. PRESSLER:

S. 905. A bill to require the inspection of imported meat and meat food products, to require the grading of meat and meat food products, to require the Secretary of Agriculture to establish a labeling system for meat and meat food products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MEAT INSPECTION, GRADING, AND LABELING ACT OF 1981

● Mr. PRESSLER. Mr. President, today I am introducing a bill, the Meat Inspection, Grading, and Labeling Act of 1981, which would require the inspection and grading of imported meat and meat food products. It would further require the Secretary of Agriculture to establish a labeling system for meat and meat food products.

In a recent trip to South America, I had the opportunity to visit the meatpacking industry and government inspection system in Argentina, a large meat exporter, and saw what a helter-skelter system they have. In that country, they do not have meat inspectors in the plants at all times, and their overall inspection system is greatly inferior to that of the United States. Yet, we import meat from all around the world and have no additional inspection of this meat. Why should domestically produced meat have to meet rigid inspection requirements while we import poorly inspected or noninspected meat from other countries?

The bill I am introducing today will address this problem. The bill, by amending the Federal Meat Inspection Act, would require that:

First. All carcasses, parts of carcasses, meat or meat food products of cattle, sheep, swine, goats, horses, mules, buffalo, or other equines capable of human consumption be inspected at the port of entry into the United States;

Second. Any meat products, or processed meat, either be inspected, or if it cannot easily be inspected, be labeled as uninspected imported meat;

Third. Any meat that does not pass inspection be labeled as inspected and condemned, with the option of permitting its entry for use as fertilizer or for similar purposes;

Fourth. The Secretary of Agriculture establish a fee on imported meat and meat food products to cover the costs of such inspection, certification, testing, and labeling, and that the Secretary would also be empowered, if the fees are not paid, to revoke the importer's privilege to import meat;

Fifth. All meat inspected under this act be labeled as either domestic or imported, any meat food products containing imported meat be labeled as containing imported meat, and all imported meat labeled also indicating the country of origin—these labels remaining on the product until it reaches the final consumer; and

Sixth. Imported meat be graded as prime, choice, standard or utility.

The purpose for introducing this legislation is to insure that all meat and meat products available to the American consumer be subject to similar inspection, labeling, and grading requirements. It is important that the American consumers have high-quality meat products and also that they be well-informed about the quality and grade of meat they are purchasing. This bill would provide this without additional cost to the U.S. taxpayer as the meat exporter must pay for the cost of inspection.

Mr. President, I urge my colleagues to join me in supporting this measure. Mr. President, I ask unanimous consent that the text of the legislation be printed in full in the RECORD.

S. 905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Meat Inspection, Grading, and Labeling Act of 1981".

INSPECTION OF IMPORTED MEATS

SEC. 2. Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620 (a)) is amended by striking out "No" and inserting in lieu thereof "(1) Except as provided in paragraph (4), no", and by adding at the end thereof the following new paragraph:

"(2) Except as provided in paragraph (3), no carcasses, parts of carcasses, meat or meat food products of cattle, sheep, swine, goats, horses, mules, buffalo, or other equines which are capable of use as human food may be imported into the United States unless tests have been conducted, at the point of entry into the United States, on such carcasses, parts of carcasses, and meat and meat food products, including the internal organs of the animals from which such articles came, to determine whether such articles (A) contain any substance which would be prohibited under this Act if found in a carcass, part of a carcass, meat or meat food product of any animal (referred to above in this paragraph) produced in the United States and capable for use as human food, or (B) contain a level of any substance which is in excess of the maximum level which would be permitted under this Act in a carcass, part of a carcass, meat or meat food product of any animal (referred to above in this paragraph) produced in the United States and capable for use as human food.

(3) Any meat food product consisting in whole or in part of meat from any animal named in paragraph (2) which was processed and packaged outside the United States may be imported into the United States without having been subjected to the tests required under paragraph (2) if the Secretary determines that the conducting of such tests is impracticable. Any such meat food product imported into the United States shall bear labeling in accordance with regulations issued by the Secretary which indicates that such meat food product has been imported into the United States without having been subjected to the tests described in paragraph (2).

"(4) Any carcass, part of a carcass, meat or meat food product which is tested under paragraph (2) and found to be adulterated may be imported into the United States if—

"(A) such carcass, part of a carcass, meat or meat food product is labeled, marked, stamped, or tagged in accordance with regulations issued by the Secretary as 'Inspected and condemned'; and

"(B) such carcass, part of a carcass, meat or meat food product is destroyed for food purposes and is distributed or sold in accordance with regulations issued by the Secretary only for use as fertilizer or other similar purposes.

"(5)(A) The Secretary shall prescribe such assessments and fees on imported meat and meat food products as he determines necessary to cover the costs of inspections, certifications, testing, and labeling (or other marketing) required under this section.

"(B) In establishing the level or rate of assessments and fees to be imposed under this section, the Secretary shall take into consideration the volume of exports, the value thereof, and such other factors as he deems appropriate in order to achieve a fair and equitable allocation of such assessments and fees among exporters.

"(C) The Secretary may suspend or revoke the privilege of any person or plant to export meat or meat food products to the United States if such person fails to pay the assessments or fees for which he is responsible under this section.".

MANDATORY LABELING SYSTEM

SEC. 3. Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end thereof the following new subsection:

"(f)(1) The Secretary shall establish a system for the labeling of all carcasses, parts of carcasses, meat or meat food products of cattle, sheep, swine, goats, horses, mules, buffalo, or other equines which are inspected under this Act. Such system shall require that—

"(A)(i) except as provided in subclause (ii), all such articles which originate in the United States bear labeling indicating that such articles are 'domestic', and all such articles which originate in a country other than the United States bear labeling indicating that such articles are 'imported'; and

"(ii) any meat food product containing imported meat bear labeling clearly indicating that such product contains imported meat;

"(B) the labeling of all such articles under clause (A) indicate the country of origin of the imported meat or the imported meat contained in the article.

"(2) The Secretary shall provide that the labeling required pursuant to paragraph (1) be affixed to a carcass, part of a carcass, meat or meat product at the time of inspection of such carcass, part of a carcass, meat or meat food product under this Act. If any person

other than the ultimate consumer divides a carcass, part of a carcass, meat or meat food product or breaks a package or container containing a carcass, part of a carcass, meat or meat food product and such carcass, part of a carcass, meat, meat food product, package, or container bears labeling as required by paragraph (1), such person shall affix labeling, as provided in regulations issued by the Secretary, to each piece of such carcass, part of a carcass, meat or meat food product or to each package or container in which any such carcass, part of a carcass, meat or meat food product is placed to provide the information required by paragraph (1).

MANDATORY GRADING REQUIRED

SEC. 4. Section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) is amended—

(1) by inserting "(1)" after "(h)";

(2) by striking out ", except that no person shall be required to use the service authorized by this subsection"; and

(3) by adding at the end thereof the following:

"(2)(A) In carrying out paragraph (1), the Secretary shall establish and carry out a system for grading the quality of imported carcasses, parts of carcasses, and meat and meat food products of cattle, sheep, swine, goats, horses, mules, buffalo, and other equines which are capable of use as human food. Such system shall provide for the following grades: (i) prime, (ii) choice, (iii) standard, (iv) utility, and (v) such other grades as the Secretary may by regulation establish.

"(B) For purposes of this paragraph—

"(i) the term 'meat food product' has the same meaning as in section 1(j) of the Federal Meat Inspection Act; and

"(ii) the term 'capable of use as human food' has the same meaning as in section 1(k) of such Act.".●

By Mr. HUMPHREY (for himself and Mr. LEVIN) (by request):

S. 906. A bill to authorize certain transactions involving the acquisition and disposal of strategic and critical materials for the national defense stockpile; to the Committee on Armed Services.

STRATEGIC AND CRITICAL MATERIALS TRANSACTION AUTHORIZATION ACT OF 1981

● Mr. HUMPHREY. Mr. President, by request, for himself and the junior Senator from Michigan (Mr. LEVIN), I introduce for appropriate reference, a bill to authorize certain transactions involving the acquisition and disposal of strategic and critical materials for the national defense stockpile.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation and explaining its purpose be printed in the RECORD immediately following the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Strategic and Critical Materials Transaction Authorization Act of 1981".

SEC. 2. There is hereby authorized to be appropriated the sum of $2,140,000,000 for the acquisition of strategic and critical materials under section 6(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)).

SEC. 3. The President is hereby authorized to dispose of materials now held in the national defense stockpile established by section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b) which have been determined to be excess to the current requirements of the stockpile in the following quantities:

(1) 1,000,000 pounds of iodine.

(2) 1,500,000 carats of industrial diamonds crushing bort.

(3) 710,253 pounds of mercuric oxide.

(4) 50,000 flasks of mercury.

(5) 6,000,000 pounds of mica, muscovite splittings.

(6) 25,000 pounds of mica, phlogopite splittings.

(7) 139,500,000 troy ounces of silver.

SEC. 4. Any acquisition using funds appropriated under the authorization of section 2, and any disposal under the authority of section 3, shall be carried out in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., March 19, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for referral to the appropriate committee is a draft bill prepared by the General Services Administration that would authorize disposal of various materials from the National Defense Stockpile, and authorize appropriation of the disposal proceeds for the acquisition of strategic and critical materials for the stockpile.

The quantities of materials for the disposals have been determined to be excess to stockpile needs.

The Office of Management and Budget advised that there are no objections to the submission of this legislative proposal to the Congress and that the enactment of the bill would be in accord with the President's program.

Sincerely,

RAY KLINE,
Acting Administrator.●

By Mr. DOLE (for himself and Mr. JEPSEN):

S.J. Res. 62. Joint resolution to authorize and request the President to designate the week of September 20 through 26, 1981 as "National Cystic Fibrosis Week"; to the Committee on the Judiciary.

NATIONAL CYSTIC FIBROSIS WEEK

● Mr. DOLE. Mr. President, I take great pride in introducing a resolution that will touch the lives of thousands of American infants, children, and young adults whose lives are being destroyed by a disease called cystic fibrosis. This resolution is very simple in concept—it authorizes the President to proclaim the third week of September of this year as "National Cystic Fibrosis Week"—but its impact will be felt in ways that few of us who have never experienced the pain and trauma associated with this disease could understand.

As chairman of the Senate Finance Committee, I feel a deep and personal responsibility to these young people to build on the good work that we initiated last year with the passage of a similar resolution. By setting aside another special week devoted to the problems and needs of those afflicted with CF, we can facilitate efforts to bring their message to the forefront of the public's attention. It is only by developing a base of knowledge and understanding through public education activities, that we can realize the dream of the conquest of cystic fibrosis.

During the past few years, many of us have had the opportunity to vote for legislation designed to support research into the many aspects of cystic fibrosis. Although medical science has not yet found a cure or long-term control for CF, advances in medications, therapy, and diagnostic procedures have extended the life expectancy of people with cystic fibrosis from 10 years to 21.

The disease is still fatal, but the periods of relative good health have been greatly increased, thereby allowing the person with CF to live a more normal life. Research must continue, but this will be possible only if resources are made available through public and private support.

Last summer I was privileged to have working on my staff a young intern by the name of Keith Jones who suffered from the effects of cystic fibrosis. Not only was Keith a hard worker, but he was an inspiring example of a human being who always managed to find the positive side of life and planned ahead for the future. It is with regret that I have to report now that Keith did not live to fulfill some of the dreams that he had. His life ended earlier this year, but I do not think that anyone who knew him will ever forget the way he touched all our lives.

The resolution that I am introducing today does not require a commitment of Federal funds. It provides only a mechanism by which the Cystic Fibrosis Foundation and other concerned citizens can reinforce their public education efforts. Last year, the foundation used the opportunity afforded by National Cystic Fibrosis Week to disseminate information about the disease to people all over the country through an intense media campaign and special public education activities. The project was a great success, but it was only a beginning. Ignorance continues to prevail to the detriment of those who have the disease and those who have yet to be born with this genetic defect.

Mr. President, I would like to take this opportunity to request that my colleagues join me in the battle to fight cystic fibrosis by cosponsoring this resolution. Many thousands of American children and young adults afflicted with this terrible disease have everything to gain.

At this time, I would like to insert in the RECORD some information about cystic fibrosis which was provided by the Cystic Fibrosis Foundation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Fact Sheet]

CYSTIC FIBROSIS: THE DISEASE AND THE FOUNDATION

For a quarter of a century, the Cystic Fibrosis Foundation has been the leading force in the battle against cystic fibrosis (CF). Although significant progress has been made toward improved clinical and psychological management of CF patients, this disease, the most common genetic killer of children and

young adults in America, remains a mystery. At present, there are no known means of cure, control, to prevent cystic fibrosis. Furthermore, there is no workable method of identifying carriers of the CF genetic trait.

Despite these facts, the outlook for those affected by CF has steadily improved. Through the diligent efforts of the handful of parents, friends, and physicians who founded the Cystic Fibrosis Foundation in 1955, as well as the thousands of people who have become involved since that time, CF is beginning to gain attention and support from both government and private sectors. The best measure of their success has been the doubling of the life expectancy of children born with CF during the last decade. Even with this progress, half the children born this year with CF will not live past the age of 21.

WHAT IS CYSTIC FIBROSIS AND WHAT IS ITS IMPACT?

Cystic fibrosis is a chronic, degenerative genetic disease involving the lungs and the digestive organs, as well as other major organs, of the body. It causes intermittent but progressive debilitation and eventual premature death. It is characterized by a severe cough, extreme shortness of breath, malnutrition, growth retardation, and respiratory and heart failure. CF requires daily, time-consuming, expensive treatment involving both physical therapy and multiplicity of medication. The continued need for care and the knowledge of early death cause emotional stress and severe financial strain on patient and family members, and drain the services and resources of the public and private sectors.

CF is the most common, presently incurable, inherited disorder in the Caucasian population. The disease is genetically transmitted; when both parents carry the gene, each child has a one in four chance of having CF, a two in four chance that he or she will be a symptomless carrier, and a one in four chance to be unaffected. When only one parent carries the gene, none of the children will have CF, but each child has a 50–50 chance of being a carrier. According to current population data, approximately 10 million Americans are asymptomatic carriers of the CF trait, and between 175,000 and 200,000 carriers are believed to be born every year.

It is estimated that cystic fibrosis occurs once every 1,600 to 2,500 live Caucasian births. It is also found in non-Caucasian populations, but with less frequency. There are about 1,600 new cases per year in the United States. Patient information is available from the Cystic Fibrosis Foundation-supported CF Patient Registry, which follows patients treated in over 120 CFF-designated medical facilities—about 13,000 patients. The CFF estimates that there are at least that many individuals outside this system who are undiagnosed, misdiagnosed, or being treated by a physician who is not presently involved with the CFF Centers network.

WHAT ARE THE COSTS OF CYSTIC FIBROSIS?

The annual cost of care for the person with CF is extremely high. Estimates of cost of care for young adult patients exceed $17,000 per year, with some individual expenditures at $50,000 to $100,000 annually in the terminal years. Costs vary among patients because the severity of the disorder itself varies from patient to patient, along with the stage of the disease from diagnosis to death. Even in those instances where costs of health care are lower, they still constitute a severe financial burden for the patient and his or her family. Considering that there are from 13,000 to 30,000 patients with CF, it is estimated that, nationally, the medical costs for caring for CF patients exceed $150 million per year.

It should be noted that these costs are only direct patient care charges and do not include socioeconomic costs due to early death, unemployment, or underemployment, which exceed $500 million annually. Many individuals or families affected by CF are unable to secure health insurance and must turn to public assistance for health care.

WHAT IS THE CYSTIC FIBROSIS FOUNDATION?

The origin of the Cystic Fibrosis Foundation (CFF) can be traced to 1955 with the creation and organization of the National Cystic Fibrosis Research Foundation. Parents and families of CF patients, located in six areas of the country, had already organized locally to publicize the plight of those with the disease, to raise funds, usually for the support of local clinics, and to share personal experiences about their afflicted children.

Representatives from the six geographic areas met in New York City in 1955 to consider the possibility of forming a national foundation committed to finding a cure or preventive measures for CF. What emerged from that meeting was an organization dedicated primarily to research and education, which all recognized was the only hope for control of the disease.

Since that time, the Foundation has grown and developed into one of the nation's leading voluntary health organizations. Although its program structure and administration have changed significantly over time, its goals have remained essentially the same. The mission of the CFF is directed toward ultimately achieving a cure or control for CF by means of basic biological research and clinical studies, and for improving care for those with the disease through support of a network of over 120 Centers across the country. The Foundation promotes and supports education programs designed to alleviate the suffering of CF patients, while implementing courses of action concerned with the personal and societal impact of the disease. Although the primary target is cystic fibrosis, the Foundation activities embrace a concern for other diseases as they relate to cystic fibrosis.

WHAT IS THE STATE OF THE SCIENCE IN CF? WHAT ARE THE HEALTH CARE ACHIEVEMENTS, OPPORTUNITIES AND CONSTRAINTS?

Cystic fibrosis is presently incurable. It is believed to be caused by an inborn error of metabolism, the basic chemical nature of which is not yet understood. No reliable objective technique has been developed to identify the genetic defect in either parents or siblings. In addition, there is no medical procedure available to detect CF in an unborn child, and newborn screening for early diagnosis is plagued by many problems.

Due to improvements in treatment methods and care in recent years, however, the prognosis for patients with CF has changed. An increasing number of children with CF are surviving into their teens and twenties. Data from the Cystic Fibrosis Patient Registry indicate that the median survival time for a child born in 1966 was 11.2 years—a figure which, based on life-table study projections, increased to 21 years for an infant born in 1978. About half of the individuals with CF die between 10 and 20 years of age.

Despite improvements in the management of CF patients during the last two decades, some aspects of the disease have been defined only recently, and in other areas, virtually no new knowledge has surfaced. Not only is there a lack of basic scientific information, but also the environment for CF research is currently limited by a number of resource deficiencies, including:

A shortage of trained scientists and investigators committed to the study of cystic fibrosis;

The absence of adequate, long-term stable funding, particularly from the government sector;

A lack of materials (i.e., tissue samples, animal models, etc.) essential to the conduct of research; and

An inadequate cystic fibrosis data base, including patient characteristics and clinical data.

Therefore, significant progress in improving the clinical management of patients with CF is not likely to occur in the future without a major commitment to research. With such a commitment, current research opportunities offer promise for advances in prevention of cystic fibrosis, early accurate diagnosis, and prevention and treatment of pulmonary, cardiac, and gastrointestinal complications of cystic fibrosis.●

ADDITIONAL COSPONSORS

S. 23

At the request of Mr. DOLE, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 23, a bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax.

S. 25

At the request of Mr. ARMSTRONG, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 25, a bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1980, and a career service person's educational assistance program, and to amend title 10, United States Code, to authorize an educational leave of absence for members of the Armed Forces.

S. 46

At the request of Mr. THURMOND, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 142

At the request of Mr. BENTSEN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 142, a bill to increase the amount of the exemption of certain interest and dividend income from taxation, and to make permanent the exemption of interest from taxation.

S. 144

At the request of Mr. HEINZ, the Senator from Hawaii (Mr. INOUYE), the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 144, a bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 255

At the request of Mr. MATHIAS, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 255, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatient regulatory requirements prevent the marketing of a patented product.

S. 259

At the request of Mr. GOLDWATER, the Senator from Maine (Mr. COHEN), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 259, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 and older.

S. 287

At the request of Mr. HEINZ, the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 287, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 441

At the request of Mr. NUNN, the Senator from South Carolina (Mr. THURMOND), and the Senator from Oklahoma (Mr. BOREN) were added as cosponsors of S. 441, a bill to provide limited assistance by the armed services to civilian drug enforcement agencies.

S. 447

At the request of Mr. RANDOLPH, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 447, a bill to redesignate the days on which Washington's Birthday, Memorial Day, and Columbus Day are celebrated to make each such day a legal public holiday.

S. 451

At the request of Mr. LEAHY, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 451; a bill to require Federal agencies to take steps to mitigate losses of United States agricultural land caused by Federal programs or actions, and for other purposes.

S. 491

At the request of Mr. GLENN, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 491, a bill to amend title 5 of the United States Code to provide death benefits to survivors of Federal law enforcement officers and firefighters, and for other purposes.

S. 492

At the request of Mr. D'AMATO, the Senator from Maryland (Mr. MATHIAS), and the Senator from Utah (Mr. GARN) were added as cosponsors of S. 492, a bill to increase the income tax exclusion of dividends and interest received by individuals.

S. 496

At the request of Mr. MELCHER, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 496, a bill to amend the Federal Mine Safety and Health Act of 1977.

S. 597

At the request of Mr. JEPSEN, the Senator from Oklahoma (Mr. NICKLES), the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of S. 597, a bill to eliminate the position of elevator operator in the Senate office buildings.

S. 613

At the request of Mr. THURMOND, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 613, a bill to amend section 1951 of the United States Code, and for other purposes.

S. 643

At the request of Mr. JEPSEN, the Senator from Maine (Mr. COHEN), and the Senator from Idaho (Mr. SYMMS) were added as cosponsors of S. 643, a bill to amend the Internal Revenue Code of 1954 to provide explicitly for the exclusion of social security benefits from taxable income.

S. 667

At the request of Mr. CRANSTON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 667, a bill to amend the Social Security Act to extend medicaid eligibility to certain low-income pregnant women and newborn children.

S. 734

At the request of Mr. HEINZ, the Senator from Texas (Mr. BENTSEN), the Senator from Massachusetts (Mr. TSONGAS), the Senator from South Dakota (Mr. ABDNOR), the Senator from Montana (Mr. BAUCUS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from New Jersey (Mr. BRADLEY), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Mississippi (Mr. COCHRAN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Maine (Mr. COHEN), the Senator from Kansas (Mr. DOLE), the Senator from Nevada (Mr. CANNON), the Senator from Illinois (Mr. DIXON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Missouri (Mr. EAGLETON), the Senator from Indiana (Mr. LUGAR), the Senator from Maryland (Mr. MATHIAS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Illinois (Mr. PERCY), the Senator from South Dakota (Mr. PRESSLER), the Senator from Montana (Mr. MELCHER), the Senator from New York (Mr. MOYNIHAN), the Senator from New Hampshire (Mr. RUDMAN), the Senator from Pennsylvania (Mr. SPECTER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from Vermont (Mr. STAFFORD), the Senator from Connecticut (Mr. WEICKER), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Vermont (Mr. LEAHY), the Senator from New York (Mr. D'AMATO), the Senator from California (Mr. HAYAKAWA), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Hawaii (Mr. INOUYE), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Missouri (Mr. DANFORTH) were added as cosponsors of S. 734, an original bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 857

At the request of Mr. TOWER, the Senator from Montana (Mr. MELCHER), was added as a cosponsor of S. 857, a bill to impose quantitative restrictions on the importation of lamb meat.

S. 858

At the request of Mr. DURENBERGER, the Senator from South Carolina (Mr. THURMOND), was added as a cosponsor of S. 858, a bill to amend the Internal Revenue Code of 1954 to provide estate tax equity for family farms and other enterprises, and for other purposes.

SENATE JOINT RESOLUTION 29

At the request of Mr. HEINZ, the Senator from New York (Mr. D'AMATO), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Utah (Mr. GARN), the Senator from North Carolina (Mr. EAST), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Joint Resolution 29, a joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with the first Sunday in June of each year as "National Garden Week."

SENATE JOINT RESOLUTION 54

At the request of Mr. HEINZ, the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Joint Resolution 54, a joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government.

SENATE RESOLUTION 97

At the request of Mr. PROXMIRE, the Senator from Virginia (Mr. HARRY F. BYRD JR.), the Senator from Missouri (Mr. DANFORTH), the Senator from Nevada (Mr. LAXALT), the Senator from New York (Mr. MOYNIHAN), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of Senate Resolution 97, a bill establishing a maximum number of full-time Senate employees and prohibiting the construction of additional office buildings for the Senate.

SENATE CONCURRENT RESOLUTION 16—CONCURRENT RESOLUTION TO DECLARE FAIR HOUSING MONTH

Mr. MATHIAS (for himself, Mr. HEINZ, Mr. TSONGAS, Mr. PROXMIRE, Mr. DIXON, and Mr. METZENBAUM) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 16

Whereas it is the policy of the United States to guarantee to every citizen the right of equal access to housing, and

Whereas this right and the responsibilities attendant on it are set forth in the National Fair Housing Law, Title VIII of the 1968 Civil Rights Act; and

Whereas every year since 1968 the Month of April has been set aside each year for

commemoration of the Fair Housing Law; now, therefore, be it

Resolved, that the Senate (the House of Representatives concurring) Recognizes the month of April as Fair Housing Month and that the Congress of the United States hereby rededicate itself to the promulgation and practice of the letter and spirit of the Fair Housing Law so that fair housing will become a right that can be realized by every American.

FAIR HOUSING MONTH

Mr. MATHIAS. Mr. President, April marks the 13th anniversary of the enactment of the fair housing law, title VIII of the Civil Rights Act of 1968.

April 4 also marks the 13th anniversary of the tragic death of a great leader of the civil rights movement and winner of the Nobel peace prize, Dr. Martin Luther King, Jr.

The concurrent resolution I am submitting today on behalf of several of my colleagues recognizes the month of April as "Fair Housing Month" and recommits the Congress to the goals of the Civil Rights Act of 1968.

Title VIII of the Civil Rights Act prohibits discrimination in the sale or rental of housing because of race, color, religion, national origin, or sex. Over 80 percent of the Nation's housing stock is subject to the fair housing law, while the remainder is covered by the Civil Rights Act of 1866 with respect to racial discrimination.

Title VIII, while espousing the goal of equal access to housing, lacks an enforcement mechanism to provide the means for eliminating unlawful discrimination in housing in the United States.

Because of this anachronism in the law, I, along with Senators METZENBAUM, KENNEDY, WEICKER, GLENN, TSONGAS, PROXMIRE, MOYNIHAN, LEAHY, and BIDEN have again introduced legislation to provide for a speedy administrative hearing process for housing discrimination complaints. This process avoids further clogging the courts and is available at minimal cost to both parties.

The need for this legislation was amply documented in the 6 days of hearings last year by the Senate Subcommittee on the Constitution and in 8 days of hearings by the House Subcommittee on Civil and Constitutional Rights.

A companion fair housing bill passed the House in June of last year by an overwhelming bipartisan margin of 310 to 95.

My colleagues and I who have reintroduced the Fair Housing Amendments Act, S. 570, are hopeful that the bill will have expeditious action by the Senate Judiciary Committee so that we may have ample time on the Senate floor to debate this important civil rights legislation.

Enforcement powers for housing discrimination complaints have been endorsed by every Secretary of Housing and Urban Development since the creation of the Department in 1964.

Yet, here we are 13 years later, with out any enforcement teeth for title VIII of th Civil Rights Act to make its promise of equal access to housing for all Americans a reality.

If our civil rights history has taught us nothing else, it has taught us that justice is poorly served, or not served at all, where civil rights are guaranteed and the means to attain those rights are denied or frustrated.

We need only recall the travesty that poll taxes and literacy tests for decades made of black peoples' constitutionally guaranteed right to vote.

Today, less obvious but equally effective barriers stand between the right of all people to equal access to housing and their ability to achieve equal access. Equal access to justice in this country is a question that transcends political considerations. Justice is not liberal or conservative. Justice is justice. I would hope that my Senate colleagues share this view and will join me in cosponsoring S. 570 and moving that legislation quickly through this body.

SENATE RESOLUTION 109—SUBMISSION OF A RESOLUTION DESIGNATING NATIONAL MIME WEEK

Mr. D'AMATO submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 109

Resolved, that the Senate of the United States show its support and appreciation by proclaiming April 1 through April 7 as National Mime Week in memory of the distinguished American performer Claude Kipnis.

NATIONAL MIME WEEK

● Mr. D'AMATO. Mr. President, National Mime Week was conceived 3 years ago by a group of mime performers in Los Angeles. Senator HAYAKAWA of California first introduced this resolution at that time at the request of the Los Angeles Mime Guild. That year, Red Skelton flew to Washington to participate in the first official ceremonies marking Mime Week. This year's Washington celebration is coordinated and directed by Mr. Joe Jeff of the Wonder Co., and Mr. Gary Young of Archaesus Productions. On behalf of all the talented performers of mime, I respectfully request support for the resolution designating National Mime Week.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. HEINZ. Mr. President, I would like to anounce that the Subcommittee on International Finance and Monetary Policy of the Banking, Housing, and Urban Affairs Committee will be holding a hearing on the reauthorizations of the international affairs functions of the Department of the Treasury for fiscal year 1982 and the Export Administration Act for fiscal years 1982 and 1983.

The hearing will be held at 9:30 a.m., in room 5302 of the Dirksen Senate Office Building, on April 30, 1981.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on International Finance and Monetary Policy, 5300 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Dr. Paul Freedenberg at (202) 224–0891.

SUBCOMMITTEE ON WATER AND POWER

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that the hearing scheduled for Wednesday, April 8 at 10 a.m. on S. 306, to authorize the construction, operation, and maintenance of hydroelectric powerplants at various existing water projects, has been postponed until Tuesday, April 28, beginning at 2 p.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding the hearing, you may wish to contact Mr. Russ Brown at 224–5726.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, the Committee on Rules and Administration will be holding 3 days of hearings on Senate Resolution 20, providing for television and radio broadcasting of Senate Chamber proceedings. The hearings will be on Wednesday, April 8; Thursday, April 9; and Tuesday, May 5. All three hearings will start at 10 a.m. and will be in room 301, Russell Senate Office Building.

On Thursday, April 9, the committee will also have a business meeting to consider pending legislative and administrative business at 9:30 a.m. in room 301, Russell Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate today to mark up the following authorization bills: Coast Guard Authorization Act; U.S. Fire Administration Authorization; title III of the Marine Protection Research and Sanctuaries Act authorizations; Earthquake Hazards Reductions Act authorizations. National Climate Program Act authorizations, and National Transportation Safety Board authorizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Foreign Agricultural Policy of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate tomorrow, April 8, to hold oversight hearings on agricultural exports.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee

on Governmental Affairs be authorized to meet during the session of the Senate on tomorrow, Wednesday, April 8, to hear testimony on the nomination of Gerald T. Carmen to be Administrator of the General Services Agency.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CIVILIANS AT MILITARY BASES

● Mr. GOLDWATER. Mr. President, a lot has been disclosed in the press in the last year about the growing shortages of civilians on our military bases. The Association of the U.S. Army has compiled a short paper on this problem, which I submit for printing in the RECORD.

The article follows:

LET THERE BE NO MISTAKE—CIVILIANS MAKE THE ARMY GO

Few people realize how dependent our armed services are upon the civilian men and women who keep the records, maintain the facilities, move the supplies and perform the most intricate maintenance on our increasingly sophisticated arsenal of weapons. If all those civilians were to disappear one day we would have to increase the number of people in uniform by at least 50 percent and would still not achieve the kind of efficiency contributed by a career civilian work force.

Over the past five years the Army has watched its civilian force shrink by about 65,000 as budget-cutters in the Department of Defense and at the White House have opted to take this instant cost savings provided by a personnel cut rather than pay the full price of military readiness. More than a year ago President Carter imposed a hiring limitation which permitted hiring just one new employee to replace two who were lost. That action alone cost the Army more than 1,000 employees a month. Now President Reagan, in his laudable desire to balance the federal budget, has imposed a total hiring freeze that the Army estimates will shrink its civilian work force by 5,000 each month as employees retire or seek other jobs.

There are many evidences of this civilian shortage throughout the Army. One of the most dramatic of these is found in the ability of the Materiel Development and Readiness Command to do its job of developing, procuring, warehousing, shipping and maintaining the Army's equipment. It no longer has enough contracting officers to deal with suppliers. Supplies no longer move through its warehouses at optimum speed and the backlog of major pieces of equipment—tanks, artillery pieces and aircraft, for example—waiting to be rebuilt is steadily increasing.

At Army bases all across the United States the shortage of civilian employees has forced commanders to divert soldiers from military training to perform inescapable housekeeping functions. Army-wide, those diversions amount to something between 25,000 and 28,000 soldiers each day or a cumulative total of about 16,000 man-years. This latter figure, of course, amounts to the total effort of a complete combat division for an entire year. The falseness of this economy is all the more obvious when one recognizes that it is far more expensive to use soldiers in support tasks than it is to employ civilians. We not only pay a price in weakened military training but also wind up paying more for the use of the soldiers because they must be fed and housed as well as paid.

The Army has made a strong plea to the new Secretary of Defense for permission to increase its civilian strength by 10,000 per year for the next three years. The secretary has seemed receptive but there is still a big hurdle ahead in the form of the White House budgeteers. Hopefully, they will see the sound logic in this departure from the federal hiring freeze.●

NRTA–AARP HEALTH POLICY RECOMMENDATIONS

● Mr. PRYOR. Mr. President, rising health care costs continue to be a major drain upon the elderly's income, despite medicare's valuable protection.

In 1980, per capita health care expenditures for the aged averaged approximately $2,500. About 40 percent of this is direct, out-of-pocket expenditures.

Older Americans are deeply concerned about the high cost of health care. Many now fear that they will be financially wiped out by a long-term, costly illness.

This is particularly true for the "old old"—those in their 80's and above— who run a substantially greater risk of being institutionalized.

These points have been made repeatedly to me by older persons in my home State of Arkansas and in other parts of our Nation.

Recently, I had an opportunity to meet and talk with the legislative council for the National Retired Teachers Association and American Association of Retired Persons. We had a frank and informative discussion in which the Council members shared their concerns and recommendations with me.

I sincerely benefitted from their firsthand experience and knowledge.

The council has developed a comprehensive approach to providing quality health care for older Americans and at a price within their reach.

The associations' policies are directed at three major objectives:

Improving the elderly's health;

Containing rapidly rising health care costs; and

Maintaining health and avoiding illness.

The council devoted special attention to two priority areas which are of great concern to me: The need to first, develop appropriate alternatives and options to nursing home care and second, improve the treatment of the mentally ill.

Knowledgeable authorities estimate that 20 to 40 percent of all nursing home residents could receive less intensive and less expensive care in their communities and homes. The harsh reality is that many elderly persons are unnecessarily or prematurely institutionalized at a substantially higher public cost. Most older Americans would prefer to remain in their homes if at all possible. And they can if our health care system can overcome its present institutional bias.

The treatment of the mentally ill is perhaps more than anything else symbolic of our Nation's neglect of older persons. Some experts estimate that only about 20 percent of the elderly who need mental health care actually receive services. Moreover, 30 percent of older Americans who are diagnosed as senile have reversible psychiatric conditions. If they could receive appropriate care, they could become better functioning and productive members of our society.

Mr. President, the NRTA–AARP Legislative Council has developed comprehensive proposals to improve the health care system for older Americans as well as younger Americans.

These recommendations take on added importance as our Nation prepares for the third White House Conference on Aging later this year.

Mr. President, I ask that the health policy statement by the NRTA–AARP Legislative Council be printed in the RECORD.

The statement follows:

HEALTH POLICY

HEALTH AND THE ELDERLY: AN OVERVIEW

The Asociations' health policy is based on three points: first, how best to improve the health of the elderly; second, how best to contain health care costs; and, third, how to focus health policy on the real challenge: how to maintain health and avoid illness.

Defining "health" in terms of the elderly must take account of the special problems that distinguished them from the nonelderly. Our definition focuses on the degree of the individual's functional independence in conducting daily activity. In this context, the elderly's access to treatment for illness is important, but so is their need for those services that will help them remain active and in good health. In addition, such efforts as biomedical research, nutritional and preventive health services and health education, are important if we are to cope with chronic illness as well as prevent and cure those diseases and conditions which disproportionately afflict older persons.

The elderly's special health problems are all the more important because the population is aging. By the turn of the century, the number of elderly over age 85, the most intensive utilizers of health and health-related support services, will have almost doubled to 3.8 million.

The types of services needed to maintain health must be promoted and geriatric medicine must be given far more emphasis—especially in programs of government assistance to medical schools and students.

OBSTACLES TO PROMOTING THE HEALTH OF THE ELDERLY: THE ACUTE CARE SYNDROME

There are obstacles to promoting improvements in the elderly's health status. One is the belief that all needed levels of care can be supplied through the present medical system. Another is escalating health care costs and the country's limited resources. A third obstacle is that health services available to the elderly are usually overlapping, confusing, fragmented and unevenly distributed.

Today's health care system is concerned almost exclusively with treatment of illness and acute care intervention. Since health status is affected far more by nutrition, housing, lifestyles and environment than by medicine, it makes little sense for the nation to allocate an increasing portion of its scarce resources to medicine for the treatment of illness after the fact. Yet that is precisely what is happening.

Because of the structure and economics of the health care system, minimal or even negative growth rates in the economy do not constrain the proportion of resources allocated to the treatment of illness in acute care, institutional settings. Health care services are taking a larger and larger share of the nation's total resource "pie," rising from 6.7% of GNP in 1967 to 9.5% in 1980. If

more resources are to be allocated to more health-effective and cost-effective measures and less to purely medical care, the health care industry must be restructured.

THE HEALTH CARE INDUSTRY: ITS GROWTH, STRUCTURE AND SHORTCOMINGS

The health care industry is one of the nation's largest economic sectors. Since Medicare began, health spending has increased at an average of 12.2% per year while the economy as a whole has grown at an annual rate of only 9.0%. In 1979, health spending totalled $212 billion—12.5% above 1978 levels.

The rapid growth of this economic sector has been due partly to the expansion of the number of elderly persons who, as a group, need and utilize health services far more than the non-elderly. However, adding much more to demand for medical services has been the expansion of the third-party payment system. By 1979, third-party payments accounted for slightly over two-thirds of personal health care expenditures, 92% of hospital expenditures, and 64% of expenditures for physician services. This growing demand for medical services has more than been met through a 50% expansion of hospital capacity, hospital personnel, and health care professionals since 1960.

Government has subsidized both the demand and supply sides of this growth. On the demand side, growth of the private third-party payment system has been promoted by the tax laws. In the current (FY '81) fiscal year, revenue loss to the U.S. Treasury as a result of the exclusion from taxable income of both employer and employee health insurance premium payments will total approximately $19 billion. In addition to this study, Blue Cross/Blue Shield plans are tax exempt in most states, further facilitating the public's purchase of high-option, first dollar health insurance coverage. On the supply side, hospital expansion has been stimulated by the Hill-Burton program and by the tax exemption of hospital construction bonds. Federal spending for the training of health professionals totalled $5 billion between 1964 and 1976.

Government subsidies to increase the supply of medical facilities, services and personnel were expected to moderate health care costs. However, because the third-party payment system insulates providers from cost considerations and makes patients sensitive only to the costs for which they are responsible, there is little restraint on the rate of increase in the charges of providers or the costs they incur. Moreover, physicians tend to overutilize hospitals, the most expensive component of the medical care system, and this overutilization is promoted by the third-party payment system which reimburses hospitals for virtually all costs incurred but does not cover costly, out-of-hospital services.

CONSEQUENCES FOR THE ELDERLY OF THE CURRENT HEALTH CARE INDUSTRY STRUCTURE

As a consequence of the structure and economics of the health care industry, over recent years, medical costs in general and hospital costs in particular have been growing much faster than prices in general. Between the years 1965 (before Medicare was in effect) and 1979, the nation's total health bill far outstripped the general rate of inflation, more than a quintupling of total costs in 14 years.

In 1980, the per capita health care bill for all persons averaged $1,078, an amount which has increased 396 percent since the inception of Medicare in 1965. For the elderly, however, the per capita health bill averaged approximately $2,500, an amount which has increased 525 percent over the same period.

While the rapid escalation in health care costs has increased the per capita health bill of the elderly, the Medicare program pays a smaller share (38 percent) of that bill than it did when the program first began. The elderly now pay 43 percent of their annual health bill out of pocket. One reason for this situation is that less than half (46 percent) of physicians participating in Medicare Part B (Supplementary Medical Insurance) are willing to accept "assignment" (i.e., accept as payment in full whatever Medicare determines to be the reasonable charge for the service or procedure provided). In fiscal year 1979 the difference between the amount of unassigned Part B claims submitted by the elderly patients and the amount Medicare actually reimbursed totalled $1.1 billion—an amount for which the elderly themselves were responsible.

To get physicians to accept assignment under Part B of Medicare requires at a minimum a simplified and uniform claims form, multiple billing listing of patients, small ($2–3) processing fees to physicians, and expedited claims processing for those physicians willing to accept assignment. Other approaches may include payment of Medicare "reasonable" fee determinations directly to physicians with Medicare collecting from the patient the 20 percent co-insurance and any applicable deductibles.

Also contributing to the elderly's large out-of-pocket expenses is the lack of or incomplete Medicare coverage for a broad array of health services and products, including custodial nursing home care; out-patient prescription drugs; dental care; home health care; eyeglasses (and examinations); hearing aids (and examinations); and routine physical examinations as well as most other preventive health services. At the same time, private health insurance covers only 6% of total per capita expenditures.

To relieve the elderly from the rapidly rising out-of-pocket expenses, gaps in the Medicare benefit package should be closed. A severe reduction in provider fraud and abuse (see subsequent discussion) could help pay for the extension of Medicare's current benefit package to include at least some of the non-covered items and services cited above. Going further, a Medicare Part C program covering such items and services could be enacted with the costs financed from a monthly premium similar to the current Part B premium ($9.60 per month), federal general revenues and/or an increased federal excise tax on tobacco and alcoholic beverages.

NEW DIRECTIONS FOR THE ELDERLY

Despite the vast sums being funnelled into health care for the elderly, major health needs are not being met. As the elderly population grows, the problem of meeting those needs will become critical. Restructuring the health care industry must be the means for controlling costs and the means for developing a comprehensive, efficient, and rational system to accommodate these unmet needs.

A properly restructured system should include such components as: (1) adequate, supervised residential facilities for those wishing to remain in their communities; (2) a range of facilities and services to provide alternatives to hospitals and nursing homes; and (3) innovative and compassionate means of caring for the terminally ill outside of the hospital or nursing home. If needed new services are to be promoted, however, the rate of expansion of the medically oriented health industry must be checked.

Over the years the Associations have consistently supported the enactment and implementation of a national health insurance program (NHI) that would carry out a complete restructuring of how health care services are delivered and financed. The ultimate objective of such a program should be the availability of adequate health care for all Americans based on need rather than on ability to pay. The NHI program we seek should contain these following essential elements:

(a) more primary health care providers, with a shift in emphasis and resources away from institutionalization and acute care services and toward preventive medicine and home health care;

(b) standards for increasing the quality and efficiency of health care;

(c) competition among providers, with profit incentives to lower costs;

(d) comprehensive benefits, including a coordinated system of long-term care services, with universal and mandatory coverage;

(e) immediate reforms in payment systems, including prospective, negotiated rate (or fee) setting for institutional care and physicians' services;

(f) financing by a combination of savings from strong cost containment legislation; employer-employee payroll taxes; increased excise taxes on alcohol and tobacco; and general revenues;

(g) a patient-oriented health care system with majority representation of consumers on policy making and administrative boards; and

(h) maximum concentration of program administration at the local level with federal and state public authorities limited in size and scope to providing budgets, guidelines, technical assistance and aiding enforcement of statutory limitations.

Because of the deteriorating situation, a restructuring of the health care system should be undertaken immediately utilizing step-by-step changes in the current financing and service delivery mechanisms. Given the extraordinarily rapid escalation in health care costs, it will only be from the substantial savings that can be generated from eliminating waste, duplication and inefficiency in the current system of medical care and from stringent cost containment that we can expect to improve health status while devoting no greater real share of the federal dollar and no greater portion of the nation's resources to the health care sector.

In this context, it is important to note that the Associations have opposed the many "quick-fix" catastrophic health insurance proposals that have been advanced to date. Usually incorporating provisions to enhance "consumer choice" (a euphemism for greater cost sharing) and health care competition while providing some degree of protection against "catastrophic" illness, these proposals have offered very little for the elderly. Not only do they ignore the major cause of catastrophic health expenses for older Americans—the cost of nursing home care—but they are likely to increase substantially the demand for costly acute care (institutional) services and further escalate the health care cost spiral. These proposals seem to ignore the fact that the elderly-like most other consumers—are ill-equipped to make rational, cost conscious purchasing decisions in the absence of comparative cost, quality and performance information. Such information for the most part continues to be denied consumers by providers hiding beneath the cloak of confidentiality.

THE GOVERNMENT'S ROLE IN CONTROLLING HEALTH CARE COSTS

Despite government efforts to control costs and spending by regulating the health industry, little success has been achieved because the powerful economic incentives contributing to the growth of health care spending have overwhelmed the regulatory effort.

Since a large part of the industry's billings are fully reimbursed, experiments have been undertaken to pay hospitals on the basis of prospectively approved budgets. While 26 states have adopted various prospective rate setting programs for reimbursing hospitals, only six states have implemented programs with strong mandatory controls. For those six states, hospital rates increased 11.2% a year from 1976 to 1978 while the 44 remaining states were experiencing rates of increase of 14.3% per year.

In view of their performance, the Associations continue to advocate the establishment of state mandatory rate review programs.

In comparison to the degree of success achieved in those six states with strong programs for containing costs, the hospital industry's own Voluntary Effort (VE) program has been largely ineffective. Statistics indicate that for 1980, the annual rate of increase in in-patient hospital expenditures was 15.1 percent, well above the VE's own goal of 11.1 percent and above *all* other items measured by the CPI. Based on third quarter 1980 data, hospital charges rose at an extraordinary 16 percent annualized rate compared to a 6.6 percent annualized rate for the all-items CPI.

While reducing hospital utilization and the number of hospital beds may be the only long range way to reduce the rate of increase in hospital costs, certainly improvements in hospital management practices such as shared services, joint purchasing, energy conservation and individualized testing procedures should be encouraged as short-term means for restraining costs. Permitting Medicare to participate fully in existing as well as new rate setting programs would also help restrain costs. Currently, the Health Care Financing Administration (HCFA), which administers Medicare, has only limited authority in this regard.

As another means for containing health care costs in the short term, both federal and state governments should do more to control and eliminate provider fraud and abuse. Although kickbacks, rebates and fraudulent billings—and the costs of these practices—have been well-documented, only 28 fraud control units have been established at the state level (under the 1977 Anti-Fraud and Abuse Amendments). The number of these units should be expanded and federal and state governments should complement this strategy by awarding competitive, fixed price contracts for such items as lab services.

The potential effectiveness of other federal and state efforts to control health care costs in the short or long term remains a matter of conjecture. For example, Professional Standards Review Organizations (PSROs) were established to assure that the services provided are medically necessary, professionally acceptable and provided in the most economical manner. Unfortunately, this "peer review" method of regulation is itself costly and the results are still inconclusive as to its net effectiveness in reducing costs.

In another effort, the 1974 National Health Planning and Resources Development Act led to development of a nationwide network of 205 local Health Systems Agencies (HSAs) and 57 State Health Planning and Development Agencies (SHPDAs) which are supposed to control the expansion of costly institutional health services, facilities and equipment by requiring "certificates of need."

The program appears to have slowed down the creation of unneeded hospital beds and the addition of ever more expensive and underutilized equipment. A recent survey by the American Health Planning Association found that, of the $8.4 billion in capital projects that were reviewed by reporting HSAs, $1 billion (or 11.9%) were disapproved. Of even greater significance may be the extent to which projects were discouraged or modified by HSA review prior to formal submission.

While the record of health planning efforts thus appears favorable, certainly more needs to be done. The Associations will continue to support the development of a more effective health planning network because we believe it has the potential to achieve the kind of change in the health care system that takes into account the concerns of all interested parties. Although the elderly have been underrepresented on health planning governing bodies, this deficiency can and should be addressed. Also, effective steps should be taken to assure that those elderly who serve on such bodies are adequately trained.

Because government regulations has accomplished much less in terms of restraining the rate of increase in health care costs and spending than was expected, increased attention is being given to new and less costly ways of delivering health services. Health Maintenance Organizations (HMOs), for example, have demonstrated significant cost savings potential. Their emphasis on prepayment, budgeting, preventive medicine, consumer education and health maintenance techniques have reduced costs. Given the record of success of HMOs legislation should be enacted to encourage greater numbers of Medicare beneficiaries to enroll in pre-paid HMO-type health plans.

COST CONTAINMENT: THE KEY TO PROGRESS

To restrain the rate of increase in conventional health care spending, the following cost containment strategy should be pursued. First, the economic incentives that are causing excessive expansion of conventional medical facilities, particularly hospitals, should be removed; and capitation grants to medical schools should be phased out in light of expected surpluses of physicians in most areas. Second, the rate of increase in hospital expenditures and physician fees should be capped to "free up" resources for other, more health-effective uses. Third, health care service delivery should be restructured away from acute care institutional settings to make available more needed but less costly services (e.g., home health services). Fourth, government regulatory programs with the potential to yield significant savings should be promoted along with effective measures to develop competition in the health care industry.

To help remove the economic incentives which have caused the explosive expansion of the supply of medical facilities and physicians, the Associations recommend the following steps:

(a) phase out tax breaks that promote the excessive expansion of hospitals;

(b) eliminate blanket tax deductions for medical insurance premiums paid by employers if the insurance fails to cover outpatient and other lower, less costly levels of care as well as provide multiple health insurance options including at least one prepaid plan or HMO (where available);

(c) stop cost-plus reimbursement under government health programs and cease employing provider-linked intermediaries/carriers in making disbursements;

(d) implement prospective budgeting, negotiated fee schedules and regional intermediaries (on the basis of competitive, fixed price contracts);

(e) do not exempt health/medical insurance corporations from antitrust laws and abolish any state or federal antitrust exemptions of medical institutions;

(f) regulate all corporations selling medical/health insurance to eliminate duplication, encourage competition, and do away with fraud and abuse in the sale of supplemental Medicare (i.e., "Medigap") insurance policies; and

(g) subsidize the training of only those health professionals who agree to work in medically underserved areas and provide incentive grants to health profession schools to encourage training and curriculum development in geriatrics; particular attention should, however, be paid to the serious shortage of nursing personnel in many nursing homes.

As stated above, the second element of the containment strategy calls for caps on the rate of increase in hospital expenditures and physicians' fees. A major part of the effort to contain health care costs must focus on negotiating—or, if necessary, mandating—less generous rates of provider reimbursement.

Hospitals have registered cost increases in excess of 12.0 percent annually for the last decade. As for physicians, they have been increasing their fees at rates far in excess of the general rate of inflation for far too long while maintaining target incomes. Strict limits on hospital growth must be imposed until surplus hospital beds are eliminated and the rate of increase in hospital expenditures is brought into line with average economic growth rates. Similarly, restrictions on physician fees must be implemented until the rate of increase in physicians' income is brought into line with that of nonmedical professionals.

The third element of the containment strategy—restructuring health service delivery—should have the effect of expanding the supply of needed services that are less costly alternatives to hospitals and nursing homes. To achieve this objective, competing forms of health care delivery such as HMOs, small clinics and ambulatory health care facilities of all kinds should be promoted to the extent possible. Greater use should also be made of para-medical personnel (for example, geriatric nurse practitioners and physician assistants)—especially in underserved rural and inner-city areas and in such neglected institutional settings as nursing homes. For the elderly, this kind of restructuring would mean better access not only to conventional medical care but also to a variety of needed non-medical, social services like homemaker/chore maintenance services and counseling services.

As for the fourth element of the containment strategy, those government regulatory efforts that have potential to be effective should continue to be supported. As evident from the earlier discussion, the results of those efforts to date have been decidedly mixed. However, the one bright spot in the regulatory effort has been the success achieved by some state through mandatory, prospective budgeting and rate setting in conjunction with certificate-of-need programs. These state efforts should be supported and expanded.

THE MAJOR DEFICIENCY IN THE EXISTING HEALTH CARE DELIVERY SYSTEM—THE LACK OF A COMPREHENSIVE LONG TERM CARE PROGRAM

From the elderly's point of view, the lack of a long term care (LTC) system that encompasses both medical and social services is the greatest deficiency in the present health care system. The elderly's access to long term care is restricted by the non-availability of services and qualified personnel, especially community and home based care, and by their inability to pay for the services if they are available.

The implications of demographic trends for long term care policy are significant since the elderly have the highest incidence of functional disability. Demand for long term care services is increasing. Yet, current demand is not even being met. Of 8 million persons estimated to be in need of assistance with daily activities, only 2.3 million currently receive long-term care under government programs. Compounding this problem is the inability of nursing homes to attract and retain skilled nursing staff. Estimates range from a 40–60 percent shortfall nationally in our nursing homes.

Over half of all nursing home costs in 1979 were paid from private sources; 46% of these costs were paid out-of-pocket. The average annual cost of a nursing home stay in 1977 was $9,614. The private pay patient, however, may be charged from 20 to 30% more than the publicly supported (mostly Medicaid) patient. It is no wonder that nursing home care is the main source of "catastrophic" health expense for the elderly. These costs constitute the single largest

health expenditure for the elderly or fully 35% of the $60 billion spent in 1980. Since Medicare currently covers less than 3% of this total nursing home bill (which was $21.6 billion in 1979), the elderly must rely on their own resources until those are depleted ("spent down") to the point where they become eligible for Medicaid assistance for nursing home care.

To the extent long term care is available, it is based almost exclusively on institutional services which continue to consume the vast majority of available resources and make it very difficult to initiate or expand an integrated and community-based service system. Part of the problem is that Medicaid and Medicare, despite last year's home health benefit liberalizations, are still clearly biased against home and community-based services. If an adequate supply of sheltered living arrangements, congregate housing, homemaker/home health care and other community-based services were available, an estimated 20 to 40 percent of the present nursing home population could be cared for in less intensive and less expensive ways. The ultimate goal therefore should be a long term care program which provides a complete continuum of care and creates in the process a network of community-based centers that would function as providers, payers, certifiers and evaluators of services.

The Associations have endorsed two proposals that would move in the direction of establishing such a program for the nation. The first would, by adding a new Title XXI to the Social Security Act, create a ten-State demonstration project that would consolidate and make available a broad array of health and supporting social services (e.g., home health, day care, respite care, and homemaker/chore services). This proposal would also implement a comprehensive pre-nursing home admission and assessment procedure for persons who are "at risk" of nursing home placement. The second proposal (called the Medicaid Community Care Act) would increase federal Medicaid matching payments to those states which create and/or develop non-institutional, community-based long term care services as an alternative to institutional care. This proposal would also require a comprehensive pre-admission assessment of persons who are Medicaid eligible and at risk of institutionalization.

Although the fate of these legislative proposals is uncertain in view of economic and federal budgetary constraints, certainly some modest steps should be taken toward achieving a long term care program for the nation. For example, with respect to home health services, Medicare's "homebound" and "skilled care" requirements should be eliminated and coverage of homemaker/chore services should be provided. In addition, a comprehensive pre-nursing home admission screening and assessment program for potential nursing home residents should be established. To facilitate access to a broader range of long term care services, Medicare beneficiaries should be encouraged to enroll in HMOs and similar alternative delivery systems. Finally, credits against federal income tax liability should be established to provide meaningful incentives for taxpayers to care for their dependent elderly in the home and to utilize elderly day care facilities.

"MEDIGAP", MENTAL HEALTH AND OTHER HEALTH POLICY ISSUES

Fraud and abuse in the sale of insurance policies (Medigap) to supplement Medicare are widespread and well documented. In the absence of effective state action and in the presence of gaps in Medicare coverage, the Associations fought successfully to secure the enactment last year of a voluntary program of federal certification with minimum standards (minimum loss ratios, no-loss cancellation provisions, standards for renewability, etc.) to govern the advertising and sale of Medigap policies. A special panel is now evaluating state statutes and guidelines to determine which state regulatory programs already meet or exceed these enacted standards. For those that do not, starting July 1, 1932 companies selling policies in these states may request federal certification. Should this legislation fail to prompt appropriate state action, additional legislation mandating federal certification of Medigap policies may be necessary.

Another area where health care policy has responded inadequately to the elderly's needs is in the area of mental health. The National Institute of Mental Health has estimated that during 1980 approximately 80 percent of the elderly who needed such care and assistance did not receive it. Moreover, as many as 30 percent of those older Americans described as "senile" actually have reversible psychiatric conditions, which if treated, would allow them to become better functioning members of society.

With respect to mental health services, there should be two goals: access to services—especially community-based services—and the avoidance of inappropriate institutionalization. To achieve these goals, comprehensive mental/physical geriatric assessment units should be established to prevent needless institutionalization and facilitate appropriate placement of the mentally infirm. This should yield savings for Medicare by reducing present levels of hospitalization. Also, changes must be made in Medicare so that community mental health centers (CMHCs) will begin to serve the elderly. Such changes should include extending Medicare provider status to CMHCs, increasing the present $250 Part B annual ceiling on outpatient mental health services to at least $1,000, eliminating the 190-day lifetime limit on inpatient psychiatric care under Part A, and incorporating periodic reassessment requirements for Medicare patients with staff utilization review requirements for CMHCs and other providers.

Progress in the mental health area was made last year with passage of the Mental Health Systems Act of 1980. Among other things, the Act will make funding available to support a broader, more coordinated range of community-based mental health services to the needy and elderly and to link the nursing home to the mental as well as physical health care delivery systems.

In response to demographic trends and an aging population, an explicit strategy for the delivery of geriatric medical care and health services to the elderly should be adopted. To facilitate this objective, health manpower monies should be appropriated for the establishment and operation of educational programs in geriatrics at schools of medicine and the other health professions.

Finally, the propriety of public disclosure of information by PSROs has been called into question. The Association believe that disclosure and dissemination of this information is essential to carry out the puposes of the PSRO porgram, assist in identifying fraud and abuse, and facilitate health planning activity. It is our belief that there is a pressing need for a greater degree of patient information and education concerning the relative costs and performance of health care providers, especially if we are to attempt to bring greater competition to the health care market place, heighten consumer cost consciousness and hold down health care costs.●

SUBPENA REPORT

● Mr. PERCY. Mr. President, today I am filing on behalf of the Committee on Foreign Relations a report explaining the committee's decision not to pursue its subpena of January 12 for a log of Presidential tape recordings compiled by the National Archives. That subpena was issued in connection with the committee's consideration of the nomination of Secretary of State Alexander Haig and related to conversations in 1974 between former President Nixon and Mr. Haig, when the latter was serving as White House Chief of Staff. On January 19 the Archivist of the United States, Dr. Robert Warner, informed the committee that, according to his own interpretation of his responsibilities under the laws of the United States, he was unable to provide the committee with the subpenaed log.

In particular, Dr. Warner cited his responsibilities under the Presidential Materials and Recordings Preservation Act of 1974 as precluding his compliance with our subpena.

On February 24, the committee resolved by a vote of 11 to 6 not to seek enforcement of its subpena and to issue a report explaining its decision. That report reflects the views of all members of the committee.

Mr. President, the committee report speaks for itself as to the actions taken by the committee and our reasons for not carrying the matter further. I simply wish to thank the members of the committee for the careful and deliberate way in which this entire matter has been considered, and to thank those people whose wise counsel to the committee was invaluable over the past several months. In particular, our former distinguished colleague, Jacob K. Javits, agreed to assist us as a special counsel during the Haig hearings and supervised the committee's handling of these difficult issues. Jack Javits was indispensable and we owe him a deep sense of gratitude.

The committee is also indebted to a series of special counsel, Fred Thompson and Michael Madigan for the majority, and Henry Schuelke and Robert Bennett for the minority, who managed throughout those long and difficult proceedings to maintain an effective working relationship.

Mr. President, I think the committee's decision, as explained in its report, is the appropriate resolution of the issue raised during the course of the Haig hearings. While we do not necessarily accept the arguments given by the Archivist for withholding the materials in question, we did not think it necessary or appropriate to involve the entire Senate and the Federal courts in a prolonged effort to enforce our subpena.

I ask that the report be printed in the RECORD.

The report follows:

REPORT OF THE COMMITTEE ON FOREIGN RELATIONS

The Committee on Foreign Relations resolved by roll call vote on February 24, 1981 not to pursue its subpoena of January 12, 1981 for a National Archives log of Presidential conversations. The vote in Committee was eleven to six, with Senators Percy, Baker, Helms, Hayakawa, Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Pell and Cranston voting for the resolution, and Senators Biden, Glenn, Sarbanes, Zorinsky, Tsongas, and Dodd voting against it. The Committee also resolved to issue a report ex-

plaining its decision not to pursue the matter into court and authorized the Chairman and Ranking Minority Member of the Committee to agree upon the exact language of that report. This report has been prepared in accordance with that procedure.

The Senate Commitee on Foreign Relations does not accept the objections of the Archivist of the United States to its subpoena of January 12, 1981. However, the Committee has determined not to pursue enforcement of the subpoena. Enforcement might involve the Archivist in a contempt of Congress proceeding, which the Committee has concluded would be inappropriate under the circumstances of this case. More importantly, it is the judgment of the Committee that protracted enforcement proceedings would not be in the best interests of the Congress and the country.

In anticipation of Senate confirmation hearings on the nomination of Alexander M. Haig to be Secretary of State, the Committee on Foreign Relations commenced an inquiry with respect to General Haig at the end of the 96th Congress. As part of that inquiry, the Committee concluded that they should consider the relevance of certain materials bearing on the prospective nominee's service as White House Chief of Staff under former President Richard M. Nixon. The Committee sought to obtain an index of the tapes of conversations between President Nixon and General Haig. Those tapes are under the control of the National Archives and Records Service, headed by Robert Warner, Archivist of the United States, pursuant to the Presidential Materials and Recordings Preservation Act, Pub. L. No. 93-526, 44 U.S.C. § 2107n.

On January 12, 1981, pursuant to a decision by the Committee the previous day, Senator Percy, as Chairman, issued a subpoena directing Dr. Warner to produce a log of the conversations between President Nixon and General Haig from May 4, 1973 to July 18, 1973. This log had previously been prepared by the Archivist in an effort to facilitate identification of, and access to, the underlying materials. The subpoena for the log was issued while extensive hearings on the nomination, held by the Committee between January 9 and 15, 1981 were still in progress.[1]

As part of his responsibilities under the Act, Dr. Warner notified Mr. Nixon of the requests and subpoena, and on January 16, Mr. Nixon objected to the production to the Committee of the subpoenaed log. On January 19, 1981 Dr. Warner declined to produce the subpoenaed log. He informed the Committee by letter that while he had concluded that in almost every instance Mr. Nixon's objections were "either meritless or insufficient to prevent compliance with the subpoena," he nevertheless considered it his responsibility "to examine the nature of the congressional action and the nature of the materials being sought and to weigh the respective public interests which are served by protection or disclosure." He asserted that the Committee's exercise of its oversight function was "uncertain" and "open-ended", and in any event the log would be of "minimal value" for the Committee's purpose. Finally, he concluded that the ultimate release of the requested material would involve protracted litigation.

While the Committee acknowledges that there is a substantial issue concerning the interpretation of the Presidential Materials and Recording Preservation Act which governs access to the materials in question, the Committee cannot accept the Archivist's interpretation of the Committee's own jurisdiction in this matter. In its Resolution of January 15, 1981 the Committee expressly invoked its general oversight responsibilities for continuing its investigation after recommending confirmation of General Haig. Such investigations are consistent with historical practice. Since the investigations of Secretary of the Treasury Wolcott in 1800 and President Monroe in 1825, Congressional committees have probed allegations bearing on the continuing fitness of high executive officials for office.

Moreover, Congressional authority to examine an official's conduct in a prior office has been clear since 1826, when a committee investigated Vice President Calhoun's conduct in his prior post as Secretary of War.[2] And the relevance of prior conduct to an official's fitness to continue to serve in a position for which he had previously been confirmed by the Senate was recognized as recently as 1977, when the Senate Committee on Governmental Affairs investigated the conduct of Bert Lance, Director of the Office of Management and Budget. The Senate Committee derived its jurisdiction to conduct that inquiry both from its oversight responsibility, and its right to determine the validity of information received during the confirmation hearings.[3] The Lance inquiry, resulting in the resignation of the OMB Director, constitutes a clear example of the fundamental role of Congressional oversight investigations, regardless of whether they may appear at the outset to be "uncertain" or "open-ended."

Furthermore, the subpoena was a narrow one, seeking only the log of taped conversations rather than the tapes themselves. Indices such as that log should be furnished freely, even when the underlying indexed materials are assertedly privileged, so that further discussion, negotiation, and litigation over access can take place on an informed basis.[4] Finally, General Haig himself indicated that he had no objection to Committee access.[5]

But even assuming, as we do, that the issuance of the subpena was a reasonable first step in the effort to obtain material relevant to the inquiry, the Committee is now faced with the more difficult and far reaching question of whether to seek its enforcement. In this connection, the Committee observes initially that while some materials have been received from the Executive Branch, Mr. Nixon has continuously refused to waive his claims of privilege, and has by his actions and representations through his counsel expressed his determination to resist the release to the Committee of the material requested. For example, even though the subpena issued by the Committee was limited to an index of the conversations between former President Nixon and General Haig for the period May 4, 1973 through July 18, 1973. Mr. Nixon has made it clear that he will take full advantage of the opportunities available through litigation to prevent the Committee from obtaining it. It therefore appears that lengthy litigation would be required to obtain the index and that further litigation would be necessary to obtain any tapes determined from the index to be relevant to our responsibilities.

We are further mindful of the fact that issues of withholding information by the executive are traditionally resolved through the political process rather than through litigation. In this way, the resolution of such disputes reflects the popular will, expressed through the democratically elected branches, as well as the need for flexibility in the internal decisionmaking of the government. Judicial action should be reserved as the last resort in disputes between the branches.

Where Congress has in the past resorted to judicial action, the most common method of enforcement has been by way of contempt proceedings. In the Committee's view, however, this method would be most inappropriate in this instance, where the Archivist is acting in good faith, pursuant to his statutory responsibility to evaluate a claim of privilege asserted by Mr. Nixon. While the Committee does not accept the objections of the Archivist, it nonetheless has concluded that it would be unseemly to subject him to contempt proceedings under these circumstances.

As an alternative, the Committee might file a civil action to enforce its subpoena. However, upon consultation with the Office of Senate Legal Counsel, it appears to the Committee that such a civil suit would likely become embroiled in collateral disputes over issues of jurisdiction and justiciability, as such suits have in the past. By filing such an action, the Committee would thus confront complex and protracted litigation on issues not germane to the Committee's immediate inquiry—General Haig's qualifications to serve as Secretary of State. These difficulties may be compounded since the Archivist has represented that the index is itself misleading, and that the relevance of indexed materials to the Committee's inquiry is not apparent from its face. Further subpoenas and enforcement actions might therefore be anticipated.

The Committee continues to believe that issuance of a subpoena to obtain the archival log of White House tapes was a reasonable and justifiable step to obtain materials then considered relevant to its inquiry. Most Committee members also regarded that step as a limited one, leaving open the question of whether additional action would be taken in the event the subpoenaed material was not forthcoming. It was also recognized that a decision to pursue the matter in court would ultimately have to be made by the full Senate.

The Committee subsequently judged that confirmation of Secretary Haig should not be delayed by the effort to obtain additional information. The full Senate also apparently concluded that access to the subpoenaed material should not be a condition precedent to his confirmation, voting on January 21 to give its advice and consent to Secretary Haig's nomination by 93-6.

Litigation undertaken at this time would therefore represent a new and probably protracted phase of Committee action. Approval of the full Senate would be required to enforce the subpoena in court. The Committee has had to consider whether under present circumstances such a recommendation to the Senate would be justified. Our conclusion is that the Committee, the Senate, and the Nation would be better served by not pursuing the matter into court.●

[1] *Nomination of Alexander M. Haig, Jr.: Hearings Before the Senate Comm. on Foreign Relations*, 97th Cong., 1st Sess. (1981) (pts. 1 and 2).

[2] See E. Eberling, *Congressional Investigations: A Study of the Origin and Development of the Power of Congress to Investigate and Punish for Contempt*, 53, 87, 89 (1928).

[3] *Matters Relating to T. Bertram Lance: Hearings Before the Senate Committee on Governmental Affairs*, 95th Cong., 1st Sess. 971 (1977). Such inquiries into the fitness of high office holders are well within the investigative authority sanctioned by the Supreme Court in *Watkins v. United States*, 354 U.S. 178, 200 n. 33 (1957).

[4] *Vaughn v. Rosen*, 484 F. 2d 820 (D.C. Cir. 1973), *cert. denied*, 415 U.S. 977 (1974).

[5] *Nomination of Alexander M. Haig*, supra, n. 1, at 29:

Sen. TSONGAS. Above all I would like to inquire, in that spirit of symbolic openness, as to whether General Haig would be opposed to the issuance of the subpoena.

General HAIG. Senator, I have no objection, no concern for access by the Committee or the Committee staff to any document, manuscript, memorandum of conversation, or sworn testimony that would shed further light on the performance of my past service to my country.

MANIFEST DESTINY

● Mr. HEFLIN. Mr. President, at this very moment the Space Shuttle Columbia stands poised on its launch pad at Cape Canaveral undergoing the final days of the countdown pointing toward its maiden voyage Friday, April 10, 1981. This massive and complex machine stands as a monument to American science and industry and represents this Nation's commitment to the conquest of space. When those mighty engines lift that incredible combination aircraft and spacecraft from the launch pad, the attention of the Nation, and indeed the world, will be fixed on that launch platform. As the Acting Director of NASA, Dr. Alan M. Lovelace, stated recently when testifying before the Subcommittee on Science, Technology, and Space of the Senate Commerce Committee:

We are on the verge of a new era of space transportation as we prepare for the imminent first launch of the space shuttle. In providing routine economical access to space, the shuttle will allow us to exploit further the unique space environment for expanded benefits in communications, weather, resource observations, science and space processing of new materials.

The Space Shuttle also has significant military applications which will enhance this Nation's defense posture.

Not since the lunar program has the space program so captured the attention of the American public as we wait with a sense of excitement for the maiden flight of Columbia. Moreover, the flight of the Columbia has captured the imagination of America's leading novelist, James A. Michener. Mr. Michener has published in the April 1981 issue of Omni magazine an article entitled "Manifest Destiny." As his readers know, Mr. Michener is a great intellect who can inspire and bring understanding about many topics. In his article, Mr. Michener has explained the drama and importance of the Space Shuttle in a superb manner. As Mr. Michener sums it up, "the Shuttle is a daring experiment, precisely the one we should be making now."

Mr. President, I would like to share Mr. Michener's interpretation of this event with my colleagues here in the Senate and with the citizens around this Nation who might not be subscribers to Omni but who regularly read the CONGRESSIONAL RECORD.

I ask that the article by Mr. James A. Michener entiled "Manifest Destiny," as published in the April 1981 Omni magazine, be printed at this point in the RECORD.

The article follows:

MANIFEST DESTINY

(By James A. Michener)

In America's exploration of space, three flights have been of supreme importance, for each proved that a major spacecraft was efficient.

On February 20, 1962, John Glenn piloted *Mercury* in a three-orbit passage around the earth, demonstrating that Americans could duplicate anything the Russians had accomplished in space up to that time.

On March 23, 1965, *Gemini* astronauts Virgil Grissom and John Young made their three orbits, in which they proved that human beings could take personal control of a space ship and change its orbit if necessary.

On October 11, 1968, the three astronauts Schirra, Eisele, and Cunningham took *Apollo* 7 on an 11-day faultless flight whose significance lay in its timing. Some 20 months earlier a disastrous fire had destroyed a predecessor *Apollo*, killing Grissom, White, and Chafee. At that time critics charged that *Apollo* was basically defective and would probably never take off. Schirra and his men proved exactly the opposite, and we were on our way to the moon.

Thirteen long years after the last of these flights America is about to launch the next in line, in some ways more vital than any of others. The space shuttle *Columbia* is scheduled to blast off from the launching pad at Cape Canaveral as this issue goes to press, inaugurating a radical new system of space exploration. Tremendous consequences depend on this effort. Our entire space program may well be determined by what happens. Astronaut Joe Kerwin, a veteran who spent 28 days aloft in *Skylab*, says, "On this one we're mortgaging the ranch."

If it succeeds, which is very likely, it will open vast new possibilities. The heavens will be explored as never before. The military will have a reliable base from which to launch their own experiments. New materials will be fabricated in a weightless environment. A reusable platform will exist. And Americans, men and women alike, will once again be voyaging in space after a period of six years during which we surrendered leadership to the Russians.

If it fails, and some ultracautious experts are suggesting it could, Congress and the public might be tempted to close down major space efforts for several decades. Financing would certainly become more difficult. Emotional support would wither. And the vital energy required for any kind of exploration would be provided not by America but by Japan, Germany, and of course Russia. The vast space centers at Huntsville, Houston, and Cape Canaveral would retrench or go into mothballs, and the brilliant engineers and scientists who built our space program would be scattered.

If such enormous consequences ride on the shuttle, what kind of vehicle is it?

Robert F. Thompson, project manager for the program says, "In 1971, when we could see that Apollo must grind to a halt, following the dramatic moon explorations, a group of experts convened to decide what to do next. Trips to Mars? Settlements on the moon? Assembling of space stations? We had the know-how to do any of these exciting things, but we realized that the politicoeconomic base had changed dramatically. Supreme and costly efforts like these would no longer be supported by public taxation. But at reasonable cost we could provide an excellent alternative, a space shuttle that would become our basic building block for the future.

"It had to have four contrasting capabilities. It must take off like a rocket, go into orbit like a space ship, return through the 2,500°F heat caused by friction with the atmosphere as if it were the blunt end of a landing capsule, and return to Earth like a powerless glider. Also, it must be aerodynamically sound, able to fly at any speed from one hundred miles an hour to Mach twenty-five. And, unlike Apollo and the others, it must be reusable."

The solution was admirable in its conceptual simplicity, horrendous in its technical complexity. As it waited on the launching pad, the three-part craft stood 154 feet high, tall as a 15-story building, capable of doing many diverse things. Today it has become a reality, standing in Florida, ready to fly. Its three parts should be understood.

First is a pair of long, sleek rockets responsible for giving the entire assembly a mighty initial thrust upward. These solid rocket boosters don't burn on ordinary fuel but on a composition of aluminum powder, perchlorate, and iron oxide with a polymer binder. They will burn synchronously for about two minutes, then detach and fall back into the ocean, from which tugs will retrieve them for repeated use in as many as 20 later flights.

Next comes the external tank, a gigantic fuel repository with two compartments, one for liquid hydrogen, the other for liquid oxygen. This massive tank carries no rocket engines; it feeds its fuel into the main engines of the third component, and after eight minutes of flight, at an altitude of 70 miles, it separates, falls into a remote part of the ocean, and sinks. It is not reusable.

The third component is called the orbiter and is the ongoing part of the shuttle, a kind of blunt-nosed heavy airplane as big as a Boeing 707. With only a minute fuel supply of its own to be used for delicate maneuvering, it coasts in an orbit some 100 miles above the earth at a speed of 18,000 miles an hour. It carries a crew of three pilots (two on the first four test flights) and a working staff of four to six nonpilots.

The crew rides forward in what would be the cockpit of a transport plane, the vast bulk of the orbiter being given over to working area for cargo and scientific experiments. After three to seven days in space the craft comes back through the atmosphere and, with no engines to propel it, glides safely to a preselected landing strip, to be checked, cleaned, refueled, and sent aloft once more. This part of the system should be good for at least 50 flights.

It is the third component the orbiter without its fuel canisters, that creates a unique problem. How can a craft that looks like an airplane be brought back through the tremendous heat caused by friction with the atmosphere? What's the problem? We and the Russians have brought scores of space vehicles safely back to Earth. But all previous craft have come back blunt end first, to dissipate the heat over a broad crude surface. The blunt end has been protected by the ablative principle, whereby a specially composed material, say, a mixture of asbestos, invented fibers, and a specifically fabricated epoxy, shields the leading face and ablates, or slowly wears away, carrying the heat with it.

I recently inspected a piece of the Skylab that fell on Australia and could scarcely believe what I held in my hand. The forward edge of this piece had been coated with an excellent ablative, which had burned at 2,500°F. It was totally charred, but its capacity to lead heat away as it burned was so efficient that material that stood one thirty-second of an inch behind the burned edge was untouched.

Ablation is one of the miracles of the Space Age: it works every time with such perfection that not a single space vehicle, so far as we know, has been lost because of excessive heating. Quietly, gently the heat has been dissipated.

Unfortunately, ablation cannot be used on the orbiter, since it does not come back through the atmosphere blunt-end-to. Nor can its components be allowed to burn off, since they will be used again and again. The orbiter must use an alternative system, the heat-sink. Normally this is a metal, preferably an alloy, that accepts heat, leading it away in various directions, especially inwardly, where it dissipates. Since the metal does not ablate, a heat-sink can be used repeatedly.

A metal heat-sink would be perfect for the orbiter, except that it would weigh far too much, if the *Columbia's* exposed areas were so protected, we would not have rockets big enough to blast it into Earth orbit. So a remarkable tile has been invented, light as a feather, reliable like the best ablative material and reusable through repeated missions.

More than 32,000 of these tiles, each

made to its own peculiar specification and size, have been attached to the exposed areas of the orbiter, and they will be responsible for protecting it as it comes plunging back through the atmosphere. Fabricating the tiles and finding a proper adhesive for holding them onto curved surfaces was such a frustrating task that the shuttle fell years behind schedule and billions of dollars above original estimates.

Criticism has been severe, but Thompson believes that much of it is ill founded. "The best brains in our business made those estimates back in 1971. Total cost, five point one billion dollars. Ready to fly in 1978. But they warned everybody, 'This is research-and-development work, and overruns or delays will be inevitable.'

"So what do we find? Our cost is now eight point three billion dollars, but most of that it attributable to inflation. The original estimate was phenomenally good.

"As to the time delay. I admit we have lagged by two years, even three, depending on how you count. But old-timers like me expect delays in an R&D program. And if the tiles hadn't delayed us, something else would have done so."

Obviously, when the shuttle lifts off, it will carry with it a tremendous burden other than its fuel and its scientific instruments. Personal reputations ride with it. National policies. Military capabilities. The outreach of science and exploration. If so much depends upon a single flight, what kind of men do you ask to fly it?

NASA has chosen as commander the man best qualified in all the world. John W. Young is a short, wiry Navy captain, fifty-one years old come September. On the day Young assumes the left-hand seat in the shuttle he will have passed eight of the most stringent weeding-out processes known. These requirements were outlined by Deke Slayton, one of the original seven astronauts and a close friend of John Young's since the early Gemini days.

"First he passed the rigid test to enter the Naval Academy. Later, as a young graduate, he had to prove that he was fit for flight training. Sixty percent fail. Next he had to pass the flight training, and twenty-five percent don't make it. Secondary flight school is tough and washes out about forty percent. After that he moved into an operating squadron, which loses about fifteen percent through death or disabling accident. He applied for test pilot school, with eighty percent rejection and another five or ten percent failing if they do get in. He has more than six thousand hours in the most advanced planes and holds world records in various types of flight.

"Now the hardest test of all. He wants to be an astronaut. Top men in the nation apply. Out of a hundred and twenty in his group, nine were selected. Two were killed; six others, fine men like Armstrong, Borman, and Conrad, left the program. And now we come to the final selection. Who is to command the shuttle on which so much depends? Now we have only Young."

What makes him especially qualified is the fact that he has been four times in outer space—Gemini 2 and 10. Apollo 10 and 16—for a total of 533 hours and 33 minutes. He is far more experienced than any other astronaut flying today, American or Russian. In each of his two second flights he served as commander, and he once spent 20 hours and 14 minutes working on the surface of the moon.

"In 1972 I was told that I was assigned to the first shuttle. Since then I've done nothing but try to master the job." Pointing to a stack of manuals almost four feet high, he says, "I keep that pile to remind myself of the mental work we have to master."

"How do the shuttle and Apollo compare in difficulty??" I ask.

"Apollo required us to know a massive amount. The shuttle is a whole magnitude more difficult. But because we've worked so long, I do believe we're better prepared than we ever were for Gemini or Apollo."

Young is not eary to know. Astronaut Mike Collins, who shared the cramped quarters of Gemini 10 with him for three days, observed, "Mysterious. The epitome of the nonhero with a country boy's Aw shucks, 'tain't nothin' demeanor. Delightful wit and a keen engineer's mind.

He is full of surprises. After going out of his way to impress you with a modest appraisal of himself, he lets you into his study and goes off to answer a phone call, and there you find a collection of astronomy books that would grace the quarters of a professor in that subject. His knowledge of flight is awesome. And his physical condition, which he maintains by jogging and attention to what he eats, is remarkable. Slayton recalls that the most important test Young ever had to face came in his first Gemini flight. "We handed him a paper bag and asked him to demonstrate that a man could have a bowel movement in outer space. When he succeeded, we knew we were home safe."

Young lives on a quiet back street near the Johnson Space Center, in Houston, with his lively, outspoken wife, Susy. In days when he did not have to concentrate exclusively on the shuttle he was in charge of the 80-odd astronauts, a kind of Dean of Men. Now he keeps to his corner office, crowded with material pertaining to the flight.

I say to him, "Suppose I've been a red-hot test pilot. I'm selected as an astronaut. How long before I can fly the shuttle?"

"Half a year mastering the local lingo, the basic structure, the navigational stars, digital processing. Then we'd want you to spend a year and a half tracing out the systems, especially the five on-board computers, our forty-nine different engines, twenty-three antennas. When you knew all that, we'd put you in the simulators for about six months. Then you'd be ready to start the hard work of preparing to fly."

"How do you feel when you hear that during the six years we've had no men aloft a Russian cosmonaut like Valery Ryumin has spent three hundred four days in their Salyut 6 space station?"

"Poor guy. Their craft was unbelievably crowded, compared to ours."

"But they're up there and we aren't."

"You're right. And it's damned worrisome. There's sure a lot to be learned up there. They've got to be mastering something. They've said that their long-range goal is manned flight to the planets."

"Any clues as to how far along they are?"

"Difficult to assess. But they're probably far ahead of where we were when we ended Apollo."

"What do you think America should be doing?"

"We must keep our men in space. It's amazing what the human eye can detect from one hundred miles up. What the human brain can absorb. It would be incredibly silly for us to abandon space to others. Especially when we're developing master capabilities."

"Is the shuttle one of those capabilities?"

"You bet it is. With this machine we can accomplish miracles. When it becomes functional, the world will experience a surge of excitement."

"I'm fascinated by one aspect. Here we have three components. Each has been tested by itself. But never as a united trio."

"They can't be. Until we put them together and actually take them up. "

"Does that concern you?"

"Of course it concerns me! But we're test pilots. This is our job. We're ready to give it a go. And remember this. The shuttle may be more complicated than a new airplane used to be, or an Apollo. But it's not inherently more dangerous. It's just one more flying machine to be tested."

Young's copilot on his first flight will be Commander Robert L. Crippen, USN, a tall Texan, forty-three years old and the handsome kind of man Hollywood might have chosen to play copilot in a movie in which John Wayne was the gruff senior. Well trained as a test pilot, Crippen served as support crew for the Russian-American joint effort *Apollo-Soyuz*, which gave him an opportunity to inspect the Soviet space effort.

"They struggle to build systems that work. then stay with them. The basic message I got was that they're determined to succeed. Technologically we're still in command, but we won't be for long if we rest on our laurels. Looked to me as if they were closing fast."

"How about their budget?"

"I'm told they spend seven billion dollars a year. Many times what we do. Whatever they have, they use elegantly. They're up there flying, and we aren't."

Crippen is an excellent complement to Young, outgoing where Young is taciturn, philosophical where Young tends to be engineering-practical. Crippen says, "We're very excited about the shuttle's future. Look, we already have complete payloads signed up for our first sixty-eight flights. We're a going concern, an eventual money-maker. All sorts of participants want to work with us. European relations, China, Arabsat, Indonesia. Scores of universities want to send experiments aloft. And many of the big industries. This isn't an experiment, it's the real thing."

He is especially pleased by the possibilities of Flight 16, scheduled to blast off on January 12, 1984. "We're going to haul this huge telescope to an orbit three hundred twenty miles up. Weighs ten tons, is forty-six feet long. It'll be like lifting Mount Palomar three hundred miles up in the air, above the smog. Who can even guess what wonders that scope will reveal?"

An outsider who visits either Houston or Cape Canaveral is overwhelmed at first by the normous gamble America is making on this first flight of the shuttle, but once he has a chance to talk with men like Young and Crippen, he becomes aware that the orbiting of Columbia is merely a first step. The true wonder of this venture lies in the intellectual variety of the payloads that will ride in subsequent flights.

At various points across the country pallets are being assembled. The size of small rooms, these will house the varied scientific instruments with which outer space will be explored and the surface of our earth analyzed. Each pallet will contain from four to six totally different devices, which will be attended by scientists who fly as passengers aboard the orbiter. (Young scientists from Europe are already in training at Houston to fly in the orbiter when their countries experiments are aboard.)

When assembled, the pallet is hoisted bodily into the bay of the orbiter and carried into space. Some, self-governing, will be lifted off their pallets by a gigantic articulated arm developed by Canadian scientists and will be thrown out into permanent orbits of their own. They will send their data back to Earth by radio signal.

A widely diverse scatter of experiments has already been allocated to the 68 flights. For as little as $3,000 a device requiring little space can be sent aloft. On certain flights room has been set aside for high-school wizards, and at repeated intervals the manifest for an entire flight says simply DOD. That's Department of Defense, which looks to the shuttle for help in its major scientific experimentation. One would-be user had an ingenious plan: Send up stamped envelopes, then sell them at whopping prices as "authentic space mail." His proposal was rejected.

It is obvious that Young and Crippen cannot possibly fly all the shuttle missions already scheduled. Who are the other astronauts in training for these flights?

The second crew, and the men who will take over the first flight if anything incapacitates Young or Crippen, are two delightful military test pilots, Joe Engle, a Kansan in the Air Force, forty-eight years old, and Dick Truly, Navy man from Mississippi, forty-three years old. It's fun to hear them.

ENGLE. Look at this pile of manuals we have to know by heart. Hydraulics, propulsion, communications, digital processing, life-support systems, environment control.

TRULY. That's so you don't cook or choke.

ENGLE. Orbital maneuvering, reaction controls, navigation, guidance, mechanical functioning, big-arm manipulation, reentry data, glide control.

TRULY. Merely the dues you pay for belonging to the club.

ENGLE. I was back-up pilot on *Apollo 14*. Had to master all that material. Shuttle is much more complex.

TRULY. We don't worry about geopolitics or the philosophical importance of the flights. Our task is to fly this machine as skillfully as possible.

ENGLE. And we have flown it. Dick and I are the men who took the orbiter aloft on that Boeing 747, cast it loose, and proved that we could glide it back to Edwards Air Force Base. We did it twice. A marvelous machine.

TRULY. In a real flight, when we decide to land, we make our decision over Australia. We glide across the entire Pacific and have ahead of us a pattern about a thousand miles left or right into which we can land, and somewhat more fore and aft.

ENGLE. This matter of direction is important. If we take off to the east, we pick up the thrust of the earth's rotation in that heading, say, one thousand extra miles an hour. That means we can carry a payload of sixty-five thousand pounds. But if we take off north-south, we lose the earth's lift and can carry only forty thousand. And if we're stupid enough to take off east-west, we actually fight against the earth's rotation, and we're limited to twenty thousand.

ENGLE. Which is why we take off from Florida and land in California.

TRULY. How do we get the orbiter back to Florida for the next take-off? We'll bring it home piggyback on top of our 747.

ENGLE. All of us are committed to this venture. We're determined to make it work.

TRULY. When Joe says that, you must remember that, as a test pilot, he flew a plane straight up to an altitude of two hundred eighty-three thousand feet. He knows what test piloting is. We're testing the machine of the future.

I've spent the last three years closely associated with the space shuttle. I've observed it in California and Florida. I've flown in some of the simulators to get as much feel of the craft as a nonengineering layman could, and I believe I appreciate the strengths and weaknesses of the adventure. I respond especially to the wonderful promise it holds for the future.

As an old naval workman on the maintenance of aircraft, I could never have approved the intricate and fragile system of using tiles as heat-sinks; delays could have been anticipated. But now I see that the tiles are marvels of engineering; I think they have an excellent likelihood of working.

Delays due to engine problems are generic in the development of any aeronautical or space machine. In World War II, I was in charge of paperwork on the PBY-5A, an amphibious plane subject to many problems because of salt water. After this plane had been absolutely certified by both the manufacturer and the Navy as sea- and airworthy and had gone into operation as a rescue plane out of Guadalcanal, we ordered 516 major alterations before it was truly flightworthy, and no one thought the number excessive.

The shuttle is a daring experiment, precisely the one we should be making now.

As a writer who wrestles with words, I am dismayed that this tremendous adventure should have been stuck with a name as drab as space shuttle. NASA, appreciating this, has taken to calling it the STS [Space Transportation System], which is worse. Back in 1971, when the plan was bruited, some genius should have invented one of those words that captivate the imagination, like Kodak, Xerox, Time, or TV. Wordsmiths play their own role in civilization.

I wish to add one comment of my own. I have spoken to no one in NASA about what I am about to propose, but I suspect that many experts have been speculating along these lines.

The first four shuttle flights will be handled by only two crewmen, Young and Crippen on the first, Engle and Truly on the second. These will be experimental flights without significant payload. After that, flights with crews of four or more will be normal.

I judge that by the time Flight 17 blasts off on January 31, 1984, it would be practical for the shutttle to carry fare-paying passengers. For something like $25,000 each, up to six civilians could be lifted to an altitude of about 150 miles above the earth, where three days would be spent in orbit at a speed of about 18,000 miles an hour. Windows would provide a good view of sky and Earth, the latter showing about 1,100 miles of surface in all directions.

Experts assure me that the ordinary civilian in good health could be prepared for such a flight in less than three weeks: "You'd want to take them up in a T-38 to adjust them to air sickness. Check them out in six or seven simulators. Use the water-immersion facility to acquaint them with weightlessness. Maybe the Low Gravity Wall at Langley. They'd have no problem with gravity, really. At takeoff they'd pull at most three g's, eyeballs in. No worse than jumping off a low stool. Reentry, they'd have to handle less than two g's, eyeballs down. After the first experimental flights, of course, the crew won't wear space suits. Just regular military-type flight suits. Civilian passengers would wear business suits."

Three men I know have already signed up for the first businessmen's special, Lowell Thomas, Walter Cronkite, and I. If the flight takes place, as I think it might, as early as 1984, Thomas will be in his nineties, I in my late seventies, and Cronkite in his late sixties. When we three elder statesmen blast off on a routine flight, the world will awaken to the fact that it has truly entered the Space Age.●

ASSISTING THE EARTHQUAKE VICTIMS IN ITALY

● Mr. D'AMATO. Mr. President, it is not often when one has the opportunity to commend a citizen whose dedication and sincere efforts on behalf of the victims of a natural disaster have resulted in giant steps toward the realization of relief for those victims.

Today, it is my pleasure to cite Mr. Charles A. Gargano, of Farmingdale, N.Y., in recognition of his ongoing efforts to assist victims of the recent earthquake in Italy. At his own expense, Mr. Gargano twice journeyed to the quake zone. The first visit, from December 15 to 21, 1980, was made in order to assess damages and to assist in the preliminary planning for the reconstruction of a six-classroom school in his hometown of Sant'Angelo dei Lombardi which was destroyed by the quake. During the second visit, he was involved in the selection of a site and contract for the school. Since that time, the school has been undergoing fabrication and is scheduled to be completed by May 1981.

In addition to his travels to Italy in the aftermath of the quake, Mr. Gargano has been the driving force behind a fundraising effort on Long Island and in New York City which has netted in excess of $100,000 on behalf of the quake victims.

In recognition of his selfless efforts, Mr. Gargano was presented with the Community Service Award by the Nassau Chapter of the New York State Society of Professional Engineers on March 13, 1981.

Mr. President, it is unselfish persons such as Mr. Gargano that we should be thankful are present during crisis situations such as the one in Italy. I recommend that we all join in commending Mr. Gargano for his most generous contributions of time and financial resources to those considerably less fortunate than he.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the RECORD the notification I have received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 1, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-28, concerning the Department of the Army's proposed Letter of Offer to Korea for defense articles and services estimated to cost $20 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

Transmittal No. 81-28

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Korea

(ii) Total Estimated Value:

	(Million)
Major defense equipment*	$18
Other	$ 2
Total	$20

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Twenty-one M88A1 recovery vehicles with concurrent parts support and ancillary equipment

(iv) Military Department: Army (WNY).
(v) Sales Commission, Fee, etc. Paid. Offered or Agreed to be Paid: None.
(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.
(vii) Section 28 Report: Included in report for quarter ending 30 September 1980.
(viii) Date Report Delivered to Congress: April 1, 1981.

POLICY JUSTIFICATION

KOREA—M88A1 RECOVERY VEHICLES

The Government of the Republic of Korea (ROK) has requested the purchase of 21 M88A1 recovery vehicles with concurrent parts support and ancillary equipment at an estimated cost of $20 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for modernization and progress in eastern Asia.

This sale will improve the ground defenses of the Republic of Korea since the ROK has a large number of armored and artillery vehicles but very limited recovery capability. The proposed sale will enhance the ROK's ability to retrieve inoperative armored and artillery vehicles in the event of renewed hostilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Bowen-McLaughlin-York Company of York, Pennsylvania.

This proposed sale will require the assignment of two Department of the Army civilians to the Republic of Korea for approximately two weeks during the estimated May 1984 delivery period for quality assurance purposes.

There will be no impact on U.S. defense readiness as a result of this sale.●

EXPORT TRADING COMPANIES—VIII

● Mr. HEINZ. Mr. President, on March 27 Secretary of Commerce Baldrige delivered a speech to the Chicago World Trade Conference which is an excellent analysis of the Nation's declining competitive position in world trade and a comprehensive summary of what the Reagan administration plans to do about it. Of particular interest right now is the Secretary's strong support for export trading companies legislation, specifically S. 734, which is scheduled for Senate floor action soon. By facilitating the formation of trading companies, this legislation will encourage the full utilization of export potential of the thousands of small- and medium-sized businesses in this country not presently engaged in exporting.

I am most encouraged by the Secretary's remarks, his strong support for this bill, and for his vision and commitment to restoring our worldwide competitive position. Mr. President, I ask that the Secretary's speech be printed at this point in the RECORD.

The remarks follow:

REMARKS BY SECRETARY OF COMMERCE MALCOLM BALDRIGE

I am pleased to be here today at one of the Nation's leading forums for the vital issues of world trade, and I want to commend the Chicago Association of Commerce and Industry and the International Business Council for sponsoring these annual World Trade Conferences, which have contributed to the formation of national policy for 44 years.

The international competitive position of the United States has steadily declined for more than two decades. In 1960, for example, the U.S. share of world trade in manufactured goods was 25 percent. In 1980, it was 18 percent. This deterioration was compounded by our soaring oil import costs.

Last year our oil imports cost us $82 billion. The result is that over the past four years we have accumulated a trade deficit of $100 billion dollars.

There has been some recent improvement in our trade position. Our exports, for instance, have grown by more than 20 percent for the last two years. Good news like this leads some in Washington to believe we have turned the corner in our trade position and that our international competitive position is and will be in good shape.

I wish I could agree with this optimistic view, but I cannot. The fact is that a great part of our recent trade improvement has stemmed from the lagging effects of the devaluation of the dollar, which cheapened our export prices and from our recent sluggish economy, which reduced imports. Both of these are short-term developments, can be temporary, and can change quickly.

We should not let them obscure our long-term decline in international competitiveness.

The growth of U.S. productivity in manufacturing has lagged behind that of our competitors for at least 20 years. Recently, U.S. productivity growth has fallen even lower. From 1960 to 1973, U.S. manufacturing productivity grew 3.1 percent annually—about half as fast as the average for our 10 major competitors. From 1973 to 1979 our manufacturing productivity growth fell to 1.4 percent annually—less than one-third as fast as our competitors. And in 1980 it was close to zero.

What makes this even more worrisome is the prospect for fairly slow growth of the world economy over the next decade. That means that all countries will be interested in expanding exports—and reluctant to accept more imports—in the years ahead. It means that international competition is going to get tougher than ever before.

When seen against this international background, President Reagan's program for economic recovery is critically important to our trade position in the years ahead.

Virtually every element of that economic program is related—directly or indirectly—to improving the competitiveness of U.S. industry in the world market.

Accelerated depreciation allowances for modernizing plant and equipment will increase productivity.

Accelerated depreciation for research and development equipment will help productivity gains.

Tax cuts will contribute to increased savings and help provide the necessary capital for the new plants.

Cuts in Government spending will contribute to investment capital by reducing the heavy Government borrowing that has crowded business borrowing out of the market by the resultant high interest rates. The lower interest rates resulting from the actions I have mentioned will provide added incentives for increased capital investment by business.

Reductions in Government regulations will also stimulate increased productive investment. Burdensome regulations have been draining billions in investment funds into less productive uses and have been raising operating costs.

Finally, we feel the Federal Reserve Bank will cooperate by targeting a slow, steady and consistent money growth.

Together, these elements are designed to increase productivity, the key economic indicator and one which has a truly dismal record in the recent past.

One major reason the competition has been moving ahead of us is their business tax policy.

For example in industrial robots, seen by many as the key to future productivity growth, Japan leads the world in the application of robotics technology and in the number of industrial robots in use—10,000, compared to 3,500 in the United States. A major reason is the whole range of tax incentives, loan guarantees, and leasing arrangements through which the Japanese Government supports the development and installation of this sophisticated equipment.

One example is depreciation. The Japanese Government provides a first-year write-off of 25 percent, which, when combined with normal depreciation—allows Japanese companies to write off as much as 45 percent of the cost of machinery and equipment in the first year of use. Japanese auto companies are among the firms taking full advantage of these tax provisions.

President Reagan's new program addresses this problem and makes proposals which will substantially improve the position of U.S. firms. For example, companies will be able to write off 52 percent of their new machinery and equipment costs over two years—plus the 10-percent investment tax credit.

Business experience has given me a keen interest in the subject of research and development and the role of R&D in building our competitiveness in the world market. I believe that increased R&D is absolutely essential if we are to maintain our lead as the world's greatest trading nation. And while the United States still accounts for the bulk of industrial nation R&D, our rate of growth in this vital area has been lower than abroad. United States R&D has fallen in relation to our Nation's GNP, while it has been rising as a fraction of GNP in competitor nations.

I am convinced that this declining emphasis on R&D has affected our trade position. For example, the U.S. share of world aircraft markets—around 70 percent in the early 1970's—declined to 58 percent by 1979. The U.S. share of world trade in telecommunications equipment fell by 50 percent during the same period. Indeed, we have gradually been losing our market share in most high technology areas.

The United States had amassed a huge store of technological knowledge since World War II, and that storehouse has been the principal source of our competitiveness. Knowledge knows no national boundaries and in this era of rapid communication, it spreads quickly throughout the world.

But we must add to our R&D storehouse as rapidly as we can. If we continue to devote less of our time, money and effort to R&D than do our competitors, we will lose the technological edge we still have—a development which would have extremely serious implications not only on our trade position, but on our standard of living as well.

The Commerce Department has also taken the lead in support of the export trading company legislation now before the Congress.

Presently 1 percent of our companies sell 80 percent of our exports; 90 percent of our 250,000 U.S. businesses do not export at all. This puts us at a severe disadvantage with our trading competitors who use their medium- and smaller-size companies to a much greater extent in foreign trade. It's "export to live" with them.

This proposed Export Trading Companies Act is especially important for small- and medium-size firms, to which we should increasingly look for increased export activity.

The largest share of U.S. exports currently comes from the industrial giants—we need to stimulate and train smaller firms in this area, much as our foreign competitors have done.

In this area, too, Japan is a leader. Two-thirds of Japanese exports are handled by trading companies and they have even transported the technique to this country as well. The sixth largest U.S. exporter is currently none other than Mitsui, one of the largest Japanese trading companies. And Japan is not alone in the use of specialized export entities—West Germany, France, and Hong Kong do likewise.

The U.S. needs our own export trading companies to provide the full range of export services to companies of any size which are interested in the export market. And these export trading companies must be large enough and experienced enough to successfully develop new markets for U.S. goods.

Some of the most logical entities to form and participate in effective export trading companies are banks, many of which already have foreign coverage through branches, agents or correspondent banks. They are already in the business of evaluating risks and researching foreign markets, but we need special legislation before banks can participate with manufacturers in export trading companies. We also need legislative measures assuring that business leaders will not run afoul of the antitrust laws in their export activities. Legislation is now before the Congress that will meet both needs, and I hope there will be speedy action on it.

If we are going to enlist more small- and medium-size firms in the export effort, we must insure that they are not hobbled by unnecessary regulations which impede their ability to compete in either the domestic or overseas markets. And these are the very firms most hurt by regulations because they often can't afford the thousand-dollar-a-day lawyers to guide them through the regulatory thicket.

So the administration has moved quickly to provide immediate regulatory relief and to establish procedures to correct and prevent misguided actions. At the Commerce Department, I have asked for a thorough review of all regulations issued, as well as a careful review of all regulations which will be developed. In addition, Commerce has been designated as the focal point for business concerns about regulations. I want all members of the business community, from the smallest firms to the largest, to know that we are prepared to listen—and what's more important—to respond to your concerns. There is a serious flaw in any regulation that turns American business away from the world market place or that makes a U.S. manufacturer uncompetitive in international trade—and we want to hear about it. I promise that we will do everything we can to change it.

Another present export disincentive is posed by the Foreign Corrupt Practices Act. The problem here is the lack of precision, clarity, and reciprocity in this well motivated act. If a small businessman in Wichita hires an agent of good repute in a foreign country, and pays him a standard commission, our businessman can still be thrown in jail if his agent contributes any portion of his commission to a foreign political party or candidate and if he, the businessman, had "reason to know" it. What does that mean? I don't know, but more importantly neither does our Wichita businessmen, and that hurts our export effort. We must clear this bill up—our friend can't afford to hire a $200,000 a year Wall Street lawyer to clear it up for him.

Another area with a high priority in our department is full implementation of the multilateral trade negotiations. We can improve our competitiveness, remove disincentives to exporting, and mount a worldwide trade promotion effort. But these will add up to very little if our firms are denied access to foreign markets.

The United States maintains the freest, fairest, most open market in the world. We are also the wealthiest. In the vast majority of cases, foreign producers have access to our market on virtually the same terms and conditions available to domestic firms.

This open system has enabled the U.S. marketplace to become a powerhouse of prosperity for nations all over the world. We want to keep it that way. But our firms can't compete in the world market while using a different set of rules from those that apply to foreign companies. So we are determined to insure that American companies will be able to utilize their competitive abilities in an open and equitable international marketplace. In short, we insist on fair trade as well as free trade.

This means that we will fully implement the provisions of the MTN in a way that maximizes the trade and economic benefits to the Uinted States. Our competitors are working night and day to gain every ounce of benefit from these agreements. Let me assure you that we will do the same in this administration.

Finally, when I took this job, I promised to represent the views of business in the councils of Government. And I'm doing just that. Those views have a right to be heard and I believe that some of our basic problems stem from the fact that they have not been heard or heeded.

In no area is it more important for these views to be heard than in the area of world trade because the whole future of this nation is bound up in our response to the global economic challenge involving trade.

Moreover, I believe this perception is coming to be shared by all Americans.

We see the direct relationship between exports and imports and the national economic welfare.

We see the meaning of world competition among workers demonstrated in the measures of the productivity of nations.

We see the race for innovation among business firms on every continent.

And we see the direct link between trade and the need for jobs for our growing work force.

As we remove the disincentives for domestic and international business growth, the achievement of that growth will then clearly be up to the private sector. We assume, too automatically, that our productivity problems center around labor productivity. I think that this could be less of a problem in the United States than is management productivity. In the 1950's and early 1960's we had the world's best managers. Between our own complacency and the rise in management expertise around the world, we now too often do a second rate job of management compared to our foreign competitors. Their feet have been held to the fire; they have responded because they have had to in order to compete. Now, with the President's program to get the Government off the backs of our private sector—it's your turn to respond—and respond aggressively if the United States is to once again become the economic model for the rest of the world.●

BYELORUSSIAN LANGUAGE

● Mr. D'AMATO. Mr. President, on March 25, 1981, the Byelorussian-American communities of the United States commemorated the 63d anniversary of the Proclamation of the Byelorussian Democratic Republic which took place in Minsk, the capital of Byelorussia in 1918. At a rally held in Brooklyn, N.Y. on March 29, 1981, to mark this anniversary, the following resolution was passed. I ask that this resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

Resolved that the Byelorussian language be included in Voice of America programming.

The aforementioned resolution to be adopted by the Byelorussian-American community at the March 29, 1981 rally commemorating the 63d Anniversary of the Proclamation of the Byelorussian Democratic Republic which took place in Minsk, capital of Byelorussia, on March 25, 1918.

The Byelorussian-American community of New York is convinced that U.S. national security interests and world peace are well served when captive nations within the Soviet Union are informed of the nature of Soviet expansionism and the vitality of their respective cultural heritages in the United States. Indeed, these are major objectives of Voice of America broadcasts. For years, however, Byelorussians in the Soviet Union have not heard any VOA broadcasts in their own language.

The Byelorussian language, the language of one of the largest nationalities in the USSR and one of the oldest ethnic groups in the United States, is being discriminated against by the Voice of America which does not include the Byelorussian language in its programming. We, the participants of this rally wish to once again express our long standing frustration with this discrimination; we ask that the administration of the VOA and other concerned government agencies recognize the inequity and unsoundness of VOA policy in this matter and move to include the Byelorussian language in VOA programming. Inclusion of the Byelorussian language in VOA broadcasts would foster closer relations with the Byelorussian people and the Byelorussian-American community.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of a proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that seven such notifications have been received: three on March 27, and four on April 1, 1981.

Interested Senators may inquire as to details of these preliminary notifications at the office of the Committee on Foreign Relations, room 4229 Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 27, 1981.

DR. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington D.C., March 27, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 27, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington. D.C.

DEAR MR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a North African country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 27, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwestern Pacific Country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 1, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwestern Pacific country for a major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 1, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 1, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.●

ACT NOW TO PRESERVE SOCIAL SECURITY

● Mr. CHILES. Mr. President, on February 17 I introduced S. 484, the Social Security Reform Act of 1981. This bill is the end result of a series of hearings I conducted last year, as chairman of the Committee on Aging, to examine the options available to insure the financial viability of the social security program, a base of economic security for 36 million people.

All of us here know that Congress must eventually take significant steps to save the social security system from bankruptcy. I am concerned that if we do not adopt a comprehensive strategy very soon—one that gives as much consideration to insuring an adequate lifestyle earned by beneficiaries as the need to balance the budget—we will lose all public confidence.

If enacted, the combination of measures I advocate in S. 484 would resolve the short-term cash flow problems of the social security trust funds and wipe out the long-term deficit, in preparation for large increases in the number of retiring workers in the next century. These crucial remedies can be made without changes in the current indexing of social security benefits, a step which is of great concern to all current retirees. S. 484 would also encourage greater work opportunities for older workers, and reduce inflation and unemployment by giving employers a steady rollback in the social security payroll tax rate.

Specifically, S. 484 would:

First, remove the mandatory retirement age completely;

Second, eliminate entirely the earnings limit for those over age 65;

Third, eliminate the payroll tax paid on wages earned by any worker over age 65, for both employer and worker;

Fourth, permit interfund borrowing immediately among the OASI, DI, and HI trust funds;

Fifth, in the next century, begin to phase in an increase in eligibility age for full social security benefits from 65 to 68 and for reduced benefits from 62 to 65;

Sixth, beginning this year, fund 50 percent of medicare part A from general revenues, with a gradual increase to 70 percent. The savings would be converted to a payroll tax reduction, bringing the payroll tax rate for both workers and employers down to 5.79 percent in 1983, the level before the last big increase;

Seventh, modify the minimum social security benefit by eliminating the minimum for all new retirees only, while retaining the special minimum benefit for low-wage earners; and

Eighth, begin phasing out college student benefits at the end of 1981, enabling any student who has already started school with social security support to finish their schooling but not bringing any new students into the program.

Not all these provisions are without controversy. There is no painless way to rescue the social security system from the deep financial trouble it faces. But I believe this approach is a positive one.

For instance, my proposal to phase in age 68 for full social security benefits would not begin until the year 2000. It would not affect any current retirees. If we make this change now, and I believe it is inevitable, those workers who would be affected would have 20 years or more to plan and adjust to the change. Yet taking this step would place the whole social security system in close actuarial balance over the long term. When the post-World War II baby-boom workers are ready for retirement early in the next century, the system will be solvent and ready for them. The National Commission on Social Security and the President's Commission on Pension Policy have both recommended similar proposals.

My proposal to phasing out benefits for college students over a 3- to 4-year period would insure that any students who have already planned their education based on help from social security would be able to complete their education while continuing to receive full benefits until age 22. Eliminating the

benefit only for new students, who could plan to receive assistance from other sources if necessary, would still make significant savings to the trust fund—$8.9 billion over the next 5 years. In contrast, the administration's proposal would also reduce current student benefits by 25 percent each year for the next 4 years.

Similarly, my proposal to modify the minimum benefit for all new retirees would preserve the special minimum benefit for all long-term, low-income workers and would not affect anyone currently receiving the minimum benefit. This would insure that those retirees who are really dependent on this benefit would continue to receive it. I think this is a responsible way to proceed, saving almost $800 million over 5 years. The administration would cut the minimum benefit for both current and future beneficiaries.

Mr. President, I will later submit for the RECORD a number of editorials from across the country which support the need to insure the long-range stability of the social security system and to plan ahead for inevitable changes in the Nation's work force. We cannot do it bit by bit, chipping away each year in response to the challenges of a balanced budget alone. We must act now.

The Boston Globe, for instance, says that—

The crucial obligation of Congress is to treat the issue now to avoid a crisis later.

The Los Angeles Times warns that—

Waiting could mean sudden and drastic changes that would plunge the country into a social riptide.

The Chicago Tribune summarizes the situation well:

It is no secret what the short-term solutions are: either reduce benefits to the elderly or raise taxes on current workers. Neither option is pleasant, but the only other alternative—bankruptcy of the system—borders on the unthinkable.

The Fort Lauderdale News states the underlying reality:

Congress has no choice but to make changes that will restore the equity and integrity of a program so vital to Americans.

Mr. President, I have introduced this bill because I think it is only fair that we act now, early enough to allow changes to be gradually phased in without reducing benefits for current beneficiaries and giving future retirees the longest possible advance notice of changes so they can securely plan for the future.

I know these are difficult political choices to make, and I must admit to my colleagues that I was fearful of the response I would get to my proposals, particularly from the over 2 million social security beneficiaries in my own State of Florida. But I have been gratified to find increasing support for this approach both in our Nation's Capitol and throughout the country. I would hope more of my colleagues would join with me in preserving the credibility of the social security program.

I ask that the editorials be printed in the RECORD.

The editorials follow:

[From the Jacksonville, Fla., Times Union, Feb. 15, 1981]

THERE IS NO PAINLESS WAY TO REFORM SOCIAL SECURITY

At the present rate of inflation, the dollar loses half its value every six years.

Further, the Social Security system is not a funded program but a transfer program whereby payments from today's workers are used for programs for today's retirees.

So long as these two conditions continue, there will be no painless "solution" to the problems of the system.

Florida's Sen. Lawton Chiles, D-Lakeland, is trying. He has proposed a reform package with some valid points which would help.

But—in considering the Chiles plan or other proposed reforms—what must be kept in mind is the basic flaw in the system: It is a transfer plan operating in an era of age-shifting and inflation.

Each year—as the population gets older—there are relatively fewer workers to support relatively more retirees—who, due to inflation, need ever-greater benefits.

Because of this, the program will never be actuarially sound, we must simply make the best we can out of a basically unwinnable situation.

Doing this is, inevitably, going to mean some unpleasant choices which will impact various groupings of persons within the system.

For example, consider three points in the Chiles plan:

(1) Eliminating the minimum monthly benefit for new retirees (i.e., prevent deliberate "double dipping").

(2) Eliminate all dependents' benefits after age 18 (these now end at 18 if the youth enters the job market but continue to 21 if the youth goes to college).

(3) Beginning in the year 2000, gradually raise retirement age from 65 to 68 and raise the early retirement age from 62 to 65 in keeping with increasing longevity.

These steps may seem harsh at first. Actually, they are reasonable and would work minimum hardship because (step by step):

(1) Truly low income retirees can receive other benefits (not paid out of Social Security).

(2) Students already in college can continue drawing benefits; in the future others can use other plans (student loans, scholarships, etc.,) while studying.

(3) Plenty of warning—20 years—would be given to people who want to retire early. They can begin their own supplemental plans to make this possible.

Yet, as reasonable as these reforms seem, they have already drawn adamant opposition. For example Chiles' fellow Floridian Rep. Claude Pepper, chairman of the House Aging Committee, declared blunt opposition to "any change" which would lower any benefit.

The truth of the matter is that Social Security reforms aren't going to be a matter of what is desirable; but rather a matter of what is necessary to prevent calamity, outright collapse. There will be no "painless" reforms.

There seems little hope at this late date of correcting the basic flaw: that Social Security isn't a funded program but a transfer scheme.

It could be less so by taking out the general welfare programs it funds and financing them from general funds rather than Social Security taxes.

However, realistically, the best long term hope probably won't be anything done to Social Security itself—but rather an all out assault on inflation. This could make benefit increases more manageable.

And, in the short term, hope must be on precisely the kind of "unpleasant but unavoidable" choices as those advocated by Sen. Chiles.

Senator Chiles believes the legislative package he proposes will reduce economic pressures of inflation and unemployment by providing each employer a steady rollback in his payroll tax rate from 6.65 per cent today to 5.79 per cent in 1983–84. Employers would have the added economic incentive of additional tax savings by retaining or hiring workers over age 65.

Reduced labor costs due to lower payroll taxes, he insists, will aid the solvency of the social security trust funds at the same time they help the overall economy.

Senator Chiles has taken a thorough and thoughtful look at social security and is recommending remedies far more detailed than can be dealt with in this space. They deserve serious consideration by the Congress and the new Reagan administration.

In the words of the senator from Lakeland, ". . . We cannot save social security by going the same old route of simply raising the payroll tax one more time, on top of increases already scheduled for 1982, 1985, 1986 and 1990."

It is the basic system which must be revised.

[From the Tampa Times, Feb. 16, 1981]

A NEW DEAL NEEDED ON SOCIAL SECURITY

Social security has its roots in the Great Depression of the 1930s when this country was gripped in an economic vise which strangled individual and corporate survival, sent elderly people down the road to the poor house and degraded human dignity.

Out of the New Deal of the Roosevelt administration came a concept that, in theory, would guarantee most Americans an income after their productive working years had passed. Its purpose was to protect the older generation.

But there was an additional dimension.

It also would protect the nation's well-being by providing an economic cushion to soften the impact produced by an elderly population which had outlived both its productivity and savings.

Through the years, social security has undergone many changes. Benefits have been expanded to include college-age survivors, health care and a broad umbrella of social services which reach far beyond the program's original intent.

This expanded protection has not come cheaply. The amount contributed by both workers and employers has steadily increased almost to the point of becoming punitive. Yet, despite the increased flow of money into the social security coffers, the fund has teetered on the verge of bankruptcy, frightening old and young alike.

The elderly who depend on these monthly allocations for survival wait for their checks with great apprehension, wondering if one day they will find an empty mail box.

Younger people contemplate the future with concern and serious doubt they will recover in their retirement years even a fraction of the taxes they have contributed to the social security program.

There is no doubt the social security program is in trouble. Recognizing this danger, U.S. Sen. Lawton Chiles (D-Fla.) has introduced legislation in Congress to deal with the problem

He sees the need for some rather drastic changes—and not all of them will be popular. His approach, he says, will require some tough medicine, resulting in the reduction of nonessential benefits. At the same time, he is seeking other changes in the law designed to provide increased income and work opportunities for those over 65.

His proposals, among other things, would remove the mandatory retirement age com-

pletely; eliminate earnings limitations for those over 65; eliminate the payroll tax for both employer and employee in wages earned by any worker over age 65 and phase out student benefits starting in August, 1981.

[From the Los Angeles Times, Jan. 22, 1981]

AVOIDING THE RIPTIDE

The Social Security system hovers over the revelries of the new Reagan Administration like the ghost of budgets future. Nowhere in Washington is there a sharper reminder of how tough it can be, in hard times, to keep promises that were made in good times.

The federal commitment to mail monthly checks to some 35 million Americans who are retired or disabled or widowed and to help pay their medical bills will take nearly 30% of the budget that Jimmy Carter left behind.

The taxes that support Social Security are taking a bigger bite from paychecks this year, and the new income will still fall short of covering next year's Social Security checks by about $6 billion.

Add to Social Security the bills for defense and interest on the national debt, and you find that any cuts must be made in the one-third of the budget that pays for education, general welfare, unemployment insurance, highways and all other federal programs.

That is only the beginning. If nothing in the system changes before the turn of the century, Social Security will account for about half the budget. Instead of the four workers who now help cover the cost of each Social Security check, there will be only two or three workers 30 years from now.

What is required is a series of relatively small changes that would restore the system to its original purpose—a safety net for retirement rather than a guaranteed annuity and a trust fund for medical bills and college tuition.

Tampering with Social Security will be politically difficult for Ronald Reagan. Some of his past statements make him suspect among influential organizations of the elderly.

Refusing to make changes could be even more painful politically. Could Reagan justify squeezing other programs and leaving Social Security intact? We doubt it. Social Security has provided a 10% increase in the standard of living for its beneficiaries in recent years, while workers whose taxes support the system have generally suffered a loss of real income to inflation.

A number of study groups have proposed incremental changes in the system recently. Carter himself endorsed one of those in his final budget—a change in the index used to calculate annual benefit increases. Benefits now rise with the consumer price index, which uses mortgage costs to reflect housing costs. Carter suggested that rent payments would be a better gauge of the cost of living for most pensioners. Had the index been changed in 1979, next year's Social Security budget would be $8 billion lower—almost enough to cover the federal unemployment insurance program.

Medicare might be paid from general revenues, rather than from the Social Security trust fund. Some studies propose a gradual increase in the qualifying retirement age from 65 to 68. Others suggest making taxable part of Social Security income, which now is tax-free.

Reagan should consider all these proposals, and soon. Making changes now could prevent further erosion of the system from relatively gentle waves of demographic change. Waiting could mean sudden and drastic changes that would plunge the country into a social riptide.

[From the Tallahassee Democrat, Feb. 16, 1981]

SOCIAL SECURITY IN NEED OF CHILES' REFORM PLANS

The Social Security system is in financial trouble, although you might not think so when you look at the amount of money extracted from your paycheck to support it. As one witness told a U.S. Senate hearing chaired by Florida Sen. Lawton Chiles, the short-term problem is "critical but not serious," while the long-term problem is "serious but not critical."

That means some minor changes must be made immediately and some major changes within the next few years.

". . . it is clear to me," said Chiles, "that it is time for action—we cannot, as some would hope, shore up Social Security by standing still and continuing to say: 'No change.'

"It is also clear to me that we cannot save Social Security by going the same old route of simply raising the payroll tax one more time, on top of increases already scheduled for 1982, 1985, 1986 and 1990."

Congress cannot simply keep raising taxes because the day is coming when those born during the post-World War II baby boom will begin to retire, and those left in the working force will not be able to bear the burden of supporting their retirement benefits. Today, three workers pay Social Security taxes for every retiree. By the next century only two workers will pay taxes for each retiree.

If future retirees are not to be denied the Social Security benefits they have expected, and contributed to, action must be taken now.

Chiles has proposed a Social Security Reform Act that would address both the short-run, cash-flow problem and the more serious long-term problem. It even includes reductions in the payroll taxes from today's 6.5 percent to 5.79 percent in 1983.

There surely will be arguments over some of the specifics, but in the main the proposal seems workable and fair although it will not be painless.

One of the most controversial changes would increase the eligibility age for full benefits from 65 to 68 over a period of years beginning in 2000. The minimum age for reduced benefits would rise from 62 to 65.

The change is not only necessary, but equitable, and is in proportion to the increasing life span of Americans, which has lengthened by three years since Social Security was instituted. The 19 years until the date the changes take effect will give workers time to adjust their plans to the new retirement ages.

To soften the blow even more, Chiles suggests that the mandatory retirement age be eliminated, that the earning limitation be removed, and that the payroll deduction be eliminated for workers over 65.

Again, this seems sensible. Many persons are both capable of working well past the age of 65 and are eager to do so. They should not be forced to retire and become a drain on the Social Security system.

To meet the immediate problem, Chiles would:

Shift 50 percent of the hospital portion of Medicare costs from Social Security to general revenue. By 1983, the general fund would pay 70 percent of those costs, as it now does for the physician portion of Medicare.

This should have been done long ago. Social Security was intended to be an insurance program paid for by those who benefitted from it. Medicare is a social service program whose benefits are distributed unequally according to need; its cost should be shared by all taxpayers.

End student benefits. Those already receiving payments would continue to get them.

As Chiles points out, it seems unfair to give benefits to surviving children who go to school while denying those who must instead go to work. The payments also duplicate other programs.

Eliminate the minimum benefit—now $122 a month—for new retirees. This would not affect those already getting the minimum, or the "special" minimum benefits going to those who worked for many years at low wages.

Too many minimum benefits go to those who have substantial incomes from other sources, those in actual need should be helped by other, more-straightforward programs.

Require Congress to review any change in the Consumer Price Index.

Social Security payments are tied to the index and its constant rise has been one of the main reasons the Social Security fund is having a cash-crunch. Critics complain that the index often does not really reflect the situation facing most retirees. They point out that the index gives great weight to the cost of new housing, but that few retirees are buying new houses.

Allow the Old Age Survivors Insurance Fund, now cash short, to borrow from the Disability Insurance and Health Insurance funds, which are in better financial condition.

If the borrowing is restricted to meeting the immediate crisis and payback with interest is required, this is acceptable.

Chiles' plan is a comprehensive one and lawmakers should be careful not to pass the "easy" parts of it—such as the decreases in Social Security taxes—without also approving the "tough" parts, such as raising the retirement age.

The time for a thoroughgoing overhaul is here.

[From the Boston Sunday Globe, Feb. 1, 1981]

FINE-TUNING SOCIAL SECURITY

The Social Security System needs some fixing. The arrival of a new Administration plus a shift in power in the Senate has created a mood of change that may make the fixing easier. If all parties meet the challenge, the system can be made both more secure and more equitable without depriving anyone of a full plateful of benefits.

In 1977 Congress increased payroll tax rates for Social Security designed to keep the system fully solvent. Inflation-linked benefit increases coupled with recession caused cuts in revenues have brought the system to the edge of deficit that could put it in technical bankruptcy as early as the end of this year.

Social Security is in reality three separate programs working in parallel, all financed by the single payroll tax so familiar to all workers. This year that tax has risen to 6.65 percent of each employed person's salary up to the maximum of $29,700. Individual tax payments are matched by employers. The system allocates 5.35 percent to two funds: old age and survivors benefits (OASI) and disability insurance (DI). The other 1.30 percent finances hospital insurance, or Medicare.

The deficit problem is slated to strike first in the pension area. It is important to remember that bankruptcy in this context does not mean anything like a total lack of funds. In the next fiscal year more than $187 billion will be paid into the system by workers and employers. However, outlays for

the pension fund portion of the Social Security system will absorb all reserves in the system late this year or early next and they will exceed income by as much as $21 billion in 1983.

Unlike the rest of the federal budget, Social Security has no provisions for deficit financing. Funding is dependent exclusively on the payroll tax. Each of the three funds, furthermore, stands on its own feet. To get over the first problem with the pension fund portion, Congress is apt to and should allow it to borrow funds from the disability portion but that will only postpone the problem for about another year, when that fund too will slip into deficit.

A wide variety of proposals have been made to deal with the longer problem of the deficit, including elimination or reduction of prospective increases in benefits for those already receiving or about to receive pensions. While there might be some justification for adjusting the way in which benefits are increased in an attempt to match inflation, there is no humane reason for even threatening elderly Social Security beneficiaries with a major shift.

One suggestion should be examined in detail: Increases are now established by changes in the Consumer Price Index, a sample designed primarily to indicate living costs of working families. Older persons are apt to have somewhat different spending patterns, which can be examined statistically and might provide a more appropriate basis for making benefit changes. But studies of the details are inadequate and no change should be made before further work.

The ideal way to avoid any benefit reductions would be to switch financing of the system to general revenues. Politically that is out of the question, although some changes along those lines do have some support.

The unavoidable choice that therefore looms before Congress is a further increase in the payroll tax. The problem is how to make it both palatable for workers and employers and politically feasible.

The key opportunity lies in the health insurance segment of the system. Unlike pensions and disability payments, charges to the Medicare account are in no way connected with the earlier income of the beneficiary. Medicare payments are made according to the medical needs of the beneficiary. Given the lack of connection, it is entirely appropriate to shift financing of Medicare to general revenues. The 1.30 percent payroll tax could then be assigned to pensions and disability funds, restoring them to levels that would cushion problems that will accompany inevitable future recessions. Once reserves are built to, say, a full year's probable benefits, Congress might reduce the payroll tax to an appropriate level.

In the very long term, early in the next century, a second problem may surface that should be addressed right now. Retirees in the early 2000s will be far more numerous than now, because of the baby boom of the late 1950s and early '60s. The number of persons working will have declined because of reduced birth levels in the 1970s. Births peaked in 1957 at 4.3 million and dropped below 4 million in 1965; by 1973 they had fallen to 3.1 million and have subsequently risen only slightly.

Congress should act now to raise the age level at which workers will be eligible for Social Security after the turn of the century. It is important that workers today not build up unrealistic expectations about the age at which they retire, which could severely complicate the political problems for future Congresses and jeopardize the fiscal integrity of the Social Security system for its beneficiaries then.

Fortunately, demographics may help out in a practical way. Because the work force will decline in size after the turn of the century, employers may seek out older workers in any event. Alternatively, labor-saving systems may generate additional wealth that could sustain the system comfortably and even allow improvements in benefits at that time, including earlier retirements. The important fact right now is that no one can be sure about the exact shape of the work force and the economy; the crucial obligation of Congress is to treat the issue conservatively now to avoid a crisis later. Time enough then to take advantage of windfalls.

Social Security financing is complex and politically boring. It nevertheless affects millions of Americans in the vulnerable years of old age, and their emotional as well as economic well-being demands that Congress act responsibly and thoughtfully to protect the system. Failure to do so will impose unnecessary burdens on all Americans at some point in their lives.

[From the Ft. Lauderdale News, Feb. 18, 1981]

SOCIAL SECURITY BILL BEGINNING TO REFORMS

Social security needs its credibility restored, and that's what Florida Sen. Lawton Chiles hopes to accomplish with a proposal to revamp the financially wobbly system.

Changes suggested by the senator last week won't be easy to swallow. Some, however, are musts if Social Security benefits are to be guaranteed to a nation of workers and retirees who have paid their dues in the system.

Nothing Chiles proposes is new or revolutionary. What he does have is a package of changes long espoused by various study panels and a handful of people on Capitol Hill who have dared suggest renovating the Social Security program.

Opposition to change is and has been well-organized and vocal.

One item assured of drawing heavy flak from federal, state and city pensioners is the elimination of the "minimum benefit" of $122 a month now paid to anyone who had paid into Social Security, regardless of how much or how long. It would mean an end to the double dipping many federal pensioners now enjoy.

Another proposal likely to be unpopular would gradually raise the retirement age from 65 to 68 over a 12-year period, beginning in the year 2000.

Chiles is being a realist in facing up to the fact that Social Security as we know it today won't survive the financial roller coaster it has been on for nearly a decade.

The National Commission on Social Security, a federally appointed advisory panel, reports the system must be fixed quickly or sometime next year "checks will just not go out."

Such an opinion is frightening and may be a bit overstated, but it does give a sense of urgency to the need for reforms.

Although the Chiles solution may not be the ultimate answer to the Social Security dilemma, it's a concrete proposal and a step in the right direction.

Congress has no choice but to make changes that will restore the equity and integrity of a program so vital to Americans—working and retired. Sen. Chiles has fired the starting gun.

[From the Chicago Tribune, Feb. 15, 1981]

CONFRONTING SOCIAL SECURITY

It is no secret that the Social Security system is in trouble, or that the trouble is bound to get worse. As the American population grows steadily older because of increased longevity and lagging birth rates, the strain of supporting the elderly grows increasingly acute. Nor is it any secret what the short-term solutions are: either reduce benefits to the elderly or raise taxes on current workers. Neither option is pleasant, but the only other alternative—bankruptcy of the system—borders on the unthinkable.

Senator Lawton Chiles (D., Fla.) has made some proposals for bolstering Social Security, some of them sound, some not. But Sen. Chiles deserves credit for opening debate on a subject that Congress would prefer to ignore.

Sen. Chiles' strategy is to reduce the cost of benefits in three ways. First, he would raise the basic retirement age from 65 to 68, a change which reflects the longer productive lives afforded by medical advances. He would also abolish the minimum monthly benefit of $122, which is paid to even those retirees who have paid into the system for only a brief period. Most of these people hardly qualify as needy, so reducing their benefits by computing them according to the amount they paid in should cause no hardship. Finally, he suggests phasing out the survivor benefits for college students, which duplicate many other federal aid programs. These last two measures are among the changes the Reagan Administration is expected to recommend in its new budget. By Mr. Chiles' estimate, these changes alone would be enough to avert a huge deficit next year in the Old Age and Survivors Fund, which pays basic pension benefits.

So confident is he that these cuts will revitalize the system that he wants to couple them with a cut in the payroll tax, reducing it from the current 6.65 per cent to 6 per cent next year to 5.79 per cent by 1984. Part of the loss would be made up by using general revenues to supplement the trust fund that pays for Medicare. This amounts to giving with one hand and taking back with the other.

There are many arguments for using general revenues to pay Social Security benefits, but they raise the most fundamental questions about the purpose of the entire system. Until it is ready to reevaluate what Social Security is suppoesd to accomplish, Congress should require benefits to be paid for out of the payroll tax, which serves at least to provide an automatic check on the government's generosity. To remove that check might cause payments to balloon totally out of proportion to need.

Likewise Congress shouldn't cut the payroll tax at least until it is clear that the system is actuarially healthy. If Sen. Chiles' cuts actually do the trick, he can rest assured that Congress will not neglect to cut taxes later.

His proposal to allow borrowing among the three trust funds is the simpliest and least painful palliative for the insolvency of the old age fund. The other two funds—Medicare and disability—currently enjoy solid surpluses. Allowing the old age fund to make up its expected deficit this year with loans from the other two would keep benefits going out, without violating the underlying principle that Social Security should be self-supporting.

Some of Sen. Chiles' other recommendations would have no particular effect on Social Security. They are intended mostly to encourage the elderly to keep working as long as they're able. These too are a mixed bag. Sen. Chiles wants to allow people to keep working past the specified retirement age and still receive their benefits. This would encourage the elderly to keep working and contributing to the economy. But he wants to exempt them from paying Social Security taxes, which would tend to subsidize the employment of older workers by making them cheaper than younger ones. His proposal to forbid private companies from setting any mandatory retirement age will play well among his elderly Florida constituents, but would make it harder for firms to ease people out when they can no longer carry their weight.

Sen. Chiles doesn't have all the answers, but he at least recognizes the urgency of the problem. If his plan does nothing more than

focus Congress' attention on the Social Security system, it will be a helpful contribution.

[From the New York Times, Apr. 7, 1981]

NOT EVEN THE RICH PAY THEIR WAY

(By Peter Passell)

"I paid for it. Now you want to take it back." That sums up the feelings of many current and potential Social Security recipients. Any proposal to rein in spending—taxing benefits, capping cost-of-living increases—is seen as a betrayal. They think of Social Security as a private pension: those who contribute have as much right to their benefits as someone with an annuity from Metropolitan Life.

This impression, though passionate, is based on a misunderstanding. Payroll taxes are not collected, invested and earmarked for groups of beneficiaries. Social Security works on a pay-as-you-go basis: today's benefit checks are funded by today's payroll taxes, with only a few months' cash kept in reserve.

The system has managed to pay its bills for four decades only because the total amount of wages available to tax grew far more rapidly than the number of people eligible for benefits. But now the ratio of workers to beneficiaries is slipping. Unfunded liabilities—the extra money Social Security would need now to meet expected future claims—currently exceeds $4 trillion.

Even so, a second argument is raised against efforts to control spending. Maybe the system as a whole doesn't pay its own way, but surely affluent people who have made the maximum contribution for years must have fully covered the cost of their benefits. If someone should be cut, the argument goes, it's the poor, who don't pull their own weight.

It's true that benefits are not a fixed proportion of payroll tax contributions; the pensioned poor get more back per dollar contributed during their working lives. This doesn't mean, though, that the payroll taxes of high-income workers now near retirement are really subsidizing lower-income workers. Virtually every current retiree is a winner; the effect of redistribution from rich to poor is minor compared with the transfer from the working young to retired old.

Consider the case of a hypothetical male, affluent and with a dependent spouse, who retired in 1979 at age 65. According to the Government, even with inflation taken into account, he can expect to receive in benefits four and a half times more than he put in.

Suppose this hypothetical worker had been dropped from Social Security and had all payroll taxes—employee and employer contributions—returned with interest on retirement day. Suppose further that the retiree bought a private annuity and health insurance with this nest egg. The monthly check and medical benefits would be only about a quarter the amount Social Security would have been obliged to pay.

Social Security is not like a private annuity, offering retirement funds to those who can foot the whole bill. Nor is it a straightforward welfare system, providing benefits strictly according to need. It is a happy hybrid with many of the practical advantages of a welfare system but one that allows beneficiaries a strong sense of dignity.

Most people would like to keep it that way, avoiding the need for means tests. But unless those who lobby Congress on behalf of beneficiaries adopt a more flexible position, it is hard to see how Social Security will be able to survive in its current form. Working Americans are not about to abandon the old and the handicapped. But neither are they ready to sacrifice to preserve the unearned privileges of well-to-do retirees.●

COOPERATIVE WILDLIFE AND FISHERIES RESEARCH UNITS

● Mr. BAUCUS. Mr. President, my observations of the budgetary process to date lead me to the inescapable conclusion that the epitaph for the fiscal year 1981 budget will be "benefit-cost analyses prevailed." Quite frankly, the approach is one I support when done properly. Laws and regulations that return less to the public than they cost simply do not make sense.

In the case of the cooperative wildlife and fisheries research units program of the Fish and Wildlife Service, however, I believe the administration's efficiency experts have forgotten the formula. In fact, my arithmetic reveals a very positive ratio of benefits to expense despite the $0 budget recommended for fiscal year 1981. A brief look at the program will bear out my conclusion that this is one Federal activity which deserves a better fate than the Office of Management and Budget's scrap heap.

First of all, the cooperative research program is not a multi-billion-dollar expenditure. Rather, for fiscal year 1982, the Carter administration requested only $4.9 million.

While the cost of the cooperative research units is thus minimal in terms of the nearly $700 billion Federal budget, the benefits are significant. Beneficiaries include agriculture, the fishing industry, public land managers, sportsmen, State and Federal fish and wildlife agencies, and 31 universities in 29 States.

The return on this investment is as diverse as the more than 400 research projects currently underway across the Nation. In Montana, for example, the wildlife unit at the University of Montana has focused on practical, on-the-ground wildlife management problems such as coyote predation of sheep, prairie dog control, and the effects of trophy hunting on big game populations. Across the country, other research units are developing valuable information to improve the management of resources ranging from the Great Lakes fisheries to the waterfowl of the Mississippi flyway.

In addition to these direct benefits, the cooperative research units play an important role in training professional wildlife managers. Each year, some 125 trained biologists who have participated in the work of the research units are available to Federal, State, and local agencies for employment in resource management functions.

Finally, as a result of the relationship between the cooperative research units and the universities, hundreds of students annually have the opportunity to participate in graduate level courses in the area of fish and wildlife biology.

The method the cooperative research units have used to achieve this record of remarkable efficiency is obvious from the name of the program. Since the inception of the program some 45 years ago, cooperation has been the key. Funding for the units has come from the U.S. Fish and Wildlife Service, State fish and game agencies, and the cooperating universities. In addition, this support has been supplemented with grants and contracts from Federal, State, and private sources. Indeed, approximately $2 of outside funds have been attracted with every directly appropriated Federal dollar for the program.

I do not, however, wish to give the impression that the cooperative research units have been flush with Federal or State budgets.

The truth of the matter is just the opposite. Nonetheless, by conducting the research activities in the university setting, with the assistance of graduate students anxious for the practical research experience, dollars have been made to stretch.

As is apparent, elimination of this program is a shortsighted and ill-advised economy. Natural resource managers who are daily being asked to produce more for less will be faced with a loss of solid research with which to make decisions. More than 500 graduate students supervised by unit scientists will face termination of their academic programs. State and Federal agencies will be required to perform necessary research at a cost that far exceeds what the cooperative units can provide. In short, this savings of $5 million is illusory at best.

The conclusion of my analysis of this budgetary cutback is clearly stated in a letter I recently received from Dr. W. Leslie Pengelli, director of the wildlife biology program at the University of Montana.

He wrote:

Continuing challenges in designing energy and land and water development with minimal adverse impacts will require a continuous flow of information from well-planned studies and well-trained resource managers. Wildlife and fishery resources throughout the United States will be provided for more effectively if the proven, successful, Cooperative Unit Program is maintained and strengthened through additional highly successful and important roles in the 1980s.

As we proceed through the budget authorization and appropriations processes, I intend to work hard toward this goal of maintaining and strengthening this program. I urge my colleagues to join me in this effort.●

FEDERAL RESERVE POLICY PRESERVES INFLATION

● Mr. JEPSEN. Mr. President, the Nation's No. 1 economic task is to stop inflation. Unless we do, we will not achieve full employment and a substantial part of recorded real GNP growth will be deadweight loss, registering dollars spent to cope with inflation. Bracket creep will increase tax rates, uncertainty will remain high, and interest rates will be both high and volatile. In this environment saving will remain low, thrift institutions and capital markets will be undermined, investment horizons will shorten and, most important of all, personal effort, risk-taking and the buildup of human capital will be increasingly discouraged.

We will, as a people, become more protective and self-indulgent and less forward looking and productive.

The key to stopping inflation is monetary policy. Over the long run, balancing the Federal budget, which the administration and Congress intend to do by 1984, will not stop inflation if monetary policy remains inflationary. In fact, inflation cannot persist if monetary policy is not inflationary. Federal Reserve Board Chairman, Paul A. Volcker, put it this way in testimony before the Joint Economic Committee a year ago:

> The inflationary process is ultimately related to excessive growth in money and credit. . . . It is clear that inflation cannot persist in the long run in the absence of excessive money growth.

We experienced little inflation and enjoyed low interest rates in the 1955–64 period when the growth of the money supply (M1B) averaged only 1.9 percent per year. In that decade the GNP deflator rose only 2.0 percent a year, and the 90-day Treasury bill rate averaged only 2.77 percent. In contrast, in the latest 4 years, 1977 to 1980, M1B grew 7.4 percent per year, the deflator rose 7.7 percent a year, and the bill rate averaged 8.5 percent. Clearly, low inflation and low-interest rates require low money growth. Unfortunately, it is not clear that we will get low money growth, certainly not any time soon.

INTENTIONS OF THE FEDERAL RESERVE

Congress long ago delegated authority to the independent Federal Reserve to manage the Nation's money supply. The results of its management have not always been welcome. In the early 1970's there was a growing feeling that money supply growth was fueling inflation. In 1975, precisely to edge the Federal Reserve in a disinflationary direction, the Congress expressed its sense that money growth be maintained "commensurate with the economy's longrun potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates." These words were incorporated into the Federal Reserve Act in 1977. Since then, Federal Reserve officials have repeatedly stated that this is their longrun goal. Despite these good intentions, from 1977 to 1980, M1B growth was substantially higher than the economy's long-term potential to increase production.

On February 5, 1981, Chairman Volcker told the Joint Economic Committee that—

> Firmly disciplined monetary policy has a central—indeed indispensable—role to play in the process of restoring price stability.

Three weeks later, February 25, 1981, he told the Senate Banking Committee that—

> Monetary policy is, of course, designed to encourage (the) disinflationary process.

He emphasized that—

> Our intent is not to accommodate inflationary forces; rather we mean to exert continuing restraint on growth in money and credit to squeeze out inflationary pressures. That posture should be reflected in further deceleration in the monetary aggregates in the years ahead and is an essential ingredient in any effective policy to restore price stability.

These are fine words. Unfortunately, examination of the Federal Reserve's monetary targets for 1981 suggests that they are likely to turn out to be as empty as the promises of previous Federal Reserve officials who promised noninflationary monetary growth.

THE NEW MONEY GROWTH TARGETS

Each year since 1975, the Federal Reserve has set and disclosed in congressional testimony targets for the growth of selected monetary and credit aggregates. The 1981 targets were disclosed on February 25. The 1981 target for M1B is 6 to 8½ percent. This is 2 full percentage points above the 1980 target. Its midpoint, 7¼ percent, exactly equals what M1B grew by in 1980. On the face of it, then, it does not appear that the Federal Reserve really intends to reduce money growth this year.

The Federal Reserve would object that extension of negotiable order of withdrawal (NOW) accounts to all parts of the country, effective January 2, 1981, required raising the target for recorded M1B growth; and that recorded M1B is not now a useful measure of money. In a summary of Chairman Volcker's February 25 reports to the Congress, the Federal Reserve Board explained that—

> Owing to the introduction of NOW accounts on a nationwide basis at the end of 1980, the monetary ranges (must be) stated on a basis that adjusts for the impact of the shift of funds into interest-bearing checkable deposits; this adjustment for the distorting effects of such shifts results in the only meaningful measure of money growth.

The target for the adjusted M1B measure is 3½ to 6 percent. This is one-half a percentage point less than the 1980 target.

However, whether we use the range for recorded M1B growth, the range for the adjusted M1B measure, or the range for some other measure of money, the Federal Reserve's target growth is designed to accommodate and preserve inflation, not to reduce it. The reason for this is that its money growth targets are all, each and every one of them, consistent with the same target for nominal or current dollar GNP growth, and that target assures the preservation of inflation.

THE GNP TARGET

In 1980, nominal GNP increased by 9.5 percent. The Federal Reserve has targeted 1981 GNP growth at 9 to 12 percent. The midpoint of the range is 10.5 percent. This is a full percentage point higher than 1980 GNP growth.

The 10.5 percent GNP target holds for all of the Federal Reserve's money growth targets, including both the recorded and adjusted M1B measures. Whichever M now is thought to be the most meaningful, the Federal Reserve is targeting it to grow enough to produce nominal GNP growth of 10.5 percent, or 1 percentage point more in 1981 than in 1980. At best, this will delay starting the disinflationary process until next year. For, with nominal GNP growth programed to accelerate, it is difficult to see how inflation is going to fall. In fact, the Federal Reserve does not expect it to. The Federal Reserve projects the GNP deflator to rise by 9 to 10.5 percent this year.

Worse, because it takes time for decreases in money and GNP growth to slow inflation proportionately, the Federal Reserve's stated 1981 targets for money and GNP growth will, if implemented, preserve inflation at near the current intolerable level until 1983 or even 1984.

WHAT SHOULD BE DONE

Viewed together, the Federal Reserve's GNP and money growth targets imply that recorded M1B's velocity will rise 3¼ percent this year and that adjusted M1B's velocity will rise by 5¾ percent. The projected velocity increases are equal to the differences between programed GNP growth (10.5 percent) and the targeted money growth rates (7¼ percent and 4¾ percent).

The projected velocity increase for recorded M1B is close to the actual average annual rise of 3.2 percent of the past 25 years. Thus, despite the impact of the introduction this year of NOW accounts on a nationwide basis, which by itself will reduce the rise of recorded M1B's velocity, the Federal Reserve envisions M1B's velocity increasing in 1981 at close to its 1956–80 trend value. For adjusted M1B, there is no historical record to compare the 5¾ percent rise projected for 1981. However, last year it increased only 2¾ percent.

I have called attention to the changes in velocity expected this year in order to show that the Federal Reserve does not expect the relationship between recorded M1B growth and GNP growth to change this year from what it has been, by and large, for 25 years, while at the same time expecting a sharp rise in the rate of increase in the velocity of adjusted M1B from last year's level. As a result, I find it astonishing that the Federal Reserve is targeting recorded M1B to grow 7¼ percent and adjusted M1B to grow 4¾ percent. Both these targets must be much lower for money growth to be anti-inflationary.

It will be objected that the Federal Reserve is projecting not targeting nominal GNP to grow by 10.5 percent this year. In this view money growth must be whatever it takes to validate 10.5 percent GNP growth. By centering its target for recorded M1B growth at 7¼ percent, and its target for adjusted M1B at 4¾ percent, the Federal Reserve is simply saying that this is what is required. However, this is putting the cart before the horse. GNP should be the cart. Money growth is the horse, not the other way around.

I suggest a target for recorded M1B growth of 5 percent this year and 3 percent next year. The associated target for adjusted M1B growth this year is 2½ percent. What would this mean? It would mean that inflation will abate. Interest rates will fall. The beneficial effects of President Reagan's tax and spending reductions will be realized. Currently planned Federal Reserve policy, on the other hand, could very well condemn us to stagflation for years to come.●

SALE OF AWACS TO SAUDI ARABIA SHOULD BE OPPOSED

● Mr. LEVIN. Mr. President, superior technology and skill in using that technology are the keys to Israel's military position. The Arab States have always possessed enormous manpower resources unavailable to Israel. The three frontline Arab States, Egypt, Jordan, and Syria, alone can mobilize armies of over a million men while Israel's mobilized army would total approximately 375,000. Israel is also outnumbered when comparing most weapons systems. The three frontline states have tank inventories approximately twice as large as that of Israel. According to the latest figures from the Institute of Strategic Studies, Egypt, Jordan, and Syria have approximately 820 combat aircraft among them while Israel has only 535. If you count the personnel and equipment of other states likely to participate in a war against Israel, Libya, and Iraq being prime examples, the numbers are truly overwhelming. Yet, because of advanced technology and superior application of that technology, Israel has been able to hold her own militarily.

The sale of the Boeing airborne warning and control aircraft —AWACS— to Saudi Arabia represents a real threat to Israel because it threatens her technological edge. It also threatens Israel's air superiority which has historically enabled her to overcome being outnumbered on the ground.

The AWACS are in effect mobile, flexible, survivable, high capacity radar stations and command, control and communications centers. They provide long-range, high- or low-altitude aircraft surveillance plus an all weather detection, tracking, and identification capability. For low-altitude targets these aircraft have a surveillance range of approximately 230 miles; for high-altitude targets the range is in excess of 300 miles. An AWACS aircraft orbiting in northern Saudi Arabia could detect and track aircraft taking off in Israel, while providing simultaneous warning to Saudi air and air defense forces.

Obviously, this represents a vast enhancement of Saudi air defense capability and a concurrent degradation of Israeli air superiority. The AWACS aircraft could become mobile centers for command and control of Arab tactical air operations against Israel. Each of these aircraft possess a high speed, high capacity, sophisticated data processing system which allows it to do several jobs at once. Effective use of these planes, either by Saudi Arabia alone or by a combined Arab force, would constitute a pronounced enhancement of Arab capabilities in the air.

Saudi Arabia's major problem is not Israel but internal threats to the stability of the Saudi monarchy. All the sophisticated military technology available will not enhance the popularity of the monarchy with its own people. The Saudi oilfields can easily be damaged by small, easy-to-mount guerrilla operations. The AWACS will certainly be no help in this situation. The AWACS represent a clear military threat only to Israel, Saudi Arabia's declared enemy.

There is also a danger to U.S. technological superiority in this situation. Clearly, we are sending this sophisticated system to one of the least stable areas in the world. The AWACS are now used in the front line of U.S.-NATO defenses and although we are considering providing the Saudi AWACS with less sophisticated, commercially available versions of some of the systems used by the U.S. military on these aircraft, the basic package will remain intact. It seems a very real danger that the Saudi AWACS could end up in the hands of unfriendly nations, providing them with a prototype of the technology which we rely on to maintain our technological edge.

However, the danger to Israel and the resulting unbalancing that represents is the most immediate threat to our interests in the Middle East. We are providing the Arab States, for Saudi Arabia is assuredly a leader of the Arab States confronting Israel, with a sophisticated airborne system which could severely degrade Israeli air superiority. This is a system which, properly used, will provide Israel's enemies with instantaneous knowledge of her air operations and increase their ability to effectively respond. The Arab States which are committed to destroying her and who are still in a state of war with her already have a tremendous edge over Israel in sheer numbers, but Israel has been able to overcome this with superior technology. This sale, just as the proposed sale of the offensive equipment for the F–15's, is intrinsically damaging to basic U.S. policy in the Middle East, which is predicated on a strong, stable Israel able to militarily defend herself against her hostile Arab neighbors, and will plunge us into a new, dangerous and costly arms race in one of the world's most volatile areas.●

THE ATTEMPT ON PRESIDENT REAGAN'S LIFE

● Mr. LEVIN. Mr. President, last Monday's events are still too fresh to allow us to analyze them objectively. Yet the bloody mark they have left on the Nation requires some attention, some effort to attend to the wounds inflicted to our national spirit.

As I took in the inconsistent and often conflicting information available to us yesterday in the aftermath of the shooting, several thoughts ran through my mind, thoughts which I want to share with my colleagues.

First, as I was shocked by the shooting, I was also shocked by the reaction to it. There was concern and there was fear and there was human sympathy—as one would expect. But there was something else as well—something as alien and as frightening as the assassination attempt itself. There was a sense of passive acceptance, a mood of a people reconciled to murder, and underlying current in conversation which reflected the feeling that "of course, I knew it would happen."

We have come to accept death and assassination; come to anticipate bloody scenes of violence on our television screens and in our national life. As frightening as the attempt itself was, I would submit that our reaction to it was as frightening. For if we have reached the point where attempts to assassinate the President of the United States are greeted with grim resignation, then we have allowed the assassins' bullets to strike our hearts as a nation and destroy our spirit as a free people.

Second, I have observed the beginning of the chorus crying out for gun control and another choir decrying any attempt to control handguns. I have heard the commentators begin the process of suggesting a sickness in the American spirit and an illness in the American soul. But, Mr. President, the only sickness is a failure to act and the only illness is a failure to comprehend.

This tragic act was the act of an isolated madman and not a nation. The only national guilt will come if we fail to implement realistic legislation designed to make it difficult for such people to get handguns. And we should close the loophole in the Gun Control Act of 1968 so that the ban on the import of cheap handguns cannot be circumvented by importing their parts and assembling them here. It was such a cheap $47 handgun which was used in the attempted assassination of President Reagan, a gun imported in parts and assembled here in violation of the clear purpose of the 1968 act.

Mr. President, we have seen too much violence, too much blood. We have seen too many leaders and too many people struck down. This Nation is starting to become hardened to horror. And that is unacceptable. We are a kind people, a caring people. And we can be a safe people if we view this tragedy both as an isolated event and, at the same time, as just the latest chapter in an ongoing chain.

There are, to be sure, lessons we can learn and actions we can take. But at the moment the wound is too fresh. The need now is for prayer. And in that sense, I join my fellow Americans in praying for the President, for Jim Brady, for Timothy McCarthy, and Thomas Delahanty. May they be well soon.●

DEPARTMENT OF DEFENSE MANPOWER

● Mr. JEPSEN. Mr. President, during the past decade the services have incurred significant cuts in their total force manpower strengths. The total manpower portion of the Department of Defense fiscal year 1981 supplemental is designed to reverse this historical trend and to slowly begin to regain our military capabilities by improving readiness and sustainability and by enhancing our long overdue modernization program. The Manpower and Personnel Subcommtitee has held six hearings on the defense manpower requirements. Repeatedly the committee members have been told of the need to increase our active and civil-

ian levels to meet the requirements of today's commitments.

The Preparedness Subcommittee has also received extensive testimony on the impact that civilian shortfalls are having on readiness. They have concluded that the increased utilization of military manpower to fill civilian positions has had a negative effect on the military's overall manpower and material readiness and sustainability.

The 10,000 increase in active duty manpower for the Navy, Marine Corps, and Air Force not only reflects improvement in recruiting, but more importantly, in the retention of qualified personnel. In general the request increases contained in this supplemental will be used to improve the levels of force manning.

The committee has also recommended approval of an increase of 16,300 civilian positions. The Army, recipient of the largest increase, has a great need to return borrowed military manpower to the operational units. It is extremely difficult to train and prepare a combat unit for battle when soldiers of all rates and MOS's are assigned to base support positions for extended periods because there are no civilians available to do the job. It is imperative that the soldier be returned to his unit.

The balance of the civilian manpower increase will provide all the services with the assets to meet the ever-increasing backlog of maintenance and repairs and for other increased requirements.

The Armed Services Committee has also recommended three technical changes to last year's special pay and allowances benefits for members of the uniformed services, more commonly known as the sea pay/sub pay bill. The first amendment to conform to congressional intent would grant authority to accumulate 90 days leave effective from October 1, 1979, vice the current date of January 1, 1981. This authority was granted because many of our service members were losing leave while on extended deployment in the Indian Ocean without the opportunity to take earned leave. The October 1, 1979, date was inadvertently left off the bill.

The second and third amendments are also designed to correct ambiguities in the law. The bill was intended to increase submarine incentive pay rates and not to disenfranchise or franchise any group of individuals. This is evidenced by the language in the Senate report on H.R. 7626.

Unfortunately, the bill inadvertently omitted from inclusion in the group several small numbers of members who were formerly entitled to incentive pay for the hazardous duty of submarine service. This group includes crew members of deep sea submersible vehicles such as rescue and exploration vehicles and supply corps, medical and intelligence personnel who deploy with the crews of our submarine fleet.

Earlier today the ranking member of the Manpower and Personnel Subcommittee spoke of the need to consider other than across-the-board pay increases for military personnel if we are to correct the manpower problems that confront the military. I agree that before reaching any conclusion as to the reasonableness of an across-the-board increase the Subcommittee on Manpower and Personnel must carefully examine the nature of the problems which need to be corrected and whether the proposed raises are likely to correct them. As I stated to Senator EXON I shall schedule hearings at the earliest time to consider these matters and all proposed solutions to the problem. To do otherwise would run the risk that the wrong remedy would serve to make the problem worse in future years.●

ASBESTOS DISEASE VICTIMS

● Mr. HART. Mr. President, last year the Senate Committee on Labor and Human Resources held 2 days of hearings on legislation to provide compensation benefits to asbestos disease victims. During those hearings and since that time, a broad consensus has emerged in favor of a legislative remedy to insure asbestos workers disabled by an asbestos related disease are equitably compensated.

It is clear from the record we established in these hearings that State workers' compensation laws are inadequate. It is also clear litigation is not the answer. Accordingly, when Congress returns from its recess later this month I intend to reintroduce this important legislation and will seek further hearings as soon as possible.

The inadequacies of our Nation's worker compensation system have been studied, debated, and criticized since at least 1971. There is widespread agreement that the system is inadequate, ineffective, inequitable, and in serious need of reform. In no case is this more true than in State and Federal workers' compensation statutes for asbestos-related diseases.

The Asbestos Health Hazards Compensation Act which I introduced in June 1980, and will reintroduce shortly, represents an independent and unprecedented first step toward developing a system that quickly distributes compensation benefits for asbestos disease victims and at the same time fairly apportions the costs for such benefits among all responsible parties.

It provides a mechanism by which asbestos manufacturers, distributors, other segments of the asbestos industry, and the Federal Government can contribute substantially to the compensation of workers disabled by an asbestos related disease.

Mr. President, this legislation represents real and meaningful progress toward compromise by many who had previously adhered to very different positions. For the first time, major companies in the asbestos industry are supporting legislation based on the principle that all responsible parties will pay their share with no predetermined contribution from the Federal Government or any other party. At the same time, portions of the labor community are now supporting a workers' compensation reform bill which is limited to only one disease, rather than a more comprehensive bill covering all work related injuries and illnesses, which they would understandably prefer. It is my sincere hope this Congress will join in this effort to review and rethink past positions and programs and then go forward toward new, untried approaches in the spirit of compromise my bill represents.

I look forward to working with the members of the Senate Labor and Human Resources Committee and any other Members of this body who are anxious and willing to develop a solution to the complex problem of providing compensation for asbestos related disease. Working together, I am confident we can develop a solution which will insure prompt, equitable, and comprehensive compensation for workers who have no where else to turn.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? The Chair hears none.

What is the pleasure of the leadership?

Mr. STEVENS. Mr. President, I ask unanimous consent that morning business be closed.

The PRESIDING OFFICER. Without objection, morning business is closed.

EXPORT TRADING COMPANIES, TRADE ASSOCIATIONS, AND TRADE SERVICES ACT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 38, S. 734, the export trading company measure.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 734) to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

ORDER FOR RECOGNITION OF SENATORS ON TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that on tomorrow the following Senators be recognized for special orders of 15 minutes each: Mr. THURMOND, Mr. PELL, Mr. LEVIN, Mr. SIMPSON, Mr. HEFLIN, Mr. ROBERT C. BYRD, and Mr. STEVENS, in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT THE SENATE PROCEED TO S. 734 NO LATER THAN 12:30 P.M. TOMORROW

Mr. STEVENS. Mr. President, so there will be no misunderstanding about it, I ask unanimous consent that tomorrow, no later than 12:30 p.m., the Senate turn to the consideration of Calendar Order No. 38, S. 734, the export trading com-

panies bill that we have just laid down before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and, at 6:02 p.m., the Senate recessed until Wednesday, April 8, 1981, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate April 6, 1981, under authority of the order of the Senate of April 2, 1981:

Department of Commerce

Frederick Morris Bush, of Texas, to be Assistant Secretary of Commerce for Tourism, vice Fabian Chavez, Jr., resigned.

Department of Energy

Robert C. Odle, Jr., of Virginia, to be an Assistant Secretary of Energy (Congressional, Intergovernmental and Public Affairs), vice Ruth M. Davis, resigned.

Department of State

Arthur H. Woodruff, of Florida, a Foreign Service officer of class 2 to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Central African Republic.

Deane R. Hinton, of Illinois, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

John A. Burroughs, Jr., of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malawi.

John A. Gavin, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

Department of the Treasury

Roger William Mehle, Jr., of New York, to be an Assistant Secretary of the Treasury, vice Roger C. Altman, resigned.

Department of Transportation

Donald Allan Derman, of the District of Columbia, to be an Assistant Secretary of Transportation, vice Mortimer L. Downey III, resigned.

In the Air Force

The following-named officers for promotion in the U.S. Air Force, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

Executive nominations received by the Senate April 7, 1981:

Line of the Air Force

Major to lieutenant colonel

Abel, Raymond E., Jr. xxx-xx-xxxx
Abel, Thomas R. xxx-xx-xxxx
Abels, J. A. xxx-xx-xxxx
Acke, Edward H. xxx-xx-xxxx
Adams, Gerald R. xxx-xx-xxxx
Adams, Harold Q., Jr. xxx-xx-xxxx
Adams, Henry A., III xxx-xx-xxxx
Adams, John W. xxx-xx-xxxx
Adams, Stephen D. xxx-xx-xxxx
Agnew, John T. xxx-xx-xxxx
Ahern, Daniel B. xxx-xx-xxxx
Aikman, Lynn A. xxx-xx-xxxx
Aitken, George G. xxx-xx-xxxx
Aitken, James G. xxx-xx-xxxx
Akers, Gibson C. xxx-xx-xxxx
Akers, James C. xxx-xx-xxxx
Alberchinski, Carl D. xxx-xx-xxxx
Alexander, John V. xxx-xx-xxxx
Alexander, Ronald T. xxx-xx-xxxx
Alexander, Thomas L. xxx-xx-xxxx
Algire, Richard G. xxx-xx-xxxx
Allen, Frank D. xxx-xx-xxxx
Allen, George W. xxx-xx-xxxx
Allevato, John T. xxx-xx-xxxx
Allgood, John R. xxx-xx-xxxx
Allison, Roger L. xxx-xx-xxxx
Almand, Larry M. xxx-xx-xxxx
Almond, Russell H., Jr. xxx-xx-xxxx
Altenhof, Bruce D. xxx-xx-xxxx
Amann, John J. xxx-xx-xxxx
Anders, Wayne R. xxx-xx-xxxx
Anderson, Darwin C. xxx-xx-xxxx
Anderson, Frank W., Jr. xxx-xx-xxxx
Anderson, John E. xxx-xx-xxxx
Anderson, John R. xxx-xx-xxxx
Anderson, Kurt B. xxx-xx-xxxx
Andreus, Frank C., II xxx-xx-xxxx
Andrews, Franklin J. xxx-xx-xxxx
Andrews, Robert G. xxx-xx-xxxx
Andrews, Robert P. xxx-xx-xxxx
Angelo, Joseph A., Jr. xxx-xx-xxxx
Anthony, Ron A. xxx-xx-xxxx
Apple, Robert C. xxx-xx-xxxx
Applegate, William P. xxx-xx-xxxx
Arceneaux, Ronald J. xxx-xx-xxxx
Arzola, Nelson xxx-xx-xxxx
Ashbaugh, William A. xxx-xx-xxxx
Ashby, Randolph W. xxx-xx-xxxx
Atkins, Walter J., Jr. xxx-xx-xxxx
Atkinson, David E. xxx-xx-xxxx
Austin, Charles E. xxx-xx-xxxx
Austin, Gary M. xxx-xx-xxxx
Azuma, Robert T. xxx-xx-xxxx
Baars, Thomas E. xxx-xx-xxxx
Bacon, William G. xxx-xx-xxxx
Badger, Robert C. xxx-xx-xxxx
Baer, Lester H. xxx-xx-xxxx
Bagley, Larry C. xxx-xx-xxxx
Bailey, Edward P., Jr. xxx-xx-xxxx
Bailey, Frank L. xxx-xx-xxxx
Bailey, Gregory P. xxx-xx-xxxx
Bair, Charles A., Jr. xxx-xx-xxxx
Baker, Bob E. xxx-xx-xxxx
Baker, Carl L. xxx-xx-xxxx
Baker, Herbert G. xxx-xx-xxxx
Baker, James H., III xxx-xx-xxxx
Bakonyi, Lazzlo J. xxx-xx-xxxx
Balmanno, William F. xxx-xx-xxxx
Banachowski, Chester A. xxx-xx-xxxx
Bangeman, Mark P. xxx-xx-xxxx
Bangert, Robert W., Jr. xxx-xx-xxxx
Baranowski, Bronislaw F. xxx-xx-xxxx
Barbara, Johnny L. xxx-xx-xxxx
Barbezat, Eugene L. xxx-xx-xxxx
Barnard, Howard D., III xxx-xx-xxxx
Barnes, David B. xxx-xx-xxxx
Barnhardt, James W., Jr. xxx-xx-xxxx
Barrett, Donald R. xxx-xx-xxxx
Barrett, Gerald F., Jr. xxx-xx-xxxx
Barrett, John R. xxx-xx-xxxx
Barrilleaux, James L. xxx-xx-xxxx
Barrios, Florencio P., Jr. xxx-xx-xxxx
Barton, Richard, Jr. xxx-xx-xxxx
Base, John R. xxx-xx-xxxx
Basinski, Gary J. xxx-xx-xxxx
Bass, Charles A. xxx-xx-xxxx
Battista, Robert B. xxx-xx-xxxx
Bauer, Bruce L. xxx-xx-xxxx
Bauer, Christian A. xxx-xx-xxxx
Bauer, James F. xxx-xx-xxxx
Bauer, John E. xxx-xx-xxxx
Bean, Richard D. xxx-xx-xxxx
Bean, William R., Jr. xxx-xx-xxxx
Beasley, Jay N. xxx-xx-xxxx
Bebber, Gary D. xxx-xx-xxxx
Beck, Dennis G. xxx-xx-xxxx
Beck, Frank P. xxx-xx-xxxx
Beck, Michael O. xxx-xx-xxxx
Beck, Rex E., Jr. xxx-xx-xxxx
Beck, Robert J. xxx-xx-xxxx
Becker, Gerald E. xxx-xx-xxxx
Beckmann, Joel W. xxx-xx-xxxx
Beckner, William E. xxx-xx-xxxx
Beckwith, Everett G. xxx-xx-xxxx
Beeler, Larry L. xxx-xx-xxxx
Begert, William J. xxx-xx-xxxx
Belisle, Robert J., Jr. xxx-xx-xxxx
Bell, Frederick M. xxx-xx-xxxx
Bell, Ralph H. xxx-xx-xxxx
Bell, Robert B. xxx-xx-xxxx
Benedict, Stephen L. xxx-xx-xxxx
Benner, Joseph G. xxx-xx-xxxx
Bennett, Stephen L. xxx-xx-xxxx
Benton, Howard H. xxx-xx-xxxx
Bernhardt, James H. xxx-xx-xxxx
Berry, Arnold M. xxx-xx-xxxx
Berry, David L. xxx-xx-xxxx
Berry, William G., Jr. xxx-xx-xxxx
Best, Melvin L., Jr. xxx-xx-xxxx
Betourne, Gary P. xxx-xx-xxxx
Betzing, Martin H. xxx-xx-xxxx
Bewley, Carroll E. xxx-xx-xxxx
Bey, Victor L. xxx-xx-xxxx
Bialek, Stanley H., Jr. xxx-xx-xxxx
Biezad, Daniel J. xxx-xx-xxxx
Bigelow, Richard E. xxx-xx-xxxx
Biggs, John C. xxx-xx-xxxx
Bilbrey, George R. xxx-xx-xxxx
Bilodeau, Richard E. xxx-xx-xxxx
Bingham, Price T. xxx-xx-xxxx
Binzer, Kenneth J. xxx-xx-xxxx
Birdlebough, Michael W. xxx-xx-xxxx
Bishop, Gerald K. xxx-xx-xxxx
Bishop, William R. xxx-xx-xxxx
Black, Merle L., III xxx-xx-xxxx
Black, Ralph P., Jr. xxx-xx-xxxx
Blackburn, Alan D. xxx-xx-xxxx
Blackburn, Ronald F. xxx-xx-xxxx
Blackburn, Ronald L. xxx-xx-xxxx
Blackwell, Joe E. xxx-xx-xxxx
Blair, James D. xxx-xx-xxxx
Blair, Michael I. xxx-xx-xxxx
Bland, John R., Jr. xxx-xx-xxxx
Blevins, Gordon C., Jr. xxx-xx-xxxx
Blewett, Raymond G. xxx-xx-xxxx
Bliss, Vernon L. xxx-xx-xxxx
Blitt, William J. xxx-xx-xxxx
Blue, Donald W. xxx-xx-xxxx
Boehringer, Kenneth F. xxx-xx-xxxx
Bohn, Gary D. xxx-xx-xxxx
Bois, John W. xxx-xx-xxxx
Bolton, Robert L. xxx-xx-xxxx
Bond, Daniel C. xxx-xx-xxxx
Boney, James S. xxx-xx-xxxx
Bonjorni, Jesse C. xxx-xx-xxxx
Bonner, Lawrence M. xxx-xx-xxxx
Bonpensiero, Joseph S. xxx-xx-xxxx
Boone, William L. xxx-xx-xxxx
Booth, Thomas R. L. xxx-xx-xxxx
Borowski, Harry R. xxx-xx-xxxx
Borowski, Richard A. xxx-xx-xxxx
Bost, Thomas D. xxx-xx-xxxx
Botts, Mason S. xxx-xx-xxxx
Boudreaux, Ray M. xxx-xx-xxxx
Bouthillier, Raymond A. xxx-xx-xxxx
Bowen, Richard E. xxx-xx-xxxx
Bower, Frank H. xxx-xx-xxxx
Bowers, Robert J. xxx-xx-xxxx
Bowers, William, T. M. xxx-xx-xxxx
Bowman, John G., Jr. xxx-xx-xxxx
Boyce, Alan M. xxx-xx-xxxx
Boyd, Bill G. xxx-xx-xxxx
Boyer, Terry L. xxx-xx-xxxx
Boykin, Kenneth S. xxx-xx-xxxx
Boykin, Samuel V., Jr. xxx-xx-xxxx
Brackenhoff, Don M. xxx-xx-xxxx
Bradbury, Byron G. xxx-xx-xxxx
Bradley, Stuart C. xxx-xx-xxxx
Brady, Robert J. xxx-xx-xxxx
Brady, Terrence J. xxx-xx-xxxx
Braeutigam, Robert E. xxx-xx-xxxx
Brandon, Thomas S. xxx-xx-xxxx
Brantner, Karen S. xxx-xx-xxxx
Bras, Victor D. xxx-xx-xxxx
Bravakos, George xxx-xx-xxxx
Bray, Donald M., Jr. xxx-xx-xxxx
Breault, Gordon K. xxx-xx-xxxx
Brennecke, John I. xxx-xx-xxxx
Brewer, Charles W. xxx-xx-xxxx
Brewer, Jerry D. xxx-xx-xxxx
Bridges, Mark E. xxx-xx-xxxx
Briggs, Arthur F., III xxx-xx-xxxx
Brinker, Stanley R. xxx-xx-xxxx
Brockmeier, Jerry D. xxx-xx-xxxx
Brogdon, Loren J. xxx-xx-xxxx
Brom, Theodore E., Jr. xxx-xx-xxxx
Brown, Charles F. xxx-xx-xxxx
Brown, Daniel F., III xxx-xx-xxxx

Brown, Dennis R., xxx-xx-xxxx
Brown, Douglas P., xxx-xx-xxxx
Brown, Herbert D., xxx-xx-xxxx
Brown, Kenneth N., Jr., xxx-xx-xxxx
Brown, Louis C., Jr., xxx-xx-xxxx
Brown, Marion L., Jr., xxx-xx-xxxx
Brown, Phillip W., xxx-xx-xxxx
Brown, Samuel H., VII, xxx-xx-xxxx
Brown, Timothy D., xxx-xx-xxxx
Bruce, Philip W., xxx-xx-xxxx
Bruce, Ronald L., xxx-xx-xxxx
Bruns, David A., xxx-xx-xxxx
Bryan, Robert E., xxx-xx-xxxx
Bryan, Robert E., xxx-xx-xxxx
Bryant, Ronald, xxx-xx-xxxx
Bryson, Jon H., xxx-xx-xxxx
Buchanan, Norman H., xxx-xx-xxxx
Buchanan, Timothy G., xxx-xx-xxxx
Bucher, Wallace T., xxx-xx-xxxx
Buckellew, William R., xxx-xx-xxxx
Buecker, Robert C., xxx-xx-xxxx
Buickerood, Richard W., xxx-xx-xxxx
Bulen, Douglas W., xxx-xx-xxxx
Bulkeley, Michael C., xxx-xx-xxxx
Bull, William W., xxx-xx-xxxx
Bunnell, Robert J., xxx-xx-xxxx
Bunzendahl, Sidney P., Jr., xxx-xx-xxxx
Burckhalter, James M., xxx-xx-xxxx
Burgeson, John C., xxx-xx-xxxx
Burgess, James D., xxx-xx-xxxx
Burke, Donald L., xxx-xx-xxxx
Burke, Terry A., xxx-xx-xxxx
Burkhart, Frederich M., xxx-xx-xxxx
Burleson, John L., xxx-xx-xxxx
Burroughs, Willie E., xxx-xx-xxxx
Burton, Gary H., xxx-xx-xxxx
Bush, Howard J., xxx-xx-xxxx
Butcher, Frank S., xxx-xx-xxxx
Butler, Frederick W., xxx-xx-xxxx
Butler, Robert L., xxx-xx-xxxx
Buxton, Leroy W., xxx-xx-xxxx
Buzze, Charles L., xxx-xx-xxxx
Byrd, Johnnie L., xxx-xx-xxxx
Byrnside, Nicholas C., xxx-xx-xxxx
Cabral, Charles A., Jr., xxx-xx-xxxx
Calabria, Kenneth F., xxx-xx-xxxx
Calder, William T., xxx-xx-xxxx
Callahan, Jerry B., xxx-xx-xxxx
Calver, Theodore R., xxx-xx-xxxx
Camacho, Francisco P., xxx-xx-xxxx
Cambra, Edward R., xxx-xx-xxxx
Camera, Jan P., xxx-xx-xxxx
Cameron, Charles D., xxx-xx-xxxx
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White, Edward C., Jr., xxx-xx-xxxx.
White, Gerald L., xxx-xx-xxxx.
White, James P., xxx-xx-xxxx.
White, Mark A., xxx-xx-xxxx.
White, Phillip W., xxx-xx-xxxx.
White, Raymond C., xxx-xx-xxxx.
Whited, James G., xxx-xx-xxxx.
Whitehead, Darell R., xxx-xx-xxxx.
Whiton, Roger C., xxx-xx-xxxx.
Whittaker, Jonathan W., xxx-xx-xxxx.
Whittlinger, Gary E., xxx-xx-xxxx.
Wiater, Paul H., xxx-xx-xxxx.
Wier, Harvey D., Jr., xxx-xx-xxxx.
Wilburn, Sammy F., xxx-xx-xxxx.
Wild, Robert E., xxx-xx-xxxx.
Wilde, Ernest S., xxx-xx-xxxx.
Wildinger, Joseph V., Jr., xxx-xx-xxxx.
Wilkins, Errol C., xxx-xx-xxxx.
Wilkinson, Spencer W., xxx-xx-xxxx.
Willard, Thomas V., xxx-xx-xxxx.
Williams, Douglas H., xxx-xx-xxxx.
Williams, Henry J., xxx-xx-xxxx.
Williams, James C., Jr., xxx-xx-xxxx.
Williams, Jason N., xxx-xx-xxxx.
Williams, Ralph R., xxx-xx-xxxx.
Williams, Taylor T., Jr., xxx-xx-xxxx.
Williamson, Alfred E., III, xxx-xx-xxxx.
Williamson, David M., xxx-xx-xxxx.
Williamson, Henry W., Jr., xxx-xx-xxxx.
Williamson, John M., xxx-xx-xxxx.
Williamson, Max D., Sr., xxx-xx-xxxx.
Wilson, Charles H., xxx-xx-xxxx.
Wilson, Henry L., xxx-xx-xxxx.
Wilson, Luther R., xxx-xx-xxxx.
Winge, Gaylord H., Jr., xxx-xx-xxxx.
Wingfield, John R., III, xxx-xx-xxxx.
Winsor, Richard J., xxx-xx-xxxx.
Winter, James G., xxx-xx-xxxx.
Winterberg, Ferris L., xxx-xx-xxxx.
Winters, Henry, Jr., xxx-xx-xxxx.
Witt, Buford R., xxx-xx-xxxx.
Witty, Jack L., xxx-xx-xxxx.
Wockenfuss, Edgar F., Jr., xxx-xx-xxxx.
Woehst, Kirby A., xxx-xx-xxxx.
Wolcott, Kent E., xxx-xx-xxxx.
Wondercheck, Gerald L., xxx-xx-xxxx.
Wood, Barry K., xxx-xx-xxxx.
Wood, Billy R., xxx-xx-xxxx.
Wood, James H., Sr., xxx-xx-xxxx.
Woods, Kenneth R., xxx-xx-xxxx.
Woodward, John L., Jr., xxx-xx-xxxx.
Woolley, Robert G., xxx-xx-xxxx.
Worcester, Stephen A., xxx-xx-xxxx.
Work, Terrell W., xxx-xx-xxxx.
Worrell, Gary D., xxx-xx-xxxx.
Worth, Raymond S., xxx-xx-xxxx.
Worthington, John A., xxx-xx-xxxx.
Wortman, James F., xxx-xx-xxxx.
Wozniak, David W., xxx-xx-xxxx.
Wray, David W., xxx-xx-xxxx.
Wray, James C., xxx-xx-xxxx.
Wright, Jahn L., xxx-xx-xxxx.
Wright, James C. W., xxx-xx-xxxx.
Wright, Robert P., xxx-xx-xxxx.
Wright, William C., Jr., xxx-xx-xxxx.
Wrigley, Frank, xxx-xx-xxxx.
Xander, Thomas C., xxx-xx-xxxx.
Yamamoto, James T., xxx-xx-xxxx.
Yannarella, Anthony M., xxx-xx-xxxx.
Yarolem, Wayne R., xxx-xx-xxxx.
Yaskowsky, Dennis A., xxx-xx-xxxx.
Yeaple, Stephen E., xxx-xx-xxxx.
Yoachim, William G., xxx-xx-xxxx.
Yocom, Peter, xxx-xx-xxxx.
York, Alan D., xxx-xx-xxxx.
Young, David L., xxx-xx-xxxx.
Young, Samuel E., Jr., xxx-xx-xxxx.
Zabinski, Henry J., xxx-xx-xxxx.
Zachousky, James S., xxx-xx-xxxx.
Zahradka, Joseph F., xxx-xx-xxxx.
Zeglis, Frank T., III, xxx-xx-xxxx.
Zettler, Wilbur T., xxx-xx-xxxx.
Zielie, Paul A., xxx-xx-xxxx.
Zigler, Richard H., xxx-xx-xxxx.
Zimmermann, Conrad R., xxx-xx-xxxx.
Zimpel, Harvey L., xxx-xx-xxxx.

Zumwalt, James F. xxx-xx-xxxx
Zwerg, John W. xxx-xx-xxxx

CHAPLAIN CORPS

Black, Vernon R. xxx-xx-xxxx
Booke, Peter W. xxx-xx-xxxx
Boone, Joseph F. xxx-xx-xxxx
Boyle, James F. xxx-xx-xxxx
Carney, Robert E. xxx-xx-xxxx
Curry, James A. xxx-xx-xxxx
Donahugh, Donald E. xxx-xx-xxxx
Farrugia, William C. xxx-xx-xxxx
Frissell, Charles R. xxx-xx-xxxx
Galloway, Edward E. xxx-xx-xxxx
Hancock, Jimmie L. xxx-xx-xxxx
Hansen, Peter M. xxx-xx-xxxx
Hawkins, Carl T. xxx-xx-xxxx
Hendry, Owen J. xxx-xx-xxxx
Hubbard, Beryl T. xxx-xx-xxxx
Hucabee, Wallace M. xxx-xx-xxxx
Macrander, Charles W. xxx-xx-xxxx
Moffitt, Robert E. xxx-xx-xxxx
Moore, Thermon E. xxx-xx-xxxx
Mosley, Larry D. xxx-xx-xxxx
Oleary, Niall F. xxx-xx-xxxx
Pressley, Clyde F., Jr. xxx-xx-xxxx
Rhyne, Jerry L. xxx-xx-xxxx
Riza, Bradford L. xxx-xx-xxxx
Robinson, Robert E. xxx-xx-xxxx
Ross, Robert J. xxx-xx-xxxx
Rowell, Albert J. xxx-xx-xxxx
Ryan, Timothy K. xxx-xx-xxxx
Shepanski, Donatus C. xxx-xx-xxxx
Sikes, William G., Jr. xxx-xx-xxxx
Simmons, Harold W. xxx-xx-xxxx
Singletary, John D. xxx-xx-xxxx

JUDGE ADVOCATE

Allen, Robert D. M. xxx-xx-xxxx
Allen, Shelby L., III xxx-xx-xxxx
Anderson, Mark S. xxx-xx-xxxx
Anderson, Perry L. xxx-xx-xxxx
Brannon, William A. xxx-xx-xxxx
Bristol, Matt, C. C., III xxx-xx-xxxx
Brown, Thomas J. xxx-xx-xxxx
Caldwell, Bryan M. xxx-xx-xxxx
Carrington, Royle P., III xxx-xx-xxxx
Clarke, Leonard S. xxx-xx-xxxx
Cook, Jeffrey W. xxx-xx-xxxx
Diaz, Robert L. xxx-xx-xxxx
Economidy, John M. xxx-xx-xxxx
Frampton, James H. xxx-xx-xxxx
Geraci, Thomas A. xxx-xx-xxxx
Giovagnoni, Robert E. xxx-xx-xxxx
Graham, Roger D. xxx-xx-xxxx
Heimburg, Charles B. xxx-xx-xxxx
Ingram, James E., Jr. xxx-xx-xxxx
James, Richard R. xxx-xx-xxxx
Karr, William H. xxx-xx-xxxx
Lumbard, Michael B. xxx-xx-xxxx
Mahoney, J. Jeremiah xxx-xx-xxxx
McShane, Michael B. xxx-xx-xxxx
Miller, Edward B. xxx-xx-xxxx
Moholt, Thomas J. xxx-xx-xxxx
Moorman, William A. xxx-xx-xxxx
Murdock, Louis J., III xxx-xx-xxxx
Olson, Dennis L. xxx-xx-xxxx
Palochak, John B., III xxx-xx-xxxx
Petherick, Michael J. xxx-xx-xxxx
Rakowsky, Ronald J. xxx-xx-xxxx
Regan, Gilbert J. xxx-xx-xxxx
Schaefer, Robert L. xxx-xx-xxxx
Schumann, Ronald G. xxx-xx-xxxx
Sherman, William E. xxx-xx-xxxx
Snyder, William T. xxx-xx-xxxx
Summerfield, Ralph S. xxx-xx-xxxx
Tobey, Carl P., Jr. xxx-xx-xxxx
Tomes, Robert E. xxx-xx-xxxx
Wims, Michael D. xxx-xx-xxxx
Woods, Donald E. xxx-xx-xxxx

NURSE CORPS

Adamczyk, Leonore M. xxx-xx-xxxx
Aldridge, Patricia D. xxx-xx-xxxx
Alexander, Lynda V. xxx-xx-xxxx
Allsup, Thomas M. xxx-xx-xxxx
Berquist, Sandra L. xxx-xx-xxxx
Bigelow, Jane A. xxx-xx-xxxx
Blaskovitz, Eugenie A. xxx-xx-xxxx
Breault, Helen D. xxx-xx-xxxx
Bullard, Willis G. xxx-xx-xxxx
Cadieux, Arthur J. xxx-xx-xxxx
Carlson, David J. xxx-xx-xxxx
Carlson, Joyce E. xxx-xx-xxxx
Carner, Antoinette xxx-xx-xxxx
Cartee, Myra C. xxx-xx-xxxx
Casterline, Arline xxx-xx-xxxx
Christensen, Mary A. xxx-xx-xxxx
Clark, Patricia A. xxx-xx-xxxx
Cogburn, Ann B. xxx-xx-xxxx
Cramer, Ladonn B. xxx-xx-xxxx
Cunningham, Maridell xxx-xx-xxxx
Dix, Patsy E. xxx-xx-xxxx
Dlugensky, Angela R. xxx-xx-xxxx
Easley, Phyllis A. xxx-xx-xxxx
Fadusko, Jeanne A. xxx-xx-xxxx
Faust, Ingrid V. xxx-xx-xxxx
Foley, Elizabeth M. xxx-xx-xxxx
Forsyth, Joan E. xxx-xx-xxxx
Gaughan, Donna L. xxx-xx-xxxx
Glancy, Carol A. xxx-xx-xxxx
Gokee, Henry F. xxx-xx-xxxx
Goker, Elizabeth J. xxx-xx-xxxx
Griffin, Mary E. xxx-xx-xxxx
Halliwill, Mary A. xxx-xx-xxxx
Hanrahan, Eileen J. xxx-xx-xxxx
Hanson, Betty J. xxx-xx-xxxx
Harrison, Connie E. xxx-xx-xxxx
Heitman, Lois A. xxx-xx-xxxx
Hernandez, Gloria A. xxx-xx-xxxx
Hester, Sarah J. xxx-xx-xxxx
Hewitt, Loretta O. xxx-xx-xxxx
Hughes, Ellen A. xxx-xx-xxxx
Jackson, Melissa R. xxx-xx-xxxx
Jenkins, Jennie M. xxx-xx-xxxx
Jordan, Marsha A. xxx-xx-xxxx
Kaplan, Mary M. xxx-xx-xxxx
Kulow, David S. xxx-xx-xxxx
Lavine, Jean A. xxx-xx-xxxx
Lee, Elvira xxx-xx-xxxx
List, Sara F. xxx-xx-xxxx
Marin, Beatrice M. xxx-xx-xxxx
Marshall, Margaret C. xxx-xx-xxxx
Mayer, Margaret A. xxx-xx-xxxx
McGee, Kathleen E. xxx-xx-xxxx
McGowan, Geraldine B. xxx-xx-xxxx
McGuane, Marilyn S. xxx-xx-xxxx
Messer, Monica S. xxx-xx-xxxx
Miller, Helen E. xxx-xx-xxxx
Moore, Terry R. xxx-xx-xxxx
Nolan, James P., Jr. xxx-xx-xxxx
Norgaard, Gayle D. xxx-xx-xxxx
Norton, Patricia xxx-xx-xxxx
Oneill, Kathleen E. xxx-xx-xxxx
Otto, Pauline E. xxx-xx-xxxx
Palmer, Ruth E. xxx-xx-xxxx
Perry, Catherine A. xxx-xx-xxxx
Philpot, Mary J. xxx-xx-xxxx
Reinke, Frances F. xxx-xx-xxxx
Rezac, Barbara A. xxx-xx-xxxx
Rheinscheld, Mary J. xxx-xx-xxxx
Rhone, Judith A. xxx-xx-xxxx
Ricci, Sara E. xxx-xx-xxxx
Rinne, Michael S. xxx-xx-xxxx
Ross, Hilda J. xxx-xx-xxxx
Ruble, Craig E. xxx-xx-xxxx
Ryan, Elizabeth K. xxx-xx-xxxx
Salmons, Freddie E. xxx-xx-xxxx
Sawyer, John W. xxx-xx-xxxx
Schroeder, Linda xxx-xx-xxxx
Seaton, Ottilie A. xxx-xx-xxxx
Shockley, George E., Jr. xxx-xx-xxxx
Skiles, Patricia A. xxx-xx-xxxx
Sobieski, Catherine A. xxx-xx-xxxx
Spivey, Christine xxx-xx-xxxx
Swint, Kathleen A. xxx-xx-xxxx
Utt, Janice D. xxx-xx-xxxx
Walker, Marie E. xxx-xx-xxxx
Walstra, Judith C. xxx-xx-xxxx
Wenzel, Sandra L. xxx-xx-xxxx
Wilcox, Carolyn E. xxx-xx-xxxx
Wolfard, Judith A. xxx-xx-xxxx
Workman, Connie D. xxx-xx-xxxx
Yanno, Richard G. xxx-xx-xxxx

MEDICAL SERVICE CORPS

Andrews, Edwin J., Jr. xxx-xx-xxxx
Armstrong, Robert C. xxx-xx-xxxx
Bloomquist, Carroll R. xxx-xx-xxxx
Breault, George A. xxx-xx-xxxx
Burchfield, Larry R. xxx-xx-xxxx
Chappelle, Raymond J., Jr. xxx-xx-xxxx
Cleary, John J., Jr. xxx-xx-xxxx
Coleman, Steven L. xxx-xx-xxxx
Garcia, Joe xxx-xx-xxxx
Hare, Charles E. xxx-xx-xxxx
Holtz, Daniel D. xxx-xx-xxxx
Jones, Jack W. xxx-xx-xxxx
Kenschaft, Robert B. xxx-xx-xxxx
Lee, Donald E., Jr. xxx-xx-xxxx
Lee, Jerry N. xxx-xx-xxxx
Lettofsky, Harvey R. xxx-xx-xxxx
Mitchell, Robert B. xxx-xx-xxxx
Notdurft, Norman E. xxx-xx-xxxx
Orsak, Peter M. xxx-xx-xxxx
Petermann, Mark H. xxx-xx-xxxx
Snyder, Allen T. xxx-xx-xxxx
Turk, Herbert A., Jr. xxx-xx-xxxx
Weishaar, Gary L. xxx-xx-xxxx
Wylie, John V. xxx-xx-xxxx

BIOMEDICAL SCIENCES CORPS

Adkins, Terry O. xxx-xx-xxxx
Alter, William A., III xxx-xx-xxxx
Amster, Robert L. xxx-xx-xxxx
Arnold, Barbara P. xxx-xx-xxxx
Baum, Marvin G. xxx-xx-xxxx
Benline, Terry A. xxx-xx-xxxx
Bolerjack, Thomas G. xxx-xx-xxxx
Brown, Phillip G. xxx-xx-xxxx
Cairney, William J. xxx-xx-xxxx
Case, David R. xxx-xx-xxxx
Cerha, Henry T. xxx-xx-xxxx
Chavella, Joyce D. xxx-xx-xxxx
Christensen, William D. xxx-xx-xxxx
Cissik, John H. xxx-xx-xxxx
Clark, Mary F. xxx-xx-xxxx
Clegern, Robert W. xxx-xx-xxxx
Collins, James A. xxx-xx-xxxx
Cox, Philip B. xxx-xx-xxxx
Draisen, Samuel M. xxx-xx-xxxx
Eisenbrandt, David L. xxx-xx-xxxx
Elliott, Nancy R. xxx-xx-xxxx
Erwin, Charles S. xxx-xx-xxxx
Gallagher, Frank P., III xxx-xx-xxxx
Goodson, Richard A. xxx-xx-xxxx
Greene, John R., Jr. xxx-xx-xxxx
Hadden, David A. xxx-xx-xxxx
Haddon, Rayburn S., III xxx-xx-xxxx
Henke, Robert P. xxx-xx-xxxx
Hilyard, Gary R. xxx-xx-xxxx
Hinders, Douglas E. xxx-xx-xxxx
Jenkins, James L. xxx-xx-xxxx
Jones, Charles R. xxx-xx-xxxx
Jones, Wayne D. xxx-xx-xxxx
Leone, Charles H. xxx-xx-xxxx
Lombard, Robert A., Jr. xxx-xx-xxxx
MacLean, Douglas M. xxx-xx-xxxx
Marines, Archibald R., III xxx-xx-xxxx
McIntyre, Thomas H. xxx-xx-xxxx
Naugle, Dennis F. xxx-xx-xxxx
Nelson, Dean D. xxx-xx-xxxx
Norton, Francis E., Jr. xxx-xx-xxxx
Pletcher, John M. xxx-xx-xxxx
Reynes, Robert L. xxx-xx-xxxx
Riccardi, Richard M. xxx-xx-xxxx
Rosato, Louis W., Jr. xxx-xx-xxxx
Rossi, Nunzio J. xxx-xx-xxxx
Sayre, Larry E. xxx-xx-xxxx
Schendel, Thomas L. xxx-xx-xxxx
Selle, Robert I., Jr. xxx-xx-xxxx
Shaffstall, Robert M. xxx-xx-xxxx
Shaver, Neil C. xxx-xx-xxxx
Sherman, Robert E. xxx-xx-xxxx
Skalka, Dennis R. xxx-xx-xxxx
Smith, Regina S. xxx-xx-xxxx
Steele, John I., Jr. xxx-xx-xxxx
Straayer, James A. xxx-xx-xxxx
Taylor, Boyce A. xxx-xx-xxxx
Toft, John D. III xxx-xx-xxxx
Tuttle, Gerard R. xxx-xx-xxxx
Vandellen, Adrian F. xxx-xx-xxxx
Webb, Thomas S. xxx-xx-xxxx
Weisenfels, Charles W., III xxx-xx-xxxx
Wood, David G. xxx-xx-xxxx

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be major

Alexander, John V. xxx-xx-xxxx
Allen, Frank D. xxx-xx-xxxx
Anderson, John E. xxx-xx-xxxx
Angelo, Joseph A., Jr. xxx-xx-xxxx
Ashbaugh, William A. xxx-xx-xxxx
Beck, Rex E., Jr. xxx-xx-xxxx
Beckwith, Everett G. xxx-xx-xxxx
Bell, Ralph H. xxx-xx-xxxx
Benton, Howard H. xxx-xx-xxxx
Berry, David L. xxx-xx-xxxx
Best, Melvin L., Jr. xxx-xx-xxxx
Bilodeau, Richard E. xxx-xx-xxxx
Black, Merle L., III xxx-xx-xxxx
Blackburn, Ronald F. xxx-xx-xxxx
Bonpensiero, Joseph S. xxx-xx-xxxx
Bowen, Richard E. xxx-xx-xxxx
Boyd, Bill G. xxx-xx-xxxx
Brown, Charles F. xxx-xx-xxxx
Burckhalter, James M. xxx-xx-xxxx
Burroughs, Willie E. xxx-xx-xxxx
Calabria, Kenneth F. xxx-xx-xxxx
Camera, Jan P. xxx-xx-xxxx
Campo, David F. xxx-xx-xxxx
Carter, William E. xxx-xx-xxxx
Caywood, Abbie G. xxx-xx-xxxx
Cole, Andrew xxx-xx-xxxx
Combes, Larry D. xxx-xx-xxxx
Cooper, Frank D. xxx-xx-xxxx
Costello, Stephen A. xxx-xx-xxxx
Crippen, David M. xxx-xx-xxxx
Criscimagna, Ned H. xxx-xx-xxxx
Cullen, James H. xxx-xx-xxxx
Cushion, Charles W. xxx-xx-xxxx
Daigler, Ronald P. xxx-xx-xxxx
Davis, Gary M. xxx-xx-xxxx
Davis, Roy A. xxx-xx-xxxx
Deibert, Eugene A. xxx-xx-xxxx
Destival, James L. xxx-xx-xxxx
Dias, Charles C. xxx-xx-xxxx
Diehl, Louis C. xxx-xx-xxxx
Dolwick, Carlton L. xxx-xx-xxxx
Douthitt, Gary L. xxx-xx-xxxx
Duffin, Dennis J. xxx-xx-xxxx
Dunn, Gary K. xxx-xx-xxxx
Dykins, James R. xxx-xx-xxxx
Earle, Frederick S. xxx-xx-xxxx
Eddy, William C., II xxx-xx-xxxx
Elliott, Philip R. xxx-xx-xxxx
Farsky, Robert A. xxx-xx-xxxx
Fenstermacher, Donald J. xxx-xx-xxxx
Ferreris, Juan J. xxx-xx-xxxx
Ferris, Albert M. xxx-xx-xxxx
Fisher, Wayne T. xxx-xx-xxxx
Flood, John F. xxx-xx-xxxx
Frederick, James E. xxx-xx-xxxx
Gauldin, Thomas L. xxx-xx-xxxx
Gault, Freeman L., Jr. xxx-xx-xxxx
Gaven, Edward J. xxx-xx-xxxx
Gentle, Horace S. xxx-xx-xxxx
Gray, Walter L. xxx-xx-xxxx
Green, Terry M. xxx-xx-xxxx
Greer, James L. xxx-xx-xxxx
Grize, Douglas N. xxx-xx-xxxx
Gross, Stephen C. xxx-xx-xxxx
Grubbs, David B., Jr. xxx-xx-xxxx
Hale, Jerry W. xxx-xx-xxxx
Harrison, Ray D. xxx-xx-xxxx
Hartsell, Robert D. xxx-xx-xxxx
Harvey, Robert J. xxx-xx-xxxx
Held, David J. xxx-xx-xxxx
Henry, James E. xxx-xx-xxxx
Hinkle, John J. xxx-xx-xxxx
Hitt, Spencer C. xxx-xx-xxxx
Holbrook, Ronald J. xxx-xx-xxxx
Huber, Robert A. xxx-xx-xxxx
Hutchison, William C. xxx-xx-xxxx
Hyatt, Frank W. xxx-xx-xxxx
Irwin, Joseph T. xxx-xx-xxxx
Jacobowitz, Daniel W. xxx-xx-xxxx
Jasso, Juan G. xxx-xx-xxxx
Jones, David M. xxx-xx-xxxx
Jones, Edward E. xxx-xx-xxxx
Karpinski, David G. xxx-xx-xxxx
Kawecki, Gerald J. xxx-xx-xxxx
Kaysen, Kirby K. xxx-xx-xxxx
Killeen, John E. xxx-xx-xxxx
Knauer, Dieter K. xxx-xx-xxxx
Korpi, Thomas E., Jr. xxx-xx-xxxx
Kuzniar, Joseph S. xxx-xx-xxxx
Labenne, Raymond J. xxx-xx-xxxx
Lambertus, James E. xxx-xx-xxxx
Land, Howard D., Jr. xxx-xx-xxxx
Lapham, Bruce G. xxx-xx-xxxx
Lightfoot, Richard G. xxx-xx-xxxx
Linn, Thomas A. xxx-xx-xxxx
Lloyd, Ernest W., III xxx-xx-xxxx
Long, Michael V. xxx-xx-xxxx
Lorenz, Richard F. xxx-xx-xxxx
Lovett, Joel L. xxx-xx-xxxx
Luster, Marvin W. xxx-xx-xxxx
Maerz, Edwin V. xxx-xx-xxxx
Malach, David J. xxx-xx-xxxx
Marlin, Lawrence P. xxx-xx-xxxx
Maruyama, Paul K. xxx-xx-xxxx
Massey, Ed B. xxx-xx-xxxx
Maxwell, James A., Jr. xxx-xx-xxxx
Maxwell, Thomas J. xxx-xx-xxxx
May, Gary B. xxx-xx-xxxx
McCormick, Maxey G. xxx-xx-xxxx
McCreary, Donald J. xxx-xx-xxxx
McDonald, Burch, H. xxx-xx-xxxx
McDowell, Donald R. xxx-xx-xxxx
McGrath, Joseph A., Jr. xxx-xx-xxxx
McIntire, Martin R. xxx-xx-xxxx
McLane, Daniel L. xxx-xx-xxxx
Menslage, Richard J. xxx-xx-xxxx
Meyers, Theodore I. xxx-xx-xxxx
Miles, Edward T. xxx-xx-xxxx
Miller, Douglas C. xxx-xx-xxxx
Miller, Gordon O., III xxx-xx-xxxx
Milliron, James C. xxx-xx-xxxx
Mitchell, Joseph N., Jr. xxx-xx-xxxx
Morley, John F. xxx-xx-xxxx
Mroczka, Thomas L. xxx-xx-xxxx
Mueller, Richard G. xxx-xx-xxxx
Naegelin, Calvin C. xxx-xx-xxxx
Nass, Barry F. xxx-xx-xxxx
Nelson, Wade A. xxx-xx-xxxx
Nicholas, Ronald R. xxx-xx-xxxx
Pater, Daniel M., III xxx-xx-xxxx
Perez, Anthony L. xxx-xx-xxxx
Petersen, Robert H. xxx-xx-xxxx
Peterson, George R., II xxx-xx-xxxx
Pianalto, Norman E. xxx-xx-xxxx
Pickford, Fredric B. xxx-xx-xxxx
Pieper, David A. xxx-xx-xxxx
Posjena, Guenter, S. xxx-xx-xxxx
Redmond, Thomas W. xxx-xx-xxxx
Reese, Herman L. xxx-xx-xxxx
Ritchie, William J. xxx-xx-xxxx
Roberson, Larry W. xxx-xx-xxxx
Roberts, Rachael R. xxx-xx-xxxx
Rodgers, Willie E. xxx-xx-xxxx
Roehr, Larry A. xxx-xx-xxxx
Sanderson, Robert D. xxx-xx-xxxx
Sanford, Robert J. xxx-xx-xxxx
Sekella, Matthew E. xxx-xx-xxxx
Seyfarth, John W. xxx-xx-xxxx
Shanks, Susan A. xxx-xx-xxxx
Sheppe, Robert M. xxx-xx-xxxx
Simon, Art Z. xxx-xx-xxxx
Smith, Darryl W. xxx-xx-xxxx
Sorice, Samuel J., Jr. xxx-xx-xxxx
Spruill, Quentin E. xxx-xx-xxxx
Stantus, Robert S. xxx-xx-xxxx
Steinmann, James W., Jr. xxx-xx-xxxx
Stewart, James R. xxx-xx-xxxx
Streff, Gayle R. xxx-xx-xxxx
Stubblebine, Thomas J. xxx-xx-xxxx
Swanson, Richard A. xxx-xx-xxxx
Swickard, Jules M. xxx-xx-xxxx
Symes, Frances T. xxx-xx-xxxx
Taylor, James R. xxx-xx-xxxx
Taylor, Matthew M. xxx-xx-xxxx
Thayer, John J. xxx-xx-xxxx
Titus, Leroy xxx-xx-xxxx
Towers, Daniel J. xxx-xx-xxxx
Towne, Richard B. xxx-xx-xxxx
Tracy, George F., Jr. xxx-xx-xxxx
Trainor, Richard F. xxx-xx-xxxx
Travis, Byron P. xxx-xx-xxxx
Troppman, Roy W., Jr. xxx-xx-xxxx
Valdez, Stanley C. xxx-xx-xxxx
Vann, Donald G. xxx-xx-xxxx
Vincent, Thomas E. xxx-xx-xxxx
Vosika, Dale F. xxx-xx-xxxx
Wallace, Geary W. xxx-xx-xxxx
Wasilewski, Robert J. xxx-xx-xxxx
Wassem, Jerry L. xxx-xx-xxxx
Webbenhurst, Robert C. xxx-xx-xxxx
Weigand, Lewis M. xxx-xx-xxxx
Welsch, William S. xxx-xx-xxxx
Weltin, Edward G., Jr. xxx-xx-xxxx
White, Billy M. xxx-xx-xxxx
White, Gerald L. xxx-xx-xxxx
White, Raymond C. xxx-xx-xxxx
Wilde, Ernest S. xxx-xx-xxxx
Williams, Henry J. xxx-xx-xxxx
Williams, James C., Jr. xxx-xx-xxxx
Williams, Taylor T., Jr. xxx-xx-xxxx
Williamson, Max D., Sr. xxx-xx-xxxx
Wondercheck, Gerald L. xxx-xx-xxxx
Yaskowsky, Dennis A. xxx-xx-xxxx
Yocom, Peter xxx-xx-xxxx
Zabinski, Henry J. xxx-xx-xxxx
Zigler, Richard H. xxx-xx-xxxx
Zimpel, Harvey L. xxx-xx-xxxx

To be captain

Brennecke, John I. xxx-xx-xxxx
Jacobs, John T. xxx-xx-xxxx
Rankin, Karen S. xxx-xx-xxxx

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

NURSE CORPS

To be captain

Halliwill, Mary A. xxx-xx-xxxx
Oneill, Kathleen F. xxx-xx-xxxx
Rhone, Judith A. xxx-xx-xxxx
Sawyer, John W. xxx-xx-xxxx
Walker, Marie E. xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be major

Jones, Jack W. xxx-xx-xxxx
Lettofsky, Harvey R. xxx-xx-xxxx

BIOMEDICAL SCIENCES CORPS

To be major

Draisen, Samuel M. xxx-xx-xxxx

To be captain

Collins, James A. xxx-xx-xxxx

IN THE NAVY

The following-named commanders of the U.S. Navy for temporary promotion to the grade of captain in the line, pursuant to title 10, United States Code, sections 5769 and 5791, subject to qualifications therefor as provided by law:

Aldinger, Robert W.
Alexander, Edward H.
Allen, Benjamin E., Jr.
Ames, Richard E.
Andersen, Craig N.
Anderson, David C.
Anderson, Gerald D.
Anderson, Thomas H.
Ansley, James H.
Bacon, Barton E., III
Badgett, Robert S.
Bailey, Ian M.
Bailey, Thomas F.
Barfield, Henry J. Jr.
Barnett, Roger W.
Barrett, Robert W.
Barry, Kenneth R.
Bartholomew, Charles A.
Bass, William F.
Beck, Gary L.
Bender, Thomas J.
Benford, Eddie
Bennett, John F., Jr.
Benson, George M.
Benter, Harry W., Jr.
Berry, Niles W.
Bessey, Roland B.
Bianco, John A.
Bickel, Michael D.
Blackmon, Thomas L.
Blaha, Douglas D.
Bloch, Vernon C.
Blockinger, Alvin F., Jr.
Boggs, Dallas B.
Bonham, Charlie L.
Booth, Albert J.
Boufford, Francis W.
Boyd, David H.
Boyle, Francis J.
Bradley, Michael D.
Brandon, John R.
Brannan, John J.
Bransom, Frank H.
Bremner, Bruce B.
Brenton, Robert J.
Broadwell, William R.
Brookes, Edward A.
Brooks, Charles E.
Bruno, Marco J.
Bubeck, Charles R.
Bunch, Harold A., Jr.
Bunnell, Robert T.
Burke David V., Jr.
Butler, Warner L.
Cagle, Lonnie F.
Carns, Neil S.
Carter, Floyd W., Jr.
Cassels, Bertrand B. J.
Champlain, John G.
Chapin, Robert W., Jr.

Chappell, George C.
Chase, Malcolm W.
Cheaure, Alfred L.
Chelton, Edward E.
Chenard, John H.
Chesbrough, Geoffrey L.
Clark, Frank E.,
Condon, John R.
Conley, Charles H.
Cook, Charles I.
Covell, Michael A.
Crabbs, Edward H., Jr.
Craig, Edward C.
Cressy, Peter H.
Dalrymple, John R., Jr.
Davis, Edwin A.
Davis, Robert T., II
Dehaemer, Michael J.
Denike, Daniel J., Jr.
Denis, Robert R.
Dewalt, Ralph F.
Dewhirst, George H.
Dodson, Richard E.
Dorman, Craig E.
Dowell, George W., III
Doyle, John F.
Drustrup, John M.
Duff, Robert D.
Duffy, Francis K.
Duich, Stephen J.
Duncan, William E.
Dunn, Gerald L.
Dunn, James M.
Dvornick, Eugene S.
Eckert, Thomas R.
Ellertsen, James T.
Esau, Anthony C.
Farnan, George F.
Fedor, John D.
Ferguson, Michael B.
Ferrier, Donald R.
Ferrier, Thomas L.
Finch, Parker T., Jr.
Finkelstein, Milton M.
Firebaugh, Millard S.
Fitch, Robert S.
Flournoy, Robert A.
Flower, Roger P.
Flynn, Noel S.
Fox, William C.
Frame, Don D.
Frame, Lee H., Jr.
Fred, Robert H.
Frederick, William E.
Freeman, Michael H.
French, Dana P., Jr.
Fromholtz, Richard J.
Frothingham, John C.
Fuscaldo, Robert P.
Gabriel, Thomas O.
Gagliano, Sam J.
Gamba, Robert V.
Garritson, Grant R.
Garverick, Charles M.
Gee, George N.
Geeding, Robert W.
Gengler, William N.
Gill, Thomas E., II
Glenn, W. Lewis, Jr.
Glover, Robert P.
Goebel, David M.
Goggins, John J., Jr.
Goodman, Jerry E.
Graffman, Joel R.
Greenberg, Abe
Greenman, Robert P.
Gregor, Richard A.
Grice, John D.
Groff, Jon P.
Gustafson, Kurt A.
Hamilton, Ted A.
Hammer, George C.
Harlett, John C.
Hartman, Gary W.
Hartman, William A.
Hayes, Richard J.
Healy, Kevin M.
Heck, Jerome R.
Heinz, William J.
Henderson, Jimmy D.
Herbst, Martin W.
Herting, Thomas J.
Hilder, Lewis E.
Hill, William J.
Hilty, David A.
Hinchy, Frank T.
Hinman, Kendall G., Jr.
Hipper, Ira M.
Hoag, Robert W., II
Hofford, Robert F.
Holben, Neil E.
Holifield, Allison J., Jr.
Holmes, Stacy V.
Holt, Richard H.
Horn, Frank G.
Horn, William C.
Howard, Robert M.
Howson, Richard I.
Hubbard, Richard G.
Huke, George E.
Hulbert, Bruce W.
Huth, Vincent J.
Hutt, Thomas E., Jr.
Hux, Edgar D.
Lanucci, Robert J.
Innes, Henry E.
Jackson, Warren B., Jr.
Jacobson, Walter D.
Jerns, Robert L.
Johannes, Richard N.
Johnson, Albert P., Jr.
Johnson, Kenneth A.
Johnson, Larry D.
Johnson, Ralph B., Jr.
Johnson, Ronald B.
Jones, Robert C.
Kaiss, Albert L.
Kalb, David G.
Karcher, Victor A.
Kelley, Thomas G.
Kettinger, Joseph P.
Kiel, Joseph A.
Killinger, Edwin E.
Klee, Charles W., Jr.
Kline, Robert L.
Klinger, David C.
Knapp, Edwin J.
Knorr, David J.
Kozlowski, Stanley C.
Kuester, Arland W.
Kuhhirte, William F.
Kulesz, James J.
Laack, Dennis R.
Lacey, John S., Jr.
Lair, James A.
Lammers, Lennis L.
Lamporte, Richard A.
Lane, Glynn Q., Jr.
Lasko, Paul G.
Law, James L.
Leeds, John M.
Lemoyne, Irve C.
Levin, Frederick W.
Lind Carl V., Jr.
Livingston Ira E.
Lockhart, Theodore C.
Long, William C.
Lord, Norman C.
Loving, Howard H., Jr.
Lowack, Frederick J.
Lowry, Bernard F., Jr.
Lubbs, Larry L.
Lynch, Edward T., Jr.
Mack, Jacob A., III
Mackay, George W.
Malone, John P.
Martin, Owen C., Jr.
Martin, William F.
Matheny, James T.
Mays, George G.
McAbee, John T.
McClelland, Michael D.
McCloskey, Terry J.
McClung, Lonny K.
McDonell, John G.
McFillen, Roger L.
McGinley, Edward S., II
McGonegal, William F.
McIntire, Lloyd G.
McKinney, James B.
McLaurin, John C., Jr.
McManis, Robert B.
McNabb, John M.
Meese, Harry E.
Melnick, Norbert W.
Menikheim, Douglas K.
Mermagen, Peter J.
Metzler, Charles P., Jr.
Middents, Paul W.
Middleton, David D.
Miller, William C.
Mitchell, Richard F.
Morris, Charles W.
Morris, John E.
Morrison, Harlan L.
Mueller, Joseph B.
Mullen, James J.
Murray, Roger P.
Murray, Tom R., II
Needham, William R.
Nelson, William J., Jr.
Newman, Roger L.
Newman, William E.
Norton, Lafayette F.
Oakes, Dudley G.
Oliver, Herndon A., III
Onorati, Roger P.
Ortengren, Ralph W., Jr.
Ott, Keith M.
Painter, Floyd C.
Partington, James W.
Paulsen, Thomas D.
Pearson, John D.
Penn, Buddie J.
Pestorius, Frederick M.
Phillips, Henry L., Jr.
Phimister, Stephen
Plaugher, Charles E.
Prehn, Robert L.
Presnell, Lawrence D.
Quarterman, John M., Jr.
Reese, Evan P.
Repsher, Boyd F.
Retz, William A.
Rhodes, Edwin O.
Richardson, James C., Jr.
Richmond, Frederick J.
Ricketts, David L.
Robbins, Christopher B.
Roberts, Ernest P.
Rochells, Andrew J.
Rodriguez, William J.
Rogers, Elmer E., II
Rogers, Theodore F., Jr.
Roome, Jack V.
Roth, Michael C.
Rothert, William C.
Rowe, Arthur E., Jr.
Rowley, Charles D.
Ruth, Paul A.
Ryan, Charles E.
Ryan, Thomas D.
Rybarczyk, Anthony M.
Saari, Colin H.
Salisbury, Herbert D.
Sands, Robert J.
Schlegelmilch, Charles R.
Schneider, Clinton D.
Schriefer, Luther F.
Schuetz, Laurence N.
Schweizer, Earle G., Jr.
Scott, Gordon E.
Shaefer, Edward D., Jr.
Sherer, Robert W.
Sheridan, Robert E.
Shew, James E., Jr.
Shoemaker, Brian H.
Shoop, Robin D., Jr.
Siepel, Willard E.
Silseth, David F.
Simmons, Vernon P.
Skinner, Garland F.
Smith, Gerald L.
Smith, Glen W.
Smith, Reid H.
Smith, Robert C.
Soupiset, Robert I., Jr.
Spofford, Barry A.
Sprouse, Haywood G.
Stanley, William M.
Stevens, Stanley L.
Stoops, Ronald R.
Strole, Douglas L.
Stubbs, William O., Jr.
Sullivan, Dennis A.
Sydow, Kenneth R.
Taylor, Herbert W.
Therrien, Edward L.
Thompson, David S.
Thompson, James E., Jr.
Tindal, Ralph L.
Tobin, Byron E., Jr.
Toland, James C.
Townsend, William J.
Traister, Robert E.
Triplett, Thomas T.
Ulmer, James E.
Vanderwolf, Peter J.
Vanslyke, James C., Jr.
Vaught, Clarence S.
Veazey, Sidney E.
Visted, Frank A.
Wagner, Edward F.
Wallace, John L., Jr.
Wallis, Walter J.
Walsh, Raymond M.
Wasson, Charles D.
Watkins, Richard S.
Watterson, Rodney K.
Werhan, Kenneth R.
Whitely, John E., Jr.
Wicklund, Robert M.
Wilkes, Gilbert V., III
Wilkinson, Robert B., Jr.
Willenbucher, Marshall R.
Williams, Douglas A.
Willimon, Henry P., Jr.
Wilmot, Frederick E.
Wilson, Laurence W.
Wilson, Robert L.
Woltersdorf, Leonard O.
Womack, Thomas F.
Woodford, Duval S.
Worthington, George R.
Wright, George F.
Wright, Timothy W.
Wyckoff, Roger D.
Yeutter, Philip E.
York, Thomas A., Jr.
Youmans, Richard W.
Young, Stephen G.

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, pursuant to title 10, United States Code, sections 5769 (line), 5773 (staff corps), and 5791, subject to qualifications therefor as provided by law:

LINE

Brubaker, Guy A.
Currie, George H. III
Hayman, James O.
Jensen, Mark E.
Sweet, Willian J.

SUPPLY CORPS

Martyny, Donald A.

The following-named women commanders of the U.S. Navy, for permanent promotion to the grade of captain in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law:

Botzum, Diane
Delarot, Anna M.
Hazard, Roberta L.
Mearls, Joanne R.
Nyce, Barbara R.
Pane, Marietta A.

Comdr. Victor M. Gavin, Supply Corps, U.S. Navy, for permanent promotion to the grade of commander in the Supply Corps, of the U.S. Navy, pursuant to title 10, United States Code, sections 5782 and 5791, subject to qualifications therefor as provided by law:

The following-named woman lieutenant (junior grade) of the U.S. Navy for permanent promotion to the grade of lieutenant in the line, pursuant to title 10, United States Code, sections 5771 and 5791, subject to qualifications therefor as provided by law:

Good, Cathy L.

U.S. NAVY

The following-named Naval Academy Midshipmen to be permanent ensign in the line or staff corps of the U.S. Navy, subject to qualifications therefor as provided by law:

Abernethy, Rufus S., III
Achor, Peter D.
Adams, Robert F.
Adams, Rodney M.
Adamschick, Mark H.
Adan, Joseph C.
Aguila, Lauro S., Jr.
Ahlgrimm, James M.
Aiman, Kenneth M., III
Almeter, Ronal G.
Alt, Kevin W.
Amend, Robert J.
Anderson, Joel M.
Anderson, Marshall J.
Andrews, Mary
Angell, Bruce E.
Arango, Joseph, III
Armour, Eric
Armstrong, William P.
Arndt, Craig F.
Arnett, Joseph G.
Ashley, Mark C.
Astolfi, Stephen P.
Aszklar, Henry P., Jr.
Atangan, Jose F. H.
Austen, Philip A.
Ayuso, Carlos E.
Bailey, David T.
Bailey, Stuart D.
Barlow, Glen B.
Barnes, Anthony P.
Barnhill, John W.
Barrera, Emmanuel A.
Barron, John P.
Barlo, Mary E.
Barton, Brian M.
Bashaw, Stanley E.
Bauersfeld, Debra M.
Baumgartner, Michael J.
Beaton, Robert G., II
Beattie, John H.
Becker, Gary
Begley, John R.
Behl, Mark V.
Bell, Gary E.
Bellis, Brad A.
Bellitto, Robert A.
Bensinger, William H.
Berg, Brooks D.
Berry, John F.
Best, Truman J.
Bianchi, James F.
Biesecker, Arlan J.
Billington, Scott A.
Billy, Gregory M.
Bishop, Jeffrey M.
Blake, Patrick M.
Blunt, Richard D.
Boblit, Christopher J.
Bodkin, Shawn T.
Bodrog, Martin J.
Bonner, Joseph C.
Boska, Bernardine
Bowman, Keith P.
Boyce, Thomas H.
Boyle, James W.
Bradley, Mark R.
Brady, Patrick H.
Bragado, Napoleon A.
Brandt, Jeffrey D.
Brannon, Gregory D.
Branzell, David S.
Braun, John L.
Bridge, Joseph L.
Brigden, Mary A.
Brooks, David M.
Brown, Scott A.
Brownlee, Edward L.
Brunson, Ralph E.
Brusoski, Jeffrey M.
Buczowski, Gregg S.
Burgess, Jack W.
Burke, James R.
Burke, John H.
Burke, Timothy C.
Burnett, William G.
Burnette, Wallis J., Jr.
Burns, Robert P.
Burr, Robert F.
Burt, Lawrence D.
Burton, David B.
Bushong, Paul J.
Butala, John E.
Butler, Crittenden G.
Byng, Robert H.
Cahela, Phillip B.
Caldwell, James F., Jr.
Caldwell, Matthew R.
Calle, Joselito O.

Calvente, Vincent V.
Camacho, Stephen J.
Canalichio, Peter J.
Cantrell, Joel M.
Carlson, David S.
Carlson, Thomas S.
Carmany, Edmund H.
Carney, Thomas F., Jr.
Carr, Matthew A.
Carson, Jerry L.
Carter, Ted W.
Carter, Walter E., Jr.
Carty, David W.
Carucci, Michael B.
Case, David A.
Castleton, Jeffrey D.
Cavett, Robert M.
Ceja, Eduardo A.
Chambers, Steven P.
Chandonnet, Charles J., III
Chapon, Michael C. A.
Chavez, Carlos M.
Cheslack, Brian G. O.
Chiffolo, Anthony F.
Christenson, John N.
Christopher, Michael D.
Church, Charles H., Jr.
Clay, John E.
Cloughley, William R.
Cohn, Randall B.
Cole, Thomas V.,
Collins, Timothy J.
Colon, Steven W.
Comtois, Mark C.
Cone, William L., Jr.
Connolly, Michael J.
Cooke, Christopher S.
Coons, Gregory D.
Cooper, Kathleen R.
Cooper, Louis B.
Cotherman, Kevin M.
Courtney, Thomas E., Jr.
Coughlin, Charles E.
Coulter, Leonard P.
Coval, Brian S.
Cowan, Susan A.
Craft, Ricardo W.
Cramb, Carl W.
Crandlemire, Patricia R.
Cravaack, Raymond J., Jr.
Craver, Joseph W., III
Cronauer, Joseph T.
Crooker, Carol M.
Crowell, Jeffrey I.
Crowell, Richard M.
Cummings, Robert C.
Curry, Bruce H.
Curtis, Warren Q.
Curtiss, George D.
Daniel, James L.
Dashiell, Curtis J.
Daugherty, John R.
Davidson, William M.
Davis, Cecil L., Jr.
Davis, George P., Jr.
Davis, John H.
Davis, Raymond T., II
Debode, Douglas J.
Deck, Randall W.
Dee, Suzanne M.
Defiore, Vicky J.
Degroff, Dwight H., III
Deluca, Margaret A.
Denkler, Gregory M.
Densford, Donald E., Jr.
Dent, David R.
Dewispelaere, Dan D.
Dick, David J.
Dickinson, Andrew S.
Dickmann, John Q., Jr.
Disher, Timothy A.
Doak, Conrad S.
Dodge, Alan R.
Dolan, Michael F. X., Jr.
Dolan, Robert E.
Donahue, Mark E.
Donovan, Patrick E.
Doran, Frederick G., Jr.
Dorgan, Joel F.
Dotson, Michael E.
Dowty, James M.
Doyle, Thomas R.
Drake, William M.
Driscoll, James P.
Duffett, Richard A.
Duhrkopf, Randy S.
Dumbauld, Theodore E.
Duquette, Daniel C.
Durban, Diane C.
Dwyer, Timothy J.
Dzieciolowski, Michael P.
Eastburg, Steven R.
Eaton, James L.
Edgar, Jeffry L.
Eide, Gerald N.
Elkin, Herbert R.
Elliott, Ronald J.
Engleman, Katherine O.
Eriksen, Erik A.
Estrada, Elpidio A.
Evans, William T.
Fagan, Michael
Fairbanks, Karl S., Jr.
Falcon, Manuel E.
Fanney, Richard H.
Farnett, Joan M.
Farrell, Arthur, II
Fedyschyn, Christopher P.
Felker, Craig C.
Fernandez, Damacene V.
Ferrell, Howard S.
Filler, Robert W.
Fine, Gregory R.
Finn, Scott R.
Fisher, John L.
Fisher, Robert J.
Fitzgerald, Stephen D.
Fleming, James B.
Fleischer, Timothy B.
Flight, Frederic P.
Foerster, Andrew J.
Foggo, James G., III
Forbes, Donald C.
Ford, Kenneth R.
Forsythe, Jill A.
Forsyth, Stuart T.
Fortunato, Stephen W., Jr.
Foster, David M.
Fox, Robert S.
Foye, Michael L.
Frank, William C.
Franklin, Scott P.
Franza, Richard C.
Freeman, Jeffrey G.
Freer, Robert J.
French, Charles J., Jr.
Fricke, Thomas S.
Fuchs, Ned M.
Fulton, Thomas G.
Galanie, James W.
Galaska, Daniel O.
Galaska, Donald W.
Gallagher, John F., III
Gallegos, Matthew A.
Gallet, Michael J.
Gallo, Thomas J.
Galt, William K.
Garcia, Robert M.
Garlinghouse, Robert B.
Garrold, Timothy S.
Garza, Michael A.
Gavin, Timothy A.
Gawboy, Bradley D.
Gehrke, Edward W.
Geoghegan, Michael G.
Gerbig, James F.
Gerding, James M.
Geshay, John R.
Giancatarino, Michael F.
Giedlin, Thomas D.
Griffin, John L., Jr.
Giles, John R.
Gilliland, Carmel E.
Gilliland, David A.
Giorgione, Michael A.
Giuda, John B.
Goff, Leonard G.
Gonzales, Ernesto C.
Gonzales, Jeffery R.
Grabarek, Robert L., Jr.
Grafton, Jay T., Jr.
Graham, Lisa K.
Gray, William P.
Green, Cory J.
Green, Lonnie R.
Green, Michael A.
Green, Thomas A.
Greene, Charles Z.
Greene, Jon A.
Griffith, Timothy E.
Grigg, Lewis R.
Grimm, Thomas R.
Grocki, Russell J.
Gross, James M.
Guin, David R.
Gulling, David R.
Gulliver, Glendon C.
Gulliver, Jon S.
Gumataotao, Peter A.
Gurnee, Anthony
Gurney, Thomas C.
Guthrie, David D.
Hafey, John R.
Hagaman, Bruce M.
Hahn, Bradley F.
Hamele, Michael D.
Hamill, James W.
Hampton, Earl K., Jr.
Hampton, Stephen W.
Haney, Kevin J.
Hankins, Paul F.
Hanneman, Mark B.
Harber, Michael A.
Hardesty, David C.
Hardy, Charles A.
Hare, Timothy
Harkins, Richard M.
Harned, Richard C.
Harness, Kirk N.
Harrell, Timothy S.
Harrison, David J.
Hart, John H.
Hartline, Thomas W.
Hartmann, Vincent T.
Hauer, Kim A.
Haugen, Jon T.
Haugh, Arthur G., II
Haupt, Steven G.
Hawkins, Ronald B.
Hawley, Michael D.
Heffernan, James D.
Heil, Francis C.
Heimbach, Douglas S.
Heilman, Todd T.
Hendrick, David A.
Hennessy, Marycarol
Henning, Gary R.
Heon, Susan L.
Hetrick, John P., Jr.
Higgins, William E., Jr.
Hilarides, William H.
Hill, David S.
Hiltz, Thomas G.
Hire, Kathryn P.
Hitt, Gerald F.
Hlopak, William J.
Hlubek, Gregory J.
Hobbie, Gregg M.
Hoffman, Thomas S.
Hogan, Kevin J.
Hogg, Neil W. T.
Holt, Henry C., V.
Holt, Kathleen G.
Hooper, Stephen C.
Hopkins, Eric C.
Hopkins, Harvey S.
Hopkins, Kevin S.
Horby, Robert S.
Horton, Gerald F., Jr.
Hovell, Ronald P.
Howard, Ava M. A.
Howard, Madison L.
Howe, Scott J.
Hubal, August S.
Hubbard, Barry D.
Hubbard, James A.
Hudson, Daniel W.
Hudson, James M., Jr.
Hueber, Gerard P.
Humpton, Lyle R.
Huss, James R.
Huston, Jay R.
Huxel, Terrence R.
Hyman, Mark E.
Imai, Gerry T.
Ims, Paul D., Jr.
Inouye, Arthur Y.
Irgens, Kurt T.
Jackson, Brian D.
Jackson, David W.
Jackson, Robert B.
Jacob, Carol L.
Jacob, Thomas R.
Jaeger, Paul J.
James, Paul H.
Jaramillo, Robert C.
Jarman, Timothy R.
Jaworski, Steven A.
Jett, Brent W., Jr.
Jewett, Ellen M.
Johnson, Douglas G.
Johnson, Eric C.
Johnson, Kim A.
Johnson, Michael J.
Johnson, Robert M.
Johnson, Thomas C., III
Johnson, William H.
Johnston, Douglas W., Jr.
Jones, Cary P.
Jones, Gerald A.
Jones, James B.
Jones, Raymond C.
Joyce, Jenifer A.
Juba, Eugene D.
Judy, David M.
Kaiser, Jeffery J.
Karatzou, Arthur D.
Karcz, Peter J.
Kauffman, Stephen M.
Keenan, John P.
Kelety, Stephen Z.
Keller, Patrick D.
Kelly, John L.
Kelly, Mark W.
Kendall, Mark R.
Kennedy, Kriss M.
Kennington, Robert G.
Kenny, Barry E.
Kenny, Kevin
Kern, David J.
Kessel, Jason L.
Killion, Steven W.
Kim, Stephen H. S.
King, James F.
Kirsch, Edward W.
Kissel, Brian K.
Klein, Craig A.
Knight, Francis M., II
Knock, James A.
Kobiela, Stephan G.
Koerber, Robert G.
Kopp, Richard S.
Kopper, Mary K.
Kraft, Terry B.
Kramer, Richard D.
Krause, Mark W.
Krev, David
Krock, Michael W.
Kronzer, Michael J.
Kruse, David C.
Kurta, Anthony M.
Kurtz, Douglas J.
Kusumoto, Neal J.
Kuzmick, Joseph W.
Ladao, Richard Z.
Landers, Mark F.
Lane, David A.
Lane, David B.
Lannetti, David W.
Lansdale, Thomas S.
Larioza, Samuel L., Jr.
Larrew, Craig A.
Lasell, Patricia L.
Lau, Alma M. O.
Laughlin, William H.
Lauletta, Lex J.
Lawrence, Joseph R.
Lawrence, Wendy B.
LeBlanc, Robin R.
Lee, Fred A.
Lewis, Brian M.
Lewis, Porter W., Jr.
Lewko, Kenneth R.
Lien, Patrick E.
Lindenbaum, Eric J.
Lippold, Kirk S.
Liss, Kenneth A.
Lock, Howard M.
Logar, Donald F.
Lorge, Patrick J.
Loughlin, Patrick F.
Lovdahl, Randall J.
Loveless, Barry K.
Lum, Eric M.
Lynch, Thomas J., Jr.
Lyons, Daniel K.
MacGregor, Timothy S.
Mack, Gary R.
MacMillan, Robert T., Jr.
Madigan, Gerald N.
Magners, Richard A.
Maguire, James C., III
Mahosky, Keith J.
Mahre, Michael D.
Majkowski, Peter O.
Malloy, Todd W.
Manazir, Michael C.
Manchor, Joseph A.
Manski, Richard M.
Mara, Michael R.
Marco, Frank L.
Marolt, Anthony
Marquet, Louis D.
Marr, William J.
Marrin, Donald J.
Marsh, Richard F.
Martin, Richard J.
Martinez, Anthony A.
Massa, Eric J.
Matheny, Robert N.
Matthes, Michael J.
Matthews, Melissa J.
Mayer, Michael G.
Mayer, Richard R.
McBridge, Patrick M.
McCandlish, John A.
McCarthy, Kevin G.
McCloskey, Michael K.
McCormick, Mark A.
McCree, Victor M.
McCurdy, David M.
McDonald, David L.
McDowell, Robert W.
McElroy, Daniel M.
McFadden, Colleen M.
McGarvey, Daniel S.
McGinty, Michael G.
McGuinness, William D.
McGuire, Michael J.
McKinnon, Michael W.
McLaughlin, Matthew F.
McLaughlin, Michael
McLaughlin, Michael E., III
McMurty, James C., III
McQuade, Noreen A.
Means, Jeffrey L.
Meier, Timothy W.
Menger, Eric W.
Mervine, Mark L.
Messinger, Jonathan D.
Metz, Stephen D.
Metzger, Margaret
Middleton, Mark E.
Mikesell, Bruce D.
Miklos, Laureen E.
Miller, DeWolfe H., III
Miller, Rick A.
Miller, Robert N., Jr.
Miller, Susan R.
Mills, John K.
Moe, Nelson P.
Molina, Rowley A.
Montoya, Benjamin A.
Moore, Michael K.
Moore, Thomas J., Jr.
Moran, Steven M.
Moran, William F.
Moreman, Frank A.
Morgan, Richard A.
Morgan, William P.
Morris, Michael G.
Morse, Edward A.
Mucci, Joseph
Mucciarone, Paul F.
Mueth, Donald G.
Mulligan, Mark T.
Murdock, Scott A.
Murphy, Dennis J.
Murphy, Joseph W.
Murray, James P.
Musico, Raynoel N.
Mutzabaugh, David H.
Myers, Dunn L.
Nagao, Albert R.
Nagy, George S.
Nanyes, Ollie, III
Nault, James R.
Navarro, Jaime
Nesselt, William T.
Newcomb, Mark E.
Newman, Monte R.
Nicholson, John W.
Nieman, Orlin H.
Niewoehner, Robert J.
Nolan, Philip O., IV
Nonaka, Kevin K.
Norris, David T.
Nosal, Gregory M.
Nowak, John C.
O'Brien, Thomas P.
O'Connell, Kevin T.
O'Connor, Keith C.
Odom, Charlie E.
O'Flaherty, Kevin E.
O'Hara, James P., III
O'Kane, Patrick W.
Oldham, Richard C.
Oliver, Brandon C.
Olmstead, Michael R.
Olsen, Lawrence E.
Olson, Steven R.
Oram, Albert F., Jr.
O'Rourke, Virginia
Osalbo, Faustino B., Jr.
Ott, David T.
Page, Blan A.
Paggi, Mathew
Pallin, Mark D.
Pancho, Bienvenido A.
Papageorge, Jim G.
Paparella, Joseph J.
Parke, Michael A.
Parker, Warren R.
Parrish, Randy O.
Pashkevich, Michael D.
Patton, Mark D.
Paul, John D.
Paulaitis, Martin J.
Paulson, Walter A., Jr.

Payne, Tilghman D.
Peacock, William M., III
Pedersen, Daniel T.
Peloquin, Brett A.
Pepper, Francis P.
Perez, Martin C.
Perez, Ricardo
Perotti, Anthony R.
Perri, Peter S.
Perry, David C.
Perry, Dean R.
Perry, Richard L.
Perry, Robert H.
Peterson, Richard A., Jr.
Peyreigne, Robert V.
Phillips, David A.
Phillips, Michael P.
Phillips Ronald E.
Philpot, Lloyd E., II
Pierse, John H.
Pierson, Chris F.
Pietruszka, Renee B.
Pinto, Trinora E.
Plaisance, Stephen E.
Plott, Paula M.
Point, Gregory L.
Polcari, Peter A.
Portner, David A.
Prince, Timothy J.
Pruden, Craig W.
Potnam, Rex G., Jr.
Puttre, John M.
Quattrini, Daniel J.
Quinn, Kevin P.
Ramirez, Lilia L.
Rampp, Lorraine T.
Randall, Eric H.
Rascona, Michael A.
Ravener, Robert D., Jr.
Rearick, William J., Jr.
Reaves, Joel C.
Redfern, Kevin P.
Reese, Douglas S.
Reitzel, Fred P.
Rex, Eugene B., Jr.
Reynolds, Joseph E.
Rice, James M.
Rich, David B.
Richter, Steven L.
Ricks, David L.
Riddle, Craig L.
Riedel, John D.
Riester, Peter J.
Roane, Donald P., Jr.
Roberts, James W.
Roberts, Rickey L.
Roberts, William H., Jr.
Robertson, David C., Jr.
Rodgers, Mary O.
Rodrock, James G.
Rogers, George F.
Rogers, John W.
Rogers, Randall D.
Rohlfing, Kenneth L., Jr.
Roll, Craig A.
Romig, Larry G., Jr.
Ross, Donald M.
Rounds, Michael J.
Ruehlin, Walter D.
Ryan, Patrick J., III
Ryan, Timothy J.
Sager, Robert C.
Sanchez, Thomas W.
Sandoval, Ronald A.
Sawyer, Dennis A.
Schaaff, Kevin P.
Schacht, Nicholas R.
Schanuel, Mark A.
Schartung, Joseph T., Jr.
Schawang, Sandra E.
Schmid, Mark T.
Schneider, Eddy E.
Schoene, David R.
Schrader, Robert S.
Schultz, Max
Schultz, Ryan R.
Schulze, Robert M.
Sciabarra, Peter J.
Scott, Alan D.
Scott, Gary L.
Scott, Geoffrey M.
Scott, Russell W., II
Scrivener, Arthur W.
Sedy, Eugene B.
Seidel, Patrick F.
Seidel, Robert A., Jr.
Severino, John A., Jr.
Sexton, Richard J.
Seybold, Donald G.
Shafer, Robert A.
Shannon, James J.
Sherlock, Michael J.
Shields, Michael K.
Siddall, Luke D.
Silveira, Walter J.
Skellenger, Joan M.
Skillen, Robert S.
Skopek, Philip M.
Smarjesse, Vincent J.
Smith, Charles R.
Smith, Daniel R.
Smith, Fred E.
Smith, George S. G.
Smith, Lee O.
Smith, Patrick D.
Snevely, John A., Jr.
Snyder, Guy M.
Sorce, John J.
Soukup, Dennis P.
Spanbauer, Douglas J.
Spangler, David J.
Speirs, James A., Jr.
Sperling, David M.
Spiro, Kenneth V., Jr.
Stammetti, Vincent A.
Standley, Billy E., Jr.
Stasco, Gary W.
Station, Paul C.
Steckler, Louis S.
Stewart, Douglas J.
Stewart, James T.
Stolle, Christopher P.
Stretton, Milton L.
Stodwell, Theodore D.
Stutz, James O., Jr.
Styron, Jeffrey W.
Sullivan, Brien D.
Sullivan, Thomas S.
Sutherland, Scott R.
Swetland, Stuart W.
Swoope, Andre M.
Tallon, David J.
Tanner, James C.
Tayloe, Keith E.
Taylor, Kevin B.
Taylor, William E., III
Terlizzese, Joseph L., Jr.
Tettelbach, Frederick M., II
Teufel, Robert S.
Thaller, Mark C.
Theiss, John T.
Thomas, Albert A.
Thomas, Cathleen M.
Thomas, David M., Jr.
Thomas, Michael D.
Thompson, Kenneth H.
Thornley, Mark A.
Thorp, Frank, IV
Thweatt, Robert T.
Tocci, Timothy J.
Tolbert, Kevin C.
Toves, Raymond A.
Trenti, Ronald M.
Tucholski, Edward J.
Trumbore, Jeffrey A.
Tuey, Perry T.
Turman, Robert H.
Turner, Edmund L., Jr.
Unger, James P.
Upchurch, Jeffrey L.
Vagts, Christopher B.
VanAntwerp, Richard L.
VanBausch, Brian M.
VanBrocklin, Michael J.
VanGunten, Raymond H., III
VanZyl, Jane R.
Vazquez, James T.
Vera, Raul
Vess, Jack E.
Vessels, Robert W.
Victor, William R.
Violante, Marc N.
Vlasho, Vincent T.
Voler, Frank F.
Voorhees, Kenneth J.
Vosbury, Lisa B.
Voss, Charles H.
Vranicar, Russell J.
Vrevich, Nicholas
Wachter, John M.
Waddle, Scott D.
Wagner, David R.
Wakeley, William H.
Walker, Kenneth D.
Wall, Jonathan S.
Ward, Bradley E.
Ware, Robert E.
Warnke, Kevin C.
Warren, David A.
Washington, Mark K.
Weatherford, Douglas E.
Weaver, Salvatore J.
Webb, Michael K.
Weber, Mark V.
Weems, Rodney A.
Wehr, Paul S.
Welch, John P.
Wendel, William M.
Wetzel, James C.
White, Roger C.
White, Sandra L.
Whitfield, Scott A.
Wildfong, Glenn D.
Williams, Francis X.
Williams, Guy W.
Willy, Christopher J.
Wilson, Andreas M.
Wilson, John H., Jr.
Wilson, Michael F.
Winslow, Richard W.
Winsor, Robert W., Jr.
Wirginis, Theodore C.
Wittman, Gary T.
Wixler, Keith E.
Womer, John R., Jr.
Woodhouse, William B.
Woods, David B.
Workman, Orus B., III
Wright, Charles E.
Wright, Philip H.
Yandell, John M.
Yates, Loretta E.
Yavorski, Thomas P.
Zajic, Henri W.
Ziegler, Glenn D.
Zirkle, Stephen P.
Zucco, Frank J.

EXTENSIONS OF REMARKS

I SPEAK FOR FREEDOM

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 7, 1981

● Mr. HARRY F. BYRD, JR. Mr. President, Miss Jeanne Lindner of Charlottesville, Va., who attends Western Albemarle High School, has won a scholarship for her original speech in the "I Speak for Freedom" contest sponsored nationally by Friends of Free China. I wish to call this speech to the attention of my colleagues because I think it represents some of the good things our young people are doing, and to congratulate Miss Lindner on her notable achievement.

I ask that the text of Miss Lindner's speech be printed in the Extensions of Remarks.

The speech follows:

I SPEAK FOR FREEDOM

The economy of the Republic of China on Taiwan has grown tremendously. What encouraged this growth? The government gave the economy freedom to develop, constantly changing but always progressing. Such economic freedom affected not only international relations, but also internal developments.

First, let's look at international relations. We can divide this into four parts: foreign aid, private foreign investment, the exchange of technology, and import-export opportunities.

First, foreign aid. U.S. aid to Taiwan after World War II was important to Taiwan's initial economic development. According to Neil Jacoby in "U.S. Aid to Taiwan," foreign aid provided about one-third of the total developmental resources in Taiwan, but Taiwan's excellent economic policies determined the productivity of the aid. In fact, within 15 years after aid was begun, Taiwan's economy had developed enough to be self-supporting.

U.S. aid stopped in 1964, but foreign money kept flowing into the economy. Why? Because Taiwan had adopted policies encouraging investment by private foreign sources. These policies, discussed in a booklet prepared by the Hsinchu Science-Based Industrial Park, included special tax exemptions and a guarantee against government requisition of privately owned enterprises.

In addition to foreign money, foreign technology was also brought into the country. Taiwan adapted knowledge gained from other countries to its own situation to spur the economy's growth. Use of available knowledge enabled Taiwan's economy to develop more quickly than some other economies had been able to develop.

One other factor important to Taiwan's development was its import-export opportunities. Taiwan had limited natural resources and had to import most of its raw materials. Consequently, it had to export a lot to maintain a healthy balance of payments. Thus, it needed both a large base from which to import its materials, and a large market to receive its exports. Taiwan's free economy encouraged good trade relationships with other countries and thus secured the needed sources and market.

So we see that Taiwan's free economy promoted favorable foreign relations. But the government also influenced internal developments. For example, it encouraged private investments, stimulated free enterprise, and developed the infrastructure—Taiwan's system of transportation, communication, power and public works.

How did it do this? Government policies encouraged private domestic investments just as they had encouraged private foreign investment. Private individuals were encouraged to take over business, industrial, and agricultural projects that were once public concerns. The government further encouraged free enterprise through a land reform program, which in turn eliminated the exorbitant rents paid by farmers to wealthy land owners. Because the Chinese people are intelligent and highly motivated, with a willingness to work, the land reform program was an especially successful incentive to improve production.

Taiwan's infrastructure also profited from economic freedom. Under Japanese rule a good infrastructural foundation had been established. Taiwan's free economy subsequently encouraged its continued development.

We see, then, that Taiwan's economic freedom favorably affected internal developments just as it also affected international relations. But how much did Taiwan's free economy grow? By 1964, when the U.S. discontinued aid to Taiwan, Taiwan's economy ranked in the middle third of all nations' economies in terms of development. Compared solely with Asian countries Taiwan was relatively advanced, or well developed. And Taiwan's economy has continued to progress. Over the last 15 years it has had a growth rate of about 10 percent a year. Productivity rates have continued to improve; the per capita income and the gross national product have kept increasing. The Republic of China on Taiwan continues to show the world the progress to be had with a free economy.●

MORE DEFENSE DOLLARS FOR LESS NATIONAL SECURITY

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. KASTENMEIER. Mr. Speaker, the Washington Post of March 29 contained a compelling article by William Greider, which offers an excellent analysis of the waste, inefficiency, and inflationary effects of our current method of defense spending.

It reveals what many of us have been claiming for years, that you do not get greater national security simply by throwing more dollars at the Defense Department. Indeed, by getting less and less for more and more dollars, we are, in fact, promoting less not more national security.

Mr. Greider, whose article is based on a comprehensive study of defense procurement policies by Jacques S. Gansler, former Deputy Assistant Secretary of Defense in the Ford administration, highlights the grossly inefficient system that has developed as a result of an almost total lack of competition in the defense industry.

The cost of this lack of competition and resulting inefficiency is succinctly illustrated in the cost overruns for 47 major weapons systems from September to December 1980—$47.6 billion. As Mr. Greider points out:

Think of it: The entire domestic budget cut which Ronald Reagan is proposing was swallowed up by one quarter's price escalation for Pentagon weapons.

Mr. Speaker, continuing this noncompetitive, wasteful system runs counter to everything this administration presumes to stand for. The waste costs us billions of dollars each year. The waste is grossly inflationary. The waste weakens our national security.

Mr. Greider's article, and Mr. Gansler's study, should tell us clearly that the Pentagon's budget cannot be exempt from budget scrutiny nor from the same efforts to eliminate waste and inefficiency that are currently being imposed on every other Federal program.

As long as the Pentagon is permitted to continue its policies unchecked and unreformed, millions of people will suffer as a result of the effort to offset this wasteful spending in domestic program cuts.

And, tragically, in the process, we gain little if anything in terms of national security.

Mr. Greider's article, from the Washington Post of March 29, follows:

HOW MORE BUYS LESS—THE MAGINOT CURVE: THE FASTER YOU SPEND ON DEFENSE, THE BEHINDER YOU GET

(By William Greider)

If everyone now comfortably grasps "supply-side" economics and the logical beauty of the Laffer Curve, it will not confuse them further if I introduce them to the Maginot Curve. The Maginot Curve, which I have named in honor of those French generals who prepared so cleverly for World War II, applies the "supply-side" perspective to the "demand side" of President Reagan's new budget—the trillion-dollar boom in defense spending.

The Laffer Curve, as everyone surely knows by now, holds that as the government raises its tax rates, it reaches a zero point where revenue actually begins to decline. The more you tax, the less you collect.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The Maginot Curve makes the same point about defense spending. The more you spend on rearming, the fewer weapons you get for your money. Those who are familiar with weapons procurement know that this is already happening. As the Reagan rearmament pours $1.5 trillion into the Pentagon over the next five years, the United States will approach the Maginot's theoretical zero point, never before reached by civilized nations. We will spend much, much more on weapons and we will get back nearly zero in national security.

This is only a theory, of course. I do not expect the Reagan team to take it seriously, because it offends all of their cherished notions about what government is for.

Government is for buying tanks, ships, airplanes and making America strong. Who would believe that dumping a trillion dollars on the defense industry might actually make us weaker? The French generals built a big wall across eastern France to keep the Germans out and called it the Maginot Line. Trouble was, Hitler went around it.

A few years hence, after we have experienced the "supply-side" calamities of the Reagan defense budget, I predict people will be ready to examine the Maginot Curve as a serious idea. Point zero in defense procurement is not as distant as you might think.

Last fall, for instance, when the Pentagon was already flush with the Carter administration's budget increases, the negative effects of the Maginot Curve were already visible. In the final three months of 1980, the total purchase cost of 47 major weapons systems escalated by $47.6 billion. From September to December, due to engineering changes and foul-ups and inflation, the total price tag on these planes, tanks, ships, guns and fancy electronic gear rose from $262.6 billion to $310.2 billion, an inflation rate of nearly 20 percent.

That makes Medicaid sound like a real bargain. The $47.6 billion Pentagon overrun is, by the way, a wonderfully apt statistic for all those weep-easies around town who are moaning about the Reagan budget cuts for food stamps or Legal Services or other do-gooder programs. Think of it: The entire domestic budget cut which Ronald Reagan is proposing was swallowed up by one quarter's price escalation for Pentagon weapons. Does that register on anyone's yelp index?

But my fundamental point is this: Thanks to that price escalation, we must buy fewer weapons. The Air force dropped seven F18 fighter jets from its 1981 buy. The Army reduced its order for XM1 tanks by 20 tanks and is negotiating to cut another 45. The Pentagon, like any average consumer, blames it on inflation and promises to be a more careful shopper in the future.

But the future will be worse for weapons inflation, not better, unless the Reagan managers have the political courage to confront the "supply-side" flaws in the defense industry. Otherwise, the rush of new dollars into defense orders will simply aggravate all of the fundamental problems which are producing this extraordinary waste.

To reform the structural flaws in the defense industry, however, the "supply siders" would have to abandon one of their most cherished theological principles, the idea that there is a "free market" which functions efficiently on its own, if only government will get out of the way. Whatever one may say about the rest of the economy, the "free market" is an elaborate pretense in the defense sector. Defense production is perhaps the most highly regulated of all industries, operating partly in government-owned factories and with government guarantees of sales and profits. On many items of hardware, the Pentagon is the only buyer. And on most military parts and systems, the Pentagon buys from a company which is the only seller.

All of this is concealed by an earnest mythology of "free market" competition, based on the simple virtues of public purchases through competitive bidding. The reality approaches monopoly. Only 8 percent of Defense's business is done by the formal system of advertised price competition. Most purchases are effectively "negotiated" between buyer (the government) and seller (defense contractor).

About 60 percent of Pentagon procurement is actually awarded on a noncompetitive, single-source basis in which the supplier names the price and delivery date. The larger the dollar value, the more likely it is that the contract will be noncompetitive.

These reality checkpoints are derived from the defense procurement studies done by a free-thinking economist named Jacques S. Gansler, who studied the structure of the defense industry as a deputy assistant secretary of defense in the Ford administration and who has spent the last five years trying to get generals, admirals and civilian managers to listen to what he found. Today, for those who seriously want to understand the matter, Gansler's analysis is summarized in one dense and troubling volume, "The Defense Industry" (MIT Press, Cambridge, Mass., $19.95).

Gansler, I should add quickly, is no weepy dove or out-of-fashion lib-lab economist. He believes, with the Pentagon brass, that America was "unilaterally disarming" itself in the post-Vietnam defense budgets while the Soviet Union was preparing for war and that the trend must be reversed. But he also believes that simply throwing money at Boeing and General Dynamics and McDonnell-Douglas and the hundreds of other defense contractors will produce disastrous results. Indeed, it was Gansler who explained for me the broad outlines of supply-and-demand inflation which I dubbed the Maginot Curve.

What would happen, for instance, if there were a sharp increase in defense expenditures for aircraft, as Reagan now proposes? Gansler anticipated the question in his book:

"Although there were many badly underutilized plants and redundant employes, it was highly likely that greatly increased defense funds, spent on the present products with the present contractors, would not yield significantly more military equipment but would only raise the prices.

"The existing bottlenecks of labor, parts and production machinery would not be removed, and the few firms doing business on the increased demand would simply pay more for the scarce parts and labor and charge the government more for the equipment produced. The impact would be inflationary, with little benefit in terms of either employment or national security."

This is easier to understand with a humble example. Accordingly to studies by the House Armed Services Committee, there is now a wait of 120 weeks for delivery of aircraft landing gear, twice the delay which existed only a few years ago. In some cases according to Gansler, forgings and other parts for landing gear can only be obtained from one contractor. When the Pentagon makes new orders, those must wait in line behind the old orders. The effect is upward pressure on price and longer delays.

If the supplier decides to expand production, build a new plant an hire more workers, it runs into the industry-wide inflation. There is already a shortage of machinists in America and no surplus of engineers. Firms are already bidding up salaries in furious competition for personnel.

In addition, shortages of key parts hold up production on major weapons systems because the network of small suppliers has atrophied in the last decade. While the Pentagon and Congress concentrated on keeping the prime contractors afloat with bailouts and life-saving orders for the big-ticket items, scores of smaller firms simply dropped out of the defense business. They couldn't stand the boom-or-bust uncertainties; they left behind a greater concentration of producers, which means of course, even less competition on price.

So far, we have not even mentioned the reliability of these weapons. Americans have gotten so accustomed to reading that their billion-dollar weapons don't work right or their huge airplanes have serious flaws that they are no longer shocked. Gansler believes that the scandals of unreliable defense products also flow from the structure of industry, the absence of genuine competition.

An aircraft manufacturer is encouraged by the present system to "buy in" during the research and development phase of a weapons program—that's a business term for pricing the product too low at the start in order to win the sale. Then the contractor "gets well" later by gouging the customer when the aircraft is in full production and the buyer can't easily turn elsewhere.

In this case, of course, the customer is us. If the aircraft or its engine doesn't work right, so much the better. That means more engineering changes, an increased price tag and, under present procurement rules, greater profit.

The fundamental answer, of course, is more competition. Every true-blue conservative is for that. But the argument begins with this question: How do you create more competition in a highly regulated industrial sector where the government is the only customer and the marketplace is dominated by product monopolists? As I understand the "supply-side" approach, they might say something like this: Deregulate the businesses, get the government off their backs and then simply throw a lot of the money on the table and let the fittest get the mostest.

Gansler, alas, thinks the government cannot withdraw from managing the defense industry, even if it wants to. The only issue is whether the Pentagon will reform its procurement strategies to produce more competition and, thus, lower prices and more reliability. Or whether it will allow the present structure to continue to swallow up these new billions and frustrate further the anxieties over our national arsenal versus the Reds.

Among other things, Gansler would apply "indicative planning" to the defense sector. "Indicative planning" is a dirty socialist term borrowed from the mixed economies of Western Europe, so Gansler prefers an Americanized euphemism: "coordinated government policy." What it means, crudely stated, is that the Pentagon would force-feed competitive arrangements on the defense industry. The peculiar nature of this sector is that, unlike the "free market" theory, ineffective firms don't get eliminated from the marketplace and efficient new

competitors find it most difficult to gain entry.

For instance, in some cases, the Pentagon should set aside the meaningless facade of competitive bidding and use guarantees and subsidies to draw new firms into the field to compete on price and quality with the old monopolists. It should separate the R&D phase of weapons development from the production phase so that companies would have no incentive to "buy in" with dishonest estimates of costs. (Gansler notes, without irony, that this is what the Soviets do in their military-industrial complex, not to mention our European allies.) Military planners, if they really want to catch up with the Russians, should reverse the system's present incentives for raising costs and make the price tag a basic criterion in the design of new weapons.

And Gansler recommends this: Instead of perennially propping up losers, the government should allow some weak companies, including some of the major aircraft makers, to go under. Their plants are inefficient and represent a costly overcapacity which keeps valuable people and machines from converting to more useful enterprises.

As these remedies suggest, competition hurts. Will Defense Secretary Caspar Weinberger have the courage to confront the Pentagon pork barrel and apply his famous knife to its bloated contracts? Weinberger's initial moves to reform contracting have been encouraging, but he has not gotten to the hard parts.

Reagan's staunch supporters in the defense industry will yelp like wounded liberals if the SecDef tries to force a little honest competition upon them. If he doesn't try, we will watch the defense budget climb the Maginot Curve faster than you can cut the free lunch for poor people.●

ACT TO ENCOURAGE SAVINGS

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GEPHARDT. Mr. Speaker, I am introducing the Investment Credit Incentive Act as a fair tax incentive to stimulate savings. One of the few things all of us here agree on is the need to encourage personal savings in our country. I believe there is also a concensus that changes in our tax laws can induce additional savings.

The ICIA will provide a tax credit of 10 percent on the first $5,000 invested each year in an account in a financial institution. Up to $50,000 in cash or qualified securities could also be placed in such an account.

The earnings on this investment would not be taxed as long as they were kept on deposit. Withdrawals of principal or interest before the end of a 10-year period would be taxed at normal tax rates. This would encourage the money to be retained in the account for at least a decade.

At the end of this period, up to $50,000 in capital and $50,000 in earnings could be removed from the account tax free. Additional withdrawals of either would be taxed at the capital gains rate.

I believe this plan will solve a number of our economic problems. It will create a substantial pool of new capital which will create new jobs and modernize our industry. This, in turn, will improve our productivity rate and put a brake on inflation.

This bill would not solve all of our economic problems, but it will point us in the right direction. If we do not act to encourage savings, we will never be able to solve them.

The British save at twice the rate Americans do. The Japanese savings rate is more than triple ours. This disparity cries out for a remedy. The ICIA should provide it.●

CETA WORKS IN HOUSING REVITALIZATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HAWKINS. Mr. Speaker, proof that public service employment under the Comprehensive Employment and Training Act (CETA) has worked and should not be eliminated has been firmly established in hearings before the House Education and Labor Committee. Typical of such proved experience under CETA is the following testimony of David Berger of the Rehab Project, a private, nonprofit housing corporation in Lima, Ohio.

STATEMENT BY DAVID J. BERGER, EXECUTIVE DIRECTOR, REHAB PROJECT

Members of the Education and Labor Committee, my name is David Berger. I am the Executive Director of Rehab Project, a private, non-profit housing corporation in Lima, Ohio. I appreciate the opportunity to speak briefly to the Committee concerning Rehab Project's involvement with the CETA program and the very real loss that we will experience if the Public Service Employment component of CETA is eliminated by budget cut-backs. Please note, as I begin, that I am not a PSE employee and that my remarks are not made as one who is about to lose his job. Instead my testimony is intended to bear witness to the harm which PSE cutbacks will effect on the Lima community at-large. Further, I do not intend my remarks to be taken as a blanket defense of the CETA PSE program. Such a defense is not possible. Rather, I offer my testimony as an example of what Public Service Employment can accomplish, and I do so with the hope that it will encourage some discretion in determining the budget cuts.

Rehab Project was incorporated in early 1977 in order to stimulate neighborhood revitalization through concentrated housing rehabilitation and home ownership activities for lower-income families. Since that time we have renovated 25 houses, and are presently putting the final touches to a financial package and 5-Year Plan which will make possible the rehabilitation of over 400 additional housing units. Rehab Project thus has a significant track record of achievements, as well as ambitious hopes for the future, and CETA Public Service Employment is a key element in both.

Since November, 1979, Rehab Project has worked closely with CETA's prime sponsor in Lima to design and implement a residential construction training program. To date, we have 3 CETA crews operational that perform the entire array of housing rehabilitation and construction tasks, except the licensed electrical and plumbing work. (Some of these details have been provided in Ms. Irons' statement.) These crews have been responsible for the renovation of 10 houses, and their work has been acclaimed throughout the community for its quality, value, and contribution to neighborhood revitalization.

Since the program's initiation 17 months ago, 23 persons have left it, with 12 or over 50% having moved into private employment or other educational pursuits. At present, 20 additional persons are employed on the three crews, with lay-offs due to budget cutbacks scheduled to begin April 8 for Title II-D participants and June 3 for Title VI participants. Forty-three persons have thus been able to participate in a training program that has been described by community leaders and other third-party observers as "tremendously successful," and "uniquely beneficial for the participants and the community," as "exactly what CETA Public Service Employment was intended for." These comments have been made by persons with the Lima Board of Realtors, Lima's local lending institutions, and others in the private housing industry.

In the interest of brevity, I will present in outline form the major points of emphasis with respect to Rehab Project and CETA's PSE program:

1. In our PSE residential construction training program, unskilled, undereducated, chronically unemployed or underemployed persons are receiving training and developing skills and work habits that have substantially increased their employability. The fact that 50 percent of the persons who have left the program have found employment is a significant one. This is all the more impressive if one realizes that none of those persons had been with the program for longer than 11 months.

2. The self-esteem and personal attitudes of persons in the program have improved dramatically. Prior to the announcements of pending program cuts, a waiting list of persons wanting on the crews existed. Pride of workmanship and a zeal for learning are concrete realities among crew participants. As stated in a written evaluation by a crew member, "I am gaining skills to take through life. This work is something I look forward to with each day."

3. The carpentry work accomplished by the crews allows Rehab Project to continue to serve lower-income persons. That is, because of the in-kind contribution of the carpentry and construction work, Rehab Project is able to keep the costs of a renovated property low enough so as to be affordable to lower-income persons. Typically, the contribution by the training crews cuts rehabilitation costs by one-half.

4. Beyond the simple benefit to the purchaser of a renovated property, the quality and value of the crews' work benefits the neighborhood and the entire community. This is not a make-work project; rather, it is work which the community has recognized for years as absolutely necessary to its long-term health and economy, but is also work that the community found no adequate way of accomplishing prior to CETA PSE. Again, as a typical instance, a home renovated by a CETA crew has acquisition and material

costs of approximately $20,000, but that house also has an appraised value thousands of dollars in excess of those costs. Thus the investment in the neighborhood is substantial and positively impacts on all surrounding property values.

5. Because of the overwhelming success of the three present crews, the 5-Year Plan, mentioned earlier, had projected the initiation of 6 crews. Rehab Project thus looked forward to training some 40 to 45 persons at a time, with a housing production rate of 30 houses per year. Lima's neighborhoods, its labor market, and its general economic base would be profoundly influenced by these activities when carried out for the full five years. Thus the possible loss of CETA PSE will severely retard our efforts to both revitalize Lima's neighborhoods and serve our lower-income clients.

In summary, it is my hope today that my testimony will be seen as illustrative of many CETA PSE programs throughout the country. Real training and real work are being accomplished by these programs. This is not to say that all CETA's PSE programs have been worthwhile or without problems. Rather, my testimony is offered as evidence that Public Service Employment can and has worked, and, therefore, that it should not be totally eliminated.

Thus, we would appreciate a serious look at both the assets and failings of CETA PSE before final decisions are made with respect to budget appropriations.

Thank you.●

NAGASAKI, AUGUST 9, 1945

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an extremely unsettling article which recently appeared in the New York Times. It recounts the tragic experiences of Michaito Ichimaru when the atom bomb was exploded in Nagasaki in 1945.

Mr. Ichimaru's recollections bring us firsthand the magnitude of horror and suffering caused by nuclear weapons. These experiences may well occur again as the administration lowers the barrier to use of nuclear weapons by promoting tactical nuclear weapons—each many times the explosive power of the Hiroshima weapon—neutron bombs and deprives our overseas forces of a capability for anything but a nuclear response.

I highly commend this article to the attention of my colleagues:

NAGASAKI, AUGUST 9, 1945

(By Michaito Ichimaru)

WARRENTON, VA.—In August 1945, I was a freshman at Nagasaki Medical College. The ninth of August was a clear, hot, beautiful, summer day. I left my lodging house, which was one and one half miles from the hypocenter, at eight in the morning, as usual, to catch a tram car. When I got to the tram stop, I found that it had been derailed in an accident. I decided to return home. I was lucky. I never made it to school that day.

At 11 A.M., I was sitting in my room with a fellow student when I heard the sound of a B-29 passing overhead. A few minutes later, the air flashed a brilliant yellow and there was a huge blast of wind.

We were terrified and ran downstairs to the toilet to hide. Later, when I came to my senses, I noticed a hole had been blown in the roof, all the glass had been shattered, and that the glass had cut my shoulder and I was bleeding. When I went outside, the sky had turned from blue to black and the black rain started to fall. The stone walls between the houses were reduced to rubble.

After a short time, I tried to go to my medical school in Urakami, which was 500 meters from the hypocenter. The air dose of radiation was more than 7,000 rads at this distance but I could not complete my journey because there were fires everywhere. I met many people coming back from Urakami. Their clothes were in rags, and shreds of skin hung from their bodies. They looked like ghosts with vacant stares. The next day, I was able to enter Urakami on foot, and all that I knew had disappeared. Only the concrete and iron skeletons of the buildings remained. There were dead bodies everywhere. On each street corner we had tubs of water used for putting out fires after the air raids. In one of these small tubs, scarcely large enough for one person, was the body of a desperate man who sought cool water.

There was foam coming from his mouth, but he was not alive. I cannot get rid of the sounds of crying women in the destroyed fields. As I got nearer to school, there were black charred bodies, with the white edges of bones showing in the arms and legs. A dead horse with a bloated belly lay by the side of the road. Only the skeleton of the medical hospital remained standing. Because the school building was wood, it was completely destroyed. My classmates were in that building attending their physiology lecture. When I arrived some were still alive. They were unable to move their bodies. The strongest were so weak that they were slumped over on the ground. I talked with them and they thought they would be O.K., but all of them would eventually die within weeks. I cannot forget the way their eyes looked at me and their voices spoke to me forever. I went up to the small hill behind the medical school, where all of the leaves of the trees were lost. The green mountain had changed to a bald mountain. There were many medical students, doctors, nurses, and some patients who escaped from the school and hospital. They were very weak and wanted water badly, crying out, "Give me water, please." Their clothes were in rags, bloody and dirty. Their condition was very bad. I carried down several friends of mine on my back from this hill. I brought them to their houses using a cart hitched to my bicycle. All of them died in the next few days. Some friends died with high fever, talking deliriously. Some friends complained of general malaise and bloody diarrhea, caused by necrosis of the bowel mucous membrane by severe radiation.

One of my jobs was to contact the families of the survivors. In all the public schools I visited, there were many many survivors brought there by the healthy people. It is impossible to describe the horrors I saw. I heard many voices in pain, crying out, and there was a terrible stench. I remember it as an inferno. All of these people also died within several weeks.

One of my friends who was living in the same lodging houses cycled back from medical school by himself that day. He was a strong man doing Judo. That night he gradually became weak but he went back to his home in the country by himself the next day. I heard he died a few weeks later. I lost many friends. So many people died that disposing of the bodies was difficult. We burned the bodies of my friends in a pile of wood which we gathered, in a small open place. I clearly remember the movement of the bowels in the fire.

On Aug. 15, 1945, I left Nagasaki by train to return to my home in the country. There were many survivors in the same car. Even now, I think of the grief of the parents of my friends who died. I cannot capture the magnitude of the misery and horror I saw. Never again should these terrible nuclear weapons be used, no matter what happens. Only when mankind renounces the use of these nuclear weapons will the souls of my friends rest in peace.●

THE BEST CREDIT IN TOWN: YOUR LIBRARY CARD

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. BIAGGI. Mr. Speaker, This week of April 6 marks the annual celebration of National Library Week. It is both appropriate and necessary to bring to the attention of my colleagues here some of the many services which our local public libraries provide to their communities. Not only are these services varied, but more importantly they are the best deal in town because they are free. You need only to carry a library card to be eligible to use our public libraries. In these days of rising credit card finance charges and soaring interest rates, it is a credit to our national library system that we have been able to continue these services for communities free of charge.

I am proud to be from the Empire State of New York which boasts one of the largest library systems in the world. In my own city of New York, we are most fortunate to have the New York Public Library which operates both internationally famous research libraries and 83 branch libraries in the neighborhoods of Manhattan, the Bronx, and Staten Island. The dramatic growth and expansion of our library system has been evident, since its meager beginnings in 1901 with 11 branches, to its nearly 15,000 programs it operates for over 17 million users today.

As New York's senior member of the House Education and Labor Committee which oversees our Federal library programs, I have remained committed to working for adequate funding for the Library Services and Construction Act. This act, first approved in the 84th Congress, has helped the New York Public Library provide services such as job opportunities information centers, learner's advisory centers, a community information/service direc-

tory, literacy centers, children's media centers, and a special library for the blind and physically disabled. I am particularly impressed with the information services which our libraries provide, for adults who are seeking to return to college and other degree programs. As an original cosponsor of the Education Amendments of 1980 and author of the provision that provides for the creation of student financial aid data banks in title I of that legislation, it is my hope that libraries will continue to expand their services in these areas.

The reauthorization of the Library Services and Construction Act provides us with a special challenge in this Congress which has been faced with the unfortunate task of addressing proposed reductions in Federal library programs. New York City has been particularly hard hit by steady losses in funds since 1970: Services hours have been cut by 50 percent, over one-third of their staff—over 350 full-time positions—have been lost, resulting in many branch libraries eliminating weekend, evening, and morning services and opening for only 3 or 4 afternoons per week. Yet, the New York Public Library continues its diverse and numerous services, spending far less than other major cities in comparison; while New York spends $7.14 per capita for library service, Baltimore spends $11.62, Washington, D.C., $14.06 and Philadelphia $9.63.

I would like to urge all of my colleagues to take a close look at the public library systems in their own communities, if they have not done so already, and acquaint themselves with the services available and the number of people who take advantage of their services. Our public libraries have become the focal point for many communities, for citizens of all ages and they deserve our continued support. In these times of fiscal and budgetary restraint, let us not be quick to dissolve programs which have, for such a small investment, provided benefits to so many.●

PRAISE FOR THE VOICE OF AMERICA

HON. ROBERT H. MICHEL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. MICHEL. Mr. Speaker, the Voice of America (VOA), the official international broadcasting station of the U.S. Government, has to be accurate, fast moving, and informative—but, above all, accurate.

How did the VOA deal with the confusing and dramatic events of Monday, March 30, 1981, when President Reagan was a victim of an assassination attempt? It would appear that the VOA did an extremely capable, professional, and credible job according to one knowledgeable observer, Tom Dowling of the Washington Star.

Once more we are brought face to face with the fact that our international broadcasting stations are of inestimable value to our image overseas and to our national security. Any misjudgment or sign of panic on VOA would have been interpreted by millions throughout the world as representing our Government's confusion. Tom Dowling finds that the staff of VOA handled the tough job of reporting fast-breaking and often contradictory information very professionally.

At this point I insert in the RECORD, "VOA's Caution Paid Dividends in Credibility" by Tom Dowling, the Washington Star, April 2, 1981.

VOA'S CAUTION PAID DIVIDENDS IN CREDIBILITY

"There seems to be some confusion here," said Dan Rather late Monday afternoon, his voice momentarily dropping out of overdrive as it dawned on him that CBS had made a ghastly mistake in reporting that James Brady was dead. It seemed a moment when the magisterial, calming figure of Walter Cronkite might have been mercifully summoned to slide into the anchorman's seat.

But in reality the events of Monday afternoon had a bureaucratic dynamic beyond even Cronkite's reportorial powers. The modern age lives in fear of the vacuum, and bureaucratic procedure exists to fill it. Government must be filled with rules and regulations, whether they are necessary or senseless; air time must be filled with talk, whether it is information or conjecture. The cardinal bureaucratic law of television news is that error is preferable to silence. Accordingly, all three networks went with anything, however soft, in order to avoid saying nothing.

The federal bureaucracy is also in the broadcast news business, and on Monday it did a measurably better reporting job than the commercial networks—if, that is, the relative absence of misinformation is the standard by which news should be judged.

The Voice of America is the government's news outlet, with its estimated potential worldwide audience of 300 million shortwave radio listeners. The VOA was able to beat the networks simply by saying less and by tolerating—however uneasily—vacuums in a running news story. That was possible because the Voice marches to a different, and perhaps sounder, beat than its commercial rivals. As a government news agency, VOA is always suspect as a propaganda outlet; therefore, its always fragile credibility routinely requires two reliable sources to confirm a news story before it is aired.

As it happened, VOA had a possible world scoop on the Reagan assassination attempt. On Monday, VOA's 25-year old Mallory Saleson was covering the president alone for the service. He had been on the job less than two weeks.

"I was right there for the shots, saw the gun flash and dropped to my knees," Saleson recalled. "I thought I understood what happened, so I ran inside and found a phone booth. As far as I could tell I was the first reporter to hit the booths. I got the round-up editor, said I knew there were three of four shots fired and I'd seen people on the ground. I said, 'You're going to put it out?' He said, 'Yes.' "

Saleson's call came at 2:30 p.m.—which meant that had VOA run with its report it could have beaten ABC news by four minutes, CBS by seven minutes and NBC by eight. At 2:39—one minute after NBC-VOA ran its first shooting bulletin: "Shots rang out near a Washington hotel a few moments ago—as President Reagan was leaving the hotel to return to the White House. . . ."

"With our own correspondent on the spot, we do not require a second source," says Bernie Kamenske, the head of VOA news. "Probably we should have gone with our own people and put out the story immediately. But when someone is shooting at a president you do some hard, quick thinking. I remembered that when Kennedy was assassinated, the BBC did not go with his death until they heard it confirmed on VOA. They said they knew we could not afford to be wrong on that story."

By 2:48 VOA was running with what would be the basic initial assassination attempt news story: Reagan had escaped unharmed in his limousine, three men were wounded, one of them Jim Brady, and the assailant was in police custody. The ensuing official line—or absence of one—would have a more deleterious future impact on VOA's credibility than on its network rivals. "When you have to start changing your story about whether someone was shot, the foreign audience finds it hard to believe that it was all an accident," Kamenske said.

And, no doubt, the news vacuum so abhorred by networks was created by the White House. Happily, VOA had the Polish strike settlement going for it to partially fill the void. And at 2:50 p.m. its Thailand correspondent scored a half-hour world beat on the Indonesian commando raid on the hijacked airliner in Bangkok. "The networks were on the air with one story, so they were continuously forced to clutch at rumors, whereas we had other stories," Mark Willen, VOA's news round-up editor, said.

When all three networks reported that Brady had died, VOA issued its own death bulletin at 5:17 and then carried the White House denial of the report nine minutes later. Luckily, such bizarre events as the Alexander Haig press appearance were not aired live—not out of any particular tender concern for Haig's image, but because his jumbled, quavering remarks lacked shortwave broadcast sound quality.

As the afternoon wore on, VOA began tenuously to learn to live with a vacuum. "They've got the president walking into the hospital," Kamenske says. "Wait a second. What's this? He's undergoing open-heart surgery? It didn't add up. Then comes Hinkley. He's a Yale dropout? A DJ?, an ex-Nazi? The holes and gaps were getting too big. They commit you to accuracy here. On a breaking news story it's like being committed to purgatory, but there it is."

And so, by keeping still about Reagan's premature trip to death's door and other exciting errors, the government news sector ended the day with much less egg on its mike than the networks. "Our one mistake was Brady," Saleson said, "but at least the networks had him dead a lot longer than we did."

Perhaps, in the end, there's something to be said in behalf of a slow-moving federal bureaucracy that would rather live with a vacuum than be wrong.●

U.S. TAX LIABILITY FOR FOREIGN TAXPAYERS

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. CONABLE. Mr. Speaker, I am introducing legislation today which would amend the Internal Revenue Code to provide equal tax treatment for investment income earned by U.S. and foreign pension plans.

It is a matter of longstanding U.S. tax policy that determinations of U.S. tax liability for foreign taxpayers should be based on U.S. standards. However, this policy has not been carried out in the case of the taxation of foreign pension plans. Present U.S. tax law exempts from U.S. tax the investment income and gains of qualified pension plans and similar retirement plans. On the contrary, the U.S. investment income of foreign plans is subject to U.S. tax even though the foreign pension plans are generally exempt from taxes in their home countries.

Mr. Speaker, this inequity in the tax treatment of investment income between U.S. and foreign pension plans not only is against our general tax policy in dealing on the international level but prevents the United States from tapping a potential market for additional capital. Foreign pension plans have shown an interest in investing in the United States in order to diversify their investment portfolios and lessen their dependence on the economy of their home countries. The funds from the foreign pension plans are a source of capital that should be made available to the U.S. economy and their availability should not be impeded by our current tax laws. The funds from foreign pension plans are usually invested on a long-term basis and thus would be more stable than other forms of foreign investment. Moreover, such foreign pension fund investment actually increases the pool of capital in the United States rather than merely shifting capital from one sector to another as some capital formation proposals. This makes the bill an unusual and attractive capital formation proposal.

Mr. Speaker, my proposal would exempt from U.S. taxation the income from investment in the United States by qualified foreign pension plans. The bill limits the exemption to foreign pension plans that qualify for favorable treatment under the tax laws of the country in which they are organized; that are funded with assets which are segregated from those of the employer; and that are maintained primarily to provide retirement benefits for nonresident employees. Finally, the bill would establish a framework of review under which only foreign pension plans that are organized in countries which give the same favorable tax treatment to investment income of U.S. pension plans in that country would continue to be eligible for the tax exemption. This reciprocal tax treatment between the United States and another nation would allow U.S. pension plans, if they so desire, to invest in opportunities outside of the United States.

Mr. Speaker, the bill would remove a current inequity in the tax treatment of the United States and foreign pension plans, carry out the current tax policy with regard to the treatment of foreign taxpayers, and allow the United States to tap a new source of capital that can help to stabilize our economy on a long-range basis. Moreover, because foreign pension plans have not generally been investing in the United States because of the current tax disincentives or have been structuring their investments so as to minimize U.S. tax, the proposal would have little or no revenue loss.

I urge my colleagues to support this legislation.●

TUITION TAX CREDIT LEGISLATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, it is my hope that the 97th Congress will consider and pass legislation providing for tuition tax credits for education.

This legislation would strengthen and improve education in the United States. It would not hurt public schools. It would help private schools which are facing growing financial burdens. Students would be the main beneficiaries of this educational reform. The most important development which will flow from tuition tax credit legislation will be to encourage freedom of choice and diversity in our educational system.

On March 12, 1981, Frank Scott, the vice president and general manager of radio station WRC, delivered an editorial which makes an effective case for tuition tax credit legislation. I enter the editorial in the CONGRESSIONAL RECORD and encourage my colleagues to read it.

The editorial follows:

ALVORD. Tuition tax credits are back in the news, and WRC's Vice President and General Manager, Frank Scott, has an editorial comment. Frank * * * is it a good idea to let parents take the cost of private schools off their taxes?

SCOTT. Yes, Ken, we think so.

Private schools have been around for a long time * * * longer than public schools. Private schools come in all sizes and shapes * * * from the well-known, and notoriously elite prep schools, to the far more numerous neighborhood parochial schools and the fundamentalist Christian "academies" that are often accused of fostering racial discrimination under the guise of education.

But the bottom line is free choice and competition. Private schools now attract the rich, those willing to make a significant financial sacrifice, and those lucky enough to win some form of financial aid.

Meanwhile, the free public schools are going downhill fast * * * especially in the big cities.

The public education lobby suggests that any form of governmental aid to private education * * * even one as benign as a tuition tax credit, would spell the end of public education as we know it.

That may well be true. But we think the blame is being misplaced. Public education isn't being ruined by private schools. Private schools attract the very people who might otherwise support public education * * * if it were not so demonstrably ineffective.

Private education is not enjoying a renaissance because of elitism or race prejudice. Private education is growing in popularity because public education is falling apart.

Federal interference, collapsing discipline, and teachers more interested in short hours and big paychecks than the children they are shaping are the real reasons for the public education crisis in this country.

Private schools * * * to the extent that their limited budgets permit * * * are filling the gap.

The tuition tax credit proposal would not only help many excellent private schools do an even better job, it would also open up the advantages of private education to students who simply can't afford it now.

Public education is a monopoly. For most parents it's a case of "if you don't like it * * * tough." Middle and lower income parents can't afford to send their kids anywhere but public school. So their kids all too often graduate from high school as functional illiterates.

If tuition tax credits help close down that sort of public school, we say "great." Good old American competition will do nothing but improve the overall state of education. And that, after all, is the point.

The purpose of a school is education * * * not the enrichment of teachers and administrators.

Private schools may be small and poor, but they generally produce well-educated children * * * without bloated paychecks, stifling bureaucracy, teacher sick outs, or drugs and violence in the rest rooms.

We think the time is at hand to let parents have a choice between a public school system that obviously doesn't work and private schools that might.

ALVORD.—That's the opinion of WRC Management. Replies by qualified representatives of opposing viewpoints are welcome.●

THE FUTURE OF SYNFUELS?

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. RAHALL. Mr. Speaker, when the 96th Congress overwhelmingly approved legislation to establish the Synthetic Fuels Corporation momen-

tum was built to make the United States independent from foreign petroleum sources. Many of us in this body are extremely concerned with the administration's proposal to reduce, and or eliminate, Government involvement in the development of this industry.

The Huntington Herald Dispatch, the newspaper of the largest city in West Virginia, published an editorial on March 29, that I would like to share with my colleagues at this time. I believe it sums up the concerns of all of us who are interested in the future of synthetic fuels.

WITHOUT PUSH NOW, SYNFUELS WON'T GET OFF DRAWING BOARD

The Reagan administration has proposed that the federal government all but get out of the effort to develop synthetic fuels.

We view that proposal as nothing short of tragic.

Here's why:

It's going to take time—many years—to experiment with, design and develop synthetic fuel processes and facilities.

Various companies (including, here in our own Tri-State Area, Ashland Oil) are currently engaged, in partnership with Uncle Sam, in researching and testing a number of different methods to produce synthetic oil and gas from coal and to extract oil from shale for processing into gasoline, heating oil and other petroleum products.

Several coal liquefaction and gasification demonstration plants could be operating within the next three to four years. If these plants prove that synthetic fuels from coal can be produced in an economically (and environmentally sound) way, then larger, commerical-sized facilities will be constructed. But that would take several additional years.

A number of published studies, by both the government and private industry, estimate that production of synthetic fuels could total at least 1 million barrels a day by 1990.

But unless synthetic fuel experimentation and commercialization moves forward now, the projected snyfuel plants will remain on the drawing board and that ambitious 1990 production target won't be met.

Coal constitutes this nation's largest energy resource. Recoverable coal reserves in this country are said to be more than three times greater than our recoverable reserves of oil and natural gas.

We, like many others concerned about the nation's energy woes, are absolutely convinced that the best means of reducing our nation's heavy dependence on foreign oil rests in moving forward with the effort to convert this treasure trove of coal into synthetic fuel.

And we utterly fail to understand the Reagan administration's unwillingness to assign that task the urgent priority it so clearly merits.●

THE CETA CUTS DON'T MAKE SENSE

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HAWKINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following news article which appeared in the Philadelphia Inquirer on April 6, 1981.

[From the Philadelphia Inquirer, Apr. 6, 1981]

THE CETA CUTS DON'T MAKE SENSE

(By Irvin D. Rutman)

Most Philadelphians, I'd be willing to wager, received the recent news that the federal government was making major cutbacks in the city's Comprehensive Employment Training Act (CETA) program with reactions ranging from "so what?" to "that's a good idea."

The news reports were rather routine in nature. They stated that the new administration in Washington had decided to cut back the appropriation previously awarded our city to subsidize CETA positions in public service agencies. This decision, the reports noted, would return some $26 million to the federal government.

On the face of it, it seemed fine. Who would quarrel with a $26 million saving in federal spending, or with the goal of reducing governmental programs and costs?

And, there was a second part to the announcements. The cutback would cause some 1,900 Philadelphia public service employees—mostly black and disadvantaged, and including veterans and persons with physical and emotional handicaps—to lose their jobs almost immediately; another 1,400 workers would be dismissed by the end of the summer. But even this news, I would suspect, caused relatively little concern among persons not directly involved or familiar with the CETA program.

However, for a sizeable number of nonprofit organizations in the city—health care agencies, senior citizen centers, day care centers, crime prevention programs—these past few weeks have been agonizing. I base this on my experience as a front-row observer of the events that struck so quickly and unexpectedly throughout our city.

For more than three years. Horizon House Institute for Research and Development, a Germantown-based, nonprofit human services planning agency, has worked in close cooperation with the Philadelphia CETA program to provide skill training, work experience and job placement to CETA enrollees. During this period, we have trained and supervised 56 men and women in a wide variety of professional, semiprofessional and clerical fields: survey supervisors, data processing supervisors, survey interviewers, research and library assistants, human services trainers, computerized data-entry technicians, assistant bookkeepers and receptionists.

Our most recent project, which utilized the skills of 21 CETA workers, consisted of a comprehensive community survey measuring Philadelphians' attitudes toward both the mentally disabled and the various types of programs that provide mental health care to them. Our trainees worked hard, and the project was in full swing as recently as a month ago, when we were informed of the budget cuts. At that point, our CETA staff had conducted some 1,500 face-to-face interviews, were organizing, coding and entering the collected data into the computer, and were helping in the analysis of the findings.

Now, however, work on this project has all but stopped, and the final results—which would have contributed to more effective administration of mental health care in Philadelphia and throughout the nation—may never be realized.

But our concern goes far beyond the impact of the budget cuts on our own research study. Over the years, we have seen our CETA staff acquire marketable skills, gain in confidence and improve in self-esteem as they progressed through their training. Some of the transformations were quite dramatic; individuals who hadn't worked for months (sometimes years) and were becoming resigned to welfare-roll dependency, began to demonstrate new-found motivation, job effectiveness and self respect.

Did all our CETA trainees exhibit such transformation? No, not all. But over our 3.5 years of experience with the trainees, about two-thirds advanced from CETA-supported positions within our organization to regular jobs in business and industry.

The emphasis here is on regular jobs—work that is meaningful, provides decent wages, carries no stigma. And, of course, our trainees, while on CETA and later as regular job holders, paid federal, state and city taxes, contributed to the Social Security fund and removed themselves from welfare rolls and related forms of public support.

Horizon House Institute is one of some 150 nonprofit organizations affected by the sudden elimination of this CETA program. We have no reason to believe their experiences with CETA trainees are significantly different from our own. In fact, some of the other organizations reported even higher competitive job placement rates than those we achieved.

But what about the $26 million saving—isn't that still important? The sad and ironic fact is that these advertised savings dwindle away quickly, when other economic realities are taken into account.

Many, perhaps most, of the 3,300 whose jobs are being eliminated will be unable to find new ones for months, even years. Those eligible will have to turn to unemployment compensation. Some served by CETA will return to Supplemental Security Income or federal disability insurance. Many will ultimately have to rely on welfare support. They will require additional assistance from Medicaid, food stamps, housing subsidies and other tax-supported "safety net" programs. Their own payment of taxes will, of course, cease. And their purchasing power will decline sharply.

Performing the simple arithmetic associated with these consequences makes it clear that the net savings of tax dollars realized by closing the CETA program will amount to only a fraction of the announced $26 million. The greater loss will be realized in human costs, and will be felt not only by the trainees themselves, but also through the cessation of the work they were doing, much of which held the promise of improving the quality of life for us all.●

UNIVERSITY OF TEXAS SWIM TEAMS WIN WOMEN'S AND MEN'S NATIONAL TITLES

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. PICKLE. Mr. Speaker, Texas is known as a State where football fervor pervades and the lack of water sometimes invades. But aquatic sports are front and center these days at the University of Texas at Austin. The Texas Longhorns recently won the

men's and women's national swimming championships—a clean sweep. The men's team captured its first NCAA men's swimming and diving championship, just a week after the Texas women won their first AIAW swim title in South Carolina.

It is unusual indeed for a single university to take the men's and women's title. The only other school to hit a double like this was Stanford in 1978, and that was in tennis.

The men's title represented a culmination of firsts: Texas' first NCAA title since 1975, the first time since 1969 that the home team won the national swim title and the first time since 1977 that Swimming World magazine's preseason No. 1 pick fulfilled expectations.

The women's swim team has come from nothing in 5 years to bring the University of Texas the first women's national championship of any kind.

Men's swimming at the University of Texas has been gaining over the years. Back in the early 1930's, the first swim coach was C. J. "Shorty" Alderson, a spirited dynamo in the tradition of a Knute Rockne. He and Ted Belmont started the swim program in 1932. We also recall PE instructor Ed Barlow, who was the unofficial swim coach for some 20 years.

After Alderson and Belmont, we received the excellent services of Bob Bollinger and then Tex Robertson. Tex has been the most loyal and dedicated swim coach, enthusiast, and supporter of all our alumni. He brought the first All Americans to Texas, men such as Adolph Kiefer and the late beloved Olympic swimmer, Hondo Crouch.

Coach Hank Chapman carried on in fine style for some 10 years and brought the school into national prominence. The University of Texas' more regular participation in national swim programs really began under Pat Patterson who for 8 years molded the character and direction of our teams.

With the completion of our new swim center, the best in the United States, and the hiring of coach Eddie Reese, the University of Texas is on its way. In 28 short years, we have reached the pinnacle of national success, much to the credit of Eddie Reese.

The women gained their national prominence even faster than the men. As I said earlier, the women's program has been around for only 5 years. Coach Paul Bergen was hired 3 years ago, the same time Eddie Reese came on board. In coach Bergen's first year, the team placed No. 18 in the country. Last year, the women moved to No. 2 and then took the championship this year. Quite an accomplishment for the whole women's athletic department.

So we salute the men and women swimmers at the University of Texas, along with their coaches, as they bask in the well-deserved national limelight●

THE REAGAN ADMINISTRATION'S REVOLUTION

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. STOKES. Mr. Speaker, in November, President Reagan was swept into office on the slogan "America's New Beginning" which essentially was a promise of change. We have heard many editorial comments about the defeat of former President Carter and the reason why President Reagan was so appealing to the American electorate. Even though less than half of the registered voters bothered to vote on November 4, the President claimed to have a mandate from the people for change.

He said then and the media carried stories about how the American people were tired of inflation and our perceived sagging image abroad. Ronald Reagan was billed as the man to change this. His appeal to make America strong again seemingly transcended various groups such as blue collar workers, senior citizens, and others as well as the traditional Republican voters.

Yes, Mr. Speaker; I suppose you could sum it all up by saying that the American people who voted for Ronald Reagan voted for a change. But, I ask you, is what they are getting under the guise of an austere budget and drastic public policy shifts what they voted for?

Mr. Speaker, I believe that many of them would say "no" to that question. While I admit many Americans are prodefense and anti-inflation, comparatively speaking, many are not fundamentally opposed to human needs programs, especially those which serve the elderly and the needy. In fact, Mr. Speaker, a substantial percentage of Americans will benefit from one of these programs in their lifetime. Therefore, it stands to reason that many of the people who voted for President Reagan were not deliberately voting against these programs.

But this is what they are getting. The President through his disproportionate and unfair cuts to programs which aid the poor and disadvantaged and unrelenting rhetoric about the truly needy places these people in an eternal second-class citizenship. It portends that the poor's quest for a just piece of the American dream through assistance from the Government is unrealistic and unnatural. Finally, the Reagan administration appears to be blaming the poor for their own poverty and places them in the position of individuals who have taken the Government through their participation in social programs for a ride.

Cuts in welfare, food stamp allotments, and the termination of many services which are entitlements—all weighted against an increase in the military budget—illustrates a Government which has lost its heart and allegiance to the people it serves. For many of those individuals who voted for President Reagan, the change and new beginning they voted for has become a frightening revolution that many did not envision.

At this time, Mr. Speaker, I insert an article in the RECORD, written by Mr. Richard Cohen, for the March 15 Washington Post, about what many Republican voters wanted versus what they are getting from President Reagan.

VOTERS WANTED A CHANGE, NOT A REVOLUTION

Excuse me and pardon me, but I have something to ask you. Did you vote for this?

Did you vote to reduce food stamps, make it rougher on poor people and even get rid of the 108-year-old National Aquarium?

Did you, when you voted for Ronald Reagan, have in mind making a big to-do about El Salavdor, and did you think that we had to dump a whole ton of money into the Defense Department so that we will spend $55 million on military bands but nothing for legal services for the poor?

Did you vote for block grants to the states so that they could do with federal money (not state money) pretty much what they want? Was it your intention when you went into the voting booth to eliminate the tiny national water project that costs $1.5 million a year, which helps local governments with their water and sewer problems? How about National Public Radio? Did you think you were voting on it?

I don't think most people voted for this. They sure didn't vote for Jimmy Carter, either, but what they voted for was a change—not a revolution. They voted for a bit more backbone in our foreign policy and maybe a little toughness in the budgeting process. They wanted someone to get hold of the economy and do something about inflation, and if that meant making some hard decisions, that was fine with them. But they did not vote against poor people and they did not vote to repeal the lessons we learned in blood in Vietnam.

After all, for all the talk about a Reagan landslide, he won with only 51.6 percent of the vote—hardly the groundswell it is now made out to have been. If there was a statement in those results it was that Carter lost, not that Reagan won—certainly not that he won big and certainly not that he won with a mandate to fundamentally change the relationship of the government to the people. What was expected was some minor changes, some tinkering, less liberalism, maybe, but not a crash course in conservatism. You knew with Reagan that there would be less government, but not, I think, less heart.

But the decision to end federal funding of legal services for the poor is not a budget decision. It is a policy decision. Sure, legal services cost money. (So does trial by jury.) It cost, in fact, $300 million a year, and while that's not peanuts, it is not what is known in Washington as Big Bucks. Money,

though, is not the issue. You don't scrimp on basic rights. You don't tell one segment of society that the government cannot afford to protect its rights. You don't tell poor people that, because of poverty, they have less rights than other citizens, that somehow they are less of a citizen and less of a person.

That's not economics. That's not budgetary. It has nothing to do with monetarism or supply-side theory or even this compulsive need to balance the budget. Eliminating legal services, insisting on work for welfare and cutting welfare itself is neither new nor rooted in economics. It is as old as holding the poor, all the poor, accountable for their own poverty, for seeing them as somehow having chosen to be poor, to live off the government, to bum, to be parasites. It is a demon theory of the poor—evil that must be punished. It seems that being poor is never punishment enough.

These were not the sorts of issues that were before us in the election. For that, the press must take some blame. In two highly touted debates, one with John Anderson, the other with Jimmy Carter, Ronald Reagan was not asked a single question about either legal services or food stamps or, in specifics, how he was going to reduce the welfare burden. Always, the assumption seemed to be that Reagan accepted the premise of the New Deal and the era of social legislation that followed, and that the differences with Carter were only of shading, emphasis—a dollar here, a dollar there. Even when the press got specific, Reagan responded with bromides and anecdotes.

If you are one of the people who saw through that, who knew all along what Ronald Reagan intended, then the morning papers must bring good news indeed. But for a whole lot of us, we pick it up, scan the headlines, scratch our heads and ask, "Did you vote for this?" The answer is no. But the question no longer matters.●

EDUCATORS REBUTT REAGAN'S WANT AD JOB AVAILABILITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HAWKINS. Mr. Speaker, for years the want ads have been used as proof that job seekers are not serious about wanting to work for if they really did, how could so many unfilled jobs be vacant? Such simplistic description of the complex labor market was the basis on which President Reagan recently justified his budget cuts of job training.

As officials of the American Vocational Association pointed out, it is precisely the kind of skill training being eliminated by the President's budget cuts that would help to make the want ads what the Chief Executive thinks they are.

The following news story appearing in the New York Times, March 22, 1981, is a case in point:

EDUCATORS, REBUTTING REAGAN, OPPOSE CUT IN FUNDS FOR JOB TRAINING

WASHINGTON, March 21.—President Reagan's suggestion that many people who are unemployed are ignoring available jobs has been challenged by officials of the American Vocational Association, an organization of teachers and administrators of vocational education.

Dr. Gene Bottoms, executive director of the group, told a Senate subcommittee on education, "Jobs are available. But they aren't being filled because the people seeking employment do not have the skills to qualify for these jobs."

In a White House meeting on Monday with women in Congress, the President noted that the Sunday issue of The New York Times had carried 45½ pages of help-wanted advertisements and The Washington Post the same day had 33½ pages of job openings covering a broad range of skills.

"How does a person in any one of those skills justify calling themselves unemployed when there's a fellow spending money advertising and saying, 'I've got a job. Come fill my job,'" the President said.

Dr. Bottoms said that an analysis of The Washington Post help-wanted advertisements last Sunday showed that 85 percent of the jobs advertised required "a high level of skills training."

Among the jobs advertised were openings for engineers, legal secretaries, medical technicians and therapists, computer programmers and operators, bookkeepers, accountants, draftsmen, teachers, mechanics, electricians and typists.

Dr. Bottoms mentioned the President's remarks and the subsequent analysis of job openings in urging Congress to reject the Administration's proposed reductions in Federal funds for vocational education.

The Administration seeks a reduction of 25 percent in funds for vocational education for the current fiscal year, a cut exceeding $100 million. It has further proposed a 20 percent reduction, totaling about $200 million, for the fiscal year 1982, starting next Oct. 1.

AMENDMENTS TO THE INTERNAL REVENUE CODE

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. CONABLE. Mr. Speaker, last May I introduced legislation which would amend the Internal Revenue Code to provide that the value of meals furnished by employers to employees which is excluded from income shall not be subject to employment taxes. I am again introducing this legislation to resolve a tax liability question and establish a clear understanding for employers, employees and the Internal Revenue Service of tax exposure for the payment of employment taxes related to meals furnished to employees.

On April 18, 1979, the U.S. Court of Claims handed down a decision of major importance to the restaurant and hotel industries. The action, Hotel Conquistador versus the United States, was decided in favor of Hotel Conquistador in which the court held that essentially, since the value of meals provided under section 119 is not deemed income to employees, it should not be considered wages or remuneration for employment for social security and Federal unemployment tax purposes. Previously, the Internal Revenue Service had maintained that, notwithstanding the income exclusion provision for the value of meals, the value was subject to employment taxes. Responding to the lower court's decision, the Government appealed the matter to the U.S. Supreme Court in November 1979 and on January 14, 1980, the Supreme Court denied certiorari.

On January 28, 1980, the Internal Revenue Service announced that it "will not follow the decision of the U.S. Court of Claims in the Hotel Conquistador case, and employers must continue to treat the value of such free meals furnished to their employees as wages under section 3121(a) and 3306(b) of the Code."

The position taken by Internal Revenue leaves thousands of employers across our country in a quandary. On the one hand, they have the decision of the U.S. Court of Claims with national jurisdiction and the denial of certiorari by the Supreme Court respecting the Government's appeal from that decision. On the other hand, the Internal Revenue Service has not acquiesced in this decision and publicly announced its guidelines. The Court decisions received widespread publicity consequently motivating employees to question the right of their employers to continue to withhold social security taxes on the value of meals provided them. Under this current situation, employers who pay the tax and then seek a refund are placed in a perplexing position. In order to file a claim to recover taxes paid in previous years, the employer must also, naturally, protect the rights of his employees. Consequently, he must retrace his steps and calculate on an individual-by-individual basis the amount of social security taxes withheld and also receive the permission of his present or former employees to seek this refund. This process in itself can present an administrative burden of considerable magnitude.

The likely result of this procedure is extensive litigation. It should be emphasized that while larger employers are in an economic position to litigate the issue as the refunds sought may be quite substantial and the cost of litigation acceptable, smaller employers, whose refunds may be significant, however, may find that the legal expenses associated with litigation far exceed the amount of money to be recovered. Hence, the small businessman cannot justify the costs associated with such an action, and he is clearly disadvantaged. It is unfair for our tax laws to be applied in this manner and wrong for the Federal Government to leave this situation unresolved.

The purpose of this legislation is to clarify the law and remove any doubt as to the meaning of section 119 for all employers, employees, and the Internal Revenue Service.●

HONORS FOR A DISTINGUISHED LONG ISLANDER

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. CARMAN. Mr. Speaker, when Arnold B. Hedlund retired, recently, the village of Lloyd Harbor on Long Island honored his years of service by proclaiming March 8, 1981, "Arnold Hedlund Day." There are many good reasons for paying tribute to this outstanding resident of Long Island.

Mr. Hedlund joined the Lloyd Harbor Highway Department in 1937. He became highway superintendent in 1958 and served his community with distinction for 43 years.

Mr. Hedlund's expertise and effort helped to beautify and enhance the village environment through the establishment of a recycling program and extensive service to the conservation board, the Three Harbors Garden Club, and the village park.

During his over 40 years of service, Mr. Hedlund earned the respect and affection of all by consistently doing more than was asked of him, readily volunteering the services of his staff and himself, and improving the village while, significantly, saving the taxpayer's money.

Mr. Speaker, our country needs more solid citizens like Arnold Hedlund, an outstanding Long Islander and a fine American.●

NAT HOLMAN, A TEACHER'S TEACHER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. KEMP. Mr. Speaker, I would like to call to your attention a tribute to a man who, for almost 50 years, has contributed his time and talent to instructing young people in the value of fair competition through the sport of basketball.

The man is Mr. Nat Holman, a coach for more than 60 years, and currently, president of the United States Committee for Sports in Israel. This year the USCSFI will hold the 11th Maccabean games in Israel, in early July. Mr. Holman's role in the games has allowed him to extend his values to all sports. He believes that:

Perhaps the most rewarding experience is seeing the young athletes all pulling and caring for each other. It's beautiful to see how close they all become. It's more than a sporting event. It's an intense cultural experience second to none.

Because we all can learn from this man, and from the wonderful example of teamwork, unity, and international fellowship of the games, I commend this article of February 1, 1981, to your attention:

[From the New York Times, Feb. 1, 1981]

HOLMAN, AT 84, IS STILL A TEACHER

In 1948, Nat Holman was invited to Israel to teach the nation's youngsters how to play basketball.

To say that he was qualified is an understatement; he became acquainted with the game only 19 years after Dr. James Naismith invented it in Springfield, Mass., in 1891.

Holman, 84 years old, was introduced to basketball in 1910 at New York's Savage School of Physical Education. He has taught the game for more than 60 years.

The latest challenge for Holman, who coached City College of New York for 37 years beginning in 1919 and had a 423-190 record, is the Maccabiah Games in Israel, July 6-16, when more than 3,000 athletes are expected to compete in 23 sports.

As president of United States Committee for Sports for Israel, Holman takes as much pride in the growth of basketball in Israel as he does in his many other achievemeents in the sport. He was a member of the Original Celtics, has been recognized as an innovator in almost every phase of the sport, been elected to the Hall of Fame, and is the only coach whose team (City College in 1950) won both the National Invitation and NCAA basketball tournaments in the same year.

And now he says that "more boys and girls play basketball in Israel than soccer."

"When I first went to Israel they played with their feet rather than their heads," Holman said. "There were 40 in the class and they all come to improve. In their first session, they were kicking and guiding the ball with their feet and heads like in soccer.

"I told the boys I felt highly honored to help them. I told them it was important for everyone to respond . . . to listen intently . . . to report on time . . . to feel free to ask questions at any time."

Still straight in his posture and in good health, Holman skips back and forth over 66 years of association with basketball easily. He emphasizes his role as a teacher, even though he has received—every honor that the sport could give him. Holman spoke about some of the principles he has tried to pass on to youngsters about basketball and life.

"Basketball is a game of movement; movement of the ball and the body." he said. "The big boys in the N.B.A. are so big and such accurate shooters that some of them don't bother to learn other things that could be the difference between victory and defeat. When I see some of those big fellows standing around out there, I feel like giving them a push."

"A coach can't get players to do these things unless he has their respect," he said." When I watch a team play, I see the work of the architect. "A teacher is one whose students come to class properly prepared and ready to learn. There should be no exceptions. If you want a passing mark, you have to work and work and maybe work a little more. Put that principle in the world outside basketball and it will apply."

"My teams could lose but they played good basketball," he said. "I remember seeing Hank Luisetti for the first time. I said if any of my men took a one-handed shot I would cut off his hands. I have since changed my mind. I was a hard man to convince but I tried to be flexible in my teaching." Luisetti was a star at Stanford from 1936 to 1938 and developed the one-handed jump shot.

"I am a patient man. But if a fellow doesn't think, I have limited patience," Holman said.

Holman's basketball career began on the streets of New York's Lower East Side, where he learned the body movements and rhythms that made him a great player.

"You had to move the ball and your body," he said. "They were small playing areas and you had to move fast."

Holman was a starter with the Original Celtics, the most famous barnstorming team of the era, from 1920 to 1927.

"All great players," he said of his teammates. The other starters were Marty Friedman, Barney Sedran, Dutch Dehnert and Chris Leonard, the big man at 6-4. "We had to contend with all kinds of conditions. To beat the Original Celtics could make an entire season for a team."

Holman believes that "competing is that main goal in sports." And so he sees competition in the Maccabiah Games as "a great experience in the lives of young people" and strongly endorses the principle of housing the athletes according to their sports rather than according to their nationalities.

"The big thing is to try to bring these boys together," he said. "Let 'em knock heads and then realize afterwards how important it is to be friends."

"It takes two weeks to experience the games," Holman said, "And a lifetime to remember."●

EDA—AN AGENCY THAT WORKS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. PICKLE. Mr. Speaker, the Economic Development Administration has been slated for extinction because it has been lumped in with several other agencies which do little more than give bureaucrats jobs and pass out pork barrel projects. We are being asked to eliminate this agency to help balance the Federal budget and get the Government on a more business-like footing.

But I am submitting an article from the April 2 issue of the Brenham Banner Press which reports the rewarding of an EDA grant in Brenham, Tex. The grant came only after the city and several businesses could prove that the moneys would help create jobs and benefit the city's water system. The city of Brenham worked hard for the grant—this was no handout.

EDA is one of the most probusiness agencies in the Federal Government. This article shows the agency in action and shows why the need for EDA remains.

MONEY OK'D FOR LOCAL WATER PLANT

Brenham will get $93,750 from state and federal sources to make line and pumping improvements at the water treatment plant here.

City officials were told Tuesday that Gov. Bill Clements approved funding for the treatment plant project, one of only 10 projects statewide to receive money.

Clements OK'd $75,000 in Economic Development Administration funds and another $18,750 from the Texas Department of Community Affairs.

City Manager Johnny P. Smith said the money will be used to alleviate problems in the water system that became evident during last summer's record-breaking temperatures and drought.

Mandatory outside watering restrictions were imposed here because reserves in storage tanks were being drained faster than it could be restored out of the treatment plant.

Smith said larger lines and pumps will be installed "so we can get the water into the system better."

Improvements at the treatment plant were already in the works. Smith said about $75,000 had been budgeted for upgrading the plant.

"This money," he said, "means we can do more than we had intended to do. It means we can do in one year what we had planned to do in two."

Seventy-five applications for EDA funding were initially made, said Smith. Those were narrowed down to 25 and finally to 10, he said.

Brenham was "extremely fortunate" to be funded, said Smith.

In order to get the EDA money, the city had to show that jobs would be created and how much of a financial impact the improvements would have, he said.

Sealy Mattress and Blue Bell Creameries, both of which are planning expansions, and Murray Rubber Co., which will open its 250-employee plant here soon, gave assistance in those areas, said Smith.

Other help came from local banker Tieman Dippel; Myrna Hoskins, EDA administrator with the Brazos Valley Development Council; and the O'Malley and Clay engineering firm, he said.

Smith said the city is already arranging an initial engineering and construction conference to begin the project.

The $18,750 from the community affairs department must be spent by Aug. 31 "or we'll lose it," he said.●

NATIONAL EDUCATION FOR BUSINESS WEEK

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. OTTINGER. Mr. Speaker, National Education for Business Week will be observed April 12 through April 18, 1981. I would like to take this opportunity to recognize all the outstanding institutions which are encouraging their students to participate in a program of study which will enable them to acquire fundamental skills of business management.

The observance of National Education for Business Week was called to my attention by Mr. Thomas Mucciolo of the Pace Business School in Yonkers, N.Y. The Pace Business School was founded in 1923 as one of the pioneers in the field of business career education in Westchester County. The Pace Business School continually gears itself to the individual needs of the students, while reorganizing and modernizing its curriculums to adapt to the changing needs and demands of business.

The Pace Business School moved to its present location in Yonkers, N.Y., in early 1979. The goal of the institution is to provide each student with a thorough working knowledge of business skills which will be readily adaptable to the job market.

The objectives of the school are as follows:

To provide students with an educational opportunity leading to excellence in business skills and knowledge;

To help students cultivate beneficial habits in appearance and demeanor, concern for personal well-being and sustained self-discipline;

To assist students in becoming more aware of their social responsibilities and the need to become productive citizens;

To maintain a professional student personnel and placement service designed with the student's interest as the only aim.

I salute this week of recognition for National Education for Business Week and congratulate all the business schools in Westchester County, New York State, and the Nation for their outstanding work.●

SHERIFF MELVIN STEPHENS, CRIME SOLVER

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives, a story that recently appeared in the Home-Record, Livingston, Alabama's weekly newspaper. It is a fascinating narrative about a man name Stephens, who has a remarkable reputation for catching criminals.

The article follows:

SHERIFF MELVIN STEPHENS, CRIME SOLVER

Melvin Stephens, who became sheriff of Sumter County in 1963, has been affiliated with the Sheriff's Department since 1950.

Stephens, a native of Cuba, served in the U.S. Army for two and a half years as a member of the Military Police.

"When I got out of the army I just naturally gravitated toward law enforcement," he said. "I had enjoyed being an MP and decided that I wanted to make law enforcement my career.

"I've never regretted that decision."

Stephens was Chief Deputy for Sheriff Bill Bratton in December of 1963 when four itinerate carnival workers murdered Leonard Culpepper and threw his body down a 25-foot well in the Old Town Community.

Mrs. Culpepper, who had been severely beaten, was also thrown down the well, where she remained for over 12 hours before being rescued.

Later that same month, Sheriff Bratton suffered a fatal heart attack while testifying at the preliminary hearing.

Melvin Stephens was appointed sheriff by the Governor of Alabama and has held the post since that time.

"Naturally the Culpepper Case is one of the most memorable to me," he said.

"It was an awful thing. There are several other cases I'll never forget.

"Around 1977 we had three people who called themselves Bonnie and Clyde. They murdered the service station attendant at Rooster Bridge.

"We never did get to try that case. We held the 13th murder warrant against them and the last I heard, Florida had them."

Stephens said one of his most frustrating cases was the one he calls the Black Poplar case.

"It took us seven years to solve and I don't think a day passed that we didn't work on it.

"For a long time we didn't have a body, only a missing report. We searched the woods for several weeks.

"The man we ultimately arrested and convicted had been questioned more than once, but until we found the body we didn't really have a case.

"Once the body was found, we had trouble identifying it. Eventually we traced the x-rays of an old leg injury. Dr. Hill in Bellamy had treated him when he was just a kid and had used a wire pin in his leg. When we found the x-rays, we just kept on working until we got a conviction.

"Since I have been Sheriff I can only think of one murder we didn't eventually solve. In that case we had a body, but never were able to identify it. We never even knew if the crime had actually been committed in Sumter County.

"But in every other murder in Sumter County, sooner or later, no matter how long it took, we solved the crime."

That sort of dogged, day after day persistence until the case is solved has become a trademark of Melvin Stephens and his department.

"We've acquired a reputation for catching criminals," he explained, "and that helps keep the crime rate down. Folks who commit crimes are kinda leery of doing it in an area where the law has the reputation of never stopping work until a crime is solved."

Stephens said that in light of all his experience he had to feel that capital punishment was a deterrent to crimes of violence. "I definitely favor capital punishment," he replied to a direct question.

Besides combatting crime in a 927 square mile area, Stephens and his men have many other duties. The sheriff's department serves all summons, is in charge of placing and removing election boxes, paying election officials, issuing jury summons, is in charge of the jail, and in about 95% of all commitments to mental institutions has to transport the patient.

"I've been lucky," said Stephens. "I've had really good deputies. First Larry (now Livingston Police Chief) and now Willie Gunn. Don Rainey and Steve Moore are also excellent men. And Tilla Stuckey, my secretary, takes a lot of work off my shoulders.

"Also my wife Barbara helps out at the jail. She prepares the food bills for all the prisoners that have to be sent to Montgomery and, believe me, that helps. Having been jailor, she is able to really understand the pressures of this job."

Melvin said having state prisoners in the county jail makes his job even harder. "We haven't been able to transfer a prisoner to the state in about three years," he said. "Although the state pays for them to be here, there is a lot of paperwork involved. We have one prisoner in jail right now who is serving three life sentences."

Although being sheriff is a 24-hour a day job, Melvin still finds time to raise horses and cattle. He and most members of his department are excellent horsemen and add glamour to most parades in Sumter County.

The sheriff's job is made easier, according to Stephens, by some of the modern equipment the department has.

"Take the NCIC hookup," he said. "We have recovered from $1,000 to $10,000 worth of stolen property using it.

"When I first became sheriff, we only had one car and one radio. We got money through LEPA grants to buy radios and equipment.

"Violent crimes have decreased in the 17 years I have been sheriff, but burglaries have definitely increased. We solve at least 75% of the burglaries and usually recover the property."

Stephens is very active in law-enforcement related organizations. He has served on the Board of Alabama Sheriffs' Boys and Girls Ranch, on the LEPA Board; is a member of the Sheriffs Association; a past president and presently a Trustee for the Fraternal Order of Police and is a member of the Alabama Peace Officers Association.

"Sumter County is my home," he confided. "I've been very satisfied here. We do a good job, but it wouldn't be possible without the cooperation we get from other law enforcement agencies, the district attorney, the judges and the citizens.

"I'm proud of the confidence the citizens have in this department. I've always tried to treat everyone fair and square and so have my men.

"And as long as I can help to make my county a better and a safer place to live in, I'm happy."●

DOL CARELESSNESS IN CETA TERMINATIONS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HAWKINS. Mr. Speaker, as Comprehensive Employment and Training Act (CETA) jobs are being cut by the Reagan administration, its officials keep saying "the jobs are there" in reference to some vague mystical jobs, which the CETA workers have waiting for them.

If Federal officials have knowledge of such jobs in the private sector or elsewhere, why do they not share the information with responsible local officials and assist in matching the jobs with the jobseekers?

Typical of the irresponsibility of the Department of Labor in failing to undertake proper planning in advance of its own action or to consult with congressional oversight committees which could have eased transitional problems is illustrated by the following news item from the Washington Post of March 14, 1981:

[From the Washington Post, Mar. 14, 1981]

CITY WOULD LOSE 1,000 CETA EMPLOYEES

(By Ron Shaffer)

The budget cuts that the Reagan administration wants to make in Comprehensive Employment and Training Act (CETA) personnel, announced in detail yesterday, will require the District to fire about 1,000 people, and Montgomery County to lay off 160, local officials said yesterday.

"It's going to have a devastating impact, obviously, on the city," said D.C. City Administrator Elijah B. Rogers. "You're talking about 1,000 workers and a lot of them are providing direct services to citizens. It will mean delays, longer lines, more complaints."

Officials in Prince George's, Fairfax and Loudoun counties, as well as Arlington and Alexandria said yesterday they have not had a chance to calculate the impact of the cuts on their CETA public service programs.

While the U.S. Department of Labor said that a number of agencies will be involved in trying to find jobs in the private sector for those laid off, city officials expressed doubt this could be done.

"The economy is down; I don't see where these people are going to wind up getting jobs," said Ivanhoe Donaldson, director of the city's Department of Employment Services. "It means a lot of people are going to be going on the unemployment lines. It means more pain on the street."

Federal officials have pointed out that the purpose of CETA was to provide jobs and training, not a permanent federally funded work force for local governments.

Jack Hashien, a spokesman for the Labor Department, said the government will ask chambers of commerce, major community-based groups, and others to help find jobs for the ex-CETA employes in the private market. "To say there are no jobs and these people are going on welfare is overstating it a bit," Hashien said. "The jobs are there."

The cuts announced yesterday amounted to a 36 percent reduction in federal funds to localities for CETA public service jobs. The two programs affected are Title II(d), which provides on-the-job and classroom training for the hard to employ, and Title VI, which provides jobs and training for those unemployed because of a downward economic cycle. The jobs are generally low-paying clerical positions in local governments and community-based organizations.

The Title VI cuts have to be approved by Congress. The others do not need additional approval.

The cuts, which come about halfway through the fiscal year, mean that some localities will have to terminate employes immediately because they have been spending based on higher projections. "We are now allotted $1.7 million for our II(d) program, and we've already spent $1.6 million," Rogers said.

Donaldson said that the 400 employes in the city's Title VI program will have to be released within a month, and that the 600 in the Title II(d) program will probably be gone by the middle of the summer.

Alan Kutz, Montgomery County's CETA chief, said the 160 employes that fall in those categories in his county will be terminated within about three months.●

BUDGET CUTS AFFECTING HEALTH CARE IN NEW YORK

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. WEISS. Mr. Speaker, President Reagan has presented his economic package with the stated goals of eliminating waste in Government and revitalizing the American economy. But I believe that the way he has chosen to achieve these goals promises even more severe problems for America than we now face.

While the President claims that his program provides a safety net for the truly needy, on close examination this simply is not the case. In fact, the cuts will hit hardest in the area of human services and without the strong support of Congress, health care programs will become an early target in the budget fight.

In fiscal year 1981 the Reagan budget recommends that Federal medicaid spending be capped at $100 million below the $16.2 billion that had been estimated for the year. The administration's plan to impose an arbitrary cap of 5 percent on annual growth in medicaid expenditures beginning in fiscal year 1982 would almost certainly lead to a reduction in the scope and quality of care provided to the poor of New York City. Such controls would prevent the city's reimbursement schedules from rising as fast as the cost of the medical services that are being provided. The resulting budget gap would have to be met either by a reduction in the range of health services available to medicaid patients or by an increase in the city's tax contribution to the program. It has been estimated that a 5-percent cap on growth on the Federal share of medicaid would result in a budget gap of at least $80 million to $100 million for all medicaid financing programs operating in both the public and private sectors in New York City. Estimates compiled by New York State set the loss for the city at closer to $200 million.

These controls on medicaid would also increase the annual deficit of the New York City Health and Hospital Corporation. Confronted with inadequate reimbursement funds, voluntary hospitals would have an incentive to steer more medicaid patients to the public hospital system. The voluntary hospitals may absorb a portion of this deficit, but their ability to do so is severely limited. The New York City HHC would then be faced with the prospect of either providing the additional medicaid services, thereby in-

curring a larger deficit, or scaling down the range of services it provides to medicaid recipients. The ultimate result of the administration's plan would be to block the access of New York City's poor to primary health care.

Health and social services programs will also suffer enormously under the President's program. About 40 separate programs, including community health centers, family planning services, senior centers, alcohol and drug abuse programs, day care services, and community mental health programs, among many others, would be consolidated into a single block grant to the States with an overall reduction of 25 percent in funding levels for fiscal year 1982. This cut in Federal aid would result in a loss of more than $120 million to New York City for these much needed programs. Though the social impact of these cuts is difficult to quantify, it would surely require a significant curtailment in the scope of services geared particularly to the young and the elderly, as well as a reduction in the legal and public health services available to the city's poor and moderate income residents.

Health planning activities under the Reagan budget will be extremely hard hit and in many cases would be phased out completely in the next 2 to 3 years. New York State currently receives $2.1 million to support planning and regulatory activities of the Health Planning Commission and the Office of Health Systems Management. In addition, $7.5 million is received from the Federal Government to support the eight health systems agencies which carry out planning and certificate of need functions in local areas within the State. The elimination of the HSA system will end the important role in local health decisionmaking and health advocacy that is played by these planning agencies and could have a significant impact on the State's efforts to control health expenditures.

The administration also proposes a 3-year phase out of the Professional Standards Review Organization program. PSRO's are primarily intended to be a cost-containment mechanism and a means of determining the appropriate use of health care and maintaining quality of care. All Federal support would end in 1984 beginning with a loss to New York State of $14.3 million in fiscal year 1982.

I urge my colleagues to reject the proposed program cuts which would impose serious hardship on those who rely on medicaid and a wide range of community health services now assisted by the Federal Government. I would also urge your support for a health planning system which insures citizen involvement and provides effective-cost controls on local expenditures for medical care.●

THE RADIO WAR

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. YATRON. Mr. Speaker, I would like to submit an article which appeared in the Journal of Electronic Defense, entitled "The Radio War." This informative article was authored by our esteemed colleague from Illinois, the Honorable EDWARD DERWINSKI. Mr. DERWINSKI is unquestionably one of the foremost authorities on international broadcasting in the Congress and I strongly believe that we all can benefit from his insightful observations.

The article follows:

THE RADIO WAR

Unbeknown to most Americans, we are involved in an international radio war. It is a struggle of the truth of a free society against totalitarian propaganda broadcasts on the international airways.

A large part of the threat posed to the United States by the increasing power and contentiousness of the Soviet Union lies in the area of political and propaganda activity. Mass communication is used by the Soviets to indoctrinate, mislead and confuse people throughout the world; the influence and strategic position of the United States are weakened in the process.

In addition, 330 million persons are subjected to communist regimes in Eastern Europe and the USSR, innocent victims of a rigid system of information control. The totalitarian governments of these countries methodically seal off at their borders all but "licensed" communication to deny their people access to unofficial sources of fact and opinion. International broadcasting, therefore, is a major vehicle to reach the captive people of the USSR and the satellite nations of Eastern Europe.

Unfortunately, in the past few years, the effectiveness of U.S. broadcasting to the Soviet Union and Eastern Europe has been systematically reduced, primarily due to inadequate budgets. The Soviets have achieved great success in rendering many American broadcasts into their own territory inaudible, or nearly so, through a determined jamming effort. The CIA estimates that the Soviet Union spends $300 million a year on jamming, four times what the U.S. spends on the programming itself. The truth as broadcast by the U.S. has become less audible and less competitive with Soviet lies. In this battle of truth against falsehood, we risk defeat largely due to our own ineffectiveness.

U.S. Government international broadcasting is conducted by the Voice of America (VOA), part of the International Communication Agency (ICA), and Radio Free Europe (RFE) to Eastern Europe, and Radio Liberty (RL) to the Soviet Union, supervised by the Board for International Broadcasting (BIB). VOA disseminates U.S. and world news internationally, including to the Soviet bloc, whereas RFE and RL are in effect surrogate internal news services. They serve as free versions of national news services of the countries concerned. The Lithuanian, Latvian, Estonian, Polish or Ukrainian language service of these radios, for example, operates as if it were the unfettered radio news bureau in the country where that language is used.

Maintenance of viable radio transmissions, however, requires a large number of qualified language specialists, engineers, technicians, cultural reporters, editors and news contacts. Yet RFE/RL has been forced to reduce its staff by almost 40 percent in the past seven years at the same time its basic broadcasting commitment of 1000 hours a week remained unchanged. Funding for the radios has never matched their most basic needs. During Fiscal Year 1980, for example, RFE/RL was forced to borrow DM 6 million from the West Germans for current expenses. The number and strength of our transmitters are inadequate, but instead of expanding and improving our overseas broadcasting, we have permitted it to decline.

VOA transmitters, and even more so, those of RFE/RL, are considerably overloaded. Almost every new programming demand requires a corresponding reduction in present programming. Moreover, new programming beamed to Afghanistan cannot be heard in most of that country because VOA transmitters are not located where they can reach beyond its western border areas. We should not eliminate audible broadcasts to Iran to create the illusion that we are making the effort to broadcast to Afghanistan.

Furthermore, communist jamming creates serious problems. The standards of reception for RFE/RL transmitters, as defined by the President's Report of 1977, are set at 2.5 millivolts per meter on four frequencies (in a jammed environment). In practice, existing transmitters broadcasting to East Europe provide the minimum signal strength only at the center of their service areas, much of their effectiveness being lost to listeners on the periphery of the signal range. Moreover, audience level in the entire USSR remains a mere 4 percent or 5.5 percent of the population west of the Ural Mountains.

The Administration, in its report to Congress on March 22, 1977, set forth technical standards providing for an eightfold increase of transmitter resources when a radio signal is jammed. RL has never been able to meet this standard, nor can VOA, anytime that the Soviets resort to jamming of its broadcasts. Unfortunately, the 23 RFE/RL transmitters that the Congress authorized in 1976 will not make up even half the transmitter shortage.

U.S. shortcomings in the radio war must be contrasted to consistent expansion of Soviet radio, now the most extensive and expensive broadcasting arm in the world. It is part of an estimated $3½ billion a year Soviet foreign propaganda offensive. The Soviets have not forgotten Lenin's words: "Ideas are more fatal than guns."

Soviet radios are on the air for more than 2,000 hours a week in 82 languages over 285 shortwave transmitters. They are particularly active in the Third World, spreading anti-American propaganda, contributing to turmoil and promoting violence. For example, in Iran, the USSR has been beaming inflammatory programs since 1959, doubling its hours on the air after the fall of the Shah.

Radio Moscow is the principal Soviet broadcaster to Iran in Farsi, or Persian, with 21 hours a week. Radio Baku, in the

Soviet Caucasus, is next with 17½ hours. Other Soviet transmitters which beam Farsi abroad are located in Dushanbe (7 hours) and Tashkent (3½). A Soviet clandestine radio, the National Voice of Iran, broadcasts to Iran from Baku in both Farsi (5½ hours weekly) and Azerbaijani (3½). This station poses as Iranian, denouncing US policy as "imperialistic" and "satanic," while it describes the Soviet Union as Iran's "true friend."

The USSR broadcasts to every continent. Soviet propaganda programs in English now blanket the Caribbean, relayed by powerful medium wave transmitters in Cuba and picked up on much of the East Coast of the United States on ordinary transistor receivers or car radios.

There is very little of the spirit of detente in all of this. The Soviets consider detente as peaceful coexistence, the opportunity to wage "ideological warfare" against the West, principally the United States.

In August, 1980, as the Polish crisis unfolded, the Soviets began jamming VOA and other foreign broadcasts beamed to their territory. The communist countries have long jammed RFE and RL signals but had not for some years, in the spirit of "detente," interfered with VOA. The Soviet move in this case was not, however, a spur-of-the-moment decision on the part of top Soviet leaders but must have been planned for several months, at least.

The measure was probably contemplated sometime before as a Soviet adjustment to the world reaction to its invasion of Afghanistan. It was possibly held up until the Moscow Olympics were over and the foreign visitors had gone home. It is now known that the Soviets made their 1968 decision to jam foreign broadcasts to coincide with the Warsaw Pact invasion of Czechoslovakia three to four months before the event.

Radio jamming is extremely expensive. An estimate of the cost of the Soviet bloc jamming of RFE/RL, mentioned above, is roughly $300 million a year. In the Soviet Union alone, there are 2075 jammers involved and more than 5,000 employees. A large increase in jamming, which now includes the British Broadcasting Corporation (BBC) and the Deutsche Welle (DW) foreign broadcasts to the Soviet Union, as well as VOA, means large additional costs in electric power, radio equipment, and the diversion of engineers and technicians from other work, a "brain drain" if you will.

What is more, it takes a long time to marshal the necessary resources and coordinate the jamming effort. Jamming shortwave signals must be on the same wavelengths, of course, as the broadcasts being interfered with. Inasmuch as the incoming programs are beamed on several frequencies, a good deal of coordination is required on the part of the jamming effort, all of which takes considerable planning.

Local ground wave jamming is also expensive and of limited range with only a local effect. Ground waves, mere noise, have a range of five to ten miles, thus requiring many small stations near the target areas. Every Soviet city with a population of more than quarter million has about 15 of its own local jammers of from 5 to 20 kilowatts, with associated control and monitoring sites and equipment. Larger cities have more. Airwave jamming affects more listeners and is more common than ground jamming. The jammer signal is broadcast on the shortwave band from approximately the same distance from the audience as the transmitters broadcasting the offensive programs—England, Spain, and Germany, for example. These foreign stations, and thus the Soviet jamming transmitters, are 1,200 to 2,000 miles from the intended audience groups. The Soviets must back off, as it were, between 1,000 and 2,000 miles to beam their jamming signals, which are incidentally largely music from Radio Mayak.

Nonetheless, some of the foreign transmitters are very powerful. DW, for example, uses 500 kW transmitters, broadcasting programs on several frequencies. The Soviet engineers must match the power of these signals, more or less, come on the air at the same time, and be on the correct frequency, all of which takes planning and preparation. And yet, the recent renewed intensive jamming of VOA, BBC and DW was all done with reserve capacity; no Soviet equipment was removed from the jamming of Radio Liberty broadcasts. Thus, the total Soviet interference effort is twice what it was.

Solzhenitsyn has spoken of the irony wherein cities are considered the centers of culture. In Russia, he has pointed out, foreign broadcasts are often so jammed they cannot be heard at all in the cities. If you want to hear their message, you often must leave the cities for the countryside. Muffled signals from abroad in the "muffled zone."

What are the strategic implications of the radio war? The Soviet Union maintains an iron grasp on the Russian people and on the captive nationalities of its empire. Its strategic military strength shields its continuing conquests abroad. Our old policy of containment no longer works against Soviet aggression for our strategic superiority, on which this policy was based, has been lost. Nonetheless, the Soviet empire is vulnerable. Its economic system is truly inefficient, its agriculture a shambles. Its population, and those of the captive nations, are shamelessly exploited to support corrupt and incompetent regimes. The masses out of whose hide the cost of Soviet imperialism comes are extremely susceptible to the truth. Soviet control of its own people and Russian power over non-Russian nationalities—the Ukrainians, Balts, Byelorussians, Armenians, and so forth—are eroded by the winds of freedom from abroad. In addition, there are 40 million Moslems in the Soviet Union who should have the benefit of the message of truth from abroad. These Moslem peoples are a fertile field awaiting cultivation.

It is of special interest that RFE and RL often assist the forces of internal dissent in the USSR and the satellite countries in frustrating the Communist secret police by broadcasting smuggled dissident papers and messages. Dissident samizdat efforts are multiplied manyfold when these documents are read on the air at dictation speed. Moreover, according to the AFL-CIO Executive Council, "the airwaves provide protection for Andrei Sakharov and others who have no other defense except for public prominence."

It is obvious that the massive support that the Polish people gave the workers' strike and are giving the effort to form independent unions in Poland constitute complete repudiation of their Communist government. It is also apparent that the thirst for freedom behind the Iron Curtain remains strong and unquenchable. I do not believe that the recent events in Poland would have developed the way they have without the communication provided to the courageous Polish workers by the U.S. radios, especially RFE, and those of other free world countries. In a letter to President Carter dated September 4, 1980, three Soviet dissidents now living in the West called his attention to the enormous importance of the strength and intensity of the internal opposition in the subjugated countries. They reminded the President that this opposition demands neither money nor arms from us; it asks only moral or political support, they said. They then made the point that my colleagues and I have made numerous times: all the information broadcasts to the Soviet Union cost the West less than one modern bomber.

Our friends abroad are sometimes circumspect in offering unsolicited advice, and our diplomats are frequently reluctant to report their friendly, yet critical, observation. Too much of the time, their views fail to percolate to the top. More and more, however, word reaches us that we should take off the gloves. There is nothing wrong with propaganda, they point out, as long as it is accurate.

Symbolic of our long-lived foreign information malaise was the thinking underlying the change of name, under the Carter Administration, of the US Information Agency (USIA) to the International Communication Agency (ICA). ICA cannot be merely the means for an interchange. It must not be simply an agency of dialogue. This is a hard-nosed and occasionally irrational world. Our information service must be a confident spokesman for our point of view. America should return to selling itself.

The Communists themselves suffer a major deficiency in broadcasting their message. Significant delays impede their response to events as they unfold; the top leadership must review the handling of important stories while it determines what the party line will be. It cannot thus be timely, and the West can properly fill the breech. It is often pointed out that it is not just the content of our broadcasts that upsets the Commissars, it is the constant flow of hard news.

I maintain that to wage this radio war, the US should immediately establish the optimal number and types of transmitters and their locations. Efforts should be stepped up to negotiate agreements with foreign nations with regard to locating transmitters and relays. Existing facilities should be improved; for example, most of the studio equipment at RFE/RL headquarters in Munich is more than 25 years old. Research should be undertaken on means to apply VHF satellite to the operations of the radios.

Additional qualified staff should be recruited to man the improved facilities. In some cases it takes more than a year to identify and recruit qualified staff members with the needed language ability.

A real effort should be made to reach the Soviet Moslem minorities located in Central Asia. For this we need transmitter facilities in the Middle East.

We should improve program content. We need a strong signal and a strong message.

We should reorganize the BIB and RFE/RL boards and staffs and revitalize the language desks, and we should forego plans of relocating certain language RFE services from Munich to the US.

A Spanish-language unit, Radio Free Cuba in Miami, should be established to beam the American message to the people of Cuba.

I am not alone in believing that the radios should be considered as elements in our national security. International broadcasting is an important weapon in our arsenal.

The struggle for men's minds is at stake. We have history and truth on out side, yet we let the Soviets have a technological advantage. This is a war the average American does not realize is going on, yet it is a major concern of the Soviets. We must recognize the responsibilities and challenges we face and make the policy and budget decisions necessary to gain the technological edge we need to win.●

POSSIBLE WESTERN EUROPEAN PRESENCE IN THE PERSIAN GULF

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the recent report that was prepared by the directors of four major councils on foreign relations in the United States, France, the Federal Republic of Germany, and the United Kingdom. The report is entitled "Western Security: What Has Changed? What Should Be Done?"

This report examines the challenges facing the Atlantic Alliance in the coming years and suggests several options for dealing with them. It is argued that one approach to deterring Soviet aggression and adventurism in Southwest Asia is to seek a greater Western European presence in the Persian Gulf in support of U.S. activities in the region.

An excerpt of the 48-page report, addressing this particular point which was reprinted in the March 24 edition of the Baltimore Sun, follows:

WESTERN SECURITY AND THE GULF

The United States, Europe and Japan share a vital interest in keeping Middle East oil flowing. Europe's and Japan's dependence on oil from the Gulf hardly needs further emphasis. But it would be entirely false to regard the secure supply of this oil as exclusively a European or Japanese matter. The loss of this source would also have calamitous consequences for the United States, both in its effects on the American economy and because the blow which it would inflict to the entire Western economic position would strike at the heart of America's security. It is not simply "European oil" that the United States is being asked to defend in the Middle East.

The threats to this supply come from four main directions:

The menace of Soviet military power: This Russian threat to the Gulf region is not unique in the past hundred years, nor, given the difficulty of the terrain, is it easy from the Russian point of view, to put into effect. In recent years, however, a greatly increased Soviet airlift capability and increased presence in and around the region enhances Soviet capacity to move military forces into the area. The invasion of Afghanistan has shown that this is a capacity which the Soviet Union is prepared to use in certain circumstances. Moreover, the Iranian Revolution and the Iraq-Iran war have created conditions in which the Soviet Union might be tempted to intervene.

National and ethnic rivalries: The tensions which produced the Iraq-Iran war are by no means the only ones in the area that could at some time lead to open hostilities in the region and consequent disruption of oil production.

Revolution or internal disruption: There are at least half a dozen countries in the area whose regimes must be regarded as precarious in a 10-year perspective. Any of these upheavals could lead to interruption of oil supplies.

A new Arab-Israeli war: In case of a new conflict it should be assumed that the West would continue to supply Israel with materiel and that the Arab states would retaliate with at least a partial oil embargo against the West. It is also true that even without a resumption of hostilities, the failure to solve the Palestinian problem is a permanent contribution to the instability of the whole area.

The exact role which military force should play in deterring these threats, or in coping with them if they materialize, is debatable. While the arguments are in part dependent on the detailed scenarios envisaged, a Western military presence would in itself, for certain countries in the region, have a positive political effect and a reassuring impact.

Many in the West believe that there should exist a large Western capacity to confront the Soviet Army in the area. This would not necessarily entail a large Western presence permanently stationed in the Gulf region—rather an ability to deploy a very considerable force rapidly in case of a large Soviet invasion. The main argument in favor of provision on this large scale is that no small capability would be able to hold the position without early recourse to nuclear weapons. This latter is undesirable in itself and possibly lacking in credibility. On the other side, it can be maintained, first, that even a substantial expeditionary force would be at a serious geographical disadvantage and that the nuclear threshold might have to be crossed in any case; and second, that it might aggravate the situation of the West in the area by necessitating large bases and a general "visibility" which some of the countries involved do not desire at present.

Whatever is thought of these arguments, it is clear that, given the immense uncertainties in the region, there is a need for some Western forces. The Soviet leaders have shown themselves extremely reluctant in the past to get into a direct military confrontation with the other superpower. Their knowledge that an American force with European and Japanese support, however inadequate for prolonged hostilities, was poised and ready to throw itself in the path of the Soviet advance and would therefore have an important deterrent effect.

A Western force might also prove invaluable in the face of other threats than that of Soviet military intervention. In the case of national rivalries leading to war in the Gulf area a Western naval task force able to keep open the Straits of Hormuz might well be required. In the case of domestic turmoil threatening Western interests we should need a capacity to intervene on the side of any friendly power which called for help. There are also many possible eventualities calling for a quick deployment into the area for defense of oil fields.

If it is conceded to be in the interest of all Western countries that some Western capability for deployment should exist, it follows that those who benefit should bear some of the cost of its maintenance. The question is, what constitutes a significant and appropriate contribution?

The problem here is to some extent one of public opinion, which in America tends to see Europe's willingness to take part actively in the protection of "European" oil in the Middle East as a major touchstone of the present relationship. From this point of view the more visible and directly related to the Middle East problem the European contributions, the better. Even marginal assistance from Europeans would be symbolically important in maintaining alliance cohesion, in demonstrating to the Soviets and the countries of the region that the West is united, and in persuading American public opinion of the futility of a major U.S. effort in the area. From a European point of view it is also necessary to ensure, by direct involvement, that the arrangement should be based on shared reponsibility and truly collective decision-making. A new reality needs to be given to these principles where the vital interests of the whole Western world are at stake.

These considerations point to active European military participation on the ground and at sea in the Middle East. There are political and practical difficulties about this approach. The non-American powers have very limited resources available for long-range operations, and it is arguable that for them to try, at this stage, to create a capacity which would make any appreciable difference to the military situation would cost money that would be better spent on improving the quality of their forces in the NATO sector. Moreover, in the case of Germany and Japan there are considerable misgivings inside and outside these countries about whether they should assume a global military role for the first time since the end of World War II.

For these reasons it seems best to adopt a mixed policy whereby the main burden of putting together a rapid deployment force falls on the United States, but the Europeans make some contribution in terms of men and materiel where this is appropriate (as in the case of Britain and France) and/or provide en route facilities for the American rapid deployment force, contribute to the enhancement of the existing Western bases in the area, and, by maintaining their own defence expenditures in Europe, permit some American resources to be released for the Middle East.

A European presence in the area would be politically and symbolically important. It would underline to European publics their stake in the area; it would greatly help to gain American congressional and public support for a major U.S. effort in the area; and it would therefore improve American-European relations.●

A TRIBUTE TO JEWISH HERITAGE

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. WALGREN. Mr. Speaker, our Nation is rich with ethnic and cultural diversity. As immigrants have melted into our communities, they have contributed their spirit, talents, and traditions to our national identity. As a co-

sponsor of House Joint Resolution 155, a bill proclaiming May 3 through May 10, 1981, "Jewish Heritage Week," I am pleased that the House passed this bill on March 26.

This week would be designated primarily for educational ceremonies and activities. Last year during Jewish Heritage Week, many school systems sponsored programs on Jewish history and culture, Hebrew as a modern language, the Holocaust, and current concerns of American Jews.

The months of April and May contain many events important to Jewish history including Passover, the anniversary of the Warsaw ghetto uprising, Israeli Independence Day, Solidarity Sunday for Soviet Jewry, and Jerusalem Day. Each of these events marks an important period of Jewish history that all of us, regardless of our religion or ethnicity, should remember.

During this week, while we honor the historical accomplishments of the Jewish people, we should also strengthen resolve to work on remaining problems. I believe we should also express our concern for the most recent Jewish emigrees from the Soviet Union—who seek refuge in various countries around the world from persecution in Russia. I have cosponsored House Concurrent Resolution 50, to urge the Soviet Union to release scientist Viktor Brailovsky, and House Joint Resolution 220, to award honorary citizenship to Raoul Wallenberg, who heroically rescued many in Hungary during World War II. The fate of Mr. Wallenberg is still unknown.

I hope that Jewish Heritage Week will draw attention to the successes and the stuggles of the Jewish people. Through increased awareness of diverse cultures, we will all gain a greater understanding of our national heritage and build more bonds of friendship among the many ethnic groups in our Nation.●

DESOTO NATIONAL PARK

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. IRELAND. Mr. Speaker, I have the pleasure of informing you of local voluntary efforts to cut Federal spending. Although President Reagan has not earmarked drastic cuts for the National Park Service, Richard F. Hite, superintendent of the DeSoto National Memorial, has joined the national effort for economic recovery by voluntarily trimming costs. Mr. Hite has announced his willingness to do his part by scrutinizing the operational budget, and cutting back and eliminating all but the essential visitor service and resource protection at the memorial.

I commend Mr. Richard F. Hite for taking the initiative to curb Federal spending, and I congratulate him for his active role as a Federal spending watchdog.●

THE ELEPHANT PROTECTION ACT OF 1981

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. BEILENSON. Mr. Speaker, I am introducing a bill today, along with 56 of my colleagues, to halt the massive slaughter of African elephants. The Elephant Protection Act of 1981, identical to the bill passed by the House of Representatives last Congress, would restrict ivory imports from African nations which do not curb the rampant killing of their country's elephants.

Elephant populations in Africa are rapidly diminishing. In 1970, there were an estimated 5,000,000 elephants in Africa. By 1980, the population of elephants had dropped to 1,300,000. After surviving for more than 300,000 years as a species, the African elephant is experiencing such a swift decline in numbers that it is facing extinction.

While drought, deforestation, urbanization, and competition with the rapidly increasing human population have all contributed to the fast decline in elephant populations, it is the deliberate slaughter of elephants for their valuable ivory tusks that poses the greatest present threat to Africa's remaining herds. Ivory trade alone is believed to account for 50,000 to 150,000 elephant deaths each year—deaths which are mostly brought about by inhumane methods, including rockets fired from helicopters, use of automatic weapons, and the poisoning of waterholes which indiscriminately kills all wildlife in the area.

Ivory trade has been a lucrative business throughout history and has resulted in numbers of elephant deaths at various times, even when man did not have the technical advantages over elephants which he has today. Like gold and silver, ivory is a hard currency, a commodity that increases in worth in times of inflation. Ivory that brought a trader $3 a pound in the 1960's now brings $40 to $50 a pound. International trade in both raw and worked ivory is estimated to be worth $200 million or more annually. High inflation in recent years has caused the elephant to become a most unfortunate victim of a vicious supply-and-demand spiral. As the price of ivory rises, more elephants are slaughtered. As more elephants are killed, there is increased fear that the supply will run out. In turn, fear that the supply will run out drives up the price even more.

The African elephant is following the path of the near-extinct Asian elephant. The United States has banned trade in Asian elephant ivory since 1976 when the Department of the Interior officially listed these creatures as an endangered species. Now that Africa is the sole source of the ivory trade, the African elephant is quickly following the path toward endangered status, too. It was not until I introduced a bill to ban trade in ivory from African elephants 4 years ago that the Department of the Interior took any action to protect the African elephant. At that time, Interior issued regulations listing the African elephant as a threatened species and allowing ivory imports only from countries which are parties to the Convention of International Trade in Endangered Species (CITES).

Unfortunately, Interior's regulations have not been effective. Much ivory entering this country still comes from elephants which are killed illegally, and is shipped through a vast worldwide trade in smuggled elephant products. Worked ivory from places such as Hong Kong, where large amounts of raw ivory are carved, is required to be accompanied by a reexportation document stating that the ivory was legally taken in the country of origin. However, it is almost impossible for U.S. Customs agents to verify documents which have been falsified by attributing ivory origin to a CITES member country when the ivory was actually taken in a nonmember country.

But even more frustrating than the falsification of documents is our Government's failure to deal with obvious fraud in elephant imports. Two years ago, when the House Merchant Marine and Fisheries Committee reviewed some ivory import documents obtained from the Department of the Interior they found some declarations listing "Africa" as the country of origin, and other declarations listing "Kenya," a country which has banned the export of wildlife products since 1977. The ivory listed on these documents, and on other obviously erroneous or fraudulent documents, successfully entered the United States.

Clearly, stronger action is needed to halt the destruction of the African elephant than what is being taken under current law, and we must act quickly while we still have a chance to reverse the decline of these magnificent animals. During the last Congress I worked with members and staff of the Merchant Marine and Fisheries Committee to devise a way to end our Nation's participation in the slaughter of elephants and to establish a system whereby those countries which successfully manage their elephant populations are recognized and encouraged.

I believe, as do numerous environmental and animal protection organizations whose representatives testified in support of this bill, that the legislation we developed would do just that.

The bill I am introducing is identical to H.R. 4685 of last Congress—except for necessary date changes. With strong, bipartisan endorsement from the Merchant Marine and Fisheries Committee, this bill passed the House of Representatives on December 19, 1979. In the Senate, the Subcommittee on Resource Protection held a hearing on this bill in June of 1980, but Senate consideration of it was stalled as that Chamber prepared for adjournment.

Briefly, the bill would do the following: First, it would impose a 6-month moratorium on the import and export of any elephant or elephant product to or from the United States. The moratorium would apply to both worked and raw ivory, whether the ivory comes directly from an ivory-exporting country or from an intermediate country which works the ivory and reexports it. During the 6-month period, however, 10,000 pounds of ivory would be exempt in order to allow the 1,000 to 3,000 scrimshaw artisans in this country to practice their skill and maintain their livelihood. Ivory for this purpose is unavailable from any other source. In addition, during the first 90-day period, the bill would exempt worked ivory purchased abroad by tourists which is not intended for resale.

During the moratorium, the Department of the Interior would develop a permit program to allow ivory trade with countries which meet strict criteria. Permits would be granted for ivory originating in countries which have strong elephant conservation programs and sound recordkeeping for their ivory exports. Permits would be issued for ivory from intermediate countries only if the reexporting nation has sufficient recordkeeping requirements to insure that the nation of origin can be determined.

Provisions are made to assist the Department of the Interior in enforcing restrictions on ivory trade. In order to allow Interior to concentrate its enforcement efforts, elephant product imports would be limited to the Ports of New York and Seattle. Violators would face stiff penalties: First-time offenders would be subject to a civil penalty of $10,000 and a criminal penalty of $20,000 or 1 year imprisonment or both. Second-time and subsequent violators would face stronger penalties.

Exempt from coverage of this bill would be imports and exports of elephants and elephant products for zoological, educational, scientific, or exhibitional purposes; keyboard ivory which is part of a musical instrument; and elephant trophies taken by sports hunters, provided that the imported item is well-documented and taken in compliance with the laws of the host country.

Our bill would take an additional step to aid conservation of elephants. It would direct the Secretary of State to establish programs to assist nations in protecting habitat for elephants, and in developing and implementing elephant conservation and management programs. This would help those nations which want to conserve their elephant populations but simply do not have the capability to develop a program without outside assistance.

Funding for this bill would be authorized for the next 4 years—fiscal years 1982–85—at the following levels: For the Department of Interior's enforcement program, the bill would authorize $1.5 million for fiscal year 1982, and $2 million for the 3 subsequent fiscal years; for the State Department's conservation assistance program, the bill would authorize $400,000 in fiscal year 1982, $4.7 million in fiscal year 1983, $5.5 million in fiscal year 1984, $7 million in fiscal year 1985, and $0.7 million in fiscal year 1986.

The proposals contained in this bill present a better approach to reducing elephant deaths than would a complete ban of ivory trade such as I have advocated in the past, because they take a more positive approach to solving problems of elephant conservation. This bill's distinct advantage over a ban on ivory trade is that it provides a means to implement conservation programs in ivory-exporting countries, and gives countries an incentive to conserve their elephant populations: We reward them by permitting their ivory to be imported into our country. It also refrains from punishing those in industries for which there are no substitutes for elephant ivory—in particular, for scrimshaw work and musical instrument keyboards.

It would be unconscionable to allow our desire for unnecessary luxury items such as ivory carvings and jewelry to continue to contribute to the inhumane, extinction-threatening slaughter of the largest land mammals in the world. We can help put a stop to this large-scale destruction of the African elephant. Passage of our bill will be an important step toward doing so.●

THE ATLANTA SITUATION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, first of all, I would like to commend Congressman WYCHE FOWLER for providing the time for this much needed discussion of a very critical issue. The slaying of over 20 children in Atlanta, Ga., is clearly indicative of the sickness which is eroding the fibers of our society.

Violence is becoming more and more a way of life throughout our Nation. The Atlanta slayings and related attacks against children are very cogent symbols that we are moving further away from the highest regard for human life.

It frightens me deeply to acknowledge the significant psychological damage which is growing among all children due to the recent incidences. While the victims of these murders have all been black, it is no secret that such acts of violence do not discriminate. The fundamental question we must face now is that any child may be forced to live in fear during every phase of a day's activity. Surely, the increased number of weapon-carrying schoolchildren; momentary periods of panic if a parent is late picking up a schoolchild; and decrease in academic achievement, are not peculiar to the findings of several Atlanta psychiatrists, psychologists, and mental health officials. The feelings of distrust, fear, and apprehension will spread among all of our Nation's children as they begin to dread functioning in everyday environments. This is a sad outlook for our future.

Another fundamental question which is magnified in the minds of those who fear for human safety, is the continuing focus away from human needs. We are forced now to question if whether or not the evils of poverty, deprivation, and unemployment may be so deep rooted in our society that respect for human life becomes secondary to mere survival. We are also forced to question the validity of continuous violence as romanticized and glamourized on our television and movie screens.

The situations in Georgia, Florida, Maryland, and throughout most regions in this country leave us frustrated and angry. They leave us to question the basic responsiveness of authorities who must become more adamant in the protection of human lives. However, they must not lead us to take the law into our own hands.

The widespread acts of violence must also remind us that the protection and preservation of human lives are cross-jurisdictional. When as many as 21 lives are lost, it cannot be pegged as a State or local government matter. Both the President and the Congress realized this, and I laud the dispersal of Federal funds to Atlanta, and the efforts to appropriate $1.5 and $1.8 million for use by this city.

We have to examine closely the climate that motivates and encourages psychotic violence. The violence of

racism, the aforementioned influence of television and movies, and the violence of war and militarism—all of these inevitably get reflected in individual behavior to a greater or lesser degree. The psychotic killers who murder our children in Atlanta or anywhere else are victims of this climate and have apparently been affected to a greater degree.

We cannot excuse this behavior. However, we can and must deal squarely with the environment which fosters such actions.

Several sociologists tell us that most of the slain Atlanta children come from public housing neighborhoods which are more vulnerable and conducive to human mistreatment, abduction, and even death. Such conditions and incidences are not limited to this region of the country. Right here in Washington, D.C., children from low-income housing projects are becoming more and more susceptible to conditions of drug abuse and molestation. Here, the elimination of unemployment, underemployment, and poverty must precede the eradication of such criminal acts.

It is not easy to warn the blacks of Atlanta to stay away from theories that the acts of violence against 21 black children are conspiratorial in nature or racially motivated. The pattern of systematic murders, rapes, additional overt and covert actions against black citizens in the South and throughout this country is still just too prevalent. However, we must assist in the efforts of Mayor Maynard Jackson, the numerous task forces, and concerned citizens in addressing the problem in a rational way.

Again, until we eliminate the fundamental societal ills, we cannot be shocked at deviant behavioral patterns of violence, irresponsibility, and total disregard for human lives. There is little help in calling on citizens to care about each other when increasing inequities among neighborhoods, schools, living standards, and opportunities have become a way of life.

Those of us who are in a position to impact on public policy must stand firm against further inequities and burdens on our children, elderly, and low-income citizens. We must promote the kind of solidarity which has been displayed as citizens across the Nation have rallied behind the victimized Atlanta families. Most importantly, we must not be afraid to oppose and openly attack racism, chronic unemployment, poverty, injustice, and other societal ills which cloud any efforts to provide equal opportunities for each and every citizen.●

GAINESVILLE JUNIOR COLLEGE

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. JENKINS. Mr. Speaker, it is with pleasure that I offer my personal tribute to an outstanding junior college basketball team that has recently completed a championship season.

The Gainesville Junior College Lakers of Gainesville, Ga., were crowned as the 1981 Georgia champion, earning a berth in the National Junior College Tournament held in Kansas this month.

The Lakers posted a 22–8 season under the tutelage of Coach Mike Nordholz.

A remarkable fact exists with the entire athletic program at Gainesville Junior College. It is the only nondormitory junior college in the university system of Georgia which supports a full, intercollegiate athletic program.

The 1980–81 team members were: Sam Beasley, Rex Ellington, Dwayne Dorsey, Billy Joe Wright, Keith Porter, George McKinney, Mitch Chapman, Doug Mahaffey, Doug Lipscomb, Denver Byrd, Lonnie Conner, and Yolando Giles. The student managers were: Ricky Campfield, Bobby Maxwell, and Sid Bramblett. I am proud to contribute this salute to these champions at Gainesville Junior College.

Gainesville Junior College president, Dr. Hugh Mills, Jr., recently stated:

Many of us who have come up through athletic competition find that we are able to take both the hard knocks and the victories of life much more positively because of this competitive training in our youth.

I appreciate the fine work and high ideals that have been set by the Gainesville Junior College administration, faculty, staff, foundation, and students.

I am confident that many more victories are headed their way.●

ABORTION—APRIL 7, 1981

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. WEISS. Mr. Speaker, the debate in Congress over a woman's right to choose abortion still persists despite the Supreme Court ruling affirming this right in 1973. In an effort to circumvent the Court's decision, antiabortion forces shifted their sights and sought to deny medicaid funding for poor women for abortion services.

More recently these activities appear to have broadened again to ban abortion entirely through a new approach—that is through a statutory or constitutional definition of when life begins, which in the view of this minority is at conception. Survey after survey has shown that the majority of Americans support the right to choose abortion. I strongly believe that the Congress would be infringing on this constitutional right by enacting into law the religious or moral views of only one segment of the population. The repercussions of such misguided action could be devastating not only to our system of criminal and civil law, but to the constitutional issue of separation of powers between the legislative and judicial branches of Government.

The following article by John Hart Ely and Laurence Tribe appeared recently in the New York Times and clearly outlines the dangerous precedent that would be set by congressional action overriding the decisions of the Supreme Court. I urge my colleagues to consider the constitutional as well as public policy implications involved in any congressional move to restrict reproductive freedom for women.

LET THERE BE LIFE

(By John Hart Ely and Laurence H. Tribe)

CAMBRIDGE, MASS.—Sometimes it's hard to keep up. First it was life created in a test tube. Then patented life forms. And now we're told that all Congress has to do is pass a statute redefining "life"—by declaring fetuses to be "persons" from the moment of conception—and, presto, Roe v. Wade, the United States Supreme Court 1973 decision preventing legislative interference with abortions until late pregnancy will disappear. No muss, no fuss, and, most important, no struggle for all the votes it would take to amend the Constitution the old-fashioned way.

The two of us have been on opposite sides of the debate over the constitutional legitimacy of Roe virtually since it was decided. But we have no trouble at all agreeing that this formula for overturning it is badly misguided. It won't work, and it's a good thing it won't.

Even if it were offered in the form of a constitutional amendment, it would be at best an unpredictable vehicle for overruling Roe. If fetuses really are to be regarded as persons from the moment of conception, that would seem to require states to punish rape victims who get abortions as murderers and the druggists who provide them morning-after pills as accomplices to murder. If, on the other hand (as certainly seems likely) the statute's proponents assure us that they don't mean that—that some distinctions between the extinction of fetal life and the extinction of other life can still be drawn—it could then become at least arguable that the goal of overruling Roe had not in fact been realized.

Let's suppose, though, that the Supreme Court would uphold a ban on abortion on the strength of a "fetal life" amendment to the Constitution. It doesn't follow that a mere act of Congress could accomplish the same result. The point of Roe v. Wade was not that the Supreme Court had too little "scientific" information about when life began or what a fetus was, but rather that the Government, merely "by adopting one

theory of life," could not "override the rights of the pregnant woman." For Congress to proclaim the theory that a fetus is a person from the very beginning would leave this constitutional calculus unchanged. It was a question of rights, not an issue of biology or a matter of definition, that Roe resolved.

Congressional power to rescue an otherwise unconstitutional law by the expedient of redefining the terms of the 14th Amendment would have the dizzying implications well beyond the abortion controversy.

Should we make it as easy for Government officials to sue for libel as it was before The New York Times v. Sullivan, which barred damages for defamation of public officials in the absence of deliberate or reckless falsehood? That's simple enough: Congress need only announce that one's "liberty" of reputation demands that any publisher of libelous matter about an official be strictly liable for every falsehood. How about bringing back the racially restrictive convenants that were common before the Supreme Court in 1948 held them to be unenforceable? No problem. Just have Congress define judicial refusal to enforce racial restrictions on real-estate sales as a "deprivation of property." Yearn for the halcyon day when coerced confessions were admissible as evidence? Easy. Congress proclaims that from here on releasing any defendant on the ground that his rights were violated will be deemed to deprive all members to the public of their "Liberty" from fear.

Indeed, why not skip all the bother and just let Congress redefine "due process of law" to include "any law Congress or a state legislature approves." It hardly matters—once Congress can defeat liberty by definitional fiat. Reducing the Constitution to whatever those in power want it to mean is an awfully high price to pay for making Roe disappear. We're all lucky—supporters and opponents of Roe alike—that such a gambit won't work.

Senator Jesse A. Helms wasn't conceived yesterday, and his constitutional advisers undoubtedly have explained to him why an attempt to overrule Roe V. Wade by statute must fail. Obviously, the idea is to score points with the "pro-life" constituency at the expense of the courts, which, as the senator well knows, will have no choice but to strike the statute down. When Roe was decided, many screamed—including one of us (Mr. Ely)—that the Court was playing politics. With treatment like this at the hands of the Congress, what else can we really expect?●

USEFULNESS OF THE SOCIAL AND ECONOMIC SCIENCES

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. WALGREN. Mr. Speaker, funding cuts proposed by the Reagan administration in the National Science Foundation are more than an attempt at budget trimming and prudent management. They exhibit a view that could destroy some of the social and economic science research activities we clearly need to assist in the solution of our Nation's problems.

Critical national problems of the 1980's such as productivity and energy have major social and economic elements. The Japanese application of social science principles, mainly of American origin, to problems of industrial management illustrates how innovation in social organization for manufacturing and marketing can lead to increased productivity and economic gain.

The February 13, 1981, issue of Science contains an eloquent editorial by Dr. Kenneth Prewitt titled: "Usefulness of the Social Sciences," which I would like to call to the attention of my colleagues.

USEFULNESS OF THE SOCIAL SCIENCES

National attention has turned to the productivity, the performance, and even the profitability of science. Measured against such criteria, how will the social sciences fare? Quite well, I believe. Close scrutiny will disclose substantial contributions to economic growth and the public welfare. For instance, numerous well-established industries now market technologies that are derived from social science research: demographic projections, programmed language instruction, standardized educational testing, behavior modification, man-machine system design, political polling, consumer research and market testing, management consulting. Just as medicine draws upon biological research or electronics upon physics, government and management draw upon psychology, economics, demography, geography, and other social sciences.

In addition, the social sciences have vastly extended the observational powers of contemporary societies. Advanced industrial nations are commonly described as information societies in reference to their systematically collected information about the human as well as the physical environment. Human actions and the meanings attached to them constitute the most dynamic and complex of all those environments in which markets sell, banks invest, businesses produce, governments govern, and families plan. Monitoring the ever-changing human environment is a task approached through a variety of tools and disciplines of the social sciences: economic indicators, demographic trends, national statistical systems, historical research, time-series analysis, input-output matrices, developmental psychology, area studies, political geography.

Of course, the public importance of the social sciences, like that of the biological and physical sciences, is not limited to their accomplishments as observational sciences or to a list of industries that market their technologies. It is through theories and intellectual constructs that the sciences realize their greatest potential. In the empirical regularities they reveal, the counterintuitive questions they ask, the contingent associations they discover, and the successive layers of meaning they uncover, the social sciences conceptualize and thereby render accessible to human intelligence a wide array of economic, social, political, and cultural phenomena. Ironically, the social sciences seldom get full credit for their theoretical accomplishments, because the discoveries, once labeled, are quickly absorbed into conventional wisdom. This is easily demonstrated; note the number of social science concepts common to our vocabulary: human capital, gross national product, identity crisis, span of control, the unconscious, price elasticity, acculturation, political party identification reference group, externalities. Obviously, the phenomena revealed through such concepts existed prior to the relevant research, just as DNA, quarks, and the source of the Nile existed prior to their discovery. Yet concepts generated through research are discoveries that make phenomena intelligible and accessible that previously were inaccurately or incompletely understood.

That the tools and concepts of social science work their way into public discourse is a matter of some national importance. Regulatory policy, for example, is seldom discussed without reference to cost-benefit analysis. It is with models from economics and demography that the financial base of Social Security is being examined. Evaluation research is called upon to demonstrate program successes or failures. Game theory provides a vocabulary for looking at shifting international alliances. The current national discussion of productivity will make use of research on topics such as investment and savings behavior, management of complex organizations, competency testing, international labor migration, or human creativity.

In just a few decades the social sciences have accomplished much of practical significance. With continued public and private support, much can reasonably be expected in the decades to come.●

THE ILLUSION OF AMERICAN OMNIPOTENCE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mrs. SCHROEDER. Mr. Speaker, Dennis Brogan's call for prudence, above all, prudence, in the conduct of foreign affairs, is as warranted today as it was in 1952.

Part II follows:

IV

At first sight, the growing American distress at the continuance of the Korean war seems to show something very different from a sense of omnipotence. It shows, indeed, a sense of frustration, dismay, bewilderment. To find hundreds of thousands of American troops fighting in a remote country, seven years after "the end of the war," is baffling enough. To suffer over 120,000 casualties in such a situation is worse. The Korean war is already, in terms of losses, the third most serious war in American history. An American mother lamenting the fate of her son is a figure to inspire sympathy and understanding. It is natural that the American people should want, not on any terms but on some terms, an end to the Korean war.

But in addition to this common and natural sentiment there is another American attitude that is less defensible and decidedly dangerous. It might be likened to the attitude of the prosperous and pompous citizen who, in a jam, firmly tells the cops, "You can't do that to me." Many, very many Americans, its seems to me, find it inconceivable that an American policy, announced and carried out by the American government, acting with the support of the American people, does not immediately suc-

ceed. If it does not, this, they feel, must be because of stupidity or treason. That the Chinese Communist government should defy—and successfully defy—the policy of the United States, seems to them to fly in the face of a truth which they hold to be self-evident.

Yet such situations exist and may well continue to exist. It is by no means certain that American forces will easily be withdrawn from Korea, or even that they may not have to take part in other wars of that kind. Mrs. Kathleen Norris can no more alter that fact than Senator Taft can really guarantee to keep the military budget to a fixed proportion of the total. In the great power vacuum created by the decline of Europe, the United States is forced, and will be forced, to do a great many disagreeable things—or to surrender. This is a new story for the United States, but it is an old one for Europe. What the American people are enduring now is what the French, the English, the Russian peoples, even the Spanish and Italian peoples, suffered in the process of extending or trying to retain their empires.

But, it will be objected, America is not trying to extend an empire; she is defending public order and morality in Korea. This is very different from the piratical adventures of the old world, from the French in Africa, the English in India, or the Russians in Samarkand or Armenia. Morally, this is true. But, just as the purity of the American cause does not win all American families to an acceptance of the Korean war as necessary and tolerable, so the moral turpitude of European enterprises added very little to the burden of empire. And that burden was heavy in terms of lives lost.

It has been calculated—and I do not think it is an improbable calculation—that the French conquest of Algeria cost the French 150,000 lives. (What it cost the Arabs, resisting civilization, no one has paused to compute.) I don't know what the British wars in India cost either in great battles, in minor battles, or in disease, but they cost plenty. Even the British peace, imposed on India, cost plenty to the 100,000 white troops permanently garrisoned in that remote, unhealthy land. Do you think it mattered to a French mother that her son, dead in Algeria, was an agent of imperialism? All she knew was that he had paid what Marshal Gouvion Saint-Cyr candidly called a blood tax. And the same story can be told of Indochina seventy years ago—and now. It is one of minor themes of a once-famous novel, Loti's Pêcheur d'Islande. "It's a long way to Carcassonne," said the soldier of the Grande Armée, dying in the snow on the retreat from Moscow; and it is a long time since Vergil made the dying Greek remember sweet Argos.

Morally justifiable—indeed, morally splendid—as the American action in Korea on behalf of the United Nations may be, and urgent as the need may be to find an honorable way out of the predicament in which she finds herself, what Americans are paying today is one of the normal prices of being a great power, of bearing the burdens as well as enjoying the advantages of power.

Again, I have no intention of minimizing the horror of the Korean War. I was in New York in December 1950, when it was still not certain that the Marines would get out of the trap sprung on them in North Korea—when, indeed, it was not certain that many of them would ever get home. I felt passionately with the American people. And the situation is not purely American. In a year and a half, my eldest son will be in the army and may be in Malaya or Korea. It is a painful story. But it is an old one.

v

Another aspect of the "you can't do this to me" mentality—which, in turn, is an aspect of the illusion of omnipotence—can best be studied in the writings of Mr. David Lawrence of the U.S. News & World Report. To Mr. Lawrence the Korean war, the loss of American lives in it, is not merely painful but unendurable. It must be put an end to, and one of the methods suggested has a real interest—to me a pathological interest. If I understand Mr. Lawrence aright, in order to diminish Communist pressures on the Americans in Korea, Poles and Czechs are to be encouraged to acts of sabotage if not of active revolt, and a "resistance movement" is to be subsidized, with a view to diverting Russian or other Communist resources from Korea—that is, from the Americans in Korea.

This modest proposal deserves examination. Mr. Lawrence apparently does not pretend that the United States proposes to do anything more to liberate Poland and Czechoslovakia than to encourage and equip saboteurs. He does not pretend that such activities, in themselves, will bring down the Stalinist regime. They will, he hopes, cause such inconvenience that the heat will be off the Americans.

It is obvious that Mr. Lawrence does not know very much about resistance movements, or the means open to a totally ruthless government to repress resistance movements. He may have heard of Lidice, of Warsaw, even of Oradour-sur-Glane. But the meaning of those episodes is lost on him (and on many other Americans). To save the lives of Americans, to relieve this new and heavy but not intolerable pressure on American society, Poles and Czechs are to risk—for themselves and for their families and, if it comes to a pitch, for their countries—total destruction, the execution of hostages, the annihilation of whole villages, possibly the fate of the peoples of the three Baltic states, of whom we do not even know that, as nations, Lithuania, Estonia, and Latvia exist any longer.

These nations, and more especially the Poles, have undergone experiences that not one home-staying American in a hundred thousand, perhaps in a million, can really comprehend. The liberation of Poland, on these terms, might mean the end of Poland. And the Poles are not even promised liberation; merely the satisfaction of annoying the Russians and relieving the Americans. If the United States were in mortal danger, patriotic Poles might be willing to take great risks to aid her, since in American survival "the only hope of freedom lies." But she is not in mortal danger; she is in what a Pole who has known first German, then Russian rule, can hardly regard as more than acute discomfort. To ask the Poles to act, at such risks, to diminish this discomfort is something pardonable only on the grounds of invincible ignorance. And it is something that Americans could hardly seriously recommend unless they saw in the situation a denial of one of "the Laws of Nature and of Nature's God," namely, the immunity of the United States from the common ills of this distressed world.

For it should be evident that only if the United States is willing, in a reasonably short time, to undertake, by general war, the liberation of the captive nations, has any American any business urging kinds of resistance which can pay only in the event of a general—and successful—war. Even were the United States to proclaim such a policy, the problem of encouraging resistance is not a simple one. It can be argued, for instance, that the damage done to France by the resistance movement there—from the torturing and burning of victims to the demoralization that some resistance methods fostered—was far more serious than any damage done to the German occupiers. The only justification for disregarding that calculation was a moral one: that if France took no part in her own liberation, she could not, in fact, be liberated; all that could be done was to expel the Germans, which was not the same thing. But even so, the appeals of General de Gaulle and others, and the organization from London of all sorts of resistance activities, were only just tolerable, because they were not only a means of saving English lives but also of saving French souls.

This is not to say that everything possible should not be done to keep alive hope, the Western tradition, the national tradition in the captive nations. A permanently hostile Poland or Czechoslovakia is a double weakness for the U.S.S.R., a possible future military weakness and a present propaganda weakness. But there is a world between the policy advocated by John Foster Dulles and that advocated by those Americans who say, "This can't go on." It may, and no amount of asserting that it can't will alter the fact.

When policies are advocated on the ground that they will "save the lives of American boys," the implication sometimes seems to be that only the lives of American boys really count. It is often forgotten, in this world of short memories, that one justification of Yalta, of the coaxing and bribing of Stalin to enter the Japanese war, was the saving of the lives of American boys. To save the lives of American boys is a high object of policy indeed. It is one of the marks of a democracy, or of a free government, that the military and political leaders can be held to account on that one point. As the Duke of Wellington pointed out, Napoleon could spend his conscripts as he liked, while Wellington might be summoned to the bar of the House of Commons if he threw away the lives of five hundred British soldiers. But that is a very different matter from giving the impression that American lives, as such, are of any special importance; that, as an American friend of mine put it in some unpublished verses;

Clean-limbed American boys are not like any others.
Only clean-limbed American boys have mothers.

Their lives are of special importance to Americans, but not to the people of other lands. And there would be widespread resentment over the thoughtless implication that it is the first duty of Poles or Czechs to save American lives.

These are hard sayings and they are negative sayings. But they may not be useless all the same. Only by constant vigilance, prudence, willingness to take the long view and to assess the situation, even in its most unpleasant, frustrating, and dangerous aspects, can American policy succeed—succeed in preserving the freedom of the United States and the freedom of other nations as a means to that end. There are no quick, sure recipes for security and power. The Kremlin hasn't got them; the White House will not have them either. This means that the American people will have to learn a great many new attitudes. (They learn fast,

as the history of the world since 1939 shows.) They will have to learn that, even in election years, the world cannot be altered overnight by a speech or a platform. Only by accepting this depressing truth can American power, great, flexible, and beneficent as it is, be used to full advantage.●

RECOMMENDS INCREASE IN AUTHORIZATION

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. SCHUMER. Mr. Speaker, I am pleased to join my colleague from Texas, the distinguished chairman of the Subcommittee on Housing and Community Development, in introducing this measure. Although the stated purpose of the bill is to increase the authorization for public housing operating subsidies, the real purpose is to save our Nation's public housing authorities (PHA's) from nearcertain financial disaster.

I will illustrate the gravity of the situation by describing the financial condition of the housing authority in my home city of New York. Due to the underestimation of inflation and utility cost increases, funds appropriated by Congress for fiscal year 1981 have filled only 85.5 percent of PHA's HUD-approved need. This left the New York City Housing Authority with a $31 million deficit, and PHA's nationwide with a deficit close to $165 million. When the Reagan administration decontrolled the price of oil, the New York City Housing Authority's deficit instantly rose another $12 million, to $43 million. The administration has proposed that States cover this deficit with funds they received for low-income energy assistance. In New York, however, the State can provide only $12 million, because the rest of the funds it received under the program already have been spent or allocated to others. This leaves the original $31 million deficit, and no possibility of additional State funds.

Public housing is frequently thought of as a big-city problem, but all housing authorities—large and small—are feeling this squeeze. PHA's across the country have already cut programs, deferred needed maintenance, and depleted their operating reserve funds to dangerously low levels. Many face the unpleasant choice between bankruptcy and not filling vacated units. I suggest to my colleagues that you can easily confirm this by calling up the heads of the housing authorities in your own district.

The Nation has an investment of $20 billion in our public housing stock. Public housing provides a necessary service to the elderly and poor of our country, especially at a time when rents are skyrocketing, vacancy rates are at an all-time low, and the construction of unassisted rental housing for low- and moderate-income people has virtually halted. It makes no sense to allow this resource to deteriorate. If we do not fund the operating subsidy program adequately now, it is likely that in the long run we will just have to pay more than we are requesting today.●

REDUCING GUN VIOLENCE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. MAZZOLI. Mr. Speaker, once again, the debate about gun control has been revived as a result of the recent despicable attempt on the life of our President.

But, regardless of which side of this emotional issue one adopts, it is conceded by all that gun violence in this country must be reduced.

While there is no one simple solution to this vexing problem, I would like to call to the attention of my colleagues an article written by Prof. James Q. Wilson and Mark H. Moore which appeared in the April 1, 1981, edition of the Washington Post. It makes many important and interesting points well worth our consideration.

The article reads as follows:

ENFORCING THE LAWS WE HAVE

(By James Q. Wilson and Mark H. Moore)

Every publicized shooting revives the debate about gun control without bringing the debaters closer together. The deaths of Dr. Michael Halberstam and John Lennon, and the attempted assassination of President Reagan, like the death of Robert F. Kennedy and the assault on George Wallace, stir emotions but produce no consensus. When people think an issue important but can make no progress toward resolving it, it is probably time to rethink the way in which they define it.

Essentially three views are in contention. One is to do nothing: Guns do not kill, people kill. A second is that a handgun exists only to kill and its production and possession should be tightly restricted. A third is that certain kinds of violent encounters are more likely to have lethal consequences if guns happen to be readily available and that society ought to devise ways of reducing that availability among people likely to be involved in those encounters.

The first view is correct but misleading. People pull triggers. And some triggers are pulled by people so determined that the gun is merely a tool. But many crimes are committed by persons without clear or strong intentions—persons who are enraged, drunk or looking for trouble. In such cases, people let the means at hand determine what kind of force they will employ and against whom.

The second view is wrong, unfeasible and impolitic. There are handguns in at least one-fifth of all American households. The vast majority of these weapons are never used to threaten or injure anyone. Banning the production of new handguns might prevent that stock from increasing. Buying back existing guns might reduce that stock slightly, but it would be enormously expensive and, without production controls, futile. Larger reductions would require confiscation. And even if all these policies were adopted, and even if the reductions in ownership were great (say, by 50 percent), the remaining guns would easily support current rates of robberies at gunpoint for a decade.

But none of these policies is likely to be adopted, and for reasons having nothing to do with the presumed power of the National Rifle Association. The average legislator simply cannot afford to come before his or her constituents with the following proposal: "Your government, having failed to protect you against crime, now proposes to strip from you what you regard as an effective means of self-defense as well as an enjoyable hobby." Never mind whether the belief about self-defense is true; gun ownership, from the First Lady to the average citizen, is testimony to the unshakeable power of that belief.

The third view is one that we wish policymakers to take more seriously than they have. We should recognize that people have a right to own guns but do not have the right to use them criminally. Moreover, we think that people who are found in possession of guns while committing a crime or participating in a violent dispute should lose both the gun and their freedom. Finally, we think that the police should be more active in intercepting the traffic in contraband guns and apprehending people carrying unlicensed guns in public places and that judges should deal with them more severely.

Federal and state laws now make it unlawful for convicted felons, ex-addicts, and mental defectives to possess a handgun. Moreover, in many states and most big cities, it is illegal to carry a concealed handgun except for a small number of people with police permits. The laws governing possession might usefully be tightened even further—for example, by denying handguns to people convicted of violent misdemeanors (such as assault) or of chronic public drunkenness. The real problem, however, is to motivate the criminal justice system to take these or better laws seriously.

To see what this involves, it is first necessary to understand the different situations in which a weapon affects the outcome of a violent encounter. The first involves disputes—family quarrels, barroom fights, street corner brawls among "friends." The traditional police response to such disputes is to pacify the opponents, perhaps separate them for the night and occasionally make an arrest if the assault seems to be serious, the officer's authority is challenged or the "victim" clearly intends to press charges. Who is the "victim" and who the assailant in these disputes is often hard to decide. The victim may simply be the person who lost the fight.

There is strong evidence that the presence of a gun in these situations raises dramatically the chance of a lethal outcome and that people who regularly engage in such disputes are much more likely than others of similar incomes and circumstances to be responsible for, or the victim of, a homicide, yet there is equally strong evidence that communal disputes are not taken seriously by the criminal justice system. Either no arrest is made or the charges are dropped or the sentence is trivial. This is understandable, given the constraints: If only a simple assault (a misdemeanor) has occurred, the police cannot lawfully make an arrest with-

out a signed complaint. And even if a complaint is forthcoming, the victim is likely to change her (sometimes his) mind the next day. Without an arrest, a search for a seizure of weapons is difficult, if not impossible.

We suggest that state law and police practice be amended so as to take violent disputes more seriously. Following the lead of Minnesota and other states, the police should be empowered to make arrests in these cases if they have probable cause to believe an assault has occurred, even if the assault is not felonious. Following the policy of the New York Police Department, officers should be encouraged to make arrests both to protect the victim and to deter, if possible, further assaults. And incident to these arrests, valid searches should be made for guns improperly in the possession of the disputants. Both the assault and the illegal possession of a weapon in these circumstances should be dealt with more sternly than now is the custom with judges who tend not to regard such matters as "real crime." That attitude may encourage a real crime later because a predisposition to violence is unchecked by sanctions. These sanctions may involve jail or they may involve posting peace bonds, intensive probation or the like. The key is a clear penalty and the removal of the gun.

The second situation is the stranger-to-stranger violent crime—muggings and robberies. The guns used by such criminals are often already possessed in violation of the law. For them, the problem is not tightening the laws involving carrying a weapon, but clocking the access these people have to supplies of guns and increasing the risks from carrying weapons. Moore's research indicates that the largest sources of supply of handguns to people who use them for stranger-to-stranger crimes are thefts and the black market. In short, armed robbers usually violate gun laws in two ways: They have stolen their handgun, or bought it from somebody who did, and they are carrying it without a permit.

To reduce the black-market traffic in guns, the police should consider mounting more undercover "buy and bust" operations (much as they now do with respect to heroin and dangerous drugs) in order to make illegal gun dealers wary of dealing with strangers, to raise the price and difficulty of acquiring illegal guns (perhaps beyond the point that opportunistic, teenage robbers will find it worthwhile) and to deter some people from going into the illegal gun business at all.

To inhibit the carrying of handguns, the police should become more aggressive in stopping suspicious people and, where they have reasonable grounds for their suspicions, frisking (i.e., patting down) those stopped to obtain guns. Hand-held magnet meters, of the sort used by airport security guards, might make the street frisks easier and less intrusive. All this can be done without changing the law.

The success of undercover buys and aggressive patrolling depends partly on the extent to which judges will seriously penalize the unauthorized carrying of concealed weapons. Though judges often give more serious sentences to people who commit a crime using a gun, the available data suggest that a person convicted of illegally carring or possessing a handgun is generally treated leniently. This is a serious mistake: A person in a public place with a gun and without a permit is often a person looking for trouble.

The Bartley-Fox law in Massachusetts requires a mandatory one-year jail sentence for any unlicensed person who carries a firearm. It was opposed by those who said the law would not be enforced and by those who said it would not have the desired effect. Both criticisms appear to have been wrong—the criminal justice system did not engage in wholesale evasions of the requirements of the law, and three studies that have been done of its effect all point to some decline in the proportion of the assaults that were committed with firearms. Assaults as a whole increased; firearm assaults decreased. The effect of Bartley-Fox might have been even greater if the police had been more aggressive in enforcing it (or less if it had not been so heavily publicized).

Note what we are suggesting: not "gun control" in any comprehensive sense, but rather increased pressure on the particular circumstances and people whose illegal behavior is most likely to be affected by the availability of a gun. Note also that to do these things requires action chiefly by state and local, not federal agencies. Bear in mind that motivating police and prosecutors to act in these ways is not easy. And note finally that real progress in reducing gun violence almost certainly requires methods—aggressive patrolling, undercover operations, tougher sentences—that liberals instinctively dislike. We think, however, there is no way around these tough choices, and it is time we face up to them.●

IMPORTANCE OF LEGAL SERVICES FOR OLDER AMERICANS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. WEISS. Mr. Speaker, most older Americans have had very little contact with Government during their younger years—except, of course, to pay their taxes or perhaps to perform their military obligation.

But upon reaching their midsixties, they become increasingly dependent upon Federal programs, such as social security, medicare, VA pensions, and others.

Quite often, they have legal or quasi-legal questions about their benefit eligibility, the amount of their entitlement, and other issues.

As a consequence, legal services can be especially valuable for the elderly because they rely—perhaps more so than any other group—upon Federal programs for their daily lives.

The amount of their social security benefits frequently determines whether they have enough to eat. A denial of a medicare claim by an insurance company can cost them precious dollars.

Legal services attorneys have helped to assure that older Americans receive the benefits that they earned during their working years. Approximately 15 percent of all Legal Services Corporation clients are 60 years or older. They have been helped in countless ways by the 6,200 legal services attorneys and 2,800 paralegals in 1,450 neighborhood offices throughout the country.

Without the legal services program, many older Americans would find that they would have to fend for themselves when a legal problem arises.

I strongly believe that our legal system should be designed to achieve justice for all—whether they are rich, poor, moderate income, young, old, or middle aged.

The legal services program helps to assure that low-income persons are treated fairly by the courts and other institutions in our society.

The administration has proposed to undermine these fundamental concepts—which have broad support by conservative and liberal groups alike—by terminating funding for the Legal Services Corporation.

I want to reaffirm that I strongly oppose this measure, and I urge the Congress to continue the successful work of the Legal Services Corporation.

A recent editorial in the New York Times provides compelling arguments to retain the Legal Services Corporation.

Mr. Speaker, I commend this editorial to my colleagues and ask unanimous consent that it be printed in the RECORD.

SAVING MONEY? NO, PRESERVING JUSTICE

(From the New York Times, Mar. 8, 1981)

So it isn't the cost, after all, that bothers Mr. Reagan about legal services to the poor. It's the very idea of this program, which has enriched American justice, that sticks in the craw of a President who tilted against its lawyers when he was Governor of California. He offers to let the states use some of their other Federal money to sustain the program, if they like. But he knows not many will. Mr. Reagan aims to kill the Legal Services Corporation. He should be stopped.

The issue here is not just another worthy social program that America can't fully afford. It is a matter of protecting a fundamental principle of a fair society—equal justice. Legal Services represents in civil law what public defenders represent in criminal law: a chance for poor people to establish their rights by means available to the rest of society.

Ever since the Supreme Court ruled in 1963 that indigents charged with crimes are entitled to free representation, they have been routinely supplied with public defenders. But the same is not true when poor people are harassed by arrogant welfare agencies or hostile landlords. Without the Federally funded Legal Services program, they would have to represent themselves or rely on overworked legal aid bureaus and inexperienced law students.

The Federal lawyers have not only moved energetically to press individual grievances but have also brought class actions to correct systematic injustice. And that, of course, is why the program has made few friends among the elected officials, businessmen and bureaucrats it has beaten in court. Mr. Reagan has never forgiven California's Rural Legal Assistance program for requiring him to spend more than he wanted on welfare and Medicaid.

Legal Services is no radical scheme for the redistribution of wealth. The American Bar Association and liberal lawyers alike know it

is a plan for fairly establishing rights. The relief it manages to obtain for the poor can be won only under laws passed by legislatures and interpreted by the courts. But a legal right, like a tax benefit, is meaningless for those who cannot afford the experts to claim it.

There may be aspects of Legal Services worth debating; it may even be that economies could be found in its $320 million budget. But to kill the program, under the pretense that the states are free to keep it alive, is unconscionable. The issue is not whether to save money; it is whether to preserve justice.●

SMALL BUSINESS INNOVATION AND RESEARCH

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. LEWIS. Mr. Speaker, I am introducing today, for Mr. McDADE and myself, the Small Business Innovation Research Act which will strengthen technological innovation in the Nation's economy. This bill is identical to a bill which is also being introduced today in the Senate by the Honorable WARREN RUDMAN, chairman of the Subcommittee on Innovation and Technology of the Select Committee on Small Business, and the Honorable LOWELL P. WEICKER, Jr., chairman of the Senate Select Committee on Small Business.

The rate of productivity growth in the United States now lags behind most of our competitors in the world economy. At the same time, we are suffering from unemployment, inflation, and a large, negative balance of payments.

Many of these problems result in part from a lack of innovation which could keep our economy abreast, if not ahead, of other industrialized economies. According to a Department of Commerce study, both the U.S. share of patents filed worldwide and the number of U.S. patents awarded to U.S. citizens have dramatically decreased in the last decade. That finding, together with the decline in the number of new innovative technology based companies and the reduction by 50 percent in the U.S. worldwide lead in productivity, clearly demonstrates that there is serious decline in innovation in the United States.

This decline in technological innovation poses a major threat to the quality of our lives. It represents a decline in U.S. industrial might, a loss of jobs, and a decrease in our standard of living. Today, we often find foreign technology running circles around our domestic industries. Overseas industries often use more advanced technology, foreign manufacturers are often first to introduce new features, new energy technology is often applied more quickly in other countries.

The low rate of technological innovation and new high-technology firm formation in the United States is even more significant in view of the findings of a study by Data Resources, Inc. The study shows high-technology companies growing nearly three times as fast as lower technology firms, while increasing their productivity growth rate nearly twice as fast as lower technology firms. The rate of inflation in higher technology companies is lower because of this productivity growth rate. Of great significance is the finding supported by many studies that higher technology firms create jobs at a much greater rate than lower technology companies.

Among the innovative or high-technology companies, there is mounting evidence that small business firms far surpass large firms in the rate and efficiency of innovation and in job creation. A 1977 OMB report found that "firms of less than 1,000 employees accounted for almost one-half of the major innovations during 1953-73." Numerous other studies have shown similar results. The study also found that "firms of less than 1,000 employees have a ratio of innovations to R. & D. employment which is approximately four times greater compared to firms with more than 1,000 employees." Independent investors and small business firms have been responsible for inventions such as insulin, titanium, dacron, polyester fiber, automatic transmissions, the ballpoint pen, helicopter and many others.

The same OMB report found that small firms are far more cost effective, with a cost per scientist or engineer of only half as much as large firms. Numerous other studies substantiate the outstanding contribution of innovative small business firms to our Nation's economy. For example, the House Subcommittee on Antitrust, Consumers and Employment's study, "Employment of the Fortune 1,000 Top Industrial Corian Labor Force" indicates that small businesses were responsible for 96 percent of the jobs created in the private sector in the period from 1969-77: the Fortune 1,000 top industrial corporations accounted for only 4 percent of the jobs created in the same period.

In light of the more favorable record of small business in innovation and cost efficiency and in view of the vital need for increased innovation, greater productivity growth and new employment opportunities—it is startling that only 3½ percent of the Federal research and development budget is awarded each year to small business firms.

It is long past time for the Nation to establish programs and incentives to increase the small business share of Federal R. & D. awards. In concluding that small, particularly new, enterprises occupy the critical role in innovation of linking ideas and innovation to the marketplace, a 1978 joint hearing of House and Senate small business committees found that:

> The market linking function of small enterprises, their problems and potentials should be receiving the very highest priority treatment in the Nation's effort to encourage and strengthen technological innovation.

The National Science Foundation has established a program known as small business innovation applied to national needs. This three-phase program has as its main purpose the reserving of a specific amount of money for award to small innovative firms to promote greater utilization of their capabilities in NSF research and development and to convert the results of their research to technological innovation in the private sector.

First phase results from this program are very encouraging in terms of small firm response and quality of research performed.

The bill I am introducing today will amend the Small Business Act to establish small business innovation research programs similar to the NSF program throughout the Federal Government. The bill requires each executive agency having an annual R. & D. budget of more than $100 million to establish a small business innovation research (SBIR) program where one half of 1 percent of its 1982 R. & D. budget and 1 percent of its subsequent years R. & D. budgets would be reserved for award to small business firms specifically in connection with its small business innovation research program. In fiscal year 1982, $169 million would be channeled to small business. In subsequent fiscal years, the total amount would approximate $340 million.

The money would be spent by each agency for projects suitable to the SBIR program and that would fulfill the agency's R. & D. plans. Therefore, funds beyond the normal R. & D. budgets are not required for the SBIR programs. The SBIR programs would differ from normal small business setasides in several significant ways.

First, the funds would be specifically reserved for small business on a continuing basis, thereby eliminating the question of whether the contracts awarded with these funds should go to large or small business and giving Federal technical and procurement officials the responsibility and incentive to promote competition among small firms for these R. & D. contracts awards.

Second, the continuity of the program will encourage participation by existing small firms and will promote the establishment of additional highly innovative small firms.

Third, the bill calls for a simplified acquisition process for the program

with SBIR requests for proposals being standardized throughout the Federal Government. Instead of being faced with a dozen different, highly complex, 100-plus-page requests for proposals, the small business person will only have to deal with one or two standard forms, simplified 20-page solicitations. The small businesspersons' initial response likewise will be simple and of a few pages instead of the complex, expensive, several-hundred-page proposal that is now often required.

The SBIR programs will be phased to take a basic idea or concept to the production stage. The first phase solicits small feasibility research proposals to determine the practicability of an idea. These first-phase efforts are funded by the Government for about $25,000 each. Phase II is limited to firms successfully completing phase I and is for the principal research effort to develop a new product or process. The second-phase efforts are also funded by the Government for about $250,000 each. The third and final phase, which is carried out with venture capital or other private funds, is for follow-on development effort to pursue commercial objectives that will justify continued private-sector investment. The SBIR program will provide a major link between the basic idea and the point where it is developed sufficiently to be of interest to venture capitalist and other financing sources. Much has been written about the very real shortage of venture capital, especially for small businesses. Some studies have concluded that a good part of the venture capital problem is the lack of good ideas that are developed into viable proposals. The SBIR program would directly address these problems.

I urge my colleagues to join me in supporting this legislation.●

IN THEIR OWN WORDS

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HOLLENBECK. Mr. Speaker, I would like to take this opportunity to express my support for H.R. 2884, as introduced by my colleague, the Hon. BEN GILMAN, which authorizes domestic release of the International Communications Agency film "In Their Own Words." I am confident that this film will be of interest to the American people and will help correct some of the misconceptions surrounding refugees from Cuba. By interviewing some of the more than 100,000 Cubans who fled to the United States between April 21 and June 19, 1980, I believe the filmmakers provide the audience with a rare chance to understand the motivations of these individuals for leaving Cuba and their hopes for life in the United States.

As the Representative of the largest Cuban constituency in America outside of Miami, I know all too well how little effort has been made in the past to shed some understanding on the plight of those fleeing from Fidel Castro's Cuba. I believe a film like "In Their Own Words" is long overdue, and I urge all of my colleagues to support H.R. 2884 and provide for its public dissemination.●

STATEMENT BY CHAIRMAN FORD ON PUBLIC EMPLOYEES

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. FORD of Michigan. Mr. Speaker, all too infrequently do we hear kind words about the public employees who keep our Government running. We are more likely to hear unwarranted criticism from candidates and commentators. This is especially distressing these days when there is strong evidence that a crisis in Government is developing because of our failure to address conditions that are driving some of our best people out of Government service.

Recently I was pleased to read two very thoughtful articles on the subject by writers in the Washington Post. Mark Shields discusses the debt of gratitude we owe our public employees. Haynes Johnson analyzes the flight of some of our best people. I offer both the articles for the benefit of my colleagues:

VERY SPECIAL AGENTS

(By Mark Shields)

Jerry S. Parr, 50, lives in Gaithersburg and works in Washington. For the past 18 years, he has been a Secret Service agent; for the last two of those years, he has been special agent in charge of presidential protection. That was Jerry Parr, on Monday's videotape, thrusting himself into the line of fire so he could shield the president and shove him into the limousine.

Timothy J. McCarthy, nine years in the Secret Service and only 31, was the agent who immediately occupied the position between the president and the gunman. He assumed his post and absorbed a bullet through his liver.

In 17 good years on the Washington police force, Thomas K. Delahanty, 45, has earned a file full of commendations as well as the respect of his colleagues. While protecting the president of the United States, he was hit by a .22 bullet that had to be removed from his neck, not far from his spinal column.

The medical reports are encouraging. Both McCarthy and Delahanty, like press secretary Jim Brady and the president himself, are doing better than was at first expected. Maybe, we have begun to hope, after the suffering they and the rest of us will be able to celebrate their survival and recovery.

That's the way it was last January when 52 Americans returned home after spending two Christmases in cruel captivity. After their suffering, there was a celebration filled with fitting tributes to the patriotism and the guts of those Americans who had persevered. Those deserved testimonials must have been especially welcome to the men and women of the career Foreign Service. Foreign Service personnel have had very little experience in accepting public praise. Ridicule and mockery have been their regular fare: the cookie-pusher and striped-trousers set are not spoken about respectfully.

For some reason, we have overlooked the one demographic characteristic shared by 51 of the 52 repatriated Americans with Jerry Parr, Timothy McCarthy and Thomas Delahanty. It has nothing to do with race, region, religion or reading scores. Most generations and both sexes were represented in this very non-homogeneous group of 54 American heros. All of them, of course, did their jobs. They fulfilled their responsibilities, and then some. And each and every one of the 54 is—are you ready?—a public employee.

Public employees—that indolent subspecies that candidates and commentators love to attack. You know the mindless public employees: You could line up an office full of them and clean their ears with one long Q-tip. Over and over we have been told that if public employees are not incompetent, they are indifferent and surly. And if they are not mindless sloths, then they have to be zealous meddlers, feverishly regulating American business right out of business. You've read of them, those faceless bureaucrats who've never met a payroll.

It's been a long time since any politician talked publicly the way John Kennedy did in his first State of the Union speech, when he said: "Let the public service be a proud and lively career." Not many of today's winning candidates borrow that line from JFK. In fact, along with WASPs, public employees must be the last remaining group in our society without its own anti-defamation department. Both those groups are attacked with regularity and without fear of reprisal. If half the things muttered about public employees were spoken about any religious or racial group, the speaker would be dismissed as a hopeless bigot.

So what of the 54? Are they simply rare exceptions? Then so, too, must have been Col. John Glenn, Sen. Arthur Vanderberg and Gen. George Marshall because they are all public employees. Dwight Eisenhower was a public employee and so was Warren Christopher when he negotiated freedom and so was Secret Service agent Larry Buendorf on Sept, 5, 1975, in Sacramento when he took a Colt .45 away from a Charles Manson disciple who was trying to murder President Ford.

Of course, there are indifferent, incompetent and surly public employees. Too many of them in fact. But surliness and incompetence are not entirely alien to our vaunted private sector either.

The next time we see a picture of a fire fighter risking his life to save a child or hear about a government worker's risking her career to blow the whistle, let's remember that both of them are public employees. And the next time someone starts in with the predictable blanket indictment of public employees, simply remind him of three

names he should recognize: Jerry Parr, Timothy McCarthy and Thomas Delahanty.

EMPLOYEE FRUSTRATION DRAINING BEST BRAINS OUT OF GOVERNMENT

(By Haynes Johnson)

We've been through waste and fraud week, another president's attempt to capitalize on the public's fed-up feeling about government. And, yes, to do something about it.

Ronald Reagan's team says its campaign against waste and fraud will be led by a new group, "The President's Council on Integrity and Efficiency." Despite that stern Prussian-like title, the effort is worthy and the internal governmental problem real enough. But this highly publicized Reagan campaign, no less than others ordered by his presidential predecessors, masks a greater form of governmental waste.

What's happening inside the government today presents a problem worse than waste and more serious than fraud. The evidence points to a tragic breakdown of the government service itself. If the voices this reporter has been hearing recently are correct, the nation faces a governmental crisis all the more dramatic and damaging because it seems so little understood or discussed. Even though it has been building for years, you don't hear presidents warning about this crisis. They are, you see, part of the problem.

The waste I'm talking about involves the loss of many of the government's best people; the crisis comes from the deterioration of morale and rising frustration at all levels of the U.S. workforce.

Last week the president of the largest union representing federal employees talked openly about a confrontational mood among his membership that could lead to wildcat strikes and slowdowns throughout the government. Even top management officials are discussing the possibility of forming executive unions. A sense of anger and anxiety comes through conversations with government employees of both high and low rank. And the flow of talent out of the government continues.

Stop any top U.S. official on the streets of Washington these days, one of them says, and ask when that person will complete the 25 years of service making him eligible for early retirement. "He'll immediately tell you, not down to the year or the month—but to the exact day," this official remarks. "I think the government is heading down the road to a disaster. Within five years the group of supergrade people that are now between the ages of 50 and 60 will all be gone. The best of them are gone already. . . . The next president of the United States will turn to his top government people and say, 'Do this,' and he'll find no one able to get it done."

That respected official, who entered government service under Eisenhower, found himself rather startled at the apocalyptic tone of his remarks, "but I just can't find any cause to feel other than deeply dismayed today." In that, he seems sadly typical of many others.

From New Year's Day through the first week in March, the federal Office of Personnel Management received 38,000 retirement papers from federal employees—twice the average monthly rate of retirements, according to the Bureau of National Affairs.

A government study completed before the new year provides disturbing evidence of the rapid departure rate in the government's key managerial echelon—officials who oversee two million civilian employees, a budget of more than $600 billion, and whose decisions have a profound effect on all American citizens.

"The retirement rate for career employees at the Executive Level V pay ceiling," the study says, "has increased from 17.6 percent of those eligible to retire during the 12 months ending in March 1978 to an astonishing 57.1 percent during the 12 months ending in March 1980."

Not even the dullest set of statistics about federal retirements can cloak an ominous trend—unless, that is, you are among those who believe all U.S. bureaucrats are as bad as recent presidential candidates have depicted them and think the answer to the woes of government is to dismantle it all.

The problem inside the government extends into every area of the workforce. "The bottom line is morale is very low and frustration is very high," says Kenneth Blaylock, national president of the American Federation of Government Employees, the largest federal workers' union. "Government employees—and that includes managers—feel they've been kicked and kicked and kicked. . . . Now they're forced to pay the price again with a 4.8 percent pay raise in a time of 12 percent inflation and cuts in retirement benefits."

His point about pay and benefits touches a sore nerve among all federal employees. A special commission that recently completed a study of executive government salaries found a direct link between low pay and increasing difficulties of attracting and retaining outstanding people for top U.S. positions.

The commission also found that salaries of key U.S. officials in the three branches of government have fallen dramatically behind the corresponding managerial groups in private business. In addition, in most cases Congress has not allowed annual increases called for in a salary-cost-of-living act for top officials, placing those people significantly behind what they had promised legally. "The resulting compression of salaries," the commission adds, "has created the anomalous situation in which up to seven tiers of management are now being paid identical salaries."

The complaints about pay and benefits are real enough, but the grievances within the government are more serious than economic issues—and they go beyond the present emotional state of fears, rumors and resentments spurred by the Reagan administration's blueprint for federal hiring freezes, pay caps, reductions in force and slashing or junking of government programs and agencies. Another top U.S. official, whose work has drawn praise from a number of presidents, both Democrat and Republican, and who is now highly placed within the White House operation, says we are approaching the end of "a decade of despondency for bureaucrats." He fears the period ahead could worsen.

Ronald Reagan was not the first candidate to run against the bureaucracy and then have to lead it as president. Richard Nixon and Jimmy Carter sounded similar themes, and encountered similar problems in power. Reagan's presidential task is even more delicate, for it is his fate to preside over the government at a time when respect for public officials has declined even further and the concept of public service continues to generate greater expressions of public cynicism.

Reagan's gifts for conciliation and leadership will be put to a critical test in his handling of the federal workforce. He can attempt to inspire it and begin rebuilding a national sense of public service or he can witness a further disintegration in an already dispirited federal establishment. Before Reagan took office, a veteran bureaucrat, Bertrand M. Harding, who headed the National Civil Service League, said he hoped the new president and his people would put aside all their campaign rhetoric about "faceless bureaucrats." As he said, "for better or worse, these 'faceless' persons belong to the president and for the moment are all the glue he has to keep the government together."

The danger is the glue is coming unstuck.●

FEDERAL PROTECTIVE SERVICE ACT OF 1981

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, today I am introducing the Federal Protective Service Act of 1981. This measure seeks to obtain equity status for the over 3,000 Federal protective officers throughout our country who provide protection and security in approximately 10,000 Federal Government facilities under the jurisdiction of the General Services Administration.

Since its inception in the early seventies, the Federal Protective Service has assumed a more complex and demanding role in response to modern conditions of mass demonstrations, terrorism, and government-citizen relations. yet, the benefits, and protection for these officers are not commensurate with the gradual addition of life-threatening responsibilities. In addition, this year, the Federal Protective Service is faced with the administration's recommendation for serious cutbacks in the actual number of officers.

The bill which I have introduced represents a continued effort to eliminate the substandard status which has been tolerated by Federal protective officers for a number of years. Specifically, the Federal Protective Service Act of 1981 provides that:

First, Federal protective officers be considered "law enforcement" officers;

Second, their grades, salaries, and fringe benefits be comparable to those in the Executive Protective Service; and

Third, they be covered under the standard or existing statutory benefits for early retirement, protection against assaults, and survivors' benefits for death in the line of duty.

I know that some have problems with Federal protective officers being accorded such benefits. A number of

people have expressed particular opposition to grade and salary increases, and the consideration of the officers as law enforcement officers. Perhaps these expressions of opposition can be nullified if clarification is added to most people's limited knowledge of the functions of the Federal protective officers.

There is no question that the requirements and functions of the Federal Protective Service positions are very similar to those of police officers. The changing role of the FPO, new demands and aassignments, new qualifications and training requirements, and other activities, have placed the Federal protective officer on the same level as the Executive Protective Service officer in terms of law enforcement, response to emergencies, and the protection of persons and property under novel and difficult circumstances. Such changes undoubtedly merit a shift in the status of Federal protective officers so that they may be categorized as law enforcement officers.

The primary responsibilities of the police officer are defined generally as law enforcement and community service; namely, maintaining public order and security, apprehending offenders, and preventing crime. Inherent in this overall function is the application, when needed, of the techniques of investigation and apprehension. While the frequency of these particular techniques is less when compared to the overall activities of the officer, it is certainly safe to say that the policeman or Federal protective officer who lacks the vital skills, knowledge, and physical capabilities to deal successfully with the need for investigation, pursuit, apprehension, and detention of suspects, is useless.

Further, let me add to this justification by referring to section 8331(20) of title 5, United States Code, which reads in pertinent part as follows:

> "Law enforcement officer" means an employee, the duties of whose position are primarily the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, including an employee engaged in this activity who is transferred to a supervisory or administrative position.

This brings us to an additional issue on the provision in my bill which calls for the application of existing statutory benefits for Federal protective officers' early retirement. In the past, the position of the Bureau of Retirement, Insurance, and Occupational Health (BRIOH), within the Civil Service Commission, has been that the Federal protective officers are not primarily engaged in the protection of property. Accordingly, the Commission considers the Federal protective officer to be outside the purpose of the provisions relating to early retirement, section 8336(c) of title 5, United States Code. The purpose of these provisions is to permit the retirement and replacement by younger persons of those employees who, because of the stringent physical requirements of their positions and the hazardous activities involved, are no longer capable of carrying on at peak efficiency. Therefore, the operative phrase, in the mind of BRIOH, continues to be the question of the "primary" responsibility of the FPO relative to the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States.

The basic difficulty here is that, traditionally, the function of the law enforcement officer has not been defined in terms of retirement and replacement. The legislative history of section 8336(c), title 5, United States Code, suggests that the intent in using such a definition was to limit eligibility thereunder to the "investigative" category of law enforcement, that is, as distant from the general duty of maintaining community law and order. However, the later inclusion of corrections officers and, still later, firefighters, expanded and refocused the perspective and intent of the standard from the investigative to the occupational work in general and the hazards involved.

I submit that the Federal protective officer is a law enforcement officer under the generally accepted meaning of the police function, as well as the expanded scope which includes firefighters and corrections officers.

Within the overall function, the Federal protective officer is called upon on a regular, recurring basis similar to other uniformed police organizations, to apply the functions of investigation and apprehension of individuals suspected or convicted of offenses against the criminal laws of the United States. Within his or her specific jurisdiction, the officer maintains public order and security, and investigates, apprehends, or detains suspects when necessary.

It should be noted that during the last Congress, a bill which provided death benefits for Federal protective officers comparable to other law enforcement officers reached the President's desk. The measure was vetoed with the rationale that Federal protective officers are accorded the same benefits as other Federal Government workers. Needless to say, the failure to qualify these officers as law enforcement officers is a major impediment.

I urge that my colleagues join in my efforts to eliminate the inequities faced by the Federal Protective Service officers and support the Federal Protective Service Act of 1981.●

A BILL TO TRANSFER CERTAIN PUBLIC LANDS OF THE CITY OF HENDERSON, NEV.

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. SANTINI. Mr. Speaker, I am introducing a bill today which provides for the transfer of some 5,885 acres of public lands to the city of Henderson, Nev. All of this land is currently under control of the Bureau of Land Management and lies totally within city boundaries. Additional land is needed by this southern Nevada community for streets and highways, water resource development, parks, and residential expansion. I would like to add here that this small town is not asking Uncle Sam for a free ride. The land would be conveyed at fair market value.

Mr. Speaker, the fact of the matter is that there should be no necessity for this bill at all. What Eastern town would have to beg the Federal Government for land for townsite expansion, or land for a senior trailer court? What Eastern town needs Federal permission for natural growth and expansion?

Frankly, I thought we had solved at least part of this problem with the enactment of section 203 of the Federal Land Policy and Management Act (FLPMA). I was particularly active in crafting this section because I knew firsthand about townsite expansion problems such as the one facing Henderson, Nev., today. If the law were working as intended, my bill would not be necessary. The city of Henderson would simply request sale of this property and if justifiable, which I believe it is, the land would be offered for sale at fair market value. But as usual, the bureaucracy is moving very, very slowly in those areas where it is not particularly interested or enthusiastic. It took almost 4 years just to get regulations pursuant to the FLPMA section which authorizes land sales. And in the most urban area of southern Nevada, it took 3 years to sell fewer than 700 acres of public land. In the meantime, Henderson continues to grow and its needs are not being met.

I urge my colleagues to give every consideration to this bill for the city of Henderson, and I remind you that every bit of this land lies within the city's existing boundaries. It seems to me the most fundamental element of good Government is that local governments should have jurisdiction over the land within their borders. Thank you.●

THE 10TH DISTRICT (TEXAS) QUESTIONNAIRE RESULTS

HON. J. J. PICKLE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. PICKLE. Mr. Speaker, I am pleased to submit the results of my 1981 legislative questionnaire. We sent the questionnaire to every postal patron in the 10th District of Texas and received almost 16,000 responses.

The results are fascinating. On tax breaks, more people favor increasing savings incentives and reducing the marriage penalty tax than an across the board rate reduction. My constituents' biggest priority is to balance the budget before reducing taxes.

Central Texans express a strong belief in the market system on energy—endorsing oil and gas decontrol so prices regulate consumption—while endorsing more tax credits to encourage alternate energy sources. There is a strong consensus to reactivate the draft, while maintaining or increasing aid overseas to relieve world hunger.

My constituents would not increase pollution standards, would probably decrease them, and not be willing to pay for more pollution control devices on cars. On a frequently discussed social service program, the questionnaire reflects general realization for the need of food stamps but with tighter standards to eliminate waste and fraud.

An overwhelming majority opposes a constitutional amendment to ban abortions, while feelings are mixed on present prohibitions on medicaid-financed abortions. The emotional issue of busing also gets mixed positions. The biggest plurality feels that Supreme Court reversals of past decisions represent the most likely vehicle for change.

Question 34 asked respondents to name one Government program they support besides defense spending. Answers were quite varied. One of the more popular areas was NASA and the space program. But a wide variety of programs were endorsed, including social security, education, medicare, the EPA, various social service programs and many others.

Legislative questionnaire and replies follow:

Replies given in percent

1. If we have a tax cut or tax restructuring package this year, it should include—

Accelerated depreciation	10
Dividend reinvestment	9
Elimination of the so-called "bracket creep"	11
Elimination or easing of the marriage penalty tax	21
Savings incentives	20
An across the board reduction in the personal tax rate	18
Incentives for research and development	11

2. If you had to make a choice between the following priorities, which should occur first?

Decrease taxes	31
Balance the federal budget	67
No opinion	2

3. To prevent a worsening economic situation, the President and Congress should quickly—

Control wages and prices	11
Decide not to issue new federal rules and regulations	20
Cut federal spending 2% or more across the board for the rest of Fiscal Year 1981	49
Allow the Federal Reserve to continue making money tighter and controlling credit to reduce demand and inflation	20

4. What is the biggest cause of inflation?

Increase of debt and credit by individuals	12
Increased business borrowing	3
OPEC oil price hikes since 1973	23
Deficit spending by the government	62

5. How can we best keep the social security system in the black?

Increase revenues by taking funds from general revenue	13
Increase revenues by raising social security taxes more	4
Reduce benefits across the board to keep the system in balance	11
Eliminate or reduce certain benefits such as spouse or student benefits	28
Reduce benefits by gradually raising the retirement age	17
Pay for a portion of Medicare from general revenues	16
Reduce program growth by restricting cost of living increases	11

6. Should all public employees' pension programs, including those of federal workers, be coordinated within the social security system?

Yes	50
No	37
No opinion	13

7. What is your opinion of President Reagan's decision to immediately decontrol crude oil, gasoline and propane?

Agree	65
Disagree	29
No opinion	6

8. Natural gas prices should be—

Gradually decontrolled to reach full decontrol on schedule in 1985	38
Decontrolled at once	43
Controlled again by the federal government	19

9. To encourage use of solar, wind and other non-fossil energy sources, the government should—

Increase tax credits to stimulate purchase of such equipment	60
Do nothing, since increased energy prices will prompt people to convert anyway	26
Keep tax credits at present levels	14

10. The best way to encourage energy conservation is to—

Ration energy supplies	15
Impose taxes on gasoline, natural gas, oil, etc.	9
Immediately decontrol energy prices to reflect true market demand	56
Depend on voluntary efforts to cut back	16
Do nothing	4

11. To decrease dependency on foreign oil and diversify our local energy base, Central Texas lignite should be mined in compliance with pollution laws, if it can be shown that damage will be minimal.

Agree	84
Disagree	11
No opinion	5

12. Do you support reactivation of the draft—not just registration?

Yes	61
No	32
No opinion	7

13. If the Soviet Union were to invade Poland or another Communist East European country, the U.S. should—

Send U.S. troops to resist the invasion by military means	2
Join NATO troops to resist the invasion by military means	17
Freeze diplomatic relations with Russia	24
Reduce or eliminate trade with Russia and encourage NATO allies to do likewise	49
Maintain relations and protest the action	8

14. The U.S. can best fight extremism in Central and South America by—

Continuing support for coalition governments like Nicaragua and El Salvador	29
Supporting any government no matter the form, if it supports U.S. policy	26
Stationing U.S. troops in trouble spots	5
Increasing aid and weapons sales regardless of the kind of government in power	3
Not getting involved	37

15. To help relieve world famine which is affecting millions of people now, the U.S. should—

Increase food shipments	42
Decrease food shipments	17
Maintain current levels	39

16. Agricultural extension, price supports and loan programs should be—

Continued because they stabilize the farm economy and open up new markets for products	35
Discontinued because they cost too much and violate supply and demand economics	51
No opinion	14

17. The Clean Air Act and Clean Water Act, up for reauthorization this year, should—

Remain the same	34
Contain less stringent pollution standards	37
Contain more stringent pollution standards	29

18. Would you be willing to pay more money for a new car that is more pollution-free?

Yes	30
No	62
No opinion	8

19. Since revenues in the Highway Trust Fund are decreasing should the federal gasoline tax be increased to help maintain the interstate highway system?

Yes 33
No 60
No opinion 7

20. To save money, should the federal government reduce or eliminate mass transportation expenditures—for subways or buses—to cities?

Yes 42
No 50
No opinion 8

21. The domestic auto and steel industries can best recover their competitive edge by—

Federal protections through tariffs to reduce imports 11
Tax advantages to help modernize equipment 18
Reduction of pollution and safety programs 8
A better understanding of consumer preferences 22
A change in the relationship between management and labor 12
Pure marketplace economics—no government involvement 30

22. If the Chrysler Corporation exhausts its government loan guarantees and is still experiencing severe financial problems.

Congress should pass another loan guarantee package 3
Congress should take no further action 56
The government should encourage Chrysler to sell off more divisions to stay solvent 37
Congress should gave Chrysler special tax breaks and exemptions from safety/pollution regulations 4

23. Federal entitlement programs, such as pensions, social security, veterans benefits, housing, etc. should—

Be reduced 28
Continue to be tied to increases in the Consumer Price Index (cost of living) 51
Be tied to some other economic indicator 15
Be increased faster than the CPI to keep ahead of inflation 6

24. The food stamp program, up for reauthorization this year, should be—

Abolished 19
Tightened up to reduce the roughly 12% level of abuse 46
Run solely as a state program 11
Tightened to eliminate people temporarily unemployed 10
Accompanied by better nutrition education 8
Reduced by eliminating automatic inflation escalators 6

25. Congress should pass a Constitutional Amendment to prohibit all abortions.

Yes 17
No 76
No opinion 7

26. Congress should allow abortions under Medicaid.

With no restrictions 34
Under present restrictions of rape, incest or when the mother's life is in danger 48
In no cases at all 18

27. Which of the following methods can most likely stop busing in Austin?

Statutory legislation in Congress ... 21
Supreme Court reversal of past busing decisions 29
A Constitutional Amendment to ban busing, requiring a two-thirds majority vote in Congress and ratification by three-quarters of the states 28
Local school board action 6
Nothing can effectively stop busing, short of fully integrated neighborhoods 16

28. Would you support registration of handguns as long as rifles were not covered by the action?

Yes 51
No 43
No opinion 6

29. Do you favor a lower minimum wage for teenagers under 18?

Yes 70
No 27
No opinion 3

30. The Job Corps program should be—

Abolished 44
Enlarged 9
Reduced 15
Kept about the same 32

31. The Occupational Safety and Health Administration (OSHA) should be—

Abolished 34
Reduced 33
Kept about the same 33

32. Do you support a ceiling on the amount of Political Action Committee (PAC) funds that can be used in Congressional elections?

Yes 75
No 15
No opinion 10

33. The windfall profits tax, the extra tax on decontrolled domestically-produced oil, should be reduced or repealed.

Yes 60
No 32
No opinion ..... 8●

AMA'S RECORD ON THE HEALTH CARE AMENDMENTS OF 1980

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. BONER of Tennessee. Mr. Speaker, the CONGRESSIONAL RECORD of December 5, 1980, carried a curious extension of remarks by the former House Veterans' Affairs Committee Chairman Ray Roberts. In his lengthy extension of remarks my former colleague stated that:

To my knowledge, the American Medical Association made no effort, nor did it take any position, on the Veterans Administration Health Care Amendments of 1980.

Mr. Speaker, as a cosponsor of the legislation, along with my former chairman, I wish to correct the record on this matter. The American Medical Association began lobbying in support of this legislation almost a year prior to Mr. Roberts' extension of remarks. In letters sent to Congressman David Satterfield, chairman of the House Veterans' Affairs Subcommittee on Medical Facilities and Benefits, and Senator ALAN CRANSTON, chairman of the Senate Veterans' Affairs Committee, dated February 6 and March 7 of 1980, the AMA urged swift passage of the legislation within days of introduction of the legislation which later became Public Law 96-330. In order that any interested parties may have a complete understanding of the circumstances surrounding this event, I am submitting the letters from the American Medical Association to the chairmen.

The letters follow:

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., February 6, 1980.

Re Veterans' Administration physicians and dentists comparability pay.

HON. DAVID E. SATTERFIELD,
Chairman, Subcommittee on Medical Facilities and Benefits, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN SATTERFIELD: The American Medical Association takes this opportunity to offer its support for legislation to make permanent the Veterans' Administration's program of pay comparability for physicians and dentists.

The American Medical Association has been supportive for many years of the federal government's efforts to recruit and retain career-minded health professionals for federal health delivery programs. The statutory requirements placed on the federal government to provide medical care to certain persons and groups cannot be fulfilled without an adequate number of skilled health professionals. The Veterans' Administration Physician and Dentist Pay Comparability Act has contributed in the past and will in the future continue to contribute to the achievement of this goal.

The AMA believes that the compensation levels for VA physicians should be comparable with compensation and benefits received by physicians in other government services. There would seem to be no rational basis for any substantial difference in compensation levels among the various federal services that could well result in self-defeating competition in recruitment and retention of health professionals.

The AMA urges favorable action on legislation that would make the VA special pay program a permanent one, and that would provide compensation levels for VA physicians comparable to those received by physicians in other branches of government service.

Sincerely,

JAMES H. SAMMONS, M.D.

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., March 7, 1980.

Re Veterans' Administration physicians and dentists comparability pay.

HON. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: The American Medical Association takes this opportunity to offer its support for legislation to make permanent the Veterans' Administration's program of pay comparability for physicians and dentists.

The American Medical Association has been supportive for many years of the federal government's efforts to recruit and retain career-minded health professionals for federal health delivery programs. The statutory requirements placed on the federal government to provide medical care to certain persons and groups cannot be ful-

filled without an adequate number of skilled health professionals. The Veterans' Administration Physician and Dentist Pay Comparability Act has contributed in the past and will in the future continue to contribute to the achievement of this goal.

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The AMA urges favorable action on legislation that would make the VA special pay program a permanent one, and that would provide compensation levels for VA physicians comparable to those received by physicians in other branches of government service.

Sincerely,

JAMES H. SAMMONS, M.D.●

STATEMENT IN SUPPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS FUNDING

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. WEISS. Mr. Speaker, we are at a critical juncture in the history of public support for the arts. Just last year the Subcommittee on Postsecondary Education reauthorized the National Endowment for the Arts for 5 more years. We felt that the Endowment's importance to this country warranted not only its continued existence, but considerably more money with which it could perform its vital mission.

Today the Reagan administration is asking Congress to appropriate to the arts a mere $88 million. This figure is $140 million less than that authorized by the Congress last year; half of the amount proposed by President Carter before leaving office; $70 million less than the Art Endowments budget for the current year; and only $36 million more than the $52 million that the President has requested for funding of military bands.

At my request, the Subcommittee on Postsecondary Education held two hearings examining the impact of the proposed budget cuts on the artistic community. At these hearings we heard extensive testimony which contradicted the President's justifications for slashing Federal support for the arts. For example, contrary to the administration's contention that endowment funding has led to a reduction of private and corporate support for the arts, we learned that corporate support has risen from $22 million in 1967 to $436 million in 1979, an increase of 1,881 percent. Individual contributions have also increased dramatically in the 15 years since the establishment of the endowment, up from $226 million to $2.7 billion.

While it is true that many Federal programs are being cut under the administration's economic proposal, few are being slashed as dramatically as the arts with such counterproductive results. Recently Ms. Leontyne Price testified before the Senate Appropriations Subcommittee on behalf of the arts and eloquently warned the subcommittee of the destruction a 50-percent cutback in Government funding will impose on American cultural life. Following is an article which appeared in the Washington Star on March 28 excerpting some of Ms. Price's testimony, which she sang before the subcommittee, in support of funding for the arts.

A MELODIC PLEA FOR THE ARTS FROM DIVA PRICE

(By Ruth Dean)

The Senate hearing room filled with the deep, rich tones of Metropolitian Opera diva Leontyne Price's voice Thursday, raised in a singing plea to Congress to protect the arts from proposed budget cuts.

"Save the performing arts," she sang in a lyric she improvised to the tune of Irving Berlin's "God Bless America."

"Arts that we love./ Stand beside us/and guide us/through the night with those funds from above.

"From the mountains to the prairies/to the oceans white with foam,/please save the performing arts;/don't let us fall."

The packed hearing room and the two senators from the Senate Appropriations subcommittee on the Interior who came to hear her testimony gave Price a standing ovation. But she'd much rather they'd heeded her earlier spoken words protesting the Reagan administration's proposed 50 percent budget cut to the National Endowment for the Arts. Price said she "can't understand why you're going to stop the flow" when for so many years, the arts have been used to showcase the United States' preeminence in the arts around the world.

The alternative, she warned, would be to make this "a total cultural wasteland, and simply kill, bash and dash the dreams of some fantastic, wonderful kids I've met on my tours across the country."

As an example of what the arts endowment has done for communities across the land. Price pointed to the funding of the Dance Theater of Harlem.

The dance theater is such a "strong force" in Harlem, she said, that "for thousands of kids it's an alternative for drug addiction, running around, hustling, crime and alcoholism. And it has even affected their families concerned with their image. They make costumes, run errands, and baby-sit with some of the kids who need help."

This sort of venture, she said, illustrates "the very necessity in the community for such a driving force for so many kids and their future."

Price was more fortunate than witnesses who followed her at the Thursday hearing. She, at least, had two senators to talk to. But after her appearance, a quorum call summoned away Sens. Mark Andrews, R-N.D., and Thad Cochran, R-Miss. They nerver returned, even after what might have been considered a reasonable, interval to vote, as Rep. Sidney Yates, D-III., did twice during the previous day's testimony in a House hearing.

The subcommittee chairman, Sen. James A. McClure, R-Idaho, never appeared either—not even for the testimony of esteemed scholar-investor Buckminister Fuller. However, Louise McClure was overheard in the hall outside the hearing room inviting Price to lunch with her and the senator.

The 85-year-old Fuller, humanist and inventor of the geodesic dome, appearing on a panel in defense of the National Endowment for the Humanities, had no one to expound to except the committee chief clerk who presided for the rest of the session. The clerk reassured witnessess the senators would see "everything you have submitted into the record."

Asked afterwards how he felt facing all those empty chairs, Fuller said, "Those vacant seats were ominous. It's really a shocking thing they weren't there. I came a long way to talk to them."

During his testimony, Fuller said he "deplored cutting down an appropriation that has to do with what people do with their minds." It has taken man 10 billion years to get to this stage, and even in his own lifetime Fuller said, "two billion more galaxies have been discovered in the universe, and we may not be here in another week; things are that critical."

A visionary of the future, whose new about-to-be-published book, "Critical Path," embodies some of this philosophy, Fuller said he sees as the only salvation of the planet "an intergration of all nations." Taking afterwards, he said he didn't even see Soviet Russia as a threat. "They're just trying to show off their way of life, but I think they're finding out not even that worked. All these earthly differences melt away before our confrontation with the universe."●

A USELESS OBSTRUCTION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. WHITEHURST. Mr. Speaker, an editorial which appeared in the April 6, 1981 issue of Business Week made an excellent point with regard to the need to expedite customs inspections at gateway points, and I am pleased to share this with my colleagues.

Although I have the highest regard for our conscientious, hardworking customs officers, I think it is fair to say that under the present system of regulations, the United States is probably the most frustrating country to enter in the world; I believe that anyone who has traveled abroad to any extent will agree with this conclusion. I know of no other country where the waiting lines are longer or entry takes more time, and I am introducing legislation today to help remedy this, by authorizing the Customs Service to institute methods to facilitate and expedite passenger inspections at entry points by means of what has become known as the "red door/green door" system.

If we are to encourage tourism on an international scale, I believe it is incumbent upon us to make visiting the United States a pleasant experience from the very beginning. At the present time, our welcome mat is very much in need of repair.

I commend the editorial to my colleagues, and I would welcome their support for this bill.

Thank you, Mr. Speaker.

A USELESS OBSTRUCTION

If President Reagan's budget cutters are serious about taking the waste and inefficiency out of government operations, they could do not better than to start with the U.S. Customs Service. Here is an agency that has increased its budget from $54 million in 1960 to $770 million this year. In the same period, it has doubled its staff, which now numbers around 14,000. And yet it is known around the world as the most picayune, quibbling, time-wasting customs system on earth. The time it costs international travelers each year is beyond calculation except by astronomers.

There can be no question of abolishing the Customs Service entirely. With $250 billion a year in merchandise imports to process, it is understandable that all but 800 agents are involved in collecting duties and inspecting cargoes. The problem is to reorganize the activities of the 800 suitcase-churners to increase their productivity and reduce their numbers.

Most industrial nations have practically eliminated the ordeal of customs clearance by adopting the so-called "red door-green door" system. Passengers arriving at gateway points can breeze untouched through a green door if they have nothing to declare. Passengers who must pay duties get faster service because the crowds are much reduced. Spot checks keep travelers with elastic consciences from using the green door for smuggling. Large shipments of contraband, especially drugs, are picked up by special agents working on tips from informants—which is also true of the U.S. system.

A bill just introduced in Congress would provide for a one-year test of the red door-green door system at five entry points. This would be a step in the right direction but there is no reason to be so cautious about it. Fast clearance for travelers with nothing to declare has proved out all around the world. The U.S. should adopt the system without delay and start saving the expense now.●

FREE PRIVATE ENTERPRISE WEEK HIGHLIGHTS AMERICANS' INITIATIVE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. ROTH. Mr. Speaker, I would like to call my colleagues' attention to Free Private Enterprise Week in the State of Wisconsin, taking place from April 5 to April 11, 1981.

I think we can all take this opportunity to reaffirm our commitment to the spirit of personal initiative and the drive to achieve that fueled America's greatness in the past and will light the path ahead.

Free Private Enterprise Week has special significance in these days as we focus our energies on restoring the health of our economy by moving to deregulate private enterprise, reduce inflation, and provide additional incentives to growth and productivity in the private sector.

Americans have long enjoyed the highest standard of living in the world. Central to this achievement is Americans' freedom to rise above his or her circumstances and make their destiny what they will. Free Private Enterprise Week speaks to the innovator, the inventor, and the risk-taker who has made America strong and who will continue the tradition of economic freedom.

I know my colleagues will join me in renewing our covenant with a free and prosperous private enterprise.●

MY COMMITMENT TO MY COUNTRY

HON. BUDDY ROEMER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. ROEMER. Mr. Speaker, it is an honor for me to share with my colleagues an excellent speech written and delivered by one of my constituents, 18-year-old Mary Elizabeth Craigo of Haughton, La. This speech, entitled "My Commitment to My Country," was written for the voice of democracy scholarship program sponsored by the Veterans of Foreign Wars and was awarded first place in Louisiana. It describes very eloquently the rights and privileges of this great country that we too often take for granted. I am proud to represent patriotic young people such as Mary Craigo.

The address follows:

I wake each morning not to the roar of artillery, but to the sound of the gentle breeze whistling through the trees. Outside my window, the birds sing peacefully—their natural beauty untouched by the tragic destruction of war. As I look outside, I see sunshine and blue skies, skies which would be dark with enemy planes if there had not been those willing to make a commitment. I then rise and walk the path of freedom knowing that it can lead to wherever I want to go and that I am free to speak my feelings along the way. This path was made smoother by those who were committed. Upon reaching my destination, whether it be school, church, or merely a friend's house, I stop and gaze around me. I stand surrounded by rolling hills, green meadows, and crystal clear lakes; and I know that this is my country and I too, like many Americans before me, must be committed.

A commitment, by definition, is an intellectual or emotional bond to some course of action. What I know about America, bonds me intellectually to many commitments. As I study about how my forefathers struggled and suffered, that I might have the freedoms I possess today, I realize that it is my responsibility to take advantage of these freedoms and use them to better my country.

When I reach the voting age, it is my duty to view the candidates equally, then make a choice, and exercise my right to vote. Here again—I am committed.

Each time I attend church, I thank God for those who fought and died, that I might have the freedom of religion. I am committed to use this religious freedom so that I can set an example for others to follow and also as a guide when raising my children to be law abiding, God fearing adults. I must teach them to love and respect this land, her flag, and the principles which make her the "Land of the free and the brave," a land well worth committing themselves to.

When I pick up a newspaper or magazine I am reminded that all Americans have the freedom of speech. The freedom to voice their opinion verbally or in print. But there are times when I am angered to hear of those who insist upon using this freedom destructively—people who speak derrogatorily and disrespectfully about America and her way of life. Those who have this type of negative attitude, do not realize that they are responsible for making the changes they desire. The entire purpose behind the freedoms granted us, as Americans, is to make us free to improve our country, not by counterproductive statements, but by taking positive action, by making a commitment!

Not only the things that I know, but also the things which I feel commit me to America. When I see the flag being raised or hear our National Anthem, the stirring in my heart confirms my emotional commitment to my country. When I think in terms of an emotional commitment, the word "marriage" comes to my mind. The marriage commitment is one of the strongest commitments made in the lives of two individuals. I can compare my commitment to America to that of marriage because it is based on love and respect, a relationship of giving as well as taking. If I expect to take advantage of all the freedom granted me, as an American, I must give my trust, my loyalty, and respect in return. I must be willing to make a vow of commitment. I must be willing to say that I, do indeed, take America to be my country, my land, my home—to love, honor, and cherish, for better or for worse, in time of peace, or in time of war, through prosperity or times of need, for as long as I shall live. And with my heart I do pledge my life, my soul, and my undying devotion forever.

I must be committed to keeping this vow, for it is the bond which makes me free; which makes me an American—an American who can dream—who can reach for any goal with never ending effort—an American who enjoys a great number of privileges and is responsible for preserving each and every one of them. I now take my stand: An American with a commitment!●

IOWAN HEADS NATIONAL TRUCKING ASSOCIATION

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. TAUKE. Mr. Speaker, I am pleased to call to the attention of my colleagues the fact that Mr. Herald A. Smith, Jr., chairman of CRST, Inc., of

Cedar Rapids, Iowa, was elected president last week of the Common Carrier Conference—Irregular Route.

The conference, an affiliate of the American Trucking Associations, represents more than 600 trucking companies throughout the country.

Mr. Smith brings to the presidency a broad background of knowledge and experience in the trucking industry dating since 1946. Among other high industry offices he has held, he recently was chairman of the Iowa Motor Truck Association.

Along with his wife Miriam, he is a community leader, giving generously of his time to promote many worthwhile civic and community endeavors.

The conference has chosen well, and I am pleased that his abilities and accomplishments have been recognized by his peers in the trucking industry.●

OUR MONETARY CRISIS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. McDONALD. Mr. Speaker, deficit spending and an unsupported dollar are the devices that have been determining our doom for several decades now. President Reagan has proposed to change this trend and has said much about what he is going to do. The problem is that his actions are not even coming close to the rhetoric he proclaims; a sad but true report. Dr. Franz Pick, a contributing editor to the "Silver and Gold Report," March 1981, explains this disappointment and what it is going to mean for Americans. I commend it to the attention of my colleagues:

AMERICAN INDUSTRY, DECAPITALIZED BY FOUR DECADES OF INFLATION, IS LIVING ON CASH FLOW AND BANK LOANS TO STAY IN BUSINESS

(By Dr. Franz Pick)

Throughout history, governments have always spent more money than they've received from revenues. In order to keep this up, governments have had to cheat their citizens—by borrowing money in exchange for unkept promises to pay it back with interest.

This is a charade which regimes and a gullible public continue to play today.

In the United States, the new ruler confronted this age-old problem by making a widely-praised "speech from the throne." In it, he proposed to master the problem with some sort of four-year plan to wipe out the budget deficit.

Politicians through the ages have known that the voters do not want realism; they want magic! And it seems as if the new ruler and his technicians fancy themselves as prestidigitators par excellence.

Stopping inflation, or even reducing it below 10% a year, is a political illusion. So long as all the so-called "off-budget" borrowing by the various virtually autonomous agencies remains practically untouched, then it is an act of hypocrisy to believe that the finances of the government can ever be sanitized.

Nonetheless, optimism of almost messianic proportions has greeted the speech from the throne. The new ruler says that taxes are being cut to activate a fresh avalanche of goods into the marketplace—and this will meet the so-called inflationary demand supposedly resulting from too much money chasing too few goods.

But the automobile showrooms are filled with vehicles that cannot be sold, while residential housing finds few buyers.

As for increased productivity reducing the rate of currency debasement, how much more hair can a barber cut, or how many more shoes can a cobbler repair, or how many more pastramis on rye can a delicatessen put together?

The "Great American Inflation" is not the result of too much demand and too little supply. It is the result of the willful and irresponsible abuse of the creation of money and credit.

Spending cuts and tax cuts tied together with the pink ribbon of statesmanship have dazzled holders of the Minidollar into believing that the American currency has finally left the primrose path of debasement.

Unfortunately, nothing could be further from the tuth. The titanic abuses in the creation of money and credit since 1940 have irreversibly undermined the financial structure that underpins the Minidollars. So now even if a balanced budget were to be realized, it could in no way reduce the Greenback's loss of purchasing power.

After four decades of maltreatment of the nation's money, the vested interests of inflation have become too powerful and too influential. They have absolutely no desire to see their financial empires and attendant political privileges dismantled by such an obscene thing as a monetary unit stable in purchasing power as well as in foreign exchange value.

Moreover, American industry, decapitalized by the four decades of inflation, is now living on cash flow as well as bank loans to stay in business—not to mention paying out dividends.

It is no accident that the same familiar faces of money moguls can always be noticed at the fringes of the Oval Office regardless of who the occupant may be or his publicly professed politics.

Therefore, all attempts by the new regime in Washington to cope with the debasement of the Minidollar will, in the end, prove to be in vain. Whatever successes it may have will be short-lived. And they will have been achieved more by accident than by design.

Meanwhile, substantial buying of gold by central banks of Arab countries, as well as the central banks of underdeveloped plus industrialized lands, was noticed around the $US500-per-ounce level.

Libya continued to appear as an aggressive buyer of bullion, as 17 tons of the yellow metal were shipped out of Britain to that African nation during the last 90 days. South Africa still withheld gold supplies from the market.

Gold buying by central banks has been one of the more positive features in the gold markets. These banks don't put the excess Minidollars of their monetary reserves into American money markets—which are currently paying extortionist interest rates that a loan shark might envy. Instead, they have chosen to convert their Greenbacks into bullion, which yields no interest.

These banks know only too well the true condition of the Minidollar. They know the price inflation will be increasing and not decreasing.

Meanwhile, the final phase in the current decline of the gold price seems to be in the making. Many long positions in the yellow metal have been liquidated.

Also at this time, the silver-gold ratio has been widening, which can generally be taken as an indication that silver is becoming underpriced.

The world's most famous silver hoarders, the two gentlemen from Texas, are again making headlines. There have been the customary rumors that the decline in the silver price has been triggered by selling from the vast stocks of the white metal owned by the siblings from the Lone Star State.

While this financial daydreaming has been going on, the Hunt brothers have been shifting the location of their silver stocks. In recent weeks, they shipped about 27.5 million ounces of silver from their storage vaults in Chicago to another bank vault located in the state of Delaware.

This transfer of silver bars is ostensibly being done for tax reasons. The real reason, however, will soon be felt in the marketplace.

In addition, it has been estimated that hoarders presently own silver exceeding one year's consumption of the metal by industrial users. This is supposedly an overhang that will keep silver's price down.

But hoarders do not sell. They have bought the white metal to replace their paper money assets, for the forces generating the inflation are much too strong to be turned back by the speech from the throne.

All in all, chances are that the bottom of the slide in silver and gold may be reached before Easter.●

RECOMMENDS INCREASE IN AUTHORIZATION FOR PUBLIC HOUSING OPERATING SUBSIDIES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GONZALEZ. Mr. Speaker, the purpose of this bill which I am introducing today along with my colleague, Mr. SCHUMER of New York, is to increase the fiscal year 1981 authorization for public housing operating subsidies. The increase is necessary to reflect a proposed $140 million supplemental appropriation for operating subsidies during fiscal year 1981.

Operating subsidies are provided on an annual basis by the Congress to public housing authorities for the purpose of operating and maintaining federally financed public housing projects. A very large portion of these operating subsidies are used to fund utility costs. As much as 36 percent of operating subsidies are used for utility costs. For fiscal year 1981, the administration had requested $862 million for these operating subsidies. This amount was based on an assumed 12-percent increase in utility costs from 1979 to 1980, and an 8.8-percent in-

crease from 1980 to 1981. However, utility costs have actually increased at a far greater rate. HUD is now estimating that utility costs increased by 25 percent from 1979 to 1980, and by 16 percent from 1980 to 1981.

The bill which is being introduced today would amend the authorization levels for this program in order to reflect these increased utility costs. It would increase the fiscal year 1981 authorization for operating subsidies to $1,110,800,000, instead of the $826 million provided for fiscal year 1981 in the Housing and Community Development Act of 1980.

Although this bill appears to require an increase totaling $284.8 million over the fiscal year 1981 funding level provided in the 1980 Housing Act, the actual increase over current appropriations is only $140 million. Let me explain how this could be so. First, a printing error in the 1980 act resulted in publication of the figure $826 million, instead of the $862 million that was intended to be authorized. The appropriations act for fiscal year 1981 took this $36 million error into account, and also provided an additional $108.8 million appropriation to reflect the actual 25-percent increase in utility costs from 1979 to 1980. So the actual appropriation for fiscal year 1981 was $970.8 million. However, the increase in appropriations has not yet been reflected in an authorization act. This bill will account for these already appropriated amounts. It will also increase the authorization by an additional $140 million, in order to reflect a shortfall in the funding of public housing utility costs that occurred from 1980 to 1981.●

COMMODITY ALLOWANCE PROPOSAL

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GOODLING. Mr. Speaker, I am pleased to sponsor, along with my colleague, Representative WILLIAM D. FORD of Michigan, a bill to streamline the system by which agricultural commodities are made available to local schools. This legislation is an improved version of a similar bill which we introduced during the last Congress along with a list of 26 bipartisan cosponsors and which just missed being reported out of the Education and Labor Committee on a tie vote. This bill is designed to streamline the system by which agricultural commodities are made available to local schools by establishing a more efficient commodity delivery mechanism. An additional virtue of the proposal is that it is designed to achieve a significant savings at the State and local levels while producing a modest savings at the Federal level.

Currently, school districts rely on U.S. Department of Agriculture (USDA) donated commodities for about 20 percent of their food requirements, with the remaining 80 percent being purchased locally. To supply this 20 percent, USDA buys foods at market prices under its commodity price support and surplus removal programs, and then has these commodities moved to various locations within the States. In addition to the USDA purchase price and initial transportation costs, States and local school districts must pay substantial amounts for warehousing, handling, and transporting of these products. The present system of purchasing, processing, warehousing, distributing, handling, and storing of these USDA-bought foods operates largely outside the normal channels of trade. These foods move in a separate USDA food system in which there is, at best, limited competition and in which the costs are enormous.

What our legislation would do is replace the USDA national purchase and distribution of commodities with an allowance system to permit local school districts to buy their foods at the local level.

The savings involved can be achieved without any child now eating a school lunch being denied access to the program. These savings can be achieved without any reduction in the number of pounds of price support and surplus agricultural foods moved to these school lunch programs. These savings can be achieved simply by going from the separate expensive and inefficient USDA food system to using the existing private food system to make a share of our agricultural production available to the Nation's school lunch programs.

Use of a commodity allowance system will maintain the role of the Congress and USDA in determining which commodities are in need of price support and surplus removal. It will retain the right of Congress and USDA to determine the amounts of these commodities which should be moved off the market. It will retain the responsibility of the USDA to give the schools help in making them intelligent buyers. Such a system will move at least the same amount of commodities but it will do it in a more efficient and more timely fashion than the present USDA food system since the private food sector will do the job.

The commodity system will not jeopardize, in any way, the funds which the Congress has approved for commodity assistance to the national school lunch and other programs. These same funds will still be used for commodities. They will still be used for the same price support commodities probably with roughly the same pounds and dollars as now. They will still be used for many of the same surplus removal operations. The dollars and pounds will remain about the same there, too.

A commodity allowance system improves the flexibility that schools and other agencies have. Under a commodity allowance system, the local school lunch programs will be buying 100 percent of their food needs at competitive bid prices from local vendors rather than the present 80 percent. What the school lunch programs had been getting in USDA-bought foods through the expensive and inefficient USDA food system will be replaced by the same commodities bought from local vendors. There would be one extremely important difference—the local school lunch programs could use their allotment of commodities to buy the specified commodities in a form which they can readily use in their programs. They would no longer have the USDA in Washington deciding in what form they should receive their commodities.

Congress over the past few years has steadily provided alternatives to the Federal commodity programs. Food stamps replaced the family commodity distribution program. In the Nation's elderly feeding program, local agencies were given the option of receiving cash instead of commodities and are doing so in large numbers. The same holds true for child care programs.

Eliminated from the bill of last year is any reference to USDA deciding and communicating to the States and school districts amounts and quality of purchases. USDA simply says it wants to move a certain commodity; it allocates a certain dollar allowance to provide a producer assist for moving it. School districts are merely directed to report their purchase. This would eliminate the paperwork arguments that were made against the commodity letter of credit proposal of last year. At the same time, it would create a commodity program for school lunch and other programs which achieve its congressional objective of increasing the use of domestically produced agricultural commodities in these programs. Another improvement over last year's proposal is the inclusion of suggestions made during hearings by the Federal Emergency Management Administration (FEMA) to provide for the availability of assistance during any disaster relief effort. In addition, this bill also provides for a commodity allowance option for summer camps, child care food program, Older Americans Act—State option including cash—and continues from last year the exclusion of the programs for supplemental feeding and Indian assistance.

It should also be noted that Senator SYMMS has asked the General Accounting Office to do a study of the commodity program costs from A to Z.

In this way, we will soon have GAO figures on which to judge the exact extent of the excess costs of the current inefficient commodity distribution program.●

ANNUAL ACIM AWARDS TO WESTCHESTER RESIDENTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. OTTINGER. Mr. Speaker, I am pleased to announce that on April 11, the Westchester Women's Division of the American Committee on Italian Migration (ACIM) will honor four Westchester couples at its humanitarian spring luncheon and fashion show. I wish to call my colleagues' attention to this annual event and to the tribute which is awarded to outstanding citizens of the Westchester area. I would also like to share with my colleagues a portion of an article which recently appeared in the Gannett Westchester Newspapers on March 28, 1981.

The honorees, who will be presented handpainted scrolls from Italy, will be lauded for their dedicated service to and support of civic, professional business, educational and social programs of benefit to many races and creeds; for devotion to their community projects, and for constantly remembering those of their heritage through support of the ACIM legislative and social services programs.

Honorees include Salvatore S. and Rose Argento of Valhalla; James R. and Helen E. Caruso of Armonk; Charles J. and Theresa M. Cirelli of Yorktown Heights; and Theodore V. and Donna R. Garofalo of Scarsdale.

Mr. Argento, a native of Striano, Italy, is the owner of R. Argento & Sons Inc., White Plains. He has been and is still actively involved in many civic, fraternal, and community organizations, among them the White Plains Lions Club, Westchester Chapter of ACIM, Westchester Lighthouse, and the Boys Town of Italy of Westchester.

Mrs. Argento has been active as a Girl Scout leader, Brownie den mother, president of the St. John's Elementary School PTA, and many other organizations.

Mr. Caruso, a member of a White Plains law firm, served as county judge of Westchester from 1973 to 1977 and as acting supreme court justice from 1974–77, He, too, is very active in civic, political, and fraternal organizations throughout the county.

Mrs. Caruso is associated with the American Red Cross, USO Campaign Committee, Cancer and Heart Fund campaigns, and many others.

Mr. Cirelli, the recipient of the ACIM President's Silver Bowl Service Award, has been a member of ACIM since 1951. Active in civic, political, social, and community affairs, he has been especially dedicated to the plight of Italian immigrants. He is presently vice president of the Yonkers Lions Club.

Mrs. Cirelli, is recording secretary for the Lakeland School Board and teaches part time for St. Elizabeth Ann Seton Elementary School in Shrub Oak.

Mr. Garofalo is budget director for the city of Yonkers. He is chairman for the Columbus Day celebration of Yonkers and served as chairman of the 1980 Enrico Fermi Scholarship Fund.

Mrs. Garofalo is executive assistant to the administrator of Yonkers General Hospital. She serves on various committees of the Enrico Fermi Scholarship Fund.

In addition to the honorees, credit should also be extended to Mrs. Carol Martinelli, who is the chairwoman of the luncheon, and fashion show director Elaine Van Scoyoc. Vera DeMarco is president of the Women's Division of ACIM●

WELCOME TO OUR NEWLY NATURALIZED AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GILMAN. Mr. Speaker, it is with sincere pleasure that I congratulate the 57 Orange County residents of New York's 26th Congressional District who have recently chosen to become citizens of the United States, with all of the privileges, freedoms, and responsibilities that American citizenship entails.

Our Hudson Valley region in New York State is proud of its newest citizens and I invite my colleagues to join in welcoming the following newly naturalized Americans and extending to them our best wishes for a happy and prosperous life in their new homeland:

Amnon Aharonov, Terry Elliott Andresen, Heather Joyce Anspach, Moses Brach, Vincent Cannella, Candido Manuel Carmona, Jr., Elizabeth Lugtu Centeno, Peter Mark Centeno, Jacqueline Young Hi Kim Choo, Benjamin Yeon Sahang Choo, Dagmar Ludmila Cisar, William Donald K. Clark, Christos Davis, Yoo Mi Desmond, Aurora Barros Domingues, Rosario Durante, Michael Feder, Sara Feder, Fernando Lopes Ferreira, Carlos Augusto P. Ferreira.

Ada Elisabeth George, Joseph Anthony M. J. George, Michael Giannakouros, Carmelo Giunta, Lilia Socorro Halk, Wally Erica Hennessy, Walter Franz Herrmann, Adela Padilla Heth, Margarita Ioannidis, Thomas P. John, Alexandros Lagakos, Sotirios Lagakos, Young Bong Lee, Mona Lehuray, Marisa Contessa Lofrano, Antonio Mennite, Henry Michtalik, Maria Michtalik, Nancy Jean Moore, Johana Maria Nagy.

Abraham Nagy, Rosina Paonessa, Zrinko Petrak, Teresa Pillitteri, Antonio Pillitteri, Gillian Jane D. H. Plevritis, Esther Porgesz, Eugen Porgesz, Josephine Ruebenstahl, Mallika Salgunan, Marta Ondina Sanchez, Hiroko Ellie Smith, Wolfram Karl-Heinz Stahl, Geetha Mary Thomas, Aliette Toussaint, Samuel Constantine Wilson, Cecilia Yannitty.●

GROWTH OF MONEY MARKET MUTUAL FUNDS

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. EVANS of Indiana. Mr. Speaker, I would like to take this opportunity to call the attention of my colleagues to what promises to be one of the major financial issues coming before the 97th Congress; namely, the tremendous growth of money market mutual funds. Assets of the Nation's 107 money market funds grew faster last week than any week in their 7-year history, increasing $3.7 billion to a record $105 billion. The new total represents an increase of more than 40 percent since the beginning of 1981.

The reason for this explosive growth is, of course, the fact that the funds are currently paying interest to consumers at approximately 16 percent, with relatively small amounts required to open an account and instant liquidity in the form of check-writing capability. This is precisely the type of innovative service which should be encouraged but, unfortunately, it is having some deleterious side effects on the Nation's regulated financial institutions, mortgage and credit markets.

I am pleased to note that the Subcommittee on Domestic Monetary Policy will commence hearings on the difficult public policy issues presented by the money market mutual fund phenomenon. In an effort to assist my colleagues in familiarizing themselves with the arguments pro and con, I insert a recent New York Times editorial on this subject, and a response by Dr. Saul B. Klaman, president of the National Association of Mutual Savings Banks, be included in today's RECORD.

[From the New York Times, Mar. 20, 1981]

CONSUMER INTEREST AND BANKING INTERESTS

It seems too good to be true. By parking your cash in a "money market" mutual fund, you can earn 16 percent interest and still have instant access to your nest egg. But it is true, and both banks and savings and loans are worried that the money market funds are draining enormous sums from their deposits. To counter the threat, they are trying to chop the funds down to size by pressing for changes in Federal and state regulations.

Some of the changes the banks want, for example the right to set up their own mutual funds, would be harmless enough,

perhaps even desirable. But their major purpose is to reduce competition by limiting the existing funds—and that would be unfair to savers.

Traditional thrift institutions, notably savings banks and savings and loan associations, are in trouble. Most of their assets are home mortgages, written years ago, earning as little as 7 or 8 percent interest. That seemed fine as long as the interest they had to pay to savers was about 5 percent. But to attract new deposits and keep old ones in inflationary times, they must offer rates competitive with Government bonds and other securities. Those rates are now somewhere between 12 and 16 percent.

The banks propose the elimination of costly regulation, to make them more competitive, but even that action wouldn't help much. Some would eliminate special reserve requirements on deposits. Others would simply allow banks to set up subsidiary money market funds, a strategy now prohibited by Federal law. It is hard to object to any proposal that increases competition for savers' dollars. But the potential benefits are quite limited.

The other prong of the banks' strategy is to squeeze the money market funds. Representative Jim Leach, an Iowa Republican, wants to impose reserve requirements on the funds, immobilizing a portion of their assets and lowering the return they can pay to depositors. Probably the more potent threat is from state legislatures, where banks are trying to prevent the funds from providing check-writing privileges.

They might get the legislation they want. But making money market funds less attractive isn't likely to help the banks get back deposits at low interest rates. About $92 billion of the $105 billion now in the money funds is from corporations, pension funds and other large institutional investors. If they were pushed out of the funds, they would reinvest in Government bonds and other high-yield assets, not bank savings accounts.

Some of the remaining $13 billion, mostly the savings of middle-income people, might flow to the "thrift" institutions. But compare $13 billion with the trillion-plus dollars now in various types of savings accounts: a drop in the bucket. Besides, it would be unfair to penalize small savers, who are barely staying ahead of inflation at current high yields.

The "thrifts" do indeed have a problem, and one not of their own making. There are other, better fixes that could, at minimum, keep them solvent until they can shed their portfolios of cheap mortgages. But it is hard to imagine a less effective or less fair approach than attacking the money market funds.

[From the New York Times, Mar. 31, 1981]

BANK-LIKE RESTRICTIONS SHOULD APPLY TO MONEY-MARKET FUNDS

To the Editor:

The March 20 editorial on "Consumer Interest and Banking Interests" is based partly on the factual error bearing on the impact of money market mutual funds on depository institutions. An equally serious error is the failure of the editorial to address the public policy issues arising from the growth of the funds.

The editorial claims that the major purpose of bank and thrift institution legislation efforts in this area is to reduce competition by such means as imposing reserve requirements on money market funds, which would be "unfair" to savers. According to the editorial, such legislation would be "ineffective" since only $13 billion of the $105 billion now in the funds—"a drop in the bucket"—is held by individuals who might otherwise place their savings in banks and thrift institutions.

As for the factual error, a quick check with the Investment Company Institute—the trade organization representing the mutual fund industry—would reveal that 60 percent, or about $63 billion, of the total volume of savings in money market funds represents the holdings of individuals. Even a casual observer could reasonably conclude that most of these funds would have been attracted by depository institutions.

This shift of funds has serious implications for the allocation of credit in the nation. Money market funds have been a vehicle for diverting savings away from thrift institutions and small, community-oriented commercial banks in favor of giant commercial banks located in the money centers. This arises from the fact that money market funds invest a large part of the money they attract in the obligations of large commercials banks and bank holding companies. The results are reduced availability of mortgage funds for home-buyers and a redirection of credit from small businesses to the large domestic and foreign customers of money center banks.

As for the remedy, savings banks would like nothing better than to be able to compete more effectively against all comers. They are handicapped, however, by the impact of government restrictions, past and present. Among the obstacles they face, as the editorial recognizes, are their large holdings of long-term mortgage loans acquired pursuant to government policy in earlier, pre-inflationary periods of low interest rates. Other government restrictions are also imposed on depository institutions and the question is: Why shouldn't they apply equally to money market funds?

Reserve requirements, cited in your editorial, are a case in point. Recent legislation imposed universal reserve requirements on depository institutions, in order to make Federal Reserve monetary policy more effective in the battle against inflation. If the public interest demands that these requirements be applied to depository institutions, then they should also be extended to organizations which provide bank-like services but under a different label.

SAUL B. KLAMAN.●

HIGH INTEREST RATES ARE AN ECONOMIC PLAGUE

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, the people of my State, and of this Nation, are angry about high interest rates, and they are wondering why we in Congress are not doing anything. Farmers, small business people, and homebuilders are suffering under interest rates unprecedented in history, and savings and loans are paying so much for their money that they are threatened with extinction.

While the Federal deficit is part of our interest rate problem, it is only part. The other part is the deliberate policies of Paul Volcker and the Federal Reserve Board—policies which the Fed promises to continue even if the administration's economic program goes into effect.

One of my constituents, Mr. Erwin Schumacher of Drayton, N. Dak., has written a short piece on this subject which I think represents the views of many, many people in my State and across the Nation. And Erwin Schumacher knows whereof he speaks. At the age of 83 he has had a long and active career in the agricultural cooperative movement in North Dakota and lost a race for Governor of our State in 1948 by only one vote per precinct. Mr. Schumacher wants to know when Congress is going to do something about the Fed's crippling interest rate policies, and I think we in Congress owe citizens like Mr. Schumacher an answer.

Mr. Speaker, I commend to you and my colleagues Mr. Schumacher's comments.

INTEREST RATES

The most insidious, dangerous and inflationary influence that affects us is the usurious interest rates now promoted by the Federal Reserve Board.

Interest rates are pumping the life blood out of our national economy. They are piling profits into the hands of those who have no need for them and are adding to the cost of goods and services.

The burden of this high interest falls on the ultimate consumer. It must be controlled—and at once. It must not continue. It cannot continue without damaging the nation and its working people. We will have economic chaos if the Fed's high interest rate policies persist.

The President and the Congress of the United States must carry out their constitutional responsibility under article 1, section 8, paragraph 5, which clearly spells out their duty to keep watch over our medium of exchange.

When FDR was elected, the U.S.A. was in a similar monetary crisis. He acted at once—drastically. FDR called for a reorganization of our national and state banking systems. He closed all of the banks and "made a new beginning." (Seems that I have heard this slogan lately.) When the banks were reopened the prime rate was one-half of one percent. Our economy then began to grow and stabilize. Even in 1949 the prime rate of the Federal Reserve was two percent. Since then the prime rate has been unstable and has been continuously boosted upward until it has now gone past 21½ percent on occasion.

Our new President threatened to do something drastic at once to turn things around. Let's start on the Federal Reserve policy first. This is where the most can be done the soonest, and in the most effective way, on the highest priority problem we have. Action to lower interest rates will yield effective and lasting results for our national economy.●

BLUEPRINT FOR A HOUSE THAT WORKS: PART VI

HON. TRENT LOTT
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. LOTT. Mr. Speaker, during the last Congress our Select Committee on Committees surveyed Members on a wide variety of issues relating to the House as an institution. Nearly 70 percent of the respondents agreed with the proposition that the House committee system is in disarray and in drastic need of revision, while only 21 percent disagreed.

My own committee improvement amendments, House Resolution 100, introduced on March 4 of this year, stems from that same conviction that our committee system is becoming increasingly fragmented, unworkable, and unmanageable, and as a result, the legislative process is at the point of breakdown and paralysis. Our committee jurisdictions are badly tangled, we have too many subcommittees, subcommittee assignments, and staff. As a result of this proliferation of subcommittees we have been forced to resort to such phantom legislative procedures as miniquorums and proxy voting. And our oversight function is being largely overlooked. What is clearly needed is a "Blueprint for a House that Works," and my committee improvement package is designed to meet that need.

In today's blueprint discussion, I would like to relate my proposals to the results of the select committee's survey.

One of my proposals calls for a limitation on subcommittees to no more than six per committee, and a limitation on Member subcommittee assignments to no more than four. According to the survey, 81 percent of the Members agree that the number of subcommittees should be reduced, and 82.6 percent agree that a limitation should be placed on Member subcommittee assignments. The select committee endorsed limitations similar to those contained in my proposal.

Another one of my amendments calls for the abolition of joint bill referral, while retaining split and sequential referrals. While only 28.4 percent of the Members favor this idea and 34 percent oppose it, another 37.6 percent either gave no answer or were undecided. And 62.4 percent of the Members agreed that in joint referrals a lead committee should be designated and given authority to bring a bill to the floor if secondary committees have not reported within a specified period of time. My proposal likewise requires the designation of committees of principal jurisdiction in multiple referrals and expands the sequential referral authority. The select committee also endorsed this lead committee proposal.

On the issue of phantom legislative procedures, I have proposed the abolition of proxy voting in committees and the restoration of a majority quorum requirement for transacting business, as opposed to the present one-third quorum requirement. While the proxy voting ban was narrowly opposed by Members by a margin of 43.5 percent to 52.5 percent, over 75 percent of House Republicans favor such a ban. And the majority quorum requirement is favored by all Members by a margin of 47.8 percent to 42.4 percent.

My committee improvement package also calls for the House adoption of an overall committee staff ceiling at the beginning of each year, to which the committee funding resolutions would then have to conform. Some 63 percent of the respondents agree that committee staffs are too big, and over 80 percent agree that some kind of ceiling should be placed on committee staff overall.

I have also called for a strengthening of our oversight procedures by requiring formal committee adoption of oversight agendas, and House adoption of a consolidated oversight agenda, giving the Government Operations Committee and the majority and minority leaders authority to propose amendments to those agendas. Over 75 percent of the Members in the survey agree that the House is not doing an adequate job of oversight, and, by a margin of 39 to 32.6 percent, Members agree that the oversight coordination role of the Government Operations Committee should be strengthened.

Unfortunately, the select committee did not ask a question on my final proposal, which is to require equitable party ratios on House committees in line with the overall House party ratio.

Mr. Speaker, on April 15 I intend to reintroduce House Resolution 100 with cosponsors, and I invite my colleagues to join on this "Blueprint for a House that Works." A fuller explanation can be found at page 3545 of the March 4 RECORD. At this point in the RECORD I include the relevant portions of the select committee's survey from the 96th Congress. The survey follows:

SELECTED EXCERPTS FROM SURVEY OF HOUSE MEMBERS, 96TH CONGRESS, BY SELECT COMMITTEE ON COMMITTEES [1]

[In percent]

	Democrats			Republicans			Combined		
	Yes	No	Undecided	Yes	No	Undecided	Yes	No	Undecided
Is the House committee system in disarray?	67.2	23	9.8	74	17.7	8	69.6	21.2	9.2
Should the number of subcommittees be reduced? [2]	80	7	12	82	13	4.8	81	9.2	9.8
Should member subcommittee assignments be limited [3]	78	5.7	16.4	92	4.8	3.2	82.6	5.4	12
Should proxy voting be prohibited?	27	68	5	75.8	22.6	1.6	43.5	52.7	3.8
Should majority quorums be required for business?	34.4	54	11.5	74.2	19.4	6.4	47.8	42.4	9.8
Are committee staffs too big?	56.5	27	16.4	75.8	16	8	63	23.4	13.6
Have large staffs contributed to fragmentation and unmanageability of committee system?	57.3	24.6	18	71	11.3	17.7	62	20	18
Should some kind of ceiling be placed on committee staff overall?	73	15.6	11.5	95	3.2	1.6	80.4	11.4	8.2
Are House committees doing an adequate job of oversight?	21.3	68.8	9.8	4.8	88.7	6.5	15.7	75.5	8.7
Should the oversight coordination role of the Government Operations Committee be strengthened?	38.5	31.1	30.3	40.3	35.5	24.2	39	32.6	28.3
Should joint referrals of bills be abolished while retaining split and sequential referrals?	28.6	31.2	40.3	28	40.6	31.3	28.4	34	37.6
On joint referrals, should a lead committee be designated?	66.2	9	24.7	53	15.6	31.3	62.4	11	26.6

[1] The total number of respondents to questions 1 to 9 was 184: 122 Democrats (66.3 percent), and 62 Republicans (33.7 percent). Questions 10 and 11 are taken from a second survey to which there were 109 respondents: 77 Democrats (70.6 percent), and 32 Republicans (29.3 percent).

[2] Of the combined totals, 64 percent felt committees should be limited to 6 or less subcommittees.

[3] Of the combined totals, 62 percent felt Members should be limited to 4 or less subcommittees. ●

INSTITUTE FOR POLICY STUDIES: PART I

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. McDONALD. Mr. Speaker, once again, the Institute for Policy Studies (IPS) is attempting to use its Capitol Hill contacts to bring congressional staff aides within its ambience.

Self-described as a "radical" institution, the Institute for Policy Studies operates a project called the Washington School. The school is targeted at bringing together Capitol Hill staff aides, Government officials, journalists, students, and radical activists. The purpose is to expose them to foreign revolutionaries, including terrorist agents, and domestic activists in order to indoctrinate them with alternative policies and strategies for a progressive America. As IPS's record demonstrates, that is jargon meaning policies that benefit the Soviet Union, its satellites, client states, and controlled terrorist movements.

In the 4 years since the chief of IPS's international operation, the Transnational Institute, Orlando Letelier, was found to be a paid Cuban agent, IPS has come under increasing public comment. Indeed, the Institute for Policy Studies has become highly sensitive because of a work of fiction, "The Spike," written by Arnaud de Borchgrave and Robert Moss, which discusses a genuine Soviet covert action operation in America from the 1930's to 1950's called the Institute of Pacific Relations.

"The Spike" in fictional terms extrapolates the continuance of such a Soviet covert action operation designed to influence U.S. policies along lines favorable to Soviet interests.

But the frenetic efforts by IPS to spike upcoming articles regarding its activities in support of international terrorist groups like the Palestine Liberation Organization (PLO) and the Farabundo Marti National Liberation Front (FMNL) in El Salvador continue, as do their futile attempts to seek retribution against those who have told the truth about their sleazy operations and slipshod scholarship which even IPS admits is not academic.

For the information of my colleagues and their staff aides who may be encouraged to participate in IPS activities and in the Washington School, I refer them to the following article, published by the Western Goals Foundation.

The article, "The Institute for Policy Studies: Transnational Intrigue and Revolutionary Terrorism," is an overview. It was written by John Rees, an investigative journalist who has reported on IPS for over a decade. When at last Rees' articles were brought to IPS' attention and they realized his reports were accurate, fair and truthful, he was barred from direct observation of their activities, and subjected to a campaign of calumny. However, he has continued his investigative reporting through the cooperation of other journalists as this and other articles demonstrate.

The article follows:

The Institute for Policy Studies (IPS) and its international subsidiary, the Transnational Institute (TNI), occupy two substantial office buildings just off Dupont Circle in Washington, D.C., a townhouse in Amsterdam, and other offices in London. Through the IPS/TNI doors pass the radical organizers who run support networks for various Soviet-backed revolutionary terrorist movements; others who head the disarmament, women's, and anti-nuclear power movements; diplomats including those identified as intelligence agents from Communist and pro-Soviet states and political parties; journalists from the major U.S. newspapers, and aspiring free-lance writers; apologists for totalitarian revolutionary regimes; members of the U.S. Congress and Senate; radical and liberal academics, and officials from the White House and Administration.

Reflecting its contacts with high-level U.S. policymakers, members of the IPS/TNI community, both present official members of the staff and members of what IPS terms its "transnational networks of scholars and activists," have ready access to the editorial pages of America's two leading newspapers, the New York Times and the Washington Post. They also publish regularly in such magazines and journals as The Nation, Foreign Policy, The Village Voice, New Statesman, and The Progressive.

Yet, the liberal media are curiously reticent regarding coverage of the institute for Policy Studies and its members. When they bother to characterize IPS at all, IPS is usually termed merely "a Washington think-tank" or a "liberal think-tank."

This is curious since IPS itself says it is a "source of radical scholarship." The adjective "radical" is correct, but it is difficult to see how the noun "scholarship" can be applied to the activities of this organization since even IPS director Robert Borosage recently admitted that the Institute's "public scholarship" is "not academic" and "does not adhere to academic disciplines."

Rather, IPS members are expected to "teach . . . through books, films and articles, . . . projects and . . . organized experiments" that put into practice the radical "alternative" schemes of the IPS fellows. In effect, this is an admission that IPS exists—at least on one level—as a training center for radical organizers and as a center for the production and dissemination of propaganda designed to affect U.S. foreign and domestic policies.

As for IPS's assiduous cultivation of Congressmen, their staff aides, Administration officials, academics, journalists and others, and its projects designed to influence government policymaking, IPS terms this "attempts to bridge the world of ideas and the world of affairs." The bland verbiage in which IPS tries to cloak its activities no more holds up to scrutiny than does the "cover" of a KGB agent operating as a "scholar" with the Moscow Institute of the U.S.A. while trying to develop contacts in the new Reagan Administration.

In a friendly write-up of the Institute for Policy Studies in 1971, Paul Dickson said that IPS "is attempting to lay the groundwork for the new society that will replace the present collapsing one. It not only has dedicated itself to ushering in the new society by inquiry and experimentation but it is also doing what it can to hasten the demise of the present one."

During the last five years, Rep. Larry McDonald, the leading Congressional expert on terrorism and internal security, brought many reports on the involvement of the Institute for Policy Studies with foreign and domestic terrorist groups and agents of the Soviet and Cuban intelligence services to the attention of Congress through the Congressional Record. He pointed out that the "single cohesive cord that binds together IPS's multitude of projects and activities is the influencing of U.S. policies along lines ultimately favorable to the interests of the Soviet Union, its satellites, client states and controlled terrorist 'national liberation' movements."

The IPS hierarchy had first received criticism in conservative publications during the late 1960s, but had utilized its contacts to evade criticism in liberal journals. This situation was changed with the publication of the novel, The Spike, by Arnaud de Borchgrave and Robert Moss, early in 1980. The novel, on the best-seller list for many months, concerns a fictional "Institute for Progressive Reform" that is utilized by the KGB to build networks of influence among liberal legislators, academics, and journalists which are used to disseminate KGB "disinformation." Disinformation is articles and stories containing a kernel of truth used to give substance to efforts to discredit individuals, institutions, and policies that interfere with those of the Soviet Union.

Commentators and reviewers for the Washington Post, The Nation, and the Institute for Policy Studies' own Marxist weekly, In These Times, have proclaimed that the financial "IPR" "is clearly the Institute for Policy Studies," and go on to provide interesting tables and charts on their guestimates as to which fictional characters are based on which real-life characters.

The crude one-for-one character parallels drawn by the reviewers friendly to IPS are often quite misleading. What is interesting is that they all recognize the "Institute for Progressive Reform" as the Institute for Policy Studies. There is a passage in the novel (p. 128) in which the fictional KGB bosses in Moscow discuss an institution which really did exist in Washington from the 1930s to the early 1950s called the Institute for Pacific Relations (IPR).

As investigations by the Senate Internal Security Subcommittee showed, the IPR and a closely related publication, Amerasia, were covers for Soviet espionage work. IPS and Amerasia were a means for recruiting Soviet sympathizers in important federal government posts, for obtaining classified documents (contributed to IPR and Amerasia for purposes of "academic discussion" of course), and for coordinating the efforts of Soviet sympathizers in the Administration to benefit the aims of the USSR.

The Spike explains that this type of covert operation is one in which many of the participants are unaware of the role of the hostile intelligence service. Only certain members of the operation know it is really a KGB project. In such an operation the dupes—Lenin's "useful idiots"—can think that the Cubans, members of revolutionary terrorist movements, Tanzanians, Czechs,

Algerians and Americans they meet and work with are independent of Moscow. In fact they work for the KGB.

In the novel, the fictional "IPR" is set up to make use of all varieties of "new left" radicalization, anti-Vietnam campus sentiment, and the perversely fashionable anti-Americanism of some U.S. intellectuals.

The Institute for Policy Studies (IPS) was founded in 1963 by Marcus Raskin and Richard Barnet. Raskin had come to Washington in 1959 as a legislative aide to Wisconsin Congressman Robert Kastenmeier, Raskin promptly set about organizing the "Liberal Project," a mini-caucus of twelve Congressmen who wished to propose some utopian, if not radical, policies for the United States. Raskin's efforts did not go far because in the November 1960 elections nearly half the Congressmen associated with the project were defeated. Raskin not only survived, but moved from Capitol Hill into the Kennedy White House as a member of the National Security Council.

Although the "Liberal Project" was aborted in Congress (to be revived later under the impetus of anti-Vietnam sentiment in the form of Members of Congress for Peace through Law), it did result in a volume of essays. The Liberal Papers, edited by James Roosevelt, included several themes fundamental to the Institute for Policy Studies such as the desirability for total U.S. disarmament, for the ending of defense alliances, and for supporting and encouraging revolutionary change in the Third World in order to demonstrate America's bona fides as a nation on the side of the angels, as it were.

Raskin and Barnet met while attending a joint White House and State Department conference on disarmament in April 1961. Barnet, who was Deputy Director for Political Research of the U.S. Arms Control and Disarmament Agency, had reached the State Department via Boston's Roxbury Latin School, Harvard (summa cum laude), Harvard Law School, Harvard's Russian Research Center and the Boston law firm of Choate, Hall and Stewart. Years later, Barnet told an interviewer that he immediately recognized Raskin's alienation and hostility toward "the whole military-industrial establishment sitting there at one table." Barnet commented, "Marc and I both grimaced at the same moment—and knew we didn't belong here."

Whether or not the decision to form their private think-tank immediately followed this meeting of minds in a bizarre "enchanted evening" is unclear. But in any case, Raskin and Barnet were able to use their contacts with leading liberal figures in foreign policy and academic circles to find the funding for IPS in 1963.

IPS's first two years were relatively uneventful with emphasis on various social and domestic issues, and contacts with Congressmen, Senators, and Johnson Administration "New Society" officials. Even then, IPS did not neglect radical change in the area of national security. IPS leaders urged ending NATO, a "non-interventionist" neo-isolationist foreign policy, and lowering military expenditures to release funds for social programs. But about 1965, Raskin and Barnet intensified their attacks on U.S. foreign policy. There vehemence was related to several events including the landing of U.S. Marines in the Dominican Republic to block a Cuban-backed leftist takeover, the failure of a Communist coup attempt in Indonesia followed by purges and the imprisonment of thousands of Communists, and the growing involvement of U.S. military forces to support South Vietnam against a Communist terrorist force spearheading aggression by North Vietnam and the Soviet Union.

From this point onward, IPS leaders have painted the United States in the blackest term while supporting the goals and causes of virtually every revolutionary terrorist movement supported also by Havana, Hanoi and Moscow.

IPS activists found the cause of the Vietcong and Hanoi "just". In January 1977, when Western liberals were shaken by finding that the Hanoi regime had incarcerated 300,000 people in forced labor camps and prisons, Richard Barnet and several others associated with IPS including Cora Weiss, the energetic pro-Hanoi organizer who is the wife of the chairman of the Institute's Board of Trustees, signed a new York Times ad supporting Hanoi's jailing of these political prisoners. But a Stalinist tradition may be part of the heritage of Cora Weiss, daughter of IPS's principle financial backer, Samuel Rubin. Rubin, then living at 615 Pelham Parkway, Bronx, N.Y., listed himself as a Communist in registering for the 1936 general election.

But the North Vietnamese and Vietcong were not the only "progressive" movements backed by IPS. The Palestine Liberation Organization (PLO), the Soviet-controlled MPLA in Angola and African National Congress (ANC) in South Africa, Iranian revolutionaries, and assorted Castroite terrorist organizations in Latin America have been found to be just as "progressive" as the Vietcong, Pathet Lao, and Khmer Rouge. Additionally, the denunciations of the genocide in Cambodia in IPS publications did not appear until Soviet-backed Vietnam was preparing to invade Cambodia whose main ally was the Peoples Republic of China. And while these causes are "progressive," the actions of the United States and its allies are found to be unrelievedly and irreparably corrupt, repressive, morally degenerate and evil.●

SKI SHASTA

HON. GENE CHAPPIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. CHAPPIE. Mr. Speaker, today I am introducing a bill which, to many of my colleagues may seem small in scope and purpose. However, this view would be contrary to that held by the residents of the nine northernmost California counties, which I represent, where the ski industry has provided great recreational and economic benefits in the past.

For many years now, Congress has deliberated about which roadless areas in the United States should be designated as wilderness and added to our National Wilderness Preservation System. This undertaking has been both monumental and controversial. In the last Congress, consideration was given to three wilderness proposals affecting Mount Shasta, in Siskiyou County, Calif. Each proposal offered different boundaries as to which land should or should not be considered wilderness. I do not intend to further complicate the issue by drawing more boundary lines on a map, nor do I believe the residents of northern California should have to wait for what this Congress and this administration may propose for wilderness, in order to clear up the matter of 1,090 acres of public land on Mount Shasta.

For skiers, Mount Shasta is currently a wasted recreational resource. Skiing has enjoyed as a winter sport on Mount Shasta for 20 years until an avalanche destroyed the main chairlift at the Green Butte area on January 5, 1978. At that time, the ski area permittee as well as concerned citizens and expert ski area consultants, decided that due to the adverse weather conditions of the Green Butte area—high winds, white ice, and crippling snow storms—the ski area should be relocated to the more conducive areas of Giddy Giddy Gulch and Sand Flat. The Giddy Giddy Gulch and Sand Flat areas of Mount Shasta have been studied and have been determined to be prime areas for downhill skiing. Both Giddy Giddy Gulch and Sand Flat have been in and out of wilderness designations and are now in a state of "limbo," awaiting Congress decision on wilderness and the outcome of the State of California against Bergland court injunction. Since 1978, existing businesses, hopeful entrepreneurs and thousands of ski enthusiasts have had to play a waiting game.

Congress can settle this question for northern California by removing the 260 acres of public land in Giddy Giddy Gulch from further wilderness consideration, and upholding the adequacy of the environmental impact statement for the 830 acres of public land in Sand Flat. When placed in the light that wilderness proposals for Mount Shasta have ranged between 25,980 acres to 37,000 acres, we are not talking about a large land withdrawal for skiing. The acreage involved in the Giddy Giddy Gulch and Sand Flat areas is very small. However, the possible economic benefits for the northern region of California are very great.

Tourism and wood product industries are leading sources of revenue for northern California. In the last year, three of the lumber mills in the immediate area of Mount Shasta have shut down operations, along with eight Mount Shasta merchants, pushing unemployment in the area far above the national average. A privately owned and operated ski area, under permit by the National Forest Service, would provide employment in the ski area itself and in the restaurants, shops, and hotels of the surrounding communities. As a point of comparison, Summit County in Colorado provides recreational skiers the choice of four major ski areas. Neighboring Pitkin County, Colo., also has four areas, and similar examples can be found in

other Western and New England States. A regional ski area on Mount Shasta would provide the sole option for downhill skiing in an area the size of Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, and portions of Maine and upstate New York combined.

At a time of high inflation and unemployment I do not think we can afford to be swayed from the economic benefits a ski area would bring this economically depressed region by a vocal minority of opponents. Skiing on Mount Shasta has the support of a strong consensus in the nine most northern California counties. This consensus was made clear during the 1979 field hearings held by the House Interior Committee in Weed, Calif. Supporters range from those who enjoy skiing as a family sport to elected officials of the area including:

Nine Northern Counties Supervisors Association.
Siskiyou County Board of Supervisors.
Glenn County Board of Supervisors.
Trinity County Board of Supervisors.
Shasta County Board of Supervisors.
Lassen County Board of Supervisors.
Tehama County Board of Supervisors.
Plumas County Board of Supervisors.
Modoc County Board of Supervisors.
Butte County Board of Supervisors.
Mt. Shasta City Council.
Siskiyou County Superintendent of Schools.
Redding City Council.
Mt. Shasta Recreation Department.
Anderson City Council.
Redding Recreational Department.
Anderson Recreational Department.
Shasta County Economic Development.
Greater Redding Chamber of Commerce.
Mt. Shasta Chamber of Commerce and numerous recreational ski associations and ski patrol associations.

While the 97th Congress and the administration continue the wilderness debate in Washington, D.C., the ski seasons and ski revenue slide by. Passage of this bill will affirm Congress decision to manage Giddy Giddy Gulch and Sand Flat for uses other than wilderness, and will settle the question of this land's use in a way which benefits the economy of northern California. If Congress acts quickly, a Mt. Shasta area for downhill skiers can get underway before the next snow falls.

The bill follows:

H.R. 3053

A bill to require that certain lands in the Shasta National Forest be managed for uses other than wilderness

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the approximately 420 acres of land which is known as Giddy Giddy Gulch, located in Shasta National Forest, and the approximately 990 acres of land which is known as Sand Flat, located in Shasta National Forest, each of which is depicted on a map entitled "Giddy Giddy Gulch and Sand Flat Areas, Shasta National Forest, California" dated April 3, 1981, on file in the office of the Chief, Forest Service, Department of Agriculture, shall be managed for uses other than wilderness.●

CAPITAL ADEQUACY UPDATE—I

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. EVANS of Indiana. Mr. Speaker, on March 3, 1981, I introduced House Concurrent Resolution 82 calling on the Federal bank regulators to diminish the inequitable capital requirements among commercial banks. This resolution, introduced with the bipartisan support of Mr. D'AMOURS, Mr. MATTOX, Mr. SHUMWAY, and Mr. WATKINS, has sparked a great deal of interest among my colleagues, and I am pleased to report the list of cosponsors is growing daily.

As I indicated when I introduced the resolution, the Federal bank regulators have talked about doing something in the area of bank capital for some time. Leading the way toward fairness and equity, the Comptroller of the Currency recently announced his office's program to require less capital of small well-managed banks. While I, and my fellow cosponsors, will look for more details of the Comptroller's program, we applaud this first important announcement and hope it will be followed very shortly by similar announcements by the Federal Reserve and the Federal Deposit Insurance Corporation.

The relevant portions of Comptroller Heimann's remarks follow:

INDEPENDENT BANKING IN THE 1980's: STRENGTHS AND OPPORTUNITIES

(By John G. Heimann)

Adapting to the times means not only adjusting laws and regulations, it will also require new examination procedures, new training programs, new technical capabilities—but, above all, new modes of thought.

In this vein, we indicated at the American Bankers Association Convention last October that we might consider relaxing certain prudential standards such as permitting sound and well-managed smaller banks to reduce their traditionally high capital ratios, and accept the increased risk this would entail.

As community banks adopt many of the sophisticated management systems, techniques, policies, procedures and controls that are characteristic of larger banks, such a policy becomes more appropriate. Moreover, we have taken significant strides in improving our ability to examine and monitor bank activities. We have developed techniques to identify banking problems in their early stages on an individual bank basis. This has enabled us to initiate corrective action often before a problem gets out of hand. As a result, high capital ratios, on an industry-wide basis, are no longer as necessary as they were in the past as a means of limiting bank failures.

For these reasons, we have concluded that we can accept lower capital ratios for sound and well-managed smaller banks to the extent and degree that they possess the depth and quality of management; the level and quality of earnings; the quality of assets; the geographical diversification; effective internal planning; operating and control systems; the market presence and reputation; the board risk diversification in both assets and liabilities; as well as other characteristics which justify lower capital ratios for larger institutions. We recognize that these factors, collectively, have more to do with the financial strength and health of a bank than the magnitude of its capital ratio.

Although such a policy may pose some additional risk, we are convinced that the majority of smaller banks can operate prudently with lower capital ratios. We believe the benefits of more aggressive, competitive smaller banking organizations will outweigh the increased risks posed by lower capital ratios.●

MIGRANTS: THE NATION'S INVISIBLE CHILDREN

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mrs. CHISHOLM. Mr. Speaker, block grants are one of the major themes in the administration's economic recovery package. For example, 45 education programs would be shifted into 2 block grants to State and local education agencies. These programs were created precisely because the needs of specific population groups were not being met at the local level. The block grant proposal contains no method by which assistance will be specifically provided to these special-needs populations. Therefore, there is a great probability that funds will be shifted from these education programs into general school aid which would appeal to the middle-class voter or other local education power structures. These fears are confirmed by the history of the community development block grant program, general revenue sharing, and by the historic vulnerability of poor and disadvantaged people to local pressure groups.

Perhaps the most neglected group in education are migrant children. In 1966, Congress expanded title I of the Elementary and Secondary Education Act to meet the special needs of the migrant child. The administration's proposal would block grant all title I funds, including those funds for migrant children, to State and local education agencies. Prior to 1966, the education of migrant children was virtually ignored by local education officials. To presume that the education of migrant children would now become a priority with these same education officials is simply not rational. Yesterday, in testimony before the House Education and Labor Committee, David Randall, director of the Migrant

Education Center in Sunnyside, Wash., graphically illustrated the implications for migrant children if the administration's block grant proposals are adopted for education programs. I am submitting his testimony for the benefit of my colleagues:

EFFECTS OF BUDGET PROPOSAL AND BLOCK GRANTS ON MIGRANT EDUCATION

I appreciate the opportunity to talk with you about 750,000 boys and girls, 750,000 of the most severely disadvantaged children in our country today. These are children of migrant workers who must disrupt their school year by moving with their families to work in the fields, the fishing waters, or the processing plants. This disruption of school causes the migrant child to loose continuity in his education and miss vital basic skills as his family moves from school district to school district. It is one of the biggest reasons that only 11 out of every 100 migrant children graduate from high school. The high dropout rate when added to the gaps in basic skills virtually guarantees the migrant child no escape from the cycle of itinerant work and poverty level living.

The administration's current proposal to put migrant programs under a block grant creates a very serious problem for these children. As they move across their state or across the country a carefully coordinated plan must be developed and carried out to assure a continuity of education. No school district or state is equipped to do this independently. Under current block grant and budget proposals a serious reduction of educational funds would occur. How can school districts and states stretch already limited dollars to serve children who are transcient? With reduced funding only the most permanant and powerful will be able to make a concerted effort for these funds. The Migrant child will have come and left again before his plight is ever really known. There is no question in my mind but that most school districts do their very best to serve all children, but with reduced resources the money will have long been obligated by the time the migrant child arrives. It is likely that the migrant child will never even be identified and recruited into school. A school with already crowded classes and limited funds would be hard pressed to make a special effort to go into the fields and recruit migrant children who will only be with them for a short period of time.

At present a national computer system relays academic and medical records, between participating schools giving some semblance or order to continually changing migrant patterns. Without this system, it is impossible for States to accurately keep track of the educational needs of these children and their whereabouts in order to effectively allocate the funds needed for a continuous educational program.

The need for interstate coordination is not adequately addressed in the block grant and budget proposals. The past 7 years I have been actively involved in an alternative high school for migrant children. In 1970 there were only 9 high school aged migrants enrolled in the entire State of Washington. This past year there have been more than 2,000. This has come about as a result of a great deal of communication and cooperation among schools at the local, regional, and State levels. This would not have been possible without adequate financial resources, schools would have simply been limited to addressing local needs with possibly a special program for the migrant child while he/she was there, and with no consideration for coordinating school work when the student leaves.

This spring in Washington State there will be 14 programs for migrant high school children who must work with their families in the fields. In late afternoon or evening about 700 boys and girls will come to school after a full day of cutting asparagus and pick up their studies and they will succeed in their coursework and when they return to their home school in the fall their credits will have been transferred and they will be at the very same place as their classmates who did not move.

This special program had its first high school graduate in 1974. The same year my older son graduated. As a seasoned school principal I don't get too excited about graduation ceremonies but that year I attended graduation with just a little more interest. I felt real pride and just a touch of relief when my 17 year old son picked up his diploma. I shared with this other young man's family in the pride that they felt when their 21 year old son became the first graduate in their family when he walked across the stage. This boy was three years late due to constant moving and missing portions of school. He had a tremendous desire to graduate and did because he overcame great barriers.

In 1968 I became acquainted with a migrant family, a mother and 5 children who had just lost their father in an auto accident. Since that time the mother and at least some of her children made the trek from Texas to Washington for the harvest. Four of these children are high school graduates, one is a college graduate and completed her first year teaching, and two more are enrolled in college.

I can tell you this story a hundred times over only with different names, and it still only scratches the surface.

I have spoken today about the program in Washington state. Many other states have developed fine migrant education programs with similar good results.

Somewhere a myth began that migrants were lazy and lived the way they do because they didn't want anything better. I'd like to correct that myth, the migrant life style is backbreaking work and only the most ambitious ever continue in it and they do it for the same reasons that you and I work to get something just a little bit better for our children. This tremendous level of ambition inherent in the migrant worker is the reason that their children's success rate in school is so great—if they get the opportunity to go to school.

Loosing the migrant program in a block grant or even cutting back already limited funds will cut off the success potential of a group of children who are programmed with an ability and desire to work under the most severe of circumstances just at the time they are ready to break the migrant cycle and take their place in society with your children and mine. It's an economic fact of life that migrant children must work. It is my sincere feeling that this contribution that the boys and girls make to their families should be recognized and that every possible effort be made to enable them to continue and complete their education.●

HONORING VIETNAM VETERANS

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. ROBERTS of South Dakota. Mr. Speaker, the declaration of April 26 as Vietnam Veterans Day by the Congress is long overdue. It is my hope that we observe it as a welcome home to our veterans that served in that war.

Over 17,000 of my fellow South Dakotans served their country in Vietnam. Our South Dakota Vietnam war veterans, like their fellow servicemen and women across the Nation, are deserving of our thanks for their loyal service to their country.

It is the duty of every citizen to find a place in our hearts for those veterans of Vietnam who are home, and those who are not.

Twenty-five hundred servicemen still have a missing-in-action status. Congress should use the impetus of Vietnam Veterans Day to renew our efforts to resolve the remaining MIA mystery.

Furthermore, the fear and dismay that veterans share over the prospect of physical and mental damage from agent orange exposure should be allayed by providing the full support of the Government in solving the agent orange problem.

Delayed shock syndrome as well is a recently surfaced tragedy of Vietnam, and must be addressed by Congress in our legislation designed to serve the Vietnam vet.

The Veterans' Administration recently found that Vietnam veterans suffer significantly higher rates of unemployment, alcoholism, drug abuse, and criminal activity than do their counterparts who are not veterans. Is this our "thank you" to those who served their country? I hope not.

Let us join together this April 26 to give an honest and heartfelt thanks to our Vietnam veterans.●

CONSOLIDATED REFUGEE EDUCATION ASSISTANCE ACT

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GOODLING. Mr. Speaker, as a member of both the Foreign Affairs and Education and Labor Committees, I am deeply concerned about the uncertain congressional response to the plight of local communities when faced with a periodic new influx of refugees. Our local schools are among the institutions which are usually faced with the expense and the responsibili-

ty of these sudden unanticipated demands upon their services. I have seen time after time a mad scramble of legislative activity to create piecemeal education assistance programs to assist local schools to deal with situations quite beyond their own control and rational planning mechanisms. We all are sufficiently aware of the recent Indochinese, Haitian, and Cuban situations to recognize this problem.

I have lately been focusing much attention on the recent upheavals in Central America and have discovered some sobering facts. For example, one recent news report noted that guerrilla activity in El Salvador has resulted in some 60,000 displaced people, many of whom apparently are seeking to migrate to the United States. In another example, "ABC News" reported on the influx of Salvadorans into the United States and stated that approximately 500 per month are settling in San Francisco alone. Similarly, we should not overlook the potential disaster that exists in Poland. If the shaky truce between the beleaguered Polish Government and the free union movement Solidarity blows apart, the international repercussions are difficult to gage. It is not incomprehensible that a substantial influx of Polish refugees into the United States might occur, similar to the 1956 Hungarian episode, especially if there is direct Soviet military intervention.

Unfortunately, as a result of piecemeal attempts to cope with these problems as they arise, we have created a hodgepodge of refugee education assistance programs which are confusing, duplicative and indicative of shortsighted legislative responses.

For example, on education of refugees we have created at least five legislative alternatives, four of which are under the jurisdiction of the Education and Labor Committee: Impact aid; Indochina Refugee Children Assistance Act; discretionary grants under ESEA title III; the Refugee Education Assistance Act of 1980; and title III of the Refugee Act of 1980.

Because of the international events which I described above and because of the opportunity created by the expiration of the Indochina Children Refugee Assistance Act, I think that it is time to consolidate and improve the duplicative and confusing variety of programs designed to assist local education agencies in responding to the educational requirements of new refugees. At the same time, it is necessary to insure that there can be no double dipping by school districts which might qualify for education aid for these students under other general Federal refugee assistance programs.

Specifically, my proposal would define refugee for purposes of this act to include any person legally admitted to the United States, regardless of their status under the Immigration and Nationality Act. In addition, I propose to limit the eligibility of these students for education aid to a maximum of 5 years. This is a reasonable savings provision which provides aid to local schools for the special problems that are initially associated with refugees and for transition into regular school programs. My bill would also create a permanent authorization which avoids the need for new separate authorizations for each specific new wave of refugees. Of course, any final determination of actual aid would require that an appropriations bill pass Congress and receive the President's signature.

The body of the proposal is modeled after the Refugee Education Assistance Act of 1980. In addition, the bill repeals the duplication of programs under the Education and Labor Committee's jurisdiction:

Section 4A of the Impact Aid Law (Public Law 81-874). This program authorizes payment to local education agencies of funds equal to the product of the number of eligible children above 20 in the schools multiplied by the current local expenditure rate of the LEA plus $200 per eligible child in excess of 20.

Titles I and II of the Indochina Refugee Children Assistance Act of 1976, as amended:

This program authorizes payments at a flat rate of $450 per refugee child paroled into the U.S. after January 1, 1977 to local education agencies providing education services to Indochinese refugee children between the ages of 5-17.

Section 317 of the Adult Education Act:

This program authorizes grants to State and local education agencies for operating adult education programs for Indochinese refugees.

Cuban-Haitian Refugee Education Assistance Act:

This program provides special assistance to schools with influx of Cuban and Haitian refugees and further provides additional assistance for heavily impacted districts. In addition, this bill provides for adult education assistance for these people.

Each of these former separate refugee education assistance programs would be folded into one consolidated refugee education program. The new program would be a permanent authorization.

TITLE II

Grants to state education agencies for schools providing basic education to refugee children. The schools could receive $400 per refugee child—if the program is fully funded.

TITLE III

Grants to State agencies for school districts with substantial increases in the number of refugee children. This aid would be for supplemental educational services for school districts in which these children comprise 500 students or five per cent of school population. Amounts range from $300 to $700 per child, depending on when the child was enrolled.

TITLE IV

Aid amounting to $300 per enrolled adult, to states for adult education programs for refugees aged 16 or older.

I would like to emphasize that the legislation insures that any Federal funds received by a State or local school district under any other Federal program for the purpose of refugee educational assistance would reduce, dollar for dollar, the amount that any school might be eligible for under any title in this bill. However, money received under discretionary grant programs for these same purposes would not be considered in the allocation formula.

Mr. Speaker, it is time that we recognize and clarify our role in providing education assistance for refugees who are legally admitted to this Nation. Since these children are entitled to an education under our laws, the costs to the American taxpayers will be the same, regardless of which level of government is providing the funds. The decision to admit refugees is a national policy, and consequently, the burden of this Federal decision ought not to be placed solely upon a few selected local areas.●

A BILL TO AMEND THE FEDERAL MINE SAFETY AND HEALTH ACT OF 1977

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. KOGOVSEK. Mr. Speaker, I have introduced a bill today to amend the Federal Mine Safety and Health Act of 1977, to provide greater cooperation between the administration and mine operators in providing safe and healthy working conditions in our Nation's mines. I have received many complaints from mine operators in my district, particularly small operators, who are facing extreme difficulty in complying with all the regulations imposed by the Federal Government.

Mr. Speaker, I would not want to be a small mine operator in this day and time. Between the Mine Safety and Health Administration, the Bureau of Land Management, Office of Surface Mining, the Environmental Protection Agency and a multitude of State agencies—many of which have duplicating responsibilities with Federal agencies—the small operator is literally smothered with government regulations. They are required to know what the gas content of the air in their mine is at all times. What pollutants are in the water of their area. What vegetation exists in the area for reclamation purposes. If they are emitting any radiation or radioactive elements into the air or water. What percentage of lead, zinc, copper, and other miner-

als are in the streams and tailing ponds. He must have an established plan for reclaiming the area after he has completed mining and an established and approved mine evacuation plan. They must bear the costs of maintaining a local mine rescue team consisting of at least six people and all the necessary equipment. Operators are required to have self-rescuers for every mine, each weighing 8 pounds and costing over $500. To say nothing of all the reports and paperwork required of them for each agency.

Mr. Speaker, I could go on and on about these regulations and requirements. The point is that these are miners. Not safety experts, biologists, chemists, hygienists, or air quality experts—just miners. Yet, when it is found that they have not met any one of the regulations set by experts in the various agencies, they are fined or forced to close their mines, and in some cases forced to go out of business altogether. We must provide means of assisting operators in meeting Government requirements. While the Mine Safety and Health Administration does have a program to assist miners in recognizing safety hazards—the compliance assistance visitation program—it is on an extremely limited scale due to restrictions in the act. My legislation would lift the restrictions and allow the Secretary to expand the assistance program to encompass all types of mines and mining conditions. It would enable MSHA to act in a cooperative manner with operators in providing safer working conditions. Safety inspectors would be allowed to come into the mine in an advisory capacity and use their expertise in assisting, instead of harassing, operators. The legislation also mandates that MSHA provide this service within 2 weeks upon a request from an operator, thus insuring there will be no delays. It also insures that there will be no civil penalties attached to any warnings given during an assistance visit.

While large companies might have the financial and personnel resources to comply with all the Federal regulations, the small operator cannot possibly do so without some form of help. At least, through this legislation, they will receive assistance from the Federal Government in meeting safety and health requirements. I urge my colleagues' support.●

FATHER JOSEPH F. THORNING—"PADRE OF THE AMERICAS"

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. REUSS. Mr. Speaker, on April 25, Father Joseph F. Thorning will celebrate his 85th birthday. Father Thorning is well known to us, because for more than 30 consecutive years he offered in the House of Representatives the prayer for the observance of Pan American Day.

In 1944, he took the initiative of inaugurating that special celebration on Capitol Hill for the cause of inter-American understanding, cooperation, and friendship. The annual observance has now become a firm tradition, which has immeasurably increased our understanding and respect for our neighbors in this hemisphere. Former Senator Mike Mansfield of Montana aptly named him "Padre of the Americas."

Wisconsin is proud to claim Father Thorning as a native son, and pleased that he is continuing his active roles as a journalist, scholar, and pastor.

I want to share with my colleagues an article from the December 7, 1979, issue of the Catholic Review in praise of this extraordinary man. The article, by Thomas M. Kavanaugh, follows:

FATHER THORNING, FORMER FREDERICK COUNTY PASTOR, MAN FOR ALL SEASONS

The problem with writing about Fr. Joseph F. Thorning is that he represents a topic more appropriately addessed in book-form.

Better yet, he could be the subject of a television or film documentary, for not only is his curriculum vitae worthy of catalogue-sized treatment, but Father Thorning himself is such an animated, colorful man at age 83 that a sound and visual presentation would best capture his character and zest for living.

But here, alas, are only words, which given the stature and past accomplishments of this Jesuit-ordained priest, can at best merely form like a crowd of people dwarfed by a large and impressive statue.

Although he was the pastor of historic St. Joseph-on-Carrollton Manor Parish from 1947-72, it is the first 50 years of Father Thorning's life that are so especially speckled with honors of achievement. Termed by former Senate majority leader Mike Mansfield the "Padre of the Americas," Father Thorning's most indelible marks have been made in the area of international relations.

Joseph Francis Thorning, you see, was one of those people whose perceptual genius and scholarship displayed itself so clearly, at such an early age, that his destiny as a man of letters and statesmanship was his most obvious and certainly most productive route through life.

Born the eldest of four children in Whitefish Bay, Wis., a Milwaukee suburb, he is the son of a New England mother and a Viking father who made his living as a fisherman, hunter, carpenter and cabinetmaker.

Educated at Catholic schools in Massachusetts and Wisconsin, he graduated first in his class from the Marquette Academy. Being at or near the top of his class was to be a common occurrence: Father Thorning earned a bachelor's degree from Holy Cross College, graduated summa cum laude with a master's degree from St. Louis University and was the first member of the Jesuit order to be matriculated in and eventually to be awarded a doctorate from the Catholic University of America.

He also received a doctorate in sacred theology from the Gregorian University in Rome, taught as well as took instruction at Oxford University in England and the Sorbonne in Paris, and has received honorary degrees from other institutions as well. He holds a doctor of laws degree from the University of Santo Domingo, the oldest institution of higher learning in the Western Hemisphere, founded in 1538.

If Father Thorning's plaudits as an educator seem remarkable, it is his accomplishments as an author and diplomatic liaison which take on even greater insignificance.

Having written nine books, and now at work on a tenth—his memoirs—Father Thorning was also associate editor of World Affairs Magazine, Americas (the journal of inter-American cultural history), a correspondent for Sign magazine, the New York Times and the Washington Post, to mention only several of his journalistic involvements.

Through his writing he earned a reputation as a man of considerable foresight. The New York Times Book Review described Father Thorning's Miranda: World Citizen (a biography of Don Francisco de Miranda, the precursor of Latin American freedom) as "one of the outstanding books of the year" in 1952. Religious Liberty in Transition, completed as a doctoral dissertation in 1931, has been acclaimed by scholars the world over as "the premier scholarly work on the ecumenical movement."

As a correspondent for Commonweal, America and a number of other publications, the then-young-Jesuit priest spoke out early in the 1930s, following study trips abroad, of the impending menace which grew in the persons of Adolph Hitler, Benito Mussolini, and off in Russia, Josef Stalin.

"I've been called a radical many times," the still robust priest said recently at his residence near Hood College in Frederick.

"And when someone calls me that I say 'thank you' because it's a compliment. I like to be a radical; you go to the roots of any problem."

Somewhat stooped and wearing a beret, blue blazer and characteristic white scarf and gloves (his hallmarks, he says), Father Thorning seems, like Miranda, something of a world citizen himself. Fluent in seven languages, he will lapse into French or Spanish to underscore a statement.

Residing in a small apartment, his living room is cluttered with dozens of partially-read books, scores of magazines, and seemingly hundreds of newspapers from all over the world which he scans for "anything relevant." Off to one side, a neat little osis amid the apparent disorder, is small altar.

Interviews with this man are conducted in somewhat reverse order: Father Thorning remains standing, as though lecturing before a class of one, and with all the verve of a young orator gesticulates dramatically while making various points and fielding questions.

His memory, especially for detail, is incredible. While having traveled to nearly every country in the Western Hemisphere, Europe, parts of Asia and the Pacific, and met diplomats and ambassadors of international renown, he can still recall the name (including middle initial of a Latin instructor in high school or the fellow he substituted for as a third stringer on the Holy Cross football team nearly 60 years ago.

Noting that his father lived to be nearly 100 years old, the one-time chairman of the sociology and social history department at Mount St. Mary's College, Emmitsburg, is quick to point out that he is in sound physical condition.

And indeed, he must be; he climbs the steep steps to his second-floor quarters without hesitation, spends considerable time walking each day, and will invite you to test the muscle tone of his biceps. He also cleans and cooks for himself, "at least, I try," he said laughingly.

"I've always avoided over-eating and excessive drinking," he emphasized, blue eyes peering out from behind long, craggy eyebrows. "I never eat lunch. It's habit that dates back to my time as a student when after theology class I would spend the lunch hour talking with the teacher."

He added that cold showers and various nutritional concoctions of his own design are also responsible for his good health.

Incardinated into the archdiocese in 1937 at the request of Archbishop Michael J. Curley, Father Thorning is proud of his Jesuit background. He is also not overly modest: "The Jesuits claim me as the wonder of their order. I am the complete image of a Jesuit-educated diocesan priest."

Of his climb up the educational ladder, he recalled: "I was number one in just about everything, even theology. You know, most brilliant men don't usually pass moral theology, but I had no trouble."

But even though he served as ambassador for several special diplomatic missions (by presidential appointments), received awards of honor and prestige from nearly every Central and South American nation, held the position of acting dean of the graduate school of Georgetown University, and served as broadcast commentator for NBC on several occasions (he broadcast the story of the 1938 National Eucharistic Congress from Hungary in seven languages), Father Thorning said he was glad to take on the role of pastor at St. Joseph's located near quiet, rural Buckeystown.

"I liked that very much," he remarked of the 25 years spent in the parish.

During that time, however, his dynamism for foreign affairs carried on. For more than a dozen consecutive years, Father Thorning was invited by the U.S. Congress to deliver the invocation at the start of Pan American Day at the Capitol.

While holding the reins at St. Joseph's and its mission churches, he traveled extensively to be honored in the nations where his interest, expertise and leadership had "served the cause of friendship" and understanding.

A lover of opera and the fine arts, Father Thorning still teaches "informally" and remains active in the community. He does not own a phone, the retired priest noted, however, because too many people demand his time and interrupt a tightly filled schedule of writing and reading.●

THE 20TH ANNIVERSARY OF THE CITY OF SAN JUAN CAPISTRANO

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. BADHAM. Mr. Speaker, 200 years ago Father Junipero Serra stood in front of a crude wooden cross and prayed for the success of a new settlement, which was to be named San Juan Capistrano, after an Italian saint.

Now I address this honorable body to call attention to the 20th anniversary of the city of San Juan Capistrano, which was incorporated on April 19, 1961, even though it was world-reknowned because of its beautiful mission and the legendary annual return of swallows to the shelter of its buildings.

The mission, around which the present city has grown, was founded on November 1, 1776, at a ceremony attended by 11 soldiers, 2 Franciscan priests, some curious Indians and Father Serra, who presided.

Father Serra came to the New World from Petra, Mallorca, Spain, to establish a line of California missions. San Juan Capistrano was the seventh in that line founded by Father Serra.

It was 65 years later when the Mexican Government took official action establishing San Juan Capistrano as a pueblo and in 1840 it became an American community with the deeding of California to the United States.

Like most Mexican pueblos, San Juan was built around a plaza in the center of town. Adobe houses and stores lined the plaza. Homes bordered Los Rios Street which marked the edge of the mission garden.

San Juan Capistrano has withstood the seige by bandit Juan Flores in 1857 and the drought. However, the combination of a drought and a smallpox epidemic took its toll and because of the loss of cattle, workers, and payment of high property taxes, the large ranchos were gradually broken into smaller parcels and sold to settlers who sought mild climate and pleasant surroundings.

Now San Juan Capistrano, as a city, has developed into one of the most beautiful and coveted communities in southern California, growing steadily, under the guidance of a prudent community, its elected leaders, and professional managers.

From humble beginnings, with 6,000 acres, and 1,200 residents, who voted in 1961, 363 to 89 for cityhood, San Juan Capistrano now covers 12 square miles and has a population of 18,859. Throughout it all, San Juan Capistrano has retained its historic past while responding to the needs of its residents.

It has been my pleasure to represent San Juan Capistrano for more than 18 years in the California Legislature and in the Congress of the United States. Therefore, I take this opportunity to wish all connected with the city, its history, and its future, well with the hope that the years ahead will be as rich for all concerned as the city's heritage.●

REAGAN'S BUDGET PROPOSALS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. McDONALD. Mr. Speaker, much has been said about President Reagan's proposals for economic rejuvenation and regulatory reform. It has been bantered about that he is actually going to cut spending, terminate such regulatory monsters as the Council on Wage and Price Stability, and give industry the incentive it needs to produce. Right? Wrong.

The distinguished economist, Murray Rothbard, recently had an interview published in the "Silver and Gold Report" late in March 1981. In this interview he separates the fiction of President Reagan's proposals from the facts.

Mr. Rothbard is a key member of the Austrian school of economics. Although he is perhaps subject to criticism for support of what might be termed extreme libertarian views with an antidefense bias, nevertheless, his analysis is one that is excellent in scope and depth. I strongly commend it to the attention of my colleagues.

REAGAN'S BUDGET PROPOSALS

ROTHBARD. Well, there are three parts to Reagan's economic package: the so-called budget cuts, deregulation, and tax cuts. In all three areas, Reagan's program has great rhetoric, but little substance. His program has got no chance at all of stopping inflation.

That inflation will continue is bad enough. But what makes it even worse is that Reagan is selling this program to the public with the rhetoric of the free market and hard money. When it fails, the hard-money philosophy will be unjustly blamed and discredited in the eyes of the public. This will mean the chances for a genuine economic recovery in the future are that much more remote.

The tragedy of Reagan's program is that the American public demands that inflation be stopped. Reagan was given a hard-money mandate by the American voters—but he's betraying it. The hard-money movement will go down the tubes for years to come.

That's the disaster. It could be 10 years before hard-money ideas get another chance to be heard.

SGR: Well, Prof. Rothbard, your own rhetoric isn't too bad. How about some details now?

ROTHBARD: Fine. Why don't we start off on the budget cuts—the so-called budget cuts I should say, because they're not real.

I think the doubts you raised in your own analysis were right on target. [Editor's note: See SGR late February 1981 issue.] That was one of the best critiques of Reagan's program I've seen anywhere. You just didn't go far enough.

First, Reagan isn't really cutting anything back from 1981. He's actually increasing the 1982 budget by a whopping $40.1 billion. That's a hefty 6.1% increase.

Reagan is actually doing worse than Carter. Carter's deficit in fiscal 1978, the first year he had full control of the budget,

was $48.7 billion. Reagan's projected 1982 deficit was announced at $45 billion. But now Congress is claiming that Reagan's arithmetic was wrong—and the 1982 deficit may well be closer to $65 billion.

Moreover, the new $65 billion deficit projection assumes that Reagan will get every single one of the cuts he's asking for. And for the reasons you pointed out [in the February SGR article] no President can possibly get all the budget cuts he asks for. There's just too much resistance from every special interest group.

So in fact, Reagan's first-year deficit will be a lot worse than Carter's was.

But it's interesting to see how well Reagan has deflected hard-money critics with his rhetoric.

SGR: What do you mean?

ROTHBARD: During Eisenhower's first year in office he really did roll back federal spending below previous levels. He cut the budget by 8.7%.

Eisenhower lowered spending by $6.5 billion. He didn't just slow down the rate of increase in spending, the way Reagan is doing. Yet because Eisenhower only cut his budget by 8.7%, conservatives accused him—correctly, I think—of locking in the excesses of the New Deal.

For Reagan to do as well, proportionately, as Eisenhower—he'd have to cut the 1982 budget by another $97.1 billion.

SGR: What about Reagan's deregulation push. To us, it appears good. The Wage and Price Board, thermostats, his attacks on the SEC . . .

ROTHBARD: You're right about thermostats—and wrong about everything else. I heartily approve of dropping those hideous temperature "guidelines" for commercial buildings. I love air conditioning, and I'm happy to give Reagan credit for ending a despicable little harassment by the government.

Unfortunately, aside from liberating the thermostats, Reagan's deregulation effort doesn't stand up well under close examination. Again, though, Reagan's rhetoric is fooling everybody.

For example, the New York Times printed right on page one that Reagan is abolishing the Council on Wage and Price Stability. Unfortunately, that just isn't so. Reagan isn't abolishing the entire Council. All he's doing is cutting out the Council's wage-price monitoring program. The Council itself is intact.

Yes, this cut will get rid of 135 federal employees and save $1.5 million a year. And, that's okay—since these people didn't do anything except harass businessmen. But firing 135 people off the federal payroll is hardly making a dent in that vast bureaucracy of 1.9 million employees.

Reagan didn't take the all-important step of abolishing the Council on Wage and Price Stability. I don't have to explain to your readers that bureaucracies have lives of their own. If you cut away only part of one of these agencies, it'll soon start to grow again—like a cancer.

But Reagan is doing the same thing over and over. He talked boldly about abolishing the Council on Environmental Quality—but then he backed off very quietly. More talk about dismantling the Federal Trade Commission's anti-trust bureau. And again, he backed off. He even conveniently forgot his campaign promises to abolish the Department of Education and the monstrous Department of Energy.

You see the same pattern repeated all throughout Reagan's economic program. Every step is presented with a flourish of great—magnificent even—free-market rhetoric. But there's little substance behind it. Time after time, Reagan backs off quietly after grabbing headlines with an impressive announcement.

SGR: What about the freeze on new business regulations?

ROTHBARD: All that does is to delay the upcoming regulations that Carter programmed in. Again, that's not a real cutback. It's just like the budget cuts where Reagan is only slowing down the rate of increase. He isn't doing anything to wipe out the jungle of regulations that are driving businessmen crazy—especially the small businessmen who are the backbone of the economy.

SGR: How about Reagan's elimination of price controls on domestic crude oil?

ROTHBARD: It was the Carter Administration that passed the law ending domestic oil price control. This was scheduled to go into effect in September 1981. All Reagan did was to move up the starting date to January.

Now I'm even reading in the newspapers that Reagan cabinet members are arguing for restrictions on Japanese auto imports. That's as far from the free market as you can get.

It's a rotten deal for consumers who have to pay more. It's also rotten for the economy because it locks our capital investment into inefficient producers like Chrysler—whom the free market is saying loud and clear should go out of business.

Still another development: news stories are saying that Reagan is leaning towards new regulations to lower the interest rates that money market funds are allowed to pay. What can I say about that? It's totally inimical to the free market. Again, it screws consumers—this time investors, like your readers.

SGR: How about Reagan's tax cuts, Prof. Rothbard? Don't you think 10%, 10%, 10% sounds pretty good?

ROTHBARD: This alleged 10%-a-year income tax cut is being advertised as the acid test for supply-side economics. Taxes on middle and upper-income people are supposed to be cut significantly—in order to increase savings and investment. The theory then says that the savings will stimulate production.

Actually this could work—if there really were significant tax cuts for the middle class and the wealthy. But they aren't.

To begin with, the top income tax bracket on interest and dividends *wasn't* cut from 70% to 50%, as Reagan had promised. This means that a typical wealthy person paying taxes on $200,000 a year will get only a 3.4% cut. At the other end of the scale a low-income person earning $10,000 a year will get a 15.3% cut.

So the middle and upper income people get the short end of the stick again.

If Reagan was really serious about a supply-side tax cut, he'd have to do away with a lot of other taxes that aren't even being touched.

He should do away with the double taxation on corporate dividends. He should also do away with the excess accumulated earnings tax—which is the bane of all small businessmen who are trying to build growth capital. This is a little-known tax, but it's terribly destructive of employment because it makes it hard for small businessmen to enlarge their operations.

He should also do away with Carter's horrendous "windfall profits tax" on the domestic oil industry. And he should dramatically cut back the taxes on corporate profits.

But none of these really valuable tax cuts are even being considered. And at the same time, there's been a whopping big Social Security increase put into effect this January with little fanfare.

And more: I'm sure your subscribers are aware that Reagan promised to tie his tax cuts to an indexing plan that would end "bracket creep." In other words, inflation wasn't supposed to push you into higher tax brackets anymore. Except that the indexing proposal has now been dropped from Reagan's program, too.

So as you can see, between continued inflationary "bracket creep" and the big new Social Security hike, the much-vaunted 10-10-10 tax cut turns out to be a sham. Most people will end up paying more in taxes than they ever did before.

Even Jack Kemp, one of the originators of the Kemp-Roth tax reduction bill, has disassociated himself from Reagan's so-called tax cut program.

SGR. What about the accelerated depreciation allowances that business will get? That'll have a positive effect on the economy.

ROTHBARD. Yes, it will, but not very much. The way this depreciation proposal is coming through, the improvements it'll produce are very selective. It won't help the high-technology industries, such as computers, which are the fastest-growing sector of our economy.

The main benefits of the speeded-up tax depreciation schedule will go to the old, basic industries like autos and steel, which are highly capitalized and have long-lived assets.

SGR. Prof. Rothbard, how's the economy going to be affected over the next few years by all these factors you've outlined? And what does it mean for silver and gold investors?

ROTHBARD. As I've said, I believe that we're going to have a repressed inflation for the next nine months to a year. This will be a period of strength for the dollar, but it'll be followed by a period of great weakness. Inflation will get worse, very quickly.

SGR. How much worse will inflation become, and how quickly?

ROTHBARD. Well, inflation doesn't stand still. It has to be stopped or it'll keep on accelerating.

At the end of the line—if there isn't a return to genuine hard-money, gold-standard government—we would face runaway inflation.

But your readers don't have to worry about runaway inflation being here tomorrow or next year. It isn't at all imminent. After all, about 30 years were required for inflation to climb from 1% to 10%.

SGR. Both times before when we interviewed you, you urged our readers to get out of dollars and dollar-denominated investments such as stocks and bonds. You recommended hard assets like gold, silver, real estate, art, and diamonds. Has your advice changed today?

ROTHBARD. No. It's pretty much the same. It worked back then and it still works now. I do think, however, that with the present high interest rates, money market funds are a good place for parking some of your short-term liquid assets.

I'm still in favor of the various classic collectables, particularly in fields where you have some personal expertise.

I don't agree with the hard-money people who predict a real estate crash. I still think there's money to be made in good housing.

But in the 1980s there are no longer going to be automatic real estate profits.

For example, some years ago I bought a rental property in a small town in Virginia—and it's done nothing. Unfortunately, the house I bought is in a part of the country that consistently has a high rate of unemployment. So you've got to be very careful where and how you buy, and what your mortgage terms are.

SGR. What about gold as an investment now?

ROTHBARD. I think this would be a great time to buy gold. At present, gold is being over-discounted because of Reagan's rhetoric.

I'd expect a big increase in gold prices, in the not-too-distant future. Inflation has got to catch up with realities. Gold will follow it up as soon as it's no longer artificially depressed by the false hopes Reagan holds out.

SGR. Remember way back in 1972 when we first interviewed you? You didn't want to go on record about how high you thought the price of gold would go—because you said everybody would think you were crazy.

ROTHBARD. Yes, I wish I could remember how high I thought gold would go. But I don't.

SGR. Well, judging from what's happened to its price since then, you must have been pretty close to right on target. Back in 1972, very few would have dreamed that gold would rise to $400 or $800. Are you willing to go on record now with a forecast for specific gold prices.?

ROTHBARD. I honestly don't believe that precise numerical price forecasts are my forte. As an economist and historian, I prefer to analyze the broad sweep of events and not get into "buy this and sell that" types of projections. I leave those projections to investment analysts.

SGR. Just one last question then. What do you see as the trend for silver prices?

ROTHBARD. To be frank, I stopped studying silver some time ago, when I decided silver wasn't a monetary metal any more.

However, the historic trend has been that silver prices generally follow gold prices. So I'd say that today silver is probably a pretty good buy too.●

H.R. 2387

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mrs. COLLINS of Illinois. Mr. Speaker, on March 10, 1981, I introduced H.R. 2387, the Child and Family Development Act, which was drafted with significant input from the Chicago Day Care Task Force.

Since the introduction of the legislation, my office has been beseiged with requests for copies of the bill. Accordingly, I would like to share with my colleagues and general public a summary of H.R. 2387:

SUMMARY OF THE CHILD AND FAMILY DEVELOPMENT ACT (H.R. 2387)

Sections 1-5: Basically devoted to assessment of needs, rationale for child care research findings, purpose, protection of parental rights, definition of child care service.

Section 6(a): Comprehensive plan and program for child care services states: That HHS Secretary will carry out a complete study and assessment of child care needs in United States and transmit results to Congress within 90 days after date of enactment of this act.

(b): On basis of study, Secretary shall prepare and promulgate a comprehensive plan.

Section 6(b): (1) Plan designed to meet need for child care services within each State for infants, preschool and school age—special attention given to children with special needs; (2) provide for coordination of child care services furnished and child care programs conducted under all Federal laws; (3) provide for maximum possible participation by States in the furnishing of services; and (4) program shall be promptly submitted to Congress along with Secretary's recommendation for legislation which may be necessary for its implementation.

Section 7(b): Plan shall not affect level or source of funding for Headstart program or program under ESEA.

Section 9: Incentives for development of improved child care facilities: (1) Annual subsidies to child care facilities serving children not elegible for assistance under title XX of SS Act but whose parents have incomes just above the poverty level; (2) loans or other financial assistance to private, not for profit child care facilities in amounts up to 75 percent of costs involved; (3) grants to defray portion of interest payable by proprietary child care facilities on loans obtained from non-Federal source; and (4) grants to proprietary child care facilities: (c) Assist small individually owned child care facilities on obtaining low cost financing and small business loans to be used in renovation; and (d) Secretary shall develop and recommend legislation providing (1) tax credits for proprietary child care facilities and (2) income tax deductions for license providers of family child care which are affiliated with license group child care facilities.

Section 10(a): Plan shall establish procedures for collection and evaluation of data designed to show how child care needs on each State are being met or not being met.

(b) Secretary to assure establishment within each State an advisory panel to review child care programs and to recommend policy and policy revisions.

Section 11(a): Functions vested in the Secretary by this act shall be performed by a designed State agency if such State has in effect a plan for the administration of child care programs within the State which has been approved by Secretary.

(b) Secretary must (1) designate State agency which is responsible for administration * * * (4) provide for necessary coordination between activities authorized by this act and other child care programs within State including State, local, and private agencies and Federal child care activities; and (5) State shall specifically provide for the establishment of information and referral centers.

(b)(1): Pay to each State which has in effect a State plan for the administration of child care programs approved under this section.

Section 12: Secretary shall annually report to Congress.

Section 13: There are authorized to be appropriated the necessary such sums to carry out such act.●

HELP NEEDED TO SAVE A LIFE

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. NEAL. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of one of my constituents, Mrs. Elinor Chandler of Winston-Salem, N.C., who suffers from Crohn's disease, an incurable condition that requires appallingly expensive medical treatment.

Mrs. Chandler's difficulty in paying for the costly treatment necessary to keep her alive offers a clear example of the need for a policy that encourages catastrophic health insurance for all, for any one of us could also suffer from catastrophic illnesses.

Mr. Speaker, Mrs. Chandler recently asked me to assist her in securing social security disability payments. Although she worked for 10 years, she lacks two quarters of the social security coverage needed to qualify for disability payments. Had she been able to work for 6 months longer, she would have been eligible for this assistance.

Mr. Speaker, Mrs. Chandler's life is one of constant struggle to survive and to combat Crohn's disease. This disease, also known as ileitis and colitis, is an intestinal tract affliction whose cure has not yet been found. Among the most serious problems associated with the illness are the chronic conditions which must be endured. Victims are certain to face prolonged periods of hospitalization and severe pain. Because it strikes hardest at the younger population, many victims are doomed to a lifetime of physical and emotional suffering. There are about 500,000 known cases of the disease in the country, with 100,000 new cases reported each year.

Mrs. Chandler's situation is most grave for she faces both economic and medical hardships. She is afflicted with a severe case of Crohn's which has already destroyed her small intestines. She lives precariously close to malnutrition because her body is unable to process the nutrients needed to sustain itself. To combat this, Mrs. Chandler requires a 5,000-calorie-a-day diet in addition to a special treatment called total parenteral hyperalimentation. This treatment involves the intravenous feeding each night of amino acids and proteins. The treatment, which is necessary for her to live, ranges in price from $30,000 to $50,000 a year. Mrs. Chandler, however, is financially unable to afford the treatment. She lacks just two-quarters of coverage to be considered for social security disability benefits even though she has worked for over 10 years. Her private health insurance plan does not provide total coverage of this type of

treatment on an outpatient basis because it is classified under the category of food. Her husband's middle-income salary disqualifies her for Federal assistance. And paying for the treatment out of pocket is becoming more and more difficult.

Mr. Speaker, I am today introducing a private bill for the relief of Mrs. Chandler. This bill, if approved, would grant the additional two-quarters of coverage under social security that she must have to be considered for disability benefits. These benefits will not meet all of her financial needs, but she needs this help in getting the social security benefits she has contributed to and deserves.

Mr. Speaker, I, like many of my colleagues in the House, have reservations about introducing private bills of this kind. But considering the costly treatment, the seriousness of Mrs. Chandler's illness, and her work record, I believe this is an appropriate step. I urge the Congress to credit her with the necessary two quarters of coverage.

Mr. Speaker, I would like to insert in the RECORD and article which appeared in the Winston-Salem Journal which tells in greater detail of the complex problems faced by Mrs. Chandler.

SHE'S LOOKING FOR HELP . . . HELP TO SAVE HER LIFE

(By Paul Haskins)

Elinor Chandler is looking for a big handout and she isn't too shy to ask for it.

She wants the money for what she considers a worthy cause—saving her life.

Mrs. Chandler has Crohn's disease, a condition that attacks the digestive tract and, in her case, has destroyed the small intestine.

She can't keep her weight up, and she's living perilously close to the thin edge of malnutrition.

Thanks to advancements in modern medicine, there's a treatment that can help Mrs. Chandler. It's called total Parenteral Hyperalimentation.

Thanks to advances in the cost of staying alive, she can't afford the treatment. That's called health-care inflation.

The treatment carries a price tag as hefty as its name: $30,000 to $50,000 yearly.

The telethons haven't discovered Crohn's disease yet—or ileitis, the specific name for her intestinal problem.

There are no high-powered research institutes rushing to her support.

Mrs. Chandler isn't the first person to be denied high-cost care because she can't pay for it. She surely won't be the last.

What makes her situation special is that it seems to defy the popular notion that our society spares no expense in saving lives that can be saved.

Mrs. Chandler, her husband Bill, and their younger daughter live on Birchwood Drive. Her husband has a good job as an engineer with AMP Inc. here.

The family's middle-level income disqualifies them from Medicare or Medicaid—which would have covered her hyperalimentation feedings. But paying for the treatment on their own is out of the question.

"You could make $100,000 a year and still not be able to afford $50,000," Mrs. Chandler says.

One well-intentioned bureaucrat recently advised her that she might qualify for aid if she divorced her husband. But she says such a choice is no choice at all.

Mrs. Chandler contracted Crohn's disease in 1956, a month after her marriage. She's been in and out of the hospitals ever since, 30 times in the last 10 years alone.

Her husband's medical insurance has covered all of her expenses as long as she was hospitalized. If she checked into the hospital for hyperalimentation feedings, it would cover that, too. But the whole idea of the feedings is to let people treat themselves, at home. However, the insurance money would run out after a year if she started home treatment, she says.

Disability payments might also have paid for the treatment. There again, though, she fell through a crack in the system.

Mrs. Chandler says that if her work record covered just six additional months, she would meet Social Security's requirements for disability.

But the bureaucracy won't budge on its eligibility limits, and Mrs. Chandler's requests for an exception have all been denied.

When Mrs. Chandler says she is dying, she qualifies it by noting that her condition isn't fatal in the imminent sense.

The small intestine absorbs nutrients from food, converts them into body bulk and helps people maintain adequate body weight.

Mrs. Chandler's last big operation, in 1979, took away what was left of her diseased ileum. As a result, she's engaged in a constant fight against malnutrition.

Just to keep her weight at a borderline 90 pounds, she consumes 5,000 calories in an average day—two times more than a full grown man would eat.

To supplement her meals, Mrs. Chandler feeds herself fluids intravenously each night while she sleeps.

Total Parenteral Hyperalimentation is an expensive way of adding amino acids and protein to the fluids she already takes. The promise it holds is that it could help her build back her strength and weight, possibly even allow her to go back to work.

With her weight so low, she has little resistance to disease. She says luck alone accounts for her managing to avoid a major illness.

End-stage renal disease is nothing to envy, but Mrs. Chandler says half-seriously she'd like to trade places with a kidney dialysis patient—at least then her life-sustaining treatment would be paid for.

The cost of dialysis, twice- or thrice-weekly blood-rinsings, is about the same as Total Parenteral Hyperalimentation, in the $50,000-a-year range.

The difference is that a few years back state and federal lawmakers decided that no-one should be denied dialysis for financial reasons.

Nearly all of North Carolina's 1,100 dialysis patients are covered under Medicare. In most cases the N.C. State Kidney Program picks up the 20 percent of the dialysis bill not footed by Medicare.

Advanced ileitis is just as deadly as end-stage renal disease. Unfortunately for Mrs. Chandler, it just hasn't caught on in Raleigh.

That double standard doesn't make Mrs. Chandler feel persecuted—only perplexed.

"I don't feel sorry for myself," she says, "The thing is, there's an answer for me, something that's going to keep me alive."

"All right, maybe I haven't paid that much in taxes myself," she continues, "I've been home with my kids.

"But my husband's gainfully employed. We've sent two kids to college, even with my illness. We've paid taxes. Now we're asking for help."

Mrs. Chandler isn't taking her quandary quietly. She has written to Dr. Sarah Morrow, the state secretary of human resources, to the Forsyth legislative delegation, and to Congressman Steve Neal. The replies have all been the same: They're sorry, but rules are rules.

With the usual resources exhausted, Mrs. Chandler is now looking for some special help. She's hoping a local foundation will take an interest in her case and help subsidize her feedings.

As handouts go, Mrs. Chander realizes $50,000 a year is a lot to ask of anybody, even a foundation. But she's not ashamed to ask. She won't go along easily with the idea that she may have to give up all that she and her family own to get the feedings she needs.

She's waiting to see if the right people agree.●

TAR SANDS: AN IMPORTANT SOURCE OF AMERICAN ENERGY

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HANSEN of Utah. Mr. Speaker, today I cosponsored legislation with support from Chairman SANTINI and other members of the Interior Subcommittee on Mines and Mining to encourage and promote the development of oil from tar sands and other hydrocarbon deposits on Federal lands.

It is estimated that domestic deposits of tar sand contain at least 30 billion barrels of oil, and that as much as 5 billion barrels are presently recoverable with known technology. While tar sand deposits occur in 22 States, it is estimated that over 90 percent of the in-place oil occurs in my congressional district in Utah. Unfortunately, several events have contributed to repeated disappointment and frustration for those who now seek to develop tar sands. Well over half of all tar sand deposits in Utah are located on federally managed public lands and these lands are situated such that major commercial development cannot occur without at least partial utilization of federally controlled tar sand resource.

For 15 years DOI had a moratorium on leasing these lands for commercial development. Thus, private developers were unable to obtain enough contiguous acreage to pursue commercialization. This factor has had a discouraging influence on research, demonstration, and development activities by private industry.

Interestingly enough, the root of this impasse can be traced to Federal legislation passed in 1960, which amended the 1920 Mineral Leasing Act. Ironically, Congress actually intended at that time for the new provisions to allow Federal leasing of tar sands under section 21 leases.

The Department of the Interior last issued such a lease in 1965, and has not issued any additional section 21 leases since that time because of the technical problems involved in differentiating between conventional oil and gas, and tar sands. The definition problem is tied to legal controversy if both oil and gas, section 17, and tar sands, section 21, leases were to be issued to separate lessees for the same land.

Prior to 1965, the State of Utah faced similar difficulties in the leasing of State lands; but in that year, Utah resolved that problem by passing legislation authorizing tar sand leasing under a new combined hydrocarbon lease. The bill I introduced today gives Congress the opportunity to resolve the same problem with the same method.

Last Congress, the Mines and Mining Subcommittee passed through the House a tar sand leasing bill, H.R. 7242. The bill died, however, in the Senate.

The bill which we introduce today is similar to H.R. 7242 in its several provisions. Specifically, provision has been made to:

First, unite tar sands with oil and gas in a combined hydrocarbon lease.

Second, in designated tar sand areas, the acreage for competitive lease may be increased from 640 to 5,120 acres recognizing the additional requirements of tar sand production.

Third, royalties for leases in a designated tar sand area are set at the statutory rate of 12 percent. However, as an additional incentive to stimulate tar sand development, the Secretary is authorized to suspend or reduce the royalty in order to achieve the objective of production.

Fourth, a competitive lease involving tar sands shall, upon application of the lessee, be extended for not less than 5 years beyond its primary term of 5 years.

Fifth, upon proper application, an existing oil and gas lessee may apply to the Secretary for a converted lease to include tar sands.

Sixth, a disclaimer as to the tax consequences and the taxable status of production of tar sands versus oil is included. The purpose of this section is to assure that nothing in the act will affect the present tax treatment of tar sands production on Federal or fee lands, under the Federal income tax or the windfall profit tax.●

INCREASE I.R.A. CONTRIBUTIONS TO $7,500

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GUARINI. Mr. Speaker, today I am reintroducing legislation which would amend the Tax Code to increase to $7,500 the maximum deduction for contributions to Individual Retirement Accounts.

Under current law, an individual may contribute the lesser of 15 percent of gross income or $1,500 to an I.R.A. While I.R.A.'s have been an excellent device for workers who are not covered by pensions to provide for their retirement, the $1,500 limitation is inadequate in light of today's double-digit inflation.

As a member of the Social Security Subcommittee, I have had some opportunity to study the problems we, as a Nation, face in sustaining a population which is growing increasingly older. During hearings on social security financing issues, members of the subcommittee repeatedly heard that workers should not depend solely upon social security benefits at retirement. Rather, they should plan ahead and save—specifically relying on pensions and savings in addition to social security. In these times of unprecedented inflation, that goal, laudable as it may be, is impossible without attention to the provisions of I.R.A.'s.

I would also note that many of my colleagues are of the opinion that increases in Government benefit programs and increases in social security payroll taxes are unwarranted and unjustified. If that is the case, then Congress must affirmatively act to enable individuals to make substantive provision for their retirement years. Liberalization of contributions to I.R.A.'s is one way in which this objective can be achieved.

In closing, I would note that many Members of Congress have expressed an interest in stimulating capital formation. I.R.A.'s which bear substantial penalties for early withdrawal of contributions are a logical method of increasing capital available to business and industry. Thus, liberalization of the Tax Code with respect to I.R.A. contributions would assist workers in preparing for retirement and spur capital formation as well.●

TRIBUTE TO HON. CARL D. PERKINS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. FORD of Michigan. Mr. Speaker, I was pleased to read in the April 6 edition of the Washington Post a very accurate and laudatory profile of my dear friend and colleague, Hon. CARL D. PERKINS, chairman of the House Education and Labor Committee. Many of us in the House, and particularly those of us on his committee, have seen firsthand the skills and persuasiveness of Chairman PERKINS. His commitment to the social equality and justice and educational opportunity are unparalleled. The many, many residents of my congressional district who hail from Chairman PERKINS home State of Kentucky can be truly proud of the achievements of this great man. I am inserting this tribute so that others can have the benefit of reading about one of the outstanding leaders in the 97th Congress:

MOUNTAIN MAN'S TURF—PERKINS STOUTLY RESISTS REAGAN'S CUTS IN EDUCATION, NUTRITION, JOB PROGRAMS

(By Margot Hornblower)

Carl D. Perkins, mountain man. He calls himself that and, on first impression, you might believe it. He is a great hulk of a fellow whose east Kentucky twang whistles through the gap in his front teeth. With his loping stride, plowboy hands and rumpled suits, he seems out of place among Congress' manicured politicians.

But if President Reagan wants to slash federal spending, wipe out whole social programs, he's going to have to get past wily Carl Perkins first. And that is no mean feat.

Perkins, 68, is the chairman of the House Education and Labor Committee; he has been for 14 years. That 34-member panel has created and now oversees $34 billion in federal programs. Many of these Perkins fathered.

And now some of Reagan's largest cuts would come in this turf: $2.6 billion (a 28 percent cut) in elementary and secondary educational assistance, the main source of funds for teaching poor children; $6.1 billion (58 percent) from employment programs, including public service jobs; $1.9 billion (38 percent) from child nutrition funds.

The Republican-controlled Senate concurred in most of these cuts last week, and the House Budget Committee is to begin its work on them today. Perkins, one of the opposition's point men in the Democratic House, is stoutly resisting.

"We have worked for 25 to 30 years on these programs," said Perkins, who left his poverty-stricken Appalachian district for Washington in 1949. "The school-lunch program is the greatest feeding program in the world. And these old people who carried us through two world wars—how can we cut their benefits? I hate to see these programs destroyed by people who don't know a damn thing about them."

In 24 days of carefully orchestrated hearings over the past few weeks, Perkins has gathered his flock: a pleading, protesting procession of wheezing coal miners, unemployed factory workers, crippled children, state education officials, impecunious college students, teachers, food service executives, family court judges, malnourished pregnant women—all testifying to the drastic effects of the Reagan budget.

And behind the scenes, Perkins has wheedled and cajoled nearly every member of the House Budget Committee, which is to set spending ceilings in a few weeks.

He accompanied each of his subcommittee chairmen before the budget panel to emphasize his personal interest in every program. At one hearing, he provided Budget Committee members with lists of schools in their districts that would likely shut down lunch programs under Reagan's proposal.

"Underneath that southern gentlemanly, Kentucky mountain-type approach, Perkins is a master politician and parliamentarian," said Rep. Leon Panetta (D-Calif.), a Budget Committee member. "You get taken in by the quiet approach—and the whistle—and before you know it, your pockets have been picked. But it's hard to take him on directly. His heart is in the right place."

Congress, creeping in the shadow of last November's election, is in the mood to cut heavily into social programs.

But while many Democratic chairmen in the House are looking for compromises, trimming their budgets here and there in hope of mercy, Perkins defiantly led his committee two weeks ago to recommend an increase in spending to $42.4 billion—$3.9 billion over President Carter's proposed budget, and $18 billion more than Reagan wants.

Republicans were furious. "He is one of the most bullheaded members of Congress," said John Erlenborn (R-Ill.), who sits on Education and Labor. "He smiles and clutches your arm, but watch out. He would do anything to get his way. Almost everyone in his district gets a benefit check. The more money he can shovel out, the more godlike he appears. He's considered a deity in eastern Kentucky. He has a deity complex."

In the hollows of Kentucky's 7th Congressional District, places with names like Feisty, Rowdy and Troublesome, "Carl D.," as they call him, is a legend.

When he grew up in Hindman in the '20s, the son of a local attorney, eastern Kentucky was still like a frontier. As a boy, he would drive his mules over the mountains to the railhead to pick up passengers and guide them across dirt roads to town at $1.50 a head.

He still drives mules, and the first picture a visitor sees on the wall of his Washington office is of Perkins, dressed in an oversized coat and floppy hat, holding the reins of a mule team with a cart of hay behind him. "I broke those mules myself," he says proudly. "Now I've about wore 'em out."

Nearly every weekend, Perkins goes to his district, often to his 86-acre farm in Hindman, where he chops wood, castrates hogs and visits with the neighbors. Sometimes he drives, as he did regularly until he retired his beat-up Ford Falcon a few years ago with 167,000 miles on the odometer.

Perkins' programs came not from the studies of social scientists, but from his own experiences. At 19, after two years at Kentucky's Alice Lloyd College he worked as a teacher for $50.62 a month.

"I had watched all the teachers leave for Detroit, where they could get better salaries," he said. "So I sponsored federal aid to education for years . . . My uncles were stonemasons, and I used to go up in the hills with them. I watched the youngsters in school who took manual training and got jobs. That's why I'm sold on vocational education."

And many of Perkins' neighbors were men who slept upright in their chairs lest they suffocate from the coal dust encrusted in their lungs. When he graduated from the University of Louisville Law School, he labored over workmen's compensation claims and found there was little reward for years of suffering in the mines.

"Perkins' Private Pension Plan," Erlenborn dubs it, recalling that when the benefits were first set up they were to cost no more than $50 million a year. Since then, however, Perkins pushed through amendments loosening eligibility—black lung is hard to prove without an autopsy—and the claims of 187,000 miners and dependents (15,000 of them in Perkins' district) will cost $2 billion next year.

The Reagan administration at first saw black lung as a juicy target, but officials have laid low since March 9, when 5,000 miners marched on the White House with signs saying, "Must Miners Die to Prove Black Lung?" It now seems likely that changes will be aimed at increasing contributions to the program from coal companies.

A Perkins campaign is an anachronism in an age of computers and media consultants. His main tactic is to drive madly around the district, usually alone, stopping at country stores and filling stations and often merely at a mailbox by the road and shouting up the hollow, "Mr. Jones? This is Carl Perkins. I'm running for Congress again."

A master at helping his people get their roads graded or their food-stamp applications approved, Perkins knows thousands of constitutents by name. While he's a little vague on the younger generation, his first question is always "Who's your daddy?" and he'll inevitably be friends with at least a second cousin.

He spends less than $5,000 per campaign, which means he doesn't have to file statements with the Federal Election Commission. But he does any way, ignoring FEC forms and sending in piles of itemized handwritten expenses on graph paper.

"Bruce Lockhart, Airport, Lexington, KY. 40501, candidate's car, dead battery—$5" is one item in his 1980 report. Another "Bailey's restaurant, Hazard, Ky. 41701, steak for candidate—$13.55."

But when it comes to the federal pork barrel, Perkins isn't stingy. His district is dotted with schools, courthouses, airports and reservoirs, all monuments to Perkins' ability to wring dollars out of Washington. However, his dams have shoved poor farmers off their ancestral lands, while Perkins ignored the fact that the floods the projects were designed to alleviate came largely from lax strip-mining laws.

Nonetheless, Perkins, with his ruddy complexion and beguiling off-center grin, wins elections by more than 70 percent of the vote. The last time, Republicans did not even bother to field an opponent.

In Congress, Perkins' more urbane colleagues call him "Pappy" behind his back, and snicker at his pronunciations, especially when he takes on government "raggalation."

On occasion, when he whistles into the microphone during a debate, congressmen leaning over the back rail start mimicking the whistle until, as one observer put it, the House chamber sounds like "the bird cage at the National Zoo."

Some are taken in by the down-home style. Benjamin F. Reeves, a Perkins aide, remembers that Perkins once told him, "'I'm a pretty fine feller to play dumb.' He trades on that," Reeves said. "But city slickers find themselves with one foot in the air, while Perkins and the train are long gone."

However, Perkins is widely admired for his honesty and, above all, his tenacity. He was the first committee chairman to hold open mark-up sessions. Reporters marvel that he runs his office like a country store—anyone can walk in and listen to whatever business he's conducting.

Perkins has never taken a junket, in fact he hasn't been abroad since he fought in World War II. "He's been here 33 years, but none of the Washington polish has tainted him," said one committee staffer. "He feels it would be disloyal to the people he represents if he weren't exactly like them."

Perkins arrives at the Rayburn building at 7 a.m. when the doors of other offices are still shut tight. He has been known to walk in to work from Alexandria after a blizzard, when the roads are closed.

Single-minded when he wants to pass a bill, his marathon hearings begin at 8 a.m. and last into the night over the feeble protest of fellow committee members.

During a 1972 House-Senate conference on student loans, which lasted for weeks of late-night sessions, he forced colleagues to stay up until 5 a.m. until he got his way. The day after the bill was reported he collapsed from exhaustion and was briefly hospitalized.

Panetta and other Budget Committee members who sparred with Perkins for months over spending cuts last year are bracing for the new battle.

"Perkins and his committee ought to be telling us where the legitimate cuts can be made," Panetta said. "But instead, he's is the trenches fighting a war. Perkins won't take no for an answer. No matter what doors you're closing, he's coming in a window or a side door."

Perkins, however, insists he's ready to compromise. "I don't want to be hoggish," he told a budget task force, adding that he'd accept "reasonable" cuts, perhaps 10 percent. But as for deeper cuts, Perkins confided in his soft Kentucky drawl, clutching a new acquaintance's elbow, "We're going to fight every inch of the way."●

THE UTILITIES AND NUCLEAR POWER: I. THE OIL DISPLACEMENT QUESTION

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mrs. BOUQUARD. Mr. Speaker, one of the most important aspects of the energy supply issue is the question of prospects for electrical growth which are heavily dependent on the health of the regulated electric utilities. Recently a most thoughtful article on this question appeared which raises important issues about the trade off between new plant construction for additional supply and conservation measures. The Wall Street Journal article of March 11 "Oil Conservation and Utility Returns" also points out that the utility industry appears to be ignoring the new economics of petroleum displacement. Mr. Peter Navarro a researcher at Harvard University's Energy and Environmental Policy Center, is to be commended for an interesting and provocative article which concludes that our Nation's most rational energy choice is down the

smart path of economically rational petroleum displacement through conservation and new construction. I strongly recommend the following excerpts from the Navarro article to my colleagues; it makes a strong case for moving ahead with new nuclear powerplant construction:

OIL CONSERVATION AND UTILITY RETURNS

(By Peter Navarro)

When the price of oil hurdled past the $30 per barrel barrier in 1979, the electric utility industry crossed an important threshold: it became cheaper to build, operate and fuel new coal or nuclear power plants than it was to continue to operate and fuel existing petroleum power plants. Specifically, at $30 per barrel, it becomes economic to displace roughly two-thirds of utility baseload oil consumption with new coal or nuclear plants. When natural gas prices are decontrolled, the same will be true of baseload gas-fired power plants.

The national economic response of utilities to this sudden "economic obsolescence" of their petroleum plants should be feverish construction of new coal and nuclear plants to replace them or, where feasible, the conversion of these petroleum-guzzling economic dinosaurs to coal. Such a response would be most welcome both to national policymakers intent on reducing the three million barrels per day of utility petroleum consumption in the U.S., and to ratepayers, who would benefit by lower rates that will result from replacing petroleum with more economical coal or nuclear.

Instead, the industry appears to be largely ignoring the new economics of "petroleum displacement." Indeed, rather than accelerating new construction, it is delaying or canceling previously scheduled capacity. The National Electric Reliability Council (NERC) of Princeton, N.J., reports over half of the new capacity scheduled for 1979 through 1988 was delayed an average of 20 months. That could mean additional petroleum consumption of up to 2.2 billion barrels over the next decade. At the same time, fully two-thirds of economically feasible capacity has yet to be converted.

The obvious question is why has the industry failed to respond to the new ecocomics? Part of the answer is, undoubtedly, difficulties with permitting and environmental laws and uncertainty over petroleum prices. But unquestionably the single most important factor is the dramatic deterioration in the industry's financial health since the Arab oil embargo.

RELUCTANT MANAGEMENT

Whereas previously the industry was characterized by bond ratings predominantly AAA and AA, it now falls predominantly into the A and BBB category, indicating an over 200-basis point increase in its cost of debt capital at today's rates. At the same time the average market-to-book ratio has plunged well below one; thus any new equity issue implies a "dilution" of existing shareholders' stock. The result is that management is very reluctant to issue new equity shares for fear of diminishing the value of existing shareholders' stock and equally reluctant to issue new bonds because of the rise in its cost of capital. Moreover, the lower-rate utilities can't even issue new bonds because of indenture provisions or the "prudent man" rule, which prohibits institutional investors from buying bonds below BBB. The result is a severe capital constraint which has forced the industry to shift its planning objective away from its traditional mandate to provide least cost reliable service to a strategy of minimizing new power plant construction.

What accounts for the industry's dramatic fall from financial grace? Some suggest it is mismanagement, but such an explanation is too facile. While some utilities are in worse shape than others, all are in serious financial straits. Bad management could hardly be that pervasive.

But while inflation is a large part of the problem, the root of the problem is electric utility regulation. Regulation has not—and in some cases simply will not—allow utilities to earn a rate of return (ROR) commensurate with their current cost of capital.

The statistics are startling. Because of regulatory lag, no major regulated utility was able to realize its "allowed ROR" in 1980. Moreover, in almost every case, the realized ROR was below the utility's current cost of capital. But clearly, if a utility cannot earn a current return on new investment, then any capital expenditures subject it to a loss. Thus it is not surprising that utilities are reluctant to build. While such construction would reduce petroleum imports and lower electricity rates, it increases financial risk and reduces shareholders' real income.

Interestingly, many utilities are justifying their failure to build new capacity under a newly unfurled banner of conservation—signaling an apparent convergence between an industry formerly wed to the "hard path" of new construction and energy doves who advocate a "soft path" solution to the "energy crisis." But delaying new powerplant construction in the name of conservation ignores the economics of reducing oil use and will lead us not out of the import trap but deeper into it.

From the standpoint of national energy policy, the primary purpose of conservation is to reduce petroleum imports. To the extent that it achieves this goal, conservation is an undeniable "good." Conservation is "bad," however, when it is used as an excuse to curtail otherwise economically rational power plant additions to displace oil.

Unfortunately, many proponents of conservation mistakenly regard it as a substitute for new construction. But one must carefully differentiate between construction necessary to meet load growth and that undertaken to economically displace petroleum. To understand this distinction, observe the risks and rewards of believing the "hard" versus "soft" path forecasts.

NERC has projected an average annual increase in electricity demand of 4.1% over the next decade, implying a 50% increase in capacity. On the other hand, the Solar Energy Research Institute (SERI) has suggested that zero or slightly negative growth rate is possible, implying little "need" for new powerplants.

Suppose that utilities build to meet NERC's forecast, and NERC is right. Then, the lights stay on, and our petroleum problem may even improve slightly since the new economic non-petroleum plants will be used more and existing petroleum plants less. But if growth is actually less, then in many areas each new megawatt of non-petroleum capacity will replace a megawatt of petroleum plant; and petroleum consumption, along with electricity rates.

Suppose, however, that the industry believes SERI and builds less. If SERI is right, our petroleum problem gets no worse but neither does it get much better; and regions such as New England and states like California and Florida will continue to rely on petroleum for over half of their electricity.

But what if SERI's forecast turns out to be wishful-thinking conservation, and people simply don't respond? What if it underestimates the shift to electric heat or Detroit begins to mass produce electric cars? Unlike with overforecasting, the penalty for underforecasting is real. Both imports and electricity rates, will rise sharply as utilities run existing petrolueum plants at higher capacity factors to meet incremental demand. Moreover, as the threat of blackouts emerges, there will be a mushrooming of "short construction cycle" oil and gas combustion turbines—a response that will extend import dependence into the next century.

THE REAL POINT

The real point is not which forecast to believe but rather that new capacity does not necessarily trade off with the gains from conservation. While that tradeoff has some validity in regions like the Midwest that use little petroleum to generate electricity, it is equally true that in heavily petroleum-dependent areas the gains from conservation must go hand in hand with the gains from new capacity which produces electricity from non-petroleum sources.

The mistaken notion that conservation is always a substitute for new construction is most frequently heard in the regulatory arena as a dispute over "reserve margins," which measure the percentage of capacity a utility has over peak demand. The traditional rule of thumb has been 20%; margins above that "safe" level are supposed to signal "goldplating" to boost utility profits. But the new economics of petroleum displacement require a more modern view: The 20% rule should be viewed merely as a lower bound below which no utility should fall for reliability reasons, but above which a utility may want to go for economic reasons.

The Department of Energy's National Electric Reliability Study has brought this distinction into sharp focus. The study determined what reserve margins provided the least costs electricity to ratepayers in different regions. It found "economic reserve margins" to rise with the amount of petroleum in a region's generation mix. For example, if New England, which depends on oil for over 50% of its electricity, were to build to a 27% "reliability" reserve margin, the cost of electricity generation would be 9.9 cents/kwh; but that costs could be cut in half if it built to an "economic" 78% reserve margin. Similarly, DOE found the economic reserve margin for the Southern California-Nevada region to be 70%, and 49% for the Florida-Southern Companies region.

These results vividly illustrate that there is economic justification for building new power plants on the basis of petroleum displacement. There is then no difficult choice to make between the soft path of conservation and the hard path of new power plant construction. That is a false dichotomy. There is only a sprint as quickly as possible down the "smart path" that encompasses both options—the pursuit of economically rational petroleum displacement through conservation and new construction.●

EXTENSION OF PARENT'S BENEFITS UNDER SOCIAL SECURITY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GUARINI. Mr. Speaker, today I am introducing a bill which would amend title II of the Social Security Act to provide that the parent's insurance benefits may be paid to the parent who has care of a dependent, nondisabled child, until the child reaches age 19 or has finished high school, whichever comes first.

The problem which this bill is designed to correct was first called to my attention by a displaced homemaker from my district. Mrs. G is a widow who has been the sole support of her daughter. Unfortunately, her daughter celebrated her 18th birthday in December but did not graduate from high school until the following June. However, Mrs. G's parent's benefits were terminated when her daughter turned 18.

Mrs. G, at the time that she lost the parent's benefits, was employed part time at a local school and earned the minimum wage. She had tried to find full-time employment but had been unsuccessful. She had been a homemaker for 31 years until the death of her husband, 5 years ago.

Mr. Speaker, if the purpose of the parent's benefit is to provide assistance to those with dependent children, it seems unfair to penalize them because a child's 18th birthday falls prior to high school graduation.

Women like Mrs. G who have spent many years as homemakers are, as you know, at a severe disadvantage when they enter the job market late in life. They face a combination of age discrimination, lack of skills, lack of recent paid work experience, and competition from younger workers.

We have heard a great deal about how much progress women are making in the job market in terms of their earning ability. However, recent statistics from the Department of Commerce show that a woman today earns only 56 cents for each dollar a man earns. Currently, a woman, employed full time, year-round, earns on the average $9,929 compared to the $17,526 a man earns.

I ask my colleagues how a woman can be expected to support herself and her dependent child on a minimum wage, part-time job.

My bill will not help Mrs. G. Her benefits terminated last year, but it will help others like her who are struggling to raise their dependent children.

I would ask my distinguished colleagues to join me in supporting this compassionate measure.

Thank you.●

IS DEMOCRACY IN AMERICA DYING?

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. SANTINI. Mr. Speaker, Mr. Courtland Cline of Las Vegas is the Nevada winner of the Veterans of Foreign Wars voice of democracy scholarship program.

I am very proud of the efforts by Courtland and the other young people who participated in this contest. This young man has captured some important and vital thoughts in this essay. I want to share this impressive commentary on democracy with my House colleagues:

"Democracy in America is dying", or so you can read in almost any newspaper. My commitment to my country is the preservation and growth of a democracy that is far from dead! A philosophy created, honored, and defended for over two hundred years—a battle between freedom and slavery—a goal that is as changeable as its people, but yet attainable. An idea that is challenged daily and has never lost.

Preservation of democracy must begin on a personal level. We must respect and have faith in our system, or no one else will. Individual belief is the only true measure of the strength of a country. Military, political, and economic weapons are unable to defend a country without faith and love for its political ideals. By committing myself to the strengthening of this philosophy, I challenge others to join in this noble cause of freedom.

My personal faith in our system can be demonstrated on many levels. Through physical, mental and emotional sacrifices I will ensure the power and continuity of this belief.

I physically commit myself to the defense of my country against its enemies. I pledge myself to the preservation of peace, I challenge others to accept their democratic responsibilities and defend the rights they enjoy as citizens—for the sake of freedom.

Mentally, I commit my thoughts to society and the common good, but never forgetting the importance and rights of the individual. As Alexander Mieklejohn said, "Democracy is the art of thinking independently—together". At a time when our nation's thinking is so splintered, it is difficult to reach agreement, except in the case of democracy, where we should all be united as one. I challenge my peers to accept this philosophy, and to think towards a goal of unity, but not conformity. I will search for long-term solutions to the problems of our nation, remembering that the United States is the most creative nation of our time.

Emotionally, I will commit myself to the elimination of prejudice from my decisions. I will look beyond my fears and find the best solutions to our problems.

More important than anything else I can offer, I will give my faith to my country in any circumstance and my allegiance under any condition.

Our nation's future lies heavily upon the preservation and continuity of democracy. We are ultimately the creators and the destroyers of our own political system. As Alexander Woolcott stated, "I'm tired of hearing it said that democracy doesn't work. Of course, it doesn't work. We are supposed to work it." By providing this lasting ideal of freedom, my commitment will benefit future generations giving them a foundation of hope where dreams can be built into realities.

No, democracy is not dying: just being challenged; and, I am committed to win this challenge for mankind! As Franklin Roosevelt said, "The democratic aspiration is no mere recent phase of human history. It is human history". It is our only history!●

SOIL CONSERVATION INCENTIVES

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. EVANS of Iowa. Mr. Speaker, today I am introducing two pieces of legislation designed to provide incentives for farmland owners and operators to install soil conserving practices.

In many States, including my home State of Iowa, we currently are losing two bushels of soil annually for every one bushel of corn which farmers produce and harvest. This kind of loss of our most basic resource—the Nation's soil—simply cannot be permitted to continue. At the same time, our current budget pressures cannot provide massive financial assistance elements for landowners and operators to install soil conserving practices.

We must, however, in Congress provide some sort of necessary incentive for the installation of soil and water conserving practices, and the legislation I introduce today, coupled with H.R. 2515, the Soil and Water Conservation Incentives Act of 1981, are steps in that direction.

The legislation I am introducing today will permit the Secretary of Agriculture to provide incentive payments for a very small portion of farmland in each county for the purpose of taking land out of production to install necessary conservation structures during the normal crop season. Currently, in much of the Nation's heartland, farmers are prevented from installing conservation practices during any time of the year other than a brief period in the early spring, before planting begins, and a short period in the fall following harvest. This limitation exists because during much of the rest of the year the land is either frozen and impossible to move, or is covered with growing crops. My legislation would permit the Secretary of Agriculture to provide a payment to farmers equal to 50 percent of the typical annual per acre rent for similar cropland in the county, to retire land from production while soil conservation measures are

being installed. This could mean the installation of such things as terraces, diversion dams, and other soil conserving measures which require the movement of soil.

In order to prevent massive Treasury exposure, my legislation will permit the Secretary to retire not more than one-half of 1 percent of the croplands in an individual county each year. The rental rate for the land, as well as the lands to be designated for such construction practices, shall be determined by the county soil conservation board which has responsibility for soil and water conservation matters within a county.

A second item of legislation which I am introducing today would take effect only when the Secretary establishes a farmland set-aside or diversion program to limit agricultural production. This legislation would involve the local soil conservation board in the decision as to what land should be retired from production in event of such a set-aside. Currently, only production oriented committees within a county are involved in this decision.

Under my legislation the county soil conservation board would review proposals for lands to be retired from production. The board would have the power to disapprove the diversion of land which would not make a substantial contribution to soil conservation within a county, compared to other lands which an agricultural producer could set aside under these acreage retirement programs.

The legislation I introduce today, coupled with H.R. 2515 which has been introduced in the Senate by Senator JEPSEN as S. 569, will add to the incentives for farmland owners and producers to install soil conserving practices on their farms.

We clearly need strong incentives to conserve the soil. The House Subcommittee on Conservation and Credit, on which I serve, is currently in the process of completing action on legislative language to be included in the general farm bill. It is my intent to offer for inclusion in that legislative language the two elements of legislation which I am introducing today.●

FUSION ENERGY: WE MUST MOVE NOW

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mrs. BOUQUARD. Mr. Speaker, fusion energy, the ultimate and unlimited domestic energy source of the future, is at our doorstep. We must now begin to develop the engineering capability to reap the benefit of our Nation's investment in the basic research as a basis for developing this technology. The worldwide technical community is united in the conviction that sufficient scientific evidence is presently available to warrant establishing an aggressive engineering program for fusion and undertaking the preliminary design work for the next major step in the fusion program—the construction of the so-called fusion engineering device.

The 96th Congress provided an overwhelming endorsement for this pathway to fusion energy by the passage of H.R. 6308, the Magnetic Fusion Energy Engineering Act of 1980, which was signed into law on October 7, 1980, Public Law 96-386. The elopement is a testament to both the 160 cosponsors in the House and 24 cosponsors in the Senate. This bill passed both congressional bodies essentially without opposition. The establishment of a national policy favoring fusion development brought together such a broad base of bipartisan support that the American public, as well as Congress, had expected a noticeable increase in momentum for fusion power development independent of which political candidate was elected to power. The new administration's Office of Management and Budget, consistent with this ground swell of support, actually wanted to put more money into the fiscal year 1982 magnetic fusion program than the Department of Energy was willing to accept. Oddly enough, the Department of Energy told OMB that this additional money in fusion was not warranted.

Many organizations and societies have endorsed moving ahead more aggressively with fusion. Most recently, the American Association of Engineering Societies has joined the ranks and has issued a national energy statement. The AAES is an umbrella organization representing the views and positions of 22 major engineering societies, for example, Institute of Electrical and Electronics Engineering, and so forth, whose collective membership rolls total over 700,000 engineers. Their statement is typical of the broad scientific and engineering community support for the approach enacted into law last year. I commend their statement for your review to reconfirm your commitment to this most important energy technology. Hopefully, the Department of Energy will wake up to reality of fusion's promise.

I freely welcome the views of my colleagues on this issue of advancing the pace of the fusion energy program. In order to move ahead with development of this virtually unlimited energy resource, the Congress must show its desire to have the administration implement last year's legislation, Public Law 96-386. Let us not overlook the opportunity to make fusion energy a reality.

The statement follows:

NATIONAL ENERGY STATEMENT

INTRODUCTION

The Coordinating Committee on Energy (CCE) is a working committee of members of 22 major engineering societies having a membership of over 700,000 engineers. The Committee released a National Energy Statement in March 1980 because its members recognized that the government has failed to establish an energy policy capable of providing a comprehensive energy source mix which can meet our requirements for the last portion of this century and the greater portion of the next.

The Committee believes that selected portions of the National Energy Statement require amplification and will issue supplements as the need is perceived. Included herein, is the Statement on Nuclear Fusion Energy.

STATEMENT ON NUCLEAR FUSION ENERGY

Nuclear fusion is a promising new energy source to which the U.S. may look to help meet its energy needs in the next century. The energy content of the fuel resources for fusion on the deuterium-tritium cycle is comparable to the energy content remaining in all fossil and uranium fuel resources. The energy content of the fuel resources for fusion on the more advanced deuterium-deuterium cycle is virtually unlimited.

Recent progress in fusion research has given researchers confidence that the scientific feasibility of magnetic-confinement fusion should be demonstrated in the next generation of large tokamak experiments which will begin operation in the early 1980s. Tokamak is the name given to a particular toroidal magnetic-confinement scheme which is the most advanced and is presently being developed worldwide. Other magnetic confinement and inertial confinement concepts also show promise but are at earlier stages of development.

The technological requirements for fusion power have been identified. In particular, the requirements for tokamak reactors have been examined in detail. Development programs for all of the major fusion technologies are underway. There is a good degree of confidence that the fusion technologies can be developed to the required levels. It is recognized that a substantial and sustained development program will be necessary.

Economic analyses indicate that in the next century the cost of producing electricity by fusion could be comparable to that using fission or coal. While such projections of the costs of all future energy systems are uncertain, they do provide an indication that fusion could be an economically competitive power source.

It seems technically feasible to develop fusion energy to the commercial stage within the first quarter of the next century. This development timetable would require a substantial expansion of the present research and development efforts in support of the construction of a tokamak engineering technology test reactor to operate in the early 1990s and a demonstration reactor to establish the reliability and economic feasibility of fusion early in the next century.

The status and prospects of magnetic-confinement fusion development have been extensively reviewed. During 1979 an International Atomic Energy Agency Workshop conducted an extensive assessment of the technical basis and feasibility of constructing a tokamak engineering test reactor. This workshop, which involved hundreds of leading fusion scientists and engineers from the U.S., USSR, Japan and Europe, concluded

that it was feasible to construct a tokamak engineering test reactor to operate about 1990, provided that the supporting research and development programs were intensified. They further concluded that this was the appropriate next major step in fusion power development. The Energy Research Advisory Board of the Department of Energy, consisting of senior industrial and university leaders in science and technology, has recently stated that the status of tokamak research and technology was sufficiently advanced that a major engineering oriented device should be undertaken as the next step.

To provide for the expeditious development of nuclear fusion as an energy source, the Coordinating Committee on Energy recommends that:

1. The tokamak research program should be intensified to provide the basis for building a fusion engineering test device and to investigate improvements of the concept.

2. The magnetic-confinement technology program should be intensified to provide the technological basis for building a fusion engineering test drive.

3. A commitment should be made to build a tokamak engineering test reactor to operate in the early 1990s. An organization should be created to manage this undertaking and to coordinate the directly supporting research and development.

4. A national goal should be established to have a demonstration of fusion reactor reliability and economic feasibility early in the next century with periodic reviews to give guidance to the program.

5. Research on other magnetic-confinement and on inertial-confinement concepts should be intensified so that their potential can be evaluated.●

NATIONAL GUARD ATTACKS ON PEOPLE OF EL SALVADOR

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. MARKEY. Mr. Speaker, last week, the Boston Globe reported another in a series of massacres perpetrated upon the peoples of El Salvador by the National Guard. The latest attack, occurring in the Rio Lempa, was similar in nature to the alleged massacre last May of an estimated 600 fleeing refugees slaughtered near the Salvador/Honduras border.

For the benefit of my colleagues, I am submitting for the RECORD two personal accounts of this previous attack made by peasants whose lives were spared. Their testimonies were published in Spanish in the June 22 issue of Solidaridad, international bulletin of Socorro Juridico, Legal Aid Office of the Archbishopric of San Salvador.

EL SALVADOR

TRANSLATION OF TESTIMONIES BY PEASANTS OF INCIDENTS WHICH OCCURRED NEAR THE SALVADOR/HONDURAS BORDER ON 13TH AND 14TH MAY 1980

1st Testimony

". . . I live in Jicaro, near Las Minas, Chalatenango Department. On Tuesday 13th May, as I was beginning to prepare a small plot of land for planting corn, I realised that an armed helicopter had been flying over the area since the early hours of the morning. A few minutes later, I saw about nine hundred National Guardsmen, soldiers and members of ORDEN coming into Jicaro. They were coming from three sides, Las Minas, Llano Grande and the village of Los Beltran, about three hundred in each group. A peasant named Salomon Alas was sowing corn. When they saw him, they shot him; then they killed José Melgar and his wife Josefina Guardado, Salvador Alas, Jesus Mena and two others. People began to flee towards the mountains in the direction of the valley of Los Brizuela. There the soldiers dragged Adrain Brizuela from his home and shot him in the street. They also took out his brother Hermenegildo, brutally beat him up and, thinking he was dead, left him lying in the street. There were about five hundred of us fleeing, including old people, women and children, but as we went along peasants from the villages of Corral Falso, Las Vueltas and Los Naranjos joined us, for they too were being repressed by the National Guard and the army. That day, in the village of El Cacao Concepción Quezaltepeque, they shot dead José Bruno Alas, 35 years old Alfonso Mejia, 30 years old, his brother Juan Mejia, 28 years old, and José Israel Orellano, 25 years old. In the village of Los Calles, they shot Sebastian Ortiz, an old man of 84, and Antonio Palma, 35. We arrived at the village of El Potrero at about two o'clock in the afternoon and from there we saw the guards pushing rocks down El Pajal hill in order to kill some women and children who were down below. Amongst our group, Amadeo Mejia and three children of eleven, seven and five years old were shot. We did not go on because we were afraid they were waiting for us so we decided to spend the night in the Jocote Redondo mountains, putting up with the cold, hunger and the heavy storm that broke out that night. A three-month old baby died from the cold. At dawn, we carried on in the direction of Los Naranjos, but a helicopter, the army and National Guard were following us closely. We passed through the village of Los Amates, where they had assassinated two old men, Carlos Calderon and Juan Lopez. When we arrived at El Zapotal, we heard heavy shooting coming from the direction of the Sumpul river and saw several helicopters flying over the area, so we again went up into the mountains and spent the night there. At dawn the next day, we realised we had been surrounded by another large contingent of guards and soldiers who were blocking our way to Los Naranjos. Fear, hunger and thirst made some of us break away from the group and go our own way. I returned to El Cacao but other peasants stayed to sleep in the mountains. . . ."

2nd Testimony

". . . I live in Jicaro, Las Minas, Chalatenango Department. On Tuesday 13th May at about seven in the morning, I went down from my refuge, which is up in the mountains because we are constantly being pursued by members of the Guard, ORDEN and soldiers, to have breakfast and realised that an olive-green helicopter was flying over the village. A few minutes later, about nine hundred National Guardsmen, soldiers and members of ORDEN entered the village, about three hundred from each side, and started shooting. They killed seven peasants. About five hundred of us, mainly old people, women and children, fled in groups into the mountains. My group, made up of about three hundred people, set off towards El Amatillo, next to Las Vueltas. From there we went to Portillo del Amate where we stayed until eleven o'clock that night. As the children could no longer stand the hunger, rain and thirst, we decided to go down to Yurique, where we stayed until five o'clock the next morning. There we met up with another five hundred peasants who spent their time cultivating unused land. Yurique is on the Sumpul river on the border of El Salvador and Honduras. We had been there for about an hour when we were attacked from all sides. Two olive-green helicopters attacked us from the air and more than five hundred National Guardsmen blocked all exits. The only way we could escape was by crossing the river Sumpul in the direction of Honduras. During this attack, more than twenty-five people were machine-gunned. When I entered the swollen river, I saw seven children who had drowned being dragged downstream by the strong current. One of them was about six or seven months old. Some children stayed on the Salvadorean side and the mothers watched from the Honduran side as a National Guard from our country threw several little children into the river, threatening to throw more if we did not return to the Salvadorean side. A Honduran soldier shot at the National Guard and said that what was happening was not the children's fault; that it was the fault of the National Guardsmen because they were provoking the peasants. About half an hour later, the Honduran authorities told us to swim back across the river to our country. When we returned, we were tied up by the thumbs and made to lie face down. We were kicked and beaten with rifles for eight hours. At about half past five in the afternoon we were told that the old people and some women and children would be set free. Those of us who were set free, about seventeen of us, went up into the mountains leaving about twenty-five people still captured. We had been up in the mountains for about fifteen minutes when we heard heavy shooting near the river. Without doubt the Guardsmen and soldiers assassinated those we had left behind. We carried on walking and arrived at a place called El Portillo del Amate at nine o'clock Thursday morning after walking all night without food. We heard more shooting nearby so we decided to flee to the highest mountain, the name of which I can't remember at the moment, and spent Thursday night and all of Friday there. On Saturday morning we decided to go down because the children were dying of hunger and cold. We returned to Jicaro, after being taken the same afternoon to San Salvador by social services. Thousands of peasant families are fleeing to the mountains in the department of Chalatenango, fleeing from the National Guard and the army . . ."●

OUR WATERWAY ARTERIES STARTING TO HARDEN

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GAYDOS. Mr. Speaker, almost since the birth of our Nation, America's inland waterways have been major economic arteries. The industrialized strength of our earliest settlements

and cities was used to open up the remote areas to civilization.

Today, many of those arteries are hardening. The system of locks and dams which served this Nation so well in the past has deteriorated to the point where its future is threatened. The condition is serious. It must be treated. Now.

The importance of an immediate and massive improvement program was dramatically illustrated in a slide presentation put together by DINAMO, an association of business, labor and government leaders from four States most seriously affected by the critical condition of locks and dams on the Upper Ohio River System. The sole purpose of DINAMO—the association for the Development of Interstate Navigability on the Allegheny, Monongahela, and Ohio—is to expedite the modernization of the river system.

Mr. Speaker, I believe the script used in the association's slide presentation is most enlightening and I am inserting into the RECORD for the attention and consideration of my colleagues.

The script follows:

The Ohio River system is a major artery supplying economic lifeblood to one of the nation's most industrialized regions—Pennsylvania, Ohio, West Virginia and Kentucky.

Millions of jobs in our 4-state area are directly dependent on the Ohio River and its tributaries, and more than $100 billion dollars in development and construction has been invested in this region adjacent to its waterway. But, the artery is showing signs of hardening. The lock and dam system, which permits full navigational use of the Ohio River Basin waterway is in urgent need of improvement. The condition is serious and unless treatment is started soon, the economic health of our multi-state region will face extreme deterioration.

The lock and dam structures have provided ample warning signals: crumbling lock walls and extensive shutdown periods due to increasing maintenance repairs . . . but these symptoms have received only superficial treatment.

Positive action toward the proper solution is now necessary.

Before we suggest the remedy, let's review the Upper Ohio River system and its importance to our region.

Ever since the explorers came west, the importance of these rivers has been recognized.

The earliest settlers used flat-bottomed boats and manufactured goods were transported down the river by keelboats. Foreseeing the tremendous economic potential of the nation's inland waterways, the Congress of the United States, in 1824 charged the Corps of Engineers with the responsibility for waterway development, including the construction, operation and maintenance of lock and dam structures. By 1929, a system of locks and dams had been completed on the Ohio River, making the river navigable year round. The system worked and the rivers became the region's principal economic generator, providing a means of transportation, a recreational and cultural resource, a key element of national defense, a source of water for industry and municipal water systems, and a home for many.

For 157 years since assigned the responsibility, the Corps of Engineers has done an excellent job only to see in recent years a severe deterioration of the system. This deterioration has been caused primarily by the lack of financial support from the federal government for waterway projects.

The resulting problem is focused in our 4-state region, where improvements in lock and dam structures are urgently required. It is particularly serious in the Upper Ohio River system, above Greenup, Ky. This 600 miles of navigable waterway carries more tonnage than any other inland portion of the nation's inland river system.

The continued viability of this river system is endangered by the deterioration of the lock and dam structures and the obsolescence of their design.

When these lock and dam structures were build, they were projected to have an economic life of 50 years. But the average age of 20 of the 30 locks and dams on the Ohio, Allegheny, Monongahela and Kanawha Rivers exceeds 50 years, the oldest being 74 years of age.

The deteriorated condition and inadequate design of the locks and dams has already caused bottlenecks at key locations.

Let's take a closer look at the lock and dam structures at these locations, beginning with the Gallipolis structure on the Ohio River.

Locks above and below have lock chambers that are 1,200 feet long while the lock chamber at Gallipolis is only 600 feet long. This means that the standard 15-barge tow must be broken and double locked through the chamber. This increases the locking time drastically and reduces capacity, creating a backup of traffic in each direction. Although the magnitude of the problem was recognized in 1962, and a study initiated in the same year, approval for final design and construction has not yet been obtained . . . 19 years later.

Further upstream on the Ohio River, the three locks closest to Pittsburgh—Emsworth, Dashields and Montgomery—also have 600-foot lock chambers which are incompatible with the other structures on the Ohio River system.

The Monongahela River, with its origin in West Virginia, is a further example of deteriorating and obsolete lock and dam structures.

Five jumbo barges and a boat can be locked through the three modern navigational facilities at the head waters of the river.

However, the adjacent Locks and Dams Numbers 7 and 8, can accommodate only one jumbo barge and a boat, while Locks and Dams Numbers 3 and 4 provides space to lock three jumbos and a boat. These capacity constraints and inconsistencies in lock sizes are compounded by the fact that 5 of the 9 structures require either complete reconstruction or major rehabilitation due to age and excessive deterioration. It was recognized as far back as 1964 that Locks and Dams Numbers 7 and 8 would be constraints and studies were begun at that time. In 1973, the project was approved for construction by the Secretary of the Army but subsequent changes in federal procedures have eliminated the previously obtained approval, causing a regression in the status of the project.

On the Kanawha River, all the locks and dams are obsolete by today's standards. The average age of 48 years and the inadequate size of the present structures make improvement imperative. Winfield Lock and Dam, for example, located closest to the mouth, will have to be upgraded in the very near future if the Kanawha is to accommodate the anticipated increase in volume.

Similar conditions exist with respect to the locks and dams on the Ohio River's navigable tributaries, including the Allegheny, Kentucky and Green Rivers.

As we have shown, these two factors—deterioration and obsolete design—must not remain ignored. Dependent upon location, the failure of a deteriorated lock and dam structure would not only halt water transportation but, more importantly disrupt vitally needed water supply for both industry and communities.

We must ask the question . . . why are the locks and dams in this present serious condition? The Army Corps of Engineers has continually submitted plans to the federal government for major repairs as well as for complete modernization of waterway structures. However, federal funding . . . for other than emergency repairs . . . has failed to materialize due to red tape, monetary restraints, conflicting regulatory revisions and an unimaginable variety of other time consuming delays. The result . . . no waterway modernization project has been approved for construction in this region since the Hannibal Lock and Dam in 1964.

Even if the present practice of superficial rehabilitation in lieu of modernization is continued, serious problems remain. Inadequate capacities will inhibit future economic revitalization and development in each of our states. Therefore, the modernization of the Upper Ohio River system is imperative.

This modernization will permit continued use of the waterways . . . the most economical mode of transporting bulk cargoes. Economical because it offers the benefits of large volume movements. A single 15-barge tow carries as much cargo as two 100-car unit trains . . . or 900 trucks. These economies of scale are complemented by the energy efficiency of waterway transportation when measured in Btu's per ton mile, far less energy is required to move a ton of cargo by barge than by either rail or truck. This will become even more important in the future as the cost of fuel continues to increase.

The cost effectiveness of waterway transportation brought about by economies of scale and energy efficiency point to an optimistic future for bulk cargo movements by river and for the communities served.

Commercial transportation on the Ohio River System is projected to increase rapidly from the present level of 240 million tons per year to 300 million tons in 1985 . . . and up to 400 million tons by the year 2000.

Commodities such as petroleum and steel . . . chemicals and limestone . . . coke and fertilizers . . . salt and grain . . . sand and gravel, now play and will continue to play their vital roles in our regional economy.

It is the transportation of coal, however, that will benefit most from the modernization of the Upper Ohio River Basin. About 73 percent of the tonnage now carried on the Upper Ohio River System is coal and this percentage will continue to grow in the future.

Efficient transportation of coal to industries and power plants in our region is one objective. Exporting it from the region for use either domestically or in world markets is another.

Further market opportunities for coal within our 4-state region arise from the proposed synfuel plants, which are most likely to be located along navigable waterways.

Unless steps are taken to improve our locks and dams, however, we will not be able to take full advantage of these market opportunities for coal, our most abundant regional asset. The solution is clear: modernize the locks and dams. But the question remains: How can modernization best be accomplished?

The Corps of Engineers now reports it takes 25 years from the initiation of a preliminary study to completely construct a single lock and dam. Therefore, if we were to begin the upgrading process immediately, it would take an unacceptable amount of time under present procedures to complete the necessary modernization. We do not have the luxury of time.

Obviously, there is a need for change if the system is to be modernized in time. That is the reason for the formation of DINAMO. This association is comprised of representatives of the 4 states which are most seriously affected by the condition of the Upper Ohio River System.

We have but one purpose—to expedite the modernization of the system.

To accomplish this, there is a need for a political coalition of our 4 states to foster support and stimulate congressional action to authorize and fund navigational improvements. Successful efforts of the coalition will result in the modernization in the targeted area in less than 30 years at a cost currently estimated at $2.5 billion.

Our analysis shows that a multi-state agency will have the enduring qualities necessary to get Congress to act. It has been done before. An example is the Tennessee-Tombigbee Waterway Authority. Five southeastern states, with the support and leadership of their governors, joined together and convinced the federal government of the necessity to create a new waterway system between the Tennessee and Tombigbee Rivers. We're convinced this same approach can be successfully applied to the modernization of the navigational structures on the Ohio River system, started in 1824 and completed in 1929, a system which has been in existence for 51 years and on which the continuing economic health of our region depends.

DINAMO will coordinate the development of public support for such an agency. Ultimately, DINAMO will work itself out of existence, but only when an effective interstate agency, or a similar political coalition with the necessary enduring qualities, has been successfully formed.

Modernizing the navigational structures on the Ohio and the Monongahela and the other tributaries in the system is not just desirable, it is mandatory if our states are to retain their economic and commercial vitality. We cannot afford any more delay. We want to make it happen in this generation.●

H.R. 3073 INDUSTRIAL DEVELOPMENT BONDS—GOOD, BAD, OR INDIFFERENT?

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GEPHARDT. Mr. Speaker, today my colleague JOHN DUNCAN of Tennessee and I are introducing legislation to amend the industrial development bonds (IDB's)

We hope this will help initiate a broad debate on the uses of such financing, its economic impact, and allegations of abuses. Our goal is a stronger, more effective program.

America's growth rate has been declining for the past decade. Productivity is lagging and unemployment is high. Partial responsibility for this problem lies with deferred investment caused by high inflation and financing costs. The need for greater capital formation is now unquestioned.

Small issue industrial development bonds can help solve this problem. They are a proven and effective way of encouraging additional industrial investment and creating new jobs. Projects financed with such bonds create additional tax revenues.

If America is to regain its international competitive leadership, we must reindustrialize. By making larger projects eligible for tax-exempt financing, we move toward this goal.

Small issue IDB's are essential to improving productivity because they provide an incentive to invest. Because the interest on them is tax-free, they can be sold at lower interest rates and reduce the cost of financing. Thus, the availability of IDB's has allowed sponsors to proceed with plans that would otherwise be pruned or postponed during a period of high interest rates.

But inflation now inhibits such financing. The dollar limits for small-issue IDB's are $1 million for any project, or $10 million on a project where the cost does not exceed that amount. In 1968, the upper limit was set at $5 million. But a factory that would have cost $5 million then costs $15 million now and may cost $20 million by 1985. With each passing year an increasing number of projects become ineligible for IDB financing because of the $10 million limit.

The bill we are introducing would raise the lower limit to $3 million and the upper limit to $15 million. The $10 million limit was set in 1978 despite a Senate decision to approve a $12 million limit. There is some indication that $10 million was an inadequate amount in 1978. There is no doubt that this is now the case.

As you know, section 103(b) of the International Revenue Code provides that interest on certain industrial bonds is exempt from Federal income tax if various requirements are met. These provisions are complex and explained more fully in our prepared appendix.

Increasing the dollar limits allowed by the Internal Revenue Code can actually increase Federal revenues. In his study, "Economics and Federal Revenue Effects of Changes in the Small Issue Industrial Development Bond Provisions," published last year, Dr. Norman B. Ture, now the Undersecretary of Treasury for Tax Policy, challenges assertions that the bonds result in a revenue loss. The net-of-feedback measure, which takes into account changes in economic activity in response to the tax change, indicates a significant revenue gain based upon increased capital formation and the resulting gains in output, expansion of the corporate tax base, and increased individual and payroll taxes.

Our proposal is complementary to other tax changes to promote capital formation, such as faster depreciation. Small issue IDB's reduce the cost of funds for plant construction while accelerated depreciation allows more rapid recovery of the overall investment. Together they provide a strong incentive to invest.

Our proposal would not change the special Urban Development Action Grant (UDAG) provision that allows a capital expenditure $10 million higher than would otherwise be permitted. Thus a UDAG project could cost up to $25 million and be totally financed by IDB's.

A new study by the Congressional Budget Office, "Small Issue Industrial Development Bonds," indicates that IDB financing is being utilized by a variety of firms. It gives large corporations a way of financing expansion while providing smaller firms with a way of getting tax-exempt loans at lower interest rates for longer periods. The CBO study also refutes the allegation that IDB financing is mostly used by Sun Belt States to lure jobs from other regions. The largest users are in the industrialized North and Midwest and have preserved existing jobs with this vital financing tool.

Small issue IDB's have also been used successfully to finance commercial facilities in nearly 30 States. Many of the allegations of abuse center on this area. It is our hope that they will be fully explored during the coming debate, and if abuses need to be ended, they will be.

The large increase in the dollar volume of IDB's issued recently indicates the stimulative effect a more realistic dollar limit would have. Low-cost financing provided by such bonds can help us out of the recession still injuring hundreds of communities.

The need to increase the limit on small-issue, tax-free IDB's cannot be overstated. Foreign competition is sapping a growing number of American industries. We must regain and retain our competitive edge. If we are to achieve our goals, both investment and productivity must grow. IDB financing can be an important tool, but

only if the limits are set at a more realistic level.●

EMPLOYEE FRUSTRATION DRAINING BEST BRAINS OUT OF GOVERNMENT

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Ms. OAKAR. Mr. Speaker, the Washington Post of Sunday, March 29, 1981, carried an excellent article by Mr. Haynes Johnson on a problem within the Federal Government that Mr. Johnson describes as "worse than waste and more serious than fraud": the departure of many of the most talented Government employees because of a breakdown in morale and motivation. Mr. Johnson ascribes the loss of employee morale to such factors as the administration's hiring freeze and the proposed cap of 4.8 percent on this year's pay raise. According to Mr. Johnson, the loss of employee morale is so bad that the retirement rate at the executive level V pay scale has increased from 17.6 percent of those eligible to retire during the 12 months ending in March 1978 to 57.1 percent during the 12 months ending in March 1980. Mr. Johnson's article suggests that unless the Federal Government can restore employee morale and stop the brain drain through fairness of pay and benefits, it will become increasingly difficult to attract outstanding individuals to hold high positions in the U.S. Government.

As chairman of the House Subcommittee on Compensation and Employee Benefits, I understand many of the concerns expressed by Mr. Johnson's article. The issues of Federal employee pay comparability, cost-of-living adjustment, and retirement will fall within my subcommittee's jurisdiction during this Congress. It is my hope that reasonable solutions can be found to the problems affecting employee morale and performance within the Federal Government.

Mr. Johnson's article is as follows:

EMPLOYEE FRUSTRATION DRAINING BEST BRAINS OUT OF GOVERNMENT

(By Haynes Johnson)

We've been through waste and fraud week, another president's attempt to capitalize on the public's fed-up feeling about government. And, yes, to do something about it.

Ronald Reagan's team says its campaign against waste and fraud will be led by a new group, "The President's Council on Integrity and Efficiency." Despite that stern Prussian-like title, the effort is worthy and the internal governmental problem real enough. But this highly publicized Reagan campaign, no less than others ordered by his presidential predecessors, masks a greater form of governmental waste.

What's happening inside the government today presents a problem worse than waste and more serious than fraud. The evidence points to a tragic breakdown of the government service itself. If the voices this reporter has been hearing recently are correct, the nation faces a governmental crises all the more dramatic and damaging because it seems so little understood or discussed. Even though it has been building for years, you don't hear presidents warning about this crisis. They are, you see, part of the problem.

The waste I'm talking about involves the loss of many of the government's best people; the crisis comes from the deterioration of morale and rising frustration at all levels of the U.S. workforce.

Last week the president of the largest union representing federal employes talked openly about a confrontational mood among his membership that could lead to wildcat strikes and slowdowns throughout the government. Even top management officials are discussing the possibility of forming executive unions. A sense of anger and anxiety comes through conversations with government employees of both high and low rank. And the flow of talent out of the government continues.

Stop any top U.S. official on the streets of Washington these days, one of them says, and ask when that person will complete the 25 years of service making him eligible for early retirement. "He'll immediately tell you, not down to the year or the month—but to the exact day," this official remarks. "I think the government is heading down the road to a disaster. Within five years the group of supergrade people that are now between the ages of 50 and 60 will all be gone. The best of them are gone already. . . . The next president of the United States will turn to his top government people and say, 'Do this,' and he'll find no one able to get it done."

That respected official, who entered government service under Eisenhower, found himself rather startled at the apocalyptic tone of his remarks, "but I just can't find any cause to feel other than deeply dismayed today." In that, he seems sadly typical of many others.

From New Year's Day through the first week in March, the federal Office of Personnel Management received 38,000 retirement papers from federal employes—twice the average monthly rate of retirements, according to the Bureau of National Affairs.

A government study completed before the new year provides disturbing evidence of the rapid departure rate in the government's key managerial echelon—officials who oversee two million civilian employees, a budget of more than $600 billion, and whose decisions have a profound effect on all American citizens.

"The retirement rate for career employees at the Executive Level V pay ceiling," the study says, "has increased from 17.6 percent of those eligible to retire during the 12 months ending in March 1978 to an astonishing 57.1 percent during the 12 months ending in March 1980."

Not even the dullest set of statistics about federal retirements can cloak an omnious trend—unless, that is, you are among those who believe all U.S. bureaucrats are as bad as recent presidential candidates have depicted them and think the answer to the woes of government is to dismantle it all.

The problem inside the government extends into every area of the workforce. "The bottom line is morale is very low and frustration is very high," says Kenneth Blaylock, national president of the American Federation of Government Employes, the largest federal workers' union. "Government employes—and that includes managers—feel they've been kicked and kicked and kicked. . . . Now they're forced to pay the price again with a 4.8 percent pay raise in a time of 12 percent inflation and cuts in retirement benefits."

His point about pay and benefits touches a sore nerve among all federal employes. A special commission that recently completed a study of executive government salaries found a direct link between low pay and increasing difficulties of attracting and retaining outstanding people for top U.S. positions.

The commission also found that salaries of key U.S. officials in the three branches of government have fallen dramatically behind the corresponding managerial groups in private business. In addition, in most cases Congress has not allowed annual increases called for in a salary-cost-of-living act for top officials, placing those people significantly behind what they had promised legally. "The resulting compression of salaries," the commission adds, "has created the anomalous situation in which up to seven tiers of management are now being paid identical salaries."

The complaints about pay and benefits are real enough, but the grievances within the government are more serious than economic issues—and they go beyond the present emotional state of fears, rumors and resentments spurred by the Reagan administration's blueprint for federal hiring freezes, pay caps, reductions in force and slashing or junking of government programs and agencies. Another top U.S. official, whose work has drawn praise from a number of presidents, both Democrat and Republican, and who is now highly placed within the White House operation, says we are approaching the end of "a decade of despondency for bureaucrats." He fears the period ahead could worsen.

Ronald Reagan was not the first candidate to run against the bureaucracy and then have to lead it as president. Richard Nixon and Jimmy Carter sounded similar themes, and encountered similar problems in power. Reagan's presidential task is even more delicate, for it is his fate to preside over the government at a time when respect for public officials has declined even further and the concept of public service continues to generate greater expressions of public cynicism.

Reagan's gifts for conciliation and leadership will be put to a critical test in his handling of the federal workforce. He can attempt to inspire it and begin rebuilding a national sense of public service or he can witness a further disintegration in an already dispirited federal establishment. Before Reagan took office, a veteran bureaucrat, Bertrand M. Harding, who headed the National Civil Service League, said he hoped the new president and his people would put aside all their campaign rhetoric about "faceless bureaucrats." As he said, "for better or worse, these 'faceless' persons belong to the president and for the moment are all the glue he has to keep the government together."

The danger is the glue is coming unstuck.●

OPPOSING ELIMINATION OF EDA PROGRAM

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. JONES of North Carolina. Mr. Speaker, a few days ago I received a letter from a constituent, Mr. Merle Vaughan, chairman, Mid-East Commission, Washington, N.C., concerning the Economic Development Administration program. It contains such vital information that I think it only proper, regardless of how one might feel, to place in the CONGRESSIONAL RECORD.

The letter follows:

MID-EAST COMMISSION,
March 20, 1981.

Hon. WALTER B. JONES,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN JONES: As Chairman of the Mid-East Commission and also as a citizen, I am vitally concerned about the complete elimination of the EDA program. As a long time supporter of you, Congressman, I wish to express my views to you regarding this matter. I disagree with such action because it will be detrimental to the rural areas, specially rural Eastern North Carolina. I believe EDA can be cut—perhaps as much as 40 percent—but it should not be eliminated entirely.

EDA has been a good and productive program as the following examples will indicate:

Since 1970 the City of Greenville has received $1,344,000 from EDA for expanded utility services and water, sewer, and gas lines. This investment played a major role in the relocation of eleven (11) major industries in Pitt County. These eleven industries have generated $61,000,000 in tax dollars; they have employed 2,500 people and represent an annual payroll of $23,000,000. Without these funds assisting the City of Greenville, it could never have kept pace nor provided the necessary support services needed by a growing city and growing university.

American Contract Packagers is a minority owned business in Williamston which required an EDA guaranteed loan last year to organize and start-up this, now thriving business. Private investment of $110,000 was induced and a private working capital EDA loan guarantee through a local bank for $347,000 will be repaid. This business is projected to employ 450 people with a payroll of over $1,000,000. It increased the county tax base by $1,500,000. This firm also utilizes CETA eligible people, turning them into productive citizens.

Here EDA triggered private investment by the United National Bank of Fayetteville; it gave a local developer a contract to build a $1,500,000 building employing many builders and workers and stimulating the economy; it is providing new jobs for 450 people in a town which recently lost two industries; and generally stimulate the regional economy. All of this with one guaranteed loan.

These two investments, as many others just like them, created jobs in the private sector; it generated and produced more revenue than it dispensed; it is not a give-away program—these are either matching grants or loans which must be paid back; it triggered private investment and encouraged industry to locate in these rural counties.

I urge you, Congressman Jones, to lend your influence toward retaining EDA—at a reduced level conforming to its original intent—but let's not throw the baby out with the dish water. Please consider the good it is doing. It is paying its way and we, in Eastern North Carolina, need it.

Sincerely,

MERLE VAUGHAN,
Chairman.●

TUITION TAX CREDITS, VOUCHERS, AND THE COLEMAN STUDY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. DANNEMEYER. Mr. Speaker, last Friday's Washington Post carried a most interesting article entitled, "Private High Schools Are Better Than Public, Study Concludes." In it, the Post reports on a comprehensive study by University of Chicago sociologist James S. Coleman on private versus public schools. The reported conclusions are worthy of our close examination. Specifically, Coleman finds that private schools provide a better education than their public counterparts. In addition, he finds that private schools are less racially segregated than public schools in certain ways.

The Coleman study is also interesting because of the philosophical transformation of the author. The Coleman study on educational opportunity in 1966 was the linchpin in the argument of those who postulated in favor of forced busing as a means of achieving racial balance. Coleman later contradicted his own work and publicly came out against forced busing. In 1978 Coleman endorsed tuition tax credits for private schools.

Congress should carefully review the final version of the report when it is released because I believe it sheds light on these twin issues of forced busing and tuition tax credits. If Coleman is correct, we should be encouraging rather than resisting the tremendous growth of private schools in the last few years. As the study as reported documents, these schools are not the products of attempts to escape busing for racial reasons; instead, Coleman concludes that on a case-by-case basis, public schools are more segregated than private schools. Therefore, the move toward private schools reflects a desire on the part of parents and students alike to place educational excellence at the top of the list of priorities for education. In the recent past, we have attempted to use the schools for social engineering purposes while, at the same time, we moved away from basic educational techniques. The result has been alienation, tension, and declining performance. The continuous drop in SAT scores over the past 17 years simply reinforces that point.

In short, Mr. Speaker, just as private schools are not the problem, public schools have fallen victim to a confusion over goals. By our educational policies, we have penalized private educational efforts when in fact they are part of the answer to our current needs. I strongly urge the serious consideration of private tuition tax credits, the educational voucher system, and other measures that recognize the value of competition in our educational system between all schools. The Coleman study shows that this is possible without intensifying racial segregation or jeopardizing students' educational opportunities. On both counts the opposite is true.

I ask unanimous consent to insert the full text of the article at this point in the RECORD:

[From the Washington Post, Apr. 3, 1981]

PRIVATE HIGH SCHOOLS ARE BETTER THAN PUBLIC, STUDY CONCLUDES

(By Dan Morgan)

A major study by sociologist James S. Coleman concludes that Catholic and other private high schools provide a better education than public ones do, and in some respects are less racially segregated. The study is certain to cause controversy in U.S. educational circles.

Coleman, whose 1966 report on educational opportunity became one of the decade's most debated documents on schools, based his latest findings on data covering 58,728 students in 1,015 high schools.

The report was compiled for the National Center for Education Statistics, a branch of the Department of Education. It is one of the most extensive examinations of nonpublic schools ever sponsored by the federal government.

Although officials of NCES described the report yesterday as a "draft . . . still subject to change," it has been sharply attacked by supporters of public schools who fear that the findings could strengthen the case for tax credits to families paying tuition for private schools.

Coleman went on record in favor of tuition tax credits as early as 1978, saying they would widen the school options of low-income black parents.

President Reagan has promised to fight for tuition tax credits that would aid families that send their children to parochial or private schools. But a major storm is brewing over this, with public-school backers saying that Reagan's policy is to slash funds for schools serving poor and minority children and transfer the savings to middle-class families through tax credits.

David Sweet, assistant administrator of NCES, said yesterday that "we would not say we fully support each and every conclusion" reached by Coleman. and an internal NCES evaluation of the Coleman study obtained by The Washington Post "urges the author(s) to take less liberty with the data and provide a more complete picture" of one of the issues dealt with.

"The statistical techniques used here are out of date, and I think nearly every expert in the field would say that the method has

to overestimate the quality of private schools," said Robert L. Crain, an educational sociologist and author who now works at the Rand Corp. "If you took a high school student body which came from families of above-average income, those kids would do well in either a public or private school. There is no evidence in this report that makes me think they would do any better in private school."

Coleman, a University of Chicago sociologist, is affiliated with the National Opinion Research Center, which has the contract to gather data for a massive federally financed survey of high school sophomores and seniors.

About one high school out of four in the United States is non-public, but only about one of 10 students in grades 9 through 12 attends these facilities. By far the largest number of the private school students—900,000 of 1,359,000—attend Catholic parochial schools.

To gather the data, the National Opinion Research Center examined school records, tested thousands of students and interviewed administrators.

According to Coleman, "the evidence is that private schools do produce better cognitive outcomes than public schools. When family background factors that predict achievement are controlled, students in both Catholic and other private schools are shown to achieve at a higher level than students in public schools."

In a warning that critics already have seized on, however, Coleman acknowledges that factors other than family background could affect achievement.

"Coleman has mixed up cause and effect," a critic said. "These kids are in Catholic schools because they have high scores. They don't have high scores because they're in Catholic schools. This is not a minor problem; it's huge."

Also certain to provoke controversy is Coleman's finding that "Catholic schools more nearly approximate the 'common school' ideal of American education than do public schools," in that achievement levels of children with different backgrounds are more nearly alike in Catholic than in public schools.

Coleman also challenges a major contention of critics of tuition tax credits, who assert that the aid would intensify racial segregation. Coleman argues, on the basis of computer models, that there would be a slightly higher percentage of blacks and Hispanics in private schools after the first year of such aid than are there now.

He argues that this would be constructive because "the public sector is by far the most segregated" on a school-for-school basis.

In his analysis, Coleman concluded that individual private schools are less likely to be racially segregated than individual public schools, although public schools have a considerably higher percentage of black enrollment than Catholic schools nationally. Coleman reports that public and private schools now enroll about the same percentages of Hispanics.●

TENANT TAX EQUITY

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GREEN. Mr. Speaker, there is great inequity and discrimination in the Internal Revenue Code. While the people who own their homes receive tax deductions at the Federal level for real estate taxes paid, tenants who pay real estate taxes indirectly through their rent receive no such benefit. In these difficult fiscal times of rising inflation, tenants too deserve a break, a tax break.

I am introducing a bill that would correct that inequity by amending the Internal Revenue Code of 1954 to permit tenants to take a deduction for real estate taxes now paid indirectly through their rent. If the State or local law provides that the landlord is the real estate tax collection agent for his tenants, then my bill would allow the deduction "above the line," that is as a deduction from gross adjusted income as opposed to itemizing the deductions. This would benefit those tenants who do not itemize their deductions as well as those who do.

In addition to putting the renter on a more equal footing with homeowners, my bill would also provide other benefits. It would—

First, make the tax system more progressive and lessen the tax burden on lower income taxpayers. For, according to the Department of Housing and Urban Development, in 1977 over 76 percent of the household rental units were occupied by families with incomes under $15,000. The median rental family income was $8,800 while the median owner-occupied income was $16,000.

Second, remove bias and enable individuals to decide whether to rent or purchase on considerations other than taxes. The current preferential tax treatment of homeowners distorts the choice between homeownership and rental housing and therefore interferes with economic efficiency.

Third, make it easier for individuals to live in rental housing and to some degree mitigate the need for housing subsidies.

Fourth, help stem the flight to the suburbs, which is partially responsible for the deterioration of our central cities, since it would no longer be cheaper from a tax standpoint to own a home in the suburbs than to rent in the city.

I urge the Ways and Means Committee to hold hearings on this important question as soon as possible and I urge all my colleagues to consider my bill:

H.R. 3079

A bill to amend the Internal Revenue Code of 1954 to allow a deduction for real estate taxes imposed on tenants

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 164 of the Internal Revenue Code of 1954 (relating to deduction for taxes) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) REAL PROPERTY TAXES IMPOSED ON TENANTS.—

"(1) IN GENERAL.—If under any State law—

"(A) a person (hereinafter in this subsection referred to as the 'tenant') renting residential real property from another person (hereinafter in this subsection referred to as the 'landlord') is treated as having an interest in real property.

"(B) a tax is imposed on such interest based on the assessed value of the residential real property being rented,

"(C) the tenant is personally liable for the tax imposed on such interest, and

"(D) the landlord is treated as an agent of the State or local government for purposes of collecting the tax imposed on the interest of the tenant, then such tax collected from the tenant in accordance with such State law shall be allowable as a deduction under subsection (a) to the tenant.

"(2) TREATMENT OF LANDLORD.—In any case to which paragraph (1) applies, no amount shall be included in the gross income of the landlord by reason of any taxes collected by the landlord as an agent of the State or local government.".

(b) Section 62 of such Code (defining adjusted gross income) is amended by inserting after paragraph (15) the following new paragraph:

"(16) REAL PROPERTY TAXES IMPOSED ON TENANTS.—The deduction allowed by section 164(a) to the extent attributable to section 164(f)."

(c) The amendments made by this Act shall apply to taxable years ending after the date of the enactment of this Act.●

REQUIEM FOR CETA

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HAWKINS. Mr. Speaker, critics of the CETA program often charge that all CETA jobs are make work and that CETA employees do not obtain training but simply substitute for regular public employees—these two misbeliefs are inconsistent and simply provide more fuel to the fire of erroneous criticism of a worthwhile program. CETA takes individuals off the unemployment lines and provides them training and job experience to enhance their skills and help them become more productive members of the labor market. In State and local governments throughout the country, CETA employees provide useful public services which benefit the community—much needed work in health and safety areas, public works and parks, and so forth.

No Federal program has been more condemned than the Comprehensive Employment and Training Act (CETA). Supporters of the act have generally not had a voice or media to tell the real facts. The Washington Post deserves a special tribute for an exceptional editorial in its March 29, 1981, edition under the caption "Requiem for CETA". In the hope that truth and simple justice may prevail over political expediency, the article is

inserted for those of my colleagues whose courage and convictions coincide.

The editorial follows:

REQUIEM FOR CETA

. Many people wonder what the future will be like when the administration's budget proposals take hold some months hence. But for the holders of public jobs under the Comprehensive Employment and Training Act (CETA), the future is now. All over the country, state and local governments have stopped filling vacancies among the 350,000 CETA jobs, and by the end of summer all current jobholders will be laid off. In some cities, Washington included, layoffs have already begun.

Not only jobs but also valuable services are being lost. In the District, there will be fewer playground supervisors, less parking enforcement and less help for elderly shutins, unemployed youths, alcohol and drug abusers and people who can't speak English. In Rochester, sidewalks won't be repaired, day care for the children of working women will be cut back and cops will be taken off the beat to do record-keeping now done by CETA workers. In rural Rio Grande communities, garbage will go uncollected and other municipal services will be curtailed.

These losses may come as a surprise to people who adhere to two widely held beliefs about CETA. One is that all CETA jobs are "make-work." The other is that CETA workers simply substitute for regular public employees who would otherwise be hired to do their jobs. Most people who profess these beliefs fail to note that they are mutually contradictory. If CETA jobs are make-work, then, we trust, local governments would not hire people to do them on their own. But if CETA workers replace regular government workers, what they do must be worthwhile.

In fact, for most CETA jobs neither of these views has been correct. CETA hired hundreds of thousands of disadvantaged people who would otherwise not have been hired to do useful work that would otherwise not have been done. Most of these people benefited from the experience so that, careful comparisons show, their subsequent earnings were substantially higher than those of people like them who didn't get helped. Thanks, moreover, to new requirements for mixing work and training, to closer coordination with private employers and to stricter eligibility limits, the usefulness of the program was increasing substantially.

CETA was an obvious first target for the administration because, unlike most social programs, it is not protected by an organized group of professional workers who stand to lose their own jobs. The people who hold CETA jobs don't organize letter-writing campaigns. The only way their loss will be detected is in higher welfare and unemployment counts, higher local taxes and fewer community services.●

NETWORK: THE SECOND DECADE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. LEHMAN. Mr. Speaker, ever since I first came to Congress in 1973, I have had the pleasure of spending one or two evenings a year with Sister Carol Coston and her colleagues from Network, a Catholic social justice lobby. Each visit is a true learning experience as the Sisters are articulate and well informed.

More important than the information they provide, however, is the guidance they give. They help me to see the moral and social implications of the decisions I am called upon to make as a Member of Congress.

Last fall, our former colleague, Father Robert F. Drinan, wrote an article about Network which appeared in the October 18 issue of America. It describes the philosophy and work of Network as it enters its second decade of service.

The article follows:

NETWORK: THE SECOND DECADE

(By Robert F. Drinan)

On Dec. 19, 1971, 47 nuns from all over the country gathered in Washington to discuss the future of the social action programs of the Catholic Church. These religious women decided to form a political network of participation, information and communication. From that decision, there emerged the nation's first and only registered Catholic social justice lobby. Network has been organized nationwide by congressional districts largely, but not exclusively, by sisters. As Network looks forward to its 10th anniversary, it counts a full-time staff of 11 (nine women religious and two lay women), a national board of 22 (17 sisters and five laywomen), a membership of over 5,000 who pay annual dues of $18 to receive six issues each year of the Network publication, a 30-page fact-filled magazine devoted to social action issues pending in Congress.

Network each year publishes a rating of the votes of all 535 Members of the House and of the Senate. It is based on issues chosen not by the offices of Network but by its membership, a practice in line with the principles of Vatican II from which it claims parentage.

Network emphasizes in its literature that it is different from other public interest groups by its vision, which comes from "Scripture's call to justice and the Catholic Church's social encyclicals." Its overarching goal is to make a difference on "issues that afflict the poor and the powerless." Committed to the "transformation of societal structures into a more just world order," Network seeks to achieve this objective by lobbying for socially just legislation, educating for a political ministry and doing so with a "feminist perspective."

The principal architect of Network from the beginning has been Sister Carol Coston, O.P. She more than any other individual is the one who has brought the organization into 35 states and 245 congressional districts. It is she who will be supervising a year-long period of reflection on priorities for the 1980's.

Network is clear in its position on many issues. It opposes increased defense spending, supports SALT II, opposes the B-1 bomber and the MX missile system, favors the ratification of E.R.A. and the United Nations human rights treaties and endorses a moratorium on nuclear energy. In political terms, this would be called liberal, but Network regularly justifies its political positions by citing amazingly similar statements from the encyclicals, recent Popes or Vatican II. This is a part of its insistence that its political ministry is "a constitutive dimension of the preaching of the Gospel," as the 1971 World Synod of Bishops put it.

Network feels strongly that its involvement in politics fulfills the mandate of the Catholic bishops of the United States in their statement of Oct. 26, 1979: "All Christians have a call to citizenship and political life." Likewise, Network reminds its members of their duties in the political order as stated in the same document: "Make candidates declare their values, so that you can compare those values with your own. Take stands on the candidates and on the issues. If a campaign year is to engage the values of the American people, the campaigners and voters alike must share the responsibility for making this happen. Become involved in the campaign or party of your choice. . . "

Network relies also on the bicentennial statement of the administrative board of the U.S. Catholic Conference, where the bishops stated that the church must "relate positively to the political order since social injustice and the denial of human rights can often be remedied only through governmental action."

The words of the Latin American bishops at Puebla in January 1979 are also cited: "The Christian faith does not depreciate political activity. On the contrary, it values it and has a high regard for it. The Church perceives its duty and its right to be present in this arena, because Christianity ought to evangelize the totality of human existence, including the political dimension. Thus, it criticizes those who tend to reduce the sphere of faith to personal or family life, excluding the professional, economic, social or political order, as if sin, life, prayer and pardon do not have meaning there."

Network recognizes the hazards of endorsing political positions for religious reasons. In its newsletter in 1978, Network candidly admitted: "Political ministry is a somewhat recent phenomenon. Network members engage in this struggle out of convictions that are not necessarily articulated or even thoroughly understood as yet." But it is certain that "faith, political involvement and community life are a whole reality, not separated components."

Some of the least visible but most important work is accomplished by participation in the often influential coalitions in Washington. In 1978, for example, it established with Protestant and Jewish groups the Religious Committee for Salt II. Before that, it had joined forces with other religious groups in the formation of the Religious Committee for E.R.A. and is regularly in alliance with the Washington Office for Latin America (WOLA) and with a whole range of consumer-oriented public groups. At the same time, it is careful to preserve, deepen and articulate the theological and ecclesial roots of its own origins and ideals.

It is very difficult to assess the effectiveness of a lobby, especially when it is concerned with complex global issues. But in at least two dramatic instances, Network can take credit for a victory. By endorsing and working for the enactment of legislation creating the Consumer Cooperative Bank, Network expressed its belief that such a bank would enable the poor to have more control over their lives. The organization visited members of Congress known to be uncertain of the merits of the plan, testified in the Senate, contacted local cooperatives throughout the country and in other ways obtained support for a bill which otherwise might have died. The bill passed the House

of Representatives by one vote. Network can legitimately claim credit for that vote.

By working closely with the Coalition for a New Foreign and Military Policy, Network can likewise take some credit for the enactment of a bill appropriating $75 million for economic development in the post-Somoza Nicaragua. The bill finally passed the House on July 2, 1980 by a two-vote margin, 198 to 196.

The Christian Voice, a radical right-wing group that has endorsed Ronald Reagan recently published ratings for all members of Congress. The votes chosen relate to Panama, Taiwan, abortion, E.R.A., prayer in public schools, homosexual rights and similar issues. Political liberals, of course, received very low scores from The Christian Voice, and conservatives scored high. There was enormous resentment in Congress and in the main line churches over the simplistic and perhaps arrogant assumptions made by The Christian Voice that those who disagree with them on the resolution of complex legal/moral matters are less Christian than they are.

Network is very careful to safeguard against any such inferences being drawn from the ratings which it has issued over the past three years. Its publication notes: "A voting record illustrates only one . . . part of a Congressperson's official duties." But Network does state that the 13 House and 11 Senate votes which it selected in 1980 do provide a basis "to judge congressional behavior on behalf of global peace, economic justice and human rights."

In 1980, those issues also included proposals which Network opposed: funding for draft registration, $500 million for the MX Missile System, reduction in food stamps spending, cutting foreign aid and substitutes for the proposed budget that would bring about reductions in social welfare programs. Fiscally conservative Catholics in Congress do not rank high. To date, however, they have not protested like those who have criticized the rankings of The Christian Voice. This may be due to the fact that the rankings of Network have not been exploited politically as have the ratings of The Christian Voice.

In addition Network makes no pretense that it speaks authoritatively for the Catholic Church. It represents the views of its membership, made up of a majority of nuns but including significant numbers of priests, brothers and laity. Its positions do not, however, differ in any significant way from the official positions adopted by the U.S. Catholic Conference. Network, however, does not get involved in issues where a Catholic point of view reaches its constituency from other sources, like issues related to financial aid for church-related schools or laws regulating marriage or abortion. It obviously sees the moral aspects involved in these topics but concentrates on those issues on which there is no other organized Catholic voice. Once again, this stance is the result of a regularly reviewed agenda decided collegially by the members.

While seeking to advance its mission in the spirit and with the faith of those religious persons who fought in the 1960's and 1970's in the civil rights and anti-war movements, Network adds a new emphasis: the rights of women. there is a quiet, constant emphasis on the "feminist perspective," but the emphasis is not entirely clear. It is more a groping to discover the rights and the role of women religious and women in general. It echoes the tone of the National Women's Conference in Houston in 1977 and the World Conference of the United Nations Decade for Women, held in Copenhagen in July 1980. Sister Carol Coston attended the Copenhagen meeting and reported that she observed a "growing solidarity among women of all nations," but she added: "We have many steps to take before we have access to full development and participation at all levels and in all spheres of society." The group has labored diligently on behalf of the E.R.A. In Illinois in 1980, members visited parishes in key legislative districts to encourage E.R.A. supporters to sign postcards to Catholic legislators who claim Catholics in their district oppose it. In the 1980's Network will intensify its efforts to understand and to resolve the inequalities and oppressions imposed on so many women.

The political ministry of Network is difficult and carries few instant rewards but its potential is great. It counts among its members about 4 percent of America's 120,000 religious women, as well as committed priests, brothers and laity, and has a vibrancy and creativity which prompts it to conduct legislative and lobbying seminars all over the country. It has modest offices at 806 Rhode Island Street, NE., while many more affluent lobbies are nearer the Capitol and have greater access to the staffs of the subcommittees where crucial decisions are made. Network, furthermore, unlike a growing number of interest groups, does not possess a political action committee which can dispense campaign funds.

As Network begins its second decade as a Catholic social justice lobby, it will carry out the hope of Margaret Mead, quoted in a recent newsletter: "What we must present to every woman in this country today is that if we act unitedly, forget every other consideration on earth . . . we may be able to turn this world around and produce a world in which our children and other people's children will be safe."●

IN SUPPORT OF BYELORUSSIAN INDEPENDENCE

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. BAILEY of Pennsylvania. Mr. Speaker, there are an estimated 1 to 1½ million Americans of Byelorussian descent in the United States. These Americans of first, second and third generation, who maintain contact with their relatives in the Soviet Union, are very anxious to have the Byelorussian language included in Voice of America broadcasts to the Soviet Union. I support their wishes and their resolution to incorporate Byelorussian language in Voice of America programing. Our national security interests and world peace are well served when nations within the Soviet Union are well informed of the nature of Soviet expansionism and the vitality of their respective cultural heritages in the United States. But, unfortunately and unfairly, Byelorussians in the Soviet Union have not heard any Voice of America broadcasts in their own language for many years.

Mr. Speaker, there is an even greater oppressive action to which I would like to direct your attention. The Byelorussian Soviet Socialist Republic with its population of 10 million has been transformed into the westernmost bridgehead of Russian expansionism. Consequently, Moscow has been conducting an intensive campaign of russification in Byelorussia aimed at the destruction of the sense of separate nationality that the Byelorussian people feel.

The proclamation on March 25, 1918, of the Byelorussian Democratic Republic was a highpoint in the political history of those people and marked a brief period of genuine national freedom and sovereignty for the country. While the Soviet's forceful establishment of the Byelorussian Soviet's Socialist Republic uprooted free and independent Byelorussia, it did not supplant the heartfelt independence of the people. Their love of democratic freedom is very much alive under the repressive Soviet regime. It is my sincere hope that the Byelorussians here and abroad will hold fast to their democratic principles and that our Nation will continue to support their determination.●

ROLE OF THE ATTORNEY GENERAL'S TASK FORCE ON VIOLENT CRIME

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Ms. OAKAR. Mr. Speaker, last week was a terrifying experience for the American public. We were shocked that citizens serving jobs vital to our Government were shot in a vicious act of violence. We sat in anxious suspense for their recovery. As we know, the President of the United States was one of these victims.

I am deeply distressed at the upsurge of violent crime in the United States. Violent crime in the United States last year increased 13 percent, the highest rate in 12 years. Crime, in general, increased by 10 percent.

Crime has no boundaries—it affects all parts of our society, rural areas and suburbs, as well as the inner city. It affects all segments of our society, the middle class and the rich, as well as the poor.

The fear and curse of crime dominates our daily lives. It is an outrage against our society when we cannot walk alone in our neighborhood and when our homes become fortresses.

I was deeply disturbed by the poll on crime, conducted by Newsweek magazine, which appeared in its March 23, 1981, issue. About 58 percent of the 1,000 people interviewed stated there was more crime in their area than

there was 1 year ago; 75 percent felt criminals today are more violent than they were 5 years ago, and 53 percent said there was an area within 1 mile of their home where they would be afraid to walk alone at night.

Cleveland's crime statistics are one of many shocking examples of crime in our cities. Last year almost 58,000 crimes were committed in this city alone. Although murder was down slightly, forcible rape, robbery, burglary, and arson increased by large percentages.

Unfortunately, no one seems to have the answer as to how to rid this evil. There are many theories of the cause of crime and its prevention. Our Government has tried to address this problem on numerous occasions. For example, in 1965, President Johnson created by Executive order the Commission on Law Enforcement and Administration of Justice. The report embodied the major findings drawn from the Commission's examination of all facets of crime and law enforcement in America. In 1968, President Johnson, by another Executive order created the National Commission on the Causes and Prevention of Violence. This Commission suggested what the Federal Government, State governments, and private associations and individuals can do to reduce the incidence of violence. In 1973, the National Advisory Committee on Criminal Justice Standards and Goals was established to set forth standards and goals for police, courts, corrections, the criminal justice system, and crime prevention.

Crime has caught the attention of the American people more vehemently than at any other time. Last month, Chief Justice Warren Burger outlined in a speech before the American Bar Association his recommendations for new fronts against crime, including recommendations for prompter court action, tougher judicial rules and bigger budgets.

At the start of the new administration, Attorney General William French Smith announced the formation of the Attorney General's Task Force on Violent Crime. The task force is mandated to review the present allocation of resources for Federal law enforcement efforts, Federal support of State and local law enforcement efforts and Federal exchanges of information and expertise with State and local entities. The second aspect of the task force is mandated to focus on changes in Federal statutes, funding, and allocation of resources.

The resolution I am introducing would authorize and require the task force to also do the following:

Study the underlying societal causes of violent crime along with the control of crime and make appropriate recommendations;

Review Federal research related to violent crime to determine the need for an increased Federal effort;

Study and consider the recommendations of previous Federal commissions established to study the causes and prevention of violent crime;

Insure that the task force is represented by a wide range of individuals involved in the understanding and prevention of violent crime, including psychologists, psychiatrists, historians, judges, sociologists, social workers, theologians, and educators, as well as law enforcement officials; and

Issue a preliminary report of its findings to Congress within 6 months from the date of its establishment and to issue a final report of its findings to Congress within 1 year from such date.

The passage of this resolution would confirm to the President and to the Attorney General that we wish this task force to take a new, fresh, and hard look at the problem of violent crime in America.

The following is the text of the resolution:

H. CON. RES. 110

Concurrent resolution to call on the administration to give certain instructions to the Attorney General's Task Force on Violent Crime

Whereas the Congress recognizes that violence is dangerous to our society and must be brought under control, and that life, liberty, and property must be safeguarded;

Whereas violent crime in the United States last year increased 13 percent, the highest rate in 12 years;

Whereas violent crime runs rampant in all parts of our country, in rural areas and the suburbs as well as in the inner city and affects all segments of society, the middle class and the rich, as well as the poor;

Whereas the President of the United States, his press secretary, a secret service man and a District of Columbia policeman have been victimized by violence, to the shock and horror of the American people;

Whereas the fear of crime by the American people dominates actions they take regarding their daily lives, making their homes fortresses, making citizens fear walking alone in their neighborhoods, and poisoning the trust in our societal institutions;

Whereas in the past, our Government has recognized the alarming occurrence of crime and has established such commissions and study groups as the Commission on Law Enforcement and Administration of Justice, established in 1965; the National Commission on the Causes and Prevention of Violence, established in 1968; and the National Advisory Committee on Criminal Justice Standards and Goals, established in 1973;

Whereas such commissions and study groups have made numerous recommendations with respect to the causes and prevention of crime; and

Whereas the Congress recognizes the establishment of the Attorney General's Task Force on Violent Crime in conjunction with a high Federal priority on fighting violent crime: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress calls upon the President and the Attorney General to authorize and require the Attorney General's Task Force on Violent Crime—

(1) to study the underlying societal causes of violent crime along with the control of crime and to make appropriate recommendations;

(2) to review Federal research related to violent crime to determine the need for an increased Federal effort;

(3) to study and consider the recommendations of previous Federal commissions established to study the causes and prevention of violent crime;

(4) to insure that the representation on the Task Force consist of a wide range of individuals involved in the understanding and prevention of violent crime, including psychologists, psychiatrists, historians, judges, sociologists, social workers, theologians, and educators, as well as law enforcement officials; and

(5) to issue a preliminary report of its findings to Congress within six months from the date of its establishment, and to issue a final report of its findings to Congress within one year from such date.

EXPORTING THE LIBERTIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

Mr. LAGOMARSINO. Mr. Speaker, we hear constant arguments about why the United States should not be involved in El Salvador. Yet there seems to be very little attention to what is considered to be international intervention in El Salvador on behalf of the leftist guerrillas in that country.

The Santa Barbara News Press published an editorial recently on the paradox of leftists bragging about the worldwide support for their efforts while, at the same time, condemning U.S. support for the government of President Duarte.

I hope my colleagues will give this editorial their serious consideration.

EXPORTING THE LIBERTIES

Leaders of the leftist revolutionary forces in El Salvador say they will solve the country's problems in time, but the first step toward the "solution" must be the withdrawal of U.S. aid to the governing junta. This, they say, is strictly a Salvadoran matter, and such intervention from outside is wrong.

Then they boast about the help they have begged and received from outside. They have been around the world soliciting help. They say they have received support from an impressive number of other nations.

They would not say specifically which countries have supplied them with weapons. They only specify that there is a large black market in arms in Central America. Ana Guadalupe Martinez, a leader of the People's Revolutionary Army, says this:

"Another thing you have to keep in mind is that we have been fighting for nearly 10 years, and one of our chief aims has been to get weapons any way we can."

The leftist coalition leaders, including Mario Aguinada of the Communist Party of El Salvador, also boast that they can count

on $50 million in funds from their friends around the world.

Not only that, they spoke freely in an interview with the Los Angeles Times about the way they also raise money by kidnapping people and holding them for ransom. They present this as a form of heroism on behalf of "the people."

But the North Americans, they insist, must stand back and let this revolution run its course.

The fact is that the Marxist movement has had success in arousing some sympathetic support through its propaganda in the United States. Several letters that have reached this desk from residents of Santa Barbara attest to that. Some of these writers see nothing wrong with the guerrilla movement, and they consider the government of President Jose Napoleon Duarte to be full of evil. They protest any U.S. aid to Duarte; we have no business there; this should not be blown up to be an international matter.

Yet strangely, through their own voluntary boastings of much help from abroad, the leftist leaders had already made this an international matter.

The only question, it seems to us, is what form U.S. aid to the Duarte government should take. Certainly we should not make the mistake of fighting Duarte's battles for him. Our aim must be a government in El Salvador that is economically strong enough to help the people of that impoverished country gain stability and security.

There is no doubt that, for a long time, Salvadorans suffered at the hands of a few extreme right-wing families who have owned much of the land, and from harsh military rule. But the people's release from those great problems does not lie in the extreme left wing which turns people into state slaves. The solution is between the extremes, where the Duarte government is struggling to strengthen its position.

Though it has its weaknesses and faults, the Duarte government represents the best hope for establishing human rights in San Salvador. Why shouldn't we export to it some of our expertise in the basic liberties?●

WORLD FOOD DAY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr.

● Mr. SIMON. Mr. Speaker, today I am introducing, with my friend and colleague BEN GILMAN, a resolution requesting the President to declare October 16, 1981, as World Food Day. This day has already been declared by the United Nations, in an ongoing effort to bring the international community to grips with the ever decreasing availability of agricultural products and other food sources. The President's Commission on World Hunger, on which Representative GILMAN played a major role, has begun the necessary education process here at home. Designation of World Food Day, and full participation in the activites planned for that day by all of us, should help move us toward a greater domestic understanding of the problems and obstacles we will face in the years ahead to continue on the path to the elimination of hunger and malnutrition nationwide. I hope that my colleagues will join us in supporting this resolution.

H.J. RES. —

Joint resolution to authorize and request the President to issue a proclamation designating October 16, 1981, as "World Food Day".

Whereas hunger and chronic malnutrition remain daily facts of life for hundreds of millions of people throughout the world;

Whereas children are the ones suffering the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physicial or mental impairment, including blindness, because of vitamin and protein deficiencies;

Whereas, although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably among native Americans, migrant workers, and the elderly, remain vulnerable to malnutrition and related diseases;

Whereas the United States, as the world's largest producer and trader of food, has a key role to play in efforts to assist nations and peoples to improve their ability to feed themselves;

Whereas a major global food supply crisis appears likely to occur within the next twenty years unless the level of world food production is significantly increased, and the means for the distribution of food and of the resources required for its production are improved;

Whereas the world hunger problem is critical to the security of the United States and the international community;

Whereas a key recommendation of the Presidential Commission on World Hunger was that efforts be undertaken to increase public awareness of the world hunger problem; and

Whereas the 147 member nations of the Food and Agriculture Organization of the United Nations designated October 16, 1981, as "World Food Day" because of the need to alert the public to the increasingly dangerous world food situation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 16, 1981, as "World Food Day", and calling upon the people of the United States to observe such day with appropriate activities.●

A TRIBUTE TO UNIVERSITY CITY, MO

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. YOUNG of Missouri. Mr. Speaker, this year University City, Mo., is celebrating the 75th anniversary of its incorporation by the State of Missouri. The city has scheduled a series of commemorative events as part of its diamond jubilee celebration. I am inserting a resolution honoring this fine city during its 75th anniversary:

RESOLUTION

Whereas, the City of University City will celebrate through a series of functions in 1981 the Seventy-fifth Anniversary of its incorporation by the State of Missouri, and

Whereas, the City of University City has consistently through the years been recognized as a leader in regard to devising progressive, innovative and successful responses to a perplexing number of municipal problems and issues, and

Whereas, the City of University City did pioneer work in the field of planning, having created a City Plan Commission in 1920 which secured for its residents the benefits of well-designed and functional parks, quiet tree-lined residential streets and a unique commercial Loop, and

Whereas, the City of University City was the first municipality in St. Louis County to adopt a home rule charter providing the council-manager form of government which has successfully met the challenge of urban change since 1947, and

Whereas, the City of University City has to good purpose and traditionally maintained a hospitable and choice community for its diverse racial, ethnic and religious residents whose heterogeneity has continued to distinguish University City throughout the state, and

Whereas, the City of University City is nationally recognized for its perceptive influence in fashioning policies resulting in fair and open housing, integrated schools and a far-reaching and compassionate program of service to its senior citizens: Now, therefore, be it

Resolved, That the City of University City, its officials and residents are hereby congratulated on their past achievements, that every best wish for success is extended for all the commemorative events scheduled during its Diamond Jubilee, and that University City be commended in its efforts to provide the best possible urban environment for its citizens.●

WOMEN IN CONSTRUCTION CHALLENGE CETA BUDGET CUTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HAWKINS. Mr. Speaker, to the overworn myths that CETA is makework, does not place its graduates in unsubsidized private sector jobs, and has not proved to be a workable program, I am pleased to cite a typical success story of "Women in Construction Project" in Massachusetts.

It is but one of thousands of examples that refute those who fabricate false stories based on the occasional mismanaged programs that are tolerated by refusal to adequately enforce the 1978 amendments to the act.

The following testimony before the House Education and Labor Commit-

tee of Susan A. Brophy, director of "Women in Construction Project," Boston, Mass., sets the issue in proper perspective.

I urge my colleagues to consider these positive benefits of CETA before voting on the Reagan administration budget cuts to abolish what is succeeding as a cost-effective, anti-inflationary structural program.

The testimony follows:

WRITTEN TESTIMONY OF SUSAN A. BROPHY

Mr. Chairman, I have asked to speak before this committee in an effort to offer the Women in Construction Project (WICP) as an example of the profound and immediate impact of the Reagan budget cuts on employment and training programs.

WICP is a statewide, pre-apprenticeship, skills training program for women seeking careers in construction. The project is a subsidiary of the Massachusetts State Building and Construction Trades Council, AFL-CIO and is the only program of its kind in the country with such an affiliation. Additionally, WICP has memoranda of agreement with such private trade organizations as the Associated General Contractors, the Building Trades Employers Association and the Massachusetts Council of Construction Employers.

WICP operates three training sites and offers its participants a comprehensive course of skills training and physical conditioning in all seventeen of the building trades: carpentry, plumbing, electrical work, painting, operating engineering, ironwork, glazing, roofing, bricklaying, cement masonry, pipefitting, sheet metal work, plastering, boilermaking, laboring, pipe covering and sprinkler fitting.

WICP was developed in response to a specific set of federal regulations establishing goals and timetables for women's participation on federally assisted construction projects (41 CFR 40.4). WICP's mandate was to assist unions and contractors in the state in meeting their federal construction compliance obligations. To that end WICP has succeeded. In less than three years of operation WICP has trained and placed over 265 low-income women in the construction industry in Massachusetts in positions averaging $6.00/hour as a starting salary.

Initial funding for WICP came from the Massachusetts Balance of State CETA Administration. This funding configuration precluded WICP from serving women from the larger urban areas of Boston, Worcester and Springfield. In an effort to serve more low-income, urban dwellers, WICP applied on a yearly basis to local Prime Sponsors in the aforementioned cities. Funding was applied for under CETA Titles IIB, IID and VII. Due to a continually shrinking pot of funds under those Titles of CETA, WICP, a national training model with an 85% placement rate and strong private industry ties to both labor and management, was regularly rejected for funding by the Boston, Worcester and Springfield CETA Prime Sponsors.

In an effort to continue operation and serve the urban poor, WICP was forced on two occasions to seek funding directly from the Department of Labor. WICP was awarded $250,000 in operating funds from Title VI of the Secretary's Discretionary Fund in January, 1980 and was again awarded operating funds in October, 1980. With these funds WICP was able to offer its training services to CETA-eligible women across Massachusetts. Matching funds were than awarded by the CETA Prime Sponsors in Boston, Worcester, Springfield, Cambridge, Fall River and Lowell.

On February 9, 1981 I was informed that the funds awarded in October, 1980 for a contract period ending on August 21, 1981 were frozen. I was subsequently informed that half of the grant ($125,000) would be reallocated to allow the program to complete its present and final training cycle on April 10, 1981.

On May 20, 1981 WICP will close its doors for good, a casualty of the Reagan budget cuts. The plight of WICP is not a typical, yet it is a clear and dramatic example of a very successful, nationally recognized and replicated training program squandered by the present Administration's meat cleaver approach to budget reductions, made without consideration of the program's merit or value to communities.

I speak to you on behalf of the women who are now working in construction as a result of their participation in WICP. Women who WICP has assisted, in some small measure, in breaking out of the devastating and humiliating cycle of poverty and welfare. Women who are now wage earners and taxpayers. Women with new found dignity and pride.

I also speak for the women who might have participated in WICP. Women who we collectively might have offered hope for their future economic independence. I speak for the hundreds of women who have been informed that WICP will not be offering its services again. Women who don't have alternatives. Women in need.

On behalf of these women I ask for your compassion and understanding in assessing and acting on the proposed budget reductions.

Let us not reassess our national priorities to exclude our most valuable national resource, our people. And let us not turn our back on those who need us most, those without the resources with which we are blessed, our poor.

Finally, it has been said by the Administration that the only people who are speaking out against the budget cuts are those of us who are losing our jobs. I will state unequivocally that I would happily give up my job to save even one-tenth, one-hundredth of the WICP. We who are speaking out have visions beyond our own programs. Visions that these days cannot be achieved without the collective attention of a sympathetic and concerned Congress.

Mr. Chairman, I would like to thank you for the opportunity to address this committee.●

ST. MARY'S PARISH 25TH ANNIVERSARY OF PASTOR'S ORDINATION

HON. WILLIAM J. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. STANTON of Ohio. Mr. Speaker, on May 17, 1981, in the city of Painesville, Ohio, the parishioners of St. Mary's Parish will assemble for a very happy occasion.

On that Sunday, the parish will celebrate the 25th anniversary of the ordination of their pastor to the service of God.

Father Robert Hanzo was born in Cleveland on November 10, 1929. Following studies at St. Mary's Seminary in Cleveland, he was ordained to the priesthood at St. John's Cathedral in Cleveland on May 19, 1956.

Following his ordination, he was assigned as an assistant to the Immaculate Heart of Mary Church, Cuyahoga Falls. Over the next 19 years he served with distinction as assistant at Nativity Parish in Cleveland and St. Gregory's in South Euclid. Father Hanzo was assigned as pastor at St. Mary's, Painesville, on May 7, 1975.

Mr. Speaker, any chronological recitation of Father Hanzo's service to the people of the Cleveland Diocese fails to express the high personal regard and esteem that the parishioners of these parishes have for Father Hanzo.

One of our own parishioners, John Monroe, expressed it well when he said recently:

Under your leadership we have seen St. Mary's Parish grow in spiritual vitality. The Parish Renewal Program, which you introduced several years ago has brought many men and women closer to Christ and to each other. Your annual parish missions have inspired parishioners to become more vigorous in the Faith and more solicitous to their Christian duties.

Attendance at daily Mass has increased substantially over the past five years at our parish. Our Sunday Masses have involved many more lectors, commentators, lay ministers, ushers, song leaders and musicians than ever before and frequently we hear visitors to our Sunday liturgy remark how we have reached a higher level of community participation and Christian spirituality at our weekly celebrations of the Eucharist than felt by these visitors in their home parish. One of the highlights at St. Mary's is the availability to the people of the sacraments always at the times when most needed and appreciated.

Mr. Speaker, a true pastor is really a shepherd. It is around the pastor that the community of parishioners are linked. It is through the pastor that we have an association with the diocese and, ultimately, with the Church in Rome.

On the occasion of Father Robert Hanzo's 25th anniversary in the priesthood, I can think of no greater compliment to pay him than to say that he is, in the best meaning of the word, the true shepherd of the Parish of St. Mary's of Painesville, Ohio.●

AMEND MINERAL LEASING ACT OF 1920

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. MARRIOTT. Mr. Speaker, today I am introducing a bill to amend the oil, gas, and tar sand provisions of the Mineral Leasing Act of 1920. This bill will remove the obstacles to tar

sand leasing which have virtually forestalled tar sand development on Federal lands to date.

Tar sand is a bituminous—oil impregnated—sand which constitutes the largest known, nonfluid petroleum resource in the United States, with estimates ranging from 15 to 30 billion barrels of oil. Over 90 percent of this resource occurs in the State of Utah. Prior to this time, the Interior Department has not successfully leased tar sand deposits on Federal lands, leading toward development, because of the legal necessity of making a distinction between tar sand and oil prior to leasing.

The bill I am introducing today will remove the necessity for making that distinction by providing for the issuance of a combined hydrocarbon lease under which both oil and tar sand can be developed. In order to do this, the bill will redefine "oil" to include all nongaseous hydrocarbon substances—including tar sand—other than coal, oil shale, or gilsonite and remove all references to tar sand from section 21 of the act, which provides for oil shale leasing.

The bill will place oil, gas, and tar sand leasing on similar footing by providing for competitive leasing in "designated tar sand areas," which is defined as those areas already identified by the Secretary as well as those which he may identify in the future as containing "substantial deposits of tar sand."

Further provisions of my bill are alined to accommodate combined hydrocarbon leasing. Among these provisions, the Secretary will be permitted to establish a lower aggregate acreage limitation for leases in designated tar sand areas; the lease tract size will be limited to 5,120 acres for such leases; and the royalty will be 12½ per centum on production removed or sold from them. A lease in a designated tar sand area may be extended for not less than 5 years beyond its primary term where the lessee has diligently pursued an approved plan of operations leading toward commercial recovery of tar sand deposits.

By virtue of the redefinition of the term "oil," the bill will permit the Secretary to reduce the statutory 12½-percent royalty on tar sand production under his existing authority to reduce royalty on all minerals subject to the Mineral Leasing Act. However, in light of the technological and economic uncertainties which will accompany tar sand development, special provision is made for the Secretary to review, prior to commencement of commercial operations, the royalty rates applicable to tar sand production. This review will be to determine whether a different royalty rate would better accomplish and encourage the maximum development and production of tar sand.

In order to enable the Secretary to distinguish oil production from tar sand production solely for the purposes of this special royalty review, "tar sand" is defined for royalty purposes by incorporation of a scientifically and industry-accepted definition. The use of such a definition for purposes of the Mineral Leasing Act is only feasible in this context because it will be applied only after exploration and development have occurred and prior to commencement of commercial recovery. Only at that point does it become feasible to evaluate whether the resource to be recovered is oil or tar sand.

Since for many years tar sand deposits have been overlain by Federal oil and gas leases, my bill will provide for the owner of such a lease to convert his existing rights to a combined hydrocarbon lease. The new lease would have a primary term of 5 years and be issued only upon submission by the lessee of an application for conversion containing an acceptable plan of operations for recovery of the tar sand resources. Valid claims under the 1972 mining law for tar sand deposits may similarly be converted to a combined hydrocarbon lease. All existing rights of an oil and gas lessee will be protected.

In recognition of the potential compatibility of conventional oil and gas production with tar sand development and the fact that a hydrocarbon lessee may not have an interest in or be capable of developing both resources, the bill will give the Secretary discretion to permit the horizontal segregation of a combined hydrocarbon lease.

Further, the bill will amend the Mineral Leasing Act for acquired lands in conformity with these amendments to the Mineral Leasing Act of 1920.

Finally, additional provisions will insure that nothing in the bill will change or affect the taxable status of oil production from tar sand under the Crude Oil Windfall Profit Tax Act of 1980 or reduce the depletion allowance or existing tax status of such production.

This bill will finally clear the way for tar sand development, which has been too long delayed in light of our national need for domestic sources of energy.●

REPEAL SOCIAL SECURITY OFFSET

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. GUARINI. Mr. Speaker, today I am reintroducing legislation which I sponsored in the 96th Congress to repeal the offset against social security benefits which is presently imposed in the case of some individuals receiving Government employee pensions.

The public pension offset was included in the Social Security Amendments of 1977. In general, the law requires the reduction of a spouse's or surviving spouse's social security benefits by the amount of that person's Government pension. Divorced men and women, married 10 years but not 20 years and eligible for benefits in January 1979 or later, are now affected by this change in the law. All others have until December 1, 1982, before the offset takes effect.

While the concept was well intended in its objective of shoring up the financially ailing social security system by preventing what was perceived to be a windfall for some workers, the offset was structured and timed to take effect in such a way that it can only work a hardship against significant numbers of workers, particularly women in their fifties who will be eligible for retirement in the next few years.

It is impossible for these women to change their plans at this late date. Many of them have been preparing for retirement based on the assumption that they would be eligible for full spouse's benefits under social security.

I would further note that for many of these women, low pay and years out of the paid work force while they raised their children, have prevented them from building up the reserves necessary for an adequate retirement. And, despite the perception that women are moving up in the paid labor force, many are locked into low-paying jobs. Current Commerce Department statistics show that a woman, employed full time, year round, earns on the average $9,929 compared to the $17,526 a man earns. The slogan that a woman earns only 59 cents for each dollar a man earns has been reduced—in spite of double-digit inflation—to 56 cents.

It is understandable that Congress wished to provide some relief for the social security system, but it is also clear that in practice, the law will work a harsh and clearly unintended effect upon thousands of families. Caught in the middle of this unexpected change in the law, these hard-working men and women look to Congress to remedy the unfortunate and unforeseen consequences of that legislation.

I urge my colleagues to join with me in eliminating the offset. In the alternative, I would recommend that an additional 10-year grace period be permitted which would have the effect of sparing workers who are nearing retirement while providing those about to enter Government employment that are not covered under social secu-

rity to be fully informed at the outset of their retirement benefits.●

DEAF SHOULD BE HEARD

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. FINDLEY. Mr. Speaker, today I am introducing two pieces of legislation to provide the deaf citizens of our country the means to become more involved in the political process, an involvement now blocked by high costs and our own lack of understanding for the problems of our deaf constituents.

My first bill would provide income tax credits for the purchase of teletypewriters and long distance phone use by deaf individuals of these magnificent machines. A teletypewriter, or TTY, is a typewriter attached to a phone. It is capable of transmitting a message over telephone lines to any other TTY in the country.

The cost to the deaf of purchasing a teletypewriter can be prohibitive. An adapter unit attached to a television set which prints out communications on a screen can cost anywhere from $250 to $800 or more. In today's difficult economic times this is more than many deaf citizens can afford. Many are elderly persons living on fixed incomes, and generally their income is only 84 percent of that of normal hearing families. My bill would allow a 50-percent-tax credit for purchase of a TTY, with an upper limit of $200 per family.

The cost of using a teletypewriter is also high, with phone charges as much as three times higher than the charge paid by people with normal hearing. The reason is the vastly longer time it takes the deaf to communicate by phone. Those who speak and hear well can complete an average conversation in 1½ to 2 minutes. The same call made with a TTY can take 5 minutes or longer, depending upon the skill of the typist. Thus, the cost for long distance calling by the deaf with a TTY can be prohibitive. The average family with a deaf household head can ill afford the additional phone expense. My bill would allow for a 75-percent deduction of qualified toll telephone service, easing this unfair burden.

The second piece of legislation I am introducing is a necessary corollary to the first. It is a resolution providing for installation of a TTY unit in the House of Representatives for use by Members on a shared basis so that they can communicate with their deaf constituents. People with hearing impairments would be able to place a toll-free call into this machine from one of the thousands of TTY's located across the country. A special operator would then contact the appropriate congressional office to arrange for a reply. Members of Congress or staff members would then transmit the reply back to the constituent through this same installation.

This would not be the first TTY installed for use by the Federal Government. Our colleagues in the Senate presently have three TTY's in service for communication with their deaf constituents. Also, Government offices such as the Federal Communications Commission and the Internal Revenue Service have TTY's. These have proved to be of value to those deaf persons in need of routine assistance from Federal agencies. In the past year the IRS, for example, received nearly 2,000 TTY communications, and TTY use at the IRS is increasing every year.

The House of Representatives needs to encourage deaf citizens to become a more vocal part of the legislative process. Passage of the legislation I am now introducing would insure that our deaf population will truly be heard.●

TO CELEBRATE SILVER JUBILEE OF PASTOR'S ORDINATION

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. SKELTON. Mr. Speaker, on Sunday, May 24, 1981, the people of St. Mary's Parish of Glasgow, Mo., will celebrate the silver jubilee of the ordination of its pastor, Father Richard C. Hunkins.

In his 25 years as a priest, Father Hunkins has endeared himself to many people. His service included service to his country as a chaplain to the 1st Marine Division of the U.S. Marine Corps in Vietnam.

It is a pleasure for me to join Father Hunkins' parishioners and friends in congratulating him on the occasion of his silver jubilee.●

SMALL BUSINESS INNOVATION RESEARCH

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. McDADE. Mr. Speaker, I am today introducing, with Representative JERRY LEWIS, legislation designed to promote the role of small businesses in federally funded research and development. The enactment of this bill will stimulate technological innovation by using a small portion of Federal research and development budgets to fund research conducted by small business.

Small business is the source of much technological innovation in this country today. A lengthy series of studies has shown that small, high technology companies are more innovative than any other segment of our economy. A review of Federal research development and small businesses by the Office of Federal Procurement Policy concluded that small firms have compiled a striking record of innovation. Other studies have shown that these small innovative firms create many of the new jobs in the private sector.

In spite of the excellent record which small business has created in this regard, the vast majority of federally funded research and development is conducted by large businesses, universities, and Government laboratories. It is estimated that less than 4 percent of all Federal research and development money goes to small business. In order to more effectively target R. & D. expenditures, we are today introducing the Small Business Innovation Research Act of 1981. This bill is intended to stimulate technological innovation by using a small portion of Federal R. & D. budgets in a way similar to the successful small business innovation research program at the National Science Foundation.

The bill would require Federal agencies with R. & D. budgets of more than $100 million to make available 1 percent of their R. & D. money to small businesses through a small business innovation research program. The program requires no additional funds but rather a more direct targeting of the funds to small businesses. Funding of small high technology firms would be a three-phase process:

First, small firms would be invited to submit research proposals related to planned agency R. & D. activities. The most promising would be funded to determine if the research is technically feasible.

Second, if the initial research proves successful, larger funding would be provided from substantive research and prototype construction. Proposals that have attracted the attention of outside private capital would be given special consideration.

Third, commercial applications research and actual production would be financed by private capital. Agencies with R. & D. budgets between $20 million and $100 million in size would be required to set goals for awards to small businesses.

The SBIR program would be phased in over 3 years. During this time, the Office of Federal Procurement Policy would be required to promulgate regulations which simplify the paperwork required from small businesses for solicitations and proposals. Agencies also would be required to coordinate solicitation releases with SBA to avoid conflicts which might limit small business opportunities to submit proposals. Agencies also would report to SBA on

the number of R. & D. contracts awarded to small business and their amounts.

This program will directly fund feasibility testing for new ideas developed by small business. Because each agency would select its own research topics, the agencies would continue to direct their resources into the most useful projects. Although it involves only a small portion of agency research funds, it will have a major impact on small high technology businesses. I urge my colleagues to cosponsor this important legislation.●

BUDGET CUTS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. HUBBARD. Mr. Speaker, I would like to bring to the attention of my colleagues a letter addressed to you from my constituent, Dr. C. F. Burnett, Jr., Morgan-Haugh Professional Service Corp., Mayfield, Ky., expressing his support for the President's plans to cut the Federal budget and reduce the number of unnecessary Government regulations. Mr. Speaker, as the House begins to consider these measures, I submit the following:

One of life's great frustrations is that little people like myself have such little voice in our government, while we are told that our government is "of the people and by the people." The vast majority of the people of this country voted for a change in the policies of our government, especially in relation to uncontrolled spending and uncontrolled taxation. In electing Mr. Reagan president, the people begged for a change and for relief from the inflationary policies of previous administrations. I realize that in your position of power you can further frustrate us by blocking the measures we so ardently desire.

Mr. O'Neill, I would like to add my small voice to the millions who are begging you to cooperate with our president and not deny us the representation we have sought. We want unreasonable expenditures stopped and stopped now. We also want unreasonable taxation stopped and stopped now. We want our dollar to have some definitive value so that a dollar this year will be the same as a dollar five years from now. The past policies of debasing our currency so that we are robbed of our savings by inflation must stop.

I have great faith in our system of government, and I believe you are a man of integrity who will allow the people of this nation to have a voice in government and will not deny us our rights. It was frightening to see and hear you speak on television indicating that you would "not let them tear down the programs we have built up." While many of these programs may be good, we cannot afford them and they must be "torn down." Why shouldn't the people who earn the money have some right in determining how it is spent?

Sincerely yours,

C. F. BURNETT, Jr., M.D.●

STANDARD OF LIVING AND GOVERNMENT SPENDING

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. DANNEMEYER. Mr. Speaker, in the current debate on the Federal budget, I wish to bring to the attention of my colleagues an eloquent letter addressed to Senator CRANSTON from my constituent, Mr. Richard C. Fahrni. Mr. Fahrni sent me a copy of this letter and gave me permission to make it public.

His letter makes clear the link between the size of Government spending and taxing and our standard of living. The Senate has voted 88 to 10 for the President's budget. The House must still vote on the budget, and hopefully, initiate a reduction in the tax burden.

Mr. Speaker, I submit the full text of Mr. Fahrni's letter to be reprinted at this point in the RECORD:

SANTA ANA, CALIF.,
March 5, 1981.

DEAR SENATOR CRANSTON: I am sure that past Congresses have had the best interests of our country in mind when they went about their tasks. But, they obviously did not properly evaluate whether the taxpayer could afford the expensive programs they felt were needed.

Please take a few moments out of your busy schedule and look at what government has done to my recent merit raise.

	Old	New	Difference	Percent gain or loss
Biweekly gross	$1,175.00	$1,325	$150.00	+13
Federal income tax	222.00	281	59.00	+27
California income tax	56.00	65	9.00	+16
California disability insurance	7.50	8	.50	+7
FICA	72.00	88	16.00	+22
Total taxes	357.50	442	84.50	+23.6
Net pay after taxes	817.50	883	65.50	+8
Inflation				−13
My standard of living				−5

As as producer, I received the smallest net increase in net pay (next to disability insurance) of all the taxing agencies.

Please, Senator Cranston, support President Reagan in his efforts to reduce government spending by eliminating useless government programs, by reducing government waste and the systematic reduction in personal income tax.

Also, Social Security as it is financed today is nothing short of insanity. For those who truly need this service, they should continue to receive it. The system, otherwise, should be phased out. People cannot continue to plan their future retirement around Social Security. It is a rip-off of the younger generation. Please, help get the government out of the retirement business and please help get government off our backs.

Respectfully yours,

RICHARD C. FAHRNI.●

SHORT-TIME COMPENSATION ACT OF 1981

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mrs. SCHROEDER. Mr. Speaker, last week I introduced the Short-Time Compensation Act of 1981. Since I have already received inquiries about it, I thought it would be helpful to submit the bill into the RECORD.

H.R. —

A bill to encourage States to provide unemployment benefits to certain partially unemployed workers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Short-Time Compensation Act of 1981".

SEC. 2. STATEMENT OF PURPOSE.

It is the purpose of this Act to encourage States to provide partial unemployment benefits to individuals whose workweek is reduced pursuant to an employer plan under which such reductions are made in lieu of total layoffs.

SEC. 3. DEVELOPMENT OF STATE PROGRAMS.

(a) RESPONSIBILITIES OF THE SECRETARY OF LABOR.—

(1) The Secretary of Labor (hereinafter in this Act referred to as the "Secretary") shall develop legislative language which may be used by States as a model in developing and enacting short-time compensation programs.

(2) The Secretary shall provide technical assistance to States to assist in developing, enacting, and implementing short-time compensation programs.

(3) The Secretary shall make grants to States which enact short-time compensation laws that meet the guidelines established by this Act for extraordinary administrative costs and for evaluation of the State short-time compensation programs.

(4) The Secretary shall conduct a study or studies for purposes of evaluating the operation, costs, effect on State insured rate of unemployment, and other effects of State short-time compensation programs developed pursuant to Sec. 3 of this Act.

(5) Since this Act creates a three year experiment, the provisions of the Act regarding guidelines and grants shall terminate three years following enactment.

(6) States are encouraged to experiment in carrying out the purpose and intent of this Act. However, to assure minimum uniformity, the Secretary may require the provisions contained in subsections (b) and (c).

(b) SHORT-TIME COMPENSATION PROGRAM.—For purposes of this Act, the term "short-time compensation program" means a program under which—

(1) individuals whose workweek has been reduced pursuant to a qualified employer plan by at least 10 per centum will be eligible for unemployment benefits,

(2) the amount of unemployment benefits payable to any such individual shall be a pro rata portion of the unemployment benefits which would be payable to the individual if the individual were totally unemployed,

(3) eligible employees may apply for and collect short-time compensation or regular

unemployment compensation benefits, as needed; but no employee may collect more than the maximum entitlement during any benefit year to which he or she would have been entitled for full-time unemployment, and

(4) eligible employees will not be expected to meet the availability for work or work search test requirement while collecting short-time compensation benefits. However, they must be available for their normal workweek.

(c) QUALIFIED EMPLOYER PLAN.—For purposes of subsection (b), the term "qualified employer plan" means a plan of an employer under which there is a reduction in the number of hours worked by employees rather than total layoffs if—

(1) the employer's short-time compensation plan is approved by the State agency,

(2) the employer certifies to the State agency that the aggregate reduction in work hours pursuant to such plan is in lieu of total layoffs which would have affected 10% of the employees in the unit or units to which the plan would apply and which have resulted in an equivalent reduction of work hours,

(3) the plan shall remain in effect for no more than 1 year and employer shall reapply to the state agency to be recertified for another year,

(4) the employer continues to provide health and retirement benefits in accordance with the terms of those plans for employees who are already entitled to these benefits, and

(5) in the case of employees represented by a union, the appropriate official of the union (or union hall) has consented to the plan.

(d) FINANCING OF SHORT-TIME COMPENSATION BENEFITS.—Short-time compensation benefits must be charged in a manner which insures that the benefits are financed by the employers to whom those benefits are attributable.

(e) STATE.—For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

SEC. 4. DEMONSTRATION PROJECTS.

(a) GENERAL RULE.—The Secretary shall establish a three year experiment and conduct one or more controlled demonstration projects for purposes of evaluating the effectiveness of short-time compensation programs. These projects shall be designed to measure, inter alia, the following:

(1) the impact of the project upon the Unemployment Trust Fund, and a comparison with the estimated impact on the Fund of layoffs that would have occurred but for the existence of the project;

(2) the extent to which the project has protected and preserved the jobs of workers, which special emphasis on newly-hired employees,

(3) the impact of the availability of short-time compensation in geographic areas which historically have differed in the extent to which they are affected by economic downturns;

(4) the extent to which layoffs occur in the unit subsequent to initiation of the project and the impact of the project upon unemployment insurance entitlement of employees;

(5) where feasible, the effect of varying benefit levels to employees and varying methods of administration; and

(6) the effect of partial unemployment benefits to employers' tax rate, on both users and non-users of short-time compensation, on a state-by-state basis.

(b) PROJECTS CONDUCTED IN COOPERATION WITH STATE AGENCY.—Any demonstration project under subsection (a) shall be conducted in cooperation with the State agency which administers the unemployment compensation law for the State in which such project is conducted.

(c) COSTS PAID BY SECRETARY.—The costs of administering any demonstration project conducted under subsection (a) shall be paid by the Secretary. The benefits shall be financed through the state unemployment compensation fund in States which have amended their statutes to permit the payment of short-time compensation benefits for partial unemployment.

SEC. 5. REPORTS.

(a) INTERIM REPORTS.—The Secretary shall submit to the Congress an interim report on the implementation of this Act. The interim report shall be submitted on or before October 1, 1983.

(b) FINAL REPORT.—Not later than October 1, 1984, the Secretary shall submit to the Congress and to the President a final report on the implementation of this Act. Such report shall contain an evaluation of short-time compensation programs and shall contain such recommendations as the Secretary deems advisable, including recommendations as to necessary changes in the Department's statistical practices.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

For the fiscal year beginning October 1, 1981, and the two succeeding fiscal years, there are authorized to be appropriated from the general fund of the Treasury such sums (not to exceed a total of $10,000,000) as may be necessary to carry out the purposes of this Act.●

IS IT SOCIETY'S FAULT?

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. BOLLING. Mr. Speaker, the article which follows appeared in the Sun of Baltimore, Md. in its perspective section on Sunday, April 5, 1981.

In my opinion it truly provides important perspective on the problem of assassination attempts on our Presidents, crime in America, and a variety of other related subjects.

I happen to believe that handgun control is well worth trying on a national basis. It would appear to help at least in a generalized way in other countries where crime statistics seem relatively accurate.

Also, I believe it very important that soon a President of the United States lead the way to a national acceptance of the idea that our Presidents should be more effectively protected from assassination attempts than is now possible.

That is not a criticism of the Secret Service. Under the circumstances they do an extraordinary job. No one needs to comment on the courage and self-sacrifice of Secret Service agents. Not once but several times in my experience agents have placed their own lives second to the life of the person they were charged to protect.

But if I am correctly informed and my own limited observations confirm the information I have received, heads of state and heads of government in other free societies are more systematically and successfully protected from danger by tighter control of the environments through which they move. That is especially true in times of political campaigns and other public appearances.

President Charles de Gaulle of France was the almost constant target of fanatic and highly professional assassins, but he survived in a free and sometimes turbulent France because he was himself willing to accept the disciplines of security measures which limited his direct personal exposure to potential assassins no matter their motivation.

The President of the United States who takes the steps I am suggesting will make a real contribution to the future of this country and even to that of the world.

Of course, our society has and, if it happens again, will survive the assassination of a President, but it would be better if the already difficult political process were not so often put to that particular dreadful strain. It is clear to me that on at least two occasions the assassination of a President of the United States almost surely changed our history and not for the better.

IS IT SOCIETY'S FAULT?

(By Fred Barnes)

WASHINGTON.—The reaction is always the same: a rush of emotionalism that borders on national self-flagellation. Our society is sick or mad, it is said. People are too apathetic to insist on gun control. Sprees of violence are now characteristic of America, and we are all responsible. The authority of our government is fragile.

"The shooting of President Reagan, White House Press Secretary James Brady and two security officers," wrote columnists Jack W. Germond and Jules Witcover, "is yet another replay of the national nightmare and madness that peculiarly afflicts American society . . . . Assassination attempts against presidents of course generate national attention and concern, but they are only the most prominent exhibits of the country's special sickness."

Charles J. Orasin, executive vice president of Handgun Control, Inc., was even more emotional. "Are people just exhausted by all this violence?" he asked. "What is it? Are they so inured to violence in their neighborhoods that they expect it? Are they so used to seeing national leaders fall they don't react anymore?

"Have we accepted shootings as a way of life? Do we have to bury another president? Is that what it's going to take to get people angry enough to do something about it? What's going to get them angry enough to pick up the phone, call their congressman and demand they pass a gun control law now and stop this madness?"

David S. Broder, the temperate and respected political reporter, added this fearful note: "The fragility of our governmental structure to the assassin's bullet has been demonstrated again."

Such comments—outbursts, really—have become a common phenomenon. They were voiced after President John F. Kennedy was shot to death in 1963, and after the assassinations of the Rev. Martin Luther King, Jr., and Robert F. Kennedy in 1968, and once more but less loudly in the aftermath of the two failed attempts to assassinate President Gerald R. Ford in 1975.

But at the core, there is something wrong with these emotional reactions. It is not that American society is so well. It is arguable that the nation's mental health has deteriorated in recent years. Nor is it that gun control is an inappropriate goal. A compelling case exists, for instance, for banning handguns like the one used to shoot Mr. Reagan.

The problem is that the excited conclusions drawn from the assault on Mr. Reagan and from the earlier assassinations do not flow logically from the particulars of those cases. The actions and the participants in them are said to be reflective of alarming national trends, but in truth they are not.

Four general themes have emerged in the wake of the Reagan shooting. Each manifested itself after the earlier attacks. And each is misguided at least in the sense that it does not fit with the facts.

The first is that American society is sick. Maybe so, but how do the actions of a young loner, undergoing psychiatric treatment, buttress the point? The man accused of shooting Mr. Reagan left behind letters suggesting he acted in order to prove his love to a movie actress.

Similarly, the four men who succeeded in assassination attempts on a president were strange, isolated figures. John Wilkes Booth, born illegitimate, was a supporter of the Confederacy and psychologically unstable at the time he shot Abraham Lincoln in 1865.

Charles J. Guiteau, the assassin of James A. Garfield in 1881, was a wandering evangelist and sometimes attorney. He had spent six years, unhappily, in a Christian-communist community.

Leon Czolgosz, who killed William McKinley in 1901, was a recluse and an anarchist, but he was unable to get along with other believers in anarchism. And Lee Harvey Oswald, who short President Kennedy in 1963, was a Marxist who found no solace in the Soviet Union and returned to lead a marginal existence in the United States.

"Ambitious out of all proportion to their prospects, they were lonely and alienated from their immediate community of friends and sought their private solution in a massive assault on the head of the Republic," said Lawrence Z. Freedman, a psychiatrist and chairman of the University of Chicago's Institute of Social and Behavorial Pathology.

Periodic assaults on a national leader are not peculiar to the United States among civilized nations, though Europeans tend to think of America as especially violence-ridden. In placid Nineteenth Century England, there were five attempts to kill Queen Victoria, most of them perpetrated by disturbed young men.

In France, President Charles de Gaulle was the target of numerous assassination tries. In Germany, the left-wing Baader-Meinhoff gang murdered prominent businessmen and terrorized government officials. In Italy, the Red Brigades have claimed credit for many killings, including that of one leading political figure.

Certainly, this country is beset by social disorders that range from a high crime rate to economic troubles to a national sense of rootlessness. "However," Mr. Freedman wrote last week, "presidential assassins do not reflect these social problems."

The second theme is that national leaders are jeopardized by the absence of stiff gun control laws. This assumes that potential assassins will act only if they can obtain a gun legally.

The man alleged to have shot Mr. Reagan had three guns confiscated last October when he was arrested in Nashville. Several days later, he purchased two new guns. It seems highly unlikely that he would have given up his effort to acquire guns simply because they were unavailable legally. A black market in handguns thrives.

Nonetheless, politicians have jumped to claim that their brand of gun control law would have deterred the alleged Reagan assailant. "Under the legislation we are proposing, he would not have been able to purchase or carry that handgun in New Jersey," said the president of the New Jersey state Senate, Joseph P. Merlino.

On the other side, John M. Snyder of the Citizens Committee for the Right to Bear Arms made an equally specious argument. "What happened to [Mr. Reagan] proves the point we've been making all along," he said. "Here in the District of Columbia you've got the strictest gun control laws in the country and this happens."

A third theme is that we are all responsible. This lament first cropped up after the assassination of President Kennedy. It was not immediately clear how there was a collective responsibility for the shots fired by Lee Harvey Oswald, whether or not he had accomplices. It is still not clear.

A stronger argument can be presented for national responsibility for the slaying of Dr. King. Racial segregation, which Dr. King was seeking to uproot, was indeed part of American life. But his assassin, a racist drifter named James Earl Ray, struck not to abet a national trend but in defiance of the progress toward racial toleration and desegregation.

If Americans are responsible at all for the shooting of Mr. Reagan, it is not for the reason normally given. It is because they insist on maintaining a free and open society. Those under psychiatric care, like the suspect in the Reagan case, are not automatically incarcerated.

Thousands of immigrants flow into the United States every year, including Sirhan B. Sirhan, who was convicted of shooting Robert F. Kennedy to death. Should the marginally disturbed be locked up? Should immigration be halted? Few Americans would answer yes to either.

"The fact that we live and work in a democracy has to be taken into consideration," said Jack Warner of the Secret Service as he tried to explain how a gunman could have slipped within a few yards of Mr. Reagan. "We live literally in a free society."

The fourth theme is that the authority of the national government is vulnerable to an assassin's bullet. The opposite of this is manifestly true. After the four presidential assassinations, there were no difficulties in staging an orderly succession. There were no coups. There were no challenges to the right of a vice president to take over.

As Mr. Reagan underwent surgery for his chest wound last Monday, the government continued to operate. Social Security checks were mailed. The military manned its posts. The Internal Revenue Service kept on with tax collections.

Cabinet members assembled in the Situation Room at the White House. Most agreed with the decision by Alexander M. Haig, Jr., the Secretary of State, to take charge, though his assertiveness irritated some. Vice President Bush was summoned back to Washington from Texas, and he was in constant communication with the White House during his flight.

In short, the nation was thrown into shock by the shooting of the president but the government was not destabilized. Had the shot been fatal to Mr. Reagan, a peaceful transition of power was certain.

And yet Americans seem to be tormented, despite the irrationality, by the thought that a horribly corrupt streak in our way of life was laid bare by the attack on Mr. Reagan. Mr. Freedman, the psychiatrist, explained it best in an article last week:

"Magazines, newspapers, radio and television reflect the nation's mood: What is happening to us? Are we a sick people? Is the violence a symptom of a rotten, corrupt society? For many, the questions seem rhetorical. The answer springs from the dead and wounded of our leaders, from the crime statistics of our cities, the afterdark fears of most Americans in their own neighborhoods.

"The mood is understandable. The justification for it, however, is not self-evident. In fact, when most of us recover from our latest shock and horror, the answers to these questions will be seen to justify, if not unalloyed optimism, a temperate but solid sense of the strength of our community, the tenacity of our governmental structure."●

BUREAUCRACY: CIRCA 1935

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, the struggle to contain our monstrous Federal bureaucracy is not a new one, as evidenced by the following article, which was printed in an Atlanta newspaper in the 1930's. Bishop Candler begins his article by lamenting the fact that Americans of his era have not learned from experience what our Founding Fathers endeavored to teach: that government is a corrupting force that necessitates strict limitation.

Let us hope that 50 more years of bitter experience have succeeded where the previous 150 failed, and that we will have no cause to echo Bishop Candler's sentiments after another 50 years have passed.

CONTINUED RELIEF AND ULTIMATE REVOLUTION

(By Bishop Warren A. Candler)

We are accustomed to say that men learn by experience, but it is far more true that men have no experience of their own nor can they use the experience of others until it is too late.

This is equally true of nations as of individuals. Every nation as every individual, runs to ruin in pretty much the same way that all others before them have run.

To popularize themselves the Roman rulers were accustomed to make large gifts to the people; and the more they gave the more people wanted them to give. At last

their gifts could do nothing to bring peace and prosperity to the nation.

Our own country is now taking the same course, and will reach the same result. Great schemes of relief are devised for distributing funds to the people, who are called the unemployed and are declared to be in great need.

But there is no country in the world that possesses as abundant resources as our country possesses, and no land under the sun where industry rightly directed falls short of the needs of the industrious.

As it was in the Roman commonwealth the large sums given to those claiming to be in need and unemployed will cause them to demand larger sums; and there will come a time when their demands cannot be met. Then they will cry as did the Roman citizens, "give us bread and games, or revolution will follow."

There is a delusion that the Civil Government has somewhere a mysterious and miraculous fund from which to draw all manner of money for those who cry most vociferously for it.

But the Government has no money which it does not get from the people, and if great sums are given to one class they have to be taken from the other class.

In the end we reach the point of revolution. It is now time for needless schemes of relief to be abandoned and the people exhorted to go to work and live by self-respectful industry.

The cities are overcrowded because men are seeking to escape toil. Such was the case in ancient Rome. As the country became depopulated the large cities became overcrowded.

There is today in our land abundant territory in which profitable farming can be conducted, or at least good livings made; but multitudes are flocking to the cities hoping they can find compensation without work and toilless support by the Government. Multitudes should go back to the country instead of depending upon support by the Civil Government.

The springtime is now on when crops could be planned and labor devoted to fruitful efforts.

But as long as relief schemes maintain thousands of people, the state supported multitudes will not go back to the country. They will remain in the cities where relief will give them maintenance and all manner of diversions will furnish them entertainment.

Our cities are overgrown and much of the surplus population is supported by the taxation of the more industrious and fortunate citizens.

There must be a return of the people to the soil or distress will overtake multitudes and disaster befall the nation.

The divine decree, after the fall of man, was that by the sweat of his brow he should live.

But now multitudes wish to change that decree and make it read by the sweat of other people's brow we will live. This seems to be a selfish view that the Almighty never designed, and which can never bring peace and prosperity to a nation.

Modern inventions have made more fruitful human toil, and less labor may be required to support our nation than was required in the time of our ancestors, but there will never come a time when multitudes can remain idle without demoralization to themselves and damage to the Republic.

Relief schemes will become ruinous as they result more and more in idleness.

If a man can make a living more easily now than during any former time in the history of our country, let him devote his leisure time to doing good to others instead of seeking alms and assistance from others.

No man can be self-respecting who constantly holds out his hands for the doles from the public treasury. No matter how well meant such doles may be they will ultimately lead to dire results.

Benevolence based upon the really needy is a Christian act; but doles handed down to idle beggars destroy all public good.

The sick and suffering must, of course, be relieved; but the idle who are not sick must be left to suffer or sent to work.

It in no sense belongs to the Civil Government to degrade itself to the level of a charity and relief association. There is too much of that sort of thing all over the land.

The evil disposition communicates itself to the legislative bodies who vote the public funds to all sorts of needless objects. Unnecessary appropriations relieve nothing, but damage everything.

Often appropriations are designed to win political favor and secure public office.

The Roman rulers gave large gifts to win public favor and modern demagogues do the same.

It is an easy thing to vote away funds contributed by other people by enforced taxation. Any observant man can see around him many of these vicious appropriations and note their evil effects.●

ECONOMIC EQUITY ACT INTRODUCED IN HOUSE AND SENATE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mrs. SCHROEDER. Mr. Speaker, today I am introducing the Economic Equity Act on behalf of myself and Representatives HECKLER, FERRARO, CHISHOLM, BOGGS, MIKULSKI, and OAKAR.

The Women's Economic Equity Act of 1981 proposes reforms in a variety of legislative areas, including public and private pension law, tax policy, Government regulations, insurance and enforcement of alimony and child support. The administration is focusing on economics this year, and women's issues are economic issues.

This bill addresses problems of working women who earn 59 cents for every $1 earned by male workers. It also addresses the economic dilemma faced by homemakers who have never worked for pay outside the home. While the bill does not encompass all the economic problems facing women, it is a coordinated first step to enacting legislation for women during the 97th Congress.

This bill includes 12 separate titles, many of which have already been introduced in the House by individual Members. An identical bill is being introduced today in the Senate by Senator DURENBERGER, for himself, Senator MARK HATFIELD, and Senator BOB PACKWOOD.

The hour is late. The faltering economy has had its most chilling effect on women. Three out of every five people with incomes below the poverty level are women. Over 80 percent of all single parent households are headed by women. One-third of these live in poverty. Poor women who work are employed in the lowest paying kinds of jobs with few opportunities for increasing their income and frequently without fringe benefits.

The time to start changing these statistics is now. I have attached to my statement, for my colleagues' interest, a summary of the Economic Equity Act.

The statement follows:

SUMMARY OF THE ECONOMIC EQUITY ACT

TITLE I—TAX AND RETIREMENT

PRIVATE PENSION REFORM

This section of the bill would:

Lower the minimum age requirements for participating in a qualified pension plan from age 25 to age 21.

Require plans to pay a survivor's annuity to the spouse of a vested plan participant who died before the earliest retirement age.

Abolish the unilateral right to waiver of survivorship benefits and require the spouse to waive her survivor rights in writing.

Eliminate the two-year waiting period for enforcement of the election of joint and survivor's options.

Require prorated retirement and survivor's benefits to be granted to divorced spouses unless contrary provisions are included in the divorce decree.

Alter breaks in service rules so that parents who wish to take leave for child-rearing purposes are entitled to the same rights as veterans who leave employment for military service and return to the same employer.

INDIVIDUAL RETIREMENT ACCOUNTS FOR SPOUSES

This section of the bill would: Allow a married individual with no income or an income lower than that of his or her spouse to use the spouse's income to calculate the amount that the individual can contribute to an IRA, so long as all other conditions for an IRA are met.

This section also allows alimony payments to be included in computing a person's total income for purposes of determining their maximum allowable contribution to an IRA.

HEADS OF HOUSEHOLD—ZERO BRACKET AMOUNT

This section of the bill would: Amend the IRS Code to raise the zero bracket amount for heads of households to $3,400 from the current level of $2,300. It would adjust the tax table by $1,000 to maintain the same marginal rates and income boundaries for inclusion of this increase for heads of households. It would allow a head of household to elect additional zero bracket allowance when determining the number of withholding exemptions on a payroll check. And it would require that only the heads of household with incomes greater than or equal to $5,400 would be required to file a tax return.

MILITARY RETIREMENT: EX-WIVES AND SURVIVORS

This section of the bill would: Provide former spouses of military personnel, both male and female, married at least 10 years, a pro-rata share of the retirement and survivor's benefits, subject to court review. The

exact amount of the former spouse annuity would depend upon the number of years of marriage that overlap with the creditable years of service toward retirement. The formula for calculating the former spouse annuity is:

Number of years of marriage during creditable service divided by number of years of employment multiplied by .50 multiplied by total retirement annuity equals former spouse retirement annuity.

This section would also make survivor's benefits mandatory, unless the spouse and former spouse (if any) agree in writing to opt out of the survivor's benefits plan.

CIVIL SERVICE RETIREMENT: EX-WIVES AND SURVIVORS

This section of the bill would: Provide former spouses of civil service personnel, both male and female, married at least 10 years, to a pro-rata share of the retirement and survivor's benefits, subject to court reviews. The exact amount of the former spouse annuity would depend upon the number of years of marriage that overlap with the creditable years of service toward retirement. The formula used for calculating the former spouse annuity is:

Number of years of marriage during creditable service divided by number of years of employment multiplied by .50 multiplied by total retirement annuity equals former spouse retirement annuity.

This section of the bill would make survivor's benefits mandatory unless the spouse and former spouse (if any) agree in writing to opt out of the survivor's benefits plan.

DISPLACED HOMEMAKERS: TAX CREDITS

This section of the bill would: Provide a $3,000 first year, $1,500 second year tax credit to employers who hire displaced homemakers.

TITLE III — WOMEN IN THE ARMED SERVICES

This section of the bill would:

Eliminate gender-based distinction in the United States Code provisions relating to military service, promotion, appointment, separation and retirement.

Eliminate a statutory preference for male surviving relatives to receive the personal effects of deceased service personnel.

Require the Secretary of Defense to issue an annual report to the Congress on the status of women in all branches of the military.

This bill does not deal with the issue of women in combat.

TITLE VI—REGULATORY REFORM

This section of the bill would: Codify a Presidential Directive of August 26, 1977, requiring all Executive departments and agencies to identify "regulations, guidelines, programs and policies which result in unequal treatment based on sex and to develop proposals to change any laws, regulations and policies which discriminate on the basis of sex."

TITLE VIII — STUDY ON ENFORCING ALIMONY AND CHILD SUPPORT

This section of the bill would: Direct the Justice Department to conduct a one-year study of varying State laws and jurisdictional divisions in national enforcement of child support, alimony and property settlement decrees; and to define the scope of the problem, analyzing the issue and making policy recommendations to appropriate Congressional committees.●

ENVIRONMENTAL SUFFOCATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 7, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, our industrial community, which has contributed enormously to the high standard of living Americans enjoy, can no longer endure the unreasonable regulatory burden that has been placed on it in the interest of environmental protection. Surely we must strive to maintain a pure environment, but concerns of this nature must be balanced with, and not override, our need for continued economic growth. An excellent example of the frustration caused by the zealous overregulation in this area can be found in an excerpt from an address delivered by Mr. George B. Munroe, chairman and president of Phelps Dodge Corp., to the Copper Club at its annual meeting in New York.

ENVIRONMENTAL SUFFOCATION

The 1970s in the United States was a decade in which our government lost sight of the need for a strong and growing economy as a base for the provision of employment, prosperity, national security and social programs. A torrent of regulations, especially in the environmental area, descended on the business community in general and the mining industry in particular. Crash programs to reduce the perceived environmental impact of our operations, especially our smelters, were mandated and carried out at huge cost. These programs, which have added some 15 cents per pound to the cost of producing copper, overlapped with the copper industry depression that began in 1974 and, except for a modest upturn in 1979, continues today. The result has been heavy borrowing by the industry, declining profitability and deteriorated balance sheets.

Now, no one of us would take the position that there is no place for environmental protection in our society. But for a decade we have had a massive imbalance of emphasis. As a result, domestic industry today is regulated under the Clean Air Act, and the Water Pollution Control Act, and the Water Quality Improvement Act, and the Safe Drinking Water Act, and the Ocean Dumping Act, and the Soil and Water Resources Conservation Act, and the Resource Conservation and Recovery Act, and the Coastal Zone Management Act, and the Toxic Substances Control Act, and the Environmental Pesticide Control Act, and the Noise Control Act, and the National Forest Management Act, and the Federal Land Policy and Management Act, and the Endangered Species Act (of snail darter fame), and the Historic Preservation Act and the Wilderness Act, and the Surface Mining Control Act, and the National Environmental Policy Act. And that is an incomplete list. This is environmental suffocation. With the guidance and participation of the environmental movement, Congress has painstakingly crafted a complex of statutes which are strangling our nation's ability to grow and which; if unchanged, will continue to weaken our security and ultimately bring down our economic system. This need not happen, and I believe last year's elections were a strong vote by our citizens for a much needed change.

I think it is clear that if we see a continuation of Federal governmental policies affecting our industry of the sort we have seen in the '70s, then the domestic mining and minerals processing industries will continue to decline and the US will become increasingly dependent on foreign sources for minerals and metals.●

HOUSE OF REPRESENTATIVES—*Wednesday, April 8, 1981*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

With gratitude, O God we offer our praise for all the gifts from Your good hand. Especially this day we thank You for the freedoms we enjoy and which too seldom we appreciate—the freedom to speak and to listen, the freedom to open doors to the glory of Your world, the freedom to choose the way we wish to go, the freedom to read and to learn, the freedom to worship You in truth. We thank You that we are blessed to live in a nation where we share a tradition of liberty, and can experience our freedoms anew each day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con Res. 9. Concurrent resolution revising the Congressional Budget for the U.S. Government for the fiscal years 1981, 1982, and 1983, to include reconciliation.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 840) "An act to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period."

STUDENTS COME TO CAPITOL HILL TO TALK ABOUT FINANCIAL AID

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I want to take this opportunity to let my colleagues in the House know on both sides of the aisle that on April 13, this coming Monday, we will have approximately 1,000 college students from around the country coming into the Capitol. They will be meeting in the Cannon caucus room at 10 o'clock in the morning.

Then their program is to fan out and talk to Members who are here and also to their legislative assistants about their needs for financial aid.

Mr. Speaker, our former colleague, John Brademas, now of New York, was here today and met with us. He is the president-designate of New York University. He was pointing out as the president of the largest private independent school in the country the problems that they would be facing and their students would be facing if we did not go ahead and restore these moneys to the student-aid programs.

Mr. Speaker, I yield back the remainder of my time.

BANKS EXCEPTED FROM SECTION 265(2)

(Mr. HOLLAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLLAND. Mr. Speaker, the Subcommittee on Select Revenue Measures of the Committee on Ways and Means today held a hearing on revenue procedure 80-55, relating to the deductibility of interest paid on certificates of deposit issued to State and local governments which are collateralized by tax-exempt securities. In light of the considerable interest among my colleagues and the public in this revenue procedure, I would like to present to you, on behalf of Chairman COTTER, the results of the administration's review of revenue procedure 80-55. Assistant Secretary John E. Chapoton, accompanied by Commissioner Roscoe Egger, testified before the subcommittee today that the Internal Revenue Service is withdrawing revenue procedure 80-55. Therefore, interest paid by banks on short-term deposits of State and local governments which are collateralized with tax-exempt obligations will generally be deductible.

The Treasury Department indicated that it will continue to study closely the extent to which banks should be excepted from section 265(2), the provision interpreted by revenue procedure 80-55. Depending on the conclusions of the study, Assistant Secretary Chapoton stated that they may propose legislative changes to the Congress in the future.

THE STRENGTH OF THE BUDGET PROCESS

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, the real strength of the budget process since its enactment has been the opportunity of Republicans and Democrats alike to openly debate, disagree, and resolve the budget priorities of the country.

That is the nature of our democratic system, it is the nature of our constitutional responsibility, and it is the history of the budget process.

I know of no mandate, electoral or otherwise, that has changed the nature of that responsibility.

And yet, there are now efforts to convert this process and this debate into a nonprocess and nondebate. It is take it or leave it. Do not consider the latest estimates? Do not consider the size of the deficit? Do not worship, in the words of JACK KEMP, at the altar of the balanced budget? Do not amend, do not question, do not think. In the words of the administration—any amendment, any compromise is unacceptable.

I doubt there has ever been a budget proposal that pure and I doubt there ever will be. The reality is that there will and should be honest differences that need to be debated and need to be resolved. The fact is that we are not just dealing with numbers but with the lives and the futures and the security of millions of Americans.

Our goals are hopefully the same: To reduce the deficit; to use the most realistic economic assumptions we can get; to balance the sacrifices that have to be made; and to provide equity in tax policies.

I believe the chairman's proposed budget makes a better effort at achieving those goals than the administration's. But I am willing to listen, to strengthen, to amend if necessary, and to compromise if necessary.

But one thing we must never be willing to compromise is our responsibility to our country and our constituents to question what is questionable, to debate what is debatable, and to amend what is amendable. That is the nature of the democratic process, and hopefully it will continue to be the nature and strength of the budget process.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ADMINISTRATION IGNORES NEED FOR WELFARE WORK INCENTIVES

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, the administration deserves to be commended for its efforts to eliminate the problems of waste, fraud, and abuse in Federal programs while maintaining our commitment to protect America's truly needy. However, I am a little concerned over the impact of some administration proposals on the system's work incentives and, quite frankly, I fear some will actually discourage recipients from seeking employment.

Let me offer a few examples: the administration proposes to reduce aid to families with dependent children (AFDC) benefits after the parent has been employed for 4 months, it proposes to count earned income tax credit as income, and it proposes to reduce existing disregards for work-related expenses and child care in determining benefit levels.

How will these proposals discourage work? Well, the typical working mother receiving AFDC in Oklahoma can earn $237 gross income each month. This is less than full-time minimum wage. The administration proposals would reduce the disposable income of working AFDC mother of two from $459 per month to $391 after 4 months employment. That is only $9 more in monthly income than a nonworking mother in similar circumstances.

Mr. Speaker, it has become clear that in more than one instance the stated goals of the administration are not in synch with the actual effects of the specific proposals. It is important that we do more than provide lipservice to the needs of the truly needy while in fact pursuing legislative goals which would work against their well-being and serve as hindrances to their future self-sufficiency..

ADMINISTRATION'S BUDGET RECOMMENDATIONS AFFECT AFDC WORKING MOTHERS

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, one of the messages of last year's election is that the American people agree on the need for a healthier economy. I think they are correct and agree with the President that we must all work to come up with policies that put more Americans into productive, meaningful jobs so that they can support their families without Government assistance. The Government should do all it can to create an economic climate that creates new jobs and insure that the unemployed are able to take them.

That is why I question some of the administration's budget recommendations that would actually make it harder for people to work. I am speaking here of plans to reduce deductions for child care and work-related expenses, count the earned income tax credit against benefits, and reduce benefits for the poor who have been working for at least 4 months.

Mr. Speaker, in my home State of Missouri fully 40 percent of the mothers in single-parent families receiving aid to families with dependent children work. This is nearly triple the national average of 14 percent. If we enact the President's plan, a mother of two who is working full time at the minimum wage will have only $15 more at the end of a month than a woman in a similar situation who refuses to work. Thousands of working mothers would lose their AFDC and medicaid benefits after 4 months of employment. This will endanger the health of their families.

Cutting the budget is a good idea. So is putting people to work. But cutting the budget in a way that will discourage people from working must be considered very shortsighted at best.

SECRETARY HAIG ENCOURAGES FRENCH GRAIN SALES TO THE SOVIET UNION

(Mr. FITHIAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FITHIAN. Mr. Speaker, I am here to report a rather sad event. Secretary Haig is now reported conclusively to have encouraged the French grain sales to the Soviet Union in the amount of what is reported to be 2 million metric tons. This is the same Secretary of State who has been the dominant influence in this administration's failure to lift the embargo, thereby isolating the American farmer, now the only producer of agricultural grains in the world taken out of the Russian market.

I would urge this administration to take two necessary steps: First, to lift the embargo; and second, to initiate those negotiations which would lead to a follow-on grain agreement to succeed the one now in force which will expire on September 30 of this year.

I find it incredible that a high official of this administration in the face of the President's own pledge to lift the embargo would not only counsel and win in the councils of this administration a fight against lifting that embargo, but would turn around on this trip abroad and encourage our competitors, the French wheat and grain farmers, to enter the Russian market, and then compliment them for their entry as being helpful to the world situation.

IF THERE IS NO BALLOT, SOME VOTE WITH THEIR FEET

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, the police state just does not work. Three outstanding trainers of Olympic-class gymnasts from Romania are the latest in that never-ending caravan of women and men who opt for strange lands, unfamiliar languages, different customs, and an unknown future for the one certainty that they can live in a free society. They leave behind family and friends, all their worldly goods—everything that has been a part of them through childhood, youth, and adulthood—to be able to speak and think and act and travel freely as men and women ought to in the 20th century.

These three outstanding trainers from Romania—who incidentally are members of the Hungarian ethnic minority in that country—are the most recent among the millions who vote with their feet and leave behind their country of origin. I salute them and assure them from personal experience that they will not regret their decision.

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UNFREEZING STUDENT AID GRANTS

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to express my sense of relief in learning that the administration has resumed processing of Pell grant applications for the coming academic year.

As many of my colleagues are aware, the administration has seriously threatened the ability of students and their families to plan for postsecondary education by refusing to process Pell grant applications earlier this year. This decision to halt grant processing was made in blatant disregard for statutory procedures required by the Congress, and reflected an unwarranted step by the administration to usurp the legislative authority of this Congress.

I am relieved that the processing of Pell grant applications has resumed, and I commend my colleague from Illinois (Mr. SIMON) and Secretary Bell for their efforts to resolve the situation so that students can plan for the future. This spirit of compromise and willingness to discuss areas of genuine disagreement is certainly refreshing.

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Yet we must not fail to notice that needy students and their families have been the losers as a result of the administration's tactics which led to this compromise. In essence, the administration has simply succeeded in redefining "need"—by refusing to take realistic account of increases in the cost of living for needy families, the administration simply ignores the full extent of financial need which already exists. While we can debate the merits of individual budget cuts affecting student-aid programs, it is wrong to suggest that we are meeting the financial needs of students when we are only refusing to determine need in a manner which is honest and equitable.

Mr. Speaker, the entire crisis precipitated by the refusal to process Pell grant applications raises some disturbing questions about this administration's approach to spending reductions and about the strength of its so-called safety net for the truly needy. The financial needs of students and their families do not disappear simply because we refuse to acknowledge them, because we pretend that their costs of living are lower than they really are. By closing our eyes, we can pretend we are saving money without hurting students, and yet we will open them to discover that we are quietly closing the doors of higher education for thousands of students across the Nation.

We can applaud the fact that students will receive the information they need to decide whether or where to attend college. We can hardly approve of the tactics which the administration has used to force reductions in Federal support for student aid, nor its implicit refusal to admit that we will fall short of meeting the financial needs of students and their families. I can only hope that the upcoming debate on the Federal budget is more honest in its treatment of spending cuts affecting the truly needy.

GOVERNMENT BINDING: IT IS OUT OF CONTROL

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, I have been making quite a fuss about what is spent printing and binding publications for those of us here on Capitol Hill, and I intend to keep harping on that until something is done. But it is not just the Congress. Printing and binding waste seems to be everywhere you look in the Federal Government.

Just last week I received a hard bound copy of the final report of the National Alcohol Fuels Commission of which I was a member during the last Congress. It had my name specially embossed on the cover. My staff member who worked on matters relating to the Commission received a similar personalized copy. Just a couple of months ago, the Commission printed thousands of soft-bound copies of that same report.

I just could not believe it. I certainly did not request the personalized, hard-bound copy, and I do not need it. But the taxpayers paid for it. Relatively speaking, it is a minuscule part of the Government spending problem.

But with this kind of nonsense going on, it is no wonder that the Federal Government has a printing and binding expense that now runs in the billions. We have simply got to bring this under control, and the only way that is going to happen is for Congress to demand it and for us to set an example for the rest of the Government. I hope I can count on some support in my efforts to stop this wasteful use of tax dollars.

WE NEED MORE DEFENSE CIVILIAN PERSONNEL

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, were we to go on an Army base somewhere in America and see a uniformed soldier raking the leaves, we might ask: Why is that young man not taking parachute training or working as a mechanic on a tank? Why is that soldier not doing something constructive so that we as a nation may be better militarily prepared?

The reason is that this uniformed soldier is doing the work ordinarily done by a civilian employee.

An often overlooked aspect of a strong military is the need for defense civilian personnel. So that we do not forget this important issue, I will repeat it: We need more defense civilian personnel.

The President is asking for additional thousands of such workers. Today civilians perform some of the most critical tasks in insuring that our military forces are ready to fight. But since the pre-Vietnam days, civilian employment in the Defense Department has decreased by almost 200,000 people. At the same time, Government workers outside of the Department of Defense grew by more than a quarter of a million. These days it is not very attractive to ask for more civilian employees, but when these select workers build naval ships and keep much of our combat equipment running and ready for action, I say we desperately need them.

THE NEED FOR RURAL ELECTRIC CO-OPS

(Mr. DYSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYSON. Mr. Speaker, I applaud the President's initiative to curb Federal spending and the growth of the Federal Government. But I must ask that we, as a unified legislative body, consider what is at stake as we cut the budget.

President Roosevelt's concept of the Rural Electrification Administration was to bring electricity into the homes of every farmer in America at a time when kerosene lamps barely illuminated their homes. Although the times have certainly changed the need for rural electric co-ops has not changed.

Representing one of the most beautiful rural areas in the world—the Eastern Shore, southern Maryland and northeastern Maryland—I know what REA backed loans mean to the rural co-ops. The two co-ops that serve the First Congressional District of Maryland—Choptank and Southern Maryland Electric Co-ops—have bent over backward to provide the kind of service and reliability to its rural customers that they deserve. At present rural customers pay a higher rate than urban users. By reducing funding for REA, rural users will be forced to pay even higher rates.

Additionally, the co-ops that the REA serves have the best record of repayment of loans in the entire structure of the Federal Government. In fact, the Federal Finance Bank, which provides the loans for the REA, is able to pay for its own administrative costs and return money to the Treasury.

Mr. Speaker, the administration's cutback in funding for the REA is a blackout for rural America. As long as there are rural energy needs, there will be a need for Rural Electrification Administration.

WHAT MADE AMERICA GREAT?

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Montana. Mr. Speaker, a couple days ago I informed this House of a dialog which took place last Thursday in the House Education and Labor Committee between myself and Secretary of Labor Donovan. We were discussing what made America great. The Secretary said that he thought it was new machinery and profit and reinvestment and I said, "Well, I thought that is what made a few Americans rich, but, really, what made America great was this country's ability to extend and to distribute that great richness across this country to the people of this country."

And Mr. Donovan responded, "No, that is what Russia is all about."

I told this House at that time that I would present the entire transcript for the RECORD. I am doing that today, and I hope that the significance of the Secretary of Labor's statement will not be lost upon this House.

The transcript is as follows:

Mr. WILLIAMS. Another instance was during a dialogue between Congressman Ford and you, Mr. Secretary. And the statement was made that new machines and increased capital formation made America great. And it was asked if anyone disagrees with that. Yes, I disagree with that. Increased capital formation, new machines, made a few Americans rich. It was when the public began to demand the distribution of wealth and the Federal Government stepped in to do it that this country became not only rich, but great, Mr. Secretary.

Secretary DONOVAN. Would you like me to comment on that? There has not been a statement made in this room today that I more wholeheartedly disagree with than that statement. The Americans demanded of who? Of whom for a redistribution of wealth?

Mr. WILLIAMS. This Congress, every member of this Congress.

Secretary DONOVAN. I doubt that very much.

Mr. WILLIAMS. This Congress did precisely what the American people asked for. We want to see wealth in this country distributed and this Congress did it.

Secretary DONOVAN. By the Congress, under the Constitution, you have that right.

Mr. WILLIAMS. In those days we had Presidents who also heard and agreed and they signed the bills.

Secretary DONOVAN. What you have done is you have taken the incentive away from industry and from the individual worker in this country to the point where he does not see the value in work. That is what redistribution of wealth has done to the country, and you have tinkered with the free enterprise system, and I am proud to use the term, because that is what made America great.

Mr. WILLIAMS. It made a few Americans rich.

Secretary DONOVAN. Who is against the rich? Are you?

Mr. WILLIAMS. Pardon me?

Secretary DONOVAN. You seem to be for wealth, but you don't like rich people.

Mr. WILLIAMS. No, that's your statement, Mr. Secretary, not mine. My statement is that we ought to have capital formation in this country. We ought to increase productivity in this country in a way that the wealth that emanates from that enormous American productivity is shared——

Secretary DONOVAN. By the stockholders.

Mr. WILLIAMS [continuing]. With some equality across all the people in this land. That is what America is all about.

Secretary DONOVAN. No, that's what Russia is all about.

Mr. WILLIAMS. My friends, you can see, in my judgment, the difference between this Administration's view of what America is all about and those of us of another political persuasion think America is all about. I suggest that this nation is at a dramatic crossroads, and nothing portrays it more clearly than the Secretary's just saying, no, no, that is what Communism and Russia is all about.

Secretary DONOVAN. We are at a crossroads, and the American people put us in the driver's seat at that crossroads and we are going down the correct path for once.

MOTOR VEHICLE HEALTH AND SAFETY STANDARDS

(Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, I am very concerned by press reports that the administration wants a massive relaxation of motor vehicle health and safety standards.

The proposed program includes postponement of implementation of the passive restraint standard. This will mean 9,000 Americans will be killed and several hundred thousand injured unnecessarily. The package includes deferral and weakening of emission standards for trucks. This will mean a postponement of the day when over 140 million Americans will be able to breathe healthful air. It will also force passenger vehicles and nonautomotive industries to bear the burden of our efforts to assure healthful air. The package also includes relaxation of controls on particulate emissions from diesel vehicles. This change will benefit only General Motors, the only American producer of full-sized diesels, and will unnecessarily expose urban residents to cancer-causing compounds. Finally, the administration wants to relax enforcement of all emission standards.

The claim is made that these changes will help put American autoworkers back to work. I support that goal. But I challenge the administration to show Congress how this sacrifice of public health and safety will meet that goal. I fear that these changes will merely reward mismanagement in Detroit, without addressing the underlying causes of the auto industry's troubles.

THE MAINTENANCE ASSISTANCE ACT OF 1981

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDGAR. Mr. Speaker, today I am introducing a bill to address the maintenance needs and problems of our Nation's transit systems. Entitled, "The Maintenance Assistance Act of 1981," my proposal would establish a formula grant program for the maintenance of mass transportation equipment and facilities. This program would become effective in fiscal year 1983 and would totally replace the existing operating subsidy program contained in section 5 of the Urban Mass Transportation Act of 1964, as amended.

The cost of operating public transit systems has escalated from $2.5 billion in 1973 to an estimated $5.5 billion in 1979. In 1974, Congress expanded the Federal role of providing funding for capital projects to include an operating subsidy program. This program, section 5, was enacted to help hold down transit fares. As a result, Federal, State, and local governments now pay about 50 percent of transit's operating expenses, with the rest coming from the farebox. The Federal share alone is about 14 percent. In dollars, the Federal subsidy has grown from $300 million in 1975 to $1.1 billion.

The current administration opposes funding for operating subsidies because it feels the subsidies have encouraged overexpansion of transit service, discouraged the recovery of realistic fares, and promoted inefficient labor-management contracts. The administration also objects to the current formula which provides 30 percent to 50 percent of the operating funds for many small urbanized transit programs, but only about 10 percent of the operating funds for large metropolitan systems.

I agree that systems must retrench and stop providing service that is heavily subsidized by other taxpayers. Because of high capital expenses, public transportation is most cost effective in densely populated areas; most suburban areas can be served adequately by providing paratransit services to the city's transportation network.

The Federal Government can no longer affort to heavily subsidize commmuter fares, either. Transit systems are well aware of this change in Federal policy and have moved to raise fares nationwide 19 percent in the last 18 months. The Southeastern Pennsylvania Transportation Authority (SEPTA) increased its transit fares 30 percent last year and its commuter rail rates 55 percent in two phases. While SEPTA will continue to increase rates steadily, it must do so carefully to avoid a loss of ridership. The financial results so far in fiscal year 1981 indicate that the revenue generated by the commuter rail increases has been significantly less than anticipated because of a corresponding drop in ridership.

Finally, it is clear that the current formula for distributing Federal operating subsidy funds is inequitable. Last year, the Congress labored mightily to develop a service-based formula which would provide Federal dollars to systems based on actual service rather than population factors. The formula in my proposal is similar to the service-based formula adopted by the House in the closing days of the 96th Congress. In addition, this new proposal contains a cap on the amount of Federal dollars that any transit operator can receive, thereby equalizing

among systems Federal dollars as a percentage of operating expenses.

The Federal Government should not subsidize fares or relieve State and local governments from primary responsibility for funding transit operation expenses. I am convinced, however, that the Federal Government does have an interest in seeing that its capital investment in buses, rolling stock, and related facilities is maintained. Federal dollars are already wasted on capital projects because of poor maintenance programs. A 1977 study funded by UMTA found that only a dozen or so systems—out of 1,000—had formal maintenance training programs. The maintenance that is done is often inadequate. Another UMTA survey showed that 35 percent of all repairs performed on buses are done improperly.

The biggest casualty of tight transit budgets has been maintenance. Deferred maintenance can be hidden for years while saving money for escalating wages, expanded service, and rising fuel bills. Ultimately, however, service is brought to the brink of collapse. In November 1979, SEPTA's Broad Street subway rush-hour schedule required 108 cars but only 26 were operable. Despite more aggressive improvements, SEPTA still fields only about 60 cars on this line. The mean distance between failures is another indicator of vehicle productivity. In 1968, Philadelphia's buses traveled an average of 8,477 miles between mechanical breakdowns. In 1979, that figure had declined to 757 miles. The mean distance between failures on the trolley buses went from 1,740 miles to 643 miles in the same time period. Broad Street subway cars broke down after 6,462 miles on the average, instead of after 265,860 miles, 11 years earlier.

Along with inadequate budgets, SEPTA's deferral of maintenance was attributable to anticipated replacement vehicles. This tendency to overcapitalize—to buy new equipment instead of increasing the lifespan of existing equipment—will be promoted under the administration's plan to retain a capital program only.

Establishing a program of assistance for proven maintenance programs has obvious advantages to the Federal Government. UMTA did an analysis to show what it would take to replace by 1990 all buses over 15 years of age as of October 1980. It was determined that about 3,580 buses would have to be replaced each year. Assuming a more realistic bus lifespan, the American Public Transportation Association (APTA) surveyed the transit industry to determine the number of new buses needed to replace vehicles over 13 years of age. APTA's result showed a need for an average annual purchase of 4,720 buses. Thus, if we could extend the useful life of buses by 2 years through improved maintenance, the number of new buses needed every year nationwide would drop by 1,140.

A program for transit maintenance has a precedence in the Federal aid highway program. Under current law, there is a separate program for rehabilitating, restoring, and resurfacing the Nation's interstate highways. In recognition of the overwhelming maintenance needs of the Interstate System, the current adminstration has proposed expanding this 3R program into a 4R program—to include reconstruction. At same time program dollars are slated to increase from $275 million in fiscal year 1982 to $800 million in fiscal year 1983, $1.3 billion in fiscal year 1984, and $2 billion in fiscal year 1985. In addition, the administration proposes to increase the Federal share from 75 to 90 percent of project cost. It does not make sense for the Federal Government to recognize a role in maintaining our Interstate System but not our mass transit networks.

Let me provide some specific details about my proposal. Subsection (a) authorizes the Secretary to make grants to assist local public bodies in financing maintenance expenses of mass transportation systems. The authorization levels in billions are: $1.105 for fiscal year 1983; $1.215 for fiscal year 1984; $1.336 for fiscal year 1985; and $1.469 for fiscal year 1986. Urbanized areas with population under 200,000 receive 10 percent of these funds for apportionment to the Governor of each State on the basis of population and population weight by density. The remainder of the funds are available for apportionment to urbanized areas with a population of 200,000 or more on the basis of bus and rail revenue vehicle-miles and fixed guideway route miles. Revenue vehicle-miles are to be adjusted to reflect the age of a transit system's fleet.

The Federal grant for maintenance expenses for any urban system cannot exceed 15 percent of the operating costs of that system for the same fiscal year. In addition, the Secretary is instructed to develop a system of measuring improvements in transit systems resulting from maintenance programs. The Secretary will submit recommendations to Congress on a method of apportioning funds which will reward those transit systems which show improved performance.

Subsection (b) authorizes the Secretary to make grants for the purchase of buses and related equipment and the construction of bus-related facilities. This is essentially the same program as the current "Tier IV" provision in section 5. The amounts apportioned to urbanized areas will be based on bus vehicle revenue-miles, however, instead of the current population density formula. The purpose of this change is to more closely link Federal assistance with actual service. Authorization levels for this section are those proposed by the administration: $400 million for fiscal year 1983; $450 million for fiscal year 1984; $500 million for fiscal year 1985; and $550 million for fiscal year 1986.

Subsection (c) provides that in the case of urbanized areas with population under 200,000, the Governor of each State shall be the recipient of Federal grants. The Governor is then encouraged to distribute the funds among small urban areas in his or her State in an equitable fashion, preferably using service-based factors. In the case of urbanized areas with population of 200,000 or more, the transportation authority or regional agency can receive the Federal grants directly.

Subsection (d) states that appropriations pursuant to the bill will be available for obligation for 3 years. Funds not obligated in that time will be reapportioned among the transit systems.

Subsection (e) provides that the Federal share for any maintenance program cannot exceed 75 percent of the cost of the program. The Federal share for the bus capital program will remain at 80 percent.

Subsection (f) requires that applicants for Federal grants have a program of maintenance which is approved by the Secretary.

There is a separate section of the bill for reauthorizing the existing section 18 program for nonurban transit programs. Authorizations start at the administration's level of $85 million for fiscal year 1983, but then increase 10 percent every year instead of remaining at the same level. Currently, section 18 money can be used for capital purposes or for operating assistance. The administration proposal prohibits the use of Federal funds for operating assistance after fiscal year 1985. My bill would allow the Federal grants to be used for capital purposes or maintenance expenses in conformance with the treatment of all other transit systems.

In conclusion, I believe the Maintenance Assistance Act of 1981 will greatly benefit the Nation. In the first place, it will introduce some control over the Federal section 5 program by targeting funds to maintenance only. Riders and State and local governments will have to cover the remainder of operating expenses. They will, therefore, be encouraged to improve efficiency of service, hold down labor costs, and raise fares over time.

Second, the proposal will lead to stronger maintenance programs throughout the Nation. The provision for establishing a financial bonus program for improved equipment performance will reward systems—and indirectly transit employees and users—that build quality programs. In addi-

tion, transit systems will no longer defer or ignore maintenance needs because Federal dollars are available solely for maintenance purposes rather than any operating expenses.

Finally, this legislation is a compromise between current law and the administration's proposal to entirely phase out the operating subsidy program. It addresses the criticisms of existing law by relating Federal assistance to actual service, equalizing the distribution of funds, and establishing greater control over the program. While it establishes a program to help transit systems maintain capital purchased with Federal dollars, it does not relieve users and State and local governments from primary responsibility for operating public transportation. The legislation is intended to introduce a new concept into the debate over the future of public transportation and is amenable to improvements and changes.

H.R. 3143

A bill to amend the Urban Mass Transportation Act of 1964 to authorize appropriations to assist local public bodies in maintaining mass transportation systems, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mass Transportation Maintenance Assistance Act of 1981".

SEC. 2. (a) The Congress finds—

(1) that the operation and maintenance of mass transportation service has become so financially burdensome as to threaten the continuation of this essential public service;

(2) that the termination or curtailment of such service is undesirable from an energy and social perspective;

(3) that the responsibility for financing operating expenses rests primarily with State and local governments and transportation users; and

(4) that responsibility for maintaining the Federal investment in mass transportation equipment rests, in part, with the Federal Government.

(b) The purposes of this Act are—

(1) to assist in the development of improved maintenance of mass transportation equipment; and

(2) to provide assistance to State and local governments and their instrumentalities in financing such maintenance.

SEC. 3. Section 5 of the Urban Mass Transportation Act of 1964 is amended to read as follows:

"MAINTENANCE PROGRAM

"SEC. 5. (a)(1) The Secretary is authorized to make grants under this section to assist local public bodies in financing maintenance expenses of mass transportation systems. There is authorized to be appropriated for such grants $1,105,000,000 for the fiscal year ending September 30, 1983; $1,215,000,000 for the fiscal year ending September 30, 1984; $1,336,000,000 for the fiscal year ending September 30, 1985; and $1,469,000,000 for the fiscal year ending September 30, 1986.

"(2) Of the amount appropriated under paragraph (1) of this subsection for a fiscal year, 10 percent shall be apportioned to States in accordance with paragraph (3) of this subsection and shall be available for expenditure only in those urbanized areas with populations of less that 200,000 which have approved maintenance programs under subsection (g) of this section. The remainder of any amount so appropriated shall be apportioned in accordance with paragraph (4) of this subsection to those urbanized areas with populations of 200,000 or more which have approved maintenance programs under subsection (g) of this section and shall be available for expenditure in such areas.

"(3) The amount apportioned to a State shall be an amount equal to the sum of—

(A) 50 percent of the amount available for apportionment to States under paragraph (2) multiplied by the ratio which the population of all urbanized areas with populations of less than 200,000 in the State which have approved maintenance programs under subsection (g) bears to the population of all urbanized areas with populations of less than 200,000 which have approved maintenance programs under subsection (g), as shown by the latest available Federal census, and

"(B) 50 percent of the amount available for apportionment to States under paragraph (2) multiplied by a ratio for such urbanized areas with populations of less than 200,000 determined on the basis of population weighted by a factor of density, as determined by the Secretary.

"(4) The amount apportioned to an urbanized area with a population of 200,000 or more which has an approved maintenance program under subsection (g) of this section shall be an amount equal to the sum of—

"(A) 80 percent of the amount available for apportionment to urbanized areas with populations of 200,000 or more under paragraph (2) multiplied by the ratio (as adjusted under this paragraph) which the number of revenue rail and bus vehicle miles directly serving such urbanized area bears to the total number of revenue rail and bus vehicle miles directly serving all urbanized areas with populations of 200,000 or more which have approved maintenance programs under subsection (g), and

"(B) 20 percent of the amount available for apportionment to urbanized areas with populations of 200,000 or more under paragraph (2) multiplied by the ratio which the number of fixed guideway system route miles in such urbanized area bears to the number of fixed guideway system route miles in all urbanized areas with populations of 200,000 or more which have approved maintenance programs under subsection (g).

The ratio determined for an urbanized area under subparagraph (A) of this paragraph shall be adjusted, in accordance with regulations prescribed by the Secretary, by a factor reflecting the age of the buses and rolling stock serving such urbanized area compared with the average age of buses and rolling stock serving all urbanized areas with populations of 200,000 or more which have approved maintenance programs under subsection (g).

"(5) The amount of a grant for a fiscal year to an urbanized area under this subsection for maintenance expenses for a mass transportation system shall not exceed 15 percent of the operating costs of such system for such fiscal year.

"(6) The Secretary shall develop a system of measuring improved efficiency of mass transportation systems resulting from approved maintenance programs. The Secretary shall make recommendations to the Congress with respect to methods of apportioning funds which reward improved efficiency of mass transportation systems.

"(b)(1) The Secretary is authorized to make grants under this section for the purchase of buses and related equipment and the construction of bus related facilities. There is authorized to be appropriated for such grants $400,000,000 for the fiscal year ending September 30, 1983; $450,000,000 for the fiscal year ending September 30, 1984; $500,000,000 for the fiscal year ending September 30, 1985; and $550,000,000 for the fiscal year ending September 30, 1986.

"(2) Of the amount appropriated under paragraph (1) of this subsection for a fiscal year, the Secretary shall apportion to each urbanized area with a population of 200,000 or more for expenditure in such area an amount equal to the amount so appropriated multiplied by the ratio which the number of bus revenue vehicle miles directly serving such urbanized area bears to the total number of bus revenue vehicle miles directly serving all urbanized areas. Of the amount so appropriated, the Secretary shall apportion to each State for expenditure in urbanized areas with populations of less than 200,000 in such State an amount equal to the amount so appropriated multiplied by the ratio which the number of bus revenue vehicle miles directly serving all such urbanized areas in such State bears to the total number of bus revenue vehicle miles directly serving all urbanized areas.

"(c)(1) The Governor, responsible local officials, and publicly owned operators of mass transportation services, in accordance with the planning process required under section 8 of this Act, with the concurrence of the Secretary, shall designate a recipient or recipients to receive and dispense the funds apportioned under subsection (a) or (b) that are attributable to urbanized areas with populations of 200,000 or more. In any case in which a statewide or regional agency or instrumentality is responsible under State laws for the financing, construction, and operation, directly, by lease, contract or otherwise, of public transportation services, such agency or instrumentality shall be the recipient to receive and dispense such funds. The term 'designated recipient' as used in this section shall refer to the recipient selected according to the procedures required by this paragraph.

"(2) Sums apportioned under subsection (a) or (b) to a State for expenditure in urbanized areas with populations of less than 200,000 in such State shall be made available to the Governor of such State for expenditure in such urbanized areas in accordance with the planning process required under section 8 of this Act and shall be fairly and equitably distributed. The Governor of each State is encouraged to take into account service based factors, such as revenue vehicle miles, in distributing such funds. The Governor shall submit annually a report to the Secretary concerning the allocation of such funds.

"(3) In the case of any urbanized area which is in more than one State, amounts apportioned for such area under subsection (a) or (b) of this section shall be apportioned to the Governor of each such State in the case of an urbanized area with a population of less than 200,000, or to the designated recipient in the portion of the urbanized area in each such State in the case of an urbanized area with a population of 200,000 or more.

"(d)(1) Appropriations pursuant to this section shall be available until expended.

"(2) Sums apportioned under subsection (a) or (b) of this section shall be available for obligation by the Governor or designated recipient for a period of three years following the close of the fiscal year for which such sums are apportioned. Any amounts so apportioned remaining unobligated at the end of such period shall be added to the amount available for apportionment under subsection (a) or (b), respectively, of this section for the succeeding fiscal year.

"(e) The Federal share for any project for the payment of maintenance expenses under subsection (a) of this section shall not exceed 75 percent of the costs of such project. The Federal share for any project for the purchase of buses and related equipment or the construction of bus-related facilities under subsection (b) of this section shall not exceed 80 percent of the net cost of such project.

"(f) The Secretary shall not approve a grant for a project under this section unless he finds that such project is part of the approved program of projects required by section 8 of this Act and that the applicant or responsible agency has or will have—

"(1) the legal, financial, and technical capacity to carry out the proposed project;

"(2) satisfactory continuing control, through operation or lease or otherwise, over the use of project facilities and equipment; and

"(3) in the case of grants under subsection (a) of the section, an approved program of maintenance under subsection (g) of this section.

"(g)(1) The designated recipient (in the case of an urbanized area with a population of 200,000 or more) or the Governor (in the case of an urbanized area with a population of less than 200,000) shall submit to the Secretary for his approval a program for maintenance of mass transportation facilities and equipment in such urbanized area.

"(2) As soon as practicable after approval of a maintenance program the Secretary shall enter into a formal agreement with the Governor or the designated recipient of the urbanized area for the payment of the Federal share of maintenance costs under such program.

"(3) The Secretary is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), to make advance or progress payments on account of any grant made pursuant to this section, on such terms and conditions as he may prescribe.

"(h) The Secretary shall issue such regulations as he deems necessary to administer this section.".

SEC. 4. (a) The first sentence of section 4(e) of the Urban Mass Transportation Act of 1964 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "; $75,000,000 for the fiscal year ending September 30, 1983; $82,500,000 for the fiscal year ending September 30, 1984; $90,750,000 for the fiscal year ending September 30, 1985; and $99,825,000 for the fiscal year ending September 30, 1986.".

(b) The second sentence of subsection (c) of section 18 of the Urban Mass Transportation Act of 1964 is amended by striking out "including" and all that follows through the period at the end of such sentence and inserting in lieu thereof the following: "including projects for the payment of maintenance costs to private providers of public transportation service in areas other than urbanized areas.".

(c) The second sentence of subsection (e) of section 18 of the Urban Mass Transportation Act of 1964 is amended to read as follows: "The Federal share under this section for any project for the payment of maintenance costs shall not exceed 75 percent of the cost of such maintenance project.".

SEC. 5. (a) Section 3(a)(1)(B) of the Urban Mass Transportation Act of 1964 is amended by striking out "5(a)(4)" and inserting in lieu thereof "5(b)".

(b) Section 3(h) of the Urban Mass Transportation Act of 1964 is amended by striking out "5(a)(4)" and inserting in lieu thereof "5(b)".

SEC. 6. This Act and the amendments made by this Act shall apply only with respect to amounts apportioned for fiscal years beginning on or after October 1, 1982, under section 5 or section 18 of the Urban Mass Transportation Act of 1964.

TERRORIST ACTIVITY IN EL SALVADOR

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, I have just taken off of the UPI wire outside an item regarding El Salvador, and I wish to share a bit of that with you.

Security forces shot to death 24 civilians in a dead-end street of a San Salvador slum in what relatives said was a mass execution but the Defense Ministry called an "armed confrontation"* * *

Journalists who saw the bodies said that many were shot execution style and that some had their hands tied behind their backs.

Mr. Speaker, a short time ago the Subcommittee on Foreign Operations had a very serious debate and a very close vote on a matter of reprograming military assistance for El Salvador. Many of us supported that position, largely because our country had just committed itself to $125 million of economic aid designed to provide assistance and progress in El Salvador.

These continued reports would indicate that we still have very serious problems of terrorism from both the left and the right in that country. I for one am calling upon the administration to review these actions and to give the Congress an analysis of exactly what took place in El Salvador in this instance.

Those of us who have supported the administration's request for reprograming of military aid for the Duarte government are intensely interested in the survival of the moderate center in El Salvador and concerned about achieving a political solution to the crisis present in the land of our neighbor to the South.

As I voted for reprograming it was in large part a result of evidence of shipments of arms from the Soviets and Castro to leftist terrorists.

As I expressed support for $125,000,000 in economic assistance, I did so with great concern for the need for assurance that our help would be on the side of freedom and eventually would be a benefit to the people of El Salvador. As I review such votes in the future, I will look for evidence that such assistance does not end up in the hand of terrorists on the right and become of benefit to those who seek a military dictatorship and the distruction of the dream for democracy in El Salvador.

CANADIAN SAVINGS BONUS WORKS

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, as we consider tax cuts for individuals and seek to encourage personal savings in a second tax bill, I think we ought to consider the Canadian experience of the last decade during which their savings rates have doubled while ours have almost been cut in half. Savings as a percent of disposable income now stands at 11 percent in Canada while it is less than half that level in the United States.

Why are Canadians saving while we do not?

Canada has registered retirement savings plans similar to our individual retirement accounts. There are two distinct and important differences, however. One difference is that Canadians can contribute nearly four times as much as we can to an IRA and have these contributions tax deferred until withdrawn at retirement. The maximum annual IRA contribution our Tax Code now allows is $1,500. This figure is $5,500 in Canada if individuals have no other form of retirement plan and it is $3,500 if employees also participate in an employer-sponsored retirement plan at work. The other difference is that any citizen in Canada can have such a plan while we limit that right to only those not covered by a pension plan.

The results of the Canadian experience in savings is most encouraging. In 1977 almost three-quarters of those participating in registered retirement savings plans had incomes of $25,000 or less. The number of these RRSP's doubled between 1973 and 1977.

During the period between 1967 and 1977 individual saving in Canada grew from 6.2 to 7.8 percent of disposable income while individual saving in the United States declined from 7.5 to 5.1 percent. This period corresponds with the period of substantial growth in savings in RRSP's.

Therefore, we ought to profit by the Canadian experience and change our tax laws accordingly. H.R. 1250 accomplishes this end and I invite my colleagues' cosponsorship.

RESPONSIBLE GOVERNMENT MANAGEMENT OF TAXPAYERS' MONEY

(Mr. HARTNETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARTNETT. Mr. Speaker, one of the primary concerns expressed by the American taxpayers is excessive and wasteful spending by the Federal Government. One policy that is both costly and confusing is Public Law 93-462 which is found in section 59a of title II of the United States Code. This law allows a Member of Congress who is leaving office to purchase office furniture and furnishings from one of his or her district offices.

Also the departing Member of Congress can wait until the last day in which he/she holds office to decide whether or not to purchase all, some, or none of the furnishings. This practice is not only expensive but also creates extreme confusion for the incoming Member.

I was notified approximately 2 weeks before I took office that my predecessor planned to purchase all but seven items of the furniture from his district office. GSA placed the value of the office items at $4,120.80. It cost my office over $9,400 to purchase replacement furnishings from GSA. The difference in these two amounts could have been saved by the Government.

It is my belief that most Members of Congress are willing to supply their district offices with existing Government furniture as long as it is in good condition—which is the procedure by which our Washington offices are furnished. GSA should keep all Government furniture on hand and replace it as the furniture wears out.

Today I am introducing legislation that would allow an outgoing Member of Congress to purchase only a desk and chair from his office. The outgoing Member would have to notify the incoming Member of this decision within 30 days after he/she is elected to office.

I believe this policy represents responsible Government management of the taxpayers' money.

INTRODUCING LEGISLATION TO MODIFY BELLE FOURCHE IRRIGATION PROJECT IN WESTERN SOUTH DAKOTA

(Mr. ROBERTS of South Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERTS of South Dakota. Mr. Speaker, today, I am introducing legislation to modify the existing Belle Fourche irrigation project in western South Dakota. The project is in need of modernization and updating of the existing water delivery system. Approximately one-third of the diverted water is lost due to the current outmoded delivery system. This is a loss that an arid State like South Dakota cannot tolerate. The needed modifications include construction, improvement, and updating of works, water conservation, fish and wildlife conservation, recreation, and general modernization of the existing system. As modified, the general plan will be reauthorized under the designation "Belle Fourche unit" of the Pick-Sloan Missouri Basin program.

I urge favorable consideration of the bill and its speedy approval.

□ 1530

PREFERENTIAL WORK AND EDUCATION QUOTAS

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, 17 years ago Congress passed the Civil Rights Act of 1964 and it became illegal to discriminate in employment on the grounds of race, color, religion, sex and national origin. The concept of equality of opportunity was made a matter of legal right for all Americans and has now become a readily accepted element of American tradition. What has now come to be an accepted part of American life is the practice of some Federal agencies to use the Civil Rights Act to promote discrimination and race consciousness in the workplace or school. The terms "equal opportunity" and "affirmative action" have become euphemisms for racial quotas. Somehow, flagrant race counting and numerical requirements have become the practice of, of all things, the Government itself.

Once again, Mr. Speaker, we are reminded that our Government's policies do not reflect the views of the American people, including those who, in the minds of many of our civil servants and political spokesmen, should be benefiting from those policies. The Washington Post series on national racial attitudes, reports that the recent ABC-Washington Post poll reveals strong disapproval by both whites and minorities of preferential treatment on the basis of race. This administration has recognized the need to review Government policies that result in preferential work and education quotas. The American people would seem to be solidly behind those efforts.

THE PEOPLE WANT THE PRESIDENT'S ECONOMIC RECOVERY PLAN

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, already today several of our friends from the Democratic side have been here in the well to try to convey the impression that the Republicans are somehow not open to ideas and improvements to our budget proposal. That is just not so. I have been sitting on the Budget Committee now for a couple of months and we are open to any ideas. But the budget proposal that the Democrats have proposed is not a proposal to amend what we are trying to do. It is a proposal that intends to destroy the President's economic recovery program.

These are not minor changes that are being offered. These are changes that go to the very heart of what the President hopes to accomplish. The President is proposing a long-term economic recovery program for this country, a 3-year plan to cut taxes, cut spending, stabilize the monetary policy, and get the regulatory burden off the backs of the people, a fundamentally different course of action.

The Democrats, on the other hand, are offering up a short-term plan, a 1-year plan. Under it, the taxes will go up next year, spending will go up. There will be more Government involvement, not less. That is not what the people want. What we have had in the past does not work. The people want a new plan, a plan they can have faith in. The people want the President's economic recovery program, not this stopgap, 1-year device and then back to politics as usual in the election year of 1982.

THE REPUBLICANS DO NOT HAVE A BUNKER MENTALITY

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as we sit here and listen to the speeches made during the 1-minute period of time, there are obviously some differences of opinion. But I would like to draw some attention to some of the statements that have been made that seem to me a little off base.

We are not here afraid to debate the debatable. We are not here afraid to question the questionable. But we have to realize that some of us in this House are less equal than others; that it is difficult to get some of our proposals even to be considered on the floor of this House because of decisions that were made by the leadership already in this session. When you take the Ways and Means Committee and you decide the Republicans will be given 37 percent of the positions on that committee when we have 47 percent of the Members of the House, you have drastically reduced our op-

portunity to present the President's plan on tax cuts.

Then to come here and suggest that we have a bunker mentality, is entirely incorrect. We do not have a bunker mentality but we realize the rules that are being drawn that make it more difficult for us to play in this game. If that is going to occur, we are going to have to respond as best we can.

I also suggest that it is rather ironic for some leaders on the other side of the aisle to suggest we have a bunker mentality—that is a military term—very ironic when they present us their plan, since one of the major features of their plan is to cut the President's proposal by $4.3 billion in national defense.

THE PARTY OF THE PEOPLE?

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, for the past 2 months this Congress—with the full participation of the American people—has been discussing and debating the President's economic program.

We have examined its merits here on the floor and in our committees. We have conversed freely with our constituents through correspondence, phone calls, meetings, and interviews with the press.

I think this has been a very healthy debate, Mr. Speaker. This is the way policy should be made in a great democracy like ours. But unfortunately, the Democratic leadership does not agree. On Monday, the leadership announced that it had come up with its own budgetary plan for this Nation. And on Tuesday, the Democrats on the Budget Committee, with one lone exception, summarily dismissed the President's plan which has been discussed and examined by this Nation for 2 months and voted for its own plan which had been kept secret from the American people until just 24 hours before that committee vote.

No debate, no discussion, no input by the American people. And this comes from the party that likes to call itself the party of the people.

Mr. Speaker, I urge all my colleagues on both sides of the aisle to close ranks behind the President and his plan, as the American people want us to and to reject the Democrat leadership's plan which was slapped together in the cloakroom 2 days ago.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RATCHFORD). The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled joint resolution earlier today:

S.J. Res. 61. Joint Resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day."

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 17. Concurrent resolution providing for an adjournment of the Congress from April 10, 1981, to April 27, 1981.

APPOINTMENT OF CONFEREES ON H.R. 31, CASH DISCOUNT ACT

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on Energy and Commerce be discharged from further consideration of the Senate amendment to the bill (H.R. 31) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes, and that the House disagree to the Senate amendment to H.R. 31 and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Reserving the right to object, Mr. Speaker, would the gentleman explain to the House what it is that he is attempting to do here in some detail so we would have a better idea as to what the procedure is?

Mr. ANNUNZIO. Mr. Speaker, if the gentleman will yield, the Senate cash discount bill, like the House version, will deregulate cash discounts and reactivate the ban on surcharging credit cards until February 27, 1984. The current ban expired Friday, February 27.

There are six differences between the House and Senate bill:

First. The Senate bill has removed the authority in the cash discount provision for the Federal Reserve Board to issue new regulations after the current ones are repealed.

Second. The Senate bill removes a cash discount requirement in the House bill that would have required disclosure of the availability of a cash discount clearly and conspicuously "to all prospective buyers." Under the Senate bill the cash discount's availability only needs to be disclosed clearly and conspicuously.

Third. The Senate bill calls for the Federal Reserve Board to submit a study to Congess in 2 years on the effect of charge card transactions on card issuers, merchants, and consumers.

Fourth. The Senate bill makes a technical amendment to the Truth in Lending Simplification and Reform Act so that if a creditor wants to comply with it before its April 1, 1982, effective date the creditor will be subject to the simplified civil liability provisions rather than the civil liability provisions of the existing Truth in Lending Act.

Fifth. The Senate bill amends the National Banking Act to provide a 2-year moratorium under certain circumstances on the current requirement that national banks divest themselves of certain real estate within 5 years. The need for the moratorium is that the Comptroller of the Currency now wants to require divestiture, but in the past had not uniformly required it. Immediate divestiture of such real estate now might cause some banks financial hardship.

Sixth. Finally, the Senate bill amends the Public Health Service Act to permit the President to appoint an individual who is 64 years old or older to the office of Surgeon General.

Mr. WALKER. I appreciate that, Mr. Speaker, and I thank the gentleman for explaining it.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? The Chair hears none, and appoints the following conferees:

Soley for consideration of all the provisions of the Senate amendment in the nature of a substitute except section 303, and modifications thereof committed to conference, the following Members on the part of the House: Messrs. ST GERMAIN, ANNUNZIO, GONZALEZ, MINISH, STANTON of Ohio, EVANS of Delaware, and WYLIE; and

Solely for the consideration of section 303 of the Senate amendment in the nature of a substitute, and modifications thereof committed to conference, the following Members on the part of the House: Messrs. DINGELL, WAXMAN, SCHEUER, BROYHILL, and MADIGAN.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO HAVE UNTIL 5 P.M. FRIDAY, APRIL 10, 1981, TO FILE REPORT ON H.R. 2330, NUCLEAR REGULATORY COMMISSION

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until 5 p.m., Friday, April 10, 1981, to file a report on the bill (H.R. 2330) to authorize appropriations for the Nuclear Regulatory Commission.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJOURNMENT OF THE CONGRESS COMMENCING FRIDAY, APRIL 10, 1981

The SPEAKER laid before the House the Senate privileged concurrent resolution (S. Con. Res. 17) providing for an adjournment of the two Houses from Friday, April 10, 1981, to 12 o'clock noon on Monday, April 27, 1981.

The Clerk read the title of the Senate privileged concurrent resolution.

The Clerk read the Senate privileged concurrent resolution, as follows:

S. CON. RES. 17

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, April 10, 1981, they stand adjourned until 12 o'clock noon on Monday, April 27, 1981.

The SPEAKER. The question is on the Senate concurrent resolution.

The question was taken; and the Speaker announced the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 241, nays 73, not voting 118, as follows:

[Roll No. 23]

YEAS—241

Addabbo	Clinger	Gaydos
Akaka	Coelho	Gejdenson
Alexander	Coleman	Gephardt
Annunzio	Collins (TX)	Gibbons
Anthony	Conte	Ginn
Applegate	Conyers	Glickman
Aspin	Crane, Daniel	Gonzalez
AuCoin	Crane, Philip	Gore
Badham	Davis	Gramm
Bafalis	de la Garza	Gray
Bailey (PA)	Dellums	Green
Barnes	Derwinski	Gregg
Bedell	Dicks	Grisham
Bellenson	Dixon	Guarini
Benjamin	Donnelly	Gunderson
Bennett	Dorgan	Hall (OH)
Biaggi	Downey	Hall, Sam
Bingham	Dreier	Hamilton
Blanchard	Duncan	Harkin
Boggs	Dwyer	Hartnett
Boland	Dyson	Hatcher
Bolling	Early	Hawkins
Boner	Eckart	Heftel
Bonior	Edgar	Hertel
Bonker	Edwards (AL)	Hightower
Bowen	Edwards (CA)	Hillis
Breaux	English	Holt
Brinkley	Ertel	Horton
Brodhead	Evans (DE)	Howard
Brooks	Fary	Hughes
Brown (CA)	Fascell	Hunter
Brown (OH)	Fazio	Hutto
Broyhill	Ferraro	Hyde
Burgener	Fiedler	Jenkins
Burton, John	Findley	Jones (OK)
Burton, Phillip	Foley	Kastenmeier
Byron	Ford (TN)	Kazen
Campbell	Forsythe	Kemp
Carman	Fountain	Kildee
Carney	Fowler	Kogovsek
Chappell	Frenzel	LaFalce
Chappie	Garcia	Lagomarsino
Lantos	Patterson	Snowe
Latta	Paul	Snyder
Lehman	Pease	Solarz
Leland	Perkins	Spence
Livingston	Peyser	St Germain
Loeffler	Pickle	Stangeland
Long (MD)	Price	Stanton
Lott	Pritchard	Stark
Lowery	Pursell	Stenholm
Lowry	Rangel	Stokes
Lundine	Ratchford	Studds
Lungren	Regula	Stump
Madigan	Reuss	Synar
Martin (IL)	Rhodes	Thomas
Martin (NY)	Ritter	Traxler
Mattox	Robinson	Trible
McClory	Rodino	Udall
McCurdy	Roemer	Vento
McDade	Rogers	Walgren
McDonald	Rose	Watkins
McHugh	Rostenkowski	Waxman
Mica	Roukema	Weber (OH)
Michel	Roybal	Weiss
Mikulski	Rudd	White
Mineta	Santini	Whitehurst
Minish	Savage	Whitley
Moakley	Scheuer	Whittaker
Molinari	Schumer	Whitten
Mollohan	Seiberling	Wilson
Montgomery	Shamansky	Wirth
Murphy	Shannon	Wright
Murtha	Sharp	Wylie
Myers	Shumway	Yates
Natcher	Shuster	Young (FL)
Nelson	Simon	Young (MO)
Nichols	Skeen	Zablocki
O'Brien	Skelton	Zeferetti
Oberstar	Smith (IA)	
Panetta	Smith (NJ)	

NAYS—73

Anderson	Hammerschmidt	Neal
Archer	Hansen (ID)	Nelligan
Atkinson	Hefner	Nowak
Bethune	Hendon	Obey
Bliley	Hiler	Parris
Brown (CO)	Hopkins	Petri
Butler	Hubbard	Rinaldo
Clausen	Jacobs	Roberts (KS)
Coats	Jeffries	Rousselot
Corcoran	Johnston	Schulze
Coughlin	Kindness	Sensenbrenner
Courter	Kramer	Shaw
Coyne, James	LeBoutillier	Smith (AL)
Daniel, R. W.	Lee	Smith (NE)
Dannemeyer	Lent	Solomon
Daub	Levitas	Staton
Deckard	Lujan	Walker
Dunn	Marlenee	Wampler
Edwards (OK)	McCollum	Weber (MN)
Emerson	McEwen	Williams (MT)
Evans (IA)	McKinney	Wolf
Gilman	Miller (OH)	Wortley
Gingrich	Moore	Yatron
Guyer	Morrison	
Hagedorn	Napier	

NOT VOTING—118

Albosta	Dingell	Hinson
Andrews	Dornan	Holland
Ashbrook	Dougherty	Hollenbeck
Bailey (MO)	Dymally	Huckaby
Barnard	Emery	Ireland
Beard	Erdahl	Jeffords
Benedict	Erlenborn	Jones (NC)
Bereuter	Evans (GA)	Jones (TN)
Bevill	Evans (IN)	Leach
Bouquard	Fenwick	Leath
Broomfield	Fields	Lederer
Cheney	Fish	Lewis
Chisholm	Fithian	Long (LA)
Clay	Flippo	Luken
Collins (IL)	Florio	Markey
Conable	Foglietta	Marks
Cotter	Ford (MI)	Marriott
Coyne, William	Frank	Martin (NC)
Craig	Frost	Matsui
Crockett	Fuqua	Mavroules
D'Amours	Goldwater	Mazzoli
Daniel, Dan	Goodling	McCloskey
Danielson	Gradison	McGrath
Daschle	Hall, Ralph	Miller (CA)
DeNardis	Hance	Mitchell (MD)
Derrick	Hansen (UT)	Mitchell (NY)
Dickinson	Heckler	Moffett
Moorhead	Roe	Tauzin
Mottl	Rosenthal	Taylor
Oakar	Roth	Vander Jagt
Ottinger	Russo	Volkmer
Pashayan	Sabo	Washington
Patman	Sawyer	Weaver
Pepper	Schneider	Williams (OH)
Porter	Schroeder	Winn
Quillen	Shelby	Wolpe
Rahall	Smith (OR)	Wyden
Railsback	Stratton	Young (AK)
Richmond	Swift	
Roberts (SD)	Tauke	

□ 1545

Mr. HAMMERSCHMIDT, Mr. NOWAK, Mrs. SMITH of Nebraska, and Mr. HILLER changed their votes from "yea" to "nay."

Mr. SCHUMER changed his vote from "nay" to "yea."

So the Senate concurrent resolution was concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1600

SYRIA'S ROLE IN LEBANON WARRANTS SEVEREST CONDEMNATION

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, the deteriorating situation in Lebanon could provoke an all-out war in the Middle East.

Syria is continuing its efforts to realize its historical objective to absorb all or part of Lebanon into a "Greater Syria." Given Syria's close ties with the Soviet Union, we should assume that the Soviet military would move swiftly to exploit Lebanon's strategic port facilities on the Mediterranian coast. If such a development occurs, it will create a problem on that flank for Israel and will have obvious reprecussions.

Throughout the 6-year war in Lebanon, the Palestine Liberation Organization, with the primary backing of Libya and Syria, has been conducting terrorist/guerrilla operations against the citizenry of Lebanon and neighboring Israel. All of these activities have been launched from heavily fortified enclaves that are maintained in disregard of central government authorities.

Syria's role in Lebanon warrants the severest condemnation. Whatever can be said about its original peacekeeping intentions as the predominant element of the Arab deterrent force (ADF), it is clear that over the past several years, Syrian forces have been shielding PLO terrorist activities directed against Israel and the Christian community within Lebanon. The PLO is a Soviet-influenced radical force which is not truly representative of Arab as-

pirations. The PLO also represents a threat to moderate Arab governments.

The removal of external forces would enhance the prospects of Lebanon to once again become a viable, pro-Western democracy. Such a turn of events would serve our national interests.

Therefore, I believe there must be an immediate cease-fire and the termination of the Syrian seige of Zahle; reaffirmation of the historic United States-Lebanon relationship and our insistence on the freedom, sovereignty and integrity of Lebanon. This includes the preservation of a free, secure and deeply rooted Christian community, as well as the historic Moslem, Druze, Armenian, and Jewish communities; restoration of Lebanon's sovereignty free from outside domination and Syrian occupation. There also must be opposition to an outside imposed solution to the Lebanese problem, and support for free and open national elections which are scheduled for mid-1982. To this end, the U.S. Government should work to restore the authority of a government in Lebanon that reflects the will of the people and to strengthen the Lebanese army so that it can control illegal military and terrorist activities.

This crisis must have priority U.S. attention. For too long the tragedy of Lebanon has been allowed to go on until its very independence is threatened.

PERSONAL EXPLANATION

Mrs. SMITH of Nebraska. Mr. Speaker, yesterday I was unavoidably detained at the White House at a meeting with Vice President GEORGE BUSH during rollcall 22. Had I been present, I would have voted in the affirmative.

INTRODUCTION OF PAY REFORM LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

● Mr. DERWINSKI. Mr. Speaker, I am today introducing legislation proposed by President Reagan to reform the system of adjusting Federal civilian pay, and I urge its prompt consideration by the responsible committee leadership and the Congress.

The importance of this legislation is evident. It is estimated that the enactment of this proposal would reduce payroll costs in fiscal year 1982 about $3.7 billion below the costs that would be incurred under operation of present law. Savings in future years would be even greater. I believe that all of us who have had any experience with the Federal pay structure agree that the existing method of adjusting Federal pay is out of sync with reality, and has long been in need of an overhaul.

This legislation also is the next logical step in the comprehensive civil service reform, after having enacted the first phase of that plan in 1978. I believe that the proposals recommended by the President will stabilize the pay procedure to the long-range benefit of both employees and the Federal taxpayer.

I include with my remarks the letter of transmission of the legislation and a sectional analysis explaining its provisions:

OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., March 24, 1981.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives.

DEAR MR. SPEAKER: The Office of Personnel Management submits herewith the enclosed legislative proposal, "To amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes." We respectfully request that this proposal be referred to the appropriate committee for early consideration.

This proposal is submitted as a part of the President's program to eliminate unnecessary expenditures from the Federal budget. The proposal would rectify a number of long-standing flaws in the system by which compensation is determined for Federal employees, in order to ensure that Federal employment will be truly comparable with employment outside the Government. The provisions of the proposal are as follows:

PAY COMPARABILITY REVISIONS

The first part of the legislative proposal deals with the pay fixing process for the General Schedule and the other statutory pay systems. There would be three major changes in this process:

(1) the pay comparability standard would be revised to require the inclusion of employee benefits in the comparison process, and, in view of the differences between the Federal Government and non-federal employers with regard to relevant conditions of employment (including such factors as job security, promotion potential, portability of benefits, etc.), to require Federal pay and benefits to be comparable with 94 percent of non-Federal pay and benefits;

(2) the comparison base would be broadened to include State and local government as well as the private sector; and

(3) General Schedule pay (but not the pay for the other statutory pay systems) would vary by locality, in keeping with the relationship between non-Federal pay in each locality and national average non-Federal pay.

The process would continue to involve the President, the Pay Agent, the Federal Employees Pay Council, and the Advisory Committee on Federal Pay, playing the same roles they now play, both with their scope expanded to deal with the new issues of locality pay and the inclusion of employee benefits in the comparison. The Pay Council would have its membership broadened to include employee organizations such as professional organizations, as well as unions. General Schedule employees would be paid locality rates unless they are in a location where the President decides to apply the national average General Schedule instead. (This might be done for employees assigned to foreign areas, for example.)

The existing special rate authority for the General Schedule would be broadened and made more flexible. Special rates could be established whenever necessary to recruit or retain well-qualified employees in an area, an occupation, or any subdivision thereof. A special rate could not exceed the maximum rate of the regular rate range by more than twice the amount of the regular rate range.

With the few flexibilities provided by locality pay and the broader special rate authority, the authority for cost-of-living allowances in Alaska, Hawaii, Puerto Rico, and U.S. territories and possessions will no longer be necessary and would be repealed.

FEDERAL WAGE SYSTEM REVISIONS

The second portion of the legislative proposal deals with the Federal Wage System.

First, the pay fixing process for Federal wage employees would be revised to parallel the changes made by the first part of the proposal for General Schedule employees. The comparison standard would be broadened to include employee benefits, and to require Federal pay and benefits to be comparable to 94 percent of non-Federal pay and benefits, and the comparison base would be broadened to include State and local government. (The change in the comparison standard would not apply to nonappropriated fund employees.) Further, whenever the President decides that national emergency or economic conditions affecting the general welfare make it necessary to invoke an alternative plan for General Schedule employees, the Office of Personnel Management would be required to impose a comparable limitation on Federal Wage System employees. Such a limitation would apply to appropriated fund and nonappropriated fund employees, to crews of vessels, and to certain groups of Federal wage employees who have traditionally negotiated their wage schedules.

Second, the legislative proposal would repeal certain existing provisions of law which now require that Federal wage employees be paid more than their counterparts outside the Federal Government. These aberrant provisions of current law are a provision requiring the use of out-of-area wage rates in certain situations (the "Monroney Amendment"); provisions establishing rate ranges and fixing the relationship between those rate ranges and the prevailing wage; and provisions fixing in law shift differentials and making those differentials part of basic pay. Under the proposal, rate ranges and shift differentials would be fixed in accordance with prevailing non-Federal practices.

PRESIDENTIAL BENEFITS AUTHORITIES

The third part of the legislative proposal would give the President a new authority to adjust certain Federal employee benefit programs. These adjustments would be made in concert with the process by which employee benefits are taken into consideration in the setting of Federal pay.

First, the President would be authorized to modify the leave program for Federal employees, including sick and annual leave and certain other forms of leave. He could exercise this authority in order to make the Federal leave program more consistent with non-Federal leave programs, to broaden flexibility and employee freedom of choice in the program, or to improve the administration of the program.

Second, the President would be authorized to modify the Government contributions to the cost of Federal Employees Group Life Insurance, although the present Government contribution of one-third of the cost of basic insurance would be fixed as

the minimum possible Government contribution.

Third, the President would be authorized to change the Government contributions to premiums under the Federal Employees Health Benefits program. Here again, the present Government contribution would be fixed as the minimum possible.

SAVINGS PROVISIONS

The proposal includes savings provisions for employees who might otherwise be adversely affected.

First, employees would be guaranteed that pay schedules would go up at least two percent a year for the first five years, despite the changes in the comparison standard and the comparison base, the repeal of the Monroney Amendment, etc. Of course, it is expected that most employees would get considerably more than this minimum.

Second, employees now receiving cost-of-living allowances in Alaska, Hawaii, etc., would not suffer any cut in the amount of allowance they are now receiving, but the allowances would be reduced in the future by one-half of any other pay increases the employees receive.

UNIFORMED SERVICES PAY AMENDMENTS

Because it is not the intention of the legislative proposal to apply the change in the comparability standard to the uniformed services, the legislative proposal would amend the provision of law now linking military pay adjustments to the General Schedule to instead provide that military pay would be increased each October by the amount of the increase in non-Federal pay. In addition, the President would be authorized to provide an alternative adjustment, subject to Congressional review, if he decided that national security conditions, national emergency, or economic conditions affecting the general welfare made such an alternative appropriate.

EFFECTIVE DATE

Finally, the legislative proposal would authorize the President to phase the provisions of the bill into effect over the three years following enactment.

It is estimated that the enactment of this proposal would reduce payroll costs in fiscal year 1982 about $3.7 billion below the costs that would be incurred under operation of present law. Savings in future years would be even greater.

The Office of Management and budget advises that enactment of this proposal would be in accord with the program of the President.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

DONALD J. DEVINE,
Director.

SECTION-BY-SECTION ANALYSIS (TO ACCOMPANY A DRAFT BILL)

"To amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes."

The first section titles the bill as the "Federal Pay Comparability Reform Act of 1981."

STATUTORY PAY SYSTEMS

Section 2 contains various amendments to subchapter I of chapter 53 of title 5, United States Code, designed to improve the method of fixing and adjusting rates of pay for employees covered by the General Schedule and the other statutory pay systems.

Paragraph (1) of section 2(a) amends section 5301 of title 5 to revise and restate the policy objectives under which pay will be fixed for the General Schedule and the other statutory pay systems.

Under subsection (a) of the amended section 5301, pay for General Schedule employees will be fixed in accordance with four principles:

The first principle continues the principle in current law that there be equal pay for substantially equal work, but modifies this principle to make clear that it will apply only within each local pay area, as pay will vary from area to area under the bill.

The second principle continues the principle in present law that pay distinctions be maintained in keeping with work and performance distinctions.

The third principle establishes the new comparability standard for pay fixing. General Schedule pay, when considered together with Federal employee benefits, will be fixed at a level of 94 percent of what non-Federal employers provide in pay and benefits for the same levels of work. This will replace the present provision of law under which the comparison is made on the basis of pay only, rather than pay and benefits together, and the comparison is made with private enterprise alone, rather than with the entire non-Federal sector, including State and local government.

The fourth principle is entirely new, and provides that General Schedule pay rates in the various pay areas will vary in proportion to the differences in non-Federal pay between those areas.

Under subsection (b) of the amended section 5301, pay rates for the other statutory pay systems—the Foreign Service pay system and the pay system for certain employees in the Department of Medicine and Surgery of the Veterans' Administration—will be fixed at a level comparable with national average General Schedule pay. There will not be any locality variations for these two pay systems.

Subsection (c) of the amended section 5301 provides that pay shall be fixed in accordance with the principles established in subsections (a) and (b) and the applicable provisions of the rest of the subchapters.

Subsection (d) restates the present definition of statutory pay systems as being the General Schedule, the Foreign Service pay schedule, and the pay schedules for certain employees in the Department of Medicine and Surgery of the Veterans' Administration. Subsection (d) also makes clear that Merit Pay System employees shall be included with General Schedule employees in the pay and benefits analysis and comparison, since their pay is tied to General Schedule pay by law.

Paragraph (2) of section 2(a) redesignates section 5305 as section 5302, and inserts the redesignated section after section 5301. The redesignated section is amended to require the pay agent's report to the President to compare General Schedule pay and benefits, rather than pay alone, with pay and benefits outside the Federal Government for the same levels of work. The comparison will be based on appropriate annual pay surveys and appropriate benefits surveys conducted by the Bureau of Labor Statistics, and on other sources of benefits information. Adjustments in pay rates for the statutory pay systems are to be based on the principles on section 5301(a)(1)-(3) and (b). the locality pay principle in section 5301(a)(4) will not enter into this part of the pay fixing process).

The membership of the Federal Employees Pay Council will be broadened to include such organizations as professional associations, as well as labor unions. The Pay Council will deal with the new issues presented by the inclusion of benefits in the comparison process, along with all the other issues the Council has dealt with in the past.

Paragraph (3) of section 2(a) replaces the present section 5303 with an entirely new section establishing locality pay rates for the General Schedule. The President will designate General Schedule pay areas and establish locality rates of pay for those areas. If he determines it is inappropriate to establish locality rates for a particular area (such as foreign countries) he can deem the national General Schedule rates established under section 5302 to be the locality rates for that area. The locality rates in each area will be determined by adjusting the national General Schedule rates established under section 5302 upward or downward to reflect the relationship between non-Federal rates of pay in the area and national non-Federal rates. The adjustment could be different for different grade levels. The pay agent, the Advisory Committee on Federal Pay and the Federal Employees Pay Council will all play a role in the process paralleling their roles in establishing the national General Schedule rates. Locality rates will apply to each General Schedule employee whose permanent duty station is in a pay area. The appropriate minimum and maximum locality rates will also be used as minimum and maximum rates for Merit Pay System employees whose permanent duty station is within the pay area. Locality rates will be effective on the same day as a pay adjustment under section 5302. The locality rates will be printed in the Federal Register, and will have the force and effect of law. An increase in locality pay will not be an equivalent increase for the purpose of determining within-grade increase eligibility later. The President or an agency designated by the President will prescribe conversion rules under which new locality pay rates will be applied.

Paragraph (4) of section 2(a) replaces the present section 5304 with a new section similar to the present section 5303. It authorizes the establishment by the President of special rates of pay for the various General Schedule pay areas for one or more areas, grades, occupations, or subdivisions thereof, upon a finding by the President that the Government is experiencing significant difficulty in recruiting or retaining well-qualified individuals. Special rates will be able to exceed the maximum locality rate for a grade by no more than twice the amount by which the maximum exceeds the minimum locality rate for that grade. The President will establish rules for applying special rates to affected employees consistent insofar as possible with the normal pay administration rules for General Schedule and Merit Pay System employees. The President will review special rates annually and revise or abolish them if appropriate. Special rates will be printed in the Federal Register and have the force and effect of law. The President will be able to delegate authority granted by this section to the Director of the Office of Personnel Management.

Paragraph (5) of section 2(a) amends section 5306 to expand the role of the Advisory Committee on Federal Pay to include assisting the President in carrying out his responsibilities under the locality pay section, and in such other matters as he may request.

Section 3 of the bill amends the merit system principle in section 2301(b)(3) to replace "employers in the private sector" with "non-Federal employers," thereby conforming to earlier changes in the bill which broaden the comparison base.

Section 4 amends section 5332(a) to eliminate the obsolete table of pay rates and to describe the General Schedule by prescribing the number of grades and the number of rates of basic pay in each grade; to specify that the locality rates fixed under the amended section 5303 will be the General Schedule rates in each pay area; and to require the application of those rates to each employee with a permanent duty station in the pay area, except a merit pay employee.

Section 5 repeals section 5941 relating to allowances based on living costs and conditions of environment for employees stationed in Alaska, Hawaii, Puerto Rico, and U.S. territories and possessions.

Section 6 makes a conforming change to section 104 of title 3, section 5318 of title 5, section 461(a) of title 28, and section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31), as amended, by striking out "section 5305" and inserting in lieu thereof "section 5302."

FEDERAL WAGE SYSTEM

Section 7(a) retitles subchapter IV of chapter 53 by striking out "Prevailing Rate" and inserting in lieu thereof "Federal Wage." This terminology change is made throughout subchapter IV by section 7 of the bill.

Section 7(a) also amends section 5341 to broaden the comparison base used in pay fixing to include all non-Federal employers and to alter the comparison standard used for appropriated fund Federal wage employees so that their pay will be comparable with 94 percent of non-Federal pay in the local wage area, when benefits for both groups are taken into account in the comparison.

The "Monroney Amendment" in section 5343(d) is eliminated by the bill, as are the current provisions of section 5343(e) on step rates, and the provisions of section 5343(f) establishing shift differentials and making night shift differential part of basic pay. The Office of Personnel Management will establish a step-rate structure and appropriate shift differentials.

A new section 5343(d) requires that, in any year in which an alternative plan goes into effect for employees under the statutory pay systems, the Office of Personnel Management will develop and implement a plan to provide comparable treatment for Federal wage employees. Under section 8 of the bill this comparable treatment will also apply to certain Federal wage employees who are excluded from the regular Federal Wage System because they traditionally negotiate pay.

PRESIDENTIAL BENEFITS AUTHORITIES

Section 9 of the bill adds a new subchapter III to chapter 63 of title 5. This new subchapter authorizes the President to modify any provision of chapter 63 (which includes the provisions of law governing annual and sick leave and certain other kinds of leave) in order to make the Government's leave system more comparable with non-Federal leave programs and practices; to provide greater flexibility and freedom of choice to employees; or to improve the administration of the leave program. The President will be required to report to Congress on any changes he makes in the leave program under this new authority, and to publish notices in the Federal Register and the Code of Federal Regulations.

Section 10 of the bill amends chapter 87 of title 5 to authorize the President to change the contribution the Government makes to the cost of coverage under Federal Employees Group Life Insurance. At present, the Government contributes one-third of the cost of basic insurance, while the employee pays the remainder of the cost of basic insurance and the full cost of the various optional insurance coverages. This present Government contribution is preserved as a minimum, but the President will be able to modify the Government's contribution above this amount. Various technical and administrative provisions relating to this new Presidential authority are included in the bill.

Section 11 of the bill amends chapter 89 of title 5 to authorize the President to modify each year the Government's contribution to health benefits premiums for Federal employees, though here again the present contribution rate of 60 percent of the average premium, and not to exceed 75 percent of the premium for any plan, continuous as a minimum below which the contribution cannot be reduced. Various technical and administrative provisions relating to this new authority are included.

SAVINGS PROVISIONS

Section 12 of the bill guarantees pay increases of at least two percent a year for the first five years after enactment for employees who might otherwise get less because of the implementation of the new comparability standard, locality pay for the General Schedule, and the changes in the Federal Wage System. Of course, whenever the implementation of the new provisions results in increases higher than two percent a year, those higher increases will be paid.

Section 13 protects persons now receiving cost-of-living allowances under section 5941 of title 5 (which is repealed by section 5 of the bill), by freezing the present dollar amount of allowance they are receiving and reducing it in the future only by one-half of any pay increases these individuals receive.

Section 14 of the bill prohibits the President from reducing or making less generous any provision of the Government's leave program for five years after the date of enactment of the bill.

UNIFORMED SERVICES PAY AMENDMENTS

Section 15 of the bill amends section 1009 of title 37, which currently provides for increasing military pay by the same percentage amount General Schedule pay is increased each year. As amended by the bill, section 1009 will instead link military pay increases only to the year-to-year change in non-Federal pay shown by the Bureau of Labor Statistics survey.

Section 15 also authorizes the President to propose an alternative adjustment for the military if he decides it would be appropriate because of national security considerations, national emergency, or economic conditions affecting the general welfare. The alternative plan for the military will become effective unless both Houses of Congress disapprove. If the President vetoes their disapproval, the alternative plan will become effective unless the President's veto is overruled by a two-thirds vote of both Houses.

EFFECTIVE DATES

Section 16 of the bill provides that the bill will be implemented at such times and in such phases as the President decides. All of the provisions will have to be fully implemented no later than three years after enactment.●

PRODUCTIVITY AND SMALL BUSINESS LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 30 minutes.

● Mr. LAFALCE. Mr. Speaker, I rise to offer a comprehensive package of five bills designed to launch a frontal attack on our poor productivity record and problems confronting this country's many small businesses.

OUR PRODUCTIVITY RECORD

This country emerged from the Second World War with an industrial base which was considered to be the most formidable in world history. The United States managed to win two wars in the Atlantic and Pacific theaters and to supply our Allies with invaluable assistance. In 1950, it took four Italian or seven Japanese or three German workers to match the output of one American worker.

Since that year, the American position vis-a-vis our major trading partners has steadily eroded. While the Germans and the Japanese have compiled productivity growth rates of 5 or 6 percent per annum, the situation in the United States has become grim. However, during a good part of the postwar era, productivity was not really a problem, because until 1965 the rise in annual productivity remained comfortably above 3 percent. After that point, a decline set in, which has steadily worsened from year to year. From 1965 to 1973, productivity gains slipped to 2 percent on an annual basis. From 1973 to 1977, those annual gains dropped to 1.2 percent; and in 1978, the gain did not even reach 1 percent. During the last 2 years, productivity has actually declined in this country.

While the United States still enjoys an advantage over our international competitors, that lead has declined sharply during the past decade. In fact, in testimony before my Small Business Subcommittee on General Oversight, Dr. Richard L. Boyce, the former chief economist at the Council on Wage and Price Stability, told me that "the level of technology in the United States may be lower than that of Japan," which is a telling indication of how far we have slipped. The much wider use of robotics in Japan threatens to make that situation a long-term trend.

RAMIFICATIONS

Mr. Speaker, this at first lagging and now declining rate of productivity is of tremendous importance for the overall state of the economy. A healthy rate of productivity growth plays an essential role in improving real living standards, because a healthy rate of produc-

tivity allows the economy to grow without increasing inflationary pressures.

The direct relationship between inflation and productivity was for too long overlooked. Only since 1979 has that important correlation been made and stressed by economic experts and congressional committees, and that correlation is significant. For example, every increase of 1 percentage point in productivity reduces by 2 percent the rates of increase in unit cost and inflation.

Another consequence of declining productivity is the increasing inability of U.S. businesses to compete either at home or abroad. Month after month, quarter after quarter, the statistics from the Department of Commerce reveal an alarming international trade performance by the United States. Although prompt passage of H.R. 1648, my Export Trading Company Act of 1981, which has been endorsed by the administration, would help rectify this situation, a long-term solution must include the restoration of a healthy rate of productivity growth.

On March 12, 1981, I joined with my distinguished colleague from New York (Mr. LUNDINE) to introduce H.R. 2412, the Productivity Improvement Act of 1981. This bill would provide an overall framework for improving productivity by establishing a National Productivity Council and mandating a sweeping and meaningful national productivity improvement plan. The bills which I am introducing today will supplement that initiative on a number of fronts, and I will discuss them a bit later.

THE ROLE OF SMALL BUSINESS

As chairman of the Small Business Subcommittee on General Oversight, I am extremely aware of the fact that small businesses are very important to boosting productivity. For example, studies have demonstrated that small businesses are disproportionately responsible for technological breakthroughs which directly contribute to improved productivity. In addition, the creation of improved employment opportunities is more likely the result of small business activity than of our large multinational conglomerates. Therefore, I believe that all Government policies and most important, Federal tax policies must be carefully crafted, in order to encourage the economic vitality of this country's small business sector.

RESEARCH PROMOTION ACT

Professional research has proven the linkage between industry financed R. & D. and productivity growth, and smaller companies contribute significantly to this ongoing innovative process. Yet, capitalizing on new innovations is difficult for small businesses, because financial resources are not always adequately available to them. Improving cash flows within these businesses will yield productivity, export, and employment gains. One highly effective way to increase cash flows is to provide innovative firms with tax offset credits for R. & D. expenditures that are currently expended.

This bill provides an incentive for innovation and productivity growth by creating a 10-percent tax credit toward current R. & D. expenditures. This credit is sharply limited to companies with less than $250 million in sales, which devote an amount more than 2.5 percent of sales toward R. & D. The credit is also limited in size to 10 percent of these firms' R. & D. expenses in excess of 2.5 percent of sales, which would encourage increased R. & D. activities by small businesses.

RESEARCH TAX INCENTIVE ACT

Mr. Speaker, this bill provides tax incentives for investment in R. & D. structure and equipment and complements the first bill in stimulating R. & D. expenditures by making R. & D. a more attractive use of business capital.

This bill gives eligible taxpayers the option of applying either a 20-percent tax credit with a normal life depreciation or a 5-year straightline amortization with the present 10-percent investment tax credit to investments in research equipment. For investments in research structures, the bill establishes the option of either a 5-year straightline amortization or a 10-percent tax credit with normal life depreciation to such investments. These investments are not at the present time generally eligible for tax credits.

This bill provides a tax stimulus parallel to that already existing for energy conservation and pollution abatement equipment. Nevertheless, this stimulus is not open ended and is only available to small businesses with less than $250 million in annual sales, which spend more than 2.5 percent of their sales revenues on research and development. These firms are much more likely to be innovative and to have their future planning processes be affected by these types of tax incentives. This bill then provides companies the option of choosing the tax credit most suited to their own individual needs.

LABOR PRODUCTIVITY AND TRAINING ACT

The introduction of new machinery and productivity improvement programs invariably creates new employment opportunities for Americans. However, some job dislocations may occur if workers are not trained to function in this new employment situation. For example, foundry workers are not always able to make the transition to the complex world of transistors and silicon valleys.

The most effective solution to this problem is to retrain the affected workers before they become unemployed because of productivity improvement programs and initiatives. Although the Government has instituted various training programs, they have been targeted toward veterans, the handicapped, the young, and the unskilled. Only recently has CETA been authorized to retrain laid-off workers.

This bill would formalize that program by requiring that 5 percent of CETA training funds be directed to the retraining of workers unemployed due to productivity enhancement programs. The bill emphasizes the sharing of on-the-job retraining costs by both the Federal Government and employers and would target reduced CETA funds in the most productive and cost-effective manner. The bill also requires the Secretary of Labor to review all Federal labor training programs and submit recommendations to the Congress for revisions to promote increased labor productivity and to retrain workers before they become unemployed because of these productivity improvement programs.

SMALL BUSINESS TAX REDUCTION ACT OF 1981

The existing corporate income tax rates are graduated, in order to provide tax incentives for small businesses, but the existing degree of graduation has become insufficient in recent years, as inflation takes its toll on small businesses.

This bill would deal with this inequity, by doubling the amounts at each percentage of graduation. The 17-percentage rate would be extended to income below $50,000, rather than the present $25,000 level. The 20-percentage rate would cover income between $50,000 and $100,000, rather than between $25,000 and $50,000. The 30-percentage rate would be extended to income between $100,000 and $150,000, rather than between $50,000 and $75,000. The 40-percentage rate would cover income between $150,000 and $200,000, rather than between $75,000 and $100,000. Finally, the 46-percentage rate would be in effect for income exceeding $200,000, rather than the existing $100,000 level.

This bill would improve the general business climate for small businesses which are indeed responsible for most technological breakthroughs and increased employment opportunities in the private sector.

FAMILY ESTATE TAX ACT OF 1981

One of the major problems confronting small businesses in this country is the increasing inability of small businesses to remain in the family after the death of the initial proprietor. All too often, the heirs do wish to maintain the business but are unable to because of the excessive burden of estate taxes.

This bill would increase the unified estate and gift tax credit from $47,000 to $75,000, which would result in an increase in the estate exemption from

$175,000 to $260,000. This would more adequately reflect existing economic realities and would allow seasoned and experienced personnel to maintain their control over family-funded businesses.

Mr. Speaker, I believe that small businesses can play a very meaningful and effective role in the battle for improved productivity and that changes in the Tax Code would help them fulfill that role.●

CONDITIONS ON AID FOR EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 15 minutes.

● Mr. BINGHAM. Mr. Speaker, on April 2, the gentleman from New York (Mr. SOLARZ), and I introduced a bill which places strict conditions on any military aid or advisers provided to El Salvador.

Like many of my colleagues, I have been greatly concerned about current U.S. policies in El Salvador. The huge increase in military aid to the Salvadoran Government—from the modest $5.5 million authorized by Congress for fiscal year 1981 to $35.5 million, with a request for $25 million more in fiscal year 1982—without any conditions on its use or disposal is sending the wrong signal to the murderous rightwing paramilitary forces, to our friends in Latin America, and to the rest of the world. Although I do not deny that there is an international dimension to the conflict, nevertheless its roots are internal. Even without the flow of arms aid from Communist nations to the guerrilla insurgents, El Salvador would be undergoing a social revolution. The fundamental cause is a long history of feudal domination of the country's wealth and political power, which is now being challenged by legitimate demands for more equitable distribution and social justice. Since the problem originates from within the society, the solution cannot be militarily imposed from outside.

I have spent many hours during the past 3 months listening to and speaking with Salvadorans and Americans who are knoweldgable about the tragic and complex situation in El Salvador. They included officials from the administration and from the Catholic Church, advocates of the right and of the left, members of special interest groups, businessmen, journalists, labor leaders, and private citizens. One of the most impressive of all was the acting head of the Roman Catholic Church in El Salvador, Archibishop Arturo Rivera y Damas. I was heartened when he agreed with me that the moderate political forces in the country, who are attempting to implement economic and political reforms, must be strengthened to withstand the assault from both the extreme right and the extreme left. In his opinion, the left proved, by the failure of its final offensive, that it does not command popular support. He believes, therefore, that the time may be ripe for political negotiations between the centrist elements of the ruling junta and opposition groups, which would isolate both extremes.

It is my hope that, if the United States places strict conditions on military aid to the Salvadoran Government, President Duarte and other moderates in the civilian/military junta can be sufficiently strengthened to exert control over the renegade security forces, to continue to implement reform programs such as land redistribution, and to reach the political reconciliation which Archbishop Rivera y Damas believes is now possible. A complete prohibition of military assistance would rob us of this important leverage.

Our bill, H.R. 3009, provides that all military assistance will be suspended and military advisers withdrawn unless the President is able to certify within 30 days that the Salvadoran Government:

First, is not engaged in a consistent pattern of gross violations of internationally recognized human rights;

Second, has achieved substantial control over its own security forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces;

Third, is making continued progress in implementing essential economic and political reforms, including the land reform program;

Fourth, is committed to the holding of free elections at an early date; and

Fifth, has demonstrated its willingness to negotiate an equitable political resolution of the conflict with opposition groups.

Furthermore, the bill states that no military aid may be provided until good faith efforts have been made both to investigate the murders of six U.S. citizens and to bring to justice the responsible individuals. It also contains a legislative veto clause, which enables the Congress to disapprove the Presidential certification by passing a concurrent resolution within 30 days.

If the civilian/military coalition government in El Salvador is able to conform to the strict conditions enumerated in our bill, this will be a firm indication that the moderate, centrist elements have exerted control.

H.R. 3009 will be considered by the Foreign Affairs Committee as an amendment to the fiscal year 1982 Foreign Assistance Act.●

UPDATE ON LEGISLATIVE SAVINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, the following is the latest status report on the cost-saving legislation being proposed by the administration. Of 77 bills, 44 have been received by the Congress. The specific status is as follows:

ADMINISTRATION COST-SAVING LEGISLATION—HOUSE STATUS REPORT

House committee/Number of bills	Target date for transmittal	Referred to committee	Bill number, sponsor
Agriculture Committee/10 bills:			
1. FmHA water and sewer and community facility loans	Sent Mar. 10	Mar. 17	
2. User charges for grading and classifying cotton, tobacco, and naval store and for warehouse inspection.	Sent Mar. 10	Mar. 17	
3. User charges for supervision of grain inspection	Sent Mar. 10	Mar. 17	
4. REA electrical distribution facilities loans	Sent Mar. 10	Mar. 17	
5. Food stamp program	Apr. 3		
6. Dairy support price indexing	Sent Feb. 13	Feb. 19	H.R. 1986, introduced Feb. 23 by Findley—H.R. 2594—related bill.
7. Interest rates on FmHA farm ownership loans and emergency loss loans, and SBA disaster loans (Small Business Committee).	Sent Mar. 25	Mar. 26	
8. Interest rates on CCC farmer-held reserve loans	Sent Mar. 20	Mar. 24	
9. Nutrition block grant for Puerto Rico (Education and Labor)	Apr. 6		
10. Aid to land grant colleges	Apr. 2		
Armed Services/2 bills:			
1. Elimination of dual compensation	Apr. 3		
2. National stockpile sales	Sent Mar. 19	Mar. 23	H.R. 2412, introduced Mar. 30 by Price.
Banking, Finance, and Urban Affairs/4 bills:			
1. Termination of National Consumer Cooperative Bank	Sent Mar. 20	Mar. 23	
2. HUD-Community development support assistance	Apr. 10		
3. HUD-Subsidized housing rent contribution	Apr. 10		
4. Interest rate on FmHA housing loans	Sent Mar. 23	Mar. 24	

ADMINISTRATION COST-SAVING LEGISLATION—HOUSE STATUS REPORT—Continued

House committee/Number of bills	Target date for transmittal	Referred to committee	Bill number, sponsor
District of Columbia Committee/1 bill: 1. D.C. court support (H.R. 1253, introduced Jan. 23 by Fauntroy—administration will propose amendments).			
Education and Labor/9 bills:			
1. Higher education amendments	Signed Mar. 11, sent Mar 20	Mar. 23	
2. PHS Commissioned Corps bonuses	Apr. 10		
3. Education block grant	Apr. 6		
4. Social service block grant (Ways and Means Committee)	Apr. 9		
5. Federal employees injury compensation program	Apr. 17		
6. Black lung program	Schedule uncertain		
7. Impact aid	Signed Mar. 11, sent Mar. 20	Mar. 23	
8. School lunch and child nutrition	Apr. 1		
9. Nutrition block grant for Puerto Rico	Apr. 6		
Energy and Commerce Committee/12 bills:			
1. Medicaid cap and medicaid/medicare amendments and PSRO's	Apr. 10		
2. Medical services for merchant seamen	Mar. 27		
3. PHS Commissioned Corps bonuses and National Research Services Awards	Apr. 10		
4. Repeal of 1981 benefit increase	Sent Mar. 10	Mar. 11	
5. Rail pension assurance amendments (Ways and Means Committee)	Sent Mar. 10	Mar. 11	
6. Health services block grants (2 bills)	Apr. 6		
7. Health professions education	Apr. 16		
8. Health maintenance organizations	Apr. 10		
9. Solid Waste Act amendments	Signed Mar. 11, sent Mar. 19	Mar. 23	
10. Amtrak subsidies	Sent Mar. 17	Mar. 18	
11. Conrail subsidies	May 1		
12. Bankruptcy trustees, and U.S. Marshalls service of process (Judiciary, Foreign Affairs, and Intelligence).	Sent Mar. 19	Mar. 23	
Foreign Affairs/3 bills:			
1. Foreign Service pay for domestic workers (Post Office Committee)	Apr. 6		
2. Passport duration and fees (included in State Department authorization bill for fiscal year 1982 and 1983).	Sent Mar. 11	Mar. 12	
3. Bankruptcy trustees, and U.S. Marshalls service of process (Energy and Commerce, Judiciary, and Intelligence).	Sent Mar 19	Mar. 23	
Permanent Select Committee on Intelligence/1 bill: 1. Bankruptcy trustees, and U.S. marshalls service of process (Energy and Commerce, Judiciary, and Foreign Affairs Committee)	Sent Mar. 19	Mar. 23	
Judiciary Committee/2 bills:			
1. Bankruptcy trustees, and U.S. marshalls service of process (Energy and Commerce, Foreign Affairs, and Intelligence Committees).	Sent Mar. 19	Mar. 23	
2. INS overtime pay	Apr. 6		
Merchant Marine and Fisheries/2 bills:			
1. Coast Guard user fees	Sent Mar. 17	Mar. 18	
2. Deepwater port user charges (request pending for joint referral—Public Works and Transportation Committee).	Sent Mar. 25		H.R. 2959, introduced Apr. 1 by Howard, Clausen
Post Office and Civil Service Committee/4 bills:			
1. OPM compensation reform	Sent Mar. 25	Mar. 26	
2. Annual indexation of civil service retirement annuities	Sent. Mar. 17	Mar. 17	
3. Foreign Service pay for domestic workers (Foreign Affairs Committee)	Apr. 8		
4. Intergovernmental Personnel Act	Apr. 6		
Public Works and Transportation/8 bills:			
1. Airline subsidy program reduction	Sent Mar. 31		
2. Airport construction grants, aviation taxes and trust (Ways and Means Committee and Science and Technology Committee).	Sent Mar. 19	Mar. 25	H.R. 2930, introduced Mar. 31 by Howard, Clausen, Mineta, Snyder—H.R. 2643—related bill.
3. Inland waterway user charge (Ways and Means Committee)	Sent Mar. 25	Mar. 25	H.R 2962, introduced Apr. 1 by Howard, Clausen.
4. Municipal waste water construction grants reform	Mar. 27		
5. FEMA-Disaster relief	Sent Mar. 19	Mar. 23	H.R. 2958, introduced Apr. 1 by Howard, Clausen.
6. Highway construction and safety grants (Ways and Means Committee)	Sent Mar. 17	Mar. 18	
7. Mass transit programs	Sent Mar. 17	Mar. 18	
8. Deepwater port user charges (Merchant Marine requesting joint referral)	Sent Mar. 25		H.R. 2959, introduced Apr. 1 by Howard, Clausen.
Science and Technology Committee/1 bill: 1. Airport construction grants, aviation taxes, and trust (Public Works and Transportation, and Ways and Means Committees)	Sent Mar. 19	Mar. 25	H.R. 2930, introduced Mar. 31 by Howard, Clausen, Mineta, Snyder—H.R. 2643—related bill.
Small Business Committee/2 bills:			
1. Business loans	Sent Mar. 24	Mar. 24	
2. Disaster loan programs (part of bill covering FmHA farm ownership and emergency loss loans) (Agriculture Committee).	Sent Mar. 25		
Veterans' Affairs Committee/4 bills:			
1. GI bill: end payments for general flight training and correspondence courses	Sent Mar. 16		H.R. 1903—related bill.
2. Termination of class II dental treatment	Sent Mar. 16		H.R. 2048—related bill.
3. Reduction in beneficiary travel reimbursement	Sent Mar. 23	Mar. 24	H.R. 2947—introduced Mar. 24, 1981 by Montgomery (by request).
4. Physician and dentist bonuses	Sent Mar. 23	Mar. 24	H.R. 2846—introduced Mar. 25, 1981 by Montgomery (by request).
Ways and Means Committee/12 bills:			
1. Medicaid cap and medicaid/medicare amendments	Apr. 10		
2. Social Security; major reforms and other proposals	Apr. 3		
3. AFDC and child support enforcement, supplemental security income and assistance to immigrants.	Apr. 7		
4. Trade adjustment assistance	Sent Mar. 28		H.R. 2922—introduced Mar. 31 by Conable.
5. Unemployment insurance extended benefits and work test and unemployment compensation for ex-service members.	Sent Mar. 10	Mar. 12	H.R. 2880—introduced Mar. 26 by Conable.
6. Inland waterway user charges (Public Works Committee)	Sent Mar. 25	Mar. 25	H.R. 2962—introduced Mar. 1 by Howard, Clausen.
7. Hardship assistance block grant	Apr. 6		
8. Airport construction grants, aviation taxes and trust (Public Works Committee)	Sent Mar. 19	Mar. 25	H.R. 2930—introduced Mar. 31 by Howard, Clausen, Mineta, Snyder—H.R. 2643—related bill.
9. Highway construction and safety grants (Public Works Committee)	Sent Mar. 17	Mar. 18	
10. Customs Service overtime pay	Apr. 10		
11. Social services block grant (Education and Labor Resources)	Apr. 6		
12. Rail pension assurance amendments (Energy and Commerce Committee)	Sent Mar. 10	Mar. 11	

THE INFORMATION SCIENCE AND TECHNOLOGY ACT OF 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BROWN) is recognized for 5 minutes.

● Mr. BROWN of California. Mr. Speaker, today I am introducing the Information Science and Technology Act of 1981. This legislation is a revised version of a bill I introduced late in the 96th Congress, H.R. 8395. I would like to explain why I think legislation is needed in this area and why I favor the particular approach of this bill.

In presenting the case for legislative action I think it will be helpful to review the role that information products and services now play in our economy and, increasingly, in our schools, homes, and leisure activities. I will also discuss the status of policy development in information-related issues in a number of other nations as well as in the United States.

Mr. Speaker, there can be little doubt that America is well advanced into the information age. As we continue our rapid transition from an economy based on industrial production to one based increasingly on information products and services, infor-

mation and the ability to access it quickly and reliably becomes a vital source of political and economic power. Information technology now permeates nearly every aspect of industry and commerce, and its importance is felt not only in the dollar value of information products and services themselves, but also in the central role of information technology in increasing productivity and promoting innovation in other sectors of industry and commerce.

THE INFORMATION INDUSTRY

By any measure, the American information industry is impressive in size and scope. The electronic data processing industry had worldwide revenues of over $60 billion in 1979; the share of this market for U.S. industry was about $46 billion. By one informed estimate, more than half of the U.S. labor force now makes its living from information-related jobs. In 1976 there were 1.2 million computer terminals in the United States; now there are over 3 million. The percentage of GNP spent on computer usage was 2.1 percent in 1970; it is expected to be 8.3 percent by 1985.

The information and communications industry has had and continues to have a remarkable record of productivity. In a Harvard study, productivity increase in this industry accounted for 25 percent of the total productivity increase of American industry.

By one estimate, information and communication equipment and services are now second only to agricultural products as our leading export category. American computer firms now derive nearly 50 percent of their revenues from overseas sales.

INFORMATION TECHNOLOGY AND PRODUCTIVITY

Mr. Speaker, the reason why marketing of information technology is big business is that this technology has proven to be cost-effective in a great variety of tasks. The Industrial Revolution replaced human muscle power with energy-powered machines; the information revolution allows us to make industrial processes "smart" through control theory and automation. Modern industrial processes, and much of our advanced military technology, are now deeply dependent on computer control.

Just as earlier machines replaced muscle power, information technology offers great possibilities for augmenting the human intellect. Computers now aid in the design of complex systems; we will soon see industrial products that can diagnose their own failures and make repairs.

One of the areas in greatest need of productivity increase is white-collar work; here again the clever use of information technology could produce great gains. We are all acquainted with automation of clerical tasks through word processors and related equipment; but even greater productivity gains here may yet come from a restructuring of managerial jobs to permit information technology to simplify and coordinate tasks and to eliminate redundancy.

COMPETITION IN THE INFORMATION ARENA

Mr. Speaker, I hope I have made clear my view that the stakes are high in the information game, both in terms of international trade in information products and services and in increasing our overall domestic productivity. The rapid rate at which the technologies are changing and interacting means that there is a relatively short time in which to recoup large investments in new products and services before they become obsolete. It is therefore vital to establish distribution channels into key world markets, a fact which other nations have not been slow to recognize.

International trade in information products and services has become highly competitive, and American superiority can no longer be taken for granted. Japan has now captured a significant share of the semiconductor market, and is the world leader in fast text transmitting devices. The terminal systems of Satellite Business Systems, and IBM-Comsat-Aetna joint venture, include three key components of Japanese manufacture. France and West Germany are now our sole suppliers of traveling wave tubes, an essential component of satellite communications systems. The French firm CIT-Alcatel is setting up an experimental fiber optics link in New York; the teletext system soon to be tested by WETA-TV here in Washington is the Canadian-made Telidon.

Nor is this competition limited to hardware. On the contrary, many experts believe that the decisive competitive arena of this decade will be software—including software for processing text, graphic images, and digitized voice—and in services. Several nations have taken or are contemplating steps to limit foreign access to data transmission facilities or to place restrictions on entry of markets. My colleagues on the Government Operations Committee have explored these developments quite thoroughly in hearings, and I commend them for calling attention to this important problem. The adoption of these policies abroad represents an important step in the formulation of comprehensive national information strategies on the part of these nations.

NATIONAL INFORMATION POLICIES ABROAD

Mr. Speaker, I would like to examine briefly the efforts of four foreign nations in formulating national policies regarding information issues: Japan, France, West Germany, and Great Britain. In all of these countries the expressed concerns go far beyond the economic preservation of their information industries to delve deeply into the profound effects that information technology will have on their respective societies.

Japan: As early as 1972, the Japanese Government published "The Information Society: A Year 2000 Japanese National Goal." This report provided a long-range plan for developing an information society in Japan but with an intermediate goal of establishing "the computer mind" by 1985; it included goals not only for the manufacture of semiconductor chips, office equipment and robots, but also for general mass education for computer literacy. Later plans called for the improvement of science information systems, upgrading of data bases, and extensive networking of libraries. Last year, an advisory committee to the Ministry of International Trade and Industry published the JIPDEC report, a preliminary plan for "fifth-generation" computers; that is, computers needs for the 1990's. This document was aimed at identifying and formulating policy for research and development needs and at anticipating some of the social impacts of future information systems. The JIPDEC report makes clear Japan's intention to assume the mantle of information leadership:

> The obligation now is for Japan to lead the world in this area, by means of the development of new technology based on original concepts.

France: The publication of the Nora/Minc report, "The Computerization of Society," commissioned by President Giscard in 1978, signaled France's intent to compete vigorously for a share of world information markets. The report is unequivocal on the future importance of the computer: "Mass computerization will take hold, becoming as indispensable to society as electricity." It emphasizes the importance of policy decisions in determining how information technology is to be used:

> Depending on the policy into which it is incorporated, computerization will bring about changes for the better or for the worse; there is nothing automatic or preordained about its effects, which will depend on how relations between the government and French society develop in the coming years.

Among the many suggestions of the Nora/Minc report was the establishment of a research institute to study the long-term effects of communications, particularly its economic, sociological, and cultural consequences.

The French Government has been very active in promoting the use of computers and telecommunications. France has developed a videotex system, Antiope, and plans to replace the phone book's "Yellow Pages" with an Antiope-based information retrieval system by 1987. Earlier this year, France initiated a program called 10,000 microcomputers in schools. The micros are being placed in schools at

Government expense; already 1,500 teachers are trained to use them, with a program in place to train 1,000 additional teachers each year.

West Germany: In 1975 the Federal Republic of Germany launched an ambitious program for the advancement of information and documentation with the goal "of creating an efficient capability to satisfy the information needs of society." This plan included the establishment of 16 specialized information centers, and computer networks joining the centers with libraries. In 1977 the Society for Information and Documentation was created, integrating several Government agencies dealing with information, and was given the task of coordinating research and development in the information field and dissemination of scientific and technical information. In September of 1979, the Government announced a $500 million information technology program for 1980-83 aimed at improving the understanding of the social impact of the technology, increasing the country's capability in the skills needed to create products using the technology, and improving the country's communications infrastructure.

Great Britain: In 1978 then-Prime Minister Callaghan asked the Advisory Council for Applied Research and Development (ACARD) to set up three working parties to examine the social, industrial, business, and social impacts of semiconductor technology. The ACARD report on semiconductor applications was published in September 1978 and became the basis for the $140 million microindustry support programme, the $110 million microapplication project, and other support schemes.

In 1980 another ACARD report recommended creation of a Ministry for Information Technology. The report stated:

> One Minister and Government Department should be responsible for coordination of Government policies and actions in the promotion and development of information technology and its applications through awareness, education and training, sponsorship of industry, provision of risk capital, public purchasing, publicly funded R&D, national and international regulations and standards, legislation, communications, and related programmes.

The British Government has moved swiftly to implement this recommendation and has appointed a minister with prime responsibility for information and communications issues.

Following the lead of other European nations, Britain has mounted a significant effort to exploit the potential of computers in education and training. The Government recently committed $25 million to setting up a national center for computers in education, and the BBC plans to run a TV series next year that will teach viewers how to use computers.

Mr. Speaker, I could go on with these examples, but I think the message is clear. In each of these countries there is a firm perception that information technology is rooted in an economic and cultural context, and in particular that a coherent approach to information issues must involve mutual support and cooperation, rather than antagonism, between industry and Government. This is perhaps most clearly seen in Japan, where, for example, in a program to develop very large-scale integration (VLSI) technology, the Government channeled $100 million in research funding through an intraindustry committee which allocated funds and research tasks, and arranged sharing of the results. Japan has also had, since 1967, a nonprofit independent organization, funded by business and government, called the Research Institute of Telecommunications and Economics. This was established to conduct socioscientific research and study of telecommunications. Its mission is to forecast social needs for telecommunications, to anticipate the role of telecommunications in the future society, and to contribute to systematic telecommunications theories and policies.

An analogous structure in the computing field, the National Computing Center Ltd., has existed in Great Britain since 1966. A nonprofit organization financed by industry, commerce, and government, it provides information, advice, and training; promotes standards and codes of practice; and cooperates with and coordinates the work of members and other organizations concerned with computers and their use.

INFORMATION POLICY IN THE UNITED STATES

Where, then, does the United States stand in its development of information policies?

Let us agree at the outset that our political and economic traditions prescribe some fundamental differences in our information posture from that of most other countries. The first amendment prohibits the Government from interfering with the free flow of information, except in limited circumstances, and we have a strong commitment to private ownership and operation in information and communications, unlike most developed countries. These political and economic traditions and the highly pluralistic nature of our society make a coordinated treatment of information policy concerns a difficult and delicate task. We tend to take information and the tools used to process and transmit it for granted, and to think of it as ancillary to the real business at hand, be it energy, health care, banking, or whatever. In addition, unlike most countries, we do not have the motivation for policy development of being under foreign domination in information products and services.

When all possible excuses have been made, however, I still think that the United States is doing an inadequate job of planning for the information future. The decisions we make about this future will have profound implications, not only for our economic well-being, but for the size and structure of the work force, for the evolution of our educational institutions, for personal privacy and civil liberties, and for many other concerns central to our personal and societal values. Yet at the present time responsibility for Federal research, development, and policy activities concerned with information is uncoordinated and fragmented throughout numerous agencies, and there is no effective forum where Government and private interests may cooperate in consideration of policy issues. An integrated approach would require that information technology and its development be considered together with the potential economic and social impacts of this technology and with policy issues regarding information access and delivery. It would not require that all these functions be performed under the same roof or even by the same agency; but it would require coordination of activities and high-level planning and direction.

It does not seem possible to do this under the present structure. As currently organized, civilian research and development in information science and technology is primarily supported by the National Science Foundation (NSF) basic research and some policy research and analysis and by the National Bureau of Standards (NBS) research on network architecture, standards and protocols, security. The National Telecommunications and Information Administration (NTIA) is charged with providing policy advice to the President on information and telecommunications issues. NTIA, a small agency, has had to struggle—not always successfully—for visibility and influence within the Department of Commerce. NSF, NBS, and NTIA all have their own mechanism—s for eliciting outside advice from the information community.

Within the Executive Office of the President (EOP), where ultimate policy responsibility must reside, OMB has assumed the primary responsibility for Federal information policy and management, a role greatly strengthened by the passage last year of the Paperwork Reduction Act. General information policy issues have been addressed elsewhere in the EOP, and the Office of Science and Technology Policy (OSTP) has had a nominal concern with scientific and technical information.

Mr. Speaker, what is plainly missing in this picture is some mechanism for connecting concerns for the develop-

ment of this powerful technology (primarily scientific and technological questions) with consideration of the policy issues which the employment of this technology inevitably raises (primarily economic, political, and social questions). Technology development cannot be permitted to be the sole determinant of political and social values, but neither can it be made to conform to predetermined dogma concerning its proper use. Profound technological advances change the way we think about the world. We need to develop conceptual approaches broad enough to appreciate the potential of this technology and to anticipate and plan for the changes to come, before the rush of events forecloses some of the options now available to use in developing and managing this technology.

THE INSTITUTE FOR INFORMATION POLICY AND RESEARCH

It seems to me that a successful approach requires at least these ingredients: (1) a better understanding of the potential impacts and the limitations of information technology; (2) the joint development by the public and private sectors of guidelines to translate this understanding into a consensus for future action; and (3) a mechanism with the authority and resources to refine and implement the policy guidelines thus arrived at. The legislation which I am introducing today attempts to provide these ingredients.

Title I of the Information Science and Technology Act establishes an Institute for Information Policy and Research as an independent agency in the executive branch. The Institute has a lifetime of 10 years, unless extended by Congress and is viewed as a transitional mechanism to facilitate our Nation's evolution into an information society. The Institute is not intended to conduct basic research in information science and technology or development of hardware. It would not itself determine policy, nor would it have any regulatory authority. Its purpose is to provide ingredients (1) and (2) preceding:

To investigate and provide assessments of current and projected future developments in information science and technology, and of potential applications and their impacts, to serve as a basis for policy determination in information-related issues; and to provide a forum for considering the information concerns of government, industry and commerce, educational interests, and the public.

The intent behind the independence of the Institute is to allow it an unconstrained perspective on such issues as institutional structure and regulatory policy. Placement of the Institute within an existing department or agency could easily skew the Institute's view toward that agency's particular mission and involve it in bureaucratic squabbles.

The independence of the Institute, its degree of freedom in hiring practices, and its association with academic and commercial institutions should enable it to assemble and maintain a staff of the highest intellectual and leadership capacity.

STRUCTURE OF THE INSTITUTE

Under section 105 of the bill, the Institute would operate under the general supervision and policy control of a 15-member National Information Science and Technology Board, to be appointed by the President for 5-year terms. The Board would include policy-level Federal officials with information responsibilities; representatives of private sector businesses providing information products or services, or trade associations comprised of such businesses; representatives of scientific or professional associations and of educational institutions. Board membership would represent the variety of different functions involved in information processing and transfer, including technology development and marketing, provision of access to information, and consumption of information.

Section 106 provides for a Director of the Institute, appointed by the President with the consent of the Senate, and such staff as necessary.

The Institute would have a procedure by which organizations and institutions with a serious interest in information issues could become affiliates (section 104). Along with the diversity of viewpoints represented by the Board, this provision is designed to promote cooperative interaction among government, industrial and commercial interests, and scientific and educational institutions. In developing the programs of the Institute, the Director is instructed to consider the concerns of the affiliates, as well as to consult with the Board.

In addition to the initial 3-year appropriation for the Institute, the Board would set a fee schedule for affiliates. The Institute would evolve toward a joint public-private funding arrangement somewhat analogous to that of Japan's Research Institute for Telecommunications and Economics, or England's National Computing Center, mentioned earlier.

FUNCTIONS OF THE INSTITUTE

A fundamental assumption in the Information Science and Technology Act is that in some areas we do not yet understand information and information technology well enough to formulate optimal policies. Extending and deepening our base of understanding is a fundamental mission of the Institute for Information Policy and Research.

There is a broad spectrum of research and analysis involved in information issues, from basic research in information science through hardware and software development to research on applications and their effects and on the policy options for providing access. While it is difficult to make a clean cut in these functions for purposes of clarifying responsibility, the Institute's emphasis is on policy and research issues which are of overall national import and which transcend particular agency missions. Not surprisingly, these are precisely the kinds of issue which everyone assumes that someone else is looking after. In the words of the Nora/Minc report, which recommended a similar structure in the French Government, the Institute's task "would be to analyze, warn, alert, propose, and persuade". It would not replace or duplicate the research programs of the National Science Foundation or the National Bureau of Standards.

The Institute would be expected to develop a cadre of highly qualified experts to perform studies and analysis in-house when possible. Section 109 of the bill explicitly charges the Director with coordinating its programs with other agencies and with funding any basic research and technical studies it deems essential through NSF, NBS, and the Institute for Telecommunications Studies, where appropriate. The Institute could, through contracts or cooperative agreements, conduct studies and analyses for other agencies or nongovernmental organizations.

Mr. Speaker, section 104 of the act charges the Institute with 11 specific functions. I will mention several of these, which give a good indication of the scope of the Institute's duties.

MONITORING OF DEVELOPMENTS IN INFORMATION SCIENCE AND TECHNOLOGY

The Institute is to collect, assess, and make available to the Federal Government and to Institute affiliates data and information about developments and trends in information science and technology throughout the world. The collection process would draw on existing sources where possible and would be coordinated and supplemented when necessary by the Institute's own efforts.

RESEARCH OF IMPACTS OF TECHNOLOGY

More research into the economic and social impacts of information technology is needed as a foundation for building policy. The Institute's study areas would include potential impacts on the size, structure, and training needs of the work force; development of better measures of the effectiveness of information technology in enhancing productivity, especially in the services sector; and research into the psychological and sociological effects of human interaction with information technology.

EDUCATION AND TRAINING NEEDS

In hearings held last year by the Science and Technology Committee jointly with the Education and Labor Committee, the importance of widespread "computer literacy" for increasing productivity and for national security

was repeatedly emphasized. It was also pointed out that the United States now lags behind many other nations in teaching of computer skills. In a recent Army testing of 1,663 computer programers, 77 percent failed to meet minimum standards. The Institute is directed to conduct studies and make recommendations directed at citizen preparation for the information age, with particular attention to the difficult question of equality of opportunity for information access.

BACKGROUND OF REGULATORY DECISIONS

The convergence of computing with telecommunications and the resulting emergence of "hybrid" technologies raise regulatory issues and protection-of-property issues with serious consequences. By virtue of its independent status, the Institute would be in a unique position to analyze potential impacts of regulatory decisions and patent and copyright policies on the development of new technology configurations, and on their uses for such purposes as electronic mail systems and electronic funds transfer. The Institute could aim at developing model codes and regulations responsive to new or novel applications of information technology and telecommunications. It could also provide direction in future disputes arising from public-private competition in the provision of data and information services.

SUPPORT OF SCIENTIFIC R&D

The Institute is directed to identify areas of overall national importance in future technical research and development. Of particular concern are future needs for large-scale computing capabilities and networks for scientific research, where the needs transcend the missions of individual agencies and require coordinated action among a number of scientific disciplines to prevent duplication and to allocate limited resources wisely. Because of its unique cooperative nature the Institute would be in an ideal position to, for example, catalyze industrywide joint research in the development of VLSI technology, or to encourage further industry-university cooperation in computer science research and development.

INTERNATIONAL INFORMATION CONCERNS

International issues such as transborder data flows are of increasing concern to American firms doing business abroad. The Institute could contribute both by collecting needed data on the nature and extent of these flows and in developing a better understanding of the underlying economics, for example, of how to put a value on different categories of information. It could also play a key role helping less developed countries (LDC's) to acquire needed information by working with the private sector to improve access to existing data and by contributing to the development of international information systems suited to the needs and capabilities of LDC's.

IMPROVING FEDERAL INFORMATION PRACTICES

The Institute could have a major impact on Federal information practices by conducting studies and recommending specific policies and methods for the use of information technology by the Federal Government to improve overall administrative effectiveness and to reduce costs through improved productivity. The foundation here has been laid by the Paperwork Reduction Act. What is needed now to improve Federal Government productivity is not simply more and bigger computers, but a critical examination of task structures and administrative hierarchies and a restructuring of jobs to take advantage of the simplifying and coordinating capabilities offered by flexible new technologies. The Institute is directed to set a standard in its own functioning for the productive and humane use of information technology.

SCIENTIFIC AND TECHNICAL INFORMATION

Another area in which the Institute could have an important effect is in developing and assessing policy options for improving the dissemination of scientific and technical information (STI). Particular needs include better coordination of STI activities among agencies and the elimination of institutional barriers to improved STI flows; integration of data bases and elimination of unnecessary duplication through increased networking capabilities; and some kind of centralized indexing system for STI generated within the Federal Government or under grant or contract with the Federal Government. The problems in this area are, for the most part, institutional rather than technological; they will require coherent planning and high-level support.

TRANSFER OF FUNCTIONS

In order to carry out the program outlined above, section 108 of the legislation provides for transfer to the Institute of the Office of Policy Analysis and Development of NTIA and of information-directed programs in the Division of Policy Research and Analysis of NSF. In both cases these are programs which fit naturally with the Institute's responsibilities. In particular I believe that the services which the NTIA's Office of Policy Analysis and Development was designed to perform would be more effectively rendered within the Institute than in the program's present niche in the Commerce Department.

The President may, in addition, transfer to the Institute any other policy research and analysis conducted within the Federal Government, provided that such programs are of overall national import and transcend individual agency missions. Candidates for transfer would include such programs as the "computer vulnerability" studies now being performed by the Institute for Computer Science and Technology of NBS.

REPORTS

Under section 105 of the act, the Board of the Institute is instructed to submit an annual report to the President, for transmission to the Congress, describing past, current, and proposed activities of the Institute. In addition, the Board is to submit biannually a 5-year outlook on public policy issues concerning information and the application of information technology. This 5-year outlook is expected to anticipate future issues of signal importance.

AUTHORIZATION OF APPROPRIATIONS

Section 110 authorizes appropriations for fiscal years 1983, 1984, and 1985 of $6, $8, and $10 million respectively. These would of course be offset in future budgets to the extent of amounts appropriated to the programs being transferred to the Institute, so that the net cost of the Institute would be considerably less than the above figures. The appropriations would be augmented by fees paid by Institute affiliates and by any additional fees received for particular research projects.

SPECIAL ASSISTANT FOR INFORMATION TECHNOLOGY AND SCIENCE INFORMATION

Mr. Speaker, the Institute for Information Policy and Research is the heart of the Information Science and Technology Act, but the Institute is not itself a policymaking body. As I remarked earlier, ultimate responsibility for policy determination in the information area must rest within the Executive Office of the President. I believe that the Office of Management and Budget has an important role in this policymaking, and section 105 of the act makes the Director of the OMB Office of Federal Information Policy a member of the National Information Science and Technology Board.

However, I also believe that an effective future-oriented policy for information and information technology requires much more active participation by the Office of Science and Technology Policy than has been the case in the past. As I have noted, decisions about the future direction of research and development in information science and technology will influence, and be influenced by, very important questions concerning information access and delivery. For this reason title II of the Information Science and Technology Act provides for a new position in OSTP, that of Special Assistant for Information Technology and Science Information. This individual would be a member of the National Information Science and Technology Board, and would assist the Director of OSTP in "formulating policy and

providing advice within the executive branch on scientific and technical information and the technologies involved with its collection, processing, and dissemination."

It is my hope that the presence of this Special Assistant within OSTP would provide a strong link between the Institute for Information Policy and Research and the Exceutive Office of the President, a link reinforced by the presence on the Board of the Institute of the Director of the Office of Federal Information Policy of OMB. The Special Assistant is explicitly directed to establish a suitable mechanism to coordinate the activities of the Institute with those of executive branch agencies having significant responsiblities for research, development, and application of information science and technology. He is further directed to explore and make recommendations concerning a Federal information locator system for scientific and technical information generated under Federal auspices, and for improving dissemination of this information both domestically and internationally.

CONGRESS MUST ADDRESS ISSUES

Mr. Speaker, we are dealing here with a very complex area, and I would not claim that the bill I am introducing today represents any ultimate wisdom. Others may have better ideas, and I am open to suggestions for alternatives. I am convinced, however, that Congress must move quickly to address some of the important concerns arising from the information revolution. A concerted effort is needed, and I look forward to working with other Members and other committees to meet the legislative challenges presented by these exciting new advances.

National information policies will evolve whether answers are arrived at consciously or unconsciously, deliberately or haphazardly. The question is whether our Government, and Congress in particular, will be foresighted enough to take a considered and coordinated approach. I hope and believe that Congress will, and I invite my colleagues to join with me in working to make that hope a reality.

SUMMARY

Rapid advances in microelectronics and telecommunications technology, and the convergence of computers and telecommunications, have created new opportunities for economic growth, increased export markets, and gains in productivity, and will permit increased public access to all kinds of useful information. At the same time, these advances have important implications for the size and structure of the work force, for the evolution of educational institutions, for personal privacy and civil liberties, and for many other concerns central to our personal and societal values. If we are to take advantage of the opportunities made possible by the new information technologies and minimize potential negative impacts, our social and governmental institutions must come to grips with the important policy questions raised by these scientific and technological developments.

Information and communications technologies are still in a stage of rapid development, and this development will be a dominant feature of the coming decade. The Information Science and Technology Act establishes an Institute for Information Policy and Research, with a lifespan of 10 years. This independent Institute in the executive branch would be a transitional mechanism to facilitate our Nation's evolution toward a society based increasingly on information products and services. This mechanism would make possible cooperative planning among the Federal Government, business, educational interests, and State and local governments, for the productive and humane use of information technology in the workplace, school, and home.

The independence of the Institute would allow it a broad and integrated perspective on such issues as institutional structure and regulatory policy, a perspective not subject to the political or bureaucratic constraints on the several dispersed agencies now concerned with information issues. As structured in this legislation, the Institute would not be engaged in hardware research and development, nor would it have any regulatory authority. Its primary purpose would be to provide a focal point for policy research and analysis and a forum for consideration of the information interests of Government, business, and education.

The Institute would be governed by a 15-member National Information Science and Technology Board representing all functions involved in information generation and transfer, and administered by a Director. It would conduct policy research and analysis, develop and recommend policy options, and propose goals and methods in support of policy development for scientific and technical R. & D.; dissemination of scientific and technical information; international information issues; regulatory issues; and impacts of information technology on education and training needs and on the workforce. The Office of Policy Analysis and Development of NTIA would be transferred to the Institute, and other policy research and analysis programs which are of overall national importance and transcend particular agency missions may be transferred.

The bill requires close coordination between the Institute and other agencies, including the National Science Foundation and the Department of Commerce. Appropriations of $6, $8, and $10 million are authorized for fiscal years 1983, 1984, and 1985 respectively.

Title II of the bill establishes the position of Special Assistant for Information Technology and Science Information in the Office of Science and Technology Policy. The Special Assistant would be a member of the Board of the Institute and would have responsibility for coordinating the Institute functions with other agencies of the executive branch and with assisting the Director of OSTP in formulating policy on information technology and on scientific information.●

WHO BEARS THE TAX BURDEN?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 15 minutes.

● Mr. LEVITAS. Mr. Speaker, it has long been my contention that the person who bears the heaviest relative burden of the Federal income tax bill in this country is the middle-income taxpayer. As the cost of running the country goes up, both in real dollars and inflated dollars, the largest portion of those extra dollars comes from this middle-income group.

As we consider tax cut proposals in this Congress, I believe we should concentrate on providing some tax relief and tax equity to this group of productive citizens who largely bear the burden of financing government at all levels.

Is it fair to continue to sock it to these same people and groups? Are we creating disincentives to this productive segment of our society? When we talk of tax relief, should not these people be the recipients of some relief rather than the bearers of additional burdens?

Everyone should pay his fair share of the cost of government, but it is not right for some people to escape paying any significant tax while others pay more than their fair share. For that reason I favor the concept of a minimum tax formula which assures that each person pays something to support the Government regardless of deductions, writeoffs, allowances, and shelters. This is only fair to those hard-working wage earners who pay the maximum of tax for their bracket but cannot avail themselves of special tax shelters to avoid paying taxes. A minimum tax assures equity and that everybody pays a share of the cost of government.

We also need a tax structure which encourages the formation of capital for investment in the private sector of the American economy. It is this vibrant, productive private sector that provides the jobs, the material wealth, and the standard of living for all of us. It also provides the tax base that supports all the Government. We must

provide incentives—not disincentives—for people to save and to invest. In the long run that is where the real hope of our economy lies.

I would like to share with my colleagues a report by the Tax Foundation, a nonpartisan research organization, which demonstrates that the middle-income taxpayer is in fact footing the largest portion of the bill. I am inserting in the RECORD a portion of the results of a national opinion survey conducted by the Roper Organization. This report illustrates the perceptions of taxpayers feelings on the fairness of the amount of income taxes paid by the poor, middle class, and wealthy; and, their perceptions of the lower limits and upper limits of middle income. I want to bring these reports to my colleagues attention because they are important for us to be aware of as we undertake new tax legislation in this session of Congress.

I offer for the RECORD the report of the Tax Foundation, followed by the report of the Roper Organization, at this point:

TOP HALF OF EARNERS PAY 90 PERCENT OF TAX BILL; NUMBER OF MILLIONAIRES UP IN 1978

Those who earn more pay higher tax rates. That the Federal income tax system is sharply progressive should surprise no one. However, Tax Foundation economists say that the price for some taxpayers can get very high indeed. Based on Treasury data for 1978, just released, Foundation researchers find that the top 50 percent of earners pay 93.5 percent of the Federal income tax bill, and this concentration of the tax burden in the upper end of the income spectrum is on the increase, the Foundation reports. In 1973, the richer half of the taxpayers carried 91.6 percent of the Federal income tax burden.

The Federal income tax bill for calendar year 1978 came to $188.6 billion. Over $176 billion of the total was picked up by the 45 million taxpayers with incomes at or above the median level. Moreover, a large part of the tax bill—nearly half—was shouldered by the 9 million taxpayers who comprise the richest 10 percent.

Those earning $29,414 or more in 1978 paid 49.7 percent of all U.S. income taxes. Five years earlier, earners in the top 10 percent were footing 47.5 percent of the Federal income tax bill.

By contrast, the lower half of U.S. earners (those making $10,959 or less in 1978) paid 6.5 percent of all Federal income taxes in 1978. Earners in the lowest 25 percent income group—those making $5,039 or less per year—paid 0.4 percent of the Federal income taxes in 1978.

Tax Foundation economists also detect an increase in the progressivity of the Federal income tax. The average tax for all taxpayers in 1978 was $2,098, an increase of 57 percent from 1973. For the top 10 percent of earners, the tax in 1978 came to $10,430, or 64 percent more than five years earlier.

For the richer half of the taxpayers, the average tax of $3,924 in 1978 increased slightly less, by 60 percent. For the lower half, however, there was an average tax increase of only 21 percent—from $225 in 1973 to $272 in 1978.

Other trends in the past five years included:

The number of "millionaires"—those reporting income of $1,000,000 and over—increased by 1,189—from 903 returns in 1973 to 2,092 in 1978. This group paid an average tax of $934,863 in 1973 and $998,144 in 1978, or 64.7 percent of taxable income in 1973 and 65.4 percent in 1978.

Population at the same time rose by less than 4 percent, adjusted gross income tax collections by 74 percent. Federal income taxes claimed 13.1 percent of adjusted gross income in 1973 and 14.5 percent in 1978.

The table below supplies details on Federal income tax payments by earners at various levels.

FEDERAL INCOME TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS 1973 AND 1978

Adjusted gross income class	Income level		Percent of tax paid		Average tax	
	1973	1978	1973	1978	1973	1978
Highest 10 percent	$20,138 or more	$29,414 or more	47.5	49.7	$6,362	$10,430
Highest 25 percent	$13,929 or more	$19,860 or more	70.5	73.8	3,777	6,208
Highest 50 percent	$8,081 or more	$10,960 or more	91.6	93.5	2,454	3,924
Lowest 50 percent	$8,080 or less	$10,959 or less	8.4	6.5	225	272
Lowest 25 percent	$3,594 or less	$5,039 or less	0.6	0.4	32	32
Lowest 10 percent	$2,348 or less	$1,988 or less	(1)	(1)	3	6

[1] Less than 0.1 percent.

Source: Tax Foundation computations based on Treasury Department, "Statistics of Income, Individual Income Tax Returns," 1973 and (preliminary) 1978.

[From 1979 Tax Study by the Roper Organization]

FAIRNESS OF AMOUNT OF INCOME TAXES PAID BY POOR, MIDDLE CLASS, WEALTHY

When the public is asked which income groups pay too much or too little in taxes, they explain once again what they mean when they say the tax system is unfair. The majority of the public considers itself middle class and middle class families, they think, are taxed too much. High income families, on the other hand, pay far too little. And they're not all that sure the low income families pay too much, if it comes down to that.

Question 10. Here is a list of some different types of people or groups. (Card shown respondent) Would you go down that list, and for each one tell me whether you think they have to pay too much in income taxes, or too little in income taxes or about the right amount?

	Total public 1979	Under $7,000	$7,000 to under $15,000	$15,000 to under $25,000	$25,000 and over	Total public 1978
Number of respondents	1,502	272	429	507	279	2,007
	Percent					
Low income families:						
Pay too much	45	61	53	36	32	47
Pay too little	5	4	3	5	7	4
About right	38	26	34	46	46	37
Don't know/no answer	12	8	10	14	16	13
Middle income families:						
Pay too much	71	58	69	77	78	74
Pay too little	2	6	3	1	(1)	2
About right	22	28	23	19	20	20
Don't know/no answer	4	9	5	3	1	4
High income families:						
Pay too much	8	7	7	7	13	7
Pay too little	75	75	72	79	74	76
About right	9	8	11	8	10	9
Don't know/no answer	8	10	10	7	3	7

[1] Less than 0.5 percent.

But again, note that the percentage of people who think that lower income and middle income families pay too much has declined, further evidence suggesting that the "Tax Revolt" is dying down.

The table above explains something else about what unfair taxes means. People whose families are low income feel more strongly than the public at large that low income families pay too much in taxes. The same is true for people whose families are in

high income brackets: They too feel, more so than the average, that high income families have taxes which are too high. This is not to say that the overwhelming majority of high income families don't (surprisingly) feel that such families pay too little, nor that they and everyone else doesn't think that middle income families pay too much. It merely means that everyone has a tendency to feel that he is being treated a little bit more unfairly than the next man.

This logic also works for middle class families, but not without a careful explanation of terms. If one considers a middle class family to be one which makes a total annual income somewhere between $7,000 a year and $25,000 a year, then 73% of such people think middle income families pay too much to the IRS, a very modest, almost imperceptible increase over the general average of 71%. But how widely does the definition of middle class extend on either side of a median annual family income of some $16,000 to $17,000 a year according to latest estimates of the Bureau of the Census? Or, more precisely, how far do people think the boundaries of the middle class extend?

LOWER LIMIT OF "MIDDLE INCOME" AND UPPER LIMIT OF "MIDDLE INCOME"

Once again, as was done last year, this study asked respondents to say how much they thought a family would have to make before it would be considered middle income and also before it would be considered high income.

Question. 30. Now, let me turn to another subject. Thinking of a family of four, that is, a couple with two children, how high would their annual income have to be before you would describe them as a middle income family rather than a low income family?

Question 31. And, again, thinking of a family of four, how high would their annual income have to be before you would describe them as a high income family rather than a middle income family?

	Total public		Total annual family income is:							
			Under $7,000		$7,000 to under $15,000		$15,000 to under $25,000		$25,000 and over	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
Number of respondents	1,502	2,007	272	375	429	648	507	606	279	358
Average (median) answer dividing lower income from middle income	$20,679	$19,702	$18,066	$17,372	$19,496	$18,836	$21,162	$19,844	$22,887	$22,907
Average (median) answer dividing middle income from upper income	$42,939	$39,719	$39,236	$34,789	$40,946	$34,888	$42,901	$39,818	$49,213	$51,056

The results from this year's study confirm the wildly exaggerated conception that the public entertains about how much a middle income family makes (or, to put it the other way, what the word "middle" means). There are no responsible estimates of the average (median) family income today that go as high as $20,000 a year, and yet this is where the nation thinks low income ends. Amusingly, the richer you are, the richer you think everyone else is. According to these findings, upper income people have little difficulty thinking of a family that makes $22,000 a year as "low" income (although in their defense, it must be said their lower limit of middle income is down an average of $20 from last year).

The upper limit of middle income is seen by the public as a fantastic $42,939 a year, an income that actually is reported by less than six percent of the respondents to this survey.

This statistically incredible estimate of the dollar boundaries of "middle income" goes a long way to explain what the public means when it says that one group or another is overtaxed. It seems difficult to imagine that very many people misjudge their own annual family income by $10,000 a year or more. It seems more probable that these people are mainly misjudging what other people make. If this is the case, then more than half of the public must see itself as lower income, a group that is not judged to be very much overtaxed. Conversely, the strong sentiment for more taxation of upper income families now can be read as referring to those which earn $43,000 a year or more.●

NATIONAL DIALOG FOR THE BUSINESS SECTOR: WHITE HOUSE CONFERENCE ON THE AGING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, on March 6, 7, and 8, there was held at Palm Springs, Calif., a National Dialog for the Business Sector—White House Conference on the Aging. The chairman of this very significant conference was the Honorable Robert Anderson, chairman of the board and chief executive officer of Atlantic Richfield Co.; and the cochairman was the Honorable Marshall McDonald, chairman of the board and chief executive officer of the Florida Power & Light Co. This conference was a kind of miniconference among leaders of the business sector in preparation for the participation of the business sector in the coming White House Conference on the Aging. Gathered at this conference were an outstanding group of the business leaders of America who over a period of 3 days surveyed all aspects of the part that the business of our country should play in respect to the employment, assistance, and care of the aging.

It was gratifying to me to see, in general, the sincere desire of American business leadership to play a proper and worthy part in providing employment and assistance to the increasing portion of our population which is above 65 years of age. All aspects of the relationship of our aged population to our economy and our national life, including the special needs of the elderly and also the potential of the elderly in the service of the Nation's economy and the Nation's life were considered. The two chairmen, Chairman Anderson and Cochairman McDonald gave magnificent leadership, not only in convening, but in conducting this most significant dialog. Both delivered outstanding addresses to the conference. Cochairman McDonald in his able and warmly received address treated the problem as a whole and dealt knowledgeably and ably with the various phases of it. His outstanding address was, I think, typical of the sentiment of the business leaders of our country, who were assembled there—indeed, of the business leaders of our country in general. I am sure every Member of the Congress and those who read this RECORD who share the general concern about our duty to the elderly and about our expectations from them will profit immeasurably from reading Cochairman McDonald's address. We in Florida are very proud of Mr. McDonald as an eminent business leader who is equally distinguished for his civic leadership and his contribution toward his serving of the public interest.

Mr. Speaker, I include at this point in the RECORD the commendable address of Cochairman McDonald:

THE AGING OF AMERICA: IMPLICATIONS FOR CORPORATE POLICY

(By Marshall McDonald, Chairman of the Board and Chief Executive Officer, Florida Power & Light Co.)

After listening to Dr. Eisdorfer, Mr. Anderson, Mr. Samuel and Senator Pepper, none of us can doubt that the aging of America's population presents both challenges and opportunities. Before we consider some implications for corporate policymakers, I'd like to emphasize the overriding opportunity which this meeting—and this entire subject—offers to us in American business. It is an opportunity which we must not lose by default.

Through this business dialogue and the resulting recommendations to the White House Conference on Aging, we in business have the opportunity to contribute to national policymaking on this issue at a point early in the day. Whatever national policies grow out of the White House Conference, they will have major impacts upon our businesses. Starting right here—right now—we can help influence the direction and shape of these future policies in ways that will be constructive for our customers of all ages. For our employees and shareholders, for our nation and its economic health.

If we fail to make constructive use of this opportunity we shall leave a vacuum which others will be happy to fill. Among these others there are those who do not love us—militant enemies of private enterprise who preach that central government control is the medicine for every illness.

We are all grownups here, and we know that these other voices will be heard. We know that we are not going to get our way—whatever that may be—in every issue and

decision. But we have a great deal to contribute to both making and carrying out sound national policies for the aging. And we have a great deal at stake in making these policies effective for the general good.

Let us face the fact, right at the start, that these are political issues—and rightly so. National policymaking is, by definition, political—a never-perfect and never-ending attempt to define and serve the many interests of a large and marvelously diverse population. And while politics is often referred to as a "Game", there are times when the game isn't much fun. This may be why many business people have been reluctant to involve themselves deeply in matters political.

And yet, we live and work in political times. Consider the number and variety of areas in which we once made purely business decisions, which have now become highly political. Hiring practices, plant siting, work rules, product design, supplier relations and distribution channels, advancement practices, pricing, public communications—in all these activities and many more, where we once measured time and distance and dollars, today we must also weigh pressure groups and count votes. Trained in production, finance, marketing or law, as many of use are, we have now come to realize we must also study politics.

We could spend the day discussing whether this turn of events is good or bad. But that would be pointless. Like it or not, we do live in political times. It is our business to become active in the political arena.

This is why the opportunity here presented to us—the opportunity to help shape America's policy on aging—is one we must accept. In fact, let me list that first among the implications for corporate policy presented by the aging of America's population. Corporations must concern themselves with the issues of aging, even though the subject is fraught with, political considerations.

This willingness to include the issues of aging in our corporate policymaking should be, then, the first statement that goes forth from this dialogue to the White House conference. But, right alongside it, in my opinion, should go another statement, and the substance of this second statement should be: Let business meet the issues of aging in those areas, and in those ways, that are appropriate for business.

Permit me to expand on this thought. As we have already heard, and will explore further during the remainder of this dialogue, the issues of aging have many ramifications—economic physiological, psychological, sociological, moral and legal, to mention a few. Corporate business—as business—is not always and in all aspects the appropriate mechanism for addressing all these ramifications.

For example, we must recognize and adapt to the physiological realities of aging. But business—as business—is not the appropriate mechanism for providing health care.

Similarly, business must always deal with aging workers and customers on a high moral plane. Indeed, business should always be sensitive to moral issues, and I would hope the vast majority of us have always been so. But business is not the appropriate mechanism for redressing moral wrongs done to the aging in other spheres of life.

Among those dedicated to the destruction of private enterprise, some may say statements like these prove that business is heartless and unfeeling. Even among the well-meaning, some simple souls seem to believe you can lick problems with slogans. They too may claim we are abdicating our social responsibilities.

To these people, I suggest a line of thought borrowed from one of my associates, who recalled a college professor's discussion of the concepts "good" and "bad." His professor pointed out that a watch is designed for telling time, and a hammer is designed for driving nails. You can use a watch for driving nails, if you are so inclined. But it isn't very good for the purpose. Nor will you do much good for the watch's function as a timepiece. Similarly, if the Nation tries to use business for purposes not appropriate to business, we will not achieve the desired good results . . . and in the process, we will lessen the ability of business to do the good which it is best fitted to do.

This leads us to the "good" things—the desirable things—that business is best fitted to do. In our economic and social system, private enterprise business provides the mechanism for making available to people the goods and services they want . . . and to do this, business employs the resources of society—human and material—in the most efficient socially acceptable ways that are practically achievable.

In a very literal sense, these are the social responsibilities of business. And despite what you hear from the Ralph Naders and the Barry Commoners and the academic socialists and the parlor marxists, despite our own human shortcomings and occasional lapses, one unarguable fact stands out: At no other time in history, and under no other economic system ever tried by mankind, have these social responsibilities been discharged as well as they have been by American private enterprise in our lifetime.

What we must explore during this dialogue—and what we must address in our corporate policymaking in the years ahead—is how in doing its work, business can meet the conditions created by the aging of America's population.

It is for you to discuss the specifics. My role is to suggest lines of thought and stimulate discussion. With regard to the first of those twin business responsibilities providing—the goods and services needed and wanted by aging Americans—I would suggest that the structure and methods of corporate business are already well designed to do the job.

We have all heard and read that America's older people, considered as a market, are becoming significantly more numerous. We see the older American looming significantly larger as a segment of the total market. And we learn that older Americans control the spending of significantly greater sums of money than ever before. In a market economy, these facts alone guarantee that corporate policymaking will pay great heed to older Americans when forming decisions about products and services.

Now, however, we come to that second social responsibility and function of business—employing the resources of society. And specifically the human resources of society, in the most efficient socially acceptable ways that are practically achievable. Here we do indeed have work for corporate policymakers. Together with the aging of the American population we see the aging of the American work force. And this does present policy challenges and opportunities for corporate business.

If business is to meet these challenges and turn these opportunities to the advantage of our society as a whole, one thing we do not need is the development of an adversary relationship between business and government or between business and single-issue pressure groups. We have seen too much of that in the past, and it has hindered the nation's progress in meeting earlier challenges. As someone has said, there is a world of difference between the poor and the poverty activist, between the nature-lover and the militant environmentalist, between the consumer and the professional consumerist. In each instance, the former needs a problem solved, while the latter needs the problem.

We must not allow that to happen in addressing the issues of aging and the aging worker. We must have sincere good will and perceptive recognition of its own best interests on the part of business. We must have understanding, realism and a sense of partnership on the part of the aging and their advocates. We do not need—the aging will not benefit from—a battle of slogans or a fog of poorly written law and regulation.

For its part, business must learn a great deal that will be new to us. We must be willing to change some policies and practices that have become enshrined in custom. We shall have to reexamine the whole structure of retirement, social security and pensions.

Just a week ago we heard a special commission recommend that every business be required by law to fund pension plans for all employees to the extent of three percent of the total payroll. It is neither my task nor my intention to delve into all the complexities implicit in this seemingly simple proposal. Just let me pose a question: What effects will this have on companies like my own, which already offers an employee benefit package—including pensions—that raises total payroll costs about 40 percent above wage costs alone?

While we speak of pensions and retirement, consider the matter of keeping older people in the work force. In many ways this would be a great opportunity for business. Much as we abhor generalizations, there is evidence that older workers can be more reliable, more productive, more quality-conscious.

But the general statistical trend of recent decades shows workers choosing to retire at ever-earlier ages. Some studies show one or two years of variation from this younger-retiring trend. But are they just incidental blips in a downward line?

If so, if people are choosing to retire earlier, what are the implications? Can business develop policies that will keep these workers productive longer? Should we try to do so? With the well-known bulge from the "baby boom" passing upward through the age ranks, should it become a national priority to keep older workers in the work force? And if so, will Government adopt constructive policies that encourage corporate attempts to achieve this goal?

From these broad, national issues we can move to questions at the individual level. The scientific experts tell us that different people age at different rates, that we make a serious mistake when we generalize about "people over 60" and "people past 65."

But these same scientists tell us they are a long way from having reliable methods for detecting and measuring these differences in aging rates among individuals. And this is precisely the sort of information business must have if we are to make the best use of older workers—the best use from their own point of view, from the corporation's point of view and from society's point of view. We must know whether this man at 60 can no longer handle his stressful job, whether

that woman at 65 is sharper than ever, and getting better rather than older.

You need only read the job ads in the Wall Street Journal, or skim a few issues of business magazines, to see that human resources management is one of the liveliest areas of corporate concern today. Dealing with the challenges and opportunities presented by aging will make it more so. Every well-managed firm has programs and policies to identify rising talents in their 20s and 30s. We go to great lengths to place these people where they can best use and develop their abilities.

Now we may want to consider making human resources assessment a continuing process, throughout a worker's career. Corporate policy may seek to identify the point at which an individual needs retraining. And—again presuming that the joint interests of society and the firm indicate keeping workers on the payroll longer—what should be our policy when assessment shows that a worker is no longer rising in capability?

It has been the almost universal assumption that an individual's career—measured in worth to the company, pay and assigned responsibilities—could be graphed in a relatively straight line that keeps ascending from left to right. What if this imaginary graph shows a peak around age 45 or 50, and a decline in abilities after that?

Can we, should we, move this worker's pay and responsibilities downward to match his or her declining value to the firm? Will the employee stand for it? Will society stand for it?

Would everyone be better off if we discharged the employee, because the present workplace climate seems to stigmatize one who is perceived as moving downward? Alternatively, should corporate policy seek to change the internal climate—at every level from chairman to charlady—so that there is a stigma only when worker, job and pay do not match?

We've touched upon only a few of the corporate policy questions that will be raised as we meet the issues of aging. Other policy areas that must be examined—or perhaps, reexamined—will include the possibility of greater reliance on part-time workers.

We shall have to learn more about the motivations that stimulate older employees, more about the frictions that may develop between a growing force or older workers and a smaller number of younger workers, eager to advance in pay and position, more about what happens when older employees have younger supervisors, and whether something different happens when older male workers get a younger female supervisor. We may have to revamp our views on absenteeism, perhaps learning that there are different kinds of absenteeism.

We may have to abandon completely the tacit policy in many firms of "carrying" the employee whose capabilities decline after age 55 or 60. When we find people in our organizations holding positions beyond their abilities, and holding those positions solely by length of service, we must acknowledge that the organization has failed these employees. Here, again, the answer may be a policy of continuing reassessment, of retraining and reassignment.

This brief review makes it clear that the issues of aging will present the U.S. corporation with many questions . . . and no easy answers. But we in business are not alone in this predicament. As America's population ages, equally difficult questions will face government, labor and all our social institutions. In meeting the needs of aging Americans, we must not ignore the needs of all Americans—and this includes the needs of future Americans.

Looking to the future, however, is nothing new for Americans, nor for American business. What we must now learn—and this is new—is to look to a future in which older Americans will play a much more important part than they have in the past. It is my conviction that business will do its share in preparing for this future. We shall do so, if for no other reason than that it is good business to face reality. And the aging of America is a reality.●

ON COLLISION COURSE: MX MISSILE AND ENERGY DEVELOPMENT IN WEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, one of the most significant—but least publicized—objections to the MX/MPS missile system is the harm it will cause to numerous energy projects in the West. For this reason, I wish to call my colleagues' attention to a March 31 article in the Christian Science Monitor entitled "On Collision Course: MX Missile and Energy Development in West."

The article points out that despite "head-to-head competition for limited manpower, capital, and materials to an extent unprecedented in U.S. history * * * (there is) little apparent recognition of the potential conflicts and adverse effects of 'fast-tracking' both." The Rocky Mountain region is already gearing up for intensified oil and gas production, coal mining, and synthetic fuels development. If the region is then forced to cope with the MX/MPS basing mode—the largest construction project ever attempted—the social and economic strain would be prohibitive.

The Western Governors' Policy Office (WESTPO) has now completed, a first time study of the joint impact of MX and new energy projects. In the words of Nevada Gov. Robert F. List, the study confirms "important and sobering facts regarding * * * problems that could result in inflated wages, play havoc with cost estimates and budgets, and result in costly construction delays."

I urge my colleagues to read the WESTPO study and to reevaluate their MX positions in light of its important conclusions.

I also recommend a Christian Science Monitor editorial also published in the March 31 edition. The editorial is entitled "The MX Monster—Doubts From Those in the Know." It reviews the doubts expressed by both President Reagan and former CIA Director Admiral Stansfield Turner; then concludes that—

The burden is on the Defense Department's new review committee to come up with overwhelming reasons—currently not evident—if it is to recommend going ahead with the project.

The article and editorial texts follow:

[From the Christian Science Monitor, Mar. 31, 1981]

ON COLLISION COURSE: MX MISSILE AND ENERGY DEVELOPMENT IN WEST

(By David F. Salisbury)

LAS VEGAS, NEV.—Energy development and the proposed MX missile deployment are on a collision course: The two would be in head-to-head competition for limited manpower, capital, and materials to an extent unprecedented in US history if the multibillion-dollar weapons system were given the final go-ahead.

Yet efforts to promote the twin national goals of energy independence and national defense are proceeding independently in Washington, with little apparent recognition of the potential conflicts and adverse regional effects of "fast tracking" both.

This, at least, was the general feeling among those attending a conference here on MX and energy sponsored by the Western Governors' Policy Office (WESTPO). More than 300 representatives from state and federal agencies and the private sector met last week to define the problems that can be expected and come up with recommendations on how best to deal with them.

"We are dealing with an unbelievable, with a profound problem, the true size and character of which we are just beginning to understand," proclaimed Utah Gov. Scott Matheson (D).

The Rocky Mountain region, which emerged in the 1970s as the fastest-growing area in the country, faces the prospect of coping with the largest construction project in the history of mankind, the basing of the MX missile system and greatly intensified oil and gas production, coal mining, and synthetic fuels production.

For some time local leader's such as Colorado Gov. Richard D. Lamm (D) have been worried that the region is "willing but not ready" for the added pressures of synthetic fuels production. With this conference, which concentrated on manpower issues, Western leaders grappled for the first time with the joint impact of MX and new energy activities. They found the picture overwhelming.

The conflict in demand for labor—should all the projects currently being planned in this area proceed as scheduled—was outlined by Nevada Gov. Robert F. List (R) He summarized the results a just completed manpower supply and demand study for WESTPO.

"We have discovered some important and sobering facts regarding the manpower issue in the West. We face problems that could result in inflated wages, play havoc with cost estimates and budgets and result in costly construction delays—unless we plan for meeting our manpower needs early in the process of development and deployment," Governor List told those attending.

According to this study, direct employment demands in the region for all energy activities will grow by 66 percent, from 147,000 to 247,000 people in just five years. Currently, nonenergy mineral mining and smelting employs about 135,000 and also is expected to grow substantially. On top of this, MX missile deployment will require another 28,000 workers in 1986.

In total, the WESTPO study projects a demand of 128,000 new jobs by 1986, grow-

ing to 2.4 million in 1990. This is far more than the regional population can provide. "In the future, two out of three new workers may have to be recruited from outside the region," List anticipates.

Competition for people with certain skills between MX and energy projects will be particularly acute. WESTPO analysts see demand for engineers increasing by 15 percent as a result. Yet, engineers are already in short supply nationally. Experienced managers, draftsmen, electricians, operators of earth-moving equipment, carpenters, and iron workers are likely to be needed in record numbers as well.

List is particularly concerned about the "whirlpool effect" that accompanies a project that absorbs a large percentage of the available work force. This is the tendency of these "superprojects" to vacuum up all available workers in the area. Local businesses, farmers, and ranchers cannot compete with the wages offered by the construction projects. They are forced to hire unskilled transients attracted to the area for inflated salaries or go out of business. At the least, the situation is inflationary. At worst, the area's permanent economic base withers away under the pressures of the project.

And competing for workers may not be the worst problem local businesses face. They also could find themselves competing for capital, with the cost of borrowing money driven up substantially.

Says Bruce Rockwell, chairman of the Colorado National Bank: "We are now asking ourselves who the nation's No. 1 enemy is: the Soviet Union or inflation?"

Simultaneous construction of the MX and development of a synthetic fuels industry will put tremendous inflationary pressures on the entire US economy, Mr. Rockwell believes. "If I ever saw built-in inflation, energy development and MX are it," he says.

Public control of these large construction projects will monopolize large amounts of capital and drive the cost of money up for all other forms of enterprise, he pointed out. Delays in these projects caused by manpower limitations or other problems will only increase their inflationary effect.

THE MX MONSTER—DOUBTS FROM THOSE IN THE KNOW

"It's so elaborate, so costly, and I'm not sure that it is necessary or would be effective."

Thus did President Reagan sum up the doubts of many about the huge MX siting plan bequeathed to him by the Carter administration. His words were reported in a Washington Post interview on the same day that the New York Times Magazine carried a persuasive article, "Why We Shouldn't Build the MX," by Stansfield Turner, retired US Navy admiral and former director of the Central Intelligence Agency.

Presumably no two people in the United States have had more information on the Soviet arms buildup available to them. When they question the MX project as a way to counter the Soviets, who is prepared to contradict them? The burden is on the Defense Department's new review committee to come up with overwhelming reasons—currently not evident—if it is to recommend going ahead with the project. Meanwhile, taxpayers are shelling out $4 million a day for what could turn out to be the kind of white elephant no Republican would want to be remembered for.

Though Mr. Reagan favors the MX (missile experimental) weapon itself, it was good to see him confirm that the siting of it is still a wide-open question. The present basing mode would shuttle each of 200 missiles among 23 launching shelters for a total of 4,600 shelters in Utah and Nevada.

Admiral Turner warns that it is not only the magnitude and cost of the project that must be closely examined but the question of whether it will be suitable for US needs in 1989 or 1990 when it would be operational. No alternative should be overlooked, including those that do not require a new missile.

"At the very least," the admiral argues, "the MX should be scaled down so that we could deploy it in more ways than just in fixed shelters. It is, literally, a case of smaller is not only cheaper but better."

It is hard to gainsay the Turner preference for a diverse mix of missile systems. They could include new intercontinental cruise missiles (with greater accuracy and penetrating power than ICBMs), mobile ICBMS (for trucks, ships, planes), and existing SLBMs (submarine-launched ballistic missiles). Any new ICBM should be small and light enough to be carried on various vehicles.

Such a program would not only address such MX aims as reducing the vulnerability of ICBMs to surprise attack, increasing US ability to eliminate hardened targets, and enhancing the perception that the US is doing something decisive to deter the Soviets. It would also address what ought to be the overriding purpose of US military policy: to stabilize rather than destabilize the strategic balance between the US and the Soviet Union. To go for the mix rather than the MX would be less threatening to Moscow, would be less of an invitation for Moscow to proliferate warheads, and would lessen the "feeling that hair-trigger responsiveness is necessary"—which the admiral calls perhaps the single most important element to keep out of the design of a weapons system.

If the MX is a mistake it would be a whopper—up to $70 billion by General Accounting Office estimate; much more, according to some critics.

The President's caution is wise.●

REQUESTING MODIFIED CLOSED RULE FOR FIRST BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, I take this occasion to advise my colleagues that I intend to request a modified closed rule for the consideration of the first budget resolution for fiscal year 1982.●

MR. PETERSON'S WARNING

(Mr. LAFALCE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. LAFALCE. Mr. Speaker, the Reagan administration is charging full speed ahead with an economic program that it promises will end inflation and restore America's economic vigor. I wish the President Godspeed in his endeavor. I do that even more so after reading a speech that Peter G. Peterson, chairman of Lehmann Bros. Kuhn Loeb Inc., and Commerce Secretary during the Nixon administration, gave last month to the Women's Economic Roundtable in New York City that raises serious questions about the assumptions on which President Reagan's economic game plan is based and the plan's intended results. The criticisms are all the more compelling because they are voiced by a highly respected member of the financial community and a former Republican Cabinet Secretary.

Let me briefly summarize his main points. Although Mr. Peterson noted the "remarkable consensus that currently exists to fight inflation and spur investment," he expressed doubts that the President's program really meets the country's needs. "Amidst all the excitement, there are growing signs of disquiet—however respectful and discreet—and growing doubts that somehow the Reagan program really fits the Reagan consensus," he said. Along with "its great promise," he added, the program has "potential for disappointment."

A major weakness, according to Mr. Peterson, is that the economic measures are linked together "with assumptions stretched tight to the point of snapping apart." The reason, he suggested, is that the President has not considered that the public "might well support" stronger measures that "would not have been thinkable" during the campaign. Those measures include dealing with inflation-indexed social security and other transfer payments. By exempting those payments along with defense and debt interest expenditures from cutting, the President severely limits those areas in the budget that can be cut, he warned. The result is that the administration will be cutting an array of "terribly popular" or "terribly essential" outlays "fully in half" by 1984. Thus, "the President will be climbing a steep hill of ever-decreasing budget savings at ever-increasing political costs," he predicted.

Moreover, Mr. Peterson questioned the overall economic goals of the administration. Each of the goals, taken separately, is not implausible, he said, but taken together, they strain the imagination. "Never in history * * * have we accomplished rapid economic expansion together with rapidly declining inflation," he said. He found "a long and disturbing shadow" is cast by the variety of things that can go wrong.

On tax policy, Mr. Peterson called for shifting the emphasis to investment incentives from personal income tax cuts. Following is the text of Mr. Peterson's speech:

ANOTHER VIEW: THE REAGAN CONSENSUS VERSUS THE REAGAN PROGRAM

(By Peter G. Peterson)

Both the alumni and we drop-outs of the Nixon Administration will have to admit we were never overly offended by hyperbole, never reticent to announce still one more "historic first". We were even more reluctant to admit that some of our bloated historic firsts were nothing more than MEGO's, the Nixonese aphorism for "my eyes glaze over". Our critics—there were a few even we admitted—would say that perhaps our only "historic firsts" were our MEGO-like aphorisms.

This President, on the other hand, has coalesced a remarkable group of constituencies—a new and unmistakable Reagan consensus—a true historic first, and the most sweeping reversal in the direction of national economic policy since the New Deal.

As broad and deep as this consensus is, and as relieved and enthusiastic as the country is about a more honest sense of its past and a more hopeful sense of its future, one can nonetheless sense an unexpected mix of conflicting emotions. Amidst all the excitement, there are growing signs of disquiet, however respectful and discreet, and growing doubts that somehow the Reagan program really fits the Reagan consensus.

Let me try to put it more generously and perhaps more fairly. Could it be that the Reagan consensus of Campaign 80 had such momentum that a new consensus, the consensus of 1981, has since emerged? I sense that growing numbers of Americans—enormously grateful that this President defined and led this remarkable new consensus—wonder if last year's program is up to this year's consensus, whether the political commitments of Campaign 80 are really adequate to the new consensus of the Spring of 1981.

Even those who admire the general trust ask: Does the program go far enough—is it too cautious—in some critical respects? Does it go too far—is too much an all-or-nothing gamble, too much a high wire act—in others? I guess I am among those who ask these questions. And yet as I do, I wonder if I am sufficiently appreciative of the political achievement that the Reagan consensus represents.

Let's first analyze the Reagan consensus and then let's analyze the Reagan program against that consensus. In so doing, I shall define what I see as its great promise as well as its potential for disappointment.

May I say at the outset that I am a noneminent, non-economist. I know I am not an economist because I wouldn't know a model if it shook hands with me. From my standpoint, my demise in Washington was premature, untimely, and inelegant—but all would agree I clearly established myself as nonpolitician—fat calves and all.

My only defense for being here is that a charming woman, Maria Rolfe, asked me. I can't imagine what your defense is for being here—unless it's that if the economists and politicians got us where we are, what can we lose by listening to someone who is neither?

Let's start not simply by thanking this President but by defining the elements of his remarkable new consensus, one that no politician—other than perhaps he—really thought possible, at least this soon.

Reagan Consensus Number 1: Inflation. Clearly, the most basic consensus is that inflation is truly Public Enemy Number 1: our long national ambivalence, like other nightmares of earlier years, is over.

Sure, inflation discourages households from saving; businesses from investing; and lowers returns on productive investments. But most of all, it has made zero growth a reality. This used to be almost romantic to talk about, but I don't hear anyone celebrating now that it is here. No wonder the public insists that inflation be halted, even if it costs us all in the meantime; no wonder the consensus diagnosis is that inflation is the ultimate disease of our society at home and our dwindling credibility abroad.

Reagan Consensus Number 2: Government Spending. This most basic Reagan consensus has led to a further consensus: that if inflation is public enemy number one, then government spending (and its kissing cousin federal deficits and federal borrowing—now about one-quarter of all credit borrowing) is the number one cause of it all. Total government spending has ballooned from about one-quarter in 1965 to over one-third of our gross national product in 1980. It all happened despite declining relative military expenditures and does not include the recent explosion in federal off-budget credit activity. Since 1965 nondefense federal spending has increased 44 percent per year faster than our GNP. And federal transfer payments have increased 67 percent per year faster than GNP.

Ironically, this fastest-growing category has been excluded from the Reagan budget cuts. In fiscal year 1981, for example, the directly and indirectly indexed transfer programs account for more than 40 percent of all federal spending. When we consider that defense spending accounts for another 25 percent of the budget and that interest payments on the federal debt for almost 10 percent, it quickly becomes apparent that—if the indexed programs are excluded—the vast majority of the budget cuts will come from less than 30 percent of the budget.

While this is a significant enough problem in fiscal year 1982, it becomes extraordinarily difficult in future years. President Reagan expects to increase defense spending, after adjusting for inflation, by more than 8 percent per year. If one assumes that the indexed programs and interest on the debt maintain their current shares of the budget, than the remaining 30 percent must be cut by 10 percent per year simply to keep federal spending in pace with inflation. The President's goal, of course, is to keep federal spending growth substantially below the rate of inflation. This would require that this 30 percent of the budget be cut fully in half by fiscal year 84.

So well has OMB already plundered this corner of the budget, however, that this 30 percent remainder is either terribly cut-up already (such as state and local grants), terribly popular (such as national parks) or terribly essential (such as the FBI and CIA). The President will be climbing a steep hill of ever-decreasing budget savings at ever-increasing political costs.

Small wonder, given the exclusion of the major transfer payment programs, that it is necessary to slash highly sensitive programs by draconian percentages. Even I—a "compassionate conservative" if you will forgive the oxymoron—twitched the other night when a compassionate liberal—perhaps that's a redundancy, not an oxymoron—made the argument that she assumed that we Republicans knew big slashes in sex education, for example, would result in big increases in illegitimate children, unwanted by mothers, unwanted by society, and enormously costly to us all. Was this, she asked, a supply side effect we supply siders were after? It doesn't take many questions like that to get me thinking hard indeed about some of our enormous transfer payment programs.

Reagan Consensus No. 3: Savings and Investment. The third Reagan consensus, it seems to me, is that we are sadly behind the world in savings and investment. Today, the American voter sees the connection between the Japanese auto worker who saves up to 25 percent of his earnings, unparalleled levels of automation and robotics, and Toyotas multiplying not on the docks of Tokyo, but on the streets of America. Japan, believe it or not, with an ecomony half the size of ours, began in 1980 to spend more in absolute terms on plant and equipment than the U.S.

I believe the American voter could also be persuaded that our stagnating investment in human capital, especially in research and development, is a lamentable development as well.

You know the trends as well as I on the declining share of our GNP going to R&D and the growth of the R&D investment in Japan and West Germany. You may not know some of these numbers. In the last fifteen years, Japan and West Germany have more than doubled their output of scientists and engineers. We have gone down 5 to 10 percent. On the other hand, I am something less than profoundly reassured to read the other day that our output of lawyers has gone up 83 percent in the 1970's.

The Commerce Department has analyzed the patent numbers between 1968 and 1978. You might be interested in knowing that whereas U.S. patents declined about 10 percent in that period of time, Japanese patents went up 372 percent during that period. And in four major high-technology fields, the trends are if anything stronger. Now of course you would have expected a higher relative Japanese rate of growth, given our large base. But it is certainly not clear to me that I would have expected our patents to have declined in absolute terms. As a matter of fact, if we look at what we call the patent balance—that is, the number of patents being issued to them versus us, the counterpart of the trade balance—you may be interested to know that beginning in 1975 the patent balance also shifted in the direction of Japan.

Finally, at the Commerce Department we spent a lot of time looking at something called technology-intensive products which were the products in which America has typically been the world leader. This last year it is interesting to me to see that Japan has the largest absolute surplus of high-technology products of any country in the world, including the United States.

And finally a statistic that a few of you at least may remember. Something that has always intrigued me in the study of innovation has been the role of the small entrepreneurial companies which classically have accounted, in our country at least, for about 50 to 70 percent of the major commercial innovations. I'm talking about the Xeroxes, Polaroids, Texas Instruments, Hewlett Packards and so forth. I went back to get the numbers of the firms that have come to the public market for funds and to see how many are in this small category. In 1970 we had 548. In 1978 (which came up a bit from

its low point) we had 29 sadly enough. No wonder I have to squint hard to see the budding Xeroxes, Texas Instruments and Hewlett Packards of the eighties.

Small wonder that responsible analysts of our economic malaise tell us to find 4 to 5 percent more of our GNP for investment in our economic future.

Reagan Consensus No. 4: Defense. The fourth Reagan consensus concerns increased national defense. I understand its inevitability, but that doesn't stop me from being saddened. As the U.S. Cabinet officer responsible for negotiating a comprehensive commercial and trade agreement with the Soviet Union, I felt, and still do feel, that a litmus test of the effectiveness of detente has reduced Soviet and U.S. military spending.

I've always gotten confused about rubles and related extrapolations—it's all Russian to me. I asked by new colleague in the firm, Jim Schlesinger, if he could give me the numbers in more tangible terms. In this set of charts, we show numbers of tanks and armored vehicles and tactical fighters and helicopters and submarines and virtually every other major category. Both the current inventory and the production rate for the last five years is somewhere between one and a half and three to one in favor of the Soviet Union. I can assure you that a place where even the experts acknowledge our limited intelligence is the Soviet Politburo. Thus, for us to try to speculate on all the Politburo scenarios on why this vast increase in Soviet defense spending is going on, given their urgent need for non-defense resources, is not a risk that I think any leader of a free world country can take. Again, I say this as a non-eminent, non-defense expert. I will pass on whether some savings may not be possible from the current defense projections. But we should all assume that the numbers will be up dramatically.

Now, against this Reagan consensus, what might be said about the Reagan program?

How confident are we that budget deficits will be as "low" as they are projected? Even given my enormous respect for the magnitude of the current and indispensable budget cutting effort, I say the risks of a much larger budget deficit are unacceptably large.

A government friend of mine—off-the-record as they say—gives me the scenario by which the government deficit with the proposed program could hit $100 billion? Even the thought of it sent shivers down more than my spine. How did he get that grotesque number, you might ask? First, he simply made the plausible (should I say optimistic?) assumption that just a few budgetary miscalculations and just a few failures to pass all of the cuts through Congress will reduce next year's budgetary savings to $35 billion. Second, he assumed that the Fed would hang tough in its current program to control monetary growth, a program fully supported by both Mr. Volcker and President Reagan. By reducing the inflation rate slightly from current projections, the tax cut revenue losses would increase from $44 to $65 billion. Third, given the tax cuts, the increased defense expenditures, and the upward trend in GNP growth, he supposed that interest rates might not decline as rapidly as hoped—adding $5 billion more to federal interest payments on the national debt. Finally, he added a few, normal military overruns and a slightly higher unemployment rate, adding $4-5 billion in outlays per percentage point. There we are: facing a deficit in excess of $100 billion, by far the largest in history. What effect, one might ask, would such an event have on the growth expectations which this administration so rightly emphasized?

In my business, I have learned to respect the cruel implications of compound probabilities. Each of the program goals alone—a high real growth rate of 4-5 percent per year, a rapidly declining inflation rate to 5.5 percent in 4 years, a decline in interest rates from 11.5 percent to 7.0 percent in 4 years, or a drop in the unemployment rate from 7.8 percent to 6.4 percent—is not implausible. We have accomplished each before. Never in history, however, have we accomplished rapid economic expansion together with rapidly declining inflation. Morever, I don't believe we have ever achieved the record rates of money turnover that are implied if the rigorous money supply growth targets are to be met.

I would never presume to say that all this could not happen. I think I understand the supply-side contentions that lower marginal tax rates will serve to expand our real output and feed tax sheltered and underground income back into the taxable, productive economy. It's just that the list of "what ifs" casts a long and disturbing shadow.

Can anyone really guarantee, for example,

That all present and presumed future budget cuts will make it through Congress?

That the federal government program cuts will not significantly increase the burden to other federal, or state and local programs?

That enough of our ailing heavy industries, outcompeted in the world market, will immediately and sufficiently contribute to reduced unemployment?

That the rigidity of long-standing labor and credit contracts may not slow the decline in inflation?

That the rapid rise in direct military expenditures may not exert a unique inflationary pressure?

That international events do not shock our economy with unexpected price hikes? Most importantly, even a minor cut-off in oil imports?

This leads me painfully but inescapably to the requirement that we need even larger and more substantial budget cuts. We need them to protect us against the distinct and even likely possibility that at least some of the budget bets are over-optimistic. We are, after all, not betting Chrysler; we are betting the country.

As I contemplated where one might look for such cuts—given the extraordinary job Mr. Stockman has already done—my eyes fell on a sentence in the President's Economic Program that I at least did not include in the Reagan consensus. "The highest priority will be given to defense and social security benefits, including cost of living protection."

My general suggestion is that we should—we must—reconsider seriously the untouchability of indexed increases in entitlement transfer programs. Minor indexing revisions here can yield enormous savings. The public, as I have said earlier, is generally aware that these payments constitute the fastest-growing portion of federal expenditures and thus are logical candidates for any fair, across-the-board cutting. This year their size has grown to more than half the entire budget, and the fact that most of them are indexed accounts for why now more than 76 percent of the federal budget is considered "uncontrollable" in more than just a legal sense. They are, in other words, susceptible to yearly increases without any congressional action.

On the question of fairness, most economists seem to agree that the Consumer Price Index, the legal basis of indexing, has thus far generally risen at a pace exceeding the true cost of living—in particular, the cost of living of senior citizens. Certainly, the recent 14.3 percent tax-free increase in the case of social security retirees far outpaced the wage gains of the average worker, which went up only 9 percent pre-tax. May I remind you that only an insignificant percentage of industrial workers have fully indexed pensions. Most have no indexing at all, or only partial indexing, and usually ad hoc, after the fact.

Just for the sake of illustration, let us assume that 85 percent of the CPI, rather than the full CPI, would be a fair compromise to both equity and affordability. If only the current $195 billion in formally-indexed federal entitlements were adjusted to this 85 percent of CPI rule, then (assuming an ongoing 10 percent inflation) nearly $3 billion would be saved in fiscal year 1982 alone, and an accumulated $18.7 billion by 1984.

This line of budget thinking should extend, in my view, to Medicare, veterans benefits, and federal employee pension plans. As Chairman of the Quadrennial Commission on Federal Pay, I was appalled to find that the levels of unfunded pensions were not only enormous but had not even been estimated. We stopped counting at $100 billion.

A critical item for Consensus 1982 is major reform of our virtually bankrupt social security system—age limits, taxing, and very important, private savings oriented retirement alternatives. I have seen estimates of our social security unfunded deficit that push $1 trillion—enough to fund much of what this country needs in terms of increased investment and R&D.

There is another area in which major additional "budgetary" savings may be possible even though much of it does not appear in the federal budget, i.e., regulatory costs. I think it is obvious that ad-hoc, executive-level evaluations of thousands of regulations will take more time than we really have. We are dealing here, after all, with enormous bureaucracies which are entrenched behind rigid enabling statutes and which, on the basis of mountains of statistics, are not just allowed but required to develop, draft and supervise thousands of new rules yearly. I humbly submit that regulatory reform necessitates that general priorities be spelled out and that Congress be asked to formulate some form of a regulatory budget. This done, it might be possible, for example, as part of this national effort to release resources to the private sector, for the executive branch and the Congress to agree to across-the-board regulatory savings target of $25 billion were this effort carried out, I suspect that few of you would doubt that, say 25 percent of private sector compliance costs could be cut without material harm to our safety, health, or environment. But some of you might be surprised to learn that this would save our economy over $25 billion, and release for example, enough funds to nearly double private sector research and development expenditures by all companies.

Now, let us move to another critical leg of the Reagan consensus; the need to save and invest much more—I would say 4 to 5 percent more of GNP.

Against this standard, 78 percent of the proposed tax cut is provided to individuals and only 22 percent for business investment. There is little reason to believe, at least if history is a prologue, that across-the-board income tax cuts will provide the stimulus needed to reach that 4 to 5 percent investment goal.

Now you might say, well, here's a Wall Street fat cat—or maybe just a fat calf—arguing for more investment-oriented tax cuts. How predictable! First, let me say that I would only advocate this at the expense of reduced personal income tax cuts, and that the only difference between the two is that one you can enjoy now and the other you must wait and enjoy later. Let me assure you that fat cats don't like to wait more than anyone else. Second, may I report that the Democratic membership of the Joint Economic Committee of Congress—hardly an appendage of Wall Street—has recommended that fully half of the tax cut be oriented toward savings and investment, so disturbed were they by what current investment trends will do to us over the long haul.

Many have wondered why the President has decided to tie together the different parts of his program with assumptions stretched tight to the point of snapping apart. My own guess is not that he overlooked more plausible spending and investment incentive alternatives. My own guess is that he decided it was the best he could do, particularly in the context of the 1980 political campaign.

But then is then and now is now. And I believe the Reagan Consensus of 1981 might well support savings and investment tax incentives that would not have been thinkable in the summer of 1980. And I think further that President Reagan would welcome the political license to go much further than used to be thought possible.

Even what a live and active Secretary of Commerce—if that is not an oxymoron—thinks on tax matters is not terribly important.

But what if a bipartisan group of ex-Secretaries of Treasury and Chairmen of the Federal Reserve Board (similar perhaps to the composition of the Committee to Stop Inflation) were to be invited by the chairmen and ranking members of the Ways and Means Committee and Senate Finance Committee—working with the executive branch of course—to explore immediately the appropriateness of alternative incentives to attain mutually agreed savings and investment goals? Such a bipartisan group could explore questions such as these:

Why a penalty for unearned income? Our international competitors have never heard of such a thing.

What about a capped personal tax deduction for ordinary interest income? France has one. Japan has a very generous one. We do not.

What about a more integrated corporate tax, whereby investors receive a personal deduction or credit on dividend income to compensate for the corporate tax already paid? Most of our industrial competitors have moved in this direction. We have not.

What about, for that matter, a somewhat lower corporate tax rate? The best, most recent calculations, taking into account inventories, depreciation, and so forth, indicate that ours is among the highest in the industrialized nations. Or what about permitting corporations to depreciate at levels that reflect current replacement cost?

Why not an even further reduction or at least an indexation of our capital gains tax? Germany has no long-term securities gains tax. Japan has no securities gains tax at all. In our system, an investor can be taxed even for a long-term loss.

What about a capped personal tax deduction for net new investments, or a general exemption for rolled-over investments? France has these.

And while we are on the subject of investment and in the mood for rhetorical questions, why, I would ask, are we not doing more to revive the stagnation of our research and development efforts? Since every economist tells me that the economy's return on basic, innovation-related R&D is far higher than the investor's, shouldn't a serious reappraisal of our tax and patent laws be in order?

Could we permit more accelerated write offs of laboratory equipment? Could we provide incentives for small, technologically-based enterprises?

ENERGY THREAT—A CONSENSUS FOR 1982

On the subject of energy policy, we have to recognize that the answer here, like in football, is a good offense and a good defense, President Reagan's decontrol of domestic oil prices, a spur to more exploration and a deterrent to consumption, is an absolutely necessary first step on both counts. Unfortunately, the last time I looked, our domestic reserves were still declining and our oil imports were still flowing in to the recession-adjusted tune of some 8 million barrels a day or 40 percent of our total supply. A strong U.S. posture in the Mideast may also help, but let's face it: our oil lifeline of lumbering tankers still snakes its way through some of the most politically unstable areas in the world. So numerous are the possibilities for trouble that experts on Mideast politics tell me that we would need a miracle to get through the next decade without a minor import disruption, and that we would be very lucky to get by without a major one. Yet the CBO has recently estimated that just a 2 million barrel per day cut-off in 1984 would cost us $146 billion, or 3½ percent of our current GNP. I think you must agree that such a blow would send even the most brilliantly successful economic plan into a tailspin. Even my two esteemed colleagues, George Ball and Jim Schlesinger, agree on the likelihood of future Irans, Iraqs, or worse. I say "even" because they have been known to have different views.

I will now demonstrate my hopeless future as a politician and suggest that a consensus must be built, hopefully by 1982, to move toward a major gasoline tax . . . perhaps phased in over a period of years. Such a tax, I believe, would have enormous advantages. By greatly reducing oil consumption, perhaps by two million barrels a day, it would greatly reduce our vulnerability to future Irans and Iraqs; it would reduce our fierce balance of payments deficits by perhaps 25-30 billion dollars, greatly strengthening the dollar and reducing inflation, and providing funds for indispensable emergency storage or recycling to those who need it. Perhaps it would also finance some of the additional savings and investment incentives that I consider a must.

There is no single major program that is now less popular nor more important. Yet, the same might have been said about capital formation proposals: so popular today, but also unthinkable just a few years ago.

I would strongly commend it to the Women's Economic Roundtable.

INCREASED EXPORTS: DOES ANYONE CARE?

Another high priority but MEGO subject on the nation's economic agenda is the challenge of increasing our world share of exports. This subject of exports reminds me of the philosophy professor who asked his class one day which was worse, apathy or ignorance? A sleepy student groaned, "I don't know and I don't care."

Still, look at the sacrifice being asked of our people in our current economic malaise—living with negative fantasies of a "hopeless" situation with our oil imports and OPEC and how that explains all our problems. I was struck by the obvious fact that between '70 and '78, Japan increased their trade surplus. And as I recall, they import a "little" bit of oil themselves. So I thought it would be interesting to take '70 and '78 and look at how the Japanese economy did it. Sure enough, their oil deficit went up an extraordinary amount in relation to their GNP—some $31 billion in that period of time versus $34 billion in the United States with a much larger economy. However, in addition to the oil deficit, Japan had a food deficit that was roughly $10 billion higher than it was in 1970, and of course that's the area that our country has shown remarkable surpluses. Then we come to resources. Here I was reminded that Japan also had an $8 or $9 billion increase in their resource deficit during that eight year period. Now as you aggregate these, you will see that Japan between '70 and '78 absorbed something like an extraordinary $45 to $50 billion of more deficits than they had in 1970 from oil, food, and resources, And yet they showed a larger trade surplus than when they started.

How did they do it? The answer is clear: their manufactured goods surplus went from $12.9 billion in 1970 to an astounding $76.5 billion by 1978. There are roughly (when we used to count it) 40 to 50,000 jobs per billion export dollars as well as other anti-inflationary implications. And think of how that improvement of some $63 billion—you're as capable of high mathematics as I am—would affect both unemployment and exchange rates, as well as the federal deficit.

We hear almost nothing these days about exports. Even an urgent program to remove endless export disincentives would have a multibillion dollar payoff to our economy.

This President has demonstrated remarkable leadership in creating a uniquely Reagan consensus.

Let's help him and our country by developing bipartisan political support for a comprehensive program that does justice to the principles that underlie that remarkable and very new consensus—broader cuts in spending, including currently exempt transfer payment programs; increased tax incentives for savings and investment, including most emphatically increased research and development, jointly supported major regulatory budget reductions. And let us begin to confront our energy vulnerability by building a new consensus for a major gasoline tax, a much larger emergency oil storage, and a major export drive.

As remarkable as the Reagan consensus is, it could be fleeting, it could evanesce.

The time is now.

APPENDIX.—TAX RATES[1] ON SAVINGS FOR FAMILY (2 CHILDREN) HAVING INITIAL EARNED INCOME OF $40,000 PER YEAR

Calculation as of March 1979	Statutory tax rate on gain inflation-adjusted tax rate on real gain (percent)			
	United States (California)	United Kingdom	West Germany	Japan
Tax on capital gains:				
Stocks and bonds sold now for $3,000 bought for $2,000 in April 1979	54.0	[2]0	[2]19.7	0
Stocks and bonds sold now for $3,000 bought for $2,000 in 1970	21.6	[2]0	0	0
Stocks and bonds sold now for $10,000 bought for $2,000 in 1970	21.6	11.2	0	0
Tax on interest income:				
Past year's interest income on $10,000 of savings, where interest rate equals inflation plus 2 percent	54.0	74.1	[2]0	[3]0
Past year's interest income on $10,000 of savings, where interest rate equals inflation minus 2 percent	54.0	74.1	[2]0	[3]0
Total tax on dividend income (Example: on $2,000 of distributed corporate earnings):[4]				
Payable or witheld by corporation	46.0	52.0	36.0	40.9
Payable by family	[2]26.5	22.1	33.6	17.7
Total	72.5	74.1	69.6	58.6
Tax on estate or inheritance:				
Parents deceased, $200,000 net financial wealth bequested to two children	[5]16.4	[6]25.0	1.8	6.1

[1] Assuming all standard deductions; including both central and local taxation; California residency for U.S. current dollar amounts are converted at current exchange rates; prior dollar amounts are domestic currency fractions of current dollar amounts.
[2] Due to or including theshold deductions.
[3] Interest from savings up to $15,000 in postal savings or current deposit accounts, time deposits, and National Government bonds are tax exempt.
[4] Not inflation adjusted.
[5] Plus State tax and donee's income tax.
[6] Plus donee's income tax.●

WHEN WILL WE FACE UP TO IT AND BAN HANDGUNS?

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I am sure that all Members of Congress, whatever their philosophy and political affiliation, were profoundly shocked and grieved by the attempted assassination of President Ronald Reagan, and I am sure that we all share a sense of joy and relief at his survival and apparent successful progress toward complete recovery. President Reagan is not only a fine human being but, as the highest elected official in our democracy, a living embodiment of our democratic system.

Any violent assault with a deadly weapon on any individual is not only a tragedy for that individual but strikes at the rule of law, which is the foundation for a peaceful and civilized society. But such an assault on the President is an attack on every American.

Even when such an assault is unsuccessful, it rocks our democratic system and our national security to its foundation. How long will we continue to tolerate the free and easy approach toward easy access to the kind of weapons which put the possibility of such an assault in the hands of any unbalanced or evil person who wants to employ them?

It was said of Mr. Colt, the inventor of the revolver, that he made all men the same size. The handgun is not only deadly at a distance, but also easy to conceal and quick to use. Because of this combination of qualities, it is radically different from a shotgun, rifle, knife, or other deadly weapon.

Many of the articles written and speeches made since the latest Presidential assassination attempt have stressed the importance of tightening up security procedures surrounding the President. Undoubtedly, this is desirable. However, most people would agree that Presidential security should not be tightened to the point where the President is totally isolated from contacts with the public. This would be intolerable in a democratic society and would probably be intolerable to most Presidents. So, unless we can make it a lot tougher for people to acquire handguns, the risk is going to continue largely unchanged.

The Wall Street Journal of April 2 contains an excellent article by Hodding Carter III on the subject of handguns. He points out that the traumas of the past 18 years—the successful as well as unsuccessful assassination attempts, the growing street crime, the mounting number of accidents in the home involving guns—affront one's deepest convictions about the nature of our society. As he puts it:

We are not some Balkan enclave of the late 19th century and we should not govern ourselves as though we were.

Hodding Carter points out:

Ours is the only nation in the world in which any cretin, criminal or conscientious citizen with the price of a tank of gas is entitled to buy the rest of us a ride to oblivion. Not surprisingly, we as a nation have one of the world's highest murder rates and the highest death-by-pistol rate.

Mr. Carter points to the irony that although the majority of Americans want handguns brought under strict control and have wanted it for years, the Congress is still intimidated by the organized gun lobby and that portion of our population who still hang on to the mystique of a frontier society or simply refuse to face the urgent necessity of getting rid of the handguns. He notes that it apparently does not matter to these folks that the trusted sidearm is more likely to bring death or injury to a loved one than to an anonymous intruder nor that more guns are stolen from homes by criminals than are used within those homes against criminals.

I have sympathy for the individual who feels that, in a world where the criminals all carry guns, he may need one for self-defense. However, the answer is not to go back to frontier days when it was necessary to carry a gun for protection. The answer is a massive campaign to get rid of the handgun and rely for protection on law enforcement, made stronger by the disarming of the kooks and the crooks. For those who still feel the need for protection against intruders, a shotgun or rifle will be just as effective, or ineffective, for that purpose as a handgun.

Mr. Speaker, how may more Presidents, public officials, and just plain citizens will be assaulted, wounded, or killed by handguns before Congress is ready to carry out the will of the majority on this issue and ban the handguns, except for police and military personnel.

The full text of the Hodding Carter article follows:

[From the Wall Street Journal, Apr. 2, 1981]

VIEWPOINT

(By Hodding Carter III)

The unsuccessful attempt to assassinate President Reagan, accompanied by the gunning down of three other men around him, inevitably raises anew the debate about national handgun control. We should spare ourselves the sterile ordeal, which is prescripted and preordained.

The arguments are familiar and the positions of most people, including politicians, predictable. After publicly agonizing to a greater or lesser degree, Congress will be persuaded by the gun lobby yet again that popular opinion is not half as important as private persuasion. Besides, why should those men and women tempted to translate the people's will into legislation ask for campaign troubles by doing so? Two organized enemies are always more potent than a dozen unorganized friends.

The prospect would be laughable if it were not so obscene.

Congress will finally buck the gun lovers when Congressmen become the primary targets for would-be assassins. No one should hold his breath waiting for that day. It isn't going to arrive for the simple reason that most people, including nuts, don't think the average Congressman makes enough of a damn to bother shooting.

If this sounds bitter, the angry lament of a middle-aged liberal, so be it. Avoidable bloodshed still has the ability to enrage me. The traumas of the past 18 years—the successful as well as unsuccessful assassinations, the growing street crime associated with handguns, the explosion of accidents in the home involving guns—are an affront to my deepest convictions about the nature of this society and its proper behavior. We are not some Balkan enclave of the late 19th Century and we should not govern ourselves as though we were.

The figures are there to point the way toward remedy. Pistols, cheap or expensive, figure prominently in domestic mayhem and street murder. They are surreptitiously peddled to 12-year-olds eager to use them to mug us and are openly sold to 25-year-olds looking for bigger game. They are sold over the counter, under the counter and all around the country.

Ours is the only nation in the world in which any cretin, criminal or conscientious citizen with the price of a tank of gas is entitled to buy the rest of us a ride to oblivion. Not surprisingly, we as a nation have one of the world's highest murder rates and the highest death-by-pistol rate.

Most Americans don't like it, want it changed and scream their convictions at every opportunity. They have been doing so for over 40 years. They are whistling in the wind.

For one thing, they are bucking a passionate tradition, born of the frontier and nurtured by the myths of novel and screen.

It doesn't matter that the trusted side arm is more likely to bring death or injury to a loved one than to an anonymous intruder. It doesn't matter that more guns are stolen from homes by criminals than used within those homes against criminals.

What matters is that, weaned on the notion of cold steel and steady eyes, a number of Americans cannot easily divorce themselves from its hold.

There is also the question of what the Constitution does or does not say on the subject. The framers of the Bill of Rights spoke to conditions as they knew them in demanding that the right of the people to bear arms not be abridged. They did not envision a nightmare world of cities held hostage to medieval street gangs and freelance killers. They had no thought of a nation in which the number of handguns—which are of no use except for close-up murder—would rival the number of adult citizens.

But that is essentially irrelevant also. Constitutional scholars of impeccable credentials can and do argue both sides of the question. It can finally be resolved only by a court test of appropriate national legislation, although it seems clear to me that the Supreme Court would never invalidate a tough gun control law.

But the Supreme Court won't have the opportunity to decide. Congress will not act. Chief Justice Burger will continue to feel that prudence demands that he meet unannounced visitors at night, pistol in hand. Our children, knowing that they live in a world of madness, will arm themselves as their parents have done and kill each other, as their parents have done.

The President who was shot on Monday opposes gun control. He is still enthralled by the belief that, as he put it in a recent newspaper interview, there is a higher rate of violent crime in New York, which has a tough gun control law, than there is in places where anyone can legally carry a gun in plain view through the streets. He is wrong. The people of the Sun Belt, where such legal laxity exists, know their crime statistics better than does their President, and they know better.

But how the President does or does not feel is not central to this matter. The last President to be assassinated felt one way. The one who is shot next time may well feel another.

Next time? Of course.

There should be no doubt about it. There will be a next time and yet another next time, for those of us still alive to see it. It will come sooner rather than later, if the trend lines of the past 18 years mean anything at all.

We're keeping the government out of our lives on this one, and the result is murderous anarchy. There are limits to the limits-to-government argument, and they are reached and passed when society is made more vulnerable to the depredations of its dangerously deranged.

We have a diagnosed disease and won't take effective medicine.

Instead, we swallow placebos. "Guns don't kill; only people kill." What fatuous, sickening nonsense.

But it is nonsense enshrined where it matters most—in Congress—and so it remains not nonsense but the law of the land. What law; what order.●

RULES OF THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL FOR THE 97TH CONGRESS

(Mr. ZEFERETTI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ZEFERETTI. Mr. Speaker, pursuant to rule XI, clause 2, I present for printing in the RECORD the "Rules of the Select Committee on Narcotics Abuse and Control," adopted at the committee's organizational meeting on March 26, 1981:

RULES OF THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

RULE 1. RULES OF THE HOUSE

The Rules of the House of Representatives, insofar as they are applicable, shall be the rules of the Committee. The following rules, insofar as they are consistent with the Rules of the House, shall apply to the Committee.

RULE 2. MEETINGS

(a) The regular meeting day of the Committee for the conduct of its business shall be on Thursday of each week while the Congress is in session.

(b) Additional meetings may be called by the Chairman and a regular meeting of the Committee may be dispensed with when, in the judgment of the Chairman, there is no need therefor.

(c) Special meetings may be convened as provided for by clause 2(c)(2) of Rule XI of the Rules of the House.

(d) At least 24 hours (excluding Saturdays, Sundays, and legal public holidays) before each scheduled Committee meeting, each member of the Committee shall be furnished a list of the subjects to be considered or acted upon at such meeting.

RULE 3. HEARINGS

(a) Members of the Committee shall be advised and a public announcement (published in the Daily Digest) shall be made of time, date, place, and subject matter of any hearing to be conducted by the Committee at least one week before the commencement of such hearing, unless the Chairman determines that there is good cause to begin such hearing at an earlier date, in which event the Chairman shall make public announcement (published in the Daily Digest) at the earliest possible date.

(b) Unless authorized by the Chairman, a witness shall not be permitted to testify or present evidence at a hearing of the Committee, and such testimony or evidence may not be included in the Committee hearing record, unless 50 copies thereof have been delivered to the Committee at least 48 hours prior to such hearing.

(c) A Committee member may question a witness only when recognized by the Chairman for such purpose. In accordance with clause 2(j)(2) of Rule XI of the Rules of the House, each Committee member shall be allowed 5 minutes to question a witness until each member who so desires has had such opportunity. The Chairman shall, insofar as practicable, recognize alternately on the basis of seniority those majority and minority members present at the time the hearing was called to order and others on the basis of their arrival at the hearing. Thereafter, additional time may be extended at the discretion of the Chairman.

(d) At any hearing the minority party members of the Committee shall be entitled, upon request to the Chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to the subject matter of such hearing during at least one day of hearing thereon.

(e)(1) The Chairman at an investigative hearing of the Committee shall announce in the opening statement the subject of the investigation.

(2) A copy of the Rules of the Committee and clause 2 of Rule XI of the Rules of the House shall be made available to each witness.

(3) Witnesses at an investigative hearing may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The Chairman of the Committee may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearing; the Committee may cite the offender to the House for contempt.

(f) Any witness may obtain a transcript copy of his or her testimony given at a public session or, if given at an executive session, when authorized by a majority of the members voting a majority being present.

RULE 4. COMMITTEE PROCEDURE

(a) Unless otherwise required by these rules, one-third of the members of the Committee shall constitute a quorum for the transaction of Committee business, except that two members shall constitute a quorum for the purposes of taking testimony and receiving evidence.

(b) Meetings for the transaction of business and hearings of the Committee shall be open to the public or closed, in accordance with clauses 2(g)(1), 2(g)(2), or 2(k)(5) of Rule XI of the Rules of the House. No evidence or testimony taken in executive session may be released or used in public session unless authorized by a majority of members voting, a majority being present.

(c) A vote by any member of the Committee with respect to any matter being considered by the Committee may be cast by proxy if the proxy authorization is in writing, asserts that the member is absent on official business or is otherwise unable to be present at the meeting of the Committee, designates the member of the Committee who is to execute the proxy authorization, and is limited to a specific matter (except that a member may authorize a general proxy for motions to recess or adjourn, or for other procedural matters). Each proxy to be effective shall be signed by the member assigning his vote and shall contain the date and time that the proxy is signed. No proxy may be counted for the purpose of constituting a quorum.

(d) Every motion made to the Committee and entertained by the Chairman shall be reduced to writing upon the demand of any member, and a copy made available to each member present.

(e) In the absence of the Chairman of the Committee at any meeting or hearing of the Committee, the ranking member of the majority party on the Committee who is present shall preside at such meeting or hearing.

(f) A complete record of all Committee action, including a record of all votes on any question on which a rollcall vote is demand-

ed, shall be maintained by the Committee. The result of each such rollcall vote shall be available to the public for inspection at the offices of the Committee during normal working hours.

(g) Any member of the Committee may demand and the Chairman shall order a rollcall vote on any matter considered by the Committee.

RULE 5. COMMITTEE REPORTS

(a) Not later than January 2 of each year the Committee shall report to the House on the activities of the Committee during the previous calendar year. Such report shall be approved by a majority of the members voting at a meeting at which a quorum is present.

(b) Every investigative report shall be approved by a majority of the members voting at a meeting at which a quorum is present.

(c) Supplemental, minority, or additional views may be filed in accordance with clause 2(l)(5) of Rule XI of the Rules of the House. The time allowed for filing such views shall be 3 calendar days (excluding Saturdays, Sundays, and legal public holidays) before the consideration of such proposed report in the Committee.

(d) If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the Committee before the consideration of the proposed report in the Committee.

RULE 6. POWERS AND DUTIES OF COMMITTEE

(a) For the purpose of carrying out any of its functions and duties, the Committee is authorized to sit and act at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned.

(b)(1) The Committee may require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials, as it deems necessary.

(2) A subpena may be authorized and issued by the Committee in the conduct of any investigation or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present.

(3) Notwithstanding subparagraph (b)(2) of this rule, a subpena may be authorized and issued in the conduct of any investigation or series of investigations or activities by the Chairman of the Committee upon the concurrence of the ranking member of the minority party on the Committee.

(4) Authorized subpena shall be signed by the Chairman of the Committee or by any member designated by the Committee, and may be served by any person designated by the Chairman or such member.

(c) The Chairman, or any member of the Committee designated from time to time by him, shall report on the meetings, hearings or other activities of the Committee to any other committee of the House which has subject matter jurisdiction therein.

RULE 7. BROADCASTING

(a) Whenever any hearing or meeting conducted by the Committee is open to the public, the Committee may permit such hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any of such methods of coverage, under the rules established by paragraph (b) of this rule.

(b)(1) If television or radio coverage of any hearing or meeting of the Committee is to be presented to the public as live coverage, such coverage shall be conducted and presented without commercial sponsorship.

(2) No witness served with a subpena by the Committee shall be required against his or her will to be photographed at any hearing or meeting or to give evidence or testimony while the broadcasting of such hearing or meeting, by radio, or television, is being conducted. At the request of any such witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off.

(3) Not more than 4 television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee, or the visibility of such witness and such members to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(6) Equipment necessary for coverage by the television and radio media shall not be installed in, or removed from the hearing or meeting room while the Committee is in session.

(7) Floodlights, spotlights, strobelights, and flashguns shall not be used in providing any method of coverage of the hearing or meeting, except that the television media may install additional lighting in the hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in the hearing or meeting room to the lowest level necessary to provide adequate television coverage of the hearing or meeting at the then current state of the art of television coverage.

(8) Not more than 5 press photographers shall be permitted to cover a hearing or meeting by still photography. In the selection of such photographers, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If request is made by more than 5 representatives of the media for coverage of the hearing or meeting by still photography, such coverage shall be made on the basis of a fair and equitable pool arrangement devised by the Standing Committee on Press Photographers.

(9) Photographers shall not position themselves at any time during the course of the hearing or meeting between the witness table and the members of the Committee.

(10) Photographers shall not place themselves in positions which obstruct unnecessarily the coverage of the hearing or meeting by other media.

(11) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents' Galleries.

(12) Personnel providing coverage by still photography shall be then currently accredited to the Press Photographers' Gallery.

(13) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobstrusive manner.

RULE 8. AMENDMENT OF RULES

The Rules of the Committee may be modified, amended, or repealed, by a majority of the members voting, a majority being present. Written notice of any proposed change shall be provided to each member of the Committee not less than 2 calendar days (excluding Saturdays, Sundays, and legal public holidays) before the meeting date on which such change is to be discussed and voted upon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DERRICK (at the request of Mr. WRIGHT), for today, on account of medical reasons.

Mr. TAUKE (at the request of Mr. MICHEL), for April 8 through the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

My unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HARTNETT) to revise and extend their remarks and include extraneous matter:)

Mr. DERWINSKI, for 5 minutes, today.

Mr. COLLINS of Texas, for 45 minutes, on April 9.

(The following Members (at the request of Mr. DORGAN of North Dakota) to revise and extend their remarks and include extraneous matter:)

Mr. LAFALCE, for 30 minutes, today.

Mr. BINGHAM, for 15 minutes, today.

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. BROWN of California, for 5 minutes, today.

Mr. LEVITAS, for 15 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. RODINO, for 20 minutes, on April 9.

Mr. DE LUGO, for 10 minutes, on May 4.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LAFALCE, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,920.

(The following Members (at the request of Mr. HARTNETT) and to include extraneous matter:)

Mr. RAILSBACK in two instances.

Mr. GREEN.

Mr. YOUNG of Florida.
Mr. GILMAN.
Mr. HILLIS.
Mr. SOLOMON.
Mr. BROWN of Ohio.
Mr. RUDD.
Mr. DERWINSKI.
Mr. SENSENBRENNER in two instances.
Mr. GOLDWATER.
Mr. NAPIER.

(The following Members (at the request of Mr. DORGAN of North Dakota) and to include extraneous matter:)

Mr. SKELTON.
Mr. ATKINSON in two instances.
Mr. CONYERS in two instances.
Mr. BARNES.
Mr. DINGELL in two instances.
Mr. JONES of Oklahoma.
Mr. RODINO.
Mr. JACOBS in two instances.
Mr. LEATH of Texas.
Mr. DYSON.
Mr. OBERSTAR.
Mr. HAMILTON.
Mr. GUARINI in five instances.
Mr. ROE.
Mr. VENTO.
Mr. WEISS in five instances.
Mr. MCDONALD in six instances.
Mr. HAWKINS in two instances.
Mr. WAXMAN.
Mr. JENKINS.
Mr. DIXON.
Mr. HUBBARD.
Mr. FRANK in two instances.
Mr. YOUNG of Missouri.
Mr. STUDDS.
Mr. HARKIN in two instances.
Mr. PATTERSON in three instances.
Mr. ASPIN.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to an enrolled bill and a joint resolution of the Senate of the following titles:

S. 840. An act to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period; and

S.J. Res. 61. Joint resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day."

ADJOURNMENT

Mr. DORGAN of North Dakota. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 6 minutes p.m.), the House adjourned until tomorrow, Thursday, April 9, 1981, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1047. A letter from the Secretary of Agriculture, transmitting the annual report on animal welfare enforcement for fiscal year 1980, pursuant to section 25 of the Animal Welfare Act, as amended; to the Committee on Agriculture.

1048. A letter from the Deputy Secretary of Defense, transmitting eight reports of violations of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1049. A letter from the Acting Administrator of General Services, transmitting a report on a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1050. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend and extend certain Federal laws relating to housing, community and economic development, and related programs, to provide an improved and expedited mortgage foreclosure procedure with respect to multifamily mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

1051. A letter from the Chairman and Chief Executive Officer, Consolidated Rail Corporation, transmitting the annual report of the Corporation, covering calendar year 1980, pursuant to section 301(h) of Public Law 93-236, as amended, together with the Corporation's response to section 703(c) of the Staggers Rail Act of 1980; to the Committee on Energy and Commerce.

1052. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of an agreement entered into by the American Institute in Taiwan, pursuant to section 12(a) of Public Law 96-8; to the Committee on Foreign Affairs.

1053. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designate John A. Burroughs, Jr., and by members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1054. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designate John A. Gavin, and by members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1055. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designate Deane R. Hinton, and by members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1056. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassador-designate Arthur H. Woodruff, and by members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

1057. A letter from the Vice President for Corporate Communications, National Railroad Passenger Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1980, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1058. A letter from the General Counsel, Securities and Exchange Commission, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1059. A letter from the Chairman, U.S. International Trade Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1980, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1060. A letter from the Executive Director, Navajo and Hopi Indian Relocation Commission, transmitting a report on the plan to implement the relocation of Navajo and Hopi families, pursuant to Public Law 93-531, as amended; to the Committee on Interior and Insular Affairs.

1061. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend title 18, United States Code, to implement the Convention on the Physical Protection of Nuclear Material, and for other purposes; to the Committee on the Judiciary.

1062. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

1063. A letter from the Chairman, Select Commission on Immigration and Refugee Policy, transmitting the final report of the Commission, pursuant to section 4(d) of Public Law 95-412; to the Committee on the Judiciary.

1064. A letter from the Acting Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to revise and extend certain provisions of the Federal Water Pollution Control Act, as amended, for 1 year, and for other purposes; to the Committee on Public Works and Transportation.

1065. A letter from the Acting Administrator of General Services, transmitting a prospectus for alterations at the Federal Center, Alameda, Calif., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1066. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend title II of the Social Security Act, and related provisions of that act to improve the program of Old-Age Survivors, and Disability Insurance, and other purposes; to the Committee on Ways and Means.

1067. A letter from the Secretary of Energy, transmitting notice of a delay in submission of the comprehensive plan for municipal waste energy development, required by section 231(b) of Public Law 96-294; jointly, to the Committees on Energy and Commerce, and Science and Technology.

1068. A letter from the Acting Comptroller General of the United States, transmitting a report on the Small Business Administration's implementation of the 8(a) procurement program (CED-81-55, April 8, 1981); jointly, to the Committees on Government Operations and Small Business.

1069. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the status of emergency response planning for nuclear powerplants, pursuant to section 109(b)(5) of Public Law 96-295; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

1070. A letter from the Acting Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to repeal certain provisions applicable to compensation for the overtime inspectional services of employees of the Immigration and Naturalization Service, and for other purposes; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 3132. A bill to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BARNARD (for himself and Mr. ANNUNZIO):

H.R. 3133. A bill to provide for the minting of half dollars with a design emblematic of the 250th anniversary of the birth of George Washington; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BINGHAM:

H.R. 3134. A bill to authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BINGHAM (by request):

H.R. 3135. A bill to authorize appropriations for implementation of the Export Administration Act of 1979; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Mr. LAGOMARSINO, and Mr. PRITCHARD) (by request):

H.R. 3136. A bill to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation; to the Committee on Foreign Affairs.

By Mr. BROWN of California:

H.R. 3137. A bill to maintain and enhance U.S. leadership in information science and technology by establishing an Institute for Information Policy and Research to address national information policy issues; to provide a forum for the interaction of government, industry, and commerce, and educational interests in the formulation of national information policy options; to provide a focus and mechanism for planning and coordinating Federal research and development activities related to information science and technology; and to amend the National Science and Technology Policy, Organization, and Priorities Act of 1976 to create a new position of Special Assistant for Information Technology and Science Information; to the Committee on Science and Technology.

By Mr. PHILIP M. CRANE:

H.R. 3138. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the annual exclusion from taxable gifts to compensate for inflation since the enactment of such exemption and to provide an automatic increase in such amounts to compensate for future inflation; to the Committee on Ways and Means.

H.R. 3139. A bill to amend the Internal Revenue Code of 1954 to increase the personal exemption amount to compensate for inflation since 1944 and to provide an automatic increase in such amount to compensate for future inflation; to the Committee on Ways and Means.

By Mr. DERWINSKI (by request):

H.R. 3140. A bill to amend title 5, United States Code, to strengthen the principle of comparability as the basis for setting Federal pay and benefits, and for other purposes; jointly, to the Committees on Post Office and Civil Service and Armed Services.

H.R. 3141. A bill to authorize an Under Secretary of Commerce for Economic Affairs; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 3142. A bill to amend the Internal Revenue Code of 1954 to provide that, for purposes of computing the residential energy credit, the taxpayer may take into account qualified energy conservation expenditures with respect to any dwelling unit which is owned by the taxpayer and which is the principal residence of any individual other than the taxpayer; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 3143. A bill to amend the Urban Mass Transportation Act of 1964 to authorize appropriations to assist local public bodies in maintaining mass transportation systems, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. FAZIO (for himself, Mr. CLAUSEN, Mr. BEILENSON, Mr. PHILLIP BURTON, Mr. CHAPPIE, Mr. DELLUMS, Mr. DORNAN of California, Mr. DYMALLY, Mr. GOLDWATER, Mr. MATSUI, Mr. MINETA, and Mr. STARK):

H.R. 3144. A bill to provide for the conveyance of certain lands to the D-Q University in the State of California; to the Committee on Education and Labor.

By Mr. FINDLEY:

H.R. 3145. A bill to establish a price support program for soybeans; to the Committee on Agriculture.

By Mr. FUQUA:

H.R. 3146. A bill to authorize appropriations to the Department of Energy for civilian research and development programs and projects for fiscal year 1982, and for the continuation in fiscal year 1982 of prior year research and development projects; to the Committee on Science and Technology.

By Mr. GILMAN:

H.R. 3147. A bill to authorize the Secretary of the Interior to conduct a study to determine the manner in which the area known as the Goshen Historic Tract in Goshen, N.Y., can be protected; to the Committee on Interior and Insular Affairs.

By Mr. GUARINI:

H.R. 3148. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals the interest on series EE U.S. savings bonds; to the Committee on Ways and Means.

H.R. 3149. A bill to amend the Internal Revenue Code of 1954 to exclude $9,000 of income from the gross income of each individual who has attained age 65, and to reaffirm the fact that benefits payable under title II of the Social Security Act are exempt from Federal taxation; to the Committee on Ways and Means.

By Mr. GUARINI (for himself, Mr. DUNCAN, Mr. HOLLAND, and Mr. SCHULZE):

H.R. 3150. A bill to amend the Internal Revenue Code of 1954 to provide that the investment tax credit shall be allowable for up to $100,000 of the cost of any horse; to the Committee on Ways and Means.

By Mr. HILLIS (for himself, Mr. BROOKHEAD, Mr. DINGELL, Mr. BROYHILL, Mr. TRAXLER, Mr. SHELBY, Mr. CORCORAN, Mr. FORD of Michigan, Mr. RITTER, Mr. BROWN of Ohio, Mr. BROOMFIELD, Mr. BLANCHARD, Mr. PURSELL, Mr. WHITTAKER, Mr. TAUKE, Mr. GRAMM, and Mr. COATS):

H.R. 3151. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the equal application of any automatic occupant restraint standard to all manufacturers of passenger cars on the same effective date; to the Committee on Energy and Commerce.

By Mr. HARTNETT:

H.R. 3152. A bill to limit purchases of office furniture by departing Members of the House of Representatives, and for other purposes; to the Committee on House Administration.

By Mr. HEFTEL:

H.R. 3153. A bill to amend title XVIII of the Social Security Act to provide for an independent Provider Payment Review Board to review disputes on cost reimbursement under the medicare program between providers of services and the Secretary of Health and Human Services, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HYDE:

H.R. 3154. A bill to amend the Public Health Service Act to remove the arbitrary age restrictions applicable to appointments to the Office of Surgeon General; to the Committee on Energy and Commerce.

By Mr. LAFALCE:

H.R. 3155. A bill to provide a program within the Comprehensive Employment and Training Act to retrain workers about to be laid off due to productivity improvement programs, and for other purposes; to the Committee on Education and Labor.

H.R. 3156. A bill to amend the Internal Revenue Code of 1954 to increase the unified credit against estate and gift taxes; to the Committee on Ways and Means.

H.R. 3157. A bill to amend the Internal Revenue Code of 1954 to reduce corporate income tax rates; to the Committee on Ways and Means.

H.R. 3158. A bill to amend the Internal Revenue Code of 1954 to permit small research-oriented firms to reduce income taxes by an amount equal to 10 percent of eligible research and development expenditures; to the Committee on Ways and Means.

H.R. 3159. A bill to establish a 10-percent tax credit for investment in research and development for small businesses; to the Committee on Ways and Means.

By Mr. LEATH of Texas:

H.R. 3160. A bill to prohibit the conversion of civilian or industrial-type functions of the Department of Defense from performance by civilian employees to performance by contractors when such conversion would have a significant adverse effect on defense readiness; to the Committee on Armed Services.

By Mr. MINISH:

H.R. 3161. A bill to authorize appropriations for the Legal Services Corporation for fiscal years 1982, 1983, and 1984; to the Committee on the Judiciary.

By Mr. MYERS:

H.R. 3162. A bill to provide for the establishment of a commission to study revision of the Federal tax laws; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H.R. 3163. A bill to require the Secretary of Health and Human Services to arrange for an independent epidemiological study of persons exposed to the chemical dioxin, used in the herbicide known as agent orange; to the Committee on Energy and Commerce.

By Mr. ROBERTS of South Dakota (for himself and Mr. DASCHLE):

H.R. 3164. A bill to reauthorize the Belle Fourche project under the Pick-Sloan Missouri Basin program, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STANGELAND:

H.R. 3165. A bill to authorize the use of community development funds with respect to the construction of certain public hospitals located in nonmetropolitan areas; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STUMP:

H.R. 3166. A bill to authorize the Secretary of the Interior, through the Chief of Engineers, to acquire certain lands above Painted Rock Dam, Ariz.; to the Committee on Interior and Insular Affairs.

H.R. 3167. A bill to authorize the licensing of Hualapai Dam, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 3168. A bill to authorize the Secretary of the Interior to assist the Yuma County Water Users' Association, Ariz., to relocate the headquarters of such association; to the Committee on Interior and Insular Affairs.

By Mr. BIAGGI:

H.J. Res. 226. Joint resolution designating of the second week in May as "Senior Center Week"; to the Committee on Post Office and Civil Service.

By Mr. GUARINI:

H.J. Res. 227. Joint resolution designating the week beginning June 21, 1981, as "National Deaf Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.J. Res. 228. Joint resolution to designate April 24, 1981, as "National Day of Remembrance of Man's Inhumanity to Man"; to the Committee on Post Office and Civil Service.

H.J. Res. 229. Joint resolution designating May 1 through May 7, 1981, as "Days of Remembrance of Victims of the Holocaust"; to the Committee on Post Office and Civil Service.

By Mr. PRITCHARD:

H. Con. Res. 111. Concurrent resolution expressing the sense of the Congress that the Government of the Soviet Union should cease its imprisonment of Yuriy Shukhevych and permit him and his family to emigrate from the Soviet Union; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

34. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to the U.S. Public Health Hospital at Clifton, Staten Island, N.Y.; to the Committee on Energy and Commerce.

35. Also, memorial of the Legislature of the State of New York, relative to Memorial Day; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORGAN of North Dakota:

H.R. 3169. A bill for the relief of Juan Esteban Ramirez; to the Committee on the Judiciary.

By Mr. RATCHFORD:

H.R. 3170. A bill conferring jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon the claim of James W. Brundage; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 3171. A bill for the relief of Dr. David Pass; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 822: Mr. ROUSSELOT.

H.R. 934: Mr. BONIOR of Michigan.

H.R. 980: Mr. GOODLING.

H.R. 981: Mr. DANIEL B. CRANE.

H.R. 985: Mr. JOHNSTON.

H.R. 1110: Mr. MCDADE, Mr. MINETA, Mr. JAMES K. COYNE, and Mr. PATTERSON.

H.R. 1183: Mr. ROUSSELOT.

H.R. 1250: Mr. CONTE, Mr. MOORHEAD, Mr. MCGRATH, Mr. PATTERSON, Mr. EVANS of Indiana, Mr. MILLER of Ohio, Mr. SOLOMON, Mr. JOHNSTON, Mr. LEBOUTILLIER, Mr. MOLINARI, Mr. BUTLER, Mr. PARRIS, Mr. WON PAT, Mr. WALKER, Mr. DICKS, Mr. MOTTL, Mr. WATKINS, Mr. ROTH, Mr. JAMES K. COYNE, Mr. LIVINGSTON, Mr. WHITEHURST, Mr. PEPPER, Mr. BENJAMIN, Mr. SPENCE, Mr. RHODES, Mr. WHITTAKER, Mr. BROWN of Ohio, and Mr. TRIBLE.

H.R. 1339: Mr. EMERSON, Mr. DREIER, and Mr. JAMES K. COYNE.

H.R. 1340: Mr. EMERSON, Mr. DREIER, and Mr. JAMES K. COYNE.

H.R. 1454: Mr. MARKEY.

H.R. 1464: Mr. SKELTON, Mr. BOWEN, Mr. CHENEY, Mr. MOORHEAD, Mr. JENKINS, Mr. RALPH M. HALL, Mr. BREAUX, and Mr. GLICKMAN.

H.R. 1526: Mr. HYDE and Mr. DICKS.

H.R. 1580: Mr. LEBOUTILLIER, Ms. FERRARO, and Mr. IRELAND.

H.R. 1800: Mr. DELLUMS.

H.R. 1864: Mrs. HECKLER, Mr. WINN, Mr. SCHEUER, Mr. BOLAND, Mr. MARKEY, Mr. ERTEL, Mr. YOUNG of Missouri, Mr. RITTER, Mr. PEPPER, Mr. ROSE, Mr. FRENZEL, Mr. IRELAND, and Mr. ROUSSELOT.

H.R. 2004: Ms. OAKAR.

H.R. 2022: Mr. MURPHY.

H.R. 2023: Mr. MINISH and Mr. HUGHES.

H.R. 2024: Mr. BROOKS.

H.R. 2052: Mrs. HOLT.

H.R. 2068: Mr. ROE.

H.R. 2069: Mr. RAHALL, Mr. KRAMER, Mr. WON PAT, Mr. IRELAND, Mr. LEATH of Texas, Mr. GIBBONS, Mr. PEPPER, Mr. BAFALIS, Mr. GUYER, Mr. WINN, Mr. CORRADA, Mr. LOTT, Mr. SOLOMON, Mr. DUNCAN, Mr. HUBBARD, Mr. SUNIA, and Mr. APPLEGATE.

H.R. 2098: Mr. ENGLISH and Mr. DICKS.

H.R. 2205: Mr. GUARINI.

H.R. 2315: Mr. SIMON, Mr. MCKINNEY, and Mr. HOWARD.

H.R. 2360: Mr. EVANS of Iowa, Mr. SUNIA, Mr. CLINGER, Mr. PASHAYAN, Mr. BAILEY of Missouri, Mr. LEE, Mr. JOHNSTON, Mr. LIVINGSTON, Mr. EMERSON, Mr. FAZIO, Mr. COELHO, Mr. PRICE, Mr. BADHAM, Mr. BENEDICT, Mr. SYNAR, Mr. PANETTA, and Mr. IRELAND.

H.R. 2368: Mr. MARLENEE, Mr. AUCOIN, Mr. TAUKE, and Mr. DUNCAN.

H.R. 2472: Mrs. HECKLER, Mr. SCHEUER, Mr. BOLAND, Mr. PEPPER, Mr. MURPHY, Mr. ROSE, Mr. VENTO, Mr. JAMES K. COYNE, Mr. FRENZEL, Mr. IRELAND, and Mr. ROUSSELOT.

H.R. 2473: Mr. ROUSSELOT.

H.R. 2474: Mr. BEILENSON, Mr. ST GERMAIN, Mr. PEPPER, Mr. FRANK, Mr. KOGOVSEK, Mr. MURPHY, and Mr. ROSE.

H.R. 2498: Mr. DIXON.

H.R. 2500: Mr. NEAL, Mr. MILLER of California, Mr. O'BRIEN, Mr. WILSON, Mr. HERTEL, Mr. DWYER, Mr. LAFALCE, Mr. WIRTH, Mr. CLAUSEN, Mr. HEFTEL, and Mr. CORRADA.

H.R. 2524: Mr. ANNUNZIO, Mr. BENNETT, Mr. GINN, Mr. HYDE, Mr. LAFALCE, Mr. LOWERY of California, Mr. MURPHY, Mr. PASHAYAN, Mr. PAUL, and Mr. STENHOLM.

H.R. 2562: Mrs. CHISHOLM.

H.R. 2617: Mr. BROOKS, Mr. BUTLER, Mr. DANIEL B. CRANE, Mr. FROST, Mr. GEJDENSON, Mr. JOHNSTON, Mr. KOGOVSEK, Mr. LEE, Mr. MOTTL, Mr. MURPHY, Mr. PEPPER, Mr. ROE, Mr. SENSENBRENNER, Mr. WON PAT, and Mr. YOUNG of Alaska.

H.R. 2619: Mr. BEILENSON, Mr. OBERSTAR, Mr. DERWINSKI, Mr. FORSYTHE, Mr. ROE, Mr. LEHMAN, Mr. FRANK, Mr. AUCOIN, Mr. MITCHELL of Maryland, Mr. WHITEHURST, Mr. BROWN of California, Mr. SCHUMER, Mr. GILMAN, Mr. GREEN, Mr. BARNES, Mr. CORRADA, Mr. ADDABBO, Mr. PASHAYAN, Mr. FRENZEL, Mr. SOLARZ, Mr. FISH, Mr. ROSENTHAL, Mr. RANGEL, and Mr. HORTON.

H.R. 2631: Mr. SHAMANSKY.

H.R. 2776: Mr. PEPPER, Mr. AUCOIN, Mr. TRAXLER, Mr. LAGOMARSINO, Mr. OTTINGER, Mr. DANIEL B. CRANE, and Mr. SAWYER.

H.R. 2781: Mr. ANTHONY, Mr. DORGAN of North Dakota, and Mr. BOWEN.

H.R. 2795: Mr. MARTIN of North Carolina.

H.R. 2807: Mr. SCHEUER and Ms. MIKULSKI.

H.R. 2811: Mr. DICKS.

H.R. 2817: Mr. SIMON.

H.R. 2824: Mr. HUNTER, Mr. LAGOMARSINO, Mr. PEPPER, Mr. COLLINS of Texas, and Mr. SAVAGE.

H.R. 2835: Mr. FISH, Mr. MCKINNEY, Mr. DASCHLE, and Mr. STOKES.

H.R. 2861: Mr. CLAY, Mr. LUNGREN, and Mr. BURGENER.

H.R. 2888: Mr. DASCHLE and Mr. STUMP.

H.R. 2943: Mr. WON PAT.

H.R. 2974: Mr. OBERSTAR and Mr. MITCHELL of Maryland.

H.R. 2979: Mr. WIRTH.

H.R. 2980: Mr. FISH, Mr. ANTHONY, and Mr. LOWERY of California.

H.J. Res. 128: Mr. FASCELL, Mr. HARKIN, and Mr. PANETTA.

H. Res. 48: Mr. ROUSSELOT, Mr. SPENCE, and Mr. PHILIP M. CRANE.

SENATE—*Wednesday, April 8, 1981*

(Legislative day of Monday, February 16, 1981)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., offered the following prayer:

We give thanks to Thee, O God; we give thanks; we call on Thy name and recount Thy wondrous deeds.—Psalms 75: 1.

We thank Thee for the complete recovery of the President and the miraculous healing of Mr. Brady. We thank Thee for the restoration of Mr. McCarthy and Mr. Delahanty.

We thank Thee for our wives and our children, our neighbors and our friends. We thank Thee for the dedicated men and women who support the Senate in its great responsibility—for the office staffs—for the police—for elevator operators and those who maintain buildings and grounds. We thank Thee for the doorkeepers, the secretaries, the clerks, the administrators, the pages. Help us never to presume upon these gifts of service or take them for granted.

We thank Thee for each other, for the friendships which begin and mature among us. We thank Thee for the privileges we enjoy—for comfort, food, pleasure, work, and rest.

We thank Thee for our Nation—for its vast resources, its people, its freedom, and for those who sacrificed to build it and preserve it.

We thank Thee for Thyself, O God, for Thy grace and love. Receive our gratitude in the name of the Saviour and Lord. Amen.

RECOGNITION OF THE ASSISTANT MAJORITY LEADER

The PRESIDENT pro tempore. The assistant majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that following the time allocated to the two leaders under the standing order, and the series of special orders that have been entered for this morning, the Senate proceed to a period for the transaction of routine morning business not to exceed 20 minutes in length, with Senators permitted to speak for not more than 5 minutes each, and that in no event should extend beyond 12:30 p.m.

The PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE MAJORITY BUDGET PACKAGE

Mr. STEVENS. Mr. President, the House Budget Committee has concocted a substitute for President Reagan's budget proposals. This program states that it provides more funds for social programs while reducing defense spending and tax-cut levels that were proposed by the administration.

The House majority contend that their program is $4.3 billion less than President Reagan's. They come to this conclusion by simply revising the Reagan budget estimates upward $22 billion until they exceed their own, claiming that the Reagan assumptions were wrong. As Mr. Stockman said:

The Democrats are changing their words, but still singing the same old tune—

Higher taxes and higher spending. The tax relief proposed by the House majority is $21 billion less in fiscal 1982 than the President proposes and only half as much tax relief over the next 3 years. This "high tax budget" would destroy the purpose of the President's economic recovery program. It would continue the type of spending and tax programs which have caused inflation, declining productivity, and other related economic problems, such as persistent high interest rates.

Although the House majority claims that their program results in less spending than the administration proposal, the fact of the matter is that their package would result in spending of $132 billion more than the President proposed between now and 1984. Their program has more spending because they insist upon more taxes with more revenues to the Federal Government.

Mr. President, as an editorial in the Wall Street Journal points out, the alternative offered by the House majority is simply a rehash of the sort of things we were getting in the late 1970's. It restores moneys for programs which have been proven failures and undermines the President's effort to consolidate, streamline, and simplify Federal grant programs. Given the failure of this approach over the last 4 years, it is truly amazing that the House majority has the nerve to try it again.

I do not believe that they read the road signs of the 1980 elections. They seem to think that the American people will be fooled by a sleight of hand once again and will not demand the change envisioned in the 1980 elections.

I feel it is absolutely essential that the President's economic package be approved. We do have leeway in terms of how we meet the goals enunciated by the President. However, increased defense spending is essential to our security and large tax cuts are necessary to restore the purchasing power that is necessary to revitalize our economy.

The commitment to the second and third years of the tax cuts are also commitments to fiscal discipline in those years. The spending cuts are necessary to slow down the tremendous rate of growth in the Federal Government that comes from the ever-increasing spiral of Federal spending and taxation.

Mr. President, I do hope that the President is sincere and will stick to his commitment to veto a bill that will not bring about the tax reduction that is necessary to restore our economy. The tax cuts and the overall budget cuts are a package that must be, I believe, approved by Congress in order to give this approach a chance to restore our economic future.

Mr. President, I ask unanimous consent that an editorial entitled "$80 Billion More" in this morning's Wall Street Journal be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

$80 BILLION MORE

While Americans are pondering their tax returns this week it might be interesting to ponder as well the alternative budget Democrats on the House Budget Committee have just concocted. It calls for increasing the federal tax burden by another $80 billion in the 1982 fiscal year. That's $850 more in total burden for every individual who files a tax return.

The Democrats, of course, say they are actually cutting taxes by $38 billion but such claims are an old and tired story. Those niggling little cuts don't begin to offset the rising burden brought about by "bracket creep" as inflation moves taxpayers up to higher marginal rates, plus the programmed rise in Social Security payroll taxes and inflation-related increases in business taxes that are passed along, one way or another, to the public. During the Carter years, these automatic increases boosted the tax burden $200 billion or roughly 50%, not only a huge amount in itself but sharply greater than the rate of inflation or the rise in personal income.

Indeed, during the Carter years, when the federal budget went literally out of control and double-digit inflation became chronic, we saw this game played over and over again. The Democrats would come forth with what they described as a lean, responsible budget, promising the country that they were laboring mightily to bring it into balance. Mr. Carter forecast a balanced budget over and over again, while $190 billion in deficits piled up and the tax burden continued to rise.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The alternative the Budget Committee Democrats have dreamed up is just another of the sort of things we were getting in the late 1970s. It calls for restoring major portions of the cuts the Reagan administration is trying to make in federal spending. The Reagan cap on Medicaid costs, something governors of states want badly, would be thrown out. Food stamps would be allowed to continue their merry rise. The various ripoff programs that Democrats have used to buy political backing over the years, such as handouts to public interest lawyers, would be saved from the Republican ax.

To try to make all this look like a responsible exercise, House Budget Committee Chairman James Robert Jones indulged in a remarkable ploy. He simply revised the Reagan budget estimates upward $22 billion until they exceeded his own, claiming that Reagan "economic assumptions" were wrong. Thus, the Democrats came out with a "responsible" budget, up only $58 billion from fiscal 1981, and the Reaganites were credited with an "irresponsible" budget, up $62 billion.

Now, this kind of game with economic assumptions has been going on for some time and is part of the reason that federal budget projections have come to be almost meaningless. The real point of the Democratic exercise is not to responsibly balance the budget or make more correct economic assumptions but to save social programs.

After the colossal failures of this approach over the last four years, we are amazed at the effrontery of the Budget Committee Democrats in trotting it out again, particularly at just the time when working Americans are trying to come up with cash to pay their taxes. It can only reflect the fact that the Democrats have nothing to offer as an economic program but more of the same.

Despite the transparency of all this, there are still a few people, including some congressional Republicans, who profess to believe that the Democrats really are serious this time about balancing the budget and don't want to surrender tax revenues for that reason. We would urge them to review once more the last four years, when Democrats controlled the White House and Congress. How many chances do they get?

The genuine tax cuts in the Reagan economic program would begin the process of stopping the rise in the federal tax burden. And, coupled with meaningful budget cuts of the type the Senate already has made, they also would begin bringing government under control. If the Budget Committee Democrats should happen to succeed, which doesn't seem likely, taxpayers can expect to be sweating even harder a year from now and two years from now to pay for the handouts the Democrats refuse to give up.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, there is a special order entered in my name. I wish that that time be transferred to the control of the distinguished minority leader.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, have I any time remaining in the majority leader's time?

The PRESIDING OFFICER (Mr. HAYAKAWA). Four minutes remain.

Mr. STEVENS. Mr. President, I yield the remaining time to my good friend from South Carolina to use when he is recognized under his special order. I ask the Chair to now recognize the acting minority leader.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. The acting minority leader is recognized.

Mr. ZORINSKY. Mr. President, I believe the Senator from Wisconsin wanted a couple of minutes, but he has left the Chamber. I will yield back to the acting majority leader.

Mr. STEVENS. Does the Senator wish to reserve the minority leader's time until such time as he may use it?

Mr. ZORINSKY. Yes.

Mr. STEVENS. Mr. President, I ask unanimous consent that the minority leader's time be reserved and be available to the minority leader or his designee following the special order of the distinguished Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR THURMOND

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized for not to exceed 19 minutes.

S. 907—A BILL TO MAKE IT A FEDERAL OFFENSE TO KILL, KIDNAP, OR ASSAULT A CABINET OFFICER OF THE UNITED STATES

Mr. THURMOND. Mr. President, I am introducing a bill today for myself and Mr. ZORINSKY, to make it a Federal crime to kill, kidnap, or assault a Cabinet officer of the United States. The events of the past few days remind us again of the dangers the President and other high Government officials are exposed to every day.

In the past, we have waited for some tragic event to motivate us to action. It took the tragic deaths of President John F. Kennedy and Senator Robert Kennedy to shake the Congress into enactment of 18 U.S.C. 351 and 1751 to cover assassination, kidnaping, and assault with respect to the President and Members of Congress. The Federal interest in also protecting Cabinet-level officials is equally clear.

Mr. President, I ask unanimous consent for the bill I am introducing to be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 18 of title 18, United States Code, is amended as follows:

(a) Subsection (a) of section 351 is amended by inserting ", or a member of the executive branch of government who is the head of a department listed in section 101 of title 5" following the words "Member-of-Congress-elect".

(b) The section heading for section 351 is amended to read:

"§ 351. Congressional and Cabinet assassination, kidnapping, and assault; penalties".

(c) The chapter heading is amended to read as follows:

"Chapter 18.—CONGRESSIONAL AND CABINET ASSASSINATION, KIDNAPING, AND ASSAULT".

(d) The table of contents to "PART I.—CRIMES" of title 18 is amended by striking out the chapter reference and inserting in lieu thereof the following:

"18. Congressional and Cabinet assassination, kidnaping, and assault".

S. 908—A BILL TO PROVIDE A CONSTITUTIONAL PROCEDURE FOR IMPOSITION OF THE DEATH PENALTY IN THE DISTRICT OF COLUMBIA

Mr. THURMOND. Mr. President, I am introducing today, for myself and Mr. ZORINSKY, a bill to provide a constitutional procedure for imposition of the death penalty for first degree murder in the District of Columbia.

In 1972, the Supreme Court held, in *Furman* v. *Georgia,* 408 U.S. 238 (1972), that the imposition of the death penalty under procedures then employed in the States of Georgia and Texas was cruel and unusual punishment under the eighth amendment. The District of Columbia death penalty provisions for first degree murder were recognized to be unconstitutional under the Furman decision in *United States* v. *Lee,* 489 F.2d 1242, 1247 (D.C. Cir. 1973). No action has been taken in the interim, either by the Congress or the City Council, to meet the requirements of the Supreme Court. Indeed, on December 17, 1976, the District of Columbia Council adopted a "Resolution Against the Death Penalty" and, on December 17, 1980, rather than enacting a constitutional procedure to meet the objections of the Supreme Court, the Council adopted a proposal to repeal the otherwise ineffective reference to the death penalty and related provisions in the District of Columbia Code. In due course, the proposal went into effect in the absence of a veto by the Senate or House, pursuant to the District of Columbia Self-Rule Act.

Mr. President, the events of the last week in March involving attempted assassination of the President bring into sharp focus the dual interests in effective law enforcement in the District of Columbia. Out of one incident—primarily directed at assassination of the President—came injury to the President, the President's press secretary, a Secret Service agent, and a District police officer. All four easily could have been killed, but only assault on the President and Secret Service agent are prosecutable under provisions of the United States Code. The other two are prosecutable under the District of Columbia Code.

Mr. President, I believe the death pen-

alty should be applicable not only to appropriate Federal first-degree murder cases but those arising under the District of Columbia laws. Accordingly, the bill I am introducing is patterned after S. 114, introduced by Senator DECONCINI and myself, to provide a constitutional procedure for imposing the death penalty for Federal murders. The bill would provide for capital punishment only for the crime of first-degree murder. The determination of guilt and appropriate sentence would be made in a bifurcated proceeding. A person found guilty of murder could only be sentenced to death in a separate hearing in which the factfinder would consider statutory mitigating and aggravating factors, or other mitigating factors, in deciding whether the death penalty should be imposed. The death penalty would not be mandatory under this bill. In the final analysis, the factfinder must weigh the mitigating and aggravating factors, to decide that the facts justified the death penalty. There are appropriate provisions for appellate review.

In my judgment, the provisions of the bill clearly meet the constitutional criteria enunicated by the Supreme Court in the Furman case and in *Gregg* v. *Georgia*, 428 U.S. 153 (1976), and companion cases. I hope that the committee responsible for legislation affecting the District of Columbia will carefully study this proposal and, in due course, act on the measure so as to give our colleagues an opportunity to vote on this issue.

Mr. President, I ask unanimous consent that the bill I am introducing be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 908

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 801 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901 (31 Stat. 321, D.C. Code, Sec. 22–2404, is amended to read as follows:

"(a) The punishment of murder in the first degree shall be death or life imprisonment.

"(b) The punishment of murder in the second degree shall be life or not less than twenty years.

"(c) When a defendant is found guilty or pleads guilty to murder in the first degree, the judge who presided at the trial or before whom the guilty plea was entered, or any other judge if the judge who presided at the trial or before whom the guilty plea was entered is unavailable, shall conduct a separate sentencing hearing to determine the punishment to be imposed. The hearing shall be conducted—

"(1) before the jury which determined the defendant's guilt;

"(2) before a jury impaneled for the purpose of the hearing if—

"(A) the defendant was convicted upon a plea of guilty;

"(B) the defendant was convicted after a trial before the court sitting without a jury;

"(C) the jury which determined the defendant's guilt has been discharged for good cause; or

"(D) after initial imposition of a sentence under this section, redetermination of the sentence under this section is necessary; or

"(3) before the court alone, upon the motion of the defendant and with the approval of the Government.

A jury impaneled pursuant to paragraph (2) of this subsection shall consist of twelve members, but, at any time before the conclusion of the hearing, the parties may stipulate with the approval of the court that it shall consist of any number less than twelve.

"(d) Notwithstanding any other statute or rule, when a defendant is found guilty of or pleads guilty to murder in the first degree, no presentence report shall be prepared. In the sentencing hearing, information may be presented as to any matter relevant to the sentence and shall include matters relating to any of the aggravating or mitigating factors set forth in subsections (g) and (h) or any other mitigating factor. Information presented may include the trial transcript and exhibits if the hearing is held before a jury or judge not present during the trial. Any other information relevant to such mitigating or aggravating factors may be presented by either the Government or the defendant, regardless of its admissibility under the rules governing admission of evidence at criminal trials, except that evidence may be excluded if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the factfinder, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence. The Government and the defendant shall be permitted to rebut any information received at the hearing and shall be given fair opportunity to present arguments as to the adequacy of the information to establish the existence of any of the aggravating or mitigating factors, and as to the appropriateness in that case of imposing a sentence of death. The Government shall open the argument. The defendant shall be permitted to reply. The Government shall then be permitted to reply in rebuttal. The burden of establishing the existence of any aggravating factor is on the Government, and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of any mitigating factor is on the defendant, and is not satisfied unless established by a preponderance of the information.

"(e) The jury, or if there is no jury, the court, shall consider all the information received during the hearing and the evidence received during the trial. It shall return special findings identifying any mitigating factors and any aggravating factors set forth in subsections (g) and (h) found to exist. A finding of such a factor by a jury shall be made by unanimous vote. If no such aggravating factors set forth in subsection (g) or (h) are found to exist, the court shall impose a sentence, other than death, authorized by this section. If one or more of such aggravating factors are found to exist, the jury, or if there is no jury, the court, shall then consider whether the aggravating factor or factors found to exist sufficiently outweigh any mitigating factor or factors found to exist, or in the absence of mitigating factors, whether the aggravating factors are themselves sufficient, to justify a sentence of death. Based upon this consideration, the jury by unanimous vote, or if there is no jury, the court, shall return a finding as to whether a sentence of death is justified.

"(f) Upon a finding that a sentence of death is justified, the court shall sentence the defendant to death. Upon a contrary finding, the court shall impose a sentence, other than death, authorized by this section.

"(g) In determining whether a sentence of death is to be imposed on the defendant, the following mitigating factors shall be considered but are not exclusive:

"(1) the defendant was youthful at the time of the crime;

"(2) the defendant's capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired, but not so impaired as to constitute a defense to the charge;

"(3) the defendant was under unusual and substantial duress, although not such duress as constitutes a defense to the charge;

"(4) the defendant is punishable as a principal or otherwise but his participation was relatively minor;

"(5) the defendant could not reasonably have foreseen that his conduct in the course of the commission of murder for which he was convicted would cause, or would create a grave risk of causing, death to any person.

"(h) If the defendant is found guilty or pleads guilty to an offense under this section the following aggravating factors shall be considered:

"(1) the defendant has been convicted of another District of Columbia, Federal, or State offense resulting in the death of a person, for which a sentence of life imprisonment or a sentence of death was authorized by statute;

"(2) the defendant has previously been convicted of two or more State or Federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the infliction of serious bodily injury upon another person;

"(3) in the commission of the offense the defendant knowingly created a grave risk of death to one or more persons;

"(4) the defendant committed the offense in an especially heinous, cruel, or depraved manner;

"(5) the defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value;

"(6) the defendant committed the offense as consideration for the receipt, or in the expectation of the receipt, of anything of pecuniary value;

"(7) the defendant committed the offense after substantial planning and premeditation to cause the death of a person or commit an act of terrorism;

"(8) the defendant committed the offense against—

"(A) the President of the United States, the President-elect, the Vice President, the Vice-President-elect, the Vice-President-designate, or if there is no Vice President, the officer next in order of succession to the office of President of the United States, or any person who is acting as President under the Constitution, and laws of the United States.

"(B) a foreign official listed in section 1116(b)(3)(A) of title 18, United States Code, if he is in the United States because of his official duties; or

"(C) a Federal or District of Columbia judge, law enforcement officer, or employee of a penal or correctional institution, while performing his official duties or because of his status as a public servant. For purposes of this subsection, a 'law enforcement officer' is a public servant authorized by law or by a Government agency to conduct or engage in the prevention, investigation, or prosecution of an offense.

"(i) In any case in which the sentence of death is imposed under this section, the sentence of death shall be subject to review upon appeal by the defendant. An appeal under this section may be consolidated with an appeal of the judgment of conviction. Such review shall have priority over all other cases.

"On review of the sentence, the court of appeals shall consider the record, the evidence submitted during the trial, the information submitted during the sentencing hearing, the procedures employed in the sentencing hearing, and the special findings

returned under subsection (e) of this section.

"The court shall affirm the sentence if it determines that: (1) the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor; (2) the information supports the special finding of the existence of any aggravating factor, or the failure to find any mitigating factors as set forth or allowed in this section; and (3) the sentence of death is not excessive, considering both the crime and the defendant. In all other cases the court shall remand the case for reconsideration under this section. The court of appeals shall state in writing the reasons for its disposition of the review of the sentence.".

SEC. 2. Sections 23–1701 through 23–1705 of the District of Columbia Code as in effect on December 16, 1980, are hereby reenacted.

S. 909—TO AMEND TITLE 18 OF THE UNITED STATES CODE TO PROVIDE FOR THE IMPOSITION OF MINIMUM MANDATORY SENTENCES FOR THE USE OF A FIREARM IN THE COMMISSION OF A CRIME

Mr. THURMOND. Mr. President, in addition to the other measures I am introducing today for myself and Mr. ZORINSKY, I am submitting a bill to amend title 18 of the United States Code to provide for the imposition of minimum sentence of imprisonment for the use of a firearm in the commission of a Federal felony.

Historically, very few crimes have carried a mandatory minimum period of imprisonment because it was argued that such a statute takes away from the sentencing judge the discretion to make the sentence match the crime. It is also argued that mandatory sentence provisions have a coercive effect on guilty pleas. Notwithstanding these arguments, Congress has recognized that certain crimes are of such a violent nature and of such danger to society that mandatory minimum penalties should be provided.

The Federal Criminal Code legislation, pending last year as S. 722, contained two provisions with mandatory minimum sentences—trafficking in opiates and the use of a firearm in the commission of a Federal felony. These two crimes, because of the danger they pose to the community, were given statutory minimum sentences. Senator KENNEDY, a cosponsor of the Criminal Code revision bill, has also endorsed recently mandatory minimums for firearms-related crimes.

Mr. President, the bill I am submitting today is identical to provisions that have been included in previous legislation leading with the abuse of handguns by criminals. It would impose, in addition to the punishment provided for in the commission of the Federal crime, a sentence of at least 1 year for the first offense and no less than 2 years to 25 years for a second or subsequent offense. The sentencing court is prohibited from suspending the sentence, and the period of imprisonment shall not run concurrently with any other sentence imposed.

This is a tough sentencing provision, but the use of firearms indiscriminately by criminals of this country without fear of prosecution or imprisonment must be stopped. No amount of gun control legislation or restrictions on law-abiding citizens will affect these criminals. They must be dealt with swiftly and, where necessary, harshly.

Critics of mandatory minimum sentencing provisions say the legislature does not have the ability to actually determine which criminals are a danger to the community. I have a hard time understanding that logic. Embezzlers do not use firearms. People who write bad checks do not use firearms. The people who do use firearms commit crimes of violence against other people. The victims of violent crimes can testify which kinds of criminals they fear most—those who use firearms in the commission of crimes. The legislature does have a responsibility to its citizens to protect them where the courts have failed to do so.

In addition, the existence of a mandatory minimum imprisonment provision will give more discretion to the prosecutor to charge the use of a firearm in the commission of a felony as a separate offense. If this leads to faster guilty pleas, then perhaps justice will be better served.

Mr. President, this legislation is not new or revolutionary. It is an approach to dealing with violent criminal offenders that has been advocated for years. The recent attempt on the life of President Reagan, as well as the numerous incidents of crimes committed with a handgun, has drawn the attention of the entire Nation. Congress should not avoid its responsibility to place appropriate penalties for crimes committed with firearms on the books. It may not be the final answer to such crimes, but it will begin to send a signal that persons committing crimes with a firearm will not go unpunished.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 909

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 924 of title 18, United States Code, is amended:

(a) by adding after the words "violates any provision of this Chapter" in the first sentence of subsection (a) the words "other than subsection (j) of section 922,";

(b) by adding the following at the end of subsection (a): "Whoever violates section 922(j) of this chapter shall be fined no more than $1,000, or imprisoned not more than one year, or both."; and

(c) by amending subsection (c) to read as follows:

"(c) Whoever—

"(1) uses a firearm to commit any felony for which he may be prosecuted in a court of the United States, or

"(2) carries a firearm during the commission of any felony for which he may be prosecuted in a court of the United States,

shall, in addition to the punishment provided for the commission of such felony, be sentenced to a term of imprisonment of not less than one year nor more than ten years in the case of the first offense, and to a term of not less than two nor more than twenty-five years for a second or subsequent offense. Notwithstanding any other provision of law, the court shall not suspend the sentence, nor shall the term of imprisonment imposed under this subsection run concurrently with any term of imprisonment imposed for the commission of such felony."

SENATE JOINT RESOLUTION 65—JOINT RESOLUTION RELATING TO RAOUL WALLENBERG

Mr. PELL. Mr. President, on behalf of myself and 42 of my colleagues, I am today introducing a joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States and requesting the President to ascertain from the Soviet Union the whereabouts of Mr. Wallenberg and to secure his return to freedom if he is still alive.

Sweden, in accordance with her traditional humanitarian and human rights tradition commissioned Raoul Wallenberg as a diplomat in order to better help the Jews in Hungary. Wallenberg went on to courageously and heroically save the lives of an estimated 100,000 innocent victims of Nazi terrorism in Hungary during World War II. Congressman TOM LANTOS, who, along with his wife Annette, was among those saved by Wallenberg's actions, has introduced the same resolution in the House with 265 cosponsors.

At the request of Secretary of State Cordell Hull, Raoul Wallenberg went to Hungary in 1944 to organize the rescue mission to save Jews and others marked for extermination as part of Hitler's "Final Solution." Wallenberg risked his life so that others might live. With funds provided by the U.S. War Refugee Board, Wallenberg established himself in Budapest where he distributed Swedish passports to thousands of Jews. He purchased and rented scores of houses in Budapest, equipped them with Swedish flags and declared them Swedish Embassy property, and personally protected the refugees he gathered within these safe houses. He followed the death marches and went daily to the deportation trains where he literally pulled people out of the clutches of the Nazis. Altogether, he saved tens of thousands from deportation to the death camps or violent deaths in the ghetto of Budapest.

In January 1945, Raoul Wallenberg was seized by Russian authorities in direct violation of his diplomatic immunity. The Soviets accused him of being an American spy and imprisoned him in the Soviet Union. For 36 years now, the Soviet Union has refused to account in a credible manner for the whereabouts and fate of Raoul Wallenberg. At first, Russian authorities acknowledged taking him into protective custody; 6 months later, however, they denied any knowledge of him. But evidence began to mount that the Soviets were holding him prisoner. Former inmates of Soviet prisons who were released and escaped from Russia reported talking to or hearing about Wallenberg.

Finally, in 1957 Soviet authorities conceded that a man named "Wallenberg"

had been taken prisoner in Hungary in 1945, but they claimed that he had died of a heart attack while in prison in 1947. More recent reports from former Soviet prisoners, however, indicate that Wallenberg might still be alive today.

Mr. President, I have long had a special interest in the Raoul Wallenberg case. My father was the U.S. Minister to Hungary just prior to World War II, and was the U.S. Representative to the United Nations War Crimes Commission. In that capacity, he took the initiative to have the Commission declare genocide a war crime. I myself served as vice president of the International Rescue Committee and was responsible for the IRC's refugee relief effort in Europe at the time of the Hungarian uprising in 1956.

As a member of the Commission on Security and Cooperation in Europe, I have striven to secure the human rights of the oppressed people of the Soviet Union and Eastern Europe. Along with Senators Church, MOYNIHAN, and BOSCHWITZ, I founded the Free Raoul Wallenberg Committee in July 1979. And last year, along with those same distinguished colleagues, I cosponsored Senate Concurrent Resolution 117 expressing the sense of the Congress that the President should convey to the Soviet Government the deep concern of the Congress and the American people for the fate of Raoul Wallenberg, and that the U.S. delegation to the Madrid Conference on Security and Cooperation in Europe should urge consideration of the case of Raoul Wallenberg at that meeting by the signatories to the Helsinki final act. That measure, I am proud to say, won the overwhelming approval of both the Senate and the House last fall.

The United States owes a debt of gratitude to Raoul Wallenberg. Since his humanitarian actions were undertaken at the behest of our Government, it is appropriate that we express our appreciation for his unprecedented acts of courage on our behalf by formally awarding him honorary citizenship—the highest honor we can bestow upon him. Certainly our country has an obligation to Raoul Wallenberg to try to secure for him the same freedom he brought to so many others.

Mr. President, I ask unanimous consent that the full text of my resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 65

Whereas during World War II the United States was at war with Hungary, and had no diplomatic relations with that country;

Whereas in 1944 the United States Government through Secretary of State Cordell Hull requested the cooperation of Sweden, as a neutral nation, in protecting the lives of Hungarian Jews facing extermination at the hands of the Nazis;

Whereas Raoul Wallenberg agreed to act at the behest of the United States in Hungary, and went to Hungary in the summer of 1944 as Secretary of the Swedish Legation;

Whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent men, women and children;

Whereas Raoul Wallenberg, with funds and directives supplied by the United States, provided food, shelter, and medical care to those whom he had rescued;

Whereas the Soviet Union, in violation of Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment;

Whereas Raoul Wallenberg has been a prisoner in the Soviet Union since 1945;

Whereas reports from former prisoners in the Soviet Union, as recent as January 1981, suggest that Raoul Wallenberg is alive;

Whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human beings during World War II; and

Whereas the significance of this symbol of man's concern for his fellow man has been tainted by the wall of silence that surrounds the fate of Wallenberg: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Raoul Wallenberg is proclaimed to be an honorary citizen of the United States of America.

SEC. 2. The President is requested to take all possible steps to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

Mr. LEVIN. Mr. President, I support the joint resolution offered by Senator PELL to bestow honorary citizenship on Raoul Wallenberg. Few people in recent history have given so much to humankind and received so little in return.

Raoul Wallenberg was born in 1912 into a prominent Swedish family, which for generations had produced outstanding statesmen, bishops, and diplomats, as well as military heroes and financial leaders. His family was wealthy, his relationship with society secure. As a youth, he traveled extensively in Europe and the Middle East, and in 1935 took an honors degree in architecture at the University of Michigan.

Wallenberg then returned to Sweden, and pursued his family's interest in finance. He later worked for a bank in Haifa. Here he first saw Jews in flight from Hitler—survivors of an inhuman environment created by the most evil regime in the history of this planet.

These early impressions of broken lives and tortuous treatment were reinforced in Wallenberg during the early 1940's, when he served as the foreign representative of a Swedish import-export firm. During that time, he made several trips to Nazi-occupied Europe. His visits produced vivid impressions of Nazi brutality. These graphic experiences provided the spiritual underpinnings for the voyage which Wallenberg was about to undertake.

In 1944, Wallenberg's combination of pragmatic and idealistic qualities came to the attention of the U.S. War Refugee Board. Under cover of his family's financial interests, he went to Budapest in charge of a special department responsible for the protection and relief of Hungarian Jews.

Physically isolated from his homeland, he sought to save a people who had been thrown into a world of chaos—divorced from a society in which they had once shared. Wallenberg became an emissary to the Jewish ghetto—the twisted world of the Jew under Nazi rule.

He acted in this environment for only 7 months. But in that time, he touched the lives of approximately 100,000 human beings. He issued thousands of protective passports of his own elaborate design, complete with officials and the triple-crown insignia of Sweden. And he provided them to those who were about to be taken away—then threatened their guards with unknown but horrible consequences if they violated the protection those passports provided.

It worked. People marched away from railroad cars which led to death and walked into apartments that Wellenberg rented for the displaced.

Wallenberg worked around the clock. He built up a citywide relief organization of hospitals, nurseries, and soup kitchens. He met with Adolph Eichmann, mastermind of mass murder, in his desperate efforts to delay deaths. He visited the mayor of Budapest and left with lives. He challenged soldiers on the streets and at the very trains of death, and produced safety for people. He was here and then he was there: hunted by local Nazis and haunted by the image of what they were doing.

Wallenberg took the plight of a people packed into a ghetto and stalked by death and destruction as his cause. He saw in their persecution an evil, and infighting to eradicate that evil, he voluntarily separated himself from the society to which he belonged and the culture which could have provided his protection.

Wallenberg's efforts did not cease at the end of the war. In its closing days, he sought to meet with the victorious Russian generals who were then marching into Budapest. His dream was to begin the process of building anew, both physically and psychologically, a home for the displaced and dispirited.

But the Russians had no interest in seeing these dreams fulfilled. And so there were no conversations, and no discussions. There was only an arrest—and then a trip to a jail cell in Moscow.

From there, he began a long journey which we do not totally understand, and which makes the honorary citizenship which we seek to bestow all the more compelling.

It appears that Wallenberg was transferred from one prison to another. But no one knew for sure, since the Soviets refused to even acknowledge that they were holding him as a prisoner. As interest in his plight built, however, pressure on the Soviets to account for him continued to grow.

Finally, in 1957, they produced a document, signed by current Foreign Minister of the Soviet Union Andrei Gromyko. That document purported to demonstrate that newly discovered records indicated that Wallenberg had, indeed, been imprisoned, but had died of a heart attack in 1947. No death certificate accompanied this document. No explanation of his arrest was contained in this document. It simply reported the death and blamed any past misunderstanding on

already discredited figures of the discredited Stalinist regime.

Since then, the Soviets have persisted in saying that they have no additional information on the case. But for years, there have been reports of sightings, stories of meetings, tales of conversations.

Just 3 years ago, a man named Jan Kaplan was released from a Soviet prison. He called his daughter in Israel and, in an attempt to assure her that he had survived the ordeal in good health, told her of a Swedish prisoner who had been held for over 30 years. Word of that conversation circulated through the growing community of those concerned about Wallenberg and, ultimately, to the Soviet authorities. Those authorities promptly arrested Jan Kaplan again. Repeated attempts by our Government and others to locate Jan Kaplan or talk with him have been rebuffed by the Russians. His crime appears to have been the making of a casual remark which might imply that, even after 30 years of isolation, Raoul Wallenberg still lived somewhere in the frozen wild of the gulag.

The international Wallenberg hearings, held in Stockholm on January 15–16, 1981, offer additional evidence that Wallenberg did not die in 1947. The report of the proceedings, prepared by the Simon Wiesenthal Center and distributed to Members of Congress, contains several statements which independently substantiate Kaplan's observations. They cast deep doubt on the Soviet's claim of Wallenberg's death more than three decades ago, but they also underscore the continuing need to focus international attention on Wallenberg's tragic and mysterious disappearance.

The report contains a statement by Cronid Lubarsky that, as late as 1978, there was an old Swede being held in the Blagoveshchensk Special Psychiatric Hospital. That Swede was believed to be Wallenberg.

Dr. Marvin Makinen, who was incarcerated at the same time as Francis Gary Powers, also testified that he had heard of a Swedish prisoner who had been in Vladimir in the late 1950's.

Simon Wiesenthal presented a report from an unnamed witness, with whom he had direct contact, who stated that a General Kuprianov had personal encounters with Wallenberg from 1953 through 1956. General Kuprianov died in May 1979.

And, finally, there was the compelling testimony from Andre Lipchitz. Speaking under the assumed name of Andre Shimkevitch, Lipchitz testified that he was Raoul Wallenberg's cellmate in Moscow's Lubiana Prison in December 1947. All this testimony and documentation led the convenors of the Stockholm hearing to conclude that Raoul Wallenberg did not die in July 1947, as the Soviets have claimed.

Of course, these statements are not conclusive proof that Raoul Wallenberg is alive. Yet, taken together, they cast a total doubt on everything that the Soviets claimed to have happened to this heroic humanitarian. These doubts make this resolution all the more necessary—not just to honor Wallenberg, but to keep the beacon of public attention lit and focused on his disappearance. It is perhaps a distant hope that Raoul Wallenberg may be alive and someday freed, but it is a hope which we cannot allow to diminish.

As part of our pursuing the truth about Raoul Wallenberg's whereabouts, we must also press the Soviets for information regarding the whereabouts of Jan Kaplan. Verifying Kaplan's fate and freeing him, if he is alive, is essential in establishing some firm evidence about Raoul Wallenberg's whereabouts.

Raoul Wallenberg was an extraordinary hero. He was a Swedish hero. He was an American hero, because he was carrying out the work of the U.S. War Refugee Board. He was a hero of all humankind.

The depths of his bravery can only be measured by the compassion he meted out in the face of the most cruel and brutal tyranny humankind has ever witnessed. We cannot bestow a higher, or a more truly deserved, recognition of his courageous deeds than the granting of our own citizenship.

Last Friday a stirring account of Raoul Wallenberg's activities in Budapest appeared in the Detroit Jewish News. It was written by Per Anger, who served in the Swedish foreign legation at the time of Wallenberg's arrival in Hungary, and who worked with him during those dark 7 months. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the account was ordered to be printed in the RECORD, as follows:

[From the Detroit Jewish News, Apr. 3, 1981]

SWEDISH ENVOY DOCUMENTS WALLENBERG'S EFFORTS TO SAVE THOUSANDS OF HUNGARIANS IN THE HOLOCAUST

Thirty-six years after the abduction of one of the greatest heroes of World War II by the Russians, and their denial that he is still alive, the world movement for the freeing of Raoul Wallenberg has gained momentum.

Committees laboring for the rescue of Wallenberg, who is believed still to be in a Russian prison, have been formed. His family is in the front ranks of the activists laboring for his freedom and for action by the Swedish government. His stepfather, Fredrik von Dardel, wrote a book listing the facts about his fate, giving credence to the testimony by impartial observers who say they had seen Wallenberg in Butyrki prison in 1951, in Vladimir prison during the 1950s and in a mental hospital in the Soviet Union in 1961.

The renewed action in behalf of Wallenberg is receiving greatest impetus in the Schocken Holocaust Library series' "With Raoul Wallenberg in Budapest," by Per Anger. It is the most authoritative volume with the background of Wallenberg's heroic labors as a result of which tens of thousands of Jews were rescued from the gas chambers to which they were assigned by the Nazis who attempted to round them up in Hungary.

Per Anger was in Hungary, serving in the Swedish foreign legation preceding Wallenberg's arrival there. When he was the Swedish ambassador to Ottawa in recent years he told this reviewer that upon leaving the Swedish foreign service he will tell the story of the great hero. Was he handicapped by protocol? His book relates of hesitancies which are at last developing into action.

The Anger record is very important. He was born in Goteborg, Sweden in 1913. Upon graduating from Uppsala University in 1939 he entered the diplomatic service and was assigned to the Swedish Foreign Office in Stockholm. His first foreign assignment was in 1940 when he joined the staff of the Swedish Embassy in Berlin.

He was transferred to Budapest in 1942. There as an attache in the embassy he became involved in the rescue of the persecuted Hungarian Jews then being carried on by several neutral governments and by the International Red Cross.

In July 1944, Raoul Wallenberg arrived in Budapest and Per Anger became his close and devoted collaborator in the noble humanitarian mission of saving Hungarian Jews from deportation to the gas chambers of Auschwitz.

Raoul Wallenberg saved about 25,000 Jews directly and another 70,000 indirectly. In a tense, dramatic account Per Anger relates their experiences in Budapest during those fateful years 1944–1945. He recounts his association with Raoul Wallenberg in his rescue work and tells of Wallenberg's tragic fate after his arrest by the Russians.

After the war Per Anger was assigned to the Swedish embassies in Cairo, Addis Ababa, Paris, and the consulate general in San Francisco. His most recent assignment was as Sweden's ambassador to Ottawa. He retired in December 1979 after 40 years of distinguished diplomatic service to his country.

Schocken Books has to its credit an immense achievement with the publication of the many books forming the Holocaust Library. This newest addition to that bookshelf is among the very great contributions to the battle for justice and for the spreading of truth about the Nazi terror and the greatest of all heroes in the anti-Nazi struggle.

Anger enters into great detail in relating the Wallenberg story.

Anger's thorough account of what had occurred, the details of events that transpired in Hungary, the Nazi invasion and the eventual domination of the collaborating murderous gangs belonging to the Arrow Cross exposes the most bestial of inhuman movements in the anti-Semitic ranks that served as the tools of the barbaric Nazis. Most important in the Anger book is the chapter entitled "Wallenberg's Last Acts, His Unique Achievement." While the entire book is an historic document, this chapter emphasizes the heroism of a great man who gave up career and wealth to serve a great cause—that of rescuing Jews at his own peril. In that chapter Anger relates:

"Wallenberg's words, the last time we saw each other, were typical of him and of the seriousness with which he took his assignment. 'I'd never be able to go back to Stockholm without knowing inside myself I'd done all a man could do to save as many Jews as possible.' And he did all that a man could, to the very last.

"He was tireless in his efforts to save Jews from deportation. Many are the stories of how he could pop up on the most unexpected occasions and succeed in preventing the removal of Jews with protective passports, or stop the Arrow Crossmen from forcing their way into the Swedish houses. He swamped the Arrow Cross authorities with written petitions for relief for his charges. It was often he who was the prime mover in the neutral legations' protests, through joint memoranda, to the Arrow Cross regime, against the inhuman treatment of the Jews.

"Even if the mass deportations to Auschwitz by rail had stopped, the Germans made sporadic attempts to ship groups of Jews off by train.

"Wallenberg always had people on watch who could warn him in time to get to the station before the train's departure. On one occasion, he arrived with several long lists

of the holders of protective passports and demanded in an authoritative tone to check whether any such persons had by mistake been taken aboard.

"The Germans were taken by surprise and, right under their noses, Wallenberg pulled out a large number of Jews. Many of them had no passport at all, only various papers in the Hungarian language—drivers licenses, vaccination records or tax receipts—that the Germans did not understand. The bluff succeeded.

"Another time, when I was there, the Germans tried to stop us with guns. But we stood our ground, showed our Swedish diplomatic passports, and were able to leave with our charges.

"One day when Wallenberg was elsewhere, I rushed out to a station from which a trainload of Jews was about to depart. There was no time to debate with the Germans. I explained that a terrible mistake had been made, since apparently they were about to deport Jews who had Swedish protective passports. Should they not be released immediately, I would make sure that Veesenmayer was informed.

"The reaction to this proved to be the same as on the 10th of October, when we were sending home the group of Swedish women and children. The German train commander did not dare to risk being reported to the dreaded Veesenmayer.

"I went into the cars to call the roll, but found only two Jews with protective passports. However, with the help of the Hungarian police officer there, Batizfalvy (who secretly cooperated with Raoul Wallenberg and me), I succeeded, despite the SS commandant's orders, in freeing 150 Jews from the station even though 148 had no protective passports.

"Wallenberg sometimes arranged for special expeditions in which Jews who looked Aryan, dressed in Arrow Cross uniforms, raided camps and prisons and on several occasions succeeded in freeing a large number of Jews on the pretext that they were being taken away to deportation.

"How many persons did Wallenberg save? To that question, a clear-cut answer can hardly be given.

"I witnessed his stopping the deportation of a total of several thousand Jews at train stations, from the Swedish houses, and during the death march to the Austrian border.

"It was through these acts that the rumor was spread of his almost superhuman ability, in seemingly hopeless situations, to snatch victims from the Nazi executioners. He became hated but feared by the Arrow Crossmen. He became the Budapest Jews' hope of rescue from the final liquidation.

"Yet it was not through the kind of personal intervention just described that he made his greatest contribution. It was as a negotiator that he achieved his greatest results. He was the driving force behind the agreements entered into with the Arrow Cross regime concerning their respecting not only the 5,000 Swedish protective passports but also corresponding documents of the other neutral legations.

"Wallenberg was always conscious of the fact that saving as many persons as possible was what mattered. 'You know yourself,' he remarked on one occasion, 'how we're besieged every day by people who plead for a job at the legation, for asylum or for a protective passport for themselves and their relations. When they can't come themselves, they send their Aryan friends to ask for them. All of them want to meet me personally. I've got to be firm. Time doesn't allow me to devote myself to single cases when it's a question of life or death for Budapest's entire Jewish population.'

"Wallenberg held to this line rigorously.

"To accomplish his ends, he applied every means. He bribed Arrow Cross officials. Sometimes he threatened execution. Other times he promised pardon after the arrival of the Russians. He used Foreign Minister Kemeny's wife (who was of Jewish descent and greatly admired him) to influence her husband to approve the protective passports and so on.

"As I mentioned earlier, after the war had ended, it was established that 50,000 Jews who lived in the foreign houses, the international ghetto, had survived. They were generally equipped with protective passports or similar documents issued by the neutral legations and the International Red Cross. Of these, Wallenberg had protected nearly half, around 20 to 25,000.

"But Wallenberg's contribution extended even further. Besides his efforts for the international ghetto, toward the end he also worked to protect the inhabitants of Budapest's general or so-called sealed ghetto, where around 70,000 had been forced together. He could sometimes arrange for food deliveries to the starving, and he managed on several occasions to forestall the Arrow Crossmen's rampages in the ghetto.

"But the Arrow Crossmen had, in their fanatical hatred of the Jews, decided to commit mass murder in the ghetto at the last minute. When Wallenberg got wind of this, he demanded that the German commander, General Schmidthuber, prevent the killing. Otherwise, Wallenberg would make sure that Schmidthuber would swing on the gallows when the Russians came.

"Schmidthuber was shaken by Wallenberg's words and stopped the planned operation against the ghetto.

"Thus Wallenberg contributed to saving still another 70,000 lives.

"Jeno Leval, in his book, 'Raoul Wallenberg—Hero of Budapest,' praises Wallenberg's efforts for the Jews in the sealed ghetto. He adds: 'It is of the utmost importance that the Nazis and the Arrow Crossmen were not able to ravage unhindered—they were compelled to see that every step they took was being watched and followed by the young Swedish diplomat. From Wallenberg they could keep no secrets. The Arrow Crossmen could not trick him. They could not operate freely, they were held responsible for the lives of the persecuted and the condemned. Wallenberg was the world's observing eye, the one who continually called the criminals to account.

" 'That is the great importance of Wallenberg's struggle in Budapest.' "

The movement in behalf of Wallenberg made little progress for many years. In the last 15 years a number of those in the ranks of the tens of thousands he had rescued emerged to demand that he be freed from the Russian agonies. Annette Lantos, whose husband, Dr. Tom Lantos, is now a member of Congress from California, is a leader in that movement.

In Sweden there was lethargy. Now there is an awakening. Per Anger asserts that "it has come to be a question of decency to find out what happened to a man who, on an official Swedish assignment, rendered such unique service to mankind." Anger states:

"Under the skillful leadership of Undersecretary Leif Leifland, the Foreign Office continues to pursue the new leads that turn up. With great seriousness, Leifland set to work on the testimony of Abraham Kalinski at the end of 1978, according to which Wallenberg was seen in various Soviet prisons during the '40s, '60s, and '70s, that is, after the year 1947 when, according to the Soviet authorities, he is supposed to have died. This information led to a new representation to the Soviet government in January 1979.

"The Soviets, in their reply, maintained that the new information did not alter their earlier answer that Wallenberg died in 1947. In a press bulletin from the Foreign Office after that reply, it was said that the Swedish government does not regard Raoul Wallenberg's case as closed by this Soviet answer but plans to continue its effort to clear up what his fate has been.

"In contrast to the earlier situation, especially in the years right after the war, a trusting cooperation now takes place between the government and the Wallenberg committee, which consists of Wallenberg's closest relatives and a number of others who, wherever they may be, have worked through the years for Wallenberg's cause. Nina Lagergren and Guy von Dardel have been tireless in this work and deserve all possible support."

Many were helpful, some obstructed. The Vatican of that era failed to provide the help that was so urgently needed. Relating the help that was given Wallenberg and the Swedish legation when they established means of saving the targets of anti-Semitism, the Arrow Cross And the Nazis, Pope Pius XII, who has often been accused of failure to help rescue efforts, is accused also by Anger. He states:

"The number of protective passports approved by the Hungarian authorities rose to 5,000. Later on, more and more Jews were spirited into these buildings in secrecy, without the authorities' permission. Soon the total number of Jews under Swedish protection rose to more than twice the number authorized, or from 15 to 20,000. Add to this the great throng of Jews, both adults and children, who were hidden or otherwise helped through the efforts of Langlet and Asta Nilsson.

"Other foreign legations, too, the Swiss, Spanish, Portuguese, and the Papal Nuncio, got to work issuing identification papers of a similar sort. Ever since the German occupation began, the nuncio, Angelo Rotta, had been making energetic representations to the Hungarian government to help the Jews.

"Rotta's action were in stark contrast to the passivity shown by his chief, Pope Pius XII. During the persecution of the Jews in Italy, his silence was notable. As regards Hungary, Rotta had to work alone, without any particular support from the Vatican."

The great drama entitled "Raoul Wallenberg" has reached a new stage. There is action and it is hoped, now that legislation in his behalf is proposed in the U.S. Congress, that a great hero innocently held in a Soviet prison will be released.

The resolution introduced in the U.S. House of Representatives by Congressman Tom Lantos to make the Swedish war hero an honorary U.S. citizen is an important development. This, Rep. Lantos states, would make it possible for the U.S. to become legally interested in the case and to add to the demands for Wallenberg's release from Russia. Rep. Lantos and his wife Annette were among the Hungarians rescued from the Nazi death camps in the process of Wallenberg's issuing Swedish passports to the victims of Hitlerism who were to be sent to death camps.

The story written by Per Anger serves to add to the movements in civilized and human spheres both to end a tragedy and to give full credit for heroism and courage to a great Christian humanitarian who labored and risked his life to rescue tens of thousands of Jews.

Mr. LEVIN. Mr. President, finally, I commend my friend from Rhode Island for introducing this joint resolution. It shows the kind of extraordinary leadership that we have come to take for granted from the Senator from Rhode Island, and it is my pleasure to be added as a sponsor to his resolution and without his leadership this resolution would not have been brought to the attention of

the Senate with the kind of forcefulness that it indeed has been.

Mr. HAYAKAWA. Mr. President, will the Senator yield?

Mr. LEVIN. I yield.

Mr. HAYAKAWA. Mr. President, Raoul Wallenberg, a Swedish diplomat, singlehandedly saved the lives of an estimated 100,000 innocent victims fleeing from Nazi terrorism, 37 years ago in Budapest, Hungary.

Mr. Wallenberg's mission was to deliver the last remnant of the Jewish population and others marked for extermination from Hitler's last efforts to insure the Jewish holocaust.

In 1945, as the war ended, Russian troops occupied Budapest. Mr. Wallenberg was, at that time, imprisoned in direct violation of his diplomatic immunity. He has never been released. There have been a multitude of conflicting stories as to his whereabouts. At first, the Russians acknowledged taking him into protective custody; 6 months later they denied any knowledge of him. Despite overwhelming evidence by former Soviet prisoners that Wallenberg is still alive in Spets Korpus in the Gorkij prison region, the Soviets have remained silent since 1957 concerning this brave man's case.

Mr. President, we owe Raoul Wallenberg a debt of gratitude for the humanitarian actions undertaken at the behest of our Government. On November 19, 1980, Senate Concurrent Resolution 117 was passed to demonstrate Congress deep sense of concern about the Wallenberg case. We now need to take this issue one step further. Therefore, I am pleased to cosponsor a joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg in order to secure his freedom.

Thank you, Mr. President.

● Mr. MOYNIHAN. Mr. President, I join my colleagues in support of Senate Joint Resolution 65, which grants honorary American citizenship to Raoul Wallenberg, a man whose claim on the gratitude of our country is very great. At American request he undertook, as my colleagues have explained, a mission at the end of the Second World War, seeking to rescue Hungarian Jews from the death chambers of the Third Reich, which grew ever more murderous as its end drew near. Despite this heroism, Raoul Wallenberg was seized by Soviet occupation forces, which were moving into Hungary at that time only to subject it to a new dictatorship. His whereabouts have remained a mystery ever since.

Mr. President, to grant honorary American citizenship is no small step. Not because the privileges that attach to it are so great, but because it has to date been bestowed only on one man: Churchill. It is not easy to compare any man's achievements, however heroic, with those of Winston Churchill.

Yet there is a deep similarity between what he stood for and what we remember of Raoul Wallenberg. Churchill was among the few men of the thirties who had no illusions about either of the fearful totalitarian regimes that threatened the West—Fascism and Bolshevism, Germany and Russia, Hilter and Stalin. So many others of that corrupt time felt obliged to obscure the evils of one in order to oppose the other. Not Churchill. He was the enemy of both totalitarianisms, and each of them understood that it faced no more formidable opponent than he.

Curiously, both of these regimes understood as well that Raoul Wallenberg was their enemy. His mission to Hungary was to save fellow human beings from the Nazis, and yet the humanity and courage of his work there seemed to mark him out for the Soviet authorities as their enemy as well. Having opposed one totalitarian regime he became the victim of another. In light of his heroism it is fitting that we honor Raoul Wallenberg.●

THE NOMINATION OF DR. ERNEST LEFEVER TO BE ASSISTANT SECRETARY OF STATE FOR HUMAN RIGHTS AND HUMANITARIAN AFFAIRS

Mr. HAYAKAWA. Mr. President, the nomination of Dr. Ernest Lefever to be Assistant Secretary of State for Human Rights and Humanitarian Affairs has drawn mixed reviews from the press. Several nationally syndicated columnists have commented favorably on his nomination as well as some major newspapers.

One such comment appeared in the Washington Star on February 12, "A New Human Rights Champion." The editorial accurately portrays Dr. Lefever's views on human rights—"The difference between the new administration and its predecessor, he thinks, is that the newcomers know what fosters human rights and what threatens them. The emphasis on defense is on safeguarding the institutions that make possible democracy, diversity and peaceful change." Furthermore, the Star notes that Dr. Lefever's point of view is widely represented in the new administration and also is held by Americans in general.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD so that my colleagues may have the opportunity to read it and that columns by Joseph Sobran, William Safire, Hugh Sidey, Smith Hempstone, and William Murchison also be printed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Feb. 12, 1981]

A NEW HUMAN RIGHTS CHAMPION

Just in case anybody still hasn't got the word that there's a new human rights policy coming out of the White House, here's President Reagan's choice for chief of the State Department's Bureau of Human Rights and Humanitarian Affairs: Dr. Ernest Lefever, head of the Georgetown Ethics and Public Policy Center.

To some simplifiers this appointment may look like another indication that the administration will do anything for military security, no matter who's being tortured. Dr. Lefever, after all, has defended U.S. support of imperfectly humane regimes in South Korea, Taiwan and Chile. He has spoken well of the CIA. Dr. Lefever has even refused to read South Africa out of the human species.

To him, though, the implications run the other way. A clergyman who has fought race discrimination in this country, Dr. Lefever considers human rights the heart of the American foreign policy he will be helping to implement. The difference between the new administration and its predecessor, he thinks, is that the newcomers know what fosters human rights and what threatens them. The emphasis on defense is on safeguarding the institutions that make possible democracy, diversity and peaceful change.

Dr. Lefever has written extensively on threats to human rights, human dignity and human freedom in the contemporary world. The list begins with military aggression, as in Afghanistan. A second threat comes from proxy aggression, such as that of the Cubans in Angola and elsewhere in Africa. Next, subversion of the kind that has been going on in El Salvador. Finally, the threat of terrorism, which can be seen north, south, east and west around the globe.

He is happy to associate himself with U.N. Ambassador Jeane Kirkpatrick's willingness to support "moderately repressive" authoritarian governments when they are strategically important and friendly to the U.S.

Like Ambassador Kirkpatrick, he takes very seriously the distinction between authoritarian and totalitarian governments. Authoritarian governments have been known to evolve toward democratic freedoms, as in Spain. Totalitarians, not so far.

This point of view is ever more widely represented in the Reagan administration. Ambassador Max Kampelman has been expressing it in Madrid, where the Helsinki human rights accords have been under discussion for the last few months. It fits in with the attitudes of our two new delegates to the United Nations Humans Rights Commission, which is currently meeting in Geneva: Michael Novak and lawyer Richard Schifter.

Perhaps most important, it seems to fit in with the thinking of Americans in general.

According to a January Harris poll in which people were asked to rate the quality of Mr. Reagan's cabinet appointees, Jeane Kirkpatrick who has so outraged proponents of the Carter administration's human rights program, topped the list with 57 per cent of the respondents ready to call her a good or excellent choice. The nearest competitor: Samuel R. Pierce Jr., Housing and Urban Development secretary with a rating of 55.

[From the New York Post, Mar. 14, 1981]

NEGLECTING REAL HUMAN RIGHTS

(By Joseph Sobran)

The headline in the Washington Post read, "Ultraconservative May Get Human Rights Post at State." There was the first shot in what promises to be a real battle: the confirmation of Ernest Lefever as Asst. Secretary of State for Human Rights and Humanitarian Affairs.

No question, Lefever's nomination was a real red flag to the Left. The Washington Post story went on to call him an "ultraconservative" and "rightist" half a dozen times, the line between objective reporting and ideological vituperation sagging badly.

The Council on Hemispheric Affairs has weighed in, too, with a blast at the nomination as "at best a cruel joke and at worst an appalling insult to the large community in this country concerned with human rights."

The Hive doesn't like Lefever, not one little bit. Who is this right-wing monster?

As it happens, I have known him, by no means intimately, for some years, reading his books more often than meeting him. He is, quite simply, a deeply decent man—an ordained minister who did voluntary work in the Philadelphia slums back when most of his critics were too young to lecture others on "compassion."

Lefever is not skeptical about human rights. But he is profoundly skeptical of the kind of "human rights activists" who have

lately dominated public discourse on the subject.

Why? "They neglect or trivialize the fundamental political and moral struggle of our time—the protracted conflict between forces of total government based on coercion and the proponents of limited government based on popular consent and humane laws." Lefever stresses the distinction between the "authoritarian" state, the junta sort of regime under which freedom is bruised but not killed, and the "totalitarian" state, in which freedom is extinguished.

The distinction, ridiculed by the Left, is absolutely vital. Under the authoritarian regime, non-political institutions like the family, the church, private property, the universities, are pretty much left alone. Even private newspapers critical of the government may be tolerated. But totalitarian regimes, usually socialist, persecute these institutions mercilessly. In the authoritarian state there is a chance of liberalization; in the totalitarian state, almost none.

What the "human rights activists" don't grasp is that human rights depend, in the long run, on institutional bases. The Soviet Constitution has a long, long list of civil rights, all of them empty; the Soviet citizen can't find anyone to enforce them.

My own view—to the right of Lefever's, I suspect—is that we should drop the whole subject of human rights. Alexander Hamilton opposed a Bill of Rights because our government, unlike the British one, has no need of it: the presumption was always in favor of liberty, unless sovereign power had been specifically delegated by the people to their government. Any attempt to list their rights, he argued, would imply the right of the government to do anything not forbidden.

By the same token, there are simply too many genuine human rights to make it practical to insist on their observance around the world.

Most of our "human rights activists" are, consciously or not, socialists, who tend to pick on places like Chile—one of the world's freer countries.

Any human rights policy is bound to be selective. We should therefore look to our national interests, and strengthen the relatively free societies that are our natural allies. And confirm Lefever.

[From the New York Times, Feb. 9, 1981]

THE LEFEVER NUDGE

(By William Safire)

WASHINGTON.—Wither "human rights" in the Reagan Administration? Will the United States fling its arms around right-wing dictators and stop trying to end torture and to foster the growth of democracy?

Some recent political history: Human rights was rediscovered as a political issue in 1975. Daniel Patrick Moynihan, in a Commentary magazine article and later speaking as the United States Representative to the United Nations, rejected criticism of the U.S. record on civil rights by Communist and third-world countries who denied their citizens any such rights. To the delight of guilt-ridden Americans, the totalitarian world was put on the defensive.

Early in 1976, candidate Ronald Reagan was searching for issues other than the Panama Canal to use in his campaign against fellow Republican Gerry Ford. Ford's Secretary of State, Henry Kissinger, was pursuing détente and preferred "quiet diplomacy" to outspoken confrontation as the means to help Soviet dissidents or the emigration of Jews. In the primaries, Reagan clashed with Kissinger-Ford on this human rights issue, and that became the basis of differences for years.

In the Democratic primaries that year, Jimmy Carter was also looking for foreign policy differences with Ford. Taking a leaf from Reagan's briefing book, Mr. Carter embraced human rights and rejected Kissingerian amorality; that appealed to Democratic conservatives. Carter added a wrinkle that attracted liberals—an attack on human-rights violations by "authoritarian" allies.

At that point, human rights became a bed in which such disparate souls as Anthony Lewis and I could be fellows. Liberals concentrated on abuses by right-wing allies, and conservatives denounced abuses by the totalitarian left.

When Carter became President, he had developed the Moynihan-Reagan theme: "Our commitment to human rights must be absolute." But when neither the Soviet Union nor the third world paid any attention to him, Mr. Carter concentrated his absolutism on right-wing governments in Latin America and South Africa.

By demanding human rights "in nations friendly to us—while passively noting violations in unfriendly countries—the Carterites perverted the original idea. Friendly dictator Somoza was overthrown by Carter and was replaced by a more totalitarian Marxist regime; unfriendly dictator Qaddafi was supported in Libya and Egypt's Sadat was told not to trouble him. The Soviet crackdown on dissenters was ignored.

"Human rights" was thus besmirched. In practical terms, it bothered no leftist totalitarian regime, and its righteous finger-wagging turned off non-Communist nations fighting terrorism and subversion.

Now the Reaganites are in, and that disastrous "slap-only-rightist-allies" policy is being reversed. The question is: Will we go back to the "quiet diplomacy" policy of the mid-70's that pushed nowhere for human rights, or will we adopt a "slap-only-leftist-enemies" policy that ignores repression and corruption in our allies?

Both of those approaches are as barren as the Carter approach, though less harmful to our foreign policy. Yes, we should be embarrassing the totalitarians of the left mercilessly, as Max Kampelman has been doing lately in Madrid—but we should also be searching for a new and more effective way to protect human rights in allied nations under attack.

Ernest Lefever has been chosen to lead the human rights department at State. A lesser-of-evils theologian who believes we must provide arms to allies to put down insurrection, Lefever's aggressive pragmatism appalls idealists. However, he has written that we are best able to "nudge history our way" by being faithful allies to our imperfect friends—by persuading them quietly rather than parading their sins.

The Lefever Nudge deserves a chance. Although Secretary of State Haig's comment on human rights—"not a de-emphasis, but a change in priority"—is doubletalk, Lane Kirkland at the A.F.L.-C.I.O. attests that Haig at NATO was unusually sensitive to the promotion of free labor unions. State could learn a lot from the American labor movement about getting a democratic foot in an authoritarian door overseas.

Maybe the human rights carrot will work better for Reagan than a stick worked for Carter, and proud nations like Argentina will respond to subtler inducements to permit more press freedom and loyal political opposition.

But the change in priority must never mask a change in goal: If Dr. Lefever's gentle elbow should be ignored in Chile or South Africa or South Korea, and if unnecessary repression should not be lessened, then the U.S. would lose its moral claim against human rights atrocities on the left.

President Reagan must never let that happen. Morality has a place in foreign policy—he helped put it there—and an ally that refuses to distinguish itself from an enemy deserves to go down the drain. Results count: we'll see if the Lefever Nudge can deliver where the Carter Shove failed.

[From the Washington Star, Feb. 21, 1981]

OF HUMAN RIGHTS AND THE CASE OF MR. LEFEVER

(By Hugh Sidey)

Religious wars are always the worst; more duplicity, hatred and desolation than in any other kind of battle. People convinced of their rectitude and fevered by their cause get nasty quick.

We are about to witness such an engagement. It will center on the Senate confirmation hearings of Ernest W. Lefever, 61, who has been nominated as Assistant Secretary of State for Human Rights. Already a range of critics from politics and press have howled that Lefever, who some time or another went through the Yale Divinity School, is a sanctimonious poseur who in truth is nothing but a gunboat parson, an apologist for the industrial-military complex. He would, his detractors suggest, use his credentials to cloak America's return to the embrace of dictators and other strong men who place order above humanity.

How Lefever, who has spent his life as missionary, ethics student, Hubert Humphrey aide, Brookings Institution scholar and arms control researcher, could have critics contemptuously label him an ultra-conservative is best left to the intrepid investigators on the Hill to figure out. The question at hand is larger.

Jimmy Carter made human rights almost everything in his presidency. It rose from his soul, it was the manifestation of his religious nature and one suspects at this distance that it was his reason for becoming president. He never really wanted to exercise power. He wanted to preach. He wanted to search through the world's back alleys among the bullies and the thieves and bring them to the altar by sweet reason or, that failing, by righteous thunder. He did not want to carry a weapon.

The office of Human Rights and Humanitarian Affairs under Carter was advanced to bureau status and Patt Derian was placed in charge. She was possessed by the same missionary real as Carter. Now that the Carter administration is history and changes are in the wind, those rallied by Carter's singular approach to foreign policy cling passionately to the belief that his human rights crusade will be the thing most remembered and revered in his four years.

Within that belief is the flawed view that until Carter began talking about human rights in such born again fervor American foreign policy was not concerned with the rights issue. Where does that leave Harry Truman. Dwight Eisenhower, John Kennedy, or for that matter Lyndon Johnson and Richard Nixon? In fact, the goal of every president has been peace, world stability and the enlargement of freedom. Some may have made mistakes along the way but none conspired against the ideal of freedom. "Human rights are what politics is all about," wrote Lefever. The U.S., flawed though she is, has always been a beacon of hope.

While the final report on Carter's human rights stewardship is full of praise and claims of success, the specifics are skimpy and the reasoning foggy. Out of the highest of purposes to be sure, Carter substituted rhetoric for strength, erroneously equated his own faith and ideals with those of other societies. While he watched hungrily for signs that his sermons and related pressures could change the internal affairs of the offenders (mostly small, struggling allies) he did not see (or care to) until the Soviet Union invaded Afghanistan that the greatest enemies of human rights were the brutal totalitarian regimes who put their faith in weapons.

THE LAST FOUR YEARS

No matter what the propagandists at the State Department have decreed, the hard fact is that the perimeter of freedom shrank under Carter. While he could tell with pride that no American boys had been sent into combat in his time, the deaths, dislocations and abridgements of every human right in Cambodia, Vietnam, Ethiopia, Afghanistan, Iran and elsewhere mocked his policy. In trying to tally the human suffering of the last four years, mathematics is meaningless. But it is not too wild an assumption that once again in the affairs of men those who preached the most about human rights presided in a time when misery grew larger.

Ernest Lefever is a prickly man and he has a bit of the air of a parson one Ph.D. removed from the pulpit. He may be flawed beyond redemption for all that we know. But his critics will be hard put to deny him the nomination if their arguments only assail the idea that the greatest case for human rights can be made by an America which is strong enough, both militarily and economically, to discourage adversaries and to retain imperfect friends to whom we can quietly talk about the benefits of human rights.

[From the Richmond Times-Dispatch, Mar. 8, 1981]

LEFEVER OUTRAGES LEFT WITH HUMAN-RIGHTS VIEWS

(By Smith Hempstone)

Any Reagan appointee who can attract the ire of The New York Times, Mary McGrory and Sen. Alan Cranston can't be all bad.

The gray-haired gentleman in question, Dr. Ernest W. Lefever, is a 61-year-old ordained minister and scholar who has been selected to serve as assistant secretary of state for human rights and humanitarian affairs.

To hear the grand panjandrums of the left tell it, the scholarly Lefever is a mixture of Torquemada and Attila the Hun.

On Monday, The New York Times asserted that Lefever's appointment was "frivolous," criticized his "cynical approach" and described him as "a tetchy academic . . . dubious about the very existenced of the office he is being named to administer."

Miss McGrory, a columnist who scribbles for The Washington Star, last month painted Lefever as "a human rights wrecking crew and a proven red-baiter."

Cranston, the liberal Democratic Californian who tried unsuccessfully to derail the appointment of Alexander Haig as secretary of state, maintains that Lefever's confirmation "would deprive us of one of our most important weapons for peaceful competition with Soviet regimes."

Having known Ernie Lefever for the better part of a decade, one has to admit he is not a charm boy. He has a tendency toward irascibility, and a zealot's belief in the righteousness of his cause. He is a conservative, and does not suffer fools gladly (which may account for the vehemence of those who oppress him).

Lefever has had the effrontery to suggest there might be some merit in friendly states such as South Korea, Taiwan and Chile which have less-than-perfect human rights records; he has implied that some international corporations are not entirely evil; he has even, on occasion, spoken well of the Central Intelligence Agency.

But the most annoying thing of all about Ernie Lefever is that he is frequently and demonstrably correct in his assessments.

Now such personal characteristics and the holding of such opinions may be lapses of taste, but they are not indictable offenses. Nor do they preclude Lefever from performing well in his designated post.

But to describe Lefever (as Columnist Jack Anderson did last week) as a "right-wing fanatic" simply does not jibe with the profile of a man who is a graduate of the Yale Divinity School, holds a doctorate in Christian ethics, and has served as a Hubert Humphrey aide, an official of the National Council of Churches and token conservative at the Brookings Institution, a liberal think tank.

A foreign policy analyst and writer, Lefever, who describes himself as "a Harry Truman Democrat," is the founder and president of Washington's Ethics and Public Policy Center, a small, tax-free research and publication organization that seeks to promote Judeo-Christian values in the formulation of public policy.

Lefever believes the Carter administration's approach on human rights not only failed to work but was counterproductive. And you have to be a certified idiot not to appreciate the veracity of that position.

Was the Shah of Iran truly a greater foe of human rights than the Ayatollah Khomeini? Are Cambodians really better off now than they were under Lon Nol? Is Taiwan demonstrably more repressive than Communist China? The answers to all these questions clearly are no, and Lefever does not shrink from saying so.

Lefever's point is that there is infinitely more freedom—and more chance of greater freedom in the future—under authoritarian regimes than under totalitarian ones. Spain and Portugal are good examples of this thesis.

He further holds that "a consistent and single minded invocation of a human rights standard in making U.S. foreign policy decisions would subordinate, blur or distort other essential considerations." He believes that the maintenance of our national security and world peace—and the promotion of economic productivity—can have a more positive impact on human rights than preaching and posturing.

Lefever takes the position that the United States has "no moral mandate to remake the world in our own image," that it is "arrogant of us to attempt to reform the domestic behavior of our allies and even of our adversaries."

He holds that "the struggle for a bit more freedom of choice or a better chance for justice is a never-ending one," and that the United States can best assist this process by "quiet diplomacy" and "serving as a good example."

Ernie Lefever may be a prickly man, but he's no neo-fascist. He does stand convicted of refusing to pay homage to liberal shibboleths, of stripping cant and hypocrisy from the human rights issue, of being, in short, a realist.

We could use a few more like him.

[From the Dallas Morning News, Feb. 19, 1981]

RIGHTS AND WRONGS

(By William Murchison)

I'm for human rights, you're for human rights, we're all for human rights, right? Indubitably, until it comes time to specify whose rights and how, not to say whether, the United States shall guard them, whereupon the feuding and fussing begin.

The feuding and fussing are in high gear just now, thanks to the election of Ronald Reagan. At the helm of foreign policy is a secretary of State, Alexander Haig, who urges that we not make human rights our diplomatic be-all and end-all.

Our delegate to the United Nations, Dr. Jeane Kirkpatrick, came to Reagan's notice with a magazine article scoring the Carter administration's version of a human rights doctrine—hastle despots of the right but tolerate depots of the left.

The Director of the State Department's human rights section is to be Dr. Ernest Lefever, a scholar and theologian who says such startling things as, "We have no moral mandate to remake the world in our own image. It is arrogant of us to attempt to reform the domestic behaviors of our allies and even of our adversaries."

Liberals, as might be expected, have taken to their beds. Mary McGrory, the columnist, claims the new administration means "to stamp out human rights in foreign policy." Sen. Alan Cranston of California assails Lefever for his "blind eye to human rights violations by right-wing military dictatorships."

Well, it's plainly a new day. And how radiant, how warming, is the dawn.

The great truth that Jimmy Carter's and Andy Young's human rights rhetoric always obscured is that successful foreign policies are based on looking out for No. 1. What helps Britain is what the British are for. Whatever strengthens Soviet policy the Soviets instinctively embrace. So, inevitably, it must be for even so idealistic a nation as the United States.

Human rights can be one means to an end—but not the end itself. For what is the legitimate end of American policy if not America's survival in the face of the Soviet threat? If human rights helps our chances of survival, splendid. If not, it can't precisely be classed as an overriding concern.

As it happens, human rights could be an immensely important tool of American policy—but not as wielded by the Carter White House. The Carterites were down on rightist countries—Chile, the Philippines, South Africa, South Korea, Iran, Nicaragua.

That all these nations were hostile to the Soviets and friendly to the United States cut no ice with the Carterites. Nor did another urgent consideration—that no rightist regime, whatever its sins, is half so vile or despotic as the Soviet Union, whose human rights record Carter never seriously challenged.

Who can visualize Jimmy Carter hugging Somoza? At Vienna, the SALT II treaty having been signed, Carter impulsively threw his arms around Brezhnev.

Instead of embracing a Communist thug, the President might have used human rights—a concept scorned by the Kremlin—to score points off him. He might, for instance, have conditioned American trade on the improvement of human rights. He might have doubled the budget and the facilities of Radio Liberty and Radio Free Europe. He might have sought every occasion to publicize the plight of the Russian dissidents.

Why? Because the dissidents are in the right. And also because internal dissent weakens the regime, at home and abroad.

The Communist system depends on repression. Any loosening of that repression—as in Poland—and men and women start to stir, thinking unthinkable thoughts about an unthinkable subject, freedom.

For which reason Alexander Solzhenitsyn admonished an American audience several years back: "You are the allies of our liberation movement in the Communist countries . . . Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you're defending not only them but yourselves as well. You're defending your own future."

Jimmy Carter could never see it that way. With Ronald Reagan, it may prove different. Whatever the case, human rights, as a soggy, sentimental cliche, would seem to be dead. May it rest in peace.

SMALL BUSINESS INNOVATION RESEARCH ACT OF 1981

Mr. HAYAKAWA. Mr. President, I am very pleased to be an original cosponsor of the Small Business Innovation Research Act of 1981, which is a continuing

endeavor to direct more Federal research and development funds to small innovators in this country. The Senate Small Business Committee introduced a similar bill in the last session which was not enacted, and I sincerely believe the time is overdue for this direction.

Why is it that the Federal Government devotes less than 5 percent of its R. & D. funds to small business when individual entrepreneurs and small firms account for more than one-half of all inventions and innovations?

Perhaps this bill will represent at least one small step to correct this paradox.

Its provisions are fashioned after the program already in place at the National Science Foundation which was established in 1977 at the request of Congress. It requires no additional appropriations in this period of economic recovery. It merely directs all Federal agencies with R. & D. budgets over $100 million to establish a small business innovation research (SBIR) program and to set aside within 3 years a total of only 1 percent of that budget for small business research. Capital investment from a third source will be required for commercial application.

While large companies undoubtedly will continue to make major technological advancements, history clearly shows that a major source of technological advancement has resulted from the work of individual inventors and entrepreneurs working independently of our large industrial corporations. The list is a long one, beginning with the cotton gin, the railroads, communications, the Wright Brothers, the Polaroid camera, and so forth. All of these innovators were small guys.

America needs more of these inventions and improvements; not fewer. I believe the Federal Government should accept its share of responsibility to these enterprising taxpayers and be more conscientious about recognizing their particular needs and, indeed, their ideas that need some seed money to help them grow into reality.

As a result of fairly modest Federal assistance, a small firm has developed the ability to provide direct access to documents of all kinds with no paper—a boon to many businesses overwhelmed by paperwork requirements; the Optacon was invented, a small device that enables blind people to "read" any book without the necessity of Braille. The list is a long one that certainly justifies the attention of the budget decisionmakers in our Government.

Mr. President, a recent article in the Wall Street Journal, March 18, 1981, described a new gold rush in venture capital for high-technology firms. Many of these companies are located in California's "Silicon Valley" where Apple Computer, Inc. and Genentech, Inc. made financial headlines, and other companies are coming right along. Due primarily to the lowering of capital gains tax and new laws easing entry of pension fund money into venture capital, there is so much venture capital money around that inflated prices will inevitably result, and no one knows where the cycle will end.

I believe this reinforces the need for a steady support system that innovators can depend on and the need for the bill introduced today. It is a modest approach, but a stable one.

Thank you, Mr. President.

RECOGNITION OF SENATOR HEFLIN

The PRESIDING OFFICER. Without objection, the Senator from Alabama may proceed out of order. The original order was for the Senator from Wyoming (Mr. SIMPSON) to now proceed. In his absence, the Senator from Alabama, without objection, may proceed.

NASA—AN INVESTMENT IN AMERICA

Mr. HEFLIN. Mr. President, on February 5, 1981, President Reagan in a nationwide address stressed increased productivity as a key factor in economic stabilization. The contribution of the National Aeronautics and Space Administration to productivity in aeronautics and space activities is worthy of praise and study as an example of how Government and industry can work together to make conditions better for all of us. For more than 65 years, NASA and its predecessor have provided the research base on which technological progress in aeronautics has built. Yet for the past 10 years America's productivity has steadily declined, to less than half of what it was, lower than that of most industrial nations. The causes are undoubtedly complicated; but I have no doubt that a major factor is the decline in support of research and development, the base on which productivity ultimately rests. It is my conviction that America's R. & D. effort has long been underfunded and its relation and importance to productivity and employment and confidence greatly underestimated.

Thus, it might be instructive to examine an institution which exemplifies what a government-industry-academic partnership can mean to this country in terms of productivity, economic growth, technological superiority, jobs, new industries, better methods and goods, and, perhaps even more important, national pride and prestige. It would, in my judgment, be difficult to find an R. & D. team which has made more significant contributions to our country's well-being than the National Aeronautics and Space Administration. NASA's budget represents less than 1 percent per year of Federal spending, yet its impact on our economy and on our national life is substantial. I ask unanimous consent that a table, labeled table 1, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—FEDERAL BUDGET, 1961–81

[Dollar amounts in millions]

	Total Federal budget	NASA appropriation	Percent of total budget
Fiscal year:			
1961	$110,428	$964	0.87
1962	118,814	1,825	1.54
1963	130,885	3,674	2.81
1964	132,636	5,100	3.85
1965	138,610	5,250	3.79
1966	163,127	5,175	3.17
1967	182,652	4,968	2.72
1968	190,649	4,589	2.41
1969	196,167	3,995	2.04
1970	212,973	3,749	1.76
1971	236,406	3,312	1.40
1972	248,097	3,310	1.33
1973	276,417	3,408	1.23
1974	313,861	3,040	.97
1975	412,099	3,231	.78
1976	415,336	3,550	.85
Transition quarter	91,409	932	1.02
1977	465,231	3,819	.82
1978	501,500	4,063	.81
1979	556,732	4,559	.82
1980 (estimate)	653,974	5,270	.81
1981 (estimate)	696,080	5,737	.82

Mr. HEFLIN. Mr. President, given the difficulty of measuring the multiple benefits from research efforts—new knowledge, new products, whole new industries, spinoffs—several independent organizations have made the attempt to determine NASA's effect on the economy.

In 1971, the Midwest Research Institute calculated a 7-to-1 return over 18 years from new technology such as that which NASA R. & D. stimulated.

In 1975, Chase Econometrics Associates calculated that returns from the pure productivity impact of NASA R. & D. were 14 to 1.

In 1975, Mathematica, Inc., measured potential gains to the economy of $7 billion over 10 years resulting from the speed-up of the introduction of just four successful NASA technological developments—gas turbine engines, NASTRAN computer programing, intergrated circuits, and cryogenic insulation. This large return reflects only a very small fraction of the impact from all NASA technology, yet its estimated dollar benefit far exceeds NASA's annual budget.

Mr. President, what these studies indicate is that our investment in high technology R. & D. does not cost money, it makes money for our economy. Few industries can show a return of between $7 and $14 for each $1 invested, but for NASA and our space program, that has been the case.

Mr. President, it is no accident that America's most profitable industrial product is aircraft, with sales accounting last year for $10 billion in positive balance of trade. The U.S. aerospace industry currently employs 1.1 million people to produce over 70 percent of the world's commercial aircraft. Competition from other countries is now fast increasing, with such factors as newer facilities, national subsidies, and American trained aeronautical engineers proving formidable. It is primarily through research efforts, building on the American base, that potential competitors expect to take markets now held by the United States. Europe and Japan are both investing

heavily in aerospace technology. The A-300 wide-body jet transport, built in Europe, has been selected for use by 30 airlines of the world and offers real competition to American-built craft.

Perhaps the most concern to us should be the fact that significantly fewer young Americans are studying aeronautical engineering than projections indicate are needed to maintain a strong research base. Without maintaining the intellectual talent from which all gains in productivity are made, we shall find ourselves losing ground. The long-term threat to America's aeronautical preeminence and to our economy is real.

Several commercial applications show clearly the productivity benefits of space research in the creation of new industries and new and more efficient methods:

COMMERCIAL COMMUNICATIONS VIA SATELLITES

One of the greatest NASA contributions to national productivity has been the development of satellites for commercial communications. This development not only spawned a new international industry, but also has touched the lives of virtually every person on Earth. International communications via satellite was the first space activity to reach commercialization. The application was started by Intelsat, in which Comsat is the U.S. partner. The reasons for the swift application are simple. Satellites could provide television service that existing undersea cables could not. There were few regulatory barriers to the establishment of communications on a worldwide basis and the cost advantages were tremendous.

Today, 104 countries hold investment shares in Intelsat, and the owners' equity is approximately $550 million. That investment in the space segment is overshadowed by the several hundred Earth stations and supporting terrestrial communications circuits in the network. At the end of 1979, there were 222 Earth stations providing direct satellite communication to 124 nations. An entirely new commercial market sprang up to provide the needed equipment, appearing while the research and development was still underway.

Since the first commercial satellite was placed in orbit in mid-1965, Intelsat's annual revenues have grown steadily, exceeding $200 million in 1980. At the same time circuit costs have been greatly reduced. Intelsat charges for transatlantic circuits are only 15 percent of the initial charges in 1965. These advantages for overseas callers are now starting to be realized for domestic long-distance communications via satellite.

The first U.S. domestic communications satellite was Western Union's Westar I, launched in 1974. Now three Westars have been joined by two RCA Satcoms and three Comsat Comstars, which are leased to A.T. & T. These satellites have enabled the distribution of television programs at low rates to cable TV companies throughout the United States. Four more companies have applied for permission to operate domestic satellites, bringing to 22 the total planned domestic communications satellites between 1980 and 1986. These satellites promise to lower long-distance telephone rates significantly and bring many new communications services.

One promising new service, in terms of productivity, is video teleconferencing. If this service can be successfully provided at a reasonable cost, it could reduce business travel and make substantial savings in the cost and time required to conduct business, not to mention the favorable impact on fuel consumption.

During the initial years, each Earth station cost $6 to $10 million, and at this cost, there were very few, mainly located at key trunking nodes to handle large volumes of collected traffic. As new technology emerged from NASA's R. & D. efforts, the power level of the signal relayed from the satellite increased and the cost of the Earth station decreased. Now a suitable small-dish antenna costs about $10,000.

NASA STRUCTURAL ANALYSIS (NASTRAN)

The Nastran program is a large and powerful computer program that analyzes the effects of loads on structures. Originally developed by NASA to aid design of airplanes and spacecraft, it has been used by U.S. industry to design such things as automobiles, trucks, railroad cars, ships, nuclear power reactors, steam turbines, bridges, and office buildings. The Nastran program, aimed primarily at large structural and design problems, is capable of treating concepts of virtually unlimited size. The structure to be analyzed is approximated by an array of elastic finite elements, each of which is characterized by an appropriate set of sectional properties and material properties. The Nastran element library contains more than 30,000 one-, two-, and three-dimensional elements, including nonlinear elements. Although other structural analysis software packages are available, none are capable of performing such large-scale analyses as the Nastran program nor generalized to as many applications.

THE LANDSAT PROGRAM

The goal of NASA's Landsat program is the development of technology for surveying Earth resources from space. The program involves the development, operation, and use of the Landsat series of remote-sensing satellites; they permit repetitive resources surveillance via the acquisition of multispectral image data.

The first NASA satellite dedicated to resource surveillance, Landsat-1, was launched in July 1972. Landsat-2 followed in January 1975 and Landsat-3 in March 1978. The satellites were placed in Sun-synchronous, near-polar orbits at altitudes of approximately 900 km (490 nmi). The remote-sensing instruments repeatedly view any particular area on the Earth's surface at 18-day intervals and at the same Sun angle. Their utility stems from the ability of onboard instruments to sense electromagnetic energy reflected or emitted from the Earth's surface and thereby to distinguish between surface features in considerable detail. The data can be interpreted to, for example, identify negative species, evaluate crop conditions and production, map the extent of watershed snow cover, or locate promising mineral regions. The digital data are received and processed at a number of ground facilities and then stored on magnetic tapes or transformed into imagery from which resource surveys and maps can be prepared.

The Landsat remote-sensing systems are serving many users including Federal, State, and local governments as well as private industry. The value of the systems has been demonstrated in many applications such as agricultural inventory, prospecting for new oil and mineral resources, charting sources of fresh water, classifying land usage, monitoring floods and mapping flood plains, and assessing the ecological impact of disturbances such as forest fires, surface mining, earthquakes, and volcanoes.

The following examples of current research and applications demonstrate the utility of the Landsat program.

Remote-sensing research and development efforts pertaining to agriculture are focused on the following high-priority information needs identified by the U.S. Department of Agriculture: warning of crop hazards such as inclement weather, insects, and diseases; foreign commodity production forecasts; land use classification; renewable resources inventories; land productivity estimates; conservation practices assessment; and pollution detection.

Landsat data have proven cost-effective for the survey and monitoring of forested lands. Several States have surveyed extensive forested areas. The estimated cost of a 10-million-acre survey in the State of Washington by standard ground and air methods would have been $10 million over a 2-year period. Landsat use allowed a comparable survey in half the time and a tenth the cost. Perhaps the most valuable forest management application of Landsat is the monitoring of deforestation by both man and nature. Tropical deforestation for cultivation is a topic of major concern because of the impact on the global carbon dioxide supply. The ability to detect forest alterations with Landsat data has been demonstrated for diverse locations across the world. This ability will enable global monitoring of deforestation for future studies of atmospheric carbon dioxide.

Many additional examples of Landsat applications could be cited. A recent survey by the Natural Resource and Environmental Task Force, an effort directed from the White House, identified 79 ways in which Landsat data are being used. The remote-sensing systems continue to provide resource managers with information—some of it previously unattainable—at lower cost and more quickly than conventional methods: Impressive results from a system originally designed as experimental.

These are just a few examples of research applications. To see why I am concerned that our research and development base in aerospace is shrinking requires only a comparison of the budget and personnel totals of several years ago with current totals. In the mid-1960's NASA and NASA-related programs employed 400,000 people—civil servants and contractors. Its budget was $5 billion. Present employment numbers 135,000. The current budget is $5.5 billion. Ad-

justed for inflation to constant 1972 dollars, this figure becomes a little more than $3 billion. I find this a starting and alarming situation. I ask unanimous consent that my second table be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—TOTAL EMPLOYMENT ON NASA PROGRAMS

	June 1960	June 1961	June 1962	June 1963	June 1964	June 1965	June 1966	June 1967	June 1968	June 1969	June 1970
Total employment	46,786	74,577	137,656	246,304	379,084	409,900	393,924	306,926	267,871	218,345	167,803
Contractor employment	36,500	57,500	115,500	218,400	347,100	376,700	360,000	273,200	235,400	186,600	136,580
NASA employees	10,286	17,077	22,156	27,904	31,984	33,200	33,924	33,726	32,471	31,745	31,223
	June 1971	June 1972	June 1973	June 1974	June 1975	June 1976	September 1977	September 1978	September 1979	September 1980	September 1981
Total employment	149,609	144,968	134,055	125,054	127,733	132,039	124,069	124,569	131,931	135,613	134,632
Contractor employment	120,130	117,540	108,100	100,200	103,400	108,000	100,500	101,400	109,100	113,000	111,919
NASA employees	29,479	27,428	25,955	24,854	24,333	24,039	23,569	23,169	22,831	22,613	22,713

Mr. HEFLIN. Mr. President, NASA's George C. Marshall Space Flight Center, located in my State, employs 5,000 people—including contractor personnel—and significantly contributes to Alabama's economy—10,000 employed throughout the State on NASA programs—especially in the Huntsville area. Not surprisingly, the manpower-budget figures for Marshall show the same trend as those for the entire Agency. One alarming trend is the decline in the number of inventions reported by NASA. The curves showing decreased expenditures and decreased numbers of inventions are almost identical and one is tempted to make the obvious conclusion, Americans well know the value of invention and innovation. A recent example which has aroused a good deal of interest is the power factor controller invented by Mr. Frank Nola of Marshall. Its potential, when commercially available, for small-motor energy savings is enormous.

NASA's research centers are located in a dozen States around the country bolstering local and regional economies. Firms in 48 States work on NASA contracts. NASA grants to universities totaled $177 million in this fiscal year. NASA contributes to research in the fields of energy, pollution, construction, materials, and a number of others. This is a Government-industry-university relationship that clearly works well.

In addition to the obvious economic gains from aerospace research and development, what value, beyond the scientific and technical achievements, can be placed on the surge of pride and confidence we feel as Americans become the first of mankind to set foot on the Moon, or the awe inspired by the recent encounter with Jupiter and Saturn of the American Voyagers spacecraft? With the launch of the Space Shuttle next month a new era of space activity will begin: Opportunities for manufacture and research never before possible will challenge our best minds, call forth our best efforts. These achievements, some of America's historic milestones, are based largely on the research activities of the past.

Yet, we have for 10 years cut our support for NASA, creating a plateau in the upward slope of technological advance. While other countries mount impressive new research and development aerospace programs—using our pioneering work as a base—we level off. Markets will begin to erode perhaps in much the same way as has happened to other once invincible largely American markets.

In testimony prepared for delivery to the Subcommittee on Science, Technology and Space, the Senate Commerce Committee, Dr. Walter B. Olstad, Acting Associate Administrator of NASA for Aeronautics and Space Technology made the following statement:

A long range program in high power laser technology development is generating increased optimism that lasers may be used to transfer power in space. Earlier described solutions for the high cost of producing electric power in space addressed enhancement of current technology . . . (L)aser power transmission could enable a whole realm of exciting new possibilities: a central power station in orbit could be used to furnish power to networks of spacecrafts; energy could be transmitted to an orbital transfer vehicle; a high-energy laser might be used to provide propulsion to launch spacecraft from earth; orbital power plants could possibly deliver energy to aircraft in flight; and high-energy lasers, coupled with spaces borne relay reflectors might also be used to replace transmission lines for point-to-point relay of earth-generated power. In FY 1982, exploratory research on these and other novel concepts were continued.

Mr. President, this is the essence of what I am talking about today. In my judgment, we must unleash the creativity, the imagination, and the technology innovation of this superb team of scientists and our space program and provide them with the funds necessary to move these daring programs forward. We must, for our own sakes, provide new marks for challengers to aim toward, not watch as they surpass the old ones. I am convinced that NASA is the best hope for retaining aerospace leadership and markets. I am convinced that far greater support is needed. In a larger sense, I am convinced that research and development is essential to our growth and productivity and to our spirit—the spirit that is recognized everywhere as "American."

CONCERN OVER AMERICA'S FARM SYSTEM

Mr. HEFLIN. Mr. President, I ask unanimous consent that a statement of Goodwin L. Myrick, president of the Alabama Farm Bureau Federation, which was made here in Washington, D.C., on March 17, 1981, pertaining to agriculture, and which statement, in my judgment, is an excellent blueprint for Congress to follow in regard to legislation dealing with farmers be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF GOODWIN L. MYRICK

Today, I stand before you again, as I did last year, representing the Alabama Farm Bureau—the farmers from Alabama. Today, there are fewer farmers in Alabama; the 1980 drought, heat, inflation, and high interest rates have taken their toll in 1980. However, I am proud to say that those of us who remain believe the American system will ultimately reward the productive and hard-working farmers who have taken the risk in agricultural production and who have invested in producing food and fiber for this country. I am proud to be a part of these people. These are the people who make this nation great.

Each year our legislative visits to Washington have come in the spring, a time of hope for farmers. This year, as every year, these people will leave Washington and will return to their farms to plant the crops and tend the livestock which will feed this nation and much of the world. However, 1981 is not the same as past years. This year, this group has many concerns which extend beyond those normal risks of weather, pests and markets.

The causes for concern in the farm sector are many. On occasion, we have all singled out one thing or another as the central issue—energy, inflation, interest rates, taxes, embargoes and other government manipulation of operations, price, and markets. A livestock producer may cite excessively high feed prices; a row crop producer may cite excessive costs of energy, chemicals and fertilizer. All may cite interest rates, land and capital cost increases which drive the costs of producing above the anticipated returns. For those of us who have farmed for some time, equities have grown with inflation; for others, entry into this profession has been barred because of these inflated equities.

Well-intentioned individuals and groups in and out of government have injected their concerns over the environment, human nutrition, health and safety and human and animal rights. Once expressed, these concerns are pursued with mindless vigor to the end that markets are disrupted, production costs are increased. Then, regulations are issued to remedy alleged fears or concerns.

There is justifiable concern in the Alabama farming community. Let me address just a few of those concerns now. We will be expanding upon these and others in much greater detail as legislation is offered.

Inflation is the farmers' and nation's number one enemy. We applaud this administration's efforts to reduce government spending and taxes. We have asked for this repeatedly. However, there are two elements of the inflation fight which concern us. First, high interest rates inflate our production costs. We have entered the past two planning seasons with prime interest rates in excess of 18 percent. We understand the intentions but observe that the ability of the economy

to increase productivity has deteriorated significantly due to these high interest rates. We want you to realize that these interest dollars decrease net farm income. We cannot pass on this cost. Second, we acknowledge and accept the fact that cuts in the budget must be made if we are to achieve the desired goals of reducing government spending, increasing savings and capital investment, lowering inflation and promoting increased productivity. Please recognize that agriculture has achieved all of these goals.

You may question that statement relative to inflation because food prices have certainly increased. The fact is that since 1970, the farm share of the consumer's food dollar has decreased by over 15 percent and is no longer the major contributor to food price increases. The average American family spends less than 15 cents of every disposable dollar for food—of that the farmer receives less than 5 cents.

My point is this—when you consider sanctioning the continuing high interest rates and cutting budgets, please consider the long-term effect on agriculture. Agriculture is the one sector of the economy which has consistently made the economic decisions you are now encouraging in other sectors. Careful consideration should be given to price supports and to the authority under the 1949 Farm Act and the Charter of the CCC which permits the establishment of support prices at 100 percent of parity. Fine tuning of commodity loan prices and farmer held reserve loan prices, release and call prices are not disincentives. Adjustments may be needed, but should include all production costs, land and management. Reasonable target prices should be set so that they reflect regional costs of production including factors for management and land rent. These cannot be considered subsidies.

Another concern is the trade of American agricultural commodities to all of the nations of the world. Aggressive worldwide marketing efforts are the single best method of placing American farmers in a position where they can efficiently utilize their equipment, resources and skill for a profit. This worldwide market development must be allowed to occur in an atmosphere dominated by world supply, world demand and worldwide price discovery.

We are apprehensive because in the past the task of formulating trade policy has been spread throughout the Departments of State, Commerce, the White House and USDA. As a result, issues such as human rights, reciprocal agreements, domestic food prices and national security have influenced our markets. The credibility of American producers in world markets has been jeopardized and our trade has been diverted to other more reliable nations.

To accomplish free and open markets we must pursue a vigorous trade development policy. We must allow our products to enter the market freely. We must allow price to be determined in the marketplace without government interference. We must encourage the development of systems capable of drawing producers closer to both domestic and foreign consumers. We must have agricultural attachés in the embassies of all current and major potential customers. Trade should be conducted for cash or at prevailing credit terms and P.L. 480 should be used to provide food to needy nations when surplus is available.

Another concern is energy. Modern production-oriented agriculture uses only 3 percent of the nation's energy. We must have a reliable supply at reasonable prices. Agriculture can supply 10 percent of the nation's energy from renewable sources without adversely affecting food supply or using fragile lands. Recent recisions and proposed budget cuts have dealt a severe blow to the budding biomass energy potential. We agree that private funding must build the plants. However, without initial incentives from government, we will have a difficult time attracting private capital. Many advantages can accrue to agricultural and the economy if renewable energy development is encouraged.

We are concerned over the annual loss of 3 million acres of agricultural lands, but are equally concerned over the attitude on the part of some that our title to land is only a package of rights which can be taken from us piece by piece. Profitable markets for our commodities will keep prime lands in agriculture. However, this must be accomplished by consistent government policy. We recommend that government provide guidelines, not regulations, and develop incentives which place ultimate land use decisions at the local level. We cannot tolerate any further federal blackmail to enforce the dreams of land use planners who have no stake in the outcome.

Regulation of the agricultural enterprise and all other aspects of our lives has grown out of proportion to its useful or intended function. We support fully the efforts of government to prune and shape the bureaucratic hedgerow. Recognizing that we will always have regulation in one form or another, we suggest that we do not and cannot live in this world without risk. The regulatory process should carry with it stringent congressional oversite and potential veto. Another and perhaps more insidious part of the regulatory function is de facto regulation which is carried out daily in government publications and the press. Allegations of danger carry with them the impact of a regulatory decree. This is particularly true in the area of chemicals and food additives. The nitrite controversy, cholesterol, DES, cyclamate, char-broiled steaks and now coffee are all cases in point. In all of these cases our agricultural interests have been damaged by allegation. We recognize that there is no way to control the release of information by a non-government researcher. However, government should not magnify the damage with pronouncements of anticipated regulatory activity.

Perhaps the most important legislation in the history of American agriculture will be debated this year. This, of course, is the 1981 Farm Bill. I say this because the Omnibus Bill is the legal document under which the USDA operates for the next four years. The major areas of discussion appear to be loan prices, support prices, farmer-owned reserves and target prices, normal crop acres, land use and conservation, loans and loan guarantees, rural electrification and rural development. I have already made general comments on most of these issues. We are working with Congressional committees as the bill is constructed so that Farm Bureau policy is incorporated.

I would like to single out one other area—agricultural research. Today, the yields and efficiencies that we maintain are a result of the land grant college research conducted 10 to 15 years ago. For the past decade, research budgets have been systematically reduced in terms of real dollars. Increases in productivity have begun to level off. The funds must be restored so this trend can be reversed.

Other industries have the capital and the self-interest to invest in private research and development. They are then able to pass the costs on to the consumer. Agriculture is a diffuse industry, comprised of many individuals and commodities. We are not capable of maintaining a sustained research effort independently. If this nation and the world are to enjoy the productivity of American agriculture, we must sustain and expand this research effort.

Every commodity produced in Alabama has suffered a disaster in 1980. We are concerned with the way that government has handled the problems of farmers in this crisis and do not agree with many specifics of current disaster programs.

Those of us who have survived the catastrophe and the inequities of the disaster relief program will bear the scars for many years. Land which was paid for is once again mortgaged. It does not appear that we can do anything about that. However, using the experience, we can work together to make certain that in the next disaster we will have equitable programs which provide adequate response reflecting actual loss.

As I mentioned earlier, the people gathered in this room represent the farmers of Alabama. Collectively, they make up our state's largest, most productive industry. They are concerned because as they produce more at higher cost, their rewards are less. In 1970, U.S. agriculture earned 12 billion dollars net. In 1980, the figure in 1970 dollars will be between 12 to 13 billion dollars. In 1980, farmers contributed more than 18 billion net dollars to the U.S. Balance of Trade; and they provided the food and fiber to consumers of this nation for less than 5 cents of each disposable dollar. That's mighty close to a free lunch.

We all realize it takes cuts in government spending to balance the budget. But let me urge you to move cautiously and don't be guilty, as the saying goes, of cutting off the hand that feeds the mouth.

THE SOIL AND WATER CONSERVATION INCENTIVES ACT OF 1981

Mr. HEFLIN. Mr. President, I rise to announce that I am cosponsoring legislation to improve our Nation's soil and water conservation practices. The principal author of this much-needed legislation is Senator ROGER W. JEPSEN, of Iowa. The proposal is entitled, "The Soil and Water Conservation Incentives Act of 1981."

Senator JEPSEN's bill, S. 569, is designed to meet the needs and interests of many people in our country who want to conserve their land but do not have the funds available to do so. Department of Agriculture studies show a loss of 4 billion tons of soil per year from non-Federal lands in the United States, including a staggering 2 billion tons of topsoil lost every year.

This proposal would allow private landholders and operators to claim a 10-percent tax credit when they invest their own money installing and maintaining conservation practices on their land.

As Senator JEPSEN has appropriately pointed out, most of our Nation's farmers and ranchers have a special protective feeling about the land, but the fact is that it takes an extra special effort for a farmer to conserve his land for future generations. Soil conservation pays off over a number of years, but in today's market when many farmers have to worry about just getting by, paying for soil conservation can be a real economic burden.

As we all know, the basic and most important ingredient for providing abundant food for a hungry world is good soil. This takes on added significance when you consider that the world's population is growing at a rate of 70 million per year and the demand for American agricultural products is steadily increasing. In two important areas of my State alone, the loss of soil to erosion is a severe problem. In the Tennessee Valley

area of Alabama, we lose approximately 20 tons per acre, per year of cropland to erosion. In the Wiregrass area, we lose 10 to 15 tons per acre, per year.

As ranking member of the Senate Agriculture Subcommittee on Soil and Water Conservation, I am pleased to join Senator JEPSEN in efforts to improve conservation practices throughout the Nation by adopting adequate incentives and to promote voluntary participation. I believe the conservation tax route is a step in the right direction.

Currently, the U.S. Department of Agriculture provides cost-share programs which are special programs to encourage farmers to apply conservation measures. However, although the Department of Agriculture funds 50 percent of these programs, very few farmers take advantage of this aid. Therefore, Mr. President, I hope my colleagues will join in supporting this important proposal. The Soil and Water Conservation Incentives Act of 1981 is practical legislation. It builds on that section of the Tax Code which allows farmowners or operators to deduct the land management and conservation expenditures already listed in the code. The bill we are sponsoring would allow for a choice of either a full tax deduction the year the structure is installed or a 10-percent investment tax credit the first year, with deductions that year or thereafter on a standard depreciation schedule. For example, a farmer uses his own money to install an erosion control structure at a cost of $2,000. This bill would allow him to:

First, deduct the $2,000 from his gross income that taxable year; or

Second, take a $200 tax credit—10 percent—of his tax liability that taxable year with deductions thereafter amounting to the full cost of the structure over the span of its appreciable life.

This is a good bill, Mr. President, one which will aid America's farmers. This aid will come at a time when the American farmer will be playing a major role in improving the U.S. lagging balance of trade and meeting national needs for food and fiber.

AN EXPERT SHEDS LIGHT ON EL SALVADOR'S TUNNEL

Mr. HEFLIN. Mr. President, I ask unanimous consent that an editorial that appeared in the Montgomery Advertiser on March 8, 1981, and written by Lt. Col. John Napier III, U.S. Air Force (retired), entitled "An Expert Sheds Light on El Salvador's Tunnel" be printed in the RECORD. I wish to state that I am doing this at the request of a friend, Judy Cumbree of Tuskegee, Ala., and that the views of Colonel Napier do not necessarily reflect my views.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN EXPERT SHEDS LIGHT ON EL SALVADOR'S TUNNEL

(By Lt. Col. John H. Napier III, USAF-Ret.)

Nearly 20 years ago, I became one of the U.S. Air Force's first specialists in "counter-insurgency," a Kennedy Administration euphemism for counter-revolutionary warfare directed primarily against Communist-inspired guerrilla movements.

The cardinal tenet of counterinsurgency doctrine is that "host" governments must have or gain the support of their own people to thwart Communist subversive takeovers, and the strategy is a three-pronged one of carefully coordinated military, civic and psychological actions. The corollary is that military action alone is futile in combatting revolutionary guerrilla warfare.

Although our strategy failed in Indochina when we went from advising the South Vietnamese to trying to fight their war for them, in Latin America our counterinsurgency assistance bought time for local governments to put their domestic houses in order with needed socio-economic reforms. The climax of this effort was the death of Che Guevara in Bolivia in 1967, nearly 14 years ago.

However, today I am both disturbed and skeptical about reports of Castroite or Sandinista Communist guerrilla warfare in El Salvador, coming both from U.S. and Salvadoran government officialdom. Independent reports tell such a diametrically-opposed story that one wonders whether people are talking about the same country.

Our new administration reports a Communist guerrilla war which television covers obligingly, but in its March issue, Harper's contributing editor T. D. Allman charges that no Central American nor U.S. official in that region could show him one captured Cuban adviser, Soviet weapon nor Sandinista propaganda pamphlet.

Indeed, he alleges that the "guerrillas" arms have been sold them by American free-enterprise friends of freedom dealing in the arms traffic (see "Rising to Rebellion: With the Guerrillas in El Salvador" in Harper's).

If there is indeed a Communist threat, why is the anti-Communist Roman Catholic Church opposed to U.S. military aid to the Salvadoran military junta? Why on Feb. 21 did that junta arrest one of its own members, Col. Adolfo Majano, who happened to be the only one of them who urged land and social reforms, an arrest which last Sunday San Salvador's Archbishop denounced?

Is the Salvadoran Army waging war against Castroites or Sandinistas, or is it making war on its own people who have had the temerity to ask for a $3.50 daily wage? If the latter, God help El Salvador, not us.

The American public needs to understand two historic facts about Latin America and the United States. The first is the repression that Latin American armies have exercised against their largely Indian masses ever since 1519 when Hernan Cortes crushed the Aztec Empire in Mexico.

One must ponder the irony that the only two Central American nations which have no armies—Costa Rica and Belize—are also the only two that are democratic and have no repression, hence no rebellion and thus no need for U.S. military aid.

The second fact is that in this century U.S. governments have been all too prone to military interventions in Meso-America, starting with Theodore Roosevelt's wresting Panama from Colombia in 1903.

The U.S. Marines' "banana wars" from 1912 to 1933, Woodrow Wilson's two interventions in Mexico, our threat of war with Mexico in 1927 over the expropriation of U.S. oil industries there, our clandestine toppling of the Arbenz regime in Guatemala in 1954, the foredoomed Bay of Pigs invasion of Cuba in 1961 (supported by Alabama Air National Guard B–26 aircrews) and our large-scale invasion of the Dominican Republic in 1965, to name just the major interventions, have all failed to bring political peace and social justice to the countries involved, all have left a heritage of hatred for the Colossus of the North and none can be proven to have been in the U.S.'s best national interests.

Indeed, the Bay of Pigs operation (approved by the U.S. Joint Chiefs of Staff) had the opposite of its intended effect by encouraging a direct Soviet military presence in Cuba that led to the brink of World War III in the 1962 Cuban Missile Crisis.

If we react too quickly to support repressive military regimes in Latin America, we may instead throw their people who are being jailed, tortured, starved, robbed, raped and murdered into the arms of Communist revolutionaries. The Salvadoran Army does not need our advice on how to kill its own people more efficiently.

Of its 2,000-man officer corps, over the years we have already trained 1,971. It was not Communist guerrillas but right-wing terrorists in Salvadoran uniforms and with U.S. weapons who raped and murdered four American nuns there last fall, presumably for the Christian offense of comforting the afflicted.

One needs to bear in mind that the Anglo-Saxon-American military tradition in much different from that of Latin America, in being a political subordinate to civil authority and in humane values.

The ancient Latin warning, "caveat emptor," has its modern Southern equivalent: "Don't buy a pig in a poke." I suggest that the American public stay both cool-headed and skeptical about this latest Communist specter in Latin America.

Comparisons between Central America and Southeast Asia are invidious because of vast natural and cultural differences between the two regions, but one fact about both is clear: No outside force can maintain a government which lacks the support of its own people. That is the real lesson of Viet Nam, where we sent 60 advisers in 1953. In March 1981 we are sending 50 to El Salvador.

RECOGNITION OF SENATOR SIMPSON

The PRESIDING OFFICER. Under the previous order, the Senator from Wyoming is recognized for not to exceed 15 minutes.

SENATE JOINT RESOLUTION 64—NATIONAL BLINDED VETERANS RECOGNITION DAY

Mr. SIMPSON. Mr. President, as one of my first official acts as the incoming chairman of the Veterans' Affairs Committee of the Senate, and at the special request of the blinded veterans of America, I send to the desk a resolution which designates August 13, 1981, as "National Blinded Veterans Recognition Day."

The Blinded Veterans Association is a highly respected veterans service organization which works actively to represent the special needs and legislative interests of this country's thousands of blinded and visually impaired veterans. Over the years the Senate Veterans' Affairs Committee has introduced, and the Congress has enacted, a wide variety of bills which have targeted the very unique needs of these most deserving veterans. Programs have been initiated, expanded, and improved in the areas of compensation, readjustment, rehabilitation, and specially adapted housing in order to assist the blinded and severely visually impaired veteran to live a more independent and productive life.

On August 11 of this year, the Blinded Veterans Association will hold its na-

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tional convention here in our Nation's Capital. The hundreds of blinded veterans who will be attending the convention will evaluate the need for new legislative initiatives. We will be very interested in their proposals. During the convention, on the date of August 13, a commemorative envelope will be issued in braille honoring the blinded veterans of America.

Their representatives will on that date place a memorial plaque in the memorial display room at Arlington National Cemetery honoring our war dead. By establishing August 13, 1981, as Blinded Veterans Recognition Day, Congress will appropriately and effectively indicate its support and appreciation for the thousands of blinded and visually impaired veterans who have served and sacrificed in the defense of our Nation.

Mr. President, I wish to express my personal appreciation and admiration for the many blinded and severely visually impaired veterans throughout the United States. I was particularly impressed with the testimony of their president, George Stocking, in his testimony before the committee the other day. I assured that group that as chairman of the Senate Veterans' Affairs Committee I will continue to carefully consider all new legislative initiatives and will monitor existing programs designed to address the very special needs of these very special veterans. I urge my colleagues to join me in support of this effort to recognize the very extraordinary sacrifices made and the problems faced by our Nation's blinded veterans.

Mr. President, I ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 64

Whereas there are thousands of Americans in the United States today who, as a result of service in the military forces of their country, incurred the catastrophic disability of blindness;

Whereas despite the extreme severity of their disability, most of these veterans have received rehabilitation and have returned to and continue to lead useful and productive lives; and

Whereas the sacrifices and contributions that these veterans have made and the service rendered by the many veterans who later suffered blindness from non-service related causes are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 13, 1981, is designated as "National Blinded Veterans Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups and organizations to set aside this day to honor the sacrifices and service of blinded veterans in an appropriate manner.

Mr. SIMPSON. I would also remark, Mr. President, that the entire membership of the Veterans' Affairs Committee join me as cosponsors of this resolution.

S. 911—SPECIAL PENSION TO SURVIVING SPOUSE OF MEDAL OF HONOR WINNERS

Mr. SIMPSON. Mr. President, I am pleased today to introduce legislation which will insure that the surviving spouse of any member of the armed services who is or was a Medal of Honor winner shall be awarded a special pension.

The pension would be at half the rate of the pension which would have been awarded to the service member were that individual alive. To qualify for this pension, the surviving spouse must have been married to the individual receiving the Medal of Honor at the time of the deed which occasioned the award and the pension shall continue until the surviving spouse dies or remarries. It seems, indeed, ironic to me that this Nation appropriately accords a special gratitude and pension for the personal benefit of the military person who displays the extraordinary gallantry to qualify for such an award, but then denies this pension benefit to the immediate spouse of the deceased person whose very heroism gave rise to the award. It is to correct this inequity that this legislation is introduced by me.

Mr. President, I believe that the surviving spouse of the decorated hero should receive the benefit of the award until that surviving spouse dies or is remarried. It is often quite true that the spouse also displays a remarkable degree of courage. I therefore believe this special consideration should be expressed.

I trust that my colleagues will agree that pure equity alone directs the surviving spouse of the individual awarded the Medal of Honor be accorded one-half of the pension that both did or would have benefited from.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 911

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 562 of title 38, United States Code, relating to special pension for Medal of Honor recipients, is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(2) by inserting after subsection (a) the following new subsection (b):

"(b)(1) The Administrator shall also pay to the surviving spouse of any person who has served on active duty in the Armed Forces of the United States and who has been awarded the Medal of Honor, a special pension at the rate of $100 per month, beginning on the first day of the month after the date of application therefor under paragraph (2) of this subsection as long as the surviving spouse was married to such person at the time of the action for which the Medal of Honor was awarded.

"(2) Applications for the pension referred to in paragraph (1) of this subsection shall be made in the form and under regulations prescribed by the Administrator. The Administrator may require such evidence as the Administrator determines necessary to establish that the applicant is the surviving spouse of a person described in paragraph (1) of this subsection.

"(3) A surviving spouse of a person described in paragraph (1) of this subsection who makes application for and receives the special pension under paragraph (1) of this subsection shall continue receiving such pension until death or remarriage."; and

(3) by striking out the period at the end of subsection (e), as redesignated by clause (1), and inserting in lieu thereof "nor shall the surviving spouse of any such person receive more than one special pension.".

NUCLEAR REGULATORY COMMISSION LEGISLATIVE PROPOSALS

Mr. SIMPSON. Mr. President, with regard to the issue of nuclear regulation, of which subcommittee I am chairman, today, I am introducing, by request, two legislative proposals submitted by the Nuclear Regulatory Commission. The first proposal would overturn a recent decision by the U.S. Court of Appeals for the District of Columbia Circuit entitled Sholly against NRC. This proposal, if adopted, would amend section 189 of the Atomic Energy Act of 1954 to clarify that the Commission may issue a license amendment that involves no significant hazards consideration without first holding a hearing. The proposal would also specify that section 189 does not limit the NRC's authority to take immediate action by amendment or order to protect the public health, and interest, or common defense and security.

The second legislative proposal from the Nuclear Regulatory Commission would authorize NRC to issue an interim operating license for a nuclear powerplant if the Commission finds that in all respects other than the completion of the hearing, the requirements of the Atomic Energy Act have been met, and that authorizing interim operation is necessary in the public interest in order to avoid the consequences of unnecessary delay in the operation of the plant. Under the NRC proposal, interim operation would be limited to fuel loading and low-power operation and testing of the plant, not to exceed 5 percent of full power. In addition, the Commission's authority to issue interim operating licenses would expire at the end of 1983.

Mr. President, the Nuclear Regulation Subcommittee has already held two hearings on the two issues addressed by the NRC legislative proposals: The likely impact of the Sholly decision and the growing problem of delays in issuing operating licenses for new nuclear plants beyond the time when construction of the plants has been completed. It is clear to me and I believe to the subcommittee that these are both serious problems that require prompt action by Congress. In the case of the operating license delays, administrative actions on the part of the agency are also required to expedite safety reviews and hearings, consistent

with the need to provide a fair opportunity for public participation. In the coming few weeks, the Nuclear Regulation Subcommittee will continue to grapple with these important issues and with the Commission's proposed legislative responses.

Mr. President, I ask unanimous consent that the bill, the Commission's letter of transmittal, a section analysis, and a legislative memorandum on the Sholly proposal be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 912

Section 189 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new sentences at the end of paragraph (a) thereof: "The Commission is authorized to issue and to make immediately effective an amendment to a license upon a determination by the Commission that the amendment involves no significant hazards consideration, notwithstanding the pendency before it of a request for a hearing from any person. The Commission is authorized to issue and to make immediately effective any amendment to a license, or any order to govern any activity subject to this Act, as it may deem necessary upon a determination that immediate effectiveness is required to protect the public health, safety, and interest, or the common defense and security.".

NUCLEAR REGULATORY COMMISSION,
Washington, D.C., March 11, 1981.

Hon. GEORGE H. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a Nuclear Regulatory Commission legislative proposal in the form of a draft bill to amend the Atomic Energy Act of 1954, as amended, to clarify that the Commission may issue a license amendment, where no significant hazards consideration is involved without holding a prior hearing and for other purposes. A draft bill is in Enclosure 1. An analysis of the proposal is in Enclosure 2. A memorandum explaining the need for the proposal is in Enclosure 3.

This proposal is in response to and seeks to overturn the decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Sholly, et al.* v. *NRC, et al.*, No. 80–1691 (November 19, 1980). The court held that the NRC may not issue a license amendment even if there is no significant hazards consideration when an interested person has filed a request for a hearing under Section 189(a) of the Atomic Energy Act, 42 U.S.C. 2239(a). The decision could also implicate the Commission's authority to issue immediately effective license amendments and orders when the public health, safety, and interest or the common defense and security requires. The court's decision mandating a prior hearing on demand on matters insignificant to the public health and safety seriously and immediately encumbers the regulation of nuclear power, and puts at risk a substantial number of nuclear power plants which would either have to be shut down or operate at reduced power if they are not accorded the authority sought in pending license amendment requests. The number of power plants affected will fluctuate over time depending upon which plants have license amendment applications pending and the nature of the license amendment requests.

The proposed legislation, if adopted, would amend Section 189 to clarify that the Commission may issue a license amendment which involves no significant hazards consideration without first holding a hearing. The bill would also clarify that Section 189 does not limit the NRC's authority to take immediate action by amendment or order to protect the public health, safety, and interest or common defense and security. This legislation is needed to overturn the adverse impacts of the Sholly decision on the regulation of nuclear energy. Unless overturned, this decision raises the prospect of a substantial curtailment of nuclear power plant operation for reasons which in the Commission's view are unrelated to the safety of the facility. We do not believe that prospect to have been intended by Congress in enacting Section 189 and urge approval of the proposed NRC legislation.

Sincerely,

JOSEPH M. HENDRIE.

SECTION ANALYSIS

The purpose of the amendment is to overturn the decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Sholly* v. *NRC*, November 19, 1980. The amendment provides that the Commission may issue a license amendment upon a determination that it involves no significant hazards consideration without holding a prior hearing. It also clarifies that nothing in the Atomic Energy Act limits the agency's exercise of its powers to issue immediately effective license amendments or orders to protect the public health, safety, and interest or the common defense and security. This amendment does not affect the opportunity of an interested person for a hearing after the amendment has been issued.

LEGISLATIVE MEMORANDUM IN SUPPORT OF PROPOSED BILL

This memorandum sets forth the views of the U.S. Nuclear Regulatory Commission in support of a proposed amendment to Section 189(a) of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2239(a), to overturn the decision of the U.S. Court of Appeals for the District of Columbia Circuit in *Sholly, et al.* v. *NRC, et al.* (November 19, 1980). That decision seriously and immediately encumbers the regulation of nuclear power, and puts at risk a substantial number of nuclear power plants which would either have to shut down or operate at reduced power if they are not accorded the authority sought in pending license amendment requests. The number of power plants affected will fluctuate over time depending upon which plants have license amendment applications pending and the nature of the license amendment requests. The Commission urges enactment of this amendment.

STATEMENT OF FACTS

The lawsuit arose over the Commission's efforts to take necessary preliminary steps for the cleanup of the March 28, 1979 accident at Three Mile Island. As a result of that accident the TMI–2 containment building atmosphere held approximately 43,000 curies of radioactive krypton–85 which had been released from the nuclear fuel damaged during the accident. That radioactive krypton posed a barrier to progressing with the cleanup. There was no serious dispute, by anyone, that the krypton had to be removed. After a multi-month extensive public process, the Commission decided to vent the krypton to the atmosphere and amended the license to permit the venting at a faster rate than that permitted under the license's technical specifications while at the same time keeping radiation doses to the public at or below levels which the superseded release limits were intended to assure.

COURT OF APPEALS DECISION

In an opinion handed down November 19, 1980, the D.C. Circuit declared that the Commission's refusal to hold a hearing on its venting orders violated petitioners' statutory right to a hearing under Section 189 (a) of the Atomic Energy Act, 42 U.S.C. 2239 (a), *Sholly* v. *NRC*, F.2d , No. 80–1691 (Nov. 19, 1980). The court ruled that even where a license amendment involves no significant hazards consideration (such as the substitution of dose limits for release limits that allowed for the venting to be completed within two weeks rather than months) an interested person who requests a hearing is entitled by Section 139(a) of the Atomic Energy Act to a hearing before the amendment becomes effective. The proposed amendment addresses this ruling.[1]

IMPORTANCE OF THE COURT OF APPEALS DECISION

The principal ruling of concern to the Commission is the D.C. Circuit's holding that even where an amendment to a nuclear power plant license involves no significant hazards consideration, an interested person who requests a hearing is entitled by Section 189(a) of the Atomic Energy Act, 42 U.S.C. 2239, to a hearing before the amendment becomes effective. The practical effect of that ruling is substantial. Over the past four years the Commission has issued more than 1600 amendments to nuclear power plant operating licenses based upon a no significant hazards consideration determination. Over the past few months some 20 nuclear power plants would either have had to shut down or operate at reduced power if they were not accorded the authority sought in no significant hazards license amendment requests. If, as the D.C. Circuit has held, hearings are necessary before this authority can be granted whenever an interested person requests one, there is the prospect of a substantial curtailment of nuclear power plant operations for reasons which in the Commission's view are unrelated to the safety of the nuclear power plants.

The large number of license amendment actions which the Commission must act upon, as is reflected in the yearly average of better than 400 amendments, is directly attributable to the kind of detailed regulation of nuclear power plant operation that the Commission has demanded. A nuclear power plant operating license, like that issued for Three Mile Island, Unit 2, the power plant involved in the Sholly case, is quite literally hundreds of pages long,

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[1] The court also ruled that the Commission's approval of venting the TMI–2 containment was itself a license amendment even though not characterized by the Commission as such. This ruling should not prove onerous for three reasons. It is applicable only to a situation where the relevant authority under a license has been revoked as the court mistakenly thought was the case with regard to the TMI–2 license. Second, the Commission does not consider itself bound to follow the court's misreading of the Commission's intent. Third, even prior to *Sholly* the granting of significant authority where none existed previously would have required a license amendment. Thus the Commission is not proposing to legislatively overrule the court's erroneous ruling with regard to the TMI–2 license.

and consists of highly detailed technical specifications. Any change in the license itself or in any of those hundreds of pages of technical specifications is a license amendment.

Since changes must often be made—for example, whenever a nuclear power plant refuels, which usually occurs at about 18-month intervals, the technical specifications often need to be adjusted to reflect the physical behavior of the fresh fuel placed in the reactor core—the consequence of the court's holding could be to keep a nuclear power plant shut down or prevent its operating at full-rated capacity, whenever the power plant refuels; and this despite the fact that in the Commission's best judgment there is no significant hazards consideration involved in adjusting the technical specifications to account for the behavior of the fresh fuel. A variety of other kinds of license amendment actions, such as extending the time for imposing a new requirement, or relieving the licensee of a particular maintenance check, could have similar results.

For example, as the Commission moves to implement a whole host of new operating license requirements developed in response to the TMI-2 accident, any fine tuning of those requirements involving a delayed effective date or the substitution of one kind of licensing requirement for another could, under the court's ruling, prevent or impede a new power plant from coming on line or impede the operation of a nuclear power plant already in service until the issue was resolved after a hearing. And this despite the fact that the Commission thinks the license or technical specification amendment involved is not of safety significance. That result lacks practicality. The Commission does not think that Congress intended nuclear power regulation and the operation of nuclear power plants to be as episodic and dependent upon happenstance as the frequency of hearing requests on minor matters. Yet such a consequence is plainly a possible result of this Court's ruling that Section 189 (a) of the Atomic Energy Act obliges the Commission to hold a hearing on a no significant hazards consideration license amendment, on request, before the amendment becomes effective.[2] Nor does the Commission think that Congress intended the Commission to eliminate or grossly simplify the vast bulk of technical specifications which govern the operation of nuclear power plants in order to minimize the number of license amendment actions that must be dealt with.[3]

With simplification comes a loss of governmental control, a loss of enforceability, and a loss of detailed assurance in a power plant's method of operation. It is questionable whether acceptance of those kinds of uncertainties best advances the public interest in assuring that nuclear power plants are operated safely. It is just as questionable that such a reading of Section 189(a) is the one that Congress intended.[4]

PROPOSED AMENDMENT

The Commission believes that the court's interpretation of Section 189(a) was erroneous and that the decision seriously encumbers the regulation of nuclear power by providing leverage to block, through hearing requests, needed license amendments which involve no significant hazards consideration. The Commission proposes to correct this situation through an amendment to Section 189(a) which, if adopted, would confirm the Commission's interpretation that there is no right to a prior hearing before an amendment may be made effective, if it presents no significant hazards consideration. The amendment would also clarify that Section 189(a) does not limit the Commission's authority to issue immediately effective amendments and orders when the public health, safety, and interest or the common defense and security requires. As to this latter point Commissioner Gilinsky believes that the proposed amendment should delete the words "and interest" and empower the Commission to take immediate action only when required by the public health and safety or the common defense and security. Commissioner Gilinsky believes that his proposal more accurately reflects the standard the Commission currently employs and that this is not the occasion to broaden the Commission's immediate effectiveness powers.

The amendment urged by the Commission would effectively end the adverse potential impacts of the Sholly decision. For the reasons described in this memorandum, the Commission urges adoption of the proposed amendment.

Mr. SIMPSON. Mr. President, I also ask unanimous consent that the bill, the Commission's letter of transmittal, additional comments of Commissioners, and an analysis of the proposed interim operating legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 913

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 189a of the Atomic Energy Act of 1954, as amended, is amended by adding after the final sentence in the subsection:

"Notwithstanding any other provisions of this Act, the Commission may, upon determination that such action is necessary in the public interest in order to avoid the consequences of unnecessary delay in the operation of a nuclear power reactor, issue for such a facility an interim operating license authorizing fuel loading, and operation and testing at power levels not to exceed five percent of rated full thermal power, in advance of the conduct or completion of any required hearing: *Provided,* That any operating license so issued shall be subject to any subsequent findings and orders of the Commission after the conduct of any required hearing: *and provided further,* That in all other respects the requirements of the Atomic Energy Act of 1954, as amended, shall be met. Prior to the issuance of any such interim license, the Commission shall publish in the Federal Register a notice of its intent to issue the license, and shall provide an opportunity for parties to the proceeding to comment on whether such action is necessary in the public interest. The authority to issue such an interim license for a nuclear power reactor in advance of the conduct or completion of a hearing shall expire on December 31, 1983."

U.S. NUCLEAR REGULATORY COMMISSION,
Washington, D.C., March 18, 1981.

Hon. GEORGE H. W. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a Nuclear Regulatory Commission proposal in the form of a draft bill to amend the Atomic Energy Act of 1954, as amended, to authorize the Commission to issue an interim operating license for a nuclear power plant, authorizing fuel loading and low-power operation and testing, in advance of the conduct or completion of an on-the-record evidentiary hearing on contested issues. The proposed legislation, which represents an extraordinary and temporary cure for an extraordinary and temporary situation, is set forth in Enclosure 1. An analysis of the proposed legislation is set forth in Enclosure 2. Enclosure 3 sets forth the proposed legislation in the form of a comparative text.

Under the Atomic Energy Act of 1954, as amended, no person may operate a nuclear power plant without first obtaining an operating license from the Nuclear Regulatory Commission. Under existing law, a formal on-the-record evidentiary hearing must be held, and a decision rendered on the basis of that record, if requested by any person whose interest may be affected, before the Commission may issue an operating license.

In the past, the scheduling and processing of licensing reviews has typically provided sufficient time to enable the hearings to be completed and the license issued by the time the nuclear plant is completed and ready to operate. For the first time, however, it appears that the hearing process for a significant number of nuclear power plants will last beyond the date when construction should be complete and the plants are ready to operate. This situation is an indirect consequence of the Three Mile Island (TMI) accident, which required a reexamination of the entire regulatory structure. After TMI, for a period of over a year-and-a-half, the Commission's attention and resources were focused on plants which were already licensed to operate and to the preparation of an action plan which specified a discrete set of TMI-related requirements for new operating reactors. During this period, utilities that had received construction permits continued to build the authorized plants.

The severe public interest impact of these delays has been discussed extensively before interested committees in the House and Senate. Although there may be differences of opinion on the precise overall impact of these delays, as well as in the different estimates of the consequences for each of the plants, the delay costs now are generally estimated to range in the tens of millions of dollars per month for each completed plant.

The Commission is making every effort to see that available resources are devoted to the completion of its licensing reviews of these plants, and that unnecessary delays in these hearings are avoided. Under existing law, however, the Commission lacks the authority to authorize fuel loading and low-

[2] The NRC, of course, does not know how many hearing requests, if any, might be filed in connection with these license amendment requests. The Court's opinion, however, clearly provides an incentive for such filings.

The Commission also has as an alternative but not coextensive source of authority to issue immediately effective orders where the public health, safety or interest so requires. There is language in Sholly which could be interpreted as requiring a hearing on request prior to the NRC's exercise of its power to take immediately effective action. The second sentence of the proposed amendment clarifies that that is not the case, and the Commission is empowered to take such immediate action despite the pendency of a hearing request.

[3] Of course, any simplification of technical specifications would itself be a license amendment that under the Sholly decision could not be placed in effect until the completion of whatever hearing or hearings are requested by interested persons.

[4] The court of appeal's decision takes no account of these realities in its interpretation of Section 189. Beyond this, in the NRC's view, the court's decision seriously misreads Congress' intent in passing the 1962 amendments to the Atomic Energy Act and erroneously refuses to give deference to the Commission's consistently held interpretation of its governing statute—that no prior hearing need be held when a finding is made that a license amendment involves no significant hazards consideration.

power operation and testing on the basis of its safety and environmental evaluation; it must instead await the completion of the hearing process. The result, for the plants most affected by TMI-related actions, is likely to be delays of at least several months in ultimate operation of the facilities, absent remedial action by the Congress.

The proposed amendment to subsection 189a of the Act would authorize the Commission, if it finds that such action is in the public interest in order to avoid the consequences of delay in the operation of a completed nuclear power plant, to issue an interim operating license authorizing fuel loading and low-power operation and testing of the plant in advance of the conduct or completion of any required hearing. In all respects other than the completion of the hearing, the Commission would have to find that the requirements of all applicable law have been met prior to allowing such interim operations. Thus, the public health and safety, common defense and security, and environmental findings would still have to be made, even though the public interest finding is made. Furthermore, a hearing would still be held if requested by an interested person under section 189 of the Act. The proposed amendment would simply provide that in such a case, the requested hearing could be held or completed after issuance of the license authorizing fuel loading and low-power operation and testing. Moreover, any interim license issued under this authority would be subject to any subsequent findings and orders of the Commission after the conduct of any required hearing. The authority to issue such interim licenses would expire on December 31, 1983.

The effect of this proposed legislation would be to advance by at least several months the date of operation of the plants most affected by the TMI-related actions, where issuance of the operating license is contested. The savings of time could be much more substantial in cases where testing showed the need for modification and further testing. By placing a time limit of December 31, 1933 on the Commission's authority to issue such interim licenses, the proposed legislation would assure that the relaxation of licensing requirements would be confined to those plants which have been most directly affected by the Commission's post-TMI actions. Since the risks associated with low-power operation and testing are much smaller than those associated with normal full-power operation, we believe that this authority, limited to the relatively few plants likely to be most affected by our TMI-related effort, represents a minimal intrusion on our usual review and hearing process. The Commission cannot, under existing law, take these measures to reduce the delay in the licensing of the affected plants. The proposed legislation would result in very substantial cost savings for consumers in the service areas of the affected plants.

The proposed legislation deals essentially with matters of licensing procedures and, as indicated, would not alter any of the substantive standards and requirements of the Atomic Energy Act pertaining to the protection of public health and safety and the common defense and security or of NEPA. In light of this the Commission has concluded that the proposed legislation would not significantly affect the quality of the human environment.

Additional comments by Commissioner Ahearne and myself are enclosed.

Sincerely,

JOSEPH M. HENDRIE.

ADDITIONAL COMMENTS OF COMMISSIONER AHEARNE

I accept the desirability of low-power interim licensing, given the problems we now face. If improvements in the licensing process cannot be made, then full-power interim licensing may be necessary. However, it is time for fundamental reforms in the role and practice of the hearing process. In particular, the Commission should direct Boards to serve to decide only issues that are raised by the parties, and of those, only those of substance. The threshold for admitted contentions should be significantly raised, sua sponte authority should be limited, and the Boards should be authorized to manage the proceedings with a strong hand. Failing these changes, I expect another Commission will be requesting full-power interim licensing legislation.

ADDITIONAL COMMENTS OF CHAIRMAN HENDRIE

I strongly support the legislative proposal made here for authority to issue interim operating licenses for fuel loading and low-power operation and testing. It would, in effect, advance the operating schedules of the affected units by several months and result in substantial savings for consumers.

But it is also my view that the authority for interim licensing could reasonably be extended to include full-power operation, with a further substantial reduction in cost impacts. This authority would be needed with regard to only a small number of units, I estimate nine at most and more probably no more than six, that are particularly severely affected by the licensing delays following the Three Mile Island accident. For these units, even the low-power interim license authority, together with all the measures the Commission can take under existing law, will probably not be enough to avoid licensing decision delays. Indeed, one of these units is already experiencing such a delay. The full-power interim licensing authority would remedy that situation for most of these units and would minimize the delay for the unit already affected.

ANALYSIS OF PROPOSED LEGISLATION

Under the Atomic Energy Act of 1954, as amended, no person may operate a nuclear power plant without first obtaining an operating license from the Commission. Under existing law, a formal on-the-record public hearing must be held before issuance of any operating license if requested by any person whose interest may be affected. The proposed amendment to subsection 189a authorizes the Commission, under the circumstances specified therein, to issue an interim operating license authorizing fuel loading and operation and testing at power levels not to exceed five percent of rated full thermal power, in advance of the conduct or completion of hearings on the issuance of the full-term license.

This authority could be used only if all legal requirements applicable to a license for fuel loading and low-power testing and operation have been satisfied, with the sole exception of the requirement that in a contested proceeding, operation can be authorized only after a decision based upon the record of a completed hearing. These legal requirements include the Commission's findings as to public health and safety, the common defense and security, the environment, and antitrust considerations, as mandated by the Atomic Energy Act of 1954, as amended, the National Environmental Policy Act, and other applicable statutes.

Under the proposed legislation, the Commission may exercise the authority to permit fuel loading and low-power operation and testing if it finds that such action is necessary in the public interest in order to avoid the consequences of unnecessary delay in the operation of the facility. This public interest finding would be based on the consideration of the costs, ultimately borne by consumers, of having a completed nuclear power plant standing idle while awaiting the completion of the hearing on the full-term license. These costs include the dollar costs of delay and of obtaining replacement power, and may also include the need for power from the facility and the energy equivalency of fossil fuel.

Any interim license issued under this authority will be subject to any subsequent findings and orders of the Commission after the conduct of the required hearing.

The proposed legislation requires the Commission, before authorizing issuance of a license for fuel loading and low-power operation and testing, to publish notice of its intended action in the Federal Register and to afford an opportunity for parties to comment on whether the intended action is necessary in the public interest.

Any fiscal action of the Commission under this subsection is subject to judicial review.

The authority granted by the proposed legislation will expire on December 31, 1983. For a significant number of nuclear power plants—those most affected in the review process by Commission efforts to respond to the Three Mile Island accident—this time period should permit the Commission, with the full cooperation of prospective applicants, to schedule licensing reviews and proceedings so as to avoid, wherever possible, situations in which completed plants stand idle while awaiting completion of licensing proceedings.

Mr. SIMPSON. Mr. President, I yield back the remainder of my time and look forward to the continuing efforts of Senator BYRD as he elucidates the procedures and history of the U.S. Senate. I appreciate that.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

RECOGNITION OF SENATOR ROBERT C. BYRD

The PRESIDING OFFICER. The Senator from West Virginia.

THE UNITED STATES SENATE—SOME SENATE RULES AND PRACTICES

Mr. ROBERT C. BYRD. Mr. President, in thinking about the enduring nature of the Senate, I often am reminded of the observation made by former Senator William Peffer of Kansas. He said:

> The Senate is a school. The world's history is its text book. The record of a single day's proceedings frequently shows a range of work as wide as Christendom. No man well made up can be there long, if he will but listen, without himself becoming wiser and better. His opportunities for usefulness multiply as the new days come to him; his intellectual horizon expands, his view broadens and he grows stronger.

The day-to-day functioning of the Senate has given rise to a set of traditions, rules, and practices with a life and history all its own. The body of principles and procedures governing many Senatorial obligations and routines—attendance, quorums, voting, and pairing, for example—is not so much the result of reasoned deliberations as the fruit of jousting and adjusting to circumstances in which the Senate found itself from time to time.

From the first day of Senate business in 1789, the problem of attendance has

been a major concern of conscientious Senators. The Continental Congress and the Congress of the Confederation had been plagued by the embarrassing problem of absenteeism. As a result, the United States Constitution provided that the two branches of Congress could compel the attendance of their members, but left the method of compulsion up to the individual chambers.

Reflecting this responsibility, the first set of rules adopted by the Senate on April 16, 1789, ended with Rule XIX, which read, "No member shall absent himself from the service of the Senate without leave of the Senate first obtained." Though to this day that rule has remained unchanged, except for the deletion of the words "of the Senate first obtained", the principle embodied in it has not always commanded the most consistent adherence.

One day during the first session, for instance, Senator Maclay reported with evident chagrin that a cry for adjournment went up in the Senate chamber in order that the Senators might watch the flight of a hot-air balloon. On another occasion. Maclay recorded that the Senate adjourned because the President was giving a party. But most notable among these early breaches of duty was the week in November, 1804, when the Senate could not muster a quorum for several days, apparently because of the running of horse races.

Though many Senators have been exceptionally faithful in the matter of attendance, and though stringent efforts have been proposed periodically to curb absenteeism—such as Maclay's suggestion that absence without leave be declared "disorderly conduct"—absenteeism has remained a chronic problem. Two early Senators distinguished themselves by attending only the first and last days of each session, long enough to pick up their pay. As late as 1907, one freshman Senator, eager not to transgress but pressed by unfinished business at home, asked some veteran colleagues how he might obtain a leave of absence, and was laughingly informed, "You just clear out!" Another early-twentieth-century Senator from Arkansas won a degree of lasting infamy by never attending more than six consecutive days of Senate business in six years of Senate tenure, answering only 22 out of 200 rollcall votes in 1911, and reportedly being absent from Arkansas only thirty days during his term of office.

Of course, the issue of absenteeism gave impetus to a consideration of methods of compulsion. At different times, the Senate authorized the Sergeant-at-Arms to take this or that action to compel errant Senators to come back to their desks. At one point or another, such actions entailed a written admonition, docking pay, publicizing of absences, and even the suggestion of the use of force.

The issue of absences and compulsion of attendance has sometimes led to indignant exhortations on the Senate floor, accompanied by debates on drastic solutions. But, in the main, Senators have historically demonstrated a lenient attitude toward these vexing problems, usually mindful of the personal and political circumstances that might force their own absences. This is particularly true of absences involving campaigns for reelection.

But more than one Senator has labeled the matter of presence on the floor for Senate business, *per se*, a false issue. Several Senators have called attention to the fact that Rule V forbids a member's being absent without leave, *not* from the Senate chamber, but "from the service of the Senate." None less than Henry Clay, in opposing a resolution for deductions from *per-diem* allowances for a Senator's absence form his seat, insisted that absence from the Senate chamber did not necessarily imply neglect of Senate duties. Clay indicated that he did far more work at home, night and day, than he did on the Senate floor, and that much public business was facilitated more in private or in committee than at a Senator's desk.

The provision for docking members' pay originated in 1856, several years after Clay's death, at the time Congress abandoned its practice of paying senators and representatives only for the days they actually were present in the capital. Some members opposed changing from the daily rate to an annual salary on the grounds that it would only further stimulate the already high rate of absenteeism. They feared, not without justification, that a few of their colleagues would simply collect their salaries and spend much of their time at other pursuits.

To weaken that argument, the House added a provision to the salary bill authorizing the Secretary of the Senate and the Sergeant at Arms of the House to dock member's pay "unless such member assigns as the reason for such absence the sickness of himself or some member of his family."

I have found no instance where senators' pay was actually reduced due to non-attendance. One reference indicates that, as far as the Senate was concerned, the statute quickly became a "dead letter."

In the House, where the docking provision originated, six members' salaries were reduced in the month following the provision's enactment, and then only because the members certified their absences to the Sergeant at Arms. After 1856, in the words of one member, the provision for docking fell into "innocuous desuetude."

In August 1914, in the midst of an election campaign, a near record-length session, and a hot summer, House Democratic Floor Leader Oscar Underwood introduced a resolution to enforce the 1856 act against the more than two hundred absent members. In speaking for the Democratic majority, Underwood stated, "If a member finds it more important for him to stay in his district and work for himself than to stay in Washington and work for his Government, he ought not to ask the Government of the United States to pay him his salary while he is absent from this Hall."

Underwood's resolution was adopted and it achieved his desired effect, bringing many members back to town. Two months later, as Congress was about to adjourn, Underwood successfully moved to rescind the resolution on the grounds that it was no longer necessary. Floor debate at the time indicated that the Sergeant at Arms probably would not attempt to collect from the absentees.

When Francis Valeo was Secretary of the Senate in the early 1970's, he received many letters from citizens urging him to use his powers under the 1856 act. He responded:

> The complexity of legislative demands upon a Senator, the calls made upon his time by his constituents, and the hours he must give to study of a wide range of current problems cannot be met in the present time except that he is sometimes away from the Senate.
>
> The fact is that a Senator has to be, and is, on duty at all times, 24 hours a day, whether in his home State or in the Chamber.
>
> His absence from Washington and the Senate floor at no time separates him from the continuing responsibilities of his office anymore than when the President is away from Washington, or the Supreme Court Justices are away from Court on recess. The obligations of their office remain with them at all times.

The provision was finally repealed in the Legislative Branch Appropriations Act of 1976.

At any rate, presence in the Senate chamber by individual Senators remain a problem for some. To this day, many Senators are absent from the floor for days, but almost invariably appear at the required and appropriate times, fully cognizant of the business at hand and completely briefed on all that has taken place in the intervening period of their absence. Some have absented themselves for weeks upon end. Naturally, gallery spectators regularly become exercised when, unfamiliar with all the work taking place in committees and Senators' offices, and unaware of the communication network linking the Senate floor to all corners of the Capitol and the Senate Office Buildings, they so often observe the sparsely-attended chamber where debates are conducted by a mere handful of Senators for what appears to be the benefit of the presiding officer, the press, and an otherwise phantom audience at vacant mahogany desks.

But, pragmatism aside, serious Senate business cannot be conducted without a quorum. Since this is true in every formal organization, not surprising is the fact that quorum considerations in the Senate have been primary since the birth of the Republic.

Article I, Section 5, of the Constitution states in reference to the Congress simply, "A Majority of each (Branch) shall constitute a Quorum to do Business." The definition of "a Majority" was not so simple however. Did that mean a majority of the number of Senators to which all the states in the Union at that time were entitled? Or was it a majority of those Senators duly elected from those states and *living* at that time? Or perhaps a majority of those duly elected and sworn in? Early precedents on this question were contradictory, and not until the War Between the States was the matter forced to a head as the result of the complicated relationships precipitated by the question of secession and the consti-

tutionality of actions taken by citizens of the separated states.

The House of Representatives promptly decided in 1861 that a quorum for House business consisted of a majority of "those chosen." But not until May 4, 1864, did the Senate decide that a Senate quorum was "a majority of the Senators duly chosen." This was later refined to read, "A quorum shall consist of a majority of the Senators duly chosen and sworn," a change in which the House subsequently concurred.

Currently, a quorum is "presumed" always to be present and daily business moves forward on schedule in the Senate until and unless the question of a quorum is raised. As soon as the question is raised, however, the Secretary of the Senate is directed to call the roll. Bells ring and buzzers sound, and if the quorum goes "live" Senators emerge from offices, committee rooms, the restaurant, the Senate gymnasium, or wherever, to answer the call. In some instances, a Senator may stay on the Senate floor only long enough to be counted present before he returns to the work with which he was occupied prior to the quorum interruption.

The question of a quorum may originate for any one of several reasons, and, as a result, can have multiple values and uses. Though usually the question of a quorum is raised by a Senator, the presiding officer may raise it on his own initiative. A Senator in the midst of his speech may call for a quorum count to obtain a larger audience. That might prove risky, however, for if a quorum cannot be raised, his speech could not continue and the declared minority might decide to adjourn, thus losing for him the opportunity to speak that day.

Or, for one reason or another, another Senator might raise the question of a quorum during a speech, with the speaking Senator's consent, and, by unanimous consent, the speaking Senator will retain the floor. But a speaking Senator loses the floor when the suggestion of a quorum is raised, and only when it has been established or the quorum call is called off can it be regained.

In order to prevent the quorum call from deteriorating into a dilatory tool, subsequent and consecutive quorum calls cannot be suggested if no business has intervened between the calls. Mere debate or continued speech-making does not constitute business in itself, the Senate has ruled on several occasions, but intervening business is not hard to manufacture.

Since a quorum is necessary for the Senate to do business officially, rulings of the Chair that a *"present"* quorum is as constitutionally valid as a *"voting"* quorum have been upheld by the Supreme Court. Without a quorum, the actual business of the Senate grinds to a halt. Messages may not be received from the President or the House, although bills or joint resolutions can be signed, but no speeches are in order or votes taken other than those to produce a quorum, and debate must cease, though if previously ordered by unanimous consent, recesses are allowed.

As in bullfighting, the killing of the bull is the climax of the drama and the moment of truth alike, so the act of voting is often the decisive moment in the flow of Senate business. Most Senate votes are *viva-voce*, in answer to the presiding officer's call for "ayes" and "noes." If a vote is in doubt, a "division" may be requested, and the Chair counts the Senators for and against the question either by a show of hands or by having Senators stand. But before the Chair announces the result of the vote, if a Senator demands the "yeas and nays," and one-fifth of those present sustain the demand, the Chair will order the Clerk at once to call the roll alphabetically, and each Senator will individually answer "aye" or "no" as his name is called. As in the case of the quorum call, bells and buzzers are triggered, and Senators come trooping to the floor. At the close of the roll call, those who have entered the chamber since their names were called will stand until they are individually recognized by the Clerk and record their votes recorded retroactively, however, and the Chair cannot even entertain a unanimous consent request that they be allowed to do so.

This process is iron-clad. Indeed, Senate Rule XII states that, "Each Senator shall, without debate, declare his assent or dissent to the question, unless excused by the Senate." However, for personal or political reasons, a Senator may want to avoid being recorded on an issue, and vote-dodging has always been a feature of Senate life.

Members, at their voluntary request, are often excused from voting on issues in which they may have some personal interest. Others may avoid voting by arranging to miss a travel connection on the way back to Washington, or by failing to respond to a vote summons in their offices or a committee room.

As to pairs, there is no Senate rule governing "pairs." But the unique practice of "pairing off" has evolved as a means of avoiding the confrontation of a recorded vote. This peculiar device is highly complex and has often been attended by controversy. According to Thomas Hart Benton, "pairing" first appeared in the House of Representatives and signified an agreement by two members of opposing political parties to absent themselves from the duties of the House, without the consent of the House, and without deducting their *per-diem* pay during the time of such a voluntary absence. Theoretically, this would maintain the proportional party balance mandated in the last election, and would allow a member at the same time to pursue important personal or political duties without upsetting that balance.

The first instance of this practice may have occurred in 1824, when a House Member announced that he was paired off with another Member whose affairs required his presence at home.

In May of 1824, Representative Henry Dwight of Massachusetts rose to ask the indulgence of the House to excuse him from voting on two questions of disagreement to Senate amendments which had unexpectedly come up for a vote. The following account appears in the Annals of Congress for May 17, 1824:

Mr. Dwight of Massachusetts said he rose to ask the indulgence of the House to excuse him from voting on the two questions of disagreement with the amendments of the Senate—an indulgence, he said, which he was sure the House would unanimously grant, when they understood the grounds upon which it was claimed. An honorable friend had entertained, in common with himself, and almost all others, an opinion that the tariff bill would not come back from the Senate. They were both anxious to leave town, and had agreed to depart this morning. Another question of importance had unexpectedly detained him. The gentleman from Virginia, who was, upon all questions of the tariff, opposed to himself, had left town, and he felt himself bound in honor not to vote.

Sixteen years later, in 1840, another pairing occurred when a House member announced that he was "paired off" with another member whose affairs required his presence at home. Sensing a violation of the letter and spirit of the Constitution, Congressman John Quincy Adams unsuccessfully urged the immediate adoption of the following resolution:

Resolved: that the practice of pairing off involves on the part of the members resorting to it the violation of the Constitution of the United States, of an express rule of this House, and of the duties of both parties in the transaction to their immediate constituents, to this House and to their country.

During Benton's term in the Senate, he declared that pairing had not yet penetrated the upper chamber. But by 1860, the practice had become so common in the Senate that a Senator, when called on for his vote, might refuse to answer to his name and would be excused from voting on the grounds of being paired with another member. Paradoxically, pairing remains a feature of Senate proceedings in spite of the fact that, while provided for by House rules, it goes unrecognized, as I have said, by the Standing Rules of the Senate.

In the course of preparing for a yea-and-nay vote, a paired Senator will announce the pair during the vote.

These pairs usually occur in situations in which one Member who takes a particular position on an issue cannot be present in the Senate at the time the vote occurs. In order that his absence may not have a deciding impact upon the outcome of the vote on the issue, he or she will arrange to have a so-called "live" pair with another Senator who intends to be present on the rollcall vote. In this way, the absent Member, as I have already indicated, will be just as effective as if he had been present for the particular rollcall vote, in that, although he is absent, his "live" pair with the Member who is present cancels out what otherwise would be a vote cast by the present Member.

The Member who is present announces the pair. For example, let us say that I have a pair with my distinguished colleague from West Virginia, Senator RANDOLPH, and I am present and voting, and Senator RANDOLPH, for good reasons, might have to be in West Virginia.

When my name is called during the rollcall vote, or at the end of the rollcall vote and before the vote is announced by the Chair, I would stand and address the Chair thus:

Mr. President, I have a live pair with my distinguished senior colleague from West Virginia, Mr. RANDOLPH. If he were present

and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I, therefore, withhold my vote.

In other instances, I might proceed to vote and then withdraw the vote upon the announcing of a pair, and I would do it in this manner:

Mr. President, I have a live pair with my distinguished senior colleague from West Virginia, Mr. RANDOLPH, who is unavoidably absent today. If he were present and voting, he would vote "yea." I have already voted "nay." Therefore, I withdraw my vote.

The arranging of pairs has been decisive from time to time on very close votes, because it is possible to pair off enough present Senators to affect the outcome of the vote and perhaps make a difference of 1 or 2 votes which, had the Senators present not been paired, would have decided the issue opposite to the outcome that resulted.

However, Senators generally will not agree to give a "live" pair except on the condition that the outcome is not changed by virtue of the pair given.

Senators are very circumspect and careful once they give a colleague a promise of a pair and they feel that they are honor bound to keep that commitment.

But as I say they may make the promise to pair on the condition that the pair will not affect the outcome of the vote in which case they would be relieved of their commitment.

Though pairing has been periodically questioned during the course of its prevalence in the Senate, the practice has been allowed to continue, though it violates two Standing Rules of the Chamber—the requirement of attendance and the injunction to vote.

A so-called "dead" pair has no impact upon the outcome of any vote. It is merely the announcement in the RECORD of the positions of two absent Senators, with one of the absentees being paired "for" and the other "against." Such so-called "dead" pairing is usually not prearranged by the two Senators so recorded in opposition to each other. Rather, the Party Whip may sometimes use this method of stating how absent Senators would have voted had they been present for a vote. However, no absent Senator's position on a particular vote will be so shown unless he so requests. He may, of course, at any later time, state for the RECORD how he would have voted had he been present on a given rollcall.

In addition to their duties and relationships within the Senate, Senators confront many occasions when they must meet and negotiate with members of the House of Representatives on a variety of matters. Interestingly, the joint rules governing the conduct of formalities in matters in which both branches of Congress are concerned were officially declared dead over a century ago.

The joint rules in question found their inception in the work of the first select committee ever chosen in the Senate. The members of that committee, in conference with a similar committee from the House of Representatives, were charged to prepare "rules for the government of the two Houses in cases of conference." The report of this joint committee was accepted and, in time, new rules were added until, by 1876, the joint rules numbered some twenty items.

In that year, however, notice was drawn in the Senate to the fact that no formal vote had been taken on this accumulated body of procedures, and its binding force was questioned. Subsequently, the Senate passed and sent to the House a resolution providing that the joint rules, which had previously been observed through acquiescence and precedent, be adopted officially for that session of Congress. In response, however, the House made no reply, and there the matter rested for some months.

At the end of that session, the House routinely requested the concurrence of the Senate in the suspension of two of the joint rules. At that point, the Senate "respectfully returned" the latter resolution to the House, notifying that worthy body that, since the House had made no response to the Senate's earlier resolution, there were "no Joint Rules in force." Subsequently, the Senate in a heavy vote sustained that decision, which had been conveyed originally by the Chair. In spite of these actions, however, the legally-forceless joint rules continued to be printed in the *Manuals* of the Senate and House for nearly a decade, and, to this day, continue in many respects to govern relations between the two Congressional branches.

But practice has often taken precedence over codification in the Senate. Thus, apparently, was the evolution of the Senate's daily routine in the early part of this century to be explained. In the stress of experience, protocol and process alike were shaped, later to be set into print. In the "legislative ballet," unless otherwise specified, the presiding officer of the Senate and the Chaplain would mount the Senate dais at the stroke of noon to convene business with the blow of the gavel and the words of invocation.

"Morning Business," the next item on the agenda, officially begins following the reading of the Journal of the previous legislative day's proceedings. Ordinarily, however, the Journal reading is dispensed with by unanimous consent on request of the majority leader. However, a member can insist on the reading of the *Journal* to its end, and this tactic, coupled with debates and votes for fantastic corrections of the *Journal*, has been one of the classic instruments of filibustering on occasion.

"Morning Business" would move to its conclusion through receiving messages from the President; reports and communications from the heads of departments other communications to the Senate, bills, joint resolutions, and messages from the House remaining on the table undisposed of from the previous day's session; and any other bills, memorials, reports, and concurrent and joint resolutions for which the presiding officer calls, followed by resolutions over under the Rule.

At the conclusion of "Morning Business," and not until so announced, the Senate proceeds to the consideration of the Calendar of Bills and Resolutions. Bills and resolutions not subjected to objection are taken up in their order. Locomotive velocity may develop at this point, as bills come up and pass through with no objection. Thus, something of a record was established on December 30, 1924, when the Senate considered and passed in one afternoon 136 "unobjected to measures" involving appropriation of $14 million, a princely sum in those days. However, at any stage, objection may be raised to any measure, forcing it to "go over" to a later day. This practice places great power in the hands of individual members, and, more than once, this tool has been used as an instrument of mild retaliation by Senators who were irked by the prior actions of one or more of their colleagues.

After the "unobjected to measures" on the Calendar have been considered and dispatched, unless "special orders" are scheduled, the Senate turns to its "unfinished business."

In spite of this intricate process, however, the Senate has generally maintained a predisposition for informality. Since the Senate is a unique matrix out of which emerge law and legislation, Senators, even while observing an elaborate code of etiquette, decorum, and often-stylized address, have fostered in their midst an air of near-Olympian familiarity relative to their own rules. This attitude was presaged on April 16, 1789, when the Senate, acting on a draft of its own rules for conducting business did not *adopt* the rules as reported, but voted that the rules *"be observed."*

This tone was characteristic of that first intimate group of men who met in secret session in a small room. The Senate has always been an assemblage of consciously unique people who anticipate being something of a law unto themselves. Indeed, as originally conceived before the advent of popular Senatorial election, Senators were intentionally insulated from the dangers inherent in the pressures of demogogic influences from the outside, free to decide legislation on its own merits and in the Senate's own time. In spite of later changes that rendered the Senate more amenable to the popular will than originally contemplated, over the decades the Senate evolved a special mystique in which Senators are expected to operate by an almost unuttered code of honor, and to learn to relate to one another as if by a sixth sense.

It should not appear strange, therefore, that rule V of the Standing Rules of the United States Senate states that, with the exception of other provisions of the rules, "*Any* rule of the Senate may be suspended without notice by unanimous consent." Thus, unencumbered by legalisms that might hamstring less auspicious legislatures, the Senate moves with an almost mystical sense of itself, and certainly with an imperial grace, to fulfill duties and responsibilities imposed on it by a set of Founding Fathers, some of whom conceived of the Senate that they had created as a precious enclave in which Providence and Destiny Incarnate would be cast for a fortunate progeny of countless millions in NOVUS ORDO SECLORUM.

Mr. SIMPSON. Mr. President, I was fascinated with the remarks of the good leader of the other faith with regard to his continuing history of the U.S. Senate. I have found that absolutely fascinating and intriguing. I have been reading it as it unfolded in these past months. I have enjoyed it thoroughly. It means a great deal to all of us.

It is particularly interesting to hear him speak on the issue of attendance today. It seems terribly ironic to bring that up. It is true that we are so deeply involved in so many committee assignments.

For one Senator, I want to thank the minority leader so much for what he has done to increase our understanding of the history of this remarkable institution.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield briefly?

Mr. SIMPSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I thank my friend for his expression of interest and will say that his words of approbation are heartwarming.

This is the 37th speech on the U.S. Senate that I have made, beginning March 21, 1980.

I anticipate that I will probably continue throughout this year. I do this in anticipation of the forthcoming 200th anniversary of the U.S. Senate which will be commemorated in 1989.

I again thank the distinguished Senator.

Mr. President, I ask that the time of this colloquy will be charged against my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for commencing the pending business, S. 734, be extended until 12:45.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HEINZ). Under the previous order, there will now be a period for the transaction of routine morning business during which Senators may speak for up to 5 minutes each.

FORGETTING THE HOLOCAUST

Mr. PROXMIRE. Mr. President, in last Monday's New York Times, Rabbi Howard Singer brings the importance of Holocaust Day, which is on April 30, into focus, and discusses why the tragedy can never be forgotten.

Singer tells of the many current events that simply will not let his memories die: War criminals in Cleveland, the American neo-Nazi Party, the growing interest in Nazi memorabilia—the world is full of reminders. The most shocking symptom, Singer insists, is the incredible notion that the holocaust never took place, that the killing of two out of three European Jews is somehow a myth.

Rabbi Singer dwells on these and other ideas with great eloquence.

Mr. President, I ask unanimous consent that the entire article I have referred to be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORGET THE HOLOCAUST?

(By Howard Singer)

WEST HARTFORD, CONN.—In Israel, they fly flags at half mast on April 30. In the United States, they hold memorial meetings. It's Holocaust Day.

At the meetings, six candles are lit, one for each million dead. The speakers, their eloquence defeated by the terrifying demands of the occasion, are reduced to pleading: Don't ever forget, they say in one way or another. Forget?

How? I pick up the newspaper and read that Pope John Paul II has named Jean-Marie Lustiger the Archbishop of Paris. On the surface, that appears to have nothing to do with me, or with the six pathetic ceremonial candles. But it does.

The new Archbishop was born a Jew. His parents, like mine, were Polish Jews; his were hunted by the Nazis, and his mother died at Auschwitz. He was hidden with a French Roman Catholic family as a child and baptized during the war, like thousands of other Jewish children. After the war, a few were restored to their families or to Jewish institutions; most were not. Something within me stirs. We lost millions to Nazi paganism; we lost many thousands to Christian mercy. The pain is of another order but it is pain, nevertheless.

A few days later, I read that a man was just accused of having helped kill hundreds of thousands of Jews at Treblinka. Where is he now? In Cleveland, of all places—friendly, familiar, old Cleveland, Ohio. The world makes certain I won't forget.

The prods to memory keep coming. One morning, the press reports an obscene resurgence of interest in Nazi memorabilia: Prices have risen so sharply that one manufacturer is turning out replicas. Another morning there is a picture of pimply faced young men in uniform—members of the American neo-Nazi party. Minuscule, to be sure; no threat, I know—but evocative; certainly, an effective barrier to even willful amnesia. I also read that West Germany was considering selling Leopold II tanks to Saudi Arabia, whose leaders recently urged the Arab world to "cleanse" Jerusalem of its Jews. That word "cleanse" recalls the time when Europe was to be made *Judenrein* ("Purged of Jews"). Then, too, it was to be accomplished by German arms. The world insists on reminding me.

Then is forgetting the real danger? Not for those who attend memorial meetings. But there are dangers. The most shocking is outright denial. Some now say that the holocaust never took place. The notion that it didn't was first spread by neo-Nazis in postwar Germany. Incredibly, a tiny group of revisionist "historians" now echo that here. Young Americans are ill-informed about recent European history, and, out of their commendable sense of fair play, give a respectful hearing to anyone. The monstrous falsehood may yet find its audience.

There is danger of trivialization. I pick up a paperback novel. The cover features a Nazi officer holding a whip, facing a voluptuous girl whose torn dress bears the Star of David, and whose breasts are showing. Quickly I dismiss it as one of the genre, part of the flood of abysmally bad novels profiting from the murder camps. I rage against those who turn Jewish tragedy into something between a monster show and "Hogan's Heroes."

There is the danger of a false universalism. Come now, say the enlightened ones, don't be narrow: Think of the Cambodians, the "boat people," the Vietnamese, the Biafrans. What can one say to that? It is degrading, even ghoulish, to seek to prove preeminence in suffering but the holocaust was unique. Its dead and maimed were not victims of war or famine or politics in the normal sense: They were "processed" by a bureaucratic killing machine. But didn't Poles also die in the machine? And Gypsies and homosexuals? True, others were caught in the machine, but Jews were the people for whom it was designed, the only people whose right to live was denied in principle. And the machine almost succeeded.

Two out of three European Jews were murdered, children and women included. In contrast, battlefield losses for the Russians were one in 22; for the Germans, one in 25; for the British, one in 150. The Jews did not suffer as ordinary citizens of defeated countries; they were given "special treatment"—extracted from their communities and sent away to be killed because they were Jews. I point this out not to belittle what others endured but only to keep the facts in the sharpest focus. It is not necessarily provincial to assert the uniqueness of one group's experience; it is sometimes the simple truth.

"The world is weary of the past,/Oh, might it die or rest at last!" wrote Shelley, in "Hellas." His wish is mine as well. Healthy humans can't live in the shadow of the crematoria, poisoning every sunny hour with bitterness. But the world won't let my memories die. The demons can't be exorcised.

The door to the past can't be closed.

CONTINUATION OF AUTHORITY UNDER THE DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION ACT, FISCAL YEAR 1980

Mr. STEVENS. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 840.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 840) entitled "An Act to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period", do pass with the following amendment:

Page 2, strike out line 2, and insert: thereof) during the period beginning on April 6, 1981, and ending immediately before October 1, 1981.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, with respect to the request for immediate consideration, it has been cleared on this side of the aisle.

Mr. STEVENS. I do ask that this matter be immediately considered.

The Senate proceeded to consider the bill.

Mr. STEVENS. I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE SNAIL DARTER

Mr. BAKER. Mr. President, I have some delightful news I simply must share with my colleagues—despite what I am certain some consider the best efforts of the Tennessee Valley Authority and all of the Federal Government, I can report to my colleagues that the plucky snail darter has defied us all and survived. Indeed, it has prospered.

I call to my colleagues' attention an April 1 article in the Knoxville News-Sentinel, written by Mr. John Moulton. As we all recall, the supposition that the snail darter inhabited only the Little Tennessee River contributed to more than 2 years of delays in the completion of TVA s Tellico Dam project on that river, even after the structure was virtually intact.

Now, however, Mr. Moulton writes, the irrepressible darter has been located by biologists in four other Tennessee waterways, in addition to the Hiawassee River to which it was transplanted in accordance with our decision to complete the Tellico project. The fish species has now been located also in the Sequatchie River, Sewee Creek, the Nickajack Reservoir, and the South Chicamauga Creek.

All of which calls to mind, Mr. President, a verse by Rupert Brooke: "Fish say, they have their stream and pond; But is there anything beyond?" Fortunately, for the snail darter, there is indeed something beyond.

So that my colleagues might share in this moment, I would ask unanimous consent that the text of Mr. Moulton's article be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SNAIL DARTERS FOUND IN NEW HABITATS

(By John Moulton)

Snail darters, once thought to exist only in the Little Tennessee River, are cropping up in several Tennessee Valley streams, leading biologists to believe maybe the fish is not endangered after all.

The tiny fish, which because of its endangered species status helped delay the controversial Tellico Dam for more than two years, has been discovered in three separate locations in the last two weeks.

"It seems like they're much more widespread than we really thought. And it brings us closer to delisting," said TVA marine biologist Gary Hickman. "The species appears to be in a lot better shape than we originally considered it to be."

Dr. David Etnier, the man who discovered the first snail darter in the Little Tennessee River in 1973, found one snail darter March 23 in Sequatchia River, which flows into the Tennessee River, below Nickajack Dam west of Chattanooga.

Then, TVA aquatic biologists this week found 29 small darters in Sawee Creek, which flows into Chicamauga Lake about 5.5 miles below Watts Bar Dam, and four of the endangered fish in the Nickajack Reservoir below Chicamauga Dam. The 19 fish were found Thursday and the four darters were spotted Wednesday.

Etnier, a UT professor, and his students found some small darters last fall in South Chicamauga Creek near Chattanooga, giving the Snail Darter Recovery Team the first indication another natural habitat exists. However, authorities were not convinced the fish had not migrated there from the Hiwassee, where TVA had transplanted many of the fish.

TVA resumed its search for other habitats Tuesday, said Gary Hickman, TVA aquatic biologist. The snail darter rescue program has been halted since last fall, while TVA officials examined the merits of continuing the program.

Hickman said TVA has decided to scale down its involvement in the recovery because of budget limitations. Only about $120,000 is left in the budget, and when that is gone, TVA probably will drop out, he said.

"The chances of getting more money from the Tellico project (budget) are pretty slim," he said.

Hickman said other agencies, such as the Tennessee Wildlife Resources Agency, may pick up the slack.

TVA divers and snorklers will continue to search the Sewee Creek area and other rivers and streams identified as likely habitats. "We're going to look at every major tributary that comes in below a dam," Hickman said.

Three habitats must be established for the fish before it can be removed from the Endangered List. In addition to the Hiwassee, TVA has transplanted the fish, a member of the Perch family, in the Holston River near Mascot and in the Lower Elk River south of Pulaski.

The gates of the Tellico Dam were closed in 1979 after Congress exempted the project from the Endangered Species Act. TVA was ordered to halt work on the project in 1977, when the Sixth Circuit Court of Appeals overturned a lower court ruling. In 1978, the U.S. Supreme Court upheld the appeals court halting the project until Congress intervened.

TVA spent $138 million on the Tellico Dam project, which turned the Little Tennessee River into the 16,000-arce Tellico Lake.

SENATOR GLENN EVALUATES UNITED STATES-PEOPLES REPUBLIC OF CHINA RELATIONS

Mr. ROBERT C. BYRD. Mr. President, on March 21, 1981, our distinguished colleague, Senator JOHN GLENN, addressed the American Assembly Conference on the future of relations between the United States and the People's Republic of China.

I call the attention of my colleagues to this address because I consider it to be one of the most realistic and thoughtful analyses of a relationship which is of significant importance to this Nation.

Senator GLENN noted:

I am optimistic that the 80's will witness great advancements in U.S.-P.R.C. relations. Our common interests are many, and closer cooperation between us can go far toward ensuring global stability. That is why no peace-seeking nation need fear an enhanced Sino-American relationship.

I found Senator GLENN's views on the possible security aspects of this relationship to be particularly valuable. He pointed out:

We must concentrate on the long run—and resist the temptation to act impulsively for short-term tactical advantage. Twisting the Polar Bear's tail just to watch him jump is dangerous, as well as counterproductive. And it is folly to think that our China connection can somehow be used to dissuade the Soviets from specific actions, particularly when they believe that important national interests are at stake.

It was for this same reason that, on "Face the Nation" Sunday, I was critical of comments raising the possibility of providing conventional arms to China if the Soviets were to invade Poland. In my response to a question concerning the Secretary's comments, I pointed out:

I think that we ought to do what's in the best interest of the United States in the short run, and in the long run. If two weeks ago, a month ago, if six weeks ago it would have been in the best interests of the United States to provide arms to China, that's perhaps what we ought to do, but I don't think that ours ought to be a policy of simple reaction there . . . if the Soviets go into Poland, we will sell arms to China.

I think we best be very careful that we don't leave the impression with People's Republic of China that we're simply out to use the Chinese.

As one who had stated early on that perhaps the United States ought to consider some military sales of conventional weapons to the People's Republic of China, I agree with Senator GLENN's assessment that:

America should slowly and with great care begin to expand its military and security relations with China. Now let me be clear. I do not foresee—and do not propose—any sort of military alliance between our two countries.

I strongly believe that it is in our interest and in the interests of our allies to ensure that China is not intimidated or threatened by growing Soviet power in Asia. Beijing has opted for a gradual and measured modernization of its military forces. That is wise and proper. In specific instances, however, we may wish to make available selected technologies so that China neither falls further behind the Soviets, nor is forced to cloak its deficiencies behind a facade of xenophobic self-reliance.

Senator GLENN's speech is a constructive assessment of all aspects of our relations with the People's Republic of China. I commend him for his significant contribution to a vital area of our foreign policy concerns.

I ask unanimous consent that Senator GLENN's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOHN GLENN

Let me begin by suggesting that this important discussion of the China Factor could not come at a more propitious time. In Washington, of course, we have a new President and a new Administration. In our relations with China, we have some very old issues that have yet to be resolved. These issues range well beyond the largely bilateral questions on which I will focus this evening. U.S.–PRC relations have, for example, important secondary and tertiary effects elsewhere in the Pacific Basin. Our friends in Northeast Asia clearly have a stake in America's China policy.

Future relations between Washington and Hanoi—and among Hanoi, Beijing and Moscow—will likewise be affected. And regional organizations such as ASEAN cannot help but be shaped by future U.S. policy toward China. Conferences like this one, providing fresh thinking and lively debate, are in the best American tradition and can be of enormous help to those in policy-making positions.

As you know, I have been asked to outline my views on what direction U.S. policy toward China ought to take over the next few years. In doing so, however, I am reminded of the famous Greek dictum that "the past is prologue." So I want to preface my remarks about the future with some brief re-

flections about the past; in particular, about the amazing progress we have witnessed in Sino-American relations over the last two years.

Political exchanges between our two countries, while not yet routine, have become prolific, cordial and remarkably productive. Vice Presidents Mondale and Bush, Cabinet Secretaries, Assistant Secretaries and dozens of other American luminaries all have made the trip to Beijing. A number of Chinese officials—including Deng Xiaoping himself—have made reciprocal visits to the United States. In fact, I traveled with Mr. Deng and his party when they toured America. My fondest memory is of an event that occurred at a rodeo just west of Houston. There in the backseat of a stagecoach, with an ill-fitting, ten-gallon cowboy hat falling down around his ears, sat the Vice Premier of China—leader of one billion people—waving and grinning from half-covered ear to half-covered ear. I assure you that is one mental picture truly worth 1,000 words.

Only a few short years ago, who among us would have believed all this possible? Who would have dreamed that our two-way trade would already top $4½ billion or that it might reach $6 billion by the end of 1981? These developments are all the more remarkable in light of the icy hostility that had for so long characterized Chinese-American relations. Not only were we on opposite sides during two different wars, but for 25 years we rarely spoke to each other, either publicly or privately. On the other hand, perhaps we should not be too surprised at the dramatic turnabout. After all, we fought Japan and Germany during World War II and today count them among our closest allies.

In retrospect, the key to our breakthrough with China was clearly the way in which we handled the sensitive Taiwan issue. Because both Beijing and Taipei view that dispute as merely a continuation of the Chinese civil war, the search for a solution was understandably complicated by deep-seated emotional scars and personal hatreds. Despite President Nixon's dramatic visit to China six years earlier, by 1978 we still had not found the key to normalized relations.

Obviously, we were anxious to establish normal diplomatic contact with a country containing ¼ of the world's population. But we were unwilling to do so if it meant jettisoning our long-time friends and allies on Taiwan. The formula finally adopted—diplomatically recognizing Beijing while maintaining unofficial relations with Taipei—was not completely satisfactory to any of us. But by breaking the impasse, it allowed us to establish a framework that will better serve all of our interests, both now and in years to come.

Unfortunately, statements made during and after last fall's election have generated uncertainty about the future of that framework. To my friends in the People's Republic of China, let me say that I believe America must adhere to the commitments we made in the Joint Communique and associated diplomatic understandings. These documents can and should be the basis for a strengthened relationship between our two countries in the future.

To my friends on Taiwan, I make a solemn pledge. I will do all I can to ensure that the Taiwan Relations Act is administered fairly and that it is carried out fully. Last year, as Chairman of the Senate Subcommittee on East Asian and Pacific Affairs, I conducted several hearings and commissioned a staff study on the implementation of the TRA. While those efforts convinced me that our nongovernmental relations have prospered amazingly well thus far, you may be sure that this monitoring will continue. We have promised to protect Taiwan's freedom of choice. Honor demands that we keep that commitment.

Concern over Taiwan notwithstanding, I am optimistic that the 80s will witness great advancements in U.S.-PRC relations. Our common interests are many, and closer cooperation between us can go far toward ensuring global stability. That is why no peace-seeking nation need fear an enhanced Sino-American relationship.

In world politics, of course, optimism must always be leavened with realism. Chinese and American interests will sometimes conflict and we are unlikely to see eye to eye 100% of the time. Occasionally, our relations may even be less than cordial. But in politics as in life, mature friendships endure through bad times as well as good.

Let me now turn to a major issue that has not yet been adequately addressed—but which may well be crucial to our long-term relationship with the PRC. While there is widespread agreement on the efficacy of expanding Sino-American cooperation in the political and economic spheres, there is considerably less consensus on what should be done in the security area. Clearly, both sides have reason for caution. China's economy simply cannot sustain rapid military modernization without adversely affecting progress in the civilian sector. And Chinese leaders have learned through bitter experience the danger of over-dependence on foreign sources of hardware and technology.

For its part, the United States must remain ever mindful of the impact our relationship with the PRC has on the sensibilities of America's regional allies. Maintaining our reputation as a reliable partner requires that we carefully consider the views and concerns of all our friends. Perhaps most important of all, we must concentrate on the long run—and resist the temptation to act impulsively for short-term, tactical advantage. Twisting the Polar Bear's tail just to watch him jump is dangerous, as well as counterproductive. And it is folly to think that our China connection can somehow be used to dissuade the Soviets from specific actions, particularly when they believe that important national interests are at stake.

But these caveats aside, I believe that America should slowly and with great care begin to expand its military and security relations with China. Now let me be clear. I do not foresee—and do not propose—any sort of military alliance between our two countries. That would require, among other things, a major transformation in China's political and economic system—a transformation which, if it occurs at all, is at least several decades away. For now, our objectives should be two-fold. First, we must seek to facilitate China's freedom of action. We should ensure that she has no need for a return either to "fraternal" Soviet assistance or to a Maoist-like policy of shrill isolationism. Second, we should seek to maintain peace and stability throughout the Asian region. That, in turn, means neutralizing attempts at intimidation of the PRC and assuraging her fears of outright military aggression.

For almost 35 years, a relatively stable military balance has existed in Asia. Recently, however, growing Soviet power and influence—along the Sino-Soviet border, in Vietnam and on Pacific waters—has threatened to disrupt that balance. In my view, it is imperative that we meet and deflect that threat. First, we must give high priority to finding ways of reconstituting U.S. Pacific forces spread thin by our obligations in the Persian Gulf—obligations that will likely last for a decade or more. Second, we must make military equipment and technology available to those allies who wish to modernize and strengthen their own defenses.

These precautionary measures alone, however, may not prove sufficient if, at the same time, the quality of Chinese armaments should seriously deteriorate relative to those possessed by the Soviets. And unfortunately, that is precisely what is happening.

For one thing, Chinese exploitation of Russian military equipment and technologies obtained in the 1950s and early 1960s has reached the point of diminishing returns. For another, China's own scientific and technological base is inadequate to permit quick, autonomous force modernization. When to those realities is added the almost exponential increase in Soviet capabilities, certain conclusions appear inevitable. In sum, without a quick infusion of more modern technology, China's military capability will be grossly inferior to that of the Soviet Union by the year 2000. I submit that such a development would neither be in our interests, nor in those of our allies.

Preventing that scenario from occurring, however, will mean that we must be willing to transfer carefully selected technologies and equipment to the PRC. As a member of the Senate Foreign Relations Committee, I am announcing tonight my willingness to approve such transfers of defense material on a case-by-case basis. Aircraft engines, avionics equipment and antitank weapons are three examples of what I have in mind.

In proposing this policy, let me again clarify my motives. Frightening the Russians is assuredly not my intent. Nor am I among those spoiling to play the so-called "China card." Good poker players hedge their bets until they are certain they hold more than a deuce. My proposal is simply based on a belief that to do otherwise could risk the peace and stability we seek. Naturally, I am aware that such a policy would remind Moscow of our intention to discourage aggression and adventurism. But what is wrong with that? If strengthening the world's weak spots encourages the Soviets to stay at home, so much the better.

Let me close tonight by briefly summarizing my views about the future of Sino-American relations. The prospects for widening cooperation are bright and we will exchange views frequently on global and regional matters of mutual concern. Although we may sometimes disagree, our discussions will promote confidence and greater understanding. With each problem solved, resolution of the next becomes possible. With each act of trust, the next act requiring even greater trust can follow.

Trade expansion is one avenue that can be especially rewarding. Despite China's temporary economic retrenchment and readjustments, I believe that two-way trade can continue to increase. A number of U.S. companies, disappointed that the bonanzas they envisioned have failed to materialize, have withdrawn their staffs or closed their China offices in recent weeks. But the key to long-term success in China is to not give up too quickly. According to experts quoted in the March 18 Wall Street Journal, ample trade opportunities will continue to exist in the areas of light industry, transportation and energy.

In the realm of energy, for example, we know that development of her oil reserves remains one of China's top priorities. The quality of American drilling equipment—particularly our drill bits and off-shore drilling rigs—far exceeds that of our trade competitors. In other areas too, opportunities for trade—and even for joint ventures—abound. All we need is imagination, interest and, above all, patience. Congress must do its part as well. That means encouraging exports and examining afresh certain import problems peculiar to trade with nonmarket economies. I have supported such efforts in the past and will do so in the future.

On military and security matters, change will occur more slowly. But I strongly believe that it is in our interest and in the interests of our allies to ensure that China is not intimidated or threatened by growing

Soviet power in Asia. Beijing has opted for a gradual and measured modernization of its military forces. That is wise and proper. In specific instances, however, we may wish to make available selected technologies so that China neither falls further behind the Soviets nor is forced to cloak its deficiencies behind a facade of xemophobic self-reliance.

In the words of Thomas Jefferson, 'et us seek today in Asia, as we did at our founding 200 years ago, "equal and exact justice for all men, of whatever state or persuasion . . . and peace commerce and honest friendship with all nations."

Thank you.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXPORT TRADING COMPANIES, TRADE ASSOCIATIONS, AND TRADE SERVICES ACT

The PRESIDING OFFICER (Mr. STEVENS). Under the previous order, the Senate will now resume consideration of S. 734 which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 734) to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Alaska, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I see that Senator PROXMIRE, my colleague on the Banking Committee, my distinguished ranking minority member, was not only on his way but is now present.

Mr. PROXMIRE. Right.

Mr. HEINZ. I would like to take this opportunity to make a brief opening statement.

Let me state at the outset, Mr. President, that this will be brief as the Senate has faced these issues before, and I believe most Senators are prepared to move forward on S. 734.

The bill before us today, S. 734, is an original bill reported from the Banking Committee incorporating some minor changes the committee made in S. 144, the basic export trading company legislation which Senators DANFORTH, BENTSEN, TSONGAS, and I introduced on January 19. That bill presently has 63 cosponsors, including a majority of Senators in both parties.

On March 23 I placed in the RECORD a summary of the substantive changes the committee made in S. 144. I ask unanimous consent, Mr. President, that that summary be printed at the conclusion of my opening remarks today.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HEINZ. None of the changes in question alters the basic provisions of this legislation.

Mr. President, this bill, which is essentially the same as legislation which passed the Senate unanimously last year, is a concrete effort to translate into action an objective we all share; namely, improving our Nation's export picture. That this is an objective worth achieving is no longer in dispute.

Although the ratio of exports to GNP rose from 4.2 percent in 1972 to 7.5 percent in 1979, U.S. imports, led by massive increases in the cost of oil, grew equally as fast, increasing in importance relative to GNP from 5.1 percent to 8.7 percent in the same years. Because imports have expanded since 1972 from a higher base than exports, the trade deficit has expanded sharply, with an aggregate deficit over the past 5 years exceeding $105 billion.

Because of their superior international competitiveness in manufactured goods, our major trade competitors have been able to offset their imported energy bills much better than the United States. According to a study done by the National Association of Manufacturers last year, imports of manufactured goods increased nearly four times as fast as exports since 1970, with that margin growing in the last half of the decade. The study further concluded that our industrial competitiveness is declining measured both by increased import penetration here and loss of export markets elsewhere.

The U.S. share of world markets declined from 21.3 percent to 17.4 percent over the past 10 years, the largest relative decline among major industrial exporters. We have lost market share in 8 of the 9 EC countries and 12 of the 13 OPEC countries. While our manufactured goods trade has stayed in rough balance, Japan and West Germany in 1979 had surpluses of $70 billion and $60 billion respectively. The study concludes:

Because of worsening terms of trade, the U.S. has to run faster, in terms of export volume, to stay in the same place. . . . Improving the U.S. trade account by further depreciation of the dollar (which increases inflation) and/or by restraining U.S. growth (which increases unemployment) are very unattractive long-term policy options.

Obviously, that trend is not going to be reversed overnight. But every successful program of trade promotion is a step in the right direction. Small- and medium-sized businesses have too long been excluded from a significant role in our Nation's export picture.

In an effort to do something about our deteriorating export performance, my predecessor as chairman of the Subcommittee on International Finance and Monetary Policy, former Senator Stevenson, and I initiated an extended series of hearings in 1978 on export policy and performance.

Out of those hearings grew this legislation, based on a realization that substantial numbers of small- and medium-sized businesses, 20,000 in the Commerce Department's estimate, could export but did not. In investigating this, the committee concluded that small businesses were deterred from exporting both by their traditional focus on domestic markets and by serious barriers—real and perceived—to exporting in the form of different customs rules, licensing standards and languages, unfamiliar marketing practices, and financing difficulties. In short, the small businessman has, not surprisingly, found foreign marketing alien and confusing, and therefore has avoided it.

One way to surmount these barriers is through export trading companies—service-providing companies that will perform some or all of the functions that intimidate small businessmen. In its most advanced form, the export trading company might simply buy the goods from the domestic source and resell them abroad itself, assuming all the risk and responsibility. In a more limited form, the export trading company might provide marketing advice—to the point of finding a market and helping arrange a purchase—for a fee, leaving the seller on his own to complete the transaction.

An export trading company, of course, could also provide a wide range of other services in that case, helping to obtain necessary Government licenses and approvals, finance, and ultimately ship the product. There are an infinite number of scenarios, but they all revolve around the same theme—removing some or all of the risk and unfamiliarity of foreign marketing from the domestic businessman.

In looking at why such service-providing organizations do not exist now in adequate numbers, we concluded that there are two primary problems which could be addressed through legislation—undercapitalization and antitrust uncertainties. A third area, a need for adequate tax incentives, will be the subject of another bill we will shortly introduce. The first two problems are addressed in the legislation before us today.

In brief, S. 734 deals with the capital problem by providing for limited bank investment in export trading companies. Because it is not our intent simply to permit banks to move unrestricted into certain kinds of commercial activities, the bill narrowly limits the scope of bank involvement, particularly with respect to bank control of a trading company, which in every case would have to be approved by the appropriate bank regulatory agency.

Beyond the basic statutory limit of 5 percent of the bank's capital which could be invested in the export trading company, S. 734 contains numerous other restrictions to protect the safety, soundness, and integrity of banks involved with trading companies.

The report on the bill lists these limitations in detail, Mr. President, and I ask unanimous consent that that list be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

(1) The bill prohibits banking organizations from making loans to any export trad-

ing company in which the banking organization holds any interest whatsoever, and to any customers of such company, "on terms more favorable than those afforded similar borrowers in similar circumstances" or involving "more than the normal risk of repayment" or presenting "other unfavorable features." Thus, banking organizations would be barred from making preferential or unusually risky loans to export trading companies or their customers.

(2) The appropriate Federal banking agency may require divestiture or impose conditions on a banking organization's investment in an export trading company if the export trading company "takes positions in commodities or commodities contracts, in securities, or in foreign exchange, other than as may be necessary in the course of its business operations." That is, purely speculative activities are forbidden for any trading company controlled by a banking organization.

(3) The bill prohibits a trading company with a banking organization investor from engaging in "manufacturing or agricultural production activities" and permits it to engage in underwriting, selling, or distributing securities only to the extent its bank investor may do so under applicable Federal and State laws and regulations.

(4) The bill empowers the Federal banking agencies (the Federal Reserve Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board for Federal savings banks) when acting on a banking organization's application to take a controlling interest in an export trading company, to impose any conditions they deem necessary—

(A) to limit a banking organization's financial exposure to an export trading company, or (B) to prevent possible conflicts of interest or unsafe or unsound banking practices.

(5) The bill authorizes the Federal financial institutions regulatory agencies to establish standards with respect to the taking of title to goods by any export trading company subsidiary of a banking organization, standards "designed to ensure against any unsafe or unsound practices that could adversely affect a controlling banking organization investor. Such standards may specifically include inventory-to-capital ratios.

(6) The bill would bar any banking organization from taking a controlling interest or making any investment over $10 million in any export trading company without receiving the prior approval of the appropriate Federal banking agency. The Federal agency would be required to disapprove any application for which it finds—

That the export benefits of such proposal are outweighed in the public interest by any adverse financial, managerial, competitive, or other banking factors associated with the particular investment.

(7) The bill would prohibit aggregate investments by any banking organization of more than 5 percent of its consolidated capital and surplus in one or more export trading companies.

(8) The bill would prohibit the total historical cost of a banking organization's direct and indirect investments in a trading company combined with extensions of credit by such organization and its subsidiaries from exceeding 10 percent of the banking organization's consolidated capital and surplus.

(9) The bill would allow the appropriate Federal banking agency—

Whenever it has reasonable cause to believe that the ownership or control of any investment in an export trading company constitutes a serious risk to the financial safety, soundness, or stability of the banking organization and is inconsistent with sound banking principles or with the purposes of this Act or with the Financial Institutions Supervisory Act of 1966, order the banking organization . . . to terminate . . . its investment in the export trading company.

(10) The bill requires that any banking organization investment, even if it is less than $10 million, be reported to the appropriate Federal banking agency. After receiving such notification, the agency could disapprove the investment or impose conditions on it if the agency determined that the trading company was a subsidiary of the banking organization investor.

(11) A banking organization also must report each additional investment in a trading company subsidiary or the engagement by a trading company subsidiary in any new line of activity, such as taking title to goods, which was not included in any prior application for approval of banking organization control of the trading company. The Federal banking agency could disapprove the proposed investment or new activity under the same standards applicable to controlling investments.

(12) The bill prohibits a trading company from having a name similar to that of its bank organization investor unless the bank organization owns a majority equity interest in the trading company.

The Committee is supported in its view that the bill contains appropriate Federal regulatory authority over bank investments in export trading companies by the Administration, by the Comptroller of the Currency, and (with one exception) by the Federal Reserve Board. The sole exception is the Board's view that Federal bank regulatory agencies should not be authorized to approve any controlling investments by banks in export trading companies with the possible exception of certain "ingle-purpose" trading companies. Specifically, the Board would prohibit any one banking organization from acquiring 20 percent or more of any export trading company and any group of banking organizations from acquiring more than 50 percent of a trading company. The Board would accept non-controlling investments, subject to the provisions contained in the bill. The Board appears to question the ability, as well as the propriety, of permitting banks, either singly or as a group to manage export trading companies.

Mr. HEINZ. In my judgment, this is an overly conservative approach designed to calm unrealistic fears. However, the bill is the product, Mr. President, of a good deal of compromise—compromise with two administrations, compromise with bank regulatory agencies, and compromise with numerous Senators, and, as one who has been intimately involved in those negotiations and compromises, I can say they are compromises I am prepared to support. I do not, however, feel there is much more room for compromise if we are to have a bill that has any meaning.

With respect to the antitrust issue, the bill makes a procedural reform in the existing Webb-Pomerene Act by permitting the issuance of a certificate providing an antitrust immunity for the activities specified in the certificate for the period of time the certificate is in effect. The language of this title does not modify substantive antitrust law. My colleague, Senator DANFORTH, the author of title II, will have more to say about this shortly.

Mr. President, I would also like to make a brief point about one issue in the bill that has come up recently.

Nothing in the bill is intended as an override of existing State authority over State-chartered institutions. Limitations which now exist by force of individual State statutes or regulations that would affect the ability of State-chartered banks to take equity positions in export trading companies are not preempted. Furthermore, because no override of existing State regulatory authority is intended, nothing in the bill can be construed as preventing States from adopting laws or promulgating regulations which would prohibit, condition, limit, or restrict investments by banks chartered under the laws of any State. That is the intent of section 105(a) of the bill.

To the extent that State-chartered institutions are not prohibited by State statute or regulation from taking any equity position in an export trading company within the meaning of this bill, section 105(b)(1)(B) is not intended to create an exclusive approval right in the appropriate Federal banking agency where a controlling interest is to be acquired, nor is section 105(b)(1)(A) intended to preclude the requirement of State approval for the taking of less than a controlling interest. It is not intended that this bill interfere in any way with the present role of the State banking department as the primary regulator of State-chartered institutions.

I believe the manager for the minority, my distinguished colleague from Wisconsin (Mr. PROXMIRE) may have some comments on the bill and possibly some amendments to it. I will have more, much more, to say about his amendments later, but before I yield to him, I want to express my appreciation for the role he has played throughout the committee's consideration of this bill. I know the Senator from Wisconsin has some reservations about some aspects of the bill, but I think the record should also reflect his consistent cooperation in moving the bill along through the legislative process. I am also indebted to him for raising, in a reasonable and constructive fashion, some basic issues surrounding this bill relating to the role of banks and the antitrust certification procedures. I do not agree with the Senator, and I hope no one else will either, but I think he has raised the right issues and thereby contributed to their resolution in a constructive manner that exemplifies the tradition of this body.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

THE EXPORT TRADING COMPANY ACT OF 1981

● Mr. HEINZ. Mr. President, on Thursday, March 12, the Committee on Banking, Housing, and Urban Affairs marked up S. 144, the Export Trading Company Act of 1981, and ordered reported an original bill embodying the amendments to S. 144 approved by the committee. The committee report, along with the original bill, S. 734, were filed March 18.

In its markup, the committee did not change the basic provisions of S. 144, but it did adopt 24 amendments, most of them technical, a few of which make substantive changes in particular parts of the bill. For those who have been following this legislation closely, I would like to list briefly the more substantive changes in S. 144 made by the committee.

First. The committee reduced the amount of money authorized in section 106 of the bill for EDA and SBA loans and loan guarantees from $20 million per year to $10 million per year for 5 years.

Second. The committee added a new section 108, proposed by Senator RIEGLE, creating a program which would help small businesses not previously significantly involved in exporting hire an export manager by providing for Federal payment of half the manager's salary for the first year. The cost of this amendment is $2 million per year for 3 years. It is the same amendment which the Senate adopted on the floor last year in its consideration of S. 2718, the predecessor of S. 144.

Third. The committee adopted two amendments initially proposed by Senator CHAFEE which would: (a) Permit a trading company to have the same name as its banking organization investor if the latter owns a majority of the stock of the trading company; and (b) provide the bank regulatory agencies greater flexibility in dealing with violations of section 105(c)(3) of the bill relating to taking positions in commodities, securities or foreign exchange. Both these amendments were recommended by the Comptroller of the Currency.

Fourth. With respect to title II of the bill, the antitrust provisions the committee agreed to an amendment which would permit existing Webb-Pomerene Associations to continue to operate under current law if they so chose rather than being forced to seek certification under the new system created by this bill. Such associations, of course, would also retain the option of seeking certification under the same standards and procedures applicable to everyone else.

The other amendments, Mr. President, were technical in nature, correcting typographical or reference errors or making other minor changes in language, in most cases at the request of the administration So that all these changes are clear to everyone concerned, Mr. President, I shall ask that the complete text of S. 734, the original bill reported by the Banking Committee, be printed in the RECORD at the conclusion of my remarks.

Reporting this bill represents another important step in our progress toward enacting this legislation and thereby giving American businesses interested in exporting another set of tools to use to successfully market and sell abroad. The committee held 3 days of hearings on this bill this year, in addition to the many days held in 1979 and 1980, and I anticipate that the printed record of the 1981 hearings will be available to Senators and the public shortly. I am also pleased to see that the House is also moving forward with this legislation, the House Judiciary Committee having scheduled hearings on it and other related measures for March 26. The next step should be Senate floor action, which I hope will come soon.

Mr. PROXMIRE. Mr. President, first let me say a word about the senior Senator from Pennsylvania (Mr. HEINZ), for his perseverence in guiding this legislation to the point where it is today. The Senator from Pennsylvania is a tireless worker on behalf of what he believes in. And make no mistake about it, he believes in exports. S. 734 is the first major bill to be reported out of his International Finance Subcommittee, the subcommittee of which he is the chairman. He deserves the congratulations of the Senate for the expeditious, prompt, and efficient way he has handled this bill in committee and is handling it on the floor.

I say that despite the fact that I have two serious reservations about this bill. Both reservations concern how the substantive powers granted in the bill are to be administered. Despite my reservations, I shall vote for this bill. I know that it has virtually unanimous support in the Senate.

The bill passed the last time 78 to 0.

I fully expect that the House Banking Committee will take a closer look at the banking provisions and that the House Judiciary Committee will take a closer look at the antitrust provisions. By the time this bill gets through the House and then through conference and back to the Senate, I believe it will be a better bill. I am convinced the Senate has gone as far as it can, given the politics of the situation, and therefore I would not try to hold this bill up.

I believe we should seek ways to update our export capability. The goal of this bill is to do just that and I support it. Nevertheless, I think we should all recognize that we do not have an export crisis. Last year we had a favorable balance on current account, a unique position in the industrialized world. That is the true measure of our export-import situation because it takes into account all factors.

People are confused when I say current account. The Senator from Pennsylvania talks about the balance of trade. The current account is the overall balance, including trade, including investment income, services, foreign aid. It includes everything. On that basis, we had a balance and I say that is unique. The only other developing countries that had a balance were, of course, the OPEC countries. They have an enormous advantage because they are selling oil at a very high price. Under those circumstances, I do not think anybody could really argue that we have anything like an export crisis or anything but the proper kind of a situation this country should have, which is a balance, meaning that if other countries had the same, we would have far greater equity in trade throughout the world.

We should not be surprised that one segment of the current account, the merchandise balance, is in deficit. That deficit has to do with the price of oil, which quadrupled in 1974 and doubled again in 1979. We will have to find ways to operate more efficiently, to conserve imported oil, if we are to bring the merchandise account into balance.

All the trading company legislation and export legislation will not solve our problem unless we recognize that the fundamental problem is an energy problem.

One thing is sure. Our situation is not of such a magnitude that we have to throw out the separation of banking and commerce that serves our economy so well. Neither do we have to forego our antitrust laws which have given us the benefit of a free and competitive economy, probably the most competitive economy of any country in the world. That is one of the reasons why we have been the dominant economic country in the free world, and continue to be.

The AFL–CIO, which has as much at stake as anyone else in a healthy economy, opposes this bill. In a statement on the bill the AFL–CIO said:

> The AFL–CIO supports exports that promote U.S. jobs and help create a healthy U.S. industrial base. Many industries, including those that provide services, need and deserve the help of the U.S. Government in an increasingly complicated international trading world.
>
> We do not believe S. 734 will accomplish these objectives and we oppose it.
>
> This bill ends the traditional U.S. legal separation between banking and commerce, a risky move in a world where international banks are already "loaned up" and government insurance of exports is at issue in other hearings. The lender and exporter can become one under this legislation—a damaging change in U.S. law.
>
> At a time when banks and commercial enterprises in the United States are claiming capital shortages, a measure that will result in a further competition for funds and diminution of capital for productive investments is unwarranted.
>
> Title II extends antitrust exemptions of the Webb-Pomerene Act to associations formed for the purposes of exporting services and to export trading companies. Exempting the nation's largest banks and an unidentified number of existing international lawyers, accountants and other so-called service firms will add to the competitive problems of many businesses at home.
>
> What appears to be developed in the bill is a double standard on competition—one for U.S. exporters and another for U.S. producers. The exporters may be giant world companies or banks exempt from U.S. law on antitrust. Trade would be special privilege while all U.S. activities would be subject to competitive laws.

Mr. President, the Conference of State Bank Supervisors (CSBS), which is comprised of the 50 State banking commissioners opposed this bill as an unwarranted intrusion on States rights.

I understand that Senator HEINZ will offer a statement on the floor ameliorating some of their concerns.

Furthermore, the Independent Bankers Association originally opposed this bill as written. The Securities Industry Association and the Independent Insurance Agents also oppose the bill as written.

Why? Because the legislation goes too far. It does not take the care that needs to be taken to continue the benefits of separating banking from commerce and it needlessly puts the antitrust laws in a back seat relationship to trade promotion.

Mr. President, There are two serious defects in this legislation.

One serious defect is that the significant and historical precedent setting power for banking organizations to control up to 100 percent of export trading companies engaged in business and commerce will be administered by three separate bank regulatory agencies. In the past when Congress enacted bank legislation authorizing new activities regulatory authority has been given to the Federal Reserve.

Another serious defect is that the Justice Department and the Federal Trade Commission have been shunted aside as primary antitrust enforcers of the antitrust laws governing foreign commerce from the United States in favor of the Commerce Department whose primary mission is to promote and trumpet trade.

The Secretary of Commerce admitted that they did not have the expertise or competence in his Department to regulate antitrust matters.

Thus this legislation will undoubtedly

result in inconsistent, wasteful, and overlapping bank regulation instead of a consistent and coherent bank regulatory policy; and will result in less competition while price fixing in domestic and international markets gets a wink from the Commerce Department.

This is major legislation; Major bank legislation and major antitrust legislation. Banking organizations—banks, bank holding companies, and Edge Act international corporations—are given the power to control export trading companies which are permitted to engage in a wide range of export and import activities not only as financiers but as equity participants. An export trading company is permitted to purchase for its own account goods and commodities, warehouse them, and market them overseas through its own retail network. The separation between banking and commerce which has served this Nation well for over 100 years has prohibited such activities by banks.

If we pass this legislation, that separation will be ended with respect to that particular part of banking and commerce.

The Federal Reserve and the Federal Deposit Insurance Corporation, the two regulatory agencies which are responsible for the safety and soundness of our banking system, testified that bank control of export trading companies posed unacceptable risks to our banking system. Their recommendation was that exports could best be served by banks continuing their role as financiers, holding a minority position perhaps in export trading companies, but not a position which would jeopardize bank capital in the highly leveraged risk operations of an export trading company.

Our export posture is not one that requires that we put our financial system at risk. We already have enough risk in our financial system.

I offered an amendment in committee which would contain the risk yet let the legislation move forward. This amendment would have allowed control of an export trading company by only a bank holding company or an Edge Act International Company. The benefit of my amendment is that it would continue to require separation between banking and nonbanking activities and would lodge authority in the Federal Reserve to administer the provisions. That is consistent with our existing banking structure where nonbank activities are carried out through the holding company and through Edge Act Corporations. Both the bank holding company laws and the Edge Act are administered by the Federal Reserve.

The Senate, on occasion, closes its ears to meritorious responses to questions raised by legislation. This is one of those occasions. Thus, the Senate will send to the House a bill that mixes banking and commerce unnecessarily. I trust the House Banking Committee will clarify the situation.

By recommending that the Commerce Department play the key role in administering the Sherman Antitrust Act in place of the Justice Department and the Federal Trade Commission, this administration continues its assault on the antitrust laws.

The legislation rewrites the Webb-Pomerene Act. Currently, adherence to the provisions of the Webb-Pomerene Act provides a defense against suit under the Sherman Act for export associations. This legislation goes further. An export association, upon making an application to the Commerce Department, may obtain certification by the Commerce Department that its activities meet the standards of the legislation.

Such a certification carries with it immunity from not only the Federal antitrust laws but also from State antitrust laws and private party suits, except for ultra vires acts.

This intrusion into the realm of State's rights and private rights might be plausible if a Federal agency with antitrust experience was charged with the responsibility of administering the statute. That is not the case here. The Commerce Department will issue the certificates upon consultation with the Justice Department and with the Federal Trade Commission. The legislation leaves it up to the Commerce Department to determine the degree to which it considers the views of the Justice Department and the Federal Trade Commission.

While the Justice Department and the Federal Trade Commission may file suit within 30 days after the issuance of a certificate by the Commerce Department on the grounds that the export association's behavior violates the standards set forth in the Webb-Pomerence Act, it is clear that the real action in administering the law will be in the granting of certificates—and who has that power? The Commerce Department.

The Commerce Department is in a massive conflict-of-interest situation under the legislation, having responsibilities to promote trade and enforce the antitrust laws. It is clear that the antitrust laws are going to take a back seat. And why? The antitrust laws have served this Nation well, giving us a marvelous free and open competitive society. They are now to be placed on the scrap heap because the Justice Department and the Federal Trade Commission have done their job in enforcing the law, and they are going to be taken out of the act by this bill.

The true test of competition is whether there is a market restraint on prices. The authors of this legislation told us that this legislation did not change the substantive standards under the antitrust laws. Yet, when the antitrust experts came before the committee, we were told that the legislation is:

> An attempt to codify what many people who participated in this process consider to be the best thinking on what the law should be interpreted to be by the courts.

That statement makes it obvious that a good deal of judgment went into the alleged codification.

It is clear from the testimony of Secretary Baldrige that, where U.S. firms fix prices overseas or allocate markets overseas, he intends to certify the behavior even though such behavior is actionable at the present time under the antitrust laws. It was precisely this kind of behavior in overseas markets that caused the Wall Street Journal to say in an editorial—this is the Wall Street Journal, not the AFL–CIO—

> By endorsing and expanding the principle of export cartels, the legislation undermines U.S. commitment to an open international trading system. How can we complain about OPEC or Third World cartels if we encourage our producers to form their own export cartels?

Mr. President, it is clear that the Commerce Department will not have the stomach to stand against price fixing overseas. How will they administer the act when the effect is on domestic prices? I do not know, but I have my doubts. Commerce will find itself in a basic conflict position of trying to balance effects on domestic prices and overseas trade.

The Commerce Department has no expertise in administering antitrust statutes, according to Secretary Baldrige's own testimony. Yet they are entrusted with administering a complex statute. For example, under the legislation, one of the changes made is to prohibit effects on domestic prices that are "unreasonable," terms of art under the Sherman Antitrust Act. But with respect to price-fixing under the Sherman Act, no inquiry is permissible as to "reasonableness" or "unreasonableness."

Price-fixing is one of those categories of antitrust behavior that is per se unlawful. Where price-fixing is found, it is always held to be "unreasonable" under current law.

Now comes this legislation, providing that only behavior that does not "unreasonably enhance, stabilize or depress prices within the U.S." is permitted. Price-fixing is to be allowed, is it not? Is that not what that means? How much price-fixing is reasonable or unreasonable? And the Commerce Department, which has no experts, no experience, no background in antitrust laws, is to administer the law while the experts at the Justice Department and the Federal Trade Commission sit on the sidelines. I hope the House Judiciary Committee refines the antitrust sections substantially, and there is every indication they will do so.

Thus, Mr. President, we have before us a bill that proves the worth of having two Houses of Congress. The Senate has a good concept, but goes too far, perhaps even in anticipation of the expected cutback in the bill in the House. I hope the House will perform the needed surgery on this bill and the Senate should not expect to see quite the same bill when it returns from conference.

Mr. President, I ask unanimous consent that letters from the Independent Banker's Association, the Securities Industry Association, the Independent Insurance Agents and the Conference of State Bank Supervisors be printed in the RECORD following my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

INDEPENDENT BANKERS ASSOCIATION OF AMERICA,
McHenry, Ill., September 2, 1980.

Hon. WILLIAM PROXMIRE,
Chairman, Banking, Housing, and Urban Affairs Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR CHAIRMAN PROXMIRE: As the Senate continues to deliberate the merits of S. 2718, the Independent Bankers Association of America deems it appropriate to present its views on the Proxmire-Federal Reserve Amendment (Amendment No. 2276) which would prevent a single banking organization from owning more than 20 percent of an export trading company or group of banking organizations from owning more than 50 percent of an export trading company, except under extraordinary circumstances.

Just as the IBAA opposes the concentration of banking resources, it opposes the dominance by a few large banking organizations of the export trading company area. We believe that the Proxmire-Federal Reserve Amendment (Amendment No. 2276) will help preserve the separation of banking and commerce and prevent the excessive concentration of economic power. Therefore, we support it.

Sincerely,

THOMAS F. BOLGER,
President.

SECURITIES INDUSTRY ASSOCIATION,
Washington, D.C., March 30, 1981.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: The Securities Industry Association is extremely concerned as to the breadth of S. 734, legislation which would extend to the banking industry the ability to form and participate in export trading companies. We understand the bill will be considered by the Senate this week. While we can recognize a clear and compelling need to improve our export posture and balance of payments abroad, we seriously question whether or not commercial banks should be permitted to engage in this extremely high risk area of commerce.

Our membership believes this bill, as written, presents a situation where major money center banks without the appropriate regulator's approval, could direct a captive export trading company to engage in the underwriting, selling, and distributing of securities and commodities that would otherwise be prohibited by both the Bank Holding Company Act and the Glass-Steagall Act. We believe this to be a fundamental breach of the Glass-Steagall Act in an area which was not thoroughly explored during Senate Banking Committee consideration. It is our hope that Congress, during its consideration of this legislation, will amend S. 734 to prohibit this kind of circumvention of existing legislative restrictions on commercial banks and bank holding companies.

Sincerely,

EDWARD I. O'BRIEN.

INDEPENDENT INSURANCE AGENTS OF AMERICA INCORPORATED,
March 9, 1981.

Hon. WILLIAM PROXMIRE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: Our association would like to raise serious objection to certain provisions of the Export Trading Company Act, S. 144, now before the Senate Banking Committee.

In general, the Export Trading Company Act's stated purpose represents a dramatic policy shift from the more than 100 year separation of banking and commerce—a separation that this association, in connection with other legislation now before this committee, has fought hard to retain.

The encouragement and facilitation of bank participation in and ownership of export trading companies is bound to have adverse implications for many small businesses not privileged to have access to banks' capital, credit, financial records, and expertise. Moreover, any advantages to export trading company clients that may derive from a bank's ability to engage in a full range of export services through an export trading company may be more than offset by non-competitive tie-ins of these services to credit.

Specifically, language contained in Sections 103(a) 3 and 4 of the Act virtually ensures adverse impact on a now thriving and highly competitive non-affiliated export insurance market, and on potential export trading company clients.

That section includes within the definition of collateral services to be provided by export companies the term "insurance." Since not qualified in any way, the term could be interpreted to include insurance sales, services, or underwriting, for domestic or international coverages, within the context of onshore or offshore insurance operations.

Additionally, the proposed bill contains no language that would protect export trading company clients from direct or implied tie-ins of insurance sales to the credit and managerial services the companies will be offering.

Moreover, it is unclear from the Act, or from any previous committee record, whether all of the permissible insurance services are to be subject to the traditional state regulatory apparatus established by the McCarran-Ferguson Act. Specifically, it is unclear whether, if included within definition of insurance, offshore export insurance captives are intended to be subject to state regulation, or will be able to escape the rigors of state oversight and enforcement.

Export trade insurance services are available today from many sources at competitive prices. Introduction of additional sources, of undefined scope, unfairly advantaged by access to capital, credit, and managerial services, would seem at best unnecessary and at worst extremely harmful to existing markets and potential clients.

IIAA would propose as a remedy the deletion of the word "insurance" from sections 103(a) 3 and 4. Additionally, the committee's report should make explicit the committee's awareness of the dramatic shift in heretofore traditional public policy that enactment of S. 144 would engender, including possible adverse effects on businesses now associated with export trading, but denied access to the competitive advantages export trading companies will enjoy should this bill become law.

Sincerely,

ROBERT REYNOLDS, CPCU,
President, IIAA.

MARCH 23, 1981.

Hon. WILLIAM PROXMIRE,
Dirksen Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: You will soon be voting on S. 144, The Export Trading Company Act of 1981. The Conference of State Bank Supervisors opposes this legislation because, as currently drafted, it would override state authority over state-chartered institutions and would violate the principle of the separation of banking and commerce.

CSBS asks that you support the Proxmire amendment to limit control of export trading companies to bank holding companies, Edge Act Corporations and bankers banks. The Proxmire amendment would eliminate the preemption of state authority and would lessen to some degree the erosion of the policy of the separation of depository banking activities from other forms of commerce.

Representing the primary chartering and regulatory source for state-chartered commercial banks, the Conference strongly objects to those provisions in S. 144 which would permit state-chartered commercial banks to take equity positions in business enterprises in violation of state banking codes banning such action. This proposed action would constitute a serious preemption of state authority to determine the operating powers of banks which they charter and supervise. In the absence of some overriding national policy consideration, which we do not perceive here, CSBS objects to any statutory provisions which would enlarge state-chartered banks' powers beyond those which a state authorizes for its institutions.

CSBS supports Congress in its efforts to increase U.S. exports, but believes that goal can be achieved more effectively by reducing government-related burdens on producers of goods and services which might be sold abroad. American industry can be competitive in the international marketplace if we allow it to be. Oppressive taxation, government-fed inflation, consequent high interest rates, high labor costs and direct control adversary-type government regulations, all merit attention ahead of another government program—particularly one which has all the ingredients of more, not less, regulatory burdens. Until the underlying causes of our industrial malaise have been addressed, no program, no matter how well intentioned, can succeed.

Moreover, the principle of the separation of banking and commerce, a cornerstone of our policy against undue concentration of economic power, should not be abandoned without proven necessity to do so. Bank equity in nonbanking enterprises, like government equity, presents a very real danger of credit allocation.

For all of these reasons, the Conference of State Bank Supervisors asks that you support the Proxmire amendment and oppose final passage of S. 144.

Sincerely,

LAWRENCE E. KREIDER,
Executive Vice President-Economist.

Mr. PROXMIRE. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SCHMITT). The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, this is an issue that is coming back. As the Chair knows, we dealt with it last year, The vote, I believe, was 77 to 0, or 78 to 0, something of that magnitude.

The reason there is such broad support is, I think, a growing awareness of the need for an aggressive export policy. Though there are many components of that, certainly, export trading companies are part of it.

Mr. President, in the last 5 years, our trade deficit totaled $105.7 billion. There are many ways of looking at that, but the fact is that this hemorrhaging of U.S. capital has weakened the dollar in overseas markets and inflated the costs of imports to Americans. Look at our German and Japanese competitors, who make export trade a top priority. In the same 5-year period, they have had total trade surpluses of $88.8 billion and $55.6 billion respectively.

I might add that these two countries import a much higher percentage of their energy than we do.

We must reduce this trade deficit. The Commerce Department estimates that less than 1 American firm in 10 sells overseas. This record must be improved. If we continue to believe that the status

quo provides ample trading possibilities, we may soon find America reduced to the status of a glorified banana republic ever diminishing our raw materials and awash in imported manufactured goods.

The bill before us attempts to improve this situation. It makes possible the formation of American export trading companies to deliver the output of small- and medium-sized American businesses to the marketplaces of the world. Export trading companies would represent American firms abroad and perform international market research, customs documentation, and regulations research. They would have expertise in exchange rate issues and foreign market potential.

I would ask Members to go around their States and talk to their small- and medium-sized businessmen and ask how many of those are familiar with exchange rate issues and other such matters critical to international trade.

The Commerce Department estimates that more than 20,000 nonexporting U.S. firms offer products that could compete abroad. Export trading companies are an attempt to tap this vast potential.

Title I of S. 734 allows banks to participate in the formation of export trading companies. Banks bring to bear their investment capital, international networks, and international financial expertise, and as such are the institutions that have the best chance of making export trading companies significant contributors to increased American exports. Bank controlling interest in ETC's is permitted, with strict constraints, to assure banks the opportunity to use their international financial aid management skills fully. A number of safeguards are in place to prevent bank abuses:

Banking organizations can invest no more than 5 percent of their assets in export trading companies.

Approval of the appropriate bank regulators is necessary for investments in excess of $10 million or if controlling investments by the bank exceed 50 percent of the stock of an export trading company.

I, for one, find these restrictions to be somewhat excessive, but within the framework of trying to provide the proper assurances, I can live with them.

Mr. President, let me stress that export trading companies are an idea that business leaders in New England are fully behind. In my own State of Massachusetts, my small business advisory task force is eager for the enactment of S. 734. The Small Business Association of New England strongly endorses export trading companies. The New England Congressional Institute's export trading company task force, consisting of 15 economists, bankers, and businessmen, also believe the export trading company idea deserves attention. Two banks in my State, the First National Bank of Boston and the Shawmut Bank are keenly interested in the bill. In addition, I have met with a number of textile manufacturers in this past year and found it refreshing to listen to their support for export trading companies as a means to compete internationally. A Department of Commerce study indicates that American textile manufacturers could benefit significantly from this bill. I suggest that international competitiveness is a much better option than protectionism.

Mr. President, this bill is a start in a much needed effort to improve our international trade competitiveness. It means jobs for Americans and help in paying our huge oil debt. We cannot afford to pass up this opportunity. I am confident that, as last year, the Senate will pass this measure—without dissent, it is hoped.

Let me talk about some of the issues that have been raised in opposition, which are the same issues raised last year. The problem, in the meantime, has not gone away.

One argument put forth is the idea that there is no trade problem. Exports are growing, so why worry? I must point out that even though U.S. exports have grown in the 1970's from 4.3 percent of our GNP to 8 percent today, we are in fact losing ground in the growing overseas markets. The U.S. share of the total world market in 1970 was 15 percent; in 1980, it was 12 percent. The U.S. share of the manufactured goods total world market has gone from 21.3 percent to 17.4 percent.

Second, let me talk about the current account issue. Those who argue that we do not have a crisis because the current account is in balance are half right and half wrong. They are absolutely correct that the current account is in balance. They are absolutely incorrect, in my opinion, that that is cause for great comfort. There are several reasons why I feel this way.

First, any rapid growth in foreign investments here would rapidly offset the return in our foreign investment there, so our strength is a reflection of what our trading partners have not yet done but are increasingly doing. The advantage we have by the balance of current accounts is a function of noninvestment by foreigners in this country; and as everybody knows, that is changing rapidly. So the advantage we have is illusory. It is a function not of our strength but of decisions made by others.

Second, the recent jump in recorded return on foreign investment is caused to some degree by companies bringing funds back to America to take advantage of high-interest rates. This is a temporary and rather artificial source of strength.

Third, living off returns from foreign investments is sort of coupon-clipping writ large. It is a static benefit derived from past competitiveness. It is no substitute for present competitiveness. To have the edge which enables you to invest abroad successfully requires a lead in technology, production, and management know-how. No return of a foreign investment can continue if there is not movement up the product scale and a retention of the competitive edge.

There are also those who would argue that we do not have an export crisis but that, in fact, what we are dealing with is simply a problem that results from the price of oil going up dramatically. That is true. Our ever growing oil bill certainly creates our trade problem.

The Japanese and the Germans, however, who import a higher percentage of their energy than we do, have taken an activist position to insure their own economic survival. They have done what is necessary to pay their oil debt in a competitive world economy; they have made trade their No. 1 priority. That is a mind set we do not have in this country and must rapidly assume.

Finally, one can argue against export trading companies because of fear of expanding the powers of banks. I think the German and Japanese responses would be simple—that without the capacity to compete internationally we will run up our trade deficit year after year, and soon not have an economy to worry about. That response must become our response.

My State, which has witnessed the decline of the shoe and textile industries, is probably the best example—at least during my lifetime—of a State that has learned dramatically, and to its chagrin, what it means not to be competitive internationally. We in Massachusetts now have an unemployment rate considerably below the national average because of our capacity to produce world class high technology equipment.

If we lose the capacity to compete internationally in this area, what do we then go to? Probably years of decline. It seems to me that we should learn our lesson and do what our international competitors are doing, and that is to take international trade seriously and do what is necessary to be competitive. Export trading companies represent a first step.

There are other important trade issues—Export-Import Bank funding the taxation of Americans abroad—but they are issues for another time.

Today it is my hope that the export trading companies measure will be passed. and passed unanimously as it was passed last year. Then we can work on the House side, to make them see the wisdom of the bill.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. TSONGAS. I yield.

Mr. HEINZ. Mr. President, I commend the Senator for his statement. I agree strongly with something he said at the close, which is that this is only a part of what we need to do to enhance this Nation's export stance to be competitive.

There are a number of things we have to do in connection with the Foreign Corrupt Practices Act, sections 911 and 913, of the Internal Revenue Code, as well as many other things—the Export-Import Bank, getting some negotiations going in terms of export credit financing practices worldwide, perhaps even a follow-on trade bill to the Trade Agreements Act of 1979.

So I believe the Senator is absolutely correct as to the points he has made, and I commend him for his statement.

Mr. TSONGAS. I thank the Senator for his comments. I will take a Xerox copy of his remarks and send it to the White House.

They are equally persuaded as to the value of the comprehensive approach.

Mr. HEINZ. It is my hope the Senator and I will be able to join together. I think he and I agree.

Mr. PROXMIRE. Mr. President, before the Senator yields the floor, and I know the Senator from Nebraska is anxious to call up an amendment, I shall take a few minutes to call attention of the Senate to testimony before the committee that showed a few things.

It showed in the first place, unlike the arguments made by my good friends from Pennsylvania and Massachusetts, the trade balance has been improving and sharply improving.

As one witness pointed out before our committee on March 5, he pointed out that 1980 was the second consecutive year in which our merchandise trade deficit declined; that in 1980 exports increased $39.9 billion or some 22 percent; that in 1980 our merchandise trade balance with non-OPEC developing countries moved to a surplus of $3.3 billion from a deficit of $3 billion, while the surplus with Western Europe increased to $20.3 billion from $12.3 billion, and that looking solely at nonagricultural exports, 1980 showed an increase of $33.4 billion or some 7 percent by volume.

Let me conclude by saying that Henry Wallich, who is the international finance expert for the Federal Reserve Board and a highly respected international economist, argued exactly the opposite position from what the Senator from Massachusetts was telling us about, the significance of balance on current accounts. He pointed out that overall, if you include everything, investment, income, services, et cetera, overall our position stands in sharp contrast, with that of continental European countries and Japan, all of which are recording deficits on current accounts.

So in both of these areas he has said that we have improved and improved sharply and that overall our current account balance which is in his judgment, and he is a man of very distinguished credentials and highly respected as an economist, the top international expert for the Federal Reserve Board, he feels we are in very sound position and improving.

Mr. TSONGAS. Mr. President, I make just two points.

First, let me say that to argue that our balance of trade is not as bad as it used to be, so we need not worry about it, is the same as arguing that my house mortgage and my car mortgage are less expensive, due to inflation, so I need not worry about paying them. The fact is you have an enormous deficit that you are running, as I have pointed out in my remarks. During the last 5 years, it totals over $105 billion. That is a gigantic deficit that cannot be ignored.

The second point is that these are the same arguments that my distinguished chairman used last year and yet he still voted for the bill. I can only assume that in the deep recesses of his heart, he knows we are right.

Mr. PROXMIRE. Mr. President, may I say I voted for the bill. I think the bill, as I say, overall is all right though there are two parts of the bill that I oppose, and the Senator's statement did not go to those. The antitrust feature of the bill is certainly one of the principal ones and giving the Federal Reserve the centralized power of administering it, is something the Senator did not discuss.

I agree overall it is good to have this legislation. But I think it can be improved.

Mr. TSONGAS. On that note I agree.

UP AMENDMENT NO. 58

(Purpose: To make technical amendments; to remove the establishment of the Office of Export Trade; and to eliminate the term "invalidation" and substitute the term "revocation")

Mr. HEINZ. Mr. President, I send a package of amendments to the desk, four in number, and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection. It is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment en bloc numbered 58.

Mr. HEINZ. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 14, strike out "and" and insert in lieu thereof "or".

On page 5, line 16, strike out "and" and insert in lieu thereof "or".

On page 11, line 25, delete ", after notice and opportunity for hearing,".

On page 12, line 5, after "agency" insert ", after notice and opportunity for hearing,".

On page 25, strike out lines 4 and 5, and insert in lieu the following:

"(b) PURPOSE.—It is the purpose of this title to encourage American exports by directing the".

On page 54, strike out lines 7 through 19. Renumber succeeding sections accordingly.

On page 30, line 23, strike out "or invalidation".

On page 40, line 1, strike out "INVALIDATION" and insert in lieu thereof "REVOCATION".

On page 40, line 15, strike out "invalidation" and insert in lieu thereof "revocation".

On page 40, line 20, strike out "declaring the certificate invalid" and inserting in lieu thereof "revoking the certificate".

Mr. HEINZ. Mr. President, there are four technical amendments.

Mr. PROXMIRE. Mr. President, we had an opportunity to review these amendments. They are technical amendments, and I have no objection to them. They are fine amendments. I support them.

Mr. HEINZ. I thank my colleague from Wisconsin.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendment (UP No. 58) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, before I yield, and I know the Senator from Nebraska has an amendment that he wants to offer, I simply wish to provide for the RECORD a letter we recently received from the Conference of State Bank Supervisors who prior to the discussion we had in the Chamber today did object to the bill on the basis that they thought it preempted State bank regulatory auhority.

This letter lays that objection to rest, and I quote in part:

The Conference is satisfied that your explanation, made a part of the legislative history of the Export Trading Company Act, responds adequately to our objection on the points covered. That objection is therefore withdrawn.

Mr. President, I ask unanimous consent that the entire text of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONFERENCE OF STATE BANK SUPERVISORS,
Washington, D.C., April 1, 1981.

Hon. JOHN HEINZ,
Russell Building,
Washington, D.C.

DEAR SENATOR HEINZ: The Conference was pleased to learn of your intent to address our concern over the apparent override of state authority over state-chartered institutions contained in S. 734, the Export Trading Company Act.

It is our understanding that you will explain the intent of the bill in the following terms:

"Nothing in the bill is intended as an override of existing state authority over state-chartered institutions. Limitations which now exist by force of individual state statutes or regulations that would affect the ability of state-chartered banks to take equity positions in export trading companies are not preempted. Furthermore, because no override of existing state regulatory authority is intended, nothing in the bill can be construed as preventing states from adopting laws or promulgating regulations which would prohibit, condition, limit or restrict investments by banks chartered under the laws of any state. That is the intent of Section 105(g) of the bill.

"To the extent that state-chartered institutions are not prohibited by state statute or regulation from taking any equity position in an export trading company within the meaning of this bill, Section 105(b)(1)(B) is not intended to create an exclusive approval right in the appropriate federal banking agency where a controlling interest is to be acquired, nor is Section 105(b)(1)(A) intended to preclude the requirement of state approval for the taking of less than a controlling interest. It is not intended that this bill interfere in any way with the present role of the state banking department as the primary regulator of state-chartered institutions."

The Conference is satisfied that your explanation, made a part of the legislative history of the Export Trading Company Act, responds adequately to our objection on the points covered. That objection is therefore withdrawn.

The Conference does, however, reserve its objection to the erosion of the principle of the separation of banking and commerce, absent a proven necessity to do so.

Sincerely,

LAWRENCE E. KREIDER,
Executive Vice President-Economist.

Mr. HEINZ. Mr. President, there are a number of supporters of this bill that I

wish to take another minute just to read into the RECORD.

These include:

President's Export Council.
National Governors' Association.
U.S. Chamber of Commerce.
American Bankers Association.
National Forest Products Association.
National Association of Manufacturers.
American Association of Port Authorities.
Mining and Reclamation Council of America.
Emergency Committee for American Trade.
National Small Business Association.
American Textile Machinery Association.
Man-Made Fiber Products Association.
American Apparel Manufacturers Association.
Scientific Apparatus Makers Association.
National Machine Tool Builders Association.
American Soybean Association.
Electronic Industries Association.
National Customs Brokers and Forwarders Association of Amercia.
National Federation of Independent Business.
American League for Exports and Security Assistance.
American Electronics Association.
Business Roundtable.
Bankers Association for Foreign Trade.
Task Force on International Trade of the White House Conference on Small Business—Thomas M. Rees.
Acme-Cleveland Corporation.
Commercial Credit Company.
Rockwell International Trading Company.
Philadelphia National Bank.
North Carolina National Bank.
International Trade Operations, Inc.
Export Managers Association of California.
Schueler and Company.
American Institute of Marine Underwriters.
AMERX.

And last, by no means, at least two administrations, the previous one and this one as evidenced by the testimony of Secretary Baldrige, of the Commerce Department, at our hearings.

Mr. President, we are delighted with this broad support of the legislation and delighted to have the support of the Senator from Wisconsin for this legislation and as I say some 61 cosponsors that we have.

Mr. DANFORTH. Mr. President, the United States needs to become an aggressive exporter of its goods and services. One need only look at our growing trade deficit to appreciate that our industries are losing the competitive battle within world markets.

For the first 70 years of this century our Nation had a positive trade balance with its trading partners. For the better part of this century U.S. industry was efficient, had innovative capacity, and was unexcelled in technological leadership. Today, the statistics and the outlook is not that encouraging. In 1977 the United States ran a $26.5 billion deficit, a $28.5 billion deficit in 1978, and a $25 billion deficit in 1979. Last year the trade deficit was approximately $25 billion. The economic stability of our Nation is being swiftly eroded.

In the last two decades the U.S. share of free world exports declined from 15 to 11 percent. Within the last 5 years our major competitors have managed to increase real exports by 4 percent a year, while the value of U.S. exports, adjusted for inflation, has shown little if no growth. Looking at the relative importance of exports as a percentage of GNP, U.S. exports account for approximately 7 percent of GNP in contrast to Japan where exports account for 14 percent of GNP and for 22 percent of GNP in Germany. Something has to be done to spur U.S. exports.

Mr. President, S. 734 is a step in that direction. The bill encourages and provides a framework within which export trading companies may be formed. The bill enables banking institutions to invest in export trading companies under specified and carefully regulated conditions. Further, S. 734 significantly amends the Webb-Pomerene Act of 1918 to clarify the antitrust provisions applicable to export trade associations and provides a certification procedure whereunder export trading companies and trade associations may receive antitrust clearance for specified export trade activities.

Mr. President, I would like to address my remarks to the antitrust provisions of S. 734, specifically title II. Title II finds its origin in S. 864, the Export Trade Association Act of 1979, intrdouced by myself and Senators BENTSEN, CHAFEE, Javits, HEINZ, and MATHIAS on April 4, 1979. Hearings were held on S. 864, and other bills, on September 17 and 18, 1979 before the Subcommittee on International Finance of the Senate Committee on Banking, Housing, and Urban Affairs. A revised version of S. 864 was introduced on February 26, 1980 as amendment No. 1674. Hearings on the revision were held on March 17 and 18, and April 3, 1980. The Senate Banking Committee reported an original bill, S. 2718, which contained amendment No. 1674 to S. 864. On August 27 and September 3, 1980, S. 2718 was considered by the Senate and passed by a vote of 77 to 0. On January 19, 1981, Senator HEINZ, I, and others introduced S. 144. Title II of S. 144 was the same as title II of S. 2718 as passed the Senate last year. Hearings on S. 144 were held before the Subcommittee on International Finance and Monetary Policy on February 17, 18, and March 5, 1981. S. 144 was reported out by the Banking Committee as S. 734.

Before I address myself to the particulars of title II of S. 734 I believe a brief historical background of the current law—the Webb-Pomerene Act of 1918 (15 U.S.C. 61–66) which title II amends, will prove beneficial.

In 1914 Congress directed the Federal Trade Commission to study and report to the Congress on the conditions affecting U.S. export trade. In 1916 the Federal Trade Commission published a report that found American manufacturers and producers when attempting individually to enter foreign markets to be at a disadvantage because of strong combinations of foreign competitors and organized buyers. The report also noted that the threat of antitrust prosecutions under the Sherman Act deterred exporters from carrying out collective efforts to challenge foreign cartels.

In response to the findings of the FTC report, Congress passed in 1918 what has come to be known as the Webb-Pomerene Act. The purpose behind passage of the Webb-Pomerene Act was to provide U.S. exporters with the ability to compete in international markets on an equal basis with their foreign competitors. The Webb-Pomerene Act provides a limited exemption from both the Sherman and Clayton Antitrust Acts to qualified joint ventures in export trade known as Webb-Pomerene Associations. The Webb-Pomerene law exempts from U.S. antitrust laws any association established "for the sole purpose of engaging in export trade" (15 U.S.C. 62) as long as the association, its acts, or any agreements into which the association enters, do not: First, restrain trade within the United States; second, restrain the export trade of any domestic competitor of the association; or third, artificially or intentionally enhance or depress prices within the United States of commodities of the class exported by such association or substantially lessen competition within the United States or otherwise restrict trade therein (15 U.S.C. 62).

The Webb Act defines "export trade" to include only "trade or commerce in goods, wares, or merchandise exported, or in the course of being exported from the United States" (15 U.S.C. 61). As is obvious, the Webb Act does not extend to exports of services.

Mr. President, both the legislative history of the Webb Act, and the administrative and judicial interpretation of the act, shed light on its scope and intended effect.

The debate on passage of the Webb Act was centered on the resolve of two points mentioned in the FTC report. These were: First, that American firms and U.S. exports might be benefited if cooperative arrangements reduced the costs of foreign marketing or enhanced the bargaining power of American firms when dealing with foreign buyers; and second, that domestic trade might be affected adversely if cooperative arrangements enabled American firms either to exploit consumers in the home markets or exclude nonmember firms from the export market.

The legislative history of the Webb Act, including both House and Senate reports and the debates in the CONGRESSIONAL RECORD, evidences that Congress presumed that formation of export trade associations would enable smaller American firms to compete more effectively with large and powerful firms abroad by permitting American sellers to combine and bargain collectively. It was believed that the combined power of American firms would provide the means for entry into foreign markets which previously were blocked by the power and tactics of sellers and buyers abroad.

Early in the history of the Webb Act the FTC issued a letter setting forth its enforcement intentions. In that letter, known as the 1924 silver letter, the FTC announced that an association could qualify under the Webb Act if it existed for no other purpose than to fix prices and allocate sales in foreign markets—as long as the substantive criteria set forth in the act were met—and while foreign corporations were excluded from membership in Webb Associations, these

associations might enter into any cooperative arrangements with nonnationals which might enhance their trade position in foreign markets.

A second determination of the silver letter—permitting restrictive agreements between Webb associations and foreign nationals—was rescinded in 1955. Under the new criteria outlined by the FTC, if export associations enter into restrictive agreements with foreign competitors, those agreements will not be within the antitrust protections of the Webb Act and the lawfulness of the associations' activities will be judged under the Sherman Act, as would similar conduct by an individual exporter.

After issuance of the silver letter it was not until the 1940's that further clarification was afforded the scope of the Webb-Pomerene antitrust exemption through a series of investigations conducted by the Commission known as the 202 series of recommendations. These investigations concluded that a Webb-Pomerene association may not:

Enter into agreements of any kind with domestic producers who are not members of the association which fix prices, terms of sale, or otherwise restrain the free export of goods of nonmember firms. Pipe Fittings and Valve Export Association (1948).

Enter into agreements of any kind whereby exports of domestic nonmember producers are deducted from the export quota of the association. Florida Hard Rock Phosphate Export Association (1945).

Enter into agreements of any kind which prohibit association members from selling to domestic exporters in competition with the association, or which deduct sales by a member within the United States from the member's export quotas through the association. Phosphate Export Association (1946).

Falsely represent that it is the sole export representative of the United States in a given industry. Pacific Forest Industries (1940).

Enter into agreements of any kind with owners or operators of shipping terminals, thereby restricting use of such terminals to only association members. Phosphate Export Association (1946).

Be involved in acquiring control of any patent or process useful in the production of the goods it markets. Sulphur Export Corp. (1947).

Enter into an agreement of any kind which precludes or restricts the right of the association or its members from using a trademark or label in the United States. General Milk Co., Inc., Ltd. (1947).

Enter an agreement of any kind whereby it controls or attempts to control any of the terms or conditions of sales by its members within the United States. Phosphate Export Association (1949).

Enter an agreement of any kind with any foreign producer or cartel whereby the United States is designated as an exclusive trade area, or imports into the United States are otherwise curtailed or restricted. Export Screw Association of the United States (1947).

Own stock, either directly or indirectly through subsidiaries, in corporation or other producers outside the United States. Export Screw Association of the United States (1947).

Enter an agreement of any kind whereby foreign producers are guaranteed the right to sell within a given area a specified tonnage over and above sales in that area by the association. Sulphur Export Corp. (1947).

Enter an agreement of any kind which discriminates among its members as to the right of withdrawal, resignation, or restricting the right of former members to compete with the association after withdrawal. Phosphate Export Association (1946).

Conduct office operations jointly with a domestic trade association. Carbon Black Export, Inc. (1949).

Enter an agreement of any kind to "maintain the status quo" in the world market of the industry and to do nothing which would encourage or increase competition in the industry. Sulphur Export Corp. (1947).

Take into membership anyone who is not a citizen of the United States, nor any foreign purchaser, customer, representative, or agent of a foreign company. Phosphate Export Association (1946).

In 1966 the Commission in advisory opinion No. 91 determined that membership by a firm owning foreign entities is permissible in a Webb-Pomerene association.

Further clarification as to the parameter of the antitrust exemption provided under the Webb Act has been gained through adjudication of a number of cases brought by the Department of Justice. Of these cases there are two major decisions which interpret the scope of the Webb Act.

In the first case, United States against Alkali Export Association (Southern District, New York, 1944) the court found that a Webb association had violated the Sherman Act by participating in foreign cartels that engaged in practices resulting in the use of monopoly power to extinguish the competition of independent domestic competitors engaged in export trade and, which carried out practices that stabilized domestic prices by removing surplus products from the domestic market. In the second case, United States against Minnesota Mining Mfg. (District Court, Massachusetts, 1950) the court held that an export association could not establish or operate jointly owned facilities abroad and then went on to give illustrations of conduct that a Webb association may lawfully carry out: First, an association could be created by a majority of the firms in an industry; second, the association could be used as the members' exclusive foreign outlet; third, members of the association could agree that goods would be purchased only from member producers; fourth, resale prices could be fixed for the associations' foreign distributors; fifth, prices could be fixed and quotas established for members; and sixth, foreign distributors could be required to handle only the members' products.

The Minnesota Mining case provides the most authoritative interpretation of the scope and rationale of the antitrust exemption under the Webb-Pomerene Act. As stated by the court:

> Now it may very well be that every successful export company does inevitably affect adversely the foreign commerce of those not in the joint enterprise and does bring the members of the enterprise so closely together as to affect adversely the members' competition in domestic commerce. Thus every export company may be a restraint. But if there are only these inevitable consequences, an export association is not an unlawful restraint. The Webb-Pomerene Act is an expression of Congressional will that such a restraint shall be permitted.

In enacting the Webb-Pomerene Act, Congress envisioned an eager American business community availing itself of the opportunity to pool its facilities, resources, and expertise in such a fashion as to implement an ambitious joint exporting program. That vision never materialized.

At their high-water mark between 1930 and 1935, Webb-Pomerene Associations numbered 57 and accounted for approximately 19 percent of total U.S. exports. Today the number of associations has dwindled to around 30 and their share of total U.S. exports has dipped to less than 2 percent.

The reasons for this poor showing are many. To list but a few:

The business community traditionally has placed top priority on tapping the vast domestic market and has been much slower to focus on the prospects overseas.

The ever-expanding U.S. service industries have been excluded from qualifying for the act's antitrust exemption.

The Department of Justice, and to a lesser extent the Federal Trade Commission have been perceived by the business community as exhibiting a thinly veiled hostility toward Webb-Pomerene Associations. Therefore, the threat of antitrust litigation has served as a deterrent to broader utilization of the Webb-Pomerene Act.

All in all, there remains the strong impression among most parties that the Webb-Pomerene Act is a quaint relic of the past—a cracked plate that is not good enough to be brought out for company and yet not so useless as to be thrown away. This is regrettable, particularly at a time when we are suffering year in and year out $30 billion deficits.

Title II to S. 734 modifies the Webb-Pomerene Act in a way that will permit many more American firms to make use of its updated provisions to promote exports.

Title II does the following:

It makes the provisions of the Webb-Pomerene Act explicitly applicable to the exportation of services. The National Commission for the Review of Antitrust Laws and Procedures made this same recommendation in its report to the President.

It expands and clarifies the act's antitrust exemption for export trade associations, and provides an antitrust exemption for export companies formed under title I of S. 734.

It requires that the antitrust immu-

nity be made contingent upon a preclearance procedure.

It transfers the administration of the act from the FTC to the Department of Commerce.

It creates within the Department of Commerce an office to promote the formation of export trade associations and trading companies.

It provides for the establishment of a task force whose purpose will be to evaluate the effectiveness of the Webb-Pomerene Act in increasing U.S. exports and to make recommendations regarding its future to the President.

Mr. President, with respect to amendments made to the Webb-Pomerene Act by title II of S. 734 section 201 states the short title of the act while section 202 sets forth findings by the Congress regarding exports and joint exporting activities and the need for amending the 1918 Webb-Pomerene Act (15 U.S.C. 61–66).

Section 203 amends section 1 of the Webb-Pomerene Act (15 U.S.C. 61) and defines the pertinent terms to be used in the amended Webb-Pomerene Act. "Export trade" is amended to include trade in services as well as that in goods, wares, or merchandise. "Service" is defined as meaning tangible economic output and is intended to be an all-encompassing definition, a term not limited by usage relevant to any particular point in time. The term "trade within the United States" retains the definition under section 1 of the Webb-Pomerene Act. The definition of "antitrust laws" is intended to be all inclusive of both Federal and State statutes prescribing the competitive norms within the marketplace. Within the Federal jurisdiction this includes the Sherman Act, the Clayton Act, the Wilson Tariff Act, and the Federal Trade Commission Act. The remaining definitions in section 203 are self-explanatory. It should be noted that the amendments to the Webb Act contained in title II are expanded to include qualified "export trading companies" as well as Webb associations.

Section 204 of title II amends sections 2 and 4 of the Webb-Pomerene Act (15 U.S.C. sections 62 and 64) establishes the scope of the antitrust exemption. Section 2 of the Webb-Pomerene Act exempts from the application of the Sherman and Clayton Antitrust Acts—specifically sections 1 to 7 of title 15 of the United States Code—any Webb association that is established for the sole purpose of engaging in export trade; does not restrain trade in the United States; does not restrain the export trade of any domestic competitor of the association; that does not artificially or intentionally enhance or depress prices within the United States of commodities of the class exported by the association; or does not substantially lessen competition within the United States.

Section 4 of the Webb-Pomerene Act extends the jurisdiction of the Federal Trade Commission Act to include unfair methods of competition used in export trade even though the acts were engaged in outside the United States.

Section 204 of title II establishes a new section 2 to the Webb-Pomerene Act. Section 2(a) sets out the eligibility criteria for the antitrust exemption afforded under the act for export trade associations and trading companies. Section 2(a) establishes six eligibility criteria. They are that the association or trading company and their export trade activities:

First. "Serve to preserve or promote export trade";

Second. "Result in neither a substantial lessening of competition or restraint of trade within the United States nor a substantial restraint of the export trade of any competitor of such association";

Third. "Do not unreasonably enhance, stabilize, or depress prices within the United States of the goods, wares, merchandise, or services of the class exported by such association";

Fourth. "Do not constitute unfair methods of competition against competitors engaged in the export trade of goods, wares, merchandise, or services of the class exported by such association";

Fifth. "Do not include any act which results, or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods, wares, merchandise, or services exported by the association or export trading company or its members"; and,

Sixth. "Do not constitute trade or commerce in the licensing of patents, technology, trademarks, or knowledge, except as incidental to the sale of goods, wares, merchandise, or services exported by the association or export trading company or its members."

With the exception of the requirements in paragraphs (1), (4) and (6) of section 2(a) of the act—provisions that impose additional criteria for eligibility in addition to those found in the standards of the current Webb-Pomerene Act—the substantive law of antitrust as modified by the amended Webb-Pomerene Act has not been altered. The amendment of the Webb-Pomerene Act by section 204(a) of title II of S. 734, with the exceptions as noted, is a codification of court interpretations of the Webb-Pomerene exemption to the domestic antitrust laws. In this regard I make specific reference to the decision in United States against Minnesota Mining and Manufacturing Co. which I alluded to earlier in my remarks. Also, the amendment is consistent with the present enforcement policy of both the Department of Justice and the Federal Trade Commission.

As stated by Ky Ewing, Deputy Assistant Attorney General, Antitrust Division, Justice Department, during hearings on S. 864—now title II to S. 734—before the International Finance Subcommittee of the Senate Banking Committee on September 18, 1979:

> We note (that S. 864) would require that a restraint of U.S. domestic trade be substantial before the exemption would disappear. The purpose of this proposal . . . is to bring the Act into what we conceive to be the current state of antitrust law interpreted by the court. (September 17, 18 hearing record on Export Trading and Trade Association, p. 138).

Similarly, Daniel Schwartz, Deputy Director, Bureau of Competition, Federal Trade Commission, testified that the antitrust standards specified in S. 864 "are essentially equivalent to the standards of the Webb-Pomerene Act." (September 17, 18 hearing record on Export Trading and Trade Associations, p. 194.)

In his prepared statement, Mr. Ewing further explained that—

> The judicially accepted legal threshold test for applicability of the Sherman Act to activity abroad places a heavier burden on government and private plaintiffs than that applicable domestically. The presence of a substantial and foreseeable effect on U.S. domestic or foreign commerce is required, not merely some minimal effect. (September 17, 18 hearing record on Export Trading and Trade Associations, p. 144.)

Mr. Ewing also noted in his testimony before the subcommittee that—

> The Department of Justice has long predicated its enforcement efforts in export related matters upon the ability to prove a substantial and foreseeable effect on U.S. commerce. (September 17, 18 hearing record on Export Trading and Trade Associations, pp. 154–155.)

Mr. HEINZ. Will the Senator from Missouri yield for a question on section 204(a)?

Mr. DANFORTH. Yes.

Mr. HEINZ. If section 204(a) is nothing more than a codification of not only current judicial understanding of section 2 of the Webb Act but also the enforcement intent of both the Department of Justice and the Federal Trade Commission, why was it necessary to amend this section of the Webb Act with the exception of paragraphs (1), (4), and (6) as you noted?

Mr. DANFORTH. The amendment is necessary to provide certainty to the business community in their international trade activities, assuring them that their activities do not run afoul of domestic antitrust laws. This is accomplished by establishing a certification procedure and by codifying not only present applicable case law but also the enforcement intentions of the antitrust oversight branches of our Government. Two examples will suffice. Under the present Webb-Pomerene Act if an activity of a Webb association is "in restraint of trade within the United States"—section 2 of the Webb-Pomerene Act—then the international trading activity of that association is not exempt from prosecution under the antitrust laws. When is a "restraint" actionable? When it is de-minimus, insignificant, something more than inconsequential, substantial, or just what kind of measurement is to be employed?

The Court in Minnesota Mining held that the restraint has to be something more than the inevitable consequences of the joint activity of competitors. The Department of Justice stated its enforcement intent under the Webb Act to be against joint exporting activities that have a substantial and foreseeable restraint on domestic trade. It would seem to this Senator that for the business community to be sure as to the circumstances under which its international trade conduct is to be held accountable, that the test judging the conduct be written in law. It is for this reason that "substan-

tial" modifies the phrase "restraint of trade" and "substantially" modifies "lessening of competition" in section 2(a) of the act.

A second example relates to section 2 of the Webb-Pomerene Act which states that a joint exporting activity which "artificially or intentionally enhances or depresses prices within the United States" is outside the scope of the antitrust exemption provided by the act. The point I wish to make here is that for a business venture to rely on such a test—"artificially or intentionally"—is to place reliance on a standard which give a false sense of security of joint exporting activities. The courts in the area of antitrust jurisprudence have developed a test that looks not to the mind—intent of the actors—but to the foreseeable consequences of their actions—the effect. It is for this reason that under paragraph 3 of section 2(a) of the act, the eligibility criteria is that the joint exporting activity does not "unreasonably enhance, stabilize or depress prices within the United States * * *," a test that looks to the effect of the actions not at the intent of the actors.

Mr. HEINZ. I thank the Senator from Missouri for his explanation.

Mr. DANFORTH. It should be noted that the eligibility criteria found in paragraph (6) of section 2(a) of the act requires nothing more than a determination by the Secretary that the international trading activity of the trade association or export trading company not be solely trade in the "licensing of patents, technology, trademarks, or know-how" with the exception that such trade may be present if it is incidental to the sale of goods or services. It is the purpose of S. 2718 to further U.S. export trade in goods and services and not to promote trade in processes or ideas that could well result in the opposite effect occurring.

Mr. President, under section 2(b) of the act an export trade association, export trading company and their respective members that have their trade, trade activities, and methods of operation certified according to the procedures set forth under section 4 of the act and carried out in conformity therewith are exempt from the operation of the antitrust laws be it private or sovereign—State or Federal—enforcement of those laws. The immunity from prosecution under the antitrust laws is complete from the day the certification goes into effect until it is either revoked or rendered invalid pursuant to actions taken under section 4 (d) or (e) of the act. If a revocation or invalidation occurs under the act, the loss of immunity is prospective only.

Mr. HEINZ. Will the Senator from Missouri yield for an injuiry?

Mr. DANFORTH. Yes.

Mr. HEINZ. Would the Senator, for the benefit of his colleagues, and as the author of title II of S. 734 explain how the antitrust immunity provided under title II, which attaches after certification, differs from the antitrust immunity afforded under the current Webb-Pomerene Act?

Mr. DANFORTH. I would. Under current law, a Webb-Pomerene association that complies with the filing requirements of section 5 of the Webb Act and which is not in violation of the substantive law standards of section 2 of the Webb-Pomerene Act is exempt from the operation of the antitrust laws but only as to those sections of the Sherman and Clayton statutes set out in the Webb-Pomerene statute. Further, neither the fact of immunity nor the extent thereof is known until an association is sued and obtains a judicial determination that section 2 of the Webb-Pomerene Act has not been violated. What the Webb association has is only a hope. A case in point is United States against United States Alkali Export Association (Southern District of New York, 1944).

In that case a Webb association was charged with entering into agreements with foreign cartels for the purpose of dividing world alkali markets, assigning international quotas, and fixing prices in certain territories other than the United States. The Webb association admitted the agreements but asserted in defense that it had complied with the filing requirements of section 5 of the statute, that its activities were not in violation of section 2 of the statute and therefore the association was immune from prosecution under the antitrust laws. Notwithstanding the association's belief that it was in compliance with the law, the court found to the contrary. The court's holding placed the arrangements employed by the alkali association outside the protective provisions of the Webb Act and exposed the association to liability under the antitrust laws. The Webb association which was organized in 1919 found out, after appeals, that the antitrust immunity which it believed it had for 40 years did in fact not exist.

Under the procedures established by title II of S. 734, a Webb association—or for that matter an export trading company—whose export trade activities have been certified and which association or company acts within that certification knows for certain that those activities are exempt from both private and sovereign enforcement of either State or Federal antitrust laws. The latter, besides encompassing the Sherman and Clayton antitrust laws and the Wilson Tariff Act includes the antitrust provisions of the Federal Trade Commission Act, sections 5 and 6 thereof. The certainty provided through the certification process is not lost until action is taken pursuant to the provisions of title II either to revoke or invalidate the certification. If the latter occurs, the loss of the antitrust exemption is prospective—for future conduct only.

Mr. HEINZ. I thank the Senator. I can see that title II provides certainty to Webb associations and trading companies as to what activities they may undertake without fear of prosecution or suit under the antitrust laws.

Mr. DANFORTH. Under section 2(c) of the act, when a certificate is issued by the Commerce Department, and the Department of Justice or Federal Trade Commission has previously advised the Department of Commerce of its disagreement with a determination to issue a certificate granting immunity under the act, the immunity from the operation of the antitrust laws is held in abeyance for 30 days. This provision is applicable to the issuance of a certificate under section 4(b).

Section 205, Mr. President, provides conforming changes in style to section 3 of the Webb-Pomerene Act (15 United States Code, section 63).

Section 206 amends sections 4 and 5 of the Webb-Pomerene Act (15 United States Code, sections 64 and 65) and adds an additional seven sections to the act. Section 4 of the Webb-Pomerene Act extended the jurisdiction of the Federal Trade Commission Act to include States. Under title II both the Department of Justice and the Federal Trade Commission have authority to seek invalidation of a certificate when the export trade, activities, or methods of operation of the association or trading company no longer meet the requirements of section 2 of the act. One of the eligibility criteria under the act, specifically paragraph (4) of section 2(a), is that of "unfair methods of competition," an antitrust standard uniquely within the expertise of the Federal Trade Commission and a standard which establishes a norm of competitive behavior prescribed by section 5 of the Federal Trade Commission Act. While under the current Webb Act there exists no exemption for joint exporting activity that may be found to violate section 5 of the Federal Trade Commission Act, such an exemption is provided under title II of S. 734.

Section 5 of the Webb-Pomerene Act establishes administrative requirements for associations operating under the act. Each association, within 30 days after its formation, has to submit a statement to the Federal Trade Commission giving details concerning its certificate of incorporation and bylaws. The association must also furnish to the Commission such information as the Commission requests. The Commission may also investigate associations if it believes that the law may have been violated. Recommendations for readjustment can be made by the Commission and if the association does not comply with the recommendations the Commission may refer its findings to the Department of Justice for any appropriate action. Under the present Webb-Pomerene law a Webb association that complies with the filing requirements of section 5 would not know if it had an immunity from the operation of the antitrust laws until a judicial determination was rendered that section 2 of the Webb-Pomerene Act had not been violated.

Mr. President, section 206 of title II provides a new section 4 to the Webb-Pomerene Act. Section 4(a) establishes the procedure to apply for certification as either an export trade association or export trading company. The section, specifically paragraphs (1) through (9), describes the information to be included in the application for certification which paragraphs I believe are self-explanatory. Most notable of the informational filing requirements are a description of the circumstances showing that the association or export trading company will

serve a need in promoting the export trade in the goods or services involved, a description of the methods by which the association or company intends to conduct its export trade and any other information which is reasonably available to the applying parties and which is necessary for the grant of certification.

Under section 4(b)(1) the Secretary of Commerce is required to certify an association or company within 90 days after receiving the application. During this 90-day period the Secretary will have the opportunity to consult with both the Department of Justice and the Federal Trade Commission. The purpose for the consultation is to provide an opportunity for the two antitrust enforcement agencies of our Government to share with the Secretray of Commerce their respective analysis of and any concerns they may have relative to the eligibility criteria of the act, section 2(a).

Under section 4(b)(1) an association or company will be granted a certificate upon a determination by the Secretary that first, the association or trading company and their respective export trade, trade activities and methods of operation meet the requirements of section 2 of the act and second, that the association or company and their respective activities will serve a specified need in the promotion of the applicable export trade.

Mr. HEINZ. Will the Senator from Missouri yield for a question?

Mr. DANFORTH. Yes.

Mr. HEINZ. There has been some concern raised as to the application of the "needs test" in title II of S. 734. As the Senator from Missouri is aware, in its report to the President and the Attorney General on January 22, 1979, the National Commission for the Review of Antitrust Laws and Procedures concluded that if the Congress determines that it is necessary to continue the Webb-Pomerene exemption it should seriously consider that before any immunity from the operation of the antitrust laws is afforded an association of joint exporters the latter "be required to make a showing of need." Under section 2(a) of the act, specifically paragraph (1), one of the eligibility criteria for ascertaining whether a certification is to be issued is whether the joint exporting activities "serve to preserve or promote export trade." How is the eligibility criteria of section 2(a)(1) related, if at all, first to the needs showing under section 4(a)(6) and second to the needs determination required of the Secretary under section 4(b)(1)?

Mr. DANFORTH. There is no relationship.

Mr. HEINZ. Would the Senator then explain what is required in the showing of a specified need under section 4 and the reason for the eligibility criteria of paragraph (1) of section 2(a)?

Mr. DANFORTH. The reason for providing an exemption from the operation of the antitrust laws for the joint exporting activities of either a Webb association or export trading company is that without such an exemption, and an exemption which is certain, it would not be reasonable to conclude that such joint exporting activities would be undertaken except on an infrequent basis. Therefore, to encourage such activity, an exemption is available. However, the exemption should only be utilized to preserve, that is to say maintain the status quo, or promote, that is to say, add to, export trade. To be eligible for the exemption such a finding—that the association or trading company will preserve or promote export trade—should be made by the Secretary of Commerce. Further, since the existence of that fact is one of six eligibility criteria, the finding would be subject to judicial consideration under a section 4(e) action.

On the other hand, the determination by the Secretary under section 4(b)(1) utilizing information tendered pursuant to section 4(a)(6) is not subject to judicial consideration under a section 4(e) action. The reason behind requiring the Secretary to not only determine that the six eligibility criteria of section 2(a) will be met but that the activities of the Webb association or export trading company will serve a specified need in promoting the export trade covered by the certification is simple.

It was believed that those seeking to avail themselves of the benefit of the Webb-Pomerene exemption should come forward and share with the oversight agency, the Department of Commerce, the reasons they believe their activities will be in furtherance of the export trade of our Nation. The needs demonstration required by section 4 of the act is nothing more than a subjective explanation by the association or trading company as to how its activities will further U.S. trade. The Secretary in his determination will either agree or disagree with that evaluation.

Mr. HEINZ. I thank the Senator. I, too, believe that the needs showing within section 4 contemplates nothing more than a subjective explanation by the Webb association or trading company that the activities of the association or company will further U.S. export trade.

Mr. DANFORTH. Mr. President, the Secretary, under section 4(b)(1) must specify in the certificate the permissible export trade, trade activities, and methods of operation of the association or company. The immunity from the operation of the antitrust laws provided by section 2(b) of the act applies to those enumerated activities.

Under section 4(b)(1) the Secretary must issue the cetrificate or deny the application 90-calendar days after an application is filed but may extend that process by an additional 30 days with the agreement of the applicant. After an application is filed, by the 45th day, the Secretary is to delivery to the Attorney General and the Federal Trade Commission a copy of any certificate the Secretary proposes to issue. No later than 15 days thereafter—in the case of a certificate delivered on the 45th day, by the 60th day—the Attorney General or Commission may give written notice of an intent to offer advice on the determination. If the Commission or Attorney General does not respond within the 15-day period or formally advises the Secretary of no disagreement with his intent to issue a certificate then the Secretary may issue a certificate at any time.

If the Attorney General or Commission advises the Secretary of an intent to offer advice on the application, then such advice must be provided the Secretary within 45 days of the date the Attorney General or Commission received from the Secretary a copy of the proposed certification. In the case of the Attorney General or Commission notifying the Secretary of Commerce of his intention to offer formal advice on the 60th day after the certificate has been filed the formal advice must be given by the 90th day, since the proposed certificate was tendered to each agency on the 45th day.

The extension of time afforded under section 4(b) applies only to the granting of the certificate and not to the time during which the Attorney General or Commission is obligated to act.

Mr. HEINZ. Would the Senator yield for a question on section 4(b)(1)?

Mr. DANFORTH. Yes.

Mr. HEINZ. What is the purpose of the last sentence of section 4(b)(1)? Is it not the intent of the author of this title that the two respective antitrust enforcement agencies establish a process similar to that utilized for enforcement of the domestic antitrust laws whereby they will reconcile any potential conflict as to which agency will enforce its respective law against a given company or industry in a manner so that all those concerned know that one or the other agency will assume primary jurisdiction?

Mr. DANFORTH. Yes, that is the intent.

Mr. HEINZ. I thank the Senator.

Mr. DANFORTH. Mr. President, section 4(b)(2) of the act provides that an association may request expedited consideration on its application. The time constraints in section 4(b)(1) must still be honored but it is expected that if a need is demonstrated, justifying expedition, then all affected agencies will act in due speed.

Section 4(b)(3) provides automatic certification for existing Webb-Pomerene associations which request such certification within 180 days after enactment of the act. Under the amendment, the certification process for existing Webb-Pomerene associations is to comport with the process applicable to other associations seeking certification under the act, with two exceptions: First, under paragraph (3) of section 4(b) the Secretary's review of the application for certification is to be summary in nature. Specifically, the Secretary is required to determine whether the application shows "on its face" whether a certificate should issue. It is further stated that unless the Secretary "possesses information clearly indicating that the requirements of section 2(a) are not met"—again, by looking at the application on its face and having available the advice of the Department of Justice or Federal Trade Commission—the Secretary must issue the certificate for the export trade, export trade activities and methods of operation that meet the requirements of section 2(a) of the act. Second, when issuing a certificate pursuant to paragraph (3) of section 4(b) the Secretary need not deter-

mine that the association and its activities will serve a specified need in promoting the export trade of the goods, wares, merchandise or services described in the application. An existing Webb-Pomerene association need not have to demonstrate that its existence is in furtherance of U.S. export trade. Such will be presumed.

Section 4(b)(4) provides a mechanism whereby an association whose application for certification or amendment thereto is denied is to be afforded a hearing with respect to that determination pursuant to section 557 of title 5 of the United States Code.

Section 4(b)(4) provides a mechanism whereby an association whose application for certification or amendment thereto is denied is to be afforded a hearing for reconsideration with respect to that determination.

Section 4(c) of the act requires that after certification, if there occurs a material change—meaning something more than inconsequential—related to the association or trading company's membership, trade activities or methods of operation, then an affirmative duty on the part of the association or company exists to report the change to the Department of Commerce. At the time the report is made the association or company may request that its certification be amended.

The antitrust immunity provided by the act continues uninterrupted if the material change subsequently becomes incorporated into the certification through approval by the Secretary of Commerce. It should be noted that upon the failure of the Secretary of Commerce to approve the change such failure does not affect the scope of the underlying certification except as to that part relevant to the material change.

Under section 4(d) the Secretary, after notification to an association or trading company and after affording it a hearing, may require that the association or company amend its organization or methods of operation to correspond to its grant of certification. Further, if the Secretary determines that the eligibility criteria of section 2(a) of the act are no longer met, the Secretary must either revoke the certification or himself make such amendments to the certification to satisfy the eligibility criteria of the act.

Mr. President, section 4(e)(1) authorizes either the Department of Justice or the Federal Trade Commission to bring an action to invalidate, in whole or in part, the certification granted to an association or trading company on the grounds that the eligibility criteria of section 2 of the act are no longer being met.

Once an association or trading company's export trading activity has been certified under the act, the only action provided by law against the association, trading company or their respective members would be either a self-initiated action by the Secretary under section 4(d) of the act or an action by the Department of Justice or Federal Trade Commission under section 4(e) of the act.

Mr. HEINZ. Will the Senator yield for a question on section 4(e) of the act?

Mr. DANFORTH. Yes.

Mr. HEINZ. Would a private party have a cause of action against a Webb association, trading company or their respective members under the Federal, or for that matter, State antitrust laws for injury to it?

Mr. DANFORTH. Section 4(e)(3) of the act provides that only the Department of Justice or the Federal Trade Commission has standing to bring a cause of action in court against a trading company or Webb association for violation of section 2 of the act. Therefore, apart from the complaint against activity being ultra vires to the certification, a private party has no standing to bring suit. However, after a certificate has been revoked or invalidated, a private party could have standing to bring an action under the antitrust laws based on activities subsequent to the revocation or invalidation.

Where a private cause of action has been initiated, claiming that a Webb association is acting ultra vires to its certification, a court would not be able to infer from the acts of the Webb association any anticompetitive effect or intent until it first determines that the acts of the association were in fact ultra vires to the certification. If an ultra vires act is determined to be present, then the court may proceed with its inquiry and determine whether it may infer from that ultra vires act the requisite intent and anticompetitive effect under the antitrust laws.

I would also point out that a private party who may be "aggrieved by an order of an appropriate banking agency" pursuant to section 105(e)(1) of S. 734 (title I of the legislation) may not employ the broad standing provision of section 105(e)(1) in order to obtain standing against an export trading company or association with respect to its export trade, trade activities and methods of operation.

Mr. HEINZ. I thank the Senator.

Mr. DANFORTH. Under section 4(e)(1), before the Department of Justice or Federal Trade Commission may sue to invalidate a certification, it is required to notify the affected parties 30 calendar days in advance. It is anticipated that this 30-day period will allow sufficient time for the parties to resolve their differences, if at all possible. The 30-day notification period is not applicable to an action seeking a restraining order under section 4(e)(2).

The authority of the district court under an action for invalidation is to consider the issues de novo. The only issues that are before the court are whether the requirements of section 2(a) of the act, the eligibility criteria, are being complied with by the association or trading company. While the Secretary of Commerce must consider the requirements of section 2(a) and determine that the activities of the association or trading company will serve a specified need in promoting the applicable export trade in order to issue a certificate, the specified need determination of the Secretary is not an issue which is subject to consideration by the district court in a section 4(e)(1) action.

The district court in a section 4(c)(1) action may either issue an order invalidating the certificate, after which the association or company may continue to exist but does so without the protection of the antitrust immunity of section 2(b) of the act, or require the association or company to modify its organization or methods of operation in order to comply with the requirements of section 2(a) of the act.

Under section 4(e)(2), during the 30-day period, the effective date of the grant of certification is held in abeyance, the Department of Justice or Federal Trade Commission may seek an applicable order prohibiting the certificate from taking effect. It is anticipated this right of action granted by section 4(e)(2) will be used sparingly. This provision for a temporary restraining order or prohibition is applicable to the issuance of a certificate pursuant to section 4 of the act. Further, the common law requirements applicable to the granting of either a temporary restraining order or preliminary injunction must be met by the moving party before the court can issue such an order. Congress means for this not to be an easy burden to overcome.

The provision for the restraining order or prohibition was added at the request of the Department of Justice. It exists as a safety valve where, in the opinion of the antitrust enforcement agencies of our Government, the Secretary of Commerce intends to issue a certification to either a Webb association or a trading company and there exists, on the face of the certification, obvious violations of section 2 of the act. The sole issue before the court is whether on the face of the certification there exists such obvious violations of section 2 of the act that a restraining order or prohibition must be issued.

Under section 4(f) trading companies and associations are obligated to comply with U.S. export control laws. Under section 4(g) final orders of the Secretary of Commerce are subject to judicial review under chapter 7 of title 5 of the United States Code.

Mr. President, section 5 of the act mandates that within 90 days after enactment, the Secretary of Commerce, after consulting with both the Department of Justice and the Federal Trade Commission, publish proposed guidelines. The guidelines are to relate to the process by which the Secretary of Commerce will reach his determinations under section 4 relative to whether the requirements of section 2 of the act are being met. The guidelines shall be periodically reviewed and revised where warranted.

Sections 6 and 7 of the act are self-explanatory. Section 8 of the act requires that portions of applications, amendments and annual reports that contain trade secrets or confidential business or financial information, which if disclosed could competitively harm the party submitting the information, be held confidential and not disclosed except as provided under section 9(b). The latter section, under specific circumstances, allows disclosure to the Attorney General or Federal Trade Commission. Sections 9, 10, and 11 of the act, I believe, are also self-explanatory.

Mr. President, section 207 of title II would add a new section to the Webb-Pomerene Act. The purpose of this new section would be to grandfather existing Webb-Pomerene associations so that their ongoing operations would not be affected by the changes to the Webb-Pomerene Act proposed by title II of S. 734.

I believe, Mr. President, that any export trade legislation must insure that existing Webb-Pomerene associations have the election to continue their operations unimpeded. Existing association operations that involve many millions of dollars of capital investment, long-standing course of dealings and long-term contractual obligations should not be jeopardized. Care must be taken to insure that there is no temporal discontinuity with regard to the antitrust immunity enjoyed by such associations and that any modified system of antitrust immunity be, at a minimum, coextensive with what immunity currently is available to Webb-Pomerene associations.

The provisions of section 207 would permit Webb-Pomerene associations in existence as of January 1, 1981 to continue to function under the provisions of the prior law if they so elect. Further, section 207 would authorize Webb-Pomerene associations in existence on January 1, 1981, to apply at any time for certification under the revised act.

The proposed section 207 reflects a recognition that existing associations differ from new potential applicants because they have invested time, personnel and resources in reliance on the present exemption. Its provisions would encourage application for intended benefits of certification, while at the same time making clear that there is no desire to impose that process or to jeopardize or dislocate those who have lawful investments and activities presently in place which in 1980 contributed in excess of $2 billion annually to our Nation's balance of trade. Those associations who seek certification are allowed to decide whether they will accept it. They thus are assured that to seek certification will not put at risk any of their existing investment. In essence this is the same choice facing all applicants: freedom to choose the benefits of the new law or to remain under the status quo.

UP AMENDMENT NO. 59

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON) proposes an unprinted amendment numbered 59:

At the appropriate place, add the following section:

It is the sense of the Senate that the schedule of phased decontrol of natural gas prices embodied in the Natural Gas Policy Act of 1978 continues to be sound public policy which should not be altered.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, this is an amendment which expresses that it is the sense of the Senate to support the objectives of the Natural Gas Policy Act which has to do with phased decontrol of natural gas under title I of the Natural Gas Policy Act of 1978.

The administration has voiced some support for accelerating the schedule set forth in this act decontrolling the wellhead price of natural gas.

This resolution which I present to the Senate today would send a clear message to the administration and the Nation that this body does not support immediate decontrol of natural gas prices.

The overriding purpose of the 1978 act was to encourage more domestic natural gas production by gradually decontrolling prices.

The overwhelming conclusion by the industry is that the aim of title I is succeeding.

Domestic natural gas production increase in 1979 from about 19.3 trillion cubic feet in 1978 to 19.9 trillion cubic feet, the first increase since 1972.

Additions to proven reserves in 1979 increased 35 percent over 1978 figures.

In fact, the gas industry is currently experiencing a significant surplus of gas supplies. Industry sources have indicated that there is perhaps even more gas to sell than the pipeline has places or buyers to purchase the product.

The NGPA established a gradual decontrol schedule for new gas. The price is allowed to go up monthly and at an annual rate of the annual rate of inflation plus 4 percent until 1985.

(Mr. QUAYLE assumed the chair.)

Mr. EXON. Consumers, of course, will feel the increases regardless of the different pricing categories. The pipelines purchase both old and new gas from producers, and even though two-thirds of our total supply is characterized as old gas, sales are made on a rolled-in price basis where the cost of old and new gas is averaged together in the retail price.

The phased decontrol schedule contemplated in the 1978 act was a compromise measure, designed to protect consumers as well as provide incentives to producers. The administration's consideration to accelerate decontrol will destroy the delicate balance of that compromise which was hammered out in several endless days of committee work. Accelerating decontrol of natural gas prices will dramatically tip the scales in favor of the gas producers.

Mr. President, the Nation's largest gas producers are not unfamiliar players in our continuing energy policy debate. Such firms as Exxon, Texaco, Gulf, Shell, Mobil, Amoco, and Union Oil produce more than 40 percent of our domestic supply of natural gas. Decontrolling natural gas will only accelerate the gusher of profits which the major oil companies have realized from OPEC price hikes and the administration's recent order to immediately decontrol oil prices. These companies would surely experience another explosion in new profits if the remaining controls on gas are removed.

A recent study by the American Gas Association indicated that under total decontrol the wellhead price of natural gas would rise from the current national average of $1.65 per thousand cubic feet to $4.50 or $5.50 per thousand cubic feet. The AGA study concluded that immediate decontrol would double residential heating bills from an average of $494 per home in 1981, to $897 in 1982.

In my State of Nebraska, where 75 percent of the homes use natural gas, residential users could pay at least $330 more in 1982 if gas prices are immediately decontrolled. Prices to industrial users of gas would also double, increasing the cost of goods and services and pushing the inflation rate beyond its already unbearable limits. A recent study by the Energy Action Educational Foundation stated that natural gas decontrol would add from 3 to 5 percentage points to the Consumer Price Index as workers, farmers, and businesses strive to maintain their standard of living and keep pace with rising energy costs.

Let us not compound the terrible rigors of inflation at this time by even considering deregulation of natural gas. If we are really and truly concerned about inflation then we should be against any acceleration in this area.

Mr. President, I quote from the Washington Post of April 4, 1981, in a headline entitled "Food, Fuel Costs Push Price Index Up by 16-Percent Rate." I read from the Washington Post:

Part of the increase in the price index for finished goods, as well as the 1.1 percent rise in the companion index for intermediate goods, was a result of large increases in the cost of refined petroleum products. These came in turn from President Reagan's decision to strip away federal price controls on domestic crude oil, and the continued pass-through of Organization of Petroleum Exporting Countries' price hikes.

For instance, the energy component of the finished goods index rose 6.1 percent last month. That includes a 7.5 percent increase in the price of gasoline charged by a refiner. Similarly, the same component of the intermediate goods index—which covers the cost of, say, heating oil to businesses—rose 4.3 percent.

Mr. President, I use those figures merely to bring home once again that despite our efforts, despite our rhetoric, and despite our goal, inflation continues to eat America alive, and if we do anything more to dramatically increase inflation, as accelerated decontrol of natural gas certainly would do, in fact, I say, Mr. President, that such action would pale by comparison the President's decontrol early this year of oil prices.

Natural gas decontrol, like oil decontrol, will have an enormous impact on the farming community which is already overburdened by the administration's policies. In addition to emasculating the farm programs, the administration's consideration to decontrol natural gas, like the decontrol of oil prices, will only add to the farmer's cost of production in added fuel prices and agricultural supplies such as insecticides and pesticides manufactured with natural gas. In addition, manufacturers of irrigation equipment, an important commodity to the West, utilize natural gas, and also farmers use gas in conditioning and drying grain. All consumers will, of course, pay for these increases in higher food costs. The additional revenues, however, will not be realized by farmers. It is the gas

producers who will be crying all the way to the bank.

The study by the energy action group also estimated that the value of the major oil companies' natural gas reserves would increase to between $1.3 trillion and $1.6 trillion in 1985, a market value increase of between 800 and 940 percent over the value of their reserves on December 31, 1979. Lifting the controls on natural gas could add $500 billion to oil company revenues between 1981 and 1985 compared to $10 or $15 billion which these companies will realize from oil decontrol.

Already, the oil companies cannot spend all of the money they are making. Even though these firms have invested billions in new exploration activities, their remaining cash pot has allowed these companies to buy heavily into other business ventures as well as into coal and related mineral extraction industries. There is currently a shortage in the drilling equipment market as well as in the availability of drilling crews, and, although exploration activity is at a record alltime high increasing some 35 percent over last year, the industry is hard pressed to prove that they would be drilling much more with additional profits.

What more incentive do these producers need. I ask? Under the NGPA all gas discovered after 1977 is allowed to gradually rise in price until 1985 when, as I said, all controls would be lifted. At that time the price of gas could rise to the world selling price of oil. The producers claim this incentive is too stringent, and that the price of gas should track the price of oil not tomorrow, not in 1985, but now.

The producers have cried a lot but have not made a case for the need to allow a perfect equivalency between the price of oil and the price of natural gas. Oil production is much more expensive than gas production, and some industry sources have admitted there is room for price differentials between gas and oil. Neither has the gas-producing industry proved that decontrolling the price of gas will increase the quality of gas available.

In this Senator's mind, it is debatable that free market economics apply to this situation. OPEC sets the price of oil, and after 1985 will set the price of natural gas. Supply and demand principles are unfamiliar terms in this scenario. In a decontrolled natural gas market, the producers will set the price which the pipelines and the utilities will have to pay. Without alternatives, there is little choice in the matter.

As usual, we consumers are also left with few alternatives. Phased decontrol at least cushions the impact of lifting the cap on gas prices.

Mr. President, this Senator is no stranger to the free enterprise system. As a small businessman myself, I certainly believe that we need to reduce Government intrusion where the normal forces of the market will work effectively. I believe however, that the administration's free market enthusiasts who argue that immediate decontrol of natural gas is necessary to insure additional supplies, are failing to look at the realities of their proposal.

In conclusion, Mr. President, the stakes in this decontrol scheme are enormous. Forty million consumers will lose, and a few gas producers—big oil—will gain hundreds of billions of dollars over the next several years. The economy will suffer as inflation soars upward with the ever-increasing costs of energy. Huge shifts of income will move from the Northeast and Midwest to the gas-producing States of the South and Southwest. Phased decontrol will at least cushion, for a time, the shock to consumers, while at the same time signaling producers that higher price incentives are becoming available.

I would urge the Senate to adopt this measure, sending assurances to the American people that at least Congress recognizes the responsibility it bears in formulating our Nation's energy policy. We certainly cannot afford to pursue a free market philosophy which is not tempered with reason and an overriding sense of equity. The public interest surely demands it.

Mr. RIEGLE. Will the Senator yield?

Mr. EXON. I am glad to yield.

Mr. RIEGLE. Mr. President, I commend the Senator for his amendment and for his leadership and I would like to ask unanimous consent to be listed as a cosponsor of his amendment.

Mr. EXON. Mr. President, I certainly appreciate the fact that my friend from Michigan wants to be added as a cosponsor to this amendment. I am happy to ask unanimous consent that his name be added, if there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I thank the Senator.

Mr. EXON. Mr. President, I think it would be well if I could possibly amplify on this matter just a little bit more. I think that we are all concerned about the very grave difficulties we have with inflation today.

Most of us on this side of the aisles, as well as those on that side of the aisles, have, in most instances, supported the President in his overall goals of trying to reduce the inflationary pressure. I would think and hope that the Senate would accept this proposal, because if it does not, then I think the Senate of the United States is saying very simply that, "No, while we vote for budget cuts and while we want to use supply-side economics to continue to try and juice the economy, when it really comes down to doing something about further decontrol of basic energy costs that are killing the average Mr. and Mrs. John Q. Public in the United States today, that when we get into that area we do not want to make a stand. We will let the course of the administration continue."

Now what is the present course of the administration in this particular area? About 2 weeks ago, I was with several other Senators and we had a very interesting discussion at some length with the new Secretary of Energy, the former Governor of South Carolina, Mr. James Edwards, who is not only a former Governor with whom I was associated, but a good friend. Toward the end of that particular discussion involving Members of the U.S. Senate and several of our colleagues from the House side of the Hill, I asked the question:

> Mr. Secretary, what had been or what will be your recommendation to the President of the United States on acceleration of the decontrol of natural gas prices?

His response, Mr. President, was:

> I have made no recommendations to the President at this juncture. We have ordered a study and this study is expected to be completed within the next 60 days.

I suspect, therefore, if the Secretary of Energy's timing was accurate at that time—and I suspect it was—that that would mean sometime within the next 30 days, at the outside, that report would be coming down.

This is clear evidence, it seems to me, as has been widely reported in the press and discussed in the cloakrooms off the Senate floor, that indeed the administration, while not yet having made any final decision, is seriously considering the matter of acceleration of the decontrol of the act that I referred to a few moments ago.

It seems to me, Mr. President, regardless of what the study showed the administration is coming forth with, regardless of that, I think it is critically important that we who are elected here by the people of the United States recognize and realize that the gas producers are now doing very well; that we have more supplies of natural gas now than we ever had before; that the "bubble" in the gas supply lines that we heard a great deal about a few months ago has turned into a huge bulge, and, because of the accelerated drilling for oil, we have had an unanticipated discovery of natural gas supplies.

This being the case, and with the recognition that the people of the United States today are overwhelmed with the increases over which they have little or no control—certainly I feel badly about the fact that gasoline prices at the pump continue to rise. But I recognize that there are other means of transportation if the people can afford it. At the same time, America is a nation that travels on wheels and literally millions of people depend upon their automobiles, which have to run on ever-increasing and staggering costs of gasoline, are a part of their life that they need, that they depend on, and that they have to have. But I recognize that there are some other things that could be done if you have to get from point A to point B.

But when we are talking about natural gas and, as I said earlier, when 75 percent of the people who live in my State depend on natural gas, there is little if any alternative to heating the home during the winter. Therefore, it seems to me, Mr. President, that we should certainly send the signal very loud and send the signal very clear to the administration that the U.S. Senate feels that this would be a wrong time to tamper with that act that was very carefully and time-consumingly put together, which phased out natural gas over a period of time—over a period of time, Mr. President—finally being phased out on January 1, 1985.

Mr. President, I ask unanimous consent that Senator BUMPERS and Senator BIDEN be added as cosponsors.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, this amendment is a sense of the Senate resolution which reads:

It is the sense of the Senate that the schedule of phased decontrol of natural gas prices embodied in the Natural Gas Policy Act of 1978 continues to be sound public policy which should not be altered.

That, of course, at the present time, is, as the amendment states, public policy. That is present law. It is what the Senate and the House decided in 1978. As a practical matter, the amendment does nothing that is not already the law of the land. Indeed, it does less, because it is only a sense of the Senate resolution.

It is also clearly nongermane to export trading companies legislation. It is an energy issue. It has nothing to do with the Banking Committee. It has nothing to do with international finance, monetary policy, or export policy.

It is my view that, notwithstanding the fact that it is consistent with current law, it just does not belong on this bill.

I personally might be very sympathetic to the policy expressed. Indeed, that was the policy I voted for in 1978. I might support it if it was on another bill. But let me say to my good friend from Nebraska, I just do not think this is the time or the place to debate an energy subject, not on a Banking Committee bill.

We do not have a time agreement on this bill, so technically the Senator from Nebraska can offer any kind of amendment he wants, for whatever purpose he has in mind. But I am strongly opposed to this amendment being added to this bill.

It also has great potential for doing mischief to our legislation over on the House side. Right now there are three committees of jurisdiction in the House, all of whom have claimed a piece of their equivalent of export trading company legislation. The Foreign Affairs Committee has been very involved in legislation of this kind. The House Banking Committee has been very involved in similar legislation. The House Judiciary Committee has been very involved in title II of the export trading company bill, so much so that some members of the committee have introduced a totally different approach to title II.

As a result, the House made little progress on this legislation last year. They never got it to the floor. Not because of the merits of the legislation, but because of jurisdictional difficulties over on the House side, which we hope they will resolve this year.

Putting this amendment on this bill gives one more committee of jurisdiction a shot at this legislation. It would, at a minimum, invite one more subcommittee and one committee in the House to claim it.

Mr. President, that is just not the kind of help this legislation needs. We want to make the job of the House as easy as possible, not as difficult as possible, which is the effect the amendment of the Senator from Nebraska would have.

I also think, Mr. President, that for us to get into the merits of the issue that the Senator seeks to raise will cause one additional problem, which is to confuse the issue that we will be voting on later today when we finally get to passage of this bill.

If we spend most of our time debating the merits of natural gas decontrol, regardless of how the amendment of the Senator from Nebraska is disposed of, either favorably or unfavorably from his point of view, there are two possible outcomes.

The first outcome is that people who like the result will think that that was what we spent most of our time on and the export trading company bill has somehow become a natural gas bill. Remember, we had a filibuster on this for weeks, with many votes being 48 to 52, 47 to 49. I am concerned that the final vote on this bill might be not what is reflected in the bill but what is reflected in this amendment.

Do we want to make the job of the House easier? Do we want to show people, as a practical matter, that we are all very much for this bill?

Senator PROXMIRE has had more reservations about this bill than anybody else, and we have had our share of disagreements. Nobody has been a stronger or more effective critic of this bill than BILL PROXMIRE. Yet he is a strong supporter of this bill even though he does not think it perfect. This bill passed the Senate last year 77 to 0. I do not want to see it passed 76 to 1, I will be honest with you. I do not want to see it pass 70 to 6. I do not want to see it pass 50 to 40. I want to see it pass by the same overwhelming, unanimous vote that it did last time.

All the amendment of the Senator does, it seems to me, is to cloud the real issues. It does not help this legislation in terms of really giving us a true measure of the support for it that we all know is here in this body.

I understand the Senator is determined to proceed to a recorded vote on this. I understand that Senator BUMPERS wants to make a statement, and I want to move to table the amendment. However, I do not wish to preclude Senator BUMPERS from his statement.

I would like to ask the Senator from Arkansas if he wants some time. I would be happy to yield him some time by unanimous consent.

Mr. EXON. The Senator from Arkansas told me he wants about 3 or 4 minutes. I appreciate very much the offer by the Senator from Pennsylvania to give us some additional time.

Will the Senator yield to me at this time for 3 minutes to answer the objections he has just raised?

Mr. HEINZ. No, this Senator cannot yield that much time, I am afraid. But I am prepared to yield to Senator BUMPERS for a reasonable period of time, if he wants me to yield to him. Otherwise, I will be forced to move to table. I do not wish to foreclose debate, but I do not want to perpetuate the filibuster, either.

Mr. EXON. Mr. President, is the Senator from Pennsylvania indicating that he is not going to give me a chance to respond to his remarks?

Mr. HEINZ. No, the Senator merely declined to yield a half-hour.

Mr. EXON. I beg the Senator's pardon?

Mr. HEINZ. Mr. President, the Senator from Pennsylvania merely declined to yield the Senator one-half hour.

Mr. EXON. Mr. President, I said 3 minutes.

Mr. HEINZ. Oh, I am sorry. I apologize, Mr. President. I understood the Senator to say 30 minutes.

Mr. President, I yield 3 minutes, 4 if he so desires, to the Senator from Nebraska, without my losing my right to the floor.

I apologize to my good friend. I thought he said 30 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EXON. Mr. President, I thank my friend from Pennsylvania. I was puzzled by his actions. There is a difference between 3 minutes and 30 minutes.

Mr. President, the objections that the Senator from Pennsylvania has to my sense-of-the-Senate resolution in this case are not well founded. I simply point out to the Chair that, on numerous occasions, I have sat on this floor and heard managers of a bill say the same thing that the Senator from Pennsylvania just said with regard to this particular piece of legislation. Mr. President, I simply point out that I wish the Senator would clarify for the Senate the fact that this sense-of-the-Senate resolution would have no effect whatsoever as this bill goes to the House of Representatives.

It is a sense-of-the-Senate resolution and, therefore, would not obstruct the bill at all on the other side of the Hill.

I simply point out to the Senator from Pennsylvania that this sense-of-the-Senate resolution is worded in the same fashion and takes the same form as a Republican-sponsored sense-of-the-Senate resolution 10 days or so ago with regard to sending a message to the President of the United States in the form of a sense-of-the-Senate resolution on another bill that had no direct connection with that, simply saying that it was the sense of the Senate that the grain embargo should be ended. Mine is noth-

ing more and nothing less. If it were appropriate to have that sense-of-the-Senate resolution on the grain embargo, sponsored by those on that side of the aisle in that instance, I suggest, Mr. President, that it is entirely proper for this to be included as I have amended it.

On many occasions, Mr. President, the U.S. Senate has agreed that when we have matters of a critical nature—which I think this is—there is broad interpretation with regard to the amendments to a piece of legislation on the floor.

I yield back to my friend from Pennsylvania, with my thanks.

Mr. HEINZ. Mr. President, how much time does the Senator from Arkansas want?

Mr. BUMPERS. No more than 10 minutes.

I say to the Senator, he is going to be on an airplane with me tonight going to Pittsburgh, and I want us to leave here good friends.

Mr. HEINZ. That may even be possible in 10 minutes.

Mr. President, I ask unanimous consent that I may yield 10 minutes to the Senator from Arkansas without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, first, I want to acknowledge that this amendment may not appear germane to the export trading bill. If this administration had not indicated that it is seriously considering the decontrol of natural gas prices, we could certainly have postponed this amendment until after the recess, to be put on a more appropriate measure. However, there has been much mention in the press about the President's contemplation of decontrol of natural gas prices.

The other day, Secretary of Energy Edwards appeared before the Energy Committee, and this very question came up. I asked him if he had made a recommendation to the President. He said no recommendation had been made, but that it was under study and as soon as they completed the study within the Department of Energy, a recommendation would be made to the President.

I then asked the Secretary what the average price for natural gas in this country is right now. He said he thought it was around $1.50. Actually, it is $1.61 an Mcf—that is a thousand cubic feet of gas.

I then asked Secretary Edwards what the price was for the deep gas in Louisiana, gas found below 15,000 feet.

He did not know, so I told him. I know that the Arkansas-Louisiana Gas Co. is paying between $6.07 and $7 an Mcf.

That means that the controlled price of natural gas is $1.60 per Mcf, but the decontrolled price is $7 per Mcf.

I asked Secretary Edwards if he could give me one reason for believing that all the natural gas in this country would not immediately go to $7 per Mcf if the price was decontrolled. He said that he could not.

Mr. President, decontrol would impose a severe hardship, and I am happy to say that the President cannot decontrol natural gas as he did oil. If he chooses to decontrol natural gas, he must submit it to Congress. I am serving notice here, as I have once before, that the last filibuster on that Natural Gas Policy Act which Senator HEINZ will recall because he and I were among those who slept in the cloakroom for 3 or 4 nights during that one, will be like child's play compared to the one that will take place on this floor if there is any effort to decontrol natural gas any faster than it is being decontrolled right now.

Mr. President, immediately decontrolling natural gas prices would be a grave mistake which would impose further hardships upon Americans without any hope that it will eventually lead to the production of more natural gas.

The current situation demonstrates that fact. Prices are already increasing under the phased decontrol provisions of the Natural Gas Policy Act of 1978.

Mr. President, we are phasing out the price of natural gas right now and I am not very proud of the vote I cast on that right now. I wish I could get it back.

In 1978, the average wellhead price of natural gas was 90.5 cents Mcf. In December 1980, with phased decontrol under the Natural Gas Policy Act, that average had risen to $1.61 per Mcf, an increase of 77 percent. During that same time, however, domestic production barely increased at all, going from an annual production of 19.122 trillon cubic feet in 1978 to 19.295 trillion cubic feet in 1988. That is an increase of 0.9 percent.

Remember that we were told that if we would just decontrol gas, we would find all of it we wanted, but, domestic production has increased only 9/10th of 1 percent since decontrol began. Remember also that the pricing scheme of the NGPA provides every incentive necessary to produce new natural gas and even greater incentives for high-cost gas, or gas which is difficult or risky to produce.

Bear in mind also, Mr. President, that section 102 of the act allowed a price of $1.75 per Mcf for new gas beginning in April, 1977, with inflation adjustments after that, at the rate of inflation plus 3 percent. So prices have been rising by 15 to 17 percent since that time.

Consider the effects of decontrol. The country holds gas reserves of about 200- to 250-billion Mcf. With decontrol, all of that known gas goes up in value by about $5 an Mcf, which means that is a windfall for the oil and gas industry of this country on an order of a trillion dollars.

Section 107 of the act allowed that price for gas from deep wells and also allowed the Federal Energy Regulatory Commission to establish special prices for other high cost gas. So decontrolling natural gas would only provide a windfall for the production of gas which has already been found. It would not encourage production any more than the Natural Gas Policy Act. It would simply increase value of gas already found by hundreds of billions of dollars.

Furthermore, if the oil companies recent acquisitions are any indication, I can tell my colleagues that they will use this money to buy up everything in sight.

I remember during the windfall profit tax debate, the oil companies opposed that tax because, they said, they needed that money to explore for oil and develop synthetic fuel. What have they done? Just in the last few days, they have been repeating the pattern already occurring as a result of oil decontrol. We have become familiar with the news reports, for example, that Standard Oil Co. of California offered to buy Amax, Inc., for $4 billion and that Sohio, which already owns the Old Ben Coal Co., has agreed to purchase the Kennecott Corp. for $1.77 billion. Gulf has also offered to buy Kemmerer Coal and the coal holdings of Republic Steel. The oil companies made one-third of all corporate profits last year.

Seagrams sold its oil interests to buy St. Joe Minerals, although it now appears that it will not succeed. That is $8 billion in the last 60 days offered by the oil companies for nonrelated industries.

Mr. President, it is especially significant that these are purchases, not mergers. The oil companies declared that they needed oil decontrol to get the money to find more oil. Well, they got a lot more money, and, rather than using it to find more oil, they are using it to acquire other companies.

This strategy is especially troublesome in the current economic situation, which requires new investment to enhance productivity. The problem is sufficiently worrisome that we are about to consider a tax bill loaded with provisions designed to encourage new investment. It would be completely inconsistent to decontrol natural gas, take money from those who might make such investments, and give it to companies which will not. That is a breach of faith.

Consider the current economic situation in the world, which, in this administration's view, means we must have more investment capital. So, in a few days or a few weeks or a few months, we will consider a tax bill, the main reason for which is to try to stimulate the economy by inducing people to invest more money. Can we, at the same time, take money by decontrolling gas, the equivalent of the highest tax increase ever imposed on the American people, and give it to the oil industry that takes money from those who might otherwise invest it in another industry, which is supposed to be the whole reason for this administration. It would be inconsistent with this administration's desire to cut taxes.

I can remember when my mother used to complain because our gas bill was $3.50. The other day, I asked a constitutent whether he had received $100 gas bill yet.

He said, that he had not, because he had gotten some $200 and $300 gas bills.

Last January my bill was $156, and that is no big home. Next January, if the price of natural gas is decontrolled, my gas bill will probably be between $400 and $500.

So what we are talking about here is a very serious matter for about 99 percent of the American people.

Finally, Mr. President, consider the ultimate impact on gas price, which would track the Btu equivalent of oil

prices, which, in turn, are dictated by the OPEC cartel. I have spoken of this many times. Thirteen oil ministers from 13 nations sit around the table and decide what the American people are going to pay for oil. When you decontrol gas, they will be deciding what you are going to pay for gas, too.

We have some fine friends in that cartel—Iran and Iraq, for example. You know how they have our best interests at heart when they are setting those prices.

In conclusion, decontrol would be a terrible disaster for the consuming public of America; and those who heat their homes with heating oil are already suffering terribly because of the decontrol of oil prices. Decontrolling natural gas prices would make it even more staggering. Billions and hundreds of billions of dollars will be taken out of the pockets of the American people and transferred into the pockets of the oil companies who made one-third of all the corporate profits made in America last year.

Between now and 1985 we are going to send the OPEC cartel, the equivalent of one-half the value of all the stocks on the New York Stock Exchange. Talk about a transfer of wealth from people who cannot afford it—all in the name of some misguided idea about the free marketplace. The free marketplace is fine, but we should not use it as a kneejerk, litmus test when there is no free market and there is not going to be a free market because of the operation of the OPEC cartel.

A recent study by Energy Action estimated that immediate decontrol would add $626 billion to natural gas prices. More American households depend on natural gas for heating than on any other fuel. In the regions of the country where natural gas use is most intensive, the gas bill for the average household would increase by between $6,000–$7,000 between 1981 and 1985. Energy Action estimated that the greatest increases would occur in the West North Central and East North Central regions of the country, with respective increases of $6,750 and $7,788. This problem will be compounded by the increases in the price of finished products which require natural gas for processing. An example is the manufacture of automobiles, an industry heavily centered in the gas-dependent regions. The inevitable price increases would further depress that industry, thus negating the Federal aid which that industry has already received.

Finally, we must consider natural gas pricing in the international context, because decontrol would free natural gas prices to move up to the Btu-equivalent of the world price of oil. Therefore, decontrol would be a Government action removing protections of the domestic market and allowing that market to be manipulated by an acknowledged cartel. By comparison, before the end of this year, we will probably consider legislation to restrict car imports, even though evidence of unfair trade practices by foreign car manufacturers is less than compelling, and by no stretch of imagination it is as clear as OPEC's inflationary price manipulations. It would be absurd to remove one protection against an acknowledged cartel and to consider adding an import restriction on cars which might have slight justification and which would probably have an inflationary impact by removing cheaper cars from the market.

In short, there is no justification for decontrolling natural gas. It would severely damage the economy, and I urge my colleagues to support the amendment expressing the sense of the Senate that the pricing schedule of the Natural Gas Policy Act not be changed.

I thank the Senator for yielding me time.

Mr. HEINZ. Mr. President, I yield 4 minutes to the Senator from Idaho, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I appreciate the opportunity to give some reassurances to some people who obviously are rather nervous about something, the exact substance of which I am not certain.

I have said repeatedly, and I will say now on the record—I have said it on the record before, and I will repeat it here today—that, so far as the chairman of the Energy and Natural Resources Committee is concerned, we have no expectation to deal with any question concerning the decontrol of natural gas this year. That is a matter of record.

To go beyond that slightly, this is not the time to debate the merits of energy policy on a bill that is totally unrelated to it, and I do not intend to take the time today to talk about energy policy in particular.

However, I do want to indicate that, from the examination of the budget materials that have been submitted to us both by the former administration and as updated by this administration, and as late as the hearings we are in the midst of now, both in the Energy and Natural Resources Committee and the subcommittees of the Appropriations Committee, the budget data reveal to us—and the plans of this administration are—that the Federal Energy Regulatory Commission will continue in its activity administering the provisions of the present legislation that governs the pricing of natural gas in this country.

So, it seems to me that to debate here today a sense-of-the-Senate resolution dealing with a very important part of the energy policy—but only a part of it—is both misplaced and premature.

I understand that the Senator from Pennsylvania, the manager of the bill, will make a motion, at the appropriate time, to table the pending amendment. I will support that motion to table, because I believe that this is not the time to settle the issue of the merits of the question of control or decontrol of natural gas.

There is a study commission which has indicated what the economic consequences will be of changing the pricing regime under which natural gas prices are now controlled; but I think it is clear that that does not mean that immediately on the heels of it they will come forward with a proposal for the immediate decontrol of natural gas.

So far as this Senator can make any assurance to the Members of the Senate on both sides of the aisle, that will not be done through my committee this year. There are no plans to do it. The administration has not asked us to do it.

From what I can discern from the plans of the administration, as revealed by the budgetary submissions with regard to the activities of the various subagencies of the Government that deal with this problem, they intend to be administering the law as it is now written with respect to the pricing of natural gas.

I have indicated that we may look at the Fuel Use Act to determine whether or not we should make any change in the mandatory conversions or allocations of various fuels, including natural gas; but that is totally separate from the issue of whether or not we are going to deal with the decision that Congress made last year to put natural gas on a path toward decontrol of natural gas.

So I hope that when we get to the point of voting on the motion of the Senator from Pennsylvania, we will vote not upon the merits of the issue of control or decontrol of natural gas but will vote upon the motion to table, with the expectation that the issue will be before us later. I hope the motion will be agreed to, so that we can enter that debate at the appropriate time and at the appropriate place.

Mr. HEINZ. Mr. President, I want to make it clear that a vote to table this amendment is not necessarily a vote against the merits of the amendment offered by Senator Exon. I am certain that some people who will vote for tabling would vote for the Exon amendment on its merits, were it offered at the appropriate time and place. Frankly, I feel that way about it.

So, Mr. President, I move to table the Exon amendment.

The PRESIDING OFFICER. The question is on the motion to table the amendment of the Senator from Nebraska.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent to yield to the Senator from Ohio for not to exceed 5 minutes without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to debate being in order notwithstanding the pendency of a motion to table?

Without objection, it is so ordered.

The Senator from Ohio is recognized for 5 minutes.

Mr. METZENBAUM. Mr. President, I came over to support the amendment of the Senator from Nebraska because there cannot be any logical reason to be de-

controlling the price of natural gas in these economic times.

It takes us back to the period when the previous administration proposed to phase decontrol of the price of natural gas. They told us at that time that we had to have phased decontrol because there was a shortage of natural gas in this country and that they had to go out and drill for more gas.

It was hardly 24 hours after the phased decontrol became a reality that the oil companies and the natural gas companies, which are really one and the same, took the caps off their wells and suddenly there was a glut of natural gas in this country. They called it a bubble.

What they did was hold back their product from the marketplace to force up prices. They were successful in doing just that. Then they had to say there was a glut and it was embarrassing to them. But the price continued to go up, and there was plenty of natural gas.

Now we find that the natural gas companies are constantly hammering away at the idea that everyone should convert to natural gas.

But despite all of the price increases, nothing has really happened. The oil and gas companies have not found that much more natural gas. But they have raised the price, and they have taken the caps off the fields where the gas was all the time.

There were 15 separate Government reports indicating that there was an adequately supply of natural gas at the time the Congress considered phased decontrol but that the gas companies were holding it back.

Now we are talking about the possibility of decontrolling natural gas prices entirely. One report says that immediate decontrol will cost the American people $600 billion. Another report indicates that the price of natural gas will double, and I do not doubt any of those assertions. As a matter of fact, a spokesman for Sohio, Standard Oil Company of Ohio, was making a speech in Cleveland the other day, and he stated:

Mossler predicted, "Today a $100 monthly bill for natural gas will be $1,000 in 1990 if nothing changes."

It goes on to say,

And we have to prevent that.

Mossler said that the Government must encourage the maximum domestic production and the consumer must conserve that. Yet, every time the consumer conserves heat, the gas companies have increased their prices that much more claiming they needed it in order to achieve a fair return on their investment.

Decontrolling the price of natural gas would be similar to decontrolling the price of oil.

All that decontrol resulted in was higher prices for the oil companies and the American consumer wound up paying the price.

When we originally had the issue about decontrolling the price of natural gas and phasing it in, as the Carter administration did, they told us that we should not be using natural gas for industrial boilers and that we should not use oil for industrial boilers, that we should use coal, which is in very abundant supply, and much of which comes from my own State. But immediately after we passed the matter of phasing out controls, what happened? Suddenly, Mr. Schlesinger and his team reversed signals said, "Now, we should use more gas for industrial boilers, and that is the way of backing out of oil."

The American people have consistently been misled. The American people have been consistently taken advantage of, and the American people cannot afford to have the price of natural gas decontrolled.

This economy cannot tolerate the decontrol of oil. But if oil decontrol is compounded by the decontrol of natural gas that would indeed be an unbearable burden.

When some of us argued that President Reagan's decision to accelerate the decontrol of the price of oil would raise the inflation rate 1.2 to 1.4 percent, it was pooh-poohed.

But the most recent figures that came out indicate that we were right on target and if anything maybe we were a bit low.

I feel very strongly that the amendment of the Senator from Nebraska, the attachment he would make to this bill, is in the right order.

I think a message should be sent to the administration. As this Senator has said on previous occasions in the Chamber, if there should be an effort to decontrol the price of natural gas, I know that many other Senators would join me in causing a debate on that subject to extend through the days and nights of the Senate.

The Senate cannot tolerate that. I believe we should get on about our business, and I hope that the administration does not see fit to send any action up to this Congress that would effectively decontrol the price of natural gas.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I ask unanimous consent, without losing my right to the floor, to yield 5 minutes to the Senator from Texas.

The PRESIDING OFFICER. Is there objection to the Senator from Texas proceeding for 5 minutes during the pendency of a motion to table?

Without objection, it is so ordered.

Mr. EXON. A parliamentary inquiry.

Mr. BENTSEN. Mr. President, I wish the Chair would not wait so long for that objection, that we move a little earlier on that, if I may.

The PRESIDING OFFICER. Does the Senator from Texas yield for an inquiry?

Mr. BENTSEN. I yield without losing my right to the floor.

The PRESIDING OFFICER. The Senator has that right.

Mr. EXON. Mr. President, the motion to table has been made by the Senator from Pennsylvania. Is that correct?

Mr. HEINZ. It has been withheld.

The PRESIDING OFFICER. The motion to table has been made.

Mr. EXON. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. I thank my friend from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. Mr. President, I rise to oppose the amendment of my good friend from Nebraska.

As he probably knows, and I am sure the Senator from Ohio knows, this is one of the most emotional and controversial issues that we can have before the Senate.

I can well recall the debate in 1977 when we went weeks on end debating this issue. I can remember going on through the night as we discussed it. I can recall Senators being awakened and brought here to vote, coming into the Chamber at 3 a.m. to vote on this issue.

That is the kind of a tough, controversial issue this is.

My friend from Ohio says that despite the N.G.P.A. they have not found that much new gas. But I understand that we have had an unprecedented amount of production from below 15,000 feet. We are not having the brownouts we had before and there has even been a net increase in the amount of new gas reserves in this country. We have not been able to accomplish that in oil.

What we have accomplished is to buy some time while we try to make the transition to alternative sources of energy. But it is controversial in every respect. I do not know of any issue that is tougher to iron out on the floor of the Senate.

Are we going to say, without any benefit of hearings on how we might improve the act, make it work any better, that we are going to vote on it now and say it is perfect?

Is there no little change we could make in that piece of legislation? With the time and the experience we have had in seeing which parts of it worked and which were inequitable can we not determine how the act can be improved? We still have time to improve it for the consumer, for the producer, and for industry.

But how do we do that? We do it with hearings, where we let all segments of our society be heard. There can be some improvement. I would assume, for all of these people.

I do not believe we should short-circuit that process.

I do not believe we should close the door on that possibility before we even have the chance to explore it. We should be more deliberative about evaluating our Nation's energy policies.

I am unaware of any decisions that have been made to completely decontrol the price of natural gas, as the distinguished sponsor of the amendment would have us believe. There may be some improvements we can make, and I certainly hope that all concerned will be able to set aside some of the emotion

of this issue so that we can look at improving our Nation's energy supplies, particularly in gas.

Finally, we have to ask ourselves, is this amendment germane to the export trading bill which it hopes to amend? Clearly it is not germane. It is rather an attempt to push through the Senate an early end to the debate on natural gas before it even begins.

So I hope my colleagues will be more deliberative on this emotional issue and reject this amendment of my good friend from Nebraska.

I thank the distinguished Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator from Washington (Mr. JACKSON) be recognized for not to exceed 5 minutes during the pendency of the motion to table.

The PRESIDING OFFICER. Is there objection to the Senator from Washington proceeding for 5 minutes notwithstanding the pendency of a motion to table? No objection being heard, the Senator from Washington is recognized for 5 minutes.

Mr. JACKSON. Mr. President, I thank the senior Senator from Pennsylvania.

I just learned of this amendment a few minutes ago. I believe the timing of the amendment and the procedure here are not wise. As the major author of the amendments to the original Natural Gas Act of 1937, I must speak my mind.

Mr. President, may I say that I agree wholeheartedly with the substance of the pending amendment. I want to report, as we all know I am sure, that the Natural Gas Policy Act is indeed working. There are more rigs out drilling for gas now than at any time in history. We had a net increase in domestic natural gas production last year for the first time, Mr. President, in years.

However, I must disagree with pursuing this amendment at this time, and I emphasize "at this time." The chairman of the Energy Committee, Mr. MCCLURE, has urged the administration not to pursue legislation for decontrol at this time. So, may I point out, Mr. President, Has the chairman of the House Energy and Commerce Committee, Mr. DINGELL? And, if I may add. I also share the view of the chairmen of the Senate and House committees.

I think we are all in agreement that the act is working reasonably well. It may not be perfect, but it is indeed achieving the purpose for which the legislation was intended. It is my view, Mr. President, that tampering with it will create uncertainty, and that is the last thing we need.

Now is not the proper time, nor is this the proper vehicle, to pursue this issue.

If the administration chooses not to heed our collective advice and sends us a bill I want to say right here and now that I will oppose it. I do not mean just ordinary opposition. because I feel very deeply about this subject. I believe that our collective efforts reached an equitable result. We were able to achieve a bipartisan compromise. Our differences of opinion were fought out and resolved.

I think the administration certainly should get the very clear message that amending the Natural Gas Policy Act would not be an easy task. We want to make that very clear.

I would join the ranks of those who would talk a long time, or at length, or any other way you want to describe any sort of extended debate, regarding any decontrol bill.

Finally, Mr. President, this resolution does not provide the proper forum, or afford us time for adequate preparation to discuss the hundreds of issues we would need to discuss in connection with such an important debate.

I will, therefore, support the tabling motion. I want to make it clear why I am supporting it. I must state categorically that I do not oppose the substance of the amendment, but I indeed oppose the procedure here which I do not think gives the consumers, the producers, and the public interest as a whole an opportunity to be heard, to properly ventilate all of the matters that are relevant and pertinent to this matter.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered——

Mr. HEINZ. Mr. President, I ask unanimous consent that during the pendency of the motion to table I may yield first 2 minutes to the Senator from Massachusetts (Mr. TSONGAS).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Massachusetts is recognized for 2 minutes.

Mr. TSONGAS. Mr. President, this amendment presents a dilemma for those of us who are from the Northeast and whose States are reasonably dependent upon natural gas.

But I share the view of the Senator from Washington, that it is premature to bring the issue up like this without serious debate and consideration. I think it does not do justice to the complexity of the issue.

I happen to support decontrol in principle for the obvious reason that energy ought to be priced at its replacement cost in order to assure efficient use and sufficient development of energy. But the specific question of natural gas decontrol depends on a great deal of information not yet available regarding the competitiveness of natural gas markets, projected supply response, availability of substitutes, adequacy of programs to protect the poor, and interregional transfers of wealth. I think that faced with an attempt by the President to deregulate natural gas suddenly, I would join with the Senator from Washington in the extended debate and oppose efforts to eliminate the Natural Gas Policy Act. But I think the issue today is the export trading companies.

The likelihood is that the President will not seek to deregulate natural gas this year. The chairman of the Energy Committee has said he does not think that will take place either. I think on the merits I agree with the Senator from Nebraska but given the issue of time and place rather than substance, I will vote to table and urge my colleagues to do the same. However, I reserve my right to join with the Senator from Nebraska in the future were there to be an attempt to deregulate. But I want to distinguish between the substance of the issue and what indeed we are addressing here today.

I thank the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator from Nebraska (Mr. EXON) be yielded 2 minutes without my losing my right to the floor during the pendency of the motion to table.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair, and I thank my friend from Pennsylvania. I also wish to thank the wide range of support I am receiving from my colleagues on the floor for what I am trying to do, but not now.

It brings to mind the old story that I am all for the church but I am not going to give to it because I do not like the location. The fact of the matter is I do not want the new church in the first place.

I am amazed to hear on the floor some of the people who conceded they put together the Natural Gas Policy Act of 1978 saying we should not tamper with it.

Mr. President, this sense-of-the-Senate resolution does not tamper with it at all. It says it was a good act and it says we should continue that. That is all it says.

Let me read it again:

It is the sense of the Senate that the schedule of the phased decontrol of natural gas prices embodied in the Natural Gas Policy Act of 1978 continues to be sound public policy which should not be altered.

I am patting them on the back for the good job they did. and they objected for reasons—unless they are indeed intending to change that well-thought-out measure that they enacted in 1978.

I urge my colleagues to vote against the tabling motion.

I thank my friend from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Pennsylvania to lay on the table Mr. EXON's amendment (UP No. 59).

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Florida (Mrs. HAWKINS), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADLEY) is absent on official business.

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 27, as follows:

[Rollcall Vote No. 80 Leg.]

YEAS—66

Abdnor	Goldwater	Melcher
Andrews	Gorton	Mitchell
Armstrong	Grassley	Murkowski
Baker	Hatch	Nickles
Bentsen	Hatfield	Nunn
Boren	Hayakawa	Percy
Boschwitz	Heflin	Pressler
Burdick	Heinz	Quayle
Byrd, Harry F., Jr.	Helms	Rudman
	Humphrey	Schmitt
Cannon	Jackson	Simpson
Cochran	Jepsen	Specter
Cohen	Johnston	Stafford
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
DeConcini	Laxalt	Symms
Denton	Leahy	Thurmond
Dole	Long	Tower
Domenici	Lugar	Tsongas
East	Mathias	Wallop
Ford	Mattingly	Warner
Garn	McClure	Weicker
Glenn		

NAYS—27

Baucus	Exon	Pell
Biden	Hart	Proxmire
Bumpers	Hollings	Pryor
Byrd, Robert C.	Inouye	Randolph
Chafee	Kennedy	Riegle
Chiles	Levin	Roth
Cranston	Matsunaga	Sarbanes
Dodd	Metzenbaum	Sasser
Eagleton	Moynihan	Zorinsky

NOT VOTING—7

Bradley	Hawkins	Williams
Dixon	Huddleston	
Durenberger	Packwood	

So the motion to lay on the table UP amendment No. 59 was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, will the distinguished manager of the bill yield to me so that we may take care of another matter?

Mr. HEINZ. I yield.

SENATE CONCURRENT RESOLUTION 17—PROVIDING FOR ADJOURNMENT OF THE CONGRESS FROM APRIL 10, 1981, TO APRIL 27, 1981

Mr. BAKER. Mr. President, I send to the desk a concurrent resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 17) providing for an adjournment of the Congress from April 10, 1981 to April 27, 1981.

Mr. BAKER. Mr. President, I have conferred with the distinguished minority leader. I believe he is agreeable to disposing of this matter at this time, and I hope that the Senate can dispose of this resolution so we can send it to the other body at this time.

The concurrent resolution (S. Con. Res. 17) was considered and agreed to as follows:

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, April 10, 1981, they stand adjourned until 12 o'clock noon on Monday, April 27, 1981.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GRAYMAIL LEGISLATION: PROTECTING NATIONAL SECURITY IN CRIMINAL CASES

Mr. BIDEN. Mr. President, I was pleased to note last week in reading the Baltimore Sun that the Justice Department is implementing the so-called graymail legislation for the first time in a case in Baltimore. That case involves a former CIA agent charged with embezzling $60,000. The former agent's defense is that the CIA authorized the loans for secret CIA projects. Of course the defendant intends to use that defense as a pretext for pretrial discovery that will force the Government to disclose classified information and "graymail" the Government into dismissing the case. The Classified Information Procedures Act which we developed in the Judiciary Committee last year addresses this problem by providing procedures to protect classified information and restrict frivolous discovery motions in these kinds of cases.

I ask unanimous consent that an article from the April 2 Baltimore Sun describing this case be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW LAW ON CLASSIFIED DATA MAKES DEBUT IN JOLLIFF CASE

A federal judge yesterday appointed a caretaker for secret documents that may be sought by a former CIA employee as evidence in his criminal case, activating for the first time here a new law to guard against public disclosure of classified information.

The temporary appointment was made by U.S. District Court Judge Frank A. Kaufman in the case of Wade A. Jolliff, Jr., who is charged with impersonating a CIA agent and fraudulently obtaining more than $65,000 in loans for purported CIA "operations" while working as head of security at the University of Maryland's Baltimore campus.

Mr. Jolliff, who the FBI said worked for the CIA until 1972, disputes the charges, contending that there are CIA records that will prove he was actually on assignment for the agency while employed at the university's Baltimore campus.

However, concerned that Mr. Jolliff—who had access to secret information while working for the CIA—may be seeking classified information, federal prosecutors have asked that procedures outlined in the Classified Information Procedures Act be followed.

The law, enacted last October, would require Mr. Jolliff to disclose in writing what material he is seeking and to prove the relevance to his case of any secret material he may request. The law also requires the appointment of a court security officer to protect any classified documents.

Judge Kaufman temporarily assigned Mary Schwartz, a member of the Security Programs staff of the U.S. attorney's office, to that duty so the case could proceed in time for the April 21 trial. A permanent caretaker will be appointed some time next week from a list of candidates provided by the Justice Department, a Justice Department spokesman said.

The duties of the security officer include making certain that the area where the documents will be reviewed—for example, the judge's chambers—is secure and that no one who does not have CIA clearance sees the information.

According to FBI records, Mr. Jolliff worked 10 years for the CIA until he left in 1972 to work for UM as head of security at the Baltimore campus.

In the grand jury indictment, Mr. Jolliff was accused of obtaining loans from B. Dixon Evander Associates, Inc., an insurance firm, and from other investors in an alleged scheme in which he purported to solicit funds for secret CIA projects.

HEROIN ADDICTION AND STREET CRIME

Mr. BIDEN. Mr. President, as ranking minority member of the Senate Judiciary Committee I am continuing to pursue an issue I began addressing 2 years ago as chairman of the Subcommittee on Criminal Justice. Two years ago the subcommittee began to notice an increase in Southwest Asian heroin in the urban Northeast. I am convinced that heroin addiction is a prime contributor to much of the increasing crime that occurs in this country.

This opinion is supported by most streetwise cops and prosecutors, but now we have supportive research which shows the appalling relationship between heroin addiction and street crime.

A study done by Prof. James Inciardi of the University of Delaware showed that 356 active heroin users were:

First, responsible for 118,134 crimes in 1 year;

Second, over 95 percent reported committing illegal activity in the year period;

Third, 90 percent relied on criminal activity as a means of income; and,

Fourth, most disturbing, is that only 1 of every 413 crimes committed resulted in an arrest.

Additional research completed this past year at the Temple University School of Medicine by Dr. John C. Ball, Dr. Lawrence Rosen, Dr. John A. Flueck, and Dr. David Nurco showed that 243 heroin addicts committed almost 500,000 street crimes in 11 years.

Their research also showed that when these addicts were not dependent on heroin, there was an 84-percent decrease in criminality.

These two studies clearly show that if we could ever control heroin addiction or even reduce it, we would see an appreciable reduction in criminality.

As the new administration begins its war on violent crime it also proposes to cut $5.4 million requested previously by the Drug Enforcement Administration for its Southwest Asian heroin interdiction program, elimination of the State and local drug coordination program, $5.9 million cut for the Federal, State, and local task force programs, and budget cuts to the State Department's international narcotic management program that supports crop substitution overseas. In the treatment area, there will be major cuts in treatment slots and prompted Mr. Julio Martinez of the New York State Division of Substance Abuse Services to say in the New York Times on March 9, 1981:

. . . The cuts in antidrug funding will grind New York's fight against drugs to a near halt and possibly force thousands of addicts and users onto the streets . . .

I am fearful that the administration does not seem to recognize the obvious relationship between heroin and crime. I only point to the alarming increase in crime in the Northeast cities which are also experiencing a flood of cheap Southwest Asian heroin on their streets. In New York City this past year mortality rates due to heroin overdose were up 25 percent and the price of street heroin decreased because of its easy availability.

Mr. President, I ask unanimous consent that the two research documents I refer to be printed in the RECORD in their entirety.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HEROIN USE AND STREET CRIME

(By James A. Inciardi)

The relationship between heroin use and street crime has been studied for the better part of this century, but the findings have been inconclusive. Research in this area has been limited to analyses of criminality in terms of arrest data, and samples have been drawn only from officially known populations of drug users. The present study focuses on a sample of 356 active heroin users from Miami, Florida, and data have been collected describing their officially known and self-reported criminal activity. The data indicate that, while active heroin users are heavily involved in street crime, any relationship between drug use and crime is much more complex than has been generally believed. The findings of the research suggest that the wrong questions may have been asked in previous studies of the drugs/crime nexus.

The relationship between heroin use and street crime represents an issue that has long been studied, argued, and reexamined—yet few definitive conclusions are apparent today. For more than six decades, researchers and opinion makers have addressed the subject, asking such questions as, Do heroin use and addiction cause crime? If so, what ought to be done to manage the problem? Much of the research on this has attempted to determine the sequence of heroin use and criminal activity. Does addiction per se lead the user into a life of crime, or do the demands of the addict's life-style force him into criminal behavior? Or, alternatively, is heroin use simply an additional pattern of deviant activity manifested by an already criminal population? The catalog of research has been impressive, at least in terms of sheer quantity.[1]

The findings that have emerged, however, have led to a series of peculiar and contradictory perspectives. Some researchers have found that the criminal histories of their sample cases considerably preceded any evidence of drug use; thus, their conclusion has been that the heroin user is indeed a criminal, and should be treated as such. Others have found in their data that the sequence is in the reverse direction, and have offered us an "enslavement theory" of addiction. Within this perspective, it is suggested that the monopolistic controls over the heroin black market have forced the otherwise law-abiding user into a life of crime in order to support his habit. The answer to the "problem" is simple: Legalize heroin, and the need for crime is removed. And still a third group finds conflicting data: Some members of the samples were drug users first, other members were criminals first, and still others embraced both drug use and crime simultaneously. The conclusion here is that heroin use and crime may not be related at all, but instead result from some third, unknown variable, or some complex set of factors that pervade the user's operating social milieu and greater environment.

Yet any conclusions, hypotheses, and theories from these efforts become meaningless when one considers the awesome biases and deficiencies in the information that has been generated. Data-gathering enterprises on criminal activity have usually restricted themselves to the heroin users' arrest histories, and there can be little argument as to the inadequacy of official statistics as measures of the incidence and prevalence of criminal behavior. Those studies that have gone beyond arrest figures to probe self-reported criminal activity invariably have been limited to small samples of either incarcerated heroin users or users placed in treatment programs. And the few efforts that have been made to locate active heroin users have generally examined their samples' drug-taking behaviors to the exclusion of their drug-seeking behaviors.

In an effort to generate a preliminary and more realistic data base descriptive of the criminal activities of active heroin users, the present study focused during a twelve-month period ending in 1978 on the street community as an information source, using active cases in Miami, Florida.[2]

METHOD

The peculiar life-style, illegal drug-taking and drug-seeking activities, and mobility characteristics of active drug users preclude any examination of this group through standard survey methodology. A sample based on a restricted quota draw was rejected in favor of one derived through the use of a sociometrically oriented model.

In the field site, the author had established extensive contacts within the subcultural drug scene. These represented "starting points" for interviewing. During or after each interview, at a time when the rapport between interviewer and respondent was deemed to be at its highest level, each respondent was requested to identify other current users with whom he or she was acquainted. These persons, in turn, were located and interviewed, and the process was repeated until the social network surrounding each respondent was exhausted. This method, as described, restricted the pool of users interviewed to those who were currently active in the given subcultural knit in the street community and who were "at risk." In addition, it eliminated former users as well as those who were only peripheral to the mainstream of the subcultural half world.

This selection plan does not guarantee a totally unbiased sample. However, the use of several starting points within the same locale eliminated the difficulty of drawing all respondents from one social network. Confidentiality was guaranteed to the respondents, interviewing was done in an anonymous fashion, and each respondent was paid a fee for participating.

This sampling technique resulted in an initial study population of 356 heroin users (see Table 1) who were active in the free community at the time of the interview. Not unlike other populations of drug users, most of the sample cases were males (67 percent), and the majority of both the males and females were unemployed whites, clustered in the eighteen- to thirty-four-year-old age group (see Table 1). Males and females did, however, evidence many pronounced differences in their criminal career patterns.

TABLE 1.—SELECTED CHARACTERISTICS OF 356 ACTIVE HEROIN USERS

Characteristics	Males (n=239)	Females (n=117)
Age:		
17 and under	0.8	3.4
18 to 24	19.2	34.2
25 to 34	64.0	51.3
35 to 49	14.2	9.4
50 and over	0.8	1.7
Median (years)	27.9	26.9
Ethnic background:		
White	52.3	55.6
Black	33.5	24.8
Hispanic	14.2	16.2
Other		3.4
Years of school (median)	11.8	11.7
Employment status:		
Currently employed	49.3	41.9
Unemployment	48.5	53.8
Not in labor force	2.2	4.3
Marital status:		
Never married	45.6	46.2
Married	25.9	13.7
Divorced/separated	26.4	36.8
Widowed	1.7	2.6
No data	0.4	0.9

DRUG USE PATTERNS

The heroin users sampled in this study had long histories of multiple drug involvement, following clear sequential patterns of onset and progression. Both males and females began the use of drugs with alcohol. Their first experiences with alcohol intoxication occurred at median ages of 13.3 and 13.9 years, respectively, with 39.3 percent of the males and 21.4 percent of the females having such an experience before age 12. Furthermore, as indicated in Table 2, progression into the other major drugs followed identical sequential patterns for both sexes. For example, based on median ages of onset, alcohol use was followed by initial drug abuse experimentation at 15.2 years of age, followed by marijuana use, barbiturate use, heroin use, and cocaine use:

TABLE 2.—DRUG USE HISTORIES

Drug use characteristics	Males (n=239)	Females (n=117)
Age of 1st alcohol use (median)	12.8	13.8
Age of 1st alcohol high (median)	13.3	13.9
Ever used alcohol (percent)	95.8	98.3
Age of 1st drug (excluding alcohol) use (median)	15.2	15.2
Age of 1st marihuana use (median)	15.5	15.4
Ever used marihuana (percent)	99.2	99.1
Age of 1st barbiturate use (median)	17.5	17.0
Ever used barbiturates (percent)	84.9	88.0
Age of 1st heroin use (median)	18.7	18.2
Age of 1st cocaine use (median)	19.7	18.7
Ever used cocaine (percent)	92.9	92.3
Median number of drugs ever used[1]	10.3	10.5
Median number of drugs "currently" being used[2]	5.0	5.6
Ever treated for drug use (percent)	56.9	56.4
Currently in treatment (percent)	.4	.9

[1] Includes alcohol, heroin, other narcotics, sedatives, stimulants, antidepressants, hallucinogens, analgesics, and solvents/inhalants.

[2] "Current" use refers to any intake during the 90 days before the interview.

[1] For annotated bibliographies and analyses of these studies, see Research Triangle Institute, *Drug Use and Crime* (Springfield, Va.: National Technical Information Service, 1976); Gregory A. Austin and Daniel J. Lettieri, *Drugs and Crime: The Relationship of Drug Use and Concomitant Criminal Behavior* (Rockville, Md.: National Institute on Drug Abuse, 1976); S. W. Greenberg and Freda Adler, "Crime and Addiction: An Empirical Analysis of the Literature, 1920–1973." *Contemporary Drug Problems*, vol. 3 (1974), pp. 221–70; and James A. Inciardi, "The Vilification of Euphoria: Some Perspectives on an Illusive Issue," *Addictive Diseases*, vol. 1 (1974), pp. 241–67.

[2] These data were generated by DHEW grant No. 1–R01–DA–0–1827–02, from the Division of Research, National Institute on Drug Abuse.

Substance	Median onset age	
	Males	Females
Alcohol use	12.8	13.8
Alcohol intoxication	13.3	13.9
First drug abuse	15.2	15.2
Marijuana use	15.5	15.4
Barbiturate use	17.5	17.0
Heroin use	18.7	18.2
Cocaine use	19.7	18.7

Curiously, while the females began their careers of substance use one year later than the males, their progression was more rapid and the extent of their drug involvement seemed to be greater. A median of 5.9 years separated the males' initial alcohol experimentation from their first use of heroin at age 18.7. With females, the onset of heroin use was at age 18.2, only 4.4 years after the first use of alcohol. Furthermore, as is shown in Table 2, the females were using a slightly wider variety of drugs than were the males.

CRIMINAL HISTORIES

Early involvement in criminal activity was characteristic of the great majority of the sampled heroin users. As shown in Table 3, 99.6 percent of the males and 98.3 percent of the females reported having ever committed a crime, with the median age of the first criminal act preceding the sixteenth year. The first crimes committed were generally crimes against property, although the specific kind of property crime varied between males and females.

As shown in Table 3, burglary was cited most often by males as the first crime (25.1 percent), followed by shoplifting (20.1 percent), other larcenies (11.7 percent), and drug sales (10.0 percent). In contrast, 38.5 percent of the females reported shoplifting as their first offense, followed by prostitution (18.8 percent) and drug sales (12.8 percent). It might also be noted here that the proportion reporting vehicle theft as the first crime was ten times higher among males than among females; the percentage of violent crime (robbery and assault) was also higher among the male group. For example, while 15.4 percent of the males specified robbery or assault as the first criminal offense, only 6.0 percent of the females indicated one or the other as the first offense.

TABLE 3.—CRIMINAL HISTORIES

Criminal characteristics	Males (n=239)	Females (n=117)
Ever committed offense (percent)	99.6	98.3
Age of first crime (median)	15.1	15.9
First crime committed (percent):		
Robbery	7.9	3.4
Assault	7.5	2.6
Burglary	25.1	5.1
Vehicle theft	9.2	0.9
Shoplifting	20.1	38.5
Other theft/larceny	11.7	6.9
Prostitution		18.8
Drug sales	10.0	12.8
Other/no data	8.1	9.3
Have arrest history (percent)	93.7	83.8
Age at first arrest (median)	17.2	18.3
Total arrests (median)	3.5	2.6
Ever incarcerated (percent)	81.2	62.4

Most of the heroin users studied here had arrest histories, but these typically began more than two years after the initiation of criminal activity (Table 3). Some 93.7 percent of the males reported having been arrested at least once, with the first arrest occurring at a median age of 17.2 years. Slightly fewer females (83.8 percent) had arrest histories, with the initiation into criminal justice processing beginning at a median age of 18.3 years. The data also indicate that the males had more frequent contacts with the criminal justice system (Table 3). The median number of arrests for the males was 3.5, with 81.2 percent having histories of incarceration. In contrast, the females reported a median of 2.6 arrests, with 62.4 percent having been incarcerated. Such differences might be explained by the younger age at which the males initiated their criminal activity and arrest histories, or by the slightly younger age of the female group. However, the expanded arrest figures below, reflecting the visible, nature of the males' criminal in the somewhat more serious, and hence more visible, nature of the males' criminal involvement. For example—

Nature of arrest	Median number of arrests	
	Males	Females
Crimes against property	1.6	0.5
Crimes against persons	.3	.2
Drug law violations	1.4	.8
Public order crimes	.2	1.1

While the male arrest data reflect a greater involvement in crimes against the person, property, or drug laws, the females were more often arrested for the less serious crimes against the public order, primarily prostitution. This would account for the higher rate of incarceration among the male group.

Patterns of drug use support

As indicated below, the heroin users reported a wide variety of sources of support for both their general economic needs and their drug use. For example—

[In percent]

Source of income	Males	Females
Family, friends	12.5	31.6
Legal employment	49.4	43.6
Public assistance	20.0	18.8
Criminal activity	97.4	94.9

While more than 90 percent of both groups relied upon criminal activity as a means of income, most had a second source of funds. However, some 98.7 percent of the males and 96.6 percent of the females reported some form of illegal activity during the twelve months before the interview, and more than 80 percent of this criminality was for drug use support (80.5 percent for males, 87.7 percent for females).

CURRENT CRIMINAL ACTIVITY

The data on current criminal activity clearly demonstrate not only that most of the heroin users were committing crimes, but also that they were doing so extensively and for the purpose of drug use support. Initially, some 98.7 percent of the males reported committing crimes during the twelve-month period prior to interviewer contact, with a median of 80.5 percent of such criminality undertaken for the purpose of supporting a drug habit.

As indicated in Table 4, the 239 male heroin users reported committing 80,644 criminal acts, averaging some 337 offenses per user. While this might be viewed as an astronomical sum, one must consider the relative proportions for each crime category. The violent crimes of robbery and assault, although reaching the considerable figure of almost 3,500, nevertheless represent only 4.3 percent of the total. Similarly, property crimes, while including some 17,846 thefts of various types, account for less than 25 percent of the total figure. On the other hand, a clear majority of the crimes by male heroin users were crimes without victims: Almost 60 percent of the criminal behavior reported here was drug sales, prostitution, gambling, and alcohol offenses, with an additional 8.1 percent of criminal activity involving the buying, selling, or receiving of stolen goods—a secondary level of criminality resulting, in most instances, from the users' initial involvement in property crimes.

TABLE 4.—CRIMINAL ACTIVITY DURING PAST 12 MO, 239 ACTIVE MALE HEROIN USERS

Crime	Total offenses	Percentage of total offenses	Percentage of sample involved	Percentage of offenses resulting in arrest
Robbery	3,328	4.1	46.9	0.3(n=11)
Assault	170	<.2	20.9	.6(n=1)
Burglary	4,093	5.1	69.0	.7(n=30)
Vehicle theft	398	.5	22.6	.5(n=2)
Theft from vehicle	877	1.1	29.3	.7(n=6)
Shoplifting	9,685	12.0	59.4	.2(n=15)
Pickpocketing	11	<.1	.8	
Prostitute theft	62	<.1	1.3	1.6(n=1)
Other theft	1,009	1.3	35.1	.5(n=5)
Forgery/counterfeiting	1,711	2.1	40.2	.4(n=6)
Con games	1,267	1.6	30.1	
Stolen goods	6,527	8.1	59.4	<.1(n=3)
Prostitution	2	<.1	.4	
Procuring	2,819	3.5	30.5	<.1(n=1)
Drug sales	40,897	51.0	91.6	<.2(n=93)
Arson	65	<.1	2.9	
Vandalism	58	<.1	8.8	1.7(n=1)
Fraud	185	.2	12.1	1.1(n=2)
Gambling	6,306	7.8	38.5	<.1(n=3)
Extortion	648	.8	10.0	
Loan sharking	463	.5	13.0	
Alcohol offenses	58	<.1	6.3	10.3(n=6)
All other	5	<.1	2.1	60.0(n=3)
Total	80,644	100.0	100.0	.2(n=189)
Mean number of offenses per subject	337			

These comments are not intended to minimize the amount of serious crime among heroin users. Rather, they emphasize that such criminality is more often victimless crime than predatory crime. On the other hand, these data also indicate that male heroin users have diverse criminal careers. Almost all (91.6 percent) were involved in the sale of drugs; almost half (46.9 percent) also engaged in robberies, 59.4 percent also engaged in shoplifting, and more than two-thirds (69.0 percent) were also burglars. It might also be added here that 42.7 percent of these subjects used weapons during the commission of all or some of their crimes, the usual weapon being a handgun.

Strikingly, the incidence of arrest among these 239 male heroin users was extremely low. Of the 80,644 reported crimes, only .2 percent (n=189) resulted in arrest. More specifically, consider the following ratios of crimes committed to ensuing arrests:

Crimes against persons	293:1
Crimes against property	273:1
Drug sales	440:1
Forgery/counterfeiting	285:1

In sum, considering all crime categories, one arrest occurred for every 427 crimes committed, with the highest proportion of arrests following alcohol offenses, fraud, vandalism, and prostitutes' theft from clients; the lowest levels of arrest were in cases of extortion, loan sharking, prostitution and procuring, pickpocketing, con games, arson, and dealing in stolen goods.

The level of criminal involvement among the female heroin users was also high, but with a different pattern (see Table 5).

TABLE 5.—CRIMINAL ACTIVITY DURING PAST 12 MO, 117 ACTIVE FEMALE HEROIN USERS

Crime	Total offenses	Percentage of total offenses	Percentage of sample involved	Percentage of offenses resulting in arrest
Robbery	573	1.5	17.1	0.5(n=3)
Assault	26	<.1	7.7	11.5(n=3)
Burglary	185	.5	20.5	1.1(n=2)
Vehicle theft	5	<.1	1.7	
Theft from vehicle	182	.5	18.8	.5(n=1)
Shoplifting	5,171	13.8	70.1	.3(n=13)
Pickpocketing	162	.4	4.3	
Prostitute theft	1,345	3.6	51.3	
Other theft	182	.5	20.5	.5(n=1)
Forgery/counterfeiting	888	2.4	29.9	.3(n=3)
Con games	251	.7	17.1	
Stolen goods	1,006	2.7	36.8	<.1(n=4)
Prostitution	14,307	38.2	72.6	.3(n=37)
Procuring	1,153	3.1	23.1	
Drug sales	11,289	30.1	81.2	.2(n=23)
Arson	88	.2	3.4	
Vandalism	3	<.1	1.7	
Fraud	34	<.1	6.0	
Gambling	574	1.5	22.2	
Extortion	41	.1	4.3	
Loan sharking	1	<.1	9	
Alcohol offenses	22	<.1	6.8	22.7(n=5)
All other	2	<.1	1.7	100.0(n=2)
Total	37,490	100.0	100.0	.3(n=97)
Mean number of offenses per subject	320			

Some 96.6 percent of the females reported the commission of crimes during the twelve months preceding the interview, with a median of 87.7 percent of the criminal activity engaged in to support a drug habit. The 117 female heroin users admitted responsibility for 37,490 crimes, with prostitution and drug sales accounting for more than two-thirds (68.3 percent) of the total. Like the males, the female group manifested considerable diversity in their offense behavior, with 81.2 percent admitting drug sales, 72.6 percent engaging in prostitution, 70.1 percent reporting shoplifting, and 51.3 percent indicating prostitute theft. Fewer females participated in crimes of violence, and, while many engaged in burglaries and other types of theft, such larceny was notably less frequent than among males. Females, however, tended to be arrested more frequently than males during this twelve-month study period, with a ratio of 1 arrest for every 387 crimes committed. The highest rates of arrest involved assaults and alcohol; most arrests were for prostitution and drug sales; no arrests resulted from 1,345 cases of prostitution theft; and the ratio of shoplifting crimes to arrests was 398:1 for the more than 5,000 cases.

Finally, fewer females used weapons during all or part of their offenses (18.8 percent), with the most common weapon being a knife rather than a gun.

DISCUSSION

These data suggest a number of considerations and implications relevant to the relationship between heroin use and crime, while at the same time indicating several areas for further research.

First, the data document a high incidence and diversity of criminal involvement among both male and female heroin users. The 356 persons studied here reported involvement in a total of 118,134 criminal offenses during a twelve-month period, most of these offenses committed for the purpose of supporting the economic needs of a drug-using career. Furthermore, while most of the criminal offenses were what are often referred to as victimless crimes, the 356 respondents were nevertheless responsible for some 27,464 instances of what the Federal Bureau of Investigation designates as index, or serious, crimes.[3] Numerous differences are apparent between males and females in this regard, with the males manifesting a greater involvement in predatory crime, especially violent predatory crime; however, the data also demonstrate that heroin users of both sexes manifest considerable participation in many different levels of criminal activity.

Second, it is evident in these data that arrest rates among heroin users are low. The 118,134 criminal events reported here resulted in a total of only 286 arrests, or a ratio of 1 arrest for every 413 crimes committed; with respect to the more serious index crimes, there was a ratio of 1 arrest for every 292 crimes. This low level of arrest is also apparent in the overall arrest histories of the subjects studied. Among the males, whose careers in crime spanned a median of 12.8 years, the median number of arrests was 3.5. Similarly, the median career in crime among the female heroin users was 11.0 years, and the median number of arrests was only 2.6.

Third, the data described here provide some information pertinent to the question about drug use and crime; namely, is crime a pre- or post-drug-use phenomenon? What the data suggest is that the question phrased in these terms is an oversimplification of a very complex phenomenon. By examining the median ages of initiation into various stages of substance abuse and criminal careers, the complexity becomes evident. For example—

	Males	Females
First alcohol use	12.8	13.8
First alcohol intoxication	13.3	13.9
First criminal activity	15.1	15.9
First drug abuse	15.2	15.2
First marijuana use	15.5	15.4
First arrest	17.2	18.3
First barbiturate use	17.5	17.0
First heroin use	18.7	18.2
First continuous heroin use	19.2	18.4

Among the males, there seems to be a clear progression from alcohol to crime, to drug abuse, to arrest, and then to heroin use. But upon closer inspection, the pattern is not altogether clear. At one level, for example, criminal activity can be viewed as predating one's drug-using career, since the median point of the first crime is slightly below that of first drug abuse, and is considerably before the onset of heroin use. But, at the same time, if alcohol intoxication at a median age of 13.3 years were to be considered substance abuse, then crime is clearly a phenomenon that succeeds substance abuse. Among the females, the description is even more complex. In the population of female heroin users, criminal activity occurred after both alcohol and drug abuse and after marijuana use, but before involvement with the more debilitating barbiturates and heroin.

In summary, these preliminary data suggest that an alternative perspective for research on the link between drugs and crime may be in order. Although the findings here are descriptive of only one population, which could be unique, they suggest that the pursuit of some simple cause-and-effect relationship may be futile. It is clear that heroin users are involved extensively in crime, and that their involvement is largely for the purpose of supporting the desired level of drug intake. It is also clear that users' initiation into substance abuse and criminal activity occurs at a relatively early age. But there are several things that are not clear. Do substance abusers, for example, alter the nature, extent, and diversity of their criminal behaviors at the onset of marijuana use, at the onset of heroin use, or after their initial criminal justice processing? Do adolescent predatory criminals alter the nature and extent of their criminal involvement at various stages of drug abuse? Does drug abuse involve a shifting from primarily predatory crime to victimless crime? Does drug taking result in an increase or decrease in criminal activity? And finally, does a drug-taking career fix the criminal careers of adolescents who might otherwise shift into more law-abiding pursuits as they approach young adulthood? These questions can be answered only by turning away from existing notions about the drug/crime nexus, generating a more comprehensive data base, pinpointing the locations where drug use and crime are highest, and circumscribing total criminal involvement at all stages of drug-using and non-drug-using adolescent careers.

[3] The FBI index crimes include homicide, forcible rape, aggravated assault, robbery, burglary, larceny-theft, and motor vehicle theft.

The Criminality of Heroin Addicts When Addicted and When Off Opiates

(By J. C. Ball, L. Rosen, J. A. Flueck and D. N. Nurco)

[Tables appear at end of article]

ABSTRACT

This study of 243 male opiate addicts has two broad objectives: (1) to ascertain the frequency and types of offenses committed by addicts during an 11 year period, while at risk, or "on the street"; (2) to compare criminality during addiction periods with criminality during periods off regular opiates.

It was found that these 243 addicts committed more than 473,738 offenses during their years at risk. The extent of their criminality was measured by the number of Crime-Days accumulated. A crime-day is a 24-hour period during which one or more crimes is committed (not including drug use or drug possession). The mean number of crime-days per year at risk per addict was 178.

With respect to criminal careers, it was found that 156 of the addicts were primarily engaged in theft, 45 were drug dealers and 36 were involved in assorted other crimes. For each of these groups, the extent of their criminality was markedly affected by their addiction status. Their average crime-days per year at risk when addicted was 248.0; when off regular opiates, it was 40.8. Thus, there was a six-fold increase in their frequency of crime when addicted.

A stepwise regression analysis revealed that criminality was correlated with demographic variables, but the dominant influence upon the extent of their crime was the amount of time addicted. In conclusion, the research significance and policy implications of these findings are reviewed.

INTRODUCTION

Overview of the research problem

There is rather general agreement among criminologists that an increase in criminality commonly occurs following the onset of heroin addiction in the United States (Chein et al, 1964; O'Donnell, 1966 and 1969; Ball and Snarr, 1969; Nash, 1973; Weissman et al., 1974; McGlothlin et al., 1978). Despite this overall consensus however, the dynamics of the relationship between opiate addiction and crime continues to be a matter of controversy. Among the questions which remain unresolved, three seem especially crucial:

(1) What is the temporal sequence of events regarding the onset of heroin addiction and the commencement of criminal behavior? (2) What are the types and frequencies of crimes committed by heroin addicts? (3) What impact does post-onset periods of abstinence or subsequent periods of addiction have upon criminality?

Although answers to these questions will not solve the social problem of heroin addiction in the United States which currently involves 550,000 individuals (Federal Strategy, 1979), the answers could provide a means of unraveling one difficult aspect of the problem—that involving criminal behavior. An answer to the first of these three questions is derived from a critical review of pertinent scientific reports. Answers to the second and third questions are provided by an analysis of the present research findings.

The issue of sequence reviewed

The issue of the temporal sequence of drug abuse and criminal behavior has been a topic of scientific concern for over 50 years. The reason for this interest has been primarily etiological—to determine which of these factors was the determining (or causal) one.

Most of the early investigators found little criminality before the onset of opiate addiction (Klob, 1925; Terry and Pellens, 1928; Pescor, 1943). Later studies, however, have shown a high probability of criminality preceding heroin addiction (Robins and Murphy, 1967; Jacoby et al., 1973; Chambers, 1974). Thus, Jacoby reports that 71 percent of heroin users in Philadelphia had a delinquency record prior to onset of their opiate use compared to 35 percent of all boys in the same city-wide age cohort who also had such records.

This difference in the sequence of events between the early and later studies suggests that there is no invariant relationship between heroin addiction and crime. Instead, it seems that the relationship is contingent upon the particular historical period and population of heroin addicts selected. Thus, if heroin is being introduced into a non-criminal or low-criminal population (e.g., medical professionals or middle-class adults) it would be highly unlikely to find criminality preceding heroin use. Conversely, higher levels of preexisting criminality among heroin addicts would be expected within a population with a high endemic crime rate (e.g., youthful lower class males in metropolitan slums). Support for this demographic and historical interpretation of the sequence issue is found in numerous studies of addict populations in which the sequence of onset of opiate use and the commencement of criminality differ. (See Ball and Chambers, 1970.)

It seems reasonable to conclude, therefore, that the issue of the sequence of unique events (first heroin use or a first act of delinquency) may be less significant than determining the continuing influences which sustain criminality and opiate addiction over a period of years or decades. This contention is supported by the fact that an initial onset experience of substance use (opiates, marihuana, alcohol, tobacco, etc.) often does not lead to continued use and dependence and, furthermore, that most citizens engage in one or more acts of delinquency during adolescence without becoming enmeshed in a criminal lifestyle.

Further conceptual impediments to crime-drug research

Before turning to consider the frequency and type of crimes committed by addicts and the impact of heroin addiction upon these crime rates, it is pertinent to comment upon several conceptual and methodological problems which confront researchers in this area.

Although there has been a notable increase in criminological research pertaining to heroin addiction in recent years which has produced a significant knowledge base, there still are unresolved conceptual problems which tend to obscure the fundamental scientific issues and, therefore, hamper the formulation of testable hypotheses and relevant research on this topic. Among the more pressing conceptual problems, four seem most apparent. These are (1) inappropriate use of a unitary factor causal model, (2) failure to distinguish between onset of deviance and its continuance as separate issues, (3) lack of cross-cultural and historical perspective, and (4) general neglect of abstinence periods in studying this relationship. Each of these conceptual issues will be discussed.

A pervasive conceptual problem which has seriously impeded the advancement of research with regard to the crime-drug relationship is use of a unitary causal model which posits that there is a single causal factor which will explain this relationship. Commonly, the researcher holds that heroin use "leads to" crime; or that crime "leads to" heroin use; or that both drug addiction and crime are caused by a single third factor. The belief that there is a single caused factor which will explain both crime and drug abuse appears to be a misapplication of the infectious disease model which seeks to identify a specific causal agent. But the concept of a single invariant causal agent is an inappropriate, and hence, fallacious, explanation for most human behavior. It is no longer meaningful to talk of the cause of crime, or the cause of drug use. There are various reasons why individuals engage in crime or become drug addicts.

A second conceptual problem involves the failure to distinguish between the onset of heroin use and the reasons for continuation of use over the years. These two phenomena are quite different. Thus the circumstances and influences which contributed to first use of heroin are quite different from those which support long-term addition to heroin. And so it is with criminal behavior: a first illegal act is quite different from a criminal career.

A third conceptual problem has far-reaching implications, although it involves rather straightforward findings from cross-cultural and historical research. This involves the fact that crime and opiate use exist independently of one another. Consequently, it is apparent that heroin use does not always promote criminal behavior, nor crime always promote drug use. Rather, a cross-cultural and historical perspective substantiates the proposition that there may, or may not be, a relationship between opiate use and crime within a specified population and culture. (Ball, 1977).

A last conceptual point is that periods of abstinence from opiate addiction have been largely ignored in research, although the contrast between periods of addiction and abstinence (or lesser use) with respect to criminal behavior could significantly further our knowledge of this relationship. This omission may be due to a lingering notion that heroin addicts are seldom if ever off drugs except when incarcerated (which is untrue); or it may be that this research neglect is due to the difficulty of obtaining detaield data pertaining to periods of abstinence and addiction.

By way of recapitulation, it may be said that various conceptual problems have tended to hinder the formulation of specific research questions which could be investigated and resolved. The emphasis upon searching for universal relationships and developing grandiose causal theories has impended middle-range theories based upon verifiable empirical generalizations.

Measurement issues in crime-drug research

By and large, the most striking methodological weakness in contemporary research pertaining to the crime-heroin relationship is the lack of adequate measures of criminality. The measurement problems are easy to identify, but difficult to resolve.

Two measurement issues are of particular significance in the present context. First, it has been recognized that official records of crime are an inadequate measure of actual criminal behavior within most offender populations. This tends to be especially the case among persistent offenders. Thus, recent studies have reported that less than one percent of property offenses committed by drug abusers result in arrest. (Inciardi and Chambers, 1972; McGlohlin et al., 1978). In addition to grossly underestimating the amount of crimes committed by opiate addicts, official records may also fail to provide a representative sample of the types of crimes committed.

Secondly, there is need for a measure of criminality which will enable analysis of actual crime-rates over an offender's career or lifetime. Thus, we would like to be able to measure criminal behavior on a yearly basis in order to surmount the middle-class bias of regarding crime as a unique or infrequent event. If addicts are committing hundreds of crimes a year per subject (as is the case in this study) it is not only inaccurate to depict this as being reflected by one or two arrests, but it is a gross distortion of a social reality. The research need, then, is to obtain a valid and meaningful measure of criminal behavior which will facilitate the computation of yearly rates.

In stating that there are special measurement needs in studying populations who are heavily involved in criminal behavior, it is pertinent to note that most criminological resesarch and most studies pertaining to drug users are concerned with a few officially recorded crimes or a few minor acts of delinquency. As a consequence of this dominant focus upon populations with a low frequency of criminality, measurement problems encountered when studying populations with a high frequency of criminal events (e.g., 200 or more crimes per year) have been neglected. For example, high monthly or yearly offense rates may prove difficult to interpret and use in comparative analysis because of the confounding effect of these few high values upon sample statistics. Thus, if a few individuals commit a thousand or more offenses per year, this fact can easily distort other sample statistics unless appropriate measures are employed.

Indeed, it was precisely this problem which prompted the formulation of our crime-day measure, which will be discussed below.

Statement and development of the research problem

As noted previously, this study was planned to provide answers to two rather specific research questions: What are the types and frequencies of crimes committed by heroin addicts? What impact does post-onset periods of abstinence or subsequent periods of addiction have upon criminality?

In pursuing answers to these seemingly straight-forward research questions, we soon found ourselves involved in reviewing hundreds of interview schedules, devising new coding procedures and otherwise enmeshed in the complexities of criminological data analysis. Among the problems which we encounted were the following:

1. How should we handle multiple offenses committed on the same day? (If we count each act of theft—as in department store "boosting"—as a separate event, the large number obtained will not provide a meaningful basis for comparison).

2. How can we, or should we, differentiate among various types of felony offenses? (That is, given the extent of criminality in this sample, how can we classify their offenses in a meaningful way?)

3. How can drug offenses, "drug related"

offenses and other offenses be differentiated? (At the onset, it was decided to delete drug use and possession offenses, but what about drug sales and property offenses? How should these be analyzed?)

4. What time period should be used in computing crime rates? (Monthly, yearly, or for their addiction career?)

5. Is it feasible to trace crime careers in terms of the predominant type of offense committed? (How can the addicts be classified according to their criminal way of life?)

6. How can periods of addiction and periods of regular opiate use be analyzed with respect to crime rates? (With no accepted procedure for computing rates and with the difficulty of combining, or otherwise ordering, addiction and abstinence periods, how could meaningful comparisons be effected?)

The above is a simplified and organized list of some of the measurement problems which confronted us at the beginning of the data analysis. In retrospect, it is evident that the difficulties were primarily due to a single methodological problem. An appropriate and efficacious measure of criminality was not available. What was needed was a measure that would: provide a feasible means of explaining crime in this population, be scientifically and statistically valid, and yet be reasonably simple to use and understand.

A new measure of criminal behavior: Crime-days per year at risk

In the present paper, a new measure of criminal behavior is described and employed in an on-going research project. The new measure has been termed Crime-Days Per Year at Risk. A crime-day is a 24-hour period in which an individual commits one or more crimes. The number of crime-days per year at risk refers to the number of days per year that an individual has committed crimes from 0 to 365.

This new measure, Crime-Days Per Year at Risk, is found to have unique analytical power as it permits the calculation of uniform crime rates by years at risk and it is not confounded by multiple crimes committed on a given day. Furthermore, the term Crime-Days Per Year at Risk appears to be an effective procedure for explaining and understanding the extent of serious criminal behavior because it relates the number of crimes committed by individuals to a common frame of reference—times per year. The discovery of the average crime-days per year concept was made by the senior author while analyzing detailed life history data pertaining to heroin addicts as part of a follow-up study in Baltimore.

V. Definition of terms:

Crime-Day.—A crime-day is defined as a 24-hour period during which one or more crimes is committed by a given individual. Each day of the year, then, is either a crime-day or a non-crime day.

Heroin Addiction.—This term refers to the daily use of opiates. (Daily use or regular use, is defined as use during at least four days per week for a month, or longer; most were heroin users).

Average crime-days per year.—This measure is defined as the average number of Crime-Days Per Year at Risk for a given individual. The range is from 0 to 365. Thus, an individual with 1,489 crime-days during a seven year risk period has an average Crime-Days Per Year at Risk of 213. (Actual computation is by days at risk and number of crime-days).

Years at risk.—Years at Risk is the number of years an individual is "on the street" or not incarcerated. It is calculated on a cumulative basis by subtracting jail, prison, and hospital time from the years since onset of regular opiate use.

Principal type of crime.—This is the predominate type of crime engaged in by a given individual during his years at risk, as theft (boosting, burglary, etc.), con games, robbery, gambling, drug sales, etc. This principal type of criminal behavior is the most common offense committed from an actuarial viewpoint. It answers the question, what kind of crime does he usually commit? The crimes reported by our sample reflect a broad range of criminal behavior and include: larceny (pick-pocketing, shoplifting, unauthorized use, burglary), robbery, fencing, assault, con games, pimping, soliciting, gambling, rape, abortions, forging, drug dealing, murder, and loan sharking. Mere possession or use of drugs is not classified as a crime in this analysis.

Criminal career.—This is the criminal behavior pattern which an individual has followed while at risk. The two main elements in determining the crime pattern are (a) type of crime and (b) frequency of crime. Examples of crime patterns are: daily theft, daily con games, weekly robbery, weekly forgery, infrequent assault, and so forth. In each case, the crime pattern, or career, is the most common, or usual, offense committed during the subject's years at risk and the frequency of commission. Thus, a pattern of daily theft during a four-year period indicates that the individual had as his common offense theft of property and that this was carried on most of the time he was at risk. Since the crime pattern is derived for each person from his average-crime-days per year and the principal type of crime committed, the actual number and type of crimes is known in each case.

In order to obtain answers to the criminological questions advanced, the study was organized according to the following procedures: (1) A sample of 243 male opiate addicts was selected for study, (2) Periods of addiction and periods of abstinence from opiate dependence were enumerated, (3) The number of crime-days per year at risk was determined for the sample, (4) The addicts were classified by principal type of criminal career pursued from onset of regular opiate use to interview, (5) The extent of crimes committed were analyzed by criminal career types controlled for addiction and abstinence periods, (6) a correlation analysis of addiction, crime and demographic variables was undertaken, (7) a stepwise regression of addiction and abstinence periods was undertaken in order to determine the relationship of selected crime and demographic variables to each of these drug use statutes. In the remainder of the paper, these procedures will be described and the relevant research findings presented.

The sample and interview schedule

This paper is based on interview data obtained from 243 Baltimore opiate addicts (most were heroin addicts). The 243 male addicts were a random sample selected from a chronologically stratified list of 4,069 known opiate users arrested (or identified) by the Baltimore Police Department between 1952 and 1971. The sample was unselected for criminality, but stratified by race and chronological period. Of the 243 subjects, 109 were white and 134 were black. Analysis of race and cohort differences has been undertaken elsewhere (Nurco and DuPont, 1977).

The selection of the final sample of 243 was accomplished as follows. The initial sample drawn from the police files consisted of 349 individuals, but 57 of these had died by the time of followup interview, 2 were in mental hospitals (for psychosis), 6 were unlocated and 17 refused to participate in the study. Thus, 92 percent of the sample who were alive and not in mental institutions were interviewed (i.e., 267 of 290 subjects).

Of the 267 addicts who were interviewed, 14 claimed never to had been regular users of opiates, 3 used opiates regularly for only one or two months and the onset of one preceded everyone in the sample by 22 years; these 18 were excluded. In addition, a careful review of the remaining 249 cases revealed that 6 interviews had significant discrepancies between their self-reports and FBI records; these 6 were eliminated. (These six claimed no criminal behavior, but their arrest record listed two or more non-drug offenses). The remaining sample consisted of 243 cases. The sample procedure and characteristics of the base population are described more fully elsewhere (Nurco et al., 1975).

Although comprehensive penal, hospital and other institutional data was collected with respect to the addict sample, the main source of data for the present analysis was obtained through personal interviews. Each of the 243 addicts was interviewed between July 1973 and July 1974 by specially trained interviewers who were familiar with the Baltimore addict subculture. The interview lasted some three hours and the questions were focused upon six topics: drug use, criminal behavior, work, living arrangements, drug selling and sources of income.

The interview schedule consisted of six parts: (1) Life-time prevalence of drug use by specific drugs of abuse (7 pages, completion time about 30 minutes); (2) History of opiate use by addicted and abstinent periods during risk years (3 pages, 30 minutes to complete); (3) Preaddiction criminality and circumstances of onset of opiate use (7 pages; 30 minutes); (4) Circumstances of first regular use of opiates (i.e., daily use for a month or longer) and each subsequent addiction period. This part includes information on criminality for each period of regular opiate use or abstinence (10 minutes for each addiction period; 7 pages each); (5) Marital history, parental background, juvenile delinquency, military service, treatment history, incarceration history, criminal history (16 pages; 60 minutes to complete); (6) Interviewer's rating of respondent's attitude, appearance and overt responsiveness (1 page; 5 minutes).

The validity of the interview data has been the subject of a separate study (Bonito et al., 1976). The findings of this study substantiate the conclusions from prior research concerning the validity of interview data obtained from opiate addicts; namely that valid data can be obtained if specially trained interviewers who are familiar with the local addict subculture are employed.

III. The research findings—addiction and abstinence periods for 243 males:

The mean age of the 243 males at the time of interview was 35.9 years and 93 percent of the sample was between 25 and 49 years of age. Since onset of opiate addiction usually had occurred when the subjects were between 15 and 19 years, most of the sample had a post-onset career of 10 or more years (198 had 10 or more years, 37 had 5–9, and 8 had 2–4 years).

Since a major focus of the lengthy interview was to obtain detailed chronological data pertaining to addiction status from onset of regular opiate use to time of interview, each subject was asked to describe in detail his addiction, abstinent, and incarceration periods. For the entire sample, there were 2,340 time periods, 1,102 were addiction periods, 488 were abstinent periods, 700 were jail or prison time periods, 52 were hospitalization periods and 78 periods were unclassified because of insufficient data. (These few unknown periods were omitted from further analysis). In the present paper, attention is directed toward the addiction and abstinent periods, as this was the time during which the subjects were at risk.

All subjects had one or more addiction periods. The average length of an addiction period was found to be two years, although longer periods were common. Each subject was asked about his daily and weekly use of specific drugs during each period (dosage,

multiple use, times used per day or week). In this manner, each subject's years, months and days at risk was classified as addicted to or abstinent from opiates.

The total amount of time that this Baltimore male sample spent addicted to opiate drugs since onset of regular opiate use was 61.6 percent of their risk years; they were off regular opiates 38.4 percent of their risk years. Since their average years at risk was 11.3, they were addicted to opiates almost two-thirds of the time, and abstinent somewhat over a third of the time (Figure 1). Two further points are pertinent about their abstinence periods. First, with regard to the abstinence from regular opiate use classification. This status included periods of occasional use of opiates as well as periods of frequent use of non-opiate drugs. Second, it is significant that 85 percent of the sample had such abstinence periods.

Lifetime criminality since onset of opiate addiction

Although periods of addiction or abstinence during the years at risk provided the chronological frame of reference for the interview, additional detailed data was obtained for each period concerning criminal behavior, employment, income, family life and other variables. With respect to criminality, each subject was asked about the number and type of crimes he committed on a weekly and daily basis for each addiction or abstinent period. These responses provided the basis for determining the number of crime-days, the principal type of crime and crime and criminal career pattern for each subject.

The total number of crime-days during the risk years for the 243 addicts is tabulated in Table 1. The range in crime-days within the sample was from 0 to 9,450. That is, from no crimes committed by six addicts to 9,450 crime-days accumulated by one addict during his risk years.

The total number of crime-days amassed by these 243 addicts during their years at risk was 473,738. This total is an undernumeration of the total number of crimes committed as multiple crimes during a crime-day were common. It is also pertinent to note that most of the crimes reported were for theft and that drug use or possession was not classified as a crime.

The mean number of crime-days per addict during their years at risk was 1,998.9. Thus, the majority of these addicts were deeply enmeshed in a criminal way of life. There were, however, important differences in their patterns of criminal behavior as well as their frequency of committing crimes. In order to control for years at risk, crime-days were computed for each person by years at risk (Table 2). The mean number of crime-days per year at risk for the sample was 178.5. Thus, the total amount of time that these Baltimore addicts spent engaged in daily criminal behavior since their onset of addiction was almost half of their risk years. To be exact, they were committing crimes on a daily basis during 47.7 percent of their years at risk (Figure 2).

Criminal careers of the 243 addicts

Each of the 243 addicts were classified as to the common criminal career which he had followed since onset of regular opiate use. These criminal career types were determined on the basis of the principal, or most common, type of crime committed, and secondly, on the frequency of commission—whether daily, weekly or less often. Six of the 243 addicts had committed no crimes during their risk period.

It was found that the 237 addicts who had committed crimes could be classified into nine types of criminal careers. These nine were: daily theft, daily drug sales, other daily crime; weekly theft, weekly drug sales, weekly other crimes; infrequent theft, infrequent sales and infrequent other crimes (Table 5). Some two-thirds of the 237 addicts had theft as their principal type of crime. Of these 156 who were career thieves, 41 engaged in daily theft during their year at risk, 58 engaged in weekly theft and 57 in infrequent theft.

The selling of drugs was the second most favored type of crime committed by these addicts; 45 were principally engaged in selling drugs, or "dealing". Of the 45 dealers, 13 pursued this crime on a daily basis, 18 on a weekly basis and 14 on an infrequent basis.

The remainder of the sample were engaged in committing other types of crimes on a daily, weekly or infrequent basis. Of these 36, only 7 were engaged in daily crime, 7 in weekly crime and 22 in infrequent crimes. Confidence games, forgery, gambling and procuring (pimping) were the principal types of crime committed by these 36 addicts.

The classification of the sample into nine criminal career types somewhat obscures the fact that many addicts engaged in more than one type of crime during their years at risk. This situation is especially notable with regard to the 61 addicts who were daily criminals. Thus, 55 of the 61 had engaged in theft during their years at risk and 43 had engaged in some dealing, although only 13 had this as their principal daily criminal activity. In addition to theft and dealing—the two most common types of crime—33 of the 61 had engaged in other crimes, such as forgery, gambling, confidence games, robbery and pimping. The complete list of all crimes reported by these daily criminals during their years on the street is: theft (this includes shoplifting; "cracking shorts", burglary and other forms of stealing), dealing, forgery, gambling, confidence games (flimflam, etc.), pimping, assault, mugging, robbery, armed robbery, and abortionist. Lastly, although most of the 61 criminals engaged in more than one type of crime during their years on the street, there still was a marked tendency to focus upon one main, or principal type of crime—(especially theft or dealing). Furthermore, 11 of these 61 males confined themselves exclusively to one type of crime during their years at risk (8 only committed theft, one only sold drugs, one was a confidence man and one a gambler).

The impact of addiction upon criminal careers

The extent of criminality among all nine career types was affected by their addiction status. Thus, there was an overall sixfold increase in the number of crime-days per year at risk during addiction as contrasted with the abstinent periods (Table 5). Rather surprisingly, the proportionate increase in crime-days per year at risk when addicted vs. when abstinent was most marked among the criminals who engaged in weekly or monthly offenses. Thus, for 5 of these 6 career types (weekly theft, weekly dealing and the three infrequent types) the extent of criminality increased more than ten times the non-addicted rate. The greatest increase was for the 22 subjects who committed other crimes on a monthly basis—from 2.3 crime-days per year to 108.2 crime days per year.

Although the extent of criminality within this addict sample was notably increased when the subjects were addicted to opiate drugs, the non-addicted crime rate was still quite high. As might be expected, the highest crime rates when not addicted were found among the three criminal career types who had the highest crime rate when addicted (daily theft, daily sales and daily other crimes). In these three career types, the addicts committed crimes from one to three days per week when not addicted (for these three groups, the rates per year at risk were 109.7, 88.3 and 151.0). In considering the rates of criminality for the nine career types when abstinent from opiates, it seems significant that these nine rates vary more (from 2.3 to 151.0) than do the rates when these same subjects are addicted. In a sense then, one effect of opiate addiction is to raise the number of crimes committed to a threshold, or support, level, and this occurs for all nine career types. Thus, when addicted, 7 of the 9 career types commit more than 260 crimes per year and none of the nine career groups fall below 100 crime-days per year at risk.

Correlation of addiction, crime and demographic variables

In order to investigate the relationship of specific addiction, crime and demographic variables, a correlation analysis of ten variables was undertaken. These ten were: (1) Total number of crime-days accumulated during years at risk (Total CD); (2) Total number of crime-days accumulated while addicted during years at risk (CD–H); (3) Total number of crime-days accumulated while not addicted during years at risk (CD-Off); (4) Total number of days addicted during years at risk (H-days); (5) Total number of days not addicted during years at risk (off-days); (6) Total number of officially recorded arrests during years at risk (Arrests); (7) Crime committed after age 17, but prior to onset of addiction; by self-report. Coded as a dichotomy: 1. Yes, 2. No. (Prior Crime); (8) Race; 1. White, 2. Black; (9) Age at onset of opiate addiction, (Onset Age); and (10) Age at time of interview (Age at interview, or Age).

The correlation matrix of Table 4 provides an initial delineation of the relationship among these three sets of variables (i.e., addiction, crime and demography). The first column, total crime-days (variable 1), indicates the overall relationship of criminality to addiction and other variables, but the interpretation of several of these Column 1 correlations is ambiguous due to the distinct effect of addiction vs. non-addiction status. This uniqueness of the two addiction statuses is evident in a comparison of column 2 with column 3. Thus, total crime-days when addicted (variable 2) is significantly correlated with all seven variables: H-days, off-days, arrests, prior crime, race, onset age and age at interview, but not significantly correlated with total crime-days-off (variable 3). Furthermore, total crime-days-off is not significantly correlated with any of these same seven variables (4 through 10). Also underscoring the distinctiveness of the two periods is the absence of correlation between them (i.e., R of minus 0056 between variables 2 and 3) which indicate that the frequency of crime committed during addiction and off-periods are independent of one another. Thus, the amount of crime committed during addiction periods does not predict the amount of crime committed while off opiates; consequently, a "heroin day" is a very different kind of day from an "off-day" insofar as crime is concerned.

With respect to criminal history and demographic variables, these are both correlated with total crime-days and crime days-H, but as noted not with crime-days off. Specifically, the total number of arrests since onset of addiction is positively correlated with variables 1 and 2. The correlation of arrests with crime-days-H is (.3073). Variable 7, prior crime, is also positively associated with CD–H, but this measure of early criminality poses difficulties with respect to interpretation because it is affected by early onset and prior juvenile delinquency; nonetheless, it is included in the present analysis as it does measure prior criminality to some extent.

Race (black) is positively correlated with crime-days-H, but again, not with crime-days off. Age at onset of opiate addiction (Variable 9, Table 4) is negatively correlated with crime-days-H and crime-days-off, although the latter correlation (—.1221) is not significant. The finding that early age at onset of addiction is correlated with a higher

frequency of later criminality is a consistent finding of this study. The moderate positive correlation of age at interview with crime-days-H (.2130) indicates that age (and time at risk) have some relationship to crime-days, but that this issue requires further analysis.

In considering time at risk, or "street" time, it might appear that the high positive correlation between H-days and crime-days-H (.7914) is to be expected because both of these measures are affected by the amount of time at risk. But considerably more is operating here than time at risk. For if time at risk were the principal influence, then, the two correlations (off-days and CD-off; and H-days with CD–H) would be about equal in value. But the marked difference between these two correlations (.1567 vs. .7914) indicates that other influences are operating during the addiction periods as contrasted with the off periods. Furthermore, a partial correlational analysis controlling for age at interview revealed that the relationship between crime and number of days for both the on and off periods was similar to the zero-order values. Thus, for the on periods, a partial value of .7907 was obtained (compared with a zero order value of .7914) and, for the off periods, a partial value of .1817 (compared with .1567). These results indicate that age and time at risk are not the principal influences which determine the number of crime-days accumulated by these 237 addicts.

Stepwise regression analysis of addiction and abstinence periods

Thus far, it has been found that: (1) The frequency of crime is strongly related to the amount of addiction time, and (2) That the addiction and non-addiction (or abstinence) periods are quite distinct experiential periods which require separate analysis. In order to investigate these two major findings with greater precision and analytic power, a stepwise regression analysis of the addiction and abstinence period was undertaken for the 237 male addicts. In this analysis, relevant variables from the correlation matrix are employed.

The stepwise regression analysis of crime-days accumulated while these 237 addicts were addicted yields results which are quite striking (Table 5). Thus, there is strong positive correlation between the number of days addicted and the number of crime-days (.7914). This single variable (H-days) accounts for 63 percent of the variance in criminality during the addiction periods. Two of the remaining variables account for a small additional proportion of the variance; these are age at interview and number of arrests, both positively correlated with crime-days-H.

The stepwise regression analysis of crime-days accumulated during off-periods reveals results which are quite different from those of the addiction periods. With respect to criminality during the off-periods (as measured by crime-days off), only two of the seven variables are significantly correlated (Table 5). The first of these off-days, is only weakly correlated with crime-days-off (+.1567). The second variable to enter, age at onset, is negatively correlated with CD-off indicating the consistent relationship between early age of addiction onset and criminality previously noted. The remaining five variables are not significantly correlated with crime-days while off. Of special interest is the lack of correlation between crime-days-off and H-days. Thus, the amount of crime committed by these heroin addicts while they were not addicted is independent of the amount of their addiction time. This analysis of criminality while not addicted to heroin reveals then, only small variance accounted for by the variables studied. In this sense, the findings are similar to those of most criminological research which shows modest correlations between crime and independent variables.

Stepwise regression analysis of criminality for the three career groups

Inasmuch as the frequency of crime was found to be related to the criminal careers of these 237 addicts, it was deemed necessary to undertake a separate stepwise regression analysis for each of the three major offender groups: those primarily engaged in theft of property, those who were drug sellers and those engaged in other types of crimes (Table 6–8).

Perusal of the three tables reveals that the number of days that the subjects were addicted is the single most important influence upon their criminality during the addiction periods. In this regard, the strongest effect was for the dealers and the weakest effect for the other crimes group. The remaining variables added little to the explained variance for the theft and dealer groups, but were more important for the other crime group. The total variance explained in all three groups was high, (i.e., 67.7%, 73.7%, and 61.4%).

The three offender groups were also quite similar with respect to criminality during the off-periods, in that substantially less of the variances was accounted for by the variables studied. Thus, for the 156 offenders engaged in theft, the 45 dealers and the 36 involved in other crimes, only from 10 to 25 percent of the variance was accounted for during the off-periods.

To recapitulate, these findings suggest that the theft group and the dealers are fairly similar in that their criminality is primarily affected by their drug addiction. During the abstinence period, however, their frequency of crime is not highly explicable by the set of variables investigated in this study. But when daily heroin use takes hold, they turn to crime (by theft or dealing) to acquire sufficient resources to support their daily habit.

The "other" group emerges as a somewhat unique group. Although the impact of daily heroin use is strong, it does not seem to have the same overwhelming effect as it does with the other two groups. Consequently, these 36 individuals have a frequency of criminality that is somewhat more predictable during the non-addiction periods, as indicated by the relatively high R of .5034. While addiction seems to be a factor that definitely increases their crime, at the same time, other factors continue to be of consequence in both the addiction and abstinence periods.

Review and interpretation of the research findings

In reviewing the research findings of this study, attention will first be directed toward the significance of addiction and non-addiction periods. Then, the frequency, magnitude and persistence of offenses committed by these 243 addicts will be considered along with the types of crimes committed during their years at risk. Next, the correlation and stepwise regression analysis will be reviewed. This will be followed by an appraisal of the new measure of criminality utilized in this research—crime days per year at risk. Lastly, the broader implications of this study with respect to the control of crime committed by opiate addicts in the United States will be addressed.

It was found that these 243 addicts spent two-thirds of their time addicted to opiates and one-third not addicted. The time under study was their years at risk, or "street" time, and this averaged 11 years per addict from onset of addiction to time of interview. The fact that addiction was not a continuous state of drug dependency seemed significant. For it indicated that there were considerable periods during which changes in the addict's lifestyle might occur, and in fact, it was found that these periods of abstention (or lesser use) did have important consequences. In particular, it was found that criminality decreased markedly during the months or years that these addicts were not dependent upon heroin and other opiates. The decrease was striking—an 84 percent decline in the crime rate.

One of the major findings of this study was that heroin addicts commit a staggering amount of crime and that this continues fairly much on a daily basis for years and decades. Before turning to an analysis of differences in crime-rates by addiction status and other factors, it is meaningful to note the overall amount of crime which these 237 males have committed.

The research findings presented in Table 1 show that the average addict has committed one or more crimes during some 2,000 days. Taken together, these 237 male opiate addicts have been responsible for committing more than 500,000 crimes during an eleven year risk period. The exact figure is 473,738 crime-days, but this does not include multiple offenses committed on a given day, so the figure of 500,000 crimes is an underestimate. In this regard, it should be noted that theft was the principal type of crime committed and that drug use or possession were not themselves, classified as crimes.

This high frequency of criminality among opiate addicts is similar to that which has been reported by other investigators. Thus, Inciardi and Chambers (1972: 59) found that 26 addicts on the street were responsible on a daily basis for 22 major crimes." In a recent larger study, Inciardi found that 239 active male heroin users committed 80,644 offenses during a 12-month period (Inciardi, 1979). These latter results from addicts in Miami are remarkably similar to the present findings from Baltimore, both with respect to frequency and types of crime committed.

In the present study, it was found that the addicts could conveniently be classified into three major offender types—theft, drug sales and other crimes—on the basis of the crimes which they usually engaged in during their years at risk. This classification proved to be feasible after the concept and measure of crime-days was developed and it was found that criminal careers for most of the addicts were relatively stable. Thus, 156 addicts were found to be primarily engaged in theft, 45 in drug sales and 36 in other types of crime.

The measure of average crime-days per year at risk was introduced and employed to determine the frequency of offenses per year for each of the 237 addicts during all of their years at risk. It was found that the mean number of crime-days per year for the 237 addicts was 178.5. But, many addicts had more, or fewer, crime-days for each year at risk. Indeed, the distribution presented in Table 2 indicates that 9.5 percent of the addicts were engaged in crime virtually every day of their lives since they began regular opiate use. Conversely, there were 6 addicts who reported that they had not been engaged in crime at all during their years at risk. But most of the addicts were consistently engaged in a rather high level of crime during their years at risk; two thirds had from 100 to 365 crime-days per year for all of their years at risk.

A second major finding of the study was that addiction status had a marked influence upon criminality among these males. Thus, it was found that the number of offenses increased sixfold when these subjects were addicted. And significantly, this increase occurred for all nine offender types (Table 3). Thus, when abstinent, the average crime-days per year varied from 2.3 to 151.0, with an average of 40.8. By contrast, when addicted the rate was always over 100 crime-days per year and commonly over 250 crime-days per year at risk.

These research findings pertaining to the impact of addiction upon criminality were surprising and unexpected. Thus, we did not expect this marked increase, given the known involvement of this population in crime. Or, conversely, one might say that we were unprepared for the decrease which occurred when addiction ceased.

These findings concerning markedly different crime-rates when addicted and when off regular opiates led to a correlational analysis of these data. In this analysis, it was observed that the amount of crime committed during addiction periods was largely a function of opiate use, specifically of the time spent addicted. But unexpectedly, it was also found that the amount of crime committed when addicted was unrelated to that committed when off opiates. Thus, it may be held that this analysis provides an explanation for high crime rates during addiction, but provides a much less adequate account of criminality during the non-addiction periods. Although comparatively infrequent, criminality during these off periods deserves further investigation.

The stepwise regression analysis revealed that the impact of addiction upon criminality is pervasive and long-lasting. Thus, addiction was the principal force which increased criminality, regardless of the type of crime pursued. And this relationship between opiate addiction and criminality was not a transitory phenomenon, but an enduring relationship which obtained during an 11 year risk period.

Before turning to discuss the implications of this study, it is pertinent to comment upon the usefulness of the crime-days measure. In this study of subjects with an extensive history of criminality (which involved the computation of offense rates over a decade and more), the introduction of crime-days and crime-days per year at risk was exceedingly efficacious. Indeed, it seems reasonable to conclude that this study could hardly have been completed without the use of a crime-days measure (or a similar measure). For it was found that this measure—crime-days per year at risk—made it possible to compute meaningful and valid rates. It was not only that the rates were appropriate for the data on hand, but the concept of a crime-day proved to have a meaning which facilitated analysis and interpretation of the complex criminal history material.

Extensive criminality among addicts—Implications

The findings of this study concerning the extensive criminality of contemporary opiate addicts in the United States supports similar findings from other research. It is now evident that addicts are responsible for committing an inordinate amount of crime, that many of these offenses are serious in nature and that their criminality is rather firmly enmeshed in their lifestyle and therefore, that it is persistent and recurring.

But, this study adds one new ingredient to the picture. For our research findings indicate that it is opiate use itself which is the principal cause of high crime-rates among addicts. Once addiction ceases, crime rates drop markedly. And this notable decrease in criminality (an overall 84 percent decline) occurs for all types of offenders throughout the risk years. It is apparent, then, that a major means of reducing the amount of crime committed by opiate addicts is within sight. If we can control addiction, it is evident that we will reduce criminality appreciably.

But how can we impact opiate addiction? Three lines of attack come to mind. First, it is imperative that programmatic and research priorities be established which will further this specific objective—to impact addiction among persistent offender groups. These two aspects—programs and related research—must be a core component of any major national effort. For research without implementation can hardly be effective. And action programs not based upon relevant scientific knowledge are doomed to failure. Indeed, they cannot succeed for logical reasons, as only research can establish success or failure. Therefore, a first priority is to recognize that a major coordinated effort is required which will focus upon this single task.

Second, three or four well designed experimental programs need to be established to reach or impact specific offender populations. These experimental programs should make use of relevant knowledge concerning ongoing programs—such as TASC, methadone maintenance, family therapy and intensive probation efforts—yet be based upon new concepts and new research findings. In this last regard, it is imperative that these new programs be targeted to reach a specific offender population (as contrasted with programs which attempt to serve everyone without regard to need or likelihood of success), and employ means which have either a demonstrated association with the reduction of addiction or a well developed rationale for effecting this objective.

Finally, it may not be taken amiss if it be suggested that it is time to get on with the task at hand, and not be sidetracked by irrelevant ideological, scholastic or methodological arguments. Thus, while it is true that drug abuse may be difficult to define, that alcohol abuse is also a major social problem, that penalties for marihuana use are inconsistent, and that, in fact, there are many unresolved problems and difficulties in conducting research (especially if one seeks perfection and closure). Still, it is also true that existing knowledge and methodology is sufficient to address the problem at hand. We know that criminality is rampant among heroin addicts. We know that addiction markedly increases this criminality. And, we know that addiction can be impacted through treatment and control measures.

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TABLE 1.—TOTAL CRIME-DAYS AMASSED BY 243 MALE ADDICTS DURING YEARS AT RISK

Crime-days	Number of addicts	Percent of addicts
0 (none)	6	2.5
1 to 99	20	8.2
100 to 499	31	12.8
500 to 999	31	12.8
1,000 to 1,999	54	22.2
2,000 to 2,999	46	18.9
3,000 to 3,999	27	11.1
4,000 to 4,999	12	4.9
5,000 to 5,999	10	4.1
6,000 to 9,450	6	2.5
Total	243	100.0

Note: Total crime-days since onset of addiction: 473,738. Mean crime-days per addict: 1,998.9.

TABLE 2.—CRIME-DAYS PER YEAR AT RISK FOR 243 MALE ADDICTS

Crime-days per year at risk	Number of addicts	Percent of addicts
No crime-days	6	2.5
Less than 1 per year	11	4.5
1 to 49	35	14.4
50 to 99	26	10.7
100 to 149	31	12.8
150 to 199	32	13.2
200 to 249	25	10.3
250 to 299	26	10.7
300 to 349	28	11.5
350 to 365	23	9.5
Total	243	100.0

Note: Mean crime-days per year at risk: 178.5.

TABLE 3.—CRIME-DAYS PER YEAR AT RISK BY TYPE OF CRIMINAL CAREER AND ADDICTION STATUS

Crime career type	Number of addicts	Crime-days per year at risk	Crime-days per year at risk: Addicted	Crime-days per year at risk: Abstinent
1. Theft, daily	41	330.3	347.3	109.7
2. Sale of drugs, daily	13	328.0	353.2	88.3
3. Other crimes, daily	7	319.4	341.4	151.0
4. Weekly theft	58	189.6	280.9	23.3
5. Weekly sale of drugs	18	181.1	284.0	27.6
6. Weekly, other crimes	7	201.9	297.0	70.1
7. Infrequent theft	57	72.4	140.7	7.4
8. Infrequent sales	14	102.4	260.9	10.5
9. Infrequent, other crimes	22	46.8	108.2	2.3
No crime	6			
Total	243	178.5	248.0	40.8

TABLE 4.—CORRELATION MATRIX FOR 10 VARIABLES, FOR 237 MALE ADDICTS

Variable	Total Cd (1)	CD-H (2)	CD-off (3)	H-days (4)	Off-days (5)	Arrests (6)	Prior (7)	Race (8)	Onset (9)	Age (10)
1. Total crime-days	(1)									
2. Crime-days-heroin	[1] 0.9510	(1)								
3. Crime-days-off	[1] .3038	−0.0056	(1)							
4. Heroin days	[1] .7303	[1] .7914	−0.0768	(1)						
5. Off days	[1] −.1958	[1] −.2563	.1567	[1] −0.2200	(1)					
6. Total arrests	[1] .3191	[1] .3073	.0852	[1] .2999	−0.1488	(1)				
7. Prior crime	.1493	[1] .1796	−.0706	[1] .2875	.0171	−0.0348	(1)			
8. Race (black)	[1] .2585	.2712	.0003	[1] .2793	[1] −.2105	.0969	0.0966	(1)		
9. Onset age	[1] −.2564	[1] −.2295	−.1221	[1] −.1954	.0518	−.1362	−.0160	0.0596	(1)	
10. Age at interview	[1] .1859	[1] .2130	−.0551	[1] .4124	[1] .2978	[1] .2464	[1] .1278	[1] .2023	[1] 0.5101	(1)

[1] Values when $P<0.01$.

TABLE 5.—STEPWISE REGRESSION ANALYSIS OF CRIMINALITY FOR ADDICTION AND ABSTINENCE PERIODS AMONG 237 ADDICTS

Variable	r	Prob. to enter	R^2	R^2 change	Multiple R
A. Dependent variable: Crime days heroin:					
1. Days H	0.7914	<0.001	0.6264	0.6264	0.7914
2. Age at interview	.2130	.002	.6419	.0155	.8012
3. Arrests	.3073	.019	.6503	.0084	.8084
4. Race	.2712	.904	.6545	.0042	.8090
5. Prior crime	.7196	.329	.6659	.0014	.8099
6. Age at onset	−.2295	.495	.6566	.0007	.8103
7. Days off	−.2563	.717	6568	.0002	.8105
B. Dependent variable: Crime days off:					
1. Days off	.1567	.016	.0246	.0246	.1567
2. Age at onset	−.1221	.043	.0416	.0170	.2039
3. Arrests	.0852	.144	.0503	.0088	.2243
4. Age at interview	−.0551	.129	.0597	.0094	.2444
5. Race	.0003	.295	.0642	.0045	.2533
6. Prior crime	−.0706	.364	.0675	.0034	.2599
7. Days H	−.0768	.627	.0685	.0010	.2617

TABLE 6.—STEPWISE REGRESSION ANALYSIS OF CRIMINALITY FOR 156 ADDICTS ENGAGED IN THEFT

Variable	r	Prob. to enter	R^2	R^2 change	Multiple R
A. Dependent variable: Crime days heroin:					
1. Days H	0.8046	<0.001	0.6473	0.6473	0.8045
2. Age at interview	.2825	.011	.6620	.0147	.8136
3. Race	.2570	.081	.6688	.0067	.8178
4. Arrests	.3219	.141	.6735	.0047	.8207
5. Prior crime	.1595	.359	.6736	.0018	.8218
6. Age at onset	−.2119	.417	.6768	.0014	.8227
B. Dependent variable: Crime days off:					
1. Days off	.2537	.001	.0644	.0644	.2537
2. Prior crime	−.1087	.167	.0760	.0116	.2757
3. Age at onset	−.1202	.195	.0862	.0102	.2936
4. Race	.0071	.264	.0938	.0076	.3062
5. Days H	−.1175	.260	.1014	.0077	.3185
6. Arrests	−.0001	.609	.1030	0016	.3209
7. Age at interview	−.0591	.615	.1045	.0015	.3233

TABLE 7.—STEPWISE REGRESSION OF CRIMINALITY FOR 45 ADDICTS ENGAGED IN DRUG SALES (DEALING)

Variable	r	Prob. to enter	R^2	R^2 change	Multiple R
A. Dependent variable: Crime days heroin:					
1. Days H	0.8414	<0.001	0.7080	0.7080	0.8414
2. Prior crime	.1252	.185	.7201	.0121	.8486
3. Onset age	−.1244	.230	.7299	.0098	.8543
4. Days off	−.1734	.440	.7339	.0041	.8567
5. Arrests	.1523	.667	.7352	.0013	.8574
6. Age at interview	.4073	.709	.7362	.0010	.8580
7. Race	.3633	.694	.7373	.0011	.8587
	r	Prob. to enter or remove	R^2	R^2 change	Multiple R
B. Dependent variable: Crime days off:					
1. Arrests	0.3251	0.029	0.1057	0.1057	0.3251
2. Age at interview	−.0699	.353	.1241	.1084	.3522
3. Onset age	−.1724	.682	.1277	.0036	.3573
4. Days H	−.0938	.530	.1364	.0087	.3692
5. Age removed	−.0699	.979	.1363	−<.0001	.3692
6. Race	.0550	.442	.1492	.0129	.3862

TABLE 8.—STEPWISE REGRESSION OF CRIMINALITY FOR 36 ADDICTS ENGAGED IN OTHER CRIMES

Variable	r	Prob. to enter	R^2	R^2 change	Multiple R
A. Dependent variable: Crime days heroin:					
1. Days H	0.6675	<0.001	0.4455	0.4455	0.6675
2. Arrests	.4683	.027	.5229	.0774	.7231
3. Age at interview	−.0551	.066	.5714	.0486	.7559
4. Prior crime	.3597	.278	.5876	.0162	.7666
5. Race	.2969	.310	.6018	.0141	.7757
6. Days off	−.2637	.700	.6038	.0021	.7771
7. Onset age	−.3219	.406	.6137	.0098	.7834
B. Dependent variable: Crime days off:					
1. Arrests	.4191	.011	.1756	.1756	.4191
2. Age at interview	−.0552	.410	.1926	.0170	.4389
3. Days off	−.0197	.237	.2277	.0351	.4772
4. Prior crime	.0857	.466	.2410	.0133	.4910
5. Onset age	−.1330	.553	.2500	.0090	.5000
6. Days H	.0827	.721	.2534	.0034	.5034

EXPORT TRADING COMPANIES, TRADE ASSOCIATIONS, AND TRADE SERVICES ACT

The Senate continued with consideration of the bill.

UP AMENDMENT NO. 60

(Purpose: To strike section 108)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) for himself and Mr. PROXMIRE, proposes an unprinted amendment numbered 60.

"Beginning with page 22, line 11, strike out all though page 24, line 15."

Mr. ARMSTRONG. Mr. President, the amendment which I have sent to the desk on behalf of Mr. PROXMIRE and myself addresses itself to an amendment which was adopted by the Banking Committee during the consideration of this bill. I should like to take just 1 minute to explain the amendment. Before I do so, I ask unanimous consent that the Senator from New York (Mr. D'AMATO), and Senators GARN, LUGAR, and TOWER, be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Also, Mr. President, while I am on my feet, let me congratulate the managers of the bill for this important and worthy effort to expand the export trade of this country. It is a good bill. It is a bill of which I am a cosponsor, and one which I certainly intend to support.

Mr. President, during the course of committee consideration, the Committee on Banking inadvertently, in my judgment, added a section to the bill which is most unfortunate, an amendment to allow the Secretary of Commerce to grant up to $40,000 to small business manufacturing firms to help them defray the cost of hiring an export manager. I oppose this part of the bill, not because I am against export managers—I am sure such managers can be helpful to companies who are breaking into the export business—but because I can see no rational justification, particularly at a time of budget restraint, for the Federal Government to be in the business of picking up the cost of such export managers. In my opinion, that is a proper business function, not a proper function of Government.

Mr. President, with that brief word of explanation, I inquire if it would be the disposition of the managers of the bill to accept this amendment so we can avoid a recorded vote on it and save the time of the Senate.

Mr. RIEGLE. Will the Senator yield?

Mr. ARMSTRONG. Yes, I am happy to yield.

Mr. RIEGLE. Mr. President, I might say that others and I supported this item in the committee. I should want to oppose the Senator's amendment and therefore want a debate and propose we vote on it eventually.

Mr. ARMSTRONG. Mr. President, I am happy then to have the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Mr. President, I believe I have made enough explanation of the essence of the amendment but I shall yield the floor at this time to see what other Members have to say. If questions or objections are raised, I shall be happy to respond.

Mr. RIEGLE. Mr. President, may I inquire in terms of the time in opposition to the amendment, would that be controlled by my colleague from Wisconsin?

The PRESIDING OFFICER. There is no control of time.

Mr. HEINZ. Mr. President, let me state for the benefit of my colleague, there is no time agreement on this bill. So the Senator may be recognized to have as much time as he can conceivably consume.

Mr. RIEGLE. I thank the Senator from Pennsylvania. I shall try to be brief, although I do think this is an important issue.

Mr. President, I might say that the part of the bill which the Senator from Colorado is attempting to strike out is a part that was supported within the committee and has been debated at some length. I think it is a very important section of the bill.

Actually, section 108, which is targeted here by the amendment, is a strong small business program. It is aimed at small business in ways that I shall shortly describe. I might say that this part of the bill was also included in last year's bill, so this has been around for a period of time. It was acceptable last year, was part of the bill last year, and is again today on the floor.

The program that is marked out in this section would make possible the employment of export managers by small business manufacturing firms which have not previously been exporters in substantial amounts. Firms which are new to exporting and do not already have an exporting manager would be eligible to compete for grants of 50 percent of the export manager's salary and expenses or a maximum amount of $40,000, whichever is less. Section 108 establishes a pilot program to test a promising new approach to export expansion and then evaluates its effectiveness in generating increased export sales.

It would help defray the costs of hiring an export manager by making 1-year grants—that is all they are, 1-year grants—to enable the company paying half the price of the export manager to get into this business. If it pans out, as we think it will in most cases after the first year, they are on their own and will have to pick up the full expense on their own. It is a very modest initiative.

The program as a whole would be funded at a level of only $2 million a year for 3 years. That would be enough to provide somewhere between 150 and 300 of these grants to small businesses with high export potential to be able actually to break into this business and make a serious effort at developing foreign markets abroad for U.S.-built products.

Mr. President, the Commerce Department forecasts that the U.S. balance-of-trade deficit will reach a record level of $33 billion in 1981. In my view, we are simply not adjusting to the new situation of world interdependence brought about in part by increased petroleum prices but also, in part, by the greater competitiveness of our trading partners.

Mr. President, I think we have to face up to the fact that there is a need to expand our exports and be aggressive about it if we are going to be able to pay for our exports and prevent further deterioration of the dollar and the effect that that would have on inflation in the United States. It would have the effect of increasing inflation in the United States.

I think a key opportunity for expanding our exports lies in the 18,000 small- and medium-sized businesses which could be selling their products abroad today, but are not. The Department of Commerce estimates that as many as 10,000 of these 18,000 firms have an interest in exporting but are unable to overcome the initial barriers to getting started: Lack of information about foreign markets and lack of expertise to handle the technical problems of selling, financing, and shipping products abroad and the unfamiliar business practices of foreign customers. In addition, there are foreign exchange uses and things of that sort.

An obvious way for a firm to solve these problems is to put an experienced export manager on the payroll. But most smaller firms cannot afford to take the frontend risk of the full cost of an export manager's salary, fringe benefits, and expenses. The export manager grant program will help such firms make a commitment to exporting by offering a 50-percent subsidy not to exceed $40,000 for the first-year costs of adding such a person to the firm.

Any small company that would want to compete for these grants would be in competition with any other company across the United States, with the Department of Commerce to select the most promising companies that have come forward for this particular incentive grant who really want to make a serious effort to crack into the export market.

There is a magazine named "INC," which has a circulation of 400,000 in the United States, mainly to small business executives. It has a lead article in the March issue which favors the expanded export trade approach that I am discussing. With regard to this bill, S. 734, the article states as follows:

Congress is considering amendments to the Webb-Pomerene Act and to banking laws that will permit American firms to organize full service trading companies similar to those that have helped Japan achieve its remarkable export success. The bill would help place large and small American firms on an equal footing with other countries' exporters. Of particular concern to Congress has been the estimated 20,000 small businesses that could be exporting but are not; included in the proposal are provisions for

grants to cover initial salary costs for export managers in qualified small businesses.

So I say that section 108 should remain in this bill. It will help small business in this country. It has strong small business support. It will help create new jobs and new opportunities in terms of penetrating what is an expanding world market.

It is an absolutely modest amount of money, and one with high leverage potential in terms of opening up export markets, reducing our balance-of-payments deficit, and creating jobs in the United States.

It is designed in such a way because it is a cost-sharing grant and a 1-year grant. Beyond that point, if a firm wants to continue, it is on its own. I hope we can take this step.

I conclude in this way: I believe we have to face the fact that major exporting nations such as Japan are today assisting business in their country in every conceivable fashion. They are doing it with financial capital incentives. They are doing it with help with respect to Government regulation. They are doing it by coordinating their foreign policy initiatives to try to open the way for their domestic companies to compete aggressively abroad. Certainly, we see the effects of that in the United States, but they can be seen around the world.

In the United States, we have done very little to help business, large or small, in terms of this new world market environment, to be able to compete more effectively. We have lived with an old notion that we do not have to pay that much attention to developing world markets for our products. That has to change. We have 18,000 to 20,000 small businesses in the United States that have a very good potential for becoming export companies, but they have not yet done so. We must save a way to encourage them to get into this act in a serious fashion and to sell these goods aggressively abroad, because it will benefit the United States.

I have confidence that because the amounts are small and because the cost sharing is only for the first year and it is 50–50, this is exactly the kind of balanced initiative that even the new administration has in mind, in terms of stimulating the private sector, creating private jobs, and opening up areas of economic potential. In the past, we have not done enough of that.

I hope the Senate will accept the measure as it is written. It has been crafted carefully. I know that the Senator from Colorado objects to it because it is a new initiative, but I do not think we should always object to something because it is a new initiative. From time to time, we have modest, well-balanced, well-constructed, relatively inexpensive initiatives, with a very high potential payoff in the private sector, with jobs, with reduction of our balance-of-payments deficit, and this is exactly the kind of initiative we should be taking. Otherwise, we will see ourselves sliding backward in world market competition, and I do not believe that is something we can afford.

Mr. PROXMIRE. Mr. President, I am pleased to cosponsor this amendment by the distinguished Senator from Colorado. I support his position on it.

The Senate should strike section 108 from the bill. Section 108 authorizes $2 million of Federal money each year for 3 years for grants to subsidize salaries of export managers, up to $40,000 a year.

That means that if the firm pays him $40,000, the Federal Government will match it with another $40,000, for an $80,000 payment. It seems to me that such expenditures from the Federal trough would be nothing short of outrageous. All Americans today are being asked to sacrifice by budget cuts. I support deep budget cuts, as do others, because we need to reduce inflation. Less Government expenditures is a quintessential way to stop inflation.

Now comes section 108. Under what possible theory can we justify paying export managers employed in private enterprise a Federal subsidized salary of $40,000? This, of course, would be on top of the salary they receive. What a precedent. Where do we stop?

Should the Federal Government pay a subsidy to college professors at Harvard or Yale or the University of Michigan or the University of Wisconsin or Slippery Rock—a $40,000 subsidized salary? After all, college professors serve the public interest at least as nobly as export managers.

How about a Federal subsidy to pay a $40,000 salary of Red Cross administrators or Salvation Army generals or dairy farmers or coal miners or foundry workers?

There is no end to worthy occupations in this country, people who do very constructive work in our economy. I am sure business would love it if they were paid an additional $20,000, $30,000, or $40,000 by the Federal Government.

I submit that if you walked down the street of any town in my State and asked the first small, independent businessman you met whether he would support a $40,000 subsidy from the Federal Government to pay anybody's salary in the private sector, he would say, overwhelmingly, "No."

How this can be tagged as a small business amendment is beyond me. I am sure that the overwhelming proportion of small businessmen want less Government, not more; less Government subsidies, not more.

At a time when he have passed a second concurrent resolution in matching the President's cuts, for us to come along now with a new program to provide subsidies of up to $40,000 to pad the salaries of people in the private sector is absolutely wrong.

I hope the amendment of the distinguished Senator from Colorado is supported.

Mr. RIEGLE. Mr. President, may I be recognized in response to that?

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I want to respond to the comments of my colleague and friend from Wisconsin, because I think that, in his criticism, he misstates what we have in mind here. Let me make it very clear.

We are talking about a maximum of $40,000. It might be $30,000; it might be $25,000; it might be $20,000.

Mr. PROXMIRE. That is precisely what I said. It could be $30,000, $40,000, $10,000, whatever. It has to be matched.

Mr. RIEGLE. I am glad to have that clarification, because it would not be $40,000 in all instances. That is a ceiling figure. In perhaps a handful of cases, it might go as high as that, but that is a maximum figure, and that is not a set figure. That is not a figure that would necessarily apply in all cases. It might be half of that in some cases.

I want to go on and make a couple of other points.

The Senator from Wisconsin indicated that this would be for the salary. I want to make clear that it is not just for the salary. The task of employing an export manager does not involve only paying the salary in the normal compensation package of a skilled employee in a firm of this kind. An export manager normally has to travel, has to go to foreign countries, depending upon the scope of the foreign market situation that a particular export manager might be trying to develop or explore. The cost of international travel expenses associated with that—long distance phone calls overseas, things of this kind—I am contemplating that expenses of this kind, associated with carrying out an active export manager's role over the course of a year, could conceivably be a figure as high as $80,000.

Mr. PROXMIRE. Mr. President, if the Senator will yield, it seems to me that makes it much worse. We not only subsidize salaries but you have all kinds of expenses. Consider. After all, these export trading companies will often be in competition with each other. We are going to subsidize a small number because it is only $2 million, up to $40,000. Whom do we subsidize and whom do we not?

Talk about unfair competition—in one case the Federal Government is stepping in with a subsidy of $40,000, maybe $20,000 or $30,000, and in the other case it will not be subsidizing at all.

Why not solve the problem by not providing money, not spending the Federal money?

Mr. RIEGLE. Mr. President, I will not yield further.

I will answer by saying that does not solve the problem. The Senator is not offering an answer for the problem. I might say very directly we have a situation here where we are not doing well in terms of our trading relationships abroad. Our balance of payments is increasing. It is adding to inflation. It is undercutting the value of the dollar. We have to do something about it. We have to become more aggressive in terms of trading in this new world economy, and we have to help the small companies get into this act and not just the big giants.

What we have here is a very small program. We are talking about $2 million a year. Small firms can compete for

it, a maximum of $40,000 for 1 year on a pilot basis, to hire a competent export manager to get in to this act to see if we cannot start selling more American products abroad.

Why can we not do something once in a while to help the private sector here in the United States and create jobs?

My goodness, I thought that was supposed to be part of the theme of the new administration, and if it is, it is one I support.

We have 20,000 firms in the United States that have been identified as high-potential firms, small companies that could be out selling our products abroad and providing jobs and capital here in the United States, and we need to move on that problem, and it is competitive.

Any small company that feels it has this kind of potential and is willing to make half the investment for the first year could come in and submit an application of that sort, lay out their plan, and the Department of Commerce would make an evaluation and would select the ones that have the highest potential, and it is a 1-year situation and at the end of that year if it is valuable, then the companies themselves have to carry it forward without a dime from the U.S. Government.

But the fact of the matter is we will get this money back and we will get it back with big dividends.

Let us not be blind to what is happening to us in this world economic situation. We have small companies all across the United States that have potential to grow into big companies if they can get into these foreign markets.

There are an awful lot of people who live around the world who should be buying more American goods. This is an intelligent, modest, rational, very, very carefully targeted way to try to wedge ourselves into that picture.

We can just sit here in a fortress America and think we have all the economic strength that we need and ignore the fact that we are spending $100 billion a year for foreign oil, spending $10 billion a year this year in the net loss on cars and trucks just to Japan, and do nothing about it.

I am trying to offer something here and the reason the committee accepted this amendment in the first place, not this year but last year, is that this is a positive, aggressive effort, modest in scope, scaled down by targeting exactly on the problem.

Let us start selling American goods abroad. Let us help the smaller companies get into this act. That is what we are striving to do here and it makes good sense. It makes good economic sense.

In recent years much attention has been devoted to the need for the United States to improve its export performance. International trade has become substantially more important to the United States than in earlier years because of the direction of world events and the increasingly clear necessity to develop a strong export position to enhance the economic strength and welfare of our Nation, strengthen the value of the dollar, and increase employment. Exports now account for one of every eight jobs in America's factories and one in every four on America's farms.

Despite our historical national attitude of overall indifference to the need for exports, recent trends have made it obvious that we are living in a new international economic environment and we are not adjusting to it successfully. Although roughly 30,000 U.S. companies are now exporting, this figure includes only about 1 out of every 10 U.S. companies. Moreover, only 100 companies account for nearly one-half of all U.S. exports of manufactured goods. It is clear that many American companies are not taking full advantage of foreign market opportunities.

Export promotion and expansion has been recognized by Congress as critical to restoring the health of our economy. This year the U.S. balance-of-trade deficit may run to $50 to $60 billion. Clearly, we are not expanding our exports fast enough to pay for the increased imports brought about in part by oil price rises and in part by the greater economic strength and competitiveness of many of our trading partners. The United States simply can no longer delay a much more aggressive effort at export expansion.

A major opportunity for this expansion lies in the 20,000 businesses the Department of Commerce estimates could be exporting but are not. The increased participation of American businesses in exporting has been recognized as a national priority. Nonetheless, a number of factors discourage these firms from participation in foreign trade. This inactivity constitutes benign neglect of billions of dollars in potential export business.

The legislation before the Senate, the Export Trading Company Act of 1981, represents a multifaceted approach to the problem of restoring export competitiveness to the American economy. S. 734 is the product of nearly 3 years of concerted effort in the Senate and extensive hearings have been held on its provisions. The basic intent of this legislation is to encourage exports by facilitating the formation and operation of export trading companies. To this end, S. 734 deals effectively with two serious impediments in current law to the formation of export trading companies—the bar to U.S. banks having an equity position in, or control of these trading companies and the current uncertainty regarding antitrust exemptions for them under the Webb-Pomerene Act. By permitting U.S. banks to acquire ownership in export trading companies under specified conditions and with sufficient safeguards, banks will be encouraged to be active rather than reactive in export activities, providing needed financial resources and expertise. S. 734 also expands and clarifies the antitrust exemption for export trade associations and establishes a specific certification procedure that will eliminate the element of uncertainty in the current law.

I believe facilitating the establishment and operation of export trading companies is an important approach. This legislation had my enthusiastic backing in the last Congress and continues to have my equally enthusiastic support today. Mr. President, as a member of the Senate Banking Committee I have consistently supported the Export Trading Company Act and today I urge speedy consideration and passage of this important legislation.

I commend the Senator from Pennsylvania for his assistance and help on this matter.

Mr. HEINZ. Mr. President, I reluctantly rise in opposition to the amendment of my friends, Senator ARMSTRONG and Senotor PROXMIRE, but I can do no less in this instance because as they know I was strongly in opposition to their position in the committee. I supported the Riegle amendment because I think it is meritorious for all the reasons my good friend from Michigan has stated. I wish to point out to my colleagues that after a very full debate in the committee the decision was made that the Senator's amendment made sense.

I think it is important that we provide the authority to do some experimentation, to try to make sure that if we are not getting the kind of progress we would like to see on export trading companies, that we have a tool in our kit with which to operate.

There are two points I wish to make here.

The first is that we all know the potential of export trading conpanies. The largest trading company that I know of has a whale of a lot of recognized potential. The Mitsubishi Trading Co., just in terms of its international transactions, exports, imports, worldwide transactions, does $60 billion a year.

Some of the smaller export trading companies do $20, $15 or $10 billion, not million, billion.

I would hate to see us inadvertently throw away the key that opens the door to the United States playing the kind of role that we are capable of playing but that heretofore we have been unable to play in international trade. It strikes me that this very modest provision, which would provide on an experimental basis to certain small businesses an export manager for no more than 12 months, might very well prove to be the kind of key that we need to unlock our export potential the same way other nations of the world have already done.

One other thing I would say is that the amount of money involved in this section of the bill, section 108, is indeed very small. Notwithstanding the fact that it is small I think we all recognize that we want to minimize outlays in fiscal 1981, 1982, and 1983.

We know we are in a tight budget situation, and leaving this section in the bill, does not preclude the Appropriations Committee from not funding this provision, should it decide to do so.

But if we take it out of the bill it will be excluded from consideration, probably for the foreseeable future, and that, I submit, is neither necessary nor wise.

If the Appropriations Committee decides not to fund it, I will support that decision.

But I think it is a mistake to remove the authorization, to remove the oppor-

tunity to take necessary steps at some future time should we so decide.

So, Mr. President, I oppose the Armstrong and the Proxmire amendment. I understand their motivation. They are nothing but the best, as I would expect. It is just that we have a disagreement.

Mr. ARMSTRONG. Mr. President, I appreciate the cheerful demeanor of the Senator from Pennsylvania, and I wish to respond in kind.

I am sorry we are not in full agreement on this matter.

I wish to sum up where we are.

The amendment that has been offered by the Senator from Wisconsin (Mr. PROXMIRE) and I, and a number of our cosponsors, simply strikes from the bill the existing provision which permits the Secretary of Commerce to grant $40,000 to export companies or to companies who wish to become export companies to hire export managers.

The Senator from Michigan has suggested I am against this because it is a new initiative. That is not the case at all. I am against it because it is a very poor idea. It is an idea of getting the Government into the business of deciding which companies should have export managers and which of them should have export managers paid for by the Federal Government. In my opinion, that is it. It is unrelated to the budget stringencies as a matter of policy. In fact, if I thought this were a good idea, which I do not, it is still not a timely idea. This is a year of budgetary restraint. It is the year where we are going to cut back on food stamps, nutrition programs, and Eximbank. We are going to cut back on foreign aid. We are going to cut back on housing programs. We are going to cut back on every traditional worthy program of the Federal Government.

And it is no year, in my judgment, to start up something new, especially something as questionable as this.

Second, it is suggested that this is a pro-small business idea. I will tell Senators this. I never talked to any small businessmen who think that the way to help them is to create new Government programs or to have the Federal Government doling out new employment. The Senator from Wisconsin is entirely right.

Third, it is suggested that this is just a small amount so what, it really does not amount to anything in a $1 trillion budget. It is only a couple million dollars.

That is true, Mr. President. I wish to point out based on this formula we are only talking about maybe a handful of firms. Yet the Senator from Michigan who proposed this idea in the first place said there are as many as 20,000 firms in the country that might conceivably need and qualify for this kind of a program.

So what we are really seeing here is an establishment on a small scale on an idea which has enormous budgetary consequences if it catches on and if in fact it is funded.

Last but not least, we are told by the Senator from Pennsylvania that this is just an authorization. Let us put it in here and see whether or not the Appropriations Committee will fund it.

I suggest to Senators that we are the policymakers. Let us make a decision now. I hope that the Senate will adopt the amendment, take this unwise provision out of the bill, and I point out that the very people who are expected to administer this provision, that is to say the administration, says that the amendment which Senator PROXMIRE and I have offered is a proper one and one which they support.

So, for all those reasons, I call for the adoption of the amendment.

Mr. President, it would now be my suggestion—I think we have completed debate on this issue, the yeas and nays have been ordered—and after consultation with the floor manager of the bill and with the leaders, I ask that we set aside further consideration of this and proceed to the consideration of an amendment which Senator PROXMIRE and I are going to offer on a similar although—a similar subject so that we can have back-to-back votes on it if, in fact, a back-to-back vote is required.

Mr. HEINZ. Mr. President, I know of no objection on our side.

Mr. RIEGLE. I would have to object on this side because, first of all, I want a vote in order to find out where we are because I want to propose putting something in if this were to succeed. I hope it will not, but I want to know where we stand before we go any further.

The yeas and nays have been ordered. and if there is no further comment at this time I suggest that we vote and settle the issue.

Mr. ARMSTRONG. In view of the objection of the Senator from Michigan, we have no other recourse than to do so.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, before the roll is called, I ask unanimous consent that I be added as a cosponsor of the amendment of the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I would be honored to do so. I ask unanimouse consent that the Senator from Virginia be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. EAGLETON. Mr. President, I strongly support expansion of U.S. export trade. It is good for this country's balance of trade and it is good for the profits of businesses that find foreign markets. But, I can find no justification whatsoever for the American taxpayers to be subsidizing the salaries of an export manager for these companies. The administration tells us we cannot afford CETA job training funds for unemployed youth and we have cut that program severely. We cannot afford to properly feed our elderly. And, yet, this provision would subsidize up to half the salary of an $80,000-a-year executive for some profitmaking business. I strongly support taking this provision out of the bill.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Oregon (Mr. PACKWOOD), are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Alabama (Mr. HEFLIN) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADLEY) is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 25, as follows:

[Rollcall Vote No. 81 Leg.]

YEAS—68

Abdnor	Garn	Nickles
Armstrong	Glenn	Nunn
Baker	Goldwater	Percy
Bentsen	Gorton	Pressler
Boren	Grassley	Proxmire
Boschwitz	Hatch	Pryor
Bumpers	Hatfield	Quayle
Byrd, Harry F., Jr.	Hawkins	Roth
	Hayakawa	Rudman
Byrd, Robert C.	Helms	Sasser
Cannon	Hollings	Schmitt
Chafee	Humphrey	Simpson
Chiles	Jepsen	Stafford
Cochran	Johnston	Stennis
Cohen	Kassebaum	Stevens
D'Amato	Kasten	Symms
DeConcini	Laxalt	Thurmond
Denton	Lugar	Tower
Dole	Mattingly	Tsongas
Domenici	McClure	Wallop
Eagleton	Metzenbaum	Warner
East	Mitchell	Weicker
Ford	Murkowski	Zorinsky

NAYS—25

Andrews	Heinz	Matsunaga
Baucus	Inouye	Melcher
Biden	Jackson	Moynihan
Burdick	Kennedy	Pell
Cranston	Leahy	Randolph
Danforth	Levin	Riegle
Dodd	Long	Sarbanes
Exon	Mathias	Specter
Hart		

NOT VOTING—7

Bradley	Heflin	Williams
Dixon	Huddleston	
Durenberger	Packwood	

So Mr. ARMSTRONG's amendment (UP No. 60) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ARMSTRONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 61

(Purpose: To strike out section 106)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE), for himself and Mr. ARMSTRONG, proposes an unprinted amendment numbered 61:

Beginning with page 20, line 19, strike out all through page 21, line 12.

Redesignate succeeding sections accordingly.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that Senator NICKLES be added as a cosponsor on the preceding amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, this amendment I have sent to the desk is cosponsored by the distinguished Senator from Colorado (Mr. ARMSTRONG). This amendment strikes section 106 from the bill. Section 106 authorizes $10 million to be spent in each of the years 1982 through 1986, or $50 million for operating expenses of export trading companies. The original provision in committee was to authorize $100 million. On the morning of the markup, the administration made it plain it did not favor the provision at all. So the committee cut the $100 million authorization to $50 million. The amendment would cut it to zero. That would be in accordance with the administration's position.

I read an excerpt from a letter from the Secretary of Commerce, which says:

While the administration sympathizes with the goal of providing some direct financial backing for trading companies, we cannot advocate such a course in light of overall budget priorities.

Mr. President, there is no excuse to spend Government money for this purpose. Section 106 sends out the wrong signal to the American people. In considering Senate Concurrent Resolution 9, the Senate debated expenditures for veterans benefits, school lunches, social security benefits, and other social programs. Many of them were cut by 25 percent. Can we seriously propose $50 million more in this bill? Here we are authorizing $50 million that the Reagan administration does not want and tells us they do not need. Does it make any sense to spend $50 million on a new program, a program this administration enthusiastically supports, when the same administration tells us they do not want, do not need, this money?

The Secretary of Commerce tells us they cannot advocate such a course in light of overall budget priorities.

Mr. President, I think all of us are very much aware of the fact that only a few days ago the Senate passed a resolution which was certainly unprecedented in recent years, which sharply reduced the rate of spending in a whole series of programs and actually made some very, very sharp cutbacks in others.

Some of those votes were agonizing for many Members of the Senate. For us to come along now with a new program and add $50 million at a time when the administration says they do not need it, do not want it, seems to me to be extraordinarily contradictory. It certainly would indicate we do not have the kind of convictions about economy and fiscal responsibility that we showed only a few days ago.

Mr. President. I yield the floor.

The PRESIDING OFFICER (Mr. MURKOWSKI). The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I rise in opposition to the Proxmire amendment. What the amendment seeks to do is essentially strike all of section 106, which authorizes the Economic Development Administration and the Small Business Administration to assist export trading companies, with loan guarantees or operating grants in meeting starting up expenses, in the process giving special weight to export benefits, and to furthering the involvement of minority business or agricultural concerns in the export market.

The Senator from Wisconsin has accurately stated that we cut the money in half in the committee from an annual authorization of $20 million to $10 million.

There was, however, also an implication in the Senator's statement that the administration has some programmatic problems with the amendment.

I think a careful examination of the testimony in the hearing record will reveal that Secretary Baldrige does not have any programmatic problem. He does have a budgetary problem, which I will speak to in a moment. But as to any programmatic concerns, Secretary Baldrige, in answer to my question in that regard, said:

Senator, I am sure you understand. We don't think those two provisions are necessarily that bad. It is this very difficult kind of budget cutting we have to do.

So the issue is money. In this case, Mr. President, when people say it is not the money but it is the principle of the thing, as is often the case in real life, you can be sure it is a question of money, not principle.

The fact is that this provision in the bill does not commit the administration or the Appropriations Committee to spend 1 cent. The reason this authorization, a noncumulative authorization, by the way—over 5 years, 1982 through 1986—is here is so that, in the event we decide that because of budgetary austerity, we cannot afford to do anything here in 1982 or 1983, we have the standby authority in 1984, 1985, and 1986 to do something.

Mr. President, this is a 5-year authorization. It means it will not be very easy to get at it again until 1986. That is an extremely long way away, and it is well into the time when we shall have, according to President Reagan's economic forecast, vast budget surpluses, shortages of employees, not shortages of jobs, and inflation so low that we can hardly see it. And let me say, Mr. President, all those scenarios are welcome, indeed.

It does not make a lot of sense to this Senator to foreclose for the promising years of 1984, 1985, and 1986 an opportunity to do something we might well want to do.

Mr. PROXMIRE. Will the Senator yield on that?

Mr. HEINZ. Not yet.

I might add, Mr. President, that programmatically, it is the small, new trading company, dealing primarily with smaller businesses, that is going to have the most difficulty getting started. It is that small, new trading company that is going to be most in need of the kind of assistance that section 106 can provide.

Mr. President, I believe that the thrust of the Proxmire amendment is to discriminate most against the very people we are trying to help the most; namely, small businesses. Incidentally, Mr. President, I think we are all very proud of our record of supporting small businesses. I know Senator PROXMIRE and Senator ARMSTRONG are, but in this instance, they are striking the established means of helping small business—the Small Business Administration and the Economic Development Administration. Not only that, the Secretary of Commerce as much as admits that he does not have any alternative ways to increase small or minority business involvement in these export trading companies.

So, Mr. President, I hope the Senate understands that this amendment is very different from the last one, where, I think, although I did not agree with it, there was a programmatic case made against the amendment. I do not think we can make a programmatic case against this amendment and neither does the administration.

UP AMENDMENT NO. 62

Mr. President, having said that, I do recognize that people here are terribly nervous about budgetary matters. So I am prepared to take what I believe is an appropriate middle ground. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 62.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the material proposed to be stricken, insert the following:

INITIAL INVESTMENTS AND OPERATING EXPENSES

SEC. 106. (a) The Economic Development Administration and the Small Business Administration are directed, in their consideration of applications by export trading companies for loans and guarantees, and operating grants to nonprofit organizations, including applications to make new investments related to the export of goods or services produced in the United States and to meet operating expenses, to give special weight to export-related benefits, including opening new markets for United States goods and services abroad and encouraging the involvement of small, medium-size, and minority businesses or agricultural concerns in the export market.

(b) There are authorized to be appropriated as necessary to meet the purposes of this section $5,000,000 for each of the fiscal years 1982, 1983, 1984, 1985, and 1986. Amounts appropriated pursuant to the authority of this subsection shall be in addition to amounts appropriated under the authority of other Acts.

Mr. HEINZ. Mr. President, essentially, what this amendment does is cut the amount of money in the bill per year from $10 million to $5 million for each of the 5 fiscal years, 1982 through 1986.

It is my hope that my colleagues, in the spirit of compromise, will accept this amendment as an alternative to what is being offered.

Mr. ARMSTRONG. Mr. President, I congratulate the Senator from Wisconsin for taking the lead with this amendment. I am pleased to join him as a cosponsor to the proposal to strike the funding authorization from this bill. I, for one, am opposed to the amendment offered by the Senator from Pennsylvania which, although it leads in the right direction, nonetheless leaves an authorization of $25 million of spending in a bill which requires no money whatsoever.

The bill we are considering, of which I am a cosponsor, is to be permissive, to say that certain private sector entities are to be permitted to form export trading companies in order to stimulate the growth of American exports. In other words, we are saying, "Here's an open door; if your company thinks it can make some money by going through that door, go ahead." Now we are talking about paying people to take this step across the threshold to international trade. This does not make sense from a free enterprise standpoint, it does not make sense from an export standpoint, and it certainly does not make sense, in a time when we are in the tightest budget fix that we have ever been in in the recollection of any living Senator, to say that we would authorize $25 million for such an unusual kind of spending just does not make any budgetary sense.

The bottom line is this, Mr. President: This is welfare for exporters. We can beat around the bush about it, but that is exactly what it is. If we pay people to go into the exporting business, that is a subsidy. A less polite, less tactful name for it is welfare. As one who has voted rather consistently to curb the growth of welfare in this country. I, personally, am not about to vote to pay for this kind of program.

Mr. President, the administration agrees that the money is not needed. The Secretary of Commerce has written a letter outlining his opposition to this authorization. The Office of Management and Budget is opposed to this authorization, and I am certain that my colleagues on the Senate Budget Committee, who, right now, are meeting, seeking to find additional cuts to make so we can have a balanced budget in 1984, if not sooner, are certainly not going to support this.

Mr. President, the Senator from Pennsylvania is correct that this is only an authorization. Yet we all know that the game around here is to get something slipped into a bill as an authorization with the understanding that, after all, it is only an authorization and the final decision is for the appropriations process. But, once something is authorized, the argument is suddenly reversed. Then we are told, in support of a small initial appropriation, that we have to vote for this; after all, this has been authorized by law and we have made an implied commitment, a promise, we have set up a program, surely we are not going to vote to cut out something supported by law. So we get whipsawed back and forth.

Mr. President, there is no justifiable reason for a $50 million authorization, there is no justifiable reason for a $25 million authorization. The administration is against it. I guess I have made it clear that I am against it.

Let me emphasize in closing, Mr. President, that I am strongly in favor of the purpose of the bill, which is to remove existing legal restrictions on the right of certain private companies to form export trading companies. I think the future of this country's economy, in industry and agriculture, is increasing our export markets, and this bill will help us do it. The authorization is not required, in my opinion. Therefore, Mr. President, I shall urge my colleagues to vote against the amendment of the Senator from Pennsylvania and for the amendment of the Senator from Wisconsin.

Mr. HEINZ. Will the Senator from Colorado yield for a question?

Mr. ARMSTRONG. I am pleased to yield for unlimited purposes, Mr. President.

Mr. HEINZ. Mr. President, I know that the Senator from Colorado is an extremely vigilant man, but I have to point out to the Senator that this is the second shot he has had at this bill. He was a member of the committee last year, was a strong supporter of the bill in its entirety last year. He was a member of the committee; he did not object to this same provision, section 106 of the bill, last year.

He did not, as I recollect—if I am wrong, I am sure he will correct me—object to this section when it was $20 million per year, $100 million, last year. If he did, there was no vote or amendment offered, as I recollect.

Is my recollection correct?

Mr. ARMSTRONG. Mr. President, in response to the Senator I say that last year was last year; this year is this year.

One of the very last things that happened in the closing days of the last session of Congress was that I took the floor to oppose an increase of $38 million in the funding for Amtrak, a supplemental appropriation which was so unnecessary that even the Department of Transportation opposed the increase. Yet we could not muster the votes on the floor of the Senate to head off an increase of $38 million for that supplemental, which was so clearly unnecessary.

This year this body already has voted not only to rescind the $38 million in Amtrak but also to cut an additional $500 million out of that wasteful and extravagant program.

What I am saying is that the Amtrak vote and the Conrail vote and the $40 billion in budget cuts which have been approved by the Senate earlier this year show how different the political climate is this year from last.

Why did I not offer an amendment on this matter last year? Because you can only tilt at so many windmills at once. I did not think such an amendment would carry last year. This year I think it will.

This is a time for budgetary restraint, and I believe that the amendment which Senator PROXMIRE and I have offered is consistent with that restraint.

There is a time to start new programs. There is a time to create new ways to establish Federal programs and to spend Federal dollars. But clearly this year, and I would think for the next several years, is not a very likely or timely moment for that.

The Senator's recollection is correct, that I did not offer an amendment; but I do so now.

Mr. HEINZ. Mr. President, I happen to agree with the Senator entirely on the question of the budgetary priorities changing.

The reason I asked the question was not to draw him out on a question on which we are in substantial accord but to establish whether or not he thought that what he supported last year was welfare for exporting last year as opposed to welfare for exporting this year.

Mr. ARMSTRONG. Mr. President, let the record reflect that the Senator from Colorado, despite many misgivings, has supported welfare of different kinds on some occasions.

If last year I positioned myself as having supported a form of welfare which this year seems odious to me, I confess that inconsistency is not one of the hobgoblins of the mind of the Senator from Colorado.

Nonetheless, that the issue is clear. We should not crank this money into the budget.

I believe we are ready for a vote on this matter.

Mr. HEINZ. I thank the Senator for yielding.

Mr. ARMSTRONG. I thank the Senator for his courtesy in jogging my memory on this matter.

The PRESIDING OFFICER. The Chair thanks the Senator from California.

The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, I ask unanimous consent that we temporarily lay aside for not to exceed 5 minutes the Proxmire amendment and the Heinz amendment to the Proxmire amendment for the purpose of allowing Senator MATHIAS to proceed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 25

(Purpose: To establish an International Antitrust Task Force)

Mr. MATHIAS. Mr. President, I call up my amendment which is amendment No. 25, a printed amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an amendment numbered 25.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47, line 16, add the following title III:

SHORT TITLE

SEC. 301. This title may be cited as the "Commission on the International Application of the United States Antitrust Laws Act".

ESTABLISHMENT OF COMMISSION

SEC. 302. (a) There is established the Commission on the International Application of the United States Antitrust Laws (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of eighteen members who shall be appointed by the President as follows:

(1) four members from the executive branch of the Government:

(A) the Vice President of the United States;

(B) the Assistant Attorney General for the Antitrust Division;

(C) the Chairman of the Federal Trade Commission; and

(D) the Legal Advisor of the Department of State;

(2) four members from the Senate, two members to be named upon the recommendation of the majority leader, and two members to be named upon the recommendation of the minority leader;

(3) four members from the House of Representatives to be named upon the recommendation of the Speaker of the House of Representatives; and

(4) six members from the private sector.

(c) The Chairman of the Commission shall be the Vice President of the United States.

(d) The President shall designate the Assistant Attorney General for the Antitrust Division and the Legal Advisor of the Department of State as the Vice Chairmen of the Commission.

(e) The majority and minority leaders and the Speaker of the House shall make recommendations for the appointments to be made pusuant to subsection (b) within thirty days of the enactment of this Act.

(f) The President shall make all of the appointments in accordance with subsection (b) after receiving the recommendations set forth in paragraphs (2) and (3) of subsection (b), but such appointments shall be made no later than sixty days after the date of enactment.

(g) The first meeting of the Commission shall be called by the President within thirty days following the date such appointments to the Commission are made.

(h) Not more than one-half of the members of each class of members set forth in paragraphs (2), (3), and (4) of subsection (b) shall be from the same political party.

(i) The term of office for members shall be for the term of the Commission.

(j) A vacancy in the Commission shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

(k) Ten members of the Commission shall constitute a quorum (but a lesser number may hold meetings).

(l) The membership of the Commission shall be selected in such a manner as to be broadly representative of the various interests, needs, and concerns which may be affected by the international aspects of the United States antitrust laws.

PURPOSES OF THE COMMISSION

SEC. 303. (a) The Commission shall—

(1) conduct a comprehensive study of and make recommendations concerning the international aspects of the antitrust laws of the United States, the applicable rules of court, related statutes, administrative procedures, and their applications, their consequences, and their interpretation by the courts and Federal agencies (hereinafter referred to as "the United States antitrust laws"); and

(2) make periodic reports to the President and to the Congress concerning its activities and make a final report to the President and the Congress concerning such comprehensive study.

(b) Such comprehensive study shall specifically address—

(1) the application of the United States antitrust laws in foreign commerce, and their effect on—

(A) the ability of United States enterprises to compete effectively abroad; and

(B) the ability of United States enterprises to compete or deal effectively with foreign controlled enterprises in market and nonmarket economies;

(2) the effect of the application of the United States antitrust laws on United States relations with other countries;

(3) the jurisdiction and scope of the application of the antitrust laws to foreign conduct and foreign parties;

(4) the issue of reciprocity between nations with respect to mutual access to markets, equal opportunities for foreign investments, and enforcement of antitrust laws;

(5) the applications of United States rules of court relating to the enforcement of antitrust laws in the context of international transactions (for example, the "per se" and "rule of reason" doctrines);

(6) the application of the United States antitrust laws to joint ventures, mergers, acquisitions, and distributions and licensing arrangements between and among the United States and foreign based enterprises; and

(7) the proper scope and effect of the following on the application of the United States antitrust laws:

(A) the rules governing sovereign immunity;

(B) the defense of "foreign sovereign compulsion"; and

(C) the doctrine of comity.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 304. (a) Members of Congress, who are members of the Commission, shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Notwithstanding section 5533 of title 5, United States Code, any member of the Commission who is in the executive branch of the Government shall receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary not in excess of the highest rate for employees compensated at the rate of GS–18 of the General Schedule under section 5332 of title 5, United States Code, and he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

(c) Members from the private sector shall each receive compensation not exceeding $200 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

POWERS OF THE COMMISSION

SEC. 305. (a)(1) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued to any person within the jurisdiction of the United States courts, under the signature of the Chairman or Vice Chairmen, or any duly designated member, and may be served by any person designated by the Chairman, the Vice Chairmen, or such member. In the case of the failure of any witness to comply with any subpena or to testify when summoned under authority of this section, the provisions of sections 102 through 104, inclusive, of the Revised Statutes (2 U.S.C. 192–194), shall apply to the Commission to the same extent as such provisions apply to Congress.

(2) For purposes of section 552(e) of title 5, United States Code, the Commission shall not be considered to be an agency.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairmen, such information as the Commission deems necessary to carry out its functions under this title.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent services in accordance with the provisions of section 3109 of title 5, United States Code, but at rates not to exceed $200 per diem for individuals.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties to such extent and in such amount as are provided in appropriations Acts.

FINAL REPORT

SEC. 306. The Commission shall transmit to the President and to the Congress not later than one year after the first meeting of the Commission, a final report containing a detailed statement of the findings and conclusions of the Commission, including its recommendations for administrative, judicial, and legislative action which it deems advisable. Any formal recommendation made by the Commission to the President and to the Congress must have the majority vote of the Commission as present and voting.

EXPIRATION OF THE COMMISSION

SEC. 307. Sixty days after the submission to Congress of the final report provided for in section 6, the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATION

SEC. 308. There are hereby authorized to be appropriated such sums as may be necessary to carry out the activities of the Commission.

EFFECTIVE DATE

SEC. 309. The provisions of this title shall take effect upon the date of enactment of this title.

Mr. MATHIAS. Mr. President, I am a cosponsor of the Export Trading Company Act. I wish to do everything that I can do to make sure that it gets passed

and it gets signed into law at the earliest possible time.

If the United States is going to pay just for the energy we have to import in the next 19 years, to the end of this century, we will have to expand our exports tenfold.

So, there is urgency in getting this bill into law, getting it into action.

I have also proposed this amendment to establish a 12-month task force to study the larger impact our antitrust laws have on the ability of U.S. firms to compete overseas.

I am very happy that the distinguished Senator from Mississippi (Mr. COCHRAN) has joined me as a cosponsor of the amendment.

The export trading company bill addresses a very narrow but important aspect of the problem, and the task force proposed in this amendment would focus on the whole gamut of issues raised by the extraterritorial application of the U.S. antitrust laws.

I think very few of us question the importance of exports to the economic health of the country. Exports now contribute more to our gross national product than private corporate investment does. One out of every eight jobs in the country is involved in exports. One dollar out of every three of U.S. corporate profits comes from international activities. One out of every 3 acres of farmland produces for export.

Yet, despite the critical importance of exports to our economic well-being, the United States still lags far behind its major trading partners in international trade. The U.S. share of free world exports has steadily decreased, from 18.2 percent in 1960 to 12.1 percent in 1980. In Germany, France, Italy, and the United Kingdom exports account for more than 50 percent of all goods produced, while in the United States they account for only 14 percent.

Much of the blame for our poor export performance can be pinned on the maze of disincentives to trade which the Federal Government has built up over the years. Last winter, the President's Export Council came out flatly in favor of removing self-imposed disincentives to U.S. exports. The Council recommended recently that every effort be made to facilitate U.S. export efforts and overseas operations by freeing U.S. firms from unnecessary antitrust constraints and uncertainties. To help accomplish this, the Council specifically recommended the enactment of this international antitrust task force bill, the same proposal contained in this amendment.

The 12-month task force would enable us to examine those issues in a thorough and thoughtful way. It would report its findings to the President and to Congress on what changes, if any, should be made to promote the doctrine of competition worldwide. In addition to the President's Export Council, the bill had the support of the U.S. Chamber of Commerce and the National Association of Manufacturers. We held extensive Senate hearings and the bill attracted 19 cosponsors and passed the Senate without a dissenting vote. Unfortunately, in the press of business in the final days of the 96th Congress, the House of Representatives failed to act on the bill. On February 5, I reintroduced the bill and Representative MCCLORY has already introduced a companion bill in the House of Representatives.

I have discussed this proposal with the floor managers of the pending legislation, S. 734, and I believe that they generally support the establishment of an international antitrust task force.

As a matter of fact, one of the distinguished cosponsors of the bill last year was the Senator from Pennsylvania, the manager of the bill today, Mr. HEINZ.

So, I am hopeful that this legislation will pass not only in this Congress but this year.

The PRESIDING OFFICER. The Chair reminds the Senator his 5 minutes have expired.

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator be yielded 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland is recognized for 3 additional minutes.

Mr. MATHIAS. Mr. President, I am well aware that for a variety of reasons the pending amendment has the potential of slowing down the forward progress of S. 734 in the other body, and I am reluctant to add any burdens that might slow down the progress of the bill that I not only support but which I think is urgently necessary.

So, if it is the judgment of the manager of the bill that this is the case, I would consider withdrawing the amendment.

Mr. HEINZ. Mr. President, will the Senator from Maryland yield?

Mr. MATHIAS. I am happy to yield to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank the Senator from Maryland for his excellent statement and for his excellent amendment.

I, in principle, can support his amendment, but I do believe that it is important to keep S. 734 as clean as possible so that we can keep the focus here today on export trading companies. We have so far been able to do so.

I assure my good friend from Maryland that with respect to his bill, S. 432, that he can count on my assistance in moving that bill ahead and as it is considered by his committee, the Judiciary Committee, I believe it is a good bill.

I believe that the task force he seeks to establish is extremely timely and important. As a matter of fact, I ask unanimous consent that at the appropriate time he add me as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I am very happy to add the Senator from Pennsylvania as a cosponsor of the bill.

His support and he will be critical to the early passage of it. I hope that it can be passed in the very near future.

I will see that his name is added as a cosponsor.

The bill is, of course, identical with this amendment. It still has, as it did last year, very widely expressed support, and I am confident it can be passed by the Senate in the normal course of business.

So I will accept the suggestion of the Senator from Pennsylvania and at this time, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HEINZ. Mr. President, will the Senator yield further?

Mr. MATHIAS. Yes.

Mr. HEINZ. Mr. President, I express my gratitude to the Senator from Maryland and also note for the RECORD that he has been an exceptionally strong supporter of S. 734, our export trading company legislation.

He has been a great advocate of a strong export policy. He has been a great advocate of a strong economy, and it is due to his support and the support of many like-minded Senators that we have been able to bring S. 734 before the Senate at this relatively early date.

I thank the Senator from Maryland for his cooperation.

Mr. MATHIAS. Mr. President, I thank the Senator from Pennsylvania.

UP AMENDMENT NO. 62

Mr. ARMSTRONG. Mr. President, the pending business I believe is the Heinz amendment in the nature of a substitute to the Proxmire-Armstrong amendment.

The PRESIDING OFFICER. The Heinz amendment is the substitute for the language proposed to be stricken by an amendment of the Senators from Wisconsin and Colorado.

Mr. ARMSTRONG. Mr. President, I thank the Chair.

In a moment I am going to move to table the Heinz amendment.

Before I offer that motion I just wish to make two observations since I expect this shall be the last time I will speak during the course of the debate on the amendment or on the bill.

First of all, I want to again congratulate those who brought this bill to the floor because, in my opinion, both from the standpoint of the long-run future of the economy of this country and from the standpoint of getting our finances in shape, from a budgetary standpoint, the prestige and security interests of this country, and in every way, this is an important and worthy bill.

The objection which the Senator from Wisconsin and I have to funding is one which we have already explained. There is no need to put $50 million in authorization in this bill. The administration is against it, the Secretary is against it, OMB is against it, and I trust the Senate will be against it.

The parliamentary situation, to recap, is simply that Mr. PROXMIRE and I have offered an amendment to delete all of the $50 million in spending which is authorized in the bill.

The Senator from Pennsylvania (Mr. HEINZ) has offered a substitute which would set the level at $25 million.

In order to clarify the situation and to permit Senators to dispose of the Heinz amendment without voting against what appears to be a cut in the amount of the authorization, I do now move to table the Heinz amendment.

Mr. HEINZ. Mr. President, will the Senator withhold his motion for one moment?

Mr. ARMSTRONG. Surely.

Mr. HEINZ. I think we are at a point where we are going to be able to have some back-to-back votes. Hopefully there will be one vote on the motion to table and the motion to table will not succeed—that is my hope and expectation. We will then voice-vote everything else. The Heinz amendment will be adopted, and then we can proceed to final passage—at least that is my hope. But the key to it is, I think, we are very close to wrapping this up.

Before we do that, Mr. President——

Mr. ARMSTRONG. Mr. President, before the Senator moves on from that point, if the Senator will yield, I take it it would be his intention to have a voice vote whether the tabling motion carries or not.

My expectation is that the motion to table will carry. In short, what the Senator is saying is that if the vote on the tabling motion is conclusive, in effect, before taking the money out, you are going to be for leaving it in for at least $25 million if the vote is not to table.

Mr. HEINZ. I do not know if I can go that far, but obviously if the motion to table does not succeed, we will then voice-vote the Heinz amendment, and that voice vote would be presumably successful in view of the will of the Senate, and then we could voice-vote final passage.

Mr. ARMSTRONG. Is it not the Senator's intention if the tabling motion succeeds also to proceed to a voice vote on the Proxmire-Armstrong amendment?

Mr. HEINZ. That would be the Senator's intention. I cannot speak for other Members.

Mr. ARMSTRONG. There is no need for repetitive rollcalls.

The PRESIDING OFFICER. If the amendment offered by the Senator from Pennsylvania prevails, under the precedents of the Senate, the amendment of the Senator from Wisconsin is rendered moot and is not voted upon.

Mr. HEINZ. I think we all understand that.

Mr. President, before we return to the business at hand, I want to take a moment to express my appreciation for the work of the Senator from Illinois (Mr. DIXON). He has been an unswerving supporter of this bill throughout its path through the Senate. Unfortunately, Senator DIXON cannot be here today for the final vote on S. 734, but I think the RECORD should reflect not only his support for the bill but also for the good work he has done as a member of the committee to help keep the bill intact and keep it strong.

In doing so I might add he has been following in the footsteps of his predecessor, Senator Adlai Stevenson of Illinois, to whose seat he succeeded. Senator Stevenson, of course, is really the true father of the export trading company legislation before us.

If his work on this bill is any indication, Senator DIXON is a more than worthy successor to Senator Stevenson.

Mr. PROXMIRE. Mr. President, will the Senator from Colorado withhold his tabling motion for just a minute so that I can make clear what we are voting on?

Mr. ARMSTRONG. Mr. President, I am pleased to withhold my request.

Mr. PROXMIRE. Mr. President, of course, I fully congratulate the distinguished Senator from Colorado. I do think, however, that it is clear that the Heinz amendment, if it carries, will mean we will have $25 million, that there will be authorized $25 million of spending which is likely to follow that.

If the Heinz amendment is defeated, it is clear that we will not spend that $25 million. In fact, it should be overwhelmingly clear to everybody here that we will save $25 million.

There should be no confusion on this because, as I understand it, this is an amendment which, as the Chair properly said, will make the Armstrong-Proxmire amendment, which would knock out the entire $50 million and go to zero funding, make that amendment moot, invalid, knock it out of the box entirely.

So the issue before the Senate in voting for the Armstrong motion to table, those who want to save $25 million would vote "aye," in favor of tabling, and those who think there should be $25 million in the bill will vote "no."

Mr. ARMSTRONG. Mr. President, I think we are ready for the motion.

The PRESIDING OFFICER. Does the Senator make the motion to table?

Mr. ARMSTRONG. I do so move and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado to table the amendment of the Senator from Pennsylvania.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADLEY) is absent on official business.

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 55, nays 38, as follows:

[Rollcall Vote No. 82 Leg.]

YEAS—55

Abdnor	DeConcini	Hatch
Armstrong	Denton	Hawkins
Baucus	Dole	Hayakawa
Bentsen	Domenici	Helms
Biden	Eagleton	Hollings
Boren	East	Humphrey
Boschwitz	Exon	Johnston
Bumpers	Ford	Kassebaum
Byrd, Harry F., Jr.	Glenn	Kasten
Chiles	Goldwater	Lugar
	Grassley	Mattingly
McClure	Proxmire	Stafford
Melcher	Pryor	Symms
Mitchell	Quayle	Thurmond
Moynihan	Roth	Tower
Murkowski	Rudman	Wallop
Nickles	Sasser	Warner
Nunn	Schmitt	Zorinsky
Percy	Simpson	

NAYS—38

Andrews	Gorton	Matsunaga
Baker	Hart	Metzenbaum
Burdick	Hatfield	Pell
Byrd, Robert C.	Heflin	Pressler
Cannon	Heinz	Randolph
Chafee	Inouye	Rieg.e
Cochran	Jackson	Sarbanes
Cohen	Jepsen	Specter
Cranston	Kennedy	Stennis
D'Amato	Laxalt	Stevens
Danforth	Leahy	Tsongas
Dodd	Levin	Weicker
Garn	Mathias	

NOT VOTING—7

Bradley	Packwood	Williams
Dixon	Huddleston	
Durenberger	Long	

So the motion to table UP amendment No. 62 was agreed to.

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the motions to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, is the pending business now the Proxmire-Armstrong amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. Mr. President, I suggest we move to a vote and have it by a voice vote.

Mr. METZENBAUM. Mr. President, I ask for the yeas and nays.

Mr. President, I withdraw that request.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado and the Senator from Wisconsin.

So the amendment (UP No. 61) was agreed to.

Mr. ARMSTRONG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 63

(Purpose: To recognize the importance of agricultural exports)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. HEINZ. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct.

Will the Senate please be in order? Will Senators please take their seats?

The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an unprinted amendment numbered 63.

Mr. PRESSLER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, between lines 18 and 19, insert the following:

"(6) agriculture constitutes the foundation of the economy of the United States and will continue to be a leading sector in U.S. export growth;" and renumber the remaining subsections accordingly.

Mr. PRESSLER. Mr. President, I shall not take very much time as I have worked out this amendment with both the minority and the majority leaders earlier today.

I felt it very appropriate that agriculture be included in the findings in this bill because it is such an important part of our exports. Indeed, agriculture is our leading export.

The purpose of having agriculture in the findings of the act is that for too long Washington has thought of international trade as being merely industrial products. The fact of the matter is that agriculture is our chief export but it gets very little help and agricultural products are often sold to other nations on a concessionary basis.

This means that farmers, small businessmen, and farming communities pay for part of our trade bill.

I want agriculture to be treated on an equal basis and this amendment is a step in this direction.

In the future, administrators and lawyers interpreting this act will be able to look at the language contained in my amendment as a basis to work more vigorously for farm exports.

Mr. President, this amendment recognizes the importance of agricultural exports to U.S. international trade. This point seems indisputable and I hope that the managers of the bill will be able to accept it as a useful addition to the Export Trading Companies Act.

This amendment simply adds wording to the findings section of the bill. The amendment reads: "agriculture constitutes the foundation of the economy of the United States and will continue to be a leading sector in U.S. export growth."

The United States exported $31.975 billion worth of agricultural products in 1979, and preliminary figures indicate that 1980 agricultural exports were valued at about $40 billion. One-third of American agricultural production is exported. The agricultural trade surplus is approaching $30 billion or more. These facts should be recognized in that section of this bill which recognizes the increasing importance of exports to the U.S. economy as a whole.

As I indicated in testimony to the Senate Agriculture Committee on March 23, 1981, my own State of South Dakota exports over 20 percent of its farm produce. The farmers and ranchers of South Dakota are interested in seeing that percentage increase.

With that, Mr. President, let me say again that I hope the managers of the bill will find this additional language to be an acceptable and worthwhile addition to the bill.

Mr. President, small agricultural businesses no less than small manufacturers would be more active in exporting their goods overseas if they possessed the technical knowledge and experience which are essential for successful operation in the complicated business of selling their goods in foreign markets.

Already, American agriculture is the greatest success story in U.S. international trade. The U.S. agricultural trade surplus of over $24 billion last year helped greatly to diminish the awesome cost of importing $93 billion worth of foreign oil. Our food and fiber exports are essential for world survival and will continue to be in great demand as the world experiences a near doubling of its population by the end of the 20th century.

Mr. President, the great success of U.S. agricultural production lies principally in the fact that most of the exportable production is controlled by small and medium sized owner-operators of American farmland. The United States and the world have a tremendous vested interest in insuring that these producers continue to battle the great odds they must face—unpredictable weather, an uncertain economy, and sometimes questionable Government policies—in order to guarantee the continual production of food and fiber.

While most food production is controlled by small producers, the foreign marketing of that food is controlled by a very small handful of companies. They have been very successful in the export business. It is time to offer agricultural businesses some encouragement to expand their marketing potential in the world market.

Mr. HEINZ. Mr. President, the Senator is entirely correct. We have examined the amendment. I think we can certainly accept it on this side.

Mr. PROXMIRE. Mr. President, I am delighted to accept it on this side.

Mr. President, I might add that I think we all owe tribute to the Senator from Pennsylvania, who has done a superb job in handling this bill in committee and on the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (UP No. 63) was agreed to.

Mr. HEINZ. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

● Mr. BENTSEN. Mr. President, we hear a great deal about America's problems in international trade. Year after year we run a balance of trade deficit of about $30 billion. There is general agreement that we "must do something" to remain competitive in vital world markets.

But despite this vocal and very legitimate preoccupation with our trade performance, the Congress has been unable to enact legislation that would strengthen our hand in the export area. Not one significant element of the omnibus trade bill drawn up by the export caucus last year has become law.

The export trading company legislation, currently under consideration by the Senate, is an excellent opportunity to begin the process of eliminating disincentives to American exports; this legislation, which was passed unanimously by the Senate last fall but floundered in the House, will make American business better able to meet the terms of competition in the quest for international markets.

As an original cosponsor of S. 734 and its predecessor in the last Congress, I am convinced this legislation can make an important contribution to America's trade performance in the decade of the eighties.

No one should pretend that S. 734, despite its obvious advantages, constitutes some magical solution to our trade problems. Before America can return to world economic leadership and compete successfully in the international marketplace, we must demonstrate that we can put our own economic house in order. It will take time, sacrifice, and discipline to achieve the sort of fundamental reforms required to restore a healthy, dynamic American economy characterized by stability and real growth. But we have begun the process and as we succeed, our trade performance will inevitably improve.

The long-term nature of our economic problems should not, however, discourage us from taking steps that will have an immediate and favorable impact on our ability to export. The time has long since passed when American business and industry can accept unique, self-imposed restraints on our ability to market our products abroad.

We have seen that efficient export trading companies, able to provide a wide variety of services for their clients, have been an essential ingredient in the commercial success of nations like Japan that have emerged as consistent winners in the battle for exports.

Let us provide this advantage to our exporters. The provisions of S. 734 would encourage thousands of smaller and medium-size U.S. businesses—currently put off by the risk and complexity of exporting—to go after international markets. Trading companies of the type envisioned by this legislation will help spread out the risks of foreign trade and absorb currency fluctuations. They will help identify emerging market opportunities, assist in organizing joint construction projects abroad, and handle the logistics of foreign trade that presently deter so many potential exporters.

In addition, this legislation helps clarify many of the long-standing antitrust ambiguities that hinder the formation of American consortia to bid on significant export projects. Senator DANFORTH and I have long been interested in the effort to update the Webb-Pomerene Act and make it applicable to the export of services as well as goods. S. 734 accomplishes that objective. It also expands and clarifies the antitrust exemption for export trade associations and transfers administration of the act to the Department of Commerce.

It creates an office within Commerce to promote joint export activities and establishes a specific certification pro-

cedure that will eliminate the element of uncertainty in current law.

I am also enthusiastic, Mr. President, about the banking aspects of the Export Trading Company Act which permit the U.S. banking community to participate in export trading companies and provide the financial resources and expertise that have become such an essential ingredient in the success of our competitors. We have seen, time and again, that the ability to offer attractive credit terms to potential foreign buyers often means the difference between winning and losing sales.

While the United States has traditionally discouraged relationships between banks and trading companies, our competitors in trade have gone in the opposite direction and, with bank-owned trading companies, have frequently gained a competitive advantage over U.S. exporters. By permitting U.S. banks to acquire ownership in export trading companies under specified conditions and with appropriate safeguards, S. 734 would provide an important new asset in our drive to restore export competitiveness to the American economy.

For too long, Mr. President, this Nation has approached international trade as a luxury rather than a necessity.

Today success in the world of trade has become an indispensable ingredient in domestic prosperity. The United States has been slow to adjust and adapt to the changing environment of trade, and our share of world exports has decreased dramatically as a result.

I can see no good reason to continue to deny our exporters the support and assistance of full-fledged American export trading companies. Enactment of S. 734 will help even up the rules of the game and enable America to compete more effectively for world markets.●

● Mr. PERCY. Mr. President, I am an enthusiastic supporter of this legislation that will make a significant contribution to this country's export effort. I supported similar legislation last year, when the Senate passed a bill by a vote of 77 to 0, and I am a cosponsor of this year's legislation.

It is highly appropriate that this bill is one of the very first to come to a vote this year. We have had several measures on the floor that will move the President's domestic economic recovery legislation forward. This is the first major bill of this Congress that will advance our international economic position, and I commend Senator HEINZ and the Banking Committee for moving so expeditiously to bring this to a Senate vote.

Mr. President, our export performance over the past decade has been lackluster. Our merchandise trade has been seriously out of balance the past 4 years, with deficits of over $30 billion twice since 1977. The trade balance improved somewhat last year, but the Commerce Department still projects a preliminary 1980 trade deficit of over $26 billion. Moreover, these massive imbalances look even larger when compared with the relatively smaller deficits earlier in the 1970's. The 1976 trade deficit was a mere $9 billion. The previous year, 1975, we even scored a surplus of $9 billion. So massive trade deficits are not what we are accustomed to.

I am concerned not only that we seem to be losing our ability to finance our own imports but that we are also losing our global share of exports. In the last decade, the U.S. share of world markets declined from over 21 percent to 17.4 percent, the largest relative decline among major industrial exporters.

The goal of this legislation is to improve U.S. export performance by furthering the development of U.S. export trading companies. Only 10 percent of the 250,000 manufacturing firms in the U.S. export. The majority of these businesses are small and medium sized; many of them would export if they could cope with the risks and complexities of exporting. The Department of Commerce has estimated that up to 20,000 additional U.S. manufacturers and agricultural producers could export. It is in the Nation's best interests that these firms begin to market goods and services abroad. S. 734 will facilitate that movement of small businesses into the export field.

It comes as no surprise that more of these firms do not get involved in the export sector. The disincentives have simply been too strong.

Just this winter this matter was addressed by a distinguished panel of private citizens, the Japan-United States economic relations group. U.S. Ambassador Robert Ingersoll is the American chairman of the group, and Ambassador Nobuhiko Ushiba, former State Minister for External Economic Affairs, is his Japanese counterpart. An important part of their January 1981 report states:

> Solutions to the problems hindering further United States export growth are even more important in a global context than that of the bilateral imbalance. Even so, the Group believes one of the most important factors in the bilateral trade relationship is the management and performance of the United States economy, particularly government and industry policies toward exports. No change would improve the United States-Japan economic relationship more than an improvement in the fundamental strength of the United States economy. . . .
>
> In addition, United States exports to Japan and indeed to all the world are inhibited by a lack of United States business attention to foreign market opportunities and by government disincentives to exporting. Industrial exports account for a noticeably lower percentage of GNP in the United States than any other advanced industrial country. Much of American business has traditionally had little interest in foreign markets. The size and familiarity of the American domestic market, combined with ignorance about foreign markets, have deterred American firms from realizing important foreign market opportunities. In addition, a variety of United States laws and government policies tend to make exporting less attractive.

Mr. President, that is a candid assessment of the U.S. trade position and where remedial action should be directed. The Japan-United States economic relations group has pinpointed, in their excellent analysis, one of the primary reasons for our poor export record. This legislation before us today will move us off dead center and will begin to reverse those policies that tend to make exporting less attractive.

The Export Trading Company Act has a number of important provisions, but I would like to highlight just a few. Perhaps one of the most significant provisions is in title II of S. 734 where a new procedure is outlined for certification of export trade associations and export trading companies. Once an association or company has been certified, they can then apply for exemption from the antitrust laws for the purpose of marketing products abroad. One of the grievances that small- and medium-sized businesses have had over the years is the threat that if they joined with other firms to market products overseas, the Justice Department or Federal Trade Commission would view this as a broach of the antitrust laws. The result was a strong reluctance to export. This carefully-worded section granting antitrust immunity, limited in scope to what is specified in the certification, provides business with a much greater degree of certainty and should offer a major incentive for joint ventures in exporting.

Title I of the bill also contains important provisions relating to banks and their role in boosting our export performance. Under the provisions of S. 734, banks will be authorized to invest up to 5 percent of their capital in export trading companies. As much as $10 million can be invested in export trading companies by banks, so long as this investment does not make the trading company a subsidiary of the bank. To encourage these investments, the bill allows investments of this type to go forward without the approval of bank regulatory agencies. Of course, in cases where investments exceed $10 million, the appropriate regulatory bodies would be called on to review the investment. In cases where more than 50 percent of the stock of an export trading company would be purchased by a bank, regulatory agency approval is also required.

A third very important part of this bill is section 104 which directs the Secretary of Commerce to promote and encourage the formation and operation of export trading companies. On this type of outreach program could depend the whole success of the other key parts of the bill. Export trading companies of the magnitude envisioned by the legislation are a new aspect of the American economic landscape. Many smaller firms, as I mentioned earlier, have studiously avoided exporting. We need to get the word out to them that some of the disincentives have been reduced and others have been eliminated outright. As with all new endeavors, success of export trading companies will hinge on the success we have in communicating the new terms of the law.

Mr. President, I am greatly encouraged by the Senate's speedy consideration of this legislation. It is important for the entire country, but it will also have a marked impact on my own State of Illinois, which is already one of the premiere exporting States of the Nation. In agricultural exports, we have consistently ranked No. 1, with a wide range of agricultural products. Our top ex-

ports have been feed grains and soybeans. One of every two farming jobs rely on exports in my State and we have always sought new ways to market exports and we are always looking for new markets for our products.

In manufacturing, Illinois ranks second in the United States in exports. Machinery, food products, chemicals and transportation equipment are by far the most important manufactured exports, accounting for one of every nine jobs. Moreover, the manufacturing export sector is spread throughout the State and is not concentrated just in Chicago. In the Chicago economy, about 6 percent of the work force had jobs relating to exports, but in each of Decatur, Peoria, and Springfield, well over 20 percent of the work force jobs depend on exports.

In short, Mr. President, exporting is a way of life in my home State. We know the value of cultivating foreign markets and Illinois farmers, businessmen, and workers have traditionally given their support to expanding overseas opportunities. I know my fellow Illinoisans will welcome passage of this bill and the new export instruments it promises.●

● Mr. GLENN. Mr. President, I rise to speak in support of S. 734, a bill to encourage exports by facilitating the formation and operation of export trading companies. I cosponsored this legislation last year and the reasons for supporting it this year are even more compelling. The purpose of this bill is to improve U.S. export performance at a time when American companies are facing increasingly vigorous competition in the international marketplace. From every corner of the world, government planning and financing of foreign trade challenges the resources of American firms. To meet this challenge, American companies must organize the most efficient business operations possible and we in Government must do what we can to help American firms improve their competitive edge.

One way in which we can do this is by facilitating the formation of trading companies. The trading company is not a new idea. It is as old as commerce itself and has enjoyed great success in other countries. In Japan, for example, the top 10 trading organizations, the Sogo Shoshas, account for approximately 60 percent of Japan's imports and 50 percent of its exports. Trading companies have also played an important role in the economic growth of many European countries. Yet, despite their historical and international success, trading companies have not flourished in the United States.

There are several reasons—both economic and legal—for this failure. It is my contention that the economic conditions no longer prevail and that the legal restraints are equally outdated. First, we have been generally self-sufficient for the bulk of our economic needs throughout our Nation's history. Second, the industrial revolution occurred early in our history and its effects spread quickly. This made the acquisition and distribution of goods easy and further reduced our need for foreign trade. Third, the large size of our domestic market meant that American businessmen had ample growth opportunities close at hand and involving relatively small risk. These factors, all the products of our unique geographic and economic heritage, limited the attractiveness of and need for foreign trade companies. But these unique conditions no longer prevail. The interdependence and competitiveness of the world market make it impossible for the United States to sustain its economic growth while operating on outdated notions of resource self-sufficiency in limited domestic markets.

Unfortunately, Federal laws and regulations limit our ability to respond effectively to these new challenges. For example, Government regulations prevent U.S. banks from offering many important trading services. In addiiton, antitrust uncertainties deter many U.S. firms from cooperating with other U.S. producers in their organization of export activities. These restrictions are anachronisms. They hamper American firms at a time when foreign governments are cooperating with and, in many instances, even subsidizing and directing the export efforts of their own firms. The result is that our unilateral export restrictions cost American businessmen opportunities abroad and cost American workers jobs at home.

S. 734 addresses many of these obstacles and facilitates the formation and operation of export trading companies. It does so by allowing banking organizations to play a significant role in the future success of American export trading companies. In the past, many small- and medium-sized firms found foreign markets difficult to penetrate and too costly to do business in. That is one of the reasons why the Commerce Department estimates that some 20,000 smaller U.S. firms who could profitably export presently do not. Bank participation will enhance opportunities for small- and medium-sized firms to enter world markets by giving them access to the capital, financing, and marketing capabilities heretofore possessed only by larger firms.

While the degree of future bank participation in export trading companies—as well as the forms that such participation may take—remain uncertain at present, section 105 of the bill sets certain limitations on the level of involvement permitted banking organizations that invest in or finance these companies. S. 734 allows banking organizations to invest up to $10 million in one or more export trading companies without prior regulatory agency approval, as long as that investment does not amount to control. Investments in excess of $10 million, or any investment or action which amounts to control of an export trading company, must be approved by the appropriate Federal banking agency. The bill sets an overall limit on a bank's involvement by prohibiting its direct and indirect investments in the ownership of one or more export trading companies from exceeding 5 percent of the bank's capital and surplus. Total investment by a banking organization, combined with extensions of credit to export trading companies, cannot exceed 10 percent of the bank's capital and surplus.

Some have argued that these restrictions do not go far enough; that banks should not be allowed to gain control of an export trading company, because that would represent a substantial departure from the long-established separation of banking and commerce in our economic system. They fear that the public's deposits may become exposed to undue risk if banks acquire ownership control of trading companies.

Legitimate questions concerning the scope of bank participation do merit careful consideration. It is time that banks, given their international offices, experience in trade financing and familiarity with domestic U.S. producers, will be likely sources of leadership in forming export trading companies. But I feel that S. 734 includes important safeguards which not only protect against unsound banking practices, but also against any unfair competitive advantages that might otherwise accrue to an export trading company having a bank investor.

A specific provision of the bill, for example, prohibits banks from extending credit on a preferential basis to an export trading company in which it has an equity interest. This subsection meets a traditional concern of U.S. policy that banks not favor their affiliates in loan transactions. But even without the inclusion of this provision, the Financial Institutions Regulatory and Interest Rate Control Act of 1978 already provides safeguards against such unfair lending practices by banking institutions. Similarly, the 5-percent limit placed on total equity investments, and the 10-percent limit placed on a bank's total investments in or financing of trading companies, protect banking organizations from overexposure.

I see no harm in allowing a bank to own a trading company as long as such limitations exist. In fact, permitting banks to have equity and management control over their affiliate relationships seems far wiser than mandating the bank capital be controlled solely by the decisions of nonbanking partners. Banking organizations will surely be more inclined to form export trading companies if they can control their investments. Such investments, in turn, will provide banks with a long-term incentive to establish the additional framework needed to offer a complete range of export services.

S. 734 also stipulates that any bank's proposed or existing investment in trading companies may be terminated by the appropriate Federal regulatory agency upon its determination that the ownership or control of any such investment constitutes a serious risk to the financial safety, soundness, or stability of that bank. I believe that these limitations, coupled with the banking agencies' broad regulatory, supervisory, and examination powers and other existing legal restrictions, assure that there will be no serious risk to the safety and soundness of bank participation in export trading companies.

The access to capital and international

markets provided by title I of S. 734 is a necessary, but not a sufficient, step in facilitating the formation of American trading companies. It is not sufficient because American firms have long been unwilling to risk investments in export activities, given the uncertain climate created by domestic antitrust rulings. So unless we are willing to clarify how our antitrust laws related to export trade, we cannot hope to utilize the full resources of the American business community in our effort to regain a competitive position in international trade.

On this last point, our competitiveness has deteriorated precisely because we have failed to develop a foreign trade policy consistent with changing international realities. Whereas private, multinational firms seeking the most efficient production and distribution of goods and services once dominated world markets, economic nationalism now prevails. In the critical areas of oil, steel, and autos, Government owned or directed, vertically integrated corporations shape the flow of trade. They do so as instruments of national governments and their actions are directed by political, rather than economic, consideration.

The postwar challenge America issued to her trading partners was not met by a purely American response. Industrial development programs in Italy, France, Great Britain, Japan, and the developing nations are hybrids of the American model and their implementation has altered the evolution of world trade. Although I do not advocate the adoption of these nationalistic, economic policies here in the United States, neither do I believe we can shape a coherent, effective foreign economic policy without recognizing the unsettling effects of those policies on world trade and American industries.

Through the Marshall Plan and other development assistance programs, the United States helped Europe, Japan and the developing nations establish their industrial strength. We generously stood back while they nurtured their industries with financial assistance and protectionism. While we continue to provide the shelter of our defense umbrella, they continue along the path of independence and economic nationalism. It is time now to adjust our own policies to the new realities of the global market.

One way in which we can do this is by unleashing the full force of America's private enterprise from the restraints of needless and confusing regulation. I believe that this bill's clarification of longstanding ambiguities in the area of antitrust exemptions for export trading companies is a long overdue step in this direction. Title II of S. 734 encourages the formation of export trading companies by expanding the provisions of the Webb-Pomerene Act to include trade in services, as well as that in goods, wares or merchandise. This feature will greatly expand export opportunities for trading companies in areas where American companies are especially competitive. Furthermore, title II establishes a clearance procedure whereby firms can determine in advance whether their export activities are immune from antitrust suits. By establishing a certification procedure and codifying the enforcement intentions of our Government's antitrust oversight branches, title II of S. 734 eliminates some of the uncertainties in current law that have discouraged the formation of American consortia to bid on significant export projects. At the same time, however, S. 734 also protects against any anticompetitive effects that might result from the establishment and operation of export trading companies.

Mr. President, this bill will not, by itself, solve America's foreign trade problems. Restoring the international competitiveness of the American enterprise will require us to do much more in the areas of capital formation, regulatory reform and research and development. But because S. 734 recognizes that cooperation between business and Government is a critical ingredient in any comprehensive national effort to improve our export performance, I believe it is an important step in the right direction.●

● Mr. DODD. Mr. President, I rise in support of S. 734, the Export Trading Company Act. It is clear that increased export activity must constitute a major component of any economic recovery program. This legislation will facilitate access to foreign markets by many businesses, particularly smaller businesses, who, because of inadequate capital or marketing expertise, have not enjoyed such access.

Last year, the White House Commission on Small Business pointed out that small businesses produce, investment dollar for investment dollar, 24 times as many innovations as big business, and create over 85 percent of new jobs nationwide. In today's global economy, increasingly dominated by sophisticated, innovative, high-technology goods and services, it should be clear that smaller businesses should be in the forefront of American attempts to more effectively penetrate world markets. Smaller businesses can thus augment activities by larger businesses, which have for some time exported computers, heavy machinery, chemicals, aerospace technology, power-generating machinery, and telecommunications equipment and services.

During the recent past, fewer than 1 out of 10 U.S. manufacturing firms export, and the major share of the export market is dominated by large corporations. S. 734, if enacted, would promote the establishment of export trading companies and thus would overcome some of the most basic, yet significant, obstacles to exporting by small business.

Under title I, export trading companies would benefit from increased financial leverage provided through Federal loans and loan guarantees. The Secretary of Commerce would provide information about export trading companies to export-minded U.S. businesses. And banks would be permitted to invest in export trading companies under strict limitations designed to insure the safety and soundness of participating banks. Bank investments of over $10 million would be subject to prior approval of Federal regulatory agencies and bank investments exceeding 5 percent of bank capital would be prohibited outright.

Uncertainty over constraints posed by antitrust laws has been a significant factor inhibiting the formation of export trading companies. Title II of this legislation would clarify antitrust provisions of the 1918 Webb-Pomerene Act and provide procedures through which specified export trade activities would be granted antitrust clearance by the Department of Commerce. To eliminate confusion regarding the status of present Webb-Pomerene associations, this bill "grandfathers" such existing associations so they can continue operations unimpeded and free of uncertainty under this act.

Export trading companies would help smaller businesses pool the costs and risks associated with participation in foreign markets. Services provided by export trading companies might include market research, transportation, warehousing, and aftersales servicing, as well as trade financing. One can look to Japan for an example of the success of trading companies. Japanese trading companies account for over 50 percent of that country's total trade, which involves thousands of products worldwide.

Even though there are many differences between Japanese and American business policies which preclude point-by-point emulation, it still seems clear that great potential exists in a close relationship between trading companies and U.S. manufacturers which produce new and innovative products.

Mr. President, the state of our economy and of our Nation demands that we take strong action to improve our competitiveness in world markets. We must take steps to improve productivity and reduce inflation here at home. However, even if we perform adequately in this regard, we will still face intense and growing competition from foreign industry, much of which enjoys the benefits offered by trading companies, as well as active government support in the form of generous subsidies and credit. This legislation will provide a significant additional step toward enhancing the ability of our businesses to compete, on similar terms, with aggressive industries abroad. Therefore, I urge the Senate today to act favorably on this legislation, as it did last year by a vote of 77 to 0.●

ADVANCING OUR GROWTH OBJECTIVES IN WORLD MARKETS

● Mr. BRADLEY. Mr. President, the Senate recently completed work on a reconciliation resolution to reduce drastically Federal spending levels for fiscal year 1981 and spending targets for fiscal years 1982 and 1983. The cuts, many of which will bore deeply into important social programs, were justified by a desire to restore growth to the private sector of the economy. They were made on the expectation that reducing the Federal presence in the economy will make room for more rapid economic expansion in the private sector and that this growth in turn ultimately will provide more benefits to all Americans.

Mr. President, although I differ with the President on spending priorities and have serious doubts about the economic theory underlying his revival program, I wholeheartedly agree that restoring

robust economic growth must be an American priority. But for us to win the battle for growth it must take place on two fronts—restoring confidence and investment levels within our economy domestically and advancing our position in markets internationally.

The budget, and fiscal policy generally, primarily is a force on the domestic economy. Export trading companies, the subject of the legislation before us today, are a potential force to advance our growth objectives in the international economy.

Mr. President, the world has changed and influences on the U.S. economy have changed. Trade activity is no longer marginal. Rather it is the most dynamic element. Twenty years ago exports and imports combined amounted to some 10 percent of U.S. gross national product. Today the combined figure is close to 25 percent.

During the coming years, much of the stimulus to U.S. growth will have to come from foreign demand, particularly from the developing world. Even under the rosiest assumptions about domestic economic growth rate, we are not likely to keep pace with the developing world, and certainly not with newly industrializing countries—the Taiwans, Brazils, and South Koreas of the world. While during the seventies the older industrialized nations of the world grew at an average 3.4 percent, the developing world on a whole clipped along at a pace of 5.7 percent, and the newly industrialized countries boasted even higher average growth rates.

Of course, these growth rates in the developing world as a whole were on a much lower base and the distribution of growth was very uneven, with some of the poorest countries experiencing negative rates. But past statistics and future projections point to development activity outside our borders as the dynamic factor in world economic expansion. Developing markets have become increasingly important for U.S. expansion and will certainly become even more important in the future. Just last year, countries of the developing world took nearly 40 percent of U.S. exports, more than was taken by the European community and Japan combined.

Trade has become a major influence in U.S. economic life, but we have done little as a nation to improve our trade performance, little to reap the full benefits of trade. Our trade competitors in Western Europe and Japan have not been so negligent.

They have made trade a centerpiece of their growth strategies, stressing the long-term returns of gaining a foothold in new and developing markets. Their government officials have been energetic export promoters in foreign lands. Their official export credit agencies have made export financing and insurance available on generous terms and for a broad range of purposes, and their laws and policies have encouraged, not discouraged, the coordination of business and financial activities for exporting purposes.

Export trading companies particularly have made a major contribution to Japan's trade performance. We are all fully aware of how impressive that performance has been. Export trading companies account for over 50 percent of total trade by Japan today.

Mr. President, S. 734 offers our Nation an opportunity to mobilize for trade, to strengthen our areas of comparative advantage and to take advantage of the widening opportunities in the world.

Mr. President, the future of our economy depends on our success in world markets—the stake is no less critical than that. The Government can seek to reduce barriers to competitive performance by U.S. companies, but ultimately the fate of the U.S. economy lies with the private sector.

The Export Trading Companies Act is a measure that relies on private sector initiative. It does not ask Government to take over a business function, it removes barriers that impede U.S. business from mobilizing to function more effectively.

It is particularly suited to mobilize the untapped resources of small business in America. Only some 10 percent of the 250,000 to 300,000 manufacturing firms in the United States do any exporting. Some 75 percent of these 250,000 to 300,000 firms are small- or medium-sized businesses, but firms of this size account for only 10 to 15 percent of U.S. exports. Indeed 85 percent of all exports are sold by a mere 1,000 to 2,000 firms and about 100 firms account for 50 percent of exports. Most of these are large firms. The Department of Commerce estimates that an additional 20,000 firms who do not export at all could do so.

Small businesses are beginning to see over the horizon of our borders to the wealth of growth opportunity abroad. But the view is still murky, and therefore uninviting.

For small businesses, the uncertainties of export transactions can preclude investment in exporting. It simply is too risky to invest time and money in acquiring market information, locating potential buyers, and arranging for financing warehousing, insurance, transportation, and distribution, even though the final returns may well prove worth it. It does not serve anyone's interest to permit potential profitable business to stagnate for lack of information and centralized services.

The export trading companies bill offers a way out of this stagnation. It is such a sensible approach that one is astonished that it has not been enacted to date.

The bill is designed to promote exports by encouraging the formation of export trading companies or associations. Its major achievement is to permit these trading groups to offer a range of export services including banking services, at "one-stop".

By permitting the participation of banks in such companies, the legislation helps potential exporters overcome two of the greatest barriers to export—obtaining information and business contacts in world markets and obtaining adequate capital. Banks can bring to trading companies resources that are essential to their success, including expertise in international transactions, such as currency exchange and letters of credit, international bank and correspondent banks relationships, knowledge of potential customers, experience in managing investment risk decisions, and capital to start up a trading company and finance its transactions.

The integrity of our Nation's banking system is duly protected by an array of conditions placed on the terms of bank participation. For example, the appropriate banking agency must approve bank investments in trading companies in excess of $10 million and investments that give a bank control of, or more than 50 percent of the assets of a trading company. Further, the agency can disapprove or place conditions on bank investment or activity in a trading company, and participating banks are barred from offering preferential terms to affiliated trading companies.

A second major achievement of this bill is the creation of a certification process that reduces the uncertainty of potential participants in export trading associations as to the liability of such companies to antitrust prosecution. Unpredictable antitrust liability has been a cloud over the formation of trading companies, despite the explicit exemption under a 1918 law of export promoting activities, under certain conditions, from U.S. antitrust laws.

Since 1918 it has been U.S. policy to exclude from antitrust prosecution export-promoting activities that do not restrain trade in the U.S. market. But this has not been U.S. practice. This is because business cannot know in advance whether courts will construe certain cooperative activities as exempt from antitrust prosecution under the 1918 law. This uncertainty has a chilling effect on potential participants in an export trading association.

The export trading companies bill creates a certification process that balances the exporter's need for a more productable legal environment against society's interest in a competitive U.S. economy. The certification process enables trading companies to organize effectively for export promotion without undermining the purposes of the Sherman and Clayton Acts.

Essentially, trading companies can obtain prior assurance against antitrust prosecution by presenting the Department of Commerce with an application detailing its proposed activities. Commerce then consults with the Department of Justice and the Federal Trade Commission to determine whether these activities will promote exports and not result in a substantial lessening of competition, or in the use of unfair methods of competition against other U.S. exporters. A positive determination would exempt the applicant from antitrust prosecution for only those activities specified in the application.

Safeguards assure that the exemption will not impair competition in U.S. markets or extend beyond the bounds of the certifications as approved. For example, the Department of Justice or the FTC can seek injunctive relief to prevent certification from taking effect, and can initiate decertification of a trading company in Federal court.

Mr. President, the export trading companies bill has been the subject of close and careful scrutiny. It has been examined piecemeal in numerous congressional hearings, undergone review by two administrations and been the subject of vigorous Senate debate. It ultimately has won support in all these forums.

Mr. President, the refined product of all these labors is before us today. It is the product of expertise, balance, deliberation, and healthy compromise. It is a worthy product, and I am proud, as one of its early supporters, to urge its enactment.●

● Mr. WEICKER. Mr. President, I rise in support of S. 734, the Export Trading Company Act of 1981. As a cosponsor of this legislation and its predecessor in the 96th Congress, I am particularly supportive of the role this legislation will play in increasing exports by small- and medium-sized firms.

Mr. President, small businesses which desire to export are often stymied by the tremendously burdensome requirements of such an effort. Gaining an expertise in foreign markets, tax provisions, freight handling, and business customs requires an indepth study and is tremendously time consuming. A small business cannot afford the large in-house international marketing staff which would be required to handle all aspects of a successful export effort.

Heretofore, Government export promotion programs have not been successful in filling this informational gap or in providing the type or level of assistance necessary to aid small business exporters. Export associations and trading companies currently in existence, while providing an alternative to direct exporting by small business, have been harvesting by certain legal restrictions and ambiguities.

S. 734 seeks to address many of these problems which have restricted successful operation of export trading companies and associations and in so doing, increase exporting by small- and medium-sized businesses.

Of course, Mr. President, a major problem facing small business is access to capital. This problem is even more acute when a small business attempts to export. By providing, under carefully monitored circumstances, for bank ownership of export trading companies, this legislation seeks to address this critical capital problem.

Mr. President, the White House Conference on Small Business, held in January 1980, examined the area of small business involvement in international trade. The conference endorsed five recommendations to improve the atmosphere necessary for successful exporting by small business. The recommendation receiving the broadest support included an endorsement of the development of export trading companies with greater powers and authority. This Congress has repeatedly expressed its support for the recommendations of the White House Conference on Small Business. Passage of the pending measure will be one more step toward fulfillment of the conference agenda.

Mr. President, I urge my colleagues to support this important legislation.●

Mr. CHAFEE. Mr. President, the purpose of the bill before us today is to promote the formation of export trading companies and trade associations. I totally support that goal. This bill, S. 144, directs the Secretary of Commerce to promote export trading companies by providing information and advice to individuals and by bringing together the producers of goods and services with firms experienced in export trade. It permits banks to make limited investment in export trading companies. It also clarifies the antitrust provisions applicable to export trade associations and trading companies and provides a certification procedure that will enable them to obtain antitrust preclearance for their export trade operations.

When I look at my home State, I see that 90 percent of Rhode Island's companies are small. If Rhode Island is going to increase jobs and stimulate the economy through exporting, then small companies must participate.

Having sponsored an export opportunities conference for firms in Rhode Island, I learned that many companies do not export because they have neither the funds to invest in market development overseas, nor the time or personnel to master customs documents, shipping, packaging, regulations on sales agents, and the many details involved in selling goods and services overseas. Such companies need far more than a 1-day conference, or a Government brochure. They need someone to market their products for them; a way to spread the risks and costs among many firms, which they cannot afford on an individual basis.

At present, four small- or medium-sized firms in Rhode Island belong to joint export associations. But the difficulty in securing adeaquate financing, and uncertainty over antitrust exemptions has prevented these trading companies from reaching more than a small fraction of U.S. firms which could export. In addition, the banks in Rhode Island are small to medium sized. There are no Chase Manhattans in Rhode Island. I have talked with companies who belong to joint export associations which are operating under current law. I have talked with Rhode Island bankers. They would like the opportunity to work together to promote Rhode Island exports. The legislation before us today would give them that chance.

Mr. President, every other major trading nation not only permits but encourages the formation of export trading companies or their equivalent. Only the United States has failed to allow the development of this vehicle for aiding smaller firms who either cannot or will not enter the world marketplace on their own.

I have heard a good deal of talk lately about the trading power of the Japanese and our need to compete with them more effectively. Two-thirds of Japanese exports are handled by trading companies. In the U.S., experts believe that less than 10 percent of our exports make use of joint marketing methods. How can we expect U.S. firms to compete when we deny them what has been the most effective weapon in the Japanese trade arsenal? As Senator HEINZ has pointed out, the sixth largest U.S. exporter is Mitsui, a Japanese trading company.

We must recognize the reality of what we face ahead in the world trade arena. There is increasing competition for slices of the world trade pie. Yet, world trade volume has leveled off considerably, increasing by only 1 percent in 1980. The share of manufactured goods exported by the industrialized nations is only two-thirds of what it was 20 years ago.

In as much as the markets of the industrialized world are relatively mature, the greatest potential for growth lies in the less developed countries. But, these nations have the least developed commercial channels. Trying to enter their markets can be a complex and frustrating experience, particularly for smaller companies trying to export on their own. If U.S. companies are going to share in the growth of these markets, thus increasing exports, creating jobs, and strengthening our economy, then they must have the tools provided in the legislation before us today.

Finally, Mr. President, I would like to point out that we are not asking the Government to give anything to U.S. companies. We are only asking that it not hinder U.S. companies' ability to compete overseas. The administration has urged the Congress to pass this legislation quickly. The time has come to do just that.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered.

Mr. BAKER. Mr. President, before the rollcall begins, there will be no more rollcall votes today.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) would vote "Yea."

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Kentucky, (Mr. HUDDLESTON), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADLEY) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. BRADLEY), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Illinois (Mr. DIXON), and the Senator from Louisiana (Mr. LONG) would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 83 Leg.]

YEAS—93

Abdnor	Glenn	Moynihan
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Nunn
Baucus	Hart	Pell
Bentsen	Hatch	Percy
Biden	Hatfield	Pressler
Boren	Hawkins	Proxmire
Boschwitz	Hayakawa	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Randolph
Byrd, Harry F., Jr.	Helms	Riegle
	Hollings	Roth
Byrd, Robert C.	Humphrey	Rudman
Cannon	Inouye	Sarbanes
Chafee	Jackson	Sasser
Chiles	Jepsen	Schmitt
Cochran	Johnston	Simpson
Cohen	Kassebaum	Specter
Cranston	Kasten	Stafford
D'Amato	Kennedy	Stennis
Danforth	Laxalt	Stevens
DeConcini	Leahy	Symms
Denton	Levin	Thurmond
Dodd	Lugar	Tower
Dole	Mathias	Tsongas
Domenici	Matsunaga	Wallop
Eagleton	Mattingly	Warner
East	McClure	Weicker
Exon	Melcher	Zorinsky
Ford	Metzenbaum	
Garn	Mitchell	

NOT VOTING—7

Bradley	Huddleston	Williams
Dixon	Long	
Durenberger	Packwood	

So the bill (S. 734), as amended, was passed as follows:

S. 734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXPORT TRADING COMPANIES

SHORT TITLE

SEC. 101. This title may be cited as the "Export Trading Company Act of 1981".

FINDINGS

SEC. 102. (a) The Congress finds and declares that—

(1) tens of thousands of American companies produce exportable goods or services but do not engage in exporting;

(2) although the United States is the world's leading agricultural exporting nation, many farm products are not marketed as widely and effectively abroad as they could be through producer-owned export trading companies;

(3) exporting requires extensive specialized knowledge and skills and entails additional, unfamiliar risks which present costs for which smaller producers cannot realize economies of scale;

(4) export trade intermediaries, such as trading companies, can achieve economies of scale and acquire expertise enabling them to export goods and services profitably, at low per-unit cost to producers;

(5) the United States lacks well-developed export trade intermediaries to package export trade services at reasonable prices (exporting services are fragmented into a multitude of separate functions; companies attempting to offer comprehensive export trade services lack financial leverage to reach a significant portion of potential United States exporters);

(6) State and local government activities which initiate, facilitate, or expand export of products and services are an important and irreplaceable source for expansion of total United States exports, as well as for experimentation in the development of innovative export programs keyed to local, State, and regional economic needs;

(7) the development of export trading companies in the United States has been hampered by insular business attitudes and by Government regulations; and

(8) if United States export trading companies are to be successful in promoting United States exports and in competing with foreign trading companies, they must be able to draw on the resources, expertise, and knowledge of the United States banking system, both in the United States and abroad.

(b) The purpose of this Act is to increase United States exports of products and services, particularly by small, medium-size, and minority concerns, by encouraging more efficient provision of export trade services to American producers and suppliers.

DEFINITIONS

SEC. 103. (a) As used in this Act—

(1) the term "export trade" means trade or commerce in goods produced in the United States or services produced in the United States, and exported, or in the course of being exported, from the United States to any foreign nation;

(2) the term "goods produced in the United States" means tangible property manufactured, produced, grown, or extracted in the United States, the cost of the imported raw materials and components thereof shall not exceed 50 per centum of the sales price;

(3) the term "services produced in the United States" includes, but is not limited to, accounting amusement, architectural, automatic data processing, business, communications, construction franchising and licensing, consulting, engineering, financial, insurance, legal, management, repair, tourism, training, and transportation services, not less than 50 per centum of the sales or billings of which is provided by United States citizens or is otherwise attributable to the United States;

(4) the term "export trade services" includes, but is not limited to, consulting, international market research, advertising, marketing, insurance, product research and design, legal assistance, transportation, including trade documentation and freight forwarding, communication and processing of foreign orders to and for exporters and foreign purchasers, warehousing, foreign exchange, and financing, when provided in order to facilitate the export of goods or services produced in the United States;

(5) the term "export trading company" means a company, whether operated for profit or as a nonprofit organization, which does business under the laws of the United States or any State and which is organized and operated principally for the purposes of—

(A) exporting goods or services produced in the United States; and

(B) facilitating the exportation of goods or services produced in the United States by unaffiliated persons by providing one or more export trade services;

(6) the term "United States" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

(7) the term "Secretary" means the Secretary of Commerce; and

(8) the term "company" means any corporation, partnership, association, or similar organization, whether operated for profit or as a nonprofit organization.

(b) The Secretary is authorized, by regulation, to further define such terms consistent with this section.

FUNCTIONS OF THE SECRETARY OF COMMERCE

SEC. 104. The Secretary shall promote and encourage the formation and operation of export trading companies by providing information and advice to interested persons and by facilitating contact between producers of exportable goods and services and firms offering export trade services.

OWNERSHIP OF EXPORT TRADING COMPANIES BY BANKS, BANK HOLDING COMPANIES, AND INTERNATIONAL BANKING CORPORATIONS

SEC. 105. (a) For the purpose of this section—

(1) the term "banking organization" means any State bank, national bank, Federal savings bank, bankers' bank, bank holding company, Edge Act Corporation, or Agreement Corporation;

(2) the term "State bank" means any bank or bankers' bank which is incorporated under the laws of any State, any territory of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the Virgin Islands;

(3) the term "State member bank" means any State bank which is a member of the Federal Reserve System;

(4) the term "State nonmember insured bank" means any State bank which is not a member of the Federal Reserve System, but the deposits of which are insured by the Federal Deposit Insurance Corporation;

(5) the term "bankers' bank" means any bank insured by the Federal Deposit Insurance Corporation if the stock of such bank is owned exclusively by other banks (except to the extent directors' qualifying shares are required by law) and if such bank is engaged exclusively in providing banking services for other banks and their officers, directors, or employees;

(6) the term "bank holding company" has the same meaning as in the Bank Holding Company Act of 1956;

(7) the term "Edge Act Corporation" means a corporation organized under section 25(a) of the Federal Reserve Act;

(8) the term "Agreement Corporation" means a corporation operating subject to section 25 of the Federal Reserve Act;

(9) the term "appropriate Federal banking agency" means—

(A) the Comptroller of the Currency with respect to a national bank or any bank located in the District of Columbia;

(B) the Board of Governors of the Federal Reserve System with respect to a State member bank, bank holding company, Edge Act Corporation, or Agreement Corporation;

(C) the Federal Deposit Insurance Corporation with respect to a State nonmember insured bank; and

(D) the Federal Home Loan Bank Board with respect to a Federal savings bank.

In any situation where the banking organization holding or making an investment in an export trading company is a subsidiary of another banking organization which is subject to the jurisdiction of another agency, and some form of agency approval or notification is required, such approval or notification need only be obtained from or made to, as the case may be, the appropriate Federal banking agency for the banking organization making or holding the investment in the export trading company;

(10) the term "capital and surplus" shall be defined by the appropriate Federal banking agency;

(11) an "affiliate" of a banking organization has the same meaning as an "affiliate" of a member bank under section 2 of the Banking Act of 1933, and, with respect to a bank holding company, includes any bank or other subsidiary of such company, the term "subsidiary" has the same meaning as in section 2 of the Bank Holding Company Act of 1956;

(12) the terms "control" and "subsidiary" shall have the same meanings assigned to those terms in section 2 of the Bank Holding Company Act of 1956, and the terms "controlled" and "controlling" shall be construed consistenly with the term "control" as

provided in section 2(a)(2) of the Bank Holding Company Act of 1956, except that for purpose of the Export Trading Company Act of 1981, the determination of control as provided in section 2(a)(2) of the Bank Holding Company Act of 1956 shall be made by the appropriate Federal banking agency; and

(13) for the purposes of this section, the term "export trading company" means a company which does business under the laws of the United States or any State and which is exclusively engaged in activities related to international trade, whether operated for profit or as a nonprofit organization: *Provided, however,* That any such company must also either meet the definition of export trading company in section 103(a)(5) of this Act, or be organized and operated principally for the purpose of providing export trade services, as defined in section 103(a)(4) of this Act: *Provided further,* That any such company, for purposes of this section, (A) may engage in or hold shares of a company engaged in the business of underwriting, selling, or distributing securities in the United States only to the extent that its banking organization investor may do so under applicable Federal and State banking law and regulations, and (B) may not engage in manufacturing or agricultural production activities.

(b)(1) Notwithstanding any prohibition, restriction, limitation, condition, or requirement of any law applicable only to banking organizations, a banking organization, subject to the limitations of subsection (c) and the procedures of this subsection, may invest directly and indirectly in the aggregate, up to 5 per centum of its consolidated capital and surplus (25 per centum in the case of an Edge Act Corporation or Agreement Corporation not engaged in banking) in the voting stock or other evidences of ownership of one or more export trading companies. A banking organization may—

(A) invest up to an aggregate amount of $10,000,000 in one or more export trading companies without the prior approval of the appropriate Federal banking agency, if such investment does not cause an export trading company to become a subsidiary of the investing banking organization; and

(B) make investments in excess of an aggregate amount of $10,000,000 in one or more export trading companies, or make any investment or take any other action which causes an export trading company to become a subsidiary of the investing banking organization or which will cause more than 50 per centum of the voting stock of an export trading company to be owned or controlled by banking organizations, only with the prior approval of the appropriate Federal banking agency.

Any banking organization which makes an investment under authority of clause (A) of the preceding sentence shall promptly notify the appropriate Federal banking agency of such investment and shall file such reports on such investment as such agency may require. If, after receipt of any such notification, the appropriate Federal banking agency determines that export trading company is a subsidiary of the investing banking organization, it shall have authority to disapprove the investment or impose conditions on such investment under authority of subsection (d). In furtherance of such authority, the appropriate Federal banking agency, after notice and opportunity for hearing, may require divestiture of any voting stock or other evidences of ownership previously acquired, and may impose conditions necessary for the termination of any controlling relationship.

(2) If a banking organization proposes to make any investment or engage in any activity included within the following two subparagraphs, it must give the appropriate Federal banking agency ninety days prior written notice before it makes such investment or engages in such activity.

(A) any additional investment in an export trading company subsidiary; or

(B) the engagement by any export trading company subsidiary in any line of activity, including specifically the taking of title to goods, wares, merchandise, or commodities, if such activity was not disclosed in any prior application for approval.

During the notification period provided under this paragraph, the appropriate Federal banking agency may, by written notice, disapprove the proposed investment or activity or impose conditions on such investment or activity under authority of subsection (d). An additional investment or activity covered by this paragraph may be made or engaged in, as the case may be, prior to the expiration of the notification period if the appropriate Federal banking agency issues written notice of its intent not to disapprove.

(3) In the event of the failure of the appropriate Federal banking agency to act on any application for approval under paragraph (1)(B) of this subsection within a period of one hundred and twenty days, which period begins on the date the application has been accepted for processing by the appropriate Federal banking agency, the application shall be deemed to have been granted. In the event of the failure of the appropriate Federal banking agency either to disapprove or to impose conditions on any investment or activity subject to the prior notification requirements of paragraph (2) of this subsection within the ninety-day period provided therein, such period beginning on the date the notification has been received by the appropriate Federal banking agency, such investment or activity may be made or engaged in, as the case may be, any time after the expiration of such period.

(c) The following limitations apply to export trading companies and the investments in such companies by banking organizations:

(1) The name of any export trading company shall not be similar in any respect to that of a banking organization that owns any of its voting stock or other evidences of ownership except where a majority of the outstanding voting stock or other evidences of ownership of the company is owned or controlled by such banking organization.

(2) The total historical cost of the direct and indirect investments by a banking organization in an export trading company combined with extensions of credit by the banking organization and its direct and indirect subsidiaries to such export trading company shall not exceed 10 per centum of the banking organization's capital and surplus.

(3) A banking organization that owns any voting stock or other evidences of ownership of an export trading company may be required, by the appropriate Federal banking agency, to terminate its ownership or shall be subject to limitations or conditions which may be imposed by such agency, if the agency determines that the company has taken positions in commodities or commodities contracts, in securities, or in foreign exchange, other than as may be necessary in the course of its business operations.

(4) No banking organization holding voting stock or other evidences of ownership of any export trading company may extend credit or cause any affiliate to extend credit to any export trading company or to customers of such company on terms more favorable than those afforded similar borrowers in similar circumstances, and such extension of credit shall not involve more than the normal risk of repayment or present other unfavorable features.

(d)(1) In the case of every application under subsection (b)(1)(B) of this section, the appropriate Federal banking agency shall take into consideration the financial and managerial resources, competitive situation, and future prospects of the banking organization and export trading company concerned, and the benefits of the proposal to United States business, industrial, and agricultural concerns (with special emphasis on small, medium-size, and minority concerns), and to improving United States competitiveness in world markets. The appropriate Federal banking agency may not approve any investment for which an application has been filed under subsection (b)(1)(B) if it finds that the export benefits of such proposal are outweighed in the public interest by any adverse financial, managerial, competitive, or other banking factors associated with the particular investment. Any disapproval order issued under this section must contain a statement of the reasons for disapproval.

(2) In approving any application submitted under subsection (b)(1)(B), the appropriate Federal banking agency may impose such conditions which, under the circumstances of such case, it may deem necessary (A) to limit a banking organization's financial exposure to an export trading company, or (B) to prevent possible conflicts of interest or unsafe or unsound banking practices. With respect to the taking of title to goods, wares, merchandise, or commodities by any export trading company subsidiary of a banking organization, the appropriate Federal banking agencies may, by order, regulation, or guidelines, establish standards designed to ensure against any unsafe or unsound practices that could adversely affect a controlling banking organization investor. In particular, the appropriate Federal banking agencies may establish inventory-to-capital ratios, based on the capital of the export trading company subsidiary, for those circumstances in which the export trading company subsidiary may bear a market risk on inventory held.

(3) In determining whether to impose any condition under the preceding paragraph (2), or in imposing such condition, the appropriate Federal banking agency must give due consideration to the size of the banking organization and export trading company involved, the degree of investment and other support to be provided by the banking organization to the export trading company, and the identity, character, and financial strength of any other investors in the export trading company. The appropriate Federal banking agency shall not impose any conditions or set standards for the taking of title which unnecessarily disadvantage, restrict, or limit export trading companies in competing in world markets or in achieving the purposes of section 102 of this Act. In particular, in setting standards for the taking of title under the preceding paragraph (2), the appropriate Federal banking agencies shall give special weight to the need to take title in certain kinds of trade transactions, such as international barter transactions.

(4) Notwithstanding any other provision of this Act, the appropriate Federal banking agency may, whenever it has reasonable cause to believe that the ownership or control of any investment in an export trading company constitutes a serious risk to the financial safety, soundness, or stability of the banking organization and is inconsistent with sound banking principles or with the purposes of this Act or with the Financial Institutions Supervisory Act of 1966, order the banking organization, after due notice and opportunity for hearing, to terminate (within one hundred and twenty days or such longer period as the appropriate Federal banking agency may direct in unusual circumstances) its investment in the export trading company.

(5) On or before two years after enactment of this Act, the appropriate Federal

banking agencies shall jointly report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives their recommendations with respect to the implementation of this section, their recommendations on any changes in United States law to facilitate the financing of United States exports, especially by small, medium-size, and minority business concerns, and their recommendations on the effects of ownership of United States banks by foreign banking organizations affiliated with trading companies doing business in the United States.

(6) The appropriate Federal banking agency may, by regulation or order, exempt from the collateral requirements of section 23A of the Federal Reserve Act any loan or extension of credit made by a national or State bank to an export trading company affiliate if the agency determines such exemption is necessary to finance the operating expenses of an affiliated export trading company and does not expose the bank to undue financial risks. This paragraph does not apply to bank affiliates currently exempt from the requirements of section 23A.

(e)(1) Any party aggrieved by an order of an appropriate Federal banking agency under this section may obtain a review of such order in the United States court of appeals within any circuit wherein such organization has its principal place of business, or in the court of appeals for the District of Columbia Circuit, by filing a notice of appeal in such court within thirty days from the date of such order, and simultaneously sending a copy of such notice by registered or certified mail to the appropriate Federal banking agency. The appropriate Federal banking agency shall promptly certify and file in such court the record upon which the order was based. The court shall set aside any order found to be (A) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; (B) contrary to constitutional right, power, privilege or immunity; (C) in excess of statutory jurisdiction, authority, or limitations, or short of statutory right; or (D) without observance of procedure required by law.

(2) Except for violations of subsection (b)(3) of this section, the court shall remand for further consideration by the appropriate Federal banking agency any order set aside solely for procedural errors and may remand for further consideration by the appropriate Federal banking agency any order set aside for substantive errors. Upon remand, the appropriate Federal banking agency shall have no more than sixty days from date of issuance of the court's order to cure any procedural error or reconsider its prior order. If the agency fails to act within this period, the application or other matter subject to review shall be deemed to have been granted as a matter of law.

(f)(1) The appropriate Federal banking agencies are authorized and empowered to issue such rules, regulations, and orders, to require such reports, to delegate such functions, and to conduct such examinations of subsidiary export trading companies, as each of them may deem necessary in order to perform their respective duties and functions under this section and to administer and carry out the provisions and purposes of this section and prevent evasions thereof.

(2) In addition to any powers, remedies, or sanctions otherwise provided by law, compliance with the requirements imposed under this section may be enforced under section 8 of the Federal Deposit Insurance Act by any appropriate Federal banking agency defined in that Act.

(g) Nothing in this section shall at any time prevent any State from adopting a law prohibiting banks chartered under the laws of such State from investing in export trading companies or applying conditions, limitations, or restrictions on investments by banks chartered under the laws of such State in export trading companies in addition to any conditions, limitations, or restrictions provided under this section.

GUARANTEES FOR EXPORT ACCOUNTS RECEIVABLE AND INVENTORY

SEC. 106. The Export-Import Bank of the United States is authorized and directed to establish a program to provide guarantees for loans extended by financial institutions or other private creditors to export trading companies as defined in section 103(5) of this Act, or to other exporters, when such loans are secured by export accounts receivable or inventories of exportable goods, and when in the judgment of the Board of Directors—

(1) the private credit market is not providing adequate financing to enable otherwise creditworthy export trading companies or exporters to consummate export transactions; and

(2) such guarantees would facilitate expansion of exports which would not otherwise occur.

The Board of Directors shall attempt to insure that a major share of any loan guarantees ultimately serves to promote exports from small, medium-size and minority businesses or agricultural concerns. Guarantees provided under the authority of this section shall be subject to limitations contained in annual appropriations Acts.

TITLE II—EXPORT TRADE ASSOCIATIONS

SHORT TITLE

SEC. 201. This title may be cited as the "Export Trade Association Act of 1981".

FINDINGS; DECLARATION OF PURPOSE

SEC. 202. (a) FINDINGS.—The Congress finds and declares that—

(1) the exports of the American economy are responsible for creating and maintaining one out of every nine manufacturing jobs in the United States and for generating $1 out of every $7 of total United States goods produced;

(2) exports will play an even larger role in the United States economy in the future in the face of severe competition from foreign government-owned and subsidized commercial entities;

(3) between 1968 and 1977 the United States share of total world exports fell from 19 per centum to 13 per centum;

(4) trade deficits contribute to the decline of the dollar on international currency markets, fueling inflation at home;

(5) service-related industries are vital to the well-being of the American economy inasmuch as they create jobs for seven out of every ten Americans, provide 65 per centum of the Nation's gross national product, and represent a small but rapidly rising percentage of United States international trade;

(6) agriculture constitutes the foundation of the economy of the United States and will continue to be a leading sector in United States export growth;

(7) small- and medium-sized firms are prime beneficiaries of joint exporting, through pooling of technical expertise, help in achieving economies of scale, and assistance in competing effectively in foreign markets; and

(8) the Department of Commerce has as one of its responsibilities the development and promotion of United States exports.

(b) PURPOSE.—It is the purpose of this title to encourage American exports by directing the Department of Commerce to encourage and promote the formation of export trade associations through the Webb-Pomerene Act, by making the provisions of that Act explicitly applicable to the exportation of services, and by transferring the responsibility for administering that Act from the Federal Trade Commission to the Secretary of Commerce.

DEFINITIONS

SEC. 203. The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out the first section (15 U.S.C. 61) and inserting in lieu thereof the following:

"SECTION 1. DEFINITIONS.

As used in this Act—

"(1) EXPORT TRADE.—The term 'export trade' means trade or commerce in goods, wares, merchandise, or services exported, or in the course of being exported from the United States or any territory thereof to any foreign nation.

(2) SERVICE.—The term 'service' means intangible economic output, including, but not limited to—

"(A) business, repair, and amusement services;

"(B) management, legal, engineering, architectural, and other professional services; and

"(C) financial, insurance, transportation, informational and any other data-based services, and communication services.

"(3) EXPORT TRADE ACTIVITIES.—The term 'export trade activities' means activities or agreements in the course of export trade.

"(4) METHODS OF OPERATION.—The term 'methods of operation' means the methods by which an association or export trading company conducts or proposes to conduct export trade.

"(5) TRADE WITHIN THE UNITED STATES.—The term 'trade within the United States' whenever used in this Act means trade or commerce among the several States or in any territory of the United States, or in the District of Columbia, or between any such territory and another, or between any such territory or territories and any State or States or the District of Columbia, or between the District of Columbia and any State or States.

"(6) ASSOCIATION.—The term 'association' means any combination, by contract or other arrangement, of persons who are citizens of the United States, partnerships which are created under and exist pursuant to the laws of any State or of the United States, or corporations, whether operated for profit or organized as nonprofit corporations, which are created under and exist pursuant to the laws of any State or of the United States.

"(7) EXPORT TRADING COMPANY.—The term 'export trading company' means an export trading company as defined in section 103(5) of the Export Trading Company Act of 1981.

"(8) ANTITRUST LAWS.—The term 'antitrust laws' means the antitrust laws defined in the first section of the Clayton Act (15 U.S.C. 12), sections 5 and 6 of the Federal Trade Commission Act (15 U.S.C. 45, 46), and any State antitrust or unfair competition law.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Commerce.

"(10) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

"(11) COMMISSION.—The term 'Commission' means the Federal Trade Commission.".

ANTITRUST EXEMPTION

SEC. 204. The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out section 2 (15 U.S.C. 62) and inserting in lieu thereof the following:

"SEC. 2. EXEMPTION FROM ANTITRUST LAWS.

"(a) ELIGIBILITY.—The export trade, export trade activities, and methods of operation of any association, entered into for the sole purpose of engaging in export trade, and engaged in or proposed to be engaged in such export trade, and the export trade, export trade activities and methods of operation of any export trading company, that—

"(1) serve to preserve or promote export trade;

"(2) result in neither a substantial lessen-

ing of competition or restraint of trade within the United States nor a substantial restraint of the export trade of any competitor of such association or export trading company;

"(3) do not unreasonably enhance, stabilize, or depress prices within the United States of the goods, wares, merchandise, or services of the class exported by such association or export trading company;

"(4) do not constitute unfair methods of competition against competitors engaged in the export trade of goods, wares, merchandise, or services of the class exported by such association or export trading company;

"(5) do not include any act which results, or may reasonably be expected to result, in the sale for consumption or resale within the United States of the goods, wares, merchandise, or services exported by the association or export trading company or its members; and

"(6) do not constitute trade or commerce in the licensing of patents, technology, trademarks, or know-how, except as incidental to the sale of the goods, wares, merchandise, or services exported by the association or export trading company or its members

shall, when certified according to the procedures set forth in this Act, be eligible for the exemption provided in subsection (b).

"(b) EXEMPTION.—An association or an export trading company and its members are exempt from the operation of the antitrust laws with respect to their export trade, export trade activities and methods of operation that are specified in a certificate issued according to the procedures set forth in this Act, carried out in conformity with the provisions, terms, and conditions prescribed in such certificate and engaged in during the period in which such certificate is in effect. The subsequent revocation in whole or in part of such certificate shall not render an association or its members or an export trading company or its members, liable under the antitrust laws for such export trade, export trade activities, or methods of operation engaged in during such period.

"(c) DISAGREEMENT OF ATTORNEY GENERAL OR COMMISSION.—Whenever, pursuant to section 4(b)(1) of this Act, the Attorney General or the Commission has formally advised the Secretary of disagreement with his determination to issue a proposed certificate, and the Secretary has nonetheless issued such proposed certificate or an amended certificate, the exemption provided by this section shall not be effective until thirty days after the issuance of such certificate.".

AMENDMENT OF SECTION 3

SEC. 205. The Webb-Pomerene Act (15 U.S.C. 61–66) is amended—

(1) by inserting immediately before section 3 (15 U.S.C. 63) the following:

"SEC. 3. OWNERSHIP INTEREST IN OTHER TRADE ASSOCIATIONS PERMITTED.", and

(2) by striking out "SEC. 3. That nothing" in section 3 and inserting in lieu thereof "Nothing".

ADMINISTRATION; ENFORCEMENT; REPORTS

SEC. 206. (a) IN GENERAL.—The Webb-Pomerene Act (15 U.S.C. 61–66) is amended by striking out sections 4 and 5 (15 U.S.C. 64 and 65) and inserting in lieu thereof the following sections:

"SEC. 4. CERTIFICATION.

"(a) PROCEDURE FOR APPLICATION.—Any association or export trading company seeking certification under this Act shall file with the Secretary a written application for certification setting forth the following:

"(1) The name of the association or export trading company.

"(2) The location of all of the offices or places of business of the association or export trading company in the United States and abroad.

"(3) The names and addresses of all of the officers, stockholders, and members of the association or export trading company.

"(4) A copy of the certificate or articles of incorporation and bylaws, if the association or export trading company is a corporation; or a copy of the articles, partnership, joint venture, or other agreement or contract under which the association or export trading company conducts or proposes to conduct its export trade activities, or contract of association, if the association or export trading company is unincorporated.

"(5) A description of the goods, wares, merchandise, or services which the association or export trading company or their members export or propose to export.

"(6) A description of the domestic and international conditions, circumstances, and factors which show that the association or export trading company and its activities will serve a specified need in promoting the export trade of the described goods, wares, merchandise, or services.

"(7) The export trade activities in which the association or export trading company intends to engage and the methods by which the association or export trading company conducts or proposes to conduct export trade in the described goods, wares, merchandise, or services, including, but not limited to, any agreements to sell exclusively to or through the association or export trading company, any agreements with foreign persons who may act as joint selling agents, any agreements to acquire a foreign selling agent, any agreements for pooling tangible or intangible property or resources, or any territorial, price-maintenance, membership, or other restrictions to be imposed upon members of the association or export trading company.

"(8) The names of all countries where export trade in the described goods, wares, merchandise, or services is conducted or proposed to be conducted by or through the association or export trading company.

"(9) Any other information which the Secretary may request concerning the organization, operation, management, or finances of the association or export trading company; the relation of the association or export trading company to other associations, corporations, partnerships, and individuals; and competition or potential competition, and effects of the association or export trading company thereon. The Secretary may request such information as part of an initial application or as a necessary supplement thereto. The Secretary may not request information under this paragraph which is not reasonably available to the person making application or which is not necessary for certification of the prospective association or export trading company.

"(b) ISSUANCE OF CERTIFICATE.—

"(1) NINETY-DAY PERIOD.—The Secretary shall issue a certificate to an association or export trading company within ninety days after receiving the application for certification or necessary supplement thereto if the Secretary, after consultation with the Attorney General and Commission, determines that the association and, its export trade, export trade activities and methods of operation, or export trading company, and its export trade, export trade activities and methods of operation meet the requirements of section 2 of this Act and will serve a specified need in promoting the export trade of the goods, wares, merchandise, or services described in the application for certification. The certificate shall specify the permissible export trade, export trade activities and methods of operation of the association or export trading company and shall include any terms and conditions the Secretary deems necessary to comply with the requirements of section 2 of this Act. The Secretary shall deliver to the Attorney General and the Commission a copy of any certificate that he proposes to issue. The Attorney General or Commission may, within fifteen days thereafter, give written notice to the Secretary of an intent to offer advice on the determination. The Attorney General or Commission may, after giving such written notice and within forty-five days of the time the Secretary has delivered a copy of a proposed certificate, formally advise the Secretary and the petitioning association or export trading company of disagreement with the Secretary's determination. The Secretary shall not issue any certificate prior to the expiration of such forty-five-day period unless he has (A) received no notice of intent to offer advice by the Attorney General or the Commission within fifteen days after delivering a copy of a proposed certificate, or (B) received any noticed formal advice of disagreement or written confirmation that no formal disagreement will be transmitted from the Attorney General and the Commission. After the forty-five-day period or, if no notice of intent to offer advice has been given, after the fifteen-day period, the Secretary shall either issue the proposed certificate, issue an amended certificate, or deny the application. Upon agreement of the applicant, the Secretary may delay taking action for not more than thirty additional days after the forty-five-day period. Before offering advice on a proposed certification, the Attorney General and Commission shall consult in an effort to avoid, wherever possible, having both agencies offer advice on any application.

"(2) EXPEDITED CERTIFICATION.—In those instance where the temporary nature of the export trade activities, deadlines for bidding on contracts or filling orders, or any other circumstances beyond the control of the association or export trading company which have a significant impact on its export trade, make the ninety-day period for application approval described in paragraph (1) of this subsection, or an amended application approval as provided in subsection (c) of this section, impractical for the association or export trading company seeking certification, such association or export trading company may request and may receive expedited action on its application for certification.

"(3) AUTOMATIC CERTIFICATION FOR EXISTING ASSOCIATIONS.—Any association registered with the Federal Trade Commission under this Act as of January 19, 1981, may file with the Secretary an application for automatic certification of any export trade, export trade activities, and methods of operation in which it was engaged prior to enactment of the Export Trade Association Act of 1981. Any such application must be filed within one hundred and eighty days after the date of enactment of such Act and shall be acted upon by the Secretary in accordance with the procedures provided by this section. The Secretary shall issue to the association a certificate specifying the permissible export trade, export trade activities, and methods of operation that he determines are shown by the application (including any necessary supplement thereto), on its face, to be eligible for certification under this Act, and including any terms and conditions the Secretary deems necessary to comply with the requirements of section 2(a) of this Act, unless the Secretary possesses information clearly indicating that the requirements of section 2(a) are not met.

"(4) APPEAL OF DETERMINATION.—If the Secretary determines not to issue a certificate to an association or export trading company which has submitted an application for certification, or for an amendment of a certificate, then he shall—

"(A) notify the association or export trading company of his determination and the reasons for his determination, and

"(B) upon request made by the association or export trading company, afford it an opportunity for reconsideration with respect to that determination.

"(c) MATERIAL CHANGES IN CIRCUMSTANCES; AMENDMENT OF CERTIFICATE.—Whenever there is a material change in the membership, export trade activities, or methods of operation, of an association or export trading company then it shall report such change to the Secretary and may apply to the Secretary for an amendment of its certificate. Any application for an amendment to a certificate shall set forth the requested amendment of the certificate and the reasons for the requested amendment. Any request for the amendment of a certificate shall be treated in the same manner as an original application for a certificate.

"(d) AMENDMENT OR REVOCATION OF CERTIFICATE BY SECRETARY.—

"(1) The Secretary on his own initiative shall, upon a determination that the export trade, export trade activities or methods of operation of an association or export trading company no longer comply with the requirements of section 2 of this Act, revoke its certificate or make such amendments as may be necessary to comply with the requirements of such section.

"(2) Prior to revoking or amending a certificate, the Secretary shall—

"(A) notify the holder of the certificate in writing of the facts or conduct which may warrant the action, and

"(B) provide the holder of the certificate an opportunity for such hearing as may be appropriate in the circumstances.

"(3) Before revoking or amending a certificate pursuant to this subsection the Secretary may in his discretion provide the holder of the certificate an opportunity to achieve compliance within a reasonable period of time not to exceed ninety days, except that nothing in this paragraph shall affect any action under section 4(e) of this Act.

"(e) ACTION FOR REVOCATION OF CERTIFICATE BY ATTORNEY GENERAL OR COMMISSION.—

"(1) The Attorney General or the Commission may bring an action against an association or export trading company or its members to invalidate, in whole or in part, its certificate on the ground that the export trade, export trade activities or methods of operation of the association or export trading company fail or have failed to meet the requirements of section 2 of this Act. Except in the case of an action brought during the period before an antitrust exemption becomes effective, as provided for in section 2(c), the Attorney General or Commission shall notify any association or export trading company or member thereof, against which it intends to bring an action for revocation, thirty days in advance, as to its intent to file an action under this subsection. The district court shall consider any issues presented in any such action de novo and if it finds that the requirements of section 2 are not met, it shall issue an order revoking the certificate or any other order necessary to effectuate the purposes of this Act and the requirements of section 2.

"(2) Any action brought under this subsection shall be considered an action described in section 1337 of title 28, United States Code. Pending any such action which was brought during the period any exemption is held in abevance pursuant to section 2(c) of this Act, the court may make such temporary restraining order or prohibition as shall be deemed just in the premises.

"(3) No person other than the Attorney General or Commission shall have standing to bring an action against an association or export trading company or their respective members for failure of the association or export trading company or their respective export trade, export trade activities or methods of operation to meet the eligibility requirements of section 2 of this Act.

"(f) COMPLIANCE WITH OTHER LAWS.—Each association and each export trading company and any subsidiary thereof shall comply with United States export control laws pertaining to the export or transshipment of any goods on the Commodity Control List to controlled countries. Such laws shall be complied with before actual shipment.

"(g) JUDICIAL REVIEW.—Final orders of the Secretary under this section shall be subject to judicial review pursuant to chapter 7 of title 5, United States Code.

"SEC. 5. GUIDELINES.

"(a) INITIAL PROPOSED GUIDELINES.—Within ninety days after the enactment of the Export Trade Association Act of 1981, the Secretary, after consultation with the Attorney General, and the Commission shall publish proposed guidelines for purposes of determining whether export trade, export trade activities and methods of operation of an association or export trading company will meet the requirements of section 2 of this Act.

"(b) PUBLIC COMMENT PERIOD.—Following publication of the proposed guidelines, and any proposed revision of guidelines, interested parties shall have thirty days to comment on the proposed guidelines. The Secretary shall review the comments and, after consultation with the Attorney General, and Commission, publish final guidelines within thirty days after the last day on which comments may be made under the preceding sentence.

"(c) PERIODIC REVISION.—After publication of the final guidelines, the Secretary shall periodically review the guidelines and, after consultation with the Attorney General, and the Commission, propose revisions as needed.

"(d) APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.—The promulgation of guidelines under this section shall not be considered rulemaking for purposes of subchapter II of chapter 5 of title 5, United States Code, and section 553 of such title shall not apply to their promulgation.

"SEC. 6. ANNUAL REPORTS.

"Every certified association or export trading company shall submit to the Secretary an annual report, in such form and at such time as he may require, which report updates where necessary the information described by section 4(a) of this Act.

"SEC. 7. CONFIDENTIALITY OF APPLICATION AND ANNUAL REPORT INFORMATION.

"(a) GENERAL RULE.—Portions of applications made under section 4, including amendments to such applications, and annual reports made under section 6 that contain trade secrets or confidential business or financial information, the disclosure of which would harm the competitive position of the person submitting such information shall be confidential, and, except as authorized by this section, no officer or employee or former officer or employee, of the United States shall disclose any such confidential information, obtained by him in any manner in connection with his service as such an officer or employee.

"(b) DISCLOSURE TO ATTORNEY GENERAL OR COMMISSION.—Whenever the Secretary believes that an applicant may be eligible for a certificate, or has issued a certificate to an association or export trading company, he shall promptly make available all materials filed by the applicant, association or export trading company, including applications and supplements thereto, reports of material changes, applications for amendments and annual reports, and information derived therefrom, to the Attorney General or Commission, or any employee or officer thereof, for official use in connection with an investigation or judicial or administrative proceeding under this Act or the antitrust laws to which the United States or the Commission is or may be a party. Such information may only be disclosed by the Secretary upon a prior certification that the information will be maintained in confidence and will only be used for such official law enforcement purposes.

"SEC. 8. MODIFICATION OF ASSOCIATION TO COMPLY WITH UNITED STATES OBLIGATIONS.

"At such time as the United States undertakes binding international obligations by treaty or statute, to the extent that the operations of any export trade association or export trading company, certified under this Act, are inconsistent with such international obligations, the Secretary may require the association or export trading company to modify its respective operations, and in so doing afford the association or export trading company a reasonable opportunity to comply therewith, so as to be consistent with such international obligations.

"SEC. 9. REGULATIONS.

"The Secretary, after consultation with the Attorney General and the Commission, shall promulgate such rules and regulations as may be necessary to carry out the purposes of this Act

"SEC. 10. TASK FORCE STUDY.

"Seven years after the date of enactment of the Export Trade Association Act of 1981, the President shall appoint, by and with the advice and consent of the Senate, a task force to examine the effect of the operation of this Act on domestic competition and on United States international trade and to recommend either continuation, revision, or termination of the Webb-Pomerene Act. The task force shall have one year to conduct its study and to make its recommendations to the President.".

(b) REDESIGNATION OF SECTION 6.—The Act is amended—

(1) by striking out "SEC. 6." in section 6 (15 U.S.C. 66), and

(2) by inserting immediately before such section the following:

"SEC. 11. SHORT TITLE.".

EFFECTIVE DATE WITH REGARD TO EXISTING ASSOCIATIONS

SEC. 207. (a) GENERAL RULE.—The amendments to the Webb-Pomerene Act set forth in sections 203, 204, 205, and 206 of this Act shall become effective with regard to an existing association described in subsection (b) only at such time as the association may elect to be certified pursuant to subsection (c).

(b) ELECTION TO CONTINUE UNDER PRIOR LAW.—Application of the antitrust laws to any association which as of January 1, 1981, had filed with the Commission the information specified under section 5 of the Webb-Pomerene Act as in effect immediately prior to the date of enactment of this Act shall continue to be governed by the standards set forth in that Act, unless such association elects to seek certification under subsection (c).

(c) ELECTION TO APPLY FOR CERTIFICATION.—Any association to which subsection (b) applies may, at any time after the effective date of this Act, file an application for certification with the Secretary containing the information set forth in section 4(a) of the Webb-Pomerene Act, as amended by section 206 of this Act. The Secretary shall consider and act upon such application in the manner provided in section 4(b) of the Webb-Pomerene Act, as amended by section 206 of this Act. The association filing an application pursuant to this subsection shall continue to be subject to subsection (b) of this section until the Secretary issues a certificate and such certificate has been accepted by the association; the association must decide whether or not to accept such certificate no later than thirty days after the Secretary's determination with respect thereto has become final.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Thusrday, April 9, 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate reconvenes tomorrow and following the time allocated to the two leaders under the standing order, there be a period for the transaction of routine morning business, not to exceed 1 hour, with Senators permitted to speak for not more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM TOMORROW MORNING UNTIL FRIDAY, APRIL 10, AND FOR ADJOURNMENT FROM FRIDAY UNTIL MONDAY, APRIL 27, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in recess until 9:30 a.m. on Friday, April 10; that when the Senate recesses on Friday, it stand in adjournment until 12 noon on Monday, April 27, 1981, pursuant to Senate Concurrent Resolution 17.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, is it anticipated that Friday's session will be pro forma only?

Mr. STEVENS. That is the understanding, that Friday's session will be pro forma only. Tomorrow, there will be routine business.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

Mr ROBERT C. BYRD. On tomorrow, will the Senate transact any business or will the session be for the purpose of routine type morning business?

Mr. STEVENS. The Senate will have routine morning business and, subject to normal clearance, will deal with some routine unanimous-consent matters. It is not anticipated that we will take up any controversial matters tomorrow.

Mr. ROBERT C. BYRD. Mr. President, there will be just the introduction of bills, resolutions. speeches, and so forth?

Mr. STEVENS. I do have a unanimous-consent request that the RECORD be left open for bills and reports, but that is my understanding. I do not know whether there will be any other items that might be cleared on the Executive Calendar or come off the regular calendar on the consent basis, but it will be totally on a unanimous-consent basis. Any transaction of such business will be confined to tomorrow and will not be done on Friday.

Mr. ROBERT C. BYRD. Any transaction of such business will be confined to tomorrow and will not be done on Friday?

Mr. STEVENS. There is no intention to conduct any business on Friday except to have the pro forma session in the morning at 9:30.

Mr. ROBERT C. BYRD. I thank the distinguished assistant majority leader.

ORDER FOR RECORD TO BE HELD OPEN ON THURSDAY, APRIL 9 AND FRIDAY, APRIL 10, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that on Thursday, April 9 and Friday, April 10 the RECORD be open for bills, resolutions, and inserts from 9 a.m. until 3 p.m. and that committees may be authorized to file reports from 9 a.m. until 3 p.m on Thursday and Friday

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES DURING ADJOURNMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until April 27, 1981, the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives and that they be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE PRESIDENT OF THE SENATE, THE PRESIDENT PRO TEMPORE, OR THE ACTING PRESIDENT PRO TEMPORE TO SIGN DULY ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until April 27, 1981, the President of the Senate, the President pro tempore, or the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING THE SECRETARY OF THE SENATE TO RECEIVE REPORTS DURING ADJOURNMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until April 27, 1981, on Thursday, April 16, 1981, and Thursday, April 23, 1981, the Secretary of the Senate be authorized to receive reports from 9 a.m. until 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE SENATE TO TAKE CERTAIN ACTION AND FOR RECOGNITION OF CERTAIN SENATORS ON MONDAY, APRIL 27, 1981

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate reconvenes on Monday, April 27, 1981, the reading of the Journal be dispensed with; no resolution come over under the rule; the call of the Calendar be dispensed with; and that following the recognition of the two leaders under the standing order, Mr. BAKER, Mr. STEVENS, Mr. ROBERT C. BYRD, and Mr. CRANSTON be recognized for not to exceed 15 minutes each, upon the conclusion of which, there be a period for the transaction of routine morning business, not to exceed 1 hour with Senators permitted to speak therein for not more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR HEFLIN ON TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator HEFLIN be granted a 15-minute special order tomorrow following the time set aside under the standing order for the leaders

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate go into executive session to consider all nominations on the Executive Calendar with the exception of the nomination under the ACTION agency and the nomination of John B. Crowell under the Department of Agriculture.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I shall not object, I simply want to be sure that I understood the distinguished acting majority leader correctly.

He is excluding from consideration at this time Mr. John B. Crowell of Oregon to be Assistant Secretary of Agriculture and Mr. Thomas W. Pauken of Texas to be Director of the ACTION agency. Am I correct?

Mr. STEVENS. That is the Senator's understanding.

Mr. ROBERT C. BYRD. I have no objection.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Seeley Lodwick, of Iowa, to be Under Secretary of Agriculture for International Affairs and Commodity Programs.

Mr. JEPSEN. Mr. President, it is with deep satisfaction that I present to the Members of the Senate a distinguished Iowan whose leadership in the field of agriculture has brought credit to our State; Seeley G. Lodwick is a farmer, an agricultural economist, and a public servant. His home is in Wever, Lee County, Iowa. He holds a degree in agricultural economics from Iowa State University. He served in the U.S. Marine Corps for 3 years during World War II and was discharged as a lieutenant in 1945.

As one who has been a livestock producer, dairy and beef as well as hogs, and also a grain producer, he knows from personal experience the problems—and the satisfactions—of Iowa farm families.

He is also thoroughly experienced in Government affairs. In 1969 he came to Washington, D.C., to become the director of the conservation and land use division of the Agricultural Stabilization and Conservation Service. In the following years he became secretary of the Commodity Credit Corporation and executive assistant to the ASCS administrator.

Mr. Lodwick became director of government relations for the American Farm Bureau Federation in 1973. In that capacity he was recognized as a capable, articulate and credible spokesman for farmers. In 1976 he returned to the Department of Agriculture as assistant administrator for ASCS.

I was fortunate to have Seeley Lodwick join my staff as Iowa administrator after I took my seat in the U.S. Senate in 1979. His faithful service, sound advice, integrity and dependability have been invaluable to me.

I urge all Members of the Senate to join me in recommending to the Senate that Mr. Lodwick be confirmed as Under Secretary for International Affairs and Commodity Programs.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of William Gene Lesher, of Virginia, to be an Assistant Secretary of Agriculture.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of C. W. McMillan, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Seeley Lodwick, of Iowa, to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of William Gene Lesher, of Virginia, to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL AVIATION ADMINISTRATION

The legislative clerk read the nomination of J. Lynn Helms, of Connecticut, to be Administrator of the Federal Aviation Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

The legislative clerk read the nomination of Raymond A. Peck, Jr., of the District of Columbia, to be Administrator of the National Highway Traffic Safety Administration.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Joseph Robert Wright, Jr., of New York, to be Deputy Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of William H. Morris, Jr., of Tennessee, to be an Assistant Secretary of Commerce.

Mr. GARN. Mr. President, the Committee on Banking, Housing and Urban Affairs is pleased to report the nomination of Mr. William Morris of Tennessee to the Senate for confirmation as Assistant Commerce Secretary for Trade Development.

Our Nation's merchandise trade deficit, which has totaled more than $110 billion over the past 5 years and which has exceeded the aggregate trade deficit for the first 200 years of our Republic, is a problem which cries out for innovative solutions. Without improvement in our trade balance we are doomed to the dreadful choice of high interest rates or a devalued dollar. Neither of which are attractive long-range solutions.

At his confirmation hearings and in his career as a businessman and public servant, Bill Morris has shown a capacity to come up with innovative answers to difficult problems. That, plus his success in promoting trade in his home State of Tennessee makes him eminently qualified for the position of Assistant Secretary for Trade Development to which he has been nominated.

I urge my colleagues to join with me in voting for his confirmation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL HOME LOAN BANK BOARD

The legislative clerk read the nomination of Richard T. Pratt, of Utah, to be a member of the Federal Home Loan Bank Board.

Mr. GARN. Mr. President, as chairman of the Banking Committee, it is a distinct pleasure for me to bring before the Senate the nomination of Richard T. Pratt of Utah to be a member of the Federal Home Loan Bank Board. Dr. Pratt will also be designated by the President as chairman of the Bank Board. Dr. Pratt is eminently qualified for these positions, having both distinguished academic and employment careers.

The importance of the position of chairman of the Federal Home Loan Bank Board at this time in our economic history cannot be overstated. As the economy has taken all sorts of twists and turns during the past few years, the effects on savings and loan associations, personal savings rates, and housing have been tremendous. High interest rates have adversely affected the earnings and deposit levels of thrift institutions.

During the next several months, Congress has the task of putting the country's financial house in order which, when accomplished, will enable savings and loans to maintain stability and growth. Lowering the deficit and cutting Federal spending will break the inflationary psychology of the economy and help insure that consumers and the housing industry continue to be served by a strong savings and loan industry.

As the prospective leader of the Federal Home Loan Bank Board, no one is better qualified than Richard T. Pratt. He has the academic credentials—a B.S. and MBA from the University of Utah and a Ph. D. from Indiana University—and the employment experience—university professor, Chief Economist of the U.S. Savings and Loan League, and consultant to Federal Home Loan banks and other organizations in the savings and loan industry—to more than fulfill the task for which he has been nominated.

The Banking Committee has completed a thorough review of Dr. Pratt's background and suitability to serve on the Federal Home Loan Bank Board. On April 6, 1981, the committee held a hearing on the nomination and, having subsequently concluded their consideration of this matter, the members of the committee unanimously recommended that Dr. Pratt be confirmed by the full Senate.

Dr. Pratt has been nominated to serve the remainder of former Bank Board Chairman Jay Janis' term, expiring June 30, 1981, and to serve a full 4-year term beginning on July 1 of this year and ending on June 30, 1985. This will assure continuity in his service at the Bank Board.

Accordingly, besides urging my colleagues to support Dr. Pratt's nomination, I move that the two nominations be considered en bloc when the Senate votes on this matter.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of John S. R. Shad, of New York, to be a member of the Securities and Exchange Commission.

Mr. GARN. Mr. President, I rise in support of the nominations of John S. R. Shad, of New York, to be chairman of

the Securities and Exchange Commission. Mr. Shad brings to the Commission an outstanding record of achievement and experience, and I support his nominations enthusiastically.

President Reagan simultaneously nominated Mr. Shad for two terms on the Securities and Exchange Commission, and the two nominations are being considered en bloc. These are the term of the former chairman, Harold Williams, which expires on June 5, 1982, and the full 5-year term beginning June 5, 1981 and ending June 5, 1986. The Committee on Banking, Housing, and Urban Affairs received from Fred F. Fielding, Counsel to the President, a letter explaining the intent of the two nominations, and I ask unanimous consent that the text of that letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., April 1, 1981.

Hon. JAKE GARN,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is to explain and confirm the President's intentions with regard to the nomination of John S. R. Shad to be a Member of the Securities and Exchange Commission.

Mr. Shad has been nominated to fill the remainder of the unexpired term of Harold Williams, and on June 5, 1981, to succeed into the term expiring June 5, 1986.

Mr. Shad has agreed to resign on June 5, 1981, the term expiring June 5, 1982. It is the President's intention to accept that resignation, thereby allowing Mr. Shad to succeed into the full five-year term expiring June 5, 1986.

Sincerely,

FRED F. FIELDING,
Counsel to the President.

Mr. GARN. The Banking Committee held a hearing on April 6, 1981, on Mr. Shad's nominations, and he indicated that the letter quoted above accurately explains his understandings and intentions.

On April 7, 1981, the committee unanimously approved Mr. Shad's nominations.

The Securities and Exchange Commission faces a number of challenges in the years ahead, including a responsibility to reduce wherever possible, any unnecessary burdens associated with the statutes and regulations which it administers. John Shad is well-equipped by background, experience, and integrity to lead the Commission in its endeavors, and I recommend that his nominations be promptly confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. STEVENS. Mr. President, I move to reconsider the votes by which these nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME AGREEMENT ON EXECUTIVE CALENDAR NO. 1

Mr. STEVENS. Mr. President, I ask unanimous consent that on Wednesday, April 29, the Senate go into executive session no later than 10 a.m. to consider the Resolution of Ratification of the Maritime Boundary Settlement Treaty with Canada under the following time agreement:

Two hours on the resolution equally divided between Senators PERCY and PELL, and that at the expiration or yielding back of the 2 hours, the Senate conduct a rollcall vote on the resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I wonder if the distinguished Senator would excise from the request the provision providing for rollcall votes by unanimous consent? Could we order that in the usual rather than including the unanimous-consent request?

Mr. STEVENS. Then I shall restate at the expiration or yielding of the 2 hours the Senate proceed to the vote on the Resolution of Ratification of the treaty and we will seek a rollcall vote at that time under the normal procedure.

I repeat my request, Mr. President, for unanimous consent that the Senate go into executive session no later than 10 a.m. on April 29 to consider the Resolution of Ratification of the Maritime Boundary Settlement Treaty with Canada, that there be 2 hours equally divided between Senators PERCY and PELL, at the expiration or yielding back of the 2 hours the Senate proceed immediately to the vote on the Resolution of Ratification of the treaty, and I give notice that there will be requests at that time for rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order for a rollcall vote at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, with regard to the treaty we have set down for debate on the 27th of April, I ask unanimous consent that the treaty be considered as amended and as having passed through the various parliamentary stages up to and including the presentation of the Resolution of Ratification which will be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MARITIME BOUNDARY SETTLEMENT TREATY WITH CANADA—EX. U, 96TH CONGRESS, 1ST SESSION

The PRESIDING OFFICER. Without objection, the treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the Resolution of Ratification, which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Treaty between the Government of the United States of America and the Government of Canada to Submit to Binding Dispute Settlement the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979 (Executive U, 96th Congress, 1st session), subject to the following amendments:

"1. that the second sentence of Article I of this treaty shall be amended as follows:

'The Chamber of the International Court of Justice shall be deemed to have been constituted when the Registrar of the Court has been notified of the name or names of the judge or judges ad hoc.'

"2. that Article IV of this treaty shall be amended as follows:

'This Treaty shall be ratified in accordance with the domestic requirements of the Parties and shall enter into force on the date instruments of ratification are exchanged and shall remain in force until terminated by agreement of the Parties.'

"3. that Article I of the Special Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Chamber of the International Court of Justice the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

'The Parties shall submit the question posed in Article II to a Chamber of the International Court of Justice, composed of five persons, to be constituted after consultation with the Parties, pursuant to Article 26(2) and Article 31 of the Statute of the Court and in accordance with this Special Agreement.'

"4. that Article VI, paragraph 1.(a) of the Special Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Chamber of the International Court of Justice the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

'(a) a Memorial to be submitted by each Party not later than seven months after the Registrar shall have received the notification of the name or names of the judge or judges ad hoc;'

"5. that paragraph 1 of Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

'1. Following the rendering of the decision of the Court or of the Chamber of the International Court of Justice constituted pursuant to the Special Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Chamber of the International Court of Justice the Delimitation of the Maritime Boundary in the Gulf of Maine Area, either party may request negotiations directed toward reaching agreement on ex-

tension of the maritime boundary as far seaward as the Parties may consider desirable.'

"6. that paragraph 4 of Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, shall be amended as follows:

'4. If Agreement pursuant to paragraph 1 or paragraph 2 is not reached, and the matter cannot be submitted to the Court in accordance with paragraph 3, either Party may call upon the President of the International Court of Justice to select, after consultation with the Parties, five persons to constitute a Court of Arbitration.'

"7. that paragraph 5 of Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, be renumbered paragraph 6.

"8. that a new paragraph 5 be added to Article XIII of the Agreement Between the Government of the United States of America and the Government of Canada to Submit to a Court of Arbitration the Delimitation of the Maritime Boundary in the Gulf of Maine Area, signed at Washington, March 29, 1979, as follows:

'5. If the decision referred to in paragraph 1 was rendered by a Chamber of the International Court of Justice, and this Agreement subsequently enters into force, a Court of Arbitration shall be established, in accordance with Article I of this Agreement, for the purposes of deciding the question referred to in paragraph 2 of this Article.'"

LEGISLATIVE SESSION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I now ask unanimous consent that there be a period for the transaction of routine morning business not to exceed 10 minutes and Senators be recognized during that period for not to exceed 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR TESTIMONY BY WILLIAM I. WRIGHT

Mr. STEVENS. Mr. President, I send to the desk a resolution on behalf of Mr. BAKER and the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 110) to authorize testimony by William I. Wright.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, this resolution, under Senate rule XI, would authorize William Wright to testify in the case of *Dr. Gary L. Pearson, DVM* v. *The United States*, Civil Action No. 249–78, pending in the U.S. Court of Claims. The resolution also directs the Office of Senate Legal Counsel to represent Mr. Wright in connection with his testimony in this case.

Mr. Wright, who is now a staff member for Senator ANDREWS, was previously a staff member to Senator Milton Young. Mr. Wright's testimony has been requested at the trial in connection with his service with Senator Young.

The court previously established limits on the scope of certain testimony in the case. This resolution would authorize Mr. Wright's testimony, within that limitation, concerning knowledge he obtained while he served on the staff of Senator Young. No subpena has been issued since Mr. Wright is willing to testify voluntarily.

Senate Legal Counsel will represent Mr. Wright in connection with his testimony to protect the privileges of the Senate if the need arises.

I ask unanimous consent that this resolution be adopted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 110

Whereas, the case of *Dr. Gary L. Pearson, DVM* v. *The United States* (Ct. Cl. No. 249–78) is pending in the United States Court of Claims Trial Division and is set for trial on April 20, 1981;

Whereas, the testimony of William I. Wright, as to knowledge he obtained while he served on the staff of former Senator Milton Young has been requested at the trial;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony of a staff employee of the Senate is needful for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate;

Whereas, the Court of Claims Trial Division by order entered October 2, 1980, prescribed limits for testimony to be taken in this case;

Whereas, in consideration of said limitation the Senate by Senate Resolution 537, Ninety-Sixth Congress, Second Session, authorized Senator Milton Young to testify in this case;

Whereas, Title VII of the Ethics in Government Act of 1978, Public Law 95–521 (the Act), establishes the Office of Senate Legal Counsel and provides that the Senate may direct its Counsel to represent the Senate, its committees, members, officers, or employees; Now, therefore, be it

Resolved, That William I. Wright is authorized to testify at the trial in the case of *Dr. Gary L. Pearson, DVM* v. *The United States*, (Ct. Cl. No. 249–78) as to matters within the scope of inquiry permitted by the October 2, 1980 order of the Court of Claims Trial Division; and

SEC. 2. That, pursuant to sections 703(a), 704(a)(1), and 708(c) of the Act, the Senate Legal Counsel is directed to represent William I. Wright in connection with his testimony in this case.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks the floor?

LEAVE OF ABSENCE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that official leave be granted today for the junior Senator from New Jersey (Mr. BRADLEY), who is attending the Organization for Economic Cooperation and Development/International Energy Agency Parliamentary Symposium on energy and the economy in Paris, France.

The PRESIDING OFFICER. Without objection, it is so ordered.

IS MILITARY AID TO EL SALVADOR THE ANSWER?

Mr. ROBERT C. BYRD. Mr. President, the acting head of the Roman Catholic Church in El Salvador, Bishop Arturo Rivera y Damas, has called for a political solution to the civil war in that small strife-torn country.

Although the Bishop called for a halt to U.S. military aid to the junta, he was equally strong in his denunciation of those countries in the "Soviet bloc" that are supplying arms to the leftist guerrillas. The Bishop's remarks came in the wake of earlier comments from President Duarte that what El Salvador needed more than military assistance was economic aid to allow that country to move forward with its land reform program.

I have become increasingly persuaded that a political solution to El Salvador's problem is the only workable solution. Bishop Rivera y Damas has a reputation for caution and realism. The Bishop was quoted in the April 7, 1981 Washington Post as declaring:

> This country is torn by "a profound, social, military and political crisis" marked by "untold human suffering and countless murders" . . . "the help that El Salvador needs must be directed to meeting the social" needs of the country through a "non-military solution."

The junta itself has conceded that social and economic reform, and the resources required to accomplish it, are the key elements to El Salvador's future.

There are some who question the motives of the Catholic Church in El Salvador and elsewhere in Latin America. The Secretary of State, last month, even implied that the three Catholic nuns and one Catholic layworker slain in El Salvador could have been involved in

gunrunning to the leftist guerrillas. He subsequently denied that these were his personal views.

Yet, the U.S. Catholic Conference and other religious groups have openly opposed U.S. military assistance to El Salvador. As a result of this public stand, it was with considerable interest that I read a column in the April 6, 1981, Washington Star written by John Langan. Father Langan, a Jesuit who is on the staff of the Woodstock Theological Center and a teacher of philosophy at Georgetown University, discussed the role of the church in countries like El Salvador. Father Langan asked the question:

> Does religious commitment to human rights and aid for the poor damage fundamental American interests?

He further explained that religious opposition to American military aid to El Salvador:

> Is not based on a desire to see a totalitarian regime imposed on that country. The U.S. Catholic Conference and Bishop Rivera y Damas of San Salvador are strongly opposed to intervention by the Soviet Union and its surrogates.
>
> What church leaders have consistently stressed is the double need to stop the bloodshed and keep the focus on the internal character of the civil war, both in its sources and in the range of possible solutions.

This is a very straightforward explanation of the reasons for supporting a political rather than a military solution in El Salvador. It is an explanation with which few can argue.

But what I found most convincing about Father Langan's discussion of the role of the church was the following:

> Patient efforts to ensure the poor of the world an opportunity to work out their problems in a way that respects their need for human dignity and freedom contribute to justice and stability in the world. They create the condition in which the half-truths of Marxism and the dictatorial policies to which it gives rise can be exposed as incompatible with the needs and aspirations of developing peoples.

Mr. President, Father Langan's views are fundamental to our experience as a democracy. Our history as a nation has been characterized by our ability to work out our human and social problems in a way that respects the individual's need for human dignity and freedom. This has been an underlying basis for our strength. We are a nation which prides itself on upholding Judeo-Christian values. And for our foreign policy to be effective it must reflect the values of the American people.

I ask unanimous consent that articles from the Washington Post and Washington Star be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, April 7, 1981]

SALVADORAN CHURCHMAN OPPOSES U.S. MILITARY AID

(By Marjorie Hyer)

The acting head of the Roman Catholic Church in El Salvador, calling for an end to U.S. military aid to his country, met yesterday with Vice President Bush, Deputy Secretary of State William Clark and congressional and church leaders.

Declaring that his country is torn by "a profound social, military and political crisis" marked by "untold human suffering and countless murders," Bishop Arturo Rivera y Damas said "the help that El Salvador needs must be directed to meeting the social needs" of the country through a "nonmilitary solution."

Rivera y Damas renewed the appeal of his predecessor, the late Archbishop Oscar Romero, who shortly before his murder a little more than a year ago called for a cutoff of American military aid to the ruling junta in El Salvador. The junta has been widely criticized, particularly in church circles, for its failure to control right-wing paramilitary units which have been blamed for much of the violence in the country.

There was no immediate response from Bush or the State Department to the bishop's appeal.

In assailing the stepped-up military aid of the Reagan administration, Rivera y Damas said that "with the same emphasis I denounce and criticize the governments of Cuba and Nicaragua" and the "countries of the Soviet bloc" for supplying arms to leftist guerrillas battling for control of the country.

The 58-year-old bishop, in his stop here after a European trip that included an official visit to the Vatican, denied reports circulating in some church circles that Pope John Paul II has been less than enthusiastic about the activist role of Latin American church leaders, including Romero, in trying to deal with political turmoil there. "If you are speaking about [Romero's] ministry of speaking out in favor of the poor," he said in response to a question, "I have been encouraged [by the Vatican] to do so, and I have been encouraged to look for a specific solution" to the prolonged violence in El Salvador.

The bishop said he was "dissatisfied" by the government's efforts in tracking down the persons responsible for the slaying of three American nuns and a lay woman social worker last December. "Lately there has not been much movement" in the investigation, he said. "I personally am not satisfied with the way it is being handled."

Rivera y Damas also said "I certainly am not satisfied with the investigation" of the assassination of Romero, unsolved after more than a year.

[From the Washington Star, April 6, 1981]

THE CHURCH'S MISSION INCLUDES STRUGGLING

(By John Langan)

Does the opposition of the U.S. Catholic Conference and other religious groups to American military aid to El Salvador promote the cause of totalitarianism in Central America? Does religious support for revolutionary movements imply a loss of the sense of the transcendent? Does religious commitment to human rights and to aid for the poor damage fundamental American interests?

Recently Father James Schall, S.J., (The Star, March 27) suggested that we should give affirmative answers to all these questions. I disagree—not out of any desire to illustrate the incorrigible diversity of Jesuits, but out of a concern that we understand the depth and character of the contemporary Catholic commitment to social justice.

Religious opposition to American military aid to El Salvador is not based on a desire to see a totalitarian regime imposed on that country. The U.S. Catholic Conference and Bishop Rivera Y. Damas of San Salvador are strongly opposed to intervention by the Soviet Union and its surrogates.

What church leaders have consistently stressed is the double need to stop the bloodshed and keep the focus on the internal character of the civil war, both in its sources and in the range of possible solutions. They judge that American arms will be used to support repressive practices that will cost more lives and will not reach the sources of injustice.

They make this judgment on the basis of their own prudence and experience, but also on the basis of the work and suffering and danger that many religious women and men have chosen to share with the poor of El Salvador. These people do not want El Salvador to become another Cuba, but they do not want yet another generation of the Salvadoran people to be victimized. Their judgment of what should be done must be taken seriously, even though it may be mistaken because of the many uncertainties about the present balance of military and political forces in the country, and about the policy direction of whatever regime might result from an internal resolution of the present conflict.

URGING INTERVENTION

But similar uncertainties affect the judgments of those who urge American intervention. All parties to the debate need to acknowledge that it is both difficult and imperative to enable the people of El Salvador to arrive at some understanding which will establish the rule of law and which will enable the people to address their pressing economic problems.

Church authorities take a certain risk in recommending or condemning a particular course of action, but their doing so in this case does not signal any loss of a sense of religious transcendence.

All of us who are children of Abraham—Jews, Christians, and Muslims alike—profess belief in a God of justice, who requires of his people that they "do justice and love kindness and walk humbly with your God." Religious people have often been unwise in the way they read the demands of justice in particular situations. It is also true that appeals to human rights and to the cause of the poor can be misused. Not everyone who says, "Lord, Lord" will be saved; not everyone who calls for justice is to be trusted.

There is need for a healthy respect for the complexities of a pluralistic, divided world. But religious leaders would be neglecting a fundamental aspect of their religious mission if they failed to proclaim the Lord's call to justice and peace. Both Vatican II and recent popes have seen this. John Paul II has not failed to act on this imperative, as we can see from his most recent calls for the observance of human rights in the Philippines and for the peaceful resolution of the crisis in Poland.

The religious commitment to human rights and to hearing the cry of the poor need not be damaging to fundamental American interests, provided that these are properly understood. Despite the difficult and often tragic character of political choices, we should not accept any understanding of our national interest which requires us to oppose the aspirations of the majority of humanity to a better and freer life.

SOVIET EXPANSIONISM

There are many ways in which American will and power should oppose Soviet expansionism, but we must not allow the face of Marxist participation in revolutionary movements in the Third World to force us into an unwise and inappropriate military response. Patient efforts to ensure the poor of the world an opportunity to work out their problems in a way that respects their need for human dignity and freedom contribute to justice and stability in the world. They create the condition in which the half-truths of Marxism and the dictatorial policies to which it gives rise can be exposed as incompatible with the needs and aspirations of developing peoples.

The Christian struggle for social justice is an integral part of the mystery of salvation. It involves the risks of faith and of human enterprise generally. Contrary to what Father Schall argues, it does not imply

either a loss of religious commitment or support for totalitarianism.

SPEECH BY MISS LISA PANOSIAN OF GREENVILLE, S.C.

Mr. THURMOND. Mr. President, I have learned that a young lady from my State, Miss Lisa Panosian, daughter of Dr. and Mrs. Edward Panosian of Greenville, has received a commendable award of at least a $1,000 scholarship through competition in the "I Speak for Freedom" high school speech contest. I wish to bring this speech to the attention of my colleagues because of the splendid job Miss Panosian has done, and because I feel it is a prime example of what tomorrow's leaders are doing today to prepare themselves for the challenges ahead.

Mr. President, I ask unanimous consent that the text of this outstanding address be printed in the RECORD at the conclusion of these remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HOW ECONOMIC FREEDOM AFFECTS PROGRESS

(By Lisa Noel Panosian)

The air was stifling one late afternoon when Fu Chong came home from his day's work in the collective rice paddies of the state. As he reflected on the events of the day, his mind then, as often before, filled with a growing discontent with his situation in life. He was frustrated anew by the obvious futility of his trying to improve the means of production in his rice paddies. Ah, but that was the problem: they were not his rice paddies. They belonged to the "wise, magnanimous state, whose chief concern was the best interests of her people."

Was not each person who worked on her communal rice paddies laboring unselfishly for the good of society, and did not that unselfish concern for society as a whole prompt him to work diligently to increase and improve production? Did he need a personal profit motive to create in him an incentive to perform to the best of his ability? Fu Chong's answer to that question was a definite "Yes!"

He knew it to be so from his own experience. For he had often thought of changes and improvements he would make if those rice paddies were his, if he were to gain from their increased production, if he were able to enjoy the fruits of his labor. "But no," he would end resignedly, "why try? "Who would indeed benefit from my efforts? The party officials?" And so, day after day, Fu Chong fulfilled his duty and no more in the collective rice paddies of the state and received wages equal to those of every other worker of his kind.

Not very far away on the shores of the little island of Taiwan, Sun Fuchin made his way home along the path which led from his rice paddies. He was weary from the heat and toil of the day, for he had risen early that morning and it was now dusk. His back ached from hours of stooping over his work. But he was pleased; he was content with his labors, for he could see the profits coming in already. Since the land reform program had been established, enabling him to own the land on which he labored, his income had almost tripled. He had the freedom to produce on his land just as much as he chose. He could sell his crop to whomever he desired and at a price which he determined. He felt a sense of pride which comes with ownership. He knew the satisfaction which comes from a task well done. He was eager to experiment with the new ideas he had been developing to increase productivity even more. He had spent many evening hours analyzing his present system and working out possible improvements for it. And so, day after day, Sun Fuchin labored in his rice paddies, diligently cultivating his plants and using all his resources finding ways to better his crop. As reward for his efforts, he received the profits from the sale of his rice.

In 1949 destitute Nationalist Chinese forces left mainland China and settled in Taiwan, then known as Formosa. Just sixteen years later in 1965 Formosa declared itself financially sound and no longer in need of U.S. economic aid. Today Taiwan holds the second-highest standard of living in all Asia. These facts are truly glowing tributes to the success of the free enterprise system.

Progress in any society begins with the individual, for a society is made up of individuals. When a government encourages its people to make a profit, by not taxing them above what is needful, by not regulating their businesses beyond what is necessary, that government is encouraging progress. It is only natural for a man to work more diligently, more resourcefully if he sees that work as an opportunity for personal gain and advancement. When individuals in a society progress, that society as a whole will progress, but that progress can begin only when the individual is free.

OIL PRICES—THE FUEL OF INFLATION

Mr. ROBERT C. BYRD. Mr. President, in the last several days we have heard a great deal of talk about fighting inflation. The vote on the reconciliation resolution, and the several amendments which were offered to it, were characterized as the first opportunity to demonstrate our commitment to reducing Government spending and restoring economic growth. As Democrats, there should be no doubt that we support the President's goals and intend to abide by the overall budget cut target outlined in the President's economic recovery program. However, the presumption that big Government is the only cause of inflation is simplistic and shortsighted. One need only look at the latest report of the Consumer Price Index to see the fallacy of that presumption.

The Consumer Price Index rose 1 percent during the month of February. This is an annual rate of 12 percent. Soaring energy prices fueled this rise. Without the energy price increases, the CPI would have risen only three-tenths of 1 percent. Prices for gasoline, fuel oil, and utilities skyrocketed in the wake of President Reagan's decision to accelerate the decontrol of domestic crude oil and gasoline. The cost of gasoline rose by an average of 8.4 cents per gallon and heating oil by about the same amount.

Last week, the March report of the producer price index was released and the story was much the same. Large increases in the prices of petroleum products pushed up the producer price index by 1.3 percent, to an annual rate of 16.8 percent. Outside of the energy area, only a moderate increase was registered.

During the next several months, these higher energy costs will permeate the economy, forcing the cost of food and every manufactured article to rise. All these price increases as reflected in the CPI and the producer price index will, of course, add to the cost of Government. Higher energy prices will, among other things, translate into higher social security and retirement benefits and other indexed Government payments. Those who blame the size of Government for all our economic troubles are really missing the point. Energy prices, which have soared by a staggering 1,200 percent since 1974, have greatly inflated the costs of Government, particularly the "social safety net" programs, and have been one of the most obvious causes of the economic stagnation which now grips our Nation.

There is unquestionably a need to reduce the growth of Government and the size of the Federal budget. But cuts should not be made at the expense of programs designed to free us from our dangerous dependence on insecure sources of foreign oil. The administration is evidently convinced that America can produce its way out of its energy problems—that enough oil and natural gas will be discovered to end our dependence on the Persian Gulf. Based on that assumption, the administration's budget drastically cuts every alternative fuel research and development program and most conservation and strategic planning activities as well. Almost total reliance is placed on the so-called "free market" to develop synthetic fuels. The free market is supposed to equitably distribute gasoline supplies in the event of a severe shortage. Market forces—in other words, high prices—are viewed as the primary motivation for energy conservation.

The administration's reliance on as yet undiscovered sources of domestic oil and natural gas is misplaced and dangerous to our economic and national security. There is no substantiation for the claim that America can produce its way out of this crisis. To the contrary, every credible study indicates that the United States will be lucky to maintain current production levels over the next decade. The more likely scenario is a significant decline in domestic production, requiring continued dependence on OPEC oil. There is no domestic oil solution to the problem of oil imports, which will cost the United States no less than $80 billion this year alone.

Any real hope for achieving energy security rests on other energy sources—coal, oil shale, biomass, alcohol fuels, solar, and other renewables and conservation. Every reasonable effort must be made to substitute alternative energy resources for liquid petroleum products. We cannot assume that individuals and businesses will move quickly enough on their own to meet this need. While realistic energy prices will encourage some conservation and production, it has been the judgment of Democrats and Republicans alike that additional incentives are necessary if the promise of America's abundant energy resources is to be realized in the near term.

The Reagan energy budget would dismantle the comprehensive energy program which was enacted, with overwhelming bipartisan support, by the 95th

and 96th Congresses. Under the administration's proposals, all fossil energy demonstration projects would be terminated at the Department of Energy and would be left to compete for funding by the Synthetic Fuels Corporation—where the administration has delayed naming a new chairman and board of directors. Outlays for fossil energy research, including all coal-related research conducted by the Assistant Secretary for Fossil Energy, would be sharply reduced—by $300 million in fiscal year 1981 and by $1.2 billion in fiscal year 1982. The entire alcohol fuels and biomass program would be eliminated. Solar energy research would be halved. Research into superefficient batteries, which could lead to the production of a practical electric car, would be terminated. Standby oil allocation plans would be withdrawn. Funding for energy-saving measures to be activated by State and local governments in the event of an energy emergency would be terminated. The gasoline rationing apparatus would be discarded, with no program to replace it.

Mr. President, this is not a viable energy program—this is a program for disaster. These cuts, both in energy research and supply and in energy conservation, would have the effect of destroying the national energy policy which was put in place during the last two Congresses. Continued reliance on insecure supplies of imported oil—which is the only policy incorporated in the administration proposals—will jeopardize our national security, constrain the independence of U.S. foreign policy, and throttle economic growth. That should hardly be the result of a sweeping program that is being presented to the Nation as a way to promote economic recovery.

COOLNESS UNDER FIRE

Mr. HARRY F. BYRD, JR. Mr. President, the Richmond Times-Dispatch had an excellent editorial on April 2, 1981. It is captioned "Coolness Under Fire." I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COOLNESS UNDER FIRE

Passing a test that no president should ever have to undergo, Ronald Reagan has proved that he possesses one of the rarest qualities of leadership: The ability to remain cool and controlled in the face of supreme danger. This, indeed, is a characteristic of heroes, which, in the opinion of millions of Americans, Mr. Reagan will forever remain.

On Monday, President Reagan stared death in the face—and laughed. The courage and wit that he has demonstrated since he was shot constitute one of the most remarkable facets of this tragic, terrifying event. Many men would have been frightened into hysteria by a threat that had drawn not even the tiniest drop of their blood, but not once has the wounded Mr. Reagan lost control of his mind or his emotions.

When he arrived at the hospital Monday afternoon, neither he nor any of the doctors who examined him knew the severity of his wound. There was a bullet inside the president—inside the body of a 70-year-old man—but how much damage it had caused nobody knew. Mr. Reagan might well have been on the threshold of death, but he displayed not the slightest sign of panic.

Instead, he joked. When his wife, Nancy, arrived in the emergency room, he quipped: "Honey, I forgot to duck." Later, as the doctors prepared to operate, he joshingly begged: "Please tell me you're all Republicans." After the operation, the president, silenced by tubes in his mouth, wrote the doctors a note echoing the view of W. C. Fields that "All in all, I'd rather be in Philadelphia." Still later he penned another note informing the doctors and nurses that "Winston Churchill said there is no more exhilarating feeling than being shot without results." And finally, when aide Lyn Nofsiger informed the president Tuesday that the government was functioning normally, Mr. Reagan, whose most important goal is to change the way the government functions, growled good-humoredly: "What makes you think I'd be happy about that?"

Observed The Washington Star editorially about all this:

"But what the Reagan jokes express even more strongly—and significantly—is a leader's coolness in a crisis. They are assertions of cheerful calm in the midst of known disaster and unmeasured danger. Benjamin Franklin, the man who observed that if the signers of the Declaration of Independence did not hang together they were likely to hang separately, would have understood. He would have liked them."

In Washington, members of Congress and journalists are reacting with admiration—if not awe—to the coolness and control that President Reagan has exhibited. Among them the prevailing view is that he will emerge from this tragedy a more revered and more influential leader. We share that belief.

VOTING RIGHTS ACT AMENDMENTS OF 1981—S. 895

Mr. CHAFEE. Mr. President, I am pleased to join as a cosponsor of S. 895, the Voting Rights Act Amendments of 1981.

The Voting Rights Act of 1965 is a crucial piece of civil rights legislation. Its goal is to protect the constitutionally guaranteed voting rights of all our citizens.

The key provisions of this legislation can be divided into two categories: Permanent protections and temporary protections. Among the important permanent protections are a ban on racial discrimination and a ban on literacy tests. The most important temporary protections are requirements for jurisdictions with a history of discriminatory voting practices to "pre-clear" any changes in their election laws with the Department of Justice, and a provision requiring jurisdictions to provide voting assistance in languages other than English to certain minorities.

The Voting Rights Act of 1965 has been reauthorized and updated in 1970 and 1975. The temporary provisions are scheduled to expire next year and are in need of extension.

What would the legislation that we are proposing do? Basically, it would address three issues.

First, it would provide for a 10-year continuation of section 5—the "preclearance" provision—of the Voting Rights Act.

Second, it would amend section 2 of the Voting Rights Act to clear up an uncertainty that has developed regarding ways for proving discrimination. After passage of the Voting Rights Act, a variety of direct and indirect evidence was considered sufficient to prove intent to discriminate. However, in 1980 a Supreme Court opinion confused this situation by implying that direct proof of intent was necessary to prove discrimination. The bill that we are introducing would clarify this situation by reaffirming the old standard that had been used prior to this Supreme Court opinion.

Third, the bill would provide for a 7-year continuation of section 203 of the Voting Rights Act. This change would put the so-called "bilingual" provision on the same expiration timetable as other provisions of the act.

Mr. President, the Voting Rights Act is the most potent mechanism in place for preventing voting discrimination. In the 15 years it has been on the books, over 800 discriminatory changes in election laws have been blocked under the "preclearance" provision. Clearly, there is a need for this legislation to be reauthorized, and I urge my colleagues to give this bill prompt and favorable consideration.

HENRI CARTIER-BRESSON

Mr. LEAHY. Mr. President, recently I was privileged to see a display, put on by the Corcoran Gallery of Art, of a half-century of photographs made by Henri Cartier-Bresson. Cartier-Bresson is, in my estimation, one of the greatest photographers ever, and the exhibit holds 156 photographs from 23 countries selected by him as a personal statement of his 50 years in photography.

The display was arranged by the American Express Foundation and demonstrates not only its commitment to photography as an art form, but also the foresight of the Corcoran Gallery. The Corcoran, its director Peter Marzio and its board deserve the thanks not only of Washington but of the whole country for recognizing that photography is one of the greatest of art forms. Not only have they done this in the past, but their show now in Washington demonstrates that in a way it could not be disputed.

I feel extremely privileged to have been able to view this exhibit, and I feel privileged that it is showing throughout our great country.

Mr. President, I ask unanimous consent that articles regarding the exhibit appearing in the Washington Post and the Washington Star be printed in the RECORD at this point, and I extend my personal thanks to the International Center of Photography in New York, the American Expess Foundation, and the Corcoran Gallery of Art for this rare opportunity.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 4, 1981]

MOMENTS NOTICED—THE CLASSIC PHOTOGRAPHY OF HENRI CARTIER-BRESSON

(By Paul Richard)

No photographer alive has a more secure position in the history of art than Henri Cartier-Bresson—esthete, man of action, artist and reporter—whose distilled retrospec-

tive goes on view today at the Corcoran Gallery. We see in every image the three interacting masteries that have, for half a century, lent grandeur to his art.

The first is temporal. No photographer has ever been more at ease in the flow of time, or faster on the trigger. A leaping figure floats in air, sun glints from a spectacle—and we know that in the instant before he shot these pictures he managed to foresee what was about to happen. "In photography," he's said, "you've got to be quick, quick, quick, quick. Like an animal and a prey."

But he is also slow. Cartier-Bresson's alacrity is not more awesome than his patience. A magazine assigned him once to photograph the architect Louis Kahn. For this job Cartier-Bresson did not dart, he floated. He hid himself—for days—behind a narrow column among the many drafting boards in Kahn's busy office. "I used to go around the room while he was waiting for me to stop at a certain board," the architect recalled. "And I did stop, too, because the board was occupied by a beautiful Chinese girl, that's why. I went over to the board and I started to draw, and I heard the camera go click-click-click. He was ready, you see; he was waiting for the very moment, but he was setting the stage for it."

Cartier's second mastery is geometrical. His photographs are full of visual rhymes. Look, for instance at the picture he took one rainy day in 1932 behind the Gare Saint-Lazare. It is a picture dense with echoes. The man leaping in air is twinned with his reflection. The posters in the background—of a dancer in midair—and the foreground—barrel-hoops—are as strangely paired.

"How did he catch so quickly the analogy between the running man and the poster," writes Yves Bonnefoy, a friend of the artist. "How, from so many fugitive elements, could he compose a scene as perfect in its details as it is mysterious in its essence? How can one know before seeing and decide before knowing?"

As if in obedience to some psychic choreography, the shapes in Cartier-Bresson's photographs dance with one another. Two pigs stand up in unison in a picture shot in Holland in 1953. Alberto Giacometti strides across a gallery as if in imitation of the statue by his side. This show is full of perfect puns. As William Faulkner stretches, the terrier at his feet performs the same gesture. "The greatest joy for me is geometry," says Cartier-Bresson.

His third mastery is kindness—though his long career has been as full of action, danger and violence as Andre Malraux's.

He photographed the French Resistance during World War II. He was captured by the Germans and was forced to spend three years in a prisoner-of-war camp from which, on his third try, he finally escaped. (The artist, ever since, has valued anonymity. He will not pose for portraits; his Leica's chrome is blackened so that no sudden glint will catch a subject's eye.) In 1949, he covered the Chinese Revolution. When Ghandhi was assassinated in 1948, Cartier-Bresson was present. For years he made his living as a photojournalist, but his most newsy photographs are never headline-harsh. Look, for instance, at his picture of a "Gestapo informer recognized by a woman she has denounced, deportation camp, Dessau, Germany, 1945." One would expect Cartier-Bresson's sympathies to be immediately apparent. But the informer, with her fist clenched, is not read as the enemy. It is the rage of her attacker that makes the viewer cringe. Cartier-Bresson is no propagandist. And endless politesse, a sympathy—for his subjects, and also for the viewer—permeates his art.

How many thousand photographs he's made since 1932 is anybody's guess. Most have been discarded. The 156 included in this show, all chosen by the artist, are those for which Cartier-Bresson hopes to be remembered. Their installation here is not chronological. A picture from the '70s might hang without discomfort beside one made 40 years before.

In its discipline, its graciousness—and above all in its artlessness—the work of Cartier-Bresson seems almost Oriental. Writer Richard Whelan notes that Cartier-Bresson regards Eugen Herrigel's "Zen in the Art of Archery" as "one of the best photography manuals ever written;" "Bow, arrow, goal and ego melt into one another . . . As soon as I take the bow and shoot, everything becomes so clear and straight-forward and ridiculously simple." When Cartier-Bresson insists that photography "doesn't take any brains," the meaning is the same.

Henri Cartier-Bresson is now 73. Though he started as a painter, and nowadays prefers drawing to photography, he has always been an artist. He links Atget to Robert Frank. Through Cartier-Bresson has called himself a "surrealist" photographer, that label does not fit. He's a spiritual photographer.

His exhibit at the Corcoran was organized in New York in 1979 for the International Center of Photography. Its tour is sponsored by the American Express Foundation. It will remain at the Corcoran through May 17.

CARTIER-BRESSON: AN EYE FOR THE DECISIVE MOMENT

(By James Cassell)

"To me," wrote Henri, Cartier-Bresson in 1952, "photography is the simultaneous recognition, in a fraction of a second, of the significance of an event as well as of a precise organization of forms which give that event its proper expression."

Cartier-Bresson is one of the major figures in 20th-century photography. The influence of his theories—as well as the sustaining vigor of his work—is evident in the retrospective exhibition that opened yesterday at the Corcoran Gallery of Art. The 155 photographs, personally selected for the show by the 72-year-old Frenchman, span his travels throughout Europe, the Orient and America over a half a century.

With Bob Capa and David Seymour, Cartier-Bresson founded the famed photo agency, Magnum, in 1947. He was one of the first photographers to use the 35mm camera, making it possible for him to create his lively, so often spontaneous pictures. His book, "The Decisive Moment," was published in 1952, and the photographic theories espoused there are widely accepted today by practitioners and thinkers alike.

To understand the "significance of an event, "one has to have been born with something unusual; and one has to live deeply within oneself. A father's pride and three generations of a family pass before the artist's unimposing camera in the image "Lock at Bougival, France, 1955." The man's strapping body, back to the camera, fills the frame. The story is told by his arms relaxed at his side, his shoulders, and the face of a mother holding her baby. On either side of this "decisive moment" there may be hardships. But the image attests to the joy and courage of being a parent, and to its fulfillment.

It's no mystery how, coupled with the artist's extraordinary awareness, Cartier-Bresson's photography came to possess a graphic vigor, in both peopled and unpeopled scenes. It can be seen in the image of a child walking on his hands before a mountain landscape on a dirt road in Greece, or in the triangle of trees jutting out from the bridge in the misty "Ile de la Cite, Paris." Cartier-Bresson pays his debts to painting openly. He studied painting with the art critic and academician Andre Lhote between 1927 and 1928. Although such diverse influences as the irrationality of Dada can be found in his work, he once said emphatically, "All my training was surrealism."

A knowledge of Cartier-Bresson's roots in fine art does not mean that we should dismiss him as an imitator of painting. What he gained from painting, he saw and knew as present in the everyday world. If he was influenced by surrealism and, just as apparently, by the power and energy of Constructivist expression, he transcended them. What is truly transcendent in his imagery is its moral import.

If the tone of Cartier-Bresson's photography is morally hopeful and uplifting, it is not because he has been a stranger to adversity. As a French soldier, he was taken prisoner in 1940 by the Germans; in 1943, he became active in the MNPGD, an underground movement helping war prisoners and escapees. He photographed the occupation of France and at the close of the war shot "Le retour," a documentary about the homecoming of the prisoners of war and those who had been deported to Germany.

Were it simply a matter of graceful lines and curves, visual whimsy and wit, Cartier-Bresson's photographs would not survive. They survive because they are humane and compassionate: the emotionally beaten faces of Spain in the 1930s; the division of a city and a people along the Berlin wall; the heroic portraits of Jean-Paul Sartre and William Faulkner; a tragic portrait of poet Ezra Pound. There is spiritual hungar in the image of a Parisian man holding the hand of a cardinal to his lips. There is love among children playing in the rubble of a city, or in a couple's embraces.

Cartier-Bresson's view of America is not so gentle. He shows a people who are isolated and wasteful, a people whose advanced technology and "good life" are, at the bottom of it all, spiritual saboteurs. His imagery of America is somewhat akin to the Swiss-born photographer Robert Frank's mournful work. "The Americans," published in the 1950s.

It is a tribute to the French that they not only invented photography, but that they have given us in this century two of the medium's giants: Henri Cartier-Bresson and Eugene Atget. To mention them together is to think at once how dissimilar they are: Atget, the old man, lugging his large camera around Paris in the first quarter of the century; photographing the forgotten streets, the eroding statues and gardens; waiting for everyone to leave a scene, waiting for the right light. And Cartier-Bresson, darting about with his small Leica almost unnoticed, waiting for a gesture or movement, for the "decisive moment." They are fundamentally different, except in their patience and in their recognition of what Oscar Wilde said: "The true mystery of the world is the visible, not the invisible."

The exhibition, accompanied by a book of Cartier-Bresson's photographs published by Robert Delpire, was organized by the International Center of Photography in New York and made possible with the support of the American Express Foundation. It continues at the Corcoran Gallery of Art, 17th and New York Avenue, through May 17.

ORDER FOR STAR PRINT—S. 408

A BILL TO REDUCE TAXES ON AMERICANS WORKING ABROAD

Mr. CHAFEE. Mr. President, on February 5 of this year, I introduced S. 408 to reduce and simplify the taxation of Americans working overseas. This bill will help put American workers back on even ground with their foreign competitors by changing sections 911 and 913 of the Internal Revenue Code.

Because the original printing of S. 408

contained three drafting errors, I ask unanimous consent that the bill be reprinted with the corrections I am now sending to the desk. I also request that the names of the cosponsors be included on this star print: Senators TSONGAS, MATHIAS, ROTH, MATSUNAGA, COCHRAN, LUGAR, BOSCHWITZ, SCHMITT, GRASSLEY, BOREN, and SIMPSON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, it is important to note that this legislation has a strong bipartisan group of sponsors. It is very similar to a proposal I made last year which was adopted by the Finance Committee, also with bipartisan support.

Our bill includes the following provisions:

An exclusion from U.S. tax for the first $50,000 plus half of the next $50,000 of earned income. The maximum exclusion, therefore, would be $75,000;

An exclusion from U.S. tax for housing allowances or costs which exceed 16⅔ percent of the salary of a GS–14 step 1. In 1981, this would exclude foreign housing costs which exceed $5,785;

A residency requirement reduced to 11 out of any 12 consecutive months. The current residency requirement is 17 out of 18 months and must include a full tax year; and

Repeal of the complex and confusing cost-of-living deductions under section 913 of the code.

Current tax policy affecting Americans who work abroad continues to plague our efforts to increase U.S. exports. It is becoming more widely understood in Congress that our tax laws must be changed if U.S. companies, which employ Americans in their foreign operations, are to remain competitive in the world market. The task of strengthening U.S. export policy and improving the competitive position of U.S. industry is simply not a partisan issue. It is a matter of national interest.

No better explanation of the current problem and no more compelling argument for correcting it has been put forth than by the General Accounting Office in its February 27, 1981, report titled, "American Employment Abroad Discouraged by U.S. Income Tax Laws." For those of my colleagues who have not had a chance to study the GAO findings, I ask unanimous consent that a brief digest of the report be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

AMERICAN EMPLOYMENT ABROAD DISCOURAGED BY U.S. INCOME TAX LAWS

DIGEST

The competitiveness of U.S. exports in the world market has become a major national concern because of the deficit in the U.S. balance of trade that developed in the 1970s and its implications for real income and employment in the United States. This problem has been the focus of major initiatives to improve Government export promotion programs and to identify and correct Government disincentives to exports.

To adequately promote and service U.S. products and operations in foreign countries, U.S. companies employ a large force of U.S. citizens abroad. There is widespread concern that tax provisions contained in the Foreign Earned Income Act (FEIA) (Public Law 95–615, Title II; Nov. 8, 1978) are proving a disincentive to employment of U.S. citizens abroad, and, therefore, adversely affecting exports.

A GAO survey of a group of major U.S. companies having substantial operations abroad revealed that U.S. taxes were an important factor in reducing the number of Americans employed overseas, because the:

Tax laws do not fully relieve the companies' employees from taxes on income reflecting the excessive costs of living and working abroad.

Companies generally reimburse overseas employees for their additional tax burden, making Americans more costly than citizens of competing countries, who generally are not taxed by their home countries.

Complexity of the new tax laws makes compliance difficult and expensive.

IMPACT ON EMPLOYMENT OF AMERICANS OVERSEAS

The United States is alone among the major industrial countries in taxing foreign-source income on a citizenship basis. It taxes not only base salary but also overseas allowances to the extent they are not offset by deductions provided for in the Foreign Earned Income Act.

Most major U.S. firms that GAO surveyed operate programs to reimburse expatriate employees for the additional tax burdens resulting from their overseas assignments. These programs are usually available to both Americans and third-country nationals.[1] They are generally designed to ensure that the tax liabilities borne by employees do not exceed the home-country taxes on their base salaries.

GAO found that these programs are significantly more expensive for Americans than for third-country nationals, who generally are not taxed by their home countries. For example, a third-country national in Saudi Arabia, where there is no income tax, did not require a tax reimbursement. Americans, on the other hand, paid U.S. taxes substantially in excess of those that would normally apply to their base salaries. The companies provided Americans in Saudi Arabia with tax reimbursements averaging $18,889 for married employees in the $45,000 to $55,000 salary range and $10,558 for unmarried employees in the $25,000 to $45,000 salary range.

The difference between the tax reimbursement payments provided to Americans by the companies and those made to third-country nationals contributed significantly to the relative costliness of Americans. Although it varied from country to country[2] the difference was in all cases substantial, ranging from 24.5 percent of the differential in total compensation to over 100 percent. In the latter cases, the tax reimbursement made U.S. workers more costly even though their other compensation was lower than that of third-country nationals.

This cost differential was reported by the U.S. firms as a major cause of the decrease in their employment of Americans overseas. Further, the relative number of Americans in overseas positions decreased in comparison with third-country nationals from 1976 to 1980.

[1] The third-country nationals included in GAO's survey were citizens of Canada, France, Japan, the United Kingdom, and West Germany.

[2] The host countries included in GAO's survey are Brazil, Hong Kong, Japan, Saudi Arabia, the United Kingdom, and Venezuela.

APPARENT INADEQUACY AND COMPLEXITIES OF THE FOREIGN EARNED INCOME ACT

Congressional intent in passing the FEIA was twofold—to create greater equity between people working abroad and at home and to provide benefits for the U.S. economy by encouraging Americans to work in hardship areas. The first objective was to be achieved through a series of deductions for the excess costs of living overseas and the second through either an additional $5,000 hardship deduction or through a $20,000 exclusion (with no deductions) for individuals in designated hardship area camps. In practice, however, the law:

Falls far short of its goal of providing equity, and

Runs counter to the general goal of simplifying U.S. tax returns.

The FEIA provides a series of deductions for certain excess foreign living costs. In total, the deductions for cost of living, housing, schooling expenses, and home leave transportation do not appear to reduce income earned abroad by the actual costs of these items. Although the schooling and home leave transportation deductions were generally adequate according to data provided by U.S. company officials, the housing and cost of living deductions were often seriously inadequate in reducing income by actual allowances. In addition, the FEIA neglects to consider other costs, the most significant of which is the tax on the tax reimbursement designed to compensate employees for the excess taxes, both U.S. and foreign, that are incurred as a result of working overseas. Tax reimbursements were provided by 95 percent of the firms responding to our questionnaire. The tax reimbursement, while varying according to salary level, host country, and compensation package, often represented more than 30 percent of the individual's base salary.

The apparent inadequacy of the FEIA deductions overall is demonstrated by the large amounts by which an individual's total allowances exceed his FEIA deductions. In six countries, the allowances exceeded the deductions by $29,000 to $53,000 for married individuals and $19,000 to $28,000 for unmarried individuals. These figures represent the extent to which the FEIA does not reduce taxable income related to the excessive costs of living overseas. In practice, major companies protect their employees from such taxation.

GAO found a general consensus that the FEIA is unreasonably complex. Many individuals overseas are unable to prepare their own tax returns and many of the U.S. firms surveyed incur substantial costs for preparation of employee returns. The risk of incorrect preparation of returns is great, and individuals are often forced to seek outside assistance. The average estimated cost of preparing an employee's tax return, according to the companies surveyed, was almost $700 if prepared by the company and more than $1,100 if prepared by an accounting firm.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Taxation of Americans working abroad is part of the continuing conflict among the tax policy objectives of raising revenue, achieving tax equity, simplifying tax returns, and other special aims of public policy, such as promoting U.S. exports and competitiveness abroad. In considering the question of whether, and to what extent, Americans working abroad should be taxed, the Congress must decide what priority should be assigned to each of the conflicting policy objectives.

GAO believes that the Congress should consider placing Americans working abroad on an income tax basis comparable with that of citizens of competitor countries who gener-

ally are not taxed on their foreign earned income, because:

Present U.S. tax provisions are widely regarded as discouraging employment of U.S. citizens abroad.

Present tax provisions have reportedly made Americans relatively more expensive than competing third-country nationals, thereby reducing their share of employment abroad by major U.S. companies.

Americans retained abroad by major companies are generally reimbursed for their higher taxes, adding to the companies' operating costs and making them less competitive.

A number of optional means of taxing Americans abroad have been proposed to the Congress. Two of these—complete exclusion or limited but generous exclusion of foreign earned income for qualifying taxpayers—would establish a basis of taxation comparable with that of competitor countries and, at the same time, would be relatively simple to administer.

Mr. CHAFEE. Finally, Mr. President. I am happy to announce that the Finance Subcommittee on Taxation and Debt Management will be conducting a hearing on our bill later this month, on April 24. We urge all our colleagues to join us in seeking removal of this export disincentive from the Tax Code this year. There is no reason to delay any further.

● Mr. TSONGAS. Mr. President, I am pleased to join with Senator CHAFEE and 10 other colleagues in sponsoring S. 408. This legislation deals with the problem that income earned by Americans abroad is taxed at an excessive level. Under current law, no one wins except our foreign competitors. The losers include U.S. workers, U.S. corporations, and the U.S. Treasury itself.

The United States taxes its citizens working overseas far more heavily than other nations do. The net income of an American managing a major construction project, for example, may well be less than the net income of a European working under his supervision. This inequity results in high turnover of Americans in jobs overseas. In addition, it tends to put workers from other countries in jobs for which Americans are very well qualified. Overtaxation of Americans abroad contributes to unemployment at home.

An American corporation can try to compensate for high taxation by raising salaries for our citizens working abroad. But this is a no-win proposition because it can make the firm too expensive to compete with high powered corporations from Germany, England, France, Japan, and elsewhere. The result is a substantial loss of potential profits for U.S. business. U.S. exports suffer because of this self-inflicted disadvantage.

The Treasury Department has viewed this tax policy with tunnel vision. Its estimation of major tax revenues from the Foreign Earned Income Act of 1978 discounted the cumulative effect of high taxation—reduced job opportunities, higher labor costs, and reduced exports. I believe that the long-term reality is that tax reduction for workers abroad is essential to our economic strength.

This Nation can no longer live in an illusion of economic independence. OPEC has pounded home the message that other nations have major power to affect our lives. Last year we sent over $70 billion to OPEC countries for oil. The international automobile market is another index of new realities that hit close to home. With gas prices now beginning to reflect the world's limited oil supply, American automakers are taking a beating from more fuel-efficient foreign models.

Mr. President, we can try to plug these dollar drains with protectionism, or we can embrace our new role as a world trader in a world economic community and act boldly to improve our competitiveness. I believe the latter is the only real choice. We must begin to insure that U.S. business is not a handicapped competitor abroad. Taxing U.S. citizens abroad more fairly is a step in the right direction, and so I urge my colleagues to join in support of this bill.

Mr. President, on August 20, 1980, Mr. Donald E. Cullivan, president of the International Division of Camp Dresser & McKee Inc., testified on this issue before members of the House Ways and Means Committee. I believe his comments would interest my distinguished colleagues. Mr. President, I ask that the text of his statement be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF DONALD E. CULLIVAN

Mr. Chairman, my name is Donald Cullivan and I am the president of the International Division of Camp Dresser & McKee Inc. (CDM), the 14th largest consulting engineering firm in the United States. CDM currently employs nearly 1,500 people and our annual revenues are currently about $70 million a year. About 15 percent of our work is done overseas.

Currently I am also the chairman of the International Engineering Committee of the American Consulting Engineers Council which represents over 3,600 U.S. consulting engineering firms. Today, however, I speak to you as the person responsible for my company's overseas work to give you some facts and cases about the adverse effects of sections 911 and 913 of the 1978 tax law as they relate to CDM.

From 1963 to 1970 I lived and worked as an engineer in Brazil, Bangladesh, and Thailand. In those days, with a $25,000 exemption, the extra income resulting from this tax relief was very substantial and represented a significant incentive for an engineer to move his family to a developing country. That incentive no longer exists.

CDM is presently joint venturing with a British firm for a major project in the Middle East. An American employee of CDM is the project manager responsible for this massive project with an estimated construction cost of over a billion dollars. Despite this heavy responsibility, and despite the fact that his salary is the highest of any employee on the project, his take home pay is exceeded by five of the British engineers he is supervising. The reason is because their income is essentially tax free. His situation would be even worse except for the fact that CDM has a tax equalization program to reimburse him for the higher tax he must pay as an overseas employee than he would be paying on the same salary in the United States.

In order to compensate for the loss of tax exemption as an incentive to Americans to go abroad and because we cannot make up the difference from company income and still remain competitive, CDM is forced to turn to recruitment of non-Americans for its projects. Prior to the 1976 Tax Reform Act, from 10 to 15 percent of our overseas employees were third country nationals (TCN's), people who are neither citizens of the United States, nor of the country in which we are working. Currently this rate is nearly 40 percent.

The Treasury Department has made a strong case that it cannot grant tax exemption to U.S. citizens abroad because the United States needs this revenue. Even if tax relief is not granted, this revenue is going to disappear or greatly diminish in the future. The reason is that, without tax relief, the Americans will continue to come home and the use of TCN's will increase:

Last year, our full-time U.S. overseas employees paid about $220,000 in U.S. income taxes.

If our use of TCN's had remained at only 15 percent instead of increasing to 40 percent, Treasury would have received $330,000.

This tax revenue will shrink to about $100,000 if our use of TCN's increases to 70 percent, which is certainly the direction in which we are presently heading. (And where will the jobs come from for those returning Americans?)

We are often asked for specifics about how much business we have lost because of the change in the laws on taxation of Americans abroad. In the past 3 years we lost out on competition for 4 major projects with fees in excess of $10 million. Our tax structure is the primary reason. The British can field people of equivalent skill at nearly one-third less cost. Remember that, for engineering projects, salary costs account for the greatest part of the cost of doing the work. Small wonder, then, that British engineering firms have increased their overseas revenues by nearly 50 percent over the past 3 years.

Last year we paid $46,000 to 24 long-term employees for tax equalization and additional funds to our tax consultants to implement the program. We have also borne the cost of assisting our people in completing their tax returns, which are extremely complicated under the present laws.

The losses we can measure are bad enough but foreign clients have told me we were not invited to compete because our tax laws make U.S. firms too expensive. We cannot tell how much business we may be losing because of such views.

In 1979 my company accounted for slightly over 1 percent of the estimated $813 million earned overseas by U.S. design firms. So multiply these problems and losses by 100 and you have some idea of how the U.S. engineering firms are doing under the present tax laws.

Then remember that engineering work accounts for only 2 to 10 percent of the total cost of the project and you start to get some idea of the ripple effect on U.S. contractors and equipment manufacturers. It is not surprising, therefore, that Chase-Econometrics estimates a $6 billion loss in Federal taxes in 1980 as a result of a drop in exports because of our overseas tax laws.●

● Mr. ROTH. Mr. President, I rise in support of this legislation, which amends the tax code to reduce substantially the burden on our American businessmen stationed overseas. At present our tax provisions make it prohibitively expensive for U.S. citizens to live and work in foreign countries. As a result, they are returning home at a time when we desperately need for them to remain in the field, selling U.S. goods and services to foreign buyers.

American businessmen stationed in foreign countries are our ambassadors for business matters. They are our foreign representatives, and, like our diplomatic corps, should be afforded tax exemptions on the higher costs of living overseas.

Our overseas businessmen are on the cutting edge, seeking out new markets,

new sales possibilities for U.S. products and new contracts. Yet our tax system makes it more economical for them to return to the United States than to continue to represent U.S. firms and U.S. products abroad. When Americans return home—and studies suggest that as much as 30 percent of our overseas work force already has—exports drop. They fall not only in the initial plant and equipment, but also in the replacement and spare parts that accompany any contract.

We must turn this situation around if we are going to expand overseas sales, increase our international competitiveness and provide jobs for more Americans at home.

The bill introduced today by my colleague, Senator CHAFEE, is an important step in the right direction. By allowing U.S. nationals to exclude from taxation up to $75,000 of their earned income, this legislation will encourage them to remain overseas and promote the sale of U.S. products. I believe, however, we could go even further in this area to bring the United States on par with our trading partners who do not saddle their overseas representatives with huge tax burdens.

The United States must now do all in its power to stem our growing economic crisis by improving our trade performance worldwide.

We, in government, can take an important step toward achieving this goal by creating a climate for our exporters which allows them to trade as freely as possible. By revising our tax laws to curtail the undue and disproportionate taxation of our citizens residing abroad, we can go a long way toward reversing the declines in our overseas selling capability.●

MESSAGES FROM THE HOUSE

At 11:40 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 840. An act to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2884. An act to provide for the distribution within the United States of the International Communication Agency film entitled "In Their Own Words."

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 55. Concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons (1981).

ENROLLED JOINT RESOLUTION SIGNED

At 2:15 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled joint resolution:

S.J. Res. 61. Joint resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day"

The joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

At 3:20 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 50. Concurrent resolution expressing the sense of the Congress that the Soviet Union should provide proper medical care for Viktor Brailovsky and permit him and his family to emigrate to Israel, urging the President to protest the continued suppression of human rights in the Soviet Union, and for other purposes.

ENROLLED BILL SIGNED

At 4:28 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill:

S. 840. An act to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 5:30 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has agreed to the following concurrent resolution:

S. Con. Res. 17. Concurrent resolution provides for an adjournment of the Congress from April 10, 1981 to April 27, 1981.

At 5:45 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 31) to amend the Truth in Lending Act to encourage cash discounts, and for other purposes; asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. ST GERMAIN, Mr. ANNUNZIO, Mr. GONZALEZ, Mr. MINISH, Mr. STANTON of Ohio, Mr. EVANS of Delaware, and Mr. WYLIE as managers of the conference on the part of the House solely for the consideration of all provisions of the Senate amendment except section 303, and modifications thereof committed to conference; and Mr. DINGELL, Mr. WAXMAN, Mr. SCHEUER, Mr. BROYHILL, and Mr. MADIGAN as managers of the conference on the part of the House solely for the consideration of section 303 of the Senate amendment and modifications thereof committed to conference.

HOUSE BILL REFERRED

The following bill was read twice by unanimous consent and referred as indicated:

H.R. 2884. An act to provide for the distribution within the United States of the International Communication Agency film entitled "In Their Own Words"; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were read and referred as indicated:

H. Con. Res. 50. Concurrent resolution expressing the sense of the Congress that the Soviet Union should provide proper medical care for Viktor Brailovsky and permit him and his family to emigrate to Israel, urging the President to protest the continued suppression of human rights in the Soviet Union, and for other purposes; to the Committee on Foreign Relations.

H. Con. Res. 55. Concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons (1981); to the Committee on Labor and Human Resources.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary reported that on today he had presented to the President of the United States the following enrolled bill and joint resolution:

S. 840. An act to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period.

S.J. Res. 61. Joint resolution to authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Day".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–888. A communication from the Executive Associate Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report that the appropriations to the United States Secret Service has been apportioned on a basis indicating a need for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC–889. A communication from the Executive Associate Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report that an appropriation for the Department of Justice has been apportioned on a basis indicating a necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC–890. A communication from the Acting General Counsel of the General Accounting Office, transmitting, pursuant to law, a report on the status of budget authority that was proposed for rescission, but for which Congress failed to pass a rescission bill; to the Committee on Appropriations.

EC–891. A communication from the Military Executive of the Reserve Forces Policy Board, Office of the Secretary of Defense, transmitting, pursuant to law, the annual report of the Board for fiscal year 1980 and the report on Readiness Assessment of the Reserve Components, Fiscal Year 1980; to the Committee on Armed Services.

EC–892. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on 12 construction projects to be undertaken by the Army Na-

tional Guard; to the Committee on Armed Services.

EC–893. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on 5 construction projects to be undertaken by the Army Reserve; to the Committee on Armed Services.

EC–894. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

EC–895. A communication from the Secretary of Transportation, transmitting, pursuant to law, the second annual report of the administration of the Offshore Oil Pollution Compensation Fund; to the Committee on Energy and Natural Resources.

EC–896. A communication from the Acting Administrator, General Service Administration, transmitting, pursuant to law, a prospectus for alterations at the Federal Center, Alameda, California, in the amount of $1,722,000; to the Committee on Environment and Public Works.

EC–897. A communication from the Acting Administrator, Environmental Protection Agency, transmitting a draft of proposed legislation to extend the Toxic Substances Control Act for two years; to the Committee on Environment and Public Works.

EC–898. A communication from the Chairman, Nuclear Regulatory Commission, transmitting a draft of proposed legislation to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; to the Committee on Environment and Public Works.

EC–899. A communication from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize development and security assistance programs for fiscal year 1982, and for other purposes; to the Committee on Foreign Relations.

EC–900. A communication from the Acting Director, U.S. Army Control and Disarmament Agency, transmitting a draft of proposed legislation to authorize appropriations under the Arms Control and Disarmament Act, and for other purposes; to the Committee on Foreign Relations.

EC–901. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, an agreement between the Coordination Council for North American Affairs and the American Institute in Taiwan; to the Committee on Foreign Relations.

EC–902. A communication from the Chairman, National Credit Union Administration Board, National Credit Union Administration, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–903. A communication from the General Counsel, Securities and Exchange Commission, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–904. A communication from the Secretary of Labor, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–905. A communication from the Comptroller General, transmitting, pursuant to law, a report entitled "Number Of Undocumented Aliens Residing In The United States Unknown"; to the Committee on the Judiciary.

EC–906. A communication from the Acting Director of the Agency for Volunteer Service, transmitting, a draft of proposed legislation to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes; to the Committee on Labor and Human Resources.

EC–907. A communication from the Chairman of the Consolidated Rail Corporation, transmitting, pursuant to law, an analysis of the effects upon the corporation and its employees of alternative changes in labor agreements and related operational changes; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Rudolph W. Giuliani, of New York, to be Associate Attorney General.

By Mr. ROTH, from the Committee on Governmental Affairs:

Henry F. Greene, of the District of Columbia, to be an associate justice of the Superior Court of the District of Columbia.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND (for himself and Mr. ZORINSKY):

S. 907. A bill to amend section 351 of chapter 18 of title 18, United States Code, to include Cabinet officers, and for other purposes; to the Committee on the Judiciary.

S. 908. A bill to amend the District of Columbia Code to provide for the imposition of the sentence of death in certain cases and to establish a rational criteria for the imposition of such sentence, and for other purposes; to the Committee on Governmental Affairs.

S. 909. A bill to amend section 924 of the Gun Control Act of 1968 to provide for the imposition of mandatory minimum sentence for the use of a firearm to commit any felony or carries a firearm during the commission of any felony, and for other purposes; to the Committee on the Judiciary.

By Mr. McCLURE (by request):

S. 910. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SIMPSON:

S. 911. A bill to amend section 562 of title 38, United States Code, to authorize the payment of a special pension to the surviving spouses of persons awarded the Medal of Honor; to the Committee on Veterans' Affairs.

By Mr. SIMPSON (by request):

S. 912. A bill to amend the Atomic Energy Act to clarify that no prior public hearing is required for applications for amendment which involve no significant hazards consideration and for other purposes; to the Committee on Environment and Public Works.

S. 913. A bill to amend the Atomic Energy Act of 1954, as amended, to authorize the Commission, upon determination that such action is necessary in the public interest, to issue an interim operating license authorizing fuel loading, low-power operation and testing of a nuclear power reactor in advance of the conduct of a hearing; to the Committee on Environment and Public Works.

S. 914. A bill to amend section 38, United States Code, to authorize the Administrator to make contributions for construction projects on land adjacent to national cemeteries in order to facilitate safe ingress or egress; to the Committee on Veterans' Affairs.

S. 915. A bill to amend section 38, United States Code, to authorize the Administrator to provide a memorial plaque or marker in appropriate situations to the next of kin of an individual who would otherwise be memorialized in a national, private or local cemetery; to the Committee on Veterans' Affairs.

S. 916. A bill to amend title 38, United States Code, to eliminate provision of outpatient dental treatment for service-connected non-compensable dental conditions which are unrelated to service trauma or prisoner of war status; to the Committee on Veterans' Affairs.

S. 917. A bill to amend section 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

S. 918. A bill to amend title 28, United States Code, to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training by veterans, spouses, and surviving spouses, and for other purposes; to the Committee on Veterans' Affairs.

S. 919. A bill to limit payment of special pay authorized eligible Veterans' Administration physicians and dentists under section 4118, title 38, United States Code, and for other purposes; to the Committee on Veterans' Affairs.

S. 920. A bill to amend title 38, United States Code, to revise and clarify eligibility for reimbursement of expenses, of travel for Veteran's Administration health care, and for other purposes; to the Committee on Veterans' Affairs.

S. 921. A bill to amend title 38, United States Code, to extend authority to provide contract hospital care and medical services in Puerto Rico and the Virgin Islands, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BOREN (for himself, Mr. CHILES, Mr. HATCH, Mr. HELMS, and Mr. TOWER):

S. 922. A bill to amend the Farm Labor Contractor Registration Act of 1963, as amended, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BIDEN (for himself and Mr. MATHIAS):

S. 923. A bill to amend chapter 207 of title 18, United States Code, relating to pretrial services; to the Committee on the Judiciary.

By Mr. METZENBAUM:

S. 924. A bill to amend title XVIII of the Social Security Act to provide medicare coverage for influenza vaccine and its administration; to the Committee on Finance.

By Mr. INOUYE:

S. 925. A bill to transfer the National Institute of Mental Health to the National Institutes of Health; to the Committee on Labor and Human Resources.

By Mr. CANNON (by request):

S. 926. A bill to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 927. A bill to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of pas-

sengers; to the Committee on Commerce, Science, and Transportation.

By Mr. STAFFORD:

S. 928. A bill to amend the Elementary and Secondary Education Act of 1965 to provide comprehensive elementary school guidance and counseling programs for elementary students through States and local educational agencies; to the Committee on Labor and Human Resources.

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. SCHMITT, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, Mr. HOLLINGS, and Mr. INOUYE):

S. 929. A bill to amend the Communications Act of 1934 to provide for improved administration of the Amateur Radio Service and Private Land Mobile and Fixed Services by the Federal Communications Commission, to address the problem of radio-frequency interference to certain electronic equipment, to permit volunteer assistance to the Federal Communications Commission in the area of Examinations, Licensing, and Enforcement in the Amateur Radio Service, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HAYAKAWA:

S. 930. A bill to amend the Immigration and Nationality Act to establish a program providing for the issuance of visas to nationals of Mexico seeking temporary employment in the United States; to the Committee on the Judiciary.

By Mr. BAUCUS:

S. 931. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

S. 932. A bill to amend title 18 of the United States Code in order to promote the effective investigation and prosecution of livestock fraud; to the Committee on the Judiciary.

By Mr. ABDNOR (for himself and Mr. PRESSLER):

S. 933. A bill to authorize rehabilitation of the Belle Fourche Irrigation Project, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 934. A bill for the relief of Mr. and Mrs. Faalili Afele; to the Committee on the Judiciary.

By Mr. GARN:

S. 935. A bill to dissolve the National Consumer Cooperative Bank, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ROTH (for himself, Mr. BENTSEN, and Mr. KASTEN):

S. 936. A bill entitled the "Savings Expansion Act of 1981"; to the Committee on Finance.

By Mr. STENNIS:

S. 937. A bill for the relief of Borislav Subotic; to the Committee on the Judiciary.

By Mr. ROTH:

S. 938. A bill to amend section 304 of the Congressional Budget and Impoundment Control Act of 1974 to require a two-thirds vote for the adoption of any concurrent resolution on the budget for a fiscal year which revises the concurrent resolution on the budget most recently agreed to for such fiscal year if the appropriate level of total budget authority or total budget outlays or the recommended level of Federal revenues set forth in the concurrent resolution on the budget making such revisions exceeds the appropriate level of total budget authority or total budget outlays or the recommended level of Federal revenues, as the case may be, set forth in the first concurrent resolution on the budget for such fiscal year; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

By Mr. EAGLETON (for himself, Mr. BIDEN, Mr. CRANSTON, Mr. DANFORTH, Mr. KENNEDY, Mr. MATHIAS, Mr. METZENBAUM, Mr. RANDOLPH, Mr. RIEGLE, Mr. WEICKER, and Mr. WILLIAMS):

S. 939. A bill to authorize appropriations for the Legal Services Corporation for fiscal years 1982, 1983, and 1984, and to encourage the use of private attorneys in the provision of legal services under that act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 940. A bill to encourage corporations to donate certain historical film to educational organizations by increasing the limit on the charitable contribution deduction of such corporations; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. GOLDWATER, Mr. CANNON, and Mr. HEINZ):

S. 941. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, D.C., in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on Rules and Administration.

By Mr. JACKSON:

S. 942. A bill for the relief of Asha; to the Committee on the Judiciary.

By Mr. HELMS (by request):

S. 943. A bill to provide price support and production adjustment incentives for farmers in order to assure the availability of an abundance of food and fiber, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 944. A bill to increase the interest rates for loans made or insured under the Consolidated Farm and Rural Development Act for water and waste disposal, and essential community facilities; to the Committee on Agriculture.

S. 945. A bill to amend the Consolidated Farm and Rural Development Act and the Small Business Act; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Small Business, jointly, pursuant to the order of March 31, 1981.

S. 946. A bill to improve the effectiveness and reduce the cost of programs under the National School Lunch and the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

S. 947. A bill to amend section 110(b) of the Agricultural Act of 1949 to eliminate the requirement that the Secretary of Agriculture waive interest on loans made on 1980 and 1981 crops of wheat and feed grains in the farmer-held grain reserve program; to the Committee on Agriculture, Nutrition, and Forestry.

S. 948. A bill to recover costs associated with cotton classing and standards, tobacco inspection and standards, and warehouse examination, inspection and licensing, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 949. A bill to amend the United States Grain Standards Act to require that fees charged for official inspection and weighing services cover costs to the Federal Grain Inspection Service including administrative and supervisory costs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 950. A bill to amend the Rural Electrification Act of 1936 to remove provision for the special 2 percent interest rate for insured loans; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. THURMOND (for himself and Mr. BIDEN) (by request):

S. 951. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes; to the Committee on the Judiciary.

By Mr. PRESSLER:

S. 952. A bill to simplify the program of grants to the States for vocational education and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HELMS (for himself and Mr. EAST):

S.J. Res. 63. Joint resolution proposing an amendment to the Constitution requiring a balanced Federal Budget; to the Committee on the Judiciary.

By Mr. SIMPSON (for himself, Mr. THURMOND, Mr. STAFFORD, Mr. KASTEN, Mr. DENTON, Mr. MURKOWSKI, Mr. SPECTER, Mr. CRANSTON, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. MITCHELL):

S.J. Res. 64. Joint resolution designating August 13, 1981, as "National Blinded Veterans Recognition Day"; to the Committee on the Judiciary.

By Mr. PELL (for himself, Mr. SARBANES, Mr. BAUCUS, Mr. WILLIAMS, Mr. GOLDWATER, Mr. SPECTER, Mr. TSONGAS, Mr. MOYNIHAN, Mr. LEVIN, Mr. RIEGLE, Mr. ZORINSKY, Mr. HAYAKAWA, Mr. INOUYE, Mr. BRADLEY, Mr. METZENBAUM, Mr. BOREN, Mr. EAGLETON, Mr. HUDDLESTON, Mr. DANFORTH, Mr. HOLLINGS, Mr. DURENBERGER, Mr. DODD, Mr. JACKSON, Mr. HART, Mr. NUNN, Mr. PRYOR, Mr. HEFLIN, Mr. MATHIAS, Mr. MATSUNAGA, Mr. BENTSEN, Mr. CRANSTON, Mr. CANNON, Mr. DECONCINI, Mr. BIDEN, Mr. ARMSTRONG, Mr. CHILES, Mr. EXON, Mr. COHEN, Mr. GLENN, Mr. BOSCHWITZ, Mr. ROTH, Mr. WALLOP, and Mr. LEAHY):

S.J. Res. 65. Joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom; to the Committee on the Judiciary and the Committee on Foreign Relations, jointly, by unanimous consent.

By Mr. PRYOR:

S.J. Res. 66. Joint resolution designating May 6, 1981, as "National Nursing Home Residents Day"; to the Committee on the Judiciary.

By Mr. INOUYE:

S.J. Res. 67. Joint resolution to establish "National Nurse-Midwifery Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND (for himself and Mr. ZORINSKY):

S. 907. A bill to amend section 351 of chapter 18 of title 18, United States Code, to include Cabinet officers, and for other purposes; to the Committee on the Judiciary.

S. 908. A bill to amend the District of Columbia Code to provide for the imposition of the sentence of death in certain cases and to establish a rational criteria for the imposition of such sentence, and for other purposes; to the Committee on Governmental Affairs.

S. 909. A bill to amend section 924 of the Gun Control Act of 1968 to provide for the imposition of mandatory minimum sentence for the use of a firearm to commit any felony or carries a firearm during the commission of any felony, and for other purposes; to the Committee on the Judiciary.

(The remarks of Mr. THURMOND on this legislation appear earlier in today's RECORD.)

By Mr. McCLURE (by request):

S. 910. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

AMENDMENT OF LAND AND WATER CONSERVATION FUND ACT OF 1965

● Mr. McCLURE. Mr. President, at the request of the administration, I send to the desk for appropriate reference a bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Secretary be printed in the RECORD.

There being no objection, the bill and communication were ordered to be printed in the RECORD, as follows:

S. 910

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 460 1–4 through 460 1–11), is further amended by inserting the following new paragraph after paragraph (3) in subsection 7(a):

"(4) For the restoration and improvement of units of the National Park System, the National Forest System, the National Wildlife Refuge System, and authorized areas administered by the Bureau of Land Management including construction and rehabilitation of physical facilities within such units or areas; however, no funds are authorized for direct operations of any such unit or area."

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 2, 1981.

Hon. GEORGE BUSH,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill, "To amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes."

We recommend that the bill be referred to the appropriate committee for consideration, and that it be enacted.

The draft bill amends section 7(a) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 460 1–4 through 460 1–11), to include among the purposes for which moneys may be appropriated and allocated from the Land and Water Conservation Fund, the restoration and improvement of units of the National Park System, the National Forest System and the National Wildlife Refuge System, and authorized areas of the Bureau of Land Management.

Currently, appropriations from the Land and Water Conservation Fund for Federal purposes may be allocated only for land acquisition in the National Park System, certain units of the National Forest System, certain areas administered by the Fish and Wildlife Service, including areas to be acquired for the protection of endangered and threatened species, certain areas administered by the Bureau of Land Management and, in addition, for payment into the Treasury as partial offset for capital costs of recreation and fish and wildlife enhancement at water development projects. Recently we have experienced a period of expanded Federal acquisition funded from the Land and Water Conservation Fund. This Administration believes that the Federal government must reorient its priorities to protect and manage better the lands already acquired. Accordingly, we have recommended for fiscal year 1982 a decreased emphasis on land acquisition and an increased emphasis on restoration rehabilitation and capital improvements which will enhance the experience of visitors to the National Park System.

Enactment of the enclosed draft bill would authorize appropriations from the Fund to augment regular appropriations for the four Federal land managing agencies. The first use of this authorization would be to begin a long-range program in the National Park System to (1) correct health and safety deficiencies in the parks, by upgrading sewage and drinking water systems, and inadequate roads and bridges; (2) correct threats to natural and cultural resources; and (3) improve the repair and maintenance of support facilities in the parks.

The Office of Management and Budget has advised that enactment of the enclosed draft bill is in accord with the program of the President.

Sincerely,

JAMES G. WATT,
Secretary.●

By Mr. SIMPSON:

S. 911. A bill to amend section 562 of title 38, United States Code, to authorize the payment of a special pension to the surviving spouses of persons awarded the Medal of Honor; to the Committee on Veterans' Affairs.

(The remarks of Mr. SIMPSON on this legislation appear earlier in today's RECORD.)

By Mr. SIMPSON (by request):

S. 912. A bill to amend the Atomic Energy Act to clarify that no prior public hearing is required for applications for amendment which involve no significant hazards consideration and for other purposes; to the Committee on Environment and Public Works.

S. 913. A bill to amend the Atomic Energy Act of 1954, as amended, to authorize the Commission, upon determination that such action is necessary in the public interest, to issue an interim operating license authorizing fuel loading, low-power operation and testing of a nuclear power reactor in advance of the conduct of a hearing; to the Committee on Environment and Public Works.

(The remarks of Mr. SIMPSON on this legislation appear earlier in today's RECORD.)

By Mr. BOREN (for himself, Mr. CHILES, Mr. HATCH, Mr. HELMS, and Mr. TOWER):

S. 922. A bill to amend the Farm Labor Contractor Registration Act of 1963, as amended, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARM LABOR CONTRACTOR REGISTRATION ACT AMENDMENTS OF 1981

● Mr. BOREN. Mr. President, today I am introducing legislation on behalf of Senators CHILES, HATCH, HELMS, TOWER, and myself to provide for the proper administration and enforcement of the Farm Labor Contractor Registration Act. This legislation is similar to S. 2875 which I introduced last year and twice was passed by the Senate. It is also similar to legislation introduced last year in the House by Representative LEON PANETTA of California which gained some 160 cosponsors.

Mr. President, the Farm Labor Contractor Registration Act is a problem that must be resolved. The act was originally passed by Congress to protect migrant farmworkers from being exploited and abused by irresponsible crew leaders, acting as independent agents between these workers and agricultural employers. Under the act, crew leaders are required to register as farm labor contractors, be fingerprinted, disclose their salaries, post signs indicating the wages paid employees, give employees in writing the terms and conditions of employment, pass a special medical exam to operate a motor vehicle used to transport migrant farmworkers, and comply with numerous other requirements. The act also prohibits farm labor contractors from knowingly hiring illegal aliens.

Specifically exempt from these requirements are farmers, ranchers, and other agricultural employers, including their employees, who meet certain requirements. Unfortunately, despite these exemptions, farmers, ranchers, and other agricultural employers, including their employees, have been required by the Department of Labor to register as farm labor contractors or be subject to civil and possibly criminal penalties. The result has been another laver of unnecessary Government regulation and misdirection of the Department's limited resources.

One of the problems has been that the present language in the act is somewhat vague and ambiguous, which can and has resulted in gross misinterpretation. For example, the Department has interpreted the term "migrant worker" to mean anyone employed in agriculture. By this definition even members of the farm family could be considered migrant workers. Clearly, this is not what Congress intended. In fact, according to the U.S. Department of Agriculture, migrant farmworkers represent less than 10 percent of the hired agricultural work force.

The legislation, which I am introducing today, serves to clarify the meaning of this provision, as well as other provisions in the act, to insure its proper administration and enforcement. By doing so, it eliminates unnecessary and often overlapping regulations for farmers, ranchers, and other agricultural employers, including their employees. At the same time, it increases protections for migrant farmworkers by targeting the Department of Labor's enforcement so as to require independent farm labor contractors to register and comply fully with the law. Further, it carefully preserves those protections which are now provided under separate statute, including the Fair Labor Standards Act, Occupational Safety and Health Act, and similar labor laws which apply to agriculture.

Mr. President, I am pleased to say that every major farm organization has endorsed this legislation. I believe there is broad bipartisan support within the Congress and I hope that my colleagues will join with me in sponsoring this much needed legislation. I ask unanimous consent that a copy of the bill and a brief summary of its provisions be inserted after my remarks.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 922

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Labor Contractor Registration Act Amendments of 1981".

SEC. 2. Section 3(b)(2) of the Farm Labor Contractor Registration Act of 1963, as amended (7 U.S.C. 2042(b)(2)), is amended to read as follows:

"(2) any farmer, processor, canner, ginner, packing shed operator, nurseryman, or any other person engaged in agricultural production or processing, who engages in such activity for the purpose of supplying migrant workers for agricultural employment for such person's own operation;".

SEC. 3. Section 3(b)(3) of such Act is amended to read as follows:

"(3) any bona fide employee of any person referred to in (1) or (2) above who engages in such activity for his or her employer;".

SEC. 4. Section 3(b)(10) of such Act is amended to read as follows:

"(10) Any person who would be required to register solely because the person is engaged in any such activity solely for the purpose of supplying full-time students or other persons whose prinicpal occupation is not farm work to detassel, rogue or otherwise handle seed for planting purposes and to engage in other incidental farm work: *Provided,* That such students or other persons are not required by the circumstances of such activity to be away from their permanent place of residence overnight. *Provided further,* That such students or other persons, if under 18 years of age, are not engaged in providing transportation in vehicles caused to be operated by the contractor.".

SEC. 5. (a) Section 3(b) of such Act is amended by—

(1) striking "or" after paragraph (9);

(2) striking the period after paragraph (10) and substituting "; or"; and

(3) inserting the following after paragraph (10):

"(11) any bona fide nonprofit or cooperative association of farmers, growers, or ranchers, duly incorporated and qualified under the nonprofit association or farmer cooperative statutes of a State, which is operated solely for the mutual benefit of the members thereof; and any bona fide employee of such association or cooperative who engages in such activity for his or her employer.".

(b) Section 14 of such Act is amended by adding the following new sentence at the end thereof: "The Secretary may require any association described in section 3(b)(11) formed after January 1, 1981 to register under the Act if it has not been established solely to evade the purposes of this Act.".

SEC. 6. Section 3 of such Act is amended by adding new subsections (h) and (i) to read as follows:

"(h) The term 'for such person's own operation' refers to the operations of a person as a farmer, processor, canner, ginner, packing shed operator, nurseryman, or any other person engaged in agricultural production or processing, and includes all activities by such person or such person's bona fide employees with respect to the agricultural or horticultural commodities which are or will be the subject of or diverted from such operations, and regardless of whether any other person has title to such commodities or directly benefits from such operations or activities.

"(i) The term 'bona fide employee' shall mean any employee, including but not limited to any individual acting as a foreman, manager, or in some other supervisory capacity, but shall not include any individual having the status of an independent contractor.".

SEC. 7. Subsection 3(d) of such Act is amended by inserting the words "on a farm or ranch" after the word "grading".

SEC. 8. Subsection 3(g) of such Act is amended to read as follows:

"(g) The term 'migrant worker' means an individual who is engaged in agricultural employment on a seasonal or other temporary basis and who cannot regularly return to his or her domicile each day after working hours. Such term shall also include for purposes of this Act any individual who is engaged in agricultural employment on a seasonal or other temporary basis and who is transported to and from his or her place of agricultural employment by any person referred to in section 3(b), or any employee thereof, unless otherwise exempt.".

SECTION-BY-SECTION ANALYSIS

1. Title: Farm Labor Contractor Registration Act Amendments of 1981.

2. Section 2 clarifies the existing exemptions under 3(b)(2) for farmers, ranchers, and other agricultural employers who recruit and hire migrant farmworkers for their own operation. The Department of Labor (DOL) previously held that the existing exemption only applies to individuals who "personally" engage in such activities. Since the majority of agricultural employers, including many farmers, are incorporated, the effect of the DOL interpretation has been to eliminate the exemption for all but a few. The proposed change would make clear that farmers, ranchers, and other agricultural employers are excluded from the definition of "farm labor contractor" regardless of their form of doing business. This is consistent with the interpretation adopted by the 9th Circuit Court in Marshall v. Green Goddess Avocado Corp., and by federal district courts in Espinoza v. Stokely-Van Camp and Cantu v. Owatonna Canning Co., Inc.

3. Section 3 clarifies the existing exemptions for employees of farmers, ranchers, and other agricultural employers. The present Act excludes from the definition of farm labor contractor any full-time or regular employee of a farmer, processor, canner, ginner, packing shed operator, or nurseryman who recruits, solicits, hires, furnishes, or transports migrant farmworkers for his or her employer on no more than an incidental basis. The ambiguity of the phrase "on no more than an incidental basis" has resulted in much controversy and led to several court cases as to its actual meaning.

There has been some suggestion, including one by then Secretary of Labor Ray Marshall, that a strict time test, such as 20 percent, be applied. But such a test would be exceedingly difficult to administer and result in burdensome record-keeping and paperwork requirements for farmers, ranchers, and others. Therefore, section 3 simply deletes the phrase entirely.

Section 3 also addresses the concern some have expressed that the present exemption for "full-time or regular employees" in section 3(b)(3) of the Act creates a loophole whereby a farm labor contractor may escape regulation by simply "masking" as a full-time or regular employee. Under the proposed new 3(b)(3), the term "full-time or regular employee" is deleted in favor of language that requires an individual to be a "bona fide employee." Any individual having the status of an independent contractor would not be exempt, but would be required to register and comply fully with the law.

4. Section 4 revises the existing exemption contained in section 3(b)(10) of the Act. Section 3(b)(10) was enacted in 1978 to prevent DOL from applying the Act to persons (in many cases school teachers on their summer break) who supply students or others not principally engaged in farm work to detassel and rogue seed industry crops principally during the summer months. However, the exemption was narrowly limited to hybrid seed corn or sorghum for seed, provided such activities were performed no more than four weeks during the year.

Section 4 removes these limitations without changing the basic thrust of the provision. The limitations in present law are illogical and unfair. There is no reason to limit the exemption only to seed crops of hybrid corn and sorghum. Whenever students or others not principally engaged in farm work are used anywhere in the seed industry the exemption should apply. Further, the four week limitation has proved to be both unworkable and unnecessary. It is unworkable because companies are unable to verify that the students are doing detasseling or roguing for only four weeks of the year; and it is unnecessary because the persons covered by the exemption are not farmworkers and work only for a brief period of time in connection with their temporary employment in seed-industry-related jobs.

5. Section 5 creates a new subsection 3(b)(11) in the Act which excludes nonprofit or cooperative associations of farmers, growers, or ranchers from the definition of farm labor contractor.

6. Section 6 creates a new subsection, 3(h), which would define the term "for such person's own operation" as used in 3(b)(2). Subsection 3(b)(2) currently states that an employer is excluded from the definition of farm labor contractor if he supplies migrant farmworkers for his own operation. Congress added the phrase "for his own operation" to ensure that a crew leader or independent contractor would not evade regulation under the Act by simply claiming to be a farmer. The problem has been that the phrase has been interpreted to mean that such person must have title to the commodities to be considered his own operation. Such an interpretation completely ignores the numerous situations throughout agriculture, including the livestock, cotton, citrus, fruit, and vegetable industries, where a producer or processor performs an activity pursuant to his own operation, but does not have title to the commodity.

The new subsection 3(h) clarifies Congressional intent so that a farmer, rancher, or other agricultural employer can act "for such person's own operation" regardless of whether he has title to the commodity.

Section 6 also adds a new subsection, 3(i), which defines the term "bona fide employee." Under this definition, an individual having the status of an independent contractor would not be entitled to the exclusion for employees, but would be required to register and comply fully with the law. There is a clear distinction built on hundreds and hundreds of cases under common law between an employee and an independent contractor. It should be noted that an employer can be held liable for the actions of any employee. An employer may also be held responsible under the Fair Labor Standards Act (FLSA), Occupational Safety and Health Act (OSHA), the Wagner-Peyser Act, and numerous other statutes.

7. Section 7 amends section 3(d) of the Act to clarify the definition of agricultural employment. The amendment makes clear that the inclusion in the definition of "agricultural employment" of the phrase "handling, planting, drying, packing, packaging, processing, freezing, or grading" refers to those operations that are on a farm or ranch. This is consistent with the references in the definitions of "agricultural employment" and "migrant worker" to agriculture as defined in the Fair Labor Standards Act and agricultural labor as defined in the Internal Revenue Code. Those two statutes have long been held to differentiate clearly between an operation on a farm or ranch and an operation in a plant or business away from the farm or ranch.

8. Section 8 clarifies the meaning of the term "migrant worker" as presently contained in subsection 3(g) of the Act. The change is in response to DOL's interpretation that a migrant worker means anyone employed in agriculture. By this reasoning, even members of the farm family could be considered to be migrant workers. The proposed change also provides protections for the so-called "day-haul worker" since it includes within the definition of "migrant worker" an individual who is transported to and from his or her place of agricultural employment.

● Mr. CHILES. Mr. President, I am pleased to join with Senator BOREN in introducing this legislation which seeks to clarify the Farm Labor Contractor Registration Act (FLCRA), as amended. There is strong sentiment in the Senate for the changes we are proposing. In the 96th Congress, the Senate, on two occasions, adopted similar legislation aimed at ending the burdensome and unnecessary requirements imposed on farmers and other agricultural employers under FLCRA. I sincerely hope that in this Congress we will be able to finally resolve this considerable problem for the agriculture community.

In the continuing debate on this issue, which began soon after the 1974 amendments were enacted, I have stressed my support for the Farm Labor Contractor Registration Act and its purpose. I believe most Senators recognize that migrant farmworkers have been exploited and abused by the farm labor contractor or crew leader. There is a definite need for a strong, enforceable statute that insures the registration of crew leaders and provides a means to crack down on abusive practices. That is my understanding of what Congress intended when it passed the 1974 legislation and why I supported the measure.

Unfortunately, the statute and its enforcement by the Department of Labor have resulted in a situation quite at odds with congressional intent and quite frustrating for the farmer. Anyone familiar with the enforcement history of the law realizes that it now goes way beyond registration and regulation of the crew leader. Under the act, as currently interpreted and administered, just about every farmer and other employer in agriculture is considered a farm labor contractor. I was assured in 1974 by the Senate floor manager of the bill that this was not to be the case, but the Department has so administered the law, and the courts have supported that interpretation.

Currently, the Department is registering as farm labor contractors: Citrus growers in Florida, fruit and vegetable farmers, corn and grain sorghum seed producers, cotton ginners, cattle feedlot operators, and nurserymen, just to name a few. We have even had a situation in Florida where three cultivators working a citrus grove were required to register because they took turns driving each other to work and thus were considered to be transporting migrant labor. I really do not think Congress had this in mind when we passed the 1974 amendments.

The vague language and convoluted format of FLCRA have allowed the clear meanings of its key words to be subverted and the intent of Congress to be frustrated.

It is important to remember that the whole debate and legislative history of the 1974 amendments revolve around the fact that farm labor contractors were abusing migrant farmworkers as well as failing to live up to their arrangements with farmers, packers, and processors. Congress enacted FLCRA in order to regulate crew leaders for the purpose of protecting not only migrant farmworkers but also agricultural producers. At no point in the House or Senate committee reports and at no point in the floor debates was there any assertion that farmers, processors, canners, packing shed operators, ginners, or nurserymen had been guilty of the kind of abuses those amendments were designed to correct. Neither do those committee reports nor floor debates express any intention to subject legitimate farmers, processors, or other fixed location agricultural employers to registration or to the substantive requirements of the act.

Unfortunately, the defective language and format of the act have allowed the Department of Labor to ignore the intent of Congress. The Department has taken advantage of these fundamental defects in its unrelenting efforts to envelop farmers, packers, processors, and their employees within the regulatory scheme of the act. At the same time, the Department has failed to concentrate, as Congress intended, on the activities of crew leaders. The result has been widespread harassment of farmers, packers, processors, and their employees, yet little discernible effort to seek out and correct actual abuses by crew leaders.

The vague language of the act has allowed the Department to interpret:

"Migrant worker" to include local workers,

"Agricultural employment" to include nonagricultural employment, and

Narrow, loophole-closing qualifications so as to render an exclusion virtually meaningless.

The convoluted format of the act begins by broadly describing activities in which many who obviously are not crew leaders frequently engage, then narrowing the scope by a series of exclusions until supposedly only crew leaders remain. In theory, such a drafting scheme can be made to work, but here the combined effect of the format, vague definitions, and vague qualifications within exclusions have provided the legalistic rationale for a complete subversion of Congress clear intent that farmers, packers, and processors be protected, rather than regulated as farm labor contractors.

The legislation Senator BOREN and I are introducing today will define in clear and precise terms who is covered by the act and who is not. It will express the certain intent of the Congress that the enforcement and regulatory structure of the law will be targeted at the traditional crew leader and not the entire agricultural industry. It will establish for the Department and the courts carefully drawn guidelines so that we will not again experience a situation in which the will of Congress is thwarted.

I urge the Congress to move promptly on this legislation so that this onerous burden on the agriculture community is ended. The farmers and agricultural producers in this Nation face enough problems in today's economy without this one. We in Congress have the responsibility to see that burdensome Government regulations and requirements that hinder farming operations and efficiency are removed. To my mind, changing the Farm Labor Contractor Registration Act, as we have proposed, is an excellent opportunity to show that Congress is going to meet that responsibility.●

By Mr. BIDEN (for himself and Mr. MATHIAS):

S. 923. A bill to amend chapter 207 of title 18, United States Code, relating to pretrial services; to the Committee on the Judiciary.

PRETRIAL SERVICES ACT OF 1981

Mr. BIDEN. Mr. President, today along with Senator MATHIAS, I am introducing the Pretrial Services Act of 1981. This act establishes pretrial services in each Federal district to assist judicial officers in making appropriate pretrial release decisions and to supervise and monitor conditions of pretrial release. This bill is similar to pretrial services legislation which passed in the 96th Congress with bipartisan support.

We have often heard in recent months from Government officials, including the Attorney General and the Chief Justice, who are alarmed at the rising crime rate. I have no doubt that nearly every person in this country shares that concern. Merely saying that there is a problem unfortunately does very little toward providing a solution.

The Pretrial Services Act of 1981 provides an opportunity to have an impact on one important type of crime—crime committed by persons released on bail.

Pretrial services perform two essential functions. First, pretrial services officers provide the court with the information essential to determining appropriate release conditions for each defendant. Second, the officers supervise persons released on bail to insure that bail conditions are met.

Most important, pretrial services are already a proven success. The Speedy Trial Act of 1974 established demonstration pretrial services programs in 10

Federal districts. The 10 districts encompass some 20 percent of the Federal criminal caseload. In a recent study conducted by the Administrative Office of the U.S. Courts, pretrial services resulted in a significant decrease in crimes committed by persons released on bail and also in the number of persons who fail to appear for trial.

The Pretrial Services Act expands pretrial services from the 10 demonstration districts to all Federal districts. The act provides that existing personnel and facilities should be used unless it is determined, on a district-by-district basis that additional resources are necessary. The Administration Office of the U.S. Courts estimates that it will cost less than $6 million to provide pretrial services to all defendants under this act. This cost must be weighed against the savings to the criminal justice system which will result from a reduction in unnecessary pretrial incarceration and a decrease in the number of defendants who fail to appear for trial. The real value of pretrial services and the most difficult to measure is the savings to the community which is the direct result of reduced crime on bail.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PRETRIAL SERVICES ACT OF 1981

SEC. 101. This title may be cited as the "Pretrial Services Act of 1981".

SEC. 102. Section 3152 of title 18, United States Code, is amended to read as follows:

"§ 3152. Establishment of pretrial services in all districts

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall, under the supervision and direction of the Judicial Conference of the United States, provide directly, or by contract or otherwise, to such extent and in such amounts as are provided in appropriation acts, for the establishment of pretrial services in each judicial district (other than the District of Columbia). Pretrial services established under this section shall be supervised by a chief probation officer appointed under section 3654 of this title or by a chief pretrial services officer appointed pursuant to section 3152A of this title.".

SEC. 103. Chapter 207 of title 18, United States Code, is amended by inserting after section 3152, the following new section:

"§ 3152A. Establishment of pretrial services in special districts

"(a) If an appropriate United States district court and the circuit judicial council jointly recommend the establishment of pretrial services in a particular district, pretrial services shall be established under the general authority of the Administrative Office of the United States Courts.

"(b) The pretrial services established under subsection (a) shall be supervised by a chief pretrial services officer selected by a panel consisting of the chief judge of the circuit, the chief judge of the district, and a magistrate of the district or their designees. The chief pretrial services officer appointed under this subsection shall be an individual other than one serving under the authority of section 3654 of this title.".

SEC. 104. Section 3153 of title 18, United States Code, is amended to read as follows:

"§ 3153. Organization and administration of pretrial services in all districts

"(a) With the approval of the district court, the chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152 of this title, or the chief probation officer in all other districts, shall appoint such other personnel as may be required. The position requirements and rate of compensation of the chief pretrial services officer, the chief probation officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and then payable for grade CS–16 of the General Schedule under section 5332 of title 5, United States Code.

"(b) The chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152 of this title, or the chief probation officer in all other districts, is authorized, subject to the general policy established by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code. The staff, other than clerical staff, may be drawn from law school students, graduate students, or such other available personnel.

"(c)(1) Except as provided in paragraph (2) of this subsection, information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer, a chief probation officer, or a staff member during the course of any hearing, shall be used only for the purposes of a bail determination and shall otherwise be confidential. The report shall be made available to the attorney for the accused and the attorney for the Government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in pretrial services files. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the administration of criminal justice;

"(B) by persons under contract under section 3154(4) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the Government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer, a chief probation officer, or a staff member during the course of any hearing, shall not be admissible on the issue of guilt in any judicial proceeding, except that such information may be used in proceedings to determine guilt or penalties for failure to appear or a violation of the conditions of release, in perjury proceedings, and for the purpose of impeachment in any subsequent proceeding.".

SEC. 105. Section 3154 of title 18, United States Code, is amended to read as follows:

"Pretrial services functions shall include the following:

"(1) Collect, verify, and report to the judicial officer prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, and recommend appropriate release conditions for each such individual.

"(2) Review and modify the reports and recommendations specified in paragraph (1) of this section for persons seeking release pursuant to section 3146(e) or section 3147 of this chapter.

"(3) Supervise persons released into its custody under this chapter.

"(4) Operate or contract for the operation of appropriate facilities for the custody or care of persons released under this chapter including residential halfway houses, addict and alcoholic treatment centers, and counseling services.

"(5) Inform the court and the United States attorney of all apparent violations of pretrial release conditions or arrests of persons released to its custody or under its supervision and recommend appropriate modifications of release conditions.

"(6) Serve as coordinator for other local agencies which serve or are eligible to serve as custodians under this chapter and advise the court as to the eligibility, availability, and capacity of such agencies.

"(7) Assist persons released under this chapter in securing any necessary employment, medical, legal, or social services.

"(8) Prepare, in cooperation with the United States marshal and the United States attorney such pretrial detention reports as are required by the provisions of the Federal Rules of Criminal Procedure relating to the supervision of detention pending trial.

"(9) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(10) To the extent provided for in an agreement between a pretrial services officer in districts in which pretrial services are established pursuant to section 3152 of this title, or the chief probation officer in all other districts, or a staff member in his or her official capacity, and the United States attorney, collect, verify, and prepare reports for the United States attorney's office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(11) Make contracts, to such extent and in such amounts as are provided in appropriation Acts, for the carrying out of any pretrial services functions.

"(12) Perform such other functions as specified under this chapter.".

SEC. 106. Section 3155 of title, 18, United States Code, is amended to read as follows:

"§ 3155. Annual reports

"Each chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152 of this title, and each chief probation officer in all other districts, shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of pretrial services. The Director shall be required to include in the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services for the previous year.".

SEC. 107. The table of sections for chapter 207 of title 18, United States Code, is amended—

(1) so that the item relating to section 3152 reads as follows:

"3152. Establishment of pretrial services in all districts.";

(2) by adding after the item relating to section 3152, the following:

"3152A. Establishment of pretrial services in special districts.";

(3) so that the item relating to section 3153 reads as follows:

"3153. Organization and administration of pretrial services in all districts.";

and

(4) so that the item relating to section 3155 reads as follows:

"3155. Annual reports.".

SEC. 108. (a)(1) Except as provided in paragraph (2), this title and the amendments made by this title shall take effect on the date of enactment of this title.

(2) The amendment made by section 103 of this title shall take effect eighteen months after the date of enactment of this title.

(b) During the period beginning on the date of enactment of this title and ending on the effective date specified in subsection (a)(2) of this section, the pretrial services agencies established under section 3152 of title 18 of the United States Code in effect before the date of enactment of this title may continue to operate, employ staff, provide pretrial services, and perform such functions and powers as are authorized under the provisions of chapter 207 of title 18 of the United States Code.

SEC. 109. (a) There are authorized to be appropriated, for fiscal year 1982 and each succeeding fiscal year thereafter, such sums as may be necessary to carry out the provisions of chapter 207 of title 18 of the United States Code, as amended by section 103 of this title.

(b) There are authorized to be appropriated for the period beginning after September 30, 1981, and ending on the effective date specified in section 108(a)(2) of this title, such sums as may be necessary to carry out the activities of the pretrial services agencies established under section 3152 of title 18 of the United States Code in effect before the date of enactment of this title.

By Mr. METZENBAUM

S. 924. A bill to amend title XVIII of the Social Security Act to provide medicare coverage for influenza vaccine and its administration; to the Committee on Finance.

MEDICARE COVERAGE FOR INFLUENZA VACCINE AND ITS ADMINISTRATION

● Mr. METZENBAUM. Mr. President, last year, the Congress for the first time recognized the importance of preventive health care for the elderly by enacting legislation I introduced to provide older Americans with vaccinations against pneumococcal pneumonia through the medicare program.

Today, I am introducing legislation to extend medicare coverage to influenza vaccines, another area in which a modest expenditure will bring very positive benefits to the people of this country.

Influenza strikes persons of all ages, but for the elderly it presents by far the greatest threat to life, persons aged 75 and above are 10 times more likely than those aged 55 to 64 to die of flu. In addition, chronic conditions common among the aged—heart, lung, and kidney diseases, diabetes, and cancer—increase susceptibility to influenza while decreasing the body's ability to fight the infection. In 1979, over 3½ million elderly Americans contracted the flu.

The Surgeon General, in his report "healthy people," recommended the vaccination of the elderly against influenza. In the past, the American College of Preventive Medicine and the American Association of Retired Persons have endorsed this same recommendation.

Under current law, medicare pays for the treatment of influenza, but not for its prevention. And because of the expense of the flu vaccine and the necessary visit to a doctor, few elderly Americans avail themselves of a safe procedure that can add years to their productive lives.

In the 1977–78 flu season, for example, only 23.5 percent of those 65 years or older received influenza vaccines—and the result was unnecessary illness, death, and medicare expenses for treatment. In fact, the Office of Technology Assessment recently reported that an influenza vaccination program for the elderly could substantially reduce medicare costs by reducing the cost of treatment. It makes little sense to permit suffering to continue and to expend the unnecessary medicare funds in order to treat an illness that can easily be prevented in the first place.

Mr. President, I believe that this is a commonsense measure and one that meets the most rigorous tests of cost-benefit analysis.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(10) of the Social Security Act is amended—

(1) by inserting ", influenza vaccine," after "vaccine"; and

(2) by striking out "its" and inserting in lieu thereof "their".

(b) The amendments made by subsection (a) shall become effective on, and apply to services furnished on or after, July 1, 1981.●

By Mr. INOUYE:

S. 925. A bill to transfer the National Institute of Mental Health to the National Institutes of Health; to the Committee on Labor and Human Resources.

TRANSFER OF NATIONAL INSTITUTE OF MENTAL HEALTH TO THE NATIONAL INSTITUTES OF HEALTH

● Mr. INOUYE. Mr. President, today I am introducing legislation that would transfer the National Institute of Mental Health (NIMH) from its current position within the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA), to the National Institutes of Health (NIH), where it would become a new division.

I am submitting my proposal today, primarily to serve as a catalyst for the debate that, in my judgment, must follow from President Reagan's proposed drastic reductions in our Nation's social welfare programs. I fully realize that reasonable people could differ as to the appropriateness of placing NIMH with NIH rather than have it remain with ADAMHA, or that perhaps the entire ADAMHA superstructure should be transferred to NIH.

However, the programs of ADAMHA are qualitatively different from those of NIMH. I believe that one fact is undisputably clear and that is that for too long a period of time now, our efforts to address the mental health needs of our Nation have been set back because we have not been willing to aggressively attempt to interrelate mental health care with our general physical health care delivery system.

This year every one of the Institutes within the purview of NIH have been recommended for increased funding and that is a recommendation that I strongly support. However, the programs under ADAMHA, whether we are talking about mental health care, alcoholism programs, or drug abuse programs, have been drastically slashed. Further, the Office of Management and Budget (OMB) has made a pronouncement that the Federal Government should drastically reduce its commitment to social science research.

In my judgment, this is extraordinarily shortsighted and should not be tolerated. I have yet to see any objective evidence presented, nor a convincing argument made, that indicate in any way that we should reduce our commitment to our Nation's social science efforts. I am confident that had our mental health programs come under the jurisdiction of NIH, that we would not have been subjected to such shortsighted pronouncements.

For too long a period of time now, those of us in the Congress have been unwilling to accord our Nation's mental health professionals—whether we are talking about psychiatric nurses, clinical psychologists, clinical social workers, or psychiatrists—true professional parity.

The fact that mental health benefits under the Social Security Act are extraordinarily miniscule and have not been modified since the original bill was enacted is inexcusable. In fact, when hearings were held in August 1978, it was the first time that the issue of mental health benefits had been directly considered by the committee in 7 years. In my judgment, a number of crucial issues were raised during those hearings that must now be aggressively addressed.

For example, is there any real difference between the types of services that each of the four traditional mental health disciplines provide? To what extent can we honestly say that various forms of psychotherapeutic treatment are safe, effective, and appropriate? And to what extent will we really be able to curtail our Nation's ever-escalating physical health care costs unless we provide the aggressive mental health services to address the 60 to 80 percent of the reasons that individuals presently visit a physician?

There are, in fact, a number of crucial policy issues that must be addressed in the near future, and I am afraid that unless we are willing to place the NIMH within the jurisdiction and protection of NIH, we simply will not allocate sufficient resources to this most important endeavor during the foreseeable future.

Accordingly, the bill I have introduced today would direct the Department of Health and Human Services to so transfer NIMH. I sincerely hope that my colleagues will give serious consideration to this proposal and that a close examination will be made at the extraordinarily

shortsighted nature of the reductions proposed by this administration for mental health training and research programs.

Mr. President, I request unanimous consent that the text of this bill and the attached factsheet be printed in the RECORD.

There being no objection, the bill and fact sheet were ordered to be printed in the RECORD, as follows:

S. 925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second and third sentences of subsection (a) of section 455 of the Public Health Service Act are redesignated as paragraph (2) of such section.

(b) The first sentence of section 455(a) of such Act is amended to read as follows:

"(1) There is established, as a division of the National Institutes of Health, the National Institute of Mental Health (hereinafter in this part referred to as the 'Institute') to administer the programs and authorities of the Secretary with respect to mental health.".

NATIONAL INSTITUTE OF MENTAL HEALTH
1946–1981

July 3, 1946—P.L. 79–487—National Mental Health Act—Authorized funds for the Public Health Service to establish the National Institute of Mental Health to improve the mental health of the people of the United States through research relating to the causes, diagnosis, and treatment of psychiatric disorders and to train personnel in matters relating to mental health.

April 1, 1949—The National Institute of Mental Health was administratively established as part of the National Institutes of Health—

The Budget of the United States for the Public Health Service for the Fiscal Year Ending June 30, 1949: "For construction of a combined hospital and research building . . . for the National Institute of Mental Health and for general medical research . . . $5,000,000 . . . Provided . . . the appropriation . . . under the head "National Institute of Mental Health" in the Independent Offices Appropriation Act, 1948, shall be consolidated with this appropriation. . . ."

April 28, 1955—House Joint Resolution 256 authorized the Surgeon General to make a comprehensive study of the problem of mental illness. The resolution specifically stated, "Nothing in this section shall in any way affect the availability of amounts otherwise appropriated for work in the field of mental health; nor be construed to interfere with or diminished the more limited and specific programs of research and study being carried on through or under the auspices of the National Institute of Mental Health."

August 2, 1956—The Health Amendments Act of 1956 authorized the Surgeon General to provide for training of public health personnel, including trainees in the mental health area, and to make grants to State or local agencies, not only for research but also for care and treatment of patients.

October 31, 1963—The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 authorized the Surgeon General to make grants for construction of research and treatment centers and for training teachers of mentally and physically handicapped children.

September 19, 1954—Department of Health, Education, and Welfare Appropriations (P.L. 88–605) for the National Institute of Mental Health and for Construction of Community Mental Health Centers both appear under the National Institutes of Health, but are kept separate from one another.

August 31, 1965—Although appropriations for the National Institute of Mental Health are still separate from Construction of Community Health Centers, P.L. 89–156 allocates funds to the National Institute of Mental Health "for expenses necessary for carrying out the provisions . . . of the Community Mental Health Centers Act."

April 25, 1966—Reorganization Plan No. 3, submitted by President Johnson, proposed a reorganization of the Public Health Service and the Department of Health, Education, and Welfare. The plan was approved by the Committees on Government Operations of both the Senate and the House of Representatives and became effective on June 25, 1966. The plan gave the Secretary the authority to reorganize the Department in order to achieve its most effective and economical operation.

John W. Gardner, then-Secretary of the Department of Health, Education, and Welfare, suggested a reorganization of the Public Health Service into eight components, including the National Institute of Mental Health as a separate bureau "responsible for the rapidly expanding national program for dealing with mental illness . . . (to) incorporate the present functions of the existing Mental Health Institute, plus the Fort Worth and Lexington Psychiatric Hospitals . . . administer a unified program of research, manpower training, demonstrations, and mental health services . . . (and) also serve as the principal focus for research and control programs in alcoholism and drug addiction. The National Institutes of Health will continue to have a supervisory relationship to its intramural research program."

January 1, 1967—The National Institute of Mental Health was officially separated from the National Institutes of Health and became a separate Bureau of the Public Health Service.

1973—Under an administrative reorganization of the Department of Health, Education, and Welfare, the National Institute of Mental Health was transferred back into the National Institutes of Health on July 1.

On September 25, the National Institute of Mental Health became a part of the newly established Alcohol, Drug Abuse, and Mental Health Administration. The intramural research programs remained physically within the National Institutes of Health, as they do today.

May 14, 1974—P.L. 93–282 established in law the Alcohol, Drug Abuse, and Mental Health Administration, composed of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse.●

By Mr. CANNON (by request):

S. 926. A bill to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 927. A bill to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers; to the Committee on Commerce, Science, and Transportation.

REGULATORY REFORM OF THE MOTOR BUS INDUSTRY

● Mr. CANNON. Mr. President, I am today introducing two bills by request that propose substantial changes in the way that the Nation's bus industry is regulated by the Government. They are two quite different, but thoughtful, approaches to a general desire to reduce regulation over this business as much as possible.

The first bill has been drafted and proposed by the Interstate Commerce Commission in response to a request made by the Senate Commerce Committee last year. At that time we requested proposed legislative changes from both the ICC and the Department of Transportation. The response of the ICC was timely and has contributed to the development of the issue. I am sure that the ideas and perspectives will be very helpful in the upcoming debate. We have still received no response from DOT.

The second bill was prepared by the American Bus Association. It represents a general consensus of the members of the ABA and is thus a very important document for us to consider. I want to personally convey my appreciation to the members and staff of the American Bus Association for the many long hours they have spent reaching an agreement on this important issue.

In introducing these bills today, I am not endorsing either approach. Rather, I think it is time to get the debate moving and begin talking about specific proposals. The issues that will be raised in the inquiry that will follow are certainly familiar ones for the Commerce Committee—service to small communities, freedom of entry, pricing flexibility, Federal preemption of state regulation, promotion of competition, and so on. But the structure of the bus industry is certainly unlike that of many of the other transportation businesses that we have looked at over the past several years. Hence, the solutions may differ and will have to be fashioned to take into account the unique characteristics of the bus industry.

So to get the process underway, I ask unanimous consent, Mr. President, that the ICC proposal, "Motor Bus Act of 1981," and its accompanying section-by-section analysis, and the American Bus Industry proposal, the "Bus Regulatory Modernization and Improvement Act of 1981," and a summary of its provisions, be inserted into the RECORD at this point.

There being no objection, the bills and explanations were ordered to be printed in the RECORD, as follows:

S. 926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Bus Regulatory Modernization and Improvement Act of 1981".

PURPOSE OF THE ACT

SEC. 2. This Act is part of the continuing effort by Congress to reduce unnecessary regulation by the Federal Government.

CONGRESSIONAL FINDINGS

SEC. 3. The Congress hereby finds—

(1) that a safe, competitive, financially sound, and fuel efficient motor bus system is vital to the maintenance of a strong national economy, and a strong national defense, and to conservation of energy;

(2) that the best means of assuring such a system of transportation is through regulated competition and reformed regulation of entry, rates, and service;

(3) that in order to reduce the uncertainty felt by the Nation's motor bus industry and those persons and communities which rely on its service, the Interstate Commerce Commission should be given explicit direction for regulation of motor carriers of

passengers and well-defined parameters within which it may act pursuant to congressional policy;

(4) that the Interstate Commerce Commission shall not attempt to go beyond the powers vested in it by the Interstate Commerce Act and other legislation enacted by Congress; and

(5) that statutes governing Federal regulation of the motor bus industry must be revised to reflect the transportation needs and realities of the 1980's and to ensure the development and maintenance of a bus transportation system responsive to the needs of the public, in which regulatory decisions are reached fairly and expeditiously.

NATIONAL TRANSPORTATION POLICY

SEC. 4. Section 10101(a)(7) of title 49, United States Code, is amended—

(1) by deleting "of property" after "transportation".

(2) by inserting "passengers" after "receivers" in subparagraph (A), and

(3) by inserting "and traveling" after "shipping" in subparagraph (B).

ENTRY POLICY

SEC. 5. Section 10922 of title 49, United States Code, is amended as follows:

(1) in subsection (a) by striking out "II or", "motor common carriers of passengers or", and "respectively";

(2) in subsection (b)(7) by striking out "of property" after "common carrier" and by inserting "or under subsection (c)" after "subsection";

(3) in subsection (b)(8) by striking out "of property" after "contract carrier" and by inserting "or under subsection (c)" after "subsection";

(4) by redesignating subsections (c), (d), (e), (f), (g), (h), (i) and (j), and any references thereto, as subsections (d), (e), (f), (g), (h), (i), (j), and (k), respectively; and

(5) by inserting after subsection (b) the following new subsection:

"(c)(1) Except as provided in this section, the Commission shall issue a certificate to a person authorizing that person to provide transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title as a motor common carrier of passengers—

"(A) if the Commission finds that the person is fit, willing, and able to provide the transportation to be authorized by the certificate and to comply with this subtitle and the regulations of the Commission; and

"(B) if the Commission finds, on the basis of a preponderance of evidence in the record, that the transportation to be provided by such person is consistent with the present or future public convenience and necessity.

"(2) In the determination as to whether an applicant is fit, willing, and able pursuant to paragraph (1)(A) of this subsection, the burden of proof shall be upon the applicant. In the determination as to whether the transportation proposed is consistent with the public convenience and necessity pursuant to paragraph (1)(B) of this subsection, the burden of proving that the transportation proposed would serve a useful public purpose, responsive to a public demand, shall be upon the applicant, but the burden of proof in all other respects shall be upon opponents of the application.

"(3) In determining whether an application is consistent with the public convenience and necessity pursuant to paragraph (1)(B) of this subsection, the Commission shall review each application filed hereunder and, in making its determination, shall consider—

"(A) the transportation policy of section 10101 of this title;

"(B) evidence of public support for an application or other demonstration of public need;

"(C) quality and quantity of available service;

"(D) whether granting or denying the application would tend to conserve fuel; and

"(E) whether granting the application or a series of similar applications—

"(i) might result in discontinuance of intercity bus service to communities having no other intercity bus transportation; or

"(ii) might impair or curtail the operations of existing carriers.

"(4) The Commission may not make a finding relating to public convenience and necessity under paragraph (1) of this subsection which is based upon general findings developed in rulemaking proceedings.

"(5) The requirement in paragraph (1) of this subsection that persons issued certificates be fit, willing, and able includes, among other things, financial fitness, operational fitness, safety fitness, and compliance with the provisions of this title and other Federal laws and regulations. Fitness shall be a continuing requirement for the holding of a certificate.

"(6) The Commission shall not issue any certificate under this subsection to a motor carrier of passengers which is owned by or operated on behalf of a public or governmental body, including public agencies and instrumentalities of one or more States, and public corporations, boards, and commissions established under the laws of any State, if service is provided by an authorized privately owned carrier.

"(7) The Commission shall not issue any certificate authorizing transportation of passengers in interstate or foreign commerce to any person whose government does not permit carriers domiciled in the United States to transport passengers within its territory on substantially the same conditions as apply to the transportation of passengers by its own nationals.

"(8) The provisions of paragraph (1) of this subsection (other than subparagraph (A)) shall not apply to applications under this subsection for authority to provide—

(A) transportation of passengers in one-way charter or special operations to or from the carrier's authorized points in its base territory by a carrier authorized to transport passengers in round-trip charter or special operations when such transportation is to or from a point in its base territory and is part of an intermodal round-trip movement involving the same group of passengers;

(B) transportation of passengers in charter or special operations, in sightseeing and pleasure tours, from points in a city or county any part of which the applicant is authorized to serve; or, from any such authorized point of service to any point in the United States; or

(C) transportation of passengers in charter service in the same vehicle and at the same time as the carrier provides regular route, scheduled passenger service.

ENTRY PROCEDURE

SEC. 6. Section 10322(b)(2) of title 49, United States Code, is amended by inserting "(A)" after "(2)" and by adding the following subparagraphs:

"(B) The Commission shall reach a final decision upon applications for authority to transport passengers under subchapter II of chapter 109 of this subtitle and shall issue the certificate within one year after publication of the notice in the Federal Register plus any extension of time authorized by this section;

"(C) The Commission shall promulgate rules of procedure for processing applications to transport passengers which provide for adequate notice and opportunity for any interested person to file written evidence and argument as to whether the transportation proposed by an applicant is consistent with the public convenience and necessity. If an application is opposed, the Commission shall provide adequate time for the applicant to present evidence in support of the application; for protestants to present evidence in opposition to the application; for the applicant to reply to protestants; and for the applicant and protestants to discuss amendments to the application;

"(D) If the Commission finds that the applicant is fit, willing, and able to provide the transportation proposed and if no person opposes the grant of authority sought by the applicant, the Commission may issue a certificate without evidence of public support for the service proposed;

"(E) The Commission may require evidence in proceedings involving authority to transport passengers by motor vehicle to be submitted in the form of verified statements or to be adduced in an oral hearing, but the Commission shall assign for oral hearing all applications for authority to transport passengers which involve (i) a substantial extension of regular-route authority; (ii) authority to originate charter or tour operations in a broad territory; (iii) a substantial question respecting the applicant's safety and operational fitness; and (iv) important issues of fact which cannot be resolved fairly or satisfactorily on the basis of sworn written submissions."

ZONE OF PRICING FREEDOM FOR MOTOR CARRIERS OF PASSENGERS

SEC. 7. Section 10708(d) of title 49, United States Code, is amended to read as follows:

"(d)(1) Notwithstanding any other provision of this title, the Commission may not investigate, suspend, revise, or revoke any rate proposed by a motor common carrier or freight forwarder on the grounds that such rate is unreasonable on the basis that it is too high or too low if—

"(A) the carrier notifies the Commission that it wishes to have the rate considered pursuant to this subsection; and

"(B)(i) in the case of transportation of property, the aggregate of increases and decreases in any such rate is not more than 10 percent above the rate in effect one year prior to the effective date of the proposed rate, nor more than 10 percent below the lesser of the rate in effect on July 1, 1980 (or, in the case of any rate which a carrier first establishes after July 1, 1980, for a service not provided by such carrier on such date, such rate on the date such rate first becomes effective), or the rate in effect one year prior to the effective date of the proposed rate.

"(ii) in the case of motor carriers of passengers, the aggregate of increases and decreases in any such rate is not more than 10 percent above the rate in effect one year prior to the effective date of the proposed rate, nor more than 20 percent below the lesser of the rate in effect on the date of enactment of this bill (or, in the case of any rate which a carrier first establishes after the date of enactment of this bill for a service not provided by such carrier on such date, such rate on the date such rate first becomes effective) or the rate in effect one year prior to the effective date of the proposed rate. This subsection does not preclude the establishment by carriers of new or innovative special promotional fares for unlimited passenger travel between all points in a carrier's system or all points in the United States or between specific city pairs.

"(2) The Commission, by rule, may increase the percentages specified in paragraph (1)(B) of this subsection for any group of motor common carriers or freight forwarders if it finds that—

"(A) there is sufficient actual and potential competition to regulate rates; and

"(B) there are benefits to (i) carriers or freight forwarders, ((ii) shippers or passengers, and (iii) the public from further rate flexibility; except that the Commission may not increase such percentages by more than 5 percentage points during any one-year period.

"(3)(A) In determining, pursuant to paragraph (1)(B) of this subsection, whether the

aggregate of increases and decreases in a proposed rate that is to take effect on or before the 730th day following the date of enactment of this paragraph) or on or before January 1, 1982 in the case of motor carriers of passengers) is more than 10 percent (or such other percentage as the Commission may establish under paragraph (2) of this subsection) above the rate in effect one year prior to the effective date of the proposed rate, general rate increases obtained in the one-year period prior to the effective date of the proposed rate shall not be included in such aggregate, except to the extent that such general rate increases exceed 5 percent of the rate in effect one year prior to the effective date of the proposed rate.

"(B) In the case of a proposed rate that is to take effect after the 730th day following the date of enactment of this paragraph (or on or after January 1, 1982, in the case of motor carriers of passengers), the percentage which first appears in paragraph (1)(B) of this subsection (relating to the upper limit of the zone of ratemaking freedom), or such other percentage as the Commission may establish under paragraph (2) of this subsection in lieu of such percentage, shall be increased or decreased, as the case may be, by the percentage change in the Producers Price Index, as published by the Department of Labor, that has occurred during the one-year period prior to the effective date of the proposed rate.

"(4) Any rate implemented by a carrier pursuant to this subsection shall be subject to the antitrust laws, as defined in the first section of the Clayton Act (15 U.S.C. 12), except that the docketing and publication of such rate by the carrier under section 10706(b) of this title shall not be construed as a violation of the antitrust laws. Nothing in this subsection shall limit the Commission's authority to suspend and investigate proposed rates on the basis that such rates may violate the provisions of section 10741 of this title or constitute predatory practices in contravention of the transportation policy set forth in section 10101(a) of this title."

"(5) As used in the subsection, 'rate' includes any fare for the transportation of passengers, including commuter fares."

RULE OF RATEMAKING

SEC. 8. Section 10701(e) of title 49, United States Code, is amended by deleting "of property" after "motor carrier" each place such phrase appears and by inserting "or fare" or "or fares" after the words "rate" or "rates" each place such words appear.

RATE BUREAUS

SEC. 9. (a) Section 10706(b) of title 49, United States Code, is amended by—

(1) deleting in subsection (b)(1) and (b)(2) "of property" after "motor common carrier";

(2) placing a period after "subsection" in the second sentence of subsection (b)(2) and striking the remainder of the sentence; and

(3) deleting "such transportation policy" in the third sentence of subsection (b)(2) and inserting: "the transportation policy set forth in section 10101(a) of this title. If the agreement fulfills each requirement of this subsection, it shall be presumed to be consistent with such policy."

(b) Section 10706(b)(3)(D) of title 49, United States Code, is amended by adding "of motor common carriers of property" after "single-line rates" in the first sentence and by adding as the second sentence: "In the case of motor common carriers of passengers, no agreement approved under this subsection may provide for discussion of or voting upon single-line rates on or after January 1, 1985."

(c) Section 10706(b)(3)(E) of title 49, United States Code, is amended—

(1) by inserting "(i)" after "(E)"; and

(2) by adding at the end thereof the following new clause:

"(ii) In any proceeding in which it is alleged that a carrier was a party to an agreement, conspiracy, or combination in violation of a Federal law cited in subsection (b)(2) of this section or of any similar State law, proof of an agreement, conspiracy, or combination may not be inferred from evidence that two or more carriers acted together with respect to an interline rate or related matter and that a party to such action took similar action with respect to a rate or related matter on another route or traffic. In any proceeding in which such a violation is alleged, evidence of a discussion or agreement shall not be admissible if the discussion or agreement—

"(1) was in accordance with an agreement approved under paragraph (2) of this subsection; or

"(II) concerned an interline movement of the carrier, and the discussion or agreement would not, considered by itself, violate the laws referred to in the first sentence of this clause.

In any proceeding before a jury, the court shall determine whether the requirements of clause (I) or (II) are satisfied before allowing the introduction of any such evidence."

(d) Section 10706(b)(3)(F) of title 49, United States Code, is amended to read as follows: "The Commission shall, by regulation, determine reasonable quorum standards to be applied for meetings of committees of organizations established or continued under an agreement approved under this subsection.

(e) Section 14(b)(3) of the Motor Carrier Act of 1980, 94 Stat. 806, is amended by changing "ten members" to "eleven members" and by inserting after "shippers" the clause "one who is a motor common carrier of passengers from the membership of the National Bus Traffic Association, Inc."

DISCRIMINATORY STATE REGULATION OF PASSENGER FARES AND EXPRESS RATES

SEC. 10. (a) Section 10521(b)(2) of title 49, United States Code, is amended by inserting "except as provided in section 11501 of this title" immediately after "motor carrier."

(b) Section 11501(b) of title 49, United States Code is amended to read as follows:

"(b)(1) A State authority may only exercise jurisdiction over intrastate transportation provided by a rail carrier or by a motor carrier of passengers providing transportation subject to the jurisdiction of the Commission under subchapters I or II of chapter 105 of this title if such State authority exercises such jurisdiction exclusively in accordance with the provisions of this subtitle.

"(2) Within 120 days after the effective date of the Staggers Rail Act of 1980, and in the case of motor carriers of passengers, within 120 days after the effective date of this Act, each State authority exercising jurisdiction over intrastate rates, fares, classifications, rules, bus schedules, and practices for intrastate transportation described in paragraph (1) of this subsection shall submit to the Commission the standards and procedures (including timing requirements) used by such State authority in exercising such jurisdiction.

"(3)(A) Within 90 days after receipt of the intrastate regulatory standards and procedures of a State authority under paragraph (2) of this subsection, the Commission shall certify such State authority for purposes of this subsection if the Commission determines that such standards and procedures are in accordance with the standards and procedures applicable to regulation of rail carriers or motor carriers of passengers by the Commission under this title. If the Commission determines that such standards and procedures are not in such accordance, it shall deny certification to such State authority, and such State authority may resubmit new standards and procedures to the Commission for review in accordance with this subsection.

"(B) The standards and procedures existing in each State on the effective date of the Staggers Rail Act of 1980 in the case of rail carriers, and on the effective date of this Act in the case of motor carriers of passengers, for the exercise of jurisdiction over intrastate rail rates, classifications, rules, and practices and for the exercise of jurisdiction over intrastate passenger fares, express rates, and bus schedules shall be deemed to be certified by the Commission from that date until the date an initial determination is made by the Commission under subparagraph (A) of this paragraph.

"(4)(A) Any State authority which is certified by the Commission under this subsection may use its standards and procedures in exercising jurisdiction over intrastate rates, fares, classifications, rules, bus schedules and practices during the 5-year period commencing on the date of such certification. Any State authority which is denied certification or which does not seek certification may not exercise any jurisdiction over intrastate rates, fares, classifications, rules, bus schedules, and practices until it receives certification under this subsection.

"(B) Any intrastate transportation provided by a rail carrier or a motor carrier of passengers in a State which may not exercise jurisdiction over an intrastate rate, fare, classification, rule, bus schedule, or practice of that carrier due to a denial of certification under this subsection shall be deemed to be transportation subject to the jurisdiction of the Commission under subchapters I and II of chapter 105 of this title.

"(5)(A) Certification of a State authority under this subsection is valid for the 5-year period beginning on the date of such certification. Prior to the expiration of such 5-year period, the State authority shall resubmit its intrastate regulatory standards procedures to the Commission for subsequent certification in accordance with this subsection.

"(B) During any 5-year certification period, a State may not change its certified standards and procedures without notifying and receiving express approval from the Commission.

"(6) Notwithstanding any other provision of this subtitle, a State authority may not exercise any jurisdiction over general rate increases under section 10706 of this title, inflation-based rate increases of rail carriers under section 10712 of this title, or fuel adjustment surcharges approved by the Commission.

(c) Section 11501(c) of title 49, United States Code, is amended to read as follows:

"(c) Any rail carrier or motor carrier of passengers providing transportation subject to the jurisdiction of the Commission under subchapters I or II or chapter 105 of this title may petition the Commission to review the decision of any State authority, in any administrative proceeding in which the lawfulness of an intrastate rate, fare, classification, rule, bus schedule, or practice is determined, on the grounds that the standards and procedures applied by the State were not in accordance with the provisions of this subtitle. The Commission shall take final action on any such petition within 30 days after the date it is received. If the Commission determines that the standards and procedures were not in accordance with the provisions of this subtitle, its order shall determine and authorize the carrier to establish the appropritae rate, fare, classification, rule, bus schedule, or practice."

(d) Section 11501(d) of title 49, United States Code, is amended to read as follows:

"(d)(1) The Commission has exclusive

authority to prescribe an intrastate rate or fare for transportation provided by a rail carrier subject to the jurisdiction of the Commission under subchapter 105 of this title, or a motor carrier of passengers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title when—

"(A) A rail carrier or motor carrier of passengers, as the case may be, files with an appropriate State authority a change in an intrastate rate or fare, or a change in a classification, rule, or practice that has the effect of changing an intrastate rate or fare, that adjusts the rate or fare to the rate or fare charged on similar traffic moving in interstate or foreign commerce; and

"(B) The State authority does not act finally on the change by the 120th day after it was filed.

"(2) When a rail carrier or a motor carrier of passengers files an application with the Commission under this subsection, the Commission shall prescribe the intrastate rate or fare under the standards of subsection (A) of this section and chapter 107 of this title. Notice of the application shall be served on the State authority."

(e) Section 10501(d) of title 49, United States Code, is amended to read as follows:

"(d) The jurisdiction of the Commission and of State authorities (to the extent such authorities are authorized to administer the standards and procedures of this title pursuant to this section and section 11501(b) of this title) over transportation by rail carriers or motor carriers of passengers, as the case may be, and the remedies provided in this title with respect to the rates, fares, classification, rules and practices of such carriers, is exclusive."

EXIT POLICY

SEC. 11. (a) Section 10521(b)(1) is amended by inserting "except as provided in section 11101(d) of this title" after "motor carrier."

(b) Section 11101 of title 49, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) No State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision relating to the discontinuance of regular-route service by a motor common carrier of passengers having authority under this title to transport passengers in interstate or foreign commerce.

"(e)(1) No later than 60 days after the date of enactment of this section, the Commission shall institute a rulemaking proceeding in which it shall promulgate rules for the discontinuance of essential intrastate and interstate regular-route service by a motor common carrier of passengers. The rules shall provide for notice and opportunity for interested parties to comment, but need not provide for oral evidentiary hearings. As used in this subsection, the term, 'discontinuance of essential intrastate and interstate regular route service' means a total cessation of service for which there is no reasonably adequate substitute and does not refer to changes in or elimination of schedules.

"(2) Such rules shall establish criteria for determining what service is 'essential'; shall require carriers to notify the Commission, the appropriate State regulatory agency, and affected communities concerning proposed discontinuances of service; and shall establish a procedure under which any interested person, or the Commission on its own initiative, may seek postponement of the proposed discontinuance.

"(3) If a protest is received within 30 days after the notice of discontinuance is served, the carrier within 15 days thereafter shall furnish to the Commission—

"(A) an estimate of the annual subsidy required, if any, to continue the service;

"(B) traffic, revenue, and other data necessary to determine the amount of annual financial assistance, if any, which would be required to continue the service; and

"(C) other information that the Commission may prescribe by rule or regulation as necessary to enable a potential offeror to calculate an adequate subsidy or to enable another carrier to decide whether to seek to institute a replacement service.

"(4) Within 30 days following the receipt of a protest of a proposed discontinuance of service, such service may be discontinued unless the Commission finds (A) that the service proposed to be discontinued is essential, and (B) that an investigation is needed to assist the Commission in determining whether the service can be continued by the existing carrier under a Federal or State program of financial assistance in which the carrier is eligible to participate or by another carrier. If an investigation is undertaken, the Commission shall submit to a potential offeror or offerors of assistance and to prospective providers of replacement service the information described in paragraph (3) of this subsection, together with such additional information as it deems relevant, and shall complete the investigation within 30 days.

"(5) Whenever the Commission decides upon investigation that the service proposed to be discontinued is essential and that a financially responsible person or persons (including a government entity) has offered adequate financial assistance or that another carrier is willing to provide replacement service for a period of not less than 1 year, the Commission may order the carrier to continue the service for a period of 30 days. If at the end of that 30-day period, the carrier has not agreed with an offeror of financial assistance to continue the service for a period of not less than 1 year, the Commission may order the carrier to continue the service for a period of no longer than 90 days.

"(6) The Commission shall not find any financial assistance offered to be adequate unless such assistance is equal to the difference between the revenues attributable to the service proposed to be discontinued and the fully allocated cost of providing such service, plus a reasonable return on investment."

TAX DISCRIMINATION AGAINST BUS CARRIER TRANSPORTATION PROPERTY

SEC. 12. Section 11503a of title 49, United States Code, is amended by deleting "of property" in subparagraph (a)(3).

TEMPORARY AUTHORITIES AND EMERGENCY TEMPORARY AUTHORITIES

SEC. 13. Section 10928 of title 49, United States Code, is amended by—

(1) deleting in subsection (a) reference to "motor carrier of passengers or"; and

(2) deleting "of property" where those words appear in subsections (b) and (c).

SECURITIES

SEC. 14 (a) Section 11302(a) of title 49, United States Code, is amended by inserting "of property" after "carriers" and "carrier" each place they appear.

(b) Section 3(a)(6) of the Securities Act of 1933 (15 U.S.C. 77c(a)(6)) is amended by inserting "of property" after "motor carrier".

FINANCIAL AND SAFETY FITNESS

SEC. 15(a) Subsection (a)(1) of Section 30 of the Motor Carrier Act of 1980, 94 Stat. 820, is amended by inserting "and passengers" before "for hire."

(b) Subsection (a)(2) of Section 30 of the Motor Carrier Act of 1980 is amended by inserting "used in the transportation of property for hire" before "shall".

(c) The Motor Carrier Act of 1980 is amended by redesignating subsections (d), (e), (f), and (g), and all references thereto, as subsections (e), (f), (g), and (h), respectively, and by inserting after subsection (c) the following new subsection:

"(d)(1) The minimum level of financial responsibility established by the Secretary for any vehicle operated in interstate commerce by a motor carrier of passengers shall not be less than the following amounts:

Equipment seating capacity	Limit for bodily injury to or death of 1 person or damage in any 1 accident to property of others	Limits for bodily injuries to or death of all persons injured or killed in any 1 accident (subject to maximum of $500,000) for bodily injuries to or death of 1 person	Limit for loss or damage in any 1 accident to property of others
More than 11 passengers	$500,000	$5,000,000	$500,000
11 passengers or less	500,000	2,000,000	500,000

"(2) If the safety fitness of an applicant is any proceeding under Section 5 of this Act is challenged by any person who provides information in support of the allegation of unfitness, or if the Interstate Commerce Commission has reason to doubt the safety fitness of an applicant, the matter shall be referred to the Secretary, and no certificate shall be issued by the Commission unless the Secretary certifies that the applicant is in compliance and may reasonably be expected to comply with the applicable Federal motor carrier safety regulations."

(d) Subsection (g) of Section 30 of the Motor Carrier Act of 1980, as amended, is amended by striking "This" and inserting: "With respect to the transportation of property for hire by motor vehicle, this."

SUMMARY OF PRINCIPAL PROVISIONS

CONGRESSIONAL FINDINGS

The statement of purpose makes it clear that the Congress is providing "explicit direction" for the regulation of motor carriers of passengers and that the Commission must not attempt to go beyond the powers delegated to it by the Interstate Commerce Act. In addition, the Congress would find that the best means of assuring a strong and financially sound bus industry in the private sector is not through unrestricted competition but by "regulated competition and reformed regulation of entry, rates, and service . . . in which regulatory decisions are reached fairly and expeditiously."

NATIONAL TRANSPORTATION POLICY

The bill would include motor carriers of passengers in the statement of transportation policy adopted for motor carriers of property by the Motor Carrier Act of 1980.

ENTRY POLICY

Section 5 of the ABA bill proposes a higher entry standard for motor carriers of passengers than the Congress approved last year for motor carriers of property. The ABA bill would require the Commission to consider whether granting or denying the application would promote conservation of fuel and whether granting the application could result in discontinuance of service to communities having no other form of public transportation or would impair the operations of existing carriers.

The bus industry bill, like the Motor Carrier Act of 1980, would prohibit master certification based on general findings of public convenience and necessity.

Proposed subsection (c)(6) of 49 U.S.C. 10922 would prohibit the Commission from issuing a certificate to a public transportation authority if service is provided by an authorized privately owned carrier.

Proposed subsection (c)(7) would pro-

hibit the Commission from granting operating authority to Mexican bus operators unless Mexico permitted carriers domiciled in the United States to transport passengers in Mexico on substantially the same terms and conditions as apply to the transportation of passengers by Mexican carriers.

The industry bill also proposes to permit entry merely upon proof of fitness where carriers holding round-trip charter authority desire to provide one-way service which is part of an intermodal trip; where such carriers desire county-wide charter origin authority or nationwide destination authority; and where such carriers seek to transport charter groups in the same vehicle with regularly scheduled passengers.

ENTRY PROCEDURE

The policies and procedures adopted by the Commission in Ex Parte No. MC-55 (Sub-No. 43), coupled with the tight deadlines imposed by Section 25 of the Motor Carrier Act of 1980, are incompatible with meaningful economic controls on entry. The requirement that the Commission decide applications for motor carrier operating authority within 180 days after filing (270 days for cases assigned for oral hearing) is being used to justify virtually automatic entry.

Allegedly because of the short time frames involved, the Commission now requires applicants to submit their evidence in support of the application at the time it is filed; will not permit applications to be amended after they are filed; and will grant oral hearing "only in extraordinary factual circumstances." Because procedure vitally affects substance, the bus industry bill gives the Commission 330 days within which to act on applications for authority to transport passengers; authorizes restrictive amendments to applications; and requires oral hearings to be held in certain types of cases.

ZONE OF PRICING FREEDOM FOR MOTOR CARRIERS OF PASSENGERS

The bus industry bill would provide that within a prescribed zone fares could be raised or lowered without suspension by the ICC on the ground that such fares are too high or too low. The rate flexibility provisions of the bus industry bill are essentially the same as those proposed by the ICC and those made applicable to motor carriers of property by the Motor Carrier Act of 1980. Flexible fare adjustments could be made by individual carrier action but not by carriers acting collectively.

RULE OF RATEMAKING

The rule of ratemaking adopted for the trucking industry in the Motor Carrier Act of 1980 and recommended for the bus industry by the ICC would be made applicable to motor carriers of passengers by section 8 of the bus industry bill.

RATE BUREAUS

Under Section 9 of the bus industry bill, as under the Motor Carrier Act of 1980, the ICC's discretion to withdraw antitrust immunity for the collective consideration of rates would be sharply curtailed. Because the ICC's hostility toward collective ratemaking has not abated, the ABA bill would give the ICC somewhat less discretion in approving rate bureau agreements than that accorded by the Motor Carrier Act of 1980. Motor carriers of passengers would be prohibited from discussing or voting upon single-line rates on or after January 1, 1985, unless the Motor Carrier Ratemaking Study Commission recommended, and the Congress agreed, that collective consideration of single-line rates should be permitted. The ABA bill would also add as a member of the Study Commission a carrier member of the National Bus Traffic Association.

DISCRIMINATORY STATE REGULATION OF PASSENGER FARES AND EXPRESS RATES

Section 10 of the bus industry bill would give the ICC the same authority to rectify discriminatory State regulation of bus fares that was conferred by section 214 of the Staggers Rail Act of 1980 over discriminatory State regulation of railroad freight rates. The ICC favors partial Federal preemption of State authority over the passenger fares and express rates of interstate carriers for the following reasons set forth in the section-by-section analysis of its proposed Motor Bus Act of 1981 transmitted to the Congress on December 15, 1980:

"The Commission remains concerned that Federal reform initiatives to enhance competition and ease regulatory barriers could potentially be nullified by State regulatory actions. Potential problems could result in the area of ratemaking. Carriers that have both interstate and intrastate authority and provide both services over the same route using the same equipment, cannot allocate the costs of the service between the interstate and intrastate portions with any degree of precision. There is always some question of what part of the joint costs of the service as a whole should be borne by each part of the traffic. If the ICC introduced a zone of reasonableness fare flexibility for the interstate traffic, while the intrastate fare remained more closely regulated by the states, then state commissions could hold down intrastate fares forcing carriers to take increases in interstate fares. Currently the ICC has no mechanism to counteract this kind of an effort by the State commission. The result could be a situation in which the low intrastate fares put a significant burden on interstate commerce. That should be avoided especially in view of air and rail competition on the longer interstate movements which would make it difficult for carriers to retain long haul interstate passengers if they were required to cross-subsidize intrastate passengers. It also would be unfair and unequitable to force interstate passengers to pay rates that cross-subsidize intrastate passengers."

EXIT POLICY

Section 11 of the bus industry bill would preempt State authority respecting discontinuance of intrastate regular-route service and changes in bus schedules by motor common carriers of passengers certificated by the ICC.

Under the exit proposal as drafted, the Commission would be required to institute a rulemaking proceeding to define for both intrastate and interstate regular-route services what constitutes a "discontinuance of service"; to establish criteria for determining what service is "essential"; and to establish notification requirements for proposed discontinuance of service and for protests of such action. A procedure for obtaining an official determination that service slated for discontinuance is "essential" should spur the funding of programs to maintain and improve bus service. Under the legislation proposed, discontinuance of interstate regular-route service would be more difficult to accomplish but this disadvantage would be offset by the ability to discontinue unprofitable intrastate bus service more readily.

In transmitting to the Congress its proposed Motor Bus Act of 1981, the ICC gave the following reasons for Federal preemption of State authority over intercity bus service:

"ICC restrictions on exit from this industry have had a minimal effect in the past. The more severe check on exit comes from individual state regulatory authorities. Federal reform proposals for exit have to deal with the potential problems that could result from divergent federal and state policies. For example, a bus carrier that seeks to abandon an unprofitable interstate route may still be forced to serve the similarly unprofitable intrastate portion of the route if the state denies the carrier the abandonment of the route. Faced with this, a carrier might be forced to maintain the interstate route to minimize overall losses even though this will place a burden on the carrier's interstate service as a whole."

TAX DISCRIMINATION AGAINST BUS CARRIER TRANSPORTATION PROPERTY

Section 12 of the ABA bill, like the Motor Carrier Act of 1980, would prohibit discriminatory State taxation of the property of interstate motor carriers.

TEMPORARY AUTHORITIES AND EMERGENCY TEMPORARY AUTHORITIES

Section 13 of the bus industry bill would apply to motor carriers of passengers the temporary authority provisions of the Motor Carrier Act of 1980.

SECURITIES

Section 14 of the bill would eliminate the Commission's jurisdiction over the issuance of securities and assumption of obligations by motor carriers of passengers.

FINANCIAL AND SAFETY FITNESS

Section 30 of the Motor Carrier Act of 1980, requires carriers of hazardous materials to maintain a minimum level of financial responsibility covering public liability and property damage in an amount not less than $5,000,000. The same minimum level would be established by section 15 of the ABA bill for motor carriers of passengers operating vehicles having a seating capacity of 12 or more passengers. The minimum level for carriers operating vehicles having a seating capacity of 11 passengers or less would be $2,000,000. In addition, section 15 of the ABA bill provides that when the safety fitness of an applicant for operating authority is challenged, no certificate shall be issued by the ICC unless the Secretary of Transportation certifies that the applicant is in compliance and may reasonably be expected to comply with the applicable Federal Motor Carrier Safety Regulations.

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Bus Act of 1981."

PURPOSE OF THE ACT

SEC. 2. This Act is part of the continuing effort by Congress to reduce unnecessary regulation by the Federal Government.

CONGRESSIONAL FINDINGS

SEC. 3. (a) The Congress hereby finds that a safe, sound, competitive, and fuel efficient motor bus system is vital to the maintenance of a strong national economy and a strong national defense and vital to the transportation needs of the elderly, handicapped and the poor; that the statutes governing Federal regulation of the motor bus industry are outdated and must be revised to reflect the transportation needs and realities of the 1980's; that historically the existing regulatory structure has tended in certain circumstances to inhibit market entry, carrier growth, maximum utilization of equipment and energy resources, and opportunities for minorities and others to enter the motor bus industry; that protective regulation has resulted in operating inefficiencies and diminished price and service competition; that the objectives contained in the NTP can best be achieved through greater competition and reduced regulation; that in order to reduce the uncertainty felt by the Nation's motor bus industry and those persons and communities that rely on its services, the Interstate Commerce Commission should be given explicit direction for regulation of the motor bus industry and well-defined parameters within which it may act pursuant to congressional policy; that the Interstate Commerce Commission should not attempt to go beyond the powers vested in it by the

Interstate Commerce Act and other legislation enacted by Congress; and that legislative and resulting changes should be implemented with the least amount of disruption to the transportation system consistent with the scope of the reforms enacted.

(b) The appropriate authorizing committees of Congress shall conduct periodic oversight hearings on the effects of this legislation, no less than annually for the first 5 years following the date of enactment of this Act, to ensure that this Act is being implemented according to congressional intent and purpose.

NATIONAL TRANSPORTATION POLICY

SEC. 4. Section 10101(a) of title 49, United States Code, is amended:

(1) by deleting paragraph (7) and by adding the following new paragraph:

"(7) with respect to motor carrier transportation, to promote competitive and efficient transportation services in order to (A) meet the needs of shippers, receivers, passengers, and consumers; (B) increase competition by encouraging a variety of quality and price options to meet changing market demands and the diverse requirements of the shipping and traveling public; (C) allow the most productive use of equipment and energy resources; (D) enable efficent and well-managed carriers to earn adequate profits, attract capital, and maintain fair wages and working conditions; (E) provide and maintain passenger and freight service to small communities and small shippers; (F) improve and maintain a sound, safe, and competitive privately-owned motor carrier system; (G) promote greater participation by minorities in the motor carrier industry; and (H) promote intermodal transportation".

MOTOR CARRIER OF PASSENGERS ENTRY POLICY

SEC. 5. (a) Section 10922 of title 49, United States Code, is amended—

(1) in subsection (a) by deleting the phrases, "II or", "motor common carrier of pasiengers or," and "respectively"; and

(2) in subsection (b)(1) by deleting "of property" before "if the Commission finds"; and

(3) in subsection (b) by adding a new subparagraph (4)(F) to read as follows:

"(4)(F) transportation of passengers in charter or special services"; and

(4) in subsection (b)(4)(A) by deleting "of property" after "motor common carrier"; and

(5) in subsection (b)(7) by deleting "of property" after "motor common carrier"; and

(6) in subsection (b)(8) by deleting "of property" after "motor contract carrier".

ELIMINATION OF CERTAIN RESTRICTIONS ON MOTOR CARRIERS OF PASSENGER OPERATIONS

SEC. 6. Section 10922 of title 49, United States Code, is further amended:

(a) in subsection (d) by adding the following new paragraph:

"(5) A certificate authorizing the transportation of passengers in round-trip charter or special operations shall include authority to transport passengers in one-way charter or special operations to or from the carrier's authorized area";

(b) by adding the following new subsection:

"(h)(3) With respect to motor carriers of passengers, not later than 180 days after the date of enactment of this subsection, the Commission shall—

"(A) eliminate gateway restrictions and circuitous route limitations imposed upon motor common carriers of passengers; and

"(B) implement, by regulation, procedures to process expeditiously applications of individual motor carrier of passengers seeking removal of operating restrictions or broadened authority on existing regular route operating authority certificates in order to—

"(i) eliminate unreasonable or excessively narrow territorial limitations; or

"(ii) eliminate any other unreasonable restriction that the Commission deems to be wasteful of fuel, inefficient, or contrary to the public interest; or

"(iii) broaden charter authority incidental to regular route authority; or

"(iv) broaden package express authority incidental to regular route authority.

"(4) The regulations promulgated by the Commission pursuant to paragraph (3)(B) of this subsection shall provide for final Commission action upon an application not later than 120 days after the date the application is filed with the Commission, except that in extraordinary circumstances, the Commission may extend such deadline for a period of not to exceed 90 additional days. Such regulations shall also provide for notice and the opportunity for interested parties to comment, but need not provide for oral evidentiary hearings. In granting or denying applications under paragraph (3)(B) of this subsection, the Commission shall (A) consider, among other things, the impact of the proposed restriction removal upon the applicant's consumption of energy resources, potential cost savings and improved efficiency, and the transportation policy set forth in section 10101(a) of this title, and (B) give special consideration to providing and maintaining service to small and rural communities and small shippers.

"(5) A motor carrier of passengers, providing passenger or express transportation over a regular route or routes pursuant to a certificate issued by the Commission under this section is authorized to provide transportation between any two points on such regular routes, regardless of whether such points or the entire route between such points lie within the same State. Authorization for such passenger or express transportation shall be subject to the sole jurisdiction of the Commission under this chapter.

ZONE OF PRICING FREEDOM FOR MOTOR CARRIERS OF PASSENGERS

SEC. 7. Section 10708 of title 49, United States Code, is amended by deleting subsection (d) and adding the following new subsection:

"(d)(1) Notwithstanding any other provision of this title, the Commission may not investigate, suspend, revise, or revoke any rate or fare proposed by a motor common carrier of property, motor carrier of passengers, or a freight forwarder on the grounds that such rate or fare is unreasonable on the basis that it is too high or too low if—

"(A) the carrier notifies the Commission that it wishes to have the rate of fare considered pursuant to this subsection; and

"(B)(1) in the case of transportation of property, the aggregate of increases and decreases in any such rate of fare is not more than 10 percent above the rate in effect one year prior to the effective date of the proposed rate, nor more than 10 percent below the lesser of the rate in effect on July 1, 1980 (or, in the case of any rate which a carrier first establishes after July 1, 1980, for a service not provided by such carrier on such date, such rate on the date such rate first becomes effective), or the rate in effect one year prior to the effective date of the proposed rate.

"(B)(2) in the case of transportation of passengers, the aggregate of increases and decreases in any such fare is not more than 10 percent above the fare in effect one year prior to the effective date of the proposed fare, nor more than 20 percent below the lesser of the fare in effect on the date of enactment of this bill (or in the case of any fare which a carrier first establishes after the date of enactment of this bill for a service not provided by such carrier on such date, such fare on the date such fare first becomes effective) or the fare in effect one year prior to the effective date of the proposed fare.

This subsection shall not preclude a carrier from establishing new or innovative special promotional fares for unlimited passenger travel between all points in a carrier's system or all points in the United States or between specific city pairs nor shall it influence the level of rates on such fares.

"(2) The Commission, by rule, may increase the percentages specified in paragraph (d)(1)(B) of this subsection for any group of motor common carriers or freight forwarders if it finds that—

"(A) there is sufficient actual and potential competition to regulate rates or fares; and

"(B) there are benefits to (i) motor carriers or freight forwarders, (ii) shippers, passengers and (iii) the public from further rate flexibility; except that the Commission may not increase such percentages by more than 5 percentage points during any one-year period.

"(3)(A) In determining, pursuant to paragraph (1)(B) of this subsection, whether the aggregate of increases and decreases in a proposed rate or fare that is to take effect on or before the 730th day following the date of enactment of this paragraph (or on or before January 1, 1982 in the case of motor carriers of passengers) is more than 10 percent (or such other percentage as the Commission may establish under paragraph (2) of this subsection) above the rate or fare in effect one year prior to the effective date of the proposed rate or fare, general rate increases obtained in the one year period prior to the effective date of the proposed rate or fare shall not be included in such aggregate, except to the extent that such general rate or fare increases exceed 5 percent of the rate in effect one year prior to the effective date of the proposed rate or fare.

"(B) In the case of a proposed rate or fare that is to take effect after the 730th day following the date of enactment of this paragraph (or on or after January 1, 1982 in the case of motor carriers of passengers), the percentage which first appears in paragraph (1)(B) of this subsection (relating to the upper limit of the zone of ratemaking freedom), or such other percentage as the Commission may establish under paragraph (2) of this subsection in lieu of such percentage, shall be increased or decreased, as the case may be, by the percentage change in the Producers Price Index, as published by the Department of Labor, that has occurred during the one-year period prior to the effective date of the proposed rate or fare.

"(4) Any rate or fare implemented by a carrier pursuant to this subsection shall be subject to the antitrust laws, as defined in the first section of the Clayton Act (15 U.S.C. 12), except for the provisions of section 10706(b)(3)(G) and that the docketing and publication of such rate or fare by the carrier under section 10706(b) of this title including such requirements the Commission may impose to protect the right of independent action, shall not be construed as a violation of the antitrust laws. Nothing in this subsection shall limit the Commission's authority to suspend and investigate proposed rates or fares on the basis that such rates or fares may violate the provisions of section 10741 of this title or constitute predatory practices in contravention of the transportation policy set forth in section 10101(a) of this title."

RULE OF RATEMAKING

SEC. 8. (a) Section 10701(e) of title 49, United States Code, is amended by deleting "of property" after "motor carrier" each place such phrase appears and by inserting

"or fare" or "or fares" after the words "rate" or "rates" each place such words appear.

RATE BUREAUS

SEC. 9. (a) Section 10706(b) of title 49, United States Code, is amended by—

(1) deleting in subsection (b)(1) and, (b)(2), "of property" after "motor common carrier"; and

(2) inserting in subsection (b)(3)(D) "for motor carriers of property" after "No agreement approved under this subsection"; and

(3) inserting the following new paragraph:

"(3)(G) For Motor Carriers of Passengers, an organization established or continued under an agreement approved under this subsection may not—

"(i) permit a motor carrier of passengers to discuss, to participate in agreements related to, or to vote on single line rates or fares proposed by another motor carrier of passengers. This clause shall take effect on January 1, 1982.

"(ii) permit a motor carrier of passengers to participate in agreements related to, or to vote on rates related to a particular interline movement unless that motor carrier of passengers practicably participates in that movement; or

"(iii) if there are interline movements over two or more routes between the same end points, permit a carrier to discuss, to participate in agreements related to, or to vote on rates except with a carrier which forms part of a particular single route. This clause shall take effect on January 1, 1982."

(b) Section 10706(c) of title 49, United States Code, is amended by deleting "of property" after "(except a rail carrier or a motor common carrier)."

MOTOR CARRIER BROKERS OF PASSENGERS

SEC. 10(a) Section 10924 of title 49, United States Code, is amended—

(1) in subsection (a) by deleting "passengers or" after "broker for transportation of"; and

(2) in subsection (b) by deleting "of property" after "transportation."

TEMPORARY AUTHORITIES AND EMERGENCY TEMPORARY AUTHORITIES

SEC. 11. Section 10928 of title 49, United States Code, is amended by—

(1) deleting in subsection (a) any reference to "motor carrier of passengers or" each place such term appears; and

(2) adding at the end thereof the following new subsections:

"(d)(1) Without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5, the Commission, pursuant to such regulations as the Commission may issue, may, in its discretion, grant a fit, willing, and able motor carrier of passengers emergency temporary authority to provide transportation service to a place or in an area having an immediate need for bus service. Written applications for emergency temporary authority are not required; telephonic requests will be acceptable. Unless suspended or revoked, the Commission may grant the emergency temporary authority for not more than 30 days. A grant may be renewed for one additional 30 day period.

"(2) The Commission shall take final action upon an application made under this subsection not later than 5 days after the date the application is made with the Commission.

"(e)(1) Without regard to subchapter II of chapter 103 of this title and subchapter II of chapter 5 of title 5, the Commission, pursuant to such regulations as the Commission may issue, may grant a fit, willing, and able motor carrier of passengers temporary authority to provide transportation to a place or in an area having an immediate need for bus service. Unless suspended or revoked, the Commission may grant the temporary authority for not more than 270 days.

"(2) The commission shall take final action upon an application filed under this subsection not later than 60 days after the date the application is filed with the Commission."

MERGER PROCEDURE

SEC. 12. (a) Subchapter III of chapter 113 of title 49, United States Code, is amended by—

(1) Renaming section 11345a "Consolidation, merger and acquisition of control: motor carrier procedure"; and

(2) Deleting in subsection (a) "of property" after "motor carrier" each place such term appears; and

(3) The analysis of subchapter III of chapter 113 of title 49, United States Code, is amended by inserting after "11345. Consolidation, merger, and acquisition of control: rail carrier procedure."

"11345a—Consolidation, merger, and acquisition of control: motor carrier procedure".

MINIMUM FINANCIAL RESPONSIBILITY FOR MOTOR CARRIERS

SEC. 13. Section 30(a) of the Motor Carrier Act of 1980 is amended by—

(1) inserting "or passengers" after "of property" each place such term appears; and

(2) in subsection (a)(2) by inserting "($1,500,000 in the case of motor carriers of passengers)" immediately after "$750,000", and inserting ", or $750,000 in the case of motor carriers of passengers" after "$500,000"; and

(3) in subsection (a)(3) by inserting "or type" immediately after "the levels of financial responsibility for such class" and deleting "$750,000".

EXIT POLICY

SEC. 14. (a) Amend 49 U.S.C. § 10521 (b)(1) by inserting "except as provided in section 11101(d) of this title" immediately after "motor carrier"; and

(b) Amend 49 U.S.C. § 11101 by adding at the end thereof the following new subsections:

"(d) No state or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard or other provision relating to the discontinuance or scheduling of interstate or intrastate regular-route service by a motor common carrier of passengers having authority under this title to transport passengers in interstate or foreign commerce.

"(e)(1) No later than 60 days after the enactment of this section, the Commission shall institute a rulemaking proceeding in which it shall promulgate rules for such discontinuance of interstate or intrastate regular-route service. The rules shall provide for notice and opportunity for interested parties to comment, but need not provide for oral evidentiary hearings.

"(2) Such rules shall require carriers to notify the Commission, the appropriate State regulatory agency, and affected communities concerning proposed discontinuances of services; and shall establish a procedure under which any interested person, or the Commission on its own initiative, may protest the proposed discontinuance. Absent protests, the carrier can discontinue service as specified in the public notification.

"(3) If a protest is received within 30 days after the notice of discontinuance is served. the carrier within 15 days thereafter shall furnish to the Commission and the protestants—

"(A) an estimate of the annual additional revenues or subsidy required to continue the service; and

"(B) traffic, revenue, and other data necessary to determine the amount of annual financial assistance which would be required to continue the service; and

"(C) other information that the Commission may prescribe by rule or regulation as necessary to enable a potential offeror to calculate an adequate subsidy.

"(4) Within 30 days following the receipt of a protest of a proposed discontinuance of service, such service may be discontinued unless the Commission finds—

(A) that an investigation is needed to assist in determining whether the service can be continued by the existing carrier or by another carrier; or

(B) an offer of financial assistance in which the carrier is eligible to participate and which would provide adequate assistance has been made. Thirty days are allowed to complete the Commission study or complete the agreement on financial assistance. If an investigation is undertaken or an offer contemplated, the Carrier shall submit to a potential offeror or offerors of assistance the information described in subsection (e)(3) of this section, together with such additional information as it deems relevent.

"(5) If at the end of that 30-day period, the carrier has not agreed with the offeror of financial assistance to continue the service, the Commission at its discretion may allow the discontinuance or order the carrier to continue the service for a period of no longer than 60 days. After 60 days, absent an agreement on financial assistance, the carrier may discontinue service.

"(6) If a bus carrier seeking to discontinue such interstate or intrastate regular-route service does not comply with the discontinuance procedures of this section, the Interstate Commerce Commission has the power to enjoin the discontinuance."

DISCRIMINATORY STATE REGULATION OF PASSENGER FARES AND EXPRESS RATES

SEC. 15. (a) Section 10521 (b)(2) of title 49 of the United States Code is amended by inserting "except as provided in section 11501 of this title," immediately after "motor carrier"; and

(b) Section 11501(b) of title 49, United States Code, is amended to read as follows:

"(b)(1) A State authority may only exercise jurisdiction over intrastate transportation provided by a rail carrier providing transportation subject to the jurisdiction of the Commission under Subchapter I of Chapter 105 of this title or a motor carrier of passengers providing transportation subject to the jurisdiction of the Commission under Subchapter II of the Chapter 105 of the title if such State authority exercises such jurisdiction exclusively in accordance with the provisions of this subtitle.

"(2) Within 120 days after the effective date of the Staggers Rail Act of 1980 in the case of rail carriers, and within 120 days after the effective date of the Motor Bus Act of 1981 in the case of motor carriers of passengers, each State authority exercising jurisdiction over intrastate rates, fares, classifications, rules and practices for intrastate transportation described in paragraph (1) of this subsection shall submit to the Commission the standards and procedures (including timing requirements) used by such State authority in exercising such jurisdiction.

"(3)(A) Within 90 days after receipt of the intrastate regulatory rate standards and procedures of a State authority under paragraph (2) of this subsection, the Commission shall certify such State authority for purposes of this subsection if the Commission determines such standards and procedures are in accordance with the standards and procedures applicable to regulation of rail carriers or motor carriers of passengers (as the case may be) by the Commission under this title. If the Commission determines that such standards and procedures are not in such accordance, it shall deny certification to such State authority, and such State authority may resubmit new

standards and procedures to the Commission for review in accordance with this subsection.

"(B) The standards and procedures existing in each State on the effective date of the Staggers Rail Act of 1980 in the case of rail carriers, and on the effective date of the Motor Bus Act of 1981 in the case of motor carriers of passengers, for the exercise of jurisdiction over intrastate rail or motor carrier of passenger (as the case may be) rates, fares, classification, rules, and practices, shall be deemed to be certified from that date until the date an initial determination is made by the Commission under subparagraph (A) of this paragraph.

"(4)(A) Any State authority which is certified by the Commission under this subsection may use its standards and procedures in exercising jurisdiction over intrastate rail or motor carrier of passenger (as the case may be) rates, fares, classifications, rules, and practices during the 5-year period commencing on the date of such certification. Any State authority which is denied certification or which does not seek certification may not exercise any jurisdiction over intrastate rates, fares, classification, rules, and practices until it receives certification under this subsection.

"(B) Any intrastate transportation provided by a rail carrier or a motor carrier of passengers in a State which may not exercise jurisdiction over an intrastate rate, fares, classification, rule, or practice of that carrier due to a denial of certification under this subsection shall be deemed to be transportation subject to the jurisdiction of the Commission under subchapter 1 of chapter 105 of this title in the case of rail carriers, or under subchapter II of chapter 105 of this title in the case of motor carriers of passengers.

"(5)(A) Certification of a State authority under this subsection is valid for the 5-year period beginning on the date of such certification. Prior to the expiration of such 5-year period, the State authority shall resubmit its intrastate regulatory standards and procedures to the Commission for subsequent certification in accordance with this subsection.

"(B) During any 5-year certification period, a State may not change its certified standards and procedures without notifying and receiving expressed approval from the Commission.

"(6) Notwithstanding any other provision of this subtitle, a State authority may not exercise any jurisdiction over general rate increases under section 10706 of this title, inflation based rate increasing under section 10712 of this title, or fuel adjustment surcharges approved by the Commission."

(c) Section 11501(c) of title 49, United States Code, is amended to read as follows:

"(c) Any rail carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title or any motor carrier of passengers providing transportation subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title may petition the Commission to review the decision of any State authority, in any administrative proceeding which the lawfulness of an intrastate rate, fare, classification, rule, or practice is determined, on the grounds that the standards and procedures applied by the State were not in accordance with the provisions of the subtitle. The Commission shall take final action on any such petition within 30 days after the date it is received. If the Commission determines that the standards and procedures were not in accordance with the provisions of this subtitle, its order shall determine and authorize the carrier to establish the appropriate rate, fare, classification, rule, or practice."

(d) Section 11501(d) of title 49, United States Code, is amended to read as follows:

"(d)(1) The Commission has exclusive authority to prescribe an intrastate rate or fare for transportation provided by a rail carrier subject to the jurisdiction of the Commission under subchapter 105 of this title, or a motor carrier of passengers subject to the jurisdiction of the Commission under subchapter II of chapter 105 of this title when—

"(A) A rail carrier or motor carrier of passengers, as the case may be, files with an appropriate State authority a change in an intrastate rate or fare, or a change in classification, rule, or practice that has the effect of changing an intrastate rate or fare, that adjusts the rate or fare to the rate or fare charged on similar traffic moving in interstate or foreign commerce; and

"(B) The State authority does not act finally on the change by the 120th day after it was filed.

"(2) When a rail carrier or a motor carrier of passengers files an application with the Commission under this subsection, the Commission shall prescribe the intrastate rate or fare under the standards of subsection (A) of this section and Chapter 107 of this title. Notice of the application shall be served on the State authority."

(e) Section 10501(d) of Title 49, United States Code, is amended to read as follows:

"(d) The jurisdiction of the Commission and of State authorities (to the extent such authorities are authorized to administer the standards and procedures of this title pursuant to this section and Section 11501(b) of this title) over transportation by rail carriers or motor carriers of passengers, as the case may be, and the remedies provided in this title with respect to the rates, fares, classification, rules and practices of such carriers, is exclusive."

MOTOR CARRIERS OF PASSENGERS, MIXED LOADS AND OTHER PROVISIONS

SEC. 16. (a) Redesignate section 10529 as section 10530, and add a new section 10529 as follows:

"§ 10529. Mixed loads of regular route scheduled passenger service and charter passenger service and other provisions.

A motor common carrier of passengers may provide charter passenger service in the same vehicle and at the same time as it provides regular route, scheduled passenger service. Such charter service shall be provided pursuant to rules to be promulgated by the Commission. Charter trips between points authorized in the charter certificate can make use of authorized regular route service over any segment of the charter trip.

Such transportation of mixed regular route scheduled service and charter service shall not affect the status of such regular route scheduled service or the status of such charter service except that the providing of such charter service may not interfere with the carrier's obligations in providing regular route, scheduled service.

(b) Amend section 10922(d) by deleting paragraph (4) and adding a new paragraph (4) as follows:

"(4) A certificate of motor common carrier to transport passengers shall be deemed to include authority to transport newspapers, express, or mail in the same motor vehicle with passengers or in a separate vehicle of any type.

STUDY OF IMPROVED COMPETITION IN SPECIFIC MARKETS

SEC. 17. Congress hereby reaffirms the finding of Section 3 of this act, that historically the existing regulatory structure has tended in certain circumstances to inhibit market entry. In addition, Congress affirms that the entry policy adopted for property and passenger carriers expands carriers' opportunity to compete and that prospective competition from potential market entrants will act to keep rates in line with costs even on routes served by a single carrier. However, to assure that the desired goals of this legislation are achieved, Congress directs the Interstate Commerce Commission to investigate and study the results of more flexible entry policies for the motor bus industry and submit a report including legislative or other recommendations to the President and Congress not later than December 31, 1982.

BUS TERMINAL STUDY

SEC. 18. (a) The Secretary of Transportation and the Interstate Commerce Commission shall make a full investigation and study of the relationship between the ownership and location of bus terminals serving customers on regularly scheduled routes and the level of competition among bus carriers. A report shall be submitted, including legislative or other recommendations, to the President and Congress not later than December 31, 1982.

(b) The report shall include an analysis of the ownership of current bus terminals and whether meaningful competition is discouraged and improved interline service for the convenience of passengers is hindered by policies with respect to outside carrier use of bus terminals.

(c) The report shall also include an analysis of the desirability of intermodal terminals and their impact on urban development and the desirability of Federal assistance in the construction of non urban terminals.

TAX DISCRIMINATION AGAINST BUS CARRIER TRANSPORTATION PROPERTY

SEC. 19. Section 11503a of title 49, United States Code, is amended by deleting in subparagraph (a)(3) "of property" after "motor carrier."

SECTION-BY-SECTION ANALYSIS TO ACCOMPANY THE MOTOR BUS ACT OF 1981—S. 927

SECTION 2. Purpose of the Act.—

The stated purpose of this section, that the Intercity Motor Bus Act is part of the continuing effort by Congress to reduce unnecessary regulation by the federal government, is identical to the purpose expressed in the Motor Carrier Act of 1980.

SECTION 3. Congressional Findings.—

This section tracks Section 3 of the Motor Carrier Act of 1980 and Section 2 of the Household Goods Transportation Act of 1980 on the grounds that Congress' findings should essentially be of the same nature in the area of bus regulatory reform. It has been suggested by some that the Congressional findings ought to be changed somewhat in the area of bus regulation to reflect differences in the competitive situation in that industry vis-a-vis the trucking industry or to reflect a Congressional policy relating to bus terminals and subsidies, or both. While we believe the latter issues are of concern, there is no body of evidence substantiating these concerns. Accordingly, we do not propose in this legislation that specific measures be undertaken to meet these problems except insofar as they should be monitored and studied. In addition, we do not recommend expansion of the Congressional findings along those lines until these studies are completed.

Section 4. National Transportation Policy.—

The changes suggested here merely incorporate[1] passenger carriers into the new National Transportation Policy applicable to motor carriers of property since enactment of the Motor Carrier Act of 1980. We believe that the goals expressed in that legislation

[1] Vice Chairman Gresham notes that Paragraph (7)(B) of the current National Transportation Policy "allows" a variety of quality and price options, while the draft bill would "encourage" it. If a substantive change in meaning is intended, he believes it should be so labeled.

are equally appropriate to motor carriers of passengers.

Section 5. Motor Carrier Entry Policy.—We propose to amend Section 10922 of Title 49, United States Code, by incorporating motor carriers of passengers into the changes mandated for motor common carriers of property by the Motor Carrier Act. Thus, both kinds of motor carriers will be treated alike.

It has been suggested by some that an essentially different kind of treatment is needed for entry policy relating to motor carriers of passengers because of the different competitive circumstances that obtain in that industry. Unlike the trucking industry, where no one carrier controls more than 5 percent of the total market, the bus industry is clearly dominated by one carrier—Greyhound—which in terms of 1978 operating revenue represents approximately 60 percent of the Class 1 intercity bus revenues and approximately 44 percent of the total intercity bus industry. Trailways and the Trailways affiliated bus system follow with approximately 24 percent of the Class 1 intercity bus revenues and approximately 18 percent of the total industry market, and the remainder is divided among numerous smaller carriers.

This situation has led to a number of suggestions for different treatment of the bus industry. The industry bill, S. 2895/H.R. 7677, proposes a considerably more restrictive entry standard than that which Congress adopted in the Motor Carrier Act. The provisions of the industry bill restricted the public convenience and necessity standards by requiring that grants of operating authority be based upon a preponderance of the evidence in individual cases. There are strong restrictions on granting new authority for publicly-owned carriers and a requirement that rates recover all costs. In general, we believe that the overall direction of S. 2895/H.R. 7677 is anticompetitive as it relates to entry policy. It is particularly inappropriate in the case of the bus industry with its dominant pair of firms—a structural feature which in our view calls for an especially liberal entry policy to assure competitive and efficient rates and service.

Strong intermodal competition faced by the bus industry increases the need for competition between bus companies if the bus industry is to successfully meet this challenge. In addition, the more flexible entry policies we recommend create strong pressure from potential market entrants on existing carriers to be more competitive. Indeed, intermodal competition and the threat of potential entry create a strong incentive for existing carriers to price competitively and meet customer demands for service. Failure to serve adequately or monopoly prices could result in loss of a market to another bus carrier or another mode such as the private automobile.

Another approach which has been suggested would be to curtail the ability of the largest carrier, Greyhound, from gaining new authority while other carriers have an opportunity to gain larger shares of the total market under the liberalized entry provisions of new legislation. Such an approach, it is argued, is necessary to reduce Greyhound's market share of bus traffic nationally under a system of reduced regulation. We do not favor that approach for several reasons. First, we believe that such an approach would interfere unnecessarily with Greyhound's own prerogatives and is inconsistent with a policy based on competition. Second, it reflects a "blunt instrument" approach to a variety of different market situations, including those where adequate competition presently exists, those where Greyhound has an effective monopoly in certain markets, and those where other carriers have effective monopolies in certain markets. However, the thrust of this bill as a whole is to substantially reduce regulation but not to eliminate it altogether. Thus, the fear that some smaller carriers may have of unlawful retaliatory actions by larger carriers when they file for new and expanded authority appears to be unjustified in that the Commission could still afford protection through the regulatory process. The purpose here is merely to create a firm presumption in favor of applicants for new or extended authority.

Another approach which has been suggested regarding bus entry policy for regular route service is to adopt a "fitness only" or other lesser standard for new entrants into city pair or regional markets where effective competition presently does not exist. This approach is appealing and an appropriate response to the problems of inadequate competition, but there are potentially serious problems in implementing such a policy when it is applied only to specific markets. It would be necessary for the Commission, either upon evidence submitted by carriers or through its own efforts, to identify particular city pair or regional markets which would be eligible for this treatment. This could involve a substantial evidentiary burden on carriers, the Commission, or both, and protracted proceedings not likely to result in benefits commensurate with the administrative effort. Obviously, a number of such proceedings could be, and might have to be, undertaken at the same time. Moreover, since the overall purpose of this legislation is to reduce administrative burdens as well as enhance competition, we are not prepared to recommend this approach at this time. However, the problem may be of sufficient magnitude to warrant further study, and for that reason we would propose that the feasibility of this approach be investigated.

We are also incorporating the prohibition against making a finding relating to public convenience and necessity for bus carriers based upon general findings developed in rulemaking proceedings previously approved by Congress in P.L. 96–296 and P.L. 96–454.

In addition, with respect to charter and special service, we are recommending a fitness only standard for entry. Because of extremely small capital requirements, we believe that charter and special service operations of bus companies represent potentially the most competitive segment of the industry and the segment least in need of any economic restrictions on entry other than fitness.

Several issues have been raised in legislative proposals or with respect to legislative proposals to deregulate or reregulate the motor bus industry. While we have chosen not to address these concerns directly in our legislative proposal, we do believe they warrant further discussion and, perhaps, consideration. The issues involve concerns about uniform state regulations, safety fitness, subsidies, and competition beween subsidized and nonsubsidized carriers.

First, with regard to the issue of uniform State regulations, we believe the issue has been adequately addressed in the Motor Carrier Act of 1980. Section 19 of that Act directs the Commission and the Secretary of Transportation, in consultation with the States and industry, to develop legislative or other recommendations regarding licensing, registration, and filings for interstate motor carriers (both carriers of property and carriers of passengers). We recognize that the laws and regulations of the States are often changing and frequently are quite different. This patchwork quilt of different State laws and regulations impedes effective operations and acts as a deterrent to competition. However, as Congress has already recognized this problem and mandated action, we feel it would be inappropriate at this time to address this concern in our proposal.

S. 2895 and H.R. 7677, identical bills introduced in the 96th Congress at the request of one of the major interstate bus company trade associations, call for a determination, by the Secretary of Transportation in cases where a carrier's safety fitness has been challenged, that a carrier is fit, before a certification may be issued by the Commission. We concur with the view that carriers should be fit with respect to safety and that the Secretary, in instances where a carrier's safety fitness is suspect, should make the ultimate decision. Further, the bills require that certificates issued to carriers not holding authority from the Commission shall be limited to terms not to exceed three years. We oppose the imposition of limited terms on authorities issued to "new" companies as this would deter competition without any benefit accruing to the public. Law today provides that a carrier must be fit to operate, and that a carrier's authority may be revoked or suspended if it is found to be unsafe. In light of present law and pending legislation,[2] we do not believe the language in S. 2895 and H.R. 7677 is necessary.

Many parties have suggested that an increased amount of subsidies will be necessary to ensure service to rural communities if carriers are permitted to freely exit unprofitable routes. While enactment of our proposal could lead to a disruption in service to some small communities, disruptions which we believe in some instances would only be temporary, we believe the subject of subsidies should more appropriately be addressed by the United States Department of Transportation and State and local authorities. The Commission is prepared to cooperate fully in the design and implementation of these studies if they are deemed desirable. Should the Congress consider employing a program of Federal subsidies to insure service to particular areas, the Commission recommends that the cost of these programs be explicitly balanced against the anticipated benefits and in every case reasonable alternatives to Federal subsidies be fully evaluated.

Another issue raised in the industry bill and by private carriers involves competition between subsidized carriers and nonsubsidized carriers. We are sympathetic with the concerns of those companies providing nonsubsidized service who allege that public transit authorities and Federally subsidized private carriers are competing with them. At a recently held Intercity Bus Transportation Conference, it was often said that public transit authorities and regular route private carriers are competing with nonsubsidized private carriers for charter and special service passengers. We have no hard evidence to either support or deny this allegation. Nevertheless, it is a valid concern which could become a reality or more of a reality if present subsidy programs are increased or not properly enforced. The Urban Mass Transportation Act and regulations promulgated under it provide sufficient safeguards, at the Federal level, if enforced, to prevent this unfair competition. Therefore, we are not inclined to suggest any language in our proposal directed to this concern.

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[2] Legislation passed by the Senate and pending House action (S. 1390) further addresses the issue of safety fitness with respect to motor carriers. We support efforts which would require the Secretary to make a safety fitness determination on all applications for permanent operating authority, and we support the view that such determinations should be binding on the Commission. Finally, we support the provisions contained in this legislation which would, in instances where there is sufficient evidence to question a carrier's safety fitness, require an investigation by the DOT, and, where necessary, appropriate action by the DOT, the Commission or both.

In summary, we believe that the most valid approach to bus entry policy at this time is to conform it to the entry policy of the Motor Carrier Act. While clearly the situation of the bus industry is not identical to that of the trucking industry, we do not believe that other more restrictive or more complicated entry schemes are justified at present. At a minimum, we believe that the approach of the Motor Carrier Act is a sound and progressive course for Congress to take at this time and should be tried before other courses are adopted. Such a course will give necessary protection to the carriers while at the same time expand the opportunity to compete.

Section 6. Removal of Certain Restrictions on Bus Operations.—

We propose here to apply the restriction removal provisions of Section 6 of the Motor Carrier Act to bus operations, and to add a new subsection prohibiting "closed-door" restrictions by the states which apply to carriers operating under interstate certificates.

In general, we believe that the policies behind the restriction removal section of the Motor Carrier Act apply with equal logic and force to bus carriers. Prominently in this category are such matters as gateway, circuitous route, and intermediate point restrictions.[3]

However, there is one type of restriction which is not dealt with by the Motor Carrier Act, and that is the closed-door restriction imposed by some states on interstate bus traffic. Under a typical closed-door restriction, a carrier is prohibited from picking up or dropping off passengers moving between intermediate points within a single state when the operation as a whole is conducted interstate pursuant to a certificate granted by the Commission. Thus, for example, a carrier moving from Columbus, Ohio, to St. Louis, Mo. via Indianapolis and Terre Haute might be prohibited from picking up passengers at Indianapolis to be dropped off at Terre Haute. Such schemes are generally designed to protect carriers from competition. Using the same example, the closed-door restriction described would assist intrastate carriers or other carriers authorized to transport passengers between Indianapolis and Terre Haute.

While we recognize that our recommendation relating to state closed-door restrictions represents an incursion into an area traditionally left to state regulation, we believe that these restrictions cause an undue burden on interstate commerce and can no longer be justified. The viability of interstate operations authorized by the Commission is at stake—interstate carriers often need intrastate passengers along the way to make their overall routes profitable. These restrictions should be viewed in light of the historically declining financial position of the bus industry. Nor can closed-door policies be justified in the light of policies favoring both increased competition among interstate carriers, and improved operational and energy efficiency in an era of diminishing resources.

It is important to note that our recommendation is not intended to reach beyond the point necessary to enhance the competitiveness of interstate carriers moving pursuant to interstate certificates. While the states might justifiably consider removing closed-door restrictions on solely intrastate traffic, we believe that this is a matter best left to them, and for that reason we are not suggesting a total preemption of closed-door restrictions.

In addition, we propose to add a new Section (d)(5) to Section 10922 which would clarify the scope of operating rights certificates. Carriers with authority will be able to transport passengers in one way charter or special operations. This clarification of the scope of operating rights certificates eliminates the perceived need by some carriers to apply for separate one way authority.

Closely associated with the elimination of operating restrictions contained in bus carrier certificates, we are proposing in Subsection (b) of Section 6 of this bill, that the Commission implement procedures to allow carriers to broaden the scope of existing regular route operating certificates with respect to charter and package express operations.

Prior to this bill, package express authority was awarded incidental to regular route operations. Charter authority prior to 1967 was most often awarded as incidental to regular route operations. Presently, most carriers still hold certificates that limit charter originations to regular route authority areas, and all regular route certificates limit package express service to the regular route authority.

Our concern is that in the more liberal entry environment that currently exists for the bus industry and in light of the flexibility offered by this bill with respect to new carrier entry into charter, special operations, or package express operations, existing carriers with restrictive certificates should be able to broaden their authority. We could suggest that these carriers merely apply for new charter, special operations, and package express authority and terminate older certificates. However, due to the volume of existing certificates, a more efficient approach would be for the Commission to establish a procedure to allow carriers to reasonably broaden their charter, special operations, and package express authorities conferred by their regular route certificates.

This policy would result in a more equitable treatment of existing carriers and new carriers in that existing carriers could broaden their restricted regular outer certificates just as a new carrier could apply for new charter or package express authority. The overall outcome of this proposed procedure is to eliminate in an evenhanded manner the restrictions caused by the concept of incidental authority.

Section 7. Zone of Rate Freedom for Motor Carriers of Passengers.—

We propose to extend the zone of rate freedom established by Section 11 of the Motor Carrier Act to motor carriers of passengers. We believe that the arguments in support of rate flexibility for motor carriers of property and freight forwarders are generally applicable to motor carriers of passengers as well. Allowing price flexibility to the bus industry will enable a balanced plan for regulatory reform to come about in conjunction with entry and exit flexibility.

While we believe that the zone of flexibility in the Motor Carrier Act is appropriate for buses, we would be reluctant to allow a greater margin of upward rate freedom in the initial years after regulatory reform. It is clear that the bus industry needs more competition before greater upward rate flexibility should be allowed—competition which, it is hoped, the bus reform bill taken as a whole will provide over a period of time. However, some upward flexibility in the zone is justified by intermodal competition.

In terms of downward rate flexibility, we believe that the bus industry needs as much freedom as possible to enhance competition. This includes regular, charter, special operations, and package express services. Greater rate flexibility should lead to more unrestrained use of peak-load pricing and discount fares. While the Commission has encouraged the use of such initiatives in the past, we believe that the extension of the zone of rate freedom to motor carriers of passengers would have a beneficial effect in this regard.

Section 8. Rule of Ratemaking.—

We propose to extend the rule of ratemaking contained in Section 13 of the Motor Carrier Act to the motor bus industry. In our view, the justifications for the changes in the Motor Carrier Act are equally applicable to the bus industry.

Section 9. Rate Bureaus.—

We propose to adapt the provisions of Section 14 of the Motor Carrier Act with joint rate antitrust immunity patterned after the Staggers Rail Act, but to advance the schedule of elimination of discussion and collective voting on single-line rates to January 1, 1982, for bus carriers, as opposed to January 1, 1984, as provided in the Motor Carrier Act for motor carriers of property.

In general, we believe that the justifications for changes in the rate bureau system applicable to motor carriers of property apply as well to motor carriers of passengers. However, the reasons for the substantial delay in implementation of the provisions of Section 14 of the Motor Carrier Act do not appear to apply to passenger carriers. This is so for several reasons. First, it is clear there is a more immediate need to foster and enhance competition in the bus industry than in the trucking industry. The bus industry has one rate bureau which is significantly controlled, if not dominated, by Greyhound and Trailways, and the market as a whole is dominated by those two carriers—Greyhound having approximately 60 percent of the Class 1 intercity revenues, and Trailways another 24 percent. We do not believe there is any public purpose served by allowing Greyhound and Trailways to mutually decide on rates they charge between points where they compete with each other on single-line traffic. Moreover, the uncertainties caused by the multiplicity of rate bureaus and the vast number of carriers, which are potential problems in the trucking area, are simply not present in the bus industry. On balance, the relative simplicity of the situation and the dominance of one or two carriers in the industry, together, provide a substantial justification for prohibiting discussion and voting on single-line rates as soon as possible. Nor does it appear that the study mandated by the Motor Carrier Act is necessary in the area of bus regulation—the problem is simpler, the answer is clearer, and the need for more rapid action is evident.

However, the same cannot be said for joint-line immunity in the bus area—because of the need for interline services, there may be a justification for antitrust immunity for joint-line ratemaking. The Interstate Commerce Act presently requires that through routes and joint rates be established between and among bus companies, a requirement which has existed since 1935—unlike the trucking industry, where the requirement did not exist at all until the recent Act was passed and now exists in a limited form. This evidences a longstanding Congressional concern for through routes and joint rates between and among bus companies, and antitrust immunity may be appropriate on a continuing basis to assist the development of such routes and rates in a freer competitive environment. Bus compa-

[3] Vice Chairman Gresham notes that the gateway elimination proposal, insofar as it applies to regular-route passenger operations, may clash with Section 10922(d)(3) of the Act, which the Commission's bill leaves undisturbed. He believes that a better approach might be to liberalize the Commission's passenger super-highway and deviation rules, while retaining reasonable and adequate service over the authorized regular route. See 49 C.F.R. 1042 and Ex Parte No. MC-65 (Sub-No. 6), *Petition to Revise Passenger Motor Carrier Superhighway and Deviation Rules*, 44 Fed. Reg. 6580-83, February 1, 1979.

nies should receive antitrust immunity to set joint rates.[4] However, the immunity granted should apply only to the making of a specific joint rate between or among carriers with end-to-end routes. There is no compelling need to grant antitrust immunity to carriers that could be competitors (for example, two competing through routes) or to an entire rate bureau consisting of a few hundred carriers (who are not involved in a specific route or determining a rate) to intervene, facilitate, and get the concurrence of carriers on particular joint rates. In addition, there is no demonstrated need or value for collective determination of nationwide general increases. Inflation affects different carriers in different regions in different ways. Collective procedures to request rate increases based on the average costs of a study group of carriers may seriously understate or possibly overstate actual carrier costs. The rate freedom allowed by the zone of reasonableness provides individual carriers the simplest means and greatest flexibility to raise rates to levels carriers consider reasonable. Moreover, the rule of ratemaking requires the Commission to establish regulatory policies which permit fully compensatory rates further diminishing the need for collective development of general rate increases.

Joint rates between bus carriers which are mandatory under Section 10703(a)(3) can be best developed by individual carriers taking into account all relevant factors to develop mutually acceptable rates. This will be particularly true in the more competitive environment envisioned in this bill. Should agreement on an acceptable level of a joint rate not occur between carriers, an alternative is to develop a joint rate based on the sum of each carrier's local rate for its segment of the through route in question. Another alternative means of developing a joint rate would be for individual carriers to set combination rates which would only be available to interline passengers. They could be lower than local rates to reflect economies of through bus operations.

In addition, although the number of individual joint rates required nationwide is quite large, the numbers of carriers involved is relatively small and agreements between individual carriers about blocks of joint rates could be easily accomplished. We are recommending that rate bureau immunity for collective discussion and voting on joint rates and general rate increases for bus companies end after December 31, 1981.

The provisions of this bill do not preclude an organization such as the present rate bureau from acting as a tariff agent or a clearinghouse for joint rate settlements.

Section 10. Motor Carrier Brokers of Passengers.—

The provisions of this bill do not preclude 17 of the Motor Carrier Act to motor carrier brokers of passengers, thus bringing about a uniform standard for all motor carrier brokers. In this connection it should be noted that the Commission had decided to take this action previously, but this decision was set aside on appeal to the courts for procedural reasons. We believe there is no good reason why liberalized entry standards for motor carriers of property cannot be applied equally to motor carrier brokers of passengers.

Section 11. Temporary Authorities and Emergency Temporary Authorities.—

Our legislative proposal on Temporary Authorities and Emergency Temporary Authorities is different than the changes brought about for motor carriers of property by the Motor Carrier Act of 1980. Differences between property and passenger carriers make emergencies more likely and more damaging for passengers than for shippers and justify a departure from the guidance of the Motor Carrier Act. There are thousands of motor carriers of property but only a few hundred bus companies to provide service, and service requirements for passenger transportation are more specific and time-sensitive than for property transportation.

One goal in this proposal is: (1) to make carrier response as flexible as possible to emergencies, discontinuances of service by other carriers, or changing market demands and (2) to minimize needless filings for emergency temporary authority and temporary authority by carriers interested in permanent authority. We are recommending an emergency temporary authority provision which would be based only on a showing of immediate need. There will be no requirement for a written application. Oral requests will be sufficient. This procedure would allow fit, willing and able carriers to respond quickly to serve areas in need of immediate service and to respond to opportunities to provide specialized service. Grants would be given only to carriers who are fit, willing and able but it is not anticipated that a new finding of fitness would be required for each case. For existing carriers, this requirement is met by their continuing fitness. For new entrants, one finding of fitness would be required. However, the duration of the ETA grant would only be for as many as 60 days, even if renewed. This procedure would allow for quick response to consumers, legitimate needs, and because of the short duration of ETA grants, existing carriers could not be substantially harmed. Should the carrier use predatory practices during the initial grant, the Commission would deny the extension.

Our proposed temporary authority provisions are consistent with the requirements of the emergency temporary authority process, a carrier must show that the proposed service will meet an immediate need. This provision should facilitate and speed up entry by bus companies into new markets and promotes the National Transportation Policy goal of a more competitive and efficient bus transportation system.

Section 12. Merger Procedure.—

We propose to apply the changes of the Motor Carrier Act to passenger carriers. Here again, there appears to be no reason why the law should not be uniform in this respect for carriers of property and passengers.

Section 13. Minimum Financial Responsibility.—

We propose to apply the provisions of Section 30 of the Motor Carrier Act of 1980 to motor carriers of passengers with slight modification.

The Commission expressed certain reservations about the scheme adopted by Congress when it transferred jurisdiction over minimum financial responsibility for motor carriers of property to the Department of Transportation, and set new limits which were substantially in excess of those provided by previous law. Nonetheless, it is clear that something needs to be done in the area of financial responsibility of motor carriers of passengers, and we think that a scheme similar to that Congress provided for motor carriers of property should be adopted for bus companies. However, we believe that especially in the area of financial responsibility, bus carriers are different from motor carriers of property in terms of the potential liability from accidents. In order to insure that the public is adequately protected, we included provisions in Section 13 of this bill which raise the minimum liability limits for motor carriers of passengers well above the minimum level for motor carriers of property.[5] There is sufficient discretion provided by the bill for the Secretary of Transportation to require different limits for passenger carriers as well as property carriers should that be appropriate.

Section 14. Exit Policy.—

A balanced regulatory reform proposal must consider the interaction of entry, rates, and exit regulation. The economic check on greater price flexibility is eased entry regulation. However, exit regulation is also an extremely important element of current restrictions of intercity bus regulation and should be a key element in any regulatory reform proposal.

ICC restrictions on exit from this industry have had a minimal effect in the past. The more severe check on exit comes from individual state regulatory authorities. Federal reform proposals for exit have to deal with the potential problems that could result from divergent federal and state policies. For example, a bus carrier that seeks to abandon an unprofitable interstate route may still be forced to serve the similarly unprofitable intrastate portion of the route if the state denies the carrier the abandonment of the route. Faced with this, a carrier might be forced to maintain the interstate route to minimize overall losses even though this will place a burden on the carrier's interstate service as a whole.

The exit provisions of the proposed Motor Bus Act of 1981 set up a procedure that allows interstate carriers to exit from unprofitable routes. This procedure gives all regulatory authorities and affected communities adequate notice of the proposed service discontinuance and prevents States from requiring the carrier to continue intrastate service that is part of proposed interstate discontinuance. Communities have the right to protest a service discontinuance and time is allowed for information to flow from the carrier to the ICC and protestants regarding the level of required subsidy and traffic characteristics. This procedure gives protestants the opportunity to seek a subsidy for the service or encourage alternative service. Deadlines are established that insure no undue delay in the ultimate decision to discontinue the route.

The value of this procedure is that it gives passengers and communities adequate notice of discontinuance and gives carriers more assurance about being able to exit from or being compensated for unprofitable routes. The Commission would have the power to enjoin the discountinuance if a bus carrier did not comply with the discontinuance procedure of Section 14 of this bill. With flexible entry, rates, and exit it is quite possible that new carriers will enter abandoned routes and provide the same basic service and earn a profit. The present federal and state regulation of exit may effectively preclude new entrants because of the fear by carriers of the inability to exist from the route.

Section 15. Discriminatory State Regulation of Passenger Fares and Express Rates.—

The Commission remains concerned that Federal reform initiatives to enhance competition and ease regulatory barriers could po-

[4] The Commission has previously investigated the scope of bus rate bureau operations and the continued need for immunity for the bus/rate bureau in Ex Parte 297 (Sub-No. 4) Reopening Of Section 5(a) Application Proceedings To Take Additional Evidence—Section 5(a) Application No. 9, National Bus Traffic Association, Inc. In general, the Commission voted to eliminate antitrust immunity for collective voting on rates for charter, special operations, and single line rates for regular route and package express service and to grant immunity for setting of joint rates. Action by the Commission to implement this decision was halted in November 1979 at the request of Senator Cannon. Copies of the individual Commissioner votes are attached as Appendix A.

[5] Vice Chairman Gresham notes that Section 11 of the American Bus Association's bill proposes a $2 million level of insurance coverage, while the Commission's bill suggests a lesser amount, ranging from $750,000 to $1.5 million. He believes that additional study is necessary to determine the insurance level which is high enough to honor claims, yet not so high as to create an artificial entry barrier.

tentially be nullified by State regulatory actions. Potential problems could result in the area of ratemaking. Carriers that have both interstate and intrastate authority and provide both services over the same route using the same equipment, cannot allocate the costs of the service between the interstate and intrastate portions with any degree of precision. There is always some question of what part of the joint costs of the service as a whole should be borne by each part of the traffic. If the ICC introduced a zone of reasonableness fare flexibility for the interstate traffic, while the intrastate fare remained more closely regulated by the states, then state commissions could hold down intrastate fares forcing carriers to take increases in interstate fares. Currently the ICC has no mechanism to counteract this kind of an effort by the State commission. The result could be a situation in which the low intrastate fares put a significant burden on interstate commerce. That should be avoided especially in view of air and rail competition on the longer interstate movements which would make it difficult for carriers to retain long haul interstate passengers if they were required to cross-subsidize intrastate passengers. It also would be unfair and unequitable to force interstate passengers to pay rates that cross-subsidize intrastate passengers.

Some States fear that Federal policies that promote competition and carrier flexibility could undermine State regulatory and subsidy programs based upon built-in cross-subsidies. However, a guiding purpose of this bill and the other Federal reform measures for the surface transportation industry is to promote greater carrier competition and move away from the more protective regulation of the original 1935 Motor Carrier Act. Based on this goal, we can neither act to further State programs based on the use of cross-subsidies which impact interstate commerce not restrict Federal reform proposals to take into account the existence of a policy of cross-subsidy at the State level. Our concern is that State rate regulation of intrastate portions of interstate routes may force interstate passengers to subsidize intrastate passengers. Such a cross-subsidy is a burden on interstate commerce and cannot continue. We believe that an intercity bus industry regulated to a greater extent by market forces than by strict government regulation is desirable. Such a system should provide benefits—benefits such as an intercity bus service that is more responsive to overall public demand—which outweigh any resultant difficulties imposed on the regulatory programs of individual States. While the Commission's position is very clear on this point, we recognize that States have a legitimate concern about the effects of these proposals on their regulations and policies. We recommend that Congress consult with the States during the legislative process concerning bus regulatory reform as the Commission has in developing these legislative recommendations.

Problems between Federal and State regulation will not always arise. However, in order to promote competition in the bus industry and facilitate the long run survival of the industry, legislative steps need to be taken to insure the availability of a mechanism to protect carriers' rights to price fairly, more efficiently utilize their vehicles, and avoid cross-subsidies of interstate and intrastate passengers. The provisions of Section 15 of the Act are meant to insure that carriers are fairly treated by Federal and State regulators and that competition is encouraged.

Historically, relief from unreasonably low intrastate rate decisions has been available only to rail carriers subject to the jurisdiction of the Commission. However, we believe that the problem with respect to motor carriers of passengers is essentially of the same nature. Since Congress has recently substantially revised the standards and procedures applicable to railroads (see Section 214 of the Staggers Rail Act of 1980), we have proposed to modify the sections of the Code amended by the Staggers Act to apply to motor passenger carriers as well as railroads. Since this is Congress' most recent expression of how it wishes to treat the relationship between interstate and intrastate regulation, this solution seems most appropriate.

The Commission has some experience with selective preemption in the intrastate rail rate area. The Commission's first preemptive powers for rail regulation were granted by Congress in 1920 (see former Sections 15a(2) and 13(4)). They have evolved ever since, especially in the 4R Act of 1976 and the Staggers Act. Another area where ICC preemption was more questionable was the regulation of adequate intercity rail passenger service. In the Adequacies case, 335 I.C.C. 415, 437 (1969), a divided Commission found that such regulatory jurisdiction rests with the States, but then sought preemption powers from Congress. The Congressional response was Section 801 of the Rail Passenger Service Act of 1970 (45 U.S.C. 641). The Commission ultimately adopted regulations to enforce the Act. See Ex Parte No. 277 (Sub-No. 1), 344 I.C.C. 758, and 49 C.F.R. 1124, effective in June 1976. Finally, the Amtrak Reorganization Act of 1979 repealed Section 801, and the Commission repealed its adequacy regulations in February 1980. See Ex Parte No. 277 (Sub-No. 4). At the request of Congress, the Commission will prepare a summary of our past experience with preemption in rail regulation.

Section 16. Motor Carriers of Passengers, Mixed Loads and Other Provisions.—

We propose that bus companies may mix charter and regular route passengers in the same buses. One of the chronic problems alleged by the regular route bus industry is a low utilization of available bus capacity. The airline industry had the same problem and allowed smaller groups to use blocks of scheduled service seats instead of chartering a full airplane. We think that opportunity should be available in the bus industry. The definition of a charter group can be flexibly defined by the Commission to be only a few persons much the same as it was defined by the Civil Aeronautics Board. We can appreciate the problem of carriers not being able to use this provision either because the regular route service offered is less desirable than full charter service or because travel time, due to intermediate stops, is too long to make the charter attractive. However, we believe that greater flexibility in this area can lead to attractive price/service options for small organized groups. This could be particularly attractive for smaller tour groups who can't charter a full bus and desire to stop off in a particular location for a few days prior to continuing or returning to the origination. Such a service could fill empty seats on regular scheduled runs, especially express trips. This would be attractive to the bus companies and allow smaller tour or charter groups lower rates than conventional charter.

The Commission is also concerned about more flexibility for bus package express operations. In Section 5 the Commission is proposing that the fitness only entry standards for small package carriers be applicable to bus companies. Basically, the provisions give bus companies the same flexibility to enter this business as motor carriers of property. To further enhance competition, we are proposing to allow bus package express shipments to be carried in the same motor vehicle with passengers or in a separate vehicle. In addition, in Section 6 we propose that bus carriers should be able to offer package express service to whatever areas they specify and not be constrained to the area surrounding their regular routes. In combination these proposals should interject needed competition into the small shipments market and eliminate the traditional restriction that package express operations be incidental to passenger operations.

Section 17. Improved Competition in Specified Markets.—

We stated earlier in our discussion of Section 5 that we did not believe it would be justified at this time to adopt an entry policy favoring a more liberalized regular route entry procedure in those instances where effective city pair or route competition does not presently exist. Basically, we believe this because, although the idea is attractive in many respects, we see no way that such a goal can be accomplished without imposing heavy evidentiary and administrative burdens on the Commission and the industry to determine where relief of this kind should be granted. As it now appears, it would be necessary to determine where such markets exist and what action should be taken in such cases. However, this is a matter which we believe may warrant attention, particularly if the liberalized entry which a bus reform bill would bring about does not substantially improve the level of competition in certain markets.

Section 18. Bus Terminal Study.—

We believe that a substantial issue may be raised as to the relationship between the ownership and location of bus terminals serving customers on regularly scheduled routes and the overall issue of competitiveness among bus carriers. However, we believe too little is known about the issue to warrant legislative action at this time. Yet a number of factors are involved, which relate closely to the need for improved interline service for the convenience of bus passengers and the ability of larger carriers with substantial market power to discourage or prevent meaningful competition. Also involved are important questions of intermodalism and urban development. We believe that this problem is sufficiently important to warrant further study, and for that reason we recommend that Congress authorize such a study.

Section 19. Tax Discrimination Against Bus Carrier Transportation Property.—

We propose to apply the changes of the Motor Carrier Act of 1980 to passenger carriers. There appears to be no reason why the law should not be uniform in this respect for carriers of property and passengers.●

By Mr. STAFFORD:

S. 928. A bill to amend the Elementary and Secondary Education Act of 1965 to provide comprehensive elementary school guidance and counseling programs for elementary students through States and local educational agencies; to the Committee on Labor and Human Resources.

ELEMENTARY SCHOOL GUIDANCE AND COUNSELING INCENTIVE ACT

● Mr. STAFFORD. Mr. President, today I am introducing the Elementary School Guidance and Counseling Incentive Act. While there are voices in this Nation, in this Government, and indeed in this body which argue that now is not the time for new, additional initiatives in education, there is no time such as the present to begin planning for the future.

The Elementary School Guidance and Counseling Incentive Act is designed to deal with the needs and problems of elementary school children today so that these needs and problems will not be exacerbated tomorrow. By amending the Elementary and Secondary Education Act, this legislation would support the establishment and extension of comprehensive guidance and counseling programs in our Nation's elementary

schools. By enlarging the pool of trained professionals who guide and counsel our young, this act would contribute to the enhancement of educational quality and to the increase in personal potential for individual students.

Mr. President, I recognize, as do my colleagues, that the difficult economic times we are experiencing may preclude the enactment of this proposal in the immediate future. Simultaneously, I share the vision of our President that we shall traverse successfully this period into a brighter economic future. When that time arrives, there will be more budgetary flexibility to accommodate the scope and breadth of this act. In the meantime, the issues this legislation speaks to are so considerable that the discussion and debate over the goals of this act and the problems it hopes to solve must begin now. Therefore, I take pleasure in introducing this measure to further that purpose.●

By Mr. GOLDWATER (for himself, Mr. PACKWOOD, Mr. SCHMITT, Mr. PRESSLER, Mr. STEVENS, Mr. CANNON, Mr. HOLLINGS, and Mr. INOUYE):

S. 929. A bill to amend the Communications Act of 1934 to provide for improved administration of the Amateur Radio Service and Private Land Mobile and Fixed Services by the Federal Communications Commission, to address the problem of radio-frequency interference to certain electronic equipment, to permit volunteer assistance to the Federal Communications Commission in the area of examinations, licensing, and enforcement in the Amateur Radio Service, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AMATEUR RADIO SERVICE AND PRIVATE LAND MOBILE AND FIXED SERVICES ACT OF 1981

● Mr. GOLDWATER. Mr. President, the bill I am introducing today, the Amateur Radio Service and Private Land Mobile and Fixed Services Act of 1981, takes significant and much needed steps to improve these two services.

The purpose of the amateur radio portions of this bill is to provide the Federal Communications Commission (FCC) with the authority to implement various programs which will result in improvements in administration of the Amateur Radio Service and to cut the costs thereof. It would further allow the Amateur Radio Service to continue its tradition as the most self-regulated radio service in the United States.

In the face of an expanding electronic age, with radio frequency energy fields present everywhere and increasing all the time, home electronic equipment (such as television receivers, burglar alarms, and the like) have suffered interference due to inability to reject unwanted signals. The solution to the problem consists of incorporation of inexpensive filtering methods into the design of such equipment. This bill would allow the FCC to require that radio frequency interference suppression techniques be incorporated into electronic home entertainment devices by the manufacturers. In the case of low-cost items which could not profitably incorporate such filtering methods, a simple warning to the consumer as to the susceptibility of that device to radio frequency interference could suffice. Devices manufactured prior to the executive date of the act would be exempt from this requirement. I am reluctant to take this step to extend FCC jurisdiction over a matter that has been left to the marketplace. But after repeated unsuccessful efforts to obtain the electronics industries' voluntary cooperation, I believe we must rely on the FCC for guidance on a resolution of this issue.

The matter of unlicensed radio operation in or adjacent to the radio frequencies allocated to the Amateur Radio Service has become a severe problem. This often blatant, illegal activity interferes with legitimate citizen's band and amateur radio transmissions. Use of high power, amateur transmitting equipment is a constant factor in such illegal operation. This bill would permit the FCC to prohibit delivery of radio transmitters or amplifiers to any person unless that person first exhibits a valid license, thus establishing that such person is authorized to use that equipment legally.

Amateur radio, long known as the best radio service in the United States in terms of self regulation, must be allowed to continue to keep its own house in order, since the FCC does not have the manpower to do so. Amateurs, to do this, must work together. Recent Federal court decisions, due to a lack of legislative history, have held amateur radio to be included in the secrecy provisions of section 605 of the Communications Act, thus prohibiting amateurs from disclosing among themselves the content of transmissions heard on the amateur bands. This bill would exempt amateurs from this burden, thus allowing them to continue to self regulate.

There is no purpose served by a 5-year amateur license term, except to allow the FCC to delete from the rolls those amatur licensees who have died or chosen not to renew licenses. This bill provides for a 10-year license term which would decrease administrative costs in issuing amateur licenses.

The FCC's Field Operations Bureau is now operating at below minimum efficiency levels due to budget and manpower cutbacks. At the same time, interference complaints within the amateur radio bands are constantly increasing. While we expect the Commission to correct this matter, it would be beneficial to the FCC to utilize the voluntary services of licensed amateurs to prepare and administer amateur examinations, and to monitor illegal activity in the amateur bands. This bill would allow amateurs to detect, locate, and monitor illegal operators, interference problems, and the like, to save FCC field personnel huge amounts of time and expense in locating rule violators. Armed with the information obtained from amateur volunteers, FCC personnel can proceed right to the source of the problem, monitor at the predicted times, and gather evidence much faster than would otherwise be possible.

Preparation and administration of amateur examinations by amateur volunteers under FCC supervision is another time-saving matter that could cut FCC administrative costs immensely while improving service to the public. Volunteer activity by amateurs under the terms of this bill is specifically stated not to constitute Federal employment for any purpose.

The purpose of the Land Mobile section of the bill is to provide the FCC with guidance in managing the spectrum made available to the Private Land Mobile and Fixed Services. Licensees in these services include those public safety, industrial, business, and land transportation entities which operate their own private land mobile and microwave systems in providing a multitude of goods and services to the public. It does not include common carrier operations such as the new cellular systems.

The first provision will insure that the FCC will follow certain fundamental criteria in managing the spectrum available to these services in the most efficient manner and consistent with the basic goals of the act. It specifically encourages interservice sharing and other actions to improve spectrum efficiency and reduce the regulatory burden on these licensees. It prohibits the use of auctions and similar economic methods.

As a constructive, deregulatory move, the second provision encourages the Commission to rely upon the private sector for the initial frequency selection process in these services through Frequency Coordination Committees, thus relieving the Commission of a substantial manpower requirement.

Lastly, as with the amateur radio service, the license term for private land mobile and fixed services stations is extended from 5 to 10 years.

This bill quite simply contains provisions oriented toward improving the efficiency of FCC operations with regard to the Amateur Radio Service and the Private Land Mobile and Fixed Services.

Mr. President, I would welcome my colleagues to join in cosponsoring this bill. I ask that this bill, and a factsheet describing it, be printed in its entirety in the RECORD, following my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amateur Radio Service and Private Land Mobile and Fixed Services Act of 1981".

SEC. 2. (a) Section 302 of the Communications Act of 1934 (47 U.S.C. 302) is amended by—

(1) inserting "(1)" immediately after "governing" in the first sentence of subsection (a);

(2) striking out the period at the end of the first sentence of subscriber (a) and substituting ", and (2) establishing minimum performance standards for audio and visual electronic equipment to reduce their susceptibility to interference from radio frequency energy."; and

(3) striking out "shipment, or use of such devices" in the second sentence and substituting "or shipment of such devices and

electronic equipment or the use of such devices".

(b) Subsection (b) of such section is amended by striking out "ship, or use devices" and substituting "or ship devices and electronic equipment or use devices".

(c) Subsection (c) of such section is amended by—

(1) inserting "or electronic equipment" immediately after "devices" wherever such term appears in the first sentence;

(2) inserting "and electronic equipment" immediately after "Devices" in the second sentence; and

(3) striking out "the common objective of reducing interference to radio reception," in the second sentence and substituting "the objectives of reducing interference to radio reception and to electronic equipment.".

(d) The heading for section 302 of such Act is amended to read as follows:

"INTERFERENCE WITH RADIO COMMUNICATIONS AND ELECTRONIC EQUIPMENT".

SEC. 3. Any minimum standard established by the Federal Communications Commission under section 302(a)(2) of the Communications Act of 1934, as amended by section 2 of this Act, shall not apply to any audio or visual electronic equipment manufactured before the date of the enactment of this Act.

SEC. 4. Section 373 of the Communications Act of 1934 (47 U.S.C. 373) is amended by adding at the end thereof the following:

"(t) Have authority to regulate or prohibit delivery by sale, lease, gift or otherwise of radio frequency transmitters, radio frequency power amplifiers, or component kits thereof to a person not then possessing a valid authorization or license for operation of such transmitters, amplifiers, or kits.".

SEC. 5. Section 605 of the Communications Act of 1934 (47 U.S.C. 605) is amended by striking out the last sentence thereof and substituting the following: "This section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication which is transmitted by any amateur station, or by any station for the use of the general public, or which refers to ships, aircraft, vehicles, or persons in distress.".

SEC. 6. Subsection (d) of section 307 of the 1934 Act is amended by striking "five" wherever it appears and substituting "ten".

SEC. 7. Part I of title III of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"PRIVATE LAND MOBILE AND FIXED SERVICES

"SEC. 332. (a) In managing the spectrum to be made available for use by the private land mobile and fixed services the Commission shall consider and make findings, consistent with section 1, as to—

"(1) whether present and proposed use of various allocated bands by these and other services promotes safety of life and property, provides services to large numbers of the public and promotes competition;

"(2) the existence of interservice sharing opportunities between these and other services; and

"(3) actions which will improve the efficiency of spectrum use and reduce the regulatory burden on spectrum users which are based upon sound engineering principles, user operational requirements, marketplace demands, desirable social impacts and appropriate legal considerations.

Nothing in this paragraph shall be construed to authorize the Commission to employ auctions or similar economic methods.

"(b) The Commission, for the purpose of facilitating the expeditious granting of licenses, may delegate to non-Federal Government coordinating committees the function of coordinating the assignment of frequencies above 30 megahertz to stations in the private land mobile and fixed services.".

SEC. 8. Section 4(f) of the Communications Act of 1934 is amended by adding at the end thereof the following new paragraph:

"(4)(A) For purposes of monitoring any violation of any provision of this Act, and of any regulation made by the Commission pursuant to this Act, relating to amateur station transmissions, the Commission, without regard to part III of title 5, United States Code, may (i) recruit and train any individual licensed by the Commission to operate an amateur station; and (ii) accept and employ voluntary and uncompensated services of such individual. For purposes of recruiting and training such individual, the Commission, without regard to part III of title 5, United States Code, may accept and employ voluntary and uncompensated services of any amateur station operator organization.

"(B) For purposes of monitoring any violation of any provision of this Act, and of any regulation made by the Commission pursuant to this Act, relating to transmissions of any citizens band radio service station, the Commission, without regard to part III of title 5, United States Code, may (i) recruit and train any individual licensed by the Commission to operate a citizens band radio service station; and (ii) accept and employ voluntary and uncompensated services of such individual. For purposes of recruiting and training such individual, the Commission, without regard to part III of title 5, United States Code, may accent and employ voluntary and uncompensated services of any citizens band radio service station operator organization.

"(C) For purposes of preparing or administering any examination for the least privileged class of amateur station operator license, the Commission, without regard to part III of title 5, United States Code, may accept and employ voluntary and uncompensated services of any individual who is licensed by the Commission to operate an amateur station and whose license is not of such class.

"(D) Any person who provides voluntary and uncompensated services under this paragraph shall not be considered, by reason of having provided such services, a Federal employee for any purpose.".

FACT SHEET—AMATEUR RADIO SERVICE AND PRIVATE LAND MOBILE AND FIXED SERVICES ACT OF 1981

1. The Federal Communications Commission (FCC) is granted the authority to establish minimum radio frequency rejection standards for electronic equipment, including television receivers, to make such equipment less susceptible to interference from other electronic equipment such as CB radio, amateur radio, etc.

2. The radio-frequency rejection standards will not apply to electronic equipment manufactured prior to the enactment of the bill.

3. The FCC is granted the power to regulate or prohibit the delivery of radio frequency transmitting equipment to one not possessing a license to operate that equipment.

4. Amateur radio transmissions are exempt from the secrecy provisions of Section 605 of the Communications Act to allow self-regulation of amateur stations.

5. Amateur radio license terms are increased from 5 to 10 years.

6. The FCC is permitted to utilize volunteer licensed amateur radio operators for the purpose of monitoring unlicensed amateur radio stations, or amateur stations operating in violation of the rules.

7. The FCC is permitted to utilize volunteer licensed citizen band radio service operators for the purpose of monitoring unlicensed citizen band radio stations, or citizen band radio stations operating in violation of the rules.

8. Allow the FCC to utilize volunteer licensed amateur radio operators for the purpose of preparing and administering amateur examinations to applicants for entry-level amateur licenses, provided that the volunteer test administrator possesses a higher class of amateur license than the entry-level class of license.

9. Private land mobile and fixed services license terms are increased from 5 to 10 years.

10. In managing the spectrum to be made available for use by the private land mobile and fixed services, the FCC shall consider whether such use promotes safety, service, competition, and interservice sharing; improves the efficiency of spectrum use; and reduces the regulatory burden on spectrum users.

11. The FCC may delegate to non-Federal Government coordinating committees the frequency coordination function for frequencies above 30 megahertz to stations in the private land mobile and fixed services.●

By Mr. HAYAKAWA:

S. 930. A bill to amend the Immigration and Nationality Act to establish a program providing for the issuance of visas to nationals of Mexico seeking temporary employment in the United States; to the Committee on the Judiciary.

LEGISLATION RELATING TO ILLEGAL ALIENS

Mr. HAYAKAWA. Mr. President, I am introducing a bill today which will relieve the growing problem that our country and Mexico are continuing to face. I am referring to the massive influx of Mexican nationals who leave their homes to cross illegally our southern border hoping to find temporary jobs here in the United States. My program will replace this currently unregulated flow of undocumented workers with a system of legal temporary admissions. It is entitled the Guest Worker Act of 1981 and will provide a means for the United States and Mexico to work together to establish mutually acceptable solutions to this situation.

So long as there is a wide economic disparity between these bordering nations, there will be a migration of workers to the United States. Men and women, young and old, are paying hundreds of dollars to smugglers—people they call coyotes—who load them into vans, hide them under vehicles or bring them across the river into the United States. These highly motivated workers often endure great physical hardships with only the possibility, not the certainty, of getting a job. Some never make it.

For a solution to be successful, it must address both the immediate situation as well as the bigger picture; it must be an international approach that is mutually beneficial to Mexico and the United States. By working out ways to assist Mexico with the development of her rich, vast natural resources, the economic disparity between the two countries will be reduced over a period of time. Eventually, Mexican nationals, attracted by the development in their own country, will prefer to remain in Mexico where they can work near their families.

During this period of development in Mexico, however, we will continue to be an attractive job market for many Mexican laborers, and our current policy of not officially addressing the situation is clearly inadequate. Fortunately, at this

time, our American labor market needs this supply of foreign workers. Like most economically advanced nations, there is a shortage of laborers in the United States who are willing to take physically demanding jobs with low pay, little job security, and virtually no opportunity for advancement. Most people in this country want indoor work, with no heavy lifting. Recognizing this economic relationship between the United States and Mexico, I strongly believe that our national policy must be realistic; it must acknowledge the existence of the labor supply and demand needs of both the Mexican nationals and the American farmers and businessmen.

A successful program must improve the existing "unofficial" system. To insure that the needs of both our countries are met, the Guest Worker Act of 1981 sets up a Bilateral Advisory Commission, composed of Mexican and American officials, that would consult with and advise the Attorney General—and perhaps the Secretary of Labor—in establishing the regulations for the temporary worker visa program.

During the next 5 years, Mexico will be making many economic advancements. As the current economic disparity lessens we need a legal, organized program to regulate and humanize the existing "underground" system of undocumented worker migration. I am proposing that each year, for 5 years, temporary worker visas be issued for up to 1 million qualified Mexican national applicants who post a $500 bond or the equivalent undertaking. Since the bond will be redeemable with interest at the expiration of 180 days, it will serve as an additional incentive to return to Mexico.

One of the lessons to be learned from past programs is that, by limiting the worker to one prearranged place of employment, there was the temptation to abuse fundamental human and financial rights. My program will remove the temptation to exploit because, as it limits the time that a worker may reside and work in the United States to 180 days, it does not restrict the worker to a particular type of work, as under the "bracero" program, nor to a specific location or a particular employer. This opportunity for mobility gives the workers bargaining power.

On the other hand, I should like to stress one very important provision concerning the limits, or lack of them, restricting employment. This program protects American laborers. At no time is it legal to hire temporary workers if available, qualified, and willing domestic workers are displaced. Furthermore, specific penalties are provided in the event that an employer knowingly violates the terms of the guest worker program.

I do not think there exists any panacea to the issue of undocumented workers entering or living in our country. Nor do I believe that any one person can provide an overall solution for all time. I believe, however, that I can suggest a tentative—let me repeat, tentative—solution to the daily problem of Mexican immigration. In this regard, it seems useful to remember that this situation is not a new one, but that while Mexico continues to develop and the economic disparity between our two countries lessens, we need a legal, humane system that mutually benefits both ourselves and Mexico.

By Mr. BAUCUS:

S. 931. A bill to restore fair and effective enforcement of the antitrust laws; to the Committee on the Judiciary.

SMALL BUSINESS ANTITRUST ACCESS ACT

● Mr. BAUCUS. Mr. President, enhancing the economic development of Montana is, of course, one of my top priorities. Today I am introducing legislation that will permit small businessmen in my State, and in other States, to fight off anticompetitive practices by those who sell their products.

Mr. President, our bill, the Small Business Antitrust Access Act, would allow small businessmen who can prove that they have been injured by price fixing to recover damages from retailers who violate our Nation's antitrust laws. This recourse would be available to small businessmen who have dealt indirectly with the violator.

Today, small businesses that suffer injuries from price fixers cannot sue and collect damages if any are one level removed on the distribution chain. In other words, if a farmer sells his grain to a warehouser, who in turn sells the grain to a huge corporate retailer, the farmer is not permitted to sue the retailer. The farmer is said to lack a direct relationship or "privity" with the retailer. Even if the farmer knows that the retailer has conspired to offer unfairly low prices for his products, the farmer cannot seek redress of his grievances in the courts.

Mr. President, our bill would amend section 4 of the Clayton Act to remove this judicial bar. Indirect sellers who lack direct privity with a defendant corporation would not be restricted from recovering damages in a lawsuit for injuries sustained because of the corporation's unlawful practices. Our bill will help protect cattlemen and farmers from retailers who have the market power to force farmers to sell their goods at the only price available.

It is important to keep in mind that the Small Business Antitrust Access Act, while providing access to indirect sellers of products, will not provide the same access to the courts for indirect purchasers. Therefore, arguments that this measure will open the floodgate of litigation cannot reasonably be made. After all, the number of indirect sellers in our Nation's marketplace is dramatically smaller than the number of indirect buyers.

It is my feeling that farmers and cattlemen need protection from price fixing. Consumers, when faced with high prices fixed on steak, for example, can opt to buy chicken and pork or not buy any meat at all. The cattleman, on the other hand, when faced with a powerful corporate buyer who fixes a low price on steak is left with no choice. When a cow is ready for market, the cattleman has no alternative but to sell the cow. The large corporation that has attained an intermediate position in the chain of distribution holds all the cards.

Several recent lawsuits reflect the problematic trend of large, powerful purchasers of goods dominating the prices paid to much smaller businessmen who are producers of these goods. For example, in the early 1970's, several hundred farmers who were mint growers filed an antitrust class action against large purchasers of mint oil, claiming that large corporations controlled the purchasers of mint oil and had fixed low prices paid to the growers of mint oil. The case was settled in 1975. This case could not have been brought under current law. Other actions have been filed in recent years for similar activities in the grain industry, the beef industry, the sugar industry, and in several other industries involving staple agricultural products.

Mr. President, an important point in some of these cases is that the party between the seller and the ultimate purchaser often has no incentive to sue the price-fixer. The price-fixer can discourage the middleman from suing by threats of economic reprisal. Cattlemen and farmers who are one step removed on the distribution chain from the powerful price-fixer are less vulnerable to economic reprisal and are more likely to be willing to sue to enforce our price-fixing laws. Thus, these cattlemen can act as a powerful deterrent to illegal price fixing.

If these cattlemen and farmers are not permitted standing to sue, and large corporations continue to fix low prices paid to the producers and sellers of products, the existence of small businessmen in these markets is imperiled. Unfortunately, small producers may be forced to sell out and the result will be development of large producers of products, thus accelerating the demise of the small family-owned farm. These probable occurrences raise the spectre of more monopolies and will result in more anticompetitive pricing.

These reasons, Mr. President, suggest the need for our amendment, the Small Business Antitrust Act, which revitalizes the ability of indirect sellers to bring actions against anticompetitive and monopolistic corporations. Our bill will help protect small businesses, slow the demise of the small family farm and encourage them to help enforce our Nation's antitrust laws. Mr. President, I ask unanimous consent that a copy of our bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 931

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Antitrust Access Act".

SEC. 2. The Clayton Act is amended by inserting immediately after section 4H the following new section:

"SEC. 4I. Any seller, either in direct privity or not in direct privity with the defendant, shall not be barred or otherwise limited in recovery in any pending or future action under section 4, 4A or 4C of this Act.".

By Mr. BAUCUS:

S. 932. A bill to amend title 18 of the United States Code in order to promote the effective investigation and prosecution of livestock fraud; to the Committee on the Judiciary.

LIVESTOCK FRAUD PROTECTION ACT

● Mr. BAUCUS. Mr. President, maintaining the economic development of Montana is one of my top priorities. Combating crime is an essential part of protecting the economy of my State. The economy of my State and the economy of many other States in the Union includes as one of its chief components the livestock industry. Livestock transactions in this Nation generate well over $50 billion in commerce each year. Unfortunately, however, the industry has become an easy mark for embezzlers, counterfeiters and unscrupulous dealers who perpetrate fraud.

Today I am introducing legislation, the Livestock Fraud Protection Act, that will address this problem. Last year the Senate and House Judiciary Committees passed a provision similar to this bill in the Criminal Code Reform Act. The provision was an amendment that I sponsored which addressed livestock fraud.

It is my understanding that when the Code is reintroduced in this Congress, the livestock provision will remain in it. Nevertheless, I feel that this problem is so critical that a separate bill is warranted. A separate bill addressing the problem of livestock fraud will add attention to this important issue and act as a safety net in case Congress does not move to enact the Criminal Code Reform Act and the livestock provision amended to it.

Mr. President, cattle rustlers have always preyed on the livestock industry. In years gone by, the rustling was accomplished in different ways. Usually, all that rustling required was a good horse, a strong rope, and a thief who had no respect for the property rights of honest, hard-working men. Today there are still thieves who have no respect for the rights of honest men, but the modern tools they use to steal are a counterfeit check and the stop-payment notice.

The methods are less dramatic, but the resulting damage is not. For example, in 1 week in my State in four separate transactions, ranchers lost 1,500 head of cattle worth nearly $500,000. The victims were well established Montana ranchers and livestock dealers. The buyers were all unlicensed dealers from other States who either issued bad checks or stopped payment on them.

Similar crimes are occurring nationally. I received testimony before the Senate Judiciary Committee about one individual, operating out of Colorado, who defrauded ranchers in Colorado, Oklahoma, Texas, and Nebraska of $2.5 million. In another case, a counterfeiting ring, operating in several States in the South, swindled banks out of at least $50,000. They were selling livestock at a local auction, requesting payment by a check, then forging the check to a much higher figure and cashing it in at local banks.

Often, local law enforcement officials cannot keep up with these criminals that operate interstate and roam over several State boundaries. Testimony before the Judiciary Committee suggested that existing laws are inadequate for controlling livestock crime. Prosecution is complex, involving interstate commerce and various financial instruments. Most of the individuals who act scrupulously are not registered dealers and escape the jurisdiction of the Department of Agriculture's Packers and Stockyards Administration. Under existing law many of these criminals are shielded from strong Federal response.

Another major problem with Federal enforcement is that language in the Federal statute only mentions that theft of cattle is punishable. Fraud involving other types of livestock is not covered under this old 1948 statute.

Mr. President, our bill would correct this inadequacy. The Livestock Fraud Protection Act would update present Federal law in two ways.

First, the language in the law that specifies cattle would be replaced with the word livestock. Therefore, theft involving domestic stock other than cattle, such as sheep, goats, and pigs would also be covered by Federal law.

Second, our bill changes existing law by providing tougher penalties for thieves convicted of livestock fraud. Currently, a 5-year sentence and a fine of $5,000 is the only penalty for receiving or trafficking stolen cattle. Under our bill, harsher penalties would be allowed if the value of the livestock stolen was great.

For example, where the value of the livestock at issue was over $100,000, then a 10-year sentence would be justified rather than imposition of a 5-year jail term. Conversely, where the value of the livestock was low, under $10,000, then no Federal jurisdiction would apply to the crime.

These penalties that vary according to the severity of the crime make more sense and are more just. Minor thefts of livestock would be left to local law enforcement agencies. Major thefts would bring in the Federal law enforcement agencies. Therefore, where the value of the property at issue was over $10,000 and if the livestock was marketed in interstate commerce, then Federal jurisdiction would be triggered.

Combating modern livestock crime requires Federal enforcement. Cattle rustling in this day and age is extremely complex; it involves several States and a variety of financial instruments. Our bill would give local police Federal help in fighting crime. The U.S. attorneys and the FBI would be given the authority they need to pursue crimes that cannot be prosecuted under State law.

Mr. President, our bill will reduce criminal activity in the livestock industry. This will be accomplished by assuring a strong Federal response to interstate livestock crimes. In so doing, our Nation's livestock industry will be enhanced, ranchers will be given added protection and consumers will be assured an adequate supply of fairly priced meat products.

Mr. President, I ask unanimous consent that our bill be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Livestock Fraud Protection Act".

SEC. 2. Chapter 31 of title 18, United States Code, is amended by adding after section 665 a new section 666 to read as follows:

"§ 636. Theft of livestock

"Whoever obtains or uses the property of another which has a value of $10,000 or more in connection with the marketing of livestock in interstate or foreign commerce with intent to deprive the other of a right to the property or a benefit to the property or to appropriate the property to his own use or the use of another shall be fined not more than $10,000 or imprisoned not more than five years or both.".

SEC. 3. The analysis of chapter 31 of title 18, United States Code, is amended by inserting at the end thereof the following new item:

"666. Theft of livestock.".

SEC. 4. Section 2316 of title 18, United States Code, is amended by striking out "cattle" each place it appears in the section heading and in the text and inserting in lieu thereof in such instance "livestock".

SEC. 5. Section 2317 of title 18, United States Code, is amended by striking "cattle" each place it appears in the section heading and in the text and inserting in lieu thereof in such instance "livestock".

SEC. 6. The analysis of chapter 113 of title 18, United States Code, is amended by striking out "cattle" in sections 2316 and 2317 and inserting in lieu thereof "livestock".

By Mr. ABDNOR (for himself and Mr. PRESSLER):

S. 933. A bill to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes; to the Committee on Energy and Natural Resources.

REAUTHORIZATION OF BELLE FOURCHE PROJECT IN SOUTH DAKOTA

● Mr. ABDNOR. Mr. President, today Senator PRESSLER and I are introducing legislation to reauthorize the Belle Fourche project in South Dakota as a unit of the Pick-Sloan Missouri Basin program.

The Belle Fourche project went into operation in 1908, and 73 years later most of the structures in the irrigation project have reached their design life and are badly in need of repair. In fact, there have been five accidental deaths in the last 5 years that might have been averted with the project improvements to be provided through this legislation. For example, because of the absence of handrails district employees have actually slipped from the structures and fallen into the canals.

Modernization and improvements of the 57,000-acre project will produce significant benefits according to a January 1981, Water and Power Resources Service draft report. Reliability will be restored to the system and annual operations and maintenance costs will be reduced by $30,000. Reduced seepage and operational waste will save approxi-

mately 20,000 acre-feet of water annually and will result in the reclaiming of agriculture lands affected by the seepage.

The proposed changes would provide safety features for the protection of human life and would insure the continued social and economic welfare of the people in Butte and Meade Counties who depend upon the project for their livelihood.

Finally, because of uncertainty surrounding the Federal Government's position on reclamation acreage limitations, we have included a section in the legislation that addresses that issue. The specific limitations we provide in section 6 are both reasonable in the absence of a national policy and acceptable to the users in the Belle Fourche irrigation district.

Since many States have similar problems involving the need for better utilization of water resources, I am hopeful my colleagues will see the need and agree that we ought to act promptly to provide for the modernization of the Belle Fourche irrigation project.●

By Mr. GARN:

S. 935. A bill to dissolve the National Consumer Cooperative Bank, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

TERMINATION OF NATIONAL CONSUMER COOPERATIVE BANK

● Mr. GARN. Mr. President, at the request of the administration, I am introducing a bill to dissolve the National Consumer Cooperative Bank and terminate its activities. By introducing the bill, Members will have the opportunity to review and discuss the need for the NCCB in light of the administration's economic program.

The administration believes that passage of the bill is necessary and consistent with its economic plan to restrict Federal budgetary support to programs of fundamental national priority. Furthermore, the administration is of the opinion that the special tax treatment generally enjoyed by cooperatives is sufficient to insure the viability of those cooperatives which serve an economic purpose and are effectively managed. Although over $50 million had been appropriated for NCCB activities in fiscal year 1980, only $5.2 million in loans were actually disbursed.

Accordingly, the administration's bill would provide for the termination of the NCCB effective September 30, 1981. In the interim, the Secretary of the Treasury would assume control of the Bank to manage the liquidation of the Bank's assets and the servicing of its loan portfolio.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 935

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Consumer Cooperative Bank Liquidation Act."

TERMINATION OF THE BANK

SEC. 2. The National Consumer Cooperative Bank Act (92 Stat. 499, et seq.; 12 U.S.C. 3001, et seq.) is repealed effective September 30, 1981.

TRANSFER OF FUNCTIONS POWERS AND DUTIES

SEC. 3. (a) Effective immediately, the Board of Directors established by section 103 of the National Consumer Cooperative Bank Act is abolished.

(b) Effective immediately, the functions, powers, duties, assets, and liabilities of the National Consumer Cooperative Bank (Bank), the Board of Directors, and the Office of Self-Help Development and Technical Assistance are transferred to the Secretary of the Treasury (Secretary). There is authorized to be established a fund for this purpose. Loan repayment and other proceeds may be credited to this fund and used to cover expenses associated with the liquidation of the Bank. Amounts in excess of these requirements, as determined by the Secretary, shall be returned to general fund of the Treasury as miscellaneous receipts. The Secretary or his designee shall take such action as necessary, in accordance with applicable laws and regulations, to conclude the outstanding affairs of the Bank, including matters affecting personnel, contracts, assets, liabilities, property, and records of the Bank. Bank employees shall not be deemed Federal employees for any purpose.

(c) Effective immediately, the Secretary:

(1) shall not enter into any new loan or loan guarantee commitments on behalf of the Bank or under the National Consumer Cooperative Bank Act;

(2) may transfer loans to other Federal agencies or enter into contractual arrangements for loan servicing; and

(3) may sell or otherwise dispose of any outstanding loans.

REDEMPTION OF OUTSTANDING STOCK

SEC. 4. In exercising the transferred functions, powers, and duties, the Secretary shall liquidate the outstanding class A, class B, and class C capital stock in a manner consistent with the requirements of section 104 of the National Consumer Cooperative Bank Act. The Secretary may, in his discretion, redeem class B and class C stock owned by borrowers from the Bank either by payment of an amount equal to the value of the respective stocks at redemption, as determined by the Secretary, or reduction of the outstanding balance of the borrower's loan by the amount so determined.

MISCELLANEOUS AMENDMENT

SEC. 5. Any provision of the National Consumer Cooperative Bank Act which is inconsistent with the provisions of this Act, is repealed.

SECTION-BY-SECTION ANALYSIS

Section 1—This section contains the short title of the bill, which is cited as the "National Consumer Cooperative Bank Liquidation Act."

Section 2—This section repeals, effective September 30, 1981, the National Consumer Cooperative Bank Act, which establishes the National Consumer Cooperative Bank (Bank) and the Office of Self-Help Development and Technical Assistance (Office).

Section 3—Upon enactment of the National Consumer Cooperative Bank Liquidation Act (Act), this section would immediately transfer to the Secretary of the Treasury (Secretary) all the functions, powers, duties, assets, and liabilities of the Bank, the Bank Board of Directors, and the Office. It is intended that the Secretary take the action necessary to conclude the activities of the Bank and the Office, and to arrange for servicing of the remaining loan portfolio after liquidation of the Bank. The section also authorizes the establishment of a fund for the receipt of loan repayment and other proceeds. The fund is intended to cover liquidation expenses, and any funds in excess of those needed to carry out the liquidation shall be returned to the general fund of the Treasury. The bill would enable the Secretary to exercise his discretion as to which Department or agency is best suited to service the loan portfolio.

Additionally, this section clearly states that Bank employees shall not be deemed Federal employees for any purposes. This is to avoid the contention that, upon the transfer of functions, powers and duties to the Secretary the employment status of the Bank employees would be changed thereby.

Finally, the section would prohibit any further loan or loan guarantee commitments on behalf of the Bank. However, the Secretary would be authorized to arrange for loan servicing and to sell or otherwise dispose of any outstanding loans.

Section 4—This section provides for the liquidation of outstanding Bank stock in accordance with the requirements of section 104 of the National Consumer Cooperative Bank Act. Under section 104, the class A stock outstanding, issued entirely to the Federal Government, would be given priority in the liquidation process over the remaining stock outstanding. In liquidating the remaining stock outstanding (class B and C), the Secretary is authorized to exercise discretion in determining whether redemption of the stock should be by payment or by reduction of a borrower's loan balance. In exercising discretion, it is anticipated that the method of redemption most beneficial to the borrower will be given due consideration, provided that the interests of the Federal Government are not adversely affected thereby.

Section 5—This section would repeal as necessary provisions of the National Consumer Cooperative Bank Act which would be inconsistent with the Secretary's orderly exercise of the transferred functions, powers, and duties pending total repeal of the statute.

By Mr. ROTH (for himself, Mr. BENTSEN, and Mr. KASTEN):

S. 936. A bill entitled the "Savings Expansion Act of 1981"; to the Committee on Finance.

SAVINGS EXPANSION ACT OF 1981

● Mr. ROTH. Mr. President, I am today introducing legislation to encourage the savings necessary to expand economic growth in the United States.

My distinguished colleagues LLOYD BENTSEN and BOB KASTEN are joining with me as original cosponsors of the measure.

We must expand economic growth, and increased savings is critical to economic growth.

Nothing is more important than growth. The basic choice facing the economy is to grow or not to grow. If we had put a modest but sustained growth policy in place in 1950, the results would by now be enormous. Consider the period 1950 to 1979. In 1979, U.S. GNP reached $2⅓ trillion. It would have been $3½ trillion.

Between 1950 and 1979, the average annual growth of the U.S. economy in real terms was 3.6 percent. Many other major industrialized countries grew at annual real rates averaging in excess of 5.5 percent. If the United States had grown an average 1.5-percent faster

each year since 1950 at a rate of just over 5 percent its GNP in 1979 would have been $3½ trillion.

With a $3½ trillion economy, incomes would have been 50 percent higher than they were in 1979. Jobs would have been plentiful. Federal revenues in 1979 would have been $250 billion higher, enough to have provided for a balanced budget, welfare reform, national health insurance, and unquestioned military preeminence, with enough left over to have let us reduce payroll and income taxes instead of raising them. Of course, price stability would have been another spinoff of the growth of real output and the balanced budget.

Faster growth, higher incomes, and plentiful jobs are exactly what the unemployed, underprivileged, and the minorities of this country have been seeking for many years. It is no accident that the greatest gains in income, jobs, and dignity for minority workers have come during periods of rapid expansion.

Savings is the key to increased economic growth. Saving, basically, is the amount of each year's GNP left over after immediate consumption. Only the amount saved provides the resources for investing in long-term capital goods, the plant and equipment that expands capacity, increases productivity, and stabilizes prices.

The United States has the lowest rate of saving in the Western World, resulting in the lowest rate of productivity growth, investment, and real wage increases among the major industrialized nations. Personal savings is falling because inflation and high tax rates reduce the real rate of return on savings. As people are pushed into higher tax brackets, they get to keep less of each additional dollar of savings income. Since income from savings is added to earned income, the highest tax rate each taxpayer pays is imposed on his or her savings income. The higher the tax rate individuals face on the additional income from savings, the less likely they are to save. Thus, the present high tax rates discourage new savings, encourage consumption, and force savings away from productive investments into tax-exempt bonds and tax shelters.

The total amount of savings in the United States—personal savings, retained earnings, and depreciation set asides— has already fallen so low that we are not providing enough investment to keep pace with replacing wornout machinery and equipping a growing labor force. This is leading to falling productivity, lower real wages, and reduced job opportunities. Unless action is taken, we face a decade of stagnation.

Furthermore, millions of taxpayers have purchased bonds and made deposits at low-interest rates in years past, only to find these rates overwhelmed by inflation. Their real rate of return on most stocks and bonds is now less than zero, yet is considered to be income and is taxed as such. This is particularly hard on retirees.

In order to encourage additional savings, the tax rates at which additional savings income is taxed must be reduced.

The legislation I am introducing today is identical to a measure I proposed last year.

The proposal would reduce the tax rate on additional savings by treating interest and dividend income more equally with earned income.

Specifically, the bill reduces the top marginal tax rate to 50 percent from its current level of 70 percent.

It further provides that earned income and savings income shall be taxed separately, after allowable deductions and exemptions, with the first dollars of each type of income starting in the lowest tax brackets. A limit on eligibility is imposed for those upper income taxpayers with more than $10,000 in certain sheltered preference income.

The bill equalizes tax rates for both earned and unearned income at rates ranging from 14 to 50 percent. This ends the discrimination against saving which has been in the Code since 1969. Currently, "personal service income" faces a maximum tax rate of 50 percent, while savings income faces a top rate of 70 percent. The change will ultimately lead to more Federal revenue, because of a sharp drop in the use of tax shelters as the top rate is reduced.

Furthermore, lower and middle-income tax rates on savings income are reduced by an income-splitting provision, in current law, after exemptions, earned and unearned income are added together to obtain taxable income, stacking one on top of the other to reach the higher brackets. Under this proposal, each taxpayer would compute a tax on earned income alone, and on unearned income alone, and then add the taxes together. In this way, the first dollar of each type of income would start in the 14-percent tax bracket.

Each type of income would rise only through as many brackets as its own size would warrant. The result would be lower tax rates on added income of both types. Specifically, the tax rate on additional interest and dividends from added savings would be in a lower tax bracket than at present for most taxpayers, resulting in more incentive to add to savings.

Currently, individuals with more than $10,000 in preference income—income from tax-sheltered activities—are subject to the minimum tax. As a further inducement for such individuals to return to more productive, ordinary investment, the bill limits the participation of those upper income individuals who continue to use tax shelters. Individuals with more than $10,000 in preference income—other than capital gains—are prohibited from using this income-splitting provision.

Mr. President, for most working-age taxpayers, the bulk of income is earned with only a few hundred or a few thousand in savings income added on the top. This bill would bring this income down from the taxpayer's top tax bracket, where it may face rates of 24, 36, or even 70 percent, and puts it into the 14- or 16-percent brackets, producing increased savings incentives at relatively low cost.

Outside of completely exempting all interest and dividend income from taxation, the most effective way to encourage increased savings is to reduce the marginal tax rates on interest and dividend income.

On equity grounds, and as a key first step, I supported and voted for the legislation to provide a tax exemption of up to $400 for interest and dividend income.

This legislation is designed to build on the savings exemption. For in order to encourage additional savings the tax rates at which additional savings income is taxed must be reduced. By starting both earned and unearned income off in the lowest tax bracket and at the lowest tax rates, and by applying the 50-percent maximum earned income tax rate to unearned income, the Savings Expansion Act reduces the marginal tax rates on additional interest and dividend income—increasing the rate of return on saving and encouraging the additional savings needed to increase productivity, restrain inflation, and expand real economic growth.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF 1954 CODE, ETC.

(a) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The Secretary of the Treasury or his delegate shall, not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives a draft of the technical and conforming amendments which are necessary to reflect throughout the Internal Revenue Code of 1954 the substantive amendments made by this Act.

SEC. 2. 50-PERCENT MAXIMUM RATE FOR INDIVIDUALS; SEPARATE COMPUTATION OF TAX.

(a) GENERAL RULE.—Section 1 (relating to tax imposed on individuals) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) GENERAL RULE.—

"(1) INDIVIDUALS.—Except as provided in paragraph (2), there is hereby imposed on the income of every individual a tax equal to the sum of—

"(A) the tax on personal service taxable income determined under the applicable rate schedule, plus

"(B) the tax on nonpersonal service taxable income determined under the applicable rate schedule.

"(2) CERTAIN INDIVIDUALS WITH ITEMS OF TAX PREFERENCE, ESTATES, AND TRUSTS.—There is hereby imposed on the income of—

"(A) every individual who has items of tax preference described in section 57(a) (other than paragraph (9) thereof) for the taxable year in excess of $10,000 ($5,000 in the case of a separate return by a married individual (as defined in section 143)), and

"(B) every estate or trust taxable under this section,

a tax equal to the tax on taxable income determined under the applicable rate schedule.

"(b) APPLICABLE RATE SCHEDULE FOR MARRIED INDIVIDUALS FILING JOINT RETURNS.—In the case of—

"(1) every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and

"(2) every surviving spouse (as defined in section 2(a)),

the following is the applicable rate schedule:

"If the amount of which the tax is to be determined is:	The tax is:
Not over $2,100	14% of taxable income.
Over $2,100 but not over $4,200.	$294, plus 16% of excess over $2,100.
Over $4,200 but not over $8,500.	$630, plus 18% of excess over $4,200.
Over $8,500 but not over $12,600.	$1,404, plus 21% of excess over $8,500.
Over $12,600 but not over $16,800.	$2,265, plus 24% of excess over $12,600.
Over $16,800 but not over $21,200.	$3,273, plus 28% of excess over $16,800.
Over $21,200 but not over $26,500.	$4,505, plus 32% of excess over $21,200.
Over $26,500 but not over $31,800.	$6,201, plus 37% of excess over $26,500.
Over $31,800 but not over $42,400.	$8,162, plus 43% of excess over $31,800.
Over $42,400 but not over $56,600.	$12,720, plus 49% of excess over $42,400.
Over $56,600	$19,678, plus 50% of excess over $56,600.

"(c) HEADS OF HOUSEHOLDS.—In the case of every individual who is the head of a household (as defined in section 2(b)), the following is the applicable rate schedule:

"If the amount on which the tax is to be determined is:	The tax is:
Not over $2,100	14% of taxable income.
Over $2,100 but not over $4,200.	$294, plus 16% of excess over $2,100.
Over $4,200 but not over $6,400.	$630, plus 18% of excess over $4,200.
Over $6,400 but not over $9,500.	$1,026, plus 22% of excess over $6,400.
Over $9,500 but not over $12,700.	$1,708, plus 24% of excess over $9,500.
Over $12,700 but not over $15,900.	$2,476, plus 26% of excess over $12,700.
Over $15,900 but not over $21,200.	$3,308, plus 31% of excess over $15,900.
Over $21,200 but not over $26,500.	$4,951, plus 36% of e cess over $21,200.
Over $26,500 but not over $31,800.	$6,859, plus 42% of excess over $26,500.
Over $31,800 but not over $42,400.	$9,085, plus 46% of excess over $31,800.
Over $42,400	$13,961, plus 50% of excess over $42,400.

"(d) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—In the case of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) the following is the applicable rate schedule:

"If the amount on which the tax is to be determined is:	The tax is:
Not over $1,100	14% of taxable income.
Over $1,100 but not over $2,100.	$154, plus 16% of excess over $1,100.
Over $2,100 but not over $4,200.	$314, plus 18% of excess over $2,100.
Over $4,200 but not over $6,200.	$692, plus 19% of excess over $4,200.
Over $6,200 but not over $8,500.	$1,072, plus 21% of excess over $6,200.
Over $8,500 but not over $10,600.	$1,555, plus 24% of excess over $8,500.
Over $10,600 but not over $12,700.	$2,059, plus 26% of excess over $10,600.
Over $12,700 but not over $15,900.	$2,605, plus 30% of excess over $12 700.
Over $15,900 but not over $21,200.	$3,565, plus 34% of excess over $15,900.
Over $21,200 but not over $26,500.	$5,367, plus 39% of excess over $21,200.
Over $26,500 but not over $31,800.	$7,434, plus 44% of excess over $26,500.
Over $31,800 but not over $39,200.	$9,766, plus 49% of excess over $31,800.
Over $39,200	$13,392, plus 50% of excess over $39,200.

"(e) SEPARATE RETURNS BY MARRIED INDIVIDUALS; ESTATES AND TRUSTS.—In the case of—

"(1) every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013, and

"(2) every estate and trust taxable under this subsection,

the following is the applicable rate schedule:

"If the amount on which the tax is to be determined is:	The tax is:
Not over $1,050	14% of taxable income.
Over $1,050 but not over $2,100	$147, plus 16% of excess over $1,050.
Over $2,100 but not over $4,250.	$315, plus 18% of excess over $2,100.
Over $4,250 but not over $6,300.	$702, plus 21% of excess over $4,250.
Over $6,300 but not over $8,400.	$1 132.50, plus 24% of excess over $6,300.
Over $8,400 but not over $10,600.	$1,636.50, plus 28% of excess over $8,400.
Over $10,600 but not over $13,250.	$2,252.50, plus 32% of excess over $10,600.
Over $13,250 but not over $15,900.	$3,100.50, plus 37% of excess over $13,250.
Over $15,900 but not over $21,200.	$4,081, plus 43% of excess over $15,900.
Over $21,200 but not over $28,300.	$6,360, plus 49% of excess over $21,200.
Over $28,300	$9,839, plus 50% of excess over $28,300."

(b) DETERMINATION OF INCOME.—Section 63 (defining taxable income) is amended to read as follows:

"SEC. 63. TAXABLE INCOME DEFINED.

"(a) CORPORATIONS.—For purposes of this subtitle, in the case of a corporation, the term 'taxable income' means gross income minus the deductions allowed by this chapter.

"(b) INDIVIDUALS.—For purposes of this subtitle, in the case of an individual—

"(1) PERSONAL SERVICE TAXABLE INCOME.—The term 'personal service taxable income' means personal service income reduced by so much of the allowable deductions as the individual elects to allocate against such income.

"(2) NONPERSONAL SERVICE TAXABLE INCOME.—The term 'nonpersonal service taxable income' means gross income reduced by the sum of—

"(A) personal service income, plus

"(B) so much of the allowable deductions as are not allocated against personal service income under paragraph (1).

"(3) TAXABLE INCOME.—The term 'taxable income' means gross income minus the allowable deductions.

"(4) ALLOWABLE DEDUCTIONS.—The term 'allowable deductions' means—

"(A) in the case of an individual who elects to itemize his deductions, the deductions allowed by this chapter, or

"(B) in the case of any other individual, the sum of—

"(i) the deductions allowable in arriving at adjusted gross income,

"(ii) the deductions for personal exemptions provided by section 151, and

"(iii) the standard amount.

"(c) STANDARD AMOUNT.—For purposes of this subtitle—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'standard amount' means—

"(A) $3,400 in the case of—

"(i) a joint return under section 6013, or

"(ii) a surviving spouse (as defined in section 2(a)),

"(B) $2,300 in the case of an individual who is not married and who is not a surviving spouse (as so defined),

"(C) $1,700 in the case of a married individual filing a separate return, or

"(D) zero in any other case.

"(2) SPECIAL RULE FOR CERTAIN DEPENDENTS.—In the case of an individual with respect to whom a deduction under section 151 (e) is allowable to another taxpayer for a taxable year beginning in the calendar year in which the individual's taxable year begins, the terms 'standard amount' shall not exceed such individual's earned income (as defined in section 911(b)) for such taxable year.

"(d) PERSONAL SERVICE INCOME.—For purposes of this section—

"(1) IN GENERAL.—The term 'personal service income' means any income which is earned income within the meaning of section 401(c)(2)(C) or section 911(b) or which is an amount received as a pension or annuity which arises from an employer-employee relationship or from tax-deductible contributions to a retirement plan. For purposes of this paragraph, section 911(b) shall be applied without regard to the phrase ', not in excess of 30 percent of his share of net profits of such trade or business,'.

"(2) EXCEPTIONS.—The term 'personal service income' does not include amount—

"(A) to which section 72(m)(5), 402(a)(2), 402(e), 403(a)(2), 408(e)(2), 408(e)(3), 408(e)(4), 408(e)(5), 408(f), or 409(c) applies; or

"(B) which is includible in gross income under section 409(b) because of the redemption of a bond which was not tendered before the close of the taxable year in which the registered owner attained age 70½.

"(e) ITEMIZED DEDUCTIONS.—For purposes of this subtitle, the term 'itemized deductions' means the deductions allowable by this chapter other than—

"(1) the deductions allowable in arriving at adjusted gross income, and

"(2) the deductions for personal exemptions provided by section 151.

"(f) ELECTION TO ITEMIZE.—

"(1) IN GENERAL.—Unless an individual makes an election under this subsection for the taxable year, no itemized deduction shall be allowed for the taxable year. For purposes of this subtitle, the determination of whether a deduction is allowable under this chapter shall be made without regard to the preceding sentence.

"(2) WHO MAY ELECT.—Except as provided in paragraph (3), an individual may make an election under this subsection for the taxable year only if such individual's itemized deductions exceed the standard amount.

"(3) CERTAIN INDIVIDUALS TREATED AS ELECTING TO ITEMIZE.—The following individuals shall be treated as having made an election under this subsection for the taxable year:

"(A) a married individual filing a separate return where either spouse itemizes deductions,

"(B) a nonresident alien individual, and

"(C) a citizen of the United States entitled to the benefits of section 931 (relating to income from sources within possessions of the United States).

"(4) TIME AND MANNER OF ELECTION.—Any election under this subsection shall be made on the taxpayer's return, and the Secretary shall prescribe the manner of signifying such election on the return.

"(5) CHANGE OF TREATMENT.—Under regulations prescribed by the Secretary, a change of treatment with respect to the standard amount and itemized deductions for any taxable year may be made after the filing of the return for such year. If the spouse of the taxpayer filed a separate return for any taxable year corresponding to the taxable year of the taxpayer, the change shall not be allowed unless, in accordance with such regulations—

"(A) the spouse makes a change of treatment with respect to the standard amount and itemized deductions, for the taxable year covered in such separate return, consistent with the change of treatment sought by the taxpayer, and

"(B) the taxpayer and his spouse consent in writing to the assessment, within such period as may be agreed on with the Secretary, of any deficiency, to the extent attributable to such change of treatment, even though at the time of the filing of such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

This paragraph shall not apply if the tax liability of the taxpayer's spouse, for the taxable year corresponding to the taxable year of the taxpayer, has been compromised under section 7122.

"(g) MARITAL STATUS.—For purposes of this section, marital status shall be determined under section 143."

(c) REPEAL OF MAXIMUM RATE ON PERSONAL SERVICE INCOME.—Part VI of subchapter Q of chapter 1 is hereby repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980.●

● Mr. KASTEN. Mr. President, the American people now save less than any other people in the Western World. Astonishing, but true.

From 1960 to 1973, U.S. investment as a percentage of GNP was just 17.5 percent, compared with 35 percent in Japan. Since 1977, the U.S. savings rate has continued to drop, falling below 4 percent in the first quarter of 1980. And not surprisingly, the United States has experienced actual declines in both productivity and real disposable income over the same period.

Why is our savings rate so low? Have the American people suddenly given up in providing for the future? Clearly not. We have a savings crisis in this country because savers respond to economic incentives, and the incentives for saving have been eroded by a combination of inflation and high marginal tax rates. The rate of return on savings has been declining, year after year.

To make money by saving, you have to get a nominal rate of return that is sufficient not only to overcome inflation, but to overcome the tax rate on that nominal income. Suppose inflation is 20 percent, and you are lucky enough to get a 11-percent return on your money. In the 30-percent income tax bracket, your aftertax return is only 7.7 percent—which means a 2.3-percent loss of real income.

Under current law, earned and unearned income are added together to obtain taxable income, stacking one on top of the other to reach the higher tax brackets. So interest and dividends are the highest taxed income an individual can receive.

Instead of wondering why our savings rate is so low, maybe we should be asking why anyone is saving at all.

Today I am pleased to join with Senator ROTH and Senator BENTSEN in introducing the Savings Expansion Act of 1981. Our bill would cut these high marginal tax rates on saving, and give every American an incentive to save more of his or her income, to pull a substantial amount of savings out of tax shelters and into more productive investments, and to encourage capital formation and economic growth.

The Savings Expansion Act would stimulate saving by allowing each taxpayer to compute a tax on earned income alone, and on unearned income alone, and then add the taxes together. Each type of income would rise only through as many brackets as the amount would warrant. The result would be a dramatic reduction in the marginal tax rate on increased saving and investment.

The average family of four making $25,000 a year now pays 24 cents in taxes for every extra dollar of savings interest earned. Our bill would reduce that tax immediately to 14 cents for every dollar of savings income, and when the Reagan tax-cut package goes into effect, the tax on savings will be even lower—10 cents on each additional dollar.

That means the marginal tax on savings for the average family of four would be more than cut in half.

The best way to increase the rate of savings in this country is to reduce the marginal tax rate on the next dollar of interest or dividend income an individual earns. The Savings Expansion Act would do just that.

Mr. President, saving and investment are the keys to economic growth, and we need economic growth to see the kind of job creation, social gains, and rising standard of living that used to be commonplace in America.

I am proud to join today in introducing this legislation, which will go a long way toward restoring a high U.S. savings rate, toward boosting American productivity, and toward strengthening our ability to compete both at home and abroad.●

By Mr. ROTH:

S. 938. A bill to amend section 304 of the Congressional Budget and Impoundment Control Act of 1974 to require a two-thirds vote for the adoption of any concurrent resolution on the budget for a fiscal year which revises the concurrent resolution on the budget most recently agreed to for such fiscal year if the appropriate level of total budget authority or total budget outlays or the recommended level of Federal revenues set forth in the concurrent resolution on the budget making such revisions exceeds the appropriate level of total budget authority or total budget outlays or the recommended level of Federal revenues, as the case may be, set forth in the first concurrent resolution on the budget for such fiscal year; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977.

LEGISLATION TO AMEND THE CONGRESSIONAL BUDGET ACT OF 1974

Mr. ROTH. Mr. President, today, I am introducing legislation to amend the Congressional Budget Act of 1974 to give the Congress better control over the growth of the Federal budget. After Congress passes the first budget resolution each year, this legislation would require a two-thirds vote to pass subsequent budget resolutions which contain budget increases. For the first time since the budget process was put into effect, the Congress will be forced to take seriously the spending and revenues ceilings set in the first budget passed.

This bill is very similar to an amendment I offered when the Budget Act was considered in 1974. I believed then, as now, that the focus of the Congress should be on passing a first budget resolution and sticking to it. Without a process designed to restrain the Congress from ignoring budget ceilings set in the first budget resolution, those ceilings will be forgotten.

In fact, in the past 2 years in particular the totals set have been ignored. In fiscal year 1980, the Congress passed a first budget resolution with outlay totals of $532 billion. Actual spending for fiscal 1981 increased to $579 billion. Last year, the deterioration of the process was fully exposed. The Congress passed a budget last May with spending at $614 billion. Projections of actual spending now range from $655 to $660 billion.

The erosion of the ceilings set in the first budget resolution raises the fundamental question of whether Congress should even bother to pass a budget each year. I emphatically believe we should. But the practice of ignoring the totals in the first budget resolution reduces the budget process to a simple matter of adding up spending programs each year, then printing enough money or allowing taxes to rise sufficiently to fund them. Congress should instead determine overall budget ceilings on the basis of sound fiscal policy and only then determine spending priorities.

The Congress is desparately in need of a budget process which encourages and facilitates fiscal discipline. Without a first budget resolution with teeth the budget process could become nothing more than a time schedule for passing irrelevant resolutions.

The legislation I am introducing today is a vital first step in restoring the discipline to the budget process which it rightfully should have. When the first budget process targets for budget authority, spending and revenues are set, they will be adhered to unless two-thirds of the Senate or House present and voting believe they should be changed. This will preclude the passing of a politically attractive budget in the first budget resolution and casting it aside a few short months later. This bill will introduce some much needed discipline and certainly into the budget process and will greatly improve the heretofore negligible ability of the Congress to control the Federal budget.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Congressional Budget and Impoundment Control Act is amended by inserting "(a) Revisions Permitted.—" before "At" and by adding at the end thereof the following new subsection:

"(b) TWO-THIRDS VOTE REQUIRED.—Beginning with the fiscal year ending on September 30, 1982, if any concurrent resolution on the budget for a fiscal year which revises the concurrent resolution on the budget most recently agreed to for such fiscal year, or the conference report on any such concurrent resolution on the budget, sets forth for such fiscal year an appropriate level of total budget authority or total budget outlays or a recommended level of Federal revenues which is greater than the appropriate level of total budget authority or total budget authority or total budget outlays or the recommended level of Federal revenues, as the case may be, set forth in the concurrent resolution on the budget for such fiscal year adopted under section 301, the question of agreeing to the concurrent resolution on the budget making such revisions or any conference report thereon, in either the

House of Representatives or the Senate, shall be determined by the affirmative vote of two-thirds of the Members present and voting (a quorum being present), by roll-call vote.".

By Mr. EAGLETON (for himself, Mr. BIDEN, Mr. CRANSTON, Mr. DANFORTH, Mr. KENNEDY, Mr. MATHIAS, Mr. METZENBAUM, Mr. RANDOLPH, Mr. RIEGLE, Mr. WEICKER, and Mr. WILLIAMS):

S. 939. A bill to authorize the appropriations for the Legal Services Corporation for fiscal years 1982, 1983, and 1984, and to encourage the use of private attorneys in the provision of legal services under that act, and for other purposes; to the Committee on Labor and Human Resources.

REAUTHORIZATION OF THE LEGAL SERVICES CORPORATION

● Mr. EAGLETON. Mr. President, today, on behalf of myself and Senators BIDEN, CRANSTON, DANFORTH, KENNEDY, MATHIAS, METZENBAUM, RANDOLPH, RIEGLE, WEICKER, and WILLIAMS, I am introducing legislation to extend the authorization for appropriations for the Legal Services Corporation for 3 additional years, and also to expand emphasis on the private bar in delivering local legal services programs.

If the very concept of equal justice under the law, upon which our Nation was founded, is to have any meaning in our adversary system of legal representation, then every individual must be provided the means whereby he can enforce his rights and redress his grievances.

The federally funded legal services program began modestly in 1965 as a $600,000 pilot program under title II of the Economic Opportunity Act. From its earliest days, it has been an embattled program by its very nature. Much of the litigation handled by legal services lawyers has placed it in direct conflict with government and thus it has been threatened by interference within the executive branch, by Governors' vetoes, and by congressional efforts to restrict the ability of an attorney to represent his client.

Recognizing the inherent conflict between legal services programs, and other government entities, in May 1971, President Nixon, following recommendations by the American Bar Association and his own Commission on Executive Organization, proposed legislation to have the program transferred to a new independent nonprofit corporation.

At the time an independent corporation was proposed, then Director of OEO Frank Carlucci highlighted the controversy as follows:

> It is an act of great self-confidence for a government to make resources available for testing the legality of government practices. We have written laws and created government agencies that provide food for people who are hungry, homes for people who are homeless, and jobs for people who are unemployed.
>
> Consequently, a lawyer who is going to represent poor people is inevitably going to be an advocate for them against governmental agencies. It is to shield legal services from the repercussions generated by suits of this kind as well as those generated by action against private interests that the President proposes creation of an independent legal services corporation.

I can remember no other measure in my years in the Senate which was so hotly contested, deliberated upon for so long, and which finally won the support of so many with widely divergent political and ideological points of view.

Now this administration wishes to set the clock back 8 years by wiping out the Corporation and including legal services as an authorized activity within the social services block grant. The administration's budget document goes on to say that "increased pro bono efforts by private attorneys, as part of their professional responsibility, are a major way of augmenting legal services activities financed by the block grant."

Mr. President, stated quite simply, this approach will not and cannot work.

It is totally unrealistic to expect that the States will move forward to provide an effective civil legal services program for their poor. Only about 1 percent of the funding for such services is now being provided by the States. The inherent conflicts of interest, combined with the States' historical nonrole in civil legal services, gives no indication that the States are willing or able to assume the role of provider of legal services to the poor.

As for the pro bono efforts of the private bar, this administration knows well that those efforts, while growing steadily, are simply inadequate. Private attorneys have attempted to address the obstacles to equal justice for the economically disadvantaged since 1876, when the first formal private legal services program was established in New York. Numerous legal aid and public defender programs developed in the early 1900's, and have grown tremendously during this century. Despite these activities, it was and is apparent to everyone that this voluntary effort to provide the poor access to our justice system, while significant, was meeting only a small percentage of the legal needs of the poor.

For these reasons, Mr. President, 10 of my colleagues and I believe that anything short of reauthorization of an independent Corporation is repugnant to the constitutional requirement of equal justice under law.

I am very much aware of the concerns many of my colleagues may have about certain aspects of the Corporation's activities, and quite frankly, I have been distressed with the Corporation's activities in the areas of lobbying and political activity. I understand that my colleague from Missouri, Senator DANFORTH, has similar concerns, and I look forward to working with him in modifying the existing restrictions and safeguards in the statute to insure that all of the resources of the Corporation are focused squarely on the provision of civil legal assistance to eligible clients.

Further, I am concerned that the existing language relating to abortion in the act does not prohibit all litigation that is related to abortion. It is my strong belief that taxpayers' funds should not be used in any instance to promote abortion, and more specifically in this case, that taxpayers dollars should not be employed in litigating to permit life to be taken. I intend to introduce an amendment to this bill to replace the current abortion restriction in the statute with a flat prohibition that Corporation funds cannot be used "to provide legal assistance with respect to any proceeding or litigation which relates to abortion," and ask that the amendment be held at the desk until such time as the reauthorization of the Corporation is considered by the full Senate.

The concerns outlined above are, to my mind, real abuses in the legal services process, but I believe there is an overriding importance that the mechanism for attempting to achieve equal justice under law continue.●

● Mr. MATHIAS. Mr. President, I join Senator EAGLETON in introducing legislation to reauthorize the Legal Services Corporation for the next 3 years. I am taking this step despite the administration's apparent intention to eliminate funding for the Corporation entirely from next year's budget because I believe legal services for the poor play an indispensable role in affirming our Nation's constitutional ideal of equal justice for all. For this reason, I urge all my colleagues to support this important measure for insuring continued access to our country's system of justice for low-income individuals and families.

Seven years ago Congress created this private, nonprofit organization to provide legal assistance to the poor. Since then, the Corporation has worked to build an effective network of legal services programs for poor persons who before had all too often been unable to obtain legal assistance. It now funds and monitors 325 local programs working through 1,450 offices located around the country, and it has achieved its initial goal for a minimum access quota of two attorneys for every 10,000 poor persons. In 1980, programs funded by the Legal Services Corporation served more than 1.2 million indigent clients in the panoply of legal problems facing the needy nationwide, including unwarranted utility cut-offs, eviction cases, consumer fraud matters, and employment problems.

At a time when eliminating Government waste is the order of the day, it is important to note that the Corporation has been a model of efficiency, spending less than 2 percent of its budget on management and administration, with all the rest going to the provision, support, and monitoring of its legal service programs. Despite the progress that has been made, the need for legal services remains far greater than the capacity of the Corporation to accommodate, and every field office is compelled to make hard, painful choices within the large range of legitimate appeals they receive for help. In keeping with the need for strict fiscal austerity, the modest reauthorization bill we are submitting today merely maintains legal services funding at its current fiscal year 1981 level for next year, and does not specify in advance the levels for the following 2 years.

The record shows that legal services have born fruit throughout the country. I am particularly proud of what Mary-

land has been able to accomplish with the help of the Legal Services Corporation. I ask that a recent Baltimore Sun article on this subject, written by the Attorney General of Maryland, Stephen H. Sachs, be printed in the RECORD following my remarks.

Since its beginning, our Nation has consistently been dedicated to the cause of equal justice for all. In the past few years, the Legal Services Corporation has been an integral part in helping us maintain that commitment. It must be reauthorized.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEGAL AID IS ESSENTIAL TO OUR SYSTEM

(By Stephen H. Sachs)

President Reagan's budget cutters want to kill the federally funded Legal Services Corporation, whose 5,000 lawyers serve the legal needs of nearly 30 million citizens who live in poverty.

The attorney general of a state that has frequently been sued by the corporation's local outpost, Legal Aid, might be expected to anticipate the last rites more in satisfaction than in sorrow. As my mother-in-law would put it, I need additional costly legal challenges like I need "water in my shoes," especially when Maryland's legislative axes are busily biting into the sinew and bone of an already lean state budget.

But the truth of the matter is that we all need the Legal Services Corporation very much. In fact, of all the trumpeted economies of the new team in Washington, I can't think of any that is more wrong-headed—and mean-spirited—than the plan to scuttle Legal Services.

For many, it is a matter of fundamental fairness. Government at all levels has armies of lawyers on public payrolls to counsel, to sue and to defend against suit. Corporations have found it increasingly necessary to rely on expensive legal advice, which is recognized as a legitimate business expense and subsidized through substantial tax deductions.

The poor have legal problems, too. Big ones. Even their "routine" encounters with the law—injury at work, eviction, divorce—are aggravated by the unremitting bleakness of poverty. Most of us will never know what it is like to fight an unlawful eviction notice—alone.

But the poor also live in symbiotic relation to a faceless bureaucracy that administers a complex web of regulations governing welfare, Medicaid, unemployment insurance and all the other support services, that even the new administration regards as a "safety net" for the poor. For such citizens, a bureaucratic error or an administrator's carelessness can produce a life crisis.

Imagine, for example, the effect on a family when a father is injured on the job and is mistakenly denied his application for a $375 monthly disability allowance. It happens. Few of us would think of facing such a judgment uncounseled, or of suffering it quietly if grounds for challenge exist.

Many of the poor, however, not only have no way of knowing that an error was committed; they don't know where and by whom the decision was made. Comprehending the forces that control your life is a bit of a luxury at $8,200 a year, Legal Services' poverty line for a family of four.

For the poor, living with the possibility of a shattering and incomprehensible injustice is the badge of their condition. Legal Services is an attempt to alleviate that condition. The program's simple credo is that a nation that professes a belief in "equal justice" should not permit poverty to weigh so heavily on the scales of justice.

When Legal Services lawyers serve their clients they also help to enforce the law. The criminal law, of course, is enforced by federal and state prosecutors and police. But most laws are civil statutes that create legal rights and protections owed to citizens by government. Thus, just as the law protects a local business from a takeover by a foreign corporation or confers on an oil company rights to a depletion allowance to encourage exploration, so too, does the law give citizens living in poverty certain rights and entitlements to medical treatment, rent supplements and food.

In a perfect world, all of these laws and regulations would be models of clarity perfectly administered. In fact, however, because of the increasing complexity of the law, fiscal pressures on public officials and the occasional inattention or ignorance of administrators, the civil law frequently depends for its administration and implementation—its enforcement, in other words—on the administrative claims or lawsuits pressed by the affected parties themselves.

Our legal system expects and depends upon this sort of private law enforcement. For corporations and most citizens, such claims are pressed by corporate lawyers and the private bar. For the poor, that enforcement role has been played—quite successfully—by Legal Services Corporation lawyers. Here in Maryland, for example, suits by Legal Aid lawyers have:

Regained unemployment compensation for 24,000 Marylanders whose benefits were reduced because of an erroneous interpretation of law by a state agency.

Restored Medicaid services to 188,000 Marylanders, mostly elderly and children, whose aid was improperly terminated.

Guaranteed indigent veterans and their widows a right to be heard before termination or suspension of monthly veterans' or widows' benefits.

Established the right of all citizens to a hearing before involuntary commitment to state mental hospitals.

These are only some of Legal Aid's victories in Maryland courts. Legal Services lawyers have prevailed in scores of similar suits around the country. They also, of course, press claims and file suits that do not, and should not, prevail. When they do, my office, and my local and federal counterparts, vigorously oppose them. Legal Services' lawsuits, in other words, are sometimes "wrong." It may also be that some of the corporation's practices, like its aggressive and indiscriminate pursuit of attorney's fees in every civil rights case, need rethinking.

But as we have seen, Legal Services lawyers are often "right." And when they are "right" they have not only won dollars or services or protection for their clients, they have enforced the law, and they have made our proud boast about "the rule of law" a reality for millions of Americans.

Many of these enforcement successes have seriously antagonized some of Legal Services' critics, most notably Mr. Reagan. These critics resist and resent the notion that Legal Services lawyers rattle establishment cages—especially when they win, as they often did in California when Mr. Reagan was governor. To the extent that these successes have endangered Legal Services' survival, it might be said that the organization sued "not wisely but too well."

The critics believe that Legal Services' attention should be limited to the specific legal problems of the individual indigent client who seeks advice—a divorce, a Social Security claim, a dispute with a landlord. They appear to view poverty law as a kind of charitable calling whose practitioners, like some medieval friars, wonder among the poor dispensing legal alms. The view is not ungenerous. It is, however, a form of noblesse oblige—American style. "Oh, look dear, the poor have divorce lawyers just like us!".

But this narrow view of the Legal Services program overlooks the fact that with one attorney for every 6,000 poor people, filing class action lawsuits is good lawyering and often the only way in which Legal Services lawyers can represent their clients. In so doing, these lawyers play exactly the same role as that quite properly played by counsel for industry, labor, trade associations and special interest groups of all kinds when they seek to enforce the civil law for the benefit of their clients.

Finally, Legal Services lawyers ensure that the adversary process—the engine that drives our judicial system—runs well. The root premise of the adversary system is that "the truth," or its closest approximation, is most likely to emerge from the clash of competing courtroom forces, the forceful presentation of opposing views of the law and the facts and the testing of witnesses by vigorous cross-examination. It resembles familiar economic models in its assumption that competitors, each acting in its own self-interest, will produce the most socially desirable result.

But for the system to work, the fight must be fair. Only if both sides are ably represented by lawyers who have the time and the energy to research and investigate and prepare can we be confident that the decision-makers, judges and juries, will do—or approximate—justice.

The sound working of the adversary system is uniquely important in the United States. Due no doubt to our federal structure and our written Constitution, almost every great cause eventually becomes a legal issue to be decided finally by the courts.

Lawyers, some feel, are too much with us in America. An Englishman once called us a race of lawyers. We undoubtedly litigate too often about too little and misuse the courts to resolve disputes best handled by mediation and arbitration.

But it surely is little exaggeration to say that a reader of the Supreme Court Reports is as well informed about the nature and quality of life in America as is a reader of the New York Times or the Sun. It is difficult to disagree with the notion that courts—which decide almost every issue of public concern, from busing and abortion to prison overcrowding and prayers in schools—have as much to do with governing this country as do presidents, governors and legislators.

Access to the judicial system in this country, then, is access to government itself. Denial of access amounts to a special kind of disenfranchisement. Such a thing would not only cheapen our claims to be a democratic society. It would invite the fatal flaw of every closed society—creation of a bitter underclass with no confidence or stake in the system, ready to abandon rational discourse and to settle its mounting grievances in the streets. And it would come at the worst possible time—when the summary dismantlement of federal programs places the poor in greatest need of legal counsel.

It hasn't been so long ago that we sanctified the sweatshop in the name of "liberty of contract" and perpetuated badges of slavery in the name of "separate but equal." Goldsmith's observation that "Laws grind the poor and rich men rule the law" has, unfortunately, more than a little modern application. But many lawyers, in public and private practice, work very hard all their professional lives to blunt what truth there is in that statement.

Legal Services lawyers are among them. They shou'd be permitted to continue their valuable work. They help make "equal justice under law" more than an empty phrase.

● Mr. KENNEDY. Mr. President, I am pleased to be able to join today with the

distinguished Senator from Missouri (Mr. EAGLETON) and a bipartisan group of Senators to introduce legislation to maintain federally funded legal services to the poor through the Legal Services Corporation.

This measure would authorize the Legal Services Corporation for another 3 years. It would maintain the current $321 million level of funding. And it would keep faith with the principle of equal access to our system of justice for all Americans.

Too often, in the past, there has been a double standard of justice, one for those able to afford lawyers to explain their rights and defend them in the courts and another for the poor who neither knew their rights nor had anyone to defend them.

As a result, the poor have been evicted, swindled, and exploited in the past. The Legal Services Corporation has broken this past pattern. It has extended the protection of law to the poor in countless areas of daily life. It has helped the elderly to secure social security benefits. It has enabled families to keep their homes.

It has enabled children to avoid being forced into programs for the mentally retarded without any evaluation of their intelligence. It has protected mothers left without money to feed their families when a benefit check stopped.

It has given to poor Americans the means to achieve a hearing and a legal remedy when their rights have been threatened.

Legal Services began with the Economic Opportunity Act in 1965. It had the thoughtful leadership and support of Supreme Court Justice Lewis Powell, then president of the American Bar Association.

It demonstrated a remarkable capacity to respond to local needs and to local concerns.

Inevitably, there was concern that, as the program grew, political pressures might be exerted on attorneys, pressures which might inhibit their ability to fully represent their clients. The underlying importance of an attorney complying with the canon of ethics was understood and accepted by all concerned.

It was in that context that the proposal was put forward to make the legal services program independent, governed by a separate board of directors. It was adopted with bipartisan support and signed into law by a Republican President in July 1974.

Since 1975, the Corporation has sought to respond to its mandate to provide legal assistance to the poor. It has achieved a national coverage, assuring an average of 2 attorneys for each 10,000 poor people. For the first time, the poor in every section of this land can find legal counsel.

A year ago, it was able to serve some 1.2 million persons. And in its administration of the funds appropriated by the Congress, it has avoided any extensive overhead, limited the actual administration to some 3 percent of the total funds. In fact, 93 percent of its funds go directly to provide legal services at the local level.

The programs operating in different parts of the country are governed by locally selected boards. Sixty percent of the board members also have to be local attorneys. In this way, priorities for each program are established at the local level.

Contrary to the unfounded allegations put forth by its critics, the overall distribution of legal services activities turns out to be on basic issues of survival—food, shelter, health, and income. "Family" issues spanning adoption, divorce, supports, spouse abuse, and custody constituted 30 percent of legal matters handled by legal services attorneys. Income maintenance and housing constituted the next largest category of legal problems, followed by consumer protection.

The bill we are presenting encourages the Corporation to work even more closely with the local bar in achieving their participation in meeting the legal needs of the poor.

But for any who believe that turning this responsibility over to the private sector is acceptable, I would emphasize that the private bar emphatically supports this measure to extend the life of the Legal Services Corporation.

The current president of the American Bar Association has written to oppose efforts to eliminate the Legal Services Corporation.

Every president of the ABA since 1965 has endorsed the legal services program. They recognize that the private bar alone cannot fulfill this need.

In my own State of Massachusetts, I am proud that the extension of the Legal Services Corporation has been endorsed by the organized bar, by judges, and by the highest judicial court in the Commonwealth.

Frequently opponents of legal services argue that the program is an agent of social or political change. They overlook the reality of how the law works. They disregard the fundamental truth that legal services attorneys represent actual people—poor Americans with critical legal problems. They win only when the courts find that their clients are being treated improperly, unfairly, and illegally.

If, as a matter of law, individuals are being denied their rights, then the act of exposing that denial through legal action may produce change, but only change that is in accordance with the law.

If this legislation is not adopted, the vast majority of the legal services offices—many of them in storefronts in major cities or scattered through the poorest rural counties in America—would have to close their doors.

The underpinning that the Legal Services Corporation provides to the principle of equal access to justice would come tumbling down.

And we would return to a time when a double standard of justice existed, one that protected only those who could afford it.

In 1981, this Nation cannot step back into the past. Instead, we must take even more vigorous steps to assure that this Nation continues to move closer to the ideal of equal access and equal justice for every American citizen.●

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 940. A bill to encourage corporations to donate certain historical film to educational organizations by increasing the limit on the charitable contribution deduction of such corporations; to the Committee on Finance.

CORPORATE CONTRIBUTIONS OF HISTORIC FILMS

Mr. THURMOND. Mr. President, I am pleased to introduce today legislation to encourage corporations to donate certain historical newsreel film to qualified educational organizations by increasing the limit on the charitable contribution tax deduction available to such donor corporations. The distinguished junior Senator from South Carolina (Mr. HOLLINGS) joins with me in this sponsorship. Similar legislation was introduced last year in the Senate by me, and in the House by Congressman HOLLAND of South Carolina's Fifth Congressional District, but there was insufficient time for the bills to be considered prior to the adjournment of the 96th Congress.

This bill is motivated by the commendable decision of the Twentieth Century-Fox Corp. to donate its library of historic newsreel film to the University of South Carolina, and also by the announced intention of the Hearst Corp. of New York to make a similar gift of its newsreel film library to another major university within the near future. Out of a concern that the national interest would be served by an amendment to the tax code designed to encourage and facilitate these generous donations of film depicting actual historical events as they happened, we have authored this legislation.

Mr. President, the Fox film library, presently in the custody of the wholly owned subsidiary, Movietonews, Inc., is truly a magnificent, priceless collection of historical records. It is by far the largest and most complete newsreel library in the world, consisting of some 50 million feet of both silent and sound film which depicts U.S. and world history for the years 1919 through 1963 The film in this collection takes the viewer back almost to the beginning of the motion picture era. It will be prepared and exhibited at the University of South Carolina in a $45 million fine arts center which the university is constructing to, among other purposes, house the collection. In the setting of this new arts center, students and researchers will be able to relive momentous historical events.

This generous gift will enable millions of Americans in years to come to gain knowledge and enjoyment from a truly remarkable historical collection. While the Movietonews library has been appraised at some $115 million, in reality it is a priceless gift unequaled by any other collection in the world. Needless to say, the outstanding president of the University of South Carolina, Dr. James B. Holderman, and the citizenry of our State feel honored and privileged to be the recipients of this wonderful donation.

The Hearst Corp. Metrotone News film library consists of approximately 25 to 30 million feet of film. While not as voluminous as the Fox gift, this library is

outstanding and of great historic value in its own right. Included in the collection are film clips covering the period 1895 to 1967, with footage of such powerful historical figures as Presidents William McKinley and Theodore Roosevelt, Buffalo Bill Cody, and others. The eventual donee of the entire Hearst Metrotone News film library will be the proud recipient of a comprehensive, noteworthy collection.

Mr. President, this legislation is designed to encourage, facilitate, and expedite these two phenomenal donations by a limited, temporary liberalization of certain provisions of the Internal Revenue Code. Under current Federal corporate income tax law, a corporation may take a deduction against taxable income for charitable gifts to an organization qualified under section 170(b) of the Internal Revenue Code, such as a university. This deduction is limited to 5 percent of the corporate taxpayer's taxable income in 1 year, and any excess charitable contribution may be carried forward for 5 years. This bill would amend section 170 of the Code in a carefully limited manner to extend the present limit of 5 percent to 30 percent for the years 1981 through 1987, and only in the case of corporate contributions of historical film to educational organizations.

There may be a need at some future time to increase the charitable deduction for all corporate taxpayers, but this bill is deliberately narrowly drawn to facilitate these two gifts of great historic value. While this change may have a small, short-term effect on tax revenues, in the long term, there would be no revenue effect, since the proposed change merely represents a timing difference in the making of a series of film stock gifts to the University of South Carolina—in the case of the Fox Movietonews donation—and to another qualified educational institution—in the case of the Hearst Metrotone Library.

Mr. President, the donor corporations, joined by the University of South Carolina as recipient of the movietonews gift, have requested this limited change in the Tax Code in order that the donations can be completed as soon as practicable, rather than being delayed over many years in order for the corporate donors to "fit" the gifts within the narrow limitations of the present provisions of the Code.

Furthermore, in the case of both film libraries, a substantial amount of footage is on explosive, deteriorating nitrate film stock, which the corporate donees are willing to convert at their own expense to safety film stock.

Approximately half of the Fox Movietonews library, including much of the important World War II footage, is on explosive nitrate stock. Fox plans to expend $5 to $6 million over the next 6 years to convert this fragile, dangerous nitrate film to safety stock, in order to assure safe preservation of the entire library for the educational and scholarship purposes contemplated by the University of South Carolina. Fox is both wise and generous in its decision to perform this conversion at its own expense.

The corporation wants to do everything it can to avoid the possible loss of this invaluable library, as occurred at the National Archives' Suitland, Md., film vault in 1978, when a fire destroyed about 12.5 million feet of newsreel film previously donated by Universal Studios. This limited change in the Tax Code will make it more economically feasible for Fox to undertake this conversion project as rapidly as possible in order to preserve the library for posterity and complete the series of gifts as soon as practicable.

Mr. President, I believe this very limited, temporary change in the Federal income tax laws would promote an important national goal—the preservation for posterity of historic resources. It is my understanding that these two film libraries are the only remaining significant collections of historic newsreel stock held today by American corporations. Preservation of these historic treasures in the setting of major educational institutions as proposed certainly serves the national interest.

I, therefore, hope this bill can receive prompt, favorable consideration in order to facilitate these outstanding gifts and thus insure the safe, effective preservation of this historic material for the benefit of present and future generations.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN LIMIT ON CHARITABLE CONTRIBUTION DEDUCTION.

(a) IN GENERAL.—In the case of any qualified film contribution, paragraph (2) of section 170(b) of the Internal Revenue Code of 1954 (relating to percentage limitation on charitable contributions of corporations) shall be applied by substituting "30 percent" for "5 percent".

(b) ORDER OF APPLICATION.—For purposes of applying subsections (b)(2) and (d)(2) of section 170 of such Code, contributions other than qualified film contributions for all taxable years shall be taken into account before qualified film contributions.

(c) QUALIFIED FILM CONTRIBUTION DEFINED.—

(1) IN GENERAL.—For purposes of this section, the term "qualified film contribution" means any charitable contribution (within the meaning of section 170(c) of such Code)—

(A) by a corporation,

(B) to an organization described in section 501(c)(3) of such Code (exclusively for the purposes of such organization),

(C) of—

(i) motion picture film of actual events which were taking place at the time of the filming, and

(ii) library materials directly related to such film.

(2) FILM MUST HAVE BEEN HELD FOR 9 YEARS; DONOR MUST CONTRIBUTE ENTIRE INTEREST.—This section shall apply with respect to any film only if—

(A) the donor held the film for the 9-year period ending on the date of making the contribution, and

(B) the donor contributes its entire interest in such film.

(d) EFFECTIVE DATE.—This Act shall apply only to contributions made in taxable years beginning in 1981, 1982, 1983, 1984, 1985, 1986, or 1987.

● Mr. HOLLINGS. Mr. President, I am pleased to join with Senator THURMOND in sponsoring legislation to make a limited change in the tax law to increase the limit on corporate charitable contributions for corporations that donate certain historical films to educational institutions. These provisions would be effective from 1981 through 1987.

Movietonews, Inc., a wholly owned subsidiary of 20th Century-Fox Film Corp., is donating in a series of gifts all of its Movietonews Newsreel Library to the University of South Carolina. The Hearst Corp. owns similar property, the Hearst Metrotone News Film Library, which it intends to donate to a major university. It is my understanding that these are the only two remaining film news libraries that could benefit from the increased charitable contribution deduction.

The Movietonews Newsreel Library will be used by the University of South Carolina solely for educational and scholarship purposes. This library consists of approximately 50 million feet of film containing both silent and sound material of United States and world history for the years 1919 through 1963. Approximately 25 million feet of the library is on explosive nitrate stock; the use of "safety" film only came into use about 1952

In order to assure preservation of the library for the university's educational and scholarship purposes, Fox will expend approximately $5–$6 million in converting the nitrate film onto safety film stock. This conversion process will be effected as portions of the library are contributed to the university.

Fox is performing this conversion in order to preserve the library for posterity and to avoid a loss of the library as occurred at the National Archives' film vault building in Suitland, Md., on December 7, 1978. On that day, fire destroyed about 12.5 million feet of newsreel film which was previously donated to the National Archives by Universal Studios. At a conversion rate of 3–4 million feet of nitrate film per year, Fox's conversion plans will take 6–7 years.

In connection with this gift of the library, the university is in process of constructing a $45 million "Carolina Arts Center"; a significant portion of this new fine arts center will be used to house the library collection. The university presently plans to complete construction of the fine arts center in August 1984. The American Appraisal Co. has recently indicated a preliminary value of the library of approximately $115 million.

This limited change in the tax law would allow 20th Century-Fox an increased charitable gift deduction in the tax years 1981 through 1987. It would also accelerate converting the nitrate film, which is rapidly deteriorating, into safety film stock. Accordingly, it is vital that the series of gifts be completed as

soon as possible. Furthermore, this proposed change in present tax law would be in conformity with an important national goal, that is, the preservation of historic treasures such as the library.

Mr. President, I urge my colleagues to support this legislation.●

By Mr. THURMOND (for himself, Mr. GOLDWATER, Mr. CANNON, and Mr. HEINZ):

S. 941. A bill to authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately 500 U.S. airmen in Yugoslavia during World War II; to the Committee on Rules and Administration.

AMERICAN AIRMEN RESCUED BY GENERAL MIHAILOVICH

Mr. THURMOND. Mr. President, I send to the desk a bill to authorize the National Committee of American Airmen Rescued by Gen. Draza Mihailovich to erect a monument in Washington, with funds raised by the committee through a public subscription, dedicated to "General Draza Mihailovich, Savior of American Airmen."

The reason for having such a monument so designated stems back to World War II. During that war the United States and Great Britain initially supported the nationalist resistance movement in Yugoslavia, led by Gen. Draza Mihailovich. Due to a tragic combination of errors and mistaken information, the Allies withdrew their support from Mihailovich at the end of 1943 and backed the Communist resistance movement of Marshall Tito.

Despite his abandonment by the Allies and despite the merciless war waged against him by both the Communists and the Nazis during 1944, General Mihailovich and his forces, known as the Chetniks, succeeded in rescuing some 500 American airmen who were shot down over Yugoslavia. Most of these men were safely evacuated from Nazi-occupied Yugoslavia to Italy.

In 1948, President Harry S. Truman awarded posthumously the Legion of Merit to General Mihailovich for his heroics in rescuing American airmen and for his larger services to the Allied cause. Unfortunately, the American public was unaware of this award since the State Department, fearful of offending the sensitivities of the Yugoslavia Communist Government, made the award to Mihailovich "secret" for almost 20 years.

Since that time, a group of American airmen have organized themselves into a National Committee of American Airmen Rescued by Gen. Mihailovich and have launched a movement to build a memorial in Washington, D.C., dedicated in gratitude to the man who saved their lives. This effort has been ongoing for some time now, with the support of many Members of Congress, and I can think of no better way to discharge this debt than to authorize these airmen to erect the monument they have in mind.

Mr. President, in voicing my support for this effort, I want to emphasize the fact that this project is to be financed, not by the American taxpayers, but through the fundraising efforts of the airmen's group. All costs for construction and maintenance of this memorial will be borne by the private sector.

This legislation is virtually identical to previous measures that have been approved overwhelmingly in the Senate by both the 94th and 95th Congresses. The bill also enjoyed wide support in the 96th Congress, but unfortunately, none of the previous bills achieved passage in the House.

Mr. President, the airmen who seek authority to have this monument erected do not wish to make political noises that would offend the present Government of Yugoslavia. They seek only to acknowledge their deep sense of gratitude to a man who was instrumental in rescuing nearly 500 downed American flyers during World War II. They merely want the simple recognition that would be imparted by the erection of the Gen. Mihailovich Monument.

Mr. President, I ask unanimous consent that the attached excerpt from the original petition which was presented to me by a contingent of airmen saved by Gen. Mihailovich along with the text of the bill be printed in the RECORD.

There being no objection, the bill and the petition were ordered to be printed in the RECORD, as follows:

S. 941

To authorize the construction and maintenance of the General Draza Mihailovich Monument in Washington, District of Columbia, in recognition of the role he played in saving the lives of approximately five hundred United States airmen in Yugoslavia during World War II

Whereas during World War II more than five hundred American airmen who were shot down over Yugoslavia were rescued and returned to active duty by the nationalist resistance forces of General Draza Mihailovich; and

Whereas, for these services and other services to the Allied cause, General Mihailovich was, in 1948, on the recommendation of General Eisenhower, awarded the Legion of Merit in the Degree of Supreme Commander by President Truman; and

Whereas the National Committee of American Airmen Rescued by General Mihailovich has petitioned Congress for permission to erect in the District of Columbia or environs, with publicly subscribed funds, a simple memorial as an enduring expression of their gratitude to the man who saved their lives; and

Whereas such an expression of gratitude would be in keeping with the American tradition of honor and has been specifically endorsed by major national organizations, including an endorsement by the American Legion Convention of 1977 and the American Federation of Labor and Congress of Industrial Organizations;

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, pursuant to Section 2 of this Act, the Secretary of the Interior shall permit the National Committee of American Airmen Rescued by General Mihailovich to construct and maintain a monument to General Draza Mihailovich, in recognition of the role he played in saving the lives of approximately five hundred United States airmen in Yugoslavia during World War II, as described in such committee's petition to Congress concerning the authorization of such monument. Such monument shall be of appropriate design and shall be located on Federal public land within the District of Columbia or environs. The design and location of the monument shall be subject to approval by the National Capital Planning Commission, the Fine Arts Commission, and the Secretary of the Interior.

SEC. 2. The National Committee of American Airmen Rescued by General Mihailovich shall accept private funds which shall be the sole source for the construction and maintenance of such monument. The Secretary of the Interior shall only permit such committee to begin the construction of such monument when he determines that such committee has sufficient funds to complete such construction and to provide for such maintenance; except that such committee must have such funds no later than two years after the date of enactment of this Act.

PETITION TO THE CONGRESS OF THE UNITED STATES FOR LEGISLATION PERMITTING THE ERECTION IN WASHINGTON, D.C. OF A MONUMENT TO "GENERAL DRAZA MIHAILOVICH, SAVIOR OF AMERICAN AIRMEN"

To say that General Mihailovich and his men saved our lives tells only a very small part of the story. Frequently they had to fight off the Germans in order to rescue us. Because of Mihailovich's commitment to protect us at all costs, scores of innocent hostages were executed by the Nazis; the Nazis always knew when an American crew bailed out, and when they could find no trace of the crew, they assumed, quite correctly, that they were being sheltered by the Chetniks. Those of us who were wounded received the best medical attention available, sometimes in underground hospitals. Desperately short of supplies, Mihailovich's men frequently went hungry themselves in order to feed us.

All this we can never forget.

Our ranks have begun to thin with the passage of years. But the years have no way diminished the admiration, affection and gratitude which we hold in our hearts for General Mihailovich and his gallant forces.

Having consulted with each other, and confident that we speak for all of the 500 airmen who were rescued by the forces of General Mihailovich, the undersigned airmen have decided that it would be proper to give enduring expression to this gratitude by erecting a monument in Washington, D.C. with funds contributed by ourselves and by members of the American public, to "General Mihailovich, Saviour of American Airmen." This concrete expression of gratitude, we feel, would also be in complete harmony with American tradition.

We respectfully petition the Congress of the United States to enact legislation permitting the erection of such a monument; so that we may appropriately discharge what all of us regard as a sacred debt of honor—a debt of honor all the more compelling because Mihailovich in his lifetime received no recognition and no reward for the many services to the Allied cause of which President Truman spoke in his citation.

By Mr. JACKSON:

S. 942. A bill for the relief of Asha; to the Committee on the Judiciary.

THE RELIEF OF ASHA

Mr. JACKSON. Mr. President, today I am introducing a private bill for the relief of an abandoned child in India, Asha, so that she may be adopted by Mr. and Mrs. Ross Sicilia of Vancouver, Wash.

I do not normally introduce private legislation; however, I am doing so in this instance because of the hardship being experienced by the Sicilia family due to unusual circumstances.

Asha was born without a record of her birth. A doctor's examination determined her birthdate to be June 15, 1966. This means the child is over 14 years of age and therefore ineligible for a relative immigrant visa, because 14 years of age is the age limitation for such visas.

Prior to the discovery of Asha's age, the Sicilias had invested a considerable amount of time and effort in meeting the requirements for adopting an abandoned child from overseas. For the Sicilias to have invested so much of themselves and then to be so close to realizing their dream of sharing their love with Asha, only to be denied the unification and completion of their family at this point due to an estimation of the child's age, can only add immeasurably to the difficulties I understand the Sicilias are experiencing.

Congress has been sympathetic to circumstances such as this and has a history of approving private legislation which unites abandoned children overseas under the age of 16 years with adoptive families in the United States.

Indeed, legislation has been introduced in the 97th Congress which would amend the pertinent section of the Immigration and Naturalization Act to raise the age limitation to 16 years. However, until this legislation passes both Houses of Congress, private legislation will still be necessary to resolve these unfortunate and difficult circumstances.

By Mr. HELMS (by request):

S. 943. A bill to provide price support and production adjustment incentives for farmers in order to assure the availability of an abundance of food and fiber, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURE ACT OF 1981

Mr. HELMS. Mr. President, I am introducing today, at the request of the administration, a bill to provide price support and production adjustment incentives for farmers, commonly known as the farm bill. I ask unanimous consent that the bill and an accompanying request letter from the Secretary of Agriculture be printed in the RECORD, along with the section-by-section analysis.

There being no objection, the bill, letter, and analysis were ordered to be printed in the RECORD, as follows:

S. 943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1981."

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TITLE I—DAIRY AND SOYBEAN PROGRAMS

MILK AND SOYBEAN PRICE SUPPORT

SEC. 101. Section 201 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 201. The Secretary is authorized and directed to make price support available (without regard to the provisions of title III) to producers of milk and soybeans as follows:

"(a) The price of milk shall be supported at such level not in excess of 90 per centum nor less than 70 per centum of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply of pure and wholesome milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs: *Provided,* That notwithstanding the foregoing or any other provision of law, the Secretary is authorized to support the price of milk at a level less than 70 per centum of the parity price therefor, if the Secretary determines that the Commodity Credit Corporation is accumulating, or has accumulated, excessive quantities of milk or milk products: *Provided, further,* That the support price effective on October 1, 1981 shall be not less than $13.10 per hundredweight of milk containing 3.67 per centum milkfat. Such price support shall be provided through purchases of milk and the products of milk.

"(b) The price of the 1982 through 1985 crops of soybeans shall be supported through loans and purchases at such levels as the Secretary determines appropriate in relation to competing commodities and taking into consideration domestic and foreign supply and demand factors.".

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

SEC. 102. Section 202 of the Agricultural Act of 1949 is amended by striking out "1981" in subsections (a) and (b) and inserting in lieu thereof "1985".

TITLE II—WHEAT

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 201. Effective only for the 1982 through 1985 crops of wheat, Section 107A of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 107A. Notwithstanding any other provision of law—

"(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level as the Secretary determines to be appropriate taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(b)(1) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of wheat if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of wheat. If a land diversion program is in effect under this subsection, the Secretary is also authorized to require that producers participate in such program as a condition of eligibility for loans and purchases authorized by subsection (a). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(2) The farm program payment yield for each crop of wheat for which a land diversion program is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was previously established for the farm the Secretary is authorized to determine such yield as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(3) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(c) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(d) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(f) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 202. Sections 379d, 379e, 379f, 379g, 379h, 379l, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982, through May 31, 1986.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 203. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

SEC. 204. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 205. Section 107 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat.

TITLE III—FEED GRAINS

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 301. Effective only for the 1982 through 1985 crops of feed grains, Section 105A of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 105A. Notwithstanding any other provision of law—

"(a)(1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of corn at such level as the Secretary determines to be appropriate taking into consideration the cost of producing corn, supply and demand conditions, and world market prices for corn.

"(2) The Secretary shall make available to producers loans and purchases on each of the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b)(1) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of one or more of the crops of corn, barley, oats, rye, and grain sorghums if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of any of these feed grains. If a land diversion program is in effect for one or more of the crops of corn, barley, oats, rye, and grain sorghums, the Secretary is also authorized to require that producers participate in any such program as a condition of eligibility for loans nad purchases authorized by subsection (a). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(2) The farm program payment yield for each crop of corn, barley, oats, rye, and grain sorghums for which a land diversion pro-

gram is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for any of such feed grains was previously established for the farm, the Secretary is authorized to determine such yields as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(3) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(c) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(d) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(f) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 302. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains.

TITLE IV—UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSIONS OF MARKETING QUOTAS, AND RELATED PROVISIONS

SEC. 401. Sections 342, 343, 344, 345, 346 and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of upland cotton.

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 402. Effective only for the 1982 through 1985 crops of upland cotton, section 103(f) of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 103(f). Notwithstanding any other provision of law—

"(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to producers nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (i) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during the three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (ii) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths of the growths determined for Middling one and three-thirty seconds inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average Northern Europe price determination of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9)): *Provided*, That in no event shall such loan level be less than 48 cents per pound. If for any crop the average Northern Europe price determined under clause (ii) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (i) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate not in excess of the average United States spot market price determined under clause (i) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months: *Provided*, That such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six month period: *Provided, further*, That whenever the Secretary determines that the average price of Strict Low Middling one and one-sixteenth inch cotton (micronaire 3.5 through 4.9) in the designated United States spot markets for such cotton for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available;

"(B) If a special quota has been established under this subsection during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (A) of this subsection or the amount required to increase the supply to 130 per centum of the demand;

"(C) As used in clause (B) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four hundred and eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established; and

"(D) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

"(3)(A) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of upland cotton if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of upland cotton. If a land diversion program is in effect under this subsection, the Secretary is also authorized to require that producers participate in such program as a condition of eligibility for loans authorized by subsection (1). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall undertake into consideration the extent of the diversion to be taken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(B) The farm program payment yield for each crop of upland cotton for which a land diversion program is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for upland cotton was previously established for the farm, the Secretary is authorized to determine such yield as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment

yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State or county program payment yields are established, the farm program payment yields shall balance to the national, State or county program payment yields.

"(C) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall file an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to alleviate a shortage in the supply of agricultural commodities.

"(4) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(5) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(6) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(7) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 403. Effective only with respect to the period beginning August 1, 1982, and ending July 31, 1983, the tenth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out all of that sentence through the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 115 per centum of the loan rate of Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)".

SKIPROW PRACTICES

SEC. 404. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1981" in the last sentence and inserting in lieu thereof "1985".

TITLE V—RICE

LOAN RATES, LAND DIVERSION, AND PAYMENT YIELDS FOR THE 1982 THROUGH 1985 CROPS

SEC. 501. Effective only with respect to the 1982 through 1985 crops of rice, section 101(f) of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 101(f). Notwithstanding any other provision of law—

"(1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of rice at such level as the Secretary determines to be appropriate taking into consideration the cost of producing rice, supply and demand conditions, and world market prices for rice.

"(2)(A) The Secretary is authorized to conduct a land diversion program and make land diversion payments to producers of rice if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of rice. If a land diversion program is in effect under this subsection, the Secretary is also authorized to require that producers participate in such program as a condition of eligibility for loans and purchases authorized by subsection (1). Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted based upon the farm program payment yield established for the farm. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(B) The farm program payment yield for each crop of rice for which a land diversion program is in effect shall be the last yield which had been previously established for the farm, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for rice was previously established for the farm, the Secretary is authorized to determine such yield as the Secretary finds fair and equitable. In the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. In the event national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(C) The diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into pursuant to this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disasters or to alleviate a shortage in the supply of agricultural commodities.

"(3) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure.

"(4) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(5) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(6) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.".

SUSPENSION OF MARKETING QUOTAS AND OTHER PROVISIONS

SEC. 502. Sections 351, 352, 353, 354, 355, 356, and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of rice.

TITLE VI—PEANUTS

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 601. Sections 358, 358a, 359, 371, and part of subtitle C of title III of the Agricultural Adjustment Act of 1938 are amended as follows:

(a) Subsections (a) through (j) of section 358 shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Subsections (a) through (h) of section 358a shall not be applicable to the 1982 through 1985 crops of peanuts.

(c) Subsections (a), (b), (d), and (e) of section 359 shall not be applicable to the 1982 through 1985 crops of peanuts.

(d) Section 371 shall not be applicable to the 1982 through 1985 crops of peanuts.

(e) Part I of subtitle C of title III shall not be applicable to the 1982 through 1985 crops of peanuts.

NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA

SEC. 602. Effective for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (k) through (m) as follows:

"(k) There is hereby established a national poundage quota for peanuts for the following marketing years in the following amounts: 1982, 1,296,000 tons; 1983, 1,166,400 tons; 1984, 1,049,760 tons; 1985, 944,784 tons.

"(l) A farm base production poundage shall be established for each farm for the 1982 marketing year equal to the farm base production poundage established for such farm for the 1981 marketing year. Such farm base production poundage shall remain the same for such farm for the 1983 through 1985 marketing years: *Provided, however,* That if the farm base production poundage, or any part thereof, is permanently transferred in accordance with section 358a of this Act, the receiving farm shall be considered as possessing the farm base production poundage (or portion thereof), of the transferring farm for all subsequent marketing years.

"(m) A farm poundage quota shall be established by the Secretary for each marketing year for each farm equal to the farm base production poundage multiplied by the factor determined by dividing the national poundage quota established in subsection (k) of this section by the sum total of all farm base production poundages in effect for the 1981 marketing year. If any part of the farm poundage quota is allotted to a farm on which there is inadequate cropland available to produce the amount of the farm poundage quota on such farm, such farm poundage quota or a portion thereof shall be surrendered to the county committee for reapportionment to other farms within the country in accordance with regulations prescribed by the Secretary.

"(n) For the purposes of this Act and

Title I of the Agricultural Act of 1949, as amended—

"(1) 'Quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Secretary which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

"(2) 'Additional peanuts' means, for any marketing year, any peanuts which are: (i) marketed from a farm and which are in excess of the marketings of quota peanuts from such farm or such year; or (ii) marketed from a farm without a farm poundage quota.

"(3) 'Crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'Domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm.".

SALE, LEASE, OR TRANSFER OF FARM BASE PRODUCTION POUNDAGE

SEC. 603. Effective for the 1982 through 1985 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (i) and (j) as follows:

"(i) The owner or operator of any farm for which a farm base production poundage has been established under this Act may, subject to such terms, conditions, or limitations as the Secretary may prescribe, sell or lease any part of the right to all or any part of such farm base production poundage to any other owner or operator of a farm within a State for transfer to such farm. The owner of a farm shall be permitted to transfer all or any part of such farm's farm base production poundage to any other farm owned or controlled by him.

"(j) Transfers (including transfers by sale or lease) of farm base production poundage under this section shall be subject to the following conditions: (1) no transfer of farm base production poundage from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders; (2) no transfer of farm base production poundage shall be permitted if the county committee determines that the receiving farm does not have adequate cropland to produce the farm poundage quota; (3) no transfer of farm base production poundage shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and (4) such other terms and conditions which the Secretary may by regulations prescribe.".

MARKETING PENALTIES

SEC. 604. Effective for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (f) through (q).

"(f) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 120 per centum of the support price for quota peanuts for the marketing year (August 1 through July 31) in which such marketing occurs. The marketing of any additional peanuts from a farm anywhere in the United States shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either: (1) placed under price support loan at the additional loan rate under the loan program made available under section 108A(b) of the Agricultural Act of 1949, as amended, and not redeemed by the producers; or (2) marketed for export or crushing pursuant to the provisions of subsection (j) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the national average yield for 1981, as determined by the Secretary, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts and the penalty in respect thereof shall be paid and remitted by the producer.

"(g) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use: *Provided, however,* that additional peanuts may be purchased and marketed for domestic edible use by handlers in accordance with the provisions of subsection (k) of this section. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(h) Upon a finding by the Secretary that a handler has failed to account for the proper disposition of additional peanuts which such handler has acquired during the marketing year, such handler shall be subject to a penalty at a rate equal to 120 per centum of the loan level for quota peanuts on the amount of the additional peanuts for which the handler has failed to account.

"(i) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108A(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(j) Handlers may, in accordance with subsection (k) of this section and regulations prescribed by the Secretary, contract with producers for the purchase of: (1) a producer's additional peanuts for crushing or for export; or (2) a producer's additional peanuts from the additional loan pool for domestic edible use upon the delivery of such peanuts by such producers to the handler.

"(k) Subject to the provisions of section 407 of the Agricultural Act of 1949 any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with sales policies established by the Secretary. Handlers may contract with producers to purchase such producers' additional peanuts for domestic edible use from the additional loan pool upon delivery by the producer of such peanuts to the handler. The purchase price of the additional peanuts under such contracts may not be less than 100 per centum of the loan value of quota peanuts plus all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses. The producer shall receive the additional price support advance and the handler shall remit to the Commodity Credit Corporation for inclusion in the additional loan pool an amount equal to the minimum purchase price specified in the previous sentence. The difference between the purchase price and the minimum purchase price, if any, shall be paid by the handler directly to the producer. Additional peanuts received under loan and which are not subject to contracts between producers and handlers as described above may be offered for sale by the Commodity Credit Corporation or the designated producer associations for domestic edible use at a total price which is not less than that required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus: (1) 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or (2) 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(l) Notwithstanding any other provision of law, the Secretary is authorized to promulgate such regulations as the Secretary determines appropriate and necessary to prevent peanuts which are unsuitable for human consumption because of quality defects from being marketed or utilized for purposes for which such peanuts are determined by the Secretary to be unsafe or otherwise unfit to be used. Such regulations may include, but are not limited to, provisions regulating the sale, handling, shelling and ultimate disposition of such peanuts.

"(m) Upon a finding by the Secretary that peanuts which are unsuitable for human consumption have been sold, handled, shelled, or otherwise disposed of in a manner contrary to the regulations issued under subsection (l) of this section, the Secretary shall assess against the person responsible for such violation a penalty as provided in this subsection. The amount of the penalty shall be equal to 120 per centum of the loan rate for quota peanuts times the amount of peanuts involved in such violations. The Secretary is authorized to issue such regulations as he determines are appropriate to carry out the purpose of this subsection.

"(n) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to 120 per centum of the rate of interest which was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(o) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government or any court of law. Nothing in this subsection shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations.

"(p) Notwithstanding any other provision of this section, the amount of any penalty

assessed under this section may be reduced, in accordance with regulations issued by the Secretary, if the Secretary determines that the violation subject to the penalty was committed unintentionally or unknowingly and that a reduction in the amount of the penalty would not impair the effective operation of the price support program for peanuts.

"(q) The Secretary is authorized to issue such regulations as are determined to be necessary and appropriate to carry out the purposes of this section. Such regulations may include, but are not limited to, regulations: (1) requiring certification of acreage planted to peanuts; and (2) prescribing the manner in which producers and handlers may account for the disposition of peanuts.".

REPORTS AND RECORDS

SEC. 605. Effective for the 1982 through 1985 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers engaged in the production of peanuts,".

PRICE SUPPORT PROGRAM

SEC. 606. Effective for the 1982 through 1985 crops of peanuts, title I of the Agricultural Act of 1949 is amended by adding a new section 108A as follows:

"SEC. 108A. Notwithstanding any other provision of law—

"(a) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act, cost of production, and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which the level of support is being determined, but not less than $420 per ton. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other adjustments as are authorized by section 403 of this Act.

"(b) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops. In determining support levels, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets. The Secretary shall announce the level of support for additional peanuts for each crop not later than February 15 preceding the marketing year for which the level of support is being determined.

"(c)(1) In carrying out subsections (a) and (b) of this section, the Secretary may make warehouse storage loans available in each of the three producing areas (described in 7 CFR § 1446.4 (1977)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. Such association may be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Such loans shall include, in addition to the price support value of the peanuts, such costs as such association reasonably may incur in carrying out such responsibilities in its operations and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(2) The Secretary may require that each such association establish pools and maintain complete and accurate records by type for quota peanuts and additional peanuts placed under loan. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (A) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (B) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (A) of this paragraph. Notwithstanding any other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower.".

SEC. 607. Subsections 101(a), 101(b), and 408(c) of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of peanuts.

TITLE VII—GRAIN RESERVES

PRODUCER STORAGE PROGRAM

SEC. 701. Section 110 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 110. (a) The Secretary is authorized to formulate and administer a program under which producers of wheat and producers of feed grains will be able to store wheat and feed grains when such commodities are in abundant supply and extend the time period for their orderly marketing. The Secretary shall establish safeguards to assure that wheat and feed grains held under the program shall not be utilized in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(b) In carrying out the producer storage program, the Secretary may provide original or extended price support loans for wheat and feed grains under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing when wheat or feed grains are in abundant supply. Loans made under this section shall be made at the same level of support as provided for by this Act or at such higher level as the Secretary may deem appropriate. Among such other terms and conditions as the Secretary may prescribe by regulation, the program may provide for (1) repayment of such loans in not less than three years nor more than five years; (2) payments to producers for storage in such amounts and under such condition as the Secretary determines appropriate to encourage producers to participate in the program; (3) a rate of interest as determined under subsection (c) of this section; (4) recovery of amounts paid for storage, and for the payment of additional interest or other charges in the event such loans are repaid by producers before the market price for wheat or feed grains has reached the price levels specified in clause (5) of this subsection; (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity has attained a specified level, as determined by the Secretary.

"(c) The rate of interest charged participants in the program authorized by this section shall be not less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest as he deems appropriate to effectuate the purposes of this section. Notwithstanding the foregoing, the Secretary is authorized to increase the applicable rate of interest in such amounts and at such intervals as the Secretary determines is appropriate to encourage the orderly marketing of wheat and feed grains securing loans made under this section after the market price for the commodity has attained the level determined under clause 5 of subsection (b).

"(d) Notwithstanding any other provision of law, the Secretary may require producers to repay loans made under this section plus accrued interest and such other charges as may be required by regulation prior to the maturity date thereof if the Secretary determines that emergency conditions exist which require that such commodity be made available in the market to meet urgent domestic or international needs.

"(e) The Secretary shall announce the terms and conditions of the producer storage program as far in advance of making loans as practicable. In such announcement, the Secretary shall specify the quantity of wheat or feed grains to be stored under the program which the Secretary determines appropriate to promote the orderly marketing of such commodities.

"(f) Notwithstanding any other provision of law, except as otherwise provided under section 302 of the Food Security Wheat Reserve Act of 1980 and section 208 of the Agricultural Trade Suspension Adjustment Act of 1980, whenever the original or extended loan program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 105 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (5) of the second sentence of subsection (b) of this section: *Provided*, That such restriction shall not apply to—

(1) sales of such commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; and

(2) sales or other disposals of such commodities under the Act of September 21, 1959 (73 Stat. 574, as amended; 7 U.S.C. 1427 note).

"(g) The Secretary may, with the concurrence of the owner of grain stored under the program authorized by this section, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary deems to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations which assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by his commitment.

"(h) Whenever grain is stored under the provisions of this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such

commodities which the Commodity Credit Corporation owns or controls. Such purchases to offset sales shall be made within two market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

"(i) The Secretary may use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.".

INTERNATIONAL EMERGENCY FOOD RESERVE

SEC. 702. Section 111 of the Agricultural Act of 1949 (91 Stat. 953; 7 U.S.C. 1445f) is hereby repealed.

DISASTER RESERVE

SEC. 703. Section 813 of the Agricultural Act of 1970 (87 Stat. 239, as amended; 7 U.S.C. 1427a) is hereby repealed.

FARM STORAGE FACILITY LOANS

SEC. 704. Section 4(h) of the Commodity Credit Corporation Charter Act (62 Stat. 1070, as amended; 15 U.S.C. 714b(h)) is amended by deleting from the fourth proviso of the second sentence the phrase "shall make loans" and inserting in lieu thereof the phrase "may make loans".

TITLE VIII—WOOL AND MOHAIR

EXTENSION OF ACT; SUPPORT PRICE

SEC. 801. Section 703 of the National Wool Act of 1954 is amended by—

(1) striking out "1981" in subsection (a) and inserting in lieu thereof "1985"; and

(2) striking out all the words following the comma in subsection (b) after the word "*Provided*" and inserting "That for the marketing years beginning January 1, 1982, and ending December 31, 1985, the support price for shorn wool shall be at a level not in excess of 90 per centum (rounded to the nearest full cent) nor less than 60 per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula: *Provided, however,* That the Secretary is authorized to support the price of shorn wool at less than 60 per centum if the Secretary determines that such lower level is appropriate because of exceptional circumstances affecting the cost or availability of shorn wool.".

PAYMENTS

SEC. 802. The first sentence of section 704 of the National Wool Act of 1954 is amended by striking out the colon after the word "therefor" inserting a period in lieu thereof and striking out the remainder of the sentence.

REIMBURSEMENT

SEC. 803. Section 705 of the Wool Act of 1954 is hereby repealed.

TITLE IX—GENERAL AND MISCELLANEOUS PROVISIONS

FINALITY OF DETERMINATIONS

SEC. 901. The first sentence of section 385 of the Agricultural Adjustment Act of 1938 is amended to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice program authorized by the Agricultural Act of 1949 and this Act, any loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

SEC. 902. Effective only with respect to the marketing years for the 1982 through 1985 crops, section 407 of the Agricultural Act of 1949 is amended by—

(1) amending the third proviso of the third sentence to read as follows: "*Provided,* That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye respectively at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges.";

(2) striking out in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and inserting in lieu thereof the following: "current basic county loan rate (or a comparable price if there is no current basic county loan rate)"; and

(3) striking out in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities" and inserting in lieu thereof the following: "but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use".

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

SEC. 903. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, section 408(k) of the Agricultural Act of 1949 is amended to read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

"(k) References made in sections 402, 403, 406, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well as to the level of loans and purchases for wheat, feed grains, upland cotton, and rice under this Act; and references made to the terms 'price support,' 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat, feed grains, upland cotton, and rice under this Act.".

EMERGENCY FEED PROGRAM

SEC. 904. Section 1105 of the Food and Agriculture Act of 1977 (91 Stat. 955; 7 U.S.C. 2267) is hereby repealed.

TITLE X—PUBLIC LAW 480

MISCELLANEOUS AMENDMENTS

SEC. 1001. Section 101 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "for foreign currencies" before the period at the end of the section and inserting in lieu thereof "to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement".

SEC. 1002. Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(b) Except where he determines that it would be inconsistent with the objects of the Act, determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (e), and (h) of section 104 and in title III, and the agreements for credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installment;".

SEC. 1003. Subsection 103(d) of the Agricultural Trade Development and Assistance Act of 1954 is amended by revising the first full sentence to read as follows:

"As used in this Act, 'friendly country' shall not include any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement.".

SEC. 1004. Section 103(1) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out after "1" the words beginning with "obtain commitments from friendly purchasing countries" through "United States of America, and".

SEC. 1005. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) striking out in the first sentence "under this title" and inserting in lieu thereof "under the agreements for such sales entered into prior to January 1, 1972";

(2) striking out in subsection (d) "$5,000,000" and inserting in lieu thereof "10,000,000; and

(3) striking out in clause (3) of the proviso following subsection (k) "(except as provided in subsection (c) of this section),".

SEC. 1006. Section 106(a) of the Agricultural Trade and Development and Assistance Act of 1954 is amended by adding at the end thereof the following sentence: "Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for development loans made under Section 122 of the Foreign Assistance Act of 1931, as amended.".

SEC. 1007. Section 108 of the Agricultural Trade Development and Assistance Act of 1954 is hereby repealed.

SEC. 1008. Section 109(b) of the Agricultural Trade Development and Assistance Act of 1954 is hereby repealed.

SEC. 1009. Section 110 of the Agricultural Trade Development and Assistance Act of 1954 is hereby repealed.

SEC. 1010. Section 115(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting in the first sentence after the words "food commodities" the words "from private stocks".

SEC. 1011. Section 204 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the first sentence thereof.

SEC. 1012. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "or beer" after "wine" and inserting in lieu thereof, ", beer, or distilled spirits".

SEC. 1013. Section 408(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "April 1" and inserting in lieu thereof "July 1".

EXTENSION OF PROGRAM

SEC. 1014. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) striking out in the first sentence "1981" and inserting in lieu thereof "1985"; and

(2) striking out in the second sentence "Food and Agriculture Act of 1977" and inserting in lieu thereof "Agricultural Act of 1981".

TITLE XI—RURAL DEVELOPMENT AND CONSERVATION

AGRICULTURAL LAND RESOURCES

SEC. 1101. (a). Congress hereby reaffirms that agricultural land is an important natural resource because it provides a livelihood

for farm families and for those in agricultural-related industries; that agricultural land is a strategic resource that ensures the nation's self-sufficiency for food and fiber at a reasonable cost; and that agricultural products are instrumental in the area of export and foreign exchange thereby improving the balance of payments of the United States.

(b) The Secretary of Agriculture is encouraged to cooperate with and provide technical assistance to those States and/or localities which desire to develop programs which emphasize the importance of agricultural land and resources to our national economy.

(c) The Secretary of Agriculture is also encouraged to cooperate with the State Cooperative Extension Services in the preparation of educational materials emphasizing the importance of agricultural land to the nation's well-being and distribute such educational materials through the mass media, schools, groups, and other Federal agencies.

(d) The Secretary is authorized to carry out this section with existing facilities through the use of grants, contracts, or such other means as the Secretary deems appropriate.

SOIL AND WATER CONSERVATION POLICY

SEC. 1102. (a) Congress hereby reaffirms its policy to promote soil and water conservation, improve the quality of the nation's waters, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs.

(b) The Secretary of Agriculture shall submit a report to Congress not later than December 31, 1981, setting forth a comprehensive oil and water conservation policy, including recommendations as to how the various soil and water conservation programs which are administered by agencies within the Department of Agriculture can be strengthened and improved.

TITLE XII—RESEARCH, EXTENSION, AND TEACHING IN THE FOOD AND AGRICULTURAL SCIENCES

REVISED FINDINGS

SEC. 1201. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 981; 7 U.S.C. 3101) is amended to read as follows:

"SEC. 1402. Congress finds that—

"(1) the Federal Government of the United States has provided funding support for agricultural research, extension, and teaching for many years in order to promote and protect the general health and welfare of the people of the United States, and this support has significantly contributed to the development of the Nation's agricultural system;

"(2) a unique partnership arrangement exists in agricultural research, extension, and teaching between the Federal Government and the Governments of the several States whereby the States have accepted and supported, through legislation and appropriations, the programs of agricultural and forestry research provided for under the Act of March 2, 1887 (24 Stat. 440, as amended), and the Act of October 10, 1962 (76 Stat. 806, as amended); extension provided for the Act of May 8, 1914 (38 Stat. 372, as amended); and teaching provided for under the Act of July 2, 1862 (12 Stat. 503, as amended) and the Act of August 30, 1890 (26 Stat. 417, as amended);

"(3) the existing agricultural research system consisting of the Federal Government, the land-grant colleges and universities, other colleges and universities engaged in agricultural research, extension, and teaching and the private sector constitute an essential national resource which must serve as the foundation for any further strengthening of agricultural research, extension, and teaching in the United States;

"(4) the partnership in publicly supported agricultural research, extension and teaching involving the programs of Federal agencies and the programs of the States has played a major role in the outstanding successes achieved in meeting the varied, dispersed and in many cases site-specific needs of American agriculture; and must be preserved; and

"(5) of major concern is the security of the future food supply and its costs due to declining rates of increase in productivity, rapidly escalating cost of petroleum and petro-chemicals, declining water tables, natural resource depletion, deterioration of environmental quality, and the ability of world agriculture to provide and maintain adequate diets for ever increasing population with rather fixed areas of cropland;

"(6) advances in food and agricultural sciences and technology have become increasingly limited by the concentration upon thorough development and exploitation of currently known scientific principles and technological approaches at the expense of more fundamental research, and strong research effort in the basic sciences is necessary to achieve breakthroughs in knowledge that can support new and innovative food and agricultural technologies;

"(7) reliable data and research based economic information are no longer sufficient to deal with the increasingly complex public and private decisions that are forced by the rapidly changing events in domestic world agriculture;

"(8) the land-grant colleges and universities, other colleges and universities, and the Department of Agriculture should have improved linkages with the international research centers and counterpart institutions and agencies in developed, transitional and developing countries; this would serve the purpose of U.S. agriculture and the U.S. economy and make a substantial contribution to the cause of improved progress throughout the world; and

"(9) long-range planning for research, extension, and teaching a key element in meeting the objectives of this title, and all of the elements in the food and agricultural service and education system are encouraged to expand their successful planning and coordination efforts."

AMENDED PURPOSES

SEC. 1202. Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 983; 7 U.S.C. 3102) is amended):

(a) by revising subsection (2) to read:

"(2) undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, extension, and teaching, identify needs and establish priorities for these programs, assure that national agricultural research, extension, and teaching objectives are fully achieved, and assure that the results of agricultural research are effectively communicated and demonstrated to farmers, processors, handlers, consumers, and all other users who can benefit therefrom;"

(b) In subsection (4) by deleting the comma after the word "programs" the first time it appears and by deleting the words "including the initiatives specified in section 1402(12) of this title";

(c) In subsection (5) by striking out the word "scientific"; and

(d) In subsection (7) by striking out the words "training and research" and inserting in lieu thereof the words "research, extension, and teaching".

AMENDED DEFINITIONS

SEC. 1203. Section 1404 of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (91 Stat. 983; 7 U.S.C. 3103) is amended:

(a) By revising subsection (8) to read:

"(8) the term 'food and agricultural sciences' means basic, applied, and developmental research, and extension and teaching activities, in the food, agricultural, renewable natural resources, forestry, and social sciences, in the broadest sense of these terms, including but not limited to, activities relating to:

(A) Domestic and export market expansion for U.S. agricultural products;

(B) Production inputs, such as energy, to improve productivity;

(C) Animal health to protect man and the animal production base of the United States;

(D) Human nutrition;

(E) Home economics and family life;

(F) Rangeland management; and

(G) Aquaculture."

(b) By revising subsection (12) to read:

"(12) the term 'State' means any one of the fifty States, Puerto Rico, Guam, American Samoa, the Northern Marianas, Trust Territory of the Pacific Islands, the Virgin Islands of the United States and the District of Columbia;".

RESPONSIBILITIES OF THE SECRETARY AND DEPARTMENT OF AGRICULTURE

SEC. 1204. Section 1405 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 985; 7 U.S.C. 3121) is amended:

(a) In subsection (1) by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services";

(b) In subsection (2) by striking out the words "teaching, and manpower development" and inserting in lieu thereof the words "and teaching";

(c) In subsection (5) by striking out the word "other";

(d) In subsection (6) by inserting the words "or proposed" after the words "actions taken";

(e) In subsection (8) by striking out the word "and" at the end thereof;

(f) In subsection (9) by striking out the period and inserting in lieu thereof a semicolon followed by the word "and"; and

(g) By adding at the end thereof the following new subsection:

"(10) coordinate all agricultural research, extension, and teaching activities conducted or financed by the Department of Agriculture with the periodic Renewable Resource Assessment and Program provided for in sections 3 and 4 of the Forest and Rangeland Resources Planning Act of 1974, as amended, and the appraisal and program provided for in sections 5 and 6 of the Soil and Water Resources Conservation Act of 1977,".

SUBCOMMITTEE ON FOOD, AGRICULTURAL AND FORESTRY RESEARCH

SEC. 1205. Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (90 Stat. 471, as amended; 42 U.S.C. 6551(h)) is amended:

(a) By striking out the words "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof the words "Subcommittee on Food, Agricultural, and Forestry Research";

(b) By striking out the words "Department of Health, Education and Welfare" and inserting in lieu thereof the words "Department of Health and Human Services"; and

(c) By striking out the words "Energy Research and Development Administration" and inserting in lieu thereof the words "Department of Energy".

JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

SEC. 1206. Section 1407 of the National Agricultural Research, Extension, and Teach-

ing Policy Act of 1977 (91 Stat. 986; 7 U.S.C. 3122) is amended:

(a) In subsection (a) by striking out "five" and inserting in lieu thereof "ten";

(b) By revising subsection (b) to read as follows:

"(b) The Joint Council shall be composed of not fewer than 25 representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural and forestry sciences, including landgrant colleges and universities; other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching; State agricultural experiment stations; State cooperative extension services; agencies within the Department of Agriculture which have significant research, extension, or teaching responsibilities; the Office of Science and Technology Policy; and other Federal agencies determined by the Secretary to be appropriate. Members shall be appointed for a term of three years by the Secretary from nominations made by the organizations and agencies described in the preceding sentence. The terms of members shall be staggered. To ensure that regional differences are properly considered, at least one-half of the members of the Joint Council shall be appointed by the Secretary from among distinguished persons engaged in agricultural research, extension, and teaching programs at land-grant colleges and universities and State agricultural experiment stations. To ensure that other agricultural institutional views are considered by the Joint Council, two of the members of the Joint Council shall be appointed by the Secretary from among persons who are distinguished representatives of other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, and teaching. The Joint Council shall be jointly chaired by the senior policy official of the Department of Agriculture responsible for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council."

(c) By amending subsection (d)(1) to read as follows:

"(1) The primary purpose of the Joint Council is to bring about more effective research, extension, and teaching in the food and agricultural sciencies in the United States by improving planning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes."

(d) In subsection (d)(2)(E) by striking out "efforts" and all that follows through "planning," and inserting in lieu thereof "of the food and agricultural sciences, by using wherever possible the existing regional research, extension, and teaching organizations of State cooperative institutions to provide planning and coordination,";

(e) By amending subsection (d)(2)(G) to read as follows:

"(G) submit a report, not later than June 30 of each year—

"(i) specifying the Joint Council's recommendations on priorities for food and agricultural research, extension, and teaching programs; and

"(ii) delineating suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs.

Each such report shall be submitted to the Secretary of Agriculture. Minority views, if timely submitted, shall be included in such report."

(f) By adding at the end thereof the following new subsection:

"(e)(1) The Federal Advisory Committee Act (5 U.S.C. app.) and subchapter II of chapter 5 of title 5 of the United States Code shall not apply to the Joint Council.

"(2) The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.".

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1207. Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 988; 7 U.S.C. 3123) is amended:

(a) In subsection (a) by striking out "five" and inserting in lieu thereof "ten";

(b) In subsection (b) as follows:

(1) By striking out "twenty-one" and inserting in lieu thereof "twenty-five";

(2) By amending paragraph (1) to read as follows:

"(1) eight producer members representing various geographical regions and production interests, including forestry and aquaculture,"

(3) By adding at the end thereof the following:

"Such members shall be appointed to serve staggered terms."

(c) In subsection (f) as follows:

(1) In subparagraph (E) by striking out "October 31" and inserting in lieu thereof "July 1"; and

(2) In subparagraph (F) by striking out "March 1 of" and inserting in lieu thereof "February 20 of".

REPEAL OF SECTION 1409 OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1208. Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 989; 7 U.S.C. 3124) is repealed.

LIBRARIES AND INFORMATION NETWORK

SEC. 1209. Section 1411 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 990; 7 U.S.C. 3126) is amended:

(a) In subsection (a)(5) by deleting the period and inserting in lieu thereof a semicolon and the word "and";

(b) By adding a new subsection (a)(6) to read:

"(6) the Department of Agriculture establish mutually valuable working relationships with international and foreign information and data programs."

(c) By revising subsection (b)(3) to read:

"(3) providing notification about these collections on a regular basis to the State cooperative extension services, State educational agencies and other interested persons."

SUPPORT FOR THE JOINT COUNCIL AND ADVISORY BOARD

SEC. 1210. Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 991; 7 U.S.C. 3127) is amended by revising subsection (a) to read as follows:

"(a) To assist the Joint Council and Advisory Board in the performance of their duties, the Secretary is authorized to appoint not to exceed five full-time professional staff employees after consultation with the co-chairmen of the Joint Council and the Chairman of the Advisory Board. This staff is to consist of a full-time executive secretary for the Joint Council, a full-time executive secretary for the Advisory Board, not more than two other professional staff, and a full-time executive director for such staff. The executive director shall receive compensation at a rate not below the rate for GS-16 nor in excess of the rate for GS-18 in the General Schedule set out in section 5332 of title 5 of the United States Code. The executive director shall perform such duties as the co-chairmen of the Joint Council and the chairman of Advisory Board may direct.".

AUTHORIZATION OF APPROPRIATIONS TO SUPPORT THE JOINT COUNCIL AND ADVISORY BOARD

SEC. 1211. Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 991; 7 U.S.C. 3128) is amended by adding a new subsection to read as follows:

"(c) There is hereby authorized to be appropriated annually such sums as the Congress may determine necessary for carrying out the provisions of sections 1412 and 1413 of this title.".

REPEAL OF SECTION 1413A OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1212. Section 1413A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (94 Stat. 707) is repealed.

AMENDMENTS TO PROGRAM OF COMPETITIVE, SPECIAL AND FACILITIES GRANTS FOR AGRICULTURAL RESEARCH

SEC. 1213. Section 2 of the Act of August 4, 1965 (79 Stat. 431, as amended; 7 U.S.C. 4501), is amended:

(a) In subsection (b) by striking out the words "on Food and Agricultural Sciences" in the second sentence and inserting in lieu thereof "and the Users Advisory Board", and by striking out the last sentence and inserting in lieu thereof the following: "There are hereby authorized to be appropriated annually such sums as Congress may determine necessary for the purpose of carrying out the provisions of this subsection.";

(b) In subsection (c) as follows:

(1) In paragraph (1) by inserting "research foundations established by land-grant colleges and universities," after "land-grant colleges and universities,"; and

(2) By revising paragraph (2) to read as follows:

"(2) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by landgrant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (76 Stat. 806-807, as amended; 16 U.S.C. 582a, 582a-1—582a-7), and accredited colleges of veterinary medicine, to facilitate or expand on-going State-Federal food and agricultural research programs that (A) promote excellence in research, (B) promote the development of regional research centers, (C) promote the research partnership between the Department of Agriculture and such colleges and universities, such as research foundations or State agricultural experiment stations, or (D) facilitate coordination and cooperation of research across state lines.".

(c) In subsection (d) as follows:

(1) By striking out all before "(1)" and inserting in lieu thereof the following:

"(d) The Secretary of Agriculture shall make annual grants to support the renovation and refurbishment, including energy retrofitting, of existing building space used or to be used for the conduct of food and agricultural research; the construction of auxiliary research facilities such as greenhouses, insectaries, and research farm structures and installations; and the purchase and installation of fixed equipment in such space and facilities, to—".

(2) In paragraph (1) by striking out "available; and" and inserting in lieu thereof "available:";

(3) In paragraph (2) by striking out the period and inserting in lieu thereof a semicolon, and

(4) By inserting after paragraph (2) the following new paragraphs:

"(3) each cooperating forestry school not

described in paragraph (1), in an amount which is equal to 10 per centum of the funds received by such school under the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(4) each college eligible to receive funds under the Act of August 30, 1890 (26 Stat. 417; 7 U.S.C. 321 et seq.), including Tuskegee Institute, in an amount which is equal to 10 per centum of the funds received by such college under section 1445 of this title."

AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH FACILITIES ACT OF 1963

SEC. 1214. Section 4 of the Act of July 22, 1963 (77 Stat. 91, as amended; 7 U.S.C. 390c), is amended by striking out subsection (a) and inserting in lieu thereof the following:

"(a) There are hereby authorized to be appropriated annually such sums as Congress may determine necessary for allocation to eligible institutions under this Act to be used for the purpose set out in section 2 of this Act.".

AUTHORIZATION OF APPROPRIATIONS FOR GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION

SEC. 1215. Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 996; 7 U.S.C. 3152) is amended by revising subsection (d) to read as follows:

"(d) There are hereby authorized to be appropriated annually such sums as Congress may determine necessary for the purpose of carrying out the provisions of this section.".

REPEAL OF AUTHORITY FOR GRANTS FOR RESEARCH ON THE PRODUCTION OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS

SEC. 1216. Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 997, as amended; 7 U.S.C. 3154) is repealed effective October 1, 1981.

REPEAL OF SECTION 1424 OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1217. Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1000; 7 U.S.C. 3174) is repealed.

NUTRITION EDUCATION PROGRAM

SEC. 1218. Section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1000; 7 U.S.C. 3175) is amended:

(a) By revising subsection (b) to read:

"(b) In order to enable low-income individuals and families to engage in nutritionally sound food purchasing and preparation practices, the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (38 Stat. 373, as amended; 7 U.S.C. 343(d)), shall provide for the employment and training of professional and para-professional aides to engage in direct nutrition education of low-income families and in other appropriate nutrition education programs. To the maximum extent practicable, such program aides shall be hired from the indigenous target population."

"(c) Beginning with the fiscal year ending September 30, 1982—

"(1) Any funds annually appropriated under section 3(d) of the Act of May 8, 1914, as amended, for the conduct of the expanded food and nutrition education program, up to the amount appropriated under such section for such program for the fiscal year ending September 30, 1981, shall be allocated to each State in the same proportion as funds appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, are allocated among the States; with the exception that the Secretary may retain up to 2 per centum of said amount for the conduct of such program in States that did not participate in such program in the fiscal year ending September 30, 1981.

"(2) Any funds appropriated annually under section 3(d) of the Act of May 8, 1914, as amended, for the conduct of the expanded food and nutrition education program in excess of the amount appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, shall be allocated as follows:

"A. Four per centum shall be available to the Secretary for administrative, technical and other services necessary for the administration of the program.

"B. The remainder shall be allocated among the States as follows:

"i. Ten per centum shall be distributed equally among all States; and

"ii. The remainder shall be allocated to each State in an amount which bears the same ratio to the total amount to be allocated under this subparagraph as the population of the state living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to Section 625 of the Economic Opportunity Act of 1964 (86 Stat. 697, as amended; 42 U.S.C. 2971(d)), bears to the total population of all the states living at or below 125 per centum of the income poverty guidelines as determined by the last preceding decennial census at the time each such additional amount is first appropriated. The provisions of this subparagraph shall not preclude the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this subparagraph.".

REPEAL OF SECTIONS 1426 THROUGH 1428 OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1219. Sections 1426 through 1428 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1000–1001; 7 U.S.C. 3176–3178) are repealed.

CONFORMING AMENDMENT

SEC. 1220. Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1001; 7 U.S.C. 3191) is amended by revising the last sentence thereof to read as follows:

"It is recognized that the total animal health and disease research and extension efforts of the several State colleges and universities and of the Federal Government would be more effective if there were close coordination between such programs, and it is further recognized that colleges and universities having accredited colleges of veterinary medicine and State agricultural experiment stations which conduct animal health and disease research are especially vital in training research workers in animal health."

ELIGIBLE INSTITUTIONS FOR ANIMAL HEALTH AND DISEASE RESEARCH FUNDS

SEC. 1221. Section 1430 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1002; 7 U.S.C. 3192) is amended:

(a) By revising subsection (1) to read:

"(1) the term 'eligible institution' means an accredited college of veterinary medicine or a State agricultural experiment station which conducts animal health and disease research."

(b) By revising subsection (2) to read:

"(2) the term 'dean' means the dean of an accredited college of veterinary medicine."

ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

SEC. 1222. Section 1432 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1002; 7 U.S.C. 3194) is amended in subsection (a) by striking out "five" and inserting in lieu thereof "ten".

CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH

SEC. 1223. Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1003; 7 U.S.C. 3195) is amended:

(a) In subsection (a) by deleting the comma after the word "funds" and striking out "not to exceed $25,000,000 annually,"; and

(b) By adding at the end thereof a new subsection to read as follows:

"(g) Funds distributed under this section shall not be used for payment of indirect costs of research or for tuition remission. Compensation for personal services under payroll distribution shall require annual review and certification by the dean or director or their designees that charges made against Federal funds for each employee are consistent with each employee's annual workload. No additional certification of charges made for personal services shall be required.".

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1224. Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1004; 7 U.S.C. 3196) is amended:

(a) In subsection (a) by deleting the comma after the word "funds" and striking out "not to exceed $15,000,000 annually,"; and

(b) By adding at the end thereof the following new subsections:

"(c) In order to establish a rational allocation of funds appropriated under this section, the Secretary shall establish annually priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Advisory Board, and the Board. Any recommendations made in connection with such consultation shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, the Joint Council, the Advisory Board, and the Board shall consider the following factors:

"(1) any health or disease problem which causes or may cause significant economic losses to any part of the livestock production industry;

"(2) whether current scientific knowledge necessary to prevent, cure, or abate such a health or disease problem is adequate; and

"(3) whether the status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem.

"(d) Without regard to any consultation under subsection (c), the Secretary shall, to the extent feasible, award grants to eligible institutions on the basis of the priorities assigned through a peer review system. Grantees shall be selected on a competitive basis in accordance with such procedures as the Secretary may establish.

"(e) In the case of multi-year grants, the Secretary shall distribute funds to grant recipients on a schedule which is reasonably related to the timetable required for the orderly conduct of the research project involved.".

TECHNICAL AMENDMENT—EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1225. Section 144 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1007; 7 U.S.C. 3221) is amended:

(a) In subsection (b)(2)(B) by inserting

"current at the time each such additional sum is first appropriated" after "the last preceding decennial census" both times it appears; and

(b) In subsection (c) by striking "administrative head for extension" and inserting in lieu thereof "extension administrator", and by inserting "and each five years thereafter" before the period.

TECHNICAL AMENDMENT—AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1226. Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1009, as amended; 7 U.S.C. 3222) is amended:

(a) In subsection (b)(1) by adding at the end thereof a new sentence to read as follows: "These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.";

(b) In subsection (b)(2)(B) by inserting "current at the time each such additional sum is first appropriated" after "the last preceding decennial census" both time is appears; and

(c) In subsections (c) and (d) by striking out the words "chief administrative officer" each time they appear and inserting in lieu thereof "research director".

REPEAL OF MISCELLANEOUS AUTHORITIES RELATING TO SOLAR ENERGY RESEARCH AND DEVELOPMENT

SEC. 1227. Sections 1449 through 1457 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1012–1015; 7 U.S.C. 3241, 3251, 3252, 3261–3263, 3271, 3281, 3282) are hereby repealed.

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1228. Section 1458 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1015; 7 U.S.C. 3291) is amended:

(a) In subsection (3) by striking the words "work with developed countries on agricultural" and inserting in lieu thereof the words "work with developed and transitional countries on food, agricultural and related";

(b) In subsection (4) by striking the word "and" at the end thereof;

(c) In subsection (5) by deleting the period and inserting in lieu thereof a semicolon and the word "and"; and

(d) By adding a new subsection to read as follows:

"(6) Provide specialized or technical services on an advance of funds or a reimbursable basis to United States colleges and universities carrying out international food, agricultural and related research and development projects and activities. All funds received in payment for furnishing specialized or technical services authorized under this subsection shall be deposited to the credit of the appropriation from which the cost of providing such services has been paid or is to be charged."

STUDIES

SEC. 1229. Subtitle J of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1016–1017; 7 U.S.C. 3301–3304) is hereby repealed.

AUTHORIZATION OF APPROPRIATIONS FOR AGRICULTURAL RESEARCH PROGRAMS

SEC. 1230. Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1017; 7 U.S.C. 3311) is amended:

(a) By revising subsection (a) to read as follows:

"(a) Notwithstanding any authorization for appropriations for agricultural research in any Act enacted prior to the date of enactment of this title, there are hereby authorized to be appropriated annually for the purposes of carrying out the provisions of this title, except sections 1413, 1416, 1417, 1433, 1434, 1441, 1445, and 1471 of this title, the competitive grants program provided for in section 2 of the Act of August 4, 1965 (79 Stat. 431, as amended), and the cooperative research programs provided for under the Act of March 2, 1887 (24 Stat. 440–442, as amended), such sums annually as Congress may determine necessary."

(b) In subsection (b) by striking out all after "the Act of March 2, 1887 (24 Stat. 440–442, as amended; 7 U.S.C. 361a–361l)," and inserting in lieu thereof the following: "such sums annually as Congress may determine necessary.".

(c) By adding at the end thereof a new subsection to read as follows:

"(c) Notwithstanding any authorization for appropriations for agricultural research in any Act enacted before the effective date of this subsection, not less than 25 per centum of the total funds appropriated to the Secretary in any fiscal year for the conduct of the cooperative research program provided for under the Act of March 2, 1887 (24 Stat. 440–442, as amended); the cooperative forestry research program provided for under the Act of October 10, 1962 (76 Stat. 806); the special and competitive grants program provided for in sections 2(b) and 2(c) of the Act of August 4, 1965 (79 Stat. 431, as amended); the animal health research program provided for under sections 1433 and 1434 of this title; the native latex research program provided for in the Native Latex Commercialization and Economic Development Act of 1978; and the research provided for under various statutes for which funds are appropriated under the Agricultural Research heading or a successor heading, shall be appropriated for agricultural research at State agricultural experiment stations pursuant to the provision of the Act of March 2, 1887 (24 Stat. 440–442, as amended).".

AUTHORIZATION OF APPROPRIATIONS FOR EXTENSION PROGRAMS

SEC. 1231. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1018; 7 U.S.C. 3312) is amended to read as follows:

"SEC. 1464. Notwithstanding any authorization for appropriations for the Cooperative Extension Service in any Act enacted prior to the date of enactment of this title, there are hereby authorized annually to be appropriated such sums as Congress may determine necessary for carrying out the extension programs of the Department of Agriculture.".

MISCELLANEOUS PROVISIONS

SEC. 1232. The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 981–1019, as amended) is amended by adding at the end thereof the following new sections:

"PROGRAM EVALUATION STUDIES

"SEC. 1471. (a) The Secretary shall regularly conduct program evaluations to meet the purposes of this title and the responsibilities assigned to the Secretary and the Department of Agricultural in this title. The Secretary may undertake such program evaluation studies by way of making contracts and cooperative agreements with or grants to public or private organizations or agencies. These studies should help to improve the administration and effectiveness of agricultural research, extension, and teaching programs in achieving their stated objectives. They should include the measurement and analysis of the economic, environmental, social, and other relevant impacts of those programs.

"(b) The Secretary is authorized to encourage and foster the regular evaluation of agricultural research, extension, and teaching programs within the State agricultural experiment stations, cooperative extension services, and colleges and universities, through the development and support of cooperative evaluation programs and program evaluation centers and institutes.

"(c) The Secretary shall make a report to the Congress not later than February 1 of each year on the program evaluation studies and activities conducted in the preceding fiscal year.

"(d) There are hereby authorized to be appropriated annually such funds as are necessary to carry out the provisions of this section."

"GENERAL AUTHORITY TO AWARD CONTRACTS, GRANTS AND COOPERATIVE AGREEMENTS

"SEC. 1472. (a) The purpose of this section is to confer upon the Secretary of Agriculture general authority to award contracts, grants or cooperative agreements to further the research, extension or teaching programs in the food and agricultural sciences of the Department of Agriculture. This authority supplements all other laws relating to the Department of Agriculture and is not to be construed as limiting or repealing any existing authorities.

"(b) The Secretary of Agriculture is authorized to make contracts, grants, or cooperative agreements, for periods not to exceed five years, to State agricultural experiment stations, State cooperative extension services, all colleges and universities, other research or education institutions and organizations, Federal and private agencies and organizations and individuals, and any other contractor or recipient either foreign or domestic, to further the research, extension or teaching programs in the food and agricultural sciences of the Department of Agriculture.

"(c) The Secretary of Agriculture may vest title to expendable and nonexpendable equipment and supplies and other tangible personal property in the contractor or recipient when the contractor or recipient purchases such equipment, supplies, and property with contract, grant, or cooperative agreement funds and the Secretary deems such vesting of title a furtherance of the agricultural research, extension or teaching objectives of the Department of Agriculture.

"(d) The Secretary of Agriculture may enter into contracts, grants, or cooperative agreements, as authorized by this section, without regard to any requirements for competition, the provisions of section 5 of Title 41, and the provisions of section 529 of Title 31."

"LIMITATION ON USE OF FUNDS

"SEC. 1473. Funds appropriated for carrying out the purposes of sections 1433, 1434, 1444 and 1445 of this title and funds appropriated for carrying out the purposes of the Act of March 2, 1887 (24 Stat. 440–442, as amended), the Act of May 8, 1914 (38 Stat. 373, as amended), and the Act of October 10, 1962 (76 Stat. 806–807, as amended) shall not be available for the payment of indirect costs or tuition remission."

FORESTRY RESEARCH

SEC. 1233. Section 5 of the Act of October 10, 1962 (76 Stat. 807; 16 U.S.C. 582a–4) is amended by adding at the end thereof a new sentence to read as follows: "Funds available to the Secretary for the administration of this program may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purposes of assessing research opportunities or research planning."

EXCESS FEDERAL PROPERTY

SEC. 1234. Section 202(d)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) is amended by—

(1) striking out the word "or" at the end of subparagraph (C);

(2) striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon and the word "or"; and

(3) adding the following new subparagraph immediately after subparagraph (D):

"(E) property furnished by the Secretary of Agriculture to any State or county extension service engaged in cooperative agricultural extension work pursuant to the Act of May 8, 1914 (38 Stat. 372, as amended); any State experiment station engaged in cooperative agricultural research work pursuant to the Act of March 2, 1887 (24 Stat. 440, as amended), and any institution engaged in cooperative agricultural research and extension work pursuant to sections 1444 and 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (91 Stat. 1007, 1009), where title is retained in the United States.".

TITLE XIII—AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

SEASONAL INCENTIVE PLANS IN FEDERAL MILK MARKETING ORDERS

SEC. 1301. Effective on January 1, 1982. section 8c(5)(B) of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, 7 U.S.C. 608c(5)(B), is further amended by striking all that follows the comma at the end of the clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, and (e) a provision for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order.".

TITLE XIV—DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES REPEAL

SEC. 1401. Title XVIII of the Food and Agriculture Act of 1977 (91 Stat. 1041–1044 as amended; 7 U.S.C. 2281–2289) is hereby repealed.

SECTION-BY-SECTION ANALYSIS

SHORT TITLE

The first section provides that this bill may be cited as the "Agricultural Act of 1981".

TITLE I—DAIRY AND SOYBEAN PROGRAMS

Milk Price Support:

Section 101 requires that the price of milk be supported at a level not less than 70 percent nor more than 90 percent of its parity price as the Secretary deems necessary to assure an adequate supply of milk to meet current needs, reflect changes in the cost of production, and assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs. The Secretary is authorized to support the price of milk at less than 70 percent of parity if it is determined that the Commodity Credit Corporation is accumulating, or has accumulated, excessive quantities of milk or milk products. However, the support price for milk on October 1, 1981, shall not be less than $13.10 per hundredweight. Price support would continue to be provided through purchases of milk and the products of milk.

Soybean Price Support:

Section 101 also extends price support for soybeans through the 1985 crop. The 1982 through 1985 crops of soybeans are required to be supported through loans and purchases at such levels as the Secretary determines appropriate in relation to competing commodities, taking into consideration domestic and foreign supply and demand factors.

Transfer of Dairy Products to the Military and Veterans Hospitals:

Section 102 extends for four years (1982–1985) the authority contained in section 202 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a), which provides for making dairy products available to veterans hospitals and to the military to increase the utilization of such products.

TITLE II—WHEAT

Loan and Purchase Rates:

Section 201 amends section 107A of the Agricultural Act of 1949. The new section 107A provides that the Secretary shall make available for the 1982 through 1985 crops of wheat, loans and purchases at such level as the Secretary determines to be appropriate taking into consideration costs of production, supply and demand conditions, and world market prices for wheat.

Land Diversion Program:

Section 201 amends section 107A of the 1949 Act to authorize the Secretary to conduct a land diversion program. If such a program is implemented, the Secretary is authorized to make payments to producers who devote an acreage of cropland to conservation uses as determined by the Secretary in accordance with land diversion contracts taking into consideration the extent and the productivity of the acreage to be diverted. The Secretary is also authorized to require producers to participate in the program in order to be eligible for loans and purchases. The amounts payable under the contracts may be determined as the Secretary deems appropriate, which may be a bid procedure. Under a land diversion program, the Secretary shall limit the acreage to be diverted so as to not adversely affect the economy of a county or local community. The diverted acreage could be devoted to wildlife food plots or wildlife habitat.

Farm Program Payment Yield:

Section 201 amends section 107A of the 1949 Act to provide for a farm program payment yield when a land diversion program is in effect. The farm program payment yield shall be the last yield which had been previously established for the farm. If no payment yield has been previously established for the farm, the Secretary is authorized to determine such yield as the Secretary determines to be fair and equitable. In determining such yields, the Secretary shall take into consideration actual yields proved by the producer and such yields cannot be reduced in the determination of the farm program payment yields.

The Secretary can establish national, State, or county program payment yields based upon historical yields. Should the Secretary take this action, the farm program payment yields shall balance to the national, State or county payment yields.

Participation and Compliance:

Section 201 amends section 107A of the 1949 Act to provide that a farm operator desiring to participate in a diversion program shall execute a contract with the Secretary by a date and under terms prescribed by the Secretary. The contract may be modified or terminated by mutual agreement of the Secretary determines the action to be necessary because of drought or disaster conditions.

If a producer fails to comply fully with the conditions of the program and is precluded from receiving loans, purchases, and payments, the Secretary is nevertheless authorized to make such loans, purchases, and payments in such sums as the Secretary determines to be equitable in relation to the seriousness of the failure.

Regulations and Miscellaneous:

The Secretary may issue such regulations as deemed necessary to carry out the provisions of section 107A of the 1949 Act. The program shall be carried out through the Commodity Credit Corporation and the provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act relating to assignment of payments shall be applicable to the program.

Nonapplicability of Existing Law:

Section 202 provides that the processor and export certificate requirements as authorized by the Agricultural Adjustment Act of 1938 shall not be applicable to wheat through May 31, 1986; section 203 suspends marketing quotas and producer certificate provisions of the 1938 Act for the 1982 through 1985 crops of wheat; section 204 suspends the farm marketing quota provisions of P.L. 74, 77th Congress (55 Stat. 203, as amended) for the crops of wheat planted for harvest in the calendar years 1982 through 1985; and section 205 of the Agricultural Act of 1949 with respect to price supports shall not apply to the 1982 through 1985 crops of wheat.

TITLE III—FEED GRAINS

Loan and Purchase Rates:

Section 301 amends 105A of the Agricultural Adjustment Act of 1949. The new section 105A provides that the Secretary shall make available for the 1982 through 1985 crops of corn, loans and purchases at such level as the Secretary determines to be appropriate taking into consideration costs of production, supply and demand conditions, and world market prices for corn.

The Secretary shall also make available for the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, loans and purchases as the Secretary determines to be fair and reasonable in relation to the level at which the loans and purchases are made available for corn taking into consideration the feeding value of the commodities in relation to corn and other factors set forth in section 401(b) of the 1949 Act.

Land Diversion Program:

Section 105A of the 1949 Act as amended by section 301 also authorizes the Secretary to conduct a land diversion program. If such a program is implemented, the Secretary is authorized to make payments to producers who devote an acreage of cropland to conservation uses as determined by the Secretary in accordance with land diversion contracts taking into consideration the extent and productivity of the acreage to be diverted. The Secretary is also authorized to require producers to participate in the program in order to be eligible for loans and purchases. The amounts payable under the contracts may be determined as the Secretary deems appropriate, which may be a bid procedure. Under a land diversion program, the Secretary shall limit the acreage to be diverted so as not to adversely affect the economy of a county or local community. The diverted acreage could be devoted to wildlife food plots or wildlife habitat.

Farm Program Payment Yield:

Section 201 amends section 105A of the 1949 Act to provide for a farm program payment yield when a land diversion program is in effect. The farm program payment yield shall be the last yield which had been previously established for the farm. If no payment yield has been previously established for the farm, the Secretary is authorized to determine such yield as the Secretary determines to be fair and equitable. In determining such yields, the Secretary shall take into consideration actual yields proved by the producer and such yields cannot be reduced in the determination of the farm program payment yields.

The Secretary can establish national, State or county program payment yields based upon historical yields. Should the Secretary take this action, the farm program payment yields shall balance to the national, State or county payment yields.

Participation and Compliance:

Section 201 amends section 105A of the 1949 Act to provide that a farm operator

desiring to participate in a diversion program shall execute a contract with the Secretary by a date and under terms prescribed by the Secretary. The contract may be modified or terminated by mutual agreement if the Secretary determines the action to be necessary because of drought or disaster conditions.

If the producer fails to comply fully with the conditions of the program and is precluded from receiving loans, purchases, or payments, the Secretary is nevertheless authorized to make such loans, purchases, and payments in such sums as the Secretary determines to be equitable in relation to the seriousness of the failure.

Regulations and Miscellaneous:

The Secretary may issue such regulations as deemed necessary to carry out the provisions of section 105A of the 1949 Act. The program shall be carried out through the Commodity Credit Corporation and the provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act relating to assignment of payments shall be applicable to the program.

Nonapplicability of Existing Law:

Section 302 provides that section 105 of the Agricultural Adjustment Act of 1949 with respect to price supports shall not apply to the 1982 through 1985 crops of feed grains.

TITLE IV—UPLAND COTTON

Suspension of Marketing Quotas:

Section 401 suspends for four years—the 1982 through 1985 crops of upland cotton—the cotton marketing quota and acreage allotment provisions contained in sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342 et seq.).

Loan Rates:

Section 402 amends section 103(f)(1) of the Agricultural Act of 1949 to provide that the Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than 60 days, make available for the 1982 through 1983 crops of upland cotton to cooperators ten-month nonrecourse loans at a level which will reflect for Strict Low Middling one and one-sixteenth inch upland cotton at average location in the United States, the smaller of (1) 85 percent of the average price of such quality of cotton as quoted in designated United States spot markets during the three years of the five-year period ending July 31 in the year in which the loan level is announced excluding the years in which the average price was the highest and lowest in such period, or (2) 90 percent of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths of the growths quoted for Strict Middling one and one-sixteenth inch cotton C.I.F. Northern Europe (adjusted downward by the average difference between April 15 and October 15 of the year in which the loan is announced between such average Northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one and one-sixteenth inch cotton.

The loan level would be announced not later than November 1 of the calendar year preceding the marketing year for which the loan is to be effective, and such level shall not thereafter be changed. Such nonrecourse loans would, upon request of the cooperator, be made available for an additional eight months. Such request would not be approved if the average price in the designated spot markets for the preceding month exceeded 130 percent of the average price for the preceding thirty-six months. When the average price exceeds 130 percent for a month, the President would be required to immediately establish and proclaim a special conditional limited global import quota for upland cotton.

Section 103(f)(2) is amended by section 402 to provide that a special quota period shall not be established that overlaps an existing special quota.

Land Diversion Program:

Section 402 amends section 103(f)(3) of the 1949 Act to authorize the Secretary to make land diversion payments to producers of upland cotton if the Secretary determines that such payments are necessary to assist in adjusting the total acreage of upland cotton. If a land diversion program is in effect, the Secretary is also authorized to require producers to participate in order to be eligible for loans. Such land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved in accordance with land diversion contracts. The amounts payable under such contracts could be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe, or through other means. In determining the acceptability of such contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to adversely affect the economy of a county or local community.

Farm Program Payment Yield:

Section 103(f)(3) is amended by section 402 to provide for a farm program payment yield when a land diversion program is in effect. The farm program payment yield shall be the last yield previously established for the farm. If no payment yield has been previously established for the farm, the Secretary is authorized to determine such yield as the Secretary determines to be fair and equitable. In the determination of such yields, the Secretary shall take into account the actual yields proved by the producer and such yields cannot be reduced in the determination of the farm program payment yields. If determined necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields and the farm program payment yields shall balance to these yields if established.

Section 103(f)(3) authorizes that diverted acreage may be devoted to wildlife food plots or wildlife habitat.

Participation and Compliance:

Section 402 amends section 103(f)(3) of the 1949 Act to provide that a farm operator shall execute an agreement providing for the operator's participation in the program. The Secretary may terminate or modify any agreement if determined to be necessary because of an emergency created by drought or other disaster or to alleviate a shortage in supply of agricultural commodities.

If a producer fails to comply fully with the terms and conditions of the program, the Secretary may nevertheless make loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

Regulations and Miscellaneous:

Section 103(f), as amended by section 402, authorizes the Secretary to issue such regulations as the Secretary deems necessary to carry out the program. The program shall be carried out through the Commodity Credit Corporation and the provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act relating to assignment of payments shall be applicable to the program.

Commodity Credit Corporation Sales Price Restrictions:

Section 403 amends section 407 of the Agricultural Act of 1949 relating to sales by the Commodity Credit Corporation of its stocks of cotton.

Under section 403, CCC could not sell any of its stocks of upland cotton at less than 115 percent of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton (with adjustments as provided under existing law).

Skiprow Practices:

Section 404 suspends through the 1985 crop of upland cotton section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) which provides that the rules governing skiprow patterns which were in effect for the 1971 through 1973 crops shall also apply to the 1982 through 1985 crops.

TITLE V—RICE

Loan and Purchase Rates:

Section 401 amends section 101(f) of the Agricultural Act of 1949 to provide that the Secretary shall make available to producers for the 1982 through 1985 crops of rice, loans and purchases at such level as the Secretary determines to be appropriate taking into consideration the cost of production, supply and demand conditions, and the world market prices for rice.

Land Diversion Program:

Section 101(f)(2) of the 1949 Act is amended by section 501 to authorize the Secretary to conduct a land diversion program. If a program is implemented, the Secretary is authorized to make payments to producers who devote an acreage of cropland to conservation uses as determined by the Secretary in accordance with land diversion contracts taking into consideration the extent and the productivity of the acreage to be diverted. The Secretary is also authorized to require producers to participate in the diversion program as a condition of eligibility for loans and purchases. The amounts payable under the contracts may be determined as the Secretary deems appropriate, which may be a bid procedure. The diverted acreage could be devoted to wildlife food plots and wildlife habitat.

Farm Program Payment Yield:

Section 501 amends section 101(f)(3) of the 1949 Act to provide for a farm program payment yield when a land diversion program is in effect. The farm program payment yield shall be the last yield which had been previously established for the farm. If a payment yield has not been previously established for the farm, the Secretary is authorized to establish such yield as the Secretary determines to be fair and equitable. In determining such yields, the Secretary shall take into consideration the actual yields proved by the producer and neither such yield nor the farm program payment yield based upon such yields shall be reduced.

The Secretary may also establish national, State or county program payment yields based on historical yields. The Secretary may adjust the historical yields to correct abnormal factors which have affected such yields. In addition, if data on historical yields are not available, the Secretary is authorized to estimate the yields for the crop year in question. If national, State, or county program yields are established, the farm program payment yields are to balance to such yields.

Participation and Compliance:

Section 501 amends section 101(f) of the 1949 Act to require that a farm operator desiring to participate in a diversion program shall execute an agreement with the Secretary by the date and under terms prescribed by the Secretary.

If a producer fails to fully comply with the terms and conditions of the rice program, the Secretary is nevertheless authorized to make such loans, purchases, and payments to producers as the Secretary determines to be

equitable in relation to the seriousness of the failures.

Regulations and Miscellaneous:

The Secretary is authorized to issue such regulations as the Secretary determines to be necessary to carry out the program authorized by section 101(f) of the 1949 Act. The program shall be carried out through the Commodity Credit Corporation and the provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act relating to assignment of payments shall be applicable to the program.

Suspension of Marketing Quotas and Other Provisions:

Section 502 suspends for 1982 through 1985 crops of rice certain provisions of the Agricultural Adjustment Act of 1938.

TITLE VI—PEANUTS

Suspension of Marketing Quotas and Acreage Allotments:

Section 601 suspends, effective for the 1982 through 1985 crops of peanuts, certain provisions of sections 358, 358a, and 359 of the Agricultural Adjustment Act of 1938. This section suspends the permanent legislation relating to acreage allotments, marketing quotas, and marketing quota penalties.

National and Farm Poundage Quotas:

Section 602 establishes, effective for the 1982 through 1985 crops of peanuts, a national poundage quota for each marketing year. The national poundage quota is set at 1,290,000 tons for 1982 and is reduced by 10 percent for each subsequent year.

The national poundage quota is converted to a farm poundage quota by apportioning the national poundage quota to individual farms, based on each farm's farm base production poundage for the 1981 marketing year. Farms without a farm base production poundage for 1981 will receive no farm poundage quota.

This section also defines "quota peanuts" as peanuts which are marketed from a farm for domestic edible use and which do not exceed the farm poundage quota for such farm. "Additional peanuts" are defined as peanuts which are: (1) marketed from a farm and which are in excess of the marketings of quota peanuts from such farms; or (2) marketed from a farm without a farm poundage quota.

Sale, Lease, or Transfer of Farm Base Production Poundage:

Section 603 provides that the farm base production poundage may be sold, leased, or transferred to another farm within state lines.

Marketing penalties:

In general, section 604 establishes the manner in which quota peanuts and additional peanuts may be marketed. This section also prescribes the marketing penalties which are to be assessed for marketing violations.

Quota peanuts are eligible for domestic edible use or for use as seed. With one exception, additional peanuts may only be marketed for crushing or for export. Handlers may contract with a producer for the delivery of additional peanuts up until the time of delivery. Additional peanuts which are not covered by such contract must be placed in the additional loan pool operated by designated producer associations.

A handler may purchase additional peanuts from the additional loan pool for domestic edible use. This purchase may be executed in either of two ways. First, the handler may, at any time prior to delivery, contract with the producer to purchase such producer's additional peanuts from the additional loan pool for domestic edible use upon delivery of the peanuts to the handler by the producer. Under such contracts, the producer will receive the amount of the price support advance from the additional loan pool. The handler will remit to the Commodity Credit Corporation for inclusion in the additional loan pool proceeds 100 percent of the loan value of an equivalent amount of quota peanuts, plus an amount to cover all costs incurred with respect to such peanuts for items such as inspection, warehousing, shrinkage, and other expenses. The difference between the contract price and the amount remitted to the Commodity Credit Corporation shall be paid directly to the producer by the handler.

The second method of purchasing additional peanuts from the additional loan pool is to purchase such peanuts directly from the Commodity Credit Corporation or a designated producer association. Such sales may not be made at less than the price required to cover costs plus: (1) 105 percent of the loan value of quota peanuts if the sale occurs before December 31; or (2) 107 percent of the loan value of quota peanuts if the sale occurs after December 31 of the marketing year.

This section also provides that the Secretary may prescribe, by regulation, the manner in which peanuts which are unsuitable for human consumption may be marketed. Penalties may be assessed for any violations of such regulations.

The Secretary is also authorized to establish procedures by which the liability for and amount of penalties assessed under this section may be determined.

Reports and Records:

Section 605 amends section 373(A) of the Agricultural Adjustment Act of 1938 to authorize the Secretary to require producers of peanuts to make such reports and keep such records as the Secretary determines are necessary and appropriate.

Price Support Program:

Section 606 adds a new section 108A to title I of the Agricultural Act of 1949. Section 108A provides, effective for the 1982 through 1985 crops of peanuts, that price support shall be made available with respect to quota peanuts and additional peanuts. The level of support for quota peanuts shall not be less than $420 per ton, and may be adjusted upward by the Secretary on the basis of a consideration of certain enumerated factors. The support level for additional peanuts is to be determined by the Secretary, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

The Secretary is further authorized to make warehouse storage loans to designated producer associations. Such associations may be required to establish pools by type for quota and additional peanuts. The section also provides for the manner in which net gains derived from such pools may be distributed to growers participating in those pools.

Inapplicability of Provisions of the Agricultural Act of 1949:

Section 607 suspends the applicability of permanent price support legislation for peanuts, effective for the 1982 through 1985 crops of peanuts.

TITLE VII—GRAIN RESERVE

Producer Storage Program:

Section 701 amends section 110 of the Agricultural Act of 1949. The Secretary of Agriculture is authorized to formulate and administer a program under which wheat and feed grain producers can store wheat and feed grains and extend the time period for their orderly marketing when such commodities are in abundant supply. The Secretary is required to establish safeguards to assure that wheat and feed grains held under the program will not be used to unduly depress, manipulate, or curtail the free market. The authority contained in section 110 supplements other authorities available to the Secretary for carrying out producer loan and storage operations.

The Secretary is authorized to provide original or extended price support loans to producers of wheat and feed grains under terms and conditions designed to achieve the program objectives. Such loans must be made at the same level of support as provided by this Act or such higher level as the Secretary may deem appropriate. The terms and conditions of the program may include, in addition to those the Secretary may prescribe by regulation; (1) repayment of such loans in not less than three nor more than five years; (2) storage payments to producers in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program; (3) an interest rate as set forth below; (4) recovery of storage payments, and for payment of additional interest or other charges in the event that producers repay such loans before the market price for wheat or feed grains reaches a level(s) determined by the Secretary in clause (5); and (5) conditions designed to induce producers to redeem and market the wheat and feed grains securing such loans regardless of their maturity dates, whenever the Secretary determines that the market price for the commodity has attained a specified level, as determined by the Secretary.

Participants in the program are to be charged an interest rate not less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest as the Secretary deems appropriate. The Secretary may increase the applicable interest rate in such amounts and at such times as the Secretary determines appropriate to encourage the orderly marketing of a commodity securing loans made under this section after the market price for the commodity reaches the level determined under clause (5), as explained.

The Secretary may require producers to repay such loans prior to their maturity dates if the Secretary determines emergency conditions exist which require that the commodity be made available in the market to meet urgent domestic or international needs.

The Secretary is required to announce the program terms and conditions as far in advance of making loans as is practicable. The Secretary must specify the quantity of wheat or feed grains which will be covered under the program, as the Secretary determines appropriate to promote their orderly marketing.

Whenever the loan program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 110 percent of the then current price level at which the Secretary may encourage repayment of producer storage loans prior to the maturity dates of the loans, as determined under clause (5). Such restriction shall not apply to: (1) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; and (2) sales or other disposals of such commodities under the Act of September 21, 1959.

The Secretary may, with the concurrence of the owner of grain stored under the program, reconcentrate grain commercially warehoused at such points as the Secretary deems to be in the public interest, accounting for factors such as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks under regulations which assure that the producer or warehouseman shall always have available for delivery at the designated place of storage both the quantity and quality of grain covered by his commitment.

Whenever grain is stored under this sec-

tion, the Secretary may buy and sell substantially equivalent quantities of grain to the extent needed to properly handle, rotate, distribute, and locate commodities owned or controlled by the Commodity Credit Corporation. Purchases to offset sales must be made within two market days after the sales. The Secretary is required to make a daily list available showing the price, location, and quantity of such transactions.

The Secretary is authorized to use the Commodity Credit Corporation to fulfill the purposes of the producer storage program and shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce to the maximum extent practicable.

International Emergency Food Reserve:

Section 702 repeals section 111 of the Agricultural Act of 1949 which encouraged the President to enter into negotiations to develop an international system of food reserves and to establish and maintain such reserves.

Disaster Reserve:

Section 703 repeals section 813 of the Agricultural Act of 1970 which provides that the Secretary of Agriculture shall establish a disaster reserve of not to exceed 75 million bushels of wheat, feed grains, and soybeans in order to alleviate distress as the result of a natural disaster. The commodities to be designated for the disaster reserve are to be acquired through the price support program or through purchase.

Farm Storage Facility Loans:

Section 704 amends section 4(h) of the Commodity Credit Corporation Charter Act to provide discretionary authority for the Secretary to make farm storage facility loans.

TITLE VIII—WOOL AND MOHAIR

Price Support:

Section 801 amends section 703 of the National Wool Act of 1954. Section 703(a) presently provides that the Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair to producers by means of loans, purchases, payments, or other operations, with respect to such commodities marketed during the period ending December 31, 1981. Section 801 amends this provision to make it effective for wool and mohair marketed during the period ending December 31, 1985. Section 801 further amends subsection 703(b) by providing that the support price for shorn wool for the marketing years January 1, 1982, through December 31, 1985, shall be not more than 90 percent nor less than 60 percent of the amount calculated in accordance with the formula prescribed by subsection (b). However, the Secretary may establish a support price at less than 60 percent if the Secretary determines that a lower level is appropriate as a result of exceptional circumstances affecting the cost or availability of shorn wool.

Payments:

Section 802 amends section 704 of the National Wool Act by deleting from the first sentence the provision that the total of all price support payments made under the Act shall not exceed an amount equal to a percentage of the accumulated totals of gross receipts from duties collected on or after January 1, 1953, on all articles subject to duty under Schedule 11 of the Tariff Act of 1930, as amended.

Reimbursement:

Section 803 repeals section 705 of the National Wool Act which appropriates, for reimbursement of the Commodity Credit Corporation for any expenditures made in connection with payments to producers under the Act, amounts each fiscal year which may not exceed 70 percent of the gross receipts from duties collected during the preceding calendar year on all articles subject to duty under Schedule 11 of the Tariff Act of 1930, as amended.

TITLE IX—GENERAL AND MISCELLANEOUS PROVISIONS

Finality of Determinations:

Section 901 amends the first sentence of section 385 of the Agricultural Adjustment Act of 1938 to provide for a finality provision with respect to the facts constituting the basis for any Soil Conservation Act payment any payment under the wheat, feed grain, upland, and rice program authorized by the Agricultural Act of 1949 or the 1938 Act, or any loan, or price support operation.

Commodity Credit Corporation Sales Price Restrictions for Wheat and Feed Grains:

Section 902 amends section 407 of the Agricultural Act of 1949 by providing that effective only with respect to the marketing years for the 1982 through 1985 crops, the Commodity Credit Corporation shall not sell any of its stocks of wheat, corn, grain sorghums, barley, oats, and rye at less than 115 percent of the current national average loan rate.

Application of Terms in the Agricultural Act of 1949:

Section 903 amends section 408(k) of the Agricultural Act of 1949 to make certain terms in sections 402, 403, 406, and 416 of the Agricultural Act of 1949 applicable to the level of loans and purchases for wheat, feed grains, upland cotton, and rice under that Act. Also, certain other terms in those sections and section 401(a) of the 1949 Act are made applicable to the loan and purchase operations for wheat, feed grains, upland cotton and rice under that Act.

Emergency Feed Program:

Section 904 would repeal section 1105 of the Food and Agriculture Act of 1977 which provides authority for the Secretary of Agriculture to provide assistance to livestock owners in the preservation and maintenance of livestock in any area when the Secretary determines an emergency exists as the result of a natural disaster. Under the program, livestock owners who (1) suffer a substantial loss of livestock feed, (2) have insufficient feed available for their livestock, and (3) necessarily purchase feed in larger quantities than normal, may be reimbursed for such purchases at a rate not in excess of 50 percent of the cost of the feed purchased.

TITLE X—PUBLIC LAW 480

Miscellaneous Amendments:

Section 1001 amends section 101 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) by deleting the reference to sales for foreign currencies which have not been authorized since 1971, and includes, in lieu thereof, reference to sales for foreign currencies on credit terms and on terms which permit conversion to dollars which presently appears in section 103(b) of Public Law 480. This amendment is merely intended to update the law and consolidate provisions rather than to make any substantive changes.

Section 1002 amends section 103(b) of Public Law 480 to update and clarify that section. The reference to authority to enter into convertible local currency credit sales presently appearing in section 103(b) is now included in section 101 (see section 1001 of this Act). The reference to the maximum credit terms for such sales presently included in section 103(b) is now included in section 106 (see section 1006 of this Act). The reference to section 104(c) relating to currency use payments is deleted since that section has been repealed.

Section 1003 amends section 103(d) of Public Law 480 by deleting the prohibition therein to sales for foreign currencies to any country or area dominated by a Communist Government. This specific prohibition is no longer required since sales for foreign currencies have not been authorized since 1971 to any country.

Section 1004 amends section 103(l) of Public Law 480 by deleting the provision that commitments be obtained from purchasing countries to the effect that commodities provided under sales for foreign currencies be specifically marked or identified as being supplied on a concessional basis. This provision is no longer required since sales for foreign currencies have not been authorized since 1971. However, the Committee understands that, as a matter of policy, in negotiating title I agreements on credit terms, similar commitments have been obtained from purchasing countries and expects this policy to be continued insofar as practicable.

Section 1005 amends section 104 of Public Law 480. Paragraph (1) updates the introductory portion of section 104 by making it clear that new sales for foreign currencies have not been authorized since 1971. Paragraph (2) increases the dollar equivalent limit in section 104(d) on the use of foreign currencies for emergency or extraordinary non-food relief requirements from $5 to $10 million. This change will permit the use of a greater amount of foreign currency, rather than dollars, to purchase items such as tents, bedding, tools, etc., for needy displaced populations overseas. Paragraph (3) deletes from clause (3) of the proviso following section 104(k) the reference to section 104(c) since section 104(c) has been repealed in previous legislation.

Section 1006 amends section 106(a) of Public Law 480 by adding the reference to the maximum terms authorized for convertible local currency credit which presently appears in section 103(b). This change is intended to bring together in one section all references to credit terms presently appearing in different sections of Public Law 480.

Section 1007 repeals section 108 of Public Law 480. Section 108, which limits the authority of Commodity Credit Corporation to finance ocean freight charges, is now obsolete since it only applies to new sales for foreign currencies which have not been authorized since 1971.

Section 1008 repeals section 109(b) of Public Law 480. Section 109(b), which applied to the uses of foreign currencies received under sales for foreign currencies, is now obsolete.

TITLE XI—RURAL DEVELOPMENT AND CONSERVATION

Agricultural Land Resources:

Section 1101 provides that the Secretary of Agriculture is encouraged to cooperate with and provide technical assistance to States and localities in the development of programs stressing the importance of agricultural land and resources to the nation's economy. Section 1101 further provides that the Secretary is also encouraged to cooperate with state agencies in the preparation and dissemination of information which emphasizes the importance of agricultural land and resources to the national economy.

Soil and Water Conservation Policy:

Section 1102 provides that the Secretary of Agriculture shall submit a report to Congress not later than December 31, 1981, setting forth recommendations as to how the various soil and water conservation programs administered by agencies within the Department can be strengthened and improved.

TITLE XII—RESEARCH, EXTENSION, AND TEACHING IN THE FOOD AND AGRICULTURAL SCIENCES

Revised Findings:

Section 1201 amends section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (hereinafter referred to as the 1977 Act) by revising the Congressional findings supporting the 1977 Act. The revisions emphasize the importance of the historical Federal-State partnership in the conduct of research, extension, and teaching in the food and agricultural sciences; and the need to strengthen the relationship through expanded planning and coordination efforts.

Amended Purposes:

Section 1202 amends section 1403 of the 1977 Act to clarify that among the purposes of the Act are the coordination and planning of extension and teaching activities as well as research in the food and agricultural sciences.

Amended Definitions:

Section 1203 broadens the definition of "food and agricultural sciences" contained in section 1404(8) of the 1977 Act by specifying that the term encompasses basic, applied and developmental research, extension and teaching in the food, agricultural, renewable natural resources, forestry and social sciences in the broadest sense of those terms. In addition, the definition of "States" is expanded to include American Samoa, the Northern Marianas, and the Trust Territory of the Pacific Islands.

Responsibilities of the Secretary of Agriculture:

Section 1204 amends section 1405 of the 1977 Act by making it the responsibility of the Secretary to report to concerned Congressional Committees (as a part of annual budget submissions) on the actions proposed to be taken as well as the actions taken to support the recommendations of the National Agricultural Research and Extension Users Advisory Board. Further, it requires the Secretary to coordinate all agricultural research, extension, and teaching activities with the periodic Renewable Resource Assessment and Program provided for in sections 3 and 4 of the Forest and Rangeland Resources Planning Act of 1974, as amended, and the appraisal and program provided for in sections 5 and 6 of the Soil and Water Resources Conservation Act of 1977.

Subcommittee on Food, Agricultural and Forestry Research:

Section 1205 amends section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976, as amended, by changing the name of the Subcommittee on Food and Renewable Resources to the Subcommittee on Food, Agricultural, and Forestry Research. In addition, it changes the references to the Department of Health, Education, and Welfare and the Energy Research and Development Administration to the Department of Health and Human Services and the Department of Energy, respectively.

Joint Council on Food and Agricultural Sciences:

Section 1206 amends section 1407 of the 1977 Act, which provides for the establishment within the Department of Agriculture of a Joint Council on Food and Agricultural Research. The amendment lengthens the term of the Joint Council from five to ten years. Further, the amendment provides that the Joint Council shall be composed of at least 25 representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and argicultural and forestry sciences, including appropriate Federal agencies. Members are to be appointed to staggered, three-year terms by the Secretary from nominations made by the organizations and agencies represented on the Joint Council. At least one-half of the members of the Joint Council must be appointed from among distinguished persons engaged in agricultural research, extension, and teaching programs at land-grant colleges and universities and State agricultural experiment stations to ensure that regional differences are properly considered. Also, to ensure that the views of other agricultural institutions are considered, two members must be appointed from among persons who are distinguished representatives of other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension and teaching. The Joint Council is to be jointly chaired by the senior policy official of the Department of Agriculture responsible for research, extension, and teaching and a person to be elected from the non-Federal membership of the Joint Council.

In addition, the amendment sets out the primary purpose of the Joint Council as that of bringing about more effective research, extension, and teaching in the food and agricultural sciences by improving planning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes.

The amendment revises the responsibility of the Joint Council for assisting the Secretary in carrying out the Secretary's functions under the 1977 Act through planning and coordination of the food and agricultural sciences by providing that existing regional research, extension, and teaching organizations of State cooperative institutions be utilized wherever possible to provide planning and coordination.

Further, the amendment provides for the Joint Council to submit a report by June 30 of each year to the Secretary of Agriculture. The report is to (1) specify the Joint Council's recommendations on priorities for food and agricultural research, extension, and teaching programs; and (2) delineate suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs.

Finally, the amendment exempts the Joint Council from the provisions of the Federal Advisory Committee Act and subchapter II of chapter 5 of title 5 of the United States Code; while providing that its meetings be publicly announced and open to the public, and requiring that appropriate records of the Joint Council's activities be kept and made available to the public on request.

National Agricultural Research and Extension Users Advisory Board:

Section 1207 amends section 1408 of the 1977 Act, which provides for the establishment within the Department of Agriculture of a National Agricultural Research and Extension Users Advisory Board. The amendment increases the term of the Advisory Board from five to ten years. Further, the amendment provides for increasing the membership of the Advisory Board from 21 to 25 members by including four additional producer members; and requires that the members be appointed to staggered terms.

In addition, the amendment changes the submission date for the Advisory Board's annual report to the Secretary from October 31 to July 1; and the submission date for its annual report to the President and Congressional Committees from March 1 to February 20.

Repeal of Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977:

Section 1208 repeals section 1409 of the 1977 Act.

Libraries and Information Network:

Section 1209 amends section 1411 of the 1977 Act to add to the existing declarations of Congressional policy a declaration that the Department of Agriculture establish mutually valuable working relationships with international and foreign information and data programs. Further, the amendment makes it the responsibility of the Food and Nutrition Information and Education Resources Center, established within the National Agricultural Library, to provide notification of its collections of food and nutrition education materials to the State cooperative extension services, State educational agencies and other interested persons.

Support for the Joint Council and Advisory Board:

Section 1210 amends section 1412 of the 1977 Act, which authorizes the Secretary to appoint up to five full-time professional staff employees to assist the Joint Council and the Advisory Board in the performance of their duties. The amendment provides for a staff consisting of a full-time executive secretary for the Joint Council, a full-time executive secretary for the Advisory Board, not more than two other professional staff, and a full-time executive director for such staff. The executive director is to receive compensation at a rate not less than the rate for GS–16 or more than the rate for GS–18; and is to perform such duties as the co-chairmen of the Joint Council and the Chairman of the Advisory Board may direct.

Authorization of Appropriations to Support the Joint Council and Advisory Board:

Section 1211 amends section 1413 of the 1977 Act to provide a specific authorization for appropriations to provide the support to the Joint Council and Advisory Board authorized by section 1412, as amended, and section 1413 of the 1977 Act.

Repeal of Section 1413A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977:

Section 1212 repeals section 1413A of the 1977 Act, which was added by section 255 of the Biomass Energy and Alcohol Fuels Act of 1980 to provide for educational programs for producers of agricultural commodities, wood, and wood products. Most of the activities provided for in section 1413A can be conducted under existing extension programs.

Amendments to Program of Competitive, Special, and Facilities Grants for Agricultural Research:

Section 1213 amends section 2 of the Act of August 4, 1965, as amended by section 1414 of the 1977 Act. Section 2(b) authorizes a program of competitive grants for research to further the programs of the Department of Agriculture. It provides that to the greatest extent possible the Secretary should allocate such grants to high priority research taking into consideration the determinations of the Joint Council as to high priority research needs. The amendment adds that the determinations of the Advisory Board should also be taken into consideration. Further, the amendment extends the authorization for appropriations for the competitive grants program indefinitely and deletes any reference to specific dollar amounts; authorizing such sums to be appropriated annually as Congress may determine necessary.

As to section 2(c) which provides for special research grants, the amendment adds research foundations established by land-grant colleges as eligible recipients of grants awarded pursuant to sections 2(c)(1) and 2(c)(2); and cooperating forestry schools and accredited colleges of veterinary medicine as eligible recipients of grants awarded pursuant to section 2(c)(2).

Section 2(d) is amended to provide authority to the Secretary to conduct a program of annual grants to support the renovation and refurbishment, including energy retrofitting, of existing building space used or to be used for the conduct of food and agricultural research; the construction of auxiliary research facilities such as greenhouses, insectaries, and research farm structures and installations; and the purchase and installation of fixed equipment in such space and facilities. These grants are to be made to State agricultural experiment stations in an amount of $100,000 or in an amount equal to 10 per centum of the funds received by a station under the Hatch and McIntyre-Stennis Acts, whichever is greater. Any amounts over $50,000 are required to be matched. In addition, such grants are to be made to accredited colleges of veterinary medicine and State agricultural experiment stations receiving animal health research funds in an amount equal to ten per centum of such funds; to cooperating forestry schools not otherwise covered in an amount equal

to ten per centum of tne funds received by such school under the McIntyre-Stennis Act; and to the 1890 institutions including Tuskegee Institute in an amount which is equal to ten per centum of the funds received by such institutions under section 1445 of the 1977 Act.

Authorization of Appropriations for Research Facilities Act of 1963:

Section 1214 amends section 4 of the Act of July 22, 1963, as amended by section 1416 of the 1977 Act, to authorize annual appropriations in such amounts as Congress may deem necessary for carrying out the purposes of the Research Facilities Act of 1963.

Authorization of Appropriations for Grants and Fellowships for Food and Agricultural Sciences Education:

Section 1215 amends section 1417 of the 1977 Act to authorize annual appropriations in such amounts as Congress may deem necessary for conducting the program of grants and fellowships for food and agricultural sciences education provided for in section 1417.

Repeal of Authority for Grants for Research on the Production of Alcohols and Industrial Hydrocarbons:

Section 1216 repeals section 1419 of the 1977 Act, as amended by section 252 of the Biomass Energy and Alcohol Fuels Act of 1980, which provided for grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products, and agricultural chemicals and other products from coal derivatives. Most of the research to be supported with such grants can be supported under existing authorities such as sections 2(b) (Competitive Grants) and 2(c) (Special Grants) of the Act of August 4, 1965.

Repeal of Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977:

Section 1217 repeals section 1424 of the 1977 Act, which required the Secretary to perform a study assessing the potential value and cost of establishing regional food and human nutrition research centers in the United States. Section 1424 is no longer necessary since the assessment has been performed and submitted to Congress.

Nutrition Education Program:

Section 1217 repeals section 1424 of the 1977 Act, which provides for the establishment of a national education program which includes the dissemination of the results of food and human nutrition research performed or funded by the Department of Agriculture. The amendment makes it clear that such program is currently and shall continue to be carried out under the provisions of section 3(d) of the Smith-Lever Act, as amended. In addition, the amendment provides that any funds appropriated annually for the conduct of the program under section 3(d), up to the amount appropriated under such section for the program in fiscal year 1981, shall be allocated to the States in the same proportion as the funds were allocated in fiscal year 1981, with the exception that the Secretary may retain up to two per centum of such funds for allocation to States that did not participate in the program in fiscal year 1981. The excepted amount would permit the initiation of the program in American Samoa, for example, which did not participate in the fiscal year 1981 program and, therefore, would not receive an allocation under the base allocation described above.

Further, the amendment provides that any funds appropriated annually under section 3(d) for the conduct of the program in excess of the amount appropriated for fiscal year 1981 shall be allocated as follows: (1) four per centum shall be available to the Secretary for administrative purposes; (2) ten per centum of the remainder shall be distributed equally among all the States; and the remainder shall be allocated to each State in an amount which bears the same ratio to the total amount to be allocated under this part of the formula as the population of the state living at or below 125 per centum of the income poverty guidelines prescribed by OMB bears to the total population of all the states living at or below 125 per centum of such guidelines as determined by the last preceding decennial census at the time each such additional amount is first appropriated.

Repeal of Sections 1426 through 1428 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977:

Section 1219 repeals sections 1426 through 1428 of the 1977 Act. Section 1426 provided for the development and distribution of educational materials on food and nutrition education to State departments of education for use in classrooms and lunchrooms. Section 1427 provided for the submission to Congress of a comprehensive plan for implementing the national food and human nutrition research and extension program authorized by the 1977 Act. Section 1428 provided for the submission to Congress of a proposal for a comprehensive nutritional status monitoring system.

Conforming Amendment:

Section 1220 amends section 1429 of the 1977 Act to revise the statement of purpose relating to the Animal Health and Disease Research Program to reflect the change in eligible recipients effected by the amendment of section 1430 of the 1977 Act by section 1222.

Eligible Institutions for Animal Health and Disease Research Funds:

Section 1221 amends section 1430 of the 1977 Act by redefining eligible institutions to limit animal health and research funding to State agricultural experiment stations and accredited colleges of veterinary medicine. By limiting the class of eligible institutions the Department will be able to concentrate funding and eliminate those distributions of funds which are too small to be used effectively.

Animal Health Science Research Advisory Board:

Section 1222 amends section 1432 of the 1977 Act by increasing the term of the Animal Health Science Research Advisory Board from five to ten years.

Continuing Animal Health and Disease Research:

Section 1223 amends section 1433 of the 1977 Act, which authorizes appropriations to support continuing animal health and disease research programs at eligible institutions, by deleting the specific dollar amount. Further, the amendment adds a new subsection to provide that funds for the program shall not be used for payment of indirect costs of research or for tuition remission and that compensation for personal services under payroll distribution shall require annual review and certification by the dean or director or their designees that charges against Federal funds for each employee are consistent with each employee's annual workload.

Appropriations for Research on National or Regional Problems:

Section 1224 amends section 1434 of the 1977 Act, which authorizes appropriations for research on specific national or regional animal health or disease problems, by deleting the specific dollar amount. The amendment also adds a new subsection providing that the Secretary shall establish annually priority lists of such problems of national or regional significance after consulting with the Joint Council, the National Agricultural Research and Extension Users Advisory Board, and the Animal Health Science Research Advisory Board, whose recommendations would not be controlling on the Secretary's determination of priorities. The new subsection sets out the factors to be considered in establishing such practices. It further provides that the Secretary, without regard to any consultation as provided above, shall, to the extent feasible, award grants to eligible institutions on the basis of priorities assigned through a peer review system, the grantees to be selected on a competitive basis in accordance with procedures established by the Secretary. In the case of multiyear grants, funds would be distributed on a schedule reasonably related to the time table required for the orderly conduct of the research project involved.

Technical Amendment—Extension at 1890 Land-Grant Colleges, Including Tuskegee Institute:

Section 1225 amends section 1444 of the 1977 Act by tying the formula for allocation of funds applicable to amounts appropriated in excess of the amount appropriated for this program in FY 1978 under section 3(d) of the Smith-Lever Act to the census data that is current at the time each additional sum is first appropriated. In addition, the amendment changes the title of "administrative head for extension" to "extension administrator"; and requires that a comprehensive program of extension for each State be developed and submitted to the Secretary for approval every five years.

Technical Amendment—Agricultural Research at 1890 Land-Grant Colleges, Including Tuskegee Institute:

Section 1226 amends section 1445 of the 1977 Act to authorize the use of Federal administrative funds for travel by non-Federal scientists to research meetings convened for the purpose of assessing research opportunities or research planning. In addition, it amends the section by tying the formula for allocation of funds applicable to amounts appropriated in excess of the amount appropriated for this program in FY 1978 under section 2 of the Act of August 4, 1965, to the census data that is current at the time each additional sum is first appropriated. The amendment also changes the title "chief administrative officer" to "research director."

Repeal of Miscellaneous Authorities Relating to Solar Energy Research and Development:

Section 1227 repeals sections 1449 through 1457 of the 1977 Act relating to solar energy research and development.

International Agricultural Research and Extension:

Section 1228 amends section 1458 of the 1977 Act to authorize the Secretary to work with transitional countries as well as developed countries on agricultural research and extension and to make it clear that "agricultural research" includes "food, agricultural, and related" research. The amendment also adds a new subsection to section 1458 to authorize the Secretary to provide specialized or technical services on an advance of funds or a reimbursable basis to United States colleges and universities carrying out food, agricultural and related research and development projects and activities. All funds received under such authority would be credited to the appropriation from which the cost of providing such services has been paid or is to be charged.

Studies:

Section 1229 repeals subtitle J of the 1977 Act providing for the preparation and submission of certain studies to the President and Congress. The studies required by the repealed sections have been completed.

Authorization of Appropriations for Agricultural Research Programs:

Section 1230 amends section 1463 of the 1977 Act, authorizing appropriations for agricultural research programs, to delete the specific dollar authorization and substitute therefor such sums annually as Congress may

determine necessary. The amendment also adds a new subsection to provide that notwithstanding any authorization for appropriations for agricultural research in any Act enacted before the effective date of the new subsection, not less than 25 per centum of the total funds appropriated to the Secretary in any fiscal year for the conduct of the cooperative research program provided for under the Hatch Act of 1887; the cooperative forestry research program provided for under the McIntire-Stennis Act; the special and competitive grants programs provided for in sections 2(d) and 2(c) of the Act of August 4, 1965; the animal health research program provided for in sections 1433 and 1434 of the 1977 Act; the native latex research program provided for in the Native Latex Commercialization and Economic Development Act of 1978; and the research provided for under various statutes for which funds are appropriated under the Agricultural Research heading or a successor heading, shall be appropriated for agricultural research at State agricultural experiment stations pursuant to the Hatch Act.

Authorization of Appropriations for Extension Programs:

Section 1231 amends section 1464 of the 1977 Act, authorizing appropriations for extension education, they delete the specific dollar authorization and substitute therefor such sums annually as Congress may determine necessary.

Miscellaneous Provisions:

Section 1232 adds three new sections to the Act.

New section 1471 provides for the conduct of program evaluation by the Secretary on a regular basis to improve the administration and effectiveness of agricultural research, extension and teaching programs; requires such evaluations to be reported to Congress annually; and authorizes appropriations annually in such amounts as are necessary to carry out such activities.

New section 1472 clarifies that in the absence of specific authority, the Secretary may enter into contracts, grants and cooperative agreements when necessary to further the research, extension and teaching programs administered by the Department of Agriculture. Further, it clarifies that title to equipment and supplies purchased with funds provided under such contracts, grants or cooperative agreements may be vested in the contractor or recipient without further accountability when such is deemed appropriate to further research, extension or teaching objectives. Finally, it authorizes such contracts to be awarded without regard to the prohibition on advances of funds and without regard to any requirements for competition.

New section 1473 provides that formula funds and section 1434 funds shall not be available for the payment of indirect costs or tuition remission.

Forestry Research:

Section 1233 amends section 5 of the Act of October 10, 1962, commonly known as the "McIntire-Stennis Act," to add a new sentence providing that program funds may be used for the transportation of scientists who are not Federal employees to research meetings for the purposes of assessing research opportunities or research planning.

Excess Federal Property:

Section 1234 amends section 202(d)(2) of the Federal Property and Administrative Services Act of 1949 to permit the Secretary to obtain excess Federal personal property and furnish it to State or county extension services, State experiment stations, and 1890 colleges including Tuskegee Institute to further the purposes of the Hatch Act, the Smith-Lever Act and sections 1444 and 1445 of the 1977 Act.

TITLE XIII—AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

Section 1301 amends section 8c(5)(B) of the Agricultural Marketing Agreement Act of 1937 to provide permanent authority to include base-excess and Louisville plans in milk marketing orders. This Title shall be effective January 1, 1982. The present authority for such plans was authorized on a temporary basis and will expire on December 31, 1981.

TITLE XIV—DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

Section 1401 repeals title XVIII of the Food and Agriculture Act of 1977 which generally provides for responsibilities and requirements with respect to advisory committees operating within the Department of Agriculture in addition to those set forth in the Federal Advisory Committee Act.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 8, 1981.

Hon. HOWARD BAKER, JR.,
Senate Majority Leader,
U.S. Senate, Washington, D.C.

DEAR SENATOR BAKER: Enclosed for consideration of Congress is a draft of the "Agricultural Act of 1981". This proposed legislation would provide price support and production adjustment incentives for farmers in order to assure the availability of an abundance of food and fiber, and for other purposes. Authorities under this legislation would extend through the 1985-planted crops.

This Department recommends that the bill be enacted.

This bill is designed to meet three basic objectives. One is to reduce the role of Government in agriculture—both in the marketplace and in the regulatory process. A second objective concerns maintaining—and increasing—growth in the productivity of the agricultural sector and in our level of agricultural exports. Third, we need a farm program which will result in minimal costs to the U.S. Government but provide maximum flexibility to make needed adjustments in farm programs in a timely manner. This proposal is entirely consistent with the President's Economic Recovery Program for the revitalization of the U.S. economy.

Major progress has been made over the past two decades in giving farmers the freedom to decide what and how much to produce and when and how to market their crops. We seek to continue this thrust in the legislative proposal we are bringing to the Congress. In addition, our recommendations simplify programs wherever possible. Our farm programs have become needlessly complex. They are hard to understand and difficult to use. Our proposal simplifies the structure of programs while providing the economic safety net our farmers need.

We have carefully reviewed the program authorities of the 1977 Act and companion legislation. We believe that this legislation forms the base that should be used to design farm programs that further the long-standing trend toward greater market orientation with significantly reduced complexity and cost.

The key features of our proposal for the major crop commodities are nonrecourse loans, a farmer-owned wheat and feed grain reserve, and the authority to implement an acreage diversion program when and if needed. We are recommending that authorities for target prices, deficiency payments, disaster payments, and set asides not be included in the new bill.

Two additional programs which are modified under our proposal are the dairy and peanut programs. Even though the basic structure of the dairy program will remain unchanged, the support level would be set between 70 and 90 percent of parity, adjusted as needed.

The peanut program still remains closely regulated by the Federal Government. The 1977 Act initiated a move towards a more market-oriented peanut program. We propose to continue this process by eliminating acreage allotments and reducing poundage quotas by ten percent annually over the next four years. By reducing marketing quotas gradually rather than immediately eliminating them, we can protect allotment holders against an abrupt adjustment in their asset base.

As part of the farm bill, we are recommending a four-year reauthorization of the Public Law 480 program. In addition to its reauthorization, we are proposing several amendments of a technical nature to update the legislation.

If we are to sustain our ability to produce food and fiber, we must reduce soil erosion and develop an effective program for growth in the agricultural sector. This long-run program has not yet been developed but we are thoroughly reviewing the options put forward in the Resource Conservation Act process. We intend to submit to Congress in the near future a comprehensive soil and water conservation program for its consideration.

We are committed to providing adequate funding for research and education to enhance the productivity of the agricultural sector. In this regard, we are proposing a few changes to programs under Title XIV of the 1977 Act. These changes include emphasis on the continuation of the lead role for the Secretary of Agriculture in agricultural research and extension and an increase in the role of the States in the overall effort of the Department in these activities.

I am providing you and other Members of Congress a section by section description of our legislative proposal. Contained in this document are the Department's federal outlay estimates for the legislation. We will be glad to provide additional material if it is needed and will work closely with you to gain timely passage of this important piece of legislation.

The Office of Management and Budget advises that there is no objection to the presentation of this report and that enactment of this proposed legislation would be in accord with the President's program.

An identical letter has been sent to the Speaker of the House.

Sincerely,

RICHARD E. LYNG,
Deputy Secretary.

By Mr. HELMS (by request):

S. 944. A bill to increase the interest rates for loans made or insured under the Consolidated Farm and Rural Development Act for water and waste disposal, and essential community facilities; to the Committee on Agriculture, Nutrition, and Forestry.

S. 945. A bill to amend the Consolidated Farm and Rural Development Act and the Small Business Act; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Small Business, jointly, pursuant to the order of March 31, 1981.

S. 946. A bill to improve the effectiveness and reduce the cost of programs under the National School Lunch and the Child Nutrition Act of 1966; to the Committee on Agriculture, Nutrition, and Forestry.

S. 947. A bill to amend section 110(b) of the Agricultural Act of 1949 to eliminate the requirement that the Secretary of Agriculture waive interest on loans made on 1980 and 1981 crops of wheat and feed grains in the farmer-held grain reserve program; to the Committee on Agriculture, Nutrition, and Forestry.

S. 948. A bill to recover costs associated with cotton classing and standards tobacco inspection and standards, and warehouse examination, inspection, and licensing, and for other purposes.

S. 949. A bill to amend the United States Grain Standards Act to require

that fees charged for official inspection and weighing services cover costs to the Federal Grain Inspection Service including administrative and supervisory costs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 950. A bill to amend the Rural Electrification Act of 1936 to remove provision for the special 2-percent interest rate for insured loans; to the Committee on Agriculture, Nutrition, and Forestry.

LEGISLATION RELATING TO ECONOMIC RECOVERY

Mr. HELMS. Mr. President, I am introducing today, at the request of the administration, a series of bills which have been transmitted for the consideration of the Congress as part of the President's economic recovery program. I ask unanimous consent that each bill and the accompanying request letter from the Secretary of Agriculture be printed in the RECORD.

Mr. President, I ask unanimous consent that the bill to amend the Consolidated Farm and Rural Development Act and the Small Business Act be referred jointly to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Small Business.

I also ask unanimous consent that a letter to the majority leader signed by the chairmen and ranking minority members of both these committees requesting the joint referral be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Consolidated Farm and Rural Development Act is amended by revising paragraph (3) of Section 307(a) to read as follows:

"(3) The interest rates on loans (other than guaranteed loans) to public bodies or nonprofit associations (including Indian tribes on Federal and State reservations and other federally recognized Indian tribal groups) for water and waste disposal facilities and essential community facilities shall be as determined by the Secretary but not less than such rates as determined by the Secretary of the Treasury taking into consideration the current market yields for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum."

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 10, 1981.

Hon. GEORGE H. W. BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill "To increase the interest rates for loans made or insured under the Consolidated Farm and Rural Development Act for water and waste disposal and essential community facilities."

This legislative proposal is part of the President's Program for Economic Recovery and his Fiscal Year 1982 Budget Revisions. The Department of Agriculture strongly recommends its enactment.

The draft bill would amend Section 307 (a)(3) of the Consolidated Farm and Rural Development Act to remove the 5 per centum ceiling on the interest rate for water and waste disposal and community facility loans. The amended language would authorize interest rates for such loans that would be determined by the Secretary of Agriculture but not less than such rates as determined by the Secretary of the Treasury taking into consideration the current market yields for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for such loans, plus not to exceed 1 per centum, as determined by the Secretary of Agriculture, and adjusted to the nearest one-eighth of 1 per centum.

If the interest rate on water and waste disposal and community facility loans is assumed to be 10 per centum (based on a 9 per centum municipal bond rate and a 1 per centum add-on), the savings in Federal costs per $100 million in loans would be about $9.5 million over the first 5 years and about $125 million over the lifetime of the loans. While some projects would not be viable at the higher rate of interest, loans would still be available for those projects that could bear the higher rate of interest but not necessarily meet all the financial requirements to qualify for credit in the commercial market for municipal bonds.

This legislation represents the Administration's effort to narrow the focus of FmHA lending to borrowers who lack access to other credit sources, rather than act as a source of below market interest rate loans. Water and waste disposal projects would still be eligible for FmHA grant assistance.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the President's program.

Sincerely,

RICHARD E. LYNG,
Deputy Secretary.

S. 945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

TITLE I—CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

SEC. 101. The Consolidated Farm and Rural Development Act is amended:

(1) in section 307(a)(3) by deleting "loans (other than guaranteed loans) under section 310D of this title, and";

(2) by deleting section 310D;

(3) in section 321 by inserting in subsection (a) after the phrase "The Secretary shall make and insure loans under this subtitle" the words "only to the extent and in such amounts as provided in advance in appropriation acts", deleting subsection (b), and revising subsection (d) to read "(d) For the purposes of this subtitle 'aquaculture' means the husbandry of aquatic organisms under a controlled or selected environment."

(4) in section 324(b) by amending paragraph (1) to read "(1) For loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, as limited under subsection (a)(1) of this section, the interest rate shall be the rate prescribed by the Secretary but not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus an additional charge of not to exceed 1 per centum per annum as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum; and";

(5) in section 333(c) by deleting "(or, in the case of a borrower under section 310D of this title, the borrower may be able to obtain a loan under section 302 of this title)"; and

(6) in section 346(b)(1) by deleting the last sentence which reads "Not more than 75 per centum of the insured loans authorized for farm ownership purposes and not more than 75 per centum of the insured loans authorized for farm operating purposes may be for applicants other than low-income, limited-resource borrowers."

TITLE II—SMALL BUSINESS ACT AMENDMENTS

SEC. 201. Section 7(b) of the Small Business Act is amended to read as follows:

"(b) The Administration also is empowered to the extent and in such amounts as provided in advance in appropriation acts—

"(1)(A) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis) as the Administration may determine to be necessary or appropriate to repair, rehabilitate or replace property, real or personal, damaged or destroyed by or as a result of floods, riots or civil disorders, or other catastrophes: *Provided,* That (i) no loan or guarantee shall be extended unless the Administration finds that credit is not otherwise available on reasonable terms and conditions; and (ii) such damage and destruction is not compensated for by insurance or otherwise;

"(B) to refinance any mortgage or other lien against a totally destroyed or substantially damaged home or business concern: *Provided.* That (i) no loan or guarantee shall be extended unless the Administrator finds that credit is not otherwise available on reasonable terms and conditions; (ii) such property is to be repaired, rehabilitated or replaced; (iii) the amount refinanced shall not exceed the amount of physical loss sustained; and (iv) such amount shall be reduced to the extent such mortgage or lien is satisfied by insurance or otherwise;

"(2) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis) as the Administration may determine to be necessary or appropriate to any small business concern located in an area affected by a disaster, if the Administration determines that the concern has suffered a substantial economic injury as a result of such disaster and if such disaster constitutes—

"(A) a major disaster, as determined by the President under the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855–1855g), or

"(B) a disaster as determined by the Administrator of the Small Business Administration pursuant to the Disaster Relief Act of 1970.

"(C) No loan guarantee shall be extended pursuant to this paragraph (2) unless the Administrator finds that credit is not otherwise available on reasonable terms and conditions.

"(3) No loan under this subsection, including renewals and extensions thereof, may be made for a period or periods exceeding thirty years: *Provided,* That the Administrator may consent to a suspension in the payment of principal and interest charges on, and to an extension in the maturity of, the Federal share of any loan under this subsection for a period not to exceed five years, if (A) the borrower under such loan is a homeowner or a small business concern, (B) the loan was made to enable (i) such homeowner to repair or replace his home, or (ii) such concern to repair or replace plant or equipment which was damaged or destroyed as the

result of a disaster meeting the requirements of clause (A) or (B) of paragraph (2) of this subsection, and (C) the Administrator determines such action is necessary to avoid severe financial hardship: *Provided further,* That the provisions of paragraph (1) of subsection (c) of this section shall not be applicable to any such loan having a maturity in excess of twenty years. Notwithstanding the provisions of any other law, the interest rate on the Federal share of any loan made under this subsection (b) shall be the rate prescribed by the Administrator but not be less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans plus an additional charge of not to exceed 1 per centum per annum as determined by the Administrator, and adjusted to the nearest one-eighth of 1 per centum. The interest rate for loans made under paragraphs (1) and (2) hereof shall not be less than the rate of interest which is in effect at the time of the making of the loan: *Provided further,* That no loan under paragraphs (1) and (2) thereof shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation.

"(4) A State grant made on or prior to July 1, 1979, shall not be considered compensation for the purpose of applying the provisions of subsection (b) of section 315 of Public Law 93-288 (42 U.S.C. 5155) to a disaster loan under paragraph (1) or (2) of this subsection, or one made pursuant to the former paragraph (4) of this subsection."

SEC. 202. Conforming Changes.—

(a) Sections 2(b), 7(c)(3), 7(f), 7(g), and 18 of the Small Business Act are hereby repealed.

(b) Section 4(c)(1)(A) is amended by deleting "7(b)(1), 7(b)(2), 7(b)(3), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8), 7(c)(2), and 7(g) of this Act" and substituting "7(b)(1) and 7(b)(2) of this Act".

(c) Section 4(c)(2)(A) is amended by deleting "7(b)(1), 7(b)(2), 7(b)(3), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8), 7(c)(2), and 7(g) of this Act" and substituting "7(b)(1) and 7(b)(2) of this Act".

(d) Sections 2(c), 2(d), and 2(e) of the Small Business Act are hereby redesignated Sections 2(b), 2(c), and 2(d); and Sections 19 and 20 of the Small Business Act are hereby renumbered section 18 and 19.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 25, 1981.

Hon. GEORGE H. W. BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill, "To amend the Consolidated Farm and Rural Development Act and the Small Business Act."

This draft bill, which represents a joint effort of this Department and the Small Business Administration, is part of the President's Program for Economic Recovery and his Fiscal Year 1982 Budget Revisions. We strongly recommend its enactment.

Title I of the draft bill would amend the Consolidated Farm and Rural Development Act by:

(1) deleting language in Section 307(a)(3) to remove the 5 percent interest rate ceiling on Section 310D farm ownership loans to limited resource producers;

(2) deleting Section 310D which authorizes farm ownership loans to limited resource producers meeting certain requirements;

(3) amending subsection (a) of Section 321 to require that emergency loans be limited to amounts provided in advance in appropriation acts;

(4) deleting Subsection (b) and paragraph (d)(2) of Section 321 which authorize emergency loans for the amount of actual loss to those producers who can obtain credit elsewhere:

(5) amending paragraph (1) in Section 324(b) to remove language relating to the interest rate on emergency loans for the amount of actual loss to those producers who can obtain credit elsewhere, and to amend the language relating to the interest rate on emergency loans for the amount of actual loss to those producers who cannot obtain credit elsewhere to remove the 5 percent interest rate ceiling on such loans and provide instead for a rate based on the cost of money to the Government;

(6) amending Section 333(c) by deleting the provision referring to the limited resource borrower in the graduation test; and

(7) deleting the last sentence of Section 346(b)(1) which requires that at least 25 percent of the annual appropriation for insured loans go to limited resource producers.

Under existing law, limited resource producers may qualify for 5 percent interest rates on farm ownership loans. This reduced rate applies to the first three years of the loan, after which the borrower may be asked to pay the regular rate. The Administration believes that such a large subsidy runs a serious risk of encouraging inefficient production, abnormal risk-taking, and overextension.

The existing subsidy on emergency loans for the amount of actual loss to those who cannot obtain credit elsewhere tends to encourage production in high-risk areas, and bears little relationship to the financial status of borrowers or the economic burden imposed on such borrowers as a result of disasters. To a lesser extent, the same situation exists for those borrowers who can obtain credit elsewhere. Such borrowers may seek emergency loans to reduce their interest costs where prevailing market rates are higher than the cost of money to the Government rate which already applies to such loans. The Administration believes that disaster assistance can best be provided through private insurance or through Federal crop insurance which is being expanded in response to recently enacted PL 96-365.

Lifetime savings in Federal costs for eliminating reduced interests rates on loans to limited resource producers are estimated to be $13.5 million per $100 million in farm ownership loans to such producers. This estimate reflects the reduced rate of interest for three years, which would be the minimum time limited resource producers now receive at the reduced rate.

Lifetime savings in Federal cost for eliminating the subsidy on emergency loans for the amount of actual loss to producers who cannot obtain credit elsewhere are estimated to be $60 million per $100 million in such loans. This estimate covers about seven years which with certain exceptions, is the maximum term of emergency loans for non-real estate purposes. The higher rate of interest would probably result in a reduced demand for such loans. However, no estimate of this effect is available.

The elimination of emergency loans to those producers who can obtain credit elsewhere would not result in any savings in Federal (subsidy) costs. However, it would reduce the emergency loan program level by about $400 million in a typical year.

Requiring that emergency loans be limited to amounts provided in advance in appropriation acts would not prevent Congress from continuing to provide for such loans on an as needed basis, but it would reinforce the fact that the emergency loan program is subject to the appropriations process.

Title II of the draft bill amends the Small Business Act. The Small Business Administration drafted Title II and the attached Statement of Need and Purpose, which explains its provisions. Title II would make changes to the Small Business Administration's disaster loan program similar to changes that Title I would make to this Department's emergency loss loan program, i.e., it would raise the interest rate for SBA disaster loans to the current cost of Treasury borrowing, and establish a credit elsewhere test for loan applicants. It would also remove SBA's authority to make disaster and regular Section 7(a) business loans to farmers. SBA's authority to make home and personal property loans would not be changed. There is no duplication of effort in this area. With its extensive network of field offices in rural areas and its long-standing expertise in dealing with the problems of farmers, the Farmers Home Administration is a more appropriate source of disaster assistance for farmers than the SBA. We estimate that increasing interest rates on SBA physical disaster loans will result in outlay savings of $23 million in fiscal year 1982 and a total of $347 million in fiscal years 1982 through 1986.

The Administration believes it is essential that these two titles be considered and enacted together, to ensure that farmers and other businessmen suffering from natural disasters receive equal treatment from their respective agencies.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget advises that enactment of this draft bill would be in accord with the President's program.

Sincerely,

JOHN R. BLOCK,
Secretary.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C., April 3, 1981.

Hon. HOWARD BAKER,
Office of Legislative Scheduling,
The Capitol

DEAR HOWARD: A draft bill, "To amend the Consolidated Farm and Rural Development Act and the Small Business Act", was recently sent by the Administration.

Since Title I of this bill deals exclusively with matters within the jurisdiction of the Committee on Agriculture, Forestry, and Nutrition and Title II of the bill deals exclusively with matters within the jurisdiction of the Committee on Small Business, and further since it is the desire of all concerned to deal with this legislation as effectively and efficiently as possible, we hereby request that this bill upon introduction be referred jointly to both of the aforesaid committees.

Sincerely,

WALTER D. HUDDLESTON,
Ranking Minority Member.
SAM NUNN,
Ranking Minority Member.
JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry.
LOWELL WEICKER,
Chairman, Committee on Small Business.

S. 946

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Child Nutrition Amendments of 1981".

CHANGES IN REIMBURSEMENT FOR SCHOOL LUNCHES AND BREAKFASTS

SEC. 2. (a) Section 4 of the National School Lunch Act is amended by—

(1) redesignating the present section 4 as subsection 4(a);

(2) striking the second sentence of that redesignated subsection; and adding at the end thereof the following new subsection:

"(b)(1) For each fiscal year the Secretary shall make food assistance payments, at such times as he may determine, from the sums appropriated therefor, to each State educational agency, in a total amount equal to the result obtained by multiplying the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under subsection 9(a) of this Act) served during such fiscal year to children eligible for free or reduced price meals in schools in such State which participate in the school lunch program under this Act under agreements with such State educational agency by the appropriate national average free or reduced-price lunch payment.

"(2) The national average free lunch payment for each free lunch served shall be 18.5815 cents, which payment shall be adjusted on July 1, 1981, and annually thereafter as specified in section 11(a), except that the national average free lunch payment for each free lunch served in any school food authority under which less than 60 per centum of the lunches served under the National School Lunch Program were served free or at a reduced-price during the second preceding school year shall be reduced by 2.5 cents.

"(3) The national average reduced-price lunch payment for each reduced-price lunch served shall be 9 cents, which payment shall be adjusted on July 1, 1982, and annually thereafter as specified in section 11(a).".

(b) Section 11 of the National School Lunch Act is amended by—

(1) striking out the fifth sentence of subsection (a) and inserting in lieu thereof "The special-assistance factor prescribed by the Secretary for free lunches shall be 83.6165 adjusted on July 1, 1981, and annually thereafter; and the special-assistance factor for reduced-price lunches shall be one-half of such adjusted free lunch special-assistance factor, adjusted to the nearest one-fourth cent.";

(2) striking out in the sixth sentence of subsection (a) ", and on January 1, of each fiscal year, semiannual adjustments" and inserting in lieu thereof "an annual adjustment";

(3) striking out in the sixth sentence of subsection (a) "the initial such adjustment shall reflect the change in the series for food away from home during the period September 1973, through November 1973: *Provided further*, That each subsequent adjustment" and inserting in lieu thereof "each July 1, adjustment"; and

(4) striking out in the second proviso of the sixth sentence of subsection (a) "six-month" and inserting in lieu thereof "twelve-month".

(c)(1) Section 4(b)(1) of the Child Nutrition Act of 1966 is amended to read as follows:

"(b)(1)(A) Each fiscal year, the Secretary shall make breakfast assistance payments, at such times as he may determine, from the sums appropriated therefor, to each State educational agency, in a total amount equal to the result obtained by multiplying the number of breakfasts (consisting of a combination of foods which meet the minimum nutritional requirements set forth in subsection (e) of this section) served during such fiscal year to children eligible for free or reduced-price breakfasts in schools in such States which participate in the School Breakfast Program under agreements with such State educational agency by the appropriate national average free or reduced-price breakfast payment prescribed by the Secretary.

"(B) The national average free breakfast payment for each free breakfast shall be 52.027 cents which payment shall be adjusted on July 1, 1981, and annually thereafter as specified in section 11(a).

"(C) The national average reduced-price payment for each reduced-price breakfast shall be one-half of such national average free breakfast payment, adjusted to the nearest one-fourth cent.".

(2) Section 4 of that Act is further amended by—

(A) striking out in subsection (b)(2)(B)(ii) "on a semi-annual basis each July 1 and January 1" and inserting in lieu thereof "on an annual basis each July 1";

(B) striking out in subsection (b)(2)(B)(ii) "six-month" and inserting in lieu thereof "twelve-month"; and

(C) striking out in subsection (b)(2)(C) "five cents less than" and inserting in lieu thereof "one-half of".

REDUCTION IN COMMODITY ASSISTANCE FOR LUNCHES

SEC. 3. The first sentence of section 6(e) of the National School Lunch Act is amended to read "The national average value of donated foods, or cash payments in lieu thereof, per free lunch served to children eligible for free lunches shall be 15.54 cents, adjusted on July 1, 1981, and each July 1 thereafter to reflect changes in the Price Index for Food Used in Schools and Institutions, less 2 cents; and for lunches served to children eligible for reduced-price meals shall be 8 cents per lunch adjusted on July 1, 1982, and each July 1 thereafter to reflect changes in the Price Index for Food Used in Schools and Institutions.".

REVISION OF INCOME ELIGIBILITY GUIDELINES

SEC. 4. (a)(1) Section 9(b)(1) of the National School Lunch Act is amended to read as follows:

"(b)(1) No later than June 1 of each fiscal year, the Secretary shall prescribe income guidelines for determining eligibility for free and reduced-price lunches during the subsequent 12-month period beginning July 1, based on the nonfarm income poverty guidelines prescribed by the Office of Management and Budget adjusted annually pursuant to section 625 of the Economic Opportunity Act of 1964 (42 U.S.C. 2971d).

"(A) The income guidelines for free lunches shall be prescribed at 25 per centum above the applicable family-size income levels of the Office of Management and Budget's income poverty guidelines plus a standard deduction.

"(i) The standard deduction shall be $60 per month for the 48 contiguous States, District of Columbia, and Territories excluding Guam, adjusted in 1981, to the nearest $5 to reflect changes in the Consumer Price Index for All Urban Consumers of the Bureau of Labor and Statistics for items other than food for the period September 1977 through March 1981, and adjusted annually thereafter to reflect the changes in the series of food away from home of the Consumer Price Index for All Urban Consumers for the 12-month period ending March 31 of that year.

"(ii) The standard deduction for Alaska shall bear the same ratio to the standard deduction for the contiguous States as the applicable income poverty guidelines for Alaska bear to the applicable income poverty guidelines for the contiguous States, and the standard deduction for Hawaii and Guam shall bear the same ratio to the standard deduction for the contiguous States as the applicable income poverty guidelines for Hawaii bear to the applicable income poverty guidelines for the contiguous States.

"(B) The income poverty guidelines for reduced-price lunches shall be prescribed at 85 per centum above the applicable family-size income levels of the Office of Management and Budget's income poverty guidelines.".

(2) Section 9(b) of that Act is further amended by redesignating paragraph (2) as paragraph (4) and inserting the following two new paragraphs after paragraph (1):

"(2) Following the announcement by the Secretary of the income eligibility guidelines for each 12-month period, each State educational agency shall announce these income poverty guidelines, by family-size, to be used by schools in the State in making determinations of eligibility for a free or a reduced-price lunch. Local school authorities shall, each year, publicly announce the income poverty guidelines on or at the opening of school. Applications for free and reduced-price lunches, in such form as the Secretary may prescribe, and any descriptive material, shall be distributed to the parents of children in attendance at the school, and shall contain only the family size income scales for 185 per centum of the Office of Management and Budget's income poverty guidelines with the explanation that households with incomes less than or equal to these values would be eligible for free or reduced-price lunches. However, public announcements shall include the income eligibility guidelines for both free and reduced-price lunches. Eligibility determinations shall be made on the basis of a completed application executed by an adult member of the household. Local school authorities shall undertake such verification of the information contained in these applications as the Secretary may by regulation prescribe and local school authorities shall in accordance with such regulations make appropriate changes in the eligibility determinations on the basis of such verification.

"(3) Any child who is a member of a household that has an annual income level less than or equal to the applicable family-size income level of the income poverty guidelines for free lunches, shall be served a free lunch. Any child who is a member of a household that has an annual income which falls between (A) the applicable family-size income level of the income eligibility guidelines for free lunches prescribed by the Secretary and (B) the applicable family-size income level of the income eligibility guidelines for reduced-price lunches prescribed by the Secretary, shall be served a reduced-price lunch, which price shall not be greater than the difference between the total federal cash and commodity assistance for lunches served to children eligible for free meals and the total federal cash and commodity assistance for lunches served to children eligible for reduced-price meals.".

(3) Paragraph 4 of section 9(b) of such Act, as redesignated by this section, is amended by deleting the word "solely" from the second sentence and striking out the third sentence.

(b) Notwithstanding any other provision of law, the Secretary shall conduct a pilot study to verify the data submitted on a sample of applications for free and reduced-price meals. In conducting the pilot study, the Secretary may require households included in the study to furnish social security numbers of all household members and such other information as the Secretary may require, including, but not limited to, pay stubs, documentation of the current status of household members who are recipients of public assistance, unemployment insurance documents, and written statements from employers, as a conditon for receipt of free or reduced-price school meals.

(c) For the school year ending June 30, 1982, the Secretary may prescribe procedures for implementing the revisions in the

income poverty guidelines for free and reduced-price lunches contained in this section of the Act that allow School Food Authorities to (1) use applications distributed at the beginning of the school year when making eligibility determinations based on the revised income poverty guidelines and (2) distribute new applications containing the revised income poverty guidelines and make determinations using the new applications.

REVISION OF STATE REVENUE MATCHING REQUIREMENTS

SEC. 5. (a) Section 7 of the National School Lunch Act is amended to read as follows:

"SEC. 7. (a) Funds appropriated to carry out section 4 of this Act during any fiscal year shall be available for payment to the States for disbursement by State educational agencies, in accordance with such agreements, not inconsistent with the provisions of this Act, as may be entered into by the Secretary and such State educational agencies, for the purpose of assisting schools within the States in obtaining agricultural commodities and other foods for consumption by children in furtherance of the school lunch program authorized under this Act. For the school years beginning July 1, 1981, and July 1, 1982, such payments to any State in each year shall be made upon condition that State revenues, other than revenues derived from the program, appropriated for or used in connection with food service in schools participating in the school lunch program under this Act, other than salaries and administrative expenses at the State level, shall be equal to at least 30 percent of the funds made available to each State pursuant to section 4 of this Act in the school year beginning July 1, 1980, decreased by the percentage, if any, by which the State per capita income is below the per capita income of the United States.

"(b) The State revenues provided to meet the requirement of the preceding subsection shall, to the extent the State deems practicable, be disbursed to schools participating in the school lunch program under this Act. No State wherein the State educational agency is prohibited by law from disbursing State appropriated funds to private schools shall be required to match Federal funds made available on the basis of meals served in such schools.

"(c) The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under this section and the time or times such amounts are to be paid; and the Secretary of the Treasury shall pay to the State at the time or times fixed by the Secretary the amounts so certified.".

(b) Section 10 of the National School Lunch Act is amended by—

(1) striking out in the first sentence "or is not permitted by law to match Federal funds made available for use by such schools," and ", including the requirement that any such payment or payments shall be matched, in the proportion specified in section 7 for such State, by funds from sources within the State expended by such schools within the State participating in the school lunch program under this Act"; and

(2) striking out the second sentence.

TERMINATION OF FOOD SERVICE EQUIPMENT ASSISTANCE

SEC. 6. (a) Section 5 of the National School Lunch Act is repealed.

(b) Section 5 of the Child Nutrition Act of 1966 is repealed.

TERMINATION OF NUTRITION EDUCATION AND TRAINING PROGRAM

SEC. 7. Section 19 of the Child Nutrition Act of 1966 is repealed.

REVISION OF THE SPECIAL MILK PROGRAM

SEC. 8. Section 3 of the Child Nutrition Act is amended by—

(1) inserting in the first sentence ", which do not participate in a meal service program authorized under this Act or the National School Lunch Act" after "training of children";

(2) inserting in the fourth sentence "which does not participate in a meal service program authorized under this Act or the National School Lunch Act" after "institution"; and

(3) striking out the eighth sentence.

LIMITATION ON PRIVATE SCHOOL PARTICIPATION

SEC. 9. (a) Section 12 of the National School Lunch Act is amended by inserting in the first sentence of subsection (d)(6) "except private schools whose yearly tuition exceeds $1,500 per child" after "under".

(b) Section 15(c) of the Child Nutrition Act of 1966 is amended by inserting in the first sentence "except private schools whose yearly tuition exceeds $1,500 per child" after "such school,".

TERMINATION OF SUMMER FOOD SERVICE PROGRAM

SEC. 10. Section 13 of the National School Lunch Act is repealed.

REVISION OF CHILD CARE FOOD PROGRAM

SEC. 11. (a) Section 17(c) of the National School Lunch Act is amended by—

(1) striking out paragraphs (1)(C), (2)(C), (3), (4)(A)(iii), (4)(B)(iii), and (4)(C);

(2) striking out "; and" at the end of paragraphs (1)(B) and (2)(B) and inserting in lieu thereof a period;

(3) striking out the semicolon at the end of paragraph (4)(B)(ii) and inserting in lieu thereof a period;

(4) inserting at the end of paragraphs (1)(A), (2)(A), (4)(A)(i), and (4)(B)(i) "and"; and

(5) renumbering paragraphs (4) and (5) as (3) and (4), respectively.

(b) Section 17(f) of that Act is amended by—

(1) striking out in the first sentence of paragraph (2) "three" and inserting in lieu thereof "two";

(2) striking out in the first sentence of paragraph (2) ", and (3)" and inserting "and" before "(2)";

(3) striking out in the third sentence of paragraph (2) ", or supplement";

(4) striking out in the first sentence of paragraph (3) ", or paid" and inserting "or" before "reduced-price"; and

(5) amending the second sentence of (f)(3) by inserting "and" before "(C)" and striking out everything after "1966" and inserting a period in lieu thereof.

(c) Section 17 of that Act is further amended by—

(1) striking out in subsection (g)(2) ", and supplements", and inserting "and" before "supper";

(2) inserting in the second sentence of subsection (h) "reimbursed at free or reduced-price rates" after "suppers";

(3) striking out subsection (n);

(4) striking out in the second sentence of subsection (o) "the availability of food service equipment funds under the program"; and

(5) redesignating subsections (o), (p), (q), and (r) as (n), (o), (p), and (q), respectively.

LIMITATIONS ON SECRETARY'S AUTHORITY TO DIRECTLY ADMINISTER PROGRAMS

SEC. 12. (a) Section 10 of the National School Lunch Act, as amended by section 5(b) of this Act, is further amended to read "To the extent the Secretary has continuously withheld and disbursed funds payable to a State under this Act since October 1, 1980, for the purpose of providing funds to schools, service institutions or institutions, and only to that extent, the Secretary shall continue to withhold and disburse such funds within such State for the same purposes and subject to the same conditions as are applicable to the State. In such States, a State may, upon request to the Secretary, assume administration of any program authorized under this Act."

(b) Section 17 of the National School Lunch Act, as amended by section 11 of this Act, is further amended by striking out subsection (m).

(c) Section 13(1) of the National School Lunch Act is amended by striking out the first sentence and striking out in the second sentence "In cases described in clause (1) of the preceding sentence, the".

(d) Section 3 of the Child Nutrition Act is amended by adding at the end thereof the following: "To the extent the Secretary has continuously administered the program or any part thereof in any State since October 1, 1980, and only to that extent, the Secretary shall continue to administer the program for the same purposes and subject to the same conditions as are applicable to the State. In such States, a State may, upon request to the Secretary, assume administration of the program."

(e) Section 4 of the Child Nutrition Act of 1966 is amended by striking subsection (f) and redesignating subsection (g) as subsection (f).

(f) The Child Nutrition Act of 1966, as amended by section 6 of this Act, is amended by inserting a new section 5 as follows:

"SEC. 5. To the extent the Secretary has continuously withheld and disbursed funds payable to a State under this Act since October 1, 1980, for the purpose of providing funds to schools, and only to that extent, the Secretary shall continue to withhold and disburse such funds within such State for the same purposes and subject to the same conditions as are applicable to the State. In such States, a State may, upon request to the Secretary, assume administration of any program authorized under this Act."

(g) Section 19(d) of the Child Nutrition Act of 1966 is amended by striking subparagraph (6).

AUTHORITY TO ADJUST PAYMENTS AND ASSISTANCE

SEC. 13. (a) The National School Lunch Act is amended by adding a new section at the end thereof as follows:

"AUTHORITY TO ADJUST PAYMENTS AND ASSISTANCE

"SEC. 23. If at any time the Secretary determines that the funds appropriated or otherwise available for carrying out any of the provisions of this Act for any fiscal year are not sufficient to permit him to provide the payments and other assistance required by those provisions, the Secretary shall impose such reductions, terminations or other limitations with respect to such payments and assistance in such amounts as he determines will permit him to carry out the provisions of this Act with the funds appropriated or otherwise available, at such times and in such a manner as he determines will best serve the purposes of this Act."

(b) The Child Nutrition Act of 1966 is amended by adding a new section at the end thereof as follows—

"AUTHORITY TO ADJUST PAYMENTS AND OTHER ASSISTANCE

"SEC. 21. If at any time the Secretary determines that the funds appropriated or otherwise available for carrying out any of the provisions of this Act for any fiscal year are not sufficient to permit him to provide the payments and other assistance required by those provisions, the Secretary shall impose such reductions, terminations or other limitations with respect to such payments and assistance in such amounts as he de-

termines will permit him to carry out the provisions of this Act with the funds appropriated or otherwise available, at such times and in such manner as he determines will best serve the purposes of this Act."

CONFORMING AND MISCELLANEOUS AMENDMENTS

SEC. 14. (a) Section 11 of the National School Lunch Act is amended by—

(1) striking out in the first sentence in subbsection (b) "financing the cost of";

(2) striking out "or 5" in subsection (d);

(3) striking out "section 13 of this Act and" in subsection (e)(1)(C);

(4) striking out the second sentence of subsection (e)(2); and

(5) striking out the second sentence of subsection (e)(3).

(b) Section 4(c) of the Child Nutrition Act is amended by striking out in the first sentence "financing the costs of".

(c) Section 12 of the National School Lunch Act is amended by—

(1) striking out paragraph (d)(3); and

(2) striking out subsection (h).

(d) Section 8 of the National School Lunch Act is amended by—

(1) striking out "or 5" in the first sentence;

(2) striking out "to finance the cost of obtaining" and inserting in lieu thereof "to obtain" in the second sentence;

(3) striking out "and food service equipment assistance in connection with such program" in the second sentence;

(4) striking out the fourth sentence; and

(5) striking out "Federal food cost contribution rate" and inserting in lieu thereof "per meal reimbursement rate" in the fifth and sixth sentences.

(e) Section 7 of the Child Nutrition Act is amended by—

(1) striking out in subsections (a)(1), (a)(2), and (b) "3, 4, and 5" and inserting in lieu thereof "3 and 4";

(2) striking out "13 or" in subsection (a)(2);

(3) striking out "and under 13(k)(1) of the National School Lunch Act" in subsections (a)(5) and (a)(6); and

(4) striking out "(except section 13 of the Act)" in subsection (h).

(f) Section 11(a) of the Child Nutrition Act is amended by striking out "through 5" and inserting in lieu thereof "and 4".

(g) Section 4 of the National School Lunch Act is amended by striking out in the first sentence ", excluding the sum specified in section 5,".

(h) Section 3 of the National School Lunch Act is amended by striking out "13, 17," in the first sentence and inserting in lieu thereof "17".

(i) Section 6(a)(2) of the National School Lunch Act is amended by striking out "sections 11 and 13" and inserting in lieu thereof "section 11".

(j) Section 15(f) of the National School Lunch Act is amended by inserting "bi-" before annually.

(k) Section 14 of the National School Lunch Act is amended by—

(1) striking out ", and title VII of the Older Americans Act of 1965";

(2) striking out subsection (c) and redesignating subsections (d) and (e) as (c) and (d) respectively.

CLAIMS ADJUSTMENT AUTHORITY

SEC. 15. Section 16 of the Child Nutrition Act of 1966 is amended by adding at the end thereof of the following: "The Secretary shall have the power to determine the amount of and settle and adjust any claim and to compromise or deny all or part of any such claim or claims arising under the provisions of this Act, the National School Lunch Act, or the regulations issued pursuant to these Acts, including the power to waive claims if he determines that to do so would serve the purposes of those Acts. The preceding sentence shall not diminish the existing authority of the Attorney General under 28 U.S.C. 516 to conduct litigation on behalf of the United States.".

EFFECTIVE DATES; REPEAL OF EXISTING LEGISLATION; REGULATIONS

SEC. 16. (a)(1) The provisions of sections 6, 7, 10, 12, 14(a)(2), 14(a)(3), 14(c)(1), 14(d)(1), 14(d)(3), 14(e), 14(f), 14(g), 14(j), and 14(k) of this Act shall be effective October 1, 1981. The provision of sections 2, 8, 9, 11, 14(a)(1), 14(a)(4), 14(a)(5), 14(b), 14(c)(2), 14(d)(2), 14(d)(4), 14(d)(5), and 14 shall be effective July 1, 1981 or the first day of the second month following enactment, whichever is later.

(2) The provisions of section 4 of this Act shall be effective July 1, 1981 or 90 days after enactment, whichever is later.

(2) The provisions of section 4 of this Act shall be effective July 1, 1981 or 90 days enactment, whichever is later.

(3) The provisions of sections 3, 5, and 13 of this Act shall be effective July 1, 1981.

(b) Public Law 96-499, the Omnibus Reconciliation Act of 1980, is amended by—

(1) repealing section 201(a) of that Act effective July 1, 1981, or the first day of the second month following enactment, whichever is later;

(2) repealing section 203(b) effective July 1, 1981, or 90 days after enactment, whichever is later.

(c) Regulations implementing this Act shall be issued no later than 60 days after enactment.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., Apr. 3, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for consideration of the Congress is a bill to amend the National School Lunch Act and the Child Nutrition Act of 1966. Also enclosed is a copy of the section by section analysis explaining the changes included in the bill.

This bill seeks to alter the structure of Federal meal subsidies to schools and similar institutions to focus Federal nutrition assistance on the truly needy. These amendments will maintain Federal subsidies for those most in need while eliminating subsidies for middle and upper income families. At a time of limited Federal resources and when we are re-evaluating the appropriate role of the Federal Government, subsidies for meals should only be provided for those who are unable to afford meals without such assistance. The amendments in the bill will result in savings of about $1.9 billion in Child Nutrition Programs in fiscal year 1982.

The Child Nutrition Programs are amended to eliminate subsidies for meals served to students from families with incomes above 185 percent of poverty. These subsidies include subsidies for "paid" meals served as well as a commodity support for "paid" meals. The bill also will continue on a permanent basis the temporary change from semi-annual adjustments of meal subsidy rates to annual adjustments, enacted for fiscal year 1981 in the Omnibus Reconciliation Act of 1980 (P.L. 96-499).

The bill lowers subsidies for reduced price meals in the School Lunch, School Breakfast and Child Care Food Programs. Under these provisions the subsidy for reduced price meals, served to students from families with incomes between 125 percent (plus a standard deduction) and 185 percent of poverty, would be approximately half the level of free meals.

Eligibility for reduced meals is adjusted by eliminating the standard deduction used in determining a family's income level. In addition, the maximum income for receipt of reduced price meals is established at 185 percent of poverty.

The bill provides authority to the Secretary to require the verification of income reported on applications for free and reduced price meals. In addition the bill removes the requirement that schools include the free income limit in letters distributing the application to parents. Schools will simply advise parents of the upper limit of eligibility for free and reduced price meals and indicate that anyone below this level is eligible for either free or reduced price meals.

Three programs, Summer Food Service Program for Children, Nutrition Education and Training, and Food Service Equipment Assistance are being repealed. Additionally, the Food Service Equipment provision in the Child Care Food Program is repealed. There are a number of reasons for the repeal of these programs. The Summer Program has been faced with management problems since its inception due to the nature of the program (short term operation, temporary employees, open air feeding sites, etc.). The program also serves essentially the same population as the Food Stamp Program thus resulting in a duplication of benefits. The Food Service Equipment Assistance Program is being eliminated because we believe the program has fulfilled its primary purpose at this point and is no longer needed as a support mechanism for the School Food Service Program. Finally, we feel the States are in a better position to administer the Nutrition Education and Training Program without the intervention of the Federal bureaucracy.

Other subsidies being eliminated are snack subsidies for the Child Care Program and Federal financing for participation in the School Food Programs by private schools whose yearly tuition exceeds $1500 per child.

In addition, participation in the Special Milk Program will be limited to non-program schools and institutions.

Finally, the bill provides for control of Child Nutrition spending by limiting expenditures under the programs to amounts appropriated by the Congress. The Secretary is given the authority to make such program adjustments as are needed to so limit expenditures.

The Department of Agriculture recommends prompt and favorable action on this bill. The proposals it contains will enable us to redirect program resources to those most in need of their benefits.

An identical letter is being sent to the Speaker of the House.

Sincerely,

JOHN R. BLOCK,
Secretary.

S. 947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 110(b) of the Agricultural Act of 1949 (7 U.S.C. 1445e(b)) is amended by deleting in clause (3) of the second sentence the phrase ", and the Secretary shall waive such interest on loans made on the 1980 and 1981 crops of wheat and feed grains".

DEPARTMENT OF AGRICULTURE,
Washington, D.C.

Hon. GEORGE H. W. BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Senate is a proposed bill "To amend Section 110(b) of the Agricultural Act of 1949 to eliminate the requirement that the Secretary of Agriculture waive interest on loans made on 1980 and 1981 crops of wheat and feed grains placed in the farmer-held grain reserve program".

The Department recommends that the proposed bill be enacted.

When the farmer-owned grain reserve was initiated, farmers were required under program provisions to pay interest on their price support loans received from the Commodity Credit Corporation for the first year the grain was in the reserve program, but interest was waived for subsequent years. In an effort to attract corn into the reserve after the Soviet trade suspension in early 1980, the Secretary directed that first year interest also be waived on loans for a certain amount of corn placed in the reserve program. The Agricultural Act of 1980 increased the minimum loan rates for 1980 and 1981 crop grain placed in the reserve program and directed the Secretary to waive all interest on all loans on 1980 and 1981 crop grain in the reserve program.

The Administration very strongly opposes the mandatory interest waiver and proposes that it be repealed. Under Section 110 of the 1949 Act, the Secretary has authority to waive or adjust interest on loans on grain placed in the reserve program and could continue to do so as necessary to provide special incentives for program participation. A mandatory interest waiver, with its very large costs, significantly limits the Secretary's flexibility to make essential adjustments in loan costs. While we believe the authority to waive interest should continue to be available for use in special circumstances, the mandatory waiver is unnecessarily costly.

This bill will have no effect on the 1980 crops. If this bill is enacted, we intend to restore the farmer-held reserve program to its original status. Interest will be charged for the first year, but will be waived for the second and third year on 1981 crop reserve loans. The outlay impact of removing the mandatory waiver of interest and charging interest for the first year of these reserve loans for 1981 crops of wheat and feed grains is estimated to be a reduction in FY 1981 outlays of $83 million and in FY 1982 outlays of $167 million for a 2 year total of $250 million.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget advises that the enactment of this legislation would be in accord with the program of the President.

Sincerely,

JOHN R. BLOCK,
Secretary.

S. 948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act shall be cited as the "Cotton-Tobacco-Warehouse User Fee Act of 1981."

TITLE I.—COTTON CLASSING AND RELATED SERVICES

SEC. 101. Section 5 of the United States Cotton Standards Act, 42 Stat. 1518, 7 U.S.C. 55, is amended to read as follows:

"The Secretary of Agriculture shall cause to be collected such fees and charges for licenses issued to classifiers of cotton under section 3 of this Act, for determinations made under section 4 of this Act and for the establishment of standards and sale of copies of standards under Section 6 of this Act, as will cover, as nearly as practicable, and after taking into consideration net proceeds from any sale of samples, the costs incident to providing services and standards under such sections, including administrative and supervisory costs. Such fees and charges shall be credited to the current appropriation that incurs the cost and shall remain available until expended to pay the expenses of the Secretary incident to providing services and standards under this Act, the Cotton Statistics and Estimates Act, 7 U.S.C. 471 et seq. and the United States Cotton Futures Act, 7 U.S.C. 15b. The Secretary may provide by regulation conditions under which cotton samples submitted or used in the performance of services authorized by this Act shall become the property of the United States and may be sold with the proceeds credited to the foregoing account: *Provided,* That such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949, 40 U.S.C. 471 et seq.".

SEC. 102. Section 3a of the Cotton Statistics and Estimates Act, 50 Stat. 62, 7 U.S.C. 473a, is amended by deleting all after the first sentence and inserting in lieu thereof:

"The Secretary is further directed, under such regulations as the Secretary may prescribe, to impose and collect reasonable fees and charges which, together with the net proceeds of sale of samples submitted, shall cover as nearly as practicable, the cost of the services provided, including administrative and supervisory costs. All samples of cotton submitted shall become the property of the United States and may be sold: *Provided,* That such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949, 40 U.S.C. 471 et seq. All such fees and charges collected under this section and under section 3d of this Act and the proceeds of sale of samples shall be credited in the same manner and to the same account referred to in section 5 of the Cotton Standards Act, 42 Stat. 1518, 7 U.S.C. 55.".

SEC. 103. Subsection (f)(1)(G) of the United States Cotton Futures Act, 90 Stat. 1844, 7 U.S.C. 15b(f)(1)(G), is amended by deleting "in such regulations" and inserting in lieu thereof "in such regulations and shall be credited to the account referred to in section 5 of the Cotton Standards Act, 42 Stat. 1518, 7 U.S.C. 55. The Secretary may provide by regulation conditions under which cotton samples submitted or used in the performance of services authorized by this Act shall become the property of the United States and may be sold with the proceeds credited to the foregoing account: *Provided that,* Such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949, 40 U.S.C. 471 et seq.".

SEC. 104. The provisions of this title shall become effective July 1, 1981.

TITLE II.—TOBACCO INSPECTION AND RELATED SERVICES

SEC. 201. Section 5 of The Tobacco Inspection Act (7 U.S.C. 511d) is amended by deleting the last two sentences and substituting therefor the following:

"The Secretary shall impose and collect fees and charges for inspection or certification and other services under this section at designated auction markets and for the establishment of standards under section 3. The fees and charges authorized by this section shall, as nearly as practicable, cover the costs of the services including administrative and supervisory costs. Such fees and charges, when collected, shall be credited to the current appropriation that incurs the costs and shall be available without fiscal year limitation for the expenses of the Secretary incident to providing services under this Act. Fees and charges assessed under the provisions of sections 5 and 6 of this Act shall be collected from warehouse operators or persons financially interested in the tobacco: *Provided,* That fees and charges for inspecting or certifying tobacco and performing other services at auction warehouses in designated markets shall be assessed against warehouse operators irrespective of ownership or interest in the tobacco, and such inspection and related services shall be suspended or denied at any such warehouse if the warehouseman fails to pay fees and charges assessed.

Tobacco inspection or certification services for tobacco sold at auction shall be provided only at markets designated pursuant to this section. Tobacco inspection or certification services provided to such auction markets shall take precedence over such services, other than reinspection, requested pursuant to the authority contained in section 6 of this Act or any other provision of law.

SEC. 202. Section 6 of The Tobacco Inspection Act (7 U.S.C. 511e) is amended by revising the first sentence of the second paragraph to read as follows:

"The Secretary shall fix and collect such fees or charges in the administration of this section as will cover as nearly as practicable, the costs of the services provided, including administrative and supervisory costs. Such fees and charges shall be credited into the account referred to in Section 5.".

SEC. 203. The provisions of sections 201 and 202 shall become effective July 1, 1981.

SEC. 204. The Naval Stores Act, 42 Stat. 1435, 7 U.S.C. 91–99, is repealed upon the date of enactment of this Act.

TITLE III.—WAREHOUSE EXAMINATION, INSPECTION, AND LICENSING

SEC. 301. Section 10 of the United States Warehouse Act (7 U.S.C. 251) is amended to read:

"SEC. 10. The Secretary of Agriculture, or his designated representative, shall charge, assess, and cause to be collected a reasonable fee for (a) each examination or inspection of a warehouse (including the physical facilities and records thereof and the agricultural products therein) under this Act; (b) each license issued to any person to classify, inspect, grade, sample, and/or weigh agricultural products stored or to be stored under provisions of this Act; (c) each annual warehouse license issued to a warehouseman to conduct a warehouse under this act; and (d) each warehouse license amended, modified, extended, or reinstated under this Act. Such fees shall cover, as nearly as practicable, the costs of providing such services and licenses; including the administrative and supervisory costs. All fees collected shall be credited to the current appropriation that incurs the costs and shall be available without fiscal year limitation for the expenses of the Secretary incident to providing services under the Act."

SEC. 302. Section 31 of the United States Warehouse Act (7 U.S.C. 271) is amended to read:

"SEC. 31. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act other than those services for which fees are authorized pursuant to section 10. Such appropriated funds may be used by the Secretary to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the provisions of this Act.".

SEC. 303. The provisions of this title shall become effective October 1, 1981.

DEPARTMENT OF AGRICULTURE,
Washington, D.C.

Hon. GEORGE H. W. BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for consideration by the Congress is a draft bill "To recover costs associated with cotton classing and standards, tobacco inspection and standards, and warehouse examination, inspection and licensing, and for other purposes."

This legislative proposal is part of the President's Program for Economic Recovery and his Fiscal Year 1982 Budget Revisions. The Department of Agriculture strongly recommends its enactment. The draft bill provides:

Cotton classing, standards and related services furnished under authority of the Cotton Statistics and Estimates Act, the U.S. Cotton Futures Act, and the U.S. Cotton Standards Act;

Inspection, grading and standardization services furnished under authority of The Tobacco Inspection Act and the Naval Stores Act;

Inspection, examination and licensing of warehouse under authority of the U.S. Warehouse Act.

Enactment of this legislation will result in outlay savings of $25 million in FY 1982.

Title-by-title summaries of the provisions of the bill are enclosed.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the President's program.

Sincerely,

RICHARD E. LYNG,
Deputy Secretary.

UNITED STATES DEPARTMENT OF AGRICULTURE

TITLE I: PROPOSED LEGISLATION TO RECOVER COSTS ASSOCIATED WITH THE COTTON CLASSING, STANDARDS AND RELATED SERVICES

Under the proposed legislation (1) fees would be charged beginning July 1, 1981, to cotton producers for cotton classing under the Smith-Doxey amendment and such fees would be deposited into an account which shall remain available until expended; (2) net proceeds from the sale of loose cotton would also be deposited into such an account; (3) the market value of cotton samples would also be taken into consideration in establishing the new fees and charges; and (4) fees would be charged for the establishment of cotton standards pursuant to the Cotton Standards Act.

Under the proposed legislation, the program would be on a full cost recovery basis in FY 1982, including administrative and supervisory costs.

Fees were charged for cotton classing services prior to the enactment of the Smith-Doxey amendment which has as one of its primary purposes the development of better quality American cotton. This was achieved by the organization of cotton improvement groups and by encouraging the marketing of cotton on the basis of quality. Free cotton classing was provided to encourage producers to join groups which carried out cotton improvement programs. Cotton improvement groups have been organized across all of the cotton producing area and the Department now classes about 97 percent of the cotton crop each year for growers. Historically, grading programs have been set up on a self-supporting basis or have become self-supporting following their establishment. Therefore, it is considered entirely reasonable that all users of cotton classing services be required to pay a fee for the service.

The Smith-Doxey amendment provides that cotton samples submitted for classing become the property of the Federal Government. Under provisions of the Federal Property and Administrative Services Act of 1949, we are required to dispose of cotton samples under surplus property regulations. All loose cotton accumulations are made available to other government agencies or sold with net proceeds deposited in the Treasury as miscellaneous receipts. Under the proposed legislation, cotton samples would no longer be subject to provisions of the Federal Property and Administrative Services Act of 1949. All samples would be sold with net proceeds deposited in an account where they would remain available until expended. About $3 million would be derived annually from sales of loose cotton.

We estimate that enactment of Title I of the proposed legislation would reduce Federal outlays by $13 million in FY 1982.

TITLE II: TO PROVIDE THAT TOBACCO AND NAVAL STORES INSPECTION, GRADING, AND STANDARDIZATION ACTIVITIES BE PLACED ON A COST RECOVERY BASIS

Nearly all tobacco sold at auction is sold on designated markets. Tobacco inspection at such designated markets has been provided to the public free-of-charge since 1935. Inspection at non-designated markets has always been on a fee basis. Free tobacco grading services were authorized because of a belief that the high taxes imposed on tobacco decreased grower returns because the tax limited consumption. Despite an increase in taxes on tobacco, however, consumption continues to rise. The Department believes that there is no longer any reason to provide free tobacco inspection and, therefore, recommends an amendment to The Tobacco Inspection Act to remove the restrictions against charging for tobacco inspection at designated markets. Since tobacco inspection is primarily a seasonal operation, it is necessary to anticipate the number of inspectors that will be required. Therefore, so that the program will be cost effective and also provide inspection when needed, it is necessary to give priority to tobacco inspection and certification, where tobacco is sold at auction, to markets designated under the Act as proposed in the amendment.

Under the proposed legislation, fees would be charged to cover the services under The Tobacco Inspection Act, including standardization activities which have traditionally been funded by annual appropriations. These services would be placed on a fee basis July 1, 1981, to coincide with the beginning of the flue-cured marketing year. The program would be on a full cost recovery basis in FY 1982, including administrative and supervisory costs. The receipts would be deposited into an account which would remain available until expended.

Pursuant to the Naval Stores Act, the Department performs inspection and grading, as well as standardization of naval stores products (spirits of turpentine and rosin). The law was passed to prevent the misrepresentation, adulteration and misgrading of turpentine and rosin and to provide a basis for uniformity in these products and in marketing practices related thereto. Funds for these activities have always been made available by annual appropriations. The proposed legislation would repeal the Naval Stores Act and place these activities on a cost recovery basis pursuant to the Agricultural Marketing Act of 1946.

We estimate that enactment of Title II of the proposed legislation would reduce Federal outlays by $8 million in FY 1982.

TITLE III: TO RECOVER COSTS ASSOCIATED WITH THE INSPECTION, EXAMINATION, AND LICENSING OF WAREHOUSES UNDER AUTHORITY OF THE U.S. WAREHOUSE ACT

Since passage of the U.S. Warehouse Act in 1916, the inspection, examination, and licensing of warehouses has been administered as a voluntary program with appropriated funds. Fees provided for and collected thereunder have been less than 10 percent of costs, and, in accordance with provisions of the law, have been deposited into the Treasury as miscellaneous receipts. Fees have been charged for examination and inspections made pursuant to applications by warehousemen, or other persons under Section 9, and for warehouse licenses or amendments of such licenses. Fees have also been charged for licensing of applicants to inspect, classify, sample, grade or weigh products. However, fees have never been charged for the inspection and examination of the over 2,100 licensed warehouses or administrative and supervisory costs.

The major program emphasis in the administration of the U.S. Warehouse Act is the semiannual unannounced compliance examinations at each licensed warehouse. The on-site work during the examination process, both before and after licensing, constitutes an independent review or examination of merchandising activities and storage operations, including warehouse records and stored inventory. The information developed is of primary benefit to sellers and depositors, the owners of stored inventory, who individually are not in a position to determine whether their interests are being properly safeguarded. The results of the examination also benefit the licensed warehouseman as a check on the status of merchandising activities, storage operations, inventory of product and records and on the performance of the warehouse employees engaged in actual operation of the warehouse. The examinations contribute to the acceptability of warehouse receipts as security for loan transactions which in turn benefit both the warehousemen and the depositors.

The proposed legislation amends the U.S. Warehouse Act to provide for the imposition of user fees to offset the cost of administering the U.S. Warehouse Act. The costs to be covered include activities involving applications made by warehousemen or others for inspections; original licenses, and amendments to licenses; special and semi-annual unannounced examinations of warehousing and merchandising activities of warehouses; licensing of applicants to inspect, classify, sample, grade or weigh products; and administration and supervision of the program.

We estimate that enactment of Title III of this proposed legislation would reduce Federal outlays by $4 million in FY 1982.

S. 949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Grain Standards Act, 7 U.S.C. 71 et seq., is amended as follows:

(a) By amending section 7(j) to read as follows:

"(j)(1) The Administrator shall, under regulations as he may prescribe, charge and collect reasonable inspection fees to cover the estimated cost to the Service incident to the performance of official inspection except when the official inspection is performed by a designated official agency or by a State under a delegation of authority. The fees authorized by this subsection shall, as nearly as practicable and after taking into consideration any proceeds from the sale of samples, cover the costs of the Service incident to its performance of official inspection services in the United States and on United States grain in Canadian ports, including administrative and supervisory costs related to such official inspection of grain. Such fees, and the proceeds from the sale of samples obtained for purposes of official inspection which become the property of the United States, shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Service incident to providing services under this Act.

"(2) Each designated official agency and each State agency to which authority has been delegated under subsection (e) of this section shall pay to the Administrator fees in such amount as the Administrator determines fair and reasonable and as will cover the estimated costs incurred by the Service relating to supervision of official agency personnel and supervision by Service personnel of its field office personnel, except costs incurred under paragraph (3) of subsection (g) of this section and sections 9, 10, and 14 of this Act. The fees shall be payable after the services are performed at such times as specified by the Administrator and shall be deposited in the fund created in paragraph (1) of this subsection. Failure to pay the fee within thirty days after it is due shall result in automatic termination of the delegation or designation, which shall be reinstated upon payments, within such period as specified by the Administrator, of the fee currently due plus interest and any further expenses incurred by the Service because of such termination. The interest rate on over-

due fees shall be prescribed by the Secretary of Agriculture, but not less then the current average market yield on outstanding marketable obligations of the United States of comparable maturity, plus an additional charge of not to exceed 1 per centum per annum as determined by the Secretary of Agriculture, and adjusted to the nearest one-eighth of one per centum."

(b) By amending section 7A(*1*) to read as follows:

"(*1*)(1) The Administrator shall, under such regulations as he may prescribe, charge and collect reasonable fees to cover the estimated costs to the Service incident to the performance of the functions provided for under this section except as otherwise provided in paragraph (2) of this subsection. The fees authorized by this paragraph shall, as nearly as practicable, cover the costs of the Service incident to performance of its functions related to weighing, including administrative and supervisory costs directly related thereto. Such fees shall be deposited into the fund created in section 7(j) of this Act.

"(2) Each agency to which authority has been delegated under this section and each agency or other person which has been designated to perform functions related to weighing under this section shall pay to the Administrator fees in such amount as the Administrator determines fair and reasonable and as will cover the costs incurred by the Service relating to supervision of the agency personnel and supervision by Service personnel of its field office personnel incurred as a result of the functions performed by such agencies, except costs incurred under sections 7(g)(3), 9, 10, and 14 of this Act. The fees shall be payable after the services are performed at such times as specified by the Administrator and shall be deposited in the fund created in section 7(j) of this Act. Failure to pay the fee within thirty days after it is due shall result in automatic termination of the delegation or designation which shall be reinstated upon payment, within such period as specified by the Administrator, of the fee currently due plus interest and any further expenses incurred by the Service because of such termination. The interest rate on overdue fees shall be prescribed by the Secretary of Agriculture, but not less then the current average market yield on outstanding marketable obligations of the United States of comparable maturity, plus an additional charge of not to exceed 1 per centum per annum as determined by the Secretary of Agriculture, and adjusted to the nearest one-eighth of one per centum."

(c) By amending section 19 to read "There are hereby authorized to be appropriated such sums as are necessary for standardization and compliance activities and any other expenses necessary to carry out the provisions of this Act to the extent that financing is not obtained from fees and sales of samples as provided for in section 7, 7A and 17A of this Act."

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 10, 1981.

Hon. GEORGE H. W. BUSH,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith for the consideration of the Congress is a draft bill "To amend the United States Grain Standards Act to require that fees charged for official inspection and weighing services cover costs to the Federal Grain Inspection Service including administrative and supervisory costs, and for other purposes".

This legislative proposal is part of the President's Program for Economic Recovery and his Fiscal Year 1982 Budget Revisions. The Department of Agriculture strongly recommends its enactment.

The United States Grain Standards Act presently provides that the Administrator of the Federal Grain Inspection Service (FGIS) shall collect fees to cover the costs of the Service incident to its performance of official inspection and weighing of grain, excluding administrative and supervisory costs. However, the FGIS is also responsible for the supervision of the inspection and weighing activities, which may be performed by FGIS personnel or by states and private agencies.

In the 1976 amendments to the United States Grain Standards Act, Public Law 94-582, Congress directed the Administrator of FGIS to collect fees which would cover all inspection and weighing costs, including administrative and supervisory costs directly related thereto, incurred outside the Washington office of FGIS. It further provided that designated agencies and State agencies delegated authority to perform inspection and weighing of grain shall pay to the Administrator, fees to cover the cost (outside the Washington office) of direct supervision of agency personnel and direct supervision by FGIS personnel of its field office personnel. However, the Act was amended again in 1977 by section 1602 of Public Law 95-113 to delete the authority to recover administrative and supervisory costs. This proposed amendment to the Act would reinstate authority to recover administrative and supervisory costs, including costs incurred in the Washington office.

The bill would enable the Federal Government to recover from the users of the inspection and weighing services, whether provided by FGIS, designated agencies, or delegated States, those costs which can be clearly identified as benefiting those being served. Supervision over this work is an essential and integral part of official grain inspection and weighing activities. Consequently, the Administration believes that those who benefit from the services should compensate the Government, rather than continuing to be subsidized by the general taxpayer.

Establishing such charges will reduce Federal outlays by some $25 million in 1982. The additional cost to grain handlers will amount to only about ⅓ cent per bushel of grain.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the Administration's program.

Sincerely,

RICHARD E. LYNG,
Deputy Secretary.

S. 950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rural Electrification Act of 1936, 87 Stat. 68, as amended, 7 U.S.C. 901-950b, is amended:

(1) by amending section 305(b), to read "(b) Insured loans made under this title shall bear interest at 5 per centum per annum.";

(2) by deleting in sections 305(a) and 310 the word "rates" and inserting in lieu thereof "rate"; and

(3) by deleting in the fourth sentence of section 306 and in section 307 the words "a loan insured at the standard rate" and inserting in lieu thereof "an insured loan".

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 10, 1981.

Hon. GEORGE H. W. BUSH,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill "To amend the Rural Electrification Act of 1936 to remove provision for the special 2 percent interest rate for insured loans."

This legislative proposal is part of the President's Program for Economic Recovery and his Fiscal Year 1982 Budget Revisions. The Department of Agriculture strongly recommends its enactment.

Existing law mandates the special 2 percent interest rate on insured loans to:

Telephone borrowers whose average subscriber density is three or fewer per mile; and

Electric borrowers whose average subscriber density is two or fewer per mile, or with an average Adjusted Plant to Revenue Ratio over 9.0, computed as set forth in the Act.

The REA Administrator may also provide the special interest rate on an insured loan if he finds the borrower:

Has experienced extenuating circumstances or extreme hardship; or

Cannot, in accordance with generally accepted management and accounting principles, produce net income or margins before interest at least equal to 150 per centum of its total interest requirements on all outstanding and proposed loans with an interest rate greater than 2 per centum per annum on the entire current loan, and still meet the objectives of the Act, or

Cannot, in accordance with generally accepted management and accounting principles and without an excessive increase in the rates charged by such borrowers to their consumers or subscribers, provide service consistent with the objectives of the Act.

The draft bill would eliminate insured loans at the special 2 percent interest rate and provide instead the standard 5 percent interest rate for all insured loans.

The President's Fiscal Year 1981 Budget revisions recommend discontinuance of both insured loans for telephone systems and insured electric loans for power generation and transmission facilities.

For fiscal year 1982, the President is requesting $700 million in insured electric loans for distribution purposes. Under existing legislation, about $100 million of this amount would go to borrowers who would qualify for the special 2 percent interest rate. Requiring these borrowers to pay 5 rather than 2 percent interest would reduce Federal interest subsidy cost per $100 million in loans by some $70 million over the lifetime of the loans. Savings in the first year would be slight because only a small portion of these loans would actually be disbursed and begin to bear interest. However, savings over the first five years would amount to about $10.5 million per $100 million in loans.

If enactment of this legislation results in increases in some subscriber's user charges, the adverse impact will be relatively small in relation to cost increases that are being imposed by higher energy prices. Such increase would also create a positive incentive to conserve energy.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget advises that enactment of this draft bill would be in accord with the President's program.

Sincerely,

RICHARD E. LYNG,
Deputy Secretary.

By Mr. THURMOND (for himself and Mr. BIDEN) (by request):

S. 951. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1982, and for other purposes; to the Committee on the Judiciary.

DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION, 1982

Mr. THURMOND. Mr. President, I am introducing today, at the request of

the administration, legislation to authorize appropriations for fiscal year 1982 for the U.S. Department of Justice.

In addition to authorizing appropriations for a number of special activities of the Justice Department, the legislation requests many of the same general provisions which were included in the fiscal year 1981 authorization request, such as uncover operations of the FBI, the use of confidential funds, and authority to pay rewards and the protection of the President by the FBI as required.

A number of changes have been included in the bill to reflect the President's budget priorities for the Department. Reference to the alien property funds, World War II has been dropped since all claims have been resolved and no resources are required for fiscal year 1982. There is also language providing authority for the FBI to modernize its planned automated data and telecommunications system, and language which would allow the Drug Enforcement Administration to reta'n certain funds for the purchase of evidence and for the payment of information.

Provisions are included that would conform the present law to the President's decision to eliminate the U.S. trustees program by the end of fiscal year 1982, and to place the Antitrust Division within the general legal activities area.

A major section in the bill is a proposal to convert the overtime provisions of the Immigration and Nationality Act from the 1931 law to section 5 of the United States Code. This change in the law will result in substantial savings to the Government, with no intended loss of service to those people entering the United States at various points of entry.

Mr. President, the Committee on the Judiciary has already begun hearings on the President's request for fiscal year 1982 for the Justice Department. The bill introduced today will serve as the vehicle for any changes that the committee may seek to make in the administration's request.

I fully expect that hearings on the measure will be completed and action taken on the bill by May 15, 1981, in order to meet the requirements of the Budget Act of 1974, and to expedite consideration of President Reagan's total budget package.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 951

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Justice Appropriation Authorization Act, Fiscal Year 1982".

SEC. 2. There are authorized to be appropriated for the fiscal year ending September 30, 1982, to carry out the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) the following sums:

(1) For General Administration, including—

(A) the hire of passenger motor vehicles;

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Deputy Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration: $37,653,000.

(2) For the United States Parole Commission for its activities including the hire of passenger motor vehicles: $6,461,000.

(3) For General Legal Activities, including—

(A) the hire of passenger motor vehicles;

(B) miscellaneous and emergency expenses authorized or approved by the Attorney General, or the Deputy Attorney General, or the Associate Attorney General, or the Assistant Attorney General for Administration;

(C) not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General;

(D) advance of public moneys under section 3648 of the Revised Statutes (31 U.S.C. 529);

(E) pay for necessary accommodations in the District of Columbia for conferences and training activities;

(F) the investigation and prosecution of denaturalization and deportation cases involving alleged Nazi War Criminals: $176,702,000.

(4) For the Foreign Claims Settlement Commission for its activities, including—

(A) services as authorized by section 3109 of Title 5, United States Code;

(B) expenses of packing, shipping, and storing personal effects of personnel assigned abroad;

(C) rental or lease, for such periods as may be necessary, of office space and living quarters for personnel assigned abroad;

(D) maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties;

(E) advances of funds abroad;

(F) advances or reimbursements to other Government agencies for use of their facilities and services in carrying out the functions of the Commission;

(G) the hire of motor vehicles for field use only; and

(H) the employment of aliens: $705,000.

(5) For United States Attorneys, Marshals, and Trustees, including—

(A) purchase of firearms and ammunition;

(B) lease and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(C) supervision of United States prisoners in non-Federal institutions;

(D) bringing to the United States from foreign countries persons charged with crime; and

(E) acquisition, lease, maintenance, and operation of aircraft: $291,206,000.

(6) For Support of United States Prisoners in non-Federal institutions, including—

(A) necessary clothing and medical aid, payment of rewards, and reimbursements to Saint Elizabeths Hospital for the care and treatment of United States prisoners, at per diem rates as authorized by section 2 of the Act entitled "An Act to authorize certain expenditures from the appropriations of Saint Elizabeths Hospital, and for other purposes", approved August 4, 1947 (24 U.S.C. 168a);

(B) entering into contracts or cooperative agreements for only the reasonable and actual cost to assist the government of any State, territory, or political subdivision thereof, for the necessary physical renovation, and the acquisition of equipment, supplies, or materials required to improve conditions of confinement and services of any facility which confines Federal detainees, in accordance with regulations to be issued by the Attorney General and which are comparable to the regulations issued under section 4006 of Title 18, United States Code: $25,600,000.

(7) For Fees and Expenses of Witnesses, including expenses, mileage, compensation, and per diem of witnesses in lieu of subsistence, as authorized by law, including advances of public moneys: $29,421,000. No sums authorized to be appropriated by this Act shall be used to pay any witness more than one attendance fee for any one calendar day.

(8) For the Community Relations Service for its activities including the hire of passenger motor vehicles: $5,313,000.

(9) For the Federal Bureau of Investigation for its activities, including—

(A) expenses necessary for the detection and prosecution of crimes against the United States;

(B) protection of the person of the President of the United States and the person of the Attorney General;

(C) acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies;

(D) such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General;

(E) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(F) acquisition, lease, maintenance, and operation of aircraft;

(G) purchase of firearms and ammuntion;

(H) payment of rewards;

(I) not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and to be accounted for solely on the certificate of the Attorney General;

(J) classification of arson as a Part I crime in its Uniform Crime reports: $739,013,000 of which $5,000,000 for automated data processing and telecommunications and $600,000 for undercover operations shall remain available until September 30, 1983. None of the sums authorized to be appropriated by this Act for the Federal Bureau of Investigation shall be used to pay the compensation of any employee in the competitive service.

(10) For the Immigration and Naturalization Service, for expenses necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including—

(A) advance of cash to aliens for meals and lodging while en route;

(B) payment of allowances to aliens, while held in custody under the immigration laws, for work performed;

(C) payment of expenses and allowances incurred in tracking lost persons as required by public exigencies in aid of State or local law enforcement agencies;

(D) payment of rewards;

(E) not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General and accounted for solely on the certificate of the Attorney General;

(F) purchase for police-type use without regard to the general purchase price limitation for the current fiscal year and hire of passenger motor vehicles;

(G) acquisition, lease, maintenance, and operation of aircraft;

(H) payment for firearms and ammunition and attendance at firearms matches;

(I) operation, maintenance, remodeling and repair of buildings and the purchase of equipment incident thereto;

(J) refunds of maintenance bills, immigration fines and other items properly returnable except deposits of aliens who become public charges and deposits to secure payment of fines and passage money;

(K) payment of interpreters and translators who are not citizens of the United States and distribution of citizenship textbooks to aliens without cost to such aliens;

(L) acquisition of land as sites for enforcement fences, and construction incident to such fences;

(M) research related to immigration enforcement which shall remain available until expended: $363,376,000 of which not to exceed $100,000 may be used for the emergency replacement of aircraft upon the certificate of the Attorney General.

(11) For the Drug Enforcement Administration for its activities, including—

(A) hire and acquisition of law enforcement and passenger motor vehicles without regard to the general purchase price limitation for the current fiscal year;

(B) payment in advance for special tests and studies by contract;

(C) payment in advance for expenses arising out of contractual and reimbursable agreements with State and local law enforcement and regulatory agencies while engaged in cooperative enforcement and regulatory activities in accordance with section 503a (2) of the Controlled Substances Act (21 U.S.C. 873(a)(2));

(D) payment of expenses not to exceed $70,000 to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General, and to be accounted for solely on the certificate of the Attorney General;

(E) payment of rewards;

(F) payment for publication of technical and informational material in professional and trade journals and purchase of chemicals, apparatus, and scientific equipment;

(G) payment for necessary accommodations in the District of Columbia for conferences and training activities;

(H) acquisition, lease, maintenance, and operation of aircraft;

(I) research related to enforcement and drug control to remain available until expended;

(J) contracting with individuals for personal services abroad, and such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Office of Personnel Management;

(K) payment for firearms and ammunition and attendance at firearms matches;

(L) payment for tort claims against the United States when such claims arise in foreign countries in connection with Drug Enforcement Administration operations abroad;

(M) not to exceed $1,700,000 for purchase of evidence and payments for information (PE/PI) to remain available until the end of the fiscal year following the year in which authorized: $228,524,000. For the purpose of section 709(b) of the Controlled Substances Act (21 U.S.C. 904(b)), such sums shall be deemed to be authorized by section 709(a) of such Act, for the fiscal year ending September 30, 1982.

(12) For the Federal Prison System for its activities including—

(A) for the administration, operation, and maintenance of Federal penal and correctional institutions, including supervision and support of United States prisoners in non-Federal institutions, and not to exceed $100,000 for inmate legal services within the system;

(B) purchase and hire of law enforcement and passenger motor vehicles;

(C) compilation of statistics relating to prisoners in Federal penal and correctional institutions;

(D) assistance to State and local governments to improve their correctional systems;

(E) purchase of firearms and ammunition and medals and other awards;

(F) payment of rewards;

(G) purchase and exchange of farm products and livestock;

(H) construction of buildings at prison camps and acquisition of land as authorized by section 4010 of title 18 of the United States Code;

(I) transfer to the Health Services Administration of such amounts as may be necessary, in the discretion of the Attorney General, for the direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions;

(J) for Federal Prison Industries, Incorporated, to make such expenditures, within the limits of funds and borrowing authority, and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase and hire of passenger motor vehicles;

(K) for planning, acquisition of sites and construction of new facilities, and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, to remain available until expended, and the labor of United States prisoners may be used for work performed with sums authorized to be appropriated by this clause; and

(L) for carrying out the provisions of sections 4351 through 4353 of Title 18 of the United States Code, relating to a National Institute of Corrections, to remain available until expended: $383,784,000.

SEC. 3. Sums authorized to be appropriated by this Act may be used for—

(a) the travel expenses of members of the family accompanying, preceding, or following an officer or employee if, while he is en route to or from a post of assignment, he is ordered temporarily for orientation and training or is given other temporary duty;

(b) benefits authorized under Sec. 901 (5)(6A)(8)(9) and Sec. 904 of the Foreign Service Act of 1980 (22 USC 4081 (5)(6)(A)(8)(9) and 22 USC 4084), and under the regulations issued by the Secretary of State.

SEC. 4. (a) Sums authorized to be appropriated by this Act which are available for expenses of attendance at meetings shall be expended for such purposes in accordance with regulations issued by the Attorney General.

(b) Sums authorized to be appropriated by this Act may be used for the purchase of insurance for motor vehicles and aircraft operated in official Government business in foreign countries.

(c) Sums authorized to be appropriated by this Act for salaries and expenses shall be available for services as authorized by section 3109 of Title 5 of the United States Code.

(d) Sums authorized to be appropriated by this Act to the Department of Justice may be used, in an amount not to exceed $35,000 for official reception and representation expenses in accordance with distributions, procedures, and regulations issued by the Attorney General.

(e) There are authorized to be appropriated for the fiscal year ending September 30, 1982, such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs.

(f) Sums authorized to be appropriated for "Salaries and expenses, General Administration", "Salaries and expenses, United States Attorneys and Marshals", "Salaries and expenses, Federal Bureau of Investigation", "Salaries and expenses, Immigration and Naturalization Service", and "Salaries and expenses, Bureau of Prisons" may be used for uniforms and allowances as authorized by sections 5901 and 5902 of Title 5 of the United States Code.

SEC. 5. Notwithstanding the second of the paragraphs relating to salaries and expenses of the Federal Bureau of Investigation in the Department of Justice Appropriation Act, 1973 (86 Stat. 1115), sums authorized to be appropriated by this Act for such salaries and expenses may be used for the purposes described in such paragraph until, but not later than the end of the fiscal year ending September 30, 1982.

SEC. 6. (a) With respect to any undercover investigative operation of the Federal Bureau of Investigation which is necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence—

(1) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used for leasing space within the United States, District of Columbia, and the territories and possessions of the United States without regard to section 3679(a) of the Revised Statutes (31 U.S.C. 665(a)), section 3732(a) of the Revised Statutes (41 U.S.C. 11(a)), section 305 of the Act of June 30, 1949 (63 Stat. 396; 41 U.S.C. 255), the third undesignated paragraph under the heading "Miscellaneous" of the Act of March 3, 1877 (19 Stat. 370; 40 U.S.C. 34), section 3648 of the Revised Statutes (31 U.S.C. 529), section 3741 of the Revised Statutes (41 U.S.C. 22), and subsections (a) and (c) of section 304 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 395; 41 U.S.C. 254(a) and (c));

(2) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act may be used to establish or to acquire proprietary corporations or business entities as part of an undercover operation, and to operate such corporations or business entities on a commercial basis, without regard to the provisions of section 304 of the Government Corporation Control Act (31 U.S.C. 869);

(3) sums authorized to be appropriated for the Federal Bureau of Investigation by this Act, and the proceeds from such undercover operation, may be deposited in banks or other financial institutions without regard to the provisions of section 648 of title 18 of the United States Code, and section 3639 of the Revised Statutes (31 U.S.C. 521); and

(4) the proceeds from such undercover operation may be used to offset necessary and reasonable expenses incurred in such operation without regard to the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484);

only upon the written certification of the Director of the Federal Bureau of Investigation (or, if designated by the Director, an Executive Assistant Director) and the Attorney General (or, if designated by the Attorney General, the Deputy Attorney General) that any action authorized by paragraph (1), (2), (3), or (4) of this subsection is necessary for the conduct of such undercover operation.

(b) As soon as the proceeds from an undercover investigative operation with respect to which an action is authorized and carried out under paragraphs (3) and (4) of subsection (a) are no longer necessary for the conduct of such operation, such proceeds or the balance of such proceeds remaining at the time shall be deposited into the Treasury of the United States as miscellaneous receipts.

(c) If a corporation or business entity established or acquired as part of an undercover operation under paragraph (2) of sub-

section (a) with a net value of over $50,000 is to be liquidated, sold, or otherwise disposed of, the Federal Bureau of Investigation, as much in advance as the Director or his designee determines is practicable, shall report the circumstances to the Attorney General and the Comptroller General. The proceeds of the liquidation, sale, or other disposition, after obligations are met, shall be deposited in the Treasury of the United States as miscellaneous receipts.

(d)(1) The Federal Bureau of Investigation shall conduct detailed financial audits of undercover operations closed on or after October 1, 1981 and—

(A) report the results of each audit in writing to the Attorney General and

(B) report annually to the Congress concerning these audits.

(2) For the purposes of paragraph (1), "undercover operation" means any undercover operation of the Federal Bureau of Investigation, other than a foreign counterintelligence undercover operation—

(A) in which the gross receipts exceed $50,000 and

(B) which is exempted from section 3617 of the Revised Statutes (31 U.S.C. 484) or section 304(a) of the Government Corporation Control Act (31 U.S.C. 869(a)).

SEC. 7. Section 709(a) of the Controlled Substances Act (21 U.S.C. 904(a)) is amended—

(1) by striking out "and" after "1980", and

(2) by inserting after "1981", the following: "and $228,524,000 for the fiscal year ending September 30, 1982,".

SEC. 8. Section 511(d) of the Controlled Substances Act (21 U.S.C. 881(d)) is amended by inserting "and the award of compensation to informers in respect to such forfeitures" immediately after "compromise of claims".

SEC. 9. Without regard to the provisions of Section 3617 of the Revised Statutes (31 U.S.C. 484), the Drug Enforcement Administration is authorized to—

(a) set aside 25 percent of the net amount realized from the forfeiture of seized assets and credit such amounts to the current appropriation account for the purpose, only, of an award of compensation to informers in respect to such forfeitures and such awards shall not exceed the level of compensation prescribed by 19 U.S.C. 1619;

(b) the amounts credited under this section shall be made available for obligation until September 30, 1983;

(c) such awards shall be based on the value of the seized property or the net proceeds from the sale of such property except that no award may be paid from or based on the value of the seized contraband; and

(d) the remaining 75 percent of the net amount realized from the forfeiture of the seized assets referred to in subsection (a) shall be paid to the miscellaneous receipts of the Treasury:

Provided, That the authority furnished by this Section shall remain available until September 30, 1983, at which time any amount of the unobligated balances remaining in this account, accumulated before September 30, 1982, shall be paid to the miscellaneous receipts of the Treasury: *And provided further,* That the Drug Enforcement Administration shall conduct detailed financial audits, semi-annually, of the expenditure of funds from this account and—

(1) report the results of each audit, in writing, to the Attorney General, and

(2) report annually to the Congress concerning these audits.

SEC. 10. (a) Section 569(a) of Title 28, United States Code, is amended to read as follows:

"(b)(1) Except as provided in paragraph (2), the United States Marshals shall execute all lawful writs, process, and orders issued under authority of the United States, and command all necessary assistance to execute their duties.

"(2) Service of civil process, including complaints, summonses, subpoenas, and similar process, shall not be performed by the United States Marshals on behalf of any party other than the United States, unless performed pursuant to—

"(A) section 1915 of this title or any other express statutory provision, or

"(B) order issued by the court in extraordinary and exigent circumstances".

(b) The amendment made to Title 28, United States Code, by subsection (a) of this section shall take effect on the date of enactment of this Act or October 1, 1981, whichever date is earlier.

SEC. 11. (a) The Attorney General shall perform periodic evaluations of the overall efficiency and effectiveness of the Department of Justice programs and any supporting activities funded by appropriations authorized by this Act and annual specific program evaluations of selected subordinate organizations' programs, as determined by the priorities set either by the Congress or the Attorney General.

(b) Subordinate Department of Justice organizations and their officials shall provide all the necessary assistance and cooperation in the conduct of evaluations, including full access to all information, documentation, and cognizant personnel, as required.

SEC. 12. (a) Chapter 15 of Title 11 United States Code (92 Stat. 2651 et seq.) and Chapter 39 of Title 28 United States Code (92 Stat. 2662 et seq.) are repealed.

(b) Section 408 of the Act entitled "An Act to establish a uniform Act on the Subject of Bankruptcy", approved November 6, 1978 (92 Stat. 2686), is repealed.

(c) Section 330 of Title 11 United States Code (92 Stat. 2564) is amended by striking out "and to the United States Trustees".

SEC. 13. The Act of March 2, 1931 (8 U.S.C. 1353a and 8 U.S.C. 1353b) is hereby repealed.

SEC. 14. The Immigration and Nationality Act is amended by adding after section 283 the following new section:

"283a. Reimbursement by vessels and other conveyances for extra compensation paid to employees for inspectional duties.

(a) The extra compensation for overtime services of immigration officers and employees of INS for duties in connection with the examination and landing of passengers and crews of steamships, trains, airplanes, or other vehicles arriving in the United States by water, land, or air, from a foreign port shall be paid by the master, owner, agent, or consignee of such vessel or conveyance, at the rate fixed under the applicable provisions of 5 U.S.C. 5542 and 5 U.S.C. 5545.

(b) The extra compensation shall be paid if the employee has been ordered to report for duty and has reported, whether or not the actual inspection or examination takes place: *Provided,* That this section shall not apply to the inspection at designated ports of entry of passengers arriving by international ferries, bridges, or tunnels, or by aircraft, railroad trains, or vessels on the Great Lakes and connecting waterways, when operating on regular schedules."

SEC. 15. (a) 8 U.S.C. 1353c (The Act of March 4, 1921 (41 Stat. 1224), as amended), is redesignated as 8 U.S.C. 1353b.

(b)(1) The Act of August 22, 1940, as amended (8 U.S.C. 1353d), is amended by striking the words "the Act of March 2, 1931" and inserting instead the words "section 283a of the Immigration and Nationality Act."

(2) 8 U.S.C. 1353d is redesignated as 8 U.S.C. 1353c.

(c) 5 U.S.C. 5549 is amended by:

(1) striking subsection (2), and

(2) redesignating subsections (3) through (5) as (2) through (4), respectively.

By Mr. PRESSLER:

S. 952. A bill to simplify the program of grants to the States for vocational education and for other purposes; to the Committee on Labor and Human Resources.

GRANTS FOR VOCATIONAL EDUCATION

Mr. PRESSLER. Mr. President, vocational education is one of the most worthwhile Federal, State, and local investments in preparing people for America's work force. Its effectiveness is evident and its potential is growing. Therefore, as the current vocational education authorization draws to an end, it is my pleasure to introduce legislation to extend this important program.

The measure I am introducing today would extend the Vocational Education Act while making some changes in the funding of the programs. There are many approaches to restructuring vocational education programs, and I realize this bill is only one of several concepts which have been suggested. The program does deserve to continue. I hope that the appropriate committees will explore the efficiency of the current programs and that this measure will serve as a vehicle for reviewing the vocational education system. In doing so, I trust we can strengthen vocational education.

This measure extends the Vocational Education Act for 5 years. It also incorporates the bloc grant funding mechanism to give State and local education agencies more flexibility to structure programs in a manner consistent with local priorities.

According to the interim report on vocational education by the National Institute of Education, the procedures for distributing Federal funds have created problems, confusion, and controversy since the passage of the 1976 vocational education amendments. The lack of clarity and the loosely defined priority funding requirements have resulted in overlapping and misunderstood regulations. Every single State has had a funding formula disapproved for one reason or another in the last 3 years. Such complexity and interpretation problems have caused administrative burdens on State vocational education agencies and the schools.

The bill I am introducing is intended to reduce such funding problems by establishing bloc grants to States. As proposed by President Reagan, bloc grants allow for flexibility on the State and local level in meeting the existing needs. By continuing the State plans of the existing law, accountability and priorities will be maintained. However, States will be more capable of targeting resources to the programs most needed in the State and community.

Flexibility in the use of Federal funds is especially important since Federal dollars account for approximately $1 of every $11 spent on vocational education. Representing such a relatively small amount of vocational education resources, the Federal portion should be easily integrated into the State and local projects in order to be effective.

The success of the State and local combined efforts can be clearly exemplified in South Dakota. At the Western Dakota Vo-Tech School in Rapid City, a cooperative venture between the private trucking sector and the school proved that vocational education is a

partnership in approaching employment needs. A truck and diesel technician program evolved when 22 local diesel mechanic shops realized the need for trained diesel mechanics and were willing to contribute money, time, and equipment. Through coordination with the State and local education agency, students receive valuable experience and the industry is able to hire trained workers. In this instance and countless others, education and industry cooperatively recognize and respond to training and manpower needs. South Dakota's 90-percent in-State placement rate for postsecondary vocational education graduates is proof that the programs are working.

However, the need for diesel mechanics in western South Dakota is not necessarily shared by a vocational school in more urban-oriented areas. The widely varied needs of our Nation cannot be met with rigid categorical requirements that actually stifle experimentation in programs. Therefore, the Federal role should be to foster, not mandate, voc-ed efforts.

As a member of the House Voc-Ed Subcommittee during the consideration of the 1976 amendments, I regret that our congressional efforts were not as well defined as necessary. While our intentions for block grants were evident, the interpretation for distribution was left to Federal administrators. I think my legislation will make these intentions more understood and accepted in the States.

Mr. President, I believe it is fitting that we should consider the voc-ed reauthorization at this time. In our goal to revitalize our economy, I believe voc-ed must play a crucial role. A voc-ed environment produces new jobs, improves productivity, strengthens industry and rejuvenates the economy. I believe that through enactment of this legislation we can redefine the Federal role in voc-ed, reduce the bureaucratic burdens on State agencies and make the best use of human potential through vocational education programs.

By Mr. HELMS (for himself and Mr. EAST):

S.J. Res. 63. Joint resolution proposing an amendment to the Constitution requiring a balanced Federal budget; to the Committee on the Judiciary.

PROPOSED CONSTITUTIONAL AMENDMENT PROVIDING FOR A BALANCED FEDERAL BUDGET

Mr. HELMS. Mr. President, I introduce a joint resolution, on behalf of my distinguished colleague from North Carolina (Mr. EAST) and myself to provide that the Constitution be amended to require that Federal outlays do not exceed Federal revenues. In other words, this is legislation to require a balanced Federal budget.

The discipline this amendment would impose on the Congress and the President is imperative. The cost of failing to balance the Federal budget is perilously high. This proposed amendment would allow deficit spending during a "grave national emergency" by a three-fourths vote of both Houses of Congress.

MORALITY OF BALANCED BUDGETS

The Federal Government has no funds to spend except money taken from the taxpayers, or the demonstrably ruinous deficit financing. It takes either through taxation and other revenue-producing activities, or it takes through the financing of budget deficits. Inflation is caused by the monetization of those debts—the excessive creation of money—through the Federal Reserve System's purchase and handling of those Federal debt instruments.

When the Federal Government imposes taxes equal to the amount of the expenditures, then citizens can know to what degree they are being burdened to pay for those Federal outlays. Congress has to approve the taxes to match the level of outlays. Congress has to justify expenditures which are popular or necessary with equal taxes, which are never popular.

When the President and the Congress so operate the Federal Government that the politically popular expenditures exceed the politically unpopular taxes, then Congress is hiding the cost of its largess. Politically, it is a "something for nothing" pretense. It is about as straightforward as a con-game. It is about as honest as a chain letter that promises windfall wealth. It is the ultimate "free lunch," except there's nothing free about it.

Mr. President, let us not be deluded: Inflation is caused by Federal deficit spending, and inflation is the greatest economic disrupter ever conceived by man. And the American people now realize that the evil of inflation is caused by deficit spending.

One major way inflation disrupts the economy is in its destruction of the ability of people to measure relative economic worth. During inflationary periods, the value of currency is not stable, and its utility as the most important standard of measuring value is lost. And when the most important economic standard is corrupted, the other standards in the society come under attack. The relativism inflation imposes on the economy has been paralleled in our time by relativism in other values as well.

Inflation also cripples our society by concentrating economic power in the big corporations and the big unions. Only the big corporations have the power to ride out inflation and the money to pay for economists to aid in overcoming inflation. Only the big unions have muscle to win gains for union members in times of inflation. In other words, the great competitive vitality that our economy has exhibited in the past is discouraged, because the small businesses are hit hardest by inflation, and the small unions are less able to operate. The innovators are discouraged, and penalized, by Government-imposed inflation.

During inflation other centers of power in the society for various educational and charitable work are crippled. The resources of churches, schools, and other non-Government groups and organizations are eroded by inflation, and as a result, the good works that once were performed by non-Government organizations are now left only to Government.

And during an inflationary period, the independence of the individual is undermined. The worker that saves for retirement finds that the value of savings has been cut drastically, and the worker finds Government aid the only way to survive.

INFLATION AND THE FOUNDERS

One of the earliest reasons for forming the union was to preserve the sanctity of contracts between individuals in the various colonies. It was rightly held that for commerce to grow and the Nation to prosper, contracts between citizens should be held enforceable.

But what do we do today?

If I rent a house from someone for a given sum, I am in effect paying a different real amount every month. The lease I signed to rent for a sum certain is being violated regularly—not by either party to that lease, but by the Federal Government which is corrupting the medium of exchange in which that contract is denominated.

By its depreciation of the dollar, the Government has not only eliminated the sanctity of contracts, it has almost made it impossible for a contract to be written in terms of constant value.

An honest dollar is necessary for honest business.

THE ECONOMICS OF BUDGET DEFICITS

Twentieth century budget deficits have been rationalized by politicians because of the allegedly salutary effects that deficits have on the Nation's economy. John Maynard Keynes said that the Government could stimulate economic activity by increasing aggregate demand: That is, by putting money into people's hands through Government deficits. Since Government spending is always politically popular the politicians naturally embraced the economics of Lord Keynes. The less attractive aspects of Keynes' economics were ignored: The inflation, the economic disruptions, and the aggrandizement of Government power.

Keynes' economic theory is today the dominant school of thought in our great Government-supported universities and certainly in the high policy centers of our Government. But, the contemporary Keynesian view of the economy has ceased to fit the facts. The Keynesian policies of stimulation have resulted in inflation and high unemployment—stagflation. When he was asked about these two problems, Jimmy Carter's Secretary of the Treasury said, "We don't know enough about inflation." It was as if the side effects of Keynesian policies indicated something basically wrong with reality rather than something basically wrong with Keynesian economics.

In a predictably self-righteous editorial in the Washington Post, some time ago, the contention was advanced that a balanced budget would put economics back to the era of Calvin Coolidge. The obvious unintentional irony is that it was during Coolidge's administration that Keynes was writing his most important works, and it indeed is the economics of that generation that we must discard.

The "common wisdom" which is held by all practicing Keynesians states that in times of economic slowdowns, the Federal Government should spend more than it takes in to stimulate the econ-

omy. Not only are these attempts at stimulation almost always timed wrong, but the stimulation is almost never accompanied by reciprocal spending cutbacks when the economy is overheated.

Ironically, the Post editorialist overlooked one of the most important tools of demand stimulation—the monetary authority of the Federal Reserve System. And the Fed does not necessarily need the excuse of Federal deficits to expand the money supply.

If the regulation of demand is the axis of economic activity as held by orthodox Keynesians, then the Federal Reserve System should be able to do the job. The politically unattractive part about this is, of course, that the Keynesian politicians would have no excuse for free lunch giveaway programs.

In fact, of course, we are now coming to the realization that the economy is not the simplistic thing that the orthodox Keynesians would have us believe. The economy depends in large part on the kinds of incentives there are for economic activity.

A balanced Federal budget will require Congress to look toward economists that have answers and not excuses. A balanced budget will require that Federal expenditures can justify themselves within the confines of firm spending limits. And, a balanced budget will eliminate the excuse for the scourge of inflation.

The language of my amendment is brief. I believe that the Constitution should not carry involved statute-like verbiage. As a result, however, my proposal does not specifically define the term "outlays." I think that should be clear enough, and I distinctly did not want a constitutional amendment to get into the nuances of the Budget Act.

The other possible criticism of my amendment is that it does not provide for a phase-in of the balanced budget. Obviously, if our gluttonous Government went on a strict diet tomorrow and ceased running up a deficit of a billion dollars every 5 days, there would be drastic, untoward side effects. But constitutional amendments are not passed in a day. They usually take several years—time enough for Congress to get the message and begin trimming down.

Finally, I think that if Congress does not act and act soon, the various States may go ahead and amend the Constitution by the Convention process. Over 20 State legislatures have already approved resolutions calling for a Constitutional Convention to approve an amendment requiring a balanced Federal budget.

I have also introduced legislation initially sponsored by Senator Sam Ervin of North Carolina which would provide for an orderly Constitutional Convention process, so that if the States act in this manner, there will be minimal risk from this unprecedented procedure.

Mr. President, I ask unanimous consent that my joint resolution be printed in the RECORD at this point.

S.J. RES. 63

Resolved, by the Senate and the House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification.

"ARTICLE—"

"SECTION 1. Except when Congress shall determine, by three-fourths of the votes of both Houses thereof, that a grave national emergency exists, the Congress shall assure that the total outlays of the Government during any fiscal year (not including any outlays for the redemption of bonds, notes, or other obligations of the United States) do not exceed the total receipts of the Government during such fiscal year (not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States).".

By Mr. SIMPSON (for himself, Mr. THURMOND, Mr. STAFFORD, Mr. KASTEN, Mr. DENTON, Mr. MURKOWSKI, Mr. SPECTER, Mr. CRANSTON, Mr. RANDOLPH, Mr. MATSUNAGA, Mr. DECONCINI, and Mr. MITCHELL):

S.J. Res. 64. Joint resolution designating August 13, 1981, as "National Blinded Veterans Recognition Day"; to the Committee on the Judiciary.

(The remarks of Mr. SIMPSON on this legislation appear earlier in today's RECORD.)

By Mr. PELL (for himself, Mr. SARBANES, Mr. BAUCUS, Mr. WILLIAMS, Mr. GOLDWATER, Mr. SPECTER, Mr. TSONGAS, Mr. MOYNIHAN, Mr. LEVIN, Mr. RIEGLE, Mr. ZORINSKY, Mr. HAYAKAWA, Mr. INOUYE, Mr. BRADLEY, Mr. METZENBAUM, Mr. BOREN, Mr. EAGLETON, Mr. HUDDLESTON, Mr. DANFORTH, Mr. HOLLINGS, Mr. DURENBERGER, Mr. DODD, Mr. JACKSON, Mr. HART, Mr. NUNN, Mr. PRYOR, Mr. HEFLIN, Mr. MATHIAS, Mr. MATSUNAGA, Mr. BENTSEN, Mr. CRANSTON, Mr. CANNON, Mr. DECONCINI, Mr. BIDEN, Mr. ARMSTRONG, Mr. CHILES, Mr. EXON, Mr. COHEN, Mr. GLENN, Mr. BOSCHWITZ, Mr. ROTH, Mr. WALLOP, and Mr. LEAHY):

S.J. Res. 65. A joint resolution proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom: by unanimous consent, referred jointly to the Committee on Foreign Relations and the Committee on the Judiciary.

(The remarks of Mr. PELL, Mr. LEVIN, and Mr. HAYAKAWA on this legislation appear earlier in today's RECORD.)

By Mr. PRYOR:

S.J. Res. 66. A joint resolution designating May 6, 1981, as "National Nursing Home Residents Day"; to the Committee on the Judiciary.

NATIONAL NURSING HOME RESIDENTS DAY

● Mr. PRYOR. Mr. President, today I am introducing a joint resolution which proclaims and authorizes the President to designate May 6, 1981, as "National Nursing Home Residents Day."

The month of May has been officially declared "Older Americans Month." The proclamation I am introducing will go even further toward honoring a most significant group within the senior citizens population—the more than 1 million senior citizens who reside in nursing homes throughout these United States.

Mr. President, we are all aware of the growing shift in our population—what is commonly called the graying of America. Currently, the more than 25 million senior citizens make up a full 11 percent of our population. It has been projected that, by the year 2000, 31.8 million, or 12.2 percent of the population, will be 65 years of age or more.

But perhaps even more significant than this general shift in the population is the very dramatic shift that is taking place within the over-65 population itself. I am referring to the fact that between now and the year 2000, the oldest part of our senior citizens population—those 85 years and over—will be growing most rapidly.

This demographic shift translates into some very real challenges for our institutions. It also demands a reassessment of our own personal attitudes toward our elderly, and specifically toward that group of elderly whose value is all too often forgotten—the nursing home residents of our Nation. These citizens, who frequently are treated as a burden, are actually an invaluable source of wisdom and experience. It is our responsibility to foster reintegration of this group into their community—to join in support of this valuable resource that has, throughout the years, helped to make our Nation great.

Therefore, Mr. President, I am proud to introduce this joint resolution in the Senate to set aside a special day in honor of nursing home residents. I hope my colleagues will support this resolution to establish May 6, 1981, as "National Nursing Home Residents Day." It is my understanding that the distinguished chairman of the House Select Committee on Aging, Congressman CLAUDE PEPPER, will introduce an identical joint resolution in the House of Representatives.●

By Mr. INOUYE:

S.J. Res. 67. A joint resolution to establish "National Nurse-Midwifery Week"; to the Committee on the Judiciary.

NATIONAL NURSE-MIDWIFERY WEEK

● Mr. INOUYE. Mr. President, today, I am introducing a Senate joint resolution to proclaim the week of April 19–26, 1982, as "National Nurse-Midwifery Week" in recognition of the unique contribution that our Nation's nurse-midwives have made to the high quality of life that we possess in the United States.

A certified nurse-midwife is an individual who is educated in the two distinct disciplines of nursing and midwifery and who possesses evidence of certification according to the requirements of American College of Nurse-Midwives. The nurse-midwifery practice

is the independent management of the care of essentially normal newborns and women, antepartally, intrapartally, postpartally, and/or gynecologically. This occurs within a health care system which provides for medical consultation, collaborative management, and referral and is in accord with the "functions, standards and qualifications for nurse-midwifery practice" as defined by the American College of Nurse-Midwives.

There are approximately 2,200 nurse-midwives in the United States and the 25 universities across our Nation who have trained nurse-midwives, represent some of the most prestigious institutions that we have; for example, Johns Hopkins, Yale, Columbia, and Georgetown Universities.

Although nurse-midwifery formally began in this country in 1925 when Mary Breckenridge established the first nurse-midwifery service in eastern Kentucky, there has been a significant increase in nurse-midwives only within the past 10 years. In fact, this profession has doubled its membership in the past 5 years and there are projections of nearly 5,000 nurse-midwives serving by the year 1990.

Nurse-midwives practice today in a variety of settings including traditional hospitals, public health departments, private practicing physicians, family planning clinics, and the independent and copractices of other nurse-midwives. They have been working closely with various hospital authorities and the Federal Trade Commission in order to insure that the consumer will truly have complete freedom of choice and as part of this, that the certified nurse-midwife will be able to have hospital admitting privileges.

From all the evidence that I have seen, the availability of high quality nurse-midwife services have very definitely been in the best interest of our Nation. Accordingly, I am introducing this legislation today in order to provide the profession with the public recognition that they so richly deserve.

Mr. President, I request unanimous consent that the text of this joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 67

Whereas the health and safety of childbearing families is of paramount importance in our society;

Whereas nurse-midwives have practiced in this country since coming to the mountains of eastern Kentucky in 1925;

Whereas the Federal Government has a long history of support for the nurse-midwifery practice and education;

Whereas certified nurse-midwives have demonstrated their ability to give high quality care to normal mothers and babies throughout the maternity cycle, and their emphasis on health teaching and high quality care for well mothers and babies makes them a valuable part of the health care team and makes their services increasingly in demand by the public;

Whereas nurse-midwifery care has a proven record in reducing infant morbidity and mortality;

Whereas nurse-midwifery care has been demonstrated to be cost effective for families and for the Nation;

Whereas childbearing families have found nurse-midwives responsive to their wishes for more participatory maternity care; and

Whereas the Congress has already recognized the autonomous practice of certified nurse-midwives under both Medicaid and the Department of Defense Civilian Health and Medical Program of the Uniformed Services (CHAMPUS): Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress declares April 19 to 26, 1982 as National Nurse-Midwifery Week, and Congress recognizes the unique contribution that nurse-midwives have made to mothers and babies in the United States during the past half century.●

ADDITIONAL COSPONSORS

S. 63

At the request of Mr. RANDOLPH, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of S. 63, a bill to amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

At the request of Mr. METZENBAUM, his name was added as a cosponsor of S. 63, supra.

S. 114

At the request of Mr. DECONCINI, the Senator from Alabama (Mr. DENTON) was added as a cosponsor of S. 114, a bill to establish rational criteria for the imposition of the sentence of death, and for other purposes.

S. 141

At the request of Mr. BENTSEN, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 141, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 207

At the request of Mr. MITCHELL, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 207, a bill to amend the Bank Holding Company Act of 1956 to limit the property and casualty and life insurance activities of bank holding companies and their subsidiaries.

S. 267

At the request of Mr. DECONCINI, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was added as a cosponsor of S. 267, a bill to amend title 28, United States Code, to provide that the Federal tort claims provisions of that title are the exclusive remedy in medical malpractice actions and proceedings resulting from federally authorized National Guard training activities, and for other purposes.

S. 408

At the request of Mr. CHAFEE, the Senator from Maryland (Mr. MATHIAS), the Senator from Delaware (Mr. ROTH), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Mississippi (Mr. COCHRAN), the Senator from Indiana (Mr. LUGAR), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from New Mexico (Mr. SCHMITT), the Senator from Iowa (Mr. GRASSLEY), the Senator from Oklahoma (Mr. BOREN), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 408, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of earned income of citizens or residents of the United States earned abroad, and for other purposes.

S. 432

At the request of Mr. MATHIAS, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 432, a bill to establish a Commission on the International Application of Antitrust Laws.

S. 481

At the request of Mr. HELMS, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 481, a bill to restore the right of voluntary prayer in public schools and to promote the separation of powers.

S. 517

At the request of Mr. BENTSEN, the Senator from Nevada (Mr. CANNON) and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of S. 517, a bill to amend the Clean Air Act to provide for further assessment of the validity of the theory concerning depletion of ozone in the stratosphere by halocarbon compounds before proceeding with any further regulation of such compounds, to provide for periodic review of the status of the theory of ozone depletion, and for other purposes.

S. 527

At the request of Mr. BAUCUS, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 527, a bill to amend the Internal Revenue Code of 1954 to subject pension trusts to the tax imposed by section 511 on unrelated business income for income related to the sale or rental of farmland and grazing land.

S. 622

At the request of Mr. INOUYE, the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Dakota (Mr. BURDICK), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 622, a bill to control the export of hazardous wastes.

S. 631

At the request of Mr. DECONCINI, the Senator from North Dakota (Mr. ANDREWS) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 631, a bill to dismiss certain cases pending before the Education Appeal Board.

S. 664

At the request of Mr. CHILES, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 664, a bill to amend section 481(d) of the Foreign Assistance Act of 1961.

S. 698

At the request of Mr. DECONCINI, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 698, a bill to authorize the Secretary of the Interior to assist the Yuma County Water Users' Association, Ariz., to relocate the headquarters of such association.

S. 701

At the request of Mr. BENTSEN, the Senator from Delaware (Mr. ROTH), the Senator from Georgia (Mr. NUNN), the

Senator from Arkansas (Mr. PRYOR), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Montana (Mr. MELCHER), the Senator from Arizona (Mr. DECONCINI), the Senator from Nebraska (Mr. EXON), and the Senator from Oklahoma (Mr. BOREN) were added as cosponsors of S. 701, a bill to amend the Internal Revenue Act of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes.

S. 734

At the request of Mr. MITCHELL, his name was added as a cosponsor of S. 734, an original bill to encourage exports by facilitating the formation and operation of export trading companies, export trade associations, and the expansion of export trade services generally.

S. 750

At the request of Mr. WALLOP, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 750, a bill to amend the Internal Revenue Code of 1954 to provide nonrefundable tax credits for investments in qualified industrial energy efficiency and fuel conversion projects, and for other purposes.

S. 777

At the request of Mr. TOWER. the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 777, a bill to amend the Federal Water Pollution Control Act to restrict the jurisdiction of the United States over the discharge of dredged or fill material to those discharges which are into navigable waters, and for other purposes.

S. 857

At the request of Mr. TOWER, the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 857, a bill to impose quantitative restrictions on the importation of lamb meat.

S. 877

At the request of Mr. CANNON, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 877, a bill to authorize appropriations for certain maritime programs of the Department of Commerce for fiscal year 1982, and for other purposes.

S. 894

At the request of Mr. CANNON, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 894, a bill to exempt rural electrical cooperatives from fees under the Federal Land Policy and Management Act of 1976.

SENATE JOINT RESOLUTION 12

At the request of Mr. INOUYE, the Senator from Iowa (Mr. JEPSEN), the Senator from Idaho (Mr. SYMMS), the Senator from Michigan (Mr. RIEGLE), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Utah (Mr. HATCH), the Senator from South Dakota (Mr. ABDNOR), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of Senate Joint Resolution 12, a joint resolution to authorize and request the President to designate November 14 of each year as "Operating Room Nurses Day."

SENATE JOINT RESOLUTION 50

At the request of Mr. DECONCINI, the Senator from Delaware (Mr. ROTH), the Senator from Indiana (Mr. LUGAR), the Senator from Maine (Mr. COHEN), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Mississippi (Mr. COCHRAN), the Senator from Missouri (Mr. EAGLETON), the Senator from New York (Mr. MOYNIHAN), the Senator from New York (Mr. D'AMATO), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Utah (Mr. GARN), the Senator from Wyoming (Mr. WALLOP), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of Senate Joint Resolution 50, a joint resolution designating July 17, 1981 as "National POW–MIA Recognition Day."

SENATE CONCURRENT RESOLUTION 4

At the request of Mr. DOLE, the Senator from Utah (Mr. HATCH), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Indiana (Mr. LUGAR), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of Senate Concurrent Resolution 4, a concurrent resolution expressing the sense of the Congress with respect to implementing the objectives of the International Year of Disabled Persons (1981).

SENATE RESOLUTION 74

At the request of Mr. MOYNIHAN, the Senator from Missouri (Mr. DANFORTH), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Ohio (Mr. METZENBAUM), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Maine (Mr. COHEN) were added as cosponsors of Senate Resolution 74, a resolution relating to actions taken by the foreign ministers of the Nonalined Movement at their recently concluded meeting in New Delhi.

SENATE RESOLUTION 111—SUBMISSION OF A RESOLUTION IN RELATION TO INFANT NUTRITION

Mr. LEAHY submitted the following resolution, which was referred to the Committeee on Agriculture, Nutrition, and Forestry:

S. RES. 111

Whereas it is the right of every child to be adequately nourished as a means of attaining and maintaining proper health, and it is the responsibility of every society to ensure the effective enjoyment of this right so that children may develop to their full potential;

Whereas nutrition is among the most critical needs of infants from birth:

Whereas mother's milk provides the best possible food for infants and breastfeeding provides the optimal biological and emotional means of nourishment for health child development;

Whereas infant feeding practices are of critical importance and inappropriate feeding practices can lead to malnutrition and death, particularly when economic conditions in the home and the community limit access to food, adequate sanitation, and other basic health safeguards;

Whereas member nations of the World Health Organization and UNICEF conscious of these conditions and aware of the impact of certain marketing practices of manufacturers of breastmilk substitutes, have been developing a code to promote health programs which encourage breastfeeding and guide the development of acceptable marketing practices of breastmilk substitutes;

Whereas the formulation of this code was affirmed by consensus at the May 1980 World Health Assembly, and the Executive Board of the World Health Organization unanimously approved a proposed draft of such a code in January 1981, which is to be submitted to member nations at the World Health Assembly in May 1981; and

Whereas the United States has historically been the world leader in advocating and upholding the rights of all individuals for adequate nutrition and health, and the United States Government supported resolutions on breastfeeding, infant nutrition, and sales promotion of infant foods which were adopted by the World Health Assembly in 1974, 1978, and 1980: Now, therefore be it

Resolved, That it is the sense of the Senate that:

(1) the United States representatives to the meeting of the World Health Assembly in May 1981 should vote in favor of adopting the "International Code of Marketing of Breastmilk Substitutes," proposed by the World Health Organization and UNICEF, and should oppose amendments which weaken the purpose or delay the use of this code;

(2) the American infant formula industry should abide by the guidelines of this code, particularly with respect to exports and activities of subsidiaries in developing countries;

(3) the President should actively encourage the governments of other countries exporting infant formula to call upon the infant formula industries in their respective countries to comply with this code; and

(4) the President should cooperate with the governments of developing countries in their efforts to develop health standards and programs designed to implement the objective of this code.

● Mr. LEAHY. Mr. President, today I am submitting the infant nutrition resolution. along with Senator HATFIELD.

This resolution expresses the support of this body for the World Health Organization (WHO) and UNICEF's efforts to combat infant malnutrition by supporting breastfeeding and countering the trend toward inappropriate and potentially dangerous infant feeding practices. Specifically, the resolution calls for the President to support the International Code of Marketing of Breastmilk Substitutes, which has been developed by WHO and UNICEF in close consultation with health and nutrition scientists, government health ministries, nongovernmental organizations active in the areas of health, nutrition, development and consumer affairs, and representatives of the infant formula industry.

The persistance of widespread hunger and malnutrition in the world continues to be one of the most awesome challenges confronting humanity. Hunger has many faces, but is perhaps most tragic when it strikes at the lives of children. Over 200 million young children are chronically malnourished, and each year more than 11 million children die before reaching their first birthday. Less well known is the fact that each year as many as 10 million infants in developing countries suffer acutely from the effects of bottle feeding under poverty conditions.

Mother's milk provides all of the essential nutrients required for infant health, as well as a range of natural anti-infective properties. It is the optimal means of feeding for all infants for at least the first 4 to 6 months. When mothers have ready access to clean water, refrigeration and modern stoves, are able to read formula labels and mixing instructions, and have sufficient incomes to be able to mix formula full strength, feeding with for-

mula can be a viable alternative to breastfeeding. But in most areas of developing countries, infant formula use has been shown to be extremely hazardous. Dr. Halfdan Mahler, Director General of WHO has said:

> Evidence from the Third World indicates that infants breastfed for less than 6 months, or not at all, have a mortality rate 5 to 10 times higher in the second 6 months of life than those breastfed for 6 months or more.

Modernization and urbanization are among the major causes of declining breastfeeding and increased bottle feeding. Another important (and relatively more controllable) cause has been the vigorous advertising and promotional campaigns undertaken by formula manufacturers, billboards, posters, calendars, and "baby books" have been used to promote formula use. "Milk nurses" or "mothercraft" workers, often dressed to resemble nurses, have visited mothers in maternity wards, in clinics and in homes, offering free samples of formula. Once interrupted, the process of lactation can be extremely difficult to reestablish.

James Grant, executive director of UNICEF, has highlighted the importance of countercyclical measures to protect breastfeeding:

> In the crucial first few months of life, breastfeeding is usually the young child's life-line. And the recent drift towards the bottle feeding of babies, a drift for which the industrialized world has provided both the example and the means, has costs tens of thousands of young lives.
>
> Sadly, therefore, "advertising" the fact that breast milk is best is now also a necessary step in improving child health . . .
>
> In part, the campaign for breastfeeding must also be a campaign to regulate those who promote and sell commercial infant formula to mothers who do not need it, cannot afford it, and are unable to safely use it.

No one argues seriously that infant formula should be withdrawn from the marketplace. A small percentage of women are physiologically incapable of breastfeeding; for their children, formula can be lifesaving. All mothers, of course, should be able to make their own choices about infant feeding practices. Mothers should be able to make informed choices, however, with full knowledge as to the benefits of breastfeeding and the health risks posed by bottle feeding.

The WHO/UNICEF code represents a major first step forward toward safeguarding the practices of breastfeeding and restricting the more egregious forms of advertising and promotion of commercial breast milk substitutes. The code is based on the findings and recommendations of the historic October 1979 WHO/UNICEF Meeting on Infant and Young Child Feeding, which brought together 150 representatives from international health and development organizations, member governments, the health and nutrition sciences, nongovernmental organizations such as OXFAM, the Christian Medical Commission and the Infant Formula Action Coalition, and the infant formula industry.

The same broad cross-spectrum of individuals and organizations have been fully represented in the series of consultations convened by WHO and UNICEF as an integral part of the process of developing the code. A final draft of the code has now received the unanimous support of the executive boards of both WHO and UNICEF.

At last year's World Health Assembly, the resolution calling on the staff of WHO and UNICEF to develop a code passed unanimously, with almost 60 delegations speaking on the need for a strong code. In the United Kingdom, Under Secretary for Health Sir George Young recently announced that his Government would support the code. Young's announcement came after more than 180 Members of Parliament from all parties had signed an "Early Day Motion" in support of the code. The code itself is expected to receive virtually unanimous support this year.

Recently three American infant formula companies announced their opposition to the code, after previously expressing support. In my view, these companies are taking an extremely shortsighted position. In light of the overwhelming support which the code has received from both developed and developing countries—and the fact that these companies wish to continue operating in these same countries—together with the fact that this code is to be adopted as a recommendation to be voluntarily complied with, it seems to me that these formula companies are seriously overreacting. To again quote UNICEF's Mr. Grant:

> It is hard to see the disadvantages for responsible manufacturers if a general Code of Marketing is implemented that prevents less responsible producers from using undesirable forms of brand competition.

I am submitting this resolution today as a reminder that our Nation continues to be deeply concerned about the fate of all of the world's children and committed to working for a world in which no child need go to bed hungry at night.

I urge my colleagues to support the Infant Nutrition Resolution.●

AMENDMENTS SUBMITTED FOR PRINTING

CONSTRUCTION OF DEEP DREDGE HARBORS

AMENDMENT NO. 31

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (S. 809) to require recovery of certain expenditures of the U.S. Army Corps of Engineers for operation, maintenance, and construction of deep-draft channels and ocean and Great Lakes ports of the United States and to authorize such construction in specified circumstances.

CONSTRUCTION OF INLAND WATERWAY PROJECT

AMENDMENT NO. 32

(Ordered to be printed and referred to the Committee on Environment and Public Works.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (S. 810) to provide for the recovery of capital and operation and maintenance costs assignable to commercial waterway transportation for certain U.S. Army Corps of Engineers inland waterway projects.

Mr. DOMENICI. Mr. President, I am today submitting amendments designed to improve both our inland waterway system and our coastal port system. These two amendments seek to augment these systems in a way that makes sense economically, and in a way that assures more rapid development of the truly needed projects.

As many of my colleagues know, I have long believed that our Nation no longer has the luxury of being able to subsidize major commercial beneficiaries of waterborne transportation. Such subsidies create economic distortions that damage competitive modes of transportation and prove unfair to the American taxpaying public. A sound system of cost recovery not only lessens those distortions, but it provides a mechanism to assure the public that only the truly necessary and important projects will be built to meet the long-term needs of our country.

The legislation I am introducing today would continue a significant Federal subsidy for waterborne transportation. But the amendments provide for a phased reduction in the level of that subsidy, and assure greater market participation in the selection of projects. Very simply, if the users of a proposed project are willing to pay a substantial portion of the costs of a project, as well as its future operation and maintenance, the Congress and the public will know that the project is likely to prove a wise investment. Cost-sharing will give the taxpayers a sense of confidence they now lack.

Because of that confidence, the Congress will be able to expedite projects. In fact, these amendments authorize the construction of future commercial waterway and port projects, eliminating the need for protracted and frustrating congressional delays. Let me explain how the two amendments work.

The first amendment replaces language in S. 809, which is the administration's proposal for cost-recovery on deep-draft channels. My alternative approach is intended to provide for more rapid port improvements in return for cost-sharing on certain projects. It offers port operators this option: you pay for part of the cost, and we will move your project to the head of the list of work to be accomplished.

Section 2 spells out various congressional findings; these are clear and need no further explanation.

Section 3 creates an automatic authorization procedure that will enable the Secretary of the Army, acting through the Chief of Engineers, to deepen any major harbor beyond the depth of 40 feet whenever a local public entity—either a State or city or regional authority—agrees to pay half the projects construction costs during the construction period, plus 75 percent of the future operation and maintenance costs for the project. The local public entity must provide the Secretary of the

Army with evidence that it has established a mechanism that will assure those payments.

The local public entity would have a variety of options. It might establish a port fee system collected from vessels using the port, or it might issue bonds, or it might utilize general revenues. The choice is strictly a local one.

Subsection (b) makes it clear that the local public agency has the authority to collect a user fee from users of the channel—a fee that might be designed to enable the local agency to pay off revenue bonds or to repay the local portion of the cost of operations and maintenance.

Once the local public entity provides the assurances I have described toward the costs of the construction and operations, the Secretary of the Army is directed to give a high priority, in his request for the budget, to the construction of that project over projects of similar character.

I anticipate that such an automatic authorization process, plus priority funding, would truly expedite project development. Yet I remain open to other suggestions for methods to assure even more completely that such work would be moved forward as rapidly as possible.

I should add that there may be a need to create greater flexibility in the method for making the local payment, or even allowing the local interests to move forward to dredge the main harbor channels as a fully local project, outside the program of the Corps of Engineers.

Let me explain why I believe such an approach is very important. A few weeks ago, the Committee on Environment and Public Works heard testimony from the Army Corps of Engineers. The corps told us that it could not complete a proposed deepending of Norfolk Harbor in Virginia until 1989, even assuming that everything falls into place—that there are no hitches in authorizing or funding the project, or in obtaining such items as the necessary dredging equipment and spoil disposal areas.

I find such slow process totally unacceptable. We must find a better approach, which is what this bill seeks to achieve.

This amendment includes one further technique for expediting the program. If the local public entity also agrees to repay the full costs of the corps' studies to design the project, the Secretary of the Army will give that study a high priority in any request for general investigation funds and he will be directed to expedite that study and complete it within 3 years. Obviously, there are cases where the study could be completed in much less time; the point is that the study should be completed as rapidly as possible.

A major problem with the corps program for port development—and water resources in general—is the total absence of priorities. If Congress were to authorize and fund the Norfolk project, we are also likely to authorize and fund similar projects for New Orleans and Mobile and Charleston and Galveston and any number of other important ports.

We must find some way to allow the market and the shippers to select the cost-effective priority. My proposal will assure the citizens of Norfolk, or the citizens of Mobile, or the citizens of Galveston, or the citizens of New Orleans that if they and their customers can get their act together, the Federal Government will move their project ahead as rapidly as possible. I would hope that such work could be completed in periods far shorter than the 8 years projected by General Heiberg. That may not be possible, but at least it will be completed in 8 years. The funds will be focused on those ports which need to be deepened, rather than being spread broadly—and slowly—among a large number of ports, dragging the completion dates well into the 1990's or beyond.

I should point out that this approach is strictly discretionary; if a port decides not to cost-share and thus obtain priority treatment, it may still receive funding in the traditional—although slow—process.

My second amendment replaces the language in S. 810, which is the administration's cost-recovery proposal for inland waterways. My alternative would establish a new cost recovery system for inland navigation. In many ways, it is similar to legislation I sponsored several years ago. That earlier legislation passed the Senate, but did not become law.

This amendment establishes a percentage cost recovery for inland waterways that is identical to what I have proposed for coastal ports: 50-percent capital expenditures, plus 75 percent of operation and maintenance expenditures.

There are a couple of significant changes from my 1977 and 1978 legislation. First, that earlier legislation had required 100-percent cost recovery on operations and maintenance. This amendment reduces that figure, but envisions a more rapid imposition of user charges—5 years, rather than 10 years.

Specifically, this amendment requires that in the initial year of cost recovery (fiscal year 1983), the users of the system would pay 25 percent of the total expenditures for operations and maintenance; in the second year, 50 percent of those operating expenditures; in the third year, 75 percent of expenditures for operations and maintenance; in the fourth year, 75 percent of operations and maintenance, plus 25 percent of the capital expenditures from the preceding year. In the fifth year, and thereafter, the percentage would stand at 75 percent of operations and maintenance, plus 50 percent of capital expenditures. User fees would be based on the previous year's expenditures for such work.

It must be noted, of course, that this amendment provides a permanent 25-percent Federal subsidy of operations and maintenance costs, plus a 50-percent capital subsidy. I do not know that these suggested percentages are set at the correct levels. However, I do believe that they represent a sound starting point. And, I believe that a case is more likely to be made for higher levels of cost recovery, rather than lower.

Currently, Federal law imposes a modest fuel tax on the inland barge system, a tax which President Reagan has suggested be sharply increased. I would make two points. First, my amendment provides that any fuel tax payments by an operator be credited as an offset against the user fees to be paid by that operator. There would be no double collection; some of the percentage fee would be paid by existing fuel tax, with additional charges collected in lockage fees, segment charges, and other methods that more accurately reflect the use and cost of the inland waterways.

Second, I believe a user fee that is more closely related to the location of expenditures makes more sense, lessening the danger and problems of cross-subsidies within the waterways industry.

This amendment also envisions a change from current law in the definition of inland waterways, eliminating the present exclusion of the Tennessee-Tombigbee and various other waterways that now are free of any charge or tax.

I believe this bill offers major benefits to the waterway industry, in return for this fee. Section 5 provides automatic authority for the Secretary of the Army, using funds from the Inland Waterways Trust Fund, to construct new inland waterways projects. It will work this way: If the Corps of Engineers finds that a waterways project is cost effective and sound from an engineering and environmental basis, and represents a priority need in the development of the waterways of the United States, the Secretary may, without further congressional authorization, use the trust fund to build the project. Thus, assuming there is enough money in the trust fund, the Secretary of the Army, working with the waterways industry, would have the sole discretion to construct those projects essential to the development of a sound waterway system.

I am convinced this will provide a useful tool in expediting projects, assuring that there will no longer be unnecessary and needless fights and delays over whether or not to build projects such as locks and dam 26 on the Mississippi.

I would also like to explain how the Waterways Trust Fund would work. Present law requires that the trust fund be expended on waterway projects, when authorized and appropriated by Congress. Under the legislation I am introducing today, both the existing tax and the new user charges would be deposited in the trust fund. Moneys in that fund would be guaranteed to be available for spending on new waterway construction projects; projects now under construction would be continued by direct appropriations.

It is my intent that the fund—financed by both operating and construction charges—would be the sole source of new construction work. But I recognize that such a limitation may eventually prove impractical, and that some general revenues eventually may have to be transferred to the fund to assure rapid project work.

Mr. President, I believe these amend-

ments represent a sound approach. Yet I do not pretend that it is the ultimate answer. Rather, I am convinced that they provide a basis for discussion, and I believe they merit the serious consideration of my colleagues and the industries affected.

I should point out that I do not offer these amendments in any effort to undercut the administration. I commend the administration for its initiative. However, I believe that the Committee on Environment and Public Works needs to consider alternative approaches to assure that we eventually report the most practical and effective legislation to get these programs moving forward on a fair basis.

Mr. President, I ask unanimous consent that a copy of a chart showing the costs of my amendment to S. 810, plus a copy of both amendments, be printed at this point in the RECORD. I should note that the figures in the chart assume the fiscal year 1982 level of waterways funding, a level that may not persist once the Tennessee-Tombigbee project nears completion, and once the waterways industry begins to press for the more cost-effective projects as a technique for lowering its overall expenditures.

There being no objection, the amendments and table were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 31

Beginning with page 1, line 3, strike all through line 3 on page 8 and insert in lieu thereof the following:

"This Act may be cited as the "Coastal Port Improvement Act of 1981."

"CONGRESSIONAL FINDINGS

"SEC. 2. (a) Congress finds that:

"(1) An increase in the volumes of coal, grain, and other bulk commodities that are exported by the United States is in the interest of the continuing development of productive jobs in the nation's private sector and improvement in the nation's balance of international payments;

"(2) Increased exports will be more economical if shipped on vessels having drafts greater than can now be accommodated at harbors of the United States; and

"(3) The absence of any realistic consideration of the needs and demands of shippers and the marketplace in the selection of priorities in the construction of major harbors is wasteful of national resources, and, therefore, fails to meet the transportation needs of the United States.

"(b) Congress further finds that within the limited funds that will be available to the United States for major harbor improvements, investments should be undertaken in a manner that provides the greatest possible degree of assurance that such investments will prove wise and will provide economic benefits to the Nation.

"(c) Therefore, the Congress declares that the sound economic development of the Nation requires the dredging of major harbors, on the basis of their priority, to depths greater than now exist, and that economic considerations and priorities are best implemented when commercial and other direct beneficiaries of such improvements participate, through cost-sharing, in the selection and the expeditious completion of such needed projects.

"(d) It is, therefore, the purpose of this Act to establish a system of cost-sharing in the development of major harbors that promotes the more expeditious construction of needed harbor projects to depths greater than 40 feet, and further promotes equity and efficiency among all harbor projects.

"PROJECT AUTHORIZATIONS

"SEC. 3. (a) The Secretary of the Army, acting through the Chief of Engineers (hereinafter in this Act referred to as the "Secretary"), is authorized to deepen any major harbor to a depth greater than 40 feet below mean low water whenever a non-Federal public body requests such deepening and, upon completion by the Secretary of the necessary engineering and environmental studies and cost estimates for such work, agrees in writing to pay 50 per centum of the project construction cost during the period of construction, plus 75 per centum of future operating and maintenance costs of such project. Prior to the initiation of construction, such non-Federal public body shall provide to the Secretary evidence that it has established a mechanism, satisfactory to the Secretary, that will assure such payments.

"(b) Any non-Federal public body that signs an agreement with the Secretary under the terms of subsection (a) of this section is authorized to recover all or a portion of the body's share of the cost of the work to be performed pursuant to subsection (a) of this section through the collection of fees from commercial vessels utilizing such works.

"(c) Whenever a non-Federal public body agrees in writing with the Secretary to repay the cost of the studies and estimates described in subsection (a) of this section once such studies and estimates are completed, the Secretary shall give such study and estimates a high priority in any request for general investigation funds, and shall expedite such study and estimates, together with environmental reviews, and seek to complete such study, estimates, and review within three years of their initiation.

"(d) Payments by a non-Federal public body under the terms of this section shall be made to the Secretary, who shall deposit such payments in the general fund of the Treasury.

"PRIORITY TREATMENT

"SEC. 4. Once a local public entity provides the assurances described in Section 3(a) of this Act, the Secretary shall in any request for construction funds, give a high priority to the construction of such project over projects of a similar character, and seek to complete such project as rapidly as possible."

AMENDMENT NO. 32

Beginning on page 1, line 5, strike all through line 2 on page 6 and insert in lieu thereof the following:

"CONGRESSIONAL FINDINGS

"SEC. 2. (a) The Congress finds that construction of an inland navigational system that imposes on the direct beneficiaries of such system only a nominal cost, and a cost which is unrelated to the improvements to such system, is unfair to the operators and users of competing modes of transportation and creates distortions in transportation usage that are wasteful of the resources of the United States.

"(b) The Congress declares that national economic development requires the maintenance of an adequate inland waterway system; however, as a matter of equity and efficiency, the commercial users of this inland waterways system should contribute a fair proportion of the Federal navigation-related costs involved in building, operating, maintaining, and rehabilitating such waterways, directly related to such costs.

"(c) It is, therefore, the purpose of this Act to authorize the construction of projects on the inland waterways of the United States and that such projects shall be financed by a system of user charges that will promote greater equity and efficiency among all models of transportation and demonstrate the economic feasibility of projects on the inland waterways of the United States, providing a market test for their need.

"SCHEDULE OF USER CHARGES

"SEC. 3. (a) Not later than nine months after the date of enactment of this Act, the Secretary of Transportation shall, after consultation with the Secretary of the Army, and after conducting public hearings and permitting not less than forty-five days for public comment, publish in the Federal Register proposed regulations for a system of user charges (including methods of collection) intended to recover that portion of the Federal navigation-related costs of the operation, maintenance, new construction, and rehabilitation of the inland waterways of the United States described in subsection (d) of this section. After receiving comments on the proposed regulations required by this subsection, the Secretary shall, no later than July 1, 1982, promulgate final regulations that establish a schedule and method of collection of user charges to be paid by commercial users of the inland waterways of the United States. Notwithstanding any other provision of law, such charges shall become effective on October 1, 1982. In establishing user charges under this section, the Secretary of Transportation is authorized and directed to assure that user charges applying to any particular existing segment of the inland waterways of the United States shall be set at a level so as not to cause severe economic disruption among the commercial users of such segment.

"(b) The schedule of user charges promulgated under this section shall, to the extent reasonable and equitable, be determined, in accordance with subsection (d) of this section, on the basis of the full costs of operating, maintaining, constructing, and rehabilitating the inland waterways of the United States, and various segments thereof, during the preceding fiscal year, and may reflect (1) the volume of commercial traffic; (2) seasonal and other repetitive peak demands for use of the inland waterways of the United States; and (3) any other factors that the Secretary of Transportation, after consultation with the Secretary of the Army, finds reasonable and equitable.

"(c) The Secretary of Transportation, in promulgating final regulations under this section, is authorized to utilize, but is not limited to, one or more of the following mechanisms as a way to recover a portion of the Federal navigation-related costs from the commercial users of the inland waterways of the United States: (1) license fees; (2) congestion charges; (3) charges based on ton-miles over a given segment; (4) lockage fees; and (5) charges based on the capacity of cargo vessels, loaded and unloaded, over various segments of the inland waterways of the United States. No charge shall be collected from, or imputed to, the use of any inland waterway that is not operated and maintained by the United States.

"(d)(1) User charges authorized by this Act shall be adequate to recover (A) 75 per centum of the full navigation-related expenditures of the Secretary of the Army, acting through the Chief of Engineers, on the operation and maintenance of the inland waterways of the United States in accordance with paragraph (2) of this subsection, and (B) 50 per centum of the full navigation-related expenditures of the Secretary of the Army, acting through the Chief of Engineers, on new construction and rehabilitation of the inland waterways of the United States in accordance with paragraph (3) of this subsection.

"(2) During the first year that user charges established under this section are effective, such charges shall be equal to 25 per centum of the total expenditures described in subparagraph (A) of paragraph (1) of this sub-

section, and shall be increased by 25 per centum of such total expenditures for each of the succeeding two years until 75 per centum of such total expenditures is reached.

"(3) During the fourth year that user charges established under this section are effective, such charges shall, in addition to the charges in subparagraph (A) of paragraph (1) of this subsection, be equal to 25 per centum of the total expenditures described in subparagraph (B) of paragraph (1) of this subsection, and shall be increased by 25 per centum of such total expenditures in the succeeding year.

"(e) Charges under this section shall be collected by the Secretary of Transportation and deposited in the Inland Waterways Trust Fund established by Section 203 of the "Inland Waterways Revenue Act of 1978" (Public Law 95–502).

"PENALTY FOR FAILURE TO PAY

"SEC. 4. Failure to pay any user charge established under this Act shall subject the violator to a forfeiture of not more than $10,000 per day, and prohibit the violator from the use of any lock on the inland waterways of the United States that is operated and maintained by the United States during the period of violation of this Act. Such forfeiture shall be collected by the Secretary of the Treasury and deposited in the Treasury.

"PROJECT CONSTRUCTION

"SEC. 5. The Secretary of the Army, acting through the Chief of Engineers, is authorized to utilize funds deposited in the Inland Waterways Trust Fund, established by Section 203 of the "Inland Waterways Revenue Act of 1978" (Public Law 95–502), to construct projects for improvements on the inland waterways of the United States, *Provided*, That such Trust Funds monies shall be the sole source of Federal funds for projects for which construction is initiated subsequent to the enactment of this Act; and *Provided further*, That no further authorization by Congress of a project to be constructed under this section shall be necessary, so long as the Secretary of the Army, acting trough the Chief of Engineers, finds that such project is cost-effective, sound on an engineering and environmental basis, and represents a priority need in the development of the inland waterways of the United States.

"TAX OFFSET

"SEC. 6. In establishing any regulations promulgated to provide for the recovery of the costs of operating, maintaining, constructing, and rehabilitating the inland waterways of the United States under this Act, the Secretary of Transportation shall allow, as an offset or deduction, any payment of a tax on fuel used in commercial transportation on inland waterways required by Section 4042 of Chapter 31 of the Internal Revenue Code.

"DEFINITIONS

"SEC. 7. As used in this Act, the term—

"(a) 'user charges' means a charge established by the Secretary of Transportation, under the authority of section 3 of this Act, to be paid by the owner or operator of shallow-draft cargo vessels that use the inland waterways of the United States for commercial purposes;

"(b) Not withstanding the provisions of Section 206 of the Inland Waterways Revenue Act of 1978 (Public Law 95–502), 'inland waterway of the United States' means any improved waterway operated and maintained by the United States, the improvements to which are primarily for the use of commercial vessels other than oceangoing vessels, and does not include the Great Lakes, their interconnecting channels, and the Saint Lawrence Seaway.

"(c) 'Commercial users' means common contract or other carriers for hire and owners or operators of private shallow-draft cargo vessels."

COST BREAKDOWN OF DOMENICI AMENDMENT TO S. 810

[In millions of dollars]

	Fiscal year—				
	1983	1984	1985	1986	1987 and thereafter
Inland waterways expenditures:					
Estimate of Corps of Engineers, Reagan budget expenditures on inland waterways for fiscal year 1982:					
Operations and maintenance	$284.0	$284.0	$284.0	$284.0	$284.0
Construction	488.1	488.1	488.1	488.1	488.1
Total	772.1	772.1	772.1	772.1	772.1
Estimated user charges imposed by bill:					
Based on expenditures listed above	71.0	142.0	213.0	335.0	457.0
Estimated fuel tax offset:					
Public Law 95–502	60.0	80.0	80.0	100.0	100 0
Estimated net user charges	11.0	62.0	133.0	235.0	357.0

AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE

AMENDMENT NO. 33

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. MOYNIHAN submitted an amendment intended to be proposed by him to the bill (S. 784) to authorize appropriations for fiscal years 1982 and 1983 for the Department of State.

● Mr. MOYNIHAN. Mr. President, today I submit an amendment that conforms well to one of the distinctive themes of the still young administration, which has placed deserved emphasis on the dangers posed by international terrorism. Among the groups that spread this scourge in international life, none is more deadly than the Palestine Liberation Organization and yet, despite the deadliness of its program, none is accorded greater respect. The PLO has been able to secure for itself rights and privileges usually accorded only to states.

This problem appears to be well understood in the new administration. Its spokesmen seem determined to combat the growing international disregard of the true nature of the PLO and to reverse the organization's success in gaining legitimacy for its repugnant purposes. In an interview with ABC News, Mr. Richard Allen, the President's assistant for national security affairs, recently spoke the truth that American administrations have too long wished to sidestep. That the PLO is to be understood as a terrorist apparat if it is to be understood at all.

In this light it is unfortunate that the administration's State Department authorization request for fiscal 1982 and 1983 should lack the very provisions that were attached by the Congress 2 years ago in an effort to prevent even indirect American subsidy of the Palestine Liberation Organization. Two years ago, Mr. President, I submit to this body—as did then Congressman Wolff in the other body—an amendment to the last State Department authorization bill. We proposed, and both Houses of Congress agreed without objection, that the United States should withdraw any contribution to the United Nations to support two units within the U.N. that serve as front organizations for the PLO. These are the Committee for the Exercise of the Inalienable Rights of the Palestinian People, and the Special Unit on Palestinian Rights. The former organization, it will be recalled, was created by the General Assembly on November 10, 1975, the day that it also declared Zionism to be a form of racism. Since that time, this body, like its sister unit, has been run as an arm of the PLO.

Because this seemed intolerable to the entire Congress 2 years ago, we adopted the restrictions of the Moynihan-Wolff amendment, that the U.S. contribution to the United Nations be reduced by an amount equal to 25 percent of the budget of the two PLO bodies. As a result the U.S. contribution to the United Nations was reduced in this past year by $190,775. In the present year, the U.S. payment will be cut by $228,550.

The amendment I submit today would continue this pattern of reductions, and I hope that the Senate Foreign Relations Committee will wish to adopt it once more. If it is attached to S. 784, the State Department authorization bill, this amendment would have an impact much like that of the one described above. The budgetary effect of this cut would as before be modest, but its importance lies in expressing the view of the Congress that the United States cannot abide the role that the PLO has acquired at the United Nations. It is beyond our power at this time to undo this role, but we hardly need subsidize what we find utterly repugnant.

Accordingly we take the extraordinary step of withholding a small portion of the assessed contribution of the United States. The United Nations will find it hard to operate if members freely withhold funds to express disapproval of particular budget items. But we do not take this step lightly. We take it to express our very deep alarm that the PLO, whose purposes run counter to those of international society, has been admitted as a member in good standing within that society. We are alarmed that the United Nations has conferred legitimacy on an organization dedicated to the destruction of one of the U.N.'s members.

Mr. President, I first introduced this measure 2 years ago. Last November I introduced a measure making comparable cuts in U.S. contributions to UNESCO

programs that are operated in conjunction with the PLO.

Its purpose was similar to the amendment I propose today.

It may in time prove desirable to tie together these amendments in legislation that imposes comprehensive restrictions on U.S. payments to international organizations. Yet as we study this possibility, we should make as clear as we can—by attaching this amendment to S. 784—that the United States can have no part in support of whatever sort for the Palestine Liberation Organization. The American taxpayer will not bankroll terrorism.

Mr. President, I ask that the amendment be printed in the RECORD with my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 33

After Section 102, insert the following new subsection:

SEC. 102(b). Funds appropriated under paragraph (2) of subsection (a) may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations for any year, of any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution that year less—

(1) 25 percent of the amount budgeted for that year for the Committee on the Exercise of the Inalienable Rights of the Palestinian People (or any similar successor entity) and

(2) 25 percent of the amount budgeted for that year for the Special Unit on Palestinian Rights (or any similar successor entity).

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today, Wednesday, April 8, to hear hearings on the following pending nominations:

R. Tenney Johnson, William H. Coldiron, Garrie E. Carruthers, G. Ray Arnett, and Robert F. Burford.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION

Mr. HUMPHREY. Mr. President, I would like to announce for the information of the Senate and the public, that the hearings previously scheduled on the amendments to the Powerplant and Industrial Fuel Use Act are rescheduled for Thursday, April 23 and Friday, April 24 at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding these hearings, you may wish to contact Mr. Howard Useem or Ms. Marilyn Burkhardt at 224–5205.

SUBCOMMITTEE ON WATER RESOURCES

Mr. ABDNOR. Mr. President, the Subcommittee on Water Resources, which I am pleased to chair, will conduct 3 days of hearings during the Senate's Easter recess. The subcommittee will meet on April 21, 22, and 23, with several additional days of hearings to be scheduled in succeeding weeks.

This will, I believe, prove to be a most important series of hearings, for I am convinced that the development of a water projects and policy bill may prove to be one of the most significant activities of the 97th Congress. I urge my colleagues, as well as the public, to study the issues before us, and to help us develop reasonable and thoughtful solutions to the various issues.

Mr. President, I ask unanimous consent that a copy of the committee's press release announcing the hearings be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, U.S. SENATE

The Subcommittee on Water Resources will conduct hearings on water resources projects and legislation on Tuesday, April 21, Wednesday, April 22, and Thursday, April 23, 1981, Senator James Abdnor (R-S.D.) announced.

"These hearings will examine the entire issue of water resources policy and project development," said Abdnor, Chairman of the Senate's Water Resources Subcommittee. "With several additional days of hearings to be held later in the spring, together with field hearings this summer, we hope to establish a foundation that will enable the Subcommittee to write the first significant water resources bill since 1976.

"I am hopeful that our Committee will be able to report legislation to the Senate during this session," Abdnor added.

Abdnor listed a number of the issues the Subcommittee will examine, and which witnesses will be asked to discuss during the hearings:

(1) Why spending on water projects has declined significantly in recent years, and what can and should be done to reverse that decline?

(2) Why project development takes so long, and what impediments to development can be removed?

(3) How past commitments for water development can be fulfilled in a fair and rapid manner?

(4) Should the states be involved to a far greater degree in project consideration and development? If so, how?

(5) What options are available for restructuring the responsibility for national water policy and water resources research within the Department of Interior?

(6) How should priorities be established among various types of water projects?

(7) What can be done to accelerate port development, particularly to facilitate increased coal exports?

(8) Are changes in cost-sharing arrangements necessary? If so, what changes would prove fair and beneficial to water development?

(9) Should the scope of the water resources program be expanded to include such purposes as desalting and single-purpose water supply projects?

The initial hearings will focus on state program assistance, the Federal interest in water research, dam safety, as well as various other policy issues. Subsequent hearings will examine issues relating to port and waterway development, S. 621, and urban water supply, Abdnor said.

Among the specific legislative proposals to be considered by the Subcommittee will be the Administration's proposal to impose cost-recovery user charges for inland waterway and coastal port development (S. 809 and S. 810), plus various other port development proposals (S. 68, S. 202, S. 576, and S. 828), legislation to establish a block allocation approach for water project funding (S. 621), dam safety legislation (S. 761), various other water policy proposals (including S. 305, S. 420, S. 423, and S. 454), together with a variety of bills and proposals to authorize or deauthorize specific projects.

The Subcommittee's ranking minority member is Senator Moynihan. Other Subcommittee members are Senators Domenici, Gorton, Murkowski, Bentsen, and Baucus.

The hearings will begin at 10 a.m. and 2 p.m. on April 21 and 22, and at 10 a.m. on April 23, in Room 4200 of the Dirksen Senate Office Building in Washington, D.C.

Persons wishing to testify, or to submit statements for the hearing Record, should contact Carole Cristiano at the Committee on Environment and Public Works. The Subcommittee will seek to accommodate any person wishing to testify, either during the April hearings or at subsequent hearings.

SUBCOMMITTEE ON INNOVATION AND TECHNOLOGY

Mr. WEICKER. Mr. President, the Subcommittee on Innovation and Technology of the Small Business Committee will hold a hearing on May 1, 1981, on S. 881, the Small Business Innovation Research Act of 1981. The hearing will convene at 9:30 a.m. in room 424 of the Russell Senate Office Building. For additional information, contact Anne Sullivan at 224–5175. Senator RUDMAN will chair the hearing.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, on Thursday, May 7, 1981 the Committee on Small Business will hold a full committee hearing on the Small Business Administration's pollution control bond guarantee program and S. 580, a bill to increase the funding levels for the program. The hearing will convene at 9:30 a.m. in room 424 Russell Senate Office Building. Senator HAYAKAWA will chair.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, on Thursday, April 30, the Subcommittee on Federal Expenditures, Research and Rules of the Senate Committee on Governmental Affairs will hold an oversight hearing to identify current problems concerning the Federal procurement system. This hearing will be the first of several hearings to be held by the subcommittee pending submission of the administration's proposal for a uniform procurement system in October. The hearing will be held in room 3302 of the Dirksen Senate Office Building, beginning at 2 p.m.

SUBCOMMITTEE ON LABOR

Mr. NICKLES. Mr. President, the Labor Subcommittee of the Labor and Human Resources Committee will hold 2 days of oversight hearings on the Davis-Bacon Act on April 28 and 29. The hearings will begin at 9:30 a.m. in room 4232 of the Dirksen Senate Office Building. Members of the public wishing to testify should submit a written request as soon as possible.

ADDITIONAL STATEMENTS

ACCELERATED DRILLING—BUT LESS OIL

● Mr. METZENBAUM. Mr. President, when President Reagan decontrolled the price of oil on January 28, Energy Secre-

tary Edwards promised the people of this Nation that decontrol will bring sharply increased domestic production during the next 5 years. "Raise the price of oil to the level set by OPEC," Secretary Edwards told us—"and the major oil companies will have sufficient incentive to drill for oil in the United States."

This promise, of course, flies in the face of the production estimates given by the Department of Energy's Energy Information Administration and by the major oil companies themselves. During the past 7 years the average price for a barrel of domestic crude oil has gone up more than 1,200 percent. Yet, during the same period, domestic production in the lower 48 States has declined from just over 9 million barrels a day to just under 7 million barrels a day. The addition of Alaskan production does not turn the numbers around. Including Alaska, total domestic production has dropped during the past 7 years from 9.21 million barrels a day to 8.61 million barrels a day.

According to EIA, that decline will continue. For 1981, EIA forecasts domestic production will be 8.55 million barrels a day—regardless of whether the price per barrel is $37 or $50 or $100. For 1982, the number is 8.5 million barrels a day, and EIA reports that the decline will continue throughout this decade.

Skyrocketing oil prices have, of course, produced a massive increase in domestic drilling activity. According to the Hughes drilling rig count, there were 1,581 domestic rigs in place on March 1, 1976. As of 2 weeks ago, that number had almost tripled to 3,492.

But drilling holes in the ground does not mean increased domestic oil supplies. In an article appearing in the February 6, 1981, issue of Science magazine, Charles A. S. Hall and Cutler J. Cleveland of Cornell University's section on ecology and systematics analyzed the amount of petroleum found per foot of drilling effort in the United States during the past three decades. The authors noted that in the 1930's the oil companies gathered almost 250 barrels of oil for every foot drilled. By the mid-1950's this figure was down about 40 barrels a foot. In 1978, the oil companies were finding only 10 to 15 barrels for every foot drilled, and the numbers continue to drop.

The authors reported that increased domestic drilling means that by the mid 1980's the oil companies will be consuming more oil than they will find. Unless the oil companies are able to develop a vastly superior method of locating domestic oil pools, the authors say it will not be long before "the energy cost of obtaining a barrel of oil is the same as the energy in that barrel." In light of the decreasing production returns and the sharp increasing drilling activities of the oil companies, the authors conclude, "the current trend of increasing conventional exploration efforts by the oil industry may not be in the interest of the Nation as a whole."

Mr. President, the Reagan administration has adopted an energy policy which refuses to accept the fact that our domestic oil supplies are declining. This administration has announced its intention to scrap programs designed to conserve our dwindling oil resources by increasing our energy efficiency. This administration also plans to eliminate programs that foster alternative and renewable energy sources. In light of the severe shift in energy policy now underway. I believe it is particularly important that the Senate examine this study. I ask that the study along with an article in the Wall Street Journal written by Jerry E. Bishop, be printed in the RECORD.

The material follows:

SCIENCE—AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE

PETROLEUM DRILLING AND PRODUCTION IN THE UNITED STATES: YIELD PER EFFORT AND NET ENERGY ANALYSIS

(Abstract. For the past three decades the quantity of petroleum (both oil and oil plus gas) found per foot of drilling effort in the United States for any given year can be expressed as a secular decrease of about 2 percent per year combined with an inverse function of drilling effort for that year. Extrapolation of energy costs and gains from petroleum drilling and extraction indicates that drilling for domestic petroleum could cease to be a net source of energy by about 2004 at low drilling rates and by 2000 or sooner at high drilling rates, and that the net yield will be less at higher drilling rates.)

Production and reserves of U.S. liquid and gaseous petroleum peaked in the early 1970's and generally have declined since then despite considerable increases in drilling effort. Continued increases in effort are likely in the near future because imports carry a heavy economic and political price and because recent increases in oil prices have given petroleum corporations considerable quantities of new working capital. But the Carter Administration and Congress have imposed a large "windfall profits tax" on petroleum corporations, which will decrease the capital available for additional exploratory effort. On the other hand, oil industry advertisements and some politicians have promised large new exploratory efforts and oil supplies if government decreass regulation and taxation of the industry. Finally, some geologists have been telling us for years that not very much new oil will be found no matter who does or does not regulate what. Clearly, an important question for this nation is to what degree we should increase drilling effort and to what degree such an increase would achieve the goal of finding additional new oil.

Fortunately, the statistical behavior of certain aspects of the industry as a whole has shown several regularities that make it possible to analyze past trends and, for the courageous, to make predictions. The principal proponent and practitioner of statistical approaches to analyzing the production history of the industry has been Hubbert (*1*), who has documented the very large decline in the rate at which new oil was discovered per foot of exploratory drilling as exploratory effort was expended over time. He found that in the early 1930's some 250 barrels of oil were found per foot of exploratory drilling as compared to about 40 barrels per foot in the 1950's. Hubbert extrapolated these observations to predict that discovery rates would continue to decline, and that the ultimate yield of petroleum from the lower 48 states of the United States would be from 150 to 200 $\times$ 10^9 barrels. He refined his analysis in successive publications, but all his later estimates have agreed reasonably well with his initial estimates made in 1956 and with the historical behavior of the petroleum industry. During the 1960's, however, there was a stabilization and even an increase in the rate at which petroleum was found per foot of exploratory well drilled, so that Hubbert's analysis appeared to some to be no longer applicable (*2*). This stabilization gave encouragement to those who thought that large new quantities of conventional petroleum would be found in the continental United States, since the increase in drilling effectiveness could be attributed to the many improvements in geophysical theory and technology that had occurred in the petroleum industry. During the 1970's, however, the ratio of petroleum found per unit of drilling effort fell to levels at and below those of the 1950's.

Our analysis is a revision and extension of the classic Hubbert analysis, based on the returns of petroleum per total drilling effort as a function of both time and drilling effort at any point in time. The inclusion of the effort component (that is, the number of feet drilled in any 1 year) is important because, as developed below, the variable success rate of drilling for any given year can be expressed simply as Hubbert's secular downward trend (as the resource is depleted over time as a function of cumulative effort) coupled with an inverse linear relation to drilling effort. Such a relation between yield and effort has been observed for copper (*3*) and for fish (*4*) and it is similar to the familiar economic concept of diminishing returns.

Our analysis, straightforward in principle, is constrained by the nature of the available data base, which was developed for purposes not closely related to the present analysis. It is possible to modify the data base slightly so that our requirements are met. Estimates of drilling effort, subdivided according to exploratory footage and development footage, are given yearly since 1925 (*5, 6*) (Fig. 1a). "Additions to proved reserves" also are available for each year, subdivided according to "new field" (NF), "new pools in old fields" (NPOF), "revisions" (REV), and "extensions" (EX). Our analysis is complicated by the fact that about 80 percent of the oil added to reserves comes from REV and EX rather than from NF and NPOF. Most REV and EX are confirmed through development drilling (D_d) rather than exploratory drilling (De), since D_d adds to the information base on a known field and adjacent regions in years subsequent to an initial discovery and gives concrete measurements of actual reserves. Because we are interested in total gains (additions to reserves) related to total drilling effort, we use the ratio

$$YPE = \frac{NF + NPOF + REV + EX}{D_d + De}$$

where YPE is yield per effort in barrels per foot (*7*). In a sense the use of this ratio overestimates the effort used to find petroleum since some of that effort was solely for production, but it does give a running average of the total effort used to bring new petroleum to society, and this relation is appropriate for both our later yield versus effort and our cost versus yield analysis (*8, 9*).

Figure 1b shows the relation of YPE for oil, and oil plus gas, for the years 1946 through 1978. For both oil and oil plus gas, periods such as the late 1960's, when the finding rates were high relative to the general secular trend, were characterized by relatively low drilling effort. Conversely, periods such as the mid-1950's and late 1970's were characterized by high effort and low yield as compared to the secular trend. One can see the relation of yield and drilling effort more clearly if the points in Fig. 1a are connected for all years with high effort (about 220×10^6 feet per year), all years with medium effort (about 180×10^6 feet per year, not plotted for clarity), and all years with low effort (about 130×10^6 feet per year) as

they have occurred at various times since 1946 (10) (Fig. 1b). The results of these analyses indicate that there has been an approximately parallel decline in finding rates per effort for high, medium, and low rates of effort, and that the actual yield per effort for any year is an inverse function of both the year (and hence the depletion of reserves left to be found) and the drilling effort for that year.

In other words, the important trends of the year-to-year yield per effort for both oil and oil plus gas can be expressed as a secular decrease of about 2 percent per year in the rate of petroleum added to reserves per foot of drilling effort and an increase or decrease of about 5 percent for each million feet of lesser or greater effort. This conclusion is further supported by a multiple regression analysis of data points for both all oil and all oil plus gas (1946 through 1978) which confirmed ($P < .01$) that YPE is both decreasing with time and, at all times, is a decreasing function of effort (*11*). In this regression model the secular trend explained about 52 percent of the variation among all oil data points, the effort component explained another 40 percent, and only about 8 percent of the total variation was unexplained by either time or effort (*11*). For oil plus gas the corresponding percentages are 63, 82, and 18 percent, respectively, although a squared term for effort improves the fit, indicating the importance of effort. The only significant deviation between the linear model and the data occurs for the late 1960's, a time of relatively low effort: about 20 percent more gas was found than predicted.

There are two ways in which our analysis falls. First, when we include the previously excluded Prudhoe Bay find (the largest field ever found in the United States and a very atypical find), the YPE for oil and oil plus gas jumps to, respectively, 80 and 120 barrels per foot for 1968, and the associated R^2 values, as defined in (11), drop to about .05 (no effort) and .22 (with effort), respectively. Although the last 200 wells drilled in Alaska have been essentially dry holes (*12*), Alaska as a whole still has a YPE since 1965 of some 1580 barrels of oil per foot.

The second way in which our analysis fails is that our estimates of YPE for 1979, based on the data for 1946 through 1978, and the linear time and effort components used for our initial analysis, were low, predicting only 16 percent of the additions to oil reserves reported and 64 percent of the oil plus gas found in this high-effort year. There are three possible reasons beyond a statistical quirk. First, we may be, in fact, becoming more clever at finding oil. Second, we may have explored more new petroleum provinces in 1979 than in the past. Third, because of the increased value of oil relative to the cost of finding it, there were economic incentives for upgrading previously known, but previously uneconomic, low-quality fields to the status of reserves. This upgrading process took place in 1979 with a portion of the Kern River field (discovered in 1899), whose "revision" in 1979 was a large contributor to the additions to reserves reported in 1979.

The principal reason for the secular decline in petroleum finding rates appears to be that we are no longer locating many of the relatively rare large petroleum fields that historically have been the largest additions to reserves. Since there are about 2.5×10^6 petroleum wells in the United States, there is not much room left between boreholes in sedimentary rock for many of the very large fields that take up many tens to hundreds of square kilometers (*9*).

Why should YPE be related to effort? This makes sense for fish, as the fish can recover through reproduction and growth when not fished. Petroleum, obviously, cannot recover, at least on time scales of interest to our species. One possible explanation is that, when drilling rates are low, the petroleum industry drills at locations where present information suggests that success is most likely. During years of high drilling effort, additional drilling is done at other, less likely locations. Presumably relatively inexpensive petroleum-finding theory development, seismic charging, and interpretation occur at a more constant rate than drilling effort, so that when drilling effort (that is, economic incentive) is low, it is concentrated in areas where success appears most likely. When drilling effort (and economic incentive) is high, much of that effort is directed at additional targets less likely to produce a large find. In a sense it is promising but untested geologic information that is depleted as wells are drilled and that accumulates in the absence of drilling. The decrease in drilling rates after 1956 is associated with the inauguration of government taxation policy that decreased the profitability of finding oil. Had that not occurred, our present finding rates probably would be considerably lower than they are now. Other possible explanations are that since 1974 much of the increased effort has been concentrated in mature, well-known fields where chances of some success are great but the chances of large new discoveries (and hence large additions to proved reserves) are very low, or that less efficient drilling companies contribute a higher percentage of all drilling when economic incentives are high.

The principal use of petroleum is as fuel, and the oil exploration-extraction and refining industry (taken together) is the second most energy-intensive industry in the United States. The time at which domestic petroleum will no longer, on the average, be a net fuel for the nation is not when all the wells run dry but rather at some point before that time when the energy cost of obtaining a barrel of oil is the same as the energy in that barrel. The cost is, at a minimum, a running average of the energy cost of drilling a foot of petroleum well and delivering the petroleum found by that drilling to society. Comprehensive statistics on the economic activity and the energy use of the petroleum exploration and development industry are available (*13*), from which we were able to calculate the energy cost of drilling and extraction.

A quantity of energy equivalent to about 1½ barrels of petroleum was used per foot of drilling by the petroleum exploration and development industry in 1977, slightly more than half directly as fuel and the rest as fuel to produce the equipment and services used. This energy use has been increasing in recent years (see Fig. 1b) as the petroleum industry has drilled increasingly to greater depths, at offshore locations, and in hostile environments such as Alaska, and as a larger percentage of petroleum is produced as a result of energy-intensive secondary and tertiary recovery. An additional 0.4 barrel equivalent per mean foot was used in 1977 for refining petroleum but was not included in Fig. 1b.

We have extrapolated linearly the trends in energy cost and energy gained as a function of drilling intensity (Fig. 2). If we were to decrease drilling rates to a low level of 130×10^6 feet per year, the lines would intersect in 2004. Were we to continue to drill at the 1978 levels of about 200×10^6 feet per year, the linear extrapolations would intersect in 2000. For oil alone, we could reach the break-even point within about a decade. An extrapolation of the rate of increase in the drilling rate that occurred from 1971 to 1978 indicates that the break-even point for oil could occur in the mid-1980's.

One might question our linear extrapolation, for certainly other finding rates may characterize the future. The assumption of linearity is most strongly supported by the remarkably parallel least-squares fit of all four lines in Fig. 1b and by the very high correlation coefficients associated with the analysis. It is, of course, possible that generic changes in the oil industry would make some other line (such as an asymptotic decline) a better fit 30 years from now, but that possibility cannot be supported now on the basis of existing data.

In our analysis we assume that the first derivative of changes in the petroleum industry's exploratory and development methods remains constant. There could be significant deviations from the projections of Fig. 2, if, for example, new provinces (such as the Bering or Chukchi Sea, very deep sediments, or overthrust belts) were explored differently from past years. Most remaining new petroleum provinces will be very energy-intensive to exploit, and so intensive new province drilling could work to either increase or decrease the time until the intersection of the energy costs and gains. But it is only from such unexplored areas that we reasonably can expect to find the very large oil fields that are necessary if a change in the sharply downward trend of the YPE in Fig. 1b is to occur. One possible conclusion from our analysis is that it might be advisable to do most exploration only in new provinces. A somewhat similar conclusion was reached by Menard and Sharman (*9*).

Most domestic oil (and presumably gas) that is now produced comes from reserves discovered before 1940 (*14*). We see little hope for changing this picture very much through increased conventional drilling effort, and in fact such effort could decrease the total energy delivered to society by the petroleum industry by lowering the efficiency of that energy-intensive industry. Integrating the extrapolated regions of Fig. 2 for the period from 1980 to the intersection of the energy cost and gain lines gives a projected ultimate additional net yield of 20×30^9 barrels equivalent for a low drilling effort and 27×10^9 barrels equivalent for a high drilling rate. Thus, developing our remaining reserves slowly could increase somewhat our projected ultimate net yield. On the other hand, after the energy gain decreases below the energy cost, petroleum could still be pumped at a monetary profit for feedstocks or, by using alternative fuels (such as coal), for an energy source in oil fields.

The results of our analysis indicate that the current trend of increasing conventional exploration effort by the oil industry may not be in the best interest of the nation as a whole because of the lower efficiency with which the industry delivers petroleum to society at higher rates of drilling, and also because such efforts appear to offer a "solution" to the decline in domestic conventional production. In fact, it appears that no genuine long-term solution exists unless there is a dramatic change in the way that we go about finding petroleum.

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5. American Gas Association, American Petroleum Institute, and Canadian Petroleum Institute, *Reserves of Crude Oil, Natural Gas Liquids,* and *National Gas in the United States and Canada* (American Gas Association, Arlington, Va.), vols. 1 to 32.

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7. Since the date at which a given oil or gas find is confirmed and added to official reserves estimates is often later than the year of actual discovery (and hence the year in which the effort was expended), it is necessary to back-correct (slip) the additions-to-reserves data. The lag is approximately 2 to 3 years for NF and NPOF and 1 to 2 years for REV and EX (E. Murphy and D. Moorehouse, personal communication). We have incorporated these corrections by determining 3-year running averages (and 3- and 5-year running averages for NF and NPOF) of yield with (i) 1- to 3-year slippage (1 year for final analysis) for REV and EX, and (ii) a 2- to 5-year slippage (2 years for final analysis) for NF and NPOF discoveries. The different slippages and averaging assumptions used had little effect on our results (R^2 varied by only .02 for oil and .19 for oil plus gas over the whole range of slippage tested). Our analysis also was insensitive to whether we used time or cumulative effort (as did Hubbert) for the abscissa. Regressing YPE versus time alone decreased the r^2 to about .51 for oil and about .62 for oil plus gas compared to a regression versus time and effort, and left a residual that was an almost perfect mirror image of effort.

8. Our method also avoids the problem of estimating Hubbert's a factor (the ratio of ultimate estimate of reserves in a field compared to initial estimates), an important consideration since the a factor has changed irregularly and sometimes rapidly since Hubbert's original use of the term. E. L. Dillon and L. H. van Dyke, *Bull. Am. Assoc. Pet. Geol.* 42, 2549 (1958); C. F. Iglehart, *ibid.* 56, 1145 (1972).

9. H. W. Menard and G. Sharman, *Science* 190, 337 (1975).

10. The YPE for data before 1946 was in general higher and often much higher than for data after 1946 but showed large and irregular fluctuations associated with the depression and World War II. These fluctuations made the backward extension of our analysis less productive. The general trends, however, held at the .05 level when regression analyses were carried out for our full data set back to 1925.

11. For 1946 through 1978, level of effort is uncorrelated with time with respect to predicting YPE ($P \geq .05$). The simplest models that best describe variability in YPE from 1946 through 1978 are

$$\text{YPE (oil)} = 821 - 0.401\,(t) - 0.107\,(E). \qquad R2 = .92$$

$$\text{YPE (oil+gas)} = 1346 - 0.661\,(t) - 0.106\,(E). \qquad R2 = .82$$

where t is the year (1946, 1947, and for forth) and E is effort in millions of feet drilled per year. Standard deviations of model coefficients are 61.5, 0.0314, and 0.00869 for oil, and 133, 0.0677, and 0.0187 for oil plus gas. There can be a problem with the above equations because the same term appears on both sides of the regression model [D. Roff and D. Fairbairn, *Can. J. Fish. Aquat. Sci.* 37, 1229 (1980)]. The equations can be rearranged to avoid this problem without changing our conclusions by making yield (Y) the dependent variable, or by using a polynomial model:

$$Y = a(E) + (tE) + c(E2)$$

$$Y = a + b(t) + c(E) + b(E2)$$

Analyses of these regressions for both oil and oil plus gas show that t alone is the most powerful predictor of total yield, that E predicts little additional variation in total Y, that E had a weak positive, but diminishing with time, effect on Y in the past, and that any oil production gained through increased effort will decrease as total E becomes greater. In other words, total Y during this three-decade period was dominated by the 2 percent per year secular trend. Increasing drilling effort had little or no effect on that trend but did decrease considerably the YPE.

12. *Wall Street Journal* (26 November 1979), p. 1.

13. U.S. Bureau of Census, Census of Mineral Industries and Annual Survey of Manufacturers (various years). In 1977, it cost about $48 per foot for the average of all petroleum well-drilling in the United States when exploration and development wells, and extraction costs, are included. The costs can be subdivided further. In 1977 it took the following resources per mean foot of drilling in the industry: 1.5 m^3 of natural gas, 0.21 barrel of liquid petroleum, $8 of steel forms and pipes, and $11 of other equipment. The capital and operating equipment can be converted easily to energy equivalents with the use of straightforward national statistics [C. A. S. Hall, M. Lavine, J. Sloane, *Environ, Manage.* 3, 505 (1980); R. A. Herendeen and C. W. Bullard, *Energy Costs of Goods and Services*, 1963 and 1967; Document 140 (Center for Advanced Computation, University of Illinois at Urbana-Champaign, 1974)]. Additional energy is required to refine, transport, distribute, and convert petroleum and to build and run the corporate buildings in Houston and New York, but we have excluded all of these indirect costs although they would substantially hasten the intersection of costs and benefits. An increasing proportion of exploratory effort is in nondrilling activities that use energy, such as sonar exploration and airplane mapping. An analysis of petroleum returns per constant dollar of exploratory-recovery effort presumably would show an even larger decline than those of Fig. 1b.

14. R. Nehring, *Giant Oil Fields and World Oil Resources* (Publication R-2284-CIA, Rand Corporation, Santa Monica, Calif., 1978).

15. We thank B. MacWilliams for assistance in locating data; J. Baker, C. McVoy, J. Downey, Dr. D. Robson, and Dr. M. Wilson for statistical assistance; and P. Bogdonoff, Drs. D. Chapman, E. Cook, J. Day, R. Herendeen, S. Kaufmann, D. Moorehouse, T. Mount, E. Murphy, C. Norman, and D. Pimentel for critical comments. This work was financed by funds from the New York College of Agriculture and Life Sciences.

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Increased Drilling for Oil May Consume More Energy Than It Gleans, Study Finds

(By Jerry E. Bishop)

The faster the oil industry drills for new oil in the U.S. the sooner it becomes a losing energy proposition.

That's the conclusion of a new study by two Cornell University scientists. The study appeared in a scientific journal only a few days after President Reagan decontrolled domestic oil prices to stimulate exploration for new oil supplies in the continental U.S.

Unless the oil industry finds a superior way to look for new oil pools, drilling soon will consume more energy than it unearths, the study found. The day soon will come, the researchers explained, when "the energy cost of obtaining a barrel of oil is the same as the energy in that barrel."

This break-even day of reckoning won't come for about 20 years if the industry holds drilling to its 1978 rate, the study predicted. But if that rate continues to increase, "the break-even point for oil could occur in the mid-1980's," the researchers said.

"The result of our analysis indicates that the current trend of increasing conventional exploration effort by the oil industry may not be in the best interest of the nation as a whole," Charles A. S. Hall and Cuter J. Cleveland of Cornell's section on ecology and systematics asserted in their study, published in this week's issue of the magazine Science.

The main reason is that the oil industry is becoming less energy-efficient at finding oil, they explained.

Oil observers generally reject this theory of inefficiency, although industry studies have previously demonstrated that oilmen have been finding less oil per foot drilled in recent years. Oil observers maintain that there are a number of factors that could reverse the discovery trend. They cite continuing technological improvements in the search for oil and gas, such as new direct hydrocarbon techniques. Also, industry sources say, there probably are big new oil and gas fields still to be found in the U.S. by the new spurts in drilling resulting from rising prices for the fuels.

STATISTICAL CORRELATION

The Cornell scientists' study statistically correlated the industry's yearly volume of drilling for exploration and development and the amount of oil found. That correlation doesn't show what is commonly assumed, however.

The team found that the amount of oil and gas (measured in equivalents of barrels of oil) discovered per foot of well drilled is dropping precipitously. They cited studies more than a decade ago by M. King Hubbert, an oil exploration consultant to both the industry and the government, that showed the industry in the 1930s extracted about 250 barrels of oil for every foot drilled. This dropped to about 40 barrels per foot drilled in the 1950s.

The trend was reversed briefly in the 1960s, causing many to cast aside Mr. Hubbert's analysis, the researchers noted. The new analysis, they said, shows that the downward trend resumed in the mid-1960s.

By the late 1970s, the industry was finding only 10 to 15 barrels of oil for every foot drilled.

"ISN'T WHEN THE WELLS RUN DRY"

At the same time, they said, the energy cost of exploring for, existing and delivery oil has been increasing steadily. It currently equals about 1½ barrels of oil energy for every foot of well drilled.

"The time at which domestic petroleum will no longer, on the average, be a net fuel for the nation isn't when all the wells run dry but rather at some point before that time when the energy cost of obtaining a barrel of oil is the same as the energy in that barrel," they said.

If the yield of oil per foot of well drilled continues to drop—and the energy cost of drilling continues to rise—this break-even point will be reached fairly soon. How soon, they said, depends on how intensively the industry explores for oil.

BREAK-EVEN YEAR

If the industry slows its drilling rate to about 130 million feet of well a year, the break-even point could be staved off until the year 2004, their analysis found.

"Were we to continue to drill at the 1978 levels of about 200 million feet a year, the linear extrapolations would intersect in 2000," they added. This is for both oil and its equivalent in natural gas. "For oil alone, we could reach the break-even point in about a decade."

If the industry continues to increase its drilling rate at the pace it has in recent years, the break-even point for oil and gas could be reached in the mid-1980s, they concluded.

REAGAN ADVISER'S CHALLENGE

Michel Halbouty, the Houston industry consultant who was President Reagan's chief adviser on energy policies, quickly challenged the Cornell researcher's conclu-

sions. The study, he noted, was based on the industry's drilling record since 1945. But, he said, this drilling record has been distorted by government regulation.

"We've experienced 23 years of controls and regulations that have stymied the exploration effort in this country," he said. Because of such regulation he said, many oil men have been forced to drill near old oil fields where there's a better chance of finding oil. Such drilling, he said, doesn't really add much to new oil reserves. This he said, was one reason for the decline in the number of new barrels added to reserves per foot of well drilled.

With President Reagan's decontrol order, Mr. Halbouty said, "we're going to see more real wildcatting in the boondocks."

"Most domestic oil (and presumably gas) that is now produced comes from reserves discovered before 1940," the ecologists said. "We see little hope for changing this picture very much through increased conventional drilling effort, and in fact such effort could decrease the total energy delivered to society by the petroleum industry by lowering the efficiency of that energy-intensive industry," they declared.●

OUTRAGEOUS ACTS OF A SMALL GROUP OF TERRORISTS

● Mr. LUGAR. Mr. President, for years Turkish diplomats were killed at regular intervals by the so-called Secret Liberation Army of Armenia. It is estimated that the losses of the Turkish foreign service were larger than those of any other foreign service in the world.

Just recently, two Turkish diplomats were gunned down in Paris. The Turkish consul and his driver also fell victim to an ambush in Australia earlier this year. The recent wave of killings began in Los Angeles, Calif., on January 27, 1973, with the assassination of the consul general and consul of Turkey. From then, the terrorist acts found better haven in Europe, particularly in Spain, France, and Italy. Lately, however, bombings occurred also in New York against the building owned by the Turkish delegation to the U.N., October 12, 1980.

The press conference of the Secret Army in April 1980, which was reprinted in part by the Armenian Observer emphasized as the reason for the killings the massacre of Americans by the Ottoman Empire during World War I. and stressed anti-imperialist, anti-American, Marxist slogans. There is little doubt that this is a terrorist group of the left, partially supported and trained by the PLO with discreet Soviet support.

The Department of State has always strongly condemned the killings, and on March 5, 1981, denounced the last killings in Paris, stating:

The inviolability of diplomatic personnel is fundamental to the conduct of foreign relations and to the maintenance of international order. We condemn all acts of violence against diplomats and their families and we hope that the perpetrators will soon be brought to justice.

Condemnation has not been restricted to official channels. Archbishop Shnorhk Kaltusdian, patriarch of the Armenians in Turkey, stated in the Armenian-language daily Marmara on January 1, 1981:

We should not remain silent in the face of the crimes committed by irresponsible elements in the name of the Armenian people. Every crime is a moral calamity thrown at the face of the Armenian people.

Senator THURMOND and Congressmen SOLARZ, MCDONALD, and DICKINSON have already condemned the killings in statements on the floor. At this point, I would like to express my indignation about the killings of Turkish diplomats, to assure our Turkish friends of our empathy and friendship, and to call upon the police and other investigative services of our allies in Europe to help put an end to the outrageous acts of a small group of terrorists masquerading in the name of the unfortunate Armenian people.●

EXPORT TRADING COMPANIES—IX

● Mr. HEINZ. Mr. President, a recent article by Michael Argetsinger, director of corporate communications for the J. D. Marshall Co. of Skokie, Ill., one of our country's successful trading companies, cogently explains the export trading company legislation now being considered by the Senate, and makes a compelling case for it. This is particularly noteworthy in view of the long experience of Marshall International in the export business and the fact, as the accompanying interview with Marshall Frankel points out, that the company itself would see little short-term benefit from the bill, as it is directed toward new companies, rather than established ones. While others might oppose the bill as creating competition, Frankel, with the same vision that has made his company successful, sees the opportunities it provides and the significance it has as representing a new more positive Government attitude toward exporting.

Mr. President, I ask that the article and interview be printed in the RECORD.

The material follows:

EXPORT TRADING COMPANIES—THE FUTURE FOR U.S. EXPORTERS

(By Michael R. Argetsinger)

Export Trading Companies claimed center stage in Washington, D.C. and around the country in 1980. The fresh focus stems from recent legislative initiatives designed to boost American exports.

Spurred by the increasing U.S. trade deficit, members of Congress are looking to existing American export management companies (EMC's) and foreign trading companies for inspiration. Although legislation to encourage growth of such firms did not become law in the 96th Congress the idea will certainly resurface this year as part of the new administration's commitment to the expansion of exports.

While the politics of the bill and its chances of survival this year present a fascinating study, it is well to remember that, with or without the legislation, many viable export trading entities already exist in this country and continue to make an important contribution to the U.S. trade picture.

It is said that fewer than 20,000 of the 250,000 manufacturing firms in the U.S. now sell a portion of their production overseas. It is the belief of the best experts in this country that because of the competitiveness of our products in terms of price, quality, and delivery schedules, at least another 20,000 firms should be able to enter overseas markets. The hope for realizing this potential, and for measurably affecting our present negative balance of trade, lies in the understanding and promotion of the export trading company concept.

DEVELOPMENT OF LEGISLATION

The Export Trading Company Act of 1980 was conceived by Senator Adlai E. Stevenson, III and stemmed from his belief in the soundness of the export trading company concept. His analysis was that the greatest potential for increasing U.S. exports exists among the large number of U.S. producers presently doing little or no export. He believed that the international sales and marketing requirements of such firms could be best served by association with an export trading company (ETC).

Stevenson, as Chairman of the Subcommittee on International Finance of the Senate Committee on Banking, Housing, and Urban Affairs, along with Robert W. Russell, Counsel to the Subcommittee, nurtured the bill through the legislative process. As the bill gained strength through the revision and transition stage of congressional hearings throughout 1979 and 1980 it attracted tremendous bipartisan support. The administration came out squarely behind it in early 1980 making it their number one priority for export legislation. By the time it came to a vote in the Senate in early September 1980 it had 55 co-sponsors and passed by a resounding 77–0 margin.

Unfortunately the companion bill in the House of Representatives never achieved quite the same momentum as Stevenson's bill. Hopes that the bill would pass the House before recess in early October were squelched when eleventh hour hearings were called, which effectively delayed efforts to bring the bill to the floor of the House and final hopes that the bill would be heard during the lame duck session never materialized.

Although Senator Stevenson has retired from the Senate, the bill generated such wide interest and acceptance that it is virtually certain that new champions for a similar package will emerge in the new Congress. One way or another export trading companies will be heard from in Washington, D.C. this year.

TRADING COMPANY DEFINED

Before attempting to assess the impact that export trading companies will have on the U.S. balance of trade in the future, it is important to understand just what an export trading company is.

One definition was provided by then Secretary of Commerce Philip Klutznick in his statement of April 3, 1980 to the United States Committee on Banking, Housing and Urban Affairs, Subcommittee on International Finance.

"There are, I believe, three general characteristics of a successful export trading entity. First, it provides a "one stop" facility for any sized firm interested in exporting. The export company provides market analysis, distribution services, documentation, transportation, financing, and after sale services. The company achieves economies of scale in all these areas over what smaller individual companies could hope to achieve.

"Second, the successful export trading company will search out U.S. producers of products for which the company has discovered markets overseas. It will not simply await passively at U.S. manufacturer interested in exporting.

"Third, by its very existence, an export trading company should limit the capital outlay and risk that any individual company will have to assume to launch a realistic exporting effort."

Secretary Klutznick went on the describe several types of export trading entities that may develop and concluded this section of his statement by saying, "no matter what the origins or ownership of the export trading

company, its purpose and aim will remain the same—to export products of U.S. companies that do not now export significant quantities."

EXPORTING FIRMS EXIST NOW

There are of course a limited number of successful export trading entities in the United States today that fully live up to Secretary Klutznick's definition. With or without the bill these companies flourish and provide an important service to U.S. manufacturers seeking expansion of their international market share, and even to those manufacturers looking at overseas markets for the first time.

The banking provisions of the bill will encourage the growth of new ETC's with substantial financial banking. The bill permits banks to assume, within limits, an equity position in the firms. Additionally, the scope of ETC's will be increased by providing the option for representing directly competing lines. The bill amends the Webb-Pomerene Act of 1918 by providing a certification process that grants an antitrust exemption in advance.

Most importantly, the bill will shine a very positive spotlight on the entire trading company concept. U.S. manufacturers of all sizes will be encouraged to look to ETC's for their export needs.

HOW IT WORKS

Examined up close, export trading companies as presently constituted in this country can offer U.S. manufacturers two important advantages; (1) ready access to the foreign market through their existing distribution network, and (2) staying power overseas that translates into service, technical feedback and long term relationships with foreign buyers.

An export trading company can serve as the export department for a manufacturer who wants to sell abroad without establishing a separate export operation. It has the capability to do market research and to locate dealers and distributors for the exporters' products. It assists in marketing, merchandising and service. The ETC generally takes the credit risk and pays the manufacturer in the U.S. under domestic terms of sale.

A well organized export trading entity should be able to offer the U.S. manufacturer the following features:

1. Sales and management talent with a proven record of expertise in penetrating overseas markets.

2. The capability to provide marketing techniques that will lead the producer to a network of foreign buyers so that substantial tangible business can develop rapidly.

3. The ability to produce export sales without any direct investment on the part of the manufacturer.

4. A multilingual staff in the U.S. and abroad, knowledgeable in the intricacies of export paperwork, who besides setting up shipping documents, bank drafts, and marine insurance, will keep open the line of communication with the overseas buyer.

5. Credit files and international banking connections organized to judge credit worthiness and to quickly set up credit lines for any potential buyer.

6. The ability to pay the U.S. producer as the product leaves his plant with the export trading company taking responsibility for the merchandise until it reaches its destination abroad. At the same time, the ETC finances terms of payment to the importer which encourages him to provide a marketable balanced inventory.

The future of the export trading concept in the United States is bright. Our own brand of uniquely American export trading entities has evolved from firms that started out as small export management companies. The direction and encouragement being generated by Congress and the New Administration, coupled with the existing nucleus of proven successful export trading entities, provides the basis for the most effective means of bringing American manufacturing companies into export markets in increasing numbers.

INTERVIEW WITH MARSHALL FRANKEL, EXPORT TRADING COMPANY EXECUTIVE

American Import/Export Bulletin recently had the opportunity to obtain the perspective of Marshall Frankel on the future of export trading companies in the United States. Mr. Frankel is Chairman of the Board of Marshall International Trading Company of Skokie, Illinois and, with Joel D. Honigberg, a co-founder of J.D. Marshall International—one of the largest export management companies in the United States.

Marshall Frankel serves in Washington, D.C. as a member of the Industry Policy Advisory Committee for Trade Policy Matters and is frequently called upon to testify as an expert witness on international trade issues before congressional committee hearings.

The Bulletin opened the questioning by asking Mr. Frankel his reaction to the export trading company legislation.

MF. I am supportive of the bill and my statement before the Senate Subcommittee on International Finance reflects that. I testified at hearings relatively early on, September of 1979 in fact, one year before the bill passed. Of course it changed along the way and I was gratified to see some of my ideas adopted in the later version.

Q. You don't then see the bill as a threat to establishing trading companies such as J.D. Marshall International?

MF. No, I don't. Certainly the bill will foster competition, but this is healthy. We have tremendous competition now from many different quarters and seem to thrive on it.

Q. What immediate benefit would your company realize should the bill pass?

MF. Very little of a tangible nature. The banking provisions do not concern us since they provide for financing of new ETC's, and, as an established, well financed company, they simply do not relate to us. The other controversial aspect of the bill, the anti-trust exemption section, is likewise no boon to us since we do not represent competing firms. Our philosophy is geared to representing compatible but not competing manufacturers within a given product group.

But, what is important to us is the spirit of the bill. It represents a clear recognition at the highest levels of government of the importance of export trading companies, and as one of the leaders in this industry we take great pride in being part of its evolution.

Q. What do you see as the future for export trading companies?

MF. I believe that the remainder of this century will be very good to export trading companies in this country. As more and more U.S. manufacturers, of necessity look to export markets, there will be an increasing acceptance of the concept of the trading company. This will in part be dictated by a need for economy as the dramatically increasing cost of doing business overseas makes it less and less practical for an individual firm to go it alone.

Q. So you are optimistic?

MF. Yes, I am optimistic with regard to the future of American exports in general. But national success in this regard, and by this I mean restoring our country's balance of trade, won't come easy. A great deal of work needs to be done by all concerned. The manufacturing community must make a real commitment to the export market, the government must come to terms with the many cross signals and disincentives they have placed in the way of international trade, and we exporters must do a better job of making our capabilities and services known. Then we need to go out and sell!●

ILLICIT MARIHUANA TRADE

● Mr. HUMPHREY. Mr. President, today, I become a cosponsor of S. 664, a bill introduced by Senator CHILES and aimed at restoring a valuable weapon against the illicit marihuana trade. S. 664 would allow U.S. foreign assistance funds to be used for herbicide eradication of marihuana growing in foreign countries.

What we are talking about is the use of the herbicide paraquat to destroy marihuana growing at its source. Paraquat got a bad name in 1978 because it was believed that countless smokers of paraquat-contaminated marihuana would suffer dire health effects. Due to the hysteria associated with this paraquat scare, the Congress adopted an amendment preventing the State Department from assisting foreign countries in the use of paraquat to destroy marihuana crops. Despite this action, Mexico, at its own expense, continued to use paraquat. However, Colombia abandoned herbicide eradication programs.

A 1980 report by the House Select Committee on Narcotics Abuse and Control recounts an exhaustive investigation by the committee into the controversy concerning paraquat, and its use by the Mexican Government to kill marihuana plants. The report documents the impressive effectiveness of the Mexican eradication program. More importantly, the report analyzes the evidence regarding the potential health effects of paraquat eradication programs, and concludes that the hysteria of the paraquat scare was unwarranted. The report demonstrates compellingly that the Department of Health and Human Services has overblown the dangers of using paraquat.

The latest narcotics intelligence estimate reveals that about 10,000 to 13,000 metric tons of marihuana are being used in this country each year, and about 75 percent of that amount is coming from Colombia, a country without an effective marihuana eradication program. Younger and younger children are using marihuana and we know that the high-potency marihuana on the streets is particularly damaging. Drug abuse, including abuse of marihuana, is having a terribly negative impact in this country's classrooms, as any educator can tell us. Illicit drug sales are estimated to be at least $64 billion annually, and a significant portion of this vast underground economy is attributable to sales of marihuana. As chairman of the Subcommittee on Alcoholism and Drug Abuse, I am particularly distressed by all of these developments.

From all of the above, what we must do seems obvious. We must recognize the dangers associated with the marihuana flooding this country. We must use every weapon available to combat the illicit drug traffic, including the use of paraquat.

It seems inherently foolish not to use paraquat. Paraquat is an effective marihuana crop eradicator. Mexico used it to transform itself from the major supplier of marihuana to the United States to a relatively minor supplier. Paraquat is environmentally safe. A January 1980 Mitre Corp. report noted that paraquat possesses all the characteristics essential for potentially minimal environmental impact. The dangers of contamination and from contamination by paraquat are greatly exaggerated while the physical and psychological health consequences of marihuana use, especially by young people, are serious and distressing.

Mr. President, we do not hesitate to use herbicides to destroy weeds invading our lawns. We must not hesitate to use herbicides to destroy marihuana, a weed that is invading our society. For this reason, I am happy to cosponsor S. 664 and urge all my colleagues to join in this endeavor. Hearings on S. 664 should be held promptly for delay is inexcusable.●

AUTO IMPORT QUOTAS

● Mr. CHAFEE. Mr. President, my opposition to legislated automobile import quotas is well known. However, it is an issue upon which honest men and women, both in the Congress and in the administration, have disagreed.

Mr. Eugene McAllister, the Walker Fellow in Economics at the Heritage Foundation has written a brief, but cogent background paper on the issue entitled "Import Quotas: An Unwise Solution." I ask that Mr. McAllister's background paper be printed in the RECORD.

The paper follows:

IMPORT QUOTAS: AN UNWISE SOLUTION

BACKGROUND

As a remedy for the auto industry's ills, many prominent policymakers, including Transportation Secretary Drew Lewis and Commerce Secretary Malcolm Baldridge are advocating the establishment of an import quota on Japanese cars. A temporary restraint, it is reasoned, will help the domestic manufacturers through their current difficulties and better prepare them for the highly competitive environment of the eighties.

The Administration, whose official position has yet to be announced, should reject the plea for protection. Philosophically, quotas are a move away from a trade policy based on the notions of competition and consumer sovereignty. Practically, quotas will not achieve the promised results. The auto industry's troubles are much deeper than competition from abroad, and quotas would serve only to mask the real problem.

Proponents of the quotas support their position by citing the dismal 1980 profit performance of U.S. manufacturers. Chrysler lost $1.7 billion, Ford $1.5 billion, and even General Motors suffered losses of over $750 million. With over $70 billion in investments needed during the next five years, it is feared domestic producers will be unable to afford the retooling vital to the rebirth of the American auto industry.

Another perspective of the same picture was revealed in a recent letter to the Washington Post by the governors of six states heavily dependent on the auto industry. In urging adoption of the quotas, they pointed out that nearly 200,000 auto workers have been laid off, with another 700,000 workers having been hurt through a ripple effect.

Quotas are not the solution to the auto industry's woes because imports are not the most significant factor in its decline. The United States International Trade Commission, in response to a petition by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) for import relief, found that the economic recession harmed domestic auto manufacturers far more than the Japanese competition. USITC Chairman Bill Alberger estimated that even if imports had been held constant and the increase in import purchases had instead gone to domestic consumption, domestic car sales would have fallen by 80 percent and 60 percent of the actual decline in 1979 and the first half of 1980, respectively.

Furthermore, even the increase in imports is not due entirely to greater competition, but to a shift in consumer preferences. Consumers were often willing to postpone purchases, and those that did buy were more interested in the economical, fuel-efficient models which Detroit is only now beginning to produce.

A limitation on imports will neither alter households' financial status nor will it by itself make the less fuel efficient autos more attractive. Since these are two extremely significant factors in the decline of U.S. car sales, quotas will not substantially increase the profitability of U.S. manufacturers, nor will they restore many of the lost jobs. Ironically, the Department of Transportation estimates that if the desired retooling is achieved, the U.S. auto industry will become so efficient as to no longer require 100,000 of the current jobs.

A major factor in the relative cost of domestic versus imports has been the higher cost of labor in the United States. When measured against Japanese scales, U.S. auto industry wages are nearly 50 percent greater. Within the U.S. auto workers' hourly wages, including fringe benefits, are 60 percent higher than the average manufacturing hourly wage. Ten years ago, the differential was only 40 percent.

Recently, the UAW has shown some flexibility in its wage demands. Certainly the special consideration given Chrysler suggests a moderation in the rise of wages. However, quotas may place the newfound restraint in jeopardy. While bargaining for wages and prices is crucial to a market economy, an important and often overlooked element of the negotiation is risk. Both labor and management are aware that the demand for, and acquiescence to, extraordinary wage rates heightens the risk of the firm's or industry's failure. Import quotas, by reducing the risk to both sides, reduce the desirability of temperence and could very well lead to a resurgence in labor costs.

It is clear that the intended beneficiaries of quotas are the domestic auto employees and stockholders. The victims are much more anonymous. The cost will be paid by future consumers who are unable to purchase an import or must pay a higher price. (The more stringent and effective the quotas, the higher prices will be.) Even those who have no intention of purchasing an import will face higher prices because potential import purchasers will shift to domestics, thus driving those prices up also.

An even greater cost is the possibility of Japan or other nations responding to the U.S. quotas with trade restrictions of their own. The human cost would undoubtedly exceed that of the current situation because: (1) the median domestic worker is paid much less than the auto worker (and therefore unemployment payments would be smaller); and (2) there is no retraining program, such as trade adjustment assistance, offered to employees of export industries.

In addition, a less open economy would create inefficiencies which would hurt all consumers. It should be noted that negotiated quotas, as U.S. Trade Representative William Brock has discussed, do not create as great a risk for retaliation as does the legislative approach advanced by Senators Danforth and Bentsen.

Both critics and advocates of the quotas attribute the precarious position of the domestic industry in large part to government policies. Certainly price controls on oil created an environment of cheap and plentiful gas, which of course suddenly collapsed, leaving auto manufacturers making the wrong sized cars. The industry does have a case for some sort of indemnification, but import quotas are neither equitable nor efficient. Rather than the government (taxpayer) paying for its error, the cost would be shifted to the new car buyer and workers in export industries. The most efficient form of indemnification, because it would not distort any prices and thus create economic biases, is a simple cash payment. If the sole object is to correct a policy mistake which severely injured the auto industry, the current debate about quotas should instead be focused on the size of the transfer.

Since the quotas will not save the auto industry, the questions are what will, and should the attempt be made to rescue domestic manufacturers? Essentially, it is the Chrysler question revisited. Consistency within the Reagan economic package would dictate no special treatment for the auto industry. The program for recovery is a broadly-based freeing of resources with the market directing the uses. If, as some suggest, special tax credits are given auto manufacturers, the government would be overriding the market's judgment.

Undoubtedly, without assistance the auto industry will have a rough time. Stock values will fall and wages will rise much more slowly. However, that cost is both more obvious and effective than directing resources from less political but more economically efficient uses.●

SUBSIDIZING THE SUNBELT

● Mr. METZENBAUM. Mr. President, during the budget debate, I stated repeatedly that the administration has failed to meet its own criterion of even-handedness in reducing Federal expenditures. A classic example of the failure is the outright discrimination the Reagan budget imposes upon the States of the Northeast and the Midwest.

On March 29, an editorial in the Cleveland Plain Dealer pointed out that the people of the Midwest are, in effect, subsidizing through their Federal taxes, the growth of the so-called "outer rim" States. My own State of Ohio, for example, receives in Federal expenditures about three-quarters of its fair share based on population and tax receipts. New Mexico, by contrast, receives about double the share on a per capita basis that goes to States like Ohio, Michigan, Indiana, and Illinois. The States of the Midwest are today running a deficit of $110 billion in terms of what they send to Washington and what they get back. The South and the West have a positive balance of $100 billion.

My own State of Ohio has an unemployment rate of 10.4 percent—and the Reagan-Stockman budget addresses that problem by cutting or eliminating jobs programs. The older cities, mainly in the Northeast-Midwest part of the country,

need help—but they will not get it under the administration's budget.

The fact is that the Midwest will not get much of anything from the Reagan budget proposal—except, perhaps, the privilege of paying more subsidies.

More than any other area in this country, the Midwest has suffered from the economic crisis. We have suffered through lay offs and massive plant closings. We have suffered through double-digit unemployment rates. And after the administration's economic proposal is put into effect, we will suffer even more.

The Cleveland Plain Dealer describes the administration's action as "aiming at the middlewestern jugular." I would say that is a pretty accurate assessment of the situation.

Mr. President, I ask that this editorial, entitled "Save Ohio From Brink," be printed in its entirety in the RECORD.

The editorial follows:

SAVE OHIO FROM BRINK

Times are tough here in the Midwest and the outlook is dismal. One painful factor is the way the federal government keeps giving this region the short end of the stick.

Thousands of jobs, thousands of people, millions of dollars in capital keep moving away, out into the sun belt or to foreign lands. And the federal government seems to spur, not deter, that exodus.

President Reagan's budget ax seems to aim at the middlewestern juglar. Rep. Dennis Eckart, D–22, of Euclid, said the Reagan budget is "brutal."

It would cut the heart out of federal help to our kind of metropolis, said Eckart. It would "help the Cleveland area commit suicide."

That would be inflicting the worst on one of the victims of a long trend of industrial decline. In an article entitled "Trouble in the Heartland," Forbes magazine this month gave disheartening details of the uprise of unemployment and sag of jobs in this center of auto and steel, hardest hit of industries.

"When the national slump is over," said the Forbes article, "the Midwest will still be in trouble." That means Ohio, Michigan, Indiana, Illinois and Wisconsin, and even pieces of New York, Pennsylvania and Missouri.

This region is paying out more money to the federal government than it gets back. The Midwest has a $110 billion deficit in that exchange, while the South and West—the sun belt—have a positive balance of $100 billion.

Confirming that is a map in the Economist of London. The average for the 50 states is set at a ratio of 1.00. Ohio gets 0.76. So do Michigan and Wisconsin. Indiana gets 0.74 and Illinois 0.70.

By contrast, South Carolina gets 1.22, New Mexico 1.47, Virginia 1.46, California 1.15, Arizona 1.18, Mississippi 1.65, Alabama 1.31, and all the outer-rim states well above average.

Therefore it is urgently necessary to end that tilt of the federal government's favor. The Northeast-Midwest Congressional Coalition is putting together amendments with which to achieve that in the coming debate over the Reagan budget proposals.

Reagan's plan is heavily loaded with more lavish spending for military items—most of them in the South and West—and is likely to erase aid to jobless, economic development, school lunches, school help and segments of the welfare system.

Reagan has used a "fast track" tactic to rush his budget through the congressional preliminaries but Midwest representatives must not succumb to a rush act.

Members of the Senate and House should not surrender their prerogatives. They should limit the damage so far as they are able, and protect what is too valuable to be jettisoned in an effort to wipe out federal programs wholesale.●

REPRESENTATIVE CARL D. PERKINS

● Mr. KENNEDY. Mr. President, I want to call the attention of my colleagues to a recent article in the Washington Post which outlines the unique contribution that CARL D. PERKINS, chairman of the House Education and Labor Committee has made to the quality of life for millions of Americans.

As many of my colleagues are aware, the strong influence of Chairman PERKINS on the full range of education, employment, nutrition, and poverty programs has strengthened social justice in America.

It is because of that history that his views and concerns about the budget proposals of the Reagan administration are of particular importance.

I ask that the article by Margot Hornblower of the Washington Post be printed in the RECORD.

The article follows:

PERKINS STOUTLY RESISTS REAGAN'S CUTS IN EDUCATION, NUTRITION, JOB PROGRAMS

(By Margot Hornblower)

Carl D. Perkins, mountain man. He calls himself that and, on first impression, you might believe it. He is a great hulk of a fellow whose east Kentucky twang whistles through the gap in his front teeth. With his loping stride, plowboy hands and rumpled suits, he seems out of place among Congress' manicured politicians.

But if President Reagan wants to slash federal spending, wipe out whole social programs, he's going to have to get past wily Carl Perkins first. And that is no mean feat.

Perkins, 68, is the chairman of the House Education and Labor Committee; he has been for 14 years. That 34-member panel has created and now oversees $34 billion in federal programs. Many of these Perkins fathered.

And now some of Reagan's largest cuts would come in this turf: $2.6 billion (a 28 percent cut) in elementary and secondary educational assistance, the main source of funds for teaching poor children: $6.1 billion (58 percent) from employment programs, including public service jobs; $1.9 billion (38 percent) from child nutrition funds.

The Republican-controlled Senate concurred in most of these cuts last week, and the House Budget Committee is to begin its work on them today. Perkins, one of the opposition's point men in the Democratic House, is stoutly resisting.

"We have worked for 25 to 30 years on these programs," said Perkins, who left his poverty-stricken Appalachian district for Washington in 1949. "The school-lunch program is the greatest feeding program in the world. And these old people who carried us through two world wars—how can we cut their benefits? I hate to see these programs destroyed by people who don't know a damn thing about them."

In 24 days of carefully orchestrated hearings over the past few weeks, Perkins has gathered his flock: a pleading, protesting procession of wheezing coal miners, unemployed factory workers, crippled children, state education officials, impecunious college students, teachers, food service executives, family court judges, malnourished pregnant women—all testifying to the drastic effects of the Reagan budget.

And behind the scenes, Perkins has wheedled and cajoled nearly every member of the House Budget Committee, which is to set spending ceilings in a few weeks.

He accompanied each of his subcommittee chairmen before the budget panel to emphasize his personal interest in every program. At one hearing, he provided Budget Committee members with lists of schools in their districts that would likely shut down lunch programs under Reagan's proposal.

"Underneath that southern gentlemanly, Kentucky mountain-type approach, Perkins is a master politician and parliamentarian," said Rep. Leon Panetta (D-Calif.), a Budget Committee member. "You get taken in by the quiet approach—and the whistle—and before you know it, your pockets have been picked. But it's hard to take him on directly. His heart is in the right place."

Congress, creeping in the shadow of last November's election, is in the mood to cut heavily into social programs.

But while many Democratic chairmen in the House are looking for compromises, trimming their budgets here and there is hope of mercy. Perkins defiantly led his committee two weeks ago to recommend an increase in spending to $42.4 billion—$3.9 billion over President Carter's proposed budget, and $18 billion more than Reagan wants.

Republicans were furious. "He is one of the most bullheaded members of Congress," said John Erlenborn (R-Ill.), who sits on Education and Labor. "He smiles and clutches your arm, but watch out. He would do anything to get his way. Almost everyone in his district gets a benefit check. The more money he can shovel out, the more godlike he appears. He's considered a deity in eastern Kentucky. He has a deity complex."

In the hollows of Kentucky's 7th Congressional District, places with names like Feisty, Rowdy and Troublesome, "Carl D.," as they call him, is a legend.

When he grew up in Hindman in the '20s, the son of a local attorney, eastern Kentucky was still like a frontier. As a boy, he would drive his mules over the mountains to the railhead to pick up passengers and guide them across dirt roads to town at $1.50 a head.

He still drives mules, and the first picture a visitor sees on the wall of his Washington office is of Perkins, dressed in an oversized coat and floppy hat, holding the reins of a mule team with a cart of hay behind him. "I broke those mules myself," he says proudly. "Now I've about wore 'em out."

Nearly every weekend, Perkins goes to his district, often to his 86-acre farm in Hindman, where he chops wood, castrates hogs and visits with the neighbors. Sometimes he drives, as he did regularly until he retired his beat-up Ford Falcon a few years ago with 167,000 miles on the odometer.

Perkins' programs came not from the studies of social scientists, but from his own experiences. At 19, after two years at Kentucky's Alice Lloyd College, he worked as a teacher for $50.62 a month.

"I had watched all the teachers leave for Detroit, where they could get better salaries," he said. "So I sponsored federal aid to education for years . . . My uncles were stonemasons, and I used to go up in the hills with them. I watched the youngsters in school who took manual training and got jobs. That's why I'm sold on vocational education."

And many of Perkins' neighbors were men who slept upright in their chairs lest they suffocate from the coal dust encrusted in their lungs. When he graduated from the University of Louisville Law School, he labored over workmen's compensation claims and found there was little reward for years of suffering in the mines.

"Perkins' Private Pension Plan," Erlenborn

dubs it, recalling that when the benefits were first set up they were to cost no more than $50 million a year. Since then, however, Perkins pushed through amendments loosening eligibility—black lung is hard to prove without an autopsy—and the claims of 187,000 miners and dependents (15,000 of them in Perkins' district) will cost $2 billion next year.

The Reagan administration at first saw black lung as a juicy target, but officials have laid low since March 9, when 5,000 miners marched on the White House with signs saying, "Must Miners Die to Prove Black Lung?" It now seems likely that changes will be aimed at increasing contributions to the program from coal companies.

A Perkins campaign is an anachronism in an age of computers and media consultants. His main tactic is to drive madly around the district, usually alone, stopping at country stores and filling stations and often merely at a mailbox by the road and shouting up the hollow, "Mr. Jones? This is Carl Perkins. I'm running for Congress again."

A master at helping his people get their roads graded or their food-stamp applications approved. Perkins knows thousands of constituents by name. While he's a little vague on the younger generation, his first question is always "Who's your daddy?" and he'll inevitably be friends with at least a second cousin.

He spends less than $5,000 per campaign, which means he doesn't have to file statements with the Federal Election Commission. But he does anyway, ignoring FEC forms and sending in piles of itemized handwritten expenses on graph paper.

"Bruce Lockhart, Airport, Lexington, Ky. 40501, candidate's car, dead battery—$5" is one item in his 1980 report. Another: "Bailey's restaurant, Hazard, Ky. 41701, steak for candidate—$13.55."

But when it comes to the federal pork barrel, Perkins isn't stingy. His district is dotted with schools, courthouses, airports and reservoirs, all monuments to Perkins' ability to wring dollars out of Washington. However, his dams have shoved poor farmers off their ancestral lands, while Perkins ignored the fact that the floods the projects were designed to alleviate came largely from lax strip-mining laws.

Nonetheless, Perkins, with his ruddy complexion and beguiling off-center grin, wins elections by more than 70 percent of the vote. The last time, Republicans did not even bother to field an opponent.

In Congress, Perkins' more urbane colleagues call him "Pappy" behind his back, and snicker at his pronunciations, especially when he takes on government "raggalation."

On occasion, when he whistles into the microphone during a debate, congressmen leaning over the back rail start mimicking the whistle until, as one observer put it, the House chamber sounds like "the bird cage at the National Zoo."

Some are taken in by the down-home style. Benjamin F. Reves, a Perkins aide, remembers that Perkins once told him, "'I'm a pretty fine feller to play dumb.' He trades on that," Reeves said. "But city slickers find themselves with one foot in the air, while Perkins and the train are long gone."

However, Perkins is widely admired for his honesty and, above all, his tenacity. He was the first committee chairman to hold open mark-up sessions. Reporters marvel that he runs his office like a country store—anyone can walk in and listen to whatever business he's conducting.

Perkins has never taken a junket, in fact he hasn't been abroad since he fought in World War II. "He's been here 33 years, but none of the Washington polish has tainted him," said one committee staffer. "He feels it would be disloyal to the people he represents if he weren't exactly like them."

Perkins arrives at the Rayburn building at 7 a.m. when the doors of other offices are still shut tight. He has been known to walk in to work from Alexandria after a blizzard, when the roads are closed.

Single-minded when he wants to pass a bill, his marathon hearings begin at 8 a.m. and last into the night over the feeble protests of fellow committee members.

During a 1972 House-Senate conference on student loans, which lasted for weeks of late-night sessions, he forced colleagues to stay up until 5 a.m. until he got his way. The day after the bill was reported he collapsed from exhaustion and was briefly hospitalized.

Panetta and other Budget Committee members who sparred with Perkins for months over spending cuts last year are bracing for the new battle.

"Perkins and his committee ought to be telling us where the legitimate cuts can be made," Panetta said. "But instead, he's in the trenches fighting a war. Perkins won't take no for an answer. No matter what doors you're closing, he's coming in a window or a side door."

Perkins, however, insists he's ready to compromise. "I don't want to be hoggish," he told a budget task force, adding that he'd accept "reasonable" cuts, perhaps 10 percent. But as for deeper cuts, Perkins confided in his soft Kentucky drawl, clutching a new acquaintance's elbow, "We're going to fight every inch of the way."●

TAIWAN MAY INVEST IN ANACONDA

● Mr. BAUCUS. Mr. President, I would like to bring to the attention of my colleagues an interesting development in our continuing efforts to save the smelter and refinery at Anaconda and Great Falls. As you will recall, the Anaconda Co. suddenly decided several months ago that it could not afford to keep these facilities going and therefore, it would close them up. Instead, it plans to ship its ore to Japan for smelter and refinery operations.

At the same time as we are doing that, we in the Senate are immersed in a major problem—the U.S. automobile industry. I do not need to describe the issue, but suffice it to say that something is wrong when we have to export our ore to Japan for processing at the same time as the Japanese freely send us their cars, all manufactured in Japan with Japanese labor. On top of that we have a serious balance of trade problem with Japan.

It is therefore with considerable pleasure that I bring to the attention of the Senate a much more positive approach: I have been investigating over the past several months the possibility of obtaining some replacement investment in the Anaconda operations. I am pleased to say that my initiative with Taiwan has elicited a positive initial response. I, of course, recognize that such a major investment needs a great deal of study and such decisions cannot be made thousands of miles away without full analysis.

But at least the Taiwanese have responded positively to my initiative. The Taiwan Metal and Mining Corp., an entity closely tied to the Government of the Republic of China, has indicated that it is definitely interested in the Anaconda facilities and wishes to send over its representative for further evaluation.

Taiwan has a trade imbalance with the United States; its response in this instance is to say it must make every effort to see how it can help the United States redress that balance, including bringing jobs and investment money to our country. Taiwan needs copper, and recognizes that the United States is a secure source of supply. They want to work closely with us. The combination of factors leads to a positive approach to problem solving, rather than confrontation and inflexibility.

I believe that this approach is the one we should be encouraging. Some may work out, and others will not. But none will work out if we do not make the effort to encourage such activities.

Mr. President, as we study various trade proposals before us in an effort to improve our balance of trade, let us not forget the importance of investment as return flow of money. We cannot remain isolated in the world, and when foreign investment can come in, where it is welcomed, and create jobs and revitalize our economy, we should work toward that objective. Obviously, Taiwan's interest may in the end prove not feasible, but let me at least commend the people of Taiwan for responding positively to such suggestions. Such investment in the United States is good for them, and it is good for us. I hope it does materialize.●

REALISM IN WORLD AFFAIRS

● Mr. KENNEDY. Mr. President, I wish to commend to my colleagues a very perceptive and compelling article by Arthur Schlesinger, Jr., which appeared in the February 23 issue of the Wall Street Journal. Entitled "The Soviet Conspiracy and World Unrest," it sets forth a realistic view of instability and conflict in the world and reminds us of the dangers of reducing international events into the simplistic terms of United States-Soviet competition.

Professor Schlesinger's analysis of current U.S. policies toward El Salvador is particularly relevant. I agree with him that it is essential to pursue a multilateral political solution instead of military escalation for this tragic conflict in Central America. "Unilateral action is the road to disaster," he points out. "Whatever we do in El Salvador, let us do it on a multilateral basis."

Mr. President, I request that the full text of Professor Schlesinger's article be printed at this point in the RECORD.

The article follows:

THE SOVIET CONSPIRACY AND WORLD UNREST

(By Arthur Schlesinger, Jr.)

"Let us not delude ourselves," Mr. Reagan told The Wall Street Journal during the campaign. "The Soviet Union underlies all the unrest that is going on. If they weren't engaged in this game of dominoes, there wouldn't be any hot spots in the world."

One had hoped that this was campaign persiflage. For it expresses a hopelessly erroneous conception of the way history works. There was unrest in the world long before there was a Bolshevik Revolution; there will be unrest long after Brezhnev and his gang

are forgotten. If the Soviet Union did not exist, Iraq and Iran would still be at war; Israelis and Palestinians would still be at each other's throats; there would still be no peace in Northern Ireland, Cambodia or South Africa—and there would still be civil war in El Salvador.

These "hot spots" are not imported by a diabolical Kremlin into otherwise placid and happy communities. The world is already overflowing with intense local antagonisms, deeply rooted in historic hatreds, religious tensions, class animosities, tribal feuds—and long predating the Cold War. Certainly the Soviet Union exploits such antagonisms when it can do so at low cost. But supposing that without the Kremlin there would be no hot spots gives the devil considerably more than his due.

Yet there are disquieting indications from Washington that Mr. Reagan's conspiracy theory of world unrest, far from being campaign persiflage, may become the basis of foreign policy. Consider, for example, the curious episode of General Haig and the terrorists. In his initial press conference our new Secretary of State announced that the Soviet Union was the controlling force behind international terrorism. This revelation roused some skepticism since communists are often the targets of terrorist attack, as in Italy, and since the Red Brigades, the PLO, the IRA and other notable terrorist outfits hardly require Soviet encouragement.

WARS OF NATIONAL LIBERATION

The New York Times accordingly asked the State Department, the CIA and the Defense Intelligence Agency for the evidence. The several agencies said they were unable to document the Secretary's charge. The Times quoted one official: "There's just no real evidence for it." Abundant evidence exists that the Soviet Union trains people for "wars of national liberation"—i.e., insurrections and guerrilla wars—but that is not what the Secretary was talking about.

The conspiracy theory seems about to dictate a new course in Central America. The Reagan administration is reported to have decided that Moscow is responsible for the civil war in El Salvador. El Salvador is a country of less than 5 million people divided between a small and inordinately wealthy oligarchy and a desperately poor class of landless laborers. With "the most rigid class structure and worst income inequality in all Latin America," according to a recent article in Foreign Affairs, El Salvador has been in a state of intermittent revolution for at least half a century. In 1932 the army killed 30,000 peasants in putting down a rebellion against the oligarchy.

Trouble in El Salvador is manifestly not the creation of the Cubans or the Russians. It is only the latest installment in a recurring revolt against bad conditions.

The insurgent front certainly includes extreme Marxist factions along with Social Democrats and dissident Christian Democrats. Even the moderates are doubtless ready to accept arms from Cuba, Ethiopia and Vietnam. This should not surprise nor unduly alarm us. Two centuries ago American revolutionaries accepted aid from France; this did not prove that they were disciplined agents of European monarchy, only that they were fighting for their lives. The State Department white paper demonstrates arms deliveries; it only asserts, but hardly demonstrates, political control.

This is the situation the Reagan administration now proposes as the test case to display its "resolve" to punish Soviet expansionism. El Salvador, it is said, will determine our future attitude toward the Soviet Union. It will also be our measure of the fidelity of our European allies. This is placing a lot of weight on a shaky case. The Soviet Union can no more control events in El Salvador than we can control events in Poland: Revolution has a life of its own. As for our European allies, they have responded cooly to the idea of El Salvador as the test case against Soviet expansionism. If we think we know more about El Salvador than our European allies on the ground that we are closer to the scene, we must not forget that Latin American countries still closer to the scene disagree with us.

One wonders whether the real problem in Washington today is not simply frustration. We cannot do anything about real Soviet aggression in Poland or Afghanistan, so we must show how tough we are by cracking down on fancied Soviet aggression in El Salvador. The more venerable among us will recall the similar situation in the first months of the Eisenhower administration, when John Foster Dulles, unable to carry out in Eastern Europe his campaign pledge to "roll back" Soviet expansionism, decided to carry it out in Guatemala. With the CIA's help, Dulles portrayed a rather ineffectual democratic regime in Guatemala as the spearhead of Soviet aggression in the western hemisphere and in 1954 engineered an American coup.

The Eisenhower administration triumphantly got rid of the hapless Arbenz government. It did not get rid of the troubles of Guatelama.

The Reagan administration would be well advised to calculate most carefully the costs of U.S. commitment to a military solution in El Salvador. Washington's intervention on behalf of the Fourteen Families would convince those working for change throughout Latin America that the new American administration is irrevocably against them. It would alarm our European allies, who do not accept the conspiracy theory of global hot spots and figure that Salvadoran peasants might be in revolt simply because they find poverty and injustice unendurable. It would align the United States once again with right-wing repression, dissipate whatever remains of the influence we have won as a champion of human rights and hand a cheap propaganda opportunity to our adversaries.

Nor would it even assure military victory. As we escalate our support, the Cubans and others will find means to escalate theirs. There will be bitter fighting in the hills. Then what do we do if our client regime fails to end the insurgency? Put in a new regime, as the Russians did in Afghanistan? And, if that regime fails, send in troops, as the Russians did in Afghanistan? El Salvador might well become our own Afghanistan. And, if the right with our assistance finally succeeds in crushing the insurgency, the result would only be, as it was in Guatemala, to restore the old oligarchy to power—and to guarantee a new revolution in another decade.

Nor would success make the Russians change their ways, since they have long since assumed that the United States can lick El Salvador.

THE DANGER OF SUPPOSING

Instead of roaring off on its own, the Reagan administration would be better advised to begin by the closest consultation with friendly governments who have a better feel for the situation than we have: Mexico, Costa Rica and Venezuela. We ought long since to have learned that danger of supposing that we understand the interests of other countries better than they do.

No doubt Latin American counsel would be somewhat divided. The Christian Democratic government in Caracas, for example, has fraternal ties with the Christian Democratic president of the Salvadoran junta; the Accion Democratica opposition has a different slant. So do the Mexicans. They all agree, however, in rejecting a military solution. Let us at least listen to the countries most directly threatened before imposing our own pet theories on them. Does anyone really suppose that Mexico, Venezuela and Costa Rica are not as intelligently determined as we are to safeguard the hemisphere from the Soviet Union? Unilateral action is the road to disaster. Whatever we do in El Salvador, let us do it on a multilateral basis.

Despite our President's hot-spot theory, the Soviet Union is really not the cause of all the troubles on this tormented planet. Violence is endemic in the Third World, and we cannot regard each outbreak as a summons to the American fire brigade. Every revolution, every change in political and economic arrangements, every assertion of belligerent nationalism is not necessarily a mortal threat to the security of the United States. History has endowed our century with a host of distempers, most of which are beyond our power to prevent and our wisdom to cure.

I remember Lord Harlech, the British ambassador to Washington 20 years ago, wondering about the American passion in that period to rush into the midst of a civil war in the Congo. "It seems to me," Lord Harlech wisely said, "that every country has a right to its own Wars of the Roses."●

TRIBUTE TO HOBART TAYLOR, JR.

● Mr. BENTSEN. Mr. President, I want to pay tribute to a fellow Texan who served this Nation with high distinction.

The career of Hobart Taylor, Jr., was marked throughout by achievement, obvious ability, and a sense of dedication to the values that are finest and most noble in this great country of ours.

Mr. Taylor was a talented attorney known for his abiding commitment to the cause of equal justice and equal opportunity. He earned high marks for his performance as a special assistant to Vice President Johnson and later as an associate counsel to the President.

Mr. Taylor was a director of the Export-Import Bank from 1965–68; after his service with the Bank he returned to the private practice of law and served as a board member of several major corporations. In addition to his private sector activities, Mr. Taylor found time to remain extremely active and effective in civic affairs.

In short, Mr. President, his career was an inspiration to all who knew him and his family. I join his family in mourning a distinguished American.●

CRS GRADUATE INSTITUTE

● Mr. HATFIELD. Mr. President, I take this opportunity to commend the Library of Congress Congressional Research Service for a successful Graduate Legislative Institute, recently held in Charlottesville, Va. at the Federal Executive Institute.

The three-tiered program that has been put together by the staff of member and committee relations, in conjunction with their colleagues in the regular CRS Research Divisions, offers an excellent opportunity for congressional staff to become familiar with legislative process and the materials available to assist all Members of Congress. The Graduate Institute is the last in the series, offering a comprehensive participatory vehicle for staff to use in their study of the congressional process. The

Institute becomes a mock congress with both house and senate moving from committee hearings to conference report; passing legislation that spurs the interest and piques the curiosity of the participating staff. This Institute utilized a major piece of agricultural legislation that dealt with issues as far ranging as price support programs, alcohol fuels, and our future relations with the country of Mali.

Wide-ranging material and expert support staff are essential for the success of such a program, and for this reason one of our own, Assistant Parliamentarian Al Frumin made a special Saturday trip to Charlottesville to act as the presiding officer and parliamentarian for the CRS senate. He indicated to the members of the mock senate his overall favorable impression of the ability of the staff to understand and use the archane rules and procedures of this body, and to actually work toward passage of the placebo bill.

I believe the Senate should commend Mr. Gilbert Gude, director of the Congressional Research Service, and his staff for the continually excellent service they provide to the Congress of the United States. Through programs like the CRS Graduate Institute, they are able to provide the training our staffs need to make us more effective in the work of the Senate and more responsive to the needs of our constituencies.

Thank you.●

NOTICE OF DETERMINATIONS BY SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that there be placed in the CONGRESSIONAL RECORD notice of a Senate employee who proposes to participate in a program, the principle objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Joel Johnson of Senator PERCY's staff, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a privately supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Johnson in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.●

● Mr. HEFLIN. Mr. President, the Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Robert J. Reynolds of Senator WALLOP's staff, to participate in a program in Ottawa on April 15 and 16, 1981, sponsored by a privately supported Canadian educational organization, the Centre for Legislative Exchange. The purpose of the program is to study Canada's recently announced national energy policy.

The committee has determined that participation by Mr. Reynolds in the program in Ottawa, Canada, at the expense of the Centre, is in the interests of the Senate and the United States.●

THE STEEL INDUSTRY COMPLIANCE EXTENSION ACT OF 1981

● Mr. METZENBAUM. Mr. President, today I am cosponsoring S. 63, a bill to help revitalize our Nation's steel companies by providing them 3 additional years to comply with Federal air pollution regulations. This legislation will not jeopardize the critically important national goal of clean air, but will help a vital U.S. industry deal with a unique capital shortfall problem.

S. 63, by extending Clean Air Act compliance deadlines, will free up capital that steel companies would otherwise have to spend for pollution abatement. Without this extension, the beleaguered steel industry will be unable to afford the costs of modernization. And without modern plants and equipment, U.S. steel producers will be unable to compete effectively with the more efficient Japanese and European steelmakers. More American jobs will be lost in an industry already plagued by numerous plant closings and massive layoffs.

That is unacceptable.

Over the past decade, the steel work force in this Nation has declined by close to 20 percent. Last year, the situation was particularly bad. In 1979, more than 560,000 workers were employed by U.S. steel companies. Last year, there were 60,000 fewer jobs. In Ohio, one of the Nation's largest steel producing States, more than 14,500 steel jobs have been lost over the past 10 years. And last year, in Ohio's Mahoning Valley alone, more than 5,000 steelworkers lost their jobs because of plant closings.

Mr. President, my State of Ohio, and the economy of the Nation as a whole and our national security, can ill afford any further declines in the U.S. steel industry. This industry can and must enter into an intensive revitalization program to increase its productivity, open new job opportunities, and prevent a further contraction in employment.

But revitalization will be expensive. According to the American Iron and Steel Institute, accelerated plant modernization could cost as much as $7 billion annually. The hard-pressed domestic steel industry simply cannot generate sufficient capital to meet these huge investment costs while paying out an estimated $1 billion per year to meet Federal pollution control requirements by the Clean Air Act's 1982 deadline.

Mr. President, S. 63 provides a sensible solution to the dilemma facing the steel industry without jeopardizing the goals of the Clean Air Act. A 3-year stretchout of pollution control requirements would be granted by the EPA on a case-by-case basis. And each extension would have to be accompanied by a specific agreement by the steel company to spend the freed capital only on the modernization of existing facilities. In most cases, more modern equipment will mean cleaner operations.

Under S. 63, the steel industry would still be required to comply fully with the requirements of the Clean Air Act by 1985. But this bill will help the steel industry out of its capital shortfall jam. And most important, it will save thousands of American jobs.

Last week, the Senate Committee on Environment and Public Works ordered that this bill be reported favorably. I hope that the full Senate will now move expeditiously to enact this important legislation.●

INTERNATIONAL HUMAN RIGHTS LAW GROUP

● Mr. PELL. Mr. President, at the time of the confirmation hearings for Secretary of State Alexander M. Haig and U.N. Ambassador Jeane Kirkpatrick, the members of the Foreign Relations Committee received a very thoughtful communication from the International Human Rights Law Group. This distinguished organization of lawyers and legal scholars pointed out that human rights is not a new or recent concern in U.S. foreign policy. Indeed, as the International Human Rights Law Group's letter notes, as long ago as 1904 President Theodore Roosevelt was protesting the Armenian massacres, while in 1906 Congress memorialized the Imperial Russian Government over the pogroms against the Russian Jews. Traditionally human rights has enjoyed strong bipartisan support, and, indeed much of our current human rights legislation was supported by and signed into law by Presidents Nixon and Ford.

I was gratified by Secretary Haig's response to a series of questions suggested by the International Human Rights Law Group which I asked Secretary Haig to respond to at the time of his confirmation hearings. In his answers, Secretary Haig stated his support of provisions of the Foreign Assistance Act linking U.S. assistance to a country's human rights record. In response to separate questions from Senator PROXMIRE, Secretary Haig stated that ratification of the Genocide Convention "would unquestionably be helpful" for the United States in various international fora.

As the Foreign Relations Committee prepares for the confirmation hearings of Dr. Ernest Lefever for Assistant Secretary of State for Human Rights and Humanitarian Affairs, I would like to share with the Senate the thoughtful letter from the International Human Rights Law Group, Secretary Haig's response to the questions suggested by that group, and Secretary Haig's response to the questions on the Genocide Convention submitted by Senator PROXMIRE.

The material follows:

INTERNATIONAL HUMAN
RIGHTS LAW GROUP,
Washington, D.C.

HON. CHARLES PERCY,
Chairman, and Members of the Senate Foreign Relations Committee, Washington, D.C.

DEAR MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: The widespread public discussion regarding the place which the implementation of human rights among nations has in United States foreign policy impels us.

each a person whose career has been dedicated to the advance of individual rights, to write you and each member of the Foreign Relations Committee of the United States Senate in connection with the forthcoming hearings on the nominations of General Alexander Haig to be the Secretary of State and of Dr. Jeane Kirkpatrick to be the United States Ambassador to the United Nations.

We are concerned that the endorsement of human rights as one of the important factors in our relationship with foreign nations is being perceived by some as a recent aberration and a misguided policy.

As all Committee members are aware, as long ago as 1904, President Theodore Roosevelt protested the cruelties imposed on Armenians in Turkey; in 1906 the United States Congress memorialized the Russian Government to express its shock against the pogroms inflicted upon Russian Jews. In 1973, during the administration of former President Richard Nixon, this tradition of expressing concern for human rights abroad received full articulation in an amendment to the Foreign Assistance Act which declared that:

"It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes."

In the following year, a Congressional Subcommittee reported:

"The human rights factor is not accorded the high priority it deserves in our country's foreign policy . . . Unfortunately, the prevailing attitude has led the United States into embracing governments which practice torture and unabashedly violate almost every human rights guarantee pronounced by the world community. Through foreign aid and occasional intervention . . . the United States supports those governments."

These Congressional findings aroused the nation's concern that the United States neither be identified with nor support governments which grossly violate the human rights of their people. One of the major laws enacted in response to that concern was the 1976 amendment to the Foreign Assistance Act of 1961 which provides that assistance may not go:

"To the government of any country which engages in the consistent pattern of gross violations of internationally recognized human rights, [except where such assistance] will directly benefit the needy people in such country."

Since then, more than twenty-five laws have been enacted which take into account the observance of internationally recognized human rights before a government receives United States aid, security and military assistance, trade benefits, or support for loans through international financial institutions, the Overseas Private Investment Corporation and the Export-Import Bank.

These laws, as stated in Section 502B of the Foreign Assistance Act, have been enacted "in accordance with . . . international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States . . ." While still recognizing other important policy considerations, these laws raise legitimate and important issues of international concern which contribute to our long term national security interests as well as to world peace.

It is in this context that we call upon you, in the exercise of your constitutional responsibility to give your advice and consent to the appointment of the Secretary of State and of the Ambassador to the United Nations, to obtain from these nominees assurances that they will faithfully execute these legislative provisions and continue to regard respect for human rights as one important factor in international relations.

Respectfully yours,

——— ———.

SIGNATURES TO INTERNATIONAL HUMAN RIGHTS LAW GROUP

Frank Askin, Attorney at Law, New Jersey.
Prof. Richard B. Bilder, University of Wisconsin Law School.
John Carey, Attorney at Law, New York
David Carliner, Chairman, International Human Rights Law Group.
Dean Gordon Christenson, University of Cincinnati Law School.
Richard P. Claude, Editor, Universal Human Rights Quarterly.
Adrian W. DeWind, Attorney at Law, New York.
Prof. Norman Dorsen, New York University Law School; President, American Civil Liberties Union.
Robert Drinan, former Member of Congress; Visiting Professor, Georgetown University Law Center.
Prof. Richard Falk, Princeton University.
Prof. C. Clyde Ferguson, Jr., Harvard University Law School.
Prof. Adrian S. Fisher, Georgetown University Law Center.
Judge Lois G. Forer, Court of Common Pleas of Philadelphia.
Donald T. Fox, Attorney at Law, New York.
Prof. Ann Fagan Ginger, President, Meiklejohn Civil Liberties Institute.
Hurst Hannum, Executive Director, Procedural Aspects of International Law Institute.
Prof. Louis Henkin, Columbia University Law School.
James Hyde, Attorney at Law, Connecticut.
Harry A. Inman, Attorney at Law, Washington, D.C.
Robert Kapp, Attorney at Law, Washington, D.C.
Prof. Virginia A. Leary, Faculty of Law, SUNY at Buffalo.
Paul M. Liebenson, Executive Director, Inter-American Legal Services Association.
Prof. Richard B. Lillich, University of Virginia School of Law.
Prof. Bert B. Lockwood, Jr., Director, Morgan Institute for Human Rights, University of Cincinnati Law School.
Maury Maverick, Jr., Attorney at Law, Texas.
Thomas H. Milch, Attorney at Law, Washington, D.C.
Aryeh Neier, Director, The New York Institute for the Humanities.
Prof. Jordan Paust, University of Houston School of Law.
William Reynard, Attorney at Law, Colorado.
Marylou M. Righini, Editor, International Legal Materials.
Mitchell Rogovin, Attorney at Law, New York.
Prof. Alfred Rubin, Fletcher School of Law and Diplomacy.
Prof. Seymour J. Rubin, American University Law School.
James R. Silkenat, former Chairman of Board of Directors of the Lawyers Committee for International Human Rights.
Morton Sklar, Helsinki Watch.
Ben S. Stefansky, former U.S. Ambassador.
Michael Tigar, Attorney at Law, Washington, D.C.
Sigmund Timberg, Attorney at Law, Washington, D.C.
Amy Young-Anawaty, Executive Director, International Human Rights Law Group.
Peter Weiss, Attorney at Law, New York.
Prof. David Weissbrodt, University of Minnesota Law School.
Harris Wofford, Attorney at Law, Philadelphia and Washington, D.C.; President, International League for Human Rights.
Bruno Bitker, Honorary Chairman, Wisconsin Governor's Commission on the United Nations.
Prof. Alan Dershowitz, Harvard University Law School.
Prof. Thomas F. Emerson, Yale Law School.
Prof. Jefferson B. Fordham, University of Utah College of Law.
Ernest A. Gross, Attorney at Law, New York.
Judge Philip C. Jessup, former U.S. Ambassador at Large.
Michael Maggio, Attorney at Law, Washington, D.C.
Fritz Moses, Attorney at Law, New York.
Virginia S. Mueller, Attorney at Law, California.
Prof. Ved P. Nanda, Director of International Legal Studies, University of Denver.
Orville Schell, Attorney at Law, New York.
John Shattuck, Director, Washington Office, American Civil Liberties Union.
Prof. Dinah Shelton, University of Santa Clara Law School
Nancy F. Wechsler, Attorney at Law, New York.
Prof. Burns H. Weston, Visiting Professor, UCLA Law School.
Prof. W. T. Mallison, Jr., George Washington University Law Center.
Benjamin B. Ferenz, Attorney at Law, New York.

RESPONSE OF ALEXANDER M. HAIG, JR., TO QUESTIONS SUBMITTED BY SENATOR PELL FROM THE INTERNATIONAL HUMAN RIGHTS LAW GROUP

Question 1. Every President since Harry Truman and every Secretary of State since George Marshall have endorsed U.S. ratification of the Genocide Convention. This Committee was unable to consider taking action on the Convention this year due to a number of other important issues. Whether or not we will be able to consider the Convention this year, we are of course interested in your views on the U.S. becoming a party to the Genocide Convention as well as the four other human rights treaties which President Carter submitted to the Senate in February 1978. These are the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, the Racial Discrimination Convention and the American Convention on Human Rights. Do you endorse ratification of the Genocide Convention and these other human rights treaties?

Answer. I have addressed the question of the Genocide Convention in response to a written question from Senator Proxmire.

The other human rights treaties submitted to the Senate may also contribute to the development of the rule of law in international relations. Their provisions are, for the most part, entirely consistent with our own Bill of Rights and U.S. law. As with the Genocide Convention, U.S. ratification would be helpful in international fora where we have been severely criticized for our failure to become a party to these treaties, and would permit us to help shape this area of the law. These treaties also contain provisions for review of compliance by the States parties. I find such provisions to be generally helpful, but I am concerned whether the actual implementation of the treaties by means of the compliance review procedures, particularly those at the United Nations, has been fair and impartial. We will study those procedures and the actual practice under them before formulating our position on these treaties.

Question 2. President Gerald Ford signed into law provisions of the Foreign Assistance Act which provide that assistance may not go: "To the government of any country which engages in the consistent pattern of gross violations of internationally recognized human rights (except where such assistance), will directly benefit the needy people of such country."

This remains the law today. What are your views regarding this provision?

Answer. In general I support this provision of the Foreign Assistance Act. I do not believe we should, other than in the most exceptional circumstances, provide aid to any country which consistently and in the harshest manner violates the human rights of its citizens.

However, in drafting this legislation it was recognized that exceptions might arise. Indeed, the provision cited in the question was subsequently amended to provide for such exceptional circumstances. Under such exceptions, the legislation now states, the President can certify "in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that extraordinary circumstances exist warranting provision of such assistance."

I believe it is important for those conducting our foreign policy to have such flexibility to act in the best interest of our country.

Question 3. Throughout its history, the United States has striven to be a symbol of liberty and justice. This is what our country symbolizes for the world, apart from its role as a nation with economic and military might. In competition with an ideology and a political system which suppresses individual freedom, isn't the democratic concern for human rights in our foreign policy a significant weapon in that competition? Doesn't it tarnish our image and weaken our appeal to freedom-loving peoples when we give aid and comfort to regimes which deny human rights to their people?

Answer. The United States and a relatively small number of countries throughout the world have been fortunate enough to develop in social and economic circumstances contributing to the protection of human rights on a broad scale. Our own commitment to human rights is a central aspect of our society and the way in which we present ourselves to the world. We must seek to pursue policies that will contribute to the enjoyment of human rights in other nations as well. This is one of the key principles on which our foreign policy should be conducted.

Nevertheless in formulating our foreign policy, we continuouusly balance a wide range of other fundamental interests and values as well, including our security and our economic well-being. I believe this process of balancing competing interests and arriving at policy decisions which promote the long-term and fundamental objectives of the United States is at the heart of foreign policy. We must have underlying principles but how we turn these principles to action in specific circumstances requires continuous judgment and reassessment.

Question 4. While there may be specific criticism or alterations of the current human rights policy which may be justified, isn't it important to recognize as well the accomplishments and benefits of that policy that were not minor. Particularly with regard to developing nations, the United States has become more identified with ideals such as liberty and justice. In this hemisphere alone, Peru, Equador and the Dominican Republic have established democratic governments. In Panama and Honduras, steps have been taken in that direction. In the long run, shouldn't the United States be identified with the trend toward democratic developments instead of with those governments that suppress the growth of democracy by harsh and cruel methods?

Answer. I believe that U.S. support for the principles of liberty, justice, and human rights has contributed to the favorable political developments illustrated in the question by helping to create an atmosphere conductive to democratic development in Latin America and elsewhere in the world. I agree that the United States benefits by identification with democracy. I do not consider it an either/or proposition, however. Identification with democratic development, which flows from our beliefs and traditions, should not in itself preclude association with governments whose views on this issue differ from ours. For one thing, there are numerous considerations that enter into any determination as to the kind of relations we should have with any given country. For another, it should be borne in mind that by deciding a priori not to have relations with any government with whose policies we might not agree, we risk diminishing—sometimes to the point of losing—our ability to influence change in the direction we seek.

In the sum, I certainly believe we should remain true to our own traditions, and encourage democratic development wherever we can. But in determining the nature of our relationships with any government, we should look very carefully at the full range of our interests in that country, including national security and other considerations, and act on the basis of that overall evaluation.

Question 5. Last year a federal court held that a foreign national in the U.S. could seek the assistance of U.S. courts in obtaining a judgment against a police official of Paraguay who had tortured to death a Paraguayan youth. (*Filartiga* v. *Pena*, 00 F. 2d. 00 (2d Cir. 1980)). The Department of State in an advisory brief requested by the U.S. Court of Appeals for the Second Circuit, unequivocally stated its position, which was adopted by the court that "today a nation has an obligation under international law to respect the rights of its citizens to be free of official torture." (Brief p. 3). This tenet reiterates one of the bases of U.S. legislation restricting economic and military assistance programs. It is also a theme raised by officers in the field when approaching governments which violate this international law of human rights. What policies would you continue to ensure respect for this statement of the law?

Answer. I believe that international legal scholars generally agree that all nations have a legal obligation to refrain from torture, including torture of their own citizens. Negotiations are presently under way to develop a multilateral treaty affirming this obligation. I favor the participation by the United States in efforts to protect human rights through such international cooperation and advancement of the rule of law. With respect to U.S. assistance to other countries, I agree that human rights is an important factor to be taken into account in determining whether the national interest is served by providing particular assistance to a particular country. At the same time, I believe it is important that the United States not attempt unilaterally to impose rigid standards which disregard realities and our own interests.

RESPONSE OF ALEXANDER M. HAIG, JR., TO QUESTIONS FOR THE RECORD FROM SENATOR WILLIAM PROXMIRE

Question (a). In view of the fact that the Genocide Convention has been supported by every Secretary of State and every President since the Truman Administration, do you intend to recommend that the Senate give its approval to the Convention?

Answer. I understand that no formal action is required by the Executive Branch on the convention. We will, of course, be prepared to resubmit the necessary implementing legislation at the appropriate time. The Convention has been before the Senate since President Truman requested advice and consent in 1949. Presidnt Nixon's renewal of that request in 1970 was made as a matter of policy and was not legally necessary.

Question (b). In addition to the reservations land amendments proposed by Senate Foreign Relations Committee, do you recommend any additional changes to the Convention before passage?

Answer. The Committee has recommended that the U.S. ratification be accompanied by three understandings concerning the interpretation of the Convention and one declaration concerning the need for enactment of implementing legislation before the U.S. instrument of ratification is deposited. None of these statements would involve any change in the Convention; they do provide useful clarification of U.S. obligations. Although I have not studied the matter carefully, I do not anticipate a need for any further recommendations in this regard.

Question (c). Will you formally request the advice of the American Bar Association, the Defense Department, and the various organizations representing ethnic, religious and racial groups, as part of your review of the Genocide Convention?

Answer. The American Bar Association, the Defense Department and numerous organizations of ethnic, religious, and racial groups have endorsed U.S. ratification of the Genocide Convention. Their views are on record with the Committee.

Question (d). Do you believe that passage of the Genocide Convention will enhance the image of the commitment of the United States to basic individual rights in the various international forums in which we participate?

Answer. Ratification of the Genocide Convention would unquestionably be helpful in various international fora where the United States has been criticized for its failure to ratify the Genocide Convention. This is ironic because the United States was a leader in the post-World War II effort to conclude this Convention as an expression of revulsion to the Holocaust and as a deterrent to recurrence of such crimes against humanity.

Question (e). Will you agree to send your recommendation on the Genocide Convention to the Senate early in this year?

Answer. Subject to the approval of the President-Elect, the Administration will submit formal recommendations at the earliest possible date.●

TAKING STOCK OF THE ECONOMY

Mr. ROBERT C. BYRD. Mr. President, as Congress nears adjournment before the 2-week Easter recess, I believe it is important to reflect on the state of the economy. As Members return to their States and meet with representatives of business, labor, and consuming public, I believe we will learn that many people are concerned that the recovery may be sputtering.

The twin evils of high inflation and high interest rates continue to inhibit sustained economic growth in this country. While there have been some positive signs on both fronts, it is clear that these problems will not abate simply as a result of positive expectations on the part of many administration officials.

INTEREST RATES

Over the past several months we have seen some welcome moderation in the level of interest rates. The prime rate has fallen to 17 percent, a level which most of us never dreamed could be viewed as an improvement. Over the last month, the rate which the Government has to pay on Treasury bills had been falling. At this week's T-bill auction, the 6-

month rate jumped to 13.8 percent, a leap of almost 1½ points.

Home mortgage rates remain at an intolerably high level of about 15½ percent. It is absolutely impossible to envision a fully employed housing industry as long as mortgage rates remain this high.

Given the truly adverse impact of high interest rates on so many vital sectors of our economy, one must question the wisdom of the Federal Reserve's recently announced intention to reduce further the growth of the money supply. Most economists believe that the current level of money supply growth is already too low to accommodate significant, sustained economic growth. Tight monetary policy simply cannot solve the underlying causes of inflation—higher energy prices and the wage spiral.

INFLATION

Increasing energy prices continue to drive our inflation rate ever upward. The Consumer Price Index increased at slightly more than 1-percent rate in the month of February. All but three-tenths of a percent of this increase is attributable to higher energy prices. As we know, the administration's January decision to immediately and completely deregulate the price of oil and oil products was a major factor in the energy price increase.

In March, the producer price index increased at an annual rate of almost 16 percent. Again, energy prices were the major contributor to the increase.

In the backdrop of such developments, I simply cannot see anything in the administration's economic plan which will reduce the CPI to 6.2 percent in 1983, as it currently predicts. By comparison, the Congressional Budget Office is projecting a CPI increase of 9 percent in 1983.

ECONOMIC GROWTH

During the fourth quarter of 1980, the GNP grew in real terms at about a 4-percent annual rate. Most analysts believe that the economy has continued to grow more or less at that rate during the first quarter of 1981.

However, indicators suggest that the second and/or third quarters of this year may see a significant slowdown in the rate of growth. Industrial production fell five-tenths of 1 percent in the month of February after 6 successive months of increase. The index of leading economic indicators fell three-tenths of 1 percent in the month of February, the third consecutive drop in the index.

While far from conclusive, these developments and others do create cause for concern. They suggest that a tax cut designed to spur job creation and productivity is a priority.

UNEMPLOYMENT

The unemployment rate continues to hover around 7.3 percent. Of course, certain States and regions are doing considerably better or worse than this national average. For example, my State of West Virginia has an unemployment rate of about 9.8 percent.

We should be concerned about the disparity among States, regions, and industries. I am concerned that the "broad-brush" approach of the administration's economic program will fail to address some of the severe problems experienced by troubled industries or areas of the country.

CONCLUSION

When we return from the Easter recess we will be faced with major decisions on the President's budget dealing with tax cut levels, spending cuts, and the size of the deficit.

Primary among these concerns will be the size and the focus of the tax cut. I hope that Members will use the opportunity of this recess to solicit the views of constituents on the economic decisions which we soon must make.

I wish all of my colleagues and their families a joyous, productive, and restful Easter holiday season.

CONCLUSION OF MORNING BUSINESS

Mr. STEVENS. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PRO FORMA SESSION ON FRIDAY, APRIL 10, 1981

Mr. STEVENS. Mr. President, it is the intention that the session on Friday of this week is purely a pro forma session to meet the requirements of the resolution of adjournment. We will have no business transacted. There will be nothing at all transacted on Friday other than a pro forma meeting to comply with that resolution.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 tomorrow morning.

The motion was agreed to; and at 5:50 p.m. the Senate recessed until Thursday, April 9, 1981, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 8, 1981:

DEPARTMENT OF AGRICULTURE

Seeley Lodwick, of Iowa, to be Under Secretary of Agriculture for International Affairs and Commodity Programs.

William Gene Lesher, of Virginia, to be an Assistant Secretary of Agriculture.

C. W. McMillan, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Seeley Lodwick, of Iowa, to be a Member of the Board of Directors of the Commodity Credit Corporation.

William Gene Lesher, of Virginia, to be a Member of the Board of Directors of the Commodity Credit Corporation.

FEDERAL AVIATION ADMINISTRATION

J. Lynn Helms, of Connecticut, to be Administrator of the Federal Aviation Administration.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Raymond A. Peck, Jr., of District of Columbia, to be Administrator of the National Highway Traffic Safety Administration.

DEPARTMENT OF COMMERCE

Joseph Robert Wright, Jr., of New York, to be Deputy Secretary of Commerce.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF COMMERCE

William H. Morris, Jr., of Tennessee, to be an Assistant Secretary of Commerce.

FEDERAL HOME LOAN BANK BOARD

Richard T. Pratt, of Utah, to be a Member of the Federal Home Loan Bank Board for the remainder of the term expiring June 30, 1981, and for the term expiring June 30, 1985.

SECURITIES AND EXCHANGE COMMISSION

John S. R. Shad, of New York, to be a Member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1982, and for the term of 5 years expiring June 5, 1986.

EXTENSIONS OF REMARKS

THE UTILITIES AND NUCLEAR POWER—HOW FREE THE MARKETPLACE?

HON. MARILYN L. BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mrs. BOUQUARD. Mr. Speaker, I think it is important to call the Members' attention to some background which is vital to their understanding of the proposed fiscal year 1982 budget for energy research and development. In reviewing the administration's energy research and development budget, it becomes clear that in most energy supply areas the administration has severely reduced funding below that of prior years, a notable exception being the proposed budget for nuclear energy. The Reagan administration has actually recommended an increase over the previous administration's proposed fiscal year 1982 budget in the nuclear energy R. & D. area primarily to provide for funding of the Clinch River breeder reactor.

Many of my colleagues have expressed dismay and even anger at the fact that particular energy technologies of interest to them have been subjected to major budget cuts while nuclear energy has not. This dissatisfaction has resulted in various proposals for alternative fiscal year 1982 energy budgets, some of which ignore the real promise of energy technologies. While arguing on the one hand that free market forces are not adequate to support the development of other energy technologies, many are critical of what they perceive to be the failure to apply the administration's free market philosophy to nuclear energy. It is this point which I wish to discuss, for there is a great deal of confusion on this matter.

It should be obvious to all of us that the free market approach, to whatever extent it is valid, can only apply in circumstances where a free market actually exists. In evaluating the nuclear energy R. & D. budget then, we must ask, "Is there a free market which can support the development of nuclear energy?" and second, "Is this development in the national interest?" I believe that the answer to the first question is "No," that a free market does not exist, and to the second question, the answer is a resounding "Yes," as has been supported by study after study by prestigious private entities and Government-sponsored groups.

The free market climate does not exist for the development of nuclear energy for several reasons: (1) Electric utilities are heavily regulated monopolies which are not permitted to operate in the free market. The driving force behind any private investment in nuclear energy is the ability to sell nuclear powerplants and to use them to generate electricity for sale to the public. Electric utilities are the purchasers of electric power stations and the producers of electricity for public consumption. (2) Electric utility regulatory bodies, which control the ability of utilities to purchase nuclear powerplants, finance research and development, and earn a rate of return on investment, have become so restrictive that in general a utility is not able today to build any central station facilities, much less a nuclear station, and of course, no allowances are made for research and development and financing of nuclear demonstration projects. (3) Free market forces in nuclear energy have been severely impacted by the onerous regulation of this energy source by the Federal Government. The Government has taken the approach that private industry cannot be trusted with this technology on its own. Unfortunately, Federal involvement has nearly made it impossible to develop nuclear energy because of the lack of predictability in licensing nuclear plants. (4) The free market depends on the ability to estimate financial risk and make business decisions on the basis of risks and benefits. In the case of nuclear energy, in addition to licensing problems discussed in (3) above, schizophrenic Federal policy has resulted in the withdrawal of Federal support of a number of private or semiprivate nuclear ventures. These include: Withdrawal of permission to operate the Barnwell nuclear reprocessing plant, attempted termination and prolonged delay of the Clinch River breeder reactor project, closing of the uranium enrichment order books in the early seventies, increased restrictions on export of nuclear technology and materials, and identification of nuclear energy as an energy source of last resort.

It seems clear that free market forces are unable to operate in this environment. Because of these peculiar and severe limitations on the free market in the case of nuclear energy, it is imperative that the Federal Government continue its support, particularly in the area of research and development and demonstration of advanced technologies. There are basically three choices before us. One would be to establish a true free market environment for the development of nuclear energy. A second would be to continue Federal support of this technology, fostering where possible private support through Federal guarantees. And third, to do neither of the above and to close off nuclear energy as a viable resource for our Nation. I suggest to you that the latter chocie would be tragic. It seems clear to me that in the near term, the second choice is the only one open to us and it should be actively pursued if serious consequences are to be avoided.

A key factor mentioned above impacting the free market character of nuclear energy, is the financial health of the electric utilities. For a variety of reasons their ability to raise capital has diminished significantly and the ability of many utilities to meet near-term electric energy requirements is in serious doubt. In addition, we continue to burn a million and a half barrels of oil a day for generating electricity, oil which could be displaced by new coal for nuclear facilities if these facilities could be built. This tragic set of circumstances can only be reversed through an aggressive and positive policy on the part of the administration and the Congress to assure the financial health of our utilities. We must recognize that there are many who are actually seeking the destruction of the utilities and there will be resistance to any change that would improve their circumstances.

However, the purpose of these remarks is to point out the lack of a free market environment as it relates to nuclear energy. The following is a condensed version of a report of an informal advisory task force made to the DOE transition team in December of 1980, by representatives of the utility industry and several economic entities. This report addresses the financial condition of electric utilities and I commend it to the attention of all Members of the House.

REPORT OF AN INFORMAL TASK FORCE TO THE ENERGY TRANSITION TEAM

THE DECLINING FINANCIAL STATUS OF THE ELECTRIC UTILITIES

As a result of their inability to recover their inflation-driven costs, the Nation's electric power companies, upon which the country relies for 75-80 percent of its electric power requirements, are now in one of their most difficult periods financially. Their finances are now so poor that as a group they are unable to undertake the massive new investments required to discharge their public service responsibilities in the future.

The electric companies do not have and cannot raise the money to build the new generating stations which should be started

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

now to assure adequacy of power supply in 10 or 15 years, when the needs of a growing population and an expanded workforce will require far more generating capacity than is now available or under construction. They cannot plan for meeting the new energy requirements in connection with the programs for improving the productivity of U.S. industry. The proposals for reducing the Nation's oil import dependence by substituting coal for oil and gas in utility boilers have bogged down because of the inability of the utilities to raise the billions of dollars needed to convert their oil and gas burning generating plants to coal firing, a conversion process which typically would require expensive coal handling equipment, vast amounts of coal storage, additional equipment to control air pollution, and much more. Clearly, it is in the national interest to assure that utilities are permitted to earn enough money to discharge the responsibilities of providing the electric supply for a growing society, and for doing so in a way consistent with national security and sound environmental standards.

The reason for the poor financial condition of the utilities is not that our society is less dependent on electricity than in the past. On the contrary, the share of energy delivered in the form of electricity grows from year to year. It is now at its highest point, roughly 30%, and is predicted to rise to about 50% by the year 2000. Electricity consumption increases annually, not so fast as in the past, because of conservation, higher prices and business recession, but nevertheless at a rate which attests the essential vitality of the electric power industry. No, the reason lies in the fact that the price of electricity is controlled at both the wholesale and retail levels by government regulatory agencies, and that these agencies have been unable to cope with the impact of long-continued inflation on utility costs. These agencies are the Federal Energy Regulatory Commission in Washington for sales at wholesale, and the 51 state regulatory agencies—variously called public utilities commission, public service commissions and commerce commissions, among other titles—for the retail sales, which account for more than 90 percent of utility revenues. The state agencies are sometimes referred to collectively as the "PUC's".

A recent study of the 50 largest electric utility companies, by Argus Research Corporation of New York, traces the decline in the financial health of the electric utility industry in the nine years 1972-80, inclusive, the last year being partially estimated. During this period the PUC's on average allowed a rate of return on common equity (in effect, on the investment of the owners of the common stock) which started at 12.5 percent in 1972 and rose gradually to 14.3 percent in 1980. This increase has clearly failed to keep abreast of the rising cost of money, but at least the trend reflects a small awareness of the trend of money costs and of the revenue needs of the regulated companies. What is shocking is that the actual rates fixed by the Commissions in the recent years of rapid inflation have not permitted the earned returns to come even close to the allowed returns. Indeed, the discrepancy between the allowed or purported returns and the returns which the utilities were able to realize has increased year by year. In 1980 the allowed return was 1.8% above that in 1972, but the earned return was 1.3% below that earned in 1972. In 1972, the difference between allowed and earned returns was only 0.2 percentage points; in 1980 the discrepancy has grown to 3.3 percentage points.

In 1980, new bond money has cost the utilities, on the average, about 12⅛%; the cost of common equity money has, of course, been much higher, and the prime rate for bank debt has ranged from 10¾% to 21%. Today the rate is 21% and is expected to go even higher. Yet in this year the utilities on average have earned only 11% on their common equity. It is obvious that no business can continue indefinitely if it must raise large amounts of capital at higher cost than it is allowed to earn. And, in recent years, the electric utilities hae been compelled to raise nearly $4 billion of new common equity money every year—one half of all new issue common stock sold in the U.S.—virtually all of it at stock prices well below the book value of the common equity (almost ⅓ below, on average) and hence at the expense of diluting the investment of present shareholders.

There are two points to keep in mind in connection with this dismal financial picture. In the first place the electric companies, unlike most other industries, cannot stop spending when new investments become unprofitable. Their major need for new money is in connection with generating plant construction, and such plant has a construction cycle (lead time) of 10-15 years. It is not easy to stop construction of a plant once it is started, both because the output will be needed by the utility's customers by the time the plant is completed, and because the money already poured into plant construction, measured in hundreds of millions of dollars, is at peril if construction should stop. Interruption of construction, moreover, always adds greatly to the plant's ultimate cost, and thus to the cost of electricity sold to consumers.

The second point is that the financial returns mentioned above, low as they are, are overstated. These are not cash earnings; in large part they are merely book entries, because the prevailing way most PUC's treat the moneys invested in plant which is still under construction is to attribute earnings to them, without including the investment in the base on which cash earnings are permitted. This is the so-called AFC treatment or AFUDC—Allowance for Funds Used During Construction. These paper earnings, which were a negligible part of total earnings in the sixties and earlier, when the rate of inflation was low, had become 30% of total return on equity by 1972, and almost doubled again—to 58%—by 1980. More than half of the meager earnings of stockholders in 1980, therefore, consisted of a book item, and much of the cash for dividend requirements had to be raised by issuing new securities.

The irony of the regulatory failure to allow reasonable electric utility rates is that it is counter-productive to the interests of consumers. An immediate effect of low earnings and earnings of low quality is to increase the financial risks of investors, and thus lead to the down-grading of securities by the rating agencies. Downrating, in turn, means that the bonds must carry higher interest rates, a charge which is passed along to consumers. Such down-grading has become a familiar phenomenon in the utility scene. In the first 11 months of 1980 alone, there were 34 down-gradings by the two best known rating agencies, Moody's and Standard & Poor's and only a single upgrading. The bonds of many utilities are now rated at levels so low that many institutional investors are barred by law from purchasing them, and interest rates must be raised in order to sell the securities within a much smaller market. These additional capital costs force rate increases which otherwise would not be necessary, without improving the financial condition of the utilities or their ability to raise money on a low cost basis. An equally serious result of limited capability to raise money is the inability of the utilities to make the investments required in order to achieve the optimum economies of service.

Why are the PUC's (with only a few exceptions) so remiss in allowing the utilities an opportunity to realize reasonable earnings, when it is demonstrable that an electric utility in sound financial health is far better able than a financially straitened company to hold down its money costs, to build economically for the future, and to participate in government programs for conversion of oil-burning plants? In the long run a utility earning reasonable returns can provide better service to its consumers, at lower rates. The rub is that to bring utilities up to a reasonable earnings level requires early rate increases, and the benefits materialize only over a period of time. It is hard to persuade consumers that a rate increase now is in their long-run interest.

Utility rates are fixed by the PUC's in judicial type proceedings in which any consumer or consumer group may testify. These are the only prices in our society over which the owner has no control, at the same time that he is required to maintain a high standard of service and somehow to raise vast amounts of new money. Indeed, the electric power industry is the most capital-intensive of all American businesses. It may be that the average consumer understands that he is not well-served by a losing business, but the opposition to rate increases has now become professionalized. In the name of the consumer many groups and agencies have sprung up, assisted by lawyers, technicians and public relations experts, who use every device to prevent or delay rate increases, including exploitation of all the media resources to build up consumer hostility to such increases, or at least the public perception of such hostility. In this environment of vociferous opposition to fair rates, the PUC's as a group lean over backwards to avoid being labelled as "pro-utility".

Moreover, the technical and complex nature of the rate-making proceedings lend themselves to uncertainty and delay. Thus the PUC's will typically take from one to several years to decide a rate case, exclusive of the time required for judicial review if the decision should be appealed to the courts. Meanwhile, inflation eats away at the utility's earnings, and the rate increases, when they come, are based on stale data which no longer reflect current costs. Under utility regulatory procedures, the revenues lost on account of delay are never recovered.

The decisions in rate cases involve two elements. One is the level of the rate of return to be allowed, and the other is a set of rates which are prescribed for the purpose of yielding the allowed return. Under the pressure to avoid rate increases while preserving an appearance of fairness, the PUC's purport to allow far higher earnings than the actual rates they prescribe will yield. Thus, they turn one face to the utilities and the courts with return allowances at one level, and another to the public with rate schedules which could not possibly produce the purported returns. In 1980, as mentioned above, this discrepancy amounted to 3.3 per-

centage points, the difference between a purported allowance of 14.3% and a realized return of only 11%.

We recognize that the PUC's are under great pressure, sometimes from governors and legislatures as well as from organized groups who claim to speak for the public, to hold rate increases to a minimum. There is a rapid turnover among utility commissioners, and dovetailing return allowances with prescribed rates is not an exact science. Many may believe that the rates they fix will yield the returns they allow. Whatever they may think, the discrepancies are large, crucial to financial solvency, and growing.

Clearly, public utility regulation as now practiced has proven itself unable to cope with the pressures of inflation. It cannot preserve the ability of the electric utility industry to serve the interests of its consumers, much less those of the investors who have poured hundreds of billions of dollars into utility investments, and who are continuing to pour in new money by the billions.●

LEGAL SERVICES REAUTHORIZATION

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. RAILSBACK. Mr. Speaker, my Subcommittee on Courts, Civil Liberties, and the Administration of Justice yesterday concluded 7 days of hearings on the reauthorization of the Legal Services Corporation. I would like to share with my colleagues the thoughts of PETER RODINO, chairman of the Judiciary Committee, regarding the need for this reauthorization, and therefore submit the following article:

THE NEED TO SAVE LEGAL SERVICES FOR THE POOR AND THE ELDERLY

(By Peter W. Rodino, Jr.)

During the 32 years that I have served in the House of Representatives I have come to cherish my associations with the House Judiciary Committee, second only to my associations with my family. As Chairman of the Judiciary Committee I have learned—and relearned anew in each session of Congress—that if a free society is to survive, equal justice must be more than a slogan emblazoned on the marble walls of courthouses. It must be a living force which permeates the disparate groups in our society and unifies our people. For just as in a wholesome family, no member ought to be estranged, under a good government no people ought to be alienated from equal access to justice.

Fundamental to my role as the Chairman of the Judiciary Committee is the fact that I am a Representative and life long resident of Newark, New Jersey—a city which more than most has seen the ravaging affects of the alienation of people from each other. Over the years we have seen the alienation of immigrants and their children from the prevailing order, of blacks from whites, of the poor from the more affluent. In recent years we have also seen the growing alienation in families themselves, especially the alienation of the elderly from the young, and the cruel isolation of those frail elderly who are estranged from their families and warehoused in nursing homes.

For all of these reasons I was saddened and dismayed when the present administration adopted the recommendation of Mr. David Stockman that our entire national legal services program be totally dismantled. As a result I have introduced a bill which is now being considered by the House Judiciary Committee. My bill, H.R. 2506, would extend the authorization for appropriations for the Legal Services Corporation for three additional years. It would also retain for fiscal 1982 a funding level of $321.3 million, identical to the level for 1981.

Now that the issue of access to justice for the poor is again before the Judiciary Committee I recall that in the 93rd Congress, when the relationships between the Committee and the executive branch were subjected to their severest strain, there was unified bi-partisan support in the Congress for President Nixon's proposal for the establishment of the Legal Services Corporation. As President Nixon noted on May 15, 1973: "Legal assistance for the poor, when properly provided, is one of the most constructive ways to help them to help themselves . . . (and) justice is served far better and differences are settled more rationally within the system than on the streets."

With hearings underway on this subject I am hopeful that President Reagan will recognize that the move to destroy legal services is unwarranted, unfair, and unwise. I have been gratified by the fact that the Republican members of the Subcommittee considering my bill, including my colleagues Congressmen Railsback of Illinois, Butler of Virginia and Sawyer of Michigan, have already informed the President of their opposition to the loss of a federally funded legal services program. It is also encouraging to me that among the supporters of the program are the American Bar Association and several other bar groups as well as a number of public and private organizations, and private citizens.

With respect to the problems of the elderly in particular, I very much appreciated the strongly supportive testimony already given to the Subcommittee by the National Retired Teachers Association/American Association of Retired Persons. After reviewing their testimony I am convinced that projects such as the National Senior Citizens Law Center and the Legal Council for the Elderly are playing a significant role in assisting older persons to receive the benefits to which they are legally entitled—benefits which can only be obtained by equal access to justice.

In 1980 alone more than one half million elderly persons who otherwise would have been denied access to justice were provided with legal assistance. It was especially touching to me to learn of story after story of elderly persons besieged by a maze of complex bureaucratic obstacles to their obtaining the benefits which we in Congress have voted to provide for them. These include problems involving housing, food, social security benefits, medicare, medicaid, age discrimination in employment, fuel assistance, as well as disagreements concerning taxes, regulations for nursing homes and retirement benefits. The need to represent the poor in all of these highly specialized areas, areas which are usually not within the normal scope of practice of members of the private bar, is indisputable.

The work of legal services on behalf of the elderly is of course only one example of the important work being done through the legal services program in every section of the United States, both urban and rural. The national legal services program, though primarily funded through the Legal Services Corporation—which administers grants and monitors its grantees—is basically a local program. Each field program is a private non-profit organization which is directed by a local board whose composition is 60 percent lawyers and one-third clients from the service community. There are limited resources and so priority setting is conducted at the local level with input from the private bar and client community. The initial goal of "minimum access": that is, two attorneys per 10,000 poor persons, has just been completed. This is a modest goal of access to the justice system, since there are approximately 14 attorneys per 10,000 people across the nation. But for the poor this goal provides minimum access to the basic necessities of life—food, shelter, clothing, and education.

More than 2 centuries ago Edmund Burke rose often in the House of Commons of the English Parliament to plead that if the British Empire was to survive it would be essential to provide equal access to justice—not only for the American colonies, but also for the impoverished people of Ireland and India. He argued that such people could never be long ruled by the force of the King's army but that instead, they could be governed only by what Burke referred to as the "majesty of the law."

In 1981 it saddens me to realize that we again need to reaffirm the importance of equal access to the law on behalf of the poor, the elderly, and the disabled. But I for one will maintain hope that Congress will continue to give bi-partisan support for our nation's legal services program. To do less would do violence to our past history as well as our future.●

EFFECTS OF THE REAGAN ENERGY BUDGET

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. CONYERS. Mr. Speaker, within a month of the publication of the Reagan administration's budget package, close observers were able to detect at least three areas of weakness, contradiction, or danger. Students of the budget were quick to point out that, contrary to the administration's professed intentions, its plan contained nothing that promised a solution to the inflation problem. After all, the Reagan budget assumes a nearly $50 billion budget deficit and, in removing all restraints on defense spending, was likely to add far more to both deficit spending and inflation.

The administration's defense budget, which calls for a nearly 25-percent jump in obligational authority in 1982 over 1981, was the second major flaw in the Reagan approach. As students of defense spending have since pointed out, the Reagan defense budget will aggravate inflationary pressures in an industry already overburdened by wage pressures and material shortages; crowd out badly needed invest-

ment capital that civilian sectors require; and deepen the already skewed economic growth in certain regions and at the expense of economic depression in others.

Robert Engler, the distinguished author of the "Politics of Oil" and "The Brotherhood of Oil," now lays out the errors of the Reagan energy budget in a paper, "Private Enterprise Unlimited," that was commissioned by the budget study group of the Institute for Policy Studies. Since the energy sector poses the greatest danger in the short run to consumers and the economy in general, I urge my colleagues to give careful attention to the Engler analysis that follows:

PRIVATE ENTERPRISE UNLIMITED: THE PRESIDENT'S ENERGY BUDGET

(By Robert Engler)

The press heralds the no-nonsense take-charge style of the new administration in moving to right the troubled economy. But a reading of the budget prescriptions in "America's New Beginning: A Program for Economic Recovery" and in the Office of Management and Budget working papers (the "Stockman hit list") which preceded this revised budget provides minimum assurance as to the likely effectiveness, let alone fairness, of the national revenue sought. President Reagan's objectives appear straightforward: tax cuts of $50 billion for next year are to stimulate investment and inflation-free growth in the private sector which will put all Americans back to work productively. These are to be matched by some $50 billion in cuts of federal appropriations, heavily in areas where government intervention and regulation discourage business initiative.

The energy provisions suggest how little has been learned from the experience of the past decade. Many of the seemingly hard-nosed facts about the domestic economy emerge as ideological conjecture supportive of corporate rule over energy. The international dimensions are based on a perilous geopolitics for American global domination. An unabashed paean to the profit system and to those skilled in tightening the belts of others, the Reagan budget reflects a trained innocence as to how energy is actually managed and who pays what for its costs. The consequence of its bold steps backward is a meanness toward the growing number of citizens who neither share nor can anticipate sharing appreciably in the benefits of the economy. The perverted priorities of the budget presage regional and mass social explosions at home and military confrontations abroad.

Candidate Reagan identified government as the problem rather than the solution. Its meddling in the marketplace had brought on our energy crises. His pledge to turn private enterprise loose evoked images of oil and coal operators drilling and digging with liberated abandon to ensure abundance for the American way of consumption. But the race to remove what is identified as the burden of public government is not accompanied by any recognition, let alone lessening, of the burden of corporate government upon consumers and taxpayers.

To the contrary, controls on the price of oil from "old wells", already slated to be removed later this year, are to be lifted now. All oil prices are to be brought up to the OPEC level. The remaining administrative ceilings on natural gas, long since weakened in response to industry pressures, are also viewed as obstacles to economic revitalization. The major constraint to their immediate phasing out is recognition that gas prices and profits will rocket out of sight, carrying with them much of the popular support for the illusory free market and conceivably the Republican Party's voting base.

The assumption has been that higher prices would provide the clearest non-bureaucratic signal to consumers. While the captains of energy are to have their confidence restored through the removal of controls, the "profligate citizen" is to be taught through his wallet that his wanton desires must be brought under control. National energy consumption has been dropping perceptibly. Yet prices continue to spiral. Heating fuel costs have risen at least 25 percent since the election and gasoline prices have gone up about 20 percent—far beyond what the administration had predicted would result from decontrol. Scant attention is paid to the regressive impact upon different sectors of the population. To those whose limousines clog mid-Manhattan $2 gasoline will just give their chauffeurs easier curbside parking. For the growing number of people who find energy costs (built into almost every purchase) already taking over 25 percent of their disposable income, the cutting back is most likely to be on food and health care.

Basic to the case for higher prices have been the twin assumptions that there is a shortage of energy and that the industry needs every incentive to end it. The new profits would provide the necessary investment encouragement, just as the removal of governmental restraints would offer "psychological" reassurances. There obviously is no reading of the trade journals which continue to report gluts in the oil market. Nor is there any analysis of the present capital resources of the energy industry and how this capital is allocated. Over 40 percent of all manufacturing profits in the United States go to the oil corporations. They occupy six of the top ten positions (by assets) among all industrial enterprises. Exxon's net profits for 1980 were $5.7 billion on revenues of $110 billion, an increase of 32 percent over the previous year.

The soaring prices of the past decade have not led to significant new production in oil and gas. Oil corporations define their need and stockholder obligations as attractive investment opportunities for this tremendous capital. These are not necessarily found in drilling more wells or building new refineries. Nor do their growth policies suggest that their primary mission is to expand employment or revive deteriorating regions. They increasingly move to take over all energy forms and to become active in non-energy arenas of the world economy. Their control over the price of energy enables the corporations to generate most of their capital internally. American consumers are their chief investors. Yet they remain with minimum leverage for the disposition of these resources.

That leverage is now to be reduced even further. Antitrust and divestiture measures, never the most successful of instruments against market domination, are to be phased out. The Federal Trade Commission, for example, which since 1973 painstakingly has been constructing a monopoly suit against big oil, has been notified by the OMB that its budget is be halved. Should this warning prevail, most FTC antitrust activities will end within a few years. The industry's ability to keep supply down and prices up will go unchallenged—a condition known as the free market in Reaganspeak.

With removal of federal controls over the allocation of oil, refineries and regions whose limited purchases are of diminishing interest to the major suppliers will have difficulty in finding dependable independent sources. Small gasoline stations and their dealer-mechanics will become increasingly rare along the road as part of the design "to restore market forces."

The Department of Energy, although generally most loyal to the oil and aerospace industries, is targeted for abolition. Immediate reductions in its budget are in its information-gathering, environmental effects research and regulatory functions. DOE conservation programs are to be cut back since individuals and businesses "are already making substantial conservation efforts . . . which will be accelerated by oil and gas decontrol." The development and implementation of building and appliance energy consumption standards are to be eliminated.

A recent investigation by a subcommittee of the House of Representatives concluded that the department has been quite lax in ascertaining that a substantial amount of "old oil"—oil still under control—has been "miscertified" (a DOE term) and sold at the much higher price allowed "stripper" oil. The cost to the consumer was placed at $1 billion in 1979 and as much in the first half of 1980. "We used to call that cheating," commented chairman Bob Eckhardt (Texas), since defeated.

Public financing to encourage the development of renewable alternative energy such as solar and geothermal, now relatively slim in the overall picture of federal energy involvement, is to be cut sharply. The Solar Energy and Energy Conservation Bank is to be eliminated even before it gets under way. Alcohol fuels and biomass are to lose their loan subsidization so as not to "overstimulate production and adversely affect food prices." The familiar ideological justification is that the market should determine the entry of new technologies and enterprises. The consequence is unconditional surrender to the energy industry's timetable as to when it is appropriate to introduce new supplies and forms. As always, the prime consideration is the maintenance of price and market domination.

To preserve the appearance of evenhandedness, DOE funding of private demonstration plants for synthetic fuels is to be reduced. But this may turn out to be a bureaucratic sleight of hand, for the energy corporations will continue to receive from the Synthetic Fuels Corporation loan guarantees, scaled down somewhat, for synfuel projects.

Nuclear energy, meanwhile, receives a new lease on life. Its development is to go forward, with projected increases in federal subsidies and a speeding up of the licensing process for generating electricity. Little concern is voiced for the high economic costs certain to be borne by consumers who pay for the construction as well as the energy. The haunting and unresolved questions about community safety and environmental degradation are played down.

Workers in the energy industry are not to be assured any lease on life. Black lung compensation for miners is to be scrutinized and reduced so as to preclude "welfare payments for those not truly medically disabled." There are to be further cutbacks in OSHA's review of industrial safety conditions. Hard-

earned gains toward a more livable workplace are thus to be reversed as major social costs are shifted to coal miners and refinery workers. Their communities are to serve as unquestioning energy colonies of a revitalized America. Their faith in capitalism apparently does not require any shoring.

Compassion for the poor and the near-poor who find themselves unable to pay for energy is to be rationed.

There is little in the proposed budget that is supportive of geniune conservation of energy resources. And there is less which redirects capital, private or public, into areas which might ultimately produce thoroughgoing energy efficiency and savings. To do this would be to invade the domain of the private corporation and undermine its prerogative to opt for what is most profitable. Chrysler is still helped to produce cars, despite the market signals about the consumers' ability and desire to purchase them. No terms are set as a condition of continued loans for more socially desirable production—as for example, buses that run.

Mass transit aid is to lessened, thus subsidizing the auto industry and furthering energy waste. Capital grants for new urban mass transit construction are to be viewed skeptically and such less capital-intensive means as car-pooling is recommended instead. "Improvements in intercity highways and widespread availability of air travel since 1960 have, in effect, eliminated the need for and utility of railroads," the OMB concluded. "While part of the country's heritage and history . . . [they] . . . have little place in a federal budget which is heavily in deficit." Each Amtrack train must meet stringent tests of operating cost effectiveness. Fares are to be increased sharply, subsidies slashed and marginal service chopped. "With the President's decontrol of gas and fuel prices, the cost of driving or flying will increase. Thus, Amtrack passengers are less likely to object to paying higher fares."

Many may have difficulty in noting dramatic change from Carter days (save perhaps in the deemphasis upon conservation) in public policy or in the impact upon their family budgets. But fleecing of the public by private enterprise is now elevated into high principle as well as practice. Gone is the lip service to populism. Where once much of corporate manipulation took place backstage—although admittedly the curtain was quite transparent, as for example, industry advisory committees, consultants and revolving door personnel controlling the work of nominally public agencies—now it is to be in the open. No ambiguity or conflict between development and stewardship is to hamper the efforts of the Department of the Interior. The public domain, comprising one-third of the nation's land area and containing perhaps one-half of remaining fossil fuels, is to be a supermarket for private leasing under this agency's sympathetic eye. **The potential for genuine competition or for public development of energy on a public timetable in harmony with the national interest is abdicated. This mortgaging of the nation's future becomes a subsidy of incalculable worth to private enterprise, once more in the name of freedom.**

For critics, his budget should exorcise the allures of soft and sunny paths inviting barefoot entry into the promised land of decentralized energy and government. It underscores the urgency for ending the acceptance of energy as a commodity, vulnerable to the profit collaboration of the international corporations and overseas producers. (See Robert Engler "Letting Big Oil Do It," The Nation, October 25, 1980.) Energy policy must be placed within the framework of a democratically planned economy whose budget is the product of public debate and control. This might be the beginning of a genuine economic reconstruction in which renewable fuels, manageable technologies and ecological principles are significant components. Such alternatives cannot bypass a sustained political challenge to military Keynesianism and to private power over energy and investment. That may come about only when enough people mobilize the political will to do so.●

CIVIL DEFENSE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. SKELTON. Mr. Speaker, recently, I had the opportunity to speak to a graduation class at the Emergency Management Institute at Emmitsburg, Md. I was most impressed with the career development courses offered as well as the professionalism that I noticed. While I was there, the graduating class presented me a resolution dealing with civil defense and protection of our citizens.

I insert a copy for the benefit of the Members of Congress:

EMI PHASE IV DECLARATION: PROVIDE COMMON IDENTITY FOR AND STRENGTHEN U.S. CIVIL DEFENSE EMERGENCY MANAGEMENT

Whereas current U.S. strategic military strength has limited deterrent value because the USSR knows Americans have inadequate Civil Defense, and

Whereas failure of the United States to maintain an adequate Defense has encouraged and failed to respond to the continuous buildup and preparations of the USSR to fight, win, and survive a nuclear war, and

Whereas the window of maximum vulnerability for survival of the United States and its people in a preemptive Soviet nuclear attack is over a period of the next 5 to 10 years, and

Whereas to reverse these conditions, adequate U.S. Civil Defense is required forthwith as an integral and vital part of national defense and survival, and

Whereas the New Administration is pledged to create a Strategic and Civil Defense that will protect the American people against nuclear war at least as well as the Soviet population is protected: Now therefore be it

Resolved by local and state directors and coordinators, et al. representing 46 jurisdictions and activities from 27 states here assembled (in the final Phase IV of professional career development in emergency management and civil defense) that our national leadership support the President's Platform Pledge and:

(1) Fund Civil Defense that will protect our people forthwith!

(2) Immediately implement the mandatory use of our easily identified, already available, universally recognized red, white, and blue Civil Defense logo at the federal, state, and local level as mandated by the U.S. Congress in the Federal Civil Defense Act of 1950, included in section 44 of the Code of Federal Regulations, Chapter 1, Federal Emergency Management Agency, section 306.3 (prescribed insigne) patent 129797 (United States Congress)!

(3) Adopt a singular, nationwide, common identification—namely the "Office of Civil Defense Emergency Management (OCDEM)" to be used by all Civil Defense organizations and relate to the full scope of our mission at the national, state, and local levels! OCDEM shall mean, on the national, state and local levels of government Civil Authority preparing for and the carrying out of the preparations for wartime, manmade, and natural disasters and abnormal emergencies, to save lives and protect property, and to restore normal activities as soon as possible.

(4) Strengthen U.S. Strategic and Civil Defense capabilities so as "to provide for the common defense" as mandated in the Constitution of the United States.●

HOPKINS APPLAUDS LEXINGTON HERALD

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HOPKINS. Mr. Speaker, the news media, rightly or wrongly, sometimes suffers labeling by politicians as being, individually, either a "Republican station" or "a Democrat newspaper."

One of my hometown papers, the Lexington Herald, is a self-professed Democrat paper, both in its editorial philosophies and political endorsements.

The Lexington Herald did not endorse Ronald Reagan in his bid for the Nation's highest office—yet, here we read an editorial that could have been written by any one of the Republican Members of Congress.

It says what the Reagan administration has been espousing for months: Many big spenders passed ill-conceived legislation that led to the belief Uncle Sam should provide for citizens' every whim. The editorial goes on to point out the so-called budget cuts will not gut programs, but they will merely reduce increases—and, on top of these reductions, the budget will still represent sizable increases in nondefense spending.

I enclose a copy of the editorial that appeared Thursday, April 2, 1981, in the Lexington Herald:

REAGAN'S PROGRAM: WILL SYMPATHY ACCOMPLISH WHAT POLITICS COULDN'T?

As soon as the agony of Monday was over, as soon as it became apparent that President Reagan was recovering from the wound afflicted by a would-be assassin, the speculation began. What effect would the incident have on the fate of the president's economic program?

In an effort to blunt the edge of the knife that's cutting into the budget, the myriad of special interest who benefit from government programs had lately increased their criticism of Reagan's proposals. Understand-

ably, however, the shots fired outside the Washington Hilton muted that criticism earlier this week.

As might be expected, there was an immediate outpouring of national sympathy for the wounded president. And, to go a step further, there must also be an increased sense of admiration and respect for a 70-year-old man who took a bullet in his lung, walked into a hospital under his own power, joked with physicians as they were about to perform surgery, and was back signing bills into law the next morning.

It is probable that the nation will feel more secure with Reagan after this uncommon display of coolness, physical toughness and, yes, plain intestinal fortitude—not to mention humor—in the midst of what must be the ultimate personal crisis.

Surely, none of this will be lost on the president's critics, on Capitol Hill and elsewhere. But how long their criticism will be suspended is uncertain. Equally uncertain is how much effect the episode will have on the economic package now before Congress. Rep. Charles Rangel, D-New York, a critic of that package, expressed his opinion that if Reagan's program passed as a result of the attempted assassination, it would have an adverse effect on the nation for decades to come.

Said he: "The sympathetic support is going to blur the real issues, the impact of the cuts, the inequities of the tax reductions."

Perhaps the attack on Reagan's life will speed the passage of his program; perhaps not. But if it does, it would be well for Rep. Rangel and others of his ilk to recall that the federal programs they now hold so dear were passed—in large part—by the wave of sympathy generated by the assassination of President Kennedy. Many of those programs, although designed with the best of intentions, proved ill-conceived. They led to the endemic belief that the federal government should provide for the every need of the nation's citizens—as the phrase has it, "from cradle to grave." That, in plain terms, is the erroneous belief Reagan is trying to rectify.

It would also be well for critics to be accurate in their criticism. The wailing and gnashing of teeth over so-called "budget cuts" that will "gut" programs is fundamentally misleading. Financing for very few programs is actually being reduced. The Reagan budget for next year—in non-defense spending—represents a sizable increase over the current budget.

What Reagan, in fact, did was reduce the rate of increase proposed in an irresponsible 1982 budget submitted by Jimmy Carter—a budget that would have raised federal spending by as much as $100 billion, and certainly would have raised everyone's taxes to pay for the ostentation.

Although many government programs would benefit from actual spending reductions—or outright elimination—all Ronald Reagan has done is attempt to restore some semblance of fiscal sanity, and apply the brakes to the rate of increase in spending.●

LETTER TO JESSICA

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. GREEN. Mr. Speaker, the holocaust was a horror and a tragedy of worldwide dimensions that can never be adequately described. Its totality is made up of millions of individual experiences of loss and survival. The central message we must all learn from it is that we must never forget what occurred so that the world will never allow another holocaust to happen.

This message of remembrance is most appropriately brought to us by the survivors of the holocaust, and their emerging second and third generation family members. I was particularly moved by a letter written by Rita and Steven Meed to their infant daughter Jessica which was reprinted in the Jewish Week-American Examiner just 1 year ago. Dr. Steven Meed is the son of Vladka and Benjamin Meed, with whom I have worked in my capacity as a member of the United States Holocaust Memorial Council and theirs as leaders of the Warsaw Ghetto Resistance Organization (WAGRO).

This letter beautifully illustrates the link that connects three generations of families affected by the holocaust—the survivors, their children, and their children's children. I am sure that Jessica Meed will treasure this as she grows older. I am very pleased to place this in the CONGRESSIONAL RECORD for the benefit of my colleagues.

A LETTER TO JESSICA

DEAR JESSICA: I'm writing to you, and to your brothers and sisters when, God willing, they join you in this world. I hope, on these pages, to put into words, the turmoil of feelings and expectations I have for you.

You were born a survivor.

I remember, just after you entered this world, I called home, "Mom, we just had a girl, and we named her for your sister." My mother began to cry and could not speak for several minutes.

When you were born, you brought back to life the names of both your grandmothers' sisters. And you were special, because your birth meant that there would be a new generation that stems from the survivors.

And, through you, you brought back to life the million of Jewish children whose lives had turned to acrid smoke and heaps of shoes before they could have grown and had their own children.

And my mind leaps back and forth, confusing the past with the present, until it is all part of the same blur.

When you eat, or cry out because you are hungry, I sometimes see the starving children of the ghettos, in the Umshlagplatz, on the trains to Treblinka, on the platform.

And when you don't eat, and leave your food untouched, I think of how such a morsel would have been devoured, or divided, in the ghetto.

"WHO WOULD HIDE US?"

And when you cry, or laugh out loud, I wonder what it would have done to you to stifle those noises.

And when I watch you sleeping, I wonder what it would be like to lose you. Who of our friends would hide us, who would take you in, could I abandon you to another family, or have you taken from me. . . . I could never, I would follow you to the trains.

But I forget, you do not know yet about the trains. . .

You were born a survivor.

And as you grow older, you will hear words like martyrs, and Holocaust, and kedoshim, and the Warsaw Ghetto. And there is no way to shield you from these words, for they are a part of your parents' life, as they are a part of their parents before them. You will grow up knowing witnesses of the Holocaust, your grandparents. Will you understand? Will there be horrors and nightmares?

"Daddy, wake me. There are Nazis in the room!"

How will I teach you about the Holocaust, and when should I start, and why should I bother at all? Shall I impose it on you, or shall I wait until you come to me and ask?

But, what if you never ask me?

"HOW CAN ONE BE GENTLE?"

No, I cannot wait to tell you, although I will try to be gentle, if I can. However, how can one be gentle, when talking about such awesome destruction? Nevertheless, learn of the Holocaust you shall, for it is in your family, and is a part of your heritage.

Jessica, you shall be here, God willing, throughout this century, and well through the next. And it will become your responsibility in turn to be witness. A witness to the survivors. A witness to the witnesses.

At a time when the Holocaust will be mythologized, or worse yet, forgotten, you will be able to say,

"My grandmother was there. It was real. It happened."

And perhaps, if we are fortunate, you will retell the stories of heroism, and note with pride how the Jews helped each other, and remained human, and went through a hell and how the survivors then rebuilt their lives, and gave us life.

Because, Jessica, I am very afraid it will all be forgotten.

You will ask, as all children do. Why?

Why did these people hate the Jews?

Why were they killed?

Why must their memory be kept alive?

Then, I cannot answer you with logic. Words and thoughts fail me.

I can only answer. Because it must be done. Because the six million were our family. Because they were our cousins, and aunts and uncles, whom you will never have. They were a rich and complex cultural life that you will never appreciate, because it is gone.

Because they spoke our language, Yiddish, which you will not speak. And our literature, and art, and history, and ideals. Your very heritage, which was torn away from us.

RICHNESS OF OUR LEGACY

And you shall receive, as the family heirloom, not a set of Sabbath candlesticks, for none were saved, but the whole richness of our people's three-thousand-year-old legacy. And because you touched those that were there, your grandparents, and were touched by them, yours is a richness that others may not feel. It is yours to share in, and to share with others.

You were born a survivor.

And yet, when you come of age, the sense of loss will be greatly diminished. You will not be so very different from the others around you, for you will come into a world of family. Your great-grandfather held you, and already you have cousins and uncles and aunts.

The severed twigs of Jewish life put down their own roots, and grow and flourish.

The differences from other Jews and other people that your parents felt, and your grandparents lived with, that your

great-grandparents died for, with their children. These differences may not be important to you.

Your grandparents hoped that through their children, the scattered remnants, the Shearith Haplaita, would survive. And your parents hope, that through their children, the Jewish people will survive.

And here, Jessica, are my fears.

That you will be a good person, of this I have no fear.

That your life will be a long and happy one. I can only hope.

But that you remain a Jewish daughter, and in turn raise your children as Jews . . . that, dear Jessica, I worry for. For what will Judaism mean to you? How will it be desirable enough, and attract enough, and important enough, for you to cherish it and pass it on to your own children?

NO QUESTION OF IDENTITY

How shall I transmit it to you, for it to have meaning. For me it was easier, for I am the son of survivors. There was no question of identity. I was Jewish. My parents were Jewish, they had nearly been murdered, because they were Jewish. Their families were murdered, because they were Jewish. And they spoke Yiddish, as my parents' friends spoke Yiddish, and I and my friends spoke Yiddish.

And as we grew up, we discovered that we may be the last of the Yiddish-speakers, the remnants of East European Jewry, and that we had a special responsibility, to preserve Yiddish, and Jewish life.

Some of us did, but most of us did not.

And you were born a survivor, a member of the family of the Shearith Haplaita.

But if you are to remain a survivor depends on two things:

How well I can instill in you a reverence for your heritage and your people.

And after I have done all that I can,

What you then do for yourself.

Jessica, and my other children, my hope is that when you are older, and read this, it will make sense to you. For it is only through you, that we, the survivors, can ever survive.

With our love,

YOUR FATHER AND MOTHER.●

HOUSE HONORS FEDERAL EMPLOYEES

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. BARNES. Mr. Speaker, yesterday the House of Representatives took a very rare step. It passed a resolution to honor three dedicated Federal employees who performed in an exemplary manner during last week's near-tragedy outside the Washington Hilton Hotel. Given the current climate of opinion regarding the Federal work force, I think it is useful for Members of Congress to realize just how important public service is to the operation of the Government. And it is also inspiring to see that, despite the cheap shots and political rhetoric at their expense, there are still examples of courage, dedication, and professionalism within the ranks of public employees.

Mr. Speaker, I include in the RECORD a recent Washington Post column by Mark Shields which makes this point very well:

[From the Washington Post, April 4, 1981]

Very Special Agents

(Mark Shields)

Jerry S. Parr, 50, lives in Gaithersburg and works in Washington. For the past 18 years, he has been a Secret Service agent; for the last two of those years, he has been special agent in charge of presidential protection. That was Jerry Parr, on Monday's videotape, thrusting himself into the line of fire so he could shield the president and shove him into the limousine.

Timothy J. McCarthy, nine years in the Secret Service and only 31, was the agent who immediately occupied the position between the president and the gunman. He assumed his post and absorbed a bullet through his liver.

In 17 good years on the Washington police force, Thomas K. Delahanty, 45, has earned a file full of commendations as well as the respect of his colleagues. While protecting the president of the United States, he was hit by a .22 bullet that had to be removed from his neck, not far from his spinal column.

The medical reports are encouraging. Both McCarthy and Delahanty, like press secretary Jim Brady and the president himself, are doing better than was at first expected. Maybe, we have begun to hope, after the suffering they and the rest of us will be able to celebrate their survival and recovery.

That's the way it was last January when 52 Americans returned home after spending two Christmases in cruel captivity. After their suffering, there was a celebration filled with fitting tributes to the patriotism and the guts of those Americans who had persevered. Those deserved testimonials must have been especially welcome to the men and women of the career Foreign Service. Foreign Service personnel have had very little experience in accepting public praise. Ridicule and mockery have been their regular fare: the cookiepusher and striped-trousers set are not spoken about respectfully.

For some reason, we have overlooked the one demographic characteristic shared by 51 of the 52 repatriated Americans with Jerry Parr, Timothy McCarthy and Thomas Delahanty. It has nothing to do with race, region, religion or reading scores. Most generations and both sexes were represented in this very non-homogeneous group of 54 American heros. All of them, of course, did their jobs. They fulfilled their responsibilities, and then some. And each and every one of the 54 is—are you ready?—a public employee.

Public employees—that indolent subspecies that candidates and commentators love to attack. You know the mindless public employees: You could line up an office full of them and clean their ears with one long Q-tip. Over and over we have been told that if public employees are not incompetent, they are indifferent and surly. And if they are not mindless sloths, then they have to be zealous meddlers, feverishly regulating American business right out of business. You've read of them, those faceless bureaucrats who've never met a payroll.

It's been a long time since any politician talked publicly the way John Kennedy did in his first state of the Union speech, when he said: "Let the public service be a proud and lively career." Not many of today's winning candidates borrow that line from JFK. In fact, along with WASPs, public employees must be the last remaining group in our society without its own anti-defamation department. Both those groups are attacked with regularity and without fear of reprisal. If half the things muttered about public employees were spoken about any religious or racial group, the speaker would be dismissed as a hopeless bigot.

So what of the 54? Are they simply rare exceptions? Then so, too, must have been Col. John Glenn, Sen. Arthur Vandenberg and Gen. George Marshall because they were all public employees. Dwight Eisenhower was a public employee and so was Warren Christopher when he negotiated freedom and so was Secret Service agent Larry Buendorf on Sept. 5, 1975, in Sacramento when he took a Colt .45 away from a Charles Manson disciple who was trying to murder President Ford.

Of course, there are indifferent, incompetent and surly public employees. Too many of them in fact. But surliness and incompetence are not entirely alien to our vaunted private sector either.

The next time we see a picture of a fire fighter risking his life to save a child or hear about a government worker's risking her career to blow the whistle, let's remember that both of them are public employees. And the next time someone starts in with the predictable blanket indictment of public employees, simply remind him of three names he should recognize: Jerry Parr, Timothy McCarthy and Thomas Delahanty.●

A LIFETIME OF CARING

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. YOUNG of Florida. Mr. Speaker, occasionally you get to know someone you want to tell the whole world about. Someone who contributes more to life than they get out of it or someone who dedicates their every effort to others without regard for their own personal well being.

I have known someone like that for years. Her name is Louise Graham and she is from St. Petersburg, Fla. She is 78 years old, has the energy of someone 20 years younger and until recently, nobody outside her neighborhood knew of her accomplishments. My local newspaper has recently published a story by Bettinita Harris entitled "A Lifetime of Caring." It is about Louise and her lifelong dedication to retarded children in my community. I am submitting the text at the end of these remarks for the benefit of my colleagues.

Louise has been a real inspiration to me and her efforts on behalf of those retarded children in St. Petersburg who need help is a living memorial to all who see wrong in this world and try to right it.

[From the St. Petersburg Evening Independent, Jan. 26, 1981]

A LIFETIME OF CARING

(By Bettinita Harris)

She has served the dependent, the defenseless her entire life. Working for their needs. Caring when no one else did. And nothing, absolutely nothing, has been expected in return.

Mrs. Louise Graham sits comfortably on her enclosed front porch, occasionally tugging at her blue sweater—tugging, the way one does when comfort is trying to be obtained.

Her hands, her face, her body have been whittled into a woman of 78.

She reaches over to the divan, picks up a photo album and places it on her lap. Handling the album as a loving mother handles a newborn babe, Mrs. Graham slowly turns the pages.

As she looks at the pictures, memories of her work with the mentally retarded, the blind are conjured, transforming her face into a picture screen that reveals her life as Florence Nightingale.

"When I look over my life, I just don't see how I did it," Mrs. Graham says, looking up from the album. "I've waded through the mud; I got tired plenty of times. But, I have a great Teacher and a great Doctor up there. Every time I needed just a little more strength, I reached up and grabbed it."

It was one day in 1952 that Mrs. Graham visited her husband's (the late Grant Graham) cousin at American Legion Hospital for Crippled Children (now All Children's Hospital). When she walked onto the ward for black children, she noticed none of the children's hair had been combed.

"I combed everybody's hair and cleaned them up. I made up my mind I would be there every Sunday to clean them up and take them into the recreation area of the hospital."

"I am only one. But still I am one. . . ."

For more than a decade, she juggled her life, Taking care of her own three children. Working as a hotel maid. Attending classes at Gibbs Junior College. Volunteering at the hospital. Running her workshop.

One day Dr. Joy Adams, hospital director at that time, summoned Mrs. Graham into his office.

"Louise," he said, "I have a name I want to call you because of the work you're doing for the hospital. It's corny, but, I'd like to call you Florence Nightingale because you're doing what she has done."

She pauses for a moment with staring eyes, as if her mind were rewinding film on a projector in an attempt to relive the scene. Suddenly, she fast-forwards and continues turning pages.

With the help of Dr. Adams and local funeral directors, the Florence Nightingale Circle Inc., a volunteer service group that functioned at the hospital, was formed.

"By that time, I was going to the hospital two and three times a week. This lady I used to work with at the hotel asked me, 'Why are you always running up to that hospital doing all that work and not getting paid?' "

She folds her arms and shakes her head in disgust. Anger temporarily flashes across her face.

"They need me there," Mrs. Graham recalls telling the woman. "When it's my time to go down there—I'm going. I'll quite this job before I quit the one at the hospital."

She chuckles briefly and tugs again at her sweater. Puts the album on the divan. Picks up a stack of papers yellowed by years and places them on her lap.

"When Jesus left here, He left a job for us to do," Mrs. Graham says. "He said He'd send the Comforter. That Comforter is the Holy Spirit. The Holy Spirit has guided me and led me to help my children."

". . . I cannot do everything. But still, I can do something. . . . "

In November 1964, Dr. John Presley, then director of Sunland Center at Fort Myers, was speaking at a meeting of people who were interested in helping retarded persons.

In the crowd was Mrs. Graham.

Presley told the crowd his definition of a workshop.

"Take a table, two chairs, two children. Put something on the table for them to make. Show them how to make it. After they have done it, you have a workshop. If you can sell what they have made and give the children part of the money, you really have a workshop."

"I knew a lot of families who had retarded children," Mrs. Graham recalls. "(The children) sat at home all day long. They weren't doing anything.

It wasn't long after that meeting that Mrs. Graham cleaned out her garage to begin the Louise Graham Shelter Workshop. Two or three days a week, mentally retarded children—some nonverbal and not toilet trained—would gather in Mrs. Graham's garage for arts and crafts.

"There are so many people in the world who think retarded people's lives are finished. Life is not over for these people. They just need somebody to stop and help them."

When word of Mrs. Graham's work spread, more people started attending her workshop.

"We had to move many times over the years," Mrs. Graham says, looking through her papers. "I remember one Christmas when we were at the YWCA on 15th Street. They were having a big to-do and they told me, 'Mrs. Graham you're going to have to find somewhere else to go. If people came in and saw those kids they would be scared.' "

Mrs. Graham didn't utter a word. She gathered her things and left.

"People just don't understand. These people want to be loved just like anybody else."

The workshop has moved to several locations for one reason or the other. At one point, Mrs. Graham found her workshop back in her garage.

"I didn't stop. I kept going."

Mrs. Graham became director of the playground recreation program for the handicapped for the St. Petersburg Summer Enrichment Program in 1962. She was an active member of the Pinellas County Association for Retarded Children and Adults. She worked with the Florida Council for the Blind in setting up an educational recreation program for sightless children and adults.

"People told me I should stop. Sometimes I thought I couldn't go on. Just when I thought I was at the last, my strength was renewed. I couldn't stop; they needed me."

In September 1974, Mrs. Graham had a stroke that left her temporarily paralyzed on her right side.

"The doctor told my family I wouldn't live past January 1975 (the same year Florence Nightingale Circle Inc. found a permanent home at 1885 11th St. S). Well, it's 1981, thank God, and I'm still here. The doctor told me to ease up and I have. I am 78 years old. Seventy-eight years old. But I'm still going," says Mrs. Graham, president emeritus of the circle which is a development training program that provides the facilities to help 62 mentally retarded adults.

Over the years, Mrs. Graham has accumulated numerous awards for outstanding civic work. She received a sterling silver charm bracelet for over 40 years of service as a deaconess at the Bethel Metropolitan Baptist Church.

"I have plenty of these awards from different organizations," Mrs. Graham says, carefully sorting the stack of papers lying on her lap. "It's nice. It shows that people appreciate you.

"Some people like to say, 'I've got this and I've done that.' I don't like to do that. I don't like too much praising and publicity. I want people to do.

"So many people have told me that I've done so many things. But, I didn't do it. If it hadn't been for the help of people in the community, I couldn't have done a thing.

"I know that I'm going to close my eyes one of these days. I don't always think or talk about it. But, I keep telling the people who are interested in the mentally retarded that the work must go on, the work must go on.

" '. . . And because I cannot do everything, I will not refuse to do something I can do.' "

—Edward Everett Hallis.●

SMALL BUSINESS MOTOR FUEL MARKETER PRESERVATION ACT OF 1981

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. ATKINSON. Mr. Speaker, I would like to commend my colleague, BERKLEY BEDELL, for holding hearings on the Small Business Motor Fuel Marketer Preservation Act, H.R. 1362. The need for these hearings and for this legislation is clear from any analysis of retail gasoline market trends. These hearings are even more important now that the recent decontrol of oil and gasoline prices is likely to create greater market upheaval and squeeze many of the owner-operator service stations out of business.

It is important to note that most owner-operated retail gasoline stations are small businesses which are run by local businessmen, and as such are responsive to the needs and trends of the local community. They generally provide personalized service and as such are exemplary of the spirit of private initiative and personal financial risk which typifies small businesses across the country.

In the last decade, these small businesses have been gradually squeezed out of the retail gasoline market. They have had to compete with stations owned by their own suppliers, the refiners and major oil companies. They are placed at an immediate disadvantage since the major oil companies control entire vertical portions of the market from oil wells to pipelines to refineries to gas stations. To make make matters worse for the independ-

ent gasoline retailer, the refiner-owned stations can squeeze the small businessman out of the market by predatory pricing practices and by disrupting supply of gasoline to the independent retailer. This is exactly what has been happening since 1972, in which refiner-owned stations have increased their share of the market threefold.

The recent decision to decontrol prices of gasoline was accompanied by announcements by many major oil companies that they will discontinue supplies of gasoline stock to independent dealers in entire regions. This will put even more independent retailers out of business.

I urge swift consideration of H.R. 1362. This legislation will prevent this continued restraint of trade by requiring the 16 major oil companies to divest their holdings in retail gasoline sales. It will provide Small Business Administration loan guarantees for purchase of the divested stations by local businessmen. It will also prevent predatory pricing and supply disruptions from putting too many more independents out of business. Enactment of this needed legislation will be a great benefit to the free market system and to the consumers of America.●

WORLD FOOD DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. GILMAN. Mr. Speaker, today I am joining with my colleague, the distinguished gentleman from Illinois (Mr. SIMON), in introducing legislation commemorating October 16, 1981, as World Food Day. I would also like to take this opportunity to commend the gentleman from Illinois for his long record of commitment and hard work toward alleviating the problem of global hunger and malnutrition; a record which has served as an inspiration to me and to many of our colleagues.

I would also like to commend Ms. Patricia Young, coordinator, National Committee for World Food Day, and chairwoman, board of directors, Community Nutrition Institute, and other individuals and groups working with the committee who have joined together to raise public awareness about chronic hunger and malnutrition.

In my work as member of the House Committee on Foreign Affairs and the Presidential Commission on World Hunger, I have come to recognize the many dimensions of the critical hunger problem which plagues lives of hundreds of millions of individuals throughout the world and bears directly on the security of our Nation and the international community.

I have come to learn also that central to developing a comprehensive strategy to alleviate world hunger and assist developing nations in advancing on the road to self-reliant, self-sustaining development is the need to increase public awareness about this problem.

Two public opinion polls conducted for the Presidential Commission on World Hunger demonstrated that the American people show strong support for maintaining and even increasing U.S. assistance to the world's hungry. These public opinion surveys indicated, however, that there is a need to educate the American public about the complexities of hunger, the scale of the problem, and the realities of U.S. involvement, because hunger seldom captures widespread public attention except in times of crisis or dire emergency.

I am confident that World Food Day and the related programs undertaken to inform the American public about global hunger and malnutrition will make a significant contribution to our public education effort.

Accordingly, I urge my colleagues to support this legislation commemorating October 16, 1981, as World Food Day, and I request that the full text of this measure be inserted at this point in the RECORD:

H.J. RES.—

Joint Resolution to authorize and request the President to issue a proclamation designating October 16, 1981, as "World Food Day"

Whereas hunger and chronic malnutrition remain daily facts of life for hundreds of millions of people throughout the world;

Whereas children are the ones suffering the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physical or mental impairment, including blindness, because of vitamin and protein deficiencies;

Whereas, although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably among native Americans, migrant workers, and the elderly, remain vulnerable to malnutrition and related diseases;

Whereas the United States, as the world's largest producer and trader of food, has a key role to play in efforts to assist nations and peoples to improve their ability to feed themselves;

Whereas a major global food supply crisis appears likely to occur within the next twenty years unless the level of world food production is significantly increased, and the means for the distribution of food and of the resources required for its production are improved;

Whereas the world hunger problem is critical to the security of the United States and the international community;

Whereas a key recommendation of the Presidential Commission on World Hunger was that efforts be undertaken to increase public awareness of the world hunger problem; and

Whereas the 147 member nations of the Food and Agriculture Organization of the United Nations designated October 16, 1981, as "World Food Day" because of the need to alert the public to the increasingly dangerous world food situation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 16, 1981, as "World Food Day", and calling upon the people of the United States to observe such day with appropriate activities.●

THE CONSEQUENCES OF THE REAGAN DEFENSE BUDGET

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. CONYERS. Mr. Speaker, the defense budget proposals of the Reagan administration have to be carefully examined in terms of their impact on inflation, the potential squeezing out of capital investment funds needed in the civilian economy, and the accelerating cost over the next several years to the Treasury.

There has been too little attention paid to these defense proposals, and I recommend that my colleagues take a close look at the following analysis of the Reagan defense budget written by Marcus G. Raskin. Mr. Raskin is a cofounder of the Institute for Policy Studies in Washington, D.C., author of numerous books including the "Politics of National Security," and a lifelong student of defense and foreign policy issues. The following analysis, "The World Policeman Defense Budget," is part of a larger study of the Reagan budget that was commissioned by the Institute for Policy Studies:

THE WORLD POLICEMAN DEFENSE BUDGET

The Reagan administration's defense budget is an astounding document. Those who had hoped that Caspar Weinberger, known as Cap the Knife when he was Secretary of H.E.W. under Nixon, would exercise a conservative restraining hand on the Defense Department's claims for the tax dollar, have been sorely disappointed. Cap the Knife became Cap the Swordsman, sabre rattling, using statistics comparing Russian-American defense expenditures in an irresponsible way (the Russians spend 50 percent more than we do in American dollars as if such comparisons can be made) and fueling the juggernaut of war preparation without purpose or need. In fiscal year 1982 the average family of four will pay $4,000 in taxes for the defense system. By fiscal year 1984 the Department of Defense will spend 32.4 percent of the total U.S. federal budget. This doesn't include other national security items which will bring expenditures up another 15 percent of the budget.

In his testimony before the Senate Armed Services Committee The Swordsman informed us that we can no longer "afford to temporize any longer in the face of Soviet threat; the time for taking our time (in

building up war preparations) has ended." The Reagan administration's language on defense spending has hit a note of hysteria which is reminiscent of the worst drum beating one found among cold war liberals during the Eisenhower and Kennedy administration. Gone is the approach of President Eisenhower, who both knew the limits of power and the enormous costs to a military strategy which assumes that anything and everything can be done. And gone is the language of deterrence and the technocratic language of the defense intellectual now to be replaced by belly bumping with the Soviet Union. Says Weinberger, we intend to have a defense strategy "which permits us to take full advantage of Soviet vulnerabilities." And we intend to reinforce our presence all over the world for our "interests" and those of our allies and friends. We intend to be present in the Gulf and in Southwest Asia. Apparently the Reagan Administration seeks to maintain military loyalty by overthrowing virtually all restraints and talk of prudentiality in the use of force.

For purposes of grounding one should remember the debates on the defense budget and the American military stance in the world. At the tail-end of the Nixon Administration and the beginning of the Ford Administration the Department of Defense sought to increase its counterforce capability while controlling its appetite for expenditures on the limited war level. This restraint lasted approximately 18 months. The reason for restraint is well known. The military thought that after having lost the war in Viet Nam, being unable to field an armed force because of rebellion in the ranks of the army and navy a non-interventionist Congress would not take kindly to strategies that seemed grounded in American military involvement around the world. The political highpoint of defense modesty occurred during the Carter campaign of 1976. In the primary Carter took the line that $15 billion should be cut from the defense budget. When he became president Carter concluded that a seven billion dollar cut, which he had advocated in his election campaign was not appropriate. By the time he left office Carter had moved from a three percent a year absolute increase in the defense budget beyond inflation (negotiated with the Joint Chiefs of Staff) to a five percent a year increase beyond inflation.

This number was politically derived through a deal which Carter thought he had cut for support of the SALT II treaty with conservative senators who fenced with him and said that this would be their price for support of SALT.

Under Harold Brown's direction the defense capability increased from 13 to 16 army divisions, from 22 to 26 tactical air wings. Then U.S. increased its troop strength in West Europe by 44,000. It moved as quickly as the human, industrial and technological resources allowed in increasing nuclear weapons production a day to six, building the new Trident submarine, Trident I and II missiles, the development of ground launched Cruise missiles and the MX.

The final Carter Defense Budget projected a trillion dollars to be spent over five years for military weaponry, procurement, and staffing of the Defense Department. Not exactly peanuts. It now appears that missiles, tank and aircraft carriers wrapped in jelly bean coating are easier to eat and indeed even more of them can be swallowed then those found in peanut shells.

The Swordsman put it this way to the Senate Armed Services Committee:

"Mr. Chairman, we are asking for a supplemental appropriations of 6.8 billion dollars in Total Obligational Authority (TOA) for FY 1981 and a 25.8 billion dollar amendment to the FY 1982 budget request for TOA. These represent increases of four percent and 13 percent, respectively, over the budget and the program we inherited. In terms of real growth, our 1982 budget request is nearly 15 percent over the revised 1981 level. Included in these totals are 2.3 billion dollars for FY 1981 and .9 billion for FY 1982 that we estimate are necessary just to fund the programs in the Carter Budget."

With this budget the Reagan administration seeks to "augment or accelerate ongoing programs, change the current force capability in prepositioning, sea lift and replenishment, communications and electronics." The Swordsman says that the immediate readiness for war-capability will cost 2.8 billion dollars in FY 1981 and 8.7 billion dollars more in FY 1982. These funds include having on hand resupply equipment and stocks "for prepositioning or for foreign assistance." The funds will stop the age-old system of cannibalizing "some equipment to keep other equipment operational."

In other words, while due obeisance is paid to securing the efficient use of material and men, The Swordsman and The Communicator will be unintentionally encouraging waste and duplication of military equipment. The Air Force will also have its readiness inititatives which are to be increased by one billion dollars in FY 1981 and 2.7 billion in FY 1982. When we examine the actual expenditures, whether they are for airlift forces, or to procure war reserve munitions spare parts, or to dust off two battleships and one carrier, filling the so-called power vacuum in the Indian Ocean, or to build another 8600 tactical wheeled vehicles in the 1¼ ton range or to increase the number of M-1 tank production to 90 per month by 1985 or an additional 1.0 billion made available beyond the accelerated production of A-6e, f-1, 4 ch-53Es and P-3c, etc., one should be fully aware that this conservative administration is riding the Trojan horse of military Keynesianism. What cannot or won't be done through either transfer payments to achieve some measure of redistribution and fairness in the society, or what would not be done through full employment measures or public enterprise, (the actual and correct way to attain more supply and public participation in production), the cold war system of ballooning the arms budget is being used as a way of keeping a level of unemployment from growing. As The Swordsman disingenuously put it, "Therefore, the largest increases we are seeking are for modernization—2.0 billion in FY 1981 and 13.7 billion in FY 1982. This intensified modernization effort is the Defense Department's contribution to the revitalization of our industrial base." (emphasis added). By increasing the defense budget over 15% in one year, it will be possible to co-opt some labor unions, corporations and military scientists in the enterprise as the rest of the economy is cut to ribbons. It goes without saying of course that this policy is inflationary. The more goods and human resources which are made available to the military will inflate the price of similar goods and services to civilian buyers. As the Wall Street Journal wrote in a somewhat nostalgic article in 1980, "Defense spending * * * is the worst kind of government outlay, since it eats up materials and other resources that otherwise could be used to produce consumer goods."

The Reagan Administration is in effect making the same mistakes of the Johnson-Charles Schultze budgetary policies during the Viet Nam war. In that case Johnson refused to raise taxes or issue controls in a period of high defense spending. That error began the era of high inflation, unbalanced budgets and misallocation of expenditures and resources between the public and private sectors. A return to an international belly bumping strategy will adversely affect the American economy and security just as it did during the Viet Nam war. Why is this strategy being pursued?

The Reagan Administration views the Soviets as weak, and that in any face-downs the United States will be able to re-establish itself uncontestably as the premier power. It is thought that through confrontations it will also bring together greater dependence of various nations on the United States, especially those in the alliance. Futhermore, the U.S. is again toying with the rollback strategy as a means of getting the Soviets to give the United States a free hand in Latin America namely with Cuba. Cuba is the major target of American national security policy among the Right and under a sphere of influence theory the Reagan Administration believes that Russia would "trade" Cuba for Poland. Whatever the various likely scenarios or bureaucratic impulses which occur over the next several years each one of them calls for a much larger defense and national security budget on every level of the volume spectrum. Thus, there are substantial increases for the purpose of carrying out a counterforce strategy, which is objectively unattainable, but subjectively will give courage to some in the Administration and the Senate to carry out more extensive military activities in the Third World. There is emphasis on rapid deployment to ensure ideological regularity and a new emphasis on a worldwide base system to protect access to oil and other strategic materials.

It is worthwhile to note that the strategy and national security budgets now fostered by the Republicans fly in the face of most conservative thought and practice about arms spending. It may come as a surprise to liberals and radicals, but conservatives feared that large defense budgets would destroy capitalism without war. This was the major reason that Herbert Hoover favored and initiated disarmament talks in 1930. A generation later at the close of the Korean war Senator Robert Taft of Ohio insisted to Eisenhower and his cabinet that the defense budget be cut to approximately 16 billion dollars. Taft believed that large defense budgets give people in power ideas of things they can do with force which the Korean war showed could not be done.

Senator Everett Dirksen urged that the U.S. limit military activity abroad by relying on proxies.

It does not matter what it is called; the fact of the matter is that the defense budget, the war preparation motion, is a worldwide calamity which must be interrupted as quickly as possible. The present defense budget is a hopeless drain on the American economy, and will conspire to get us into war because of the cost of keeping such a huge weapons and force structure. (We should not forget the fact that one reason nuclear weapons were used by the U.S. on Japan was fear of Congressional reprisal for having spent $2 billion on nuclear weapons research. As James F. Byrnes

said, such an expenditure would not have been understood if they were not used.) The Reagan budget's increases in military assistance accompanied by attitudinal shifts puts us into being hostage to other nations. The signals that are passed by Reagan and Haig are clear and unmixed. Under the guise of anti-terrorism the U.S. will back every tin horn dictator that waves the flag of anti-Sovietism and militant authoritarianism. A whiggish sensibility should tell us that it is enough to say "no" to a defense budget which generates such imprudence.

But to say "no" we should proceed with a limited and clear strategy of national security and defense which is consistent with U.S. needs, international law and equity, ever mindful that other nations have expansive tendencies and who are prepared to use the fig leaf of socialism or liberation as their cover.

In the past few years various defense budgets have been presented as alternatives to the consistent increase of arms spending. These alternatives have usually been predicated on a view of strategy which assumed the use of nuclear missiles and weapons as a deterrent force, (in 1960 it was believed that 100 missiles were enough to deter the Soviet Union). These budgets also assumed that the United States was locked into a trigger defense of NATO and West Europe. Now, however, there is considerable question whether the United States can or should defend West Europe against Soviet attack.

West Europeans favor a détente with the Soviet Union and do not have much of an interest in accepting American Pershing and Cruise missiles. One reason is that they view this "gift" as a not very subtle plan to exclude the U.S. from strategic war with the Soviet Union. They have also shown little interest in raising their defense budgets. (Apparently the Danes, French, Germans, Norwegians, etc., have less of a flame for freedom than does the United States.) In the United States there are those who now argue that the United States should no longer hold the same premises of defense of West Europe, first because of its cost and second because the United States has other interests in the Third World which it has to defend. One national security analyst, William Hauser has said, "If we want worldwide capability, we are going to have to reduce our forces in Europe. We deployed them in 1949 to protect a war prostrated West from the Soviet Union's massive armies. That forward, linear strategy which made sense then has become nonsense in the face of European strength and Soviet global mobility."

For other reasons non-interventionists support the view that Europeans within the context of arms limitations agreements should pick up much more of the costs of their own defense. Present U.S. defense costs for NATO are computed at $65 billion a year by the Institute for Policy Studies' Budget Study Group.

The non-military interventionist position is predicated on a reversal of the present national security policy. It decries the braggart and the foolish. It does not assume that we would keep other nations guessing about our intentions as if we are hysterics, bullies or cowards. It is also predicated on a truth that is often forgotten in the making of policy and defense budgets. It is that nuclear war and war itself is an excrescence of civilization, not its highest point. It is also predicated on the belief that each particular conflict in the world should be used as a basis for developing a "common law" of how to deal with conflict through international organizations that do not spur military conflict. Finally, a prudent national security system is predicated on the idea that people have more to do with their lives than sizzling in nuclear war or frittering them away in preparing for war with a projected Department of Defense military budget in FY 1984 that will reach $249.8 billion. Whether one believes in more or less public spending, the first task is clear. We need a new set of precepts and a more clearly defined mission for our military forces.

The first precept is that a national security policy for the United States must defend its land, people and institutions. Second, the U.S. cannot assume that military alliances should remain in tact. Shifting alliances always occur among nation-states. Consequently, the U.S. would do better to understand the importance of limiting its military commitments to alliances. It should move to reconstitute a Military Committee of the UN to prepare a world security arrangement. Meetings on a transnational level should go forward to limit the spread of official and unofficial terrorism, the arms race and arms shipments.

The third precept is to understand that the national security policy is not a secret play activity of a ruling group held together by narrow economic interests or Manichaean fantasies of good and evil.

If these precepts are followed the defense budget can be trimmed since it will fit into a prudent view of U.S. aims in the international arena. Civilians will not make impossible demands on a military that will fail because of imperial burdens the citizenry will not support.

Should the U.S. have bases abroad and if so must they be paid for by the U.S. if the purpose of these bases is to defend others. For example, should the U.S. continue its bases in Korea and the Philippines? The U.S. would save between one and three billion a year if it cut its military presence in South Korea and the Philippines.

European nations are in better shape to shoulder the defense burden than the United States. If there is no interest then there should not be such interest from the U.S. The savings in terms of changing the alliance structure would be mammoth.

Finally, there are other budgetary limitations that should be made in any case:

1. Excess defense profits tax with strict profit limits on defense contracts.

2. No corporation to pay more than a GS 18's salary for those involved in defense contracts. Thus, no defense corporation's salary schedule should be beyond the GS scales.

3. Analysis of the armed forces reserves with a view to stabilizing their size and not using this system as transfer payment supplement.

4. The present costs of energy use by the Pentagon is 9.3 billion dollars. The federal government should be its own supplier through a government owned energy corporation. In the meantime two savings have been put forward. Cheaper fuel and reduced thrust takeoffs.●

TALKING TO JACK ANDERSON

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. McDONALD. Mr. Speaker, some of our newer colleagues may be unaware of the dangers in talking to Jack Anderson or one of the strange creatures employed by him that visit congressional offices. Those of us who have been here for some time know that Anderson does not interview someone to get a story, as would be done by a responsible journalist, but instead uses the interview as a fig leaf to cover an already written story.

A classic case of this technique appeared a few weeks ago under Anderson's byline in Parade magazine. Anderson interviewed the daughter of the late Senator Joseph McCarthy. His pretense was a desire to obtain her views on the father that had died when she was a little girl. The article as written contained little of her views. Instead, Anderson used the opportunity to regurgitate his oft repeated attacks on Senator McCarthy. These ranged from the usual misstatements about Senator McCarthy's fight against communism to a charge that he died of alcohol abuse. As a medical doctor with considerable experience in surgery, I can tell you that the operation performed on Senator McCarthy would not have been undertaken if there had been evidence of liver damage from alcohol abuse.

Jack Anderson used to parade himself as a friend of Senator McCarthy. He boasted that he had been a guest at the Senator's wedding. The character of this man, Anderson, can be judged by his betrayal of the trust placed on him by the young daughter of the late Senator.

Those of my colleagues who have been with me in the House for the last 6 years will remember that I have had occasion in the past to reveal much of the unsavory record of Jack Anderson. His lies, his wiretaps, his burglary of the office of a U.S. Senator, and other such activities have been laid out in considerable detail. And, it is no surprise to anyone when Anderson uses the technique of an "interview" to hook on a previously written false story. However, this Member of Congress would like to express the strongest indignation against Anderson's abuse of the trust of the young daughter of the late Senator.●

HUMAN RIGHTS IN ARGENTINA AND REPEAL OF 620B

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. BONKER. Mr. Speaker, several weeks ago the Reagan administration announced its intention to ask Congress to repeal section 620B of the Foreign Assistance Act, which prohibits assistance and sales of military equipment to Argentina. This approach is in line with numerous state-

ments of the administration that American foreign policy priorities are being reversed—human rights being demoted and antiterrorism being promoted. What that really means is that some totalitarian Communist regimes will be publicly criticized but authoritarian governments of the right will be wined and dined at the White House. The danger in this course of action, which is morally wrong and politically unwise, is that we will be perceived as good friends and allies of repressive regimes around the world; for example, Chile, South Africa, South Korea, and now Argentina.

In 1977, sanctions were applied to Argentina for a reason. There were extremely serious violations of human rights in that country. Since the military seized power in 1976, approximately 15,000 people have been victims of involuntary disappearances. On numerous occasions I have met personally with the anguished families of the disappeared. All they ask for is news about their loved ones. But the only response has been silence, cruel ridicule, intimidation, and more repression.

It is reasonable to assume that at some point sanctions in most situations must come to an end. The question is, Have we reached that point in regard to Argentina? In my judgment the answer is a resounding "No." I will continue to oppose any policy that alines the United States with a regime that practices, aids, and abets state terrorism.

If Reagan administration officials had read the report on Argentina in the State Department's country report on human rights practices; if they had read the reports on Argentina by the Nobel Prize winning organization Amnesty International; if they had read the report of the United Nations Human Rights Commission working group on disappearances; if they had read the 266-page report on Argentina by the Organization of American States' Inter-American Commission on Human Rights, a Commission that has distinguished itself in the hemisphere by its objectivity and fairness in advancing human rights; and if they read the reports on Argentina by the International Commission of Jurists; they would not be making silly statements such as:

> We want good relations with Argentina. Any abnormality in relations is due to a large extent to the public position this country took regarding human rights practices in that country.

Very little has changed in Argentina to warrant a change in our relationship. Disappearances continue; tortures continue; harassments of human rights activists continue; repressive acts against legitimate dissent and peaceful assembly continue; and state supported terrorist activities against exiles and dissidents in complicity with other intelligence services continue.

The Reagan administration, which has identified terrorism as a major problem in the world today, is once again alining the United States with a regime that practices terrorism against its own people.

If Reagan administration officials are really concerned about terrorism, they should not be giving support to a regime which engages in that activity. Double talk and double standards are no substitute for lack of policy.

How does the administration propose to encourage Argentina to account for the disappeared, to release its political prisoners, to cease the practice of torture, and to restore political and civil rights to the Argentine people?

In a recent meeting with the new President of Argentina, I expressed to him my hope that his new beginning might also be a new beginning for freedom and human rights in his country. I told him I would like to see the normalization of relations between our two countries. But without some tangible evidence of real improvement in human rights conditions; without an accounting of the disappeared; without amnesty for over 1,000 political prisoners that have been held without charge for over 5 years; and without free elections and restoration of civilian government, and normalization will be difficult.

President Viola has a rare opportunity to return Argentina to the ranks of those civilized nations that respect, protect, and nurture the rights of their citizens. I pray he succeeds. Until then, no person of good conscience can support the administration's efforts to repeal 620B.

I would like to commend to the attention of my distinguished colleagues an editorial from the Miami Hearld of April 5, 1981, entitled "U.S.-Argentina Thaw Should Have Its Price."

The editorial follows:

U.S.-ARGENTINA THAW SHOULD HAVE ITS PRICE

There is no doubt that the United States, Argentina, and hemispheric stability all could benefit from warmer relations between the two countries. The question is on what terms those relations should be improved.

The Reagan Administration clearly is more cordial to Argentina's military government than was the Carter Administration, and the feeling is mutual. President Reagan warmly received Argentina's then-President-elect Roberto Viola in March. Mr. Reagan wants Congress to resume arms sales to Argentina.

The best way for the Reagan Administration to justify this course is to push General Viola to move his nation toward democracy in deed as well as word.

General Viola was sworn in last week for a three-year term as president. Respected for his political ability, he was selected by his fellow generals to succeed Gen. Jorge Videla, who stepped down voluntarily.

The transfer of power is part of a plan that the ruling military is calling "the Process of National Reorganization," or "the Process." As Herald staff writer William R. Long reports, its stated goal is "stable democracy." There is no timetable for elections.

Relations between Argentina and the United States became stormy because the Carter Administration, like much of the world, was revolted by the human-rights abuses of the Argentine military after its coup against President Isabel Peron in 1976.

From then through 1978, the armed forces caused the "disappearance" of at least 5,000 and perhaps as many as 25,000 persons. Torture was common, as was dropping people into the Atlantic Ocean from U.S.-made military helicopters.

The Argentine military government no longer cites leftish guerrilla activity as an excuse for political repression. The "disappearances" have been greatly reduced since 1979.

The Reagan Administration views improved relations with Argentina's and other repressive governments as a pragmatic consideration of relative evil. It seems to agree with the Argentine military that in any and all circumstances the greatest evil is communism.

Argentina may be moving slowly toward democratic rule, as promised. President Viola has appointed some civilians to his government, whereas his predecessor had none. The Argentine military may be serious about "the Process."

The Reagan Administration should encourage Argentina to account for the "disappeared" as the next step toward closing a heinous chapter of Argentine history. And overall, the price for the support of the Reagan Administration should be continued and clear progress toward democracy for the 26 million Argentines.●

ATLANTA'S TRAGEDY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 31, 1981

● Mr. RODINO. Mr. Speaker, I want to join the gentleman from Georgia, Congressman WYCHE FOWLER and the other of my colleagues in expressing my thoughts on the terrible situation in Atlanta.

The mystifying tragedy of the killings of 22 black children in Atlanta is a national disgrace that sends shock waves to every corner of our country. Beyond the immediate concern that we all feel for the citizens of Atlanta, these killings raise the question: Can America afford to continue on its present course of increased violence?

Without a greater commitment by everyone to help prevent crime, we risk developing an attitude in which killing becomes an acceptable part of our society.

Stopping crime will take a moral commitment; an intellectual commitment; and a financial commitment.

Last month I joined Congressman TOBY MOFFETT in sponsoring legislation to provide $1.8 million in emer-

gency law enforcement funds to help the city of Atlanta apprehend and prosecute the person or persons responsible for the deaths of the 22 black children. I was pleased by the Reagan administration's actions, shortly after we introduced the bill, which sent nearly $1 million to Atlanta for social services for Atlanta's children, and then $1.5 million in Federal help to the law enforcement effort in that city.

I believe this sad situation has shown that there must be a national program in place to provide some form of Federal assistance to State and local governments on a targeted basis. As chairman of the Judiciary Committee, I will be looking for ways to develop such a program, and I know that the chairman of the Judiciary Subcommittee on Crime, my friend and colleague from New Jersey, Mr. HUGHES, will give this matter his attention.

But the solution to America's crime problem will not be found in Federal assistance alone. The responsibility for reducing crime in our country must be borne by a wide range of factors—our court system, our economy, our neighborhoods, our schools, and our families.

I, for one, will work to find ways for the Federal Government to help.

Now, I join with my colleagues in praying for the families in Atlanta especially those who have lost loved ones.●

LIBRARIANS ATTACK CETA CUTBACKS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HAWKINS. Mr. Speaker, the administration plans to eliminate some 330,000 Comprehensive Employment and Training Act (CETA) jobs by the end of this fiscal year. It is fairly easy to foresee the disastrous effects this elimination will have for these workers and their families. However, the ripple effect of these cuts is not so clear. In testimony before the Elementary, Secondary and Vocational Education and Postsecondary Education Subcommittees on April 7, 1981, numerous witnesses stated the tremendous problems these CETA cuts would cause for the libraries of this Nation.

Libraries already face 25- to 30-percent cuts in Federal aid. To eliminate the assistance provide for by CETA funds and workers, will create enormous hardship for our libraries. A literate and informed society is in the Nation's interests. As the following excerpts of testimony show, CETA plays and important part in enabling libraries to effectively serve our people.

"The cuts proposed for postal subsidies, CETA public service jobs, and for cultural programs are going to have a definite impact upon libraries."—Delia Martinez, Chair, White House Conference on Library and Information Sciences Task Force.

"To make the books and resources available to users requires personnel to order, acquire, and process them as well as funds to purchase and to share them. Proposed elimination of the CETA public service program has the potential to reduce the personnel pool needed to perform the important tasks necessary to making information available efficiently and economically."—Bob Carmack, Dean of Library Services, University of South Dakota, Vermillion, S. Dak.

"Another library program, LEARN, funded by CETA, is training CETA enrollees to use the library education and job information centers independently as an initial access point for employment seeking activities. This program has met with highly favorable response from CETA clients and trainers. It is an indication of the types of cooperative ventures which federal support has made possible.

Cuts in other Federal programs, aside from LSCA, will have negative effects on libraries throughout the country . . . CETA Title II-D and Title VI cuts will eliminate positions in libraries of every type and size."—Laura Chodos, Member, New York State Board of Regents.

"We have relied on federal funding for salaries for personnel, and cuts in these programs would hurt us all. These cuts also come at the same time that the Comprehensive Education and Training act is being wiped out. This CETA program has been used widely and well in many kinds of libraries, but I would like to tell you about some of its special contributions to us at The Chicago Public Library (CPL).

Even with recent cuts, we have, at the CPL, some 260 people now on the CETA program. Many of our most valued staff members, now paid with local funds, are alumni of the CETA program. Some started with us as recent college graduates unable to find employment, and they have found, in the library, not only employment, but satisfying careers, so they have gone on to become librarians and returned to us as excellent professional staff members, often especially well qualified to bring library service to the city's poverty areas.

Our success rate is high with CETA personnel, since the experience of library employment has encouraged many to acquire the career information they need to become good workers. In my own office, I am proud of the fact that a young woman who came as a CETA junior library clerk acquired the skills and, perhaps as important, the moral support to earn herself a position in the library's personnel office on a permanent basis. But we are not going to be able to absorb into our shrunken numbers of employees the CETA personnel we will lose this year, and they are not going to have had time to prepare themselves for the work or education that could make them self-sufficient and productive." Peggy Sullivan, President, American Library Association.●

MILITARY INSTALLATION CONTRACTING CONTROL ACT

HON. MARVIN LEATH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. LEATH of Texas. Mr. Speaker, today, I have introduced a bill which will put the practice of contracting out of industrial activities at military installations in this country in a better perspective and will insure that the readiness of our forces is not jeopardized. For some time now, there has been much concern in the Congress over implementation by the Department of Defense of Office of Management and Budget Circular A-76. This circular mandates conversion of industrial type work in the Government to contract by the private sector where conversion will prove cost effective. Over the past several years, many activities of all services have been converted to contract by private companies. While there has been some success and cost savings in this program there have also been instances of abuse, buying in by contractors and hardships placed on faithful Government employees forced out of jobs they have held for years. I have been concerned by all of the happenings in this program, but most of all, I am concerned about its present and future impact on our readiness to go to war or respond to an emergency. When an installation commander converts most of his support activities to contract he loses flexibility. I cannot be convinced that a commander without control over his support activities has the freedom or ability to respond to an emergency or mobilization mission. A contractor's incentive is profit. This incentive may not necessarily coincide with the goals of an installation commander. Consequently, when such activities as combat helicopter maintenance is converted to contract, I believe the services begin to tread on very dangerous ground. For this reason, I am sponsoring this legislation to give the services the flexibility in this area which I believe they need. Specifically, this legislation would prohibit conversion to contract of a function if in the judgment of the military service such conversion would have a significant adverse effect on the ability of a commander of an installation to meet mobilization or emergency contingency missions or to meet anticipated requirements at the installation in time of war. Adoption of this bill will show that this Congress understands that contracting activities in the military services should be looked at in a different manner than those in other Government branches. Cost savings alone should never be the sole factor when making decisions on de-

fense matters. In this case, the ability of the installation concerned to respond to an emergency should be the controlling factor. This legislation will insure this. I urge all Members to join with me in supporting this bill.●

HOBART TAYLOR DIES; ACTIVE ROLE IN CIVIL RIGHTS ACT

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. DIXON. Mr. Speaker, all of us were saddened to receive the news of the recent passing of Hobart T. Taylor. This man was truly a pioneer for blacks in American Government. During the early 1960's, he served as an adviser to both Presidents Kennedy and Johnson, and had a vital role in the formulation and development of the landmark Civil Rights Act of 1964.

During the civil rights movement, Hobart Taylor showed the importance of having a voice both inside and outside the system. His legacy is that individuals of courage and commitment can take the challenge of serving at the seat of power and thereby promote constructive change.

The Washington Post recently published an article detailing some of the many accomplishments by Hobart T. Taylor, and I would like to share it with my colleagues.

[From the Washington Post, Apr. 6, 1981]

HOBART TAYLOR DIES; HAD ACTIVE ROLE IN CIVIL RIGHTS ACT

(By Maureen Joyce)

Hobart T. Taylor Jr., 60, an attorney and former director of the Export-Import Bank who was one of the top blacks in government in the Kennedy and Johnson administrations, died Thursday at Layford Cay in the Bahamas. He had suffered for the past two years from Amyotrophic Lateral Sclerosis, also known as Lou Gehrig's disease.

Mr. Taylor played an active role in the implementation of the 1964 Civil Rights Act, which he considered one of his most satisfying accomplishments, while serving as an aide to President Johnson.

The son of a wealthy Houston businessman and Johnson political supporter and who was a former Detroit attorney, Mr. Taylor was appointed by President Kennedy as special counsel to the President's Committee on Equal Employment Opportunity shortly after Kennedy's Inauguration in January 1961. He helped draft the executive order establishing the committee and served as the committee's executive vice chairman when Johnson, then Vice President, served as chairman of the committee.

In 1964, when President Johnson named him an Associate Counsel to the President, one of his top advisory staff positions, Mr. Taylor served concurrently in both positions for a year before Johnson appointed him a director of the Export-Import Bank of Washington in 1965.

Mr. Taylor resigned in 1968 to enter private law practice here. He was a partner with the Washington law firm of Dawson, Riddell, Taylor, Davis and Holroyd until 1979, when he became counsel for Jones, Day, Reavis and Pogue, another Washington law firm.

He served on the boards of directors of a number of U.S. corporations, including Aetna Life Insurance, A&P, Standard Oil of Ohio, Eastern Airlines and Westinghouse.

Born Dec. 17, 1920, in Texarkana, Tex., Mr. Taylor graduated from Prairie View College in Texas. He earned a master's degree from Howard University in 1941 and a law degree in 1943 from the University of Michigan, where he edited the law review.

Before coming to Washington in 1961, he served as research clerk for the Chief Justice of the Michigan Supreme Court, as assistant prosecuting attorney and corporation counsel for Wayne County (Detroit), Mich., and was senior partner of his own law firm in Detroit.

Mr. Taylor, who lived in Middleburg, Va., received four honorary degrees and numerous awards and commendations for distinguished public service.

He was an official of the Democratic National Committee and the NAACP and a board member or trustee of several educational institutions. An art collector and music lover, he also was a vice chairman and trustee of the Wolf Trap Foundation for the Performing Arts.

Mr. Taylor served on the Commission on Postal Service and the Commission on Executive Exchange in the Carter administration.

Survivors include his wife, Carol; two sons, Hobart III and Albert; two stepchildren, Edward Rader and Teresa Warner, and his mother, Charlotte Wallace Taylor of Houston.

The family suggests that expressions of sympathy be in the form of contributions to the Hobart Taylor Jr. Memorial Fund at Baylor University Medical College in Houston.●

COMPETITION GOOD FOR AUTO INDUSTRY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HUBBARD. Mr. Speaker, a recent editorial in the largest newspaper in my district, The Paducah Sun, Paducah, Ky., of which Fred Paxton is president and Jack Paxton is editor, touches on a subject that is one of the foundations of our American society—competition. This particular editorial, written by editorial editor, Don Pepper, merits the attention of my colleagues. The editorial follows:

HIGHER PRICES TO CONSUMERS IF RESTRICTIONS ON IMPORTS ARE ENFORCED

There is considerable sentiment and agitation for restrictions on imports of Japanese automobiles. President Reagan is said to be considering such a move.

If quotas are imposed, here's what we can expect:

1. Freed of meaningful competition from abroad, U.S. automakers will raise the prices of their cars.

2. Japan will retaliate by restricting imports of some American products. Auto makers and auto workers will be helped at the expense, not only of Japan, but of other American industry and other American workers.

3. The American public will be forced to buy cars at artificially high prices. The amount of money they will have available for other things will be reduced.

4. Pressures to ease the extravagant regulatory burden on American car manufacturers will subside.

5. Auto workers will be relieved of pressures to modify contracts under which they earn 60 percent more than the average of other American workers.

It's estimated that quotas might save 20,000 Detroit jobs at a cost to consumers of $1 billion—$50,000 a job.

With the rebate programs they have been featuring recently, the auto companies have been able to make modest improvements so far over their disastrous 1980 sales year. That proves that Americans will still buy American cars if the price is right.

To end the competitive forces on the government and the auto unions to make that price right would be to postpone the real solution to the problems of the auto industry.●

KIMOCHI INC., OF SAN FRANCISCO

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, on Sunday, May 17, 1981, Kimochi Inc., will celebrate its 10th anniversary of providing social services to the elderly of San Francisco. For many years, I have worked closely with this admirable organization which provides much needed services in an efficient and sensitive manner to the Japanese American community.

Kimochi Inc., a grassroots, nonprofit organization conceived by Sansei—third generation Japanese Americans—in 1971, was initially oriented to serving the social, psychological, and physical needs of the Issei—first generation Japanese Americans. Since then, Kimochi has developed the concept of an intergenerational approach to good communication and sensitivity within the Japanese American community. Promoting the philosophy of the young caring for the elderly and the young learning from the elderly became the impetus in establishing a viable service organization. An equally important philosophy of Kimochi is to serve the elderly from various social, religious, and economic backgrounds.

With the emergence of the Sanseis' strong ethnic identity and coupled with Niseis'—second generation—struggles with racism of the concentration camp experience and discrimination in employment and housing, the Sanseis in Kimochi made a commitment to addressing the needs of the aging in the Japanese American community.

Kimochi's goals are to promote the general well-being of the elderly

through increased socialization and help foster and maintain their independent lifestyles through the provision of supporting social services. The evolvement of information and referral, translation assistance, congregate and home-delivered meals, transportation, escort, outreach, telephone reassurance, housing, and other services was a direct result of filling needs and gaps in the social service system. Hence, the development of an alternative bilingual/bicultural service delivery model has been proven successful within the Japanese community. The strength and beauty of this model is that it is governed and operated by the community it serves.

As Kimochi looks toward the future, the ultimate priority is feeling (Kimochi) to keep a sense of caring for one another. Kimochi looks forward to the challenges in the years ahead.●

THE FAA COLLISION AVOIDANCE SHAM

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. JACOBS. Mr. Speaker, the following article speaks and speaks shockingly for itself:

GUEST EDITORIAL—THE FAA COLLISION AVOIDANCE SHAM

(By James Pope)

Back in 1971 FAA Administrator Jack Shaffer created an Office of General Aviation whose staffers were to act as intermediaries, facilitators and champions for general aviation pilots and operators in matters involving the FAA. One of the men assigned to that small group, and who was eventually to be named acting assistant administrator for the office, was Jim Pope. A solid choice.

Pope was an active pilot, an ATP, with over 5,000 hrs. in fixed and rotary wing aircraft. Before joining FAA he'd worked as the state pilot for the governor of Nebraska, and later went into business for himself, designing control devices for light aircraft. An engineer by formal training, Pope holds 12 STCs.

Because of the eclecticism of the general aviation office, and because of his own energy, Pope became involved in and privy to a variety of FAA policy, administrative and research matters over the years. One program which was of particular interest to him was the search for a workable system for collision avoidance. In 1975, he says, FAA received proof that private industry had invented just such a system, which was generically known as the Airborn Collision Avoidance System—ACAS. But despite clear evidence of ACAS's reliability, affordability and availability, FAA has chosen to put it aside, and develop its own collision avoidance system, one which will be ground based.

And when that FAA system is finally in place—a time still years away—Pope says it will not offer as much protection as the ACAS would have five years ago.

Pope was quite vocal about this and other similarly sensitive subjects during his tenure at FAA headquarters in Washington, and shortly after Langhorne Bond abolished the Office of General Aviation in 1978, Pope found himself reassigned to the FAA regional office in Seattle, where there was virtually nothing for him to do. Nothing.

That did it. He went public with his tale about FAA's ACAS coverup and earned himself offical recognition as a government "whistle blower." He's requested a complete investigation of the whole affair, and now that there are some new faces in Washington, he may discover that he's succeeded in igniting a powderkeg.

Fall has spawned a multi-billion dollar program for the control of air traffic that essentially guarantees an ever increasing pattern of mid air collision, such as the PSA disaster that occurred in San Diego in 1978. And rather than fulfill its mandate to promote aviation safety and commerce, the agency has gone to considerable lengths to hide from the Congress and the public the fact that an industry-developed device is available that would eliminate the mid-air threat.

What possible reason could FAA have for such unconscionable behavior? The answer is simple: self propagation. Put in FAA vernacular it comes out, "The flight paths of all aircraft must eventually be controlled from the ground by the FAA Air Traffic Control System." Any concept or device that deviates or detracts from that corollary is dispatched with all possible haste.

CONGRESSIONAL DIRECTIVE

Nine years ago in response to a Senate subcommittee directive, FAA scientists conducted an extensive two year evaluation of all Airborne Collision Avoidance Systems (ACAS) that had been designed and developed by private industry to serve as collision avoidance back ups in case of ATC system failure. Technical analyses, cost studies, and exhaustive flight tests proved conclusively that each one of the three candidate systems—built by McDonnell-Douglas, RCA, and Honeywell—were effective in nullifying the mid-air collision problem. Even better, the cost for such protection was just $1180 per aircraft.

Those preliminary reports were heresy to the peoples servants at 800 Independence. FAA quickly awarded two new contracts designed to produce data which would support the conceptual superiority of the DABS/IPC, another collision avoidance system which the agency had in-house. (IPC, by the way, has been re-acronyzed and is now known as ATARS, for reasons unknown.)

One contract called for an analysis of all mid air collisions during the previous eight years, and determining the relative effectiveness the various collision avoidance systems might have had in averting them. The second study contract called for analyzing near-misses in a similar manner.

Both studies were completed by July 1976 and a briefing was given to a hand picked group of FAA scientists and engineers. The analysts reported that during the previous eight years, there occurred 228 mid air collisions which might conceivably have been prevented had some sort of collision avoidance system been operating.

How many of those 228 mid airs might have been prevented by today's ATC system? A credible 118.

How many might have been prevented if 100 DABS/IPC sites had been functioning in the ATC system? A commendable 178.

Well then, if 300 DABS/IPC sites were operational, how many mid airs might have been avoided? An astounding 190, the analysts reported.

The FAA men were getting everything they'd hope for.

But then a bomb came visiting. For the analysts—none of whom were FAA employees—went on to report that had ACAS been installed in each of the crashed aircraft, all 228 mid-airs might have been prevented. All 228! What's more, the second report confirmed that ACAS would also have prevented every near miss as well.

The audience was stunned. The words, the statistics were blasphemy. The two reports were promptly and unceremoniously trash canned, and for a long time agency officials denied they had ever existed. Fortunately, one set of the reports did survive, having made an unobtrusive, hasty exit from the conference room.

FAA's bungling, bull headed promotion of DABS/IPC might be regarded as a typically self serving bureaucratic exercise. But it is much more serious than that. It is frightfully expensive; total costs for development, installation and operations of an DABS/IPC (ATARS) network is now estimated at a staggering $5 billion. Versus zero tax expenditure for the industry developed ACAS, remember.

Moreover, the $5 billion would buy very little real protection because if or when the FAA system is developed, it will be ground based. Thus it will provide no more back up protection to ATC system failure than what was available in San Diego on Sept. 25, 1978 when a collision between PSA 727 and a Cessna 172 left 144 innocents dead.

THE ANSWER

If ever there was a doubt, FAA's shameful, irresponsible conduct in the ACAS affair should be proof enough that the time has come to clean house. With an ax.

First, DOT should be abolished, for it is nothing but a giant ant hill teeming with superfluous second guessers. By axing DOT, its several sub-administrations, including FAA, would be free to attend more effectively to the job at hand.

Second, redirect FAA back to its primary role of enhancing aviation safety and shift the "promotion of air commerce" to free enterprise, where it belongs.

Third, wrench all the multi-billion dollar R&D projects from the tainted hands of FAA. Kill any program that seeks to reinvest the wheel, is in competition with private industry, or is an out-and-out boondoggle. The programs that survive this harsh, honest review should then be turned over to NASA, an agency that has demonstrated its qualifications to conduct legitimate research.

Fourth, direct the establishment of an ACAS national standard which would serve as a back up to the ATC system. The standard should provide for flight data input necessary for the operation of a Cockpit Display of Traffic Information (CDTI), long endorsed by airline and corporate pilots. Such a device would give all essential flight information to those who shoulder the ultimate responsibility for aircraft safety—the pilots.

The technology and the validation for such a program currently exists. The concept could be mandated by Congress within a week. Such swift, intelligent action could save taxpayers over $1 billion annually and, oh yes, would eliminate the mid-air collision.●

EQUAL APPLICATION OF AUTOMOBILE SAFETY STANDARDS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. DINGELL. Mr. Speaker, I am urging our colleagues to support and cosponsor legislation introduced today by our colleague, ELWOOD HILLIS, myself, and several other Members of the House that would eliminate the discrimination in the U.S. automotive marketplace as it pertains to the safety regulation requiring automatic occupant restraint systems on passenger cars.

The bill would require passenger cars offered for sale in the United States to comply with the existing motor vehicle occupant restraint safety standard in the same model year, 1984, effective September 1, 1983.

It leaves the standard in place to improve safety for motorists and corrects the compliance schedule in accordance with today's automotive marketplace conditions.

This legislation is the most sensible and reasonable approach to amend the National Traffic and Motor Vehicle Safety Act to provide for the equal application to all manufacturers of motor vehicle safety standard 208. This regulation currently requires passenger cars of different wheelbase sizes to be equipped at different stages during the next 3 model years with automatic occupant restraint safety protection systems.

The bill defers the effective date of the regulation, motor vehicle safety standard 208, until September 1, 1983, which is the start of the 1984 model year. This will equalize the competition in automotive production, financial investment, and sales as all manufacturers selling passenger cars in the United States would have to comply at the same time.

The regulation change is required as the 208 standard as it exists discriminates against the large and intermediate size passenger cars which are mostly produced by domestic manufacturers and which must comply first before the smaller cars, the vast majority of which are foreign produced, must comply in model year 1984.

Secretary Lewis of the Department of Transportation has issued a 1-year delay in the 208 standard as it affects large cars, but that is not enough to remove the disadvantage to our domestic industry. American large and intermediate size cars must, under the Secretary's plan, still meet the 208 regulation in model year 1983, a year before the largest volume of foreign cars need to comply.

With the domestic manufacturers having suffered a $4.3 billion loss in 1980, while facing the ongoing, $70 to $80 billion, 5-year changeover to small car production, Mr. HILLIS' legislation, if promptly enacted, would contribute toward providing more certainty and balance in the marketplace.

It would help avoid further economic and employment disruptions and there are substantial cost savings to manufacturers and consumers that would be attributed to this change in the safety standard's schedule.●

A MATTER OF STRATEGIC IMPORTANCE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. BROWN of California. Mr. Speaker, over the years, many of my colleagues have heard my frequent speeches in support of more research and development work on underutilized crops. More specifically, I have frequently spoken in glowing terms about guayule, a small, semiarid shrub that produces natural rubber and is native to the American Southwest. After years of trying to convince the Federal Government to undertake a guayule development program, I authored a guayule commercialization program that was enacted in the 95th Congress.

Little has been done with this authorization in the executive branch in spite of the tremendous promise that this plant holds for water short areas of this country. The only funding has come from the Department of Agriculture, and that occurred only after much prodding. The Department of Commerce, a partner in this commercialization effort has never requested funding, although some discretionary funds were made available this year.

Now, the Department of Defense and the Federal Emergency Management Agency (FEMA) are interested in this plant. Natural rubber is a strategic material that is supplied wholly by imports. Our strategic stockpiles are dangerously low and to purchase the rubber in the marketplace would cost many millions and drive the price of natural rubber extremely high.

What these agencies are considering is establishing a guayule industry in the Southwest to grow the natural rubber required to fill the stockpile needs. The money invested in establishing such an industry would be less than making the required purchases of natural rubber and would have the added benefit of establishing what could become a major new industry. We could save on natural rubber import costs, work toward cutting our petroleum use—our synthetic rubbers are petroleum based, and create new jobs throughout the Southwest and in the tire manufacturing areas of America's industrial heartland.

We will be hearing much more about this desert plant in the coming months and I want all of my colleagues to know more about guayule. Accordingly, I am reprinting two articles on the subject, one from the Wall Street Journal, and the other from the Los Angeles Times. The articles follow:

[From the Wall Street Journal, Mar. 27, 1981]

SCRUFFY DESERT PLANT, ONCE VITAL TO UNITED STATES IS BOUNCING BACK

(By William E. Blundell)

CASA GRANDE, ARIZ.—Bill Klink surveys cultivated rows where seedlings peep at the desert sun from between clods of earth. "You're looking at a new industry—maybe," he says.

Mr. Klink is a partner in Agri-Business Research Corp., a Scottsdale, Ariz., company that specializes in growing experimental crops on arid lands. His 30-acre planting here is guayule (pronounced why-oo-lee), a scruffy, three-foot desert shrub with spikey, blue-gray leaves, a long and checkered history, and increasing economic importance.

Some big companies are getting interested in guayule. So are whole tribes of Indians. A federal agency is aching to spend money on it. Its seeds sell for up to $1,000 a pound. Some nations view it nervously, others hopefully.

Guayule, native to northern Mexico and southwest Texas, is generating all this interest because it is 10% to 20% rubber by weight. Nobody needs natural rubber more than the auto-crazy U.S., which grows none of its own and imports a quarter of the total world supply—almost $1 billion worth a year, making natural rubber the nation's most expensive resource import after oil. The tire industry also uses a lot of synthetic rubber, which is generally produced from oil and therefore is becoming increasingly expensive.

PRIMARY SOURCES

Most of the nation's natural-rubber supply comes from rubber-cartel nations in politically unstable Southeast Asia, and the rubber companies in the U.S. are edgy about that. A couple of coups or an invasion, says an official of one tire maker, and the already-unhealthy U.S. industry could be in even worse trouble. Finally, even without coups and invasions, there soon won't be enough hevea, or tree rubber, to go around.

Demand is outstripping supply, and the long growing cycle of the rubber tree makes it impossible to increase production quickly. Goodyear Tire & Rubber Co., the biggest rubber importer and main partner in the guayule venture here, sees a world-wide shortage of more than 500,000 tons of hevea within 10 years.

Enter guayule—again. Getting rubber from the innocuous little shrub may be the oldest new idea around. The Aztecs chewed the plant and made rubber balls out of it, and a group led by financier Bernard Baruch and including such fat cats as John D. Rockefeller and Daniel Guggenheim used it to produce half the nation's modest rubber requirements in 1910.

But, eclipsed by cheaper and more abundant tree rubber, the industry soon died. In 1930 an Army major named Dwight Eisenhower urged its revival, but his advice was ignored until World War II, when the Japa-

nese cut off hevea from Southeast Asia, and the U.S. had to launch a crash guayule program. After the war, however, all 32,000 acres were burned or plowed under.

Now, with shortages looming and rubber prices more than tripling in the past decade, the "orphan of the desert," as it has been called, may yield a permanent industry at last. Hardy, requiring little water, amenable to genetic improvement and harvestable two or three years after planting, it could grow on up to five million desert acres in the Southwest. Eventually it could fill all U.S. natural-rubber needs and form a living stockpile as well. Almost a third of its rubber is in the roots, which survive to send up new shoots after the bush is lopped off.

But the guayule industry, such as it is today, is still a sleeping beauty waiting for the kiss of the prince.

There are a lot of reasons. Tire firms know how to extract rubber from the bush with hexane. Firestone Tire & Rubber Co. has a laboratory-scale processing unit going, and Mexico is operating a pilot plant in Saltillo extracting rubber from wild shrubs. But the economics of a commercial-scale plant are still murky.

Then there is what one Goodyear executive calls "the chicken or egg problem." Big companies don't want to build multimillion-dollar plants to process guayule unless they are assured of sizable crops nearby. But harvested guayule won't keep for long, and farmers don't want to risk planting thousands of acres without assurance that a processing plant will be there to buy the stuff. Apparently no one wants to chance a farm-to-market venture alone.

"No clear leadership is evolving in the commercialization of guayule, and this is a real constraint," says Kennith Foster, associate director of the Office of Arid Lands Studies at the University of Arizona.

Instead, everyone wants Washington to end the Alphonse-and-Gaston act with a dollop of federal aid to speed guayule along. "For less than $100 million, the government could have itself a nice little industry in five years or so," Mr. Klink of Agri-Business Research Corp. says hopefully.

He and others believe the investment would be more than repaid in the benfits to the balance of payments and in the creation of new jobs. They also note that just such aid created the synthetic rubber industry from scratch in World War II.

But a peacetime government has been divided within itself over funding guayule. The Interior Department has pushed for a program because it wants to ease poverty and unemployment on Southwestern Indian lands. The National Academy of Sciences strongly recommended a federal role in a 1977 report, and the next year Congress authorized spending of $30 million on the bush.

But no new funds were appropriated, and the Agriculture and Commerce Departments, charged with running the program, have chosen to lavish their budgets on other things. "They spend a lot of time arguing over who'll buy the coffee for the next guayule meeting, but that's about it," says one disgruntled researcher. Less than $3 million from all government sources has been spent on guayule since the act was passed, says William Miller, an Interior Department development specialist.

So attention now has shifted to the Federal Emergency Management Agency, keeper of the nation's strategic stockpiles. The FEMA has only 119,000 tons of natural rubber in its larder, far below the 850,000 tons it needs, and it can't buy any more without seriously disrupting a world market already affected by tight supplies and high prices.

With congressional approval, the FEMA can also provide money for domestic ventures to produce needed materials. Last year, it proposed a 10-year, $200 million guayule project, including a commercial-scale plant to process 25,000 acres of the shrub, but the Office of Management and Budget shot down the idea. Since then, however, congressional concern over supplies of strategic materials has been mounting, and President Reagan just announced the first purchases for the strategic stockpile in 20 years. He also said other measures to expand domestic supplies were being considered. The FEMA, heartened by the change in attitude, is expected to resubmit its proposal for guayule.

Even if the plan is rejected again, and government support never exceeds present levels, development probably will only be slowed, rather than killed. "It isn't a matter of if guayule is commercialized, it's a matter of when," says Mr. Foster of the University of Arizona.

Most analysts believe that the price of natural rubber can only go up, adding to guayule's appeal. Because synthetic rubbers, which account for 70 percent of the world rubber use, are made from oil, their prices have climbed steeply, and they couldn't fill much of the looming rubber-supply gap anyway. The natural product has heat resistance and other qualities that synthetics lack, and natural rubber is still indispensable in tire making.

Some products, including aircraft and heavy-equipment tires, must be made almost entirely of natural rubber. And radial passenger-car tires currently taking over the market require more natural rubber than standard types. "We could easily use more natural rubber in products, but it would be difficult to go the other way and use more synthetic without a decline in quality and performance in critical uses," says John Lawrence, Goodyear's manager * * *.

[From the Los Angeles Times, Mar. 27, 1981]

GUAYULE PUTS SNAP IN RUBBER RESEARCH

KANSAS CITY, MO.—A rubber supply that has not kept up with current demand, an unsettled international scene and the rising cost of petroleum-based products have sparked an interest in a native American desert shrub as a possible natural rubber source.

Guayule, pronounced wy-OO-lee, is a two-foot-high shrub that grows wild in the semi-arid plateaus of the southwestern United States. Lately it has become a focus of research and experimentation by scientists and the federal government in the search for a new, domestic source of natural rubber.

The United States' supply of natural rubber is in a precarious position. The demand for natural rubber is increasing at a steady rate and experts estimate it will outstrip supply by the next decade.

Since the mid-19th Century when great Britain introduced the Hevea rubber tree into it colonies, Southeast Asia has been the major world source of natural rubber.

In recent years political unrest and the ravages of war in Vietnam and Cambodia have taken their toll on the rubber plantations. But the United States is still dependent on Southeast Asia for that rubber.

Dr. Edward Lawless, head of Kansas City's Midwest Research Institute Technology Assessment Section, said that while synthetic rubber is an alternative, it is a petrochemical product relying on increasingly costly oil.

Furthermore, synthetics do not have all the qualities of natural rubber, which is preferred in applications that demand high elasticity, resiliency, tackiness and low heat buildup.

The combination of these factors has led to an increased interest in guayule, a renewable source of rubber that can be produced domestically, as a major source of rubber.

Because of this interest, the National Science Foundation sponsored a study by the University of Arizona and Midwest Research Institute to assess the implications of the development of a new U.S. agribusiness based on guayule technology.

Lawless concluded that the benefits of full-scale guayule production would be many and the cost and risks small.

On the local level, Lawless said that guayule commercialization would have little effect. Guayule would be grown mainly on land that has been farmed with little success or on selected irrigated lands. The shrub can survive on 5 to 10 inches of rainfall a year, but does best with 15 to 25 inches.●

REAGAN CUTBACKS ADD TO UNEMPLOYMENT AND SOCIAL ILLS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HAWKINS. Mr. Speaker, we are continuously told by administration's spokesmen that we must sustain deep and painful cutbacks in domestic programs to attack inflation and increase economic growth. We are piously informed that the administration has a mandate from the voters to drastically reduce Federal spending. I submit that the mandate from the voters, if there is one, is to reduce unemployment, reduce inflation and expand economic growth. The Reagan economic proposals will not accomplish these objectives. These proposals are dangerously deceptive.

A recent analysis of the Reagan spending cuts provided to the Education and Labor Committee by the Wharton Econometric Forecasting Associates found that the spending reductions would increase the number of unemployed by 1,750,000 people. This economic and social disaster would provide only a miniscule decrease in inflation—less than three-tenths of 1 percent.

The respected economist, John Kenneth Galbraith, gave the Congress last week a sober and alarming appraisal of the administration's proposals. "The legislative action now under consideration is radical in conception and dangerous in social effect," Galbraith told the Education and Labor Commit-

tee. He said that the planned massive reduction in spending and cuts in taxes, coupled with increased defense spending, can only lead to a continuing budget deficit.

The resulting reliance on a tight money policy to contain inflation—

Works only as it induces the recession that is the counterfoil of the supply-side economics now so much under discussion. No one has yet devised a means for having a vigorously expanding economy and an economically depressive tight money policy at the same time.

Professor Galbraith came before the committee with a plea for caution or conservatism in the face of alarming social consequences if the drastic cuts in programs aiding the poor are sustained. "Concern about the effect of such cuts should not be confined to liberals; it should be the deep preoccupation of all who value social tranquility and peaceful development."●

DEFENSE SPENDING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, April 8, 1981, into the CONGRESSIONAL RECORD:

DEFENSE SPENDING

The nation is about to begin the largest program of military spending ever to take place in peacetime. Under President Reagan's proposals, defense spending will grow an average of 9 percent per year in real terms during the early 1980's. The President hopes to spend more than $1 trillion on defense between now and 1985.

The idea of increased military spending meets with little dissent in Congress. The reason is that the armed forces of the Soviet Union show no sign of slowing their own relentless expansion. In the congressional debate to come, however, a few words of caution are in order. The frantic bidding up of the defense budget is a deeply flawed way to try to improve our military posture. More funds for defense will result in better defense only if the money is spent for the right things. I support increased military spending, but I will insist that Congress be especially careful not to license waste in the name of national security. Despite the mood in Congress, the armed services must not escape budgetary discipline. I am persuaded that substantial savings can be found in the defense budget, and I am encouraged that Defense Secretary Weinberger, who has a reputation for budgetary restraint, agrees.

Most of us realize that the defense of the nation is an expensive undertaking. Defense spending is high because we choose to defend ourselves as far from our shores as possible, believing the added margin of safety to be more important than the added cost. We choose to defend ourselves with advanced technology, demanding the latest in military hardware despite the high cost. The gathering of intelligence is also costly for us because our major adversaries have closed their societies to foreign scrutiny. Much of the force that drives the defense budget is clearly legitimate, but not all of it is. Opportunities for economy and positive change present themselves in many quarters.

Strategy: Some critics believe that we lack a comprehensive military strategy based on our varied national interests. Our huge and growing arsenal of nuclear weapons counterbalances the threat of nuclear attack by the Soviet Union, but it also siphons off precious resources that could be used to bolster our sagging conventional forces. The Soviets' nuclear capability is not the only (or the most immediate) problem we face. Others are increasing turbulence in the developing world, weaknesses in many of our allies, and our own reliance on imported oil and minerals. A comprehensive military strategy is one that takes all such problems into account and then allocates limited resources accordingly. It is a strategy that is determined by, and does not itself determine, the primary objectives of our foreign policy.

Politics: Political interests in Congress are often the cause of military misspending. For purely political reasons, Congress will sometimes direct the armed forces to buy a weapon or keep a base open even when military planners strenuously object. It has been estimated that $5 billion could be cut from the defense budget if legislators stopped seeking unjustifiable outlays for the benefit of their own districts and states. Congress must work harder to see that national security prevails against politics when it decides on defense spending.

Industry: Cost overruns in contracts, long delays in deliveries, and sloppy or faulty workmanship are signs of failure in our defense industry. In the view of many specialists, the current condition of the industry may not allow it to absorb greater defense spending efficiently. Purchases of fewer and costlier weapons during the past few years have left the industry in a state of lower productivity, hampered by the aging of facilities and plagued by shortages of skilled labor and strategic materials. Red tape and last-minute changes in design are sources of constant frustration to defense contractors. Basic policies of procurement are badly in need of reform. In such circumstances, any attempt by the industry to meet sharply rising demand might lead to rapid inflation in the cost of production and further delay in the delivery of goods and services.

Waste: Waste in defense spending is documented. A congressional report published last year cited dozens of instances. Investigators found that the armed forces fail to collect proper payment from countries which receive American arms and training. Millions of dollars are wasted each year when damaged military equipment is not returned to depots for repair. Poor recordkeeping and inadequate security permit theft from storage facilities. The report detailed many other problems beyond these, including the purchase of overpriced equipment, payment to contractors for work not performed, too great a dependence on complicated weaponry, and gross inefficiency in the warehousing of materials and supplies. Because of inter-service rivalry, built-in incentives to spend, and the sheer size of the military, annual losses may reach $15 billion.

Allies: Our allies must carry an equitable share of the defense burden of the West. We spent 5.2% of our gross national product on defense, the NATO allies contributed an average of 3.3%, and Japan gave about 0.9% in 1979. We should not accept the idea that it is our job to defend those who do not defend themselves. Also, we and our allies need to use more standardized weaponry and equipment in order to reduce duplication. We wring our hands at growing Soviet military power, but we are still unwilling to have our industry lose a contract for the sake of a unified defense.●

SENIOR CENTER WEEK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. BIAGGI. Mr. Speaker, today I am pleased to introduce a house joint resolution which designates the second week of May as Senior Center Week. I offer this resolution to complement one introduced in the Senate by our former colleague CHARLES GRASSLEY, who now serves as the junior Senator from Iowa.

I am proud to be an original member of the House Select Committee on Aging where, I might point out, Senator GRASSLEY served with great distinction. In this capacity I have been deeply involved in the multitude of issues which involve the elderly. As chairman of the Subcommittee on Human Services I have had a special interest in senior centers, and I consider it more than fitting that we pay special tribute to senior centers and the wonderful people—men and women—who operate the centers.

May of each year is designated as Older Americans Month. It is a time when we as a nation pay tribute to our fastest growing population group. Today for the first time in our Nation we have more people over 60 than under 10. In the last decade, we saw a 16.7-percent increase in the number of elderly. The trend will continue, well into the next century.

Senior centers are an integral part of our Nation's policy for the elderly. Today there are more than 8,000 senior citizen centers operating in all parts of our Nation. They are run in large cities, small towns, and everywhere in between. They operate in church halls and school gyms; you find them in old warehouses and even some mobile units. Wherever they are, they have one thing in common—they promote the well-being of senior citizens.

The Older Americans Act, a piece of legislation which I am closely associated with, recognized the value of senior centers when it established a separate title to develop what are known as multipurpose senior centers. These were to be one-stop centers, where seniors could go and get a myriad of services from nutrition to counseling. This program continues today under the auspices of title III-B of the Older Americans Act, and I intend to make

sure that senior centers remain a prominent part of the Older Americans Act of the future.

I consider it a fitting tribute to senior centers and their dedicated personnel that we designate a week in their honor. It will provide us with an opportunity to focus attention on the important work they do on a daily basis and how much they contribute to the well-being of our seniors. A senior citizen population which can remain active—associating with friends and being provided with important services—is a healthy senior citizen population.

As we explore future policy options for tomorrow's elderly, let us make sure that we give proper attention to senior centers. They are complementary, in a very real sense, to our efforts to promote alternatives to institutionalization for our elderly. They provide the types of preventive services which are so critical to our elderly. Senior centers are good for our Nation and I am proud to sponsor this resolution to pay them the tribute they so richly deserve.●

MARYLAND DAY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. DYSON. Mr. Speaker, recently the entire State of Maryland marked its birthday by a fantastic celebration at Maryland's first State House in St. Mary's City, Md., on March 29, 1981.

Those of us in attendance had the uncommon opportunity to listen to former State Senator J. Frank Raley, Jr., expound on the history of Maryland and the principles of justice and equality that have been the cornerstones of this great State for 347 years.

Mr. Speaker, I would like to share Senator Raley's remarks on that historic day with the House.

When one comes to St. Mary's City at this time of year, in March, to celebrate Maryland Day, there is still much of the deadness and chill of winter; but, the suggestion of spring is in the air and we know that soon spring will be here and will come forth bringing new life and new beginnings to this magnificient land, with all of nature's power and glory. Perhaps it was coincidental that the little band of Englishmen, our Maryland forefathers, left England in November. Since I have not studied climatic charts, and prevailing winds or navigational limits of that time there may have been this or other practical reasons for the November departure and a March arrival, but I hope not. Rather, could their leaving in November be designed by the destiny of history—that they should depart from the old world as nature's cycle was coming to an end with winter approaching and arriving and coming ashore for a beginning on this continent, to this place on the eve of spring's renaissance? I like to think it was planned by destiny that the Maryland colony was planted, with its new ideals and hopes, it coincide with the coming of spring, sending forth dramatically its power and glory.

347 years have passed since that day, on the eve of spring, and in that time astounding change has taken place—from colony—to province—to State—to Nation, there has been built and created with sweat, tears, and blood, a republic. How did this happen? Was this only the culmination of practical arrangements made possible by the opportunity of a new continent's resources? Or, was it something more? Our common experience tells us the republic could not have endured the crisis, made the adjustments, met the challenges and pursued our destiny as a community of free people, if based merely and only on practical arrangements. The spirit of the Republic, as embodied in its institutions, consists of a blend of prudence and imagination, of caution and creativity, of principle and practicality, of idealism and realism about the governing and self-governing of men. It calls for constant regeneration faithfully passing from generation to generation the ideal, resting on the premise that our power, is the servant of justice. It has been built, as James Madison termed it, "by an action of the heart".

And the debate never ends and the task is never over. While the issues are different with the times, there is always before us the test—always new challenges to the ideals of this republic that each generation must protect, defend and expand and always to remain faithful to the full promise of the republic by answering the question, "that power is the servant of justice?"

The challenge takes many forms and appearances and is inherent in almost every political debate. Is government simply a mechanical arrangement to do the least, except to arbitrate and to keep the warring self-interest factions in a sort of order and in which power serves interest? Or, does government have a purpose beyond that? Is government to concern itself with fairness, justice, and virtue where power is the servant of justice?

The St. Mary's Colony made an uncommon contribution to, what I believe is this basic strength of American democracy, a sense of justice, resting on the opinion of the people. Those who came ashore on that March day were relatively ordinary; they attained no great fame; they are unknown, outside of a few Maryland historians and their many descendents, but they brought with them powerful ideas! They came with the ideas of 1000 years of the development of English parliamentary law—they were influenced by the new scientific discoveries of Galileo and Da Vinci; the Renaissance had awakened them, and they brought the humanist traditions of the philosopher Erasmus to Sir Thomas Moore to the first Lord Baltimore. Imperfectly developed and untried, and hardly understood, their ideas were only a hope that the renaissance of man was beginning; That he was to be unbound and unbundled, as they tried to free themselves from the tyrannies of intolerance, ignorance, and prejudice, to come and find a place and build, where they could live in peace, justice and harmony with each other.

This was the beginning—it was a beginning in a narrow form, but nevertheless, an uncomparable step as a policy of government to practice tolerance, and it lasted for only a short time. But the republic to come was taking root. It would be another 139 years before the Revolution, a multiplicity of ideas, new and radical, taken out of the theory books of the philosophers, had sprung out and begun to be applied to practical affairs in these Colonies on the coast of North America. None are more important than the Maryland Colony's contribution that brought forth and rooted in this new land, the ideal of tolerance and civility in the conduct of man's affairs. Through the colonial period, through the revolution, through the crises and developments in our history, this colony of Maryland and then as the State of Maryland, while if not brilliant, stood stable, injecting into the national life a quiet tolerance that comes from the inner security of the conviction of the ideals brought to this continent and planted at this very place. The Maryland Colony answered the question: That the power of government is to be the servant of justice.

In 1984, it is planned to celebrate here, in a large way, the 350th anniversary of the founding of Maryland. I am glad Governor Hughes and the Legislature is supporting this. In a democracy, where the very existance of a workable government rests on the opinion of the people, it is well to pause now and then, to celebrate. But, in addition to the celebration, I would add to review where we started, where we come from, and what it is that sustains the Republic in the context of the Maryland Colony's contribution. Is it possible that in the plans for 1984 there can be a place for the projection and celebration of the ideals of this Colony that helped build the Republic? Can there be raised for all to see the terrible ordeal of decisionmaking in building a just society where power is the servant of justice—not the servant of justice. It is important, I think, because each generation has the responsibility to keep, preserve, and expand what has been passed on to them. Perhaps we do not always value what is priceless when it has been given and received easily. But, it is these value questions to which answers must be resolved every day throughout this land, cloaked in practical issues and on which decision must be made either in justice or for interest. While these concepts can't be reconstructed like a building or a farm, it is the legacy of this Colony, our priceless and precious heritage.●

REGULATION OF THE BROADCAST INDUSTRY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. BROWN of Ohio. Mr. Speaker, the future role of the Federal Government in regulating the radio and television industry is a matter of concern to Congress, the broadcasters, and the public. On March 24, Mr. Dan Morris, president of the Ohio Association of Broadcasters, presented his views on several of these issues to the Ohio congressional delegation, U.S. Senators, and Federal Communications Commissioners.

I would like to take this opportunity to present his comments on this important matter:

REGULATION OF THE BROADCAST INDUSTRY

As you know, broadcasters and government officials give each other lots of attention. I suppose some is welcome and some is not, from both our perspectives. For example, we could do with much less regulatory attention.

In fact, broadcasters are now regulated by 37 federal agencies. The agency closest to our heart, of course, is the Federal Communications Commission. In all seriousness, I must say we have experienced FCC Commissioners, such as those with us tonight, who have been committed, well-intentioned, and reasonable. But we have disagreed, especially with their outgoing Chairman.

For example, the FCC recently acted to "deregulate" radio. We welcomed relief in that action from some required paperwork, some procedures, and some artificial percentage standards. But, ambiguous regulatory obligations—such as ascertainment—remain. They must be clarified or—better yet—deleted by legislation for true deregulation. And, what we seek is only what we've earned through documented performance. For instance, the FCC's own studies show broadcasters have consistently provided far more news and public affairs programming and fewer commercials than any government regulations demand. Clearly, deregulation legislation is imperative. Both radio and television have earned it.

One final comment about the FCC. Have you ever had trouble tuning in a station, or hearing one clearly? Those kinds of problems, we feel, could increase because of another FCC proposal—a proposal to narrow the space that separates radio stations. If the United States, pursues this FCC suggestion in the upcoming international allocations conferences, we may well ruin radio reception and more interference among stations. Worse yet, many of our audiences—your constituents—may have to buy new radio receivers. Many current radios are not compatible with the FCC move to reduce the space between stations. This action is commonly referred to as the 9KHz proposal. And, in television, the FCC has proposed squeezing in or "dropping-in" more TV stations as well with serious consequences for more home interference. Why the FCC wants to squeeze in more stations is curious, since 97 percent of all U.S. households now can receive 4 or more TV stations, and two-thirds of our households can receive seven or more TV stations. And, just this week, the total number of radio and TV stations topped the 10,000 mark. This number doesn't even include cable!

With these issues, we ask you to raise three basic questions: Has the FCC done its technical homework on these proposals? Has the FCC considered these issues in a related, systematic way or in piecemeal fragmented fashion? Will these proposals diminish radio and television service to the public?

One fact that all of us can agree on is the vast change taking place in communications technology. Satellites, cable, lasers, computer technology, video discs are no longer just topics for the future. They are quite real current developments in the electronic world.

Increasingly affected by these innovations, Ohio broadcasters seek only one thing: fair compensation from those who use our program product. We ask for even-handed action to assure that what your constitutents now see and hear for free over-the-air does not become the exclusive province of those who charge each viewer-listener for each program. The Judiciary Committees of both Houses should act on copyright law to assure that cable pays fairly for its use of broadcast programming.

Speaking of programs, you of course are used to hearing and watching news and music on our stations. Once again, like the worst re-run, comes the 1981 version of the record companies' grab for more profits. They call it performers' royalty legislation. Though broadcasters now pay royalties to authors, composers, and the like, and promote these artists through airplay, they want some more . . . through a legislated percentage of our radio & TV receipts. This could mean more money going out of your districts and amount to an unfair assessment on us.

Finally, for the Sixth consecutive year, we are forced to call your attention to the lack of clarity in our license renewal standards. Our stations are up for grabs every three years in license renewal. But, criteria for renewal judgment remain clouded and are jolted into inconsistency by case decisions. Legislation is necessary to clarify these criteria so we know what will bring a reasonable expectation of renewal. The broadcaster who faces renewal now is much like the Congressperson who experiences redistricting, then can't get anyone to tell him what his new district boundaries are!

In closing, let me say we appreciate your attention to our concerns, and will do our best to be responsive to yours through our continuing contact.

We're grateful for the service you render to all your constituents and again salute your performance and your commitment to the public interest.

Thank you, Mr. Speaker.●

CONGRESSIONAL SALUTE TO JOSEPH AND BIANCA HANCOCK

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. ROE. Mr. Speaker, on Saturday, May 2, the residents of the city of Paterson, my congressional district and State of New Jersey will join with the membership of one of our most prestigious Italian-American organizations, the Nineteen Hearts Society of the Federation of Italian Societies, in testimony to the good works of two distinguished citizens, community leaders and good friends to all—the Honorable Joseph Hancock and the Honorable Bianca Hancock, a husband and wife team of distinction, whose personal commitment and lifetime of good deeds in service to the people of the city of Paterson have earned them the highly coveted annual award of the Nineteen Hearts Society of the Federation of Italian Societies.

Mr. Speaker. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Bianca and Joe Hancock and share the pride of their children—sons Michael Frioli, Neal, Michael, and David; daughter Jeanne Oliver; son-in-law Dr. Ronald Oliver; daughters-in-law, Angela Frioli, Sharon, Karen and Laurie; and seven lovely grandchildren—as they celebrate a milestone of achievement in their family endeavors.

Mr. and Mrs. Bianca have, by their example and many accomplishments in civic, community, and charitable endeavors, personified a quality of leadership, dedication, and sincerity of purpose that have truly enriched the cultural endeavors of our community, State and Nation.

Joe, with the inspiration and assistance of his first lady Bianca—and vice versa—together have provided outstanding and responsible service to our people. Their personal commitment to the economic, social and cultural renewal of the community and State of their residence is applauded by all of us.

Mr. Speaker, Joe and Bianca have been actively involved in the business community in separate careers. Mr. Hancock, after 35 years with the Wright Aeronautical Corp., retired in 1975. Mrs. Hancock had been supervisor/trainee for over 10 years with the Barbizon Co. Bianca is well known as a most proficient couturiere, for the cast of the Paterson Lyric Opera Theater under the direction of noted artist Armen Boyajian. She is presently legislative aide to the Honorable Vincent "Ozzie" Pellecchia, distinguished member of the New Jersey General Assembly representing the 35th district of our State.

We are proud to boast that Bianca and Joe are lifelong residents of the city of Paterson in my congressional district and active members of the most revered Blessed Sacrament Church. They graduated from local schools—Joe attended St. Mary's High School where he played varsity basketball and baseball under the superb expertise of Jerry Molloy; Bianca attended school No. 18 and Eastside High School.

During World War II, Joe served our country with distinction, placing his life on the line for our people with the Armed Forces in the European theater. Among his military decorations, he received the highly esteemed Bronze Star and Purple Heart awards of honor.

Mr. Speaker, in presenting its distinguished community service awards to Joe and Bianca Hancock, the Nineteen Hearts Society of the Federation of Italian Societies wishes to particularly commend their many years in service to the entire Paterson area community.

Recognizing the importance of sports in the development of the character and physical fitness of our youth, Joe has willingly and unselfishly contributed many, many of his leisure hours coaching the young people of Paterson in various athletic endeav-

ors. He has also made an additional substantive contribution to the people of our community through his dedication and devotion to the needs of our veterans. Joe is a proud member and past commander of the Riverside Veterans Association and a lifetime member of the Disabled American Veterans.

Bianca is a charter member and past president of school No. 18 PTA and the Riverside Veterans auxiliary. In addition to her many contributions to social and civic improvements projects of the city of Paterson, she has served as community captain for many charitable fundraising campaigns—the March of Dimes, American Cancer Drive, Multiple Sclerosis Association, to name but a few. She now serves as Paterson's third ward political leader and commissioner on the Passaic County Board of Elections.

Mr. Speaker, Bianca and Joe Hancock have achieved in their lifetime the respect and esteem of all of us who have had the good fortune to know them. It is to their modesty in their achievements, their outstanding expertise in their chosen fields of endeavor, the warmth of their friendship and sincerity of purpose in the American way of life that I join with the Nineteen Hearts Society of the Federation of Italian Societies in seeking this national recognition of their service to our community and fellowman.

We are especially appreciative of their many contributions to the quality of life and well-being of our citizenry. For their personal commitment and lifetime of good deeds in service to our people we do indeed salute two outstanding individuals, good friends, and great Americans—the 1981 Community Service Award Honorees of the Nineteen Hearts Society of the Federation of Italian Societies—the Honorable Joseph Hancock and the Honorable Bianca Hancock of Paterson, N.J.●

SALUTE TO JOHNNY MIZE

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. JENKINS. Mr. Speaker, earlier this spring the Veteran's Committee of the Baseball Writers of America voted to induct John Robert "Johnny" Mize of Demorest, Ga., into the Baseball Hall of Fame. I arise on this occasion to offer my personal salute and tribute to this man who lives in the hills of north Georgia.

Finally, memories of "the big cat" will be enshrined in Cooperstown, N.Y., in August of this year.

What a pleasure this is to congratulate Johnny Mize on being selected for this long overdue honor. Longtime baseball fans in north Georgia have gingerly lost one of their favorite subjects for which to offer their personal gripes—and rightfully so.

"The Big Cat"—Mize's nickname because of his quick bat which was in contrast to his hulking 6-foot, 2-inch frame—lives now in his old hometown of Demorest in Habersham County where he first gained fame as a young first baseman with Piedmont College and various amateur and industrial league teams around northeast Georgia.

Mize's lifetime statistics are astounding even compared to today's players. In 15 seasons with the St. Louis Cardinals, New York Giants, and the New York Yankees, he achieved a batting average of .313, struck 359 home runs and batted in 1,337 runs, which is still the second highest total in the National League.

Mize spent his last 5 years mostly as a pinch hitter for Casey Stengel's perennial Yankee champions. He retired from pro baseball in 1953 at the age of 40.

Mr. Speaker, I have had the great pleasure and profound honor of being with Johnny Mize on several occasions during the past few years. I have a great respect for his personality as well as his atheltic talents. As a youngster reared in a baseball-oriented family, Johnny Mize was always admired.

He is one of the last of his breed—a guy who played baseball because he loved it and it did not really matter whether he was playing for Piedmont College or the New York Yankees.

Mize joins two other Georgia natives in the Baseball Hall of Fame—Ty Cobb and Jackie Robinson. I would submit without reservation that Johnny Mize complements the Georgia delegation in this regard.

Mr. Speaker, Johnny Mize has rightfully received the recognition that he richly deserves, and I am offering my personal salute to this fine gentleman. Thank you.●

GETTING TOUGH WITH MOSCOW

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HARKIN. Mr. Speaker, a key foreign policy question confronting the Reagan administration concerns the priority to be accorded human rights in the conduct of our international relations. That issue is the subject of extensive and vigorous public debate today, and justifiably so. Whether the current White House and State Department leadership realizes it or not, human rights decisions will have an enormous impact on our foreign policy performance, for better or for worse. The question calls for careful consideration and political sophistication.

With this thought in mind I invite your attention to a speech delivered at Meridian House on March 10 by Judge Thomas Buergenthal on "Human Rights and the U.S. National Interest." Judge Buergenthal is the dean of the Washington College of Law of the American University. He is also the sole American judge on the Organization of American States' Inter-American Court of Human Rights, as well as the president of the recently established Inter-American Institute of Human Rights, in San Jose, Costa Rica. I might also add that during World War II, as a small child, Tom Buergenthal was one of the unfortunate inmates of the infamous concentration camp at Auschwitz. Both by personal experience and professional training he is uniquely qualified to address the human rights issue.

Judge Buergenthal's message should be heard by liberals as well as conservatives, by Democrats as well as Republicans. He deplores both the Carter administration's righteous rhetoric on human rights and the Reagan administration's misconception of a strong human rights policy as one which has purely moral but very little if any political significance. He also sees the Soviet Union and what it stands for as the most serious threat to U.S. national interest, a threat which is not only military and subversive, but ideological. Buergenthal makes clear his own support for a strong human rights policy on moral grounds. But his main point is that such a policy is also in our own national interest, in terms of sheer Realpolitik, regardless of any moral considerations whatever. By respecting and promoting human rights for people everywhere, including the second and third worlds, we make it clear in what we do and say that we identify with their aspirations. Human rights can be a mighty weapon in our worldwide political and ideological confrontation with the Soviet Union. None will be more pleased than Moscow's rulers if we fail to use that weapon effectively and consistently. I fervently hope that the leaders of our Government will take these wise words to heart.

HUMAN RIGHTS AND THE U.S. NATIONAL INTEREST

(By Thomas Buergenthal)

Ladies and gentlemen, few other U.S. foreign policy initiatives have been as misunderstood and as poorly articulated as has our human rights policy. The level of debate on this subject has been and continues to be sophomoric, and that is true of the arguments of its proponents and its opponents. Part of the blame rests with President Carter and the fact that he promoted the policy with the righteous rhetoric of a fundamentalist sermon so that much of the

discussion of the subject took on a moralistic tone. And the few efforts that were made by the Carter Administration to justify the policy to the public in terms of our national interest did not get much of a hearing.

The current Administration falls into a similar trap. Its spokesmen criticize and reject a strong human rights policy because they see it as having purely moral but very little, if any, political significance. They view it as a propaganda tool to be used against the Soviets, but not to criticize our allies. They argue that totalitarianism of the left is worse than the repression of the right practiced by some of our allies. They contend that the U.S. faces a formidable adversary in Soviet expansionism and cannot afford the luxury of being the moral policeman of the world, imposing its own values on the rest of the world; that the U.S. needs allies and cannot afford to alienate friendly anti-Communist governments even if they are repressive. In short, they contend that what we need is to balance our commitment to human rights against foreign policy assets.

I agree that the Soviet Union and what it stands for presents the most serious threat to the U.S. national interest. But the threat is not only military or subversive, it is also ideological and it must therefore be confronted on the ideological level as well. In today's world, ideology is as much a weapon as is sophisticated weaponry. A sound human rights policy provides the U.S. with an ideology that distinguishes us most clearly from the Soviet Union and seriously undercuts the ideological appeal of Communism. It is the only ideology, the only dream, if you will, that the people of the U.S. share with the vast majority of the people of the second and third worlds. The quest for human rights and human dignity is a phenomenon of contemporary life of universal dimensions and immense significance in the struggle between East and West. And those who do not grasp its significance do not know much about the world we live in and the forces that shape it.

All over the world human beings are dying, human beings are being tortured, human beings disappear, are being imprisoned, and are held in insane asylums—all because they believe in the human rights and freedoms the American people take for granted. To suggest that we are imposing our values on others by promoting human rights in other countries, be it against totalitarianism or oppressive regimes, is to reveal one's arrogance and ignorance. If we do not grasp the political and emotional significance of the human rights movement, we shall forefeit the only real competitive advantage we have in the struggle to contain Soviet expansionism and counteract its influence in the developing world.

The human rights policy which the U.S. followed in the past six years—it all started with Congressional action in 1973-4, with President Ford's strong support of the human rights provisions of the Helsinki Final Act, and President Carter's enthusiastic espousal and promotion of human rights—has had a significant impact. In Latin America, for example, it contributed to the establishment of democratic regimes in Peru, Equador and, for all too short a period in Bolivia. It ushered in a liberalization process in a number of other countries in the hemisphere; it led to the entry into force of the American Convention on Human Rights and the establishment of the Inter-American Court of Human Rights. And, most importantly, the U.S. began to lose the image it has had in the hemisphere as a government which allies itself with and supports oppression in Latin America. The U.S. began to be seen as a country willing to identify itself with the aspirations of the people of the region. This realization opened up democratic alternatives in the hemisphere—one no longer had to choose only between Communism on the one hand and rightist oppression on the other.

Please do not misunderstand my emphasis on the political benefits to the U.S. of a strong human rights policy. I believe in human rights because I believe it is criminal and immoral to deny human beings their basic rights and to violate them with impunity. It doesn't much matter, however, whether U.S. policymakers share my convictions. If they believe that morality has no place in foreign policy, so be it. Let them, therefore, assess the foreign policy benefits of a strong human rights policy in purely Realpolitik terms before they scrap it.

I have already spoken of the comparative advantage we have in this sphere over the Soviets. If the U.S. wants to exploit this advantage, it has to have an ideologically neutral human rights policy. By this I mean that it has to express its opposition to violations of human rights with equal fervor, whether or not the violations are committed by the left or the right. The policy to be effective has to be credible and it can only be credible if it is ideologically neutral. People all around the world have to see that the U.S. stands for human rights—not only for human rights in the Soviet Union, but also in Central America, in South America, in Africa, and in Asia. If instead we close our eyes to violations by our friends and criticize only our adversaries, we will have reduced the policy to a mere propaganda tool—and the world will know it for the hypocrisy it is. And it will not be a foreign policy asset.

All this is not to say that there are no other foreign policy interests that the U.S. must take into account. Human rights should not and cannot be the only issue decisionmakers have to take into consideration in shaping foreign policy. It needs to be treated as an important foreign policy concern, however, and to dismiss it as moral claptrap is to do serious harm to the U.S. national interest.

A word about intervention which always pops up in discussions about human rights. There is the argument, for example, that it is a violation of international law for one country to compile reports on the state of human rights in another country and to publish these reports. It is also contended that it is illegal intervention for one country to complain publicly that another country is violating human rights. That is nonsense, ladies and gentlemen, both under general international law and under our own hemispheric international law. I don't know of any international lawyer of stature who would seriously espouse that thesis today.

As a political matter, moreover, it is an much intervention for the U.S. today to identify itself with a government that engages in serious violations of human rights as it is to disassociate itself from that government and to take a public stand against those practices. The political reality is that a superpower simply cannot avoid intervention by association; we have to face up to this fact. Given this reality, the only serious issue is whether we are perceived as intervening by identifying ourselves with a repressive regime or by expressing our opposition to repression. I believe it is not in the U.S. national interest to support or be identified with repressive regimes whether of the left or the right.

Those opposing an effective U.S. human rights policy argue that it contributes to the demise of governments friendly to the U.S. In my opinion, this is a simplistic view of the impact of the policy. It is rarely ever a question of the demise or survival of a regime. If a government friendly to the U.S. engages in repressive practices, U.S. policy, if properly managed and articulated, can move the government, over time, either towards more repression or towards less repression. The best example of this phenomenon occurred since the new Administration took over. It was perceived, rightly or wrongly, as opposing human rights, and immediately some governments in the hemisphere began to crack down on human rights activists, not because they had suddenly become a threat to the regime, but because the time was ripe. Most of the once friendly governments lost to the U.S. side were lost because of their long history of repression and our identification with those regimes; they were not lost because of our human rights policy.

Of course, I do not believe that the U.S. should "destabilize" governments, but I believe that it can and should make its influence felt. As a matter of fact, as a superpower, particularly in this hemisphere, it cannot avoid making its influence felt, and the only issue is whether it will opt for a policy that is in the U.S. national interest or detrimental to it.

To conclude, ladies and gentlemen, what worries me most about our current policy direction is that the Administration appears to have decided upon a serious foreign policy change without having thoroughly examined the question whether in fact the U.S. national interest is advanced or harmed by a strong human rights policy. What we have heard thus far on the subject are slogans. What is lacking is substantial evidence and analysis.

I, for one, believe that it would be a serious political blunder for the U.S. to abandon a policy that identifies us with the aspirations of the people of our hemisphere and the world. Given our own political system and traditions, a credible U.S. human rights policy can enjoy the support of the American people, do some good in the world, and advance our national interest. That is why I believe that it needs to be preserved.●

NATIONAL FLOOD INSURANCE TESTIMONY

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. GOLDWATER. Mr. Speaker, yesterday, I testified on the national flood insurance program before the Subcommittee on Housing and Urban Development. Many of my constituents were victims of water-initiated landslides which are not covered by the program. I therefore promptly introduced legislation to correct this discrepancy, and am working hard for its passage.

I insert the full text of my testimony:

Mr. Chairman, thank you for this opportunity to appear before the Subcommittee on Housing and Urban Development to testify on the national flood insurance program.

As you are aware, the national flood insurance program is a Federal program enabling home and business owners to buy flood insurance at a reasonable cost. In return, communities carry out local flood plain management measures to protect lives and new construction from future flooding. Over 17,000 of the 20,000 potentially eligible communities are now participating. There are over 2 million policies currently outstanding, and almost $94 billion is insured. A vital Federal program, national flood insurance paid over $274 million in homeowner and business loss as the result of over 43,000 claims nationwide. However, almost one-sixth of those claims were not paid for various reasons. One of those reasons is that the national flood insurance program does not cover flood-initiated landslide damage, despite the fact that flood-induced landslides are one of the most devastating consequences of flood disasters. Did you know that landslides annually cause more measurable damage in more States than any other natural hazard except expansive soil, riverine flood and tornado? And it is estimated that landslide damage to buildings will soar over 130 percent between 1970 and the year 2000. Loss of life from landslides in the United States alone averages between 100 and 150 persons annually.

Because of rain in recent years, many States have suffered severe flood damage. The rain in several areas initiated large earth movements which destroyed both homes and property. Many homeowners, who purchased a national flood insurance policy, believed they were adequately protected against flood and flood-related disasters. Now however, after the flooding, holders of national flood insurance, many of whom were required to purchase the insurance, are putting in claims for the first time. And they are discovering it is pretty much worthless. The way the legislation was written, the policies do not cover any landslide that is caused by flooding or a great accumulation of water as a result of extensive rains. In southern California, for example, of the 1,230 claims filed with the national flood insurance program in 1980, about one-fourth of all claims were denied coverage because the victims suffered water-induced landslide damage. The program apparently exempts landslide from coverage, and will only pay for mudslide, or mudflow in agency interpretations. The difference between the two is a highly technical distinction made by a geologist, and very often geologists will disagree.

Although the National Flood Insurance Act of 1968 originally did not contain language on mudflows and mudslides, the Housing and Urban Development Act was extensively amended the following year. These revisions are contained in the Housing and Urban Development Act of 1969. Section 409(f) contains the language:

"It is therefore the further purpose of this title to make available . . . . protection against damage and loss resulting from mudslides that are caused by accumulations of water on or under the ground."

It seems very clear that the intent of the national flood insurance program is to protect local homeowners against floods and flood-related disasters. It should therefore make no difference whether an earth movement, caused by flooding, is termed a "landslide," a "mudslide," or a "mudflow"; the national flood insurance purchaser should be protected.

As you can see from the chart, landslide damage affects all States in the Union; predominately, Texas, New York, Ohio, Pennsylvania, Maryland, California, and Illinois. Much of this landslide damage is caused by flooding, but such coverage is unavailable under the national flood insurance program. In fact, landslide coverage is not offered by domestic insurance carriers either. And landslide victims generally don't qualify for Federal or State aid, unless a major disaster is declared.

At this time, I'd like the subcommittee to see pictures of water-induced landslide damage. These pictures, taken by the homeowners themselves, not only show the damage to their homes, but the severe damage to their property as well.

National flood insurance claims often develop into hair-splitting confrontations that are beyond common understanding. As one of my constituents wrote to me, "How can the average person know precisely the difference between mudslide and landslide, what the hazard is in relation to the policy, and whether to buy or rely upon the insurance?"

Local areas have done their part in implementing effective programs to reduce landslide destruction. For example, prior to 1952, control on hillside grading and development in Los Angeles was limited. In 1952, following severe winter storms, an improved grading code was adopted. The grading regulations were revised in 1962 to provide an even more restrictive code, and to specify responsibility for geologic and engineering participation in design, construction, final inspection, and certification of a grading project. The procedures and controls received a stern test with the winter storms of 1968–69. After the extensive flooding and landsliding, the Los Angeles Department of Building and Safety examined the damage to various sites. It was found that the damage to sites developed before 1952 was nearly 50 times greater than to those developed after 1962.

I have introduced legislation, H.R. 1531, which would amend the National Flood Insurance Act of 1968 to provide insurance coverage for damage caused by flood-related landslides. I ask that the subcommittee give all due consideration to this important piece of legislation. Thank you.●

WHITEY ULRICH—1981 HISTADRUT AWARD HONOREE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. PATTERSON. Mr. Speaker, it is with great pleasure that I ask my colleagues to join with me in recognizing Mr. Whitey Ulrich, the Orange County Trade Union Council's 1981 Histadrut Award honoree.

Histadrut is an award presented each year to outstanding men and women of the labor community who exemplify a spirit of brotherhood and friendship toward the nation of Israel. Funds raised through Histadrut are people-to-people funds and are targeted directly to specific health, education, social, and cultural exchange programs.

It is fitting that this year's Histadrut Award should be presented to Whitey Ulrich for his career of service to his fellow man truly reflects what Histadrut is all about.

Whitey is perhaps best known to those involved in the labor movement as president and chief executive officer of U.F.C.W. Meat Cutter's Local 551, or as vice president of the Orange County Central Labor Council. In addition to these professional activities, however, Whitey is also actively involved in his community. He is a member of the Orange County United Way board, vice president of the Fountain Valley Gridiron Boosters Club, and ruling elder at the Wilshire Presbyterian Church.

Mr. Speaker it is an honor to ask my colleagues to join with me in congratulating "Whitey" Ulrich—an outstanding man of labor and a respected member of his community—as the 1981 Histadrut Award honoree.●

A MASSACRE AT THE RIO LEMPA

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. WEAVER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 7, 1981.

SPEAKER OF THE HOUSE,
House of Representatives.

DEAR MR. SPEAKER: The Reagan Administration is charting an ominous course in its policy toward El Salvador. The alarming accounts of saturation bombings, body counts, armed guerrillas, and an escalating American committment involving troops, tanks, helicopters, and other weaponry is only too frighteningly familiar.

U.S. involvement in El Salvador has not proven to be a moderating force within that country. In fact, as the enclosed article so graphically illustrates, we are supporting a junta which is all too successful in driving growing thousands of old men, women, and children out from their homes and into teeming refugee camps. The article, which I am submitting for enclosure in the RECORD, is written by Alex W. Drehsler and appeared on the front page of the Portland (Oregon) Oregonian on March 26. The massacre it describes and the many tragedies that are its consequence should provoke Americans to question: Did we not learn our lesson in Vietnam?

Sincerely,

JIM WEAVER,
Member of Congress.

[From the Portland Oregonian, Mar. 26, 1981]

Eight days ago, San Diego Union reporter Alex Drehsler, in Central America on special assignment for ABC-TV's "Nightline," visited the Honduran town of Santa Rosa de Cepan, where he spent the evening with a

Honduran activist priest, 56-year-old Fausto Milla.

While Drehsler was with Milla at his home last Wednesday evening, March 18, a source called the priest to inform him that many Salvadoran refugees had been killed by Salvadoran and Honduran troops near the Honduran border town of La Birtud.

Drehsler and the others then walked for an hour to a village near the border, Los Hernandez. It was there that they saw the aftermath of the alleged events of the day before.

For the next 24 hours, Drehsler interviewed persons involved in the event—62 in all. Among the thousands of persons he found in the area were guerrillas, refugees, victims of the attack, relatives of individuals lost in the confusion of events, medics and doctors from an international relief organization, Doctors Without Borders.

Drehsler's story is a compilation of these interviews and of his on-the-scene observations.

SALVADORANS TELL HORROR OF RIVER ATTACK

(By Alex Drehsler)

LOS HERNANDEZ, HONDURAS.—At least 50 persons—primarily women and children—were killed as Salvadoran refugees fleeing government troops were caught in a cross fire between Salvadoran and Honduran soldiers, according to witnesses of the attack.

It was reported that up to 8,000 refugees poured through a guerrilla-created gap in a Salvadoran army encirclement in Cabamas province in an attempt to escape the violence of the on-going war between government soldiers and leftish insurgents.

However, survivors said, when they reached the Rio Lempa, which forms the border between El Salvador and Honduras here, they were met by machine-gun and mortar fire from Salvadoran forces and, on the other side of the river, gunfire from Honduran soldiers.

Spokesmen for the Salvadoran and Honduran armies denied the reported attack occurred. The U.S. Embassy in San Salvador said it would investigate the alleged incident.

It was the second reported incident of mass killings along the Honduran-Salvadoran border in less than a year. Last May 14, opponents of the Salvadoran government say, some 800 fleeing refugees were slaughtered at the Rio Sumpul, a few miles from here.

The events that led up to what refugees call "the massacre at Rio Lempa" began Sunday, March 15.

That day, guerrilla sources said, Salvadoran army and air force units attacked insurgent-held territory in the northern province of Cabamas, along the Honduran border, as part of a continuing government offensive against the country's rebels.

As approximately 1,500 soldiers began their attacks on nine guerilla-controlled towns, Honduran soldiers, according to refugee and relief organization sources, took up positions along their side of the river. Beginning at 6 a.m., according to refugee sources, the first of scores of mortar shells were fired into the insurgent towns. Twice that day, they said, the Salvadoran air force dropped payloads of large bombs, possibly 150- and 300-pound versions, on the towns.

On Monday, March 16, the bombing intensified. The army continued advancing from its base, the town of Victoria, and managed to reach the outskirts of Santa Marta and other towns, where, according to guerrilla sources, the soldiers ran into stiff resistance.

On Tuesday, March 17, according to refugee accounts, Salvadoran army troops and members of ORDEN, a government-sponsored paramilitary organization, began burning the cornfields and houses near the besieged towns in an attempt to smoke out the insurgents.

Marxist-Leninist guerrilla commanders in the area held a meeting Tuesday evening to decide what to do about the worsening situation. Their evaluation was that they and the approximately 10,000 civilians in the province, mostly peasants, were surrounded. According to guerrilla sources, it was decided by the insurgent leaders to abandon the province, but not before evacuating the civilians to neighboring Honduras.

To do this, the guerrillas had to break through the government lines. According to rebel sources, a courier was sent to Chupamiel, a guerrilla stronghold on top of a mountain about four miles away in neighboring Chalatenango province.

The guerrilla commander of Chupamiel, a 23-year-old peasant named Fernando, reportedly sent a contingent of approximately 20 men and women into Cabanas to break the government circle. The guerrillas of Chupamiel later related that, armed with Belgian made assault rifles and U.S. made M-16's, they broke through the government lines and opened up a narrow corridor through which the civilians were evacuated.

Led by guerrillas, approximately 8,000 peasants began the 10-kilometer exodus to the border early Wednesday, March 18.

The refugees, primarily old men, women and children, reached the Rio Lempa along with the guerrilla contingent at 6 a.m.

Refugees and international relief officials painted this picture of subsequent events:

As the peasants crossed the river, a Salvadoran air force reconnaisance plane was seen in the sky. Minutes later, a helicopter gunship and two jet fighters appeared.

A helicopter attacked the refugees and guerrillas with what appeared to be a mounted 50-caliber machine gun.

Eleven children and four adults drowned in the river in their desperation to cross to safety.

Twenty-five children were separated from their families and got lost in the hills on the Salvadoran side of the border.

Two little girls were machine-gunned to death on the Salvadoran banks of the river.

A middle-aged woman who managed to cross over to Honduras got only 20 feet from the river before she was killed.

As those fleeing the Salvadoran troops began to climb up the hill on the Honduran side, Honduran soldiers opened fire on them. Doctors Without Border relief agency representatives said four persons were killed.

The refugees said that they were attacked all day Wednesday. they related that they were bombed, mortar-shelled and machine-gunned most of the day, but most still continued to attempt to cross the river.

By the time the flood of people subsided Thursday morning, March 19, a count by this reporter showed that at least 8,000 Salvadorans had been packed into a huge cattle corral in the Honduran village of Los Hernandez.

According to refugees and medics, at least 50 persons—mostly women and children—were killed in the melee. According to lists made by priests at the scene, many persons still are missing and feared drowned or dead in the jungle.

In the Salvadoran capital of San Salvador, Col. Alfonso Cotto, spokesman for the Salvadoran army, dismissed the reported mass killings as "completely untrue, completely removed from reality."

Cotto said that topographic conditions around the Rio Lempa—a river he described as the biggest in the nation—"do not permit" the kind of all-out military action described by refugees.

In fact, Cotto said, the only time soldiers have been active in the area of the alleged killings was in skirmishes with subversive forces, not in major battles.

The reported massacre, he said, "is part of an international, orchestrated campaign to disfigure the image of the Salvadoran armed forces and our nation."

Cotto said the campaign also involved the alleged incident last May at the Rio Sumpal, in which foes of the Salvadoran government claim that 600 fleeing refugees lost their lives.

"We were even accused of throwing children into the air at the Rio Sumpul and using their bodies for target practice," he said. "That is just as false as the Rio Lempa 'massacre'."

Howard Lane, a spokeman for the U.S. Embassy in the Salvadoran capital, said Tuesday that the Salvadoran press had carried nothing on an incident at the Rio Lempa, and that a call by the newspaper was the first time he had heard of it.

But several hours later, Lane said the embassy planned to dispatch an investigator to the Rio Lempa.

However, Lane cautioned, reports of other alleged massacres "have been made out of whole cloth."

"It is a well-known fact that these villages in the north are guerrilla strongholds," he added. "It is awfully hard to separate people with guns from people without guns."

While Lane stressed he did not know what happened at the Rio Lempa, he suggested that guerrillas could have been mixed in with escaping citizens. "The stories of massacres depend on your point of view in telling them," he said.

In the Honduran capital of Tegucigalpa, Maj. Julio Pavon, spokesman for the Honduran army, issued a "categorical denial" of the reported participation by his nation's troops in an incident at the Rio Lempa.

"It is inconceivable that my nation's army would perpetrate such an action," he said.

Pavon added that Honduras has enough problems at home without getting involved in the problems of other nations.

However, Honduran radio stations broadcast accounts of the alleged incident early this week, and the first published report appeared Tuesday on page 30 of a local newspaper, said Chris Arco, spokesman for the U.S. Embassy in the capital city of Tegucigalpa.

Arco said none of the accounts mentioned a death toll.

In Washington, Joe Reap, a State Department spokesman, said he had no knowledge of the alleged incident.

After the alleged attack at the Rio Lempa, survivors reported that Honduran peasants took in as many of the refugees as they could. The Salvadorans had not eaten in four days. Dozens more were wounded, according to relief agency doctor and medic accounts. Some of the children were ill with pneumonia and bronchitis after having been without food or shelter for four days.

Physicians from the Doctors Without Borders organization turned an adobe house into a makeshift clinic.

Working with virtually no supplies, the doctors began attending to the most serious-

ly ill and wounded. Some were beyond help, however. A 3-year old girl and a 5-year old girl died of pneumonia.

An American priest, the Rev. Earl Gallagher, of Brooklyn, N.Y., who has been based in Honduras since 1970, drove to the border with several Honduran priests from the Honduran interior last Wednesday as soon as they heard reports of the events transpiring on the river.

Gallagher, 36, is a member of the Capuchins, a missionary branch of the Franciscans. He said he spent most of the day carrying children across the river, while ducking bombs, mortar shells and bullets.

Last Wednesday evening, survivors of the alleged attack said Honduran soldiers arrested 21 Salvadoran refugees, all men. One of them was turned over to the Salvadoran National Guard, 12 were taken to the nearby Honduran town of La Birtad and the remaining eight had disappeared, according to relatives of those allegedly arrested.

Last Thursday, at the site of the river crossing, thousands of articles of clothing littered both banks, the corpse of a middle-aged woman was lying on the Honduras side. Across the river, on the Salvadoran side, the corpses of the two little girls still were visible.

A tall, skinny man, looking for his son, stripped down to his underwear, walked to the edge of the water, cupped his hand to his mouth and yelled, "Salvador, my son, it's your father. I'm here to help you cross. Come out, my son. Come to papa."

There was no reply from the Salvadoran side. As the man walked away from the river, he said to no one in particular, "He's dead."●

ENERGY AND INFLATION

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HARKIN. Mr. Speaker, the Reagan administration is ignoring the most urgent task we face if we are to have a chance of halting inflation: We must stop the rising cost of energy.

The President is fond of blaming rising Federal deficits for inflation. He has given two major speeches on the economy as President and in both he laid the blame solely at the deficits' door.

But consider this: During the past 4 years (1977-81), Federal deficits rose by $18 billion over the preceding 4 years (1973-77). During that same time, the cost of fossil fuel imports jumped by $130 billion—seven times as fast.

Of course, Federal spending and Federal deficits have helped feed inflation—most economists, however, agree its role as small—and we must trim them. But it is equally clear that the real problem—the major problem—is not deficits. It is the cost of energy.

We must solve our energy problems, end our dependence on the OPEC price gougers, develop new, cheaper sources of energy, and become energy self-sufficient.

Instead of grappling with those problems, the President wants to send us in a head-long gallop in exactly the opposite direction. For example, he wants to end the Energy Extension Service, an important program which helps Americans learn the facts about how they can conserve energy. He wants to end our alcohol fuels program. He wants to cut drastically our efforts in solar, wind, and geothermal energy development.

But he wants to increase our reliance on oil and nuclear energy—the two most expensive power sources we have, regardless of whether we buy it at home or abroad.

That is why Congress will be asking questions, despite the fact that the Reagan administration seems to be trying to stampede Congress into buying its legislative package, in total, with no questions asked.

Mr. Speaker, either the Reagan administration does not understand our energy situation or it is deliberately misrepresenting the facts. Either case will have disastrous effects on our economy and on the American people. That makes it all the more incumbent upon the Congress to scrutinize Mr. Reagan's proposals carefully and play the major role in developing a national energy policy.●

OCTOBER 16, 1981—WORLD FOOD DAY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. SIMON. Mr. Speaker, today, I am introducing with my colleague, BENJAMIN GILMAN, a joint resolution calling on the President to proclaim October 16, 1981, as World Food Day. This proclamation would be consistent with the action taken by the United Nations and would support a recommendation from the President's Commission on World Hunger calling for greater public education on how we nationally, and within the international community, begin to come to grips with increasing food shortages. Although we have made real progress in this country in reducing malnutrition, hunger, and life problems resulting from these conditions. But as the world food situation becomes more serious, we here at home must begin developing new strategies to deal with food shortages here and abroad. Designation of a "World Food Day," and participation by many Americans in the variety of activities that will be planned in many communities, puts us on the road toward coming to grips with this problem in a realistic and compassionate way. I urge my colleagues to join us in sponsoring this resolution:

H.J. Res. —

Joint resolution to authorize and request the President to issue a proclamation designating October 16, 1981, as "World Food Day"

Whereas hunger and chronic malnutrition remain daily facts of life for hundreds of millions of people throughout the world;

Whereas children are the ones suffering the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physical or mental impairment, including blindness, because of vitamin and protein deficiencies;

Whereas, although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably among native Americans, migrant workers, and the elderly, remain vulnerable to malnutrition and related diseases;

Whereas the United States, as the world's largest producer and trader of food, has a key role to play in efforts to assist nations and peoples to improve their ability to feed themselves;

Whereas a major global food supply crisis appears likely to occur within the next twenty years unless the level of world food production is significantly increased, and the means for the distribution of food and of the resources required for its production are improved;

Whereas the world hunger problem is critical to the security of the United States and the international community;

Whereas a key recommendation of the Presidential Commission on World Hunger was that efforts be undertaken to increase public awareness of the world hunger problem; and

Whereas the 147 member nations of the Food and Agriculture Organization of the United Nations designated October 16, 1981, as "World Food Day" because of the need to alert the public to the increasingly dangerous world food situation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 16, 1981, as "World Food Day", and calling upon the people of the United States to observe such day with appropriate activities.●

RABBI AND MRS. FRANK STERN, A CARING AND SHARING COUPLE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. PATTERSON. Mr. Speaker, I am most pleased to bring to the attention of my colleagues here in the House of Representatives the outstanding achievements of Rabbi Frank Stern and Muriel "Cookie" Stern, and to take this opportunity to commend them both for their many years of dedicated service within the Jewish community. On Saturday, May 16, the congregation of Temple Beth Sholom, the oldest synagogue in Orange

County, Calif., will host a special recognition dinner honoring the Sterns for their 10 years of outstanding leadership.

Rabbi Stern's active concern and genuine devotion extends from his native California to Ohio, Virginia, Europe, and Israel. He taught, lectured, inspired, and guided students and congregations around the world. And all who have been fortunate enough to hear him speak have come to appreciate his mastery of Hebrew literature and the wisdom of his message.

Rabbi Stern's leadership and organizational talents have been clearly demonstrated, from his association with the Hebrew Union College as one of its founding students, to his formation of Temple Sholom's first Chador youth leadership program.

Always accepting the challenge to help Jewish congregations, Rabbi Stern's service includes membership in the Central Conference of American Rabbis, the Pacific Association of Reform Rabbis, and the Rabbinic Advisory Committee of the United Jewish Appeal national organization. Currently, he is on the executive committee of the Jewish Federation of Orange County. Previously, he was a director of the Jewish Family Service of Orange County, vice president of the United Way of Orange County North/South, and served an unprecedented four terms as president of the Orange County Board of Rabbis.

Muriel "Cookie" Stern renders an equally productive and vital service to the community in the multitude of religious activities that this couple share together. "Cookie" possesses the same intensity and interest, as well as serving as a spiritual confident in all that she does for the community. Her concern for education and the handicapped and disabled developed while teaching at the Hebrew Union College, where she met and married Rabbi Stern, also a teacher. Most recently, she received a special award from the Orange Unified School District for her dedication to helping people in the religion schools. She is a member of the Women's American Organization for Rehabilitation Through Training, Hadassah, and the Temple Sisterhood. And she also has served as vice president of the women's division of the Jewish Federation, and presently is chairing the federation's education program.

Temple Beth Sholom is indeed fortunate to have these two talented teachers and concerned community leaders, Rabbi and Mrs. Stern, among the congregation's membership. I now ask my colleagues to share with me in honoring these two very special individuals for their combined dedication and devotion to their community.●

GRAVE RESERVATION OVER THE NOMINATION OF JOHN B. CROWELL, JR.

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. WEAVER. Mr. Speaker, two separate articles published in the Eugene Register-Guard on Friday, April 3, 1981, both expressing grave reservation over the nomination of John B. Crowell, Jr., as Assistant Secretary of Agriculture for Natural Resource Agencies. I submit the articles to be printed in the RECORD:

[From the Eugene (Oreg.) Register-Guard, Apr. 3, 1981]

CROWELL'S BIASES DISQUALIFY HIM

The Senate should reject John B. Crowell Jr.'s nomination to become assistant secretary of agriculture in charge of that department's natural resource agencies.

That is not a job for a person with an almost overwhelming potential built-in conflict of interest and preconceived notions that federal resource management policies developed through experience and extended debate are suddenly all wrong.

President Reagan's nominee is the former general counsel for Louisiana-Pacific Corp., the nation's largest purchaser of federal timber. Moreover, he has openly declared that he favors substantial reduction of proposed wilderness areas within the national forests—as well as tripling the amount of timber being taken from those forests.

The Carter administration—acting on the basis of a seven-year U.S. Forest Service "roadless area review and evaluation" (RARE II)—recommended that 15 million acres of national forest lands be designated by Congress as wilderness, 11 million be given further study and 36 million be managed for multiple uses ranging from recreation to timber production.

Congressional action involving 6 to 7 million acres proposed for wilderness has yet to be completed, and nearly 6 million acres are still being studied. The largest of the RARE II "left-overs" are in Oregon, California, Washington, Idaho, Montana and Utah.

Crowell told the Senate Agriculture Committee this week: "I am as concerned as anyone that future generations of Americans have available to them the same bountiful abundance generated from our forests, farms, soils and water that we enjoy."

But he added that he would not "sit idly by while others advocate and pursue policies which will result in our own generation's having to forego the bounty of our forests."

According to Gannett News Service reporter Norm Brewer, Forest Service personnel have already begun identifying commercially valuable expanses of national forests recommended for wilderness designation by the Carter administration—apparently anticipating a change in marching orders under the Reagan administration.

If confirmed, Crowell would of course be bound to follow general policies established by Congress. However, he would be the man directly in charge of the Forest Service. A Wilderness Society spokesman has understandably likened that prospect to having "a very hungry fox . . . guard our national forest chicken house."

Crowell's mind-sets are disquieting. He has exhibited enthusiasm for stepping up national forest timber harvests far beyond President Reagan's budget recommendation to hold the cut steady at 11.9 billion board feet. The potential for increasing the yield, he told Brewer last week, "is really mind-boggling."

Moreover, Crowell would be working in tandem with Interior Secretary James Watt, who champions more "aggressive" exploration for minerals in wilderness areas—and increased utilization of timber on public lands under his control, including, presumably, extensive O&C timber stands in Western Oregon.

Oregon's Sen. Mark Hatfield has advocated designation of 1.8 million acres of national forest lands in this state as wilderness, half again as much as the Carter administration recommended. Both he and his sometimes more environmentally oriented Senate colleague from Oregon, Bob Packwood, have worked diligently to ensure the long-term stability of this state's economy through sound management of the national forests that are its greatest natural resource.

Crowell, despite 20-plus years as an Oregon resident, obviously does not share the senators' established views that an unsustainable spate of federal timber cutting could undermine this state's economic future and that preservation of carefully selected wilderness areas could be more beneficial in the long run than promiscuously opening them to commercial exploitation.

Accordingly, it is indeed strange to read in Steve Forrester's column from Washington (below) that Hatfield appears to favor Crowell's assumption of executive authority which he would use to oppose, and possibly to obstruct, basic legislative decisions regarding the national forests.

As Oregon's voices in the Senate, and as Republicans of stature there, Hatfield and Packwood should work to prevent Crowell's nomination—and, if they succeed in that, to guide the President to a better nominee.

AGRICULTURE POST NOMINEE'S OBJECTIVITY QUESTIONED

(By Steve Forrester)

WASHINGTON.—If ever there was a sub-Cabinet nominee whose reputation preceded him to Capitol Hill, it is Portland lumberman John Crowell.

Crowell appeared before the Senate Agriculture Committee this week to be confirmed as President Reagan's assistant secretary of agriculture for natural resources and environment.

Because of his prior association with the Louisiana Pacific Corp., his involvement in lawsuits challenging the small business set-aside provisions of federal timber sales and his skepticism about the current level of timber harvest on the national forest, Crowell has been painted by the environmentalists as a "timber beast."

Crowell obliged the environmentalists during his confirmation hearing by suggesting that timber harvests from the national forests could be increased from the current level of about 11 billion board feet annually to 35 billion board feet annually. He also reiterated his belief that old growth timber in the Northwest should be harvested more rapidly.

The Agriculture Committee is expected to recommend Crowell's confirmation. But environmentalist organizations have been lobbying hard against it, so there will likely be some opposition when the nomination reaches the Senate floor.

The only surprise in Crowell's hearing was his ignorance of the recent Japanese request that the U.S. and Canada reduce their exports to that country by 50 percent—a story the Wall Street Journal and other newspapers reported in late February. "You haven't heard that the Japanese want us to reduce lumber exports by 50 percent?" asked Sen. Alan Dixon, D-Ill.

"No." replied Crowell.

Sen. Walter Huddleston, D-Ky., ranking Democrat on the committee, asked Crowell what he would do about issues on which he might be compromised by prior business association. "I have given my word that I will excuse myself from and have no role in decisions or making policy that is new or different from existing small business set-aside provisions of timber sales," Crowell said.

Sierra Club spokesman Brock Evans took issue with Crowell's pledge to stay away from affairs that would affect his former employer. "This nominee's background is not so broad. It reflects a very specialized, although valuable, interest," Evans said.

"We are pleased to have learned of Mr. Crowell's recusal statement, in which he has pledged to recuse himself from those affairs of his previous employers and from the small business set-aside program," Evans continued. "While we welcome the statement, we are not sure which programs within the Forest Service will be affected by that recusal statement. There is very little within the realm of forest management and timber utilization which does not affect Louisiana-Pacific to a greater extent than any other corporation."

Three environmentalist organizations showed up to oppose Crowell's nomination: the Sierra Club, the Wilderness Society and the Natural Resources Defense Council. The National Wildlife Federation urged the committee to be sure Crowell had divorced himself from prior business dealings, but did not oppose his confirmation.

In their attacks on Crowell, environmentalists suggested that the Portland lawyer would seek to revise regulations promulgated last year under the National Forest Management Act. Those regulations pertain to all manner of forest policies, including a limit on the size of clear-cuts, which Crowell believes to be too small.

When Sen. Richard Lugar, R-Ind., asked, "Why is there this intensity of opposition to your appointment?" Crowell said that it was because of his skepticism regarding wilderness and his willingness to depart from the even-flow doctrine regarding old growth forests.

But Crowell added that he could develop and maintain communication with those groups which opposed him. "I would hope that as a result of hearing my views in more detail in this hearing today and as we have an opportunity to communicate with the groups who oppose me today, those groups will feel more comfortable about my job performance than they do today," he said.

Introducing Crowell to the committee, Sen. Mark Hatfield, R-Oreg., said the nominee would "strike a happy balance at the heart of Gifford Pinchot forestry." Pinchot was first chief of the Forest Service.

Making reference to Hatfield's prediction, Peter Kirby of the Wilderness Society told the committee that Crowell "does not strike a balance. On the contrary, it is an unhappy, strident, pro-timber philosophy that has characterized his entire career."

"Whose interest is being served and will be served?" asked Kirby. "We have a great fear that the objectivity and the professionalism of the Forest Service will be put in jeopardy by his (Crowell's) prior association."

Tom Barlow of the Natural Resources Defense Council said that Crowell "has tried to keep the National Forest Management regulations as weak as possible."

Describing his transition from legal counsel to Louisiana Pacific to assistant secretary of agriculture, Crowell drew a parallel with a lawyer who becomes a judge: "The position to which I have been named will require a similar adaptation on my part, but obviously it is a change that is not only possible, but natural, for a lawyer. I can do no more to assuage the concerns of those who are worried about my open-mindedness other than to say that representatives for their viewpoints will always be able to receive a fair hearing from me."

But judges don't have deeply interested constituencies as Crowell will in his role as chief U.S. timber policy maker. He will also be the focus of soil conservation issues.

Crowell said all the right things about divorcing himself from prior associations. But, if confirmed, he will be watched as few sub-Cabinet officers have been watched in recent years.●

A POEM BY NINA MAE FORDE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. FRANK. Mr. Speaker, the Honorable Foster Furcolo, a former Member of this House and a distinguished former Governor of the Commonwealth, recently brought to my attention a poem by Nina Mae Forde, a constituent of mine.

The poem expresses the essence of our people's diversity of background which has in it the common thread of support for the goal of freedom, a keystone of our country's existence.

At this point in the RECORD, I insert a poem by Nina Mae Forde and commend it to the attention of my colleagues:

To America they came!
And to America they come!
The people from other lands
Where they all were born!
Some of different color,
With many varying creeds,
Each group with its thoughts
Of what they think they need!
We of long time generations,
Here in this free land,
Try so hard to welcome
Those, who do not understand
How, on down thru the ages
We fought to make us free,
And now our country's freedom
Is for all who would believe
And help us work together.
In this blessed land we trod,
A country like no other
Inspired by Love and God!●

SILVERFINGER—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. McDONALD. Mr. Speaker, on April 1, 1981, I placed part I of this item in the RECORD. It appeared on page 6138. This second part of the article which appeared in Playboy of July 1980 again confirms that the machinations of the Commodity Futures Trading Commission did in the Hunts on silver and caused the price to fall abruptly.

Again, I wish to note that this second part consists of pertinent extracts from the article and is not complete:

SILVERFINGER

[From Playboy Magazine, July 1980]

The identify of the new big buyers remained a secret through August and September, but what happened to the price of silver did not. Having risen slowly but steadily all year, the price suddenly jumped from eight dollars to over $16 in only two months' time. Part of the price explosion was undoubtedly attributable to the voracious demand of the big buyers. But, as the CFTC itself later observed, the demand was also consistent with the world-wide demand for precious metals as a hedge against inflation and unstable politics. Gold prices had already been surging upward for months. Silver had remained relatively underpriced, but was catching up. On October third, it closed at $17.88 per ounce.

Both the Comex and the C.B.O.T. flew into a panic. Trading frenzied, then dried up as small investors scrambled for cover amid rumors that the new big buyers included the Hunts. Exchange officials grew increasingly anxious. The big buyers kept buying futures, but they also kept taking delivery as their old contracts matured. The warehouses of the two exchanges held only 120,000,000 ounces of bullion, and that amount was traded in the month of October alone. The Hunt Saudi partnership itself took delivery on some 40,000,000 ounces. Combined with the Hunts' earlier purchases, this gave the group ownership of 62 percent of the stock in the Comex warehouse and 26 percent of the stock in the Board of Trade's vaults. International Metals also traded some of its futures for another 28,000,000 ounces of silver not held by the U.S. exchanges' vaults. Conditions looked ripe for a "squeeze": that situation where there is simply not enough bullion available to meet the strict delivery terms of the contracts.

At that point, the CFTC and the officials of the two exchanges decided to have a little talk with the Hunts. Explaining that they feared a squeeze, the exchange officials asked them if they would consider selling some of their silver. The brothers' answer was no. What was more, they said, they intended to keep buying silver and to keep taking delivery on it. They thought silver was still a good buy, even at the new high prices. Besides, as Bunker put it with typical understatement. "If you sell, you get into a tax problem."

But Bunker's assurances that he was willing to cooperate as much as possible appar-

ently mollified the CFTC officials; the C.B.O.T., however, concluded that it was time to act. In a move aimed directly at the Hunts and the other big buyers, the Board of Trade raised the margin requirement and declared that silver traders would be limited to 3,000,000 ounces of futures contracts. Traders with more than that would have to divest themselves of their excess futures holdings by mid-February 1980.

With that, the battle lines were drawn. Bunker let it be publicly known that he thought the C.B.O.T. was changing the rules in the middle of the game, and vowed to fight the limits all the way. Privately, he regarded the C.B.O.T.'s action as another conspiracy against him by the Eastern establishment. And for once, he had a good prima-facie case.

The boards of both the Chicago and the New York exchanges were composed not only of "outside" directors but also of representatives of the major, usually Eastern based brokerage houses. Later testimony would reveal that nine of the 23 Comex board members held short contracts on 38,000,000 ounces of silver. With their 1.88-billion-dollar collective interest in having the price go down, it is easy to see why Bunker did not view them as objective regulators. At the same time, though, the C.B.O.T. restrictions made Bunker even more bullish on silver, because, as he put it, "they show a silver shortage exists."

Bunker appeared to be right. Through November and December, the price of silver rose faster than ever. By the last day of 1979, the price reached an astronomical $34.45 an ounce. Meanwhile, the Hunts' silver holdings kept increasing. By the end of December, the Hunts and their Arab partners held 90,300,000 ounces of bullion that the CFTC knew about and another 40,000,000 ounces the Hunts had stashed in Europe. The Hunt group also held about 90,000,000 ounces' worth of silver futures, most of them due for delivery in March on the Comex in New York.

By this time, the CFTC became concerned that the silver positions held by the Hunts and the Conti group were "too large relative to the size of the U.S. and world silver markets." Subscribing to the philosophy that the futures market was not a substitute for the cash market, the commission determined that the time had come to stop Bunker's perverse buying spree. A meeting to decide what to do was set for January 8, 1980.

Then the Comex stepped in. On January seventh, the exchange announced new position limits restricting traders to no more than 10,000,000 ounces worth of futures contracts. The effective date of the limits was set for February 18. The day after the Comex announcement, the CFTC announced that it was backing the exchange's new limits.

Bunker was incensed. "I am not a speculator. I am not a market squeezer," he protested. "I am just an investor and holder in silver." Taking the offensive, he accused the exchanges and the Government of destroying the U.S. silver market by changing the rules in the middle of the game. "The market will move to Europe," he predicted ominously. "The silver market in this country is a thing of the past.

Strangely enough, the price of silver fell only one day in the wake of the Comex announcement, then started climbing even higher. Part of the reason for the continued price spiral, according to an after-the-fact analysis by the CFTC, was that Bunker kept buying silver. On January 14 and 16, the Hunts made agreements to take future delivery on 32,500,000 ounces of silver (mostly in London) at various dates that spring. The largest of those contracts were with Englehard Minerals. On January 17, silver hit a record high of $50 an ounce.

Bunker could hardly be incensed about that. On that one day, the worth of the Hunts' silver-bullion holdings was nearly four and a half billion dollars. Since most of that silver had been acquired at less than ten dollars an ounce, they had a profit of over three and a half billion dollars. Bunker and Herbert had made nearly as much money in the past six months as their late father had made in his entire lifetime—at least on paper. Of course, if Bunker actually sold all that bullion, he would face enormous tax consequences. The trick now was to figure a way to utilize those huge gains without having them decimated by the tax man.

As Bunker pondered that, the exchanges decided to impose their most stringent restriction yet. On January 21, the Comex announced that trading would be limited to liquidation orders only. There would be no more futures buying. The game was closing down.

The next day, the price of silver plunged to $34, a drop of ten dollars in a single day. It stabilized shortly after that, and remained in the mid to high 30s for the rest of the month. But in February, the price began to slide downward again. By that time, silver was literally coming out of the woodwork. In response to the new high prices, old ladies had been selling their tea sets. Families had been hocking their silverware. Coin collectors had been divesting themselves of their collections. In January and February alone, an estimated 16,000,000 ounces of silver coins and an additional 6,000,000 ounces of scrap silver had come onto the market. With the price of silver now dropping, some of those small sellers and small investors began complaining to the CFTC about the exchange restrictions.

Bunker, meanwhile, remained as bullish as ever. "Why would anyone want to sell silver to get dollars?" he asked in amazement. "I guess they got tired of polishing it."

Prudently or not, Bunker practiced what he preached. In early February, the Hunts took delivery of 26,500,000 ounces of bullion from the Chicago exchange. That brought the brothers' total group holdings (including their partnership with the Arabs and their European silver stash) to slightly over 155,000,000 ounces. Instead of selling his futures, most of which were set for delivery in March, Bunker simply rolled them forward into the months of May and September. He also bought a $4,250,000 stake in Goldfield, a silver-mining concern, and a six-and-a-half percent stake in his own silver broker, the Bache Group. In late February, the Hunts made headlines in Dallas for an unusual precious-metals-based employee-benefits package. The plan provided that Hunt employees could take their bonuses in silver, gold or cash, whichever was highest at the time the benefits were paid out. That was not the act of a man who believed the price of silver was going to crater.

Neither were the things Bunker was doing behind the scenes. In late February, with the price now hovering in the low 30s, Bunker began another global search for a silver-buying partner. Despite the recent price slippages, the prospects looked good. The Kuwaitis and the Bahrainis in Gulf Investment had sold their silver near the top of the market for an estimated $22,000,000 profit. Elated by their success, the group was ready to get back in the market again. They proposed a new venture in partnership with Bunker to be called Gulf Precious Metals. The intention of this new group was to raise another $500,000,000 to buy more silver; of that total amount, Bunker would supply 10 to 20 percent.

There followed a series of meetings in Paris, the Persian Gulf States and Texas. One of the meetings took place in Dallas on February 26. Among those in attendance were Mario Araktingi, a Greek Arab who advises the Saudi royal family on investments; Mohammed Ishmael, a director of the Arab bank in Paris; Sheik Mahfouz, the Saudi banker and Connally client; and the Hunt brothers, Bunker and Herbert. After the gathering, the Arabs flew off to Bermuda, home base of International Metals, then turned around and went back to Dallas for another meeting with the Hunts.

Meanwhile, with the ready cash of Placid Oil, the Hunts were making several large nonmetal investments. Placid bought the oil reserves of a company called Bodcaw for $190,000,000 in cash, then purchased $100,000,000 in stock in oil-rich Louisiana Land and Exploration Company. After that, Placid bought a 9.6 percent stake in coal-rich Gulf Resources and Chemical Corporation, then announced a $350,000,000 tender offer for the rest of the stock. Gulf Resources' board voted against the tender and the Hunts backed off.

Then rumors circulated that the Hunts had an even more prodigious take-over target: Texaco. Like cornering a modern market, taking over one of the Seven Sisters was almost too absurd for most people to think about. By one estimate, taking over the whole company would have cost ten billion dollars at prevailing market prices. Even the Hunts, with an estimated four billion dollars in paper profits in silver, would be hard pressed to make that kind of play. But by that time, it seemed like anything was possible for the Texas brothers. So, while the purchases of Texaco stock by Placid were never confirmed, the rumors continued to circulate.

At the same time, the price of silver continued to drop. On March third, it was at $35.20 an ounce; but by March 14, it was down to $21. One reason for the price drop was the rapidly spiraling interest rate; that not only strengthened the dollar but also raised the cost of buying on margin. Another reason was the fact that at January's $50 price, there were fewer and fewer people left who could afford to buy silver. Still another reason was the fact that world tensions had eased a bit—and the flight into precious metals as a haven from the apocalypse finally slowed.

For Bunker and his Arab partners, the continuing price drop spelled enormous trouble. It meant, for one thing, that the value of their already delivered silver bullion was decreasing rapidly. At $21 an ounce, the Hunts' silver was worth nearly two billion dollars less than what it had been worth a few weeks before. That meant so much less collateral available for new silver-buying loans. Even worse, the declining prices meant that the Hunts had to keep coming up with more cash margin money to maintain their futures positions, which were in the 60,000,000-ounce range. By late March, their margin calls at Bache were in excess of $10,000,000 per day.

Still confident that silver prices would turn upward again, Bunker refused to sell out. But despite his optimism, prices continued to drop, and the margin calls continued to mount. Everything finally came to a head on March 25, 1980. Bache called Dallas that afternoon to inform the Hunts of a $135,000,000 margin call. Herbert responded with a stunner:

"We can't make it."

The Bache people could hardly believe it. Had their biggest client reached the end of the rope? Still reeling from the thought of it, the Bache men told Herbert they would have to begin liquidating the Hunts' contracts. Herbert indicated that they should go ahead if that was what was required.

The next day, Bache sold off $100,000,000 of Hunt bullion. It also contacted the CFTC. Bache told the commission that the Hunts' account carried an equity of only $90,000,000 and that the brothers would probably lose another $86,000,000 in the next day's trading. Combined with other recent losses of $40,000,000, that left a deficit in the Hunts' account of some $36,000,000. More important as far as the rest of the world was concerned, it was the kind of news that raised the specter of a full-scale financial disaster. Word that the Hunts' losses had imperiled the stability of a major brokerage house could drive the market into a panic.

CFTC chairman James Stone sounded the alarm to the Government's financial heads of state. A short time later, fearing the worst, Stone, Volcker, SEC chairman Harold Williams and Deputy Treasury Secretary Robert Carswell began a round-the-clock silver-market monitoring session.

That same day, Bunker suddenly turned up in Paris. At eight P.M. Paris time, which was two P.M. in New York, he released a remarkable announcement to the press via a Paris agency. His statement said that he and four Arab partners had acquired "more than 200,000,000 ounces of silver" and that the group was putting up its hoard to back the sale of silver bonds. The statement went on to say the bonds would be distributed through "big European banks" (though it did not name any) and promised that the bonds would be in denominations of varying size, so as to attract small investors as well as large ones. Bunker's statement disclosed that his partners in the silver-bonds venture were Prince Faisal bin Abdallah, Sheik Al-Amoudi, Mahmoud Fustok (a Saudi contractor and advisor to the prince) and Naji Nahas, the Brazilian Lebanese who had purchased silver with the Conti group.

The announcement carried a host of intriguing ramifications. On one level, it appeared that he had achieved his dream: the creation of his own separate economy. Just as the governments of the world had issued currencies by virtue of the metal they owned, Bunker and his Arab partners were now planning to issue their own "real" money, even as the governments of the world were now issuing paper with no metal behind it.

In reality, Bunker's announcement carried a far more desperate message. The silver-bonds arrangements were obviously incomplete, or he would have been able to name the banks involved. With silver prices dropping and a personal financial debacle in the offing, Bunker was apparently making a last-ditch confirmation of the fact that he was still bullish on silver.

The next day, Thursday, March 27, the silver market collapsed. The price of silver opened that day at $15.80 per ounce. Then rumors started circulating that the Hunts had a one-billion-dollar margin call and they were not going to be able to meet it. Subsequent rumors said that Bache was on the verge of going under. The price of silver plummeted to $10.80 an ounce. The debacle spilled over into the stock market on the strength of an additional rumor that the Hunts were selling off huge stock shares in Louisiana Land, Gulf Resources and Texaco. The Dow-Jones average dropped a staggering 25.43 points, hitting its lowest level in five years. It looked to many like the sky was falling.

About that time, a second wave of rumors hit the streets. The Hunts would be able to meet their margin call, after all. The price of silver remained at its $10.80 level, but the stock market rallied incredibly. Bargain hunters and other buyers brought the Dow-Jones back up to only 2.14 points below the level at which it had begun the day.

Shock waves from the silver crash reverberated around the world. For the little guy, there was reason for rejoicing: The break in silver prices was one of the first big price downturns in a long time. For investors who had gone short on silver, it was a time for raking in big profits. Armand Hammer, chairman of Occidental Petroleum, for one, reported a gain of $119,000,000 in silver's slump. For investors who had followed the Hunts, there was reason for jumping out of windows: They lost millions that they could afford to part with far less easily than could Bunker and Herbert. But even for those who had remained on the side lines, there was reason for grave concern. There had not been a day like Black Thursday since the Great Depression.

As the world press tried frantically to reach him, Bunker made himself unavailable for comment. Shortly after making his silver-bonds announcement, he left Paris on a plane to Saudi Arabia to consult with his Arab partners. Having been billions ahead, he was now staring at billions in losses. The only thing he said before taking off was, "It'll all come out in the wash."

Bunker's prediction turned out to be more accurate than he might have wished. Instead of repeating Black Thursday's debacle, silver prices rallied to $12 an ounce the next day. But Bunker and Herbert Hunt found themselves with some of the biggest losses in U.S. financial history. Since January, the value of their silver bullion had depreciated by nearly four billion dollars. Because most of that silver had been purchased at under ten dollars an ounce, they were actually still a little bit ahead on their bullion purchases. But they had taken a tremendous beating in the futures market and on silver contracts they had purchased when prices were in the $35-an-ounce range. The exact extent of the Hunts' troubles was hard even for them to determine, but it quickly became clear that their outstanding debts were in the one-and-a-half-billion-dollar range, including a $665,000,000 delivery contract with Englehard that they could not meet.

With much of their holdings pledged as collateral on loans that, in turn, had been used to buy silver, the Hunts and their bankers were in a double bind. The more the price went down, the more they owed, and the less their original collateral—their silver—was worth.

On the Sunday following Black Thursday, Bunker flew in from Saudi Arabia to meet with Herbert and the Englehard people in Dallas. Since Bunker was fatigued, Herbert did most of the talking, and most of what Herbert had to say sounded pretty grim. Among other things, he informed the Englehard men that all the Hunts' silver was already pledged as collateral on loans, or, as he put it, was "all under water." Such a predicament might have seriously upset other mortals, but not Bunker Hunt. Confronted with his multibillion-dollar troubles, he simply observed that "a billion dollars isn't what it used to be."

Despite their ability to remain calm, the Hunts did not succeed in working out a deal with Englehard in Dallas. So that afternoon, they and the Englehard men flew to Boca Raton, Florida, where the heads of the nation's largest banks had gathered for a meeting of the Federal Reserve City Bankers Association. Volcker happened to be in town to give a speech to the association, and upon hearing of the Hunt-Englehard problem, allowed that he had no objection to their trying to negotiate a loan, despite his earlier disapproval of lending for commodity-speculation purposes.

Through the night and into the wee hours of the morning, the Hunts and the Englehard men negotiated with the bankers. Volcker sat in on some of the talks and, at one point, even appeared with a shirt over his pajama top to check on the status of the negotiations. But even under the benign gaze of the Federal Reserve Board chairman, the bankers could not come to terms with the Hunts. The brothers' maze of debts, commitments and interlocking collateral was just too complicated. As one participant put it "There were just too many loose ends,"

Nevertheless, by the time the sun rose, the Hunts and Englehard had managed to reach an accommodation. Under the terms of the deal, the Hunts agreed to give Englehard 8,500,000 ounces of silver and a 20 percent interest in their Canadian oil properties in the Beaufort Sea. Although carried on the books as worth about $275,000,000, the Beaufort Sea properties have a potential worth estimated at $600,000,000 to $750,000,000. But the wells there have yet to come on production and it may be years before they do. At this point, the Hunts just don't know how much their deal with Englehard will cost them.

With the completion of the Englehard agreement, negotiations for a loan to the Hunts picked up again. Fearing that the Hunts' inability to pay their silver debts might cause more major tremors in the nation's financial system, Fed chairman Volcker gave his tacit approval to a plan to bail the brothers out. Under the terms of the deal, a consortium of banks, including First National Bank of Dallas and Morgan Guaranty of New York, has agreed to lend 1.1 billion dollars to a partnership composed of the Hunt brothers and Placid Oil, the most viable entity under the Hunt family corporate umbrella. The partnership, in turn, will use the money to pay off the Hunt brothers' silver debts.

The Hunts' loan does not come cheap. As collateral, Placid has mortgaged substantially all of its oil-and-gas properties in Louisiana and the Gulf of Mexico; those properties make up roughly one half of the company's six billion dollars in assets. In addition, Bunker and Herbert have contributed collateral in the form of 63,000,000 ounces of silver bullion and coal properties worth an estimated $480,000,000. They have also agreed not to speculate in the silver market until the 63,000,000 ounces of silver they have contributed to the partnership have been sold off.

On top of all that, Bunker and Herbert have also had to make some costly internal family financing arrangements. Fearing that Placid, the family jewel, might be left holding the bag if silver prices declined further, the Hunt sisters insisted that the boys put up even more of their own property to secure Placid's interest in the silver partnership. Along with their brother Lamar (who participated in the silver deal to a much lesser extent than did his brothers), Bunker and Herbert have mortgaged their race horses, furs, fine paintings, coin collections, jewelry and cars—as well as more oil and real-estate properties. The bottom line is that in trying to prove themselves even greater money makers than their late father, the Hunt brothers have ended up putting the better part of the family empire in hock.

At this writing, the future of both Nelson Bunker Hunt and the silver market remains very much up in the air. Many analysts believe that at $12–$14 an ounce, silver is now drastically underpriced. While prices may not shoot through the $50-an-ounce mark again any time soon, there is a good possibility they could climb back up to the $20–$25 range. If that happens, the Hunts could easily pay off their silver debts and even wind up with some tidy profits.

On the other hand, if silver languishes or drops even lower, the Hunts could lose hundreds of millions more. In addition to worrying about the price, they have to pay interest on their 1.1-billion-dollar loan at the rate of $500,000 per day, which works out to more than $180,000,000 per year. The Hunts also have to deal with a market that knows they must sell. Even if silver is going up in the long run, that selling will inevitably drive the price downward in the short term, and the market appears to be waiting for that to happen. Finally, the Hunts may well have to cope with even more silver than what they have put into the partnership with Placid. They claim that they have only 63,000,000 ounces left. But their huge purchases in 1973 and 1974 seem to have been lost in the calculations. The brothers may actually hold another 40,000,000 ounces of silver in their European stash. But as long as prices remain depressed, that extra hoard does them little good.

Whether or not these dark clouds turn out to have a silver lining, it is more than likely that the brothers will be able to pay off their debts one way or another. The sheer size of their nonsilver holders makes bankruptcy a most remote possibility. For Bunker, the worst part of all this is not his losses but the increasing amount of public disclosure and Government inquiry the Hunts have been subjected to in order to pay off their debts. According to his friends, the stress of these developments has caused Bunker's legs to sweat and even made him lose a little weight.

Yet, as one associate says, "For a man who has just lost billions, he looks remarkably calm—but then, he's like that." Down but far from out, Bunker remains bullish on silver. He fully expects that prices will rise and that his financial situation will take care of itself. He also believes he may have grounds for a lawsuit against the commodities exchanges for changing the silver-buying rules. As he put it in a recent appearance before a Congressional investigating committee. "The game is not over."

The people who know Bunker Hunt best don't doubt that for a minute.●

AGENT ORANGE STUDY

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. RAILSBACK. Mr. Speaker, I am introducing a bill to require the Secretary of Health and Human Services to arrange for an independent epidemiological study of persons exposed to the chemical dioxin used in the herbicide, agent orange, to be conducted by the National Academy of Sciences (NAS).

I first became aware of the problem when I was contacted by a constituent, Mrs. Judy Fellner, whose husband served in Vietnam from March 1967 to March 1968. Not only did her husband die at the age of 35 from heart disease, but her first-born child after his return is suffering as a result of having three kidneys. According to Mrs. Fellner, both the child's pediatrician and urologist felt her husband's exposure to agent orange may possibly have caused the defect.

Later, after talking with several Vietnam veterans in my district, I became even more concerned about the effects of exposure to the chemical dioxin contained in agent orange. Many veterans told me that they felt they should be compensated by the Federal Government. They risked their lives in Vietnam and now they and their families are suffering. They feel the Government does not want to spend the money on compensation and that results from a Veterans' Administration study, mandated by Congress, would not be credible since the VA is too concerned about the expense of compensating veterans.

Determining whether veterans should be compensated is extremely difficult. Conclusive results justifying compensation to veterans and their families have not been made, so many are paying high medical bills without help from the Government. We must determine whether exposure to low doses of dioxin does cause long-term health problems to those exposed and their children.

Determining whether low doses of dioxon have long-term health effects has been the thrust of several industrial and Government studies. Thousands of industrial workers in the United States and abroad have been exposed. About eight major accidents have occurred worldwide. Some chemical companies, such as Dow Chemical Corp., is conducting its own study of employees. The Kittering Toxicology Laboratory is studying Monsanto workers. The Australian equivalent of our Public Health Service is studying Australian veterans. The Air Force is studying approximately 1,200 ranch hands who sprayed the herbicide in Vietnam. A study is being conducted to determine the effect on citizens and workers in and near a Seveso, Italy, plant which exploded in 1976 and released large amounts of the chemical into the atmosphere. So, obviously, many people have been exposed and much concern is being displayed. However, the work is diffused, and no conclusive findings have resulted.

That is why the National Academy of Sciences recommends a study of a broader population than veterans. To really determine the long-term effect of both high and low doses of dioxon, a population comprising industrial and military people must be conducted. I feel the National Academy of Sciences is the best organization to conduct such a study.

Although I am encouraged by congressional interest resulting in a request for the VA study, I am concerned by the fact that the VA does not now have credibility. Whether the judgment is warranted is not important. The veterans do not feel they will be treated fairly. So, I am introducing legislation authorizing the National Academy of Sciences, at the request of the Secretary of Health and Human Services, to conduct an independent epidemiological study of persons exposed to agent orange. The NAS is an eminent scientific organization and does not have a credibility problem. It will look at health effects on a broad scale from a strictly scientific viewpoint. Such a study could be extremely helpful in determining if compensation to Vietnam veterans and their families is appropriate.

For the convenience of Members and interested persons, I have included the text of the bill:

SECTION. 1. (a)(1) The Secretary of Health and Human Services (hereinafter in the Act referred to as the "Secretary") shall arrange, in accordance with section 2, for the conduct of an epidemiological study, based on available information and information furnished in accordance with section 3, to determine if and to what extent there may be long-term adverse health effects in humans from exposure to any of the class of chemicals known as "dioxins" produced during the manufacture of the various phenoxy herbicides, and in other processes including the herbicide known as "Agent Orange". Such study shall give particular attention to individuals who served as members of the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict but may include others who have been or may have been exposed to such chemicals when such inclusion is feasible and appropriate.

(2) The study required by paragraph (1) shall be continued for so long after the submission of the first report under section 4(b) as the Secretary determines to be reasonable in light of the possibility of developing through the continuation of such study significant new information on the long-term adverse health effects in humans of exposure to dioxins.

(b) The Secretary shall arrange, in accordance with section 2, for the conduct of a comprehensive scientific analysis of the ex-

isting literature covering other studies relating to whether there may be long-term health effects in humans from exposure to such dioxins or other dioxins.

SEC. 2. (a) The Secretary shall request the National Academy of Sciences (hereinafter in this Act referred to as the "Academy") to design, monitor the performance of, and analyze the data from a controlled epidemiologic study and perform a review and analysis of all pertinent scientific literature as required by section 1 under an arrangement whereby the actual expenses incurred by the Academy directly related to the study and analysis will be paid by the Secretary. Performance of examinations or interviews will be coordinated by the Academy but performed by other appropriate institutions. If the Academy agrees to such a request, the Secretary shall enter into such an agreement with the Academy.

(b) If the Academy is unwilling to conduct the study required by section 1 under such an arrangement, then the Secretary shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such a study and analysis.

(c) Any arrangement entered into under subsection (a) or (b) for the conduct of the study required by section 1(a) shall require that reports on the study be submitted within such time as the Secretary may require to meet the requirement of section 4(b). Any arrangement entered into under subsection (a) or (b) for the conduct of the literature analysis required by section 1(b) shall require that the analysis be completed and reports on the study be submitted within such time as the Secretary may require to meet the requirement of section 4(a).

SEC. 3. The Secretary may request relevant information required by section 1(a) from any agency of the Federal Government, and the head of any agency from which such information is requested shall promptly furnish such information to the Secretary.

SEC. 4. (a) Not later than 12 months after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of Congress a report on the literature analysis conducted pursuant to section 1(b).

(b) Not later than 24 months after the completion of the protocol for the study required by section 1(a), and annually thereafter until the study is completed or terminated, the Secretary shall submit to the appropriate committees of the Congress a report containing—

(1) a description of the results thus far obtained under the study (including supporting data and other materials provided by the entity that conducted the study);

(2) the recommendations, if any, of such entity for legislative and administrative action; and

(3) such comments on the results of the study and recommendations for legislative and administrative action as the Secretary considers appropriate.

SEC. 5. The study and literature analysis required to be conducted by section 1 shall be conducted in lieu of the study and literature review and analysis required to be conducted by section 307(a) of Public Law 96-151 (93 Stat. 1097).●

TRIBUTE TO THE BLACK WAR VETERANS OF THE UNITED STATES, INC.

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. FAUNTROY. Mr. Speaker, I want to bring to the attention of this great body, the establishment of an organization committed to enhancing the welfare of our Nation's war veterans. This new organization is the Black Veterans of the United States, Inc., which has pledged to actively assist veterans in securing all their entitlements while telling the Nation of the contributions blacks have made in maintaining American freedom, even though we were not always beneficiaries of that freedom.

I invite you to join me in extending a helping hand to this and other veteran's organizations in securing the rights veterans have earned, at the same time that we work to retain adequate funding for those programs which have truly assisted America's service men and women.

For your information, I would like to submit a list of officers of the Black Veterans of the United States, Inc., and an outline of its goals and objectives.

BLACK WAR VETERANS OF THE UNITED STATES, INC.,

List of officers: Rudolph Christian, National Commander; Vernon Johns, Jr., Chief of Staff; Edward Young, Quartermaster, Maurice Godley, Public Relations; Maxine Cade, Chief Counsel.

Board of advisors: Dr. Glenwood P. Roane; Edward Jackson; Henry Powell; Dr. Overton Johnston; Rev. Royal J. Nickens, Sr.; Tyree P. Felder, III; Dr. Charles F. Christian.

The Black War Veterans is a non-profit organization made up of veterans who served during the following periods of war, April 6, 1917 through November 11, 1918, December 7, 1941 through December 31, 1946, June 27, 1950 through January 31, 1955, and August 5, 1964 through May 7, 1975.

The purpose of the Black War Veterans of the United States are Charitable, Patriotic, and Educational, to maintain true allegiance among its veterans to the Government of the United States and to uphold its Constitution and Laws; to foster true Patriotism; to establish and strengthen comradeship among its members, to maintain and proclaim the instititions of American freedom; to preserve and defend the United States from all enemies, whomsoever; and to perpetrate the hallowed memories of all those who have given the full measure to devotion to those ideas.

The Black War Veterans of the United States has two main objectives:

First, to focus on the delivery of all medical, social, employment, benefits and other support services to veterans in general in an effort to improve the efficiency of delivery thereof to black war veterans by providing technical assistance and guidance through counseling to those black veterans re-entering American's maintream of society as well as to those who are presently here; and

Second, to show the contribution of Blacks in the defense of the United States, "Our Black War Heroes from 1916 to 1981—the Missing Pages in U.S. History." For example, few Americans realize that the first Soldier to die in America's fight for freedom was a Black man, Chrispus Attucks, Boston, Massachusetts, 1770.

Membership shall be conferred to (a) men and women who served honorably in any branch of Armed Forces of the United States during the above periods, and (b) any eligible person not within the jurisdiction of a post or on active duty in the Armed Forces.●

FRANCIS X. HAYES ON PLAIN ENGLISH IN NEW JERSEY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. GUARINI. Mr. Speaker, the State of New Jersey is this year embarking on a significant course in the movement to make laws and consumer contracts understandable to the average citizen. The advent of "plain English" laws is a step that has been long overdue and I am particularly proud of the fact that New Jersey, under the able leadership of Gov. Brendan Byrne and Assembly Speaker Christopher Jackman, has enacted a model plain English law.

With efforts to enact plain English requirements at the Federal level beginning to gather wide support in Congress, I would like to share with you the experience we have had in New Jersey.

My good friend, Francis X. Hayes, an attorney from Jersey City, N.J., has long been a recognized leader in the plain English movement. Mr. Hayes recently wrote a very insightful and informative article regarding the use of plain English in New Jersey law. I recommend the Hayes article to you as instructional and inspirational.

COPING WITH THE PLAIN ENGLISH LAW: A LAWYER'S BOOKSHELF

(By Francis X. Hayes)

October 16, 1981 should signal the beginning of the bitter end of turgid legalese in New Jersey. On this date the New Jersey Plain English Law becomes effective (except for insurance companies, which have a reprieve until 1982).

Five states have adopted plain English laws, but only New Jersey's law severely impacts upon lawyers in their private practice. The law states that a consumer contract must be written "in a simple, clear, understandable and easily readable way." Each of these standards has a particular meaning and function in the psycholinguistic field. Another article I am presently preparing discusses what the legislature may have meant by these standards, and what linguistics and English professors think these abstract words mean.

The law relates only to consumer transactions, but it is very broad. It applies to leasing or licensing of real or personal property, the obtaining of credit, insurance coverage, borrowing money, purchases of real or personal property, and contracts for services, including professional services (retainer agreements); provided that any of the above are obtained for personal, family or household purposes.

Consumer contracts include "writings required to complete the consumer transactions." In plain English this means that those impossible forms you have to fill out in order to be reimbursed by your insurance company will have to be clear, understandable and designed to be easily filled out. It also means that the myriad of documents required at a real estate closing will have to be clear and understandable. Even if a power of attorney is required in a real estate of financial transaction, it will have to be clear and understandable.

No wonder Assembly Speaker Christopher Jackman, the sponsor of the bill, boasted, "this bill will revolutionize the legal profession."

But not quite. The law, as finally passed, does not apply to professors of legal writing and it definitely does not apply to nonconsumer transactions, though I'll warrant that many a small businessman wished it did!

The act does provide guidelines that may be considered by a court or jury in determining whether a consumer contract is simple, clear, understandable and easily readable. It must be emphasized that these are guidelines, not mandates, which merely spell out things that cause obfuscation and difficulty of understanding. In general, the law is quite flexible and equitable.

For example, use of technical words or words of art are not automatically violations of the act. It is a defense to a suit under the act if one can prove that he tried in good faith to comply with the act. Most important of all, even if a consumer contract is not in plain English, the act does not give the consumer a right to void the contract, or right of refusal to pay, in an action to enforce the contract.

The banking industry in New Jersey generally supported the plain language legislation because it eliminates one of the standard defenses when a consumer is sued on a loan or has his car repossessed. No longer will the consumer be able to assert that he did not understand the transaction.

There is no requirement that consumer contracts be written at any particular reading level. The legislature adopted a general standard because it felt courts and juries could decide from a common sense view if a consumer contract was in plain English, i.e. from the context and all the circumstances. Juries and courts have had no difficulty in coping with abstract concepts, such as deciding whether a person is negligent, or whether a person is guilty of careless driving. I have enough faith in judges and juries to anticipate they will be able to determine with the same sort of common sense whether a consumer contract is in plain English.

If experience in other states is any guide, there will be little litigation under this act unless lawyers approach the act as a legal project rather than an English project.

With this general background in mind, what books, articles and reference materials are available to help the New Jersey lawyer kick the habit of inflicting cruel and unusual punishment on the mother tongue? Although a simple, straightforward concept, plain English (or plain language—gobbledygook is not confined to the English tongue) is one of the least understood concepts in jurisprudence. It is ironic that plain English laws, designed to remove confusion, have become such a confusing subject, primarily due to the ignorance of the bar as to what plain English is all about.

The first book on your bookshelf should be David Mellinkoff's classic "The Language of the Law," a Little Brown and Co. paperback, 1963. Professor Mellinkoff's book is the definitive work that traces the origin, development and use of legalese. This 526-page book has over a thousand footnotes, 23 pages of bibliography, and is the rarest of legal books because it is sprightly and wittily written, informs and entertains.

A 90-page paperback "Plain English for Lawyers," by Richard C. Wydick, Carolina Academic Press, 1979, is also must reading. Wydick, the dean of the University of California Law School, begins his book with the blunt statement that "we lawyers can't write plain English" and then proceeds to tell us pithily how to do so. This book is the legal Strunk and White. I am sure you have read "Elements of Style" in college, and by all means you should reread this book!

Thought I do not agree with Rudolph Flesch's readability formula, his series of books on simple and clear writing should be on your bookshelf, particularly the "Art of Readable Writing," and his latest book "How to Write Plain English: A Book for Lawyers and Consumers," published in paperback, 1979 by Harper and Rowe. This latest book takes fifty of the most complex and convoluted sections of the Internal Revenue Code and puts them in plain English. Flesch proves that it can be done. His before and after illustrations are fascinating and he has credibility because he was a lawyer in Germany before coming to this country.

If you wish to understand the philosophy and root motivations of the plain English movement, read Fred Rodell's "Woe Unto you Lawyers," Jeremy Bentham may be the great-grandfather of plain English, Cardozo and Holmes the grandfathers, but Fred Rodell is the father and godfather of plain English. His enduring classic, published in 1939, was recently republished in paperback by Berkley Press, and his message is still being preached to new generations of lawyers. I wonder if lawyers would pan him so unmercifully today, as they did when his book first came out in 1939. Rodell's book may raise hackles under your collar, but I personally feel that it is the most insightful and prescient book on law and lawyers I have ever read.

Though I do not agree with the solutions he proposed to the perceived problems, I make no apologies for otherwise being a dyed-in-the-wool disciple of Rodell (concerned with the ends of law and not all-consumed by the means), and I credit him along with Karl Llewellyn and Jerome Frank for shaping my attitude and perspective on law and lawyers. Mao Tse-Tung is the only person I know of, besides Shakespeare, who carried out Rodell's solution, and look what's happening in China today.

Finally, another classic is Reed Dickerson's "Fundamentals of Legal Drafting," published in 1965 by Little Brown. This book is a treasure trove for any lawyer who desires to draft lucid laws, regulations or legal documents. Professor Dickerson is the author of numerous law review articles that are critical of existing legal writing and drafting courses. Hopefully, our New Jersey law schools will soon institute pragmatic and sensible courses in legal writing and drafting.

I counted in the Index of Legal Periodicals over 500 articles on plain English and legal writing, dating back to 1940. There are over 750 articles in the Readers Guide to Periodical Literature.

The most even-handed popular press article explaining why lawyers write as they do can be found in "The State of the Language," University of California Press, Berkeley, California, 1980. This article, written by David S. Levine, an ex-Time Magazine staffer and now a practicing lawyer, is a penetrating legal analysis of plain English, which itself is written in plain English.

Two of the better legal articles are Mellinkoff's article on the language of the Uniform Commercial Code, 17 Yale Law Journal 696, and a scholarly, informative article by Professor Jeffrey Davies of Rutgers-Camden Law School, published in 63 Virginia Law Review 6 (1977). Davies article is entitled "Protecting Consumers from Overdisclosure and Gobbledegook." It sets forth the most comprehensive summary of the issues raised by plain English.

It was fun to browse in the Index of Legal Periodicals. I came across an article on a plain English will, and a sharp rebuttal to the article. I came across articles on plain English trusts, and fascinating articles on plain English deeds and mortgages.

I did not come across an article on plain English briefs, but I going to do an article on some of the plain English briefs going to do an article on some of the plain I have filed before the Supreme Court and the Appellate Division; and maybe I will make the index!

I did come across several articles on plain English opinions, or maybe I should say understandable and non-so-windy opinions. Justice Mark Sullivan wrote an article in the New Jersey Law Journal, Sept. 14, 1978, urging clarity and brevity in court opinions. He did not say whether he was just as impatient with long-winded briefs. As Rudolph Flesch is fond of saying, it is easy for lawyers to hide important legal principles in a thicket of words.

Flesch tells the story about a warranty that had buried in its verbosity the requirement that the warranty be conditioned upon mailing or delivering the product to the factory. The product was a baby grand piano.

An article by Associate Justice George Smith of the Arkansas Supreme court also caught my attention. It was titled "A Primer of Opinion Writing for Four New Judges," 21 Ark. L. Rev. 197. Justice Smith would take away the machine guns from judges—opinions that contain little more than the rat-a-tat-tat of citations. This 15-page article should have a priority position on every judge's plain English bookshelf.

But perhaps the best article for a judge's shelf is found in 18 TR Law Guide 330. It is called "Word Games Judges Play," and was penned by Chief Justice Kenneth J. O'Connell of the Oregon Supreme Court. The moral of this masterpiece is that even the plainest of words can be misused because some judges do not understand the function words and language perform in the communications of ideas and the analyses of problems. See the famous, or should I say infamous editorial "Happy Talk" in the New Jersey Law Journal, Nov. 29, 1979, and my reply, Dec. 13, 1979, in a letter to the editor.

Justice O'Connell describes such word games as slanting the facts in such a way that the conclusion follows inevitably, the use of strong and emphatic adjectives and adverbs (clearly without merit) that

hammer the reader into submissiveness (Mellinkoff describes this as the pompous language of the law), and "The Hideout Go Seek Game"—so clear there is no need to cite authority. There are many other games catalogued in this priceless article. Really, it is a short course on law, which echoes Rodell's approach—too often lawyers and judges regard words, especially abstract words, as having substance and meaning without relation to the real world in which they are used.

After analyzing all the statements of the New Jersey State Bar Association and the lawyers who testified on the plain English bill, I have become convinced that the legal profession, including the judiciary, is badly in need of training in semantic analysis. How can we use words, which are our only working tools for solving realistic everyday problems, without a working knowledge of semantics.

I would suggest that reading the literature on semantics is more important than the advance sheets. All the plain English laws in the world will not solve our language problem until lawyers understand what words and communications are all about.

There are several excellent style books and general books on good writing, such as the "Reader Over Your Shoulder" by English authors Robert Graves and Alan Hodge, Random House (1979) and "Simple and Direct" by Jacques Barzun. The books by Edwin Newman, William Safire and John Simon are good antidotes for the diseased English that lawyers, bureaucrats and educators write.

In a class by itself is "The Grammatical Lawyer" by Morton Freeman, published by the American Law Institute. Incidentally, I counted over a thousand cases in the decennials where adversarial ethics permitted suits to be brought because of dangling participles or misplaced modifiers, and misplaced and erroneous punctuation marks.

For the lawyer who must learn that words and their meanings are not just something found in a dictionary, it is essential to read "Language in Thought and Action," by S. I. Hayakawa, a paper back published by Harcourt-Brace (1964). It would be helpful to read an insightful essay entitled, "Law and Persuasion, The Language Behavior of Lawyers," 108 U. of Pa. Law Rev. 35. In this essay Professor Walter Probert of the University of Florida Law School presents a semantic explanatory review of the symbolic and emotive functions of words and the verbal and nonverbal environment of words. Remember good doctors do more than treat the symptoms; so too with plain English. You cannot deal with plain English unless a lawyer understands what language and words are all about. Unfortunately, too little attention has been paid to this subject.

For nuts and bolts training in the art of writing plain English, lawyers can secure help from the Document Design Center of the American Institute for Research, 1055 Thomas Jefferson Street, Washington, D.C. 20007, I highly recommend the publications of this Institute, which is a nonprofit research institution staffed by some of the most prominent linguists in the United States. It puts out a free monthly publication called "Simply States," which discusses the latest developments for people who are interested in improving public communication.

The Institute has issued excellent papers and reports on plain English, such as "How to Draft More Understandable Legal Documents," "What is 'Plain English' Anyway?", and many other publications and reports that are available at modest fees from the Institute.

I wish to explain the lack of footnotes and the colloquial and personal style of this article. I happen to agree with Rodell that footnotes only distract the reader and make reading more difficult. For Rodell's irreverent thoughts about footnotes, see "Goodby to Law Reviews," 23 Virginia L. Rev. 38.

If I be faulted for too personal a style for a sober journal like this—my defense is that I, Frank Hayes, created and wrote this article and I do not think I should be neutered or forced to write so impersonally that these "thousands of black marks on white paper" (definition of words) may just as well be considered by the reader to come from outer space.

Although I do not agree with Flesch that you should always write as you talk, I believe that a judicious blending of the colloquial and the formal makes for the best readable writing.

No one criticizes lawyers when they talk. It is only when they put pen to paper that a Jekyll-Hyde change takes place.

Congenital disease, I suppose.

Unlike the other professions, which require physical acts, law is solely a profession of words. So lawyers should love language and words, but generally lawyers are too lazy to use a Thesaurus to find the right word. Using a string of almost right words, or repetition, is not preciseness in my book.

Plain English laws do not change any substantive legal rights and legal duties, nor do such laws diminish the flow of legal ideas. In a nutshell, all they say is that complex legal ideas do not have to be communicated in complex and convoluted language.

To borrow from a great President, lawyers have nothing to fear about the plain English law except fear itself.●

SIDNEY MEYERS TO RECEIVE THE DISTINGUISHED CITIZEN AWARD

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. WAXMAN. Mr. Speaker, I would like to bring to the attention of my colleagues the work of Samuel Sidney Meyers of Richmond, Va., and the tribute which is being paid to him by the Anti-Defamation League of B'nai B'rith on Sunday, April 12, 1981. The Distinguished Citizen Award which Sidney is receiving reflects the esteem in which he is held by his colleagues. A leader in the furniture industry, he is distinguished by his accomplishments in the business community and by his concern for the welfare of others.

President of the Heilig-Meyers Co., he has given to that enterprise more than four decades of dedicated service, and is a member of the board of the National Home Furnishings Association. Despite the demands of his professional life, he takes an active role in community life, and has held numerous leadership positions. He is a past president of the Beth Sholom Home of Virginia, and a past president of the Richmond Easter Seal Society. He is a member of the board of the Virginia Easter Seal Society, the Richmond Jewish Federation, the Jewish Family Services, the Richmond Jewish Federation Foundation, and the Richmond Ambassadors. He is also a trustee of the board of the Jewish Community Center and a member of the Rotary Club.

Sidney is admired by all who know him for his innovative and creative approach in confronting challenges, an approach which is mirrored by his constructive and his compassionate outlook toward his friends, associates, and his fellow man. Consistently, he has taught respect for humane values not merely by precept but by example.

Because of the outstanding work of a lifetime, I feel it is appropriate that we too recognize Sidney's accomplishments and contributions to society.●

GEN. ANDREW GOODPASTER: A GOOD NEIGHBOR

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. GILMAN. Mr. Speaker, in June of this year, my congressional district—New York's 26th—will be losing one of our most prominent citizens: Lt. Gen. Andrew Goodpaster who has served with distinction as the Superintendent of the U.S. Military Academy since June of 1977.

General Goodpaster has been much more to us than simply the Superintendent of our Nation's outstanding military academy at West Point; he has been a friend, the driving force behind many of the significant changes which have strengthened West Point and which have altered the profile of the Army officer going into the world after graduation.

General Goodpaster came to West Point in the midst of turmoil during the difficult period in 1977 when student morale was at a nadir because of the cheating scandal which rocked West Point, General Goodpaster took command of the situation and implemented some 90 percent of the changes suggested by the Pentagon to improve the quality of training at the Academy. Goodpaster's philosophical and intelligent assessment of the potentials and achievements of the Academy have contributed to making USMA the fine institution that it is today.

During the general's tenure at West Point, many significant developments have occured including the graduation of the first women cadets. General Goodpaster's leadership and character have made possible the transition be-

tween an all male school and a coed university.

Over the next few years, General Goodpaster will be fulfilling his service to our great Nation by going to Washington to advise the administration on the important MX missile project. At that time, I hope that my colleagues will have the opportunity to become acquainted with the general so that you may come to know him and experience firsthand his wit, wisdom, and clear vision of our Nation's future.

We in the Hudson Valley region will miss General Goodpaster when he goes south in June, and I want to wish the general every success in his future endeavors, much health and happiness to both he and Mrs. Goodpaster along the way.●

DEMOCRATIC VIEW ON ECONOMIC AND TAX PROPOSALS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. COELHO. Mr. Speaker, yesterday marked the first major address by the new chairman of the Democratic National Committee, Charles T. Manatt of California. Speaking before the National Press Club of Washington, D.C., Mr. Manatt gave an excellent articulation of the Democratic Party's views on the administration's economic and tax proposals.

Sympathetic to the physical condition of the President and delighted at the progress being made by the President and the others injured in the March 30 incident, Mr. Manatt pointed out that his critique of the Republican proposals was neither personal nor negative. As he has previously stated, the role of the loyal opposition is to speak out when the White House espouses policies the Democratic opposition views as contrary to its principles and its responsibilities.

I urge my colleagues on both sides of the aisle to take note of the points raised by Mr. Manatt in his speech:

REMARKS OF DEMOCRATIC NATIONAL COMMITTEE CHAIRMAN CHARLES T. MANATT

At the outset today, I want to express to you how deeply grieved we all are over the attempt on the life of the President. Whether Republican or Democrat, we all respect and support the person who holds the highest office in the land. Our concern is with President and Mrs. Reagan; and his speedy recovery is our prayer.

It is an outrage that anyone should even attempt such harm. It is, of course, far more lamentable that the President, his trusted aide Jim Brady, Tim McCarthy of the Secret Service, and Policeman Thomas Delahanty were, in fact, wounded in this act. We wish them all a speedy and complete recovery.

Just as we, as Americans, respect the Office of the Presidency, we also take seriously the political process and functions of Government. And it is about politics and Government that I want to speak to you today.

I take my hat off to my Republican counterparts for the campaign they have mounted. They have focused on the most attractive of themes. They have told this country that the Republicans have found a way to reduce inflation and balance the budget, and do it in a way that is equitable, fair, and not too painful.

Certainly, if they had the formula to do that, they should have their program passed. There is no question that this country wants an end to inflation. There is no question that if it can be done fairly and equitably and without the wholesale destruction of valuable Government services, it should be done.

But, the Republican proposals will not curb inflation. They will not be fair, equitable or painless.

Do the Republicans even believe that rhetoric themselves? I think not. The Republicans have a hidden agenda. In the name of fighting inflation and stimulating the economy, they are attempting to roll back 50 years of progressive tax and social policy. They want more for the rich and less for the average American family.

I have to thank Interior Secretary Watt for admitting the administration's real game plan. He said in New York a few weeks ago that "(the Republicans) will use the budget system to be the excuse to make major policy decisions and changes." It is the first time I have heard a member of this administration be so candid. It makes me think of John Mitchell's advice: "Watch what we do, not what we say."

I have long suspected that this administration was not out to cut programs because there was a budget deficit. The Republicans cut programs that help people because they just plain do not like those programs. The Republicans and their special interest friends would not like them even if the budget were running a surplus. They are simply trying to cover their tracks by stampeding people with talk of economic catastrophe.

Let me give you a couple of examples of how the Republicans are using their simple appeal of reducing the size of Government as a cloak to hide much tougher issues. When it comes to energy, the administration is not just following a leaner, slimmer version of our national policy. It is totally reversing field, putting money into nuclear power and taking it away from energy conservation and the development of alternate energy resources. That is not simply an exercise in number shuffling.

That is a major policy question that should be put squarely to the American people.

Every poll taken in the last year shows the American people want support for conservation and alternate energy sources.

The Republicans and the oil industry lobbyists read the papers as well as we do; they know they don't have the support. So what they can't get directly, they hope to get in the name of slimming government and balancing the budget.

Or look at the Legal Services Corporation. The administration basically wants to do away with it. Is it because they want to tighten the belt? No. Budget Director Stockman made clear that this cut is not a matter of money but of philosophy. Just 2 weeks ago he said that he does not "believe that there is * * * any basic right to legal services." I would like that issue put to an American people who believe in fair and equal justice. I'd like to see what they have to say.

The Republicans have also told American working people that this budget is painless; that it is in their interest. They're wrong, and I think they know they're wrong. Not only is there no safety net for the truly needy; there is no safety net for the average working family.

The administration proposes to gut the Middle Income Tuition Assistance Act; to take money from hard-pressed urban and suburban school districts by slashing money from the Elementary and Secondary Education Act; to cut mass transit capital grants by $1.4 billion next year and to phase out operating subsidies by 1985; to destroy trade adjustment assistance; and to give away our national park system. Who does all of that hurt? The average working family.

Nor is there any fairness in what the Republicans want to do. Cutbacks in minimum social security benefits, legal aid and the displaced homemakers program hurt women just because that are more economically vulnerable than men. The $900 million dropped from the veterans' administration budget asks veterans, particularly those from Vietnam, to be treated as second class citizens in the country for which they fought.

And all of these examples don't even touch upon cuts that hurt minorities, inner city dwellers, or farmers or calls for subminimum wage and the gutting of OSHA. There the agenda is not hidden at all.

In fact, the Republican budget is an attempt to place a vastly increased burden on State and local governments. It will place unbearable pressures on State and local taxes, which hit the average property taxpayer hardest.

In the next 3 years, as the impact to their policies become clear and the inequities become apparent, the Republicans will live to regret their early victories—and so will all the rest of us.

On the tax side of the picture, the Republicans' pursuit of their hidden agenda is even more blatant. They say Kemp-Roth will save the economy. The experts don't believe it. I don't believe it. We know Vice President Bush doesn't believe it.

The whole argument is just a cloak to take money from the vast majority of Americans and to give it to the rich. The family that earns $200,000 saves $23,500 by 1984. But if you earn $20,000 you are going to receive only $1,450. And when all of this is adjusted for "bracket creep" caused by inflation and this year's increase in payroll taxes, less than 1 percent of American families will save any money at all. And what do we get for this transfer of money to the rich? Nothing much.

The Joint Economic Committee just released a report showing that if we follow Kemp-Roth, the Federal deficit could reach $100 billion by 1984. So much for supplyside economics generating all that budget-balancing tax revenue. As Mo Udall said, "it is like diving into an empty swimming pool and hoping it would be filled with water before you hit bottom."

Indeed, the study concludes inflation does not drop substantially and the rate of capital formation as a percentage of GNP will be the same in 1984 as it is today. Why? The Republican tax program is not targeted. There is nothing which assures that the money the wealthy will save will be turned into savings and investment. There is no

quarantee of more jobs for American Workers.

There is simply no basis in history to suggest that giving ourselves an across the board tax cut will assist in abating inflation.

The central point in amending our tax policy must be to create more motivation for capital formation, to increase productivity, and to create more jobs and a larger GNP. That is how, on a significant scale, we can begin winning our battle with inflation. Tax reductions should be designed to get the greatest investment return for every tax dollar given up.

For instance small business must be the recipient of a substantial part of this new assistance. One clear example of how to target that assistance effectively would be to increase from $100,000 to $200,000 or $250,000, the level to which the lower corporate tax rate of 40 percent applies. That will directly strengthen the motivation of small business to invest and grow.

Similarly targeted changes in investment tax credits and depreciation will promote further corporate investment, create jobs, and increase productivity.

The entire Republican tax proposal simply gives enormous advantages to the wealthy and very little or nothing for middle and low income Americans. That is unfair and unwise. We must see that there is real tax equity. Bracket creep and additional social security payments don't matter to the highest income earners, but they are of major importance to everyone else. Whether it is social security tax credits or some other proposal, there must be real, rather than fake, help for the average American family.

When all is said and done, the Republican agenda gives to the rich but offers nothing to those who feel the pinch of inflation most. It does not call for sacrifice from those who are most able to pay but rather it makes life less worthwhile for those who need our parks, ride mass transit, or require college tuition assistance.

The Republicans have given up on the future in favor of the status quo. There is no hope for the working family in the Stockman view of the world. there is only cutting back and giving up. Just ask folks who can't afford to pay their heating bills or a college tuition. Just ask the young family who can't afford to buy their first home.

The ultimate failure of the Republican philosophy is that it does not see itself improving our lives. And, fundamentally, that is a message to most Americans that they cannot control their own destiny. Except for the very rich in our society, the average American can't assure a better life without a Government which provides a way to build a real and brighter tomorrow.

There are some things individuals simply cannot do—and that indeed can be done better by an efficient, effective Government. Was there any way to clean up the air or water before the Clean Air and Clean Water Acts? Was there adequate care for the elderly before medicare? Was there any financial assurance for senior citizens before social security? Was there any way to prevent hungry and malnourished children before the school lunch program and food stamps?

You know that the answer to each and every one of those questions is "no". And you and I know that the Republicans really have no good alternative except to complain that the Government should not be doing these things at all.

This ideologically-driven administration is tied up in knots by its own philosophy. It wants to make Government disappear even if the problems remain. It leaves itself no flexibility to find workable solutions. The current fascination with doing nothing will wear off, I predict, when we fully realize there is much that still must be done.

As Hubert Humphrey said:

"The moral test of Government is how it treats those who are in the dawn of life, the children; those who are in the twilight of life, the aged; and those who are in the shadows of life, the sick, the needy and the handicapped."

We share the vision of Hubert Humphrey. We reject the vision of Jesse Helms.

I stand here today and tell you that the Democratic Party is looking to the future. We are aggressively seeking out solutions to those issues that are going to matter most in the coming years. Just yesterday, Democrats on the House Budget Committee proposed an alternative approach to our Nation's economic challenges. The debate on the budget will demonstrate that there are real ways to make Government more efficient, to fight inflation, and to rebuild our economy.

The American people are fair. They are intelligent. They are pragmatic. The American people are going to ask in time whether this administration's real agenda serves their interest. I know what the answer will be. As a great Republican President once said, "You cannot fool all of the people all of the time." Their answer will be a resounding "no".

And when they make that decision, the political tide will change, and indeed, change in our direction.

Thank goodness.

And thank you.●

KEN CORY—1981 HISTADRUT AWARD HONOREE

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. PATTERSON. Mr. Speaker, it is with great pleasure that I ask my colleagues to join with me in recognizing Mr. Ken Cory, the Orange County Trade Union Council's 1981 Histadrut Award honoree.

Histadrut is an award presented each year to outstanding men and women of the labor community who exemplify a spirit of brotherhood and friendship toward the nation of Israel. Funds raised through Histadrut are people-to-people funds and are targeted directly to specific health, education, social, and cultural exchange programs.

Ken Cory, one of this year's two Histadrut recipients, has had a long and distinguished career as a public servant on behalf of the people of Orange County and the State of California. During his tenure as a State assemblyman, Ken was known as a friend of working men and women, a protector of consumer rights, and an advocate for public education. Now in his second term as State controller, Ken has continued to champion the cause of taxpayers and consumers.

Mr. Speaker, in presenting this year's Histadrut award to Ken Cory, the Orange County Trades Council recognizes a man of the highest integrity, and personal commitment to the service of his community. Through Ken's efforts the quality of life for all Californians has been made better.

It is, therefore, an honor to ask my colleagues to join with me in congratulating Ken Cory—an outstanding man of labor and a dedicated public servant—as the 1981 Histadrut Award honoree.●

SOCIAL SECURITY BANKRUPTCY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. McDONALD. Mr. Speaker, the present social security system can be identified at this time as wed with bankruptcy. Not only is this program's mismanagement and fraud perpetrated by the Congress of these United States going to cheat and irreparably injure many older Americans who have spent their lives paying into the system, but it is going to catapult the entire Government into bankruptcy as well.

The following excerpt from "The Ruff Times," April 1, 1981, by Howard J. Ruff, explains the crisis quite clearly. I commend it to the attention of my colleagues:

Welfare is money taken from one person and given to another. If you are retired, money was taken from your paycheck and given to people who were then receiving Social Security. Because of that, you feel it's right to take the money from present workers to give to you when you retire. Why don't you feel that way about all other taxes? (Maybe that's not such a bad idea.)

Here are the facts of life. This program, if sold as an insurance plan by private enterprise, would have its perpetrators in jail. The Social Security plan was a hoax and a fraud from its very beginning. Sometime in the Inflationary Eighties, the total money you will be paid from the Social Security System in one year will grossly exceed the total amount of all contributions you made during your lifetime. Where will all the extra money come from?

If you can't refute the following facts, you will have to agree with me.

1. There is no solution to the Social Security problem without limiting benefits to only those who need them. It needs far more money than it can collect, and your contribution has already been poured down the Federal rathole.

2. There is no trust fund, only government IOU's—promises to print money. When the money is printed, it dilutes the savings and purchasing power of every American. It (inflation) will take an avalanche of new money to meet all commitments if everyone accepts their check. If they do, where does the money come from?

The head of the US Social Security was recently asked if it were true that the Social Security System was in financial trouble. His reply was. "No! As long as Congress has the power to continue raising taxes, the Social Security System is in no danger." A more honest answer is, as long as the government has the power to print money, the Social Security System will not go broke. The money, however, will go broke.

3. $7½ trillion will be paid to Social Security recipients, at present payment levels, over and above that which is collected in FICA taxes from those same people, even with no inflation assumptions. That is more than the value of everything that everyone in American owns. Where will the money come from?

4. If the government merely indexes payments to keep them even with inflation, which it has done throughout the life of the program, the printing presses will have to run full time and then some, guaranteeing a ruinous inflation.

5. You did not "pay into the Social Security System." You paid into the Treasury General Fund. The government promised to give you that money back. They never intended to. They intended to print new money, or rip it off from future workers. They didn't keep it safe and secure and invest it for you. They spent it. This is a massive chain letter. You put your name on the bottom of the list and send your money to the guy at the top and hope that enough suckers will come in at the bottom so that you will receive yours when you get to the top.

I don't question that Social Security payments have benefited many millions of older people. Government CAN solve problems with money. But what about the cost of those solutions that will be borne by future generations? The Social Security people admit this by using such euphemisms as "the pact between the generations" to sugarcoat the fact that Social Security is not a contract with yourself, but a contract with later generations to pay you, as you have paid the previous generation. The core of the problem is that they promised you more than they will collect from you, more than can be collected from future workers, and more than can be paid without printing trillions of new dollars.

That's all wonderfully idealistic, but they are being kind at the expense of the collapse of the monetary system. The time will come when you will get $100,000 a year in Social Security benefits—but it won't be enough to live on!

You can argue all you want about how unjust it would be not to receive back money after having put money in. That is the essence of my point. It is immoral to promise that you can take out more money than you put in, yet that is precisely what happens, as payments are indexed to higher inflation.

There is a place in our society for taking care of those who cannot take care of themselves, but there is no place in my catalogue of moral positions for destroying the currency to pay those who do not need it.

We have shoved the bill for payment for this monstrosity onto our children and grandchildren, a form of "taxation without representation." Is that moral?

1. Slash the benefits. Bring outgo down to income.

2. Expand the economy several times faster, and increase the birthrate to provide more patsies to rip-off. That, of course, is impossible.

3. Print money, bringing the monetary system, Social Security, and everything else crashing down around our ears. That is the inevitable choice.

I am trying to be a realist. Many of our subscribers are not realistic about this emotional issue, mostly because they don't understand. Ignorance is deadly, as ignorance has brought our nation to its present precarious position.

The increases in Social Security payments will offset more than tenfold every Reagan budget cut. It is beyond and outside his control.

So, there you are folks. If Reagan gets his whole program, and then some (and his injury may increase the chances he will, just based on sympathy), it will only temporarily slow the rate of inflation below that which we would have had under Carter. Increased inflation will probably not take off before the fourth quarter of 1981, or possibly sometime next year, because of the recession and the slight slowing of the rate of increase in the federal budget.●

TAX CREDIT BILL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. DINGELL. Mr. Speaker, I introduced a bill in the 96th Congress, H.R. 264, to correct an inadvertent omission in the 1978 National Energy Tax Act. My bill, which was subsequently cosponsored by 37 other Members, would have substantially benefited our Nation's energy conservation efforts and helped relieve the high energy cost burdens for millions of Americans. The Senate saw the wisdom of that bill and voted to insert its objective into the 1980 Crude Oil Windfall Profit Tax Act. However, it was comingled with other features and the conferees, in revising the windfall profit tax bill, dropped the objective of my bill.

Since I believe that that objective is sound, and should be again considered on its own merits, I am introducing it now. I invite other Members to cosponsor it and to help seek its early consideration and enactment. Please notify my office of your desire to cosponsor the bill.

BACKGROUND AND PURPOSE OF BILL

The National Energy Tax Act of November 9, 1978, Public Law 95-618, provided a 15-percent tax credit for expenditures on energy conservation measures, such as insulation, storm windows and doors, and so forth, up to $300 credit for a maximum expenditure of $2,000. The Congress in 1978 clearly intended, as shown by the conference report on that act (H. Rept. 95-1773, pp. 42, 43), that "owners and renters would be eligible for the credit." That credit applied to residences constructed prior to April 20, 1977, and was intended to provide an economic tax incentive to millions of people to insulate their homes.

However, the 1978 act imposed a condition that the residential unit on which the taxpayer made those expenditures must be the taxpayer's "principal residence." The taxpayer could receive the tax credit for making such insulation expenditures in his or her principal residence regardless of whether the taxpayer is the landlord or the tenant.

But that condition overlooked a real economic fact of life—namely—very few tenants would spend up to $2,000 to insulate a residence owned by someone else, just to get a tax credit of $300 or less.

Furthermore, the landlord would not get a tax credit for making energy conservation expenditures on a dwelling occupied by a tenant, because the dwelling would not be the landlord's principal residence.

Hence, the net effect of that condition is to eliminate the tax credit incentive that Congress intended for encouraging insulation of millions of homes occupied by tenants.

From an energy conservation point of view, it makes no difference whether 10 taxpayers spend $20,000 for energy conservation measures and receive $3,000 tax credit for 10 residences which are the principal residences for each of them—or whether the same amount of money is spent for the same kind of energy conservation measures and the same amount of tax credit received, by one taxpayer, for the same number of dwellings which are the principal residences of 10 different persons or families. And when the 10 residences are insulated, the total amount of the tax credits, and the reduction in tax revenues, are precisely the same in both cases.

My bill would allow the energy credit for every residential unit in which the taxpayer installs energy conservation measures, even though it is not his or her principal residence, so long as it is the principal residence of someone. The bill would thus provide the same tax incentive for insulating residences that Congress intended in the 1978 act, but with the assurance that every dwelling, whether occupied by the owner or by a tenant, will be within the coverage of the tax incentive, both legally and realistically.

This objective was adopted by the Senate when it amended section 201 of the Crude Oil Windfall Profit Tax Act, H.R. 3919, 96th Congress. But the Senate amendment went further. It abolished the principal residence requirement, in order to make the tax credit available for vacation homes, and so forth.

My bill retains the "principal residence" requirement because I believe, in view of the great demand for insulation materials, that it would be more cost-effective to encourage insulation of year-around residences than vaca-

tion and temporary residences, at least until the demand for insulation materials abates. But I see no justification for distinguishing between year-around residences occupied by owners, and year-around residences occupied by tenants as their principal residences.

Of course, my bill also provides that no taxpayer can secure double tax credits by virtue of the energy conservation tax credit provisions and the existing investment credit provisions of the Internal Revenue Code.

I made only one change in my bill. In the 96th Congress, it would have applied to residences constructed before April 20, 1977. Because of the general 3-year rule on amending tax returns, and in light of the considerable publicity accorded to my bill when it was introduced in January 1979, I have revised my present bill to apply to expenditures made on such residences after December 31, 1978.●

INTRODUCTION OF LEGISLATION REPEALING STANDARD 208

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. COLLINS of Texas. Mr. Speaker, today I am introducing legislation which would direct the Secretary of Transportation to repeal the Department's current regulation requiring the installation of passive occupant restraint systems.

During the last administration, the National Highway Traffic Safety Administration issued a regulation, Motor Vehicle Safety Standard 208, which would require automobile manufacturers to begin installing either airbags or automatic seatbelts in cars. The regulation requires installation of these restraint systems in large cars beginning in model year 1982, intermediate cars in model year 1983, and small cars in model year 1984. Since most large and intermediate size cars are manufactured by domestic companies, this implementation schedule means that manufacturers will have to install this equipment in their production several years before foreign manufacturers will be required to do so. Since the public has shown little or no interest in buying either passive belts or airbags, domestic manufacturers will be placed at a significant competitive disadvantage because of the implementation schedule.

Virtually everyone acknowledges that seatbelts, if worn, provide a good margin of safety in automobile accidents. The problem, of course, is getting people to buckle up. NHTSA proposes to solve this problem by requiring the installation of very questionable equipment. At the present time there are only two ways to comply with the standard.

First, the standard can be met by installation of passive seat belts; that is, the kind that automatically wrap around the occupant when he or she enters the automobile. These seatbelts are uncomfortable and inconvient, and General Motors' experience with them indicates that consumers may will tend to cut them out rather than having to deal with the inconvenience inherent with these kinds of seatbelts. If this is indeed true, the consumer is left with no protection at all. Further, passive belts cannot be installed on automobiles with bench-type front seats.

Second, an automobile could comply if equipped with airbags. Many Members will recall that the merits of airbags have been hotly debated in their Chamber on a number of occasions in the last few years, and this body has rejected airbags time and again. Still the agency insists on imposing this equipment—of questionable effectiveness and high cost—on the American consumer.

In 1979, the General Accounting Office submitted a report to Congress highly critical of the NHTSA's passive restraint program. Among other things, the GAO concluded that "the extent of the systems' effectiveness needs to be evaluated * * *"; that tests indicate "a potential danger from a deploying airbag for out-of-position occupants"; and that the EPA and the Department of Labor "need to assign high priority to sodium azide research." Sodium azide is the propellant used to inflate the bag. In the 18 months since that report was issued, the debate has raged on, but the research has not been done.

Further, the price tag on this untested equipment is not low. When the DOT regulations were first proposed in 1977, the agency estimated the unit cost of each airbag installation to be $112. The automakers disputed this figure. According to the recent GAO report on the airbag, the NHTSA estimate was based on assumptions that were not realistic. In fact, NHTSA manipulated industry cost estimates to arrive at its unreasonably low original estimate by leaving out vital systems to protect against accidental detonation.

Since 1977, the manufacturers have gained further experience in the engineering and design of the airbag systems that will actually be installed on mass production vehicles. Both GM and Ford now estimate airbag installation costs ranging from $600 to $850 per vehicle. And replacement after detonation would cost 2½ times the initial installation—well over $1,500.

Not only are airbags not fully tested and high in price, the traffic safety implication of bags is not clear. Airbags protect occupants only in frontal impacts. Frontal crashes, however, comprise less than 50 percent of fatal crashes, but the key is that the occupant has to be in the correct position for the airbag to be fully effective.

I want to remind my colleagues that the airbag affords no protection to front seat occupants when the crash involves a side collision, sideswipe, rear-end collision, or the rollover crash. Safety belts, I point out, protect occupants in all crash modes and offer continued security in second or third impacts after the airbag has deflated.

Crash test experts have raised serious questions about the effectiveness of airbags if the occupant is out of position, and particularly children, who, from my experience, are never in the correct position unless they are in the back seat and buckled in with the belts. Few children are in the safe position and belted in. Not only do airbags not protect out-of-position occupants and children, but the GAO investigations, referred to above, found that they could actually be life threatening, especially to children.

The GAO report contains some very disturbing results of tests run by General Motors, using young pigs as substitutes for children in airbag tests. The pigs were strapped in various positions that children are likely to be in. Apparently, a significant number (about 30 percent) of these pigs were killed due to internal injuries caused by the airbags hitting the abdomens of these animals, causing severe liver damage.

Over the last 4 years, NHTSA has made it high priority to get airbags into automobiles. But there are other techniques for reducing accident fatalities, such as road safety improvements, driver training improvements, increased enforcement of drunken driving and other traffic safety laws, and bridge reconstruction, to name just a few. This safety standard is just another example of the Government trying to provide individuals with more protection than they really need or want. Seatbelts are available in automobiles, and I am not suggesting that the manufacturer be allowed to remove them. If the consumer wishes to wear his seatbelt, it should be available for him. Further, I believe that the NHTSA should do a much more complete job of educating people as to why they should buckle up. If the Government had spent as much money to educate consumers on seatbelt use as it has on developing this standard, many thousands of lives would have been saved, and there would be absolutely no need to pursue the requirement that passive restraint systems be installed in motor vehicles.

The passive restraint provision in Motor Vehicle Safety Standard 208 is a nonsensical regulation. It should be

repealed. My legislation would do that, and I hope you will join me in supporting this bill.●

THE LIES OF HISTORY

HON. LARRY McDONALD
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. McDONALD. Mr. Speaker, in criminal jargon, with regard to a criminal act, it becomes a conspiracy when two or more people plot to inflict that criminal act upon an individual, groups, a nation, or even the world at large. The more victims involved, the more heinous the crime.

I have always believed, in studying history, that there were conspiratorial forces at work, that led to the deaths of hundreds of thousands, if not millions, in both World Wars I and II. One need only read "The Final Secret of Pearl Harbor," by Adm. Robert A. Theobald, with introductions by Admirals Halsey and Kimmel to find out if we were deliberately brought into World War II. Then, after a period of almost 60 years, in 1973, Colin Simpson gave us the definitive exposé of what, who, where, and why America was brought into World War I. The title of his book, simply, "Lusitania."

I leave it to my colleagues to note the amazing similiarities, such as the breaking of the German code before World War I and the breaking of the Japanese code prior to World War II, and discern for themselves, whether a conspiracy existed.

One aspect of the sinking of the *Lusitania*, to psychologically condition the American people that the Germans had acted as barbarians in sinking the *Lusitania*, was the fact, later proved a lie, that the German Government had cast a commemorative medal for distribution to the German Navy and the public in general, to symbolize the greatness of the German nation.

The medal was even listed in volume XXIX, No. 5, May 1916 of the Numismatist, as having been struck on May 5, 1915, with the inscription indicating that "No Contraband," meaning no ammunition was on board the *Lusitania*. Nothing could be further from the truth.

The fact of the matter is, the *Lusitania* was sunk on May 7 and not May 5. Another falsehood perpetrated on the American people, was that the *Lusitania* was not carrying war materiel. Americans were under the impression that the *Lusitania* was a pleasure ship. And yet, the British Admiralty openly designated the *Lusitania* as a ship of war, and in fact, was carrying tons of ammunition.

To add more to "Lusitania," written by Colin Simpson, and mentioned earlier, I urge my colleagues to now read another chapter of verification as to the lies of history. The title of this chapter, which is XXI is simply, "The Lusitania." It is from the book, "Falsehood In War-Time," by Arthur Ponsonby, a member of the British Parliament in the year the book was published—1928. The chapter follows:

FALSEHOOD IN WAR-TIME

(By Arthur Ponsonby, M.P.)

XXI. THE "LUSITANIA"

The sinking of the *Lusitania* was a hideous tragedy and one of the most terrible examples of the barbarity of modern warfare, but, from the point of view of suffering and loss of life, was not to be compared with many other episodes in the war. The very crucial political significance of the catastrophe, however, gave it special propaganda value in inflaming popular indignation, specially in America. Here obviously was the necessary lever at last to bring America into the war. That Germany should not have recognized that this would be the result of such action on her part was one of the many illustrations of her total inability to grasp the psychology of other peoples.

From the point of view of propaganda it was necessary to show that the Germans had blown up a defenceless passenger ship flying the American flag and bearing only civilian passengers and an ordinary cargo. This was represented as a breach of international law and an act of piracy. The unsuccessful attempt to suppress certain facts which emerged leads naturally to the conclusion that other attempts were successful. No inquiry, such as the Mersey inquiry, conducted in war-time with regard to the action of the enemy, can in such circumstances be regarded as conclusive.

The whole truth with regard to the sinking of the *Lusitania* will probably never be cleared up. Four points may be considered here:

(a) Whether she was armed.

(b) Whether she was carrying Canadian troops.

(c) Whether she had munitions on board.

(d) Whether a medal was issued in Germany to commemorate the sinking of the *Lusitania*.

(a) On this point there was a conflict of evidence.

The *Lusitania* was registèred as an auxiliary cruiser. The Germans declared she was carrying concealed guns. This was categorically denied by the captain in the inquiry. "She had no weapons of offence or defence and no masked guns." Lord Mersey therefore found this charge to be untrue.

(b) The same may be said about the charge made by the Germans that she was transporting Canadian troops.

(c) These two denials would be readily acceptable, were it not for the fact that at first a denial and then a suppression of the fact she was carrying munitions was attempted.

"It is equally untrue that the *Lusitania* was carrying ammunition on its final voyage."—Daily Express, May 11, 1915.

In America there was a threat to expel Senator La Follette from the Senate because he had stated that the *Lusitania* carried munitions. But Mr. Dudley Field Malone, collector at the port of New York, confirmed this charge as true.

"D. F. Malone revealed that the *Lusitania* carried large quantities of ammunition consigned to the British Government, including 4,200 cases of Springfield cartridges. The Wilson administration refused to permit the publication of the fact. One of the principal charges upon which the attempt to expel R. M. La Follette from the Senate was based was that he had falsely declared that the *Lusitania* carried ammunition, and the prosecution of the Senator was dropped when Mr. Malone offered to testify on his behalf."—The Nation (New York), November 20, 1920.

It was eventually admitted that the *Lusitania* carried 5,400 cases of ammunition. The captain at the inquest at Kinsale said: "There was a second report, but that might possibly have been an internal explosion." The foreman of the Queenstown jury protested that all the victims were not drowned. "I have seen many of the bodies, and the people were killed; they were blown to pieces."

The ship sank in eighteen minutes, which accounted for the loss of so many lives. The Germans, in their reply to the American note, referred to this point and stated:

"It is impossible to decide, for instance, the question whether the necessary opportunity was given to the passengers and crew to escape, until it has been determined whether or not the *Lusitania* provided bulkheads and boats as ordered by the *Titanic* Conference for corresponding emergencies in peace-time, and whether or not ammunition or explosives carried in defiance of the American laws accelerated the sinking of the ship, which might otherwise have been expected either to get out the boats safely or reach the coast.

"Included in her cargo was a small consignment of rifle ammunition and shrapnel shells weighing about 173 tons. Warnings that the vessel would be sunk, afterwards traced to the German Government, were circulated in New York before she sailed"—The World Crisis, by the Right Hon. Winston Churchill, M.P.

(d) The event having been condemned as a barbarous act of piracy, it became necessary to show that the Germans gloried in it.

The first rumour was that a special medal had been bestowed on the crew of the U-boat which sunk the *Lusitania* as a reward for gallantry. This was dropped when the medal turned out to be a commemoration medal, not a decoration.

It was then stated that the German Government had had a medal struck in commemoration of the event, but after the armistice had it withdrawn from circulation. In 1919 it was found in a shop in Berlin. In 1920 a traveller in Berlin, Frankfurt, and other parts of Germany could find no one who had ever heard of it or seen it, whereas in England the medals were well known and very easily obtained. It turned out that the medal was originally designed in Munich by a man of the name of Goetz and represents the *Lusitania* as carrying arms. Goetz may be described as a cartoonist in metal; his work was not official, and his *Lusitania* medal had a very limited circulation. Few Germans appear to have heard of its existence. The large number of casts of the medal, which gave the impression here that they must be as common as pence in Germany, was explained by Lord Newton, who was in charge of propaganda at the Foreign Office in 1916.

"I asked a West End store if they could undertake the reproduction of it for propaganda purposes. They agreed to do so, and the medals were sold all over the world in neutral countries, especially in America and South America. After some initial difficulty

a great success was achieved. I believe it to have been one of the best pieces of propaganda."—Evening Standard, November 1, 1926.

The Honorary Secretary of the *Lusitania* Medal Committee stated that 250,000 of the medals were sold, and the proceeds were given to the Red Cross and St. Dunstan's. Each medal was enclosed in a box on which it was stated that the medals were replicas of the medal distributed in Germany "to commemorate the sinking of the *Lusitania.*" but many of them in England could be purchased without any box.

In addition to the medal, leaflets were circulated with pictures of the medal. In one case in Sweden a sentence was printed from the Kölnische Völkszeitung: "We regard with joyous pride this newest exploit of our fleet." This sentence had been torn from its context, and had been originally used in quite another connection.

It therefore became clear that:

(1) No medal was given to the crew of the German U-boat.

(2) No medal was struck in commemoration of the event by the German Government.

(3) The German Government could not have withdrawn a medal it never issued.

(4) A metal-worker in Munich designed the medal, which was always rare in Germany.

(5) The large number of medals in circulation was due to the reproduction of Goetz's medal in Great Britain.

The propaganda value of the medal was great, as Lord Newton admitted. The impression it created was absolutely and intentionally false.●

SPARE THE BUDGET AX FOR HANDICAPPED STUDENTS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. WALGREN. Mr. Speaker, as the House Budget Committee begins its work on the 1981 and 1982 budget, I have written the committee urging that they disapprove the proposed 25-percent rescission in funds for education of handicapped students, as authorized by Public Law 94-142. I believe that the failure to adequately fund this important program would represent a reneging of the commitment this and previous Congresses made to these special students.

When the Congress enacted Public Law 94-142 in 1975, we placed in law not only our commitment to help provide a free appropriate education for all handicapped students ages 3 to 21, we also reaffirmed our view that handicapped students have a right to equal educational opportunity. Public Law 94-142 offers important protections that we must continue to support. The law authorizes services to the handicapped at a level of 40 percent of the cost of education for nonhandicapped students. Yet Federal dollars—appropriations—have not begun to reach this level. Last year the appropriation of $922 million represented only 12 percent of the cost. In Pennsylvania, like other Northeast States, the Federal contribution is only 4 percent because the cost of special education is higher than other regions of the country.

The Council for Exceptional Children has documented that though we have identified and are serving an increasing number of handicapped students, there are many who are still unserved, particularly children in our cities, rural areas, migrant communities, and correctional institutions. There are waiting lists for children needing evaluation, particularly children with possible learning disabilities and emotional disturbances. In my district in Allegheny County, there are 250 to 300 learning disabled children waiting to be evaluated.

This is a unique program. Funding for this program, unlike many others, goes to the heart of the classroom. These funds are used for learning. They teach children how to talk, how to read, how to write.

Importantly, funds under this program go primarily to local schools, public and private. If we cut this program, we will see more and more students being institutionalized. In the current year, the Federal Government is contributing $200 per year per child. The cost of institutionalizing a child would range from $10,000 to $20,000. Many of these bills would be paid by other Federal programs—SSI, medicare and medicaid. Continuing to support Public Law 94-142 will be cost effective for the taxpayer—not to mention the value of opening doors in our schools for our disabled students.

Finally, I would like to point out that the Education of All Handicapped Children Act has a long bipartisan history. Aspects of the program are over 20 years old. It was a bipartisan effort that started the program and a bipartisan effort that modified it over the years. Congress took the initiative. Congress must sustain the momentum.

For these reasons, I have urged the committee to oppose any cuts in the program. We cannot back off from our commitment to those to whom we have made this important promise.●

GOSHEN HISTORIC TRACK BILL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. GILMAN. Mr. Speaker, I am introducing today a bill which would direct the Secretary of the Interior of the United States to conduct a study to determine the most appropriate means of protecting the Goshen Historic Track in Goshen, N.Y.

Pursuant to this legislation, the Secretary will examine the feasibility of entering into cooperative agreements with the owners of the track to insure its preservation, purchasing all or a portion of the track for inclusion in the national park system for recreational and educational uses, and such other means of preserving the track as the Secretary may determine to be appropriate.

Mr. Speaker, I have been vitally interested in the future of the Goshen Historic Track for quite some time. This historic site is currently undergoing severe financial difficulties, and unless the Government steps in to preserve this vital part of our heritage, this resource will be lost to us forever.

The Goshen Historic Track was the site where harness racing, one of the oldest and one of the most popular spectator sports in America, first began. The track came into existance in 1838, and has been in continuous operation since then. In 1951, the Hall of Fame of the Trotter was established at the track and remains a tourist attraction to this day.

The 21-acre site of the track has been on the National Register of Historic Places since 1967.

Mr. Speaker, too often in this great Nation of ours, we have been penny wise and pound foolish in regard to our historic heritage. It is far more difficult for the United States to chart where we are going when we are not sure where we have been. It is incumbent upon us to strive to preserve for our children and for our grandchildren sites of importance to our heritage such as the Goshen Historic Track. A historic site is one resource which cannot be replaced once it is lost. I am hopeful that my colleagues will join with me in helping to save the Goshen Historic Track.

Mr. Speaker, for my colleagues information, I am inserting at this point in the RECORD, the full text of this proposed legislation.

H.R. —

A bill to authorize the Secretary of the Interior to conduct a study to determine the manner in which the area known as the Goshen Historic Track in Goshen, New York, can be protected

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior shall conduct a study to determine the most appropriate means of protecting the Goshen Historic Track in Goshen, New York. The Secretary shall examine the feasibility of—

(1) entering into cooperative agreements with the owners of the Track to insure its preservation;

(2) purchasing all or a portion of the Track for inclusion in the National Park System for recreational and educational uses; and

(3) such other means of preserving the Track as the Secretary may determine to be appropriate.

(b) The area referred to in subsection (a) as the Goshen Historic Track is the area of approximately 21 acres, situated within

Goshen, New York, which is bounded on the north by Orange Avenue, on the south by South Church Street, on the west by Main Street, and on the East by Park Way.

SEC. 2. There is authorized to be appropriated to carry out this Act such sums as may be necessary for fiscal year 1982.●

THE 208 STANDARD

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HILLIS. Mr. Speaker, I am today introducing a bill with 15 cosponsors which will change the schedule of compliance of the motor vehicle occupant restraint safety standard—the 208 standard as it is known—so that all passenger cars, foreign and domestic, large and small, will have to meet the standard in the same year—1984.

The 208 standard was first issued in 1977 under the authority given to the Department of Transportation by the National Traffic and Motor Vehicle Safety Act. The standard required large cars, beginning in model year 1982, to be equipped with some form of passive restraint, either airbags or automatic seatbelts. In 1983, intermediate and compact cars would be required to meet the standard; and in 1984, small cars would be included.

On Monday of this week (April 6), the Department of Transportation announced its intention to change the 208 standard schedule so that large cars would not have to meet the passive restraint requirement until 1983. The schedule for intermediate, compact, and small cars will be unchanged under the DOT announcement.

While we believe the new schedule by DOT is a step in the right direction, we do not feel it goes far enough. The bill we are introducing today would apply the 208 standard to all cars equally with compliance mandated in 1984.

Our bill has several advantages over the present 208 schedule. It provides substantial cost savings to consumers and manufacturers by making the new effective model year 1984. The Department of Transportation has estimated that just a 1-year deferral of the effective date for large cars would save the consumers of America between $50 and $70 million and further would save manufacturers between $31 and $43 million. The Secretary's cost analysis is based on an auto sales production model year of 1 million units of large-sized passenger vehicles equipped with the less expensive automatic belts in each car.

Under our bill, the savings to consumers and manufacturers would be substantially higher than those indicated by the Secretary's action of delaying compliance of large cars by only 1 year. By delaying compliance of large cars by 2 years, and intermediate and compact cars by 1 year, the savings would be considerably higher. These savings would assist in the rejuvenation of the domestic industry, provide manufacturers additional capital for retooling, and assist modernization efforts that are so desperately needed in the next few years.

Another advantage offered by our bill would be to improve the competitiveness of American-made cars with imports.

Since most imports would not fall under the 208 standard until 1984, the present schedule would give most imports a price advantage of perhaps several hundreds of dollars per car for one full model year over large, intermediate, and compact U.S.-made cars. With imports already capturing over 20 percent of the U.S. market, such an advantage would no doubt further contribute to the deterioration of the U.S. industry.

We are all aware of the controversy caused by the 208 standard. This is an issue which has been before the House on numerous occasions. However, it has never been resolved to the satisfaction of many Members. We believe the bill we are introducing today will lay the issue to rest once and for all. It continues to mandate the increased safety provided by passive restraints while addressing the concerns and needs of domestic manufacturers. This legislation is the most sensible and reasonable approach to problems of passive restraints yet introduced.

The domestic manufacturers have suffered a $4 billion loss in 1980 while facing the ongoing expensive changeover to small car production. The nationwide economic cyclical downturn, coupled with the loss of market shares to imported cars, especially Japanese manufacturers, have left the future of the U.S. auto industry in doubt. Therefore, the Energy and Commerce Committee, and particularly the Subcommittee on Telecommunications, Consumer Protection, and Finance, should hold hearings on the bill as soon as possible.●

NICARAGUA CUTOFF WARRANTED

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. SOLOMON. Mr. Speaker, on Thursday, April 2, I was engaged in a discussion over the merits on the administration's cutoff of aid to Nicaragua, and challenged by two of my collegues to come up with the hard evidence that the Nicaraguans were intimately involved in the flow of weapons and guerrillas into El Salvador. That evidence is contained in a briefing report issued by the State Department on February 23, 1981—Special Report No. 80. It would be too costly to reprint here, but I would like to assure my colleagues that such evidence does exist, and that I have sent copies to the two colleagues with which I had the discussion.

And while I am on the subject of the merits of continuing aid to Nicaragua, I would like to offer the following editorial which appeared in the Albany Times-Union on April 6, 1981. As this article points out, not only is Nicaragua involved in the instigation of leftist violence throughout Latin America, but the ruling Sandinistas have quickly become the most flagrant violators of human rights in the region.

The article follows:

BUSIEST PRISON

Human rights critics obsessed with the imperfections of El Salvador and Guatemala apparently haven't noticed that revolutionary Nicaragua has become, for its size, the pre-eminent jailer of political prisoners in Latin America.

At last count—compiled by Juan Esteban Gonzalez, director of Nicaragua's church-sponsored Human Rights Commission—the neo-Marxists Sandinista government was holding some 8,000 political prisoners.

By contrast, the rightist government of Chile, long a ritual punching bag for Latin leftists and American liberals, is currently detaining something less than 100 persons who might reasonably be considered political prisoners.

Of those imprisoned by the Sandinistas, about 6,500 are former members of the Nicaraguan National Guard that was disbanded by the new government after the overthrow of the late Anastasio Somoza in July 1979.

The Sandinistas had promised that all National Guardsmen would be released within a matter of months pending a routine screening process to identify guardsmen suspected of "war crimes" committed during the Nicaraguan civil war. Those assurances, made in August and September of 1979, have proved worthless.

The remaining 1,500 political prisoners are civilians arrested since the Sandinista takeover. They include some supporters of the Somoza regime, but also Social Democrats, other moderates, and persons bold enough to have publicly criticized the Sandinista's increasingly Marxist tilt.

For their pains, these dissidents have been incarcerated without trials in a network of 20 or so political prisons, four of which are located in the capital city of Managua.

The details of these and other human rights abuses, including documented cases of torture and execution, were pieced together by Nicaragua's Human Rights Commission, the same body that had earlier vociferously criticized the Somoza regime.

But even at the height of his power, Somoza had never dared to close down the commission or confiscate its painstakingly collected files.

The Sandinistas recently did just that, and without causing so much as a ripple in most of the Western press.●

BANKRUPTCY OF THE U.S. GOVERNMENT DEFINED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. McDONALD. Mr. Speaker, a classic case of bankruptcy is defined when your debts exceed your ability to pay those debts. This is in fact where we are headed in this decade even if we pass Mr. Reagan's present budget proposal. Robert Kinsman succinctly and graphically explains this in this "Low Risk Advisory Letter," published March 6, 1981. Howard J. Ruff reprinted the explanation in the Ruff Times, April 1, 1981. I strongly recommend my colleagues read the selection. The article follows:

INTEREST ON THE NATIONAL DEBT, PUBLIC AND PRIVATE

At the beginning of this year, with the total federal government debt running about $930 billion, the interest payments alone were projected for the year at just over $93 billion (10.1 percent). Remember, that's interest alone.

Now, if there is no increase in the federal debt, except for accrued interest on it and interest rates on it don't increase at all (an impossibility since even Reagan is projecting a debt increase of $125 billion by fiscal year 1984), the interest payments alone will increase to over $185 billion per year by the spring of 1988. (This still understates the problem, as it makes very low inflation assumptions. HJR)

I realize that these numbers are so large we can't grasp them fully. But, perhaps this will help. The total currency in circulation in the U.S. right now is just under $132 billion. If the government had to use cold cash to pay the debt interest this year, it would use up 70 percent of the greenbacks in circulation! By 1988, it will need 40 percent more than the cash now available. Fortunately for the government (and unfortunately for us), the debt interest is paid by credits to bank accounts which involves a broader definition of money than just currency. The money is inflated, even without printing it.

The government debt is just a goodly fraction of the total debt of the nation. That figure totals $4.3 trillion now. And the interest on it is above $430 billion per year. That amount is more than the definition of total current U.S. money supply known as M1B ($418.5 billion).

In other words, if all of M1B was used to pay the interest on the debt in the country, we'd still come up short.

Now, are you ready for this? Without paying off some of that debt, and again assuming no increase in it except for the borrowed interest, and assuming a constant interest rate paid on the debt, the interest alone on the total debt will double to at least $860 billion per year by 1988. Most importantly, if the Fed doesn't increase our total liquidity (L, in their definition), by then we'll be using more than $1 of every $3 available in the country to pay that interest! (We're already using $1 of every $5.)

The Reagan program will have no effect on the numbers I've quoted, because it doesn't approach a balanced budget until 1984, and that's what's required to alter these figures. Without it (a balanced budget), the government corporations, municipalities, and you and I have to borrow to pay debt interest. That's what causes those figures to explode.

It is now certain that we'll have the same basic risks to our investments that we've had for the past couple of years: a collapse of the credit markets due to government borrowing, a runaway inflation, or a collapse of the debt, known as a depression.

The reason I say that we're still facing disaster risks, and believe that they'll be with us for another couple of years, at least, is a derivation of the above numbers. The way that the Fed has staved off disaster thus far is to monetize part of the debt: print more money. That is the irresistible temptation to avoid the ultimate disaster—a debt collapse followed by an economic collapse. The new money partly pays the interest on the debt. In the five years through 1980, the federal debt was up 61 percent, but total money available, liquidity (L), was up 71 percent.

The Fed will have to resort to a similar plan over the next several years, no matter what it says it will do. It cannot allow the debt or the interest on it to rise more rapidly than it can be financed. That means more money printing. That means more inflation. The financial roller coaster is still running. That means more of the same problems we've had.

The only way to postpone the day of reckoning on that kind of debt is to print money or create money through the banking system. We have lots of wild and wonderful ways of manufacturing money other than printing it and, if necessary, I am sure we will come up with other ways of creating money using good old American ingenuity and know-how.

Just remember that figure—by 1988 $860 billion will be required just to service our debt. That money when pumped out by the Federal Reserve guarantees a wild runaway hyperinflation. The only other alternative is a repudiation of debt and a refusal on the part of government and other debtors to pay interest. That will not be permitted to happen. People who don't make interest payments can't borrow again. They must inflate or die, and they will inflate.●

JAMAICA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. LAGOMARSINO. Mr. Speaker, I wish to call to the attention of my colleagues the following article on Jamaica prepared by Alexander Kruger, policy analyst for the Heritage Foundation.

Excerpts from his study entitled "Jamaica After the Elections: Opportunity for Economic Recovery" follow:

JAMAICA AFTER THE ELECTIONS: OPPORTUNITY FOR ECONOMIC RECOVERY

INTRODUCTION

On August 6, 1962, the day Jamaica achieved its independence from Britain, the country's first Prime Minister, Alexander Bustamante, announced "the irrevocable decision that Jamaica stands with the West and the United States." This irrevocable decision held true for one decade (1962-1972), the most prosperous decade in the island's history. During this period, Jamaica became an attractive site for foreign investment, rapidly increasing the country's productivity and with it the Jamaican's standard of living. This prosperity came to an abrupt end following the victory of Michael Manley and the People's National Party (PNP) in the elections of 1972. Manley proceeded to implement socialist reforms which eroded the country's economic structure until the economy nearly collapsed in 1980. These reforms reduced the standard of living sharply and caused nearly half of all Jamaican professionals to flee from the poverty-stricken island. The recent election results in 1980, with the landslide victory of the pro-U.S. and free enterprise Jamaica Labour Party (JLP) leader, Edward Seaga, have once again brought hope to the Jamaican people for better times ahead. Under the Seaga Administration, Jamaica has the potential of becoming a viable free enterprise alternative to Cuba's communist model.

MANLEY'S ECONOMIC FAILURE

During its eight years in office, the Manley government almost completely destroyed the Jamaican economy. At the time of Manley's defeat, unemployment was running at more than 35 percent; the figure stood at roughly 50 percent among the nation's youth. Inflation had skyrocketed as well; prices had increased by 78 percent since 1977. Even for those who could afford Jamaica's exorbitant prices, it was still difficult to locate any commodities In fact, the scarcity of such staples as bread and soap reportedly was the cause of riots in Kingston supermarkets. Overall, Jamaica suffered a 25 percent reduction in its standard of living from 1972-1979.

Manley placed the blame for his nation's plight upon imperialism and the Organization of Petroleum Exporting Countries. In reality, however, much of Jamaica's economic turmoil was homegrown. Manufacturing output declined by 10 percent during Manley's last year alone. Agricultural production diminished, with the important banana crop having fallen 78 percent in volume since Manley assumed power. Overall Gross National Production had declined sharply since 1972. Only marijuana production increased, becoming Jamaica's principal source of foreign exchange. These developments derived largely from policies initiated by Manley during his eight years in power.

In his early years in office, Manley introduced a series of reforms under the banner of "democratic socialism"—measures ostensibly designed to decrease the island's still pervasive poverty, but which, coupled with Manley's pro-Cuban rhetoric, began to take the appearance of "creeping communism." Manley forced foreign mining companies to sell the majority of shares of their bauxite operations to the Jamaican government, and later introduced an expropriatory tax on bauxite exports. As a result Jamaica's share of world bauxite exports fell from 18 percent to 12 percent, with its net production declining by a third.

In a similar action, the Manley government nationalized eight of the island's twelve sugar plantations; since 1974, Jamaica's sugar production has fallen by 22 percent. Punitive tax policies, aimed primarily at the country's middle class, contributed to a massive exodus of educated Jamaicans. During Manley's two terms in office, an estimated 40 percent of Jamaica's professionals fled the island—primarily to Britain, Canada, and the U.S.

Manley's counter-productive socialist measures, combined with increased government size and spending, forced his government to seek loans to remain functioning. In 1978, Jamaica turned to the International Monetary Fund (IMF) for emergency relief. Over the course of the next two years, the IMF supplied Jamaica with $350 million, on terms which required that the Jamaican government pursue sounder economic policies. In 1980, however, when the IMF demanded that any new aid be accompanied by austerity measures, Manley terminated loan negotiations. As a result, the Manley Administration was unable to secure new loan agreements from any of the 100-plus commercial banks holding more than 1 billion dollars in Jamaican government debts. The loans the Manley Administration did obtain, $50 million from Libya and $43 million from European and OPEC nations, were insufficient to counter Jamaica's 1980 deficit.

Due to Jamaica's insolvency, foreign exchange reserves were depleted, making it impossible for manufacturers to import vital industrial commodities. This, in turn, exacerbated Jamaica's unemployment problem: from January 1980 through September 1980, 78 factories were forced to close, adding at least 5100 people to the island's unemployment rolls. According to the best economic surveys, per capita income in Jamaica fell about 40 percent during the Manley years.

FOREIGN POLICY UNDER MANLEY

Since 1974, Manley pushed his country closer and closer into the Soviet orbit, and developed particularly good ties to the Cuban government of Fidel Castro. Manley became a staunch supporter of Cuban interventionism in Africa and defended the placement of Soviet combat troops in Cuban bases. At the same time, he condemned the U.S. military presence in the area as "imperialism." Ironically, the Soviets have praised Manley's Jamaica as a true non-aligned country within the Third World.

Manley's hostility to the West extended beyond the North-South debate; he opposed Western society on a variety of social and political issues. In a speech before the Conference of Non-Aligned Nations in Havana on September 4, 1979, Manley declared: "We may call ourselves communists, socialists or humanists or simply progressive, but all anti-imperialists know that the balance of power irrevocably changed in 1917 when there was a movement and a man in the Great October Revolution, and Lenin was the catalyst and unmovable rock."...

CUBA AND JAMAICA

Manley's socialist economic policies, as well as his harsh criticism of the U.S., contributed greatly to the flight of talent from Jamaica. In order to replace the thousands of professionals that left the country, Manley sought help from Fidel Castro, who provided doctors, teachers and management personnel from Cuba. Manley tried to downplay the Cuban role, claiming that only 450 Cubans were working in Jamaica; opposition party (JLP) leaders claimed that an accurate figure would be closer to 5,000. Prior to Jamaica's latest election, Cuba's diplomatic delegation was the largest in Kingston, attracting criticism from both the Jamaica Labour Party and Jamaica's free press. . . .

Cuba also sought to play a role in Jamaica's internal security by training and indoctrinating a new police force comprised of PNP supporters (the Jamaican Home Guard) and a communist guerrilla-type brigade (the Brigadistas). The Home Guard and the Brigadistas had been built up to the point where they were nearly as powerful as the combined regular police and the Jamaican Defense Forces. The Home Guard and the Brigadistas, loyal to the People's National Party, provided that party with an excellent tool for political intimidation or a possible coup. The Jamaican Defense Forces and the local police force traditionally had been impervious to politicization. Manley, however, sought to change this by sending new recruits to Cuba for basic training and by procuring an increasing proportion of his armaments from Eastern bloc sources * * *.

THE 1980 ELECTIONS

On October 30, violence spread throughout Kingston as rival groups tried to keep their opponents from voting. This, however, did not prevent the majority of the Jamaicans from voting; the turnout reached 80 percent. Seaga and the Jamaica Labour Party won the elections by the largest electoral landslide in Jamaica's history by obtaining 57 percent of the popular vote. This made Seaga Jamaica's new Prime Minister and gave the JLP 51 out of the 60 seats in Parliament. The election turnout and the results clearly indicated disaffection with Manley's socialist pro-Cuban path and his poor economic performance.

Following the elections, the People's National Party opted to re-elect Michael Manley as the party leader and the next opposition leader. The PNP also reconfirmed Donald Duncan as secretary general of the party. Duncan, who is openly Marxist, stated he would not concede to the "fascist terror of Edward Seaga" and that "we now move into the next phase: revolutionary politics." However, Robert Niesh, chief of the Jamaican Army General Staff, cautioned "radical" forces opposing Seaga's government not to disrupt the country's reconstruction plans. Niesh further indicated that the 6000-man army and police forces have the capacity to face and combat any situation which might threaten Seaga's government. Winston Spaulding, Seaga's Minister of National Security, has "pledged all the assistance which the cabinet can afford" toward the security forces to decrease violence and crime in Jamaica * * *.

FOREIGN POLICY UNDER SEAGA

The Jamaica Labour Party's "Foreign Policy Guidelines" indicate that:

"Jamaica is regionally linked to Latin America and sub-regionally tied to the Caribbean, culturally, socially and economically. It is sentimentally bound to its African roots, politically grouped with the Commonwealth, the O.A.S. and the Third World; and economically involved with the trade and financial patterns of the industrial world."

This complex Jamaican inter-relationship with the international community has caused Seaga's government to assume a difficult, and at times conflicting foreign policy.

Although the Jamaica Labour Party government has stressed its desire "to have friendly relations with the governments of all countries providing they do not interfere in our internal affairs," the JLP has placed special emphasis on developing stronger relations with the United States. The first country visited by Seaga as Jamaica's new Prime Minister was the U.S. During this November 1980 tour, Seaga stated "we are ready to contain the expansion of Cubanism," and while he complained over the lack of any sound U.S. policy toward the Caribbean in the past, he praised the Reagan Administration by stating "we have had excellent vibes from the new administration" and that "the Reagan administration is coming to power at a very propitious time."* * *

The Jamaica Labour Party is implementing a pro-Western foreign policy, which will "combat the threat of alien ideologies" through an "improved life" propelled by "private initiatives" understanding "how essential to national development are profits, savings and investments." While Jamaica plans to incorporate a lower profile foreign policy, it will place greater emphasis on the Caribbean area, its "natural area of interest and influence," which in the past had been neglected. Even though Jamaica's foreign policy advocates "non-interference," it will nevertheless "commit itself to the struggle against racist regimes," and express "disapproval" over human rights violations.

SEAGA'S ECONOMIC RECOVERY PROGRAM

In October 1980, the Jamaica Labour Party announced its "National Programme for Reconstruction" to counter Jamaica's collapsing economy; this program consists of: "A number of major public sector projects, a set of policies to stimulate the private sector, programmes for improvements in agriculture, mining, tourism, manufacturing, housing construction and financial institutions as well as a range of initiatives to deal with the problem of unemployment."

This ambitious economic recovery program proposes a series of measures needed to increase the private Sector's capability of generating production and employment, and increasing export sales and revenues. To carry out this economic recovery program with private sector assistance, the Jamaica Labour Party government intends to decrease government regulations, provide tax incentives, "rationalize" the government's bureaucracy, insure the availability of raw materials and spare parts needed by factories, manufacturers and farmers, and provide funding for new projects in Jamaica. However, even though the Jamaica Labour Party government expects considerable private sector growth, it estimates it will take three years before Jamaica can "earn rather than borrow its way out of" its present economic difficulties. . . .

Due to Jamaica's insufficient financial resources, the Seaga government has placed special emphasis on the country's two principal legal sources of foreign exchange and revenues, the bauxite and tourist industries. The recuperation and expansion of both these industries are of critical importance to the island's economic recovery—particularly the tourist industry which has drastically deteriorated due to Jamaica's adverse image and violence.

To remedy the depressed tourist industry, the Seaga Administration has initiated a program to improve tourist services, including air transportation and tours; it is restoring historical sites and has begun an advertising campaign aimed at attracting tourists from abroad. The Seaga government has also enacted a program to increase Jamaica's bauxite markets overseas, particularly within the United States where the stockpile of bauxite is being increased for strategic purposes. Internally, the government has encouraged the country's two bauxite producing organizations, Kaiser and Reynolds, to expand their operations in Jamaica. . . .

U.S. POLICY INITIATIVES

With the elections of Edward Seaga as Prime Minister of Jamaica and Ronald

Reagan as President of the United States, Jamaica has the potential of becoming an attractive alternative to the Cuban centrally planned economy model within the Caribbean region. To assist Jamaica in confronting its devastated economy, the U.S. should provide financial assistance to rebuild the private sector and to meet Jamaica's most urgent requirements.

In the period following the rise to power of the Sandinista forces in Nicaragua, the United States provided over $100 million of assistance to this Marxist government. With the rise to power through free elections of a strong supporter of the free enterprise system, the United States should probably provide even greater assistance. Moreover, as indicated earlier in this paper, the U.S. provided significant support to the Manley government and thus the level of assistance provided to Seaga may provide a test case to indicate whether the Reagan Administration intends to encourage developing governments to follow more conservative economic and political policies. . . .

Although substantial U.S. government assistance programs may provide vital help in the immediate future, ultimately Jamaica must succeed on its own. Rather than becoming dependent on foreign grants, the Seaga government should primarily encourage private sector investment and development. The U.S. should use its various programs to encourage foreign investment in Jamaica. Such programs include the Trade and Development program or a possible use of OPIC insurance guarantees since Jamaica's per capita of GNP has fallen below $1,000. Moreover, the U.S. should work through the International Financial Institutions to provide loans to Jamaica.

The overall objective of U.S. economic policy toward Jamaica should be to encourage their government to reduce its role in the economy and attract both foreign and local investment. This policy should also include the elimination of protective tariffs so that the consumer need not bear the burden for high government costs or inefficient industries. However, due to Jamaica's deteriorated economy, these policies should be implemented through a transitional period graduating from the present government-controlled economy to a mixed economy, and thereafter to the ultimate goal of a free market economy.

Finally, Jamaica may confront some security problems. It must be remembered that Cuba has lost an ally with the defeat of Manley, and it may instigate subversion on the island to create difficulties for Seaga. To prevent this from occurring, the U.S. should provide Jamaica's security forces with the training and equipment necessary to counter any aggression which threatens Jamaica's society or government.

CONCLUSION

Few countries offer a better opportunity than Jamaica for the Reagan Administration to both signal a shift in foreign policy and implement on a global basis its general prescriptions for economic recovery. Under the previous Manley Administration, Jamaica aligned herself with Cuba and adopted socialist economic policies which brought the country to the brink of bankruptcy. Despite the foreign and domestic policies pursued by the Manley government, the Carter Administration provided significant financial and political support to Jamaica. This action contrasted sharply with policies pursued toward traditional allies of the U.S. in Latin America.

With the Caribbean now in economic and political chaos, the Reagan Administration has an opportunity to construct a new policy in the area built around nations which share our economic and diplomatic objectives. Jamaica provides a sound basis for constructing such a new policy by encouraging economic growth through the free enterprise system and creating new diplomatic initiatives to isolate the Castro regime and the Marxist revolutionary movements now disrupting much of Central America. If successful in achieving economic recovery, Jamaica can provide an excellent alternative model to Cuba for other countries in the region to emulate. At the same time, Jamaica can also contribute to bringing political stability and security to the most volatile area in the Western hemisphere.●

MARGARET MARTIN BROCK—"MRS. REPUBLICAN"

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. ROUSSELOT. Mr. Speaker, there is one person in California who has devoted so much time, energy, talent, and personal resources to the GOP in California that she has been named "Mrs. Republican" by her many friends.

The person is Margaret Martin Brock, and she is fantastic.

On April 6, 1981, Mrs. Brock was surprised by a reception honoring her at the Capitol Hill Club in Washington. Some of her friends were there, including most of the California Republican congressional delegation, who presented Mrs. Brock with a gold and china commemorative plate.

Mr. Edwin Meese, counselor to the President, and his wife, Ursula, also attended, along with Lyn Nofziger, Assistant to the President for Political Affairs; Mike Deavers, Deputy Chief of Staff to the President; M. B. Oglesby, special assistant to the chief House lobbyist and Dr. Fred Balizer, director of the citizens division at the Republican National Committee.

Others attending were Miss Jo Good, convention director at the R.N.C.; Mr. Fred Beibel, deputy chairman of the R.N.C., and his wife, Violet; Mr. Chuck Bailey, deputy chairman of the R.N.C.; Congressman JOHN LEBOUTILLIER from New York; Miss Nancy Sinnott, executive director of the National Republican Congressional Committee and several of Mrs. Brock's former interns.

Margaret Brock is a model member of the Grand Old Party. In the last three decades she has energetically supported Republican candidates in California and around the Nation.

In this day of a great new Republican Party, she is a key to our revival and a source of inspiration to all of us who know her, and know of her.

Mrs. Brock has also taken an active interest in the education of young people. Over the years she has worked for the Republican ideal of involving youth in the political and governmental processes.

She has made generous contributions to institutions of higher learning. She established the Margaret Martin Brock internship program in practical politics at Claremont Men's College, in which Congressman DAVID DREIER once participated. Margaret has devoted an incredible amount of time and energy to the political education of our youth, helping insure a healthy future for the GOP.

Mrs. Brock also had built and contributed the Brock House to Pepperdine University, Malibu, in which the president of the university and his family reside.●

GALBRAITH ON "EMPIRE"

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. STUDDS. Mr. Speaker, John Kenneth Galbraith recently authored a two-part essay on the decline of both United States and Russian imperialism during the past two decades. I believe these articles describe reality far more accurately than any statement emanating either from the U.S. Department of State or from the Kremlin. The theory that the two great powers are the only forces which count in this world ought to be credible by now only to those whose mental development ceased two decades ago. Sadly, voices in both capitals seem bent now on reviving this obsolete mythology, and the mistakes of each seem only to produce greater errors from the other. Such, tragically, is the formula by which great powers may be even more rapidly reduced.

I strongly commend those two essays to the attention of my colleagues.

[From the Washington Post, Mar. 17, 1981]

THINKING ABOUT IMPERIALISM (I)—20 YEARS OF DECLINE IN THE SOVIET EMPIRE

(By John Kenneth Galbraith)

There could be comfort of a sort these days in finding one subject on which the United States and the Soviet Union, or more precisely their governments, agree. And there is; it is that imperialism is the greatest international ambition and consequent threat of our time. Each government routinely accuses the other of imperial design—of present effort and future intention to extend its influence, will and political and economic system beyond its borders and most notably to the poor countries of Asia, Africa and Latin America. Reference to the imperialist powers, meaning the United States, is routine in Soviet official expression. In an early Cabinet meeting, President Reagan is reported as proposing that reference to the Soviet Empire become the

normal usage. During Secretary of State Alexander Haig's confirmation proceedings, the more common reference was to Soviet expansionism. This can be taken as a synonym reflecting the tendency to convert anything that is morally unacceptable into an *ism*.

But if, indeed, the Soviet Union and the United States are engaged in an imperial competition, it is surely the least successful in all history. In the last 20 years both have lost influence and suffered grave reverses beyond their borders. At most the effort has been to see who can lose what is called imperial power the least rapidly. By any calculation we have been losing less rapidly in this respect than the Soviets; and the largest part of our loss of influence has been the result of deliberate policy—of a well-considered effort to build up the economic and political independence of other lands. We are now, in some measure, surprised by the results of our own success.

I would like to turn first to the Soviet imperial achievement or nonachievement of these last two decades. Then in a second article I will come to our performance. And finally I will suggest the reasons, surprisingly similar in the main, why the external influence of both of the superpowers has been in decline, one obvious reason being that what is now called imperialism bears only the most pallid relationship to the forthright exercise of such authority in earlier times.

The year 1960 is a very good one on which to begin. World War II had been over for 15 years; its physical ravages had been repaired; the postwar pattern of international power and influence seemed fully established and totally stable; in that year, or more exactly a few months later, I became the servant of American imperialism as the ambassador to India. In 1960, any imperial strategist in Moscow, looking out on the world scene and ignoring some possible developing flaws, could only have reacted with the most intense satisfaction. The Soviet Union, incomparably the greatest power in Europe, was united geographically and in political and economic faith and system with China, the greatest power in Asia. Along the western marches, in turn, was a seemingly faithful band of communist states—East Germany, Poland, Hungary, Czechoslovakia, Rumania, Bulgaria, as well as the independent but still stolidly Communist state of Yugoslavia and the terra incognita of Albania. Similarly to the east the writ ran on to North Korea and North Vietnam. One marvels now to think of it; an imperium, as it seemed, extending from the Brandenburg Gate to the port of Haiphong. There had been nothing like it since Genghis Khan or, as the Russians might prefer, Rome itself. Quite possibly this structure was more impressively solid when viewed from the outside than from within. In any case, all American references were to the Sino-Soviet bloc; in those years Secretary of State Dean Rusk characterized China as a "Soviet Manchukuo" devoid of any of the essential aspects of sovereignty. All sovereignty belonged to Moscow.

But there was yet more. In Indonesia Sukarno was backed by a large and powerful Communist Party. Egypt, the most influential country of the Arab world, was recipient of an increasing flow of Soviet arms and advisers. As was Ben Bella in Algeria. There was support to Kwame Nkrumah in Ghana. In Italy and France, huge Communist parties seemed in impeccable subordination to Soviet command. Similarly smaller ones elsewhere. More important, perhaps, was the feeling everywhere in the poor lands that socialism was on the wave of the future. How could it be otherwise? Capitalism had not served to break the terrible bonds of poverty. There must be an alternative; the only available one was socialism or communism. Moscow, not Washington (or New York), had custody of the future.

One has only to recapture this past to see how great has been the fall—one made greater by statesmen who ascribed more unity than ever, in fact existed. Russia and China have split bitterly apart, one of the most formidable developments of our time. Rumania has developed an independent line that, on occasion, has involved overtures to Peking. Hungary has designed its own relatively liberal economic system. The case of Poland calls for no current comment. Albania has returned from an association with China to total ambiguity. Various of the Western Communist parties, and most notably that of Italy, have proclaimed their independence. In Indonesia the Communists were liquidated with a cruelty that no one anywhere could condone. The Soviet advisers have been expelled from Egypt. Tanks originally supplied by the Soviets ousted Ben Bella and returned him to the confinement that, by either the French or his own people, was his near-lifetime career. Nkrumah, unwisely absent from his country, was ousted. And in the poor countries of the world socialism has ceased to be the glowing alternatve to poverty—given the terrible weight of the latter, one might only wish that it were. As Marx himself foresaw, socialism becomes an alternative only after the arrival of capitalism. It is point to which I will return.

Against all this has been the Communist expansion—in Afghanistan to rescue a failing Marxist regime, a country as inhospitable to imperialism in the last two centuries as any in the world. And in Angola, where the MPLA regime is sustained by Cuban soldiers and, in a possibly much more practical way, by revenues from Gulf Oil. And in Ethiopia, where, as Evelyn Waugh once observed, the writ of governments has never run reliably very much beyond the airport, in his day the railway station. As a bastion of communism, Ethiopia is in exchange for Somalia, an earlier bastion of communism, now an outpost of the free world. Such is the 20-year record of the Soviet Empire. Expanisonism indeed!

In contrast with that of the Soviet Union, the 20-year record of the United States looks almost heroic. We were expelled from Indochina, but Indochina is a long way from being China. As the Soviets suffered in Egypt, so did we in Iran. Elsewhere our influence has yielded to the discovery of the OPEC countries that they could charge what the market would bear, something that should not have been a great surprise to a capitalist country, an opportunity that could have been discovered from a reading of our better economic textbooks. And, as in the case of Brazil, Mexico and perhaps even India, our influence has suffered from the growing self-confidence that goes with industrial (or agricultural) development. Most of all, it has suffered from the highly successful development of our advanced industrial allies and friends. But all this, as noted, we have sought. With all these countries we remain on reasonably friendly terms. Our disasters have been only in countries, South Vietnam and Iran, where we attempted a much closer military and political embrace. To a further contemplation of the American imperial record over the last 20 years I return in a further article.

Thinking About Imperialism (II)—American Power: Decline by Design

Twenty years ago, anyone looking at a map of the world would have had no difficulty in finding evidence of the imperial design of which the Soviet Union and the United States routinely accuse each other. There in the center, stretching from East Germany to North Korea and North Vietnam, was the Soviet domain, united in a political and economic system, all presumptively subordinate to the leadership of Moscow. Beyond, in Indonesia, Egypt, Algeria and in the Communist parties of Western Europe, were faithful sources of support.

Surrounding the great Sino-Soviet land mass were the acronymous expressions of American power—SEATO to the south and east, CENTO in the Middle East, NATO in the west. Supplementing these was a web of military alliances. In the organizations and the treaties, no one doubted the paramount role—political, financial and military—of the United States.

Outside this band of encircling alliances—the word "encirclement" was in common use in those days—lay a generally friendly community of nations. From Latin America came strong support for American purposes. By 1961, it was not possible to muster a secure majority at the United Nations to keep China, as a Soviet province, out. But it was still possible to get the votes to have admission declared an Important Question, which thus required a two-thirds vote. It was only a few years earlier that John Foster Dulles had accused those non-communist countries that stood apart from a formal alliance with the United States of an immoral neutralism. Even neutrality, if sufficiently inconvenient, can be an ism.

In an earlier article, I dealt with the misfortune that, in these past 20 years, has overtaken what map-viewing strategists call the Soviet Empire. Moscow and Peking have split apart; the Eastern European countries have become increasingly independent and assertive; ties with Indonesia, Egypt, Algeria and others have been severed; Eurocommunism has arrived. By comparison, the American decline, if indubitable, has been brilliantly in contrast.

SEATO and CENTO have gone, more or less literally, with the wind, for it was of that they largely consisted. Similarly the bilateral military arrangements. All were an aberration of the military and diplomatic mind. The politicians and governments united in these treaties had always enough immediate and pressing problems of their own without being much concerned with the seemingly far more theoretical danger from China or the Soviet Union. And there was danger for any politician in seeming to be too pliable as regards American policy. Pakistan was in many ways the center of this system, a member of both treaty organizations. But the Pakistanis were always much too practical to see their alliance and their arms as an instrument against the Soviets or the Chinese. Against any determined movement by the Red Army, they would not have lasted more than hours. But the arms were extremely useful against India, where, in fact, they were used in the border wars. In the end, the country once described as our most faithful Asian ally succumbed to its own geographical and ethnic division. It is hard to believe that

anyone can now regret the passing of the Dulles policy of military (or imperial) might derived from alliance with the indigent.

The North Atlantic Treaty Organization does survive. Here, too, as compared with 20 years ago, there is far less tendency to accept American leadership automatically. On matters ranging from trade policy with the Soviets to missile deployment, negotiation is now required where suggestion would once have served. But the singular feature of this change is that we sought it. In the years following World War II, we invested thousands of millions of dollars in the industrial rejuvenation of Western Europe, as we also accorded strong support to the industrial revival of Japan. Combined with the efforts of the countries involved, it was brilliantly successful—far more successful than anything achieved by the Soviets in the economically less advanced world of Eastern Europe. It was hardly to be supposed that this success would be unmatched by a similar development in European and Japanese political self-confidence and self-assertion.

There has been another aspect of our policy, equally deliberate but largely uncelebrated, that has contributed to the independent mood of our friends, and notably that of Germany and Japan. In the years since World War II, a huge share of our available capital has gone each year into relatively sterile military investment at home. In Germany and Japan, it has gone into the modernization and rejuvenation of civilian industrial plant. No one should doubt the difference that this has made. Those who argue automatically for any military outlay as a support to American strength should reflect on how much greater our prestige and power would be in the world if our industrial plant were in better condition than it is at present.

We have also lost the more or less automatic support for our policy from numerous of the countries of—as it is still called—the Third World. No longer do our signals bring an assured response at the United Nations or conferences convening elsewhere in the world. But, again, such independence was a purpose of our policy; on no point in the past 20 or 30 years was our rhetoric so loud and clear. That a new industrial power such as Brazil, a freshly endowed one such as Mexico, greatly affluent ones such as the members of OPEC, should now assert themselves with greater confidence can hardly come to us as a surprise. The green revolution in India (bringing a modest export surplus of grain in some recent good years), the considerable industrial development and the huge flow of remittances from its eager workers overseas have given that country an economic independence that was unimaginable when I left there 18 years ago. But nowhere has this movement away from the United States brought any appreciable alliance with or subordination to the purposes of the Soviet Union. The notion sometimes bruited that India, home of millions of the world's most passionate property owners, some of its most rapacious capitalists and myriads of its most undisciplined politicians, is somehow in the Soviet orbit is errant nonsense.

Passing over such examples of extreme ambiguity as Iraq, now in conflict with a hostile Iran; Syria, now a seemingly indispensable stabilizing influence on once indubitably capitalist Lebanon; Angola, where a Marxist government is sustained by Gulf Oil; and Ethiopia, which, to the extent that it is governed by anyone, has been lost in trade for Somalia, there have been only two incontrovertible cases of American reverse in the past 20 years. One of these is South Vietnam (along with Cambodia), and the other is Iran.

The parallel here and the lessons of the experience are wonderfully clear, although in foreign policy even less than in economics does experience triumph over preferred belief. Vietnam and Iran were the two countries of the Third World to which, as I earlier noted, we accorded the closest military embrace—in one, active and costly participation; in the other, an expensive intrusion of American equipment and advisers. In both, our influence was exercised through local leaders who in Vietnam were incompetent and corrupt and in Iran oppressive and disdained. In both, we reaped the consequences of this leadership. But not even Iran was lost to the Soviets. The Iranians ended up hating everybody.

The consequences of the close embrace are clear. They are the same for the Soviets—were the same in China—as for ourselves. If the local leadership is strong, effective and well regarded, it will not tolerate foreign domination. If it is weak, ineffective, unpopular or oppressive, it may accept foreign guidance or domination, but it will not be tolerated by its own people. That is the enduring fact of what, as I shall argue in another article, is rather fancifully called modern imperialism.●

A TRIBUTE TO ROGER LEWIS

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. NAPIER. Mr. Speaker, I would like to take this opportunity to congratulate a constituent of mine, Mr. Roger Lewis, on being named the recipient of the Special Handicapped Person Award of the Conway Today program.

Roger is a special person in many ways. Even though he suffers from a terribly debilitating disease, cerebral palsy, and is a quadraplegic confined to a wheelchair, he serves as in inspiration to those who know him by virtue of his involvement and determination. Roger works at the Conway Vocational Rehabilitation Center in Conway, S.C. as an inspector in quality control and as a timekeeper. He has also participated in the Special Olympics program on the local and State levels. It gives me a great deal of pride and pleasure to hold him up to our Nation as a symbol of the best that we are—strong, brave, capable of overcoming seemingly insurmountable odds, while striving for a better and brighter future.

Mr. Speaker, I ask unanimous consent that a concurrent resolution as adopted by the South Carolina State Legislature honoring Roger Lewis be included in the RECORD at the conclusion of my remarks.

A concurrent resolution to congratulate Roger Lewis of Horry County on being named the recipient of the Special Handicapped Person Award and to further commend him on being selected by the Governor's committee and mayor's committee on employment of the handicapped for recognition as Special Handicapped Person on the Conway Today program.

Whereas, Roger Lewis, a twenty-seven year old native of Horry County, despite being severely disabled, has been a productive worker at the Conway Rehabilitation Center for the past six years: and

Whereas, while Roger has disabilities of cerebral palsy, quadraplegia and speech impediment, he has worked diligently to adjust to these disabilities and as a result he has gained better control of his speech patterns and has increased his physical mobility; and

Whereas, through perseverance and a determination to be productive and self-reliant, he has been able to earn his way: and

Whereas, he has taken his role as timekeeper very seriously and he requires that all clients return to work on time and take their breaks in the alloted time frame; and

Whereas, he not only demands excellence of others but he is his own severest critic and sets the highest goals and standards for himself; and

Whereas, in addition to his outstanding work record, he has been involved in Special Olympics on the county, as well as statewide levels, and has won blue ribbons in the majority of these events: and

Whereas, because of his example of courage, determination and dedication, he has been recognized by state and local Committees on Employment of the Handicapped as an example and inspiration to other handicapped persons and is further proof that employers can rely on the loyalty and dedication of disabled employees. Now. Therefore.

Be it resolved by the House of Representatives, the Senate concurring:

That Roger Lewis of Horry County is congratulated on being named the recipient of the Special Handicapped Person Award and, futher, is commended on being selected by the Governor's Committee and Mayor's Committee on Employment of the Handicapped and for his recognition as Special Handicapped Person on the Conway Today program.

Be it further resolved that a copy of this resolution be forwarded to Mr. Lewis.●

INSTITUTE FOR POLICY STUDIES: PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. McDONALD. Mr. Speaker, the leaders of the Institute for Policy Studies (IPS) have been most irked by revelations of their long standing contacts with Communist-bloc diplomatic personnel with intelligence functions.

The 1976 murder of Orlando Letelier brought to light documentary evidence that Letelier, director of IPS's Transnational Institute project and who was also active with one of the IPS's spinoffs, the Center for International Policy (CIP), was receiving money from Cuba secretly via the

Cuban diplomatic pouch for covert actions in the United States.

The Letelier documents included letters to officials of the Americas Department of the Cuban Communist Party Central Committee. The Americas Department is responsible for coordinating subversion and terrorism in the Western Hemisphere. Its chief, Manuel Piniero, is a former top level D.G.I. intelligence officer. The woman who was supplying Letelier with money via the Cuban diplomatic pouch, Beatrice Allende, was the wife of a ranking official of the Americas Department, Luis Fernandez Ona. And in 1966-67, Fernandez had been the Cuban D.G.I. case officer for Che Guevara's terrorist group in Bolivia while Beatrice Allende was one of his couriers and agents.

As John Rees has reported in his overview of the Institute for Policy Studies, IPS contacts with officials of hostile foreign powers set in motion investigations by the U.S. counterintelligence services. I refer my colleagues to the article which follows published by the Western Goals Foundation:

The Institute for Policy Studies has used a variety of tactics to promote radical policy changes. Leftist organizers in the anti-Vietnam, disarmament, women's, black power, Chicano and other causes were brought in to speak and participate in seminars with Congressional and Administration staffers, academics and selected journalists.

Through the IPS leadership, contacts were made for some of these groups and individuals with the same Soviet-bloc diplomats—based both in Washington, D.C., and at the United Nations—who were already known to the Raskin-Barnett apparat.

These contacts with the officials of hostile foreign powers did attract the attention of the U.S. counter-intelligence services. However, it was the involvement of IPS with violence-oriented domestic revolutionary organizations that principally interested both the FBI and the Washington, D.C. police department.

IPS associates fueled these law enforcement interests during the late 1960s and early 1970s by their memberships in and assistance to such groups as the Weatherman faction of Students for a Democratic Society (SDS) and the Student Non-Violent Coordinating Committee (SNCC) which were involved in bombings. These activities, added to the role of IPS in helping organize Washington street demonstrations including the riotous attempt to "shut-down" the capital on May Day, 1971, generated continuing FBI and police intelligence investigations. In 1974, IPS, Raskin, Barnet and others filed a lawsuit against the Federal and local intelligence agencies. In the post-Watergate climate of hysteria, this succeeded in shutting down the FBI and local intelligence investigations leaving IPS free to develop its contact networks throughout the U.S. government and with hostile foreign powers unmonitored by any U.S. government agency.

Raskin, Barnet and a number of other early IPS members such as Gar Alperovitz and Arthur Waskow already had contacts in government from their employment in the Kennedy Administration and Congress. Early IPS memos show that the preferred technique was to place liberal Senators and Congressmen in contact with individuals active in promoting U.S. disarmament and accommodation with the Soviet Union in a relaxed academic or social setting. The nonconfrontational setting could be expected to make the government officials more receptive to the suggestions of the IPS members and their "outside" experts.

For example, in setting up IPS's "Seminar on National Security and Disarmament," key areas for discussion were to Science and Technology adviser; White House Budget Office officials; Pantagon aides to the Joint Chiefs of Staff; and State Department officials including Herbert "Pete" Scoville, a former CIA official then at the Arms Control and Disarmament Agency. IPS's activist invitees ranged from Edward Snyder, lobbyist for the Friends Committee on National Legislation, and SANE's Sandy Gottlieb to scientist Leo Szilard and Ben Seligman, director of research and education of the Retail Clerks International Association.

IPS recognized the obvious fact that control of the U.S. budget and economic policy is central to determining U.S. priorities whether in national defense, intelligence or any other area. In this context, it is significant that the director of the Joint Economic Committee of Congress, Richard Kaufman, became active with IPS in the 1960s and that through its Congressional friends, IPS arranged to be asked to do two lengthy studies of anti-defense "alternative" budget priorities in 1976 and 1977.

Cultivation of disaffected employees and officials of the Johnson and Nixon administrations brought at one level the formation of groups like Federal Employees for Peace. On a higher level, it brought IPS contact with individuals who supported for various reasons, a major change of U.S. policy on Vietnam, and an end to U.S. intervention against Soviet-supported aggression in the Third World. Such individuals who resigned or retired from the Defense, State and Justice Departments, National Security Council, and Central Intelligence Agency tended to gravitate to IPS.

The expertise of these individuals was utilized in a number of IPS projects. One of these involved the leaking and publishing of the Pentagon Papers stolen by Daniel Ellsberg. The documents included highly sensitive material which identified intelligence sources and which gravely damaged the security of top level U.S. diplomatic codes in addition to revealing to enemies aspects of the U.S. decision-making processes, U.S. estimates of enemy strengths, weaknesses and plans, and harshly undiplomatic assessments of foreign officials.

During the Nixon-Ford administrations, three IPS spinoff projects were developed that employed a number of IPS related former government officials and Congressional staffers. These included the Center for Defense Information (CDI) which lobbied against continuation of U.S. overseas bases, for removal of U.S. troops from South Korea, and against virtually every new defense system from the B-1 bomber through MX and cruise missiles to anti-tank neutron warheads and Trident submarines.

A second project, the Center for International Policy (CIP), promoted "non-interventionist" and "human rights" foreign policies. [Notwithstanding that the "human rights" foreign policy means intervening against countries friendly toward the United States while refraining from hindering the activities of Communist totalitarian states.] The third IPS spin-off is the Center for National Security Studies (CNSS) which has played a highly visible role in the crippling of the Central Intelligence Agency and the FBI's internal security programs.

Many of those affiliated with the CIP in 1976 went into policy-making roles in the Carter Administration, David Aaron, Senator Mondale's top aide on the Senate Intelligence Committee, went to the White House National Security Council; W. Anthony Lake, Joseph Nye, and Barbara Watson took major subcabinet posts; but William G. Miller stayed as staff director of the Senate Intelligence Committee and Tom Dine remained the Senate Budget Committee's Senior Analyst for Defense and International Affairs. [Severed from his post by the new Intelligence Committee Chairman, Senator Barry Goldwater (R-AZ), Mr. Miller is still a consultant to the Intelligence Committee.]

By paying political debts to what is termed the McGovern wing of the Democratic Party and to leading left-liberal Senators Edward Kennedy, Frank Church, and Vice-President Walter Mondale, the Carter Administration brought into the White House National Security Council, State Department, Treasury and other federal agencies a large contingent of these IPS associates.

Carter's major foreign policy fiascos can be attributed in varying degrees to these IPS associated policymakers. These disasters include the failed SALT II Treaty, the support for Soviet backed revolutionary terrorist movements in Rhodesia and South Africa the courtship of Algeria and hostility toward Morocco, the overthrow of the government of Nicaragua in favor of the Castroite Sandinistas, and the total lack of response to the Marxist, Soviet-backed coups in Grenada and the 1978 coup preceding the Soviet invasion of Afghanistan.

This group of officials includes Paul Warnke, chief SALT negotiator and now an IPS trustee; Sidney Harmon, IPS trustee at the time he was appointed Under Secretary of Commerce; James A. Joseph, Under Secretary of the Interior, and his deputy, Steven Quarles, now IPS lecturers; Mark Schneider, Deputy Under Secretary of State for Humanitarian Affairs; David Aaron, deputy head of the National Security Council; and W. Anthony Lake, director of the State Department's Policy Planning Staff, who is slated to lecture on the executive branch of government during the January-February 1981 session of the Institute for Policy Studies Washington School.

According to its 1979-80 Annual Report, the Institute for Policy Studies and its international program, the Transnational Institute (TNI) had a total budget of $1,616,000 for Fiscal Year 1980. The total income figure reported was $1,747,000.

The Samuel Rubin Foundation of New York has been the chief source of IPS funds for more than a decade. The chairman of the IPS board of trustees is Peter Weiss, president of the foundation. He is a leading international patent attorney and a member of the National Lawyers Guild (NLG), a radical lawyers organization formed as a Communist Party front which remains as the U.S. section of the Kremlin-run International Association of Democratic Lawyers (IADL).

Weiss's wife, Cora Rubin Weiss, an officer of the Rubin Foundation, received national notoriety for her pro-Hanoi organizing during the Vietnam war. As one of the top leaders of the Communist-dominated National Mobilization Committee to End the

War and its successor, the People's Coalition for Peace and Justice (PCPJ), Cora Weiss traveled abroad to Paris and Hanoi repeatedly to meet with Vietnamese Communist leaders. Mrs. Weiss's own organization, the Committee of Liaison, became a conduit for contacts between American prisoners of war in North Vietnam and their Families. Three POWs brought back to the United States by her group testified before the U.S. Senate that their release by Hanoi had been conditional on their making antiwar propaganda statements for the "Liaison" group. More recently she has directed organizations sending material aid to Hanoi.

Cora Weiss has been a quiet source for cash funding of key anti-Vietnam and leftist groups in her own right. The Weisses control a separate foundation which apparently receives its principal funding of some $50,000 a year from the Samuel Rubin Foundation. This organization, the Fund for Tomorrow, operates from the Weisses Bronx home. It succeeds their previous foundation, the Twenty-First Century Fund.

The late Samuel Rubin, a multi-millionaire philanthropist and retired chairman of the board of Faberge, used his fortune extensively to support medical research, the arts and various charities.

In 1935, the Comintern directed its parties into the "popular front," an era of "respectability." Communist Party members in the United States came out of the "underground" and openly enrolled as communists on the voter rolls for the 1936 elections. Among them was Samuel Rubin.

The Rubin Foundation not only directly funds IPS and its Transnational Institute subsidiary, it is also a major source of funding for various radical groups whose work may parallel or supplement IPS, and for the "independent" spinoff organizations within the IPS network.

For example, during calendar year 1979, the Samuel Rubin Foundation provided $10,000 to the Film Fund, which used the money to complete a 3-hour television film villifying the Central Intelligence Agency. CIA-defector Philip Agee, whose residency in Holland was facilitated by the Transnational Institute in Amsterdam, was a partner in the company which made the film and the featured "performer." Entitled "On Company Business," the film was broadcast in three installments over the taxpayer-funded National Public Television network in May 1980.

The Institute for Policy Studies has played a central role in the campaign to destroy the U.S. intelligence capability. IPS spawned the Center for National Security Studies (CNSS), the principal anti-CIA lobby on Capitol Hill. Marcus Raskin was instrumental in the transformation of Counter-Spy magazine from the rambling publication of a few isolated radical Vietnam war veterans into the mouthpiece of Philip Agee, whose continuous meetings with Cuban intelligence officers have been reported in the European and American press.

CNSS attempts to present an image as being a "reasonable" critic of the U.S. intelligence agencies despite its demands for total dismantling of covert action, a total ban on the recruitment and use of human sources of information, and termination of all domestic security investigations. CNSS was organized in 1974 by IPS's Robert Borosage and Morton Halperin. Halperin, a ubiquitous witness in the intelligence hearings whose suggested restrictive "reforms" were incorporated into Church Committee recommendations, flew to London in January 1977 to assist Philip Agee fight a deportation order. Agee said he was being deported because the British government believed he betrayed a NATO intelligence network collecting information about the Warsaw Pact. When Agee lost his deportation fight he went to Amsterdam. Dutch media reported that the TNI facilitated his entry.●

CUT DEFENSE SPENDING?

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. ASPIN. Mr. Speaker, I hear anguished cries that the Democrats in the House are preparing to cut defense spending. I am concerned, however, that we Democrats are preparing to roll over and acquiesce in the largest peacetime defense increase in history.

We are hearing stories about how it is going to be necessary to increase defense spending in the budget Democrats are fashioning in order to bring conservatives in the party on board. But what about others in the party. Our vote is also needed to pass the budget and I don't think it has sunk in yet what a massive increase in defense spending this really is.

What we are seeing is liberal Democrats on the House Budget Committee preparing to recommend the largest peacetime defense increase in the history of our Nation—larger, in fact, than even the wartime increases to pay for Vietnam.

The Democrats on the House Budget Committee, that terrible little group of nasty budget cutters, are proposing an increase of $45 billion in defense.

That $45 billion dollars would be an increase of 26 percent. The largest 1-year increase in the last three decades was 24 percent—and that was a wartime increase, the boost in spending to pay for Vietnam in fiscal year 1967. No peacetime increase even approaches the increase Democrats on the House Budget Committee are agreeing to.

I repeat, no peacetime military spending increase even approaches the increase Democrats on the committee are agreeing to this year.

What is $45 billion? What are we Democrats proposing to give to the Pentagon?

The $45 billion increase itself comes to:

Four times the size of the entire current food stamp program—$11.1 billion in fiscal year 1981 budget authority.

Six times the entire current program of Aid to Families with Dependent Children—$7.7 billion in fiscal year 1981 budget authority.

Thirty times the budget for the entire legislative branch, all those in the Senate and House not to mention the GAO, GPO, Library of Congress, Botanical Gardens and so on ad nauseum—$1.5 billion.

One-third higher than the total budgets for 6 of the 13 cabinet level departments—$34.8 billion for the Departments of Energy, Education, Commerce, Justice, Interior, and State.

Six times what the Federal Government spent in the State of Wisconsin in fiscal year 1980—$7.6 billion—for all programs including social security and the Postal Service.

That's what the $45 billion increase—increase—the Democrats are conceding amounts to.

We are doing this in the very same budget in which we are cutting everywhere else. As the table shows, we—that is, the Democrats on the House Budget Committee—are discussing cuts of 8 percent in unemployment compensation, 10 percent in AFDC, 13 percent in food stamps, 15 percent in student financial aid, and so on through the budget. These are real cuts. They are cuts from the current services budget—this is the budget that would exist if we just extended this year's program into next year.

By contrast there is no cut in defense. Defense spending increases dramatically over last year's current services level—both President Carter and President Reagan have increased defense, whereas President Carter to some extent and President Reagan to a greater extent have cut the other programs.

In only one comparison can it be said that the House Budget Committee is cutting defense. And that is no comparison with President Reagan's budget and the cut is peanuts. The cut in budget authority is $6 billion on a budget of $226 billion or 2.6 percent. In outlays under the House committee proposal defense spending actually goes up.

But what about a cut of 2.6 percent? Can any Member of this House say that the budget of any agency cannot be cut 2.6 percent? Is there any doubt that there is at least 2.6 percent worth of waste in that budget? Is there any doubt that when an agency's budget is increasing dramatically that the possibilities of waste also increase dramatically? Is there anyone who believes that we cannot cut that budget by 2.6 percent without hurting the national security of the country?

Of course not. It can be cut and cut more than we are doing.

These cuts are so small it might be asked why bother? Why bother fighting for these cuts if they are so miniscule? The answer is, I think, symbolism. When we are doing so much in the way of cuts for so many other programs to make no cuts in defense would be unacceptable. To make the tiny cuts that we have made, borders on being unacceptable.

As I say Mr. Speaker, there is talk of adding another $1 billion to defense to satisfy the conservatives. To that I have two questions. First, how much do we have to do to satisfy them? And, second, how are we then going to pass the budget without the liberals?

HOUSE BUDGET COMMITTEE INCREASES AND CUTS FROM CURRENT POLICY, 1982 BUDGET AUTHORITY

[Dollar amounts in billions]

	Current policy	Reagan Reestimated	House Budget Committee	House Budget Committee minus current policy as a percent of current policy
Defense	$175.20	$226.15	$219.60	+29.1
EPA construction grants	3.63	.....	.10	−97.2
UMTA	5.14	4.29	4.29	−16.5
CDBG plus folded-in programs (UDAG, DOE weatherization, solar bank, HUD planning, Rehabilitation loans, neighborhood self-help)	5.17	4.17	4.32	−16.4
EDA	.67	.05	.36	−46.3
Student financial assistance (Pell grants)	4.68	3.80	4.00	−14.5
Loan guarantees for students	3.44	2.65	3.13	−9.0
Unemployment compensation	23.38	21.44	21.59	−7.7
Food stamps	12.39	10.10	10.76	−13.2
Aid to families with dependent children	6.44	5.33	5.83	−9.5

●

"JOCKO" CONLAN

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. RUDD. Mr. Speaker, "Jocko" Conlan, whose son John B. Conlan, Jr., is a former Member of Congress, is a Hall of Fame umpire who officiated in the major leagues for 25 years. He recently visited President Reagan at a White House luncheon. The following article by the Arizona Republic's Verne Boatner is indicative of the type of man and great American "Jocko" is, and pays just tribute to a fine human being, one of the truly great men of baseball.

I ask unanimous consent to insert the April 2, 1981, article from the Arizona Republic by Verne Boatner at this point in the RECORD.

UMP FINDS BASEBALL AT HOME IN WHITE HOUSE

John "Jocko" Conlan, 81, was relaxing in his Paradise Valley home Monday when the telephone rang.

"Ronald Reagan has been shot," a friend said. "It's on the news."

Conlan, a Hall of Fame umpire who officiated in the National League from 1941 to 1965, rushed to his television set and, like millions of other Americans, sat mesmerized for hours by the bizarre unfoldings that could have resulted in the assassination of yet another American president.

"I couldn't turn it off," Conlan said. "It was terrible, horrible. I said to my wife, Ruth, 'That's a sin to have something like that happen to a man like Reagan.'"

As television played, and replayed, the gunman's attack, Conlan's memory fluttered back only three days to when Reagan had greeted him warmly at a luncheon in the White House with "Hello, Jocko. How are you?"

Their association goes back to the 1930s, when Conlan was playing for the White Sox and Reagan, then an aspiring young sportcaster, was re-creating baseball games of both the Chicago White Sox and Cubs with the aid of Western Union's terse play-by-play reports.

"We didn't know each other then," Conlan said. "I first met him at Loyal Davis' home years later. The doctor (who now lives in Phoenix) and I were pretty good friends because he used to come to games of the Cubs when I was umpiring and sit in a box right next to the Cub's dugout."

The Davises are parents of Reagan's wife, Nancy.

"When Davis invited me to his home, Reagan was there. The good doctor said, 'Ronald, Jocko's a good friend of mine in Chicago. He's an umpire.' Reagan said, 'Oh Jocko Conlan. I remember you when you were with the White Sox.'

"He (Dr. Davis) was a great neurosurgeon in Chicago and also a rabid baseball fan. He's also a wonderful and very thoughtful man. I remember when I lived on Mummy Mountain (in Paradise Valley), my daughter wasn't well and he came all the way over to see her from where he lives in Biltmore Estates."

Reagan and Conlan met a couple of other times over the years, at a banquet for Los Angeles Dodgers announcer Vin Scully and at a political meeting when Conlan's son, John, was a U.S. Congressman.

It was Reagan's idea to invite Hall of Famers to last Friday's luncheon at the White House. It was a prelude to the opening of the baseball season, when Reagan was scheduled to throw out the first ball Wednesday in Cincinnati.

The baseball commissioner's office and the Hall of Fame picked up expenses for those attending. Thirty-two members of the Hall of Fame showed up.

"He was so down to earth," Conlan said of Reagan. "He came right in, and I happened to be standing at a table next to him. He shook my hand, said 'Hello, Jocko,' and told me how nice it was of me to attend."

The luncheon lasted for about two hours. Reagan was the only speaker, except for a few closing comments by Baseball Commissioner Bowie Kuhn.

"Reagan just went out and told old-time stories of when he was announcing baseball," said Conlan. "He told of his experience—I think it was the 1938 World Series—when Billy Jurges (of the Cubs) popped up a foul ball just as the telegraph line went dead."

Reagan improvised, having Jurges foul off three or four more pitches.

"He made me look good," Reagan confided, chuckling. When Western Union service was restored, Reagan found that Jurges eventually did foul out.

One of the highlights of the luncheon, according to Conlan, occurred when Reagan opened up a present from Oakland A's Manager Billy Martin. It was a new A's shirt and cap.

"The President put on the cap and held the shirt across his chest," Conlan said. "He looked just like a ballplayer. He really got a great hand."

Afterward, the Hall of Famers lined up to be greeted by Reagan. A Marine guard asked for their names as they approached.

"But I think he (Reagan) knew everybody before the Marine told him," Conlan said, "because he called everybody's name right out.

"I told him, as I shook hands, that I was going to give a report to the good doctor (Loyal Davis) about him. He said, 'Do that, Jocko.'

"There was no question that it was his party. I thought it was a great gesture from the President of the United States to help baseball . . . and baseball played a good part in accepting his invitation.

"It was the best thing in years and years of my career in baseball. I never got a better thrill. The way he handled (the luncheon) made me know he still cared about the sport.

"It touched me, because baseball isn't going to leave me. And I'm not going to leave it, either."●

IF PRESENT TRENDS CONTINUE

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, world hunger and famine, energy shortages, environmental devastation, and international strife are predicted for the year 2000 by "The Global 2000 Report to the U.S. President" if present trends continue.

A constituent, Associate Prof. James C. Stewart, from San Rafael, Calif., has written an excellent and very thoughtful article on these critical problems facing Third World countries and the rest of the world. He has been involved in intensive study of the problems of the Third World nations for the past 20 years.

His article follows:

Recently our 10-year-old son burst into our bedroom in the middle of the night, crying hysterically: "Mon, Dad, wake up. A computer has malfunctioned and the earth is going to blow up!" It was not the first such nightmare he has had, but it certainly was one of the most vivid and terrifying.

I listen to those around me and read accounts in the press, and I am disturbed by how many people expect our current economic problems to be solved by a depression or a war.

I read "The Global 2000 Report to the U.S. President" and find well-informed predictions that if present trends continue the world in the year 2000—less than two decades from now—will be one of massive famine, energy shortages, environmental devastation, and international strife.

"If present trends continue . . ." And still we fail to act.

What is the value of our nation's wealth if this is the bleak, despairing world we have created for ourselves? What is the worth of our many achievements if even our children perceive the world to be poised on the brink of disaster?

E. F. Schumacher once observed that we are a society "rich in means and poor in purpose." It seems true that at this point in our history we lack a clear sense of direction, a dedication to common goals and ideals which would make us act to avert these potential disasters.

And yet if we fail to act, if we simply let "present trends continue," the future looks ominous indeed.

What can be done? First we must understand that our problems cannot be solved in isolation. For better or worse, we are now part of a global community and a global economy. Our fate is tied to the fate of billions of other human beings throughout the world. Our problems cannot be solved in a lasting way until many of their problems are solved.

Second we must recognize that the kind of security which is bought with armaments is a fragile, precarious security. It is not a security which brings much peace of mind. It is a hollow security in economic terms as well because it drains so many of our resources in the present and threatens to destroy so many more in the future.

Many habitual responses of the past—like spending more for bombs and guns—become less and less rational in the face of limited resources and a growing sense of our common humanity.

As an alternative, I would propose something on the order of a new "Marshall Plan"—the Foundation Recovery Plan mounted by the United States after World War II to help the war-devastated countries of Western Europe.

In this case the plan would be one of massive economic aid to Third World countries to help them combat hunger, disease, illiteracy and unemployment.

This new initiative would require a commitment of national will and resources on a scale similar to the Marshall Plan. Like that plan it would be undertaken for both practical and humanitarian reasons. Americans felt genuine humanitarian concern for the peoples of Europe after WW II, but there was also the practical consideration that if these nations were not given large-scale financial assistance the entire international economic order might collapse, plunging the world back into a 1930s-like depression and sowing the seeds for further war.

Similar consequences may face us soon if we fail to help the Third World countries.

But how can we talk about giving more at a time like this, with our economy in its present condition? And besides, haven't we already done more than our share for these nations? Actually, compared to other developed nations the amount we have given in the past has been only a small percentage of our GNP—currently about one fifth of one percent. We must also remember that our nation is far wealthier today than it was when the original Marshall Plan was undertaken.

The "massive" aid program I am advocating could be funded with only 1 percent of our GNP. This is a tiny fraction of our output, but is massive in relation to the economic needs of Third World nations. This amount alone would multiply our present aid by more than five times, from about $5.1 billion to about $26 billion.

To avoid some past problems of monetary aid, much of this assistance could be in more creative forms. One would be forgiveness of past debts, to include having the U.S. government pay debts which Third World nations owe to private American lending institutions. This would reduce their need for foreign exchange, would diminish their export orientation, and would strengthen U.S. financial institutions. Some of our Western allies have already taken the lead in cancelling the debts of Third World countries.

This aid could also be in the form of appropriate technology suitable for use in rural areas, such as fuel-efficient tractors, windmills, solar cookers, grain dryers, irrigation pumps, etc. Manufacturing such devices here and distributing them to Third World nations could increase employment both at home and abroad. The effect would be to increase meaningful employment and expand purchasing power for perhaps millions of people.

What other benefits might result from such a plan?

The United States might regain its position of moral and political leadership in the world. This would be an assertion of democracy on a universal scale, accompanied by a recognition of human rights and dignity and the need for economic freedom. This would be a commanding example for other developed nations to follow.

The plan would assist Third World nations in meeting the basic needs of their people—including food, health care and employment. This would lead not only to greater well-being for these people themselves but also to more stable governments, healthier economies, and reduced international tensions.

Finally, asserting our will as Americans to undertake such a plan might unite our own people in a common purpose. Already millions of Americans—for religious and humanitarian reasons—have committed themselves to the struggle to end world hunger and achieve international peace. Let us broaden these efforts and bolster them with a national policy dedicated to economic assistance, recognition of human rights and dignity, and achievement of a lasting peace.

If we have the courage and the will to act, the year 2000 may dawn on an era of unprecedented well-being for the Earth and all its people.

If only we wake up in time.●

HOW TO APPROACH MIDDLE EAST ISSUES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 8, 1981

● Mr. HAMILTON. Mr. Speaker, I would like to bring to my colleagues' attention an excellent article on the Middle East written by Harold H. Saunders, former Assistant Secretary of State for Near East and South Asian Affairs in the Department of State, which appeared in the April 4, 1981, issue of the Christian Science Monitor.

Mr. Saunders says our policy problems in the Middle East cannot be dealt with piecemeal. He believes our problem in the Middle East today is not just the Soviet thrust toward the Persian Gulf, the Arab-Israeli conflict and resolution of the Palestinian issue, or assuring a steady flow of oil. It is all these issues and Mr. Saunders feels we do not have the luxury of addressing one part of the Middle East problem at a time.

Mr. Saunders argues that there is no substitute for negotiations and that the United States should not start the peace process over again but should build from Camp David a negotiating process which engages Israelis and Palestinians in practical moves toward peace.

He concludes that:

* * * moving the Arab-Israeli conflict toward resolution is a key to our strategic position in the Middle East. Peacemaking is power. When the United States shows its power as a peacemaker, its position in the world is strengthened.

Mr. Saunders retired from the State Department in February, 1981, and is now associated with the American Enterprise Institute for Public Policy Research in Washington, D.C.

His article follows:

THE MIDDLE EAST PROBLEM NOW

(By Harold H. Saunders)

The United States cannot deal with the Middle East problem piecemeal. Those who recommended that we do so risk a more dangerous Middle East.

The "Middle East problem" is not just how to meet the Soviet thrust toward the strategic Persian Gulf area. It is not just how to resolve the Arab-Israeli conflict or the Palestinian problem. It is not just how to assure a steady flow of oil.

The "Middle East problem" is all of these issues—and more. The challenge is to conduct a policy that deals with them all at the same time this area is undergoing profound social, economic, and political change.

We do not have the luxury of addressing one part of the Middle East problem at a time. And we cannot deal with each issue separately, even though we want to avoid specific linkage. They are all parts of one world view when seen from the Middle East.

The U.S. view of the Soviet threat starts from concern about Soviet control over the flow of oil to the free world. The Soviet invasion of Afghanistan underscores that threat partly because the turmoil in neighboring Iran tempts Moscow to set up a similar military position in Iran on the Persian Gulf.

The people of the Middle East are keenly aware of the Soviet military aggression. But the Soviet threat looks different through the eyes of moderate Arabs. They see USSR strengthening its own position by exploiting extremists groups in the region who thrive on instability. They know that instability is likely in one of the fastest-changing areas of the world today.

They see the Soviets using the Arab-Israeli conflict as another wedge for broadening their position. They see the Soviets taking a free ride by backing the frustrated Palestinian nationalists without really helping them.

They see the Palestinian problem partly as a security problem. To be sure, it is also the symbol to them of injustice and of Arab humiliation at the hands of Western imperialism. But Palestinians occupy key positions in many of the Gulf societies. And moderate Arabs see an unresolved Palestinian problem as a club the radicals can hit them with—especially if those moderates cooperate with the U.S.

They see the Soviets exploiting further Arab-Israeli fighting—another cause of instability.

Arab cooperation with the U.S. in blunting the Soviet strategic threat will depend on U.S. cooperation with Arabs in meeting the security threat as they see it—and in reducing causes of instability. As an unofficial Egyptian recently put it: "For you to define

the threat only as you see it and not to understand how we see it is intellectual imperialism. If you ignore the hopes and fears of our people, you cannot expect to be strong here."

The Soviet threat looks different through Israeli eyes, too.

Israel is naturally preoccupied with security on its immediate borders. Israelis have normally left the Soviet military threat to the U.S.

The immediate security threat, as Israelis see it, is from Arab states which they believe reject Israel's existence. Israel sees Moscow backing some of those Arab states to improve its own position.

Apart from Egypt, Israelis do not always see that some Arab states fear Soviet objectives as much as Israelis do. They are uneasy seeing the U.S. in too close a relationship with powerful Arabs—even to check Soviet pressures.

The heart of Israel's long-term security lies in recognition and acceptance by other states in the Middle East—as well as the undoubted ability to defend itself. Israel's security requires a sound resolution of its conflict with the Arabs.

If we ignore the view that security is threatened as much by an unresolved Arab-Israeli conflict as by direct Soviet aggression, many Middle Easterners will go slow in security cooperation with us. They will eventually try to force us to pay attention to the threat as they see it by using economic pressure or military force.

The way to win cooperation is not to think of security as mainly a military problem. If we do, we will get much less than the cooperation we seek—on both security and economic matters. The way to win security cooperation is to define the threat broadly as others see it while preserving our own global perspective. If we do, we will get much more of the cooperation we seek.

How do we address the security problem as Middle Easterners see it?

There is no question that most leaders in the Middle East expect the US to check the Soviet's military. They will, therefore, listen carefully to our strategic thinking. Their ability to cooperate, however, will depend on local and regional issues.

For the Arabs, reducing tension which the USSR can exploit requires dealing convincingly with the Palestinian problem. For moderates, this means developing an opportunity for Palestinians to determine their own future in an honorable way that would enable them to live at peace with their neighbors.

For the Israelis, security begins with Israel's own military strength to defeat any Arab attack and with the US security umbrella. It also requires reducing potential military danger from the West Bank. Eventually it requires Arab recognition of Israel and readiness to make peace.

Some Israelis talk of a Palestinian state as potentially a Soviet-supported threat to Israel. These real security concerns often become tangled with the objective of some Israelis to make all the West Bank part of Israel.

In the eyes of Middle Easterners, dealing with security and the strategic balance requires dealing with the Arab-Israeli conflict.

The Camp David framework set up for the first time a negotiation in which the Israeli security and Palestinian interests are on the same agenda. The issue remains how to involve both Palestinians and Israelis in such a negotiation.

Two critical ingredients have been missing from this negotiation: (1) The Palestinian National Charter gives Israel the impression that there is no Palestinian commitment to make peace between Israel and the Palestinian people. Continuing terrorist attacks reinforce the Israeli impression. (2) The Israeli policy of placing settlements in the West Bank gives Arabs the impression that there is no Israeli commitment to accept the Palestinian Arab homeland they seek.

What opened the door wide to peace between Egypt and Israel were President Sadat's dramatic visit to Jerusalem and Israel's response. More than words, Sadat demonstrated Egypt's recognition of Israel and readiness for peace and normal relations. With the promise of peace, Israel negotiated withdrawal of both military forces and civilian settlements from Sinai.

By making peace between Israel and the Palestinian people look possible, the Palestinians could open the way to the next steps toward peace. An unambiguous declaration of Palestinian readiness to make peace would not require them to give up a negotiating chip because they could condition it on a reciprocal Israeli commitment.

An Israeli initiative to produce a negotiation could also have important results.

How the Palestinians would organize themselves for negotiation would be part of the Palestinian position. Both the Palestine Liberation Organization and leaders in the West Bank and Gaza would play critical roles in crystallizing that position.

There is no substitute for negotiation. That is why efforts must be redoubled to find a basis for negotiation which can involve both Israelis and Palestinians. Europeans could play an important role—provided their objective is engaging both sides in negotiation. Only a negotiated agreement can change the situation on the ground.

To scrap the Camp David framework would be unwise, even though it has not accomplished all we wanted. It was hammered out on the anvil of political realities as far as it could go. It was approved by the Egyptian and Israeli parliaments. Its approach is realistic.

The problem is not to start over but to build from Camp David a negotiating process that will engage Palestinians and other Arabs with Israelis in practical moves toward peace.

Neither a Palestinian settlement nor an Arab-Israeli peace will alone assure stability in the Middle East. Neither will assure adequate oil supply. Neither will stop the Soviets. Peace is not a panacea. The Arab-Israeli conflict is not the only conflict or cause of instability in the Middle East.

It is equally true, however, that deadlock and utter lack of hope for the Palestinians will virtually assure instability and prolonged war against Israel. Continuing deadlock can gradually force moderates into the rejectionist camp. It can lead to further conflict. It can, in part, determine the political shape of the Middle East for the rest of this decade.

Whatever else we may need to do, moving the Arab-Israeli conflict toward resolution is a key to our strategic position in the Middle East. Peacemaking is power. When the US shows its power as a peacemaker, its position in the world is strengthened.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 9, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 10

9:00 a.m.

Foreign Relations

To hold hearings on the nomination of John J. Louis, Jr., of Illinois, to be U.S. Ambassador to the United Kingdom of Great Britain and Northern Ireland.

4221 Dirksen Building

9:30 a.m.

Labor and Human Resources

To resume hearings on proposed authorizations for fiscal year 1982 for health professions block grants and preventive health block grants.

4232 Dirksen Building

10:00 a.m.

Budget

Business meeting, to continue markup of the proposed first concurrent budget resolution for fiscal year 1982 setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.

6202 Dirksen Building

Foreign Relations

To resume hearings on proposed legislation authorizing funds for fiscal year 1982 for foreign assistance programs, receiving testimony from administration officials on foreign assistance to Africa.

4221 Dirksen Building

10:30 a.m.

Judiciary

To hold hearings on S. 114, establishing criteria for the imposition of the death penalty for Federal crimes.

2228 Dirksen Building

APRIL 20

10:00 a.m.

Judiciary

To hold hearings on S. 816, to limit the ability of foreign governments to sue for damages for antitrust violations in U.S. courts.

2228 Dirksen Building

APRIL 21

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Navy/Marine Corps procurement, operations, and maintenance programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Forest Service programs, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, and the Pennsylvania Avenue Development Corporation.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on proposed authorizations for housing programs.
5302 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the International Communication Agency, Arms Control and Disarmament Agency, and the Federal Trade Commission.
S-146, Capitol

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 761, authorizing a national program to encourage dam safety, and to review the Federal role in State water planning and research assistance.
4200 Dirksen Building

Judiciary
To hold hearings on proposed legislation, making a defendant liable only for damages caused by sales and proportionate portion on damages attributable to sales by a nonconspirator.
2228 Dirksen Building

Labor and Human Resources
To hold hearings to request certain records from the Department of Labor.
4232 Dirksen Building

10:30 a.m.
Armed Services
Sea Power and Force Projection Subcommittee
Closed business meeting, to begin mark up of S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.
224 Russell Building

1:00 p.m.
Appropriations
*State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for programs under its legislative jurisdiction, receiving testimony from public witnesses.
S-146, Capitol

Labor and Human Resources
To resume hearings on alleged sex discrimination in the workplace.
4232 Dirksen Building

2:00 p.m.
Armed Services
Preparedness Subcommittee
Closed business meeting, to resume markup of S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.
212 Russell Building

Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 761, authorizing a national program to encourage dam safety, and to review the Federal role in State water planning and research assistance.
4200 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 22

8:00 a.m.
Governmental Affairs
To hold oversight hearings on the activities of the U.S. Postal Service, and to receive a report from the Postmaster General.
3302 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of Energy.
1114 Dirksen Building

*Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Legal Services Corporation, Federal Communications Commission, American Bar Association and the Commission on Civil Rights.
S-146, Capitol

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed authorizations for housing programs.
5302 Dirksen Building

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Food and Drug Administration, and the Commodity Futures Trading Commission, and for the Agricultural Marketing Service, Federal Grain Inspection Service, Office of Transportation, and the Agricultural Cooperative Service, of the Department of Agriculture.
1223 Dirksen Building

Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Environmental Protection Agency
1318 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building

Labor and Human Resources
To hold hearings on proposed legislation authorizing funds for certain health maintenance organizations of the Department of Health and Human Services.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for NATO infrastructure/European construction programs.
1224 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 761, authorizing a national program to encourage dam safety, and to review the Federal role in State water planning and research assistance.
4200 Dirksen Building

2:00 p.m.
Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 761, authorizing a national program to encourage dam safety, and to review the Federal role in State water planning and research assistance.
4200 Dirksen Building

APRIL 23

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Navy/Marine Corps manpower and reserve programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Heritage Conservation and Recreation Service, and the Indian Health Service, Department of the Interior.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed authorizations for housing programs.
5302 Dirksen Building

Judiciary
Separation of Powers Subcommittee
To hold hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 18, and Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building

9:30 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Farmers Home Administration and the Rural Electrification Administration of the Department of Agriculture, and the Farm Credit Administration.
1318 Dirksen Building
Judiciary
Agency Administration Subcommittee
To hold hearings on S. 890 and S. 684, bills to provide for congressional review of proposed Federal agency rules.
235 Russell Building
Judiciary
Security and Terrorism Subcommittee
To hold hearings to explore the direction and support tactics of terrorism.
2228 Dirksen Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on proposed legislation authorizing funds for certain social services block grants.
4232 Dirksen Building
*Special on Aging
To hold oversight hearings on the implementing of the Older Americans Act.
5110 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
*Energy and Natural Resources
*Energy Regulation Subcommittee
To hold hearings on proposed amendments relating to off-gas provisions (Sec. 301a), and on all aspects of the Powerplant and Industrial Fuel Use Act (Public Law 95-620).
3110 Dirksen Building
Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 761, authorizing a national program to encourage dam safety, and to review the Federal role in State water planning and research assistance.
4200 Dirksen Building
Governmental Affairs
To hold hearings on S. 591, to provide incentives for the Federal Government in their debt collection efforts.
3302 Dirksen Building
2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Code of Official Conduct.
6226 Dirksen Building

APRIL 24

9:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on proposed authorizations for housing programs.
5302 Dirksen Building
Judiciary
Separation of Powers Subcommittee
To continue hearings on S. 158, establishing a congressional finding and declaration that human life begins at conception, S. 583, limiting the jurisdiction of the Federal courts in matters relating to abortion, and Senate Joint Resolution 17, Senate Joint Resolution 18, and Senate Joint Resolution 19, proposed constitutional amendments providing for the protection of unborn children.
1202 Dirksen Building
9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax measures, S. 408, 436, 598, and 867.
2221 Dirksen Building
Judiciary
Courts Subcommittee
To hold hearings on proposed legislation to create Federal judgeships.
2228 Dirksen Building
10.00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on proposed amendments relating to off-gas provisions (Sec. 301a), and on all aspects of the Powerplant and Industrial Fuel Use Act (Public Law 95-620).
3110 Dirksen Building

APRIL 27

8:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold oversight hearings on the activities of the Senior Executive Service of the Office of Personnel Management.
357 Russell Building
9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on proposed legislation authorizing funds for the National Science Foundation.
235 Russell Building
*Judiciary
To resume hearings on S. 114, establishing criteria for the imposition of the death penalty.
2228 Dirksen Building
10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
6226 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To hold oversight hearings on alleged fraud and abuse in the operation of home health care services.
3302 Dirksen Building
Small Business
To hold hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building
1:00 p.m.
Finance
Oversight of the Internal Revenue Service Subcommittee
To hold oversight hearings on recent IRS regulations under the Internal Revenue Code relating to family farms and other family businesses.
2221 Dirksen Building

APRIL 28

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Endowment for the Arts and the National Endowment for the Humanities.
1114 Dirksen Building
9:30 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings to review major banking and consumer protection laws, focusing on Federal financial regulators.
5302 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for the hazardous materials transportation program, the natural gas pipeline safety program and the hazardous liquid pipeline safety program.
235 Russell Building
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building
10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building
Governmental Affairs
To hold hearings on S. 10, to establish a Commission on More Effective Government.
3302 Dirksen Building
Labor and Human Resources
Education Subcommittee
To hold hearings to review certain educational programs.
5110 Dirksen Building
Small Business
To continue hearings to examine the Small Business Administration's contracting procedures and personnel policies.
424 Russell Building
2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of the Secretary of the Treasury.
S-126, Capitol
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 306, authorizing funds for fiscal year 1982 for the construction, operation, and maintenance of specified hydroelectric powerplants at various existing water projects.
3110 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 29

8:00 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To resume hearings on the U.S. Postal Service proposal to expand the present ZIP code system to a 9-digit ZIP code.
5110 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Consumer Cooperative Bank, and the Consumer Product Safety Commission.
1318 Dirksen Building

Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission on Security and Cooperation in Europe, Small Business Administration, and the Federal Maritime Commission.
S-146, Capitol

Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold oversight hearings on the implementation of the Economic Opportunity Act.
457 Russell Building

Labor and Human Resources
Labor Subcommittee
To continue oversight hearings on the implementation of the Davis-Bacon Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs.
1224 Dirksen Building

Governmental Affairs
To hold hearings on pending nominations.
3302 Dirksen Building

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Subcommittee on Human Resources of the Committee on Post Office and Civil Service on the use of consultants by the Federal Government.
311 Cannon Building

Judiciary
To hold oversight hearings on the implementation of the Copyright Act of 1976, focusing on provisions relating to cable television.
2228 Dirksen Building

Labor and Human Resources
Education Subcommittee
To continue hearings to review certain educational programs.
6226 Dirksen Building

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for conservation and solar energy programs of the Department of Energy.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for Middle East/rapid deployment force (RDF) construction programs.
1224 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and on other related measures.
4200 Dirksen Building

APRIL 30

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Navy research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Park Service, Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Science Foundation.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold hearings on proposed authorizations for fiscal years 1982 and 1983 for the Export Administration Act, and proposed authorizations for fiscal year 1982 for the international affairs programs of the Treasury Department.
5302 Dirksen Building

Judiciary
To hold hearings on S. 255, to encourage American innovation by restoring the patent system as it affects certain products subject to premarket testing by the Federal Government.
2228 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1224 Dirksen Building

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways, and on other related measures.
4200 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the multilateral development banks of the Department of the Treasury.
S-126, Capitol

Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold hearings on S. 30, to require each Federal agency to pay interest on contract payments more than 30 days overdue.
3302 Dirksen Building

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 1

9:30 a.m.
Appropriations
State, Justice, Commerce, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Secretary of State, and for the administration of foreign affairs.
S-146, Capitol

Small Business
Innovation and Technology Subcommittee
To hold hearings on S. 881, proposed Small Business Innovation Research Act.
424 Russell Building

10:00 a.m.
Environment and Public Works
To hold hearings on the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency.
4200 Dirksen Building

2:00 p.m.
Environment and Public Works
To continue hearings on the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency.
4200 Dirksen Building

MAY 4

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force posture programs.
1223 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the activities of the Civil Aeronautics Board.
6226 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on Senate Joint Resolution 41, proposed constitutional amendment relating to affirmative action.
2228 Dirksen Building

Labor and Human Resources
*Handicapped Subcommittee
To hold hearings on the effect of rescissions and block grants on special education programs (Public Law 94-142).
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade and Tourism Subcommittee
To hold hearings to examine the Federal role in international tourism promotion.
235 Russell Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

2:30 p.m.
Environment and Public Works
To hold hearings on the prospective nomination of John Hernandez, of New Mexico, to be Deputy Administrator of the Environmental Protection Agency; to be followed by a business meeting, to consider the nomination of Ann McGill Gorsuch, of Colorado, to be Administrator of the Environmental Protection Agency, and the prospective nomination of John Hernandez, of New Mexico, to be Deputy Administrator of the Environmental Protection Agency.
4200 Dirksen Building

MAY 5

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on title 2 relating to highway safety amendments of S. 841, authorizing funds through fiscal year 1986 for the construction and safety of Federal highways.
235 Russell Building
Small Business
To hold hearings on the Small Business Administration's size standards proposals.
4232 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Rules and Administration
To resume hearings on S. Res. 20, providing for television and radio broadcasting of Senate Chamber proceedings.
301 Russell Building

11:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Navy and Marine Corps construction programs.
1318 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Export-Import Bank of the United States.
S-126, Capitol
Banking, Housing and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
235 Russell Building

MAY 6

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Geological Survey, Department of the Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force procurement programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on banking industry and financial services representatives.
5302 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development.
S-126, Capitol

MAY 7

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force research and development programs.
1223 Dirksen Building

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for fossil energy programs, domestic energy supply programs, and Federal leasing policies, Department of Energy.
1224 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on thrift industry representatives and State financial institution regulators.
5302 Dirksen Building
Commerce, Science, and Transportation
Aviation Subcommittee
To resume oversight hearings on the activities of the Civil Aeronautics Board.
235 Russell Building
Labor and Human Resources
*Handicapped Subcommittee
Business meeting, to markup proposed authorizations for fiscal year 1982 for the developmental disabilities program.
4232 Dirksen Building
Small Business
To hold hearings on S. 580, to establish program levels for the Small Business Administration Pollution Control Bond Guarantee program.
424 Russell Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building
Labor and Human Resources
Education Subcommittee
To hold hearings to review those items in the President's budget for fiscal year 1982 which fall within its legislative jurisdiction, focusing on student assistance programs.
357 Russell Building

11:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for Air Force construction programs.
1318 Dirksen Building

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development.
S-126, Capitol
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

MAY 11

10:00 a.m.
Labor and Human Resources
Business meeting, to consider proposed legislation authorizing funds for the Developmental Services and Facilities Construction Act.
4232 Dirksen Building

2:00 p.m.
Banking, Housing, and Urban Affairs
Business meeting on pending calendar business.
5302 Dirksen Building

MAY 12

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the National Aeronautics and Space Administration.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the

government of the District of Columbia.
1114 Dirksen Building.

2:00
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for certain international security assistance programs of the Department of State.
S-126, Capitol

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
457 Russell Building.

MAY 13

9:00 a.m.
Appropriations
*Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Commission of Fine Arts, the National Gallery of Art, and the Bureau of Mines, Department of the Interior.
1224 Dirksen Building

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Defense Establishment, receiving testimony on Air Force manpower and Reserve programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on money market mutual fund and securities regulators
5302 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for certain international programs of the Department of State.
S-126, Capitol

MAY 14

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Office of Territorial Affairs, Department of the Interior.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on money market mutual fund and financial industry representatives.
5302 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

2:00 p.m.
Appropriations
*Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for foreign operation programs, receiving testimony from congressional and public witnesses.
S-126, Capitol

Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

MAY 18

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on Air Force operations and maintenance programs.
1223 Dirksen Building

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings to review major banking and consumer protection laws, focusing on consumer credit regulators and consumer group and industry representatives.
5302 Dirksen Building

MAY 19

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings to review major banking and consumer protection laws, focusing on former thrift industry regulators and academicians.
5302 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

MAY 20

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development.
1224 Dirksen Building

MAY 21

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the government of the District of Columbia.
1114 Dirksen Building

JUNE 1

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on overall intelligence matters.
1223 Dirksen Building

JUNE 2

9:30 a.m.
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1982 for the Department of Housing and Urban Development, and certain independent agencies.
1224 Dirksen Building

JUNE 3

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on programs of the Central Intelligence Agency.
1223 Dirksen Building

JUNE 4

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on programs of the National Security Agency.
1223 Dirksen Building

JUNE 8

8:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on defense intelligence programs.
1223 Dirksen Building

JUNE 9

9:30 a.m.
Labor and Human Resources
*Labor Subcommittee
To hold oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4232 Dirksen Building

JUNE 10

9:15 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on special programs of the Air Force.
1223 Dirksen Building

9:30 a.m.
Labor and Human Resourcesa
*Labor Subcommittee
To continue oversight hearings on the implementation of the Longshoremen and Harbor Workers Compensation Act.
4332 Dirksen Building

JUNE 11

8:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1982 for the defense establishment, receiving testimony on command, control and communication programs and intelligence related activities of the Department of Defense.
1223 Dirksen Building

CANCELLATIONS

APRIL 14

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 16

2:00 p.m.
Select on Ethics
Business meeting, to consider further the proposed revisions to the Senate Code of Official Conduct.
6226 Dirksen Building

APRIL 21

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Commercial Motor Vehicle Safety Act.
235 Russell Building

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business meeting.
2228 Dirksen Building

APRIL 22

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for the Agency for International Development, and certain development and regional programs of the Department of State.
S-126, Capitol

APRIL 23

9:30 a.m.
Judiciary
Regulatory Reform Subcommittee
To hold hearings on proposed legislation, to require Federal agencies to analyze the effect of rules to improve their effectiveness and decrease their compliance costs and to provide a periodic review of regulations.
2228 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Business meeting to consider pending calendar business.
235 Russell Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1982 for certain international aid programs of the Department of State.
S-126, Capitol

APRIL 24

10:00 a.m.
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold oversight hearings on the implementation of the Federal procurement system.
3302 Dirksen Building

APRIL 28

10:00 a.m.
Judiciary
Business meeting, to consider pending calendar business.
2228 Dirksen Building

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